

Condensed Interim  
**Financial Statements**  
for the period ended June 30, 2015



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**The Bank of Khyber**  
for the Period Ended June 30, 2015

## CORPORATE INFORMATION

### Board of Directors

Dr. Hammad Uwais Agha  
Syed Said Badshah Bukhari  
Maqsood Ismail Ahmad  
Sajjad Ahmad  
Javed Akhtar  
Asad Muhammad Iqbal  
Dr. Ihsanul Haq

Chairman

### Managing Director / CEO

Shams-ul-Qayyum

### Audit Committee

Asad Muhammad Iqbal  
Syed Said Badshah Bukhari  
Sajjad Ahmad  
Javed Akhtar

Chairman

### Chief Financial Officer

Rahat Gul

### Company Secretary

Zahid Sahibzada

### Registered Office / Head Office

The Bank of Khyber,  
24-The Mall, Peshawar Cantt.

1st Floor, State Life Building,  
34-The Mall, Peshawar Cantt.  
UAN# 00-92-91-111 95 95 95  
URL: [www.bok.com.pk](http://www.bok.com.pk)

### Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants

### Legal Advisors

Mr. Nisar Ahmed Khan  
Advocate, Peshawar

M/s. Mohsin Tayebaly & Co., Karachi

### Registrar and Share Registration Office

THK Associates (Pvt) Ltd  
2<sup>nd</sup> Floor, State Life Building No. 3  
Dr. Ziauddin Ahmed Road  
Karachi – 75530. Pakistan.

## DIRECTORS' REVIEW

On behalf of the Board of Directors of the Bank of Khyber, I am pleased to present the condensed interim financial information of the Bank along with Auditors' Review Report for the half year ended June 30, 2015. The results are inclusive of Islamic Banking Operations.

### Financial Highlights

The financial results of the Bank of Khyber for the half year ended June 30, 2015 are as under:

	(Rs. in Million)	
	June 30 2015	December 31 2014
Total Assets	142,457	126,106
Deposits	107,704	92,264
Advances (Gross)	42,848	43,243
Investments (Net)	82,683	72,431

	(Rs. in Million)	
	Period Ended June 30	
	2015	2014
Operating Profit	1,610	987
Provision against non-performing advances/Others	(503)	(18)
Reversal against WWF/other assets	182	-
Profit before taxation	1,289	969
Taxation	579	335
Profit after tax	710	634

### Financial Overview

Apart from the challenging business scenario, the Bank continues to post consistent financial results. During the period under review, the Bank managed to post a pre-tax profit of Rs.1,289 million against Rs.969 million of the corresponding period of 2014 showing an increase of 33%. After tax profit stood at Rs.710 million thus showing an increase of 12% over the corresponding period. This increase has been recorded after charging prior year taxation due to change in Tax Law by virtue of Finance Act, 2015.

The Balance Sheet size has grown with total assets increased by 13% during the period under review. The Deposits stood at Rs.107,704 million as compared to Rs.92,264 million as on 31.12.2014 whereas advances with a slight decrease settled at Rs. 42,848 million. Investments increased by 14% to Rs.82,683 million as compared to Rs.72,431 million at the close of 31.12.2014.

### Future Outlook

In the backdrop of falling oil prices, stable currency rate, increased foreign exchange reserves and lower inflation rate, the Central Bank has shown flexibility and further reduced the Policy Rate to 7% which is the lowest in 42 years. This reduction in interest rate has put the banking spreads under pressure which ultimately affected the performance of financial institutions at large.



**The Bank of Khyber**  
for the Period Ended June 30, 2015

However, having a network of 116 branches including 54 dedicated Islamic Banking Branches and a competitive set of banking products and services, the Bank is well placed to record appropriate growth in core and ancillary revenues in 2015 and beyond.

**Credit Rating**

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the medium to long term and short term entity ratings of the Bank at “A” (Single A) and “A-1” (A One) respectively. Outlook on the assigned rating is “Stable”.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long term and short term entity ratings of the Bank at “A” (Single A) and “A1” (A One) respectively. Rating outlook is “Stable”. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

**Acknowledgment**

The Board would like to place on record its gratitude to the Government, State Bank of Pakistan and other regulatory authorities for their support and guidance, the valued customers for their patronage and continued confidence in the Bank and the staff members for their sincere and dedicated services.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Shams ul Qayyum'.

**Shams ul Qayyum**  
Managing Director

Peshawar: August 27, 2015

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**

### **Introduction**

We have reviewed the accompanying condensed interim financial position of The Bank of Khyber (the bank) as at June 30, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the six months then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and the condensed statement of comprehensive income for the three months ended June 30, 2015 and 2014 have not been reviewed and we do not express a conclusion on them, as we are required to review only the cumulative figures for the half year ended June 30, 2015.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended June 30, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

