

Along The Silk Road



Report for the half year ended June 30, 2016

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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

Central Depository Company of Pakistan Limited
2nd Floor, 307 - Upper Mall, Opposite Lahore Gymkhana,
Near Main Mir Bridge, Lahore-54000
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Tel: (92-42) 35789378 - 87, 35789367 - (Dir), Fax: (92-42) 35789340
Email: info@cdcpak.com & Website: www.cdcpakistan.com

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 and six months ended June 30, 2016. The financial results for the six months are summarized as under:

	(Rupees in thousand)	
	June 30, 2016	June 30, 2015
Profit before provisions and taxation	4,563,254	5,821,177
Reversal / (provision) against loans and advances	523,999	(175,643)
Provision / impairment against investments	(98,772)	(311,089)
	425,227	(486,732)
Profit before taxation	4,988,481	5,334,445
Taxation	(2,028,221)	(2,300,270)
Profit after taxation	2,960,260	3,034,175
Basic earning per share - Rupees	2.35	2.41

Askari Bank earned a profit after tax of Rs.2,960 million for the six months ended June 30, 2016 compared to Rs.3,034 million for the corresponding period last year, maintaining earnings per share at almost the same level. The stable bottom line was achieved in a challenging operating environment of lowest interest margins, and was contributed by prudent asset liability management, deployment of funds in assets offering higher returns, and mostly by a net reversal of provisions against non-performing assets, amounting to Rs.425 million compared to a net charge of Rs.487 million for the corresponding period last year. The profit before provisions and taxation declined by 21 percent mainly due to lesser gains from investment recognized during the current six months, and increase in administrative expenses due to addition of new branches.

Customer deposits increased by 8 percent during the six months under review, closing at Rs.466 billion, from 433 billion at last year end. Aggregate current and savings (CASA) deposits increased by 7 percent during the period under review. Net advances stood at Rs.222 billion compared to Rs.200 billion at December 31, 2015, registering an 11 percent growth during the current half year. However, the impact of incremental balance sheet growth was absorbed by the decline in interest margin; net mark-up income declined by 1 percent. Non-performing loans reduced by 4 percent and were the main reason for the net reversal of provisions. Consequently, NPL coverage ratio improved to 93 percent at June 30, 2016 from 90 percent at December 31, 2015. Trade and business related non mark-up revenues increased by 17 percent during the six months period mainly due to increased business sourced by the Bank.

The super tax levy, introduced last year, was extended through Finance Act 2016 resulting in additional tax charge amounting to Rs.266 million, over and above the normal corporate tax for the six months under review.

Our presence has reached 424 branches, including 75 Islamic Banking branches, 30 sub-branches, a wholesale banking branch in Bahrain and our first representative office in Beijing, China. The branch expansion will continue and more new branches are planned during the current year for further increase in outreach, backed by improved products and service offerings.

We are pleased to report that Pakistan Credit Rating Agency Limited (PACRA) has assigned entity ratings of 'AA+' to the bank, a one notch improvement from 'AA' assigned by JCR-VIS. In their report, PACRA has recognized improved market penetration while sustaining an acceptable risk profile through strengthened systems and internal controls and effective management of spreads, as key rating drivers. PACRA and JCR-VIS have respectively assigned outlook as 'stable' and 'positive' while the short term ratings have been maintained at 'A1+' by both agencies.

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
August 9, 2016

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

ڈائریکٹرز کی جائزہ رپورٹ

عزیزہ حصص داران،

ڈائریکٹرز غیر آڈٹ شدہ اور غیر مدغم شدہ مختصر عبوری مالیاتی معلومات برائے اختتام سہ ماہی اور شش ماہی 30 جون 2016 پیش کرتے ہیں۔ شش ماہی مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

(روپے ہزاروں میں)

30 جون 2015	30 جون 2016
5,821,177	4,563,254
(175,643)	523,999
(311,089)	(98,772)
(486,732)	425,227
5,334,445	4,988,481
(2,300,270)	(2,028,221)
3,034,175	2,960,260
2.41	2.35

پروویژن ویکس سے قبل منافع
قرضوں کے عوض ریورسل (پروویژن)
سرمایہ کاری کا عوض پروویژن / نادہنگی

قبل از ٹیکس منافع
ٹیکس
بعد از ٹیکس منافع
بنیادی آمدن فی حصص، روپیہ

عسکری بینک نے شش ماہی 30 جون 2016 میں 2.960 ارب روپے بعد از ٹیکس منافع کمایا ہے، جبکہ پچھلے سال اسی معیار میں بعد از ٹیکس منافع 3.034 ارب روپے تھا، یعنی بنیادی آمدن فی حصص تقریباً ایک جیسی رہی ہے۔ یہ مستحکم آمدن شرح سود کم ترین سطح پر آ جانے کے بعد مشکل حالات کے باوجود کمائی گئی ہے، اور اس میں حصہ ہے اثاثہ جات اور واجبات کو محتاط طریقے سے منظم کرنے کا، جمع شدہ روپے کو زیادہ منافع دینے والے اثاثہ جات میں لگانے کا، اور زیادہ حصہ ہے غیر فعال اثاثہ جات میں خالص پروویژن کے ریورسل کا جو 425 ملین روپے تھی جبکہ پچھلی شش ماہی میں خالص پروویژن 487 ملین روپے تھی۔ پروویژن ویکس سے قبل منافع میں ۲۱ فیصد کمی آئی کیونکہ اس شش ماہی میں سرمایہ کاری کو بچ کر نفع کمایا گیا اور نئی برانچز کھولنے کی وجہ سے انتظامی اخراجات میں اضافہ ہوا۔

صارفین کی جمع کرائی گئی رقم زبر جائزہ شش ماہی میں 8 فیصد سے بڑھ گئی، جو کہ اختتام شش ماہی پر 466 ارب روپے تھیں، جبکہ پچھلے سال کے اختتام پر 433 ارب روپے تھیں۔ مجموعی طور پر کرنٹ اور بینک رقم اس شش ماہی میں 7 فیصد سے بڑھیں۔ خالص قرضہ جات اختتام 2015 میں 200 ارب روپے سے بڑھ کر 222 ارب روپے ہو گئے، جو کہ اس شش ماہی میں 11 فیصد کی بڑھوتی ہے۔ تاہم اثاثہ جات میں ایزادی اضافے کا اثر شرح سود میں کمی میں جذب ہو گیا، اور مارک اپ آمدن میں 1 فیصد کمی واقع ہوئی۔ غیر فعال قرضہ جات میں 4 فیصد کمی ہوئی اور بیہ مرکزی وجہی خالص پروویژن میں ریورسل کی۔ نتیجہً، غیر فعال قرضہ جات کی کوریج کا تناسب اس شش ماہی کے اختتام پر بڑھ کر 93 فیصد ہو گیا، جو کہ اختتام 2015 پر 90 فیصد تھا۔ تجارت اور کاروبار سے متعلق غیر فنڈ آمدنی میں اس شش ماہی کے دوران 17 فیصد اضافہ ہوا جس کی وجہ بینک کی طرف سے زیادہ حجم کا کام سمیٹنا ہے۔

پچھلے سال جو سپر ٹیکس لاگو کیا گیا تھا وہ فنانس ایکٹ 2016 کے تحت دوبارہ لاگو کیا گیا ہے جس کی وجہ اس شش ماہی میں ٹیکس کی مد میں 266 ملین روپے کا اضافی بوجھ پڑا۔

ہمارے بینک کی 424 برانچز ہیں جن میں 175 اسلامی بینک کی برانچز، 30 ذیلی برانچز، بحرین میں ہول سیل بینک برانچ اور بیجنگ چین میں ہمارا پہلا نمائندہ دفتر ہے۔ برانچز کی توسیع کا کام جاری رہے گا اور اس سال نئی برانچز کھولنے کی منصوبہ بندی بھی ہے جس سے ہماری رسائی کو اور وسعت ملے گی۔

ہمیں یہ بتاتے ہوئے بہت مسرت ہے کہ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے عسکری بینک کی اینٹی ریٹنگ + AA مقرر کی ہے، جو کہ AA سے ایک درجہ بہتر ہے جو JCR-VIS نے پچھلے سال مقرر کی تھی۔ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ نے اپنی رپورٹ میں تسلیم کیا ہے کہ اہم ریٹنگ عناصر میں مارکیٹ میں بہتر رسائی، جبکہ رسک پروفائل کو قابل قبول حد تک محدود رکھنا، جو کہ مضبوط نظام اور انٹرئل کنٹرول اور سپریڈز کے موثر انتظام کے ذریعے ہی حاصل ہوا۔ PACRA اور JCR-VIS نے آؤٹ لک مستحکم اور مثبت مقرر کی ہے جبکہ مختصر معیاد کی ریٹنگ + A1 پر برقرار رکھی ہے۔

ہم اپنے گراں قدر صارفین کی طرف سے مسلسل سرپرستی اور حمایت، ٹیلیٹ بینک آف پاکستان، سیورٹیز اینڈ ایئر لائنز کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی طرف سے رہنمائی، ہمارے حصص داران کا ہم پر یقین اور اعتماد اور ہمارے عمل کی انتظامی امور میں اپنی کاوشوں سے شرکت کا شکریہ ادا کرتے ہیں، جس سے ہمیں مقابلہ کے کاروباری ماحول ثابت قدمی سے خدمات سرانجام دینے میں مدد ملی۔

دستخط

لیفٹیننٹ جنرل خالد نواز خان

بلال امتیاز (ملٹری)، ستارہ ایثار

دستخط

سید ایم حسین

پریزیڈنٹ و چیف ایگزیکٹو

راولپنڈی

09 اگست 2016



Independent Auditors' Report on Review of Unconsolidated Condensed Interim Financial Information to the Members of Askari Bank Limited

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Askari Bank Limited (the Bank) as at June 30, 2016 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity and the notes to the financial information for the half year then ended (here in after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the three months ended June 30, 2016 and June 30, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2016, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

- sd -

Chartered Accountants

Islamabad: August 9, 2016

Engagement partner: S. Haider Abbas

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/ 2604934-37; Fax: +92 (51) 2277924, 2206473; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2016

		(Un-audited)	(Audited)
		June 30, 2016	December 31, 2015
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		28,422,938	29,685,228
Balances with other banks		8,934,592	8,295,724
Lendings to financial institutions		750,000	812,898
Investments	8	305,083,894	268,020,706
Advances	9	222,324,092	199,930,812
Operating fixed assets	10	9,524,121	9,230,010
Deferred tax assets		-	-
Other assets		22,050,547	19,891,336
		597,090,184	535,866,714
Liabilities			
Bills payable		14,406,380	6,094,885
Borrowings	11	68,165,347	57,323,250
Deposits and other accounts	12	465,887,954	433,172,205
Sub-ordinated loans		4,995,800	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	13	2,102,047	96,404
Other liabilities		9,779,105	7,330,227
		565,336,633	509,013,771
Net Assets		31,753,551	26,852,943
Represented By:			
Share capital		12,602,602	12,602,602
Reserves		8,219,879	6,445,888
Unappropriated profit		2,242,480	2,763,314
		23,064,961	21,811,804
Surplus on revaluation of assets - net of tax	14	8,688,590	5,041,139
		31,753,551	26,852,943
Contingencies and Commitments	15		

