Standard Chartered

# Annual Report 2015

## Driving investment, trade and the creation of wealth across Asia, Africa and the Middle East



# Standard Chartered Bank (Pakistan) Ltd.

## Points of interest

- Standard Chartered is proud to be operating in Pakistan as the largest and oldest international bank since 1863.
- 2013 marked Standard Chartered's 150th year of presence in the country.
- The Bank's franchise in Pakistan has the second largest distribution network in the Standard Chartered Group.
- The largest international Bank in Pakistan with 101 branches in 11 cities and a workforce of over 3400 employees.
- Standard Chartered Pakistan is the first international bank to get an islamic Banking license and to open the first Islamic Banking branch in Pakistan.

## Strong recognition by our stakeholders

### The Asset Triple A Treasury, Trade and Risk Management Award 2015

Best in Treasury and Working Capital – MNCs / LLCs,
Best in Treasury and Working Capital – SMEs,
Best in Treasury and Working Capital – Financial Institutions,
Best in Treasury and Working Capital – Non-bank Financial Institutions
Best Cash Management Bank

### Islamic Finance News (IFN) Awards for 2015

Pakistan Deal of the year award for Standard Chartered Saadiq's USD 1bn Sukuk issue

### Global Finance Awards 2015

Pakistan - Best Emerging Market Bank In Asia Pacific 2015
Best Islamic Digital Bank in Asia' Award for 2015
Best Digital Bank in Pakistan' award for 2015

### National CSR Association Award for 2015 - "Child Centric CSR"

### Our strategy

**Driving investment, trade and the creation of wealth across Asia, Africa and the Middle East**

### Our Brand Promise

Here for good

**Our Aspirations**

To establish a strongly capitalised bank poised for growth in our dynamic and growing markets, with the goal to deliver returns by business of 10 per cent

**Our Objectives**

**Secure the foundations**
Strengthening our balance sheet and aligning our strategy to a tightened risk tolerance

**Get lean and focused**
Driving sustainable improvements in returns by restructuring our client businesses and assertively managing costs

**Invest and innovate**
Investing in our core strengths and taking advantage of opportunities in our markets

**Our Values**

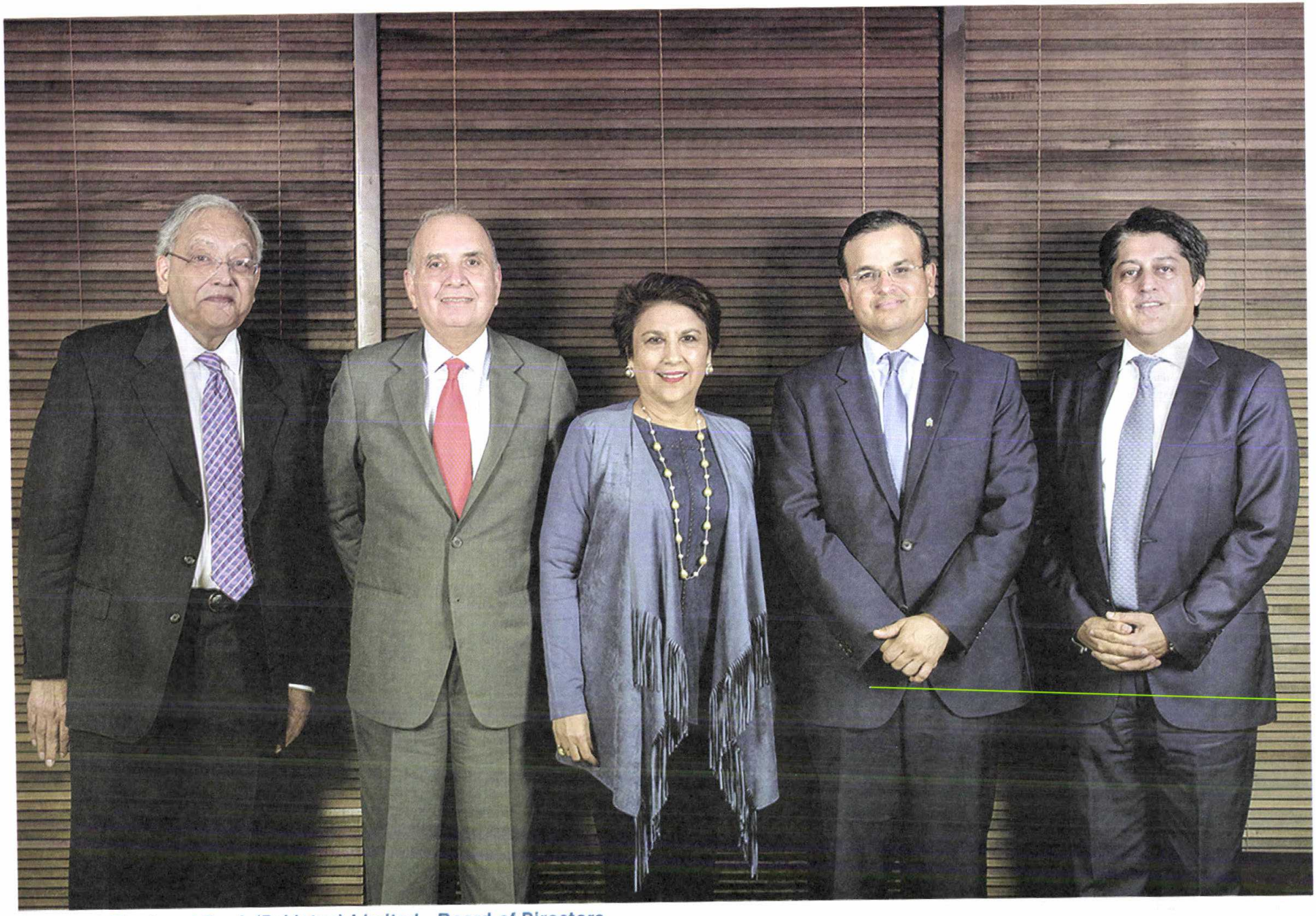
**Courageous:**
We stand up for what we believe and do the right thing

**Responsive:**
We can be relied on to respond quickly and deliver lasting value

**International:**
We value others and actively collaborate

**Creative:**
We adapt and innovate to meet evolving needs

**Trustworthy:**
We act with integrity and earn the trust of others



**Standard Chartered Bank (Pakistan) Limited - Board of Directors**

Standing from left to right Najam I. Chaudhri | Parvez Ghias | Spenta Kandawalla | Sunil Kaushal (Chairman) | Shazad Dada (Chief Executive)



**Pakistan Executive Committee – 2015**
Top row: Shezad Arif, Naveed Qazi, Majid Aziz, Shahzad Salamullah, Mubbashir Yasin, Khurram Khan, Muslim Reza, Mujahid Zuberi
Front row: Zaheer Mehdi, Adil Salahudin, Khadija Hashimi, Shazad Dada, Sunil Kaushal, Asad Shariff, Azhar Aslam, Muhammad Umer

Standard Chartered

# Company Information

**Board of Directors**

| | |
|---|---|
| Mr. Sunil Kaushal | Chairman |
| Mr. Shazad Dada | Chief Executive Officer |
| Mr. Vinod Ramabhadran | |
| Mr. Najam I. Chaudhri | |
| Mr. Parvez Ghias | |
| Mrs. Spenta Kandawalla | |
| Mr. Ferdinand Pieterse* | |

**Company Secretary**

Mr. Asif Iqbal Alam

**Audit Committee**

| | |
|---|---|
| Mr. Najam I. Chaudhri | Chairman |
| Mr. Parvez Ghias | Member |
| Mr. Vinod Ramabhadran | Member |

**Human Resource & Remuneration Committee**

| | |
|---|---|
| Mr. Shazad Dada | Member |
| Mr. Parvez Ghias | Member |
| Mrs. Spenta Kandawalla | Member |

**AUDITORS**

M/s KPMG Taseer Hadi & Co
Chartered Accountants

**LEGAL ADVISORS**

HaidermotaBNR & Co
Barristers at Law & Corporate Counselors

**Registered Office**

Standard Chartered Bank (Pakistan) Limited
P.O. Box No. 5556, I.I. Chundrigar Road
Karachi 74000, Pakistan
Tel: (021) 32450000
Fax: (021) 32414914

**Main Office**

Standard Chartered Bank (Pakistan) Limited
P.O. Box No. 5556, I.I. Chundrigar Road
Karachi 74000, Pakistan
Tel: (021) 32450000
Fax: (021) 32414914

**Website**

www.sc.com/pk

**Registrar and Share Transfer Office**

M/s Central Depository Company of Pakistan Limited
(Share Registrar Department)
CDC House, 99-B, Block B
SMCHS, Main Shahra-e-Faisal
Karachi - 74400
Toll Free:0800 - CDCPL (23275)
Fax: (021) 34326053
Email: info@cdcpak.com

*Subject to clearance from State Bank of Pakistan

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# STANDARD CHARTERED BANK (PAKISTAN) LIMITED
# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of the shareholders of **Standard Chartered Bank (Pakistan) Limited ("Bank")** will be held on Wednesday, 30 March 2016 at 4:00 PM at the Moosa G. Desai Auditorium, Institute of Chartered Accountants of Pakistan, ICAP House, Block 8, Clifton, Karachi, to transact the following business:

## A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts (consolidated and un-consolidated) of the Bank and its subsidiaries for the year ended 31 December 2015 along with the Directors' and Auditors' Reports thereon.

2. To consider the appointment of external auditors namely M/s KPMG Taseer Hadi & Co., Chartered Accountants, for the year 2016 and to authorize the Chief Executive Officer and Chief Financial Officer to fix their remuneration. M/s KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.

3. To consider and approve final cash dividend @ 12.50% (i.e. Rs. 1.25 per share) as recommended by the Board of Directors in addition to interim dividend of 7.50% already paid for the year 2015.

## B. SPECIAL BUSINESS

4. To approve the remuneration paid to the Independent Non Executive Directors of the Bank for the year ended 31 December 2015 in accordance with the Articles of Association of the Bank and in that connection to pass the following resolution, as ordinary resolution, with or without modification, addition or deletion:

   "RESOLVED THAT the decision of the Board of Directors of Standard Chartered Bank (Pakistan) Limited to pay a fee of Rs. 5,335,000 during the year ended 31 December 2015 to the independent non-executive members of the Board, in terms of their discretion under the Articles of Association of the Bank, be and is hereby confirmed and approved by the shareholders."

   A statement of material facts under section 160 (1) (b) of the Companies Ordinance, 1984 relating to the aforesaid special business to be transacted in the said Annual General Meeting is appended below.

## C. OTHER BUSINESS

5. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board

**Asif Iqbal Alam**
Company Secretary

Karachi: 03 March 2016

# NOTICE OF ANNUAL GENERAL MEETING

**Notes:**

1. The Share Transfer Books of the Bank will remain closed from 23 March 2016 to 30 March 2016 (both days inclusive). Transfer received at the Share Registrar by the close of business on 22 March 2016 will be treated in time.

2. Only those persons whose names appear in the Register of Members of the Bank as at 22 March 2016 are entitled to attend and participate in and vote at the Annual General Meeting.

3. A member entitled to attend and vote at the above meeting is entitled to appoint another member as his/ her proxy to attend and vote instead of him/ her. Proxies, in order to be valid, must be received by the Bank at its registered office marked for the attention of the office of the Company Secretary, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.

4. Members are requested to notify change in their address, if any, to the Bank's Share Registrars, M/s. Central Depository Company of Pakistan Limited (Share Registrar Department), CDC House, 99-B, Block B, SMCHS, Main Shahra-e-Faisal, Karachi - 74400.
   Toll Free: 0800-CDCPL (23275), Fax: (021) 34326053, Email: info@cdcpak.com.

5. **A. For Attending the Meeting:**

   i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

   ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.

   **B. For Appointing Proxies:**

   i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

   ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

   iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

   iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.

   v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Bank.

6. Members may inspect the minutes of the Annual General Meeting held on 30 March 2015, in terms of Section 173 of the Companies Ordinance, 1984, at the Bank's registered address.

7. In terms of Securities and Exchange Commission of Pakistan's (SECP) SRO. 634(I)/2014, the Annual Report for the year ended 2015 will also be placed on the Bank's website simultaneously with the dispatch of the same to the members.

**Statement under section 160(1) (b)**

The meeting fee payable to the independent non-executive members of the Board was approved by the Board of Directors in terms of Article 60 of the Articles of Association of the Bank. This meeting fee requires approval of the shareholders in Annual General Meeting in terms of paragraph C-2 of Regulation G-1 of prudential regulations for Corporate / Commercial Banking issued by the State Bank of Pakistan. The independent non-executive members of the Board are interested in the payment of fees and remaining members of the Board have no interest in the matter.

# NOTICE OF ANNUAL GENERAL MEETING

**SHAREHOLDERS AWARENESS:**

1. ***CINC Requirements:*** In compliance with Securities and Exchange Commission of Pakistan's (SECP) directive SRO 831 dated 5 July 2012, printing of Computerized National Identity Card (CNIC) numbers of shareholders on dividend warrants is MANDATORY, therefore shareholders are requested to provide a copy of their valid CNICs, if they have not already done so, to our Share Registrar at their above referred office address latest by 22 March 2016. Failing which may result in withholding of dividend warrants of respective shareholders.

2. ***Tax Requirements:*** The dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001and pursuant to the provisions of Finance Act, 2015, effective from 01 July 2015; the 'Filer' and 'Non-Filer' shareholders will pay tax on dividend income @ 12.50% and 17.50% respectively. The Filer status of shareholders will be determined by referring National Tax Number (NTN) and appearance of shareholder's name in Active Taxpayers List (ATL) uploaded by the Federal Board of Revenue (FBR) on their website http://www.fbr.gov.pk/ as on 22 March 2016.

   In case a Folio/ CDS Account is jointly held, each joint-holder will be treated separately as Filer or Non-Filer and tax will be deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holders is pre-defined as per the records of Bank's Share Registrar and thus tax rates will be applied in line with respective proportions. Those shareholders, who are holding shares jointly, are requested to update/ notify the shareholding proportions of Principal and Joint-holder(s) in writing to our Share Registrar latest by 22 March 2016 at their above referred office address.

   In this regard, all shareholders, whose names are not entered into the ATL despite the fact that they are filers, are advised to make sure that: (i) their names appear into the ATL before start of closed period (referred above), otherwise they will be treated as non-filers for tax deduction purpose, and (ii) a copy of their National Tax Number is submitted to their relevant Participant/CDC Investor Account Services or to our Share Registrar (in case of physical shareholding only) at their above referred office address.

   Corporate shareholders are requested to provide of a copy of valid Income Tax Exemption Certificate issued by the concerned authority to your institution which is compulsorily required to claim tax exemption in terms of clarification issued by FBR vide their letter C.No.1 (43) DG (WHT)/ 2008- Vol.11-66417-R dated 12 May 2015 (viewable at FBR's website at following link: http://www.fbr.gov.pk/ShowDocument.aspx? type=Doc&Actionid=4141. In case you are subject to any special tax rate, please also provide a copy of relevant certificate issued by the concerned authority. Relevant copies should reach our Share Registrar at their above mentioned office address.

3. ***e-Dividend/ Bank Mandate:*** Furthermore, the Bank encourages its shareholders to provide dividend mandates of their respective Banks. The benefits associated with this are instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc. For more information, the members may contact our Share Registrars.

4. ***Electronic Transmission of Audited Financial Statements along with Notice to members through email:*** Shareholders, who wish to receive audited financial statements and notice of general meeting through email in terms of provisions of SECP's SRO 787 (I)/ 2014 dated 08 September 2014, are requested to provide their consent and their email addresses, in writing, to our Share Registrar at their above mentioned office address or at info@cdcpak.com

# اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ
# نوٹس برائے سالانہ اجلاس عام

بذریعہ ھذا مطلع کیا جاتا ہے کہ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کے حصص یافتگان کا دسواں سالانہ اجلاس عام 30 مارچ 2016 بروز پیر 04:00 بجے شام، موسیٰ جی ڈیسائی آڈیٹوریم، انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان، ICAP ہاؤس، بلاک 8 کلفٹن، کراچی میں درج ذیل کارروائی کیلئے منعقد کیا جائے گا۔

**(الف) عمومی کارروائی**

i. 31 دسمبر 2015ء کو ختم ہونے والے مالی سال کیلئے بینک اور اس کی ذیلی کمپنیوں کے آڈیٹڈاکاؤنٹس (کنسولیڈیٹڈ اور ان کنسولیڈیٹڈ) اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور اور انکی توثیق۔

ii. میسرز KMPG تاثیر ھادی اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس (جنہوں نے اہل ہونے کے سبب پھر سے تقرری کی درخواست دی ہے) کی 2016 کیلئے بطور بیرونی آڈیٹر تقرری اور ان کے معاوضے کے تعین کیلئے چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر کو اختیار دینا۔

iii. بورڈ آف ڈائریکٹرز کی منظوری کی روشنی میں 12.5٪ (یعنی 1.25 روپے فی حصص) نقد منافع کی ادائیگی پر غور اور منظور کرنا جو سال 2015 کیلئے ادا کئے جانے والے 7.5٪ عبوری منافع کے علاوہ ہے۔

**(ب) خصوصی کارروائی**

iv. 31 دسمبر 2015ء کو ختم ہونے والے سال کیلئے بینک کے آرٹیکلز آف ایسوسی ایشن کے تحت بینک کے خودمختارنان ایگزیکٹو ڈائریکٹران کو ادا کئے معاوضوں کی منظوری اور اس سلسلے میں مندرجہ ذیل قرارداد کو بمعہ یا بغیر ترمیم، اضافے یا اخراج بطور عمومی قرارداد منظور کرنا:
"قرارپایا کہ آرٹیکلز آف ایسوسی ایشن کے تحت دی گئی صوابدید پر، بورڈ آف ڈائریکٹرز کے فیصلے کہ بورڈ کے نان ایگزیکٹو ممبران کو 31 دسمبر 2015ء کو ختم ہونے والے سال کیلئے مبلغ 5,335,000 روپے فیس ادا کرنے کو حصص یافتگان کی جانب سے توثیق اور منظوری دی جاتی ہے۔"

کمپنیز آرڈیننس 1984 کے سیکشن 160(1)(b) کے تحت مذکورہ سالانہ اجلاس عام میں عمل میں لائی گئی خصوصی کارروائی سے متعلق ضروری حقائق کی دستاویز درج ذیل منسلک ہے۔

**(ج) دیگر کارروائی**

v. چیئرپرسن کی اجازت سے کوئی اور کارروائی عمل میں لانا۔

بحکم بورڈ
(آصف اقبال عالم)
کمپنی سیکریٹری

کراچی 03، مارچ 2016

# نوٹس برائے سالانہ اجلاس عام

**نوٹس:**

1. بینک کی حصص کی منتقلی کی کتابیں23 مارچ2016 سے لے کر 30مارچ 2016تک (بشمول دونوں دن) بند رہیں گی۔
2. صرف وہ ممبران جن کے نام22 مارچ 2016ء کو بینک کے ممبران کے رجسٹر میں درج ہوں گے وہی اس سالانہ اجلاس عام میں شرکت کرنے، ووٹ دینے اور ڈیوڈنڈ لینے کے اہل ہوں گے۔
3. ایک ممبر جو اس اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے اپنی جگہ کسی اور فرد کو بطور نمائندہ اجلاس میں شرکت، بولنے، ووٹ ڈالنے کے لئے مقرر کرسکتا ہے۔ پروکسیز کے مؤثر ہونے کیلئے لازم ہے کہ وہ کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48گھنٹے قبل وصول ہوجائیں۔ ایک ممبر ایک سے زیادہ پراکسی نامزد کرنے کا مختار نہ ہوگا۔
4. حصص یافتگان سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتہ میں ہونے والی کسی تبدیلی سے فوری طور پر شیئررجسٹرار میسرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹیڈ (شیئر رجسٹرار ڈپارٹمنٹ) CDC ہاؤسB- 99 بلاک B، SMCHS میں شاہراہ فیصل کراچی- 74400- ٹول فری نمبر: 0800-CDCPL(23275)، فیکس 021-34326053، ای میل ایڈریس info@cdcpak.com پر مطلع کریں۔
5. **(الف) اجلاس میں شرکت کیلئے:**

i. افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر یا گروپ کے اکاؤنٹ میں سکیورٹیز کے حامل افراد اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کردی گئی ہیں، اس لئے شناخت کیلئے اصل کمپیوٹرائزڈ شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے وقت دکھانا لازمی ہوگا۔

ii. کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد کرنے والے کے دستخط کے ساتھ اجلاس کے وقت پیش کرنا لازمی ہوگا۔

**(ب) پراکسیز کی نامزدگی کیلئے**

i. افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر یا گروپ کے اکاؤنٹ میں سکیورٹیز کے حامل افراد اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کردی گئی ہیں اس لئے پراکسی فارم بینک کی جانب سے لاگو کئے گئے قواعد کے مطابق پُر کرکے پیش کرنا ہوگا۔

ii. پراکسی فارم کا دو افراد سے تصدیق شدہ ہونا لازمی ہے جن کے نام پتہ اور کمپیوٹرائزڈ شناختی کارڈ کے نمبر فارم پر لکھے ہوں گے۔

iii. پراکسی فارم کی ساتھ پراکسی اور اصل مالک کے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کرنا ہوگی۔

iv. پراکسی کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت دکھانا ہوگا۔

v. کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ، نزمد کرنے والے کے دستخط کے ہمراہ پروکسی فارم کے ساتھ بینک میں جمع کرانا ہوگا۔

6. کمپنی آرڈیننس1984 کے سیکشن173 کے تحت ممبران بینک کے رجسٹرڈ پتے پر30 مارچ 2015ء کو ہونے والے سالانہ اجلاس عام کی روداد کا معائنہ کرسکتے ہیں۔
7. سکیورٹیز اینڈ ایکسچینج کمیشن کی شرائط S.R.O 634 (i) / 2014 کے تحت سال مختتم2015 کی سالانہ رپورٹ کی ممبرز کو ترسیل کی ساتھ بینک کی ویب سائٹ پر بھی فراہم کی جائے گی۔

**سیکشن 160(1)(b) کے تحت بیان**

بینک کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 60 کے تحت بورڈ کے خودمختار نان ایگزیکٹو ممبران کو ادا کی جانے والی میٹنگ فیس کی بورڈ آف ڈائریکٹرز کی جانب سے منظوری دی گئی۔ اس میٹنگ فیس کی اسٹیٹ بینک آف پاکستان کی جانب سے جاری کئے گئے پروڈنشل ریگولیشنز برائے کارپوریٹ/کمرشل بینکنگ کے ریگولیشن G-1 کے پیراگراف C-2 کے تحت سالانہ اجلاس عام میں حصص یافتگان سے منظوری لینا ضروری ہے۔ بورڈ کے خودمختار نان ایگزیکٹو ممبران فیس کی ادائیگی میں دلچسپی رکھتے ہیں اور بورڈ کے باقی ممبران کے معاملے میں دلچسپی نہیں ہے۔

# نوٹس برائے سالانہ اجلاس عام

## حصص یافتگان (ممبران) کی آگاہی:

1. **سی این آئی سی کی ضرورت:** سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات بذریعہ خط نمبر SRO 831(i)/2012بتاریخ 5 جولائی 2012 پر عملدرآمد کیلئے حامل حصص کا سی این آئی سی نمبر ڈیویڈنڈ وارنٹ پر پرنٹ ہونا **لازمی** ہے، لہٰذا جن ممبران نے ابھی تک اپنے قومی شناختی کارڈ کی نقول جمع نہیں کرائیں ان سے درخواست کی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ کی نقل ہمارے شیئرجرسٹرار کے ایڈریس پر مہیا کریں۔
2. **ٹیکس معاملات:** انکم ٹیکس آرڈیننس، 2001 کے سیکشن 150 اور فائنینس ایکٹ 2015 کی دفعات کے مطابق ڈیویڈنڈ آمدن پر فائلر ممبران کیلئے شرح وڈہولڈنگ ٹیکس 12.5٪ جبکہ نان فائلر کیلئے 17.5٪ ہے۔ فائلر کا تعین فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائیٹ(http://www.fbr.gov.pk/) پر 22 مارچ 2016 کو جاری کردہ ایکٹو ٹیکس پیئر لسٹ (ATL) کی بنیاد پر کیا جائیگا۔

کمپنی فولیو/ سی ڈی ایس اکاؤنٹ کی مشترک ملکیت کی صورت میں ہر مشترک ہولڈر کو بطور فائلر یا نان فائلر علیحدہ تصور کیا جائیگا اور ٹیکس کی کٹوتی ڈیوڈینڈ کی مجموعی رقم پر کی جائیگی جوکہ ممبران میں شیئرہولڈنگ کے تناسب کو مساوی تقسیم کر کے کردی جائیگی سوائے اس کے کہ شیئر ہولڈنگ کے تناسب کی تفصیل پہلے ہی بینک کے شیئر رجسٹرار کے ریکارڈ میں موجود ہو اس صورت میں ٹیکس کی شرح اس تناسب سے لاگو کی جائیگی۔ لہٰذا ایسے مشترک ہولڈرز سے درخواست کی جاتی ہے کہ اپنی ہولڈنگ کا تناسب ہمارے شیئر رجسٹرار کو مندرجہ بالا پتے پر 22 مارچ 2016 تک فراہم کر دیں۔

اس سلسلے میں وہ ممبران جن کے نام فائلرز ہونے کے باوجود ATL میں موجود نہیں، ان سے گزارش کی جاتی ہے کہ اس امر کو یقینی بنائیں کہ ان کے نام ATL میں موجود ہوں بصورت دیگر ان کو نان فائلر سمجھا جائیگا۔

**کارپوریٹ شیئر ہولڈرز** جو ٹیکس سے استثناء کے دعویدار ہیں ان سے درخواست کی جاتی ہے کہ وہ متعلقہ اتھارٹیز کی جانب سے ان کے ادارے کو جاری کیا گیا مؤثر انکم ٹیکس ایگزیمپشن سرٹیفکیٹ فراہم کریں۔ FBR کے لیٹر C. No. 1 (43) DG (WHT)/2008-Vol.11-66417-R بتاریخ 12 مئی 2015 (FBR کی ویب سائیٹ پر دستیاب ہے http://www.fbr.gov.pk/ShowDocument.aspx? type=Doc&Actionid=4141) اگر آپ خصوصی ٹیکس ریٹ کے تابع ہیں برائے مہربانی متعلقہ اتھارٹیز کی جانب سے جاری کئے گئے سرٹیفکیٹ کی نقل ہمارے شیئر رجسٹرار کو مندرجہ بالا پتے پر فراہم کریں۔

3. **ای ڈیویڈینڈ/ بینک مینڈیٹ:** علاوہ ازیں بینک اپنے شیئرہولڈرز کی اپنے بینکوں کو ڈیوڈینڈ مینڈیٹ فراہم کرنے کی حوصلہ افزائی کرتا ہے۔ اس طریقے کے فوائد میں ڈیوڈینڈ کی فوری منتقلی اور ڈیویڈنڈ وارنٹس کے ڈاک میں گم ہوجانے یا ترسیل نہ ہونے یا غلط پتے پر ترسیل کے امکانت کا نہ ہونا شامل ہیں۔ مزید معلومات کیلئے ممبران ہمارے شیئرزجسٹرار سے رابطہ کرسکتے ہیں۔
4. **الیکٹرانک آڈٹڈ فنانشل اسٹیٹمنٹ اور نوٹس کی ترسیل بذریعہ ای میل:** SECP کے نوٹیفکیشن 2014 (i) 787 SRO تاریخ 8 ستمبر 2014 کے ذریعے کمپنیوں کو سالانہ اجلاس عام کے نوٹس کے ہمراہ سالانہ آڈٹ شدہ فنانشل اسٹیٹمنٹس کی ای میل کے ذریعے ترسیل کی اجازت دی گئی ہے لہٰذا بینک کے وہ تمام ممبرز جو سالانہ رپورٹ سافٹ کاپی کی صورت میں حاصل کرنے کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ اپنے ای میل ایڈریسز ہمارے شیئرزجسٹرار کو فراہم کریں۔

# DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL) along with the audited financial statements and auditors' report thereon for the year ended 31st December 2015.

**Economy**

With improved macroeconomic indicators and market sentiments, Pakistan's GDP in FY 15 posted a 4.2% growth vs. 4.1% in FY14. Looking ahead, growth is expected to increase to 4.4% in FY16; and rise gradually over the medium-term to over 5% as infrastructure and energy projects, part of the China-Pakistan Economic Corridor, pick up pace.

Consumer-price inflation declined to an average of 4.5% in FY15 from 8.6% in the previous year, due to the decline in global oil and domestic food prices. The macroeconomic situation saw improvement in consumer and investor's confidence with increase in remittances, successful conclusion of the 10th IMF review and a record all time high FX reserves of over USD 20bn by December 2015. This has given room to central bank to ease monetary policy - cutting rates by 400 bps since November 2014, with the policy rate at 6% by end-December 2015. Lower interest rates have supported private credit off-take, for both corporate and consumer loans; in particular, fixed investment and long-term loans increased by nearly 19% y/y by December 2015.

Meanwhile, the decline in global oil prices helped narrow the current account deficit to 0.9% of GDP in H1-FY16 compared to 1.8% for the corresponding period last year. The country also issued a USD 500 million Euro bond in September 2015.

The banking system remains well capitalized with the CAR of 18.2% and remains profitable with ROE of 15.7%. NPLs of the banking sector have declined to 12.5% by September 30, 2015, down from 13.0% in September 2014. Higher private credit sector growth and declining NPLs are positive for banking sector outlook for 2016.

**Operating Results and Business Overview**

| Balance Sheet | December 31, 2015 (PKR millions) | December 31, 2014 (PKR millions) |
|---|---|---|
| Paid-up capital | **38,716** | 38,716 |
| Total equity | **55,016** | 54,456 |
| Deposits | **327,238** | 304,504 |
| Advances – gross | **128,302** | 150,040 |
| Advances – net | **106,785** | 128,590 |
| Investments – net | **225,318** | 189,678 |
| **Profit and Loss** | | |
| Revenue | **29,405** | 28,256 |
| Administrative expenses | **12,105** | 12,248 |
| Other non mark-up expenses | **358** | 312 |
| Operating profit (before provisions and tax) | **16,942** | 15,696 |
| Provisions / (net of recoveries) | **1,557** | 466 |
| Profit before tax | **15,385** | 15,231 |
| Profit after tax | **9,288** | 9,725 |
| Earnings per Share (EPS) - Rupees | **2.40** | 2.51 |

The bank delivered strong financial performance with Profit before tax of PKR 15.4 billion compared to PKR 15.2 billion in 2014. Revenue increased 4% year on year on account of improved mix and volume growth. Administrative costs continue to be well managed through operational efficiencies and disciplined spending, thereby leading to a 1% decrease year on year. The bank continues to invest in its distribution network through re-investing saves from branch optimization into the bank's digital agenda and infrastructure to enhance customer experience.

On the liabilities side, the bank's total deposits increased by 7% in 2015. The continuous increase in low cost deposits has significantly supported the bank's performance with current and savings accounts comprising over 93% of the deposits base. This has resulted in the bank having one of the lowest cost of deposits in the industry. On the advances side, momentum in Retail assets is building up since the latter half of 2015 while the Corporate and Commercial segments continue with the strategy to build a profitable, efficient and sustainable advances portfolio. As the economic activity improves further, advances growth will pick-up. Surplus liquidity continues to be deployed in Government securities with a balanced mix of short and long term.

During 2015, the bank contributed around PKR 12.1 billion to the national exchequer in lieu of direct income taxes, as an agent of Federal Board of Revenue and on account of FED / Provincial Sales Taxes.

Considering the long history of presence in Pakistan, the bank is committed for sustained growth by continuous focus on clients and product suite along with a prudent approach to building the balance sheet.

**Outlook**

Despite the changing external environment we believe opportunities exist and intend to follow a prudent growth strategy at the

back of the balance sheet strength, effective capital and risk management practices and unique global capabilities. In line with the strategic priorities, the bank will continue to focus on deepening client relationships, utilising cross selling opportunities and further improve customer service and engagement.

**Dividend**

Final cash dividend of 12.50% (Rs.1.25/- per share) has been recommended by the Board of Directors for approval at the Tenth Annual General Meeting of the Bank's shareholders. This is in addition to 7.50% (Re. 0.75/- per share) interim cash dividend announced during the year.

**External Annual Audit**

The financial statements of SCBPL have been audited without any qualification by the auditors of the Bank, namely KPMG Taseer Hadi & Co., Chartered Accountants.

**Credit Rating**

Pakistan Credit Rating Agency (PACRA) has maintained the Bank's long-term and short-term ratings of "AAA" (Triple A) and "A1+" (A One Plus) respectively in 2015. The Bank's outstanding subordinated TFC has also been assigned "AAA" rating. These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

**Sustainability**

As the largest International Bank in the country, with 101 branches in 13 cities of Pakistan, Standard Chartered is now truly a part of the social fabric of this country. Through our sustainability strategy we seek to strengthen relationships between our business, community, government and customers.

In Pakistan, the Bank's community efforts are focused on health and education. Through our flagship Community Investment health programme "Seeing is Believing", we continue contributing to the prevention of avoidable blindness. In November 2015 we marked a successful close to our "Pakistan Urban Paediatric Eye Care Programme" under which we screened 1.5 million children for refractive errors. We also announced our commitment in the form of additional funding to improve eye health care in selected districts of Pakistan. The Bank is also supporting an eye health programme focused on Diabetic Retinopathy which focuses on reaching 1 million people- directly and indirectly- over the span of five years. In recognition of our contribution for the cause of tackling avoidable blindness, the Government of Pakistan has made Standard Chartered its official and only corporate partner with presence on both National and Sindh eye councils of the country.

The Bank also runs a programme called "Positive Living" to create awareness about HIV and AIDS. In 2015 our volunteers imparted basic HIV awareness training to over 1,000 people.

Through our education programme, the Bank has extended post matriculation scholarships to deserving students and supports institutions of both vocational and higher learning. To encourage employees to participate in these initiatives and engage with the communities, Standard Chartered provides three days paid volunteering leave to each member of staff. In 2015, SCBPL employees logged 2,673 volunteering days.

**Performance of the Group**

In compliance with section 236(5) of the Companies Ordinance, 1984, attached with this report are the consolidated financial statements of SCBPL and its subsidiaries (the Group) namely - Standard Chartered Leasing Limited, Standard Chartered Services of Pakistan (Private) Limited and Standard Chartered Modaraba, for the year ended December 31, 2015.

**Operating Results**

| **Balance Sheet** | **December 31, 2015 (PKR millions)** | **December 31, 2014 (PKR millions)** |
|---|---|---|
| Paid-up capital | **38,716** | 38,716 |
| Total equity | **55,256** | 54,716 |
| Deposits | **327,121** | 304,306 |
| Advances – gross | **128,112** | 150,025 |
| Advances – net | **106,595** | 128,575 |
| Investments – net | **224,632** | 188,992 |

# DIRECTORS' REPORT

| Profit and Loss | December 31, 2015 (PKR millions) | December 31, 2014 (PKR millions) |
|---|---|---|
| Revenue | **29,883** | 28,796 |
| Administrative expenses | **12,307** | 12,497 |
| Non mark-up expenses | **456** | 448 |
| Operating profit (before provisions and tax) | **17,120** | 15,851 |
| Provisions / (reversal) (net of recoveries) | **1,555** | 483 |
| Profit before tax | **15,565** | 15,368 |
| Profit after tax | **9,431** | 9,815 |
| Earnings per Share (EPS) - Rupees | **2.39** | 2.49 |

### Corporate Governance

The directors are pleased to give the following statement as required by Clause 5.19.11 of the Code of Corporate Governance as contained in the Rule Book of Pakistan Stock Exchange (the Exchange):

- The financial statements present fairly the Bank's state of affairs, results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements, except for the change in accounting policy as described in note 3. Accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards and International Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Rule Book of the Exchange.
- Summarized key operating and financial data is tabulated in this Annual Report.
- Details of Board and its Committees meetings held and attended by the directors/ members form part of this report.
- The Directors, CEO, CFO and Company Secretary have confirmed that neither they nor their spouses are engaged in the business of stock brokerage.
- Statement of Compliance along with Auditors' Review Report thereon form part of this Annual Report.
- All statutory liabilities, if any, have been adequately disclosed in the financial statements.

### Statements on Internal Controls and Risk Management Framework

The management of SCBPL is responsible for establishing and maintaining a system of adequate internal controls and procedures. Management's statements on Internal Controls and Risk Management Framework form part of this Annual Report.

### Directors' Meetings

Five (05) meetings of the Board of Directors, five (05) meetings of Board Audit Committee and four (04) meetings of Board Human Resource (HR) and Remuneration Committee were held during 2015 Attendance by each director/ member was as follows:

| Sr. No. | Name of Director | Board of Directors Meetings | | Board Audit Committee Meetings | | Board HR & Remuneration Meetings | |
|---|---|---|---|---|---|---|---|
| | | Held during the tenor in the year | Attended[1] | Held during the tenor in the year | Attended[1] | Held during the tenor in the year | Attended[1] |
| 1 | Christos Papadopoulos[3] | 4 | 2 | - | - | 3 | 1 |
| 2 | Sunil Kaushal | 1 | 1 | - | - | - | - |
| 3 | Shazad Dada[3] | 5 | 5 | - | - | 4 | 4 |
| 4 | Najam I. Chaudhri[2] | 5 | 5 | 5 | 5 | - | - |
| 5 | Parvez Ghias[2&3] | 5 | 5 | 5 | 5 | 4 | 4 |
| 6 | Spenta Kandawalla[3] | 5 | 5 | - | - | 4 | 4 |
| 7 | Raheel Ahmed | 2 | 1 | - | - | - | - |
| 8 | Vinod Ramabhadran | 5 | 4 | 5 | 3 | - | - |

[1] Leave of absence was granted to the Directors/Members who could not attend some of the meetings

[2] Member of Board Audit Committee

[3] Member of Board HR & Remuneration Committee

# DIRECTORS' REPORT

### Statement of investments of Provident, Gratuity and Pension Funds

Value of investments including accrued income of provident and gratuity funds as at December 31, 2015 on the basis of un-audited accounts is:

| | PKR '000 |
|---|---|
| Provident Fund | 2,029,066 |
| Management Staff Gratuity Fund | 1,079,677 |
| Non- Management Staff Gratuity Fund | 24,456 |
| Management Staff Pension Fund | 42,255 |
| Non- Management Staff Pension Fund | 49,133 |

### Changes in Board of Directors

The following changes have taken place in the Board of Directors since the last directors' report:

Board of Directors has appointed Mr. Sunil Kaushal (who has been appointed as director in October 2015) as the new Chairman and Mr. Ferdinand Pieterse as director (subject to clearance from State Bank of Pakistan) in place of Mr. Christos Papadopoulos.

The Board welcomes Mr. Kaushal as the new Chairman and also places on record its sincere appreciation for the invaluable support and contribution of Mr. Papadopoulos during his tenure of over five years as a Chairman of the Board of the Bank.

### Pattern of Shareholding

The pattern of shareholding as required under section 236(2)(d) of the Companies Ordinance, 1984, and Clause 5.19.11 of the Code of Corporate Governance (as contained in the Rule Book of the Exchange) forms part of this Annual Report. At 31 December 2015, Standard Chartered Bank, UK (holding company) held 98.99% shares of SCBPL.

### External Auditors

The Audit Committee has suggested the name of KPMG Taseer Hadi & Co., Chartered Accountants as external auditors of the Bank for the next term. The Board of Directors, on the suggestion of Audit Committee recommended the name of retiring auditors KPMG Taseer Hadi & Co., Chartered Accountants as external auditors for the next term. The retiring auditors, being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting.

### Appreciation and Acknowledgment

We take this opportunity to express our gratitude to our customers and business partners for their continued support and trust. We offer sincere appreciation to the State Bank of Pakistan for their guidance and cooperation extended to the Bank. Finally, we are also thankful to our associates, staff and colleagues for their committed services provided to our valued customers.

On behalf of the Board



**Shazad Dada**
Chief Executive Officer
Karachi: March 03, 2016

# ڈائریکٹرز کی رپورٹ

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

**31 دسمبر، 2015**

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں انتہائی مسرت سے اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کی ڈائریکٹرز رپورٹ بمعہ 31 دسمبر 2015 کو ختم ہونے والے سال کے پڑتال شدہ کھاتہ جات اور آڈیٹرز رپورٹ پیش کر رہا ہوں۔

## معیشت

مجموعی طور پر اقتصادی حوالے سے بہتری اور مارکیٹ میں تیزی کے رجحان کے ساتھ ساتھ پاکستان کی مجموعی ملکی پیداوار میں مالی سال 2014 میں 1.4 فیصد کے مقابلے میں مالی سال 2015 میں 2.4 فیصد کا اضافہ ہوا اور ساتھ ہی مالی سال 2016 میں پیداوار کا 4.4 فیصد تک اضافہ متوقع ہے اور وسط مدت میں پاک چین معاشی راہداری کے باعث بنیادی ڈھانچے اور توانائی کے منصوبوں میں تیزی کے بعد بتدریج 5 فیصد تک اضافے کی بھی توقع کی جا رہی ہے۔

عالمی سطح پر تیل اور گھریلو اشیاء خورد و نوش کی قیمتوں میں کمی کے باعث اشیائے صرف کی قیمتوں میں گذشتہ سال 6.8 فیصد کے مقابلے میں مالی سال 2015 میں اوسطاً 4.5 فیصد تک کمی واقع ہوئی ہے۔ مجموعی طور پر اقتصادی صورتحال میں بہتری کے باعث صارفین اور سرمایہ داروں کے اعتماد میں اضافہ ہوا۔ جبکہ ترسیلات زر میں اضافہ، آئی ایم ایف کے دسویں جائزے کا کامیاب اختتام اور دسمبر 2015 تک
زرمبادلہ میں 20 ارب ڈالر تک کی بلند ترین سطح دیکھنے میں آئی۔ اس کی مدد سے مرکزی بینک کو اپنی مالیاتی حکمت عملی میں گنجائش کا موقع ملا اور نومبر 2014 سے 400 بی پی ایس تک کمی آئی، دسمبر 2015 کے اختتام تک پالیسی کی شرح 6 فیصد تک ہوگئی۔ شرح سود میں کمی سے نجی سطح پر قرضوں کے فروغ کے باعث کارپوریٹ اور کنزیومر دونوں کے لئے قرضہ جات بالخصوص سرمایہ کاری اور طویل مدتی قرضے میں دسمبر 2015 تک تقریباً سال بہ سال 19 فیصد اضافہ ہوا۔

اسی دوران عالمی سطح پر تیل کی قیمتوں میں کمی کے باعث کرنٹ اکاؤنٹ کے خسارے میں کمی واقع ہوئی جو مالی سال 2016 میں پہلے ششماہی کی بنیاد پر مجموعی ملکی پیداوار کا اب 0.9 فیصد ہے، گزشتہ سال یہ خسارہ 1.8 فیصد تھا۔ ستمبر 2015 میں ملک میں 50 کروڑ یورو بانڈز کا اجرا بھی ہوا۔

شعبہ بینکاری 18.2 فیصد (CAR) سی اے آر کے موزوں سرمائے اور 15.7 فیصد کے (ROE) آر او ای کے ساتھ منافع بخش رہا۔ بینکنگ سیکٹر میں قرضوں کی عدم ادائیگی میں 30 ستمبر 2015 تک 12.5 فیصد کمی واقع ہوئی ہی جو ستمبر 2014 میں 13.0 فیصد تھی۔ نجی شعبے میں قرضوں کے وسیع فروغ اور ان کی عدم ادائیگی میں کمی کا رجحان 2016 میں بینکاری شعبے میں بہتر امکانات کی امید ظاہر کرتا ہے۔

## نتائج اور عمومی کاروباری جائزہ

| | 31 دسمبر، 2015 (ملین روپے) | 31 دسمبر، 2014 (ملین روپے) |
|---|---|---|
| **بیلنس شیٹ** | | |
| ادا کردہ سرمایہ | 38,716 | 38,716 |
| کل ایکویٹی | 55,016 | 54,456 |
| جمع شدہ رقوم | 327,238 | 304,504 |
| قرضہ جات۔ مجموعی | 128,302 | 150,040 |
| قرضہ جات۔ خالص | 106,785 | 128,590 |
| سرمایہ کاری۔ خالص | 225,318 | 189,678 |

# ڈائریکٹرز کی رپورٹ

نتائج اور عمومی کاروباری جائزہ

| | 31دسمبر،2015(ملین روپے) | 31دسمبر،2014(ملین روپے) |
|---|---|---|
| نفع ونقصان | | |
| آمدنی | 29,405 | 28,256 |
| انتظامی اخراجات | 12,105 | 12,248 |
| دیگرتان۔مارک اپ اخراجات | 358 | 312 |
| کاروباری منافع (واجبات اور ٹیکس سے قبل) | 16,942 | 15,696 |
| تموین/ (وصولیوں کا خالص) | 1,557 | 466 |
| قبل از ٹیکس منافع | 15,385 | 15,231 |
| بعد از ٹیکس منافع | 9,288 | 9,725 |
| منافع فی حصص (ای پی ایس) | 2.40 | 2.51 |

بینک نے سال 2014 میں 15.2 ارب روپے کے مقابلے میں اس سال 15.4 ارب روپے قبل از ٹیکس منافع کے حصول کے ذریعے اپنی مستحکم مالی کارکردگی کا مظاہرہ کیا۔ مکس (MIX) اور والیم (Volume) میں بہتر تناسب کے باعث آمدنی میں سال بہ سال 4 فیصد اضافہ ہوا۔ انتظامی اخراجات میں عملی طور پر اعلیٰ کارکردگی، محتاط اخراجات اور بہتر منصوبہ بندی عمل میں لائی گئی، جس سے سال بہ سال اخراجات میں 1 فیصد کمی ہوئی۔ بینک اپنے تقسیم کاری نظام میں بذریعہ ڈیجیٹل نظام کے بتدریج اضافے اور بنیادی ڈھانچے کی تبدیلی کے ساتھ اپنے صارفین کی سہولیات میں مسلسل اضافے کیلئے کوشاں ہے۔

واجبات کے حوالے سے 2015 میں بینک کے کل جمع شدہ رقوم میں 7 فیصد اضافہ ہوا۔ کم قیمت جمع شدہ رقوم میں مسلسل اضافہ بینک کی کارکردگی میں معاون رہا کرنٹ اور سیونگز اکاؤنٹس مجموعی جمع شدہ رقوم کے 93 فیصد تک رہے، جو کہ صنعتی حوالے سے بینک میں جمع شدہ رقوم کی کم ترین لاگت ہے۔ 2015 میں دوسرے ششماہی سے قرضہ جات کے حوالے سے بینک کے ریٹیل سرمائے میں اضافہ ہو رہا ہے اور کارپوریٹ اور کمرشل شعبہ جات منافع بخش، استعدادی اور مخصوص سطح برقرار رکھنے کی حامل قرضہ جات پورٹ فولیو کی تعمیر میں بہتر طریقہ کار کو استعمال کرتے ہوئے مسلسل کوشاں ہے۔ جیسے جیسے معاشی سرگرمی میں اضافہ ہوگا، قرضہ جات میں بھی اضافہ ہوگا۔ اضافی سرمائے کی مختصر اور طویل مدتی گورنمنٹ سیکیورٹیز میں سرمایا کاری کی جاتی رہے گی۔

بینک نے سال 2015 کے دوران فیڈرل بورڈ آف ریونیو کے ایجنٹ کے طور پر قومی خزانے میں براہ راست محصول آمدنی اور فیڈرل ایکسائز ڈیوٹی/صوبائی سیلز ٹیکسز کی مد میں تقریباً 12.1 ارب روپے جمع کرائے۔

پاکستان میں ہماری طویل تاریخ کو مدنظر رکھتے ہوئے، اپنے کلائنٹس، صارفین اور بیلنس شیٹ کو مستحکم بنانے پر توجہ مرکوز کر کے ہم اس کے مستقل فروغ پر یقین رکھتے ہیں۔

معاشی منظر

بیرونی تبدیلی کے باوجود ہم یقین رکھتے ہیں کہ بیلنس شیٹ کے استحکام، مؤثر سرمائے اور نقصان سے تحفظ کیلئے مناسب مواقع موجود ہیں اور ہم انتظامی عمل اور عالمی طور پر بے مثال صلاحیتوں کی بنیاد پر اس کے فروغ کیلئے حکمت عملی کو جاری رکھنے کا عزم رکھتے ہیں۔ ترجیحی حکمت عملی کے ساتھ ساتھ بینک مختلف بینکنگ اشیاء میں سرمایا کاری کو استعمال کرتے ہوئے، صارف سے مضبوط تعلقات استوار کرنے اور صارفین کو دی جانے والی خدمات کو مزید بہتر بنانے پر بھی توجہ مرکوز رکھے گا۔

منافع حصص

بینک کے حصص یافتگان کے دسویں سالانہ اجلاس عام میں بورڈ آف ڈائریکٹران کی جانب سے منظوری کیلئے 12.50 فیصد (-/1.25 روپے فی حصص) کے حتمی کیش ڈیویڈنڈ کی تجویز دی گئی ہے۔ یہ منافع 7.50 فیصد (0.75 روپے فی حصص) عبوری کیش ڈیویڈنڈ کے علاوہ ہے، جس کا اعلان/ ادائیگی سال کے دوران کی گئی تھی۔

# ڈائریکٹرز کی رپورٹ

## سالانہ بیرونی آڈٹ

اسٹینڈرڈ چارٹرڈ بینک پاکستان لمیٹڈ کی فنانشل اسٹیٹمنٹس کا آڈٹ بینک کے آڈیٹرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کیا اور بغیر کسی اختلاف پہ مبنی رپورٹ پیش کی۔

## کریڈٹ ریٹنگ

2015 میں پاکستان کریڈٹ ریٹنگ ایجنسی نے بینک کی بالترتیب "AAA" (ٹرپل A) اور "+A1" (اے ون پلس) کی طویل مدتی اور قلیل مدتی ریٹنگز کو برقرار رکھا ہے۔ بینک کے ٹی ایف سی کو بھی "AAA" ریٹ کیا گیا ہے۔ یہ ریٹنگز قرضہ جات کے متوقع نقصانات سے تحفظ اور ان کی وقت پر ادائیگی کو یقینی بنانے کی نشاندہی کرتی ہیں۔

## معاشی استحکام

پاکستان کے 13 شہروں میں 101 برانچز پر مشتمل ملک کے سب سے بڑے بین الاقوامی بینک کی حیثیت سے اسٹینڈرڈ چارٹرڈ اب ملک میں معاشی طور پر اپنا باقاعدہ کردار ادا کر رہا ہے۔ ہم بہتر حکمت عملی کی مدد سے اپنے بزنس، سماج، حکومت اور صارفین کے ساتھ مضبوط تعلقات استوار کرنے کے خواہاں ہیں۔

بینک کی پاکستان میں سماجی کاوشیں تعلیم اور صحت پر مرکوز ہیں۔ ہمارے کمیونیٹی انویسٹمنٹ ہیلتھ پروگرام "Seeing is Believing" کے ذریعے ہم قابل گریز نابینا پن کی روک تھام کیلئے مسلسل مالی تعاون کر رہے ہیں۔ نومبر 2015 میں "پاکستان اربن پیڈیاٹرک آئی کیئر پروگرام" کا کامیاب انعقاد کیا گیا، جس کے باعث ہم نے انعطافی خرابیوں میں مبتلا 15 لاکھ بچوں کا معائنہ کیا۔ پاکستان کے مخصوص اضلاع میں صحتِ چشم کے حوالے سے بھی ہم نے اضافی مالی معاونت کا عزم کیا ہے۔ ڈائیابیٹک ریٹینوپیتھراپی سے متعلق بینک صحتِ چشم پروگرام میں بھی معاونت کر رہا ہے، جس کے ذریعے 10 لاکھ افراد تک براہ راست اور بالواسطہ رسائی حاصل کریں گے۔ قابل گریز نابینا پن پر قابو پانے کیلئے ہماری خدمات کے اعزاز میں حکومت پاکستان نے اسٹینڈرڈ چارٹرڈ کو ملک کی نیشنل اور سندھ آئی کونسل میں اپنا سرکاری اور واحد شراکتی پارٹنر بنالیا ہے۔

HIV اور ایڈز سے متعلق آگاہی فراہم کرنے کیلئے بینک کا ایک اور جاری پروگرام "Positive Living" ہے۔ 2015 میں ہمارے رضا کاروں نے 1000 سے زائد افراد کو HIV کے حوالے سے تربیت و آگاہی فراہم کی۔

ہمارے تعلیمی پروگرام کے ذریعے بینک نے میٹرک کے بعد مستحق طالب علموں کو تعلیمی وظائف اور پیشہ ورانہ اور اعلیٰ تعلیم کے حامل اداروں کو مالی معاونت فراہم کی۔ ملازمین کی شمولیت، حوصلہ افزائی اور کمیونیٹیز کے ساتھ کام کرنے کیلئے اسٹینڈرڈ چارٹرڈ اسٹاف کے ہر ممبر کو 3 دن کی رضا کارانہ چھٹیاں فراہم کرتا ہے، جس کی انہیں ادائیگی کی جاتی ہے۔ 2015 میں اسٹینڈرڈ چارٹر بینک (پاکستان) لمیٹڈ کے ملازمین نے 2,673 دن رضا کارانہ طور پر اپنی خدمات انجام دیں۔

## گروپ کی کارکردگی

کمپنیز آرڈیننس 1984 سیکشن 236(5) کے مطابق اس رپورٹ کے ساتھ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ اور اسکے ذیلی ادارے بنام اسٹینڈرڈ چارٹرڈ لیزنگ لمیٹڈ، اسٹینڈرڈ چارٹرڈ سروسز آف پاکستان (پرائیویٹ) لمیٹڈ اور اسٹینڈرڈ چارٹرڈ مضاربہ کی 31 دسمبر 2015 کو ختم ہونے والے سال کی مجموعی کھاتہ جات بھی منسلک ہیں۔

## رواں کاروباری نتائج

| بیلنس شیٹ | 31 دسمبر 2015 (ملین روپے) | 31 دسمبر 2014 (ملین روپے) |
|---|---|---|
| ادا کردہ سرمایہ | 38,716 | 38,716 |
| کل ایکویٹی | 55,256 | 54,716 |
| جمع شدہ رقوم | 327,121 | 304,306 |
| قرضہ جات۔ مجموعی | 128,112 | 150,025 |
| قرضہ جات۔ خالص | 106,595 | 128,575 |
| سرمایہ کاری۔ خالص | 224,632 | 188,992 |

# ڈائریکٹرز کی رپورٹ

رواں کاروباری نتائج

| | 31دسمبر2015(ملین روپے) | 31دسمبر2014(ملین روپے) |
|---|---|---|
| نفع ونقصان | | |
| آمدنی | 29,883 | 28,796 |
| انتظامی اخراجات | 12,307 | 12,497 |
| نان مارک اپ اخراجات | 456 | 448 |
| تموین کاروباری منافع (واجبات اور ٹیکس سے قبل) | 17,120 | 15,851 |
| (رقوم کی واپسی)(وصولیوں کا خالص) | 1,555 | 483 |
| قبل از ٹیکس منافع | 15,565 | 15,368 |
| بعد از ٹیکس منافع | 9,431 | 9,815 |
| منافع فی حصص (ای پی ایس) | 2.39 | 2.49 |

کارپوریٹ گورننس

ڈائریکٹران بمسرت پاکستان اسٹاک ایکسچینج کی قوانین کی کتاب میں موجود کوڈ آف گورننس کی شق ((5.19.11 کے تحت درکار مندرجہ ذیل اسٹیٹمنٹ پیش کرتے ہیں:

- کھاتہ جات بینک کی صورتحال، اس کی کارکردگی، نقدی کے بہاؤ، ایکویٹی میں تبدیلیوں کا واضح اظہار ہیں۔
- بینک کے اکاؤنٹس کی درست کتابیں تیار کی گئی ہیں۔
- کھاتہ جات کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کا یکساں اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے موزوں اور محتاط اندازے پر مبنی ہیں۔
- کھاتہ جات کی تیاری میں پاکستان میں لاگو بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز، اور بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز پر عمل درآمد کیا گیا ہے۔
- اندرونی انضباط درست طرز پر ڈیزائن کیا گیا ہے اور مؤثر اطلاق اور جانچ کی گئی ہے۔
- بطور ادارہ بینک کے کام جاری رکھنے کی اہلیت پر کوئی شک نہیں۔
- ضوابط کی فہرست میں بیان کردہ کارپوریٹ گورننس جن کی تفصیلات ایکسچینج کی قانونی کتاب میں موجود ہیں، کی بہترین حکمت عملیوں سے انحراف نہیں کیا گیا۔
- اس سالانہ رپورٹ میں بنیادی آپریٹنگ اور فنانشل ڈیٹا کا خلاصہ مرتب کیا گیا۔
- بورڈ اور اس کی کمیٹی کے منعقدہ اجلاس اور ڈائریکٹران/ممبران کی شرکت کی تفصیل اس رپورٹ کا جزو ہے۔
- ڈائریکٹران، سی ای او، سی ایف او اور کمپنی سیکریٹری نے تصدیق کی ہے کہ وہ یا ان کے شریک حیات اسٹاک بروکریج کے بزنس سے منسلک نہیں ہیں۔
- اسٹیٹمنٹ آف کمپلائنس بمع نظر ثانی رپورٹ اور آڈیٹران کی نظر ثانی رپورٹ اس سالانہ رپورٹ کا حصہ ہیں۔
- کھاتہ جات میں تمام قانونی ذمے داریاں، اگر کوئی ہوں، سامنے لائی گئی ہیں۔

اسٹیٹمنٹس برائے اندرونی انضباط اور خطرات سے نمٹنے کا ڈھانچہ

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کی انتظامیہ موزوں اندرونی انضباط وطریقہ کار کو قائم اور برقرار رکھنے کی ذمہ دار ہے۔ اندرونی انضباط اور خطرات سے نمٹنے کے ڈھانچے پر انتظامیہ کی اسٹیٹمنٹس اس رپورٹ کا حصہ ہیں۔

ڈائریکٹران کے اجلاس

سال 2015 میں بورڈ آف ڈائریکٹرز کے پانچ (5)، بورڈ آڈٹ کمیٹی کے پانچ (5) اور بورڈ ہیومن ریسورس اینڈ ریمیونریشن کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر/ممبر کی شرکت کی تفصیل مندرجہ ذیل ہے:

# ڈائریکٹرز کی رپورٹ

| نمبر شمار | ڈائریکٹران کے نام | بورڈ آف ڈائریکٹرز کے اجلاس | | بورڈ آڈٹ کمیٹی کے اجلاس | | بورڈ ایچ آر اینڈ ریمیونریشن کے اجلاس | |
|---|---|---|---|---|---|---|---|
| | | سال کے دوران منعقدہ | شرکت کی[1] | سال کے دوران منعقدہ | شرکت کی[1] | سال کے دوران منعقدہ | شرکت کی[1] |
| 1۔ | کرسٹوس پاپاڈوپلس ۳ | 4 | 2 | - | - | 3 | 1 |
| 2۔ | سنیل کوشال | 1 | 1 | - | - | - | - |
| 3۔ | شہزاد داد ا ۳ | 5 | 5 | - | - | 4 | 4 |
| 4۔ | نجم آئی چوہدری ۲ | 5 | 5 | 5 | 5 | - | - |
| 5۔ | پرویز غیاث ۲ اور ۳ | 5 | 5 | 5 | 5 | 4 | 4 |
| 6۔ | اسپینٹا کانڈاوالا ۳ | 5 | 5 | - | - | 4 | 4 |
| 7۔ | راحیل احمد | 2 | 1 | - | - | - | - |
| 8۔ | ونود رامابھادراں | 5 | 4 | 5 | 3 | - | - |

۱۔ وہ ڈائریکٹران/ممبران جو کچھ اجلاس میں شرکت نہیں کر سکتے تھے انہیں رخصت دی گئی تھی

۲۔ بورڈ آڈٹ کمیٹی کے ممبر

۳۔ بورڈ ہیومن ریسورس اینڈ ریمیونریشن کمیٹی کے ممبر

### پروویڈنٹ، گریجویٹی اور پینشن فنڈ کیلئے مختص رقم کی اسٹیٹمنٹ

مختص کی گئی رقوم کی قدر بشمول پروویڈنٹ، گریجویٹی فنڈز کی حاصل آمدن 31 دسمبر 2015 پر غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر مندرجہ ذیل ہے۔

| | '000 روپے |
|---|---|
| پروویڈنٹ فنڈ | 2,029,066 |
| گریجویٹی فنڈ برائے انتظامی عملہ | 1,079,677 |
| گریجویٹی فنڈ برائے غیر انتظامی عملہ | 24,456 |
| پینشن فنڈ برائے انتظامی عملہ | 42,255 |
| پینشن فنڈ برائے غیر انتظامی عملہ | 49,133 |

### بورڈ آف ڈائریکٹرز کی تبدیلیاں

ڈائریکٹران کی آخری رپورٹ سے اب تک بورڈ آف ڈائریکٹرز میں مندرجہ ذیل تبدیلیاں ہوئی ہیں:

بورڈ کے ڈائریکٹران نے جناب سنیل کوشال (جنہیں اکتوبر 2015 میں ڈائریکٹر کی حیثیت سے تقرر کیا گیا تھا) کو نئے چیئرمین اور جناب کرسٹوس پاپاڈوپلس کی جگہ جناب فرڈیننڈ پیٹرز کو ڈائریکٹر (اسٹیٹ بینک آف پاکستان کی کلیرنس سے مشروط) کی حیثیت سے تقرر کر لیا ہے۔

بورڈ جناب کوشال کو نئے چیئرمین کی حیثیت سے خوش آمدید کہتا ہے اور جناب پاپاڈوپلس کی گراں قدر خدمات کا اعتراف بھی کرتا ہے، جو انہوں نے پانچ سالہ مدت سے زائد عرصے تک بینک کے بورڈ چیئرمین کی حیثیت سے انجام دیں۔

# ڈائریکٹرز کی رپورٹ

### شیئر ہولڈنگ کا انداز

کمپنیز آرڈیننس 1984 کے سیکشن 2)(d))236اور کارپوریٹ گورننس کے کوڈ کی شق ((5.19.11 کے تحت درکار شیئر ہولڈنگ کا انداز اس سالانہ رپورٹ کا جزو ہے۔ 31 دسمبر 2015 پر اسٹینڈرڈ چارٹرڈ بینک، یو کے (بالادست کمپنی) اسٹینڈرڈ چارٹرڈ بینک پاکستان لمیٹڈ (پاکستان) کے 98.99 فیصد حصص کی مالک تھی۔

### بیرونی آڈیٹران

آڈٹ کمیٹی نے اگلی مدت کیلئے بینک کے بیرونی آڈیٹران کے طور پر کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹس کا نام تجویز کیا ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹران تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹس کو اگلی مدت کے لئے بیرونی آڈیٹران کے طور پر مقرر کرنے کی سفارش کی ہے۔ ریٹائر ہونے والے آڈیٹران آئندہ منعقد ہونے والے سالانہ اجلاس عام میں خود کو دوبارہ تقرر کیلئے پیش کرنے کے اہل ہوں گے۔

### تسلیم و تحسین

اس موقع پر ہم اپنے کسٹمرز اور بزنس پارٹنرز کی مسلسل سرپرستی اور اعتماد کیلئے ممنون ہیں۔ ہم اسٹیٹ بینک آف پاکستان کی رہنمائی اور بے پناہ تعاون کو بھی سراہتے ہیں۔ آخر میں ہمارے قابل قدر کسٹمرز کو فراہم کی گئیں ذمہ دارانہ خدمات کیلئے ہم اپنے ایسوسی ایٹس، عملے اور ہم پیشہ رفیقوں کے شکر گزار ہیں۔

منجانب

شہزاد دادا

چیف ایگزیکٹو آفیسر

کراچی: 3 مارچ 2016

# Management's Statements on Internal Controls and Risk Management Framework

The following statements are made by the management to meet the requirements of the State Bank of Pakistan (SBP) BSD Circular letter no. 2 of 2005 and BSD Circular letter no. 3 of 2005.

**Internal Controls**

Management of Standard Chartered Bank (Pakistan) Limited (the Bank or SCBPL) is responsible for establishing and maintaining a sound system of internal controls aimed at achieving the following objectives of the Bank:

- Efficiency and effectiveness of operations
- Compliance with applicable laws and regulations
- Reliability of financial reporting

1. The Management has adopted different strategies to ensure effective monitoring and improvement of internal controls. These include Internal Audit and Operational Risk Framework (ORF) in which assurance responsibilities are divided into three lines of defense i.e. first being the business function, second is the Operational Risk Assurance and support from Group Internal Audit is the third line of defense.

2. The policies and procedures in all significant areas and as per the directives of the regulators have been duly approved by the Board.

3. An organization structure has been established which supports clear lines of communication and tiered levels of authority with accountability.

4. The Bank has an effective Internal Audit Department, which reports directly to the Audit Committee of the Board. The department periodically carries out detailed reviews/audits of its branches and various departments/ units based on a yearly plan which is approved by the Audit Committee.

5. Internal control policies, tools and reporting structures have been enhanced to provide greater clarity over roles and responsibilities. Relevant training materials have also been updated and deployment is underway.

6. Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and take action to implement such recommendations.

7. The management has put in place evaluation and approval procedures for major capital expenditure and other transactions.

8. There is an annual budgeting and strategic planning process. Financial forecasts are reviewed during the year on a periodic basis to reflect significant changes in business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole, using operating statistics and monthly management accounts which highlight key performance indicators and variance from budgets and forecasts is in place.

9. Review and implementation of health, safety, environment and contingency management processes and other significant policies are carried out and reporting mechanism is in place.

10. SCBPL has adopted the internationally accepted Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls Integrated Framework 1992 and available international practices in relation to Internal Controls over Financial Reporting (ICFR) to comply with SBP guidelines on Internal Controls.

    SCBPL maintains a system of ICFR, which is designed to provide reasonable assurance to the Bank's management and Board of Directors regarding the preparation of reliable published financial statements. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to financial statements preparation. Further, because of changes in conditions, internal control system effectiveness may vary over time.

    SCBPL has devised a well defined and comprehensive Internal Control Program along the lines of stage wise roadmap, as suggested by SBP. Accordingly, the Bank has successfully completed all of the stages of the SBP roadmap on ICFR. This involved completing detailed documentation of the existing processes and controls and related Risk and Control Matrices. It also involved completing a comprehensive gap analysis of the control design and developing remediation plans for the gaps identified. The bank has developed comprehensive management testing plans and reporting framework to ensure operating effectiveness of key controls and has significantly addressed the design improvement opportunities identified to complete the project related initiatives. Furthermore, Internal Audit is currently performing assurance over ICFR.

    The Bank will continue enhancing its coverage and compliance with the SBP guidelines on Internal Controls and further strengthen its control environment on an ongoing basis. The Bank engaged external consultants to facilitate in reviewing the process and control documentation and provide professional guidance in documenting, assessing and testing the existing key Processes and Controls in line with requirements of SBP guidelines and leading practices. Further the

consultants also independently performed the Quality Assurance / Validation exercise to provide assurance whether after completion of remedial plans, gaps have been bridged accordingly

**Risk Management Framework**

The Bank in an effort to fully implement guidelines issued by SBP on risk management throughout the Bank, has integrated enterprise wide risk management, which brings together various types of risks being faced by the entire organization under one umbrella. Through the risk management framework the Bank seeks to manage efficiently the core risks: credit, market and liquidity risk. These arise directly through the Bank's commercial activities whilst operational risk, reputational risk, pension risk, capital risk and strategic risk are normal consequences of any business undertaking.

The basic risk management principles followed by the Bank include:

Balancing risk and reward: Risk is taken in line with the requirements of the Bank's stakeholders. Risk should be taken within the Bank's risk appetite, consistent with the approved strategy. Any such risks are avoided which have a material probability of causing financial distress to the Bank or its clients or customers.

Responsibility: Given the Bank is in the business of taking risk, it is everyone's responsibility to ensure that risk taking is both disciplined and focused. The Bank takes account of its social responsibilities and its commitment to customers in taking risk to produce a return.

Accountability: Risk is taken only within agreed authorities and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported.

Anticipation: The Bank looks to anticipate future risks and to ensure awareness of all risk.

Competitive Advantage: The Bank seeks to achieve competitive advantage through efficient and effective risk management and control.

Risk management: The Bank aims to implement best practices and have a specialist risk function of international standards, with strength in depth, experience across risk types and economic scenarios.

Ultimate responsibility for the effective management of risk rests with the Bank's Board of Directors. Acting within an authority delegated by the Board, the Executive Committee reviews specific risk areas and monitors the activities of the Country Risk Committee ("CRC") and the Asset and Liability Committee ("ALCO").

CRC headed by Country Chief Risk Officer (CCRO), through authority delegated by the Board through the Bank's Executive Committee, is responsible for credit risk, market risk, operational risk, compliance and regulatory risk, legal risk and reputational risk. ALCO, through authority delegated by the Board through the Bank's Executive Committee, is responsible for management of the Bank's liquidity, capital adequacy and structural foreign exchange risk. The Pensions Executive Committee through authority delegated by the Board through the Bank's Executive Committee, is responsible for the management of pension risk.

The day to day responsibility for managing risk rests with CCRO who oversees and manages the risk through a team of managers; Senior Credit Officer responsible for credit risk in Corporate & Institutional Bank and Commercial Bank, Head of Consumer Credit responsible for credit risk in Retail Bank , Head of Special Assets Management responsible for remedial risk management, Head of Credit Risk Controls responsible for collateral management, security documentation, credit MIS and controls, Market and Traded Credit Risk (MTCR) is responsible for liquidity risk and risks associated with price movements, arising from interest and exchange rate movements. The Country Head of Operational Risk is responsible for enterprise wide operations risk. The Bank has established policies, procedures, processes, and controls and has provided the Risk team adequate support by way of risk systems and tools for measuring and reporting risk for monitoring, controlling, reviewing and managing risk.

Following are the important factors of the risk management function within the Bank.

**Credit Risk**

Credit risk is the risk that a counter party will not settle its obligations in accordance with agreed terms. Credit exposures may arise from lending, trade finance, securities and derivative exposures. Credit exposures include both individual borrowers and groups of connected counterparties and portfolios in the banking and trading books.

The Board of Directors has delegated down the authority to CRC through the Bank's Executive Committee to establish risk appetite and make recommendations to the Board for approval of risk appetite and policies for managing credit risk. The CEO and the Executive Committee in turn rely on CCRO and the CRC to determine these and recommend for their support and Board's approval. The CRC is also delegated down by the Boards' responsibility to delegate credit authorities to independent Risk Officers.

Credit risk appetite is established through business strategy papers and underwriting standards by the business managers, which are approved by the Board once recommended, and supported by the Executive Committee.

# Management's Statements on Internal Controls and Risk Management Framework

Specific procedures for managing credit risk within Corporate & Institutional Bank, Commercial Bank and Retail Bank are determined at the Senior Credit Officer and Head of Consumer Credit levels for their respective jurisdictions with specific policies and procedures being adapted to different risk environments and business goals. Credit analysis includes review of facility details, credit grade determination and financial spreading / ratio analysis. Portfolio review, Early Alerts and Stress Testing based on scenario analysis is a combined responsibility of Client Relationship and Risk and Finance function. Client relationship origination and credit approval roles are clearly segregated throughout Corporate & Institutional Bank, Commercial Bank and Retail Bank.

Corporate & Institutional Bank and Commercial Bank: Within the Corporate & Institutional Bank and Commercial Bank business, an alpha numerical risk grading system is used for quantifying the risk associated with counter-party. The grading is based on a probability of default measure, with customers analyzed against a range of quantitative and qualitative measures. Expected Loss is used for further assessment of individual exposures and portfolio analysis. There is a clear segregation of duties with loan applications being prepared separately from the approval chain.

Retail Bank: Program based standard credit application forms are generally used, which are processed in central units for different products and market segments. Credit Portfolio Monitoring and Forecasting team has developed Bureau scores and uses Bureau data for portfolio monitoring and for underwriting new business.

**Market Risk**

The Bank recognizes market risk as the exposures created by potential changes in market prices and rates. Market risk exposures arise primarily from interest rate and foreign exchange related contracts. The Bank has no exposure to equity and commodity price risk.

MTCR approves the limits within delegated authorities and monitors exposures against these limits, and is locally under governance of CCRO, who agrees policies and procedures and levels of risk appetite in terms of Value at Risk ("VaR"). Limits are then proposed by the business within the terms of agreed policy. These are agreed and delegated down by CRC under delegated authority from the Board. Policies cover both trading and non-trading books.

In addition to market risk policies, as well as VaR and other market risk limits, independent stress testing of portfolios and factor sensitivity measures are also employed as additional risk management tools to manage and hedge market risk exposures. Risk models are periodically back tested against actual results to ensure that pre-determined levels of accuracy are maintained.

**Liquidity Risk**

The Bank defines liquidity risk as the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations as they fall due, or can only access these financial resources at excessive cost.

Liquidity risk, both short-term and structural, is monitored through liquidity risk management framework and is managed by ALCO. This committee, chaired by the CEO, is responsible for liquidity risk management.

A range of tools are used for the management of liquidity. Tools for structural liquidity comprise of commitment and wholesale borrowing guidelines, key balance sheet ratios, and medium term funding requirements whereas short-term liquidity tools include day to day monitoring of future cash flows and liquidity stress tests using various behavioral and rollover assumptions.

In addition, liquidity contingency funding plans are reviewed periodically to ensure that alternative funding strategies are in place and can be implemented on a timely basis to minimize the liquidity risk that may arise due to unforeseen adverse changes in the market place.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

**Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is inherent in the Bank's activities and as with the other risk types is managed through an overall framework with checks and balances that includes recognized ownership of the risk by the businesses, independent risk management oversight and an independent review by the Group Internal Audit.

The Operational Risk Framework sets out the governing principles of operational risk management. In accordance with the framework, business areas and functions are responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with the laws, regulations, regulatory administrative actions and the Bank's policies.

Furthermore, the Country Operational Risk Committee ("CORC") ensures that an appropriate risk management framework is

in place and reports, monitors and manages significant operational risks. The CORC is chaired by the Chief Executive Officer (CEO), and the Country Chief Risk Officer (CCRO) is an active member of this committee. Depending on the severity, significant issues and exceptions are also picked by the independent Risk function, for discussion at the Executive Risk Committee chaired by the CCRO.

Disaster recovery procedures, business contingency planning, self-compliance assurance and internal audits also form an integral part of the operational risk management process.

**Reputational Risk**

Reputational risk is any material adverse effect on the relations between the Bank and any one of its significant stakeholders. It is Bank policy that the protection of the Bank's reputation should take priority over all activities including revenue generation at all times. Reputational risk is not a primary risk, but will arise from the failure to effectively mitigate one or more of country, credit, liquidity, market, legal, regulatory and operational risk. It may also arise from the failure to comply with Social, Environmental and Ethical standards. All staff are responsible for day to day identification and management of reputational risk.

**Pension Risk**

Pension risk is the potential for loss that surfaces from having to meet an actuarially-assessed shortfall in the Bank's defined-benefit pension schemes. The pension obligation risk to a bank arises from its contractual or other liabilities to, or related to, an occupational pension scheme. In other words, it represents the risk that additional contributions will need to be made to a pension scheme because of a future shortfall in the funding of the scheme.

The Bank assesses and monitors the assets and liabilities within the defined-benefit scheme, with support from independent actuarial advisers. Actuarial methodologies are used for determining the present values of the assets and liabilities of the defined-benefit scheme. The assumptions used account for the projected trends in the salaries, turnover and mortality of the membership. The Bank's Country Pensions Committee has oversight of the pension schemes and reviews the assets and liabilities position on a regular basis.

**Capital Risk**

Capital risk is the potential for actual or opportunity loss arising from sub optimal allocation of capital or increase in cost of capital. The Bank manages its demand for capital by regular monitoring of capital requirements and asset exposures. The Bank's ALCO monitors Risk Weighted Assets (RWA) growth and provides guidance for RWA management, capital structure and maintenance of capital adequacy ratio.

**Strategic Risk**

Strategic risk is the potential for opportunity loss from failure to optimize the earnings potential of the Bank's franchise. A key driver of Bank's strategic risk profile is the sustainability of an expanding operations base and the ability to successfully identify and integrate value-adding acquisition targets.

The CEO is the RCO responsible for strategic risk. Strategic risk is not governed or managed through the use of a policy. Rather, the Board and relevant committees develop its strategies, which include a view on the forecast capital position, in line with the Group's stated risk appetite and overall strategy. The Bank's actual performance to budget is measured on a continual basis at a more granular level at relevant committees, but also from an overall perspective by the Board.

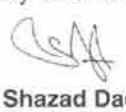
**Compliance and Regulatory Risk**

Compliance and Regulatory risk includes the risk of non-compliance with regulatory requirements. The Compliance and Regulatory risk function is responsible for establishing and maintaining an appropriate framework of compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all staff.

**Legal Risk**

Legal Risk is the risk of unexpected loss, including but not limited to reputational loss arising from defective transaction or contracts, claims being made or some other event resulting in a liability (anticipated/contingent) or other loss for the Bank, failure to protect the title to and ability to control the rights to assets of the Bank (including intellectual property rights), changes in the law or jurisdiction risk. The Bank manages legal risk through Legal function, Legal risk policies and procedures and effective use of its internal and external lawyers.

By order of the Board



**Shazad Dada**
Chief Executive Officer

# Report of Shari'ah Board

For the year ended December 31, 2015

الحمد لله رب العالمين، وصلى الله على سيدنا محمد وعلى آله وصحبه وسلم وبعد

We, as being Shari'ah Board of the SCBPL, are presenting this report on overall Shari'ah compliance environment of Standard Chartered Bank (Pakistan) Limited (SCBPL):

As per new Shari'ah Governance Framework, the Shari'ah compliance of Islamic Banking within Standard Chartered Bank (Pakistan) Limited (SCBPL) is the sole responsibility of Board of Directors and Executive Management.

To form an opinion on Shari'ah Compliance of the bank, the Shari'ah Compliance Department of the bank carried out Shari'ah reviews during the year under review, on test check basis of each class of transactions, the relevant documentation and process flows etc. Furthermore, we have also reviewed the report of the internal Shari'ah audit. We could not include external Shari'ah audit report as it is still awaited. Based on above activities, we are of the view that:

1. The Bank has complied with Shari'ah rules and principles provided in the fatawa, rulings and guidelines issued by Shari'ah Board.

2. The Bank has complied with directives, regulations, instructions and guidelines related to Shari'ah compliance issued by SBP in accordance with the rulings of SBP's Shari'ah Board.

3. The bank has a comprehensive mechanism in place to ensure Shari'ah compliance in their overall operations.

4. The Shari'ah Board has been provided resources enabling it to discharge its duties. However, due to continuous increase in the volume of Saadiq business, Shari'ah Board may require some resources in future.

## Implementation of Shari'ah Governance Framework

SCBPL has implemented the Shari'ah Governance Framework (SGF) issued by State Bank of Pakistan (SBP) from 1st July 2015 which includes:

i. Formation of Shari'ah Board,
ii. Appointment of Resident Shari'ah Board Member & Head Shari'ah Compliance,
iii. Formation of Shari'ah Compliance Department (SCD),
iv. Development of Shari'ah Compliance Framework and SCD's Operating manual,
v. Formation of Internal Shari'ah Audit Unit (ISAU),
vi. Development of ISAU's manual,
vii. Advise Scope of Shari'ah Audit to External Shari'ah Auditor,
viii. Basic Islamic Banking Training to Board of Directors (BOD) and Executive Management (EXCO)
ix. Advise role and responsibilities to BOD & EXCO

## Shari'ah Compliance Reviews

During the year under review, annual Shari'ah compliance review of Islamic Banking Business was conducted on a test check basis. During the Shari'ah review Islamic Products (including liabilities) and Islamic transactions based on different mode of Islamic financing including Murabahah, Musawamah, Musharakah, Diminishing Musharakah, Ujrah etc. were checked.

The following major activities have been performed to ensure Shari'ah Compliance of Islamic Banking Business:

I. Review of Standard Agreements of Financing products
II. Review of Murabahah transaction notices, confirmation of purchases, Form of offers, Payment evidences, Purchase evidences and Physical inspections

III. Review of Process flow adherence in Murabahah transactions
IV. Review of Qard and Mudarabah based accounts documents
V. Review of profit and loss distribution and Pool Management framework
VI. Review of Participation ratio of Bank & Customer in Diminishing Musharakah
VII. Review of Profit / Loss Sharing Ratio and Profit Adjustment activity of Musharakah

The bank has complied with SBP instructions on profit and loss distribution and pool management. Some improvements / enhancement in EIBM - Profit Distribution & Calculation System have been advised in Shari'ah Compliance Review.

Shari'ah Review of dedicated Islamic branches and Islamic Windows were also conducted and suggestions for Shari'ah excellence and further improvement in understanding of Islamic Banking and Saadiq Products were advised. The overall Shari'ah compliance of the Islamic Business operation and their alignment with the Shari'ah guidelines was also reviewed.

In addition, as part of continuous improvement necessary recommendations and corrective measures were suggested, all issues identified were duly addressed by management and agreed for implementation.

**Late Payment and Non-Compliant Income Charity**

During the year an amount of approximately Rs. 9.38 million was received from the customers due to "Delay in Payments" and the same amount has been transferred to the charity account. Further more, Non-Shari'ah compliant income related to transactions identified approximately Rs. 1.5 million and the same has been transferred to the charity account as well. The collected Charity was disbursed as per the guidance of Shari'ah Board. The Bank has a system in place which ensures that any earnings realized from sources or by means prohibited in Shari'ah have been credited to charity account and are being properly utilized.

**Awareness, Training and Capacity Building**

In compliance with SGF, the basic Islamic Banking Training to Board of Directors (BOD) and Executive Management (EXCO) has been imparted. Furthermore, during the year under review, in SCBPL approximately 159 training sessions related to Islamic Banking and Saadiq products were arranged and more than 1600 staff members were trained throughout Pakistan. It is good to see that the management is paying attention on Islamic Banking training programs and importance of Shari'ah Compliance in the products and processes of the bank.

In addition to that BOD and EXCO have been briefed about their role and responsibilities under SGF. The BOD and management are now focusing on the importance of Shari'ah compliance on all level including awareness, capacity, sensitization of the staff etc.

As an initiative to create awareness within the bank, during the year under review the bank has published 'Saadiq Sales Pitchbook' to create awareness within the internal stakeholders. It helps frontline staff to understand Islamic structures and products and enable them to explain the same to the bank's customers.

SCBPL and Lahore University of Management Sciences (LUMS) has signed a memorandum of understanding (MoU) with a primary focus to promote State Bank of Pakistan's (SBP) initiative of establishing Centres of Excellence in Islamic Finance for promoting the Islamic banking industry in the country. The Bank also nominated staff for a training programme on "Leadership Development for Islamic Financial Institutions (IFIs)" organized by LUMS.

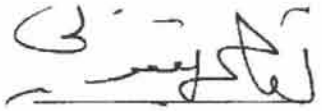
SCBPL has also organized awareness sessions for the bank's clients. In November 2014, the bank started a thought provoking series with the name of 'Living Islam', where leading Muslim scholars of the country discussed the topic of 'Inheritance & Will' followed by another discussion on 'Zakat' in June 2015 to create overall awareness of the clients.

# Report of Shari'ah Board
For the year ended December 31, 2015

**Recommendation**

1- The bank should continue to nominate key executives/Islamic Banking staff for certification, diploma programs, seminars and workshops etc.
2- In continuation of Islamic banking awareness program, the bank should keep arranging engagement sessions with its clients in other cities of the country during the year 2016.
3- The bank is advised to offer Islamic Banking Products 'as first choice' while on board customer as new to the bank.

May Allah Subhanah wa Ta'ala accept our endeavours and grant us devotion to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.



**Shaikh Nizam Yaqouby**
Chairman Shari'ah Board



**Mufti Muhammad Abdul Mubeen**
Member Shari'ah Board



**Mufti Irshad Ahmad Aijaz**
Member Shari'ah Board



**Mufti Muhammad Abdullah**
Resident Shari'ah Board Member

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# Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of **Standard Chartered Bank (Pakistan) Limited** ("the Bank") for the year ended 31 December 2015 to comply with the requirements of Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges (now Pakistan Stock Exchange) where the Bank is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statements on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Code requires the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Bank for the year ended 31 December 2015.

KPMG Taseer Hadi & Co.
**Chartered Accountants**

**Date: 03 March 2016**

**Karachi**

# Statement of Compliance with the Code of Corporate Governance

The Board of Directors of Standard Chartered Bank (Pakistan) Limited ("Bank") supports and re-confirms its commitment to continued support and implementation of the highest standards of Corporate Governance at all times.

This statement is being presented to comply with Clause 5.19 of the Code of Corporate Governance ('the Code') as contained in the Rule Book of the Pakistan Stock Exchange (previously listing regulations of Karachi, Lahore & Islamabad Stock Exchanges), for the purpose of establishing a framework of Good Governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Bank has applied the principles contained in the Code in the following manner:

1. The Bank encourages representation of independent non-executive directors on its Board of Directors. At present the Board consists of the following directors:

| | |
|---|---|
| Mr. Sunil Kaushal (Chairman) | Non Executive Director |
| Mr. Shazad Dada (CEO) | Executive Director |
| Mr. Vinod Ramabhadran | Non Executive Director |
| Mr. Ferdinand Pieterse* | Non Executive Director |
| Mr. Najam I. Chaudhri | Independent Non Executive Director |
| Mr. Parvez Ghias | Independent Non Executive Director |
| Mrs. Spenta Kandawalla | Independent Non Executive Director |

   Independent non-executive directors meet the criteria of independence under clause 5.19.1 (b) of the Code.

2. The Directors have confirmed that none of themis serving as a director in more than seven listed companies, including this Bank.

3. All the resident directors of the Bank are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The Bank has adopted Group's 'Code of Conduct', which has been approved by the Board and is disseminated to all the directors and employees of the Bank along with its supporting policies and procedures.

5. The Board has developed and approved a vision/mission statement and overall corporate strategy. The Board has also approved significant policies and adopted certain Standard Chartered Group policies as far as they are in accordance with the local laws and regulations. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO are taken by the Board.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose.

8. Two casual vacancies were created during the year on 01 July 2015 and 28 October 2015.These were filled by the Board on 22 September 2015 and 24 February 2016 respectively.

9. The Board met at least once in every quarter. Notices of meetings, agendas and related papers are circulated at least seven days before the meeting except in case where an emergent meeting is to be held. The minutes of the meetings were appropriately recorded and circulated.

10. The Board approved appointment of CFO, Head of Internal Audit and Company Secretary including their remuneration and terms and conditions of employment. No new appointments have been made during the year except the fresh appointment of CFO.

11. The Board has formed an Audit Committee. The terms of reference of this Committee have been approved by the Board and advised to the Committee for compliance. Committee also ensures independence of the internal audit function and independence and objectivity of the External Auditors.

12. The Audit Committee of the Board comprises of three members. Two members including the Chairman are independent non-executive directors while the other member is a non-executive director.

13. The meetings of the Audit Committee are held at least once every quarter prior to approval of interim and final results of the Bank and as required by the Code.

*Subject to clearance from State Bank of Pakistan*

14. The Board has constituted a Human Resource & Remuneration Committee. It comprises of four members; two independent non-executive directors, an executive director and a non-executive director.

15. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

16. The financial statements of the Bank were duly endorsed by CEO and CFO before approval of the Board.

17. The directors, CEO and executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding. No trading in shares of the Bank was carried out by the Directors, Executives and their spouses and minor children during the year as confirmed by them.

18. All Directors are provided with an Orientation Pack on their appointment. During the period under review, a number of in-house orientation sessions were attended by the directors. All Directors on the Board have completed directors training programs arranged by Pakistan Institute of Corporate Governance (PICG) except for the two Non-Executive Directors for whom training will be arranged in due course of time.

