



ALBARAKA BANK (PAKISTAN) LIMITED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 2016

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016


		31 March 2016	31 December 2015
	Note	------(Rupees '000)-----	
	14.1	(Un-Audited)	(Restated) (Audited)
ASSETS			
Cash and balances with treasury banks		9,604,145	10,847,429
Balances with other banks		429,921	1,560,544
Due from financial institutions		988,487	1,831,716
Investments	6	16,711,650	17,358,401
Islamic financing and related assets	7	49,029,143	47,644,690
Operating fixed assets	8	2,713,509	2,671,911
Deferred tax assets		1,448,285	1,392,003
Other assets		3,790,833	3,625,816
		84,715,973	86,932,510
LIABILITIES			
Bills payable		946,374	883,698
Due to financial institutions		2,659,134	2,108,255
Deposits and other accounts	9	68,928,638	71,644,386
Sub-ordinated loans	10	3,614,145	3,756,734
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		2,375,407	2,266,200
		78,523,698	80,659,273
NET ASSETS		<u>6,192,275</u>	<u>6,273,237</u>
REPRESENTED BY			
Share capital		8,935,200	8,935,200
Advance against issuance of shares		95,704	95,704
Discount on issuance of shares		(767,290)	(767,290)
Reserves		161,133	159,348
Accumulated loss		(2,128,172)	(2,135,310)
		6,296,575	6,287,652
Deficit on revaluation of investments - net of tax		(104,300)	(14,415)
		<u>6,192,275</u>	<u>6,273,237</u>


CONTINGENCIES AND COMMITMENTS

11

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Director


Director

ALBARAKA BANK (PAKISTAN) LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2016

Profit / return earned on Islamic financing and related assets, investments and placements

Return on deposits and other dues expensed

Net spread earned

Reversal / (provision) against non-performing Islamic financing and related assets

(Provision) / reversal for diminution in the value of investments

Net spread after provisions

Other income

Fee, commission and brokerage income

Dividend income

Income from dealing in foreign currencies

Gain on sale of securities

Unrealized gain on revaluation of investments classified as held-for-trading

Other income

Total other income

Other expenses

Administrative expenses

Other provisions / write off

Other charges

Total other expenses

Extra ordinary / unusual items

Profit before taxation

Taxation - Current / prior year

- Deferred

Profit after taxation

----- Rupee -----

Basic / diluted earning per share

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Chief Executive Officer

Director

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Director

Director

Director


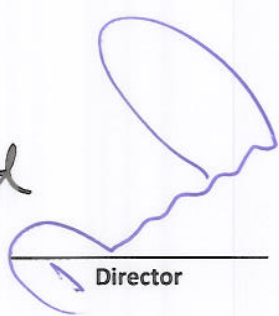


Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2016

	Quarter ended	
	31 March 2016	31 March 2015
	------(Rupees '000)-----	
Profit after taxation	8,923	112,206
Other comprehensive income	-	-
Comprehensive income transferred to equity	<u>8,923</u>	<u>112,206</u>
Components of comprehensive income not reflected in equity		
(Deficit) / surplus on revaluation of available-for-sale securities - net of tax *	(89,885)	36,337
Total comprehensive (loss) / income	<u>(80,962)</u>	<u>148,543</u>

* Surplus / (deficit) on revaluation of available-for-sale securities - net of tax has been shown in the statement of comprehensive income in order to comply with the revised "Prudential Regulations for Corporate / Commercial Banking" issued by the State Bank of Pakistan vide its BPRD Circular No. 06 of 2014 on 26 June 2014.

