ADVICE FOR INVESTORS

THE INVESTORS ARE ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS **ESPECIALLY THE RISK FACTORS MENTIONED IN SECTION 4.5 OF THIS PROSPECTUS** BEFORE MAKING ANY INVESTMENT DECISION

NIB Bank Limited

PROSPECTUS

PUBLIC OFFER OF 2nd ISSUE OF RATED, LISTED, **UNSECURED AND SUBORDINATED** TERM FINANCE CERTIFICATES OF PKR 1,000 MILLION OUT OF TOTAL ISSUE OF PKR 5,000 MILLION INCLUDING GREEN SHOE OPTION OF PKR 1,000 MILLION

RATE OF RETURN

8-YEAR FLOATING RATE INSTRUMENT @ 6 MONTH KIBOR* (ASK SIDE) PLUS 1.15% P.A., WITHOUT ANY FLOOR OR CAP

INSTRUMENT RATING "A+" (Single A Plus)

MEDIUM TO LONG TERM ENTITY RATING "AA-" (Double A Minus)

SHORT TERM ENTITY RATING "A1+" (A One Plus)

by

PAKISTAN CREDIT RATING AGENCY (PACRA)

Public subscription on June 18 & 19, 2014 (both days inclusive) during banking hours

UNDERWRITERS:

ALLIED BANK LTD
ARIF HABIB LTD
HABIB METROPOLITAN BANK LTD
MCB BANK LTD
SINDH BANK LTD

LISTING AGENT & MARKET MAKER:

ARIF HABIB LIMITED

BANKERS TO THE ISSUE:

S#	Name of bank	S#	Name of bank
1	Allied Bank Ltd.	6	MCB Bank Ltd.
2	Askari Bank Ltd.	7	NIB Bank Ltd.
3	Bank Alfalah Ltd.	8	Sindh Bank Ltd.
4	Bank Al Habib Ltd.	9	Soneri Bank Ltd.
5	Faysal Bank Ltd.	10	The Bank of Punjab

Date of publication of this prospectus is June 8, 2014

For further queries you may contact: Mr. Ather Ali Khan, Company Secretary,
Dir: +92-21-35277151, Email: ather.ali@nibpk.com, Fax: +92-21- 35277320

* Average rate 'Ask Side' of the six month Karachi Inter Bank offered Rate ("KIBOR") as published on Reuters Page KIBR or as published by the Financial Markets Association of Pakistan in case Reuters page is unavailable on the Base Rate setting date.

Glossary of Abbreviations and General Terms	
Basel III Circular	"Instructions for Basel III Implementation in Pakistan" issued by the State Bank of Pakistan under BPRD circular # 06 dated August 15, 2013
Base Rate	The average rate 'Ask Side' of the six KIBOR
bps	Basis Points
Board	Board of Directors
CAR	Capital Adequacy Ratio i.e. Total Eligible Capital (Tier 1 and Tier 2) as a percentage of Risk-Weighted Assets
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
FFH	Fullerton Financial Holdings Pte. Limited
FY	Fiscal Year
Gone Concern Capital	Capital that absorbs losses in insolvency i.e. point of non-viability
GOP	Government of Pakistan
IPO	Initial Public Offering
Issue	The issue of up to PKR 5 billion (including Green Shoe option of PKR 1 billion) Rated, Listed, Unsecured, Subordinate TFC issue by NIB
Issue Date	The date(s) of public subscription
KIBOR	Karachi Inter-bank Offered Rate
KSE	Karachi Stock Exchange Limited
Loss Absorbency	Ability to absorb losses in the event that the bank reaches the point of non-viability
MCR	Minimum Capital Requirement
NIB or Bank	NIB Bank Limited
NBFI	Non-Banking Financial Institution
NPL	Non-performing Loan
PACRA	The Pakistan Credit Rating Agency Limited
PKR	Pakistan Rupees
Pre-IPO	Pre-Initial Public Offering or Private Placement
S&P	Standard & Poor's (credit rating agency)
SBP	State Bank of Pakistan
SECP	Securities & Exchange Commission of Pakistan
Temasek	Temasek Holdings (Private) Limited
TFC	Term Finance Certificates
Tier 1 - Common Equity Tier 1 (CET-1)	Common Equity Tier 1 shall consist of the following items: ▪ Fully paid up (common shares) capital / assigned capital ▪ Balance in share premium account ▪ Reserve for Issue of Bonus Shares ▪ General/ Statutory Reserves as disclosed on the balance-sheet ▪ Minority Interest (in case of CAR calculated on a consolidated basis) i.e. common shares issued by consolidated subsidiaries of the bank and held by third parties meeting eligibility criteria ▪ Un-appropriated / un-remitted profits (net of accumulated losses, if any) ▪ Less regulatory adjustments applicable on CET
Tier 1 - Additional Tier 1 Capital (AT1)	Additional Tier 1 capital shall consist of the following items: ▪ Instruments issued by the banks that meet the SBP qualifying criteria for AT1 ▪ Share premium resulting from the issuance of AT1 instruments ▪ Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only) ▪ Less regulatory adjustments applicable on AT1 Capital
Tier 2 Capital (Gone Concern Capital or Supplementary Capital)	The Tier 2 capital (or gone concern capital) shall include the following elements: ▪ Subordinated debt/ Instruments ▪ Share premium resulting from the issue of instruments included in Tier 2 ▪ Minority Interest i.e. Tier 2 issued by consolidated subsidiaries to third parties ▪ Revaluation Reserves (net of deficits, if any) ▪ General Provisions or General Reserves for loan losses

	▪ Foreign Exchange Translation Reserves ▪ Undisclosed Reserves ▪ Less regulatory adjustments applicable on Tier 2 capital
US$	United States Dollar

TABLE OF CONTENTS

1 APPROVALS, CONSENTS AND LISTING ON THE STOCK EXCHANGE 6

2 TERM FINANCE CERTIFICATES AND RELATED MATTERS 9

3 UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES TO THE ISSUE 18

4 HISTORY AND PROSPECTS 20

5 FINANCIAL INFORMATION AND CREDIT RATING REPORT 28

6 TRUSTEE AND SECURITY 75

7 MANAGEMENT OF THE COMPANY 79

8 MISCELLANEOUS INFORMATION 83

9 APPLICATION AND ALLOTMENT INSTRUCTIONS 87

10 SIGNATORIES TO THE PROSPECTUS 91

11 MEMORANDUM OF ASSOCIATION 92

APPLICATION FORM

SUMMARY OF THE ISSUE

Instrument	:	Rated, Listed, **Unsecured and Subordinated** Term Finance Certificates issued as instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984 and guidelines set by the State Bank of Pakistan
Issuer	:	NIB Bank Limited
Issue Amount	:	Up to PKR 5,000 million (including green shoe option of PKR 1,000 million)
Private Placement (Pre-IPO)	:	Up to PKR 3,000 million
Initial Public Offering (IPO)	:	Up to PKR 1,000 million plus a green shoe option of PKR 1,000 million
Purpose	:	The Issue amount will contribute towards NIB's supplementary Tier 2 Capital for Capital Adequacy Ratio requirement as per guidelines set by SBP. The funds so raised will be utilized in NIB's business operations as permitted by its Memorandum & Article of Association.
Eligible Investors	:	a) Pakistani citizens resident in or outside Pakistan or persons holding two nationalities including Pakistani nationality. b) Foreign nationals whether living in or outside Pakistan. c) Companies bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and exiting regulations, as the case may be) d) Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of the Trust Deed and existing regulations); and e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
Minimum Investment	:	PKR 5,000/- (Pak Rupees Five Thousand Only)
Issue Date	:	The date when investor's subscription money is received by any of the Bankers to the Issue mentioned below in this table.
Tenor	:	8 years
Principal Redemption	:	Semi-annual redemption as follows: ▪ 0.30% during first 90 months ▪ Remaining 99.70% on maturity at the end of the 96th month
Profit Rate	:	Floating at 6 months KIBOR plus 115 basis points per annum. *(six month KIBOR as on May 26, 2014 stood at 10.18%)
Profit Payment	:	Profit shall be payable semi-annually in arrears and will be calculated on a 365 days year basis on the outstanding balance of the Issue. The first such profit payment will fall due 6 months from the issue date and subsequently every six (6) months thereafter.
Call Option	:	The Issuer may call the TFCs, in part or full, on any profit payment date from the 60th month from the last day of public subscription and on all subsequent profit payment dates, subject to the SBP approval and not less than 45 days prior notice being given to the Trustee and the Investors.
Security	:	**The Instrument will be unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank including deposits.**
Lock-in Clause	:	**Neither profit nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Banks' MCR or CAR or increase any existing shortfall in MCR and CAR. In case the lock-in clause goes into effect, the Bank will be required to comply with SBP instructions prevalent or issued at the**

		time. For further details please see section 4.5.2.3.
Loss Absorbency Clause	:	The instrument will be subject to loss absorbency clause as stipulated under the "Instructions for Basel III Implementation in Pakistan". For further details please see section 4.5.2.4.
Transaction Legal Counsel	:	Mohsin Tayebaly & Company.
Listing	:	Karachi Stock Exchange Limited.
Entity Rating	:	Long Term : AA- (Double A Minus) by PACRA Short Term : A1+ (A One Plus) by PACRA *Entity rating by Pakistan Credit Rating Agency (PACRA) dated Jun 28, 2013.*
Instrument Rating	:	"A+" (Single A Plus) by PACRA dated December 30, 2013. Rating of "A+" (Single A Plus) reaffirmed by PACRA dated May 2014.
Profit Accrual Date	:	The Issue Date
Subscription Date	:	June 18 & 19, 2014 (both days inclusive) during banking hours.
Risk Factors	:	**For details please refer to Part IV of the Prospectus**
Trustee to the Issue	:	Pak Brunei Investment Company Limited
Market Maker	:	Arif Habib Limited has been appointed as the Market Maker to perform all market making activities.
Registrar and Transfer Agent	:	THK Associates (Pvt.) Ltd.
Underwriters of the Issue	:	1) Arif Habib Ltd. 2) Allied Bank Ltd. 3) Habib Metropolitan Bank 4) MCB Bank Ltd. 5) Sindh Bank Ltd.
Bankers to the Issue	:	1) Allied Bank Ltd. 2) Askari Bank Ltd. 3) Bank Alfalah Ltd. 4) Bank Al Habib Ltd. 5) Faysal Bank Ltd. 6) MCB Bank Ltd. 7) NIB Bank Ltd. 8) Sindh Bank Ltd. 9) Soneri Bank Ltd. 10) The Bank of Punjab
Transferability	:	In case of TFCs inducted into the Central Depository Company ("CDC"), transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations. In case TFCs are issued in physical form, the TFCs will be transferable through verified "Transfer Deeds".
Applicable Law	:	Laws of the Islamic Republic of Pakistan.

PART I

1 APPROVALS, CONSENTS AND LISTING ON THE STOCK EXCHANGE

1.1 APPROVAL OF THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan ("SECP") as required under section 57(1) of the Companies Ordinance, 1984 (the "Ordinance") has been obtained for the issue, circulation and publication of this prospectus.

Disclaimer

It must be distinctly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Issuer and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed by NIB Bank Limited ("NIB" or "Bank" or "Issuer") in this prospectus.

SECP has not evaluated quality of the issue and its approval for the issue, circulation and publication of this prospectus should not be construed as any commitment of the same. The public/investors should conduct their own independent due diligence and analysis regarding the quality of the issue before investment in the Term Finance Certificates ("TFCs") being offered through this prospectus.

1.2 CLEARANCE OF THE PROSPECTUS BY THE KARACHI STOCK EXCHANGE LIMITED

The prospectus for the issue of rated, listed, **unsecured and subordinated** TFCs has been cleared by the Karachi Stock Exchange Limited ("KSE") in accordance with the requirements under its Listing Regulations.

Disclaimer

- KSE has not evaluated the quality of the Issue and its clearance should not be construed as any commitment of the same. The public / investors should conduct their own independent investigation and analysis regarding the quality of the Issue before subscribing.
- The publication of this document does not represent solicitation by the KSE.
- The contents of this document do not constitute an invitation to invest in TFCs or subscribe for any securities or other financial instrument by the KSE, nor should it or any part of it form the basis of, or be relied upon in any connection with any contract or commitment whatsoever of KSE.
- It is clarified that information in this prospectus should not be construed as advice on any particular matter by the KSE and must not be treated as a substitute for specific advice.
- The KSE disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness, and/or mistakes, for decision and/or actions taken based on this document.
- The KSE neither takes responsibility for the correctness of contents of this document nor the ability of the Issuer to fulfil its obligations there under.
- Advice from a suitably qualified professional should always be sought by investors in relation to any investment in securities.

1.3 APPROVAL OF THE STATE BANK OF PAKISTAN

In-principle approval of the State Bank of Pakistan ("SBP") vide SBP letter no. BPRD/BA&CP/642/11324/2013 dated July 25, 2013 and final approval vide SBP letter no. BPRD/BA&CP/642/003422/2014 dated March 3, 2014 have been obtained for the issuance of

rated, listed **unsecured and subordinated** TFCs of PKR 4,000 million (plus greenshoe option of PKR 1,000 million), subject to compliance of relevant laws and regulations as well as the following:

1. **The instrument will be subject to Loss Absorbency and/or any other requirements that the SBP may introduce under the Basel III Capital Rules.**
2. **The instrument will be subject to a lock-in clause stipulating that *"neither interest nor principal may be paid (even at maturity) if such payment means that the bank falls below or remains below the minimum capital requirements."***
3. **The call option will only be exercised with prior written approval of SBP and Bank should clearly indicate to the prospective investor that the call option is subject to prior written approval of SBP.**
4. The amount of benefit of TFCs to be taken in the CAR statement / eligibility of proposed TFCs as supplementary capital at any time would be determined in the light of instructions prevalent at that time.
5. The Bank will have to approach SBP for final approval, after obtaining relevant regulatory approvals and finalizing the terms and structure of the TFC issue.

The TFC issue is also regulated by the instructions given by SBP in Banking Policy & Regulations Department ("BPRD") circular #6 dated August 15, 2013[1] and any further amendments/circulars issued by SBP till date. Based on the final SBP approval obtained, the Bank has executed and obtained the proceeds of pre-IPO investments amounting to PKR 3,000 million on March 24, 2014 as detailed in para 2.1 of this document.

1.4 FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

The Bank has delivered to the Registrar of Companies, Islamabad as required under sections 57 (3) & (4) of the Ordinance, a copy of this Prospectus signed by all the Directors of NIB together with the following documents attached thereto:

a. A letter no. KA-ZS-1539 dated May 30th, 2014 from KPMG Taseer Hadi & Co. (Chartered Accountants), consenting to the issue of the prospectus which contains in Part V certain statements and reports issued by them as experts (for which consent has not been withdrawn).
b. Copies of contracts mentioned in Part VIII of the prospectus.
c. Written confirmations of the Auditors, Legal Advisor and Bankers to the Issue, mentioned in the prospectus consenting to act in their respective capacities, as required by section 57(5) of the Ordinance.
d. Consent of the Directors and Chief Executive of NIB to their respective appointments being made and their having been named or described as such Directors and Chief Executive in this prospectus as required under section 57(3) of the Ordinance, read with sub-clause (1) of clause (4) of section 1 of part 1 of the Second Schedule to the Ordinance. NIB has filed written confirmations of such consents, as required by section 184 of the Ordinance.

1.5 LISTING ON THE STOCK EXCHANGE

Application has been made to the KSE for permission to deal in and for quotation of the TFCs of NIB. If, for any reason, the application for listing is not accepted by the KSE, the Bank undertakes to publish immediately in the press a notice to that effect and thereafter to refund the subscription money to the applicants without any surcharge as required by the provisions of section 72 of the Ordinance, and if any such money is not refunded within eight (8) days after

[1] The entire circular and Basel III guidelines can be found at http://www.sbp.org.pk/bprd/2013/C6.htm and http://www.sbp.org.pk/bprd/2013/Basel_III_instructions.pdf.

the Issuer becomes liable to refund it, the Directors of the issuer shall be liable to refund the money from the expiration of the said eighth (8th) day together with surcharge at the rate of 1.5% per month as required under the provisions of section 72 of the Ordinance.

PART II

2 TERM FINANCE CERTIFICATES AND RELATED MATTERS

2.1 THE ISSUE

The total Issue consists of PKR 4,000 million plus a green shoe option of PKR 1,000 million (raising the total amount to PKR 5,000 million) to be issued in the form of rated, listed, **unsecured and subordinated** TFCs being instruments of redeemable capital under section 120 of the Ordinance, for a tenor of eight (8) years. The amount of PKR 4,000 million comprises of Private Placement ("Pre-IPO") of PKR 3,000 million and Initial Public Offering ("IPO") of PKR 1,000 million (in case green shoe option is exercised, the amount of public offer shall be raised up to the level of PKR 2,000 million).

The TFCs will be offered to the general public in sets of sixteen (16) scrips (TFCs) with an accompanying "Certification of Holding Term Finance Certificates"; each set having an aggregate face value of PKR 5,000/- or in multiple thereof. The TFC shall be transferable both under physical and book entry system. A TFC holder may apply in writing to the Issuer to consolidate or sub-divide the TFCs held by such TFC holder. The Issuer may in its discretion consolidate the TFCs in multiples of up to PKR 100,000/- (Pak Rupees One Hundred Thousand only), PKR 50,000/- (Pak Rupees Fifty Thousand only), PKR 25,000/- (Pak Rupees Twenty Five Thousand only), PKR 5,000/- (Pak Rupees Five Thousand only).

The instrument is structured to redeem semi-annually such that 0.30% of principal will be redeemed in the first 90 months and the balance principal of 99.70% at the end of the 96th months. The redemption value of the TFCs shall be specified on the TFC itself. For more detail on the redemption of the TFCs, please refer to para 2.16 below.

The list of investors in the pre-IPO Placement is given below:

S #	Private Placement Institutions	Amount (PKR)
1	PAÏR Investment Company Ltd.	600,000,000
2	Allied Bank Ltd.	384,000,000
3	MCB Bank Ltd.	300,000,000
4	Askari Bank Ltd.	281,000,000
5	The Bank of Punjab	200,000,000
6	Habib Metropolitan Bank Ltd.	200,000,000
7	CDC Trustee Askari High Yield Scheme	150,000,000
8	Bank Alfalah Ltd.	100,000,000
9	EFU Life Assurance Ltd.	100,000,000
10	Pak Oman Investment Company Ltd.	100,000,000
11	Sindh Bank Ltd.	100,000,000
12	CDC Trustee Faysal Savings Growth Fund	83,000,000
13	ABL Income Fund	50,000,000
14	CDC Trustee IGI Aggressive Income Fund	50,000,000
15	CDC Trustee IGI Income Fund	50,000,000
16	CDC Trustee Askari Sovereign Yield Enhancer	50,000,000
17	Summit Bank Ltd. Employees Provident Fund	50,000,000
18	CDC Trustee Faysal Financial Sector Opportunity Fund	45,000,000
19	CDC Trustee Faysal Income and Growth Fund	37,000,000
20	KAPCO Employees Pension Fund Trust	30,000,000
21	KAPCO Employees Provident Fund Trust	20,000,000
22	First Habib Income Fund	15,000,000
23	Gul Ahmed Textile Mills Ltd. Employees Provident Fund Trust	5,000,000
	Total	**3,000,000,000**

All the above-mentioned Pre-IPO investors have subscribed to the TFCs (i.e. disbursed their respective investment amounts in the Pre-IPO Placement of the TFC Issue) on March 24, 2014. Details of the private placement along with agreements are given in para 8.8.1.

2.2 UNSECURED AND SUBORDINATED TFCS

The TFCs are being issued in terms of BPRD circular #6 dated August 15, 2013 which allows banks to issue subordinated debt in the form of redeemable capital, which is to be **unsecured and subordinated** as to payment of principal and profit, to all other indebtedness of the Bank, including deposits and will not be redeemable before maturity without approval of SBP. Where the Bank has breached its obligation to make redemption payments, the Trustee may enforce the Bank's obligation by way of filing an application for winding up, under section 49 of the Banking Companies Ordinance, 1962 ("Ordinance no. LVII") and/or any other applicable law ("Winding Up Application"). It is clarified however, that in the event of default, the TFC holders acting through the Trustee shall be entitled to initiate legal proceedings against the Bank, including filing of Winding Up Application for recovery of the outstanding amount payable under the TFCs.

In the event of a winding up order being made, payments to the TFC holder shall be subordinate to and rank inferior to all other debts of the Bank, including deposits. Furthermore, the investors have no rights to accelerate redemption of the TFCs, except as may be permissible in relation to the winding up order or any other legal proceedings.

In the case of a breach by the Bank which is not related to the redemption obligations of the Bank arising as a result of the TFC issue, the Trustee, subject to the terms of the Trust Deed dated March 10, 2014 ("Trust Deed"), may institute such proceedings as may be permissible under the Trust Deed.

2.3 CONDITIONS, *INTER ALIA*, IMPOSED BY THE SBP FOR ISSUANCE OF SUBORDINATED DEBT BY BANKS THROUGH BPRD CIRCULAR NO. 6 DATED AUGUST 15, 2013

a. **To be eligible for inclusion in Tier 2 Capital along with other requirements, the instrument should be unsecured, subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.**
b. **Instrument should not be redeemable before maturity without prior approval of the SBP.**
c. **Instrument should be subject to a lock-in clause, stipulating that neither interest nor principal may be paid (even at maturity) if such payments will result in shortfall in bank's Minimum Capital Requirement ("MCR") or Capital Adequacy Ratio ("CAR") or increase any existing shortfall in MCR and CAR.**
d. **The instrument may be callable at the initiative of the Issuer after a minimum period of five years with prior approval of SBP.**
e. The Bank should not grant advances against the security of their own subordinated debt Issue. While granting loans / advances against subordinated debt instruments of other banks, the margin requirement prescribed under Prudential Regulations of SBP ("PR") shall be maintained, however, the Bank's total financing against subordinated debt instruments issued by banks should not exceed its total equity (Tier I Capital). Further the Bank shall not provide any accommodation to finance purchase of its subordinated debt instrument.
f. Further, the terms and conditions of all Tier 2 instruments issued by banks must have a provision in their contractual terms and conditions that the instruments, at the option of the SBP, will either be fully and permanently converted into common share or immediately written off upon the occurrence of a non-viability trigger event called the Point of Non-Viability (loss absorbency clause).

2.4 OPENING AND CLOSING OF SUBSCRIPTION LIST

The subscription list will open for 2 days at the commencement of the banking hours on June 18, 2014 and close at the end of banking hours on June 19, 2014.

2.5 INVESTOR ELIGIBILITY

a. Pakistani citizens resident in Pakistan
b. Pakistani citizens residing outside Pakistan
c. Persons holding two nationalities including Pakistani nationality
d. Foreign nationals whether living in or outside Pakistan
e. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
f. Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of their trust deeds and existing regulations; and
g. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

2.6 FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS

Foreign investors and non-resident Pakistani investors may subscribe for the TFCs being offered through this Prospectus by using their Special Convertible Rupee Account ("SCRA"). SBP allows SCRA to be operated by non-resident Pakistani individuals, foreign investors and foreign corporate bodies. For detail please see Chapter 20 of the Foreign Exchange Manual of SBP.

Foreign investors do not require any regulatory approvals to invest in the TFC being offered by NIB. Payment in respect of investment in the TFC has to be made in foreign currency through an inward remittance or through surplus balances in SCRA. Local currency cash account(s) opened for the purpose of Foreign Portfolio Investment ("FPI") is classified as SCRA. There are no restrictions on repatriation of the sale proceeds (redemption) and profit on the TFCs. Underlying client names/beneficial owners are required to be disclosed at depository level.

Key documents required for opening of SCRA account by individuals are:
1. Account opening request
2. Passport/CNIC/NICOP

It is however pertinent to note that the procedure and requirements of each institution differs, hence it is advised to request for the procedure from the respective institution.

2.7 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF TFCS

The basis and conditions of allotment shall be as follows:

a. The minimum amount of application for subscription of TFCs is PKR 5,000/-
b. Applications for TFCs below the aggregate face value of PKR 5,000/- shall not be entertained.
c. Applications for TFCs by the general public, including institutions and individuals, must be made for a minimum of the aggregate face value of PKR 5,000/- or in multiples of PKR 5,000/-.
d. If the TFCs to be issued to the general public are sufficient for the purpose to accommodate all the applications, all applications shall be accommodated.
e. If the issue is over-subscribed in terms of amount, then all applications shall be accommodated initially for TFCs of face value PKR 5,000/- each and the balance TFCs shall be allotted on pro-rata basis to all applicants who applied for TFCs in multiple of PKR 5,000/-.
f. If the issue is over-subscribed in terms of number of applications and the amount, the TFCs shall be allotted through computer balloting in the presence of representatives of KSE.
g. Allotment of TFCs shall be subject to scrutiny of applications for subscription.

2.8 REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

NIB shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under the provisions of section 71 of the Ordinance.

As per sub-section (2) of section 71 of the said Ordinance, if a refund is not made within the time specified, the Directors of the Bank shall be jointly and severally liable to repay the money with surcharge at the rate of one and a half percent, for every month or part thereof from the expiration of the 15th day and, in addition, to a fine not exceeding PKR 5,000/- (Rupees Five Thousand Only) and in case of continuing offence to a further fine not exceeding PKR 100/- (Rupees One Hundred Only) for every day after the said 15th day on which the default continues, provided that a Director shall not be liable if he proves that the default in making the refund was not due to any misconduct or negligence on his part.

2.9 MINIMUM SUBSCRIPTION

The minimum subscription on which the Directors will proceed to allot TFCs is the full amount of the Issue i.e. PKR 4,000 million. The Bank may also opt to include any additional amount subscribed under the greenshoe option up to a maximum of PKR 1,000 million if the greenshoe option is exercised. If and to the extent that the TFCs offered to the general public i.e. PKR 1,000 million are not subscribed in full by the closing of the subscription period, the underwriter, within 7 (seven) business days of being duly called upon by the Issuer to do so, shall subscribe or procure subscribers to subscribe and pay for in cash in full for the unsubscribed TFCs to the extent of the total unsubscribed TFCs subject to the maximum of the TFC underwritten by the underwriter.

2.10 ISSUE AND DISPATCH OF TFCS

NIB shall issue TFCs to the successful allottees within thirty (30) days of closure of subscription list in compliance with the requirements of the KSE. TFCs will be issued either in scripless form (in the Central Depository System – "CDS") or in the shape of physical scrips on the basis of option exercised by the successful applicants. TFCs in physical scrips shall be dispatched to Bankers to the Issue for onward delivery to successful applicants, whereas scripless TFCs shall be directly credited through book entries into the respective CDS accounts of allottees maintained with the Central Depository Company of Pakistan Limited ("CDC").

The TFCs issued directly for induction in the CDS, without issuance of the physical certificates and the TFC scrips (with the terms and conditions), shall be subject to the terms and conditions for the issuance of the TFCs as specified in Schedule 2 of the Trust Deed dated March 10, 2014 and executed between the Bank and the Trustee for the TFC issue.

The applicants who opt for issuance of TFCs in scripless form in the CDS should fill in the relevant column in the application form. In order to exercise the scripless option, the applicant must also have a CDS account at the time of subscription.

If NIB defaults on complying with the requirements of the Listing Regulations, it shall pay to the KSE a penalty of PKR 5000/- per day for the period during which the default continues. The KSE may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

2.11 TRANSFER OF TFCS

a. Physical Scrips:

TFCs shall be transferred in the manner as provided in the Companies Ordinance, 1984. Transfer of TFCs will be subject to payment of the applicable stamp duty levied by the Provincial Government. Stamp duty on initial issuance will be borne by NIB, while stamp duty on subsequent transfer will be on account of the TFC holders.

b. Transfer under Book Entry Systems:
TFCs will be declared as eligible security through the CDS of the CDC. Stamp duty on initial issuance will be borne by the Bank. TFCs, which are in the CDS, shall subsequently be transferred in accordance with the Central Depositories Act, 1997 and the CDC Regulations.

2.12 PRINCIPAL PURPOSE FOR THE USE OF SUBSCRIPTION MONEY

The funds raised through the TFC issue will contribute towards the Bank's Tier 2 Capital for Minimum Capital Requirements as per the guidelines set by the SBP under BPRD circular no. 6 dated August 15, 2013. This will increase the Bank's Tier 2 capital and will create more room for asset growth. The proceeds from the issue will be utilized for the Bank's on-going banking operations as permitted by its Memorandum of Association.

Capital Adequacy Ratio and Minimum Capital Requirement as per SBP guidelines and NIB total capital and CAR as of March 31, 2014 and CAR with proposed TFC issue on unconsolidated basis are provided below:

Description	Requirement / Status
Minimum Capital Requirement for the banks as on Dec 31, 2013	PKR 10 billion
NIB's shareholders' equity (excluding revaluation of assets) as on Mar 31, 2014	PKR 15.228 billion
Required Capital Adequacy Ratio for the banks as on Dec 31, 2013	10%
NIB's CAR as on Mar 31, 2014	10.69%
CAR with TFC issue:	
NIB's CAR after TFC issuance of PKR 4 billion (excluding green shoe option of PKR 1 billion)	13.78%
NIB's CAR after TFC issuance of PKR 5 billion (including green shoe option of PKR 1 billion)	14.70%

2.13 REGISTERED INSTRUMENT

TFCs will be in registered form and NIB shall maintain or cause to be maintained, a register of TFC holders.

2.14 TFCs ISSUED IN PRECEDING YEARS

Previous Issue TFCs	Amount (PKR mn)	Issue Date	Maturity Date	Tenor	Markup	Type	Security	Rating	Outstanding Amount (PKR mn)
TFC-I (Listed)	4,000	Mar-08	Mar-16	8 years	6M-KIBOR+1.15%	Floating	Unsecured	A	Called back by Issuer Sep-2013

The above issue was redeemed in September 2013 and currently there is no TFC issue outstanding.

2.15 INTEREST OF TFC HOLDERS

None of the TFC holders of this Issue have any special or other interest in the property or profit of the Bank other than that as holders of the TFC of the Bank, except for the following:

S. No.	Underwriters interested in underwriting commission
1	Allied Bank Ltd.
2	Habib Metropolitan Bank
3	MCB Bank Ltd.
4	Sindh Bank Ltd.

S. No.	Bankers to the Issue interested in banker's commission
1	Allied Bank Ltd.
2	Askari Bank Ltd.
3	Bank Alfalah Limited
4	MCB Bank Limited
5	Sindh Bank Ltd.
6	The Bank of Punjab

2.16 REDEMPTION OF TFCS

A register of TFC holder(s) will be maintained or cause to be maintained by the Bank. The register of TFC holders will be closed for a period of 14 days prior to the profit payment or redemption of each TFC. Each TFC will be redeemed on its due date through the dispatch of pay order / crossed cheque to the registered holder of the TFC. Thus, the TFC holder(s) will not need to physically go to the counters of any specific bank in order to have the TFCs redeemed.

The investors who intend that their profit and redemption amount be paid to them through direct credit in their respective bank account, i.e., through e-payment must fill in the relevant column of the Subscription Form.

In case the bank account given on the Subscription Form is discrepant, pay order or cheque will be issued in favor of the TFC holder and dispatched at the updated mailing address.

The terms of the redemption of each TFC are as shown below:

Tenor	8 years from the issue date
Principal Redemption	The instrument is structured to redeem 0.30% of principal in the first 90 months and remaining principal of 99.70% on maturity at the end of 96th month.

Profit Rate	Floating (no floor and no cap) rate at 6 months KIBOR ("Base Rate") + 1.15% per annum ("p.a.") The Base Rate is defined as the average rate "Ask Side" of the 6 month Karachi Inter Bank Offered Rate ("KIBOR") prevailing on the Base Rate setting date. Base Rate will be set for the first time on the last day of the IPO and will be used to determine the Profit Rate for the first semi-annual period. Subsequent Base Rate(s) will be set on the last day preceding the start of each semi-annual period for the profit due at the end of that semi-annual period. If the KIBOR is not available on the fixing date on the Reuters Screen page KIBR, the KIBOR advised by the Financial Markets Association at the relevant time shall be used for the purpose of fixing the Base Rate.
Profit Payment	Profit shall be payable semi-annually in arrears and will be calculated on a 365 day year basis on the outstanding principle amount. The first such payment will fall due six months from the Issue Date of public subscription and subsequently every six months thereafter.

Note: As on May 26, 2014 the average rate '*Ask Side*' of the six month KIBOR was 10.18%.

Given below is the redemption schedule for the TFC based on face value of PKR 5,000/-, calculated on the basis of the profit rate of 11.33%, i.e. Base Rate + 115 bps. The Base Rate used for the calculation of the redemption schedule herein is 10.18%, which was the average 6-month KIBOR Ask rate as of May 26, 2014.

Month	Issue price component of the redemption amount	Indicative profit rate @ 11.33% *	Withholding tax (10%)	Zakat (2.5%)	Total payment amount	Principal amount outstanding
0						5,000
6	1	283.25	28.33	0.03	255.90	4,999
12	1	283.19	28.32	0.03	255.85	4,998
18	1	283.14	28.31	0.03	255.80	4,997
24	1	283.08	28.31	0.03	255.75	4,996
30	1	283.02	28.30	0.03	255.70	4,995
36	1	282.97	28.30	0.03	255.65	4,994
42	1	282.91	28.29	0.03	255.59	4,993
48	1	282.85	28.29	0.03	255.54	4,992
54	1	282.80	28.28	0.03	255.49	4,991
60	1	282.74	28.27	0.03	255.44	4,990
66	1	282.68	28.27	0.03	255.39	4,989
72	1	282.63	28.26	0.03	255.34	4,988
78	1	282.57	28.26	0.03	255.29	4,987
84	1	282.51	28.25	0.03	255.24	4,986
90	1	282.46	28.25	0.03	255.19	4,985
96	4,985	282.40	28.24	124.63	5,114.54	-
Total	5,000	4,525.2	452.5	125.0	8,947.7	

Note: The above redemption schedule includes deduction of Zakat and withholding tax (applicable for persons other than companies). For applicability of these, please refer to paragraph 2.19 & 2.21 below, respectively.

If at any time during the tenor of the instrument, the Base Rate ceases to exist, alternative basis for calculating the Base Rate may be arrived upon by mutual consent between the Trustee on behalf of the TFC Investors and NIB.

2.17 REDEMPTION RESERVE

No redemption reserve is being created for redemption of TFCs in view of the projected financial cash flows; the Bank is expected to have adequate funds to meet its financial obligations arising from the issue of TFCs.

2.18 CALL & PUT OPTION

The Issuer may call the TFCs, in part or full, on any profit payment date from the 60th month from the last day of public subscription and on all subsequent profit payment dates, **subject to the SBP approval** and not less than 45 days prior notice being given to the Trustee.

There is no Put Option in the TFC.

2.19 DEDUCTION OF ZAKAT

Zakat is deductible in case of the TFC being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal.

2.20 INCOME TAX

Any income derived from the TFCs shall be subject to income tax as per the Income Tax Ordinance, 2001. According to this Ordinance, the tax shall be deducted at the rate of 10% of the gross amount of profit paid as per the First Schedule, Part III, Division 1 and shall be deemed to be the final discharge of tax liability on the profit arising to a tax payer other than a company under subsection 3 of Section 151 of the Income Tax Ordinance.

2.21 DEDUCTION OF WITHHOLDING TAX

NIB Bank is required to withhold tax, currently at the rate of 10% from profit payments to all investors except companies under Clause 59, Part IV, Second Schedule of Income Tax Ordinance, 2001.

2.22 CAPITAL GAINS

Any capital gain derived from the sale of TFCs shall be subject to capital gain tax as per the Income Tax Ordinance, 2001.

2.23 MARKET MAKING

The TFCs will be listed on the KSE. Additionally, Arif Habib Limited ("AHL") will act as market maker for the Issue. The role of the market maker will be to offer bid & ask quotes for the TFCs at a spread of 0.5% and 1.5% yield, or equivalent price terms, for marketable or non-marketable lots, respectively. Price will be determined by market maker in light of prevailing liquidity, interest rates and credit risk of the issuer.

Marketable lots are defined as any amount equal to or more than the PKR 250,000/- (Pak Rupees Two Hundred and Fifty Thousand only) or 50 (fifty) units face value and non marketable lots are defined as any amount less than PKR 250,000/- (Pak Rupees Two Hundred and Fifty Thousand only) or 50 (fifty) units face value. The market maker will trade term finance certificates which are available for transfer within the CDS.

2.24 DISCLOSURE OF DEFERRED TAXATION

Deferred tax is recognized using the balance sheet liability method on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the rates enacted at the reporting date. A deferred tax asset is recognized only to the

extent that it is probable that future taxable profit will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

The balance of deferred tax asset as of December 31, 2013 was PKR 11.249 billion (standalone basis) and PKR 11.089 billion (Consolidated basis).

PART III

3 UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES TO THE ISSUE

3.1 UNDERWRITING

The Public Offering of TFCs of PKR 1,000 million has been underwritten as follows:

S#	Underwriter's name	Amount (PKR)
1	Arif Habib Ltd.	400,000,000
2	Allied Bank Ltd.	200,000,000
3	Habib Metropolitan Bank	200,000,000
4	MCB Bank Ltd.	100,000,000
5	Sindh Bank Ltd.	100,000,000
	Total	**1,000,000,000**

If and to the extent that the TFCs offered to the general public are not subscribed in full by the closing of the subscription period, the Underwriter, within 7 (seven) business days of being duly called upon by the Issuer to do so, shall subscribe or procure subscribers to subscribe and pay for in cash in full for the unsubscribed TFCs to the extent of the total unsubscribed TFCs subject to the maximum of the TFC underwritten by the underwriter.

3.2 UNDERWRITING COMMISSION

The underwriters will be paid underwriting commission of 0.30% of the total amount underwritten. In case the issue remained unsubscribed then in addition to the underwriting commission, the underwriters shall be paid take up commission at the rate of 0.20% of the amount actually taken up by them pursuant to their underwriting obligations.

3.3 NO BUY BACK / REPURCHASE AGREEMENT

The underwriters to the TFCs being offered through this prospectus have not entered into any buyback / repurchase agreement with the Bank or any other person in respect of this public offer. Also, neither sponsors of the Bank nor any of their associated company, undertaking or person has entered into any buyback / repurchase agreement with the underwriters or their associates. The Bank and its associates shall not buyback / repurchase TFCs from the underwriters and / or their associates.

3.4 BANKERS TO THE ISSUE COMMISSION

A commission at the rate of 0.25% of the amount collected, in respect of successful applications will be paid to the Bankers to the Issue for services to be rendered by them in connection with the public offer.

3.5 BROKERAGE

For the IPO, NIB will pay brokerage to the TRE Certificate Holders of the KSE at the rate of 0.25% of the value of TFCs actually sold through them.

3.6 EXPENSES OF THE ISSUE

The initial expenses of the Issue paid or payable by NIB inclusive of commission to the underwriters, Bankers to the Issue and TRE Certificate Holders of the KSE, etc., are estimated to be as follows:

	Rate	Amount (PKR)
Expenses related to the IPO (PKR 1,000 million plus greenshoe option of PKR 1,000 million)		
Commission to the Bankers to the Issue*	0.25%	5,000,000
Commission to the Underwriters*	0.30%	3,000,000
Take-up Commission (in case of undersubscription)*	0.20%	2,000,000
Brokerage to the TRE Certificate Holders of KSE *	0.25%	5,000,000
Listing Agent to the Issue		2,000,000
Expenses related to the total Issue (PKR 4,000 million plus greenshoe option of PKR 1,000 million)		
Participation Fee Paid to Investors		19,975,000
Trustee Fee		500,000
Rating Fee		2,500,000
Legal Counsel		750,000
CDC Fee		167,500
Stamp Duty	0.05%	2,500,000
Initial Listing Fee		500,000
Annual Listing Fee		50,000
SECP Fee		200,000
Auditors for preparation of various certificates		200,000
Balloter & Registrar Fee		227,000
Market Making Fee		1,500,000
Out of Pocket and other expenses		3,000,000
Total		**49,069,500**

*Represents maximum possible expense related to the Issue

PART IV

4 HISTORY AND PROSPECTS

4.1 BACKGROUND AND PROSPECTS

NIB Bank Limited started operations in October 2003 when all assets, liabilities, rights and obligations of the former National Development Leasing Corporation ("NDLC") and Pakistan operations of IFIC Bank were amalgamated with and into the Bank and started operation in the name of NDLC-IFIC Bank Limited. In April 2004, the Pakistan operations of Credit Agricole Indosuez were further amalgamated into the Bank. In October 2005, the Bank's name was changed to NIB Bank Limited.

In 2007, NIB acquired majority shares of Pakistan Industrial Credit and Investment Corporation ("PICIC"). In the same year PICIC and its commercial banking subsidiary, PICIC Commercial Bank Limited ("PCBL") were merged with and into the Bank.

In recent years NIB has shown improvement in nearly all facets of the organization. The Bank has developed a strong franchise, with a well-diversified market presence through its 179 (as of Dec 2013) branches in Pakistan. While developing its corporate and commercial banking business, NIB has also expanded its consumer banking activities by offering a growing range of products. The Bank is listed on all stock exchanges in Pakistan. KPMG Taseer Hadi & Co. Chartered Accountants are the external auditors of the Bank. The Bank enjoys long term entity rating of "AA-" and short term entity rating of "A1+" by the Pakistan Credit Rating Agency ("PACRA").

4.2 SHAREHOLDING STRUCTURE

NIB is a subsidiary of Bugis Investments (Mauritius) Pte. Ltd. ("Bugis"), a wholly owned subsidiary of Fullerton Financial Holdings Pte. Ltd. ("FFH") which in turn is a wholly owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"). Bugis has the majority shareholding, constituting 88.38% as of Dec 31, 2013, in the Bank. FFH focuses its investments in financial institutions in emerging and new markets. Temasek has a corporate credit rating of AAA and Aaa by Standard & Poor's ("S&P") and Moody's respectively. Temasek manages a diversified portfolio principally in Singapore, Asia, North America, Australia & New Zealand, Europe, Latin America, Central Asia and the Middle East.

