

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah The Beneficent The Merciful

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CORPORATE INFORMATION

Board of Directors	H. E. Sheikh Ebrahim Bin Khalifa Al-Khalifa Riyadh S. A. A. Edrees Rana Ahmed Humayun Syeda Azra Mujtaba Alaa A. Al-Sarawi Mohammad Abdul Aleem Noorur Rahman Abid Mohammad Azzaroog Rajab Faisal A. A. A. Al-Nassar Irfan Siddiqui Ariful Islam	Chairman Vice Chairman President & CEO
Shariah Supervisory Board	Justice (Retd.) Muhammad Taqi Usmani Sheikh Essam M. Ishaq Dr. Muhammad Imran Usmani	Chairman
Audit Committee	Mohammad Abdul Aleem Noorur Rahman Abid Syeda Azra Mujtaba	
Risk Management Committee	Faisal A. A. A. Al-Nassar Alaa A. Al-Sarawi Ariful Islam	
Human Resource & Remuneration Committee	Riyadh S. A. A. Edrees Noorur Rahman Abid Irfan Siddiqui	
Resident Shariah Board Member	Dr. Muhammad Imran Usmani	
Company Secretary	Tasnimul Haq Farooqui	
Auditors	A. F. Ferguson & Co.	
Registered Office and Head Office	Meezan House C-25, Estate Avenue, SITE, Karachi - 75730, Pakistan Phone: (9221) 38103500, Fax: (9221) 36406049 24/7 Call Centre: 111-331-331 & 111-331-332	
E-mail	info@meezanbank.com	
Website	www.meezanbank.com	
Shares Registrar	THK Associates (Pvt) Ltd State Life Building - 3 Dr. Ziauddin Ahmed Road Karachi - 75530, Pakistan Phone: (9221) 111-000-322, Fax: (9221) 35655595	

DIRECTORS' REVIEW

The Board of Directors is pleased to present the condensed interim unaudited financial statements of Meezan Bank Limited for the nine months period ended September 30, 2015. The financial highlights of Meezan Bank are given below:

Financial Highlights

Rupees in million

Statement of Financial Position	September 30, 2015	December 31, 2014	Growth %
Deposits	438,279	380,422	15%
Investments / Placements under Bai Muajjal	271,176	204,856	32%
Islamic financing and related assets - net	155,796	175,712	(11%)
Total Assets	490,768	437,406	12%
Shareholders' Equity	24,204	23,262	4%

Rupees in million

Profit & Loss Account	Jan – Sep 2015	Jan – Sep 2014	Growth %
Net spread earned after provisions	13,306	9,585	39%
Non funded income and other income	3,436	3,400	1%
Operating income	16,742	12,985	29%
Administrative and other expenses	(9,930)	(7,557)	31%
Profit before tax	6,812	5,428	25%
Profit after tax	3,950	3,576	10%
Earnings per share - Rupees	3.94	3.57	10%
Number of branches	494	373	32%

By the Grace of Allah, Meezan Bank has maintained its growth momentum and profitability by recording good results for the nine months period ended September 30, 2015. There has been impressive growth in deposits which has increased to Rs 438 billion as at September 30, 2015 from Rs 380 billion as at December 31, 2014, an increase of Rs 58 billion (15%). It is worth mentioning here that the Bank has not only maintained but also increased its deposit base by Rs 4 billion during the third quarter when there has been erosion in overall deposits of banking industry by Rs 120 billion.

Profit before tax increased to Rs 6,812 million from Rs 5,428 million (YoY), a growth of 25%, primarily due to growth in earning assets, notwithstanding the fact, that return on assets has decreased due to reduction in State Bank of Pakistan's (SBP) discount rate. Earnings per share increased correspondingly to Rs 3.94 (September 2014: Rs 3.57). Profit on financings, investments and placements increased by 22% to Rs 25.3 billion during the current period as against Rs 20.8 billion recorded in the comparative period last year. Non-fund based and other income increased by 1% from Rs 3,400 million to Rs 3,436 million mainly due to increase in fee, commission and brokerage income.

DIRECTORS' REVIEW

SBP conducted its Open Market Operations (OMO) for Islamic Banks using Bai Muajjal Structure during the period which helped the Islamic Banks to deploy their excess liquidity. Meezan Bank's total outstanding under Bai Muajjal mode with SBP amounted to Rs 130 billion as at September 30, 2015.

SBP reduced the Discount Rate four times during the current year, first by 100 basis points in January 2015, 50 basis points in March 2015, 100 basis points in May 2015 and then 50 basis points in September 2015 bringing the Discount Rate to 6.5% which is the lowest rate over 42 years. It also introduced a new 'Target Rate' that is 50 basis points lower than the Discount Rate and this new Target Rate has effectively become the new benchmark 'Risk Free' rate of return for banks. As a result of this reduction in the benchmark rate, all banks have experienced a significant squeeze in income from financing transactions. At the same time, Islamic Banks continue to struggle with liquidity management due to surplus funds with no readily available avenues to invest these surplus funds. This issue has been exacerbated due to severe lack of new Sukuk issues - unlike conventional banks where a significant portion has already been invested in Pakistan Investment Bonds at much higher yields. Islamic Banks have therefore been at a significant disadvantage to conventional banks and we continue to work with the State Bank of Pakistan and Ministry of Finance to address this very important matter in the interest of the longer term viability of the Islamic Banking industry.