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

 _____ Chief Executive Officer	 _____ Director	 _____ Director	 _____ Director
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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2016

		Quarter ended	
		31 March 2016	31 March 2015
		----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		13,907	170,928
Dividend income		(1,838)	(7,589)
		<u>12,069</u>	<u>163,339</u>
Adjustments for non-cash and other items:			
Depreciation		38,951	33,512
Depreciation on Ijarah assets held under IFAS 2		316,658	284,484
Amortisation		20,454	24,932
Unrealized gain on revaluation of investments classified as held-for-trading		-	(3,738)
(Reversal) / provision against non-performing Islamic financing and related assets	7.2	(24,817)	123,889
Provision / (Reversal) for diminution in the value of investments	6.1	551	(225,067)
Other provisions / write offs		-	2,204
Gain on sale of operating fixed assets		(140)	(84)
		<u>351,657</u>	<u>240,132</u>
		<u>363,726</u>	<u>403,471</u>
(Increase) / decrease in operating assets			
Due from financial institutions		843,229	513,112
Held-for-trading securities		-	1,962,662
Islamic financing and related assets		(1,676,294)	2,333,569
Other assets		(170,759)	(511,760)
		<u>(1,003,824)</u>	<u>4,297,583</u>
Increase / (decrease) in operating liabilities			
Bills payable		62,676	267,955
Due to financial institutions		550,879	(8,771)
Deposits and other accounts		(2,715,748)	(3,163,418)
Other liabilities		109,207	193,974
		<u>(1,992,986)</u>	<u>(2,710,260)</u>
Income tax paid		(7,971)	(12,266)
Net cash (used) / flow from operating activities		<u>(2,641,055)</u>	<u>1,978,528</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption / disposal / (investments) of available-for-sale investments		507,916	(1,455,357)
Net investments in operating fixed assets		(101,057)	(95,388)
Dividend received		2,684	1,656
Proceeds from disposal of operating fixed assets		194	463
Net cash flow / used in investing activities		<u>409,737</u>	<u>(1,548,626)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Tier II modaraba sukuk		(142,858)	(142,858)
Effect of exchange difference on translation of sub-ordinated loan		269	16,072
Net cash used in financing activities		<u>(142,589)</u>	<u>(126,786)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(2,373,907)</u>	<u>303,116</u>
Cash and cash equivalents at beginning of the quarter		12,407,973	10,206,610
Cash and cash equivalents at end of the quarter		<u>10,034,066</u>	<u>10,509,726</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Director



Director

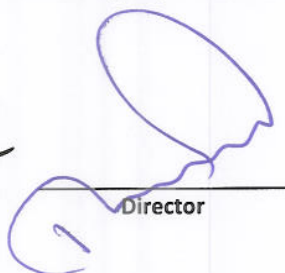
ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2016


	Issued, subscribed and paid-up share capital	Advance against issuance of shares	Discount on issuance of shares	Statutory Reserve *	Accumulated loss	Total
	(Rupees in '000)					
Balance as at 01 January 2015	8,935,200	95,704	(767,290)	111,259	(2,323,983)	6,050,890
Profit after taxation for the quarter	-	-	-	-	112,206	112,206
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	112,206	112,206
Transfer to statutory reserves	-	-	-	22,441	(22,441)	-
Balance as at 31 March 2015	8,935,200	95,704	(767,290)	133,700	(2,234,218)	6,163,096
Profit after taxation for the period	-	-	-	-	128,240	128,240
Other comprehensive income for the period	-	-	-	-	(3,684)	(3,684)
Total comprehensive income for the period	-	-	-	-	124,556	124,556
Transfer to statutory reserves	-	-	-	25,648	(25,648)	-
Balance as at 31 December 2015	8,935,200	95,704	(767,290)	159,348	(2,135,310)	6,287,652
Profit after taxation for the quarter	-	-	-	-	8,923	8,923
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	8,923	8,923
Transfer to statutory reserves	-	-	-	1,785	(1,785)	-
Balance as at 31 March 2016	8,935,200	95,704	(767,290)	161,133	(2,128,172)	6,296,575

* This represents reserve created under section 21(1)(a) of the Banking Companies Ordinance, 1962.

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Director


Director

ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AlBaraka Bank (Pakistan) Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company under the Companies Ordinance, 1984.