The pattern of shareholding of NIB as at Mar 31, 2014 is as follows:

Shareholders	No. of shares	Shareholding
Bugis Investments (Mauritius) Pte Ltd.	9,132,728,598	88.64%
NIT & ICP	13,910,548	0.14%
Banks, DFI & NBFI	24,407,038	0.24%
Insurance companies	230,345,893	2.24%
Modarabas & Mutual Funds	5,640,504	0.05%
General Public (local & foreign)	710,704,754	6.90%
Foreign companies	60,333,242	0.59%
Others	124,780,587	1.21%
Total	**10,302,851,164**	**100.00 %**

4.3 FINANCIAL AND OPERATIONAL PERFORMANCE

Continuing with the positive trend of FY12 annual results, the Bank has posted a pre-tax profit of PKR 1.63 billion (un-consolidated basis) for FY13 as against pre-tax profit of PKR 145 million in FY12. Net interest income grew by 15% driven by higher loan and deposit volumes as well as money market activities. Non-interest income grew by 20% on the back of higher foreign exchange and commission income, capital gains on fixed income securities and dividends from subsidiary and associates. As a result, year on year total revenue increased by 17% and operating profit increased from PKR 45 million to PKR 774 million.

Administrative expenses between 2012 and 2013 increased by a mere 2.6% despite a strong cost push on the back of the higher inflation and increase in sales tax on goods and services.

The basic / diluted earnings per share in rupee terms has increased from a loss of 2.50/share in FY10 to earnings of 0.12/share in FY13 (FY11: loss of 0.34/share, FY12: earnings of 0.004/share).

The Bank's advances have increased to PKR 82 billion in FY13 (FY12: PKR 71.5 billion) showing a growth of PKR 10.4 billion or 14.58%. The Bank's deposit base has also consistently increased from PKR 30.6 billion in FY06 to PKR 91.2 billion in FY12 and further increasing to PKR 104.8 billion in FY13.

The total equity of the Bank has increased from PKR 13.6 billion in FY10 to PKR 14.9 billion in FY13. Capital Adequacy Ratio has eased to 11.09% in FY13 from 12.97% in FY12 but remained comfortably above the minimum regulatory requirement of 10%.

The Bank has relentlessly continued its efforts in the recovery of cash / assets from its defaulting customers or restructuring outstanding wherever possible. At the same time pro-active collection efforts from paying customers have kept new non-performing loans ("NPLs") in check as well as improved bucket flows within NPLs. As a result the Bank's stock of NPLs has reduced by PKR 3,017 million between 2012 and 2013. FY13 also includes net credit provisioning reversals of PKR 751 million as compared to net credit provisioning charge of PKR 117 million in 2012.

Brief financial highlights are given below:

Rs. Mn	**Unaudited Mar 14**	**Audited Dec 13**	**Audited 2012**	**Audited 2011**
Total assets	174,421	176,825	190,609	154,794
Share capital	103,029	103,029	103,029	103,029
Reserves	531	474	226	218
Discount on issue of shares	(45,770)	(45,770)	(45,770)	(45,770)
Accumulated loss	(42,562)	(42,790)	(43,863)	(43,893)
Shareholders' equity	15,228	14,943	13,622	13,584
(Deficit) / surplus on revaluation of assets - net	(362)	(467)	392	92
Total equity	14,866	14,476	14,014	13,677
Profit / (loss) after taxation	285	1,241	38	(2,044)
Basic / diluted earnings / (loss) per share (Rupees)	0.03	0.12	0.004	(0.34)
Advances to deposit ratio	87%	78%	78%	71%
Return on equity	1.9%	8.6%	0.3%	-14.9%

Return on assets	0.16%	0.70%	0.02%	-1.32%
Breakup value per share	1.44	1.41	1.36	1.33

The Bank continues to invest in improving branch infrastructure and ambience in an attempt to enhance both its value proposition and customer experience. The NIB Bank brand was rejuvenated during the year (2013) through a number of initiatives. Branch fascia across the network was upgraded to impart a more refreshing and energy efficient design. Selected branches have been earmarked as "Branch of The Future" with upgraded furniture and fixtures as well as the latest technological tools. Coupled with the re-design of its website and presence on social media platforms, NIB Bank is positioning itself as a progressive and technologically current institution.

4.4 BRANCH NETWORK

NIB Bank has 179 (as of Dec 2013) branches spread across strategic locations in Pakistan.

4.5 RISK FACTORS

4.5.1 SPECIFIC TO THE BANK

4.5.1.1 CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk that a counterparty or customer will be unable to pay amounts in full when due. NIB's main credit exposure arises from the risk of failure by a client or counterparty to meet its contractual obligations. The risks are inherent in loans and bills receivable from non-bank customers, commitments to lend, repurchase agreements, securities borrowing and lending transactions, and contingent liabilities. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

Mitigant

There is a proper credit delegation matrix for review and approving credit applications. All credit approvals are independently accorded by the Credit Officers/Senior Credit Officers in the Integrated Risk Management Group.

Further, in order to measure credit risk, an indigenously developed rating system is followed. This rating system is being continuously fine tuned to address regulatory and global benchmarks.

NIB manages credit risk through:

- Accurate and detailed information about the borrower, cash flows, production, service and operation of the company
- Insights into the major factors influencing customer attrition and product cancellation
- Credit and collections treated as a highly people-intensive business
- Establishment of acceptable risk levels

4.5.1.2 LIQUIDITY RISK

Liquidity risk is defined as the risk that the Bank, either does not have enough financial resources to meet its obligation and commitments as they fall due or can secure funds at an excessive cost; even when the Bank is solvent. Liquidity risk is due to the difference between the Bank's assets and liabilities generally known as mismatches. Liquidity management is important as the ultimate cost of a lack of liquidity is being out of business.

The liquidity risk policy is formulated keeping in view of the SBP's guidelines on risk management, Basel standards and best practices. The Bank maintains its liquidity by keeping a level of liquid assets in such amount which is considered sufficient to anticipate payment of customers' deposits.

Mitigant

The Bank manages its liquidity risk through:

- Controlling the cash flow mismatch between on and off balance sheet assets and liabilities
- 5-Day stress testing on Bank's balance sheet carried out on daily basis assuming deposit run offs
- Maintaining stable and diversified sources of funding
- Ensuring the Bank has the right asset portfolio mix and sufficient liquid assets on hand in relation to its daily cash flows
- Certain periodic reports such as tenor maturity gaps and maximum cash outflows

- Stress testing on portfolio as required by local regulator.

Market Risk

Market risk refers to the potential loss that an entity may be exposed to due to market volatility. It is important for the Bank to put in place an effective market risk management framework to manage its market risk exposures.

Market risk arises from all positions in financial instruments held by the Bank (either in trading or banking book) which exposes the Bank to market risk factors namely interest rates, foreign exchange (**"FX"**) rates and equity prices.

Mitigant

Bank has adopted a market risk management structure that commensurate with its size and the nature of its business activities and facilitates effective management oversight and execution of market risk management and control processes.

4.5.1.2 INTEREST RATE RISK

The principal risk to which NIB's portfolios are exposed is the risk of losses from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates.

Mitigant

To manage this risk within acceptable limits, the Bank monitors the re-pricing of the assets and liabilities on a regular basis.

4.5.1.3 EQUITY PRICE AND FIXED INCOME RATE RISKS

Equity price risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of NIB.

Mitigant

NIB conducts stress testing analysis over the equity portfolio, by anticipating changes/shocks of -30%, -40% and -50% on the current price of shares within a portfolio, thereby monitoring the effects of the predicted changes in the structure of shares portfolio on the Capital Adequacy Ratio. Further, NIB reviews new products to ensure that market risk aspects are properly quantified and mitigated.

4.5.1.4 OPERATIONAL RISK

The Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner.

Mitigant

NIB approaches operational risk management from two perspectives to best manage operational risk within the structure of the Bank:

- At the enterprise level to provide independent, integrated management of operational risk across the Bank, and

- At the business and enterprise control function levels to address operational risk in revenue generating and non-revenue generating units

A sound internal governance structure enhances the effectiveness of NIB's Operational Risk Management ("ORM") and is accomplished at the enterprise level through formal oversight by the Board of Directors ("Board"), the Chief Risk Officer and risk management committees aligned to the Bank's overall risk governance framework and practices. The Operational Risk Committee ("ORC") oversees the processes for sound operational risk management and also serves as an escalation point for critical operational risk matters within the Bank. The ORC reports operational risk activities to the Board Risk Management Committee.

Within the Integrated Risk Management Group, the operational risk team develops the strategies, policies, controls and monitoring tools for assessing and managing operational risks across the Bank and report results to ORC and the Board. The business and support functions are responsible for all the risks within the business line, including operational risks. ORM tools, such as Loss Collection & Reporting, Risk and Control Self Assessment and Key Risk Indicators are developed and used to identify measure, mitigate and monitor risks.

4.5.1.5 REGULATORY RISK

Changes in the regulatory framework may impact the viability of NIB.

Mitigant

The banking sector is one of the most strongly regulated sectors of the country with specific monitoring and reporting framework in place and implemented by the State Bank of Pakistan. Changes and modifications in the framework are implemented in a phased manner with maximum lead time to ensure compliance and thus minimal impact to the financial institutions.

4.5.1.6 REINVESTMENT RISK

Investors face the risk that the interest rate, at which the interim cash flows can be reinvested, may fall and that the investor may not have suitable avenues for investing interim cash flows.

Mitigant

TFCs have been structured with semi-annual profit rate and principal payments. TFC investors can reinvest the redemption amount on a half yearly basis in other suitable avenues and be exposed less to falling interest rates.

4.5.1.7 FOREIGN EXCHANGE RISK

This risk arises from the fluctuation in the value of financial instruments consequent to changes in foreign exchange rates.

Mitigant

The Bank maximizes profitability with minimum risk by keeping the foreign currency exposures at desirable levels in view of strict compliance of regulatory / international standards and the Bank's internal guidelines which are being adopted from regulator. Additionally, the Bank uses different tools to manage risk of product and market, such as compliance of credit limit, monitoring of foreign exchange exposure limit, review of marked to market portfolio etc.

4.5.2 SPECIFIC TO THE ISSUE

4.5.2.1 SECONDARY MARKET LIQUIDITY RISK

The investor faces the risk of not being able to sell the TFCs in the secondary market without adversely affecting its market price.

Mitigant

The TFC is planned to be listed on KSE. The listing on the stock exchange is expected to provide the investors with secondary market liquidity. In order to enhance liquidity, Arif Habib Limited, a Trading Right Entitlement Certificate Holder, has been appointed as the Market Maker for the Issue. The Market Maker on daily basis shall give two way quotes i.e. bid and offer prices of the TFCs.

4.5.2.2 PROFIT RATE RISK

The investors are subject to profit rate risk for the tenor of the investment. Fluctuations in the market interest rate may affect the return to the investor.

Mitigant

The proposed TFC is structured with a floating rate (no cap and no floor). Any change in the base rate will result in a corresponding change in the profit rate on the TFCs.

4.5.2.3 LOCK-IN CLAUSE

As per the 'Instructions for Basel III Implementation in Pakistan' pursuant to SBP's circular No. 06 dated August 15, 2013 ("Basel III Circular"), the lock-in clause requires that "**neither profit nor principal can be paid (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the bank's MCR or CAR or results in an increase in any existing shortfall in MCR or CAR**". In case the lock-in clause goes into effect, the Bank will be required to comply with SBP instructions prevalent or issued at the time.

Mitigant

Through issuance of the proposed TFC, NIB's CAR will improve further.

4.5.2.4 LOSS ABSORBENCY CLAUSE

As per Basel III Circular, the following loss absorbency conditions will apply to all Tier 2 instruments issued by banks including the TFC being issued by the Bank:

Upon the occurrence of a Point of Non-Viability ("PONV") event as defined below, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full).
Under Basel III Circular, a "PONV" event has been defined as the **earlier** of:

a. A decision made by SBP that a conversion or temporary / permanent write-off is necessary, without which the bank would become non-viable; or

b. The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by SBP.

The amount to be converted into common shares and / or to be written off shall be solely determined by SBP.

In the event of conversion of the TFCs into common shares by SBP, any investor holding 5% or more of the paid up share capital of the Bank will be required to comply with the fit and proper

criteria of SBP. In the event of conversion of the TFCs into common shares by SBP, the TFCs shall be converted in the following manner:

(a) The conversion rate / price shall be based on the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP;

(b) The number of shares to be issued as a result of the conversion is subject to a cap of additional shares being issued, as confirmed by SBP in terms of their letter No. BPRD/BA&CP/642/14200/2013 dated September 25, 2013. Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of NIB's common equity on the date of trigger of the non-viability event as declared by SBP, subject to the cap of 1,697,148,836 shares at a minimum conversion price of PKR 2.36 per share.

All approvals for the purposes of giving full effect to the Loss Absorbency conditions under the Basel III Circular will be obtained prior to issuance of the TFCs. Such approvals include but may not be limited to approval of the Board of Directors, shareholders, Securities & Exchange Commission of Pakistan and SBP. However, SBP has granted a waiver / deferral from obtaining upfront approvals as required under paragraph (viii) of Annexure A-5-3 of the Basel III Circular in terms of their letter No. BPRD/BA&CP/642/16142/2013 and the same shall be obtained by the Issuer on a post facto basis if need be.

Note: It is affirmed that all material risk factors have been disclosed to the best of knowledge and belief and that nothing has been concealed in this respect.

PART V

5 FINANCIAL INFORMATION AND CREDIT RATING REPORT

5.1 FINANCIAL INFORMATION

5.1.1 AUDITOR'S REPORT UNDER SECTION 53(1) READ WITH CLAUSE 28 OF SECTION 2 OF PART-I OF THE SECOND SCHEDULE TO THE COMPANIES ORDINANCE, 1984 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS

KPMG

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The Board of Directors
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Our ref KA-AQ-1492

Contact Amyn Pirani

9 May 2014

Dear Sirs,

Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited

We have reviewed the audited financial statements of NIB Bank Limited ("the Bank") for the five years beginning 31 December 2009 to 31 December 2013 and the consolidated financial statements of the Bank and the subsidiary ("the Group") for the five years beginning 31 December 2009 to 31 December 2013 and in accordance with Section 53(1) read with Clause 28 of Section 2 of Part 1 of the Second Schedule to the Companies Ordinance, 1984, a summary of the assets, liabilities and shareholders' equity and the profit and loss account of the Bank and the Group for inclusion in the prospectus for proposed public issue of rated, listed and unsecured Term Finance Certificates to be issued by the Bank / the Group.

The standalone and consolidated financial statements for the years ended 31 December 2009 to 31 December 2013 were audited by us (KPMG Taseer Hadi & Co., Chartered Accountants). Unqualified audit opinion was issued in each of the above mentioned year.

As at 31 December 2013, the Bank have three subsidiaries namely PICIC Stock Fund ("PSF"), PICIC Asset Management Company ("PICIC AMC") and Financial and Management Services (Private) Limited ("FMSL"). FMSL has not been consolidated as it is not material and this investment has been fully provided.

In accordance with Section 53(1) read with Clause 28 of Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984, we report that:

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

NIB BANK LIMITED AND THE GROUP

1. Summary of Assets, Liabilities and Shareholders' Equity As at 31 December 2013

1.1. The summary of assets, liabilities and shareholders' equity of the Bank and the Group as at 31 December 2013 were as follows:

	NIB Bank Limited	
	(The Bank)	(The Group)
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	8,006,105	8,006,108
Balances with other banks	692,177	690,098
Lendings to financial institutions	2,127,516	2,127,516
Investments	61,058,886	60,791,885
Advances	82,000,586	82,025,967
Operating fixed assets	2,836,105	2,879,281
Intangible assets	1,438,252	3,166,781
Deferred tax assets – net	11,249,886	11,089,644
Other assets	7,415,548	7,516,607
	176,825,061	178,293,887
LIABILITIES		
Bills payable	2,862,663	2,862,663
Borrowings	51,506,673	51,506,673
Deposits and other accounts	104,896,065	104,887,731
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	3,083,466	3,337,359
	162,348,867	162,594,426
NET ASSETS	14,476,194	15,699,461
REPRESENTED BY:		
Share capital	103,028,512	103,028,512
Reserves	474,123	474,123
Discount on issue of shares	(45,769,623)	(45,769,623)
Accumulated loss	(42,790,164)	(41,716,290)
	14,942,848	16,016,722
Non-controlling interest in equity	-	-
	14,942,848	16,016,722
(Deficit) on revaluation of assets – net	(466,654)	(317,261)
	14,476,194	15,699,461

KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

	NIB Bank Limited	
	(The Bank)	(The Group)
	(Rupees in '000)	
1.2. Contingencies and Commitments		
1.2.1. Transaction-related contingent liabilities / commitments		
Government	19,100,740	19,100,740
Others	793,108	793,108
	19,893,848	19,893,848
1.2.2. Trade-related contingent liabilities		
Letters of credit	23,287,063	23,287,063
Acceptances	5,237,186	5,237,186
	28,524,249	28,524,249
1.2.3. Other Contingencies		
Claims against the Bank not acknowledged as debts	266,133	266,133
1.2.4. Commitments in respect of forward lending		
Commitments to extend credit	708,000	708,000

The Bank makes commitments to extend credit in the normal course of its business but none of these commitments are irrevocable and do not attract any significant penalty or expense if the facility is ultimately withdrawn except commitments mentioned above.

1.2.5. Commitments in respect of forward exchange contracts		
Purchase	26,499,067	26,499,067
Sale	25,424,367	25,424,367
	51,923,434	51,923,434
1.2.6. Commitments for the acquisition of operating fixed assets	171,863	171,863
1.2.7. Commitments with respect to Government Securities		
Purchase	12,699,823	12,699,823
Sale	2,894,757	2,894,757

KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

1.2.8. Contingency for tax payable

The income tax returns of NIB Bank Limited have been filed up to and including tax year 2013 relevant to the financial year ended December 31, 2012. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC), from tax years 2004 through 2008 for Ex-PICIC Commercial Bank Limited (Ex-PCBL), tax years 2003 and 2004 for Ex-National Development Leasing Corporation Limited (Ex-NDLC) and from tax years 2004 through 2008 for NIB Bank Limited. During the year, a combined Appellate Order for Ex-PICIC pertaining to tax years 2003 through 2007 was issued by Commissioner Inland Revenue (Appeals) – CIR(A) in which the aforementioned expenses were allowed. However, the tax authorities have filed appeal with Income Tax Appellate Tribunal (ITAT) against above combined Appellate Order. These disallowances may result in additional tax aggregating to Rs. 1,370 million (2012: Rs. 1,370 million), which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals filed against orders are pending at various appellate forums. Management is confident that the eventual outcome of the cases will be in favour of the Bank.

1.2.9. The income tax returns of PICIC AMC have been filed up to and including the tax year 2012 relevant to the financial year ended 30 June 2013. While finalizing the assessments for tax year 2005, 2006, 2007, 2008 and 2009, the tax authorities have made certain disallowances which resulted in additional tax aggregating to Rs. 71.136 million. As a matter of prudence the management has made provision in these financial statements in respect of above disallowances except for matter relating to dividend income claimed as exempt under clause 103 of Second Schedule of Income tax Ordinance, 2001 amounting to Rs. 36.005 million. The Company's appeals in respect of above tax years are pending before Commissioner Inland Revenue Appeals (CIR) and Appellate Tribunal Inland Revenue (ATIR).

The management based on the advice from tax advisor is confident that the eventual outcome of the above appeals will be in favour of PICIC AMC.

1.2.10. A penalty of Rs. 700 million was imposed by the Competition Commission of Pakistan ("the Commission") on all the member banks utilizing the 1 link Switch on account of uncompetitive behavior and imposing of uniform charges on cash withdrawal for off network ATM transactions. The Bank's share in this penalty is Rs. 50 million. The concerned banks filed a constitutional petition before the High Court of Sindh, which has suspended the order of the Commission. Consequently an appeal was filed with the Competition Appellate Tribunal ("Tribunal") which has set aside the order of the Commission. The Commission has preferred an appeal before the Supreme Court, which has been admitted for hearing and will be fixed by the concerned office of the Supreme Court.

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KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

The management in consultation with external legal counsel, representing the Bank, is confident that they have strong grounds to contest this penalty and are optimistic that the outcome will be decided in favour of the Bank.

2. NIB BANK LIMITED
Unconsolidated Profit and Loss Account
For the years ended 31 December 2009 to 31 December 2013

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010	Year ended 31 December 2009
	(Rupees in '000)				
Revenue					
Mark-up / Return / Interest earned	13,169,697	13,988,512	14,245,677	16,482,080	18,272,363
Mark-up / Return / Interest expensed	9,883,452	11,132,803	12,166,781	13,533,160	12,872,357
Net Mark-up / Interest Income	3,286,245	2,855,709	2,078,896	2,948,920	5,400,006
(Reversal) / Provision against non-performing loans and advances	(751,027)	116,533	2,355,074	9,872,524	524,505
(Reversal) / Provision for diminution in the value of investments	(105,001)	(231,969)	395,267	124,521	603,426
Bad debts written off directly	4,451	15,632	15,802	53,359	67,398
	(851,577)	(99,804)	2,766,143	10,050,404	1,195,329
Net Mark-up / Interest income after provisions	4,137,822	2,955,513	(687,247)	(7,101,484)	4,204,677
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	1,271,045	891,618	756,650	715,279	729,953
Dividend income	522,888	448,906	573,184	177,229	260,103
Income from dealing in foreign currencies	543,436	469,247	526,577	469,449	72,162
Gain on sale of securities - net	493,513	539,578	274,512	328,920	598,800
Unrealized gain on revaluation of investments classified as held-for-trading		-	-	-	-
Other income	75,121	72,833	21,157	24,475	20,815
Total Non Mark-up / Interest income	2,906,003	2,422,182	2,152,080	1,715,352	1,681,833
	7,043,825	5,377,695	1,464,833	(5,386,132)	5,886,510
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	5,305,872	5,173,194	4,714,974	6,955,148	5,345,307
Other provisions / write offs	68,702	5,239	200,912	158,359	6,229
Other charges	43,984	54,142	42,365	121,918	(122,097)
Workers welfare fund	-	-	(13,000)	-	13,000
Impairment of goodwill	-	-	-	-	-
Impairment of other intangible assets	-	-	-	-	-
Total Non-Mark-up / Interest expense	5,418,558	5,232,575	4,945,251	7,235,425	5,242,439
Extraordinary / Unusual items	-	-	-	-	-
PROFIT / (LOSS) BEFORE TAXATION	1,625,267	145,120	(3,480,418)	(12,621,557)	644,071
Taxation					
– Current	160,757	82,054	163,978	181,974	99,771
– Prior	148,339	25,000	30,658	327,748	-
– Deferred	75,000	-	(1,630,964)	(3,019,165)	(146,748)
	384,096	107,054	(1,436,328)	(2,509,443)	(46,977)
PROFIT / (LOSS) AFTER TAXATION	1,241,171	38,066	(2,044,090)	(10,112,114)	691,048
Basic / diluted Earnings / (Loss) per share (Rupees)	0.12	0.004	(0.34)	(2.50)	0.17

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KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

3. NIB BANK LIMITED
Consolidated Profit and Loss Account
For the years ended 31 December 2009 to 31 December 2013

	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011	Year ended 31 December 2010	Year ended 31 December 2009
	(Rupees in '000)				
Revenue					
Mark-up / Return / Interest earned	13,171,071	13,989,306	14,250,121	16,482,767	18,278,640
Mark-up / Return / Interest expensed	9,878,141	11,125,821	12,155,613	13,467,526	12,775,801
Net Mark-up / Interest Income	3,292,930	2,863,485	2,094,508	3,015,241	5,502,839
(Reversal) / Provision against non-performing loans and advances	(751,027)	116,533	2,355,074	9,872,524	524,505
(Reversal) / Provision for diminution in the value of investments	117,399	(15,184)	178,913	115,134	575,705
Bad debts written off directly	4,451	15,632	15,802	53,359	67,398
	(629,177)	116,981	2,549,789	10,041,017	1,167,608
Net Mark-up / Interest income after provisions	3,922,107	2,746,504	(455,281)	(7,025,776)	4,335,231
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	1,620,375	1,166,211	1,024,307	977,919	953,462
Dividend income	57,060	105,770	137,055	150,517	182,327
Income from dealing in foreign currencies	543,436	469,247	526,577	469,449	72,166
Gain on sale of securities – net	537,594	572,111	273,144	307,541	573,126
Unrealized gain on revaluation of investments classified as held-for-trading	34,468	3,277	(7,053)	-	-
Other income	113,415	78,874	22,854	28,348	20,739
Total Non Mark-up / Interest income	2,906,348	2,395,490	1,976,884	1,933,774	1,801,820
	6,828,455	5,141,994	1,521,603	(5,092,002)	6,137,051
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	5,484,765	5,331,398	4,823,582	7,055,824	5,455,676
Other provisions / write offs	68,702	5,239	200,912	158,359	6,229
Other charges	43,984	54,142	42,497	121,918	(122,097)
Workers welfare fund	34,587	6,700	(2,101)	859	17,214
Total Non-Mark-up / Interest expense	5,632,038	5,397,479	5,064,890	7,336,960	5,357,022
Share of income of associates	915,919	695,973	51,278	339,960	772,867
Extraordinary / Unusual items	-	-	-	-	-
PROFIT / (LOSS) BEFORE TAXATION	2,112,336	440,488	(3,492,009)	(12,089,002)	1,552,896
Taxation					
– Current	263,682	97,237	202,619	228,733	126,765
– Prior	148,339	25,000	30,658	385,655	15,958
– Deferred	120,237	56,171	(1,657,864)	(2,996,630)	(83,549)
	532,258	178,408	(1,424,587)	(2,382,242)	59,174
PROFIT / (LOSS) AFTER TAXATION	1,580,078	262,080	(2,067,422)	(9,706,760)	1,493,722
Profit / (Loss) attributable to:					
Equity shareholders of the Bank	1,536,641	257,284	(2,067,422)	-	-
Non-controlling interest	43,437	4,796	-	-	-
	1,580,078	262,080	(2,067,422)		
Basic / diluted Earnings / (Loss) per share (Rupees)	0.15	0.02	(0.34)	(2.40)	0.37

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KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

3.1. We further report that:

a) No dividends were declared and paid by the Bank during last five years from 2009 to 2013.

b) PICIC Stock Fund ("PSF") had issued bonus unit for the period ended 30 June 2012 at Rs. 13 per unit.

c) The details of cash and bonus issues declared by the PICIC AMC during the five years from 01 January 2009 to 31 December 2013 are as follows:

	For the year ended 31 December				
	2013	2012	2011	2010	2009
	Percentage				
Cash dividend	10.60%	9.53%	9.00%	-	-

4. SIGNIFICANT DISCLOSURES MADE IN THE NOTES TO THE PULISHED FINANCIAL STATEMENTS OF THE BANK / THE GROUP FOR THE RELEVENT FINANCIAL YEARS:

We give below the significant disclosures made in the notes to the published financial statements of the Bank and the Group for the financial years ended 31 December 2009 to 31 December 2013:

4.1. Financial statements for the year ended 31 December 2013

4.1.1. Investment in Subsidiaries

On December 31, 2013, the subsidiary of the Bank, PICIC Asset Management Company Limited reduced it's paid up share capital from Rs. 3,000 million to Rs. 300 million as approved by the High Court of Sindh vide Misc. application No. 12 of 2013 in accordance with section 96 of the Companies Ordinance, 1984. The Subsidiary sold it's investment in mutual funds to the Bank. The value of the units purchased were based on the market rate of the units as at December 31, 2013 amounting to Rs. 2,105.675 million. The units of the mutual funds purchased were those of funds managed by the PICIC Asset Management Company Limited and are all associates of the Bank.

4.1.2. Net Investment in Finance Lease

The finance lease portfolio is of Rs. 1,777.383 million. A major portion of finance leases are non-performing against which provision of Rs. 1,177.073 million has been held.

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NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

4.1.3. Advances which have been placed under non-performing status

Included in the Provision required is an amount Rs. 293.089 million which represents provision in excess of the requirements of the State Bank of Pakistan.

In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, the Bank has availed the benefit of FSV against the non-performing advances. During the year, total FSV benefit erosion resulted in decrease in profit after tax of Rs. 1,513.444 million. Accordingly, as of 31 December 2013, the accumulated profit after tax of Rs. 4,405.527 million shall not be available for payment of cash and stock dividend as required by aforementioned SBP directive.

4.1.4. Leasehold land

This includes a plot of land costing Rs. 361 million in Block-6, KDA Scheme-5, Clifton, Karachi (the "Plot"), possession of which was taken by the Bank (formerly PICIC) in April 1983 pursuant to an allotment order by City District Government Karachi ("CDGK") (formerly Karachi Development Authority). All the legal dues in respect of the Plot including Non-utilization Fees have been paid. In 2000, CDGK cancelled the allotment unilaterally based on certain building and construction restrictions. The Bank filed a Civil Suit against CDGK before the High Court of Sindh in respect of the said unilateral cancellation of the allotment. Meanwhile, also in 2000, a dispute arose with Karachi Port Trust ("KPT") in respect of construction of a boundary wall on the Plot by KPT as KPT claimed that the ownership of the land had been reverted to KPT. The said claim by KPT was also challenged by way of Civil Suit before the High Court of Sindh. The High Court of Sindh initially issued restraining orders against CDGK and KPT in the respective suits in respect of cancellation of the allotment of the Plot. Subsequently, both the suits were decided in favor of the Bank. In the suit filed against CDGK, the High Court of Sindh held that the action of cancellation of the allotment by CDGK was improper and void, whereas, in the suit against KPT, the High Court of Sindh held that since allotment in favor of the Bank was valid therefore, KPT had no standing to claim that the ownership of the land had been reverted back to KPT. Both the decisions of the High Court of Sindh are currently being challenged in two separate High Court Appeals by CDGK and KPT and the same are still pending. Furthermore, in November 2008, KPT filed a Civil Suit seeking a declaration from the High Court of Sindh to the effect that the ownership of the Plot had been validly reverted to KPT. At present, the Bank is actively defending the cases.

4.1.5. Deferred tax assets

The deferred tax asset recognised in the books has been restricted to Rs. 11,250 million due to uncertainty of availability of future tax profits for utilization of the un-recognised deferred tax assets. The deductible differences available to the Bank are Rs. 11,574 million. Had these been taken completely, the profit after tax for the year would be higher by Rs. 324.011 million. Therefore, the accumulated amount of deferred tax asset not recognised as of 31 December 2013 amounted to Rs. 324.011 million.

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KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

The management has recorded deferred tax asset based on financial projections indicating realisibility of deferred tax asset over a number of future years through reversals as a result of recoveries from borrowers and realisibility of remaining deferred tax asset against future taxable profits. The financial projections involve certain key assumptions such as deposits composition, interest rates, growth of deposits and advances, investment returns and potential provision / reversals against assets. Any significant change in the key assumptions may have an effect on the realisibility of the deferred tax asset.

4.1.6. Non-banking assets acquired in satisfaction of claims

Represents cost of land, plant and machinery acquired by the Bank against advances and held for resale. The market value of the subject assets as of 31 December 2013 was Rs. 2,037.041 million. Provision of Rs. 132.272 million has been made against difference between cost and fair value. The above mentioned values include properties having market value of Rs. 1,219.752 million acquired through settlement agreements, where the settlement agreement signed with the borrowers entails a buy back option.

4.1.7. Assets in respect of Bangladesh

All the assets and liabilities as of 30 November 1971 clearly identifiable as being in or in respect of the areas now under Bangladesh and referred to above were segregated as of that date and in such segregation, for purposes of conversion of foreign currency amounts, generally speaking, the parity rates ruling prior to August 15, 1971 were used, and all income accrued or due in 1971 but not received in that year and interest accrued but not due on borrowings in 1971 was eliminated. Subsequently, consequent to the assuming by Bangladesh of certain foreign currency loan obligations as of 01 July 1974, including amounts previously identified by the Bank (formerly PICIC) as its foreign currency liabilities in respect of Bangladesh, such amounts were eliminated from the books of the Bank (formerly PICIC) by reducing an equivalent sum from its related foreign assets in that area.

Arising from advices received from the lenders and as a result of diversion of shipments and of the meeting of certain contingent liabilities, there have been certain modifications to the foreign currency advances relating to Bangladesh. Furthermore, the difference between the actual amount of rupees required to remit maturities of foreign currency borrowings in respect of Bangladesh and the figures at which they appeared in the books and the interest paid to foreign lenders has been treated as increasing the rupee assets in that area.

The Government of Pakistan, while initially agreeing to provide the rupee finance required for discharging current maturities of foreign currency borrowings and interest related to Bangladesh, did not accept any responsibility for PICIC's assets in that area. However, following an agreement reached between PICIC and the Government of Pakistan during 1976, the Government has agreed that it would continue to provide the funds for servicing PICIC's foreign currency liabilities relating to Bangladesh and has further agreed that an amount equivalent to the rupee assets in Bangladesh financed

KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

from PICIC's own funds not exceeding Rs. 82 million would be deemed to have been allocated out of the rupee loans by the Government and that such allocated amount together with the rupee finance being provided by the Government including any interest thereon would not be recovered from PICIC until such time as PICIC recovers the related assets from Bangladesh and only to the extent of such recovery.

Accordingly, such allocated amounts, together with the rupee finance being provided by the Government for discharging the current maturities of foreign currency borrowings (including the interest and charges thereon and any exchange difference between the final rupee payment and the amount at which the liability, commitment or contingent liability as appearing in the books relating to Bangladesh) have been treated as liabilities in respect of Bangladesh. Further, in view of the aforesaid agreement no interest is being accrued on the allocated amount of rupee loans or in respect of the rupee finance provided by the Government related to PICIC's assets in Bangladesh nor is it considered necessary to provide for any loss that may arise in respect of PICIC's assets in Bangladesh.

4.1.8. Advance for the purchase of sukuk bonds

During the year, Bank has paid Rs. 900 million in respect of advance for purchase of Sukuk Bonds of Sui Southern Gas Company (SSGC). As per agreed repayment schedule mark-up has been received from SSGC whivh have been recorded as mark-up income of the Bank. These carry mark-up rate of 3 months KIBOR + 70 bps and have original maturity of 5 years. The Sukuk are in the process of issuance and is expected to complete in first half of 2014, upon issuance of the Bonds this advance will be reclassified as Investments.

4.1.9. Foreign borrowings payable in local currency

The Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till 30 June 2006. The principal amount has been accounted for and shown as payable to the GoP whereas interest has been accounted for in Other Liabilities. However, the Bank is contending that any amount of principal and interest is payable to the GoP only when recovered from the related sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million which has been netted off against unrealized exchange gain as it is payable when recovered from sub-borrowers, who have availed the related German credit.

4.1.10. Capital Structure

The Basel III Framework is applicable to the Bank on both at the consolidated level (comprising wholly owned subsidiaries and associates) and also on a stand alone basis. Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines as stipulated by State Bank of Pakistan vide BPRD Circular No. 06 of August 15, 2013. The said circular has revised the Basel II Framework with Basel III Capital reforms to

KPMG

KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

further strengthen the capital related rules. These instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

The SBP has allowed the Bank to break its investment in PICIC Asset Management Company Limited (PICIC AMC) into tangible and other components for the purpose of calculating CAR on unconsolidated basis. The tangible assets of PICIC AMC may be treated as a single asset in the banking book and assigned 100% risk weight. The difference between cost of PICIC AMC and tangible portion would be required to be deducted from Tier 1 capital. This relaxation is granted from December 2010 up to and including 31 March 2014.

4.1.11. Financial statements for the year ended 31 December 2012

4.1.12. Investment in Unlisted Term Finance Certificates

During the year, the Bank received 11,864 Term Finance Certificates of Rs. 5,000 each, having total value of Rs. 59.32 million in respect of overdue mark-up of Azgard Nine Limited. These certificates have been recognised at nil value in the Bank's books as per the requirement of Prudential Regulations, whereby overdue interest on classified advance accounts can only be recognised once this is received in cash.

4.1.13. Net Investment in Finance Lease

The finance lease portfolio is of Rs. 1,897.676 million. A major portion of finance leases are non-performing against which provision of Rs. 1,371.158 million has been held.

4.1.14. Advances which have been placed under non-performing status

Included in the Provision required is an amount Rs. 410.960 million which represents provision in excess of the requirements of the State Bank of Pakistan.

In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, the Bank has availed the benefit of FSV against the non-performing advances. During the year, total FSV benefit erosion resulted in decrease in profit after tax of Rs. 1,029.071 million. Accordingly, as of 31 December 2012, the accumulated profit after tax of Rs. 4,825.641 million shall not be available for payment of cash and stock dividend as required by aforementioned SBP directive.

4.1.15. Deferred tax assets

The deferred tax asset recognised in the books has been restricted to Rs. 10,766 million due to uncertainty of availability of future tax profits for utilization of the un-recognised deferred tax assets. The deductible differences available to the Group are Rs. 11,748 million. Had these been taken completely, the profit after tax for the year would be

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NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

higher by Rs. 165 million. Therefore, the accumulated amount of deferred tax asset not recognised as of 31 December 2012 amounted to Rs. 982.015 million.

The management has recorded deferred tax asset based on financial projections indicating realisibility of deferred tax asset over a number of future years through reversals as a result of recoveries from borrowers and realisibility of remaining deferred tax asset against future taxable profits. The financial projections involve certain key assumptions such as deposits composition, interest rates, growth of deposits and advances, investment returns and potential provision / reversals against assets. Any significant change in the key assumptions may have an effect on the realisibility of the deferred tax asset.

4.1.16. Non-banking assets acquired in satisfaction of claims

Represents cost of land, plant and machinery acquired by the Bank against advances and held for resale. The market value of the subject assets as of 31 December 2012 was Rs. 1,203.436 million. Provision of Rs. 102.272 million has been made against difference between cost and fair value. The above mentioned values include properties having market value of Rs. 534.733 million acquired through settlement agreements, where the settlement agreement signed with the borrowers entails a buy back option.

4.1.17. Foreign borrowings payable in local currency

The Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till 30 June 2006. The principal amount has been accounted for and shown as payable to the GoP whereas interest has been accounted for in Other Liabilities. However, the Bank is contending that any amount of principal and interest is payable to the GoP only when recovered from the related sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million which has been netted off against unrealized exchange gain as it is payable when recovered from sub-borrowers, who have availed the related German credit.

4.1.18. Capital Structure

The SBP has allowed the Bank to break its investment in PICIC Asset Management Company Limited (PICIC AMC) into tangible and other components for the purposes of calculating CAR on unconsolidated basis. The tangible assets of PICIC AMC may be treated as a single asset in the banking book and assigned 100% risk weight. The difference between cost of PICIC AMC and tangible portion would be required to be deducted from Tier 1 capital. This relaxation is granted from December 2010 up to and including 31 January 2013.

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NIB Bank Limited

Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

4.2. Financial Statements for the year ended 31 December 2011

4.2.1. Net Investment in Finance Lease

The finance lease portfolio is of Rs. 1,975.733 million. A major portion of finance leases are non-performing against which provision of Rs. 1,433.547 million has been held.

4.2.2. Advances which have been placed under non-performing status

Included in the Provision required is an amount Rs. 594.565 million which represents provision in excess of the requirements of the State Bank of Pakistan.

In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, the Bank has availed the benefit of FSV against the non-performing advances. Had the benefit of FSV not been availed by the Bank the specific provision against non-performing advances for the year ending 31 December 2011 would have been higher by Rs. 3,823.874 million (cumulative upto 31 December 2011: Rs. 6,948.242 million) and profit after tax for the year ending 31 December 2011 would have been lower by approximately Rs. 3,823.874 million (cumulative upto 31 December 2011: Rs. 5,854,713 million). Increase in profit would not be available for the distribution of cash and stock dividend to shareholders.

4.2.3. Deferred tax assets of the Group

The deferred tax asset recognised in the books have been restriced to Rs. 10,958.166 million due to uncertainty of availablity of future tax profits for utilization of the unrecognised deferred tax assets. The deductible differences available to the Group are Rs. 11,775.166 million. Had these been taken completely, the profit after tax would be higher by Rs. 817 million.

The management has recorded deferred tax asset based on financial projections indicating realisibility of deferred tax asset over a number of future years through reversals as a result of recoveries from borrowers and realisibility of remaining deferred tax asset against future taxable profits. The financial projections involve certain key assumptions such as deposits composition, interest rates, growth of deposits and advances, investment returns and potential provision / reversals against assets. Any significant change in the key assumptions may have an effect on the realisibility of the deferred tax asset.

4.2.4. Non-banking assets acquired in satisfaction of claims

Represents cost of land, plant and machinery acquired by the Bank against advances and held for resale. The market value of the subject assets as of 31 December 2011 was Rs. 611.403 million. Provision of Rs. 105.913 million has been made against difference between cost and fair value.

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Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

4.2.5. Issuance of right shares

During the year, the Bank has issued 6,259.124 million right shares having face value of Rs. 62,591.241 million at discount of Rs. 54,016.241 million.

4.2.6. Tax contingencies

The tax returns of income of NIB Bank Limited have been filed up to and including tax year 2011 relevant to the financial year ended 31 December 2010. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC), from tax years 2004 through 2008 for Ex-PICIC Commercial Bank Limited (Ex-PCBL), tax years 2003 and 2004 for Ex-National Development Leasing Corporation Limited (Ex-NDLC) and from tax years 2004 through 2008 for NIB Bank Limited. These disallowances may result in additional tax aggregating to Rs. 1,370 million, which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals filed against orders are pending at various appellate forums. Management is confident that the eventual outcome of the cases will be in favour of the Bank.

4.3. Financial statements for the year ended 31 December 2010

4.3.1. Provision against doubtful bank balances

This includes amount held in automated investment plans. This balance is current by nature and on increase in the balance over a specified amount; interest is received from the correspondent banks at various rates.

4.3.2. Investment in Associates

During the year, the Bank has disinvested its twenty seven percent holding in National Fullerton Asset Management Limited (NAFA) to National Bank of Pakistan, as under the NBFC Regulations, an entity cannot have an interest in two asset management companies. Subsequent to this sale, NAFA Funds have ceased to be Associates of the Bank. The Bank has reclassified its investment in NAFA Funds from Investment in Associates to Investment in Available-for-sale securities.

4.3.3. Advances which have been placed under non-performing status

Included in the Provision required is an amount Rs. 1,329.967 million which represents provision in excess of the requirements of the State Bank of Pakistan.

