

Condensed Interim
Financial Statements
for the three months ended March 31, 2018

Contents

 Corporate Information-----	1
 Directors' Review -----	2
 Condensed Interim Statement of Financial Position -----	4
 Condensed Interim Profit and Loss Account -----	5
 Condensed Interim Statement of Comprehensive Income-----	6
 Condensed Interim Statement of Changes in Equity -----	7
 Condensed Interim Cash Flow Statement-----	8
 Notes to the Condensed Interim Financial Information -----	9

CORPORATE INFORMATION

Board of Directors

Shahzad Khan Bangash Chairman
Shakeel Qadir Khan
Maqsood Ismail Ahmad
Asad Muhammad Iqbal
Javed Akhtar
Rashid Ali Khan
Shaharyar Ahmad

Managing Director / CEO (Acting)

Muhammad Shahbaz Jameel

Board Audit Committee

Asad Muhammad Iqbal Chairman
Shakeel Qadir Khan
Javed Akhtar
Rashid Ali Khan
Shaharyar Ahmad

Board Human Resource & Remuneration Committee

Rashid Ali Khan Chairman
Maqsood Ismail Ahmad
Asad Muhammad Iqbal
Managing Director

Board Risk Management Committee

Maqsood Ismail Ahmad Chairman
Rashid Ali Khan
Javed Akhtar
Managing Director

Board I.T. Steering Committee

Rashid Ali Khan Chairman
Shakeel Qadir Khan
Asad Muhammad Iqbal

Chief Financial Officer

Mahmood Ahmed Qureshi

Company Secretary

Zahid Sahibzada

Registered Office / Head Office

24 – The Mall, Peshawar Cantt.
Pakistan

1st Floor, State Life Building
34 – The Mall, Peshawar Cantt.
Pakistan

UAN# 00-92-91-111 95 95 95

URL: 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
1st Floor, 40-C, Block-6
P.E.C.H.S., Karachi – 75400
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 for the 1st quarter ended March 31, 2018. The results are inclusive of Islamic Banking Operations.

Financial Highlights

The financial results of the Bank of Khyber for the 1st quarter ended March 31, 2018 are as under:

	(Rs. in Million)	
	March 31, 2018	December 31, 2017
Total Assets	221,591	245,132
Deposits	146,169	159,247
Advances (Gross)	101,783	87,673
Investments (Net)	105,120	140,474

	(Rs. in Million)	
	Period Ended March 31,	
	2018	2017
Operating Profit	588	571
Reversal / Provision against non-performing advances /others	101	20
Profit before taxation	689	551
Taxation	(241)	(193)
Profit after tax	448	358

Performance Review

For the first quarter of the year 2018, the Bank posted Profit before Tax of Rs.689 million as compared to Rs.551 million of the corresponding period of previous year thus recorded an increase of 25%. Profit after Tax stood at Rs.448 million.

Total Assets of the Bank have been settled at Rs.221,591 million whereas Deposits with a minor decrease stood at Rs.146,169 million. Advances increased to Rs.101,783 million from the year end figure of Rs.87,673 million registering an increase of 16%. This increase is mainly attributed to commodity financing. Investments decreased due to settlement of PIBs and T-Bills.

Future Outlook

Keeping focus on the growth trajectory, the Bank will retain its strategy of entering new vistas with better services and products to cater to the banking needs of the people. The Bank continues to strengthen its presence in the market place, and is currently operating with 166 branches with existence in strategic locations. Among these, 82 branches are working on the Conventional side whereas 84 branches are functioning as dedicated Islamic Banking Branches. Further, 3 sub branches are also providing basic banking facilities to the customers.

The Bank remains cognizant of the challenging business environment and stands committed to its strategy of steady growth through diversification in products, services and outreach. The Bank is focusing on increasing its customer base and mobilizing cost effective deposit mix with an emphasis on prudent

lending to maintain trend of stable profitability. The Bank is also looking at more participation in corporate lending and syndicate financing. As always the Bank remains mindful of its social obligations and development needs of the province.

We are confident to achieve our targets and believe that the year in progress will prove to be a successful year for the Bank.

Credit Rating

JCR-VIS Credit Rating Company Ltd. (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). Outlook on the assigned rating is “Stable”.

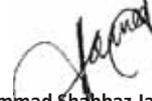
The Pakistan Credit Rating Agency Limited (PACRA) has also maintained the long term and short term entity ratings of the Bank at “A” (Single A) and “A1” (A One). Rating outlook is “Stable”.

The ratings denote low expectation of credit risk emanating from strong capacity for timely payment of financial commitments.

Acknowledgment

The Board would like to thank the Provincial Government, State Bank of Pakistan and other regulatory authorities for their guidance and support, our valued customers for their patronage and continued confidence in the Bank. We also acknowledge the dedicated and consistent performance of our employees.