The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah. The Bank was granted an Islamic Banking License BL(i)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) on 18 January 2007 under section 27 of the Banking Companies Ordinance, 1962 read with Islamic Banking Department circular no. 2 of 2004. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007. Upon merger of the Pakistan branches of AlBaraka Islamic Bank B.S.C. (c) with and into the Bank, fresh license no. BL(i)-01(2011) was issued by SBP on 12 March 2011, effective from close of business on 29 October 2010.

The Bank is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) (AlBaraka) {major sponsor} incorporated and domiciled in Bahrain and a member of AlBaraka Banking Group.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank has 150 branches including 14 sub-branches (31 December 2015: 135 branches including 14 sub-branches) in Pakistan.

Based on the financial statements of the Bank for the year ended 31 December 2014, Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long-term rating at "A" and short term rating as "A1" with a positive outlook. JCR-VIS, has also maintained long-term and short-term ratings of "A" and "A1" respectively and enhanced the Bank's outlook from stable to positive.

- 1.2** As per the requirements of SBP, the banks / DFIs are required to have a minimum paid-up capital (net of losses) of Rs.10 billion. Further, the banks / DFIs are also required to maintain a capital adequacy ratio of 10% at all times.

In order to meet the regulatory capital requirements, the Bank prepared a capitalization plan which was approved by the SBP vide its letter no. BPRD/BA&CP/608/019652/2013 dated 28 December 2013 on the following terms and conditions:

- i) The Bank shall maintain a minimum paid-up capital {net of losses} (MCR) of at least Rs.6 billion at all times and will have to meet the full MCR of Rs.10 billion by 31 December 2016.
- ii) As a short term arrangement, the Bank would raise a foreign currency sub-ordinated debt (FCY debt) of US \$ 11 million from its major sponsor. The said sub-ordinated debt is deposited as non-remunerative deposit with SBP.
- iii) The above FCY debt with the SBP shall be increased to Rs.2.1 billion by 31 December 2014 and Rs.2.8 billion by 31 December 2015.
- iv) The FCY debt shall not be withdrawn unless the Bank achieves full compliance with MCR. However, any withdrawal will be subject to prior approval of the SBP. In the event the Bank is not MCR compliant by 31 December 2016, the sub-ordinated debt will be converted into the paid-up capital of the Bank.
- v) For regulatory purposes, the FCY debt is allowed to be included in the Bank's capital and the Bank will be required to maintain a capital adequacy ratio (CAR) of atleast 16% which may be reduced depending on the level of increase in the MCR.

To meet the aforementioned requirements related to MCR and CAR, major sponsor of the Bank has injected the FCY debt amounting to Rs. 1,152.302 (USD 11) million and Rs. 890.416 (USD 8.5) million on 30 December 2013 and 29 April 2015 respectively. In addition to this, during 2014 the Bank had also issued unsecured, subordinated and privately placed sukuk amounting to Rs. 2 billion. As of 31 March 2016, the Bank's MCR for regulatory purposes amounts to Rs. 8.178 (31 December 2015: Rs 8.171) billion as against the required level of Rs. 9 billion. In this regard, SBP has allowed extension in timeline to deposit additional FCY debt by 31 May 2016. As of 31 March 2016, CAR of the Bank stands at 14.22% (un-audited) (31 December 2015: 14.54% audited).

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Bank for the quarter ended 31 March 2016 have been prepared in accordance with approved accounting standards as applicable in Pakistan. The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by SBP vide BSD Circular Letter No. 2 dated 12 May 2004 and International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with financial statements for the year ended 31 December 2015.

3. BASIS OF MEASUREMENT

- 3.1** These condensed interim financial statements have been prepared under the historical cost convention except for available for sale investments and commitments in respect of foreign exchange forward contracts which have been measured at fair value
- 3.2** Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Bank operates. These condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

4.1 New Standards, Interpretations and Amendments

The Bank has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IFRS 12 – Disclosure of Interests in Other Entities

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014 which are effective for current period. Such improvements to the standards did not have any impact on the Bank's financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and the methods used for critical accounting estimates and judgements adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2015.