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NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

In accordance with BSD Circular No. 2 dated 27 January 2009 and BSD Circular No. 10 dated 20 October 2009 issued by the State Bank of Pakistan, the Bank has availed the benefit of FSV against the non-performing advances. Had the benefit of FSV not been availed by the Bank, the specific provision against non-performing advances for the current year would have been higher by Rs.1,019.690 million (cumulative upto 31 December 2010: Rs. 3,124.368 million) and loss after tax for the current year would have been higher by approximately Rs. 662.798 million (cumulative upto 31 December 2010: Rs. 2,030.839 million). Increase in profit would not be available for the distribution of cash and stock dividend to shareholders.

4.3.4. Capital work in progress

During the year, an amount of Rs. 62.630 million was written off due to discontinuation of certain projects no longer necessary as a result of restructuring.

4.3.5. Operating fixed assets

During the current year, the management has revised the estimate relating to useful life of certain operating fixed assets and accordingly the life of Leasehold Improvements and Generators have been increased from 5 years to 10 years. The said change in accounting estimate has been recognized in accordance with the requirements of International Accounting Standard (IAS) 8 " Accounting Policies, Change in Accounting Estimates and Errors". Had there been no change in accounting estimate, the loss before taxation for the year would have been higher by Rs. 45.416 million and the depreciation and accumulated depreciation would have been higher by the same amount.

4.3.6. Goodwill

From an accounting perspective, at the time of the acquisition and merger of Pakistan Industrial Credit and Investment Corporation Limited (PICIC) and PICIC Commercial Bank Limited (PCBL) into the Bank, goodwill of Rs. 25,261 million was created on the books of the Bank, which reflected the value that was paid for the PICIC and PCBL shares over the fair value of net assets. It is the Bank's view that it will derive substantial value from businesses, customers and the branch network acquired in the merger with PICIC and PCBL. Under the new strategies, this value will be derived more from the liabilities side of the business as opposed to the assets side. As the original intent of how value would be derived has been changed for now the Bank has decided to adjust the Goodwill that it is carrying on the books in a manner that is consistent with its new business realities. Consequently in 2010, the Bank has adjusted the full amount of the goodwill appearing in its books at Rs. 24,221 million directly into equity and the State Bank of Pakistan has indicated its No Objection to this accounting treatment.

4.3.7. Deferred tax asset

The Finance Act, 2009 had made significant amendments to the Seventh Schedule to the Income Tax Ordinance, 2001. The deduction for provisions for doubtful and loss

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Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

categories of advances and off-balance sheet items was allowed up to a maximum of 1% of total advances. As per the said amendments provision in excess of 1% of total advances was allowed to be carried over to succeeding years.

Further, as per the said amendments the amount of bad debts classified as Substandard under the Prudential Regulations issued by the State Bank of Pakistan would not be allowed as an expense.

The Finance Act, 2010 has made certain further amendments to the Seventh Schedule to allow provisions for advances and off-balance sheet items relating to Consumer and SME advances up to 5% of such advances. Provisions for advances and off-balance sheet items relating to advances other than Consumer and SME would continue to be allowed up to 1% of such advances and provision in excess of 1% of total of such advances would be allowed to be carried forward to succeeding years.

However, while amending the relevant provisions of the Seventh Schedule through Finance Act, 2010, the laws relating to carry forward of provisions for advances and off-balance sheet items in excess of 5% of Consumer and SME advances and limiting the allowance up to the actual provisions have not been amended. The current law, by permanently disallowing Consumer and SME provisions in excess of 5% is unprecedented and widely recognized as being inequitable not only for Banks that are currently active in lending to customers in the Consumer and SME segments but also for Banks who would be contemplating to do so in the future.

The Pakistan Banks' Association (PBA) as well as the Presidents of some banks have made and are continuing to make representations to the Federal Board of Revenue (FBR) to issue the necessary clarification in the law. The State Bank of Pakistan (SBP) has also documented its support in obtaining this clarification from the FBR. In anticipation of this clarification and supported by the view of its tax consultant the Bank has booked a deferred tax asset of Rs. 1,085 million for provisions in 2010 of Rs. 3,100 million in excess over 5% of gross advances to Consumer and SMEs.

For provisions relating to other than Consumer and SME customers deferred tax asset of Rs 4,669 million has been recorded on provisions of Rs 13,341 million in excess of 1% of gross advances.

4.3.8. Non-banking assets acquired in satisfaction of claims

Represents cost of land, plant and machinery acquired by the Bank against advances and held for resale. The market value of the subject assets as of 31 December 2010 was Rs. 560 million.

4.3.9. Issuance of right shares

The issued, subscribed and paid-up capital of the Bank was Rs. 40,437.271 million as at 31 December 2010, comprising of 4,043.727 million shares of Rs. 10 each. In February 2011, the Bank announced a rights issue at discount for which the sponsor shareholder

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NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

has already remitted its portion of the rights amounting to Rs. 6,352.360 million before 31 December 2010. The State Bank of Pakistan has allowed the portion of the rights already remitted by the sponsor shareholder, shown as advance against proposed rights issue, to be treated as Tier 1 Capital for the purposes of calculation of Capital Adequacy. For the remaining Rs. 2,222.640 million portion of the total rights issue of Rs. 8,575.000 million, the sponsor shareholder has provided an undertaking to take up any unsubscribed portion of the rights. The rights issue has been approved by the Board of Directors in their meeting held on 01 March 2011 and will be put forward for approval by the shareholders in the forthcoming Annual General Meeting of the Bank.

4.3.10. Tax Contingencies

The returns of income of NIB Bank Limited have been filed up to and including tax year 2010 relevant to the financial year ended 31 December 2009. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC), from tax years 2004 through 2008 for Ex-PICIC Commercial Bank Limited (Ex-PCBL), tax years 2003 and 2004 for Ex-National Development Leasing Corporation Limited (Ex-NDLC) and from tax years 2004 through 2008 for NIB Bank Limited. These disallowances may result in additional tax aggregating to Rs. 1,370 million, which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals filed against orders are pending at various appellate forums. Management is confident that the eventual outcome of the cases will be in favour of the Bank.

4.4. Financial statements for the year ended 31 December 2009

4.4.1. Investment in Associates

Subsequent to the year end, a purchase agreement has been signed between the Bank and the National Bank of Pakistan (NBP), by which the Bank is in the process of disinvesting its twenty seven percent holding in NAFA to NBP as, under the NBFC Regulations, an entity cannot have an interest in two asset management companies. The transaction is expected to be completed by 31 March 2010 subject to certain regulatory approvals.

4.4.2. Investment in Subsidiaries

The Bank's subsidiary PICIC Exchange Company (Private) Limited has been wound up during the year.

KPMG Taseer Hadi & Co.

NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

4.4.3. Provision against advances

Included in the Provision required is an amount Rs. 1,565.496 million which represents provision in excess of the requirements of the State Bank of Pakistan.

The State Bank of Pakistan (SBP) vide its BSD Circular No. 2 dated 27 January 2009 had allowed banks to avail the benefit of 30% of Forced Sale Value (FSV) of pledged stocks and mortgaged commercial and residential properties held as collateral against all non-performing loans for 3 years from the date of classification for calculating provisioning requirements with effect from 31 December 2008. Subsequently the SBP, vide its BSD Circular No. 10 of 2009 dated 20 October 2009 has made further amendments in the Prudential Regulations and allowed banks to avail the benefit of 40% of FSV of pledged stocks and mortgaged residential, commercial properties and benefit of 40% on industrial properties (land and buildings only) held as collateral against all non-performing loans for 3 years from the date of classification for calculating provisioning requirements with effect from 30 September 2009. Had the benefit of the said new circulars not been availed by the Bank in the current year, the net charge for provisions would have been higher by an amount of Rs. 1,683.490 million and profit after tax would have been lower by Rs. 1,094.269 million. The increase in profit as a result of taking this benefit is not available for the distribution of cash and stock dividends to shareholders.

In addition to above mentioned FSV benefit, the Bank has also availed FSV benefit of Rs. 232.731 million in accordance with relaxation granted by the SBP to the Bank. If the additional benefit had not been taken, the provision against non performing loans and advances would have been higher by Rs. 232.731 million and profit after tax would have been lower by Rs. 151.275 million.

Against the FSV benefit of Rs. 1,916.221 million, the Bank has provided an amount of Rs. 2,832.697 million. The total value of the collateral on the basis of which the FSV benefit has been availed is over Rs. 7 billion and management is confident that the actual realization will substantially exceed the FSV benefit availed.

4.4.4. Deferred tax asset

The Finance Act, 2009 has made significant amendments in the Seventh Schedule to the Income Tax Ordinance, 2001. The deduction for provisions for doubtful and loss categories of advances and off balance sheet items is allowed upto a maximum of 1% of total advances. The amount of bad debts classified as Substandard under the Prudential Regulations issued by the State Bank of Pakistan would not be allowed as an expense. Provisioning in excess of 1% of total advances would be allowed to be carried over to succeeding years. Management has carried out an exercise at year end and concluded that they would be able to get deduction of provisions for the year ended 31 December 2009 that are in excess of 1% of total advances and has recognized a deferred tax asset of Rs. 792 million on such provisions.

During the year, the Federal Board of Revenue (FBR) through Circular No. 8 of 2009 dated 25 September 2009 has made the above change effective for financial year ended on 31 December 2008. The management, based on its tax consultants' opinion is of the view that the change to the Seventh Schedule, relating to the 1% capping as described above, is applicable from the financial year ended 31 December 2009 and the FBR circular in this respect is not part of the Seventh Schedule.

Further, the above amendments do not provide for any transitional mechanism i.e. how and when the provision for bad debts disallowed upto 31 December 2007 would be allowed as a deduction. The matter was taken up by the Pakistan Banks Association (PBA) and the Institute of Chartered Accountants of Pakistan (ICAP) with the Federal Board of Revenue (FBR). FBR vide its letter reference F. No. 4(1)ITP/2008-49 dated 23 December 2009 has informed ICAP that it has decided to insert a new Rule 8(a) in the Seventh Schedule to allow for amounts provided for in tax year 2008 and prior to the said tax year for doubtful debts which were neither claimed nor allowed as tax deductible in any year shall be allowed as a deduction in the tax year in which such doubtful debts are written off.

However, to date no SRO has been issued to incorporate the agreed amendments to the Seventh Schedule. The Bank based on the advice of its tax consultants has treated the FBR commitment as effective. Accordingly, the deferred tax asset relating to provision for advances and off balance sheet items, recognized through the financial year ended 31 December 2008 amounting to Rs. 5,406 million has been carried forward.

4.4.5. Non-banking assets acquired in satisfaction of claims

Represents cost of land, plant and machinery acquired by the Bank against advances and held for resale. The market value of the subject assets as of 31 December 2009 was Rs. 667.355 million.

4.4.6. Share Capital

Shares issued during the year amounting to Rs. 12,000 million in consideration for cash.

4.4.7. Tax contingencies

The returns of income of NIB Bank Limited and other merged entities have been filed up to the tax year 2008 relevant to the financial year ended 31 December 2007. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC) and from tax years 2004 through 2007 for Ex-PICIC Commercial Bank Limited (Ex-PCBL). These disallowances may result in additional tax aggregating to Rs. 1,104 million respectively, which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law. The management of the Bank intends

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NIB Bank Limited
Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the prospectus for proposed issue of rated, listed and unsecured Term Finance Certificates by NIB Bank Limited
9 May 2014

to file an appeal against the Income Tax Appellate Tribunal Order in respect of Ex-PCBL for tax years 2004 through 2007. The appeals filed in respect of Ex-PICIC are pending before the Commissioner Income Tax (Appeals). Management is confident that the eventual outcome of the cases will be in favor of the Bank.

The returns of income of PICIC AMC have been filed up to the tax year 2009 relevant to the financial year ended 30 June 2009. The tax authorities have made certain disallowances for the tax year 2006. The said disallowances may result in additional tax aggregating to Rs. 61.976 million. Appeal against the assessment is pending and the management is confident that the eventual outcome of the appeal will be in favor of the company.

4.4.8. Capital structure

The SBP has granted the Bank exemption from deduction of the following from Tier I and Tier II capital.

i) Intangible assets (other than Goodwill and Computer software) amounting to Rs. 2,082.614 million arising from the acquisition of PICIC and PCBL; and

ii) Investment in PICIC Asset Management Company Limited of Rs. 4,584.017 million.

The above exemptions have been granted upto 31 December 2009.

Yours faithfully,

KPMG Taseer Hadi & Co.

5.2 AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

KPMG

KPMG Taseer Hadi & Co.
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Sheikh Sultan Trust Building No. 2
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Internet www.kpmg.com.pk

The Board of Directors
NIB Bank
PNSC Building
M.T. Khan Road
Karachi

Our ref KA-AQ-1491

Contact Amyn Pirani

9 May 2014

Dear Sirs,

Auditors' certificate on issued, subscribed and paid-up share capital

We have verified from the books of account and records of NIB Bank Limited ("the Bank") that the issued, subscribed and paid-up share capital of the Bank as at 31 December 2013 was Rs. 103,028.512 million, comprising of the following:

Number of shares		(Rupees in '000)
Fully paid up shares of Rs. 10 each		
3,278,902,659	Fully paid in cash	32,789,027
764,824,417	Issued for consideration other than cash (under schemes of amalgamation)	7,648,244
6,259,124,088	Issuance of shares on discount	62,591,241
10,302,851,164		**103,028,512**

Yours faithfully,

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

5.3 AUDITOR'S CERTIFICATE ON BREAK UP VALUE PER SHARE

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Internet www.kpmg.com.pk

The Board of Directors
NIB Bank
PNSC Building
M.T. Khan Road
Karachi

Our ref KA-AQ-1490

Contact Amyn Pirani

9 May 2014

Dear Sirs,

Auditors' certificate for break-up value of shares

As requested, we confirm that the break-up value of the ordinary shares of NIB Bank Limited ("the Bank") of Rs. 10 each, based on the audited financial statements for the year ended 31December 2013 is as follows:

	NIB Bank Limited	
	(The Bank)	(The Group)
	(Rupees in '000)	
Share capital	103,028,512	103,028,512
Reserves	474,123	474,123
Discount on issue of shares	(45,769,623)	(45,769,623)
Accumulated loss	(42,790,164)	(41,716,290)
	14,942,848	16,016,722
Non-controlling interest in equity	-	-
	14,942,848	16,016,722
Deficit on revaluation of assets-net	(466,654)	(317,261)
	14,476,194	15,699,461
	(Number of shares)	
Number of ordinary shares	10,302,851,164	10,302,851,164
	(Rupees per share)	
Break-up value per ordinary share of Rs.10 each (excluding deficit on revaluation of assets-net)	1.45	1.55
Break-up value per ordinary share of Rs.10 each (including deficit on revaluation of assets-net)	1.40	1.52

Yours faithfully,

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

5.4 AUDITED ACCOUNTS AS AT DECEMBER 31, 2013

NIB BANK LIMITED
Unconsolidated Statement of Financial Position
As at December 31, 2013

	Audited Dec 31, 2013	Restated Dec 31, 2012
	Rupees '000	
Cash and balances with treasury banks	8,006,105	7,672,866
Balances with other banks	692,177	960,850
Lendings to financial institutions	2,127,516	3,440,910
Investments	61,058,886	85,386,110
Advances	82,000,586	71,564,237
Operating fixed assets	2,836,105	2,708,498
Intangible assets	1,438,252	1,720,424
Deferred tax assets – net	11,249,886	10,881,284
Other assets	7,415,548	6,274,182
	176,825,061	190,609,361
LIABILITIES		
Bills payable	2,862,663	2,430,030
Borrowings	51,506,673	76,179,065
Deposits and other accounts	104,896,065	91,291,234
Sub-ordinated loans	-	3,992,800
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	3,083,466	2,687,610
	162,348,867	176,580,739
NET ASSETS	14,476,194	14,028,622
REPRESENTED BY:		
Share capital	103,028,512	103,028,512
Reserves	474,123	225,889
Discount on issue of shares	(45,769,623)	(45,769,623)
Accumulated loss	(42,790,164)	(43,847,814)
Shareholders' equity	14,942,848	13,636,964
(Deficit) / Surplus on revaluation of assets – net	(466,654)	391,658
	14,476,194	14,028,622
CONTINGENCIES AND COMMITMENTS		

NIB Bank Limited
Unconsolidated Profit and Loss Account (Audited)

	Dec 31, 2013	Dec 31, 2012
	(Rupees '000)	
Mark-up / Return / Interest earned	13,169,697	13,988,512
Mark-up / Return / Interest expensed	9,883,452	11,132,803
Net Mark-up / Interest Income	3,286,245	2,855,709
(Reversal) / Provision against non-performing loans and advances	(751,027)	116,533
(Reversal) / Provision for diminution in the value of investments	(105,001)	(231,969)
Bad debts written off directly	4,451	15,632
	(851,577)	(99,804)
Net Mark-up / Interest income after provisions	4,137,822	2,955,513
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	1,271,045	891,618
Dividend income	522,888	448,906
Income from dealing in foreign currencies	543,436	469,247
Gain on sale of securities - net	493,513	593,578
Unrealized (loss) / gain on revaluation of investments classified as held-for-trading	-	-
Other income	75,121	72,833
Total Non Mark-up / Interest income	2,906,003	2,422,182
	7,043,825	5,377,695
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	5,305,872	5,173,194
Other provisions / write offs	68,702	5,239
Other charges	43,984	54,142
Total Non Mark-up / Interest expense	5,418,558	5,232,575
Extraordinary / Unusual items	-	-
Profit / (loss) before taxation	1,625,267	145,120
Taxation – Current	160,757	82,054
- Prior years	148,339	25,000
– Deferred	75,000	-
	384,096	107,054
Profit / (loss) after taxation	1,241,171	38,066
Basic / diluted earnings / (loss) per share (Rupees)	0.12	0.004

5.5 UNAUDITED ACCOUNTS AS AT MARCH 31, 2014

NIB BANK LIMITED
Unconsolidated Statement of Financial Position
As at March 31, 2014

	Unaudited Mar 31, 2014	Audited Dec 31, 2013
	Rupees '000	
Cash and balances with treasury banks	8,216,042	8,006,105
Balances with other banks	495,013	692,177
Lendings to financial institutions	3,362,513	2,127,516
Investments	52,831,824	61,058,886
Advances	86,989,663	82,000,586
Operating fixed assets	2,941,726	2,836,105
Intangible assets	1,353,180	1,438,252
Deferred tax assets – net	11,108,197	11,249,886
Other assets	7,122,692	7,415,548
	174,420,850	176,825,061
LIABILITIES		
Bills payable	2,323,425	2,862,663
Borrowings	51,297,747	51,506,673
Deposits and other accounts	99,631,218	104,896,065
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	6,302,396	3,083,466
	159,554,786	162,348,867
NET ASSETS	14,866,064	14,476,194
REPRESENTED BY:		
Share capital	103,028,512	103,028,512
Reserves	531,160	474,123
Discount on issue of shares	(45,769,623)	(45,769,623)
Accumulated loss	(42,562,018)	(42,790,164)
Shareholders' equity	15,228,031	14,942,848
(Deficit) / Surplus on revaluation of assets – net	(361,967)	(466,654)
	14,866,064	14,476,194
CONTINGENCIES AND COMMITMENTS		

NIB Bank Limited
Unconsolidated Profit and Loss Account (Unaudited)

	Quarter ended	
	Mar 31, 2014	**Mar 31, 2013**
	(Rupees '000)	
Mark-up / Return / Interest earned	3,621,427	3,428,736
Mark-up / Return / Interest expensed	2,763,626	2,538,553
Net Mark-up / Interest Income	857,801	890,183
(Reversal) / Provision against non-performing loans and advances	(141,652)	(369,099)
(Reversal) / Provision for diminution in the value of investments	139	(52,698)
Bad debts written off directly	864	2,611
	(140,649)	(419,186)
Net Mark-up / Interest income after provisions	998,450	1,309,369
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	388,308	295,464
Dividend income	119,062	15,840
Income from dealing in foreign currencies	145,026	73,898
Gain on sale of securities - net	104,468	138,472
Unrealized (loss) / gain on revaluation of investments classified as held-for-trading	2,354	-
Other income	34,749	6,948
Total Non Mark-up / Interest income	793,967	530,622
	1,792,417	1,839,991
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	1,362,770	1,288,295
Other provisions / write offs	-	-
Other charges	1,582	2,503
Total Non Mark-up / Interest expense	1,364,352	1,290,798
	428,065	549,193
Extraordinary / Unusual items	-	-
Profit / (loss) before taxation	428,065	549,193
Taxation – Current	51,154	19,797
- Prior years	10,851	15,000
– Deferred	80,877	-
	142,882	34,797
Profit / (loss) after taxation	285,183	514,396
Basic / diluted earnings / (loss) per share (Rupees)	0.03	0.05

5.6 CREDIT RATING BY INDEPENDENT RATING AGENCY – PACRA

The Pakistan Credit Rating Agency Limited

Mr. Badar Kazmi
President & Chief Executive Officer
NIB Bank Limited
PNSC Building
M.T. Khan Road
Karachi

May 29, 2014

RE: NIB BANK LIMITED
PUBLICATION OF REPORTS

Dear Sir

This is to confirm that the reports dated December 2013 and May 2014 (enclosed here for reference) are final for sharing with general public and can therefore be included in the prospectus of the Term Finance Certificate (Listed, Unsecured, Subordinated) of up to PKR 5bln.

Yours truly

Shahzad Saleem

(Muhammad Shahzad Saleem)
Chief Operating Officer

Encl: 1) Rating Report (Dec-13)
2) Summary Report (May-14)

Awami Complex FB-1, Usman Block, New Garden Town, Lahore - 54600, Pakistan
PABX: 92(42)3586 9504 Fax: 92(42)3583 0425 E-mail: pacra@pacra.com
www.pacra.com

BANKING

The Pakistan Credit Rating Agency Limited

RATINGS (MAY 2014)
NIB BANK LIMITED (NIB)

RATINGS	MAY-14	DEC-13
Instrument		
TFC (Listed, Unsecured, Subordinated) up to PKR 5bln	A+	A+

FINANCIAL DATA *PKR (mln)*

	Dec13	Dec12	Dec11
Total Assets	176,825	190,609	154,794
Equity	14,943	13,637	13,584
Finances	77,564	64,262	53,067
Deposits	104,896	91,291	85,488
Net income	1,241	38	(2,044)
ROE %	8.7	0.3	n.m
Equity/Asset %	8.5	7.2	8.8
CAR%	11.1	13.0	14.1

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RATING RATIONALE AND KEY RATING DRIVERS

- The ratings reflect NIB's association with Temasek Holdings - the investment arm of Government of Singapore, internationally rated AAA. The ratings draw material comfort from historically demonstrated commitment of Temasek towards NIB. On standalone basis, the management has managed to bring recovery in the Bank's financial profile. Recognizing the non-performing loans as a key challenge, also carrying revenue drag, an aggressive recovery drive is being pursued. The ensuing reversals are likely to support profitability, which has also observed uptick through different efficiency measures. The management is re-aligning its business strategy in line with prevailing market dynamics. This includes, channelizing the branch network for deposit mobilization cautiously growing advances and cultivating sustainable non-fund revenue streams.
- To maintain adequate cushion in capital adequacy vis-à-vis expiration of relaxation by SBP on investment deduction from regulatory capital, the Bank intends to re-issue its listed, unsecured and subordinated TFC.
- The ratings are primarily dependent on continued support from the sponsor. The management's success in improving core performance on a sustainable basis with prudent control over associated risks is critical. Meanwhile, insulating the Bank from further material deterioration in asset quality is important.

ASSESSMENT

- NIB's gross advances registered a growth of ~10.2% in CY13, with a key focus on the corporate portfolio. The Bank's loan book remains highly concentrated (57%) in two sectors: Textile and Food & Beverages. This gives rise to concentration risk. To fund its growing advances, NIB mobilized new deposits, which grew by 15%. The deposit mix of the Bank is tilted towards savings and time contributing to 71% of all customer deposits (CY12: 67%). Given high proportion of saving deposits in overall mix, linkage of minimum deposit rate with repo-rate may put a pressure on cost of funds going forward.
- The Bank has been able to improve its asset quality, evident from decrease in the substandard and doubtful category of the loan book. This, along with recoveries (PKR 2,913mln) and write-offs (PKR 384mln), has improved the infection ratio to 29% (CY12: 35%).
- During CY13, the Bank's asset yield declined in line with the industry. Nonetheless, NIB managed to improve its spreads to 1.4% (CY12: 1.1%) by reducing its low spread repo-based investments. Meanwhile, volumetric growth in advances helped net mark-up revenue to increase by 15%. Efforts for enhancing transactional banking volumes reaped incremental benefits as other operating income of the Bank increased by 20%. Furthermore, NIB booked gain on sale of securities contributing to 8% increase in total net revenue. Expenses remained under control, improving the cost to total net revenue ratio (CY13: 88%; CY12: 99%). A provisioning reversal of PKR 852mln contributed to higher profitability during CY13.
- Going forward, the Bank intends to improve its balance sheet structure through continuous focus on recoveries from its infected portfolio. Gradually growing its lending book to improve its core income, the Bank is broadening its business focus through cross-selling and emphasis on transactional banking.
- NIB's investment portfolio mainly comprises government securities (86%). The Bank continues to maintain sizeable investments in its subsidiaries and associates. The liquidity of the Bank improved slightly to 28% (CY12: 26%). However, it remained lower than the industry average (CY13: 55%).
- The Bank reported CAR of 11.1% at end Dec-13. This meets the minimum capital requirement set by the regulator, the overall cushion is adequate. The Bank's CAR declined on account of exercise of its call option of previously issued TFCs. Cognizant of this, the Bank plans to raise its Tier-2 CAR by re-issuing subordinated debt (TFCs) in 2014. Going forward, given more stringent capital requirements under Basel III, NIB will have to increase its risk absorption capacity through internal generation.

PROPOSED TFC ISSUE

- NIB is planning to issue rated, listed, unsecured and subordinated TFCs of up to PKR 4,000mln (plus a green shoe option of PKR 1,000mln) shortly, the tenor would be eight years (Jun-22) with a profit rate of 6M-KIBOR plus 115bps. The profit payment shall be made semi-annually. 0.3% of the principal shall be redeemed in the first 90 months, while the rest 99.7% shall be redeemed on maturity at the end of the 96th month. The TFCs being issued shall contribute towards NIB's Tier-2 capital.
- NIB has an option to call the TFCs after the 60th month of subscription subject to SBP approval. The proposed issue carries a lock-in clause that stops principal and profit payments on the TFCs if the Bank falls below the minimum capital requirement. The TFCs are subject to loss absorbency as introduced by SBP under the Basel III Capital Rules.

PROFILE

- NIB Bank is the largest foreign owned bank in Pakistan in terms of branch network - 177 branches in 58 cities as of March 31, 2014. The Bank, incorporated in 2003 after a series of mergers, holds ~1% share in the total banking deposits as at end Dec-13. Temasek Holdings through its subsidiaries owns majority stake in NIB (88%).
- The eight-member BoD includes the President and seven non-executive directors, three representing Temasek, while four are independent. Mr. Badar Kazmi, the CEO since January 2012, is a seasoned banker with extensive local and international experience. The management team comprises individuals with extensive banking experience.

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The Pakistan Credit Rating Agency Limited

RATING REPORT

NIB BANK LIMITED

DECEMBER 2013



The Pakistan Credit Rating Agency Limited

BANKING

NIB BANK LIMITED

RATING REPORT CONTENTS

	PAGE
Summary Report	1
Ratings	2
Profile	2
Ownership	3
Governance	3
Management	4
Risk Management	5
Business Risk	8
Financial Risk	9
TFC Issue	10

ANNEXURE

BoD Profile	I
Management Profile	II
Financials	III
Standard Rating Scale	IV

The Pakistan Credit Rating Agency Limited

BANKING

RATINGS (DECEMBER 2013)

NIB BANK LIMITED (NIB)

RATINGS	DEC-13	JUN-13
Instrument		
TFC (Listed, Unsecured, Subordinated) up to PKR 5bln	A+	-
Entity		
Long Term	AA-	AA-
Short Term	A1+	A1+

FINANCIAL DATA *PKR (mln)*

	Sep13*	Dec12	Dec11
Total Assets	166,149	190,609	154,794
Equity	14,649	13,622	13,584
Finances	70,456	64,262	53,067
Deposits	97,735	91,291	85,488
Net income	1,009	38	(2,044)
ROE %	9.5	0.3	n.m
Equity/Asset %	8.8	7.1	8.8
CAR%	10.7	13.0	14.1

** Based on unaudited results for 9 Months ended September 13*

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PROFILE

- NIB Bank, headquartered in Karachi, is the largest foreign owned bank in Pakistan in terms of its branch network – 179 branches in 59 cities. The bank's key business units include consumer banking, small medium enterprises and commercial banking, corporate and investment banking and treasury services.
- The bank, incorporated in 2003, after a series of mergers hold ~1% share in the total banking deposits at end Sep-13. Bugis Investments (Mauritius) Pte. Limited, a wholly owned subsidiary of Fullerton Financial Holdings (FFH), which in turn is fully owned by Temasek Holdings, owns majority stake in NIB (89%).
- The eight-member BoD includes the President and seven non-executive directors, three of whom are representatives of Temasek and four are independent. The bank has experienced changes in key management positions in the recent past. Mr. Badar Kazmi, the CEO since January 2012, is a seasoned banker with extensive local and international experience. The management team, though new to the bank, comprises individuals with extensive banking experience.

RATING RATIONALE AND KEY RATING DRIVERS

- The ratings reflect NIB's association with Temasek Holdings - the investment arm of Government of Singapore, internationally rated AAA. The ratings draw material comfort from historically demonstrated commitment of Temasek towards NIB. On standalone basis, the new team has managed to bring recovery in the bank's financial profile. The key challenge remains non-performing loans; also carrying potential revenue drag. In this regard, an aggressive recovery drive is being pursued; the ensuing reversals are likely to support profitability, which has also observed uptick through different efficiency measures. The new management is re-aligning its business strategy to prevailing market dynamics, wherein, channelizing branch network for low cost deposit expansion and cautious buildup of advances, along with non-fund revenue are imperative.
- To maintain adequate cushion in capital adequacy vis-à-vis expiration of relaxation by SBP on investment deduction from regulatory capital, the bank intends to re-issue its listed, unsecured and subordinate TFC.
- The ratings are primarily dependent on continued support of the sponsor. However, on a standalone basis, it is critical to elevate the bank's profile to a level that commensurate to its ratings in the peer universe. Hence, the management's success in improving core performance on a sustainable basis with prudent control over associated risks is critical. Meanwhile, insulating the bank from further material deterioration in asset quality is important.

ASSESSMENT

- During 9MCY13, NIB's gross advances registered a growth of ~3.5% with a key focus on corporate portfolio. The bank's asset yield fell in line with the industry trends. Nonetheless, NIB managed to improve its spreads to 2.1% (CY12: 1.1%) by reducing its cost of funds owing to retirement of bank borrowing. Consequently, the net mark-up revenue increased by 20%. Efforts for transactional banking reaped benefits as other operating income of the bank increased by 33%. This can be attributed to YoY increase in fee, commission and brokerage income (43%), dividend income (24%), and income from dealing in foreign currencies (8%). Furthermore, NIB booked gains on sale of securities contributing 26% increase in total revenue (9MCY13: PKR 4,815mln; 9MCY12: PKR 3,821mln). Expenses remained under control improving the cost to total net revenue ratio (9MCY13: 83%; CY12: 99%). These factors led to a significant boost in pre-provisioning operating profit. A provisioning reversal of PKR 376mln contributed to higher profitability during 9MCY13.
- NIB's core lending book comprises 42% of total assets, followed by its investment portfolio (23%), non earning assets & other assets (35%). NIB's proportion of NPLs in its loan book, though decreasing, remains significantly higher than peers (9MCY13: 32%).
- Investment portfolio mainly comprises government securities (9% T-bills; 73% PIBs), while the bank has sizeable investment in its Subsidiaries and Associates. PICIC Asset Management Company is in the process of reducing share capital, while PICIC Insurance was sold in Nov-13. Although, in absolute terms bank's surplus liquidity (liquid assets excluding regulatory requirement) has improved to PKR 31.6bln at end Sep-13, the liquidity of the bank is lower relative to the industry average (Liquid Assets/Deposits and Borrowing: 9MCY13: 27%; CY12: 26%).
- Going forward, the bank intends to improve its balance sheet structure through continuous recoveries on bad debts. Gradually growing its lending book to improve its core income, the bank is broadening its business focus through (i) cross-selling strategy, (ii) entering into the Islamic banking market and (iii) emphasis on transactional banking.
- NIB's total deposit base grew by about 7%. The proportion of time deposits decreased to 28% in 9MCY13 (CY12: 29%). However, the deposit concentration of the bank has remained relatively low as the top twenty depositors constituted 15% of the total deposits at end Jun-13. Linkage of minimum deposit rate with repo-rate may put a pressure on cost of funds going forward.
- The bank reported CAR of 10.7% at end Sep-13 (12.9% at end Jun-13). Though this meets the minimum capital requirement set by the regulator, the overall cushion is low. The bank's CAR fell on account of exercise of its call option of previously issued TFC worth PKR 4,000mln. Meanwhile, relaxation by SBP to NIB in terms of deduction of PKR 2,857mln as investment of PICIC AMC is available till March 31, 2014. Cognizant of this, the bank plans to raise its tier-II CAR by (i) re-issuing sub-ordinate debt (TFC) in 2014 and (ii) reducing the share capital of PICIC AMC to PKR 300mln. The bank has a sizeable Deferred Tax Asset (DTA) on its balance sheet (~77% of its equity at end Sep-13). Expected improvement in profitability would help NIB to utilize DTA.
- Going forward, given more upcoming stringent capital requirements under Basel III, NIB would have to increase its risk absorption capacity through internal generation.

PROPOSED TFC ISSUE

- NIB is planning to re-issue unsecured, listed, subordinated 6M-KIBOR plus 115bps TFC up to PKR 5,000mln (including up to PKR 1,000mln green shoe option) in February 2014 for a period of 8 years (Feb-22). The profit payment shall be made semi-annually; 0.3% of the principal shall be redeemed in the first 90 months, while the rest 99.7% shall be redeemed on maturity at the end of the 96th month. Profit shall be payable semi-annually in arrears.
- The TFC being issued shall contribute towards NIB's tier-II capital for the bank to remain complaint with the capital adequacy requirement as per guidelines of SBP. NIB keeps the option to call the TFC after the 60th month of subscription. The proposed issue carries a lock-in clause that stops principal and profit payments of the TFC if the bank falls below the minimum capital requirement. The TFC is subject to loss absorbency that SBP has introduced under Basel III Capital Rules.

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The Pakistan Credit Rating Agency Limited

BANKING

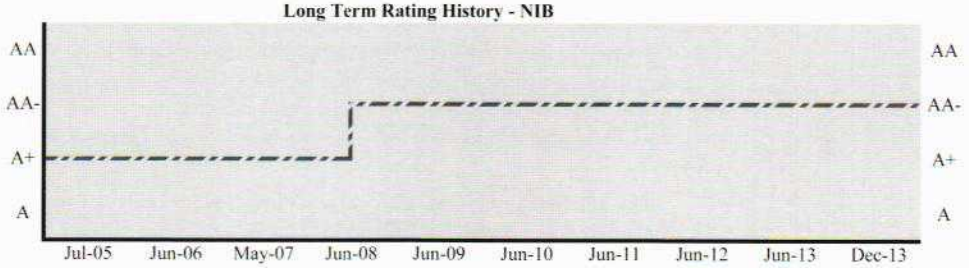
1. RATINGS

- Entity Ratings – very high credit quality
- TFCs Rating – high credit quality

RATINGS	DEC-13	JUN-13
Instrument		
TFC II (Listed, Unsecured, Subordinated) PKR 5,000mln	A+	-
Entity		
Long Term	AA-	AA-
Short Term	A1+	A1+

These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

Long Term Rating History - NIB



2. PROFILE

- Medium sized bank with ~1% market share in total banking deposits as at end-Sep13
- 179 branches spread over Pakistan

2.1 NIB Bank Limited (NIB) was incorporated in March 2003 as a result of the merger of National Development Leasing Corporation Limited (NDLC) and Pakistan Branches of International Finance Investment and Commerce Bank Limited – Bangladesh (IFIC). Later in April 2004, the bank acquired the Pakistan operations of Credit Agricole Indosuez (CAI), the Global French Bank. To roll out its business models through a bigger platform, the process for the acquisition of Pakistan Industrial Credit & Investment Corporation Limited (PICIC) and its subsidiary – PICIC Commercial Bank Limited (PCBL) – began in early 2007. Following the merger, PICIC Asset Management Company (PAMC) became a wholly owned subsidiary of NIB. While PICIC Insurance Company, a listed general insurance company, was recently sold to KM Enterprise (Private) Limited. NIB sold its entire 30% shareholding (10.499mln shares) at PKR 7.5/share.[1]

2.2 All 179 branches of NIB now operate under the umbrella of the Retail Bank focused on generating low cost transactional based accounts while also leveraging on selected cross-sell of asset products. Four business segments operating in the bank include: 1) Retail Banking, 2) SME and Commercial Group (SMEC), 3) Corporate and Investment Banking Group (CIBG), and 4) Treasury. SMEC offers banking services to businesses having sales turnover ranging from PKR 30mln to PKR 3bln. CIBG deals with top-tier large entities of the country and also provides investment banking solutions to NIB's corporate clients. Treasury is divided into three main functions including: a) Interbank market desk, b) Treasury marketing unit, and c) Equity investment desk.

NIB - Price-Volume Chart



2.3 The stock price of NIB has remained

[1] This is subject to all regulatory approvals and permissions as may be applicable in this case.



subdued during CY13. The stock price remains below par. The market has outperformed the NIB's share price and the banking sector in general.

2.4 NIB's key focus in the near to medium term would be to maintain a more balanced portfolio which would have top tier corporate as the largest lending segment encompassing key emphasis in terms of new loan growth on Corporate and Investment Banking Group (CIBG) customers with same emphasis on strengthening existing relationships and growing conservatively in the SME and Consumer Segments. Growth in the Consumer Segment would increase gradually in the coming years on account of the credit environment in Pakistan. The bank is also making efforts to bring efficiencies through cost rationalization and recovery of bad loans. In order to better manage its non-performing and weaker borrowers, NIB Bank has reorganized its remedial efforts and appointed experienced individuals to recover such loans. Significant effort has gone into identifying which loans can be restructured and recovered and which customers need to be litigated against to force recovery.

2.5 The external auditor of NIB - M/s KPMG Taseer Hadi & Co., is a reputable firm of chartered accountants. The auditor expressed an unqualified opinion on the reviewed financial statements for the period ended June 30, 2013.

3. OWNERSHIP

- Strong financial profile and diversified international experience of the principal shareholder
- NIB – part of long-term holdings of the parent
- Demonstrated support of sponsor in distress times

3.1 Temasek Holdings, in March 2005, acquired 25% shareholding in NIB Bank, through Bugis Investments (Mauritius) Pte. Limited, a wholly owned subsidiary of Fullerton Financial Holdings Pte. Limited (FFH), which in turn is a wholly owned subsidiary of Temasek Holdings, owned by Government of Singapore. Bugis gradually increased shareholding in NIB Bank and currently has 88.6% shareholding in the bank.

NIB - Shareholding Structure at end-Jun13

Shareholder	Percentage Holding (%)
Bugis Investments (Mauritius) Pte. Limited	88.64
Public Sector Companies	2.26
Banks & DFIs	0.63
General Public	6.65
Others	1.82
Total	100.00

3.2 Within FFH, investments are categorized into two categories: 1) portfolio investments, and 2) long-term holdings with majority representation on the board. For long-term investments, there is a high level of supervision and monitoring, and sharing of technical resources. The investment in NIB is part of the long-term portfolio. FFH has demonstrated its commitment towards NIB by remitting its portion of 154.79% rights issue (PKR 6,352mln) as well as subscribing to unsubscribed public portion of the rights issue (PKR 2,055mln) during 2011. In addition to this, FFH has also extended support to NIB in the past by fully subscribing to rights share issue in Dec08 (PKR12bln).

3.3 Temasek is owned by the Government of Singapore and is rated Aaa /AAA by Moody's (Dec12) and Standard & Poor's (Dec12) respectively. It was established in 1974, and manages a diversified portfolio, spanning across Singapore, Asia and emerging economies. It has investments in a large universe of companies that are involved in a wide range of activities, including, telecommunications and media, financial services, property, transportation and logistics, energy and resources, infrastructure, engineering and technology as well as pharmaceuticals and biosciences. FFH, the principal sponsor, is guided by an independent board and operates autonomously on commercial principles to maximize long-term returns.

4. GOVERNANCE

- Directors with extensive

4.1 The eight-member BoD includes the President and seven non-executive directors, two of whom are representatives of Temasek and four are independent. The directors are experienced professionals, and they have extensive exposure in different

experience

sectors; majority having significant experience in the banking sector. Besides setting strategic direction for the bank, the directors have extensive involvement and provide technical oversight in designing of product programs, development of overall systems and processes, and the selection process of senior management personnel. The board has been actively involved in providing strategic direction to the bank, exercising in depth review and control.

Committee	Members	Frequency of Meetings	Functions
Audit Committee	3	Quarterly	To assist the board in fulfilling its legal and fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, and internal controls.
Risk Management Committee	3	Quarterly	Responsible for overall development of risk management systems and processes and addresses key risk issues.
Human Resource Committee	4	Half Yearly	Responsible for improving and continuously updating human resource practices of the bank.

