

# Along The Silk Road



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## Corporate Information

### Board of Directors

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

### Board Audit & Compliance Committee

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

### Shariah Board

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

### Auditors

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

### Legal Advisors

RIAA, Barker Gillette  
Advocates & Corporate Counselors

### Company Secretary

Mr. Umar Shahzad

### Registered Office

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

### Registrar & Share Transfer Office

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](http://www.akbl.com.pk)

### Social Media

 [www.facebook.com/askaribankpakistan](https://www.facebook.com/askaribankpakistan)  
 [www.twitter.com/askari\\_bank](https://www.twitter.com/askari_bank)

## Directors' Review

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial information for the quarter and nine months ended September 30, 2016. The financial results for the nine months are summarized as under:

	(Rupees in thousand)	
	September 30, 2016	September 30, 2015
Profit before provisions and taxation	6,369,256	7,619,652
Reversal / (provision) against loans and advances	580,883	(230,212)
Provision / impairment against investments	(71,797)	(441,181)
	509,086	(671,393)
Profit before taxation	6,878,342	6,948,259
Taxation	(2,690,966)	(2,881,133)
Profit after taxation	4,187,376	4,067,126
Basic earning per share - Rupees	3.32	3.23

The Bank's profit after tax for the nine months ended September 30, 2016 amounted to Rs. 4,187 million, a 3% increase over the corresponding period last year. During the current period, aggregate net revenues remained stable, despite low interest margins, and major contribution came from the portfolio of government bonds generating mostly consistent returns. Also, fee, commission and brokerage revenues grew by a healthy 33% over the corresponding period supplementing the revenue streams. Administrative expenses increased by 14% mainly due to full period impact of Bank's investment in strategic network expansion; 103 new branches added to the nation-wide network during 2015. Though the increase in administrative expenses was largely off-set by healthy recoveries from non-performing assets resulting in a net reversal of provision amounting to Rs. 509 million compared to a net charge of Rs. 671 million for the corresponding period last year. This swing in provision from a net charge to a net reversal, enabled bottom line profits of the Bank to increase by 3%. Earnings per share for the current nine months are reported at Rs. 3.32 compared to Rs. 3.23 for the corresponding period, also improving by 3%.

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.

Customer deposits increased by 7 percent during the nine months under review, closing at Rs. 463 billion, from Rs. 433 billion at last year end. Current accounts remained an area of focus and registered a healthy growth of 11% while aggregate current and savings (CASA) deposits increased by 8% during the period under review. Net advances stood at Rs. 208 billion compared to Rs. 200 billion at December 31, 2015, registering a 4% growth during the current nine months. The balance sheet expansion compensated the adverse impact of decline in interest margins and net mark-up revenues were sustained at last year's level. Non-performing loans (NPLs) reduced by 6 percent on account of healthy recoveries and were the main reason for the net reversal of provisions, as stated above. At the close of September 30, 2016 NPL coverage ratio improved to 94 percent from 90 percent at December 31, 2015.

Our presence has reached 427 branches, including 75 Islamic Banking branches, 33 sub-branches, and 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. 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. The short term ratings have been maintained at 'A1+'.

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

- sd -

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

Rawalpindi  
October 13, 2016



## ڈائریکٹر کی جائزہ رپورٹ

عزیز محض داران،

ڈائریکٹر غیر آڈٹ شدہ اور غیر مدغم مختصر عبوری مالیاتی معلومات برائے اختتام سہ ماہی اور نو ماہی 30 ستمبر 2016 پیش کرتے ہیں۔ نو ماہ کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

(روپے ہزاروں میں)	
30 ستمبر 2016	30 ستمبر 2015
6,369,256	7,619,652
580,883	(230,212)
(71,797)	(441,181)
509,086	(671,393)
6,878,342	6,948,259
(2,690,966)	(2,881,133)
4,187,376	4,067,126
3.32	3.23

پرویشن ویکس سے قبل منافع  
قرضوں کے عوض ریوٹسل (پروویشن)  
سرماہ کاری کے عوض پروویشن رنڈا ہندگی

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

عسکری بینک نے نو ماہ کے عرصے 30 ستمبر 2016 تک 4,187 ارب روپے بعد از ٹیکس منافع کمایا ہے، جو کہ پچھلے سال کے اسی عرصہ میں کمائے جانے والے بعد از ٹیکس منافع سے 3% زائد ہے۔ کم شرح سود کے باوجود، اس سال میں، مجموعی خالص آمدن مستحکم رہی، اور اس میں بڑا حصہ گورنمنٹ بانڈز کی متواتر آمدن کا تھا۔ فیس، کمیشن اور بروکرج آمدن 33% سے بڑھی۔ انتظامی اخراجات 14% سے بڑھے جس کی بڑی وجہ 2015 میں کھلنے والی 103 برانچز کا پورے نو ماہ کا خرچہ ہے۔ انتظامی اخراجات میں اضافہ کافی حد تک غیر فعال اثاثہ جات کی وصولی کے برابر رہا، جس کی وجہ سے خالص پروویشن میں 509 ملین کی کمی واقع ہوئی جبکہ پچھلے سال کے اسی عرصے کے دوران اس میں 671 ملین کا اضافہ ہوا تھا۔ پروویشن میں اس کی کمی کے باعث بینک کا بعد از ٹیکس منافع 3% بڑھا۔ آمدن فی حصص اس نو ماہ کے عرصہ میں 3.32 روپے رہی جو کہ پچھلے سال کے اس عرصہ کے دوران 3.23 روپے تھی، جو کہ 3% بہتر ہے۔

صارفین کی جمع کرائی گئی رقم زیر جائزہ نو ماہ کے اختتام پر 7% سے بڑھ گئیں، جو کہ 463 ارب روپے تھیں، جبکہ پچھلے سال کے اختتام پر 433 ارب روپے تھیں۔ کرنٹ اکاؤنٹس ہماری توجہ کا اولین مرکز رہیں جو کہ 11% سے بڑھیں، جبکہ مجموعی طور پر کرنٹ اور سیونگ اکاؤنٹس اس نو ماہ کے عرصہ میں 8% سے بڑھے۔ خالص قرضہ جات اختتام 2015 میں 200 ارب روپے سے بڑھ کر 208 ارب روپے ہو گئے، جو کہ اس نو ماہ کے عرصہ میں 4% بڑھوتی ہے۔ اثاثہ جات میں اضافے کا اثر شرح سود کی کمی کے متناسب رہا، خالص مارک اپ آمدن میں پچھلے نو ماہ کے عرصہ کے برابر رہی۔ غیر فعال قرضہ جات میں 6% کمی ہوئی جو کہ بہتر وصولیوں کی وجہ سے ممکن ہوئی اور یہی خالص پروویشن میں ریوٹسل کی مرکزی وجہ رہی۔ غیر فعال قرضہ جات کی کوریج کا تناسب اس نو ماہ کے عرصہ کے اختتام پر بڑھ کر 94% ہو گیا، جو کہ اختتام 2015 پر 90 فیصد تھا۔

پچھلے سال جو سپرنٹنڈنٹ لائو کیا گیا تھا وہ فنانس ایکٹ 2016 کے تحت دوبارہ لاگو کیا گیا ہے جس کی وجہ سے اس نو ماہ کے عرصہ میں ٹیکس کی مد میں 266 ملین روپے کا اضافی بوجھ پڑا۔

ہمارے بینک کی 427 برانچز ہیں، جن میں 175 اسلامک بینک کی برانچز، 33 ذیلی برانچز، بحرین میں ہول سیل بینک برانچ اور چیونگ 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 جو کہ بہتر مصنوعات اور خدمات سے بڑھوں گی۔

ہمیں یہ بتاتے ہوئے بہت مسرت ہے کہ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے عسکری بینک کی اسٹیبل ریٹنگ AA+ مقرر کی ہے۔ 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 سپر ویزر کے مؤثر انتظام کے ذریعے ہی حاصل ہوا۔ مختصر معیاد کی ریٹنگ A1+ پر برقرار رکھی گئی ہے۔

ہم اپنے گرامر قدر صارفین کی طرف سے مسلسل سہمہ سہمہ اور حمایت، ٹیلیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی طرف سے رہنمائی، ہمارے حصص داران کا ہم پر یقین اور اعتماد اور ہمارے عملے کی انتظامی امور میں اپنی کاوشوں سے شراکت کا شکریہ ادا کرتے ہیں، جس سے ہمیں مقابلہ کے کاروباری ماحول میں، ثابت قدمی سے خدمات سرانجام دینے میں مدد ملی۔