  
**GRANT THORNTON ANJUM RAHMAN**  
Chartered Accountants

**Engagement Partner: Nadeem Tirmizi**

Date: August 27, 2015

Islamabad

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT JUNE 30, 2015**

	Note	(Un-audited)	(Audited)
		June 30, 2015	December 31, 2014
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks		5,561,187	4,110,957
Balances with other banks		5,278,872	2,509,508
Lendings to financial institutions	6	4,782,207	2,100,000
Investments - net	7	82,682,770	72,431,445
Advances - net	8	39,158,023	40,057,170
Other assets		3,177,677	3,256,121
Operating fixed assets	9	1,816,456	1,641,054
Deferred tax asset - net		-	-
		<b>142,457,192</b>	<b>126,106,255</b>
<b>LIABILITIES</b>			
Bills payable		602,873	586,407
Borrowings from financial institutions	10	15,478,206	14,192,181
Deposits and other accounts	11	107,703,721	92,263,694
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Other liabilities		3,181,899	3,829,241
Deferred tax liabilities - net	12	541,134	315,160
		<b>127,507,833</b>	<b>111,186,683</b>
<b>NET ASSETS</b>		<b>14,949,359</b>	<b>14,919,572</b>
<b>REPRESENTED BY</b>			
Share capital		10,002,524	10,002,524
Reserves		1,572,238	1,430,231
Un-appropriated profit		1,345,713	1,778,056
		<b>12,920,475</b>	<b>13,210,811</b>
Surplus on revaluation of assets - net of tax	13	2,028,884	1,708,761
		<b>14,949,359</b>	<b>14,919,572</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

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



Managing Director



Director



Director



Chairman



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015**

Note	Three months ended June 30, 2015	Six months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2014
Rupees in '000'				
Mark-up / return / interest earned	2,573,408	5,429,479	2,205,193	4,387,416
Mark-up / return / interest expense	1,514,221	3,208,541	1,354,381	2,728,244
Net mark-up / interest income	1,059,187	2,220,938	850,812	1,659,172
Provision / (reversal of provision) against non-performing loans and advances - net	197,055	504,726	(33,096)	41,670
Reversal of provision for diminution in the value of investments - net	(1,722)	(1,868)	(22,583)	(24,131)
Bad debts written off directly	-	-	-	747
	195,333	502,858	(55,679)	18,286
Net mark-up / interest income after provisions	863,854	1,718,080	906,491	1,640,886
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	67,058	129,537	70,028	116,052
Dividend income	25,293	57,068	15,448	51,394
Income from dealing in foreign currencies	23,952	54,458	60,191	109,758
Gain on sale of securities - net	340,907	418,289	172,222	228,585
Unrealised (loss)/gain on revaluation of investments classified as held-for-trading - net	(18,191)	(1,075)	1,394	(8,833)
Other income	39,134	60,187	31,900	47,211
Total non mark-up / interest income	478,153	718,464	351,183	544,167
	1,342,007	2,436,544	1,257,674	2,185,053
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	684,251	1,320,369	631,099	1,179,249
(Reversals) / Provisions against other assets	(18,464)	(18,464)	-	139
(Reversal) / Provisions against Workers Welfare Fund	(172,132)	(164,120)	-	-
Other charges	9,758	9,758	29,937	36,444
Total non mark-up / interest expenses	503,413	1,147,543	661,036	1,215,832
	838,594	1,289,001	596,638	969,221
Extra ordinary / unusual item	-	-	-	-
	838,594	1,289,001	596,638	969,221
<b>PROFIT BEFORE TAXATION</b>				
Taxation				
Current	(276,780)	(422,597)	(189,336)	(318,518)
Prior	(124,428)	(124,428)	-	-
Deferred	(35,956)	(31,941)	(20,439)	(16,969)
	(437,164)	(578,966)	(209,775)	(335,487)
<b>PROFIT AFTER TAXATION</b>				
	401,430	710,035	386,863	633,734
Unappropriated profit brought forward	944,283	635,678	862,044	615,173
Accumulated profit carried forward	1,345,713	1,345,713	1,248,907	1,248,907
	1,345,713	1,345,713	1,248,907	1,248,907
<b>Earnings per share - Basic and Diluted (in Rupees)</b>	<b>0.40</b>	<b>0.71</b>	<b>0.39</b>	<b>0.63</b>

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

  
Managing Director

  
Director

  
Director

  
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015**

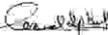
	<b>Three months ended June 30, 2015</b>	<b>Six months ended June 30, 2015</b>	<b>Three months ended June 30, 2014</b>	<b>Six months ended June 30, 2014</b>
----- Rupees in '000' -----				
<b>Profit after taxation</b>	<b>401,430</b>	<b>710,035</b>	386,863	633,734
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>401,430</b>	<b>710,035</b>	<b>386,863</b>	<b>633,734</b>

Surplus / (deficit) on revaluation of 'Available for sale' securities and 'Fixed assets' are presented under a separate head below equity as 'surplus / (deficit) on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan vide its BSD Circular No. 20 dated August 04, 2000 and BSD Circular No. 10 dated July 13, 2004 respectively and Companies Ordinance, 1984.

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



**Managing Director**



**Director**



**Director**



**Chairman**

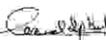
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2015**

