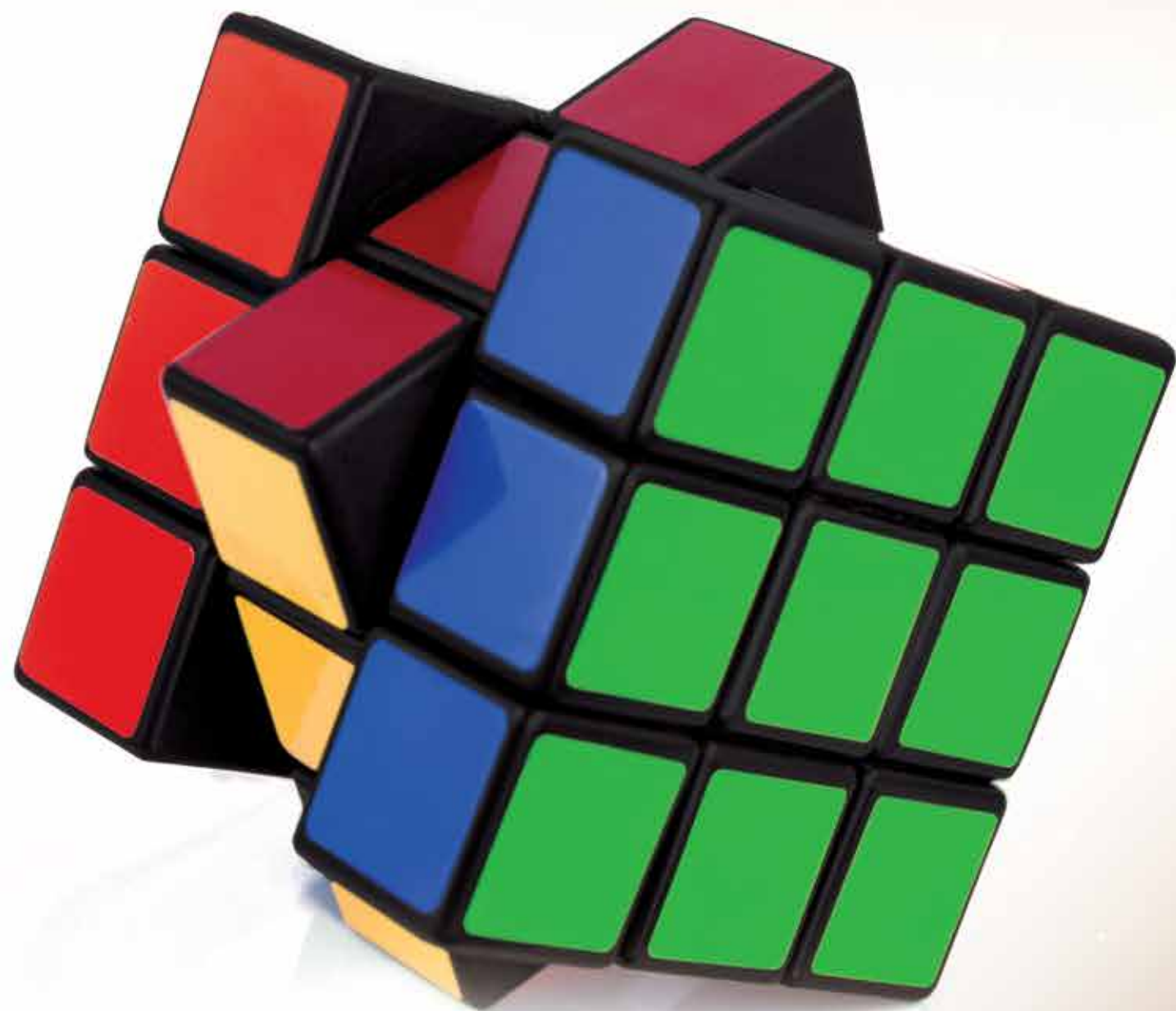


# UNCONSOLIDATED

FINANCIAL STATEMENTS 2015

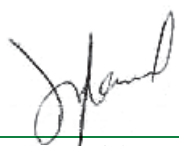


## UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

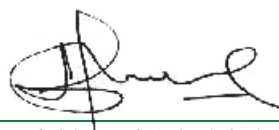
As at December 31, 2015

2014	2015		Note	2015	2014
US Dollars in '000				Rupees in '000	
<b>ASSETS</b>					
934,205	1,438,902	Cash and balances with treasury banks	6	150,899,778	97,971,501
115,456	191,933	Balances with other banks	7	20,128,273	12,108,025
1,065,958	101,443	Lendings to financial institutions	8	10,638,524	111,788,608
5,356,690	7,879,184	Investments	9	826,301,890	561,764,137
5,975,924	5,510,483	Advances	10	577,892,610	626,704,083
303,186	304,523	Operating fixed assets	11	31,935,787	31,795,539
94,187	92,202	Deferred tax assets	12	9,669,359	9,877,509
868,157	752,303	Other assets	13	78,895,162	91,044,915
14,713,763	16,270,973			1,706,361,383	1,543,054,317
<b>LIABILITIES</b>					
105,003	87,456	Bills payable	14	9,171,616	11,011,827
357,976	208,933	Borrowings	15	21,911,190	37,541,497
11,762,257	13,645,620	Deposits and other accounts	16	1,431,036,598	1,233,525,490
-	-	Sub-ordinated loans		-	-
123	341	Liabilities against assets subject to finance lease	17	35,800	12,738
-	-	Deferred tax liabilities		-	-
787,953	723,311	Other liabilities	18	75,854,704	82,633,864
13,013,312	14,665,661			1,538,009,908	1,364,725,416
1,700,451	1,605,312	<b>NET ASSETS</b>		168,351,475	178,328,901
<b>REPRESENTED BY</b>					
202,869	202,869	Share capital	19	21,275,131	21,275,131
305,837	434,634	Reserves	19	45,580,712	32,073,606
543,587	468,722	Unappropriated profit		49,155,590	57,006,813
1,052,293	1,106,225			116,011,433	110,355,550
648,158	499,087	Surplus on revaluation of assets - net	20	52,340,042	67,973,351
1,700,451	1,605,312			168,351,475	178,328,901
<b>CONTINGENCIES AND COMMITMENTS</b>					
			21		

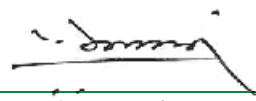
The annexed notes 1 to 45 and Annexure I to IV form an integral part of these unconsolidated financial statements.



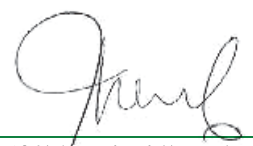
**Muneer Kamal**  
Chairman



**Syed Ahmed Iqbal Ashraf**  
President



**Muhammad Naem**  
Director



**Iftikhar A. Allwala**  
Director

# UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2015

2014	2015		Note	2015	2014
US Dollars in '000				Rupees in '000	
1,088,699	1,083,820	Mark-up / return / interest earned	23	113,661,831	114,173,519
651,935	571,565	Mark-up / return / interest expensed	24	59,940,895	68,369,504
436,764	512,255	Net mark-up / interest income		53,720,936	45,804,015
104,642	101,315	Provision against non-performing advances - net	10.3	10,625,053	10,973,968
4,218	12,577	Provision for diminution	9.9	1,319,016	442,347
-	-	in the value of investments - net		-	-
(3,235)	(1,170)	Bad debts written off directly	18.1	(122,686)	(339,200)
105,625	112,722	Reversal of provision against off		11,821,383	11,077,115
331,139	399,533	balance sheet obligations		41,899,553	34,726,900
		Net mark-up / interest income after provisions			
<b>NON MARK-UP / INTEREST INCOME</b>					
115,717	118,190	Fee, commission and brokerage income		12,394,723	12,135,445
20,831	31,083	Dividend income		3,259,736	2,184,557
33,866	44,319	Income from dealing in foreign currencies	25	4,647,844	3,551,573
83,654	120,094	Gain on sale and redemption of securities - net	26	12,594,424	8,772,891
1,387	56	Unrealized gain on revaluation of	9.10	5,924	145,454
34,207	19,841	investments classified as held-for-trading			
289,662	333,583	Other income	27	2,080,776	3,587,373
620,801	733,116	Total non mark-up / interest income		34,983,427	30,377,293
				76,882,980	65,104,193
<b>NON MARK-UP / INTEREST EXPENSES</b>					
381,105	401,639	Administrative expenses	28	42,120,439	39,967,101
13,354	14,060	Other provisions / write offs	13.5 / 18.2	1,474,478	1,400,434
16,553	691	Other charges	29	72,455	1,735,915
411,012	416,390	Total non mark-up / interest expenses		43,667,372	43,103,450
209,789	316,726			33,215,608	22,000,743
-	-	Extra ordinary / unusual items		-	-
209,789	316,726	<b>PROFIT BEFORE TAXATION</b>		33,215,608	22,000,743
90,402	138,997	Taxation - Current		14,576,847	9,480,641
-	21,917	- Prior year(s)		2,298,465	-
(23,917)	(27,449)	- Deferred		(2,878,568)	(2,508,127)
66,485	133,465		30	13,996,744	6,972,514
143,304	183,261	<b>PROFIT AFTER TAXATION</b>		19,218,864	15,028,229

----- US Dollar -----

0.07

0.09

**Basic and diluted earnings per share**

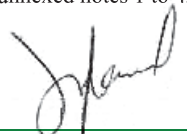
31

----- Rupees -----

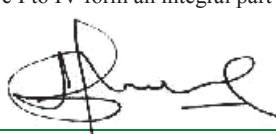
9.03

7.06

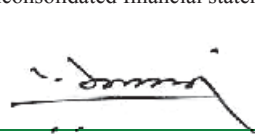
The annexed notes 1 to 45 and Annexure I to IV form an integral part of these unconsolidated financial statements.



**Muneer Kamal**  
Chairman



**Syed Ahmed Iqbal Ashraf**  
President



**Muhammad Naeem**  
Director



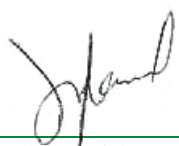
**Iftikhar A. Allawala**  
Director

## UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

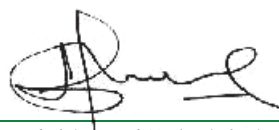
For the year ended December 31, 2015

2014	2015		Note	2015	2014
US Dollars in '000				Rupees in '000	
143,304	183,261	Profit after taxation		19,218,864	15,028,229
		<b>Other comprehensive income:</b>			
		<i>Items to be reclassified to profit and loss in subsequent periods:</i>			
(9,230)	(3,955)	Exchange (loss) on translation of net assets of foreign branches		(414,780)	(967,912)
		<i>Items not to be reclassified to profit and loss in subsequent periods:</i>			
(6,392)	(22,985)	Actuarial (loss) on remeasurements of defined benefit (liability) / asset	34.1	(2,410,482)	(670,374)
2,237	8,045	Related tax impact	12.1	843,669	234,631
(4,156)	(14,940)			(1,566,813)	(435,743)
(13,386)	(18,895)	<b>Other comprehensive income - net of tax</b>		(1,981,593)	(1,403,655)
129,918	164,366	<b>Comprehensive income transferred to equity</b>		17,237,271	13,624,574
		<b>Components of comprehensive income not reflected in equity:</b>			
		<i>Items to be reclassified to profit and loss in subsequent periods:</i>			
154,451	(110,449)	Surplus on revaluation of available-for-sale securities		(11,582,989)	16,197,485
(36,324)	(37,478)	Related tax impact		(3,930,386)	(3,809,319)
118,127	(147,927)			(15,513,375)	12,388,166

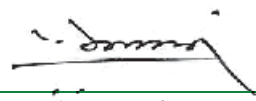
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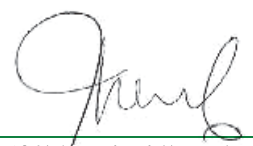
**Muneer Kamal**  
Chairman



**Syed Ahmed Iqbal Ashraf**  
President



**Muhammad Naeem**  
Director



**Iftikhar A. Allawala**  
Director

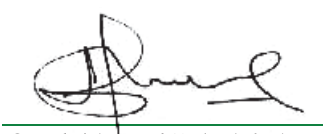
# UNCONSOLIDATED CASH FLOW STATEMENT

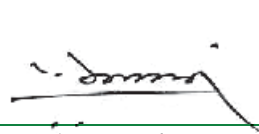
For the year ended December 31, 2015

2014	2015		Note	2015	2014
US Dollars in '000				Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
209,789	316,727	Profit before taxation		33,215,608	22,000,743
(20,831)	(31,083)	Less: Dividend income		(3,259,736)	(2,184,557)
188,958	285,644			29,955,872	19,816,186
Adjustments:					
19,419	12,408	Depreciation	11.2	1,301,250	2,036,530
4,136	6,044	Amortization	11.3	633,831	433,791
104,642	101,315	Provision against non-performing advances - net	10.3	10,625,053	10,973,968
4,218	12,577	Provision for diminution in the value of investments - net	9.9	1,319,016	442,347
(3,234)	(1,170)	(Reversal) / provision against off balance sheet obligations	18.1	(122,686)	(339,200)
(1,387)	(56)	Unrealized (gain) / loss on revaluation of investments classified as held-for-trading	9.10	(5,924)	(145,454)
(283)	(88)	Gain on sale of operating fixed assets	27	(9,224)	(29,643)
66	21	Financial charges on leased assets		2,234	6,909
13,353	14,060	Other provisions / write offs		1,474,478	1,400,434
140,930	145,111			15,218,028	14,779,682
329,888	430,755			45,173,900	34,595,868
(Increase) / decrease in operating assets					
(478,204)	876,788	Lendings to financial institutions - gross		91,950,084	(50,149,919)
(72,841)	79,367	Net investment in trading securities		8,323,325	(7,638,960)
(212,242)	364,126	Advances - net		38,186,420	(22,258,177)
(118,414)	83,026	Other assets (excluding advance tax)		8,707,072	(12,418,144)
(881,701)	1,403,307			147,166,901	(92,465,200)
Increase in operating liabilities					
(27,489)	(17,547)	Bills payable		(1,840,211)	(2,882,840)
133,079	(146,722)	Borrowings		(15,386,971)	13,956,143
1,262,373	1,883,363	Deposits and other accounts		197,511,108	132,386,916
88,865	(92,193)	Other liabilities (excluding current taxation)		(9,668,386)	9,319,367
1,456,828	1,626,901			170,615,540	152,779,586
(75,146)	(133,548)	Income tax paid		(14,005,367)	(7,880,584)
(66)	(21)	Financial charges paid		(2,234)	(6,909)
(75,212)	(133,569)			(14,007,601)	(7,887,493)
829,803	3,327,394	Net cash generated from operating activities		348,948,740	87,022,761
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(479,243)	(2,632,884)	Net investment in available-for-sale securities		(276,114,512)	(50,258,949)
(865,472)	(174,502)	Net investment in held-to-maturity securities		(18,300,279)	(90,763,386)
20,831	31,083	Dividend income received		3,259,736	2,184,557
(8,471)	(21,411)	Investment in operating fixed assets (including intangible)		(2,245,372)	(888,316)
(9,230)	(3,955)	Effects of exchange differences on translation of net assets of foreign branches		(414,780)	(967,912)
8,601	81,224	Investment in associates		8,518,102	902,024
633	229	Sale proceeds of operating fixed assets disposed off		24,007	66,499
(1,332,351)	(2,720,216)	Net cash used in investing activities		(285,273,098)	(139,725,483)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
(108)	(164)	Payments of lease obligations		(17,188)	(11,296)
(40,432)	(111,247)	Dividend paid		(11,666,593)	(4,240,173)
(40,540)	(111,411)	Net cash used in financing activities		(11,683,781)	(4,251,469)
(543,088)	495,767	<b>Increase / (Decrease) in cash and cash equivalents</b>		51,991,861	(56,954,191)
1,672,037	1,128,949	Cash and cash equivalents at beginning of the year		118,394,883	175,349,074
1,128,949	1,624,716	<b>Cash and cash equivalents at end of the year</b>	32	170,386,744	118,394,883

The annexed notes 1 to 45 and Annexure I to IV form an integral part of these unconsolidated financial statements.

  
**Muneer Kamal**  
 Chairman

  
**Syed Ahmed Iqbal Ashraf**  
 President

  
**Muhammad Naeem**  
 Director

  
**Iftikhar A. Allawala**  
 Director



## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

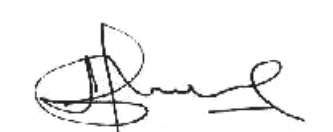
For the year ended December 31, 2015

Share capital	Reserves (refer note 19.4)				Unappropriated Profit	Total	
	Capital		Revenue				
	Exchange Translation	Statutory	General Loan Loss Reserve	General			
Rupees in '000							
Balance as at December 31, 2013	21,275,131	9,530,777	21,486,580	-	521,338	48,045,930	100,859,756
<b>Total comprehensive income for the year</b>							
Profit after tax for the year ended December 31, 2014	-	-	-	-	-	15,028,229	15,028,229
Other comprehensive income - net of tax	-	(967,912)	-	-	-	(435,743)	(1,403,655)
Transferred from surplus on revaluation of operating fixed assets	-	(967,912)	-	-	-	14,592,486	13,624,574
Transfer to statutory reserve	-	-	1,502,823	-	-	(1,502,823)	-
<b>Transactions with owners, recorded directly in equity</b>							
Cash dividend paid for the year ended December 31, 2013 (Rs. 2 per share)	-	-	-	-	-	(4,255,026)	(4,255,026)
<b>Balance as at December 31, 2014</b>	<b>21,275,131</b>	<b>8,562,865</b>	<b>22,989,403</b>	<b>-</b>	<b>521,338</b>	<b>57,006,813</b>	<b>110,355,550</b>
<b>Total comprehensive income for the year</b>							
Profit after tax for the year ended December 31, 2015	-	-	-	-	-	19,218,864	19,218,864
Other comprehensive income - net of tax	-	(414,780)	-	-	-	(1,566,813)	(1,981,593)
Transferred from surplus on revaluation of operating fixed assets	-	(414,780)	-	-	-	17,652,051	17,237,271
Transfer to statutory reserve	-	-	1,921,886	-	-	(1,921,886)	-
Transfer to general loan loss reserve	-	-	-	12,000,000	-	(12,000,000)	-
<b>Transactions with owners, recorded directly in equity</b>							
Cash dividend paid for the year ended December 31, 2014 (Rs. 5.5 per share)	-	-	-	-	-	(11,701,322)	(11,701,322)
<b>Balance as at December 31, 2015</b>	<b>21,275,131</b>	<b>8,148,085</b>	<b>24,911,289</b>	<b>12,000,000</b>	<b>521,338</b>	<b>49,155,590</b>	<b>116,011,433</b>


The annexed notes 1 to 45 and Annexure I to IV form an integral part of these unconsolidated financial statements.



**Muneer Kamal**  
Chairman



**Syed Ahmed Iqbal Ashraf**  
President



**Muhammad Naeem**  
Director



**Iftikhar A. Allawala**  
Director

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

## 1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange Limited. Its registered and head office is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,403 (2014: 1,354) branches in Pakistan and 21 (2014: 23) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services as trustee to Long-Term Credit Fund (LTCF) and Endowment Fund for student loans scheme.

## 2. BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government of Pakistan regarding shifting of banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible form of trade related mode of financing includes purchase of goods by the Bank from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches of the Bank have been disclosed in note 42 of these financial statements.

2.2 These are separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees which is done in the consolidated financial statements.

2.3 The US Dollar amounts shown on the statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 104.8715 to 1 US Dollar has been used for 2014 and 2015 as it was the prevalent rate as on December 31, 2015.

## 3. STATEMENT OF COMPLIANCE

3.1 These unconsolidated financial statements have been prepared in accordance with 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, the provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by SBP or SECP differ with the requirements of IFRSs or IFASs, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives shall prevail.

3.2 SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" 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 of various circulars issued by the SBP.

### 3.3 Application of new and revised International Financial Reporting Standards (IFRSs)

Following new standards became effective during the year:

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurements'. These standards became applicable from January 1, 2015, as per the adoption status of IFRS in Pakistan.

- IFRS 10 replaces the current guidance on consolidation in IAS 27 Consolidated and Separate Financial Statements. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable returns and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 did not result in any investee being in control of the Bank except for certain mutual funds in

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

previous year. However, SECP vide its notification dated January 28, 2016 has stated that the requirements of consolidation under section 237 of Companies Ordinance 1984 and IFRS 10 is not applicable in case investment by companies in mutual fund established under trust structure. Accordingly, the Bank has not consolidated the said funds in its financial statements.

- IFRS 11 replaces IAS 31 Interests in Joint Ventures. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The application of IFRS 11 did not result in identification of any associate as a joint venture.
- IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosures on the nature and risks associated with interests in unconsolidated structured entities.
- IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the financial statements of the Bank except for certain new disclosures as presented in note 36.

IAS 19 'Employee Benefits' requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendment became applicable for annual periods starting on or after July 1, 2014. The application of this amendment did not have any impact on these financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2013 that became effective during the year. These improvements to the standards did not have any material impact on the these financial statements.

### 3.4 New and revised approved accounting standards not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Bank's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – 'Consolidated Financial Statements' and IAS 28 – 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 1 January 2016] clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Bank's financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Bank's financial statements.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Currently, SBP circulars for accounting for investments in subsidiaries, joint ventures and associate, require these investments to be accounted for at cost.



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Bank's financial statements.
- The amendments to IAS 1 Presentation of Financial Statements clarify the materiality requirements in IAS 1 and the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit and loss and OCI.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
  - IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
  - IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
  - IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on Bank's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or interpretation	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

#### 4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for revaluation of land and buildings which are stated at revalued amount and certain investments and derivative financial instruments that are carried at fair value.

#### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year, except for the changes in disclosure due to standards that became effective during the year as described in note 3.3.

##### 5.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current and deposit accounts and call money lendings, less call money borrowings and overdrawn nostro accounts.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 5.2 Investments

Investments other than those categorised as held-for-trading are initially recognised at fair value which includes transactions costs associated with the investments. Investments classified as held-for-trading are initially recognised at fair value, and transaction costs are expensed in the profit and loss account.

All regular way purchases / sales of investments are recognised on the trade date, i.e., the date the Bank commits to purchase / sell the investments. Regular way purchases or sales of investments require delivery of securities within the time frame generally established by regulation or convention in the market place.

The Bank has classified its investment portfolio, except for investments in subsidiaries, associates and joint ventures, into 'held-for-trading', 'held-to-maturity' and 'available-for-sale' as follows:

- Held-for-trading – These are securities which are acquired with the intention to trade by taking advantage of short-term market / interest rate movements and are to be sold within 90 days. These are carried at market value, with the related unrealized gain / (loss) on revaluation being taken to profit and loss account.
- Held-to-maturity – These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortised cost.
- Available-for-sale – These are investments that do not fall under the held-for-trading or held-to-maturity categories. These are carried at market value except in case of unquoted securities where market value is not available, which are carried at cost less provision for diminution in value, if any. Surplus / (deficit) on revaluation is taken to 'surplus / (deficit) on revaluation of assets' account shown below equity. Provision for diminution in value of investments in respect of unquoted shares is calculated with reference to book value of the same. On derecognition or impairment in quoted available-for-sale investments, the cumulative gain or loss previously reported as 'surplus / (deficit) on revaluation of assets' below equity is included in the profit and loss account for the period.
- Provision for diminution in value of investments in unquoted debt securities is calculated as per the SBP's Prudential Regulations.

Held-for-trading and quoted available-for-sale securities are marked to market with reference to ready quotes on Reuters page (PKRV/ PKISRV) or MUFAP or the Stock Exchanges, as the case may be.

Investments in subsidiaries, associates and joint venture companies are stated at cost. Provision is made for impairment in value, if any.

### 5.3 Repurchase and resale agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective yield method.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position, as the Bank does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective yield method.

### 5.4 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the dates on which the derivative contracts are entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative instruments is taken to the profit and loss account.

### 5.5 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Bank becomes a party to the contractual provisions of the instrument. A financial asset is derecognised where (a) the rights to receive cash flows from the asset have expired; or (b) the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Bank has transferred substantially all the risks and rewards of the asset, or (ii) the Bank has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

### 5.6 Advances

Advances are stated net of specific and general provisions. Provisions are made in accordance with the requirements of Prudential Regulations issued by the SBP and charged to the profit and loss account. These regulations prescribe an age based criteria (as supplemented by subjective evaluation of advances by the banks) for classification of non-performing loans and advances and computing provision / allowance there against. Such regulations also require the Bank to maintain general provision / allowance against consumer and SME advances at specified percentage of such portfolio. General provision for loan losses of overseas branches is made as per the requirements of the respective central banks. Advances are written off where there are no realistic prospects of recovery.

### 5.7 Operating fixed assets and depreciation

#### Property and equipment

#### Owned assets

Property and equipment except land and buildings are stated at cost less accumulated depreciation and impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued amount less accumulated depreciation and impairment, if any. Cost of operating fixed assets of foreign branches include exchange differences arising on translation at year-end rates. Depreciation is charged to profit and loss account applying the straight line method except buildings, which are depreciated on diminishing balance method at the rates stated in note 11.2. Depreciation is charged from the month in which the assets are brought into use and no depreciation is charged for the month the assets are deleted.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in profit and loss account currently.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Land and buildings' valuations are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value.

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Assets account" shown below equity. The Bank has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the requirements of the Companies Ordinance, 1984 and SECP's SRO 45(1)/2003 dated January 13, 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to unappropriated profit through statement of changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

### **Leased assets (as lessee)**

Assets subject to finance lease are accounted for by recording the asset and the related liability. These are recorded at lower of fair value and the present value of minimum lease payments at the inception of lease and subsequently stated net of accumulated depreciation. Depreciation is charged on the basis similar to the owned assets. Financial charges are allocated over the period of lease term so as to provide a constant periodic rate of financial charge on the outstanding liability.

### **Ijarah (as lessor)**

Assets leased out under 'Ijarah' are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets under Ijarah are depreciated over the period of lease term. However, in the event the asset is expected to be available for re-Ijarah, depreciation is charged over the economic life of the asset using straight line basis.

Ijarah income is recognised on a straight line basis over the period of Ijarah contract.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to income applying the straight-line method at the rates stated in note 11.3. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### Capital work-in-progress

Capital work-in-progress is stated at cost. These are transferred to specific assets as and when assets are available for use.

### Impairment

The carrying values of operating fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, operating fixed assets are written down to their recoverable amounts.

The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount which would have been determined had there been no impairment. Reversal of impairment loss is recognized as income.

### 5.8 Deposits and their cost

Deposits are recorded at the fair value of proceeds received.

Deposit costs are recognised as an expense in the period in which these are incurred using effective yield method.

### 5.9 Taxation

#### Current

Provision of current taxation is based on taxable income for the year determined in accordance with the prevailing laws of taxation on income earned for local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax also includes adjustments wherever considered necessary relating to prior years, arising from assessments framed during the year.

#### Deferred

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised. Deferred tax is not recognised on differences relating to investment in subsidiaries and branches to the extent the deductible temporary difference probably will not reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit or deductible temporary differences will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to gain / loss recognized on surplus on revaluation of assets is charged / credited to such account.

### 5.10 Employee benefits

#### 5.10.1 Defined benefit plans

The Bank operates an approved funded pension scheme, an un-funded post retirement medical benefits scheme and an un-funded benevolent scheme for its eligible employees. The Bank also operates an un-funded gratuity scheme for its eligible contractual employees. An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. Past-service costs are recognized immediately in profit and loss account when the plan amendment occurs.

#### 5.10.2 Other employee benefits

##### Employees' compensated absences

The Bank also makes provision in the financial statements for its liability towards compensated absences. This liability is estimated on the basis of actuarial advice under the Projected Unit Credit method.

### 5.11 Revenue recognition

Income on loans and advances and debt security investments are recognized on a time proportion basis that takes into account effective yield on the asset. In case of advances and investments classified under the Prudential Regulations, interest / mark-up is recognized on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations of SBP.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Fee, brokerage and commission income other than commission on letter of credit and guarantees and remuneration for trustee services are recognized upon performance of services.

Commission on letters of credit and guarantees is recognized on time proportion basis.

Dividend income on equity investments and mutual funds is recognized when right to receive is established.

Premium or discount on debt securities classified as held-for-trading, available-for-sale and held-to-maturity securities is amortised using the effective interest method and taken to profit and loss account.

Gains and losses on disposal of investments and operating fixed assets are dealt with through the profit and loss account in the year in which they arise.

### 5.12 Foreign currencies translation

The Bank's financial statements are presented in Pak Rupees (Rs.) which is the Bank's functional and presentation currency.

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies and assets / liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at the rates applicable to their respective maturities. All gains or losses on dealing in foreign currencies are taken to profit and loss account currently.

Profit and loss account balances of foreign branches are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to other comprehensive income.

Items included in the financial statements of the Bank's foreign branches are measured using the currency of the primary economic environment in which the Bank operates (the functional currency).

Commitments for outstanding forward foreign exchange contracts are disclosed in these financial statements at committed amounts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.

### 5.13 Provision for off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations is made when the Bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit and loss account is stated net of expected recoveries.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 5.14 Off setting

Financial assets and financial liabilities are only set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Bank intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

### 5.15 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Bank in the statement of financial position.

### 5.16 Dividend and other appropriations

Dividend and appropriation to reserves, except appropriations which are required by the law, are recognised in the Banks' financial statements in the year in which these are approved.

### 5.17 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. There were no dilutive potential ordinary shares in issue at December 31, 2015.

### 5.18 Accounting estimates and judgments

The preparation of financial statements in conformity with Approved Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas of estimates and judgments in relation to these financial statements are as follows:

#### a) Provision against non-performing loans and advances

The Bank reviews its loan portfolio to assess amount of non-performing loans and determine provision required there against on a quarterly basis. While assessing this requirement various factors including the past dues, delinquency in the account, financial position of the borrower, value of collateral held and requirements of Prudential Regulations are considered except for loans and advances where relaxation has been allowed by SBP. General provision for loan losses of overseas branches is made as per the requirements of the respective central banks.

The amount of general provision against consumer and SME advances is determined in accordance with the relevant Prudential Regulations and SBP directives.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### b) Fair value of derivatives

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest and exchange rates over the term of the contract.

### c) Impairment of available-for-sale investments

The Bank considers that available-for-sale equity investments and mutual funds are impaired when there has been a significant or prolonged decline in the fair value below its cost except for investments where relaxation has been allowed by SBP. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

Further the Bank has developed internal criteria according to which a decline of 30% in the market value of any scrip below its cost shall constitute as a significant decline and where market value remains below the cost for a period of one year shall constitute as a prolonged decline.

### d) Held-to-maturity investments

The Bank follows the guidance provided in the SBP circulars on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. In making this judgment, the Bank evaluates its intention and ability to hold such investments till maturity.

### e) Income taxes

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

### f) Operating fixed assets, revaluation, depreciation and amortization

In making estimates of the depreciation / amortization method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern.

The Bank also revalues its properties on a periodic basis. Such revaluations are carried out by independent valuer and involves estimates / assumptions and various market factors and conditions.

### g) Employees' benefit plans

The liabilities for employees' benefits plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases, future inflation rates and future pension increases as disclosed in note 34. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

### f) Provision against contingencies

Provision against contingencies is determined based on the management judgement regarding the probability of future out flows of resources embodying economic benefits to settle an obligation arising from past events.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Note	2015 Rupees in '000	2014
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		22,053,710	24,480,677
Foreign currency		2,856,787	3,060,807
		<u>24,910,497</u>	<u>27,541,484</u>
With State Bank of Pakistan in			
Local currency current accounts	6.1	58,230,545	30,540,591
Local currency deposit account		-	-
		58,230,545	30,540,591
Foreign currency current account	6.2	3,992,844	4,634,783
Foreign currency deposit account	6.2	11,940,474	13,866,668
Foreign currency collection account		181,959	449,283
		16,115,277	18,950,734
With other central banks in			
Foreign currency current accounts	6.3	49,400,312	12,607,419
Foreign currency deposit accounts	6.3	2,243,147	8,331,273
		51,643,459	20,938,692
	32	<u>150,899,778</u>	<u>97,971,501</u>

**6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

**6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

**6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0.00% to 6.70% per annum (2014: 0.072% to 0.08% per annum).

	Note	2015 Rupees in '000	2014
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
On current account		-	-
On deposit account		6,775,367	266
		<u>6,775,367</u>	<u>266</u>
Outside Pakistan			
On current accounts		5,800,034	2,524,874
On deposit accounts	7.1	7,552,872	9,582,885
		13,352,906	12,107,759
	32	<u>20,128,273</u>	<u>12,108,025</u>



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

7.1 These include various deposits with correspondent banks and carry interest at rates ranging from 0.01% to 1.85% per annum (2014: 0.01% to 7.5% per annum).

	Note	2015 Rupees in '000	2014
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings	8.3	3,061,200	12,261,200
Repurchase agreement lendings (Reverse Repo)	8.4	4,633,316	99,527,408
Bai Muajjal	8.5	2,944,008	-
Letters of placement	8.6	173,500	173,500
	8.1	<u>10,812,024</u>	<u>111,962,108</u>
Less: Provision held against lendings	8.2	<u>(173,500)</u>	<u>(173,500)</u>
		<u>10,638,524</u>	<u>111,788,608</u>
<b>8.1 Particulars of lendings - gross</b>			
In local currency		10,812,024	111,962,108
In foreign currencies		-	-
		<u>10,812,024</u>	<u>111,962,108</u>
<b>8.2 Movement in provision held against lendings is as follows:</b>			
Opening balance		173,500	173,500
Charge for the year		-	-
Closing balance		<u>173,500</u>	<u>173,500</u>

8.3 These carry mark-up [excluding zero rate lending to a financial institution amounting to Rs. 61.200 million (2014: Rs. 61.200 million) which is guaranteed by the SBP] at 6.25% per annum (2014: 7% to 10.50% per annum) with maturity on January 05, 2016.

8.4 These carry mark-up at rates ranging from 6.3% to 6.4% per annum (2014: 7% to 10.50% per annum) with maturities ranging from January 4, 2016 to January 6, 2016.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 8.4.1 Securities held as collateral against lendings to financial institutions

	2015			2014		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	Rupees in '000			Rupees in '000		
Market Treasury Bills	3,908,316	-	3,908,316	72,182,408	-	72,182,408
Pakistan Investment Bonds	725,000	-	725,000	27,345,000	-	27,345,000
	<u>4,633,316</u>	<u>-</u>	<u>4,633,316</u>	<u>99,527,408</u>	<u>-</u>	<u>99,527,408</u>

8.4.2 Market value of the securities under repurchase agreement lendings amounts to Rs. 4,653 million (2014: Rs. 100,646 million).

8.5 This represents Bai Muajjal agreements entered into with Ministry of Finance, Government of Pakistan through SBP, whereby the Bank sold sukus having carrying value of Rs. 2,917 million on deferred payment basis. The average return on these transactions is 6% per annum. The balances are due to mature by November 2016.

8.6 These are overdue placements and full provision has been made against these placements at year-end.

## 9. INVESTMENTS

Note	2015			2014			
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total	
	Rupees in '000			Rupees in '000			
<b>9.1 Investments by type:</b>							
<b>Held-for-trading securities</b>							
Market Treasury Bills	29,825	-	29,825	4,644,243	-	4,644,243	
Pakistan Investment Bonds	1,439,315	-	1,439,315	5,142,298	-	5,142,298	
<b>Total held-for-trading securities</b>	<u>1,469,140</u>	<u>-</u>	<u>1,469,140</u>	<u>9,786,541</u>	<u>-</u>	<u>9,786,541</u>	
<b>Available-for-sale securities</b>							
Ordinary shares of listed companies	9.11 / 9.12	23,047,158	-	23,047,158	24,644,518	-	24,644,518
Ordinary shares of unlisted companies		1,118,263	-	1,118,263	1,363,080	-	1,363,080
Investments in mutual funds		986,275	-	986,275	2,511,608	-	2,511,608
Ordinary shares of a bank							
outside Pakistan	9.4	463,295	-	463,295	463,295	-	463,295
Preference shares		846,660	-	846,660	846,660	-	846,660
Market Treasury Bills		402,985,122	10,214,352	413,199,474	111,752,989	5,906,690	117,659,679
Pakistan Investment Bonds		161,777,009	93,031	161,870,040	194,478,241	-	194,478,241
GoP Foreign Currency Bonds		9,479,391	-	9,479,391	7,674,171	-	7,674,171
Foreign Currency Debt Securities		2,690,496	-	2,690,496	2,235,557	-	2,235,557
Foreign Government Securities		520,093	-	520,093	197,706	-	197,706
Term Finance Certificates / Musharika and Sukuk Bonds		33,651,254	-	33,651,254	19,088,145	-	19,088,145
<b>Total available-for-sale securities</b>		<u>637,565,016</u>	<u>10,307,383</u>	<u>647,872,399</u>	<u>365,255,970</u>	<u>5,906,690</u>	<u>371,162,660</u>
<b>Held-to-maturity securities</b>							
Pakistan Investment Bonds		107,575,573	-	107,575,573	106,838,847	-	106,838,847
Market Treasury Bills		7,826,760	-	7,826,760	-	-	-
GoP Foreign Currency Bonds		1,610,375	-	1,610,375	1,540,658	-	1,540,658
Foreign Government Securities		20,863,694	-	20,863,694	8,959,455	-	8,959,455
Foreign Currency Debt Securities		406	-	406	389	-	389
Debentures, Bonds, Sukus, Participation Term Certificates and Term Finance Certificates		811,144	-	811,144	3,048,324	-	3,048,324
<b>Total held-to-maturity securities</b>	9.3	<u>138,687,952</u>	<u>-</u>	<u>138,687,952</u>	<u>120,387,673</u>	<u>-</u>	<u>120,387,673</u>
<b>Investments in associates</b>	9.5	5,251,821	-	5,251,821	13,769,923	-	13,769,923
<b>Investments in joint venture</b>	9.6	2,362,433	-	2,362,433	2,362,433	-	2,362,433
<b>Investments in subsidiaries</b>	9.8	4,406,750	-	4,406,750	4,406,750	-	4,406,750
<b>Investments at cost</b>		<u>789,743,112</u>	<u>10,307,383</u>	<u>800,050,495</u>	<u>515,969,290</u>	<u>5,906,690</u>	<u>521,875,980</u>
<b>Less: Provision for diminution in value of investments</b>							
	9.9	(19,432,226)	-	(19,432,226)	(17,517,983)	-	(17,517,983)
<b>Investments (cost net of provisions)</b>		<u>770,310,886</u>	<u>10,307,383</u>	<u>780,618,269</u>	<u>498,451,307</u>	<u>5,906,690</u>	<u>504,357,997</u>
Unrealized gain on revaluation of investments classified as held-for-trading							
	9.10	5,924	-	5,924	145,454	-	145,454
Surplus / (deficit) on revaluation of available-for-sale securities							
	20.1	45,674,695	3,002	45,677,697	57,261,787	(1,101)	57,260,686
<b>Total investments - at carrying value</b>		<u>815,991,505</u>	<u>10,310,385</u>	<u>826,301,890</u>	<u>555,858,548</u>	<u>5,905,589</u>	<u>561,764,137</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

9.2 Investments by segments	Note	2015 Rupees in '000	2014
<b>Federal Government Securities</b>			
- Market Treasury Bills		421,056,059	122,303,922
- Pakistan Investment Bonds	9.2.1	270,884,928	306,459,386
- GoP Foreign Currency Bonds		11,089,766	9,214,829
- Ijarah Sukuk Bonds		980,684	2,024,349
		<u>704,011,437</u>	<u>440,002,486</u>
<b>Foreign Government Securities</b>			
		21,383,787	9,157,161
<b>Fully Paid up Ordinary Shares</b>			
- Listed Companies	9.11 / 9.12	23,047,158	24,644,518
- Unlisted Companies		1,118,263	1,363,080
- Ordinary shares of a bank listed outside Pakistan	9.4	463,295	463,295
		<u>24,628,716</u>	<u>26,470,893</u>
<b>Debentures, Bonds, Participation Term Certificates, Term Finance Certificates, Musharika and Sukuk Bonds</b>			
- Listed		2,449,349	2,542,543
- Unlisted		31,032,365	17,569,577
		<u>33,481,714</u>	<u>20,112,120</u>
<b>Foreign Currency Debt Securities</b>			
		2,690,902	2,235,946
<b>Other Investments</b>			
- Investments in mutual funds		986,275	2,511,608
- Preference Shares		846,660	846,660
<b>Investments in associates</b>			
	9.5	5,251,821	13,769,923
<b>Investments in joint venture</b>			
	9.6	2,362,433	2,362,433
<b>Investments in subsidiaries</b>			
	9.8	4,406,750	4,406,750
<b>Total investments at cost</b>			
		<u>800,050,495</u>	<u>521,875,980</u>
Provision for diminution in value of investments			
	9.9	(19,432,226)	(17,517,983)
<b>Investments (cost net of provisions)</b>			
		<u>780,618,269</u>	<u>504,357,997</u>
Unrealized gain on revaluation of investments classified as held-for-trading			
	9.10	5,924	145,454
Surplus on revaluation of available-for-sale securities			
	20.1	45,677,697	57,260,686
<b>Total investments - at carrying value</b>			
		<u>826,301,890</u>	<u>561,764,137</u>

**9.2.1** These carry fixed coupon rate ranging from 8.75% to 12% per annum (December 31, 2014: 8 to 12% per annum).

**9.3** Market value of held-to-maturity investments is Rs. 146,926 million (2014: Rs. 126,818 million).

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 9.4 Investment in shares of a bank incorporated outside Pakistan - Bank Al-Jazira

The Bank holds 23,333,333 (2014: 23,333,333) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 5.83% (2014: 5.83%) holding in total equity of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006. BAJ's Viability Rating is BB+ with short term and long term IDR at F2 and A- by Fitch Rating Agency.