دستخط

لیفٹیننٹ جنرل خالد نواز خان

ہلال امتیاز (ملٹری) (ریٹائرڈ)، ستارہ ایثار

چیئر مین بورڈ آف ڈائریکٹرز

دستخط

سید ایم حسینی

پریزیڈنٹ و چیف ایگزیکٹو

راولپنڈی

13 اکتوبر 2016

# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2016

		(Un-audited) September 30, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
<b>Assets</b>			
Cash and balances with treasury banks		32,807,915	29,685,228
Balances with other banks		4,967,517	8,295,724
Lendings to financial institutions		2,046,428	812,898
Investments	8	306,645,846	268,020,706
Advances	9	207,650,306	199,930,812
Operating fixed assets	10	9,574,024	9,230,010
Deferred tax assets		-	-
Other assets		17,922,920	19,891,336
		581,614,956	535,866,714
<b>Liabilities</b>			
Bills payable		12,410,329	6,094,885
Borrowings	11	59,005,474	57,323,250
Deposits and other accounts	12	462,639,877	433,172,205
Sub-ordinated loans		4,995,000	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	13	1,495,413	96,404
Other liabilities		9,059,227	7,330,227
		549,605,320	509,013,771
<b>Net Assets</b>		32,009,636	26,852,943
<b>Represented By:</b>			
Share capital		12,602,602	12,602,602
Reserves		8,464,289	6,445,888
Unappropriated profit		3,224,173	2,763,314
		24,291,064	21,811,804
Surplus on revaluation of assets - net of tax	14	7,718,572	5,041,139
		32,009,636	26,852,943
<b>Contingencies and Commitments</b>	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 quarter and nine months ended September 30, 2016

	Note	For the nine months ended		For the quarter ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		(Rupees in thousand)			
<b>Mark-up / return / interest earned</b>	16	26,394,186	27,602,466	9,098,553	8,964,452
<b>Mark-up / return / interest expensed</b>		15,345,098	16,496,617	5,307,881	5,212,587
Net mark-up / interest income		11,049,088	11,105,849	3,790,672	3,751,865
(Reversal of provision) / provision against non-performing loans and advances - net	9.1	(580,883)	230,212	(56,884)	54,569
Impairment loss on available for sale investments		11,000	171,410	5,660	19,598
Provision for diminution in the value of investments - net		60,797	269,771	(32,635)	110,494
Bad debts written off directly		-	-	-	-
		(509,086)	671,393	(83,859)	184,661
Net mark-up / interest income after provisions		11,558,174	10,434,456	3,874,531	3,567,204
<b>Non mark-up / interest income</b>					
Fee, commission and brokerage income		1,677,563	1,264,635	441,070	400,052
Dividend income	17	239,817	276,977	44,058	18,495
Income from dealing in foreign currencies	18	537,113	622,644	155,907	141,061
Gain on sale of securities - net	19	2,987,972	3,142,454	966,147	468,975
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		-	-	-	-
Other income	20	274,858	359,132	83,530	88,765
Total non mark-up / interest income		5,717,323	5,665,842	1,690,712	1,117,348
		17,275,497	16,100,298	5,565,243	4,684,552
<b>Non mark-up / interest expenses</b>					
Administrative expenses		10,202,609	8,924,927	3,626,055	3,023,300
Other provisions / write offs		626	32,587	626	2,296
Other charges		193,920	194,525	48,701	45,142
Total non mark-up / interest expenses		10,397,155	9,152,039	3,675,382	3,070,738
		6,878,342	6,948,259	1,889,861	1,613,814
Extra ordinary / unusual items		-	-	-	-
<b>Profit before taxation</b>		6,878,342	6,948,259	1,889,861	1,613,814
Taxation - current		1,658,594	1,813,828	747,770	635,826
- prior years'		266,425	431,000	-	15,000
- deferred		765,947	636,305	(85,025)	(69,963)
		2,690,966	2,881,133	662,745	580,863
<b>Profit after taxation</b>		4,187,376	4,067,126	1,227,116	1,032,951
<b>Basic earnings per share - Rupees</b>		3.32	3.23	0.97	0.82

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 quarter and nine months ended September 30, 2016

	For the nine months ended		For the quarter ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees in thousand)			
<b>Profit after taxation</b>	4,187,376	4,067,126	1,227,116	1,032,951
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit and loss account</b>				
Exchange difference on translation of net investment in Wholesale Bank Branch	(7,063)	8,057	(1,013)	5,466
<b>Items that will not be reclassified to profit and loss account</b>				
Remeasurement of defined benefit plan	(193,427)	-	-	-
Related tax on remeasurement of defined benefit plan	67,699	-	-	-
Remeasurement of defined benefit plan - net of tax	(125,728)	-	-	-
Comprehensive income - transferred to statement of changes in equity	4,054,585	4,075,183	1,226,103	1,038,417
<b>Components of comprehensive income not reflected in equity</b>				
<b>Items that are or may be reclassified subsequently to profit and loss account</b>				
Surplus / (deficit) on revaluation of assets - net of tax	2,677,433	743,374	(970,018)	795,782
<b>Total comprehensive income</b>	<u>6,732,018</u>	<u>4,818,557</u>	<u>256,085</u>	<u>1,834,199</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 nine months ended September 30, 2016

	September 30, 2016	September 30, 2015
(Rupees in thousand)		
<b>Cash flow from operating activities</b>		
Profit before taxation	6,878,342	6,948,259
Less: dividend income	(239,817)	(276,977)
	6,638,525	6,671,282
Adjustments:		
Depreciation / amortization	745,190	617,858
(Reversal of provision) / provision against non-performing advances - net	(580,883)	230,212
Impairment loss on available for sale investments	11,000	171,410
Provision for diminution in the value of investments - net	60,797	269,771
Other provisions / write offs	626	32,587
Loss / (gain) on sale of operating fixed assets	816	(4,016)
	237,546	1,317,822
	6,876,071	7,989,104
(Increase) / decrease in operating assets		
Lendings to financial institutions	(133,530)	749,999
Advances	(7,020,571)	(19,582,775)
Other assets (excluding advance taxation)	3,081,468	1,728,767
	(4,072,633)	(17,104,009)
Increase / (decrease) in operating liabilities		
Bills payable	6,315,444	241,214
Borrowings	1,682,224	28,062,517
Deposits and other accounts	29,467,672	39,726,828
Other liabilities (excluding current taxation)	1,520,742	1,043,934
	38,986,082	69,074,493
Cash generated from operations	41,789,520	59,959,588
Income tax paid	(1,752,008)	(1,601,082)
Net cash flow from operating activities	40,037,512	58,358,506
<b>Cash flow from investing activities</b>		
Net investments in available for sale securities	(36,467,158)	(52,026,168)
Net investments in held to maturity securities	(227,608)	(1,698,476)
Sale of assets held for sale	-	53,703
Dividend income	211,111	258,329
Investments in operating fixed assets - net of adjustment	(1,095,921)	(1,349,534)
Sale proceeds of operating fixed assets - disposed off	5,901	10,346
Net cash outflow from investing activities	(37,573,675)	(54,751,800)
<b>Cash flow from financing activities</b>		
Payments of sub-ordinated loans	(1,800)	(2,995,800)
Dividend paid	(1,560,494)	(2,125,939)
Net cash outflow from financing activities	(1,562,294)	(5,121,739)
Exchange difference on translation of net investment in Wholesale Bank Branch	(7,063)	8,057
<b>Increase / (decrease) in cash and cash equivalents</b>	894,480	(1,506,976)
Cash and cash equivalents at beginning of the period	37,980,952	27,625,977
Cash and cash equivalents at end of the period	38,875,432	26,119,001
<b>Cash and cash equivalents at end of the period</b>		
Cash and balances with treasury banks	32,807,915	19,148,202
Balances with other banks	4,967,517	5,366,729
Call money lendings	1,100,000	1,604,070
	38,875,432	26,119,001

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 nine months ended September 30, 2016

	Share Capital	Exchange translation reserve	Share premium account	Statutory reserve	(Rupees in thousand)		Total
					Revenue reserve		
					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 nine months ended September 30, 2015							
Net profit for the nine months ended September 30, 2015	-	-	-	-	-	4,067,126	4,067,126
Other comprehensive income related to equity	-	8,057	-	-	-	-	8,057
	-	8,057	-	-	-	4,067,126	4,075,183
Transfer to Statutory reserve:	-	-	-	813,425	-	(813,425)	-
Transaction with owners, recorded directly in equity							
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)
Interim dividend 2015: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)
Balance as at September 30, 2015	12,602,602	97,383	234,669	5,515,928	399,203	1,993,441	20,843,226
Total comprehensive income for the quarter ended December 31, 2015							
Net profit for the quarter ended December 31, 2015	-	-	-	-	-	976,293	976,293
Other comprehensive income related to equity	-	3,446	-	-	-	(11,161)	(7,715)
	-	3,446	-	-	-	965,132	968,578
Transfer to statutory reserve	-	-	-	195,259	-	(195,259)	-
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 nine months ended September 30, 2016							
Net profit for the nine months ended September 30, 2016	-	-	-	-	-	4,187,376	4,187,376
Other comprehensive income related to equity	-	(7,063)	-	-	-	(125,728)	(132,791)
	-	(7,063)	-	-	-	4,061,648	4,054,585
Transfer to Statutory reserve:	-	-	-	837,475	-	(837,475)	-
Transaction with owners, recorded directly in equity							
Final dividend 2015: Rs. 1.25 per share	-	-	-	-	(1,575,325)	-	(1,575,325)
Balance as at September 30, 2016	<u>12,602,602</u>	<u>93,766</u>	<u>234,669</u>	<u>6,548,662</u>	<u>1,587,192</u>	<u>3,224,173</u>	<u>24,291,064</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

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

For the quarter and nine months ended September 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 September 30, 2016. The ultimate parent of the Bank is Fauji Foundation. The Bank has 427 branches (December 31, 2015: 424 branches); 426 in Pakistan and Azad Jammu and Kashmir, including 75 (December 31, 2015: 75) Islamic Banking branches, 33 (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 nine months ended September 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.