4.2 The board comprises three committees including: a) Audit, b) Risk Management, and c) Human Resource.

4.3 A brief profile of the board is enclosed in **Annexure- I**

5. MANAGEMENT QUALITY

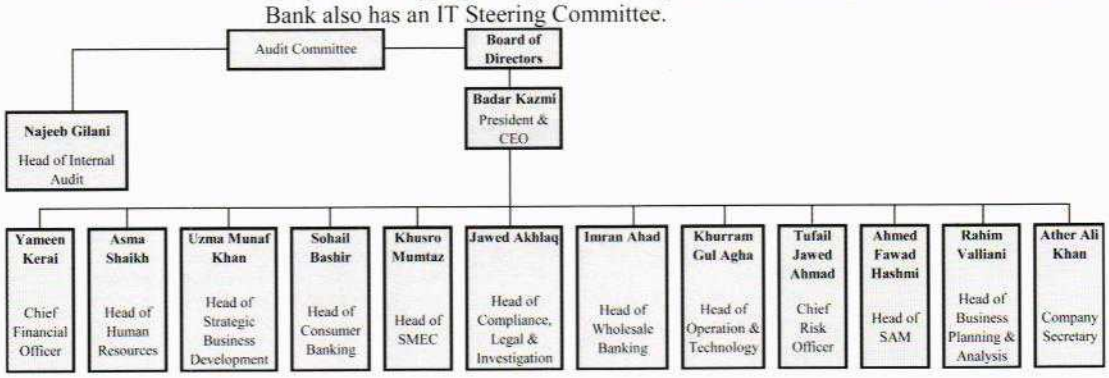
- Changes in key management positions in recent years
- Various management committees

5.1 The bank has experienced changes in key management positions in the recent past. Mr. Badar Kazmi was appointed as the bank's President & CEO in January 2012. Mr. Kazmi remained the CEO of Standard Chartered Bank Pakistan, from 2003 till late 2010. Later he played an instrumental role in setting up an Investment Bank for Standard Chartered in Saudi Arabia. Various other senior management positions have also been replaced including the Head of Human Resource (Ms. Asma Shaikh), Head of Compliance Legal & Investigation (Jawed Akhlaq), and Imran Ahad (Head of Wholesale Banking). A few others have also been inducted at management positions in various departments. The bank has also inducted new resources at management position in various departments, particularly, Risk Department. A total of twelve department heads report directly to the bank's President.

5.2 Since cross-selling is the focus area of the bank, cohesiveness among the top team remains vital for successful execution of the bank's strategy. The bank has various committees at management level. The Executive Committee comprises all Group Heads, including the Head of Internal Audit. The Executive Committee is responsible for the overall performance of the bank.

5.3 The three committees that report to the Board Risk Management Committee (BRMC) include: 1) Assets & Liabilities Committee (ALCO), 2) Credit Risk Committee (CRC), and 3) Operational Risk Committee (ORC). The ALCO manages the balance sheet within the performance/risk parameters laid down by the BoD. The objective of the committee is to derive the most appropriate strategy for NIB in terms of mix of assets & liabilities given future expectations and potential consequences of interest rate movements, liability constraints, and foreign currency exchange exposure and capital adequacy. The CRC is responsible for ensuring the effective and proactive management of credit risk. They assess the quality of the credit portfolio, the progress of recovery of remedial accounts, the variance of actual plans with forecasts and portfolio expectations. The CRC meets six times a year to ensure implementation of credit risk related policies and procedural compliance relating to these policies. The ORC has the responsibility to supervise and direct the

management of operational risk exposures. ORC is also responsible for ensuring that adequate and appropriate policies and procedures are in place. Apart of these the Bank also has an IT Steering Committee.



5.4 A brief profile of the senior management is enclosed in **Annexure- II**

6. RISK MANAGEMENT

- NPLs curtailed slightly; still high
- Need to strengthen the implementation of overall risk framework
- Adequate provisioning against NPLs

6.1 In an attempt to improve its overall risk management framework NIB has centralized its operating platform. Moreover, the previous risk management structure has been beefed up whereby new senior resources have been deployed including the CRO, Mr. Tufail Ahmed (previously with Standard Chartered Bank Pakistan Limited), Mr. Syed Saqlain (previously with Samba Financial Group) and Mr. Zahid Aftab (previously with Standard Chartered Bank Pakistan Limited).



6.2 The bank has in place an Integrated Risk Management Group (IRMG). The Group is responsible for monitoring credit, market and liquidity risks and formulation of risk management policies and procedures in line with risk management guidelines by SBP. Moreover, for a more structured and unified effort towards establishing a strong control environment a Credit Risk Committee (CRC), involving senior management personnel, also exists. The IRMG ensures that adequate risk management structures are in place for each business segment, with clearly defined roles and responsibilities of individuals taking risk and managing it. Review of portfolios is conducted by the Board Risk Management Committee on a quarterly basis and by CRC that meets six times a calendar year to evaluate the health of the portfolio.

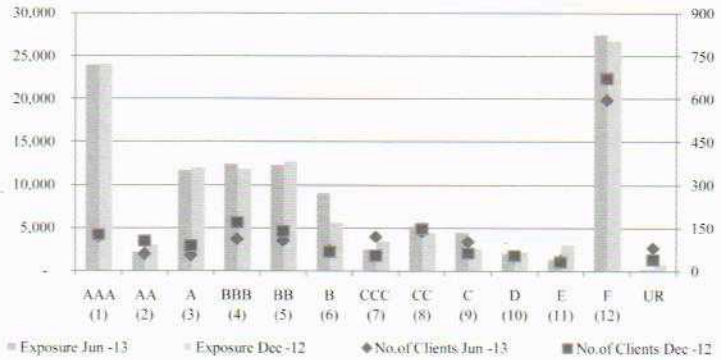
6.3 The bank's Risk Management policy document, duly approved by the BoD, are reviewed on an annual basis. Separate risk management structures are in place across different business segments, involving credit verification, approval, administration, collections, analytics, portfolio management, and post-disbursement monitoring. The credits are approved by the designated risk manager in each unit with credit approval limits based on experience and skill set. The loan appraisal and approval process is strictly in accordance with the policy duly approved by the BoD. The independence of the risk management function is further strengthened by the fact that the risk management units report independently to the Head of Integrated Risk.

6.4 Interest rate risk was previously not centralized and different rates could be offered. However, a range for deposit products being offered by the bank has been centralized.

6.5 Credit Risk: In the past the bank had been following programmed lending where current focus has shifted on relationship based approach. Still the credit risk is evaluated as per evaluation criteria. Credit Bulletins are also released for in-house utilization.

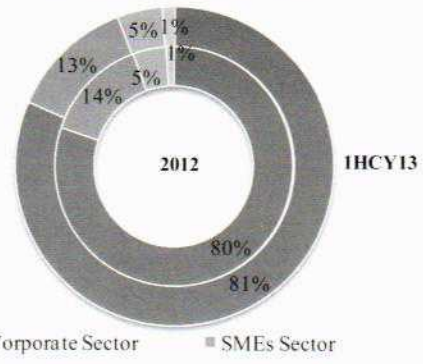
6.5.1 The bank has an "Obligor Risk Rating' (ORR) model to assess the credit quality of obligors. NIB has completed the ratings of its non-retail portfolio (1,644 clients as at end Jun-13). As envisioned in the bank's previous strategy, NIB maintained its focus in blue-chip corporate exposure. However, the bank's exposure in good quality asset (AAA to BBB) slightly decreased to 44% as at end Jun-13 (CY12: 45%), while weak quality asset (BB to UR) exposure increased to 57% as at end Jun-13 (CY12: 55%). NIB needs to further strengthen its asset quality as a significant part (24%) belongs to the F category implying loss as defined by SBP.

Non-Retail Obligor Rating Trend



6.5.2 Asset quality: During 9MCY13, NIB continued to focus on consolidating and recovering its non-performing portfolio. Nevertheless, while being cautious, the bank's gross advances registered a growth of 3.5%. The new exposures mainly related to commodity financing and corporate in the energy and telecom sectors. In 1HCY13 the top twenty exposure concentration – excluding commodity financing has remained the same at 30% (CY12: 31%). The top exposure contributes around 21% to total loan book. However, comfort is drawn since it relates to loans to government owned entities (Trading Corporation Pakistan, Punjab Food Department, PASSCO, Sindh Food Department, and Power Holding (Pvt.) Company). Experience from poor asset quality of SME book has led the bank to focus on good quality corporate and commodity related exposure. The overall mix of the portfolio is tilted towards the Corporate sector (1HCY13: 81%; CY12: 80%) with key exposure in textile sector (30%), food & beverages (23%), and energy sector (8%). The bank's exposure in TFCs (% of total finances: CY12: ~4%; CY11: ~6%) mainly comprised rated instruments (99%).

Advances - Sector Wise



6.5.3 Off balance sheet risks: The non-fund based exposure of the bank is relatively small as compared to its peers, with more than half of it adequately collateralized with self-liquidating, trade related contingent liabilities, hence, mitigating largely the associated risk.

6.5.4 Loan Loss and Accumulated Provisions: NIB's proportion of NPLs in the total loan book, though decreasing, is significantly higher than peers. Top twenty NPLs remain sizeable (29% of total NPLs at end Jun-13) with the top group being Dewan Group accounting for 11%of total NPLs. Although the bank's lending experienced further increase in NPLs as reflected in 9% of total NPLs residing in substandard category, NPLs to gross advances ratio decreased from 35% in CY12 to 32% in 9MCY13. This was on account of efforts for reversals of NPLs, mainly in textile sector which constitutes ~42% of the bad portfolio. The bank's watch list accounts largely pertain to the textile sector. Provisioning coverage of the bank remains in line with the industry (9MCY13: 73%; CY12: 71%; CY11: 69%). Key silos of asset quality are shown in the following table:

PKR mln	9MCY13*	2012	2011	2010
Gross Advances	98,145	94,858	84,472	98,344
NPLs	31,462	32,921	34,195	34,712
Provisions (Specific + General)	22,962	23,294	23,628	23,779
NPLs/Gross Advances (%)	32.1	34.7	40.5	35.3
Provisions/NPLs (%)	73.0	70.8	69.1	68.5
Net NPLs / Equity (%)	58.0	70.7	77.8	80.0

**Unaudited*

6.5.5 Recovery efforts are underway to curtail the infected book of the bank. Majority of the cases are in litigation. Negotiations with willful customers are being sought. The bank has its own team in place for recovery. Tracking is conducted every 10-20 days. During 9MCY13 the bank's cash recoveries stood at PKR 1,369mln (CY12: PKR 3,426mln). Going forward, the demonstration of recovery efforts would remain critical since any lag would put additional drag on the bank's profitability in the form of higher provisioning, particularly if the impact of FSV benefit is excluded (Accumulated FSV benefit: 1HCY13: 5,427mln; CY12: 5,919mln; CY11: 5,855mln).

6.6 Market Risk: NIB's investment portfolio net of repo borrowing and as a percentage of total assets has decreased (1QCY13: 30%; CY12: 44%). The investments have remained largely concentrated in government securities (~78% of total investments at end Sep-13), mainly T-bills and PIBs. The remaining portfolio comprised strategic investments (PICIC Asset Management Company Limited), its associated funds, PICIC Insurance Limited (this has recently been sold) and a small portfolio of equity securities.

6.6.1 The management has prepared a Market Risk Policy document, establishing the responsibilities of various personnel/departments and containing detailed guidelines on limits structure, compliance monitoring, market risk measurement techniques and reporting procedures. The document is updated annually to keep abreast of the developments taking place. The Treasury Middle Office reports into IRMG. The Mid-Office carries out stress tests on money market, and forex book of the bank on daily basis and uses various other analytical tools, for assessing the quantum of risk. It also reviews the functions of front and back offices, for compliance with the risk management policies. Different reports are being generated to apprise the senior management about treasury activities and the level of associated risks.

6.6.2 In line with the Market Risk Policy, the management has in place market risk

limits for its treasury operations. Market risk limits are approved on a semi-annual/ need cum basis – but remain under review – with details of authorized products, overall level of risk and Value at Risk (VaR) analysis.

6.7 Operational Risk: The management has in place comprehensive operational procedures manual. An operational risk policy duly approved by the BoD has also been implemented. An Operational Risk Committee has been setup which provides a platform to centralize operational risk issues. The Business Continuity Plan (BCP) and Disaster Recovery (DR) plans have been formulated and tested on a periodical basis.

6.8 Information Technology: The bank uses Temenos (T-24) as its core banking software (implemented since Dec-09). The software has four main modules: (1) Core, (2) Credit, (3) Trade, and (4) Treasury. In order to boost its IT structure, NIB launched Internet Banking on May 1, 2012. Furthermore, the bank has recently closed down 250,000 dormant accounts (zero balance), which had been incrementing costs, leading to better turnaround time. The bank is also working on E-remittances with a US-based firm to cater to the needs of Non-Resident Pakistani (NRPs) for mobilizing funds via remittances.

6.9 Basel II & III Readiness: Currently the bank is compliant with the Standardized Approach of Basel II. In this regard, the bank has in place, a rating system for borrowers from all business segments. Lately SBP has provided instructions on implementation of Basel III in Pakistan. The time frame for complete implementation is 6 years.

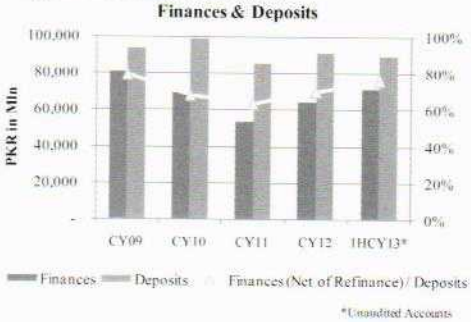
7. BUSINESS RISK

- Growth in profitability due to reversals in provisioning
- Low spreads
- Increase in other income
- High deferred tax asset

7.1 The landscape of the banking industry has significantly changed in comparison to last year. The prime reason has been the sizeable cut in the policy rate and linkage of minimum deposit rate with repo rate by the State Bank of Pakistan. Induced by the cut, the industry witnessed growth, albeit slight, in the finances towards the end of 2012. Having ADR of ~48% at the industry level, there is significant room for finances growth. This depends upon the financial discipline of the incumbent government and fresh demand from the business houses. The sentiments are sanguine yet the solution lies in the sustainable resolution of structural issues faced by the country including energy and security concerns.

7.2 After two years of significant losses, NIB achieved profitability though nominal (PKR 38mln) in CY12. The change in strategy and key management positions during 2011 and 2012 has proved fruitful for the bank as it posted a profit after tax of PKR 1,009mln at the end of Sep-13.

Finances & Deposits

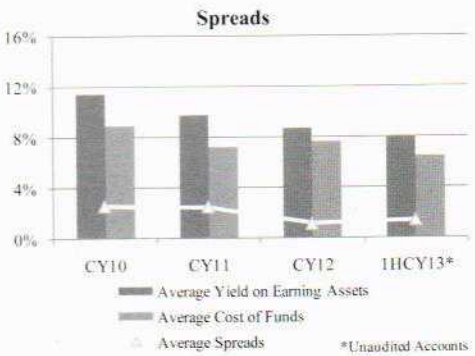


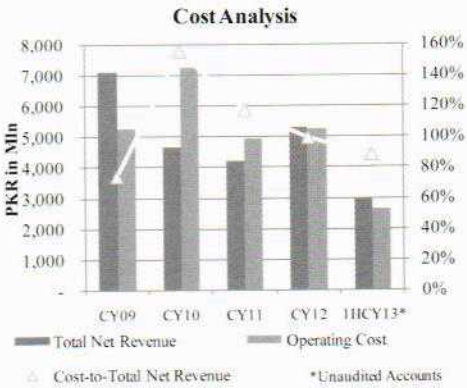
*Unaudited Accounts

7.3 The bank continued to focus on its corporate portfolio, while cross-selling its products and shedding its high cost deposits. The bank's earning asset base saw a decline of 16%, on account of sale of government securities. NIB's total deposit base grew by about 7% (9MCY13: PKR 97,735mln; CY12: PKR 91,291mln). The proportion of time deposits decreased to 28% in 9MCY13 (CY12: 29%).

7.4 During 9MCY13 the bank's asset yield fell in line with the industry trends. Nonetheless, NIB managed to improve its spreads to 2.1% (CY12: 1.1%) by reducing their cost of funds owing to retirement of bank borrowing. Consequently, the net mark-up revenue increased by 20%. Efforts for transactional banking reaped benefits

as other operating income of the bank increased by 33%. This can be attributed to YoY increase in fee, commission and brokerage income (43%), dividend income (24%), and income from dealing in foreign currencies (8%). Furthermore, NIB booked gains on sale of securities contributing 26% increase in total revenue (9MCY13: PKR 4,815mln; 9MCY12: PKR 3,821mln). Expenses remained under control improving the cost to total net revenue ratio (9MCY13: 83%; CY12: 99%). These factors led to a significant boost in pre-provisioning operating profit (9MCY13: PKR 840mln; CY12: PKR 45mln). A provisioning reversal of PKR 376mln (CY12: provisioning charge: 117mln) contributed to higher profitability during 9MCY13 (9MCY13: PKR 1,009mln; CY12: PKR 38mln).





7.5 The bank has a sizeable Deferred Tax Asset (DTA) on its balance sheet (~77% of total equity at end Sep-13), which was restricted by PKR 982mln during CY12. Had it been recognized, it could have improved after tax profit by the same amount. Realization of a major portion of this asset depends upon future profitability. In order to avail the benefit of DTA, the bank has to generate operating profits and reverse provisions. Expected improvement in profitability would help NIB to utilize DTA. However, if remained unutilized, it would start reducing regulatory capital of the bank in CY14 in line with SBP Basel III requirements.

7.6 Going forward, the bank intends to improve its balance sheet structure through continuous recoveries on bad debts. The bank is broadening its business focus through (i) cross-selling strategy, (ii) entering into the Islamic banking market and (iii) emphasis on transactional banking. The bank is expected to continue to rationalize its cost structure by targeting lower cost deposits and reducing administrative and other operating expenses. Furthermore, the bank aims to strengthen existing relationships by improving its service quality.

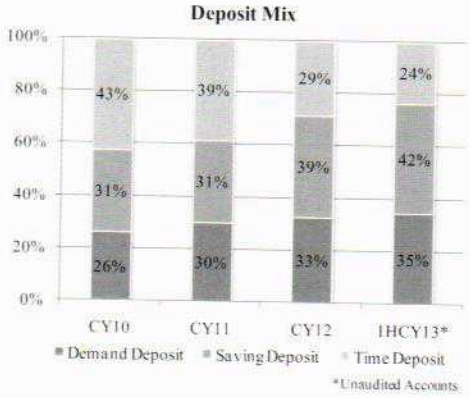
7.7 The bank expects to earn a profit of PKR 1,379mln in CY13. However, to ensure sustainable profitability, a prudent balance of business returns and risk management is critical.

8. FUNDING & CAPITAL

- Improving Deposit mix
- MCR compliant
- Adequate CAR

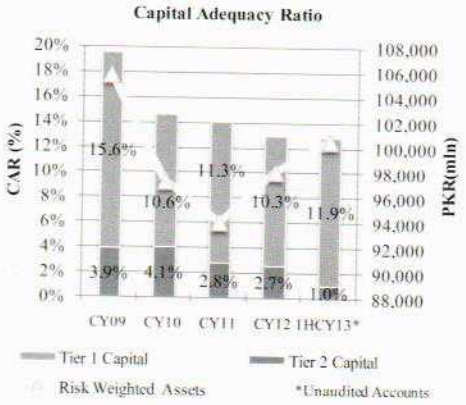
8.1 Funding: NIB's total deposit grew by 7%. (9MCY13: PKR 97,735.1mln; CY12: PKR 91,291mln). The management to meet its CY13 deposit target focused on mobilizing time and saving deposits (time and saving deposits: 9MCY13: 70%; CY12: 68%). Deposit concentration of the bank is relatively low as the top twenty depositor constituted to 15% (CY12: 18%) of the total deposits and the average deposit size of the bank has increased to ~PKR 202,000 (CY12: 178,000). Going forward, linkage of minimum deposit rate with repo rate may pressurize the bank's cost of funds.

8.2 Liquidity Risk: The bank's Asset and Liability Committee (ALCO) monitors the liquidity position on a regular basis. The Treasury function manages liquidity risk under ALCO's guidance. ALCO regularly reviews mismatches in maturities of securities and accordingly prepares a funding plan annually. Furthermore, the committee monitors NIB's investment portfolio to ensure that it complies with internal liquidity management strategy. Meanwhile, the bank has developed a comprehensive liquidity risk policy to monitor and control liquidity risk.



8.3 NIB's treasury operations include participation in money market activities. Currently the bank is net borrower in the money market. Although, in absolute terms bank's surplus liquidity (liquid assets excluding regulatory requirement) has improved to PKR 31.6bln at end Sep-13. However, the liquidity ratio of the bank is still lower relative to the industry average (Liquid Assets/Deposits and Borrowing: 9MCY13: 27%; CY12: 26%).

8.4 Capital: The bank's total capital stands at PKR 14,649mln net of losses. The bank reported CAR of 10.7% at end Sep-13 (12.9% at end Jun-13). Though this meets the minimum capital requirement set by the regulator, the overall cushion is low. The bank's CAR fell on account of exercise of its call option of previously issued TFC worth PKR 4,000mln. Meanwhile, relaxation by SBP to NIB in terms of deduction of PKR 2,857mln as investment in PICIC AMC is available till March 31, 2014. Cognizant of this, the bank plans to raise its tier-II CAR by (i) re-issuing subordinate debt (TFC) in 2014 and (ii) reducing the share capital of PICIC AMC to PKR 300mln.



8.5 Concurrent with NIB's strategy to gradually increase its lending book, the bank would focus on to increase its core income, reduce the NPLs drag on its equity, and improve its capital formation rate in order to increase its tier-I capital and remain compliant with CAR and improve its risk absorption capacity in the long run.

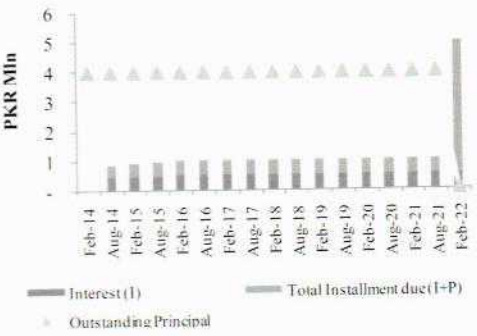
9. TFC ISSUE

- Re-issuing listed, unsecured, subordinated TFC
- Lock-in clause
- Loss absorbency clause

9.1 NIB is expected to issue unsecured, subordinated TFC of PKR upto 5,000mln (including upto PKR 1,000mln green shoe option) in February 2014. The TFC shall be listed on the Karachi Stock Exchange, and shall retire at the end of 8 years (Feb-22). The profit payment shall be made semi-annually; 0.3% of the principal shall be redeemed in the first 90 months, while the rest 99.7% shall be redeemed on maturity at the end of the 96th month. Profit shall be payable semi-annually in arrears.

9.2 The TFC being issued shall contribute towards NIB's tier-II capital for the bank to remain compliant with the capital adequacy requirement as per guidelines of SBP. NIB keeps the option to call the TFC after the 60th month of subscription. The proposed issue carries a lock-in clause that stops principal and profit payments of the TFC if the bank falls below the minimum capital requirement. The TFC would be subject to loss absorbency that SBP has introduced under Basel III Capital Rules.

Proposed TFC up to (PKR 5,000mln) Waterfall



9.3 Going forward, given more upcoming stringent capital requirements under Basel III, NIB would increase its risk absorption capacity through internal generation.

Key Terms of Proposed, Listed, Unsecured and Subordinated TFC issue	
Expected Issue Date:	February 2014
Tenor:	8 Years
Principal Redemption:	Semi-Annual: 0.3% during first 90 months; remaining 99.7% on maturity at the end of 96th month.
Profit Rate:	6 Month KIBOR + 1.15% p.a.

Analysts	Humza Hussain +92 42 3586 9504 humza.hussain@pacra.com	Samiya Mukhtar +92 42 3586 9504 samiya@pacra.com

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The Pakistan Credit Rating Agency Limited

ANNEXURE - I

Profile – Board of Directors: NIB Bank Limited							
Sr#	**Name of BoD Members**	**Representation**	**Occupation**	**Key Experience**	**Committees**	**Participation in Meetings (Total:7)**	**Association with the Board (Years)**
1	**Teo Cheng San, Roland** *Chairman* [Chartered Accountant] DoB: September 26, 1953	Independent	Director	Over 33 years of experience in financial sector including banks and financial institutions.	Human Resource Committee (Chairman)	7	3.75
2	**Badar Kazmi** [B.Sc] DoB: December 23, 1957	Executive	Director / President & CEO, NIB Bank	Over 33 years of experience in financial sector. Remained the CEO of Standard Chartered Bank Pakistan, from 2003 till late 2010. Later he played an instrumental role in setting up an Investment Bank for Standard Chartered in Saudi Arabia.	Human Resource Committee and Risk Management Committee	7	2
3	**Tejpal Singh Hora** [MBA] DoB: July 3, 1946	Non-Executive	Director	Over 44 years of experience in banking	Risk Management Committee (Chairman)	6	5.75
4	**Chia Yew Hock, Wilson** [MBA / CMA/ CSA] DoB: January 30, 1954	FFH	EVP & Head SME/ Commercial Banking	Over 30 years of experience in financial institutions and MNCs.	Audit Committee	7	2.25
5	**Ong Kian Ngee** [MBA; The National University, Singapore] DoB: September 13, 1966	FFH	EVP & Head Business Development	Over 21 years vared and board management experience.	Human Resource Committee	4	0.75
6	**Asif Jooma** [International Executive Programme INSEAD, France; B.A (Economics), Boston University, USA] DoB: December 12, 1960	Independent	CEO, ICI Pakistan	He possesses over 29 years of diversified experience. He has worked with Pakistan PTA, ICI, Abbott, etc.	Risk Management Committee and Human Resource Committee	7	5.5
7	**Muhammad Abdullah Yusuf** [Chartered Accountant] DoB: March 15, 1948	Independent	Director	Over 41 years of experience. He has been associated with Federal Board of Revenue, Board of Investment, Privatization Commission etc.	Audit Committee (Chairman)	7	3.75
8	**Najmus Saquib Hameed** [MBA, IBA] DoB: January 17, 1944	Independent	Business Executive	Over 46 years of experience in MNCs.	Audit Committee	6	3.75

The Pakistan Credit Rating Agency Limited

Annexure-II

Profile – Senior Management: NIB Bank Limited						
Sr. #	Name	Designation	Reporting Line	Experience		
				Overall (Years)	With the company (Years)	At current position (Years)
1	Badar Kazmi [B.Sc] DoB: December 23, 1957	President & CEO	Board of Directors	33	2.0	2.0
2	Najeeb Gilani [MPA / CPA] DoB: November 26, 1963	Head of Internal Audit	Audit Committee	25.5	8.6	8.3
3	Yameen Kerai [B.Sc / CA] DoB: November 4, 1956	Chief Financial Officer	President / CEO	34.5	8.3	6.3
4	Tufail Jawed Ahmad [MBA] DoB: March 25, 1953	Chief Risk Officer	President / CEO	34.5	2.0	1.7
5	Khurram Gul Agha [B.Sc- Computer Science] DoB: November 7, 1968	Group Head, Operations & Technology	President / CEO	19.5	3.7	2.6
6	Asma Shaikh [Bachelors of Arts] DoB: November 27, 1966	Head of Human Resources	President / CEO	23.5	0.7	0.7
7	Uzma Munaf Khan [MBA] DoB: September 15,1966	Head of Strategic Business Development	President / CEO	24.3	1.8	0.3
8	Sohail Bashir [MBA] DoB: October 14,1968	Head of Consumer Banking (A)	President / CEO	21	0.7	0.1
9	Jawed Akhlaq [MBA/LLB] DoB: October 27, 1954	Head of Compliance Legal & Investigation	President / CEO	33.5	0.7	0.7
10	Ahmed Fawad Hashmi [B.Com] DoB: November 28, 1958	Head of Special Asset Management	President / CEO	34.5	2.0	1.7
11	Rahim Valliani [CFA/FCA/FCMA] DOB: June 12, 1972	Head of Business Planning & Analysis	President / CEO	15.5	1.8	1.5
12	Khusro Mumtaz [MBA] DOB: August 08, 1964	Group Head -SMEC	President / CEO	23	1.4	0.7
13	Imran Ahad [B.Com] DOB: July 10, 1962	Group Head of Wholesale Banking	President / CEO	26	0.2	0.2
14	Ather Ali Khan [B.Com, LLB] D.O.B.June 13,1963	Company Secretary	President / CEO	33.7	6.0	6.0

The Pakistan Credit Rating Agency Limited

NIB Bank Limited
BALANCE SHEET
As at

PKR in mln

	30-Sep-13 9MCY13	31-Dec-12 CY12	31-Dec-11 CY11	31-Dec-10 CY10
A. FINANCES				
1. Loans, Cash Credits and Running Finances	58,462	56,069	43,541	57,245
2. Net Investment in Finance Lease	1,752	1,898	1,976	2,310
3. Bills Discounted and Purchased	6,470	3,969	4,761	4,078
Advances	66,683	61,937	50,277	63,633
4. Debt Instruments - net	3,773	2,325	2,790	5,751
Total Finances	70,456	64,262	53,067	69,384
B. OTHER EARNING ASSETS				
1. Deposits with Banks	986	932	-	-
2. Lending to Financial Institutions	17,887	3,441	14,667	6,429
3. Investments				
a. Government Securities	31,401	76,922	40,411	39,046
b. Equity Investments (Incl. Mutual Funds)	111	265	736	1,089
c. Fixed Income Mutual Funds/Preference Shares	80	80	25	207
d. Strategic Investments	5,886	5,684	5,484	5,696
	37,479	82,951	46,656	46,038
Other Earning Assets	56,352	87,324	61,323	52,467
C. TOTAL EARNING ASSETS (A+B)	126,808	151,586	114,390	121,851
D. FIXED ASSETS / INTANGIBLE ASSETS	4,253	4,429	4,748	5,138
E. NON-EARNING ASSETS				
1. Cash and Bank Balances	9,274	7,701	9,456	11,788
2. Deferred Tax	11,227	10,881	11,017	9,481
3. Others	6,044	6,274	4,462	5,159
4. Net Non-Performing Advances				
a. Non-Performing Advances	31,462	32,921	34,195	34,711
b. Accumulated Provisions (Prudential Specific)	(22,889)	(23,215)	(23,346)	(22,826)
c. Accumulated Provisions (Prudential General)	(73)	(79)	(282)	(952)
d. Accumulated Provisions (General)	-	-	-	-
	8,500	9,628	10,567	10,933
5. Net Non-Performing Debt Instruments				
a. Non-Performing Debt Instruments	155	187	234	51
b. Accumulated Provisions (Diminution in Value of Debt Instruments)	(112)	(76)	(81)	(51)
	42	110	153	-
Non-Earning Assets	35,088	34,595	35,656	37,361
F. TOTAL ASSETS	**166,149**	**190,609**	**154,794**	**164,350**
G. TOTAL DEPOSITS				
1. Customer Deposits				
a. Demand	28,404	28,534	25,738	24,653
b. Savings	39,858	33,575	26,113	29,088
c. Time	27,005	24,860	32,770	39,939
	95,267	86,969	84,620	93,680
2. Deposits from Financial Institutions	2,468	4,323	868	5,490
Total Deposits	97,735	91,291	85,488	99,169
H. BORROWINGS				
1. SBP Refinance	10,039	10,016	9,737	12,902
2. Financial Institutions	36,114	66,163	37,645	29,460
3. Sub-ordinated Loan / TFCs	-	3,993	3,994	3,996
Borrowings	46,153	80,172	51,376	46,358
I. OTHER LIABILITIES (Non-Interest Bearing)				
1. Deferred Tax Liability	-	-	-	-
2. Bills Payable	5,160	2,430	1,738	1,335
3. Others	2,982	2,702	2,514	3,824
Other Non-interest Bearing Liabilities	8,141	5,132	4,252	5,160
J. EQUITY				
1. Share Capital	103,029	103,029	103,029	46,790
2. Reserves:				
a. Statutory Reserve	422	220	213	213
b. Capital Reserves	(45,770)	(45,770)	(45,770)	8,247
c. Revenue Reserves	5	5	5	5
d. Unappropriated Profit	(43,037)	(43,863)	(43,893)	(41,592)
	(88,379)	(89,406)	(89,444)	(33,128)
Equity	14,649	13,622	13,584	13,662
K. SURPLUS/(DEFICIT) ON REVALUATION				
1. Revaluation of Investments	(530)	392	92	1
2. Revaluation of Fixed Assets	-	-	-	-
Surplus/(Deficit) on Revaluation	(530)	392	92	1
L. TOTAL LIABILITIES & EQUITY	**166,149**	**190,609**	**154,794**	**164,350**
M. CONTINGENT LIABILITIES				
1. Trade Related	25,249	23,304	13,974	8,987
2. Guarantees	18,415	14,023	11,389	9,417
	43,664	37,327	25,363	18,404

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PKR in mln

NIB Bank Limited **INCOME STATEMENT**	**30-Sep-13** *9MCY13*	**31-Dec-12** *CY12*	**31-Dec-11** *CY11*	**31-Dec-10** *CY10*
1. Interest / Mark up Earned	9,793	13,989	14,246	16,482
2. Interest / Mark up Expensed	(7,337)	(11,133)	(12,167)	(13,533)
3. NET INTEREST / MARK UP REVENUE (NIMR)	2,456	2,856	2,079	2,949
4. Other Operating Income	924	892	757	715
a. Fees, Commission, Brokerage	513	449	573	177
b. Dividend Income	373	469	527	469
c. Income from Dealing in Foreign Currencies	484	540	275	329
d. Realized and Unrealized Gains (Loss) on Sale of Investments	64	59	19	25
e. Others	2,359	2,409	2,150	1,716
5. TOTAL NET REVENUE	4,815	5,264	4,228	4,665
6. Other Income / (Loss)	-	14	3	(1)
	4,815	5,278	4,231	4,664
7. NON-INTEREST/MARK UP EXPENSES	(2,022)	(2,494)	(2,197)	(3,867)
a. Personnel Expenses	(1,953)	(2,739)	(2,748)	(3,368)
b. Other Non-interest/Mark Up Expenses	(3,975)	(5,233)	(4,945)	(7,235)
8. PRE-PROVISION OPERATING PROFIT	840	45	(714)	(2,571)
9. PROVISIONS				
a. Provision for Loan Losses /write offs	370	(320)	(3,025)	(9,153)
i. Specific provision	6	203	670	(719)
ii. General provision	(3)	(16)	(16)	(53)
iii. Bad debts directly written off	134	232	(395)	(125)
b. Provision for Diminution in Investments (including write offs)	507	100	(2,766)	(10,050)
10. PRE-TAX PROFIT	1,347	145	(3,480)	(12,622)
11. Taxes	(338)	(107)	1,436	2,509
12. NET INCOME	**1,009**	**38**	**(2,044)**	**(10,112)**
13. Unappropriated Profit / (Loss) Brought Forward	(43,863)	(43,893)	(41,592)	(7,259)
14. Adjustments*	18	-	-	(24,221)
* Includes goodwill impairment and accounting adjustments	(42,836)	(43,855)	(43,637)	(41,592)
15. Appropriations	(202)	(8)	-	-
a. Statutory Reserve	-	-	-	-
b. Capital Reserve	-	-	-	-
c. Revenue Reserve	-	-	(257)	-
d. Other Reserve / Adjustment	-	-	-	-
e. Reserve for Issue of Bonus Shares / Right share issue cost	-	-	-	-
f. Cash Dividend	(202)	(8)	(257)	-
16.Unapprpopriated Profit / (Loss) Carried Forward	(43,037)	(43,863)	(43,893)	(41,592)

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NIB Bank Limited **RATIO ANALYSIS**	**30-Sep-13** *9MCY13*	**31-Dec-12** *CY12*	**31-Dec-11** *CY11*	**31-Dec-10** *CY10*
A. PERFORMANCE				
1. ROE	9.5% *	0.3%	n.m	n.m
2. ROA	0.8% *	0.0%	n.m	n.m
3. Provision Expense / Pre Provision Profit	60.4%	220.2%	387.3%	390.9%
4. Personnel Expenses-to-Total Net Revenue	42.0%	47.4%	52.0%	82.9%
5. Cost-to-Total Net Revenue	82.6%	99.4%	117.0%	155.1%
6. Cost-to-Total Net Revenue (net of capital gains)	91.8%	110.7%	125.1%	166.9%
7. Other Operating Income / Total Net Revenue	49.0%	45.8%	50.8%	36.8%
8. Other Operating Income (net of capital gains) / Total Net Revenue	38.9%	35.5%	44.3%	29.7%
9. Taxes / Pre-Tax Profit	25.1%	73.8%	41.3%	19.9%
10. Net Non-Earning Assets / Assets net of Non-Interest Liabilities	19.7%	18.3%	24.0%	23.5%
B. CAPITAL ADEQUACY				
1. Equity / Total Assets	8.8%	7.1%	8.8%	8.3%
2. Adjusted Equity (including revaluation impact) / Total Assets	8.5%	7.4%	8.8%	8.3%
3. Free Equity/ Adjusted Assets	-10.7%	-10.9%	-14.9%	-13.2%
4. Capital Adequacy Ratio as per SBP	10.7%	13.0%	14.1%	14.7%
- Tier I CAR	11.5%	10.3%	11.3%	10.6%
- Tier II CAR	-0.8%	2.7%	2.8%	4.1%
5. Equity/Risk Weighted Assets	14.5%	13.9%	14.4%	14.0%
6. Equity/Total Balance Sheet Assets and Off Balance Sheet Assets	7.0%	6.0%	7.5%	7.5%
7. Capital Formation Rate (Internal Capital generation)	7.4%	0.3%	-15.0%	-74.0%
C. LIQUIDITY				
1. Liquid Assets / Deposits and Borrowings	27.3%	26.1%	30.4%	30.7%
2. Finances / Deposits	80.8%	80.9%	74.4%	81.0%
3. Advances / Deposits	76.9%	78.4%	71.2%	75.2%
4. Finances (net of Refinance) / Deposits	70.5%	70.0%	63.0%	68.0%
5. Finances / Deposits and Borrowings	54.9%	43.1%	46.5%	55.2%
6. Finances / Total Assets	47.5%	38.8%	41.1%	48.9%
7. Investments / Deposits	38.3%	90.9%	54.6%	46.4%
8. Government Securities / Total Assets	18.9%	40.4%	26.1%	23.8%
9. Time Deposits / Total Deposits	28.3%	28.6%	38.7%	40.3%
10. Borrowings from Financial Institutions/Lending to FIs (times)	2.0	16.1	2.6	5.4
11.CASA deposits / Total Customer Deposits	71.7%	71.4%	61.3%	57.4%
12.Liquid Assets/ Unfunded Exposure	72.2%	76.9%	119.2%	204.4%
D. LOAN LOSS COVERAGE				
1. Non-Performing Advances / Gross Advances	32.1%	34.7%	40.5%	35.3%
2. Non-Performing Finances / Gross Finances	31.0%	34.0%	39.3%	33.4%
3. Loan Loss Provisions / Non-Performing Advances	73.0%	70.8%	69.1%	68.5%
4. Loan Loss Provisions** / Non-Performing Advances	72.8%	70.5%	68.3%	65.8%
5. Net Non-Performing Advances / Equity	58.0%	70.7%	77.8%	80.0%
6. Net Non-Performing Advances / Revaluation Adjusted Equity	60.2%	68.7%	77.3%	80.0%
** excl. general provisions against consumer loans under Prudential Regulations				
E. INTERMEDIATION EFFICIENCY				
1. NIMR (Net Interest/Mark-up Revenue) / Avg. Assets	1.8% *	1.7%	1.3%	1.8%
2. Asset Yield [Interest Earned/Average (Earning Assets-Equity Investments-strategic investements)]	9.8% *	11.0%	12.8%	13.0%
3. Cost of Funds [Interest Expensed / Average (Deposits + Borrowings)]	6.2% *	7.2%	8.6%	8.8%
4. Spread	3.6% *	3.8%	4.1%	4.2%
5. Spread as per bank	2.1%	1.1%	2.5%	2.6%
F. GROWTH				
1. Total Assets	-12.8%	23.1%	-5.8%	-21.0%
2. Risk Weighted Assets	2.8%	4.3%	-3.4%	-8.0%
3. Gross Fitances	4.9%	11.4%	-16.2%	-0.5%
4. Impaired Lending	-4.4%	-3.7%	-1.5%	48.2%
5. Investments	-54.8%	77.8%	1.3%	-20.3%
6. Customer Deposits	9.5%	2.8%	-9.7%	6.4%
7. Equity	7.5%	0.3%	-0.6%	-67.2%
G. OTHERS				
1. No. of Branches	179	179	179	178
2. Staff Strength	2,783	2,768	2,671	3,595
Bank's own staff	2,410	2,456	2,325	2,882
Outsourced	373	312	346	713
* Annualized				

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STANDARD RATING SCALE & DEFINITIONS

LONG TERM RATINGS

AAA: Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA: Very high credit quality. 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High credit quality. 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

BBB: Good credit quality. 'BBB' ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment-grade category.

BB: Speculative. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as a result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B: Highly speculative. 'B' ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.

CCC, CC, C: High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic developments. A 'CC' rating indicates that default of some kind appears probable. 'C' ratings signal imminent default.

SHORT TERM RATINGS

A1+: Obligations supported by the highest capacity for timely repayment.

A1: Obligations supported by a strong capacity for timely repayment.

A2: Obligations supported by a satisfactory capacity for timely repayment, although such capacity may be susceptible to adverse changes in business, economic, or financial conditions.

A3: Obligations supported by an adequate capacity for timely repayment. Such capacity is more susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories.

B: Obligations for which the capacity for timely repayment is susceptible to adverse changes in business, economic, or financial conditions.

C: Obligations for which there is an inadequate capacity to ensure timely repayment.

D: Obligations which have a high risk of default or which are currently in default.

Notes:

1. PACRA's ratings are an assessment of the credit standing of entities in Pakistan. They do not take into account the potential transfer / convertibility risk that may exist for foreign currency creditors.
2. A plus (+) or minus (-) may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' long-term rating category, to categories 'CCC' and below, or to short-term ratings.
3. PACRA's rating is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.

PART VI

6 TRUSTEE AND SECURITY

6.1 THE SECURITY

Since the TFC issue is unsecured as such NIB is not providing any security for the TFC issue. Further, the TFCs are being issued as subordinated debt as per the guidelines set by the SBP under BPRD circular no. 6 dated August 15, 2013. The TFCs are unsecured and subordinated debt instruments.

Upon occurrence of an event of default, the TFC holders acting through the Trustee shall be entitled to initiate legal proceedings for the recovery of the outstanding amount payable under the TFCs, subject to the terms of the Trust Deed.

6.2 THE TRUSTEE

In order to safeguard the interests of the TFC holders, Pak Brunei Investment Company Limited has been appointed to act as Trustee for the Issue. The Issuer shall pay to the Trustee in respect of its acting as Trustee a fixed fee of PKR 500,000/- per annum for the life of the TFC. The fee shall be payable at the beginning of each year commencing from the date of signing of the Trust Deed and on each subsequent anniversary thereof.