	Share capital	Statutory reserve	Reserve for issue of bonus shares	Un-appropriated profit	Total
	Rupees in '000'				
<b>Balance as at January 1, 2014 - Audited</b>	<b>10,000,000</b>	<b>1,168,347</b>	<b>2,524</b>	<b>741,920</b>	<b>11,912,791</b>
<b>Changes in equity during the six months ended June 30, 2014</b>					
<b>Total comprehensive income</b>					
Profit after taxation for the six months ended June 30, 2014	-	-	-	633,734	633,734
Other comprehensive income - net of tax	-	-	-	633,734	633,734
<b>Transfer to statutory reserve</b>	-	126,747	-	(126,747)	-
<b>Transactions with owners recorded directly in equity</b>					
Issue of shares against bonus share reserve	2,524	-	(2,524)	-	-
<b>Balance as at June 30, 2014 - Unaudited</b>	<b>10,002,524</b>	<b>1,295,094</b>	<b>-</b>	<b>1,248,907</b>	<b>12,546,525</b>
<b>Changes in equity during the six months ended December 31, 2014</b>					
<b>Total comprehensive income</b>					
Profit after taxation for the six months ended December 31, 2014	-	-	-	675,686	675,686
Other comprehensive income	-	-	-	(11,400)	(11,400)
	-	-	-	664,286	664,286
<b>Transfer to statutory reserve</b>	-	135,137	-	(135,137)	-
<b>Balance as at December 31, 2014 - Audited</b>	<b>10,002,524</b>	<b>1,430,231</b>	<b>-</b>	<b>1,778,056</b>	<b>13,210,811</b>
<b>Changes in equity during the six months ended June 30, 2015</b>					
<b>Transactions with owners recorded directly in equity</b>					
Final dividend for the year ended December 31, 2014 declared at Re 1.00 per	-	-	-	(1,000,371)	(1,000,371)
<b>Total comprehensive income</b>					
Profit after taxation for the six months ended June 30, 2015	-	-	-	710,035	710,035
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	710,035	710,035
<b>Transfer to statutory reserve</b>	-	142,007	-	(142,007)	-
<b>Balance as at June 30, 2015 - Unaudited</b>	<b>10,002,524</b>	<b>1,572,238</b>	<b>-</b>	<b>1,345,713</b>	<b>12,920,475</b>

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



**Managing Director**



**Director**



**Director**



**Chairman**

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2015**

	Six months ended June 30, 2015	Six months ended June 30, 2014
Rupees in '000'		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,289,001	969,221
Less: Dividend income	57,068	51,394
	<u>1,231,933</u>	<u>917,827</u>
<b>Adjustments for non-cash charges</b>		
Depreciation	88,506	74,009
Amortisation	1,742	1,857
Provision against non-performing advances-net	504,726	41,670
Reversal of provision for diminution in the value of investments-net	(1,868)	(24,131)
Reversal of provision against non-banking assets	(18,464)	-
Provision for Workers Welfare Fund	-	11,500
Unrealised loss on revaluation of investments classified as held-for-trading	1,075	8,833
(Gain) / loss on sale of operating fixed assets	(1,186)	858
	<u>574,531</u>	<u>114,596</u>
	<u>1,806,464</u>	<u>1,032,423</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(2,682,207)	(339,749)
Net investments in held-for-trading securities	(2,034,006)	14,507,008
Advances	394,421	8,502,782
Others assets (excluding advance taxation)	96,908	(719,813)
	<u>(4,224,884)</u>	<u>21,950,228</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	16,466	111,120
Borrowings from financial institutions	1,286,025	(7,998,510)
Deposits and other accounts	15,440,027	7,130,941
Other liabilities (excluding current taxation)	(647,207)	146,156
	<u>16,095,311</u>	<u>(610,293)</u>
	<u>13,676,891</u>	<u>22,372,358</u>
Income tax paid - net	(555,666)	(438,127)
<b>Net cash generated from operating activities</b>	<u>13,121,225</u>	<u>21,934,231</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (investments) / deinvestments in available-for-sale securities	(7,788,443)	(16,290,358)
Net (investments) / deinvestments in held-to-maturity securities	86,073	(5,238,609)
Dividend received	57,068	51,394
Investments in operating fixed assets - net	(265,866)	(61,671)
Sale proceeds of property and equipment disposed off	1,402	679
<b>Net cash used in investing activities</b>	<u>(7,909,766)</u>	<u>(21,538,565)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(991,865)	-
<b>Net cash used in financing activities</b>	<u>(991,865)</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>	4,219,594	395,666
<b>Cash and cash equivalents at beginning of the period</b>	6,620,465	7,881,929
<b>Cash and cash equivalents at end of the period</b>	<u>10,840,059</u>	<u>8,277,595</u>

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



**Managing Director**



**Director**



**Director**



**Chairman**

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2015**

### **1 STATUS AND NATURE OF BUSINESS**

- 1.1** The Bank of Khyber ("The Bank") was established under The Bank of Khyber Act, 1991 and is principally engaged in the business of commercial banking and related services. The Bank acquired the status of a scheduled bank in 1994 and is listed on the Karachi Stock Exchange (KSE). The registered office of the Bank is situated at 24 The Mall, Peshawar Cantt, Peshawar. The Bank operates 116 branches including 54 Islamic Banking Branches as at June 30, 2015 (December 31, 2014: 116 branches including 54 Islamic banking branches). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency (PACRA) and JCR-VIS are 'A' and 'A' respectively and the short-term credit ratings assigned are 'A1' (A-One) and 'A-1' (A-One) respectively.

### **2 BASIS OF PRESENTATION**

- 2.1** In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under the respective arrangements (except for murabaha financings accounted for under Islamic Financial Accounting Standard - 1 "Murabaha") are not reflected in this condensed interim financial information as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.2** The financial results of the Islamic Banking Group have been consolidated in these financial statements for reporting purpose, after eliminating the effects of intra-bank transactions and balances. Key financial figures of the Islamic Banking Group are disclosed in note 18 to this condensed interim financial information.
- 2.3** This condensed interim financial information has been presented in Pakistani Rupee, which is the Bank's functional and reporting currency. The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

### **3 BASIS OF MEASUREMENT**

This condensed interim financial information has been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts and certain investments, commitments in respect of forward exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

### **4 STATEMENT OF COMPLIANCE**

- 4.1** This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standards (IAS - 34), Interim Financial Reporting, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case the requirements differ, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

- 4.2** The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standards (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to a notification of SECP dated April 28, 2008, IFRS 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 4.3** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required for the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2014. This condensed interim financial information is being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984 and is un-audited but subject to limited scope review by the statutory auditors.