			2015	2014
			Rupees in '000	
			Note	
<b>9.5 Investments in associates</b>				
<b>Unlisted Shares</b>				
	<b>Number of shares</b>	<b>Percentage of holding</b>		
Pakistan Emerging Venture Limited	12,500,000	33.33		50,563
Information System Associates Limited	2,300,000	21.89		1,719
National Fructose Company Limited	1,300,000	39.50		6,500
Venture Capital Fund Management	33,333	33.33		-
Kamal Enterprises Limited	11,000	20.37		-
Mehran Industries Limited	37,500	32.05		-
National Assets Insurance Company Limited	4,481,500	8.96		44,815
Tharparkar Sugar Mills Limited	2,500,000	21.52		-
Youth Investment Promotion Society	644,508	25.00		-
Dadabhoj Energy Supply Company Limited	9,900,000	23.11		32,105
K-Agricole Limited	5,000	20.00		-
New Pak Limited	200,000	20.00		-
Pakistan Mercantile Exchange Limited	9,000,000	32.65		90,000
Prudential Fund Management Limited	150,000	20.00		-
				225,702
				225,702
<b>Listed Shares</b>				
First Credit and Investment Bank Limited	20,000,000	30.77		157,429
National Fibres Limited	17,030,231	20.19		-
Taha Spinning Mills Limited	-	-		2,501
Land Mark Spinning Mills Limited	3,970,859	32.79		39,710
S.G. Fibres Limited	3,754,900	25.03		218,535
Nina Industries Limited	4,906,000	20.27		49,060
Agritech Limited	131,925,432	33.62	9.5.1 / 9.5.2 / 9.5.3	4,561,383
				5,026,117
				5,028,618
<b>Listed Mutual Funds</b>				
NAFA Income Opportunity Fund	-	-		35,920
NAFA Multi Asset Fund	-	-		42,124
NAFA Financial Sector Income Fund	-	-		659,832
NAFA Islamic Aggressive Income Fund	-	-		52,826
NAFA Islamic Multi Asset Fund	-	-		73,229
NAFA Government Securities Liquid Fund	-	-		3,467,643
NAFA Money Market Fund	-	-		3,267,269
NAFA Riba Free Savings Fund	-	-		476,730
NAFA Savings Plus Fund	-	-		440,030
			9.5.6	8,515,603
				5,251,819
				13,769,923
Less: Provision for diminution in value of investments (including an amount of Rs. 3,346 million (2014: Rs. 2,718 million) against Agritech Limited)			9.9.1 / 9.9.2	(3,955,809)
				1,296,010
				10,438,797

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- 9.5.1** The 120,426,432 shares (2014: 120,426,432) of Agritech Limited were acquired from Azgard Nine Limited as part of multiple agreements including the Master Restructuring Agreement (MRA). These shares were acquired at an agreed price of Rs. 35 per share. The market value of these shares at December 31, 2015 amounted to Rs. 9.35 per share resulting in an impairment of Rs. 3,090 million which has been fully recorded in these financial statements.

The Bank holds a put option in respect of 26,152,922 ordinary shares of Agritech Limited which is exercisable within 3 months starting from February 1, 2016. Under this put option, the Bank has a right to put these shares to the consortium banks at a price of Rs. 35 per share. The Bank has exercised this option subsequent to the year end.

There is also a put option available to Azgard Nine Limited, under which Azgard Nine Limited has the right to sell 58.29 million preference shares of Agritech Limited to the Bank at a price of Rs. 5.25 per share subject to the occurrence of certain events under the agreement.

Both these options have been valued and the resultant net gain of Rs. 364 million has been recognized in these financial statements.

- 9.5.2** The Bank is holding 33.62% of the shares in Agritech Limited which is in excess of limit of 30% set out in Regulation R-6(2) of Prudential Regulations and section 23(2) of Banking Companies Ordinance 1962. SBP has allowed the Bank exemption from R-6(2) of Prudential Regulations.

- 9.5.3** Aggregate market value of investments in associates (quoted) on the basis of latest available quoted prices amounts to Rs. 1,432 million (2014: Rs. 10,540 million).

- 9.5.4** Associates with zero carrying amount, represent the investments acquired from former NDFC which have negative equity or whose operations were closed at the time of amalgamation.

- 9.5.5** The details of break-up value based on latest available financial statements of unlisted investments in associates are as follows:

	Year / Period ended	Break-up value Rupees in '000
National Assets Insurance Limited	December 31, 2014	51,685
Pakistan Emerging Venture Limited	June 30, 2011	1,694
Information System Associates Limited	June 30, 2015	9,767
Dadabhoy Energy Supply Company Limited	June 30, 2007	103,952
Pakistan Mercantile Exchange Limited	June 30, 2015	(105,792)

- 9.5.6** During the year, the Bank has redeemed its investment in mutual funds managed by NBP Fullerton Asset Management Limited amounting to Rs. 8,516 million which has resulted in capital gain of Rs. 836 million.

	Note	2015 Rupees in '000	2014 Rupees in '000
<b>9.6 Investments in joint venture</b>			
United National Bank Limited (UNBL) (incorporated in United Kingdom)	9.6.1	2,362,433	2,362,433



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

**9.6.1** Under a joint venture agreement, the Bank holds 20.25 million ordinary shares (45%) and United Bank Limited (UBL) holds 23.25 million ordinary shares (55%) in UNBL. In addition to ordinary shares, four preference shares categories as "A", "B", "C" and "D" have been issued and allotted. The "B" and "D" category shares are held by the Bank and category "A" and "C" are held by UBL. Dividends payable on "A" and "B" shares are related to the ability of the venture to utilize tax losses that have been surrendered to it on transfer of business from the Bank or UBL as appropriate. Dividends payable on "C" and "D" shares are related to loans transferred to the venture by the Bank or UBL that have been written-off or provided for at the point of transfer and the ability of the venture to realize in excess of such loan value.

#### 9.7 Summary of financial information of associates and joint venture

		2015				
Based on the financial statements as on		Assets	Liabilities	Equity	Revenue	Profit / (loss)
		Rupees in '000				
United National Bank Limited	December 31, 2015	71,978,338	44,706,143	11,727,616	3,355,003	2,040,780
First Credit and Investment Bank Limited	September 30, 2015	677,261	13,956	663,305	42,157	(611)
Agritech Limited	September 30, 2015	49,349,923	41,686,908	7,663,015	1,667,212	(2,122,870)
		2014				
Based on the financial statements as on		Assets	Liabilities	Equity	Revenue	Profit / (loss)
		Rupees in '000				
United National Bank Limited	December 31, 2013	66,091,688	58,204,343	7,887,345	3,257,921	1,083,395
First Credit and Investment Bank Limited	December 31, 2013	766,270	121,982	644,288	29,615	2,120
Agritech Limited	December 31, 2013	44,239,183	34,999,150	9,240,033	8,627,668	(3,382,156)
NAFA Riba Free Saving Fund	December 31, 2014	1,297,833	25,231	1,272,602	219,464	171,672
NAFA Income Opportunity Fund	December 31, 2014	5,944,559	525,437	5,419,122	583,413	627,369
NAFA Multi Asset Fund	December 31, 2014	1,463,930	49,630	1,414,300	317,252	288,303
NAFA Financial Sector Income Fund	December 31, 2014	1,986,626	46,344	1,940,282	278,084	218,564
NAFA Islamic Aggressive Income Fund	December 31, 2014	821,697	86,178	735,519	46,684	51,332
NAFA Islamic Asset Allocation Fund	December 31, 2014	1,126,816	24,987	1,101,829	176,058	174,469
NAFA Government Securities Liquid Fund	December 31, 2014	9,771,120	195,630	9,575,490	1,270,812	1,051,549
NAFA Money Market Fund	December 31, 2014	14,533,668	186,134	14,347,534	1,219,650	1,015,959
NAFA Savings Plus Fund	December 31, 2014	1,275,680	26,897	1,248,783	225,049	167,324

#### 9.8 Investments in subsidiaries

	Note	Percentage of holding	2015	2014
			Rupees in '000	
NBP Leasing Limited		100.00	500,000	500,000
CJSC Subsidiary Bank of NBP in Kazakhstan		100.00	2,185,644	2,185,644
CJSC Subsidiary Bank of NBP in Tajikistan		100.00	953,783	953,783
NBP Exchange Company Limited		100.00	300,000	300,000
NBP Modaraba Management Company Limited		100.00	105,000	105,000
Taurus Securities Limited		58.32	24,725	24,725
Cast-N-Link Products Limited		76.51	1,245	1,245
NBP Fullerton Asset Management Limited		54.00	336,353	336,353
			4,406,750	4,406,750
Less: Provision for diminution in value of investments	9.9.1 / 9.9.2		(720,420)	(51,245)
			<u>3,686,330</u>	<u>4,355,505</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	Note	2015 Rupees in '000	2014
<b>9.9 Particulars of provision for diminution in value of investments</b>			
Opening balance		17,517,983	15,416,719
Charge for the year		2,406,249	3,024,804
Reversals for the year		(1,087,233)	(2,582,457)
		1,319,016	442,347
Transfer from advances	10.3	595,227	1,366,790
Transfer from suspended interest		-	292,127
Closing balance	9.9.1 / 9.9.2	<u>19,432,226</u>	<u>17,517,983</u>
<b>9.9.1 Particulars of provision in respect of type</b>			
<b>Available-for-sale securities</b>			
Ordinary shares of listed companies and mutual funds		3,329,066	3,702,638
Ordinary shares of unlisted companies		398,923	376,135
Debentures, Bonds, Participation Term Certificates, Term Finance Certificates and Sukuk Bonds		9,962,240	8,980,511
Preference shares		446,444	446,444
<b>Held-to-maturity securities</b>			
Debentures, Bonds, Participation Term Certificates, and Term Finance Certificates		619,324	629,884
<b>Investments in associates</b>	9.5	3,955,809	3,331,126
<b>Investments in subsidiaries</b>	9.8 / 9.9.2.1	720,420	51,245
		<u>19,432,226</u>	<u>17,517,983</u>
<b>9.9.2 Particulars of provision in respect of segments</b>			
Fully Paid up Ordinary Shares		3,670,113	3,984,307
Debentures, Bonds, Participation Term Certificates, Term Finance Certificates and Sukuk Bonds	9.9.3 / 9.9.4	10,581,564	9,610,395
Other investments		504,320	540,910
Investments in associates	9.5	3,955,809	3,331,126
Investments in subsidiaries	9.8 / 9.9.2.1	720,420	51,245
		<u>19,432,226</u>	<u>17,517,983</u>

**9.9.2.1** Provision against subsidiaries includes an amount of Rs. 661 million (2014: Nil) against investment in CJSC Subsidiary Bank of NBP in Kazakhstan.

**9.9.3** In accordance with BSD Circular No. 11 dated October 21, 2011 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) against non-performing investments, which resulted in decrease in provision for diminution in value of investments by Rs. 858 million (2014: Rs. 1,191 million). Accordingly, as of December 31, 2015, the accumulated increase in profit after tax of Rs. 558 million (2014: Rs. 774 million) shall not be available for payment of cash or stock dividend / bonus to employees as required by aforementioned SBP directive.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	2015	2014
	Rupees in '000	
<b>9.10 Unrealized gain / (loss) on revaluation of investments classified as held-for-trading</b>		
Ordinary shares of listed companies	-	-
Federal Government securities	5,924	145,454
	5,924	145,454
<b>9.11</b> The investments in shares include shares of Pakistan State Oil Company Limited, Sui Northern Gas Pipeline Limited and Pakistan Engineering Company with cost of Rs. 4,603 million (2014: Rs: 4,165 million) that have been frozen by the Government of Pakistan for sale in the equity market due to their proposed privatization.		
<b>9.12</b> The investments also include shares acquired under tri-partite consent agreement dated June 29, 2011. These strategic investments comprise of the shares of Pakistan State Oil (22,022,713 shares) and shares of Sui Northern Gas Pipeline Limited (18,805,318 shares). The cost of these shares amounts to Rs. 4,602 million and market value as at December 31, 2015 amounts to Rs. 7,626 million. These shares cannot be sold without concurrence of privatization commission.		
<b>9.13</b> Detailed information relating to investments in shares of listed and unlisted companies, Preference Shares, Mutual Funds, Government Securities, Bonds, Debentures, Term Finance Certificates, Participation Term Certificate, Sukuks etc. including quality of available-for-sale securities is given in Annexure-I to the financial statements.		

	Note	2015	2014
		Rupees in '000	
<b>10. ADVANCES</b>			
Loans, cash credits, running finances, etc.			
In Pakistan		621,228,625	648,391,732
Outside Pakistan		54,341,432	53,702,449
		675,570,057	702,094,181
Bills discounted and purchased (excluding Government treasury bills)			
Payable in Pakistan		8,664,566	15,419,949
Payable outside Pakistan		7,387,939	10,549,928
		16,052,505	25,969,877
Advances - gross	10.1	691,622,562	728,064,058
Less: Provision against non-performing advances	10.3	113,729,952	101,359,975
Advances - net of provision		577,892,610	626,704,083
<b>10.1 Particulars of advances - gross</b>			
<b>10.1.1</b> In local currency		612,782,174	658,019,439
In foreign currencies		78,840,388	70,044,619
		691,622,562	728,064,058
<b>10.1.2</b> Short-term (for upto one year)		498,788,527	482,372,430
Long-term (for over one year)		192,834,035	245,691,628
		691,622,562	728,064,058

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

10.2 Advances include Rs. 127,280 million (2014: Rs. 120,841 million) which have been placed under non-performing status (refer note 10.4.4) as detailed below:

Category of Classification	2015								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	Rupees in '000								
Other Assets Especially Mentioned	2,069,365	-	2,069,365	19,476	-	19,476	19,476	-	19,476
Substandard	7,057,274	83,227	7,140,501	1,582,057	20,807	1,602,864	1,582,057	20,807	1,602,864
Doubtful	2,610,175	152,627	2,762,802	997,687	76,358	1,074,045	997,687	76,358	1,074,045
Loss	83,647,608	31,660,021	115,307,629	78,133,816	29,935,390	108,069,206	78,133,816	29,935,390	108,069,206
	95,384,422	31,895,875	127,280,297	80,733,036	30,032,555	110,765,591	80,733,036	30,032,555	110,765,591

Category of Classification	2014								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	Rupees in '000								
Other Assets Especially Mentioned	1,228,018	-	1,228,018	1,348	-	1,348	1,348	-	1,348
Substandard	9,892,979	62,851	9,955,830	2,219,876	14,522	2,234,398	2,219,876	14,522	2,234,398
Doubtful	4,613,073	10,887,971	15,501,044	1,975,848	4,673,828	6,649,676	1,975,848	4,673,828	6,649,676
Loss	74,921,485	19,234,992	94,156,477	72,404,126	16,868,963	89,273,089	72,404,126	16,868,963	89,273,089
	90,655,555	30,185,814	120,841,369	76,601,198	21,557,313	98,158,511	76,601,198	21,557,313	98,158,511

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

Note	2015						2014					
	Specific		General		Total		Specific		General		Total	
	Rupees in '000											
Opening balance	98,158,511	3,201,464	101,359,975	89,736,638	2,858,447	92,595,085						
Foreign exchange adjustments	859,521	16,855	876,376	(495,074)	(25,920)	(520,994)						
Charge for the year	15,775,601	227,540	16,003,141	14,777,114	368,937	15,146,051						
Reversal during the year	(4,896,590)	(481,498)	(5,378,088)	(4,172,083)	-	(4,172,083)						
	10,879,011	(253,958)	10,625,053	10,605,031	368,937	10,973,968						
Transfer (out) / in		9.9 / 18.1	899,465	-	899,465	(1,650,189)						(1,650,189)
Amount charged off		10.4.5	(18,227)	-	(18,227)	(5,272)						(5,272)
Amounts written off		10.5	(12,690)	-	(12,690)	(32,623)						(32,623)
Closing balance	110,765,591	2,964,361	113,729,952	98,158,511	3,201,464	101,359,975						

### 10.4 Particulars of provisions against non-performing advances

	2015						2014					
	Specific		General		Total		Specific		General		Total	
	Rupees in '000											
In local currency	80,733,036	2,747,891	83,480,927	76,601,198	2,685,728	79,286,926						
In foreign currencies	30,032,555	216,470	30,249,025	21,557,313	515,736	22,073,049						
	110,765,591	2,964,361	113,729,952	98,158,511	3,201,464	101,359,975						

10.4.1 In accordance with BSD Circular No. 11 dated October 21, 2011 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) against non-performing advances which resulted in decrease in provision against NPLs by Rs. 3,598 million (2014: Rs. 3,542 million). Accordingly, as of December 31, 2015, the accumulated profit after tax of Rs. 2,338 million (2014: Rs. 2,302 million) shall not be available for payment of cash or stock dividend / bonus to employees as required by aforementioned SBP directive.

10.4.2 General provision against consumer and SME loans represents provision maintained at an amount ranging from 1% to 5% of the performing portfolio as required by the Prudential Regulations issued by the SBP.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

- 10.4.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan.
- 10.4.4** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of ASG Metals Private Limited and its associated companies till September 30, 2017. Had that relaxation not provided, the amount of non-performing loans would have been higher by Rs. 1,654 million and provision would have been higher by Rs. 923 million.
- 10.4.5** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	2015 Rupees in '000	2014 Rupees in '000
<b>10.5 Particulars of write offs</b>			
<b>10.5.1</b> Against provisions	10.3	12,690	32,623
<b>10.5.2</b> Write offs of Rs. 500,000 and above	10.6	10,948	32,403
Write offs of below Rs. 500,000		1,742	220
		<u>12,690</u>	<u>32,623</u>

### 10.6 Details of loans written-off of Rs. 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rs. 500,000 or above allowed to a person(s) during the year ended December 31, 2015 is given in Annexure II.

		2015 Rupees in '000	2014 Rupees in '000
<b>10.7 Particulars of loans and advances to directors, associated companies, etc.</b>			
Debts due by directors, executives, officers and staff of the Bank or any of them either severally or jointly with any other person:			
Balance at beginning of the year		30,839,116	26,782,505
Loans granted / additions during the year		4,341,870	7,347,684
Repayments		(3,808,466)	(3,291,073)
Balance at end of the year		<u>31,372,520</u>	<u>30,839,116</u>
Debts due by companies or firms in which the directors of the Bank are interested as directors, partners or in the case of private companies as members:			
Balance at beginning of the year		9,115,000	9,613,756
Adjustment due to retirement / appointment of directors		(1,154,000)	347,962
Loans granted / additions during the year		62,566,778	11,577,858
Repayments / other adjustments		(64,507,666)	(12,424,576)
Balance at end of the year		<u>6,020,112</u>	<u>9,115,000</u>
Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties:			
Balance at beginning of the year		6,014,168	6,252,841
Loans granted / additions during the year		-	-
Repayments		(458,494)	(238,673)
Balance at end of the year		<u>5,555,674</u>	<u>6,014,168</u>





## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Cost / revalued amount			Accumulated depreciation				Book Value at December 31, 2014	Rate of depreciation	
	At January 1, 2014	Revaluation	Additions / (deletions)/ (adjustments)	At December 31, 2014	At January 1, 2014	Charge for the year / (deletions)	Revaluation / (adjustments)			At December 31, 2014
----- Rupees in '000 -----										
<b>Owned</b>										
Land										
- freehold	11,110,151	93,547	- (350)	11,203,348	-	-	-	-	11,203,348	Nil
- leasehold	10,124,953	170,624	42,967 (80)	10,338,464	-	-	-	-	10,338,464	Nil
Buildings on land:										
- freehold	2,752,533	7,010	107,765 -	2,867,308	-	147,761	-	147,761	2,719,547	5% on book value
- leasehold	2,484,435	24,240	169,121 -	2,677,796	-	111,672	-	111,672	2,566,124	5% on book value
Furniture and fixtures	3,159,704	-	225,945 (12,425) (20,735)	3,352,489	1,842,086	610,084 (7,180)	-	2,444,990	907,499	20% on cost
Computer and peripheral equipment	3,232,304	-	201,307 (609) 374,527	3,807,529	2,930,888	461,425 (410)	-	3,391,903	415,626	33.33% on cost
Electrical and office equipment	3,527,758	-	168,538 (141) 204,773	3,900,928	2,319,906	442,579 (59)	-	2,762,426	1,138,502	20% on book value
Vehicles	1,362,961	-	1,608 (113,004) (141,278)	1,110,287	835,316	152,143 (93,414)	-	894,045	216,242	20% on cost
	37,754,799	295,421	917,251 (126,179) 416,857	39,258,149	7,928,196	1,925,664 (101,063) -	-	9,752,797	29,505,352	
<b>Assets held under finance lease</b>										
Vehicles	212,301	-	- (57,911) -	154,390	141,976	35,220 (46,172)	-	131,024	23,366	20% on cost
<b>Assets given under Ijarah</b>										
Machinery	331,625	-	145,334 -	476,959	241,851	75,646 -	-	317,497	159,462	25-33% on cost
<b>2014</b>	<b>38,298,725</b>	<b>295,421</b>	<b>1,062,585 (184,090) 416,857</b>	<b>39,889,498</b>	<b>8,312,023</b>	<b>2,036,530 (147,235)</b>	<b>-</b>	<b>10,201,318</b>	<b>29,688,180</b>	

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 11.3 Intangible assets

	Cost		Accumulated amortization			Book value at December 31, 2015	Rate of amortization	
	At January 1, 2015	Additions	At December 31, 2015	At January 1, 2015	Charge for the year			At December 31, 2015
	----- Rupees in '000 -----							
Core Banking Application	1,328,910	371,628	1,700,538	418,447	633,831	1,052,278	33.33 % on cost	
	1,328,910	371,628	1,700,538	418,447	633,831	1,052,278	648,260	
	Cost		Accumulated amortization			Book value at December 31, 2014	Rate of amortization	
	At January 1, 2014	Additions	At December 31, 2014	At January 1, 2014	Charge for the year			At December 31, 2014
	----- Rupees in '000 -----							
Core Banking Application	-	1,328,910	1,328,910	-	418,447	418,447	910,463	33.33 % on cost
Computer Software	127,239	-	127,239	111,895	15,344	127,239	-	33.33 % on cost
	127,239	1,328,910	1,456,149	111,895	433,791	545,686	910,463	

11.4 Had there been no revaluation, the carrying amount of revalued assets at December 31, 2015 would have been as follows:

	Rupees in '000
Land	
freehold	1,132,637
leasehold	915,584
Building	
freehold	653,243
leasehold	706,126

11.5 The Ijarah payments receivable from customers for each of the following periods under the terms of the respective agreements are given below:

	2015	2014
	Rupees in '000	
Not later than one year	83,926	76,594
Later than one year but not later than five years	180,236	128,880
	<u>264,162</u>	<u>205,474</u>

The rate of profit is 6 months KIBOR + 2.5% (2014: 6 months KIBOR + 2.5%).

#### 11.6 Details of disposals of property and equipment

Details of disposals of property and equipment made to chief executive or a director or an executive or a shareholder holding not less than ten percent of the voting shares of the Bank or any related party, irrespective of the value, or where original cost or the book value exceeds rupees one million or two hundred fifty thousand rupees respectively, whichever is lower are given in Annexure III.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Note	2015 Rupees in '000	2014 Rupees in '000
<b>12. DEFERRED TAX ASSETS - net</b>			
<b>Deductible temporary difference on:</b>			
Provision for diminution in the value of investments		4,098,309	3,636,653
Provision against non-performing advances		8,000,570	7,092,841
Other provision		2,278,867	1,762,799
Provision against defined benefits plans		10,807,811	9,031,229
Unrealised loss on derivatives		691,907	691,907
Provision against off-balance sheet obligation		116,622	116,622
		<u>25,994,086</u>	<u>22,332,051</u>
<b>Taxable temporary differences on:</b>			
Excess of accounting book value of leased assets over lease liabilities		(8,097)	(3,720)
Revaluation of securities	20.1	(15,104,136)	(11,173,750)
Operating fixed assets		(1,212,494)	(1,277,072)
		<u>(16,324,727)</u>	<u>(12,454,542)</u>
Net deferred tax assets		<u>9,669,359</u>	<u>9,877,509</u>

### 12.1 Reconciliation of deferred tax

	January 1, 2014	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income / Surplus on revaluation of assets	December 31, 2014	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income / Surplus on revaluation of assets	December 31, 2015
----- Rupees in '000 -----							
<b>Deferred tax assets arising in respect of:</b>							
Provision for diminution in the value of investments	3,481,832	154,821	-	3,636,653	461,656	-	4,098,309
Provision against advances	6,634,726	458,115	-	7,092,841	907,729	-	8,000,570
Other provision	1,272,647	490,152	-	1,762,799	516,068	-	2,278,867
Provision against defined benefits plans	7,740,890	1,055,708	234,631	9,031,229	932,913	843,669	10,807,811
Unrealised loss / (gain) on derivatives	691,907	-	-	691,907	-	-	691,907
Provision against off-balance sheet obligations	116,622	-	-	116,622	-	-	116,622
	<u>19,938,624</u>	<u>2,158,796</u>	<u>234,631</u>	<u>22,332,051</u>	<u>2,818,366</u>	<u>843,669</u>	<u>25,994,086</u>
<b>Less: Deferred tax (liabilities) arising in respect of:</b>							
Excess of accounting book value of leased assets over lease liabilities	(16,202)	12,482	-	(3,720)	(4,377)	-	(8,097)
Revaluation of securities	(7,364,431)	-	(3,809,319)	(11,173,750)	-	(3,930,386)	(15,104,136)
Operating fixed assets	(1,602,983)	336,849	(10,938)	(1,277,072)	64,578	-	(1,212,494)
	<u>(8,983,616)</u>	<u>349,331</u>	<u>(3,820,257)</u>	<u>(12,454,542)</u>	<u>60,201</u>	<u>(3,930,386)</u>	<u>(16,324,727)</u>
Net deferred tax assets	<u>10,955,008</u>	<u>2,508,127</u>	<u>(3,585,626)</u>	<u>9,877,509</u>	<u>2,878,568</u>	<u>(3,086,717)</u>	<u>9,669,359</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Note	2015 Rupees in '000	2014
<b>13. OTHER ASSETS</b>			
Income / mark-up accrued in local currencies		28,523,593	33,914,250
Income / mark-up accrued in foreign currencies		1,572,749	1,648,165
Advances, deposits, advance rent and other prepayments	13.1	4,755,682	3,983,153
Advance taxation (payments less provisions)		10,565,071	13,435,016
Income tax refunds receivable		22,237,149	25,462,171
Compensation for delayed tax refunds	13.6	2,793,522	1,208,251
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		271,040	273,650
Branch adjustment account - net		1,498,108	1,248,281
Unrealized gain on forward foreign exchange contracts		1,995,434	1,079,206
Unrealized gain on derivatives	9.5.1	364,800	-
Commission receivable on Govt. treasury transactions		5,145,471	5,676,197
Stationery and stamps on hand		281,133	290,829
Non-banking assets acquired in satisfaction of claims	13.2	1,419,746	1,419,377
Barter trade balances		195,399	195,399
Receivable on account of Government transactions	13.3	323,172	323,172
Receivable from Government under VHS scheme	13.4	418,834	418,834
Prize bonds in hand		234,578	294,731
Receivable against sale of shares		7,143	47,445
Others		2,363,345	5,684,279
		<u>84,965,969</u>	<u>96,602,406</u>
Less: Provision held against other assets	13.5	6,070,807	5,557,491
Other assets (net of provision)		<u>78,895,162</u>	<u>91,044,915</u>

**13.1** This includes Rs. 2,300 million (2014: Rs. 800 million) advance against Pre-IPO placement of Term Finance Certificates.

**13.2** The market value of non-banking assets acquired in satisfaction of claims is Rs. 2,713 million (2014: Rs. 2,358 million).

**13.3** This represents amount receivable from GoP on account of encashment of various instruments handled by the Bank for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.

**13.4** This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

	Note	2015 Rupees in '000	2014
<b>13.5 Provision against other assets</b>			
Opening balance		5,557,491	5,193,517
Charge for the year	13.5.1	533,460	378,776
Reversals for the year		-	-
		533,460	378,776
Write offs		(2,586)	(14,802)
Reclassifications		(17,558)	-
Closing balance		<u>6,070,807</u>	<u>5,557,491</u>

**13.5.1** This mainly includes provision made on account of financial improprieties and CIRC assets.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

13.6 Reconciliation of compensation for delayed tax refunds	Note	2015 Rupees in '000	2014
Opening balance		1,208,251	2,094,062
Accrued during the year		1,585,271	3,369,429
Received during the year		-	(4,255,240)
Closing balance		<u>2,793,522</u>	<u>1,208,251</u>
<b>14. BILLS PAYABLE</b>			
In Pakistan		8,958,569	10,724,230
Outside Pakistan		213,047	287,597
		<u>9,171,616</u>	<u>11,011,827</u>
<b>15. BORROWINGS</b>			
In Pakistan		18,535,140	34,013,406
Outside Pakistan		3,376,050	3,528,091
	15.1 & 15.2	<u>21,911,190</u>	<u>37,541,497</u>
<b>15.1 Particulars of borrowings with respect to currencies</b>			
In local currency		18,535,140	34,013,406
In foreign currencies		3,376,050	3,528,091
	15.2	<u>21,911,190</u>	<u>37,541,497</u>
<b>15.2 Details of borrowings</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan:			
Under Export Refinance Scheme		4,612,557	6,065,708
Under Export Refinance Scheme (New Scheme)		2,262,393	2,330,874
Under Long-Term Financing under Export Oriented Project (LTF-EOP)		-	63,889
Refinance Facility for Modernization of SMEs		20,940	7,880
Financing Facility for Revival of SMEs & Agricultural Activities in Flood affected areas		-	-
Financing Facility for storage of Agriculture Produce (FFSAP)		591,625	221,128
Under Long-Term Financing Facility (LTF)		348,800	1,505,325
		<u>7,836,315</u>	<u>10,194,804</u>
Repurchase agreement borrowings		10,301,568	5,902,523
		<u>18,137,883</u>	<u>16,097,327</u>
<b>Unsecured</b>			
Call borrowings	32	3,376,063	3,528,147
Commodity Morabaha		-	17,427,527
Overdrawn nostro accounts	32	326,444	417,696
Others		70,800	70,800
		<u>3,773,307</u>	<u>21,444,170</u>
		<u>21,911,190</u>	<u>37,541,497</u>
<b>15.3 Mark-up / interest rates and other terms are as follows:</b>			
-			
- The Bank has entered into agreements with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up ranging from 4.5 % to 7.0 % (2014: 7.5 % to 8.4 %).			



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

- Repurchase agreement borrowings carry mark-up at the rates ranging from 5.00% to 9.60% per annum (2014: 6.75% to 10.15% per annum) having maturity ranging from January 4, 2016 to April 21, 2016.
- Call borrowings carry interest ranging from 5% to 9.5% per annum (2014: 6.75% to 10.15% per annum).
- Unsecured borrowings "Others" carry interest at the rate of 10% per annum (2014: 10% per annum).

**15.4** Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.

	Note	2015 Rupees in '000	2014 Rupees in '000
<b>16. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		330,346,703	289,069,976
Savings deposits		382,223,751	348,098,999
Current accounts - remunerative		183,332,050	159,042,873
Current accounts - non-remunerative		329,949,263	267,450,272
		1,225,851,767	1,063,662,120
<b>Financial Institutions</b>			
Remunerative deposits		109,610,825	61,329,041
Non - remunerative deposits		95,574,006	108,534,329
		205,184,831	169,863,370
	16.1	1,431,036,598	1,233,525,490
<b>16.1 Particulars of deposits</b>			
In local currency		1,198,841,189	1,030,225,065
In foreign currencies [including deposits of foreign branches of Rs. 158,964 million (2014: Rs. 106,172 million)]		232,195,409	203,300,425
		1,431,036,598	1,233,525,490

### 17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2015			2014		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	Rupees in '000			Rupees in '000		
Not later than one year	12,702	2,590	10,112	13,975	1,237	12,738
Later than one year and but not later than five years	35,121	9,433	25,688	-	-	-
	47,823	12,023	35,800	13,975	1,237	12,738

The Bank has entered into lease agreements with First National Bank Modaraba (a related party) for lease of vehicles. Lease rentals are payable in quarterly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rates ranging from KIBOR + 2.95% to KIBOR + 3.3% per annum (2014: KIBOR + 3.00% to KIBOR + 3.50% per annum). At the end of lease term, the Bank has option to acquire the assets, subject to adjustment of security deposits.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

18. OTHER LIABILITIES	Note	2015 Rupees in '000	2014
Mark-up / return / interest payable in local currency		14,023,331	22,076,129
Mark-up / return / interest payable in foreign currencies		252,916	196,318
Unearned commission and income on bills discounted		346,243	86,773
Accrued expenses		5,071,191	5,977,813
Advance payments		33,430	205,008
Unclaimed dividends		164,414	129,685
Unrealized loss on forward foreign exchange contracts		1,572,385	3,356,570
Provision against off balance sheet obligations	18.1	627,494	2,244,872
Provision against contingencies	18.2	2,818,525	1,826,821
Employee benefits:			
Pension fund	34.1.2	8,435,332	7,531,649
Post-retirement medical benefits	34.1.3	11,268,022	10,220,524
Benevolent fund	34.1.4	1,830,831	1,624,009
Gratuity scheme	34.1.5	1,001,423	892,157
Compensated absences	34.2.1	5,709,230	5,364,523
Staff welfare fund		371,257	371,257
Liabilities relating to:			
Barter trade agreements		14,282,581	13,776,432
Special separation package		-	78,422
Payable to brokers		609	2,203
Others		8,045,490	6,672,699
		<u>75,854,704</u>	<u>82,633,864</u>

### 18.1 Provision against off balance sheet obligations

Opening balance		2,244,872	1,162,256
Charge / (reversal) for the year		(122,686)	(339,200)
Transfer from / (to) advances	10.3	(1,494,692)	283,399
Transfer from suspended interest		-	1,138,417
Closing balance	18.1.1	<u>627,494</u>	<u>2,244,872</u>

**18.1.1** This represents provision against non-funded exposure of borrowers where the Bank considers that the borrower will not be able to meet its contractual obligations at the time of amount becoming due.

18.2 Provision against contingencies		2015 Rupees in '000	2014
Opening balance		1,826,821	879,468
Charge during the year	18.2.1	938,282	947,353
Reclassification		53,422	-
Closing balance		<u>2,818,525</u>	<u>1,826,821</u>

**18.2.1** This represents provision made on account of regulatory violations and reported instances of financial improprieties for which investigations are in progress.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 19. SHARE CAPITAL

##### 19.1 Authorized

2014	2015		2015	2014
Number of shares			Rupees in '000	
<u>2,500,000,000</u>	<u>2,500,000,000</u>	Ordinary shares of Rs.10 each	<u>25,000,000</u>	<u>25,000,000</u>

##### 19.2 Issued, subscribed and paid-up

		Ordinary shares of Rs.10 each		
140,388,000	140,388,000	Fully paid in cash	1,403,880	1,403,880
<u>1,987,125,100</u>	<u>1,987,125,100</u>	Issued as fully paid bonus shares	<u>19,871,251</u>	<u>19,871,251</u>
<u>2,127,513,100</u>	<u>2,127,513,100</u>		<u>21,275,131</u>	<u>21,275,131</u>

The Federal Government and the SBP held 75.60% (2014: 75.60%) shares of the Bank as at December 31, 2015.

	2015	2014
	Number of shares	
<b>19.3 Shares of the Bank held by subsidiary and associates</b>		
Following shares were held by subsidiary and associates of the Bank as of year end:		
First Credit & Investment Bank Limited	70,000	-
NAFA Stock Fund	-	484
NAFA Multi Asset Fund	-	164,071
NAFA Asset Allocation Fund	-	24,000
Taurus Securities Limited	11,475	11,475
	<u>81,475</u>	<u>200,030</u>

#### 19.4 Reserves

##### 19.4.1 Exchange translation reserve

This comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

##### 19.4.2 Statutory reserve

Every bank incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital, thereafter 10% of the profits of the Bank are to be transferred to this reserve.