19. The Bank has complied with all the corporate and financial reporting requirements of the Code.

20. The Board has set up an effective Internal Audit department. Head of Internal Audit Department reports directly to the Chairman of the Board Audit Committee. Personnel of internal audit function are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.

21. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

23. Material/ price sensitive information, if any, as described in clause 5.19.13 (c) of the Code has been disseminated to the Stock Exchanges and Securities and Exchange Commission of Pakistan in a timely manner.

24. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

25. The Bank has complied with the requirements as stipulated in clause 5.19.6 (b) of the Code relating to Related Party transactions.

26. All other material principles contained in the Code have been complied with.

By Order of the Board



**Shazad Dada**
Chief Executive Officer

# Six Years Key Financial Data

Rupees in million

| Key Financial Date | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| Revenue | 23,473 | 26,755 | 26,796 | 24,214 | 28,256 | **29,405** |
| Operating Profit | 9,993 | 12,912 | 12,705 | 15,213 | 15,696 | **16,942** |
| Profit before Tax | 5,563 | 8,431 | 9,108 | 16,144 | 15,231 | **15,385** |
| Profit after Tax | 3,606 | 5,446 | 5,911 | 10,528 | 9,725 | **9,288** |
| Net Mark-up Income before provision | 17,278 | 20,540 | 19,480 | 18,329 | 20,863 | **22,308** |
| Non Mark-up Income | 6,195 | 6,215 | 7,316 | 5,885 | 7,393 | **7,097** |
| Non Mark-up Expenses | 13,480 | 13,843 | 14,091 | 9,000 | 12,560 | **12,463** |
| Shareholder's Equity | 48,100 | 51,270 | 50,331 | 52,286 | 54,456 | **55,016** |
| Total Assets | 321,923 | 356,405 | 388,872 | 394,508 | 409,568 | **447,348** |
| Advances - net | 139,269 | 129,620 | 135,184 | 135,495 | 128,590 | **106,785** |
| Investments - net | 72,637 | 104,375 | 131,977 | 146,687 | 189,678 | **225,318** |
| Deposits | 220,266 | 235,953 | 266,670 | 296,557 | 304,504 | **327,238** |
| Expense / Income Ratio | 57% | 52% | 53% | 37% | 44% | **42%** |
| Advances / Deposits Ratio | 63% | 55% | 51% | 46% | 42% | **33%** |
| Return on Equity | 7.78% | 10.96% | 11.63% | 20.52% | 18.22% | **16.97%** |
| Return on Assets | 1.14% | 1.61% | 1.59% | 2.69% | 2.42% | **2.17%** |

Standard Chartered Bank (Pakistan) Limited

# Financial Statements

For the year ended
31 December 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan

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# Auditors' Report to the Members

We have audited the annexed unconsolidated statement of financial position of **Standard Chartered Bank (Pakistan) Limited** ("the Bank") as at 31 December 2015 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year ended 31 December 2015, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, which in case of loans and advances covered more than 60% of the total loans and advances of the Bank, we report that:

a) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984);

b) in our opinion:

   i) the statement of financial position and the related profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied except for the change in accounting policy as disclosed in note 3 to the accompanying financial statements, with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Bank's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;

c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's affairs as at 31 December 2015 and its true balance of profit, its cash flows and its changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source, under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

**Date: 03 March 2016**

**Karachi**

**KPMG Taseer Hadi & Co.**
**Chartered Accountants**
**Muhammad Taufiq**

# Un-Consolidated Statement of Financial Position
As at 31 December 2015

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | 4 | **29,482,134** | 21,475,345 |
| Balances with other banks | 5 | **4,300,002** | 387,301 |
| Lendings to financial institutions | 6 | **26,969,566** | 10,813,559 |
| Investments | 7 | **225,318,405** | 189,678,370 |
| Advances | 8 | **106,784,996** | 128,590,059 |
| Operating fixed assets | 9 | **5,963,952** | 6,282,553 |
| Intangible assets | 10 | **26,126,720** | 26,173,114 |
| Other assets | 12 | **22,402,016** | 26,167,582 |
| | | **447,347,791** | 409,567,883 |
| **LIABILITIES** | | | |
| Bills payable | 13 | **11,401,191** | 5,563,605 |
| Borrowings | 14 | **21,784,451** | 17,244,671 |
| Deposits and other accounts | 15 | **327,237,527** | 304,503,668 |
| Sub-ordinated loans | 16 | **2,500,000** | 2,500,000 |
| Deferred tax liabilities - net | 11 | **3,221,120** | 2,575,833 |
| Other liabilities | 17 | **19,253,047** | 16,464,654 |
| | | **385,397,336** | 348,852,431 |
| **NET ASSETS** | | **61,950,455** | 60,715,452 |
| **REPRESENTED BY:** | | | |
| Share capital | 18 | **38,715,850** | 38,715,850 |
| Reserves | 19 | **10,847,005** | 8,989,320 |
| Unappropriated profit | | **5,453,310** | 6,751,303 |
| | | **55,016,165** | 54,456,473 |
| Surplus on revaluation of assets - net of deferred tax | 20 | **6,934,290** | 6,258,979 |
| | | **61,950,455** | 60,715,452 |
| **CONTINGENCIES AND COMMITMENTS** | 21 | | |

The annexed notes 1 to 42 and Annexure I form an integral part of these un-consolidated financial statements.

| | | | |
|---|---|---|---|
| Shazad Dada<br>Chief Executive Officer | Najam I. Chaudhri<br>Director | Parvez Ghias<br>Director | Spenta Kandawalla<br>Director |

# Un-Consolidated Profit and Loss Account

For the year ended 31 December 2015

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Mark-up / return / interest earned | 22 | **32,937,559** | 34,105,789 |
| Mark-up / return / interest expensed | 23 | **(10,629,849)** | (13,242,563) |
| **Net mark-up / return / interest income** | | **22,307,710** | 20,863,226 |
| Provision against non-performing loans and advances - net | 8.3 & 17.2 | **(1,616,385)** | (489,241) |
| Recovery of amounts written off | | **245,573** | 312,891 |
| Provision for diminution in the value of investments | 7.3 | **(4,729)** | (74,151) |
| Bad debts written off directly | 8.5.1 | **(181,865)** | (215,344) |
| | | **(1,557,406)** | (465,845) |
| **Net mark-up / return / interest income after provisions** | | **20,750,304** | 20,397,381 |
| **NON MARK-UP / NON INTEREST INCOME** | | | |
| Fees, commission and brokerage income | | **3,671,329** | 3,300,165 |
| Dividend income | | **14,977** | 84,204 |
| Income from dealing in foreign currencies | | **2,061,390** | 2,908,748 |
| Gain on sale of securities - net | 24 | **1,015,697** | 727,267 |
| Unrealized gain on revaluation of investments classified as held for trading | 7.10 | **4,042** | 54,460 |
| Other income | 25 | **329,689** | 318,029 |
| **Total non mark-up / non interest income** | | **7,097,124** | 7,392,873 |
| | | **27,847,428** | 27,790,254 |
| **NON MARK-UP / NON INTEREST EXPENSES** | | | |
| Administrative expenses | 26 | **(12,104,946)** | (12,247,951) |
| Other (provisions) / reversal / asset write-offs | 27 | **(3,164)** | - |
| Other charges | 28 | **(354,699)** | (311,740) |
| **Total non mark-up / non interest expenses** | | **(12,462,809)** | (12,559,691) |
| | | **15,384,619** | 15,230,563 |
| Extra-ordinary / unusual items | | **-** | - |
| **PROFIT BEFORE TAXATION** | | **15,384,619** | 15,230,563 |
| Taxation - current | | **(5,105,573)** | (4,255,131) |
| - prior years' | | **(697,323)** | (187,994) |
| - deferred | | **(293,297)** | (1,062,535) |
| | 29 | **(6,096,193)** | (5,505,660) |
| **PROFIT AFTER TAXATION** | | **9,288,426** | 9,724,903 |
| | | (Rupees) | |
| **BASIC / DILUTED EARNINGS PER SHARE** | 30 | **2.40** | 2.51 |

The annexed notes 1 to 42 and Annexure I form an integral part of these un-consolidated financial statements.

| Shazad Dada | Najam I. Chaudhri | Parvez Ghias | Spenta Kandawalla |
|---|---|---|---|
| Chief Executive Officer | Director | Director | Director |

# Un-Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| **Profit after tax for the year** | **9,288,426** | 9,724,903 |
| **Other comprehensive income** | | |
| **Items that will never be reclassified to profit or loss subsequently** | | |
| Remeasurement of post employment obligations | **(81,349)** | 3,023 |
| Related tax charge | **28,472** | (1,058) |
| | **(52,877)** | 1,965 |
| **Comprehensive income transferred to equity** | **9,235,549** | 9,726,868 |
| **Components of comprehensive income not reflected in equity** | | |
| Surplus on revaluation of available for sale securities- net | **1,087,035** | 3,834,308 |
| Related tax charge | **(380,462)** | (1,342,007) |
| | **706,573** | 2,492,301 |
| Surplus on revaluation of operating fixed assets | **-** | 380,110 |
| Related tax charge | **-** | (51,480) |
| | **-** | 328,630 |
| **Total comprehensive income for the year** | **9,942,122** | 12,547,799 |

The annexed notes 1 to 42 and Annexure I form an integral part of these un-consolidated financial statements.

Shazad Dada
Chief Executive Officer

Najam I. Chaudhri
Director

Parvez Ghias
Director

Spenta Kandawalla
Director

# Un-Consolidated Cash Flow Statement

For the year ended 31 December 2015

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit before taxation for the year | | 15,384,619 | 15,230,563 |
| Less: Dividend income | | (14,977) | (84,204) |
| | | 15,369,642 | 15,146,359 |
| **Adjustments for:** | | | |
| Depreciation | | 475,501 | 478,888 |
| Amortization | | 46,394 | 48,803 |
| Gain on disposal of fixed assets - net | | (3,460) | (12,366) |
| Unrealized gain on revaluation of investments classified as held for trading - net | | (4,042) | (54,460) |
| Asset write-offs / other provisions / (reversals) | | 3,164 | - |
| Provision for diminution in the value of investments | | 4,729 | 74,151 |
| Provision against non-performing loans and advances - net of recoveries | | 1,552,677 | 391,694 |
| | | 2,074,963 | 926,710 |
| | | 17,444,605 | 16,073,069 |
| **Decrease / (increase) in operating assets** | | | |
| Lendings to financial institutions | | (16,156,007) | 11,345,281 |
| Net investments in 'held for trading' securities | | 6,725,869 | (7,100,324) |
| Advances | | 20,252,386 | 6,513,279 |
| Other assets (excluding advance taxation) | | 4,334,575 | (2,381,823) |
| | | 15,156,823 | 8,376,413 |
| **Increase / (decrease) in operating liabilities** | | | |
| Bills payable | | 5,837,586 | (976,608) |
| Borrowings from financial institutions | | 4,539,780 | 678,496 |
| Deposits and other accounts | | 22,733,859 | 7,946,677 |
| Other liabilities | | 2,740,288 | 714,512 |
| | | 35,851,513 | 8,363,077 |
| **Cash inflow before taxation** | | 68,452,941 | 32,812,559 |
| Income tax paid | | (6,453,254) | (4,218,281) |
| **Net cash generated from operating activities** | | 61,999,687 | 28,594,278 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Net investments in 'available for sale' securities | | (41,279,556) | (32,076,713) |
| Dividend income received | | 14,977 | 84,204 |
| Net investment in fixed assets (including intangible assets) | | (203,814) | (228,364) |
| Sale proceeds on disposal of operating fixed assets | | 47,210 | 14,621 |
| **Net cash used in investing activities** | | (41,421,183) | (32,206,252) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Dividend paid | | (8,659,014) | (8,308,021) |
| **Net cash used in financing activities** | | (8,659,014) | (8,308,021) |
| **Increase / (decrease) in cash and cash equivalents for the year** | | 11,919,490 | (11,919,995) |
| Cash and cash equivalents at beginning of the year | | 21,862,646 | 33,782,641 |
| Cash and cash equivalents at end of the year | | 33,782,136 | 21,862,646 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | | | |
| Cash and balances with treasury banks | | 29,482,134 | 21,475,345 |
| Balances with other banks | | 4,300,002 | 387,301 |
| | 31 | 33,782,136 | 21,862,646 |

The annexed notes 1 to 42 and Annexure I form an integral part of these un-consolidated financial statements.

| Shazad Dada | Najam I. Chaudhri | Parvez Ghias | Spenta Kandawalla |
|---|---|---|---|
| Chief Executive Officer | Director | Director | Director |

# Un-Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

| | Share Capital | Share Premium | Statutory Reserve | Unappropriated Profit (a) | Total |
|---|---|---|---|---|---|
| | (Rupees in '000) | | | | |
| **Balance as at 01 January 2014** | 38,715,850 | 1,036,090 | 6,008,249 | 6,526,127 | 52,286,316 |
| **Total Comprehensive income for the year** | | | | | |
| Profit after tax for year ended 31 December 2014 | - | - | - | 9,724,903 | 9,724,903 |
| Surplus on revaluation of assets - net of tax | - | - | - | 340 | 340 |
| Other Comprehensive income | | | | | |
| Remeasurement of post employment obligations - net of tax | - | - | - | 1,965 | 1,965 |
| | - | - | - | 9,727,208 | 9,727,208 |
| **Transactions with owners, recorded directly in equity** | | | | | |
| Share based payment transactions (contribution from holding company) | - | - | - | 82,231 | 82,231 |
| Payment against share based payment transactions (to holding company) | - | - | - | 10,157 | 10,157 |
| | - | - | - | 92,388 | 92,388 |
| Reversal of liability against share based payment to holding company | - | - | - | 670,156 | 670,156 |
| Transfer to statutory reserve | - | - | 1,944,981 | (1,944,981) | - |
| Cash dividend (Final 2013) at Rs. 1.40 per share | - | - | - | (5,420,219) | (5,420,219) |
| Cash dividend (Interim 2014) at Rs. 0.75 per share | - | - | - | (2,903,689) | (2,903,689) |
| Transferred from surplus on revaluation of fixed asset - net of deferred tax | - | - | - | 4,313 | 4,313 |
| Balance as at 31 December 2014 | 38,715,850 | 1,036,090 | 7,953,230 | 6,751,303 | 54,456,473 |
| **Total Comprehensive income for the year** | | | | | |
| Profit after tax for year ended 31 December 2015 | - | - | - | 9,288,426 | 9,288,426 |
| Surplus on revaluation of assets - net of tax | - | - | - | 6,358 | 6,358 |
| Other Comprehensive income | | | | | |
| Remeasurement of post employment obligations - net of tax | - | - | - | (52,877) | (52,877) |
| | - | - | - | 9,241,907 | 9,241,907 |
| **Transactions with owners, recorded directly in equity** | | | | | |
| Share based payment transactions (contribution from holding company) | - | - | - | 25,695 | 25,695 |
| Payment against share based payment transactions (to holding company) | - | - | - | 15,163 | 15,163 |
| | - | - | - | 40,858 | 40,858 |
| Transfer to statutory reserve | - | - | 1,857,685 | (1,857,685) | - |
| Remeasurement of liability against share based payment to holding company | - | - | - | (36,910) | (36,910) |
| Cash dividend (Final 2014) at Rs. 1.50 per share | - | - | - | (5,807,378) | (5,807,378) |
| Cash dividend (Interim 2015) at Rs. 0.75 per share | - | - | - | (2,903,689) | (2,903,689) |
| Transferred from surplus on revaluation of fixed asset - net of deferred tax | - | - | - | 24,904 | 24,904 |
| **Balance as at 31 December 2015** | 38,715,850 | 1,036,090 | 9,810,915 | 5,453,310 | 55,016,165 |

(a) As further explained in note 8.2.1 of these un-consolidated financial statements the amount of Rs. 505.713 million as at 31 December 2015 represents additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders / bonus to employees.

The annexed notes 1 to 42 and Annexure I form an integral part of these un-consolidated financial statements.

Shazad Dada
Chief Executive Officer

Najam I. Chaudhri
Director

Parvez Ghias
Director

Spenta Kandawalla
Director

## 1. STATUS AND NATURE OF BUSINESS

Standard Chartered Bank (Pakistan) Limited ("the Bank") was incorporated in Pakistan on 19 July 2006 and was granted approval for commencement of banking business by State Bank of Pakistan, with effect from 30 December 2006. The ultimate holding company of the Bank is Standard Chartered PLC, incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006. The Bank's shares are listed on all stock exchanges of Pakistan (subsequent to year end due to demutualization, all stock exchanges are integrated into Paksitan Stock Exchange).

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 101 branches in Pakistan (2014: 116 branches in Pakistan) in operation at 31 December 2015.

Standard Chartered Bank (Pakistan) Limited has the following three subsidiaries. All of them are incorporated in Pakistan.

- Standard Chartered Leasing Limited
- Standard Chartered Modaraba
- Standard Chartered Services of Pakistan (Private) Limited

The Bank decided to divest its entire shareholding in its subsidiaries namely Standard Chartered Leasing Limited, Standard Chartered Modaraba and Standard Chartered Services of Pakistan (Private) Limited (management company of Standard Chartered Modaraba). On 1 September 2015, the bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator and shareholders.

These financial statements are separate financial statements of the Bank. Consolidated financial statements are presented separately.

## 2. BASIS OF PREPARATION

### 2.1 Basis of presentation

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. One permissible form of trade related mode of financing comprises of purchase of goods by the Bank from its customers and immediate resale to them at appropriate profit 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 utilised and the appropriate portion of profit thereon.

The financial results of the Islamic banking branches have been consolidated in these financial statements for reporting purposes. Key financial figures of the Islamic banking branches are disclosed in note 41 to these financial statements.

### 2.2 Statement of compliance

These 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 (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 and Banking Companies Ordinance, 1962 and the directives issued by State Bank of Pakistan. In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 and Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan shall prevail.

The Securities and Exchange Commission of Pakistan has approved and notified the adoption of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40). The requirements of these standards have not been followed in the preparation of these financial statements as the State Bank of Pakistan has deferred the implementation of these standards for banks in Pakistan till further instructions. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the State Bank of Pakistan.

### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain available for sale, trading and derivative financial instruments have been measured at fair value, whereas certain fixed assets are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, where applicable.

### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following:

| | |
|---|---|
| - Note 7 | Classification and provisioning against investments |
| - Note 8.3 | Classification and provisioning against non-performing advances |
| - Note 9 & 10 | Valuation and depreciation / amortisation rates for fixed / intangible assets |
| - Note 9 & 10 | Impairment of non-financial assets including goodwill and other intangibles. |
| - Note 11 | Deferred taxation |
| - Note 21.8 | Derivative instruments |
| - Note 29 | Income taxes |
| - Note 33 | Employees' retirement defined benefit plans |

### 2.5 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Bank's functional currency. Except as indicated, financial information presented in Pakistan Rupees has been rounded to the nearest thousand.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented except for the standards mentioned in note 3.27 which became effective during the year:

### 3.1 Business acquisitions

**Acquisitions from entities under common control**

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented. For this purpose comparatives are restated, where required. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the combining entity's financial statements.

**Other acquisitions**

Other business combinations are accounted for using the acquisition method. For acquisition prior to 1 January 2009, the cost of acquisition is measured as the fair value of the asset given, equity instruments issued and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired are fair valued at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill. Subsequently, any recoveries or losses to fair value of net assets are taken to profit and loss account and disclosed in note 25 to these financial statements.

### 3.2 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise of cash and balances with treasury banks and balances with other banks.

### 3.3 Investments

The Bank classifies its investments as follows:

**a) 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 carried at market value. The surplus / deficit arising as a result of revaluation at market value is recognised in the profit and loss account. These securities are to be sold within 90 days from the date of their classification as 'Held for trading' under normal circumstances, in accordance with the requirements specified by BSD Circular 10 dated 13 July 2004 issued by the State Bank of Pakistan. Market value of investment in Government securities is determined based on the relevant PKRV and PKISRV rates.

**b) 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.

**c) Available for sale**

These are investments that do not fall under the held for trading or held to maturity categories and are carried at market value. The surplus / deficit arising as a result of revaluation at market value is kept in a separate account below equity. Market value of investment in Government securities is determined based on the relevant PKRV and PKISRV rates.

**d) Subsidiaries**

Investments in subsidiaries are carried at cost less impairment in value, if any.

All 'regular way' purchases and sales of investments are recognised on the trade date i.e. the date that the bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of investments that require delivery of assets within the time frame generally established by regulation or convention in the market place.

**Impairment**

Impairment loss in respect of equity securities classified as available for sale and subsidiaries is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the State Bank of Pakistan. In case of impairment of available for sale securities, the cumulative loss that has been recognised directly in surplus / (deficit) on revaluation of securities on the statement of financial position below equity is removed there from and recognised in the profit and loss account. For investments in subsidiaries, the impairment loss is recognised in the profit and loss account.

### 3.4 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') remain on the balance sheet; the counterparty liability is included in borrowings from financial institutions. Securities purchased under agreements to resell ('reverse repos') are recorded as lendings to financial institutions. The difference between sale and repurchase price is treated as interest / mark-up / return and accrued over the life of the underlying agreement using the effective interest method.

### 3.5 Advances

Advances are stated net of provision against non-performing advances. Specific and general provisions are made based on an appraisal of the loan portfolio that takes into account Prudential Regulations issued by the State Bank of Pakistan from time to time. Specific provisions are made where the repayment of identified loans is in doubt and reflect an estimate of the amount of loss expected. The general provision is for the inherent risk of losses which, although not separately identified, are known from experience to be present in any loan portfolio. Provision made / reversed during the year is charged to the profit and loss account and accumulated provision is netted off against advances. Advances are written-off when there is no realistic prospect of recovery.

When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is presented within loans and advances.

Murabaha financings are reflected as receivables at the sale price. Actual sale and purchase is not reflected as the goods are purchased by the customer as agent of the Bank and all documents relating to purchase are in customer's name. Funds disbursed under Murabaha financing arrangements for purchase of goods are recorded as Advance Against Murabaha.

In Diminishing Musharaka based financing, the Bank enters into a Musharaka based on Shirkat-ul-milk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers and enters into a periodic rental payment agreement for the utilization of the Bank's Musharaka share by the customer.

Assets under Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses ,if any. Assets under Ijarah are depreciated over the term of the lease.

Musharakah is a partnership contract where the Bank enters into financing relationship with the customer based on Shirkat-ul-Aqd. The profits are shared as per agreed ratios between partners and losses are borne in proportion to their respective capital contributions.

### 3.6 Operating fixed assets - Tangible

**Owned**

Operating fixed assets, other than land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses thereon. Cost includes expenditure that is directly attributable to the acquisition of fixed assets. Land and buildings are stated at revalued amounts less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or are 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. All other repairs and maintenance expenditures are charged to profit and loss account during the financial period in which they are incurred.

Land and buildings are revalued by independent professionally qualified valuer(s). Surplus arising on revaluation is credited to the 'surplus on revaluation of fixed assets' account (net of deferred tax). Under the provisions of the Companies Ordinance, 1984, deficit arising on revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account. The revaluation is carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would have been determined using fair value at the balance sheet date.

Accumulated depreciation on owned buildings, at the date of revaluation, is eliminated against the gross carrying amount of buildings. The net amount is then restated to the revalued amount.

Surplus on revaluation of fixed assets (net of deferred tax) is transferred to unappropriated profit to the extent of incremental depreciation charged on related assets.

Land is not depreciated. Depreciation on all other fixed assets is calculated using the straight line method to allocate their depreciable cost or revalued amount to their residual values over their estimated useful lives.

The residual values and useful lives of fixed assets are reviewed, and adjusted (if appropriate) at each balance sheet date.

Gains and losses on disposal of fixed assets are included in profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profits.

**Leased**

Fixed assets held under finance lease are stated at the lower of fair value of asset and present value of minimum lease payments at the inception of lease, less accumulated depreciation. 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. Depreciation is charged on the basis similar to owned assets.

### 3.7 Intangible assets

**Goodwill**

Goodwill represents the excess of cost of an acquisition over the fair value of the share of net identifiable assets acquired at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment.

**Computer software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful lives using the straight line method.

**Acquired intangibles in business combination**

Acquired intangibles in business combination that have finite lives are amortised over their economic useful life based on the manner that benefits of the relevant assets are consumed.

### 3.8 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

### 3.9 Staff retirement benefits

**Defined benefit plan**

The Bank operates approved funded pension and gratuity schemes for all its non-management employees, and a management pension scheme only for its existing pensioners.

For defined benefit plans, the net defined benefit liability /asset recognised in the balance sheet is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The deficit or surplus is:

(a) the present value of the defined benefit obligation less
(b) the fair value of plan assets (if any).

The present value of defined benefit obligation is calculated annually by independent actuaries by discounting the estimated future cash flows using an interest rate equal to the yield on high-quality corporate bonds.

Actuarial gains or losses that arise are recognised in other comprehensive income in the period they arise. Service cost and Net interest on net defined benefit liability / (asset) are also recognised in profit and loss account.

**Defined contribution plan**

The Bank also operates a defined contribution gratuity scheme for all its management staff, and a provident fund scheme for all its permanent staff, contributing at 8.33 percent and 10 percent of basic salary respectively.

### 3.10 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan Rupees at exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Pakistan Rupees at the exchange rate prevailing at that reporting date. Foreign currency differences arising on retranslation are recognised in profit or loss.

### 3.11 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year (using tax rates enacted or substantively enacted at the balance sheet date), and any adjustment to tax payable in respect of previous years.

**Deferred tax**

Deferred tax is provided for using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on temporary differences relating to: (i) the initial recognition of goodwill; (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and (iii) differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.12 Revenue recognition

Mark-up / return on advances and investments is recognised on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Mark-up recoverable on classified loans, advances and investments is recognised on a receipt basis in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan. Mark-up on rescheduled / restructured loans, advances and investments is also recognised in accordance with the requirements of these Prudential Regulations.

Where debt securities are purchased at a premium or discount, those premiums / discounts are amortized through profit and loss account over the remaining maturity, using the Effective Yield Method.

Fees and commission income are generally recognised on an accrual basis when the service has been provided. Fees and commission which in substance amount to an additional interest charge, are recognised over the life of the underlying transaction on a level yield basis.

Dividend income is recognised when the right to receive income is established.

The cost from award credits for loyalty points earned on use of various products of the Bank is measured by reference to their fair value and is recognised when award credits are redeemed.

Murabaha transactions are reflected as receivable at sale price. Actual sale and purchase are not reflected as the goods are purchased by the customer as agent of the Bank. Profit on the sales revenue not due for payment is deferred by recording a credit to 'Deferred Murabaha Income' account.

Ijarah rentals are recognised as income over the term of the contract net of depreciation expense relating to the Ijarah assets.

### 3.13 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. 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 financial instruments is taken to profit and loss account.

### 3.14 Provisions

Provisions for restructuring costs and legal claims are recognised when: (i) the Bank has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated.

### 3.15 Fiduciary activities

The Bank commonly acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions for which it earns a fee. These assets and its related income arising thereon are excluded from these financial statements, as they are not assets of the Bank.

### 3.16 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products 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. The Bank's primary format for segment reporting is based on business segments. A brief description of the products and services offered by different segments of the Bank is given in note 37 to these financial statements.

### 3.17 Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3.18 Subordinated liabilities

Subordinated liabilities are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

### 3.19 Non-current assets and disposal groups held for sale

Non-current assets and disposal groups comprising of assets and liabilities that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before being classified as held for sale, the assets and components of disposal group are remeasured in accordance with the Bank's accounting policies. Thereafter, the assets and disposal group are measured at the lower of their carrying values and fair values less cost to sell.

### 3.20 Share-based compensation

The Group operates various share-based compensation plans which are accounted for as equity settled share based payment transactions, regardless of inter group repayment arrangements. The cost for such share based payment transactions is determined by reference to the fair value of options at the grant date. The fair value is determined based on the market price or using an appropriate valuation technique. The cost is charged to profit and loss account and credited to equity as a contribution from parent. The liability for these transactions which is based on the fair value of these options at the settlement date is settled through debiting equity.

### 3.21 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as off-balance sheet transactions.

### 3.22 Basic and diluted 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 period / 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 convertible dilutive potential ordinary shares in issue at 31 December 2015.

### 3.23 Dividend and appropriation to reserves

Dividend and appropriation to reserves, except appropriation which are required by law after the balance sheet date, are recognised as liability in the Bank's financial statements in the year in which these are approved.

### 3.24 Borrowings / deposits and their cost

- Borrowings / deposits are recorded at the time when the proceeds are received.
- Borrowing / deposit costs are recognised as an expense in the period in which these are incurred using effective mark-up / interest rate method.

### 3.25 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial and other institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposit accounts and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

### 3.26 Provision for guarantee claims and other off balance sheet obligations

Provision for guarantee claims and other off balance sheet obligations are recognised when intimated and reasonable certainty exists for the Bank to settle the obligation. Charge to profit and loss account is stated net of expected recoveries.

### 3.27 New, Amended And Revised Standards And Interpretations of IFRSs

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 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 The application of IFRS 10 did not result in any investee being in control of the Bank.

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 doesnot have any impact on the Bank's financial statements except for disclosures in note 36.

### 3.28 New standards and interpretations not yet adopted

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 January 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- 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.

Certain amendments / improvements may impact the financial statements of the Bank and the management is in the process of assessing the full impact of the change.

## 4 CASH AND BALANCES WITH TREASURY BANKS

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In hand | | | |
| - Local currency | 4.1 | **3,135,496** | 2,374,613 |
| - Foreign currencies | | **3,586,031** | 2,168,908 |
| With State Bank of Pakistan in: | | | |
| - Local currency current account | | **8,814,291** | 2,351,724 |
| - Local currency current account-Islamic Banking | | **1,468,964** | 1,476,212 |
| - Foreign currency deposit account | | | |
| Cash reserve account | | **3,051,786** | 3,132,302 |
| Special cash reserve account | | **8,521,249** | 8,593,265 |
| Local US Dollar collection account | | **42,833** | 104,283 |
| With National Bank of Pakistan in: | | | |
| - Local currency current account | | **861,484** | 1,274,038 |
| | | **29,482,134** | 21,475,345 |

**4.1** This includes National Prize Bonds of Rs. 1.055 million (2014: Rs. 2.282 million).

## 5 BALANCES WITH OTHER BANKS

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In Pakistan | | | |
| - In current accounts | | - | - |
| Outside Pakistan | 5.1 | **4,300,002** | 387,301 |
| - In current accounts | | **4,300,002** | 387,301 |

**5.1** This includes balances of Rs.4,253.892 million (2014: Rs.337.420 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

## 6 LENDINGS TO FINANCIAL INSTITUTIONS

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Call money lendings | 6.1 | **2,000,000** | - |
| Repurchase agreement lendings (Reverse Repo) | 6.2&6.6 | **2,000,000** | 2,500,000 |
| Bai-Muajjal of Ijarah Sukuk | 6.3 | **6,518,946** | - |
| Placements | 6.4 | **16,450,620** | 8,313,559 |
| | | **26,969,566** | 10,813,559 |

**6.1** These carry mark-up rates ranging from 6.25 percent to 6.45 percent per annum payable at maturity, and are due to mature during Janaury 2016.

**6.2** These carry mark-up at rate 6.35 percent per annum (2014: 9.6 percent per annum) payable at maturity, and are due to mature during Janaury 2016. These arrangements are governed under Master Repurchase Agreements.

**6.3** This represents lending to State Bank of Pakistan under Bai-Muajjal agreement at a return of 5.93 percent per annum (2014: Nil) and due to mature in November 2016.

**6.4** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.18 percent to 0.35 percent per annum (2014: 0.06 percent to 0.35 percent per annum), and are due to mature during January 2016.

### 6.5 Particulars of lending

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| | | **10,518,946** | 2,500,000 |
| In local currency | | **16,450,620** | 8,313,559 |
| In foreign currencies | | **26,969,566** | 10,813,559 |

### 6.6 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) | | | | | |
| Pakistan Investment Bonds | 2,000,000 | - | 2,000,000 | 2,500,000 | - | 2,500,000 |
| | 2,000,000 | - | 2,000,000 | 2,500,000 | - | 2,500,000 |

**6.6.1** The market value of securities held as collateral against lendings to financial institutions amounted to Rs. 2,074.792 million (2014: Rs. 2,561.559 million).

| 7 INVESTMENTS | | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|---|
| | | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| **7.1 Investments by type** | Note | (Rupees in '000) | | | | | |
| **Held for trading securities** | | | | | | | |
| Market Treasury Bills | | 246,513 | - | 246,513 | 6,498,875 | - | 6,498,875 |
| Pakistan Investment Bonds | | 1,240,669 | - | 1,240,669 | 1,715,203 | - | 1,715,203 |
| Sukuk and Ijarah Bonds | | 1,990 | - | 1,990 | 963 | - | 963 |
| **Available for sale securities** | | | | | | | |
| Market Treasury Bills | 7.6 | 67,952,335 | 1,192,726 | 69,145,061 | 50,447,654 | 2,295,115 | 52,742,769 |
| Pakistan Investment Bonds | 7.6 | 143,388,679 | 18,953 | 143,407,632 | 112,011,680 | 18,696 | 112,030,376 |
| Ordinary shares of listed companies | 7.7 | 662,061 | - | 662,061 | 662,061 | - | 662,061 |
| Term Finance Certificates -unlisted | 7.9 | 285,025 | - | 285,025 | 285,025 | - | 285,025 |
| Ordinary shares of unlisted companies | 7.8 | 3,004 | - | 3,004 | 3,004 | - | 3,004 |
| Sukuk and Ijarah Bonds - unlisted | 7.6 & 7.9 | 5,425,000 | - | 5,425,000 | 11,870,532 | - | 11,870,532 |
| **Investments at cost** | | 219,205,276 | 1,211,679 | 220,416,955 | 183,494,997 | 2,313,811 | 185,808,808 |
| Provision for diminution in the value of investments | 7.3 | (808,221) | - | (808,221) | (803,492) | - | (803,492) |
| **Investments (net of provisions)** | | 218,397,055 | 1,211,679 | 219,608,734 | 182,691,505 | 2,313,811 | 185,005,316 |
| Surplus on revaluation of held for trading securities - net | 7.10 | 4,042 | - | 4,042 | 54,460 | - | 54,460 |
| Surplus / (Deficit) on revaluation of available for sale securities - net | | 5,018,926 | 430 | 5,019,356 | 3,931,060 | 1,261 | 3,932,321 |
| | | 223,420,023 | 1,212,109 | 224,632,132 | 186,677,025 | 2,315,072 | 188,992,097 |
| **Subsidiaries - Held for sale** | 7.11 | 686,273 | - | 686,273 | 686,273 | - | 686,273 |
| **Total Investments - net** | | 224,106,296 | 1,212,109 | 225,318,405 | 187,363,298 | 2,315,072 | 189,678,370 |

| 7.2 Investments by segment | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Federal Government Securities** | | | |
| Market Treasury Bills | | **69,391,574** | 59,241,644 |
| Pakistan Investment Bonds | | **144,648,301** | 113,745,579 |
| GoP Ijarah Sukuk Bonds | | **4,001,990** | 10,396,495 |
| **Fully paid up ordinary shares** | | | |
| Listed companies | | **662,061** | 662,061 |
| Unlisted companies | | **3,004** | 3,004 |
| **Bonds and Term Finance Certificates - Unlisted** | | | |
| Term Finance Certificates | | **285,025** | 285,025 |
| Sukuk and Ijarah Bonds | | **1,425,000** | 1,475,000 |
| **Total investment at cost** | | **220,416,955** | 185,808,808 |
| Less: Provision for diminution in the value of investments | 7.3 | **(808,221)** | (803,492) |
| **Investment (net of provisions)** | | **219,608,734** | 185,005,316 |
| Surplus on revaluation of held for trading securities - net | | **4,042** | 54,460 |
| Surplus on revaluation of available for sale securities - net | 20.2 | **5,019,356** | 3,932,321 |
| | | **224,632,132** | 188,992,097 |
| **Investment in subsidiaries - Held for sale** | 7.11 | **686,273** | 686,273 |
| **Total Investments - net** | | **225,318,405** | 189,678,370 |

| 7.3 Particulars of provision for diminution in the value of investments | | | |
|---|---|---|---|
| Opening balance | | **803,492** | 860,157 |
| Charge for the year | | **4,729** | 74,151 |
| Reversals | | **-** | - |
| Net charge | | **4,729** | 74,151 |
| Provision against investment in subsidiaries classified as held for sale | | **-** | (130,816) |
| Closing Balance | 7.3.1 | **808,221** | 803,492 |

| 7.3.1 The details of provision held against investments are as follows: | | | |
|---|---|---|---|
| Ordinary shares / units - available for sale | 7.7 & 7.8 | **523,196** | 518,467 |
| Term Finance Certificates -unlisted | 7.9 | **285,025** | 285,025 |
| | | **808,221** | 803,492 |

**7.4** Investments include securities having book value of Rs. 18.953 million (2014: Rs. 18.696 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

**7.5** Market Treasury Bills and Pakistan Investment Bonds are eligible for discounting with the State Bank of Pakistan.

| Quality of 'Available for Sale' securities | Note | 2015 Rating | 2015 Cost | 2015 Market value | 2014 Rating | 2014 Cost | 2014 Market value |
|---|---|---|---|---|---|---|---|
| **7.6 Federal Government Securities** | | (Rupees in '000) | | | (Rupees in '000) | | |
| Market Treasury Bills | | Unrated | 69,145,061 | 69,193,099 | Unrated | 52,742,769 | 52,763,082 |
| Pakistan Investment Bonds | | Unrated | 143,407,632 | 148,330,821 | Unrated | 112,030,376 | 115,918,348 |
| GoP Ijarah Sukuk Bonds | 7.9.3 | Unrated | 4,000,000 | 4,016,000 | Unrated | 10,395,532 | 10,419,840 |
| Total | | | 216,552,693 | 221,539,920 | | 175,168,677 | 179,101,270 |

**7.7 Particulars of shares held - listed**

| 2015 (Number of shares) | 2014 (Number of shares) | | 2015 Rating | 2015 Cost | 2015 Market value | 2014 Rating | 2014 Cost | 2014 Market value |
|---|---|---|---|---|---|---|---|---|
| | | | (Rupees in '000) | | | (Rupees in '000) | | |
| 18,916,023 | 18,916,023 | Agritech Limited | D | 662,061 | 662,061 | D | 662,061 | 662,061 |
| | | | | 662,061 | 662,061 | | 662,061 | 662,061 |
| | | Provision for diminution in the value - note 7.3.1 | | - | (520,192) | | - | (515,463) |
| | | Surplus on revaluation | | - | 34,995 | | - | - |
| | | Total | | 662,061 | 176,864 | | 662,061 | 146,598 |

All shares are ordinary shares of Rs. 10 each except otherwise mentioned.

**7.8 Particulars of shares held - unlisted**

| 2015 (Number of shares) | 2014 (Number of shares) | | 2015 Rating | 2014 Rating | 2015 (Rupees in '000) | 2014 (Rupees in '000) |
|---|---|---|---|---|---|---|
| 573,769 | 573,769 | Pakistan Export Finance Guarantee Agency Limited<br>Chairman : Mr Muneer Kamal | Unrated | Unrated | 3,004 | 3,004 |
| | | | | | 3,004 | 3,004 |
| | | Provision for diminution in the value 7.3.1 | | | (3,004) | (3,004) |
| | | | | | - | - |

**7.9 Bonds and Term Finance Certificates - unlisted**

| | 2015 (Rupees in '000) | 2014 (Rupees in '000) |
|---|---|---|
| **Term Finance Certificates of Rs. 5,000 each** | | |
| Agritech Limited | 147,000 | 147,000 |
| Azgard Nine Limited | 138,025 | 138,025 |
| | 285,025 | 285,025 |
| Provision for diminution in the value 7.3.1 | (285,025) | (285,025) |
| | - | - |

**Sukuk and Ijarah Bonds**

| | Note | 2015 Rating | 2015 Cost | 2015 Market value | 2014 Rating | 2014 Cost | 2014 Market value |
|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | (Rupees in '000) | | |
| Wapda Sukuk Bonds | 7.9.1 | Unrated | 100,000 | 97,134 | Unrated | 150,000 | 149,728 |
| Pakistan International Airlines (PIA) Sukuk Bonds | 7.9.2 | Unrated | 1,325,000 | 1,325,000 | Unrated | 1,325,000 | 1,325,000 |
| | | | 1,425,000 | 1,422,134 | | 1,475,000 | 1,474,728 |

**7.9.1** Wapda Sukuk Bonds carry mark-up rates 0.29% above 6 months KIBOR. The principal and profit is payable semi-annually with maturity in July 2017.

7.9.2 PIA Sukuk bonds carry mark-up rates 1.75% above 6 months KIBOR. The principal and profit is payable semi-annually with maturity in October 2019.

7.9.3 GoP Ijarah Sukuk Bonds carry mark-up rates of 0.22% below weighted average yield of 6 months treasury bills. The profit is payable semi-annually with principal redemption at maturity falling due on March 2016.

| 7.10 Unrealized gain / (loss) on revaluation of investments classified as held for trading | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Market Treasury Bills | | 148 | 41,237 |
| Pakistan Investment Bonds | | 3,886 | 13,183 |
| GoP Ijarah Sukuk Bonds | | 8 | 40 |
| | | 4,042 | 54,460 |

### 7.11 Investment in Subsidiaries - Held for Sale

| 2015 | 2014 | | | 2015 | 2014 |
|---|---|---|---|---|---|
| (Number of shares) | | | | | |
| 4,450,000 | 4,450,000 | Standard Chartered Services of Pakistan (Private) Limited - 100% owned | | 44,500 | 44,500 |
| 4,538,353 | 4,538,353 | Standard Chartered Modaraba - Listed 20% owned | | 42,000 | 42,000 |
| 84,579,276 | 84,579,276 | Standard Chartered Leasing Limited - Listed 86.45% owned | | 730,589 | 730,589 |
| | | Provision for diminution in the value of Investment | 7.11.2 | (130,816) | (130,816) |
| | | | | 686,273 | 686,273 |

7.11.1 Last year, the bank decided to divest its entire shareholding in its subsidiaries namely Standard Chartered Leasing Limited, Standard Chartered Modaraba and Standard Chartered Services of Pakistan (Private) Limited (management company of Standard Chartered Modaraba). On 1 September 2015, the bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator and shareholders. These subsidiaries continue to be accounted for in accordance with the requirements of IFRS 5 and are classified as Held for Sale till the completion of the transaction.

7.11.2 The market value of investments in listed subsidiaries, namely, Standard Chartered Modaraba and Standard Chartered Leasing Limited at 31 December 2015 amounted to Rs 123.443 million and Rs 795.045 million respectively (2014: Rs 110.963 million and Rs 711.312 million respectively).

| 8 ADVANCES | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Loans, cash credits, running finances, etc. | | | |
| - In Pakistan | | 113,979,974 | 128,263,846 |
| - Outside Pakistan | | - | - |
| | | 113,979,974 | 128,263,846 |
| Net investment in Finance Lease | | | |
| - In Pakistan | | - | - |
| - Outside Pakistan | | - | |
| | | - | - |
| Bills discounted and purchased (excluding treasury bills) | | | |
| - Payable in Pakistan | | 12,611,897 | 14,089,817 |
| - Payable outside Pakistan | | 1,709,843 | 7,686,396 |
| | | 14,321,740 | 21,776,213 |
| Advances - gross | 8.1 | 128,301,714 | 150,040,059 |
| Provision for non-performing advances | 8.3 | (21,516,718) | (21,450,000) |
| Advances - net of provision | | 106,784,996 | 128,590,059 |

## 8.1 Particulars of advances - gross

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| 8.1.1 | In local currency | **121,910,866** | 128,739,439 |
| | In foreign currencies | **6,390,848** | 21,300,620 |
| | | **128,301,714** | 150,040,059 |
| 8.1.2 | Short term (for upto one year) | **110,252,762** | 103,056,083 |
| | Long term (for over one year) | **18,048,952** | 46,983,976 |
| | | **128,301,714** | 150,040,059 |

8.1.3 This includes assets under Ijarah arrangements amounting to Rs. 476.053 million (2014: Rs. 856.895 million). Refer note 41.5.

8.2 Advances include Rs 24,018,416 million (31 December 2014: Rs 23,095,733 million) which have been placed under non-performing status as detailed below:

| | 2015 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| Category of classification | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| | (Rupees in '000) | | | | | | | | |
| OAEM | 39,676 | - | 39,676 | - | - | - | - | - | - |
| Substandard | 710,067 | - | 710,067 | 139,866 | - | 139,866 | 139,866 | - | 139,866 |
| Doubtful | 3,313,782 | - | 3,313,782 | 1,526,603 | - | 1,526,603 | 1,526,603 | - | 1,526,603 |
| Loss | 19,954,891 | - | 19,954,891 | 19,294,343 | - | 19,294,343 | 19,294,343 | - | 19,294,343 |
| | 24,018,416 | - | 24,018,416 | 20,960,812 | - | 20,960,812 | 20,960,812 | - | 20,960,812 |
| General Provision | - | | - | 555,906 | | 555,906 | 555,906 | | 555,906 |
| | 24,018,416 | - | 24,018,416 | 21,516,718 | - | 21,516,718 | 21,516,718 | - | 21,516,718 |

| | 2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| Category of classification | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| | (Rupees in '000) | | | | | | | | |
| OAEM | 44,774 | - | 44,774 | - | - | - | - | - | - |
| Substandard | 836,175 | - | 836,175 | 212,546 | - | 212,546 | 212,546 | - | 212,546 |
| Doubtful | 857,709 | - | 857,709 | 297,095 | - | 297,095 | 297,095 | - | 297,095 |
| Loss | 21,357,075 | - | 21,357,075 | 20,400,894 | - | 20,400,894 | 20,400,894 | - | 20,400,894 |
| | 23,095,733 | - | 23,095,733 | 20,910,535 | - | 20,910,535 | 20,910,535 | - | 20,910,535 |
| General Provision | - | | - | 539,465 | - | 539,465 | 539,465 | - | 539,465 |
| | 23,095,733 | - | 23,095,733 | 21,450,000 | - | 21,450,000 | 21,450,000 | - | 21,450,000 |

8.2.1 At 31 December 2015, the provision requirement has been reduced by Rs.778.020 million (31 December 2014: Rs. 1,068.870 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 10 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 505.713 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

## 8.3 Particulars of provision against non-performing advances

| | Note | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|---|
| | | Specific | General | Total | Specific | General | Total |
| | | (Rupees in '000) | | | | | |
| Opening balance | | **20,910,535** | **539,465** | **21,450,000** | 21,518,140 | 560,462 | 22,078,602 |
| Charge for the year | | **2,755,378** | **48,009** | **2,803,387** | 2,226,563 | 209,770 | 2,436,333 |
| Reversals | | **(1,408,778)** | **(31,568)** | **(1,440,346)** | (1,811,771) | (230,767) | (2,042,538) |
| | | **1,346,600** | **16,441** | **1,363,041** | 414,792 | (20,997) | 393,795 |
| Amounts written off | 8.5.1 | **(1,238,681)** | - | **(1,238,681)** | (895,127) | - | (895,127) |
| Other movements | | **(57,642)** | - | **(57,642)** | (127,270) | - | (127,270) |
| Closing balance | | **20,960,812** | **555,906** | **21,516,718** | 20,910,535 | 539,465 | 21,450,000 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **8.4** | **Particulars of provision against non-performing advances** | | | |
| | In local currency | | **20,814,455** | 20,731,054 |
| | In foreign currencies | | **702,263** | 718,946 |
| | | | **21,516,718** | 21,450,000 |
| **8.5** | **Particulars of write offs** | | | |
| **8.5.1** | Against provisions | | **1,238,681** | 895,127 |
| | Charged and written off during the year | | **181,865** | 215,344 |
| | | 8.5.2 | **1,420,546** | 1,110,471 |
| **8.5.2** | Write-offs of Rs. 500,000 and above | | **1,026,913** | 629,738 |
| | Write-offs of below Rs. 500,000 | | **393,633** | 480,733 |
| | | | **1,420,546** | 1,110,471 |

**8.6 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 five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2015 is given in Annexure 1.

**8.7** This includes loans charged off as per Bank's policy. Recovery efforts on the amount charged off are ongoing, as the Bank continues to have the legal right of recovery.

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **8.8** | **Particulars of loans and advances to directors, associated companies, etc.** | | | |
| | (i) Debts due by directors, executives or officers of the bank or any of them either severally or jointly with any other persons | | | |
| | Balance at beginning of the year | | **888,507** | 1,195,443 |
| | Loans granted during the year | | **-** | - |
| | Repayments | | **(240,779)** | (306,936) |
| | Balance at end of the year | | **647,728** | 888,507 |
| | (ii) 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 | | **693,293** | 29,966 |
| | Loans granted during the year | | **777,216** | 1,568,929 |
| | Repayments | | **(1,349,162)** | (905,602) |
| | Balance at end of the year | | **121,347** | 693,293 |
| | (iii) Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties | | | |
| | Balance at beginning of the year | | **776,579** | 442,908 |
| | Loans granted during the year | | **2,681,969** | 8,613,650 |
| | Repayments | | **(3,136,735)** | (8,279,979) |
| | Balance at end of the year | | **321,813** | 776,579 |
| **9** | **OPERATING FIXED ASSETS** | | | |
| | Capital work-in-progress | | **-** | - |
| | Property and equipment | 9.1 | **5,963,952** | 6,282,553 |
| | | | **5,963,952** | 6,282,553 |

## 9.1 Property and equipment

| | 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Freehold land | Leasehold land | Buildings on freehold land | Buildings on leasehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | (Rupees in '000) | | | | | | | |
| **Cost / Valuations** | | | | | | | | |
| At 1 January 2015 | 588,374 | 3,822,108 | 238,401 | 604,799 | 1,268,665 | 2,758,523 | 93,393 | 9,374,263 |
| Additions during the year | - | - | - | 642 | 16,455 | 184,976 | 1,741 | 203,814 |
| Transfers / write offs | - | - | - | - | (31,970) | (203,027) | - | (234,997) |
| Deletions | - | (43,750) | - | - | - | (47,133) | - | (90,883) |
| **At 31 December 2015** | 588,374 | 3,778,358 | 238,401 | 605,441 | 1,253,150 | 2,693,339 | 95,134 | 9,252,197 |
| **Accumulated Depreciation** | | | | | | | | |
| At 1 January 2015 | - | - | - | - | 764,525 | 2,245,293 | 81,892 | 3,091,710 |
| Charge for the year | - | - | 39,644 | 88,532 | 103,036 | 232,768 | 11,521 | 475,501 |
| Transfers / write offs | - | - | - | - | (28,807) | (203,026) | - | (231,833) |
| Deletions | - | - | - | - | - | (47,133) | - | (47,133) |
| **At 31 December 2015** | - | - | 39,644 | 88,532 | 838,754 | 2,227,902 | 93,413 | 3,288,245 |
| **Net book value** | 588,374 | 3,778,358 | 198,757 | 516,909 | 414,396 | 465,437 | 1,721 | 5,963,952 |
| **Rate of depreciation** | - | - | 6.67% | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

| | 2014 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Freehold land | Leasehold land | Buildings on freehold land | Buildings on leasehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | (Rupees in '000) | | | | | | | |
| **Cost / Valuations** | | | | | | | | |
| At 1 January 2014 | 571,030 | 3,606,428 | 280,408 | 897,257 | 1,207,010 | 2,732,840 | 97,855 | 9,392,828 |
| Surplus/ (Deficit) on revaluation | 17,344 | 215,680 | 69,657 | 77,429 | - | - | - | 380,110 |
| Revaluation adjusment | - | - | (112,237) | (366,133) | - | - | - | (478,370) |
| Additions during the year | - | - | 573 | 6,572 | 68,278 | 209,578 | - | 285,001 |
| Transfers / write offs | - | - | - | (8,022) | (2,358) | (44,155) | (2,959) | (57,494) |
| Deletions | - | - | - | (2,304) | (4,265) | (139,740) | (1,503) | (147,812) |
| **At 31 December 2014** | 588,374 | 3,822,108 | 238,401 | 604,799 | 1,268,665 | 2,758,523 | 93,393 | 9,374,263 |
| **Accumulated Depreciation** | | | | | | | | |
| At 1 January 2014 | - | - | 88,737 | 299,712 | 693,253 | 2,149,244 | 62,873 | 3,293,819 |
| Charge for the year | - | - | 23,500 | 75,215 | 77,441 | 279,543 | 23,189 | 478,888 |
| Revaluation adjusment * | - | - | (112,237) | (366,133) | - | - | - | (478,370) |
| Transfers / write offs | - | - | - | (8,022) | (2,358) | (44,155) | (2,959) | (57,494) |
| Deletions | - | - | - | (772) | (3,811) | (139,339) | (1,211) | (145,133) |
| **At 31 December 2014** | - | - | - | - | 764,525 | 2,245,293 | 81,892 | 3,091,710 |
| **Net book value** | 588,374 | 3,822,108 | 238,401 | 604,799 | 504,140 | 513,230 | 11,501 | 6,282,553 |
| **Rate of depreciation** | - | - | 6.67% | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

* The revaluation adjusment relates to the accumulated depriciation as at revaluation date that was eliminited against the gross carrying amount of the revalued buildings.

9.2 The Bank's owned land and buildings were revalued by independent accredited professional valuers, Iqbal A. Nanjee & Co. (Private) Limited and Colliers International. The valuation performed by the valuers was based on active market prices, adjusted for any difference in the nature, location or condition of the specific land and building. The date of revaluation was 31 December 2014. If the owned land and buildings were measured using the cost model, the carrying amounts would have been as follows:

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Cost | **2,338,065** | 2,371,391 |
| Accumulated depreciation | **(979,580)** | (889,717) |
| **Carrying amount** | **1,358,485** | 1,481,674 |

The movement in surplus on revaluation of fixed assets is given in note 20.1 to the financial statements.

**9.3** As at 31 December 2015, the cost of fully depreciated fixed assets still in use amounted to Rs.2,502.215 million (2014: Rs.2,354.131 million).

**9.4** Depreciation rates for furniture, fixtures and office equipment are as follows:

| | |
|---|---|
| Furniture and fixtures | 33.33 percent |
| Printers | 33.33 percent |
| Other office equipment | 20.00 percent |
| Computer equipment | 33.33 percent |
| ATM machines | 14.28 percent |

**9.5** Details of disposal of fixed assets whose original cost or book value exceeds Rs. 1 million or Rs 250,000, which ever is less, and assets disposed of to the Chief Executive or to a director or to executives or to a shareholder holding not less than 10% of the voting shares of the bank or to any related party, irrespective of value, are given below:

| Particulars | Cost/ Revalued amount | Accumulated depreciation | Book value | Sale Proceeds | Gain / (loss) on Sale | Mode of disposal | Particulars of purchaser |
|---|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | | |
| Leasehold Land | 43,750 | - | 43,750 | 33,968 | (9,782) | Tender | Mr. M. Aslama Qureshi |
| Furniture, fixtures and office equipment | 8,632 | 8,632 | - | 3,752 | 3,752 | Tender | M/S Power Tech Engineering & Services |
| | 7,958 | 7,958 | - | 2,900 | 2,900 | Tender | M/S National Traders |
| | 4,490 | 4,490 | - | 788 | 788 | Tender | M/S National Traders |
| | 3,452 | 3,452 | - | 560 | 560 | Tender | M/S National Traders |
| | 3,150 | 3,150 | - | 491 | 491 | Tender | M/S National Traders |
| | 2,773 | 2,773 | - | 395 | 395 | Tender | M/S Pakistan International SF General Trading |
| | 2,619 | 2,619 | - | 114 | 114 | Tender | M/S National Traders |
| | 2,135 | 2,135 | - | 212 | 212 | Tender | M/S National Traders |
| | 1,782 | 1,782 | - | 800 | 800 | Tender | M/S Pakistan International SF General Trading |
| | 1,703 | 1,703 | - | 174 | 174 | Tender | M/S National Traders |
| | 1,566 | 1,566 | - | 533 | 533 | Tender | M/S National Traders |
| | 1,149 | 1,149 | - | 318 | 318 | Tender | M/S Pakistan International SF General Trading |
| | 1,117 | 1,117 | - | 411 | 411 | Tender | M/S Pakistan International Trading |
| | 1,008 | 1,008 | - | 204 | 204 | Tender | M/S Pakistan International SF General Trading |
| | **87,284** | **43,534** | **43,750** | **45,620** | **1,870** | | |
| **Items having book value of less than Rs. 250,000 and cost of less than Rs. 1,000,000:** | | | | | | | |
| Furniture, fixtures and office equipment | 3,599 | 3,599 | - | 1,590 | 1,590 | | |
| Total | **90,883** | **47,133** | **43,750** | **47,210** | **3,460** | | |

## 10 INTANGIBLE ASSETS

| | 2015 | | | | | |
|---|---|---|---|---|---|---|
| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | Total |
| | (Rupees in '000) | | | | | |
| **Cost** | | | | | | |
| At 1 January 2015 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| Additions during the year | - | - | - | - | - | - |
| At 31 December 2015 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| **Amortised** | | | | | | |
| At 1 January 2015 | - | 1,982,413 | 761,611 | 324,665 | 338,350 | 3,407,039 |
| Charge for the year | - | - | 7,460 | 38,934 | - | 46,394 |
| At 31 December 2015 | - | 1,982,413 | 769,071 | 363,599 | 338,350 | 3,453,433 |
| **Net book value** | 26,095,310 | - | 5,609 | 25,801 | - | 26,126,720 |
| **Rate of amortisation** | | | | | 20% | |

| | 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | Total |
| | (Rupees in '000) | | | | | |
| **Cost** | | | | | | |
| At 1 January 2014 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| Additions during the year | - | - | - | - | - | - |
| At 31 December 2014 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| **Amortised** | | | | | | |
| At 1 January 2014 | - | 1,982,413 | 751,742 | 285,731 | 338,350 | 3,358,236 |
| Charge for the year | - | - | 9,869 | 38,934 | - | 48,803 |
| At 31 December 2014 | - | 1,982,413 | 761,611 | 324,665 | 338,350 | 3,407,039 |
| **Net book value** | 26,095,310 | - | 13,069 | 64,735 | - | 26,173,114 |
| **Rate of amortisation** | | | | | 20% | |

**10.1** As at 31 December 2015, the gross carrying amount of fully amortised intangible assets (computer software) still in use amounted to Rs 338.350 million (2014:Rs. 338.350 million).

**10.2** The recoverable amount for the purpose of assessing impairment on goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the 2016 budget and forecasts for subsequent two years as approved by the management. These have then been extrapolated for a further period of 18 years using a steady long term forecast GDP growth rate and a terminal value determined based on a long term earnings multiple. The cash flows are discounted using a pre-tax discount rate which reflects the current market rate appropriate for the business. For the calculation as at 31 December 2015, the bank has used a long term forecast GDP growth rate of 4.96 percent and a discount rate of 22.91 percent. The management believes that any reasonable possible changes to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount.

## 11 DEFERRED TAX ASSETS / (LIABILITIES)

The following are major deferred tax assets / (liabilities) recognised and movement thereon:

| | Note | 2015 | | | |
|---|---|---|---|---|---|
| | | At 1 January 2015 | (Charge) / credit to profit and loss | Debit / (credit) to equity / other comprehensive income | At 31 December 2015 |
| | | (Rupees in '000) | | | |
| Available for sale investments | 20.2 | (1,376,312) | - | (380,462) | (1,756,774) |
| Provisions for loans and advances | 11.1 | 5,356,246 | 514,550 | - | 5,870,796 |
| Other assets | | (86,986) | (164) | - | (87,150) |
| Fixed assets | | (195,311) | 52,471 | - | (142,840) |
| Surplus on revaluation of Fixed Assets | | (69,039) | 16,833 | - | (52,206) |
| Goodwill and other intangibles | | (6,190,960) | (876,987) | - | (7,067,947) |
| Actuarial gains on retirement benefits | | (13,471) | - | 28,472 | 15,001 |
| | | (2,575,833) | (293,297) | (351,990) | (3,221,120) |

| | Note | 2014 | | | |
|---|---|---|---|---|---|
| | | At 1 January 2014 | (Charge) / credit to profit and loss | Debit / (credit) to equity / other comprehensive income | At 31 December 2014 |
| | | (Rupees in '000) | | | |
| Available for sale investments | 20.2 | (34,305) | - | (1,342,007) | (1,376,312) |
| Provisions for loans and advances | | 5,577,334 | (221,088) | - | 5,356,246 |
| Other assets | | (86,822) | (164) | - | (86,986) |
| Fixed assets | | (227,668) | 32,357 | - | (195,311) |
| Surplus on revaluation of Fixed Assets | | (20,064) | 2,505 | (51,480) | (69,039) |
| Goodwill and other intangibles | | (5,314,815) | (876,145) | - | (6,190,960) |
| Actuarial gains on retirement benefits | | (12,413) | - | (1,058) | (13,471) |
| | | (118,753) | (1,062,535) | (1,394,545) | (2,575,833) |

**11.1** In terms of the Seventh Schedule to the Income Tax Law, the claim of provision for advances and off balance sheet items in respect of Corporate and Consumer (including SME) advances has been restricted to 1% and 5% of gross advances respectively. As such Deferred tax asset of Rs. 5,870 million has been recognised. The Bank, since 2010 to date has been able to realise deffered tax assets aggregating to Rs. 1,321 million. The management based on the exercise carried out, concludes that the Bank would, in future years be able to achieve deductions in excess of the aforesaid prescribed limits.

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | | (Restated) |
| | | | ---------- (Rupees in '000) ---------- | |
| 12 | **OTHER ASSETS** | | | |
| | Income / mark-up accrued in local currency | | **8,548,530** | 8,381,396 |
| | Income / mark-up accrued in foreign currencies | | **13,434** | 83,963 |
| | Advances, deposits, advance rent and other prepayments | | **581,292** | 710,980 |
| | Receivable from defined benefit plans | 33.3 | **18,025** | - |
| | Receivable from defined contribution plans | | **-** | 138,949 |
| | Advance taxation (payments less provisions) | | **9,745,525** | 9,095,167 |
| | Branch adjustment account | | **175** | 20,095 |
| | Unrealized gain on forward foreign exchange contracts | | **338,424** | 581,241 |
| | Interest rate derivatives and currency options - positive fair value | | **157,607** | 302,107 |
| | Receivable from SBP / Government of Pakistan | | **146,060** | 462,362 |
| | Receivable from associated undertakings | | **34,416** | 52,057 |
| | Receivable from Standard Chartered Bank, Sri Lanka operations | 12.2 | **39,654** | 39,979 |
| | Advances against future Murabaha | | **689,479** | 5,593,532 |
| | Commodities under Islamic finance | | **1,378,961** | - |
| | Advance Federal Excise Duty | | **188,443** | 188,443 |
| | Unsettled trades | | **-** | 2,299 |
| | Others | | **638,364** | 631,385 |
| | | | **22,518,389** | 26,283,955 |
| | Less: Provision against other assets | 12.1 | **(116,373)** | (116,373) |
| | **Other Assets - net of provisions** | | **22,402,016** | 26,167,582 |

| | | | | |
|---|---|---|---|---|
| 12.1 | **Provision against other assets** | | | |
| | Opening balance | | **116,373** | 426,357 |
| | Net charge for the year | | **-** | (309,984) |
| | Closing balance | | **116,373** | 116,373 |

12.2 Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, 'unproductive debts', 'staff loans of SCBPL who are not retained by the purchaser', 'their corresponding housing loans' and 'assets arising from litigation which cannot be assigned' are held in trust with SCBSL. The recoveries made (net of expenses) from such assets are to taken to income from Sri Lanka branch operations, as disclosed in note 25 to these financial statements, and consequently recorded as receivable. The Central Bank of Sri Lanka previously had allowed remittance of major portion of the outstanding balance.

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | ---------- (Rupees in '000) ---------- | |
| 13 | **BILLS PAYABLE** | | | |
| | In Pakistan | | **11,395,470** | 5,020,614 |
| | Outside Pakistan | | **5,721** | 542,991 |
| | | | **11,401,191** | 5,563,605 |
| 14 | **BORROWINGS** | | | |
| | In Pakistan | | **20,738,176** | 15,622,715 |
| | Outside Pakistan | | **1,046,275** | 1,621,956 |
| | | 14.1 | **21,784,451** | 17,244,671 |

| 14.1 Particulars of borrowings with respect to currencies | Note | 2014 | 2013 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In local currency | | **20,738,176** | 15,622,715 |
| In foreign currencies | | **1,046,275** | 1,621,956 |
| | | **21,784,451** | 17,244,671 |
| **14.2 Details of borrowings secured / unsecured** | | | |
| **Secured** | | | |
| Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme | 14.2.1 | **14,831,179** | 12,065,490 |
| Repurchase agreement borrowings (Repo) | 14.2.2 | **1,192,726** | 2,295,115 |
| State Bank of Pakistan - LTFF | 14.2.3 | **1,055,711** | 1,260,102 |
| | | **17,079,616** | 15,620,707 |
| **Unsecured** | | | |
| Call borrowings | 14.2.4 | **3,650,000** | - |
| Overdrawn nostro accounts | 14.2.5 | **1,054,835** | 1,623,964 |
| | | **21,784,451** | 17,244,671 |

**14.2.1** Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged at 1.5 percent to 3.5 percent (2014: 5.5 percent to 6.5 percent) per annum. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 1.459 billion (2014: Rs. 1.349 billion). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

**14.2.2** Repurchase agreement borrowings carry mark up rates ranging to 6.5 percent (2014: 9.5 percent to 9.65 percent) per annum payable at maturity and are due to mature by January 2016. These are secured against six months market treasury bills.The market value of securities held as collateral against lendings to financial institutions amounted to Rs. 1,192.726 million (2014: Rs. 2,295.726 million).

**14.2.3** Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan carry mark up rates ranging from 2.5 percent to 8.2 percent (2014: 6.5 percent to 11 percent) per annum. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.

**14.2.4** These carry mark-up at rate 6.5 percent per annum (2014: Nil) payable at maturity, and are due to mature during Janaury 2016.

**14.2.5** These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Rs. 1,046.275 million (2014: Rs. 1,621.956 million).

| 15 DEPOSITS AND OTHER ACCOUNTS | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Customers** | | | |
| Remunerative | | | |
| - Fixed deposits | | **24,083,614** | 22,860,282 |
| - Savings deposits | | **152,388,122** | 144,299,742 |
| Non-Remunerative | | | |
| - Current accounts | | **142,746,731** | 134,316,547 |
| - Margin accounts | | **945,934** | 422,637 |
| - Special exporters' account | | **572,198** | 883,186 |
| | | **320,736,599** | 302,782,394 |
| **Financial Institutions** | | | |
| - Remunerative deposits | | **612,825** | 1,286 |
| - Non-remunerative deposits | 15.1 | **5,888,103** | 1,719,988 |
| | | **6,500,928** | 1,721,274 |
| | | **327,237,527** | 304,503,668 |

**15.1** This includes Rs. 496.085 million (2014: Rs.438.857 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

| 15.2 Particulars of deposits | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In local currency | | **267,837,354** | 242,970,932 |
| In foreign currencies | | **59,400,173** | 61,532,736 |
| | | **327,237,527** | 304,503,668 |

| 16 SUB-ORDINATED LOANS | | | |
|---|---|---|---|
| Term Finance Certificates issued | 16.1 | **2,500,000** | 2,500,000 |

**16.1** The Bank, on 29 June 2012, issued fourth rated, unsecured, subordinated TFCs of Rs 2,500 million by way of private placement. Terms for the fourth outstanding issue are as follow:

| | 4th Issue |
|---|---|
| Year of Issue | 2012 |
| Rating | AAA |
| Rate | 0.75% above the six months Karachi Inter-Bank Offered Rate ("KIBOR") prevailing one working day prior to the beginning of each semi annual period |
| Floor | - |
| Ceiling | - |
| Repayment | 10 years |

| 17 OTHER LIABILITIES | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Mark-up / return / interest payable in local currency | | **335,223** | 510,731 |
| Accrued expenses | | **2,937,185** | 2,543,938 |
| Advance payments | | **207,914** | 211,226 |
| Sundry creditors | | **1,795,376** | 1,566,204 |
| Unrealized loss on forward foreign exchange contracts | | **171,676** | 725,758 |
| Unrealized loss on interest rate derivatives and currency options | 21.8.2 | **120,633** | 631,850 |
| Payable to defined benefit plans | 33.3 | **-** | 32,077 |
| Due to Holding Company | 17.1 | **7,739,048** | 6,442,443 |
| Unclaimed balances | | **3,364,784** | 1,633,683 |
| Dividend Payable | | **52,053** | 37,168 |
| Provision against off balance sheet obligations | 17.2 | **667,428** | 414,084 |
| Worker's Welfare Fund (WWF) payable | | **1,071,945** | 757,972 |
| Unsettled trades | | **203,152** | 430,024 |
| Others | | **586,630** | 527,496 |
| | | **19,253,047** | 16,464,654 |

| 17.1 Due to Holding Company | | |
|---|---|---|
| On account of reimbursement of executive and general administrative expenses | **7,258,241** | 5,826,653 |
| Royalty and other payable | **480,807** | 615,790 |
| | **7,739,048** | 6,442,443 |

| 17.2 Provision against off-balance sheet obligations | | |
|---|---|---|
| Opening balance | **414,084** | 318,638 |
| Charge for the year - net | **253,344** | 95,446 |
| Closing balance | **667,428** | 414,084 |

## 18 SHARE CAPITAL

### 18.1 Authorized Capital

| 2015 | 2014 | | Note | 2015 | 2014 |
|---|---|---|---|---|---|
| (Number of shares) | | | | (Rupees in '000) | |
| 4,000,000,000 | 4,000,000,000 | Ordinary shares of Rs.10 each | | 40,000,000 | 40,000,000 |

### 18.2 Issued, subscribed and paid-up Capital

| | | | | | |
|---|---|---|---|---|---|
| 2,939,785,018 | 2,939,785,018 | Ordinary shares of Rs. 10 each Fully paid in cash | | 29,397,850 | 29,397,850 |
| 931,800,003 | 931,800,003 | Issued in terms of scheme of amalgamation | 18.3 | 9,318,000 | 9,318,000 |
| 3,871,585,021 | 3,871,585,021 | | | 38,715,850 | 38,715,850 |

18.3 These represent 892,554,151 shares of Rs. 10/- each issued and allotted at par to Standard Chartered Bank, United Kingdom against transfer of entire undertaking of SCB Branch Business by SCB to the Bank, and 39,245,852 shares issued and allotted at par credited as fully paid up to persons who were registered shareholders of Union Bank. These shares have been issued in accordance with the scheme of amalgamation duly approved by State Bank of Pakistan on 4 December 2006.

18.4 At 31 December 2015, Standard Chartered Bank , United Kingdom, held 98.99% shares of the Bank.

## 19 RESERVES

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Share premium | 19.1 | 1,036,090 | 1,036,090 |
| Statutory reserve | 19.2 | 9,810,915 | 7,953,230 |
| | | 10,847,005 | 8,989,320 |

19.1 This represents excess of fair value of the shares over par value of shares issued to registered shareholders of Union Bank in terms of the amalgamation scheme.

19.2 In accordance with the Banking Companies Ordinance, 1962, the Bank is required to transfer twenty percent of its profit of each year to a reserve fund until the amount in such fund equals the paid-up capital of the Bank.

19.3 The Board of Directors in their meeting held on 3 March 2016 have announced a final cash dividend of 12.50% (Rs 1.25 per share) in respect of the year ended 31 December 2015 (2014: Rs. 1.50/- per share). This is in addition to 7.50% (Rs. 0.75/- per share) interim cash dividend announced during the year. These financial statements for the year ended 31 December 2015 do not include the effect of final dividend appropriations which will be accounted for subsequent to the year end.

## 20 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Surplus arising on revaluation of:** | | | |
| Fixed assets | 20.1 | 3,671,708 | 3,702,970 |
| Available for Sale Securities | 20.2 | 3,262,582 | 2,556,009 |
| | | 6,934,290 | 6,258,979 |

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **20.1** | **Surplus on revaluation of fixed assets - net of tax** | | |
| | Surplus on revaluation of fixed assets as at 1 January | **3,772,008** | 3,399,057 |
| | Surplus on revaluation of owned properties recorded during the year | **-** | 380,110 |
| | Surplus realized on disposal of revalued properties | **(9,782)** | (523) |
| | Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax | **(24,904)** | (4,313) |
| | Related deferred tax liability | **(13,409)** | (2,323) |
| | | **(38,313)** | (6,636) |
| | Surplus on revaluation of fixed assets as at 31 December | **3,723,913** | 3,772,008 |
| | Less: Related deferred tax liability on: | | |
| | Revaluation surplus as at 1 January | **(69,039)** | (20,064) |
| | Revaluation surplus recorded during the year | **-** | (51,480) |
| | Revaluation surplus realized on disposal during the year | **3,424** | 183 |
| | Incremental depreciation charged during the year transferred to profit and loss account | **13,409** | 2,323 |
| | | **(52,206)** | (69,039) |
| | Surplus on revaluation of fixed assets as at 31 December - net of tax | **3,671,708** | 3,702,970 |
| **20.2** | **Surplus on revaluation of Available for Sale securities - net of tax** | | |
| | Market Treasury Bills | **48,038** | 20,313 |
| | Pakistan Investment Bonds | **4,923,189** | 3,887,972 |
| | Sukuk and Ijarah Bonds | **13,134** | 24,036 |
| | Listed shares | **34,995** | - |
| | | **5,019,356** | 3,932,321 |
| | Related deferred tax liability | **(1,756,774)** | (1,376,312) |
| | | **3,262,582** | 2,556,009 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **21** | **CONTINGENCIES AND COMMITMENTS** | | | |
| **21.1** | **Transaction-related contingent liabilities** | | | |
| | Guarantees issued favouring: | 21.1.1 | | |
| | - Government | | **53,137,229** | 43,455,938 |
| | - Others | | **24,925,787** | 21,471,986 |
| | | | **78,063,016** | 64,927,924 |
| **21.1.1** | Guarantees relating to Islamic Banking Business amount to Rs 3,364 million (2014: Rs 3,074 million). | | | |
| **21.2** | **Trade-related contingent liabilities** | | | |
| | Letters of credit | 21.2.1 | **16,782,316** | 18,121,183 |
| **21.2.1** | Guarantees relating to Islamic Banking Business amount to Rs 4,377 million (2014: Rs 2,969 million). | | | |
| **21.3** | **Trade-related commitments** | | | |
| | Acceptances | 21.3.1 | **6,672,058** | 5,041,122 |
| **21.3.1** | Letters of credit relating to Islamic Banking Business amount to Rs 2,056 million (2014: Rs 528 million). | | | |
| **21.4** | **Commitment for acquisition of fixed assets** | | **60,260** | 28,915 |
| **21.5** | **Other contingencies** | | | |
| | Claims against the Bank not acknowledged as debt | 21.5.1 | **24,417,886** | 25,151,427 |

**21.5.1** These represent certain claims by thrid parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and the possibility of an outflow of economic resources is remote.

**21.5.2** The Bank has identified that a regulatory authority has filed a case on the land where an office building is constructed and the bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case and the opinion of legal expert, the management expects a favourable decision from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. A favourable decision of the High Court of Sindh has been received whereby the High Court has directed the Lower Court to expeditiously decide these Petitions on merit. The cases are now being tracked at the Rent Controller' court. Based on the facts of the case and the opinion of legal expert, the management expects a favourable decision from the dealing court.

**21.6 Commitments in respect of forward foreign exchange contracts**

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Purchase from: | | |
| State Bank of Pakistan | **19,536,300** | 3,648,750 |
| Other banks | **51,623,327** | 45,030,485 |
| Customers | **3,217,691** | 4,210,190 |
| Sale to: | | |
| State Bank of Pakistan | **-** | - |
| Other banks | **53,329,213** | 32,620,281 |
| Customers | **572,496** | 4,631,521 |

The maturities of the above contracts are spread over a period of one year.

**21.7 Commitments to extend credit**

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

**21.8 Derivative instruments**

**21.8.1 Product analysis**

| | 2015 | | | |
|---|---|---|---|---|
| | Interest Rate Swaps Cross Currency Swaps | | FX Options | |
| **Counterparties** | **No. of Contracts** | **Notional Principal *** (Rupees in '000) | **No. of Contracts** | **Notional Principal *** (Rupees in '000) |
| **With Banks for** | | | | |
| Hedging | - | - | - | - |
| Market Making | 8 | 2,487,312 | 7 | 83,624 |
| **With FIs other than banks** | | | | |
| Hedging | - | - | - | - |
| Market Making | 3 | 649,631 | - | - |
| **With other entities for** | | | | |
| Hedging | - | - | - | - |
| Market Making | 13 | 6,080,535 | 7 | 83,624 |
| **Total** | | | | |
| Hedging | - | - | - | - |
| Market Making | 24 | 9,217,478 | 14 | 167,248 |

| | 2014 | | | |
|---|---|---|---|---|
| Total Market Making | 33 | 30,560,927 | - | - |

* At the exchange rate prevailing at year end.

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 1 contracts with local banks having notional principal of Rs. 104.7 million.

**21.8.2 Maturity analysis**

**Interest Rate Swaps & Cross Currency Swaps**

| Remaining Maturity | No. of contracts | Notional principal | Mark to Market | | |
|---|---|---|---|---|---|
| | | | Negative | Positive | Net |
| | | (Rupees in '000) | | | |
| Upto 1 month | 3 | 649,631 | (13,986) | 9,880 | (4,106) |
| 1 to 3 months | - | - | - | - | - |
| 3 to 6 months | 2 | 1,618,724 | (13,165) | 13,165 | - |
| 6 month to 1 year | 1 | 167,200 | - | 4,382 | 4,382 |
| 1 to 2 years | 10 | 3,351,495 | (88,111) | 17,233 | (70,878) |
| 2 to 3 years | 3 | 959,865 | - | 85,829 | 85,829 |
| 3 to 5 years | 5 | 2,470,563 | (4,631) | 26,378 | 21,747 |
| 5 to 10 years | - | - | - | - | - |
| Above 10 years | - | - | - | - | - |
| | 24 | 9,217,478 | (119,893) | 156,867 | 36,974 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **22** | **MARK-UP / RETURN / INTEREST EARNED** | | | |
| | On loans and advances to customers | | **11,776,186** | 15,473,675 |
| | On loans and advances to financial institutions | | **38,050** | 35,693 |
| | On investments in: i) Held for trading securities | | **338,859** | 301,894 |
| | ii) Available for sale securities | | **20,446,823** | 17,591,049 |
| | On securities purchased under resale agreements | | **315,962** | 703,147 |
| | On call money lending /Placements | | **21,679** | 331 |
| | | | **32,937,559** | 34,105,789 |
| **23** | **MARK-UP / RETURN / INTEREST EXPENSED** | | | |
| | Deposits | | **9,305,522** | 11,750,987 |
| | Securities sold under repurchase agreements | | **464,939** | 296,868 |
| | Call borrowings | | **33,506** | 19,430 |
| | Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme | | **600,116** | 902,755 |
| | Term Finance Certificates (sub-ordinated loans) | | **225,766** | 272,523 |
| | | | **10,629,849** | 13,242,563 |
| **24** | **GAIN ON SALE OF SECURITIES - NET** | | | |
| | **Federal Government Securities** | | | |
| | Market Treasury Bills | | **401,881** | 44,780 |
| | Pakistan Investment Bonds | | **600,291** | 638,289 |
| | Ijarah Sukuks | | **13,525** | 27,004 |
| | | | **1,015,697** | 710,073 |
| | **Equity Securities - Listed** | | **-** | 17,194 |
| | | | **1,015,697** | 727,267 |
| **25** | **OTHER INCOME** | | | |
| | (Loss) / income from Sri Lanka branch operations | 12.2 | **(325)** | 3,567 |
| | Rent on property | | **22,363** | 21,240 |
| | Gain on disposal of fixed assets | | **3,460** | 12,366 |
| | Gain / (Loss) on derivatives - net | | **233,456** | (331,289) |
| | Gains on assets fair valued at acquisition | | **57,640** | 494,738 |
| | Other income | 25.1 | **13,095** | 117,407 |
| | | | **329,689** | 318,029 |

25.1 This includes gain on sale of non-banking assets amounting to Rs. Nil (December 2014: Rs. 112.999 million).

## 26 ADMINISTRATIVE EXPENSES

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Salaries, allowances etc. | | 5,485,007 | 5,238,432 |
| (Reversals) / charge for defined benefit plans | | (38,848) | 7,564 |
| Contributions to defined contribution plans | | 349,656 | 234,850 |
| Rent, taxes, insurance, electricity etc. | | 1,268,501 | 1,345,361 |
| Legal and professional charges | | 116,738 | 104,507 |
| Communications | | 445,073 | 471,659 |
| Repairs and maintenance | | 1,064,730 | 1,142,244 |
| Stationery and printing | | 238,372 | 240,735 |
| Advertisement and publicity | | 376,969 | 263,514 |
| Donations | 26.1 | 17,656 | 26,000 |
| Auditors' remuneration | 26.2 | 19,622 | 18,800 |
| Depreciation | | 475,501 | 478,888 |
| Amortization | | 46,394 | 48,803 |
| Travelling, conveyance and vehicles' running | | 188,379 | 251,557 |
| Reimbursement of executive and general administrative expenses | 26.3 | 1,431,588 | 1,385,769 |
| Royalty - net | 26.4 | (77,512) | 184,693 |
| Reward and bonus points redemption | | 36,903 | 135,463 |
| Premises security and cash transportation services | | 339,749 | 338,760 |
| Documentation and processing charges | | 145,799 | 135,618 |
| Others | | 174,669 | 194,734 |
| | | 12,104,946 | 12,247,951 |

### 26.1 Details of the donations given in excess of Rs. 100,000 are given below:

| Donee | | | |
|---|---|---|---|
| Institute of Business Administration | | 8,000 | 8,000 |
| The Citizen Foundation | | 1,000 | 1,000 |
| The Kidney Centre | 26.1.1 | - | 3,000 |
| Lahore University of Management Sciences | | 1,200 | 2,400 |
| Habib University | | 4,000 | 4,000 |
| Aman Foundation | | 3,456 | 3,400 |
| The Hunar Foundation | | - | 4,200 |

26.1.1 CEO of the bank is also a member of Board of Governors of The Kidney Centre.

### 26.2 Auditors' remuneration

| | | |
|---|---|---|
| Audit fee | 16,927 | 16,927 |
| Fee for audit of pension, gratuity and provident funds | 310 | 310 |
| Special certifications and others | 1,385 | 563 |
| Out-of-pocket expenses | 1,000 | 1,000 |
| | 19,622 | 18,800 |

26.3 Total cost for the year included in Administrative Expenses relating to outsourced activites is Rs 1,816 million (December 2014: Rs 1,828.5 million). This includes payments to local companies for obtaining routine services such as personnel for collection and recoveries, contact centre, service quality and technology maintenance, courier services and executive and general administrative expenses of SCB UK.

26.4 During the year, the State Bank of Pakistan has partially restricted the remittance of royalty expense to SCB group. Accordingly the royalty amounting to Rs 267.755 million has been reversed.

## 27 OTHER PROVISIONS / ASSET WRITE OFFS

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| **Fixed asset write offs** | 3,164 | - |
| **Other provsions** | | |
| Provision released against other assets | - | - |
| | - | - |
| | 3,164 | - |

## 28 OTHER CHARGES

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Net charge against fines and penalties imposed by SBP | 40,725 | 835 |
| Worker's Welfare Fund (WWF) | 313,974 | 310,905 |
| | 354,699 | 311,740 |

## 29 TAXATION

| | | |
|---|---|---|
| For the year | | |
| - Current | 5,105,573 | 4,255,131 |
| - Deferred | 293,297 | 1,062,535 |
| | 5,398,870 | 5,317,666 |
| For prior years' | 697,323 | 187,994 |
| | 6,096,193 | 5,505,660 |

### 29.1 Relationship between tax expense and accounting profit

| | | |
|---|---|---|
| Profit before taxation | 15,384,619 | 15,230,563 |
| Tax at the applicable tax rate of 35% (2014: 35%) | 5,384,617 | 5,330,697 |
| Income (dividend, capital gain etc.) at reduced rates | - | (13,325) |
| Expenses that are not deductible in determining taxable income | 14,253 | 294 |
| Prior year provision | 697,323 | 187,994 |
| | 6,096,193 | 5,505,660 |

29.2 The return for income year 2015 (Tax Year 2016) is due for filing by 30 September 2016.

The tax department amended the assessment for income years 2007 to 2014 (tax years 2008 to 2015 respectively) under the related provisions of the Income Tax Law, determining additional tax liability on account of various issues such as disallowances of expenses relating to provision against loans and advances, goodwill amortisation etc. The resultant tax demands have been paid by the Bank which includes Rs 7,542 million for which no provision has been made. Appeals against the amended assessment orders are pending before different appellate forums. The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Accordingly, no additional provision is required.

The Commissioner (Appeals), during the year, has disposed off appeals for tax years 2011, 2012 and 2013, deciding certain issues including claim of provision for bad debts under seventh schedule in favour of the Bank, resulting in aggrgate refund of Rs. 644 million due to the Bank.

The Tax Authorities have passed an order for the income years 2009 and 2010 levying Federal Excise Duty amounting to Rs.141 million on certain items. The Bank is contesting the order in the appeal. The Bank has paid entire amount under protest.

Further, an order for income year 2011 levying Federal Excise Duty of Rs. 515.6 million has been issued. The demand has been stayed by the Sindh High Court.

## 30 EARNINGS PER SHARE - BASIC AND DILUTED

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Profit for the year | 9,288,426 | 9,724,903 |
| | (Number of shares) | |
| Weighted average number of ordinary shares in issue during the year | 3,871,585,021 | 3,871,585,021 |
| | (Rupees) | |
| Earnings per share - basic and diluted | 2.40 | 2.51 |

## 31 CASH AND CASH EQUIVALENTS

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Cash and balances with treasury banks | **29,482,134** | 21,475,345 |
| Balances with other banks | **4,300,002** | 387,301 |
| | **33,782,136** | 21,862,646 |

## 32 STAFF STRENGTH

| | (Number) | |
|---|---|---|
| Permanent | **3,384** | 3,251 |
| Temporary / on contractual basis / direct contracts | **6** | 5 |
| Bank's own staff at the end of year | **3,390** | 3,256 |
| Outsourced | **408** | 1,072 |
| Total staff strength | **3,798** | 4,328 |

## 33 DEFINED BENEFIT PLANS

### 33.1 General description

**Non Management Staff Pension Fund**

The plan provides pension calculated at 50% of the average pensionable salary after completing 30 years of service. The employees of the bank are entitled to either pension or gratuity, but not both. However, the employees of ANZ Grindlays Bank transferred to the bank are entitled to both pension and gratuity and the minimum number of years required for entitlement of pension is 25 years for these employees. Pension is calculated as 1/120 times the last drawn merged salary for each year of service.

**Non Management Staff Gratuity Fund**

The plan provides a lump sum gratuity calculated at one month's salary for each completed year of service (maximum 40 months) after completing 5 years of service. For the employees of ex-ANZ Grindlays Bank, the plan provides a lump sum calculated at 50% of last drawn merged salary for each completed year of service (maximum 40 months) after completing 5 years of service. However, if the employee is not entitled for pension, the percentage is increased to 100%. The employees of SCB are entitled to either pension or gratuity, but not both. During the year the bank has converted its non management staff gratuity defined benefit scheme into defined contribution scheme. The conversion date is December 31, 2015.

**Management Staff Pension Fund**

The plan is closed to active employees. The entire liability is in respect of existing pensioners.