This unconsolidated condensed interim financial information is separate financial information of the Bank in

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

For the quarter and nine months ended September 30, 2016

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 unconsolidated 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 unconsolidated 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 unconsolidated 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 1,376,022 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 quarter and nine months ended September 30, 2016

## 8. INVESTMENTS

### 8.1 Investments by types

	September 30, 2016 - (Un-audited)			December 31, 2015 - (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
	(Rupees in thousand)					
Available for sale securities						
Market Treasury Bills	92,290,647	27,481,742	119,772,389	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	136,426,838	20,242,102	156,668,940	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares/ units	3,367,276	-	3,367,276	2,811,897	-	2,811,897
Units of open end mutual funds	1,782,635	-	1,782,635	1,783,068	-	1,783,068
Fully paid preference shares	50,100	-	50,100	150,100	-	150,100
Term Finance Certificates	4,900,234	-	4,900,234	4,681,860	-	4,681,860
Sukuk Certificates	6,007,129	-	6,007,129	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	423,250	-	423,250	1,374,126	-	1,374,126
	245,248,109	47,723,844	292,971,953	210,697,586	45,818,209	256,515,795
Held to maturity securities						
Government of Pakistan Euro Bonds	2,464,869	-	2,464,869	2,420,797	-	2,420,797
Sukuk Certificates	5,543,290	-	5,543,290	5,359,754	-	5,359,754
	8,008,159	-	8,008,159	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	253,706,057	47,723,844	301,429,901	218,927,926	45,818,209	264,746,135
Provision for diminution in value of investments	(2,134,700)	-	(2,134,700)	(2,073,903)	-	(2,073,903)
Investments - net of provisions	251,571,357	47,723,844	299,295,201	216,854,023	45,818,209	262,672,232
Surplus on revaluation of available for sale securities - net	6,865,954	484,691	7,350,645	4,408,601	939,873	5,348,474
Total investments	258,437,311	48,208,535	306,645,846	221,262,624	46,758,082	268,020,706

8.2 The Bank has availed the relaxation of Rs. 32,999 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

	Note	(Un-audited) September 30, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
Loans, cash credits, running finances, etc.			
In Pakistan		193,164,496	190,572,671
Outside Pakistan		3,890,503	3,573,890
		197,054,999	194,146,561
Islamic financing and related assets	A - 1	23,167,941	21,119,200
Net Investment in finance lease - in Pakistan		6,832,245	4,488,060
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		3,566,911	2,979,217
Payable outside Pakistan		4,929,513	5,679,960
		8,496,424	8,659,177
Advances - gross		235,551,609	228,412,998
Provision for non-performing advances	9.1		
Specific provision		(27,428,475)	(28,048,973)
General provision		(209,578)	(196,941)
General provision against consumer loans		(263,250)	(236,272)
		(27,901,303)	(28,482,186)
Advances - net of provision		207,650,306	199,930,812

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

For the quarter and nine months ended September 30, 2016

### 9.1 Particulars of provision against non-performing advances

	(Rupees in thousand)							
	September 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	1,069,710	28,933	35,634	1,134,277	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(1,690,208)	(16,296)	(8,656)	(1,715,160)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net (reversal) / charge for the period / year	(620,498)	12,637	26,978	(580,883)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	27,428,475	209,578	263,250	27,901,303	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. 358,376 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. 358,376 thousand (2015: Rs. 472,054 thousand) and Rs. 232,944 thousand (2015: Rs. 306,835 thousand) respectively. Further, at September 30, 2016, cumulative net of tax benefit of FSV is Rs. 948,929 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for 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. 29,714,529 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)				
	September 30, 2016 - (Un-audited)			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other Assets Especially Mentioned - note 9.4.1	236,630	-	236,630	-	-
Substandard	315,832	-	315,832	36,517	36,517
Doubtful	498,135	-	498,135	203,384	203,384
Loss	28,663,932	-	28,663,932	27,188,574	27,188,574
	29,714,529	-	29,714,529	27,428,475	27,428,475

  

Category of classification	December 31, 2015 - (Audited)				
	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
	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 Unconsolidated Condensed Interim Financial Information (Un-audited)

For the quarter and nine months ended September 30, 2016

		(Un-audited) September 30, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
<b>10. OPERATING FIXED ASSETS</b>			
Capital work-in-progress		197,676	318,840
Property and equipment	10.1	8,450,455	7,978,711
Intangibles	10.2	971,332	977,898
		<u>9,619,463</u>	<u>9,275,449</u>
Provision against operating fixed assets		<u>(45,439)</u>	<u>(45,439)</u>
		<u>9,574,024</u>	<u>9,230,010</u>
<b>10.1 Property and equipment</b>			
Book value at beginning of the period / year		7,978,711	6,785,951
Cost of additions during the period / year		1,101,343	1,893,894
Book value of deletions / transfers during the period / year		(6,717)	(10,349)
Depreciation charge for the period / year		(610,778)	(690,325)
Book value of adjustments during the period / year		(12,104)	(460)
Book value at end of the period / year		<u>8,450,455</u>	<u>7,978,711</u>
<b>10.2 Intangibles</b>			
Book value at beginning of the period / year		977,898	1,105,270
Cost of additions during the period / year		126,272	46,469
Amortization charge for the period / year		(134,412)	(173,854)
Book value of adjustments during the period / year		1,574	13
Book value at end of the period / year		<u>971,332</u>	<u>977,898</u>
<b>11. BORROWINGS</b>			
Secured - in Pakistan local currency			
Borrowings from the State Bank of Pakistan:			
- Export refinance scheme		6,606,363	9,314,529
- Long term financing of export oriented projects		-	7,386
- Long term financing facility		2,255,740	1,005,047
- Financing facility for storage of agricultural produce		13,333	-
		<u>8,875,436</u>	<u>10,326,962</u>
Repo borrowings			
- State Bank of Pakistan		42,291,184	42,646,764
- Financial Institutions		5,897,137	3,842,399
		<u>48,188,321</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency			
- Call borrowings		1,750,000	500,000
- Overdrawn balance with other banks		121	98
		<u>1,750,121</u>	<u>500,098</u>
		<u>58,813,878</u>	<u>57,316,223</u>
Outside Pakistan - foreign currencies			
Unsecured - Overdrawn nostro accounts		191,596	7,027
		<u>59,005,474</u>	<u>57,323,250</u>

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

For the quarter and nine months ended September 30, 2016

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

### 12. DEPOSITS AND OTHER ACCOUNTS

#### Customers

Fixed deposits	86,906,926	87,271,214
Savings deposits	248,334,740	230,891,271
Current accounts - remunerative	642,977	735,829
Current accounts - non-remunerative	117,241,885	105,536,733
Special exporters' account	99,856	59,733
Margin accounts	2,709,338	2,724,193
Others	941,341	824,850
	<u>456,877,063</u>	<u>428,043,823</u>

#### Financial institutions

Remunerative deposits	5,574,379	4,959,028
Non - Remunerative deposits	188,435	169,354
	<u>5,762,814</u>	<u>5,128,382</u>
	<u>462,639,877</u>	<u>433,172,205</u>

### 13. DEFERRED TAX LIABILITIES

#### Deferred credits / (debits) arising due to:

Accelerated tax depreciation and amortization	529,267	531,201
Provision against non-performing advances		
- excess of 1% of total advances	(1,419,287)	(2,181,302)
- classified in sub-standard category	(65,411)	(71,278)
	<u>(955,431)</u>	<u>(1,721,379)</u>
Surplus on revaluation of available for sale securities	2,572,726	1,871,966
Actuarial losses	(121,882)	(54,183)
	<u>1,495,413</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	1,376,022	-
Available for sale investments		
Federal Government securities	7,179,659	5,358,513
Listed shares	64,593	(108,910)
Units of open end mutual funds	106,440	136,286
Other securities	(47)	(37,415)
	<u>7,350,645</u>	<u>5,348,474</u>
Less: related deferred tax	(2,572,726)	(1,871,966)
	<u>4,777,919</u>	<u>3,476,508</u>
	<u>7,718,572</u>	<u>5,041,139</u>

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

For the quarter and nine months ended September 30, 2016

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Direct credit substitutes</b>		
Government	153,287	-
Others	8,682,692	6,791,143
	<u>8,835,979</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

447,516                      609,971

Contingent liability in respect of guarantees given, favouring:

i) Government

70,116,782                      64,533,613

ii) Banks and other financial institutions

10,129,381                      10,575,081

iii) Others

26,251,535                      12,944,217

106,497,698                      88,052,911

106,945,214                      88,662,882

These include guarantees amounting to Rs. 1,140,146 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) September 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
<b>15.3 Trade-related contingent liabilities</b>	<u>120,141,636</u>	<u>81,107,284</u>