##### 19.4.3 General loan loss reserve

The Bank is cognizant of the fact that a part of its credit or loan portfolio (funded and non-funded) which is not currently impaired as per the applicable Prudential Regulations is underperforming and therefore the potential for risk of credit losses on this part of portfolio is higher than the usual risk. Therefore, as a matter of abundant caution and in order to protect the equity base of the Bank from future contingencies in respect of the credit portfolio, the Board of Directors in their meeting held on April 29, 2015 have decided to transfer an aggregate amount of Rs. 12 billion from the unappropriated profits to a "General Reserve for potential loan losses". This appropriation has been made on the basis of the management's best estimates and judgment regarding the inherent portfolio risks.

	Note	2015	2014
		Rupees in '000	
<b>20. SURPLUS ON REVALUATION OF ASSETS - net</b>			
Available-for-sale securities	20.1	30,573,561	46,086,936
Operating fixed assets	20.2	21,766,481	21,886,415
		<u>52,340,042</u>	<u>67,973,351</u>
<b>20.1 Surplus / (deficit) on revaluation of available-for-sale securities - net of tax</b>			
Federal Government Securities		9,109,036	10,377,882
Term Finance Certificates and Sukuks		59,167	(31,121)
Shares and mutual funds		26,089,659	29,556,505
GoP Foreign Currency Bonds		288,428	380,738
Foreign Currency Debt Securities		39,306	81,092
Investment outside Pakistan	9.4	10,092,101	16,895,590
	9.1	45,677,697	57,260,686
Deferred tax liability	12	(15,104,136)	(11,173,750)
		<u>30,573,561</u>	<u>46,086,936</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

20.2 Surplus on revaluation of operating fixed assets - net of tax	Note	2015 Rupees in '000	2014 Rupees in '000
Surplus on revaluation on January 1,		23,187,017	23,085,821
Surplus on revaluation of the Bank's properties during the year	11.2	-	295,421
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(119,934)	(126,246)
Related deferred tax liability		(64,580)	(67,979)
		(184,514)	(194,225)
		23,002,503	23,187,017
Less: Related deferred tax liability on:			
Revaluation as at January 1,		1,300,602	1,357,643
Revaluation of Bank's properties during the year		-	10,938
Incremental depreciation charged during the year transferred to profit and loss account		(64,580)	(67,979)
	12	1,236,022	1,300,602
Surplus on revaluation on December 31,		21,766,481	21,886,415

## 21. CONTINGENCIES AND COMMITMENTS

### 21.1 Direct credit substitutes

Include general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued on behalf of:

	2015 Rupees in '000	2014 Rupees in '000
- Government	7,422,663	5,110,261
- Financial institutions	6,329,462	11,135,929
- Others	21,583,972	32,227,405
	35,336,097	48,473,595

### 21.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credits related to particular transactions issued on behalf of:

	2015 Rupees in '000	2014 Rupees in '000
- Government	13,470,397	11,879,063
- Financial institutions	1,934,967	5,239,234
- Others	9,945,571	22,403,390
	25,350,935	39,521,687

### 21.3 Trade-related contingent liabilities

Letters of credit issued on behalf of:

- Government	221,145,520	129,493,436
- Financial institutions	-	-
- Others	48,844,025	27,137,972
	269,989,545	156,631,408

### 21.4 Other contingencies

**21.4.1** Claims against the Bank not acknowledged as debts [including SBP liabilities on Bangladesh borrowing and interest thereon amounting to Rs. 204 million (2014: Rs. 194 million), claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (2014: Rs. 1,597 million)].

17,262,022	13,407,883
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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 21.4.2 Taxation

**21.4.2.1** The tax returns of the Bank have been filed and amended by the tax authorities up to Tax Year 2014. For Azad Kashmir Branches no amendment to returns filed u/s 120 of the Income Tax Ordinance, 2001 has been made, hence returns filed are deemed assessments for all the years till the tax year 2014.

**21.4.2.2** During the year, the tax department amended and then rectified the original assessment order for the Tax Year 2014 which resulted in tax demand of Rs. 2.5 billion. Major issues include charge for bad debts, provision against investments, other provisions and un-realized gain on derivatives amounting to Rs 4,027 million. The Bank has paid this amount to the tax department and aggrieved by the decision of the CIR(A) on the matter, have filed an appeal before Appellate Tribunal Inland Revenue [ATIR].

The Bank has received show cause notices for the amendment of assessments for tax years 2009 to 2011 which were already assessed and finalized. The show cause notices involve additional tax demand. The Bank has obtained stay order from the Honourable High Court of Sindh against the proceedings initiated by the tax authorities.

During the year the orders for the assessment years 2001-02, 2003 and tax year 2007 raised by the department of income tax resulted in reduction in determined refunds to the tune of Rs. 901 million. These orders were further rectified on the issue of mistakes apparent and orders under section 221 of the Ordinance have been passed by the department. As a result of these rectified orders, the aggregate refund amounting to Rs. 767 million have been restored. However, the Bank considers that the balance amount of Rs. 134 million is contestable before the Appellate forum as the tax department neither has served proper notice nor has provided adequate opportunity of being heard. An appeal has already been filed before the CIR(A) which is pending.

No provision has been made in these financial statements for the above contingencies as the management is confident that the decision in this respect will be received in the favour of the Bank.

**21.4.2.3** Through Finance Act, 2015, for tax year 2015 and onwards, income from Dividend and income from Capital Gains shall be taxed at the rate of thirty five percent. As the chargeability of tax imposed is retrospectively, therefore, on legal grounds, the bank has filed Constitution Petition (CP) before the Honourable High court of Sindh which is pending. However, full provision has been made in these financial statements.

**21.4.2.4** The other matters under contingencies include interest credited to suspense account, allocation of common expenditure between taxable income and exempt / low tax rate income and reversal of bad debts expense. The aggregate effect of contingencies as on December 31, 2015 amounts to Rs. 14,622 million (2014: Rs. 10,461 million). No provision has been made against these contingencies based on the opinion of tax consultants of the Bank who expect favourable outcome upon decision of pending appeals.

**21.4.2.5** The Sindh Workers Welfare Fund Act, 2015 (Sindh WWF Act) has been promulgated in the month of May 2015. Earlier as per the Workers welfare Fund Ordinance, 1971, the Bank being Government owned entity remained exempt from levy of WWF. The Sindh WWF Act, 2015 is retrospective in its effect and it attempts to impose levy from the date even prior to its promulgation. As the chargeability of tax imposed is retrospective and the law is defective considering constitutional issues – Fee or Tax including geographical / territorial jurisdiction for bank operating in all the provinces of Pakistan as well as not falling of bank employees in the definition of workers, therefore, on legal grounds against the said levy bank has decided to file constitution petition before Honourable High Court of Sindh. Hence, no provision has been made for Sindh WWF in these financial statements based on the advice of the legal consultant.

**21.4.2.6** In case of Sales Tax / FED, appeals have been filed before various appellate forums including reference and constitutional petitions before High Court of Sindh; wherein apart from other legal grounds, the principal ground is levy of duty on service which are not specified in the First Schedule to the Customs Act, 1969 and specially for Tax year 2011 levy of duty by FBR on services provided in province of Sindh after promulgation of Sindh Sales Tax on Services Act, 2011.

### 21.4.3 Barter Trade Agreements

In order to reduce pressure on the balance of payment, the GoP had entered into barter trade agreements with various countries and designated the Bank to handle the related transactions on behalf of GoP. Accordingly, the Bank executed banking arrangements with the designated banks of these countries and opened accounts in their names. In one of the barter agreement, repayments made to the

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

Bank by the GoP could not be utilized due to non-finalization of Letter of Exchange for its utilization after 1994 at Government level, which was required under the relevant barter agreement. The concerned bank is now demanding payment of interest on the balances in its accounts with the Bank. Since these balances are maintained in current accounts and there is also no clause for payment of any interest in the relevant banking arrangement, therefore the Bank has strongly refused such claims.

#### **21.4.4 Contingencies in respect of employees benefits and related matters**

The following are the details of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that the financial impact of such matters is impracticable to determine with sufficient reliability.

##### **21.4.4.1 Pensionary benefits to retired employees**

Till 1977 the Bank was paying pension to its retired employees as per Board's decisions and on its own rules and regulation with various increases from time to time. In 1977 the Government through Banking Council notified that henceforward pension would be paid to the bank employees by giving all the increases given by the Federal Government to its employees from time to time. Consequent upon this direction, the bank issued a Circular 228 (c) on 26-12-1977 which was made applicable from 01-05-1977. Under this arrangement pension was calculated at 70% of average emoluments on completion 30 years qualifying service. In para 10 of the circular of 26-12-1977 it was stated that the rates of pension and gratuity had been fixed by Pay Commission for the Banks and Financial Institution on the same lines as obtaining on the side of the Federal Government. Under the provision of IRO 1969 the Pay Commission was to remain valid for three years. In the meanwhile Bank's Nationalization Act was substantially amended in 1997, Pakistan Banking Council was dissolved, Bank's Board was empowered to determine personnel policies and the President of the Bank could determine the remuneration and benefits of the employees in accordance with policies determined by the Board. In 1999 the Board of Directors of the bank approved the revised pay structure for the bank employees w.e.f 01-01-1999. Basic salary was increased by 110 % to 140% and formula for revised monthly gross pension was determined as : basic pay x number of year x 1.10%. However the amount of gross pension on the basis of existing basic pay and exiting formula was protected. Even after 1999 the bank gave various increases of pension right upto 2012. The Peshawar High Court, Peshawar, in terms of order dated June 03, 2014, dismissed the Petitions while observing that the Petitions were hit by laches and that the Petitioners cannot claim the benefits to the similarly placed employees of other institutions who are governed through different Statute and Service Rules. The said order has been assailed by the Petitioners before the honourable Supreme Court of Pakistan where the matter is pending adjudication. During December 2015, the Lahore High Court accepted the writ petition of the retired employees and directed the bank to give increases in pension in line with the increases given by the Federal Government to its employees. The Bank has filed ICA to question the validity of the said judgment. Keeping in view the merits of the case, the Bank is confident about the favourable outcome of this matter.

##### **21.4.4.2 Encashment of unavailed leave**

Some of the employees of the Bank filed writ petitions before Lahore High Court after their retirement, in September 2012, praying the Court for issuance of directions to the bank for encashing their entire un-availed leave balance frozen in terms of Bank's Circular 37/1999 and 57/ 1999.

The Bank revised rules of leave encashment w.e.f January 1, 1999. As per revised rules, leave balances accumulated under old rules were marked as "Frozen Leave" to differentiate it with subsequent leaves to be accumulated. There was no bar on employee to avail these leaves, which would lapse on retirement.

The Lahore High Court dismissed the petitions of the subject ex-employees in April 2014 while observing that claim of the petitioners was hit by laches as the Petitions were filed in the year 2012 and that all the petitioners filed the petitions after having availed all retirement benefits when all outstanding dues were paid at the time of retirement at which point no claim for any amount was made. The Petitioners have filed Inter Court appeals against the aforesaid judgment which are pending adjudication. These nine petitions have not yet been fixed for hearing and are still pending.

##### **21.4.4.3 Post retirement medical facilities**

On 14 March 1995 on the instruction of Pakistan Banking Council the Bank issued Circular 19/95. In terms of the said Circular the Bank was to provide relief to the retired employees regarding increase of medical ceiling on the increase of salary, it was decided that the Bank would re-determine the monetary ceiling of retired officers/executives after every revision of pay scale on the basis of



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

notional re-fixation in revised scale on point to point basis. In 2003 two retired employees moved to Federal Service Tribunal for increase of post-retirement medical ceiling in the light of the said Circular of 14 March, 1995. The Bank contested the case but a representative of Establishment Division stated before the FST that Bank had adopted the said Circular and the two appeals were accepted by the FST. The Bank's appeals before the Supreme Court failed and even review petitions were dismissed.

Later on in September, 2011 Ch. Muhammad Qasim and 5 others who had obtained separation from service under GHS/ VHS filed writ petition for availing similar relief of post-retirement medical ceiling and cited the judgment of FST and Supreme Court as precedent. The Bank contested the writ petition by pointing out that the petitioners had opted for GHS AND VHS for obtaining separation from service on payment of huge amount of compensation for such separation as contemplated under the said Schemes.

With regard to medical ceiling for such optees, it was contended by the Bank before the Court that option was given to such employees either to accept the present medical ceiling for 10 years in lump sum or to continue with the present payment as if they had retired on attaining the age of superannuation. The petitioners had opted for continuing with the present ceiling as prevalent at the time of the separation scheme floated by the Bank therefore, that their cases were on a different footing. It was also urged by the Bank that in view of judgment of Apex Court in Naseem Arif Abbasi case, the writ petitioners, after having signed a disclaimer at the time receipt of benefits under GHS, were not entitled to any further payment. The high court did not consider the defence pleas and awarded the medical ceilings at par with normal retirees. The Bank has filed an ICA before the Division bench which is still pending.

#### 21.4.4.4 Restoration of Commuted Pension

After passage of certain period for which pension of a retired employee is commuted, the Bank restores the commuted portion of the pension. Some of the retired employees have filed writ petitions before Lahore High Court while praying the court for restoration of 50% pension after applying all the increments granted during the last 15 years i.e. double the pension they are already withdrawing.

In one of the writ petition filed, the Honourable Lahore High Court without issuing notices to the Bank disposed of the same vide order dated January 13, 2015 observing that the Petitioner was also entitled to be treated at par with the pensioners whose cases had already been decided in a case titled as "Additional Accountant General Pakistan Revenue, Lahore vs. A.A.Zuberi" which had attained finality up to the level of Supreme Court of Pakistan.

The judgment referred in the case was decided by a Divisional Bench of Lahore High Court in which restoration of pension after period of commutation was directed to be paid at the rate prevailing at the time of restoration and not the rate of pension prevailing at the time of commutation. High Court in the above mentioned case came to the conclusion that an employee was given restored pension at the rate prevailing 15 years ago and that such an action on the part of the employer would be a violation of Article 9 of the Constitution and would also be contrary to the test of economic justice. In the above-mentioned case, the Bank has filed an Intra Court Appeal as the matter was decided without summoning the Bank. The Bank is of the view that A.A. Zubari's judgment pertains to Civil servants and the Bank employees are not civil servants. The issue of petitions have not been fixed for hearing and are still pending.

#### 21.4.4.5 Regularizing of temporary hires/outsourced workers

A practice was prevalent in the Bank to hire temporary Godown keepers for keeping watch over the pledged stocks of the borrowers. Letters of appointment to be issued by the Bank to such temporary employees for period of less than 90 days and after short break they would be rehired again for similar short period. In 2001-2002 the temporary godown staff filed appeals before the FST for regularization of their service. The Bank pointed out that such employees were not on the pay roll of the Bank and their temporary employment did not entitle them for regular absorption in the Bank. On 01-08-2003 the Bank issued circular No. 10/2003 whereby a formula was evolved that if such temporary employee had completed three years' service as on the date of the circular with breaks of not more than 15 days, they would be eligible for the absorption on regular bases. This very criterion was adopted by the Tribunal and an order was passed accordingly. The Bank had obtained the permission from Government to absorb 1500 godown staff in the Bank. All who fulfilled the criteria were absorbed as the Honourable Supreme Court in 2005 SCMR 100 had upheld the tribunal's judgment.

However under a policy decision the Bank decided to outsource some of its noncore jobs and in this behalf entered into contracts with various service provider agencies for hiring such people. The persons employed by the such contractors are working in the Bank as employees of the said contractors, and received their salaries from said contractors and are also under the administrative control of

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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the said contractors. Some of such employees filed writ petitions before the Peshawar High Court, Abbottabad and Mingora benches. Some of the writ petition were accepted, the Bank has filed appeals in the Supreme Court by taking the plea that there is no relationship of employer and employees between the parties. There is likelihood of the Bank's appeal being accepted by the Supreme Court. If the Bank does not succeed, it may have to absorb such employees.

### 21.4.4.6 Golden Handshake (GHS)

The Bank had introduced the Golden Shake Hand Schemes in 1997. The cut-off date was prescribed in the scheme but some of the employees who had opted for separation under the scheme were not relieved on the said date and continued to perform duties thereafter, cases were filed in various high courts for additional payment beyond the cut-off date and also for increase the salaries announced by the Bank after cut of date of scheme but the Apex court held that after having received the payments and signed disclaimer no further payment could be claimed by such optees under the Scheme. Most of the cases have been disposed on the basis Naseem Arif Abbasi case Reported as 2011 SCMR 446.

	2015	2014
	Rupees in '000	
<b>21.5 Commitments in respect of forward exchange contracts</b>		
Purchase	273,199,134	233,021,148
Sale	183,645,395	120,265,758
<b>21.6 Commitments for the acquisition of operating fixed assets</b>	1,999,488	1,798,160
<b>21.7 Other commitments</b>		
Professional services to be received	81,095	99,450

## 22. DERIVATIVE INSTRUMENTS

The Bank has been involved forward foreign exchange contracts. The Bank is also party to put options on ordinary and preference shares of Agritech Limited as disclosed in note 9.5.1. The un-realized gain and loss on such contracts are disclosed in notes 13 and 18.

Operational procedures and controls have been established to facilitate complete, accurate and timely processing of transactions. These controls include appropriate segregation of duties, regular reconciliation of accounts, and the valuation of assets and positions. The Bank has established operating controls and reporting requirements that are specifically designed to control risk of aggregate positions, assure compliance with accounting and regulatory standards and provide accurate management information regarding these activities.

	2015	2014
	Rupees in '000	
<b>23. MARK-UP / RETURN / INTEREST EARNED</b>		
On loans and advances to:		
Customers	56,378,888	68,153,455
Financial institutions	68,209	141,308
	56,447,097	68,294,763
On investments in:		
Held-for-trading securities	402,136	304,718
Available-for-sale securities	38,925,217	33,250,636
Held-to-maturity securities	16,340,078	9,923,230
	55,667,431	43,478,584
On deposits with financial institutions	465,426	259,609
On securities purchased under resale agreements	1,081,877	2,140,563
	113,661,831	114,173,519

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

24. MARK-UP / RETURN / INTEREST EXPENSED	2015	2014
	Rupees in '000	
Deposits	53,294,048	63,692,896
Securities sold under repurchase agreements	5,551,365	2,249,704
Short-term borrowings	1,095,482	2,426,904
	<u>59,940,895</u>	<u>68,369,504</u>

### 25. INCOME FROM DEALING IN FOREIGN CURRENCIES

This includes Rs. 6,614 million (2014: Rs. 7,270 million) on account of interest on Cross Currency Swap transactions charged by Foreign Exchange department to Treasury Department.

26. GAIN ON SALE AND REDEMPTION OF SECURITIES - net	Note	2015	2014
		Rupees in '000	
Federal government securities:			
Market Treasury Bills		189,081	24,088
Pakistan Investment Bonds		6,633,083	823,211
GoP Ijarah Sukuks		2,370	35,182
		<u>6,824,534</u>	<u>882,481</u>
National Investment Trust (NIT) units		-	1,052,380
Shares and mutual funds		4,904,874	6,084,720
Foreign Government / debt securities		24,734	13,996
Associates - mutual funds		840,282	739,314
		<u>12,594,424</u>	<u>8,772,891</u>

### 27. OTHER INCOME

Rent on property / lockers		33,766	75,566
Gain on sale of property and equipment		9,224	29,643
Compensation for delayed tax refunds	13.6	1,585,271	3,369,429
Postal, SWIFT and other charges recovered		56,874	91,551
Net un-realized gain on derivatives - put option in respect of Agritech Limited (an associate)	9.5.1	364,800	-
Others		30,841	21,184
		<u>2,080,776</u>	<u>3,587,373</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

28. ADMINISTRATIVE EXPENSES	Note	2015 Rupees in '000	2014
Salaries and allowances		24,056,169	23,378,379
Charge for defined benefit plans		4,368,714	4,825,499
Non-executive directors' fee, allowances and other expenses	35	20,814	18,265
Rent, taxes, insurance, electricity and other utilities	28.1	3,197,075	2,596,225
Legal and professional charges		286,998	128,707
Communications		917,365	855,603
Repairs and maintenance		1,044,086	862,585
Financial charges on leased assets		2,234	6,909
Books, stationery, printing and other computer accessories		831,098	686,225
Advertisement, sponsorship and publicity		771,441	374,054
Donations	28.2	300	500
Contributions for other Corporate and Social Responsibility	28.2	58,659	83,948
Auditors' remuneration	28.3	156,570	142,787
Depreciation	11.2	1,301,250	2,036,530
Amortization	11.3	633,831	433,791
Conveyance		254,407	236,880
Entertainment		85,713	82,677
Travelling		542,943	401,039
Security services		1,976,468	1,720,953
Outsourcing and janitorial services		869,542	605,839
Clearing, verification, licence fee charges		235,661	138,223
Subscription		43,522	33,104
Brokerage		84,306	86,493
Training		59,910	48,607
Fixed assets charged off		133,793	-
Miscellaneous operating expenses		187,570	183,279
		<u>42,120,439</u>	<u>39,967,101</u>

28.1 This includes Rs. 1.800 million (2014: Rs.1.800 million) insurance premium against directors' liability insurance.

28.2 Donations and Contributions for Corporate & Social Responsibilities exceeding Rs. 0.1 million have been disclosed in Annexure IV.

Note : None of the directors / executives or their spouses have any interest in the donees, except Mr. Tariq Kirmani (director) who is member of the Board of Governors' of Marie Adelaide Leprosy Centre and director Professional Education Foundation and Mr. Muneer Kamal (Chairman) who is member Board of Trustees Shaukat Khanum Memorial Cancer Hospital and Research Centre.

28.3 Auditors' remuneration	KPMG Taseer Hadi & Co.	Ernst & Young Ford Rhodes Sidat Hyder	2015 Total	2014 Total
	----- Rupees in '000 -----			
Audit fee	6,226	6,226	12,452	11,320
Review of interim financial statements	2,178	2,178	4,356	3,960
Fee for audit of domestic branches	5,060	5,060	10,120	9,200
Fee for special certifications and sundry advisory services	8,735	8,735	17,470	25,656
Sales Tax	1,110	1,110	2,220	2,507
Out-of-pocket expenses	3,900	3,900	7,800	10,675
	<u>27,209</u>	<u>27,209</u>	<u>54,418</u>	<u>63,318</u>
Fee for audit of overseas branches including advisory services and out-of-pocket expenses	-	-	102,152	79,469
	<u>27,209</u>	<u>27,209</u>	<u>156,570</u>	<u>142,787</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

29. OTHER CHARGES	Note	2015 Rupees in '000	2014
Penalties imposed by the SBP		72,455	1,735,915
<b>30. TAXATION</b>			
For the year			
Current	30.1	14,576,847	9,480,641
Deferred		(2,878,568)	(2,508,127)
		11,698,279	6,972,514
For prior year			
Current	30.3	2,298,465	-
Deferred		-	-
		2,298,465	-
	30.2	13,996,744	6,972,514

**30.1** Current taxation includes Rs. 267 million (2014: Rs. 179 million) of overseas branches.

30.2 Relationship between tax expense and accounting profit	2015 Rupees in '000	2014
Accounting profit before tax	33,215,608	22,000,743
Income tax at statutory rate @ 35% (2014: 35%)	11,625,463	7,700,260
Inadmissible items	25,359	607,570
Income taxed at reduced rate	-	(1,267,337)
Overseas taxation	-	-
Prior year tax effects	2,298,465	-
Others	47,457	(67,979)
Tax charge for current and prior years	13,996,744	6,972,514

**30.3** The Federal Government vide Finance Act 2015 has imposed a onetime super tax at the rate of 4% on income of banks for the year ended December 31, 2014 (Tax Year 2015). This tax has been levied for financing the rehabilitation of internally displaced persons affected by the ongoing war on terror. Further, the subsidized taxation rates on dividend income and capital gains of banks have also been revised with effect from the tax year 2015 and a uniform tax rate of 35% is made applicable. Accordingly, provisions of Rs. 1.03 billion and Rs. 1.26 billion for Super tax and Dividend income/Capital gains respectively have been made for the prior year.

31. BASIC AND DILUTED EARNINGS PER SHARE		2015	2014
Profit after tax for the year	Rupees in '000	19,218,864	15,028,229
Weighted average number of ordinary shares	Numbers in '000	2,127,513	2,127,513
Basic earnings per share	Rupees	9.03	7.06
Basic and diluted earnings per share are same.			

32. CASH AND CASH EQUIVALENTS	Note	2015 Rupees in '000	2014
Cash and balances with treasury banks	6	150,899,778	97,971,501
Balances with other banks	7	20,128,273	12,108,025
Call money lendings	8	3,061,200	12,261,200
Call borrowings	15.2	(3,376,063)	(3,528,147)
Overdrawn nostros	15.2	(326,444)	(417,696)
		170,386,744	118,394,883

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

33. STAFF STRENGTH	2015	2014
	Numbers	
Permanent	12,944	13,590
Temporary / on contractual basis	2,604	2,600
Total Staff Strength	15,548	16,190

**33.1** In addition to the above, the Bank is utilizing the services of other companies including security services and the number of persons deployed by such companies as at year end are 9,254 (2014: 8,674).

### 34. EMPLOYEE BENEFITS

#### 34.1 Defined benefit plans

##### 34.1.1 General description

General description of the type of defined benefit plan and accounting policy for remeasurements of the net defined liability / asset is disclosed in note 5.10 to the financial statements.

##### Principal actuarial assumptions

The financial assumptions used in actuarial valuation at December 31, 2015 of pension fund, post retirement medical benefits, benevolent fund and gratuity scheme are as follows:

	2015	2014
	per annum	
Salary increase rate	10.00%	11.25%
Discount rate	10.00%	11.25%
Expected rate of return on plan assets	10.00%	11.25%
Pension indexation rate	5.50%	6.75%
Rate of inflation in the cost of medical benefits	8.00%	8.25%
Exposure inflation rate	-	3.00%
Mortality table	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Number of employees covered under retirement benefit plan	12,539	13,129
	<b>2015</b>	<b>2014</b>
	<b>Rupees in '000</b>	
<b>34.1.2 Net defined benefit liability - pension fund</b>	<b>Note</b>	
Present value of defined benefit obligation		46,819,562
Fair value of plan assets		(38,384,230)
	18	7,531,649
		8,435,332

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 34.1.2.1 Reconciliation of net defined benefit liability - pension fund

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability for pension fund and its components.

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2015	2014	2015	2014	2015	2014
	-----Rupees in '000-----					
Balance as at January 01,	43,052,540	37,912,427	35,520,891	31,011,262	7,531,649	6,901,165
<b>Included in profit and loss</b>						
Current service cost	1,145,592	1,017,280	-	-	1,145,592	1,017,280
Interest cost / income	4,727,058	4,783,961	3,931,706	3,949,988	795,352	833,973
	5,872,650	5,801,241	3,931,706	3,949,988	1,940,944	1,851,253
<b>Included in other comprehensive income</b>						
Remeasurement loss / (gain)						
- Actuarial loss / (gain) arising on						
financial assumptions	(37,127)	2,534,925	(2,387,548)	892,151	2,350,421	1,642,774
demographic assumptions	-	-	-	-	-	-
experience adjustments	-	(970,601)	-	920,962	-	(1,891,563)
- Return on plan assets excluding interest income	-	-	-	-	-	-
	(37,127)	1,564,324	(2,387,548)	1,813,113	2,350,421	(248,789)
<b>Others</b>						
Benefits paid	(2,068,503)	(2,225,452)	(2,068,503)	(2,225,452)	-	-
Benefits paid on behalf of fund	-	-	2,463,964	-	(2,463,964)	-
Contributions paid by the employer	-	-	923,719	971,980	(923,719)	(971,980)
	(2,068,503)	(2,225,452)	1,319,180	(1,253,472)	(3,387,683)	(971,980)
Balance as at December 31,	<b>46,819,560</b>	<b>43,052,540</b>	<b>38,384,230</b>	<b>35,520,891</b>	<b>8,435,332</b>	<b>7,531,649</b>

#### 34.1.2.2 Plan assets

The composition and the fair value of the plan assets of the fund are as follows:

	Note	2015	2014
		Rupees in '000	
Pakistan Investment Bonds		6,693,178	6,695,464
Term Finance Certificates		641,445	791,781
Mutual Funds / Shares		10,758,737	10,346,505
Term Deposit Receipts		2,419,036	7,652,333
Defence Saving Certificates		16,740,033	9,760,187
Cash at Bank		1,131,801	274,621
		<b>38,384,230</b>	<b>35,520,891</b>

#### 34.1.3 Net defined benefit liability - post retirement medical scheme

	Note	2015	2014
		Rupees in '000	
Present value of defined benefit obligation		11,268,022	10,220,524
Fair value of plan assets		-	-
	18	<b>11,268,022</b>	<b>10,220,524</b>

#### 34.1.3.1 Reconciliation of net defined benefit liability - post retirement medical scheme

The following table shows reconciliation from the opening balances to the closing balances for net defined benefit liability for post retirement medical scheme and its components.

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2015	2014	2015	2014	2015	2014
	-----Rupees in '000-----					
Balance as at January 01,	10,220,524	8,601,209	-	-	10,220,524	8,601,209
<b>Included in profit and loss</b>						
Current service cost	183,580	163,372	-	-	183,580	163,372
Interest cost / (income)	1,130,492	1,090,443	-	-	1,130,492	1,090,443
	1,314,072	1,253,815	-	-	1,314,072	1,253,815
<b>Included in other comprehensive income</b>						
- Actuarial loss / (gain) arising on						
financial assumptions	76,834	553,979	-	-	76,834	553,979
demographic assumptions	-	-	-	-	-	-
experience adjustments	-	237,894	-	-	-	237,894
	76,834	791,873	-	-	76,834	791,873
<b>Others</b>						
Benefits paid	(343,408)	(426,373)	-	-	(343,408)	(426,373)
Balance as at December 31,	<b>11,268,022</b>	<b>10,220,524</b>	<b>-</b>	<b>-</b>	<b>11,268,022</b>	<b>10,220,524</b>



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Note	2015 Rupees in '000	2014
<b>34.1.4 Net defined benefit liability - Benevolent Scheme</b>			
Present value of defined benefit obligation		1,830,831	1,624,009
Fair value of plan assets		-	-
	18	<u>1,830,831</u>	<u>1,624,009</u>

### 34.1.4.1 Reconciliation of net defined benefit liability - Benevolent Scheme

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability for Benevolent Scheme and its components.

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2015	2014	2015	2014	2015	2014
	-----Rupees in '000-----					
Balance as at January 01,	1,624,009	1,415,128	-	-	1,624,009	1,415,128
<b>Included in profit and loss</b>						
Current service cost	28,239	38,563	-	-	28,239	38,563
Interest cost / (income)	181,153	177,227	-	-	181,153	177,227
	209,392	215,790	-	-	209,392	215,790
<b>Included in other comprehensive income</b>						
- Actuarial loss / (gain) arising on						
financial assumptions	83,416	150,889	-	-	83,416	150,889
demographic assumptions	-	-	-	-	-	-
experience adjustments	-	(54,112)	-	-	-	(54,112)
	83,416	96,777	-	-	83,416	96,777
<b>Others</b>						
Benefits paid	(85,986)	(103,686)	-	-	(85,986)	(103,686)
Balance as at December 31,	<u>1,830,831</u>	<u>1,624,009</u>	<u>-</u>	<u>-</u>	<u>1,830,831</u>	<u>1,624,009</u>

	Note	2015 Rupees in '000	2014
<b>34.1.5 Net defined benefit liability - Gratuity scheme</b>			
Present value of defined benefit obligation		1,001,423	892,157
Fair value of plan assets		-	-
	18	<u>1,001,423</u>	<u>892,157</u>

### 34.1.5.1 Reconciliation of net defined benefit liability - Gratuity scheme

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability for gratuity scheme and its components.

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2015	2014	2015	2014	2015	2014
	-----Rupees in '000-----					
Balance as at January 01,	892,157	686,809	-	-	892,157	686,809
<b>Included in profit and loss</b>						
Current service cost	136,230	117,487	-	-	136,230	117,487
Interest cost / (income)	98,922	87,336	-	-	98,922	87,336
	235,152	204,823	-	-	235,152	204,823
<b>Included in other comprehensive income</b>						
- Actuarial loss / (gain) arising on						
financial assumptions	(100,189)	7,303	-	-	(100,189)	7,303
demographic assumptions	-	1,096	-	-	-	1,096
experience adjustments	-	22,114	-	-	-	22,114
	(100,189)	30,513	-	-	(100,189)	30,513
<b>Others</b>						
Benefits paid	(25,697)	(29,988)	-	-	(25,697)	(29,988)
Balance as at December 31,	<u>1,001,423</u>	<u>892,157</u>	<u>-</u>	<u>-</u>	<u>1,001,423</u>	<u>892,157</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 34.1.6 Duration

As at December 31, 2015, the weighted average duration of the defined benefit obligations was as follows:

	Years
Pension Fund	11.36
Post retirement medical fund	12.36
Benevolent fund	6.97
Gratuity fund	12.55

#### 34.1.7 Sensitivity Analysis

Reasonably possible changes at the reporting date due to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below:

Effect of discount rate on present value of defined benefit obligation	Increase by 1%	Original Liability	Decrease by 1%
Discount rate (%)	11.00%	10.00%	9.00%
----- Rupees in '000 -----			
Pension Fund	42,028,188	46,819,562	52,661,576
Post Retirement Medical Scheme	10,049,329	11,268,022	12,833,954
Benevolent Scheme	1,720,615	1,830,831	1,975,650
Gratuity Scheme	887,586	1,001,423	1,138,894
Effect of salary increase rate on present value of defined benefit obligation	Increase by 1%	Original Liability	Decrease by 1%
Salary increase rate (%)	11.00%	10.00%	9.00%
----- Rupees in '000 -----			
Pension Fund	49,456,614	46,819,562	44,472,470
Post Retirement Medical Scheme	12,244,039	11,268,022	10,503,323
Benevolent Scheme	1,830,831	1,830,831	1,830,831
Gratuity Scheme	1,142,407	1,001,423	882,882
Effect of medical inflation rate on present value of defined benefit obligation	Increase by 1%	Original Liability	Decrease by 1%
Medical inflation rate (%)	9.00%	8.00%	7.00%
----- Rupees in '000 -----			
Post Retirement Medical Scheme	11,921,787	11,268,022	10,705,571

#### 34.1.8 Expected contributions for 2016

The expected contributions to be paid to the funds in the next financial year are as follows:

- Pension Fund	1,818,851
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The expected expense to be recognized for the schemes in the next financial year are as follows:

- Post Retirement Medical Scheme	1,335,388
- Benevolent Scheme	234,886
- Gratuity Scheme	246,728

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

34.2 Other employee benefits	Note	2015 Rupees in '000	2014
<b>34.2.1 Reconciliation of net liability recognized for compensated absences</b>			
Opening net liability		5,364,523	4,341,871
Charge for the year		669,143	1,299,818
Benefits paid during the year		(324,436)	(277,166)
Closing net liability	18	5,709,230	5,364,523

Reconciliation of net liability recognized for compensated absences for the five years is as follows:

	2015	2014	2013	2012	2011
	----- Rupees in '000 -----				
Opening net liability	5,364,523	4,341,871	3,795,006	3,148,005	2,572,878
Net charge for the year	344,707	1,022,652	546,865	647,001	575,127
Closing net liability	5,709,230	5,364,523	4,341,871	3,795,006	3,148,005

### 34.2.1.1 Experience adjustment on obligation

	2015 Rupees in '000	2014
Present value of defined benefit obligations	5,709,230	5,364,523
Fair value of plan assets	-	-
Deficit	5,709,230	5,364,523

### 34.2.1.2 Working of sensitivity analysis (Discount rate effect)

	1% Increase	Original Liability	1% Decrease
Discount rate	11.00%	10.00%	9.00%
	----- Rupees in '000 -----		
Present value of defined benefit obligations	5,302,601	5,709,230	6,180,775

### 34.2.1.3 Working of sensitivity analysis (Salary increase rate effect)

	1% Increase	Original Liability	1% Decrease
Salary increase rate	11.00%	10.00%	9.00%
	----- Rupees in '000 -----		
Present value of defined benefit obligations	6,196,278	5,709,230	5,276,044

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 35. COMPENSATION OF DIRECTORS AND EXECUTIVES

	President		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	----- Rupees in '000 -----					
Fees	-	-	20,814	18,265	-	-
Managerial remuneration	42,000	38,984	-	-	2,245,538	2,361,435
Charge for defined benefit plan	3,500	3,841	-	-	286,465	260,366
Rent and house maintenance	-	-	-	-	1,026,378	1,035,064
Utilities	2,304	1,742	-	-	335,373	339,073
Medical	295	106	-	-	404,492	411,299
Conveyance	-	-	-	-	503,061	669,419
Bonus and others	22,994	2,464	-	-	564,830	546,623
	<u>71,093</u>	<u>47,137</u>	<u>20,814</u>	<u>18,265</u>	<u>5,366,137</u>	<u>5,623,279</u>
	----- Number -----					
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>7</u>	<u>1,803</u>	<u>1,792</u>

The President and certain executives are also provided with free use of Bank's cars, household equipment, mobile phones and free membership of clubs.

Executives mean executives, other than the chief executive and directors, whose basic salary exceeds five hundred thousand rupees in the financial year.

### 36. FAIR VALUE OF ASSETS AND LIABILITIES

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 9.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.6.

The maturity and re-pricing profile and effective rates are stated in notes 41.4.1, 41.4.2 and 41.3.3 respectively.