### 33.2 Principal Actuarial Assumptions

The last actuarial valuation of the scheme was carried out on 31 December 2015 and the key assumptions used for actuarial valuation were as follows:

| | 2015 | 2014 |
|---|---|---|
| Discount rate | **9% p.a.** | 13.5% p.a. |
| Expected rate of increase in salary in future years | **10% p.a.** | 11% p.a. |
| Expected rate of return on plan assets | **9% p.a.** | 13.5% p.a. |
| Expected long term rate of increase in pension | **5% p.a.** | 8.5% p.a. |
| Mortality rate | **SLIC (2001-05) ultimate mortality table rated down one year** | SLIC (2001-05) ultimate mortality table rated down one year |
| Withdrawal rate | **Light** | Light |

| | | SCB Non Management Pension Fund | | SCB Non Management Gratuity Fund | | SCB Management Pension Fund | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| 33.3 | **Reconciliation of (receivable) / payable from / to defined benefit plan** | (Rupees in '000) | | | | | | | |
| | Present value of defined benefit obligations | 55,546 | 52,681 | - | 75,665 | 59,277 | 47,543 | 114,823 | 175,889 |
| | Fair value of plan assets | (51,615) | (72,941) | (20,772) | (26,444) | (60,461) | (44,427) | (132,848) | (143,812) |
| | (Asset) / liability recognised | 3,931 | (20,260) | (20,772) | 49,221 | (1,184) | 3,116 | (18,025) | 32,077 |
| 33.4 | **Movement in defined benefit obligation** | | | | | | | | |
| | Obligation as at 1 January | 52,681 | 59,346 | 75,665 | 100,765 | 47,543 | 46,716 | 175,889 | 206,827 |
| | Current service cost | 218 | 502 | 3,060 | 3,708 | - | - | 3,278 | 4,210 |
| | Interest cost | 6,792 | 6,460 | 9,614 | 12,746 | 6,079 | 5,794 | 22,485 | 25,000 |
| | Amount transferred to Defined Contribution Plan | - | - | (95,003) | - | - | - | (95,003) | - |
| | Benefits paid | (6,606) | (17,252) | (13,123) | (30,629) | (6,264) | (5,267) | (25,993) | (53,148) |
| | Re measurement : Actuarial (gain) / loss on obligation | 2,461 | 3,625 | 65,824 | (10,925) | 11,919 | 300 | 80,204 | (7,000) |
| | Liability Settlement (gain) / loss | - | - | (46,037) | - | - | - | (46,037) | - |
| | Obligation as at 31 December | 55,546 | 52,681 | - | 75,665 | 59,277 | 47,543 | 114,823 | 175,889 |
| 33.5 | **Movement in fair value of plan assets** | | | | | | | | |
| | Fair value as at 1 January | 72,941 | 82,838 | 26,444 | 52,389 | 44,427 | 44,064 | 143,812 | 179,291 |
| | Interest income on plan asset | 9,513 | 9,426 | 3,377 | 6,764 | 5,684 | 5,456 | 18,574 | 21,646 |
| | Contribution / (refund) by the bank | (22,983) | - | 99,397 | - | 16,189 | - | 92,603 | - |
| | Amount transferred to Defined Contribution Plan | - | - | (95,003) | - | - | - | (95,003) | - |
| | Benefits paid | (6,606) | (17,252) | (13,123) | (30,629) | (6,264) | (5,267) | (25,993) | (53,148) |
| | Re measurement :Actuarial gain / (loss) on plan assets | (1,250) | (2,071) | (320) | (2,080) | 425 | 174 | (1,145) | (3,977) |
| | Fair value as at 31 December | 51,615 | 72,941 | 20,772 | 26,444 | 60,461 | 44,427 | 132,848 | 143,812 |
| 33.6 | **Movement in (receivable) / payable from / to defined benefit plan** | | | | | | | | |
| | Balance as at 1 January | (20,260) | (23,492) | 49,221 | 48,376 | 3,116 | 2,652 | 32,077 | 27,536 |
| | Charge for the year | (2,503) | (2,464) | (36,740) | 9,690 | 395 | 338 | (38,848) | 7,564 |
| | Contribution to the fund during the year | 22,983 | - | (99,397) | - | (16,189) | - | (92,603) | - |
| | Actuarial (gain) / loss on plan assets | 3,711 | 5,696 | 66,144 | (8,845) | 11,494 | 126 | 81,349 | (3,023) |
| | Balance as at 31 December | 3,931 | (20,260) | (20,772) | 49,221 | (1,184) | 3,116 | (18,025) | 32,077 |
| 33.7 | **Actual return on plan assets** | | | | | | | | |
| | - Expected return on plan assets | 9,513 | 9,426 | 3,377 | 6,764 | 5,684 | 5,456 | 18,574 | 21,646 |
| | - Actuarial gain / (loss) on plan assets | (1,250) | (2,071) | (320) | (2,080) | 425 | 174 | (1,145) | (3,977) |
| | | 8,263 | 7,355 | 3,057 | 4,684 | 6,109 | 5,630 | 17,429 | 17,669 |

**Amount recognized in total comprehensive income**

The following amounts have been charged in respect of these benefits to profit and loss account and other comprehensive income:

Components of defined benefit costs recognized in profit and loss account.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Current service cost | 218 | 502 | 3,060 | 3,708 | - | - | 3,278 | 4,210 |
| Interest cost | 6,792 | 6,460 | 9,614 | 12,746 | 6,079 | 5,794 | 22,485 | 25,000 |
| Expected return on plan assets | (9,513) | (9,426) | (3,377) | (6,764) | (5,684) | (5,456) | (18,574) | (21,646) |
| Liability settlement (gain)/ loss | - | - | (46,037) | - | - | - | (46,037) | - |
| | (2,503) | (2,464) | (36,740) | 9,690 | 395 | 338 | (38,848) | 7,564 |

Components of defined benefit costs (re-measurement) recognised in other comprehensive income

**Re-measurement : Actuarial gain / loss on obligation**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - Change in financial assumptions | (788) | 2,079 | 26,177 | (10,594) | (880) | 953 | 24,509 | (7,562) |
| - Change in demographic assumptions | - | 5,555 | - | - | - | 1,500 | - | 7,055 |
| - Change in experience assumptions | 3,249 | (4,009) | 39,647 | (331) | 12,799 | (2,153) | 55,695 | (6,493) |
| | 2,461 | 3,625 | 65,824 | (10,925) | 11,919 | 300 | 80,204 | (7,000) |

**Re-measurement : interest income net of return on plan assets**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Actual net return on plan assets | 8,263 | 7,355 | 3,057 | 4,684 | 6,109 | 5,630 | 17,429 | 17,669 |
| Interest income on plan assets | 9,513 | 9,426 | 3,377 | 6,764 | 5,684 | 5,456 | 18,574 | 21,646 |
| | 1,250 | 2,071 | 320 | 2,080 | (425) | (174) | 1,145 | 3,977 |
| Net re-measurement recognised in other comprehensive income | 3,711 | 5,696 | 66,144 | (8,845) | 11,494 | 126 | 81,349 | (3,023) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 33.7.1 | **Components of plan assets as a percentage of total plan assets** | | | | | | | |
| | Bonds | 95% | 86% | 21% | 76% | 70% | 95% | |
| | Cash and net current assets | 5% | 14% | 79% | 24% | 30% | 5% | |

**33.7.2 Sensitivity Analysis on defined benefit obligations**

| | 2015 +1% Discount rate | 2014 -1% Discount rate | 2015 +1 % Salary increase | 2014 -1 % Salary increase | 2015 +1 % Pension increase | 2014 -1 % Pension increase |
|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | |
| Non Management Pension Fund | 52,018 | 59,549 | 55,546 | 55,546 | 59,712 | 51,826 |
| Non Management Gratuity Fund | - | - | - | - | - | - |
| Management Pension Fund | 55,350 | 63,753 | 59,277 | 59,277 | 63,936 | 55,136 |

**33.7.3 Five year data on surplus/ (deficit) of the plans and experience adjustments**

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| | (Rupees in '000) | | | | |
| Present value of defined benefit obligation | 114,823 | 175,889 | 206,827 | 168,429 | 169,645 |
| Fair value of plan assets | 132,848 | 143,812 | 179,291 | 175,729 | 169,423 |
| Deficit / (Surplus) | (18,025) | 32,077 | 27,536 | (7,300) | 222 |
| Experience adjustments on plan liabilities - loss / (gain) | 65,004 | (6,493) | 5,373 | (18,000) | (741) |
| Experience adjustments on plan assets - loss / (gain) | 1,145 | 3,977 | 6,439 | (7,637) | (3,889) |

**33.7.4** Expected contribution for the year ending 31 December 2015 in relation to Non-Management Pension Fund amounts to Rs. 0.339 million.

## 34 SHARE BASED PAYMENTS

The Bank's employees participate in the following share compensation plans operated globally by the ultimate holding company, Standard Chartered Plc (SCPLC). For employees in Pakistan, the Group has changed its arrangement to issue shares of SCPLC upon meeting the vesting conditions. Previously the Group operated cash equivalent or "phantom" arrangements under which employees can receive a cash benefit linked to either the growth in Group's share (Sharesave scheme) or the value of the Group's share (restricted / performance share awards) and the arrangement did not give an option to the Bank's employees to buy SCPLC shares. The market value of shares is denominated in pounds sterling at the time of grant. Phantom scheme not yet vested are still being accounted for cash settled basis.

The total expense recognised in respect of above schemes on equity settled basis amounts to Rs. 25.695 million (2014: Rs.82.231 million). As also explained in note 3.20 in detail, the Bank's liability towards its parent, however continues to be determined and recorded on cash settled basis for options not yet vested. The main features of each plan are as follows :

i) **Standard Chartered Share Plan**
The 2012 Standard Chartered Share Plan replaced all the Group's existing discretionary share plan arrangements following approval by shareholders at the Group's Annual General Meeting on 5 May 2011. It is the Group's main share plan, applicable to all employees with the flexibility to provide a variety of award types including performance shares, deferred awards (shares or cash) and restricted shares. Performance and restricted share awards will generally be in the form of nil price options to participate in the shares of SCPLC. The remaining life of the plan is ten years.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 85 | - | 97 | - |
| Granted during the year | 28 | - | 18 | - |
| Exercised during the year | (14) | - | (16) | - |
| Lapsed during the year | (22) | - | (15) | - |
| Notional dividend | 1 | - | 1 | - |
| Adjusment due to right issue | 4 | - | - | - |
| At 31 December | 82 | - | 85 | - |

The weighted average price at the time the options were exercised during 2015 was £ NIL (2014: £NIL).

| Range of exercise price | 2015 Weighted average exercise price | 2015 No. of options (000) | 2015 Weighted average remaining life Expected years | 2015 Weighted average remaining life Contractual years | 2014 Weighted average exercise price | 2014 No. of options (000) | 2014 Weighted average remaining life Expected years | 2014 Weighted average remaining life Contractual years |
|---|---|---|---|---|---|---|---|---|
| NIL | - | 82 | 10 | 5.46 / 7.41 | - | 85 | 10 | 5.09 / 7.91 |

The intrinsic value of vested International Sharesave cash-settled awards as at 31 December 2015 was Rs. 23,647 thousand (2014: Rs 11,063 thousand).

As at 31 December 2015, total number of options excercisable were 10,933.

### ii) International Sharesave Scheme

The International Sharesave Scheme was first launched in 1996 and made available to all employees of the Bank. Employees have the choice of opening a three-year or a five-year savings contract. Within a period of six months after the third or fifth anniversary, employees may exercise the awards and receive any benefit in cash; alternatively, the employee may elect to have the savings, plus interest, repaid in cash. The price at which they may purchase shares is at a discount of up to 20 percent on the share price at the date of the invitation. There are no performance conditions attached to options granted. The options granted do not confer any right to participate in any share issue of any other company.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 70 | 10.83/10.85 | 84 | 11.91/11.78 |
| Granted during the year | 25 | 5.86 | 26 | 9.85 |
| Exercised during the year | (3) | 10.65 | (1) | 9.80 |
| Lapsed during the year | (33) | 9.78 / 10.45 | (39) | 11.27 / 12.99 |
| Adjusment due to right issue | 3 | 5.86 | - | - |
| At 31 December | 62 | 8.11/10.89 | 70 | 10.85 |

The weighted average price at the time the options were exercised during 2015 was £10.65 (2014: £9.8).

| Range of exercise price | 2015 Weighted average exercise price | 2015 No. of options (000) | 2015 Weighted average remaining life Expected years | 2015 Weighted average remaining life Contractual years | 2014 Weighted average exercise price | 2014 No. of options (000) | 2014 Weighted average remaining life Expected years | 2014 Weighted average remaining life Contractual years |
|---|---|---|---|---|---|---|---|---|
| £5.57/£13.93 | 8.11/ 10.89 | 62 | 3.33/5.33 | 1.22/2.61 | 10.85 | 70 | 3.33/5.33 | 0.82/2.91 |

The intrinsic value of vested International Sharesave cash-settled awards as at 31 December 2015 was 2,408 thousand (2014: Rs. 32,854 thousand).

As at 31 December 2015, total number of options excercisable were 1,113.

### iii) Restricted Share Scheme

The Restricted Share Scheme is a discretionary share incentive scheme for high performing and high potential staff at any level of the organisation whom the Group wishes to motivate and retain. Except upon appointment when an executive director may be granted an award of restricted shares, the Restricted Share Scheme is not applicable to the Group's executive directors, as it has no performance conditions attached to it. Fifty per cent of the award vests two years after the date of the grant and the remainder after three years. The awards granted under this scheme are nil cost options with any benefit payable in cash. The options granted do not confer any right to participate in any share issue of any other company.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 13 | - | 22 | - |
| Granted during the year | - | - | - | - |
| Exercised during the year | (1) | - | (9) | - |
| Lapsed during the year | (3) | - | - | - |
| Adjusment due to right issue | 1 | - | - | - |
| At 31 December | 10 | - | 13 | - |

The weighted average price at the time the options were exercised during 2015 was Nil (2014: Nil).

| | 2015 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Weighted average remaining life | | | | Weighted average remaining life | |
| Range of exercise price | Weighted average exercise price | No. of options (000) | Expected years | Contractual years | Weighted average exercise price | No. of options (000) | Expected years | Contractual years |
| N/A | - | 10 | - | 1.3 | - | 13 | - | 2.07 |

The intrinsic value of vested Restricted Share Scheme cash-settled awards as at 31 December 2015 was Rs 21,211 thousand (2014 : Rs. 23,062 thousand).

As at 31 December 2015, total number of options excercisable were 9,807.

**iv) Supplementary Restricted Share Scheme**

The Group operates a Supplementary Restricted Share Scheme which can be used to defer part of an employee's annual bonus in shares. The plan is principally used for employees in the global markets area and is similar to the RSS outlined above for three important factors: executive directors are specifically prohibited from the plan; no new shares can be issued to satisfy awards; and there is no individual annual limit.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 1 | - | 1 | - |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Lapsed during the year | - | - | - | - |
| Adjustment due to right issue | - | - | - | - |
| At 31 December | 1 | - | 1 | - |

| | 2015 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Weighted average remaining life | | | | Weighted average remaining life | |
| Range of exercise price | Weighted average exercise price | No. of options (000) | Expected years | Contractual years | Weighted average exercise price | No. of options (000) | Expected years | Contractual years |
| N/A | - | 1 | 5 | 2.07 | - | 1 | 5 | 3.07 |

The intrinsic value of vested Supplementary Restricted Share Scheme cash-settled awards as at 31 December 2015 was Rs 3,089 thousand (2014 : Rs 2,327 thousand).

As at 31 December 2015, total number of options excercisable were 1,428.

## 35 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

| | Note | Chief Executive* | | Directors | | Executives | |
|---|---|---|---|---|---|---|---|
| | | 2015 | 2014* | 2015 | 2014 | 2015 | 2014 |
| | | (Rupees in '000) | | | | | |
| Director's remuneration / fees | 35.1 | - | - | 5,335 | 5,795 | - | - |
| Managerial remuneration | 35.3 | 30,000 | 18,954 | - | - | 1,574,187 | 1,600,109 |
| Contribution to defined contribution plan | | 5,499 | 1,630 | - | - | 233,031 | 207,348 |
| Rent and house maintenance | | 12,000 | 3,558 | - | - | 518,960 | 461,721 |
| Medical | | 3,000 | 889 | - | - | 129,740 | 115,430 |
| Others | | 18,957 | 26,097 | - | - | 458,978 | 156,768 |
| | | 69,456 | 51,128 | 5,335 | 5,795 | 2,914,896 | 2,541,376 |
| Number of persons | | 1 | 3 | 3 | 3 | 1,213 | 1,094 |

*This includes managerial remuneration and other benefits of current and previous Chief Executives.

35.1 The director's remuneration / fees represents remuneration paid to the Bank's 3 non-executive directors (2014: 3) for attending Board and Sub-Committee meetings.

35.2 The Chief Executive is also entitled to house allowance in lieu of furnished accommodation and provided with Bank maintained car. In addition, the Chief Executive and some of the executives are also reimbursed for cost of medical expenses and other benefits like club subscription, etc. as per their terms of employment.

35.3 In addition to the above, all Executives, including Chief Executive of the Bank are also eligible for discretionary variable compensation which includes cash &/or share awards. This is determined on the basis of employee's evaluation and the Bank's performance during the year. The aggregate amount in this respect, relating to all Executives, including Chief Executive of the Bank amounted to Rs. 485.521 million (2014: Rs. 521.332 million).

## 36 FAIR VALUE OF FINANCIAL INSTRUMENTS

### On-balance sheet financial instruments

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Book value | Fair value | Book value | Fair value |
| | (Rupees in '000) | | | |
| **Assets** | | | | |
| Cash and balances with treasury bank | 29,482,134 | 29,482,134 | 21,475,345 | 21,475,345 |
| Balances with other banks | 4,300,002 | 4,300,002 | 387,301 | 387,301 |
| Lendings to financial institutions | 26,969,566 | 26,969,566 | 10,813,559 | 10,813,559 |
| Investments | 225,318,405 | 225,318,405 | 189,678,370 | 189,678,370 |
| Advances | 106,784,996 | 106,784,996 | 128,590,059 | 128,590,059 |
| Other assets | 10,549,285 | 10,549,285 | 16,174,791 | 16,174,791 |
| | 403,404,388 | 403,404,388 | 367,119,425 | 367,119,425 |
| **Liabilities** | | | | |
| Bills payable | 11,401,191 | 11,401,191 | 5,563,605 | 5,563,605 |
| Borrowings | 21,784,451 | 21,784,451 | 17,244,671 | 17,244,671 |
| Deposits and other accounts | 327,237,527 | 327,237,527 | 304,503,668 | 304,503,668 |
| Sub-ordinated loans | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Other liabilities | 17,802,513 | 17,802,513 | 15,311,850 | 15,311,850 |
| | 380,725,682 | 380,725,682 | 345,123,794 | 345,123,794 |
| **Off-balance sheet financial instruments** | | | | |
| Interst Rate swaps / Foreign currency options / Forward purchase contracts | 81,295,849 | 81,791,880 | 68,381,789 | 69,265,137 |
| Interest Rate swaps / Foreign currency options / Forward sale contracts | 56,367,907 | 56,660,216 | 52,320,366 | 53,677,974 |

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

| | |
|---|---|
| Federal Government Securities | PKRV and PKISRV rates (Reuters page) |
| Sukuk Bonds (other than government) | MUFAP rates |
| Listed securities | Market prices |

Fair value of fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non - availability of relevant active market for similar assets and liabilities. The provision for impairment of debt securities and loans and advances has been calculated in accordance with the Bank's accounting policies as stated in note 3.6.

**36.1** The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments

| | | 2015 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Carry value | | | | | | Fair value | | | |
| | Note | Held for Trading | Available for Sale | Loans and Receivables | Other financial Assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | | | |
| **- Investments** | | | | | | | | | | | |
| Government Securities (Tbills + PIBs + Sukuks) | | 1,493,214 | 221,539,920 | - | - | - | 223,033,134 | - | 223,033,134 | - | 223,033,134 |
| Sukuk Bonds (other than government) | | - | 97,134 | - | - | - | 97,134 | - | 97,134 | - | 97,134 |
| Equity securities traded (Shares) | | - | 176,864 | - | - | - | 176,864 | 176,864 | - | - | 176,864 |
| **Financial assets not measured at fair value** | | | | | | | | | | | - |
| - Cash and bank balances with SBP and NBP | 36.2 | - | - | - | 29,482,134 | - | 29,482,134 | - | - | - | - |
| - Balances with other banks | 36.2 | - | - | - | 4,300,002 | - | 4,300,002 | - | - | - | - |
| - Lending to financial instruments | 36.2 | - | - | - | 26,969,566 | - | 26,969,566 | - | - | - | - |
| - Sukuk Bonds (other than government) | 36.2 | - | 1,325,000 | - | - | - | 1,325,000 | - | - | - | - |
| - Investments in Subsidiaries - Held for Sale | 36.2 | - | - | - | 686,273 | - | 686,273 | - | - | - | - |
| - Advances | 36.2 | - | - | 106,784,996 | - | - | 106,784,996 | - | - | - | - |
| - Other assets | 36.2 | - | - | - | 10,549,285 | - | 10,549,285 | - | - | - | - |
| | | 1,493,214 | 223,138,918 | 106,784,996 | 71,987,260 | - | 403,404,388 | 176,864 | 223,130,268 | - | 223,307,132 |
| **Financial liabilities not measured at fair value** | | | | | | | | | | | |
| - Bills Payable | 36.2 | - | - | - | - | 11,401,191 | 11,401,191 | | | | |
| - Deposits and other accounts | 36.2 | - | - | - | - | 327,237,527 | 327,237,527 | - | - | - | - |
| - Borrowings | 36.2 | - | - | - | - | 21,784,451 | 21,784,451 | - | - | - | - |
| - Sub - ordinated loans | 36.2 | - | - | - | - | 2,500,000 | 2,500,000 | - | - | - | - |
| - Other liabilities (excluding liabilities against assets subject to finance lease) | 36.2 | - | - | - | - | 17,802,513 | 17,802,513 | - | - | - | - |
| | | - | - | - | - | 380,725,682 | 380,725,682 | - | - | - | - |
| **Off balance sheet financial instruments** | | | | | | | | | | | |
| Interst Rate swaps / Foreign currency options / Forward purchase contracts | | - | - | - | 81,295,849 | - | 81,295,849 | - | 81,791,880 | - | 81,791,880 |
| Interest Rate swaps / Foreign currency options / Forward sale contracts | | - | - | - | 56,367,907 | | 56,367,907 | - | 56,660,216 | - | 56,660,216 |

On balance sheet financial instruments

| | Note | 2014 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Carry value | | | | | | Fair value | | | |
| | | Held for Trading | Available for Sale | Loans and Receivables | Other financial Assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | | | |
| **- Investments** | | | | | | | | | | | |
| Government Securities (Tbills + PIBs + Sukuks) | | 8,269,501 | 179,101,270 | - | - | - | 187,370,771 | - | 187,370,771 | - | 187,370,771 |
| Sukuk Bonds (other than government) | | - | 149,728 | - | - | - | 149,728 | - | 149,728 | - | 149,728 |
| Equity securities traded (Shares) | | - | 146,598 | - | - | - | 146,598 | 146,598 | - | - | 146,598 |
| **Financial assets not measured at fair value** | | | | | | | | | | | |
| - Cash and bank balances with SBP and NBP | 36.2 | - | - | - | 21,475,345 | - | 21,475,345 | - | - | - | - |
| - Balances with other banks | 36.2 | - | - | - | 387,301 | - | 387,301 | - | - | - | - |
| - Lending to financial instruments | 36.2 | - | - | - | 10,813,559 | - | 10,813,559 | - | - | - | - |
| - Sukuk Bonds (other than government) | 36.2 | - | 1,325,000 | - | - | - | 1,325,000 | - | - | - | - |
| - Investments in Subsidiaries - Held for Sale | 36.2 | - | - | - | 686,273 | - | 686,273 | - | - | - | - |
| - Advances | 36.2 | - | - | - | 128,590,059 | - | 128,590,059 | - | - | - | - |
| - Other assets | 36.2 | - | - | - | 16,174,791 | - | 16,174,791 | - | - | - | - |
| | | 8,269,501 | 180,722,596 | - | 178,127,328 | - | 367,119,425 | 146,598 | 187,520,499 | - | 187,667,097 |
| **Financial liabilities not measured at fair value** | | | | | | | | | | | |
| - Bills Payable | 36.2 | - | - | - | - | 5,563,605 | 5,563,605 | - | - | - | - |
| - Deposits and other accounts | 36.2 | - | - | - | - | 304,503,668 | 304,503,668 | - | - | - | - |
| - Borrowings | 36.2 | - | - | - | - | 17,244,671 | 17,244,671 | - | - | - | - |
| - Sub - ordinated loans | 36.2 | - | - | - | - | 2,500,000 | 2,500,000 | - | - | - | - |
| - Other liabilities (excluding liabilities against assets subject to finance lease) | 36.2 | - | - | - | - | 15,311,850 | 15,311,850 | - | - | - | - |
| | | - | - | - | - | 345,123,794 | 345,123,794 | - | - | - | - |
| **Off Balance sheet financial instruments** | | | | | | | | | | | |
| Interst Rate swaps / Foreign currency options / Forward purchase contracts | | - | - | - | 68,381,789 | - | 68,381,789 | - | 69,265,137 | - | 69,265,137 |
| Interst Rate swaps / Foreign currency options / Forward sale contracts | | - | - | - | 52,320,366 | - | 52,320,366 | - | 53,677,974 | - | 53,677,974 |

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

'Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

'Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

**36.2** These financial assets and liabilities are for short term or reprice over short term. Therefore their carrying amounts are reasonable approximation of fair value.

## 37 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

| | Corporate and institutional clients | Commercial clients | Retail clients | Total |
|---|---|---|---|---|
| **2015** | (Rupees in '000) | | | |
| Internal Income | (12,379,718) | (1,343,108) | 13,797,905 | 75,079 |
| Net mark-up / return / interest income | 23,513,117 | 1,819,191 | (3,024,598) | 22,307,710 |
| Non mark-up / non interest income | 3,245,176 | 389,243 | 3,462,705 | 7,097,124 |
| Operating income | 14,378,575 | 865,326 | 14,236,012 | 29,479,913 |
| Non mark-up / non interest expenses | 3,042,094 | 670,178 | 8,750,537 | 12,462,809 |
| Internal non mark-up / non interest expenses | 15,408 | 3,605 | 56,066 | 75,079 |
| Operating profit before provisions and taxation | 11,321,073 | 191,543 | 5,429,409 | 16,942,025 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 1,268,251 | 329,697 | (45,271) | 1,552,677 |
| Provision for diminution in the value of investments - net | 4,729 | - | - | 4,729 |
| **Profit before taxation** | 10,048,093 | (138,154) | 5,474,680 | 15,384,619 |
| **Other segment items:** | | | | |
| Depreciation on tangible fixed assets | 142,650 | 19,020 | 313,831 | 475,501 |
| Amortisation on intangible assets | 13,918 | 1,856 | 30,620 | 46,394 |
| Segment assets (gross) | 403,338,802 | 31,435,823 | 35,014,478 | 469,789,103 |
| Segment non performing loans | 11,349,894 | 8,743,150 | 3,925,372 | 24,018,416 |
| Segment provision required | 9,730,860 | 7,767,873 | 4,017,985 | 21,516,718 |
| Segment liabilities | 128,088,019 | 3,516,641 | 253,792,676 | 385,397,336 |
| Segment return on net assets (ROA) (%) * | 2.55% | -0.58% | 17.66% | 3.43% |
| Segment cost of funds (%) ** | 4.42% | 2.89% | 2.30% | 2.97% |
| 2014 | | | | |
| Internal Income | (13,212,375) | (1,607,244) | 14,928,110 | 108,491 |
| Net mark-up / return / interest income | 22,800,579 | 2,239,188 | (4,176,541) | 20,863,226 |
| Non mark-up / non interest income | 3,382,691 | 424,419 | 3,585,763 | 7,392,873 |
| Operating income | 12,970,895 | 1,056,363 | 14,337,332 | 28,364,590 |
| Non mark-up / non interest expenses | 3,702,848 | 493,183 | 8,363,660 | 12,559,691 |
| Internal non mark-up / non interest expenses | 21,303 | 7,081 | 80,107 | 108,491 |
| Operating profit before provisions and taxation | 9,246,744 | 556,099 | 5,893,565 | 15,696,408 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 645,448 | (104,631) | (149,123) | 391,694 |
| Provision for diminution in the value of investments - net | 74,151 | - | - | 74,151 |
| **Profit before taxation** | 8,527,145 | 660,730 | 6,042,688 | 15,230,563 |
| **Other segment items:** | | | | |
| Depreciation of tangible fixed assets | 95,183 | 5,849 | 377,856 | 478,888 |
| Amortisation of intangible assets | 44,410 | 4,393 | - | 48,803 |
| Segment assets (gross) | 365,714,055 | 32,232,997 | 34,121,512 | 432,068,564 |
| Segment non performing loans | 9,476,183 | 9,089,774 | 4,529,776 | 23,095,733 |
| Segment provision required | 8,744,098 | 8,333,478 | 4,372,424 | 21,450,000 |
| Segment liabilities | 105,905,186 | 3,477,556 | 239,469,689 | 348,852,431 |
| Segment return on net assets (ROA) (%) * | 2.39% | 2.76% | 20.31% | 3.71% |
| Segment cost of funds (%) ** | 6.32% | 6.43% | 3.03% | 3.98% |

* Segment ROA = Profit before tax / (Segment assets - Segment provisions)

** Segment cost of funds have been computed based on the average balances.

The management reviews the business activities of the Bank under the following segments:

**Corporate and Institutional Clients**

This includes deposits, trade, advisory services and other lending activities for corporate and financial institutions. It also includes the overall management of treasury of the Bank, which entails various cash and interest risk management products for customers. The products include FX forwards, FX options and interest rate swaps.

**Commercial Clients**

This includes deposits, trade, Wealth management and SME discretionary lending activities.

**Retail Clients**

Wealth management, deposits, secured lending (mortgages, overdrafts etc), unsecured lending (credit cards, personal loans etc.) for priority and small business clients.

## 38 RELATED PARTY TRANSACTIONS

Related parties comprise of Standard Chartered Plc., ultimate parent company, its other subsidiaries and branches and bank's subsidiaries, key management personnel, employees' retirement benefit funds and other associated undertakings. The transactions with related parties are conducted at commercial / agreed terms. The Bank also provides advances to employees at reduced rates in accordance with their terms of employment.

The transactions and balances with related parties are summarised as follows:

| OUTSTANDING BALANCES | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Group** | | | |
| Nostro balances with other subsidiaries and branches of the holding company | | **4,253,892** | 337,420 |
| Overdrawn nostro balances with other subsidiaries and branches of the holding company | | **1,046,275** | 1,621,956 |
| Vostro balances of other subsidiaries and branches of the holding company | | **496,085** | 438,857 |
| Placements with other subsidiaries and branches of the holding company | | **16,450,620** | 8,313,559 |
| Deposits of group company | 38.1 | **25,445** | 33,745 |
| Due from group companies | | **19,748** | 290 |
| Due to holding company | | **7,739,048** | 6,442,443 |
| Due to group company | | **-** | - |
| Due from other subsidiaries and branches of the company | | **74,069** | 93,716 |
| Interest receivable from group companies | | **202** | 65 |
| Inter-company derivative assets | | **31,079** | 20,301 |
| Inter-company derivative liabilities | | **56,183** | 214,493 |
| Other receivables - SLA | | **453** | 1,508 |
| Transaction-related contingent liabilities - Guarantees | | **21,183,434** | 24,199,988 |
| Commitments in respect of forward foreign exchange contracts | | **4,037,342** | 7,540,663 |
| Derivative instruments- Interest rate swaps - Notional | | **2,382,572** | 4,459,958 |
| Derivative instruments- FX options - Notional | | **83,624** | - |
| **Subsidiaries** | | | |
| Deposits of subsidiaries | 38.1 | **116,203** | 198,128 |
| Loans to subsidiaries | 38.1 | **190,095** | 14,705 |
| Accued interest receivable | | **2,814** | 2,675 |
| Transaction-related contingent liabilities - Guarantees | | **-** | - |
| Other receivables - SLA | | **2,131** | 2,125 |
| Commision payable | | **4,601** | - |
| **Key management personnel** | | | |
| Loans and advances to key management personnel | 38.1 | **131,718** | 68,581 |
| Deposits of key management personnel | 38.1 | **87,112** | 172,834 |
| Rent payable | | **-** | 1,574 |
| **Others** | | | |
| Loans and advances to customers with common directorship | 38.1 | **121,347** | 693,293 |
| Deposits by staff retirement benefit funds | 38.1 | **176,807** | 113,870 |
| Deposits by customers with common directorship | 38.1 | **555,683** | 435,906 |
| Accued interest receivable against loans and advances to customers with common directorship | | **3,506** | 17,855 |
| (Receivable from) / payable to defined benefit plans | | **(18,025)** | 32,074 |
| Receivable from defined contribution plans | | **-** | 138,949 |
| Transaction-related contingent liabilities - Guarantees | | **101,739** | 526,739 |
| Trade-related contingent liabilities - Letter of Credit | | **1,689,606** | 1,087 |
| Advance receivable | | **-** | 1,802 |

| | Note | 2015 | 2014 |
|---|---|---|---|
| **PROFIT AND LOSS** | | (Rupees in '000) | |
| **Group** | | | |
| Mark-up / return / interest earned | | **23,747** | 37,968 |
| Mark-up / return / interest expensed | | **28** | 202 |
| Fee and commission expense | | **6,363** | 8,991 |
| Fee and commission income | | **77,414** | 118,038 |
| Reimbursement of executive and general administrative expenses | 26.3 | **1,431,588** | 1,385,769 |
| Payment to group company for direct sales services rendered | | **207,628** | 669,494 |
| Reimbursement of administrative expenses (including rent and other charges) | | **11,687** | 11,745 |
| Net gain / (loss) on inter-company derivatives | | **169,088** | 178,064 |
| Royalty expense / (reversal) | | **(77,512)** | 184,693 |
| Dividend paid | | **8,623,085** | 8,239,528 |
| **Subsidiaries** | | | |
| Mark-up / return / interest earned | | **8,268** | 30,264 |
| Mark-up / return / interest expensed | | **4,695** | 5,218 |
| Commision income earned | | **51,026** | 60,371 |
| Reimbursement of administrative expenses (including rent and other charges) | | **27,309** | 24,967 |
| Dividend income | | **-** | 81,278 |
| **Key management personnel** | | | |
| Mark-up / return / interest earned | | **4,304** | 3,205 |
| Mark-up / return / interest expensed | | **1,540** | 4,151 |
| Salaries and benefits | | **421,158** | 387,747 |
| Post retirement benefits | | **24,702** | 19,349 |
| Remuneration / fee paid to non-exective directors | | **5,335** | 5,795 |
| Rent expenses | | **2,706** | 647 |
| **Others** | | | |
| Contribution to defined contribution plans - net of payments received | | **488,605** | 373,796 |
| Charge for defined contribution plans | | **349,656** | 234,849 |
| Net charge / (income) for defined benefit plans | | **(38,848)** | 7,564 |
| Mark-up / return / interest expensed on deposits of staff retirement benefit funds | | **11,745** | 16,639 |
| Mark-up / return / interest expensed on deposits of customers with common directorship | | **184,419** | 20,606 |
| Mark-up / return / interest earned on advances to customers with common directorship | | **28,613** | 22,801 |
| Donation to The Kidney Centre | 26.1 | **-** | 3,000 |
| Net gain / (loss) on derivatives | | **-** | (9,775) |
| Payment made to Central Depository Company of Pakistan Limited | 38.2 | **-** | 4,629 |
| Gas charges | | **873** | 82 |
| Miscellaneous income from company with common directorship | | **5,625** | 1,753 |

**38.1 Net movements in loans and deposits are summarised as follows:**

| | Balance as at 31 December 2014 | Net disbursement / deposits | Net repayments / withdrawals | Balance as at 31 December 2015 |
|---|---|---|---|---|
| | (Rupees in '000) | | | |
| **Loans and advances** | | | | |
| Key management personnel | **68,581** | **149,534** | **(86,397)** | **131,718** |
| Subsidiaries | **14,705** | **2,532,435** | **(2,357,045)** | **190,095** |
| Others | **693,293** | **777,216** | **(1,349,162)** | **121,347** |
| **Deposits** | | | | |
| Group companies | **33,745** | **503,726** | **(512,026)** | **25,445** |
| Subsidiaries | **198,128** | **15,132,331** | **(15,214,256)** | **116,203** |
| Key management personnel | **172,834** | **1,018,749** | **(1,104,471)** | **87,112** |
| Others | **549,776** | **166,715,153** | **(166,532,439)** | **732,490** |

**38.2** The previous CEO of the bank was also the member of the Board of this organisation.

## 39 CAPITAL ASSESSMENT AND ADEQUACY

### Capital Structure

The State Bank of Pakistan through its BSD Circular No.07 dated 15 April 2009 requires the minimum paid up capital (net of losses) for all locally incorporated banks to be Rs. 10 billion on 31 December 2013 and onwards. The raise was to be achieved in a phased manner requiring Rs.10 billion paid up capital (net of losses) by the end of the financial year 2013. The paid up capital of the Bank for the year ended 31 December 2015 stands at Rs. 38.715 billion and is in compliance with the SBP requirement.

Furthermore, the State Bank requires the Bank to maintain prescribed capital to total risk-weighted assets ratios. The capital adequacy ratios of the Bank were subject to the Basel 3 capital adequacy guidelines stipulated by the State Bank through its BPRD Circular No.6 dated 15 August 2013. These instructions are effective from 31 December 2013 in a phased manner with full implementation intended by 31 December 2019. Under Basel III guidelines banks are required to maintain the following ratios on an ongoing basis:

***Phase-in arrangement and full implementation of the minimum capital requirements:***

| S No. | Ratio | Year End | | | | | | 31 December 2019 |
|---|---|---|---|---|---|---|---|---|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| 1 | Common Equity Tier 1 (CET 1) | 5.00% | 5.50% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| 2 | Additional Tier-1 (ADT 1) | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 3 | Tier 1 | 6.50% | 7.00% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| | Total Capital | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 4 | *Capital Consumption Buffer (CCB) | - | - | 0.25% | 0.65% | 1.28% | 1.90% | 2.50% |
| | Total Capital plus CCB | 10.00% | 10.00% | 10.25% | 10.65% | 11.28% | 11.90% | 12.50% |

*(Consisting of CET1 only)

Moreover, the State Bank, through its BPRD circular No. 02 dated 09 January 2015 issued revised instructions for calculation of risk weight on outstanding exposures against large unrated private sector borrowers. The circular requires that the risk weight on all unrated private sector borrowers with aggregate outstanding exposure from financial institutions (both fund-based and non-fund based) of Rs. 3.0 billion or above, net of liquid assets, shall be taken 125% for the year ended 31 December 2015 instead of previous requirement of 115% risk weight on all unrated private sector borrowers with aggregate outstanding exposure from financial institutions (both fund-based and non-fund based) of Rs. 5.0 billion or above, net of liquid assets.

Banking operations are categorised in either the trading book or the banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's regulatory capital is analysed into three tiers, with total Tier 1 capital being the sum of CET1 and ADT1 below:

- Common Equity Tier I capital, which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as disclosed on the balance sheet and un-appropriated profits (net of accumulated losses, if any). Goodwill and other intangibles are deducted from Tier I capital.

- Additional Tier I capital, which includes perpetual non-cumulative preference shares and share premium resulting from the same. The Bank did not have any ADT1 as of 31 December 2015.

The deduction from Tier 1 Capital include mainly:

i) Book value of goodwill / intangibles;
ii) Deficit on revaluation of available for sale investments
iii) Defined-benefit pension fund net assets
iv) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
v) Investment in mutual funds above a prescribed ceiling;
vi) Threshold deductions applicable from 2014 on deferred tax assets and certain investments;
vii) 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position.

- Tier II capital includes sub-ordinated debt, revaluation reserves on assets, exchange translation reserves and impairment allowances that are not held against identified debts. Information on the terms, conditions and other features of the Bank's sub-ordinated debt currently in issue is given in note 16 to these financial statements. There is a restriction on the amount of impairment allowances that are not held against identified debts upto 1.25 percent of credit risk weighted assets.

The deductions from Tier 2 include mainly:

i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;

ii) 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Bank remained compliant with all externally imposed capital requirements through out the year. Further, there has been no material change in the Bank's management of capital during the year.

**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 31 December 2015. As at 31 December 2015, the bank has a leverage ratio of 6.61 % (2014: 7.12 %) and Tier-1 capital of Rs. 34,898 million (2014: Rs. 33,882 million).

| | | 2015 | 2014 |
|---|---|---|---|
| | **Common Equity Tier 1 capital (CET1): Instruments and reserves** | (Rupees in '000) | |
| 1 | Fully Paid-up Capital | **38,715,850** | 38,715,850 |
| 2 | Balance in Share Premium Account | **1,036,090** | 1,036,090 |
| 3 | Reserve for issue of Bonus Shares | **-** | - |
| 4 | Discount on Issue of shares | **-** | - |
| 5 | General/ Statutory Reserves | **9,810,915** | 7,953,230 |
| 6 | Gain/(Losses) on derivatives held as Cash Flow Hedge | **-** | - |
| 7 | Unappropriated profits | **5,453,310** | 6,751,303 |
| 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 | **CET 1 before Regulatory Adjustments** | **55,016,165** | 54,456,473 |
| 10 | Total regulatory adjustments applied to CET1 (Note 39.1.1) | **20,117,618** | 20,573,934 |
| 11 | Common Equity Tier 1 | **34,898,547** | 33,882,539 |
| | **Additional Tier 1 (AT 1) Capital** | | |
| 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 | **AT1 before regulatory adjustments** | **-** | - |
| 18 | Total regulatory adjustment applied to AT1 capital (Note 39.1.2) | **-** | - |
| 19 | Additional Tier 1 capital after regulatory adjustments | **-** | - |
| 20 | Additional Tier 1 capital recognized for capital adequacy | **-** | - |

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| 21 | **Tier 1 Capital (CET1 + admissible AT1) (11+20)** | **34,898,547** | 33,882,539 |
| | **Tier 2 Capital** | | |
| 22 | Qualifying Tier 2 capital instruments under Basel III plus any related share premium | - | - |
| 23 | Tier 2 capital instruments subject to phase-out arrangement issued under pre-Basel 3 rules | **1,750,000** | 2,000,000 |
| 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 | **555,906** | 539,465 |
| 27 | Revaluation Reserves (net of taxes) | **4,645,974** | 3,505,028 |
| 28 | of which: Revaluation reserves on fixed assets | **2,460,044** | 2,073,663 |
| 29 | of which: Unrealized gains/losses on AFS | **2,185,930** | 1,431,365 |
| 30 | Foreign Exchange Translation Reserves | - | - |
| 31 | Undisclosed/Other Reserves (if any) | - | - |
| 32 | **T2 before regulatory adjustments** | **6,951,880** | 6,044,493 |
| 33 | Total regulatory adjustment applied to T2 capital (Note 39.1.3) | **205,882** | 274,509 |
| 34 | Tier 2 capital (T2) after regulatory adjustments | - | - |
| 35 | Tier 2 capital recognized for capital adequacy | - | - |
| 36 | Portion of Additional Tier 1 capital recognized in Tier 2 capital | - | - |
| 37 | **Total Tier 2 capital admissible for capital adequacy** | **6,745,998** | 5,769,984 |
| 38 | **TOTAL CAPITAL (T1 + admissible T2) (21+37)** | **41,644,545** | 39,652,523 |
| 39 | **Total Risk Weighted Assets (RWA) {for details refer Note 39.5}** | **198,026,679** | 207,956,111 |
| | **Capital Ratios and buffers (in percentage of risk weighted assets)** | | |
| 40 | **CET1 to total RWA** | **17.62%** | 16.29% |
| 41 | **Tier-1 capital to total RWA** | **17.62%** | 16.29% |
| 42 | **Total capital to total RWA** | **21.03%** | 19.07% |
| 43 | Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) | - | - |
| 44 | of which: capital conservation buffer requirement | - | - |
| 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) | **7.62%** | 6.29% |
| | **National minimum capital requirements prescribed by SBP** | | |
| 48 | **CET1 minimum ratio** | **6.00%** | 5.50% |
| 49 | **Tier 1 minimum ratio** | **7.50%** | 7.00% |
| 50 | **Total capital minimum ratio (including buffer requirement of 0.25%)** | **10.25%** | 10.00% |

| | | 2015 | | 2014 |
|---|---|---|---|---|
| **39.1** | **Regulatory Adjustments and Additional Information** | **Amount** | **Amounts subject to Pre-Basel III treatment*** | **Amount** |
| **39.1.1** | **Common Equity Tier 1 capital: Regulatory adjustments** | (Rupees in '000) | | |
| 1 | Goodwill (net of related deferred tax liability) | 18,928,832 | - | 19,825,701 |
| 2 | All other intangibles (net of any associated deferred tax liability) | 31,410 | - | 77,804 |
| 3 | Shortfall in provisions against classified assets | | - | - |
| 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 | | - | - |
| 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) | | | |
| 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) | 951,494 - | 1,427,241 - | 395,920 |
| 15 | Amount exceeding 15% threshold | | - | - |
| 16 | of which: significant investments in the common stocks of financial entities | | - | - |
| 17 | of which: deferred tax assets arising from temporary differences | | - | - |
| 18 | National specific regulatory adjustments applied to CET1 capital | - | - | - |
| 19 | Investments in TFCs of other banks exceeding the prescribed limit | | | - |
| 20 | Any other deduction specified by SBP | - | - | - |
| 21 | Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions | 205,882 | 205,882 | 274,509 |
| 22 | Total regulatory adjustments applied to CET1 (sum of 1 to 21) | 20,117,618 | | 20,573,934 |
| **39.1.2** | **Additional Tier-1 & Tier-1 Capital: regulatory adjustments** | | | |
| 23 | Investment in mutual funds exceeding the prescribed limit | - | - | - |
| 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) | - | - | - |
| **39.1.3** | **Tier 2 Capital: regulatory adjustments** | | | |
| 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 | - | - | - |
| 32 | Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities | - | - | - |
| 33 | Investment in own Tier 2 capital instrument | - - | - - | - - |

* as the Bank does not have Additional TIER 1 Capital, deduction is made from CET 1

| | | | | |
|---|---|---|---|---|
| 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 | 205,882 | - | 274,509 |
| 36 | Total regulatory adjustment applied to T2 capital (sum of 31 to 35) | **205,882** | - | **274,509** |

**39.1.4 Additional Information**

| | | 2015 | 2014 |
|---|---|---|---|
| | **Risk Weighted Assets subject to pre-Basel III treatment** | (Rupees in '000) | |
| 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 | **1,427,241** | 1,583,679 |
| (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 | - | - |
| (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 | **137,256** | 137,256 |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 38 | Non-significant investments in the capital of other financial entities | - | - |
| 39 | Significant investments in the common stock of financial entities | **411,764** | 549,018 |
| 40 | Deferred tax assets arising from temporary differences (net of related tax liability) | **3,605,592** | 3,455,297 |
| | **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 41 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap) | **555,906** | 539,465 |
| 42 | Cap on inclusion of provisions in Tier 2 under standardized approach | **1,810,943** | 1,932,529 |
| 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 | - | - |

**39.2 Capital Structure Reconciliation**

**39.2.1**

| | Balance sheet as in published financial statements 2015 | Under regulatory scope of consolidation 2015 |
|---|---|---|
| **Assets** | (Rupees in '000) | |
| Cash and balances with treasury banks | **29,482,134** | **29,482,134** |
| Balances with other banks | **4,300,002** | **4,300,002** |
| Lending to financial institutions | **26,969,566** | **26,969,566** |
| Investments | **225,318,405** | **225,318,405** |
| Advances | **106,784,996** | **106,784,996** |
| Operating fixed assets | **5,963,952** | **5,963,952** |
| Deferred tax assets | - | **5,984,327** |
| Other assets | **48,528,736** | **48,528,736** |
| **Total assets** | **447,347,791** | **453,332,118** |
| **Liabilities & Equity** | | |
| Bills payable | **11,401,191** | **11,401,191** |
| Borrowings | **21,784,451** | **21,784,451** |
| Deposits and other accounts | **327,237,527** | **327,237,527** |
| Sub-ordinated loans | **2,500,000** | **2,500,000** |
| Liabilities against assets subject to finance lease | - | - |
| Deferred tax liabilities | **3,221,120** | **9,205,447** |
| Other liabilities | **19,253,047** | **19,253,047** |
| **Total liabilities** | **385,397,336** | **391,381,663** |
| Share capital | **38,715,850** | **38,715,850** |
| Reserves | **10,847,005** | **10,847,005** |
| Unappropriated profit | **5,453,310** | **5,453,310** |
| Minority Interest | - | - |
| Surplus on revaluation of assets | **6,934,290** | **6,934,290** |
| **Total liabilities & equity** | **447,347,791** | **453,332,118** |

39.2.2

| | Balance sheet as in published financial statements 2015 | Under regulatory scope of consolidation 2015 | Reference |
|---|---|---|---|
| | ------- (Rupees in '000) -------- | | |
| **Assets** | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | |
| Balances with other banks | 4,300,002 | 4,300,002 | |
| Lending to financial institutions | 26,969,566 | 26,969,566 | |
| **Investments** | 225,318,405 | 225,318,405 | |
| of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold | - | - | a |
| of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold | - | - | b |
| of which: Mutual Funds exceeding regulatory threshold | - | - | c |
| of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2) | - | - | d |
| of which: others | - | - | e |
| **Advances** | 106,784,996 | 106,784,996 | |
| shortfall in provisions/ excess of total EL amount over eligible provisions under IRB | - | | f |
| general provisions reflected in Tier 2 capital | 555,906 | 555,906 | g |
| **Fixed Assets** | 5,963,952 | 5,963,952 | |
| **Deferred Tax Assets** | - | 5,984,327 | |
| of which: DTAs that rely on future profitability excluding those arising from temporary differences | - | - | h |
| of which: DTAs arising from temporary differences exceeding regulatory threshold | 951,494 | 951,494 | i |
| **Other assets** | 48,528,736 | 48,528,736 | |
| of which: Goodwill | 26,095,310 | 26,095,310 | j |
| of which: Intangibles | 31,410 | 31,410 | k |
| of which: Defined-benefit pension fund net assets | - | - | l |
| **Total assets** | 447,347,791 | 453,332,118 | |
| **Liabilities & Equity** | | | |
| Bills payable | 11,401,191 | 11,401,191 | |
| Borrowings | 21,784,451 | 21,784,451 | |
| Deposits and other accounts | 327,237,527 | 327,237,527 | |
| Sub-ordinated loans | 2,500,000 | 2,500,000 | |
| of which: eligible for inclusion in AT1 | - | - | m |
| of which: eligible for inclusion in Tier 2 | 1,750,000 | 1,750,000 | n |
| Liabilities against assets subject to finance lease | - | - | |
| Deferred tax liabilities | 3,221,120 | 9,205,447 | |
| of which: DTLs related to goodwill | - | 7,166,477 | o |
| of which: DTLs related to intangible assets | - | - | p |
| of which: DTLs related to defined pension fund net assets | - | - | q |
| of which: other deferred tax liabilities | - | 2,038,970 | r |
| Other liabilities | 19,253,047 | 19,253,047 | |
| **Total liabilities** | 385,397,336 | 390,631,663 | |
| Share capital | 38,715,850 | 38,715,850 | |
| of which: amount eligible for CET1 | 38,715,850 | 38,715,850 | s |
| of which: amount eligible for AT1 | - | - | t |
| Reserves | 10,847,005 | 10,847,005 | |
| of which: portion eligible for inclusion in CET1 | 10,847,005 | 10,847,005 | u |
| of which: portion eligible for inclusion in Tier 2 | - | - | v |
| Unappropriated profit | 5,453,310 | 5,453,310 | w |
| Minority Interest | - | - | |
| of which: portion eligible for inclusion in CET1 | - | - | x |
| of which: portion eligible for inclusion in AT1 | - | - | y |
| of which: portion eligible for inclusion in Tier 2 | - | - | z |
| Surplus on revaluation of assets | 6,934,290 | 6,934,290 | |
| of which: Revaluation reserves on Property | 3,671,708 | 3,671,708 | aa |
| of which: Unrealized Gains/Losses on AFS | 3,262,582 | 3,262,582 | |
| In case of Deficit on revaluation (deduction from CET1) | - | - | ab |
| **Total liabilities & Equity** | 447,347,791 | 452,582,118 | |

| | 39.2.3 Basel III Disclosure Template | Component of regulatory capital reported by bank (Rupees in '000) | Source based on reference number from step 2 |
|---|---|---|---|
| | **Common Equity Tier 1 capital (CET1): Instruments and reserves** | | |
| 1 | Fully Paid-up Capital/ Capital deposited with SBP | **38,715,850** | |
| 2 | Balance in Share Premium Account | **1,036,090** | (s) |
| 3 | Reserve for issue of Bonus Shares | - | |
| 4 | General/ Statutory Reserves | **9,810,915** | (u) |
| 5 | Gain/(Losses) on derivatives held as Cash Flow Hedge | - | |
| 6 | Unappropriated profits | **5,453,310** | (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) |
| 8 | **CET 1 before Regulatory Adjustments** | **55,016,165** | |
| | **Common Equity Tier 1 capital: Regulatory adjustments** | | |
| 9 | Goodwill (net of related deferred tax liability) | **18,928,832** | (j) - (o) |
| 10 | All other intangibles (net of any associated deferred tax liability) | **31,410** | (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) | - | {(h) - (r} * x% |
| 13 | Defined-benefit pension fund net assets | - | {(l) - (q)} * x% |
| 14 | Reciprocal cross holdings in CET1 capital instruments | - | (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) | - | (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) | **951,494** | (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 | - | |
| 26 | National specific regulatory adjustments applied to CET1 capital | - | |
| 27 | of which: Investment in TFCs of other banks exceeding the prescribed limit | - | |
| 28 | of which: Any other deduction specified by SBP | - | |
| 29 | Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions | **205,882** | |
| 30 | Total regulatory adjustments applied to CET1 | **20,117,618** | |
| | **Common Equity Tier 1** | **34,898,547** | |
| | **Additional Tier 1 (AT 1) Capital** | - | |
| 31 | Qualifying Additional Tier-1 instruments plus any related share premium | - | |
| 32 | of which: Classified as equity | - | (t) |
| 33 | of which: Classified as liabilities | - | (m) |
| 34 | Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1) | - | (y) |
| 35 | of which: instrument issued by subsidiaries subject to phase out | - | |
| 36 | **AT1 before regulatory adjustments** | | |
| | **Additional Tier 1 Capital: regulatory adjustments** | - | |
| 37 | Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment) | - | |
| 38 | Investment in own AT1 capital instruments | - | |
| 39 | Reciprocal cross holdings in Additional Tier 1 capital instruments | - | |
| 40 | 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) |

| | | Component of regulatory capital reported by bank (Rupees in '000) | Source based on reference number from step 2 |
|---|---|---|---|
| 41 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | (ad) |
| 42 | 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 | - | |
| 43 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | |
| 44 | Total of Regulatory Adjustment applied to AT1 capital | - | |
| 45 | Additional Tier 1 capital | - | |
| 46 | **Additional Tier 1 capital recognized for capital adequacy** | - | |
| | **Tier 1 Capital (CET1 + admissible AT1)** | **34,898,547** | |
| | **Tier 2 Capital** | | |
| 47 | Qualifying Tier 2 capital instruments under Basel III plus any related share premium | - | |
| 48 | Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments) | **1,750,000** | (n) |
| 49 | Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2) | - | (z) |
| 50 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 51 | General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets | **555,906** | (g) |
| 52 | Revaluation Reserves | **4,645,974** | |
| 53 | of which: Revaluation reserves on fixed assets | **2,460,044** | portion of (aa) |
| 54 | of which: Unrealized Gains/Losses on AFS | **2,185,930** | |
| 55 | Foreign Exchange Translation Reserves | - | (v) |
| 56 | Undisclosed/Other Reserves (if any) | - | |
| 57 | **T2 before regulatory adjustments** | **6,951,880** | |
| | **Tier 2 Capital: regulatory adjustments** | | |
| 58 | 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 | **205,882** | |
| 59 | Reciprocal cross holdings in Tier 2 instruments | - | |
| 60 | Investment in own Tier 2 capital instrument | - | |
| 61 | 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) |
| 62 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | (af) |
| 63 | Amount of Regulatory Adjustment applied to T2 capital | **205,882** | |
| 64 | Tier 2 capital (T2) | **6,745,998** | |
| 65 | Tier 2 capital recognized for capital adequacy | **6,745,998** | |
| 66 | Excess Additional Tier 1 capital recognized in Tier 2 capital | - | |
| 67 | Total Tier 2 capital admissible for capital adequacy | **6,745,998** | |
| | **TOTAL CAPITAL (T1 + admissible T2)** | **41,644,546** | |

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

| | Main Features | Common Shares | TFCs |
|---|---|---|---|
| 1 | Issuer | Standard Chartered Bank (Pakistan) Limited | Standard Chartered Bank (Pakistan) Limited |
| 2 | Unique identifier (KSE Symbol) | SCBPL | SCBPL |
| 3 | Governing law(s) of the instrument | Relevant regulations/ laws | Relevant regulations/ laws |
| | **Regulatory treatment** | | |
| 4 | Transitional Basel III rules | Common Equity Tier 1 | Tier 2 |
| 5 | Post-transitional Basel III rules | Common Equity Tier 1 | Ineligible |
| 6 | Eligible at solo/ group/ group & solo | Solo and Group | Solo and Group |
| 7 | Instrument type | Ordinary shares | Other Tier 2 (Subordinated Debt) |
| 8 | Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date) | 38,715,850 | 1,750,000 |
| 9 | Par value of instrument | PKR 10 per share | PKR 5,000 per Certificate |
| 10 | Accounting classification | Shareholders' equity | Sub-ordinated debt/ liability |
| 11 | Original date of issuance | Dec 2006 | June 2012 |
| 12 | Perpetual or dated | Perpetual | Dated |
| 13 | Original maturity date | Not applicable | December 31, 2022 |
| 14 | Issuer call subject to prior supervisory approval | No | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | Not applicable | May be called, subject to regulatory approval, at any time after 60th month from the issuance date |
| 16 | Subsequent call dates, if applicable | Not applicable | Not applicable |
| | **Coupons / dividends** | | |
| 17 | Fixed or floating dividend/ coupon | Not applicable | Floating |
| 18 | Coupon rate and any related index/ benchmark | Not applicable | 6 M KIBOR + 0.75% pa |
| 19 | Existence of a dividend stopper | Not applicable | No |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully Discretionary | Mandatory |
| 21 | Existence of step up or other incentive to redeem | No | No |
| 22 | Noncumulative or cumulative | Noncumulative | Cumulative |
| 23 | Convertible or non-convertible | Nonconvertible | Nonconvertible |
| 24 | If convertible, conversion trigger (s) | Not applicable | Not applicable |
| 25 | If convertible, fully or partially | Not applicable | Not applicable |
| 26 | If convertible, conversion rate | Not applicable | Not applicable |
| 27 | If convertible, mandatory or optional conversion | Not applicable | Not applicable |
| 28 | If convertible, specify instrument type convertible into | Not applicable | Not applicable |
| 29 | If convertible, specify issuer of instrument it converts into | Not applicable | Not applicable |
| 30 | Write-down feature | Not applicable | Not applicable |
| 31 | If write-down, write-down trigger(s) | Not applicable | Not applicable |
| 32 | If write-down, full or partial | Not applicable | Not applicable |
| 33 | If write-down, permanent or temporary | Not applicable | Not applicable |
| 34 | If temporary write-down, description of write-up mechanism | Not applicable | Not applicable |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated debt/TFCs | Creditors including Depositors |
| 36 | Non-compliant transitioned features | No | Yes |
| 37 | If yes, specify non-compliant features | No | Absence of point of non-viability clause |

### 39.4 CAPITAL-ASSESSMENT AND ADEQUACY BASEL III SPECIFIC

#### 39.4.1 Scope Of Applications

The Basel 3 framework is applicable to the Bank both at the consolidated level and also on standalone basis. Subsidiaries are included while calculating Consolidated Capital Adequacy ratio of the Bank using full consolidation method. The Standardized Approach is used by the Bank for calculating the Capital Adequacy ratio for Credit, Market and Operational Risk.

### 39.4.2 Capital Structure

During 2012, the Bank issued unsecured, subordinated TFCs of Rs. 2,500 million by way of private placement. The instrument was issued at 0.75% above KIBOR to support the capital base of the Bank and is for a tenor of 10 years. The instrument is structured to redeem in two equal semi-annual instalments of 50% of the issue amount in 2022. The Bank may however call the TFC subject to prior approval of the State Bank, on any profit payment date after the 60th month from the issuance date. The instrument is also subject to a lock-in clause meaning neither principal nor profit may be paid (even at maturity) if such payment means that the Bank falls below or remains below its minimum capital requirements. The instrument is currently rated at AAA.

The instrument is classified as a liability and is subordinated to payment of principal and profit to all other indebtedness of the Bank, including deposits

For further details of the capital instrument currently part of Tier 2 capital, please refer Note 16

### 39.5 Capital Adequacy

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements at all times and to maintain good credit ratings, maximising shareholder value and at the same time maintaining investor, creditor and market confidence.

The capital position is reviewed and monitored by the Asset and Liability Committee (ALCO) of the Bank. Regular reviews help to ensure that adequate levels of capital and an optimum mix of the different components of capital are maintained by the Bank to support the strategy. This is integrated with the Bank's annual planning process that takes into consideration business growth assumptions across products and business segments and the related impact on capital resources.

The following matters are taken into account while reviewing the Bank's capital position:

a) current regulatory capital requirements and our assessment of future standards;
b) demand for capital due to business growth forecasts;
c) forecasted demand for capital to support credit ratings and as a signalling tool to the market;
d) available supply of capital and capital-raising options

For calculation of Capital Adequacy Ratio, the Bank adheres to the calculation of capital requirements for credit, market and operational risk as per the guidelines of SBP.

For credit risk, the Bank uses the 'Standardized Approach'. The Bank uses reputable and SBP approved rating agencies (ECAIs) for deriving risk weights for specific credit exposures. These are consistently applied across the Bank's credit portfolio for both on and off balance sheet exposures. The ECAIs used for rating various types of exposures are tabled in note 39.6 to these financial statements.

For the purposes of Credit Risk Mitigation under the 'Standardised Approach', the Bank follows the instructions laid down by SBP vide their Circular No. 08 dated 27 June 2006 with regard to eligibility of collaterals, valuation and management. Where a transaction is secured by an eligible collateral and meets the eligibility criteria and minimum requirements as laid down by SBP, the Bank reduces its exposure under that particular transaction by taking into account the risk mitigating effect of the collateral for the calculation of capital requirement. Collaterals used include: Government of Pakistan guarantees, Inter-group guarantees, margins / liens and saving certificates.

The Bank calculates its capital requirement for market risk in its portfolio, based on the methodology provided by SBP which takes account of specific and general market risk capital charge for interest rate risk using the duration method.

For calculation of operational risk capital charge, the business activities of the Bank are divided into eight business lines: corporate finance, trading and sales, retail banking, commercial banking, payments and settlement, agency services, asset management and retail brokerage. The Bank's operations are mapped into these eight business lines as per the criteria laid down by SBP vide Circular No 08 dated 27 June 2006.

Within each business line, gross income is the broad indicator that serves as a proxy for the scale of business operations and thus the likely scale of operational risk exposure within each of these business lines. The capital charge for each business line is calculated by multiplying gross income by beta factors assigned by SBP to that business line. Beta serves as a proxy for the industry-wide relationship between the operational risk loss experience for a given business line and the aggregate level of gross income for that business line.

The total capital charge is calculated as the three-year average of the simple summation of the regulatory capital charges across each of the business lines in each year.

The 'Standardised Approach' is preferred over the 'Basic Indicator Approach' so as to arrive at a capital charge that is reflective of the risks associated with each of the Bank's business lines.

The capital requirements for the major risk categories are indicated below:-

| | Capital Requirements | | Risk Weighted Assets | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | (Rupees in '000) | | | |
| **Credit Risk** | | | | |
| Portfolios subject to standardized approach (Simple) | | | | |
| Cash & cash equivalents | - | - | - | - |
| Sovereign | 6,426 | 15,643 | 64,250 | 156,425 |
| Public Sector entities | 4,857 | 27,804 | 48,567 | 278,036 |
| Banks | 1,019,398 | 565,794 | 10,193,977 | 5,657,945 |
| Corporate | 6,445,769 | 8,765,938 | 64,457,686 | 87,659,385 |
| Retail | 919,395 | 856,478 | 9,193,950 | 8,564,776 |
| Residential Mortgages | 87,071 | 90,292 | 870,711 | 902,918 |
| Past Due loans | 327,777 | 221,771 | 3,277,772 | 2,217,708 |
| Operating Fixed Assets | 596,395 | 628,255 | 5,963,952 | 6,282,553 |
| Other assets | 1,407,788 | 1,290,881 | 14,077,883 | 12,908,813 |
| | 10,814,876 | 12,462,856 | 108,148,748 | 124,628,558 |
| **Off-Balance sheet** | | | | |
| Non-market related | | | | |
| Loan Repayment Guarantees | 2,192,077 | 1,558,604 | 21,920,770 | 15,586,037 |
| Performance Bonds etc. | 1,108,493 | 1,127,892 | 11,084,926 | 11,278,919 |
| Stand By Letters of Credit | 266,115 | 217,939 | 2,661,149 | 2,179,394 |
| | 3,566,685 | 2,904,435 | 35,666,845 | 29,044,350 |
| Market related | 88,299 | 78,280 | 882,986 | 782,804 |
| **Equity Exposure Risk in the Banking Book** | | | | |
| Listed | 17,686 | 14,660 | 176,864 | 146,598 |
| Unlisted | - | - | - | - |
| | 17,686 | 14,660 | 176,864 | 146,598 |
| **Market Risk** | | | | |
| Capital Requirement for portfolios subject to Standardized Approach | | | | |
| Interest rate risk | 189,440 | 146,135 | 1,894,398 | 1,461,346 |
| Equity position risk | - | - | - | - |
| Foreign Exchange risk | 145,483 | 400,600 | 1,454,838 | 4,006,005 |
| | 334,923 | 546,735 | 3,349,237 | 5,467,351 |
| **Operational Risk** | | | | |
| Capital Requirement for operational risks | 4,980,200 | 4,788,645 | 49,801,999 | 47,886,450 |
| TOTAL | 19,802,669 | 20,795,611 | 198,026,679 | 207,956,111 |

**Capital Adequacy Ratio**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Required | Actual | Required | Actual |
| CET1 to total RWA | 6.00% | 17.62% | 5.50% | 16.29% |
| Tier-1 capital to total RWA | 7.50% | 17.62% | 7.00% | 16.29% |
| Total capital to total RWA (including buffer requirement of 0.25%) | 10.25% | 21.03% | 10.00% | 19.07% |

**39.6 Types of exposures and ECAI's used**

| | Corporate | Banks | Sovereigns |
|---|---|---|---|
| JCR - VIS | ✓ | ✓ | ✓ |
| PACRA | ✓ | ✓ | ✓ |
| STANDARD AND POORS | ✓ | ✓ | ✓ |
| MOODY'S | ✓ | ✓ | ✓ |
| FITCH | ✓ | ✓ | ✓ |

The Bank adheres to the mapping instructions issued by SBP on the Revised Regulatory Capital Framework under Basel II, issued vide BSD Circular No. 8 of 2006 dated 27 June 2006, vide BSD Circular Letter No. 09 of 2007 dated 24 August 2007, vide BSD Letter No. BSD/BAI-2/201/1141/2009 dated 2 December 2009 and vide BSD Circular No. 5 of 2010 dated 5 October 2010 with regard to credit ratings to be used. These are as follows:

**LONG-TERM RATING GRADES MAPPING**

| Risk Weightage | Standard & Poors Ratings Services | Moody's Investors Service | Fitch Ratings | PACRA | JCR VIS |
|---|---|---|---|---|---|
| 20% | AAA | Aaa | AAA | AAA | AAA |
| | AA+ | Aa1 | AA+ | AA+ | AA+ |
| | AA | Aa2 | AA | AA | AA |
| | AA- | Aa3 | AA- | AA- | AA- |
| 50% | A+ | A1 | A+ | A+ | A+ |
| | A | A2 | A | A | A |
| | A- | A3 | A- | A- | A- |
| 100% | BBB+ | Baa1 | BBB+ | BBB+ | BBB+ |
| | BBB | Baa2 | BBB | BBB | BBB |
| | BBB- | Baa3 | BBB- | BBB- | BBB- |
| 100% | BB+ | Ba1 | BB+ | BB+ | BB+ |
| | BB | Ba2 | BB | BB | BB |
| | BB- | Ba3 | BB- | BB- | BB- |
| 150% | B+ | B1 | B+ | B+ | B+ |
| | B | B2 | B | B | B |
| | B- | B3 | B- | B- | B- |
| 150% | CCC+ | Caa1 | CCC+ | CCC+ | CCC+ |
| | CCC | Caa2 | CCC | CCC | CCC |
| | CCC- | Caa3 | CCC- | CCC- | CCC- |
| | CC | Ca | CC | CC | CC |
| | C | C | C | C | C |
| | D | | D | D | D |

**SHORT-TERM RATING GRADES MAPPING**

| Risk Weightage | Standard & Poors Ratings Services | Moody's Investors Service | Fitch Ratings | PACRA | JCR VIS |
|---|---|---|---|---|---|
| 20% | A-1+ | P-1 | F1+ | A-1 | A-1 |
| | A-1 | | F1 | | |
| 50% | A-2 | P-2 | F2 | A-2 | A-2 |
| 100% | A-3 | P-3 | F3 | A-3 | A-3 |
| 150% | B | NP | B | Others | Others |
| | B-1 | | C | | |
| | B-2 | | D | | |
| | B-3 | | | | |
| | C | | | | |

## 40. RISK MANAGEMENT

Through its risk management structure, the Bank seeks to manage efficiently the core risks: credit, market, operational, country, and liquidity risks. These arise directly through the Bank's commercial activities whilst compliance and regulatory risk, operational risk and reputational risks are normal consequences of any business undertaking.

The basic principles of risk management followed by the Bank include:

**Balancing risk and return**

Risk is taken in line with the requirements of the Bank's stakeholders. Risk should be taken within the Bank's risk appetite, consistent with the approved strategy. Any such risks are avoided which have a material probability of causing financial distress to the Bank or its clients or customers.

**Responsibility**

Given the Bank is in the business of taking risk, it is everyone's responsibility to ensure that risk taking is both disciplined and focused. The Bank takes account of its social responsibilities and its commitment to customers in taking risk to produce a return.

**Accountability**

Risk is taken only within agreed authorities and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported.

**Anticipation**

The Bank looks to anticipate future risks and to ensure awareness of all risk.

**Competitive Advantage**

The Bank seeks to achieve competitive advantage through efficient and effective risk management and control.

**Risk management**

The Bank aims to implement best practices and have a specialist risk function of international standards, with strength in depth, experience across risk types and economic scenarios.

Ultimate responsibility for the effective management of risk rests with the Company's Board of Directors. Acting within an authority delegated by the Board, the Executive Committee reviews specific risk areas and monitors the activities of the Executive Risk Committee ("ERC") and the Asset and Liability Committee ("ALCO").

ERC headed by Country Chief Risk Officer (CCRO), through authority delegated by the Board through the Bank's Executive Committee, is responsible for credit risk, market risk, operational risk, compliance risk and regulatory risk, legal risk and reputational risk. ALCO, through authority delegated by the Board through the Bank's Executive Committee, is responsible for management of the Bank's liquidity, capital adequacy and structural foreign exchange risk. The Pension Executive Committee, through authority delegated by the Board through the Bank's Executive Committee is responsible for management of pension risk.

The day to day responsibility for managing risk rests with CCRO who oversees and manages the risk through a team of managers; Senior Credit Officer responsible for credit risk in Corporate & Institutional Clients and Commercial Clients, Country Credit Head responsible for credit risk in Retail Clients, Head of Special Assets Management responsible for remedial risk management, Head of Credit Risk Controls responsible for collateral management, security documentation, credit MIS and controls, Head of Market Risk responsible for liquidity risk and risks associated with price movements, arising from interest and exchange rate movements and Head of Operational Risk responsible for enterprise wide operations. The Bank has established policies, procedures, processes, and controls and have provided the Risk team adequate support by way of risk systems and tools for measuring and reporting risk for monitoring, controlling, reviewing and managing risk.

### 40.1 Credit Risk

Credit risk is the risk that a counter party will not settle its obligations in accordance with agreed terms. Credit exposures may arise from lending, trade finance, securities and derivative exposures. Credit exposures include both individual borrowers and groups of connected counterparties and portfolios in the banking and trading books.

The Board of Directors has delegated down the authority to ERC through the Bank's Executive Committee to establish risk appetite and make recommendations to the Board for approval of risk appetite and policies for managing credit risk. The CEO and the Executive Committee in turn rely on CCRO and the Risk Committee to determine these and recommend for their support and Board's approval. The ERC is also delegated down by the BOD responsibility to delegate credit authorities to independent Risk Officers.

Credit risk appetite is established through business strategy papers and underwriting standards by the business managers, which are approved by the Board once recommended, and supported by the Executive Committee.

Specific procedures for managing credit risk within Corporate & Institutional Clients, Commercial Clients and Retail Clients are determined at the Senior Credit Officer and Country Credit Head levels for their respective jurisdictions with specific policies and procedures being adapted to different risk environments and business goals. Credit analysis includes review of facility details, credit grade determination and financial spreading / ratio analysis. Portfolio review, Early Alerts and Stress Testing based on scenario analysis is a combined responsibility of Client Relationship and Risk and Finance function. Client relationship origination and credit approval roles are clearly segregated throughout Corporate & Institutional Clients, Commercial Clients and Retail Clients segments.

Credit concentration risk is governed by specific policy, the adherence to which is managed by the Executive Risk Committee (ERC). Credit concentration risk is principally managed based on three components: single name borrower exposure, industry concentrations and product concentration. In addition to the SBP specified prudential limits on single or group exposures, limits are also established by the CCRO and approved by CRC in line with the Credit Reference Level framework ("CRL").

### 40.1.1 Corporate and Institutional and Commercial Banking Clients

Within the two business segments, a alpha numerical risk grading system is used for quantifying the risk associated with a counter-party. The grading is based on a probability of default measure, with customers analysed against a range of quantitative and qualitative measures. Expected Loss is used for further assessment of individual exposures and portfolio analysis. There is a clear segregation of duties with loan applications being prepared separately from the approval chain.

### 40.1.2 Retail Banking Clients

For Retail Banking, program based standard credit application forms are generally used, which are processed in central units for different products and market segments. Retail Banking Analytics team has developed Bureau scores and uses Bureau data for portfolio monitoring and for underwriting new business.

**40.1.3 Segment by Class of Business**

| | 2015 | | | | | |
|---|---|---|---|---|---|---|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 14,670,185 | 11.43 | 8,568,500 | 2.62 | 13,968,987 | 13.76 |
| Agri business | 4,753,012 | 3.70 | 149,805 | 0.05 | - | - |
| Textile | 25,733,572 | 20.06 | 1,506,909 | 0.46 | 1,763,140 | 1.74 |
| Communication | 273,652 | 0.21 | 11,095,326 | 3.39 | 5,906,301 | 5.82 |
| Insurance | - | - | 1,139,814 | 0.35 | - | - |
| Telecommunications and information technology | 4,789,558 | 3.73 | 2,424,927 | 0.74 | 639,243 | 0.63 |
| Cement | 1,033,619 | 0.81 | 12,725 | - | 266,153 | 0.26 |
| Sugar | 914,302 | 0.71 | 7,174 | - | 2,400 | - |
| Automobile and transportation equipment | 1,879,497 | 1.46 | 1,348,926 | 0.41 | 3,755,074 | 3.70 |
| Transportation | 1,803,988 | 1.41 | 2,730,114 | 0.83 | 3,063,500 | 3.02 |
| Financial | 2,491,367 | 1.94 | 805,054 | 0.25 | 43,178,917 | 42.53 |
| Electronics and electrical appliances | 929,120 | 0.72 | 6,432,204 | 1.97 | 7,990,607 | 7.87 |
| Production and transmission of energy | 13,932,278 | 10.86 | 9,993,338 | 3.05 | 4,204,780 | 4.14 |
| Shoes and leather garments | 922,777 | 0.72 | 66,366 | 0.02 | 22,941 | 0.02 |
| Individuals | 16,256,171 | 12.67 | 212,400,283 | 64.91 | - | - |
| Others | 37,918,616 | 29.57 | 68,556,062 | 20.95 | 16,755,347 | 16.51 |
| | 128,301,714 | 100.00 | 327,237,527 | 100.00 | 101,517,390 | 100.00 |

| | 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Advances - Gross | | Deposits | | Contingencies and Commitments (Restated) | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 13,899,988 | 9.26 | 4,209,828 | 1.38 | 8,757,658 | 9.94 |
| Agri business | 5,118,266 | 3.41 | 447,393 | 0.15 | 26,197 | 0.03 |
| Textile | 32,843,153 | 21.89 | 1,773,702 | 0.58 | 3,279,394 | 3.72 |
| Communication | 94,822 | 0.06 | 12,149,161 | 3.99 | 4,443,819 | 5.04 |
| Insurance | - | - | 1,301,076 | 0.43 | - | - |
| Telecommunications and information technology | 6,555,582 | 4.37 | 1,914,641 | 0.63 | 175,302 | 0.20 |
| Cement | 1,972,388 | 1.31 | 4,675 | 0.00 | 225,048 | 0.26 |
| Sugar | 2,184,830 | 1.46 | 3,496 | 0.00 | 62,400 | 0.07 |
| Automobile and transportation equipment | 2,070,735 | 1.38 | 1,337,670 | 0.44 | 2,407,788 | 2.73 |
| Transportation | 3,546,158 | 2.36 | 1,446,937 | 0.48 | 2,597,294 | 2.95 |
| Financial | 207,868 | 0.14 | 824,020 | 0.27 | 38,043,458 | 43.19 |
| Electronics and electrical appliances | 1,359,030 | 0.91 | 4,460,440 | 1.46 | 4,103,316 | 4.66 |
| Production and transmission of energy | 18,893,842 | 12.59 | 14,224,415 | 4.67 | 3,587,525 | 4.07 |
| Shoes and leather garments | 1,273,809 | 0.85 | 93,181 | 0.03 | 20,192 | 0.02 |
| Individuals | 15,831,439 | 10.55 | 203,218,343 | 66.74 | 645 | 0.00 |
| Others | 44,188,149 | 29.44 | 57,094,690 | 18.75 | 20,360,193 | 23.11 |
| | 150,040,059 | 100.00 | 304,503,668 | 100.00 | 88,090,229 | 100.00 |

**40.1.4 Details of Non-performing Advances and Specific Provisions by Class of Business Segment**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Classified Advances | Specific Provision held | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Chemical and pharmaceuticals | 239,568 | 239,568 | 306,804 | 306,804 |
| Agri business | - | - | 14,999 | 14,999 |
| Textile | 7,119,609 | 7,114,549 | 7,197,015 | 6,757,983 |
| Footwear and Leather garments | - | - | 5,997 | 5,997 |
| Automobile and transportation equipment | 402,830 | 291,939 | 502,400 | 302,563 |
| Financial | - | - | 49,326 | 49,326 |
| Production and transmission of energy | 161,379 | 155,379 | 202,617 | 202,617 |
| Telecommunication | 2,704,210 | 1,352,105 | - | - |
| Individuals | 14,500 | 14,500 | 16,902 | 16,902 |
| Others | 13,376,320 | 11,792,772 | 14,799,673 | 13,253,344 |
| | 24,018,416 | 20,960,812 | 23,095,733 | 20,910,535 |

**40.1.5 Segment by Sector**

| | 2015 | | | | | |
|---|---|---|---|---|---|---|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 5,566,884 | 4.34% | 3,823,086 | 1.17% | - | 0.00% |
| Private | 122,734,830 | 95.66% | 323,414,441 | 98.83% | 101,517,390 | 100.00% |
| | 128,301,714 | 100% | 327,237,527 | 100% | 101,517,390 | 100% |

| | 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 6,167,800 | 4.11% | 4,945,769 | 1.62% | 4,795,000 | 5.44% |
| Private | 143,872,259 | 95.89% | 299,557,899 | 98.38% | 83,295,229 | 94.56% |
| | 150,040,059 | 100% | 304,503,668 | 100% | 88,090,229 | 100% |

**40.1.6 Details of Non-performing Advances and Specific Provisions by Sector**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Classified Advances | Specific Provision held | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Public / Government | - | - | - | - |
| Private | 24,018,416 | 20,960,812 | 23,095,733 | 20,910,535 |
| | 24,018,416 | 20,960,812 | 23,095,733 | 20,910,535 |

**40.1.7 Geographical Segment Analysis**

| | 2015 | | | |
|---|---|---|---|---|
| | Profit before taxation | Total assets employed | Net assets employed | Contingencies and commitments |
| | (Rupees in '000) | | | |
| Pakistan | 15,384,619 | 447,347,791 | 61,950,455 | 94,845,332 |
| | 15,384,619 | 447,347,791 | 61,950,455 | 94,845,332 |

| | 2014 | | | |
|---|---|---|---|---|
| | Profit before taxation | Total assets employed | Net assets employed | Contingencies and commitments |
| | (Rupees in '000) | | | |
| Pakistan | 15,230,563 | 409,567,883 | 60,715,452 | 83,049,107 |
| | 15,230,563 | 409,567,883 | 60,715,452 | 83,049,107 |

### 40.2 Market Risk

The Bank recognises market risk as the exposures created by potential changes in market prices and rates. Market risk exposures arise primarily from interest rate and foreign exchange related contracts. The Bank has no significant exposure to equity and commodity price risk.

Market Traded Credit Risk approves the limits within delegated authorities and monitors exposures against these limits, and is locally under governance of Country Chief Risk Officer, who agrees policies and procedures and levels of risk appetite in terms of Value at Risk ("VaR"). Limits are then proposed by the business within the terms of agreed policy. These are agreed and delegated down by Executive Risk Committee (ERC) under delegated authority from the BOD. Policies cover both trading and non-trading books.

In addition to market risk policies, as well as VaR and other market risk limits, independent stress testing of portfolios, factor sensitivity measures and derivatives are also employed as additional risk management tools to manage and hedge market risk exposures. Risk models are periodically back tested against actual results to ensure that pre-determined levels of accuracy are maintained.

### 40.3 Foreign Exchange Risk

| | 2015 | | | |
|---|---|---|---|---|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | (Rupees in '000) | | | |
| **Pakistan rupee** | **360,837,063** | **319,137,144** | **53,837,167** | **95,537,086** |
| **United States dollar** | **33,057,459** | **52,117,116** | **(48,598,110)** | **(67,657,767)** |
| **Great Britain pound** | **5,668,669** | **5,668,606** | **(229,477)** | **(229,414)** |
| **Euro** | **3,758,134** | **3,758,396** | **(3,497,927)** | **(3,498,189)** |
| **Swiss Franc** | **22,167** | **22,142** | **(49,502)** | **(49,477)** |
| **Japanese yen** | **35,218** | **2,677** | **(739,986)** | **(707,445)** |
| **Others** | **25,678** | **19,601** | **(722,165)** | **(716,088)** |
| | **403,404,388** | **380,725,682** | **-** | **22,678,706** |

| | 2014 | | | |
|---|---|---|---|---|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | (Rupees in '000) | | | |
| Pakistan rupee | 325,220,097 | 283,642,772 | 42,444,107 | 84,021,432 |
| United States dollar | 34,393,601 | 51,226,462 | (39,701,194) | (56,534,055) |
| Great Britain pound | 5,809,804 | 5,808,079 | (192,632) | (190,907) |
| Euro | 1,621,047 | 4,380,041 | (700,425) | (3,459,419) |
| Swiss Franc | 21,350 | 21,350 | (54,676) | (54,676) |
| Japanese yen | 27,844 | 19,472 | (603,453) | (595,081) |
| Others | 25,682 | 25,618 | (1,191,727) | (1,191,663) |
| | 367,119,425 | 345,123,794 | - | 21,995,631 |

**40.3.1** Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

**40.3.2** The management sets limits on the level of exposure by currency in total which are monitored daily.

## 40.4 Mismatch of Interest Rate Sensitive Assets and Liabilities

2015

| On-balance sheet financial instruments | Effective yield / interest rate | Total | Exposed to yield / interest rate risk: Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | Non interest bearing financial instruments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | | | | | |
| **Assets** | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 29,482,134 | 8,521,249 | - | - | - | - | - | - | - | - | 20,960,885 |
| Balances with other banks | - | 4,300,002 | - | - | - | - | - | - | - | - | - | 4,300,002 |
| Lendings to financial institutions | 1.99% | 26,969,566 | 20,450,520 | - | - | 6,518,946 | - | - | - | - | - | - |
| Investments | 10.02% | 225,318,405 | 18,458,702 | 34,255,193 | 7,160,606 | 106,120,414 | 36,595,830 | 22,326,728 | 224,068 | - | - | 176,864 |
| Advances | 7.79% | 106,784,996 | 51,265,080 | 31,345,688 | 16,520,578 | 2,670,363 | 986,150 | 810,066 | 685,373 | - | - | 2,501,598 |
| Other assets | - | 10,549,285 | - | - | - | - | - | - | - | - | - | 10,549,285 |
| | | 403,404,388 | 98,695,651 | 65,600,881 | 23,681,184 | 115,309,723 | 37,581,980 | 23,136,794 | 909,441 | - | - | 38,488,734 |
| **Liabilities** | | | | | | | | | | | | |
| Bills payable | - | 11,401,191 | - | - | - | - | - | - | - | - | - | 11,401,191 |
| Borrowings | 5.63% | 21,784,451 | 5,032,726 | 12,416,514 | 2,224,665 | - | - | 82,681 | 955,267 | 17,763 | - | 1,054,835 |
| Deposits and other accounts | 5.09% | 327,237,527 | 166,718,872 | 4,025,990 | 1,998,236 | 3,340,817 | 757,975 | 242,671 | - | - | - | 150,152,966 |
| Sub-ordinated loans | 9.03% | 2,500,000 | - | - | 2,500,000 | - | - | - | - | - | - | - |
| Other liabilities | - | 17,802,513 | - | - | - | - | - | - | - | - | - | 17,802,513 |
| | | 380,725,682 | 171,751,598 | 16,442,504 | 6,722,901 | 3,340,817 | 757,975 | 325,352 | 955,267 | 17,763 | - | 180,411,505 |
| **On-balance sheet gap** | | 22,678,706 | (73,055,947) | 49,158,377 | 16,958,283 | 111,968,906 | 36,824,005 | 22,811,442 | (45,826) | (17,763) | - | (141,922,771) |
| **Off-balance sheet financial instruments** | | | | | | | | | | | | |
| **Forward Lending** | | | | | | | | | | | | |
| Interest Rate Swap | | 6,834,907 | 649,631 | - | 809,362 | 167,200 | 2,513,567 | 959,865 | 1,735,282 | - | - | - |
| Foreign Currency option | | 83,625 | 29,640 | 3,092 | 50,893 | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 74,377,317 | 36,551,675 | 35,696,721 | 1,780,115 | 348,806 | - | - | - | - | - | - |
| | | 81,295,849 | 37,230,946 | 35,699,813 | 2,640,370 | 516,006 | 2,513,567 | 959,865 | 1,735,282 | - | - | - |
| **Forward Borrowing** | | | | | | | | | | | | |
| Interest Rate Swap | | 2,382,572 | - | - | 809,362 | - | 837,928 | - | 735,282 | - | - | - |
| Foreign Currency option | | 83,625 | 29,640 | 3,092 | 50,893 | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 53,901,709 | 36,101,210 | 15,415,008 | 2,371,709 | 13,782 | - | - | - | - | - | - |
| | | 56,367,906 | 36,130,850 | 15,418,100 | 3,231,964 | 13,782 | 837,928 | - | 735,282 | - | - | - |
| **Off-balance sheet gap** | | 24,927,943 | 1,100,096 | 20,281,713 | (591,594) | 502,224 | 1,675,639 | 959,865 | 1,000,000 | - | - | - |
| **Total yield / interest risk sensitivity gap** | | 47,606,649 | (71,955,851) | 69,440,090 | 16,366,689 | 112,471,130 | 38,499,644 | 23,771,307 | 954,174 | (17,763) | - | (141,922,771) |
| **Cumulative yield / interest risk sensitivity gap** | | | | (2,515,761) | 13,850,928 | 126,322,058 | 164,821,702 | 188,593,009 | 189,547,183 | 189,529,420 | 189,529,420 | |

2014

| On-balance sheet financial instruments | Effective yield / interest rate | Total | Exposed to yield / interest rate risk: Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | Non interest bearing financial instruments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | | | | | |
| **Assets** | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 21,475,345 | 8,593,265 | - | - | - | - | - | - | - | - | 12,882,080 |
| Balances with other banks | - | 387,301 | - | - | - | - | - | - | - | - | - | 387,301 |
| Lendings to financial institutions | 4.48% | 10,813,559 | 10,813,559 | - | - | - | - | - | - | - | - | - |
| Investments | 10.64% | 189,678,370 | 23,605,591 | 7,712,372 | 31,725,893 | 15,837,378 | 80,968,587 | 29,520,976 | 160,775 | - | - | 146,598 |
| Advances | 10.32% | 128,530,059 | 57,291,366 | 38,724,525 | 20,095,470 | 7,604,886 | 892,770 | 724,709 | 1,197,091 | 413,709 | - | 1,645,733 |
| Other assets | - | 16,174,791 | - | - | - | - | - | - | - | - | - | 16,174,791 |
| | | 367,119,425 | 100,303,781 | 46,436,897 | 51,821,363 | 23,442,264 | 81,861,357 | 30,245,685 | 1,357,866 | 413,709 | - | 31,236,503 |
| **Liabilities** | | | | | | | | | | | | |
| Bills payable | - | 5,563,605 | - | - | - | - | - | - | - | - | - | 5,563,605 |
| Borrowings | 7.21% | 17,244,571 | 2,585,215 | 9,181,120 | 2,598,248 | 35,464 | 74,655 | - | 704,357 | 441,648 | - | 1,623,864 |
| Deposits and other accounts | 6.50% | 304,503,668 | 155,823,261 | 3,771,367 | 2,044,748 | 4,819,694 | 384,915 | 336,325 | 1,000 | - | - | 137,342,358 |
| Sub-ordinated loans | 10.90% | 2,500,000 | - | - | 2,500,000 | - | - | - | - | - | - | - |
| Other liabilities | - | 15,311,850 | - | - | - | - | - | - | - | - | - | 15,311,850 |
| | | 345,123,794 | 158,408,476 | 12,952,487 | 7,142,996 | 4,855,158 | 459,570 | 336,325 | 705,357 | 441,648 | - | 159,841,777 |
| **On-balance sheet gap** | | 21,995,631 | (58,104,695) | 33,484,410 | 44,678,367 | 18,587,106 | 81,401,787 | 29,909,360 | 652,509 | (27,939) | - | (128,605,274) |
| **Off-balance sheet financial instruments** | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | |
| Interest Rate Swap | | 15,492,363 | - | - | - | 800,000 | 4,603,642 | 7,963,767 | 1,647,659 | 477,295 | - | - |
| Foreign Currency option | | - | - | - | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 52,889,426 | 27,023,644 | 21,784,180 | 3,865,582 | 216,020 | - | - | - | - | - | - |
| | | 68,381,789 | 27,023,644 | 21,784,180 | 3,865,582 | 1,016,020 | 4,603,642 | 7,963,767 | 1,647,659 | 477,295 | - | - |
| Forward Borrowing | | | | | | | | | | | | |
| Interest Rate Swap | | 15,058,564 | - | 5,934,000 | - | 4,674,606 | 2,329,381 | 1,339,775 | 313,507 | 477,295 | - | - |
| Foreign Currency option | | - | - | - | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 37,251,802 | 18,895,113 | 12,586,699 | 5,769,990 | - | - | - | - | - | - | - |
| | | 52,310,366 | 18,895,113 | 18,520,699 | 5,769,990 | 4,674,606 | 2,329,381 | 1,339,775 | 313,507 | 477,295 | - | - |
| **Off-balance sheet gap** | | 16,071,423 | 8,128,531 | 3,263,481 | (1,904,408) | (3,658,586) | 2,274,261 | 6,623,992 | 1,334,152 | - | - | - |
| **Total yield / interest risk sensitivity gap** | | 38,057,054 | (49,976,164) | 36,747,891 | 42,773,959 | 14,928,520 | 83,676,048 | 36,533,352 | 1,986,661 | (27,939) | - | (128,605,274) |
| **Cumulative yield / interest risk sensitivity gap** | | | | (13,228,273) | 29,545,686 | 44,474,206 | 128,170,254 | 164,703,606 | 166,690,267 | 166,662,328 | 166,662,328 | |

### 40.5 Yield / Interest Rate Risk

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Bank is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Bank manages this risk by matching the re-pricing of assets and liabilities and off-balance sheet instruments.