As per the terms of the Trust Deed executed between NIB and the Trustee, the Trustee will ensure the following:

- The terms and conditions of the Trust Deed are adhered to;
- The interest of the TFC holders is safeguarded by taking such actions that it deems necessary and as prescribed in the Trust Deed, in the event of any breach of the terms and conditions of the TFC instrument and the Trust Deed by NIB.

6.3 THE TRUST DEED

The Trust Deed dated March 10, 2014 (hereinafter to be referred to as the "Trust Deed") signed between the Bank and Pak Brunei Investment Company Limited specifies the rights and the obligations of the Trustee. In the event of Issuer defaulting on any of its obligations under the terms of the Trust Deed, the Trustee may enforce Issuer's obligations in accordance with the terms of the Trust Deed. The proceeds of any such enforcement shall be distributed to the TFC holders at the time on a pro-rata in proportion to the amounts owed to them pursuant to the TFCs.

6.4 EVENTS OF DEFAULT

In the event the Issuer defaults in discharging the Issuer's Redemption Obligations and such default is not rectified within 7 (seven) days thereof, the Trustee upon receiving instructions from TFC Holders representing more than 50% (fifty percent) of the total outstanding face value of the TFCs shall be authorized to file a Winding up Application and initiate Legal Proceedings against the Issuer. It is clarified that in order to give effect to the BSD circular No. 8 dated June 27, 2006, the only remedy available to the Trustees and the TFC Holders in respect of default by the Issuer of the Issuer's Redemption Obligations shall be by way of filing the Winding up Application and initiation of Legal Proceedings. Where the Issuer has defaulted on the Issuer's Redemption Obligations, it is clarified that in the Winding Up Application and Legal Proceedings the Trustee and / or the TFC Holders shall be entitled to claim that the entire outstanding Redemption Amount in respect of the TFCs have become immediately due and payable without

any requirement of prior demand or such entire outstanding Redemption Amount or acceleration notice to this effect.

An Event of Default will be deemed to have occurred, by a declaration in writing of the Trustee informing the Issuer, that the Trustee has been notified in writing by the TFC Holders representing more than 50% (fifty percent) of the total outstanding face value of the TFCs or supported by an Extra Ordinary Resolution passed at the meeting of the TFC Holder(s) certifying the occurrence of any of the following events:

a) **Breach of other obligation**

The Issuer does not comply with any provision of this Trust Deed or the TFCs (other than the Issuer's Redemption Obligations) and such non-compliance continues for 30 (thirty) days after the written notice is received by the Issuer from the Trustee.

b) **Misrepresentation**

A representation, warranty or statement made or repeated in or in connection with this Trust Deed, TFCs, or in any document delivered by or on behalf of the Issuer under or in connection with this Trust Deed or TFCs is or proves to have been incorrect or misleading in any material respect or any statement, representation or warranty made or repeated by the Issuer in any notice, certificate or statement referred to or delivered under this Trust Deed is or proves to have been incorrect or misleading in any material respect, or any such statement, representation or warranty is incorrect in any material respect at any time and the defect is not rectified within 30 (thirty) days after the written notice is received by the Issuer from the Trustee.

c) **Cross-default**

(i) Any Financial Indebtedness of the Issuer is not paid when due, including any grace period that may be applicable thereto; or
(ii) An event of default howsoever described occurs under any document relating to Financial Indebtedness of the Issuer; or
(iii) Any Financial Indebtedness of the Issuer becomes prematurely due and payable or is placed on demand as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness; or
(iv) Any commitment for, or underwriting of, any Financial Indebtedness of the Issuer is cancelled or suspended as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness; or
(v) Any Security Interest becomes enforceable.

d) **Insolvency**

(i) The Issuer is unable to pay its debts as they fall due or becomes insolvent, or admits inability to pay its Financial Indebtedness as they fall due; or
(ii) The Issuer suspends making payments on all or any class of its debts or announces an intention to do so or a moratorium is declared in respect of any of its Financial Indebtedness.

e) **Insolvency proceedings**

(i) A meeting of the Issuer is convened for the purpose of considering any resolution for (or to petition for) its winding-up or its administration or any such resolution is passed; or
(ii) Any order for the winding-up or administration of the Issuer is made which is not suspended, revoked or set aside within a period of 45 (forty five) days; or

(iii) Any other step (including petition, proposal or convening a meeting) is taken by the Issuer with a view to the rehabilitation, administration, custodianship, liquidation, winding-up or dissolution of the Issuer or any other similar proceedings involving the Issuer.

f) **Appointment of receivers and managers**

(i) Any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or the like is appointed in respect of the Issuer or any part of its assets and is not discharged within 30 (thirty) days of such appointment; or

(ii) The directors of the Issuer request the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or the like; or

(iii) Any other steps are taken to enforce any Security Interest and such steps are not stayed within 30 (thirty) days thereof.

g) **Creditors' process**

Any attachment, sequestration, distress or execution affects any asset owned by the Issuer and is not discharged within 30 (thirty) days of such attachment, sequestration, distress or execution being levied.

h) **Cessation of business**

(i) The Issuer ceases, or threatens to cease, to carry on all or a substantial part of its business or any license or permissions to carry on business in Pakistan is suspended or cancelled; or

(ii) The Issuer's banking license is suspended or cancelled.

i) **Unlawfulness**

It is or becomes unlawful for the Issuer to perform any of its material obligations under the Trust Deed or the TFCs and/or any other document executed by the Issuer in respect thereof and the Issuer and the Trustee have been unable to agree, within a period of 30 (thirty) days from the receipt of a notice from the Trustee, on an appropriate replacement provision containing such terms so as not to relegate either party to a detrimental or less favorable position than that held under the Trust Deed or TFCs (as originally executed).

j) **Change of provisions of the Trust Deed**

All or any material provisions of this Trust Deed:

(i) do not have effect or cease to have effect in accordance with its terms; or

(ii) are or become void, voidable, illegal or unenforceable.

k) **Compromise or arrangement with the members or creditors**

Taking of any step by the Issuer for the purpose of entering into a compromise or arrangement with any of its members, or creditors, generally or any class of them under the provisions of the Companies Ordinance 1984.

At any time after the Trustee shall make a declaration for the payment of the amount of the TFCs under Clause 2.7.1 (of the Trust Deed), the Trustee may appoint by writing any person or persons to be an administrative receiver or a receiver and manager or receivers and managers (the "Receiver"), which expression shall include any substituted receiver(s) and manager(s) with

respect to the administration of the Trust Property. The Issuer shall pay reasonable fees and the expenses incurred by the Receiver so appointed. The Receiver shall report to the Trustee and shall exercise his / their powers in consultation with and with the consent of the Trustee.

The Trustee in consultation with the Issuer may from time to time determine the remuneration of the Receiver and may remove the Receiver and appoint another in his place. In the event of a dispute between the Trustee and the Issuer regarding the remuneration of the Receiver, the decision of the Trustee shall be final.

The Receiver shall be the Issuer's agent and the Issuer alone shall be responsible for his acts and omissions and for his remuneration. However, it is clarified that the Receiver shall report to and be accountable to the Trustee. Moreover, the Issuer shall not be liable for any loss or injury caused due to the gross negligence, any breach of the terms of this Trust Deed, fraud / embezzlement or willful misconduct by the Receiver.

PART VII

7 MANAGEMENT OF THE COMPANY

7.1 BOARD OF DIRECTORS OF NIB BANK LIMITED

Name of Director	Designation	Other Directorships / Chairmanships
Mr. Teo Cheng San, Roland 97 Robertson Quay # 17-08, Singapore 238257	Chairman	Director: Fullerton Credit (Sichuan) Ltd Fullerton Credit (Chongqing) Ltd Fullerton Credit (Hubei) Ltd Fullerton Investment & Credit Guarantee Co Ltd
Mr. Tejpal Singh Hora 61, Grange Road, #17-03, Beverly Hills Singapore 249570	Director	Director: YTY Industry Holdings Sdn Bhd YTY Holdings Sdn Bhd YTY Industry (Manjung) Sdn Bhd Green Prospect Sdn Bhd Global Surgical Supply Sdn Bhd
Mr. Chia Yew Hock Wilson Fullerton Financial Holdings Pte. Ltd 60-B Orchard Road, #06-18 Tower 2 The Atrium @ Orchard Singapore 238891	Director	Director: Fullerton India Credit Co. Ltd. Shanghai Fullerton Management Consultancy Co. Ltd
Mr. Ong Kian Ngee Fullerton Financial Holdings Pte. Ltd 60-B Orchard Road, #06-18 Tower 2 The Atrium @ Orchard Singapore 238891	Director	Director Fullerton Finance (Myanmar) Company Limited
Mr. Asif Jooma 13/2, Khayaban-e-Ghazi, Phase V, DHA, Karachi	Director	Director: ICI Pakistan Limited ICI Pakistan PowerGen Limited Member: Board of Investment Finance Committee: Sindh Club
Mr. Muhammad Abdullah Yusuf House 744, Street 83, I-8/4, Islamabad	Director	Chairman: Pakistan Institute of Corporate Governance Independent Power Producers Advisory Council CEO / Director: Sky Gas (Private) Limited
Mr. Najmus Saquib Hameed The Layton Rahmatulla Benevolent Trust LRBT House, 37-C Sunset	Director	Director: Sigma Motors (Pvt) Ltd HASCOL Petroleum Limited Trustee & Vice Chairman:

Lane. No.4 Phase-II, Ext. DHA, Karachi.		The Layton Rahmatulla Benevolent Trust
Mr. Badar Kazmi House # 24, Khayaban-e-Muhafiz, Phase VI, DHA, Karachi	President &CEO and Director	Director: PICIC Asset Management Company Ltd

7.2 PROFILE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. Teo is an Accountant by training, and has extensive banking experience, particularly in consumer banking.

He joined Standard Chartered Bank in January 2001 as Head of Consumer Banking, Taiwan, and moved to being the Chief Executive from December 2002 to August 2006. In September 2006, he became the Regional Consumer Banking Head of North Asia in the Bank. From September 1998 to January 2001 Teo held various positions within Citigroup in the Consumer Banking Group, including as its Chief Financial Officer & Treasurer, North Asia Division.

7.3 PROFILE OF THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Mr. Kazmi brings with him wealth of experience spanning over 33 years including almost all facets of the banking business in Pakistan, Middle East, South Asia and Africa. Mr. Kazmi started his career with BCCI in 1980 and worked for 11 years in Pakistan and the Middle Eastern region in the areas of retail and corporate banking, organization learning and treasury.

Mr. Kazmi joined Standard Chartered Group (SCB) in 1991 and held various positions including Regional Head of Global Markets for MESA (Middle East and South Asia) and Africa. In 2003, he was appointed as CEO of SCB Pakistan, a position he held till late 2010. He subsequently moved to Saudi Arabia where he was instrumental in setting up the investment bank for SCB. During his association with SCB Pakistan, he was instrumental in positioning SCB as a significant force in banking in Pakistan. He not only successfully managed the acquisition of Union Bank but also executed an organic growth strategy. In recognition for his services to banking in Pakistan Mr. Kazmi was also decorated with the civil award 'Sitara-e-Imtiaz' by the President of Pakistan.

7.4 PROFILE OF THE CHIEF FINANCIAL OFFICER

Yameen has over 32 years experience in public accounting and finance related roles in the insurance and banking industry. In June 2005 he joined NIB Bank as CFO.

After graduating from London School of Economics, he qualified as a Chartered Accountant with Robson Rhodes, London.

7.5 PROFILE OF THE COMPANY SECRETARY

Ather Ali Khan joined NIB Bank Limited in December 2007, when he was appointed as Head of Corporate Secretarial to look after the Department. In January 2012, he was appointed as Company Secretary of NIB. At the time of merger of PICIC Commercial Bank Limited, he was Company Secretary. Earlier, he was head of Legal & Corporate Affairs of Frontier Ceramics Limited.

Ather is law graduate from Karachi University and has over 20 years corporate legal and executive background with extensive governance and regulatory experience.

7.6 OVER DUE LOANS

There are no overdue loans payable by the Bank.

7.7 POWERS OF DIRECTORS

As required under section 196 of the Companies Ordinance, 1984, and the Articles of Association of the Bank, the authority to conduct business of the company is vested with its Board of Directors and they may exercise all such powers of the company as are elucidated in section 196 and all other actions not barred by the Companies Ordinance, 1984 or the Articles of Association of the company or by a special resolution, required to be exercised by the company in the general meeting of the shareholders.

7.8 NUMBER OF DIRECTORS

Pursuant to section 174 of the Companies Ordinance, 1984, the number of directors of a listed company should not be less than seven (7). At present, the Board of NIB consists of 8 directors.

7.9 QUALIFICATION OF DIRECTORS

The qualification of an elected director of the Bank is being a member and/or nominee of an entity holding shares subject to the provisions of the Companies Ordinance, 1984.

7.10 REMUNERATION OF THE DIRECTORS

Subject to any general or special conditions or restrictions imposed by SBP and / or SECP, or under the Companies Ordinance, 1984, or any other law applicable to the Bank, the directors shall each be paid out of the funds of the bank, such remuneration for performing extra services, or for attending meetings of the Board, as the Board of Directors may from time to time determine. The remuneration of Chairman of Board of Directors shall not exceed US$ 3,500 and for other independent / non-executive directors shall not exceed US$ 3,000 (or equivalent PKR) for each Board meeting and US$ 1,500 (or equivalent PKR) for each member on attending a Board Sub-committee meeting. In case, attendance through audio / video conferencing, half of above amounts are payable.

7.11 AMOUNT OF BENEFITS TO SPONSOR SHAREHOLDERS AND OFFICERS DURING THE LAST TWO YEARS

No benefit has been paid or given within the last two years or is intended to be paid or given to any promoter or officer of the Bank otherwise, other than as remuneration for services rendered as full time executives of the Bank.

7.12 INTEREST OF THE DIRECTORS

The directors may be deemed to be interested to the extent of fees payable to them for attending Board meetings, including meetings of the sub-committee of the Board. The directors performing whole time service to the Bank may also be deemed to be interested in the remuneration payable to them by the Bank. The directors may also be deemed to be interested to the extent of any shares held by each of them in the Bank and/or the TFCs applied for and allotted to them through the public issue.

7.13 INTEREST OF DIRECTORS IN PROPERTY ACQUIRED BY THE BANK

None of the directors of the Bank had or has any interest in any property acquired by the Bank within the last two years or proposed to be acquired by the Bank.

7.14 ELECTION OF DIRECTORS

The directors shall comply with the provisions of section 174 to 178, 180 and 184 of the Ordinance relating to the election of directors and matters ancillary thereto. The date of last election of directors was March 29th, 2013.

7.15 BORROWING POWER

The directors may from time to time raise or borrow any sum or sums of money or make any arrangement for finance for the purpose of the Bank. The director may raise or secure the payment of such sum or sums or financial arrangements in such manner and upon such terms and conditions in all respects as they think fit and in particular by making, drawing, accepting or endorsing on behalf of the Bank any promissory notes or bills of exchange or by issuing bonds, perpetual or redeemable debentures or debenture stocks or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Bank (both present and future) but no such charge shall be created on unpaid capital of the Bank.

7.16 VOTING RIGHTS

The TFCs shall not carry any voting rights in relation to the Bank.

PART VIII

8 MISCELLANEOUS INFORMATION

8.1 REGISTERED OFFICE

First Floor, Post Mall
F-7 Markaz, Islamabad

8.2 CORPORATE HEAD OFFICE

PNSC Building
M. T. Khan Road
Karachi-74000

8.3 BANKERS TO THE ISSUE

Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Bank Al Habib Ltd.
Faysal Bank Ltd.
MCB Bank Ltd.
NIB Bank Ltd.
Sindh Bank Ltd.
Soneri Bank Ltd.
The Bank of Punjab

8.4 AUDITORS

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

8.5 LEGAL ADVISOR TO THE ISSUE

Mohsin Tayebaly & Co.

8.6 REGISTRAR & COMPUTER BALLOTERS

THK Associates (Pvt.) Limited.

8.7 TAX ADVISOR

A.F. Ferguson & Co.

8.8 MATERIAL CONTRACTS / DOCUMENTS

8.8.1 TFC INVESTOR AGREEMENTS BETWEEN THE NIB BANK LIMITED AND THE RESPECTIVE PRE-IPO INVESTORS ARE SET OUT BELOW:

S #	Private Placement Institutions	Amount (PKR)	Agreement date
1	PAÏR Investment Company Ltd.	600,000,000	March 10, 2014
2	Allied Bank Ltd.	384,000,000	March 10, 2014
3	MCB Bank Ltd.	300,000,000	March 10, 2014
4	Askari Bank Ltd.	281,000,000	March 10, 2014
5	The Bank of Punjab	200,000,000	March 10, 2014
6	Habib Metropolitan Bank Ltd.	200,000,000	March 10, 2014
7	CDC Trustee Askari High Yield Scheme	150,000,000	March 10, 2014
8	Bank Alfalah Ltd.	100,000,000	March 10, 2014
9	EFU Life Assurance Ltd.	100,000,000	March 10, 2014
10	Pak Oman Investment Company Ltd.	100,000,000	March 19, 2014

11	Sindh Bank Ltd.	100,000,000	March 10, 2014
12	CDC Trustee Faysal Savings Growth Fund	83,000,000	March 10, 2014
13	ABL Income Fund	50,000,000	March 10, 2014
14	CDC Trustee IGI Aggressive Income Fund	50,000,000	March 10, 2014
15	CDC Trustee IGI Income Fund	50,000,000	March 10, 2014
16	CDC Trustee Askari Sovereign Yield Enhancer	50,000,000	March 10, 2014
17	Summit Bank Ltd. Employees Provident Fund	50,000,000	March 10, 2014
18	CDC Trustee Faysal Financial Sector Opportunity Fund	45,000,000	March 10, 2014
19	CDC Trustee Faysal Income and Growth Fund	37,000,000	March 10, 2014
20	KAPCO Employees Pension Fund Trust	30,000,000	March 10, 2014
21	KAPCO Employees Provident Fund Trust	20,000,000	March 10, 2014
22	First Habib Income Fund	15,000,000	March 10, 2014
23	Gul Ahmed Textile Mills Ltd. Employees Provident Fund Trust	5,000,000	March 10, 2014
	Total	**3,000,000,000**	

8.8.2 UNDERWRITING AGREEMENTS BETWEEN NIB BANK LIMITED AND THE FOLLOWING:

S#	Underwriter's name	Amount (PKR)	Dated
1	Arif Habib Ltd.	400,000,000	April 24, 2014
2	Allied Bank Ltd.	200,000,000	May 5, 2014
3	Habib Metropolitan Bank	200,000,000	April 18, 2014
4	MCB Bank Ltd.	100,000,000	April 18, 2014
5	Sindh Bank Ltd.	100,000,000	April 18, 2014
	Total	**1,000,000,000**	

8.8.3 TRUST DEED DATED MARCH 10, 2014 BETWEEN NIB BANK LIMITED AND PAK BRUNEI INVESTMENT COMPANY LIMITED.

8.8.4 INFORMATION MEMORANDUM OF OCTOBER 2013, UPDATED FEBRUARY 2014.

8.8.5 INSTRUMENT CREDIT RATING REPORT BY PACRA DATED DECEMBER 30, 2013 AND PACRA'S REAFFIRMATION OF INSTRUMENT CREDIT RATING DATED MAY, 2014.

8.8.6 STATE BANK OF PAKISTAN IN-PRINCIPLE APPROVAL LETTER NO. BPRD/BA&CP/642/11324/2013 DATED JULY 25, 2013 AND SBP FINAL APPROVAL ISSUED VIDE LETTER REF NO BPRD/BA&CP/642/003422/2014 DATED MARCH 3, 2014.

8.8.7 CLEARANCE VIDE LETTER REFERENCE NO. KSE/GEN-3468 DATED MAY 21, 2014 FROM KARACHI STOCK EXCHANGE LIMITED.

8.8.8 APPROVAL LETTER NO. SMD/CO.57(1)/01/2014 DATED JUNE 5, 2014 FROM THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN.

8.8.9 MARKET MAKING AGREEMENT DATED APRIL 21, 2014.

8.9 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and the Articles of Association, the Auditor's Certificates, the Trust Deed, Information Memorandum, Credit Rating Report and copies of the agreements mentioned in the Prospectus may be inspected during the usual business hours on any working day at the corporate head office of the Bank from the date of publication of this Prospectus until the closing of the subscription list.

8.10 LEGAL PROCEEDINGS

There are no legal proceedings other than ordinary routine litigation incidental to the business except for the following:

Shakir Ahmed Shamsi vs. NIB Bank Ltd.
Suit for Declaration and Permanent Injunction challenging the Swap ratio of PICIC and PCBL shares of the merger with NIB in 2007 before Sindh High Court were filed and the same Suit was disposed off on 28-01-08. Review application was again filed before the Sind High Court by the Plaintiff to revise the order dated 28-01-08 on the grounds that the plaintiff was not heard. This application is pending before the court.

At this stage financial implications cannot be ascertained in case the above litigation is awarded against NIB.

8.11 INDEMNITY

Clause 134 of the Articles of Association states that:

"Every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under Section 488 in which relief is granted to him by the Court."

8.12 CAPITALIZATION OF RESERVES

The Bank has not issued bonus shares since incorporation.

8.13 REVALUATION OF OPERATING FIXED ASSETS

The Bank's fixed assets are on cost model. Revaluation of fixed assets was made in 2007 due to merger of Ex-Pakistan Industrial Credit & Investment Corporation (Ex-PICIC) and Ex–PICIC Commercial Bank Limited (Ex-PCBL) with and into NIB Bank Limited.

8.14 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Bank was incorporated and the business, which the Bank is authorized to undertake. A copy of the Memorandum of Association annexed to this Prospectus is being published with all issues hereof except those released as newspaper advertisement.

8.15 VENDORS

The Bank has no vendors in terms of Clause 12 of section 1 Part 1 of the Second Schedule of the Ordinance.

8.16 SUBSIDIARIES

NIB Bank has following two subsidiaries as on December 31, 2013:

Name of subsidiary	Share holding
PICIC Asset Management Company Ltd	100.00%
Financial and Management Services (Pvt.) Ltd	95.89%

8.17 INVESTMENT IN ASSOCIATE COMPANIES

As on December 31, 2013 the Bank has investment in below mentioned associates.

Name of associate	Holding
PICIC Investment Fund	34.04%
PICIC Growth Fund	15.34%
PICIC Energy Fund	27.28%
PICIC Income Fund	31.44%
PICIC Insurance Ltd	30%

PART IX

9 APPLICATION AND ALLOTMENT INSTRUCTIONS

General instructions

1) Eligible investors include:

a) Pakistani citizens resident in or outside Pakistan or persons holding two nationalities including Pakistani nationality.
b) Foreign nationals whether living in or outside Pakistan.
c) Companies bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and exiting regulations, as the case may be)
d) Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of the Trust Deed and existing regulations); and
e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

Foreign investors and non-resident Pakistani investors may subscribe for the TFCs being offered through this Prospectus by using their Special Convertible Rupee Account. For detail please see para 2.6 of OFSD.

The Bank itself or a related party over which the Bank exercises control or significant influence cannot be an eligible investor.

2) Application must be made on the commission's approved application form or a legible photocopy thereof on a paper of A4 size weighing at least 62 gm.

3) Copies of prospectus and application forms can be obtained from the TRE Certificate Holders of Karachi Stock Exchange Limited, the Bankers to the Issue and their branches and registered office of NIB Bank Ltd. The prospectus and the application forms can also be downloaded from the website: www.nibpk.com

4) The applicants opting for scripless form of TFCs are required to complete the relevant sections of the application. In accordance with provisions of the Central Depositories Act, 1997 and the CDC regulations, credit of such TFCs is allowed only in the applicant's own CDC account. In case of discrepancy between the information provided in the application form and the information already held by CDS, the bank reserves the right to issue TFCs in physical form.

5) Name(s) and address(es) must be written in full block letters in English and should not be abbreviated.

6) All applications must be bear the name and signature of the applicant. In case of difference of signature with the bank and Computerized National Identity Card for Overseas Pakistanis (NICOP) or passport both signatures should be affixed on the application form.

7) Applications made by individual investors

I) In case of individual investors, an attested photocopy of CNIC (in case of RPs) / passport (in case NRPs and FIs) as the case may be, should be enclosed and the number of CNIC/passport should be written against the name of applicant. Copy of these documents can be attested by any federal / provincial government gazetted officer, councilor, oath commissioner or head master of high school or bank manager in country of applicant's residence.

II) Original CNIC/passport, along with one attested photocopy, must be produced for verification to the banker to the issue at the time of presenting of application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

8) Applications made by institutional investors

I) Applications made by companies, corporate bodies, mutual fund provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of power of attorney, the same should also be submitted along with the application. Any federal / provincial government gazetted officer, councilor, bank manager, oath commissioner and head master of high school or bank manager in country of applicant's residence can attest copies of such documents.

II) Attested photocopy of documents mentioned in 8(i) must be produced for verification to the banker to the issue and the applicant's banker (if different from the banker to the issue/offer) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with application.

9) Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.

10) Joint application in the name of more than 2 persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/passport. The TFCs will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of TFCs.

11) Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the bankers to the issue "Initial Public Offering of NIB Bank Limited Term Finance Certificates 2nd Issue" and crossed "A/C PAYEE ONLY".

12) For the applications made through pay order/ bank draft, it would be permissible for a banker to the issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/ bank draft individually for each application.

13) The applicant should have least one bank account with any of the commercial banks but not necessarily with the bankers to the issue. The applicants not having a bank account at all (non account holders) are not allowed to submit application for subscription of TFC.

14) Applications are not be made by minors and/or persons of unsound mind.

15) Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.

16) Applicants should retain the bottom portion of their application forms as provisional acknowledgment of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that applicant will be allotted the number of TFCs for which the application has been made.

17) Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the bank shall be liable for legal action.

18) Bankers to the issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the bankers to the issue.

19) It would be permissible for a banker to the issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.

ADDITIONAL INSTRUCTIONS FOR FOREIGN/NON-RESIDENT INVESTORS

20) In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of power of attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicants residence.

21) Applicants may also subscribe using their Special Convertible Rupee Account ("SCRA") as set out under the State Bank of Pakistan's Foreign Exchange Manual.

BASIS OF ALLOTMENT

I) The minimum amount of application for subscription of TFCs is 5,000/-. Application for TFCs below the total value of PKR 5,000/- shall not be entertained.
II) Application for TFCs must be made for a minimum of the aggregate face value of PKR 5,000/- or in multiples of PKR 5,000/- for amounts above PKR 5,000/-. Applications, which are neither for PKR 5,000/- nor in multiples of PKR 5,000/- for amounts above PKR 5,000/- shall be rejected.
III) Allotment / transfer of TFCs to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the prospectus.
IV) Allotment of TFCs shall be subject to scrutiny of applications in accordance with the criteria disclosed in the prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
V) Applications which do not meet the above requirements or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the application form.
VI) The bank will dispatch TFCs to successful applicants or credit the respective CDS accounts of successful applicants (as the case maybe). Therefore, applicants are advised to fill in accurate mailing address and CDS account details, if any.

22) Bankers to the Issue

Code	Name of Bank	Code	Name of Bank
1	Allied Bank Ltd.	6	MCB Bank Ltd.
2	Askari Bank Ltd.	7	NIB Bank Ltd.
3	Bank Alfalah Ltd.	8	Sindh Bank Ltd.
4	Bank Al Habib Ltd.	9	Soneri Bank Ltd.
5	Faysal Bank Ltd.	10	The Bank of Punjab

23) Code of occupation

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	House Wife	09	Industrialist
05	House Hold	10	Other

24) Nationality code

Code	Country	Code	Country
001	USA	006	Iran
002	UK	007	Bangladesh
003	UAE	008	China
004	KSA	009	Bahrain
005	Oman	010	Other

PART X

10 SIGNATORIES TO THE PROSPECTUS

Director	Designation	Signature
Teo Cheng San, Roland	Chairman	Sd/-
Tejpal Singh Hora	Director	Sd/-
Chia Yew Hock Wilson	Director	Sd/-
Ong Kian Ngee	Director	Sd/-
Asif Jooma	Director	Sd/-
Muhammad Abdullah Yusuf	Director	Sd/-
Najmus Saquib Hameed	Director	Sd/-
Badar Kazmi	President & CEO and Director	Sd/-

Witness 1

Name: Ather Ali Khan
Signature: Sd/-
Place: Karachi

Witness 2

Name: Agha Munawer Abbas
Signature: Sd/-
Place: Karachi

PART XI

11 MEMORANDUM OF ASSOCIATION

THE COMPANIES ORDINANCE, 1984

(PUBLIC COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

NIB BANK LIMITED

NAME

I. The name of the Company is **"NIB BANK LIMITED".**

REGISTERED OFFICE

II. The registered office of the Company will be situated in the Islamabad Capital Territory.

OBJECTS

III. The objects for which the Company is established are to undertake, subject to relevant laws, any or all of the following business in and outside Pakistan.

1. **BANKING BUSINESS**

(a) To carry on the business of a banking company as defined by the Banking Companies Ordinance, 1962 (Ordinance No. LVII of 1962);

(b) To accept deposits of money on current account or otherwise subject to withdrawal by cheque, draft or order;

(c) To carry on the business of borrowing, raising, or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips, participation term certificates, term finance certificates, musharika certificates, modaraba certificates and such other instruments as may be approved the State Bank of Pakistan and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, traveller's cheques and circular notes; the buying, selling and dealing in bullion and species; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities, participation term certificates, term finance certificates, musharika certificates, modaraba certificates and such other instruments as may be approved by the State Bank of Pakistan and investments of all kinds; the purchasing and selling of bonds, scrips or other form of securities, participation term certificates, term finance certificates, musharika certificates, modaraba certificates and such other instruments as may be approved by the State Bank of Pakistan; on behalf of constituents or others, the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; the providing of safe deposit vaults; the collecting and transmitting of money and securities;

(d) To carry on the business of providing of finance as defined in the Banking Tribunals Ordinance, 1984 and the Financial Institutions (Recovery of Finance) Ordinance, 2001 or any modification or statutory re-promulgation thereof;

(e) To act as agents for any Government or local authority or any other person or persons; the carrying on of agency, business of any description including the clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers acting as an attorney on behalf of customers, but excluding the business of a managing agent or treasurer of a company;, but excluding the business of a managing agent or treasurer of a company;

(f) To act as "modaraba company" under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);

(g) To carry on the business of effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, Government, municipal or other loans or of shares, stock, debentures, debenture stock or other securities or debenture stock of any company, corporation or association and the lending of money for the purpose of any issue;

(h) To carry on and transact every kind of guarantee and indemnity business;

(j) Establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons, granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing moneys for charitable or benevolent object or for any exhibition or for any public, general or useful object;

(j) The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purpose of the company;

(k) Selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;

(l) Acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in Section 7 of the Banking Companies Ordinance, 1962.

(m) Formation of any subsidiary subject to the terms of Section 23 of the Banking Ordinance, 1962.

(n) Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company.

(o) Any other form of business, which the Federal Government may, by notification in the official gazette, specify as a form of business in which it is lawful for a banking company to engage.

2. **GENERAL**

(a) To carry on any other banking business specifically allowed by the laws and regulations of Pakistan, as applicable to the Company, and any other form of business which the Federal Government may, by notification in the official Gazette, specify as a form of business in which it is lawful for a banking company to engage;

(b) To raise funds through equity, foreign debentures, both short and long term, commercial paper issued abroad, sale of short and long term Participation Term Certificates and Term Finance Certificates, deposit and investment certificates, floating and managing of modarabas and through other methods and instruments, provided that the period of Term Finance Certificates and other instruments shall not be less than 30 days;

3. To amalgamate with or enter into partnership or any joint venture or profit-sharing arrangement with, or cooperate or participate in any way with any company or person carrying on or proposing to carry on any business within the objects of the Company;

4. To carry on any operations or activities whatsoever which can, in the opinion of the Company, advantageously or conveniently be carried on by the Company by way of extension of, or in connection with, any such business as aforesaid or is calculated directly or indirectly to develop any branch of the Company's business or to increase the value of, or turn to account, any of the Company's assets, properties or rights;

5. To remunerate any person or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part, or otherwise as may be thought expedient;

6. To remunerate the directors, official and servants of the Company and others out of or in proportion to the returns or profits of the Company or otherwise as the Company may think proper, and to formulate and carry into effect any scheme, for sharing the profits of the Company with the employees of the Company or any of them.

7. To pay all or any expenses incurred in connection with the promotion, formation, launching and incorporation of the Company, or to contract with any person or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, mutual funds, modarabas, equity funds, debentures, debenture stock or other securities of the Company;

8. To erect, construct, lay down, enlarge, alter and maintain any buildings and works necessary or convenient for the Company's business;

9. To invest and deal with the moneys of the Company, not immediately required, upon such investment and in such manner as may from time to time be determined;

10. To adopt such means of making known the business of the Company as may seem expedient, and in particular but not by way of limitation, by advertising in the press, on the radio, television or cinema, by circulars, by purchase and exhibition of works of art or interest, or by publication of booklets and periodicals, and by granting prizes, awards and donations;

11. Subject to section 28 of the Banking Companies Ordinance, 1962, to establish agencies and branches in Pakistan and abroad and to appoint agents and others to assist in the conduct or extension of the Company's business and to regulate and discontinue the same;

12. To support and subscribe to any charitable or public object and any institution, society or club, which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business, to give pensions, gratuities, or charitable aid to any person or persons who may have served the Company or to the wives, children or other relatives of such persons, and to form and contribute to provident and benefit funds for the benefit of any persons employed by the Company;

13. To undertake and execute trusts;

14. To undertake the administration of estates as executor, trustee or otherwise;

15. To purchase or acquire in the normal course of its banking business of any property, including commodities, patents, designs, trade marks and copyrights, with or without buy-back arrangements by the seller, or for sale in the form of hire-purchase or on deferred payment basis with markup or for leasing or licensing or for rent-sharing or for any other mode of financing;

16. To manage, sell and realize any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;

17. To acquire and hold and generally deal with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security;

18. To underwrite the shares, stocks or securities of any other company and to pay underwriting commission and brokerage on any shares, stock or securities issued by the Company;

19. To distribute any of the property of the Company among its members in specie;

20. To initiate, compromise or compound all actions, suits and other proceedings and differences or disputes to Arbitration and adjust and settle all accounts and claims relating thereto;

21. To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.

22. To do all or any of the above things and all such other things, as are incidental or as may be thought conducive to the attainment of the above objects or any of them in Pakistan or any other part of the world either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, contractors, trustees or otherwise and to do all such things as are incidental or conducive to the attainment of the above objects and each of the above objects shall be construed as an independent object.

23. Notwithstanding anything stated in any object clause, the company shall obtain such other approval or licence from the competent authority, as may be required under any law for the time being in force, to undertake a particular business.

LIABILITY OF MEMBERS

IV. The liability of the members is limited.

CAPITAL

V The share capital of the Company is Rs. 120,000,000,000/- (Rupees One Hundred Twenty Billion only) divided into 12,000,000,000 (Twelve Billion) shares of Rs. 10/- (Rs. Ten only) each, with power to the company from time to time to increase, reduce or reorganize its capital or to sub-divide the shares in the capital for the time being into several classes. Subject to compliance with all provisions of applicable law, the share capital shall comprise of one or more kinds of shares and different classes of shares under each kind as permitted by the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000 as amended from time to time, with such rights and privileges attached thereto as may be approved by the Members from time to time by a Special Resolution"

ADVICE FOR INVESTORS

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.

NIB Bank Limited

APPLICATION FOR SUBSCRIPTION OF TERM FINANCE CERTIFICATES (TFCs)

SUBSCRIPTION DATE
June 18 to 19, 2014
(during banking hours)

The Directors
NIB Bank Limited
PNSC Building, M. T. Khan Road, Karachi.
UAN:(021) 111-333-111 www.nibpk.com

For the applicant (s) opting for credit of their account in the Central Depository Company of Pakistan Limited (Refer to instruction No.4 on the reverse hereof)

TFCs Delivery/Credit Options (Please Tick One) Physical ☐ CDC ☐

CDC PARTICIPANT / ACCOUNT HOLDER ID	SUB ACCOUNT NUMBER	HOUSE A/C NO.

OR

CDC INVESTOR ACCOUNT SERVICES ID	CDC INVESTOR ACCOUNT NO.

For Brokers

Broker's Stamp & Code

KSE	01	LSE	02	ISE	03

Code

For Bankers

Banker's Stamp

Bank Code | Branch Code

Application Serial No.

1) I/We apply for the following number of TFCs of Rs.--- per certificate for the value indicated below:

No of TFCs Applied For	Amount Payable in PKR	Cheque/ Demand Draft/Pay Order No

2) I/We agree to accept the same or any smaller number of TFCs that may be allotted to me/us upon the terms as stated in the prospectus. I/We authorize you to send the TFCs to me/us pursuant to this application and if no TFCs or a smaller number of TFCs are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of TFCs not delivered by post at my/our risk to the address written below, or to the Banker to the Issue through which I /we have submitted this application.

For Pakistanis	
Resident	01
Non-resident	02

3) DECLARATION

I/We declare that: i) I am/we are national(s) of _____; ii) I am/We are not minor(s); iii) I/We have not made nor have I/we instructed any other person(s)/institution (s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/we understand that I/we shall not be entitled to the allotment of TFCs if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time.

Yours faithfully,

Signature (s) a) _____ b) _____

4) ALL DETAILS MUST BE WRITTEN IN B L O C K - L E T T E R S IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN

a) Name in Full (as per CNIC)	
Mr. Ms. Mrs. Co. — Please Tick	
Father's / Husband's Name (as per CNIC)	
Identity Number (CNIC / Passport / Registration Number)	
Full Address	
Phone No., if any	Occupation Code ☐ Muslim ☐ Non Muslim ☐
Bank Account No.	Bank Name
Branch Name & Address	
Additional Information - For Non-Resident Pakistanies and Foreign Investors Only	
Place of Issue of Passport	Date of Issue of Passport
Corporate Business Letter enclosed: Yes ☐ No ☐	Nationality Code / Country of Residence

5) FOR JOINT HOLDER, IF ANY

b) Name in Full (as per CNIC)	
Mr. Ms. Mrs. Co. — Please Tick	
Identity Number (CNIC / Passport / Registration Number)	

6) PROFIT PAYMENT/REDEMPTION MANDATE (Optional): Mark tick [✓] in the appropriate boxes Yes [ ] No [ ]

Incase the Applicant intends that if TFCs applied for are issued to him/her/it and the subsequent profit payment and redemption of TFCs by the company, is credited directly in his/her/it bank account, instead of issue of pay order/ crossed cheque, then please fill in the following boxes:

Title of Account	
Account Number	
Bank Name	
Branch Name and Address	

Signature of the Applicant as per the Bank account

(TO BE FILLED IN BY THE APPLICANT'S BANKER)

7.) It is certified that the above-mentioned applicant (s) is/are maintaining account number as mentioned above at this bank branch and his/her/their particulars and signature (s) are correct and verified as per the bank's record and thier CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch.We also confirm that the original CNIC/Passport has been seen by us.
Note: In case the subscription money is paid through a bank other than the bankers to the issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.

Bank's Authorized Signatory
Bank's Rubber Stamp

SPECIMEN SIGNATURE (S) OF THE APPLICANT

	NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)	SPECIMEN SIGNATURE (S)
a)		
b)		

Banker's to the Issue: Provisional acknowledgement of application for TFCs of [NIB Bank Limited.]
Received from Mr/Ms/Mrs. _____ application for _____ TFCs.

Name of Bank	Branch Code	Application Serial No.	Date of Receipt

Signature & Rubber Stamp of Receiving Bank

IMPORTANT: (i) This slip must be retained by the Applicant ii) Please read instructions provided with this application

APPLICATION INSTRUCTIONS FOR INVESTORS

GENERAL INSTRUCTIONS

1. Eligible investors includes:
   a. Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
   b. Foreign Nationals whether living in or outside Pakistan
   c. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
   d. Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
   e. Branches in Pakistan of bank and bodies corporate incorporated outside Pakistan.

2. APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING ATLEAST 62 GM.

3. Copies of Prospectus and application forms can be obtained from the members of Karachi Stock Exchange Limited, the Bankers to the Issue and their branches, the Listing Agent and the registered office of the Bank. The Prospectus and the application forms can also be downloaded from the website: www.nibpk.com and www.arifhabibltd.com

4. The applicants opting for scripless form of TFCs are required to complete the relevant sections of the application. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such TFCs is allowed ONLY in the applicant's own CDC Account. In case of discrepancy between the information provided in the application form and the information already held by CDS, the Bank\ reserves the right to issue TFCs in physical form.

5. Name (s) and address (es) must be written in full block letters, in English and should not be abbreviated.

6. All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.

7. APPLICATIONS MADE BY INDIVIDUAL INVESTORS
   (i) In case of individual investors, an attested photocopy of CNIC (in case of RPs)//Passport (in case of NRPs and FIs) as the case may be, should be enclosed and the number of CNIC/Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence
   (ii) Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the banker to the issue/offer and the applicant's banker (if different from the banker to the issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

8. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS
   (i) Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal/Provincial Government Gazetted Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents
   (ii) Attested photocopies of the documents mentioned in 8(i) must be produced for verification to the banker to the issue and the applicant's banker (if different from the banker to the issue/offer) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application

9. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.

10. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The TFCs will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of TFCs.

11. Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "Initial Public Offering of NIB Bank Limited Term Finance Certificates 2nd Issue" and crossed "A/C PAYEE ONLY".

12. For the applications made through pay order/bank draft, it would be permissible for a banker to the issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.

13. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of TFCs.

14. Applications are not to be made by minors and/or persons of unsound mind.

15. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.

16. Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of TFCs for which the application has been made.

17. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.

18. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the bankers to the issue.

19. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.

ADDITIONAL INSTRUCTIONS FOR FOREIGN/NON-RESIDENT INVESTORS

20. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.

21. Applicants may also subscribe using their Special Convertible Rupee Account (SCRA) as set out under the State Bank of Pakistan's Foreign Exchange Manual.

BASIS OF ALLOTMENT

1. The minimum amount of application for subscription of TFCs is Rs.5,000/- Application for TFCs below the total value of Rs.5,000/-shall not be entertained.
2. Application for TFCs must be made for 5,000/- TFCs or in multiple thereof only. Applications, which are neither for 5,000/-TFCs nor for multiple thereof, shall be rejected.
3. Allotment/Transfer of TFCs to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
4. Allotment of TFCs shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Registrar will dispatch TFCs to successful applicants or credit the respective CDS accounts of the successful applicants (as the case maybe). Therefore, applicants are advised to fill in accurate mailing address and CDS account details, if any.

7. BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	Allied Bank Ltd	06	MCB Bank Ltd
02	Askari Bank Ltd	07	NIB Bank Ltd
03	Bank Alfalah Ltd	08	Sindh Bank Ltd
04	Bank Al Habib Ltd	09	Soneri Bank Ltd
05	Faysal Bank Ltd	10	The Bank of Punjab

8. OVERSEAS BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01		06	
02		07	
03		08	
04		09	
05		10	

9. OCCUPATION CODE

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Other

10. NATIONALITY CODE

Code	Name of Banks	Code	Name of Banks
001	U.S.A	006	Iran
002	U.K	007	Bangladesh
003	U.A.E	008	China
004	K.S.A	009	Bahrain
005	Oman	010	Other

For further queries you may contact: Mr. Ather Ali Khan, Company Secretary, Dir: +92-21-35277151, Email: ather.ali@nibpk.com, Fax: +92-21-35277320



NIB Bank Limited
Annual Report 2014

NIB Bank

Contents

Company Information	2
Notice of Annual General Meeting	3
Directors' Report to the Shareholders	5
Statement of Compliance with Code of Corporate Governance	9
Statement on Internal Controls	11
Auditors' Review Report on Statement of Compliance	14
Auditors' Report to the Members on Unconsolidated Financial Statements	15
Unconsolidated Statement of Financial Position	17
Unconsolidated Profit and Loss Account	18
Unconsolidated Statement of Comprehensive Income	19
Unconsolidated Statement of Changes in Equity	20
Unconsolidated Statement of Cash Flows	21
Notes to the Unconsolidated Financial Statements	23
Auditors' Report to the Members on Consolidated Financial Statements	111
Consolidated Statement of Financial Position	112
Consolidated Profit and Loss Account	113
Consolidated Statement of Comprehensive Income	114
Consolidated Statement of Changes in Equity	115
Consolidated Statement of Cash Flows	116
Notes to the Consolidated Financial Statements	118
Financial and Management Services (Private) Limited	202
Auditors' Report to the Members	203
Balance Sheet	205
Profit and Loss Account	206
Pattern of Shareholding	207
Branch Network	210
Proxy Form	

Company Information

Board of Directors	Teo Cheng San, Roland	Chairman
	Tejpal Singh Hora	Director
	Chia Yew Hock, Wilson	Director
	Ong Kian Ngee	Director
	Asif Jooma	Director
	Najmus Saquib Hameed	Director
	Muhammad Abdullah Yusuf	Director
	Atif R. Bokhari	Director & President / CEO
Board Audit Committee	Muhammad Abdullah Yusuf	Chairman
	Chia Yew Hock, Wilson	Member
	Najmus Saquib Hameed	Member
Board Risk Management Committee	Tejpal Singh Hora	Chairman
	Ong Kian Ngee	Member
	Asif Jooma	Member
	Atif R. Bokhari	Member
Board Human Resource Committee	Teo Cheng San, Roland	Chairman
	Ong Kian Ngee	Member
	Asif Jooma	Member
	Atif R. Bokhari	Member
Company Secretary	Ather Ali Khan	
Chief Financial Officer	Yameen Kerai	
Registered Office	First Floor, Post Mall F-7 Markaz, Islamabad	
Head Office	PNSC Building M.T. Khan Road Karachi-74000 UAN: +9221 111 333 111	
Email & URL	Email: info@nibpk.com URL: www.nibpk.com	
Share Registrar Office	THK Associates (Pvt.) Limited State Life Building No. 3 Dr. Ziauddin Ahmed Road Karachi-75530 UAN: +9221 111 000 322	
Auditors	M/s. KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisor	M/s. Mandviwalla & Zafar Advocates	
Credit Rating	Long Term:	AA-
	Short Term:	A1+
	Rating Agency:	PACRA

Notice of Annual General Meeting

Notice is hereby given that the Twelfth Annual General Meeting (AGM) of NIB Bank Limited ("the Bank") shall be held at 3:30 pm on Friday, 27 March 2015, at Islamabad Serena Hotel, Khayaban-e-Suhrawardy, Islamabad, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on 28 March 2014.
2. To receive, consider and adopt the Audited Accounts of the Bank for the year ended 31 December 2014 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors and fix their remuneration. M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have offered themselves for re-appointment.
4. Any other business with the permission of the Chair.

By Order of the Board

Karachi
6 March 2015

Ather Ali Khan
Company Secretary

Notes:

1. **Closure of Share Transfer Books:**

   Share Transfer Books of the Bank will remain closed from 19 March to 27 March 2015 (both days inclusive).

2. **Proxies / Participation in the Annual General Meeting:**

   A shareholder entitled to attend and vote at this meeting may appoint another shareholder as his / her proxy to attend and vote. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with a proxy form to the Bank.

   Proxies of the shareholders through CDC shall be accompanied with attested copies of their Computerized National Identity Card (CNIC) or passport. In case of a corporate entity, the Board's Resolution / power of attorney with specimen signature shall be furnished, along with a proxy form, to the Company. The shareholders through CDC are requested to bring their original CNIC / passport, account number and participant account number at the time of attending the meeting. Detailed guidelines are available in Circular 1 of 26 January 2000 issued by SECP.

   In order to be effective, proxies must be received at the Head Office of the Bank situated at PNSC Building, M.T. Khan Road, Karachi, Pakistan, not later than 48 (forty eight) hours before the time of the meeting, and must be duly stamped, signed and witnessed.

3. **Change of Address:**

   Shareholders are requested to notify the Bank or Shares Registrar of any change in their addresses immediately.

4. **Submission of Copy of CNIC (Mandatory):**

   In accordance with SECP's directives, it is mandatory for all shareholders to have their valid CNIC number recorded with the company. Further, please note that in the absence of a shareholder's valid CNIC, the Company will be obligated to withhold dispatch of dividend warrants (if any) to such shareholders. Shareholders holding physical shares who have not yet submitted their valid CNICs are requested to provide attested, clear copies of their valid CNICs with their folio numbers to the Company's Shares Registrar.

5. **Dividend Mandate (Optional):**

   Under Section 250 of the Companies Ordinance, 1984, a shareholder may, if he / she so desires, direct the Company to pay dividend through his / her / its bank account. In pursuance of the directives given by SECP vide Circular No. 18 of 2012 dated 5 June 2012, kindly authorize the company to directly credit your cash dividend to your account. If you want to avail the direct credit facility for a dividend amount, please provide the necessary information to the Company's Shares Registrar using the format available on the Bank's website. (Link: http://nibpk.com/about-us/wp-content/uploads/2014/03/Dividend-E-Mandate-Option.pdf) Please note that providing a bank mandate for dividend payments is optional. In case you do not wish to avail this facility please ignore this notice. Your dividend will be paid through a dividend warrant at the registered address.

Electronic Payment of Dividend / E-mandate (Optional):

For more efficient cash dividend disbursement, SECP, through its Circular No. 8(4) SM/CDC 2008 of 5 April 2013, has announced an e-dividend mechanism where shareholders can have their dividend credited directly into their respective bank accounts electronically by authorizing the Company to electronically credit their dividend to their accounts. Accordingly, CDC shareholders are requested to send their bank account details to their respective participant / investor account services. In case you hold shares in physical form, please send your details to the Company's Shares Registrar using the format mentioned above.

6. **Deduction of Withholding Tax on Dividend Income under Section 150 / Finance Act 2014:**

Pursuant to the provisions of Finance Act 2014, certain amendments in Section 150 of the Income Tax Ordinance, 2001, whereby different rates are prescribed for deduction of withholding of tax on dividend income by the Government of Pakistan. As per this criteria, 'Filer' and 'Non-Filer' shareholders withholding tax will be deducted on dividend income at the rates of 10% and 15% respectively.

Shareholders are therefore requested to please check and ensure Filer status on the Active Tax Payer List (ATL) available on the FBR website http://www.fbr.gov.pk as well as ensuring that their CNIC / passport number has been recorded by the participant / investor account services, in case your shareholding is in book entry form. Please inform the Company's Shares Registrar in case your shareholding is in physical form. Corporate bodies (non-individual shareholders) should ensure that their names and National Tax Numbers (NTN) are included in the ATL on the FBR website and recorded by respective participant / investor account services, or in case of physical shareholding, by the Company's Shares Registrar.

7. **Transmission of Annual Financial Statements via Email:**

In pursuance of the directions given by SECP vide SRO 787 (I)/2014 dated 8 September 2014, shareholders who desire to receive Annual Financial Statements via email in future instead of by post are advised to provide formal consent along with a valid email address on a standard request form which is available on the Company's website (Link: http://nibpk.com/about-us/wp-content/uploads/2014/03/NIB-Bank-Annual-Financials-through-Emails.pdf)

Shareholders must send a completed and signed copy of this form, along with a copy of their CNIC / PoA to the Company's Shares Registrar. Please note that providing an email address for the purpose of receiving Annual Financial Statements via email is optional. In case you do not wish to avail this facility, please ignore this notice. Annual Financial Statements will be sent to your registered address by post as per normal practice.

8. **Video Conference Facility**

In pursuance of SECP Circular 10 of 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the company will arrange a video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding the video conference facility venue at least 5 days before the date of the AGM along with the complete information needed to access the facility. Therefore, members can avail video conference facilities at Karachi or Lahore. If you would like to avail video conferencing facility, as per above, please send your consent to the Company Secretary at least 10 days before the AGM.

9. **Contact Addresses:**

Company Contact: Company Secretary, NIB Bank Limited, PNSC Building, M.T. Khan Road, Karachi, Pakistan (UAN: +9221 111 333 111)

Shares Registrar Contact: THK Associates (Pvt.) Limited, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi, Pakistan (UAN: +9221 111 000 322)

THE ECONOMY

The key economic indicators in Pakistan witnessed a positive movement following the global decline in commodity prices. Despite flash floods in parts of the country disrupting supplies, the Commodity Price Index continued its downward trajectory falling to 4.3% in December 2014 compared to 9.2% in December 2013. All major price indices declined sharply during the latter half of the year with the Wholesale Price Index, an indicator of imported inflation, turning negative to -0.9% in December 2014 as against an increase of 8.9% for the same period last year.

Pakistan being a net importer of oil will be a major beneficiary of the decline in crude oil prices. However, due to the lag effect of the oil price decline, higher non-oil imports and a slight decline in exports, the trade and current account deficits in the last half of 2014 calendar year widened by 13% and 18% year on year respectively. Going forward, if crude oil prices remain at or below the USD 55 per barrel level, the external account is expected to improve.

Fresh inflows, particularly for portfolio investments have lowered the reliance on borrowings from IFIs. The Balance of Payments showed a surplus of USD 485 mn in the second half of calendar 2014 compared to a deficit of USD 1,986 mn in corresponding period 2013. Consequently USD reserves crossed the USD 15 bn mark in December 2014 raising import cover to 1.63 months against 0.69 in December 2013.

Higher foreign currency liquidity with net foreign assets (NFA) increasing by Rs 32 bn in the last six months of 2014 compared to a decline of Rs 245 bn in the same period last year, led to lower reliance on monetization for financing the fiscal deficit thus containing money supply growth and as a consequence inflation.

Based on lower inflation and the improving external account position, the SBP reduced the policy rate by 50 bps in November 2014 and a further 100 bps in January 2015 to the current level of 8.50%. To further support private sector credit growth the SBP has also reduced the export refinance rate from 7.5% to 6% in February 2015.

BANKING SECTOR

In line with the IMF proposed framework, government borrowing from the SBP has declined considerably. Nevertheless persistent deficit financing needs and higher yields made it attractive for banks to continue investing in Government securities, leaving little room for private sector credit growth. With a year on year increase in bank deposits of 10% during 2014, investment portfolios of banks grew by 23% YoY. With bond yields declining sharply, lower borrowing costs and a relatively stable economic scenario, private sector credit off take is expected to improve in the future. With low growth in fresh private sector lending in recent years, the NPL infection and provision cover ratios have remained stable. The continuing domestic energy shortage and security issues are likely to curtail a major improvement in the infection ratio.

OPERATING RESULTS

The Bank's focus at building a strong customer centric franchise around Wholesale, Commercial and Consumer Banking translated into a core revenue growth of 17% in 2014 compared to the same period last year.

In the Wholesale segment the focus remained on aligning with sectors of the economy witnessing higher levels of activity, building sustainable client-driven revenues by offering a suite of products to maximise revenue generation. The revenue challenge posed due to shrinking interest spreads in the Corporate customer segment was addressed by emphasizing on non-funded revenue. Trade related revenue, a strong product focus, combined with income from advisory and syndications led to strong growth in non-funded income in 2014, significantly improving the Bank's risk-adjusted returns from Corporate customers. Through money market activity and by positioning itself in longer term bonds, the Bank was able to reap the benefits of a declining interest rate environment in 2014. Vibrant bond market activity, led to NIB Bank being recognized as the Number 1 Primary Dealer in 2014 by the State Bank of Pakistan. A noteworthy achievement given the Bank's ranking in the industry in terms of balance sheet size.

Growing the Commercial client segment was a key focus area in 2014. Dedicated branches in key trade and business areas with experienced human resource enabled the addressal of specific and unique needs of customers in this highly competitive business segment. With effective Operations and Risk management support, the Bank is delivering quality service to customers. Commercial client business is showing impressive growth with trade volumes increasing by 66% between 2013 and 2014 while also providing a stable base of current and core deposits. Despite significant competition from well-established banks, NIB is fast establishing a meaningful presence in this customer segment.

The Consumer Banking strategy to build a low cost sustainable deposit base has contributed to the Bank's current accounts increasing by Rs 5.2 bn during the year. Consumer Banking has also contributed towards a reduction of the Bank's cost of funds by 0.45% between December 2013 and December 2014. The Bank has made significant investments

in the branch network infrastructure, technology and people over the last few years. Coupled with providing a wide range of Consumer products with a high quality service focus emphasizing on cross-sell, the Consumer business is well-poised to increase its market share in all products going forward, especially deposits. Non-funded income driven by fixed income/FX sales, bancassurance and other services has been a major contributor to consumer banking revenues in 2014. On the assets side, the strategy is predicated on booking secured and unsecured loans to achieve a healthy portfolio yield within robust risk parameters.

On an unconsolidated basis the Bank's revenue of Rs 7,745 mn in 2014 grew by 25% over 2013 with the non-funded component increasing by 18% (excluding dividends from subsidiary and associates). Administrative expenses grew by 15%, resulting in an operating profit (before net credit and other provisioning) increase of 88% compared to the previous year. In 2013, credit provisions of Rs 684 mn for a major corporate group were reversed as a result of successful performance post-restructuring. However, in 2014 the provisions had to be reinstated due to non-performance of restructured terms. Removing this impact from both years reduces the swing in net credit provisioning in the two years to Rs 920 mn, mainly due to lower than anticipated recoveries in the fourth quarter. The Bank continues to aggressively recover loans from defaulting customers in the form of cash or property with the stock of non-performing loans reducing by Rs 5,177 mn over the last 3 years.

The Bank recorded higher operating profit in 2014 compared to 2013. However, after tax loss of Rs 508 mn in 2014 compared to a profit after tax of Rs 1,241 mn in 2013 has been impacted by higher net provisioning, lower investment impairment reversals and an additional tax charge to maintain the deferred tax asset at a prudent level.

On a consolidated basis, the Bank recorded loss after tax of Rs 621 mn in 2014 (2013: profit after tax of Rs 1,580 mn).

To further strengthen its regulatory capital base, the Bank issued Tier2 Capital in the form of Term Finance Certificates of Rs 4.2 bn in June 2014. The incremental capital buffer will not only support future loan growth but will also help the Bank to comply with the stricter Basel III capital requirements.

Despite challenging economic conditions, your Bank has demonstrated a growth momentum through its strong customer orientation. With a refreshed logo and image, a motivated and experienced management team and staff, as businesses continue to implement their respective strategies, the Bank's current geographical footprint, range of products, human capital and IT infrastructure have a capacity collectively to generate increasing revenues and profits. The recoveries from its large stock of non-performing loans will also continue to augment performance.

CREDIT RATING

The Pakistan Credit Rating Agency (PACRA) has maintained the long term rating and short term rating of NIB Bank at **"AA-" (Double A minus)** and at **"A1+" (A one plus)** respectively in June 2014.

PACRA has assigned rating of **"A+" (Single A plus)** to the listed, unsecured and subordinated TFC issue of Rs 4,198 mn.

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

CORPORATE GOVERNANCE

During the year under review, the Bank was compliant with the provisions of the Code of Corporate Governance. Being aware of their responsibilities under the Code of Corporate Governance, the Board of Directors state that:

The Financial Statements prepared by the management of the Bank, present fairly its state of affairs, the 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 preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed and explained.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the Bank's ability to continue as a going concern.

In 2014, one director has completed the "Corporate Governance Leadership Skills" directors' education program offered by the Pakistan Institute of Corporate Governance, as required by the Code. Orientation Programs were planned, unfortunately due to the security situation in the country, it could not be held at the arranged dates.

There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations of Stock Exchanges.

As of 31 December 2014, the purchase value and value of investments of the Provident Fund were Rs 953,753,030/- and Rs 982,226,813/- respectively (unaudited).

Trading during the year, if any, in the shares of the Bank, carried out by Directors, Executives and their spouses and minor children, are disclosed in the pattern of shareholding.

Dividend has not been declared for the year due to lack of earnings.

Six years' financial data for NIB Bank on an unconsolidated basis is provided hereunder:

Rs mn	2014	2013	2012	2011	2010	2009
Advances	93,664	82,001	71,564	60,844	74,566	84,021
Deposits and other accounts	105,110	104,896	91,291	85,488	99,169	93,920
Total Assets	193,568	177,325	190,609	154,794	164,350	208,119
Net Assets	15,655	14,476	14,029	13,677	13,663	41,528
Share capital	103,029	103,029	103,029	103,029	40,437	40,437
Net Mark-up / Interest Income	3,817	3,286	2,856	2,079	2,949	5,400
Total Non Mark-up / Interest income	3,929	2,906	2,422	2,152	1,715	1,682
Total Non Mark-up / Interest expense	6,303	5,418	5,233	4,945	7,235	5,243
Profit / (Loss) before taxation	(84)	1,625	145	(3,480)	(12,622)	644
Profit / (Loss) after taxation	(508)	1,241	38	(2,044)	(10,112)	691
Basic / diluted earnings / (loss) per share (Rupees)	(0.05)	0.12	0.004	(0.34)	(2.50)	0.17

During 2014 the following Board and sub-committees meetings were held and were attended by the Directors as follows:

Name of Directors	Board Meetings		Audit Committee Meetings		Risk Management Committee Meetings		Human Resource Management Committee Meetings	
	Eligible to attend	Meetings Attended	Eligible to attend	Meetings Attended	Eligible to attend	Meetings Attended	Eligible to attend	Meetings Attended
Teo Cheng San, Roland	5	5	-	-	-	-	5	5
Tejpal Singh Hora	5	5	-	-	4	4	-	-
Chia Yew Hock Wilson	5	5	5	5	-	-	-	-
Ong Kian Ngee	5	4	-	-	2	1	5	4
Asif Jooma	5	5	-	-	4	3	5	5
Muhammad Abdullah Yusuf	5	5	5	5	-	-	-	-
Najmus Saquib Hameed	5	5	5	5	-	-	-	-
Badar Kazmi	5	4	-	-	4	3	5	3
Yameen Keral*	1	1	-	-	1	1	2	2

** Mr Yameen Keral had assumed the charge of Acting CEO, due to illness of Mr Badar Kazmi during 20 December 2013 to 3 April 2014.*

Leave of absence was granted in case the directors were not able to attend the meeting.

INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

The Board is pleased to endorse the statements made by the management relating to internal control and the risk assessment framework to meet the requirement of the State Bank of Pakistan (SBP) BSD Circular No. 7 of 2004, BSD Circular letter No. 2 of 2005 and Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan (SECP). The management's statements are included in the annual report.

CORPORATE SOCIAL RESPONSIBILITY

NIB Bank, as a responsible corporate citizen, plays an active role in supporting different social causes in Pakistan, through its Donations, Contributions and Corporate Social Responsibility (CSR) efforts.

The focus of our CSR activities is on the following areas:

- Education
- Community Health
- Disaster Response (Earthquakes, Floods etc.)
- Environmental projects and Initiatives directed at preserving
- Promoting Pakistan Culture

In 2014, two notable projects in this regard are our association with the Karachi Literature Festival and the Islamabad Literature Festival. Moreover, our sponsorship of less privileged students at LUMS continued through the NIB Endowment Fund created at LUMS.

AUDITORS

The present auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants retire and, being allowed have offered themselves for re-appointment in the forthcoming Annual General Meeting. The Board of Directors on the suggestion of the Audit Committee recommends their appointment for the next term.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at 31 December 2014 is included in the annual report.

ACKNOWLEDGMENT

NIB is grateful to its customers for their continued support. The Bank would also like to acknowledge the unstinting support from its shareholders. NIB would especially like to recognize and applaud the efforts of its employees for their hard work in delivering consistently improving operating performance and more importantly for living its values of Responsive, One Bank, Integrity and Excellence. The Board would like to thank Mr Badar Kazmi for his contribution during his term as President/Director of NIB Bank and wish him the best for the future. As his successor, the Board welcomes Mr Atif Bokhari assuring him all its support in taking the Bank to a higher level of performance. We also appreciate the guidance and continued support from our regulators State Bank of Pakistan and SECP.

On behalf of the Board

Teo Cheng San, Roland
Chairman

Atif R. Bokhari
President & CEO

Statement of Compliance with Code of Corporate Governance For the year ended December 31, 2014

This statement is being presented to comply with Code of Corporate Governance (CCG) contained in Regulation # 35 of Listing Regulations of 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 of Corporate Governance (CCG) in the following manner:

1. The Bank encourages representation of independent Non-executive Directors on its Board including those representing minority interests. At present the Board includes:

Category	Name
Independent Directors	Teo Cheng San, Roland Asif Jooma Muhammad Abdullah Yusuf Najmus Saquib Hameed
Non-executive Directors	Tejpal Singh Hora Chia Yew Hock, Wilson Ong Kian Ngee
Executive Director	Atif R. Bokhari

The independent directors meet the criteria of independence under the clause i(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Bank.

3. All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or Non Banking Finance Institutions. None of the directors of the Bank are members of any Stock Exchange.

4. No casual vacancy occurred during 2014. On 7 January 2015, Mr Atif R. Bokhari has been appointed as President & CEO / Director, in place of Mr Badar Kazmi.

5. The Bank has prepared a "Code of Conduct" and has ensured appropriate steps have been taken to disseminate it through the company along with its supporting policies and procedures.

6. The Bank has established a Strategic Intent, and agreed on Brand Values which are expected to be demonstrated by all NIB Bank employees. Both, the Strategic Intent and Values, are duly approved by the Board. A complete record of particulars of significant policies along with the dates on which these were approved is being maintained.

7. 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 and Non-executive Directors have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman. The Board held five meetings during the year (including the required quarterly meetings). Written notices of Board meetings, along with agenda, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated. The CFO and Company Secretary attended all the meetings of the Board of Directors during the year.

9. In 2014, one director has completed the "Corporate Governance Leadership Skills" directors' education program offered by the Pakistan Institute of Corporate Governance, as required by the Code. An Orientation Program was planned, unfortunately it could not be held at the arranged dates due to the security situation in the country.

10. The Board had approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit and the terms and conditions of their employment, determined by the CEO, are duly authorized by the Board of Directors. No new appointments during 2014.

11. The Directors' report has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

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

13. 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.

14. The Bank has complied with all the corporate and financial reporting requirements of the CCG.

15. The Audit Committee comprises of three members, all of whom are non-executive directors (2 are independent including Chairman).

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Bank as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. During the year, the Risk Management sub-committee of the Board comprising of 4 members (1 independent 2 non-executive and 1 executive director) met 4 times, whereas the HR sub-committee of the Board comprising of 4 members (2 independent, 1 non-executive and 1 executive director) met 5 times.

18. The Bank has an effective Internal Audit department. An Internal Audit Policy is approved by the Board. The Internal Audit department has conducted audit of branches and various departments of the Bank during the year.

19. 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 the Institute of Chartered Accountants of Pakistan.

20. 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.

21. 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 exchanges.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all the material principles contained in the CCG, explained above, have been complied with.

Atif R. Bokhari
President & CEO

Statement on Internal Controls
For the year ended December 31, 2014

NIB Bank

Internal Control System

Management acknowledges its responsibility for establishing and maintaining a system of internal controls directly related to, and designed for, providing reasonable assurance to achieve following objectives:

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

The Bank has strengthened its internal control system by enhancing the quality of processes, staff and IT infrastructure and will continue to do so as it grows its business volumes and activities.

The Bank is pleased to make the following disclosures on components of its internal control system:

Control Environment

1. The Bank has written and implemented policies, procedures, manuals and other documents for most areas of the Bank's business.

2. The Bank has established a Strategic Intent, and agreed on Values which are expected to be demonstrated by all NIB Bank employees. Both, the Strategic Intent and Values, are duly approved by the Board.

3. A governance structure exists that supports clear lines of command, communication and controls.

4. Roles and responsibilities of key management personnel have been defined.

5. The Audit Committee, which comprises of non-executive directors, has written terms of reference and reports to the Board. It reviews the approach adopted by the Bank's internal audit group and the scope of, and the relationship with, external auditors. It also regularly receives summary of reports from the internal audit group and the external auditors on the system of internal controls and any material control weaknesses that have been identified. Chairman of the Audit Committee also presents highlights of Audit Committee discussions to the Board of Directors with emphasis on any areas of concern.

6. An effective internal audit process exists responsible for evaluation of the Bank's internal control system on a continuous basis. The head of internal audit reports directly to the Chairman of Audit Committee.

7. The Bank has adopted a code of conduct that is required to be signed by all employees. Furthermore, the Directors have also signed a code of conduct.

8. Management has set up an effective compliance function to ensure ongoing monitoring of the Bank's adherence with all laws and regulations. Head of compliance function directly reports to the CEO/President of the Bank as per regulatory requirements.

9. The Bank has also developed a Compliance Risk Management (CRM) tool whereby applicable regulations are tagged to relevant stakeholders entrusted with ownership of specific controls designed to mitigate regulatory risks. The underlying controls are periodically tested by means of a process of self-assessment.

Risk Assessment

10. The Bank is compliant with the risk management guidelines issued by the SBP.

Control Activities

11. The Bank has developed a Business Continuity Plan and tests the Plan at periodic intervals.

12. The Bank has strict KYC/CDD and AML/CFT, FATCA and Fraud Management policies, and has an automated transaction monitoring system, anti-fraud, KYC/AML, FATCA training programs, and controls in place. The Bank continues to use an e-KYC form and automated transaction monitoring to further strengthen its KYC/AML regime.

13. The Bank has completed SBP implementation Roadmap and other guidelines regarding Internal Controls over Financial Reporting (ICFR).

Information and Communication

14. The Bank has a functioning Management Information System and has developed Key Performance Indicators for its businesses enabling it to monitor budget versus actual performance.

Monitoring

15. Internal Audit periodically carries out audits for branches and Head Office functions to monitor compliance with the Bank's standards.

16. Management gives due consideration to recommendations made by internal & external auditors as well as those made by the regulators relating to improvements in the internal control system.

Based on the results of an evaluation of the internal control system and key features of the control framework enumerated above, management is of the view that the internal control system during the year was acceptable in design and has been effectively implemented throughout the year.

It is pertinent to state that development of an internal control system is an ongoing process through which management reviews and strengthens its internal controls, designed to manage and mitigate risks, and to also recognize and contain inherent risks. As such, it can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management Framework

The acceptance and management of financial risk is inherent to banking business activities. It involves the identification, measurement, monitoring and controlling of Risk.

In accordance with the Risk Management guidelines issued by the SBP, an Integrated Risk Management Group in the Bank formulates risk management Policies and Procedures in line with the Bank's defined strategies and to monitor the following areas:

a) Credit Risk Management
b) Market and Liquidity Risk Management
c) Operational Risk Management

Credit Risk Management (CRM)

CRM is viewed as an ongoing activity where credit risks are regularly identified, measured, assessed and controlled. Regular portfolio reviews determine the quality of the credit portfolio on an ongoing basis and assist in balancing risk and reward. To oversee and manage credit risks appropriately, the Credit Risk Committee has been established at the Head Office and comprises of members with credit, industry and business expertise.

In order to achieve earnings targets with a high degree of reliability and to avoid losses through a strong credit process, Credit Risk Policies have been developed and implemented. These Credit Policies are under constant review and updated, thereby establishing a robust credit control environment.

Market Risk Management (MRM)

MRM is a control function which allows management to closely supervise and monitor risks caused by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices, resulting in a potential loss to earnings and capital.

The Market and Liquidity Risk Unit under the supervision of Integrated Risk Management Group, is responsible for ensuring that market risk parameters are properly adhered to.

In order to ensure adequate controls for money market, foreign exchange and equity transactions, a comprehensive control mechanism has been implemented by restructuring the limit mechanism and introducing notional as well as sensitivity based limits.

Operational Risk Management (ORM)

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems and from external events. The Bank has an Operational Risk Framework duly approved by the Board which is reviewed after every two years. The Bank has an Operational Risk System and implemented an Operational Risk Framework aligned to international best practices. The Bank is using Key Risk Indicators, Risk & Control Self- Assessment and capturing Operational Incidents as tools for identification, monitoring, and management of operational risk. The Bank has further strengthened this area by embedding Internal Control over Financial Reporting (ICFR) testing in Operational Risk System and emphasizing on training, adding experienced staff, focusing on building robust processes and introducing a strong monitoring system as part of the risk management process.

Atif R. Bokhari
President & CEO

Auditors' Review Report to the Members on Statement of Compliance with Best Practices of 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 of NIB Bank Limited for the year ended 31 December 2014 to comply with the requirements of Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges 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 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' statement 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 the approval of the 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 2014.

Further, we highlight below instance of non-compliance with the requirements of the Code as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Paragraph reference	Description
09	The Directors Orientation Program was not conducted during the year.

Date: 25 February 2015
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Auditors' Report to the Members

We have audited the annexed unconsolidated statement of financial position of NIB Bank Limited (the Bank) as at 31 December 2014 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 then ended, in which are incorporated the unaudited certified returns from the branches except for 29 branches which have been audited by us 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 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 amounts and disclosures in the financial statements. An audit also includes assessing 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 the 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 accounts have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;

b) in our opinion:

   i) the statement of financial position and 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 accounting policies consistently applied;

   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 respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2014 and its true balance of loss, comprehensive income, its cash flows and 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: 25 February 2015
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

NIB Bank Limited
Unconsolidated Statement of Financial Position
As at December 31, 2014

	Note	2014	2013
		(Rupees '000')	
ASSETS			
Cash and balances with treasury banks	7	8,063,675	8,006,105
Balances with other banks	8	587,428	692,177
Lendings to financial institutions	9	7,699,646	2,127,516
Investments	10	59,944,107	61,058,886
Advances	11	93,664,036	82,000,586
Operating fixed assets	12	2,996,530	2,836,105
Intangible assets	13	1,197,785	1,438,252
Deferred tax assets - net	14	10,139,376	11,249,886
Other assets	15	9,275,375	7,915,126
		193,567,958	177,324,639
LIABILITIES			
Bills payable	16	2,740,528	2,862,663
Borrowings	17	62,750,894	51,506,673
Deposits and other accounts	18	105,109,980	104,896,065
Sub-ordinated loans	19	4,197,195	–
Liabilities against assets subject to finance lease		–	–
Deferred tax liabilities		–	–
Other liabilities	20	3,114,267	3,583,044
		177,912,864	162,848,445
NET ASSETS		15,655,094	14,476,194
REPRESENTED BY:			
Share capital	21	103,028,512	103,028,512
Reserves		474,123	474,123
Discount on issue of shares		(45,769,623)	(45,769,623)
Accumulated loss		(43,294,117)	(42,790,164)
Shareholders' equity		14,438,895	14,942,848
Surplus / (Deficit) on revaluation of assets - net	22	1,216,199	(466,654)
		15,655,094	14,476,194
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Unconsolidated Profit and Loss Account
For the year ended December 31, 2014

	Note	2014	2013
		(Rupees '000')	
Mark-up / Return / Interest earned	24	15,071,457	13,169,697
Mark-up / Return / Interest expensed	25	11,254,631	9,883,452
Net Mark-up / Interest income		3,816,826	3,286,245
Provision / (Reversal) against non-performing loans and advances	11.5	1,536,501	(751,027)
Reversal for diminution in the value of investments	10.12	(11,561)	(105,001)
Bad debts written off directly		2,421	4,451
		1,527,361	(851,577)
Net Mark-up / Interest income after provisions		2,289,465	4,137,822
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		1,616,869	1,271,045
Dividend income		1,126,012	522,888
Income from dealing in foreign currencies		567,181	543,436
Gain on sale of securities - net	26	509,014	493,513
Unrealized gain on revaluation of investments classified as held-for-trading		-	-
Other income	27	89,578	75,121
Total Non Mark-up / Interest income		3,928,654	2,906,003
		6,218,119	7,043,825
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses	28	6,096,098	5,305,872
Other provisions / write offs		140,376	68,702
Other charges	29	66,075	43,984
Total Non Mark-up / Interest expenses		6,302,549	5,418,558
Extraordinary / Unusual items		-	-
(LOSS) / PROFIT BEFORE TAXATION		(84,430)	1,625,267
Taxation - Current	30	215,001	160,757
- Prior years	30	10,851	148,339
- Deferred	30	197,477	75,000
		423,329	384,096
(LOSS) / PROFIT AFTER TAXATION		(507,759)	1,241,171
Accumulated loss brought forward		(42,790,164)	(43,847,814)
ACCUMULATED LOSS CARRIED FORWARD		(43,297,923)	(42,606,643)
Basic / diluted (loss) / earnings per share (Rupees)	31	(0.05)	0.12

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Unconsolidated Statement of Comprehensive Income
For the year ended December 31, 2014

	2014	2013
	(Rupees '000')	
(Loss) / Profit after taxation for the year	(507,759)	1,241,171
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial gain on remeasurement of defined benefit obligation	3,806	3,153
Comprehensive (loss) / income - transferred to statement of changes in equity	(503,953)	1,244,324
Components of comprehensive income not reflected in equity		
Surplus / (deficit) on revaluation of available for sale securities - net of tax	1,682,853	(858,312)
Total comprehensive income for the year	1,178,900	386,012

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Unconsolidated Statement of Changes in Equity
For the year ended December 31, 2014

	Share capital	Discount on issue of shares	Reserves			Total
			Capital	Revenue		
			Statutory reserve (a)	General reserve	Accumulated loss	
	(Rupees '000')					
Balance as at December 31, 2012	103,028,512	(45,769,623)	220,417	5,472	(43,847,814)	13,636,964
Total comprehensive income for the year						
Profit after taxation for the year	-	-	-	-	1,241,171	1,241,171
Other comprehensive income						
Actuarial gain on remeasurement of defined benefit obligation	-	-	-	-	3,153	3,153
	-	-	-		1,244,324	1,244,324
Contribution by and distribution to owners						
Share based payment transaction	-	-	-	-	61,560	61,560
Transfer to statutory reserve	-	-	248,234	-	(248,234)	-
Balance as at December 31, 2013	103,028,512	(45,769,623)	468,651	5,472	(42,790,164)	14,942,848
Total comprehensive income / (loss) for the year						
Loss after taxation for the year	-	-	-	-	(507,759)	(507,759)
Other comprehensive income						
Actuarial gain on remeasurement of defined benefit obligation	-	-	-	-	3,806	3,806
	-	-	-	-	(503,953)	(503,953)
Balance as at December 31, 2014	103,028,512	(45,769,623)	468,651	5,472	(43,294,117)	14,438,895

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

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Unconsolidated Statement of Cash Flows
For the year ended December 31, 2014

	2014	2013
	(Rupees '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(84,430)	1,625,267
Dividend income	(1,126,012)	(522,888)
	(1,210,442)	1,102,379
Adjustments for non-cash items		
Depreciation	300,454	282,169
Amortization	339,994	336,576
Share based payment	-	61,560
Gain on sale of securities	(509,014)	(493,513)
Gain on sale of operating fixed assets	(36,573)	(38,999)
Gain from insurance against loss of fixed assets	(162)	(7,416)
Provision against non-performing loans and advances	1,536,501	(751,027)
Bad debts written off directly	2,421	4,451
Worker's Welfare Fund	32,505	-
Fixed assets written off	-	805
Reversal for diminution in the value of investments	(11,561)	(105,001)
Other provisions / write offs	140,376	68,702
	1,794,941	(641,693)
	584,499	460,686
(Increase) / Decrease in operating assets		
Lendings to financial institutions	(5,572,130)	1,313,394
Advances	(13,202,372)	(9,689,773)
Other assets (excluding advance taxation)	(1,511,320)	(1,761,459)
Increase / (Decrease) in operating liabilities		
Bills payable	(122,135)	432,633
Borrowings	11,244,221	(24,672,392)
Deposits and other accounts	213,915	13,604,831
Other liabilities	(497,454)	824,825
	(8,862,776)	(19,487,255)
Income tax paid	(215,156)	(257,283)
Net cash flow used in operating activities	(9,077,932)	(19,744,538)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	9,127,520	20,659,522
Net investments in held-to-maturity securities	(4,975,031)	2,964,302
Net investments in associates	78,750	(2,105,675)
Net investments in Subsidiary	-	2,105,675
Dividend received	1,126,012	522,888
Payments for capital work in progress	(327,379)	(263,003)
Acquisition of property and equipment	(268,228)	(161,355)
Acquisition of intangible assets	-	(125)
Sale proceeds of property and equipment disposed off	70,906	72,610
Recovery from Insurance company against loss of assets	1,030	8,474
Net cash flows from investing activities	4,833,580	23,803,313

	Note	2014	2013
		(Rupees '000')	
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt / (Redemption) of sub-ordinated loans		4,197,195	(3,992,800)
Dividend paid		(22)	(1,409)
Net cash flow from / (used in) financing activities		4,197,173	(3,994,209)
Net (decrease) / increase in cash and cash equivalents		(47,179)	64,566
Cash and cash equivalents at beginning of the year		8,698,282	8,633,716
Cash and cash equivalents at end of the year	32	8,651,103	8,698,282

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

1 STATUS AND NATURE OF BUSINESS

NIB Bank Limited "the Bank" is incorporated in Pakistan and its registered office is situated at first floor, Post Mall, F-7 Markaz, Islamabad. The Bank is listed on all the stock exchanges in Pakistan and has 171 branches (December 31, 2013: 179 branches). The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

NIB Bank Limited is a subsidiary of Bugis Investments (Mauritius) Pte. Limited which is a wholly owned subsidiary of Fullerton Financial Holdings Pte. Limited which in turn is a wholly owned subsidiary of Temasek Holdings, an investment arm of the Government of Singapore.

2 BASIS OF PRESENTATION

These unconsolidated financial statements represent separate financial statements of the Bank. The consolidated financial statements of the Bank, its subsidiaries and associates are presented separately.

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

These unconsolidated financial statements have been presented in Pakistan Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees.

3 STATEMENT OF COMPLIANCE

3.1 These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP. In case the requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP shall prevail.

3.2 SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2015:

- Amendments to IAS 19 'Employee Benefits' Employee contributions – a practical approach (effective for annual periods beginning on or after July 01, 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.
- Amendments to IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after January 01, 2016) introduce severe restrictions on the use of revenue - based amortization for intangible assets and explicitly state that revenue - based methods of depreciation cannot

be used for property, plant and equipment. The rebuttable presumption that the use of revenue - based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Bank's financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after January 01, 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after January 01, 2016. Management of the Bank is currently assessing the likely impact of this IFRS on the Bank's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after January 01, 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after January 01, 2016. The adoption of this standard is not likely to have an impact on Bank's financial statements.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after January 01, 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on Bank's financial statements.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after January 01, 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after January 01, 2016). The amendments to IAS 27 will allow 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 January 01, 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a bank 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.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after January 01, 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after July 01, 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'.
- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria.
- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after January 01, 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 are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' 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.

The Bank expects that the above mentioned improvements will not have a material impact on the Bank's financial statements in the period of initial application.

4 BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain investments and commitments in respect of forward foreign exchange contracts and other forward contracts that are stated at revalued amounts / fair values.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of unconsolidated financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and

expenses. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Classification of Investments

Held-to-maturity securities

As described in note 6.3, held-to-maturity securities are investments where the management has positive intent and ability to hold to maturity. The classification of these securities involves management judgment as to whether the financial assets are held-to-maturity investments.

Held-for-trading securities

Investments classified as held-for-trading are those which the Bank has acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

Available-for-sale securities

Investments which are not classified as held-for-trading or held-to-maturity are classified as available-for-sale.

5.2 Impairment

Valuation and impairment of available-for-sale investments

The Bank determines that an available-for-sale equity investment and mutual funds are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

Provision for diminution in the value of Term Finance Certificates, Bonds and Sukuks is made as per the Prudential Regulations issued by the SBP.

In case of impairment of available-for-sale securities, the loss is recognized in the profit and loss account.

Impairment of investments in associates and subsidiaries

The Bank considers that a significant or prolonged decline in the recoverable value of investments in associates and subsidiaries below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value and is charged to the profit and loss account. Subsequent reversal of impairment loss, upto the cost of investments in associates and subsidiaries, are credited to the profit and loss account.

Impairment of non financial assets (excluding deferred tax)

Non financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Bank estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an intangible or tangible asset is less than its carrying value, an impairment loss is recognized immediately in the profit and loss account and the carrying value of the asset reduced by the amount of the loss. A reversal of an impairment loss on intangible assets is recognized as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognized.

5.3 Provision against non-performing advances

Apart from the provision determined on the basis of time based criteria given in the Prudential Regulations of the SBP, management also applies subjective criteria of classification and accordingly the classification of an advance may be downgraded on the basis of evaluation of the credit worthiness of the borrower, its cash flows, operations in its account and adequacy of security in order to ensure accurate measurement of the provision.

5.4 Retirement Benefits

The key actuarial assumptions concerning the valuation of the defined benefit plan and the sources of estimation are disclosed in note 34.2 to these unconsolidated financial statements.