6. INVESTMENTS

	31 March 2016 (Un-Audited)			31 December 2015 (Audited) - Restated		
	Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
Note	Rupees in '000					
Available for sale						
Sukuk certificates	14,443,026	-	14,443,026	14,944,894	-	14,944,894
Ordinary shares of listed companies	341,700	-	341,700	347,748	-	347,748
Ordinary shares of unlisted company	52,200	-	52,200	52,200	-	52,200
	14,836,926	-	14,836,926	15,344,842	-	15,344,842
Held to maturity						
Bai Muajjal with Government of Pakistan	2,080,047	-	2,080,047	2,080,047	-	2,080,047
Investments at cost	16,916,973	-	16,916,973	17,424,889	-	17,424,889
Less: Provisions for diminution in the value of investments	6.1 (44,862)	-	(44,862)	(44,311)	-	(44,311)
Investments (net of provisions)	16,872,111	-	16,872,111	17,380,578	-	17,380,578
Deficit on revaluation of available for sale securities	(160,461)	-	(160,461)	(22,177)	-	(22,177)
Total investments at market value	16,711,650	-	16,711,650	17,358,401	-	17,358,401

6.1 Particulars of provisions for diminution in the value of investments:

6.1.1 Opening balance

Charged during the quarter / year
Reversal during the quarter / year

Closing balance

Note	31 March 2016 (Un-Audited)	31 December 2015 (Audited)
	44,311	274,443
	551	4,284
	-	(234,416)
	551	(230,132)
	44,862	44,311

7. ISLAMIC FINANCING AND RELATED ASSETS

In Pakistan

Islamic financing and related assets

- Murabaha finance	12,551,325	15,483,094
- Advance against murabaha finance	757,463	826,636
- Export refinance under Islamic scheme	1,034,808	929,405
- Advance against export refinance under Islamic scheme	56,850	47,400
- Ijarah assets under IFAS 2	4,513,597	4,211,037
- Net investment in ijarah	112,396	112,396
- Advance against ijarah	257,383	281,397
- Service Ijarah	398,652	469,730
- Diminishing musharaka financing	15,914,699	15,366,192
- Advance against diminishing musharaka finance	133,017	162,414
- Running musharaka	5,150,000	150,000
- Tijarah finance	546,943	599,886
- Over due acceptances	482,965	505,274
- Payment against guarantee	192,376	80,063
- Payment against documents	3,832	49,049
- Salam financing	23,585	28,385
- Advance against salam	4,613,236	4,897,084
- Salam inventory	300,408	172,001
- Financing against bills	229,051	230,439
- Istasna finance	2,278,944	4,014,527
- Advance against istasna	1,592,669	1,186,864
- Istasna inventory	21,600	18,000
- Staff financing	733,621	721,956
- Advance against staff financing	8,358	4,913
Islamic financing and related assets - gross	51,907,778	50,548,142
Provisions for non-performing financing - specific	7.2 (2,845,992)	(2,875,066)
Provisions for non-performing financing - general	7.2 (32,643)	(28,386)
	(2,878,635)	(2,903,452)
Islamic financing and related assets - net of provisions	49,029,143	47,644,690

7.1 Islamic financing and related assets include Rs. 4,292.145 (31 December 2015: Rs 4,042.561) million which have been placed under non-performing status as detailed below:

Category of classifications	31 March 2016 (Un-Audited)				
	Classified financing			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Other assets especially mentioned	6,681	-	6,681	-	-
Substandard	572,568	-	572,568	83,232	83,232
Doubtful	415,694	-	415,694	65,091	65,091
Loss	3,297,202	-	3,297,202	2,697,669	2,697,669
	4,292,145	-	4,292,145	2,845,992	2,845,992

Category of classifications	31 December 2015 (Audited)				
	Classified financing			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Other assets especially mentioned	5,032	-	5,032	-	-
Substandard	383,873	-	383,873	74,439	74,439
Doubtful	365,059	-	365,059	70,858	70,858
Loss	3,288,597	-	3,288,597	2,729,769	2,729,769
	4,042,561	-	4,042,561	2,875,066	2,875,066