### 40.6 Liquidity Risk

The Bank defines liquidity risk as the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations as they fall due, or can only access these financial resources at excessive cost.

Liquidity risk, both short term and structural is monitored through the internal liquidity risk management framework and is managed through the Asset and Liability Committee ("ALCO"). This committee, chaired by the CEO, is responsible for both statutory and prudential liquidity.

A range of tools are used for the management of liquidity. These comprise commitment and wholesale borrowing guidelines, key balance sheet ratios, medium term funding requirements and day to day monitoring of future cash flows.

In addition, liquidity contingency funding plans are reviewed periodically to ensure that alternative funding strategies are in place and can be implemented on a timely basis to minimize the liquidity risk that may arise due to unforeseen adverse changes in the market place.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

### 40.7 Maturities of Assets and Liabilities - based on contractual maturity of assets and liabilities of the bank

In accordance with the guidelines issued by SBP through BSD Circular Letter No. 3 of 2011 and BSD Circular Letter No. 2 of 2013, Banks are required to disclose maturities of assets and liabilities separately for 'contractual maturities' and 'expected maturities'. The expected maturities are calculated using three (3) years historical balances and identifying "Core" and "Non-Core" balances using monthly volatility analysis. Fixed / intangible assets are presented on the basis of their depreciation / amortisation schedule.

2015

| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | (Rupees in '000) | | | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | - | - | - | - | - | - | - | - |
| Balances with other banks | 4,300,002 | 4,300,002 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 26,969,566 | 20,450,620 | - | - | 6,518,946 | - | - | - | - | - |
| Investments | 225,318,405 | 17,772,428 | 34,941,466 | 5,835,606 | 106,120,414 | 36,595,830 | 22,326,728 | 1,549,068 | 176,865 | - |
| Advances | 106,784,996 | 45,215,794 | 25,979,677 | 11,329,411 | 3,709,464 | 6,357,367 | 5,600,537 | 6,502,608 | 1,047,597 | 1,042,541 |
| Other assets | 22,402,016 | 2,245,483 | 8,159,503 | 218,873 | 1,885,375 | 4,066,392 | 5,800,013 | 26,377 | - | - |
| Operating fixed assets | 5,963,952 | 70,564 | 141,126 | 211,690 | 423,378 | 846,757 | 846,757 | 1,693,517 | 1,589,962 | 140,201 |
| Intangible assets | 26,126,720 | 220 | 439 | 659 | 1,317 | 2,634 | 2,634 | 5,267 | 13,169 | 26,100,381 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 447,347,791 | 119,537,245 | 69,222,211 | 17,596,239 | 118,658,894 | 47,868,980 | 34,576,669 | 9,776,837 | 2,827,593 | 27,283,123 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 11,401,191 | 11,401,191 | - | - | - | - | - | - | - | - |
| Borrowings | 21,784,451 | 6,087,561 | 12,416,514 | 2,224,665 | - | - | 82,681 | 955,267 | 17,763 | - |
| Deposits and other accounts | 327,237,527 | 316,871,838 | 4,025,990 | 1,998,235 | 3,340,817 | 757,975 | 242,671 | - | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Other liabilities | 19,253,047 | 1,725,663 | 3,540,594 | 1,300,488 | 12,593,560 | 88,111 | - | 4,631 | - | - |
| Deferred tax liabilities | 3,221,120 | - | - | - | - | - | - | 3,221,120 | - | - |
| | 385,397,336 | 336,086,253 | 19,983,098 | 5,523,389 | 15,934,377 | 846,086 | 325,352 | 4,181,018 | 2,517,763 | - |
| | 61,950,455 | (216,549,008) | 49,239,113 | 12,072,850 | 102,724,517 | 47,022,894 | 34,251,317 | 5,595,819 | 309,830 | 27,283,123 |

| | |
|---|---|
| **Net assets** | |
| Share capital | 38,715,850 |
| Reserves | 10,847,005 |
| Unappropriated profit | 5,453,310 |
| Surplus on revaluation of assets - net | 6,934,290 |
| | 61,950,455 |

2014

| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | (Rupees in '000) | | | | | |
| Cash and balances with treasury banks | 21,475,345 | 21,475,345 | - | - | - | - | - | - | - | - |
| Balances with other banks | 387,301 | 387,301 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 10,813,559 | 10,813,559 | - | - | - | - | - | - | - | - |
| Investments | 189,678,370 | 22,919,317 | 8,398,645 | 30,400,893 | 15,837,578 | 80,968,587 | 29,520,976 | 1,485,775 | 146,599 | - |
| Advances | 128,590,059 | 50,736,941 | 28,845,298 | 15,072,595 | 8,401,248 | 6,741,982 | 6,109,898 | 9,520,840 | 1,570,759 | 1,590,497 |
| Other assets | 26,167,562 | 1,043,726 | 12,552,417 | 299,473 | 2,900,317 | 3,476,975 | 5,799,625 | 94,176 | 871 | - |
| Operating fixed assets | 6,282,553 | 13,194 | 26,377 | 39,565 | 79,131 | 158,261 | 158,261 | 314,397 | 765,920 | 4,727,447 |
| Intangible assets | 26,173,114 | 553 | 1,107 | 1,660 | 3,319 | 6,639 | 6,639 | 13,278 | 32,900 | 26,107,019 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 409,567,883 | 107,389,936 | 49,823,844 | 45,814,187 | 27,221,593 | 91,352,444 | 41,595,399 | 11,426,466 | 2,517,049 | 32,424,963 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 5,563,605 | 5,563,605 | - | - | - | - | - | - | - | - |
| Borrowings | 17,244,671 | 4,209,179 | 9,181,120 | 2,598,248 | 35,464 | 74,655 | - | 704,357 | 441,648 | - |
| Deposits and other accounts | 304,503,668 | 293,165,619 | 3,771,387 | 2,044,748 | 4,819,694 | 364,915 | 336,325 | 1,000 | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Other liabilities | 16,464,654 | 1,658,774 | 3,538,442 | 1,266,132 | 9,412,920 | 121,949 | 463,546 | 2,020 | 871 | - |
| Deferred tax liabilities | 2,575,833 | - | - | - | - | - | - | 2,575,833 | - | - |
| | 348,852,431 | 304,597,177 | 16,490,929 | 5,909,128 | 14,268,078 | 561,519 | 799,871 | 3,283,210 | 2,942,519 | - |
| | 60,715,452 | (197,207,239) | 33,332,915 | 39,905,059 | 12,953,515 | 90,790,925 | 40,795,528 | 8,145,256 | (425,470 | 32,424,963 |

| | |
|---|---|
| **Net assets** | |
| Share capital | 38,715,850 |
| Reserves | 8,989,320 |
| Unappropriated profit | 6,751,303 |
| Deficit on revaluation of assets - net | 6,258,979 |
| | 60,715,452 |

## 40.8 Maturities of Assets and Liabilities - based on expected maturity of assets and liabilities of the bank

| | 2015 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| **Assets** | (Rupees in '000) | | | | | | | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | - | - | - | - | - | - | - | - |
| Balances with other banks | 4,300,002 | 4,300,002 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 26,969,566 | 20,450,620 | - | - | 6,518,946 | - | - | - | - | - |
| Investments | 225,318,405 | 17,772,428 | 34,941,466 | 5,835,606 | 106,120,414 | 36,595,830 | 22,326,726 | 1,549,068 | 176,865 | - |
| Advances | 106,784,996 | 10,670,747 | 29,544,063 | 16,675,990 | 14,402,622 | 21,298,291 | 5,600,537 | 6,502,608 | 1,047,597 | 1,042,541 |
| Other assets | 22,402,016 | 2,245,483 | 8,159,503 | 218,873 | 1,885,375 | 4,066,392 | 5,800,013 | 26,377 | - | - |
| Operating fixed assets | 5,963,952 | 70,564 | 141,126 | 211,690 | 423,378 | 846,757 | 846,757 | 1,693,517 | 1,589,962 | 140,201 |
| Intangible assets | 26,126,720 | 220 | 439 | 659 | 1,317 | 2,634 | 2,634 | 5,267 | 13,169 | 26,100,381 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 447,347,791 | 84,992,198 | 72,786,597 | 22,942,818 | 129,352,052 | 62,809,904 | 34,576,669 | 9,776,837 | 2,827,593 | 27,283,123 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 11,401,191 | 11,401,191 | - | - | - | - | - | - | - | - |
| Borrowings | 21,784,451 | 6,087,561 | 12,416,514 | 2,224,665 | - | - | 82,681 | 955,267 | 17,763 | - |
| Deposits and other accounts | 327,237,527 | 41,377,198 | 13,749,105 | 16,582,910 | 32,510,164 | 222,775,479 | 242,671 | - | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Other liabilities | 19,253,047 | 1,725,663 | 3,540,594 | 1,300,488 | 12,593,560 | 88,111 | - | 4,631 | - | - |
| Deferred tax liabilities | 3,221,120 | - | - | - | - | - | - | 3,221,120 | - | - |
| | 385,397,336 | 60,591,613 | 29,706,213 | 20,108,063 | 45,103,724 | 222,863,590 | 325,352 | 4,181,018 | 2,517,763 | - |
| | 61,950,455 | 24,400,585 | 43,080,384 | 2,834,755 | 84,248,328 | (160,053,686) | 34,251,317 | 5,595,819 | 309,830 | 27,283,123 |
| **Net assets** | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 10,847,005 | | | | | | | | | |
| Unappropriated profit | 5,453,310 | | | | | | | | | |
| Surplus on revaluation of assets - net | 6,934,290 | | | | | | | | | |
| | 61,950,455 | | | | | | | | | |

| | 2014 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| **Assets** | (Rupees in '000) | | | | | | | | | |
| Cash and balances with treasury banks | 21,475,345 | 21,475,345 | - | - | - | - | - | - | - | - |
| Balances with other banks | 387,301 | 387,301 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 10,813,559 | 10,813,559 | - | - | - | - | - | - | - | - |
| Investments | 189,678,370 | 22,919,317 | 8,398,645 | 30,400,893 | 15,637,578 | 80,968,587 | 29,520,976 | 1,485,775 | 146,599 | - |
| Advances | 128,590,059 | 11,923,232 | 30,513,138 | 17,574,356 | 13,404,769 | 36,382,570 | 6,109,898 | 9,520,840 | 1,570,759 | 1,590,497 |
| Other assets | 26,167,582 | 1,043,728 | 12,552,417 | 299,473 | 2,900,317 | 3,476,975 | 5,799,625 | 94,175 | 871 | - |
| Operating fixed assets | 6,282,553 | 13,194 | 26,377 | 39,565 | 79,131 | 158,261 | 158,261 | 314,397 | 765,920 | 4,727,447 |
| Intangible assets | 26,173,114 | 553 | 1,107 | 1,660 | 3,319 | 6,639 | 6,639 | 13,278 | 32,900 | 26,107,019 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 409,567,883 | 68,576,229 | 51,491,684 | 48,315,947 | 32,225,114 | 120,993,032 | 41,595,399 | 11,428,466 | 2,517,049 | 32,424,963 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 5,563,605 | 5,563,605 | - | - | - | - | - | - | - | - |
| Borrowings | 17,244,671 | 4,209,179 | 9,181,120 | 2,598,248 | 35,464 | 74,655 | - | 704,357 | 441,648 | - |
| Deposits and other accounts | 304,533,668 | 32,251,239 | 12,471,315 | 15,094,670 | 30,919,539 | 213,419,580 | 336,325 | 1,000 | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Other liabilities | 16,464,654 | 1,658,774 | 3,536,442 | 1,266,132 | 9,412,920 | 121,949 | 463,546 | 2,020 | 671 | - |
| Deferred tax liabilities | 2,575,833 | - | - | - | - | - | - | 2,575,833 | - | - |
| | 348,852,431 | 43,692,797 | 25,190,877 | 18,959,050 | 40,367,923 | 213,616,184 | 799,871 | 3,283,210 | 2,942,519 | - |
| | 60,715,452 | 24,883,432 | 26,300,807 | 29,356,897 | (8,142,809) | (92,623,152) | 40,795,528 | 8,145,256 | (425,470) | 32,424,963 |
| **Net assets** | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 8,980,320 | | | | | | | | | |
| Unappropriated profit | 6,751,303 | | | | | | | | | |
| Deficit on revaluation of assets - net | 6,258,979 | | | | | | | | | |
| | 60,715,452 | | | | | | | | | |

### 40.9 Operational Risk

Operational risk is the risk of a direct or indirect loss being incurred due to an event or action arising from the failure of technology, processes, infrastructure, personnel and impact of external events.

The Country Operational Risk Committee ("CORC") has been established to ensure that an appropriate risk management framework is in place at a grass root level, and to report, monitor and manage operational, social, ethical and environmental risk. The CORC is chaired by the CEO, and CCRO is an active member of this forum.

All business units within the Bank monitor their operational risks using set standards and indicators. Significant issues and exceptions are reported to CORC and are also picked up by the independent Risk function for discussion at the Country Risk Committee chaired by the CCRO. Disaster recovery procedures, business contingency planning, self-compliance assurance and internal audits also form an integral part of the operational risk management process.

## 41 ISLAMIC BANKING BUSINESS

The Bank is operating with 10 Islamic Banking branches at the end of current period (December 2014: 10 branches).

### 41.1 Balance Sheet

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Cash and balances with treasury banks | | **2,385,567** | 2,284,066 |
| Due from Financial Institutions | | **10,437,516** | 2,813,527 |
| Investments | | **5,440,132** | 11,895,570 |
| Islamic Financing and Related Assets | 41.1.1 | **29,605,233** | 33,322,582 |
| Operating fixed assets | | **39,644** | 47,915 |
| Other assets | | **537,069** | 865,856 |
| | | **48,445,161** | 51,229,516 |
| **Liabilities** | | | |
| Bills payable | | **147,117** | 117 |
| Due to Financial Institutions | | **1,459,000** | 1,349,000 |
| Deposits and other accounts | | | |
| Current Accounts | | **22,627,461** | 22,462,038 |
| Saving Accounts | | **13,028,585** | 12,272,682 |
| Term Deposits | | **1,681,517** | 1,776,086 |
| Others | | **8,184** | 11,768 |
| Deposit from Financial Institutions -Remunerative | | **612,820** | 268 |
| Deposits from Financial Institutions-Non-Remunerative | | **-** | - |
| | | **37,958,567** | 36,522,842 |
| Due to Head Office | | **3,879,318** | 8,320,362 |
| Other liabilities | | **265,005** | 221,136 |
| | | **43,709,007** | 46,413,457 |
| **Net Assets** | | **4,736,154** | 4,816,059 |
| **Represented by:** | | | |
| Islamic Banking Fund | | **200,000** | 200,000 |
| Unappropriated/ Unremitted profit | | **4,523,020** | 4,592,023 |
| | | **4,723,020** | 4,792,023 |
| Surplus / (deficit) on revaluation of assets - net | | **13,134** | 24,036 |
| | | **4,736,154** | 4,816,059 |
| **CONTINGENCIES AND COMMITMENTS** | 21 | | |
| **Remuneration to Shariah Advisor/Board** | | **9,092** | 4,417 |
| **Charity fund** | | | |
| Opening balance | | **2,208** | 1,071 |
| Additions during the year | | **10,877** | 4,232 |
| Payments / utilization during the year | | **(10,899)** | (3,095) |
| Closing balance | | **2,186** | 2,208 |

| 41.1.1 Islamic Mode of Financing | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Murabaha | 41.1.1a | **2,742,295** | 7,083,998 |
| Musharaka | 41.1.1b | **12,496,852** | 9,000,649 |
| Diminishing Musharaka | 41.1.1c | **13,472,362** | 14,492,048 |
| Ijarah | 41.1.1d | **476,053** | 856,895 |
| Istisna | 41.1.1e | **-** | 1,550,000 |
| Musawammah | 41.1.1f | **141,492** | 122,914 |
| Others | 41.1.1g | **276,179** | 216,078 |
| | | **29,605,233** | 33,322,582 |
| **41.1.1a Murabaha** | | | |
| Financings/Investments/Receivables | | **673,855** | 1,490,466 |
| Advances | | **689,479** | 5,593,532 |
| Assets/Inventories | | **1,378,961** | - |
| | | **2,742,295** | 7,083,998 |
| **41.1.1b Musharaka** | | | |
| Financings/Investments/Receivables | | **12,496,852** | 9,000,649 |
| | | **12,496,852** | 9,000,649 |
| **41.1.1c Diminishing Musharaka** | | | |
| Financings/Investments/Receivables | | **13,472,362** | 14,492,048 |
| | | **13,472,362** | 14,492,048 |
| **41.1.1d Ijarah** | | | |
| Financings/Investments/Receivables | | **476,053** | 856,895 |
| | | **476,053** | 856,895 |
| **41.1.1e Istisna** | | | |
| Financings/Investments/Receivables | | **-** | 1,550,000 |
| | | **-** | 1,550,000 |
| **41.1.1f Musawammah** | | | |
| Financings/Investments/Receivables | | **141,492** | 122,914 |
| | | **141,492** | 122,914 |
| **41.1.1g Others** | | | |
| Financings/Investments/Receivables | | **276,179** | 216,078 |
| | | **276,179** | 216,078 |

| 41.2 Profit and Loss | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Profit / return earned on financings, investments and placements | | **4,025,195** | 4,671,127 |
| Return on deposits and others dues expensed | | **(1,175,437)** | (1,474,470) |
| Net spread earned | | **2,849,758** | 3,196,657 |
| Provision against non performing financing | | **(193,334)** | (35,417) |
| Net spread after provisions | | **2,656,424** | 3,161,240 |
| **Other income** | | | |
| Fees, commission and brokerage income | | **674,172** | 939,582 |
| Other income | | **123** | 679 |
| Total other income | | **674,295** | 940,261 |
| | | **3,330,719** | 4,101,501 |
| **Other expenses** | | | |
| Administrative expenses | | **(1,899,722)** | (1,264,369) |
| **Profit before taxation** | | **1,430,997** | 2,837,132 |

Deposit and other accounts include redeemable capital of Rs.15,331.106 million (December 31,2014 : Rs.14,060.804 million) and deposits on Qard basis of Rs.22,627.461 million (December 31,2014 : Rs.22,462.038 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable Capital and non-remunerative deposits are classified as being on Qard basis.

## 41.3 CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Profit before tax for the year | 1,430,997 | 2,837,132 |
| Less: Dividend income | - | - |
| | 1,430,997 | 2,837,132 |
| **Adjustments for:** | | |
| Depreciation | 12,640 | 11,981 |
| Gain on disposal of fixed assets - net | (123) | (679) |
| Provision against loans and advances - net of recoveries | 193,334 | 35,417 |
| | 205,851 | 46,719 |
| | 1,636,848 | 2,883,851 |
| **(Increase) / decrease in operating assets** | | |
| Due from financial institutions | (7,623,989) | 2,242,054 |
| Net investments in 'held for trading' securities | (996) | 30,598 |
| Advances | 3,524,015 | (5,436,003) |
| Other assets | 328,787 | (258,984) |
| | (3,772,183) | (3,422,335) |
| **(Decrease) / increase in operating liabilities** | | |
| Bills payable | 147,000 | (2,643) |
| Borrowings from financial institutions | 110,000 | 289,000 |
| Deposits and other accounts | 1,435,725 | 1,942,580 |
| Other liabilities | (4,397,175) | 2,846,238 |
| | (2,704,450) | 5,075,175 |
| **Cash inflow before taxation** | (4,839,785) | 4,536,691 |
| Income tax paid | - | - |
| **Net cash generated from operating activities** | (4,839,785) | 4,536,691 |
| Net investments in 'available for sale' securities | 6,445,532 | (1,145,532) |
| Net investment in fixed assets | (4,246) | (6,811) |
| **Net cash used in / (generated from) investing activities** | 6,441,286 | (1,152,343) |
| Appropriation/ payments made to Head office | (1,500,000) | (3,000,000) |
| **Net cash used in financing activities** | (1,500,000) | (3,000,000) |
| Increase in cash and cash equivalents for the year | 101,501 | 384,348 |
| **Cash and cash equivalents at beginning of the year** | 2,284,066 | 1,899,718 |
| **Cash and cash equivalents at end of the year** | 2,385,567 | 2,284,066 |
| Cash and balances with treasury banks | 2,385,567 | 2,284,066 |
| Balances with other banks | - | - |
| | 2,385,567 | 2,284,066 |

**41.4 Ijarah Financing**

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | -------- (Rupees in '000) --------- | |
| **Cost** | | | |
| As at 1 January | | **1,206,000** | - |
| Additions during the year | | **-** | 1,206,000 |
| Transfer/ Write offs | | **-** | - |
| Deletions | | **-** | - |
| **As at 31 December** | | **1,206,000** | 1,206,000 |
| **Accumulated Depreciation** | | | |
| **As at 1 January** | | **349,105** | - |
| Charge for the year | | **380,842** | 349,105 |
| Transfer/ Write offs | | **-** | - |
| Deletions | | **-** | - |
| **As at 31 December** | | **729,947** | 349,105 |
| **Net Book value** | | **476,053** | 856,895 |
| **Future Ijarah payments** | | | |
| Not later than one year | | **442,406** | 458,470 |
| Later than one and less than five years | | **110,601** | 573,088 |
| **Total Future Ijarah payments** | | **553,007** | 1,031,558 |

**41.5 Profit & Loss distribution and Pool Management**

The Bank manages following assets pools for profit and loss distribution:

a) Islamic Export Refinance Scheme (IERS) Musharakah Pool; and
b) Mudarabah Depositors Pool

**a) IERS Musharakah Pool**

Key features, risks, rewards and calculation of profit/loss of this pool are in compliance with the SBP IER Scheme and the relevant circulars issued by SBP from time to time.

| Type of Pool | Profit rate and weightage announcement period | Average return on Pool Assets | Bank Profit | SBP Profit | Bank Profit % | SBP Profit % |
|---|---|---|---|---|---|---|
| IERF Pool | Monthly | 7.17% | 183,389 | 57,888 | 76.01% | 23.99% |

**b) Mudarabah Depositors Pool**

1. General Depositors Pool
2. Special Depositors Pool

**i) Key features and risk & reward characteristics**

Saadiq Current account is a shariah compliant non-profit bearing transactional account, based on the Islamic banking principle of "Qard". While Saadiq Savings & Term accounts are Shariah compliant account based on the Islamic principle of "Mudarabah".

Mudarabah is partnership where one party gives money to other for investing in a business. The partner who is providing the money is "Rab-ul-Mal (Investor) and the partner who manages the investment is "Mudarib" (working partner). The Bank (Mudarib) invests the funds given by the account holder " Rab-ul-Mal " in shariah compliant business to ear profits. This profit is shared on the basis of profit & loss sharing as per the pre-agreed ratio between the Bank and the customer.

In case of loss, the same is borne by the depositors in proportion to their investments, and the Bank (Mudarib) bears the loss of its efforts/services in managing Mudarabah.

**ii) Parameters used for allocation of profit, charging expenses and provisions**

The profit for the deposit pool is calculated from income earned on all the remunerative assets booked by utilising the funds from the deposit pool and is distributed between Mudarib and Rab-ul-Mal based on declared sharing ratios (before start of every given month).

The ratio for Mudarib and Rab-ul-maal is 50:50 for general pool, where as for Special pool it is 40:60. No general or administrative expenses are charged to pools. No provision against any non-performing asset of the pool is passed on to the pool except for the actual loss / write-off of such non-performing asset.

**iii) Deployment of Mudaraba based deposits**

The deposits and funds accepted under the above mentioned pools are provided to diverse sectors including Cement, Chemical, Pharmaceuticals, Communication, Sugar, Textile, Agribusiness, Transport etc. as well as in Government of Pakistan backed Ijarah Sukuks.

**iv) Other information**

| | Type of Pool | |
|---|---|---|
| | General | Special |
| Profit rate / weightage announcement frequency | Monthly | Monthly |
| Mudarib share (amount in 000) | 407,841 | 107,569 |
| Mudarib share (%) | 46.73% | 29.30% |
| Mudarib Share transferred through Hiba (Amount in 000) | 28,524 | 39,278 |
| Mudarib Share transferred through Hiba (%) | 6.54% | 26.75% |
| Average return on pool assets | 7.90% | 9.12% |
| Average return on deposits | 4.18% | 6.24% |

## 42. GENERAL

**42.1** Certain corresponding figures have been re-arranged / reclassified to reflect more appropriate presentation that are not material in nature.

**42.2** These financial statements were authorized for issue in the Board of Directors meeting held on 03 March 2016.

Shazad Dada
Chief Executive Officer

Najam I. Chaudhri
Director

Parvez Ghias
Director

Spenta Kandawalla
Director

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 1 | Heimtex Decor | Office No. 719, 7Th Floor, Landmark Plaza, Jail Road, Lahore, Pakistan. | Zeeshan Murtaza 274-78-438575 Muhammad Saleem Khan 270-90-454752 | Ghulam Murtaza Samiullah Khan | 52,507,982 | 167,244,908 | 219,752,890 | 52,507,982 | 167,244,908 | 219,752,890 |
| 2 | Arif Moaaz Shah | House No. 101-E, Gulberg II, Lahore | Arif Moaaz Shah 270-86-422772 | Syed Kabir Ali Shah | 53,929,471 | 110,742,321 | 164,671,792 | 53,929,471 | 110,742,321 | 164,671,792 |
| 3 | Tech Pacific | Suit # 3, 3rd Floor, Al-Hafeez Center, Main Boulevard, Gulberg III, Lahore. | Khalid Hussain Bhatti 35202-7485341-5 | Fateh Muhammad Bhatti | 35,842,703 | 6,272,814 | 42,115,517 | 35,842,703 | 38,553,609 | 74,396,310 |
| 4 | Kashan Carpets | Stock # 8, Super Market, F-6, School Road, Islamabad. | Imran Amanullah 17301-0982958-9 Irfan Aman 61108-211387-3 | Amanullah, , Amanullah | 39,925,770 | 28,117,282 | 68,043,052 | 39,925,770 | 30,864,000 | 70,789,771 |
| 5 | H J Communication | 10 G.F, Center Point, Gulberg III, Lahore | Muhammad Rizwan 35202-9468307-3 | Sh. Abdul Qayyum | 29,999,500 | 37,357,113 | 67,356,613 | 29,999,500 | 39,858,200 | 69,857,700 |
| 6 | Healthco Surgical Supplies | 35 Km Wazirabad Road, Sialkot | Mian Amir Saleem 34603-2219428-7 | Khuda Bukash Saleem | 19,086,104 | 49,197,961 | 68,284,065 | 19,086,104 | 49,197,961 | 68,284,065 |
| 7 | R.J.F. Trading | 59-Circular Road, Lahore | Rehan Malik 35202-2969462-1, Malik Jamshed Javed 42301-0484290-3, Farhan Malik 42101-7525523-7 | Rehan Malik Malik Parvaiz, Malik Jamshed Javed Javed Malik, Farhan Malik Malik Tariq | 29,768,240 | 35,278,633 | 65,046,873 | 29,768,240 | 37,471,598 | 67,239,838 |
| 8 | Trust Investment Bank Limited | 23-D/1-A, Gulberg III, Lahore | Asif Kamal 35202-2550469-9 Muhammad Humayun Nabi Jan 35201-7740360-1 Javaid Bashir Sheikh 35202-2596771-3 Syed Monsin Raza Naqvi 35202-5155530-7 Shahid Iqbal 35201-6230652-9 Munawar Ali 35202-6754642-5 Mir Javed Hashmat 17301-7748360-1 | Muhammad Azam Muhammad Nabi Jan Sheikh Muhammad Bashir Syed Munawar Hussain Naqvi Muhammad Iqbal Ghulam Muhammad Mir Hashmat Ali Khan | 49,326,408 | 13,841,770 | 63,168,179 | 49,319,870 | 13,841,770 | 63,161,640 |
| 9 | Khalil Ullah International | 1-E Basement, Mian Hussain Centre, Brandreth Road, Lahore | Khawaja Shakeel 35200-1454285-5 | Khawaja Abdul Rasheed | 29,995,115 | 27,630,752 | 57,625,867 | 29,995,115 | 29,535,505 | 59,530,620 |
| 10 | Mohio Export Limited | 6 F/S, Awami Complex, Usman Block, New Garden Town, Lahore | Asif Saigol 35202-5075434-7 Arif Saigol 35202-9563094-9 Abid Saigol No Longer Citizen Of Pakistan | Rafique Saigol Rafique Saigol Rafique Saigol | 15,537,238 | 42,698,957 | 58,236,195 | 15,537,238 | 42,698,957 | 58,236,195 |
| 11 | Faboloss Industries (SMC Pvt) Ltd | A-1 Al Akhtar Market, Lohari Gate, Lahore | Moeed Waheed Malik 35202-6288599-5 | Malik Abdul Waheed | 29,926,251 | 24,104,299 | 54,030,550 | 29,926,251 | 28,234,130 | 58,160,381 |
| 12 | Vital Chemical | 3-A, First Floor, Muhammad Arcade, Link Road, Multan | Razi Ahmad Mirza 35202-6512426-5 | Razi Ahmad Mirza Muhammad Siddique Mirza | 22,736,243 | 17,806,860 | 40,543,103 | 22,736,243 | 27,974,537 | 50,710,780 |
| 13 | HMK (Pvt) Ltd | 9 - Deen Road, Industrial Area, Badami Bagh Lahore | Muhammad Kashif Ali 35202-3923499-3 Mariam Samreen 35201-2134623-4 | Manzoor Ali, Manzoor Ali | 22,672,746 | 1,385,155 | 24,057,901 | 22,672,746 | 25,490,962 | 48,163,708 |
| 14 | Food Kraft | Plot No. D-155 A, Near Ghani Ghowrang, Site, Karachi | Qamar Ul Islam 61101-3132757-9 | Sheikh Muhammad Salahin | 5,251,044 | 1,513,104 | 6,764,147 | 5,251,044 | 42,698,957 | 47,950,001 |
| 15 | Data Ali Traders | Room # 7, 1St Floor, Nigar Center, Link Mcleord Road, Lahore | Muhammad Ahmad Sh. 35202-4693946-9 | Hafiz Muhammad Yameen | 30,003,606 | 38,549,835 | 68,553,441 | 4,003,606 | 41,051,264 | 45,054,870 |
| 16 | MA Traders | 313-B, Main Boulevard Sabzazar Scheme, Multan Road, Lahore | Nasir Iqbal 35201-6395246-7 | Haji Muhammad Ali | 19,996,500 | 21,778,072 | 41,774,572 | 19,996,500 | 22,985,532 | 42,982,032 |
| 17 | Natover International | 2nd Floor, Eagle Plaza, Fazal-e-Haq Road, Blue Area, Islamabad | Nadeem Hameed Sh. 42000-0516664-9 Nadeem Jam 42201-5421033-5 Nasir Ud Din 37405-0298970-7 Khalil Ur Rehman 42301-3678374-1 Taimoor Shah 14301-2079181-3 | Nadeem Hameed Sh. Abdul Hameed Sh, Nadeem Jam Muhammad Naseem Jam , Nasir Ud Din Mian Muhammad Ibraheem, Khalil Ur Rehman Habib Ur Rehman Khan, Taimoor Shah Pir Abdullah Shah | 19,256,190 | 19,751,305 | 39,017,495 | 19,256,190 | 20,749,248 | 40,005,438 |
| 18 | Pearl Steel Traders | Al Rehman Chamber, First Floor, Room # 3, Brandreth Road, Lahore | Sh. M Asghar 35202-5484941-9 | Sh. Muhammad Afzal | 15,982,564 | 7,515,240 | 23,497,804 | 15,982,564 | 23,112,405 | 39,094,968 |
| 19 | Khalid Eng. Corporation | 17 - Band Road, Lahore | Khalid Bashir Awan 35201-6054105-1 | M. Bashir Akhtar | 15,848,315 | 23,257,941 | 39,106,256 | 15,757,315 | 23,257,941 | 39,015,256 |
| 20 | Nara Textile | Plot # 270, Sector W, Phase III, DHA, Lahore Cantt., Lahore | Mian Naeem Ahmed. 35201-5221735-7 | Muhammad Bashir | 19,997,000 | 30,189,998 | 50,186,998 | 2,997,000 | 30,216,882 | 33,213,882 |
| 21 | Asadullah Steel | Al Rehman Chamber, First Floor, Room # 1, 51-Brandreth Road, Lahore | Shaheena Asghar 35202-3626329-6 | W/O Sh. Muhammad Asghar | 14,011,284 | 8,082,962 | 22,094,246 | 14,011,284 | 19,110,577 | 33,121,861 |
| 22 | Pharma Containers | 18 Km, Multan Road Lahore. | Naeem Aslam Malik 35202-0813196-1 | Muhammad Aslam Malik | 19,513,302 | 19,423,472 | 38,936,774 | 4,513,301 | 25,014,867 | 29,528,159 |
| 23 | Hashim Khan Rice Mills | Narang Mor, Tehsil Ferozwal, Sheikhupura District | Omer Nawaz 35401-4445113-3 | Hashim Khan | 14,999,087 | 12,977,905 | 27,976,992 | 14,999,087 | 14,057,872 | 29,056,959 |
| 24 | Ken Electric Co | Room No. 8, 3rd Floor, Fareed Plaza, 65 Shadman Market, Lahore. | Khawaja Nadeem Taj 35202-2970084-5 Zahida Bibi 35202-4918367-0 | Khawaja Taj Ud Din, W/O Muhammad Sultan | 12,352,870 | 13,873,324 | 26,226,194 | 12,352,870 | 16,424,942 | 28,777,812 |
| 25 | Anuj Traders | Room # 19, First Floor, Naqi Arcade, The Mall, Lahore | Zeeshan Naseer 35202-4167189-7 | Khalid Bashir Awan | 3,834,336 | 24,350,533 | 28,184,869 | 3,834,336 | 24,574,081 | 28,408,417 |

# Un-Consolidated Financial Statements
## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 26 | Rahim Sardar | 131-A, PCSIR Phase 1, Lahore. | Fareeha Saher 35202-5414785-0 Farhad Hussain 35200-1432965-9 | Abdul Waheed, Mian Nizam Ud Din | 22,998,572 | 3,648,188 | 26,646,760 | 22,998,572 | 3,648,188 | 26,646,760 |
| 27 | Globe Petroleum Service | Sd Block-A North Nazimabad, Karachi | Mr Rehmatullah Muhammad 42301-8937971-3 Mr. Farhan 42308-205549-7 Ms Khadijah Bibi 42301-0783426-8 | Rehmatullah Muhammad, Farhan rehmatullah Muhammad, Khadija W/O Muhammad Hussain | 14,990,994 | 10,053,728 | 25,044,722 | 14,990,994 | 10,653,448 | 25,674,442 |
| 28 | Globe Petroleum Service II | Sd Block-A North Nazimabad, Karachi | Mr Rehmatullah Muhammad 42301-8937971-3, Mr. Farhan 42308-205549-7 Ms Khadijah Bibi 42301-0783426-8 | Rehmatullah Muhammad, Farhan rehmatullah Muhammad, Khadija W/O Muhammad Hussain | 14,992,326 | 10,018,746 | 25,011,072 | 14,992,326 | 10,648,523 | 25,640,848 |
| 29 | Asif International | Asif Chambers, 14-A, Davis Road, Lahore | Sh. Asif Ameen 35202-2659677-5 Fawad Asif 35202-5780598-9 | Sh. Muhammad Ameen, Sh. Asif Ameen | 39,378,964 | 15,237,461 | 54,616,425 | 6,378,964 | 19,050,313 | 25,429,277 |
| 30 | Hamad Trucking Centre | 43-44, Km, Multan Road, Lahore. | Mian Asim Waheed Maroof 35202-8345272-3 Muhammad Yousaf 35201-6325514-3 | Abdul Waheed, Muhammad Asghar | 11,101,721 | 12,727,686 | 23,829,407 | 11,101,721 | 13,653,248 | 24,754,968 |
| 31 | Fayyaz Engineer | 40 Fayyaz Road, Old Pougiwal, Near Aastana Yaqoob Ali Shah, Begbanpura Lahore. | Fayyaz Ahmad 35202-5946672-5 | Deen Muhammad | 12,002,384 | 11,359,785 | 23,362,169 | 12,002,383 | 12,176,493 | 24,178,877 |
| 32 | Haroon Marketing | P-32/A, St No. 1, Gulfishan Colony, Main Jhany Road, Faisalabad. | Muhammad Saleem 33100-0406027-3 | Muhammad Tufail | 14,994,556 | 5,628,245 | 20,622,802 | 14,994,556 | 6,251,064 | 21,245,622 |
| 33 | Universal Traders | Suit No.11, Aslam Plaza, Main Boulevard Defence, Lahore. | Zahid Latif 35201-1753443-5 | Ch. Muhammad Latif | 9,999,994 | 10,087,261 | 20,087,255 | 9,999,994 | 10,792,291 | 20,792,285 |
| 34 | Nawab Builders | Nawab Builders & Property Dealer, Zeeshan Plaza, Rehman Shaheed Road, Gujrat | Ch Imran Saleem 34201-3801949-3 | Ch. Muhammad Tufail. | 9,999,162 | 10,151,999 | 20,151,161 | 9,999,162 | 10,755,764 | 20,754,946 |
| 35 | Asad Containers | F-606, Site, Karachi | Tahir Masood 42201-0357463-5, Fozia Asad 42301-0823942-0 Asad Mahmood 42301-1508088-3 | Khilji Salah Ud Din, W/O Asad Mahmood, Khilji Salah Ud Din | 15,500,000 | 3,572,223 | 19,072,223 | 15,500,000 | 3,572,223 | 19,072,223 |
| 36 | Khurram Steel | 296 Al Hadeed Bazaar, Lahore | Ghazala Farrukh 35202-0766949-4 | W/O. Farrukh Ul Kitab | 18,989,000 | 5,525,028 | 24,514,028 | 18,989,000 | - | 18,989,000 |
| 37 | Sibtain Sons Distributors | 1-A/99, Block B, Unit 02, Latifabad, Hyderabad. 2. Flat No 8, Block C, Alpine Apritment, Hill Top, Hyderabad, Cantt | Nadeem Sibtain 4130423592889 | Muhammad Sibtain | 11,987,080 | 4,799,251 | 16,786,331 | 11,987,080 | 5,801,219 | 17,788,299 |
| 38 | S & S Garments | Suit No. 7-8, 1St Floor, Nigar Center, Patiala Ground, Lahore | Sheikh Yahya 35202-5996660-1 | Hafiz Yameen | 7,504,750 | 9,458,713 | 16,963,463 | 7,504,750 | 10,052,201 | 17,556,951 |
| 39 | Irfan Wahid | House # 91/2 Saba Avenue, DHA Phase V Ext, Karachi | 42301-3492442-1 | Abdul Wahid | 11,795,527 | 13,101,251 | 24,896,778 | 4,045,527 | 13,428,044 | 17,473,571 |
| 40 | Genartech Pakistan Limited | 31/C-1, Ghalib Road, Gulberg III, Lahore. | Jahangir Elahi 35202-2561094-5 Tanvir Elahi 35200-5522225-3 | Ehsan Elahi Ehsan Elahi | 13,288,889 | 3,731,555 | 17,020,444 | 13,288,889 | 3,731,555 | 17,020,444 |
| 41 | Younus Kamal | R-1, Row Z-2, Block# 10-A, Gulshan-E-Iqbal, Karachi | 42101-1869454-7 | Muhammad Yousuf Kamal | 16,566,308 | 17,554,088 | 34,320,397 | - | 16,729,560 | 16,729,560 |
| 42 | Fourays Pvt Ltd | 13-C, 1st Commercial Lane, Zamzama, Karachi | Syed Ahmad Ali 514-35-069571 Raihan Merchant Rustam Jal Boga 42301-6819749-3 | Syed Mushtooq Ali, Ghulam Ali Merchant , Jal Boga | 7,086,842 | 9,170,312 | 16,257,154 | 7,086,842 | 9,619,194 | 16,706,036 |
| 43 | IY Associates | Office No. 222, Landmark Plaza, Jail Road, Lahore. | Sh. Imran Yaqoob 35202-6042396-9, Muhammad Sharif 35202-2782328-9 | Sh. Muhammad Yaqub, Muhammad Hayat | 7,982,166 | 8,019,680 | 16,001,846 | 7,982,166 | 8,501,671 | 316,483,838 |
| 44 | Maqbool Steel | 516-G-1, Johar Town, Lahore | Gulam Habib 11201-0718005-9, Karamat Ali 35202-6625008-7 | Muhammad Afzal Khan, Muhammad Deen | 8,045,663 | 7,881,800 | 15,927,463 | 8,045,663 | 8,367,625 | 16,413,289 |
| 45 | Muslim Traders | Peco Road, Kot Lakhpat, Lahore | Jamil Ahmad Sheikh, Shahida Parveen, Hajira Begum, Humaira Yasin, Aqeel Ahmad, | Zikrur Rehman Sheikh, W/O Aqeel Ahmad N/A N/A Hajira Begum | 7,250,571 | 8,859,838 | 16,110,409 | 7,250,571 | 8,859,838 | 16,110,409 |
| 46 | New Ulfat Trading Company | Al Madina Road Township Lahore | Khalid Masood 35202-9600719-5 | Shameer Ahmad | 7,504,027 | 7,650,559 | 15,154,586 | 7,504,027 | 8,176,803 | 15,680,830 |
| 47 | Junaid Yaseen | 167/12, Block 7/8, Iqbal Centre, Near Hill Park, Karachi | 42201-3165677-9 | Muhammad Yaseen | 18,744,680 | 10,426,418 | 29,171,098 | 3,244,660 | 11,984,312 | 15,228,991 |
| 48 | Friends Traders | 4F-3/5, Nazimabad, Karachi | Abdul Jabar 42101-1433194-3 | Abdul Sattar | 14,921,128 | - | 14,921,128 | 14,921,128 | - | 14,921,128 |
| 49 | A-One Computers | Khan Plaza, 2Nd Floor Off # 8, Maher Siddiq Market Railway Road, Faisalabad. | Muhammad Nasir Gulzar 36302-1386806-1 | Muhammad Gulzar | 6,389,825 | 7,547,110 | 13,936,935 | 6,389,825 | 8,075,179 | 14,465,004 |
| 50 | Al-Khaliq Steel | Room#19, 3Rd Floor, Bilal Center, Nicolson Road, Lahore | Kashif Khaliq 35202-2585252-9 | Abdul Khaliq | 4,601,091 | 1,132,627 | 5,733,718 | 4,601,091 | 8,278,171 | 12,879,262 |
| 51 | Yasmo Shoes | Shop No. F-1982, Kashmir Bazar, Lahore | Muhammad Azam 35202-7725540-5 | Atta Muhammad | 4,996,968 | 6,587,667 | 11,584,635 | 4,996,968 | 7,014,674 | 12,011,642 |
| 52 | Tarmac Pak Company | H # 33, Army Housing Scheme, DHA Lahore | Tahir Mahmood Naeem 35201-7011031-5 | Ghulam Hussain | 9,329,262 | 2,505,484 | 11,834,746 | 9,329,262 | 2,505,484 | 11,834,747 |
| 53 | Abdul Rasheed | House No.258 DOHS-1 Gujranwala Cantt, Gujranwala | 34101-2063696-1 | Salma Begum | 6,417,045 | 5,393,783 | 11,810,827 | 6,417,045 | 5,393,783 | 11,810,827 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 54 | Zabi Blocks | S-813, Block # 1, Metrowill Site, Karachi | Munir Ahmad Zia 42401-0189679-1 | Ali Muhammad | 7,998,349 | 9,499,014 | 17,497,363 | 1,598,349 | 9,925,752 | 11,524,101 |
| 55 | Petarian Filling Station | Plot # 5, Modern Colony, Main Mangoo Peer Road, Karachi | Muhammad Yasir Kamal 42301-2879959-1 | Munammad Alam Khan | 6,488,628 | 4,363,286 | 10,851,914 | 6,488,628 | 4,823,618 | 11,312,246 |
| 56 | Ali Siddique | 3-A, First Floor, Muhammad Arcade, Link Road, Multan | Razi Ahmad Mirza 35202-6512426-5 , Naveed Ahmad Mirza 35202-5488587-3 , Sadia Razi 35200-5043347-6, Malik Ghulam Murtaza 35202-8600075-9, Sajjad Haider 35202-6071509-7, Sami Ahmad Kokab | Razi Ahmad Mirza Muhammad Siddique Mirza , Naveed Ahmad Mirza Muhammad Siddique Mirza , Sadia Razi W/O Razi Ahmad Mirza , Malik Ghulam Murtaza Malik Ghulam Haider, Sajjad Haider Malik Ghulam Haider Sami Ahmad Kokab Muhammad Siddiqe Mirza | 4,990,100 | 5,596,642 | 10,586,742 | 4,990,100 | 5,897,962 | 10,888,062 |
| 57 | Ghousia Weaving | Chak # 367/ Jb, Sammundri Road, Tehsil Gojra. | Muhammad Aslam 33301-0411237-5 | Muhammad Ismail | 5,002,200 | 5,345,090 | 10,347,290 | 5,002,200 | 5,657,556 | 10,659,756 |
| 58 | Ahad Nazir | A-1-205, Home Land Appt, Block-13-C, Gulshan-E-Iqbal,Karachi | 42201-4652969-7 | Nazir Ghafar | 11,597,728 | 10,374,009 | 21,971,737 | - | 10,533,844 | 10,533,844 |
| 59 | Kaukab Malik | H#14, Block-E, PCHS, Lahore | Kaukab Malik 35202-2613735-4 | Kaukab Malik W/O Tanvir Ali Malik | 4,800,000 | 4,684,955 | 9,484,955 | 4,800,000 | 4,884,845 | 9,684,845 |
| 60 | Amir Iqbal | House No 106 A, Street 17, Cavalary Ground, Lahore Cantt, Lahore | 35202-4248357-3 | Allah Bakhs | 15,637,702 | 4,540,644 | 20,178,346 | 3,909,702 | 5,596,876 | 9,506,578 |
| 61 | Saleem | H.No No 470/471, 7th Road New Mirpur Rawalpindi | 37405-5225498-7 | Qayyum Aslam | 6,381,292 | 6,932,838 | 15,314,130 | 1,381,292 | 7,391,466 | 8,772,758 |
| 62 | Zafar Masood | 196-C, Shah Jamal Colony, Lahore H No 3A/3, 26th Street, Phase V, Ext. D.H.A., Karachi | 35202-3528815-7 | Sher Muhammad | 2,777,611 | 5,736,521 | 8,514,132 | 2,777,611 | 5,736,521 | 8,514,132 |
| 63 | Shahzad Choudhry | H.No. 3A/3, 26th Street, Phase V, Ext. D.H.A., Karachi | 42301-0726484-5 | Haji Charan Din | 3,252,000 | 5,176,101 | 8,428,101 | 3,252,000 | 5,176,101 | 8,428,101 |
| 64 | Natover Lease and Refinance Limited | 2nd Floor, Eagle Plaza, Fazal-E-Haq Road, Blue Area, Islamabad | Nadeem Hameed Sh. 42000-0516664-9, Nadeem Jam 42201-5421035-5, Nasir Ud Din 37405-0296970-7, Khalil Ur Rehman 42301-3676374-1 | Nadeem Hameed Sh. Abdul Hameed Sh, Nadeem Jam Muhammad Naseem Jam , Nasir Ud Din Mian Muhammad Ibraheem. Khalil Ur Rehman Habib Ur Rehman Khan | 40,557 | 8,308,897 | 8,349,454 | 40,557 | 8,310,977 | 8,351,535 |
| 65 | Fahad Bin Kabir | House No 430, Defence Officers Housing Society, Phase 1, Malir Cantt, Karachi I | 42201-3821712-7 | Kabir Uddin Soleja | 9,071,933 | 5,243,091 | 14,315,025 | 1,356,933 | 5,843,496 | 7,200,430 |
| 66 | Naseem Arshad | House No.4/1 Gizri Lane No.8 Phase 1V, Near DHA Higher Secondry School, Karachi | 42301-0119383-7 | Muhammad Ashraf | 12,250,813 | 4,343,898 | 16,594,711 | 2,447,929 | 4,572,600 | 7,020,529 |
| 67 | Aftab Ahmed | House 73-A Block Model Town Lahore | 35202-7743616-9 | Nisar Ahmed | 9,354,912 | 6,014,935 | 15,369,847 | 170,912 | 6,541,612 | 6,712,524 |
| 68 | International Investment | 1st Floor, Lakson Square, Building No. 1, Sarwar Shaheed Road Karachi | Nek Muhammad Qureshi, Nusrat Ali, Mushtaq A.Taj, Muhammad Nasim Khan, Mustafa Jalil, Nadeem Ali Irfan Ahmed Qureshi | Mr. Qureshi | 1,571,570 | 4,381,879 | 5,953,449 | 1,571,570 | 4,519,158 | 6,090,728 |
| 69 | Waheed Ahmad | Muslim Motors 6 Montogomery Road Lahore | 35202-3050316-7 | Bashir Ahmed | 2,197,345 | 3,673,193 | 5,870,538 | 2,197,345 | 3,673,193 | 5,870,538 |
| 70 | Salman Saeed Paracha | Rehman Paracha House No 74-A Posir Colony Lahore | 35202-4816962-3 | Saeed Ur Rehman Paracha | 8,499,323 | 3,490,241 | 11,989,564 | 2,124,323 | 3,490,241 | 5,614,564 |
| 71 | Imran Ali | H # B-2, 604 / N Asghar Mall, Rawalpindi | Imran Ali 211-63-211432 | Farzand Ali | 1,269,910 | 3,904,665 | 5,174,575 | 1,269,910 | 4,010,433 | 5,280,343 |
| 72 | Ch. M. Iqbal & Co | 74/B Ghallan Mandi Arifwala 0457832858 Pakpattan | 338-75-151274 | Ch. Muhammad Iqbal | 7,584,308 | 2,844,625 | 10,428,933 | 2,184,308 | 2,844,625 | 5,028,933 |
| 73 | Rao Sami Ullah Khan | Building Noor Hall Hotel Near Kidney Center Opp Ayub Park Jehlum Road Rawalpindi | 31101-1654838-5 | Rao Muhammad Rafiq | 4,804,000 | 3,165,836 | 7,969,836 | 1,829,000 | 3,165,836 | 4,994,836 |
| 74 | Syed Hassan Ilyas | 391-Y Defence Housing Authority, Lahore Cantt, Lahore | 35201-3775403-3 | Syed Ilyas Ali | 7,607,002 | 5,647,325 | 13,254,327 | - | 4,546,946 | 4,546,946 |
| 75 | Abdul Kamran Salam | 12-B Johar Town, Lahore | 35202-2935868-3 | Abdul Salam | 14,997,433 | 2,111,967 | 17,109,400 | 2,247,433 | 2,111,967 | 4,359,400 |
| 76 | Raja Nadir Perwaiz Khan | Shop No. 44 Nadir Plaza Commercial Market Rawalpindi | 37405-9035410-5 | Raja Nadir Khan | 6,687,032 | 3,031,991 | 9,719,024 | 1,207,032 | 3,027,178 | 4,234,210 |
| 77 | Gold King Electronics | 403 - Landmark Plaza, Jail Road, Lahore | Abdul Ghafoor 35201-5857090-3 | Ch. Nizam Ud Din | 10,000,000 | 1,633,848 | 11,633,848 | 2,500,000 | 1,633,848 | 4,133,848 |
| 78 | Afzal Weaving Factory | House No 136 Street No 5 Samanabad, Faisalabad | 33100-0318671-9 | Hussain Ahmed | 2,412,531 | 2,260,918 | 4,673,449 | 1,817,531 | 2,260,918 | 4,078,449 |
| 79 | Khalid Aziz | Plot No. 2 Khalid Aziz Block Canal Bank Harbancepura Lahore. | 35202-9388068-9 | Aziz Ur Rehman | 6,975,493 | 2,882,624 | 9,858,117 | 1,046,473 | 2,882,624 | 3,929,097 |
| 80 | Umar Sadik | Data Agro Limited 3 - A Race View Jail Road, Lahore | 35201-5665381-5 | Ahmed Shadiq | 6,484,618 | 2,696,046 | 9,180,664 | 1,000,000 | 2,696,046 | 3,696,046 |
| 81 | Waseem Saadat | House# 20,Anwar Street, Chaman Bagh Rajh Garh, Riwaz Garden, Lahore | 35202-2955881-3 | Muhammad Saadat Ali | 2,833,241 | 2,973,544 | 5,806,785 | 423,241 | 3,257,792 | 3,681,033 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 82 | Syed Sabih Ahmed | 14 Baghpatee Chambers, Altaf Hussain Road, Karachi | 42301-3239626-1 | Syed Wasi Ahmede | 1,343,869 | 2,324,628 | 3,668,497 | 1,343,869 | 1,343,869 | 3,668,497 |
| 83 | Malik Amjad Ali | Gas Plus CNG Station Hussainabad Colony Peshawar City, Peshawar | 17301-9058848-3 | Malik Ghulam Hussain | 3,477,404 | 2,260,183 | 5,737,587 | 1,367,404 | 1,367,404 | 3,627,587 |
| 84 | Iftikhar Ghori | H.No 679/B Batala Colony Satiana Road, Faisalabad | 33100-4657533-3 | Muhammad Yaqoob Ghori | 1,668,348 | 1,520,191 | 3,506,537 | 808,496 | 808,496 | 3,525,603 |
| 85 | Tariq Mahmood Rasti | H.No 0-1107 A, Near Madina Free Dispencery, Kartar Pura Rawalpindi. | 37405-6306154-3 | Tasadduq Hussain | 4,202,362 | 2,663,836 | 6,666,198 | 602,362 | 602,362 | 3,388,751 |
| 86 | Naushad Jamil Usman | House# A-61/2, Gulistan-e-Johar Block-14, Karachi | 42201-5675532-1 | Mohammad Usman | 3,916,610 | 2,323,691 | 6,240,301 | 616,610 | 616,610 | 3,196,110 |
| 87 | Cottonman | Shop # 2/10, Nasir Shaheed Park, Phase 4, DHA, Karachi | Zaigham Ali Sartaj Zaidi 502-60-991370 | Syed Ali Jaffar Zaidi | 1,080,981 | 2,044,141 | 3,125,122 | 1,080,981 | 1,080,981 | 3,125,122 |
| 88 | Mian Muhammad Omar Nawaz | Omer Fabrics 76-A New Anarkali, Lahore | 35202-9166702-5 | Mian Muhammad Nawaz | 5,399,997 | 2,251,678 | 7,651,674 | 799,997 | 799,997 | 3,051,674 |
| 89 | Muhammad Ilyas | Madni Center, 3rd Floor, Main Awan Town, Lahore | 35202-5696019-7 | Mian Muhammad Ibrahim | 4,443,432 | 1,852,851 | 6,296,282 | 1,193,432 | 1,852,851 | 3,046,282 |
| 90 | Imran Bashir | P-836 Street No.7 Al-Masoom Town Faisalabad. | 33100-0656105-5 | Bashir Ahmed | 1,961,983 | 1,900,274 | 3,862,257 | 913,533 | 1,900,274 | 2,813,807 |
| 91 | Imran Hanif | H 379-3-D1 Green Town Lahore | 35202-6849306-6 | Muhammad Hanif | 2,801,890 | 2,661,336 | 5,463,226 | 32,878 | 2,764,950 | 2,797,828 |
| 92 | Khawar Mehmood | Khawar Traders Shop # 7 Ground Floor Ahmad Centre Market 147-A Alamgeer Market Shah Alam, Lahore | 35202-3434499-5 | Ashiq Ali | 4,097,127 | 1,697,172 | 5,794,299 | 1,024,127 | 1,697,172 | 2,721,299 |
| 93 | Almawat Zari Services | Hair, Badian Road, Lahore Cantt, Lahore | 35201-5277051-1 | Subhan Khan | 4,277,504 | 1,631,432 | 5,908,936 | 777,504 | 1,937,443 | 2,714,947 |
| 94 | Excel Marketing | Suit No.309, 3rd Floor, Aiwan-E-Augaf, Off The Mall Road, Lahore. | Ali Ameer Sheikh: 35201-8879857-9 | Mumtaz Manzoor | 1,000,000 | 1,506,173 | 2,506,173 | 1,000,000 | 1,593,625 | 2,593,625 |
| 95 | Yasmeen Pervaiz | House# 10 Street-2 Gazaffi Colony Badami Bagh Near Pakistan Public School, Lahore | 35202-7084782-8 | Pervaiz Akhter | 2,885,392 | 1,796,119 | 4,681,512 | 548,192 | 2,035,384 | 2,583,576 |
| 96 | Muhammad Rafique | 78-C 1, Gulberg III, Lahore | 275-88-027311 | Abdul Majeed | 6,078,556 | 2,517,823 | 8,596,379 | - | 2,517,823 | 2,517,823 |
| 97 | Zahid Mahmood Sethi | 14-B Temple Road Lahore. | 35202-9035804-3 | Muhammad Latif Sethi | 3,972,918 | 1,646,004 | 5,618,922 | 788,919 | 1,646,004 | 2,434,922 |
| 98 | Tanveer Ahmed | H. No. 24, Block C, Gulshan Ravi, Lahore. | 35202-8276084-7 | Bashir Ahmed | 2,821,860 | 1,600,483 | 4,422,343 | 748,522 | 1,600,483 | 2,349,005 |
| 99 | Khawaja Wasim Ahmed | House No. 4 Street No. 74 G-6/4 Islamabad. | 514-77-123411 | Khawaja Kabir Ahmed | 6,781,510 | 2,794,491 | 9,576,002 | - | 2,214,380 | 2,214,380 |
| 100 | Shahid Ali Babar | 146/11,U Phase II DHA, Lahore | 275-51-108900 | Shaki Ali | 796,277 | 1,376,497 | 2,172,774 | 796,277 | 1,376,497 | 2,172,774 |
| 101 | Sohail Hameed Butt | XX-56, 2nd Floor Commercial Area Khayaban-e-Iqbal DHA Lahore Cantt. Lahore | 35201-9747254-5 | Abdul Hameed But | 978,924 | 1,773,040 | 2,751,965 | 398,924 | 1,773,040 | 2,171,965 |
| 102 | Nadeem Arain | House No R-913 Sector 15-A/1 North Karachi Buffer Zone Karachi | 42101-2658025-1 | Inayatullah | 3,362,535 | 1,433,109 | 4,795,644 | 462,535 | 1,524,869 | 2,087,404 |
| 103 | Khalid Manzoor | H. No. 119, Islam Block, Azam Garden Multan Road, Lahore | 35202-2806968-9 | Manzoor Hussain | 3,300,000 | 1,585,350 | 4,885,350 | 495,000 | 1,585,350 | 2,080,350 |
| 104 | Mohammad Arif Hussain Qadri | C - 17 Block-S North Nazimabad Karachi | 42101-1887790-5 | Muhammad Nazir Hussain Qadri | 3,223,727 | 1,974,811 | 5,198,539 | - | 1,964,547 | 1,964,547 |
| 105 | International Traders | 3Rd Floor, Parker House, Aiwan E Tijarat Road, Karachi | Muhammad Arshad N/A | S A Khaliq | 787,306 | 1,175,471 | 1,962,777 | 787,306 | 1,175,471 | 1,962,777 |
| 106 | Nadeem Ahmed Mirza | A - 3, Block 8, Khayaban-E-Jami, Kenkashan, Clifton, 1St Floor, Jason Appartments, Karachi | 42301-6956801-1 | Muhammad Ahmed Mirza | 4,492,505 | 1,843,362 | 6,335,867 | - | 1,835,867 | 1,835,867 |
| 107 | Muhammad Nadeem Alam | Lg-86 Hafeez Center Gulberg-III Lahore | 35202-0687064-3 | Muhammad Jahangir | 2,496,147 | 678,072 | 3,174,219 | 499,147 | 1,285,553 | 1,784,700 |
| 108 | Salamat Shah | Plot # Ah/D-16, Al Falah Co-Operative Housing Society, Shah Faisal Colony, Karachi | Salamat Shah 42201-8490306-3 | Mr. Syed Shah | 1,134,122 | 1,450,243 | 2,584,364 | 300,000 | 1,450,243 | 1,750,243 |
| 109 | Muhammad Abdullah Power Looms | N/B Abu Bakkar Mosque Ahlee Hadees Mohallah Aziz Colony Multan | 38302-6557645-1 | Talib Ali | 1,039,109 | 550,974 | 1,590,080 | 379,182 | 1,353,347 | 1,732,529 |
| 110 | Irfan Nabi Khan | House No.63 Edan Villas Model Town Lahore | 35202-3947271-3 | Ajaz Nabi Khan | 2,884,435 | 1,202,714 | 4,087,149 | 484,435 | 1,202,714 | 1,687,149 |
| 111 | Asif Ali Khan | 1-B/2 22Nd Street Kh-E-Tanzeem Phase-V DHA Karachi | 514-46-051826 | Noor Muhammad | 3,998,205 | 4,599,636 | 8,597,841 | - | 1,667,201 | 1,667,201 |
| 112 | New Bismillah Zari Services | Near Govt Higher Secondary School Fateh Pura Road Jallah Jeem Tehsil Mailsi Distt Vehari | Sajjad Hussain: 36602-8225532-7 | Zia Hussain | 2,481,626 | 1,205,296 | 3,687,122 | 372,274 | 1,205,296 | 1,577,570 |
| 113 | Malik Jalil Ahmed Awan | House# Sa-648 Khajoor Wali Gali Chirah Road Service Road Sadiqabad Rawalpindi | 13101-1565924-1 | Malik Abdul Ghaffar | 2,393,148 | 956,309 | 3,349,456 | 593,148 | 956,309 | 1,549,456 |
| 114 | Muhammad Kamran Malik | House No. 239 Ahsan Street Shah Noor Park Kot Khawaja Lahore | 35202-2824973-5 | Malik Mehmood Alam | 2,250,000 | 938,199 | 3,188,199 | 550,000 | 938,199 | 1,488,199 |
| 115 | Kolachi Traders | Flot No C-11 Sohni Apartments Blk 4-A Abul Hasan Isphahani Road Karachi | Mr. Syed Amir Raza Zaidi 42201-7800555-9 | M. Syed Mohd Mohsin | 2,096,944 | 411,073 | 2,508,017 | 896,944 | 579,466 | 1,476,410 |
| 116 | Cheema Scrap | National Kaseera Market, Outside Khiali Gate, Gujranwala | Habib Ur Rehman 34101-2566926-1 | Muhammad Sharif | 787,176 | 635,375 | 1,422,551 | 787,176 | 687,825 | 1,475,001 |
| 117 | Mohammad Ali Choudhry | House # 294/M St # 1 Aziz Colony Hafiz Jamal Road Multan. | 36302-2922932-1 | Lal Din | 620,816 | 807,754 | 1,428,570 | 620,816 | 807,754 | 1,428,570 |
| 118 | Jamil Mohammad | H # 3, St 3 12 Shalim Street, Sahar Road Baghban Pura, Lahore | 35201-5469801-5 | M Saddique | 2,294,356 | 956,711 | 3,251,067 | 469,355 | 956,711 | 1,426,067 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 119 | Ismail Khan Durrani | House No E-11 Dada Bhai Town Shaheed-E-Millat Road Baloch Colony Karachi | 42201-8885852-9 | Haji Mir Bacha Khan | 1,103,054 | 212,523 | 1,315,577 | 1,103,054 | 286,982 | 1,390,036 |
| 120 | Babar Pervez | Trg Pakistan 7Th Floor Block B FTC Building Shahrah-e-Faisal Karachi | 42301-6090734-9 | Pervez Macbool | 1,254,381 | 28,875 | 1,283,257 | 1,225,791 | 159,631 | 1,385,422 |
| 121 | Muhammad Akbar | 200-AS Johar Town Lahore. | 35202-0497164-1 | Mohammad Sarwar | 1,199,987 | 101,891 | 1,301,878 | 1,161,994 | 218,977 | 1,380,970 |
| 122 | Syed Ejaz Asr Rizvi | Suite # 8 Second Floor Kehkashan Mall,Main Tariq Road, PECHS Block - II ,Karachi | 42101-7932881-9 | Syed Wafadar Hussain Rizvi | 3,088,507 | 725,405 | 3,813,912 | 388,507 | 983,713 | 1,372,219 |
| 123 | Ali Raza | Axact, Axact Street, Main Khayaban-e-Ittehad, Phase VII, DHA, Karachi | 42201-1954334-3 | Syed Aftab Ali | 210,060 | - | 210,060 | 1,079,181 | 268,773 | 1,347,954 |
| 124 | Idrees | Soha Mension, 3rd Floor, Gk - 2/2, Near Bangal House, Agha Khan Road, Kharadar Karachi | 42301-7949479-9 | Mohammad | 5,094,316 | 2,807,416 | 7,901,732 | - | 1,346,313 | 1,346,313 |
| 125 | Sumaira Usman | 18 B Kaghan Road F-8 Markaz Lafarge Pakistan Islamabad | 61101-1850246-2 | Usman Ul Ahsan | 1,200,000 | - | 1,200,000 | 1,200,000 | 139,340 | 1,339,340 |
| 126 | Muhammad Hashim | B-93 Block -7 Gulistan-e-Jauhar Karachi | 42101-4428613-1 | Muhammad Qasim | 1,540,162 | 1,228,541 | 2,868,702 | - | 1,317,577 | 1,317,577 |
| 127 | Malik Abdul Waheed | House No 8, Nargis Block Allama Iqbal Town, Lahore | 35202-5326550-9 | Ch Hussain Bakhsh | 3,547,735 | 760,048 | 4,307,783 | 447,735 | 867,442 | 1,315,177 |
| 128 | Syed Sami Hussain | Flat # B-503 Pearl Residency Bl 14 Gulshan E Iqbal Mashriq Center National Stadium Road, Karachi | 42101-1510796-1 | Syed Ale-Hussain Noori | 1,330,000 | - | 1,330,000 | 1,193,687 | 117,994 | 1,311,682 |
| 129 | Syed Kazim Raza Rizvi | S-25-26 Noman Centre Rashid Minhas Road Gulshan-E-Iqbal, Karachi | 42201-5762069-1 | Syed Kherat Hussain Rizvi | 3,185,165 | 1,321,150 | 4,506,315 | - | 1,306,315 | 1,306,315 |
| 130 | Faheem Ullah Shaikh | Habib Bank Ltd City Court Branch Gate No 3 Karachi Court Karachi, | 45203-6195476-9 | Gul Hassan Shaikh | 1,141,289 | 82,087 | 1,223,376 | 1,141,289 | 162,142 | 1,303,431 |
| 131 | Muhammad Shoaib Qasmi | H. No. 491, Block A, Ghulam Muhammad Abad, Faisalabad | 33100-4684814-9 | Muhammad Aslam Qasmi | 1,154,820 | 116,740 | 1,271,560 | 257,205 | 1,029,021 | 1,283,226 |
| 132 | Fahmida Iqbal | Un Women Plot-5-11, Diplomatic Enclave, Islamabad | 37405-1732350-4 | Muhammad Iqbal Khan | 1,103,244 | 49,077 | 1,152,321 | 1,103,244 | 139,362 | 1,242,606 |
| 133 | Syed Khalil Ahmed | H No B-478 Block 13 Farooq E Azam Masjid, F.B Area, Karachi | 42501-1552548-1 | Syed Nazir Ahmed | 1,178,510 | 5,251 | 1,183,762 | 1,166,638 | 62,055 | 1,228,693 |
| 134 | Asim Qamar | 129 Sarwar Colony, Sarwar Road, Cantt, Lahore. | 35201-0949909-1 | Imran Qamar | 420,053 | - | 420,053 | 998,831 | 224,508 | 1,223,339 |
| 135 | Muhammad Yousaf | House No 17 Street No 32 Nisbat Road Gawalmandi Near Muhammadi Square Lahore | 35202-2516683-7 | Muhammad Allaud Din | 1,118,941 | - | 1,118,941 | 1,093,832 | 127,266 | 1,221,098 |
| 136 | Abdul Rahman Khan Sherwani | House # 5/16, St # 6, Zaman Colony Cavalry Ground, Lahore | 36402-2337357-1 | Murtaza Khan Sherwani | 970,010 | 68,463 | 1,038,473 | 970,010 | 244,325 | 1,214,335 |
| 137 | Muzaffar Ali Bhatti | Banglow No.Ee-1,2Nd Flr Defence View Phase-Ii Near Iqra University Karachi | 42301-0944839-7 | Mohammad Anwar Javed | 1,053,496 | 108,936 | 1,162,431 | 1,053,496 | 128,222 | 1,181,718 |
| 138 | Talal Azfar | H No 27-A Main Nazim Ud Din Road F-10/4 Islamabad | 61101-2489787-1 | Majid Hassan | 1,202,302 | 86,912 | 1,289,213 | 1,128,519 | 46,317 | 1,174,836 |
| 139 | Muhammad Mansha | Street -05 Khushal Colony Khanewal Road Multan | 36302-0374615-1 | Wali Muhammad | 473,060 | 698,609 | 1,171,669 | 473,060 | 698,609 | 1,171,669 |
| 140 | Premiere International | Flat No. 4, Second Floor, City Archade, 18 Markaz, Islamabad. | Abdul Rehman Amir 61101-1893098-9 Rabia Rehman 61101-1538921-6 | Mumtaz Baig, W/O Abdul Rehman Amir | 449,890 | 678,568 | 1,128,458 | 449,890 | 716,039 | 1,165,928 |
| 141 | Basit Sardar | Shop No 1, Ground Floor, Rashid Minhas Arcade Mission 1 Road Printing Street Mei Ladu Masjid, Lahore | 35202-6194691-7 | Sardar Khan | 999,827 | 59,674 | 1,059,501 | 986,860 | 178,945 | 1,165,804 |
| 142 | Nadeem Butt | Butt Krzahi, 18 , Macleode Road, Geeta Bhewen Building, Lakshmi Chowk Lahore | 35202-0874555-3 | Abdul Hameed Butt | 3,294,368 | 1,380,938 | 4,675,306 | - | 1,165,306 | 1,165,306 |
| 143 | Tabish Ismail | House D-42, Kehkashan Clifton, Block 5, Karachi | 42301-7971411-1 | Abid Ismail | 1,050,000 | - | 1,050,000 | 1,033,900 | 130,918 | 1,164,818 |
| 144 | Mohammad Aslam Sheikh | House No F-67 Ground Floor, R-Big Portion Block B, North Nazimabad Karachi | 42101-6794603-7 | Shaikh Mohammad Yaseen | 999,983 | 25,465 | 1,025,449 | 999,949 | 163,622 | 1,163,571 |
| 145 | Adnan Haider Zaidi | Federax Urdu Uni G-7/1 Zero Point Fire Brigade Office Islamabad | 91509-0153735-7 | Riaz Hussain Zaidi | 1,000,000 | - | 1,000,000 | 992,863 | 141,166 | 1,134,029 |
| 146 | Rashida Saigol | 91-E/1 Gulberg III, Lahore | 35202-0597796-6 | Gulzar Ahmad Shaikh | 847,548 | 121,699 | 969,247 | 847,548 | 275,348 | 1,122,895 |
| 147 | Sardar Abdul Khalid | 218 Neelum Block Allama Iqbal Town Lahore | 35202-4862589-3 | Abdul Hameed | 1,842,983 | 768,499 | 2,611,482 | 342,983 | 768,499 | 1,111,482 |
| 148 | Zakir Ali Khan | 20-A 1/1 Block-6 PECHS, Karachi. | 517-73-186954 | Dilawar Ali Khan | 272,249 | 837,617 | 1,109,866 | 272,249 | 837,617 | 1,109,866 |
| 149 | Fawad Akhtar Ali | H.No 24/ii 23 Street Khy E Tanzeem Idial Bakry Phase 5 DHA Karachi | 42301-0881225-1 | Muhammad Akhtar Ali | 1,109,986 | - | 1,109,986 | 1,099,154 | 10,246 | 1,099,410 |
| 150 | Kashif Majeed | S-2 Sea Breeze Plaza, Shahrah-e-Faisal, Karachi | 36302-5141631-9 | Abdul Majeed | 989,018 | 59,196 | 1,048,214 | 903,547 | 164,636 | 1,068,184 |
| 151 | Ali Naveed Pirzada | 1 Habibullah Road (Off Davis Road) Al-Ayesha High School Lahore | 35201-8886908-9 | Naveed Aslam Pirzada | 866,845 | 147,200 | 1,014,045 | 870,069 | 188,157 | 1,058,226 |
| 152 | Khalid Mehmood | House No 389 Phase 1 Main Cantt Cheak Post, Karachii | 61101-5034240-9 | Muhammad Ashraf | 973,167 | - | 973,167 | 954,371 | 100,405 | 1,054,776 |
| 153 | Imran Ahmed Khan | Axact Pvt Ltd Axact House Axact Street Main Khayaban-e-Ittehad Phase VII D.H.A Karachi | 42101-5977951-3 | Saeed Ahmad Khan | - | - | - | 864,433 | 188,011 | 1,052,444 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr NO | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 154 | Muhammad Abdulwajed Farooqi | B 89 Block 7 Gulistan-e-Johar, Karachi | 42000-0475366-7 | M Abdul Waris | 934,816 | 73,330 | 1,008,147 | 934,816 | 108,844 | 1,043,661 |
| 155 | Shahzad Waseem Arshad | Nvi-60-S-6 Al-Madad Pak Colony Timber Market Lahore | 35202-9036560-3 | Nawab Din | 2,587,321 | 1,075,740 | 3,662,761 | - | 1,033,121 | 1,033,121 |
| 156 | Mumtaz Nasreen | Mental Hospital Jail Road Lahore Department Of Male Teaching One Lahore | 35202-6550235-8 | Arshad Masih | 963,185 | 51,224 | 1,014,409 | 963,185 | 68,650 | 1,031,835 |
| 157 | Saleem | Flat No 10 3Rd Floor Bukhari Mention New Mishas Road Kharadar Police Chowki Near Qaid-E-Azam Birth Place Karachi | 42301-2284238-5 | Haji Sattar | 954,371 | - | 954,371 | 924,745 | 106,335 | 1,031,080 |
| 158 | Syed Masood Hamid Ali | Dawn Group Of Newspaper Harcon House Dr. Zia Uddin Ahmed Rd Karachi. | 42301-1113005-1 | (Late) Hamid Ali | 920,340 | 22,058 | 942,598 | 977,988 | 52,921 | 1,030,910 |
| 159 | Muhammad Ather | 15-MCB House Gulberg KASAB Bank Lahore | 35202-2170993-9 | Muhammad | 1,005,970 | - | 1,005,970 | 915,119 | 104,816 | 1,019,935 |
| 160 | Rashid Mehmood | Rashid Bros Poultary Shop No 16 Pef Market Chaklala Road Rawalpindi | 37405-5513108-7 | Ashiq Hussain | 1,392,196 | 552,054 | 1,944,250 | 439,196 | 552,054 | 991,250 |
| 161 | Mian Hamid Rafiique | House No. F 3/4-A Afghani Road Samanabad Lahore. | 35202-2959453-3 | Mian Muhammad Rafiq | 1,891,491 | 795,587 | 2,687,078 | 191,491 | 795,587 | 987,078 |
| 162 | Raheel Rahman | 53/2 21St Street Phase # 5 DHA Karachi | 42000-0508914-7 | Abdur Rahman | 834,531 | 93,329 | 927,859 | 836,543 | 137,852 | 974,395 |
| 163 | Syed Adil Hussain | House# 23-K, Block-2 PECHS, Karachi | 42201-6213678-1 | Syed Mukhtar Ali Shah | 1,088,876 | 677,316 | 1,766,192 | 158,876 | 802,295 | 961,172 |
| 164 | Fareed Ahmed Khan | A-33 Sector No 11-A Power House Chowrangi North Karachi, Karachi | 42101-8096531-3 | Tanveer Khan | 875,850 | 13,931 | 889,781 | 875,850 | 71,747 | 947,597 |
| 165 | Rana Muhammad Nabeel | House No D-352 Navy Housing Scheme Block 9 Clifton 2 Talwar KehKashan, Karachi | 42301-2303623-3 | Rana Muhammad Yaqoob | 933,940 | - | 933,940 | 910,017 | 31,754 | 941,770 |
| 166 | Muhammad Aslam Power Loom | H No 699, Out Side Dehli Gate Arif Pura Multan | 36302-8569099-7 | Munammad Buta | 1,499,683 | 564,188 | 2,063,871 | 374,683 | 564,188 | 938,871 |
| 167 | Ghazala Tahir | House # 7, 1St Floor Ali Centre, Block 2 Main Tariq Road PECHS Karachi | 42201-7693649-2 | Mohammad Tahir | 2,441,902 | 516,589 | 2,958,491 | 365,902 | 567,435 | 933,337 |
| 168 | Inam Hasan Muqaddam | C-34 4Th Floor Wajid Square Gulshan-e-Iqbal Block No 16 Karachi University Road Near Baitul Mukarram Masjid, Karachi | 42101-5143414-3 | Ismail Muqaddam | 814,192 | 54,274 | 868,466 | 814,192 | 106,455 | 920,647 |
| 169 | Sheraz Ahmed Siddiqui | Lakson Square Building No 2 4Th Floor Sarwar Shaheed Road Press Club Karachi | 42201-0653465-5 | Zamir Ahmed Siddiqui | 820,201 | 31,842 | 852,043 | 820,201 | 99,119 | 919,319 |
| 170 | Khalid Karandi House | House 1694/105 Street 3 Out Side Dehli Gate Arif Pura Multan Multan | 36302-6921644-5 | Muhammad Afzal | 1,369,834 | 511,872 | 1,881,706 | 389,834 | 511,872 | 901,706 |
| 171 | Mazhar Zari Service | Faiddh Chowk Mailsi | 36602-7488942-5 | Ronaq Ali | 1,539,185 | 500,267 | 1,839,452 | 395,185 | 500,267 | 895,452 |
| 172 | Rakhel Bibi | Surgical Opd Sheikh Zayed Hospital New Campus Lahore | 35200-5102681-6 | Nasir Mohan Massi | 867,684 | - | 867,684 | 817,153 | 68,007 | 885,161 |
| 173 | Tanveer Rasheed | House No. 07 Street No. 2 Mohallah Tariqabad Khokhar Kee Gujranwala. 3253932/0321-8490019/3891465 Gujranwala | 34101-3393350-3 | Abdul Rasheed | 566,574 | 312,460 | 879,034 | 77,260 | 801,774 | 879,034 |
| 174 | Manzar Ali | Flat No 18-A Super Palace Civil Line Ziauddin Ahmed Road Karachi Club Karachi | 42301-9738688-7 | Sher Muhammad Bughio | 829,148 | 15,195 | 844,341 | 804,082 | 70,410 | 874,492 |
| 175 | Aloe Pak | Suit # 39, 3Rd Floor, Sadiq Plaza, The Mall, Lahore | "Adbullah Khizar Bajwa 35202-7479800-5" | Khurshid Ahmad | 397,746 | 447,726 | 845,472 | 397,746 | 472,571 | 870,317 |
| 176 | M.S Fabrics | M.S Fabrics Budhla Road, Near Shoukat Pehlwan Chowk Multan | 36302-8850910-3 | Muhammad Tufail | 357,488 | 504,906 | 862,395 | 357,488 | 504,906 | 862,395 |
| 177 | Muhammad Arshad Javed | House No 41 Ali Block Ittefaq Town Lahore.7446070/7520730/0300-4151068 | 35202-2689951-5 | Muhammad Ibrahim | 1,260,529 | 802,132 | 2,062,662 | - | 856,520 | 856,520 |
| 178 | Nisar Abbasi | House No11 Block E Main Double Road Soan Avenue Soan Garden Housing Society Islamabad Islamabad | 61101-1752491-1 | Muhammad Ashraf Khan Abbasi | 605,872 | 2,421 | 608,293 | 646,519 | 198,872 | 845,391 |
| 179 | Syed Muhammad Saad Atiq | Suit No 301 Al Ameen Tower Block 10 Upon Chase Gulshan-e-Iqbal Karachi | 42101-5465427-5 | Syed Muhammad Atiq | 708,207 | 109,694 | 617,901 | 708,207 | 131,348 | 839,554 |
| 180 | Mirza Ali Yar Baig | Larix Colony GS-11 H No 117 Mohalla Nistar Park Karachi Phatak Mughal Pura Lahore Cantt Lahore | 35201-9372806-9 | Mirza Akram Baig | 778,567 | 55,260 | 833,826 | 778,567 | 57,896 | 836,463 |
| 181 | Muhammad Fareed | 1863/2, Second Floor Azizabad F B Area Karachi | 42101-5441072-9 | Muhammad Farooq | 88,060 | - | 88,060 | 678,417 | 152,552 | 830,969 |
| 182 | Muhammad Shoaib Khan | H No 240 Block I Sector C-Ii Township Lahore Near Ghazi Chowk Lahore | 35200-7563909-5 | Muhammad Akram Khan | 782,981 | - | 782,981 | 764,962 | 59,557 | 824,520 |
| 183 | Nasir Rauf Malik | N.B.P P-W-R Workshop Mughalpura P-W-R Workshop Lahore | 35201-7662135-7 | A Rauf Malik | 750,000 | - | 750,000 | 738,500 | 79,852 | 818,352 |
| 184 | Syed Shakir Hussain Rizvi | H No A-144 Bloch 1 North Nazimabad Karachi. | 42101-5633438-5 | Syed Shoukat Hussain | 951,191 | 756,493 | 1,707,684 | - | 816,929 | 816,929 |
| 185 | Rafaqat Shahzad | 58 C-Iii Gulberg Iii Govt College For Women Lahore | 35201-9019898-7 | Inayat Ali | 95,842 | - | 95,842 | 699,327 | 117,447 | 816,774 |
| 186 | Owais Uddin Ahmed | E-5-3 Country Club Street 33 Dha Phase V Ext Karachi | 35201-4189230-1 | Mushtaq Uddin Ahmed | 720,231 | 77,411 | 797,642 | 720,231 | 91,929 | 812,161 |
| 187 | Shiekh Sajad Hussain | H No 592 Block A Wasa Training Centre Gulshan-e-Ravi Lahore | 35202-2938611-9 | Shiekh Muhammad Akbar | 750,000 | 21,090 | 771,090 | 718,263 | 88,282 | 806,545 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 188 | Barkat Ali | Flat No B-06 Sector 32/A Labour Square Ali Public School Korangi No 11/2 Karachi | 34602-6513829-3 | Muhammad Sain | 700,529 | 57,518 | 758,046 | 690,201 | 113,772 | 803,973 |
| 189 | Amir Siddiqui | House No 5 Street No 1 Mahmoodabad Begum Pura Near Shawala Chowk Lahore | 35202-2928739-7 | Mohammad Siddiqui | 737,912 | 44,739 | 782,651 | 674,478 | 124,584 | 799,062 |
| 190 | Nasreen Tanveer | Works Directorate Kda Scheme#01 Civil Aviation Lal Qila Resturant Authority Karachi | 42201-5754034-0 | Muhammad Tanveer | 783,980 | - | 783,980 | 718,859 | 74,308 | 793,167 |
| 191 | Sheikh Qasim | Flat No 2 Plot No 23/E Staff Lane One Main Kh. Jami Phase 2 Ext DHA Karachi | 35202-2178117-7 | Abdul Rasheed | 667,143 | 123,514 | 790,657 | 667,143 | 123,514 | 790,657 |
| 192 | Nasir Junaid | Habib Bank Masi Gate Branch Saddar, Rawalpindi | 61101-2461579-3 | Bashir Ahmad | 714,766 | 17,208 | 731,974 | 696,613 | 93,909 | 790,523 |
| 193 | Awais Weaving Industries | Chak#70Jb Mansooran Jhang Road Faisalabad | 33100-0313868-3 | Chaudhry Ahmed Deen | 1,517,631 | 569,549 | 2,087,180 | 217,631 | 566,509 | 784,141 |
| 194 | Salco Enterpris | Office 50, DHA II Mair Cantt., Karachi | Mashhur A. Farooqui 203-42-061196 | Shahood A. Farooqi | 253,828 | 484,075 | 764,903 | 280,828 | 502,786 | 783,614 |
| 195 | Khalid Ahmed Khan | Office # 10, St-2 Opp. Taimuria Library,Block- H Worth Nazimabad,Karachi | 42101-2919794-3 | Jamil Ahmed Khan | 4,652,921 | 446,046 | 5,098,967 | - | 781,372 | 781,372 |
| 196 | Fahad Abbas Akbar | Neapak 158 Garden Block Daewoo Terminal Garden Town Lahore | 34101-1478662-3 | Ghazanfar Ali Khan | 754,204 | 37,046 | 791,250 | 746,017 | 26,117 | 772,134 |
| 197 | Azhar Masood Bhatti | House No.584 Nizam Block, Allama Iqbal Town Lahore | 35202-3091698-5 | Farkh Masood Bhatti | 2,098,890 | 875,116 | 2,974,006 | - | 764,451 | 764,451 |
| 198 | Mian Muhammad | House # 251-G Street -01, Moh Jan Muhammad Colony Multan | 32304-1908515-3 | Mian Atta Muhammad | 3,938,076 | 702,590 | 4,639,566 | - | 754,952 | 754,952 |
| 199 | Muhammad Abrar Ul Haq | House-31, St-7, Koran Town Security Check Post, Islamabad | 35302-1984431-7 | Rao Tufail Muhammad | 667,953 | 13,759 | 701,712 | 669,257 | 77,031 | 746,288 |
| 200 | Fahd Ahmed Shaikh | H No 34/1 Phase 05 Khayaban-e-Tanzeem Khada Market Karachi | 42301-3326071-1 | Rashid Ahmed Shaikh | 637,183 | 76,958 | 714,140 | 637,183 | 91,271 | 728,453 |
| 201 | Mohammad Ammad Khan Ghauri | H # 381, Street 5 Muhalla Phase 4 Gulraiz Colony Rawalpindi | 37405-5116888-7 | Muhammad Munir Khan | 724,670 | 26,627 | 751,297 | 626,711 | 86,909 | 713,620 |
| 202 | Hussain Haider Sahibzada | Eurasia Shippers Off.1 Al Syed P Laza Opp Shaheen Cargo Terminal Airport Rawalpindi | 61101-1956167-5 | Ghulam Haider | 577,748 | 18,945 | 596,693 | 563,201 | 148,209 | 711,410 |
| 203 | Muhammad Saeed Siddiqui | Sharja Bartan Store Muslim Road Gali Javaid Butt Wali Gujranwala | 34101-3817619-5 | Muhammad Siddiq Siddique | 1,188,918 | 522,816 | 1,711,734 | 178,338 | 529,833 | 708,171 |
| 204 | Muhammad Suleman | House No C-145 Street No 8 Bhatai Road D3 Buss Stop Gulistan-e-Johar Karachi | 42201-5541377-1 | Ghulam Rasool Gilal | 653,612 | 60,796 | 714,608 | 653,812 | 53,208 | 707,020 |
| 205 | Tariq Rauf Khan | 1-J-21/8 Nazimabad No.1 Near Madina Masjid Near Muslim League Quarters Karachi | 42101-0621558-5 | Abdul Rauf Khan | 1,375,706 | 459,082 | 1,534,787 | 160,705 | 542,845 | 703,550 |
| 206 | Marco | 2-D Hill Top Arcade , Sunset Blvd , DHA, Karachi | "Arif Ali Khan 210-52-401940" | Khalid Ali | 230,409 | 472,497 | 702,906 | 230,409 | 472,497 | 702,906 |
| 207 | Muhammad Nawaz (Deceased) | Near Coca Cola Factory, H. No. 13, Mumtaz Abad Moh Haidri Colony, Multan | 36302-9913897-1 | Muhammad Hayat | 2,594,493 | 308,851 | 2,903,344 | 388,493 | 308,851 | 697,344 |
| 208 | Mirza Ayaz Akhtar Baig | Flat # A-6 Al Nusrat Square Plot # Sc-4 Block-L North Nazimabad Karachi | 42101-0373672-5 | Mirza Ijaz Akhtar Baig | 669,063 | - | 669,063 | 669,063 | 25,268 | 694,332 |
| 209 | Asif Ibrahim Zahidi | Flat No 7 Mohammadi View Appartment Plot Z-49-A Opp DHA Phase 1 Mehmoodabad Road Karachi | 42000-9733476-7 | Muhammad Ibrahim Zahidi | 619,146 | 24,528 | 643,674 | 619,146 | 70,997 | 690,143 |
| 210 | Muhammad Saddique | Shamas Malik Street Ward # 06 Sher Shah Road Mohalla Khudadad Colony Multan | 36302-9377601-5 | Abdul Majeed | 721,242 | 512,634 | 1,233,877 | 171,242 | 512,634 | 683,877 |
| 211 | Adnan Adnan | Axact Pvt Ltd Axact House Axact Street Main Khayaban-e-Ittehad Phase VII D.H.A Karachi | 42201-0948226-3 | Ghulam Ali | - | - | - | 536,814 | 145,849 | 682,663 |
| 212 | Naeem Uddin Siddiqi | House No F / L - R 125 Tariq Bin Zayed Society Rehmania Masjid Malir Halt, Karachi | 41303-4158302-3 | Nizam Uddin Siddiqi | 588,794 | 13,994 | 602,788 | 588,794 | 82,743 | 671,537 |
| 213 | Muhammad Tahir Ghori | Dadex Sales Office Plot No 13-C Main Khayaban-e-Ittehad Phase No 2 DHA Near Faysal Bank Karachi | 41304-3592041-1 | Saghir Ahmed Ghori | 632,795 | 48,446 | 681,241 | 628,281 | 42,685 | 670,966 |
| 214 | Syed Abdul Aziz | House No R-195 Sector 15-B Buffer Zone Today'S Restaurant North Karachi Karachi | 42101-4369750-3 | Syed Abdul Sami | 627,429 | 12,520 | 639,949 | 609,193 | 48,794 | 657,987 |
| 215 | Humaira Makhdoom | H # 17-A/2 West Street Phase-I D.H.A Karachi. | 42301-7399885-8 | Mohammad Afzal Randhawa | 444,471 | 14,553 | 459,024 | 494,233 | 153,743 | 647,976 |
| 216 | Jawed Ali Khan | Shop # 8 S E 7 Ambreen Shopping Centre Hyderi Market Block G North Nazimabad Karachi. Karachi | 42101-1504951-1 | Ansar Ahmed | 1,554,499 | 646,055 | 2,200,554 | - | 645,554 | 645,554 |
| 217 | Muhammad Farrukh Dawoodani | Ground Floor Bahria Complex 1 M.T Khan Road Lalazar Near Beach Luxary Hotel Karachi | 42201-5345229-7 | Yaqoob Ali | 598,355 | 34,821 | 633,175 | 598,355 | 46,038 | 644,393 |
| 218 | Shehzad Akbar Yazdani | 28, Sunnyside Apartment, Sunnyside Road, Civil Lines Karachi | 42301-1106096-9 | Mohammad Akbar Yazdani | 589,990 | 32,421 | 622,411 | 563,589 | 79,546 | 643,134 |
| 219 | Abdul Rahman Khan Sherwani | House # 5/16, St # 6, Zaman Colony Cavalry Ground, Lahore | 36402-2337357-1 | Murtaza Khan Sherwani | 622,334 | 16,840 | 639,174 | 629,247 | 13,030 | 642,277 |
| 220 | Muzaffar Ali Bhatti | Banglow No.Ee-1,2Nd Flr Defence View Phase-Ii Near Iqra University Karachi | 42301-0944839-7 | Mohammad Anwar Javed | 497,762 | 125,552 | 623,314 | 497,762 | 143,015 | 640,777 |
| 221 | Muhammad Hans | Axact Pakistan / 114-116C Tami Comm St Main Khayaban-e-Ittehad Phase 7 Near SCB Ittehad Branch Karachi | 42101-6245394-9 | Mumtaz Ahmad | 50,481 | - | 50,481 | 510,496 | 127,223 | 637,721 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 222 | Wasim Ahmad Khan | Cargo Plus 25-A 1St Floor Ittefaq Plaza Wahdat Road Lahore | 35202-2428258-1 | Ahmed Wali Khan | 526,872 | 86,359 | 613,231 | 526,872 | 106,012 | 632,884 |
| 223 | Muhammad Fareeduddin | Axact Pakistan 114-116C Jan Comm Main St Main Khayaban-e-Ittehad near Ittehad Branch Karachi | 42201-3610582-1 | Muhammad Salahuddin | - | - | - | 505,168 | 125,596 | 630,763 |
| 224 | Danish Younus | Plot No 285 Flat No 302 3Rd Floor Sharfabad Apartment Near Ptv Station Karachi. | 42201-3812430-5 | Younis | 382,244 | - | 382,244 | 499,091 | 118,868 | 617,959 |
| | | 7563775/03218472108/7553110-11 Lahore | | | | | | | | |
| 223 | Muhammad Fareeduddin | Axact Pakistan 114-116C Jan Comm Main St Main Khayaban-e-Ittehad near Ittehad Branch Karachi | 42201-3610582-1 | Muhammad Salahuddin | - | - | - | 505,168 | 125,596 | 630,763 |
| 224 | Danish Younus | Plot No 285 Flat No 302 3Rd Floor Sharfabad Apartment Near Ptv Station Karachi. | 42201-3812430-5 | Younis | 382,244 | - | 382,244 | 499,091 | 118,868 | 617,959 |
| 225 | Abdul Razzak | Bma Capital Management Ltd. Level 8 Uni Tower Un Plaza I.I Chundrigar Road Karachi | 42301-9404703-1 | K V Muhammad | 576,483 | 22,255 | 592,738 | 570,483 | 44,042 | 614,524 |
| 226 | Sheikh Rehan Yousaf | Sheikh Usman Mobile Centre Shop #26 Jinnah Market Main Bazaar Township Lahore | 35202-6249389-1 | Sheikh Muhammad Yousaf | 563,087 | 85,593 | 648,680 | 512,687 | 100,687 | 613,374 |
| 227 | Al Muslim Zari Services C/O Liaqat Ali | Pmple Colonay H # 161 Street # 5 Sahiwal | 38502-9039976-1 | Ghulam Rasool | 998,482 | 356,599 | 1,355,081 | 248,482 | 362,873 | 611,356 |
| 228 | Aamir Anjum | H # 1A, Behind Alsuleman Plaza, Service Road Ghori Town Phase Iii, Islamabad | 61101-9589075-9 | Sabir Hussain Khan | 612,931 | 43,600 | 656,531 | 562,239 | 42,433 | 604,672 |
| 229 | Khushnoda Kosar | 16-Km Raiwind Road Superior University Lahore | 35201-2307092-2 | Kashif Fayyaz Syed | 642,071 | 51,172 | 693,243 | 552,932 | 47,448 | 600,380 |
| 230 | Ghulam Murtaza | Engro Polymer Port Qasim Dept Operation Tower Steel Karachi | 42501-9865917-5 | Muhammad | 571,152 | - | 571,152 | 561,972 | 37,779 | 599,751 |
| 231 | Chaudry Muhammad Nasir | 22Km Ferozpur Road, Roahi Nala Stop Meyo Plaza, Lahore | 34201-0366060-3 | Chaudry Allah Dita | 499,390 | 100,271 | 599,661 | 499,390 | 100,271 | 599,661 |
| 232 | Atif Raza | May Fair Group Of Companies Raiwind Manga Road Dars Road Lahore | 36502-0903734-9 | Riaz Hussain Jaffery | 563,036 | 14,875 | 577,910 | 563,036 | 36,329 | 599,364 |
| 233 | Abdul Ghaffar | House No.P-124 Street No.3 Rabani Colony No.1 Banker Faisalabad. | 33100-4076377-9 | Ghulam Nabi | 1,273,245 | 267,996 | 1,541,241 | 173,245 | 423,266 | 596,511 |
| 234 | Saad Saud | 187-A Ahmed Block Raja Market New Garden Town Lahore | 35202-8431235-9 | Saud Hanif | 308,968 | - | 308,968 | 470,307 | 126,080 | 596,387 |
| 235 | Qamer Rahi | Axact House Axact Street Ph VII Khayaban E Ittehad DHA near KFC Karachi | 42201-0746973-9 | Sameul Masih | - | - | - | 482,179 | 113,951 | 596,131 |
| 236 | Abdul Rahman Khan Sherwani | House # 5/16, St # 6, Zaman Colony Cavalry Ground, Lahore | 36402-2337357-1 | Murtaza Khan Sherwani | 467,454 | 31,705 | 499,159 | 467,454 | 127,068 | 594,522 |
| 237 | Hashim Ali | H/No G 47 Kucha Muhammad Inside Yakki Gate Sadiq Lahore | 35202-5233858-3 | Nazir Hussain | 457,544 | 99,654 | 557,198 | 457,545 | 134,454 | 591,998 |
| 238 | Adnan Khurram | 1St Floor Room 1 Habib Bank Plaza Sindh Madarsa Building Karachi | 42301-4823616-3 | Sheikh Muhammad Iqbal | 491,659 | - | 491,659 | 499,946 | 90,683 | 590,629 |
| 239 | Shahid Mehmood | House No 2 Ideal Homes Kotely Pir Abdul Rehman Shalimar Bagh Gt Road Lahore Near Pakistan Mint Lahore | 35201-1398542-9 | Muhammad Ishaque | 499,709 | 90,158 | 589,866 | 499,709 | 90,158 | 589,866 |
| 240 | Muhammad Sajid Jamal | H No 11 St No 23-A (6) Mohalla Nizam Abad Asghar General Store Kot Khawja Saeed Baghban Pura Lahore | 35201-4319005-9 | Jamal Din | 289,902 | - | 289,902 | 501,070 | 87,889 | 588,959 |
| 241 | Maqbool Hussain Zaidi | Shop No 6 Ground Floor Bombay Tower Sanai Hotel Abbott Road Lahore | 35202-8740363-1 | Imsam Ullah Zaidi | 499,939 | 44,286 | 544,225 | 499,939 | 88,664 | 588,603 |
| 242 | Saad Saud | 187-A Ahmed Block Raja Market New Garden Town Lahore | 35202-8431235-9 | Saud Hanif | 499,916 | - | 499,916 | 497,695 | 90,041 | 587,736 |
| 243 | Zulfiqar Ali | H No 05 Block H Shah Khawar Town, Defence Road, Cantt Lahore | 35201-1627005-7 | Muhammad Ishaq | 496,165 | 44,157 | 540,321 | 496,165 | 88,200 | 584,364 |
| 244 | Khalid Mehmood | House No 389 Phase 1 Malir Cantt Cheak Post Karachi | 61101-5034240-9 | Muhammad Ashraf | 499,867 | - | 499,867 | 494,413 | 89,904 | 584,317 |
| 245 | Syed Arshad Ali Rizvi | Bungalow No 39 Main Khayaban E Bukhari Near 01 Misri Shah Mazar Phase 6 DHA Karachi | 42301-1091489-1 | Syed Aziz Ur Rehman | 457,283 | 73,978 | 531,261 | 457,283 | 126,153 | 583,436 |
| 246 | Muhammad Imran | 3-A Khoghar Building Awan Group Royal Cargo Shobara Hotel Services Lahore | 42201-3545897-1 | Gulstan Khan | 514,930 | 63,579 | 578,509 | 508,931 | 74,389 | 583,319 |
| 247 | Muhammad Zakria | H No 25 St No 7 Mehrab Wali Street Begum Kot Lajpat Road Shahdara Lahore | 35202-9147946-9 | Muhammad Taqi | 499,972 | 27,549 | 527,521 | 499,973 | 82,204 | 582,177 |
| 248 | Aman Ullah Shaikh | Flat#B-304 3Ard Flr Billy'S Paradise Phase-2 Perfume Chowk Karachi Blk 17 Gulistan-e-Johar Karachi | 45203-4947530-1 | Mola Bux Shaikh | 620,129 | 13,739 | 633,868 | 557,128 | 24,364 | 581,491 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 249 | Ijaz Gul | House No 378 Street No 25 1St Floor E-11/4 Islamabad | 61101-6162241-1 | Qazi Salahuddin | 470,518 | 12,082 | 482,600 | 497,359 | 81,864 | 578,923 |
| 250 | Khurram Shahbaz | House Shop 10 Abdul Mali Road Lahore Hotel Lahore | 35202-7144214-9 | Sheikh Ameer Ali | 491,297 | 43,997 | 535,294 | 491,297 | 87,608 | 578,905 |
| 251 | Mohsin Ikram | Mi Holidays And Travel 6-V 12 Central Street Pns Shifa Phase 2 DHA Karachi | 42301-4336793-1 | Sheikh Wasim Akram | 466,673 | 14,561 | 514,233 | 466,595 | 67,786 | 574,481 |
| 252 | Qamar Sohail | House#SD- 34 Askari III School Road Cantt Karachi | 42301-9693888-5 | Ghulam Gelani | 463,573 | 7,240 | 470,813 | 404,193 | 166,716 | 570,909 |
| 253 | Syed Mohammad Azam Almadni | Al Madni Services Shop 28 Civil Aviation Mkt Opp Terminal 1 Airport, Karachi | 42201-5921187-1 | Syed Mohd Younus Almadni | 491,224 | 24,698 | 515,923 | 491,224 | 78,437 | 569,661 |
| 254 | Aamir Iqbal Khan | House Number 12 ,First Falloor Sher Pao Bridge Gos-e-Azam Colony , Near Sher Pao Bridge, Gulbarg2 Lahore | 36302-4614694-7 | Iqbal Muhammad Khan | 529,742 | - | 529,742 | 527,356 | 41,835 | 569,190 |
| 255 | Muhammad Khurram Munir | Street No 6 North Ghang Road Shaikhupura near Stadium Sheikhupura | 35404-1563250-9 | Muhammad Munir Bajwa | 500,000 | - | 500,000 | 500,000 | 67,268 | 567,268 |
| 256 | Muhammad Sohail | House No 830 Allah Wala Town Sector 31G Korangi Crossing Karachi | 42301-6180508-3 | Muhammad Younas | 448,649 | - | 448,649 | 470,963 | 95,243 | 566,206 |
| 257 | Muhammad Zahid | House No.293-294 Main Sarfraz Colony Faisalabad | 33100-0132710-1 | Sheikh Muhammad Ismail | 499,851 | 27,306 | 527,158 | 484,565 | 81,005 | 565,869 |
| 258 | Shakeel Ahmad | H No 14 St No 1 Paradise Houses Super Town Fine Store Link 2 Main Boulevard Defence Lahore | 35201-5804099-5 | Muhammad Rafiq | 492,327 | 14,671 | 506,998 | 492,327 | 73,426 | 565,754 |
| 259 | Habib Ur Rehman And Company C/O Habib Ur Rehman | Behind Darbar Baba Qaim Sayin Street No. 3, Faizabad Faisalabad | 246-86-116174 | Nizam Din | 229,696 | 411,666 | 641,362 | 153,696 | 411,666 | 565,362 |
| 260 | Muhammad Imran | 3-A Khoghar Building Awan Group Royal Cargo Shobara Hotel Services Lahore | 42201-3545697-1 | Gulstan Khan | 462,310 | 58,232 | 540,542 | 475,075 | 85,823 | 560,898 |
| 261 | Khalid Ahmed Khan | Office # 10, St-2 Cop, Taimuria Library,Block- H North Nazimabad, Karachi | 42101-2919794-3 | Jamil Ahmed Khan | 479,182 | 53,231 | 532,413 | 479,182 | 80,213 | 559,395 |
| 262 | Ghulam Abbas Jafre | B-185 Block 4 Khatija Market North Nazimabad Karachi | 42101-1575078-7 | Syed Nasir Hussain Jafre | 500,158 | 12,507 | 512,665 | 500,158 | 59,013 | 559,171 |
| 263 | Muhammad Siddiq | 21/32- 2 Sardar Muhammad Ali Road Model Colony Karachi Near 9- C Bus Stop Karachi | 42201-0680242-5 | Abdul Jabbar Salim | 562,858 | - | 562,858 | 506,232 | 52,852 | 559,084 |
| 264 | Faisal Farooq | Nirala Group Of Companies 161 Shadman 2 Lahore | 35202-2895477-1 | Farooq Ahmed | 476,864 | 74,895 | 551,759 | 469,525 | 89,224 | 558,749 |
| 265 | Munawar Ghulam | Plot 199 Sector 23 Hamdard Package Shan Foods Korangi Karachi | 42301-0776113-3 | Ghulam Murad | 508,610 | 49,687 | 558,297 | 508,610 | 49,687 | 558,297 |
| 266 | Naseer Ullah | Plot No 16 Truck Stand Ravi Link Road, Mulki Hayat Tayer Wala Lahore | 17101-5556926-1 | Meer Alam Khan | 478,893 | 58,751 | 537,644 | 471,515 | 85,687 | 557,202 |
| 267 | Hashim Ali | House KG-47 Kucha Ch Muhammad Siddique Inside Yaki Gate Lahore | 35202-5233858-3 | Nazir Hussain | 487,730 | 39,680 | 527,410 | 467,730 | 67,220 | 554,950 |
| 268 | Abdul Hameed | H No 10 St No 3 Afzal Park Bloom Field School Harbanspura Lahore | 35201-1693635-9 | Hassan Muhammad Chudhry | 503,524 | 8,769 | 512,293 | 497,571 | 56,460 | 554,031 |
| 269 | Wasim Ahmad Khan | Cargo Plus 25-A 1St Floor Ittefaq Plaza Wandat Road Lahore | 35202-2428258-1 | Ahmad Wali Khan | 474,386 | 52,751 | 527,137 | 474,386 | 79,342 | 553,729 |
| 270 | Rumel | 61/18, Tariq Road, Sialkot | "Sh. Sheraz Parvaiz 34603-8171751-1, Tasneem Kauser 34603-2189703-0" | Sh. Parvez Iqbal , W/O. Sh. Parvez Iqbal, | 553,435 | - | 553,435 | 553,435 | - | 553,435 |
| 271 | Yousaf Rasheed | A One Network Salam Chambers,Sui T # 1, 2nd Floor 22-Link Mcleod Road Patiala Ground Lahore | 35202-0487695-5 | Hafiz Abdur Rashid | 434,993 | 14,416 | 449,409 | 434,992 | 116,552 | 551,544 |
| 272 | Syed Taufiq Mannan | House No A-211 Block L North Nazimabad Karachi near Landikotal Chuarangi Karachi | 42101-2781343-5 | Muhammad Abdul Mannan | 551,397 | 10,649 | 562,046 | 513,706 | 37,372 | 551,078 |
| 273 | Abdul Majeed Mangi | Fl 3/5 9Th Floor Bismillah Terrace Nai Basti Punjab Colony Opp Clf Contenment Boare Fire Stat Street No 2 Karachi | 45504-1142507-5 | Muhammad Aslam Mangi | 472,072 | 42,795 | 514,866 | 464,768 | 84,047 | 548,816 |
| 274 | Muhammad Samad | Street No 15/7 Royal Park Near Intikhab Jadeed Press Lahore | 35200-1464829-5 | Mian Salah Uddin | 462,817 | 71,715 | 534,533 | 462,817 | 85,866 | 548,683 |
| 275 | Syed Yawer Abbas Rizvi | M/S National Refinery Ltd, 78 Korangi, Karachi | 42101-6254049-5 | Syed Saeed Ahmed Rizvi | 2,489,828 | 297,629 | 2,787,457 | 373,067 | 175,562 | 548,629 |
| 276 | Azhar Iqbal | H No 33 St No 10 Area -A Qayumabad Sir Syed Hospital Korangi Road Karachi | 42201-4669700-5 | Muhammad Iqbal | 484,291 | - | 484,291 | 484,291 | 63,786 | 548,077 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 277 | Aftab Alam | Flat No 101 Bhayania Sunview Gulshan-e-Iqbal University Road Govt Boys High School Karachi | 41103-7244036-5 | Shoukat Ali | 492,072 | 14,144 | 506,216 | 492,072 | 54,981 | 547,053 |
| 278 | Mian Muhammad Atif | A-58/1 Jinnah Garden Model Colony Karachi Near Malir Cantt Karachi | 42501-9540449-5 | Mian Muhammad Sadiq | 468,545 | - | 468,545 | 483,145 | 63,509 | 546,654 |
| 279 | Abid Habib | R 312 Sector 14B Shadman Town Sakhi Hassan Qabristan North Karachi Karachi | 42101-8416718-5 | Habib Qasim | 485,000 | - | 485,000 | 473,710 | 67,072 | 540,782 |
| 280 | Zafar Afzal | 429-Abbas Block Mustafa Town Lahore | 35202-1601742-5 | Muhammad Afzal | 1,574,636 | 429,595 | 2,004,231 | - | 540,043 | 540,043 |
| 281 | Sumera | Eye Deptt Ist Floor Mayo Hospital King Edward College Lahore Lahore | 33302-5979820-8 | Hashmat Ali | 486,583 | - | 486,583 | 486,583 | 51,045 | 537,628 |
| 282 | Khurram Bukhari | Aga Khan Hospital Chief Operation Officer Department Time Medicos Stadium Road Karachi | 41303-7659692-7 | Zahoor Hussain Shah Bukhari | 457,869 | 21,732 | 479,601 | 459,882 | 76,474 | 536,356 |
| 283 | Muhammad Sohail | House No 830 Allalh Wala Town Sector 31G Korangi Crossing Karachi | 42301-6180508-3 | Muhammad Younas | 488,068 | 411 | 488,479 | 461,965 | 74,211 | 536,177 |
| 284 | Adeel Hussain | Plot#2 Moalmabad Shaheed e Millat Road near Bahadurabad Chourangi Karachi | 42000-0495256-5 | Rafique Hussain | 476,436 | 67,267 | 543,705 | 463,473 | 66,706 | 530,179 |
| 285 | Simon Moses | H No 53 Dilkusha Road Gill Street Model Town Lahore | 35201-1354564-1 | Moses Anthony | 481,931 | 9,144 | 491,075 | 472,345 | 54,953 | 527,198 |
| 286 | Sheikh Tariq Mahmood | House# 837 Muhallah Sabzazar Scheme Block A near Liaqat Chowk Lahore | 35202-0659529-7 | Muhammad Afzal | 481,032 | 36,780 | 517,812 | 481,032 | 45,713 | 526,745 |
| 287 | Shahzad Aziz Malik | 140 U Phase 2 DHA Lahore | 35201-3023443-9 | Abdul Aziz Malik | 408,349 | 114,502 | 522,851 | 408,349 | 117,032 | 525,381 |
| 288 | Muhammad Sheeraz Farooq | Flat # 401, Prime View Appartment, Block-F North Nazimabad Karachi | 42101-2479755-3 | Muhammad Farooq | 449,831 | 62,128 | 511,959 | 449,831 | 74,736 | 524,567 |
| 289 | Ali Akbar | Asmar Jewelers 1780/A Sarafa Bazar, Multan | 36302-0296624-7 | Humayun Naseer Shaikh | 466,915 | 14,733 | 481,648 | 416,771 | 106,139 | 522,910 |
| 290 | Ammar Ali Rashid | Office No 207 2Nd Floor Chenab Plaza Jinnah Avenue SCB Blue Area Islamabad | 61101-6813421-3 | Rashid Shafaat Ullah Khan | 463,796 | 28,009 | 491,805 | 444,937 | 77,935 | 522,873 |
| 291 | Sher Muhammad Shaikh | Appt No 603 Sea Breeze Heights Block 2 Clifton Karachi | 42201-6190396-7 | Nazar Muhammad Shaikh | 1,710,000 | 293,126 | 2,003,126 | 110,000 | 412,459 | 522,459 |
| 292 | Saleem Akhtar Khan | 39/41 Chughtai Park Nicholsan Road Lahore | 35202-2570495-7 | Adalat Khan | 441,457 | 12,166 | 453,623 | 446,419 | 75,800 | 522,218 |
| 293 | Naveed Joseph | City School 31 Ind Area Gurumangat Road Nadeem Tikka Gulberg III Lahore | 35201-1516403-5 | Joseph Gill | 492,000 | - | 492,000 | 472,198 | 50,013 | 522,211 |
| 294 | Wajahat Ali Khan | A Best Choice/ Office#13 1st Floor Rehmat Plaza F-6/4 Blue Area Near Awan Arcade Islamabad | 61101-2595873-7 | Mumtaz Khan | 379,654 | 14,052 | 393,706 | 396,018 | 123,932 | 519,950 |
| 295 | Asim Qamar | 129 Sarwar Colony, Sarwar Road Cantt, Lahore | 35201-0949909-1 | Imran Qamar | 398,185 | - | 396,185 | 401,849 | 115,000 | 516,849 |
| 296 | Syed Rashid Farooq | 811-E-I Johar Town Lahore Near Lahore Grammar School Lahore | 32102-4905383-7 | Syed Farooq Ali | 452,919 | 32,017 | 484,936 | 452,919 | 63,370 | 516,288 |
| 297 | Imdad Hussain | House No P-424, Opp Lasori Shah Jung Bazar Faisalabad | 33100-0488382-9 | Muhammad Younas | 724,915 | 481,739 | 1,206,654 | - | 516,131 | 516,131 |
| 298 | Pervaiz Suleman | Suit 605 6Th Floor Jillani Tower M A Jinnha Road Karachi | 42101-1718624-3 | Suleman | 461,009 | 25,796 | 486,805 | 442,169 | 73,176 | 515,345 |
| 299 | Muhammed Naeem | House 122-B St# 42 floor Upper F-10/4 near Silver Oxe Islamabad | 61101-6155009-7 | Muhammad Muneer | 331,848 | - | 331,848 | 443,200 | 71,009 | 514,209 |
| 300 | Ali Naveed Pirzada | 1 Habibullah Road (Off Davis Road) Al-Ayesha High School Lahore | 35201-8886908-9 | Naveed Aslam Pirzada | 414,915 | 71,570 | 486,485 | 415,867 | 97,693 | 513,561 |
| 301 | Abdul Rab Khan | H No 304-G3 3rd floor Alamode Appartment Teen Talwar Block 8 Clifton Karachi | 42301-0853809-1 | Haji Abdul Sami | 505,827 | 11,959 | 517,786 | 470,526 | 42,881 | 513,407 |
| 302 | Ahsanullah | Flat No C-10 4th Floor Bed Rock Appartment Teen Talwar Race Course Road Clifton Karachi | 45504-1142018-1 | Atta Muhammad Shaikh | 494,738 | 10,176 | 504,915 | 494,738 | 18,547 | 513,286 |
| 303 | Waseem Reyaz Sheikh | Room No.9 Imperial Hotel Building M.T Khan Road 01 Karachi | 42101-3801843-5 | Sheikh Mohammad Reyaz | 449,473 | 42,055 | 491,528 | 420,119 | 92,060 | 512,179 |
| 304 | Muhammad Ali Kausar | 22 F PIA Housing Society Near Wapda Chowk Lahore | 35202-7442828-1 | Muhammad Ali Kausar | 999,267 | 510,393 | 1,509,660 | - | 509,660 | 509,660 |
| 305 | Muhammad Aslam Khan Kanjoo | House No 15A Street No 43 Qila Mohammadi Moon Public School Ravi Road, Lahore | 35202-9902176-7 | Lal Buksh Khan Kanjoo | 472,345 | 25,772 | 498,117 | 472,345 | 34,371 | 506,717 |
| 306 | Owais Mirza | Elite Publishers Ltd D-116 S I T E, Karachi | 42000-6524471-9 | Ahmed Mirza Jamil | 227,153 | 5,897 | 233,050 | 404,212 | 101,755 | 505,968 |
| 307 | Maqbool Hussain Zaidi | Shop No 6 Ground Floor Bombay Tower Sanai Hotel Abbott Road Lahore | 35202-8740383-1 | Inaam Ullah Zaidi | 397,196 | 36,614 | 433,810 | 397,196 | 106,580 | 503,776 |