**5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS AND RISK MANAGEMENT POLICIES**

- 5.1** The accounting policies, underlying estimates and judgments and methods of computation followed in the preparation of this condensed interim financial information are same as those applied in preparing the most recent annual financial statements of the Bank for the year ended December 31, 2014. The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2014.
- 5.2** The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2014.

	<b>(Un-audited)</b> <b>June 30,</b> <b>2015</b>	<b>(Audited)</b> <b>December 31,</b> <b>2014</b>
<b>Rupees in '000'</b>		
<b>6 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	<b>600,000</b>	850,000
Repurchase agreement lendings (Reverse Repo)	<b>1,832,207</b>	-
Placements with financial institutions	<b>2,588,944</b>	1,488,944
	<b>5,021,151</b>	2,338,944
Less: Provision against lendings to financial institutions	<b>(238,944)</b>	(238,944)
	<b>4,782,207</b>	2,100,000

## 7 INVESTMENTS

Note	June 30, 2015 (Un-audited)			December 31, 2014 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
----- Rupees in '000' -----						
<b>7.1 Investments by types</b>						
<b>Held-for-trading securities</b>						
Market Treasury Bills	3,960,560	-	3,960,560	-	-	-
Pakistan Investment Bonds	1,267,728	-	1,267,728	1,683,720	-	1,683,720
Ordinary shares in listed companies	52,215	-	52,215	29,743	-	29,743
GOP Ijarah Sukuk	-	-	-	1,503,072	-	1,503,072
	<b>5,280,503</b>	<b>-</b>	<b>5,280,503</b>	<b>3,216,535</b>	<b>-</b>	<b>3,216,535</b>
<b>Available-for-sale securities</b>						
Market Treasury Bills	14,533,292	9,030,582	23,563,874	17,381,028	9,860,095	27,241,123
Pakistan Investment Bonds	33,763,748	-	33,763,748	23,163,871	-	23,163,871
GOP Ijarah Sukuk	9,580,595	-	9,580,595	8,500,124	-	8,500,124
Ordinary shares in listed companies	1,625,395	-	1,625,395	1,458,640	-	1,458,640
Ordinary shares in unlisted companies	30,487	-	30,487	30,487	-	30,487
Ordinary shares of related parties - Unlisted	112,500	-	112,500	112,500	-	112,500
Preference shares in listed companies	410,920	-	410,920	410,920	-	410,920
Listed term finance certificates	138,550	-	138,550	288,469	-	288,469
Unlisted term finance certificates	269,447	-	269,447	269,500	-	269,500
Units of open-end mutual funds	290,237	-	290,237	340,237	-	340,237
Units of closed-end mutual funds	50,000	-	50,000	50,000	-	50,000
Sukuk certificates	967,340	-	967,340	1,148,779	-	1,148,779
	<b>61,772,511</b>	<b>9,030,582</b>	<b>70,803,093</b>	<b>53,154,555</b>	<b>9,860,095</b>	<b>63,014,650</b>
<b>Held-to-maturity securities</b>						
Pakistan Investment Bonds	5,324,751	-	5,324,751	5,309,368	-	5,309,368
Sukuk certificates	166,667	-	166,667	268,123	-	268,123
	5,491,418	-	5,491,418	5,577,491	-	5,577,491
<b>Investments in associates</b>	<b>40,504</b>	<b>-</b>	<b>40,504</b>	<b>40,504</b>	<b>-</b>	<b>40,504</b>
<b>Investments at cost</b>	<b>72,584,936</b>	<b>9,030,582</b>	<b>81,615,518</b>	<b>61,989,085</b>	<b>9,860,095</b>	<b>71,849,180</b>
Less: Provision for diminution in the value of investment	7.2 (874,336)	-	(874,336)	(876,204)	-	(876,204)
<b>Investments (net of provisions)</b>	<b>71,710,600</b>	<b>9,030,582</b>	<b>80,741,182</b>	<b>61,112,881</b>	<b>9,860,095</b>	<b>70,972,976</b>
Unrealised (loss) / gain on revaluation of held-for-trading securities - Net	(1,075)	-	(1,075)	29,962	-	29,962
Surplus on revaluation of available-for-sale securities - Net	1,942,663	-	1,942,663	1,428,507	-	1,428,507
<b>Total investments</b>	<b>73,652,188</b>	<b>9,030,582</b>	<b>82,682,770</b>	<b>62,571,350</b>	<b>9,860,095</b>	<b>72,431,445</b>

	Note	(Un-audited)	(Audited)
		June 30, 2015	December 31, 2014
Rupees in '000'			
<b>7.2 Provision for diminution in the value of investments</b>			
Opening balance		876,204	948,190
Charge for the period / year		3,645	14,051
Reversal on disposal of shares / mutual funds / term finance certificates		(5,513)	(86,037)
		(1,868)	(71,986)
Closing balance		874,336	876,204
<b>8 ADVANCES</b>			
Loans, cash credits, running finances, etc.			
In Pakistan		32,144,567	32,930,963
Outside Pakistan		-	-
		32,144,567	32,930,963
Islamic financing and related assets		9,363,027	8,798,770
Net investment in Ijarah:			
In Pakistan		837,089	830,407
Outside Pakistan		-	-
		837,089	830,407
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		313,424	320,432
Payable outside Pakistan		190,046	362,002
		503,470	682,434
Advances - gross	8.1	42,848,153	43,242,574
Less: Provision against non-performing advances	8.2	(3,690,130)	(3,185,404)
Advances - net of provision		39,158,023	40,057,170