### 15.4 Other contingencies

**15.4.1** These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.

783,290                      761,444

**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) September 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

946,895                      292,361

Sale and repurchase agreements

48,245,811                      46,551,819

For the quarter and nine months ended September 30, 2016

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

For the quarter and nine months ended September 30, 2016

	For the nine months ended (un-audited)	
	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
Bank Alfalah Limited	2,600	5,895
Cherat Cement Company Limited	662	-
Dawood Hercules Corporation Limited	-	3,457
Dolmen City REIT	9,454	-
EFU General Insurance Limited	293	3,190
EFU Life Assurance Limited	-	350
Engro Corporation Limited	2,844	4,000
Engro Fertilizer Limited	4,121	668
Fatima Fertilizer Company Limited	2,797	-
Glaxo SmithKline Pakistan Limited	1,600	-
Gul Ahmed Textile Mills Limited	1,309	-
Habib Bank Limited	175	-
Habib Metropolitan Bank Limited	4,640	8,748
Hascol Petroleum Limited	2,357	-
Hi-Tech Lubricants Limited	981	-
Hub Power Company Limited	-	2,400
ICI Pakistan Limited	1,040	-
International Steels Limited	1,089	-
IGI Insurance Limited	-	1,125
Indus Motor Company Limited	-	568
J.D.W. Sugar Mills Limited	-	190
Jubilee General Insurance Company Limited	1,125	157
Jubilee Life Insurance Company Limited	135	-
Kot Addu Power Company Limited	6,588	7,900
Lalpir Power Limited	5,905	-
Masood Textile Mills Limited	1,569	2,011
MCB Bank Limited	788	2,988
Meezan Bank Limited	1,645	-
National Bank of Pakistan	11,625	8,525
Nishat Chunian Power Limited	5,046	-
Nishat Power Limited	-	1,280
Oil & Gas Development Company Limited	553	533
Packages Limited	2,460	-
Pak Suzuki Motor Company Limited	-	400
Pak Elektron Limited	1,973	-
Pakgen Power Limited	6,420	-
Pakistan Oilfields Limited	-	4,163
Pakistan Petroleum Limited	-	2,623
Pakistan Reinsurance Company Limited	6,581	6,581
Pakistan State Oil Limited	285	1,800
Pakistan Telecommunication Company Limited	5,800	6,520
Pioneer Cement Limited	-	1,508
Shell Pakistan Limited	-	1,720
Thal Limited	2,418	2,588
United Bank Limited	311	1,400



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

For the quarter and nine months ended September 30, 2016

	For the nine months ended (un-audited)	
	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
Unlisted shares		
NAMCO Balance Fund	-	43
National Investment Trust Limited - Islamic Equity Fund	2,101	-
Pak Oman Advantage Fund	-	7,584
PICIC Investment Fund	1,933	-
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	9,883
Askari Sovereign Yield Enhancer Fund	9,500	9,316
	<u>239,817</u>	<u>276,977</u>
<b>18. INCOME FROM DEALING IN FOREIGN CURRENCIES</b>		
Gain / (loss) realised from dealing in:		
Foreign currencies	599,668	476,285
Forward foreign exchange contracts	(62,555)	146,359
	<u>537,113</u>	<u>622,644</u>
<b>19. GAIN ON SALE OF SECURITIES - NET</b>		
Gain on sale of government securities	2,750,491	2,455,476
Gain on sale of other investments	237,481	686,978
	<u>2,987,972</u>	<u>3,142,454</u>
<b>20. OTHER INCOME</b>		
Rent of property	5,738	3,076
(Loss) / gain on sale of operating fixed assets	(816)	4,016
Rent of lockers	23,868	17,412
Gain on sale of non-banking asset	1,301	37,685
Recovery of write /charge off assets	30,077	51,620
Recovery of expenses from customers	214,690	245,323
	<u>274,858</u>	<u>359,132</u>
<b>21. TAX STATUS</b>		

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.

ii) 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.

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 quarter and nine months ended September 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.

September 30, 2016 (Un-audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Financial Assets:</b>				
Available for sale securities				
Market Treasury Bills	-	119,764,881	-	119,764,881
Pakistan Investment Bonds	-	163,779,686	-	163,779,686
Fully paid ordinary shares / units	3,372,042	-	-	3,372,042
Units of open end mutual funds	-	1,889,075	-	1,889,075
Fully paid preference shares	79,245	-	-	79,245
Term Finance Certificates	700,630	2,864,459	-	3,565,089
Sukuk Certificates	-	5,480,021	-	5,480,021
Government of Pakistan Euro Bonds	-	445,886	-	445,886
	4,151,917	294,224,008	-	298,375,925

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

For the quarter and nine months ended September 30, 2016

September 30, 2016 (Un-audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Non-financial Assets:</b>				
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	-	4,682,574	-	4,682,574
	-	8,204,462	-	8,204,462

December 31, 2015 (Audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Financial Assets</b>				
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

<b>Non-financial Assets</b>				
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:-

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 nine months ended September 30, 2016 - (Un-audited)						
Total income	228,962	18,044,364	805,757	12,855,975	146,243	30,208	32,111,509
Total expenses	20,718	14,406,875	901,555	9,888,053	13,233	2,733	25,233,167
Net income / (loss)	208,244	3,637,489	(95,798)	2,967,922	133,010	27,475	6,878,342
	For the nine months ended September 30, 2015 - (Un-audited)						
Total income	123,478	18,273,084	835,979	13,880,599	125,401	29,767	33,268,308
Total expenses	11,538	14,442,789	878,600	10,972,624	11,717	2,781	26,320,049
Net income / (loss)	111,940	3,830,295	(42,621)	2,907,975	113,684	26,986	6,948,259
	As at September 30, 2016 - (Un-audited)						
Segment Assets (Gross)	143,138	343,396,319	12,470,323	255,960,900	91,426	18,885	612,080,991
Segment Non Performing Loans	-	-	2,261,822	27,452,707	-	-	29,714,529
Segment Provision Required	-	1,512,116	2,316,528	26,637,391	-	-	30,466,035
Segment Liabilities	1,665	52,628,866	46,675,864	450,297,641	1,064	220	549,605,320
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 quarter and nine months ended September 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 nine months and balances as at September 30, 2016, are as follows:

(Rupees in thousand)							
September 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	1,500,765	294,378	-	4,018,775	-	-	-
Un-secured	-	5,238	1,014	-	-	-	-
Mark-up receivable	724	45,223	-	75,734	-	-	-
Deposits	2,578,499	145,777	46,495	7,652,059	8,953	-	885,374
Mark-up payable	9,476	662	20	14,872	-	-	1,079
Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	339,761	-	-	335,262	-	-	-
Investments in shares / units	-	-	-	1,839,377	449,789	-	-
Security deposits against lease	494	1,165	-	7,640	-	-	-

(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	-	11,343	936	-	-	-	-
Mark-up receivable	5,670	38,220	-	40,986	-	-	-
Deposits	5,073,778	103,803	67,078	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	-	-	-

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

For the quarter and nine months ended September 30, 2016

(Rupees in thousand)

	September 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 nine months ended							
- Mark-up / interest earned	37,262	6,114	-	269,024	-	-	-
- Net mark-up / interest expensed	99,525	3,486	670	359,330	328	-	32,282
- Contributions to employees' funds	-	-	-	-	-	-	378,691
- Rent of property / service charges paid	8,799	-	-	-	-	-	-
- Dividend income	-	-	-	124,555	-	-	-
- Remuneration and allowances paid	-	304,563	-	-	-	-	2,954
- Post employment benefits	-	19,963	-	-	-	-	-
- Insurance premium paid	-	-	-	-	-	-	-
- Insurance claims received	-	-	-	-	-	-	-
- Fee, commission and brokerage income	145	-	-	1,758	-	-	-
- Fee, commission and brokerage paid	-	-	-	281	-	-	-
- Dividend paid	1,132,852	297	282	-	-	-	8,644
- Fees paid	-	1,619	3,500	-	-	-	-

(Rupees in thousand)

	September 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 nine months ended							
- Mark-up / interest earned	18,169	6,591	-	254,549	-	-	-
- Net mark-up / interest expensed	212,878	2,025	542	319,983	1,900	3,259	87,573
- Contributions to employees' funds	-	-	-	-	-	-	421,676
- Rent of property / service charges paid	14,400	-	-	-	4,903	-	-
- Dividend income	-	-	-	179,201	-	-	-
- Remuneration and allowances paid	-	246,953	-	-	-	-	1,985
- Post employment benefits	-	17,066	-	-	-	-	-
- Insurance premium paid	-	-	-	-	-	9,476	-
- Insurance claims received	-	-	-	-	-	673	-
- Fee, commission and brokerage income	2,341	-	-	3,903	-	-	-
- Fee, commission and brokerage paid	-	-	-	133	-	-	-
- Dividend paid	1,812,564	360	351	-	-	-	3,300
- Fees paid	-	-	3,725	-	-	-	-

In addition to above, rent free 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 October 13, 2016.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman



# Islamic Banking Business - Statement of Financial Position

Annexure  
(1 of 4)

As at September 30, 2016

The Bank is operating 78 Islamic banking branches including 3 Sub branches at nine months ended September 30, 2016 (Decemeber 31, 2015: 78 Islamic banking branches including 3 Sub branches).