# Un-Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners' Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 307 | Maqbool Hussain Zaidi | Shop No 6 Ground Floor Bombay Tower Sanai Hotel Abbott Road Lahore | 35202-8740383-1 | Inaam Ullah Zaidi | 397,196 | 36,614 | 433,810 | 397,196 | 106,580 | 503,776 |
| 308 | Waqas Zia | Shop No 10 Mehrabad Building Nishter Road, near Garden, Karachi | 42301-2568424-3 | Zia Ul Hassan | 456,752 | 70,754 | 527,506 | 435,557 | 67,331 | 502,889 |
| 309 | Mohammad Nadeem Aslam | 16 C Sally Town Harbanspura Road Lahore Cantt Lahore | 35201-3860569-7 | Mohammad Aslam | 449,448 | 93,101 | 542,549 | 449,449 | 53,193 | 502,642 |
| 310 | Muhammad Naeem | Flat # B 406 4Th Floor Abid Appartment Block 2 Gulshan-e-Iqbal near Iqra University Karachi | 42201-7451247-3 | Muhammad Shafi | 462,254 | - | 462,254 | 448,728 | 52,191 | 500,919 |
| | | | | Total | 1,422,810,130 | 1,231,860,681 | 2,654,670,812 | 1,026,913,451 | 1,422,807,199 | 2,449,720,650 |

Standard Chartered Bank (Pakistan) Limited

# Consolidated Financial Statements

For the year ended
31 December 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
First Floor
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi 75530 Pakistan

Telephone: + 92 (21) 3568 5847
Fax: + 92 (21) 3568 5095
Internet: www.kpmg.com.pk

# Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated statement of financial position of **Standard Chartered Bank (Pakistan) Limited** and its subsidiary companies as at 31 December 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of Standard Chartered Bank (Pakistan) Limited and have reviewed its subsidiary companies namely Standard Chartered Leasing Limited and Standard Chartered Modaraba for the six months period ended 31 December 2015 except for Standard Chartered Services of Pakistan (Private) Limited which was reviewed by other firm of auditors for the six months period to 31 December 2015 whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such other auditors. These financial statements are responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Standard Chartered Bank (Pakistan) Limited and its subsidiary companies as at 31 December 2015 and the results of their operations for the year then ended.

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Date: 03 March, 2016

Karachi

# Consolidated Statement of Financial Position
As at 31 December 2015

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | 4 | **29,482,134** | 21,475,345 |
| Balances with other banks | 5 | **4,300,002** | 387,301 |
| Lendings to financial institutions | 6 | **26,969,566** | 10,813,559 |
| Investments | 7 | **224,632,132** | 188,992,097 |
| Advances | 8 | **106,594,901** | 128,575,353 |
| Operating fixed assets | 9 | **5,963,952** | 6,282,553 |
| Intangible assets | 10 | **26,126,720** | 26,173,114 |
| Other assets | 12 | **31,922,103** | 37,024,009 |
| | | **455,991,510** | 419,723,331 |
| **LIABILITIES** | | | |
| Bills payable | 13 | **11,401,191** | 5,563,605 |
| Borrowings | 14 | **21,784,451** | 17,244,671 |
| Deposits and other accounts | 15 | **327,121,324** | 304,305,541 |
| Sub-ordinated loans | 16 | **2,500,000** | 2,500,000 |
| Deferred tax liabilities - net | 11 | **3,218,309** | 2,575,833 |
| Other liabilities | 17 | **26,808,249** | 25,633,393 |
| | | **392,833,524** | 357,823,043 |
| **NET ASSETS** | | **63,157,986** | 61,900,288 |
| **REPRESENTED BY:** | | | |
| Share capital | 18 | **38,715,850** | 38,715,850 |
| Reserves | 19 | **10,964,796** | 9,111,044 |
| Unappropriated profit | | **5,575,472** | 6,889,177 |
| Attributable to equity holders of the bank | | **55,256,118** | 54,716,071 |
| Non-controlling interests | | **967,578** | 925,238 |
| | | **56,223,696** | 55,641,309 |
| Surplus / (deficit) on revaluation of assets - net of deferred tax | 20 | **6,934,290** | 6,258,979 |
| | | **63,157,986** | 61,900,288 |
| **CONTINGENCIES AND COMMITMENTS** | 21 | | |

The annexed notes 1 to 42 and Annexure I form an integral part of these consolidated financial statements.

| | | | |
|---|---|---|---|
| Shazad Dada<br>Chief Executive Officer | Najam I. Chaudhri<br>Director | Parvez Ghias<br>Director | Spenta Kandawalla<br>Director |

# Consolidated Profit and Loss Account

For the year ended 31 December 2015

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Mark-up / return / interest earned | 22 | **33,883,308** | 35,269,158 |
| Mark-up / return / interest expensed | 23 | **(11,116,572)** | (13,873,493) |
| **Net mark-up / return / interest income** | | **22,766,736** | 21,395,665 |
| Provision against non-performing loans and advances - net | | **(1,621,492)** | (511,391) |
| Recovery of amounts written off | | **252,617** | 316,883 |
| Provision for diminution in the value of investments | 7.3 | **(4,729)** | (73,643) |
| Bad debts written off directly | 8.5.1 | **(181,865)** | (215,344) |
| | | **(1,555,469)** | (483,495) |
| **Net mark-up / return / interest income after provisions** | | **21,211,267** | 20,912,170 |
| **NON MARK-UP / NON INTEREST INCOME** | | | |
| Fees, commission and brokerage income | | **3,635,678** | 3,321,683 |
| Dividend income | | **858** | 3,754 |
| Income from dealing in foreign currencies | | **2,061,390** | 2,908,748 |
| Gain on sale of securities - net | 24 | **1,015,697** | 727,126 |
| Unrealized gain on revaluation of investments classified as held for trading - net | 7.10 | **4,042** | 54,460 |
| Other income | 25 | **399,196** | 384,498 |
| **Total non mark-up / non interest income** | | **7,116,861** | 7,400,269 |
| | | **28,328,128** | 28,312,439 |
| **NON MARK-UP / NON INTEREST EXPENSES** | | | |
| Administrative expenses | 26 | **(12,307,281)** | (12,496,824) |
| Other (provisions) / reversal / asset write-offs | 27 | **(2,800)** | (555) |
| Other charges | 28 | **(453,352)** | (447,053) |
| **Total non mark-up / non interest expenses** | | **(12,763,433)** | (12,944,432) |
| | | **15,564,695** | 15,368,007 |
| Extra-ordinary / unusual items | | **-** | - |
| **PROFIT BEFORE TAXATION** | | **15,564,695** | 15,368,007 |
| Taxation - current | | **(5,231,564)** | (4,256,948) |
| - prior years' | | **(697,323)** | (187,994) |
| - deferred | | **(204,874)** | (1,108,180) |
| | 29 | **(6,133,761)** | (5,553,122) |
| **PROFIT AFTER TAXATION** | | **9,430,934** | 9,814,885 |
| **Attributable to :** | | | |
| Equity holders of the bank | | **9,268,761** | 9,652,462 |
| Non-controlling interests | | **162,173** | 162,423 |
| | | **9,430,934** | 9,814,885 |
| | | (Rupees) | |
| **BASIC / DILUTED EARNINGS PER SHARE** | 30 | **2.39** | 2.49 |

The annexed notes 1 to 42 and Annexure I form an integral part of these consolidated financial statements.

| Shazad Dada | Najam I. Chaudhri | Parvez Ghias | Spenta Kandawalla |
|---|---|---|---|
| Chief Executive Officer | Director | Director | Director |

# Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| **Profit after tax for the year** | **9,430,934** | 9,814,885 |
| **Other comprehensive income:** | | |
| **Items that will never be reclassified to profit or loss subsequently** | | |
| Remeasurement of post employment obligations | **(81,349)** | 3,023 |
| Related tax charge | **28,472** | (1,058) |
| | **(52,877)** | 1,965 |
| **Comprehensive income transferred to equity** | **9,378,057** | 9,816,850 |
| **Components of comprehensive income not reflected in equity** | | |
| Surplus on revaluation of available for sale securities - net | **1,087,035** | 3,825,915 |
| Related tax charge | **(380,462)** | (1,342,105) |
| | **706,573** | 2,483,810 |
| Surplus on revaluation of operating fixed assets | **-** | 380,110 |
| Related tax charge | **-** | (51,480) |
| | **-** | 328,630 |
| **Total comprehensive income for the year** | **10,084,630** | 12,629,290 |
| **Attributable to:** | | |
| Equity holders of the bank | **9,922,457** | 12,466,867 |
| Non-controlling interests | **162,173** | 162,423 |
| | **10,084,630** | 12,629,290 |

The annexed notes 1 to 42 and Annexure I form an integral part of these consolidated financial statements.

| | | | |
|---|---|---|---|
| Shazad Dada<br>Chief Executive Officer | Najam I. Chaudhri<br>Director | Parvez Ghias<br>Director | Spenta Kandawalla<br>Director |

# Consolidated Cash Flow Statement

For the year ended 31 December 2015

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit before tax for the year | | 15,564,695 | 15,368,007 |
| Less: Dividend income | | (858) | (3,754) |
| | | 15,563,837 | 15,364,253 |
| **Adjustments for:** | | | |
| Depreciation | | 475,501 | 480,725 |
| Amortization | | 46,394 | 55,330 |
| Gain on disposal of fixed assets - net | | (3,460) | (12,366) |
| Unrealized gain on revaluation of investments classified as held for trading - net | | (4,042) | (54,460) |
| Asset write-offs / other provisions / (reversals) | | 2,800 | 555 |
| Provision for diminution in the value of investments | | 4,729 | 73,643 |
| Provision against non-performing loans and advances - net of recoveries | | 1,550,740 | 409,852 |
| | | 2,072,662 | 953,279 |
| | | 17,636,499 | 16,317,532 |
| **Decrease / (increase) in operating assets** | | | |
| Lendings to financial institutions | | (16,156,007) | 11,345,281 |
| Net investments in 'held for trading' securities | | 6,725,869 | (7,100,324) |
| Advances | | 20,429,712 | 17,253,349 |
| Other assets (excluding advance taxation) | | 5,670,915 | (13,025,388) |
| | | 16,670,489 | 8,472,918 |
| **Increase / (decrease) in operating liabilities** | | | |
| Bills payable | | 5,837,586 | (976,608) |
| Borrowings from financial institutions | | 4,539,780 | (46,504) |
| Deposits and other accounts | | 22,815,783 | 7,928,395 |
| Other liabilities | | 1,189,999 | 971,274 |
| | | 34,383,148 | 7,876,557 |
| **Cash inflow before taxation** | | 68,690,136 | 32,667,007 |
| Income tax paid | | (6,556,517) | (4,032,104) |
| **Net cash generated from operating activities** | | 62,133,619 | 28,634,903 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Net investments in 'available for sale' securities | | (41,279,556) | (31,704,790) |
| Dividend income received | | 858 | 3,754 |
| Net investment in operating fixed assets (including intangible assets) | | (203,814) | (598,393) |
| Sale proceeds on disposal of operating fixed assets | | 47,210 | 14,621 |
| **Net cash used in investing activities** | | (41,435,302) | (32,284,808) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Dividend paid | | (8,659,014) | (8,308,021) |
| Dividend paid to Non-controlling interest | | (119,813) | (119,527) |
| **Net cash used in financing activities** | | (8,778,827) | (8,427,548) |
| **Increase / (decrease) in cash and cash equivalents for the year** | | 11,919,490 | (12,077,453) |
| Cash and cash equivalents at beginning of the year | | 21,862,646 | 33,940,099 |
| Cash and cash equivalents at end of the year | | 33,782,136 | 21,862,646 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | | | |
| Cash and balances with treasury banks | | 29,482,134 | 21,475,345 |
| Balances with other banks | | 4,300,002 | 387,301 |
| | 31 | 33,782,136 | 21,862,646 |

The annexed notes 1 to 42 and Annexure I form an integral part of these consolidated financial statements.

| Shazad Dada | Najam I. Chaudhri | Parvez Ghias | Spenta Kandawalla |
|---|---|---|---|
| Chief Executive Officer | Director | Director | Director |

# Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

| | Share Capital | Share Premium | Statutory Reserve | Unappropriated Profit (a) | Total | Non-controlling Interest | Total |
|---|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | | |
| Balance as at 01 January 2014 | 38,715,850 | 1,036,090 | 6,144,462 | 6,721,973 | 52,618,375 | 882,322 | 53,500,697 |
| **Total Comprehensive income for the year** | | | | | | | |
| Profit after tax for the year ended 31 December 2014 | - | - | - | 9,652,462 | 9,652,462 | 162,423 | 9,814,885 |
| Surplus on revaluation of assets - net of tax | - | - | - | 340 | 340 | - | 340 |
| Other Comprehensive income | | | | | | | |
| Remeasurement of post employment obligations - net of tax | - | - | - | 1,945 | 1,945 | 20 | 1,965 |
| | - | - | - | 9,654,747 | 9,654,747 | 162,443 | 9,817,190 |
| **Transactions with owners, recorded directly in equity** | | | | | | | |
| Share based payment transactions (contribution from holding company) | - | - | - | 82,231 | 82,231 | - | 82,231 |
| Payment against share based payment transactions (to holding company) | - | - | - | 10,157 | 10,157 | - | 10,157 |
| | - | - | - | 92,388 | 92,388 | - | 92,388 |
| Transfer to statutory reserve | - | - | 1,930,492 | (1,930,492) | - | - | - |
| Reversal of liability against share based payment to holding company | - | - | - | 670,156 | 670,156 | - | 670,156 |
| Dividend paid to Non-Controlling Interest | - | - | - | - | - | (119,527) | (119,527) |
| Cash dividend (Interim 2014) at Rs. 0.75 per share | - | - | - | (2,903,689) | (2,903,689) | - | (2,903,689) |
| Cash dividend (Final 2013) at Rs. 1.40 per share | - | - | - | (5,420,219) | (5,420,219) | - | (5,420,219) |
| Transferred from surplus on revaluation of fixed assets - net of deferred tax | - | - | - | 4,313 | 4,313 | - | 4,313 |
| Balance as at 31 December 2014 | 38,715,850 | 1,036,090 | 8,074,954 | 6,889,177 | 54,716,071 | 925,238 | 55,641,309 |
| **Total Comprehensive income for the year** | | | | | | | |
| Profit after tax for the year ended 31 December 2015 | - | - | - | 9,268,761 | 9,268,761 | 162,173 | 9,430,934 |
| Surplus on revaluation of assets - net of deferred tax | | | | 6,358 | 6,358 | - | 6,358 |
| Other Comprehensive income | | | | | | | |
| Remeasurement of post employment obligations - net of tax | - | - | - | (52,857) | (52,857) | (20) | (52,877) |
| | - | - | - | 9,222,262 | 9,222,262 | 162,153 | 9,384,415 |
| **Transactions with owners, recorded directly in equity** | | | | | | | |
| Share based payment transactions (contribution from holding company) | - | - | - | 25,695 | 25,695 | - | 25,695 |
| Payment against share based payment transactions (to holding company) | - | - | - | 15,163 | 15,163 | - | 15,163 |
| | - | - | - | 40,858 | 40,858 | - | 40,858 |
| Transfer to statutory reserve | - | - | 1,853,752 | (1,853,752) | - | - | - |
| Dividend paid to Non-Controlling Interest | - | - | - | - | - | (119,813) | (119,813) |
| Remeasurement of liability against share based payment to holding company | - | - | - | (36,910) | (36,910) | - | (36,910) |
| Cash dividend (Final 2014) at Rs. 1.50 per share | - | - | - | (5,807,378) | (5,807,378) | - | (5,807,378) |
| Cash dividend (Interim 2015) at Rs. 0.75 per share | - | - | - | (2,903,689) | (2,903,689) | - | (2,903,689) |
| Transferred from surplus on revaluation of fixed assets - net of deferred tax | - | - | - | 24,904 | 24,904 | - | 24,904 |
| **Balance as at 31 December 2015** | 38,715,650 | 1,036,090 | 9,928,706 | 5,575,472 | 55,256,118 | 967,578 | 56,223,696 |

(a) As further explained in note 8.2.1 of these consolidated financial statements the amount of Rs. 505.713 million net of tax as at 31 December 2015 represents additional profit arising from availing forced sale value benefit for determining provisioning requirement is not available for the purpose of distribution of dividend to shareholders / bonus to employees.

The annexed notes 1 to 42 and Annexure I form an integral part of these consolidated financial statements.

Shazad Dada
Chief Executive Officer

Najam I. Chaudhri
Director

Parvez Ghias
Director

Spenta Kandawalla
Director

## 1. STATUS AND NATURE OF BUSINESS

Standard Chartered Bank (Pakistan) Limited ("the Bank") was incorporated in Pakistan on 19 July 2006 and was granted approval for commencement of banking business by State Bank of Pakistan, with effect from 30 December 2006. The ultimate holding company of the Bank is Standard Chartered PLC, incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006. The Bank's shares are listed on all stock exchanges in Pakistan (subsequent to year end due to demilitarization, all stock exchanges are integrated into Pakistan Stock Exchange).

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 101 (2014: 116) branches in operation, in Pakistan at 31 December 2015.

Standard Chartered Bank (Pakistan) Limited has the following three subsidiaries. All of them are incorporated in Pakistan.

- Standard Chartered Leasing Limited - Listed 86.45% owned
- Standard Chartered Modaraba - Listed 20% owned
- Standard Chartered Services of Pakistan (Private) Limited - 100% owned

These financial statements are consolidated financial statements of Standard Chartered Bank (Pakistan) Limited and its subsidiaries ("the Group").

The Bank decided to divest its entire shareholding in its subsidiaries namely Standard Chartered Leasing Limited, Standard Chartered Modaraba and Standard Chartered Services of Pakistan (Private) Limited (management company of Standard Chartered Modaraba). On 1 September 2015, the Bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator and shareholders. Accordingly, these are accounted for as Disposal Group Held for Sale as per IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations'. The related assets and liabilities of these subsidiaries are classified as 'Assets Held for Sale' and 'Liabilities Held for Sale'. (Refer Note 12.3).

## 2. BASIS OF PREPARATION

### 2.1 Basis of presentation

In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. One permissible form of trade related mode of financing comprises of purchase of goods by the Bank from its customers and immediate resale to them at appropriate profit 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 utilised and the appropriate portion of profit thereon.

The financial results of the Islamic banking branches have been consolidated in these financial statements for reporting purposes. Key financial figures of the Islamic banking branches are disclosed in note 41 to these financial statements.

### 2.2 Statement of compliance

These 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 (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan. In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan shall prevail.

The Securities and Exchange Commission of Pakistan has approved and notified the adoption of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40). The requirements of these standards have not been followed in the preparation of these financial statements as the State Bank of Pakistan has deferred the implementation of these standards for banks in Pakistan till further instructions. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the State Bank of Pakistan.

### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain available for sale, trading and derivative financial instruments have been measured at fair value whereas certain fixed assets are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, where applicable.

### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following:

| | |
|---|---|
| - Note 7 | Classification and provisioning against investments |
| - Note 8 | Classification and provisioning against non-performing advances |
| - Note 9 & 10 | Valuation and depreciation / amortisation rates for fixed / intangible assets |
| - Note 9 & 10 | Impairment of non-financial assets including goodwill and other intangibles |
| - Note 11 | Deferred taxation |
| - Note 21.9 | Derivative instruments |
| - Note 29 | Income taxes |
| - Note 33 | Employees' retirement defined benefit plans |

### 2.5 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Group's functional currency. Except as indicated, financial information presented in Pakistan Rupees has been rounded to the nearest thousand.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all years presented except for the standards mentioned in note 3.27 which became effective during the year:

### 3.1 Basis of consolidation

#### Subsidiaries

Subsidiaries are entities controlled by the entity. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are consolidated in the consolidated financial statements from the date on which the control commences until the date on which control ceases.

Non-controlling interest is measured at their proportionate share in the net assets of the subsidiaries.

Material intra group balances and transactions are eliminated.

#### Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented. For this purpose comparatives are restated where required. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the combining entity's financial statements.

#### Other acquisitions

Other business combinations are accounted for using the acquisition method. For acquisitions prior to 1 January 2009, the cost of acquisition is measured as the fair value of the asset given, equity instruments issued and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired are fair valued at the acquisition date, irrespective of the extent of any Non-controlling interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill. Subsequently, any recoveries or losses to fair value of net assets are taken to profit and loss account and disclosed in note 25 to these financial statements.

### 3.2 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise of cash and balances with treasury bank and balances with other banks.

### 3.3 Investments

The Group classifies its investments as follows:

#### a) 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 carried at market value. The surplus / deficit arising as a result of revaluation at market value is recognised in the profit and loss account. These securities are to be sold within 90 days from the date of their classification as 'Held for trading' under normal circumstances, in accordance with the requirements specified by BSD Circular 10 dated 13 July 2004 issued by the State Bank of Pakistan. Market value of investment in Government securities is determined based on the relevant PKRV and PKISRV rates.

#### b) 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.

#### c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories and are carried at market value. The surplus / deficit arising as a result of revaluation at market value is kept in a separate account below equity. Market value of investment in Government securities is determined based on the relevant PKRV and PKISRV rates.

#### d) Subsidiaries

All 'regular way' purchases and sale of investments are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of investments that require delivery of assets within the time frame generally established by regulation or convention in the market place.

#### Impairment

Impairment loss in respect of equity securities classified as available for sale and subsidiaries is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the State Bank of Pakistan. In case of impairment of available for sale securities, the cumulative loss that has been recognised directly in surplus / (deficit) on revaluation of securities on the statement of financial position below equity is removed there from and recognised in the profit and loss account. For investments in subsidiaries, the impairment loss is recognised in the profit and loss account.

### 3.4 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') remain on the balance sheet; the counterparty liability is included in borrowings from financial institutions. Securities purchased under agreements to resell ('reverse repos') are recorded as lendings to financial institutions. The difference between sale and repurchase price is treated as interest / mark-up / return and accrued over the life of the underlying agreement using the effective interest method.

### 3.5 Advances

Advances are stated net of provision against non-performing advances. Specific and general provisions are made based on an appraisal of the loan portfolio that takes into account Prudential Regulations issued by the State Bank of Pakistan from time to time. Specific provisions are made where the repayment of identified loans is in doubt and reflect an estimate of the amount of loss expected. The general provision is for the inherent risk of losses which, although not separately identified, are known from experience to be present in any loan portfolio. Provision made / reversed during the year is charged to the profit and loss account and accumulated provision is netted off against advances. Advances are written-off when there is no realistic prospect of recovery.

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is presented within loans and advances.

Leases where the Company transfers substantially all the risks and rewards incidental to the ownership of an asset are classified as finance leases. A receivable is recognised at an amount equal to the present value of the minimum lease payments under the lease agreement, including guaranteed residual value, if any.

Assets given under Ijarah contracts entered after 1 July 2008 are depreciated over the period of lease on a straight line basis. The Ijarah arrangements are shown as financing under loans and advances.

Murabaha financings are reflected as receivables at the sale price. Actual sale and purchase is not reflected as the goods are purchased by the customer as agent of the Group and all documents relating to purchase are in customer's name. Funds disbursed under Murabaha financing arrangements for purchase of goods are recorded as "Advance Against Murabaha".

In Diminishing Musharaka based financing, the Group enters into a Musharaka based on Shirkat-ul-milk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers and enters into a periodic rental payment agreement for the utilization of the Group's Musharaka share by the customer.

Musharakah is a partnership contract where the Group enters into financing relationship with the customer based on Shirkat-ul-Aqd. The profits are shared as per agreed ratios between partners and losses are borne in proportion to their respective capital contributions.

### 3.6 Operating fixed assets - Tangible

**Owned**

Operating fixed assets, other than land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses thereon. Cost includes expenditure that is directly attributable to the acquisition of fixed assets. Land and buildings are stated at revalued amounts less accumulated depreciation.

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

Land and buildings are revalued by independent professionally qualified valuer(s). Surplus arising on revaluation is credited to the 'surplus on revaluation of fixed assets' account (net of deferred tax). Under the provisions of the Companies Ordinance, 1984, deficit arising on revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account. The revaluation is carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would have been determined using fair value at the balance sheet date.

Accumulated depreciation on buildings, at the date of revaluation, is eliminated against the gross carrying amount of buildings. The net amount is then restated to the revalued amount.

Surplus on revaluation of fixed assets (net of deferred tax) is transferred to unappropriated profit to the extent of incremental depreciation charged on related assets.

Land is not depreciated. Depreciation on all other fixed assets is calculated using the straight line method to allocate their depreciable cost or revalued amount to their residual values over their estimated useful lives.

The residual values and useful lives of fixed assets are reviewed, and adjusted (if appropriate) at each balance sheet date.

Gains and losses on disposal of fixed assets are included in profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profits.

**Leased**

Fixed assets held under finance lease are stated at the lower of fair value of asset and present value of minimum lease payments at the inception of lease, less accumulated depreciation. 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. Depreciation is charged on the basis similar to owned assets.

### 3.7 Intangible assets

**Goodwill**

Goodwill represents the excess of cost of an acquisition over the fair value of the share of net identifiable assets acquired at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment.

**Computer software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful lives using the straight line method.

**Acquired intangibles in business combination**

Acquired intangibles in business combination that have finite lives are amortised over their economic useful life based on the manner that benefits of the relevant assets are consumed.

### 3.8 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

### 3.9 Staff retirement benefits

**Defined benefit plan**

The Group operates approved funded pension and gratuity schemes for all its non-management employees, and a management pension scheme only for its existing pensioners.

For defined benefit plans, the net defined benefit liability / asset recognised in the balance sheet is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The deficit or surplus is:

a) the present value of the defined benefit obligation, less
b) the fair value of plan assets (if any).

The present value of defined benefit obligation is calculated annually by independent actuaries by discounting the estimated future cash flows using an interest rate equal to the yield on high-quality corporate bonds.

Actuarial gains or losses that arise are recognised in other comprehensive income in the period they arise. Service cost and net interest on net defined benefit liability / (asset) are also recognised in profit and loss account.

**Defined contribution plan**

The Group also operates a defined contribution gratuity scheme for all its management staff and a provident fund scheme for all its permanent staff, contributing at 8.33 percent and 10 percent of basic salary respectively.

### 3.10 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan Rupees at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Pakistan Rupees at the exchange rate prevailing at that reporting date. Foreign currency differences arising on retranslation are recognised in profit or loss.

### 3.11 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year (using tax rates enacted or substantively enacted at the balance sheet date), and any adjustment to tax payable in respect of previous years.

**Deferred tax**

Deferred tax is provided for using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on temporary differences relating to: (i) the initial recognition of goodwill; (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.12 Revenue recognition

Mark-up / return on advances and investments is recognised on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Where debt securities are purchased at a premium or discount, those premiums / discounts are amortized through profit or loss account over the remaining maturity, using the Effective Yield method.

Mark-up recoverable on classified loans, advances and investments is recognised on a receipt basis in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan. Mark-up on rescheduled / restructured loans, advances and investments is also recognised in accordance with the requirements of these Prudential Regulations.

The Group follows the effective interest method in accounting for the recognition of lease income. Under this method, the unearned lease income i.e. the excess of aggregate lease rentals and the estimated residual value over the cost of the leased assets is deferred and taken to income over the term of the lease, so as to produce a systematic return on the net investment in lease. Unrealised lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Processing, front-end fee, commitment fee, penal charges and commission are recognised as income when realised.

Ijarah rentals are recognised as income over the term of the contract net of depreciation expense relating to the Ijarah asset.

Fees and commission income are generally recognised on an accrual basis when the service has been provided. Fees and commission which in substance amount to an additional interest charge, are recognised over the life of the underlying transaction on a level yield basis.

Dividend income is recognised when the right to receive income is established.

The cost from award credits for loyalty points earned on use of various products of the Bank is measured by reference to their fair value and is recognised when award credits are redeemed.

Murabaha transactions are reflected as receivable at sale price. Actual sale and purchase are not reflected as the goods are purchased by the customer as agent of the Group. Profit on the sales revenue not due for payment is deferred by recording a credit to 'Deferred Murabaha Income' account.

### 3.13 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. 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 financial instruments is taken to profit and loss account.

### 3.14 Provisions

Provisions for restructuring costs and legal claims are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated.

### 3.15 Fiduciary activities

The Group commonly acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

### 3.16 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products 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. The Group's primary format for segment reporting is based on business segments. A brief description of the products and services offered by different segments of the Group is given in note 37 to these financial statements.

### 3.17 Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3.18 Subordinated liabilities

Subordinated liabilities are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

### 3.19 Non-current assets and disposal groups held for sale

Non-current assets and disposal groups comprising of assets and liabilities that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before being classified as held for sale, the assets and components of disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, the assets and disposal group are measured at the lower of their carrying values and fair values less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss.

### 3.20 Share-based compensation

Standard Chartered PLC operates various share-based compensation plans which are accounted for as equity settled share based payment transactions, regardless of inter group repayment arrangements. The cost for such share based payment transactions is determined by reference to the fair value of options at the grant date. The fair value is determined based on the market price or using an appropriate valuation technique. The cost is charged to profit and loss account and credited to equity as a contribution from parent. The liability for these transactions which is based on the fair value of these options at the settlement date is settled through debiting equity.

### 3.21 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as off-balance sheet transactions.

### 3.22 Basic and diluted earnings per share

The Parent 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 Parent by the weighted average number of ordinary shares outstanding during the period / 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 convertible dilutive potential ordinary shares in issue at 31 December 2015.

### 3.23 Dividend and appropriation to reserves

Dividend and appropriation to reserves, except appropriation which are required by law after the balance sheet date, are recognised as liability in the Group's financial statements in the year in which these are approved.

### 3.24 Borrowings / deposits and their cost

- Borrowings / deposits are recorded at the proceeds received.
- Borrowing / deposit costs are recognised as an expense in the period in which these are incurred using effective mark-up / interest rate method.

### 3.25 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial and other institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposit accounts and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

### 3.26 Provision for guarantee claims and other off balance sheet obligations

Provision for guarantee claims and other off balance sheet obligations are recognised when intimated and reasonable certainty exists for the Group to settle the obligation. Charge to profit and loss account is stated net of expected recoveries.

### 3.27 New, Amended And Revised Standards And Interpretations of IFRSs

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 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. The application of IFRS 10 did not result in any investee being in control of the Bank.

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 related disclosures of IFRS 13 are included in note 36.

### 3.28 New standards and interpretations not yet adopted

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 January 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.

- 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 1January 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.

- 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.

- 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.

- 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.

- 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.

- IFRS 7 'Financial Instruments - Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- 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.

Certain amendments / improvements may impact the financial statements of the Bank and the management is in the process of assessing the full impact of the change.

## 4 CASH AND BALANCES WITH TREASURY BANKS

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In hand | | | |
| - Local currency | 4.1 | **3,135,496** | 2,374,613 |
| - Foreign currencies | | **3,586,031** | 2,168,908 |
| With State Bank of Pakistan in: | | | |
| - Local currency current account | | **8,814,291** | 2,351,724 |
| - Local currency current account-Islamic Banking | | **1,468,964** | 1,476,212 |
| - Foreign currency deposit account | | **-** | - |
| Cash reserve account | | **3,051,786** | 3,132,302 |
| Special cash reserve account | | **8,521,249** | 8,593,265 |
| Local US Dollar collection account | | **42,833** | 104,283 |
| With National Bank of Pakistan in: | | | |
| - Local currency current account | | **861,484** | 1,274,038 |
| | | **29,482,134** | 21,475,345 |

**4.1** This includes National Prize Bonds of Rs. 1.055 million (2014: Rs. 2.282 million).

## 5 BALANCES WITH OTHER BANKS

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In Pakistan | | | |
| - In current accounts | | **-** | - |
| Outside Pakistan | | | |
| - In current accounts | 5.1 | **4,300,002** | 387,301 |
| | | **4,300,002** | 387,301 |

**5.1** This includes balances of Rs. 4,253.892 million (2014: Rs. 337.420 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

## 6 LENDINGS TO FINANCIAL INSTITUTIONS

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Call money lendings | 6.1 | **2,000,000** | - |
| Repurchase agreement lendings (Reverse Repo) | 6.2 & 6.6 | **2,000,000** | 2,500,000 |
| Bai-Muajjal of Ijarah Sukuk | 6.3 | **6,518,946** | - |
| Placements | 6.4 | **16,450,620** | 8,313,559 |
| | | **26,969,566** | 10,813,559 |

**6.1** These carry mark-up rates ranging from 6.25 percent to 6.45 percent per annum payable at maturity, and are due to mature during January 2016.

**6.2** These carry mark-up at rate 6.35 percent per annum (2014: 9.6 percent per annum) payable at maturity, and are due to mature during January 2016. These arrangements are governed under Master Repurchase Agreements.

**6.3** These represent lendings to State Bank of Pakistan by Islamic Banking Business under Bai Muajjal agreements at return of 5.93 percent per annum with maturities upto November 2016.

**6.4** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.18 percent to 0.35 percent per annum (2014: 0.06 percent to 0.35 percent per annum), and are due to mature during January 2016.

### 6.5 Particulars of lending

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In local currency | 6.4 | **10,518,946** | 2,500,000 |
| In foreign currencies | | **16,450,620** | 8,313,559 |
| | | **26,969,566** | 10,813,559 |

### 6.6 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) | | | | | |
| Pakistan Investment Bonds | 2,000,000 | - | 2,000,000 | 2,500,000 | - | 2,500,000 |
| | 2,000,000 | - | 2,000,000 | 2,500,000 | - | 2,500,000 |

**6.6.1** The market value of securities held as collateral against lendings to financial institutions amounted to Rs. 2,074.792 million (2014: Rs. 2,561.559 million).

## 7 INVESTMENTS

| | Note | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|---|
| | | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| **7.1 Investments by type** | | (Rupees in '000) | | | | | |
| **Held for trading securities** | | | | | | | |
| Market Treasury Bills | | 246,513 | - | 246,513 | 6,498,875 | - | 6,498,875 |
| Pakistan Investment Bonds | | 1,240,669 | - | 1,240,669 | 1,715,203 | - | 1,715,203 |
| Sukuk and Ijarah Bonds | | 1,990 | - | 1,990 | 963 | - | 963 |
| **Available for sale securities** | | | | | | | |
| Market Treasury Bills | 7.6 | 67,952,335 | 1,192,726 | 69,145,061 | 50,447,654 | 2,295,115 | 52,742,769 |
| Pakistan Investment Bonds | 7.6 | 143,388,679 | 18,953 | 143,407,632 | 112,011,680 | 18,696 | 112,030,376 |
| Ordinary shares of listed companies | 7.7 | 662,061 | - | 662,061 | 662,061 | - | 662,061 |
| Term Finance Certificates -unlisted | 7.9 | 285,025 | - | 285,025 | 285,025 | - | 285,025 |
| Ordinary shares of unlisted companies | 7.8 | 3,004 | - | 3,004 | 3,004 | - | 3,004 |
| Sukuk and Ijarah Bonds - unlisted | 7.6 & 7.9 | 5,425,000 | - | 5,425,000 | 11,870,532 | - | 11,870,532 |
| **Investments at cost** | | 219,205,276 | 1,211,679 | 220,416,955 | 183,494,997 | 2,313,811 | 185,808,808 |
| Provision for diminution in the value of investments | 7.3 | (808,221) | - | (808,221) | (803,492) | - | (803,492) |
| **Investments (net of provisions)** | | 218,397,055 | 1,211,679 | 219,608,734 | 182,691,505 | 2,313,811 | 185,005,316 |
| Surplus on revaluation of held for trading securities - net | 7.10 | 4,042 | - | 4,042 | 54,460 | - | 54,460 |
| Surplus on revaluation of available for sale securities - net | | 5,018,926 | 430 | 5,019,356 | 3,931,060 | 1,261 | 3,932,321 |
| **Total Investments - net** | | 223,420,023 | 1,212,109 | 224,632,132 | 186,677,025 | 2,315,072 | 188,992,097 |

| 7.2 Investments by segment | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Federal Government Securities** | | | |
| Market Treasury Bills | | **69,391,574** | 59,241,644 |
| Pakistan Investment Bonds | | **144,648,301** | 113,745,579 |
| Gop Ijarah Sukuk Bonds | | **4,001,990** | 10,396,495 |
| **Fully paid up ordinary shares** | | | |
| Listed companies | | **662,061** | 662,061 |
| Unlisted companies | | **3,004** | 3,004 |
| **Bonds and Term Finance Certificates** | | | |
| Sukuk and Ijarah Bonds | | **1,425,000** | 1,475,000 |
| Term Finance Certificates | | **285,025** | 285,025 |
| **Total investment at cost** | 7.3 | **220,416,955** | 185,808,808 |
| Less: Provision for diminution in the value of investments | | **(808,221)** | (803,492) |
| **Investment (net of provisions)** | 20.2 | **219,608,734** | 185,005,316 |
| Surplus on revaluation of held for trading securities - net | | **4,042** | 54,460 |
| Surplus on revaluation of available for sale securities - net | | **5,019,356** | 3,932,321 |
| **Total Investments - net** | | **224,632,132** | 188,992,097 |

| 7.3 Particulars of provision for diminution in the value of investments | | | |
|---|---|---|---|
| Opening balance | | **803,492** | 787,551 |
| Charge for the year | | **4,729** | 74,151 |
| Reversals | | **-** | (508) |
| Net charge | | **4,729** | 73,643 |
| Transfer to held for sale | | **-** | (57,702) |
| Closing Balance | 7.3.1 | **808,221** | 803,492 |

| 7.3.1 The details of provision held against investments are as follows: | | | |
|---|---|---|---|
| Ordinary shares / units - available for sale | | **523,196** | 518,467 |
| Term Finance Certificates - unlisted | 7.9 | **285,025** | 285,025 |
| | | **808,221** | 803,492 |

**7.4** Investments include securities having book value of Rs. 18.953 million (2014: Rs. 18.696 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

**7.5** Market Treasury Bills and Pakistan Investment Bonds are eligible for discounting with the State Bank of Pakistan.

| | | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|---|
| Quality of 'Available for Sale' securities | Note | Rating | Cost | Market value | Rating | Cost | Market value |
| | | | (Rupees in '000) | | | (Rupees in '000) | |
| **7.6 Federal Government Securities** | | | | | | | |
| Market Treasury Bills | | **Unrated** | **69,145,061** | 69,193,099 | Unrated | 52,742,769 | 52,763,082 |
| Pakistan Investment Bonds | | **Unrated** | **143,407,632** | 148,330,821 | Unrated | 112,030,376 | 115,918,348 |
| GoP Ijarah Sukuk Bonds | 7.9.3 | **Unrated** | **4,000,000** | 4,016,000 | Unrated | 10,395,532 | 10,419,840 |
| | | | **216,552,693** | **221,539,920** | | 175,168,677 | 179,101,270 |

**7.7 Particulars of shares held - listed**

| 2015 | 2014 | | 2015 Rating | 2015 Cost | 2015 Market value | 2014 Rating | 2014 Cost | 2014 Market value |
|---|---|---|---|---|---|---|---|---|
| (Number of shares) | | | | (Rupees in '000) | | | (Rupees in '000) | |
| 18,916,023 | 18,916,023 | Agritech Limited | D | 662,061 | 662,061 | D | 662,061 | 662,061 |
| | | | | 662,061 | 662,061 | | 662,061 | 662,061 |
| | | Provision for diminution in the value - note 7.3.1 | | - | (520,192) | | - | (515,463) |
| | | Surplus on revaluation | | - | 34,995 | | - | - |
| | | | | 662,061 | 176,864 | | 662,061 | 146,598 |

All shares are ordinary shares of Rs. 10 each except otherwise mentioned.

**7.8 Particulars of shares held - unlisted**

| 2015 | 2014 | | 2015 Rating | 2014 Rating | 2015 | 2014 |
|---|---|---|---|---|---|---|
| (Number of shares) | | | | | ----- (Rupees in '000) ----- | |
| 573,769 | 573,769 | Pakistan Export Finance Guarantee Agency Limited Chairman : Mr.Muneer Kamal | Unrated | Unrated | 3,004 | 3,004 |
| | | | | | 3,004 | 3,004 |
| | | Provision for diminution in the value - note 7.3.1 | | | (3,004) | (3,004) |
| | | | | | - | - |

**7.9 Bonds and Term Finance Certificates - unlisted**

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Term Finance Certificates of Rs. 5,000 each** | | | |
| Agritech Limited | | 147,000 | 147,000 |
| Azgard Nine Limited | | 138,025 | 138,025 |
| | | 285,025 | 285,025 |
| Provision for diminution in the value of investments | 7.3.1 | (285,025) | (285,025) |
| | | - | - |

| Sukuk and Ijarah Bonds | Note | 2015 Rating | 2015 Cost | 2015 Market value | 2014 Rating | 2014 Cost | 2014 Market value |
|---|---|---|---|---|---|---|---|
| | | | (Rupees in '000) | | | (Rupees in '000) | |
| Wapda Sukuk Bonds | 7.9.1 | Unrated | 100,000 | 97,134 | Unrated | 150,000 | 149,728 |
| Pakistan International Airlines (PIA) Sukuk Bonds | 7.9.1 | Unrated | 1,325,000 | 1,325,000 | Unrated | 1,325,000 | 1,325,000 |
| | | | 1,425,000 | 1,422,134 | | 1,475,000 | 1,474,728 |

**7.9.1** Wapda Sukuk Bonds carry mark-up rates 0.29% above 6 months KIBOR. The principal and profit is payable semi-annually with maturity in July 2017.

**7.9.2** PIA Sukuk bonds carry mark-up rates 1.75% above 6 months KIBOR. The principal and profit is payable semi-annually with maturity in October 2019.

**7.9.3** GoP Ijarah Sukuk Bonds carry mark-up rates of 0.22% below weighted average yield of 6 months treasury bills. The profit is payable semi-annually with principal redemption at maturity falling due on March 2016

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **7.10** | **Unrealized gain / (loss) on revaluation of investments classified as held for trading - net** | | |
| | Market Treasury Bills | **148** | 41,237 |
| | Pakistan Investment Bonds | **3,886** | 13,183 |
| | GoP Ijarah Sukuk Bonds | **8** | 40 |
| | | **4,042** | 54,460 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **8** | **ADVANCES** | | | |
| | Loans, cash credits, running finances, etc. | | | |
| | - In Pakistan | | **113,789,879** | 128,249,140 |
| | - Outside Pakistan | | **-** | - |
| | | | **113,789,879** | 128,249,140 |
| | Net investment in Finance Lease / Ijarah Finance | | | |
| | - In Pakistan | | **-** | - |
| | - Outside Pakistan | | **-** | - |
| | Bills discounted and purchased (excluding treasury bills) | | | |
| | - Payable in Pakistan | | **12,611,897** | 14,089,817 |
| | - Payable outside Pakistan | | **1,709,843** | 7,686,396 |
| | | | **14,321,740** | 21,776,213 |
| | Advances - gross | 8.1 | **128,111,619** | 150,025,353 |
| | Provision for non-performing advances | 8.3 | **(21,516,718)** | (21,450,000) |
| | Advances - net of provision | | **106,594,901** | 128,575,353 |

| | | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **8.1** | **Particulars of advances - Gross** | | |
| **8.1.1** | In local currency | **121,720,771** | 128,724,733 |
| | In foreign currencies | **6,390,848** | 21,300,620 |
| | | **128,111,619** | 150,025,353 |
| **8.1.2** | Short term (for upto one year) | **110,062,667** | 126,137,110 |
| | Long term (for over one year) | **18,048,952** | 23,888,243 |
| | | **128,111,619** | 150,025,353 |

**8.1.3** This includes assets under Ijarah arrangements amounting to Rs 476.053 million (2014: Rs 856.895 million). Refer note 41.5.

8.2 Advances include Rs. 24,018.416 million (2014: Rs.23,095.733 million) which have been placed under non-performing status as detailed below:

| | 2015 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| Category of classification | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| | (Rupees in '000) | | | | | | | | |
| OAEM | 39,676 | - | 39,676 | - | - | - | - | - | - |
| Substandard | 710,067 | - | 710,067 | 139,866 | - | 139,866 | 139,866 | - | 139,866 |
| Doubtful | 3,313,782 | - | 3,313,782 | 1,526,603 | - | 1,526,603 | 1,526,603 | - | 1,526,603 |
| Loss | 19,954,891 | - | 19,954,891 | 19,294,343 | - | 19,294,343 | 19,294,343 | - | 19,294,343 |
| | 24,018,416 | - | 24,018,416 | 20,960,812 | - | 20,960,812 | 20,960,812 | - | 20,960,812 |
| General provision | - | - | - | 555,906 | - | 555,906 | 555,906 | - | 555,906 |
| | 24,018,416 | - | 24,018,416 | 21,516,718 | - | 21,516,718 | 21,516,718 | - | 21,516,718 |

| | 2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| Category of classification | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| | (Rupees in '000) | | | | | | | | |
| OAEM | 44,774 | - | 44,774 | - | - | - | - | - | - |
| Substandard | 836,175 | - | 836,175 | 212,546 | - | 212,546 | 212,546 | - | 212,546 |
| Doubtful | 857,709 | - | 857,709 | 297,095 | - | 297,095 | 297,095 | - | 297,095 |
| Loss | 21,357,075 | - | 21,357,075 | 20,400,894 | - | 20,400,894 | 20,400,894 | - | 20,400,894 |
| | 23,095,733 | - | 23,095,733 | 20,910,535 | - | 20,910,535 | 20,910,535 | - | 20,910,535 |
| General provision | - | - | - | 539,465 | - | 539,465 | 539,465 | - | 539,465 |
| | 23,095,733 | - | 23,095,733 | 21,450,000 | - | 21,450,000 | 21,450,000 | - | 21,450,000 |

8.2.1 At 31 December 2015, the provision requirement has been reduced by Rs. 778.020 million (2014: Rs. 1,068.87 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 10 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 505.713 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

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

| | Note | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|---|
| | | Specific | General | Total | Specific | General | Total |
| | | (Rupees in '000) | | | | | |
| Opening balance | | 20,910,535 | 539,465 | 21,450,000 | 21,627,511 | 560,462 | 22,187,973 |
| Charge for the year | | 2,755,378 | 48,009 | 2,803,387 | 2,253,508 | 209,770 | 2,463,278 |
| Reversals | | (1,408,778) | (31,568) | (1,440,346) | (1,816,566) | (230,767) | (2,047,333) |
| | | 1,346,600 | 16,441 | 1,363,041 | 436,942 | (20,997) | 415,945 |
| Amounts written off | 8.5.1 | (1,238,681) | - | (1,238,681) | (904,664) | - | (904,664) |
| Other movements | | (57,642) | - | (57,642) | (127,270) | - | (127,270) |
| Transfer to held for sale | | - | - | - | (121,984) | - | (121,984) |
| Closing balance | | 20,960,812 | 555,906 | 21,516,718 | 20,910,535 | 539,465 | 21,450,000 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| **8.4** | **Particulars of provision against non-performing advances** | | (Rupees in '000) | |
| | In local currency | | **20,814,455** | 20,731,054 |
| | In foreign currencies | | **702,263** | 718,946 |
| | | | **21,516,718** | 21,450,000 |
| **8.5** | **Particulars of write offs** | | | |
| 8.5.1 | Against provisions | | **1,238,681** | 904,664 |
| | Charged and written off during the year | | **181,865** | 215,344 |
| | | 8.5.2 | **1,420,546** | 1,120,008 |
| 8.5.2 | Write-offs of Rs. 500,000 and above | | **1,059,725** | 639,276 |
| | Write-offs of below Rs. 500,000 | | **360,821** | 480,732 |
| | | | **1,420,546** | 1,120,008 |

**8.6 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 five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2015 is given in Annexure 1.

8.7 This includes loans charged off as per Bank's policy. Recovery efforts on the amount charged off are ongoing, as the Bank continues to have the legal right of recovery.

| | | 2015 | 2014 |
|---|---|---|---|
| **8.8** | **Particulars of loans and advances to directors, associated companies, etc.** | (Rupees in '000) | |
| (i) | Debts due by directors, executives or officers of the bank or any of them either severally or jointly with any other persons | | |
| | Balance at beginning of the year | **968,535** | 1,294,740 |
| | Loans granted during the year | **15,995** | 19,962 |
| | Repayments / transfer | **(275,940)** | (346,167) |
| | Balance at end of the year | **708,590** | 968,535 |
| (ii) | 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 | **693,293** | 29,966 |
| | Loans granted during the year | **777,216** | 1,568,929 |
| | Repayments | **(1,349,162)** | (905,602) |
| | Balance at end of the year | **121,347** | 693,293 |
| (iii) | Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties | | |
| | Balance at beginning of the year | **68,581** | 90,001 |
| | Loans granted during the year | **149,534** | 36,111 |
| | Repayments | **(86,397)** | (57,531) |
| | Balance at end of the year | **131,718** | 68,581 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| **9** | **OPERATING FIXED ASSETS** | | (Rupees in '000) | |
| | Capital work-in-progress | | **-** | - |
| | Property and equipment | 9.1 | **5,963,952** | 6,282,553 |
| | | | **5,963,952** | 6,282,553 |

## 9.1 Property and equipment

| | 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Freehold land | Leasehold land | Buildings on freehold land | Buildings on leasehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | (Rupees in '000) | | | | | | | |
| **Cost / Valuations** | | | | | | | | |
| At 1 January 2015 | 588,374 | 3,822,108 | 238,401 | 604,799 | 1,268,665 | 2,758,523 | 93,393 | 9,374,263 |
| Additions during the year | - | - | - | 642 | 16,455 | 184,976 | 1,741 | 203,814 |
| Transfers / write offs | - | - | - | - | (31,970) | (203,027) | - | (234,997) |
| Deletions | - | (43,750) | - | - | - | (47,133) | - | (90,883) |
| **At 31 December 2015** | 588,374 | 3,778,358 | 238,401 | 605,441 | 1,253,150 | 2,693,339 | 95,134 | 9,252,197 |
| **Accumulated Depreciation** | | | | | | | | |
| At 1 January 2015 | - | - | - | - | 764,525 | 2,245,293 | 81,892 | 3,091,710 |
| Charge for the year | - | - | 39,644 | 88,532 | 103,036 | 232,768 | 11,521 | 475,501 |
| Transfers / write offs | - | - | - | - | (28,807) | (203,026) | - | (231,833) |
| Deletions | - | - | - | - | - | (47,133) | - | (47,133 |
| **At 31 December 2015** | - | - | 39,644 | 88,532 | 838,754 | 2,227,902 | 93,413 | 3,288,245 |
| **Net book value** | 588,374 | 3,778,358 | 198,757 | 516,909 | 414,396 | 465,437 | 1,721 | 5,963,952 |
| **Rate of depreciation** | | | 6.67% | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

| | 2014 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Freehold land | Leasehold land | Buildings on freehold land | Buildings on leasehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | (Rupees in '000) | | | | | | | |
| **Cost / Valuations** | | | | | | | | |
| At 1 January 2014 | 571,030 | 3,606,428 | 280,408 | 897,257 | 1,207,010 | 2,749,149 | 98,209 | 9,409,491 |
| Surplus/ (Deficit) on revaluation | 17,344 | 215,680 | 69,657 | 77,429 | - | - | - | 380,110 |
| Revaluation adjustment | - | - | (112,237) | (366,133) | - | - | - | (478,370) |
| Additions during the year | - | - | 573 | 6,572) | 68,278 | 209,578 | - | 285,001 |
| Transfers / write offs | - | - | - | (8,022 | (2,358) | (44,155) | (2,959) | (57,494) |
| Transfer to held for sale | - | - | - | - | - | (16,309) | (354) | (16,663) |
| Deletions | - | - | - | (2,304) | (4,265) | (139,740) | (1,503) | (147,812) |
| **At 31 December 2014** | 588,374 | 3,822,108 | 238,401 | 604,799 | 1,268,665 | 2,758,523 | 93,393 | 9,374,263 |
| **Accumulated Depreciation** | | | | | | | | |
| At 1 January 2014 | - | - | 88,737 | 299,712 | 693,253 | 2,160,821 | 63,004 | 3,305,527 |
| Charge for the year | - | - | 23,500 | 75,215 | 77,441 | 280,932 | 23,637 | 480,725 |
| Revaluation adjustment * | - | - | (112,237) | (366,133) | - | - | - | (478,370) |
| Transfers / write offs | - | - | - | (8,022) | (2,358) | (44,155) | (2,959) | (57,494) |
| Transfer to held for sale | - | - | - | - | - | (12,966) | (579) | (13,545) |
| Deletions | - | - | - | (772) | (3,811) | (139,339) | (1,211) | (145,133) |
| **At 31 December 2014** | - | - | - | - | 764,525 | 2,245,293 | 81,892 | 3,091,710 |
| **Net book value** | 588,374 | 3,822,108 | 238,401 | 604,799 | 504,140 | 513,230 | 11,501 | 6,282,553 |
| **Rate of depreciation** | | | | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

* The revaluation adjustment relates to the accumulated depreciation as at revaluation date that was eliminated against the gross carrying amount of the revalued buildings.

**9.2** The Bank's owned land and buildings were revalued by independent accredited professional valuers, Iqbal A. Nanjee & Co. (Private) Limited and Colliers International. The valuation performed by the valuers was based on active market prices, adjusted for any difference in the nature, location or condition of the specific land and building. The date of revaluation was 31 December 2014. If the owned land and buildings were measured using the cost model, the carrying amounts would have been as follows:

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Cost | **2,338,065** | 2,371,391 |
| Accumulated depreciation | **(979,580)** | (889,717) |
| **Carrying amount** | **1,358,485** | 1,481,674 |

The movement in surplus on revaluation of fixed assets is given in note 20.1 to the financial statements.

**9.3** As at 31 December 2015, the cost of fully depreciated fixed assets still in use amounted to Rs. 2,502.215 million (2014: Rs. 2,354.131 million).

