

Along The Silk Road



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Corporate Information

Board of Directors

Lt Gen Khalid Nawaz Khan, HI (M) (Retd), Sitara-i-Esar - Chairman
Lt Gen Muhammad Haroon Aslam, HI (M), S Bt (Retd)
Lt Gen Shafqaat Ahmed, HI (M) (Retd)
Mr. Qaiser Javed
Dr. Nadeem Inayat
Mr. Manzoor Ahmed - NIT Nominee
Mr. Asif Reza Sana
Mr. Zaffar Ahmad Khan
Mr. Tariq Hafeez Malik
Mr. Muhammad Ghous
Syed M. Husaini - President & Chief Executive

Board Audit & Compliance Committee

Mr. Asif Reza Sana - Chairman
Mr. Qaiser Javed
Dr. Nadeem Inayat
Mr. Manzoor Ahmed
Mr. Muhammad Ghous

Shariah Board

Mufti Muhammad Zahid - Chairman
Mufti Ismatullah - Member
Dr. Muhammad Tahir Mansoori - Resident Shariah Board Member

Auditors

M/s A. F. Ferguson & Co
Chartered Accountants

Legal Advisors

RIAA, Barker Gillette
Advocates & Corporate Counselors

Company Secretary

Mr. Umar Shahzad

Registered Office

AWT Plaza, The Mall, P. O. Box No. 1084
Rawalpindi – 46000, Pakistan.
Tel: (92 51) 9272467 & 9063752-3
UAN: (92 51) 111 000 787
Fax: (92 51) 9272455 & (92 51) 9272445
E-mail: webmaster@askaribank.com.pk

Registrar & Share Transfer Office

THK Associates (Private) Limited
2nd Floor, State Life Building No.3
Dr. Ziauddin Ahmad Road
P. O. Box: 8533, Karachi – 75530
Tel: (92 21) 111 000 322
Fax: (92 21) 35655595

Entity Ratings

Long Term: AA
Short Term: A1+
By JCR-VIS Credit Rating Company Limited

Website

www.akbl.com.pk

Social Media

 www.facebook.com/askaribankpakistan
 www.twitter.com/askari_bank

Directors' Review

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial information for the quarter ended March 31, 2016. The financial results are summarized as under:

	Rupees in thousand	
	March 31, 2016	March 31, 2015
Profit before provisions and taxation	1,889,257	2,226,869
Reversal / (Provision) against loans and advances	105,958	(175,296)
Provision / Impairment against investments	(113,672)	(151,958)
	(7,714)	(327,254)
Profit before taxation	1,881,543	1,899,615
Taxation	(658,612)	(639,717)
Profit after taxation	<u>1,222,931</u>	<u>1,259,898</u>
Basic earning per share - Rupee	<u>0.97</u>	<u>1.00</u>

The Bank performed well during the quarter under review as customer deposits increased to Rs.449 billion at March 31, 2016 from Rs.433 billion at the close of 2015, a 4% growth during the quarter. On March 31, 2016, net advances stood at Rs.209 billion compared to Rs.200 billion at December 31, 2015, another 4% growth during the quarter under review. However, a 1% increase in net markup income reflects the impact of incremental balance sheet growth largely being offset by a sharp decline in bench mark rates compared to the corresponding quarter of last year.

Trade and business related non fund income increased by 3% during the quarter; however the aggregate non markup income declined marginally, by 2% over the first quarter of previous year. Administrative expenses increased by 12% mainly due to the additional expenses of new branches being added to the nation-wide network.

During the quarter under review, aggregate non-performing advances declined by 2% to Rs.30.8 billion, from Rs.31.5 billion at year end 2015 as the Bank is aggressively pursuing recoveries. Resultantly, the net provision against non-performing assets reduced to Rs.8 million for the current quarter, compared to Rs.327 million for the quarter ended March 31, 2015, and was the main reason for a mostly sustained bottom line profits; profit before and after taxation of Rs.1.88 billion and Rs. 1.22 billion, respectively.

Your Bank now has a network of 424 branches, including 75 Islamic Banking branches, 32 sub-branches and a Wholesale Bank Branch in Bahrain. Our first representative office in Beijing, China is expected to be functional during the second quarter of the current year and will facilitate our growing business with the neighboring country. Continuing with our branch expansion policy, the Bank intends to open more branches during 2016, introduce improved products and service offerings, while maintaining focus on operational efficiencies – to further grow Bank's business, balance sheet and revenues.

We would like to thank our valued customers for their continued patronage and support, to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance, to our shareholders for the trust and confidence reposed in us, and to our staff who continue to contribute to the organization and hence enable us to perform consistently in a challenging business environment.

- sd -

Syed M. Husaini
President & Chief Executive

Rawalpindi
April 22, 2016

- sd -

Lt Gen Khalid Nawaz Khan
HI (M) (Retd), Sitara-i-Esar
Chairman

Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2016

		(Un-audited)	(Audited)
		March 31, 2016	December 31, 2015
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		28,596,671	29,685,228
Balances with other banks		3,554,598	8,295,724
Lendings to financial institutions		6,514,306	812,898
Investments	7	273,404,026	268,020,706
Advances	8	208,772,258	199,930,812
Operating fixed assets	9	9,303,097	9,230,010
Deferred tax assets		-	-
Other assets		17,893,454	19,891,336
		548,038,410	535,866,714
Liabilities			
Bills payable		7,169,708	6,094,885
Borrowings	11	47,336,597	57,323,250
Deposits and other accounts	12	448,810,136	433,172,205
Sub-ordinated loans		4,996,000	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	10	1,487,877	96,404
Other liabilities		7,662,110	7,330,227
		517,462,428	509,013,771
Net assets		<u>30,575,982</u>	<u>26,852,943</u>
Represented by			
Share capital	13	12,602,602	12,602,602
Reserves		9,453,831	6,445,888
Unappropriated profit		978,345	2,763,314
		23,034,778	21,811,804
Surplus on revaluation of assets - net of tax	14	7,541,204	5,041,139
		<u>30,575,982</u>	<u>26,852,943</u>
Contingencies and Commitments	15		

The annexed notes 1 to 21 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2016

		Quarter ended March 31, 2016	Quarter ended March 31, 2015
	Note	(Rupees in thousand)	
Mark-up / return / interest earned		8,404,405	9,505,671
Mark-up / return / interest expensed		4,839,126	5,981,050
Net mark-up / interest income		3,565,279	3,524,621
Provision / (reversal of provision) against non-performing loans and advances - net	8.1	(105,958)	175,296
Impairment loss on available for sale investments		-	42,154
Provision for diminution in the value of investments - net		113,672	109,804
Bad debts written off directly		-	-
		7,714	327,254
Net mark-up / interest income after provisions		3,557,565	3,197,367
Non mark-up / interest income			
Fee, commission and brokerage income		423,928	341,102
Dividend income		42,889	43,744
Income from dealing in foreign currencies		211,475	277,248
Gain on sale of securities - net	16	831,583	830,531
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		-	-
Other income		86,958	140,810
		1,596,833	1,633,435
Total non-markup / interest income		5,154,398	4,830,802
Non mark-up / interest expenses			
Administrative expenses		3,227,628	2,870,975
Other provisions / write offs		-	118
Other charges		45,227	60,094
Total non-markup / interest expenses		3,272,855	2,931,187
		1,881,543	1,899,615
Extra ordinary / unusual items		-	-
Profit before taxation		1,881,543	1,899,615
Taxation - current		613,328	624,260
- prior years'		-	-
- deferred		45,284	15,457
		658,612	639,717
Profit after taxation		1,222,931	1,259,898
Basic earning per share - Rupee		0.97	1.00

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- sd -
President & Chief Executive

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Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Profit after taxation	1,222,931	1,259,898
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange difference on translation of net investment in Wholesale Bank Branch	43	2,922
Comprehensive income - transferred to statement of changes in equity	1,222,974	1,262,820
Components of comprehensive income not reflected in equity		
Surplus on revaluation of available for sale securities - net of tax	1,604,719	1,075,610
Total comprehensive income	<u>2,827,693</u>	<u>2,338,430</u>

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- sd -
President & Chief Executive