5.5 Operating fixed assets, depreciation and amortization

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

5.6 Income taxes

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements have been applied consistently and are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2013 and are enumerated as follows:

6.1 Business combinations

Business combinations are accounted for using the purchase method. Under this method, identified assets acquired, liabilities and contingent liabilities assumed are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

6.2 Revenue recognition

Mark-up / return on performing loans / advances and investments is recognized on time proportionate basis. Where debt securities are purchased at a premium or discount, such premium / discount is amortized through the profit and loss account over the remaining period of maturity using the effective interest rate method so as to produce a constant rate of return. Interest or mark-up recovered on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Prudential Regulations issued by the SBP as amended from time to time.

The financing method is used in accounting for income on finance leases and hire purchase transactions. Under this method, the unearned income, i e. the excess of aggregate lease rentals and the estimated residual value over the net investment (cost of leased assets) is deferred and then amortized to income over the term of the lease on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the Prudential Regulations issued by the SBP.

Rental income from assets given on operating lease is recognized on time proportionate basis over the lease period.

Gains/Losses on termination of lease contracts, documentation charges and other lease income are recognized as income when they are realized.

Fee, commission and brokerage income is recognized at the time of performance of the service.

Dividend income is recorded when the right to receive the dividend is established.

6.3 Investments

Investments of the Bank, other than investments in subsidiaries and associates are classified as held-to-maturity, held-for-trading and available-for-sale.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity for which the Bank has the positive intent and ability to hold upto maturity.

Held-for-trading

These securities are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements, dealer's margin or are securities included in the portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

Available-for-sale

These are securities which do not fall under the classification of held-for-trading or held-to-maturity securities.

Initial measurement

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

Investments are initially recognized at fair value which, in the case of investments other than held-for-trading, includes transaction costs associated with the investments.

Subsequent measurement

Held-to-maturity

These are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

Held-for-trading

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the profit and loss account.

Available-for-sale

Quoted-securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value (and any revalution gain or loss is taken to Other Comprehensive Income (OCI)). Any surplus / deficit arising thereon is kept in a separate account shown in the balance sheet below equity and taken to the profit and loss account when actually realized upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. A decline in the carrying value is charged to the profit and loss account. The break-up value of these equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses.

Provision for diminution in the value of securities (except term finance certificates) is made for impairment, if any. Provision for diminution in the value of term finance certificates is made as per the criteria prescribed by the Prudential Regulations issued by the SBP.

Investment in Subsidiaries and Associates

Investments in subsidiaries and associates are valued at cost less impairment, if any. A reversal of an impairment loss on associates and subsidiaries is recognized as it arises provided the increased carrying value does not exceed that it would have been had no impairment loss been recognized.

Gain or loss on sale of investments in subsidiaries and associates is included in the profit and loss account for the year.

6.4 Lendings to / borrowings from financial institutions (including repurchase and resale agreements)

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. Securities purchased under agreement to resale (reverse repo) are not recognized in the financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. In the case of the continuous funding system, transactions are shown under advances. The difference between sale and repurchase price is treated as mark-up / return expensed whereas difference between purchase and resale price is treated as mark-up / return earned.

Securities purchase with a corresponding commitment to resell at a specified future date are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

6.5 Advances

Advances including continuous funding system and net investment in finance lease are stated net of provisions.

Provisions

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 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.

Net investment in finance lease

Leases include hire purchase where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset and are classified as finance leases. Net investment in finance lease is recognized at an amount equal to the aggregate of minimum lease payments and any guaranteed residual value less unearned finance income, if any.

6.6 Operating fixed assets and depreciation

Owned

Property and equipment except freehold and leasehold land is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold and leasehold land is stated at cost.

Depreciation is charged to income applying the straight line method over the estimated useful lives of the assets while taking into account any residual value, at the rates given in Note 12.2 to these unconsolidated financial statements. In respect of additions and deletions to assets during the year, depreciation is charged from the month of acquisition while depreciation on disposals during the year is charged upto the month of disposal.

Normal repairs and maintenance are charged to the profit and loss account for the year as and when incurred. Major repairs and improvements are capitalized and assets so replaced are retired.

Gains and losses on disposal of property and equipment if any, are taken to the profit and loss account for the year.

Assets held under Finance Lease

Leasehold land is stated at cost.

Assets held under finance lease are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods. Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Bank.

Finance charges are allocated to accounting periods so as to provide a constant periodic rate of return on the outstanding liability.

Assets held under Operating Lease

Operating lease assets are stated at cost less accumulated depreciation and impairment, if any.

Repairs and maintenance are charged to the profit and loss account as and when incurred.

Capital work in progress

These assets are stated at cost. These are transferred to specific assets as and when assets are available for use.

6.7 Intangible assets

Intangible assets include the value of core deposit relationships, and core overdraft / working capital loan relationships and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to the profit and loss account on a straight line basis over the assets' useful lives which are determined using methods that best reflect the pattern of economic benefits. The estimated useful lives are as follows:

Core deposit relationships	11 years
Core overdraft / working capital loan relationships	11 years

Computer software is stated at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is carried out on the straight line method at the rates given in Note 13 to these unconsolidated financial statements.

6.8 Sub-Ordinated Loans

Sub-ordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on these loans is recognized separately as part of other liabilities and is charged to the profit and loss account over the period at effective interest rate.

6.9 Staff retirement benefits

Defined benefit plans

The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the Bank on or before March 31, 2006. Provision is made in accordance with actuarial recommendations. Actuarial valuation is carried out periodically using the "Projected Unit Credit Method". Actuarial gains and losses are recognized immediately in other comprehensive income with no subsequent recycling through profit and loss accounts. Past service costs are charged to the profit and loss account.

Defined contribution plan

The Bank operates a defined contribution provident fund for all its permanent employees. Equal monthly contributions are made to the fund by both the Bank and the employees at the rate of 10% of basic salary.

6.10 Share based payment transactions

The share based payment awards granted to employees are recognized as personnel expenses at the fair value of these shares at the grant date with the corresponding increase in the equity over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Grant date is the date at which the entity and the employee agree to a share based payment arrangement and required that the entity and the employee have a shared understanding of the terms and conditions of the arrangement.

6.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity.

Current

Provision for current taxation is based on taxable income at the current rates of taxation in accordance with the prevailing laws for taxation on income earned after taking into consideration tax credits and rebates available and any adjustments to tax payable in respect of previous years.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences as at the statement of financial position date between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The Bank records deferred tax assets/liabilities using tax rates, enacted or substantially enacted at the statement of financial position date, that are expected to be applicable at the time of their reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank recognizes a deferred tax asset/liability on deficit/surplus on revaluation of securities in accordance with the requirements of IAS 12 'Income Taxes'. The related deferred tax asset/liability is adjusted against the related deficit/surplus.

The Bank recognizes a deferred tax asset for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized in accordance with the requirements of IAS 12 'Income Taxes'.

6.12 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed quarterly and are adjusted to reflect the current best estimate.

6.13 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Bank intends either to settle on a net

basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items relating to such assets and liabilities are also offset and the net amount is reported in the financial statements.

6.14 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared.

6.15 Distributions of bonus shares and other appropriations to reserves

The Bank recognizes all appropriations, other than statutory appropriations, to reserves including those in respect of bonus shares made after the statement of financial position date, in the period in which such appropriations are approved. Appropriation to statutory reserves are recognized in the financial statements of the period to which these appropriations relate to.

6.16 Foreign currencies

Transactions in foreign currencies are translated to Rupees at the foreign exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at forward rates applicable to their respective maturities.

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

Assets against which the constituents have exercised their option to transfer exchange risk to the Bank and liabilities for which the Bank has exercised its option to transfer exchange risk to the Government, are translated at the rates of exchange guaranteed by the Bank and the Government, respectively.

Assets, liabilities, commitments and contingent liabilities in respect of Bangladesh are translated at foreign exchange rates approximating those prevailing prior to August 15, 1971.

Exchange gains and losses are included in income currently except net unrealized exchange gain on long-term monetary items which, as a matter of prudence, is carried forward as unrealized gain in view of the uncertainty associated with its realization.

6.17 Cash and cash equivalents

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

6.18 Financial instruments

All financial assets and liabilities are recognized at the time when the Bank becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Bank loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly. Financial assets carried on the statement of financial position include cash and bank balances, lendings to financial institutions, investments, advances and certain receivables. Financial liabilities include borrowings, deposits, bills payable 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.

6.19 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into and subsequently these instruments are marked to market and changes in fair values are taken to the profit and loss account. Fair values are obtained from quoted market prices in active markets.

6.20 Segment reporting

A segment is a distinguishable component of the Bank that is engaged 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 of reporting is based on business segments.

6.20.1 Business segments

Wholesale Banking

Deposits, trade, advisory services and other lending activities for corporates 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, underwriting, transactional banking, and IPO related activities.

Consumer

It represents banking services offered to individuals and small businesses through a retail branch banking and alternate distribution network. These banking services include lending, deposits and distribution of insurance products along with other financial products and services tailored for such customers.

Commercial

It represents all funded and non funded credit facilities, deposit products & transaction services offered by the Bank to small & medium enterprises and commercial businesses operating in the manufacturing, trading, wholesale and service sectors.

6.20.2 Geographical segments

The Bank operates in Pakistan only.

6.21 Assets acquired in satisfaction of claims

The Bank acquires assets in settlement of certain advances. These are recorded at the lower of the carrying value of the related advances and the current fair value of such assets.

6.22 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the profit and loss account on a time proportionate basis.

6.23 Earnings per share

The Bank presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

6.24 Fiduciary assets

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

6.25 Assets Held-for-sale

Assets held for sale are carried at lower of carrying value and fair value less costs to sell.

	Note	2014	2013
		(Rupees '000')	
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency	7.1	1,805,021	1,855,763
Foreign currencies		240,467	200,561
With State Bank of Pakistan in			
Local currency current accounts	7.2	4,274,385	4,146,277
Foreign currency current account	7.3	376,812	347,571
Foreign currency deposit accounts	7.4	1,070,337	1,131,305
With National Bank of Pakistan in local currency current accounts		296,653	324,628
		8,063,675	8,006,105

7.1 This includes National Prize Bonds of Rs. 2.810 million (2013: Rs. 5.495 million).

7.2 The current account is maintained under the requirements of Section 22 of the Banking Companies Ordinance, 1962.

7.3 This represents a US Dollar settlement account maintained with the SBP and special cash reserve at Nil return (2013: Nil) required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme.

7.4 This represents special cash reserve of 15% required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme at Nil return (2013: Nil) per annum.

	Note	2014	2013
		(Rupees '000')	
8. BALANCES WITH OTHER BANKS			
In Pakistan in current accounts		164,020	88,949
Outside Pakistan			
– in current accounts		405,116	489,944
– in deposit account		24,723	120,025
		593,859	698,918
Provision against doubtful balances		(6,431)	(6,741)
		587,428	692,177
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	9.2 & 9.3	7,699,646	2,127,516
		7,699,646	2,127,516
9.1 Particulars of lendings			
In local currency		7,699,646	2,127,516
In foreign currencies		–	–
		7,699,646	2,127,516

9.2 These represent repurchase agreement lendings to financial institutions carrying mark-up rates ranging from 9.50% to 9.75% (2013: 9.65% to 10.80%) per annum and having remaining maturities upto forty three days (2013: twenty seven days).

9.3 Securities held as collateral against lendings to financial institutions

	2014			2013		
	Held by Bank	Further given as collateral / sold	Total	Held by Bank	Further given as collateral / sold	Total
	(Rupees '000')					
Market Treasury Bills	4,334,497	3,365,149	7,699,646	1,962,550	-	1,962,550
Pakistan Investment Bonds	-	-	-	164,966	-	164,966
	4,334,497	3,365,149	7,699,646	2,127,516	-	2,127,516

9.3.1 The market value of securities held as collateral against lendings to financial institutions as at December 31, 2014 amounted to Rs. 7,735.068 million (2013: Rs. 2,141.872 million).

10. INVESTMENTS

10.1 (a) Investments by type:

	Note	2014			2013		
		Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
		(Rupees '000')					
Available-for-sale securities							
Market Treasury Bills	10.2	6,961,506	7,119,226	14,080,732	12,268,930	11,139,181	23,408,111
Pakistan Investment Bonds	10.2	4,779,679	25,161,147	29,940,826	9,698,809	18,213,372	27,911,981
Defense Savings Certificates	10.3	-	2,730	2,730	-	2,730	2,730
Sukuk Bonds	10.4	433,433	-	433,433	461,976	-	461,976
Cumulative Preference shares	10.5	55,178	-	55,178	55,178	-	55,178
Ordinary shares / Certificates in listed companies / modarabas	10.6	31,722	-	31,722	59,614	-	59,614
Ordinary shares of unlisted companies	10.7	65,726	-	65,726	66,279	-	66,279
Term Finance Certificates	10.8 & 10.9	877,673	271,268	1,148,941	2,269,443	138,493	2,407,936
		13,204,917	32,554,371	45,759,288	24,880,029	29,493,776	54,373,805
Held-to-maturity securities							
Pakistan Investment Bonds	10.2	6,693,345	-	6,693,345	1,717,358	-	1,717,358
Term Finance Certificates	10.8 & 10.9	10,072	-	10,072	11,028	-	11,028
		6,703,417	-	6,703,417	1,728,386	-	1,728,386
Associates	10.10 & 10.15	3,333,607	-	3,333,607	3,679,507	-	3,679,507
Subsidiaries	10.11 & 10.15	2,479,066	-	2,479,066	2,479,066	-	2,479,066
Investments at cost		25,721,007	32,554,371	58,275,378	32,766,988	29,493,776	62,260,764
Provision for diminution in value of investments	10.12 & 10.13	(192,265)	-	(192,265)	(466,987)	-	(466,987)
Investments - net of provisions		25,528,742	32,554,371	58,083,113	32,300,001	29,493,776	61,793,777
Surplus / (Deficit) on revaluation of available-for-sale securities	22	384,031	1,476,963	1,860,994	(305,001)	(429,890)	(734,891)
Net Investments		25,912,773	34,031,334	59,944,107	31,995,000	29,063,886	61,058,886

	Note	2014	2013
		(Rupees '000')	
10.1 (b) Investments by segments:			
Federal Government Securities			
Market Treasury Bills	10.2	14,080,732	23,408,111
Pakistan Investment Bonds	10.2	36,634,171	29,629,339
Defense Savings Certificates	10.3	2,730	2,730
Sukuk Bonds	10.4	433,433	461,976
Cumulative Preference Shares	10.5	55,178	55,178
Fully Paid-up Ordinary Shares & Modaraba Certificates			
Listed	10.6	31,722	59,614
Unlisted	10.7	65,726	66,279
Term Finance Certificates			
Listed	10.8	688,425	1,656,492
Unlisted	10.9	470,588	762,472
Associates	10.10 & 10.15	3,333,607	3,679,507
Subsidiaries	10.11 & 10.15	2,479,066	2,479,066
Total Investments at cost		58,275,378	62,260,764
Provision for diminution in value of investments	10.12 & 10.13	(192,265)	(466,987)
Investments - Net of Provisions		58,083,113	61,793,777
Surplus / (Deficit) on revaluation of available-for-sale securities	22	1,860,994	(734,891)
Net Investments		59,944,107	61,058,886

10.2 Market Treasury Bills and Pakistan Investment Bonds are eligible for rediscounting. Market Treasury Bills embody effective yields ranging from 9.47% to 10.00% (2013: 9.14% to 10.50%) with remaining maturities of 22 days to 344 days and Pakistan Investment Bonds carry mark-up ranging from 10% to 12.5% (2013: 8% to 12%) per annum on semi-annual basis with remaining maturities of 1.63 years to 9.55 years. Certain government securities are required to be maintained with the SBP to meet statutory liquidity requirements calculated on the basis of demand and time liabilities.

10.3 These DSCs of Rs. 2.730 million are pledged as security and carry interest rate at 12.15% (2013: 12.15%) per annum.

10.4 These Sukuk Bonds of Liberty Power Tech Limited carry mark-up rate of 3 months KIBOR + 300 bps and have an original maturity of 12 years.

10.5 Particulars of investment in Cumulative Preference Shares

Investee	Note	Number of Shares held 2014	Number of Shares held 2013	Total nominal value 2014	Total nominal value 2013
				(Rupees '000')	
Pak Elektron Limited (PEL)	10.5.1	2,500,000	2,500,000	25,000	25,000
Galaxy Textile Mills Limited	10.5.2	3,017,800	3,017,800	30,178	30,178
				55,178	55,178

10.5.1 These preference shares carry fixed dividend of 9.5% on cumulative basis payable when and if declared by the Board of Directors. For redemption, the call option can be exercised by PEL up to 100% after three years of the issue date at 1% premium on the issue price.

10.5.2 These preference shares are non voting and convertible into ordinary shares after 10 years from the date of issuance. These preference shares bear a fixed return at the rate of 5% per annum that will be non cumulative for the first five years and thereafter will be cumulative from year to year.

10.6 Particulars of investment in Listed Ordinary Shares

	Number of Shares held 2014	Number of Shares held 2013	Cost of Investment 2014	Cost of Investment 2013
			(Rupees '000')	
Available-for-sale				
Agritech Limited	605,138	605,138	21,180	21,180
IGI Insurance Limited	847	770	–	–
Tariq Glass Industries Limited	743,500	2,710,712	10,542	38,434
Total Listed Shares / Certificates			31,722	59,614

10.7 Particulars of Unlisted Ordinary Shares

	Note	Percentage of holding	Number of Shares held 2014	Number of Shares held 2013	Cost of Investment 2014	Cost of Investment 2013
					(Rupees '000')	
Pakistan Export Finance Guarantee Agency Limited Chief Executive: Syed Muhammad Zaeem	10.7.1	5.26%	568,044	568,044	5,680	5,680
Central Depository Company of Pakistan Limited Chief Executive: Mr. Muhammad Hanif Jakhura	10.7.2	5.00%	3,250,000	3,250,000	5,000	5,000
Crescent Capital Management (Private) Limited Chief Executive: Mr. Mahmood Ahmed	10.7.3	4.88%	100,000	100,000	1,000	1,000
Pakistan Textile City (Private) Limited Chief Executive: Mr. Muhammad Hanif Kasbati	10.7.4	4.00%	5,000,000	5,000,000	50,000	50,000
National Investment Trust Limited Chief Executive: Mr. Shahid Ghaffar	10.7.5	8.33%	*79,200	*79,200	100	100

	Note	Percentage of holding	Number of Shares held		Cost of Investment	
			2014	2013	2014	2013
					(Rupees '000')	
Particulars of Unlisted Ordinary Shares						
Sunbiz (Private) Limited Chief Executive: Mr. Muqadder Ali Shah	10.7.6	4.65%	10,000	10,000	1,000	1,000
SWIFT Chief Executive: Mr. Gottfried Leibbrandt	10.7.7	0.01%	**9	**9	2,946	3,499
Islamabad Stock Exchange Limited Chief Executive: Mian Ayyaz Afzal	10.7.8	0.83%	3,034,603	–	–	–
					65,726	66,279

10.7.1 This investment is fully provided in these unconsolidated financial statements.

10.7.2 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs.117.827 million (June 30, 2013: Rs. 111.941 million).

10.7.3 This investment is fully provided in these unconsolidated financial statements.

10.7.4 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs. 22.763 million (June 30, 2013: Rs. 27.241 million).

10.7.5 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs. 872.874 million (June 30, 2013: Rs. 1,783.479 million).

10.7.6 This investment is fully provided in these unconsolidated financial statements.

10.7.7 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2013 amounts to Rs. 3.172 million (December 31, 2012: Rs. 2.970 million).

10.7.8 During the year, the Bank has recorded investment in the Company at Nil Value due to conversion of the Islamabad Stock Exchange from limited by guarantee to public company limited by shares. Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs. 33.233 million.

	Note	Number of Certificates held		Amortized cost	
		2014	2013	2014	2013
				(Rupees '000')	
10.8 Particulars of investment in Listed Term Finance Certificates					
Investee					
Askari Bank Limited		30,000	30,000	154,440	151,336
Azgard Nine Limited	10.8.1	10,000	10,000	16,269	16,269
Bank Alfalah Limited		46,000	55,000	229,540	274,560
Engro Fertilizer Limited		32,692	217,438	119,355	1,026,065
Escorts Investment Bank Limited		–	2,016	–	1,007
Summit Bank Limited		10,000	10,000	49,931	49,954
Telecard Limited	10.8.2	74,888	74,888	118,890	137,301
				688,425	1,656,492

10.8.1 This includes an amount of Rs. 8.135 million (2013: Rs. 8.135 million) classified as Held to Maturity.

10.8.2 This includes an amount of Rs.1.938 million (2013: Rs. 2.894 million) classified as Held to Maturity.

	Note	Number of Certificates held		Amortized cost	
		2014	2013	2014	2013
10.9 Particulars of investment in Unlisted Term Finance Certificates				(Rupees '000')	
Azgard Nine Limited	10.9.1	11,864	11,864	–	–
Avari Hotels Limited		–	30,400	–	56,590
Pakistan Mobile Communications Limited		200,000	200,000	470,588	705,882
				470,588	762,472

10.9.1 In the year 2012, the Bank received 11,864 Term Finance Certificates of Rs. 5,000 each, having total value of Rs. 59.32 million in respect of overdue mark-up of Azgard Nine Limited. These certificates have been recognized at Nil value in the Bank's books as per the requirement of Prudential Regulations, whereby overdue interest on classified advance accounts can only be recognized once this is received in cash.

	Note	Number of Shares / Units / Certificates		Cost of Investment	
		2014	2013	2014	2013
10.10 Particulars of investment in Associates				(Rupees '000')	
PICIC Energy Fund - Open end		31,825,782	31,825,782	336,710	336,710
PICIC Growth Fund - Closed end		43,482,858	43,482,858	1,221,935	1,221,935
PICIC Income Fund - Open end	***	5,117,650	5,117,650	514,263	514,263
PICIC Insurance Limited		–	10,499,993	–	345,900
PICIC Investment Fund - Closed end		96,703,821	96,703,821	1,260,699	1,260,699
				3,333,607	3,679,507
10.11 Particulars of investment in Subsidiaries					
PICIC Asset Management Company Limited****	10.15	29,999,993	29,999,993	2,478,342	2,478,342
Financial and Management Services (Private) Limited	*	88,850	88,850	724	724
				2,479,066	2,479,066

**** PICIC Asset Management Company Limited is a wholly owned subsidiary.

Unless otherwise stated, holdings in ordinary share, preference shares and units of mutual funds are of Rs. 10 each.

* Shares of Face Value of Rs. 100 each
** Shares of Face Value of Euro 2,680 each
*** Units of Face Value of Rs. 100 each

All Term Finance Certificates are of Original Face Value of Rs. 5,000 each

	2014	2013
	(Rupees '000')	

10.12 Particulars of provision for diminution in value of investments

Opening balance	466,987	611,775
Charge for the year	6,850	117,399
Reversals for the year		
- Term Finance Certificates	(18,411)	–
- Associates	–	(222,400)
	(11,561)	(105,001)
Reversal due to sale / write off / transfer to other assets	(263,161)	(39,787)
Closing balance	192,265	466,987

10.13 Particulars of Provision in respect of Type and Segment

Available-for-sale securities		
- Listed shares / units	20,937	30,325
- Unlisted shares	35,445	30,968
- Term Finance Certificates	135,159	153,570
	191,541	214,863
Associates		
- Listed shares	–	251,400
Subsidiaries		
- Unlisted shares (FMSL)	724	724
	192,265	466,987

	2014		2013	
	(Rupees '000')	Rating	(Rupees '000')	Rating

10.14 Quality of Available-for-Sale Securities

- at Market Value

Federal Government Securities				
Market Treasury Bills	14,093,269	Unrated	23,374,805	Unrated
Pakistan Investment Bonds	31,758,973	Unrated	27,137,317	Unrated
Defense Savings Certificates	2,730	Unrated	2,730	Unrated
Sukuk Bonds	433,433	A+	461,976	Unrated
Cumulative Preference shares				
Pak Elektron Limited	25,000	A2 / A-	25,000	*
Galaxy Textile Mills Limited	30,178	*	30,178	*

	2014		2013	
	(Rupees '000')	Rating	(Rupees '000')	Rating
Ordinary shares of Listed Companies				
Agritech Limited	4,690	*	7,667	D
IGI Insurance Limited	229	AA	127	AA
Tariq Glass Limited	34,989	*	65,600	*
Ordinary shares of Unlisted Companies				
Central Depository Company of Pakistan Limited	5,000	*	5,000	*
Crescent Capital Management (Private) Limited	–	*	–	*
National Investment Trust Limited	100	AM2-	100	AM2-
Pakistan Export Finance Guarantee Agency Limited	–	*	–	*
Pakistan Textile City (Private) Limited	22,764	*	27,242	*
Sunbiz (Private) Limited	–	*	–	*
SWIFT	2,417	*	2,970	*
Islamabad Stock Exchange Limited	–	*	–	*
Term Finance Certificates				
Askari Bank Limited	146,817	AA-	151,992	AA-
Avari Hotels Limited	–	–	56,590	A-
Azgard Nine Limited	–	*	–	D
Bank Alfalah Limited	248,658	AA-	294,395	AA-
Engro Fertilizer Limited	111,807	A+	1,037,571	A
Escorts Investment Bank Limited	–	–	743	BB
Pakistan Mobile Communication Limited	470,588	AA-	705,883	AA-
Summit Bank Limited	47,172	A (SO)	47,193	A- (SO)
Telecard Limited	–	*	–	*
	47,438,814		53,435,079	

* Rating not available

10.15 As per BSD circular No. 6 of 2007 dated September 6, 2007, investments in subsidiaries and associates are required to be reported separately and should be carried at cost. However, as per IAS 36, these need to be tested for impairment, if there is indication that such impairment may exist.

Management has tested the investment in its subsidiary, PICIC Asset Management Company Limited (PICIC AMC), for impairment using a 'value in use' calculation. The 'value in use' calculation indicates that the value of the investment in the subsidiary exceeds the cost of investment, therefore, no impairment was made during the year.

The Bank has received interest from few parties in potentially acquiring the Bank's interest in its wholly owned subsidiary company. The management of the Bank is currently evaluating the feasibility of pursuing a transaction for possible divestment of its equity stake in the PICIC AMC, subject to the relevant approvals including the regulatory approvals from the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan. The sale will only be effected if it makes economic sense to the Bank.

During the year, the Bank earned dividend income of Rs. 510 million (2013: Rs. 318 million) from the above asset management company.

	Note	2014	2013
		(Rupees '000')	
11. ADVANCES			
Loans, cash credits, running finance, etc. - in Pakistan	11.1	107,401,858	97,018,316
Net investment in finance lease - in Pakistan	11.3	1,805,746	1,777,383
Bills discounted and purchased (excluding Treasury Bills)			
Payable in Pakistan		2,985,989	2,600,925
Payable outside Pakistan		5,450,574	3,161,906
Advances - Gross		117,644,167	104,558,530
Provision against non performing advances			
Specific	11.4	(23,885,813)	(22,488,805)
General		(94,318)	(69,139)
	11.5	(23,980,131)	(22,557,944)
Advances - Net of provision		93,664,036	82,000,586

11.1 This includes a sum of Rs. 72.337 million (2013: Rs. 72.337 million) representing unrealized exchange gain, which has not been recognized as income and deferred in these unconsolidated financial statements, in accordance with the policy of the Bank, as stated in note 6.16.

	2014	2013
	(Rupees '000')	
11.2 Particulars of advances		
11.2.1 In local currency	111,081,514	100,749,988
In foreign currencies	6,562,653	3,808,542
	117,644,167	104,558,530
11.2.2 Short term (for upto one year)	96,635,306	93,340,382
Long term (for over one year)	21,008,861	11,218,148
	117,644,167	104,558,530

11.3 Net Investment in Finance Lease

	2014			
	Not later than one year	Later than one and less than five years	Over five years	Total
	(Rupees '000')			
Lease rentals receivable	1,556,776	161,895	138	1,718,809
Residual value	419,234	48,192	700	468,126
Minimum lease payments	1,976,010	210,087	838	2,186,935
Financial charges for future periods (including income suspended)	(352,332)	(28,850)	(7)	(381,189)
Present value of minimum lease payments	1,623,678	181,237	831	1,805,746

	2013			
	Not later than one year	Later than one and less than five years	Over five years	Total
	(Rupees '000')			
Lease rentals receivable	1,645,136	61,750	–	1,706,886
Residual value	427,762	17,480	–	445,242
Minimum lease payments	2,072,898	79,230	–	2,152,128
Financial charges for future periods (including income suspended)	(365,024)	(9,721)	–	(374,745)
Present value of minimum lease payments	1,707,874	69,509	–	1,777,383

11.3.1 Leases include non-performing loans of Rs. 1,548.373 million (2013: Rs. 1,721.768 million) against which provision of Rs. 1,068.190 million (2013: Rs 1,177.073 million) has been held.

11.4 Advances include Rs. 29,017.184 million (2013: Rs. 29,904.747 million) which have been placed under non-performing status as detailed below:

		2014								
	Note	Classified Advances			Provision Required			Provision Held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
		(Rupees '000')								
Category of Classification										
OAEM		40,397	–	40,397	3,590	–	3,590	3,590	–	3,590
Substandard		2,470,814	–	2,470,814	1,058,262	–	1,058,262	1,058,262	–	1,058,262
Doubtful		827,949	–	827,949	406,658	–	406,658	406,658	–	406,658
Loss	11.4.1	25,678,024	–	25,678,024	22,417,303	–	22,417,303	22,417,303	–	22,417,303
		29,017,184	–	29,017,184	23,885,813	–	23,885,813	23,885,813	–	23,885,813

	Note	2013								
		Classified Advances			Provision Required			Provision Held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
		(Rupees '000')								
Category of Classification										
OAEM		42,632	-	42,632	6,648	-	6,648	6,648	-	6,648
Substandard		2,450,356	-	2,450,356	611,308	-	611,308	611,308	-	611,308
Doubtful		571,213	-	571,213	86,598	-	86,598	86,598	-	86,598
Loss	11.4.1	26,840,546	-	26,840,546	21,784,251	-	21,784,251	21,784,251	-	21,784,251
		29,904,747	-	29,904,747	22,488,805	-	22,488,805	22,488,805	-	22,488,805

11.4.1 Included in the Provision required is an amount of Rs. 343.944 million (2013: Rs. 293.089 million) which represents provision in excess of the requirements of the State Bank of Pakistan.

11.4.2 In accordance with BSD Circular No. 1 dated October 21, 2011 issued by the State Bank of Pakistan, the Bank has availed the benefit of Forced Sale Value (FSV) against the non-performing advances. During the year ended December 31, 2014, total FSV benefit erosion resulted in decrease in profit before tax of Rs. 2,022.246 million. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 2,383.281 million (December 31, 2013: Rs. 4,405.527 million). The FSV benefit recognized will not be available for the distribution of cash and stock dividend to shareholders.

11.5 Particulars of provision against non-performing advances

	Note	2014			2013		
		Specific	General	Total	Specific	General	Total
		(Rupees '000')					
Opening balance		22,488,805	69,139	22,557,944	23,214,941	78,923	23,293,864
Charge for the year		3,707,350	25,179	3,732,529	2,724,727	-	2,724,727
Reversals		(2,196,028)	-	(2,196,028)	(3,465,970)	(9,784)	(3,475,754)
		1,511,322	25,179	1,536,501	(741,243)	(9,784)	(751,027)
Amounts written off - Net (includes recovery of earlier written-off Retail loans)	11.6	(124,086)		(124,086)	125,609	-	125,609
Amount transferred from / (to) Other Assets / Other Liabilities		9,772	-	9,772	(110,502)	-	(110,502)
Closing balance		23,885,813	94,318	23,980,131	22,488,805	69,139	22,557,944

11.5.1 Particulars of provision against non-performing advances - currency wise

	2014			2013		
	Specific	General	Total	Specific	General	Total
	(Rupees '000')					
In local currency	23,782,152	94,318	23,876,470	22,393,468	69,139	22,462,607
In foreign currencies	103,661	-	103,661	95,337	-	95,337
	23,885,813	94,318	23,980,131	22,488,805	69,139	22,557,944

	Note	2014	2013
		(Rupees '000')	
11.6 Particulars of write offs / (write backs):			
11.6.1 Against provisions (includes recovery of earlier written-off Retail loans)		124,086	(125,609)
Directly charged to profit and loss account		2,421	4,451
		126,507	(121,158)
11.6.2 Write offs of Rs. 500,000 and above	11.7	497,774	210,840
Write offs of below Rs. 500,000 (includes recovery of earlier written-off Retail loans)	11.7	(371,267)	(331,998)
		126,507	(121,158)

11.7 Details of loan write offs 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 financial relief of five hundred thousand rupees or above allowed to person(s) during the year ended December 31, 2014 is given in Annexure 1. However, this write off does not affect the Bank's right to recover these debts from any of its customers.

11.8 Particulars of loans and advances to directors, associated companies, etc.

Debts due by directors, executives or officers of the Bank or any of them either severally or jointly with any other persons:

	Note	2014	2013
		(Rupees '000')	
Balance at the beginning of the year		1,460,081	1,393,791
Additions / granted during the year		913,762	740,346
Repayments / transferred during the year		(690,301)	(674,056)
Balance at the end of the year		1,683,542	1,460,081

Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties:

Balance at the beginning of the year		24,876	21,951
Loan granted during the year		5,178,968	5,326
Repayments during the year		(5,179,148)	(2,401)
Balance at the end of the year		24,696	24,876
12. OPERATING FIXED ASSETS			
Capital work in progress	12.1	204,855	248,527
Property and equipment	12.2	2,791,675	2,587,578
		2,996,530	2,836,105
12.1 Capital work in progress			
Civil works		84,414	64,359
Electrical, office and computer equipment		55,207	58,770
Advances to suppliers and contractors		27,750	51,048
Advance for computer software		37,484	74,350
		204,855	248,527

12.2 Property and Equipment

Particulars	Note	2014							
		COST			DEPRECIATION			Net Book value as at December 31, 2014	Rate of Depreciation % per annum
		As at January 01, 2014	Additions / (Deletions)	As at December 31, 2014	Accumulated as at January 01, 2014	For the year / (on deletion)	Accumulated as at December 31, 2014		
		(Rupees '000')							
Freehold land		317,697	-	317,697	-	-	-	317,697	-
Leasehold land	12.2.3	1,064,456	-	1,064,456	15,634	-	15,634	1,048,822	-
Buildings on freehold land		571,173	-	558,143	196,655	27,907	211,532	346,611	5%
			(13,030)			(13,030)			
Buildings on leasehold land		162,573	-	136,626	55,756	6,794	53,793	82,833	5%
			(25,947)			(8,757)			
Furniture and fixtures		206,089	35,773	224,836	134,665	23,490	144,662	80,174	10%
			(17,026)			(13,493)			
Electrical, office and computer equipment		1,452,018	304,712	1,637,738	1,078,245	187,680	1,152,567	485,171	10% to 33%
			(118,992)			(113,358)			
Vehicles		14,394	-	13,362	7,094	1,934	7,996	5,366	20%
			(1,032)			(1,032)			
Leasehold Improvements		802,772	199,267	980,184	515,545	52,649	555,193	425,001	10%
			(21,855)			(13,011)			
		4,591,172	539,752	4,933,042	2,003,594	300,454	2,141,367	2,791,675	
			(197,882)			(162,681)			

12.2.1 Included in cost of property and equipment are fully depreciated items still in use having cost of Rs. 1,044.857 million (2013: Rs. 900.008 million).

12.2.2 Carrying amount of temporarily idle property is Rs. 790.447 million (2013: Rs. 812.378 million).

12.2.3 This includes a plot of land costing Rs. 361 million in Block-6, KDA Scheme-5, Clifton Karachi (the "Plot"), possession of which was taken by the Bank (formerly PICIC) in April 1983 pursuant to an allotment order by Karachi Development Authority (KDA). All the legal dues in respect of the Plot including Non-utilization Fees have been paid. In 2000, KDA cancelled the allotment unilaterally based on certain building and construction restrictions. The Bank filed a Civil Suit against KDA before the High Court of Sindh in respect of the said unilateral cancellation of the allotment. Meanwhile, also in 2000, a dispute arose with KPT in respect of construction of a boundary wall on the Plot by KPT as KPT claimed that the ownership of the land had been reverted to KPT. The said claim by KPT was also challenged by way of Civil Suit before the High Court of Sindh. The High Court of Sindh initially issued restraining orders against KDA and KPT in the respective suits in respect of cancellation of the allotment of the Plot. Subsequently, both the suits were decided in favor of the Bank. In the suit filed against KDA, the High Court of Sindh held that the action of cancellation of the allotment by KDA was improper and void, whereas, in the suit against KPT, the High Court of Sindh held that since allotment in favor of the Bank was valid therefore, KPT had no standing to claim that the ownership of the land had been reverted back to KPT. Both the decisions of the High Court of Sindh were challenged in two separate High Court Appeals by KDA and KPT. Furthermore, in November 2006, KPT filed a civil suit seeking a declaration from the High Court of Sindh to the effect that the ownership of the plot had been validly reverted to KPT.

During the year, appeal filed by KDA has been disposed off in favour of the Bank vide order dated March 06, 2014 passed by the Honourable High Court of Sindh, Karachi. However, the appeal filed by KPT against NIB Bank is still pending before the High Court of Sindh, Karachi. At present, the Bank is actively defending the cases. Also as per legal opinion provided by the dealing counsel, the appeal filed by the KPT is likely to be decided by the Hon'ble Court in favour of the Bank.

This also includes a plot of land having book value of Rs. 372.103 million situated in Railway Quarters, I.I. Chundrigar Road, Karachi, (the "Plot"), where a tenant is claiming for the possession as tenant of an insignificant area of only 18 square feet of the plot measuring 3,120.46 square yards, however there is no issue over the title of the subject property.

2013

Particulars	NOTE	COST					DEPRECIATION					Net Book value as at December 31, 2013	Rate of Depreciation % per annum
		As at January 01, 2013	Additions / (Deletions)	Adjustment	(Write-offs)	As at December 31, 2013	Accumulated as at January 01, 2013	For the year / (on deletions)	Adjustment	(Write-offs)	Accumulated as at December 31, 2013		
		(Rupees '000')											
Freehold land		336,817	-	-	-	317,697	-	-	-	-	-	317,697	-
			(18,920)										
Leasehold land	12.2.3	1,064,456	-	-	-	1,064,456	15,634	-	-	-	15,634	1,048,822	-
Buildings on freehold land		584,330	-	-	-	571,173	247,258	27,807	-	-	196,655	374,518	5%
			(13,157)					(3,947)	(74,463)				
Buildings on leasehold land		162,573	-	-	-	162,573	48,595	7,871	-	-	55,756	106,817	5%
									(710)				
Furniture and fixtures		212,587	4,774	-	-	206,089	120,771	20,958	-	-	134,665	71,424	10%
			(10,465)	(726)	(81)			(7,005)		(59)			
Electrical, office and computer equipment		1,315,306	194,393		-	1,452,018	957,527	176,140	-	-	1,078,245	373,773	10% to 33%
			(57,681)					(55,422)					
Vehicles		28,951	6,160	-	-	14,394	22,700	4,358	-	-	7,094	7,300	20%
			(20,717)					(19,964)					
Leasehold improvements		774,426	32,337	-	-	802,772	473,450	45,035	-	-	515,545	287,227	10%
			(301)	(201)	(3,489)			(234)		(2,706)			
		4,479,246	**237,664**	**-**	**-**	**4,591,172**	**1,885,935**	**262,169**	**-**	**-**	**2,003,594**	**2,587,578**	
			(121,241)	**(927)**	**(3,570)**			**(86,572)**	**(75,173)**	**(2,765)**			

12.2.4 Detail of disposal of property and equipment during the year

Items individually having cost more than Rs. 1 million or net book value exceeding Rs. 0.25 million

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer
	(Rupees '000')					
Buildings on freehold land	13,030	13,030	-	30,500	Highest offer	Javed Iqbal, House # 15 Qazafi Street # 17 Urdu Bazar Lahore
Buildings on leasehold land	25,947	8,757	17,190	17,000	Through Estate Agent	M Ali Saya, House # C-48, Block-17, Gulshan-e-Iqbal Karachi
Computer Equipment	3,191	3,001	190	295	Bid	Mr Shafi Rahi, LC 56-63 Sector 2B Gulshan-e-Zahoor, Karachi
Office Equipment	6,239	5,093	1,146	1,697	Bid	A. Ansari, H # 795/A Faisal Road Taxali Lahore
	48,407	29,881	18,526	49,492		
Items individually having cost less than Rs. 1 million or net book value not exceeding Rs. 0.25 million						
Computer Equipment	67,577	67,158	419	1,103		
Furniture and fixtures	17,026	13,493	3,533	7,698		
Leasehold improvements	21,855	13,011	8,844	4,599		
Office equipment	40,864	37,853	3,011	7,187		
Vehicles	993	993	-	827		
Sub Total	148,315	132,508	15,807	21,414		
Items retired from the books and claimed from the Insurance companies						
Computer Equipment	1,121	253	868	1,003		
Vehicles	39	39	-	27		
Sub Total	1,160	292	868	1,030		
2014	**197,882**	**162,681**	**35,201**	**71,936**		
2013	**121,241**	**86,572**	**34,669**	**81,084**		

13. INTANGIBLE ASSETS

Particulars	2014 COST As at January 01, 2014	COST Additions / Adjustment*	COST As at December 31, 2014	AMORTIZATION / IMPAIRMENT Accumulated as at January 01, 2014	AMORTIZATION / IMPAIRMENT Amortization for the year / Adjustment*	AMORTIZATION / IMPAIRMENT Accumulated as at December 31, 2014	Net Book value as at December 31, 2014	Rate of Amortization % per annum
	(Rupees '000')							
Core Deposit Relationships	2,489,453	-	2,489,453	1,471,040	226,314	1,697,354	792,099	9.09%
Core Overdraft / Working Capital Loan Relationships	124,149	-	124,149	94,032	6,693	100,725	23,424	8.31%
Brand	204,116	-	-	204,116	-	-	-	20%
		(204,116)			(204,116)			
Computer Software	905,181	99,527	1,004,708	515,459	106,967	622,446	382,262	10% to 50%
	3,722,899	**99,527**	**3,618,310**	**2,284,647**	**339,994**	**2,420,525**	**1,197,785**	
		(204,116)			**(204,116)**			

* During the year, brand having Nil book value was adjusted by the Bank.