Islamic financings and related assets demonstrated a growth of 8% from June 2015 and closed at Rs 156 billion. It is, however, lower than December 31, 2014 balance of Rs 176 billion mainly due to seasonal demand which is in line with our budget; however this is expected to further pick-up in the last quarter of the year. During the current period provisions on non-performing portfolio and impairment on investments amounted to Rs 526 million. The Bank maintains comfortable level of provisions against its non-performing financings with coverage ratio at 118%. The focus is to build a high quality and diversified financing portfolio. The trade business volume handled by the Bank grew by 14% to Rs 324 billion as against Rs 284 billion in the corresponding period of last year despite lower oil and commodity prices in the current nine months as compared to the corresponding period of last year.

Administrative and operating expenses increased from Rs 7,557 million to Rs 9,930 million primarily due to higher staff expenses, rent and costs associated with branch expansion, an investment which has paid off well, as evident from strong growth in deposits over the period. The Bank continued its Branch expansion approach and opened further 68 branches during the period and now the Bank has a network of 494 branches. The Bank plans to continue with its branch expansion approach.

The Bank is ranked as 8th largest Bank (amongst both Islamic as well as conventional banks) both in terms of deposits and branch network in Pakistan.

The Bank disbursed 17.5% (Rs 1.75 per share) interim cash dividend to shareholders during the third quarter, which was approved in the last Board meeting held on July 27, 2015. The Bank has maintained unbroken payout record since the Bank's listing on Stock Exchange in the year 2000.

In June 2015, Meezan Bank entered into an agreement with HSBC Bank Oman S.A.O.G (HBON) to acquire HBON's banking business in Pakistan comprising of a single branch. The amalgamation is expected to be completed during the last quarter of 2015, subject to regulatory and other relevant approvals.

DIRECTORS' R E V I E W

The JCR-VIS Credit Rating Company Limited, an affiliate of Japan Credit Rating Agency, Japan has reaffirmed Bank's long-term entity rating at AA (Double A) and short term rating at A1+ (A One Plus) with stable outlook. The short term rating of A1+ is the highest standard in short term rating. The rating indicates sound performance indicators of the Bank.

Islamic Banking is growing in Pakistan at a rapid pace and we are thankful to the State Bank of Pakistan and the Ministry of Finance for the support given in developing the Islamic Banking industry. One of the issues being faced by the industry is the shortage of Sukuks available to Islamic Banks to meet their Statutory Liquidity requirements and also to deploy surplus liquidity. We are grateful for the efforts being made by the Ministry of Finance, SBP's Islamic Banking Department and the Steering Committee for Promotion of Islamic Banking for the issue of new Sukuks in the foreseeable future.

The Board would like to express its sincere thanks and gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and our Shariah Supervisory Board for their continued guidance and support. We also take this opportunity to thank our valued customers for their patronage, the shareholders for their continued support and to the staff for their continuous efforts to make Meezan Bank a success.

May Allah Almighty give us the strength and wisdom to further expand our vision of making Islamic banking as banking of first choice.

On behalf of the Board

H. E. Sheikh Ebrahim Bin Khalifa Al-Khalifa
Chairman

Irfan Siddiqui
President & CEO

Karachi:
October 20, 2015

CONDENSED INTERIM

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2015

	Note	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS			
Rupees in '000			
Cash and balances with treasury banks	8	39,407,312	29,728,764
Balances with other banks	9	2,409,162	5,501,077
Due from financial institutions	10	166,143,768	90,766,297
Investments - net	11	105,032,303	114,089,252
Islamic financing and related assets - net	12	155,796,478	175,711,942
Operating fixed assets	13	7,651,526	6,273,239
Deferred tax assets - net		-	530,564
Other assets		14,327,075	14,804,823
		490,767,624	437,405,958
LIABILITIES			
Bills payable		7,157,008	5,619,826
Due to financial institutions		10,486,102	15,465,418
Deposits and other accounts	14	438,278,919	380,421,569
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		11,145	-
Other liabilities		10,082,833	12,021,378
		466,016,007	413,528,191
NET ASSETS			
		24,751,617	23,877,767
REPRESENTED BY			
Share capital	15	10,027,379	10,027,379
Reserves		8,066,269	7,276,191
Unappropriated profit		6,110,687	5,958,587
		24,204,335	23,262,157
Surplus on revaluation of investments - net of tax		547,282	615,610
		24,751,617	23,877,767
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