**8.1** Advances include Rs. 5,147.206million (December 31, 2014: Rs. 4,509.496million) which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2015 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
----- Rupees in '000' -----					
Other Assets Especially Mentioned *	19,217	-	19,217	111	111
Substandard	784,436	-	784,436	73,962	73,962
Doubtful	49,156	-	49,156	1,563	1,563
Loss	4,294,397	-	4,294,397	3,581,995	3,581,995
	<b>5,147,206</b>	<b>-</b>	<b>5,147,206</b>	<b>3,657,631</b>	<b>3,657,631</b>

Category of classification	December 31, 2014 (Audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
----- Rupees in '000' -----					
Other Assets Especially Mentioned *	17,262	-	17,262	1,174	1,174
Substandard	235,286	-	235,286	25,352	25,352
Doubtful	787,975	-	787,975	204,355	204,355
Loss	3,468,973	-	3,468,973	2,912,042	2,912,042
	<b>4,509,496</b>	<b>-</b>	<b>4,509,496</b>	<b>3,142,923</b>	<b>3,142,923</b>

\* Other Assets Especially Mentioned category pertains to agricultural finance and small enterprise finance.

**8.1.1** State Bank of Pakistan through various circulars has allowed benefit of the forced sales value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against Non-Performing Loans (NPLs) for five years from the date of classification. As at June 30, 2015, the Bank has availed cumulative benefit of forced sale values of Rs. 849.112 million (December 31, 2014: Rs. 770.151 million). Increase in unappropriated profit net of tax amounting to Rs. 551.923 (December 31, 2014 :Rs.500.598) is not available for the distribution of cash and stock dividend to the shareholders.

**8.2 Particulars of provision against non-performing advances**

	June 30, 2015 (Un-audited)			December 31, 2014 (Audited)		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000' -----						
Opening balance	<b>3,142,923</b>	<b>42,481</b>	<b>3,185,404</b>	2,863,903	24,927	2,888,830
Charge for the period / year	<b>615,158</b>	<b>605</b>	<b>615,763</b>	540,866	17,554	558,420
Reversals	<b>(100,450)</b>	<b>(10,587)</b>	<b>(111,037)</b>	(252,536)	-	(252,536)
	<b>514,708</b>	<b>(9,982)</b>	<b>504,726</b>	288,330	17,554	305,884
Amounts written off	-	-	-	(9,310)	-	(9,310)
Closing balance	<b>3,657,631</b>	<b>32,499</b>	<b>3,690,130</b>	3,142,923	42,481	3,185,404
					(Un-audited)	(Audited)
					June 30,	December 31,
				Note	2015	2014
					Rupees in '000'	

**9 OPERATING FIXED ASSETS**

Capital work-in-progress		<b>264,865</b>	108,901
Property and equipment	9.1 & 9.2	<b>1,546,821</b>	1,526,355
Intangible assets	9.3	<b>4,770</b>	5,798
		<b>1,816,456</b>	<b>1,641,054</b>

**9.1** During the six months ended June 30, 2015, the bank arranged for revaluation of its lease hold land from an independent professional valuer M/S Amir Evaluators and Consultants on January 30, 2015 to assess the present market value yielding no increase in the carrying value.

9.2 Following additions / disposals have been made to / from property and equipments;

	June 30, 2015 (Un-audited)		June 30, 2014 (Un-audited)	
	Additions	Disposals	Additions	Disposals
	Rs. in '000'			
Furniture and fixtures	7,600	1,434	12,253	227
Office equipment	55,254	1,575	87,733	2,305
Vehicles	25	70	3	84
Renovations / Premises	46,305	7,924	83,557	2,595
	<b>109,184</b>	<b>11,003</b>	<b>183,546</b>	<b>5,211</b>
9.3 Additions to intangible assets	<b>714</b>	-	<b>934</b>	-
			(Un-audited)	(Audited)
			June 30,	December 31,
	Note		2015	2014
			Rupees in '000'	

10 BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

**Borrowings from State Bank of Pakistan:**

Under export refinance scheme

Long term financing for export oriented projects

SME refinance scheme

Repurchase agreement borrowings

**Unsecured**

Call borrowings

	1,446,482	1,533,982
	50,422	61,626
	2,625	4,747
	1,499,529	1,600,355
10.1	9,030,582	9,860,095
	4,948,095	2,731,731
	<b>15,478,206</b>	<b>14,192,181</b>

10.1 Repurchase agreements with financial institutions carry interest rate ranging from 6.53% to 7.00% (2014: 9.60% to 10.00%) per annum with maturities up to July 03, 2015.

	(Un-audited)	(Audited)
	June 30, 2015	December 31, 2014
	Rupees in '000'	

11 DEPOSITS AND OTHER ACCOUNTS

**Customers**

Fixed deposits

Savings deposits

Current accounts - non-remunerative

Call deposits

Margin and sundry deposits

**Financial Institutions**

Remunerative deposits

Non-remunerative deposits

	28,475,976	31,783,049
	50,463,790	39,982,105
	25,094,218	17,909,340
	1,995,075	1,073,632
	1,434,842	1,377,299
	<b>107,463,901</b>	<b>92,125,425</b>
	234,715	136,440
	5,105	1,829
	<b>239,820</b>	<b>138,269</b>
	<b>107,703,721</b>	<b>92,263,694</b>



(Un-audited) (Audited)  
June 30, December 31,  
2015 2014  
Rupees in '000'