In the opinion of 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 repriced.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

### 36.1 On balance sheet financial instruments

	2015					2015				
	Carrying Amount					Fair value				
	HFT	Available for Sale	HTM	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000									
<b>Financial assets measured at fair value</b>										
Investments										
- Market Treasury Bills	29,822	413,356,391	-	-	-	413,386,213	-	413,386,213	-	413,386,213
- Pakistan Investment Bonds	1,445,242	170,822,159	-	-	-	172,267,401	-	172,267,401	-	172,267,401
- GoP Foreign Currency Bonds	-	8,194,746	-	-	-	8,194,746	-	8,194,746	-	8,194,746
- Ordinary shares of listed companies	-	44,342,717	-	-	-	44,342,717	44,342,717	-	-	44,342,717
- Ordinary shares of unlisted companies	-	719,340	-	-	-	719,340	-	719,340	-	719,340
- Investments in mutual funds	-	2,455,085	-	-	-	2,455,085	-	2,455,085	-	2,455,085
- Ordinary shares of a bank outside Pakistan	-	10,555,396	-	-	-	10,555,396	10,555,396	-	-	10,555,396
- Listed preference shares	-	396,440	-	-	-	396,440	396,440	-	-	396,440
- Foreign Currency Debt Securities	-	4,822,968	-	-	-	4,822,968	-	4,822,968	-	4,822,968
- Term Finance Certificates / Musharika and Sukuk Bonds	-	23,748,181	-	-	-	23,748,181	-	23,748,181	-	23,748,181
	<b>1,475,064</b>	<b>679,413,423</b>	-	-	-	<b>680,888,487</b>	<b>55,294,553</b>	<b>625,593,934</b>	-	<b>680,888,487</b>
<b>Financial assets not measured at fair value (refer note 36.2)</b>										
Cash and bank balances with SBP	-	-	-	150,899,778	-	150,899,778	-	-	-	-
Balances with other banks	-	-	-	20,128,273	-	20,128,273	-	-	-	-
Lending to financial institutions	-	-	-	10,638,524	-	10,638,524	-	-	-	-
Investments										
- Market Treasury Bills	-	-	7,826,760	-	-	7,826,760	-	-	-	-
- Pakistan Investment Bonds	-	-	107,575,573	-	-	107,575,573	-	-	-	-
- GoP Foreign Currency Bonds	-	-	1,610,375	-	-	1,610,375	-	-	-	-
- Foreign Government Securities	-	-	20,863,694	-	-	20,863,694	-	-	-	-
- Foreign Currency Debt Securities	-	-	406	-	-	406	-	-	-	-
- Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	191,820	-	-	191,820	-	-	-	-
Advances	-	-	-	31,935,787	-	31,935,787	-	-	-	-
Other assets	-	-	-	78,895,162	-	78,895,162	-	-	-	-
	-	-	138,068,628	292,497,524	-	430,566,152	-	-	-	-
	<b>1,475,064</b>	<b>679,413,423</b>	<b>138,068,628</b>	<b>292,497,524</b>	-	<b>1,111,454,639</b>	<b>55,294,553</b>	<b>625,593,934</b>	-	<b>680,888,487</b>
<b>Financial liabilities not measured at fair value</b>										
Deposits and other accounts	-	-	-	-	1,431,036,598	1,431,036,598	-	-	-	-
Bills payable	-	-	-	-	9,171,616	9,171,616	-	-	-	-
Borrowings	-	-	-	-	21,911,190	21,911,190	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	35,800	35,800	-	-	-	-
Other liabilities (excluding Liabilities against assets subject to finance lease)	-	-	-	-	75,854,704	75,854,704	-	-	-	-
	-	-	-	-	<b>1,538,009,908</b>	<b>1,538,009,908</b>	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	2014									
	Carrying Amount					Fair value				
	HFT	Available for Sale	HTM	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000									
<b>Financial assets measured at fair value</b>										
Investments										
- Market Treasury Bills	4,644,188	117,831,551	-	-	-	122,475,739	-	122,475,739	-	122,475,739
- Pakistan Investment Bonds	5,287,806	204,684,251	-	-	-	209,972,057	-	209,972,057	-	209,972,057
- GoP Foreign Currency Bonds	-	6,547,662	-	-	-	6,547,662	-	6,547,662	-	6,547,662
- Ordinary shares of listed companies	-	48,827,212	-	-	-	48,827,212	48,827,212	-	-	48,827,212
- Ordinary shares of unlisted companies	-	986,945	-	-	-	986,945	-	986,945	-	986,945
- Investments in mutual funds	-	4,186,840	-	-	-	4,186,840	-	4,186,840	-	4,186,840
- Ordinary shares of a bank outside Pakistan	-	17,358,885	-	-	-	17,358,885	17,358,885	-	-	17,358,885
- Preference shares	-	396,158	-	-	-	396,158	-	396,158	-	396,158
- Foreign Currency Debt Securities	-	4,021,602	-	-	-	4,021,602	-	4,021,602	-	4,021,602
- Term Finance Certificates / Musharika and Sukuk Bonds	-	10,076,513	-	-	-	10,076,513	-	10,076,513	-	10,076,513
	<b>9,931,994</b>	<b>414,917,619</b>	-	-	-	<b>424,849,613</b>	<b>66,582,255</b>	<b>358,267,358</b>	-	<b>424,849,613</b>
<b>Financial assets not measured at fair value</b>										
Cash and bank balances with SBP	-	-	-	97,971,501	-	97,971,501	-	-	-	-
Balances with other banks	-	-	-	12,108,025	-	12,108,025	-	-	-	-
Lending to financial institutions	-	-	-	111,788,608	-	111,788,608	-	-	-	-
Investments										
- Market Treasury Bills	-	-	-	-	-	-	-	-	-	-
- Pakistan Investment Bonds	-	-	106,838,847	-	-	106,838,847	-	-	-	-
- GoP Foreign Currency Bonds	-	-	1,540,658	-	-	1,540,658	-	-	-	-
- Foreign Government Securities	-	-	8,959,455	-	-	8,959,455	-	-	-	-
- Foreign Currency Debt Securities	-	-	389	-	-	389	-	-	-	-
- Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	2,418,440	-	-	2,418,440	-	-	-	-
Advances	-	-	-	577,892,610	-	577,892,610	-	-	-	-
Other assets	-	-	-	78,895,162	-	78,895,162	-	-	-	-
	-	-	119,757,789	878,655,906	-	998,413,695	-	-	-	-
	<b>9,931,994</b>	<b>414,917,619</b>	<b>119,757,789</b>	<b>878,655,906</b>	-	<b>1,423,263,308</b>	<b>66,582,255</b>	<b>358,267,358</b>	-	<b>424,849,613</b>
<b>Financial liabilities not measured at fair value (refer note 36.2)</b>										
Deposits and other accounts	-	-	-	-	1,233,525,490	1,233,525,490	-	-	-	-
Bills payable	-	-	-	-	11,011,827	11,011,827	-	-	-	-
Borrowings	-	-	-	-	37,541,497	37,541,497	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	12,738	12,738	-	-	-	-
Other liabilities (excluding Liabilities against assets subject to finance lease)	-	-	-	-	82,633,864	82,633,864	-	-	-	-
	-	-	-	-	<b>1,364,725,416</b>	<b>1,364,725,416</b>	-	-	-	-

36.2 The Bank has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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### 37. Segment Details with respect to Business Activities

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

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Agency Services	Total
	Rupees in '000						
<b>2015</b>							
Total income	524,932	254,177	11,606,790	67,832,690	2,274,313	6,211,461	88,704,363
Inter segment revenue	-	(91,821)	10,769,393	(10,677,572)	-	-	-
Total expenses	24,930	-	14,171,954	33,675,085	1,829,924	5,786,862	55,488,755
Net income	500,002	162,355	8,204,229	23,480,034	444,389	424,599	33,215,608
Segment assets	-	1,469,140	254,733,701	1,425,041,690	-	25,116,852	1,706,361,383
Segment non-performing loans	-	-	11,292,671	115,987,626	-	-	127,280,297
Segment provision required	-	-	5,640,502	108,089,450	-	-	113,729,952
Segment liabilities	-	-	452,321,601	1,085,688,308	-	-	1,538,009,908
Segment return on assets (ROA) (%)	0.00%	11.05%	3.44%	1.65%	0.00%	3.32%	1.99%
Segment cost of funds (%)	0.00%	0.00%	3.65%	4.84%	0.00%	0.00%	4.48%
<b>2014</b>							
Total income	532,673	377,304	9,262,995	57,647,765	2,233,708	6,126,863	76,181,308
Inter segment revenue	-	(265,930)	17,103,845	(16,837,915)	-	-	-
Total expenses	25,047	-	18,896,621	27,685,093	1,818,262	5,755,542	54,180,565
Net income	507,626	111,374	7,470,219	13,124,757	415,446	371,321	22,000,743
Segment assets	-	9,765,931	253,263,932	1,260,443,765	-	19,580,689	1,543,054,317
Segment non-performing loans	-	-	10,391,431	110,449,938	-	-	120,841,369
Segment provision required	-	-	6,760,319	94,599,656	-	-	101,359,975
Segment liabilities	-	-	419,827,701	944,897,715	-	-	1,364,725,416
Segment return on assets (ROA) (%)	0.00%	10.42%	3.28%	1.12%	0.00%	2.92%	1.58%
Segment cost of funds (%)	0.00%	0.00%	5.07%	6.14%	0.00%	0.00%	5.80%

#### 37.1 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 37.1.1 Business segments

#### Corporate finance

Corporate banking includes, services provided in connection with mergers and acquisition, underwriting, privatization, securitization, research, debts (government, high yield), equity, syndication, IPO and secondary private placements.

#### Trading and sales

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

#### Retail banking

It includes retail lending and deposits, banking services, trust and estates, private lending and deposits, trust and estates investment advice, merchant / commercial and private labels and retail.

#### Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, lending, guarantees, bills of exchange and deposits.

#### Payment and settlement

It includes payments and collections, funds transfer, clearing and settlement.

#### Agency services

It includes escrow, depository receipts, securities lending (customers), corporate actions, issuer and paying agents.

### 38. TRUST ACTIVITIES

#### 38.1 Long-Term Credit Fund (LTCF)

Consequent upon the NDFC's amalgamation, the Bank manages on behalf of the GoP, LTCF established from the proceeds of loans disbursed by various international funding agencies for financing private sector energy development projects. Fund assets are accounted for separately from those of the Bank and amounted to Rs. 54,516 million on December 31, 2015 (2014: Rs. 57,088 million).

#### 38.2 Endowment Fund

Students Loan Scheme was launched by Government of Pakistan with collaboration with the major commercial banks with a view to extend financial help by way of mark-up free loan to the meritorious students without sufficient resources for pursuing scientific technical and professional education within Pakistan.

The Scheme is being administered by a high powered committee headed by the Deputy Governor, State Bank of Pakistan and the President's of NBP, HBL, UBL, MCB, ABL and the Deputy Secretary, Ministry of Finance as member and Senior Director of SMEFD (Infra Housing & SME Finance Department) as a secretary of the Committee. The State Bank of Pakistan has assigned National Bank of Pakistan to operate the scheme.

The Committee in its meeting held on August 7, 2001 approved creation of Endowment Fund initially at an amount of Rs. 500 million, Rs.396 million were transferred from the old Qarz-e-Hasna Fund, Rs. 50 million contributed by Government of Pakistan and Rs. 54 million were contributed by participating banks (HBL, NBP and UBL 25% each, MCB 17.5% and ABL 7.5%).

The amount of the endowment fund in investments stands at Rs. 667 million as at December 31, 2015 (2014 Rs. 548 million).



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 39. RELATED PARTY TRANSACTIONS AND BALANCES

The Bank has related party relationship with its associated undertakings, subsidiary companies, employee benefit plans, and its key management personnel (including their associates). The details of investments in subsidiary companies and associated undertakings are stated in note 9.

Transactions between the Bank and its related parties are carried out under normal course of business, except employees staff loans, employees sale of assets and provident fund that are as per agreement.

Details of loans and advances to the companies or firms, in which the directors of the Bank are interested as directors, partners or in case of private companies as members, are given in note 10.8. There are no transactions with key management personnel other than under advance salary. Contributions in respect of staff retirement and other benefit plans are disclosed in note 34. Remuneration to the executives and disposal of assets are disclosed in notes 35 and annexure to the financial statements.

39.1 Balances	2015				2014			
	At January 01,	Given during the year	Received during the year	At December 31,	At January 01,	Given during the year	Received during the year	At December 31,
----- Rupees in '000 -----								
<b>Advances</b>								
Subsidiaries	603,556	-	(177,417)	426,139	819,035	-	(215,479)	603,556
Associates	5,410,612	-	(281,077)	5,129,535	5,433,806	-	(23,194)	5,410,612
Key management executives	186,667	-	(27,556)	159,111	144,607	115,044	(21,260)	238,391
*Adjustment	34,419	-	-	34,419	(51,724)	-	-	(51,724)
	221,086	-	(27,556)	193,530	92,883	115,044	(21,260)	186,667
	6,235,254	-	(486,050)	5,749,204	6,345,724	115,044	(259,933)	6,200,835
----- Rupees in '000 -----								
<b>Deposits</b>								
Key management executives	19,309	303,945	(310,206)	18,554	13,402	303,914	(296,813)	20,503
*Adjustment	5,506	-	-	-	(1,194)	-	-	(1,194)
	24,815	303,945	(310,206)	18,554	12,208	303,914	(296,813)	19,309
Subsidiaries	411,597	1,893,022	(3,106)	2,301,513	298,668	170,258	(57,329)	411,597
Associates	26,038	-	(26,038)	-	12,038,914	-	(12,012,876)	26,038
Pension Fund (Current)	4,248	27,290,824	(27,291,701)	3,371	4,393	24,573,301	(24,573,446)	4,248
Pension Fund (Fixed Deposit)	7,300,000	2,300,000	(7,300,000)	2,300,000	11,500,000	7,300,000	(11,500,000)	7,300,000
Pension Fund (N.I.D.A A/c)	1,056,675	13,584,552	(13,512,790)	1,128,437	270,228	12,614,720	(11,828,273)	1,056,675
Provident Fund	13,123,803	2,400,226	(2,132,321)	13,391,708	12,886,715	2,749,149	(2,512,061)	13,123,803
	21,947,176	47,772,569	(50,576,162)	19,143,583	37,011,126	47,711,342	(62,780,798)	21,941,670

\* Adjustments due to retirement / appointment of directors and changes in key management executives.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	2015	2014
	Rupees in '000	
<b>Placements with:</b>		
Joint venture	68,450	156,864
<b>Repo borrowing from:</b>		
Joint venture	399,496	73,695
<b>Other receivables from subsidiaries</b>	86,239	77,044
<b>Other payables to subsidiaries</b>	5,154	316
<b>Off Balance Sheet items</b>	-	825,636
<b>39.2 Transactions during the year</b>		
<b>Investments in associates</b>	-	8,251,157
<b>Redemption / sale of investment in associates</b>	8,518,102	10,270,777
<b>Assets acquired under finance lease from subsidiary</b>	-	40,250
<b>Lease finance liabilities paid to subsidiary</b>	10,744	17,740
<b>Income for the year</b>		
On advances / placements with:		
Subsidiaries	18,117	35,763
Joint ventures	1,863	313
Key management executives	-	3,105
Companies in which directors of the Bank are interested as director	812,534	1,440,591
<b>Financial Charges paid on lease assets to subsidiary</b>	2,167	2,077
<b>Dividend from Joint Venture</b>	107,723	-
<b>Dividend from subsidiary</b>	428,596	107,888
<b>Expenses for the year</b>		
Remuneration to key management executives	284,564	258,950
Charge for defined benefit plan	40,843	41,341
<b>Mark-up on deposits of:</b>		
Subsidiaries	7,815	24,455
Associates	-	5
Provident fund	1,745,016	2,296,127
Pension fund	503,518	788,375
Commission paid to subsidiaries	22,992	19,682
<b>Mark-up on Borrowing (Repo / Call):</b>		
Joint venture	106	527

### 39.3 Transactions with Government-related entities

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking service to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 6,056 million for the year ended December 31, 2015. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 232,134 million, Rs. 532,737 million and Rs. 242,039 million respectively and income earned on advances and profit paid on deposits (domestic only) amounted to Rs. 15,350 million and Rs. 17,720 million respectively.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 40. CAPITAL ASSESSMENT AND ADEQUACY

##### 40.1 Statutory minimum capital requirement and management of capital

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprises of the following three capital standards:

##### i. Minimum Capital Requirement (MCR):

The MCR standard sets the nominal amount of capital banks/ DFIs are required to hold. Currently the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

##### ii. Capital Adequacy Ratio:

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 10.25%.

##### iii. Leverage Ratio:

Tier-1 Leverage Ratio of 3% is being introduced in response to the recently published Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. The bank has a leverage ratio of 4.45% in the year December 31, 2015 (2014:5.32%) and Tier-1 capital of Rs 91,751 Million (2014: Rs 95,840 Million).

The major changes under the Basel III reform package pertains to numerator of the Capital Adequacy Ratio (CAR) i.e., eligible capital. The SBP's regulatory capital as managed by the Bank is analysed into following tiers:

##### 1. Tier 1 Capital (going-concern capital)

- Common Equity Tier 1
- Additional Tier 1

##### 2. Tier 2 Capital (gone-concern capital)

- Tier I capital, which comprises highest quality capital element and include fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriate profits (net of accumulated losses, if any).
- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.
- Tier III capital, has been eliminated in Basel III Capital requirements. Also the Basel III capital rules requires bank to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR). These deductions are to be done in phased manner starting from 2014, with full deductions in 2018.

Risk weighted assets are measured according to the nature and reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off balance sheet exposures, with some adjustments to reflect more contingent nature of potential losses.

The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratio under the SBP rules, which ultimately determines the regulatory capital, required to be maintained by Banks and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2015 stood at Rs. 21,275 million (2014 : Rs. 21,275 million) and is in compliance with the SBP requirement for the said year. In addition the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 17.59.% (2014: 17.39%).

There have been no material changes in the Bank's management of capital during the year.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 40.2 Capital Adequacy Ratio (CAR) disclosure template:

Rows #		2015	2014
		Rupees in '000	
		Amount	Amount
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>			
1	Fully Paid-up Capital/ Capital deposited with SBP	21,275,131	21,275,131
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	25,432,627	23,510,741
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	49,155,590	57,006,813
8	Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9	<b>CET 1 before Regulatory Adjustments</b>	95,863,348	101,792,685
10	Total regulatory adjustments applied to CET1 (Note 40.2.1)	4,112,273	10,034,194
11	<b>Common Equity Tier 1</b>	91,751,075	91,758,491
	<b>Additional Tier 1 (AT 1) Capital</b>		
12	Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
13	of which: Classified as equity	-	-
14	of which: Classified as liabilities	-	-
15	Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	-	-
16	of which: instrument issued by subsidiaries subject to phase out	-	-
17	<b>AT1 before regulatory adjustments</b>	-	-
18	Total regulatory adjustment applied to AT1 capital (Note 40.2.2)	-	-
19	Additional Tier 1 capital after regulatory adjustments	-	-
20	<b>Additional Tier 1 capital recognized for capital adequacy</b>	-	-
21	<b>Tier 1 Capital (CET1 + admissible AT1) (11+20)</b>	91,751,075	91,758,491
	<b>Tier 2 Capital</b>		
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
23	Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 3 rules	-	-
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25	of which: instruments issued by subsidiaries subject to phase out	-	-
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	7,099,806	3,201,464
27	Revaluation Reserves (net of taxes)	14,917,268	9,848,887
28	of which: Revaluation reserves on fixed assets	24,562,403	25,767,309
29	of which: Unrealized gains/losses on AFS	8,148,085	8,562,865
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	<b>T2 before regulatory adjustments</b>	54,727,562	47,380,524
33	Total regulatory adjustment applied to T2 capital (Note 40.2.3)	1,860,863	3,398,563
34	Tier 2 capital (T2) after regulatory adjustments	52,866,698	43,981,961
35	Tier 2 capital recognized for capital adequacy	37,464,612	43,981,961
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	<b>Total Tier 2 capital admissible for capital adequacy</b>	37,464,612	43,981,962
38	<b>TOTAL CAPITAL (T1 + admissible T2) (21+37)</b>	<b>129,215,687</b>	<b>135,740,453</b>
39	<b>Total Risk Weighted Assets (RWA) {for details refer Note 40.5}</b>	<b>734,402,774</b>	<b>780,719,059</b>
	<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>		
40	<b>CET1 to total RWA</b>	12.49%	11.75%
41	<b>Tier-1 capital to total RWA</b>	12.49%	11.75%
42	<b>Total capital to total RWA</b>	17.59%	17.39%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	6.25%	5.50%
44	of which: capital conservation buffer requirement	0.25%	-
45	of which: countercyclical buffer requirement	-	-
46	of which: D-SIB or G-SIB buffer requirement	-	-
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	6.24%	6.25%
	<b>National minimum capital requirements prescribed by SBP</b>		
48	<b>CET1 minimum ratio</b>	6.00%	5.50%
49	<b>Tier 1 minimum ratio</b>	7.50%	7.00%
50	<b>Total capital minimum ratio</b>	10.25%	10.00%

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

	2015		2014	
	Amount	Amounts subject to Pre- Basel III treatment*	Amount	Amount
<b>Regulatory Adjustments and Additional Information</b>				
<b>40.2.1 Common Equity Tier 1 capital: Regulatory adjustments</b>				
1 Goodwill (net of related deferred tax liability)	-	-	-	-
2 All other intangibles (net of any associated deferred tax liability)	648,260	-	910,463	-
3 Shortfall in provisions against classified assets	-	-	1,527,000	-
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
5 Defined-benefit pension fund net assets	-	-	-	-
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	1,050,247	-	2,343,678	-
7 Cash flow hedge reserve	-	-	-	-
8 Investment in own shares/ CET1 instruments	-	-	-	-
9 Securitization gain on sale	-	-	-	-
10 Capital shortfall of regulated subsidiaries	-	-	-	-
11 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	-	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	357,366	893,415	845,691	-
13 Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-	-
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	136,887	342,216	187,811	-
15 Amount exceeding 15% threshold	-	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-	399,241
17 of which: deferred tax assets arising from temporary differences	-	-	-	421,747
18 National specific regulatory adjustments applied to CET1 capital	-	-	-	-
19 Investments in TFCs of other banks exceeding the prescribed limit	58,650	-	-	-
20 Any other deduction specified by SBP (mention details)	-	-	-	-
21 Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	1,860,863	-	3,398,563	-
22 Total regulatory adjustments applied to CET1 (sum of 1 to 21)	4,112,273	-	10,034,194	-
<b>40.2.2 Additional Tier-1 &amp; Tier-1 Capital: regulatory adjustments</b>				
23 Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-	-	-	-
24 Investment in own AT1 capital instruments	-	-	-	-
25 Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-	-
26 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
27 Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
28 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-	-
29 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
30 Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	-	-	-	-
<b>40.2.3 Tier 2 Capital: regulatory adjustments</b>				
31 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	1,860,863	-	3,398,563	-
32 Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-	-
33 Investment in own Tier 2 capital instrument	-	-	-	-
34 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
35 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
36 Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	1,860,863	-	3,398,563	-
<b>40.2.4 Additional Information</b>				
<b>Risk Weighted Assets subject to pre-Basel III treatment</b>				
37 Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)	-	-	-	-
(i) of which: deferred tax assets	205,329	-	18,924	-
(ii) of which: Defined-benefit pension fund net assets	-	-	-	-
(iii) of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	536,049	-	-	-
(iv) of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-	-	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
38 Non-significant investments in the capital of other financial entities	9,416,484	-	7,333,155	-
39 Significant investments in the common stock of financial entities	2,681,137	-	1,359,266	-
40 Deferred tax assets arising from temporary differences (net of related tax liability)	9,327,143	-	9,853,854	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
41 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	-	-	-
42 Cap on inclusion of provisions in Tier 2 under standardized approach	-	-	-	-
43 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-	-	-
44 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-	-	-

Note: Rows which are not applicable for any institution should be left blank

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

### 40.3 Capital Structure Reconciliation

Table: 40.3.1		Balance sheet of the published financial statements	Under regulatory scope of consolidation	
(in thousand PKR)	(1)	As at period end (2)	As at period end (3)	
<b>Assets</b>				
Cash and balances with treasury banks		150,899,778		
Balances with other banks		20,128,273		
Lending to financial institutions		10,638,524		
Investments		826,301,890		
Advances		577,892,610		
Operating fixed assets		31,935,787		
Deferred tax assets		9,669,359		
Other assets		78,895,162		
<b>Total assets</b>		<b>1,706,361,383</b>		
<b>Liabilities &amp; Equity</b>				
Bills payable		9,171,616		
Borrowings		21,911,190		
Deposits and other accounts		1,431,036,598		
Sub-ordinated loans		-		
Liabilities against assets subject to finance lease		35,800		
Deferred tax liabilities		-		
Other liabilities		75,854,704		
<b>Total liabilities</b>		<b>1,538,009,908</b>		
Share capital/ Head office capital account		21,275,131		
Reserves		45,580,712		
Unappropriated/ Unremitted profit/ (losses)		49,155,590		
Minority Interest		-		
Surplus on revaluation of assets		52,340,042		
<b>Total liabilities &amp; equity</b>		<b>1,706,361,383</b>		

Table: 40.3.2		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Assets	(1)	As at period end (2)	As at period end (3)	(4)
Cash and balances with treasury banks		150,899,778		
Balances with other banks		20,128,273		
Lending to financial institutions		10,638,524		
Investments		825,944,524		
<i>of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold</i>		357,366		a
<i>of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold</i>		-		b
<i>of which: Mutual Funds exceeding regulatory threshold</i>		-		c
<i>of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)</i>		1,050,247		d
<i>of which: others (mention details)</i>		-		e
Advances		577,892,610		
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB general provisions reflected in Tier 2 capital</i>		-		f
Fixed Assets		7,099,806		g
Fixed Assets		31,287,527		
Deferred Tax Assets		9,669,359		
<i>of which: DTAs that rely on future profitability excluding those arising from temporary differences</i>		9,532,472		h
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>		136,887		i
Other assets		78,895,162		
<i>of which: Goodwill</i>		-		j
<i>of which: Intangibles</i>		648,260		k
<i>of which: Defined-benefit pension fund net assets</i>		-		l
<b>Total assets</b>		<b>1,706,361,383</b>		

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

Assets	(1)	Balance sheet as in published financial statements As at period end (2)	Under regulatory scope of consolidation As at period end (3)	Reference (4)
<b>Liabilities &amp; Equity</b>				
Bills payable		9,171,616		
Borrowings		21,911,190		
Deposits and other accounts		1,431,036,598		
Sub-ordinated loans		-		
<i>of which: eligible for inclusion in AT1</i>		-		m
<i>of which: eligible for inclusion in Tier 2</i>		-		n
Liabilities against assets subject to finance lease		35,800		
Deferred tax liabilities		-		
<i>of which: DTLs related to goodwill</i>		-		o
<i>of which: DTLs related to intangible assets</i>		-		p
<i>of which: DTLs related to defined pension fund net assets</i>		-		q
<i>of which: other deferred tax liabilities</i>		-		r
Other liabilities		75,854,705		
<b>Total liabilities</b>		1,538,009,909		
Share capital		21,275,131		
<i>of which: amount eligible for CET1</i>		21,275,131		s
<i>of which: amount eligible for AT1</i>		-		t
Reserves		45,580,712		
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>		25,432,627		u
<i>of which: portion eligible for inclusion in Tier 2</i>		8,148,085		v
Unappropriated profit/ (losses)		49,155,590		w
Minority Interest		-		
<i>of which: portion eligible for inclusion in CET1</i>		-		x
<i>of which: portion eligible for inclusion in AT1</i>		-		y
<i>of which: portion eligible for inclusion in Tier 2</i>		-		z
Surplus on revaluation of assets		52,340,042		
<i>of which: Revaluation reserves on Fixed Assets</i>		14,917,268		aa
<i>of which: Unrealized Gains/Losses on AFS</i>		24,562,403		
<i>In case of Deficit on revaluation (deduction from CET1)</i>		-		
<b>Total liabilities &amp; Equity</b>		1,706,361,383		ab

### Basel III Disclosure Template (with added column)

Table: 40.3.3

	Component of regulatory capital reported by bank	Source based on reference number from step 2
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
1 Fully Paid-up Capital/ Capital deposited with SBP	21,275,131	
2 Balance in Share Premium Account	-	(s)
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	25,432,627	
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	(u)
6 Unappropriated/unremitted profits/ (losses)	49,155,590	(w)
7 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
	95,863,348	
<b>CET 1 before Regulatory Adjustments</b>		
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
9 Goodwill (net of related deferred tax liability)	-	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	648,260	(k) - (p)
11 Shortfall of provisions against classified assets	-	(f)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,812,989	{(h) - (r)} * x%
13 Defined-benefit pension fund net assets	-	{(l) - (q)} * x%
14 Reciprocal cross holdings in CET1 capital instruments	1,050,247	(d)
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	
19 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	(ab)
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	357,366	(a) - (ac) - (ae)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	136,887	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

Basel III Disclosure Template (with added column)	Component of regulatory capital reported by bank	Source based on reference number from step 2
<b>Table: 40.3.3</b>		
26 National specific regulatory adjustments applied to CET1 capital	-	
27 of which: Investment in TFCs of other banks exceeding the prescribed limit	58,650	
28 of which: Any other deduction specified by SBP (mention details)	-	
29 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	1,860,863	
30 Total regulatory adjustments applied to CET1 (sum of 9 to 29)	7,925,262	
31 <b>Common Equity Tier 1</b>	87,938,086	
<b>Additional Tier 1 (AT1) Capital</b>		
32 Qualifying Additional Tier-1 instruments plus any related share premium	-	
33 of which: Classified as equity	-	(t)
34 of which: Classified as liabilities	-	(m)
35 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	
36 of which: instrument issued by subsidiaries subject to phase out	-	(y)
37 <b>AT1 before regulatory adjustments</b>	-	
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
38 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
39 Investment in own AT1 capital instruments	-	
40 Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
41 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
42 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
43 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	
44 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
45 Total of Regulatory Adjustment applied to AT1 capital (sum of 38 to 44)	-	
46 Additional Tier 1 capital	-	
47 <b>Additional Tier 1 capital recognized for capital adequacy</b>	-	
48 <b>Tier 1 Capital (CET1 + admissible AT1) (31+47)</b>	91,751,075	
<b>Tier 2 Capital</b>		
49 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	
50 Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
51 Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
52 of which: instruments issued by subsidiaries subject to phase out	-	
53 General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	7,099,806	(g)
54 Revaluation Reserves	-	
55 of which: Revaluation reserves on fixed assets	14,917,268	portion of (aa)
56 of which: Unrealized Gains/Losses on AFS	24,562,403	
57 Foreign Exchange Translation Reserves	8,148,085	(v)
58 Undisclosed/Other Reserves (if any)	-	
59 <b>T2 before regulatory adjustments</b>	54,727,562	
<b>Tier 2 Capital: regulatory adjustments</b>		
60 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	1,860,863	
61 Reciprocal cross holdings in Tier 2 instruments	-	
62 Investment in own Tier 2 capital instrument	-	
63 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
64 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
65 Amount of Regulatory Adjustment applied to T2 capital (sum of 60 to 64)	1,860,863	
66 Tier 2 capital (T2)	52,866,699	
67 Tier 2 capital recognized for capital adequacy	37,464,612	
68 Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69 Total Tier 2 capital admissible for capital adequacy	37,464,612	
70 <b>TOTAL CAPITAL (T1 + admissible T2) (48+69)</b>	129,215,687	

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

#### 40.4 Main Features Template of Regulatory Capital Instruments

#### Disclosure template for main features of regulatory capital instruments

Main Features	Common Shares
1 Issuer	NATIONAL BANK OF PAKISTAN
2 Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	NBP
3 Governing law(s) of the instrument	THROUGH GOVERNMENT ACT
Regulatory treatment	
4 Transitional Basel III rules	Common Equity Tier 1
5 Post-transitional Basel III rules	Common Equity Tier 1
6 Eligible at solo/ group/ group&solo	Group and Standalone
7 Instrument type	Ordinary Shares
8 Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	PKR 21,275,131
9 Par value of instrument	PKR 10
10 Accounting classification	Shareholders Equity
11 Original date of issuance	N/A
12 Perpetual or dated	N/A
13 Original maturity date	N/A
14 Issuer call subject to prior supervisory approval	No
15 Optional call date, contingent call dates and redemption amount	Not Applicable
16 Subsequent call dates, if applicable	Not Applicable
Coupons / dividends	
17 Fixed or floating dividend/ coupon	Not Applicable
18 coupon rate and any related index/ benchmark	Not Applicable
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or mandatory	N/A
21 Existence of step up or other incentive to redeem	No
22 Noncumulative or cumulative	Not Applicable
23 Convertible or non-convertible	
24 If convertible, conversion trigger (s)	Not Applicable
25 If convertible, fully or partially	Not Applicable
26 If convertible, conversion rate	Not Applicable
27 If convertible, mandatory or optional conversion	Not Applicable
28 If convertible, specify instrument type convertible into	Not Applicable
29 If convertible, specify issuer of instrument it converts into	Not Applicable
30 Write-down feature	
31 If write-down, write-down trigger(s)	Not Applicable
32 If write-down, full or partial	Not Applicable
33 If write-down, permanent or temporary	Not Applicable
34 If temporary write-down, description of write-up mechanism	Not Applicable
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not Applicable
36 Non-compliant transitioned features	Not Applicable
37 If yes, specify non-compliant features	Not Applicable

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 40.5 Risk Weighted Assets

The capital requirements for the banking group as per the major risk categories should be indicated in the manner given below:-

	Capital Requirements		Risk Weighted Assets	
	2015	2014	2015	2014
<b>Credit Risk</b>				
<b>On-Balance sheet</b>				
<u>Portfolios subject to standardized approach (Simple or Comprehensive)</u>				
Sovereign	4,440,417	5,604,801	44,404,173	56,048,009
Public Sector entities	227,508	850,340	2,275,075	8,503,401
Banks	852,227	1,035,607	8,522,270	10,356,071
Corporate	15,847,412	14,560,722	158,474,122	145,607,217
Retail	11,326,990	12,060,695	113,269,895	120,606,952
Residential Mortgages	811,093	757,373	8,110,934	7,573,733
Past Due loans	2,088,073	2,867,232	20,880,727	28,672,319
Operating Fixed Assets	3,128,753	3,088,508	31,287,527	30,885,076
Other assets	2,337,596	3,406,967	23,375,962	34,069,668
	41,060,069	44,232,245	410,600,685	442,322,446
<b>Off-Balance sheet</b>				
Non-market related	5,490,493	6,441,153	54,904,925	64,411,529
Market related	54,333	78,615	543,327	786,151
	5,544,826	6,519,768	55,448,252	65,197,680
<b>Equity Exposure Risk in the Banking Book</b>				
Under simple risk weight method	10,193,553	8,594,309	101,935,533	85,943,087
	56,798,448	59,346,322	567,984,470	593,463,213
<b>Market Risk</b>				
<u>Capital Requirement for portfolios subject to Standardized Approach</u>				
Interest rate risk	512,936	2,437,844	5,129,360	24,964,531
Equity position risk	363,871	1,448,009	3,638,713	5,987,253
Foreign Exchange risk	3,069,638	2,928,812	30,696,381	36,615,924
	3,946,445	6,814,665	39,464,454	67,567,708
<b>Operational Risk</b>	12,695,385	11,776,107	126,953,850	119,688,139
<b>TOTAL</b>	<b>73,440,278</b>	<b>77,937,094</b>	<b>734,402,774</b>	<b>780,719,060</b>

Capital Adequacy Ratios	2015		2014	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	12.49%	5.50%	11.75%
Tier-1 capital to total RWA	7.50%	12.49%	7.00%	11.75%
Total capital to total RWA	10.25%	17.59%	10.00%	17.39%

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

## 41. RISK MANAGEMENT

Importance of risk management has increased over the time especially after the global meltdown. In Pakistani banking industry, Risk Management gained its importance when SBP released its circular for Basel II framework in 2006. Now SBP has been actively releasing various guidelines for implementation of Basel III to strengthen internal risk management environment of local Banks.

The Bank, being the country's leading Bank, has always been determined to attain best practices in Risk Management standards. The purpose of our risk management framework is to provide the solid grounds where Bank can safely perform its business activities and ultimately achieve its goals. Further, it is continuously evolving framework, to incorporate the instructions issued by SBP along with the needs of the volatile local and global markets.

Since the implementation of Basel II framework, the overall Risk Management of the Bank has gone through several significant improvements and changes, which have further highlighted the Risk Management Framework.

It is important to mention that the Bank has also recently undertaken a comprehensive BPR and COSO exercise aimed at overall business process improvement, advanced risk management and strengthening of the overall control environment.

### 41.1 Overall Structure and broad initiatives

The Risk Management Group of the Bank is dedicated to support Bank's growth objectives which are consistent with its risk tolerance level. For effective implementation of the risk management framework, the Group works independently and is liable for formulating and appraising of risk policies and also analyzes various risks associated with the activities of the Bank. The specialized functions of Risk Management Group are Credit Risk, Market Risk & Liquidity Risk and Operational Risk as outlined by its Board approved "Risk Management Charter." Organizational structure for the group has been implemented with clear segregation of responsibilities and focused Wings constituted with relevant heads and staff to discharge respective responsibilities.

An Executive Risk Management Committee (ERMC) also exists within the Bank comprising of relevant Group Chiefs/ Divisional Heads. Both BRC and the ERMC are provided periodic updates via MIS and periodic progress reports by RMG to ensure that the Board and senior management remain aware of the various risk management initiatives and provide oversight and guidance.

Bank's Risk Management Policy ensures the following:

- Setting Risk Management objectives of the Bank which includes establishing most appropriate course of action under uncertainty by identifying, assessing, understanding, acting on and communicating risk issues.
- Implementation of Risk Management Process at Strategic, Macro and Micro Level.
- Integrated Risk Management i.e. quantifying various risks by using different measurement methodologies, and aggregating all the risks to keep the total risk within the capital.
- Alignment of Risk management approach with the regulatory requirements and the Bank's Risk Management Policy.

The structure of RMG with dedicated Wings for specific responsibilities has been implemented as follows:

#### 41.1.1 Credit Risk Architecture

Credit Risk Architecture Wing in RMG was formed as per the Risk Management Charter with a view to further architecturally improve credit risk environment in Bank and introduce proactive measures to mitigate credit risk for all asset classes.

During the year the Wing has performed several functions successfully, which include building the process for development of credit risk models for compliance with the Basel framework and best practices in Risk Management, stress testing on the credit portfolio as per the guidelines issued by SBP and enhancement in Credit Risk Tolerance Limits / Concentration Policy. Moreover, Overseas Risk Management Framework was developed with coordinated efforts, consolidated consumer portfolio analytics was initiated and a dedicated function was set-up for Credit Portfolio Management Review.

#### 41.1.2 Basel II / Risk Automation

This Wing is responsible for managing and facilitating Basel II project in close coordination with the Basel II consultants and with the active support and involvement of other functions within the Bank. The Wing is also responsible to perform project management and support services in relation to evaluation, selection and implementation of suitable risk management applications, as required by the Bank.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### For the year ended December 31, 2015

A comprehensive diagnostic exercise was conducted on a Bank-wide basis and the relevant areas for improvement were identified. This exercise encompassed all possible aspects that impacted the Bank's Risk Management environment including the assessment of its existing risk management structure, policies and procedures, overall system architecture from a risk perspective and data availability and quality required for comprehensive risk management.

Based on the areas identified during the diagnostic exercise, detailed remediation plans have been developed proposing various structured initiatives that the Bank needs to undertake. These remediation plans contain the initiatives, action steps and related guidelines for enhancement in policies and procedures. The Bank has achieved about 75% of Basel II project implementation.

#### 41.1.3 E-CIB and Data Management

E-CIB & Data Management Wing manages collection & consolidation of borrower's information in two separate databases on monthly / quarterly basis for e-CIB reporting and various risk related analysis for credit portfolio management/MIS respectively and reviews the quality and integrity of credit and advances related data. Such data is utilized by various groups, divisions and field functionaries.

The Wing is responsible for handling e-CIB related matters and performing periodic review and generate reports of advances data, highlighting inconsistencies and errors and issuing instructions to the relevant data entry points for rectification. The Wing has taken several initiatives for data accuracy and identification of data discrepancies which improved the quality of data significantly than the previous years and carried out additional data collection exercises for Basel-II Models requirements. A web-based application has also been developed and under testing to replace existing templates. The new data requirements for Basel-II Models have also been provided to PMO for mapping/incorporating with CBA.