**H. E. Sheikh Ebrahim Bin
Khalifa Al-Khalifa**
Chairman

Irfan Siddiqui
President & Chief Executive

**Riyadh
S. A. A. Edrees**
Director

**Rana Ahmed
Humayun**
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Note	Quarter ended September 30, 2015	Nine Months period ended September 30, 2015	Quarter ended September 30, 2014	Nine Months period ended September 30, 2014
Rupees in '000					
Profit / return earned on Islamic financing, investments and placements	17	7,980,134	25,276,146	7,332,817	20,793,120
Return on deposits and other dues expensed	18	3,662,013	11,443,646	3,879,333	11,235,245
Net spread earned		<u>4,318,121</u>	<u>13,832,500</u>	3,453,484	9,557,875
Provision against non-performing Islamic financing and related assets - net	12.7	(75,298)	(384,123)	(42,153)	(120,345)
Reversal / (provision) against off-balance sheet obligations (Provision) / reversals for diminution in the value of investments	11.3	-	4,897	(5,978)	(5,978)
Reversal of provision against amounts due from financial institutions		(54,788)	(147,075)	21,289	152,981
Bad debts written off directly		-	-	-	300
Net spread after provisions		<u>(130,086)</u>	<u>(526,301)</u>	(26,842)	26,958
		<u>4,188,035</u>	<u>13,306,199</u>	3,426,642	9,584,833
OTHER INCOME					
Fee, commission and brokerage income		536,831	1,471,403	445,117	1,204,241
Dividend income		299,931	396,585	53,827	116,132
Income from dealing in foreign currencies		269,748	1,158,872	257,300	1,215,793
Capital gain on sale of investments - net		106,392	288,786	288,457	771,675
Unrealised gain / (loss) on held for trading investments		-	-	812	(442)
Other income		37,273	119,969	43,061	92,455
Total other income		<u>1,250,175</u>	<u>3,435,615</u>	1,088,574	3,399,854
		<u>5,438,210</u>	<u>16,741,814</u>	4,515,216	12,984,687
OTHER EXPENSES					
Administrative expenses		3,385,880	9,767,472	2,552,443	7,463,524
Other provisions		34,578	23,048	(46,778)	(54,543)
Other charges		3,060	3,507	(1,469)	38,988
Workers Welfare Fund		39,250	136,268	36,563	108,563
Total other expenses		<u>3,462,768</u>	<u>9,930,295</u>	2,540,759	7,556,532
		<u>1,975,442</u>	<u>6,811,519</u>	1,974,457	5,428,155
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		<u>1,975,442</u>	<u>6,811,519</u>	1,974,457	5,428,155
Taxation - Current		547,698	1,900,024	675,408	1,544,291
- Prior years		-	459,143	-	-
- Deferred		154,703	501,961	(23,521)	307,572
PROFIT AFTER TAXATION		<u>702,401</u>	<u>2,861,128</u>	651,887	1,851,863
		<u>1,273,041</u>	<u>3,950,391</u>	1,322,570	3,576,292
Rupees					
Basic and diluted earnings per share	20	<u>1.27</u>	<u>3.94</u>	1.32	3.57

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

H. E. Sheikh Ebrahim Bin Khalifa Al-Khalifa
Chairman

Irfan Siddiqui
President & Chief Executive

Riyadh S. A. A. Edrees
Director

Rana Ahmed Humayun
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015	Nine Months period ended September 30, 2015	Quarter ended September 30, 2014	Nine Months period ended September 30, 2014
Rupees in '000				
Profit for the period	1,273,041	3,950,391	1,322,570	3,576,292
Other comprehensive income	-	-	-	-
Comprehensive income transferred to equity	1,273,041	3,950,391	1,322,570	3,576,292
<i>Items that may be reclassified to profit and loss account</i>				
Components of comprehensive income not transferred to equity				
(Deficit) / surplus on revaluation of securities classified as 'available for sale'	(323,774)	(28,580)	(1,125,872)	34,509
Deferred tax on revaluation of securities classified as 'available for sale'	113,321	(39,748)	398,209	47,688
Total comprehensive income for the period	<u>1,062,588</u>	<u>3,882,063</u>	<u>594,907</u>	<u>3,658,489</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial information.

**H. E. Sheikh Ebrahim Bin
Khalifa Al-Khalifa**
Chairman

Irfan Siddiqui
President & Chief Executive

**Riyadh
S. A. A. Edrees**
Director

**Rana Ahmed
Humayun**
Director

CONDENSED INTERIM

CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Note	September 30, 2015	September 30, 2014
Rupees in '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,811,519	5,428,155
Less: Dividend income		<u>(396,585)</u>	<u>(116,132)</u>
		6,414,934	5,312,023
Adjustments for non-cash charges			
Depreciation		706,365	596,194
Amortization		109,027	75,869
Provisions against non-performing Islamic financings and related assets - net		384,123	120,345
Provision / (reversal) for diminution in the value of investments		147,075	(152,981)
(Reversal) / provision against off-balance sheet obligations		(4,897)	5,978
Reversal of provisions against amounts due from financial institutions		-	(300)
Unrealised loss on held for trading investments		-	442
Gain on sale of operating fixed assets		<u>(36,010)</u>	<u>(24,325)</u>
		1,305,683	621,222
		<u>7,720,617</u>	<u>5,933,245</u>
(Increase) / decrease in operating assets			
Due from financial institutions		<u>(75,377,471)</u>	<u>(83,433,005)</u>
Held for trading securities		-	(1,013,136)
Islamic financing and related assets		19,531,341	(10,819,879)
Other assets		<u>357,770</u>	<u>(2,089,338)</u>
		<u>(55,488,360)</u>	<u>(97,355,358)</u>
Increase / (decrease) in operating liabilities			
Bills payable		1,537,182	1,154,541
Due to financial institutions		<u>(4,979,316)</u>	<u>2,974,007</u>
Deposits and other accounts		57,857,350	40,123,209
Other liabilities		<u>(2,593,070)</u>	<u>1,467,134</u>
		51,822,146	45,718,891
		4,054,403	(45,703,222)
Income tax paid		<u>(1,519,245)</u>	<u>(1,400,720)</u>
Net cash flow generated / (used in) operating activities		<u>2,535,158</u>	<u>(47,103,942)</u>
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES			
Net investments in securities		8,881,294	43,352,012
Dividends received		335,973	71,800
Investments in operating fixed assets		<u>(2,217,441)</u>	<u>(1,155,281)</u>
Proceeds from disposal of operating fixed assets		59,772	45,637
Net cash flow generated from investing activities		<u>7,059,598</u>	<u>42,314,168</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		<u>(3,008,123)</u>	<u>(2,003,127)</u>
Net cash flow used in financing activities		<u>(3,008,123)</u>	<u>(2,003,127)</u>
Net increase / (decrease) in cash and cash equivalents		<u>6,586,633</u>	<u>(6,792,901)</u>
Cash and cash equivalents at the beginning of the period		35,229,841	32,136,860
Cash and cash equivalents at the end of the period	21	<u>41,816,474</u>	<u>25,343,959</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