The annexed notes 1 to 25 and Annexure form an integral part of this unconsolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 2016

	Note	For the half year ended		For the quarter ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		(Rupees in thousand)			
Mark-up / return / interest earned	16	17,295,633	18,638,014	8,891,228	9,132,343
Mark-up / return / interest expensed		10,037,217	11,284,030	5,198,091	5,302,980
Net mark-up / interest income		7,258,416	7,353,984	3,693,137	3,829,363
(Reversal of provision) / provision against non-performing					
loans and advances - net	9.1	(523,999)	175,643	(418,041)	347
Impairment loss on available for sale investments		5,340	151,812	5,340	109,658
Provision for diminution in the value of investments - net		93,432	159,277	(20,240)	49,473
Bad debts written off directly		-	-	-	-
		(425,227)	486,732	(432,941)	159,478
Net mark-up / interest income after provisions		7,683,643	6,867,252	4,126,078	3,669,885
Non mark-up / interest income					
Fee, commission and brokerage income		1,236,493	864,583	812,565	523,481
Dividend income	17	195,759	258,482	152,870	214,738
Income from dealing in foreign currencies	18	381,206	481,583	169,731	249,335
Gain on sale of securities - net	19	2,021,825	2,673,479	1,190,242	1,842,948
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		-	-	-	-
Other income	20	191,328	270,367	104,370	129,557
Total non mark-up / interest income		4,026,611	4,548,494	2,429,778	2,960,059
		11,710,254	11,415,746	6,555,856	6,629,944
Non mark-up / interest expenses					
Administrative expenses		6,576,554	5,901,627	3,348,926	3,075,652
Other provisions / write offs		-	30,291	-	30,173
Other charges		145,219	149,383	99,992	89,289
Total non mark-up / interest expenses		6,721,773	6,081,301	3,448,918	3,195,114
		4,988,481	5,334,445	3,106,938	3,434,830
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		4,988,481	5,334,445	3,106,938	3,434,830
Taxation - current		910,824	1,178,002	297,496	553,742
- prior years'		266,425	416,000	266,425	416,000
- deferred		850,972	706,268	805,688	690,811
		2,028,221	2,300,270	1,369,609	1,660,553
Profit after taxation		2,960,260	3,034,175	1,737,329	1,774,277
Basic earnings per share - Rupees		2.35	2.41	1.38	1.41

The annexed notes 1 to 25 and Annexure form an integral part of this unconsolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 2016

	For the half year ended		For the quarter ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees in thousand)			
Profit after taxation	2,960,260	3,034,175	1,737,329	1,774,277
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	(6,050)	2,591	(6,093)	(331)
Items that will not be reclassified to profit and loss account				
Remeasurement of defined benefit plan	(193,427)	-	(193,427)	-
Related tax on remeasurement of defined benefit plan	67,699	-	67,699	-
Remeasurement of defined benefit plan - net of tax	(125,728)	-	(125,728)	-
Comprehensive income - transferred to statement of changes in equity	2,828,482	3,036,766	1,605,508	1,773,946
Components of comprehensive income not reflected in equity				
Items that are or may be reclassified subsequently to profit and loss account				
Surplus/ (deficit) on revaluation of assets - net of tax	3,647,451	(52,408)	2,042,732	(1,128,018)
Total comprehensive income	<u>6,475,933</u>	<u>2,984,358</u>	<u>3,648,240</u>	<u>645,928</u>

The annexed notes 1 to 25 and Annexure form an integral part of this unconsolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2016

	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	4,988,481	5,334,445
Less: dividend income	(195,759)	(258,482)
	<u>4,792,722</u>	<u>5,075,963</u>
Adjustments:		
Depreciation / amortization	482,421	404,000
(Reversal of provision) / provision against non-performing advances - net	(523,999)	175,643
Impairment loss on available for sale investments	5,340	151,812
Provision for diminution in the value of investments - net	93,432	159,277
Other provisions / write offs	-	30,291
Gain on sale of operating fixed assets	(1,222)	(1,950)
	<u>55,972</u>	<u>919,073</u>
	<u>4,848,694</u>	<u>5,995,036</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	62,898	(9,155,853)
Advances	(21,849,930)	(22,689,525)
Other assets (excluding advance taxation)	(880,602)	(666,316)
	<u>(22,667,634)</u>	<u>(32,511,694)</u>
Increase / (decrease) in operating liabilities		
Bills payable	8,311,495	21,723,793
Borrowings	10,842,097	(3,801,323)
Deposits and other accounts	32,715,749	34,908,599
Other liabilities (excluding current taxation)	2,233,471	853,396
	<u>54,102,812</u>	<u>53,684,465</u>
Cash generated from operations	<u>36,283,872</u>	<u>27,167,807</u>
Income tax paid	(970,953)	(746,678)
Net cash flow from operating activities	<u>35,312,919</u>	<u>26,421,129</u>
Cash flow from investing activities		
Net investments in available for sale securities	(33,417,958)	(12,394,628)
Net investments in held to maturity securities	(251,515)	(1,626,589)
Dividend income	68,837	70,203
Investments in operating fixed assets - net of adjustment	(782,983)	(873,398)
Sale proceeds of operating fixed assets - disposed off	7,673	6,475
Net cash outflow from investing activities	<u>(34,375,946)</u>	<u>(14,817,937)</u>
Cash flow from financing activities		
Payments of sub-ordinated loans	(1,000)	(2,995,000)
Dividend paid	(1,553,345)	(1,233,385)
Net cash outflow from financing activities	<u>(1,554,345)</u>	<u>(4,228,385)</u>
Exchange difference on translation of net investment in Wholesale Bank Branch	(6,050)	2,591
	<u>(623,422)</u>	<u>7,377,398</u>
(Decrease) / increase in cash and cash equivalents	<u>37,980,952</u>	<u>27,625,977</u>
Cash and cash equivalents at beginning of the period	<u>37,357,530</u>	<u>35,003,375</u>
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	28,422,938	26,138,071
Balances with other banks	8,934,592	6,630,913
Call money lendings	-	2,234,391
	<u>37,357,530</u>	<u>35,003,375</u>

The annexed notes 1 to 25 and Annexure form an integral part of this unconsolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 2016

	(Rupees in thousand)						
	Share Capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue reserve		Total
					General reserve	Unappropriated profit	
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 half year ended June 30, 2015							
Net profit for the half year ended June 30, 2015	-	-	-	-	-	3,034,175	3,034,175
Other comprehensive income related to equity	-	2,591	-	-	-	-	2,591
	-	2,591	-	-	-	3,034,175	3,036,766
Transfer to Statutory reserve	-	-	-	606,835	-	(606,835)	-
Transaction with owners, recorded directly in equity							
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)
Balance as at June 30, 2015	12,602,602	91,917	234,669	5,309,338	399,203	2,427,340	21,065,069
Total comprehensive income for the half year ended December 31, 2015							
Net profit for the half year ended December 31, 2015	-	-	-	-	-	2,009,244	2,009,244
Other comprehensive income related to equity	-	8,912	-	-	-	(11,161)	(2,249)
	-	8,912	-	-	-	1,998,083	2,006,995
Transfer to statutory reserve	-	-	-	401,849	-	(401,849)	-
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 half year ended June 30, 2016							
Net profit for the half year ended June 30, 2016	-	-	-	-	-	2,960,260	2,960,260
Other comprehensive income related to equity	-	(6,050)	-	-	-	(125,728)	(131,778)
	-	(6,050)	-	-	-	2,834,532	2,828,482
Transfer to Statutory reserve	-	-	-	592,052	-	(592,052)	-
Transaction with owners, recorded directly in equity							
Final dividend 2015: Rs. 1.25 per share	-	-	-	-	(1,575,325)	-	(1,575,325)
Balance as at June 30, 2016	12,602,602	94,779	234,669	6,303,239	1,587,192	2,242,480	23,064,961

The annexed notes 1 to 25 and Annexure form an integral part of this unconsolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 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 is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. 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 June 30, 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, 30 (December 31, 2015: 32) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

2. BASIS OF MEASUREMENT

This unconsolidated condensed interim financial information has been prepared under the historical cost convention as modified for certain investments which are carried at fair value, non-banking assets acquired in satisfaction of claims, freehold and leasehold land which are shown at revalued amounts and staff retirement gratuity and compensated absences which are carried at present value of defined benefit obligations net of fair value of plan assets.

3. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information for the half year ended June 30, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', and the 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 the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and the directives issued by SBP shall prevail.

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 classified and valued in accordance with the requirements of various circulars issued by SBP.

SECP through its Circular No. 14 of 2016 dated April 21, 2016 has instructed all listed companies to disclose certain information relating to loans and advances, deposits, revenue earned from different segments, bank balances, profit from bank accounts, realized and unrealized gain / loss on investments, dividend income, sources of other income, income earned from exchange gain etc derived under Shariah compliant / permissible mode. Pursuant to this, figures under the above head of accounts are disclosed in Annexure to this unconsolidated condensed interim financial information except for mark-up / return / interest earned, dividend income, income from dealing in foreign currencies and other income which are disclosed in note 16, 17, 18 and 20 respectively.

4. BASIS OF PRESENTATION

This unconsolidated condensed interim financial information has been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan's 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 unconsolidated condensed interim financial information should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

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

For the half year ended June 30, 2016

This unconsolidated condensed interim financial information is separate financial information of the Bank in which the investment in subsidiaries and associates are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees which is done in consolidated condensed interim financial information.

In accordance with the directives of the Federal Government regarding shifting of the banking system to Islamic modes, SBP has issued various circulars from time to time. One permissible form of trade-related modes of financing comprises of purchase of goods by the Bank from its customers and resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in this condensed interim financial information as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of the Islamic banking branches have been consolidated in this condensed interim financial information for reporting purposes, after eliminating material inter branch transactions / balances. Key figures of the Islamic banking branches are disclosed in Annexure to this condensed interim financial information.

This unconsolidated condensed interim financial information is presented in Pak Rupee which is the Bank's functional and presentation currency. Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim 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 except for the following:

Non banking assets acquired in satisfaction of claims:

To comply with the requirements of the 'Regulations for Debt Property Swap' (the Regulations) issued by SBP vide BPRD Circular No. 1 of 2016 dated January 1, 2016, the Bank has changed its accounting policy effective January 1, 2016 for recording of non-banking assets acquired in satisfaction of claims. In accordance with the Regulations, the non-banking assets acquired in satisfaction of claims are now being carried at revalued amounts. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of such properties is credited to the 'surplus on revaluation of non banking assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and are not capitalised. Previously, non-banking assets acquired in satisfaction of claims were carried at cost including attached costs less impairment, if any. Had the accounting policy not been changed, non banking assets acquired in satisfaction of claims (included in other assets in the statement of financial position) and surplus on revaluation of these assets would have been lower by Rs 1,377,334 thousand.

Amendments and interpretations to approved accounting standards effective from January 1, 2016 are not expected to have a material impact on this unconsolidated condensed interim financial information.

6. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this unconsolidated condensed interim 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.

7. 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.

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

For the half year ended June 30, 2016

8. INVESTMENTS

8.1 Investments by types

Available for sale securities

	June 30, 2016 - (Un-audited)			December 31, 2015 - (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
Market Treasury Bills	79,761,841	17,644,701	97,406,542	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	136,887,161	38,740,111	175,627,272	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares / units	2,728,586	-	2,728,586	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	5,362,723	-	5,362,723	4,681,860	-	4,681,860
Sukuk Certificates	6,326,378	-	6,326,378	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	644,177	-	644,177	1,374,126	-	1,374,126
	233,543,601	56,384,812	289,928,413	210,697,586	45,818,209	256,515,795

Held to maturity securities

Government of Pakistan Euro Bonds	2,469,861	-	2,469,861	2,420,797	-	2,420,797
Sukuk Certificates	5,562,205	-	5,562,205	5,359,754	-	5,359,754
	8,032,066	-	8,032,066	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
	449,789	-	449,789	449,789	-	449,789

Investments at cost

Provision for diminution in value of investments	242,025,456	56,384,812	298,410,268	218,927,926	45,818,209	264,746,135
	(2,167,335)	-	(2,167,335)	(2,073,903)	-	(2,073,903)
Investments - net of provisions	239,858,121	56,384,812	296,242,933	216,854,023	45,818,209	262,672,232

Surplus on revaluation of available for sale securities - net

	8,501,922	339,039	8,840,961	4,408,601	939,873	5,348,474
Total investments	248,360,043	56,723,851	305,083,894	221,262,624	46,758,082	268,020,706

8.2 The Bank has availed the relaxation of Rs.48,060 thousand allowed by the SBP against booking of impairment loss as required under para No. 4(a) of Regulation R - 8 of Prudential Regulations.

9. ADVANCES

Loans, cash credits, running finances, etc.

In Pakistan	206,020,179	190,572,671
Outside Pakistan	3,322,493	3,573,890
	209,342,672	194,146,561

Islamic financing and related assets

Net Investment in finance lease - in Pakistan	25,549,515	21,119,200
	5,886,195	4,488,060

Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan	3,705,091	2,979,217
Payable outside Pakistan	5,798,806	5,679,960
	9,503,897	8,659,177

Advances - gross

Provision for non-performing advances	250,282,279	228,412,998
Specific provision	(27,473,119)	(28,048,973)
General provision	(223,700)	(196,941)
General provision against consumer loans	(261,368)	(236,272)
	(27,958,187)	(28,482,186)
Advances - net of provision	222,324,092	199,930,812

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

For the half year ended June 30, 2016

9.1 Particulars of provision against non-performing advances

	(Rupees in thousand)							
	June 30, 2016 - (Un-audited)				December 31, 2015 - (Audited)			
	Specific	General	Consumer Financing-General	Total	Specific	General	Consumer Financing-General	Total
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	688,222	26,863	28,731	743,816	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(1,264,076)	(104)	(3,635)	(1,267,815)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net charge / (reversal) for the period / year	(575,854)	26,759	25,096	(523,999)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	<u>27,473,119</u>	<u>223,700</u>	<u>261,368</u>	<u>27,958,187</u>	<u>28,048,973</u>	<u>196,941</u>	<u>236,272</u>	<u>28,482,186</u>

9.2 The net Forced Sale Value (FSV) benefit already availed has been reduced by Rs. 268,678 thousand, which has resulted in 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. 268,678 thousand (2015: Rs. 450,681 thousand) and Rs. 174,641 thousand (2015: Rs. 292,943 thousand) respectively. Further, at June 30, 2016, cumulative net of tax benefit of FSV is Rs. 1,007,232 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and unappropriated profit to that extent are not available for distribution by way of cash or stock dividend.

9.3 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.

9.4 Advances include Rs. 30,115,835 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

	(Rupees in thousand)				
	June 30, 2016 - (Un-audited)				
Category of classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other Assets Especially Mentioned - note 9.4.1	268,797	-	268,797	-	-
Substandard	264,953	-	264,953	31,198	31,198
Doubtful	1,030,294	-	1,030,294	344,334	344,334
Loss	28,551,791	-	28,551,791	27,097,587	27,097,587
	<u>30,115,835</u>	<u>-</u>	<u>30,115,835</u>	<u>27,473,119</u>	<u>27,473,119</u>

	December 31, 2015 - (Audited)				
Category of classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other Assets Especially Mentioned - note 9.4.1	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>

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

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

For the half year ended June 30, 2016

	Note	(Un-audited) June 30, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
10. OPERATING FIXED ASSETS			
Capital work-in-progress		280,268	318,840
Property and equipment	10.1	8,313,554	7,978,711
Intangibles	10.2	975,738	977,898
		<u>9,569,560</u>	<u>9,275,449</u>
Provision against operating fixed assets		(45,439)	(45,439)
		<u><u>9,524,121</u></u>	<u><u>9,230,010</u></u>
10.1 Property and equipment			
Book value at beginning of the period / year		7,978,711	6,785,951
Cost of additions during the period / year		740,538	1,893,894
Book value of deletions / transfers during the period / year		(6,451)	(10,349)
Depreciation charge for the period / year		(394,404)	(690,325)
Book value of adjustments during the period / year		(4,840)	(460)
Book value at end of the period / year		<u><u>8,313,554</u></u>	<u><u>7,978,711</u></u>
10.2 Intangibles			
Book value at beginning of the period / year		977,898	1,105,270
Cost of additions during the period / year		86,205	46,469
Amortization charge for the period / year		(88,017)	(173,854)
Book value of adjustments during the period / year		(348)	13
Book value at end of the period / year		<u><u>975,738</u></u>	<u><u>977,898</u></u>
11. BORROWINGS			
Secured - in Pakistan local currency			
Borrowings from the State Bank of Pakistan:			
- Export refinance scheme		7,477,322	9,314,529
- Long term financing of export oriented projects		-	7,386
- Long term financing facility		1,737,522	1,005,047
- Financing facility for storage of agricultural produce		14,167	-
		<u>9,229,011</u>	<u>10,326,962</u>
Repo borrowings			
- State Bank of Pakistan		55,821,561	42,646,764
- Financial Institutions		880,383	3,842,399
		<u>56,701,944</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency			
- Call borrowings		1,800,000	500,000
- Overdrawn balance with other banks		-	98
		<u>1,800,000</u>	<u>500,098</u>
		<u>67,730,955</u>	<u>57,316,223</u>
Outside Pakistan - foreign currencies			
Unsecured - Overdrawn nostro accounts		434,392	7,027
		<u><u>68,165,347</u></u>	<u><u>57,323,250</u></u>

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

For the half year ended June 30, 2016

(Un-audited) June 30, 2016	(Audited) December 31, 2015
(Rupees in thousand)	

12. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	93,298,057	87,271,214
Savings deposits	229,745,898	230,891,271
Current accounts - remunerative	682,758	735,829
Current accounts - non-remunerative	130,938,749	105,536,733
Special exporters' account	59,426	59,733
Margin accounts	3,030,533	2,724,193
Others	1,304,213	824,850
	<u>459,059,634</u>	<u>428,043,823</u>

Financial institutions

Remunerative deposits	6,256,494	4,959,028
Non - Remunerative deposits	571,826	169,354
	<u>6,828,320</u>	<u>5,128,382</u>
	<u>465,887,954</u>	<u>433,172,205</u>

13. DEFERRED TAX LIABILITIES

Deferred credits / (debits) arising due to:

Accelerated tax depreciation and amortization	557,454	531,201
Provision against non-performing advances		
- excess of 1% of total advances	(1,356,583)	(2,181,302)
- classified in sub-standard category	(71,278)	(71,278)
	<u>(870,407)</u>	<u>(1,721,379)</u>
Surplus on revaluation of available for sale securities	3,094,336	1,871,966
Actuarial losses	(121,882)	(54,183)
	<u>2,102,047</u>	<u>96,404</u>

14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

Operating fixed assets	1,564,631	1,564,631
Non banking assets acquired in satisfaction of claims	1,377,334	-
Available for sale investments		

Federal Government securities

Listed shares

Units of open end mutual funds

Other securities

Less: related deferred tax

8,978,335	5,358,513
(219,021)	(108,910)
73,763	136,286
7,884	(37,415)
<u>8,840,961</u>	<u>5,348,474</u>
<u>(3,094,336)</u>	<u>(1,871,966)</u>
<u>5,746,625</u>	<u>3,476,508</u>
<u>8,688,590</u>	<u>5,041,139</u>

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

For the half year ended June 30, 2016

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15. CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
Government	4,353,287	-
Others	7,758,587	6,791,143
	<u>12,111,874</u>	<u>6,791,143</u>
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	604,498	609,971
Contingent liability in respect of guarantees given, favouring:		
i) Government	78,567,605	64,533,613
ii) Banks and other financial institutions	5,855,848	10,575,081
iii) Others	17,770,822	12,944,217
	<u>102,194,275</u>	<u>88,052,911</u>
	<u>102,798,773</u>	<u>88,662,882</u>
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.		
	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
	<u>114,910,540</u>	<u>81,107,284</u>
15.3 Trade-related contingent liabilities		
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>840,336</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) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.5 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	751,413	292,361
Sale and repurchase agreements	<u>56,795,161</u>	<u>46,551,819</u>

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

For the half year ended June 30, 2016

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
15.6 Commitments in respect of forward exchange contracts			
Purchase		18,711,672	26,019,601
Sale		<u>16,984,425</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>170,235</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>16,176,646</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		<u>1,493,327</u>	<u>2,280,969</u>
Payable outside Pakistan		<u>12,732,122</u>	<u>12,517,571</u>
		<u>14,225,449</u>	<u>14,798,540</u>
		For the half year ended (un-audited)	
		June 30, 2016	June 30, 2015
		(Rupees in thousand)	
	Note		
16. MARK-UP/ RETURN/ INTEREST EARNED			
On loans and advances to:			
Customers		7,550,812	8,106,663
Financial institutions		<u>83,701</u>	<u>41,887</u>
		7,634,513	8,148,550
On investments in:			
Available for sale securities		<u>9,374,902</u>	<u>9,942,753</u>
Held to maturity securities		<u>109,662</u>	<u>95,224</u>
		9,484,564	10,037,977
On deposits with financial institutions	16.1	109,966	291,911
On securities purchased under resale agreements		<u>66,590</u>	<u>159,576</u>
		<u>17,295,633</u>	<u>18,638,014</u>
16.1	These include profit from placements permissible under Shariah amounting to Rs. 47,800 thousand (June 30, 2015: Rs. 231,550 thousand).		
17. DIVIDEND INCOME			
Listed shares			
Adamjee Insurance Company Limited		2,250	1,800
Allied Bank Limited		2,999	1,993
Atlas Honda Limited		-	562
Attock Petroleum Limited		2,412	-