7.2 Particulars of provisions against non-performing islamic financing and related assets

	31 March 2016 (Un-Audited)			31 December 2015 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	2,875,066	28,386	2,903,452	2,795,155	16,548	2,811,703
Charge for the quarter / year	44,008	4,257	48,265	429,655	11,838	441,493
Reversals for the quarter / year	(73,082)	-	(73,082)	(336,803)	-	(336,803)
	(29,074)	4,257	(24,817)	92,852	11,838	104,690
Written off during the quarter / year	-	-	-	(12,941)	-	(12,941)
Closing balance	2,845,992	32,643	2,878,635	2,875,066	28,386	2,903,452

7.2.1 The above provision against non-performing Islamic financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs.1,024.955 (31 December 2015: Rs.831.380) million. The FSV benefit recognized is not allowed for distribution of cash or stock dividend to shareholders.

7.2.2 The Bank maintains general reserve (provisions) in accordance with the applicable requirements of prudential regulations for consumer, small and medium enterprise islamic financing.

7.2.3 SBP vide its letter BPRD/BLRD-3/DMG/2011-1035 dated 26 January 2011 has allowed relaxation from provisioning requirement against certain financing exposures having a provisioning impact of Rs. 40.581 (31 December 2015 :Rs. 40.581) million.

	Note	31 March 2016	31 December 2015
		----- (Rupees '000) -----	
		(Un-Audited)	(Audited)
8. OPERATING FIXED ASSETS			
Property and equipment		1,610,555	1,593,986
Intangible assets		763,742	772,179
Capital work-in-progress	8.1	339,212	305,746
		2,713,509	2,671,911
8.1 Capital work-in-progress			
Advances to suppliers and contractors	8.1.1	339,212	305,746
Advance for purchase of property - related party		251,680	251,680
Provisions for impairment against advance for purchase of property		(251,680)	(251,680)
		-	-
Total capital work-in-progress		339,212	305,746

8.1.1 This includes advance payment amounting to Rs.121.049 (31 December 2015: Rs.121.049) million for implementation of new core banking system of the Bank.

		31 March 2016 ----- (Rupees '000) ----- (Un-Audited)	31 December 2015 ----- (Rupees '000) ----- (Audited)
9.	DEPOSITS AND OTHER ACCOUNTS		
	Customers		
	Fixed deposits	14,962,733	16,691,631
	Savings deposits	34,888,263	33,325,446
	Current accounts - non-remunerative	14,574,036	16,816,701
	Margin deposits	730,332	726,167
		65,155,364	67,559,945
	Financial Institutions		
	Remunerative deposits	3,732,552	4,023,857
	Non-remunerative deposits	40,722	60,584
		3,773,274	4,084,441
		68,928,638	71,644,386
10.	SUBORDINATED LOANS		
	Foreign currency sub-ordinated debt	2,042,719	2,042,450
	Tier II mudarbah sukuk	1,571,426	1,714,284
		3,614,145	3,756,734
11	CONTINGENCIES AND COMMITMENTS		
11.1	Transaction-related contingent liabilities		
	Includes performance bonds, bid bonds, shipping guarantees favouring:		
	i) Government	4,112,159	4,446,114
	ii) Banking companies and other financial institutions	15,675	611
	iii) Others	816,524	363,541
		4,944,358	4,810,266
11.2	Trade-related contingent liabilities		
	Letters of credit	4,403,054	5,370,825
	Others - Shipping Guarantees	1,283	36,279
	Acceptances	1,567,397	1,202,664
11.3	Commitments in respect of forward exchange contracts		
	Purchase	5,769,570	2,865,530
	Sale	3,209,687	1,260,153
11.4	Commitments to incur capital expenditure	14,468	57,419
11.5	Other Contingencies		
11.5.1	There is no change in the status of contingencies disclosed in note 21.5 to the financial statements for the year ended 31 December 2015.		