H. E. Sheikh Ebrahim Bin Khalifa Al-Khalifa
Chairman

Irfan Siddiqui
President & Chief Executive

Riyadh S. A. A. Edrees
Director

Rana Ahmed Humayun
Director

CONDENSED INTERIM

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Capital reserves				Revenue reserve	Unappropriated profit	Total
	Share capital	Statutory reserve *	Reserve for issue of bonus shares	Non-Distributable Capital Reserve Gain on Bargain Purchase	General reserve		
	Rupees in '000						
Balance as at January 1, 2014	10,027,379	3,484,531	-	-	66,766	4,329,474	17,908,150
Total comprehensive income for the period							
Profit after taxation for the nine months ended September 30, 2014	-	-	-	-	-	3,576,292	3,576,292
Transactions with owners recognised directly in equity							
Final cash dividend for the year 2013	-	-	-	-	-	(501,369)	(501,369)
Interim cash dividend for the year 2014	-	-	-	-	-	(1,504,107)	(1,504,107)
Transfer to statutory reserve	-	715,258	-	-	-	(715,258)	-
Balance as at September 30, 2014	10,027,379	4,199,789	-	-	66,766	5,185,032	19,478,966
Total comprehensive income for the period							
Profit after taxation for the quarter ended December 31, 2014	-	-	-	-	-	993,794	993,794
Remeasurement loss on defined benefit plan - net of tax	-	-	-	-	-	(21,480)	(21,480)
Transactions with owners recognised directly in equity							
Gain on bargain purchase	-	-	-	2,810,877	-	-	2,810,877
Transfer to statutory reserve	-	198,759	-	-	-	(198,759)	-
Balance as at December 31, 2014	10,027,379	4,398,548	-	2,810,877	66,766	5,958,587	23,262,157
Total comprehensive income for the period							
Profit after taxation for the period ended September 30, 2015	-	-	-	-	-	3,950,391	3,950,391
Transactions with owners recognised directly in equity							
Final cash dividend for the year 2014	-	-	-	-	-	(1,253,422)	(1,253,422)
Interim cash dividend for the year 2015	-	-	-	-	-	(1,754,791)	(1,754,791)
Transfer to statutory reserve	-	790,078	-	-	-	(790,078)	-
Balance as at September 30, 2015	10,027,379	5,188,626	-	2,810,877	66,766	6,110,687	24,204,335

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

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

H. E. Sheikh Ebrahim Bin Khalifa Al-Khalifa
Chairman

Irfan Siddiqui
President & Chief Executive

Riyadh S. A. A. Edrees
Director

Rana Ahmed Humayun
Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Bank Limited (the Bank) was incorporated in Pakistan on January 27, 1997, as a public limited company under the Companies Ordinance, 1984, and its shares are quoted on the Karachi Stock Exchange. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. The 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.
- 1.2** The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002, and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- 1.3** The Bank was operating through four hundred and ninety four branches as at September 30, 2015 (December 31, 2014: four hundred and twenty eight branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- 1.4** Based on the financial statement of the Bank for the year ended December 31, 2014, the JCR-VIS Credit Rating Company Limited has reaffirmed the Bank's long-term rating as "AA" and the short-term rating as 'A-1+' with stable outlook.
- 1.5** The Securities and Exchange Commission of Pakistan (SECP) vide its letter No. EMD/233/001/2002-1191 dated March 31, 2015 has granted exemption to the Bank from preparation of consolidated financial statements of the Bank in relation to its subsidiary namely Al Meezan Investment Management Limited (AMIML) for the year ending December 31, 2015 and all the interim periods within the aforesaid year end. The letter from the SECP specifies that the said exemption is subject to the following conditions:
- (i) It must be disclosed at conspicuous place in the annual accounts of the Bank that annual audited accounts of the subsidiary shall be available for inspection at Registered Office of the Bank and would be available to the members on request without any cost; and
 - (ii) Annual accounts of the Bank must also disclose information regarding nature of auditors' qualification in the last audited accounts of the subsidiary, if any.

The required information and disclosures relating to AMIML will be made in the annual financial statements of the Bank for the year ending December 31, 2015.

2 BASIS OF PRESENTATION

The Bank provides Islamic financing and related assets mainly through Murabaha, Istisna, Tijarah, Ijarah, Diminishing Musharakah, Running Musharakah, Bai Muajjal, Musawammah, Export Refinance under Islamic Export Refinance Scheme and Service Ijarah.

The purchases and sales arising under these arrangements are not reflected in this financial information as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such financings is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable if so directed by the Shariah Advisor of the Bank.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

3 STATEMENT OF COMPLIANCE

- 3.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, and the directives issued by the SECP and the SBP. Wherever the requirements of provisions and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, the IFAS notified under the Companies Ordinances, 1984 and the directives issued by the SECP and the SBP differ from the requirements of IFRS, the provisions of and the directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, IFAS notified under the Companies Ordinance, 1984 and the directives issued by the SECP and the SBP shall prevail.
- 3.2** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full set of annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2014.
- 3.3 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2015 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in this condensed interim financial information.

4 ACQUISITION OF HSBC BANK MIDDLE EAST LIMITED - PAKISTAN BRANCHES OPERATIONS

Last year, the Bank completed the acquisition of HSBC Bank Middle East Limited - Pakistan branches (HSBC) effective from the close of business on October 17, 2014. This transaction has been accounted for as "Business Combination" under IFRS 3.

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the accounting for business combination. The SBP has given exemption to the Bank from recognition of Intangible assets on the business combination. The management is currently carrying out the fair valuation exercise for recorded assets and liabilities and intends to complete within the period specified under IFRS 3.

The Bank incorporated the balances relating to HSBC at their carrying values as appearing in the audited financial statements of HSBC on the close of business on October 17, 2014.