**9.4** Depreciation rates for furniture, fixtures and office equipment are as follows:

| | |
|---|---|
| Furniture and fixtures | 33.33 percent |
| Printers | 33.33 percent |
| Other office equipment | 20.00 percent |
| Computer equipment | 33.33 percent |
| ATM machines | 14.28 percent |

**9.5** Details of disposal of fixed assets whose original cost or book value exceeds Rs. 1 million or Rs 250,000, which ever is less, and assets disposed of to the Chief Executive or to a director or to executives or to a shareholder holding not less than 10% of the voting shares of the bank or to any related party, irrespective of value, are given below:

| Particulars | Cost / Revalued amount | Accumulated depreciation | Book value | Sale Proceeds | Gain / (loss) on Sale | Mode of disposal | Particulars of purchaser |
|---|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | | |
| Leasehold land | 43,750 | - | 43,750 | 33,968 | (9,782) | Tender | Mr. M. Aslama Qureshi |
| Furniture, fixtures and office equipment | 8,632 | 8,632 | - | 3,752 | 3,752 | Tender | M/S Power Tech Engineering & Services |
| | 7,958 | 7,958 | - | 2,900 | 2,900 | Tender | M/S National Traders |
| | 4,490 | 4,490 | - | 788 | 788 | Tender | M/S National Traders |
| | 3,452 | 3,452 | - | 560 | 560 | Tender | M/S National Traders |
| | 3,150 | 3,150 | - | 491 | 491 | Tender | M/S National Traders |
| | 2,773 | 2,773 | - | 395 | 395 | Tender | M/S Pakistan International SF General Trading |
| | 2,619 | 2,619 | - | 114 | 114 | Tender | M/S National Traders |
| | 2,135 | 2,135 | - | 212 | 212 | Tender | M/S National Traders |
| | 1,782 | 1,782 | - | 800 | 800 | Tender | M/S Pakistan International SF General Trading |
| | 1,703 | 1,703 | - | 174 | 174 | Tender | M/S National Traders |
| | 1,566 | 1,566 | - | 533 | 533 | Tender | M/S National Traders |
| | 1,149 | 1,149 | - | 318 | 318 | Tender | M/S Pakistan International SF General Trading |
| | 1,117 | 1,117 | - | 411 | 411 | Tender | M/S Pakistan International Trading |
| | 1,008 | 1,008 | - | 204 | 204 | Tender | M/S Pakistan International SF General Trading |
| | 87,284 | 43,534 | 43,750 | 45,620 | 1,870 | | |
| **Items having book value of less than Rs. 250,000 and cost of less than Rs. 1,000,000:** | | | | | | | |
| Furniture, fixtures and office equipment | 3,599 | 3,599 | - | 1,590 | 1,590 | | |
| **Total** | 90,883 | 47,133 | 43,750 | 47,210 | 3,460 | | |

## 10 INTANGIBLE ASSETS

| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | Total |
|---|---|---|---|---|---|---|
| | 2015 | | | | | |
| | (Rupees in '000) | | | | | |
| **Cost** | | | | | | |
| At 1 January 2015 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| Additions during the year | - | - | - | - | - | - |
| At 31 December 2015 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| **Amortised** | | | | | | |
| At 1 January 2015 | - | 1,982,413 | 761,611 | 324,665 | 338,350 | 3,407,039 |
| Charge for the year | - | - | 7,460 | 38,934 | - | 46,394 |
| At 31 December 2015 | - | 1,982,413 | 769,071 | 363,599 | 338,350 | 3,453,433 |
| **Net book value** | 26,095,310 | - | 5,609 | 25,801 | - | 26,126,720 |
| **Rate of amortisation** | | | | | 20% | |
| | 2014 | | | | | |
| **Cost** | | | | | | |
| At 1 January 2014 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 343,133 | 29,584,936 |
| Additions during the year | - | - | - | - | - | - |
| Transfer to held for sale | - | - | - | - | (4,783) | (4,783) |
| **At 31 December 2014** | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| **Amortised** | | | | | | |
| At 1 January 2014 | - | 1,982,413 | 751,742 | 285,731 | 342,210 | 3,362,096 |
| Charge for the year | - | - | 9,869 | 38,934 | 6,527 | 55,330 |
| Deletions/ write offs | - | - | - | - | - | - |
| Transfer to held for sale | - | - | - | - | (10,387) | (10,387) |
| **At 31 December 2014** | - | 1,982,413 | 761,611 | 324,665 | 338,350 | 3,407,039 |
| **Net book value** | 26,095,310 | - | 13,069 | 64,735 | - | 26,173,114 |
| **Rate of amortisation** | | | | | 20% | |

**10.1** As at 31 December 2015, the gross carrying amount of fully amortised intangible assets (computer software) still in use amounted to Rs. 338.350 million (2014: Rs. 338.350 million).

**10.2** The recoverable amount for the purpose of assessing impairment on goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the 2016 budget and forecasts for subsequent two years as approved by the management. These have then been extrapolated for a further period of 18 years using a steady long term forecast GDP growth rate and a terminal value determined based on a long term earnings multiple. The cash flows are discounted using a pre-tax discount rate which reflects the current market rate appropriate for the business. For the calculation as at 31 December 2015, the bank has used a long term forecast GDP growth rate of 4.96 percent and a discount rate of 22.91 percent. The management believes that any reasonable possible changes to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount.

## 11 DEFERRED TAX ASSETS / (LIABILITIES) - NET

The following are major deferred tax assets / (liabilities) recognised and movement thereon:

| | 2015 | | | | |
|---|---|---|---|---|---|
| | At 1 January 2015 | (Charge) / credit to profit and loss | Debit / (credit) to equity / other comprehensive income | Transfer to held for sale | At 31 December 2015 |
| | (Rupees in '000) | | | | |
| Available for sale investments | (1,376,312) | - | (380,462) | - | (1,756,774) |
| Provisions for loans and advances | 5,356,246 | 600,162 | - | (85,612) | 5,870,796 |
| Other assets | (86,986) | 2,647 | - | - | (84,339) |
| Fixed assets | (195,311) | 52,471 | - | - | (142,840) |
| Surplus on revaluation of fixed assets | (69,039) | 16,833 | - | | (52,206) |
| Goodwill | (6,190,960) | (876,987) | - | - | (7,067,947) |
| Actuarial gains on retirement benefits | (13,471) | - | 28,472 | - | 15,001 |
| | (2,575,833) | (204,874) | (351,990) | (85,612) | (3,218,309) |

| | 2014 | | | | |
|---|---|---|---|---|---|
| | At 1 January 2014 | (Charge) / credit to profit and loss | Debit / (credit) to equity / other comprehensive income | Transfer to held for sale | At 31 December 2014 |
| | (Rupees in '000) | | | | |
| Available for sale investments | (34,207) | - | (1,342,105) | - | (1,376,312) |
| Provisions for loans and advances | 5,435,339 | (221,088) | - | 141,995 | 5,356,246 |
| Other assets | (86,822) | (164) | - | - | (86,986) |
| Fixed assets | (227,669) | (26,137) | - | 58,495 | (195,311) |
| Surplus on revaluation of fixed assets | (20,064) | 2,505 | (51,480) | - | (69,039) |
| Goodwill | (5,314,815) | (876,145) | - | - | (6,190,960) |
| Actuarial gains on retirement benefits | (12,413) | - | (1,058) | - | (13,471) |
| | (260,651) | (1,121,029) | (1,394,643) | 200,490 | (2,575,833) |

**11.1** In terms of the Seventh Schedule to the Income Tax Law, the claim of provision for advances and off balance sheet items in respect of Corporate and Consumer (including SME) advances has been restricted to 1% and 5% of gross advances respectively. As such Deferred tax asset of Rs. 5,870 million has been recognised. The Bank, since 2010 to date has been able to realise deferred tax assets aggregating to Rs. 1,321 million. The management based on the exercise carried out, concludes that the Bank would, in future years be able to achieve deductions in excess of the aforesaid prescribed limits.

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| 12 | **OTHER ASSETS** | | | |
| | Income / mark-up accrued in local currency | | **8,548,415** | 8,381,396 |
| | Income / mark-up accrued in foreign currencies | | **13,434** | 83,963 |
| | Advances, deposits, advance rent and other prepayments | | **581,280** | 710,984 |
| | Receivable from defined benefit plans | 33.3 | **18,025** | - |
| | Receivable from defined contribution plans | | **-** | 138,949 |
| | Advance taxation (payments less provisions) | | **9,745,525** | 9,095,167 |
| | Branch adjustment account | | **175** | 20,095 |
| | Unrealized gain on forward foreign exchange contracts | | **338,424** | 581,241 |
| | Interest rate derivatives and currency option - positive fair value | | **157,607** | 302,107 |
| | Receivable from SBP / Government of Pakistan | | **146,060** | 462,362 |
| | Receivable from associated undertakings | | **34,416** | 52,057 |
| | Receivable from Standard Chartered Bank, Sri Lanka operations | 12.2 | **39,654** | 39,979 |
| | Assets Held for Sale | 12.3 | **9,542,209** | 10,893,538 |
| | Advances against future Murabaha | | **689,479** | 5,593,533 |
| | Advance Federal Excise Duty | | **188,443** | 188,443 |
| | Commodities under Islamic finance | | **1,378,961** | - |
| | Unsettled trades | | **-** | 2,299 |
| | Others | | **616,369** | 594,269 |
| | | | **32,038,476** | 37,140,382 |
| | Less: Provision against other assets | 12.1 | **(116,373)** | (116,373) |
| | **Other Assets - net of provisions** | | **31,922,103** | 37,024,009 |
| 12.1 | **Provision against other assets** | | | |
| | Opening balance | | **116,373** | **429,028** |
| | Reversal during the year | | **-** | **(309,984)** |
| | Transfer to held for sale | | **-** | **(2,671)** |
| | Closing balance | | **116,373** | **116,373** |

12.2 Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, 'unproductive debts', 'staff loans of SCBPL who are not retained by the purchaser', 'their corresponding housing loans' and 'assets arising from litigation which cannot be assigned' are held in trust with SCBSL. The recoveries made (net of expenses) from such assets are to taken to income from Sri Lanka branch operations, as disclosed in note 25 to these financial statements, and consequently recorded as receivable. The Central Bank of Sri Lanka previously had allowed remittance of major portion of the outstanding balance.

12.3 **Disposal Group Held for Sale**

Last year, the management of the Standard Chartered Bank Pakistan has decided to divestment its shareholdings in Standard Chartered Leasing Limited (SCLL) (86.45%), Standard Chartered Modaraba (SCM) (20%) and Standard Chartered Services of Pakistan (SCSP) (100%). On 1 September 2015, the bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator and shareholders.

As at 31 December 2015, the disposal group is stated at lower of carrying value and fair value less cost to sell. Assets and liabilities of the Disposal Group Held for Sale are comprised of the following:

| Assets classified as held for sale: | 2015 | | | |
|---|---|---|---|---|
| | SCLL | SCM | SCSP | Total |
| | (Rupees in '000) | | | |
| Cash and balances with treasury banks | 70 | 26 | - | 96 |
| Balances with other banks | (1,282) | 345,357 | - | 344,076 |
| Investments | 418,453 | - | 12,774 | 431,227 |
| Advances | 4,074,539 | 4,808,085 | - | 8,882,624 |
| Operating fixed assets | 1,635 | 12,480 | - | 14,115 |
| Intangible assets | 550 | 10,289 | - | 10,839 |
| Other assets | (16,531) | 56,582 | 33,549 | 73,600 |
| | 4,477,434 | 5,232,820 | 46,323 | 9,756,577 |
| Provision against investment | (214,368) | - | - | (214,368) |
| | 4,263,066 | 5,232,820 | 46,323 | 9,542,209 |
| **Liabilities classified as held for sale:** | | | | |
| Borrowings from financial institutions | 512,254 | 562,092 | - | 1,074,346 |
| Deferred tax liabilities - net | 104,534 | - | - | 104,534 |
| Other liabilities | 2,673,358 | 3,665,804 | 14,999 | 6,354,162 |
| | 3,290,146 | 4,227,896 | 14,999 | 7,533,042 |

| Assets classified as held for sale: | 2014 | | | |
|---|---|---|---|---|
| | SCLL | SCM | SCSP | Total |
| | (Rupees in '000) | | | |
| Cash and balances with treasury banks | 130 | 21 | - | 151 |
| Balances with other banks | (1,513) | 496,720 | - | 495,207 |
| Investments | 417,672 | - | 13,338 | 431,010 |
| Advances | 4,872,961 | 5,015,169 | - | 9,888,130 |
| Operating fixed assets | 2,888 | 230 | - | 3,118 |
| Intangible assets | 550 | 18,547 | - | 19,097 |
| Other assets | 70,645 | 78,139 | 27,241 | 176,025 |
| | 5,363,333 | 5,608,826 | 40,579 | 11,012,738 |
| Provision against impairment | (119,200) | - | - | (119,200) |
| | 5,244,133 | 5,608,826 | 40,579 | 10,893,538 |
| **Liabilities classified as held for sale:** | | | | |
| Borrowings from financial institutions | 650,000 | 274,183 | - | 924,183 |
| Deferred tax liabilities - net | 190,144 | - | - | 190,144 |
| Other liabilities | 3,591,614 | 4,446,839 | 11,178 | 8,049,631 |
| | 4,431,758 | 4,721,022 | 11,178 | 9,163,958 |

| 13 BILLS PAYABLE | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In Pakistan | | **11,395,470** | 5,020,614 |
| Outside Pakistan | | **5,721** | 542,991 |
| | | **11,401,191** | 5,563,605 |
| **14 BORROWINGS** | | | |
| In Pakistan | | **20,738,176** | 15,622,715 |
| Outside Pakistan | | **1,046,275** | 1,621,956 |
| | | **21,784,451** | 17,244,671 |
| **14.1 Particulars of borrowings with respect to currencies** | | | |
| In local currency | | **20,738,176** | 15,622,715 |
| In foreign currencies | | **1,046,275** | 1,621,956 |
| | | **21,784,451** | 17,244,671 |
| **14.2 Details of borrowings secured / unsecured** | | | |
| Secured | | | |
| Borrowings from State Bank of Pakistan | | | |
| under Export Refinance (ERF) scheme | 14.2.1 | **14,831,179** | 12,065,490 |
| Repurchase agreement borrowings (Repo) | 14.2.2 | **1,192,726** | 2,295,115 |
| State Bank of Pakistan - LTFF | 14.2.3 | **1,055,711** | 1,260,102 |
| | | **17,079,616** | 15,620,707 |
| Unsecured | | | |
| Call borrowings | 14.2.4 | **3,650,000** | - |
| Overdrawn nostro accounts | 14.2.5 | **1,054,835** | 1,623,964 |
| | | **21,784,451** | 17,244,671 |

**14.2.1** Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged at 1.5 percent to 3.5 percent (2014: 5.5 percent to 6.5 percent) per annum. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 1.459 billion (2014: Rs. 1.349 billion). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

**14.2.2** Repurchase agreement borrowings carry mark up rate of 6.5 percent (2014: 9.5 percent to 9.65 percent) per annum payable at maturity and are due to mature by January 2016. These are secured against six months market treasury bills. The market value of securities held as collateral against lendings to financial institutions amounted to Rs. 1,192.726 million (2014: Rs. 2,295.726 million).

**14.2.3** Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan carry mark up rates ranging from 2.5 percent to 8.2 percent (2014: 6.5 percent to 11 percent) per annum. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.

**14.2.4** These carry mark-up at rate 6.5 percent per annum payable at maturity, and are due to mature during January 2016.

**14.2.5** These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Rs.1,046.275 million (2014: Rs. 1,621.956 million).

## 15 DEPOSITS AND OTHER ACCOUNTS

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Customers** | | | |
| Remunerative | | | |
| - Fixed deposits | | **24,083,614** | 22,860,282 |
| - Savings deposits | | **152,659,280** | 144,299,742 |
| Non- Remunerative | | | |
| - Current accounts | | **142,359,370** | 134,118,420 |
| - Margin accounts | | **945,934** | 422,637 |
| - Special exporters' account | | **572,198** | 883,186 |
| | | **320,620,396** | 302,584,267 |
| **Financial Institutions** | | | |
| - Remunerative deposits | | **612,825** | 1,286 |
| - Non-remunerative deposits | 15.1 | **5,888,103** | 1,719,988 |
| | | **6,500,928** | 1,721,274 |
| | | **327,121,324** | 304,305,541 |

**15.1** This includes Rs. 496.085 million (2014: Rs. 438.857 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

## 15.2 Particulars of deposits

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| In local currency | | **267,721,151** | 242,772,805 |
| In foreign currencies | | **59,400,173** | 61,532,736 |
| | | **327,121,324** | 304,305,541 |

## 16 SUB-ORDINATED LOANS

| | Note | | |
|---|---|---|---|
| Term Finance Certificates issued | 16.1 | **2,500,000** | 2,500,000 |

**16.1** The Bank, on 29 June 2012, issued fourth rated, unsecured, subordinated TFCs of Rs 2,500 million by way of private placement. Terms for the fourth outstanding issue are as follows:

| | |
|---|---|
| Year of Issue | **2012** |
| Rating | AAA |
| Rate | 0.75% above the six months Karachi Inter-Bank Offered Rate ("KIBOR") prevailing one working day prior to the beginning of each semi annual period |
| Floor | - |
| Ceiling | - |
| Repayment | 10 years |

| 17 OTHER LIABILITIES | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Mark-up / return / interest payable in local currency | | **335,217** | 510,731 |
| Accrued expenses | | **2,937,185** | 2,543,938 |
| Advance payments | | **207,914** | 211,226 |
| Sundry creditors | | **1,817,539** | 1,566,204 |
| Unrealized loss on forward foreign exchange contracts | | **171,676** | 725,758 |
| Unrealized loss on interest rate derivatives and currency options | | **120,633** | 631,850 |
| Payable to defined benefit plans | 33.3 | **-** | 32,077 |
| Due to Holding Company | 17.1 | **7,739,048** | 6,442,443 |
| Dividend payable | | **52,053** | 37,168 |
| Liabilities held for sale | 12.3 | **7,533,042** | 9,163,958 |
| Unclaimed balances | | **3,364,784** | 1,633,683 |
| Provision against off balance sheet obligations | 17.2 | **667,428** | 414,084 |
| Worker's Welfare Fund (WWF) payable | | **1,071,945** | 757,972 |
| Unsettled trades | | **203,152** | 430,024 |
| Others | | **586,633** | 532,277 |
| | | **26,808,249** | 25,633,393 |

### 17.1 Due to Holding Company

| | | |
|---|---|---|
| On account of reimbursement of executive and general administrative expenses | **7,258,241** | 5,826,653 |
| Royalty and other payable | **480,807** | 615,790 |
| | **7,739,048** | 6,442,443 |

### 17.2 Provision against off-balance sheet obligations

| | | |
|---|---|---|
| Opening balance | **414,084** | 318,638 |
| Charge for the year - net | **253,344** | 95,446 |
| Closing balance | **667,428** | 414,084 |

## 18 SHARE CAPITAL

### 18.1 Authorized Capital

| 2015 | 2014 | | Note | 2015 | 2014 |
|---|---|---|---|---|---|
| (Number of shares) | | | | (Rupees in '000) | |
| **4,000,000,000** | 4,000,000,000 | Ordinary shares of Rs.10 each | | **40,000,000** | 40,000,000 |

### 18.2 Issued, subscribed and paid-up Capital

| | | | | 2015 | 2014 |
|---|---|---|---|---|---|
| | | | | (Rupees in '000) | |
| **2,939,785,018** | 2,939,785,018 | Ordinary shares of Rs. 10 each Fully paid in cash | | **29,397,850** | 29,397,850 |
| **931,800,003** | 931,800,003 | Issued in terms of scheme of amalgamation | 18.3 | **9,318,000** | 9,318,000 |
| **3,871,585,021** | 3,871,585,021 | | | **38,715,850** | 38,715,850 |

**18.3** These represent 892,554,151 shares of Rs 10/- each issued and allotted at par to Standard Chartered Bank, United Kingdom against transfer of entire undertaking of SCB Branch Business by SCB to the Bank, and 39,245,852 shares issued and allotted at par credited as fully paid up to persons who were registered shareholders of Union Bank. These shares have been issued in accordance with the scheme of amalgamation duly approved by State Bank of Pakistan on 4 December 2006.

**18.4** At 31 December 2015, Standard Chartered Bank , United Kingdom, held 98.99% shares of the Bank.

## 19 RESERVES

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Share premium | 19.1 | **1,036,090** | 1,036,090 |
| Statutory reserve | 19.2 | **9,928,706** | 8,074,954 |
| | | **10,964,796** | 9,111,044 |

**19.1** This represents excess of fair value of the shares over par value of shares issued to registered shareholders of Union Bank in terms of the amalgamation scheme.

**19.2** In accordance with the Banking Companies Ordinance, 1962, the Bank is required to transfer twenty percent of its profit of each year to a reserve fund until the amount in such fund equals the paid-up capital of the Bank.

**19.3** The Board of Directors in their meeting held on 3 March 2016 have announced a final cash dividend of 12.50% (Rs 1.25 per share) in respect of the year ended 31 December 2015 (2014: Rs. 1.50 /- per share). This is in addition to 7.50% (Rs. 0.75/- per share) interim cash dividend announced during the year. These financial statements for the year ended 31 December 2015 do not include the effect of final dividend appropriations which will be accounted for subsequent to the year end.

## 20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF DEFERRED TAX

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Surplus / (deficit) arising on revaluation of:** | | | |
| Fixed assets | 20.1 | **3,671,708** | 3,702,970 |
| Available for Sale Securities | 20.2 | **3,262,582** | 2,556,009 |
| | | **6,934,290** | 6,258,979 |

### 20.1 Surplus on revaluation of fixed assets - net of tax

| | | |
|---|---|---|
| Surplus on revaluation of fixed assets as at 1 January | **3,772,008** | 3,399,057 |
| Surplus on revaluation of owned properties recorded during the year | **-** | 380,110 |
| Surplus realized on disposal of revalued properties | **(9,782)** | (523) |
| Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax | **(24,904)** | (4,313) |
| Related deferred tax liability | **(13,409)** | (2,323) |
| | **(38,313)** | (6,636) |
| Surplus on revaluation of fixed assets as at 31 December | **3,723,913** | 3,772,008 |
| Less: Related deferred tax liability on: | | |
| Revaluation surplus as at 1 January | **(69,039)** | (20,064) |
| Revaluation surplus recorded during the year | **-** | (51,480) |
| Revaluation surplus realized on disposal during the year | **3,424** | 183 |
| Incremental depreciation charged during the year transferred to profit and loss account | **13,409** | 2,323 |
| | **(52,206)** | (69,039) |
| Surplus on revaluation of fixed assets as at 31 December - net of tax | **3,671,708** | 3,702,970 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **20.2** | **Surplus / (deficit) on revaluation of Available for Sale securities - net of tax** | | | |
| | Market Treasury Bills | | **48,038** | 20,313 |
| | Pakistan Investment Bonds | | **4,923,189** | 3,887,972 |
| | Sukuk and Ijarah Bonds | | **13,134** | 24,036 |
| | Listed shares and units of mutual funds | | **34,995** | - |
| | | | **5,019,356** | 3,932,321 |
| | Related deferred tax (liability) / asset | | **(1,756,774)** | (1,376,312) |
| | | | **3,262,582** | 2,556,009 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **21** | **CONTINGENCIES AND COMMITMENTS** | | | |
| **21.1** | **Transaction-related contingent liabilities** | | | |
| | Guarantees issued favouring: | 21.1.1 | | |
| | - Government | | **53,137,229** | 43,455,938 |
| | - Others | | **24,925,787** | 21,471,986 |
| | | | **78,063,016** | 64,927,924 |

**21.1.1** Guarantees relating to Islamic Banking Business amount to Rs 3,364 million (2014: Rs 3,074 million).

| | | | | |
|---|---|---|---|---|
| **21.2** | **Trade-related contingent liabilities** | | | |
| | Letters of credit | 21.2.1 | **16,782,316** | 18,121,183 |

**21.2.1** Letters of credit relating to Islamic Banking Business amount to Rs 4,377 million (2014: Rs 2,969 million).

| | | | | |
|---|---|---|---|---|
| **21.3** | **Trade-related commitments** | | | |
| | Acceptances | 21.3.1 | **6,672,058** | 5,041,122 |

**21.3.1** Acceptances relating to Islamic Banking Business amount to Rs 2,056 million (2014: Rs 528 million).

| | | | | |
|---|---|---|---|---|
| **21.4** | **Commitment for acquisition of fixed assets** | | **60,260** | 28,915 |
| **21.5** | **Other contingencies** | | | |
| | Claims against the Bank not acknowledged as debt | 21.5.1 | **24,417,886** | 25,151,427 |

**21.5.1** These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and the possibility of an outflow of economic resources is remote.

The Bank has identified that a regulatory authority has filed a case on the land where an office building is constructed and the bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case and the opinion of legal expert, the management expects a favourable decision from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. A favourable decision of the High Court of Sindh has been received whereby the High Court has directed the Lower Court to expeditiously decide these Petitions on merit. The cases are now being tracked at the Rent Controller' court. Based on the facts of the case and the opinion of legal expert, the management expects a favourable decision from the dealing court.

**21.6 Commitments in respect of forward foreign exchange contracts**

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Purchase from: | | |
| State Bank of Pakistan | **19,536,300** | 3,648,750 |
| Other banks | **51,623,327** | 45,030,485 |
| Customers | **3,217,691** | 4,210,190 |
| Sale to: | | |
| State Bank of Pakistan | **-** | - |
| Other banks | **53,329,213** | 32,620,281 |
| Customers | **572,496** | 4,631,521 |

The maturities of the above contracts are spread over a period of one year.

**21.7 Commitments to extend credit**

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

**21.8 Commitments of subsidiaries**

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Standard Chartered Leasing | 21.8.1 | **55,498** | 486,000 |
| Standard Chartered Modaraba | 21.8.2 | **75,890** | 9,146 |
| | | **131,388** | 495,146 |

**21.8.1** The amount represent lease commitments of Standard Chartered Leasing Limited outstanding.

**21.8.2** The amount represent outstanding commitments of Standard Chartered Modaraba in respect of letters of comfort.

**21.9 Derivative instruments**

**21.9.1 Product analysis**

| Counterparties | 2015 | | | |
|---|---|---|---|---|
| | Interest Rate Swaps Cross Currency Swaps | | FX Options | |
| | No. of Contracts | Notional Principal * (Rupees in '000) | No. of Contracts | Notional Principal * (Rupees in '000) |
| **With Banks for** | | | | |
| Hedging | - | - | - | - |
| Market Making | **8** | **2,487,312** | **7** | **83,624** |
| **With FIs other than banks** | | | | |
| Hedging | - | - | - | - |
| Market Making | **3** | **649,631** | **-** | **-** |
| **With other entities for** | | | | |
| Hedging | - | - | - | - |
| Market Making | **13** | **6,080,535** | **7** | **83,624** |
| **Total** | | | | |
| Hedging | - | - | - | - |
| Market Making | **24** | **9,217,478** | **14** | **167,248** |
| | 2014 | | | |
| **Total** Market Making | 33 | 30,560,927 | - | - |

* At the exchange rate prevailing at the end of the reporting period

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 1 contract with local banks having notional principal of Rs 104.7 million.

### 21.9.2 Maturity analysis

**Interest Rate Swaps & Cross Currency Swaps**

| Remaining Maturity | No. of contracts | Notional principal | Mark to Market Negative | Mark to Market Positive | Mark to Market Net |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | | |
| Upto 1 month | 3 | 649,631 | (13,986) | 9,880 | (4,106) |
| 1 to 3 months | - | - | - | - | - |
| 3 to 6 months | 2 | 1,618,724 | (13,165) | 13,165 | - |
| 6 months to 1 year | 1 | 167,200 | - | 4,382 | 4,382 |
| 1 to 2 years | 10 | 3,351,495 | (88,111) | 17,233 | (70,878) |
| 2 to 3 years | 3 | 959,865 | - | 85,829 | 85,829 |
| 3 to 5 years | 5 | 2,470,564 | (4,631) | 26,378 | 21,747 |
| 5 to 10 years | - | - | - | - | - |
| Above 10 years | - | - | - | - | - |
| | 24 | 9,217,478 | (119,893) | 156,867 | 36,974 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **22** | **MARK-UP / RETURN / INTEREST EARNED** | | | |
| | On loans and advances to customers | | **12,670,391** | 16,591,011 |
| | On loans and advances to financial institutions | | **38,050** | 35,693 |
| | On investments in: i) Held for trading securities | | **338,859** | 301,894 |
| | ii) Available for sale securities | | **20,498,367** | 17,637,082 |
| | On securities purchased under resale agreements | | **315,962** | 703,147 |
| | On call money lending / placements | | **21,679** | 331 |
| | | | **33,883,308** | 35,269,158 |
| **23** | **MARK-UP / RETURN / INTEREST EXPENSED** | | | |
| | Deposits | | **9,544,992** | 11,826,113 |
| | Securities sold under repurchase agreements | | **464,939** | 296,868 |
| | Call borrowings | | **33,506** | 19,430 |
| | Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme | | **600,116** | 902,755 |
| | Profit on redeemable capital, musharika and murabaha | | **225,521** | 332,922 |
| | Term Finance Certificates (sub-ordinated loans) | | **225,766** | 272,523 |
| | Others | | **21,732** | 222,882 |
| | | | **11,116,572** | 13,873,493 |
| **24** | **GAIN ON SALE OF SECURITIES - NET** | | | |
| | Federal Government Securities | | | |
| | Market Treasury Bills | | **401,793** | 44,550 |
| | Pakistan Investment Bonds | | **600,379** | 638,378 |
| | Ijarah sukuk | | **13,525** | 27,004 |
| | | | **1,015,697** | 709,932 |
| | Equity Securities - Listed | | **-** | 17,194 |
| | | | **1,015,697** | 727,126 |
| **25** | **OTHER INCOME** | | | |
| | Income from Sri Lanka branch operations | 12.2 | **(325)** | 3,567 |
| | Rent on property | | **22,363** | 21,240 |
| | Gain on disposal of fixed assets | | **3,460** | 12,366 |
| | Loss on derivatives | | **233,456** | (331,289) |
| | Gains on assets fair valued at acquisition | | **57,640** | 494,738 |
| | Other income | 25.1 | **82,602** | 183,876 |
| | | | **399,196** | 384,498 |

**25.1** This includes gain on sale of non-banking assets amounting to Rs. Nil (2014: Rs. 112.999 million).

| 26 ADMINISTRATIVE EXPENSES | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Salaries, allowances, etc. | | **5,623,595** | 5,375,048 |
| Charge / (income) for defined benefit plans | | **(38,848)** | 7,564 |
| Contributions to defined contribution plans | | **349,656** | 234,850 |
| Rent, taxes, insurance, electricity, etc. | | **1,288,965** | 1,357,646 |
| Legal and professional charges | | **125,412** | 113,181 |
| Communications | | **445,689** | 472,275 |
| Repairs and maintenance | | **1,071,045** | 1,147,660 |
| Stationery and printing | | **240,972** | 243,336 |
| Advertisement and publicity | | **378,568** | 265,580 |
| Donations | 26.1 | **17,656** | 26,000 |
| Auditors' remuneration | 26.2 | **21,319** | 20,543 |
| Depreciation | | **475,501** | 480,725 |
| Amortization | | **46,394** | 55,330 |
| Traveling, conveyance and vehicles' running | | **190,350** | 253,528 |
| Reimbursement of executive and general administrative expenses | 26.3 | **1,431,588** | 1,385,769 |
| Royalty - net | 26.4 | **(77,512)** | 184,693 |
| Reward and bonus points redemption | | **36,903** | 135,463 |
| Premises security and cash transportation services | | **339,749** | 338,760 |
| Documentation and processing charges | | **145,799** | 135,618 |
| Others | | **194,480** | 263,255 |
| | | **12,307,281** | 12,496,824 |

**26.1 Details of the donations given in excess of Rs. 100,000 are given below:**

| Donee | | | |
|---|---|---|---|
| Institute of Business Administration | | **8,000** | 8,000 |
| The Citizen Foundation | | **1,000** | 1,000 |
| The Kidney Centre | 26.1.1 | **-** | 3,000 |
| Lahore University of Management Sciences | | **1,200** | 2,400 |
| Habib University | | **4,000** | 4,000 |
| Aman Foundation | | **3,456** | 3,400 |
| The Hunar Foundation | | **-** | 4,200 |

**26.1.1** CEO of the bank is also a member of the Board of Governors of The Kidney Centre.

**26.2 Auditors' remuneration**

| | | |
|---|---|---|
| Audit fee | **18,326** | 18,336 |
| Fee for audit of pension, gratuity and provident funds | **310** | 310 |
| Special certifications and others | **1,385** | 692 |
| Taxation services | **-** | - |
| Out-of-pocket expenses | **1,297** | 1,205 |
| | **21,318** | 20,543 |

**26.3** Total cost for the year included in Administrative Expenses relating to outsourced activities is Rs 1,816 million (December 2014: Rs 1,828.5 million). This includes payments to local companies for obtaining routine services such as personnel for collection and recoveries, contact centre, service quality and technology maintenance, courier services and executive and general administrative expenses of SCB UK.

**26.4** During the year, the State Bank of Pakistan has partially restricted the remittance of royalty expense to SCB group. Accordingly the royalty amounting to Rs 267.755 million has been reversed.

## 27 OTHER PROVISIONS / ASSET WRITE OFFS

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| **Fixed asset write offs** | **3,164** | 555 |
| **Other provisions** | | |
| Provision against receivable under cross currency swaps arrangement | - | - |
| Overdue mark up suspended | - | - |
| Provision against non-banking assets acquired in satisfaction of claims | - | - |
| Others | (364) | - |
| | (364) | - |
| | 2,800 | 555 |

## 28 OTHER CHARGES

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Net charge / (reversal) against fines and penalties imposed by SBP | **40,725** | 835 |
| Worker's Welfare Fund (WWF) | **317,459** | 327,018 |
| Impairment loss on remeasurement of disposal group | **95,168** | 119,200 |
| | **453,352** | 447,053 |

## 29 TAXATION

| | | |
|---|---|---|
| For the year | | |
| - Current | **5,231,564** | 4,256,948 |
| - Deferred | **204,874** | 1,108,180 |
| | **5,436,438** | 5,365,128 |
| For prior years' | **697,323** | 187,994 |
| | **6,133,761** | 5,553,122 |

### 29.1 Relationship between tax expense and accounting profit

| | | |
|---|---|---|
| Profit before taxation | **15,564,695** | 15,368,007 |
| Tax at the applicable tax rate of 35% (2014: 35%) | **5,447,643** | 5,378,802 |
| Expenses that are not deductible in determining taxable income | **14,253** | 294 |
| Income (dividend, capital gain etc.) at reduced rates | **-** | (13,325) |
| Prior year provision | **697,323** | 187,994 |
| Others | **(25,458)** | (643) |
| | **6,133,761** | 5,553,122 |

**29.2** The return for income year 2015 (Tax Year 2016) is due for filing by 30 September 2016.

The tax department amended the assessment for income years 2007 to 2014 (tax years 2008 to 2015 respectively) under the related provisions of the Income Tax Law, determining additional tax liability on account of various issues such as disallowances of expenses relating to provision against loans and advances, goodwill amortisation etc. The resultant tax demands have been paid by the Bank which includes Rs 7,542 million for which no provision has been made. Appeals against the amended assessment orders are pending before different appellate forums. The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Accordingly, no additional provision is required.

The Commissioner (Appeals), during the year, has disposed off appeals for tax years 2011, 2012 and 2013, deciding certain issues including claim of provision for bad debts under seventh schedule in favour of the Bank, resulting in aggregate refund of Rs. 644 million due to the Bank.

The Tax Authorities have passed an order for the income years 2009 and 2010 levying Federal Excise Duty amounting to Rs.141 million on certain items. The Bank is contesting the order in the appeal. The Bank has paid entire amount under protest.

Further, an order for income year 2011 levying Federal Excise Duty of Rs. 515.6 million has been issued. The demand has been stayed by the Sindh High Court.

## 30 EARNINGS PER SHARE - BASIC AND DILUTED

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Profit for the year attributable to equity holders of the bank | **9,268,761** | 9,652,462 |
| | (Number of shares) | |
| Weighted average number of ordinary shares in issue during the year | **3,871,585,021** | 3,871,585,021 |
| | (Rupees) | |
| Earnings per share - basic and diluted | **2.39** | 2.49 |

## 31 CASH AND CASH EQUIVALENTS

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Cash and balances with treasury banks | **29,482,134** | 21,475,345 |
| Balances with other banks | **4,300,002** | 387,301 |
| | **33,782,136** | 21,862,646 |

## 32 STAFF STRENGTH

| | (Number) | |
|---|---|---|
| Permanent | **3,425** | 3,304 |
| Temporary / on contractual basis / direct contracts | **6** | 5 |
| Group's own staff at the end of the year | **3,431** | 3,309 |
| Outsourced | **429** | 1,091 |
| Total Staff Strength | **3,860** | 4,400 |

## 33 DEFINED BENEFIT PLANS

### 33.1 General description

**Non Management Staff Pension Fund**
The plan provides pension calculated at 50% of the average pensionable salary after completing 30 years of service. The employees of the bank are entitled to either pension or gratuity, but not both. However, the employees of ANZ Grindlays Bank transferred to the bank are entitled to both pension and gratuity and the minimum number of years required for entitlement of pension is 25 years for these employees. Pension is calculated as 1/120 times the last drawn merged salary for each year of service.

**Non Management Staff Gratuity Fund**
The plan provides a lump sum gratuity calculated at one month's salary for each completed year of service (maximum 40 months) after completing 5 years of service. For the employees of ex-ANZ Grindlays Bank, the plan provides a lump sum calculated at 50% of last drawn merged salary for each completed year of service (maximum 40 months) after completing 5 years of service. However, if the employee is not entitled for pension, the percentage is increased to 100%. The employees of SCB are entitled to either pension or gratuity, but not both. During the year the bank has converted its non management staff gratuity defined benefit scheme into defined contribution scheme. The conversion date is December 31, 2015.

**Management Staff Pension Fund**
The plan is closed to active employees. The entire liability is in respect of existing pensioners.

### 33.2 Principal Actuarial Assumptions

The last actuarial valuation of the scheme using projected unit credit method was carried out on 31 December 2015 and key assumptions used for actuarial valuation were as follows:

| | 2015 | 2014 |
|---|---|---|
| Discount rate | **9% p.a.** | **13.5% p.a.** |
| Expected rate of increase in salary in future years | **10% p.a.** | **11% p.a.** |
| Expected rate of return on plan assets | **9% p.a.** | **13.5% p.a.** |
| Expected long term rate of increase in pension | **5% p.a.** | **8.5% p.a.** |
| Mortality rate | **SLIC (2001-05) ultimate mortality table rated down one year** | **SLIC (2001-05) ultimate mortality table rated down one year** |
| Withdrawal rate | **Light** | **Light** |

| | | SCB Non Management Pension Fund | | SCB Non Management Gratuity Fund | | SCB Management Pension Fund | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| 33.3 | **Reconciliation of (receivable) / payable from / to defined benefit plan** | (Rupees in '000) | | | | | | | |
| | Present value of defined benefit obligations | **55,546** | 52,681 | **-** | 75,665 | **59,277** | 47,543 | **114,823** | 175,889 |
| | Fair value of plan assets | **(51,615)** | (72,941) | **(20,772)** | (26,444) | **(60,461)** | (44,427) | **(132,848)** | (143,812) |
| | (Asset) / liability recognised | **3,931** | (20,260) | **(20,772)** | 49,221 | **(1,184)** | 3,116 | **(18,025)** | 32,077 |
| 33.4 | **Movement in defined benefit obligation** | | | | | | | | |
| | Obligation as at 1 January | **52,681** | 59,346 | **75,665** | 100,765 | **47,543** | 46,716 | **175,889** | 206,827 |
| | Current service cost | **218** | 502 | **3,060** | 3,708 | **-** | - | **3,278** | 4,210 |
| | Interest cost | **6,792** | 6,460 | **9,614** | 12,746 | **6,079** | 5,794 | **22,485** | 25,000 |
| | Amount transferred to Defined Contribution Plan | **-** | - | **(95,003)** | - | **-** | - | **(95,003)** | - |
| | Benefits paid | **(6,606)** | (17,252) | **(13,123)** | (30,629) | **(6,264)** | (5,267) | **(25,993)** | (53,148) |
| | Re measurement : Actuarial (gain) / loss on obligation | **2,461** | 3,625 | **65,824** | (10,925) | **11,919** | 300 | **80,204** | (7,000) |
| | Liability Settlement (gain)/ loss | **-** | - | **(46,037)** | - | **-** | - | **(46,037)** | - |
| | Obligation as at 31 December | **55,546** | 52,681 | **-** | 75,665 | **59,277** | 47,543 | **114,823** | 175,889 |
| 33.5 | **Movement in fair value of plan assets** | | | | | | | | |
| | Fair value as at 1 January | **72,941** | 82,838 | **26,444** | 52,389 | **44,427** | 44,064 | **143,812** | 179,291 |
| | Interest income on plan asset | **9,513** | 9,426 | **3,377** | 6,764 | **5,684** | 5,456 | **18,574** | 21,646 |
| | Contribution / (refund) by the bank | **(22,983)** | - | **99,397** | - | **16,189** | - | **92,603** | - |
| | Amount transferred to Defined Contribution Plan | **-** | - | **(95,003)** | - | **-** | - | **(95,003)** | - |
| | Benefits paid | **(6,606)** | (17,252) | **(13,123)** | (30,629) | **(6,264)** | (5,267) | **(25,993)** | (53,148) |
| | Re measurement: Actuarial gain / (loss) on plan assets | **(1,250)** | (2,071) | **(320)** | (2,080) | **425** | 174 | **(1,145)** | (3,977) |
| | Fair value as at 31 December | **51,615** | 72,941 | **20,772** | 26,444 | **60,461** | 44,427 | **132,848** | 143,812 |
| 33.6 | **Movement in (receivable) / payable from / to defined benefit plan** | | | | | | | | |
| | Balance as at 1 January | **(20,260)** | (23,492) | **49,221** | 48,376 | **3,116** | 2,652 | **32,077** | 27,536 |
| | Charge for the year | **(2,503)** | (2,464) | **(36,740)** | 9,690 | **395** | 338 | **(38,848)** | 7,564 |
| | Contribution to the fund during the year | **22,983** | - | **(99,397)** | - | **(16,189)** | - | **(92,603)** | - |
| | Actuarial (gain) / loss on plan assets | **3,711** | 5,696 | **66,144** | (8,845) | **11,494** | 126 | **81,349** | (3,023) |
| | Balance as at 31 December | **3,931** | (20,260) | **(20,772)** | 49,221 | **(1,184)** | 3,116 | **(18,025)** | 32,077 |
| 33.7 | **Actual return on plan assets** | | | | | | | | |
| | - Expected return on plan assets | **9,513** | 9,426 | **3,377** | 6,764 | **5,684** | 5,456 | **18,574** | 21,646 |
| | - Actuarial gain / (loss) on plan assets | **(1,250)** | (2,071) | **(320)** | (2,080) | **425** | 174 | **(1,145)** | (3,977) |
| | | **8,263** | 7,355 | **3,057** | 4,684 | **6,109** | 5,630 | **17,429** | 17,669 |
| | **Amount recognized in total comprehensive income** | | | | | | | | |
| | The following amounts have been charged in respectof these benefits to profit and loss account and other comprehensive income: | | | | | | | | |
| | Components of defined benefit costs recognized in profit and loss account. | | | | | | | | |
| | Current service cost | **218** | 502 | **3,060** | 3,708 | **-** | - | **3,278** | 4,210 |
| | Interest cost | **6,792** | 6,460 | **9,614** | 12,746 | **6,079** | 5,794 | **22,485** | 25,000 |
| | Expected return on plan assets | **(9,513)** | (9,426) | **(3,377)** | (6,764) | **(5,684)** | (5,456) | **(18,574)** | (21,646) |
| | Recognition of past service cost | **-** | - | **(46,037)** | - | **-** | - | **(46,037)** | - |
| | | **(2,503)** | (2,464) | **(36,740)** | 9,690 | **395** | 338 | **(38,848)** | 7,564 |
| | Components of defined benefit costs (re-measurement) recognised in other comprehensive income | | | | | | | | |
| | **Re-measurement : Actuarial gain / loss on obligation** | | | | | | | | |
| | - Change in financial assumptions | **(788)** | 2,079 | **26,177** | (10,594) | **(880)** | 953 | **24,509** | (7,562) |
| | - Change in demographic assumptions | **-** | 5,555 | **-** | - | **-** | 1,500 | **-** | 7,055 |
| | - Change in experience assumptions | **3,249** | (4,009) | **39,647** | (331) | **12,799** | (2,153) | **55,695** | (6,493) |
| | | **2,461** | 3,625 | **65,824** | (10,925) | **11,919** | 300 | **80,204** | (7,000) |
| | **Re-measurement : interest income net of return on plan assets** | | | | | | | | |
| | Actual net return on plan assets | **8,263** | 7,355 | **3,057** | 4,684 | **6,109** | 5,630 | **17,429** | 17,669 |
| | Interest income on plan assets | **9,513** | 9,426 | **3,377** | 6,764 | **5,684** | 5,456 | **18,574** | 21,646 |
| | | **1,250** | 2,071 | **320** | 2,080 | **(425)** | (174) | **1,145** | 3,977 |
| | Net re-measurement recognised in other comprehensive income | **3,711** | 5,696 | **66,144** | (8,845) | **11,494** | 126 | **81,349** | (3,023) |
| 33.7.1 | **Components of plan assets as a percentage of total plan assets** | | | | | | | | |
| | Bonds | **95%** | 86% | **21%** | 76% | **70%** | 95% | | |
| | Cash and net current assets | **5%** | 14% | **79%** | 24% | **30%** | 5% | | |

**33.7.2 Sensitivity Analysis on defined benefit obligations**

| | 2015 +1% Discount rate | 2014 -1% Discount rate | 2015 +1 % Salary increase | 2014 -1 % Salary increase | 2015 +1 % Pension increase | 2014 -1 % Pension increase |
|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | |
| Non Management Pension Fund | 52,018 | 59,549 | 55,546 | 55,546 | 59,712 | 51,826 |
| Non Management Gratuity Fund | - | - | - | - | - | - |
| Management Pension Fund | 55,350 | 63,753 | 59,277 | 59,277 | 63,936 | 55,136 |

**33.7.3 Five year data on surplus/ (deficit) of the plans and experience adjustments**

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| | (Rupees in '000) | | | | |
| Present value of defined benefit obligation | 114,823 | 175,889 | 206,827 | 168,429 | 169,645 |
| Fair value of plan assets | 132,848 | 143,812 | 179,291 | 175,729 | 169,423 |
| Deficit / (Surplus) | (18,025) | 32,077 | 27,536 | (7,300) | 222 |
| Experience adjustments on plan liabilities - loss / (gain) | 65,004 | (6,493) | 5,373 | (18,000) | (741) |
| Experience adjustments on plan assets - loss / (gain) | 1,145 | 3,977 | 6,439 | (7,637) | (3,889) |

**33.7.4** Expected contribution for the year ending 31 December 2015 in relation to Non-Management Pension Fund amounts to Rs. 0.339 million.

## 34 SHARE BASED PAYMENTS

The Bank's employees participate in the following share compensation plans operated globally by the ultimate holding company, Standard Chartered Plc (SCPLC). For employees in Pakistan, the Group has changed its arrangement to issue shares of SCPLC upon meeting the vesting conditions. Previously the Group operated cash equivalent or "phantom" arrangements under which employees can receive a cash benefit linked to either the growth in Group's share (Sharesave scheme) or the value of the Group's share (restricted / performance share awards) and the arrangement did not give an option to the Bank's employees to buy SCPLC shares. The market value of shares is denominated in pounds sterling at the time of grant. Phantom scheme not yet vested are still being accounted for cash settled basis.

The total expense recognised in respect of above schemes on equity settled basis amounts to Rs. 25.695 million (2014: Rs.82.231 million). As also explained in note 3.20 in detail, the Bank's liability towards its parent, however continues to be determined and recorded on cash settled basis for options not yet vested. The main features of each plan are as follows:

### i) Standard Chartered Share Plan

The 2012 Standard Chartered Share Plan replaced all the Group's existing discretionary share plan arrangements following approval by shareholders at the Group's Annual General Meeting on 5 May 2011. It is the Group's main share plan, applicable to all employees with the flexibility to provide a variety of award types including performance shares, deferred awards (shares or cash) and restricted shares. Performance and restricted share awards will generally be in the form of nil price options to participate in the shares of SCPLC. The remaining life of the plan is ten years.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 85 | - | 97 | - |
| Granted during the year | 28 | - | 18 | - |
| Exercised during the year | (14) | - | (16) | - |
| Lapsed during the year | (22) | - | (15) | - |
| Notional dividend | 1 | - | 1 | - |
| Adjustment due to right issue | 4 | - | - | - |
| At 31 December | 82 | - | 85 | - |

The weighted average price at the time the options were exercised during 2015 was £ NIL (2014: £NIL).

| Range of exercise price | 2015 Weighted average exercise price | 2015 Number of options (000) | 2015 Weighted average remaining life Expected years | 2015 Weighted average remaining life Contractual years | 2014 Weighted average exercise price | 2014 Number of options (000) | 2014 Weighted average remaining life Expected years | 2014 Weighted average remaining life Contractual years |
|---|---|---|---|---|---|---|---|---|
| NIL | - | 82 | 10 | 5.46 / 7.41 | - | 85 | 10 | 5.09 / 7.91 |

The intrinsic value of vested International Sharesave cash-settled awards as at 31 December 2015 was Rs. 23,647 thousand (2014: Rs 11,063 thousand).

As at 31 December 2015, total number of options exercisable were 10,933.

**ii) International Sharesave Scheme**

The International Share save Scheme was first launched in 1996 and made available to all employees of the Bank. Employees have the choice of opening a three-year or a five-year savings contract. Within a period of six months after the third or fifth anniversary, employees may exercise the awards and receive any benefit in cash; alternatively, the employee may elect to have the savings, plus interest, repaid in cash. The price at which they may purchase shares is at a discount of up to 20 percent on the share price at the date of the invitation. There are no performance conditions attached to options granted. The options granted do not confer any right to participate in any share issue of any other company.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 70 | 10.83/10.85 | 84 | 11.91/11.78 |
| Granted during the year | 25 | 5.86 | 26 | 9.85 |
| Exercised during the year | (3) | 10.65 | (1) | 9.80 |
| Lapsed during the year | (33) | 9.78 / 10.45 | (39) | 11.27 / 12.99 |
| Adjustment due to right issue | 3 | 5.86 | - | - |
| At 31 December | 62 | 8.11/10.89 | 70 | 10.85 |

The weighted average price at the time the options were exercised during 2015 was £10.65 (2014: £9.8).

| Range of exercise price | 2015 Weighted average exercise price | 2015 Number (000) | 2015 Weighted average remaining life Expected years | 2015 Weighted average remaining life Contractual years | 2014 Weighted average exercise price | 2014 Number (000) | 2014 Weighted average remaining life Expected years | 2014 Weighted average remaining life Contractual years |
|---|---|---|---|---|---|---|---|---|
| £5.57/£13.93 | 8.11/ 10.89 | 62 | 3.33/5.33 | 1.22/2.61 | 10.85 | 70 | 3.33/5.33 | 0.82/2.91 |

The intrinsic value of vested International Sharesave cash-settled awards as at 31 December 2015 was 2,408 thousand (2014: Rs. 32,854 thousand).

As at 31 December 2015, total number of options exercisable were 1,113.

**iii) Restricted Share Scheme**

The Restricted Share Scheme is a discretionary share incentive scheme for high performing and high potential staff at any level of the organisation whom the Group wishes to motivate and retain. Except upon appointment when an executive director may be granted an award of restricted shares, the Restricted Share Scheme is not applicable to the Group's executive directors, as it has no performance conditions attached to it. Fifty per cent of the award vests two years after the date of the grant and the remainder after three years. The awards granted under this scheme are nil cost options with any benefit payable in cash. The options granted do not confer any right to participate in any share issue of any other company.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 13 | - | 22 | - |
| Granted during the year | - | - | - | - |
| Exercised during the year | (1) | - | (9) | - |
| Lapsed during the year | (3) | - | - | - |
| Adjustment due to right issue | 1 | | - | |
| At 31 December | 10 | - | 13 | - |

The weighted average price at the time the options were exercised during 2015 was Nil (2014: Nil).

| | 2015 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Weighted average remaining life | | | | Weighted average remaining life | |
| Range of exercise price | Weighted average exercise price | Number of options (000) | Expected years | Contractual years | Weighted average exercise price | Number of options (000) | Expected years | Contractual years |
| N/A | - | 10 | - | 1.3 | - | 13 | - | 2.07 |

The intrinsic value of vested Restricted Share Scheme cash-settled awards as at 31 December 2015 was Rs. 21,211 thousand (2014: Rs. 23,062 thousand).

As at 31 December 2015, total number of options exercisable were 9,807.

### iv) Supplementary Restricted Share Scheme

The Group operates a Supplementary Restricted Share Scheme which can be used to defer part of an employee's annual bonus in shares. The plan is principally used for employees in the global markets area and is similar to the RSS outlined above for three importarft factors: executive directors are specifically prohibited from the plan; no new shares can be issued to satisfy awards; and there is no individual annual limit.

Movements in the number of share options held by the Bank's employees are as follows:-

| | 2015 Number ('000) | Weighted average exercise price £ per share | 2014 Number ('000) | Weighted average exercise price £ per share |
|---|---|---|---|---|
| At 1 January | 1 | - | 1 | - |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Lapsed during the year | - | - | - | - |
| Adjustment due to right issue | - | | - | |
| At 31 December | 1 | - | 1 | - |

| | 2015 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Weighted average remaining life | | | | Weighted average remaining life | |
| Range of exercise price | Weighted average exercise price | Number of options (000) | Expected years | Contractual years | Weighted average exercise price | Number of options (000) | Expected years | Contractual years |
| N/A | - | 1 | 5 | 2.07 | - | 1 | 5 | 3.07 |

The intrinsic value of vested Supplementary Restricted Share Scheme cash-settled awards as at 31 December 2015 was Rs. 3,089 thousand (2014: Rs. 2,327 thousand).

As at 31 December 2015, total number of options exercisable were 1,428.

## 35 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

| | Note | Chief Executive* | | Directors | | Executives | |
|---|---|---|---|---|---|---|---|
| | | 2015 | 2014* | 2015 | 2014 | 2015 | 2014 |
| | | (Rupees in '000) | | | | | |
| Director's remuneration / fees | 35.1 | - | - | 5,335 | 5,795 | - | - |
| Managerial remuneration | 35.2 | 30,000 | 18,954 | - | - | 1,655,539 | 1,690,587 |
| Contribution to defined contribution plan | | 5,499 | 1,630 | - | - | 236,449 | 219,889 |
| Rent and house maintenance | | 12,000 | 3,558 | - | - | 525,977 | 461,721 |
| Medical | | 3,000 | 889 | - | - | 140,460 | 128,170 |
| Others | | 18,957 | 26,097 | - | - | 460,028 | 157,611 |
| | | 69,456 | 51,128 | 5,335 | 5,795 | 3,018,453 | 2,657,978 |
| Number of persons | | 1 | 3 | 3 | 3 | 1,245 | 1,131 |

*This includes managerial remuneration and other benefits of current and previous Chief Executives..

**35.1** The director's remuneration / fees represents remuneration paid to the Bank's 3 non-executive directors (2014: 3) for attending Board and Sub-Committee meetings.

**35.2** The Chief Executive is also entitled to house allowance in lieu of furnished accommodation and provided with Bank maintained car. In addition, the Chief Executive and some of the executives are also reimbursed for cost of medical expenses and other benefits like club subscription, etc. as per their terms of employment.

In addition to the above, all Executives, including Chief Executive of the Bank are also eligible for discretionary variable compensation which includes cash &/or share awards. This is determined on the basis of employee's evaluation and the Bank's performance during the year. The aggregate amount in this respect, relating to all Executives, including Chief Executive of the Bank amounted to Rs. 485.521 million (2014: Rs. 521.332 million).

## 36 FAIR VALUE OF FINANCIAL INSTRUMENTS

### On-balance sheet financial instruments

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Book value | Fair value | Book value | Fair value |
| | (Rupees in '000) | | | |
| **On - balance sheet financial instruments** | | | | |
| **Assets** | | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | 21,475,345 | 21,475,345 |
| Balances with other banks | 4,300,002 | 4,300,002 | 387,301 | 387,301 |
| Lendings to financial institutions | 26,969,566 | 26,969,566 | 10,813,559 | 10,813,559 |
| Investments - net | 224,632,132 | 224,632,132 | 188,992,097 | 188,992,097 |
| Advances - net | 106,594,901 | 106,594,901 | 128,575,353 | 128,575,353 |
| Other assets | 20,091,494 | 20,091,494 | 27,187,529 | 27,187,529 |
| | 412,070,229 | 412,070,229 | 377,431,184 | 377,431,184 |
| **Liabilities** | | | | |
| Bills payable | 11,401,191 | 11,401,191 | 5,563,605 | 5,563,605 |
| Borrowings | 21,784,451 | 21,784,451 | 17,244,671 | 17,244,671 |
| Deposits and other accounts | 327,121,324 | 327,121,324 | 304,305,541 | 304,305,541 |
| Sub-ordinated loans | 3,218,309 | 3,218,309 | 2,575,833 | 2,575,833 |
| Other liabilities | 25,335,555 | 25,335,555 | 24,475,808 | 24,475,808 |
| | 388,860,830 | 388,860,830 | 354,165,458 | 354,165,458 |
| **Off-balance sheet financial instruments** | | | | |
| Interst Rate swaps / Foreign currency options / Forward purchase contracts | 81,295,849 | 81,791,880 | 68,381,789 | 69,425,392 |
| Interest Rate swaps / Foreign currency options / Forward sale contracts | 56,367,906 | 57,725,514 | 52,320,366 | 53,677,974 |

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

| | |
|---|---|
| Federal Government Securities | PKRV and PKISRV rates (Reuters page) |
| Sukuk Bonds (other than government) | MUFAP rates |
| Listed securities | Market prices |

Fair value of fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non - availability of relevant active market for similar assets and liabilities. The provision for impairment of debt securities and loans and advances has been calculated in accordance with the Bank's accounting policies as stated in note 3.6.

**36.1** The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments

| | | 2015 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Carry value | | | | | | Fair value | | | |
| | Note | Held for Trading | Available for Sale | Loans and Receivables | Other financial Assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | | | |
| **- Investments** | | | | | | | | | | | |
| Government Securities (Tbills + PIBs + Sukuks) | | 1,493,214 | 221,539,920 | - | - | - | 223,033,134 | - | 223,033,134 | - | 223,033,134 |
| Sukuk Bonds (other than government) | | - | 97,134 | - | - | - | 97,134 | - | 97,134 | - | 97,134 |
| Equity securities traded (Shares) | | - | 176,864 | - | - | - | 176,864 | 176,864 | - | - | 176,864 |
| **Financial assets not measured at fair value** | | | | | | | | | | | |
| - Cash and bank balances with SBP and NBP | 36.2 | - | - | - | 29,482,134 | - | 29,482,134 | - | - | - | - |
| - Balances with other banks | 36.2 | - | - | - | 4,300,002 | - | 4,300,002 | - | - | - | - |
| - Lending to financial instruments | 36.2 | - | - | - | 26,969,566 | - | 26,969,566 | - | - | - | - |
| - Sukuk Bonds (other than government) | 36.2 | - | 1,325,000 | - | - | - | 1,325,000 | - | - | - | - |
| - Advances | 36.2 | - | - | 106,594,901 | - | - | 106,594,901 | - | - | - | - |
| - Other assets | 36.2 | - | - | - | 20,091,494 | - | 20,091,494 | - | - | - | - |
| | | 1,493,214 | 223,138,918 | 106,594,901 | 80,843,196 | - | 412,070,229 | 176,864 | 223,130,268 | - | 223,307,132 |
| **Financial liabilities not measured at fair value** | | | | | | | | | | | |
| - Bills Payable | 36.2 | - | - | - | - | 11,401,191 | 11,401,191 | | | | |
| - Deposits and other accounts | 36.2 | - | - | - | - | 327,121,324 | 327,121,324 | - | - | - | - |
| - Borrowings | 36.2 | - | - | - | - | 21,784,451 | 21,784,451 | - | - | - | - |
| - Sub - ordinated loans | 36.2 | - | - | - | - | 2,500,000 | 2,500,000 | - | - | - | - |
| - Other liabilities (excluding liabilities against assets subject to finance lease) | 36.2 | - | - | - | - | 25,335,555 | 25,335,555 | - | - | - | - |
| | | - | - | - | - | 388,142,521 | 388,142,521 | - | - | - | - |
| Off balance sheet financial instruments | | | | | | | | | | | |
| Interest Rate swaps / Foreign currency options / Forward purchase contracts | | - | - | - | 81,295,849 | - | 81,295,849 | - | 81,791,880 | - | 81,791,880 |
| Interest Rate swaps / Foreign currency options / Forward sale contracts | | - | - | - | 56,367,906 | - | 56,367,906 | - | 57,725,514 | - | 57,725,514 |

On balance sheet financial instruments

| | Note | 2014 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Carry value | | | | | | Fair value | | | |
| | | Available for Sale | Available for Sale | Loans and Receivables | Other financial Assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | | | | | | | |
| **Financial assets measured at fair value - Investments** | | | | | | | | | | | |
| Government Securities (Tbills + PIBs + Sukuks) | | 8,269,501 | 179,101,270 | - | - | - | 187,370,771 | - | 187,370,771 | - | 187,370,771 |
| Sukuk Bonds (other than government) | | - | 149,728 | - | - | - | 149,728 | - | 149,728 | - | 149,728 |
| Equity securities traded (Shares) | | - | 146,598 | - | - | - | 146,598 | 146,598 | - | - | 146,598 |
| Financial assets not measured at fair value | | | | | | | | | | | |
| - Cash and bank balances with SBP and NBP | 36.2 | - | - | - | 21,475,345 | - | 21,475,345 | - | - | - | - |
| - Balances with other banks | 36.2 | - | - | - | 387,301 | - | 387,301 | - | - | - | - |
| - Lending to financial instruments | 36.2 | - | - | - | 10,813,559 | - | 10,813,559 | - | - | - | - |
| - Sukuk Bonds (other than government) | 36.2 | - | 1,325,000 | - | - | - | 1,325,000 | - | - | - | - |
| - Advances | 36.2 | - | - | - | 126,575,353 | - | 128,575,353 | - | - | - | - |
| - Other assets | 36.2 | - | - | - | 27,187,529 | - | 27,187,529 | - | - | - | - |
| | | 8,269,501 | 180,722,596 | - | 188,439,087 | - | 377,431,184 | 146,598 | 187,520,499 | - | 187,667,097 |
| Financial liabilities not measured at fair value | | | | | | | | | | | |
| - Bills Payable | | - | - | - | - | 5,563,605 | 5,563,605 | - | - | - | - |
| - Deposits and other accounts | 36.2 | - | - | - | - | 304,305,541 | 304,305,541 | - | - | - | - |
| - Borrowings | 36.2 | - | - | - | - | 17,244,671 | 17,244,671 | - | - | - | - |
| - Sub - ordinated loans | 36.2 | - | - | - | - | 2,500,000 | 2,500,000 | - | - | - | - |
| - Other liabilities (excluding liabilities against assets subject to finance lease) | 36.2 | - | - | - | - | 24,475,808 | 24,475,808 | - | - | - | - |
| | | - | - | - | - | 354,089,625 | 354,089,625 | - | - | - | - |
| Off Balance sheet financial instruments | | | | | | | | | | | |
| Interest Rate swaps / Foreign currency options / Forward purchase contracts | | - | - | - | 68,381,789 | - | 68,381,789 | - | 69,425,392 | - | 69,425,392 |
| Interest Rate swaps / Foreign currency options / Forward sale contracts | | - | - | - | 52,320,366 | - | 52,320,366 | - | 53,677,974 | - | 53,677,974 |

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

**36.2** These financial assets and liabilities are for short term or reprice over short term. Therefore their carrying amounts are reasonable approximation of fair value.

## 37 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

| 2015 | Corporate and institutional clients | Commercial clients | Retail clients | Total |
|---|---|---|---|---|
| | (Rupees in '000) | | | |
| Internal Income | (12,379,718) | (1,343,108) | 13,797,905 | 75,079 |
| Net mark-up / return / interest income | 23,767,601 | 2,023,734 | (3,024,599) | 22,766,736 |
| Non mark-up / non interest income | 3,247,702 | 406,454 | 3,462,705 | 7,116,861 |
| Operating income | 14,635,585 | 1,087,080 | 14,236,011 | 29,958,676 |
| Non mark-up / non interest expenses | 3,131,947 | 880,951 | 8,750,535 | 12,763,433 |
| Internal non mark-up / non interest expenses | 15,408 | 3,605 | 56,066 | 75,079 |
| Operating profit before provisions and taxation | 11,488,230 | 202,524 | 5,429,410 | 17,120,164 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 1,255,130 | 340,881 | (45,271) | 1,550,740 |
| Provision for diminution in the value of investments | 4,729 | - | - | 4,729 |
| **Profit before taxation** | 10,228,371 | (138,357) | 5,474,681 | 15,564,695 |
| **Other segment items:** | | | | |
| Depreciation on tangible fixed assets | 142,650 | 19,020 | 313,831 | 475,501 |
| Amortisation on intangible assets | 13,918 | 1,856 | 30,620 | 46,394 |
| Segment assets (gross) | 408,608,378 | 34,809,966 | 35,014,478 | 478,432,822 |
| Segment non performing loans | 11,349,894 | 8,743,150 | 3,925,372 | 24,018,416 |
| Segment provision required | 9,730,860 | 7,767,873 | 4,017,985 | 21,516,718 |
| Segment liabilities | 132,330,916 | 6,709,932 | 253,792,676 | 392,833,524 |
| Segment return on net assets (ROA) (%) * | 2.56% | -0.51% | 17.66% | 3.41% |
| Segment cost of funds (%) ** | 4.42% | 2.89% | 2.30% | 2.97% |

| 2014 | | | | |
|---|---|---|---|---|
| Internal Income | (13,212,375) | (1,607,244) | 14,928,110 | 108,491 |
| Net mark-up / return / interest income | 23,046,829 | 2,525,377 | (4,176,541) | 21,395,665 |
| Non mark-up / non interest income | 3,348,584 | 465,923 | 3,585,762 | 7,400,269 |
| Operating income | 13,183,038 | 1,384,056 | 14,337,331 | 28,904,425 |
| Non mark-up / non interest expenses | 3,957,772 | 623,000 | 8,363,660 | 12,944,432 |
| Internal non mark-up / non interest expenses | 21,303 | 7,081 | 80,107 | 108,491 |
| Operating profit before provisions and taxation | 9,203,963 | 753,975 | 5,893,564 | 15,851,502 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 672,393 | (113,418) | (149,123) | 409,852 |
| Provision for diminution in the value of investments - net | 73,643 | - | - | 73,643 |
| **Profit before taxation** | 8,457,927 | 867,393 | 6,042,687 | 15,368,007 |
| **Other segment items:** | | | | |
| Depreciation of tangible fixed assets | 95,632 | 7,237 | 377,856 | 480,725 |
| Amortisation of intangible assets | 50,667 | 4,663 | - | 55,330 |
| Segment assets (gross) | 371,253,029 | 36,718,655 | 34,121,512 | 442,093,196 |
| Segment non performing loans | 9,476,183 | 9,089,774 | 4,529,776 | 23,095,733 |
| Segment provision required | 8,744,098 | 8,333,478 | 4,372,424 | 21,450,000 |
| Segment liabilities | 110,435,328 | 7,918,026 | 239,469,689 | 357,823,043 |
| Segment return on net assets (ROA) (%) * | 2.33% | 3.06% | 20.31% | 3.65% |
| Segment cost of funds (%) ** | 6.32% | 6.43% | 3.03% | 3.98% |

* Segment ROA = Profit before tax / (Segment assets - Segment provisions)

** Segment cost of funds have been computed based on the average balances.

**Corporate and Institutional Clients**

This include deposits, trade, advisory services and other lending activities for corporate and financial institutions. It also includes the overall management of treasury of the Bank, which entails various cash and interest risk management products for customers. The products include FX forwards, FX options and interest rate swaps.

**Commercial Clients**

This include deposits, trade, wealth management and SME discretionary lending activities.

**Retail Clients**

This includes wealth management, deposits, secured lending (mortgages, overdrafts etc.), unsecured lending (credit cards, personal loans etc.) for priority and small business clients.

## 38 RELATED PARTY TRANSACTIONS

Related parties comprise of Standard Chartered Plc., ultimate parent company, its other subsidiaries and branches, key management personnel, employees' retirement benefit funds and other associated undertakings. The transactions with related parties are conducted at commercial / agreed terms. The Group also provides advances to employees at reduced rates in accordance with their terms of employment.

The transactions and balances with related parties are summarised as follows:

| OUTSTANDING BALANCES | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Group** | | | |
| Nostro balances with other subsidiaries and branches of the holding company | | **4,253,892** | 337,420 |
| Overdrawn nostro balances with other subsidiaries and branches of the holding company | | **1,046,275** | 1,621,956 |
| Vostro balances of other subsidiaries and branches of the holding company | | **496,085** | 438,857 |
| Placements with other subsidiaries and branches of the holding company | | **16,450,620** | 8,313,559 |
| Deposits of group company | 38.1 | **25,445** | 33,745 |
| Due from group companies | | **19,748** | 290 |
| Due to holding company | | **7,739,048** | 6,442,443 |
| Due to group company | | **-** | - |
| Due from other subsidiaries and branches of the company | | **74,069** | 93,716 |
| Interest receivable from group companies | | **202** | 65 |
| Inter-company derivative assets | | **31,079** | 20,301 |
| Inter-company derivative liabilities | | **56,183** | 214,493 |
| Other receivables - SLA | | **453** | 1,508 |
| Transaction-related contingent liabilities - Guarantees | | **21,183,434** | 24,199,988 |
| Commitments in respect of forward foreign exchange contracts | | **4,037,342** | 7,540,663 |
| Derivative instruments- Interest rate swaps - Notional | | **2,382,572** | 4,459,958 |
| Derivative instruments- FX options - Notional | | **83,624** | - |
| **Key management personnel** | | | |
| Loans and advances to key management personnel | 38.1 | **131,718** | 68,581 |
| Deposits of key management personnel | 38.1 | **87,112** | 172,834 |
| Rent payable | | **-** | 1,574 |

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Others** | | | |
| Loans and advances to customers with common directorship | 38.1 | **121,347** | 693,293 |
| Deposits by staff retirement benefit funds | | **176,807** | 113,870 |
| Deposits by customers with common directorship | | **555,683** | 435,906 |
| Accrued interest receivable against loans and advances to customers with common directorship | | **3,506** | 17,855 |
| (Receivable from) / payable to defined benefit plans | 33.3 | **(18,025)** | 32,077 |
| Receivable from defined contribution plans | | **-** | 138,949 |
| Transaction-related contingent liabilities - Guarantees | | **101,739** | 526,739 |
| Trade-related contingent liabilities - Letter of Credit | | **1,689,606** | 1,087 |
| Advance receivable | | **-** | 1,802 |
| **PROFIT AND LOSS** | | | |
| **Group** | | | |
| Mark-up / return / interest earned | | **23,747** | 37,968 |
| Mark-up / return / interest expensed | | **28** | 202 |
| Fee and commission expense | | **6,363** | 8,991 |
| Fee and commission income | | **77,414** | 118,038 |
| Reimbursement of executive and general administrative expenses | 26.3 | **1,431,588** | 1,385,769 |
| Payment to group company for direct sales services rendered | | **207,628** | 669,494 |
| Reimbursement of administrative expenses (including rent and other charges) | | **11,687** | 11,745 |
| Gain on inter-company derivatives | | **169,088** | 178,064 |
| Reversal of royalty expense | | **(77,512)** | 184,693 |
| Dividend paid | | **8,623,085** | 8,239,528 |
| **Key management personnel** | | | |
| Mark-up / return / interest earned | | **4,304** | 3,205 |
| Mark-up / return / interest expensed | | **1,548** | 4,151 |
| Salaries and benefits | | **421,158** | 387,747 |
| Post retirement benefits | | **24,702** | 19,349 |
| Remuneration / fee paid to non-executive directors | | **5,335** | 5,795 |
| Rent expenses | | **2,706** | 647 |
| **Others** | | | |
| Contribution to defined contribution plans - net of payments received | | **488,605** | 373,796 |
| Charge for defined contribution plans | | **349,656** | 234,849 |
| Net charge / (income) for defined benefit plans | | **(38,848)** | 7,564 |
| Mark-up / return / interest expensed on deposits of staff retirement benefit funds | | **11,745** | 16,639 |
| Mark-up / return / interest expensed on deposits of customers with common directorship | | **184,419** | 20,606 |
| Mark-up / return / interest earned on advances to customers with common directorship | | **28,613** | 22,801 |
| Donation to The Kidney Centre | 26.1.1 | **-** | 3,000 |
| Net gain / (loss) on derivatives | | **-** | (9,775) |
| Payment made to Central Depository Company of Pakistan Limited | 38.2 | **-** | 4,629 |
| Gas charges | | **873** | 82 |
| Miscellaneous income from company with common directorship | | **5,625** | 1,753 |

**38.1 Net movements in loans and deposits are summarised as follows:**

| | Balance as at 31 December 2014 | Net disbursement / deposits | Net repayments / withdrawals | Balance as at 31 December 2015 |
|---|---|---|---|---|
| | (Rupees in '000) | | | |
| **Loans and advances** | | | | |
| Key management personnel | 68,581 | 149,534 | (86,397) | 131,718 |
| Others | 693,293 | 777,216 | (1,349,162) | 121,347 |
| **Deposits** | | | | |
| Group companies | 33,745 | 503,726 | (512,026) | 25,445 |
| Key management personnel | 172,834 | 1,018,749 | (1,104,471) | 87,112 |
| Others | 549,776 | 166,715,153 | (166,532,439) | 732,490 |

**38.2** The previous CEO of the bank was also the member of the Board of this organisation.

**39 Capital Adequacy Ratio (CAR) disclosure**

**Capital Structure**

The State Bank of Pakistan through its BSD Circular No.07 dated 15 April 2009 requires the minimum paid up capital (net of losses) for all locally incorporated banks to be Rs. 10 billion on 31 December 2013 and onwards. The raise was to be achieved in a phased manner requiring Rs.10 billion paid up capital (net of losses) by the end of the financial year 2013. The paid up capital of the Bank for the year ended 31 December 2015 stands at Rs. 38.715 billion and is in compliance with the SBP requirement.

Furthermore, the State Bank requires the Bank to maintain prescribed capital to total risk-weighted assets ratios. The capital adequacy ratios of the Bank were subject to the Basel 3 capital adequacy guidelines stipulated by the State Bank through its BPRD Circular No.6 dated 15 August 2013. These instructions are effective from 31 December 2013 in a phased manner with full implementation intended by 31 December 2019. Under Basel III guidelines banks are required to maintain the following ratios on an ongoing basis:

**Phase-in arrangement and full implementation of the minimum capital requirements:**

| | | Year End | | | | | | 31 December |
|---|---|---|---|---|---|---|---|---|
| S No. | Ratio | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 1 | Common Equity Tier 1 (CET 1) | 5.00% | 5.50% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| 2 | Additional Tier-1 (ADT 1) | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| 3 | Tier 1 | 6.50% | 7.00% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| | Total Capital | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 4 | *Capital Consumption Buffer (CCB) | - | - | 0.25% | 0.65% | 1.28% | 1.90% | 2.50% |
| | Total Capital plus CCB | 10.00% | 10.00% | 10.25% | 10.65% | 11.28% | 11.90% | 12.50% |

*(Consisting of CET1 only)

Moreover, the State Bank, through its BPRD circular No. 02 dated 09 January 2015 issued revised instructions for calculation of risk weight on outstanding exposures against large unrated private sector borrowers. The circular requires that the risk weight on all unrated private sector borrowers with aggregate outstanding exposure from financial institutions (both fund-based and non-fund based) of Rs. 3.0 billion or above, net of liquid assets, shall be taken 125% for the year ended 31 December 2015 instead of previous requirement of 115% risk weight on all unrated private sector borrowers with aggregate outstanding exposure from financial institutions (both fund-based and non-fund based) of Rs. 5.0 billion or above, net of liquid assets.

Banking operations are categorised in either the trading book or the banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's regulatory capital is analysed into three tiers, with total Tier 1 capital being the sum of CET1 and ADT1 below:

- Common Equity Tier I capital, which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as disclosed on the balance sheet and un-appropriated profits (net of accumulated losses, if any). Goodwill and other intangibles are deducted from Tier I capital.

- Additional Tier I capital, which includes perpetual non-cumulative preference shares and share premium resulting from the same. The Bank did not have any ADT1 as of 31 December 2015.

The deduction from Tier 1 Capital include mainly:

i) Book value of goodwill / intangibles;

ii) Deficit on revaluation of available for sale investments

iii) Defined-benefit pension fund net assets

iv) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;

v) Investment in mutual funds above a prescribed ceiling;

vi) Threshold deductions applicable from 2015 on deferred tax assets and certain investments;

vii) 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position.

- Tier II capital includes sub-ordinated debt, revaluation reserves on assets, exchange translation reserves and impairment allowances that are not held against identified debts. Information on the terms, conditions and other features of the Bank's sub-ordinated debt currently in issue is given in note 16 to these financial statements. There is a restriction on the amount of impairment allowances that are not held against identified debts upto 1.25 percent of credit risk weighted assets.

The deductions from Tier 2 include mainly:

i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;

ii) 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Bank remained compliant with all externally imposed capital requirements through out the year. Further, there has been no material change in the Bank's management of capital during the year.

**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 31 December 2015. As at 31 December 2015, the bank has a leverage ratio of 6.73 % (2014: 7.40 %) and Tier-1 capital of Rs. 36,137 million (2014: Rs. 35,258 million).

| | | 2015 | 2014 |
|---|---|---|---|
| | **Common Equity Tier 1 capital (CET1): Instruments and reserves** | (Rupees in '000) | |
| 1 | Fully Paid-up Capital | **38,715,850** | 38,715,850 |
| 2 | Balance in Share Premium Account | **1,036,090** | 1,036,090 |
| 3 | Reserve for issue of Bonus Shares | **-** | - |
| 4 | Discount on Issue of shares | **-** | - |
| 5 | General/ Statutory Reserves | **9,928,706** | 8,074,954 |
| 6 | Gain/(Losses) on derivatives held as Cash Flow Hedge | **-** | - |
| 7 | Unappropriated profits | **5,575,472** | 6,889,197 |
| 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) | **752,018** | 835,114 |
| 9 | **CET 1 before Regulatory Adjustments** | **56,008,136** | 55,551,205 |
| 10 | Total regulatory adjustments applied to CET1 (Note 39.1.1) | **19,898,139** | 20,307,167 |
| 11 | **Common Equity Tier 1** | **36,109,997** | 35,244,038 |
| | **Additional Tier 1 (AT 1) Capital** | | |
| 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) | **26,950** | 14,402 |
| 16 | of which: instrument issued by subsidiaries subject to phase out | **-** | - |
| 17 | **AT1 before regulatory adjustments** | **26,950** | 14,402 |
| 18 | Total regulatory adjustment applied to AT1 capital (Note 39.1.2) | **-** | - |
| 19 | Additional Tier 1 capital after regulatory adjustments | **26,950** | 14,402 |
| 20 | **Additional Tier 1 capital recognized for capital adequacy** | **26,950** | 14,402 |
| 21 | **Tier 1 Capital (CET1 + admissible AT1) (11+20)** | **36,136,947** | 35,258,440 |
| | **Tier 2 Capital** | | |
| 22 | Qualifying Tier 2 capital instruments under Basel III plus any related share premium | **-** | - |
| 23 | Tier 2 capital instruments subject to phase-out arrangement issued under pre-Basel 3 rules | **1,750,000** | 2,000,000 |
| 24 | Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2) | **44,917** | 24,003 |
| 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 | **555,906** | 539,465 |
| 27 | Revaluation Reserves (net of taxes) | **4,645,974** | 3,505,028 |
| 28 | of which: Revaluation reserves on fixed assets | **2,460,044** | 2,073,663 |
| 29 | of which: Unrealized gains/losses on AFS | **2,185,930** | 1,431,365 |
| 30 | Foreign Exchange Translation Reserves | **-** | - |
| 31 | Undisclosed/Other Reserves (if any) | **-** | - |
| 32 | **T2 before regulatory adjustments** | **6,996,797** | 6,068,496 |
| 33 | Total regulatory adjustment applied to T2 capital (Note 39.1.3) | **-** | - |
| 34 | Tier 2 capital (T2) after regulatory adjustments | **-** | - |
| 35 | Tier 2 capital recognized for capital adequacy | **-** | - |
| 36 | Portion of Additional Tier 1 capital recognized in Tier 2 capital | **-** | - |
| 37 | **Total Tier 2 capital admissible for capital adequacy** | **6,996,797** | 6,068,496 |
| 38 | **TOTAL CAPITAL (T1 + admissible T2) (21+37)** | **43,133,744** | 41,326,936 |
| 39 | **Total Risk Weighted Assets (RWA) {for details refer Note 39.5}** | **208,154,347** | 218,557,252 |
| | **Capital Ratios and buffers (in percentage of risk weighted assets)** | | |
| 40 | **CET1 to total RWA** | **17.35%** | 16.13% |
| 41 | **Tier-1 capital to total RWA** | **17.36%** | 16.13% |
| 42 | **Total capital to total RWA** | **20.72%** | 18.91% |
| 43 | Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) | **-** | - |
| 44 | of which: capital conservation buffer requirement | **-** | - |
| 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) | **7.35%** | 6.13% |
| | **National minimum capital requirements prescribed by SBP** | | |
| 48 | **CET1 minimum ratio** | **6.00%** | 5.50% |
| 49 | **Tier 1 minimum ratio** | **7.50%** | 7.00% |
| 50 | **Total capital minimum ratio (including buffer requirement of 0.25%)** | **10.25%** | 10.00% |

| | 39.1 Regulatory Adjustments and Additional Information | 2015 | | 2014 |
|---|---|---|---|---|
| | | Amount | Amounts subject to Pre-Basel III treatment* | Amount |
| | **39.1.1 Common Equity Tier 1 capital: Regulatory adjustments** | (Rupees in '000) | | |
| 1 | Goodwill (net of related deferred tax liability) | 18,928,832 | - | 19,825,701 |
| 2 | All other intangibles (net of any associated deferred tax liability) | 42,249 | - | 96,901 |
| 3 | Shortfall in provisions against classified assets | | - | - |
| 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 | | - | - |
| 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) | | - | - |
| 13 | Significant investments in the common stocks of banking, financial and insurance entitiesthat 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) | 927,058 | 1,390,587 | 384,565 |
| 15 | Amount exceeding 15% threshold | - | - | - |
| 16 | of which: significant investments in the common stocks of financial entities | | - | - |
| 17 | of which: deferred tax assets arising from temporary differences | | - | - |
| 18 | National specific regulatory adjustments applied to CET1 capital | - | - | - |
| 19 | Investments in TFCs of other banks exceeding the prescribed limit | | - | - |
| 20 | Any other deduction specified by SBP | - | - | - |
| 21 | Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions | - | - | - |
| 22 | Total regulatory adjustments applied to CET1 (sum of 1 to 21) | 19,898,139 | | 20,307,167 |
| | **39.1.2 Additional Tier-1 & Tier-1 Capital: regulatory adjustments** | | | |
| 23 | Investment in mutual funds exceeding the prescribed limit | - | - | - |
| 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 | - | - | - |
| | 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 | | | |
| 28 | 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) | - | - | - |

* as the Bank does not have Additional TIER 1 Capital, deduction is made from CET 1

| | | 2015 | | 2014 |
|---|---|---|---|---|
| | | Amount | Amounts subject to Pre-Basel III treatment* | Amount |
| | | | (Rupees in '000) | |
| **39.1.3** | **Tier 2 Capital: regulatory adjustments** | | | |
| 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 | - | - | - |
| 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) | - | - | - |

| | | 2015 | 2014 |
|---|---|---|---|
| **39.1.4** | **Additional Information** | (Rupees in '000) | |
| | **Risk Weighted Assets subject to pre-Basel III treatment** | | |
| 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 | **1,390,587** | 1,538,259 |
| (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 | - | - |
| (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 | - | - |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 38 | Non-significant investments in the capital of other financial entities | - | - |
| 39 | Significant investments in the common stock of financial entities | - | - |
| 40 | Deferred tax assets arising from temporary differences (net of related tax liability) | **3,803,937** | 3,520,154 |
| | **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 41 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap) | **555,906** | 539,465 |
| 42 | Cap on inclusion of provisions in Tier 2 under standardized approach | **1,934,474** | 2,061,419 |
| 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 | - | - |

## 39.2 Capital Structure Reconciliation

39.2.1

| | Balance sheet as in published financial statements 2015 | Under regulatory scope of consolidation 2015 |
|---|---|---|
| | (Rupees in '000) | |
| **Assets** | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 |
| Balanced with other banks | 4,300,002 | 4,300,002 |
| Lending to financial institutions | 26,969,566 | 26,969,566 |
| Investments | 224,632,132 | 224,632,132 |
| Advances | 106,594,901 | 106,594,901 |
| Operating fixed assets | 5,963,952 | 5,963,952 |
| Deferred tax assets | - | 5,984,327 |
| Other assets | 58,048,823 | 58,048,823 |
| **Total assets** | 455,991,510 | 461,975,837 |
| **Liabilities & Equity** | | |
| Bills payable | 11,401,191 | 11,401,191 |
| Borrowings | 21,784,451 | 21,784,451 |
| Deposits and other accounts | 327,121,324 | 327,121,324 |
| Sub-ordinated loans | 2,500,000 | 2,500,000 |
| Liabilities against assets subject to finance lease | - | - |
| Deferred tax liabilities | 3,218,309 | 9,202,636 |
| Other liabilities | 26,808,249 | 26,808,249 |
| **Total liabilities** | 392,833,524 | 398,817,851 |
| Share capital | 38,715,850 | 38,715,850 |
| Reserves | 10,964,796 | 10,964,796 |
| Unappropriated profit | 5,575,472 | 5,575,472 |
| Minority Interest | 967,578 | 967,578 |
| Surplus on revaluation of assets | 6,934,290 | 6,934,290 |
| **Total liabilities & equity** | 455,991,510 | 461,975,837 |

39.2.2

| | Balance sheet as in published financial statements 2015 | Under regulatory scope of consolidation 2015 | Reference |
|---|---|---|---|
| | (Rupees in '000) | | |
| **Assets** | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | |
| Balanced with other banks | 4,300,002 | 4,300,002 | |
| Lending to financial institutions | 26,969,566 | 26,969,566 | |
| **Investments** | 224,632,132 | 224,632,132 | |
| of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold | - | - | a |
| of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold | - | - | b |
| of which: Mutual Funds exceeding regulatory threshold | - | - | c |
| of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2) | - | - | d |
| of which: others | - | - | e |
| **Advances** | 106,594,901 | 106,594,901 | |
| shortfall in provisions/ excess of total EL amount over eligible provisions under IRB | - | - | f |
| general provisions reflected in Tier 2 capital | 555,906 | 555,906 | g |
| **Fixed Assets** | 5,963,952 | 5,963,952 | |
| **Deferred Tax Assets** | - | 5,984,327 | |

| | Balance sheet as in published financial statements 2015 | Under regulatory scope of consolidation 2015 | Reference |
|---|---|---|---|
| | ------ (Rupees in '000) ------ | | |
| of which: DTAs that rely on future profitability excluding those arising from temporary differences | - | - | h |
| of which: DTAs arising from temporary differences exceeding regulatory threshold | 927,058 | 927,058 | i |
| **Other assets** | 58,048,823 | 58,048,823 | |
| of which: Goodwill | 26,095,310 | 26,095,310 | j |
| of which: Intangibles | 42,249 | 42,249 | k |
| of which: Defined-benefit pension fund net assets | - | - | l |
| **Total assets** | 455,991,510 | 461,975,837 | |
| **Liabilities & Equity** | | | |
| Bills payable | 11,401,191 | 11,401,191 | |
| Borrowings | 21,784,451 | 21,784,451 | |
| Deposits and other accounts | 327,121,324 | 327,121,324 | |
| Sub-ordinated loans | 2,500,000 | 2,500,000 | |
| of which: eligible for inclusion in AT1 | - | - | m |
| of which: eligible for inclusion in Tier 2 | 1,750,000 | 1,750,000 | n |
| Liabilities against assets subject to finance lease | - | - | |
| **Deferred tax liabilities** | 3,218,309 | 9,202,636 | |
| of which: DTLs related to goodwill | - | 7,166,477 | o |
| of which: DTLs related to intangible assets | - | - | p |
| of which: DTLs related to defined pension fund net assets | - | - | q |
| of which: other deferred tax liabilities | - | 2,036,159 | r |
| Other liabilities | 26,808,249 | 26,808,249 | |
| **Total liabilities** | 392,833,524 | 398,067,851 | |
| **Share capital** | 38,715,850 | 38,715,850 | |
| of which: amount eligible for CET1 | 38,715,850 | 38,715,850 | s |
| of which: amount eligible for AT1 | - | - | t |
| **Reserves** | 10,964,796 | 10,964,796 | |
| of which: portion eligible for inclusion in CET1 | 10,964,796 | 10,964,796 | u |
| of which: portion eligible for inclusion in Tier 2 | - | - | v |
| **Unappropriated profit** | 5,575,472 | 5,575,472 | w |
| **Minority Interest** | 967,578 | 967,578 | |
| of which: portion eligible for inclusion in CET1 | - | - | x |
| of which: portion eligible for inclusion in AT1 | - | - | y |
| of which: portion eligible for inclusion in Tier 2 | - | - | z |
| Surplus on revaluation of assets | 6,934,290 | 6,934,290 | |
| of which: Revaluation reserves on Property | 3,671,708 | 3,671,708 | aa |
| of which: Unrealized Gains/Losses on AFS | 3,262,582 | 3,262,582 | |
| In case of Deficit on revaluation (deduction from CET1) | - | - | ab |
| **Total liabilities & Equity** | 455,991,510 | 461,225,837 | |

**39.2.3 Basel III Disclosure Template**

| | | Component of regulatory capital reported by bank (Rupees in '000) | Source based on reference number from step 2 |
|---|---|---|---|
| | **Common Equity Tier 1 capital (CET1): Instruments and reserves** | | |
| 1 | Fully Paid-up Capital/ Capital deposited with SBP | 38,715,850 | |
| 2 | Balance in Share Premium Account | 1,036,090 | (s) |
| 3 | Reserve for issue of Bonus Shares | - | |
| 4 | General/ Statutory Reserves | 9,928,706 | (u) |
| 5 | Gain/(Losses) on derivatives held as Cash Flow Hedge | - | |
| 6 | Unappropriated profits | 5,575,472 | (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) | 752,018 | (x) |
| 8 | **CET 1 before Regulatory Adjustments** | 56,008,136 | |
| | **Common Equity Tier 1 capital: Regulatory adjustments** | | |
| 9 | Goodwill (net of related deferred tax liability) | 18,928,832 | (j) - (o) |
| 10 | All other intangibles (net of any associated deferred tax liability) | 42,249 | (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) | - | {(h) - (r} * x % |
| 13 | Defined-benefit pension fund net assets | - | {(l) - (q)} * x % |
| 14 | Reciprocal cross holdings in CET1 capital instruments | - | (d) |
| 15 | Cash flow hedge reserve | - | |
| 16 | Investment in own shares/ CET1 instruments | - | |
| 17 | Securitization gain on sale | - | |
| 18 | Capital shortfall of regulated subsidiaries | - | (ab) |
| 19 | Deficit on account of revaluation from bank's holdings of fixed assets/ AFS | - | (a) - (ac) - (ae) |
| 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) | | (b) - (ad) - (af) |
| 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) | - | |
| 22 | Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 927,058 | (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 | - | |
| 26 | National specific regulatory adjustments applied to CET1 capital | - | |
| 27 | of which: Investment in TFCs of other banks exceeding the prescribed limit | - | |
| 28 | of which: Any other deduction specified by SBP | - | |
| 29 | Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions | - | |
| 30 | Total regulatory adjustments applied to CET1 | 19,898,139 | |
| | **Common Equity Tier 1** | 36,109,997 | |
| | **Additional Tier 1 (AT 1) Capital** | | |
| 31 | Qualifying Additional Tier-1 instruments plus any related share premium | - | |
| 32 | of which: Classified as equity | - | (t) |
| 33 | of which: Classified as liabilities | - | (m) |
| 34 | Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1) | 26,950 | (y) |
| 35 | of which: instrument issued by subsidiaries subject to phase out | - | |
| 36 | **AT1 before regulatory adjustments** | 26,950 | |
| | **Additional Tier 1 Capital: regulatory adjustments** | - | |
| 37 | Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment) | - | |
| 38 | Investment in own AT1 capital instruments | - | |
| 39 | Reciprocal cross holdings in Additional Tier 1 capital instruments | - | |
| 40 | 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) |

| | | Component of regulatory capital reported by bank (Rupees in '000) | Source based on reference number from step 2 |
|---|---|---|---|
| 41 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | (ad) |
| 42 | 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 | - | |
| 43 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | |
| 44 | Total of Regulatory Adjustment applied to AT1 capital | - | |
| 45 | Additional Tier 1 capital | - | |
| 46 | **Additional Tier 1 capital recognized for capital adequacy** | 26,950 | |
| | **Tier 1 Capital (CET1 + admissible AT1)** | 36,136,947 | |
| | **Tier 2 Capital** | | |
| 47 | Qualifying Tier 2 capital instruments under Basel III plus any related share premium | - | |
| 48 | Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments) | 1,750,000 | (n) |
| 49 | Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2) | 44,916 | (z) |
| 50 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 51 | General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets | 555,906 | (g) |
| 52 | Revaluation Reserves | 4,645,974 | |
| 53 | of which: Revaluation reserves on fixed assets | 2,460,044 | portion of (aa) |
| 54 | of which: Unrealized Gains/Losses on AFS | 2,185,930 | |
| 55 | Foreign Exchange Translation Reserves | - | (v) |
| 56 | Undisclosed/Other Reserves (if any) | - | |
| 57 | **T2 before regulatory adjustments** | 6,996,797 | |
| | **Tier 2 Capital: regulatory adjustments** | | |
| 58 | 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 | - | |
| 59 | Reciprocal cross holdings in Tier 2 instruments | - | |
| 60 | Investment in own Tier 2 capital instrument | - | |
| 61 | 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) |
| 62 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | (af) |
| 63 | Amount of Regulatory Adjustment applied to T2 capital | - | |
| 64 | Tier 2 capital (T2) | 6,996,797 | |
| 65 | Tier 2 capital recognized for capital adequacy | 6,996,797 | |
| 66 | Excess Additional Tier 1 capital recognized in Tier 2 capital | - | |
| 67 | Total Tier 2 capital admissible for capital adequacy | 6,996,797 | |
| | **TOTAL CAPITAL (T1 + admissible T2)** | 43,133,744 | |

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

| | Main Features | Common Shares | TFCs |
|---|---|---|---|
| 1 | Issuer | Standard Chartered Bank (Pakistan) Limited | Standard Chartered Bank (Pakistan) Limited |
| 2 | Unique identifier (PSX Symbol) | SCBPL | SCBPL |
| 3 | Governing law(s) of the instrument | Relevant regulations/ laws | Relevant regulations/ laws |
| | **Regulatory treatment** | | |
| 4 | Transitional Basel III rules | Common Equity Tier 1 | Tier 2 |
| 5 | Post-transitional Basel III rules | Common Equity Tier 1 | Ineligible |
| 6 | Eligible at solo/ group/ group & solo | Solo and Group | Solo and Group |
| 7 | Instrument type | Ordinary shares | Other Tier 2 (Subordinated Debt) |
| 8 | Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date) | 38,715,650 | 1,750,000 |
| 9 | Par value of instrument | PKR 10 per share | PKR 5,000 per Certificate |
| 10 | Accounting classification | Shareholders' equity | Sub-ordinated debt/ liability |
| 11 | Original date of issuance | Dec 2006 | June 2012 |
| 12 | Perpetual or dated | Perpetual | Dated |
| 13 | Original maturity date | Not applicable | December 31, 2022 |
| 14 | Issuer call subject to prior supervisory approval | No | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | Not applicable | May be called, subject to regulatory approval, at any time after 60th month from the issuance date |
| 16 | Subsequent call dates, if applicable | Not applicable | Not applicable |
| | **Coupons / dividends** | | |
| 17 | Fixed or floating dividend/ coupon | Not applicable | Floating |
| 18 | Coupon rate and any related index/ benchmark | Not applicable | 6 M KIBOR + 0.75% pa |
| 19 | Existence of a dividend stopper | Not applicable | No |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully Discretionary | Mandatory |
| 21 | Existence of step up or other incentive to redeem | No | No |
| 22 | Noncumulative or cumulative | Noncumulative | Cumulative |
| 23 | Convertible or non-convertible | Nonconvertible | Nonconvertible |
| 24 | If convertible, conversion trigger (s) | Not applicable | Not applicable |
| 25 | If convertible, fully or partially | Not applicable | Not applicable |
| 26 | If convertible, conversion rate | Not applicable | Not applicable |
| 27 | If convertible, mandatory or optional conversion | Not applicable | Not applicable |
| 28 | If convertible, specify instrument type convertible into | Not applicable | Not applicable |
| 29 | If convertible, specify issuer of instrument it converts into | Not applicable | Not applicable |
| 30 | Write-down feature | Not applicable | Not applicable |
| 31 | If write-down, write-down trigger(s) | Not applicable | Not applicable |
| 32 | If write-down, full or partial | Not applicable | Not applicable |
| 33 | If write-down, permanent or temporary | Not applicable | Not applicable |
| 34 | If temporary write-down, description of write-up mechanism | Not applicable | Not applicable |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated debt/TFCs | Creditors including Depositors |
| 36 | Non-compliant transitioned features | No | Yes |
| 37 | If yes, specify non-compliant features | No | Absence of point of non-viability clause |

### 39.4 CAPITAL-ASSESSMENT AND ADEQUACY BASEL III SPECIFIC

#### 39.4.1 Scope Of Applications

The Basel 3 framework is applicable to the Bank both at the consolidated level and also on standalone basis. Subsidiaries are included while calculating Consolidated Capital Adequacy ratio of the Bank using full consolidation method. The Standardized Approach is used by the Bank for calculating the Capital Adequacy ratio for Credit, Market and Operational Risk.