Quarter ended

31 March 2016	31 March 2015
----- (Rupees '000) -----	

12. PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS

On islamic financing and related assets	893,781	1,140,846
On investments in		
- Available for sale securities	172,324	375,877
- Held to maturity securities	31,097	-
- Held for trading securities	-	6,205
	203,421	382,082
On deposits with banks	9,211	13,304
On due from financial institutions	28,777	230,629
	<u>1,135,190</u>	<u>1,766,861</u>

13. RELATED PARTY TRANSACTIONS

- 13.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions and include key management personnel, Parent Bank, Shareholders of the Bank, staff retirement benefit plan and Directors of the Bank. Banking transactions with related parties are entered into the normal course of business. Details of transactions with the related parties, other than those which have been disclosed in note 8.1 to these condensed interm financial statements, are as follows:

31 March 2016	31 December 2015
----- (Rupees '000) -----	
(Un-Audited)	(Audited)

Key management personnel

Islamic financing and related assets

At beginning of the quarter / year	151,457	117,314
Disbursements / additions during the quarter / year	42,560	66,190
Repayments / deletions during the quarter / year	(26,870)	(32,047)
At end of the quarter / year	167,147	151,457

Deposits

At beginning of the quarter / year	95,028	108,350
Deposits / additions during the quarter / year	152,458	438,567
Withdrawals / deletions during the quarter / year	(129,655)	(451,889)
At end of the quarter / year	117,831	95,028

Other Balances

Return payable on deposit	194	637
Profit receivable on islamic financing and related assets	115	126

Transactions, income and expenses

Profit earned on islamic financing and related assets	1,378	1,154
Return on deposits expenses	1,844	565
Salaries, allowances and benefits	40,719	38,076

Parent Bank

Balances

Advance against issuance of shares	95,704	95,704
FCY sub-ordinated debt	2,042,719	2,042,450

31 March 2016 ------(Rupees '000)----- (Un-Audited)	31 December 2015 ------(Rupees '000)----- (Audited)
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Shareholders, directors and other related parties of the Bank**Deposits**

At beginning of the quarter / year	682,256	420,289
Deposits / additions during the quarter / year	196,516	1,016,007
Withdrawals / deletions during the quarter / year	(160,028)	(754,040)
At end of the quarter / year	718,744	682,256

Other balances

Return payable on deposits	2,536	3,108
Non funded exposures with group entities	3,143	-
Payable to shareholders	657	657

Quarter ended (Un-Audited)

31 March 2016 ------(Rupees '000)-----	31 March 2015 ------(Rupees '000)-----
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Transactions, income and expenses

Revenue earned from non funded exposure	13	-
Return on deposits expenses	9,478	8,236
Director fee and other allowances	9,165	10,009
Shariah board fee	216	572

31 March 2016 ------(Rupees '000)----- (Un-Audited)	31 December 2015 ------(Rupees '000)----- (Audited)
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Staff Retirement benefit plan of the Bank**Balance**

Payable in respect of defined benefit plan	26,494	26,494
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Quarter ended (Un-Audited)

31 March 2016 ------(Rupees '000)-----	31 March 2015 ------(Rupees '000)-----
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Transactions, income and expenses

Contribution to defined contribution plan	11,815	10,648
Contribution to defined benefit plan	10,155	9,889

14. GENERAL

14.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate the comparison. However, no significant rectification were made during the quarter except as below

14.2 SBP vide its circular dated 29 February 2016, has issued the revised forms of annual financial statements. As per the revised forms, Bai Muajjal transactions with Government of Pakistan will be reported under investments category as other Federal Government securities. Accordingly, below reclassifications as at December 31, 2015 have made to comply with the revised forms of financial statements.

Reclassified from	Reclassified to	Amount Rs '000
Due from financial institutions	Investments	2,080,047


14.3 Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on 27 April 2016 by the Board of Directors of the Bank.


Chief Executive Officer


Director


Director


Director