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Director

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Director

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Chairman

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,881,543	1,899,615
Less: dividend income	(42,889)	(43,744)
	1,838,654	1,855,871
Adjustments:		
Depreciation / amortization	233,195	189,658
(Reversal of provision) / provision against non-performing advances - net	(105,958)	175,296
Impairment loss on available for sale investments	-	42,154
Provision for diminution in the value of investments - net	113,672	109,804
Net profit on sale of operating fixed assets	(1,645)	(1,927)
	239,264	514,985
	2,077,918	2,370,856
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,701,408)	(723,606)
Advances	(8,729,336)	(4,643,719)
Other assets (excluding advance taxation)	3,395,873	2,947,424
	(11,034,871)	(2,419,901)
Increase / (decrease) in operating liabilities		
Bills payable	1,074,823	4,082,068
Borrowings	(9,986,653)	19,222,450
Deposits and other accounts	15,637,931	(1,532,497)
Other liabilities (excluding current taxation)	332,928	373,075
	7,059,029	22,145,096
Cash flow before tax	(1,897,924)	22,096,051
Income tax paid	(599,676)	(70,192)
Net cash (outflow) / inflow from operating activities	(2,497,600)	22,025,859
Cash flow from investing activities		
Net investments in available for sale securities	(3,556,383)	(12,986,943)
Net investments in held to maturity securities	528,189	(1,620,438)
Dividend income	2,592	2,170
Investments in operating fixed assets - net of adjustment	(311,184)	(433,242)
Sale proceeds of operating fixed assets - disposed off	6,505	9,215
Net cash outflow from investing activities	(3,330,281)	(15,029,238)
Cash flow from financing activities		
Payments of sub-ordinated loans	(800)	(800)
Dividends paid	(1,045)	(876)
Net cash outflow from financing activities	(1,845)	(1,676)
Effect of translation of net investment in Wholesale Bank Branch	43	2,922
(Decrease) / increase in cash and cash equivalents	(5,829,683)	6,997,867
Cash and cash equivalents at beginning of the period	37,980,952	27,625,977
Cash and cash equivalents at end of the period	32,151,269	34,623,844
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	28,596,671	24,513,363
Balances with other banks	3,554,598	6,701,369
Call money lendings	-	3,409,112
	32,151,269	34,623,844

The annexed notes 1 to 21 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

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Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2016

	(Rupees in thousand)						
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	General reserve	Unappropriated profit	Total
Balance as at January 01, 2015	12,602,602	89,326	234,669	4,702,503	(202,760)	1,862,223	19,288,563
Transfer to General reserve:	-	-	-	-	1,862,223	(1,862,223)	-
Total comprehensive income for the quarter ended March 31, 2015							
Net profit for the quarter ended March 31, 2015	-	-	-	-	-	1,259,898	1,259,898
Other comprehensive income related to equity	-	2,922	-	-	-	-	2,922
	-	2,922	-	-	-	1,259,898	1,262,820
Transfer to Statutory reserve	-	-	-	251,980	-	(251,980)	-
Transaction with owners, recorded directly in equity							
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)
Balance as at March 31, 2015	12,602,602	92,248	234,669	4,954,483	399,203	1,007,918	19,291,123
Total comprehensive income for the nine months ended December 31, 2015							
Net profit for the nine months ended December 31, 2015	-	-	-	-	-	3,783,521	3,783,521
Other comprehensive income related to equity	-	8,581	-	-	-	(11,161)	(2,580)
	-	8,581	-	-	-	3,772,360	3,780,941
Transfer to Statutory reserve	-	-	-	756,704	-	(756,704)	-
Transaction with owners, recorded directly in equity							
Interim dividend 2015: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)
Balance as at December 31, 2015	12,602,602	100,829	234,669	5,711,187	399,203	2,763,314	21,811,804
Transfer to General reserve	-	-	-	-	2,763,314	(2,763,314)	-
Total comprehensive income for the quarter ended March 31, 2016							
Net profit for the quarter ended March 31, 2016	-	-	-	-	-	1,222,931	1,222,931
Other comprehensive income related to equity	-	43	-	-	-	-	43
	-	43	-	-	-	1,222,931	1,222,974
Transfer to Statutory reserve	-	-	-	244,586	-	(244,586)	-
Balance as at March 31, 2016	<u>12,602,602</u>	<u>100,872</u>	<u>234,669</u>	<u>5,955,773</u>	<u>3,162,517</u>	<u>978,345</u>	<u>23,034,778</u>

The annexed notes 1 to 21 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a public limited company and commenced business operations from April 1, 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi and its shares are listed on the Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchange).

The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2016. The ultimate parent of the Bank is Fauji Foundation. The Bank has 424 branches (December 31, 2015: 424 branches); 423 in Pakistan and Azad Jammu and Kashmir, including 75 (December 31, 2015: 75) Islamic Banking branches, 32 (December 31, 2015: 32) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

2. BASIS OF MEASUREMENT

This condensed interim unconsolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments, non-banking assets acquired in satisfaction of claims and commitments in respect of forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim unconsolidated financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Bank for the quarter ended March 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim unconsolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim unconsolidated financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2015.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for banks. However, investments have been valued in accordance with the

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

requirements of various circulars issued by SBP.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

7. INVESTMENTS

7.1 Investments by types:

	March 31, 2016 - (Un-audited)			December 31, 2015 - (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
(Rupees in thousand)						
Available for sale securities						
Market Treasury Bills	101,416,614	398,973	101,815,587	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	110,325,247	32,400,851	142,726,098	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares / units	2,718,798	-	2,718,798	2,811,897	-	2,811,897
Units of open end mutual funds	1,782,635	-	1,782,635	1,783,068	-	1,783,068
Fully paid preference shares	50,100	-	50,100	150,100	-	150,100
Term Finance Certificates	4,398,228	-	4,398,228	4,681,860	-	4,681,860
Sukuk Certificates	4,986,557	-	4,986,557	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	1,594,175	-	1,594,175	1,374,126	-	1,374,126
	227,272,354	32,799,824	260,072,178	210,697,586	45,818,209	256,515,795
Held to maturity securities						
Government of Pakistan Euro Bonds	1,690,146	-	1,690,146	2,420,797	-	2,420,797
Sukuk Certificates	5,562,216	-	5,562,216	5,359,754	-	5,359,754
	7,252,362	-	7,252,362	7,780,551	-	7,780,551
Investment in subsidiaries						
Askari Investment Management Limited	335,000	-	335,000	335,000	-	335,000
Askari Securities Limited	114,789	-	114,789	114,789	-	114,789
Investments at cost	234,974,505	32,799,824	267,774,329	218,927,926	45,818,209	264,746,135
Provision for diminution in value of investments	(2,187,575)	-	(2,187,575)	(2,073,903)	-	(2,073,903)
Investments - net of provisions	232,786,930	32,799,824	265,586,754	216,854,023	45,818,209	262,672,232
Surplus on revaluation of available for sale securities - net	6,363,943	1,453,329	7,817,272	4,408,601	939,873	5,348,474
Total investments	239,150,873	34,253,153	273,404,026	221,262,624	46,758,082	268,020,706

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
8. ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		197,485,391	190,572,671
Outside Pakistan		<u>3,230,039</u>	<u>3,573,890</u>
		200,715,430	194,146,561
Islamic financing and related assets (gross)	A-2.1	22,408,510	21,119,200
Net investment in finance lease - In Pakistan		5,055,626	4,488,060
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		<u>3,652,469</u>	<u>2,979,217</u>
Payable outside Pakistan		<u>5,316,451</u>	<u>5,679,960</u>
		<u>8,968,920</u>	<u>8,659,177</u>
Advances - gross		237,148,486	228,412,998
Provision for non-performing advances	8.1		
Specific provision		<u>(27,923,888)</u>	<u>(28,048,973)</u>
General provision		<u>(206,024)</u>	<u>(196,941)</u>
General provision against consumer loans		<u>(246,316)</u>	<u>(236,272)</u>
		<u>(28,376,228)</u>	<u>(28,482,186)</u>
Advances - net of provision		<u><u>208,772,258</u></u>	<u><u>199,930,812</u></u>

8.1 Particulars of provision against non-performing advances

	March 31, 2016 - (Un - audited)				December 31, 2015 - (Audited)			
	Specific	General	Consumer Financing General	Total	Specific	General	Consumer Financing General	Total
(Rupees in thousand)								
Opening balance	28,048,973	196,941	236,272	28,482,186	27,801,250	177,555	190,260	28,169,065
Charge for the period / year	<u>539,928</u>	<u>9,187</u>	<u>13,256</u>	<u>562,371</u>	<u>1,790,206</u>	<u>34,687</u>	<u>49,966</u>	<u>1,874,859</u>
Reversal for the period / year	<u>(665,013)</u>	<u>(104)</u>	<u>(3,212)</u>	<u>(668,329)</u>	<u>(1,539,764)</u>	<u>(15,301)</u>	<u>(3,954)</u>	<u>(1,559,019)</u>
Net charge / (reversal) for the period / year	(125,085)	9,083	10,044	(105,958)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	<u><u>27,923,888</u></u>	<u><u>206,024</u></u>	<u><u>246,316</u></u>	<u><u>28,376,228</u></u>	<u><u>28,048,973</u></u>	<u><u>196,941</u></u>	<u><u>236,272</u></u>	<u><u>28,482,186</u></u>

8.2 The net Forced Sale Value (FSV) benefit already availed has been decreased by Rs. 146,961 thousand, which has resulted in an increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the period would have been higher by Rs. 146,961 thousand (2015: lower by Rs. 45,834 thousand) and Rs. 95,525 thousand (2015: lower by Rs. 29,792 thousand) respectively. Further, at March 31, 2016, cumulative net of tax benefit of FSV is Rs. 1,086,348 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for payment of cash or stock dividend / bonus to employees.