	Note	(Un-audited) September 30, 2016	(Audited) December 31, 2015
		(Rupees in thousand)	
<b>ASSETS</b>			
Cash and balances with treasury banks		2,101,052	1,954,438
Balances with other banks		1,552,555	2,893,478
Due from Financial Institutions		1,100,000	-
Investments		8,021,002	5,873,462
Islamic financing and related assets	A - 1	22,789,609	20,767,917
Operating fixed assets		610,147	536,261
Deferred tax assets		-	-
Other assets		1,582,317	1,332,515
Total Assets		37,756,682	33,358,071

## LIABILITIES

Bills payable		618,675	525,144
Due to financial institutions		25,000	806,529
Deposits and other accounts			
- Current accounts		10,064,057	8,880,659
- Saving accounts	A - 2	13,056,944	10,029,967
- Term deposits		5,216,698	5,142,651
- Others		378,989	327,526
- Deposit from financial institutions - remunerative		3,011,451	2,552,138
- Deposits from financial institutions - non-remunerative		427	1,257
Due to head office		2,000,000	2,000,000
Other liabilities		1,071,323	779,852
		35,443,564	31,045,723
<b>Net Assets</b>		2,313,118	2,312,348

## REPRESENTED BY

Islamic banking fund		2,725,000	2,725,000
Reserves		-	-
Accumulated losses		(429,624)	(412,652)
		2,295,376	2,312,348
Surplus on revaluation of assets		17,742	-
		2,313,118	2,312,348
<b>Remuneration to Shariah Board / Advisor</b>		2,954	2,979

## A - 1 Islamic Financing and Related Assets

Murabaha		3,533,305	5,875,189
Ijara		3,345,512	2,813,433
Musharaka		4,571,650	350,000
Diminishing Musharaka		8,917,637	7,071,961
Salam		1,436,280	4,038,669
Istisna		1,301,291	924,856
Other islamic modes		62,266	45,092
		23,167,941	21,119,200
Total provision		(378,332)	(351,283)
	A - 1.1	22,789,609	20,767,917

A - 1.1 Islamic Mode of Financing

(Rupees in thousand)							
September 30, 2016 - (Un-audited)							
	Murabaha	Ijara	Musharaka	Diminishing Musharaka	Salam	Istisna	Other Islamic Modes
Financing	3,255,962	2,919,768	4,571,650	8,916,637	1,432,392	677,084	62,266
Advance	277,343	425,744	-	1,000	-	-	-
Inventory	-	-	-	-	3,888	624,207	-
	3,533,305	3,345,512	4,571,650	8,917,637	1,436,280	1,301,291	62,266
Provision	(92,453)	(136,220)	-	(144,902)	(4,757)	-	-
Total	3,440,852	3,209,292	4,571,650	8,772,735	1,431,523	1,301,291	62,266

(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	-
	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 - 2 Includes remunerative current accounts of Rs. 642,977 thousand (December 31, 2015: Rs.735,829 thousand)

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

For the nine months ended September 30, 2016

Annexure  
(3 of 4)

	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
Profit / return earned on financings, investment and placements	1,652,089	1,513,269
Return on deposits and other dues expensed	776,794	699,363
Net spread earned	875,295	813,906
Provision against non-performing financings	27,115	(26,232)
(Reversal of provision) / provision for diminution in the value of investments	(29,069)	35,045
Bad debts written off directly	-	-
	(1,954)	8,813
Income after provisions	877,249	805,093

## Other Income

Fee, commission and brokerage Income	72,519	45,551
Dividend income	-	-
Income from dealing in foreign currencies	7,034	8,358
Capital gain on sale of securities	400	13,932
Unrealized gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	17,494	8,820
Total other income	97,447	76,661
	974,696	881,754

## Other expenses

Administrative expenses	991,639	768,996
Other provisions / write offs	-	-
Other charges	30	130
Total other expenses	991,669	769,126
	(16,973)	112,628
Extra ordinary / unusual items	-	-
Loss / profit before taxation	(16,973)	112,628

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

As at September 30, 2016

Annexure  
(4 of 4)

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
<b>Opening balance</b>	5,975	2,096
<b>Additions during the period / year</b>		
- received from customers on delayed payments	4,568	4,768
- non shariah compliant income	10	498
- profit on charity account	1	1
	4,579	5,267
<b>Payments / utilization during the period / year</b>		
- education	-	(300)
- relief and disaster recovery	-	-
- health	(545)	(788)
- orphanage	-	(300)
	(545)	(1,388)
<b>Closing balance</b>	10,009	5,975

ASKARI BANK LIMITED  
& ITS SUBSIDIARIES

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (Un-Audited)  
FOR THE QUARTER AND NINE MONTHS ENDED  
SEPTEMBER 30, 2016

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

As at September 30, 2016

		(Un-audited) September 30, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
<b>Assets</b>			
Cash and balances with treasury banks		32,808,051	29,685,228
Balances with other banks		5,149,161	8,358,930
Lendings to financial institutions		2,046,428	812,898
Investments	8	306,722,346	268,048,928
Advances	9	207,658,416	199,936,549
Operating fixed assets	10	9,617,190	9,278,150
Deferred tax assets		-	-
Other assets		18,115,142	20,068,057
		582,116,734	536,188,740
<b>Liabilities</b>			
Bills payable		12,410,329	6,094,885
Borrowings	11	59,005,474	57,323,250
Deposits and other accounts	12	462,632,056	433,130,465
Sub-ordinated loans		4,995,000	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	13	1,467,370	71,590
Other liabilities		9,354,372	7,497,960
		549,864,601	509,114,950
<b>Net Assets</b>		<u>32,252,133</u>	<u>27,073,790</u>
<b>Represented By:</b>			
Share capital		12,602,602	12,602,602
Reserves		8,464,289	6,445,888
Unappropriated profit		3,427,426	2,948,581
		24,494,317	21,997,071
Non-controlling interest		37,909	35,580
		24,532,226	22,032,651
Surplus on revaluation of assets - net of tax	14	7,719,907	5,041,139
		<u>32,252,133</u>	<u>27,073,790</u>
<b>Contingencies and Commitments</b>	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 quarter and nine months ended September 30, 2016

	Note	For the nine months ended		For the quarter ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		(Rupees in thousand)			
<b>Mark-up / return / interest earned</b>	16	26,394,196	27,606,308	9,098,557	8,964,625
<b>Mark-up / return / interest expensed</b>		15,344,771	16,494,729	5,307,798	5,212,400
Net mark-up / interest income		11,049,425	11,111,579	3,790,759	3,752,225
(Reversal of provision) / provision against non-performing loans and advances - net	9.1	(580,883)	230,212	(56,884)	54,569
Impairment loss on available for sale investments		11,000	171,410	5,660	19,598
Provision for diminution in the value of investments - net		60,797	269,771	(32,635)	110,494
Bad debts written off directly		-	-	-	-
		(509,086)	671,393	(83,859)	184,661
Net mark-up / interest income after provisions		11,558,511	10,440,186	3,874,618	3,567,564
<b>Non mark-up / interest income</b>					
Fee, commission and brokerage income		1,824,085	1,422,608	483,655	454,538
Dividend income	17	251,421	281,260	44,058	18,495
Income from dealing in foreign currencies	18	537,113	622,644	155,907	141,061
Gain on sale of securities - net	19	3,002,533	3,006,140	973,004	325,838
Unrealised (loss) / gain on revaluation of investments classified as held for trading - net		(3,003)	(3,958)	3,533	(6,699)
Other income	20	282,125	362,112	85,547	85,846
Total non mark-up / interest income		5,894,274	5,690,806	1,745,704	1,019,079
		17,452,785	16,130,992	5,620,322	4,586,643
<b>Non mark-up / interest expenses</b>					
Administrative expenses		10,341,690	9,061,457	3,673,203	3,072,155
Other provisions / write offs		626	32,587	626	2,296
Other charges		193,920	194,524	48,701	45,141
Total non mark-up / interest expenses		10,536,236	9,288,568	3,722,530	3,119,592
		6,916,549	6,842,424	1,897,792	1,467,051
Extra ordinary / unusual items		-	-	-	-
<b>Profit before taxation</b>		6,916,549	6,842,424	1,897,792	1,467,051
Taxation - current		1,674,245	1,824,438	757,283	639,746
- prior years'		266,425	431,000	-	15,000
- deferred		766,656	636,305	(84,316)	(69,963)
		2,707,326	2,891,743	672,967	584,783
<b>Profit after taxation</b>		4,209,223	3,950,681	1,224,825	882,268
Attributable to:					
Equity holders of the Bank		4,206,894	3,946,480	1,224,845	881,140
Non-controlling interest		2,329	4,201	(20)	1,128
		4,209,223	3,950,681	1,224,825	882,268

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 quarter and nine months ended September 30, 2016

	For the nine months ended		For the quarter ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	(Rupees in thousand)			
<b>Profit after taxation</b>	4,209,223	3,950,681	1,224,825	882,268
<b>Other comprehensive income</b>				
Items that are or may be reclassified subsequently to profit and loss account				
Exchange difference on translation of net investment in Wholesale Bank Branch	(7,063)	8,057	(1,013)	5,466
Items that will not be reclassified to profit and loss account				
Remeasurement of defined benefit plan	(195,784)	-	(137)	-
Related tax on remeasurement of defined benefit plan	68,524	-	114	-
Remeasurement of defined benefit plan - net of tax	(127,260)	-	(23)	-
Comprehensive income - transferred to statement of changes in equity	4,074,900	3,958,738	1,223,789	887,734
<b>Components of comprehensive income not reflected in equity</b>				
Items that are or may be reclassified subsequently to profit and loss account				
Surplus / (deficit) on revaluation of assets - net of tax	2,678,768	745,564	(971,867)	797,073
<b>Total comprehensive income</b>	<u>6,753,668</u>	<u>4,704,302</u>	<u>251,922</u>	<u>1,684,807</u>
Attributable to:				
Equity holders of the Bank	6,751,339	4,700,101	251,942	1,683,679
Non-controlling interest	2,329	4,201	(20)	1,128
	<u>6,753,668</u>	<u>4,704,302</u>	<u>251,922</u>	<u>1,684,807</u>