For and on behalf of the Board of Directors



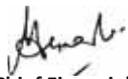
Muhammad Shahbaz Jameel
Managing Director (Acting)

Islamabad: April 20, 2018

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

		(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Note	-----Rupees in '000'-----	
ASSETS			
Cash and balances with treasury banks		6,656,488	8,916,018
Balances with other banks		2,817,415	3,257,351
Lendings to financial institutions	6	1,879,106	1,529,106
Investments	7	105,120,292	140,473,783
Advances	8	97,578,484	83,369,052
Operating fixed assets	9	2,375,528	2,370,125
Deferred tax asset	12	533,932	379,751
Other assets		4,630,235	4,837,198
		221,591,480	245,132,384
LIABILITIES			
Bills payable		900,068	1,131,241
Borrowings	10	54,058,000	64,189,586
Deposits and other accounts	11	146,169,134	159,246,974
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liability		-	-
Other liabilities		6,382,260	5,166,464
		207,509,462	229,734,265
NET ASSETS		14,082,018	15,398,119
REPRESENTED BY :			
Share capital		10,002,524	10,002,524
Reserves		2,639,805	2,550,263
Unappropriated profit		1,248,076	2,390,464
		13,890,405	14,943,251
Surplus on revaluation of assets - net of deferred tax	13	191,613	454,868
		14,082,018	15,398,119
CONTINGENCIES AND COMMITMENTS			
	14		

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


Chief Financial
Officer


Acting Managing
Director


Director

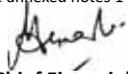

Director

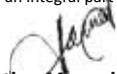

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

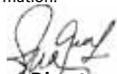
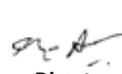
	Three months ended March 31, 2018	Three months ended March 31, 2018	Three months ended March 31, 2017	Three months ended March 31, 2017
----- Rupees in '000' -----				
Mark-up / return / interest earned	3,625,560	3,625,560	3,067,096	3,067,096
Mark-up / return / interest expensed	2,228,601	2,228,601	2,037,056	2,037,056
Net mark-up / return / interest income	1,396,959	1,396,959	1,030,040	1,030,040
(Reversal) / provision against loans and advances - net	(99,279)	(99,279)	19,995	19,995
Reversal of provision for diminution in value of investments - net	(2,008)	(2,008)	(165)	(165)
Bad debts written off directly	-	-	-	-
	(101,287)	(101,287)	19,830	19,830
Net mark-up / return / interest income after provisions	1,498,246	1,498,246	1,010,210	1,010,210
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	89,606	89,606	56,133	56,133
Dividend income	6,631	6,631	19,253	19,253
Income from dealing in foreign currencies	23,357	23,357	19,563	19,563
Gain on sale of securities - net	12,552	12,552	240,748	240,748
Unrealised (loss) / gain on revaluation of investments classified as held-for-trading	(498)	(498)	156	156
Other income	36,896	36,896	30,369	30,369
Total non mark-up / interest income	168,544	168,544	366,222	366,222
	1,666,790	1,666,790	1,376,432	1,376,432
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	977,854	977,854	825,318	825,318
Reversal of other provisions / write offs	-	-	-	-
Other charges	-	-	13	13
Total non mark-up / interest expenses	977,854	977,854	825,331	825,331
PROFIT BEFORE TAXATION	688,936	688,936	551,101	551,101
Taxation				
- Current	253,654	253,654	189,252	189,252
- Deferred	(12,429)	(12,429)	3,634	3,634
	241,225	241,225	192,886	192,886
PROFIT AFTER TAXATION	447,711	447,711	358,215	358,215
Earnings per share - Basic and Diluted (in Rupee) Note 15	0.45		0.36	

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


Chief Financial
Officer


Acting Managing
Director


Director

 
Director Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

	Three months ended March 31, 2018	Three months ended March 31, 2018	Three months ended March 31, 2017	Three months ended March 31, 2017
	----- Rupees in '000' -----			
Profit after taxation	447,711	447,711	358,215	358,215
Other comprehensive income	-	-	-	-
Total comprehensive income during the period	447,711	447,711	358,215	358,215