8.3 The Bank has availed the relaxation of Rs. 102,460 thousand (December 31, 2015: Rs. 102,567 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

8.4 Advances include Rs. 30,818,135 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2016 - (Un-audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	352,657	-	352,657	-	-
Substandard	175,153	-	175,153	21,635	21,635
Doubtful	1,274,392	-	1,274,392	359,123	359,123
Loss	29,015,933	-	29,015,933	27,543,130	27,543,130
	<u>30,818,135</u>	<u>-</u>	<u>30,818,135</u>	<u>27,923,888</u>	<u>27,923,888</u>
Category of classification	December 31, 2015 - (Audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	313,822	-	313,822	-	-
Substandard	1,202,328	-	1,202,328	199,079	199,079
Doubtful	596,758	-	596,758	86,097	86,097
Loss	29,370,809	-	29,370,809	27,763,797	27,763,797
	<u>31,483,717</u>	<u>-</u>	<u>31,483,717</u>	<u>28,048,973</u>	<u>28,048,973</u>

8.4.1 This represents classification made for Agricultural, Mortgage and Small Entities finances.

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
9. OPERATING FIXED ASSETS			
Capital work-in-progress		332,443	318,840
Property and equipment	9.1	8,074,414	7,978,711
Intangibles	9.2	941,679	977,898
		9,016,093	8,956,609
Provision against operating fixed assets		(45,439)	(45,439)
		<u>9,303,097</u>	<u>9,230,010</u>

9.1 Property and equipment

Book value at beginning of the period / year	7,978,711	6,785,951
Cost of additions / revaluation during the period / year	289,867	1,893,894
Book value of deletions / transfers during the period / year	(4,522)	(10,349)
Depreciation charge for the period / year	(189,611)	(690,325)
Book value of adjustments during the period / year	(31)	(460)
Book value at end of the period / year	<u>8,074,414</u>	<u>7,978,711</u>

9.2 Intangibles

Book value at beginning of the period / year	977,898	1,105,270
Cost of additions during the period / year	7,714	46,469
Book value of deletions / transfers during the period / year	(338)	-
Amortization charge for the period / year	(43,584)	(173,854)
Book value of adjustments during the period / year	(11)	13
Book value at end of the period / year	<u>941,679</u>	<u>977,898</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
10. DEFERRED TAX LIABILITIES		
Deferred (credits) / debits arising due to:		
Accelerated tax depreciation and amortization	(576,485)	(531,201)
Provision against non-performing advances		
- excess of 1% of total advances	2,181,302	2,181,302
- classified in sub-standard category	71,278	71,278
	1,676,095	1,721,379
Surplus on revaluation of available for sale securities	(2,736,045)	(1,871,966)
Surplus on revaluation of non banking assets	(482,110)	-
Actuarial losses	54,183	54,183
	<u>(1,487,877)</u>	<u>(96,404)</u>
11. BORROWINGS		
Secured - in Pakistan local currency		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	9,124,812	9,314,529
- Long term financing of export oriented projects	7,386	7,386
- Long term financing facility	1,598,365	1,005,047
- Financing facility for storage of agricultural produce	15,000	-
	10,745,563	10,326,962
Repo borrowings		
- State Bank of Pakistan	33,609,796	42,646,764
- Financial Institutions	397,714	3,842,399
	34,007,510	46,489,163
Unsecured - in Pakistan local currency		
- Call borrowings	1,850,000	500,000
- Overdrawn balance with other banks	50	98
	1,850,050	500,098
	46,603,123	57,316,223
Outside Pakistan - foreign currencies		
- Overdrawn nostro accounts - unsecured	733,474	7,027
	<u>47,336,597</u>	<u>57,323,250</u>
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	101,561,614	87,271,214
Savings deposits	227,576,730	230,891,271
Current accounts - remunerative	596,717	735,829
Current accounts - non-remunerative	107,818,559	105,536,733
Special exporters' account	43,795	59,733
Margin accounts	2,703,214	2,724,193
Others	764,723	824,850
Financial institutions		
Remunerative deposits	7,590,842	4,959,028
Non-Remunerative deposits	153,942	169,354
	<u>448,810,136</u>	<u>433,172,205</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

13. SHARE CAPITAL

13.1 Authorized capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015		(Un-audited) March 31, 2016	(Audited) December 31, 2015
Number of shares			(Rupees in thousand)	
1,600,000,000	1,600,000,000	Ordinary shares of Rs. 10 each	16,000,000	16,000,000

13.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015			
Number of shares		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
717,297,769	717,297,769	Issued as bonus shares	7,172,978	7,172,978
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
1,260,260,180	1,260,260,180		12,602,602	12,602,602

14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of land	1,564,631	1,564,631
Surplus on revaluation of non banking assets	1,377,456	-
Less: related deferred tax	(482,110)	-
	895,346	-
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	7,886,901	5,358,513
ii) Listed shares	(240,558)	(108,910)
iii) Units of open end mutual funds	162,018	136,286
iv) Other securities	8,911	(37,415)
	7,817,272	5,348,474
Less: related deferred tax	(2,736,045)	(1,871,966)
	5,081,227	3,476,508
	7,541,204	5,041,139

15. CONTINGENCIES AND COMMITMENTS

15.1 Direct credit substitutes

11,321,509	6,791,143
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15.2 Transaction-related contingent liabilities

Money for which the Bank is contingently liable:

Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings.

603,164	609,971
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Contingent liability in respect of guarantees given, favouring:

i) Government	77,252,649	64,533,613
ii) Banks and other financial institutions	4,330,241	10,575,081
iii) Others	9,114,199	12,944,217
	90,697,089	88,052,911
	91,300,253	88,662,882

These include guarantees amounting to Rs.1,068,362 thousand (December 31, 2015: Rs.1,038,657 thousand) against which the Bank is contesting court proceedings and these are not likely to result in any liability against the Bank.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	<u>118,891,956</u>	<u>81,107,284</u>
15.4 Other Contingencies		
15.4.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.	<u>773,793</u>	<u>761,444</u>
15.4.2 The Bank is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Bank's favour. However, in case of award of damages, the potential liability of the Bank is estimated not to be more than Rs. 100 million (December 31, 2015: Rs. 100 million).		
	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.5 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	6,008,896	292,361
Sale and repurchase agreements	<u>34,054,620</u>	<u>46,551,819</u>
15.6 Commitments in respect of forward exchange contracts		
Purchase	29,626,896	26,019,601
Sale	<u>17,884,278</u>	<u>17,473,121</u>
The above commitments have maturities falling within one year.		
15.7 Commitments for acquisition of operating fixed assets	<u>186,249</u>	<u>200,797</u>
15.8 Commitments to extend credit		
The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for	<u>9,924,399</u>	<u>8,789,588</u>
15.9 Other commitments		
This represents participation in the equity of proposed Mortgage Refinance Company.	<u>300,000</u>	<u>300,000</u>
15.10 Bills For Collection		
Payable in Pakistan	3,067,070	2,280,969
Payable outside Pakistan	<u>13,275,607</u>	<u>12,517,571</u>
	<u>16,342,677</u>	<u>14,798,540</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Un-audited) March 31, 2015
	(Rupees in thousand)	
16. GAIN ON SALE OF SECURITIES - NET		
Gain on sale of government securities	798,547	565,711
Gain on sale of other investments	33,036	264,820
	<u>831,583</u>	<u>830,531</u>

17. TAX STATUS

- (i) The Bank has filed tax returns for and up to tax year 2015 (year ended 31 December 2014). The assessments for and up to tax year 2014 were amended by the tax authorities mainly in the matters of admissibility of provisions against doubtful debts and diminution in the value of investments, bad debts written off, apportionment of expenses to income exempt from tax or taxable at a lower rate and basis of taxation of commission and brokerage income. The matter of provision against doubtful debts has been decided in favour of the Bank for and up to tax year 2006 up to the level of Appellate Tribunal Inland Revenue [ATIR] whereas partial relief has been provided by the Commissioner Inland Revenue (Appeals) [CIR(A)] on other matters. The Bank and the tax department have filed appeals and reference applications to the higher forums in relation to matters not decided in their favour.

The tax authorities have selected returns for the Tax Years 2009 and 2010 for tax audit which have not yet concluded.

Tax payments made in relation to the matters currently pending are being carried forward as management is confident of their realization as and when the appeals are decided.

- (ii) Consequent upon the amalgamation with and into the Bank, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re-assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re-assessment.