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

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President & Chief Executive

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Director

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Director

- sd -  
Chairman



# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended September 30, 2016

	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit before taxation	6,916,549	6,842,424
Less: dividend income	(251,421)	(281,260)
	6,665,128	6,561,164
Adjustments:		
Depreciation / amortization	752,765	626,445
(Reversal of provision) / provision against non-performing advances - net	(580,883)	230,212
Impairment loss on available for sale investments	11,000	171,410
Provision for diminution in the value of investments - net	60,797	269,771
Unrealised loss on revaluation of investments classified as held for trading - net	3,003	3,958
Loss / (gain) on sale of operating fixed assets	816	(4,016)
	247,498	1,297,780
	6,912,626	7,858,944
(Increase) / decrease in operating assets		
Lendings to financial institutions	(133,530)	749,999
Held for trading securities	(32,292)	(43,689)
Advances	(7,022,944)	(19,582,548)
Other assets (excluding advance taxation)	3,066,041	1,544,161
	(4,122,725)	(17,332,077)
Increase / (decrease) in operating liabilities		
Bills payable	6,315,444	241,214
Borrowings	1,682,224	28,062,517
Deposits and other accounts	29,501,591	39,735,193
Other liabilities (excluding current taxation)	1,645,797	1,199,607
	39,145,056	69,238,531
Cash generated from operations	41,934,957	59,765,398
Income tax paid	(1,768,745)	(1,592,776)
Net cash flow from operating activities	40,166,212	58,172,622
<b>Cash flow from investing activities</b>		
Net investments in available for sale securities	(36,486,287)	(52,011,560)
Net investments in held to maturity securities	(227,608)	(1,698,476)
Dividend income	222,715	262,612
Investments in operating fixed assets - net of adjustment	(1,098,565)	(1,356,766)
Sale of assets held for sale	-	201,582
Sale proceeds of operating fixed assets	5,944	10,546
Net cash outflow from investing activities	(37,583,801)	(54,592,062)
<b>Cash flow from financing activities</b>		
Payments of sub-ordinated loans	(1,800)	(2,995,800)
Dividend paid	(1,560,494)	(2,125,939)
Net cash outflow from financing activities	(1,562,294)	(5,121,739)
Exchange difference on translation of net investment in Wholesale Bank Branch	(7,063)	8,057
<b>Increase / (decrease) in cash and cash equivalents</b>	1,013,054	(1,533,122)
Cash and cash equivalents at beginning of the period	38,044,158	27,678,994
Cash and cash equivalents at end of the period	39,057,212	26,145,872
<b>Cash and cash equivalents at end of the period</b>		
Cash and balances with treasury banks	32,808,051	19,148,352
Balances with other banks	5,149,161	5,393,450
Call money lendings	1,100,000	1,604,070
	39,057,212	26,145,872

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 nine months ended September 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 nine months ended September 30, 2015									
Net profit for the nine months ended September 30, 2015	-	-	-	-	-	3,946,480	3,946,480	4,201	3,950,681
Other comprehensive income related to equity	-	8,057	-	-	-	-	8,057	-	8,057
	-	8,057	-	-	-	3,946,480	3,954,537	4,201	3,958,738
Transfer to Statutory reserve	-	-	-	813,425	-	(813,425)	-	-	-
Transaction with owners, recorded directly in equity									
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)	-	(1,260,260)
Interim dividend 2015: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)	-	(1,260,260)
Balance as at September 30, 2015	12,602,602	97,383	234,669	5,515,928	399,203	2,160,601	21,010,386	36,228	21,046,614
Total comprehensive income for the quarter ended December 31, 2015									
Net profit for the quarter ended December 31, 2015	-	-	-	-	-	993,775	993,775	(469)	993,306
Other comprehensive income related to equity	-	3,446	-	-	-	(10,536)	(7,090)	(179)	(7,269)
	-	3,446	-	-	-	983,239	986,685	(648)	986,037
Transfer to statutory reserve	-	-	-	195,259	-	(195,259)	-	-	-
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 nine months ended September 30, 2016									
Net profit for the nine months ended September 30, 2016	-	-	-	-	-	4,206,894	4,206,894	2,329	4,209,223
Other comprehensive income related to equity	-	(7,063)	-	-	-	(127,260)	(134,323)	-	(134,323)
	-	(7,063)	-	-	-	4,079,634	4,072,571	2,329	4,074,900
Transfer to Statutory reserve	-	-	-	837,475	-	(837,475)	-	-	-
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 September 30, 2016	12,602,602	93,766	234,669	6,548,662	1,587,192	3,427,426	24,494,317	37,909	24,532,226

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 quarter and nine months ended September 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 September 30, 2016. The ultimate parent of the Bank is Fauji Foundation. The Bank has 427 branches (December 31, 2015: 424 branches); 426 in Pakistan and Azad Jammu and Kashmir, including 75 (December 31, 2015: 75) Islamic Banking branches, 33 (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 nine months ended September 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 nine months ended September 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

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

For the quarter and nine months ended September 30, 2016

which are disclosed in note 16, 17, 18 and 20 respectively.

### 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 1,376,022 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 quarter and nine months ended September 30, 2016

### 8. INVESTMENTS

September 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)

#### 8.1 Investments by types

Held for trading securities

Fully paid ordinary shares	-	-	-	42	-	42
Units of open and manual funds	275,594	-	275,594	246,263	-	246,263
	275,594	-	275,594	246,305	-	246,305

Available for sale securities

Market Treasury Bills	92,290,647	27,481,742	119,772,389	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	136,426,838	20,242,102	156,668,940	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares / units	3,411,855	-	3,411,855	2,856,476	-	2,856,476
Units of open end mutual funds	1,801,764	-	1,801,764	1,783,068	-	1,783,068
Fully paid preference shares	50,100	-	50,100	150,100	-	150,100
Term Finance Certificates	4,900,234	-	4,900,234	4,681,860	-	4,681,860
Sukuk Certificates	6,007,129	-	6,007,129	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	423,250	-	423,250	1,374,126	-	1,374,126
	245,311,817	47,723,844	293,035,661	210,742,165	45,818,209	256,560,374

Held to maturity securities

Government of Pakistan Euro Bonds	2,464,869	-	2,464,869	2,420,797	-	2,420,797
Sukuk Certificates	5,543,290	-	5,543,290	5,359,754	-	5,359,754
	8,008,159	-	8,008,159	7,780,551	-	7,780,551

Investments at cost

	253,595,570	47,723,844	301,319,414	218,769,021	45,818,209	264,587,230
Provision for diminution in value of investments	(1,946,673)	-	(1,946,673)	(1,885,876)	-	(1,885,876)
Investments - net of provisions	251,648,897	47,723,844	299,372,741	216,883,145	45,818,209	262,701,354

Unrealized loss on revaluation of held for

trading securities - net	(3,003)	-	(3,003)	(900)	-	(900)
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Surplus on revaluation of available for

sale securities - net	6,867,917	484,691	7,352,608	4,408,601	939,873	5,348,474
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Total investments

	258,513,811	48,208,535	306,722,346	221,290,846	46,758,082	268,048,928
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8.2 The Group has availed the relaxation of Rs. 32,999 thousand allowed by the SBP against booking of impairment loss as required under para No. 4(a) of Regulation R-8 of Prudential Regulations.

(Un-audited) September 30, 2016	(Audited) December 31, 2015
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### 9. ADVANCES

Note

(Rupees in thousand)

Loans, cash credits, running finances, etc.