The excess of net assets acquired over purchase consideration has been recognised as a non-distributable capital reserve in the statement of changes in equity as per the directives of the State Bank of Pakistan. The reserve may become available for distribution as stock dividend only with prior approval of the SBP. Further, the Bank may, before distribution of the reserve as stock dividend, adjust any subsequent provisions / deficit assessed by the Bank or recommended by the Banking Inspection Department of the SBP in subsequent inspections in the acquired portfolio of the HSBC against this reserve.

Further, the above gain does not incorporate the adjustments which will be recorded after completion of the fair value exercise of recorded assets and liabilities.

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5 BASIS OF MEASUREMENT

5.1 This condensed interim financial information has been prepared under the historical cost convention except that certain investments, foreign currency balances and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP. In addition, obligation in respect of staff retirement benefit is carried at present value.

5.2 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani Rupee, which is the Bank's functional and presentation currency.

5.3 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2014.

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2014.

	Note	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
———— Rupees in '000 ————			
8 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		8,849,986	7,304,820
- foreign currencies		2,274,493	1,214,052
With the State Bank of Pakistan in			
- local currency current accounts	8.1	20,831,942	9,852,651
- foreign currency current accounts	8.1	2,721,180	2,623,520
With National Bank of Pakistan in			
- local currency current accounts		4,729,711	8,733,721
		39,407,312	29,728,764

8.1 These represent local and foreign currency amounts required to be maintained by the Bank with the SBP as stipulated by the SBP. These accounts are non-remunerative in nature.

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	Note	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Rupees in '000			
9 BALANCES WITH OTHER BANKS			
In Pakistan			
- on current accounts		1,297,947	1,539,136
- on deposit accounts		-	2,000,000
Outside Pakistan			
- on current accounts		1,053,221	852,178
- on deposit accounts	9.1	57,994	1,109,763
		<u>2,409,162</u>	<u>5,501,077</u>

9.1 The return on these balances is around 0.12% (December 31, 2014: 0.14%) per annum.

10 DUE FROM FINANCIAL INSTITUTIONS

Bai Muajjal with the State Bank of Pakistan	129,938,580	51,603,990
Bai Muajjal with others banks	35,220,688	39,177,807
Musharakah	1,000,000	-
Commodity Murabaha	26,066	26,066
	<u>166,185,334</u>	90,807,863
Provision against non-performing amounts due from financial institutions	(41,566)	(41,566)
	<u>166,143,768</u>	<u>90,766,297</u>

11 INVESTMENTS - NET

	Note	September 30, 2015 (Unaudited)			December 31, 2014 (Audited)		
		Held by the bank	Given as collateral	Total	Held by the bank	Given as collateral	Total
Rupees in '000							
11.1 Investments by types							
Available for sale securities		102,110,178	-	102,110,178	110,042,531	-	110,042,531
In related parties							
Subsidiary (unlisted)		63,050	-	63,050	63,050	-	63,050
Associates (listed)		2,460,345	-	2,460,345	3,409,286	-	3,409,286
Associates (unlisted)		28,125	-	28,125	28,125	-	28,125
Investments at cost / carrying value		<u>104,661,698</u>	-	<u>104,661,698</u>	113,542,992	-	113,542,992
Less : Provision for diminution in value of investments and impairment	11.3	(471,367)	-	(471,367)	(324,292)	-	(324,292)
Investments - net of provision		<u>104,190,331</u>	-	<u>104,190,331</u>	113,218,700	-	113,218,700
Surplus on revaluation of available for sale securities		841,972	-	841,972	870,552	-	870,552
Total investments		<u>105,032,303</u>	-	<u>105,032,303</u>	114,089,252	-	114,089,252

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11.2 Investments by segments	Note	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
		————— Rupees in '000 —————	
Federal Government Securities			
GOP Ijarah Sukuk		76,257,259	88,715,134
Sukuk certificates / bonds			
Sukuk Certificates		14,554,293	11,708,002
Global Sukuk Bonds		7,485,654	6,716,165
Fully paid up ordinary shares			
- Listed companies		3,224,147	2,463,424
- Unlisted companies		605,000	480,981
Units of open end funds		2,535,345	3,459,286
Total investment at cost / carrying value		104,661,698	113,542,992
Less: Provision for diminution in value of investments and impairment	11.3	(471,367)	(324,292)
Investments - net of provision		104,190,331	113,218,700
Surplus on revaluation of available for sale securities		841,972	870,552
Total investments		105,032,303	114,089,252

11.3 Provision for diminution in value of investments and impairment

	September 30, 2015 (Unaudited)			December 31, 2014 (Audited)		
	Associates	Others	Total	Associates	Others	Total
	————— Rupees in '000 —————					
Opening balance	13,186	311,106	324,292	28,186	393,963	422,149
Charge / (reversal) for the period / year - net						
- on associates (unlisted)	-	-	-	(1,000)	-	(1,000)
- on available for sale securities	-	147,075	147,075	-	(82,857)	(82,857)
	-	147,075	147,075	(1,000)	(82,857)	(83,857)
Provision written off	-	-	-	(14,000)	-	(14,000)
Closing balance	13,186	458,181	471,367	13,186	311,106	324,292