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


 Chief Financial
 Officer


 Acting Managing
 Director


 Director

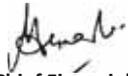


 Director Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

	Share capital	Statutory reserve	Unappropriated profit	Total
----- Rupees in '000' -----				
Balance as at January 1, 2017 (Audited)	10,002,524	2,192,169	2,490,553	14,685,246
Changes in equity during the three months ended March 31, 2017				
Total comprehensive income				
Profit after taxation for the three months ended March 31, 2017	-	-	358,215	358,215
Other comprehensive income - net of tax	-	-	-	-
	-	-	358,215	358,215
Transfer to statutory reserve	-	71,643	(71,643)	-
Transactions with owners recorded directly in equity				
Final cash dividend for the year ended December 31, 2016 (Rs.1.50 per share)	-	-	(1,500,557)	(1,500,557)
Balance as at March 31, 2017 (Un-audited)	10,002,524	2,263,812	1,276,568	13,542,904
Changes in equity during the nine months ended December 31, 2017				
Total comprehensive income				
Profit after taxation for the nine months ended December 31, 2017	-	-	1,432,256	1,432,256
Other comprehensive income - net of tax	-	-	(31,909)	(31,909)
	-	-	1,400,347	1,400,347
Transfer to statutory reserve	-	286,451	(286,451)	-
Balance as at December 31, 2017 (Audited)	10,002,524	2,550,263	2,390,464	14,943,251
Changes in equity during the three months ended March 31, 2018				
Total comprehensive income				
Profit after taxation for the three months ended March 31, 2018	-	-	447,711	447,711
Other comprehensive income - net of tax	-	-	-	-
	-	-	447,711	447,711
Transfer to statutory reserve	-	89,542	(89,542)	-
Transactions with owners recorded directly in equity				
Final cash dividend for the year ended December 31, 2017 (Rs.1.50 per share)	-	-	(1,500,557)	(1,500,557)
Balance as at March 31, 2018 (Un-audited)	10,002,524	2,639,805	1,248,076	13,890,405

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


Chief Financial
Officer


Acting Managing
Director


Director

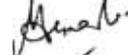

Director

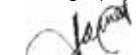

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

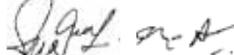
	Three months ended March 31, 2018	Three months ended March 31, 2017
Rupees in '000		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	688,936	551,101
Less: Dividend income	6,631	19,253
	682,305	531,848
Adjustments :		
Depreciation	74,675	54,942
Amortisation	10,226	7,561
(Reversal) / provision against loans and advances - net	(99,279)	19,995
(Reversal of provision) for diminution in value of investments-net	(2,008)	(165)
Unrealised loss / (gain) on revaluation of investments classified as held-for-trading	498	(156)
(Gain) / loss on sale of operating fixed assets	(130)	406
	(16,018)	82,583
	666,287	614,431
(Increase) / decrease in operating assets		
Lendings to financial institutions	(350,000)	4,207,544
Held-for-trading securities	(2,483,510)	(18,944)
Advances	(14,110,153)	(20,636,334)
Others assets (excluding advance taxation)	137,508	1,404,755
	(16,806,155)	(15,042,979)
Increase / (decrease) in operating liabilities		
Bills payable	(231,173)	64,889
Borrowings	(10,131,586)	(9,651,116)
Deposits and other accounts	(13,077,840)	(6,739,373)
Other liabilities	(284,606)	499,739
	(23,725,205)	(15,825,861)
	(39,865,073)	(30,254,409)
Income taxes paid - net	(184,199)	(368,188)
Net cash (used in) operating activities	(40,049,272)	(30,622,597)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	31,946,027	20,479,192
Net investments in held-to-maturity securities	5,487,477	23,960
Dividend income received	6,631	19,253
Investments in operating fixed assets - net	(90,304)	(139,813)
Proceeds from sale of operating fixed assets	130	405
Net cash generated from investing activities	37,349,961	20,382,997
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(155)	(70)
	(155)	(70)
Decrease in cash and cash equivalents	(2,699,466)	(10,239,670)
Cash and cash equivalents at beginning of the period	12,173,369	18,617,454
Cash and cash equivalents at end of the period	9,473,903	8,377,784

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


Chief Financial
Officer


Acting Managing
Director


Director


Director


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

1. STATUS AND NATURE OF BUSINESS

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 Pakistan Stock Exchange limited (formerly Karachi Stock Exchange limited). The registered office of the Bank is situated at 24-The Mall, Peshawar Cantt, Peshawar and it has been temporarily shifted to 1st Floor, State Life Building, 34 - The Mall, Peshawar Cantt. The Bank operates 166 branches including 84 Islamic banking branches (2017: 166 branches including 83 Islamic banking branches). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS are 'A' and 'A' respectively and the short-term credit ratings assigned are 'A-1' (A one) and 'A1' (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 State Bank of Pakistan (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 these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of markup thereon. The Islamic Banking Branches of the bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Act, 2017.
- 2.2 The financial results of the Islamic Banking Group have been included in these financial statements for reporting purpose, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Group are disclosed in note 17 to these condensed interim financial statements.
- 2.3 These financial statements have been presented in Pakistani Rupee, which is the Bank's functional and presentation currency. The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain operating fixed assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value.