**12 DEFERRED TAX LIABILITY**

**Deferred tax asset arising in respect of:**

Provision for balances with other banks	3,510	3,510
Deficit on revaluation of investments	-	4,724
Provision for non performing loans	17,014	-
Provision for diminution in the value of investments	89,473	90,126
Provision for other assets	3,448	3,448
Provision for Workers Welfare Fund	-	57,521
Stabilisation reserve	39,966	40,094
	<b>153,411</b>	<b>199,423</b>

**Deferred tax liability arising in respect of:**

Accelerated tax depreciation	(14,614)	(23,961)
Surplus on revaluation of investment	(679,931)	(490,622)
	<b>(694,545)</b>	<b>(514,583)</b>
Deferred tax liabilities - net	<b>(541,134)</b>	<b>(315,160)</b>

**13 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

**Surplus / (Deficit) on revaluation of available-for-sale securities**

Federal government securities		
- Market Treasury Bills	17,167	(4,169)
- Pakistan Investment Bonds	1,694,843	1,216,495
- Sukuk Certificates	21,927	(32,653)
Fully paid up ordinary shares - listed	121,278	159,862
Units in open-end mutual funds	87,448	88,972
	<b>1,942,663</b>	<b>1,428,507</b>

**Surplus on revaluation of fixed assets**

Leasehold land	766,152	766,152
	<b>2,708,815</b>	<b>2,194,659</b>
Deferred tax liabilities - net	(679,931)	(485,898)
	<b>2,028,884</b>	<b>1,708,761</b>

**14 CONTINGENCIES AND COMMITMENTS**

**14.1 Direct credit substitutes**

Contingent liabilities in respect of guarantees given favouring:

Banks	-	-
Others	453,378	442,206
	<b>453,378</b>	<b>442,206</b>

**14.2 Transaction-related contingent liabilities**

Contingent liabilities in respect of performance bonds, bid bonds, warranties etc. given favouring:

Government	4,472,894	5,195,334
Others	5,044,934	3,218,568

14.2.1

**9,517,828** **8,413,902**

**14.2.1** The above amounts include expired letters of guarantee aggregating to Rs.2,517.695 million as at June 30, 2015 (December 31, 2014: Rs.1,824.489 million) for which the formalities relating to return of the original documents are in process.

	(Un-audited)	(Audited)
	June 30,	December 31,
Note	2015	2014
	Rupees in '000'	

**14.3 Trade-related contingent liabilities**

Letters of credit	555,930	2,230,557
Sight	2,744,471	76,396
Usance	<b>3,300,401</b>	2,306,953
Acceptances	130,024	855,778
	<b>3,430,425</b>	<b>3,162,731</b>

**14.4 Commitments in respect of forward exchange contracts**

Purchase	2,476,251	1,657,105
Sale	<b>3,067,913</b>	<b>1,595,661</b>

**14.4.1** All forward exchange contracts are backed by trade related transactions to meet the needs of the Bank's clients to generate trading revenues and, as part of its asset and liability management activity, to hedge its own exposure to currency risk. At the period end, all foreign exchange contracts have a remaining maturity less than one year.

	(Un-audited)	(Audited)
	June 30,	December 31,
	2015	2014
	Rupees in '000'	

**14.5 Other commitments**

Bills for collection		
Inland bills	226,866	485,589
Foreign bills	303,452	368,513
	<b>530,318</b>	<b>854,102</b>

**14.6 Commitments to extend credit**

The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty if the facility is unilaterally withdrawn.

**14.7 Commitment for the acquisition of operating fixed assets**

Commitments as on reporting date amounts to Rs. 48.501 million (December 31, 2014: Rs. 45.861 million).

**14.8** The income tax assessments of the Bank have been finalized upto and including tax year 2014.

**14.9** During financial year 2011, the tax authorities issued an amended order for the tax year 2009 disallowing certain expenditure on account of lack of evidence for such expenditure

resulting in an additional tax demand of Rs. 308.900 million. The Bank filed an appeal as well as rectification application against the said order. Based on rectification application, the order was amended and accordingly the additional demand was reduced to Rs. 256.349 million. During 2012, the Commissioner Inland Revenue (Appeals) [CIR (A)] through an order dated June 01, 2012 has deleted certain additions on account of disallowances except for the additions under certain heads of expenses having tax impact of approximately Rs. 23 million. Provision amounting to Rs 10 million has been made in respect of this amount in previous period. The Bank had filed an appeal against the order of the CIR (A) in respect of remaining additions. During the six months ended June 30, 2015, Appellate Tribunal Inland Revenue (ATIR) has passed an order dated 16 June 2014 where in judicial member decided the issues involved in the case in favor of the Bank and annulled the orders of the below authorities. However, accountant member has raised question regarding the decision of the judicial member. Consequently, reference of difference of opinion between judicial and accounting member has been made to the Head quarter Bench, Islamabad, which is fixed for hearing and the outcome of which is still pending. Management believes that the reference will also be decided in the favor of the Bank. Consequently, no further provision has been provided in these interim financial information.