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

For the half year ended June 30, 2016

	For the half year ended (un-audited)	
	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
Bank Alfalah Limited	2,600	5,895
Cherat Cement Company Limited	662	-
Dawood Hercules Corporation Limited	-	696
EFU General Insurance Limited	-	3,190
EFU Life Assurance Limited	-	350
Engro Corporation Limited	-	2,600
Engro Fertilizer Limited	2,121	-
Glaxo SmithKline Pakistan Limited	1,600	-
Gul Ahmed Textile Mills Limited	1,309	-
Habib Bank Limited	175	-
Habib Metropolitan Bank Limited	4,640	4,148
Hascol Petroleum Limited	2,357	-
Hi-Tech Lubricants Limited	981	-
Hub Power Company Limited	-	2,400
ICI Pakistan Limited	1,040	-
IGI Insurance Limited	-	600
Indus Motor Company Limited	-	568
J.D.W. Sugar Mills Limited	-	190
Jubilee General Insurance Company Limited	1,125	-
Jubilee Life Insurance Company Limited	105	-
Kot Addu Power Company Limited	6,588	7,900
Lalpir Power Limited	3,003	-
Masood Textile Mills Limited	1,061	1,442
MCB Bank Limited	88	2,018
Meezan Bank Limited	868	-
National Bank of Pakistan	11,625	8,525
Nishat Chunian Power Limited	2,691	-
Nishat Power Limited	-	1,280
Oil & Gas Development Company Limited	553	533
Packages Limited	2,460	-
Pak Suzuki Motor Company Limited	-	400
Pakgen Power Limited	3,200	-
Pakistan Oilfields Limited	-	4,163
Pakistan Petroleum Limited	-	2,623
Pakistan Reinsurance company Limited	6,581	6,581
Pakistan State Oil Limited	284	1,800
Pakistan Telecommunication Company Limited	2,900	3,912
Pioneer Cement Limited	-	1,508
Shell Pakistan Limited	-	1,720
Thal Limited	825	1,537
United Bank Limited	-	1,400
Unlisted shares		
National Investment Trust Limited - Islamic Equity Fund	2,101	-
Pak Oman Advantage Fund	-	7,584

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

For the half year ended June 30, 2016

	For the half year ended (un-audited)	
	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
Associates		
Askari Asset Allocation Fund	-	20,000
Askari Equity Fund	-	10,798
Askari High Yield Scheme	100,124	109,844
Askari Islamic Asset Allocation Fund	-	8,749
Askari Islamic Income Fund	7,994	10,610
Askari Sovereign Cash Fund	6,937	9,247
Askari Sovereign Yield Enhancer Fund	9,500	9,316
	<u>195,759</u>	<u>258,482</u>
18. INCOME FROM DEALING IN FOREIGN CURRENCIES		
Gain / (loss) realised from dealing in:		
Foreign currencies	439,698	479,300
Forward foreign exchange contracts	(58,492)	2,283
	<u>381,206</u>	<u>481,583</u>
19. GAIN ON SALE OF SECURITIES - NET		
Gain on sale of government securities	1,907,819	2,295,397
Gain on sale of other investments	114,006	378,082
	<u>2,021,825</u>	<u>2,673,479</u>
20. OTHER INCOME		
Rent of property	3,294	3,076
Gain on sale of operating fixed assets	1,222	1,950
Rent of lockers	13,810	11,640
Gain on sale of non-banking asset	1,301	37,542
Recovery of write /charge off assets	19,027	39,468
Recovery of expenses from customers	152,674	176,691
	<u>191,328</u>	<u>270,367</u>
21. 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 2015 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.

Tax payments made in relation to the matters currently pending are being carried forward as receivable, 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

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

For the half year ended June 30, 2016

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.

- iii) Super tax at the rate of 4 percent of the taxable income levied through Finance Act 2015 has also been extended for the current tax year.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Bank as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5 to annual financial statements.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

- 22.1. The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) available at MUFAP, Reuters page, Redemption prices and determined by valuers on the panel of Pakistan Banker's Association .

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and non-banking assets acquired in satisfaction of claims.

	June 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial Assets				
Available for sale securities				
Market Treasury Bills	-	97,510,978	-	97,510,978
Pakistan Investment Bonds	-	184,463,826	-	184,463,826
Fully paid ordinary shares / units	2,456,940	-	-	2,456,940
Units of open end mutual funds	-	1,856,398	-	1,856,398
Fully paid preference shares	72,045	-	-	72,045
Term Finance Certificates	701,816	3,323,171	-	4,024,987
Sukuk Certificates	-	5,749,091	-	5,749,091
Government of Pakistan Euro Bonds	-	655,802	-	655,802
	<u>3,230,801</u>	<u>293,559,266</u>	<u>-</u>	<u>296,790,067</u>

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

For the half year ended June 30, 2016

	June 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Non-financial Assets				
Operating fixed assets				
Property and equipment (freehold and leasehold land)	-	3,521,888	-	3,521,888
Other assets				
Non-banking assets acquired in satisfaction of claims	-	4,782,574	-	4,782,574
	-	8,304,462	-	8,304,462

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial Assets				
Available for sale securities				
Market Treasury Bills	-	104,037,305	-	104,037,305
Pakistan Investment Bonds	-	144,466,164	-	144,466,164
Fully paid ordinary shares / units	2,627,140	-	-	2,627,140
Units of open end mutual funds	-	1,919,353	-	1,919,353
Fully paid preference shares	95,267	-	100,000	195,267
Term Finance Certificates	1,307,396	2,092,243	-	3,399,639
Sukuk Certificates	-	1,945,507	-	1,945,507
Government of Pakistan Euro Bonds	-	1,388,017	-	1,388,017
	4,029,803	255,848,589	100,000	259,978,392

Non-financial Assets				
Operating fixed assets				
Property and equipment (freehold and leasehold land)	-	3,521,888	-	3,521,888

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer. There were no transfers between levels 1 and 2 during the period.

23. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	(Rupees in thousand)						
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
	For the half year ended June 30, 2016 - (Un-audited)						
Total income	185,490	11,767,955	520,917	8,687,579	136,225	24,078	21,322,244
Total expenses	15,768	9,232,362	599,691	6,472,315	11,580	2,047	16,333,763
Net income / (loss)	169,722	2,535,593	(78,774)	2,215,264	124,645	22,031	4,988,481
	For the half year ended June 30, 2015 - (Un-audited)						
Total income	83,544	13,093,172	607,937	9,109,172	274,100	18,583	23,186,508
Total expenses	8,180	9,926,091	737,753	7,151,379	26,839	1,820	17,852,062
Net income / (loss)	75,364	3,167,081	(129,816)	1,957,793	247,261	16,763	5,334,446
	As at June 30, 2016 - (Un-audited)						
Segment Assets (Gross)	175,081	343,813,558	11,492,729	272,011,594	128,580	22,727	627,644,269
Segment Non Performing Loans	-	-	2,314,597	27,801,238	-	-	30,115,835
Segment Provision Required	-	1,522,634	2,327,223	26,704,228	-	-	30,554,085
Segment Liabilities	2,108	58,665,053	48,200,814	458,466,836	1,548	274	565,336,633
Segment return on assets (%)	0.03	2.08	0.09	1.53	0.02	0.00	
Segment cost of funds (%)	0.00	1.72	0.11	1.20	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 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 Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2016

24. 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 half year and balances as at June 30, 2016, are as follows:

	(Rupees in thousand)						
	June 30, 2016 - (Un-audited)						
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Subsidiaries	Associates	Other related parties
Balances outstanding as at							
Advances							
Secured	1,000,549	311,171	-	4,199,734	-	-	-
Un-secured	-	11,984	456	-	-	-	-
Mark-up receivable	-	45,387	-	28,225	-	-	-
Deposits	3,900,295	144,874	20,710	5,931,766	22,435	-	675,748
Mark-up payable	8,217	1,045	14	5,320	-	-	570
Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	339,761	-	-	619,432	-	-	-
Investments in shares / units	-	-	-	1,809,902	449,789	-	-
Security deposits against lease	494	1,165	-	5,679	-	-	-
Dividend receivable	-	-	-	124,555	-	-	-

	(Rupees in thousand)						
	December 31, 2015 - (Audited)						
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Subsidiaries	Associates	Other related parties
Balances outstanding as at							
Advances							
Secured	1,072,623	-	244,938	4,544,842	-	-	-
Un-secured	-	936	11,343	-	-	-	-
Mark-up receivable	5,670	-	38,220	40,986	-	-	-
Deposits	5,073,778	67,078	103,803	6,285,967	42,770	-	762,568
Mark-up payable	7,997	-	1,169	9,174	-	-	38
Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	339,761	-	-	454,867	-	-	-
Investments in shares / units	-	-	-	1,874,767	449,789	-	-
Security deposits against lease	-	-	704	4,323	-	-	-
Dividend receivable	-	-	-	-	-	-	-

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

For the half year ended June 30, 2016

	(Rupees in thousand)						
	June 30, 2016 - (Un-audited)						
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Subsidiaries	Associates	Other related parties
Transactions during the half year ended							
- Mark-up / interest earned	24,213	6,221	-	171,039	-	-	-
- Net mark-up / interest expensed	87,283	2,028	103	242,991	434	-	22,366
- Contributions to employees' funds	-	-	-	-	-	-	238,339
- Rent of property / service charges paid	8,184	-	-	-	-	-	-
- Dividend income	-	-	-	124,555	-	-	-
- Remuneration and allowances paid	-	185,122	-	-	-	-	1,971
- Post employment benefits	-	13,246	-	-	-	-	-
- Insurance premium paid	-	-	-	-	-	-	-
- Insurance claims received	-	-	-	-	-	-	-
- Fee, commission and brokerage income	125	-	-	750	-	-	-
- Fee, commission and brokerage paid	-	-	-	102	-	-	-
- Dividend paid	1132852	297	282	-	7	-	8,644
- Fees paid	-	167	2,413	-	-	-	-

	(Rupees in thousand)						
	June 30, 2015 - (Un-audited)						
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Subsidiaries	Associates	Other related parties
Transactions during the half year ended							
- Mark-up / interest earned	8,059	4,296	-	158,176	-	-	-
- Net mark-up / interest expensed	189,753	1,388	283	209,877	1,721	1,410	82,849
- Contributions to employees' funds	-	-	-	-	-	-	276,777
- Rent of property / service charges paid	-	-	-	-	-	-	-
- Dividend income	-	-	-	178,565	-	-	-
- Remuneration and allowances paid	-	142,971	-	-	-	-	790
- Post employment benefits	-	10,640	-	-	-	-	-
- Insurance premium paid	-	-	-	-	-	6,567	-
- Insurance claims received	-	-	-	-	-	673	-
- Fee, commission and brokerage income	2,321	-	-	3,369	-	-	-
- Fee, commission and brokerage paid	-	-	-	58	-	-	-
- Dividend paid	906,282	174	126	-	6	-	-
- Fees paid	-	-	2,488	-	-	-	50

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

25. DATE OF AUTHORISATION

This unconsolidated condensed interim financial information was authorized for issue by the Board of Directors on August 9, 2016.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Islamic Banking Business - Statement of Financial Position

Annexure
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As at June 30, 2016

The Bank is operating 75 Islamic banking branches and 3 Sub branches at half year ended June 30, 2016 (December 31, 2015: 75 Islamic banking branches and 3 Sub branches).