4. STATEMENT OF COMPLIANCE

- 4.1 These condensed interim financial statements of the Bank have been prepared in accordance with the accounting requirements of International Accounting standard (IAS) 34, Interim Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

Commission of Pakistan (SECP). In case requirements differ, the requirements of the Companies Act, 2017, 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 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to a notification No. SRO 411(1)/2008 dated April 28, 2008 of SECP, 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 these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through its various circulars.
- 4.3 IFRS 8, 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. Management believes that as the SBP has defined the segment categorization in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these financial statements is based on the requirements laid down by the SBP.

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, 2017, except for the following:

Surplus on Revaluation of Fixed Assets-Net of deferred tax

Upto December 31, 2017, surplus/(surplus) on revaluation of fixed assets were being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of fixed assets account. Any deficit on subsequent revaluation of fixed assets is adjusted against the balance in the surplus account. With effect from January 01, 2018 the bank has revised its accounting policy in respect of measurement of surplus (deficit) on revaluation of fixed assets' which are now accounted for in accordance with Companies Act, 2017. The revaluation is measured on individual asset where the surplus is taken to the surplus on revaluation of fixed assets account. The deficit on revaluation of the asset is charged to profit and loss account after netting of any surplus already recorded on that asset. The management of the Bank believes that the impact of change in policy is not material, therefore no adjustments are being taken.

- 5.2 The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2017.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

	(Un-audited) March 31, 2018	
	<u>Rupees in '000'</u>	
5.2.1 Risk Management		
5.2.1.1 Liquidity Coverage Ratio		
High Quality Liquid Assets	58,017,185	
Net Cash Outflows	53,603,140	
Liquidity Coverage ratio (%)	<u>108.23%</u>	
5.2.1.2 Net Stable Funding Ratio		
Available stable funding	91,250,929	
Required stable funding	95,091,749	
Net Stable Funding Ratio (%)	95.96%	
	(Un-audited)	(Audited)
	March 31,	December 31,
	2018	2017
	<u>Rupees in '000'</u>	
6. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	350,000	-
Bai Muajjal receivable from SBP	1,529,106	1,529,106
Placements with financial institution	238,944	238,944
	<u>2,118,050</u>	<u>1,768,050</u>
Provision against lendings to financial institution	(238,944)	(238,944)
	<u>1,879,106</u>	<u>1,529,106</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

7. INVESTMENTS

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Rupees in '000'						
Held-for-trading securities						
Market Treasury Bills	2,483,510	-	2,483,510	-	-	-
	2,483,510	-	2,483,510	-	-	-
Available-for-sale securities						
Market Treasury Bills	4,959,178	13,909,318	18,868,496	21,815,852	24,827,491	46,643,343
Pakistan Investment Bonds	21,100,850	35,655,169	56,756,019	23,862,623	36,951,525	60,814,148
Government of Pakistan Sukuk	6,250,254	-	6,250,254	6,250,297	-	6,250,297
Ordinary shares of listed companies	1,289,021	-	1,289,021	1,355,427	-	1,355,427
Ordinary shares of unlisted companies	30,487	-	30,487	30,487	-	30,487
Ordinary shares of related party - Unlisted shares	112,500	-	112,500	112,500	-	112,500
Preference shares of unlisted company	195,000	-	195,000	195,000	-	195,000
Listed term finance certificates	338,305	-	338,305	338,305	-	338,305
Unlisted term finance certificates	505,000	-	505,000	505,000	-	505,000
Sukuks	3,472,067	-	3,472,067	3,518,669	-	3,518,669
	38,252,662	49,564,487	87,817,149	57,984,160	61,779,016	119,763,176
Held-to-maturity securities						
Pakistan Investment Bonds	16,539,056	-	16,539,056	22,026,533	-	22,026,533
Sukuks	-	-	-	-	-	-
	16,539,056	-	16,539,056	22,026,533	-	22,026,533
Investment in associate						
	40,504	-	40,504	40,504	-	40,504
Investments at cost						
Provision for diminution in value of investments (Note 7.1)	57,315,732	49,564,487	106,880,219	80,051,197	61,779,016	141,830,213
	(863,168)	-	(863,168)	(865,176)	-	(865,176)
Investments - net of provisions						
	56,452,564	49,564,487	106,017,051	79,186,021	61,779,016	140,965,037
Deficit on revaluation of held-for-trading securities - net						
	(498)	-	(498)	-	-	-
Deficit on revaluation of available-for-sale securities - net (Note 7.1)						
	(896,261)	-	(896,261)	(491,254)	-	(491,254)
Total investments	55,555,805	49,564,487	105,120,292	78,694,767	61,779,016	140,473,783