- 14.10** For tax year 2011, the tax authorities have issued orders under sections 161 and 205 demanding the payment of withholding taxes on account of lack of evidence of tax deduction against the payments of certain expenditure amounting to Rs. 15.357 million along with default surcharge of Rs. 3.263 million respectively. The Bank has filed appeals before the Commissioner Inland Revenue (Appeals) for grant of relief against order for tax years 2011. [CIR(A)] remanded the case back to the assessing officer (RTO). However, the Bank has filed appeal against the order of the [CIR(A)] with the Appellate Tribunal Inland Revenue (ATIR). The management believes that the reference will be decided in favor of the Bank. Consequently, no provision has been made in respect of these amount in the financial information.
- 14.11** For tax years 2012 and 2013, the tax authorities have issued orders under sections 161 and 205 demanding the payment of withholding taxes on account of lack of evidence of tax deduction against the payments of certain expenditure amounting to Rs. 5.845 million and Rs. 4.060 million respectively along with default surcharge of Rs. 0.876 million and Rs. 1.776 million respectively. The Bank has filed appeals before the Commissioner Inland Revenue (Appeals) for grant of relief against order for tax years 2012 and 2013. Management believes that this matter will be decided in favor of the Bank. However, based on management view, provision of Rs. 2.999 million has been made in respect of tax year 2012 in previous period while no provision has been made in respect of tax year 2013.

**15 WORKERS' WELFARE FUND**

During the period, the Bank appeal against the Workers Welfare Fund (WWF) imposition has been decided by Commissioner Inland Revenue (Appeals) [CIR(A)] in favor of the Bank, vide order dated March 6, 2015 on the grounds that the Bank being setup by the Government is duly covered by the exclusion clause 2 VI(A) of Workers Welfare Fund Ordinance, 1971. Previously, the Bank were providing for WWF based on the pending outcome of the case. However after the decision, the management is of the view that WWF is not applicable on the Bank under exemption proviso 2(F) of the WWF Ordinance, 1971 and considering that

the tax department has not challenged the matter further in appeal. Based on this accumulated WWF Payable of Rs. 164.120 million has been reversed in these interim financial information.

## 16 TAXATION

The Finance Act 2015 has introduced certain amendments relating to taxation of banking companies. As per these amendments, bank's income from dividend and capital gains are now taxed at the normal tax rates instead of previously applicable reduced rates. In addition, one-time super tax at the rate of 4 percent of the taxable income has also been levied. These amendments apply retrospectively for the tax year 2015, i.e. year ended December 31, 2014. The effects of above amendments have been incorporated in this condensed interim financial statements based on revised estimates, an amount of Rs. 124.428 million (June 30, 2014 : Nil) has been recognized as prior year tax charge.

	Three months ended June 30, 2015	Six months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2014
----- Rupees in '000' -----				

## 17 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation for the period attributable to ordinary shareholders	<u>401,430</u>	<u>710,035</u>	<u>386,863</u>	<u>633,734</u>
-----Number of Shares-----				
Weighted average number of ordinary shares outstanding during the period	<u>1,000,252,400</u>	<u>1,000,252,400</u>	<u>1,000,252,400</u>	<u>1,000,252,400</u>
Earnings per share - basic and diluted for the period (in Rupees)	<u>0.40</u>	<u>0.71</u>	<u>0.39</u>	<u>0.63</u>

There is no dilution effect on basic earnings per share.

Note	(Un-audited)	(Audited)
	June 30, 2015	December 31, 2014

Rupees in '000'

### 18 KEY FINANCIAL FIGURES OF ISLAMIC BANKING GROUP

#### ASSETS

Cash and balances with treasury banks	2,150,705	1,461,758
Balances with other banks	3,274,061	851,231
Due from financial institutions	2,950,000	2,100,000
Investments	10,652,516	10,828,036
Islamic financing and related assets - net	A-1 10,009,403	9,501,809
Operating fixed assets	223,201	205,306
Other assets	2,149,061	391,866
Deferred tax assets	-	-
	<b>31,408,947</b>	<b>25,340,006</b>

#### LIABILITIES

Bills payable	226,592	139,860
Deposits and other accounts		
- Current accounts	10,890,920	7,715,823
- Saving accounts	12,062,326	9,464,920
- Term deposits	2,699,755	2,148,936
- Others	1,295,150	882,621
Deposits from financial institutions - remunerative	220,112	111,927
Deposits from financial institutions - non-remunerative	-	-
Other liabilities	566,809	1,703,464
	<b>27,961,664</b>	<b>22,167,551</b>

#### NET ASSETS

	<b>3,447,283</b>	<b>3,172,455</b>
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#### REPRESENTED BY

Islamic banking fund	460,000	460,000
Profit equalization reserves	35,760	36,414
Unappropriated profit	2,930,804	2,712,586
	<b>3,426,564</b>	<b>3,209,000</b>
Deficit on revaluation of assets	20,719	(36,545)
	<b>3,447,283</b>	<b>3,172,455</b>

#### Remuneration to Shariah Advisor during the period / year

	<b>1,409</b>	<b>2,586</b>
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#### CHARITY FUND

Opening balance at the start of the period / year	-	-
Additions during the period / year	635	3,227
Payments during the period / year	(1)	(3,227)
Closing balance at the end of the period / year	<b>634</b>	<b>-</b>

The profit and loss account of the Islamic Banking Group for the six months ended June 30, 2015 is as