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
ASSETS			
Cash and balances with treasury banks		2,396,788	1,954,438
Balances with other banks		1,272,063	2,893,478
Due from Financial Institutions		-	-
Investments		7,993,833	5,873,462
Islamic financing and related assets	A - 1	25,170,861	20,767,917
Operating fixed assets		601,274	536,261
Deferred tax assets		-	-
Other assets		1,997,334	1,332,515
Total Assets		39,432,153	33,358,071
LIABILITIES			
Bills payable		817,930	525,144
Due to financial institutions		1,805,837	806,529
Deposits and other accounts			
-Current accounts		10,571,695	8,880,659
-Saving accounts	A - 2	12,370,737	10,029,967
-Term deposits		4,593,487	5,142,651
-Others		757,906	327,526
-Deposit from financial institutions - remunerative		3,061,863	2,552,138
-Deposits from financial institutions - non-remunerative		417	1,257
Due to head office		2,000,000	2,000,000
Other liabilities		1,145,461	779,852
		37,125,333	31,045,723
Net Assets		2,306,820	2,312,348
REPRESENTED BY			
Islamic banking fund		2,725,000	2,725,000
Reserves		-	-
Accumulated losses		(411,791)	(412,652)
		2,313,209	2,312,348
Deficit on revaluation of assets		(6,389)	-
		2,306,820	2,312,348
Remuneration to Shariah Board / Advisor		1,972	2,979
A-1 Islamic Financing and Related Assets			
Murabaha		3,736,176	5,875,189
Ijara		3,169,573	2,813,433
Musharaka		4,400,000	350,000
Diminishing Musharaka		8,867,220	7,071,961
Salam		1,267,037	4,038,669
Istisna		1,177,139	924,856
Other islamic modes		2,932,370	45,092
		25,549,515	21,119,200
Total provision		(378,654)	(351,283)
	A - 1.1	25,170,861	20,767,917

A - 1.1 Islamic Mode of Financing

(Rupees in thousand)							
June 30, 2016 - (Un-audited)							
	Murabaha	Ijara	Musharaka	Diminishing Musharaka	Salam	Istisna	Other Islamic Modes
Financing	3,490,203	2,826,071	4,400,000	8,866,220	1,201,237	1,129,196	64,812
Advance	245,973	343,502	-	1,000	-	-	-
Inventory	-	-	-	-	65,800	47,943	-
Receivables against Sale of Salam Inventory	-	-	-	-	-	-	2,867,558
	3,736,176	3,169,573	4,400,000	8,867,220	1,267,037	1,177,139	2,932,370
Provision	(92,454)	(160,669)	-	(120,774)	(4,757)	-	-
Total	3,643,722	3,008,904	4,400,000	8,746,446	1,262,280	1,177,139	2,932,370
(Rupees in thousand)							
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	-
Receivables against Sale of Salam Inventory	-	-	-	-	-	-	-
	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. 682,758 thousand (December 31, 2015: Rs.735,829 thousand)

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

For the half year ended June 30, 2016

Annexure
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	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
Profit / return earned on financings, investment and placements	1,096,335	1,019,981
Return on deposits and other dues expensed	505,308	494,475
Net profit income	591,027	525,506
Provision against non-performing financings	27,437	19,777
(Reversal of provision) / provision for impairment in the value of investments	(6,952)	23,174
	20,485	42,951
Income after provisions	570,542	482,555
Other Income		
Fee, Commission and Brokerage Income	50,349	29,398
Income from dealing in foreign currencies	3,809	2,844
Capital gain on sale of securities	400	12,232
Other Income	12,714	5,333
Total other income	67,272	49,807
	637,814	532,362
Other expenses		
Administrative expenses	636,923	485,669
Other charges	30	130
Total other expenses	636,953	485,799
	861	46,563
Extra ordinary / unusual items	-	-
Profit before taxation	861	46,563

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

For the half year ended June 30, 2016

Annexure
(4 of 4)

	(Un-audited) June 30, 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	3,380	4,768
- non shariah compliant income	10	498
- profit on charity account	1	1
	3,391	5,267
Payments / utilization during the period / year		
- education	-	(300)
- health	(200)	(788)
- Orphanage	-	(300)
	(200)	(1,388)
Closing balance	<u>9,166</u>	<u>5,975</u>

ASKARI BANK LIMITED
& ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (Un-Audited)
FOR THE HALF YEAR ENDED
JUNE 30, 2016

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

As at June 30, 2016

		(Un-audited) June 30, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		28,422,938	29,685,228
Balances with other banks		9,030,988	8,358,930
Lendings to financial institutions		750,000	812,898
Investments	8	305,159,443	268,048,928
Advances	9	222,332,119	199,936,549
Operating fixed assets	10	9,567,784	9,278,150
Deferred tax assets		-	-
Other assets		22,265,535	20,068,057
		597,528,807	536,188,740
Liabilities			
Bills payable		14,406,380	6,094,885
Borrowings	11	68,165,347	57,323,250
Deposits and other accounts	12	465,879,659	433,130,465
Sub-ordinated loans		4,995,800	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	13	2,074,477	71,590
Other liabilities		10,006,933	7,497,960
		565,528,596	509,114,950
Net Assets		32,000,211	27,073,790
Represented By:			
Share capital		12,602,602	12,602,602
Reserves		8,219,879	6,445,888
Unappropriated profit		2,448,027	2,948,581
		23,270,508	21,997,071
Non-controlling interest		37,929	35,580
		23,308,437	22,032,651
Surplus on revaluation of assets - net of tax	14	8,691,774	5,041,139
		32,000,211	27,073,790
Contingencies and Commitments	15		

The annexed notes 1 to 25 form an integral part of this consolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 2016

	Note	For the half year ended		For the quarter ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		(Rupees in thousand)			
Mark-up / return / interest earned	16	17,295,639	18,641,683	8,891,079	9,132,899
Mark-up / return / interest expensed		10,036,973	11,282,329	5,197,847	5,301,976
Net mark-up / interest income		7,258,666	7,359,354	3,693,232	3,830,923
(Reversal of provision) / provision against non - performing loans and advances - net	9.1	(523,999)	175,643	(418,041)	347
Impairment loss on available for sale investments		5,340	151,812	5,340	109,658
Provision for diminution in the value of investments-net		93,432	159,277	(20,240)	49,473
Bad debts written off directly		-	-	-	-
		(425,227)	486,732	(432,941)	159,478
Net mark-up / interest income after provisions		7,683,893	6,872,622	4,126,173	3,671,445
Non mark-up / interest income					
Fee, commission and brokerage income		1,340,430	968,070	874,355	613,384
Dividend income	17	207,363	262,765	164,314	218,781
Income from dealing in foreign currencies	18	381,206	481,583	169,731	249,335
Gain on sale of securities - net	19	2,029,529	2,680,302	1,193,225	1,847,953
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		(6,536)	2,741	(8,999)	(276)
Other income	20	196,578	276,266	107,741	98,234
Total non mark-up / interest income		4,148,570	4,671,727	2,500,367	3,027,411
		11,832,463	11,544,349	6,626,540	6,698,856
Non mark-up / interest expenses					
Administrative expenses		6,668,487	5,989,302	3,394,303	3,121,158
Other provisions / write offs		-	30,291	-	30,173
Other charges		145,219	149,383	99,992	89,289
Total non mark-up / interest expenses		6,813,706	6,168,976	3,494,295	3,240,620
		5,018,757	5,375,373	3,132,245	3,458,236
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		5,018,757	5,375,373	3,132,245	3,458,236
Taxation - current		916,962	1,184,692	302,470	557,530
- prior years'		266,425	416,000	266,425	416,000
- deferred		850,972	706,268	805,688	690,811
		2,034,359	2,306,960	1,374,583	1,664,341
Profit after taxation		2,984,398	3,068,413	1,757,662	1,793,895
Attribute to:					
Equity holders of the Bank		2,982,049	3,065,340	1,754,844	1,791,691
Non - controlling interest		2,349	3,073	2,818	2,204
		2,984,398	3,068,413	1,757,662	1,793,895

The annexed notes 1 to 25 form an integral part of this consolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 2016

	For the half year ended		For the quarter ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees in thousand)			
Profit after taxation	2,984,398	3,068,413	1,757,662	1,793,895
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	(6,050)	2,591	(6,093)	(331)
Items that will not be reclassified to profit and loss account				
Remeasurement of defined benefit plan	(195,647)	-	(195,647)	-
Related tax on remeasurement of defined benefit plan	68,410	-	68,410	-
Remeasurement of defined benefit plan - net of tax	(127,237)	-	(127,237)	-
Comprehensive income - transferred to statement of changes in equity	2,851,111	3,071,004	1,624,332	1,793,564
Components of comprehensive income not reflected in equity				
Items that are or may be reclassified subsequently to profit and loss account				
Surplus / (deficit) on revaluation of assets - net of tax	3,650,635	(51,509)	2,050,246	(1,128,018)
Total comprehensive income	<u>6,501,746</u>	<u>3,019,495</u>	<u>3,674,578</u>	<u>665,546</u>
Attributable to:				
Equity holders of the Bank	6,499,397	3,016,422	3,671,760	663,342
Non-controlling interest	2,349	3,073	2,818	2,204
	<u>6,501,746</u>	<u>3,019,495</u>	<u>3,674,578</u>	<u>665,546</u>

The annexed notes 1 to 25 form an integral part of this consolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2016

	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	5,018,757	5,375,373
Less: Dividend income	(207,363)	(262,765)
	4,811,394	5,112,608
Adjustments:		
Depreciation / amortization	487,652	409,710
(Reversal of provision) / provision against non-performing advances - net	(523,999)	175,643
Impairment loss on available for sale investments	5,340	151,812
Provision for diminution in the value of investments - net	93,432	159,277
Unrealised (gain) / loss on revaluation of investments classified as held for trading - net	6,536	(2,741)
Gain on sale of operating fixed assets	(1,222)	(1,950)
	67,739	891,751
	4,879,133	6,004,359
(Increase) / decrease in operating assets		
Lendings to financial institutions	62,898	(9,155,853)
Held for trading securities	39,593	(26,618)
Advances	(21,852,220)	(22,690,906)
Other assets (excluding advance taxation)	(913,235)	(577,760)
	(22,662,964)	(32,451,137)
Increase / (decrease) in operating liabilities		
Bills payable	8,311,495	21,723,793
Borrowings	10,842,097	(3,801,323)
Deposits and other accounts	32,749,194	34,912,154
Other liabilities (excluding current taxation)	2,291,346	778,256
	54,194,132	53,612,880
Cash generated from operations	36,410,301	27,166,102
Income tax paid	(982,429)	(734,452)
Net cash flow from operating activities	35,427,872	26,431,650
Cash flow from investing activities		
Net investments in available for sale securities	(33,500,195)	(12,380,020)
Net investments in held to maturity securities	(251,515)	(1,626,589)
Dividend income	80,441	74,486
Investments in operating fixed assets - net of adjustment	(794,124)	(881,466)
Sale proceeds of operating fixed assets - disposed off	7,684	10,200
Net cash outflow from investing activities	(34,457,709)	(14,803,389)
Cash flow from financing activities		
Payments of sub-ordinated loans	(1,000)	(2,995,000)
Dividend paid	(1,553,345)	(1,233,385)
Net cash outflow from financing activities	(1,554,345)	(4,228,385)
Exchange difference on translation of net investment in Wholesale Bank Branch	(6,050)	2,591
(Decrease) / increase in cash and cash equivalents	(590,232)	7,402,467
Cash and cash equivalents at beginning of the period	38,044,158	27,678,994
Cash and cash equivalents at end of the period	37,453,926	35,081,461
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	28,422,938	26,138,085
Balances with other banks	9,030,988	6,708,985
Call money lendings	-	2,234,391
	37,453,926	35,081,461