For and up to the assessment years 2002-2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However the likelihood of an adverse decision is considered low due to a favourable decision of the High Court in a parallel case.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000							
For the quarter ended March 31, 2016 - (Un-audited)							
Total income	40,561	5,515,988	245,604	3,968,530	215,462	15,093	10,001,238
Total expenses	3,617	4,510,364	291,837	3,293,319	19,212	1,346	8,119,695
Net income / (loss)	36,944	1,005,624	(46,233)	675,211	196,250	13,747	1,881,543
For the quarter ended March 31, 2015 - (Un-audited)							
Total income	51,409	6,261,979	269,869	4,209,336	335,682	10,831	11,139,106
Total expenses	5,689	5,188,585	280,762	3,726,106	37,150	1,199	9,239,491
Net income / (loss)	45,720	1,073,394	(10,893)	483,230	298,532	9,632	1,899,615
As at March 31, 2016 - (Un-audited)							
Segment Assets (Gross)	81,168	306,693,795	11,466,546	260,328,810	431,169	30,204	579,031,692
Segment Non Performing Loans	-	-	2,322,101	28,496,034	-	-	30,818,135
Segment Provision Required	-	1,539,312	2,320,545	27,133,425	-	-	30,993,282
Segment Liabilities	838	35,105,567	40,380,378	441,970,882	4,451	312	517,462,428
Segment return on net assets (%)	0.01	1.02	0.05	0.73	0.04	0.00	
Segment cost of funds (%)	0.00	0.88	0.06	0.64	0.00	0.00	
As at December 31, 2015 - (Audited)							
Segment Assets (Gross)	86,739	306,793,691	11,377,589	248,562,141	20,706	11,832	566,852,698
Segment Non Performing Loans	-	-	2,333,680	29,150,037	-	-	31,483,717
Segment Provision Required	-	1,422,250	2,333,573	27,230,161	-	-	30,985,984
Segment Liabilities	860	46,562,157	33,371,163	429,079,269	205	117	509,013,771
Segment return on net assets (%)	0.04	4.79	0.23	3.73	0.01	0.01	
Segment cost of funds (%)	0.00	4.06	0.25	3.16	0.00	0.00	

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

19. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited ("the Parent") holds 71.91% (December 31, 2015: 71.91%) of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

Details of transactions with related parties during the quarter and balances as at March 31, 2016, are as follows:

	March 31, 2016 - (Un - audited)						December 31, 2015 - (Audited)					
	Parent	Key management personnel	Companies with common directorship, having equity under 20%	Subsidiaries	Associates	Other Related Parties	Parent	Key management personnel	Companies with common directorship, having equity under 20%	Subsidiaries	Associates	Other Related Parties
Balances outstanding as at												
- Advances												
Secured	685,135	261,659	-	4,255,433	-	-	1,072,623	244,938	-	4,544,842	-	-
Un-secured	-	8,867	493	-	-	-	-	11,343	936	-	-	-
- Mark-up receivable	-	38,441	-	87,865	-	-	5,670	38,220	-	40,986	-	-
- Deposits	3,203,076	109,005	63,074	8,028,662	12,801	834,731	5,073,778	103,803	67,078	6,285,967	42,770	762,568
- Mark-up payable	3,749	411	-	3,446	-	2,517	7,997	1,169	-	9,174	-	38
- Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	339,761	-	-	350,978	-	-	339,761	-	-	454,867	-	-
- Investments in shares / units	-	-	-	1,899,957	449,789	-	-	-	-	1,874,767	449,789	-
- Security deposits against lease	494	704	-	5,119	-	-	-	704	-	4,323	-	-
	March 31, 2016 - (Un - audited)						March 31, 2015 - (Un - audited)					
	Parent	Key management personnel	Companies with common directorship, having equity under 20%	Subsidiaries	Associates	Other Related Parties	Parent	Key management personnel	Companies with common directorship, having equity under 20%	Subsidiaries	Associates	Other Related Parties
Transactions during the quarter ended												
- Mark-up / interest earned	11,279	2,422	-	91,300	-	-	3,005	1,790	-	78,219	-	-
- Net mark-up / interest expensed	40,503	651	61	107,006	154	-	119,622	694	179	84,099	720	651
- Contributions to employees' funds	-	-	-	-	-	138,925	-	-	-	-	-	127,734
- Rent of property / service charges paid	624	-	-	-	-	-	-	-	-	-	-	-
- Remuneration and allowances paid	-	98,384	-	-	-	-	-	71,390	-	-	-	-
- Post employment benefits	-	6,189	-	-	-	-	-	4,248	-	-	-	-
- Insurance premium paid	-	-	-	-	-	-	-	-	-	-	3,140	-
- Insurance claims received	-	-	-	-	-	-	-	-	-	-	673	-
- Fee, commission and brokerage income	63	-	-	424	-	-	1,559	-	-	2,134	-	-
- Fee, commission and brokerage paid	-	-	-	72	-	-	-	-	-	2	-	-
- Dividend paid	-	-	-	-	-	-	906,282	173	126	-	6	-
- Fees paid	-	83	925	-	-	989	-	-	1,100	-	-	396

In addition to above, rent free sub-branch is operating at FFC head office, Sona Tower.

20. RECLASSIFICATION OF COMPARATIVE FIGURES

There have been no significant reclassifications in this condensed interim unconsolidated financial information except an amount of Rs. 45,000 thousand which was reclassified in 2015 from income from dealing in foreign currencies to administrative expenses.

21. DATE OF AUTHORISATION

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on April 22, 2016.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Islamic Banking Business - Statement of Financial Position

As at March 31, 2016

Annexure

(1 of 3)

The Bank is operating 78 Islamic banking branches including 3 Sub branches at quarter ended March 31, 2016. (December 31, 2015: 78 Islamic banking branches including 3 Sub branches).

	Note	(Un-audited) March 31, 2016 (Rupees in thousand)	(Audited) December 31, 2015
ASSETS			
Cash and balances with treasury banks		2,008,687	1,954,438
Balances with other banks		1,470,487	2,893,478
Due from financial institutions		-	-
Investments		8,294,845	5,873,462
Islamic financing and related assets	A-2.1	22,022,731	20,767,917
Operating fixed assets		565,226	536,261
Deferred tax assets		-	-
Other assets		1,293,258	1,332,515
Total Assets		35,655,234	33,358,071
LIABILITIES			
Bills payable		612,688	525,144
Due to Financial Institutions		1,561,447	806,529
Deposits and other accounts			
-Current Accounts		8,565,517	8,880,659
-Saving Accounts	A-3	11,033,234	10,029,967
-Term Deposits		4,651,581	5,142,651
-Others		249,267	327,526
-Deposit from Financial Institutions - remunerative		3,417,983	2,552,138
-Deposits from Financial Institutions - non-remunerative		98	1,257
Due to Head Office		2,400,000	2,000,000
Other liabilities		919,780	779,852
		33,411,595	31,045,723
Net Assets		2,243,639	2,312,348
REPRESENTED BY			
Islamic Banking Fund		2,725,000	2,725,000
Reserves		-	-
Unappropriated / unremitted loss		(472,386)	(412,652)
		2,252,614	2,312,348
Deficit on revaluation of assets		(8,975)	-
		2,243,639	2,312,348
Remuneration to Shariah Board / Advisor		989	2,979
A-2.1 Islamic Financing and Related Assets			
Murabaha		4,312,472	5,875,189
Ijara		2,945,038	2,813,433
Musharaka		300,000	350,000
Diminishing Musharaka		8,409,020	7,071,961
Salam		5,322,642	4,038,669
Istisna		1,059,478	924,856
Other Islamic Modes		59,860	45,092
		22,408,510	21,119,200
Total provision		(385,779)	(351,283)
	A-2.1.1	22,022,731	20,767,917

Islamic Banking Business - Statement of Financial Position

As at March 31, 2016

A-2.1.1 Islamic Mode of Financing

(Rupees in thousand)

March 31, 2016 - (Un-audited)							
	Murabaha	Ijara	Musharaka	Diminishing Musharaka	Salam	Istisna	Other Islamic Modes
Financing	3,267,932	2,729,933	300,000	8,409,020	5,309,342	664,247	59,860
Advance	1,044,540	215,105	-	-	-	-	-
Inventory	-	-	-	-	13,300	395,231	-
	4,312,472	2,945,038	300,000	8,409,020	5,322,642	1,059,478	59,860
Provision	(92,307)	(143,337)	-	(145,378)	(4,757)	-	-
Total	4,220,165	2,801,701	300,000	8,263,642	5,317,885	1,059,478	59,860
December 31, 2015 - (Audited)							
	Murabaha	Ijara	Musharaka	Diminishing Musharaka	Salam	Istisna	Other Islamic Modes
Financing	5,159,430	2,617,290	350,000	7,071,961	4,038,669	923,731	45,092
Advance	715,759	196,143	-	-	-	-	-
Inventory	-	-	-	-	-	1,125	-
	5,875,189	2,813,433	350,000	7,071,961	4,038,669	924,856	45,092
Provision	(88,628)	(146,692)	-	(115,490)	(473)	-	-
Total	5,786,561	2,666,741	350,000	6,956,471	4,038,196	924,856	45,092

A-3 These includes remunerative current accounts of Rs. 596,717 thousand (December 31, 2015: Rs.735,829 thousand)

Islamic Banking Business - Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2016

Annexure
(2 of 3)