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	Note	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Rupees in '000			
12 ISLAMIC FINANCING AND RELATED ASSETS - NET			
In Pakistan			
- Murabaha financings	12.1	11,689,632	16,759,330
- Advances against Murabaha		1,739,704	3,126,233
- Murabaha Inventory		4,763,137	6,836,095
- Financing under Islamic Export Refinance - Murabaha	12.2	309,142	621,295
- Advances against future Islamic Export Refinance - Murabaha		119,300	206,196
- Net investment in Ijarah		244,838	262,539
- Net book value of assets / investment in Ijarah under IFAS-2	12.3	12,790,154	9,987,968
		13,034,992	10,250,507
- Advances against future Ijarah		1,232,471	1,272,858
- Istisna financings		197,025	5,353,073
- Istisna advance		16,661,782	30,119,434
- Istisna Inventory		459,303	549,204
- Financing under Islamic Export Refinance - Istisna		225,935	411,792
- Financing under Islamic Export Refinance - Istisna - Inventory		185,093	144,939
- Advances against Islamic Export Refinance - Istisna		5,056,956	4,239,117
- Running Musharakah financings		31,225,162	23,215,324
- Financing under Islamic Export Refinance - Running Musharakah		4,445,000	5,520,154
- Diminishing Musharakah financings - Housing		6,060,838	4,546,072
- Diminishing Musharakah financings - Others		44,142,601	36,692,929
- Advance against Diminishing Musharakah		6,085,926	4,522,833
- Tijarah financings		240,234	477,802
- Tijarah inventory		729,235	1,121,191
- Islamic Export Refinance - Tijarah - Financings		457,700	170,700
- Inventory against Islamic Export Refinance - Tijarah		167,800	484,700
- Bai Muajjal financings	12.4	115,663	376,596
- Service Ijarah Financings		783,382	-
- Advance against Service Ijarah		-	1,103,412
- Musawammah financings	12.5	78,135	905,100
- Musawammah inventory		-	1,500,815
- Labbaik (Qard for Hajj and Umrah)		7,188	7,796
- Financings against bills - Salam		3,950,624	6,656,647
- Financings against bills - Murabaha - Advance		1,738	1,738
- Salam Financings - Advances		5,000,000	3,000,055
- Salam Financings - Inventory		-	7,402,272
- Staff financings		2,007,998	1,550,862
- Other financings		2,580,511	4,138,477
Gross Islamic financing and related assets		163,754,207	183,285,548
Less: Provision against non-performing Islamic financing and related assets	12.7	(7,957,729)	(7,573,606)
Islamic financing and related assets - net of provisions		155,796,478	175,711,942
12.1 Murabaha receivable - gross		12,603,675	17,476,680
Less: Deferred murabaha income		(199,026)	(275,959)
Profit receivable shown in other assets		(715,017)	(441,391)
Murabaha Financings		11,689,632	16,759,330
12.2 Financings under Islamic Export Refinance - Murabaha - gross		333,213	649,732
Less: Deferred income		(4,171)	(11,114)
Profit receivable shown in other assets		(19,900)	(17,323)
Financings under Islamic Export Refinance - Murabaha		309,142	621,295

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- 12.3** Net book value of assets / investments in Ijarah under IFAS-2 is net of depreciation of Rs 7,483 million (December 31, 2014: Rs 6,246 million).

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	Rupees in '000	
12.4 Bai Muajjal financings - gross	198,108	390,729
Less: Deferred income	(22,818)	(13,656)
Profit receivable shown in other assets	(59,627)	(477)
Bai Muajjal financings	115,663	376,596
12.5 Musawammah financings - gross	124,227	962,334
Less: Deferred income	(15,619)	(45,064)
Profit receivable shown in other assets	(30,473)	(12,170)
Musawammah financings	78,135	905,100

- 12.6** Islamic financings and related assets include Rs 6,755 million (Dec 31, 2014: Rs 6,912 million) which have been placed under non-performing status as detailed below:

	September 30, 2015 (Unaudited)				
	Domestic	Overseas	Total	Provision required	Provision held
	Rupees in '000				
Other Assets Especially Mentioned	2,000	-	2,000	200	200
Substandard	86,842	-	86,842	18,598	18,598
Doubtful	78,079	-	78,079	34,574	34,574
Loss	6,587,688	-	6,587,688	6,551,436	6,551,436
	<u>6,754,609</u>	<u>-</u>	<u>6,754,609</u>	<u>6,604,808</u>	<u>6,604,808</u>

	December 31, 2014 (Audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	Rupees in '000				
Other Assets Especially Mentioned	9,860	-	9,860	68	68
Substandard	221,543	-	221,543	45,468	45,468
Doubtful	753,051	-	753,051	371,665	371,665
Loss	5,927,924	-	5,927,924	5,867,889	5,867,889
	<u>6,912,378</u>	<u>-</u>	<u>6,912,378</u>	<u>6,285,090</u>	<u>6,285,090</u>

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12.7 Particulars of provision against non-performing Islamic Financing and Related Assets:

	September 30, 2015 (Unaudited)			December 31, 2014 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	6,285,090	1,288,516	7,573,606	4,608,918	1,242,923	5,851,841
Charge for the period / year	515,769	64,630	580,399	765,109	27,022	792,131
Less: Reversals	(196,051)	(225)	(196,276)	(246,367)	-	(246,367)
	319,718	64,405	384,123	518,742	27,022	545,764
Transferred during the period*	-	-	-	1,203,020	18,571	1,221,591
Amount written off	-	-	-	(45,590)	-	(45,590)
Closing balance	6,604,808	1,352,921	7,957,729	6,285,090	1,288,516	7,573,606

* This represents balances transferred from HSBC Bank Middle East Limited - Pakistan branches on acquisition of HSBC Bank Middle East Limited - Pakistan branches operations.

12.7.1 The Bank maintains general reserve (provision) in accordance with the applicable requirements of the Prudential Regulations for Consumer financing and Prudential Regulations for Small and Medium Enterprise financing issued by the SBP.

In addition, the Bank has also maintained a general provision of Rs 1,125 million (December 31, 2014: Rs 1,125 million) against Islamic financing and related assets made on prudent basis, in view of the prevailing economic conditions. This general provision is in addition to the requirements of the Prudential Regulations.