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	-----Rupees in '000'-----	
7.1 Provision for diminution in value of investments		
Opening balance	865,176	861,897
Charge for the period / year	-	18,771
Reversals	(2,008)	(15,492)
	(2,008)	3,279
Closing balance	863,168	865,176
8. ADVANCES		
Loans, cash credits, running finances, etc.		
In Pakistan	58,067,204	45,591,055
Outside Pakistan	-	-
	58,067,204	45,591,055
Islamic financing and related assets	42,330,169	40,855,200
Net investment in Ijarah:		
In Pakistan	1,010,737	761,525
Outside Pakistan	-	-
	1,010,737	761,525
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	202,709	331,582
Payable outside Pakistan	171,907	133,211
	374,616	464,793
Advances - gross	101,782,726	87,672,573
Provision against loans and advances (Note 8.2)	(4,204,242)	(4,303,521)
Advances - net of provision	97,578,484	83,369,052

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

8.1 Advances include Rs. 4,664.746 million (2017: Rs. 4,808.257 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2018 (Un-audited)					
	Classified advances			Provision required		Provision held
	Domestic	Overseas	Total	Domestic	Overseas	
----- Rupees in '000' -----						
Other Assets Especially Mentioned *	18,216	-	18,216	997	-	997
Substandard	48,857	-	48,857	8,502	-	8,502
Doubtful	199,853	-	199,853	19,723	-	19,723
Loss	4,397,820	-	4,397,820	4,148,256	-	4,148,256
	4,664,746	-	4,664,746	4,177,478	-	4,177,478

Category of classification	December 31, 2017 (Audited)					
	Classified Advances			Provision required		Provision held
	Domestic	Overseas	Total	Domestic	Overseas	
----- Rupees in '000' -----						
Other Assets Especially Mentioned *	19,207	-	19,207	400	-	400
Substandard	60,908	-	60,908	12,267	-	12,267
Doubtful	75,886	-	75,886	7,093	-	7,093
Loss	4,652,256	-	4,652,256	4,258,807	-	4,258,807
	4,808,257	-	4,808,257	4,278,567	-	4,278,567

* 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 a maximum of five years from the date of classification. As at March 31, 2018, the Bank has availed cumulative benefit of forced sale values of Rs. 328.432 million (2017: Rs. 422.657 million). Increase in unappropriated profit net of tax amounting to Rs. 213.480 million (2017: Rs.274.727 million) is not available for the distribution of cash or stock dividend to the shareholders.

8.2 Particulars of provision against loans and advances

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000' -----					
Opening balance	4,278,567	24,954	4,303,521	4,379,722	30,872	4,410,594
Charge for the period / year	164,223	1,810	166,033	438,441	-	438,441
Reversals	(265,312)	-	(265,312)	(539,596)	(5,918)	(545,514)
	(101,089)	1,810	(99,279)	(101,155)	(5,918)	(107,073)
Amounts written off	-	-	-	-	-	-
Closing balance	4,177,478	26,764	4,204,242	4,278,567	24,954	4,303,521

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
-----Rupees in '000'-----		
9. OPERATING FIXED ASSETS		
Capital work-in-progress	393,869	331,996
Property and equipment (Note 9.1)	1,926,780	1,973,305
Intangible assets	54,879	64,824
	2,375,528	2,370,125

9.1 Following additions / disposals have been made to / from property and equipment;

	March 31, 2018 (Un-audited)		March 31, 2017 (Un-audited)	
	Additions	Disposals	Additions	Disposals
-----Rs. in '000'-----				
Furniture and fixtures	3,089	965	13,454	2,841
Office equipment	12,918	100	28,849	4,540
Vehicles	130	2	63	67
Library books	51	-	-	-
Renovations / Premises	11,963	-	36,026	9,914
	28,151	1,067	78,392	17,362

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
-----Rupees in '000'-----		

10. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export refinance scheme
Long term financing facility

2,622,100	2,014,300
371,413	296,270
2,993,513	2,310,570

Repurchase agreement borrowings

Borrowing from financial institution under Bai Muajjal

25,696,583	41,822,703
23,867,904	19,956,313
49,564,487	61,779,016

Unsecured

Call borrowing

1,500,000	100,000
54,058,000	64,189,586

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
-----Rupees in '000'-----		
11. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	53,806,822	75,022,400
Savings deposits	53,643,496	47,813,215
Current accounts - non-remunerative	31,030,353	30,992,085
Call deposits	4,508,903	2,814,930
Margin and sundry deposits	3,164,809	2,563,796
	146,154,383	159,206,426
Financial Institutions		
Remunerative deposits	14,037	40,153
Non-remunerative deposits	714	395
	14,751	40,548
	146,169,134	159,246,974
12. DEFERRED TAX ASSET		
Deferred tax asset arising in respect of:		
Provision for balances with other banks	3,510	3,510
Deficit on revaluation of investments	313,691	171,939
Provision for diminution in value of investments	87,203	87,203
Provision against loans and advances	22,221	22,221
Provision for other assets	3,448	3,448
Provision for Workers Welfare Fund	-	-
Re-measurement of defined benefit plan	48,285	48,285
Accelerated tax depreciation	11,182	793
Islamic pool management reserve	44,392	42,352
Deferred tax asset	533,932	379,751
13. SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX		
Surplus / (deficit) on revaluation of available-for-sale securities		
Federal government securities		
- Market Treasury Bills	(4,936)	(8,210)
- Pakistan Investment Bonds	(948,682)	(508,174)
- Government of Pakistan - Sukuk	(41,490)	47,678
Fully paid up ordinary shares - listed	98,847	(22,548)
	(896,261)	(491,254)
Related deferred tax asset	313,691	171,939
	(582,570)	(319,315)
Surplus on revaluation of fixed assets		
Leasehold land	774,183	774,183
	191,613	454,868