	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Profit / return earned on financings, investments and placements	475,218	501,766
Return on deposits and other dues expensed	228,500	243,890
Net spread earned	246,718	257,876
Provision against non-performing financings (Reversal of provision) / provision for diminution in the value of investments	34,563	2,037
Bad debts written off directly	(3,390)	11,738
	-	-
	31,173	13,775
Income after provisions	215,545	244,101
Other Income		
Fee, commission and brokerage Income	22,508	10,418
Dividend income	-	-
Income from dealing in foreign currencies	3,507	1,280
Capital gain on sale of securities	160	3,650
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	6,471	7,118
Total other income	32,646	22,466
	248,191	266,567
Other expenses		
Administrative expenses	307,925	227,834
Other provisions / write offs	-	-
Other charges	-	130
Total other expenses	307,925	227,964
	(59,734)	38,603
Extra Ordinary / unusual items	-	-
(Loss) / profit before taxation	(59,734)	38,603

Islamic Banking Business - Statement of Sources and Uses of Charity Fund

As at March 31, 2016

Annexure
(3 of 3)

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
Opening balance	5,975	2,096
Additions during the period / year		
- received from customers on delayed payments	727	4,768
- Non shariah compliant income	-	498
- profit on charity account	-	1
	727	5,267
Payments / utilization during the period / year		
- Education	-	(300)
- Relief and disaster recovery	-	-
- health	-	(788)
- Orphanage	-	(300)
	-	(1,388)
Closing balance	<u>6,702</u>	<u>5,975</u>

ASKARI BANK LIMITED
& ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (Un-Audited)
FOR THE QUARTER ENDED MARCH 31, 2016

Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at March 31, 2016

		(Un-audited)	(Audited)
		March 31, 2016	December 31, 2015
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		28,596,836	29,685,228
Balances with other banks		3,638,130	8,358,930
Lendings to financial institutions		6,514,306	812,898
Investments	7	273,466,350	268,048,928
Advances	8	208,778,565	199,936,549
Operating fixed assets	9	9,348,803	9,278,150
Deferred tax assets - net		-	-
Other assets		18,074,958	20,068,057
		548,417,948	536,188,740
Liabilities			
Bills payable		7,169,708	6,094,885
Borrowings	11	47,336,597	57,323,250
Deposits and other accounts	12	448,798,689	433,130,465
Sub-ordinated loans		4,996,000	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	10	1,457,481	71,590
Other liabilities		7,863,169	7,497,960
		517,621,644	509,114,950
Net Assets		30,796,304	27,073,790
Represented By:			
Share capital	13	12,602,602	12,602,602
Reserves		9,453,831	6,445,888
Unappropriated profit		1,167,886	2,948,581
		23,224,319	21,997,071
Non-controlling interest		35,111	35,580
		23,259,430	22,032,651
Surplus on revaluation of assets - net of tax	14	7,536,874	5,041,139
		30,796,304	27,073,790
Contingencies and Commitments			
	15		

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2016

		Quarter ended March 31, 2016	Quarter ended March 31, 2015
	Note	(Rupees in thousand)	
Mark-up / return / interest earned		8,404,560	9,508,784
Mark-up / return / interest expensed		4,839,126	5,980,353
Net mark-up / interest income		3,565,434	3,528,431
Provision / (reversal of provision) against non-performing loans and advances - net	8.1	(105,958)	175,296
Impairment loss on available for sale investments		-	42,154
Provision for diminution in the value of investments - net		113,672	109,804
Bad debts written off directly		-	-
		7,714	327,254
Net mark-up / interest income after provisions		3,557,720	3,201,177
Non mark-up / interest income			
Fee, commission and brokerage income		466,075	354,686
Dividend income		43,049	43,984
Income from dealing in foreign currencies		211,475	277,248
Gain on sale of securities - net	16	836,304	832,349
Unrealised gain on revaluation of investments classified as held for trading - net		2,463	3,017
Other income		88,837	178,032
		1,648,203	1,689,316
Total non-markup / interest income		5,205,923	4,890,493
Non mark-up / interest expenses			
Administrative expenses		3,274,184	2,913,144
Other provisions / write offs		-	118
Other charges		45,227	60,094
Total non-markup / interest expenses		3,319,411	2,973,356
		1,886,512	1,917,137
Extra ordinary / unusual items		-	-
Profit before taxation		1,886,512	1,917,137
Taxation - current		614,492	627,162
- prior years'		-	-
- deferred		45,284	15,457
		659,776	642,619
Profit after taxation		1,226,736	1,274,518
Attributable to:			
Equity holders of the Bank		1,227,205	1,273,649
Non-controlling interest		(469)	869
		1,226,736	1,274,518

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Profit after taxation	1,226,736	1,274,518
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange difference on translation of net investment in Wholesale Bank Branch	43	2,922
Comprehensive income - transferred to statement of changes in equity	1,226,779	1,277,440
Components of comprehensive income not reflected in equity		
Surplus on revaluation of available for sale securities - net of tax	1,600,389	1,076,537
Total comprehensive income	<u>2,827,168</u>	<u>2,353,977</u>
Attributable to:		
Equity holders of the Bank	2,827,637	2,353,108
Non-controlling interest	(469)	869
	<u>2,827,168</u>	<u>2,353,977</u>

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,886,512	1,917,137
Less: dividend income	(43,049)	(43,984)
	1,843,463	1,873,153
Adjustments:		
Depreciation / amortization	235,949	192,461
(Reversal of provision) / provision against non-performing advances - net	(105,958)	175,296
Impairment loss on sale of investments	-	42,154
Provision for diminution in the value of investments - net	113,672	109,804
Unrealised gain on revaluation of investments classified as held for trading - net	(2,463)	(3,017)
Net profit on sale of operating fixed assets	(1,645)	(1,927)
	239,555	514,771
	2,083,018	2,387,924
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,701,408)	(723,606)
Held for trading securities	108,996	(5,590)
Advances	(8,729,906)	(4,647,831)
Other assets (excluding advance taxation)	3,392,861	3,007,259
	(10,929,457)	(2,369,768)
Increase / (decrease) in operating liabilities		
Bills payable	1,074,823	4,082,068
Borrowings	(9,986,653)	19,222,450
Deposits and other accounts	15,668,224	(1,540,779)
Other liabilities (excluding current taxation)	365,714	251,383
	7,122,108	22,015,122
	(1,724,331)	22,033,278
Cash flow before tax	(603,315)	(54,178)
Income tax paid	(2,327,646)	21,979,100
Net cash (outflow) / inflow from operating activities		
Cash flow from investing activities		
Net investments in available for sale securities	(3,705,849)	(12,972,335)
Net investments in held to maturity securities	528,189	(1,620,438)
Dividend income	2,752	2,410
Investments in operating fixed assets	(311,344)	(433,582)
Sale proceeds of operating fixed assets	6,508	10,441
Net cash outflow from investing activities	(3,479,744)	(15,013,504)
Cash flow from financing activities		
Payments of sub-ordinated loans	(800)	(800)
Dividends paid	(1,045)	(876)
Net cash outflow from financing activities	(1,845)	(1,676)
Effect of translation of net investment in Wholesale Bank Branch	43	2,922
(Decrease) / increase in cash and cash equivalents	(5,809,192)	6,966,842
Cash and cash equivalents at beginning of the period	38,044,158	27,678,994
Cash and cash equivalents at end of the period	32,234,966	34,645,836
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	28,596,836	24,513,465
Balances with other banks	3,638,130	6,723,259
Call money lendings	-	3,409,112
	32,234,966	34,645,836

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2016

	(Rupees in thousand)								
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue Reserves		Sub-total	Non-controlling interest	Total
					General reserve	Unappropriated profit			
Balance as at January 01, 2015	12,602,602	89,326	234,669	4,702,503	(202,760)	2,150,029	19,576,369	32,027	19,608,396
Transfer to General reserve:	-	-	-	-	1,862,223	(1,862,223)	-	-	-
Total comprehensive income for the quarter ended March 31, 2015									
Net profit for the quarter ended March 31, 2015	-	-	-	-	-	1,273,649	1,273,649	869	1,274,518
Other comprehensive income related to equity	-	2,922	-	-	-	-	2,922	-	2,922
	-	2,922	-	-	-	1,273,649	1,276,571	869	1,277,440
Transfer to Statutory reserve	-	-	-	251,980	-	(251,980)	-	-	-
Transaction with owners, recorded directly in equity									
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)	-	(1,260,260)
Balance as at March 31, 2015	12,602,602	92,248	234,669	4,954,483	399,203	1,309,475	19,592,680	32,896	19,625,576
Total comprehensive income for the nine months ended December 31, 2015									
Net profit for the nine months ended December 31, 2015	-	-	-	-	-	3,666,606	3,666,606	2,863	3,669,469
Other comprehensive income related to equity	-	8,581	-	-	-	(10,536)	(1,955)	(179)	(2,134)
	-	8,581	-	-	-	3,656,070	3,664,651	2,684	3,667,335
Transfer to Statutory reserve	-	-	-	756,704	-	(756,704)	-	-	-
Transaction with owners, recorded directly in equity									
Interim dividend 2015: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)	-	(1,260,260)
Balance as at December 31, 2015	12,602,602	100,829	234,669	5,711,187	399,203	2,948,581	21,997,071	35,580	22,032,651
Transfer to General reserve	-	-	-	-	2,763,314	(2,763,314)	-	-	-
Total comprehensive income for the quarter ended March 31, 2016									
Net profit for the quarter ended March 31, 2016	-	-	-	-	-	1,227,205	1,227,205	(469)	1,226,736
Other comprehensive income related to equity	-	43	-	-	-	-	43	-	43
	-	43	-	-	-	1,227,205	1,227,248	(469)	1,226,779
Transfer to Statutory reserve	-	-	-	244,586	-	(244,586)	-	-	-
Balance as at March 31, 2016	12,602,602	100,872	234,669	5,955,773	3,162,517	1,167,886	23,224,319	35,111	23,259,430

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a public limited company and commenced business operations from April 01, 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi and its shares are listed on the Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchange).