12.7.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the State Bank of Pakistan, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financings. The accumulated benefit availed as at September 30, 2015 amounts to Rs 28 million (Dec 31, 2014: Rs 32 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 18 million as at September 30, 2015. The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

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	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	———— Rupees in '000 ————	
13 OPERATING FIXED ASSETS		
Capital work-in-progress	919,682	195,815
Property and equipment	6,251,915	5,581,937
	7,171,597	5,777,752
Intangible assets	479,929	495,487
	7,651,526	6,273,239
	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
	———— Rupees in '000 ————	
13.1 Additions to fixed assets	2,217,441	1,155,281
Disposals of fixed assets - at cost	180,604	95,961
	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	———— Rupees in '000 ————	
14 DEPOSITS AND OTHER ACCOUNTS		
Customers		
- Fixed deposits	128,850,732	107,700,592
- Savings deposits	173,899,218	149,365,058
- Current accounts - non-remunerative	127,466,429	117,999,206
- Margin	794,419	605,419
	431,010,798	375,670,275
Financial institutions		
- Remunerative deposits	6,856,043	4,639,557
- Non-remunerative deposits	412,078	111,737
	7,268,121	4,751,294
	438,278,919	380,421,569
14.1 Particulars of deposits		
In		
- local currency	414,266,456	356,600,082
- foreign currencies	24,012,463	23,821,487
	438,278,919	380,421,569

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15 SHARE CAPITAL

15.1 Authorised capital

September 30, 2015	December 31, 2014		September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Number of Shares			Rupees in '000	
<u>1,500,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs. 10 each	<u>15,000,000</u>	<u>15,000,000</u>

15.2 Issued, subscribed and paid-up capital

September 30, 2015	December 31, 2014		September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Number of Shares			Rupees in '000	
		Ordinary Shares		
<u>456,353,635</u>	456,353,635	Fully paid in cash	<u>4,563,536</u>	4,563,536
<u>546,384,260</u>	546,384,260	Issued as bonus shares	<u>5,463,843</u>	5,463,843
<u>1,002,737,895</u>	<u>1,002,737,895</u>		<u>10,027,379</u>	<u>10,027,379</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 Direct credit substitutes

Guarantee favouring		
- Banks	<u>62,587</u>	<u>65,264</u>

16.2 Transaction related contingent liabilities

Guarantee favouring		
- Government	<u>10,335,280</u>	12,782,424
- Banks	<u>211,613</u>	203,386
- Others	<u>1,977,287</u>	1,197,434
	<u>12,524,180</u>	<u>14,183,244</u>

16.3 Trade related contingent liabilities

Import letters of credit	<u>34,510,144</u>	22,011,518
Acceptances	<u>4,129,173</u>	2,662,307
	<u>38,639,317</u>	<u>24,673,825</u>

16.4 Commitments in respect of forward exchange contracts

Purchases	<u>58,544,754</u>	<u>49,068,758</u>
Sales	<u>66,596,514</u>	<u>65,208,080</u>

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	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	Rupees in '000	
16.5 Commitments for the acquisition of operating fixed assets	107,563	27,584
16.6 Commitments in respect of Islamic financings and related assets	94,589,455	86,587,543
16.7 Other commitments		
Bills for collection (inland)	94,347	128,131
Bills for collection (foreign)	27,011,841	20,589,736
	27,106,188	20,717,867
17 PROFIT / RETURN EARNED ON ISLAMIC FINANCINGS INVESTMENTS AND PLACEMENTS	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
	Rupees in '000	
On financings to:		
- Customers	10,518,341	8,796,443
On investments in:		
- Available for sale securities	5,517,720	7,804,136
- Held for trading securities	485	45,457
On deposits with financial institutions	9,239,600	4,147,084
	25,276,146	20,793,120
18 RETURN ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	11,036,003	10,543,900
Other short term Musharakahs / Mudarabas	407,643	691,345
	11,443,646	11,235,245

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19 TAXATION

The Finance Act 2015 has introduced certain amendments in the Seventh schedule to the Income Tax Ordinance, 2001 which applies retrospectively to the financial year ended December 31, 2014 (Tax year 2015). The amendments introduced relates to:

- the Bank's income from dividend and capital gains is now taxable at the rate of 35 percent from the tax year 2015 and onwards. Previously, these were taxed at reduced rates (including for tax year 2015);

- one-time super tax at the rate of 4 percent of the taxable income for the tax year 2015 has been introduced for rehabilitation of temporary displaced persons.

The effects of above amendments have been incorporated in this condensed interim financial information.

	Note	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
20 BASIC AND DILUTED EARNINGS PER SHARE			
Rupees in '000			
Profit after taxation		<u>3,950,391</u>	<u>3,576,292</u>
Number			
Weighted average number of ordinary shares		<u>1,002,737,895</u>	<u>1,002,737,895</u>
Rupees			
Basic earnings per share	20.1	<u>3.94</u>	<u>3.57</u>

20.1 There were no convertible dilutive potential ordinary shares outstanding on September 30, 2015 and September 30, 2014.