#### 41.1.4 Operational Risk Management

Operational Risk Management Wing has been developed to help align the Bank with the sound practices of operational risk set by the Basel Committee and provide guidance for setting Operational Risk Strategy of the Bank, selection and adoption of risk and loss measurement tools, reporting & communication and establishment of operational risk management process.

For further strengthening the operational risk in the Bank, Operational Risk Management Wing has achieved the following milestones.

##### 41.1.4.1 Implementation of Operational Risk Management tools - Risk & Control Self Assessment (RCSA)

For identification and assessment of operational risk across the Bank, the Bank has adopted risk assessment methodology known as Risk & Control Self Assessment.

##### 41.1.4.2 Mapping of Bank's activities into Basel Defined Business Lines

One of the qualifying criteria of the SBP, for allowing the banks to move towards next level approaches (The Standardised Approach (TSA)/ Alternative Standardised Approach (ASA)) in order to get benefit of the capital, is mapping of Bank's activities into Basel defined business lines. RMG is working on segregating these activities into Basel defined business lines. These business lines include Corporate Finance, Trading and Sales, Retail Banking, Commercial Banking, Payment and Settlement, Agency Services, Asset Management, Retail Brokerage etc.

##### 41.1.4.3 Monitoring of ORM Tolerance limit and updation

Bank has identified the limits for various operational risk categories and now Bank would monitor its operational losses against those defined limits and apprise the Senior Management / Board.

##### 41.1.4.4 Training to field functionaries on Operational Risk Management & its tools

Training is also being imparted to the field functionaries on Operational Risk Management and its various tool such as Risk & Control Self Assessment (RCSA), Key Risk Indicators (KRIs), Operational Loss Data Collection Mechanism etc.

##### 41.1.4.5 Key Risk Indicators & Its Reporting

Key Risk Indicators (KRIs) act as early warning signals by providing the capability to indicate changes in an organization's risk profile. Currently, the Bank has initiated KRI exercise on pilot run basis whereby the relevant stakeholders report their specific KRI reports to RMG and on the basis of data received from relevant stakeholders, RMG has developed the KRI thresholds which shall be used for variance reporting.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 41.1.5 Market & Liquidity Risk Management

The Wing ensures that the Market and Liquidity Risks are identified, measured, monitored and controlled with the support and involvement of respective Business and Support Groups / Divisions, and in accordance with the regulatory requirements and internal policies. Broadly, it is responsible for formulation / proposition of Market Risk Management (MRM) Framework (which includes Asset Liability Management (ALM) Policy & Procedures, Investment Policy of the Bank, Interest Rate Risk Management (IRRM) Policy, VaR & Back Testing Policy etc.), Treasury & Equity Investment portfolio monitoring, assessment / development of Market and Liquidity Risk limits, MIS for Liquidity & Interest Rate Risk monitoring, review of various policies and procedure manuals from Market & liquidity Risk perspective, provision of necessary support in Market Risk Capital Calculation, Coordinating and working with other wings for ICAAP, Stress Testing and other Market and Liquidity Risk functionalities. Further detailed disclosures are given in note 41.3.

### 41.1.6 BPR & COSO Implementation Project

The Business Process Review and COSO Implementation Project commenced from March 17, 2014 to effectively implement BPR & COSO, in order to achieve CBA optimization by streamlining the operating model (including best practice centralization), improving regulatory compliance as well as improving the platform for customer service and product/ service deployment. Furthermore, enhance MIS reporting and decision making and improve TATs resulting from process and organizational efficiencies.

The Project Management Office – BPR & COSO Implementation ensures smooth coordination amongst various stakeholders i.e. Consultants, IT vendors and the BPR & COSO Project Implementation Team. Further, PMO assists the BPR & COSO Steering Committee by providing project updates and escalating all relevant issues for appropriate resolution/ disposition in timely manner. In order to infuse the Project's awareness amongst field functionaries, PMO conducted various training sessions to prepare Master Trainers at all four staff colleges, circulated three bi-monthly Bank-wide Bulletin on BPR & COSO implementation and presented a study paper in NBP News line Magazine.

### 41.1.7 Credit Administration

Credit Administration Wing (CAD) ensures proper credit discipline in the Bank by adopting sound and prudent bank lending practices.

In line with the best international practices, the Wing is responsible for preparation of finance documents, supervision of registration of charge with relevant authorities, safe keeping of the security documents and shadow credit files, disbursements of finances as per sanction followed by credit maintenance during the currency of loans. It also monitors the performances of vendors including Mucaddam companies, Bank's Legal Advisors, etc.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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### 41.1.8 SEGMENTAL INFORMATION

#### 41.1.8.1 Segment by class of business

	2015					
	Advances (Gross)		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Chemical and pharmaceuticals	2,868,160	0.41	730,593	0.05	6,822,114	2.06
Agriculture	50,646,577	7.32	33,523,874	2.34	501,992	0.15
Textile	62,004,381	8.97	3,338,990	0.23	7,060,796	2.14
Cement	8,294,705	1.20	1,624,918	0.11	8,046,294	2.43
Sugar	21,967,678	3.18	197,704	0.01	4,399	0.00
Flour	2,628,323	0.38	508,225	0.04	-	0.00
Rice processing	13,818,038	2.00	1,368,188	0.10	-	0.00
Shoes and leather garments	545,355	0.08	149,623	0.01	84,299	0.03
Automobile and transportation equipment	-	-	-	-	-	-
Financial	2,532,056	0.37	5,135,158	0.36	2,284,055	0.69
Insurance	4,429,054	0.64	204,616,538	14.30	7,008,570	2.12
Transportation	361,839	0.05	568,293	0.04	3,154	0.00
Real estate construction	63,580,619	9.19	2,058,782	0.14	23,622,221	7.14
Electronics and electrical appliances	8,490,767	1.23	6,599,622	0.46	3,693,670	1.12
Production and transmission of energy	6,229,452	0.90	1,523,571	0.11	2,241,055	0.68
Food and tobacco	125,085,736	18.09	100,788,152	7.04	120,538,973	36.45
Fertilizer	2,850,787	0.41	1,540,655	0.11	1,102,705	0.33
Metal products	15,909,181	2.30	2,665,856	0.19	4,950,538	1.50
Telecommunication	55,645,359	8.05	3,609,941	0.25	1,060,524	0.32
Hotel and services	5,120,981	0.74	71,609,912	5.00	4,159,840	1.26
Public sector commodity operations	6,705,519	0.97	165,699,665	11.58	4,928,030	1.49
Individuals	48,314,784	6.99	93,417	0.01	768,600	0.23
General traders	127,275,291	18.40	491,575,374	34.35	4,633,175	1.40
Others	25,457,349	3.68	42,356,940	2.96	363,496	0.11
	30,860,571	4.45	289,152,607	20.21	126,798,077	38.35
	<b>691,622,562</b>	<b>100.00</b>	<b>1,431,036,598</b>	<b>100.00</b>	<b>330,676,577</b>	<b>100.00</b>

	2014					
	Advances (Gross)		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Chemical and pharmaceuticals	3,870,130	0.53	1,230,143	0.10	7,832,740	3.20
Agriculture	56,700,010	7.79	32,337,221	2.62	30,974	0.01
Textile	67,854,542	9.32	4,095,467	0.33	8,383,945	3.43
Cement	8,434,984	1.16	546,941	0.04	241,896	0.10
Sugar	20,699,027	2.84	305,501	0.02	119,670	0.05
Flour	2,822,353	0.39	444,128	0.04	-	0.00
Rice processing	16,462,954	2.26	2,223,306	0.18	-	0.00
Shoes and leather garments	698,018	0.10	237,549	0.02	152,651	0.06
Automobile and transportation equipment	-	-	-	0.00	-	-
Financial	2,246,514	0.31	1,298,443	0.11	1,017,449	0.42
Insurance	4,828,406	0.66	168,212,569	13.64	6,300,907	2.58
Transportation	-	0.00	1,650,801	0.13	3,151	0.00
Real estate construction	78,866,068	10.83	3,389,593	0.27	12,745,826	5.21
Electronics and electrical appliances	8,964,631	1.23	7,022,911	0.57	4,236,642	1.73
Production and transmission of energy	4,818,980	0.66	2,457,308	0.20	5,060,754	2.07
Food and tobacco	-	-	-	0.00	-	-
Fertilizer	128,129,091	17.60	86,431,489	7.01	65,853,909	26.92
Metal products	1,902,003	0.26	413,014	0.03	824,949	0.34
Telecommunication	10,837,894	1.49	3,682,591	0.30	4,166,208	1.70
Hotel and services	52,502,808	7.21	4,347,830	0.35	5,052,841	2.07
Public sector commodity operations	6,522,497	0.90	62,089,422	5.03	10,742,054	4.39
Individuals	5,234,787	0.72	113,103,571	9.17	2,861,717	1.17
General traders	57,601,776	7.91	30,927	0.00	3,828,642	1.57
Others	133,910,260	18.39	447,232,129	36.26	6,368,154	2.60
	20,321,679	2.79	38,316,131	3.11	870,178	0.36
	33,834,646	4.65	252,426,505	20.47	97,931,433	40.02
	<b>728,064,058</b>	<b>100.00</b>	<b>1,233,525,490</b>	<b>100.00</b>	<b>244,626,690</b>	<b>100.00</b>



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### 41.1.8.2 Segment by sector

	2015					
	Advances (Gross)		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Public / Government	232,134,564	33.56	532,737,226	37.23	242,038,580	73.19
Private	459,487,998	66.44	898,299,372	62.77	88,637,997	26.81
	<b>691,622,562</b>	<b>100.00</b>	<b>1,431,036,598</b>	<b>100.00</b>	<b>330,676,577</b>	<b>100.00</b>
	2014					
	Advances (Gross)		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Public / Government	256,688,614	35.26	406,272,270	32.94	146,482,760	59.88
Private	471,375,444	64.74	827,253,220	67.06	98,143,930	40.12
	<b>728,064,058</b>	<b>100.00</b>	<b>1,233,525,490</b>	<b>100.00</b>	<b>244,626,690</b>	<b>100.00</b>

### 41.1.8.3 Details of non-performing advances and specific provision by class of business segment

	2015		2014	
	Classified Advances	Specific Provision Held	Classified Advances	Specific Provision Held
	----- Rupees in '000 -----			
Chemical and pharmaceuticals	4,174,680	4,096,609	2,518,971	2,041,237
Agriculture	5,285,971	2,286,443	3,777,540	2,035,544
Textile	31,824,180	30,782,783	27,695,737	26,381,361
Cement	2,696,585	2,694,675	3,629,759	3,512,855
Sugar	4,063,911	3,762,502	4,435,686	3,463,169
Flour	499,507	493,938	587,894	520,647
Rice processing	3,510,261	3,196,494	3,089,037	2,597,505
Shoes and leather garments	362,212	352,516	310,813	305,355
Automobile and transportation equipment	958,273	956,681	951,406	940,410
Financial	1,072,158	1,068,308	777,753	777,753
Transportation / Karobar	3,985,890	3,825,351	2,723,931	2,723,931
Real estate construction	2,051,448	2,005,594	2,737,062	2,199,783
Electronics and electrical appliances	4,011,073	3,783,073	1,967,158	1,874,527
Production and transmission of energy	6,511,343	5,298,938	10,596,739	7,888,576
Food and tobacco	1,892,513	1,703,138	2,281,312	2,049,591
Fertilizer	3,090,327	3,076,673	3,032,122	2,106,685
Metal products	18,319,159	14,694,459	16,157,959	9,122,294
Hotel and services	4,263,956	4,247,129	4,649,966	3,290,532
Individuals	6,750,680	3,900,375	6,509,134	3,787,038
General traders	10,419,731	10,347,312	12,769,596	12,080,194
Others	11,536,439	8,192,600	9,641,794	8,459,524
	<b>127,280,297</b>	<b>110,765,591</b>	<b>120,841,369</b>	<b>98,158,511</b>

### 41.1.8.4 Details of non-performing advances and specific provision by sector

Public / Government	4,890,641	2,223,867	515,169	515,169
Private	122,389,656	108,541,724	120,326,200	97,643,342
	<b>127,280,297</b>	<b>110,765,591</b>	<b>120,841,369</b>	<b>98,158,511</b>

### 41.1.8.5 Geographical segment analysis

	2015			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and Commitments
	----- Rupees in '000 -----			
Pakistan	36,877,182	1,563,368,096	149,956,587	284,381,138
Asia Pacific (including South Asia)	(3,455,139)	69,422,924	11,803,782	19,571,314
Europe	(184,782)	9,152,966	2,378,541	2,811,056
United States of America	(160,262)	29,918,934	2,080,106	4,553,469
Middle East	138,609	34,498,463	2,132,459	19,359,600
	<b>33,215,608</b>	<b>1,706,361,383</b>	<b>168,351,475</b>	<b>330,676,577</b>

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	2014			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	----- Rupees in '000 -----			
Pakistan	33,227,325	1,445,297,532	162,625,118	196,840,546
Asia Pacific (including South Asia)	(11,044,820)	43,691,641	4,950,246	26,893,036
Europe	(171,575)	9,020,130	3,691,206	3,492,113
United States of America	(86,360)	12,669,437	2,378,220	2,987,512
Middle East	76,173	32,375,577	4,684,111	14,413,483
	<u>22,000,743</u>	<u>1,543,054,317</u>	<u>178,328,901</u>	<u>244,626,690</u>

### 41.2 Operational Risk

A comprehensive Operational Risk Management Framework has been developed to help align the Bank with the sound practices for operational risk set by Basel, provide guidance for setting the operational risk strategy of the Bank, selection and adoption of risk and loss measurement tools, reporting, communication and establishment of operational risk management processes.

Currently, the Bank has a Board Approved Operational Risk Strategy Document which also includes Operational Risk Tolerance limits as per Basel II Loss Event Categories. Furthermore, the Bank has already rolled out Operational Loss Data Collection Mechanism whereby field functionaries are responsible to report operational losses under their jurisdiction.

Moreover, the Bank has also completed Risk & Control Self Assessment (RCSA) exercise, whereas 40 RCDAs have been developed through rigorous processes which include but not limited to various cross functional team meetings held with the relevant stakeholders. In addition, on the basis of high risks, identified from RCSA exercise, the Bank has initiated the Key Risk Indicators (KRIs) reporting on pilot run basis. Based on KRI data reported by relevant stakeholders, KRI thresholds have been set which shall be used for variance reporting.

### 41.3 Market and Liquidity Risk

The Bank has developed Market Risk Management (MRM) Framework comprising of related Policies / Procedures. The Framework aims to formalize and enhance the existing documentation that governs the market risk management of the Bank through policies and procedures.

RMG in coordination with the other groups is also working on devising improved criteria for various market risk limits. VaR models for trading portfolio have been developed and are on pilot run.

Proprietary market risk stress testing scenarios have been developed (in addition to the regulatory ones) and testing is being performed on the same to assess subsequent impact on CAR.

Limits / zones and Management Action Triggers & Management Action Plans corresponding to Liquidity Ratio, Balance Sheet Duration Gap, Government Securities PVBP and Duration have been developed in conjunction with TMG. These triggers are used for proposing/ recommending actions by ALCO.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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### 41.3.1 Foreign Exchange Risk

	2015			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	----- Rupees in '000 -----			
Pakistan Rupee	1,515,212,228	1,288,797,399	(89,553,739)	136,861,090
United States Dollar	108,345,433	119,431,806	4,614,616	(6,471,757)
Great Britain Pound	3,810,668	7,784,448	8,421,739	4,447,959
Japanese Yen	23,480,826	92,427,156	68,606,897	(339,433)
Euro	8,058,143	10,367,711	6,643,117	4,333,549
Other currencies	47,454,085	19,201,389	1,267,370	29,520,066
	191,149,155	249,212,510	89,553,739	31,490,384
	<u>1,706,361,383</u>	<u>1,538,009,908</u>	-	<u>168,351,475</u>
	2014			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	----- Rupees in '000 -----			
Pakistan Rupee	1,391,723,372	1,146,106,586	(112,755,390)	132,861,396
United States Dollar	90,952,905	134,910,378	52,084,331	8,126,858
Great Britain Pound	3,592,619	8,499,956	8,097,800	3,190,463
Japanese Yen	2,620,349	53,362,252	46,943,347	(3,798,556)
Euro	7,765,845	7,805,752	5,619,614	5,579,707
Other currencies	46,399,227	14,040,492	10,298	32,369,033
	151,330,945	218,618,830	112,755,390	45,467,505
	<u>1,543,054,317</u>	<u>1,364,725,416</u>	-	<u>178,328,901</u>

Currency Risk arises where the value of a financial instrument changes due to changes in foreign exchange rates. In order to manage currency risk exposure the Bank enters into ready, spot, forward and swaps transactions with the SBP and in the interbank market, financial institutions and corporate.

The Bank's foreign exchange exposure comprises forward contracts, purchases of foreign bills, foreign currencies cash in hand, balances with banks abroad, foreign placements with the SBP and foreign currencies assets and liabilities. The net open position is managed within the statutory limits, as fixed by the SBP. Appropriate segregation of duties exists between the front, middle and back office functions.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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### 41.3.2 Equity Position Risk

Investments in equity are generally regarded as riskier relative to fixed income securities owing to the inherent volatility of stock market prices. The risks from various factors include, but are not limited to:

Changes in business cycle affecting the business of the company in which the investment is made. Change in business circumstances (i.e. fundamentals) of the company, its business sector, industry and / or economy in general;

Mismanagement of the investee company, their products / services any third party liability or occurrence of other events such as strikes, fraud, etc. in the company in which investment is made;

Fluctuation in the shares' prices resulting from their dependence on market sentiment, speculative activity, supply and demand of shares and liquidity in the market;

Possibility of defaults by participant or failure of the stock exchanges, the depositories, the settlement or the clearing system on discharging their fiduciary responsibilities; and

Any government or court order restraining payment of dividend by a company to its shareholders.

The Bank mitigates the aforesaid risks as follows:

Compliance with the SBP regulations for equity exposure / investments and compliance with the SECP Corporate Governance Rules by the investee company prudent investing practices (focus on dividend payout history);

Through diversification and capping maximum exposure through internal limits. Additionally, continuous follow up of these sectors and companies through self monitoring and fundamentals research conducted internally and from reputable brokerage houses;

Investments are made as per the guidelines on liquidity and growth as per investment policy manual or guidelines set by Senior Management and the Board of Directors; and

The Bank follows a delivery versus payment settlement system thereby minimizing risk in relation to settlement risk.

### 41.3.3 Mismatch of Interest Rate Sensitive Assets and Liabilities

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market mark-up / interest rates. The Bank is exposed to interest / mark-up rate risk as a result of mismatches or gaps in the amount of interest / mark-up based assets and liabilities that mature or re-price in a given period. The Bank manages this risk by matching / re-pricing of assets and liabilities. The Assets and Liabilities Committee (ALCO) / Executive Risk Management Committee (ERMC) of the Bank monitors and manages the interest rate risk with the objective of limiting the potential adverse effects on the profitability of the Bank.

Management of interest rate risk is one of the critical components of market risk management in banks. The Bank's net interest income or net interest margin is also dependent on the movement of interest rates and mismatches in the cash flows or re-pricing dates. Interest rate risk management includes establishing and monitoring various risk mitigating / quantifying limits such as PVBP, duration, balance sheet DGAP and other money market and interest rate sensitivity limits.

As part of the risk reporting, an interest rate sensitivity statement is prepared on a quarterly basis. This statement classifies the interest rate-sensitive assets and liabilities into various maturity groups enabling the management to monitor the impact of interest rate movements on the Statement of Financial Position.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

## 41.3.3 Mismatch of Interest Rate Sensitive Assets and Liabilities - (continued)

2015

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk										Non-interest bearing financial instruments	
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years			
Rupees in '000													
<b>On-balance sheet financial instruments</b>													
<b>Assets</b>													
0.1%	150,899,778	13,600,070	-	765,510	-	-	-	-	-	-	-	-	136,534,198
2.7%	20,128,273	11,481,452	243,824	2,166,790	436,173	-	-	-	-	-	-	-	5,800,034
6.1%	10,638,524	4,633,316	3,061,200	-	2,944,008	-	-	-	-	-	-	-	-
8.4%	826,301,890	173,699,405	184,596,124	41,073,781	214,178,739	29,284,117	51,024,256	22,322,495	43,153,655	1,155,564	-	-	65,813,754
8.2%	577,892,610	215,070,746	96,286,529	80,401,152	47,986,137	23,072,100	26,226,926	49,330,966	32,416,385	7,101,669	-	-	-
0.0%	65,964,142	-	-	-	-	-	-	-	-	-	-	-	65,964,142
	1,651,825,217	418,484,989	284,187,677	124,407,233	265,545,057	52,356,217	77,251,182	71,653,461	75,570,040	8,257,233	-	-	274,112,128
<b>Liabilities</b>													
0.0%	9,171,616	-	-	-	-	-	-	-	-	-	-	-	9,171,616
6.1%	21,911,190	13,645,008	5,126,290	1,216,826	1,400,200	70,800	227,663	224,403	-	-	-	-	-
3.7%	1,431,036,598	826,354,118	34,169,891	42,118,477	79,443,057	5,851,314	5,086,648	12,446,977	42,847	-	-	-	425,523,269
	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5%	35,800	-	2,407	2,466	4,877	11,156	14,894	-	-	-	-	-	-
0.0%	69,386,743	-	-	-	-	-	-	-	-	-	-	-	69,386,743
	1,531,541,947	839,999,126	39,298,588	43,337,769	80,848,134	5,933,270	5,329,205	12,671,380	42,847	-	-	-	504,081,028
	120,283,270	(421,514,137)	244,889,089	81,069,464	184,696,923	46,422,947	71,921,977	58,982,081	75,527,193	8,257,233	-	-	(229,969,500)
<b>Off-balance sheet financial instruments</b>													
	273,199,134	159,781,120	75,951,727	20,758,840	16,707,446	-	-	-	-	-	-	-	-
	183,645,394	156,607,154	24,618,598	1,716,729	702,914	-	-	-	-	-	-	-	-
	456,844,528	316,388,274	100,570,325	22,475,569	17,410,360	-	-	-	-	-	-	-	-
	577,127,798	(105,125,863)	345,459,414	103,545,033	202,107,283	46,422,947	71,921,977	58,982,081	75,527,193	8,257,233	-	-	(229,969,500)
<b>Cumulative Yield / Interest Risk Sensitivity Gap</b>													
	(105,125,863)	240,333,551	343,878,584	545,985,867	592,408,814	664,330,791	723,312,872	798,840,065	807,097,298	577,127,798	-	-	577,127,798

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### 41.3.3 Mismatch of Interest Rate Sensitive Assets and Liabilities - (continued)

2014

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk							Non-interest bearing financial instruments	
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years		Over 5 to 10 Years
Rupees in '000										
<b>On-balance sheet financial instruments</b>										
<b>Assets</b>										
0.1%	97,971,501	22,005,028	-	642,196	-	-	-	-	-	75,324,277
1.2%	12,108,025	5,235,066	1,725,641	2,194,009	428,169	-	-	-	-	2,525,140
9.0%	111,788,608	111,663,608	125,000	-	-	-	-	-	-	-
9.6%	561,764,135	6,525,764	7,339,702	71,972,226	51,861,241	201,109,453	26,552,869	48,765,637	54,473,609	88,912,774
11.3%	626,704,083	201,095,721	1,40,657,248	88,045,007	95,286,365	7,702,783	16,597,198	51,831,727	12,833,454	-
0.00%	70,509,328									70,509,328
	1,480,845,680	346,525,187	1,49,847,591	162,853,438	1,47,575,775	208,812,236	43,150,067	100,597,364	67,307,063	16,905,440
<b>Liabilities</b>										
0.00%	11,011,827	-	-	-	-	-	-	-	-	-
8.8%	37,541,497	15,192,415	16,465,336	5,345,319	321,311	66,349	79,967	70,800	-	-
5.9%	1,233,525,490	710,518,517	41,390,238	37,196,500	42,324,243	7,554,251	7,523,840	11,032,000	1,300	-
	-	-	-	-	-	-	-	-	-	-
13.9%	12,738	-	2,799	2,893	7,046	-	-	-	-	-
0.0%	66,391,263									66,391,263
	1,348,482,815	725,710,932	57,858,373	42,544,712	42,652,600	7,620,600	7,603,807	11,102,800	1,300	453,387,691
	132,362,865	(379,185,745)	91,989,218	120,308,726	104,923,175	201,191,636	35,546,260	89,494,564	67,305,763	(216,116,172)
<b>On-balance sheet gap</b>										
<b>Off-balance sheet financial instruments</b>										
	-	-	-	-	-	-	-	-	-	-
	233,021,148	128,916,548	47,002,154	55,928,408	1,174,038	-	-	-	-	-
	120,265,758	96,441,607	20,993,757	2,830,394	-	-	-	-	-	-
	353,286,906	225,358,155	67,995,911	58,758,802	1,174,038	-	-	-	-	-
	485,649,771	(153,827,590)	159,985,129	179,067,528	106,097,213	201,191,636	35,546,260	89,494,564	67,305,763	(216,116,172)
<b>Total Yield / Interest Risk Sensitivity Gap</b>										
<b>Cumulative Yield / Interest Risk Sensitivity Gap</b>										
	(153,827,590)	6,157,539	185,225,067	291,322,280	492,513,916	528,060,176	617,554,740	684,860,503	701,765,943	485,649,771

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## 41.4 Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its liability when they fall due. To limit this risk, management has arranged diversified funded sources, manages assets with liquidity in mind and monitors liquidity on daily basis. In addition, the Bank maintains statutory deposits with central banks inside and outside Pakistan.

The purpose of liquidity management is to ensure sufficient cash flows to meet all of the Bank's liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking sustained damage to the Bank's business franchises, as well as to capitalize on opportunities for business expansion. This includes the Bank's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments as opportunities arise.

The ALCO is responsible for ensuring that the Bank has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Regulatory stress as well as proprietary stress testing and scenario analysis are performed to proactively identify and manage liquidity needs / requirements. Bank has various limits / ratios, triggers and management actions in place to monitor and mitigate liquidity risk.

### 41.4.1 Maturities of Assets and Liabilities (based on contractual maturity)

2015

	Rupees in '000									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
<b>Assets</b>										
Cash and balances with treasury banks	150,899,778	150,134,268	-	765,510	-	-	-	-	-	-
Balances with other banks	20,128,273	17,281,486	243,824	2,166,790	436,173	-	-	-	-	-
Lending to financial institutions - net	10,638,524	4,633,316	3,061,200	-	2,944,008	-	-	-	-	-
Investments - net	826,301,890	173,701,386	184,595,963	41,073,781	242,783,692	32,799,063	61,579,652	23,618,507	43,153,655	22,996,191
Advances - net	577,892,610	156,501,947	56,227,042	110,847,784	61,481,802	35,604,859	45,090,891	69,267,782	27,906,815	14,963,688
Operating fixed assets	31,935,787	-	-	-	947,462	947,462	2,295,785	1,033,193	-	26,711,885
Deferred tax assets - net	9,669,359	-	-	-	-	-	-	2,649,177	7,020,182	-
Other assets	78,895,162	15,232,997	17,347,374	9,895,255	1,278,245	23,933,523	10,308,505	899,263	-	-
	1,706,361,383	517,485,400	261,475,403	164,749,120	309,871,382	93,284,907	119,274,833	97,467,922	78,080,652	64,671,764
<b>Liabilities</b>										
Bills payable	9,171,616	9,171,616	-	-	-	-	-	-	-	-
Borrowings	21,911,190	13,645,009	5,126,290	1,216,826	1,400,200	70,800	227,663	224,402	-	-
Deposits and other accounts	1,431,036,598	1,168,261,374	55,389,067	99,149,119	58,158,230	16,276,238	7,589,871	26,212,699	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	35,800	-	2,407	2,466	4,877	11,156	14,894	-	-	-
Deferred tax liabilities	-	-	-	-	-	22,376,222	2,964,273	5,785,485	2,821,212	2,821,214
Other liabilities	75,854,704	21,755,451	9,354,369	6,876,641	1,099,837	38,734,416	10,796,701	32,222,586	2,821,212	2,821,214
	1,538,009,908	1,212,833,450	69,872,133	107,245,052	60,663,144	93,284,907	119,274,833	97,467,922	78,080,652	64,671,764
	168,351,475	(695,348,050)	191,603,270	57,504,068	249,208,238	54,550,491	108,478,132	65,245,336	75,259,440	61,850,550
<b>Net assets</b>										
Share capital	21,275,131									
Reserves	43,658,826									
Unappropriated profit	51,077,476									
Surplus on revaluation of assets - net	52,340,042									
	168,351,475									



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 41.4.1 Maturities of Assets and Liabilities (based on contractual maturity) - (continued)

2014

Assets	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
<b>Assets</b>										
Cash and balances with treasury banks	97,971,501	97,329,305	-	642,196	-	-	-	-	-	-
Balances with other banks	12,108,025	7,760,206	1,725,641	2,194,009	428,169	-	-	-	-	-
Lending to financial institutions - net	111,788,608	111,663,608	125,000	-	-	-	-	-	-	-
Investments - net	561,764,137	6,537,307	7,339,702	71,970,805	91,305,072	205,016,118	43,911,754	52,748,868	54,472,358	28,462,153
Advances - net	626,704,083	98,787,368	42,380,611	94,127,187	145,717,289	21,340,587	54,899,911	94,390,817	56,418,792	18,641,521
Operating fixed assets	31,795,539	-	-	-	2,798,864	342,331	1,349,525	565,883	266,336	26,472,600
Deferred tax assets - net	9,877,509	-	-	-	-	-	-	4,435,092	5,442,417	-
Other assets	91,044,915	17,711,167	19,991,927	11,499,551	1,463,182	37,158,917	3,028,616	191,555	-	-
	1,543,054,317	339,788,961	71,562,881	180,433,748	241,712,576	263,857,953	103,189,806	152,332,215	116,599,903	73,576,274
<b>Liabilities</b>										
Bills payable	11,011,827	11,011,827	-	-	-	-	-	-	-	-
Borrowings	37,541,497	15,192,415	16,465,336	5,345,319	321,311	66,349	79,967	70,800	-	-
Deposits and other accounts	1,233,525,490	951,066,713	57,988,656	76,080,243	88,578,497	15,539,010	12,621,070	31,651,301	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	12,738	-	2,799	2,893	7,046	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	82,633,864	32,634,713	1,282,991	10,981,137	1,101,275	23,472,056	2,708,809	5,290,167	2,581,358	2,581,358
	1,364,725,416	1,009,905,668	75,739,782	92,409,592	90,008,129	39,077,415	15,409,846	37,012,268	2,581,358	2,581,358
<b>Net assets</b>										
	178,328,901	(670,116,707)	(4,176,901)	88,024,156	151,704,447	224,780,538	87,779,960	115,319,947	114,018,545	70,994,916
Share capital	21,275,131									
Reserves	32,073,606									
Unappropriated profit	57,006,813									
Surplus on revaluation of assets - net	67,973,351									
	178,328,901									

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

### 41.4.2 Maturities of Assets and Liabilities (based on behavioural study)

The Bank has assets and liabilities that have contractual and non-contractual maturities. The Bank conducts statistical study to assess the expected maturity of assets and liabilities with non-contractual maturities. The behavioural maturities are determined on the basis of statistical study conducted by the Bank, based on the past seven years of data. The attrition rate of deposits is determined based on historically observed weekly data of all Current and Saving Deposit accounts using VaR based approach. The approach considers the tendency of variation among the respective time bands for selected deposit types and drives the portion of volatility of such time bands based on 99% confidence interval on the variation data so calculated. The remaining portion of the deposit which marked as core is accordingly shifted to higher time bands.

**2015**

	Rupees in '000									
	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
<b>Assets</b>										
Cash and balances with treasury banks	150,899,778	101,898,446	3,828,810	22,586,261	22,586,261	-	-	-	-	-
Balances with other banks	20,128,273	17,281,486	243,824	2,166,790	436,173	-	-	-	-	-
Lending to financial institutions - net	10,638,524	4,633,316	3,061,200	-	2,944,008	-	-	-	-	-
Investments - net	826,301,890	173,701,386	184,595,963	41,073,781	242,783,692	32,799,063	61,579,652	23,618,507	43,153,655	22,996,191
Advances - net	577,892,610	126,632,115	69,003,000	113,464,169	69,953,049	36,713,841	46,495,520	71,425,548	28,775,545	15,429,823
Operating fixed assets	31,935,787	-	-	-	947,462	947,462	2,295,785	1,033,193	-	26,711,885
Deferred tax assets - net	9,669,359	-	-	-	-	-	-	2,649,177	7,020,182	-
Other assets	78,895,162	10,569,390	6,645,322	25,260,915	1,278,245	23,933,523	10,308,505	899,262	-	-
	1,706,361,383	434,716,139	267,378,119	204,551,916	340,928,890	94,393,889	120,679,462	99,625,687	78,949,382	65,137,899
<b>Liabilities</b>										
Bills payable	9,171,616	4,048,210	518,701	263,382	4,341,323	-	-	-	-	-
Borrowings	21,911,190	13,645,008	5,126,290	1,216,826	1,400,200	70,800	227,663	224,403	-	-
Deposits and other accounts	1,431,036,598	367,633,221	102,105,044	223,750,659	185,095,845	183,733,911	175,047,545	193,670,373	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	35,800	-	2,407	2,466	4,877	11,156	14,894	-	-	-
Other liabilities	75,854,704	19,086,813	11,389,856	7,509,794	1,099,837	22,376,222	2,964,273	5,785,485	2,821,212	2,821,212
	1,538,009,908	404,413,252	119,142,298	232,743,127	191,942,082	206,192,089	178,254,375	199,680,261	2,821,212	2,821,212
<b>Net assets</b>	168,351,475	30,302,887	148,235,821	(28,191,211)	148,986,808	(111,798,200)	(57,574,913)	(100,054,574)	76,128,170	62,316,687
Share capital	21,275,131									
Reserves	43,658,826									
Unappropriated profit	51,077,476									
Surplus on revaluation of assets - net	52,340,042									
	168,351,475									

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

## 41.4.2 Maturities of Assets and Liabilities (based on behavioural study) - (continued)

2014

Total	Rupees in '000									
	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
<b>Assets</b>										
Cash and balances with treasury banks	97,971,501	79,527,483	8,416,539	8,416,539	-	-	-	-	-	-
Balances with other banks	12,108,025	7,760,206	2,194,009	428,169	-	-	-	-	-	-
Lending to financial institutions - net	111,788,608	111,663,608	-	-	-	-	-	-	-	-
Investments - net	561,764,137	6,537,307	71,970,805	91,305,072	205,016,118	43,911,754	52,748,868	54,472,358	28,462,153	
Advances - net	626,704,083	105,675,418	92,801,579	141,480,456	21,340,587	54,899,911	94,390,817	56,418,792	18,641,521	
Operating fixed assets	31,795,539	-	-	2,798,864	342,331	1,349,525	565,883	266,336	26,472,600	
Deferred tax assets - net	9,877,509	-	-	-	-	-	4,435,092	5,442,417	-	
Other assets	91,044,915	12,206,884	29,630,109	1,463,182	37,158,917	3,028,616	191,555	-	-	
	1,543,054,317	323,370,906	205,013,041	245,892,282	263,857,953	103,189,806	152,332,215	116,599,903	73,576,274	
<b>Liabilities</b>										
Bills payable	11,011,827	4,990,172	319,582	5,178,731	-	-	-	-	-	
Borrowings	37,541,497	15,192,415	5,345,319	321,311	66,349	79,967	70,800	-	-	
Deposits and other accounts	1,233,525,490	284,315,250	178,758,614	192,083,918	157,479,776	154,561,836	173,592,067	-	-	
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	
Liabilities against assets subject to finance lease	12,738	-	2,893	7,046	-	-	-	-	-	
Other liabilities	82,633,864	28,826,305	11,789,081	1,101,275	23,472,056	2,708,809	5,290,167	2,581,358	2,581,358	
	1,364,725,416	333,324,142	196,215,489	198,692,281	181,018,181	157,350,612	178,953,034	2,581,358	2,581,358	
<b>Net assets</b>	<b>178,328,901</b>	<b>(9,953,236)</b>	<b>8,797,552</b>	<b>47,200,001</b>	<b>82,839,772</b>	<b>(54,160,806)</b>	<b>(26,620,819)</b>	<b>114,018,545</b>	<b>70,994,916</b>	
Share capital	21,275,131									
Reserves	32,073,606									
Unappropriated profit	57,006,813									
Surplus on revaluation of assets - net	67,973,351									
	<u>178,328,901</u>									

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 42. ISLAMIC BANKING BUSINESS

The Bank is operating 79 Islamic banking branches as at December 31, 2015 (December 31, 2014: 22 branches).

#### 42.1 Profit Distribution Policy for Islamic Banking Division

The profit distribution mechanism during the year complies with the rules and principles of Islamic Shariah and is in the light of guidelines approved by the Shariah Advisor of the Bank's Islamic Banking Division and the SBP guidelines related to Shariah Compliance.

The non-compliant income identified during the year is transferred to the charity account.