In Pakistan	193,172,606	190,578,408
Outside Pakistan	3,890,503	3,573,890

Islamic financing and related assets

A - 1

Net Investment in finance lease - in Pakistan	23,167,941	21,119,200
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Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan	3,566,911	2,979,217
Payable outside Pakistan	4,929,513	5,679,960

Advances - gross

Provision for non-performing advances

9.1

Specific provision	(27,428,475)	(28,048,973)
General provision	(209,578)	(196,941)
General provision against consumer loans	(263,250)	(236,272)

Advances - net of provision

	(27,901,303)	(28,482,186)
	207,658,416	199,936,549

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

For the quarter and nine months ended September 30, 2016

### 9.1 Particulars of provision against non-performing advances

	(Rupees in thousand)							
	September 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	1,069,710	28,933	35,634	1,134,277	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(1,690,208)	(16,296)	(8,656)	(1,715,160)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net (reversal) / charge for the period / year	(620,498)	12,637	26,978	(580,883)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	27,428,475	209,578	263,250	27,901,303	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. 358,376 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. 358,376 thousand (2015: Rs. 472,054 thousand) and Rs. 232,944 thousand (2015: Rs. 306,835 thousand) respectively. Further, at September 30, 2016, cumulative net of tax benefit of FSV is Rs. 948,929 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for 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. 29,714,529 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

Category of classification	Note	(Rupees in thousand)				
		September 30, 2016 - (Un-audited)				
		Classified Advances			Provision Required	Provision Held
		Domestic	Overseas	Total		
Other Assets Especially Mentioned	9.4.1	236,630	-	236,630	-	-
Substandard		315,832	-	315,832	36,517	36,517
Doubtful		498,135	-	498,135	203,384	203,384
Loss		28,663,932	-	28,663,932	27,188,574	27,188,574
		29,714,529	-	29,714,529	27,428,475	27,428,475

  

Category of classification		December 31, 2015 - (Audited)				
		Classified Advances				
		Domestic	Overseas	Total	Provision Required	Provision Held
Other Assets Especially Mentioned	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 quarter and nine months ended September 30, 2016

		(Un-audited) September 30, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
<b>10. OPERATING FIXED ASSETS</b>			
Capital work-in-progress		197,676	318,840
Property and equipment	10.1	8,475,184	8,008,159
Intangibles	10.2	989,769	996,590
		<u>9,662,629</u>	<u>9,323,589</u>
Provision against operating fixed assets		(45,439)	(45,439)
		<u>9,617,190</u>	<u>9,278,150</u>
<b>10.1 Property and equipment</b>			
Book value at beginning of the period / year		8,008,159	6,820,193
Cost of additions during the period / year		1,102,969	1,897,898
Book value of deletions / transfers during the period / year		(6,760)	(10,349)
Depreciation charge for the period / year		(617,080)	(699,755)
Book value of adjustments during the period / year		(12,104)	172
Book value at end of the period / year		<u>8,475,184</u>	<u>8,008,159</u>
<b>10.2 Intangibles</b>			
Book value at beginning of the period / year		996,590	1,122,389
Cost of additions during the period / year		127,290	50,000
Amortization charge for the period / year		(135,685)	(175,812)
Book value of adjustments during the period / year		1,574	13
Book value at end of the period / year		<u>989,769</u>	<u>996,590</u>
<b>11. BORROWINGS</b>			
Secured - in Pakistan local currency			
Borrowings from the State Bank of Pakistan:			
- Export refinance scheme		6,606,363	9,314,529
- Long term financing of export oriented projects		-	7,386
- Long term financing facility		2,255,740	1,005,047
- Financing facility for storage of agricultural produce		13,333	-
		<u>8,875,436</u>	<u>10,326,962</u>
Repo borrowings			
- State Bank of Pakistan		42,291,184	42,646,764
- Financial Institutions		5,897,137	3,842,399
		<u>48,188,321</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency			
- Call borrowings		1,750,000	500,000
- Overdrawn balance with other banks		121	98
		<u>1,750,121</u>	<u>500,098</u>
		<u>58,813,878</u>	<u>57,316,223</u>
Outside Pakistan - foreign currencies			
Unsecured - Overdrawn nostro accounts		191,596	7,027
		<u>59,005,474</u>	<u>57,323,250</u>

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

For the quarter and nine months ended September 30, 2016

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

### 12. DEPOSITS AND OTHER ACCOUNTS

#### Customers

Fixed deposits	86,906,926	87,271,214
Savings deposits	248,330,449	230,855,326
Current accounts - remunerative	642,977	735,829
Current accounts - non-remunerative	117,238,355	105,530,938
Special exporters' account	99,856	59,733
Margin accounts	2,709,338	2,724,193
Others	941,341	824,850
	<u>456,869,242</u>	<u>428,002,083</u>

#### Financial institutions

Remunerative deposits	5,574,379	4,959,028
Non - Remunerative deposits	188,435	169,354
	<u>5,762,814</u>	<u>5,128,382</u>
	<u>462,632,056</u>	<u>433,130,465</u>

### 13. DEFERRED TAX LIABILITIES

#### Deferred credits / (debits) arising due to:

Accelerated tax depreciation and amortization	530,033	531,967
Provision for staff benefits	(5,823)	(3,094)
Provision against non-performing advances		
- excess of 1% of total advances	(1,419,575)	(2,181,302)
- classified in sub-standard category	(65,411)	(71,278)
Unused tax losses	<u>(22,639)</u>	<u>(22,639)</u>
	<u>(983,415)</u>	<u>(1,746,346)</u>
Surplus on revaluation of available for sale securities	2,572,667	1,871,966
Actuarial losses	<u>(121,882)</u>	<u>(54,030)</u>
	<u>1,467,370</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	1,376,022	-
Available for sale investments		
Federal Government securities	7,179,659	5,358,513
Listed shares	64,593	(108,910)
Units of open end mutual funds	108,403	136,286
Other securities	(47)	(37,415)
	<u>7,352,608</u>	<u>5,348,474</u>
Less: related deferred tax	<u>(2,573,354)</u>	<u>(1,871,966)</u>
	<u>4,779,254</u>	<u>3,476,508</u>
	<u>7,719,907</u>	<u>5,041,139</u>



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

For the quarter and nine months ended September 30, 2016

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Direct credit substitutes</b>		
Government	153,287	-
Others	8,682,692	6,791,143
	<u>8,835,979</u>	<u>6,791,143</u>
<b>15.2 Transaction-related contingent liabilities</b>		
Money for which the Group is contingently liable:		
Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings	447,516	609,971
Contingent liability in respect of guarantees given, favouring:		
i) Government	70,116,782	64,533,613
ii) Banks and other financial institutions	10,129,381	10,575,081
iii) Others	26,251,535	12,944,217
	<u>106,497,698</u>	<u>88,052,911</u>
	<u>106,945,214</u>	<u>88,662,882</u>
These include guarantees amounting to Rs. 1,140,146 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) September 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
<b>15.3 Trade-related contingent liabilities</b>	<u>120,141,636</u>	<u>81,107,284</u>
<b>15.4 Other contingencies</b>		
<b>15.4.1</b> 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	<u>798,024</u>	<u>761,459</u>
<b>15.4.2</b> 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).		
<b>15.5 Tax contingencies</b>		
Income tax demand of Rs. 9,565 thousand, not acknowledged as debt, has been challenged by ASL and are currently in appeal; ASL expects favourable outcome of appeal.		
	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
<b>15.6 Commitments in respect of forward lending</b>		
Commitment against "Repo" transactions		
Purchase and resale agreements	946,895	292,361
Sale and repurchase agreements	<u>48,245,811</u>	<u>46,551,819</u>

For the quarter and nine months ended September 30, 2016

16.1 These include profit from placements permissible under Shariah amounting to Rs. 68,578 thousand (September 30, 2015 Rs. 309,090 thousand).

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

For the quarter and nine months ended September 30, 2016

	For the nine months ended (un-audited)	
	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
<b>17. DIVIDEND INCOME</b>		
Listed shares		
Adamjee Insurance Company Limited	2,250	4,045
Allied Bank Limited	4,627	2,255
Atlas Honda Limited	-	562
Attock Petroleum Limited	7,162	-
Bank Alfalah Limited	2,600	5,895
Bestway Cement Limited	-	3
Cherat Cement Company Limited	662	-
Dawood Hercules Corporation Limited	-	3,457
Dolmen City REIT	9,454	-
EFU General Insurance Limited	293	3,190
EFU Life Assurance Limited	-	350
Engro Corporation Limited	2,844	4,000
Engro Fertilizer Limited	4,121	668
Fatima Fertilizer Company Limited	2,797	-
Glaxo SmithKline Pakistan Limited	1,600	-
Gul Ahmed Textile Mills Limited	1,309	-
Habib Bank Limited	175	-
Habib Metropolitan Bank Limited	4,640	8,748
Hascol Petroleum Limited	2,357	-
Hi-Tech Lubricants Limited	981	-
Hub Power Company Limited	-	2,400
ICI Pakistan Limited	1,040	-
International Steels Limited	1,089	-
IGI Insurance Limited	-	1,125
Indus Motor Company Limited	-	568
J.D.W. Sugar Mills Limited	-	190
Jubilee General Insurance Company Limited	1,125	157
Jubilee Life Insurance Company Limited	135	-
Kot Addu Power Company Limited	6,588	7,900
Lalpir Power Limited	5,905	-
Masood Textile Mills Limited	1,569	2,011
MCB Bank Limited	788	2,988
Meezan Bank Limited	1,645	-
National Bank of Pakistan	11,625	8,525
Nishat Chunian Power Limited	5,046	-
Nishat Power Limited	-	1,280
Oil & Gas Development Company Limited	553	533
Packages Limited	2,460	-
Pak Suzuki Motor Company Limited	-	400
Pak Elektron Limited	1,973	-
Pakgen Power Limited	6,420	-
Pakistan Oilfields Limited	-	4,163
Pakistan Petroleum Limited	-	2,623
Pakistan Reinsurance company Limited	6,581	6,581
Pakistan State Oil Limited	285	1,800
Pakistan Telecommunication Company Limited	5,800	6,520
Pioneer Cement Limited	-	1,508
Shell Pakistan Limited	-	1,720
Thal Limited	2,418	2,588
United Bank Limited	311	1,400