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 Act, 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

		(Un-audited) March 31, 2018	(Audited) December 31, 2017
		-----Rupees in '000'-----	
14.	CONTINGENCIES AND COMMITMENTS		
14.1	Direct credit substitutes		
	Contingent liabilities in respect of guarantees given favouring:		
	Banks	-	-
	Others	657,161	622,070
		657,161	622,070
14.2	Transaction-related contingent liabilities		
	Contingent liabilities in respect of performance bonds, bid bonds, warranties etc. given favouring:		
	Government	10,274,448	10,404,667
	Others	3,425,091	3,468,222
		13,699,539	13,872,889
	This includes expired letters of guarantee aggregating to Rs.3,271.394 million (2017: Rs. 2,980.699 million) for which the formalities for return of the original documents are in process.		
		(Un-audited)	(Audited)
		March 31,	December 31,
		2018	2017
		-----Rupees in '000'-----	
14.3	Trade-related contingent liabilities		
	Letters of credit		
	Sight	3,754,732	2,806,338
	Usance	952,388	523,914
		4,707,120	3,330,252
	Acceptances	2,347,586	741,477
		7,054,706	4,071,729
14.4	Commitments in respect of forward exchange contracts		
	Purchase	2,018,160	1,005,048
	Sale	2,049,316	1,175,536
		2,018,160	1,005,048
	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 of less than one year.		
		(Un-audited)	(Audited)
		March 31,	December 31,
		2018	2017
		-----Rupees in '000'-----	
14.5	Other commitments		
	Bills for collection		
	Inland bills	79,255	57,559
	Foreign bills	496,493	584,101
		575,748	641,660
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 or expense if the facility is unilaterally withdrawn.		
14.7	Commitment for the acquisition of operating fixed assets		
	Commitments as on reporting date amounts to Rs.63.787 million (2017: Rs. 194.166 million).		
14.8	The income tax assessments of the Bank have been finalized upto and including tax year 2017		

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

- 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. The Bank had filed an appeal against the order of the Appellate Tribunal Inland Revenue (ATIR) in respect of remaining additions which also decided in favor of the Bank. Subsequently, CIR filed an appeal against the order of the ATIR before Peshawar High Court. The management is confident that matter will be decided in the Bank's favor and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.
- 14.10** The liquidator of the Indus Bank Limited (IBL), which is under liquidation since January 29, 2001, has lodged a claim of Rs. 11.518 million against the Bank in relation to a reverse repo transaction of Rs. 100 million with a maturity of February 08, 2001 secured against Federal Investment Bonds. The management of the Bank is confident that the above will have no financial impact as IBL is a defaulter of the Bank to the tune of Rs. 10.028 million which is already provided for in these financial statements.

Three months ended March 31 2017	Three months ended March 31 2017	Three months ended March 31 2016	Three months ended March 31 2016
----- Rupees in '000' -----			

15. EARNINGS PER SHARE - BASIC AND DILUTED (UN-AUDITED)

Profit after taxation for the period attributable to ordinary shareholders

447,711	447,711	358,215	358,215
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-----Number of Shares-----

Weighted average number of ordinary shares outstanding during the period

1,000,252,485	1,000,252,485	1,000,252,485	1,000,252,485
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Earnings per share - basic and diluted for the period (in Rupee)

0.45	0.45	0.36	0.36
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There is no dilution effect on basic earnings per share.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted investments other than those classified as held to maturity is based on quoted market prices. The fair value of unquoted equity investments is determined on the basis of break-up value of these investments as per their latest available audited financial statements.

The 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 these 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.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits, are frequently re-priced.

16.1 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 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).

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. 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 leasehold land.