### 39.4.2 Capital Structure

During 2012, the Bank issued unsecured, subordinated TFCs of Rs. 2,500 million by way of private placement. The instrument was issued at 0.75% above KIBOR to support the capital base of the Bank and is for a tenor of 10 years. The instrument is structured to redeem in two equal semi-annual instalments of 50% of the issue amount in 2022. The Bank may however call the TFC subject to prior approval of the State Bank, on any profit payment date after the 60th month from the issuance date. The instrument is also subject to a lock-in clause meaning neither principal nor profit may be paid (even at maturity) if such payment means that the Bank falls below or remains below its minimum capital requirements. The instrument is currently rated at AAA.

The instrument is classified as a liability and is subordinated to payment of principal and profit to all other indebtedness of the Bank, including deposits.

For further details of the capital instrument currently part of Tier 2 capital, please refer Note 16.

### 39.5 Capital Adequacy

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements at all times and to maintain good credit ratings, maximising shareholder value and at the same time maintaining investor, creditor and market confidence.

The capital position is reviewed and monitored by the Asset and Liability Committee (ALCO) of the Bank. Regular reviews help to ensure that adequate levels of capital and an optimum mix of the different components of capital are maintained by the Bank to support the strategy. This is integrated with the Bank's annual planning process that takes into consideration business growth assumptions across products and business segments and the related impact on capital resources.

The following matters are taken into account while reviewing the Bank's capital position:

a) current regulatory capital requirements and our assessment of future standards;
b) demand for capital due to business growth forecasts;
c) forecasted demand for capital to support credit ratings and as a signalling tool to the market;
d) available supply of capital and capital-raising options

For calculation of Capital Adequacy Ratio, the Bank adheres to the calculation of capital requirements for credit, market and operational risk as per the guidelines of SBP.

For credit risk, the Bank uses the 'Standardized Approach'. The Bank uses reputable and SBP approved rating agencies (ECAIs) for deriving risk weights for specific credit exposures. These are consistently applied across the Bank's credit portfolio for both on and off balance sheet exposures. The ECAIs used for rating various types of exposures are tabled in note 39.6 to these financial statements.

For the purposes of Credit Risk Mitigation under the 'Standardised Approach', the Bank follows the instructions laid down by SBP vide their Circular No. 08 dated 27 June 2006 with regard to eligibility of collaterals, valuation and management. Where a transaction is secured by an eligible collateral and meets the eligibility criteria and minimum requirements as laid down by SBP, the Bank reduces its exposure under that particular transaction by taking into account the risk mitigating effect of the collateral for the calculation of capital requirement. Collaterals used include: Government of Pakistan guarantees, Inter-group guarantees, margins / liens and saving certificates.

The Bank calculates its capital requirement for market risk in its portfolio, based on the methodology provided by SBP which takes account of specific and general market risk capital charge for interest rate risk using the duration method.

For calculation of operational risk capital charge, the business activities of the Bank are divided into eight business lines: corporate finance, trading and sales, retail banking, commercial banking, payments and settlement, agency services, asset management and retail brokerage. The Bank's operations are mapped into these eight business lines as per the criteria laid down by SBP vide Circular No 08 dated 27 June 2006.

Within each business line, gross income is the broad indicator that serves as a proxy for the scale of business operations and thus the likely scale of operational risk exposure within each of these business lines. The capital charge for each business line is calculated by multiplying gross income by beta factors assigned by SBP to that business line. Beta serves as a proxy for the industry-wide relationship between the operational risk loss experience for a given business line and the aggregate level of gross income for that business line.

The total capital charge is calculated as the three-year average of the simple summation of the regulatory capital charges across each of the business lines in each year.

The 'Standardised Approach' is preferred over the 'Basic Indicator Approach' so as to arrive at a capital charge that is reflective of the risks associated with each of the Bank's business lines.

The capital requirements for the major risk categories are indicated below:-

| | Capital Requirements | | Risk Weighted Assets | |
|---|---|---|---|---|
| **Credit Risk** | 2015 | 2014 | 2015 | 2014 |
| | (Rupees in '000) | | | |
| **Portfolios subject to standardized approach (Simple)** | | | | |
| Cash & cash equivalents | - | - | - | - |
| Sovereign | 6,426 | 15,642 | 64,250 | 156,425 |
| Public Sector entities | 4,857 | 27,804 | 48,567 | 278,036 |
| Banks | 1,026,267 | 575,699 | 10,262,672 | 5,756,986 |
| Corporate | 7,532,223 | 9,754,457 | 75,322,229 | 97,544,573 |
| Retail | 919,395 | 856,478 | 9,193,950 | 8,564,776 |
| Residential Mortgages | 87,071 | 90,292 | 870,711 | 902,918 |
| Past Due loans | 327,777 | 221,771 | 3,277,772 | 2,217,708 |
| Operating Fixed Assets | 597,807 | 628,567 | 5,978,067 | 6,285,669 |
| Other assets | 1,301,304 | 1,270,211 | 13,013,038 | 12,702,113 |
| | 11,803,127 | 13,440,921 | 118,031,256 | 134,409,204 |
| **Off-Balance sheet** | | | | |
| Non-market related | | | | |
| Loan Repayment Guarantees | 2,192,077 | 1,611,661 | 21,920,770 | 16,116,607 |
| Performance Bonds etc. | 1,108,493 | 1,127,892 | 11,084,926 | 11,278,919 |
| Stand By Letters of Credit | 266,115 | 217,939 | 2,661,149 | 2,179,394 |
| | 3,566,685 | 2,957,492 | 35,666,845 | 29,574,920 |
| Market related | 88,299 | 78,280 | 882,986 | 782,804 |
| **Equity Exposure Risk in the Banking Book** | | | | |
| Listed | 17,686 | 14,660 | 176,864 | 146,598 |
| Unlisted | - | - | - | - |
| | 17,686 | 14,660 | 176,864 | 146,598 |
| **Market Risk** | | | | |
| Capital Requirement for portfolios subject to Standardized Approach | | | | |
| Interest rate risk | 189,440 | 148,135 | 1,894,398 | 1,481,353 |
| Equity position risk | - | - | - | - |
| Foreign Exchange risk | 145,483 | 400,600 | 1,454,838 | 4,006,005 |
| | 334,923 | 548,735 | 3,349,236 | 5,487,358 |
| **Operational Risk** | | | | |
| Capital Requirement for operational risks | 5,004,716 | 4,815,637 | 50,047,160 | 48,156,368 |
| TOTAL | 20,815,436 | 21,855,725 | 208,154,347 | 218,557,252 |

**Capital Adequacy Ratio**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Required | Actual | Required | Actual |
| CET1 to total RWA | 6.00% | 17.35% | 5.50% | 16.13% |
| Tier-1 capital to total RWA | 7.50% | 17.36% | 7.00% | 16.13% |
| Total capital to total RWA (including buffer requirement of 0.25%) | 10.25% | 20.72% | 10.00% | 18.91% |

**39.6 Types of exposures and ECAI's used**

| | Corporate | Banks | Sovereigns |
|---|---|---|---|
| JCR - VIS | ✓ | ✓ | ✓ |
| PACRA | ✓ | ✓ | ✓ |
| STANDARD AND POORS | ✓ | ✓ | ✓ |
| MOODY'S | ✓ | ✓ | ✓ |
| FITCH | ✓ | ✓ | ✓ |

The Bank adheres to the mapping instructions issued by SBP on the Revised Regulatory Capital Framework under Basel II, issued vide BSD Circular No. 8 of 2006 dated 27 June 2006, vide BSD Circular Letter No. 09 of 2007 dated 24 August 2007, vide BSD Letter No. BSD/BAI-2/201/1141/2009 dated 2 December 2009 and vide BSD Circular No. 5 of 2010 dated 5 October 2010 with regard to credit ratings to be used. These are as follows:

**LONG-TERM RATING GRADES MAPPING**

| Risk Weightage | Standard & Poors Ratings Services | Moody's Investors Service | Fitch Ratings | PACRA | JCR VIS |
|---|---|---|---|---|---|
| 20% | AAA | Aaa | AAA | AAA | AAA |
| | AA+ | Aa1 | AA+ | AA+ | AA+ |
| | AA | Aa2 | AA | AA | AA |
| | AA- | Aa3 | AA- | AA- | AA- |
| 50% | A+ | A1 | A+ | A+ | A+ |
| | A | A2 | A | A | A |
| | A- | A3 | A- | A- | A- |
| 100% | BBB+ | Baa1 | BBB+ | BBB+ | BBB+ |
| | BBB | Baa2 | BBB | BBB | BBB |
| | BBB- | Baa3 | BBB- | BBB- | BBB- |
| 100% | BB+ | Ba1 | BB+ | BB+ | BB+ |
| | BB | Ba2 | BB | BB | BB |
| | BB- | Ba3 | BB- | BB- | BB- |
| 150% | B+ | B1 | B+ | B+ | B+ |
| | B | B2 | B | B | B |
| | B- | B3 | B- | B- | B- |
| 150% | CCC+ | Caa1 | CCC+ | CCC+ | CCC+ |
| | CCC | Caa2 | CCC | CCC | CCC |
| | CCC- | Caa3 | CCC- | CCC- | CCC- |
| | CC | Ca | CC | CC | CC |
| | C | C | C | C | C |
| | D | | D | D | D |

**SHORT-TERM RATING GRADES MAPPING**

| Risk Weightage | Standard & Poors Ratings Services | Moody's Investors Service | Fitch Ratings | PACRA | JCR VIS |
|---|---|---|---|---|---|
| 20% | A-1+ | P-1 | F1+ | A-1 | A-1 |
| | A-1 | | F1 | | |
| 50% | A-2 | P-2 | F2 | A-2 | A-2 |
| 100% | A-3 | P-3 | F3 | A-3 | A-3 |
| 150% | B | NP | B | Others | Others |
| | B-1 | | C | | |
| | B-2 | | D | | |
| | B-3 | | | | |
| | C | | | | |

## 40. RISK MANAGEMENT

Through its risk management structure, the Bank seeks to manage efficiently the core risks: credit, market, operational, country, and liquidity risks. These arise directly through the Bank's commercial activities whilst compliance and regulatory risk, operational risk and reputational risks are normal consequences of any business undertaking.

The basic principles of risk management followed by the Bank include:

**Balancing risk and return**

Risk is taken in line with the requirements of the Bank's stakeholders. Risk should be taken within the Bank's risk appetite, consistent with the approved strategy. Any such risks are avoided which have a material probability of causing financial distress to the Bank or its clients or customers.

**Responsibility**

Given the Bank is in the business of taking risk, it is everyone's responsibility to ensure that risk taking is both disciplined and focused. The Bank takes account of its social responsibilities and its commitment to customers in taking risk to produce a return.

**Accountability**

Risk is taken only within agreed authorities and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported.

**Anticipation**

The Bank looks to anticipate future risks and to ensure awareness of all risk.

**Competitive Advantage**

The Bank seeks to achieve competitive advantage through efficient and effective risk management and control.

**Risk management**

The Bank aims to implement best practices and have a specialist risk function of international standards, with strength in depth, experience across risk types and economic scenarios.

Ultimate responsibility for the effective management of risk rests with the Company's Board of Directors. Acting within an authority delegated by the Board, the Executive Committee reviews specific risk areas and monitors the activities of the Executive Risk Committee ("ERC") and the Asset and Liability Committee ("ALCO").

ERC headed by Country Chief Risk Officer (CCRO), through authority delegated by the Board through the Bank's Executive Committee, is responsible for credit risk, market risk, operational risk, compliance risk and regulatory risk, legal risk and reputational risk. ALCO, through authority delegated by the Board through the Bank's Executive Committee, is responsible for management of the Bank's liquidity, capital adequacy and structural foreign exchange risk. The Pension Executive Committee, through authority delegated by the Board through the Bank's Executive Committee is responsible for management of pension risk.

The day to day responsibility for managing risk rests with CCRO who oversees and manages the risk through a team of managers; Senior Credit Officer responsible for credit risk in Corporate & Institutional Clients and Commercial Clients, Country Credit Head responsible for credit risk in Retail Clients, Head of Special Assets Management responsible for remedial risk management, Head of Credit Risk Controls responsible for collateral management, security documentation, credit MIS and controls, Head of Market Risk responsible for liquidity risk and risks associated with price movements, arising from interest and exchange rate movements and Head of Operational Risk responsible for enterprise wide operations. The Bank has established policies, procedures, processes, and controls and have provided the Risk team adequate support by way of risk systems and tools for measuring and reporting risk for monitoring, controlling, reviewing and managing risk.

### 40.1 Credit risk

Credit risk is the risk that a counter party will not settle its obligations in accordance with agreed terms. Credit exposures may arise from lending, trade finance, securities and derivative exposures. Credit exposures include both individual borrowers and groups of connected counterparties and portfolios in the banking and trading books.

The Board of Directors has delegated down the authority to ERC through the Bank's Executive Committee to establish risk appetite and make recommendations to the Board for approval of risk appetite and policies for managing credit risk. The CEO and the Executive Committee in turn rely on CCRO and the Risk Committee to determine these and recommend for their support and Board's approval. The ERC is also delegated down by the BOD responsibility to delegate credit authorities to independent Risk Officers.

Credit risk appetite is established through business strategy papers and underwriting standards by the business managers, which are approved by the Board once recommended, and supported by the Executive Committee.

Specific procedures for managing credit risk within Corporate & Institutional Clients, Commercial Clients and Retail Clients are determined at the Senior Credit Officer and Country Credit Head levels for their respective jurisdictions with specific policies and procedures being adapted to different risk environments and business goals. Credit analysis includes review of facility details, credit grade determination and financial spreading / ratio analysis. Portfolio review, Early Alerts and Stress Testing based on scenario analysis is a combined responsibility of Client Relationship and Risk and Finance function. Client relationship origination and credit approval roles are clearly segregated throughout Corporate & Institutional Clients, Commercial Clients and Retail Clients segments.

Credit concentration risk is governed by specific policy, the adherence to which is managed by the Executive Risk Committee (ERC). Credit concentration risk is principally managed based on three components: single name borrower exposure, industry concentrations and product concentration. In addition to the SBP specified prudential limits on single or group exposures, limits are also established by the CCRO and approved by CRC in line with the Credit Reference Level framework ("CRL").

### 40.1.1 Corporate and Institutional and Commercial Banking Clients

Within the two business segments, an alpha numerical risk grading system is used for quantifying the risk associated with a counter-party. The grading is based on a an probability of default measure, with customers analysed against a range of quantitative and qualitative measures. Expected Loss is used for further assessment of individual exposures and portfolio analysis. There is a clear segregation of duties with loan applications being prepared separately from the approval chain.

### 40.1.2 Retail Banking Clients

For Retail Banking, program based standard credit application forms are generally used, which are processed in central units for different products and market segments. Retail Banking Analytics team has developed Bureau scores and uses Bureau data for portfolio monitoring and for underwriting new business.

**40.1.3 Segment by Class of Business**

| | 2015 | | | | | |
|---|---|---|---|---|---|---|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 14,670,185 | 11.43 | 8,568,500 | 2.62 | 13,968,987 | 13.76 |
| Agri business | 4,753,012 | 3.70 | 149,805 | 0.05 | - | - |
| Textile | 25,733,572 | 20.06 | 1,506,909 | 0.46 | 1,763,140 | 1.74 |
| Communication | 273,652 | 0.21 | 11,095,326 | 3.39 | 5,906,301 | 5.82 |
| Insurance | - | - | 1,139,814 | 0.35 | - | - |
| Telecommunications and information technology | 4,789,558 | 3.73 | 2,424,927 | 0.74 | 639,243 | 0.63 |
| Cement | 1,033,619 | 0.81 | 12,725 | - | 266,153 | 0.26 |
| Sugar | 914,302 | 0.71 | 7,174 | | 2,400 | - |
| Automobile and transportation equipment | 1,879,497 | 1.46 | 1,348,926 | 0.41 | 3,755,074 | 3.70 |
| Transportation | 1,803,988 | 1.41 | 2,730,114 | 0.83 | 3,063,500 | 3.02 |
| Financial | 2,301,272 | 1.94 | 688,851 | 0.25 | 43,178,917 | 42.53 |
| Electronics and electrical appliances | 929,120 | 0.72 | 6,432,204 | 1.97 | 7,990,607 | 7.87 |
| Production and transmission of energy | 13,932,278 | 10.86 | 9,993,338 | 3.05 | 4,204,780 | 4.14 |
| Shoes and leather garments | 922,777 | 0.72 | 66,366 | 0.02 | 22,941 | 0.02 |
| Individuals | 16,256,171 | 12.67 | 212,400,283 | 64.91 | - | - |
| Others | 37,918,616 | 29.57 | 68,556,062 | 20.95 | 16,755,348 | 16.51 |
| | 128,111,619 | 100.00 | 327,121,324 | 100.00 | 101,517,391 | 100.00 |

| | 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 13,899,988 | 9.27 | 4,209,828 | 1.38 | 8,757,658 | 9.94 |
| Agri business | 5,118,266 | 3.41 | 447,393 | 0.15 | 26,197 | 0.03 |
| Textile | 32,843,153 | 21.89 | 1,773,702 | 0.58 | 3,279,394 | 3.72 |
| Communication | 94,822 | 0.06 | 12,149,161 | 3.99 | 4,443,819 | 5.04 |
| Insurance | - | - | 1,301,076 | 0.43 | - | - |
| Telecommunications and information technology | 6,555,582 | 4.38 | 1,914,641 | 0.63 | 175,302 | 0.20 |
| Cement | 1,972,388 | 1.31 | 4,675 | 0.00 | 225,048 | 0.26 |
| Sugar | 2,184,830 | 1.46 | 3,496 | 0.00 | 62,400 | 0.07 |
| Automobile and transportation equipment | 2,070,735 | 1.38 | 1,337,670 | 0.44 | 2,407,788 | 2.73 |
| Transportation | 3,546,158 | 2.36 | 1,446,937 | 0.48 | 2,597,294 | 2.95 |
| Financial | 207,868 | 0.14 | 625,892 | 0.21 | 38,043,458 | 43.19 |
| Electronics and electrical appliances | 1,359,030 | 0.91 | 4,460,440 | 1.47 | 4,103,316 | 4.66 |
| Production and transmission of energy | 18,893,842 | 12.59 | 14,224,415 | 4.67 | 3,587,525 | 4.07 |
| Shoes and leather garments | 1,273,809 | 0.85 | 93,181 | 0.03 | 20,192 | 0.02 |
| Individuals | 15,831,439 | 10.55 | 203,218,343 | 66.76 | 645 | 0.00 |
| Others | 44,173,443 | 29.44 | 57,094,691 | 18.78 | 20,360,193 | 23.11 |
| | 150,025,353 | 100.00 | 304,305,541 | 100.00 | 88,090,229 | 100.00 |

**40.1.4 Details of Non-performing Advances and Specific Provisions by Class of Business Segmentt**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | **Classified Advances** | **Specific Provision held** | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Chemical and pharmaceuticals | **239,568** | **239,568** | 306,804 | 306,804 |
| Agri business | **-** | **-** | 14,999 | 14,999 |
| Textile | **7,119,609** | **7,114,549** | 7,197,015 | 6,757,983 |
| Footwear and leather garments | **-** | **-** | 5,997 | 5,997 |
| Automobile and transportation equipment | **402,830** | **291,939** | 502,400 | 302,563 |
| Financial | **-** | **-** | 49,326 | 49,326 |
| Production and transmission of energy | **161,379** | **155,379** | 202,617 | 202,617 |
| Individuals | **14,500** | **14,500** | 16,902 | 16,902 |
| Telecommunications and information technology | **2,704,210** | **1,352,105** | - | - |
| Others | **13,376,320** | **11,792,772** | 14,799,673 | 13,253,344 |
| | **24,018,416** | **20,960,812** | 23,095,733 | 20,910,535 |

**40.1.5 Segment by Sector**

| | 2015 | | | | | |
|---|---|---|---|---|---|---|
| | **Advances** | | **Deposits** | | **Contingencies and Commitments** | |
| | **(Rupees in '000)** | **%** | **(Rupees in '000)** | **%** | **(Rupees in '000)** | **%** |
| Public / Government | **5,566,884** | **4.35%** | **3,823,086** | **1.17%** | **-** | **0.00%** |
| Private | **122,544,735** | **95.65%** | **323,298,238** | **98.83%** | **94,845,332** | **100.00%** |
| | **128,111,619** | **100%** | **327,121,324** | **100%** | **94,845,332** | **100%** |

| | 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 6,167,800 | 4.11% | 4,945,769 | 1.63% | 4,795,000 | 5.77% |
| Private | 143,857,553 | 95.89% | 299,359,772 | 98.37% | 78,254,107 | 94.23% |
| | 150,025,353 | 100% | 304,305,541 | 100% | 83,049,107 | 100% |

**40.1.6 Details of Non-performing Advances and Specific Provisions by Sector**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | **Classified Advances** | **Specific Provision held** | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Public / Government | **-** | **-** | - | - |
| Private | **24,018,416** | **20,960,812** | 23,095,733 | 20,910,535 |
| | **24,018,416** | **20,960,812** | 23,095,733 | 20,910,535 |

**40.1.7 Geographical Segment Analysis**

| | 2015 | | | |
|---|---|---|---|---|
| | **Profit before taxation** | **Total assets employed** | **Net assets employed** | **Contingencies and commitments** |
| | (Rupees in '000) | | | |
| Pakistan | **15,564,695** | **455,991,510** | **63,157,986** | **94,845,332** |
| | **15,564,695** | **455,991,510** | **63,157,986** | **94,845,332** |

| | 2014 | | | |
|---|---|---|---|---|
| | Profit before taxation | Total assets employed | Net assets employed | Contingencies and commitments |
| | (Rupees in '000) | | | |
| Pakistan | 15,368,007 | 419,723,331 | 61,900,288 | 83,049,107 |
| | 15,368,007 | 419,723,331 | 61,900,288 | 83,049,107 |

## 40.2 Market Risk

The Bank recognises market risk as the exposures created by potential changes in market prices and rates. Market risk exposures arise primarily from interest rate and foreign exchange related contracts. The Bank has no significant exposure to equity and commodity price risk.

Market Traded Credit Risk approves the limits within delegated authorities and monitors exposures against these limits, and is locally under governance of Country Chief Risk Officer, who agrees policies and procedures and levels of risk appetite in terms of Value at Risk ("VaR"). Limits are then proposed by the business within the terms of agreed policy. These are agreed and delegated down by Executive Risk Committee (ERC) under delegated authority from the BOD. Policies cover both trading and non-trading books.

In addition to market risk policies, as well as VaR and other market risk limits, independent stress testing of portfolios, factor sensitivity measures and derivatives are also employed as additional risk management tools to manage and hedge market risk exposures. Risk models are periodically back tested against actual results to ensure that pre-determined levels of accuracy are maintained.

## 40.3 Foreign Exchange Risk

| | 2015 | | | |
|---|---|---|---|---|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | (Rupees in '000) | | | |
| **Pakistan rupee** | **369,502,904** | **326,553,983** | **53,837,167** | **96,786,088** |
| **United States dollar** | **33,057,459** | **52,117,116** | **(48,598,110)** | **(67,657,767)** |
| **Great Britain pound** | **5,668,669** | **5,668,606** | **(229,477)** | **(229,414)** |
| **Euro** | **3,758,134** | **3,758,396** | **(3,497,927)** | **(3,498,189)** |
| **Swiss Franc** | **22,167** | **22,142** | **(49,502)** | **(49,477)** |
| **Japanese yen** | **35,218** | **2,677** | **(739,986)** | **(707,445)** |
| **Others** | **25,678** | **19,601** | **(722,165)** | **(716,088)** |
| | **412,070,229** | **388,142,521** | **-** | **23,927,708** |

| | 2014 | | | |
|---|---|---|---|---|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | (Rupees in '000) | | | |
| Pakistan rupee | 335,531,856 | 292,608,603 | 42,444,107 | 85,367,359 |
| United States dollar | 34,393,601 | 51,226,462 | (39,701,194) | (56,534,055) |
| Great Britain pound | 5,809,804 | 5,808,079 | (192,632) | (190,907) |
| Euro | 1,621,047 | 4,380,041 | (700,425) | (3,459,419) |
| Swiss Franc | 21,350 | 21,350 | (54,676) | (54,676) |
| Japanese yen | 27,844 | 19,472 | (603,453) | (595,081) |
| Others | 25,682 | 25,618 | (1,191,727) | (1,191,663) |
| | 377,431,184 | 354,089,625 | - | 23,341,558 |

**40.3.1** Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

**40.3.2** The management sets limits on the level of exposure by currency in total which are monitored daily.

## 40.4 Mismatch of Interest Rate Sensitive Assets and Liabilities

2015

| On-balance sheet financial instruments | Effective yield / interest rate | Total | Exposed to yield / interest rate risk | | | | | | | | | Non interest bearing financial instruments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | |
| | | | (Rupees in '000) | | | | | | | | | |
| **Assets** | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 29,482,134 | 8,521,249 | - | - | - | - | - | - | - | - | 20,960,885 |
| Balances with other banks | 0.00% | 4,300,002 | - | - | - | - | - | - | - | - | - | 4,300,002 |
| Lendings to financial institutions | 1.99% | 26,969,566 | 20,450,620 | - | - | 6,518,946 | - | - | - | - | - | - |
| Investments | 10.02% | 224,632,132 | 18,143,954 | 34,255,193 | 7,118,606 | 106,075,914 | 36,595,830 | 22,326,728 | 224,068 | - | - | (108,161) |
| Advances | 7.79% | 106,594,901 | 51,089,691 | 31,345,688 | 16,505,872 | 2,670,363 | 986,150 | 810,066 | 685,373 | - | - | 2,501,698 |
| Other assets | - | 20,091,494 | - | - | - | - | - | - | - | - | - | 20,091,494 |
| | | 412,070,229 | 98,205,514 | 65,600,881 | 23,624,478 | 115,265,223 | 37,581,980 | 23,136,794 | 909,441 | - | - | 47,745,918 |
| **Liabilities** | | | | | | | | | | | | |
| Bills payable | 0.00% | 11,401,191 | - | - | - | - | - | - | - | - | - | 11,401,191 |
| Borrowings | 5.63% | 21,784,451 | 5,032,726 | 12,416,514 | 2,224,665 | - | - | 82,681 | 955,267 | 17,763 | - | 1,054,835 |
| Deposits and other accounts | 5.09% | 327,121,324 | 167,104,129 | 4,025,990 | 1,912,215 | 3,312,739 | 757,975 | 242,671 | - | - | - | 149,765,605 |
| Sub-ordinated loan - TFCs | 9.03% | 2,500,000 | - | - | 2,500,000 | - | - | - | - | - | - | - |
| Other liabilities | - | 25,335,555 | - | - | - | - | - | - | - | - | - | 25,335,555 |
| | | 388,142,521 | 172,136,855 | 16,442,504 | 6,636,880 | 3,312,739 | 757,975 | 325,352 | 955,267 | 17,763 | - | 187,557,186 |
| **On-balance sheet gap** | | 23,927,708 | (73,931,341) | 49,158,377 | 16,987,598 | 111,952,484 | 36,824,005 | 22,811,442 | (45,826) | (17,763) | - | (139,811,268) |
| **Off-balance sheet financial instruments** | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | |
| Interest Rate Swap | | 6,834,907 | 649,631 | - | 809,362 | 167,200 | 2,513,567 | 959,865 | 1,735,282 | - | - | - |
| Foreign Currency option | | 83,625 | 29,640 | 3,092 | 50,893 | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 74,377,317 | 36,551,675 | 35,696,721 | 1,780,115 | 348,806 | - | - | - | - | - | - |
| | | 81,295,849 | 37,230,946 | 35,699,813 | 2,640,370 | 516,006 | 2,513,567 | 959,865 | 1,735,282 | - | - | - |
| Forward Borrowing | | | | | | | | | | | | |
| Interest Rate Swap | | 2,382,572 | - | - | 809,362 | - | 837,928 | - | 735,282 | - | - | - |
| Foreign Currency option | | 83,625 | 29,640 | 3,092 | 50,893 | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 53,901,709 | 36,101,210 | 15,415,008 | 2,371,709 | 13,782 | - | - | - | - | - | - |
| | | 56,367,906 | 36,130,850 | 15,418,100 | 3,231,964 | 13,782 | 837,928 | - | 735,282 | - | - | - |
| **Off-balance sheet gap** | | 24,927,943 | 1,100,096 | 20,281,713 | (591,594) | 502,224 | 1,675,639 | 959,865 | 1,000,000 | - | - | - |
| **Total yield / interest risk sensitivity gap** | | 48,855,651 | (72,831,245) | 69,440,090 | 16,396,004 | 112,454,708 | 38,499,644 | 23,771,307 | 954,174 | (17,763) | - | (139,811,268) |
| **Cumulative yield / interest risk sensitivity gap** | | | | (3,391,155) | 13,004,849 | 125,459,557 | 163,959,201 | 187,730,508 | 188,684,682 | 188,666,919 | 188,666,919 | |

2014

| On-balance sheet financial instruments | Effective yield / interest rate | Total | Exposed to yield / interest rate risk | | | | | | | | | Non interest bearing financial instruments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | |
| | | | (Rupees in '000) | | | | | | | | | |
| **Assets** | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 21,475,345 | 8,593,265 | - | - | - | - | - | - | - | - | 12,882,080 |
| Balances with other banks | 0.00% | 387,301 | - | - | - | - | - | - | - | - | - | 387,301 |
| Lendings to financial institutions | 4.48% | 10,813,559 | 10,813,559 | - | - | - | - | - | - | - | - | - |
| Investments | 10.64% | 188,992,097 | 23,890,616 | 7,712,372 | 31,725,893 | 15,151,305 | 80,968,587 | 29,520,976 | 160,775 | - | - | (138,427) |
| Advances | 10.32% | 128,575,353 | 57,291,366 | 38,724,525 | 20,095,470 | 7,589,990 | 692,770 | 724,709 | 1,197,091 | 413,709 | - | 1,645,733 |
| Other assets | - | 27,187,529 | - | - | - | - | - | - | - | - | - | 27,187,529 |
| | | 377,431,184 | 100,588,806 | 46,436,897 | 51,821,363 | 22,741,295 | 81,661,357 | 30,245,685 | 1,357,866 | 413,709 | - | 41,964,216 |
| **Liabilities** | | | | | | | | | | | | |
| Bills payable | - | 5,563,605 | - | - | - | - | - | - | - | - | - | 5,563,605 |
| Borrowings | 7.21% | 17,244,671 | 2,585,215 | 9,181,120 | 2,598,248 | 35,464 | 74,655 | - | 704,357 | 441,648 | - | 1,623,964 |
| Deposits and other accounts | 6.50% | 304,305,541 | 156,016,097 | 3,771,357 | 2,044,748 | 4,626,658 | 364,915 | 336,325 | 1,000 | - | - | 137,144,231 |
| Sub-ordinated loan - TFCs | 10.90% | 2,500,000 | - | - | 2,500,000 | - | - | - | - | - | - | - |
| Other liabilities | - | 24,475,808 | - | - | - | - | - | - | - | - | - | 24,475,808 |
| | | 354,089,625 | 158,601,312 | 12,952,487 | 7,142,996 | 4,662,122 | 439,570 | 336,325 | 705,357 | 441,648 | - | 168,807,608 |
| **On-balance sheet gap** | | 23,341,558 | (58,012,506) | 33,484,410 | 44,678,367 | 18,079,963 | 81,421,787 | 29,909,360 | 652,509 | (27,939) | - | (126,843,393) |
| **Off-balance sheet financial instruments** | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | |
| Interest Rate Swap | | 15,492,363 | - | - | - | 809,000 | 4,603,642 | 7,963,767 | 1,647,659 | 477,295 | - | - |
| Foreign Currency option | | - | - | - | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 52,889,426 | 27,023,644 | 21,784,180 | 3,865,582 | 216,020 | - | - | - | - | - | - |
| | | 68,381,789 | 27,023,644 | 21,784,180 | 3,865,582 | 1,016,020 | 4,603,642 | 7,963,767 | 1,647,659 | 477,295 | - | - |
| Forward Borrowing | | | | | | | | | | | | |
| Interest Rate Swap | | 15,068,564 | - | 5,934,000 | - | 4,674,606 | 2,329,381 | 1,339,775 | 313,507 | 477,295 | - | - |
| Foreign Currency option | | - | - | - | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 37,251,802 | 18,895,113 | 12,586,699 | 5,769,990 | - | - | - | - | - | - | - |
| | | 52,320,366 | 18,895,113 | 18,520,699 | 5,769,990 | 4,674,606 | 2,329,381 | 1,339,775 | 313,507 | 477,295 | - | - |
| **Off-balance sheet gap** | | 16,061,423 | 8,128,531 | 3,263,481 | (1,904,408) | (3,658,586) | 2,274,261 | 6,623,992 | 1,334,152 | - | - | - |
| **Total yield / interest risk sensitivity gap** | | 39,402,981 | (49,883,975) | 36,747,891 | 42,773,959 | 14,420,377 | 83,696,048 | 36,533,352 | 1,986,661 | (27,939) | - | (126,843,393) |
| **Cumulative yield / interest risk sensitivity gap** | | | | (13,136,084) | 29,637,875 | 44,058,252 | 127,754,300 | 164,287,652 | 166,274,313 | 166,246,374 | 166,246,374 | |

### 40.5 Yield / Interest Rate Risk

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Bank is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Bank manages this risk by matching the re-pricing of assets and liabilities and off-balance sheet instruments.

### 40.6 Liquidity Risk

The Bank defines liquidity risk as the risk that the Bank either does not have sufficient financial resources available to meet all its obligations and commitments as and when they fall due, or can access them only at an excessive cost.

Liquidity risk, both short term and structural is monitored through the internal liquidity risk management framework and is managed through the Asset and Liability Committee ("ALCO"). This committee, chaired by the CEO, is responsible for both statutory and prudential liquidity.

A range of tools are used for the management of liquidity. These comprise commitment and wholesale borrowing guidelines, key balance sheet ratios, medium term funding requirements and day to day monitoring of future cash flows.

In addition, liquidity contingency funding plans are reviewed periodically to ensure that alternative funding strategies are in place and can be implemented on a timely basis to minimize the liquidity risk that may arise due to unforeseen adverse changes in the market place.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

### 40.7 MATURITIES OF ASSETS AND LIABILITIES - based on contractual maturity of assets and liabilities of the group

In accordance with the guidelines issued by SBP through BSD Circular Letter No. 3 of 2011 and BSD Circular Letter No. 2 of 2013, Banks are required to disclose maturities of assets and liabilities separately for 'contractual maturities' and 'expected maturities'. The expected maturities are calculated using three (3) years historical balances and identifying "Core" and "Non-Core" balances using monthly volatility analysis. Fixed / intangible assets are presented on the basis of their depreciation / amortisation schedule.

| | 2015 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| | (Rupees in '000) | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | - | - | - | - | - | - | - | - |
| Balances with other banks | 4,300,002 | 4,300,002 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 26,969,566 | 20,450,620 | - | - | 6,518,946 | - | - | - | - | - |
| Investments | 224,632,132 | 17,772,428 | 34,941,466 | 5,193,833 | 106,075,914 | 36,595,830 | 22,326,728 | 1,549,068 | 176,865 | - |
| Advances | 106,594,901 | 45,040,405 | 25,979,677 | 11,314,705 | 3,709,464 | 6,357,367 | 5,600,537 | 6,502,608 | 1,047,597 | 1,042,541 |
| Other assets | 31,922,103 | 2,223,153 | 8,159,503 | 9,714,759 | 1,931,698 | 4,066,600 | 5,800,013 | 26,377 | - | - |
| Operating fixed assets | 5,963,952 | 70,564 | 141,126 | 211,690 | 423,378 | 846,757 | 846,757 | 1,693,517 | 1,589,962 | 140,201 |
| Intangible assets | 26,126,720 | 220 | 439 | 659 | 1,317 | 2,634 | 2,634 | 5,267 | 13,169 | 26,100,381 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 455,991,510 | 119,339,525 | 69,222,211 | 26,435,646 | 118,660,717 | 47,869,188 | 34,576,669 | 9,776,837 | 2,827,593 | 27,283,123 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 11,401,191 | 11,401,191 | - | - | - | - | - | - | - | - |
| Borrowings | 21,784,451 | 6,087,561 | 12,416,514 | 2,224,665 | - | - | 82,681 | 955,267 | 17,763 | - |
| Deposits and other accounts | 327,121,324 | 316,871,838 | 4,025,990 | 1,910,111 | 3,312,739 | 757,975 | 242,671 | - | - | - |
| Sub-ordinated loan | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Deferred tax liabilities | 3,218,309 | - | - | - | - | - | - | 3,218,309 | - | - |
| Other liabilities | 26,808,249 | 1,747,824 | 3,540,594 | 8,818,530 | 12,608,559 | 88,111 | - | 4,631 | - | - |
| | 392,833,524 | 336,108,414 | 19,983,098 | 12,953,306 | 15,921,298 | 846,086 | 325,352 | 4,178,207 | 2,517,763 | - |
| | 63,157,986 | (216,768,888) | 49,239,113 | 13,482,340 | 102,739,419 | 47,023,102 | 34,251,317 | 5,598,630 | 309,830 | 27,283,123 |
| **Net assets** | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 10,964,796 | | | | | | | | | |
| Unappropriated profit | 5,575,472 | | | | | | | | | |
| Surplus/(deficit) on revaluation of assets | 6,934,290 | | | | | | | | | |
| Minority interest | 967,578 | | | | | | | | | |
| | 63,157,986 | | | | | | | | | |

| | 2014 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| | (Rupees in '000) | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Cash and balances with treasury banks | 21,475,345 | 21,475,345 | - | - | - | - | - | - | - | - |
| Balances with other banks | 387,301 | 387,301 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 10,813,559 | 10,813,559 | - | - | - | - | - | - | - | - |
| Investments | 188,992,097 | 22,919,317 | 8,398,645 | 30,400,893 | 15,151,305 | 80,968,587 | 29,520,976 | 1,485,775 | 146,599 | - |
| Advances | 128,575,353 | 50,736,941 | 28,645,298 | 15,072,596 | 8,386,542 | 6,741,982 | 6,109,898 | 9,520,840 | 1,570,759 | 1,590,497 |
| Other assets | 37,024,009 | 887,417 | 12,552,417 | 299,473 | 13,913,055 | 3,476,975 | 5,799,625 | 94,176 | 871 | - |
| Operating fixed assets | 6,282,553 | 13,841 | 26,368 | 39,551 | 79,104 | 158,206 | 158,206 | 314,288 | 765,847 | 4,727,342 |
| Intangible assets | 26,173,114 | 553 | 1,107 | 1,660 | 3,319 | 6,639 | 6,639 | 13,278 | 32,900 | 26,107,019 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 419,723,331 | 107,234,274 | 49,823,835 | 45,814,173 | 37,533,325 | 91,352,389 | 41,595,344 | 11,428,357 | 2,516,776 | 32,424,858 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 5,563,605 | 5,563,605 | - | - | - | - | - | - | - | - |
| Borrowings | 17,244,671 | 4,209,179 | 9,181,120 | 2,598,248 | 35,464 | 74,655 | - | 704,357 | 441,648 | - |
| Deposits and other accounts | 304,305,541 | 293,165,620 | 3,771,367 | 2,044,748 | 4,621,586 | 364,915 | 336,325 | 1,000 | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Deferred tax liabilities | 2,575,833 | - | - | - | - | - | - | 2,575,833 | - | - |
| Other liabilities | 25,633,393 | 1,658,774 | 3,538,442 | 1,266,132 | 18,581,659 | 121,949 | 463,546 | 2,020 | 871 | - |
| | 357,823,043 | 304,597,178 | 16,490,929 | 5,909,128 | 23,238,689 | 561,519 | 799,871 | 3,283,210 | 2,942,519 | - |
| | 61,900,288 | (197,362,904) | 33,332,906 | 39,905,045 | 14,294,636 | 90,790,870 | 40,795,473 | 8,145,147 | (425,743) | 32,424,858 |
| **Net assets** | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 9,111,044 | | | | | | | | | |
| Unappropriated profit | 6,889,177 | | | | | | | | | |
| Surplus/(deficit) on revaluation of assets | 6,258,979 | | | | | | | | | |
| Minority interest | 925,238 | | | | | | | | | |
| | 61,900,288 | | | | | | | | | |

## 40.8 MATURITIES OF ASSETS AND LIABILITIES - based on expected maturity of assets and liabilities of the bank

2015

| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Cash and balances with treasury banks | 29,482,134 | 29,482,134 | - | - | - | - | - | - | - | - |
| Balances with other banks | 4,300,002 | 4,300,002 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 26,969,566 | 20,450,620 | - | - | 6,518,946 | - | - | - | - | - |
| Investments | 224,632,132 | 17,772,428 | 34,941,466 | 5,193,833 | 106,075,914 | 36,595,830 | 22,326,728 | 1,549,068 | 176,865 | - |
| Advances | 106,594,901 | 10,495,358 | 29,544,063 | 16,661,284 | 14,402,622 | 21,298,291 | 5,600,537 | 6,502,608 | 1,047,597 | 1,042,541 |
| Other assets | 31,922,103 | 2,223,153 | 8,159,503 | 9,714,759 | 1,931,698 | 4,066,500 | 5,800,013 | 26,377 | - | - |
| Operating fixed assets | 5,963,952 | 70,564 | 141,126 | 211,690 | 423,378 | 846,757 | 846,757 | 1,693,517 | 1,589,962 | 140,201 |
| Intangible assets | 26,126,720 | 220 | 439 | 659 | 1,317 | 2,634 | 2,634 | 5,267 | 13,169 | 26,100,381 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 455,991,510 | 84,794,479 | 72,786,597 | 31,782,225 | 129,353,875 | 62,810,112 | 34,576,669 | 9,776,837 | 2,827,593 | 27,283,123 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 11,401,191 | 11,401,191 | - | - | - | - | - | - | - | - |
| Borrowings | 21,784,451 | 6,087,561 | 12,416,514 | 2,224,665 | - | - | 82,581 | 955,267 | 17,763 | - |
| Deposits and other accounts | 327,121,324 | 41,377,198 | 13,749,105 | 16,494,785 | 32,482,086 | 222,775,479 | 242,671 | - | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Deferred tax liabilities | 3,218,309 | (2,811) | - | - | - | - | - | 3,221,120 | - | - |
| Other liabilities | 26,808,249 | 1,747,824 | 3,540,594 | 8,818,530 | 12,608,559 | 88,111 | - | 4,631 | - | - |
| | 392,833,524 | 60,610,963 | 29,706,213 | 27,537,980 | 45,090,645 | 222,863,590 | 325,352 | 4,181,018 | 2,517,763 | - |
| | 63,157,986 | 24,183,516 | 43,080,384 | 4,244,245 | 84,263,230 | (160,053,478) | 34,251,317 | 5,595,819 | 309,830 | 27,283,123 |
| **Net assets** | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 10,964,796 | | | | | | | | | |
| Unappropriated profit | 5,575,472 | | | | | | | | | |
| Surplus on revaluation of assets - net | 967,578 | | | | | | | | | |
| Minority interest | 6,934,290 | | | | | | | | | |
| | 63,157,986 | | | | | | | | | |

2014

| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Rupees in '000) | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Cash and balances with treasury banks | 21,475,345 | 21,475,345 | - | - | - | - | - | - | - | - |
| Balances with other banks | 387,301 | 387,301 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 10,813,559 | 10,813,559 | - | - | - | - | - | - | - | - |
| Investments | 188,992,097 | 22,919,317 | 8,398,645 | 30,400,893 | 15,151,305 | 80,968,587 | 29,520,976 | 1,485,775 | 146,599 | - |
| Advances | 128,575,353 | 11,923,232 | 30,513,136 | 17,574,356 | 13,390,063 | 36,382,570 | 6,109,898 | 9,520,840 | 1,570,759 | 1,590,497 |
| Other assets | 37,024,009 | 687,417 | 12,552,417 | 299,473 | 13,913,055 | 3,475,975 | 5,799,625 | 94,176 | 871 | - |
| Operating fixed assets | 5,262,553 | 13,841 | 26,368 | 39,551 | 79,104 | 158,206 | 158,206 | 314,286 | 765,647 | 4,727,342 |
| Intangible assets | 26,173,114 | 553 | 1,107 | 1,660 | 3,319 | 6,639 | 6,639 | 13,278 | 32,900 | 26,107,019 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - | - |
| | 419,723,331 | 68,420,565 | 51,491,675 | 48,315,933 | 42,536,846 | 120,992,977 | 41,595,344 | 11,428,357 | 2,516,776 | 32,424,858 |
| **Liabilities** | | | | | | | | | | |
| Bills payable | 5,563,605 | 5,563,605 | - | - | - | - | - | - | - | - |
| Borrowings | 17,244,671 | 4,209,179 | 9,181,120 | 2,598,248 | 35,464 | 74,655 | - | 704,357 | 441,648 | - |
| Deposits and other accounts | 304,305,541 | 32,261,240 | 12,471,315 | 15,094,670 | 30,721,411 | 213,419,580 | 336,325 | 1,000 | - | - |
| Sub-ordinated loans | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 | - |
| Deferred tax liabilities | 2,575,833 | - | - | - | - | - | - | 2,575,833 | - | - |
| Other liabilities | 25,633,393 | 1,658,774 | 3,538,442 | 1,266,132 | 18,581,659 | 121,949 | 463,546 | 2,020 | 871 | - |
| | 357,823,043 | 43,692,798 | 25,190,877 | 18,959,050 | 49,338,534 | 213,616,184 | 799,871 | 3,283,210 | 2,942,519 | - |
| | 61,900,288 | 24,727,767 | 26,300,798 | 29,356,883 | (6,801,688) | (92,623,207) | 40,795,473 | 8,145,147 | (425,743) | 32,424,858 |
| **Net assets** | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 9,111,044 | | | | | | | | | |
| Unappropriated profit | 6,889,177 | | | | | | | | | |
| Deficit on revaluation of assets - net | 925,238 | | | | | | | | | |
| Minority interest | 6,258,979 | | | | | | | | | |
| | 61,900,288 | | | | | | | | | |

### 40.9 Operational Risk

Operational risk is the risk of a direct or indirect loss being incurred due to an event or action arising from the failure of technology, processes, infrastructure, personnel and impact of external events.

The Country Operational Risk Committee ("CORC") has been established to ensure that an appropriate risk management framework is in place at a grass root level, and to report, monitor and manage operational, social, ethical and environmental risk. The CORC is chaired by the CEO, and CCRO is an active member of this forum.

All business units within the Bank monitor their operational risks using set standards and indicators. Significant issues and exceptions are reported to CORC and are also picked up by the independent Risk function for discussion at the Country Risk Committee chaired by the CCRO. Disaster recovery procedures, business contingency planning, self-compliance assurance and internal audits also form an integral part of the operational risk management process.

## 41 ISLAMIC BANKING BUSINESS

The Bank is operating with 10 Islamic Banking branches at the end of current period (December 2014: 10 branches).

### 41.1 Balance Sheet

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Cash and balances with treasury banks | | **2,385,567** | 2,284,066 |
| Due from Financial Institutions | | **10,437,516** | 2,813,527 |
| Investments | | **5,440,132** | 11,895,570 |
| Islamic Financing and Related Assets | 41.1.1 | **29,605,233** | 33,322,582 |
| Operating fixed assets | | **39,644** | 47,915 |
| Other assets | | **537,069** | 865,856 |
| | | **48,445,161** | 51,229,516 |
| **Liabilities** | | | |
| Bills payable | | **147,117** | 117 |
| Due to Financial Institutions | | **1,459,000** | 1,349,000 |
| Deposits and other accounts | | | |
| Current Accounts | | **22,627,461** | 22,462,038 |
| Saving Accounts | | **13,028,585** | 12,272,682 |
| Term Deposits | | **1,681,517** | 1,776,086 |
| Others | | **8,184** | 11,768 |
| Deposit from Financial Institutions -Remunerative | | **612,820** | 268 |
| Deposits from Financial Institutions-Non-Remunerative | | **-** | - |
| | | **37,958,567** | 36,522,842 |
| Due to Head Office | | **3,879,318** | 8,320,362 |
| Other liabilities | | **265,005** | 221,136 |
| | | **43,709,007** | 46,413,457 |
| **Net Assets** | | **4,736,154** | 4,816,059 |
| **Represented by:** | | | |
| Islamic Banking Fund | | **200,000** | 200,000 |
| Unappropriated/ Unremitted profit | | **4,523,020** | 4,592,023 |
| | | **4,723,020** | 4,792,023 |
| Surplus / (deficit) on revaluation of assets - net | | **13,134** | 24,036 |
| | | **4,736,154** | 4,816,059 |
| **CONTINGENCIES AND COMMITMENTS** | 21 | | |
| **Remuneration to Shariah Advisor/Board** | | **9,092** | 4,417 |
| **Charity fund** | | | |
| Opening balance | | **2,208** | 1,071 |
| Additions during the year | | **10,877** | 4,232 |
| Payments / utilization during the year | | **(10,899)** | (3,095) |
| Closing balance | | **2,186** | 2,208 |

| | | Note | 2015 | 2014 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| 41.1.1 | **Islamic Mode of Financing** | | | |
| | Murabaha | 41.1.1a | **2,742,295** | 7,083,998 |
| | Musharaka | 41.1.1b | **12,496,852** | 9,000,649 |
| | Diminishing Musharaka | 41.1.1c | **13,472,362** | 14,492,048 |
| | Ijarah | 41.1.1d | **476,053** | 856,895 |
| | Istisna | 41.1.1e | **-** | 1,550,000 |
| | Musawammah | 41.1.1f | **141,492** | 122,914 |
| | Others | 41.1.1g | **276,179** | 216,078 |
| | | | **29,605,233** | 33,322,582 |
| 41.1.1a | **Murabaha** | | | |
| | Financings/Investments/Receivables | | **673,855** | 1,490,466 |
| | Advances | | **689,479** | 5,593,532 |
| | Assets/Inventories | | **1,378,961** | - |
| | | | **2,742,295** | 7,083,998 |
| 41.1.1b | **Musharaka** | | | |
| | Financings/Investments/Receivables | | **12,496,852** | 9,000,649 |
| | | | **12,496,852** | 9,000,649 |
| 41.1.1c | **Diminishing Musharaka** | | | |
| | Financings/Investments/Receivables | | **13,472,362** | 14,492,048 |
| | | | **13,472,362** | 14,492,048 |
| 41.1.1d | **Ijarah** | | | |
| | Financings/Investments/Receivables | | **476,053** | 856,895 |
| | | | **476,053** | 856,895 |
| 41.1.1e | **Istisna** | | | |
| | Financings/Investments/Receivables | | **-** | 1,550,000 |
| | | | **-** | 1,550,000 |
| 41.1.1f | **Musawammah** | | | |
| | Financings/Investments/Receivables | | **141,492** | 122,914 |
| | | | **141,492** | 122,914 |
| 41.1.1g | **Others** | | | |
| | Financings/Investments/Receivables | | **276,179** | 216,078 |
| | | | **276,179** | 216,078 |

| | | | | |
|---|---|---|---|---|
| 41.2 | **Profit and Loss** | | | |
| | Profit / return earned on financings, investments and placements | | **4,025,195** | 4,671,127 |
| | Return on deposits and others dues expensed | | **(1,175,437)** | (1,474,470) |
| | Net spread earned | | **2,849,758** | 3,196,657 |
| | Provision against non performing financing | | **(193,334)** | (35,417) |
| | Net spread after provisions | | **2,656,424** | 3,161,240 |
| | **Other income** | | | |
| | Fees, commission and brokerage income | | **674,172** | 939,582 |
| | Other income | | **123** | 679 |
| | Total other income | | **674,295** | 940,261 |
| | | | **3,330,719** | 4,101,501 |
| | **Other expenses** | | | |
| | Administrative expenses | | **(1,899,722)** | (1,264,369) |
| | **Profit before taxation** | | **1,430,997** | 2,837,132 |

Deposit and other accounts include redeemable capital of Rs. 15,331.106 million (December 31,2014: Rs. 14,060.804 million) and deposits on Qard basis of Rs. 22,627.461 million (December 31, 2014: Rs. 22,462.038 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable Capital and non-remunerative deposits are classified as being on Qard basis.

## 41.3 CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 | 2014 |
|---|---|---|
| | (Rupees in '000) | |
| Profit before tax for the year | 1,430,997 | 2,837,132 |
| Less: Dividend income | - | - |
| | 1,430,997 | 2,837,132 |
| **Adjustments for:** | | |
| Depreciation | 12,640 | 11,981 |
| Gain on disposal of fixed assets - net | (123) | (679) |
| Provision against loans and advances - net of recoveries | 193,334 | 35,417 |
| | 205,851 | 46,719 |
| | 1,636,848 | 2,883,851 |
| **(Increase) / decrease in operating assets** | | |
| Due from financial institutions | (7,623,989) | 2,242,054) |
| Net investments in 'held for trading' securities | (996) | 30,598) |
| Advances | 3,524,015 | (5,436,003 |
| Other assets | 328,787 | (258,984 |
| | (3,772,183) | (3,422,335) |
| **(Decrease) / increase in operating liabilities** | | |
| Bills payable | 147,000 | (2,643) |
| Borrowings from financial institutions | 110,000 | 289,000 |
| Deposits and other accounts | 1,435,725 | 1,942,580 |
| Other liabilities | (4,397,175) | 2,846,238 |
| | (2,704,450) | 5,075,175 |
| **Cash inflow before taxation** | (4,839,785) | 4,536,691 |
| Income tax paid | - | - |
| **Net cash generated from operating activities** | (4,839,785) | 4,536,691 |
| Net investments in 'available for sale' securities | 6,445,532 | (1,145,532) |
| Net investment in fixed assets | (4,246) | (6,811) |
| **Net cash used in / (generated from) investing activities** | 6,441,286 | (1,152,343) |
| Appropriation/ payments made to Head office | (1,500,000) | (3,000,000) |
| **Net cash used in financing activities** | (1,500,000) | (3,000,000) |
| Increase in cash and cash equivalents for the year | 101,501 | 384,348 |
| **Cash and cash equivalents at beginning of the year** | 2,284,066 | 1,899,718 |
| **Cash and cash equivalents at end of the year** | 2,385,567 | 2,284,066 |
| Cash and balances with treasury banks | 2,385,567 | 2,284,066 |
| Balances with other banks | - | - |
| | 2,385,567 | 2,284,066 |

**41.4 Ijarah Financing**

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Cost** | | | |
| **As at 1 January** | | **1,206,000** | - |
| Additions during the year | | - | 1,206,000 |
| Transfer/ Write offs | | - | - |
| Deletions | | - | - |
| **As at 31 December** | | **1,206,000** | 1,206,000 |
| **Accumulated Depreciation** | | | |
| **As at 1 January** | | **349,105** | - |
| Charge for the year | | **380,842** | 349,105 |
| Transfer/ Write offs | | - | - |
| Deletions | | - | - |
| **As at 31 December** | | **729,947** | 349,105 |
| **Net Book value** | | **476,053** | 856,895 |
| **Future Ijarah payments** | | | |
| Not later than one year | | **442,406** | 458,470 |
| Later than one and less than five years | | **110,601** | 573,088 |
| **Total Future Ijarah payments** | | **553,007** | 1,031,558 |

**41.5 Profit & Loss distribution and Pool Management**

The Bank manages following assets pools for profit and loss distribution:

a) Islamic Export Refinance Scheme (IERS) Musharakah Pool; and
b) Mudarabah Depositors Pool

**a) IERS Musharakah Pool**

Key features, risks, rewards and calculation of profit/loss of this pool are in compliance with the SBP IER Scheme and the relevant circulars issued by SBP from time to time.

| Type of Pool | Profit rate and weightage announcement period | Average return on Pool Assets | Bank Profit | SBP Profit | Bank Profit % | SBP Profit % |
|---|---|---|---|---|---|---|
| **IERF Pool** | **Monthly** | **7.17%** | **183,389** | **57,888** | **76.01%** | **23.99%** |

**b) Mudarabah Depositors Pool**

1. General Depositors Pool
2. Special Depositors Pool

**i) Key features and risk & reward characteristics**

Saadiq Current account is a shariah compliant non-profit bearing transactional account, based on the Islamic banking principle of "Qard". While Saadiq Savings & Term accounts are Shariah compliant account based on the Islamic principle of "Mudarabah".

Mudarabah is a partnership where one party gives money to other for investing in a business. The partner who is providing the money is "Rab-ul-Mal (Investor) and the partner who manages the investment is "Mudarib" (working partner). The Bank (Mudarib) invests the funds given by the account holder "Rab-ul-Mal" in shariah compliant businesses to earn profits. This profit is shared on the basis of profit &loss sharing as per the pre-agreed ratio between the Bank and the customer.

In case of loss, the same is borne by the depositors in proportion to their investments, and the Bank (Mudarib) bears the loss of its efforts/services in managing Mudarabah.

**ii) Parameters used for allocation of profit, charging expenses and provisions**

The profit for the deposit pool is calculated from income earned on all the remunerative assets booked by utilising the funds from the deposit pool and is distributed between Mudarib and Rab-ul-Mal based on declared sharing ratios (before start of every given month).

The ratio for Mudarib and Rab-ul-maal is 50:50 for general pool, where as for Special pool it is 40:60. No general or administrative expenses are charged to pools. No provision against any non-performing asset of the pool is passed on to the pool except for the actual loss / write-off of such non-performing asset.

**iii) Deployment of Mudaraba based deposits**

The deposits and funds accepted under the above mentioned pools are provided to diverse sectors including Cement, Chemical, Pharmaceuticals, Communication, Sugar, Textile, Agribusiness, Transport etc. as well as in Government of Pakistan backed Ijarah Sukuks.

**iV) Other Information**

| | Type of Pool | |
|---|---|---|
| | General | Special |
| Profit rate / weightage announcement frequency | Monthly | Monthly |
| "Mudarib share(amount in 000)" | 407,841 | 107,569 |
| "Mudarib share (%)" | 46.73% | 29.30% |
| Mudarib Share transferred through Hiba (Amount in 000) | 28,524 | 39,278 |
| Mudarib Share transferred through Hiba (%) | 6.54% | 26.75% |
| Average return on pool assets | 7.90% | 9.12% |
| Average return on deposits | 4.18% | 6.24% |

## 42 GENERAL

**42.1** Certain corresponding figures have been re-arranged / reclassified to reflect more appropriate presentation that are not material in nature.

**42.2** These consolidated financial statements were authorized for issue in the Board of Directors meeting held on 03 March 2016.

Shazad Dada
Chief Executive Officer

Najam I. Chaudhri
Director

Parvez Ghias
Director

Spenta Kandawalla
Director

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 1 | Heimtex Decor | Office No. 719, 7Th Floor, Landmark Plaza, Jail Road, Lahore, Pakistan. | Zeeshan Murtaza 274-78-436575 Muhammad Saleem Khan 270-90-454752 | Ghulam Murtaza Samiullah Khan | 52,507,982 | 167,244,908 | 219,752,890 | 52,507,982 | 167,244,908 | 219,752,890 |
| 2 | Arif Moaaz Shan | House No. 101-E, Gulberg II, Lahore. | Arif Moaaz Shah 270-66-422772 | Syed Kabir Ali Shah | 53,929,471 | 110,742,321 | 164,671,792 | 53,929,471 | 110,742,321 | 164,671,792 |
| 3 | Tech Pacific | Suit # 3, 3rd Floor, Al-Hafeez Center, Main Bulevard, Gulberg III, Lahore. | Khalid Hussain Bhatti 35202-7485341-5 | Fateh Muhammad Bhatti | 35,842,703 | 6,272,814 | 42,115,517 | 35,842,703 | 38,553,608 | 74,396,310 |
| 4 | Kashan Carpets | Block # 8, Super Market, F-6, School Road, Islamabad. | Imran Amanullah 17301-0982958-9 Irfan Aman 61108-211387-3 | Amanullah, . Amanullah | 39,925,770 | 28,117,282 | 68,043,052 | 39,925,770 | 30,864,000 | 70,789,771 |
| 5 | H.J Communication | 10 G.F. Center Point, Gulberg III, Lahore. | Muhammad Rizwan 35202-9468307-3 | Sh. Abdul Qayyum | 29,999,500 | 37,357,113 | 67,356,613 | 29,999,500 | 39,858,200 | 69,857,700 |
| 6 | Healthco Surgical Supplies | 35 Km Wazirabad Road, Sialkot | Mian Amir Saleem 34603-2219428-7 | Khuda Bukash Saleem | 19,086,104 | 49,197,961 | 68,284,065 | 19,086,104 | 49,197,961 | 68,284,065 |
| 7 | R.J.F. Trading | 59-Circular Road, Lahore | Rehan Malik 35202-2969462-1 Malik Jamshed Javed 42301-0484290-3, Farhan Malik 42101-7525523-7 | Rehan Malik Malik Parvaiz, Malik Jamshed Javed Javed Malik, Farhan Malik Malik Tariq | 29,768,240 | 35,278,633 | 65,046,873 | 29,768,240 | 37,471,598 | 67,239,838 |
| 8 | Trust Investment Bank Limited | 23-D/1-A, Gulberg III, Lahore. | Asif Kamal 35202-2550469-9 Muhammad Humayun Nabi Jan 35201-7740350-1 Javed Bashir Sheikh 35202-2596771-3 Syed Mohsin Raza Naqvi 35202-5155530-7 Shahid Iqbal 35201-6230652-9 Munawar Ali 35202-6754642-5 Mir Javed Hashmat 17301-7746360-1 | Muhammad Azam Muhammad Nabi Jan Sheikh Muhammad Bashir Syed Munawar Hussain Naqvi Muhammad Iqbal Ghulam Muhammad Mir Hashmat Ali Khan | 49,329,408 | 13,841,770 | 63,168,179 | 49,319,870 | 13,841,770 | 63,161,640 |
| 9 | Khalil Ullah International | 1-Z, Basement, Mian Hussain Centre, Branderth Road, Lahore. | Khawaja Shakeel 35200-1454285-5 | Khawaja Abdul Rasheed | 29,995,115 | 27,930,752 | 57,825,867 | 29,995,115 | 29,935,505 | 59,930,620 |
| 10 | Mohib Export Limited | 6 F/B, Awami Complex, Usman Block, New Garden Town, Lahore | Asif Saigol 35202-6075434-7 Arif Saigol 35202-9563094-9 Abid Saigol No Longer Citizen Of Pakistan | Rafique Saigol Rafique Saigol Rafique Saigol | 15,537,238 | 42,698,957 | 58,236,195 | 15,537,238 | 42,698,957 | 58,236,195 |
| 11 | Fabplass Industries (SMC Pvt) Ltd | A-1 Al -Minar Market, Lohari Gate, Lahore | Moeed Waheed Malik 35202-6288599-5 | Malik Abdul Waheed | 29,926,251 | 24,104,299 | 54,030,550 | 29,926,251 | 26,234,130 | 56,160,381 |
| 12 | Vital Chemical | 3-A, First Floor, Muhammad Arcade, Link Road, Multan | Razi Ahmad Mirza 35202-6512426-5 | Razi Ahmad Mirza Muhammad Siddique Mirza | 22,736,243 | 17,806,860 | 40,543,103 | 22,736,243 | 27,974,537 | 50,710,780 |
| 13 | HMK (Pvt) Ltd | 9 - Deen Road, Industrial Area, Badami Bagh Lahore | Muhammad Kashif Ali 35202-3923499-3 Mariam Samreen 35201-2134523-4 | Manzoor Ali, Manzoor Ali | 22,672,746 | 1,385,155 | 24,057,901 | 22,672,746 | 25,490,962 | 48,163,708 |
| 14 | Food Kraft | Plot No. D-165 A, Near Ghani Ghowrangi, Site, Karachi | Qamar Ul Islam 61101-3132757-9 | Sheikh Muhammad Salahin | 5,251,044 | 1,513,104 | 6,764,147 | 5,251,044 | 42,698,957 | 47,950,001 |
| 15 | Data Ali Traders | Room # 7, 1St Floor, Nigar Center, Link Mcleord Road, Lahore | Muhammad Ahmad Sh. 35202-4583946-9 | Hafiz Muhammad Yameen | 30,003,606 | 38,549,835 | 68,553,441 | 4,003,806 | 41,051,264 | 45,054,870 |
| 16 | MA Traders | 313-B, Main Boulevard Sabzazar Scheme, Multan Road, Lahore | Nasir Iqbal 35201-6395246-7 | Haji Muhammad Ali | 19,996,500 | 21,778,072 | 41,774,572 | 19,996,500 | 22,985,532 | 42,982,032 |
| 17 | Natover International | 2nd Floor, Eagle Plaza, Fazal-e-Haq Road, Blue Area, Islamabad | Nadeem Hameed Sh. 42000-0519664-9 Nadeem Jam 42201-5421035-5 Nasir Ud Din 37405-0296970-7 Khalil Ur Rehman 42301-3676374-1 Taimoor Shah 14301-2079181-3 | Nadeem Hameed Sh. Abdul Hameed Sh, Nadeem Jam Muhammad Naseem Jam , Nasir Ud Din Mian Muhammad Ibraheem, Khalil Ur Rehman Habib Ur Rehman Khan, Taimoor Shah Pir Abdullah Shah | 19,256,190 | 19,761,305 | 39,017,495 | 19,256,190 | 20,749,248 | 40,005,438 |
| 18 | Pearl Steel Traders | Al Rehman Chamber, First Floor, Room # 3, Branderth Road, Lahore | Sh. M Asghar 35202-5484941-9 | Sh. Muhammad Afzal | 15,982,564 | 7,515,240 | 23,497,804 | 15,982,564 | 23,112,405 | 39,094,968 |
| 19 | Khalid Eng. Corporation | 17 - Band Road, Lahore | Khalid Bashir Awan 35201-6054105-1 | M. Bashir Akhtar | 15,848,315 | 23,257,941 | 39,106,256 | 15,757,315 | 23,257,941 | 39,015,256 |
| 20 | Nara Textile | Plot # 270, Sector W, Phase III, DHA, Lahore Cantt., Lahore | Mian Naeem Ahmed. 35201-5221735-7 | Muhammad Bashir | 19,997,000 | 30,189,998 | 50,186,998 | 2,997,000 | 30,216,882 | 33,213,882 |
| 21 | Asadullah Steel | Al Rehman Chamber, First Floor, Room # 1, 51-Branderth Road, Lahore | Shaheena Asghar 35202-3629329-6 | W/O. Sh. Muhammad Asghar | 14,011,284 | 8,082,962 | 22,094,246 | 14,011,284 | 19,110,577 | 33,121,861 |
| 22 | Pharma Containers | 18 Km, Multan Road Lahore. | Naeem Aslam Malik 35202-0813196-1 | Muhammad Aslam Malik | 19,513,302 | 19,423,472 | 38,936,774 | 4,513,301 | 25,014,867 | 29,528,169 |
| 23 | Hashim Khan Rice Mills | Narang Mor, Tehsil Ferozwal, Sheikhupura District | Omer Nawaz 35401-4445113-3 | Hashim Khan | 14,999,087 | 12,977,905 | 27,976,992 | 14,999,087 | 14,057,872 | 29,056,959 |
| 24 | Ken Electric Co. | Room No. 8, 3rd Floor, Fareed Plaza, 65 Shadman Market, Lahore. | Khawaja Nadeem Taj 35202-2970084-5 Zahida Bibi 35202-4918367-0 | Khawaja Taj Ud Din, W/O Muhammad Sultan | 12,352,870 | 13,873,324 | 26,226,194 | 12,352,870 | 16,424,942 | 28,777,812 |
| 25 | Aruj Traders | Room # 19, First Floor, Naqi Arcade, The Mall, Lahore | Zeeshan Naseer 35202-4167189-7 | Khalid Bashir Awan | 3,834,336 | 24,350,533 | 28,184,869 | 3,834,336 | 24,574,081 | 28,408,417 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 26 | Rahim Sardar | 131-A, PCSIR Phase 1, Lahore. | Fareeha Saher 35202-5414785-0 Farhad Hussain 35200-1432965-9 | Abdul Waheed, Mian Nizam Ud Din | 22,998,572 | 3,648,188 | 26,646,760 | 22,998,572 | 3,648,188 | 26,646,760 |
| 27 | Globe Petroleum Service | Sd Block-A North Nazimabad, Karachi | Mr Rehmatullah Muhammad 42301-6937971-3 Mr. Farhan 42308-205549-7 Ms Khadijah Bibi 42301-0783426-6 | Rehmatullah Muhammad, Farhan rehmatullah Muhammad, Khadija W/O Muhammad Hussain | 14,990,994 | 10,053,728 | 25,044,722 | 14,990,994 | 10,683,448 | 25,674,442 |
| 28 | Globe Petroleum Service II | Sd Block-A North Nazimabad, Karachi | Mr Rehmatullah Muhammad 42301-8937971-3, Mr. Farhan 42308-205549-7. Ms Khadijah Bibi 42301-0783426-6 | Rehmatullah Muhammad, Farhan rehmatullah Muhammad, Khadija W/O Muhammad Hussain | 14,992,326 | 10,018,746 | 25,011,072 | 14,992,326 | 10,648,523 | 25,640,848 |
| 29 | Asif International | Asif Chambers, 14-A, Davis Road Lahore | Sh. Asif Ameen 35202-2659677-5 Fawad Asif 35202-5780596-9 | Sh. Muhammad Ameen, Sh. Asif Ameen | 39,378,964 | 15,237,461 | 54,616,425 | 6,378,964 | 19,050,313 | 25,429,277 |
| 30 | Hamad Trucking Centre | 43-44, Km, Multan Road, Lahore. | Mian Asim Waheed Maroof 35202-8345272-3 Muhammad Yousaf 35201-6325514-3 | Abdul Waheed, Muhammad Asghar | 11,101,721 | 12,727,686 | 23,829,407 | 11,101,721 | 13,653,248 | 24,754,968 |
| 31 | Fayyaz Engineer | 40 Fayyaz Road, Old Pougiwal, Near Aastana Yaqoob Ali Shah, Bagbanpura Lahore. | Fayyaz Ahmad 35202-5946672-5 | Deen Muhammad | 12,002,384 | 11,359,785 | 23,362,169 | 12,002,383 | 12,176,493 | 24,178,877 |
| 32 | Haroon Marketing | P-32/A, St No. 1, Gulfishan Colony, Main Jhany Road, Faisalabad. | Muhammad Saleem 33100-0408027-3 | Muhammad Tufail | 14,994,558 | 5,628,245 | 20,622,802 | 14,994,558 | 6,251,064 | 21,245,622 |
| 33 | Universal Traders | Suit No.11, Aslam Plaza, Main Boulevard Defence, Lahore. | Zahid Latif 35201-1753443-5 | Ch. Muhammad Latif | 9,999,994 | 10,087,261 | 20,087,255 | 9,999,994 | 10,792,291 | 20,792,285 |
| 34 | Nawab Builders | Nawab Builders & Property Dealer, Zeeshan Plaza, Rehman Shaheed Road, Gujrat | Ch Imran Saleem 34201-3801949-3 | Ch. Muhammad Tufail, | 9,999,162 | 10,151,999 | 20,151,161 | 9,999,162 | 10,755,784 | 20,754,946 |
| 35 | Asad Containers | F-606, Site, Karachi | Tahir Masood 42201-0357463-5, Fozia Asad 42301-0823942-0, Asad Mahmood 42301-1598088-3 | Khilji Salah Ud Din, W/O Asad Mahmood, Khilji Salah Ud Din | 15,500,000 | 3,572,223 | 19,072,223 | 15,500,000 | 3,572,223 | 19,072,223 |
| 36 | Khurram Steel | 296 Al Haceed Bazaar, Lahore | Ghazala Farrukh 35202-0766949-4 | W/O, Farrukh Ul Kitab | 18,989,000 | 5,525,028 | 24,514,028 | 18,989,000 | - | 18,989,000 |
| 37 | Sibtain Sons Distributors | 1 A/99, Block B, Unit 02, Latifabad, Hyderabad. 2. Flat No 6, Block C, Alpine Apartment, Hill Top, Hyderabad, Cantt | Naceem Sibtain 4130423592889 | Muhammad Sibtain | 11,987,080 | 4,799,251 | 16,786,331 | 11,987,080 | 5,801,219 | 17,788,299 |
| 38 | S & S Garments | Suit No. 7-8, 1St Floor, Nigar Center, Patiala Ground, Lahore. | Sheikh Yahya: 35202-5996690-1 | Hafiz Yameen | 7,504,750 | 9,458,713 | 16,963,463 | 7,504,750 | 10,052,201 | 17,556,951 |
| 39 | Irfan Wahid | House # 91/2 Saba Avenue, DHA Phase V Ext. Karachi | 42301-3492442-1 | Abdul Wahid | 11,795,527 | 13,101,251 | 24,896,778 | 4,045,527 | 13,428,044 | 17,473,571 |
| 40 | Genertech Pakistan Limited | 31/C-1, Ghalib Road, Gulberg III, Lahore. | Jahangir Elahi 35202-2561094-5 Tanvir Elahi 35200-5522225-3 | Ehsan Elahi Ehsan Elahi | 13,288,889 | 3,731,555 | 17,020,444 | 13,288,889 | 3,731,555 | 17,020,444 |
| 41 | Younus Kamal | R-1, Row Z-2, Block# 10-A, Gulshan-E-Iqbal, Karachi | 42101-1869454-7 | Muhammad Yousuf Kamal | 16,688,309 | 17,654,088 | 34,320,397 | - | 16,729,560 | 16,729,560 |
| 42 | Fourays Pvt Ltd | 13-C, 1st Commercial Lane, Zamzama, Karachi | Syed Ahmad Ali 514-35-069571, Raihan Merchant Rustam Jal Boga 42301-6819749-3 | Syed Mushooq Ali, Ghulam Ali Merchant , Jal Boga | 7,086,842 | 9,170,312 | 16,257,154 | 7,086,842 | 9,619,194 | 16,706,036 |
| 43 | IY Associates | Office No. 222, Landmark Plaza, Jail Road, Lahore. | Sh. Imran Yaqoob 35202-6042396-9, Muhammad Sharif 35202-2782326-9 | Sh. Muhammad Yaqub, Muhammad Hayat | 7,982,166 | 8,019,680 | 16,001,846 | 7,982,166 | 8,501,671 | 316,483,838 |
| 44 | Marjbool Steel | 316-G-1, Johar Town, Lahore | Gulam Habib 11201-0718005-9, Karamat Ali 35202-6625008-7 | Muhammad Afzal Khan, Muhammad Deen | 8,045,663 | 7,881,800 | 15,927,463 | 8,045,663 | 8,367,825 | 15,413,269 |
| 45 | Muslim Traders | Peco Road, Kot Lakhpat, Lahore | Jamil Ahmad Sheikh, Shahida Parveen, Hajira Begum, Humaira Yasin, Aqeel Ahmad, | Zikrur Rehman Sheikh, W/O Aqeel Ahmad N/A, N/A, Hajira Begum | 7,250,571 | 8,859,838 | 16,110,409 | 7,250,571 | 8,859,838 | 16,110,409 |
| 46 | New Ulfat Trading Company | Al Madina Road, Township Lahore | Khalid Masood 35202-9600718-5 | Shameer Ahmad | 7,504,027 | 7,650,559 | 15,154,586 | 7,504,027 | 8,176,803 | 15,680,830 |
| 47 | Junaid Yaseen | 167/12, Block 7/8, Iqbal Centre, Near Hill Park, Karachi | 42201-3165677-9 | Muhammad Yaseen | 18,744,650 | 10,426,448 | 29,171,098 | 3,244,680 | 11,984,312 | 15,228,991 |
| 48 | Friends Traders | 4F-3/5, Nazimabad, Karachi | Abdul Jabar 42101-1433194-3 | Abdul Sattar | 14,921,128 | 0 | 14,921,128 | 14,921,128 | - | 14,921,128 |
| 49 | A-One Computers | Khar Plaza, 2Nd Floor Off # 9, Maher Siddiq Market Railway Road, Faisalabad. | Muhammad Nasir Gulzar 36302-1389806-1 | Muhammad Gulzar | 6,389,825 | 7,547,110 | 13,936,935 | 6,389,825 | 8,075,179 | 14,465,004 |
| 50 | Al-Khaliq Steel | Room#19, 3Rd Floor, Bilal Center, Nicalson Road, Lahore. | Kashif Khaliq 35202-2585252-9 | Abdul Khaliq | 4,601,091 | 1,132,627 | 5,733,718 | 4,601,091 | 8,278,171 | 12,879,262 |
| 51 | Yasmo Shoes | Shop No. F-1982, Kashmir Bazar, Lahore | Muhammad Azam 35202-7725543-5 | Atta Muhammad | 4,996,968 | 6,587,667 | 11,584,635 | 4,996,968 | 7,014,674 | 12,011,642 |
| 52 | Tarmac Pak Company | H # 33, Army Housing Scheme, DHA Lahore | Tahir Mahmood Naeem 35201-7011031-5 | Ghulam Hussain | 9,329,262 | 2,505,484 | 11,834,746 | 9,329,262 | 2,505,484 | 11,834,747 |
| 53 | Abdul Rasheed | House No.258 DOHS-1 Gujranwala Cantt, Gujranwala | 34101-2063696-1 | Salma Begum | 6,417,045 | 5,393,783 | 11,810,827 | 6,417,045 | 5,393,783 | 11,810,827 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 54 | Zabi Blocks | B-818, Block # 1, Metrowill Site, Karachi | Munir Ahmad Zia 42401-0189679-1 | Ali Muhammad | 7,956,349 | 9,499,014 | 17,497,363 | 1,598,349 | 9,925,752 | 11,524,101 |
| 55 | Petarian Filling Station | Plot # 5, Modern Colony, Main Mangoo Peer Road, Karachi | Muhammad Yasir Kamal 42301-2879959-1 | Muhammad Alam Khan | 6,488,628 | 4,363,286 | 10,851,914 | 6,488,628 | 4,823,618 | 11,312,246 |
| 56 | Ali Siddique | 3-A, First Floor, Muhammad Arcade, Link Road, Multan | Razi Ahmad Mirza 35202-6512426-5 , Naveed Ahmad Mirza 35202-5488587-3 , Sadia Razi 35200-5043347-6, Malik Ghulam Murtaza 35202-8600675-9, Sajjad Haider 35202-6071509-7, Sami Ahmad Kokab | Razi Ahmad Mirza Muhammad Siddique Mirza , Naveed Ahmad Mirza Muhammad Siddique Mirza , Sadia Razi W/O Razi Ahmad Mirza , Malik Ghulam Murtaza Malik Ghulam Haider, Sajjad Haider Malik Ghulam Haider , Sami Ahmad Kokab Muhammad Siddiqe Mirza | 4,990,100 | 5,596,642 | 10,586,742 | 4,990,100 | 5,897,962 | 10,888,062 |
| 57 | Ghousia Weaving | Chak # 367/ Jb, Sammundri Road, Tehsil Gojra. | Muhammad Aslam. 33301-0411237-5 | Muhammad Ismail | 5,002,200 | 5,345,090 | 10,347,290 | 5,002,200 | 5,657,556 | 10,659,756 |
| 58 | Ahad Nazir | A-1-209, Home Land Appt, Block-13-C, Gulshan-E-Iqbal,Karachi | 42201-4652969-7 | Nazir Ghafar | 11,597,728 | 10,374,009 | 21,971,737 | - | 10,533,844 | 10,533,844 |
| 59 | Kaukab Malik | H#14, Block-E, PCHS, Lahore. | Kaukab Malik 35202-2813735-4 | Kaukab Malik W/O Tanvir Ali Malik | 4,800,000 | 4,684,955 | 9,484,955 | 4,800,000 | 4,884,845 | 9,684,845 |
| 60 | Amir Iqbal | House No 106 A, Street 17, Cavalary Ground, Lahore Cantt, Lahore | 35202-4248557-3 | Allah Bakhs | 15,637,702 | 4,540,644 | 20,178,346 | 3,909,702 | 5,596,876 | 9,506,578 |
| 61 | Saleem | H.No No 470/471, 7th Road New Malpur Rawalpindi. | 37405-5225498-7 | Qayyum Aslam | 8,381,292 | 6,932,838 | 15,314,130 | 1,381,292 | 7,391,466 | 8,772,758 |
| 62 | Zafar Masood | 196-C, Shah Jamal Colony, Lahore H.No. 3A/3, 26th Street, Phase V, Ext. D.H.A., Karachi | 35202-3528815-7 | Sher Muhammad | 2,777,611 | 5,736,521 | 8,514,132 | 2,777,611 | 5,736,521 | 8,514,132 |
| 63 | Shahzad Choudhry | H.No. 3A/3, 26th Street, Phase V, Ext. D.H.A., Karachi | 42301-0726484-5 | Haji Charan Din | 3,252,000 | 5,176,101 | 8,428,101 | 3,252,000 | 5,176,101 | 8,428,101 |
| 64 | Natover Lease and Refinance Limited | 2nd Floor, Eagle Plaza, Fazal-E-Haq Road, Blue Area, Islamabad | Nadeem Hameed Sh. 42000-0516664-9, Nadeem Jam 42201-5421035-5, Nasir Ud Din 37405-0296970-7, Khalil Ur Rehman 42301-3676374-1 | Nadeem Hameed Sh. Abdul Hameed Sh. Nadeem Jam Muhammad Naseem Jam , Nasir Ud Din Mian Muhammad Ibraheem, Khalil Ur Rehman Habib Ur Rehman Khan | 40,557 | 8,308,897 | 8,349,454 | 40,557 | 8,310,977 | 8,351,535 |
| 65 | Fahad Bin Kabir | House No 430, Defence Officers Housing Society, Phase 1, Malir Cantt, Karachi | 42201-3621712-7 | Kabir Uddin Soleja | 9,071,933 | 5,243,091 | 14,315,025 | 1,356,933 | 5,843,496 | 7,200,430 |
| 66 | Naeem Arshad | House No.4/1 Gizri Lane No.8 Phase.IV, Near DHA Higher Secondry School, Karachi | 42301-0119383-7 | Muhammad Ashraf | 12,250,813 | 4,343,898 | 16,594,711 | 2,447,929 | 4,572,600 | 7,020,529 |
| 67 | Aftab Ahmed | House 73-A Block Model Town Lahore | 35202-7743616-9 | Nisar Ahmed | 9,354,912 | 6,014,935 | 15,369,847 | 170,912 | 6,541,612 | 6,712,524 |
| 68 | International Investment | 1st Floor, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi. | Nek Muhammad Qureshi, Nusrat Ali, Mushtaq A.Taj, Muhammad Nasim Khan, Mustafa Jalil, Nadeem Ali Irfan Ahmed Qureshi | Mr. Qureshi | 1,571,570 | 4,381,879 | 5,953,449 | 1,571,570 | 4,519,158 | 6,090,728 |
| 69 | Waheed Ahmad | Muslim Motors 6 Montogomery Road Lahore | 35202-3050316-7 | Bashir Ahmed | 2,197,345 | 3,673,193 | 5,870,538 | 2,197,345 | 3,673,193 | 5,870,538 |
| 70 | Salman Saeed Paracha | Rehman Paracha House No 74-A Pcsir Colony, Lahore | 35202-4616952-3 | Saeed Ur Rehman Paracha | 8,499,323 | 3,490,241 | 11,989,564 | 2,124,323 | 3,490,241 | 5,614,564 |
| 71 | Imran Ali | H # B-2, 604 / N Asghar Mall, Rawalpindi | Imran Ali 211-63-211432 | Farzand Ali | 1,269,910 | 3,904,665 | 5,174,575 | 1,269,910 | 4,010,433 | 5,280,343 |
| 72 | Ch. M. Iqbal & Co. | 74/B Ghallian Mandi Arifwala 0457632658 Pakpattan | 338-75-151274 | Ch. Muhammad Iqbal | 7,584,308 | 2,844,625 | 10,428,933 | 2,184,308 | 2,844,625 | 5,028,933 |
| 73 | Rao Sami Ullah Khan | Building Noor Hall Hotel Near Kidney Center Opp Ayub Park Jehlum Road Rawalpindi | 31101-1654838-5 | Rao Muhammad Rafiq | 4,804,000 | 3,165,836 | 7,969,835 | 1,829,000 | 3,165,836 | 4,994,835 |
| 74 | Syed Hassan Ilyas | 391-Y Defence Housing Authority, Lahore Cantt, Lahore | 35201-3775403-3 | Syed Ilyas Ali | 7,607,002 | 5,647,325 | 13,254,327 | - | 4,546,948 | 4,546,948 |
| 75 | Abdul Kamran Salam | 12-B Johar Town, Lahore | 35202-2935868-3 | Abdul Salam | 14,997,433 | 2,111,967 | 17,109,400 | 2,247,433 | 2,111,967 | 4,359,400 |
| 76 | Raja Nadir Perwaiz Khan | Shop No. 44 Nadir Plaza Commercial Market Rawalpindi | 37405-9035410-5 | Raja Nadir Khan | 6,687,032 | 3,031,991 | 9,719,024 | 1,207,032 | 3,027,178 | 4,234,210 |
| 77 | Gold King Electronics | 403 - Landmark Plaza, Jail Road, Lahore | Abdul Ghafoor 35201-5857090-3 | Ch. Nizam Ud Din | 10,000,000 | 1,633,848 | 11,633,848 | 2,500,000 | 1,633,848 | 4,133,848 |
| 78 | Afzal Weaving Factory | House No 136 Street No 5 Samanabad, Faisalabad | 33100-0318671-9 | Hussain Ahmed | 2,412,531 | 2,260,918 | 4,673,449 | 1,817,531 | 2,260,918 | 4,078,449 |
| 79 | Khalid Aziz | Plot No. 2 Khalid Aziz Block Canal Bank Harbancepura Lahore | 35202-9388068-9 | Aziz Ur Rehman | 6,976,493 | 2,882,624 | 9,859,117 | 1,046,473 | 2,882,624 | 3,929,097 |
| 80 | Umar Sadik | Data Agro Limited 3 - A Race View Jail Road, Lahore | 35201-5685381-5 | Ahmed Shadiq | 6,484,818 | 2,696,046 | 9,180,864 | 1,000,000 | 2,696,046 | 3,696,046 |
| 81 | Waseem Saadat | House# 20,Anwar Street, Chaman Bagh Rajh Garhi, Riwaz Garden, Lahore | 35202-2955681-3 | Muhammad Saadat Ali | 2,833,241 | 2,973,544 | 5,806,785 | 423,241 | 3,257,792 | 3,681,033 |