The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2016. The Bank has 424 branches (December 31, 2015: 424 branches); 423 in Pakistan and Azad Jammu and Kashmir, including 75 (December 31, 2015: 75) Islamic Banking branches, 32 (December 31, 2015: 32) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

Askari Investment Management Limited (AIML) was incorporated in Pakistan on May 30, 2005 as a public limited company. AIML is a Non Banking Finance Company (NBFC), under license by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management and investment advisory services under the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC & NE Regulations). The license was obtained on September 21, 2005. AIML is a wholly owned subsidiary of the Bank with its registered office in Karachi. AIML obtained its certificate of commencement of business on September 22, 2005.

Askari Securities Limited (ASL) was incorporated in Pakistan on October 1, 1999 under the Companies Ordinance, 1984 as a public limited company. The Bank holds 74% Ordinary Shares of ASL. The principal activity includes share brokerage, investment advisory and consultancy services. The registered office of ASL is situated in Islamabad.

The financial statements of AIML and ASL have been consolidated based on their un-audited financial statements for the quarter ended March 31, 2016.

2. BASIS OF MEASUREMENT

This condensed interim consolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments, non-banking assets acquired in satisfaction of claims and commitments in respect of forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim consolidated financial information is presented in Pak Rupee which is the Group's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Group for the quarter ended March 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim consolidated financial information have been limited

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2015.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for the banks. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

The Securities and Exchange Commission of Pakistan vide SRO 56(1)/2016 dated January 28, 2016 has relaxed the requirement of consolidation under IFRS 10, "Consolidated Financial Statements" for companies having investment in mutual funds established under trust structure.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2015.

5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2015.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements of the Group for the year ended December 31, 2015.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

7. INVESTMENTS

March 31, 2016 - (Un-audited)			December 31, 2015 - (Audited)		
Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total
(Rupees in thousand)					

7.1 Investments by types:

Held for trading securities					
Fully paid ordinary shares	46	-	46	42	-
Pakistan Investment Bonds	-	-	-	-	-
Units of open end mutual funds	133,900	-	133,900	246,263	-
	133,946	-	133,946	246,305	-
Available for sale securities					
Market Treasury Bills	101,416,614	398,973	101,815,587	100,118,219	3,841,766
Pakistan Investment Bonds	110,325,247	32,400,851	142,726,098	97,233,634	41,976,443
Fully paid ordinary shares / units	2,763,377	-	2,763,377	2,856,476	-
Units of open end mutual funds	1,932,101	-	1,932,101	1,783,068	-
Fully paid preference shares	50,100	-	50,100	150,100	-
Term Finance Certificates	4,398,228	-	4,398,228	4,681,860	-
Sukuk Certificates	4,986,557	-	4,986,557	2,544,682	-
Government of Pakistan Euro Bonds	1,594,175	-	1,594,175	1,374,126	-
Foreign securities	-	-	-	-	-
	227,466,399	32,799,824	260,266,223	210,742,165	45,818,209
Held to maturity securities					
Government of Pakistan Euro Bonds	1,690,146	-	1,690,146	2,420,797	-
Sukuk Certificates	5,562,216	-	5,562,216	5,359,754	-
	7,252,362	-	7,252,362	7,780,551	-
Investments at cost	234,852,707	32,799,824	267,652,531	218,769,021	45,818,209
Provision for diminution in value of investments	(1,999,548)	-	(1,999,548)	(1,885,876)	-
Investments - net of provisions	232,853,159	32,799,824	265,652,983	216,883,145	45,818,209
Unrealized gain on revaluation of held for trading securities - net	2,463	-	2,463	(900)	-
Surplus on revaluation of available for sale securities - net	6,357,575	1,453,329	7,810,904	4,408,601	939,873
Total investments	239,213,197	34,253,153	273,466,350	221,290,846	46,758,082

8. ADVANCES

Loans, cash credits, running finances, etc.

		(Un-audited) March 31, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
In Pakistan		197,491,698	190,578,408
Outside Pakistan		3,230,039	3,573,890
		200,721,737	194,152,298
Islamic financing and related assets (gross)	A-2.1	22,408,510	21,119,200
Net investment in finance lease - In Pakistan		5,055,626	4,488,060
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		3,652,469	2,979,217
Payable outside Pakistan		5,316,451	5,679,960
		8,968,920	8,659,177
Advances - gross		237,154,793	228,418,735
Provision for non-performing advances	8.1		
Specific provision		(27,923,888)	(28,048,973)
General provision		(206,024)	(196,941)
General provision against consumer loans		(246,316)	(236,272)
		(28,376,228)	(28,482,186)
Advances - net of provision		208,778,565	199,936,549

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

8.1 Particulars of provision against non-performing advances

	March 31, 2016 - (Un - audited)				December 31, 2015 - (Audited)			
	Specific	General	Consumer Financing General	Total	Specific	General	Consumer Financing General	Total
(Rupees in thousand)								
Opening balance	28,048,973	196,941	236,272	28,482,186	27,801,250	177,555	190,260	28,169,065
Charge for the period / year	539,928	9,187	13,256	562,371	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(665,013)	(104)	(3,212)	(668,329)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net charge / (reversal) for the period / year	(125,085)	9,083	10,044	(105,958)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	27,923,888	206,024	246,316	28,376,228	28,048,973	196,941	236,272	28,482,186

8.2 The net Forced Sale Value (FSV) benefit already availed has been decreased by Rs. 146,961 thousand, which has resulted in an increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the period would have been higher by Rs. 146,961 thousand (2015: lower by Rs. 45,834 thousand) and Rs. 95,525 thousand (2015: lower by Rs. 29,792 thousand) respectively. Further, at March 31, 2016, cumulative net of tax benefit of FSV is Rs. 1,086,348 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for payment of cash or stock dividend / bonus to employees.

8.3 The Group has availed the relaxation of Rs. 102,460 thousand (December 31, 2015: Rs. 102,567 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.

8.4 Advances include Rs. 30,818,135 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2016 - (Un-audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	352,657	-	352,657	-	-
Substandard	175,153	-	175,153	21,635	21,635
Doubtful	1,274,392	-	1,274,392	359,123	359,123
Loss	29,015,933	-	29,015,933	27,543,130	27,543,130
	30,818,135	-	30,818,135	27,923,888	27,923,888
Category of classification	December 31, 2015 - (Audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	313,822	-	313,822	-	-
Substandard	1,202,328	-	1,202,328	199,079	199,079
Doubtful	596,758	-	596,758	86,097	86,097
Loss	29,370,809	-	29,370,809	27,763,797	27,763,797
	31,483,717	-	31,483,717	28,048,973	28,048,973

8.4.1 This represents classification made for Agricultural, Mortgage and Small Entities finances.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
9. OPERATING FIXED ASSETS			
Capital work-in-progress		332,443	318,840
Property and equipment	9.1	8,101,949	8,008,159
Intangibles	9.2	959,850	996,590
		9,061,799	9,004,749
Provision against operating fixed assets		(45,439)	(45,439)
		<u>9,348,803</u>	<u>9,278,150</u>
9.1 Property and equipment			
Book value at beginning of the period / year		8,008,159	6,820,193
Cost of additions during the period / year		290,027	1,897,898
Book value of deletions / transfers during the period / year		(4,525)	(10,349)
Depreciation charge for the period / year		(191,844)	(699,755)
Book value of adjustments		132	172
Book value at end of the period / year		<u>8,101,949</u>	<u>8,008,159</u>
9.2 Intangibles			
Book value at beginning of the period / year		996,590	1,122,389
Cost of additions during the period / year		7,714	50,000
Book value of deletions / transfers during the period / year		(338)	-
Amortization charge for the period / year		(44,105)	(175,812)
Book value of adjustments		(11)	13
Book value at end of the period / year		<u>959,850</u>	<u>996,590</u>
10. DEFERRED TAX LIABILITIES			
Deferred (credits) / debits arising due to:			
Accelerated tax depreciation		(577,251)	(531,967)
Provision for staff benefits		5,823	3,094
Provision against non-performing advances			
- excess of 1% of total advances		2,181,302	2,181,302
- classified in sub-standard category		71,566	71,278
Unused tax losses		22,639	22,639
		<u>1,704,079</u>	<u>1,746,346</u>
Surplus on revaluation of available for sale securities		(2,733,633)	(1,871,966)
Surplus on revaluation of non banking assets		(482,110)	-
Actuarial losses		54,183	54,030
		<u>(1,457,481)</u>	<u>(71,590)</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
11. BORROWINGS		
Secured - in Pakistan local currency		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	9,124,812	9,314,529
- Long term financing of export oriented projects	7,386	7,386
- Long term financing facility	1,598,365	1,005,047
- Financing facility for storage of agricultural produce	15,000	-
	<u>10,745,563</u>	<u>10,326,962</u>
Repo borrowings		
- State Bank of Pakistan	33,609,796	42,646,764
- Financial Institutions	397,714	3,842,399
	<u>34,007,510</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency		
- Call borrowings	1,850,000	500,000
- Overdrawn balance with other banks	50	98
	<u>1,850,050</u>	<u>500,098</u>
	46,603,123	57,316,223
Outside Pakistan - foreign currencies		
- Overdrawn nostro accounts - unsecured	733,474	7,027
	<u>47,336,597</u>	<u>57,323,250</u>