	March 31, 2018 (Un-audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000' -----			
On balance sheet financial instruments				
Financial assets measured at fair value				
Held for trading securities				
- Shares in listed companies	-	-	-	-
- Market Treasury Bills	-	-	-	-
- Pakistan Investment Bonds	-	-	-	-
	-	-	-	-
Available-for-sale securities				
- Market Treasury Bills	-	18,863,560	-	18,863,560
- Pakistan Investment Bonds	-	55,807,337	-	55,807,337
- Shares in listed companies	1,387,868	-	-	1,387,868
- GOP Ijarah Sukuk	6,208,764	-	-	6,208,764
- Term Finance Certificates (TFCs)	-	338,305	-	338,305
	7,596,632	75,009,202	-	82,605,834
Non - Financial Assets measured at fair value				
Operating fixed assets (Leasehold land)	-	891,441	-	891,441
Off balance sheet financial instruments				
Forward exchange contracts purchase	-	2,018,160	-	2,018,160
Forward exchange contracts sale	-	2,049,316	-	2,049,316

	December 31, 2017 (Audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000' -----			
On balance sheet financial instruments				
Financial assets measured at fair value				
Held for trading securities				
- Shares in listed companies	-	-	-	-
- Pakistan Investment Bonds	-	-	-	-
	-	-	-	-
Available-for-sale securities				
- Market Treasury Bills	-	46,635,133	-	46,635,133
- Pakistan Investment Bonds	-	60,305,974	-	60,305,974
- Shares in listed companies	1,332,879	-	-	1,332,879
- GOP Ijarah Sukuk	6,297,975	-	-	6,297,975
- Term Finance Certificates (TFCs)	-	338,305	-	338,305
	7,630,854	107,279,412	-	114,910,266
Non - Financial Assets measured at fair value				
Operating fixed assets (Leasehold land)	-	891,441	-	891,441
Off balance sheet financial instruments				
Foreign exchange contracts purchase	-	1,005,048	-	1,005,048
Foreign exchange contracts sale	-	1,175,536	-	1,175,536

The valuation techniques used for above assets are same as disclosed in annual audited financial statements for the year ended December 31, 2017.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares and units of mutual funds.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuks Bonds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates, FX options and Forward Exchange Contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

Valuation techniques and inputs used in determination of fair values within level 1

Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.

Valuation techniques and inputs used in determination of fair values within level 2

Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
Government of Pakistan (GoP) - Ijarah Sukuks	Fair values of GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, Sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorises these as traded, thinly traded and non-traded securities.
Operating fixed assets (Leasehold land)	Leasehold land are revalued on regular basis using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
-----Rupees in '000'-----		
17. KEY FINANCIAL FIGURES OF ISLAMIC BANKING GROUP		
ASSETS		
Cash and balances with treasury banks	2,559,978	2,730,430
Balances with other banks	933,211	874,074
Due from financial institutions	1,529,106	1,529,106
Investments	9,544,580	9,680,394
Islamic financing and related assets (Note A -1)	43,218,184	41,472,160
Operating fixed assets	325,586	337,968
Other assets	1,018,877	796,780
	59,129,522	57,420,912
LIABILITIES		
Bills payable	390,566	482,921
Due to financial institutions	1,950,000	550,000
Deposits and other accounts		
- Current accounts	15,917,753	16,183,766
- Saving accounts	16,697,452	16,388,903
- Term deposits	2,252,716	2,253,399
- Others	1,707,205	1,689,654
Deposits from financial institutions <i>remunerative</i>	31	31
Deposits from financial institutions <i>non-remunerative</i>	-	-
Other liabilities	788,346	552,765
Due to Head Office	14,762,870	14,674,193
	54,466,939	52,775,632
NET ASSETS	4,662,583	4,645,280
REPRESENTED BY :		
Islamic banking fund	460,000	460,000
Profit equalization reserves	43,921	42,671
Accumulated profit	4,200,152	4,094,931
	4,704,073	4,597,602
(Deficit) / surplus on revaluation of available-for-sale securities	(41,490)	47,678
	4,662,583	4,645,280
REMUNERATION TO SHARIAH BOARD AND ADVISOR	1,203	3,733
CHARITY FUND		
Opening balance	-	-
Additions during the period / year		
Default obligations amount (on delay payments)	215	16,417
Income from transactions declared in Non-Shariah Compliance	25	2,326
Purification of dividend/Income from shares	16	73
Others	3	18
	259	18,834
Distribution of charity		
Welfare	-	(7,734)
Health	-	(11,100)
Payments during the period / year	-	(18,834)
	259	-
Closing balance	259	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

The profit and loss account of the Islamic Banking Group for the three months ended March 31, 2018 is as under:

	(Un-audited) March 31, 2018	(Un-audited) March 31, 2017
	-----Rupees in '000'-----	
Income / return / profit earned	790,897	437,704
Income / return / profit expensed	336,252	130,112
	454,645	307,592
(Reversal) / provision against islamic financing and related assets -	(20,089)	4,002
Net income / return after provision	474,734	303,590
OTHER INCOME		
Fee, commission and brokerage income	20,945	18,232
Dividend income	-	578
Income from dealing in foreign currencies	13,075	7,103
Unrealised loss on revaluation of held-for-trading securities	-	-
Gain on sale of securities - net	-	-
Other income	12,127	10,512
Total other income	46,147	36,425
	520,881	340,015
OTHER EXPENSES		
Administrative expenses	359,002	297,495
Other charges	-	13
Total other expenses	359,002	297,508
PROFIT BEFORE TAXATION	161,879	42,507
Taxation	56,658	14,877
PROFIT AFTER TAXATION	105,221	27,630
	(Un-audited)	(Audited)
	March 31, 2018	December 31, 2017
	-----Rupees in '000'-----	
A-1 Islamic Financing and Related Assets		
Murabaha	A-1.1 3,154,465	3,555,655
Ijarah	A-1.2 1,010,737	761,525
Diminishing musharaka	A-1.3 2,497,893	1,853,726
Istisna work-in-progress	3,099,516	2,376,042
Running musharaka	33,500,000	33,000,000
Qarza -e- Hasna	78,295	68,023
	43,340,906	41,614,971
Provision against Islamic financing and related assets	(122,722)	(142,811)
	43,218,184	41,472,160

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

	(Un-audited)	(Audited)
	March 31, 2018	December 31, 2017
	-----Rupees in '000'-----	
A-1.1 Murabaha		
Murabaha Receivable	2,933,543	2,807,180
Advances / Inventories	220,922	748,475
	3,154,465	3,555,655
A-1.2 Ijarah		
Net investment in Ijarah	5,944	6,155
Ijarah under IFAS-II	794,854	742,077
Advances	209,939	13,293
	1,004,793	755,370
	1,010,737	761,525
A-1.3 Diminishing musharaka		
Diminishing musharaka	2,409,399	1,766,682
Advances	88,494	87,044
	2,497,893	1,853,726

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

18. RELATED PARTY TRANSACTIONS

The Bank has related party relationship with Government of Khyber Pakhtunkhwa (majority shareholder), associate, 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. Contribution to and accruals in respect of staff retirement benefit plan are made in accordance with actuarial valuation.

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

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

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Directors and key management personnel	Associate	Employee funds	Directors and key management personnel	Associate	Employee funds
	----- Rupees in '000' -----					
Advances:						
At January 1,	260,785	-	-	193,406	-	-
Disbursed during the period / year	35,225	-	-	128,731	-	-
Repaid during the period / year	(25,511)	-	-	(61,352)	-	-
Balance as at March 31, / December 31,	270,499	-	-	260,785	-	-
Deposits:						
At January 1,	26,770	21,546	26,438	43,360	21,677	281,325
Deposited during the period / year	48,458	2,580	218,076	376,771	32,172	1,864,743
Repaid during the period / year	(49,952)	(1,991)	(234,002)	(393,361)	(32,303)	(2,119,630)
Balance as at March 31, / December 31,	25,276	22,135	10,512	26,770	21,546	26,438
Placements			1,879,500	-	-	1,934,000
	For the three months ended March 31, 2018 (Un-audited)			For the three months ended March 31, 2017 (Un-audited)		
	Directors and key management personnel	Associate	Employee funds	Directors and key management personnel	Associate	Employee funds
	----- Rupees in '000' -----					
Transactions, income and expenditure						
Mark-up / return / interest earned	3,700	-	-	1,602	-	-
Mark-up / return / interest expensed	641	381	36,030	849	363	17,532
Fees and expenses	3,307	-	-	1,726	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2018

18.2 Although the Government of Khyber Pakhtunkhwa holds 70.20% shares of the Bank (2017 : 70.20%), the transactions with it has not been treated as related party transactions for the purpose of this disclosure.

19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

For the three months ended March 31, 2018 (Un-audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Total
----- Rupees in '000' -----					
Total income	2,919,839	137,292	53,349	683,624	3,794,104
Total expenses	(2,713,265)	(109,185)	(37,472)	(486,471)	(3,346,393)
Net income	206,574	28,107	15,877	197,153	447,711

For the three months ended March 31, 2017 (Un-audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Total
----- Rupees in '000' -----					
Total income	1,640,105	392,085	45,663	1,355,465	3,433,318
Total expenses	(1,419,870)	(282,998)	(37,408)	(1,334,827)	(3,075,103)
Net income	220,235	109,087	8,255	20,638	358,215

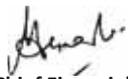
20. GENERAL

20.1 Date of authorization for issue

This condensed interim financial information was authorised for issue on April 20, 2018 by the Board of Directors of the Bank.

20.2 Profit Equalization reserve

The profit equalization reserve amounting to Rs. 43.921 million (2017 Rs: 42.671 million) classified in other liabilities, which has been presented as reserve in note 17.


Chief Financial
Officer


Acting Managing
Director


Director


Director


Director