# Consolidated Financial Statements
## Annexure-1

Amount in PKR Rupees

| Sr. NO | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 82 | Syed Sabih Ahmed | 14 Baghpatee Chambers, Altaf Hussain Road, Karachi | 42301-3239620-1 | Syed Wasi Ahmede | 1,343,869 | 2,324,628 | 3,668,497 | 1,343,869 | 1,343,869 | 3,668,497 |
| 83 | Malik Amjad Ali | Gas Plus CNG Station Hussainabad Colony Peshawar City, Peshawar | 17301-9056848-3 | Malik Ghulam Hussain | 3,477,404 | 2,260,183 | 5,737,587 | 1,367,404 | 1,367,404 | 3,627,587 |
| 84 | Iftikhar Ghori | H No 679/B Batala Colony Sahiana Road Faisalabad | 33100-4657533-3 | Muhammad Yaqoob Ghori | 1,986,346 | 1,520,191 | 3,506,537 | 808,496 | 808,496 | 3,526,603 |
| 85 | Tariq Mahmood Rasti | H.No 0-1107 A, Near Madina Free Dispensery, Kartar Pura Rawalpindi. | 37405-6306154-3 | Tasadduq Hussain | 4,002,362 | 2,663,836 | 6,666,198 | 602,362 | 602,362 | 3,388,751 |
| 86 | Naushad Jamil Usman | House# A-61/2, Gulistan-e-Johar Block-14, Karachi | 42201-6675532-1 | Mohammad Usman | 3,916,610 | 2,323,691 | 6,240,301 | 816,610 | 816,610 | 3,196,110 |
| 87 | Cottonman | Shop # 2/10, Nasir Shaheed Park, Phase 4, DHA, Karachi | Zsigham Ali Sartaj Zaidi 502-60-991370 | Syed Ali Jaffar Zaidi | 1,080,981 | 2,044,141 | 3,125,122 | 1,080,981 | 1,080,981 | 3,125,122 |
| 88 | Mian Muhammad Omar Nawaz | Omer Fabrics 76-A New Anarkali, Lahore | 35202-9166702-5 | Mian Muhammad Nawaz | 5,399,997 | 2,251,678 | 7,651,674 | 799,997 | 799,997 | 3,051,674 |
| 89 | Muhammad Ilyas | Madni Center, 3rd Floor, Main Awan Town, Lahore | 35202-5696019-7 | Mian Muhammad Ibrahim | 4,443,432 | 1,852,851 | 6,296,282 | 1,193,432 | 1,852,851 | 3,046,282 |
| 90 | Imran Bashir | P-836 Street No 7 Al-Masoom Town Faisalabad | 33100-0656105-5 | Bashir Ahmed | 1,961,983 | 1,900,274 | 3,862,257 | 913,533 | 1,900,274 | 2,813,807 |
| 91 | Imran Hanif | H 379-3-D1 Green Town Lahore | 35202-6849306-9 | Muhammad Hanif | 2,801,893 | 2,661,336 | 5,463,229 | 32,878 | 2,764,950 | 2,797,828 |
| 92 | Khawar Mehmood | Khawar Traders Shop # 7 Ground Floor Ahmad Centre Market 147-A Alamgeer Market Shah Alam, Lahore | 35202-3434499-5 | Ashiq Ali | 4,097,127 | 1,697,172 | 5,794,299 | 1,024,127 | 1,697,172 | 2,721,299 |
| 93 | Almawat Zari Services | Hair, Badian Road, Lahore Cantt, Lahore | 35201-5277051-1 | Subhan Khan | 4,277,504 | 1,631,432 | 5,908,936 | 777,504 | 1,937,443 | 2,714,947 |
| 94 | Excel Marketing | Suit No.309, 3rd Floor, Alwan-E-Auqat. Off The Mall Road, Lahore. | Ali Ameer Sheikh 35201-6879857-9 | Mumtaz Manzoor | 1,000,000 | 1,506,173 | 2,506,173 | 1,000,000 | 1,593,625 | 2,593,625 |
| 95 | Yasmeen Pervaiz | House# 10 Street-2 Gazaffi Colony Badami Bagh Near Pakistan Public School, Lahore | 35202-7084762-8 | Pervaiz Akhter | 2,885,392 | 1,796,119 | 4,681,512 | 548,192 | 2,035,384 | 2,583,576 |
| 96 | Muhammad Rafique | 78-C 1, Gulberg III, Lahore | 275-88-027311 | Abdul Majeed | 6,078,556 | 2,517,823 | 8,596,379 | - | 2,517,823 | 2,517,823 |
| 97 | Zahid Mehmood Sethi | 14-B Temple Road Lahore. | 35202-9035904-3 | Muhammad Latif Sethi | 3,972,919 | 1,646,004 | 5,618,922 | 788,919 | 1,646,004 | 2,434,922 |
| 98 | Tanveer Ahmed | H. No. 24, Block C, Gulshan Ravi, Lahore. | 35202-8276084-7 | Bashir Ahmed | 2,821,860 | 1,600,483 | 4,422,343 | 748,522 | 1,600,483 | 2,349,005 |
| 99 | Khawaja Wasim Ahmed | House No. 4 Street No. 74 G-6/4 Islamabad. | 514-77-123411 | Khawaja Kabir Ahmed | 6,781,510 | 2,794,491 | 9,576,002 | - | 2,214,380 | 2,214,380 |
| 100 | Shahid Ali Babar | 146/11,U Phase II DHA, Lahore | 278-51-108900 | Shaki Ali | 796,277 | 1,376,497 | 2,172,774 | 796,277 | 1,376,497 | 2,172,774 |
| 101 | Sohail Hameed Butt | XX-56, 2nd Floor Commercial Area Khayaban-e-Iqbal DHA Lahore Cantt. Lahore | 35201-9747254-5 | Abdul Hameed But | 678,924 | 1,773,040 | 2,751,965 | 388,924 | 1,773,040 | 2,171,965 |
| 102 | Nadeem Arain | House No R-913 Sector 15-A/1 North Karachi Buffer Zone Karachi | 42101-2858025-1 | Inayatullah | 3,362,535 | 1,433,109 | 4,795,644 | 462,535 | 1,624,869 | 2,087,404 |
| 103 | Khalid Manzoor | H. No. 119, Islam Block, Azam Garden Multan Road, Lahore | 35202-2806968-9 | Manzoor Hussain | 3,300,000 | 1,585,350 | 4,885,350 | 495,000 | 1,585,350 | 2,080,350 |
| 104 | Mohammad Arif Hussain Qadri | C - 17 Block-S North Nazimabad Karachi | 42101-1887790-5 | Muhammad Nazir Hussain Qadri | 3,223,727 | 1,974,811 | 5,198,539 | - | 1,964,547 | 1,964,547 |
| 105 | International Traders | 3Rd Floor, Parker House, Alwan E Tijarat Road, Karachi | Muhammad Arshad N/A | S A. Khaliq | 787,306 | 1,175,471 | 1,962,777 | 787,306 | 1,175,471 | 1,962,777 |
| 106 | Nadeem Ahmed Mirza | A - 3, Block 8, Khayaban-E-Jami, Kehkashan, Clifton, 1St Floor, Jason Appartments, Karachi | 42301-6956801-1 | Muhammad Ahmed Mirza | 4,492,505 | 1,843,362 | 6,335,867 | - | 1,835,867 | 1,835,867 |
| 107 | Muhammad Nadeem Alam | Lg-89 Hafeez Center Gulberg-III Lahore | 35202-0687064-3 | Muhammad Jahangir | 2,496,147 | 678,072 | 3,174,219 | 499,147 | 1,285,553 | 1,784,700 |
| 108 | Salamat Shah | Plot # Ah/D-16, Al Falah Co-Operative Housing Society, Shah Faisal Colony, Karachi | Salamat Shah 42201-8490306-3 | Mr. Syed Shah | 1,134,122 | 1,450,243 | 2,584,364 | 300,000 | 1,450,243 | 1,750,243 |
| 109 | Muhammad Abdullah Power Looms | N/B Abu Bakkar Mosque Ahlee Hadees Mohallah Aziz Colony Multan | 36302-6557645-1 | Talib Ali | 1,039,106 | 550,974 | 1,590,080 | 379,182 | 1,353,347 | 1,732,529 |
| 110 | Irfan Nabi Khan | House No.63 Edan Villas Model Town Lahore | 35202-5947271-3 | Ajaz Nabi Khan | 2,884,435 | 1,202,714 | 4,087,149 | 484,435 | 1,202,714 | 1,687,149 |
| 111 | Asif Ali Khan | 1-B/2 22Nd Street Kh-E-Tanzeem Phase-V DHA Karachi | 514-46-061826 | Noor Muhammad | 3,998,205 | 4,599,636 | 8,597,841 | - | 1,667,201 | 1,667,201 |
| 112 | New Bismillah Zari Services | Near Govt Higher Secondary School Fateh Pura Road Jallah Jeem Tehsil Mailsi Distt Vehari | Sajjad Hussain: 36602-8225532-7 | Zia Hussain | 2,481,826 | 1,205,296 | 3,687,122 | 372,274 | 1,205,296 | 1,577,570 |
| 113 | Malik Jalil Ahmed Awan | House# Sa-648 Khajoor Wali Gali Chirah Road Service Road Sadiqabad Rawalpindi | 13101-1565924-1 | Malik Abdul Ghaffar | 2,393,148 | 956,309 | 3,349,456 | 593,148 | 956,309 | 1,549,456 |
| 114 | Muhammad Kamran Malik | House No. 239 Ahsan Street Shah Noor Park Kot Khawaja Lahore | 35202-2824973-5 | Malik Mehmood Alam | 2,250,000 | 938,199 | 3,188,199 | 550,000 | 938,199 | 1,488,199 |
| 115 | Kolachi Traders | Plot No C-11 Sohni Apartments Blk 4-A Abul Hasan Isphahani Road Karachi | Mr. Syed Amir Raza Zaidi 42201-7600555-9 | M. Syed Mohd Mohsin | 2,096,944 | 411,073 | 2,508,017 | 896,944 | 579,466 | 1,476,410 |
| 116 | Cheema Scrap | National Kaseera Market, Outside Khali Gate, Gujranwala | Habib Ur Rehman 34101-2566926-1 | Muhammad Sharif | 787,176 | 635,375 | 1,422,551 | 787,176 | 687,825 | 1,475,001 |
| 117 | Mohammad Ali Choudhry | House # 294/M St # 1 Aziz Colony Hafiz Jamal Road Multan. | 36302-2922932-1 | Lal Din | 620,816 | 807,754 | 1,428,570 | 620,816 | 807,754 | 1,428,570 |
| 118 | Jamil Mohammad | H # 3, St 3 12 Shalim Street, Sahar Road Baghban Pura, Lahore | 35201-5469801-5 | M Saddique | 2,294,356 | 956,711 | 3,251,067 | 469,356 | 956,711 | 1,426,067 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 119 | Ismail Khan Durrani | House No E-11 Dada Bhai Town Shaheed-E-Millat Road Baloch Colony Karachi | 42201-8865852-9 | Haji Mir Bacha Khan | 1,103,054 | 212,523 | 1,315,577 | 1,103,054 | 286,982 | 1,390,036 |
| 120 | Babar Pervez | Trg Pakistan 7Th Floor Block B FTC Building Shahrah-e-Faisal Karachi | 42301-6090734-9 | Pervez Maqbool | 1,254,381 | 28,875 | 1,283,257 | 1,223,791 | 159,631 | 1,385,422 |
| 121 | Muhammad Akbar | 200-A3 Johar Town Lahore. | 35202-0407164-1 | Mohammad Sarwar | 1,199,987 | 101,891 | 1,301,878 | 1,161,994 | 218,977 | 1,380,970 |
| 122 | Syed Ejaz Asr Rizvi | Suite # 8 Second Floor Kehkashan Mall,Main Tariq Road, PECHS Block - II ,Karachi | 42101-7932881-9 | Syed Wafadar Hussain Rizvi | 3,088,507 | 725,405 | 3,813,912 | 388,507 | 983,713 | 1,372,219 |
| 123 | Ali Raza | Axact, Axact Street, Main Khayaban-e-Ittehad, Phase VII, DHA, Karachi | 42201-1954334-3 | Syed Aftab Ali | 210,060 | - | 210,060 | 1,079,181 | 268,773 | 1,347,954 |
| 124 | Idrees | Soha Mension, 3rd Floor, Gk - 2/2, Near Bangal House, Agha Khan Road, Kharadar Karachi | 42301-7949479-9 | Mohammad | 5,094,316 | 2,807,416 | 7,901,732 | - | 1,346,313 | 1,346,313 |
| 125 | Sumaira Usman | 16 B Kaghan Road F-6 Markaz Lafarge Pakistan Islamabad | 61101-1650248-2 | Usman Ul Ahsan | 1,200,000 | - | 1,200,000 | 1,200,000 | 139,340 | 1,339,340 |
| 126 | Muhammad Hashim | B-93 Block -7 Gulistan-e-Jauhar Karachi | 42101-4428613-1 | Muhammad Qasim | 1,840,162 | 1,228,541 | 2,868,702 | - | 1,317,577 | 1,317,577 |
| 127 | Malik Abdul Waheed | House No 8, Nargis Block Allama Iqbal Town, Lahore | 35202-5326550-9 | Ch Hussain Bakhsh | 3,547,735 | 760,048 | 4,307,783 | 447,735 | 867,442 | 1,315,177 |
| 128 | Syed Sami Hussain | Flat # B-503 Pearl Residency Bl 14 Gulshan E Iqbal Mashriq Center National Stadium Road, Karachi | 42101-1510796-1 | Syed Ale-Hussain Noori | 1,330,000 | - | 1,330,000 | 1,193,687 | 117,994 | 1,311,682 |
| 129 | Syed Kazim Raza Rizvi | S-25-26 Noman Centre Rashid Minhas Road Gulshan-E-Iqbal, Karachi | 42201-5762059-1 | Syed Khalid Hussain Rizvi | 3,185,165 | 1,321,150 | 4,506,315 | - | 1,306,315 | 1,306,315 |
| 130 | Faheem Ullah Shaikh | Habib Bank Ltd City Court Branch Gate No 3 Karachi Court Karachi, | 45203-6195476-9 | Gul Hassan Shaikh | 1,141,289 | 82,087 | 1,223,376 | 1,141,289 | 162,142 | 1,303,431 |
| 131 | Muhammad Shoaib Qasmi | H. No. 491, Block A, Ghulam Muhammad Abad, Faisalabad | 33100-4684814-9 | Muhammad Aslam Qasmi | 1,154,820 | 116,740 | 1,271,560 | 257,205 | 1,026,021 | 1,283,226 |
| 132 | Fahmida Iqbal | Un Women Plot-5-11, Diplomatic Enclave, Islamabad | 37405-1732350-4 | Muhammad Iqbal Khan | 1,103,244 | 49,077 | 1,152,321 | 1,103,244 | 139,362 | 1,242,606 |
| 133 | Syed Khalil Ahmed | H No B-478 Block 13 Farooq E Azam Masjid, F.B Area, Karachi | 42501-1552548-1 | Syed Nazir Ahmed | 1,178,510 | 5,251 | 1,183,762 | 1,156,638 | 62,055 | 1,228,693 |
| 134 | Asim Qamar | 129 Sarwar Colony, Sarwar Road, Cantt, Lahore | 35201-0949909-1 | Imran Qamar | 420,053 | - | 420,053 | 998,831 | 224,508 | 1,223,339 |
| 135 | Muhammad Yousaf | House No 17 Street No 32 Nisbat Road Gawalmandi Near Muhammadi Square Lahore | 35202-2516683-7 | Muhammad Allaud Din | 1,118,941 | - | 1,118,941 | 1,093,832 | 127,266 | 1,221,098 |
| 136 | Abdul Rahman Khan Sherwani | House # 5/16, St # 6, Zaman Colony Cavalry Ground, Lahore | 36402-2337357-1 | Murtaza Khan Sherwani | 970,010 | 66,463 | 1,036,473 | 970,010 | 244,325 | 1,214,335 |
| 137 | Muzaffar Ali Bhatti | Banglow No.Ee-1,2Nd Flr Defence View Phase-Ii Near Iqra University, Karachi | 42301-0944839-7 | Mohammad Anwar Javed | 1,053,496 | 108,936 | 1,162,431 | 1,053,496 | 128,222 | 1,181,718 |
| 138 | Talal Azfar | H No 27-A Main Nazim Ud Din Road F-10/4 Islamabad | 61101-2489787-1 | Majid Hassan | 1,202,302 | 86,912 | 1,289,213 | 1,128,519 | 46,317 | 1,174,836 |
| 139 | Muhammad Mansha | Street -05 Khushal Colony Khanewal Road Multan | 36302-0374615-1 | Wali Muhammad | 473,060 | 698,609 | 1,171,669 | 473,060 | 698,609 | 1,171,669 |
| 140 | Premiere International | Flat No. 4, Second Floor, City Archade, 18 Markaz, Islamabad. | Abdul Rehman Amir 61101-1893098-9 , Rabia Rehman 61101-1538921-5 | Mumtaz Baig, W/O Abdul Rehman Amir. | 449,890 | 678,568 | 1,128,458 | 449,890 | 716,039 | 1,165,928 |
| 141 | Basit Sardar | Shop No 1, Ground Floor, Rashid Minhas Arcade Mission 1 Road Printing Street Mei Ladu Masjid, Lahore | 35202-6194691-7 | Sardar Khan | 999,827 | 59,674 | 1,059,501 | 986,860 | 178,945 | 1,165,804 |
| 142 | Nadeem Butt | Butt Kraahi, 18 , Macleode Road, Geeta Bhewen Building, Lakshmi Chowk Lahore | 35202-0874555-3 | Abdul Hameed Butt | 3,294,368 | 1,380,938 | 4,575,306 | - | 1,165,306 | 1,165,306 |
| 143 | Tabish Ismail | House D-42, Kehkashan Clifton, Block 5, Karachi | 42301-7971411-1 | Abid Ismail | 1,050,000 | - | 1,050,000 | 1,033,900 | 130,918 | 1,164,818 |
| 144 | Mohammad Aslam Shaikh | House No F-67 Ground Floor, R-Big Portion Block B, North Nazimabad Karachi | 42101-6794803-7 | Shaikh Mohammad Yaseen | 999,983 | 25,465 | 1,025,449 | 999,949 | 163,622 | 1,163,571 |
| 145 | Adnan Haider Zaidi | Federak Urdu Uni G-7/1 Zero Point Fire Brigade Office Islamabad | 91509-0153735-7 | Riaz Hussain Zaidi | 1,000,000 | - | 1,000,000 | 992,863 | 141,166 | 1,134,029 |
| 146 | Rashida Saigol | 91-E/1 Gulberg III, Lahore | 35202-0597796-6 | Gulzar Ahmed Shaikh | 847,548 | 121,699 | 969,247 | 847,548 | 275,348 | 1,122,895 |
| 147 | Sardar Abdul Khalid | 218 Neelum Block Allama Iqbal Town Lahore | 35202-4662569-3 | Abdul Hameed | 1,842,983 | 768,499 | 2,611,482 | 342,983 | 768,499 | 1,111,482 |
| 148 | Zakir Ali Khan | 20-A 1/1 Block-6 PECHS, Karachi. | 517-73-186954 | Dilawar Ali Khan | 272,249 | 837,617 | 1,109,866 | 272,249 | 837,617 | 1,109,866 |
| 149 | Fawad Akhtar Ali | H No 24/li 23 Street Khy E Tanzeem Idial Bakry Phase 5 DHA Karachi | 42301-0881225-1 | Muhammad Akhtar Ali | 1,109,986 | - | 1,109,986 | 1,089,164 | 10,246 | 1,099,410 |
| 150 | Kashif Majeed | S-2 Sea Breeze Plaza, Shahrah-e-Faisal, Karachi | 36302-5141631-9 | Abdul Majeed | 989,018 | 59,196 | 1,048,214 | 903,547 | 164,636 | 1,068,184 |
| 151 | Ali Naveed Pirzada | 1 Habibullah Road (Off Davis Road) Al-Ayesha High School Lahore | 35201-8686908-9 | Naveed Aslam Pirzada | 866,845 | 147,200 | 1,014,045 | 870,069 | 188,157 | 1,058,226 |
| 152 | Khalid Mehmood | House No 389 Phase 1 Malir Cantt Cheak Post Karachi, | 61101-5034240-9 | Muhammad Ashraf | 973,167 | - | 973,167 | 954,371 | 100,405 | 1,054,776 |
| 153 | Imran Ahmed Khan | Axact Pvt Ltd Axact House Axact Street Main Khayaban-e-Ittehad Phase VII D.H.A. Karachi | 42101-5977951-3 | Saeed Ahmed Khan | - | - | - | 864,433 | 188,011 | 1,052,444 |

# Consolidated Financial Statements

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Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 154 | Muhammad Abdulwajed Farooqi | B 69 Block 7 Gulistan-e-Jonar, Karachi | 42000-0475366-7 | M Abdul Wahis | 934,816 | 73,330 | 1,008,147 | 934,816 | 108,844 | 1,043,661 |
| 155 | Shahzaib Waseem Arshad | NVI-60-S-6 Al-Madad Pak Colony Timber Market Lahore | 35202-9036560-3 | Nawab Din | 2,587,021 | 1,075,740 | 3,662,761 | - | 1,033,121 | 1,033,121 |
| 156 | Mumtaz Nasreen | Mental Hospital Jail Road Lahore Department Of Male Teaching One Lahore | 35202-6550235-8 | Arshad Masih | 963,185 | 51,224 | 1,014,409 | 963,185 | 68,650 | 1,031,835 |
| 157 | Saleem | Flat No 10 3Rd Floor Bukhari Mention New Minhas Road Kharadar Police Chowki Near Qaid-E-Azam Birth Place Karachi | 42301-2264238-5 | Haji Sattar | 954,371 | - | 954,371 | 924,745 | 106,335 | 1,031,080 |
| 158 | Syed Masood Hamid Ali | Dawn Group Of Newspaper Haroon House Dr. Zia Uddin Ahmed Rd. Karachi | 42301-1113005-1 | (Late) Hamid Ali | 920,540 | 22,058 | 942,598 | 977,988 | 52,921 | 1,030,910 |
| 159 | Muhammad Ather | 15-MCB House Gulberg KASAB Bank Lahore | 35202-2170993-9 | Muhammad | 1,005,970 | - | 1,005,970 | 915,119 | 104,816 | 1,019,935 |
| 160 | Rashid Mehmood | Rashid Bros Poultary Shop No 16 Pat Market Chaklala Road Rawalpindi | 37405-5513108-7 | Ashiq Hussain | 1,392,196 | 552,054 | 1,944,250 | 439,196 | 552,054 | 991,250 |
| 161 | Mian Hamid Rafiique | House No. F 3/4-A Afghani Road Samanabad Lahore | 35202-2959453-3 | Mian Muhammad Rafic | 1,891,491 | 795,587 | 2,687,078 | 191,491 | 795,587 | 987,078 |
| 162 | Raheel Rahman | 53/2 21St Street Phase # 5 DHA Karachi | 42000-0508914-7 | Abdur Rahman | 834,531 | 93,329 | 927,859 | 836,543 | 137,852 | 974,395 |
| 163 | Syed Adil Hussain | Houses 23-K, Block-2 PECHS Karachi | 42201-6213678-1 | Syed Mukhtar Ali Shah | 1,088,876 | 677,316 | 1,766,192 | 158,876 | 802,295 | 961,172 |
| 164 | Fareed Ahmed Khan | A-33 Sector No 11-A Power House Chowrangi North Karachi, Karachi | 42101-8096531-3 | Tanveer Khan | 875,850 | 13,931 | 889,781 | 875,850 | 71,747 | 947,597 |
| 165 | Rana Muhammad Nabeel | House No D-352 Navy Housing Scheme Block 9 Clifton 2 Talwar KehKashan, Karachi | 42301-2303623-3 | Rana Muhammad Yaqoob | 933,940 | - | 933,940 | 510,017 | 31,754 | 941,770 |
| 166 | Muhammad Aslam Power Loom | H No 090, Out Side Dehli Gate Arif Pura, Multan | 36302-8569099-7 | Muhammad Buta | 1,499,683 | 564,188 | 2,063,871 | 374,683 | 564,188 | 938,871 |
| 167 | Ghazala Tahir | House # 7, 1St Floor Ali Centre, Block 2 Main Tariq Road, PECHS Karachi | 42201-7693649-2 | Mohammad Tahir | 2,441,902 | 516,589 | 2,958,491 | 365,902 | 567,435 | 933,337 |
| 168 | Imam Hasan Muqaddam | C-34 4Th Floor Wajid Square Gulshan-e-Iqbal Block No 16 Karachi University Road Near Baitul Mukarram Masjid, Karachi | 42101-5143414-3 | Ismail Muqaddam | 814,192 | 54,274 | 868,466 | 814,192 | 106,455 | 920,647 |
| 169 | Sheraz Ahmed Siddiqui | Lakson Square Building No 2 4Th Floor Sarwar Shaheed Road Press Club Karachi | 42201-0653465-5 | Zamir Ahmed Siddiqui | 820,201 | 31,842 | 852,043 | 820,201 | 99,119 | 919,319 |
| 170 | Khalid Karandi House | House 1694/105 Street 3 Out Side Dehli Gate Arif Pura Multan Multan | 36302-6921644-5 | Muhammad Afzal | 1,389,834 | 511,872 | 1,881,706 | 389,834 | 511,872 | 901,706 |
| 171 | Mazhar Zari Service | Faiddah Chowk Matiki | 36602-7488942-5 | Ronaq Ali | 1,339,185 | 500,267 | 1,839,452 | 395,185 | 500,267 | 895,452 |
| 172 | Rakhel Bibi | Surgical Opd Sheikh Zayed Hospital New Campus Lahore | 35200-5102881-6 | Nasir Mohan Masih | 867,684 | - | 867,684 | 817,153 | 68,007 | 885,161 |
| 173 | Tanveer Rasheed | House No. 07 Street No. 2 Mohallah Tariqabad Khokhar Kee Gujranwala 3253632/0321-8490019/3891485 Gujranwala | 34101-3393350-3 | Abdul Rasheed | 566,574 | 312,460 | 879,034 | 77,260 | 801,774 | 879,034 |
| 174 | Manzar Ali | Flat No 18-A Super Palace Civil Line Ziauddin Ahmed Road Karachi Club Karachi | 42301-9738688-7 | Sher Muhammad Bughio | 829,145 | 15,195 | 844,341 | 804,082 | 70,410 | 874,492 |
| 175 | Aloe Pak | Suit # 39, 3Rd Floor, Sadiq Plaza, The Mall, Lahore | Adbullah Khizar Bajwa 35202-7479800-5 | Khurshid Ahmad | 397,746 | 447,726 | 845,472 | 397,746 | 472,571 | 870,317 |
| 176 | M S Fabrics | M.S Fabrics Budha Road, Near Shoukat Pahlwan Chowk Multan | 36302-6850910-3 | Muhammad Tufail | 357,488 | 504,906 | 862,395 | 357,488 | 504,906 | 862,395 |
| 177 | Muhammad Arshad Javed | House No 41 Ali Block Ittefaq Town Lahore 7446079/7520730/0300-4151068 | 35202-2889951-5 | Muhammad Ibrahim | 1,260,529 | 802,132 | 2,062,662 | - | 856,520 | 856,520 |
| 178 | Nisar Abbasi | House No11 Block E Main Double Road Soan Avenue Soan Garden Housing Society Islamabad Islamabad | 61101-1752491-1 | Muhammad Ashraf Khan Abbasi | 605,872 | 2,421 | 608,293 | 646,519 | 198,872 | 845,391 |
| 179 | Syed Muhammad Saad Atiq | Suit No 301 Al Ameen Tower Block 10 Upon Chase Gulshan-e-Iqbal Karachi | 42101-5465427-5 | Syed Muhammad Atiq | 708,207 | 109,694 | 817,901 | 708,207 | 131,349 | 839,554 |
| 180 | Mirza Ali Yar Baig | Larx Colony GS-11 H No 117 Mohalla Nistar Park Karachi Phatak Mughal Pura Lahore Cantt Lahore | 35201-9372806-9 | Mirza Akram Baig | 778,567 | 55,260 | 833,826 | 778,567 | 57,896 | 836,463 |
| 181 | Muhammad Fareed | 1863/2, Second Floor Azizabad F.B Area Karachi | 42101-5441072-5 | Muhammad Farooq | 88,060 | - | 88,060 | 678,417 | 152,552 | 830,969 |
| 182 | Muhammad Shoaib Khan | H No 240 Block I Sector C-II Township Lahore Near Ghazi Chowk Lahore | 35200-7563909-5 | Muhammad Akram Khan | 782,981 | - | 782,981 | 764,962 | 59,557 | 824,520 |
| 183 | Nasir Rauf Malik | N.B.P P-W-R Workshop Mughalpura P-W-R Workshop Lahore | 35201-7662135-7 | A Rauf Malik | 750,000 | - | 750,000 | 738,500 | 79,852 | 818,352 |
| 184 | Syed Shakir Hussain Rizvi | H No A-144 Bloch 1 North Nazimabad Karachi. | 42101-5633436-5 | Syed Shoukat Hussain | 951,191 | 756,493 | 1,707,684 | - | 816,929 | 816,929 |
| 185 | Rafaqat Shahzad | 58 C-II Gulberg III Govt College For Women Lahore | 35201-9019868-7 | Inayat Ali | 95,842 | - | 95,842 | 699,327 | 117,447 | 816,774 |
| 186 | Owais Uddin Ahmed | E-6-3 Country Club Street 33 Dha Phase V Ext Karachi | 35201-4169233-1 | Mushtaq Uddin Ahmed | 720,231 | 77,411 | 797,642 | 720,231 | 91,929 | 812,161 |
| 187 | Sheikh Sajjad Hussain | H No 592 Block A Wasa Training Centre Gulshan-e-Ravi Lahore | 35202-2938611-9 | Sheikh Muhammad Akbar | 750,000 | 21,090 | 771,090 | 718,263 | 88,282 | 806,545 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 188 | Barkat Ali | Flat No B-06 Sector 32/A Labour Square Ali Public School Korangi No 11/2 Karachi | 34602-6513929-3 | Muhammad Sair | 700,529 | 57,518 | 758,046 | 690,201 | 113,772 | 803,973 |
| 189 | Amir Siddiqui | House No 5 Street No 1 Mahmoodabad Begum Pura Near Shawala Chowk Lahore | 35202-2928739-7 | Mohammad Siddiqui | 737,912 | 44,739 | 782,651 | 674,478 | 124,584 | 799,062 |
| 190 | Nasreen Tanveer | Works Directorate Kda Scheme#01 Civil Aviation Lal Qila Resturant Authority Karachi | 42201-5754034-0 | Muhammad Tanveer | 783,980 | - | 783,980 | 718,859 | 74,308 | 793,167 |
| 191 | Sheikh Qasim | Flat No 2 Plot No 23/E Stafff Lane One Main Kh. Jami Phase 2 Ext DHA Karachi | 35202-2178117-7 | Abdul Rasheed | 667,143 | 123,514 | 790,657 | 667,143 | 123,514 | 790,657 |
| 192 | Nasir Junaid | Habib Bank Masi Gate Branch Saddar Rawalpindi | 61101-2461579-3 | Bashir Ahmad | 714,766 | 17,208 | 731,974 | 696,613 | 93,909 | 790,523 |
| 193 | Awais Weaving Industries | Chak#76Jb Mansocran Jhang Road Faisalabad | 33100-0313868-3 | Chaudhry Ahmed Deen | 1,517,631 | 569,549 | 2,087,180 | 217,631 | 566,509 | 784,141 |
| 194 | Safco Enterpris | Office 50, DHA II Malir Cantt., Karachi | Mashhur A. Farooqui 203-42-061196 | Shahood A. Farooqi | 280,828 | 484,075 | 764,903 | 280,828 | 502,786 | 783,614 |
| 195 | Khalid Ahmed Khan | Office # 10, St-2 Opp. Taimuria Library,Block- H North Nazimabad,Karachi | 42101-2919794-3 | Jamil Ahmed Khan | 4,662,821 | 446,046 | 5,098,867 | - | 781,372 | 781,372 |
| 196 | Fahad Abbas Akbar | Naspak 158 Garden Block Daewoo Terminal Garden Town Lahore | 34101-1478862-3 | Ghazanfar Ali Khan | 754,204 | 37,046 | 791,250 | 746,017 | 26,117 | 772,134 |
| 197 | Azhar Masood Bhatti | House No 384 Nizam Block Allama Iqbal Town Lahore | 35202-3091698-3 | Farkh Masood Bhatti | 2,098,880 | 875,116 | 2,974,006 | - | 764,451 | 764,451 |
| 198 | Mian Muhammad | House # 251-G Street -01, Moh Jan Muhammad Colony Multan | 32304-1908515-3 | Mian Atta Muhammad | 3,936,976 | 702,590 | 4,639,566 | - | 754,952 | 754,952 |
| 199 | Muhammad Abrar Ul Haq | House-31, St-7, Koran Town, Security Check Post, Islamabad | 35302-1984431-7 | Rao Tufail Muhammad | 687,953 | 13,759 | 701,712 | 669,257 | 77,031 | 746,288 |
| 200 | Fahd Ahmed Shaikh | H No 34/1 Phase 05 Khayaban-e-Tanzeem Khada Market Karachi | 42301-3326071-1 | Rashid Ahmed Shaikh | 637,183 | 76,958 | 714,140 | 637,183 | 91,271 | 728,453 |
| 201 | Mohammad Ammad Khan Ghauri | H # 381, Street 5, Muhalla Phase 4 Gulraiz Colony Rawalpindi | 37405-5116888-7 | Muhammad Munir Khan | 724,670 | 26,627 | 751,297 | 626,711 | 86,909 | 713,620 |
| 202 | Hussain Haider Sahibzada | Eurasia Shippers Off.1 Al Syed P Laza Opp Shaheen Cargo Terminal Airport Rawalpindi | 61101-1958187-5 | Ghulam Haider | 577,748 | 18,945 | 596,693 | 563,201 | 148,209 | 711,410 |
| 203 | Muhammad Saeed Siddiqui | Sharja Bartan Store Muslim Road Gali Javaid Butt Wali Gujranwala | 34101-3817619-5 | Muhammad Siddiq Siddique | 1,188,918 | 522,816 | 1,711,734 | 178,338 | 529,833 | 708,171 |
| 204 | Muhammad Suleman | House No C-145 Street No 8 Bhatai Road D3 Buss Stop Gulistan-e-Johar Karachi | 42201-5541377-1 | Ghulam Rasool Gilal | 653,812 | 60,796 | 714,608 | 653,812 | 53,208 | 707,020 |
| 205 | Tariq Rauf Khan | 1-J-21/8 Nazimabad No 1 Near Madina Masjid Near Muslim League Quarters Karachi | 42101-0621558-5 | Abdul Rauf Khan | 1,375,705 | 459,082 | 1,834,787 | 160,705 | 542,845 | 703,550 |
| 206 | Marco | 2-D Hill Top Arcade , Sunset Blvd , DHA, Karachi | Arif Ali Khan 210-52-401940 | Khalid Ali | 330,409 | 472,497 | 702,906 | 230,409 | 472,497 | 702,906 |
| 207 | Muhammad Nawaz (Deceased) | Near Coca Cola Factory, H. No. 13, Mumtaz Abad Moh Haidri Colony, Multan | 36302-9913897-1 | Muhammad Hayat | 2,594,493 | 308,851 | 2,903,344 | 388,493 | 308,851 | 697,344 |
| 208 | Mirza Ayaz Akhtar Baig | Flat # A-6 Al Nusrat Square Plot # Sc-4 Block-L North Nazimabad Karachi | 42101-0373672-5 | Mirza Ijaz Akhtar Baig | 669,063 | - | 669,063 | 669,063 | 25,268 | 694,332 |
| 209 | Asif Ibrahim Zahidi | Flat No 7 Mohammadi View Appartment Plot Z-49-A Opp DHA Phase 1 Mehmoodabad Road Karachi | 42000-9733476-7 | Muhammad Ibrahim Zahidi | 619,146 | 24,528 | 643,674 | 619,146 | 73,997 | 690,143 |
| 210 | Muhammad Saddique | Shamas Malik Street Ward # 06 Sher Shah Road Mohalla Khudadad Colony Multan | 36302-9377601-5 | Abdul Majeed | 721,242 | 512,634 | 1,233,877 | 171,242 | 512,634 | 683,877 |
| 211 | Adnan Adnan | Axact Pvt Ltd Axact House Axact Street Main Khayaban-e-Ittefiad Phase VII D.H.A Karachi | 42201-0948226-3 | Ghulam Ali | - | - | - | 536,814 | 145,849 | 682,663 |
| 212 | Naeem Uddin Siddiqi | House No F / L - R 125 Tariq Bin Zayed Society Rehmania Masjid Malir Halt, Karachi | 41303-4168302-3 | Nizam Uddin Siddiqi | 588,794 | 13,994 | 602,788 | 588,794 | 82,743 | 671,537 |
| 213 | Muhammad Tahir Ghori | Dadex Sales Office Plot No 13-C Main Khayaban-e-Ittehad Phase No 2 DHA Near Faysal Bank Karachi | 41304-3592041-1 | Saghir Ahmed Ghori | 632,795 | 48,446 | 681,241 | 628,281 | 42,585 | 670,866 |
| 214 | Syed Abdul Aziz | House No R-195 Sector 15-B Buffor Zone Today'S Restaurant North Karachi, Karachi | 42101-4389750-3 | Syed Abdul Sami | 627,429 | 12,520 | 639,949 | 609,193 | 48,794 | 657,987 |
| 215 | Humaira Makhdoom | H # 17-A/2 West Street Phase-I D.H.A Karachi. | 42301-7399885-8 | Mohammad Afzal Randhawa | 444,471 | 14,553 | 459,024 | 494,233 | 153,743 | 647,976 |
| 216 | Jawed Ali Khan | Shop # 8 S.E.7 Ambreen Shopping Centre Hyderi Market Block G North Nazimabad Karachi, Karachi | 42101-1504951-1 | Ansar Ahmed | 1,554,499 | 646,055 | 2,200,554 | - | 845,554 | 845,554 |
| 217 | Muhammad Farrukh Dawoodani | Ground Floor Bahria Complex 1 M.T Khan Road Lalazar Near Beach Luxary Hotel Karachi | 42201-5345229-7 | Yaqoob Ali | 598,355 | 34,821 | 633,175 | 598,355 | 46,038 | 644,393 |
| 218 | Shehzad Akbar Yazdani | 28, Sunnyside Apartment, Sunnyside Road, Civil Lines Karachi | 42301-1106096-9 | Mohammad Akbar Yazdani | 589,990 | 32,421 | 622,411 | 583,589 | 79,545 | 643,134 |
| 219 | Abdul Rahman Khan Sherwani | House # 5/16, St # 6, Zaman Colony Cavalry Ground, Lahore | 36402-2337357-1 | Murtaza Khan Sherwani | 622,334 | 16,840 | 639,174 | 629,247 | 13,030 | 642,277 |
| 220 | Muzaffar Ali Bhatti | Banglow No.Ee-1,2Nd Flr Defence View Phase-Ii Near Iqra University Karachi | 42301-0944833-7 | Mohammad Anwar Javed | 497,762 | 125,552 | 623,314 | 497,762 | 143,015 | 640,777 |
| 221 | Muhammad Haris | Axact Pakistan / 114-116C Tami Comm St Main Khayaban-e-Ittehad Phase 7 Near SCB Ittehad Branch Karachi | 42101-6245394-9 | Mumtaz Ahmad | 50,481 | - | 50,481 | 510,498 | 127,223 | 637,721 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 222 | Wasim Ahmad Khan | Cargo Plus 25-A 1St Floor Ittefaq Plaza Wahdat Road, Lahore | 35202-2428258-1 | Ahmed Wali Khan | 526,872 | 86,359 | 613,231 | 526,872 | 106,012 | 632,884 |
| 223 | Muhammad Fareeduddin | Axact Pakistan 114-116C Jan Comm Main St Main Khayaban-e-Ittehad near Ittehad Branch Karachi | 42201-3610582-1 | Muhammad Salahuddin | - | - | - | 505,168 | 125,596 | 630,763 |
| 224 | Danish Younus | Plot No 265 Flat No 302 3Rd Floor Sharfabad Apartment Near Ptv Station Karachi | 42201-3812430-5 | Younis | 382,244 | - | 382,244 | 499,091 | 118,868 | 617,959 |
| 225 | Abdul Razzak | Bmo Capital Management Ltd Level 6 Uni Tower Uni Plaza I I Chundrigar Road Karachi | 42301-9404703-1 | K V Muhammad | 570,483 | 22,255 | 592,738 | 570,483 | 44,042 | 614,524 |
| 226 | Sheikh Rehan Yousaf | Sheikh Usman Mobile Centre Shop #26 Jinnah Market Main Bazaar Township Lahore | 35202-6249389-1 | Sheikh Muhammad Yousaf | 563,087 | 85,593 | 648,680 | 512,687 | 100,687 | 613,374 |
| 227 | Al Muslim Zari Services C/O Liaqat Ali | Pirple Colonry H # 161 Street # 5 Sahiwal | 36502-9039976-1 | Ghulam Rasool | 998,482 | 356,599 | 1,355,081 | 248,482 | 362,873 | 611,356 |
| 228 | Aamir Anjum | H # 1A, Behind Alsuleman Plaza, Service Road Ghori Town Phase Iii, Islamabad | 61101-6589075-9 | Sabir Hussain Khan | 612,931 | 43,600 | 656,531 | 562,239 | 42,433 | 604,672 |
| 229 | Khushnooa Kosar | 16-Km Raiwind Road Superior University Lahore | 35201-2307092-2 | Kashif Fayyaz Syed | 642,071 | 51,172 | 693,243 | 552,932 | 47,448 | 600,380 |
| 230 | Ghulam Murtaza | Engro Polymer Port Qasim Dept Operation Tower Steel Karachi | 42501-9865817-5 | Muhammad | 571,152 | - | 571,152 | 561,972 | 37,779 | 599,751 |
| 231 | Chaudry Muhammad Nasir | 22Km Ferozpur Road, Roahi Nala Stop Meyc Plaza, Lahore | 34201-0366080-3 | Chaudry Allah Dita | 499,390 | 100,271 | 599,661 | 499,390 | 100,271 | 599,661 |
| 232 | Atif Raza | May Fair Group Of Companies Raiwind Manga Road Dars Road Lahore | 36502-0903734-9 | Riaz Hussain Jaffery | 563,036 | 14,875 | 577,910 | 563,036 | 36,329 | 599,364 |
| 233 | Abdul Ghaffar | House No P-124 Street No.3 Rabani Colony No.1 Banker Faisalabad | 33100-4078377-9 | Ghulam Nabi | 1,273,245 | 267,996 | 1,541,241 | 173,245 | 423,266 | 596,511 |
| 234 | Saad Saud | 187-A Ahmed Block Raja Market New Garden Town Lahore | 35202-8431235-9 | Saud Hanif | 308,968 | - | 308,968 | 470,307 | 126,080 | 596,387 |
| 235 | Qamar Rahi | Axact House Axact Street Ph VII Khayaban E Ittehad DHA near KFC Karachi | 42201-0746973-9 | Sameul Masih | - | - | - | 482,179 | 113,951 | 596,131 |
| 236 | Abdul Rahman Khan Sherwani | House # 5/16, St # 6, Zaman Colony Cavalry Ground, Lahore | 36402-2337357-1 | Murtaza Khan Sherwani | 467,454 | 31,705 | 499,159 | 467,454 | 127,068 | 594,522 |
| 237 | Hashim Ali | H/No G 47 Kucha Muhammad Inside Yakki Gate Sadiq Lahore | 35202-5233858-3 | Nazir Hussain | 457,544 | 99,654 | 557,198 | 457,545 | 134,454 | 591,998 |
| 238 | Adnan Khurram | 1St Floor Room 1 Habib Bank Plaza Sindh Madarsa Building Karachi | 42301-4623616-3 | Sheikh Muhammad Iqbal | 491,659 | - | 491,659 | 499,946 | 90,683 | 590,629 |
| 239 | Shahid Mehmood | House No 2 Ideal Homes Kotaly Pir Abdul Rehman Shalimar Bagh Gt Road Lahore Near Pakistan Mint Lahore | 35201-1396542-9 | Muhammad Ishaqe | 499,709 | 90,158 | 589,866 | 499,709 | 90,158 | 589,866 |
| 240 | Muhammad Sajid Jamal | H No 11 St No 23-A (6) Mohalla Nizam Abad Asghar General Store Kot Khawja Saeed Baghban Pura Lahore | 35201-4319005-9 | Jamal Din | 289,902 | - | 289,902 | 501,070 | 87,885 | 588,959 |
| 241 | Maqbool Hussain Zaidi | Shop No 6 Ground Floor Bombay Tower Sanai Hotel Abbott Road Lahore | 35202-8740383-1 | Inaam Ullah Zaidi | 499,939 | 44,286 | 544,225 | 499,939 | 88,664 | 588,603 |
| 242 | Saad Saud | 187-A Ahmed Block Raja Market New Garden Town Lahore | 35202-8431235-9 | Saud Hanif | 499,916 | - | 499,916 | 497,695 | 90,041 | 587,736 |
| 243 | Zulfiqar Ali | H No 05 Block H Shah Khawar Town, Defence Road, Cantt Lahore | 35201-1627005-7 | Muhammad Ishaq | 496,165 | 44,157 | 540,321 | 496,185 | 88,200 | 584,364 |
| 244 | Khalid Mehmood | House No 380 Phase 1 Malir Cantt Cheak Post Karachi | 61101-5034240-9 | Muhammad Ashraf | 499,867 | - | 499,867 | 494,413 | 89,904 | 584,317 |
| 245 | Syed Arshad Ali Rizvi | Bungalow No 39 Main Khayaban E Bukhari Near 01 Missri Shah Mazar Phase 6 DHA Karachi | 42301-1091489-1 | Syed Aziz Ur Rehman | 457,283 | 73,978 | 531,261 | 457,283 | 126,153 | 583,436 |
| 246 | Muhammad Imran | 3-A Khoghar Building Awan Group Royal Cargo Shobara Hotel Services Lahore | 42201-3545897-1 | Gulstan Khan | 514,930 | 63,579 | 578,509 | 508,931 | 74,389 | 583,319 |
| 247 | Muhammad Zakria | H No 25 St No 7 Mehrab Wali Street Begum Kot Lajpat Road Shahdara Lahore | 35202-9147946-9 | Muhammad Taqi | 499,972 | 27,549 | 527,521 | 499,973 | 82,204 | 582,177 |
| 248 | Aman Ullah Shaikh | Flat#B-304 3Ard Flr Bily'S Paradise Phase-2 Perfume Chowk Karachi Blk 17 Gulistan-e-Johar Karachi | 45203-4947530-1 | Mola Bux Shaikh | 620,129 | 13,739 | 633,868 | 557,128 | 24,364 | 581,491 |
| 249 | Ijaz Gul | House No 378 Street No 25 1St Floor E-11/4 Islamabad | 61101-6162241-1 | Qazi Salahuddin | 470,518 | 12,082 | 482,600 | 497,059 | 81,864 | 578,923 |
| 250 | Khurram Shahbaz | House Shop 10 Abdul Mati Road Lahore Hotel Lahore | 35202-7144214-9 | Sheikh Ameer Ali | 491,297 | 43,997 | 535,294 | 491,297 | 87,608 | 578,905 |
| 251 | Mohsin Ikram | Mi Holidays And Travel 8-V 12 Central Street Phs Shita Phase 2 DHA Karachi | 42301-4338793-1 | Sheikh Wasim Akram | 499,673 | 14,561 | 514,233 | 486,695 | 87,786 | 574,481 |
| 252 | Qamar Sohail | House#SD- 34 Askari Iii School Road Cantt Karachi | 42301-9693886-5 | Ghulam Gelani | 463,573 | 7,240 | 470,813 | 404,193 | 166,716 | 570,909 |
| 253 | Syed Mohammad Azam Almadni | Al Madni Services Shop 28 Civil Aviation Mkt Opp Terminal 1 Airport, Karachi | 42201-5921187-1 | Syed Mohd Younus Almadni | 491,224 | 24,698 | 515,923 | 491,224 | 78,437 | 569,661 |
| 254 | Aamir Iqbal Khan | House Number 12 ,First Falloor Sher Pao Bridge Gos-e-Azam Colony , Near Sher Pao Bridge, Gulbarg2 Lahore | 36302-4614694-7 | Iqbal Muhammad Khan | 529,742 | - | 529,742 | 527,356 | 41,835 | 569,190 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 255 | Muhammad Khurram Munir | Street No 8 North Ghang Road Shaikhopura near Stadium Sheikhupura | 35404-1563250-9 | Muhammad Munir Bajwa | 500,000 | - | 500,000 | 500,000 | 67,268 | 567,268 |
| 256 | Muhammad Sohail | House No 830 Allahi Wala Town Sector 31G Korangi Crossing Karachi | 42301-6180508-3 | Muhammad Younas | 448,649 | - | 448,649 | 470,963 | 95,243 | 566,206 |
| 257 | Muhammad Zahid | House No.293-294 Main Sarfraz Colony Faisalabad | 33100-0132710-1 | Sheikh Muhammad Ismail | 499,851 | 27,308 | 527,159 | 484,865 | 81,005 | 565,869 |
| 258 | Shakeel Ahmad | H No 14 St No 1 Paradise Houses Super Town Fine Store Link 2 Main Boulevard Defence Lahore | 35201-5604099-5 | Muhammad Rafiq | 492,327 | 14,671 | 506,998 | 492,327 | 73,426 | 565,754 |
| 259 | Habib Ur Rehman And Company C/O Habib Ur Rehman | Behind Darbar Baba Qaim Sayin Street No. 3, Faizabad Faisalabad | 246-86-116174 | Nizam Din | 229,696 | 411,666 | 641,362 | 153,696 | 411,666 | 565,362 |
| 260 | Muhammad Imran | 3-A Khoghar Building Awan Group Royal Cargo Shobara Hotel Services Lahore | 42201-3545897-1 | Gulstan Khan | 482,310 | 58,232 | 540,542 | 475,075 | 85,823 | 560,898 |
| 261 | Khalid Ahmed Khan | Office # 10, St-2 Opp. Taimuria Library,Block- H North Nazimabad Karachi | 42101-2919794-3 | Jamil Ahmed Khan | 479,182 | 53,231 | 532,413 | 479,182 | 80,213 | 559,395 |
| 262 | Ghulam Abbas Jafre | B-185 Block -I Khatija Market North Nazimabad Karachi | 42101-1575078-7 | Syed Nasir Hussain Jafre | 500,158 | 12,507 | 512,665 | 500,158 | 59,013 | 559,171 |
| 263 | Muhammad Siddiq | 21/32- 2 Sardar Muhammad Ali Road Model Colony Karachi Near 9- C Bus Stop Karachi | 42201-0680242-5 | Abdul Jabbar Salim | 562,858 | - | 562,858 | 506,232 | 52,852 | 559,084 |
| 264 | Faisal Farooq | Nirala Group Of Companies 161 Shadman 2 Lahore | 35202-2895477-1 | Farooq Ahmed | 476,664 | 74,895 | 551,759 | 469,525 | 89,224 | 558,749 |
| 265 | Munawar Ghulam | Plot 199 Sector 23 Hamdard Package Shan Foods Korangi Karachi | 42301-0776113-3 | Ghulam Murad | 508,610 | 49,687 | 558,297 | 508,610 | 49,687 | 558,297 |
| 266 | Naseer Ullah | Plot No 16 Truck Stand Ravi Link Road, Mulki Hayat Tayer Wala Lahore | 17101-5556926-1 | Meer Alam Khan | 478,893 | 58,751 | 537,644 | 471,515 | 85,687 | 557,202 |
| 267 | Hashim Ali | House #G-47 Kucha Ch. Muhammad Saddique Inside Yaxi Gate Lahore | 35202-5233858-3 | Nazir Hussain | 487,730 | 39,880 | 527,610 | 487,730 | 67,220 | 554,950 |
| 268 | Abdul Hameed | H No 10 St No 3 Afzal Park Bloom Field School Harbanspura Lahore | 35201-1693635-9 | Hassan Muhammad Chudhry | 503,524 | 8,769 | 512,293 | 497,571 | 56,460 | 554,031 |
| 269 | Wasim Ahmad Khan | Cargo Plus 25-A 1St Floor Ittefaq Plaza Wahdat Road Lahore | 35202-2428258-1 | Ahmed Wali Khan | 474,386 | 52,751 | 527,137 | 474,386 | 79,342 | 553,729 |
| 270 | Rumel | 61/18, Tariq Road, Sialkot | Sh. Sheraz Parvaiz 34603-8171751-1, Tasneem Kauser 34603-2189703-0 | Sh. Parvez Iqbal, W/O. Sh. Parvez Iqbal, | 553,435 | - | 553,435 | 553,435 | - | 553,435 |
| 271 | Yousaf Rasheed | A One Network Salam Chambers,Sui T # 1, 2nd Floor 22-Link Mcleod Road Patiala Ground Lahore | 35202-0487695-5 | Hafiz Abdur Rashid | 434,993 | 14,416 | 449,409 | 434,992 | 116,552 | 551,544 |
| 272 | Syed Taufiq Mannan | House No A-211 Block L North Nazimabad Karachi near Landikotel Chuarangi Karachi | 42101-2781343-5 | Muhammad Abdul Mannan | 551,397 | 10,649 | 562,046 | 513,706 | 37,372 | 551,078 |
| 273 | Abdul Majeed Mangi | Fl 3/5 9Th Floor Bismillah Terrace Nai Basti Punjab Colony Opp Clif Contenment Boare Fire Stat Street No 2 Karachi | 45504-1142507-5 | Muhammad Aslam Mangi | 472,072 | 42,795 | 514,866 | 464,768 | 84,047 | 548,815 |
| 274 | Muhammad Samad | Street No 15/7 Royal Park Near Intikhab Jadeed Press Lahore | 35200-1464829-5 | Mian Salah Uddin | 462,817 | 71,715 | 534,533 | 462,817 | 85,866 | 548,683 |
| 275 | Syed Yawer Abbas Rizvi | M/S National Refinery Ltd, 7B, Korangi, Karachi | 42101-6254049-5 | Syed Saeed Ahmed Rizvi | 2,469,828 | 297,629 | 2,767,457 | 373,067 | 175,562 | 548,629 |
| 276 | Azhar Iqbal | H No 33 St No 10 Area -A Qayumabad Sir Syed Hospital Korangi Road Karachi | 42201-4669700-5 | Muhammad Iqbal | 484,291 | - | 484,291 | 484,291 | 63,786 | 548,077 |
| 277 | Aftab Alam | Flat No 101 Bhayania Sunview Gulshan-e-Iqbal University Road Govt Boys High School Karachi | 41103-7244038-5 | Shoukat Ali | 492,072 | 14,144 | 506,216 | 492,072 | 54,981 | 547,053 |
| 278 | Mian Muhammad Atif | A-58/1 Jinnah Garden Model Colony Near Malir Cantt Karachi | 42501-9540449-5 | Mian Muhammad Sadiq | 498,545 | - | 498,545 | 483,145 | 63,509 | 546,654 |
| 279 | Abid Habib | R 312 Sector 14B Shadman Town Sakhi Hassan Qabristan North Karachi Karachi | 42101-8416718-5 | Habib Qasim | 485,000 | - | 485,000 | 473,710 | 67,072 | 540,782 |
| 280 | Zafar Afzal | 429-Abbas Block Mustafa Town Lahore | 35202-1601742-5 | Muhammad Afzal | 1,574,636 | 429,595 | 2,004,231 | - | 540,043 | 540,043 |
| 281 | Sumera | Eye Deptt Ist Floor Mayo Hospital King Edward College Lahore | 33302-5979820-8 | Hashmat Ali | 486,583 | - | 486,583 | 486,583 | 51,045 | 537,628 |
| 282 | Khurram Bukhari | Aga Khan Hospital Chief Operation Officer Department Time Medicos Stadium Road Karachi | 41303-7659692-7 | Zahoor Hussain Shah Bukhari | 457,869 | 21,732 | 479,601 | 459,882 | 76,474 | 536,356 |
| 283 | Muhammad Sohail | House No 830 Allahi Wala Town Sector 31G Korangi Crossing Karachi | 42301-6180508-3 | Muhammad Younas | 488,068 | 411 | 488,479 | 461,965 | 74,211 | 536,177 |
| 284 | Adeel Hussain | Plot#2 Moalimabad Shaheed e Millat Road near Bahadurabad Chourangi Karachi | 42000-0495256-5 | Rafique Hussain | 476,438 | 67,267 | 543,705 | 463,473 | 66,706 | 530,179 |
| 285 | Simon Moses | H No 53 Dilkusha Road Gill Street Model Town Lahore | 35201-1354564-1 | Moses Anthony | 481,931 | 9,144 | 491,075 | 472,345 | 54,853 | 527,198 |
| 286 | Shaikh Tariq Mahmood | House# 837 Muhallah Sabzazar Scheme Block A near Liaqat Chowk Lahore | 35202-0659529-7 | Muhammad Afzal | 481,332 | 36,780 | 517,812 | 481,032 | 45,713 | 526,745 |
| | | | | Abdul Aziz Malik | | | | | | |

# Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

| Sr. NO. | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 287 | Shahzad Aziz Malik | 140 U Phase 2 DHA Lahore | 35201-3023443-9 | Abdul Aziz Malik | 408,349 | 114,502 | 522,851 | 408,349 | 117,032 | 525,381 |
| 288 | Muhammad Sheeraz Farooq | Flat # 401, Prime View Appartment, Block-F North Nazimabad Karachi | 42101-2479755-3 | Muhammad Farooq | 449,831 | 62,128 | 511,959 | 449,831 | 74,736 | 524,567 |
| 289 | Ali Akbar | Aamar Jewelers 1789/A Sarafa Bazar, Multan | 36302-0296624-7 | Humayun Naseer Shaikh | 466,915 | 14,733 | 481,648 | 416,771 | 106,139 | 522,910 |
| 290 | Ammar Ali Rashid | Office No 207 2Nd Floor Chenab Plaza Jinnah Avenue SCB Blue Area Islamabad | 61101-6813421-3 | Rashid Shafaat Ullah Khan | 463,796 | 28,009 | 491,805 | 444,937 | 77,935 | 522,873 |
| 291 | Sher Muhammad Shaikh | Appt No 603 Sea Breeze Heights Block 2 Clifton Karachi | 42201-9190396-7 | Nazar Muhammad Shaikh | 1,710,000 | 293,126 | 2,003,126 | 110,000 | 412,459 | 522,459 |
| 292 | Saleem Akhtar Khan | 39/41 Chughtai Park Nicholsan Road Lahore | 35202-2570495-7 | Actalat Khan | 441,457 | 12,166 | 453,623 | 446,418 | 75,800 | 522,218 |
| 293 | Naveed Joseph | City School 31 Ind Area Gurumangat Road Nadeem Tikka Gulberg III Lahore | 35201-1516403-5 | Joseph Gill | 492,000 | - | 492,000 | 472,198 | 50,013 | 522,211 |
| 294 | Wajahat Ali Khan | A Best Choice/ Office#13 1st Floor Rehmat Plaza F-6/4 Blue Area Near Awan Arcade Islamabad | 61101-2595873-7 | Mumtaz Khan | 379,654 | 14,052 | 393,706 | 396,018 | 123,932 | 519,950 |
| 295 | Asim Qamar | 129 Sarwar Colony, Sarwar Road, Cantt, Lahore | 35201-6949909-1 | Imran Qamar | 398,185 | - | 398,185 | 401,849 | 115,000 | 516,849 |
| 296 | Syed Rashid Farooq | 811-E-I Johar Town Lahore Near Lahore Grammar School, Lahore - | 32102-4905383-7 | Syed Farooq Ali | 452,919 | 32,017 | 484,936 | 452,919 | 63,370 | 516,288 |
| 297 | Imdad Hussain | House No P-424, Opp Lasori Shah Jung Bazar Faisalabad | 33100-0488382-9 | Muhammad Younas | 724,915 | 481,739 | 1,206,654 | - | 516,131 | 516,131 |
| 298 | Pervaiz Suleman | Suit 605 6Th Floor Jillani Tower M A Jinnha Road Karachi | 42101-1718624-3 | Suleman | 461,009 | 25,796 | 486,805 | 442,169 | 73,176 | 515,345 |
| 299 | Muhammad Naeem | House 122-B St# 42 floor Upper F-10/4 near Silver Oxs Islamabad | 61101-6195009-7 | Munammad Muneer | 331,848 | - | 331,848 | 443,200 | 71,009 | 514,209 |
| 300 | Ali Naveed Pirzada | 1 Habibullah Road (Off Davis Road) Al-Ayesha High School Lahore | 35201-8886908-9 | Naveed Aslam Pirzada | 414,915 | 71,570 | 486,485 | 415,867 | 97,693 | 513,561 |
| 301 | Abdul Rab Khan | H No 304-G3 3rd floor Alamode Appartment Teen Talwar Block 8 Clifton Karachi | 42301-0853809-1 | Haji Abdul Sami | 505,827 | 11,959 | 517,786 | 470,526 | 42,881 | 513,407 |
| 302 | Ansarullah | Flat No C-10 4th Floor Bed Rock Appartment Teen Talwar Race Course Road Clifton Karachi | 45504-1142018-1 | Atta Muhammad Shaikh | 494,738 | 10,176 | 504,915 | 494,738 | 18,547 | 513,286 |
| 303 | Waseem Reyaz Sheikh | Room No 9 Imperial Hotel Building M.T.Khan Road 01 Karachi | 42101-3801843-5 | Sheikh Mohammad Reyaz | 449,473 | 42,055 | 491,528 | 420,119 | 92,060 | 512,179 |
| 304 | Muhammad Ali Kausar | 22 F PIA Housing Society Near Wapda Chowk Lahore | 35202-7442628-1 | Muhammad Ali Kausar | 999,267 | 510,393 | 1,509,660 | - | 509,660 | 509,660 |
| 305 | Muhammad Aslam Khan Kanjoo | House No 15A Street No 43 Qila Mohammadi Moori Public School Ravi Road, Lahore | 35202-9902176-7 | Lal Buksh Khan Kanjoo | 472,345 | 25,772 | 498,117 | 472,345 | 34,371 | 506,717 |
| 306 | Owais Mirza | Elite Publishers Ltd D-118 S I T E. Karachi | 42000-6524471-9 | Ahmed Mirza Jamil | 227,153 | 5,897 | 233,050 | 404,212 | 101,755 | 505,968 |
| 307 | Maqbool Hussain Zaidi | Shop No 6 Ground Floor Bombay Tower Sanai Hotel Abbott Road Lahore | 35202-8740383-1 | Inaam Ullah Zaidi | 397,196 | 36,614 | 433,810 | 397,196 | 106,580 | 503,776 |
| 308 | Waqas Zia | Shop No 10 Mehrabad Building Nishter Road near Garden, Karachi | 42301-2568424-3 | Zia Ul Hassan | 456,752 | 70,754 | 527,506 | 435,557 | 67,331 | 502,889 |
| 309 | Mohammad Naceem Aslam | 18 C Sally Town Harbanspura Road Lahore Cantt Lahore | 35201-3860569-7 | Mohammad Aslam | 449,448 | 93,101 | 542,549 | 449,449 | 53,193 | 502,642 |
| 310 | Muhammad Naeem | Flat # B 406 4th Floor Abid Appartment Block 2 Gulshan-e-Iqbal near Iqra University Karachi | 42201-7451247-3 | Muhammad Shafi | 462,254 | - | 462,254 | 448,728 | 52,191 | 500,919 |
| 311 | Tanveer Corp (Pvt) Ltd. | 120-R-1 Opposite Bank Al Falah Shoukat Khanum Road, Johar Town Lahore | Chaudhary Muhammad Amin 35202-5187077-5 Tanveer Khaliq 36502-1266618-3 35202-2905528-7 Sohail Anjum 35202-2905526-9 Mubashir Amin 35202-3905530-7 Saif Ullah Hafiz 35202-6302287-3 | Ghulam Ali Chaudhary Muhammad Amin Chaudhary Muhammad Amin Chaudhary Muhammad Amin Chaudhary Muhammad Amin Hafeez Ullah | 492,686 | 21,383 | 514,069 | 486,214 | 21,383 | 507,597 |
| 312 | Fareed Ahmed | S 12/488 Anwer Villas Hydri House Hyderabad | Fareed Ahmed 41303-7407819-5 | Khair Muhammad Rashid Ahmed | 996,304 | 425,798 | 1,422,102 | 996,304 | 425,798 | 1,422,102 |
| 313 | Syed Aijaz Ali Shah | C 340 Gulshan-E- Sajjad Hyderabad | Syed Aijaz Ali Shah 41303-1526201-9 | Syed Haider Shah | 783,341 | 238,625 | 1,021,966 | 783,341 | 238,625 | 1,021,966 |
| 314 | Apollo Textile Mills Ltd | Suit # 323 The Forum Khayaban-e-Jami Block 9 Clifton Karachi | Zahur Ahmed 42301-4799881-3 Ikram Zahur 42301-7698523-9 Abdul Rehman Zahur 42301-7218579-1 Muhammad Tahir Khan 32304-5587494-3 *Samina Ebrahim 42401-7526004-0 Nosheen Rashid 42301-0928656-4 Huma Fatima Lodi 42201-7054059-0 | Dost Muhammad Zahur Ahmed Zahur Ahmed Muhammad Islam Khan Muhammad Ibrahim Rasheed Akhter Nusrat Hameed Khan Lodhi | 18,169,194 | 5,354,007 | 23,523,201 | 18,069,194 | 5,354,007 | 23,423,201 |

# Consolidated Financial Statements

## Annexure-1

Amount in PKR Rupees

| Sr. NO | Name | Address | Name of Partners/ Directors NIC / CNIC | Father / Husband Name | Outstanding Libilities at Beginning of Year | | | Amount Written off / Concession | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest/ Mark up | Total | Principal | Interest/ Mark up | Total Balance |
| 315 | Cavalier Enterprises (Pvt) Ltd. | Plot # 101-103 Humak Industrial Estate Sihala Road Islamabad | Waseem Pasha 37405-6350019-1 Amena Waseem | Tajjamul Hussain Malik Waseem Pasha | 2,207,245 | 318,270 | 2,525,515 | 2,205,366 | 318,270 | 2,523,636 |
| 316 | Asif Rana | 444-J, Johar Town Lahore | Asif Rana 33100-1314481-3 | Rana Muhammad Ashraf | 1,215,362 | 426,100 | 1,641,462 | 1,204,816 | 426,100 | 1,630,916 |
| 317 | Sheikh Muhammad Asad Talib | House # 401,Street 3, Askari 5, Malir Cantt Karachi | Sheikh Muhammad Asad Talib 42501-9042923-5 | Sheikh Talib Hussain | 1,161,416 | 347,055 | 1,508,471 | 1,160,687 | 347,055 | 1,507,742 |
| 318 | Zeeshan Afzal | House # 17 & 18, Street # 2, Saudi Park Mozang, Lahore | Zeeshan Afzal 35202-2169562-9 | Mian Muhammad Afzal | 715,538 | 241,739 | 957,277 | 681,027 | 241,739 | 922,766 |
| 319 | Agritech Limited | 2nd Floor Asia Centre, 8-Babar Block, New Garden Town, Lahore | Wajahat Ahmed Baqai 42301-4699101-1 Asim Imtiaz Basra 35202-2846781-5 Ahsan Raza Durrani 42301-7453002-7 Rehmat Ali Hasnie 35201-2467510-3 Kamran Ali Kazim 42301-5737695-1 Asim Murtaza Khan 42201-0482620-9 Mohammad Khalid Mir 42301-9907922-9 Masroor Ahmed Qureshi 42301-6093584-1 | Tasleemuddin Baqai Imtiaz Ahmed Irtaza Ali Khan Durrani Riffat Ali Hasnie Abul Hasan Kazim Ghulam Murtaza Khan Mohammad Anwar Mir Ahmad Ali Qureshi | 43,805,932 | 3,049,663 | 46,855,595 | 7,224,882 | 1,075,235 | 8,300,117 |
| | | | | | 1,492,357,148 | 1,242,283,321 | 2,734,640,470 | 1,059,725,282 | 1,434,255,411 | 2,490,980,693 |

# PATTERN OF SHAREHOLDERS

As of 31 December 2015

| NO. OF SHAREHOLDERS | SHAREHOLDINGS' SLAB | | | TOTAL SHARES HELD |
|---|---|---|---|---|
| 1193 | 1 | to | 100 | 46,766 |
| 1870 | 101 | to | 500 | 580,230 |
| 1084 | 501 | to | 1000 | 847,531 |
| 2360 | 1001 | to | 5000 | 5,997,795 |
| 778 | 5001 | to | 10000 | 4,809,671 |
| 107 | 10001 | to | 15000 | 1,317,825 |
| 67 | 15001 | to | 20000 | 1,175,047 |
| 37 | 20001 | to | 25000 | 845,249 |
| 21 | 25001 | to | 30000 | 595,673 |
| 15 | 30001 | to | 35000 | 488,765 |
| 9 | 35001 | to | 40000 | 339,021 |
| 9 | 40001 | to | 45000 | 383,410 |
| 10 | 45001 | to | 50000 | 490,421 |
| 3 | 50001 | to | 55000 | 154,856 |
| 3 | 55001 | to | 60000 | 171,287 |
| 3 | 60001 | to | 65000 | 183,897 |
| 6 | 65001 | to | 70000 | 411,219 |
| 2 | 70001 | to | 75000 | 146,024 |
| 2 | 75001 | to | 80000 | 155,817 |
| 1 | 85001 | to | 90000 | 89,000 |
| 6 | 95001 | to | 100000 | 598,900 |
| 1 | 100001 | to | 105000 | 103,045 |
| 1 | 110001 | to | 115000 | 113,500 |
| 1 | 120001 | to | 125000 | 122,500 |
| 3 | 125001 | to | 130000 | 381,000 |
| 1 | 130001 | to | 135000 | 134,400 |
| 1 | 135001 | to | 140000 | 135,700 |
| 1 | 145001 | to | 150000 | 145,258 |
| 1 | 155001 | to | 160000 | 158,000 |
| 1 | 170001 | to | 175000 | 175,000 |
| 1 | 175001 | to | 180000 | 178,900 |
| 2 | 195001 | to | 200000 | 400,000 |
| 2 | 205001 | to | 210000 | 420,000 |
| 2 | 215001 | to | 220000 | 437,500 |
| 2 | 225001 | to | 230000 | 451,662 |
| 1 | 235001 | to | 240000 | 238,900 |
| 2 | 245001 | to | 250000 | 497,232 |
| 1 | 270001 | to | 275000 | 275,000 |
| 3 | 295001 | to | 300000 | 900,000 |
| 1 | 300001 | to | 305000 | 302,100 |
| 1 | 320001 | to | 325000 | 321,500 |
| 2 | 370001 | to | 375000 | 747,500 |
| 1 | 410001 | to | 415000 | 414,500 |
| 1 | 440001 | to | 445000 | 440,179 |
| 2 | 455001 | to | 460000 | 917,614 |
| 1 | 495001 | to | 500000 | 500,000 |
| 1 | 710001 | to | 715000 | 712,500 |
| 1 | 795001 | to | 800000 | 800,000 |
| 1 | 815001 | to | 820000 | 817,795 |
| 1 | 910001 | to | 915000 | 914,570 |
| 1 | 995001 | to | 1000000 | 1,000,000 |
| 1 | 1075001 | to | 1080000 | 1,078,600 |
| 1 | 1995001 | to | 2000000 | 2,000,000 |
| 1 | 3180001 | to | 3185000 | 3,183,000 |
| 1 | 3832335001 | to | 3832340000 | 3,832,339,162 |
| **7631** | | | | **3,871,585,021** |

# CATEGORY WISE LIST OF SHAREHOLDERS

As at 31 December 2015

| Categories of Shareholders | Shareholders | Shares Held | Percentage |
|---|---|---|---|
| **Directors and their spouse(s) and minor children** | | | |
| Sultan Mohammad Parvez Ghias | 1 | 1 | 0.00 |
| Spenta Kandawalla | 1 | 1 | 0.00 |
| Shazad Dada | 1 | 1 | 0.00 |
| Vinod Ramabhadran | 1 | 1 | 0.00 |
| Sunil Kaushal | 1 | 1 | 0.00 |
| Najmul Islam Chaudhri | 1 | 1 | 0.00 |
| Standard Chartered Bank (UK) | 1 | 3,832,339,162 | 98.99 |
| **Executives** | - | - | - |
| **Public Sector Companies and Corporations** | 6 | 1,087,951 | 0.03 |
| Banks, DFIs, NBFCs, Insurance Companies, Takaful, Modarabas and Pension Funds | 12 | 3,201,883 | 0.08 |
| **Mutual Funds** | | | |
| CDC - Trustee AKD Index Tracker Fund | 1 | 41,098 | 0.00 |
| CDC - Trustee First Capital Mutual Fund | 1 | 16,000 | 0.00 |
| **General Public** | | | |
| a. Local | 7497 | 29,388,980 | 0.76 |
| b. Foreign | 8 | 12,889 | 0.00 |
| **Foreign Companies** | 15 | 3,220,778 | 0.08 |
| **Others** | 84 | 2,276,274 | 0.06 |
| **Totals** | **7631** | **3,871,585,021** | **100.00** |

| **Shareholders holding 5% or more** | **Shares Held** | **Percentage** |
|---|---|---|
| Standard Chartered Bank (UK) | 3,832,339,162 | 98.99 |

## FORM OF PROXY

**10TH ANNUAL GENERAL MEETING**
**STANDARD CHARTERED BANK (PAKISTAN) LIMITED**

## نمائندگی کا فارم (پراکسی فارم)

**دسواں سالانہ اجلاس عام**
**اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ**

I/We ................................................................ of ......................... being member(s) of Standard Chartered Bank (Pakistan) Limited holding ..................... Ordinary shares hereby appoint .................................................................... of .............................. or failing him/ her ......................................................................... of .............................. who is/are also member(s) of Standard Chartered Bank (Pakistan) Limited as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on 30 March 2016 and/or any adjournment thereof.

میں/ہم - - - - - - - - - - - - - - - کا/کی - - - - - - - - - - - - - - - - - - - - - بحیثیت رکن اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ اور حامل - - - - - - - - - - - - عام حصص، - - - - - - - - - - - - - - - - - - - - - - - - کے/کی - - - - - - - - - - - - - - - - - - - - - - کا یا ان کی غیرموجودگی میں - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - کے/کی - - - - - - - - - - - - - - - - - - - - - - - - - - جو اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کے رکن ہیں، کو اپنی غیر حاضری میں بینک کے سالانہ اجلاس عام جو 30 مارچ 2016 کو منعقد ہونا ہے یا اس کے التواء کی صورت میں حاضری اور حق رائے دہی کے استعمال کے لئے اپنا نمائندہ (پراکسی) تقرر کرتا/کرتی ہوں۔

Signed this _______________ day of ____________ 2016.

آج بروز - - - - - - - - - - - - بتاریخ - - - - - - - - - - - - - - 2016ء کو دستخط کئے گئے۔

Folio/ CDC No.
فولیو/سی ڈی سی

Signature
دستخط

Rs. 5/-
Revenue
Stamp

*WITNESSES:*

گواہ :

1. *Signature:* ______________________________
   *Name:* ______________________________
   *CNIC/Passport No.:* ______________________________
   *Address:* ______________________________

1. دستخط - - - - - - - - - - - - - - - - - - - - - - - - - - - -
   نام - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -
   سی این آئی سی/ پاسپورٹ نمبر - - - - - - - - - - - - - - - - - -
   پتہ - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

2. *Signature:* ______________________________
   *Name:* ______________________________
   *CNIC/Passport No.:* ______________________________
   *Address:* ______________________________

2. دستخط - - - - - - - - - - - - - - - - - - - - - - - - - - - -
   نام - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -
   سی این آئی سی/ پاسپورٹ نمبر - - - - - - - - - - - - - - - - - -
   پتہ - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

**Note:**

1. The Proxy Form should be deposited at the registered office of the Bank, as soon as possible but not later than 48 hours before the time of holding the meeting, failing which, Proxy Form will not be treated as valid.
2. No person shall act as proxy unless he/she is a member of the Bank.

**نوٹ:**

1. نمائندگی کا فارم (پراکسی فارم) جلد از جلد بینک کے رجسٹرڈ پتے پر جمع کرائیں۔ سالانہ اجلاس عام کی ابتداء سے 48 گھنٹے پہلے تک موصول ہونے والے فارم موثر تصور کیئے جائیں گے بعدازاں موصول ہونے والا کوئی بھی فارم قابل قبول نہیں ہوگا۔
2. کسی بھی غیر رکن شخص کا تقرر بطور نمائندہ (پراکسی) نہیں کیا جا سکتا۔

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**Company Secretary**
Standard Chartered Bank (Pakistan) Llimited
P.O.Box No. 5556,
I.I.Chundrigar Road,
Karachi 74000, Pakistan

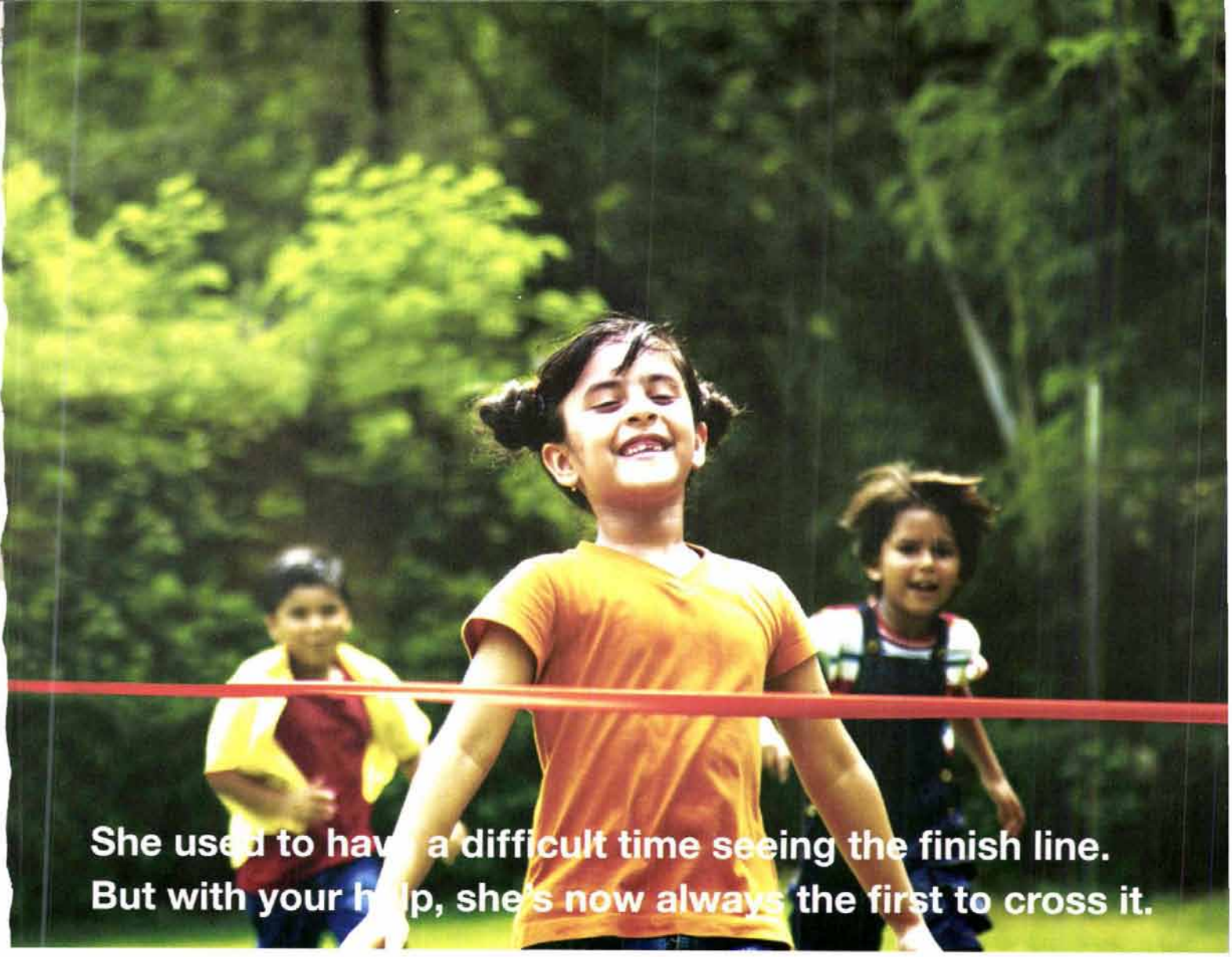
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Make a donation to Standard Chartered's 'Seeing is Believing' programme and we will match your contribution with a donation of our own*. Join LRBT and us as we set out to eliminate preventable blindness from Pakistan.

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**Standard Chartered Bank (Pakistan) Limited**

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