42.2 Statement of Financial Position As at December 31, 2015	Note	2015	2014
		Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks		1,086,611	173,676
Balances with other banks		3,900,000	266
Due from financial institutions		5,819,375	-
Investments	42.2.1	1,167,617	2,428,587
Islamic financing and related assets	42.2.2	837,408	978,542
Operating fixed assets		61,946	58,418
Due from Head Office		304,234	-
Other assets		615,660	173,781
		13,792,851	3,813,270
<b>LIABILITIES</b>			
Bills payable		37,588	12,100
Deposits and other accounts			
-Current accounts		5,743,529	768,879
-Saving accounts		5,535,023	1,047,918
-Term deposits		1,422,749	672,802
-Others			
-Deposit from financial institutions-Remunerative		-	348
Due to Head Office		-	433,959
Other liabilities		350,510	62,687
		13,089,399	2,998,693
<b>NET ASSETS</b>			
		703,452	814,577
<b>REPRESENTED BY</b>			
Islamic Banking Fund		800,000	800,000
Unappropriated profit		(100,147)	14,237
		699,853	814,237
Surplus on revaluation of assets - net		3,599	340
		703,452	814,577
<b>Remuneration to Shariah Advisor</b>			
		3,102	3,352

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	2015	2014
	Rupees in '000	
<b>CHARITY FUND</b>		
Opening balance	0.13	0.13
Additions during the period	-	-
Payment / utilisation during the period	(0.13)	-
Closing balance	<u>-</u>	<u>0.13</u>
<b>42.2.1 Investments</b>		
Sukuk	1,298,424	2,559,394
Provision for diminution in the value of investments	(130,807)	(130,807)
	<u>1,167,617</u>	<u>2,428,587</u>
<b>42.2.2 Islamic financing and related assets</b>		
Murabaha	588,400	488,400
Diminishing Musharaka	211,252	188,691
Ijarah assets	229,550	159,462
Advance against Ijarah assets	-	151,016
Advance against Murabaha	-	200,000
	<u>1,029,202</u>	<u>1,187,569</u>
Provision against non-performing financings	(191,794)	(209,027)
	<u>837,408</u>	<u>978,542</u>
<b>42.3 PROFIT AND LOSS ACCOUNT</b>		
<b>For the year ended December 31, 2015</b>		
Profit / return earned on financings, investments and placements	712,350	473,354
Profit / return expensed on deposit	(209,658)	(160,745)
Net spread earned	502,692	312,609
Depreciation on assets given on Ijarah	(81,154)	(75,646)
	<u>421,538</u>	<u>236,963</u>
Provision against advances and investments	(3,394)	-
Provision reversed against advances and investments	20,627	9,255
	<u>17,233</u>	<u>9,255</u>
Profit after provision	438,771	246,218
<b>Other income</b>		
Fee, commission and brokerage income	83,421	82,624
Income from dealing in foreign currencies	302	(586)
Other income	(15,030)	(139)
Total other income	<u>68,693</u>	<u>81,899</u>
	507,464	328,117
<b>Other expenses</b>		
Administrative expenses	(607,611)	(313,880)
(Loss) / Profit for the year	<u>(100,147)</u>	<u>14,237</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	2015	2014
	Rupees in '000	
<b>42.4 Unconsolidated Cash Flow Statement</b>		
<b>Cash Flow from Operating Activities</b>		
(Loss) / Profit for the year	(100,147)	14,237
Adjustments :		
Depreciation - Own assets	18,749	9,529
Depreciation - Ijarah assets	81,154	75,646
Reversal of provision against non performing financings and investments	(17,233)	(9,255)
	<u>82,670</u>	<u>75,920</u>
	(17,477)	90,157
(Increase) / decrease in operating assets		
Balance with other banks	(3,899,734)	(186)
Due from financial institutions	(5,819,375)	-
Financings	1,341,442	2,297,708
Other assets	(441,879)	(10,829)
	<u>(8,819,546)</u>	<u>2,286,693</u>
(Increase) / decrease in operating liabilities		
Bills payable	25,488	2,553
Deposits and other accounts	10,211,354	(2,547,664)
Borrowings from Head Office	(752,430)	82,860
Other liabilities	287,823	3,727
	<u>9,772,235</u>	<u>(2,458,524)</u>
<b>Net cash used in operating activities</b>	<u>935,212</u>	<u>(81,674)</u>
<b>Cash Flow from Investing Activities</b>		
Investment in operating fixed assets	(22,277)	(8,393)
<b>Net cash used in investing activities</b>	<u>(22,277)</u>	<u>(8,393)</u>
<b>Cash Flow from Financing Activities</b>		
Net Cash Flow from Financing Activities	-	-
<b>(Decrease) / increase in cash and cash equivalents</b>	<u>912,935</u>	<u>(90,067)</u>
Cash and cash equivalents at beginning of the year	173,676	263,743
<b>Cash and cash equivalents at end of the year</b>	<u><u>1,086,611</u></u>	<u><u>173,676</u></u>
<b>42.5 Allocation of Income and Expenses to Remunerative Depositors' Pool</b>		
Income from financing activities	161,536	167,123
Income from investments	314,588	306,231
Income from placements with Financial Institutions	236,226	-
<b>Total Income</b>	<u>712,350</u>	<u>473,354</u>
Less: Administrative expenses directly attributable to the Pool	(81,154)	(75,893)
Less: Profit distributed to other Special Pools	(2,276)	(5,856)
<b>Gross Distributable Income</b>	<u>628,920</u>	<u>391,605</u>
Mudarib (Bank) share of profit before Hiba	(135,599)	(75,030)
Less: Hiba from bank's share to depositors	45,895	16,223
Net Mudarib (Bank) share of profit	(89,704)	(58,807)
<b>Rab-ul-Maal Share of Profit</b>	<u><u>539,216</u></u>	<u><u>332,798</u></u>
<b>Rab-ul-Maal Share of Profit is distributed as follows:</b>		
Remunerative depositors' share in Mudarabah pool	207,887	156,848
Bank's equity in Mudarabah pool	331,329	175,950
	<u><u>539,216</u></u>	<u><u>332,798</u></u>

Note: Administrative and operating expenses are paid by the Bank and not charged to the depositors' pool as per guidelines of Mudarabah.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 42.6 Pools maintained by NBP-IBG

NBP-IBG has managed a General Pool and four special pools during the year 2015. The General pool was maintained throughout the year and the special pools were maintained for specific periods. The key features of the special pools maintained are as follows:

Pool description	Pool start date	Pool end date	Profit sharing Ratio	
			Rab-ul-Mall	Mudarib
Special pool 1	February 7, 2015	March 6, 2015	76.16%	23.84%
Special pool 2	March 12, 2015	April 11, 2015	74.15%	25.85%
Special pool 3	April 12, 2015	May 11, 2015	70.72%	29.28%
Special pool 4	March 3, 2015	June 17, 2015	73.24%	26.76%

### 42.7 Sectors of economy where Mudaraba based deposits have been deployed

Sector	Percentage
Textile spinning	1.56%
Textile composite	0.83%
Fuel & energy	3.32%
Leasing/Modarbas	0.36%
Services	0.03%
Sugar	3.54%
Financial	56.25%
Federal Government	34.11%
<b>Total</b>	<b>100%</b>

### 42.8 Parameters for profit allocation and charging expenses

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using preagreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using the various weightages assigned to the different categories of the pool.

Direct expenses charged to the pool Comprise the Depreciation on Ijarah Assets and brokerage commission paid on purchase of Sukuk from secondary market. No provision against any non performing asset of the pool is passed on to the pool except on the actual loss / write off of such non performing asset.

### 42.9 Mudarib Share

Gross distributable income	628,920
Mudarib (Bank) share of profit before Hiba	135,599

Mudarib Share

**Percentage**  
22%

### 42.10 Hiba from Mudarib share

Mudarib (Bank) share of profit before Hiba	135,599
Hiba from bank's share to depositors	45,895

Hiba from bank's share to depositors

**Percentage**  
34%

42.11 During the year the average profit rate earned by the Islamic Banking Group is 7.40% and the profit rate distributed to the depositors is 4.52%.



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 43. SUBSEQUENT EVENT

The Board of Directors has proposed a cash dividend of Rs. 7.5 per share (2014: Rs. 5.5 per share) amounting to Rs. 15,956 million (2014: Rs. 11,701 million) at its meeting held on February 19, 2016 for approval of the members at the Annual General Meeting to be held on March 30, 2016. These financial statements do not reflect this appropriation as explained in note 5.16.

### 44. GENERAL

Figures have been rounded off to the nearest thousand rupees.

### 45. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on February 19, 2016 by the Board of Directors of the Bank.

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**Muneer Kamal**  
*Chairman*

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**Syed Ahmed Iqbal Ashraf**  
*President*

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**Muhammad Naeem**  
*Director*

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**Iftikhar A. Allawala**  
*Director*

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

Annexure I as referred to in  
Note 9.14 to the financial statements

### 1.1 Particulars of investments held in listed companies and modarabas

#### 1.1.1 Ordinary shares

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2015	2014	2015	2014
-----Rupees in '000-----						
<b>Available-For-Sale</b>						
Abbott Laboratories Limited	Unrated	Unrated	-	-	-	-
Adamjee Insurance Company Limited	Unrated	AA	8,036,307	8,036,307	454,132	397,476
Adil Textile Mills Limited	Unrated	Unrated	47,696	47,696	-	-
ADOS Pakistan Limited	Unrated	Unrated	575,500	575,500	20,171	27,192
Agriauto Industries Ltd.	Unrated	Unrated	567,047	567,047	117,379	85,057
Aisha Steel Mills Limited	A-/A-2	Unrated	10,000,000	10,000,000	87,100	82,900
AKZO Nobel Pakistan Limited	Unrated	Unrated	-	-	-	-
Al Abbas Sugar Mills	A/A1	A/A1	727,285	727,285	152,650	107,915
Al Abid Silk Mills	Unrated	Unrated	583,570	583,570	11,753	7,003
Al Qaim Textile Mills	Unrated	Unrated	-	-	-	-
Al-ghazi Tractors Limited	Unrated	Unrated	-	-	-	-
Allied Bank Limited	AA+/1+	AA/A1+	6,136,450	8,200,250	578,422	931,384
American Life Insurance	Unrated	Unrated	-	-	-	-
Amtex Ltd.	Unrated	Unrated	23,172,472	23,172,472	44,259	58,858
Archrome Pakistan (Formerly Clariant)	Unrated	Unrated	289,720	296,670	133,506	169,387
Arif Habib Corporation Ltd (Form. Ahsl)	AA/A-1+	Unrated	-	2,185,692	-	60,107
Arif Habib Limited	Unrated	Unrated	-	-	-	-
Aruj Garment Accessories Limited	Unrated	Unrated	-	-	-	-
Asim Textile Mills	Unrated	Unrated	504,737	582,237	3,079	6,055
Askari Bank Limited	Unrated	AA/A1+	19,145,344	19,145,344	416,220	441,683
Atlas Battery Limited	Unrated	Unrated	-	-	-	-
Atlas Insurance	Unrated	Unrated	-	-	-	-
Attock Petroleum Ltd	Unrated	Unrated	1,011,151	1,011,151	510,753	545,597
Attock Refinery Limited	Unrated	AA/A1+	911,885	911,885	193,210	171,225
Ayaz Textile Mills	Unrated	Unrated	107,432	107,432	-	-
Azgard Nine Ltd	Unrated	D	22,169,691	22,169,691	97,990	130,579
Babri Cotton Mills	Unrated	Unrated	321,778	321,778	12,871	16,781
Balochistan Particle Board	Unrated	Unrated	850	398,550	4	2,834
Baluchistan Wheels	Unrated	Unrated	684,357	684,357	41,910	39,132
Bank Al Habib Limited	Unrated	AA+/A1+	11,037,866	11,037,866	459,175	535,888
Bank Alfalah Limited	Unrated	AA/A1+	30,689,567	30,689,567	884,473	1,070,452
Bank Of Punjab	Unrated	AA-/A1+	1,322,479	1,322,479	12,180	14,481
Bankislami Pakistan Limited	Unrated	A/A1	2,210,107	2,210,107	25,416	21,681
Bata Pakistan Limited	Unrated	Unrated	-	-	-	-
Berger Paints Ltd.	Unrated	Unrated	203,429	203,429	19,956	21,508
Bestway Cement (Formerly Mustehkam)	Unrated	Unrated	-	218,309	-	28,072
Blessed Textiles Limited	Unrated	Unrated	-	-	-	-
Boc Pakistan Limited (Linde Pakistan)	Unrated	Unrated	281,585	406,585	32,734	84,358
Bolan Casting Ltd	Unrated	Unrated	1,144,649	1,144,649	61,697	72,113
Brother Textile Mills Limited	Unrated	Unrated	-	-	-	-
Burshane Lpg Pakistan (Frm : Shell Lpg)	Unrated	Unrated	1,816,238	1,816,238	142,211	110,318
Buxlay Paints Limited	Unrated	Unrated	-	-	-	-
Casspak Industries	Unrated	Unrated	27,384	27,384	-	-
Century Insurance Company Ltd.	Unrated	A/A-2	1,147,500	1,147,500	28,974	28,688
Colony Textile Mills Limited	Unrated	Unrated	471,316	471,316	1,419	2,220
Colony Sarhad Textile	Unrated	Unrated	167,677	167,677	-	-
Colony Sugar Mills Limited	Unrated	Unrated	181,491	181,491	907	1,406
Crescent Knitwear	Unrated	Unrated	42,130	42,130	-	-
Crescent Steel & Allied Product	Unrated	Unrated	2,473,606	1,999,385	307,642	101,289
Crescent Textile Mills Ltd.	Unrated	Unrated	1,049,799	1,049,799	19,978	18,172
Cynamid (Wyeth Pakistan )	Unrated	Unrated	57,788	57,788	134,068	242,652
DS Industries Ltd.	Unrated	Unrated	540,339	540,339	1,626	2,313
Dadabhoy Construction	Unrated	Unrated	35,390	35,390	-	-
Dadabhoy Cement Industries	Unrated	Unrated	5,004,500	5,004,500	-	20,318
Dandot Cement	Unrated	Unrated	-	-	-	-
Data Agro Ltd.	Unrated	Unrated	-	48,635	-	584
Dawood Capital Management	Unrated	AM3+	328,285	328,285	-	-
Dawood Hercules Corporation Ltd	Unrated	Unrated	4,512,992	4,637,992	537,678	391,957
Dawood Lawrencepur Limited	Unrated	Unrated	135,387	135,387	18,953	16,318
Dewan Cement (Pakland Cement)	Unrated	D	-	4,587,003	-	35,595
Dewan Khalid Textile	Unrated	Unrated	-	142,425	-	1,142
<b>Balance Carried Forward</b>			<b>159,874,776</b>	<b>169,378,569</b>	<b>5,564,498</b>	<b>6,102,690</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2015	2014	2015	2014
					-----Rupees in '000-----	
<b>Balance Brought Forward</b>			<b>159,874,776</b>	<b>169,378,569</b>	<b>5,564,498</b>	<b>6,102,690</b>
Dewan Mushtaq Textile	Unrated	Unrated	-	-	-	-
Dewan Salman Fibres	Unrated	Unrated	2,740,202	2,740,202	5,672	5,234
Dewan Sugar Mills	Unrated	Unrated	-	696,135	-	2,611
DG Khan Cement	Unrated	Unrated	-	-	-	-
Dost Steel Limited	Unrated	Unrated	-	-	-	-
Dolmen City Reit	Unrated	Unrated	40,375,450	-	433,229	-
Dynea Pakistan	Unrated	Unrated	-	-	-	-
EFU General Insurance	AA	Unrated	274,549	274,549	39,398	41,976
Ellcot Spinning Mills Limited	Unrated	Unrated	-	-	-	-
EMCO Industries Ltd.	Unrated	Unrated	-	165,708	-	669
English Leasing Limited	Unrated	Unrated	360,416	360,416	-	-
Engro Corporation Limited	Unrated	A/A1	3,059,823	3,059,823	854,884	677,781
Engro Fertilizers	Unrated	A/A1	648,652	648,652	54,571	50,660
Engro Foods Ltd 2	Unrated	AA/A1+	10,347,488	10,347,488	1,516,838	1,123,116
Engro Foods Ltd 1	Unrated	AA/A1+	13,826,421	20,598,921	2,026,815	2,235,807
Engro Polymer & Chemicals Limited	Unrated	Unrated	2,645,333	2,645,333	27,617	31,744
Escort Investment Bank	BB	BBB/A3	1,221,067	1,221,067	2,870	2,808
Faran Sugar Mills Ltd	Unrated	Unrated	381,883	381,883	29,649	15,081
Fateh Industries	Unrated	Unrated	11,712	11,712	2,068	2,177
Fateh Sportswear Ltd	Unrated	Unrated	23,003	23,003	1,349	1,959
Fateh Textile Mills	Unrated	Unrated	11,847	11,847	-	-
Fatima Enterprises	Unrated	A+/A1	109	109	-	-
Fatima Fertilizer Company Ltd	Unrated	A+/A1	6,240,614	6,240,614	279,143	223,227
Fauji Cement Company Ltd	Unrated	Unrated	-	1,825,000	-	47,158
Faysal Bank Limited	AA/A-1+	AA/A1+	-	-	-	-
Fazal Textile Mills	Unrated	Unrated	-	34,527	-	20,787
Fecto Cement Ltd	Unrated	Unrated	-	640,337	-	50,779
Ferozsons Laboratories Limited	Unrated	Unrated	-	-	-	-
FFC Bin Qasim Limited	Unrated	Unrated	-	1,598,899	-	72,286
First Capital Securities Corp.	Unrated	Unrated	2,048,345	2,048,345	5,940	4,117
First Dawood Investment Bank	Unrated	CCC	-	1,394,028	-	1,742
First Equity Modarba	Unrated	Unrated	68,435	2,034,435	359	10,172
First National Equities	Unrated	Unrated	191,637	191,637	617	470
Flying Cement Limited	Unrated	Unrated	-	3,078,000	-	22,469
Gadoon Textile Mills Limited	Unrated	Unrated	67,518	3,078,000	9,037	-
General Tyre & Rubber Co.	Unrated	Unrated	158,900	960,500	27,264	139,887
Ghandhara Nissan Limited	Unrated	Unrated	-	-	-	-
Ghani Glass Limited	Unrated	Unrated	-	-	-	-
Ghariwal Cement	D	Unrated	-	1,339,000	-	28,789
Glaxosmithkline (Glaxo Welcome)	Unrated	Unrated	3,896,808	4,087,708	857,376	896,475
Globe Textile Mills	Unrated	Unrated	33,704	33,704	-	-
Grays Of Cambridge	Unrated	Unrated	160,985	160,985	11,993	12,959
Greaves Aircondition	Unrated	Unrated	30,080	30,080	-	-
Gulistan Spinning Mills	Unrated	Unrated	148,828	148,828	327	379
Gulistan Textile Mills	Unrated	Unrated	374,355	374,355	-	5,615
Gulshan Spinning Mills	Unrated	Unrated	313,190	313,190	642	867
Habib Bank Ltd	AAA/A-1+	Unrated	4,066,538	3,182,999	813,796	688,355
Habib Bank Modaraba 1st	AA-/A-1+	AA+/A1+	-	-	-	-
Habib Metropolitan Bank	Unrated	AA+/A1+	29,776,785	29,776,785	907,299	1,110,674
Habib Modaraba (1st)	AA-	AA+/A1+	-	-	-	-
Habib Sugar	Unrated	Unrated	6,546,806	6,546,806	248,844	296,701
Hafiz Textile Mills	Unrated	Unrated	-	-	-	-
Haji Mohammad Ismail Mills	Unrated	Unrated	1,594,650	1,594,650	5,517	4,784
Hakkim Textile Mills	Unrated	Unrated	131,445	131,445	-	-
Hashimi Can Company	Unrated	Unrated	82,154	82,154	-	-
Hinopak Motors Ltd.	Unrated	Unrated	16,262	259,462	16,717	213,247
Honda Atlas Cars	Unrated	Unrated	-	1,522,754	-	301,779
Hub Power Company Ltd	Unrated	AA+/A1+	57,740,000	57,740,000	5,924,124	4,524,506
Huffaz Seamless Pipe Ind.	Unrated	Unrated	-	-	-	-
I.B.L. Modaraba (1st)	Unrated	Unrated	727,077	727,077	2,988	2,472
Ibrahim Fibers	Unrated	AA-/A1+	1,076,062	1,076,062	46,432	96,835
ICI Pakistan	Unrated	Unrated	-	-	-	-
IGI Insurance Ltd	Unrated	AA	4,586,385	4,586,385	1,085,001	1,240,984
IGI Life Insurance (Form. American Life)	Unrated	AA	2,500,000	2,500,000	345,325	402,375
Indus Dyeing & Manuf.	A+/A-1	Unrated	267,362	267,362	249,270	224,309
Innovative Invest.bank Ltd.(Housing Finance)	Unrated	Unrated	17,952	17,952	-	-
International Industries Ltd.	Unrated	Unrated	6,312,636	6,312,636	388,227	393,530
International Knit Wear	Unrated	Unrated	13,616	60,716	250	723
International Steel Limited	Unrated	Unrated	2,915,478	2,915,478	71,167	74,199
Invest Capital Investment Bank Limited	Unrated	Unrated	-	3,705,680	-	6,226
Jahangir Siddiqui Investment Company	Unrated	A+/A1	-	-	-	-
Javed Omer Vohra & Co.	Unrated	Unrated	859,960	859,960	-	-
Jehangir Siddiqui & Company Limited	Unrated	AA/A1+	-	28,503	-	414
Johnson & Phillips (Pak.) Ltd.	Unrated	Unrated	256,675	292,675	5,416	9,254
JS Bank Ltd.	Unrated	A+/A1	14,475,904	15,496,904	112,188	110,648
Karim Cotton Mills	Unrated	Unrated	56,285	56,285	-	-
KASB Bank (Platinum Bank)	Unrated	BBB/A3	918,280	918,280	2,057	1,827
K-Electric Limited	Unrated	BBB/A3	20,000,000	-	148,800	-
Khairpur Sugar Mills Limited	Unrated	Unrated	-	-	-	-
Khurshed Spinning Mills	Unrated	Unrated	53,900	53,900	-	-
Kohat Cement Limited	Unrated	Unrated	-	-	-	-
Kohat Textiles Mills Ltd.	Unrated	Unrated	2,078,554	2,078,554	20,578	33,735
Kohinoor Energy Ltd.	Unrated	Unrated	10,135,351	10,135,351	435,820	500,179
Kohinoor Mills Ltd.	Unrated	Unrated	545,683	545,683	8,747	7,372
<b>Balance Carried Forward</b>			<b>417,287,930</b>	<b>395,650,087</b>	<b>22,590,721</b>	<b>22,077,619</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2015	2014	2015	2014
			-----Rupees in '000-----			
<b>Balance Brought Forward</b>			<b>417,287,930</b>	<b>395,650,087</b>	<b>22,590,721</b>	<b>22,077,619</b>
Kohinoor Power Co.	Unrated	Unrated	-	-	-	-
Kohinoor Textile Mills Ltd.	Unrated	Unrated	310,823	310,823	22,224	10,894
Kot Addu Power Company Limited	AA+/A-1+	Unrated	1,742,644	12,034,144	141,154	949,975
KSB Pumps Co.limited	Unrated	Unrated	1,087,818	1,087,818	277,905	166,589
Lafarge Pakistan Cement	Unrated	Unrated	-	2,396,719	-	41,583
Leiner Pak.gelatine	Unrated	Unrated	13,900	13,900	266	352
Libaas Textile Limited	Unrated	Unrated	-	250,000	-	2,938
Lotte Chemical Pakistan Limited	Unrated	Unrated	1,800,000	1,800,000	11,700	12,348
Lucky Cement Limited	Unrated	Unrated	-	-	-	-
Maple Leaf Cement Limited	Unrated	BB/B	-	-	-	-
Maqbool Textile Mills	Unrated	Unrated	-	-	-	-
Mari Petroleum Company Limited	Unrated	Unrated	3,648,500	3,648,500	2,543,515	1,734,679
Masood Textile Mills Limited	Unrated	Unrated	4,543,662	4,543,662	908,687	585,451
MCB Bank Limited	Unrated	AAA/A1+	-	-	-	-
Mehar Dastgir Textile	Unrated	Unrated	24,856	24,856	-	-
Mehran Jute Limited	Unrated	Unrated	61,931	61,931	-	-
Metropolitan Steel Corp ( Restricted )	Unrated	Unrated	50,204	50,204	-	-
Millat Tractors Limited	Unrated	Unrated	-	-	-	-
Mirpurkhas Sugar Mills	Unrated	Unrated	802,353	802,353	63,386	51,030
Moonlite Pak (Blanket)	Unrated	Unrated	58,846	58,846	-	1,295
Morafco Limited	Unrated	Unrated	29,069	29,069	-	-
Nagina Cotton Mills Limited	Unrated	Unrated	-	-	-	-
National Foods Limited	A+/A-1	Unrated	1,224,200	4,585,800	388,059	1,816,894
National Over.	Unrated	Unrated	12,471	12,471	-	-
National Refinery Limited	Unrated	AA+/A1+	869,554	869,554	194,050	160,737
Nestle Pakistan Limited	Unrated	Unrated	4,980	4,980	38,844	45,318
NIB Bank Limited	Unrated	AA-/A1+	12,862,190	12,862,190	24,438	29,840
Nishat (Chunian) Limited	A-/A-2	AA-/A1+	2,258,638	1,933,449	76,794	87,817
Nishat Chunian Power Limited	A/A-2	AA-/A1+	-	-	-	-
Nishat Mills Limited	Unrated	AA-/A1+	-	-	-	-
Nishat Power Limited	A+/A-2	A+/A1	-	-	-	-
Oil and Gas Company Limited	AAA/A-1+	Unrated	2,015,581	2,015,581	236,508	414,948
Orix Leasing Pakistan Limited	Unrated	AA/A1+	1,689,793	1,689,793	102,232	81,195
Pace Pakistan Limited	Unrated	D	-	27,879,000	-	92,837
Packages Limited	Unrated	AA/A1+	1,016,263	1,116,263	591,577	757,150
Pak Datacom Limited	Unrated	Unrated	750,791	750,791	59,125	58,336
Pak Electron Limited	Unrated	A-/A2	-	-	-	-
Pak Suzuki Motors Limited	Unrated	Unrated	-	846,327	-	314,089
Pakgen Power Limited	Unrated	AA/A1+	3,406,500	4,550,000	100,253	122,987
Pakistan Engineering Company Limited	Unrated	Unrated	135,242	135,242	25,696	15,039
Pakistan International Airlines Corporation "A-class"	Unrated	Unrated	15,836,011	20,851,011	133,973	155,340
Pakistan National Shipping Corporation	Unrated	AA-/A1+	608,707	608,707	54,175	97,606
Pakistan Oil Fields Limited	Unrated	Unrated	64,150	64,150	17,193	24,336
Pakistan Paper Products Limited	Unrated	Unrated	13,000	78,272	867	6,144
Pakistan Petroleum Limited	Unrated	Unrated	1,144,384	1,144,384	139,397	202,007
Pakistan Refinery Limited	Unrated	A-/A2	-	1,803,706	-	293,553
Pakistan Reinsurance Company Limited	Unrated	Unrated	12,083,770	12,083,770	409,036	366,622
Pakistan Services Limited	Unrated	Unrated	418,460	418,460	230,153	202,953
Pakistan State Oil 1	Unrated	AA+/A1+	3,062,447	3,062,447	997,653	1,096,080
Pakistan State Oil 2	Unrated	AA+/A1+	22,022,713	20,678,388	7,174,339	7,401,002
Pakistan Telecommunication Company Limited	Unrated	Unrated	34,361,854	34,361,854	566,627	791,353
Pakistan Tobacco	Unrated	Unrated	1,100	1,100	1,226	1,166
Pan Islamic Steamship	Unrated	Unrated	421	421	-	-
Paramount Spinning Mills	Unrated	Unrated	994,301	994,301	2,704	4,773
Pervez Ahmed Securities Limited	Unrated	Unrated	301,925	301,925	607	915
Pioneer Cement Limited	Unrated	Unrated	-	2,527,000	-	216,336
Premier Insurance Co. Of Pakistan Limited	Unrated	Unrated	-	-	-	-
Premium Textile Mills	Unrated	Unrated	167,389	167,389	14,890	21,049
Punjab Modaraba (Ist)	Unrated	BBB/A3	-	-	-	-
Quetta Textile Mills	D	Unrated	9,686	9,686	381	504
Redco Textile Mills Limited	Unrated	Unrated	-	402,378	-	1,807
RMCPCL	Unrated	Unrated	13	13	-	-
Ruby Textile Mills	Unrated	Unrated	-	311,132	-	2,022
Rupali Polyester Limited	Unrated	Unrated	816,483	816,483	9,569	11,823
S.G. Power	Unrated	Unrated	164,692	164,692	-	329
Sadoon Textile Mills	Unrated	Unrated	421	421	-	-
Saif Textile Mills Limited	Unrated	Unrated	-	-	-	-
Salman Noman Enterprises	Unrated	Unrated	-	157,606	-	788
Samba Bank Limited	AA-/A-1	Unrated	3,469,974	3,469,974	20,820	24,290
Samin Textile Mills	Unrated	Unrated	1,604,838	1,604,838	12,839	22,468
Sana Industries Limited	Unrated	Unrated	-	-	-	-
Sanghar Sugar Mills	Unrated	Unrated	-	-	-	-
Sapphire Textile Mills	A+/A-1	Unrated	-	-	-	-
Sardar Chemical Ind.limited	Unrated	Unrated	-	-	-	-
Saudi Pak.leasing Co.	D	Unrated	-	-	-	-
Schon Textiles Mills	Unrated	Unrated	131,446	131,446	-	-
Searle Pakistan Limited	BBB+	Unrated	1,502	301,210	594	72,845
Security Investment Bank	A/A-2	Unrated	1,160,703	1,160,703	2,658	2,844
Security Papers Limited	AAA/A-1+	AAA/A1+	1,346,415	1,335,195	118,633	103,344
Service Fabrics Limited	Unrated	Unrated	-	687,561	-	-
Service Industries Limited	Unrated	Unrated	842,126	842,126	715,807	820,711
Service Textile Mills	Unrated	Unrated	82,575	82,575	917	1,470
<b>Balance Carried Forward</b>			<b>558,420,245</b>	<b>592,639,677</b>	<b>39,022,192</b>	<b>41,578,420</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2015	2014	2015	2014
			-----Rupees in '000-----			
<b>Balance brought forward</b>			<b>558,420,245</b>	<b>592,639,677</b>	<b>39,022,192</b>	<b>41,578,420</b>
Shabbir Tiles & Ceramics	Unrated	Unrated	1,316,989	1,891,989	10,878	21,417
Shahmurad Sugar Mills Limited	BBB+/A-2	Unrated	-	-	-	-
Shahtaj Sugar Mills	Unrated	Unrated	408,539	408,539	27,703	29,648
Shell Pakistan Limited	Unrated	Unrated	218,750	218,750	49,928	56,630
Shezan International	Unrated	Unrated	-	-	-	-
Silk Bank Limited	A-/A-2	Unrated	1,810,788	1,810,788	3,296	4,020
Sindh Fine Textile Mills	Unrated	Unrated	-	39,603	-	408
Stara Chemicals Industries Limited	A+/A-1	Unrated	520,814	520,814	187,493	164,765
Sitara Energy Limited	Unrated	Unrated	1,130,517	1,130,517	36,357	45,209
SME Leasing Limited	BB+/B	Unrated	1,230,477	1,230,477	308	1,231
Soneri Bank Limited	Unrated	AA-/A1+	25,026,394	29,026,394	378,649	357,895
Standard Chartered Leasing Limited	Unrated	AA+/A1+	-	-	-	-
Standard Chartered Modaraba	Unrated	AA+/A1+	-	1,975,021	-	48,289
Sui Northern Gas Pipeline Ltd 1	Unrated	AA/A1+	18,805,318	18,805,318	452,080	539,901
Sui Northern Gas Pipeline Ltd 2	Unrated	AA/A1+	16,701,835	32,322,335	401,512	927,974
Sui Southern Gas Pipeline Limited	Unrated	AA-/A1+	10,320,674	29,536,674	385,477	1,145,432
Summit Bank Limited ( Formuly Arif Habib Bank)	A-/A-3	Unrated	48,908,297	48,908,297	192,210	217,642
Sunshine Cotton Mills Limited	Unrated	Unrated	498,220	498,220	-	-
Suraj Ghee Limited	Unrated	Unrated	27,384	27,384	-	-
Taj Textile Mills Limited	Unrated	Unrated	763,513	763,513	-	-
Tandlianwala Sugar Limited	Unrated	Unrated	-	17,948	-	681
Tata Textile Mills	Unrated	Unrated	-	-	-	-
Tele Card Limited	Unrated	Unrated	10,782,876	22,371,376	31,055	74,049
Thall Limited	Unrated	Unrated	6,197,498	6,197,498	1,570,012	1,667,313
Thatta Cement Co. Limited	Unrated	Unrated	9,859,862	9,859,862	255,272	325,375
TPL Direct Insurance Limited	Unrated	Unrated	1,157,378	4,141,360	27,546	106,640
TPL Trakker Limited	Unrated	A-/A2	9,298,597	15,444,597	138,828	123,866
Treet Corporation	AA-/A-1	Unrated	1,703,660	3,312,678	107,262	437,009
TRG Pakistan	Unrated	Unrated	-	788,000	-	11,473
Tri Star Modaraba (Ist)	Unrated	Unrated	151,492	151,492	833	757
Twakkal Garments Industries Limited	Unrated	Unrated	172,325	172,325	-	-
Unicap Modaraba	Unrated	Unrated	-	-	-	-
United Bank Limited	AA+/A-1+	Unrated	6,657,940	5,230,940	1,031,648	924,360
United Brands Limited ( Udl Industries )	Unrated	Unrated	-	3,000	-	249
United Distributors Pak.	Unrated	Unrated	-	-	-	-
Wah Noble Chemicals Limited	Unrated	Unrated	324,421	324,421	16,195	20,276
Worldcall Telecom	Unrated	D	47,435,914	47,435,914	72,103	80,641
Yousuf Weaving Mills	Unrated	Unrated	627,427	627,427	1,757	2,924
Zahur Cotton Mills	Unrated	Unrated	225	225	-	-
Zeal Pak Cement Limited	Unrated	Unrated	247,789	247,789	-	-
			<b>780,726,158</b>	<b>878,081,162</b>	<b>44,400,593</b>	<b>48,914,494</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

### 1.1.2 Particulars of Investments held in un-listed companies

#### 1.1.2.1 Ordinary Shares - Holding 10% and above

Investee	Rating		Percentage of holding	No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
	JCRVIS	PACRA			2015	2014			
----- Rupees in '000 -----									
Digri Sugar Mills Limited	Unrated	Unrated	12.4%	2,000,000	4,063	4,063	8,126	30-Sep-99	Mr. Naveed Ahmad Javeri
JDM Textile Mills Limited	Unrated	Unrated	10.00%	478,444	4,784	4,784	11,639	June 30, 2012	Mr.LT. Gen @ Ali Kuli Khan
Gelcaps Pakistan Limited	Unrated	Unrated	14.6%	2,000,000	4,665	4,665	25,340	30-Jun-06	Mr. Sadruddin Hashwani
Intech International	Unrated	Unrated	18.6%	275,000	-	-	.....	Not Available.....	Mr. Hassan Zaidi
Pakistan Agriculture Storage Service Corporation (Face value: Rs.1,000 each)	Unrated	Unrated	18.3%	5,500	5,500	5,500	109,831	31-Mar-03	Maj. General Fahim Akhter Khan
Precision Engineering	Unrated	Unrated	16.8%	15,100	-	-	.....	Not Available.....	Mr.Zaheer Hussain
Resources and Engineering Management Corporation	Unrated	Unrated	10.0%	66,125	-	-	(484,696)	June 30,2005	Mr. Shafaat Ahmed
Safa Rice Mills Limited	Unrated	Unrated	15.8%	450,000	-	-	.....	Not Available.....	Mr. Pervaz Alam
Sigma Knitting Mills	Unrated	Unrated	14.1%	500,000	-	-	(6,793)	June 30,1999	..... Not Available.....
				<b>5,790,169</b>	<b>19,012</b>	<b>19,012</b>			

#### 1.1.2.2 Ordinary Shares - Holding below 10%

Investee	Rating		No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
	JCRVIS	PACRA		2015	2014			
----- Rupees in '000 -----								
Accord Textile Mills Limited	Unrated	Unrated	233,400	-	-	.....	Not Available.....	
Adamjee Floorings Limited	Unrated	Unrated	30,080	-	-	.....	Not Available.....	
Adamjee Papers & Board Mills Limited	Unrated	Unrated	137,597	-	-	.....	Not Available.....	
Adil Polypropylene Limited	Unrated	Unrated	69,093	-	-	.....	Not Available.....	
Afsar Textile Mills Limited	Unrated	Unrated	32,778	-	-	.....	Not Available.....	
Al Ameen Textile	Unrated	Unrated	30,000	328	328	.....	Not Available.....	
Al Zamin Modarba Management	Unrated	Unrated	140,000	1,000	1,000	2,134	June 30, 2006	Mr. Bashir A. Chaudhry
Al-Hussany Industries Limited	Unrated	Unrated	31,514	-	-	.....	Not Available.....	
Alif Textile Mills Limited	Unrated	Unrated	163,464	-	-	.....	Not Available.....	
Amazai Textile Limited	Unrated	Unrated	10,111	-	-	.....	Not Available.....	
AMZ Venture Limited Class A	Unrated	Unrated	200,000	122	122	.....	Not Available.....	
Apex Fabrics Limited	Unrated	Unrated	144,506	-	-	.....	Not Available.....	
Applo Pharma	Unrated	Unrated	-	-	252,000	.....	Not Available.....	
Arabian Seas Country Club	Unrated	Unrated	650,000	6,500	6,500	.....	Not Available.....	
Arag Industries Limited	Unrated	Unrated	96,478	-	-	.....	Not Available.....	
Aslo Electronics Limited	Unrated	Unrated	20,054	-	-	.....	Not Available.....	
Aswan Tantage Limited	Unrated	Unrated	86,030	-	-	.....	Not Available.....	
Atlas Power Limited	Unrated	Unrated	37,500,000	375,000	375,000	653,823	30-Jun-13	Maqsood A. Basra
Attock Textile Mills Limited	Unrated	Unrated	100,000	200	200	(1,412)	Sept. 30, 1998	Mr. Arshad Ali Chaudhry
Awan Textile Mills Limited	Unrated	Unrated	108,696	-	-	.....	Not Available.....	
Bahawalpur Textile Limited	Unrated	Unrated	33,283	-	-	.....	Not Available.....	
Baluchistan Foundry (Tower)	Unrated	Unrated	37,664	-	-	.....	Not Available.....	
Bankers Equity Limited (B.E.L.)	Unrated	Unrated	1,485,925	-	-	.....	Not Available.....	
Bankers Equity Limited (B.E.L.)	Unrated	Unrated	251,022	-	-	.....	Not Available.....	
Bawany Textile Mills Limited	Unrated	Unrated	42,972	-	-	.....	Not Available.....	
Bela Engineers Limited	Unrated	Unrated	135,658	-	-	.....	Not Available.....	
Brikks Pvt Limited	Unrated	Unrated	39,050	-	-	.....	Not Available.....	
Callmate Telips Telecom Limited	Unrated	Unrated	44	0.00	0.00	.....	Not Available.....	
Central Cotton Mills	Unrated	Unrated	17,864	-	-	.....	Not Available.....	
Charsada Sugar Mills Limited	Unrated	Unrated	4,634	-	-	.....	Not Available.....	
Chilya Corrugated Board Limited	Unrated	Unrated	22,076	-	-	.....	Not Available.....	
Crescent Spinning Mills	Unrated	Unrated	370,744	-	-	.....	Not Available.....	
Crown Textile	Unrated	Unrated	161,948	-	-	.....	Not Available.....	
Dadabhoj Leasing Co.	Unrated	Unrated	188,742	-	-	.....	Not Available.....	
Dadabhoj Sack Limited	Unrated	Unrated	25,102	-	-	.....	Not Available.....	
Engine System	Unrated	Unrated	788,500	-	-	.....	Not Available.....	
F.T.C. Management	Unrated	Unrated	50,000	250	250	34,657	June 30, 2012	Engr. Mir Fateh Sultan
Fauji Akbar Portia	Unrated	Unrated	29,188,739	321,076	321,076	212,867	30-Jun-15	Mr. Ahmed Kamal Rana
Fauji Oil Terminals	Unrated	Unrated	1,088,600	10,886	10,886	21,981	June 30, 2014	Lt. Gen @ M. Mustafa Khan
Fazal Vegetable Ghee	Unrated	Unrated	21,486	-	-	.....	Not Available.....	
First Women Bank Limited	Unrated	BBB+/A2	7,698,441	21,100	21,100	68,275	Dec. 31, 2015	Ms. Tahira Raza
Fortune Securities Limited	Unrated	Unrated	500,000	5,000	5,000	8,334	June 30, 2012	Mr. Qasim Lakhani
Frontier Textile Mills Limited	Unrated	Unrated	50,000	500	500	272	Sep. 30, 2002	Not available
Ghafoor Textile Mills	Unrated	Unrated	23,424	-	-	.....	Not Available.....	
Ghulam M.Dadabhoj ( Dadabhoj Padube )	Unrated	Unrated	25,278	-	-	.....	Not Available.....	
Gulistan Power Generation Limited	Unrated	Unrated	220,000	2,200	2,200	8,096	June 30, 2000	Mr. Abdul Shakoor
Gypsum Corporation	Unrated	Unrated	84,176	-	-	.....	Not Available.....	
H.Shaikh Muhammed Hussain	Unrated	Unrated	57,634	-	-	.....	Not Available.....	
Harum Textile	Unrated	Unrated	29,683	-	-	.....	Not Available.....	
Hazara Woolen Mills Limited	Unrated	Unrated	20,000	200	200	.....	Not Available.....	
Hyderabad Electronic	Unrated	Unrated	50,135	-	-	.....	Not Available.....	
IDBP	Unrated	Unrated	1,011	107	107	.....	Not Available.....	
Indus Bank Limited.	Unrated	Unrated	76	-	-	.....	Not Available.....	
Indus Polyester Co.	Unrated	Unrated	3	-	-	.....	Not Available.....	
Insecta Pakistan Limited	Unrated	Unrated	50,000	-	-	315	June 30,1997	Mr. Syed Tauqeer Haider
Inter Asia Leasing Company Limited	Unrated	Unrated	50,000	500	500	.....	Not Available.....	
Investec Securities Limited	Unrated	Unrated	50,205	-	-	.....	Not Available.....	
Islamabad Stock Exchange Ltd	Unrated	Unrated	3,034,603	30,346	30,346	.....	Not Available.....	
Islamic Investment Bank	Unrated	Unrated	71,339	-	-	.....	Not Available.....	
Itti Textile Mills	Unrated	Unrated	83,418	-	-	.....	Not Available.....	
Junaid Cotton Mills Limited	Unrated	Unrated	51,759	328	328	.....	Not Available.....	
Kaisar Arts & Krafts	Unrated	Unrated	868,959	8,395	8,395	.....	Not Available.....	
<b>Balance carried forward</b>				<b>86,757,998</b>	<b>784,038</b>	<b>1,036,038</b>		