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

For the quarter and nine months ended September 30, 2016

For the nine months ended (un-audited)

	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
Unlisted shares		
National Investment Trust Limited - Islamic Equity Fund	2,101	-
NAMCO Balance Fund	-	43
Pak Oman Advantage Fund	-	7,584
Pakistan Stock Exchange Limited	401	601
PICIC Investment Fund	1,933	-
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	9,948
Askari Sovereign Yield Enhancer Fund	10,143	9,847
	<u>251,421</u>	<u>281,260</u>
<b>18. INCOME FROM DEALING IN FOREIGN CURRENCIES</b>		
Gain / (loss) realised from dealing in:		
Foreign currencies	599,668	476,285
Forward foreign exchange contracts	(62,555)	146,359
	<u>537,113</u>	<u>622,644</u>
<b>19. GAIN ON SALE OF SECURITIES - NET</b>		
Gain on sale of government securities	2,750,491	2,455,476
Gain on sale of other investments	252,042	550,664
	<u>3,002,533</u>	<u>3,006,140</u>
<b>20. OTHER INCOME</b>		
Rent of property	5,738	3,076
(Loss) / gain on sale of operating fixed assets	(816)	1,950
Rent of lockers	23,868	11,640
Gain on sale of non-banking asset	1,301	37,542
Recovery of write /charge off assets	30,077	39,468
Recovery of expenses from customers	221,957	268,436
	<u>282,125</u>	<u>362,112</u>
<b>21. TAX STATUS</b>		

- 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.
- ii) 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.

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 quarter and nine months ended September 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 Bank has adopted revaluation model (as per IAS 16) in respect of land and non-banking assets acquired in satisfaction of claims.

	September 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
<b>Financial Assets</b>				
Held for trading securities				
Fully paid ordinary shares	-	-	-	-
Units of open end mutual funds	-	272,591	-	272,591
Available for sale securities				
Market Treasury Bills	-	119,764,881	-	119,764,881
Pakistan Investment Bonds	-	163,779,686	-	163,779,686
Fully paid ordinary shares / units	3,416,621	-	-	3,416,621
Units of open end mutual funds	-	1,910,167	-	1,910,167
Fully paid preference shares	79,245	-	-	79,245
Term Finance Certificates	700,630	2,864,459	-	3,565,089
Sukuk Certificates	-	5,480,021	-	5,480,021
Government of Pakistan Euro Bonds	-	445,886	-	445,886
	4,196,496	294,517,691	-	298,714,187

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

For the quarter and nine months ended September 30, 2016

	September 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
<b>Non-financial Assets</b>	(Rupees in thousand)			
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	-	4,682,574	-	4,682,574
	-	8,204,462	-	8,204,462

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	(Rupees in thousand)			
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

<b>Non-financial Assets</b>				
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 quarter and nine months ended September 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 nine months ended September 30, 2016 - (Un-audited)									
Total income	228,962	18,044,364	805,757	12,855,975	146,243	30,208	134,360	42,601	32,288,470
Total expenses	20,718	14,406,875	901,555	9,888,053	13,233	2,733	107,631	31,123	25,371,921
Net income / (loss)	208,244	3,637,489	(95,798)	2,967,922	133,010	27,475	26,729	11,478	6,916,549
For the nine months ended September 30, 2015 - (Un-audited)									
Total income	123,478	18,273,084	835,979	13,726,003	125,401	29,769	132,080	51,320	33,297,114
Total expenses	11,538	14,442,789	878,600	10,972,522	11,717	2,781	102,808	31,935	26,454,690
Net income / (loss)	111,940	3,830,295	(42,621)	2,753,481	113,684	26,988	29,272	19,385	6,842,424
As at September 30, 2016 - (Un-audited)									
Segment Assets (Gross)	143,138	343,396,319	12,470,323	255,511,112	91,426	18,885	438,269	391,486	612,460,958
Segment Non Performing Loans	-	-	2,261,822	27,452,707	-	-	-	-	29,714,529
Segment Provision Required	-	1,512,116	2,316,528	26,449,365	-	-	-	66,215	30,344,224
Segment Liabilities	1,665	52,628,866	46,675,864	450,297,641	1,064	220	79,325	179,956	549,864,601
Segment return on net assets (%)	0.16	12.91	0.58	9.20	0.10	0.02	0.10	0.03	
Segment cost of funds (%)	0.02	10.88	0.68	7.47	0.01	0.00	0.08	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 quarter and nine months ended September 30, 2016

Details of transactions with related parties during the nine months and balances as at September 30, 2016 are as follows:

	(Rupees in thousand)					
	September 30, 2016 - (Un-audited)					
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Balances outstanding as at						
Advances						
Secured	1,500,765	294,378	-	4,018,775	-	-
Un-secured	-	5,238	1,014	-	-	-
Mark-up receivable	724	45,223	-	75,734	-	-
Deposits	2,578,499	145,777	46,495	7,652,059	-	885,374
Mark-up payable	9,476	662	20	14,872	-	1,079
Outstanding commitments and contingent liabilities for						
irrevocable commitments and contingencies	339,761	-	-	335,262	-	-
Investment in shares / units	-	-	-	2,128,090	-	-
Security deposits against lease	494	1,165	-	7,640	-	-
Reimbursable expenses on behalf of						
Askari High Yield Scheme	-	-	-	41,530	-	-
Management fee and commission receivable from						
Askari High Yield Scheme	-	-	-	7,433	-	-
Reimbursable expenses on behalf of						
Askari Asset Allocation Fund	-	-	-	3,380	-	-
Management fee and commission receivable from						
Askari Asset Allocation Fund	-	-	-	317	-	-
Reimbursable expenses on behalf of						
Askari Islamic Income Fund	-	-	-	3,337	-	-
Management fee and commission receivable from						
Askari Islamic Income Fund	-	-	-	360	-	-
Management fee and commission receivable from						
Askari Islamic Asset Allocation Fund	-	-	-	213	-	-
Reimbursable expenses on behalf of						
Askari Islamic Asset Allocation Fund	-	-	-	1,959	-	-
Reimbursable expenses on behalf of						
Askari Sovereign Cash Fund	-	-	-	20,889	-	-
Management fee and commission receivable from						
Askari Sovereign Cash Fund	-	-	-	602	-	-
Reimbursable expenses on behalf of						
Askari Equity Fund	-	-	-	2,614	-	-
Management fee and commission receivable from						
Askari Equity Fund	-	-	-	247	-	-
Management fee and commission receivable from						
Askari Sovereign Yield Enhancer	-	-	-	1,334	-	-
Reimbursable expenses on behalf of						
Askari Sovereign Yield Enhancer	-	-	-	9,086	-	-
Pre-paid insurance premium by AIML	-	-	-	-	-	-
Payable to employee funds by AIML	-	-	-	-	-	14,410



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

For the quarter and nine months ended September 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	-	-
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 quarter and nine months ended September 30, 2016

(Rupees in thousand)

September 30, 2016 - (Un-audited)						
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Transactions during the nine months ended						
-Mark-up / interest earned	37,262	6,114	-	269,024	-	-
-Net mark-up / interest expensed	99,525	3,486	670	359,330	-	32,282
-Contributions to employees' funds	-	-	-	-	-	388,941
-Investment in shares / units	-	-	-	179,505	-	-
-Rent of property / service charges paid	8,799	-	-	-	-	-
-Dividend income	-	-	-	124,555	-	-
-Dividend paid	1,132,852	297	282	-	-	8,644
-Remuneration paid	-	304,563	-	-	-	2,954
-Post employment benefits	-	19,963	-	-	-	-
-Insurance premium paid	-	-	-	-	-	-
-Insurance claims received	-	-	-	-	-	-
-Fee, commission and brokerage income	145	-	-	1,758	-	-
-Fee, commission and brokerage paid	-	-	-	281	-	-
-Remuneration received by AIML from AAAF, AHYS, AIAAF, AIIF, ASCF and AEF	-	-	-	105,760	-	-
-Fees paid	-	1,619	3,500	-	-	-

(Rupees in thousand)

September 30, 2015 - (Un-audited)						
	Parent	Key Management personnel	Directors	Companies with common directorship having equity under 20%	Associates	Other related parties
Transactions during the nine months ended						
-Mark-up / interest earned	18,169	6,591	-	254,549	-	-
-Net mark-up / interest expensed	212,878	2,025	542	319,983	3,259	87,573
-Contributions to employees' funds	-	-	-	-	-	429,374
-Investment in shares / units	-	-	-	68,496	-	-
-Rent of property / service charges paid	14,400	-	-	-	-	-
-Dividend income	-	-	-	179,201	-	-
-Dividend paid	1,812,564	360	351	-	-	3,300
-Remuneration paid	-	246,953	-	-	-	1,985
-Post employment benefits	-	17,066	-	-	-	-
-Insurance premium paid	-	-	-	-	9,807	-
-Insurance claims received	-	-	-	-	2,101	-
-Fee, commission and brokerage income	2,341	-	-	3,903	-	-
-Fee, commission and brokerage paid	-	-	-	133	-	-
-Remuneration received by AIML from AAAF, AHYS, AIAAF, AIIF, ASCF and AEF	-	-	-	121,416	-	-
-Fees paid	-	-	3,725	-	-	-

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 October 13, 2016.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