The annexed notes 1 to 25 form an integral part of this consolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 2016

(Rupees in thousand)

	Share Capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue reserve		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 half year ended June 30, 2015									
Net profit for the half year ended June 30, 2015	-	-	-	-	-	3,065,340	3,065,340	3,073	3,068,413
Other comprehensive income related to equity	-	2,591	-	-	-	-	2,591	-	2,591
	-	2,591	-	-	-	3,065,340	3,067,931	3,073	3,071,004
Transfer to Statutory reserve	-	-	-	606,835	-	(606,835)	-	-	-
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 June 30, 2015	12,602,602	91,917	234,669	5,309,338	399,203	2,746,311	21,384,040	35,100	21,419,140
Total comprehensive income for the half year ended December 31, 2015									
Net profit for the half year ended December 31, 2015	-	-	-	-	-	1,874,915	1,874,915	659	1,875,574
Other comprehensive income related to equity	-	8,912	-	-	-	(10,536)	(1,624)	(179)	(1,803)
	-	8,912	-	-	-	1,864,379	1,873,291	480	1,873,771
Transfer to statutory reserve	-	-	-	401,849	-	(401,849)	-	-	-
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 half year ended June 30, 2016									
Net profit for the half year ended June 30, 2016	-	-	-	-	-	2,982,049	2,982,049	2,349	2,984,398
Other comprehensive income related to equity	-	(6,050)	-	-	-	(127,237)	(133,287)	-	(133,287)
	-	(6,050)	-	-	-	2,854,812	2,848,762	2,349	2,851,111
Transfer to Statutory reserve	-	-	-	592,052	-	(592,052)	-	-	-
Transaction with owners, recorded directly in equity									
Final dividend 2015: Rs. 1.25 per share	-	-	-	-	(1,575,325)	-	(1,575,325)	-	(1,575,325)
Balance as at June 30, 2016	<u>12,602,602</u>	<u>94,779</u>	<u>234,669</u>	<u>6,303,239</u>	<u>1,587,192</u>	<u>2,448,027</u>	<u>23,270,508</u>	<u>37,929</u>	<u>23,308,437</u>

The annexed notes 1 to 25 form an integral part of this consolidated condensed interim financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

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

For the half year ended June 30, 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 is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, The Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. 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 June 30, 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, 30 (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 half year ended June 30, 2016.

2. BASIS OF MEASUREMENT

This consolidated condensed interim financial information has been prepared under the historical cost convention as modified for certain investments which are carried at fair value, non-banking assets acquired in satisfaction of claims, freehold and leasehold land which are shown at revalued amounts and staff retirement gratuity and compensated absences which are carried at present value of defined benefit obligations net of fair value of plan assets.

3. STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information of the Group for the half year ended June 30, 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.

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.

SECP through its Circular No. 14 of 2016 dated April 21, 2016 has instructed all listed companies to disclose certain information relating to loans and advances, deposits, revenue earned from different segments, bank balances, profit from bank accounts, realized and unrealized gain / loss on investments, dividend income, sources of other income, income earned from exchange gain etc derived under Shariah compliant / permissible mode. Pursuant to this, figures under the above head of accounts are disclosed in Annexure to the unconsolidated condensed interim financial information except for mark-up / return / interest earned, dividend income, income from dealing in foreign currencies and other income which are disclosed in note 16, 17, 18 and 20 respectively.

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

For the half year ended June 30, 2016

4. BASIS OF PRESENTATION

This consolidated condensed interim financial information has been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan's 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 consolidated condensed interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2015.

In accordance with the directives of the Federal Government regarding shifting of the banking system to Islamic modes, SBP has issued various circulars from time to time. One permissible form of trade-related modes of financing comprises of purchase of goods by the group from its customers and resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in this consolidated condensed interim financial information as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of the Islamic banking branches have been consolidated in this consolidated condensed interim financial information for reporting purposes, after eliminating material inter branch transactions / balances. Key figures of the Islamic banking branches are disclosed in Annexure to the unconsolidated condensed interim financial information.

This consolidated condensed interim financial information is presented in Pak Rupee which is the Group's functional and presentation currency. Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim 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 except for the following:

Non banking assets acquired in satisfaction of claims:

To comply with the requirements of the 'Regulations for Debt Property Swap' (the Regulations) issued by SBP vide BPRD Circular No. 1 of 2016 dated January 1, 2016, the Group has changed its accounting policy effective January 1, 2016 for recording of non-banking assets acquired in satisfaction of claims. In accordance with the Regulations, the non-banking assets acquired in satisfaction of claims are now being carried at revalued amounts. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of such properties is credited to the 'surplus on revaluation of non banking assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and are not capitalised. Previously, non-banking assets acquired in satisfaction of claims were carried at cost including attached costs less impairment, if any. Had the accounting policy not been changed, non banking assets acquired in satisfaction of claims (included in Other assets in the statement of financial position) and surplus on revaluation of these assets would have been lower by Rs 1,377,334 thousand.

Amendments and interpretations to approved accounting standards effective from January 1, 2016 are not expected to have a material impact on this consolidated condensed interim financial information.

6. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this consolidated condensed interim 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.

7. 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 Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2016

8. INVESTMENTS

8.1 Investments by types

	June 30, 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)						
Held for trading securities						
Fully paid ordinary shares	56	-	56	42	-	42
Units of open end mutual funds	212,292	-	212,292	246,263	-	246,263
	212,348	-	212,348	246,305	-	246,305
Available for sale securities						
Market Treasury Bills	79,761,841	17,644,701	97,406,542	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	136,887,161	38,740,111	175,627,272	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares / units	2,773,165	-	2,773,165	2,856,476	-	2,856,476
Units of open end mutual funds	1,864,872	-	1,864,872	1,783,068	-	1,783,068
Fully paid preference shares	50,100	-	50,100	150,100	-	150,100
Term Finance Certificates	5,362,723	-	5,362,723	4,681,860	-	4,681,860
Sukuk Certificates	6,326,378	-	6,326,378	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	644,177	-	644,177	1,374,126	-	1,374,126
	233,670,417	56,384,812	290,055,229	210,742,165	45,818,209	256,560,374
Held to maturity securities						
Government of Pakistan Euro Bonds	2,469,861	-	2,469,861	2,420,797	-	2,420,797
Sukuk Certificates	5,562,205	-	5,562,205	5,359,754	-	5,359,754
	8,032,066	-	8,032,066	7,780,551	-	7,780,551
Investment at cost	241,914,831	56,384,812	298,299,643	218,769,021	45,818,209	264,587,230
Provision for diminution in value of investments	(1,979,308)	-	(1,979,308)	(1,885,876)	-	(1,885,876)
Investments - net of provisions	239,935,523	56,384,812	296,320,335	216,883,145	45,818,209	262,701,354
Unrealized gain on revaluation of held for trading securities - net	(6,536)	-	(6,536)	(900)	-	(900)
Surplus on revaluation of available for sale securities - net	8,506,605	339,039	8,845,644	4,408,601	939,873	5,348,474
Total investments	<u>248,435,592</u>	<u>56,723,851</u>	<u>305,159,443</u>	<u>221,290,846</u>	<u>46,758,082</u>	<u>268,048,928</u>

8.2 The Group has availed the relaxation of Rs.48,060 thousand allowed by the SBP against booking of impairment loss as required under para No. 4(a) of Regulation R - 8 of Prudential Regulations.

9. ADVANCES

Loans, cash credits, running finances, etc.

In Pakistan

Outside Pakistan

Islamic financing and related assets

Net Investment in finance lease - in Pakistan

Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan

Payable outside Pakistan

Advances - gross

Provision for non-performing advances

Specific provision

General provision

General provision against consumer loans

Advances - net of provision

Note	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
	206,028,206	190,578,408
	<u>3,322,493</u>	<u>3,573,890</u>
	209,350,699	194,152,298
A - 1	25,549,515	21,119,200
	5,886,195	4,488,060
	<u>3,705,091</u>	<u>2,979,217</u>
	<u>5,798,806</u>	<u>5,679,960</u>
	<u>9,503,897</u>	<u>8,659,177</u>
	250,290,306	228,418,735
9.1	<u>(27,473,119)</u>	<u>(28,048,973)</u>
	<u>(223,700)</u>	<u>(196,941)</u>
	<u>(261,368)</u>	<u>(236,272)</u>
	<u>(27,958,187)</u>	<u>(28,482,186)</u>
	<u>222,332,119</u>	<u>199,936,549</u>

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

For the half year ended June 30, 2016

9.1 Particulars of provision against non-performing advances

	(Rupees in thousand)							
	June 30, 2016 - (Un-audited)				December 31, 2015 - (Audited)			
	Specific	General	Consumer Financing-General	Total	Specific	General	Consumer Financing-General	Total
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	688,222	26,863	28,731	743,816	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(1,264,076)	(104)	(3,635)	(1,267,815)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net charge / (reversal) for the period / year	(575,854)	26,759	25,096	(523,999)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	27,473,119	223,700	261,368	27,958,187	28,048,973	196,941	236,272	28,482,186

9.2 The net Forced Sale Value (FSV) benefit already availed has been reduced by Rs. 268,678 thousand, which has resulted in 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. 268,678 thousand (2015: Rs. 450,681 thousand) and Rs. 174,641 thousand (2015: Rs. 292,943 thousand) respectively. Further, at June 30, 2016, cumulative net of tax benefit of FSV is Rs. 1,007,232 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and unappropriated profit to that extent are not available for distribution by way of cash or stock dividend.

9.3 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.