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

Investee	Rating		No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
	JCRVIS	PACRA		2015	2014			
----- Rupees in '000 -----								
<b>Balance brought forward</b>			<b>86,757,998</b>	<b>784,038</b>	<b>1,036,038</b>			
Karachi Pipes	Unrated	Unrated	79,710	-	-	-	Not Available	
Karim Silk Mills Limited	Unrated	Unrated	9,690	-	-	-	Not Available	
Kaytex Mills (Saleem Denim Ind.)	Unrated	Unrated	82,575	-	-	-	Not Available	
Kaytex Mills Limited	Unrated	Unrated	377,800	3,778	3,778	-	Not Available	
Kohinoor ( Cotton ) Textile	Unrated	Unrated	31,935	-	-	-	Not Available	
Kohinoor Looms Limited	Unrated	Unrated	86,366	-	-	-	Not Available	
Karachi Stock Exchange	Unrated	Unrated	4,007,383	-	-	-	Not Available	
Lafayette Industries Synth.	Unrated	Unrated	46,765	-	-	-	Not Available	
Marr Fabrics Limited	Unrated	Unrated	60,246	-	-	-	Not Available	
Medi Glass Limited	Unrated	Unrated	150,404	-	-	-	Not Available	
Mehran Bank Limited	Unrated	Unrated	376,390	-	-	-	Not Available	
Mian Mohammad Sugar	Unrated	Unrated	87,630	15	15	-	Not Available	
Mohib Textile Limited	Unrated	Unrated	507,080	-	-	-	Not Available	
Mubarak Dairies	Unrated	Unrated	28,227	-	-	-	Not Available	
Muslim Ghee Mills Limited	Unrated	Unrated	181,000	1,810	1,810	-	Not Available	
Myfip Video Industries	Unrated	Unrated	537,300	5,373	5,373	-	Not Available	
National Asset Leasing Corporation	Unrated	Unrated	135,050	14	14	-	Not Available	
National Construction Limited	Unrated	Unrated	149,999	250	250	597	June 30, 2005	Mr. Ali Mohammad Shaikh
National Film Development Corporation Limited	Unrated	Unrated	10,000	-	-	(1,825)	June 30, 2000	Mr. Sajjad Haider
National Industry Cooperative Bank of Gujrat	Unrated	Unrated	1	-	-	-	Not Available	
National Institution of Facilitation Technology (Pvt) Ltd	Unrated	Unrated	2,266,607	1,526	1,526	28,030	June 30, 2012	Mr. M. M. Khan
National Investment Trust (face value Rs.100 each)	AM-DS	Unrated	79,200	100	100	1,796	June 30, 2010	Mr. Tariq Iqbal Khan
National Match Ind.	Unrated	Unrated	13,398	-	-	-	Not Available	
National Woolen Mills Limited	Unrated	Unrated	18,300	183	183	-	Not Available	
Natover Lease & Refinance	Unrated	Unrated	371,674	2,602	2,602	-	Not Available	
Naveed Textile Mills	Unrated	Unrated	35,979	-	-	-	Not Available	
Newyork Poly Clinic of Karachi	Unrated	Unrated	220,133	-	-	(241)	June 30, 1998	Mr. Akhter Aziz khan
Norrie Textile Mills	Unrated	Unrated	69,557	-	-	-	Not Available	
Nowshehra Engineering Works Limited	Unrated	Unrated	18,179	41	41	-	Not Available	
Nusrat Textile Mills	Unrated	Unrated	156,134	-	-	-	Not Available	
Pak Ghee Limited	Unrated	Unrated	29,491	-	-	-	Not Available	
Pak Paper Corporation	Unrated	Unrated	52,831	-	-	-	Not Available	
Pakistan Export Finance Guarantee Agency Limited	Unrated	Unrated	1,152,938	11,529	11,529	1,152	Dec 31, 2009	Not available
Pakistan Paper Corporation Limited	Unrated	Unrated	37,250	373	373	-	Not Available	
Pakistan Telephone Cables	Unrated	Unrated	45,969	143	143	-	Not Available	
Pakistan Textile City	Unrated	Unrated	10,000,000	100,000	100,000	33,812	June 30, 2015	Mr. Muhammad Hanif Kasbati
Pakistan Tourism Development Corporation	Unrated	Unrated	10,000	100	100	24,983	June 30, 1996	Not available
Pearl Fabrics Limited	Unrated	Unrated	117,121	-	-	-	Not Available	
People Steel Mills Limited	Unrated	Unrated	1,076,880	3,276	3,276	-	Not Available	
Polyron Limited	Unrated	Unrated	76	-	-	-	Not Available	
Prudential Investment Bank	Unrated	Unrated	166,278	-	-	-	Not Available	
Punjab Building Limited	Unrated	Unrated	226,070	-	-	-	Not Available	
Punjab Cotton	Unrated	Unrated	28,648	-	-	-	Not Available	
Punjab Lamps	Unrated	Unrated	55,274	-	-	-	Not Available	
Qadri Textile Mills Limited	Unrated	Unrated	50,000	500	500	-	Not Available	
Qayyum Spinning	Unrated	Unrated	36,653	-	-	-	Not Available	
Quality Steel Works	Unrated	Unrated	1,685	-	-	-	Not Available	
RCD Ball	Unrated	Unrated	10,027	-	-	-	Not Available	
Refrigerator Manufacturing Company Limited	Unrated	Unrated	45,737	4,589	4,589	-	Not Available	
Regal Ceramics Limited	Unrated	Unrated	45,501	-	-	-	Not Available	
Rehman Cotton Mills Limited	Unrated	Unrated	1,695,800	16,958	16,958	107,895	June 30, 2011	Mr. LT. Gen @ Ali Kuli Khan
Rex Baren Battery	Unrated	Unrated	28,564	-	-	-	Not Available	
Rousch Power Pakistan Limited	Unrated	Unrated	39,729,000	132,888	132,888	870,989	June 30, 2013	Mr. Naseem Akhter
Ruby Rice and General Mills Limited	Unrated	Unrated	75,000	750	750	-	Not Available	
Sahrish Textile Mills	Unrated	Unrated	10,043	20	20	-	Not Available	
Saitex Spinning Mills	Unrated	Unrated	182,423	-	-	-	Not Available	
Shahpur Textile Mills	Unrated	Unrated	200,527	-	-	-	Not Available	
Shahyar (Oe) Textile Mills	Unrated	Unrated	40,023	-	-	-	Not Available	
Shahyar Textile Mills	Unrated	Unrated	113,161	-	-	-	Not Available	
Shoab Capital	Unrated	Unrated	100,000	271	271	544	June 30, 2000	Not available
Siflaq (International) Textile Mills	Unrated	Unrated	54,769	-	-	-	Not Available	
Sindh Alkalis Limited	Unrated	Unrated	359,369	-	-	-	Not Available	
SME Bank Limited	BBB	Unrated	6,121,095	26,950	26,950	50,986	31-12-2010	Mr. R. A Chughtai
South Asia Regional Fund	Unrated	Unrated	5,000	287	287	-	Dec 31, 07	Mr. Jean Fondamiere
Star Salica Industries Limited	Unrated	Unrated	26,650	267	267	-	Not Available	
Sunrise Textile Mills	Unrated	Unrated	7,668	-	-	-	Not Available	
Sunshine Cloth Mills	Unrated	Unrated	150,000	-	-	-	Not Available	
Sunshine Cloth Mills	Unrated	Unrated	374,721	-	-	-	Not Available	
Syed Match Ind.	Unrated	Unrated	162	2	2	-	Not Available	
Taga Pakistan Limited	Unrated	Unrated	48,450	-	-	-	Not Available	
Tariq Cotton Mills	Unrated	Unrated	21,907	-	-	-	Not Available	
Tawakkal Limited	Unrated	Unrated	57,297	-	-	-	Not Available	
Tawakkal Modaraba (Ist)	Unrated	Unrated	241,827	-	-	-	Not Available	
Transmobile Limited	Unrated	Unrated	644,508	-	-	(44)	June 30, 1997	Mr. Javed Burki
Turbo Tec Limited (Tubes)	Unrated	Unrated	86,788	-	-	-	Not Available	
Union Insurance Co.Of Pakistan	Unrated	Unrated	156	4	4	-	Not Available	
Unity Modaraba	Unrated	Unrated	1,000,000	28	28	-	Not Available	
Uqab Breeding Farms	Unrated	Unrated	70,778	-	-	-	Not Available	
Zafar Textiles Mills Limited	Unrated	Unrated	247,100	256	256	-	Not Available	
Zafar Textiles Mills Limited	Unrated	Unrated	34,041	-	-	-	Not Available	
Zahur Textile Mills	Unrated	Unrated	210,229	-	-	-	Not Available	
Zulsham Engineering Works Limited	Unrated	Unrated	3,300	330	330	-	Not Available	
			<b>162,081,495</b>	<b>1,099,251</b>	<b>1,351,251</b>			
			<b>167,871,664</b>	<b>1,118,263</b>	<b>1,370,263</b>			



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 1.2 Particulars of Investments held in units of mutual funds

	Rating		No. of units held		Market value	
	JCRVIS	PACRA	2015	2014	2015	2014
..... Rupees in '000 .....						
ABL Cash Fund	AA(f)	Unrated	-	14,975,739	-	156,646
AKD Cash Fund	AA+(f)	Unrated	<b>970,683</b>	799,539	<b>50,010</b>	41,816
Al Falah GHP Cash Fund	Unrated	AA(f)	-	199,075	-	104,339
Atlas Money Market Fund	Unrated	AA(f)	<b>96,281</b>	348,473	<b>50,015</b>	182,781
Asian Stock Fund	Unrated	Unrated	-	-	-	-
Askari Sovereign Cash Fund	Unrated	AAA(f)	-	994,830	-	104,248
Dominion Stock Fund	Unrated	Unrated	<b>80,326</b>	80,326	-	-
<b>Faysal Financial Sector Opportunity Fund</b>			-	-	-	-
Faysal Money Market Fund	AA+(f)	Unrated	-	991,768	-	104,384
First Dawood Mutual Fund	Unrated	2-Star/2-Star	<b>1,157,674</b>	1,157,674	-	-
First Habib Cash Fund	AA(f)	Unrated	-	750,378	-	78,377
HBL Money Market Fund	AA(f)	Unrated	<b>481,029</b>	1,517,263	<b>49,974</b>	158,812
IGI Money Market Fund	Unrated	Unrated	-	1,487,279	-	156,611
Investec Mutual Fund	Unrated	Unrated	<b>87,858</b>	87,858	-	-
J.S Large Capital Fund	Unrated	Unrated	-	468,069	-	47,808
Lakson Money Market Fund	Unrated	AA(f)	<b>485,902</b>	1,249,399	<b>50,014</b>	130,462
MCB Cash Optimizer Fund	Unrated	AA(f)	-	1,515,101	-	158,040
Meezan Balanced Fund	Unrated	Unrated	<b>3,543,409</b>	3,359,575	<b>52,797</b>	48,210
NAMCO Balanced Fund	Unrated	Unrated	-	2,621,664	-	25,666
NIT-EMOF	Unrated	Unrated	<b>10,045,493</b>	10,045,493	<b>2,008,898</b>	2,070,477
NIUT-NON LOC	Unrated	Unrated	-	-	-	-
NIT Government Bond Fund	Unrated	AA(f)	-	9,213,279	-	100,240
NIT Income Fund	Unrated	A+(f)	-	18,286,551	-	201,701
NIT- Islamic Equity Fund	Unrated	A+(f)	<b>12,523,541</b>	-	<b>123,482</b>	-
Pak Oman Government Securities Fund	Unrated	AA(f)	-	-	-	-
PICIC Cash Fund	AA+(f)	Unrated	-	998,804	-	104,605
PICIC Energy Fund	Unrated	Unrated	<b>51,327</b>	51,328	<b>590</b>	578
PICIC Investment Fund	Unrated	Unrated	<b>1,000,000</b>	1,000,000	<b>11,430</b>	12,200
UBL Liquidity Plus Fund	AA+(f)	Unrated	-	997,056	-	104,372
			<b>30,523,523</b>	73,196,521	<b>2,397,209</b>	4,092,373

### 1.3 Particulars of Investments held in Preference shares

	Rating	Cumulative/ Non- cumulative	Rate	No. of certificates held		Market Value / Cost	
				2015	2014	2015	2014
-----Rupees in '000-----							
<b>Listed:</b>							
Agritech Limited (Preference)	Unrated	Cumulative	9.25%	<b>3,458,756</b>	3,458,756	<b>10,376</b>	34,587
Aisha Steel Preference Shares	Unrated	Cumulative	0.00%	<b>273,699</b>	273,699	<b>2,264</b>	240
Chenab Textile Mills Limited	Unrated	Cumulative	9.25%	<b>10,000,000</b>	10,000,000	<b>15,300</b>	100,000
Charsada Sugar(Saleem Sugar Mills )	Unrated	Cumulative	6.00%	<b>105</b>	105	-	-
Summit Bank Preference Class A		Non-Cumulative	10.00%	<b>14,997,640</b>	14,997,640	<b>149,976</b>	149,976
Masood Textile Mills	Unrated	Floating	12.65%	<b>5,000,000</b>	5,000,000	<b>44,200</b>	50,000
Maple Leaf Cement Factory	SD	Cumulative	9.75%	-	-	-	-
Pak Elektron Limited	A/A1	Cumulative	9.50%	<b>10,643,642</b>	10,643,642	<b>106,436</b>	106,436
				<b>44,373,842</b>	44,373,842	<b>328,553</b>	441,240
<b>Unlisted:</b>							
Pakistan Mercantile Exchange Limited	Unrated	-	-	<b>1,300,000</b>	1,300,000	<b>13,000</b>	13,000
Moro Textile Mills		Non-Cumulative		<b>19,242,000</b>	19,242,000	<b>192,420</b>	192,420
Silk Bank Limited (PNCPS)		Non-Cumulative		<b>80,000,000</b>	80,000,000	<b>200,000</b>	200,000
				<b>100,542,000</b>	100,542,000	<b>405,420</b>	405,420

\* Cost of the above investment amounted to **Rs. 846.66 million** (2014: Rs. 846.66 million)

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

### 1.4 Debentures, Bonds, Participation Term Certificates and Term finance certificates

#### 1.4.1 Term finance certificates

Investee	Rate of interest	Profit payment	Maturity	Long Term Rating	No. of certificates held		Market value / Cost	
					2015	2014	2015	2014
<b>Listed</b>								
Askari Bank Limited	12.53% 6 months Kibor + 2.5%	Half yearly	October 31, 2013	AA-	-	3,200	-	15,660
Azgard Nine Limited	9.44% 6 month Kibor + 2.4%	Half yearly	August 17, 2012	D	20,000	20,000	32,538	32,538
Bank Al-Falah Ltd.	15% (Fixed)	Half yearly	December 2, 2017	AA-	10,850	10,850	59,265	58,971
Escorts Invest. Bank Ltd.	11.53% 6 months Kibor + 2.5%	Half yearly	September 15, 2014	BB	-	-	-	-
Faysal Bank Ltd.	11.01% 6 months Kibor + 2.25%	Half yearly	October 11, 2017	AA-	-	-	-	-
Faysal Bank Ltd. (P)	8.77% 6 months Kibor + 2.25%	Half yearly	December 27, 2017	AA-	14,200	14,200	72,452	74,167
Financial Receivable Securitization Company Limited	11.08% 6 month Kibor + 2%	Half yearly	December 27, 2013	A+	-	-	-	-
NIB Bank Ltd.	7.69% 6 month Kibor + 1.15%	Half yearly	March 5, 2016	A+	80,000	80,000	395,762	394,333
Saudi Pak Leasing Co. - HTM	6 months Kibor + 1.5%	Half yearly	March 13, 2013	D	10,000	10,000	27,948	27,948
Soneri Bank Limited	13.61% 6 month Kibor + 1.6%	Half yearly	March 31, 2011	A+	-	-	-	-
Summit Bank Ltd	9.72% 6 months Kibor + 3.25%	Half yearly	November 11, 2018	A-(SO)	44,898	44,898	229,862	191,779
Javedan Corporation Limited	6 month Kibor + 2.25%	Half yearly	November 10, 2017	Unrated	14,000	14,000	891,425	905,887
							<b>1,709,252</b>	<b>1,701,283</b>
<b>Unlisted</b>								
Afroz Textile Industries	3 month Kibor-5% + (Floor 50%)	Quarterly	December 29, 2019	Unrated	12	12	284,000	284,000
AgriTech Limited	6 month Kibor + 1.75%	Half yearly	January 14, 2019	D	95,273	95,273	336,368	336,368
AKD Securities Ltd	6 month Kibor + 2.5%	Half yearly	December 31, 2015	D	-	-	458,796	496,000
Al-Azhar Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	5,168	5,168
Al-Qaim Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	16	16	357	357
Apex Fabrics Limited	22.00%	Overdue	Overdue	Unrated	16	16	2,640	2,640
Aqma Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	3,549	3,549
Aswan Tentage & Canvas Mills Limited	22.00%	Overdue	Overdue	Unrated	1	1	3,643	3,643
Azgard Nine Limited 27-07-2012	Zero Markup	-	March 31, 2017	D	122,697	122,697	613,485	613,485
Babri Cotton Mills	Zero Markup	Annually	December 30, 2016	Unrated	-	5	-	16,473
Bachani Sugar Mills Limited	22.00%	Overdue	Overdue	Unrated	28	28	23,696	33,054
Baluchistan Cotres Limited	22.00%	Overdue	Overdue	Unrated	22	22	-	1,098
Bankers Equity Limited	22.00%	Overdue	Overdue	Unrated	10	10	31,335	31,335
Bela Chemical Limited	22.00%	Overdue	Overdue	Unrated	24	24	24,595	24,595
Bentonite Pak Limited	22.00%	Overdue	Overdue	Unrated	31	31	3,417	3,417
Blue Star Spinning Mills Limited	22.00%	Overdue	Overdue	Unrated	17	17	2,252	2,252
Brother Steel Limited	22.00%	Overdue	Overdue	Unrated	17	17	-	-
Bunny's Limited	3 months Kibor + 2.5%	Annually	December 6, 2012	Unrated	6,000	6,000	30,000	22,500
Colony Thal Textile Mills Ltd	Fixed 7%	Annually	December 31, 2017	Unrated	240	240	119,536	119,536
Cast-N-Link Product Limited	22.00%	Overdue	Overdue	Unrated	16	16	2,549	2,549
Chiniot Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	6	6	1,185	1,185
Danneman Fabrics Limited	22.00%	Overdue	Overdue	Unrated	14	14	3,283	3,283
Engro Fertilizer Ltd PRP I	6 months Kibor + 1.7%	Half yearly	December 17, 2016	A+	-	8,291	-	31,455
Engro Fertilizer Ltd	12.12%	Half yearly	December 17, 2016	A+	1,891	2,000	9,447	6,840
Fauji Akbar Portia Marine Terminal	6 months Kibor + 2.4%	Half yearly	October 15, 2024	-	2	2	227,126	103,707
General Dairies & Food Limited	Zero Markup	Overdue	Overdue	Unrated	6	6	1,350	1,350
Glorex Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	1	1	924	924
Gypsum Corporation Limited	22.00%	Overdue	Overdue	Unrated	-	-	900	900
Hospitex International Limited	22.00%	Overdue	Overdue	Unrated	-	-	239	239
Independent News Paper Corp. Ltd	3 month Kibor	Quarterly	March 30, 2018	B	1	1	868,806	1,135,375
Jahangir Siddiqui & Company Limited	6 month Kibor + 2.0%	Half yearly	May 17, 2014	AA+	-	-	-	-
Janana De Malucho Textile Mills Ltd	Zero Markup	Annually	January 1, 2017	Unrated	-	11	-	23,173
Javedan Corporation Ltd NEW	6 month Kibor + 2.25%	Half yearly	March 16, 2018	Unrated	-	-	-	-
Javedan Corporation Limited III	6 month Kibor + 2.25%	Half yearly	August 14, 2018	Unrated	-	-	-	-
							<b>3,058,646</b>	<b>3,310,450</b>

#### Balance carried forward

All term finance certificates have a face value of Rs. 5,000 each unless otherwise mentioned.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

Investee	Rate of interest	Profit payment	Maturity	Long Term Rating	No. of certificates held		Market value / Cost	
					2015	2014	2015	2014
							------(Rupees in '000)-----	
<b>Balance brought forward</b>							<b>3,058,646</b>	<b>3,310,450</b>
JDW Sugar Mills Limited	3 month Kibor + 1.25%	Quarterly	June 23, 2014	A+	-	-	-	-
Kamal Ghee & Allied Industries Limited	22.00%	Overdue	Overdue	Unrated	14	14	4,238	4,238
Kiran Sugar Mills Limited	3 month Kibor + 3.00%	Quarterly	July 6, 2016	Unrated	<b>PENDING RECEIPT</b>		<b>120,000</b>	<b>120,000</b>
Kiran Sugar Mills Limited -01	3 month Kibor + 3.00%	Quarterly	January 26, 2027	Unrated	144	-	595,227	-
Malik Food Industries Limited	22.00%	Overdue	Overdue	Unrated	11	11	1,401	1,401
Minaco Fabrics Limited	22.00%	Overdue	Overdue	Unrated	14	14	1,640	1,640
Moro Textile Mills Ltd.	8% for first 3 years and 3 month KIBOR+3%	Quarterly	January 10, 2021	Unrated	20	20	188,613	188,613
Munalisa Fruit Juices	-	-	-	Unrated	2	2	1,500	1,500
Munawar Engineering Company Limited	22.00%	Overdue	Overdue	Unrated	28	28	1,306	1,306
National Sugar Industries Limited	3 month Kibor + 3.00%	Quarterly	September 3, 2016	Unrated	20	20	-	-
National Tiles & Ceramics Limited	22.00%	Overdue	Overdue	Unrated	16	16	-	-
New Allied Electronic industries limited.	3 month Kibor + 1.50 %	Quarterly	December 31, 2020	Unrated	1	1	1,308,738	1,324,736
Oil & Gas Investment Limited.	6 month Kibor + 2%	Half yearly	May 14, 2015	Unrated	188,700	188,700	815,800	815,800
Pakistan International Airlines Corp. Limited	6 month Kibor + 1.25%	Half yearly	February 18, 2011	Unrated	594,976	594,976	15,035,805	2,972,500
Pakistan Laminates Limited	22.00%	Overdue	Overdue	Unrated	-	-	95	95
Pak Elektron Ltd	3 month Kibor + 2%	Quarterly	February 24, 2020	AA	26	26	2,976,229	3,165,690
Pak Libya Holding Co Pvt Ltd	6 month Kibor + 1.6%	Half yearly	February 7, 2016	AA	50,000	50,000	41,545	125,158
Parthenon private Limited	3 month Kibor + 2%	Quarterly	December 30, 2017	Unrated	10	10	1,631,635	1,631,635
Pirjee Weaving Mills Limited	22.00%	Overdue	Overdue	Unrated	16	16	401	401
Pak Hy-Oil Ltd	6 months Kibor + 2.25%	Overdue	December 6, 2013	Unrated	1	1	200,000	150,000
Pak Arab Fertilizer Ltd	6 months Kibor + 2.50%	Half yearly	May 19, 2015	AA	-	-	-	-
Rehman Cotton Mills	Zero Markup	Annually	December 30, 2016	Unrated	11	11	22,533	37,554
Qand Ghar (Pvt) Limited	22.00%	Outstanding	Overdue	Unrated	22	22	2,092	2,092
Raja Weaving Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	3,831	3,831
Regency Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	24	24	6,033	6,033
Sarela Cement Limited	22.00%	Overdue	Overdue	Unrated	32	32	6,748	6,748
Seri Sugar Mills Limited	22.00%	Overdue	Overdue	Unrated	24	24	5,422	5,422
Shazeb Industries Limited	22.00%	Overdue	Overdue	Unrated	14	14	1,840	1,840
Siakot Dairies	22.00%	Overdue	Overdue	Unrated	13	13	1,323	1,323
Silverland Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	6	6	1,035	1,035
Sind Textile Industries	22.00%	Overdue	Overdue	Unrated	15	15	7,445	7,445
Sinsas Enterprises Limited	22.00%	Overdue	Overdue	Unrated	2	2	4,302	4,302
Star Silica International	22.00%	Overdue	Overdue	Unrated	16	16	1,799	1,799
Standard Chartered Bank Limited	Six Month Kibor +0.75%	Half yearly		AAA	86,730	86,730	434,319	433,650
Sunflo Juices Limited	22.00%	Overdue	Overdue	Unrated	28	28	748	748
Tanocraft Limited	22.00%	Overdue	Overdue	Unrated	22	22	-	-
Tawakkal Garments Industries Limited	22.00%	Overdue	Overdue	Unrated	16	16	759	759
Tharparkar Sugar Mills Limited	22.00%	Overdue	Overdue	Unrated	5	5	8,412	8,516
Turbo Tubes Limited	22.00%	Overdue	Overdue	Unrated	2	2	67	67
Ultra Engineering Industries Limited	22.00%	Overdue	Overdue	Unrated	16	16	1,126	1,126
WAPDA-TFCs	6 months Kibor + 1.75%	Half yearly	September 27, 2021	AAA	385,000	400,000	1,649,999	2,000,000
Waleed Leather Industries Limited	22.00%	Overdue	Overdue	Unrated	38	38	2,196	2,196
Zamir Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	7,516	7,516
							<b>28,152,364</b>	<b>16,349,165</b>
							<b>29,861,616</b>	<b>18,050,448</b>

All term finance certificates have a face value of Rs. 5,000 each unless otherwise mentioned.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

## 1.4.2 Debentures

Investee	Terms of Redemption		Rate of Interest	Cost	
	Principal	Interest		2015	2014
----- (Rupees in '000) -----					
Aaj Textile Mills Limited	Outstanding	Outstanding	14%	1,005	1,005
Aaj Textile Mills Limited	Outstanding	Outstanding	12.5%	270	270
Ajax Industries Limited	Overdue	Overdue	11%	1,397	1,397
Ajax Industries Limited	Overdue	Overdue	14%	269	269
Ali Asbestose Industries Limited	Overdue	Overdue	14%	175	175
Ali Asbestose Industries Limited	Overdue	Overdue	11%	1,510	1,510
Allied Marbles Industries	Overdue	Overdue	14%	23	23
Allied Marbles Industries	Overdue	-	Interest free	15	15
Azad Kashmir Mineral Development Corporation	Overdue	Overdue	12%	3,286	3,286
Azad Kashmir Mineral Development Corporation	Overdue	Overdue	14%	1,998	1,998
Azad Kashmir Mineral Development Corporation	Overdue	Overdue	12.5%	2,336	2,336
Carbon Dioxide Limited	Outstanding	Outstanding	11%	495	495
Carbon Dioxide Limited	Outstanding	Outstanding	14%	95	95
Chillya Corrugated Board	Overdue	Overdue	14%	317	317
Consolidated Spinning & Textile Mills Limited	Overdue	Overdue	14%	180	180
Consolidated Sugar Mills	Overdue	Overdue	14%	1,875	1,875
Damaan Oil Mills	Overdue	Overdue	14%	204	204
Effef Industries Limited	Overdue	Overdue	14%	1,799	1,799
Effef Industries Limited	Overdue	-	Interest free	3,828	3,828
Electric Lamp Manufacturing	Outstanding	Outstanding	11%	75	75
Electric Lamp Manufacturing	Overdue	Overdue	14%	150	150
Hassan Tanneries Limited	Outstanding	Outstanding	14%	437	437
Hassan Tanneries Limited	Outstanding	Outstanding	12.5%	58	58
Hazara Woolen Mills	Overdue	Overdue	14%	1,148	1,148
Hydri Gas Limited	Outstanding	Outstanding	11%	47	47
Hydri Gas Limited	Outstanding	Outstanding	14%	50	50
Junaid Cotton Mills Limited	Overdue	Overdue	12.5%	165	165
Junaid Cotton Mills Limited	Overdue	Overdue	14%	470	470
Karachi Development Authority	Overdue	Overdue	12.5%	156,034	156,034
Khyber Textile Mills Limited	Overdue	Overdue	14%	1,000	1,000
Lahore Dyeing & Printing Mill	Outstanding	Outstanding	11%	1,013	1,013
Mansoor Textile Mills	Outstanding	Outstanding	14%	510	510
Morgah Valley Limited	Overdue	Overdue	11%	400	400
Morgah Valley Limited	Overdue	Overdue	14%	160	160
National Woolen Mills	Overdue	Overdue	14%	66	66
Pakistan Paper Corporation	Overdue	Overdue	11%	506	506
Progressive Tobacco Co.	Overdue	Overdue	14%	144	144
Qadri Textile Mills Limited	Outstanding	Outstanding	14%	489	489
Regal Ceramics Limited	Overdue	Overdue	14%	105	105
Rising Sun Knitwear Industries	Overdue	Overdue	14%	57	57
Rose Textile Mills Limited	Overdue	Overdue	14%	740	740
Sarhad Bricks Limited	Outstanding	Outstanding	11%	543	543
Sarhad Bricks Limited	Outstanding	Outstanding	14%	102	102
Shafaq Lamp Manufacturing Corporation	Outstanding	Outstanding	11%	368	368
Shafaq Lamp Manufacturing Corporation	Outstanding	Outstanding	14%	83	83
Shahdin Limited	Overdue	Overdue	14%	163	163
Shahyar Textile Mills Limited	Overdue	Overdue	14%	280	280
Spinzer Towel Industries Limited	Outstanding	Outstanding	12.5%	200	200
Spinzer Towel Industries Limited	Outstanding	Outstanding	14%	175	175
Sun Publications Limited	Overdue	Overdue	13.5%	178	178
Zulsham Engineering Works Limited	Overdue	Overdue	14%	236	236
				<b>187,229</b>	<b>187,229</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 1.4.3 Participation Term Certificate

Investee	Number of certificate(s)	Rate of interest	Paid - up value per certificate Rupees	Cost	
				2015	2014
				----- (Rupees in '000) -----	
Ali Paper Industries Limited	13	17%	261,000	<b>3,393</b>	3,393
Alipure Jute Mills Limited	53	17%	172,113	<b>7,081</b>	7,081
American Marbals Limited	12	17%	104,167	<b>448</b>	448
Azmat Oil Industries Limited	1	17%	226,000	<b>226</b>	226
Annis Garments Limited	12	17%	32,917	<b>395</b>	395
Bhawalpur Board Mills Limited	14	17%	137,000	<b>1,918</b>	1,918
Bela Chemicals limited	1	17%	10,500,000	<b>10,500</b>	10,500
Calcium Limited	1	17%	300,000	<b>300</b>	300
Dadabhoy Cement Limited	1	17%	11,601,000	<b>7,303</b>	7,303
Delta Tyre & Rubber Co.	7	17%	268,714	<b>1,118</b>	1,118
Gypsum Corporation Limited	32	17%	32,594	<b>1,043</b>	1,043
Ittehad Industries Limited	1	17%	600,000	<b>451</b>	451
Jubilee Paper Board Mills	16	17%	431,938	<b>4,415</b>	4,415
Kamal Enterprises Limited	17	17%	64,294	<b>1,093</b>	1,093
Khattak Edible Oil Limited	15	17%	82,467	<b>1,237</b>	1,237
Meditex International Limited	15	17%	87,800	<b>508</b>	508
Morgah Valley Limited	16	17%	29,250	<b>468</b>	468
National Fructose Limited	11	17%	550,818	<b>3,215</b>	3,215
Pak Belt Industries Limited	13	17%	94,692	<b>757</b>	757
Pangrio Sugar Mills Limited	29	17%	442,586	<b>4,433</b>	4,433
Punjab Building Products	12	17%	121,500	<b>1,458</b>	1,458
Punjab Cables Mills Limited	12	17%	388,667	<b>3,833</b>	3,833
Rainbow Packages Limited	23	17%	122,174	<b>2,223</b>	2,223
Sampak Paper Board Mills	11	17%	14,909	<b>165</b>	165
Sarela Cement Limited	35	17%	406,629	<b>14,232</b>	14,232
Shafi Woolen Industries Limited	11	17%	89,455	<b>490</b>	490
Sindh Glass Industries Limited	17	17%	598,765	<b>9,457</b>	9,457
Star Silica Industries Limited	15	17%	137,467	<b>1,803</b>	1,803
United Wood (Veener) Limited	15	17%	51,000	<b>727</b>	727
Waziristan Oil Industries Limited	13	17%	88,385	<b>1,094</b>	1,094
Zafar Oil Industries Limited	11	17%	65,455	<b>720</b>	720
Treat Corporation Limited	7,729,500	AA	33	<b>154,885</b>	188,115
				<b>241,389</b>	<b>274,619</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 1.4.4 Investment in Sukuk

Investee	Terms of Redemption		Rate of Interest %	Market Value/Cost	
	Principal	Interest		2015	2014
				----- (Rupees in '000) -----	
WAPDA Sukuk (2nd Issue)	Bi-Annual	Bi-Annual	6.79% 6 month Kibor - 0.25%	152,242	235,760
Quetta Textile Mills Limited	Quarterly	Quarterly	8.23% 3 month Kibor + 1.75%	198,622	253,793
Pakistan International Airlines Corp. Limited	Bi-Annual	Bi-Annual	8.33% 6 month Kibor + 1.75%	550,000	550,000
K- Electric Limited	Quarterly	Quarterly	7.50% 3 month Kibor + 1%	2,055,000	-
Maple Leaf Cement Limited	Quarterly	Quarterly	8.21% 3 month Kibor + 1.7%	225	790
<b><u>Islamic Banking</u></b>					
WAPDA Sukuk	Bi-Annual	Bi-Annual	6 month Kibor - 0.25%	8,334	12,500
Security Leasing Limited	Monthly	Monthly	0%	30,807	30,807
Kohat Cement Limited	Quarterly	Quarterly	3 month Kibor + 1.5%	-	-
Arzoo Textile Limited	Bi-Annual	Bi-Annual	11.56% 6 month Kibor + 2%	100,000	100,000
GoP Ijara Sukuk	Bi-Annual	Bi-Annual	6 M T-bills	980,684	2,024,349
Engro Fertilizer Limited	Bi-Annual	Bi-Annual	6 month Kibor + 1.50%	-	216,738
Pakistan International Airlines Corp. Limited	Bi-Annual	Bi-Annual	6 month Kibor + 1.75%	175,000	175,000
				<b>4,250,914</b>	<b>3,599,737</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### 1.4.5 Others Government Bond Investment

Investee	Terms of Redemption		Rate of Interest %	Market Value/Cost	
	Principal	Interest		2015	2014
				..... Rupees in '000 .....	
<b>Overseas Bonds</b>					
Goldman Sachs Group	On Maturity	Bi-Annual	3.63%	<b>105,107</b>	102,991
Goldman Sachs Group	On Maturity	Bi-Annual	5.35%	<b>104,975</b>	104,742
Goldman Sachs Group	On Maturity	Bi-Annual	7.50%	<b>240,152</b>	238,895
Goldman Sachs Group	On Maturity	Bi-Annual	6.15%	<b>227,947</b>	224,602
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.50%	<b>26,723</b>	26,644
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.50%	<b>57,842</b>	57,671
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.50%	<b>24,525</b>	24,453
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.40%	<b>224,320</b>	-
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.40%	<b>112,160</b>	-
Bank of America	On Maturity	Quarterly	6.88%	<b>127,229</b>	-
Lloyds TSB Bank	On Maturity	Bi-Annual	3ML + 1.25%	<b>209,638</b>	209,182
Citigroup Inc.	On Maturity	Bi-Annual	1.85%	<b>209,680</b>	-
Citigroup Inc.	On Maturity	Bi-Annual	6.13%	<b>224,939</b>	-
Morgan Stanley	On Maturity	Bi-Annual	4.75%	<b>206,240</b>	-
Bank of America	On Maturity	Bi-Annual	5.63%	<b>116,327</b>	-
Bank of America	On Maturity	Bi-Annual	4.50%	<b>265,463</b>	226,087
Lloyds TSB Bank	On Maturity	Bi-Annual	4.88%	<b>210,121</b>	204,604
Lloyds TSB Bank	On Maturity	Bi-Annual	4.38%	-	50,274
Lloyds TSB Bank	On Maturity	Bi-Annual	4.38%	-	50,274
Morgan Stanley	On Maturity	Bi-Annual	3.45%	-	102,467
Morgan Stanley	On Maturity	Bi-Annual	2.74%	-	302,324
Royal Bank of Scotland	On Maturity	Bi-Annual	6.40%	-	348,946
				<b>2,693,387</b>	<b>2,274,153</b>