Note	(Un-audited)	(Un-audited)	
	June 30, 2015	June 30, 2014	
Rupees in '000'			
Income / return / profit earned	965,922	738,068	
Income / return / profit expensed	(300,084)	(243,059)	
	<b>665,838</b>	495,009	
Provision against non-performing financing	63,345	51,452	
Reversal for diminution in the value of investments	-	(25,000)	
	<b>63,345</b>	26,452	
Net profit / return income after provisions	<b>602,493</b>	468,557	
<b>NON MARK-UP INCOME</b>			
Fee, commission and brokerage income	41,901	34,544	
Dividend income	3,559	4,333	
Income from dealing in foreign currencies	30,270	83,853	
Unrealised loss on revaluation of held-for-trading securities	(667)	(785)	
Gain on sale of securities	3,072	6,634	
Other income	13,403	22,766	
Total non-markup income	<b>91,538</b>	151,345	
	<b>694,031</b>	619,902	
<b>OTHER EXPENSES</b>			
Administrative expenses	475,813	410,127	
Other provision / write-off	-	-	
Other charges	-	14,657	
Total other charges	<b>475,813</b>	424,784	
Profit for the period	<b>218,218</b>	195,118	
	(Un-audited)	(Audited)	
	June 30, 2015	December 31, 2014	
Rupees in '000'			
<b>A-1 Islamic Financing and Related Assets</b>			
Murabaha financings	A-1.1	2,867,944	2,639,484
Ijarah financings	A-1.2	837,089	830,407
Diminishing musharika	A-1.3	2,200,743	1,945,182
Istisna work-in-progress	A-1.4	200,000	199,950
Salam financing	A-1.5	4,080,186	4,000,000
Qarz-e-Hasna		5,641	5,641
Others		8,513	8,513
		<b>10,200,116</b>	9,629,177
Less: Provision for non-performing facilities		(190,713)	(127,368)
		<b>10,009,403</b>	9,501,809

Note	(Un-audited) June 30, 2015	(Audited) December 31, 2014
	Rupees in '000'	
<b>A-1.1 Murabaha financings</b>		
Murabaha receivable	2,568,881	2,424,664
Assets / Inventories	299,063	214,820
	<b>2,867,944</b>	<b>2,639,484</b>
<b>A-1.2 Ijarah financings</b>		
Net investment in Ijarah	13,228	14,266
<b>Ijarah under IFAS-II</b>		
- Ijarah	818,802	811,943
- Advances	5,059	4,198
	<b>823,861</b>	<b>816,141</b>
	<b>837,089</b>	<b>830,407</b>
<b>A-1.3 Diminishing musharika</b>		
Diminishing musharika	2,191,243	1,820,442
Advances / Inventories	9,500	124,740
	<b>2,200,743</b>	<b>1,945,182</b>
<b>A-1.4 Istisna Work in process</b>		
Istisna work in process	200,000	199,950
	<b>200,000</b>	<b>199,950</b>
<b>A-1.5 Salam Financing</b>		
Salam financing	2,000,000	3,000,000
Advance against Salam	-	1,000,000
Salam sale receivable	2,080,186	-
	<b>4,080,186</b>	<b>4,000,000</b>

## 19 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with Government of Khyber Pakhtunkhwa (majority shareholder), associates, directors, key management personnel, staff retirement benefit plans and other related parties.

Banking transactions with related parties are carried out in the normal course of business at agreed terms. Contributions to and accruals in respect of staff retirement benefit plan are made in accordance with actuarial valuation. Refer to note No. 7.1 of the condensed interim financial statements for investment in related party.

Transactions with key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

### 19.1 Details of transactions with related parties as at the period / year end are as follows:

	June 30, 2015 (Un-audited)			December 31, 2014 (Audited)		
	Directors and key management personnel	Associates	Employee Fund	Directors and key management personnel	Associates	Employee Fund
	----- Rupees in '000' -----					
<b>Advances:</b>						
At January 1,	145,333	-	-	142,015	-	-
Disbursed during the period / year	35,536	-	-	33,057	-	-
Repaid during the period / year	(19,670)	-	-	(29,739)	-	-
Balance as at June 30 / December 31	161,199	-	-	145,333	-	-
<b>Deposits:</b>						
At January 1,	9,865	14,339	49,446	11,050	11,715	15,703
Deposited during the period / year	87,875	43,452	252,707	213,048	113,436	255,059
Repaid during the period / year	(86,128)	(45,017)	(272,778)	(214,233)	(110,812)	(221,316)
Balance as at June 30 / December 31	11,612	12,774	29,375	9,865	14,339	49,446
	For the six months ended June 30, 2015 (Un-audited)			For the six months ended June 30, 2014 (Un-audited)		
	Directors and key management personnel	Associates	Employee Fund	Directors and key management personnel	Associates	Employee Fund
	----- Rupees in '000' -----					
<b>Transactions, income and expenditure</b>						
Mark-up / return / interest earned	1,853	-	-	1,884	-	-
Mark-up / return / interest expensed	341	369	1,253	248	-	3,557
Fee	560	-	-	590	-	-

19.2 Although the Government of Khyber Pakhtunkhwa holds 70.20% shares of the Bank (December 31, 2014:70.20%), the transactions with it have not been treated as related party transactions for the purpose of this disclosure.

**20 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

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

	For the six months ended June 30, 2015 (Un-audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Total
	----- Rupees in '000' -----				
Total income	2,867,942	535,426	354,889	2,389,686	6,147,943
Total expenses	(2,646,997)	(284,782)	(277,350)	(2,228,779)	(5,437,908)
Net income	220,945	250,644	77,539	160,907	710,035

	For the six months ended June 30, 2014 (Un-audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Total
	----- Rupees in '000' -----				
Total income	1,729,569	831,767	176,697	2,193,550	4,931,583
Total expenses	(1,565,558)	(572,992)	(104,786)	(2,054,513)	(4,297,849)
Net income	164,011	258,775	71,911	139,037	633,734

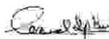
**21 GENERAL**

**21.1 Date of authorisation for issue**

This condensed interim financial information was authorised for issue on August 27, 2015 by the Board of Directors of the Bank.



Managing Director



Director



Director



Chairman