9.4 Advances include Rs. 30,115,835 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Rupees in thousand)				
	June 30, 2016 - (Un-audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other Assets Especially Mentioned - note 9.4.1	268,797	-	268,797	-	-
Substandard	264,953	-	264,953	31,198	31,198
Doubtful	1,030,294	-	1,030,294	344,334	344,334
Loss	28,551,791	-	28,551,791	27,097,587	27,097,587
	30,115,835	-	30,115,835	27,473,119	27,473,119

Category of classification	December 31, 2015 - (Audited)				
	Classified Advances				
	Domestic	Overseas	Total	Provision Required	Provision Held
Other Assets Especially Mentioned - note 9.4.1	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

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

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

For the half year ended June 30, 2016

	Note	(Un-audited) June 30, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
10. OPERATING FIXED ASSETS			
Capital work-in-progress		280,268	318,840
Property and equipment	10.1	8,339,495	8,008,159
Intangibles	10.2	993,460	996,590
		<u>9,613,223</u>	<u>9,323,589</u>
Provision against operating fixed assets		(45,439)	(45,439)
		<u><u>9,567,784</u></u>	<u><u>9,278,150</u></u>
10.1 Property and equipment			
Book value at beginning of the period / year		8,008,159	6,820,193
Cost of additions during the period / year		741,303	1,897,898
Book value of deletions / transfers during the period / year		(6,462)	(10,349)
Depreciation charge for the period / year		(398,665)	(699,755)
Book value of adjustments during the period / year		(4,840)	172
Book value at end of the period / year		<u><u>8,339,495</u></u>	<u><u>8,008,159</u></u>
10.2 Intangibles			
Book value at beginning of the period / year		996,590	1,122,389
Cost of additions during the period / year		86,205	50,000
Amortization charge for the period / year		(88,987)	(175,812)
Book value of adjustments		(348)	13
Book value at end of the period / year		<u><u>993,460</u></u>	<u><u>996,590</u></u>
11. BORROWINGS			
Secured - in Pakistan local currency			
Borrowings from the State Bank of Pakistan:			
- Export refinance scheme		7,477,322	9,314,529
- Long term financing of export oriented projects		-	7,386
- Long term financing facility		1,737,522	1,005,047
- Financing facility for storage of agricultural produce		14,167	-
		<u>9,229,011</u>	<u>10,326,962</u>
Repo borrowings			
- State Bank of Pakistan		55,821,561	42,646,764
- Financial Institutions		880,383	3,842,399
		<u>56,701,944</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency			
- Call borrowings		1,800,000	500,000
- Overdrawn balance with other banks		-	98
		<u>1,800,000</u>	<u>500,098</u>
		<u>67,730,955</u>	<u>57,316,223</u>
Outside Pakistan - foreign currencies			
Unsecured - Overdrawn nostro accounts		434,392	7,027
		<u><u>68,165,347</u></u>	<u><u>57,323,250</u></u>

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

For the half year ended June 30, 2016

(Un-audited) June 30, 2016	(Audited) December 31, 2015
(Rupees in thousand)	

12. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	93,298,057	87,271,214
Savings deposits	229,744,379	230,855,326
Current accounts - remunerative	682,758	735,829
Current accounts - non-remunerative	130,931,973	105,530,938
Special exporters' account	59,426	59,733
Margin accounts	3,030,533	2,724,193
Others	1,304,213	824,850
	<u>459,051,339</u>	<u>428,002,083</u>

Financial institutions

Remunerative deposits	6,256,494	4,959,028
Non-Remunerative deposits	571,826	169,354
	<u>6,828,320</u>	<u>5,128,382</u>
	<u>465,879,659</u>	<u>433,130,465</u>

13. DEFERRED TAX LIABILITIES

Deferred (credits) / debits arising due to:

Accelerated tax depreciation	557,454	531,967
Provision for staff benefits	(4,729)	(3,094)
Provision against non performing advances		
- excess of 1% of total advances	(1,356,871)	(2,181,302)
- classified in sub-standard category	(71,278)	(71,278)
Unused tax losses	(23,387)	(22,639)
	<u>(898,811)</u>	<u>(1,746,346)</u>
Surplus on revaluation of available for sale securities	3,095,170	1,871,966
Actuarial losses	(121,882)	(54,030)
	<u>2,074,477</u>	<u>71,590</u>

14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

Operating fixed assets	1,564,631	1,564,631
Non banking assets acquired in satisfaction of claims	1,377,334	-
Available for sale investments		

Federal Government securities

Listed shares

Units of open end mutual funds

Other securities

Less: related deferred tax

8,978,335	5,358,513
(219,021)	(108,910)
78,446	136,286
7,884	(37,415)
<u>8,845,644</u>	<u>5,348,474</u>
<u>(3,095,835)</u>	<u>(1,871,966)</u>
<u>5,749,809</u>	<u>3,476,508</u>
<u>8,691,774</u>	<u>5,041,139</u>

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

For the half year ended June 30, 2016

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15. CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
Government	4,353,287	-
Others	7,758,587	6,791,143
	<u>12,111,874</u>	<u>6,791,143</u>

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

604,498 609,971

Contingent liability in respect of guarantees given, favouring:

- i) Government
- ii) Banks and other financial institutions
- iii) Others

78,567,605	64,533,613
5,855,848	10,575,081
17,770,822	12,944,217
<u>102,194,275</u>	<u>88,052,911</u>
<u>102,798,773</u>	<u>88,662,882</u>

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) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	<u>114,910,540</u>	<u>81,107,284</u>

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.

855,070 761,459

- 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).

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.

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

For the half year ended June 30, 2016

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.6 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	751,413	292,361
Sale and repurchase agreements	<u>56,795,161</u>	<u>46,551,819</u>
15.7 Commitments in respect of forward exchange contracts		
Purchase	18,711,672	26,019,601
Sale	<u>16,984,425</u>	<u>17,473,121</u>
The above commitments have maturities falling within one year		
15.8 Commitments for acquisition of operating fixed assets	<u>170,235</u>	<u>200,797</u>
15.9 Commitments in respect of forward purchase / sale of listed equity securities		
Purchase	7,919	27,033
Sale	<u>955</u>	<u>3,966</u>
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		
	<u>16,176,646</u>	<u>8,789,588</u>
15.11 Other commitments		
This represents participation in the equity of proposed Mortgage Refinance Company.	<u>300,000</u>	<u>300,000</u>
15.12 Bills for collection		
Payable in Pakistan	1,493,327	2,280,969
Payable outside Pakistan	<u>12,732,122</u>	<u>12,517,571</u>
	<u>14,225,449</u>	<u>14,798,540</u>
	For the half year ended (un-audited)	
	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
16. MARK-UP/ RETURN/ INTEREST EARNED		
On loans and advances to:		
Customers	7,550,812	8,106,663
Financial institutions	<u>83,707</u>	<u>41,935</u>
	7,634,519	8,148,598
On investments in:		
Available for sale securities	<u>9,374,902</u>	<u>9,946,374</u>
Held to maturity securities	<u>109,662</u>	<u>95,224</u>
	9,484,564	10,041,598
On deposits with financial institutions	109,966	291,911
On securities purchased under resale agreements	<u>66,590</u>	<u>159,576</u>
	<u>17,295,639</u>	<u>18,641,683</u>

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

For the half year ended June 30, 2016

		For the half year ended (un-audited)	
		June 30, 2016	June 30, 2015
		(Rupees in thousand)	
17. DIVIDEND INCOME			
Listed shares			
Adamjee Insurance Company Limited	2,250	1,800	
Allied Bank Limited	2,999	1,993	
Atlas Honda Limited	-	562	
Attock Petroleum Limited	2,412	-	
Bank Alfalah Limited	2,600	5,895	
Bestway Cement Limited	-	3	
Cherat Cement Company Limited	662	-	
Dawood Hercules Corporation Limited	-	696	
EFU General Insurance Limited	-	3,190	
EFU Life Assurance Limited	-	350	
Engro Corporation Limited	-	2,600	
Engro Fertilizer Limited	2,121	-	
Glaxo SmithKline Pakistan Limited	1,600	-	
Gul Ahmed Textile Mills Limited	1,309	-	
Habib Bank Limited	175	-	
Habib Metropolitan Bank Limited	4,640	4,148	
Hascol Petroleum Limited	2,357	-	
Hi-Tech Lubricants Limited	981	-	
Hub Power Company Limited	-	2,400	
ICI Pakistan Limited	1,040	-	
IGI Insurance Limited	-	600	
Indus Motor Company Limited	-	568	
J.D.W. Sugar Mills Limited	-	190	
Jubilee General Insurance Company Limited	1,125	-	
Jubilee Life Insurance Company Limited	105	-	
Kot Addu Power Company Limited	6,588	7,900	
Lalpir Power Limited	3,003	-	
Masood Textile Mills Limited	1,061	1,442	
MCB Bank Limited	88	2,018	
Meezan Bank Limited	868	-	
National Bank of Pakistan	11,625	8,525	
Nishat Chunian Power Limited	2,691	-	
Nishat Power Limited	-	1,280	
Oil & Gas Development Company Limited	553	533	
Packages Limited	2,460	-	
Pak Suzuki Motor Company Limited	-	400	
Pakgen Power Limited	3,200	-	
Pakistan Oilfields Limited	-	4,163	
Pakistan Petroleum Limited	-	2,623	
Pakistan Reinsurance company Limited	6,581	6,581	
Pakistan State Oil Limited	284	1,800	
Pakistan Telecommunication Company Limited	2,900	3,912	
Pioneer Cement Limited	-	1,508	
Shell Pakistan Limited	-	1,720	
Thal Limited	825	1,537	
United Bank Limited	-	1,400	

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

For the half year ended June 30, 2016

	For the half year ended (un-audited)	
	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
Unlisted shares		
National Investment Trust Limited - Islamic Equity Fund	2,101	-
Pak Oman Advantage Fund	-	7,584
Pakistan Stock Exchange Limited	401	601
Associates		
Askari Asset Allocation Fund	-	20,000
Askari Equity Fund	-	10,798
Askari High Yield Scheme	110,561	112,927
Askari Islamic Asset Allocation Fund	-	8,749
Askari Islamic Income Fund	7,994	10,610
Askari Sovereign Cash Fund	7,060	9,312
Askari Sovereign Yield Enhancer Fund	10,143	9,847
	<u>207,363</u>	<u>262,765</u>
18. INCOME FROM DEALING IN FOREIGN CURRENCIES		
Gain / (loss) realised from dealing in:		
Foreign currencies	439,698	479,300
Forward foreign exchange contracts	(58,492)	2,283
	<u>381,206</u>	<u>481,583</u>
19. GAIN ON SALE OF SECURITIES - NET		
Gain on sale of government securities	1,907,819	2,295,397
Gain on sale of other investments	121,710	384,905
	<u>2,029,529</u>	<u>2,680,302</u>
20. OTHER INCOME		
Rent of property	3,294	3,076
Gain on sale of operating fixed assets	1,222	1,950
Rent of lockers	13,810	11,640
Gain on sale of non-banking asset	1,301	37,542
Recovery of write /charge off assets	19,027	39,468
Recovery of expenses from customers	157,924	182,590
	<u>196,578</u>	<u>276,266</u>
21. TAX STATUS		

- i) The Group has filed tax returns for and up to tax year 2015 (year ended 31 December 2014). The assessments for and up to tax year 2015 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 Group 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 Group and the tax department have filed appeals and reference applications to the higher forums in relation to matters not decided in their favour.

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

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

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

For the half year ended June 30, 2016

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.

iii) Super tax at the rate of 4 percent of the taxable income levied through Finance Act 2015 has also been extended for the current tax year.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Group as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy as stated in note 5 to annual financial statements.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

22.1. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) available at MUFAP, Reuters page, Redemption prices and determined by valuers on the panel of Pakistan Banker's Association.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Group has adopted revaluation model (as per IAS 16) in respect of land and non-banking assets acquired in satisfaction of claims.