12. DEPOSITS AND OTHER ACCOUNTS

Customers		
Fixed deposits	101,561,614	87,271,214
Savings deposits	227,573,455	230,855,326
Current accounts - remunerative	596,717	735,829
Current accounts - non-remunerative	107,810,387	105,530,938
Special exporters' account	43,795	59,733
Margin accounts	2,703,214	2,724,193
Others	764,723	824,850
Financial institutions		
Remunerative deposits	7,590,842	4,959,028
Non-Remunerative deposits	153,942	169,354
	<u>448,798,689</u>	<u>433,130,465</u>

13. SHARE CAPITAL

13.1 Authorized capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015			
Number of shares				
<u>1,600,000,000</u>	<u>1,600,000,000</u>	Ordinary shares of Rs. 10 each	<u>16,000,000</u>	<u>16,000,000</u>

13.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015			
Number of shares		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
717,297,769	717,297,769	Issued as bonus shares	7,172,978	7,172,978
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
<u>1,260,260,180</u>	<u>1,260,260,180</u>		<u>12,602,602</u>	<u>12,602,602</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus on revaluation of land	1,564,631	1,564,631
Surplus on revaluation of non banking assets	1,377,456	-
Less: related deferred tax	(482,110)	-
	895,346	-
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	7,886,901	5,358,513
ii) Listed shares	(240,558)	(108,910)
iii) Units of open end mutual funds	155,650	136,286
iv) Other securities	8,911	(37,415)
	7,810,904	5,348,474
Less: related deferred tax	(2,734,007)	(1,871,966)
	5,076,897	3,476,508
	7,536,874	5,041,139
15. CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes	11,321,509	6,791,143
15.2 Transaction-related contingent liabilities		
Money for which the Group is contingently liable:		
Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings.	603,164	609,971
Contingent liability in respect of guarantees given, favouring:		
i) Government	77,252,649	64,533,613
ii) Banks and other financial institutions	4,330,241	10,575,081
iii) Others	9,114,199	12,944,217
	90,697,089	88,052,911
	91,300,253	88,662,882
These include guarantees amounting to Rs.1,068,362 thousand (December 31, 2015: Rs. 1,038,657 thousand) against which the Group is contesting court proceedings and these are not likely to result in any liability against the Group.		
	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	118,891,956	81,107,284
15.4 Other Contingencies		
15.4.1 These represent certain claims by third parties against the Group, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Group.	773,808	761,459
15.4.2 The Group is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Group's favour. However, in case of award of damages, the potential liability of the Group is estimated not to be more than Rs.100 million (December 31, 2015: Rs. 100 million).		

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

15.5 Tax contingencies

Income tax demand of Rs. 9,565 thousand, not acknowledged as debt, has been challenged by ASL and are currently in appeal; ASL expects favourable outcome of appeal.

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.6 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	6,008,896	292,361
Sale and repurchase agreements	34,054,620	46,551,819
15.7 Commitments in respect of forward exchange contracts		
Purchase	29,626,896	26,019,601
Sale	17,884,278	17,473,121
The above commitments have maturities falling within one year.		
15.8 Commitments for acquisition of operating fixed assets	186,249	200,797
15.9 Commitments in respect of forward purchase / sale of listed equity securities		
Sale	6,572	30,999
15.10 Commitments to extend credit		
The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for		
	9,924,399	8,789,588
15.11 Other commitments		
This represents participation in the equity of proposed Mortgage Refinance Company.		
	300,000	300,000
15.12 Bills for collection		
Payable in Pakistan	3,067,070	2,280,969
Payable outside Pakistan	13,275,607	12,517,571
	16,342,677	14,798,540
	(Un-audited) March 31, 2016	(Un-audited) March 31, 2015
	(Rupees in thousand)	
16. GAIN ON SALE OF SECURITIES - NET		
Gain on sale of government securities	798,547	565,711
Gain on sale of other investments	37,757	266,638
	836,304	832,349

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended March 31, 2016

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Assets Management	Retail Brokerage	Total
Rupees in '000									
For the quarter ended March 31, 2016 - (Un - audited)									
Total income	40,561	5,515,988	245,604	3,968,530	215,462	15,093	44,431	7,094	10,052,763
Total expenses	3,617	4,510,364	291,837	3,293,319	19,212	1,346	37,674	8,882	8,166,251
Net income / (loss)	36,944	1,005,624	(46,233)	675,211	196,250	13,747	6,757	(1,788)	1,886,512
For the quarter ended March 31, 2015 - (Un - audited)									
Total income	51,409	6,261,979	269,869	4,207,645	335,682	10,832	46,634	14,050	11,198,100
Total expenses	5,689	5,188,585	280,762	3,721,514	37,150	1,199	35,706	10,358	9,280,963
Net income / (loss)	45,720	1,073,394	(10,893)	486,131	298,532	9,633	10,928	3,692	1,917,137
As at March 31, 2016 - (Un - audited)									
Segment Assets (Gross)	81,168	306,693,795	11,466,546	259,879,023	431,169	30,204	422,509	285,006	579,289,420
Segment Non Performing Loans	-	-	2,322,101	28,496,034	-	-	-	-	30,818,135
Segment Provision Required	-	1,539,312	2,320,545	26,945,398	-	-	-	66,216	30,871,471
Segment Liabilities	838	35,105,567	40,380,378	441,972,797	4,451	312	73,553	83,748	517,621,644
Segment return on net assets (%)	0.03	4.07	0.18	2.93	0.16	0.01	0.03	0.01	
Segment cost of funds (%)	0.00	3.51	0.23	2.57	0.01	0.00	0.03	0.01	
As at December 31, 2015 - (Audited)									
Segment Assets (Gross)	86,739	306,793,691	11,377,589	248,146,054	20,706	11,832	413,827	202,474	567,052,912
Segment Non Performing Loans	-	-	2,333,680	29,150,037	-	-	-	-	31,483,717
Segment Provision Required	-	1,422,250	2,333,573	27,042,134	-	-	-	66,215	30,864,172
Segment Liabilities	860	46,562,157	33,371,163	429,043,890	205	117	66,150	70,408	509,114,950
Segment return on net assets (%)	0.04	4.79	0.23	3.73	0.01	0.01	0.01	0.01	
Segment cost of funds (%)	0.00	4.06	0.25	3.16	0.00	0.00	0.03	0.01	

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

18. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited ("the Parent") holds 71.91% (December 31, 2015: 71.91%) of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds. Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

Details of transactions with related parties during the quarter and balances as at March 31, 2016 are as follows:

	March 31, 2016 - (Unaudited)						December 31, 2015 - (Audited)					
	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associates	Other Related Parties	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associates	Other Related Parties
Balances outstanding as at												
Advances												
Secured	685,135	261,659	-	4,255,433	-	-	1,072,623	244,938	-	4,544,842	-	-
Un-secured	-	8,867	493	-	-	-	-	11,343	936	-	-	-
Mark-up receivable	-	38,441	-	87,865	-	-	5,670	38,220	-	40,986	-	-
Deposits	3,203,076	109,005	63,074	8,028,662	-	834,731	5,073,778	103,803	67,078	6,285,967	-	762,568
Mark-up payable	3,749	411	-	3,446	-	2,517	7,997	1,169	-	9,174	-	38
Outstanding commitments and contingent liabilities for												
irrevocable commitments and contingencies	339,761	-	-	350,978	-	-	339,761	-	-	454,867	-	-
Investment in shares / units	-	-	-	2,174,512	-	-	-	-	-	2,115,291	-	-
Security deposits against lease	494	704	-	279,674	-	-	-	704	-	4,323	-	-
Reimbursable expenses on behalf of												
Askari High Yield Scheme	-	-	-	36,133	-	-	-	-	-	31,702	-	-
Management fee and commission receivable from												
Askari High Yield Scheme	-	-	-	7,896	-	-	-	-	-	6,176	-	-
Reimbursable expenses on behalf of												
Askari Asset Allocation Fund	-	-	-	3,130	-	-	-	-	-	2,853	-	-
Management fee and commission receivable from Askari Asset Allocation Fund	-	-	-	425	-	-	-	-	-	500	-	-
Reimbursable expenses on behalf of												
Askari Islamic Income Fund	-	-	-	3,045	-	-	-	-	-	2,765	-	-
Management fee and commission receivable from Askari Islamic Income Fund	-	-	-	419	-	-	-	-	-	461	-	-
Management fee and commission receivable from Askari Islamic Asset Allocation Fund	-	-	-	219	-	-	-	-	-	241	-	-
Reimbursable expenses on behalf of												
Askari Islamic Asset Allocation Fund	-	-	-	1,817	-	-	-	-	-	1,662	-	-
Reimbursable expenses on behalf of												
Askari Sovereign Cash Fund	-	-	-	20,377	-	-	-	-	-	19,661	-	-
Management fee and commission receivable from Askari Sovereign Cash Fund	-	-	-	1,098	-	-	-	-	-	1,093	-	-
Reimbursable expenses on behalf of												
Askari Equity Fund	-	-	-	2,394	-	-	-	-	-	2,116	-	-
Management fee and commission receivable from Askari Equity Fund	-	-	-	460	-	-	-	-	-	383	-	-
Management fee and commission receivable from Askari Sovereign Yield Enhancer	-	-	-	2,102	-	-	-	-	-	1,689	-	-
Reimbursable expenses on behalf of												
Askari Sovereign Yield Enhancer	-	-	-	7,803	-	-	-	-	-	6,517	-	-
Pre-paid insurance premium by AIML	-	-	-	-	-	-	-	-	-	-	1,355	-
Payable to employee funds by AIML	-	-	-	-	-	12,233	-	-	-	-	-	10,596
	March 31, 2016 - (Unaudited)						March 31, 2015 - (Unaudited)					
	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associates	Other Related Parties	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associates	Other Related Parties
Transactions during the quarter ended												
Mark-up / interest earned	11,279	2,422	-	91,300	-	-	3,005	1,790	-	78,219	-	-
Mark-up / interest expensed	40,503	651	61	107,006	-	9,703	119,622	694	179	84,099	651	48,084
Contributions to employees' funds	-	-	-	-	-	138,925	-	-	-	-	-	128,390
Investment in shares / units	-	-	-	40,000	-	-	-	-	-	30,000	-	-
Rent of property / service charges paid	624	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	906,282	173	126	-	-	-
Remuneration paid	-	98,384	-	-	-	-	-	71,390	-	-	-	-
Post employment benefits	-	6,189	-	-	-	-	-	4,248	-	-	-	-
Insurance premium paid	-	-	-	-	-	-	-	-	-	-	3,613	-
Insurance claims received	-	-	-	-	-	-	-	-	-	-	673	-
Fee, commission and brokerage income	63	-	-	35,391	-	-	1,559	-	-	2,202	-	-
Fee, commission and brokerage paid	-	-	-	72	-	-	-	-	-	-	-	-
Remuneration received by AIML from AAFA, AHYS, AIAFA, AIIF, ASCF and AEF	-	-	-	36,086	-	-	-	-	-	36,086	-	-
Fees paid	-	83	925	-	-	989	-	-	1,100	-	-	396

In addition to above, rent free sub-branch is operating at FFC head office, Sona Tower.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

19. RECLASSIFICATION OF COMPARATIVE FIGURES

There have been no significant reclassifications in this condensed interim consolidated financial information except an amount of Rs. 45,000 thousand which was reclassified in 2015 from income from dealing in foreign currencies to administrative expenses.

20. DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorized for issue by the Board of Directors on April 22, 2016.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

ڈائریکٹرز کی جائزہ رپورٹ

عزیزہ قصص داران

ڈائریکٹر ذریعہ آڈٹ شدہ اور غیر غم شدہ مختصر عبوری مالیاتی معلومات برائے اختتام سرمایہ 31 مارچ 2016 پیش کرتے ہیں۔ مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

31 مارچ 2015ء	31 مارچ 2016ء	پروڈیون ٹیکس سے قبل منافع
2,226,869	1,889,257	قرضوں کے عوض ریوٹل / (پروڈیون)
(175,296)	105,958	سرمایہ کاری کے عوض پروڈیون / مالدیو
(151,958)	(113,672)	
(327,254)	(7,714)	قبل از ٹیکس منافع
1,899,615	1,881,543	ٹیکس
(639,717)	(658,612)	بعد از ٹیکس منافع
1,259,898	1,222,931	
1.00	0.97	جی ڈی آئی میں فی حصص - لاپتہ

زیر دوسرے مہی میں چنک کی کارکنوں کی ہجرتی ہے۔ مارفین کی معرکوں کی رقمی ہوا ہے 31 دسمبر 2016 کو 449 روپے ہو گئی تھی جو گزشتہ سال 2015 میں 484 روپے کا اضافہ 4% ہے۔ 31 دسمبر 2016 کو کھانا لکھنؤ قرضہ جات 209 روپے ہے جو کہ 31 دسمبر 2015 میں 200 روپے ہے 4% کا مزید اضافہ بخیر کرتے ہیں۔ ہم مارک آپ آمدن میں 1% کا اضافہ ایجادات میں اپنی اضافی کے انوکھا کرنا ہے۔ باوجود یہ کھانے کی سر مہی کی شرکت نہیں سود میں سے اضافہ کو کافی دیکھ نہیں ہوگا ہے۔

اس سسرہائی میں کاروبار اور تجارت سے متعلق غیر فیکٹ آف آڈن میں 3% کا اضافہ ہوا، تاہم پچھلے سال کی پہلی سہ ماہی کی نسبت مجموعی غیر مارک اپ آڈن میں 2% کی معمولی کمی آئی ہے۔ انتظامی اخراجات میں 12% کے اضافہ کی بڑی وجہ تو میٹل پر کھوئی گئی کمی تھی۔ برقی بجلی کے اضافی اخراجات ہیں۔

کارپازر دوسروں کی تعداد میں غیر فعال افراد کا 29% کی کمی کے ساتھ 30.8 ارب روپے ہو گئے جوگزٹوشی سال 2015ء کے اہتمام میں 31.5 ارب روپے تھے۔ یہ کمی غالب طور پر چیک کی طرف سے وصولیوں پر چڑھنے کی وجہ سے ہے۔ تجزیہ کے طور پر غیر فعال اشخاص سے جو مجموعہ دوسری سال میں واپس لیا گیا ہے 6.8 ارب روپے، جوگزٹوشی سال کی پہلی سہ ماہی 31 مارچ 2015ء کے اہتمام میں 327 ملین روپے تھی۔ یہ مخصوص سال سے چیک کو منافع پر قرار رکھنے کا کافی حد تک پہلی نمائندگی حاصل کرنا 1.88 ارب روپے اور غیر فعال اشخاص 1.22 ارب روپے ہے۔

اب آپ کے چیک کی 424 لکھو جن میں 75 لاکھ چیک کی لکھو، 32 لکھ لکھو اور برہن میں ہول میں چیک کے انچ شامل ہیں۔ ہمارے پڑھانے والے دفتر چیک، چین کا موجودہ مال کی دوسری سہائی میں فعال ہوا متوقع ہے جو کہ امریکا میں ملک میں ہمارے درجے کو بڑھانے کا مزاج میں بہت کام عاف ہے گا۔ چیک کے کاروبار، پختیس ٹیٹ اور پی ڈی کو بڑھانے کے لئے ہمارے ان میں اضافے کی پالیسی کو جاری رکھے ہوئے چیک کے اشتعال کار کا خصوصی پیپر تقریر کر رکھے ہوئے 2016ء کے دوران مزے پوائیٹھو کئے اور بہتر معیشت اور دھڑاتے متعارف کرانے کا ارادہ رکھتا ہے۔

ہم اپنے گراں قدر معارفین کی طرف سے مسلسل برپا ہونے والی حمایت و ملیت چیک آؤ۔ آئیے پاکستان، بنگلہ دیش، انڈیا، نیپال، بھوٹان، چین، افغانستان اور دیگر ریاستوں کی طرف سے ہمارے حصص داران کے ہم یقین و اعتماد اور ہمارے علمی انتظامی امور میں اپنی کاوشوں سے شرکت کا شعر ادا کرتے ہیں جس سے ہمیں مقابلے کے کاروبار میں ماحول میں بہت قدرتی سے خدمت فراہم ہونے میں مدد ملے۔

وخطوط
سیالیم صغری
پریٹوٹ و فوٹیف ایگری کٹو

وخطوط
لیٹینٹ جزل خالد نور خان
حلال امتیاز (ملکری) (ریٹائرڈ)، ستارہ ایثار
چیرمین

راولپنڈی
22 اپریل 2016ء