	Note	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
21 CASH AND CASH EQUIVALENTS			
Rupees in '000			
Cash and balances with treasury banks	8	<u>39,407,312</u>	23,227,480
Balances with other banks	9	<u>2,409,162</u>	2,116,479
		<u>41,816,474</u>	<u>25,343,959</u>

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22. SEGMENT DETAILS

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

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Agency Services	Total
September 30, 2015 (Unaudited)							
	Rupees in '000						
Total income	1,036,444	16,021,580	2,890,148	8,755,375	-	8,214	28,711,761
Total expenses	(806,790)	(13,972,952)	(2,408,278)	(7,570,475)	-	(2,875)	(24,761,370)
Net income	229,654	2,048,628	481,870	1,184,900	-	5,339	3,950,391
Segment Assets (Gross)	14,297,476	304,849,067	28,306,862	143,314,219	-	-	490,767,624
Segment Non Performing Loans	284,603	679,241	1,639,345	5,343,389	-	-	7,946,578
Segment Provision Required	256,806	214,561	1,007,183	7,125,816	-	-	8,604,366
Segment Liabilities	267,706	1,692,603	451,410,144	12,645,554	-	-	466,016,007
Segment Return on Assets (ROA) (%)	2.39%	1.02%	2.33%	1.03%	-	-	-
Segment Cost of funds (%)	3.67%	3.67%	3.67%	3.67%	-	-	-

September 30, 2014 (Unaudited)

Total income	644,690	13,707,182	2,480,292	7,350,325	-	10,485	24,192,974
Total expenses	(505,441)	(11,840,803)	(2,002,609)	(6,264,159)	-	(3,670)	(20,616,682)
Net income	139,249	1,866,379	477,683	1,086,166	-	6,815	3,576,292
Segment Assets (Gross)	8,371,927	221,048,732	22,724,752	125,231,967	-	-	377,377,378
Segment Non Performing Loans	293,047	28,125	1,271,344	3,679,112	-	-	5,271,628
Segment Provision Required	241,900	13,186	1,206,731	4,719,865	-	-	6,181,682
Segment Liabilities	247,692	15,744,049	339,433,641	1,385,740	-	-	356,811,122
Segment Return on Assets (ROA) (%)	2.19%	1.20%	3.00%	1.25%	-	-	-
Segment Cost of funds (%)	4.78%	4.78%	4.78%	4.78%	-	-	-

23. RELATED PARTY TRANSACTIONS

23.1 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 or operational decisions and include major shareholders, subsidiary company, associated companies with or without common directors, retirement benefit funds, directors, and key management personnel and their close family members.

23.2 Banking transactions with related parties are entered in the normal course of business.

23.3 Subsidiary company:

- Al Meezan Investment Management Limited

23.4 Key management personnel:

- President and Chief Executive Officer
- Deputy Chief Executive Officer

23.5 Details of transactions with related parties and balances with them as at the period / year end are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

	Total		Subsidiary		Associates		Key management personnel/Directors		Other related parties	
	Sep 30, 2015 (Unaudited)	Dec 31, 2014 (Audited)	Sep 30, 2015 (Unaudited)	Dec 31, 2014 (Audited)	Sep 30, 2015 (Unaudited)	Dec 31, 2014 (Audited)	Sep 30, 2015 (Unaudited)	Dec 31, 2014 (Audited)	Sep 30, 2015 (Unaudited)	Dec 31, 2014 (Audited)
Rupees in '000										
Islamic financing and related assets	1,083,783	-	-	-	1,083,783	-	-	-	-	-
Investment held	3,253,034	3,500,461	63,050	63,050	3,189,984	3,437,411	-	-	-	-
Deposits	3,195,590	2,121,481	18,037	6,867	1,508,176	575,888	94,155	174,125	1,575,222	1,364,601
Other Balances										
Profit receivable on Islamic financings	20,043	-	-	-	20,043	-	-	-	-	-
Dividend receivable	2,463	-	-	-	2,463	-	-	-	-	-
Fee receivable	9,747	1,000	9,747	1,000	-	-	-	-	-	-
Payable to defined benefit plan	116,712	123,481	-	-	-	-	-	-	116,712	123,481
Accrued expenses	4,263	12,337	4,263	12,337	-	-	-	-	-	-
Letters of credit (unfunded)	801,302	-	-	-	801,302	-	-	-	-	-
Letters of guarantee (unfunded)	337,300	100	100	100	337,200	-	-	-	-	-

Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the closing balance. However, new related parties have been added during the period.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015**

	Total		Subsidiary		Associates		Key management personnel/Directors		Other related parties	
	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014
(Un-audited)										
Rupees in '000										
Transactions, income and expenses										
Profit earned on Islamic financings	366,047	19,586	-	12,557	366,047	7,029	-	-	-	-
Return on deposits / borrowings expensed	109,046	407,682	1,109	1,083	19,410	317,836	2,686	5,315	85,840	83,448
Dividend income earned	254,539	-	-	-	254,539	-	-	-	-	-
Capital gain - net	136,305	276,578	-	-	136,305	276,578	-	-	-	-
Reversal of Provision for diminution in value of investments	-	1,000	-	-	-	1,000	-	-	-	-
Write off of provision for diminution in value of investments	-	14,000	-	-	-	14,000	-	-	-	-
Charged for defined benefit plan	116,712	82,814	-	-	-	-	-	-	116,712	82,814
Contribution to defined contribution plan	135,076	103,749	-	-	-	-	-	-	135,076	103,749
Contribution to staff benevolent fund	10,000	10,000	-	-	-	-	-	-	10,000	10,000
Fees expensed	11,469	9,227	11,469	9,227	-	-	-	-	-	-
Fees and commission earned	87,792	87,635	87,045	87,635	747	-	-	-	-	-
Takaful Premiums paid	12,314	43,022	-	-	12,314	43,022	-	-	-	-
Takaful Claims received	34,087	36,203	-	-	34,087	36,203	-	-	-	-
Remuneration to the directors and key management personnel including fees to non-executive directors	99,291	90,259	-	-	-	-	99,291	90,259	-	-

24 DATE OF AUTHORISATION

This condensed interim unconsolidated financial information was authorised for issue on October 20, 2015 by the Board of Directors of the Bank.

**H. E. Sheikh Ebrahim Bin
Khalifa Al-Khalifa**
Chairman

Irfan Siddiqui
President & Chief Executive

**Riyadh
S. A. A. Edrees**
Director

**Rana Ahmed
Humayun**
Director

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