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

### Annexure IV as referred to in Note 28.2 to the financial statements

	2015	2014
	(Rupees in '000)	
<b>Donations include following amounts exceeding Rs 0.1 million:</b>		
Fatimid Foundation Kidney Centre, Quetta.	<u>300</u>	<u>500</u>
	<u>300</u>	<u>500</u>
<b>Contributions for Corporate &amp; Social Responsibilities include following amounts exceeding Rs 0.1 million:</b>		
Sindh Institute of Urology Transplant (SIUT)	-	5,000
Lifetime Support Single Unit TCF School, Nawabshah	3,750	3,750
Hunar Foundation	-	4,000
Marie Adelaide Leprosy Centre	-	2,000
Gulab Devi Hospital, Lahore	-	1,810
Institute of Business Administration (IBA)	2,100	2,100
Patient's Welfare Society	-	300
Sheikh Zayed Islamic Center	-	384
Gulistan-e-Mazooreen, Mirpurkhas	-	164
Pakistan Disabled Foundation	155	154
Muzaffarabad Physical Centre	-	123
Disabled Welfare Association, Karachi.	225	140
Make-A-Wish Foundation	100	100
Markez-e-Umeed for Special Children, Karachi	-	128
Behbud Association of Pakistan, Rawalpindi	-	100
SOS Children's Village, Multan	-	500
Sir Ganga Ram Hospital, Lahore	-	1,350
Medical Aid Foundation	-	500
Mukhatran Rafiq Foundation, Lahore	-	430
Chair Nawabshah Disability Forum	-	270
Sundas Foundation	-	300
Stationary Items to Sun Academy.	-	100
Medicines, Food, Milk & Solar System, Thar	-	500
01 Audio Meter Machine & 06 Hearing Aid to Govt. School for Deaf Children, Abbottabad	-	288
Treatment of Victims of Burnt Injuries, Paigham Welfare Association, Karachi	-	100
10 Wheelchairs & 10 Sewing Machines, Firdous Ittehad S.W Organazation, Karachi	-	134
Sewing Machine & Vocational Training, Bahawalnagar.	-	195
Tharparkar Association the Disabled Person Mirpurkhas	-	250
20 Artificial Limbs to Disable Children Treatment Provided by (HASWA)	-	170
Hassan Academy Special Education, Rawalpindi	-	100
Sponsor Literacy Program for under Privileged Children, Rawalpindi & Islamabad	-	491
Girls Sec-Camps School Gizri, by Ravian Educational Service Trust	-	500
Professional Education Foundation, Karachi	-	100
35 Desks,01-Elc-Water Cooler & 05 Ceilling Fan to Govt. Elementary School Tehsil Chunion	-	186
Balance brought forward	<u>6,330</u>	<u>26,716</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	2015	2014
	(Rupees in '000)	
Balance brought forward	<b>6,330</b>	26,716
Underprivileged Students, Foreman Christian College, Lahore	-	500
80 Orphan Students Educational Expenses, Gujranwala	-	400
Treatment for Dialysis Patients, Pak Kidney Institute Islamabad	-	400
Poor Patient Aid Society to Cover the Brain Surgery of Young Girls	-	300
Plasma Baeg to Kids Blood Diseases Organization, Mansehra	-	124
Mentally ill Patients, Karwan-e-Hayat	-	500
25 S-Machines to Destitute Women Residing in Sheikhpura Villages	-	161
10 Computers to Orphan Children of Don Bosco Home	-	140
Scolorship for 10 students of Sargodhian Spirit Trust, Tandoallyar	-	3,750
Scolorship for 35 students of Korangi Academy run by INFAQ Foundation	-	1,386
Adoption Non Formal School Child Care Foundatiion for Elimination of Child Labor	<b>2,925</b>	2,925
Colposcopy Equipment to Bolan Medical Complex, Quetta	-	1,350
Scolorship for Women Vocational Training Hunar Foundation	-	1,500
Adoption of Taleem Foundation Schools in Kila Saifullah & Muslim Bagh, Baluchistan	<b>7,000</b>	7,000
Development of Blood Donation Centre & Laboratory Project by Afzal Memorial Thalaseemia Foundation, Karachi	-	1,000
20/20 Wheelchair to D.W.A,Society for special Persons, Multan & Mianwali	-	360
60 W/Chair-Kays-e-Kazah Society for special Persons, Haripur & AJK	-	420
63 Wheel Chair for Flood Victims/Disabilities Jhang Muzaffargarh.	-	473
30 Wheel Chair by Saaya Association, Rawalpindi, Multan & Chakwal	-	225
20 Stretchers to Bolan Medical Complex Hospital, Quetta	-	450
30 wheel Chairs to Bolan Medical Complex Hospital, Quetta	-	204
25 Wheel Chair to Khi-Independent living Centre, Karachi	-	210
15 Wheel Chairs to Sangat Art & Welfare Society, Sibi	-	105
20 Computers to Makran University of Technology, Turbat	-	320
Help International Welfare Trust-Karachi	<b>188</b>	100
Punjab Youth Festival-2014	-	25,000
Jijal Maa Hospital Qasimabad, Hyderabad	-	1,690
Build a National Monument Tallest Flag Post.CBC	-	6,000
The Aga Khan University, Hospital	<b>7,500</b>	-
Development & Research to Habib University Foundation	<b>3,330</b>	-
SOS Children's Village, Islamabad	<b>3,000</b>	-
20 Students Scholarship through Professional Education Foundation	<b>1,200</b>	-
Family Ramzan Package (Ration) Interior Sind & Suburb Area	<b>7,113</b>	-
Sponsor Repair of Auto Wheelchairs Saaya Association	<b>320</b>	-
Anjuman-e-Mazoorran, Liyari	<b>218</b>	-
Society for Special Persons, AJK	<b>186</b>	-
Society for Special Persons, Multan	<b>110</b>	-
Govt. Girls School Gizri Campus,Raavian Educational Trust	<b>400</b>	-
Cadet College, Larkana	<b>395</b>	-
Poor Patients Aid Society	<b>200</b>	-
Sukkur Blood & Drug Donating Society	<b>200</b>	-
Women Vocational Program in Gilgit & Taxila	<b>500</b>	-
Orphan Students Educational Expenses Roshni Homes	<b>420</b>	-
Rising Sun Education & Welfare Society, Lahore	<b>200</b>	-
Balance carried forward	<b>41,734</b>	83,709

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

	2015	2014
	(Rupees in '000)	
Balance brought forward	<u>41,734</u>	<u>83,709</u>
Dar-ul-Sukun	260	-
MPRC, Azad Kashmir	133	-
Sindh Disabled Association, Khairpur	126	-
Chair to Grace Association, Skardu	267	-
Pood Students, Sujawal	285	-
Govt. Dgree Collage Mehmoodabad, Karachi	299	-
SOS Children's Village, Quetta	200	-
Firdous Ittehad Social Welfare Organization, Karachi	140	-
NBP Scholarship Program Namal College, Mianwali	1,500	-
NBP Scholarship Program Sindh Madressatial Islam University	720	-
Al-Umeed Rehabilitation Association, Karachi	200	-
Karachi Independent Living Centre	150	-
Nargis Khatoon Hearing Impairment School, Skardu	115	-
Shigar & Skardu	500	-
Patient Care, Karachi	300	-
Al-Qadir Model School, Lyari	312	-
Int-Grammar School, Karachi	305	-
Poor Students Baluchistan Schools	250	-
Poor Dialysis Patients at Pak Kidney Institute, Islamabad	500	-
NBP Female Ward, MALC	990	-
Begum Noor M-Hospital, Chakwal	476	-
NICH by SADA Welfare Foundation	475	-
Medical Aid Foundation (Cancer Division)	300	-
Model Welfare Medical Center, Malir	100	-
Al-Mustafa Trust Chakwal, Rawalpindi	100	-
Shaukat Khanum Memorial Cancer Hospital, Peshawar	500	-
Gulab Devi Charity Hospital, Lahore	450	-
National Institute of Cardio Vascular, Karachi	400	-
Patient Welfare Dept at Aiwn-e-Tijarat-o-Sanat Hospital Trust, Karachi	200	-
Poor Patients Treatment Pakistan Kidney Institute, Islamabad	450	-
British Women Association Chairty Bazar	100	-
College for Disabilities Person, Rawalpindi	500	-
Deprived student Education Expenses	242	-
Deprived student Education Expenses	209	-
DEWA Trust	400	-
Suburban Area by TCF	400	-
Jammia Masjid, Distt. Kohlu Baluchistan	500	-
Kaus-e-Kazah, Rawalpindi & Jhang	500	-
Earth Quake Victims, KPK	2,300	-
	<u>58,479</u>	<u>83,709</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

Notes to the Unconsolidated Financial Statements  
For the year ended December 31, 2015

### Details of disposals of property and equipment

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser	
Motor Vehicles	1,239	236	236	-	As per entitlement	Mr. M. Hassan Khaskheli,	Ex Employee
Motor Vehicles	1,269	127	127	-	As per entitlement	Mr. Nake Ahmed Khan	Ex Employee
Motor Vehicles	1,424	498	498	-	As per entitlement	Mr. Faisal Jan Sarhindi	Ex Employee
Motor Vehicles	1,269	502	502	-	As per entitlement	Mr. Rehmat Ali Hasni,	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Saleem Ahmed	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Abdul Wahid Sethi	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Sarfraz Ahmed	Employee
Motor Vehicles	1,514	303	303	-	As per entitlement	Mr. Zaheer Baig	Employee
Motor Vehicles	1,462	292	292	-	As per entitlement	Mr. Raza Mohsin Qizilbash	Ex Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Nasir Abbas	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Syed Naveed Asghar	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Abdul Rahim	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Hidayat Ali Shar	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Furrugh Saeed Khan	Employee
Motor Vehicles	1,337	267	267	-	As per entitlement	Mr. Arif Raza Abdy	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Muhammad Yousuf Saudagar	Ex Employee
Motor Vehicles	1,337	267	267	-	As per entitlement	Mr. Muhammad Khurram	Employee
Motor Vehicles	1,384	-	138	138	As per entitlement	Mr. Muhammad Rafique	Ex Employee
Motor Vehicles	1,357	272	272	-	As per entitlement	Mr. Asad Saleem	Employee
Motor Vehicles	1,524	305	305	-	As per entitlement	Mr. Kamran Amin	Employee
Motor Vehicles	1,337	267	267	-	As per entitlement	Mr. Tazeen Fasihuddin	Employee
Motor Vehicles	1,337	-	137	137	As per entitlement	Mrs. Azmat Moiz	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Sardar	Employee
Motor Vehicles	1,269	254	254	-	As per entitlement	Mr. Abbas Bukhari	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Adnan Adil Hussain	Employee
Motor Vehicles	1,399	280	280	-	As per entitlement	Mr. Babar Baig	Employee
Motor Vehicles	1,529	306	306	-	As per entitlement	Mr. Mahmood Siddique	Employee
Motor Vehicles	1,529	306	306	-	As per entitlement	Mr. M Shoaib Malik	Employee
Motor Vehicles	1,529	306	306	-	As per entitlement	Mr. Nasir Hussain	Employee
Motor Vehicles	7,150	715	715	-	As per entitlement	Mr. Tariq Jamali	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Muhammad Farrugh Ghauri	Employee
Motor Vehicles	1,239	-	124	124	As per entitlement	Mr. Nayyar Sami	Employee
Motor Vehicles	1,269	267	267	-	As per entitlement	Mr. Akhter Nawaz	Employee
Motor Vehicles	1,426	214	214	-	As per entitlement	Mr. Khalid Mehmood	Employee
Motor Vehicles	1,419	142	142	-	As per entitlement	Mr. Pervaiz Taj Bhatti	Employee
Motor Vehicles	1,239	124	124	-	As per entitlement	Mr. Amanat Ali	Employee
Motor Vehicles	1,337	1,048	1,048	-	As per entitlement	Mr. Atif Hassan	Employee
Motor Vehicles	1,239	-	124	124	As per entitlement	Mr. Shahid Iqbal Quershi	Employee
Motor Vehicles	1,239	-	124	124	As per entitlement	Mr. Muhammad Riaz	Employee
Motor Vehicles	1,426	285	285	-	As per entitlement	Mr. Barbruce Ishaq	Ex Employee
Motor Vehicles	1,269	254	254	-	As per entitlement	Mr. Faisal Ahmed	Employee
Motor Vehicles	1,269	275	275	-	As per entitlement	Mr. Naeem Aslam	Employee
Motor Vehicles	1,239	275	275	-	As per entitlement	Mr. Nadeem Mehdi Quershi	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Karim Akram Khan	Employee
Motor Vehicles	1,269	-	127	127	As per entitlement	Mr. Mustadir Ul Islam	Employee
	65,571	8,387	10,811	2,424			
Lease Vehicles	7,254	725	725	-	As per entitlement	Mr. Ziaullah Khan	Ex Employee
Lease Vehicles	7,625	1,525	1,525	-	As per entitlement	Mr. Nausherwan Adil	Employee
Lease Vehicles	13,575	-	6,800	6,800	As per BoD approval	Mr. Syed Ali Raza	Ex President
	28,454	2,250	9,050	6,800			
Office Equipment	57	7	7	-	As per entitlement	Mr. Ziaullah Khan	Ex Employee
Office Equipment	114	51	51	-	As per entitlement	Mr. Barbruce Ishaq	Ex Employee
	171	58	58	-			
Computer Equipment	92	3	3	-	As per entitlement	Mr. Jahanzaib	Ex Employee
Computer Equipment	67	4	4	-	As per entitlement	Mr. Nake Ahmed Khan	Employee
Computer Equipment	101	20	20	-	As per entitlement	Mr. Faisal Jan Sarhindi	Ex Employee
Computer Equipment	124	-	-	-	As per entitlement	Mr. Ziaullah Khan	Ex Employee
Computer Equipment	101	42	42	-	As per entitlement	Mr. Nasir Khan	Employee
Computer Equipment	26	26	26	-	As per entitlement	Mr. Barbruce Ishaq	Ex Employee
	511	95	95	-			

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser	
(Rupees in '000)							
Furniture & Fixtures	125	36	36	-	As per Service Rules	Mr. Muhammad Sajid	Ex Employee
Furniture & Fixtures	125	20	20	-	As per Service Rules	Mr. Wakeel Ahmed Khan	Ex Employee
Furniture & Fixtures	125	11	11	-	As per Service Rules	Mr. Muhammad Qamar Farooqui	Ex Employee
Furniture & Fixtures	125	11	11	-	As per Service Rules	Mr. Muhammad Waqaruddin	Ex Employee
Furniture & Fixtures	300	120	120	-	As per Service Rules	Mr. Muhammad Hassan Khaskheli	Ex Employee
Furniture & Fixtures	150	13	13	-	As per Service Rules	Mr. Muhammad Raffaq	Ex Employee
Furniture & Fixtures	125	25	25	-	As per Service Rules	Mr. Muhammad Ibrahim	Ex Employee
Furniture & Fixtures	125	20	20	-	As per Service Rules	Mr. Sarfaraz Ahmed	Ex Employee
Furniture & Fixtures	150	14	14	-	As per Service Rules	Mr. Qasim Ali Adil	Ex Employee
Furniture & Fixtures	125	13	13	-	As per Service Rules	Mr. Muhammad Arif Shafi	Ex Employee
Furniture & Fixtures	150	40	40	-	As per Service Rules	Mr. Ijaz Ahmed	Ex Employee
Furniture & Fixtures	125	63	63	-	As per Service Rules	Mr. Saif Ahmed Saifi	Ex Employee
Furniture & Fixtures	125	50	50	-	As per Service Rules	Mr. S.M. Shoaib Athar	Ex Employee
Furniture & Fixtures	150	13	13	-	As per Service Rules	Mr. Liaquat Ali Shaikh	Ex Employee
Furniture & Fixtures	125	40	40	-	As per Service Rules	Mr. Muhammad Jamil	Ex Employee
Furniture & Fixtures	125	34	34	-	As per Service Rules	Mr. Syed Tariq Ahmed	Ex Employee
Furniture & Fixtures	150	50	50	-	As per Service Rules	Mr. Khurshid Anwar	Ex Employee
Furniture & Fixtures	125	10	10	-	As per Service Rules	Mr. Alamdar Hussain	Ex Employee
Furniture & Fixtures	500	207	207	-	As per Service Rules	Mr. Ziaullah Khan	Ex Employee
Furniture & Fixtures	175	91	91	-	As per Service Rules	Mr. Nake Ahmed Khan	Ex Employee
Furniture & Fixtures	150	38	38	-	As per Service Rules	Mr. Abdul Ghaffoor Abid	Ex Employee
Furniture & Fixtures	175	86	86	-	As per Service Rules	Mr. Shahid Iqbal Qureshi	Ex Employee
Furniture & Fixtures	150	25	25	-	As per Service Rules	Mr. Zulfikar Qasim	Ex Employee
Furniture & Fixtures	175	71	71	-	As per Service Rules	Mr. Ghulam Mohiyuddin Siddiqui	Ex Employee
Furniture & Fixtures	125	50	50	-	As per Service Rules	Late Abdul Salam	Ex Employee
Furniture & Fixtures	125	39	39	-	As per Service Rules	Mr. Aqeel Ahmed	Ex Employee
Furniture & Fixtures	125	39	39	-	As per Service Rules	Mr. Sarfaraz Ahmed Hashmi	Ex Employee
Furniture & Fixtures	125	10	10	-	As per Service Rules	Mr. Mouna Bux Soomro	Ex Employee
Furniture & Fixtures	125	9	9	-	As per Service Rules	Mr. Muhammad Arshad	Ex Employee
Furniture & Fixtures	150	41	41	-	As per Service Rules	Mr. Muhammad Shaheen Saeed	Ex Employee
Furniture & Fixtures	125	24	24	-	As per Service Rules	Late Fakhar Aziz Khan	Ex Employee
Furniture & Fixtures	125	20	20	-	As per Service Rules	Mr. Sardar Ghulam Rabbani	Ex Employee
Furniture & Fixtures	125	10	10	-	As per Service Rules	Mr. Abdul Qayyum	Ex Employee
Furniture & Fixtures	125	9	9	-	As per Service Rules	Mr. Muhammad Tariq Ghous	Ex Employee
Furniture & Fixtures	125	4	4	-	As per Service Rules	Mr. Khadim Nabi	Ex Employee
Furniture & Fixtures	150	13	13	-	As per Service Rules	Mr. Muhammad Arshad	Ex Employee
Furniture & Fixtures	150	57	57	-	As per Service Rules	Mr. Muhammad Saleem Ch	Ex Employee
Furniture & Fixtures	125	38	38	-	As per Service Rules	Mr. Gulmat Ali Khan	Ex Employee
Furniture & Fixtures	125	19	19	-	As per Service Rules	Mr. Muhammad Irshad	Ex Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Mr. Qazi Muhammad Ariq	Ex Employee
Furniture & Fixtures	150	16	16	-	As per Service Rules	Late Ali Ahmed	Ex Employee
Furniture & Fixtures	125	13	13	-	As per Service Rules	Mr. Siraj Ghulam Ali	Ex Employee
Furniture & Fixtures	125	10	10	-	As per Service Rules	Mr. Abdul Malik	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Shafiqat Mehmood	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Muhammad Jamil Akbar	Ex Employee
Furniture & Fixtures	125	10	10	-	As per Service Rules	Mr. Muhammad Tanveer	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Rahim Said	Ex Employee
Furniture & Fixtures	150	10	10	-	As per Service Rules	Mr. Zaheer Ahmed Qureshi	Ex Employee
Furniture & Fixtures	175	67	67	-	As per Service Rules	Mr. Nayyar Sami	Ex Employee
Furniture & Fixtures	300	120	120	-	As per Service Rules	Mr. Tahir Yaqub	Ex Employee
Furniture & Fixtures	150	59	59	-	As per Service Rules	Mr. Saeed Ahmad Jan	Ex Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Mr. Hussain Bux Memon	Ex Employee
Furniture & Fixtures	150	41	41	-	As per Service Rules	Mr. Naseem Pervez	Ex Employee
Furniture & Fixtures	150	23	23	-	As per Service Rules	Mr. Javed Iqbal Khattak	Ex Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Mr. Muhammad Mehfooz	Ex Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Mr. Mirza Amjad Baig	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Muhammad Nasir Masood	Ex Employee
Furniture & Fixtures	125	19	19	-	As per Service Rules	Mr. Tanveer Khan	Ex Employee
Furniture & Fixtures	125	19	19	-	As per Service Rules	Mr. Muhammad Aslam Bhatti	Ex Employee
Furniture & Fixtures	125	9	9	-	As per Service Rules	Mr. Abdul Qadir Solongi	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Muhammad Nasarullah Butt	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Muhammad Pervez Khan	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Khawaja Ifikhar Ahmed	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Khalid Mehmood Abbasi	Ex Employee
Furniture & Fixtures	150	8	8	-	As per Service Rules	Mr. Ch. Muhammad Akram	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Ifikhar Hussain	Ex Employee
Furniture & Fixtures	125	7	7	-	As per Service Rules	Mr. Zafar Ahmed	Ex Employee
Furniture & Fixtures	125	47	47	-	As per Service Rules	Mr. Riaz Hussain Shah	Ex Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Mr. Muhammad Iqbal Hussain	Ex Employee
Furniture & Fixtures	150	56	56	-	As per Service Rules	Mr. Ikram Ul Haq	Ex Employee
Furniture & Fixtures	125	7	7	-	As per Service Rules	Mr. Ahmed Hassan	Ex Employee
Furniture & Fixtures	125	53	53	-	As per Service Rules	Mr. Khadim Hussain	Ex Employee



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser	
Furniture & Fixtures	125	45	45	-	As per Service Rules	Mr. Javaid Ahmed Khan	Ex Employee
Furniture & Fixtures	125	44	44	-	As per Service Rules	Mr. Abdul Saleem	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Syed Majaz Hussain Kazmi	Ex Employee
Furniture & Fixtures	125	50	50	-	As per Service Rules	Mr. Mumtaz Farooq Paracha	Ex Employee
Furniture & Fixtures	150	13	13	-	As per Service Rules	Mr. Khalid Hussain	Ex Employee
Furniture & Fixtures	125	57	57	-	As per Service Rules	Mr. Abdul Ghaffar Khan	Ex Employee
Furniture & Fixtures	125	46	46	-	As per Service Rules	Mr. Syed Meraj- Ur -Rasul	Ex Employee
Furniture & Fixtures	125	35	35	-	As per Service Rules	Mr. Sikandar Ali Qureshi	Ex Employee
Furniture & Fixtures	125	31	31	-	As per Service Rules	Mr. Kamran Mufti	Ex Employee
Furniture & Fixtures	125	25	25	-	As per Service Rules	Mr. Muhammad Asghar Pasha	Ex Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Ms. Fariha Kulsoom	Ex Employee
Furniture & Fixtures	125	7	7	-	As per Service Rules	Mr. Ikram Ul Haq	Ex Employee
Furniture & Fixtures	125	44	44	-	As per Service Rules	Mr. Abdul Qayoom	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Arshad Iqbal	Ex Employee
Furniture & Fixtures	125	5	5	-	As per Service Rules	Mr. Imtiaz Alam	Ex Employee
Furniture & Fixtures	125	44	44	-	As per Service Rules	Mr. S. Aamir Hasan	Ex Employee
Furniture & Fixtures	125	5	5	-	As per Service Rules	Mr. Muhammad Nasim Ejaz	Ex Employee
Furniture & Fixtures	150	53	53	-	As per Service Rules	Mr. Iqbal Ahmed Baloch	Ex Employee
Furniture & Fixtures	125	45	45	-	As per Service Rules	Mr. Khalid Mehmood	Ex Employee
Furniture & Fixtures	125	44	44	-	As per Service Rules	Mr. Imtiaz Ahmed Siddiaqui	Ex Employee
Furniture & Fixtures	125	35	35	-	As per Service Rules	Mr. S.M. Tasleem	Ex Employee
Furniture & Fixtures	125	22	22	-	As per Service Rules	Mr. Zafar Iqbal	Ex Employee
Furniture & Fixtures	125	16	16	-	As per Service Rules	Mr. Muhammad Yusuf	Ex Employee
Furniture & Fixtures	150	44	44	-	As per Service Rules	Mr. Habeeb Ullah Khan	Ex Employee
Furniture & Fixtures	125	10	10	-	As per Service Rules	Mr. Muhammad Iqbal Nusrat	Ex Employee
Furniture & Fixtures	125	15	15	-	As per Service Rules	Mr. Muhammad Nisar	Ex Employee
Furniture & Fixtures	125	5	5	-	As per Service Rules	Mr. Mushtaq Ahmed Baig	Ex Employee
Furniture & Fixtures	125	36	36	-	As per Service Rules	Mr. Muhammad Khalid Dar	Ex Employee
Furniture & Fixtures	150	23	23	-	As per Service Rules	Mr. Muhammad Najeeb Luni	Ex Employee
Furniture & Fixtures	125	55	55	-	As per Service Rules	Mr. Abdul Waheed	Ex Employee
Furniture & Fixtures	150	35	35	-	As per Service Rules	Mr. Mubarak Hussain	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Kamran Ahmed	Ex Employee
Furniture & Fixtures	125	15	15	-	As per Service Rules	Mr. Muhammad Ali	Ex Employee
Furniture & Fixtures	125	34	34	-	As per Service Rules	Mr. Muhammad Anis Shaikh	Ex Employee
Furniture & Fixtures	150	68	68	-	As per Service Rules	Mr. Suleman Shamsuddin Nanji	Ex Employee
Furniture & Fixtures	175	66	66	-	As per Service Rules	Mr. Atif Hassan Khan	Ex Employee
Furniture & Fixtures	125	20	20	-	As per Service Rules	Mst. Talat Saeed	Ex Employee
Furniture & Fixtures	150	17	17	-	As per Service Rules	Mr. Zahid Mehmood	Ex Employee
Furniture & Fixtures	125	14	14	-	As per Service Rules	Mr. Muhammad Bux	Ex Employee
Furniture & Fixtures	125	14	14	-	As per Service Rules	Mr. Muhammad Razzaq	Ex Employee
Furniture & Fixtures	125	44	44	-	As per Service Rules	Mr. Sikandar Hayat	Ex Employee
Furniture & Fixtures	125	44	44	-	As per Service Rules	Mr. Syed Matlub Uz Zafar	Ex Employee
Furniture & Fixtures	125	8	8	-	As per Service Rules	Mr. Muhammad Imtiaz Ahmed	Ex Employee
Furniture & Fixtures	125	4	4	-	As per Service Rules	Mr. Muhammad Sharif Tahir	Ex Employee
Furniture & Fixtures	125	16	16	-	As per Service Rules	Mr. Muhammad Nasim Afzal	Ex Employee
Furniture & Fixtures	125	3	3	-	As per Service Rules	Mr. Syed Mustafā Haider	Ex Employee
Furniture & Fixtures	125	3	3	-	As per Service Rules	Mr. Ahmed Viqar	Ex Employee
Furniture & Fixtures	125	42	42	-	As per Service Rules	Mr. Sadaqat Ullah Siddiqui	Ex Employee
Furniture & Fixtures	125	3	3	-	As per Service Rules	Mr. Faiz-Ul-Hassan	Ex Employee
Furniture & Fixtures	125	17	17	-	As per Service Rules	Mr. Basit Javed	Ex Employee
Furniture & Fixtures	150	13	13	-	As per Service Rules	Mr. Muhammad Riaz Ahmed	Ex Employee
Furniture & Fixtures	300	-	-	-	As per Service Rules	Mr. Khalid Mehmood	Ex Employee
Furniture & Fixtures	175	39	39	-	As per Service Rules	Mr. Mustadar Ul Islam	Ex Employee
Furniture & Fixtures	125	16	16	-	As per Service Rules	Mr. Tahir Yousuf	Ex Employee
Furniture & Fixtures	125	13	13	-	As per Service Rules	Mr. Muhammad Saleem Khan	Ex Employee
Furniture & Fixtures	125	2	2	-	As per Service Rules	Mr. Amjad Hussain	Ex Employee
Furniture & Fixtures	125	23	23	-	As per Service Rules	Mr. Syed Tanvir Ahmed	Ex Employee
Furniture & Fixtures	125	16	16	-	As per Service Rules	Mr. Mushtaq Ahmed	Ex Employee
Furniture & Fixtures	125	39	39	-	As per Service Rules	Mr. A.J. Zafar Qizilbash	Ex Employee
Furniture & Fixtures	175	23	23	-	As per Service Rules	Mr. Amanat Ali Khan	Ex Employee
Furniture & Fixtures	125	13	13	-	As per Service Rules	Mr. Shah Dost Bugti	Ex Employee
Furniture & Fixtures	175	60	60	-	As per Service Rules	Mr. Muhammad Riaz	Ex Employee
Furniture & Fixtures	300	135	135	-	As per Service Rules	Mr. Pervez Taj Bhatti	Ex Employee
Furniture & Fixtures	125	2	2	-	As per Service Rules	Ms. Shadmi Choghai	Ex Employee
	<b>19,100</b>	<b>3,991</b>	<b>3,991</b>	<b>-</b>			
Machinery	50,000	-	-	-	As per Agreement	Bashir Sadiq Logistics	
Machinery	25,625	-	-	-	As per Agreement	Hillpark General Hospital	
Machinery	250,000	-	-	-	As per Agreement	DG Khan Cement Co. Ltd.	
	<b>325,625</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total Amount Rs.</b>	<b>439,432</b>	<b>14,783</b>	<b>24,007</b>	<b>9,224</b>			

Note: Book value of Furniture & Fixture have been adjusted for the balance 50% amount written-off by the bank as per service rules.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended December 31, 2015

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF  
FIVE HUNDRED THOUSAND RUPEES OR ABOVE PROVIDED FROM JANUARY TO DECEMBER 2015

Annexure II as referred to in  
Note 10.6 to the financial statements

(Rupees in Millions)

Sr. No.	Name & Address of the borrower	Name of Individuals/Partners/Directors with NIC No.	Fathers/Husband's name.	Outstanding liabilities at beginning of year				Principal written-Off	Interest/Mark-up written off.	Other financial relief/waiver provided.	Total (9+10+11)
				Principal	Interest/mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12
1	Muhammad Mushtaq House No.5, St. No.7, NBP Street Kahna Nau, Lahore.	Muhammad Mushtaq 35201-1426741-1	Taj Din	0.495	0.519	0.066	1.080	-	-	0.519	0.519
2	Pacific Export Corporation (Sole Proprietorship Concern) Project location:- 5/38, Sant Nagar, Bela Mohallah, Lahore.	Mr. Mahmood Alam 35202-4500752-9	Abdul Hameed	0.136	2.212	0.211	2.559	-	-	2.212	2.212
3	Premier Ltd. G.T Road, Baghban Pura, Lahore.	1. Sh. Muhammad Khalid 35202-2647108-9 2. Sh. Muhammad Arif 35202-3310049-9 3. Mrs. Noor Begum 35202-4155942-4 4. Mrs. Samina Begum 35202-8408631-0	1. Sh Nawab Din 2. Sh Nawab ud Din 3. Muhammad Arif 4. Muhammad Khalid	0.326	1.414	0.086	1.826	-	-	1.414	1.414
4	Waqar Corporation 22-B, Gulshan Park, Mumtaz Street, Ghari Shahu, Lahore.	Mr. Muhammad Akbar Butt (Late) 276-93-182035	Muhammad Aslam Butt	-	3.414	0.127	3.541	-	-	2.005	2.005
5	W.G. Munawar and Sons Plot #9, Block 11, Sector C, Near Lajna Chowk College Road, Township, Lahore.	1. Munawar Ahmad Javaid 35202-7929572-3 2. Muhammad Shahid Javaid 35202-2743530-1 3. Muhammad Majid Javaid 35202-2743489-7	1. Nizam ud Din 2. Munawar Ahmad Javaid. 3. Munawar Ahmad Javaid.	12.982	5.559	0.105	18.646	-	-	3.646	3.646
6	Alpha Mian Stationers 110 - Alpha House, Alama Iqbal Road, Garhi Shahu, Lahore.	Mian Masroor Ahmed 35202-2107778-7	Mian Manzoor Ahmed	6.471	2.811	0.150	9.432	-	-	2.009	2.009
7	Hameed Yousaf 15 A, Al-Noor Street Maqbool Road Ichra, Lahore.	Hameed Yousaf 35202-4208599-5	Mian Muhammad Yousaf	0.414	0.541	0.053	1.008	-	-	0.541	0.541
8	Amir Iqbal H#35, ST#3 Amin Park Qaiser Town, Shahdra, Lahore	Amir Iqbal 35202-2340312-5	Muhammad Amin	0.465	0.511	0.101	1.077	-	-	0.511	0.511
9	Bajwa Leather Garments 66-Small Industrial Estate Sialkot	Muhammad Asghar Bajwa 34603-8113687-1	Muhammad Hussain	10.948	-	-	10.948	10.948	-	-	10.948
10	M. M. Beverages (Pvt) Ltd. 24- KM Multan Road, Lahore	1. Moin ud Din Haider 61101-1881315-3 2. Noman Uddin Haider 42000-3174177-7 3. Burhan Uddin haider 42301-5965169-9 4. Asma Haider 61101-1812776-6	1. Muhammad Hussain 2. Moin ud Din Haider 3. Moin ud Din Haider 4. Muhammad Ali	113.504	47.034	-	160.538	-	-	47.034	47.034
11	Ghaffar Petroleum Service Mirpurkhas Road, Khipro	Abdul Ghaffar 44202-9080241-7	Atta Mohammad	0.050	1.089	-	1.139	-	-	1.089	1.089
12	Shahza Hameed Khan H.No.155, St.15, E-7, Islamabad	Shahza Hameed 611016276385-8	Abdul Hameed Khan	0.417	0.257	0.316	0.990	-	-	0.573	0.573
13	Muhammad Asim, House # 56/2-C, Sector G-7/2, Sitara Market, Islamabad	Muhammad Asim 611011945986-9	Mian Muhammad Mansha	7.104	1.307	0.285	8.696	-	-	1.592	1.592
14	Ghauri Brothers 176-Shamsabad Colony Multan	1. Zahid Rasool Ghauri 322-90-649652 2. Nasir Rasool Ghauri 36302-2941980-7 3. Ms. Amna Ghauri	1. Rasool Bux Ghauri 2. Rasool Bux Ghauri 3. Rasool Bux Ghauri	2.200	1.903	0.061	4.164	-	-	0.926	0.926
15	Nizam Trading Corporation Chak No.427/EB, Chichawatni Road, Burewala, Distt: Vehari	1. Maryam Bibi 36601-8772195-7 2. Khalid Pervaiz 36601-3321814-6 3. Abdul Hameed 36601-9242733-7	1. Abdul Hameed 2. Habib Ahmed 3. Muhammad Saeed	-	1.691	0.064	1.755	-	-	1.124	1.124
16	Javed Cloth & Dupatta House Hussain Agahi Chowk Bazar, Multan	Arshad Javed 36302-0406347-3	Karim Nawaz Qureshi	0.500	1.055	0.016	1.571	-	-	0.645	0.645
17	Malik Abdul Karim & Sons House No. 55/17, Ward No. 3, Galli No. 1, Al-Karim Manzil, Rasool Pura, Mailsi	1. Malik Abdul Karim 36602-4688811-9 2. Habib ur Rehman 3. Saib ur Rehman 4. Aziz ur Rehman 5. Atta ur Rehman 6. Fayyaz ur Rehman 7. Ms. Allah Wasayy 8. Ms. Sajida Kouser 9. Ms. Sueya bano	1. Haji Fateh Muhammad 2. Malik Abdul Karim 3. Malik Abdul Karim 4. Malik Abdul Karim 5. Malik Abdul Karim 6. Malik Abdul Karim 7. Malik Abdul Karim 8. Habib ur Rehman 9. Aziz ur Rehman	0.113	0.767	0.032	0.912	-	-	0.799	0.799
18	Muhammad Nasir Near Moon Chowk, New Multan Colony Multan	Muhammad Nasir 36302-8671139-9	Sheikh Anwar Ali	0.479	1.239	0.909	2.627	-	-	1.343	1.343
19	Zaheer Ahmed Quarshi Mahallah Chitti Sheikhan Khas, Teh. & Distt. Satlkot	Zaheer Ahmed Quarshi 34603-4517452-7	Naseer Ahmed Quarashi	1.459	1.768	0.088	3.315	-	-	1.315	1.315
20	Muhammad Rafiq House#15/208, Daska Road, Haji Pura, Sialkot	Muhammad Rafiq 34603-8490311-1	Barkat Ali	1.297	3.415	0.091	4.803	-	-	3.306	3.306
21	Mubarik Ahmed & Saeeda Butt Mahalla Nayi Abadi, Circular Road, Soana Stop, Daska, Distt. Sialkot	Mubarik Ahmed 34601-5389370-1	Noor Ahmed	1.79	1.297	0.045	3.132	-	-	1.132	1.132



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

Annexure II as referred to in  
Note 10.6 to the financial statements

(Rupees in Millions)

Sr. No.	Name & Address of the borrower	Name of Individuals/Partners/Directors with NIC No.	Fathers/Husband's name.	Outstanding liabilities at beginning of year				Principal written-Off	Interest/Mark-up written off.	Other financial relief/waiver provided.	Total (9+10+11)
				Principal	Interest/mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12
22	Lat Abdul Rahim Ghori H. No.14-Street No. 4, Agra Taj Colony Karachi	Lat Abdul Rahim Ghori 42301-1062230-5	Haji Muhammad Ismil Ghori	-	-	-	-	0.480	-	0.361	0.841
23	Mudassir Zaman H.No. 1841 Block 14 F.B.Araea Karachi	Mudassir Zaman 42101-1874155-5	Hamid Zaman	-	-	0.516	0.516	-	-	0.619	0.619
24	Shaber Hussain H. No. 177, Block 9 Liaquat a bad Karachi	Shaber Hussain 42101-9492419-7	Ahmed Hussain	-	-	0.512	0.512	-	-	0.524	0.524
25	Khalid Mehmood Plot #.845 B, Behar Colony Layari Qtr Karachi.	Khalid Mehmood 508-75-399922	Ch. Nabi Ahmed	-	-	0.020	0.020	0.479	-	0.260	0.739
26	Ashfaqe Ahmed 153-3, Lines Area Karachi.	Ashfaqe Ahmed 42201-72160884-9	Maqsood Ahmed	-	-	0.496	0.496	-	-	0.524	0.524
27	Glacier Oil Mill	Suhail Ahmed 38403-7948962-1	Rasheed Ahmed	-	-	0.347	0.347	-	-	0.709	0.709
28	Umer Fertilizer	Mushtaq Ahmad 31201-0221122-9	Muhammad Amin	-	-	0.034	0.034	-	-	0.664	0.664
28			<b>GRAND TOTAL:</b>	<b>161.15</b>	<b>79.803</b>	<b>4.731</b>	<b>245.684</b>	<b>11.907</b>	<b>0</b>	<b>77.396</b>	<b>89.303</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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