	June 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial Assets				
Held for trading securities				
Fully paid ordinary shares	56	-	-	56
Units of open end mutual funds	-	205,756	-	205,756
Available for sale securities				
Market Treasury Bills	-	97,510,978	-	97,510,978
Pakistan Investment Bonds	-	184,463,826	-	184,463,826
Fully paid ordinary shares / units	2,456,940	-	44,579	2,501,519
Units of open end mutual funds	-	1,943,318	-	1,943,318
Fully paid preference shares	72,045	-	-	72,045
Term Finance Certificates	701,816	3,323,171	-	4,024,987
Sukuk Certificates	-	5,749,091	-	5,749,091
Government of Pakistan Euro Bonds	-	655,802	-	655,802
	<u>3,230,857</u>	<u>293,851,942</u>	<u>44,579</u>	<u>297,127,378</u>

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

For the half year ended June 30, 2016

	June 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Non-financial assets:				
Operating fixed assets				
Property and equipment (freehold and leasehold land)	-	3,521,888	-	3,521,888
Other assets				
Non-banking assets acquired in satisfaction of claims	-	4,782,574	-	4,782,574
	-	8,304,462	-	8,304,462

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial Assets				
Held for trading securities				
Fully paid ordinary shares	42	-	-	42
Units of open end mutual funds	-	245,364	-	245,364
Available for sale securities				
Market Treasury Bills	-	104,037,305	-	104,037,305
Pakistan Investment Bonds	-	144,466,164	-	144,466,164
Fully paid ordinary shares / units	2,627,140	-	44,579	2,671,719
Units of open end mutual funds	-	1,919,353	-	1,919,353
Fully paid preference shares	95,267	-	100,000	195,267
Term Finance Certificates	1,307,396	2,092,243	-	3,399,639
Sukuk Certificates	-	1,945,507	-	1,945,507
Government of Pakistan Euro Bonds	-	1,388,017	-	1,388,017
	4,029,845	256,093,953	144,579	260,268,377

Non-financial assets:				
Operating fixed assets				
Property and equipment (freehold and leasehold land)	-	3,521,888	-	3,521,888

The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer. There were no transfers between levels 1 and 2 during the period.

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

For the half year ended June 30, 2016

23. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	(Rupees in thousand)								
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Asset Management	Retail Brokerage	Total
	For the half year ended June 30, 2016 - (Un-audited)								
Total income	185,490	11,767,955	520,917	8,687,579	136,225	24,078	89,313	32,652	21,444,209
Total expenses	15,768	9,232,362	599,691	6,472,315	11,580	2,047	70,850	20,839	16,425,452
Net income / (loss)	169,722	2,535,593	(78,774)	2,215,264	124,645	22,031	18,463	11,813	5,018,757
	For the half year ended June 30, 2015 - (Un-audited)								
Total income	83,544	13,093,172	607,937	9,106,552	274,100	18,584	95,766	33,755	23,313,410
Total expenses	8,180	9,926,091	737,753	7,141,666	26,839	1,820	74,635	21,053	17,938,037
Net income / (loss)	75,364	3,167,081	(129,816)	1,964,886	247,261	16,764	21,131	12,702	5,375,373
	As at June 30, 2016 - (Un-audited)								
Segment Assets (Gross)	175,081	343,813,558	11,492,729	271,561,807	128,580	22,727	448,604	317,995	627,961,081
Segment Non Performing Loans	-	-	2,314,597	27,801,238	-	-	-	-	30,115,835
Segment Provision Required	-	1,522,634	2,327,223	26,516,201	-	-	-	66,216	30,432,274
Segment Liabilities	2,108	58,665,053	48,200,814	458,466,837	1,548	274	85,738	106,224	565,528,596
Segment return on net assets (%)	0.13	8.30	0.37	6.13	0.10	0.02	0.06	0.02	
Segment cost of funds (%)	0.01	6.87	0.45	4.82	0.01	0.00	0.05	0.02	
	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	

24. 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.

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

For the half year ended June 30, 2016

Details of transactions with related parties during the half year and balances as at June 30, 2016 are as follows:

	June 30, 2016 - (Un-audited)					(Rupees in thousand)
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Balances outstanding as at						
Advances						
Secured	1,000,549	311,171	-	4,199,734	-	-
Un-secured	-	11,984	456	-	-	-
Mark-up receivable	-	45,387	-	28,225	-	-
Deposits	3,900,295	144,874	20,710	5,931,766	-	675,748
Mark-up payable	8,217	1,045	14	5,320	-	570
Outstanding commitments and contingent liabilities for						
irrevocable commitments and contingencies	339,761	-	-	619,432	-	-
Investment in shares/ units	-	-	-	2,097,672	-	-
Security deposits against lease	494	1,165	-	5,679	-	-
Dividend receivable	-	-	-	124,555	-	-
Reimbursable expenses on behalf of						
Askari High Yield Scheme	-	-	-	42,127	-	-
Management fee and commission receivable from						
Askari High Yield Scheme	-	-	-	7,267	-	-
Reimbursable expenses on behalf of						
Askari Asset Allocation Fund	-	-	-	3,421	-	-
Management fee and commission receivable from Askari Asset Allocation Fund	-	-	-	414	-	-
Reimbursable expenses on behalf of						
Askari Islamic Income Fund	-	-	-	3,275	-	-
Management fee and commission receivable from Askari Islamic Income Fund	-	-	-	413	-	-
Management fee and commission receivable from Askari Islamic Asset Allocation Fund	-	-	-	226	-	-
Reimbursable expenses on behalf of Askari Islamic Asset Allocation Fund	-	-	-	1,941	-	-
Reimbursable expenses on behalf of Askari Sovereign Cash Fund	-	-	-	21,062	-	-
Management fee and commission receivable from Askari Sovereign Cash Fund	-	-	-	932	-	-
Reimbursable expenses on behalf of Askari Equity Fund	-	-	-	2,696	-	-
Management fee and commission receivable from Askari Equity Fund	-	-	-	354	-	-
Management fee and commission receivable from Askari Sovereign Yield Enhancer	-	-	-	1,904	-	-
Reimbursable expenses on behalf of Askari Sovereign Yield Enhancer	-	-	-	9,552	-	-
Pre-paid insurance premium by AIML	-	-	-	-	-	581
Payable to employee funds by AIML	-	-	-	-	-	14,226

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

For the half year ended June 30, 2016

	(Rupees in thousand)					
	December 31, 2015 - (Audited)					
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Balances outstanding as at						
Advances						
Secured	1,072,623	244,938	-	4,544,842	-	-
Un-secured	-	11,343	936	-	-	-
Mark-up receivable	5,670	38,220	-	40,986	-	-
Deposits	5,073,778	103,803	67,078	6,285,967	-	762,568
Mark-up payable	7,997	1,169	-	9,174	-	38
Outstanding commitments and contingent liabilities for						
irrevocable commitments and contingencies	339,761	-	-	454,867	-	-
Investment in shares / units	-	-	-	2,115,291	-	-
Security deposits against lease	-	704	-	4,323	-	-
Dividend receivable	-	-	-	-	-	-
Reimbursable expenses on behalf of						
Askari High Yield Scheme	-	-	-	31,702	-	-
Management fee and commission receivable from						
Askari High Yield Scheme	-	-	-	6,176	-	-
Reimbursable expenses on behalf of						
Askari Asset Allocation Fund	-	-	-	2,853	-	-
Management fee and commission receivable from Askari Asset Allocation Fund	-	-	-	500	-	-
Reimbursable expenses on behalf of						
Askari Islamic Income Fund	-	-	-	2,765	-	-
Management fee and commission receivable from Askari Islamic Income Fund	-	-	-	461	-	-
Management fee and commission receivable from						
Askari Islamic Asset Allocation Fund	-	-	-	241	-	-
Reimbursable expenses on behalf of						
Askari Islamic Asset Allocation Fund	-	-	-	1,662	-	-
Reimbursable expenses on behalf of						
Askari Sovereign Cash Fund	-	-	-	19,661	-	-
Management fee and commission receivable from Askari Sovereign Cash Fund	-	-	-	1,093	-	-
Reimbursable expenses on behalf of						
Askari Equity Fund	-	-	-	2,116	-	-
Management fee and commission receivable from Askari Equity Fund	-	-	-	383	-	-
Management fee and commission receivable from						
Askari Sovereign Yield Enhancer	-	-	-	1,689	-	-
Reimbursable expenses on behalf of						
Askari Sovereign Yield Enhancer	-	-	-	6,517	-	-
Pre-paid insurance premium by AIML	-	-	-	-	1,355	-
Payable to employee funds by AIML	-	-	-	-	-	10,596

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

For the half year ended June 30, 2016

(Rupees in thousand)

(Rupees in millions)

	June 30, 2016 - (Un-audited)					
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Transactions during the half year ended						
-Mark-up / interest earned	24,213	6,221	-	171,039	-	-
-Net mark-up / interest expensed	87,283	2,028	103	242,991	-	22,366
-Contributions to employees' funds	-	-	-	-	-	241,885
-Investment in shares / units	-	-	-	118,401	-	-
-Rent of property / service charges paid	8,184	-	-	-	-	-
-Dividend income	-	-	-	124,555	-	-
-Dividend paid	1,132,852	297	282	-	-	8,644
-Remuneration paid	-	185,122	-	-	-	1,971
-Post employment benefits	-	13,246	-	-	-	-
-Insurance premium paid	-	-	-	-	-	-
-Insurance claims received	-	-	-	-	-	-
-Fee, commission and brokerage income	125	-	-	750	-	-
-Fee, commission and brokerage paid	-	-	-	102	-	-
-Remuneration received by AIML from AAAF, AHYS, AIAAF, AIIF, ASCF and AEF	-	-	-	73,190	-	-
-Fees paid	-	167	2,413	-	-	-

(Rupees in thousand)

	December 31, 2015 - (Audited)					
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Transactions during the half year ended						
-Mark-up / interest earned	8,059	4,296	-	158,176	-	-
-Net mark-up / interest expensed	189,753	1,388	283	209,877	1,410	82,849
-Contributions to employees' funds	-	-	-	-	-	279,574
-Investment in shares / units	-	-	-	19,532	-	-
-Rent of property / service charges paid	-	-	-	-	-	-
-Dividend income	-	-	-	178,565	-	-
-Dividend paid	906,282	174	126	-	-	-
-Remuneration paid	-	142,971	-	-	-	790
-Post employment benefits	-	10,640	-	-	-	-
-Insurance premium paid	-	-	-	-	6,567	-
-Insurance claims received	-	-	-	-	673	-
-Fee, commission and brokerage income	2,321	-	-	3,369	-	-
-Fee, commission and brokerage paid	-	-	-	58	-	-
-Remuneration received by AIML from AAAF, AHYS, AIAAF, AIIF, ASCF and AEF	-	-	-	70,308	-	-
-Fees paid	-	-	2,488	-	-	50

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

25. DATE OF AUTHORISATION

This consolidated condensed interim financial information was authorized for issue by the Board of Directors on August 9, 2016.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