13.1 Included in cost of computer software are fully amortized items still in use having cost of Rs. 291.717 million (2013: Rs. 107.823 million).

Particulars	2013 COST As at January 01, 2013	COST Additions	COST As at December 31, 2013	AMORTIZATION / IMPAIRMENT Accumulated as at January 01, 2013	AMORTIZATION / IMPAIRMENT Amortization for the year	AMORTIZATION / IMPAIRMENT Accumulated as at December 31, 2013	Net Book value as at December 31, 2013	Rate of Amortization % per annum
	(Rupees '000')							
Core Deposit Relationships	2,489,453	-	2,489,453	1,244,726	226,314	1,471,040	1,018,413	9.09%
Core Overdraft / Working Capital Loan Relationships	124,149	-	124,149	87,339	6,693	94,032	30,117	8.31%
Brand	204,116	-	204,116	204,116	-	204,116	-	20%
Computer Software	850,777	54,404	905,181	411,890	103,569	515,459	389,722	10% to 50%
	3,668,495	**54,404**	**3,722,899**	**1,948,071**	**336,576**	**2,284,647**	**1,438,252**	

13.2 Annual test for impairment

Intangibles

In the current year, the Bank assessed the recoverable amount of core deposit relationships and determined that no impairment loss exists.

	Note	2014	2013
		(Rupees '000')	
14. DEFERRED TAX ASSETS			
Deferred debits arising due to:			
Provision against loans and advances		7,416,342	7,527,506
Provision against other receivable		291,184	291,184
Provision against balances with other banks		2,251	2,359
Provision against Off Balance sheet Items		13,101	13,101
Unused tax losses		4,991,269	4,637,085
(Surplus) / Deficit on revaluation of securities		–	268,238
Excess of tax base of investments over accounting base		62,329	152,880
Minimum turnover tax*		432,812	242,811
		13,209,288	13,135,164
Deferred credits arising due to:			
Excess of accounting base of leased asset over tax base		(174,338)	(169,599)
Accelerated tax depreciation on owned assets		(767,393)	(811,328)
Fair valuation of subsidiaries and associates		(301,992)	(300,467)
Accelerated tax amortization on intangible assets		(11,005)	(1,081)
Unrealised exchange gains	14.2	(2,377)	(2,377)
Unrealised exchange losses	14.3	(33,604)	(33,604)
(Surplus) / Deficit on revaluation of securities		(644,795)	–
		(1,935,504)	(1,318,456)
Deferred tax assets		11,273,784	11,816,708
Unrecognised deferred tax assets*	14.1	(1,134,408)	(566,822)
Recognised deferred tax assets		10,139,376	11,249,886

* Included in the unrecognised deferred tax assets.

14.1 The deferred tax asset recognized in the books has been restricted to Rs. 10,139.376 million due to uncertainty of availability of future tax profits for utilization of the un-recognized deferred tax assets. The deductible differences available to the Bank are Rs. 11,273.784 million. Had these been taken completely, the profit after tax for the year would be higher by Rs. 1,134.408 million (2013: Rs.566.822 million). Therefore, the accumulated amount of deferred tax asset and minimum turnover tax not recognized as of December 31, 2014 amounted to Rs. 1,134.408 million.

The management has recorded deferred tax asset based on financial projections indicating realisibility of deferred tax asset over a number of future years through reversals as a result of recoveries from borrowers and realisibility of remaining deferred tax asset against future taxable profits. The financial projections involve certain key assumptions such as deposits composition, interest rates, growth of deposits and advances, investment returns and potential provision / reversals against assets. Any significant change in the key assumptions may have an effect on the realisibility of the deferred tax asset.

14.2 In 1987 and 1989, the Bank (formerly PICIC) exercised its option to avail the exchange risk coverage offered by the Government of Pakistan, Ministry of Finance and Economic Affairs (Economic Affairs Division), through Office Memo 1(16)/50/DM/86 dated July 8, 1987 and 1(12)/50/DM/89 dated June 1, 1989 respectively and, in turn the Bank (formerly PICIC) offered the risk coverage to its Borrowers.

14.3 The unrealized exchange losses of the Bank (formerly PICIC) as on April 21, 1987, the effective date of exercise of both the options arising on related borrowings as reduced by gains arising on related advances was claimed as loss for tax purposes.

14.4 Movement in temporary differences during the year

	2014			
	Balance as at January 01, 2014	Recognized in profit and loss account	Recognized in equity	Balance as at December 31, 2014
	(Rupees '000')			
Deferred debits arising due to:				
Provision against loans and advances	7,527,506	(111,164)	–	7,416,342
Provision against other receivables	291,184	–	–	291,184
Provision against balances with other banks	2,359	(108)	–	2,251
Provision against Off Balance sheet Items	13,101	–	–	13,101
Unused tax losses	4,637,085	354,184	–	4,991,269
Excess of tax base of investments over accounting base	152,880	(90,551)	–	62,329
Minimum turnover tax*	242,811	190,001	–	432,812
Deferred credits arising due to:				
Excess of accounting base of leased asset over tax base	(169,599)	(4,739)	–	(174,338)
Accelerated tax depreciation on owned assets	(811,328)	43,935	–	(767,393)
Fair valuation of subsidiaries and associates	(300,467)	(1,525)	–	(301,992)
Accelerated tax amortization on intangible assets	(1,081)	(9,924)	–	(11,005)
Unrealized exchange gains	(2,377)	–	–	(2,377)
Unrealized exchange losses	(33,604)	–	–	(33,604)
(Surplus) / Deficit on revaluation of securities	268,238	–	(913,033)	(644,795)
Deferred tax assets	11,816,708	370,109	(913,033)	11,273,784
Unrecognized deferred tax assets*	(566,822)	(567,586)	–	(1,134,408)
Recognized deferred tax assets	11,249,886	(197,477)	(913,033)	10,139,376

	2013			
	Balance as at January 01, 2013	Recognized in profit and loss account	Recognized in equity	Balance as at December 31, 2013
	(Rupees '000')			
Deferred debits arising due to:				
Provision against loans and advances	8,432,590	(905,084)	–	7,527,506
Provision against other receivables	255,121	36,063	–	291,184
Provision against balances with other banks	–	2,359	–	2,359
Provision against Off balance sheet items	–	13,101	–	13,101
(Surplus) / Deficit on revaluation of securities	(175,364)	–	443,602	268,238
Unused tax losses	4,488,530	148,555	–	4,637,085
Excess of tax base of investments over accounting base	378,894	(226,014)	–	152,880
Minimum turnover tax*	–	242,811	–	242,811
Deferred credits arising due to:				
Excess of accounting base of leased asset over tax base	(159,787)	(9,812)	–	(169,599)
Accelerated tax depreciation on owned assets	(796,789)	(14,539)	–	(811,328)
Fair valuation of subsidiaries and associates	(532,758)	232,291	–	(300,467)
Accelerated tax amortization on intangible assets	8,843	(9,924)	–	(1,081)
Unrealized exchange gains	(2,377)	–	–	(2,377)
Unrealized exchange losses	(33,604)	–	–	(33,604)
Deferred tax assets	11,863,299	(490,193)	443,602	11,816,708
Unrecognized deferred tax assets	(982,015)	415,193	–	(566,822)
Recognized deferred tax assets	10,881,284	(75,000)	443,602	11,249,886

* Included in the unrecognised deferred tax assets

	Note	2014	2013
		(Rupees '000')	
15. OTHER ASSETS			
Income / mark-up accrued			
Local currency	15.1 & 15.6	4,355,598	3,515,103
Foreign currencies		96,597	72,276
Advances, deposits, advance rent and other prepayments	15.2	538,686	476,586
Advance taxation - net		1,169,595	1,180,291
Non-banking assets acquired in satisfaction of claims	15.3	994,488	888,525
Non-banking assets acquired in satisfaction of claims with buy back option with customer	15.3	1,458,854	1,102,755
Unrealized gain on forward foreign exchange contracts		335,001	499,578
Stationery and stamps on hand		3,217	630
Advance for purchase of term finance certificates and Sukuk Bonds	15.7	1,185,000	1,185,000
Assets in respect of Bangladesh	15.4	425,409	425,409
Insurance claim		186,828	4,873
Others		252,195	167,121
		11,001,468	9,518,147
Liabilities in respect of Bangladesh	15.4	(342,416)	(342,416)
Rupee Borrowings from Government of Pakistan in respect of Bangladesh		(82,993)	(82,993)
Provisions held against other assets	15.5	(1,300,684)	(1,177,612)
Other assets - net of provisions		9,275,375	7,915,126

15.1 This includes Rs. 5.671 million (2013: Rs. 0.705 million) in respect of related parties.

15.2 Advances, deposits, advance rent and other prepayments

	2014	2013
	(Rupees '000')	
Advances	42,088	39,683
Deposits	34,502	33,723
Advance rent	284,323	266,873
Prepayments	177,773	136,307
	538,686	476,586

15.3 Represents cost of land and building acquired by the Bank against advances and held for resale. The market value of the subject assets as of December 31, 2014 was Rs. 2,545.390 million (2013: Rs. 2,037.041 million). Provision of Rs. 151.272 million (2013: Rs. 132.272 million) has been made against difference between cost and fair value. The above mentioned values include properties having market value of Rs. 1,618.947 million (2013: Rs. 1,219.752 million) acquired through settlement agreements, where the settlement agreement signed with borrowers entails a buy back option.

15.4 All the assets and liabilities as of November 30, 1971 clearly identifiable as being in or in respect of the areas now under Bangladesh and referred to above were segregated as of that date and in such segregation, for purposes of conversion of foreign currency amounts, generally speaking, the parity rates ruling prior to August 15, 1971 were used, and all income accrued or due in 1971 but not received in that year and interest accrued but not due on borrowings in 1971 was eliminated. Subsequently, consequent to the assuming by Bangladesh of certain foreign currency loan obligations as of July 1, 1974, including amounts previously identified by the Bank (formerly PICIC) as its foreign currency liabilities in respect of Bangladesh, such amounts were eliminated from the books of the Bank (formerly PICIC) by reducing an equivalent sum from its related foreign assets in that area.

Arising from advices received from the lenders and as a result of diversion of shipments and of the meeting of certain contingent liabilities, there have been certain modifications to the foreign currency advances relating to Bangladesh. Furthermore, the difference between the actual amount of rupees required to remit maturities of foreign currency borrowings in respect of Bangladesh and the figures at which they appeared in the books and the interest paid to foreign lenders has been treated as increasing the rupee assets in that area.

The Government of Pakistan, while initially agreeing to provide the rupee finance required for discharging current maturities of foreign currency borrowings and interest related to Bangladesh, did not accept any responsibility for PICIC's assets in that area. However, following an agreement reached between PICIC and the Government of Pakistan during 1976, the Government has agreed that it would continue to provide the funds for servicing PICIC's foreign currency liabilities relating to Bangladesh and has further agreed that an amount equivalent to the rupee assets in Bangladesh financed from PICIC's own funds not exceeding Rs. 82 million would be deemed to have been allocated out of the rupee loans by the Government and that such allocated amount together with the rupee finance being provided by the Government including any interest thereon would not be recovered from PICIC until such time as PICIC recovers the related assets from Bangladesh and only to the extent of such recovery.

Accordingly, such allocated amounts, together with the rupee finance being provided by the Government for discharging the current maturities of foreign currency borrowings (including the interest and charges thereon and any exchange difference between the final rupee payment and the amount at which the liability, commitment or contingent liability as appearing in the books relating to Bangladesh) have been treated as liabilities in respect of Bangladesh. Further, in view of the aforesaid agreement no interest is being accrued on the allocated amount of rupee loans or in respect of the rupee finance provided by the Government related to PICIC's assets in Bangladesh nor is it considered necessary to provide for any loss that may arise in respect of PICIC's assets in Bangladesh.

15.5 Particulars of provision against other assets

	2014	2013
	(Rupees '000')	
Opening balance	1,177,612	1,012,176
Charge for the year	149,376	62,400
Reversals	(9,000)	-
Write offs	(7,532)	-
Transfer to / from Investments / Advances	(9,772)	103,036
Closing balance	1,300,684	1,177,612

15.6 This includes a sum of Rs. 30.466 million (2013: Rs. 30.466 million) representing unrealized exchange gain, which has not been recognized as income and deferred in the financial statements, in accordance with the policy of the Bank, as stated in note 6.16.

15.7 This includes Rs. 900 million in respect of advance paid by the Bank for purchase of Sukuk Bonds of Sui Southern Gas Company (SSGC). As per agreed repayment schedule mark-up has been received from SSGC which have been recorded as mark-up income of the Bank. These carry mark-up rate of 3 months KIBOR + 70 bps and have original maturity of 5 years. The Sukuk are in the process of issuance and expected to complete in first half of 2015, upon issuance of the Bonds this advance will be reclassified as Investments.

16. BILLS PAYABLE

	2014	2013
	(Rupees '000')	
In Pakistan	2,645,240	2,771,816
Outside Pakistan	95,288	90,847
	2,740,528	2,862,663

	Note	2014	2013
		(Rupees '000')	
17. BORROWINGS			
In Pakistan		61,469,196	51,449,032
Outside Pakistan		1,281,698	57,641
		62,750,894	51,506,673
17.1 Particulars of borrowings with respect to currencies			
In local currency		61,418,954	51,449,032
In foreign currencies		1,331,940	57,641
		62,750,894	51,506,673
17.2 Details of borrowings - secured / unsecured			
Secured			
Borrowings from SBP under			
Export Refinance Scheme	17.3	11,534,564	11,536,922
Long Term Financing Facility	17.4	2,450,527	831,725
Long Term Finance for Export Oriented Projects	17.5	133,636	451,991
Repurchase agreement borrowings	17.6	35,906,593	28,658,485
Unsecured			
Call borrowings	17.7	11,231,348	9,807,623
Overdrawn nostro accounts		415,836	57,641
Foreign borrowings payable in local currency	17.8	162,286	162,286
Other borrowings	17.9	916,104	–
		62,750,894	51,506,673

17.3 Borrowings from SBP under Export Refinance Scheme are subject to mark-up rates ranging from 5.5% to 6.5% (2013: 8.4%) per annum maturing within six months.

17.4 Borrowings from SBP under Long Term Financing Facility (LTFF) are subject to mark-up rates ranging from 6.0% to 8.6% (2013: 6.50% to 8.60%) per annum with remaining maturity upto ten years.

17.5 Borrowings from SBP under Long Term Finance for Export Oriented Projects are subject to mark-up rate of 5.00% (2013: 5.00%) per annum with remaining maturity upto two years.

17.6 These borrowings are subject to mark-up rates ranging from 9.50% to 9.90% (2013: 9.40% to 10%) per annum with remaining maturity upto one month. Government securities have been given as collateral against these borrowings.

17.7 These borrowings are subject to mark-up at rates ranging from 9.50% to 10.25% (2013: 9.00% to 10.50%) per annum with remaining maturity upto six months.

17.8 The Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till June 30, 2006. The principal amount has been accounted for and shown as payable to the GoP whereas interest has been accounted for in Other Liabilities (note 20). However, the Bank is contending that any amount of principal and interest is payable to the GoP only when recovered from the related sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million (2013: Rs. 96.011 million) which has been netted off against unrealized exchange gain (note 15) as it is payable when recovered from sub-borrowers, who have availed the related German credit.

17.9 These represent unsecured borrowings in foreign currency and are subject to mark-up rates ranging from 2% to 2.65% per annum with remaining maturity upto three months.

	2014	2013
	(Rupees '000')	
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - Net		
Surplus / (Deficit) on revaluation of available-for-sale securities		
Market Treasury Bills	12,537	(33,302)
Pakistan Investment Bonds	1,818,147	(774,664)
Term Finance Certificates	1,188	28,973
Investment in Shares of Listed Companies	29,122	44,102
	1,860,994	(734,891)
Related deferred tax asset / (liability)	(644,795)	268,237
	1,216,199	(466,654)
23. CONTINGENCIES AND COMMITMENTS		
23.1 Direct credit substitutes		
Contingent liability in respect of guarantees given favouring:		
Government	-	-
Financial Institutions	22,749	-
Others	-	-
	22,749	-
23.2 Transaction-related contingent liabilities / commitments		
Guarantees given in favour of:		
Government	17,748,721	19,100,740
Financial Institutions	-	-
Others	1,426,507	793,108
	19,175,228	19,893,848
23.3 Trade-related contingent liabilities		
Letters of credit	34,543,032	23,287,063
Acceptances	8,265,894	5,237,186
	42,808,926	28,524,249
23.4 Other Contingencies		
Claims against the Bank not acknowledged as debts	266,133	266,133
23.5 Commitments in respect of forward lending		
Commitments to extend credit	2,302,643	708,000

The Bank makes commitments to extend credit in the normal course of its business but none of these commitments are irrevocable and do not attract any significant penalty or expense if the facility is ultimately withdrawn except commitments mentioned above.

23.6 Commitments in respect of forward exchange contracts		
Purchase	22,105,204	26,499,067
Sale	22,123,668	25,424,367
	44,228,872	51,923,434

	2014	2013
	(Rupees '000')	
23.7 Commitments for the acquisition of operating fixed assets	153,206	171,863
23.8 Commitments with respect to Government Securities		
Purchase	-	12,699,823
Sale	-	2,894,757

23.9 Other Contingencies

A penalty of Rs. 700 million was imposed by the Competition Commission of Pakistan ("the Commission") on all the member banks utilizing the 1 link Switch on account of uncompetitive behavior and imposing of uniform charges on cash withdrawal for off network ATM transactions. The Bank's share in this penalty is Rs. 50 million. The concerned banks filed a constitutional petition before the High Court of Sindh, which has suspended the order of the Commission. Consequently an appeal was filed with the Competition Appellate Tribunal ("Tribunal") which has set aside the order of the Commission. The Commission has preferred an appeal before the Supreme Court, which has been admitted for hearing and will be fixed by the concerned office of the Supreme Court.

The management in consultation with external legal counsel, representing the Bank, is confident that they have strong grounds to contest this penalty and are optimistic that the outcome will be decided in favour of the Bank.

23.10 Tax Contingency

The income tax returns of NIB Bank Limited have been filed up to and including tax year 2014 relevant to the financial year ended December 31, 2013. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC), from tax years 2004 through 2008 for Ex-PICIC Commercial Bank Limited (Ex-PCBL), tax years 2003 and 2004 for Ex-National Development Leasing Corporation Limited (Ex-NDLC) and from tax years 2004 through 2008 for NIB Bank Limited. Last year, a combined Appellate Order for Ex-PICIC pertaining to tax years 2003 through 2007 was issued by Commissioner Inland Revenue (Appeals) - CIR(A) in which the aforementioned expenses were allowed. However, the tax authorities have filed appeal with Income Tax Appellate Tribunal (ITAT) against above combined Appellate Order. These disallowances may result in additional tax aggregating to Rs. 1,370 million (2013: Rs. 1,370 million), which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals filed against orders are pending at various appellate forums. Management is confident that the eventual outcome of the cases will be in favour of the Bank.

	2014	2013
	(Rupees '000')	
24. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to customers	9,215,769	7,335,763
On investments in:		
Held-for-trading securities	24,794	31,227
Available-for-sale securities	4,719,368	4,640,031
Held-to-maturity securities	136,078	338,736
On deposits with financial institutions	1,026	1,994
On securities purchased under resale agreements	919,769	753,025
On call money lendings	54,653	68,921
	15,071,457	13,169,697
25. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits and other accounts	6,201,981	4,869,248
Securities sold under repurchase agreements	2,693,618	3,006,232
Other short term borrowings	1,896,083	1,639,826
Long term borrowings	462,949	368,146
	11,254,631	9,883,452
26. GAIN ON SALE OF SECURITIES		
Market Treasury Bills	39,565	64,618
Pakistan Investment Bonds	372,043	321,058
Term Finance Certificates	6,861	6,331
Ordinary Shares of Listed and Unlisted Companies	42,057	74,080
Units of Mutual Funds	2,717	–
Sukuk	45,771	27,426
	509,014	493,513
27. OTHER INCOME		
Gain on disposal of property and equipment	36,573	38,999
Rent	10,429	5,976
Gain on trading liabilities	5,099	5,399
Recovery against written off Assets	14,641	34,643
Recovery from insurance company against loss of assets	162	8,176
Gain on sale of non-banking asset acquired in satisfaction of claims	22,674	–
(Loss) on revaluation of forward purchase and sale of Government Securities	–	(18,072)
	89,578	75,121

	Note	2014	2013
		(Rupees '000')	
28. ADMINISTRATIVE EXPENSES			
Salaries, allowances, etc.		2,927,506	2,643,248
Charge for defined benefit plan	34.4	13,205	14,843
Contribution to defined contribution plan		108,024	97,799
Non-executive directors' fees, allowances and other expenses		11,996	10,935
Brokerage and commission		39,084	45,645
Rent, taxes, insurance, electricity, etc.		944,444	827,272
Legal and professional charges		195,449	156,259
Communication		162,778	147,933
Repairs and maintenance		487,165	331,518
Stationery and printing		96,333	71,619
Advertisement and publicity		43,351	14,697
Fees and subscriptions		144,293	65,131
Auditor's remuneration	28.1	8,905	9,024
Depreciation	12.2	300,454	282,169
Amortization	13	339,994	336,576
Travelling, conveyance and vehicles running		65,773	56,262
Security services		146,698	118,825
Fixed assets written off		-	805
Others		60,646	75,312
		6,096,098	5,305,872
28.1 Auditor's remuneration			
Audit fee including fee for branch audit		4,730	4,300
Audit fee of consolidated financial statements		825	750
Review fee		1,210	1,100
Special certifications and sundry advisory services		1,364	2,168
Out-of-pocket expenses		776	706
		8,905	9,024

28.2 No donation was paid during the year in which any of the Directors or their spouses have any interest.

29. OTHER CHARGES			
Penalties of the State Bank of Pakistan		18,081	266
Operational Loss		15,489	43,718
Worker's welfare fund		32,505	-
		66,075	43,984
30. TAXATION			
For the year			
Current	30.1	215,001	160,757
Prior years	30.2	10,851	148,339
Deferred		197,477	75,000
		423,329	384,096

30.1 This includes charge for minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, reconciliation of tax charge to the accounting profit has not been presented.

30.2 This represent charge of Rs. 10.851 million in respect of AJK branches.

	Note	2014	2013
		(Rupees '000')	
31. BASIC / DILUTED (LOSS) / EARNINGS PER SHARE			
(Loss) / Profit after taxation (Rs. '000')		(507,759)	1,241,171
Weighted average number of ordinary shares outstanding during the year (in '000')		10,302,851	10,302,851
(Loss) / Profit per share - basic / diluted (Rupees)		(0.05)	0.12
32. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	7	8,063,675	8,006,105
Balances with other banks	8	587,428	692,177
		8,651,103	8,698,282
33. STAFF STRENGTH		(Numbers)	
Permanent		2,419	2,387
Temporary / on contractual basis		26	23
Bank's own staff strength at the end of the year		2,445	2,410
Outsourced		560	629
Total staff strength		3,005	3,039

34. DEFINED BENEFIT PLAN

34.1 The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the Bank on or before March 31, 2006. The benefits under the gratuity scheme are payable in lump sum on retirement at the age of 60 years or earlier cessation of services. The benefit is equal to one month's last drawn basic salary for each year of confirmed service, subject to a minimum of five years of service.

34.2 Principal actuarial assumptions

The actuarial valuation is carried out periodically. The actuarial valuation was carried out for the year ended December 31, 2014 using the "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:

	Gratuity	
	2014	2013
- Valuation discount rate	10.50%	12.75%
- Salary increase rate	9.50%	11.75%
- Mortality rate	Based on State Life Insurance Corporation of Pakistan SLIC (2001-2005) Ultimate Mortality table	Based on State Life Insurance Corporation of Pakistan SLIC (2001-2005) Ultimate Mortality table
- Withdrawal rate	Moderate Age - Wise withdrawal rates	Heavy Age - Wise withdrawal rates

	Note	2014	2013
		(Rupees '000')	
34.3 Reconciliation of (receivable from) / payable to defined benefit plan			
Present value of defined benefit obligations	34.6	60,718	55,914
Net actuarial gains / (losses) not recognized		–	–
Net liability		60,718	55,914
34.4 Charge for defined benefit plan			
Current service cost		6,027	7,091
Interest cost		7,178	7,752
Cost recognized in the Profit and Loss Account		13,205	14,843
Actuarial gain on remeasurement of obligations (recognised in OCI)		(3,806)	(3,153)
Total defined benefit cost for the year		9,399	11,690
34.5 Movement in balance payable			
Opening balance		55,914	63,588
Expense recognized		13,205	14,843
Benefits paid to outgoing members		(4,595)	(19,364)
Actuarial gain on remeasurement on obligations (recognised in OCI)		(3,806)	(3,153)
Closing balance		60,718	55,914
34.6 Reconciliation of present value of defined benefit obligations			
Opening balance		55,914	63,588
Current service cost		6,027	7,091
Interest cost		7,178	7,752
Benefits paid		(4,595)	(19,364)
Actuarial gain on remeasurement on obligations (recognised in OCI)		(3,806)	(3,153)
Closing balance		60,718	55,914

	2014	2013	2012	2011	2010
			(Rupees '000')		
34.7 Summary of valuation results for the current and previous periods					
Present value of defined benefit obligations	60,718	55,914	63,588	71,098	79,459
Fair value of plan assets	–	–	–	–	–
Deficit	60,718	55,914	63,588	71,098	79,459
Experience gain on obligation	(3,806)	(3,153)	(8,647)	(8,139)	(4,427)

34.8 Expected contribution for the next one year

The Bank provides for gratuity as per the actuary's expected charge for the next one year. Based on actuarial advice, management estimates that the charge in respect of the defined benefit plan for the year ending December 31, 2015 would be Rs. 12.818 million.

35. DEFINED CONTRIBUTION PLAN

The Bank has established a provident fund scheme administered by the Board of Trustees for all permanent employees. Equal monthly contributions are made to the fund by both the Bank and the employees at the rate of 10% of basic salary.

36. COMPENSATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2014	2013	2014	2013	2014	2013
	(Rupees '000')					
Fees	–	–	11,996	10,935	–	–
Managerial remuneration	28,065	28,065	–	–	771,063	645,534
Share based payment arrangement **	–	61,560	–	–	–	–
Charge for defined benefit plan	–	–	–	–	5,755	7,367
Contribution to defined contribution plan	2,806	2,806	–	–	66,364	55,691
Rent and house maintenance	15,163	15,163	–	–	269,873	225,937
Utilities	2,806	2,806	–	–	77,107	64,554
Others	84,645	56,995	–	–	639,209	525,172
	133,485	167,395	11,996	10,935	1,829,371	1,524,255
Number of persons	1	1	5	5	747	692

The President / Chief Executive is provided with travel, medical insurance and security arrangements, as per terms of the employment.

Directors' fees represents fees paid to certain non-executive directors of the Bank and no further benefits are paid to non-executive directors.

** The Parent, Bugis Investments (Mauritius) Pte. Limited entered into a share incentive award arrangement for the President / Chief Executive, whereby a performance based incentive award was granted to the President / Chief Executive.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 On-balance sheet financial instruments

	2014		2013	
	Book value	Fair value	Book value	Fair value
	(Rupees '000')			
Assets				
Cash and balances with treasury banks	8,063,675	8,063,675	8,006,105	8,006,105
Balances with other banks	587,428	587,428	692,177	692,177
Lending to financial institutions	7,699,646	7,696,386	2,127,516	2,126,128
Investments	59,944,107	60,075,229	61,058,886	60,763,777
Advances	93,664,036	93,664,036	82,000,586	82,000,586
Other assets	5,199,904	5,199,904	4,132,941	4,132,941
	175,158,796	175,286,658	158,018,211	157,721,714
Liabilities				
Bills payable	2,740,528	2,740,528	2,862,663	2,862,663
Borrowings	62,750,894	62,766,792	51,506,673	51,499,784
Deposits and other accounts	105,109,980	105,109,980	104,896,065	104,896,065
Sub-ordinated loans	4,197,195	4,137,730	–	–
Other liabilities	1,864,669	1,864,669	2,372,543	2,372,543
	176,663,266	176,619,699	161,637,944	161,631,055

37.2 Off-balance sheet financial instruments

Forward purchase of foreign exchange	22,105,204	21,836,880	26,499,067	25,958,444
Forward sale of foreign exchange	22,123,668	21,774,441	25,424,367	25,063,988
Forward purchase of Government Securities	–	–	12,699,823	12,693,401
Forward sale of Government Securities	–	–	2,894,757	2,906,407

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 values of held-to-maturity securities, sub-ordinated loans and investment in quoted associates have been stated at market values.

Fair value of unquoted equity securities have been stated at the lower of cost and Net Assets Value as per the latest available audited financial statements.

Except for investment in unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of other on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced.

The fair value of unquoted subsidiaries, fixed term advances, staff loans, fixed term deposits, other assets and other liabilities cannot be calculated with sufficient reliability due to non-availability of relevant active markets for similar assets and liabilities.

38. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The Bank is organized into reportable segments as disclosed in note 6.20.1. These segments are managed by respective segment heads and the results of these segments are regularly reviewed by the Bank's President / Chief Executive, Executive Committee and the Board of Directors. Segment performance is reviewed on the basis of various factors including profit before taxation.

Transactions between reportable segments are carried out on an arm's length basis.

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

	Wholesale Banking	Commercial	Consumer	Head Office / Other	*Adjustments
			(Rupees '000')		
For the Year ended December 31, 2014					
Net Interest Income	1,000,594	112,678	2,658,321	45,233	-
Non Mark-up Income	1,691,498	422,086	730,943	1,084,127	-
Net Interest and non mark-up Income	2,692,092	534,764	3,389,264	1,129,360	-
Total expenses including provisions (excluding Impairment)	1,624,492	2,127,742	4,089,237	-	-
(Reversal) / Impairment against Investment	(11,561)	-	-	-	-
Total expenses including provisions	1,612,931	2,127,742	4,089,237	-	-
Segment Net income/(loss) before tax	1,079,161	(1,592,978)	(699,973)	1,129,360	-
Segment Return on net assets (ROA) (%)	0.53%	(3.72%)	(0.65%)	-	-
Segment Cost of funds (%)	9.28%	3.69%	4.91%	-	-
For the Year ended December 31, 2013					
Net Interest Income	799,131	55,658	2,361,152	70,304	-
Non Mark-up Income	1,512,534	383,896	480,419	529,154	-
Net Interest and non mark-up Income	2,311,665	439,554	2,841,571	599,458	-
Total expenses including provisions (excluding Impairment)	(517,719)	1,846,145	3,326,206	17,350	-
Impairment / (Reversal) against Investment	117,399	-	-	(222,400)	-
Total expenses including provisions	(400,320)	1,846,145	3,326,206	(205,050)	-
Segment Net income/(loss) before tax	2,711,985	(1,406,591)	(484,635)	804,508	-
Segment Return on net assets (ROA) (%)	1.89%	(5.12%)	(0.51%)	-	-
Segment Cost of funds (%)	8.68%	4.11%	4.68%	-	-
As at December 31, 2014					
Segment Assets (Gross)	145,475,247	37,202,944	71,490,343	10,694,821	(47,315,266)
Segment Non Performing Loans	14,569,273	11,889,745	2,328,386	229,780	-
Segment Provision (including general provisions)	12,700,280	9,390,168	1,686,730	202,953	-
Segment Assets (Net)	132,774,967	27,812,776	69,803,613	10,491,868	(47,315,266)
Segment Liabilities	128,424,600	26,806,245	68,413,817	1,583,468	(47,315,266)
As at December 31, 2013					
Segment Assets (Gross)	126,260,716	32,803,560	76,320,050	10,580,413	(46,082,156)
Segment Non Performing Loans	14,649,539	12,349,392	2,676,677	229,139	-
Segment Provision (including general provisions)	12,307,058	8,585,588	1,460,137	205,161	-
Segment Assets (Net)	113,953,658	24,217,972	74,859,913	10,375,252	(46,082,156)
Segment Liabilities	107,280,099	34,366,396	62,025,414	5,258,702	(46,082,156)

*The respective segment assets and liabilities incorporate intersegment lending and borrowing, with appropriate transfer pricing. The adjustments column eliminates intersegment lending and borrowing.

39. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its holding company (refer note 1), subsidiaries (refer note 10.11), associated undertakings (refer note 10.10), employee benefit plans (refer note 34) and its key management personnel.

Transactions with related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties except for staff loans which are on discounted rates as per industry practice.

Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Contributions to defined contribution plan are made in accordance with the terms of the contribution plan.

The detail of transactions with related parties is given below:

	Holding company		Subsidiaries		Associates		Key Management Personnel		Other related parties	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Rupees '000')									
39.1 Balances outstanding as at the year end										
Advances										
At the beginning of the year	-	-	-	-	-	-	142,730	133,913	24,876	21,951
Addition during the year	-	-	-	-	-	-	25,028	73,686	5,178,968	5,326
Repaid during the year	-	-	-	-	-	-	(123,860)	(64,869)	(5,179,148)	(2,401)
At the end of the year	-	-	-	-	-	-	43,898	142,730	24,696	24,876
Deposits										
At the beginning of the year	19,897	32,823	8,333	196,787	363,827	611,316	31,008	33,433	50,621	54,126
Transfer from subsidiary to associate	-	-	(2,614)	-	2,614	-	-	-	-	-
Deposits during the year	-	175	2,527,444	3,635,411	38,263,001	30,007,012	233,981	203,510	9,959,349	1,714,272
Exchange difference	(251)	758	-	-	-	-	(980)	1,139	(2,673)	3,142
Withdrawal during the year	(2,990)	(13,859)	(2,525,983)	(3,823,865)	(37,670,735)	(30,254,501)	(239,444)	(207,074)	(9,763,786)	(1,720,919)
At the end of the year	16,656	19,897	7,180	8,333	958,707	363,827	24,565	31,008	243,511	50,621
Investment in shares / mutual funds - cost										
At the beginning of the year	-	-	2,479,066	4,584,741	3,679,507	1,573,832	-	-	50,000	-
Investments made during the year	-	-	-	-	-	2,105,675	-	-	10,780	50,000
Investments sold / share capital redeemed during the year	-	-	-	(2,105,675)	(345,900)	-	-	-	-	-
At the end of the year	-	-	2,479,066	2,479,066	3,333,607	3,679,507	-	-	60,780	50,000
Receivables										
At the end of the year	171	171	-	-	180	442	-	-	61,371	30,267
Payables										
At the end of the year	-	-	520	3,134	-	-	-	-	-	-

	Holding company		Subsidiaries		Associates		Key Management Personnel		Other related parties	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Rupees '000')									
39.2 Income / Expense for the year										
Mark-up / return / interest earned on advances	-	-	-	-	-	-	1,838	5,193	15,099	2,717
Mark-up / return / interest expensed on deposits	-	-	2,962	5,311	71,869	82,654	765	495	10,616	4,078
Dividend income from shares / mutual funds	-	-	510,000	318,000	542,529	159,496	-	-	73,110	-
Directors remuneration	-	-	-	-	-	-	-	-	11,996	10,934
Directors travelling expense	4,474	2,337	-	-	-	-	-	-	5,867	4,044
Remuneration to key management personnel	-	-	-	-	-	-	347,379	405,918	-	-
Contribution to Provident Fund	-	-	-	-	-	-	-	-	108,024	96,981
Rent expense	-	-	2,127	-	-	-	-	-	-	-
Fees and subscription	-	-	-	-	-	-	-	-	-	450
Commission income	-	-	-	-	3,012	1,371	-	-	-	-

40 CAPITAL ASSESSMENT AND ADEQUACY

40.1 Scope of Application

The Basel III Framework is applicable to the Bank on both at the consolidated level (comprising wholly owned subsidiaries and associates) and also on a stand alone basis. Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines as stipulated by State Bank of Pakistan vide BPRD Circular No. 06 of August 15, 2013. The said circular has revised the Basel II Framework with Basel III Capital reforms to further strengthen the capital related rules. These instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

40.1.1 Capital Management

The purpose of capital management at the Bank is to ensure efficient utilization of capital in relation to business requirements, growth, risk appetite, shareholders' returns and expectations.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions, regulatory requirements and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may issue capital / Tier 2 capital.

The Bank ensures adherence to SBP's requirements by monitoring its capital adequacy on a regular basis. The Bank also closely monitors the capital adequacy requirements by applying stressed conditions.

Banking operations are categorized as either Trading book or Banking book, and Risk-Weighted Assets are determined according to SBP requirements that seek to reflect the varying levels of risk attached to Bank's On and Off-balance sheet exposures.

Collateral, if any, is used as an outflow adjustment and applicable risk weights are applied to Net Adjusted Exposure.

Cash and near Cash collateral includes Government of Pakistan Securities, Shares listed on the stock exchanges, Cash and Cash equivalents (deposits / margins, lien on deposits).

The Bank has complied with all regulatory capital requirements as at the reporting date.

40.1.2 Capital Structure

The Bank's regulatory capital base comprise of:

(a) Tier 1 capital which includes fully issued, subcribed and paid up capital, balance in share premium account, reserves and accumulated profits/losses.

(b) Tier 2 capital consists of general provision for loan losses (subject to 1.25% of Risk-Weighted Asset), sub-ordinated loans and surplus on revaluation of securities.

The issued, subscribed and paid up capital of the Bank is Rs. 103,028,512 thousands as at December 31, 2014, comprising of 10,302,851,164 shares of Rs. 10 each.

Quoted, unsecured and eligible for Tier 2 Term Finance Certificates (TFCs) of Rs. 4,198,035 thousands were issued on June 19, 2014 having the tenure of 8 years. The said TFCs have been issued as per Basel-III guidelines.

		2014	2013
		(Rupees '000')	
40.2	**Common Equity Tier 1 capital (CET1): Instruments and reserves**		
1	Fully Paid up Capital / Capital deposited with SBP	103,028,512	103,028,512
2	Balance in Share Premium Account	–	–
3	Reserve for issue of Bonus Shares	–	–
4	Discount on Issue of shares	(45,769,623)	(45,769,623)
5	General/Statutory Reserves	474,123	474,123
6	Gain/(Loss) on derivatives held as Cash Flow Hedge	–	–
7	Unappropriated/unremitted profits/(losses)	(43,294,117)	(42,790,164)
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**	**14,438,895**	**14,942,848**
10	Total regulatory adjustments applied to CET1 (Note 40.2.1)	(4,219,111)	(3,731,343)
11	**Common Equity Tier 1**	**10,219,784**	**11,211,505**
	Additional Tier 1 (AT1) 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 AT1)	–	–
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 40.2.2)	(991,336)	(1,752,087)
19	Additional Tier 1 capital after regulatory adjustments	–	–

		2014	2013
		(Rupees '000')	
20	**Additional Tier 1 capital recognized for capital adequacy**	–	–
21	**Tier 1 Capital (CET1 + admissible AT1) (11+20)**	**10,219,784**	**11,211,505**
	Tier 2 Capital		
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	4,197,195	–
23	Tier 2 capital instruments subject to phase out arrangement issued under pre-Basel III rules	–	–
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	–	–
25	of which: instruments issued by subsidiaries subject to phase out	–	–
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	94,318	69,139
27	Revaluation Reserves (net of taxes)	681,071	–
28	of which: Revaluation reserves on fixed assets	–	–
29	of which: Unrealized gains/losses on AFS	681,071	–
30	Foreign Exchange Translation Reserves	–	–
31	Undisclosed/Other Reserves (if any)	–	–
32	**T2 before regulatory adjustments**	**4,972,584**	**69,139**
33	Total regulatory adjustment applied to T2 capital (Note 40.2.3)	(1,880,036)	(910,613)
34	Tier 2 capital (T2) after regulatory adjustments	3,092,548	–
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**	3,092,548	–
38	**TOTAL CAPITAL (T1 + admissible T2) (21+37)**	**13,312,332**	**11,211,505**
39	**Total Risk Weighted Assets (RWA) {for details refer Note 40.5}**	**121,068,386**	**101,630,857**
	Capital Ratios and buffers (in percentage of risk weighted assets)		
40	**CET1 to total RWA**	**8.44%**	**11.03%**
41	**Tier 1 capital to total RWA**	**8.44%**	**11.03%**
42	**Total capital to total RWA**	**11.00%**	**11.03%**
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)	–	–
	National minimum capital requirements prescribed by SBP		
48	**CET1 minimum ratio**	**5.50%**	**5.00%**
49	**Tier 1 minimum ratio**	**7.00%**	**6.50%**
50	**Total capital minimum ratio**	**10.00%**	**10.00%**

		2014		2013
		Amount	(Rupees '000') Amounts subject to Pre-Basel III treatment*	
Regulatory Adjustments and Additional Information				
40.2.1	**Common Equity Tier 1 capital: Regulatory adjustments**			
1	Goodwill (net of related deferred tax liability)	–	–	–
2	All other intangibles (net of any associated deferred tax liability)	(1,236,333)	–	(1,512,602)
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)	(1,084,816)	(4,339,265)	–
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	–	–	(466,654)
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)	(787,489)	(3,149,958)	–
15	Amount exceeding 15% threshold	(119,137)	–	–
16	of which: significant investments in the common stocks of financial entities	(46,370)	–	–
17	of which: deferred tax assets arising from temporary differences	(72,767)	–	–
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 (mention details)	–	–	–
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	(991,336)	–	(1,752,087)
22	**Total regulatory adjustments applied to CET1 (sum of 1 to 21)**	**(4,219,111)**		**(3,731,343)**

		2014		2013
		Amount	(Rupees '000') Amounts subject to Pre-Basel III treatment*	
Regulatory Adjustments and Additional Information				
40.2.2 Additional Tier 1 & Tier 1 Capital: regulatory adjustments				
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	–	–	–
24	Investment in own AT1 capital instruments	–	–	–
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	–	–	–
26	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–	–
27	Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	–	–
28	Portion of deduction applied 50:50 to Tier 1 and Tier 2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier 1 capital	(991,336)	–	(910,613)
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–	–	(841,474)
30	**Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)**	**(991,336)**	**–**	**(1,752,087)**
40.2.3 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	(991,336)	–	(910,613)
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	(888,700)	–	–
33	Investment in own Tier 2 capital instrument	–	–	–
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–	–
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	–	–
36	**Total regulatory adjustment applied to T2 capital (sum of 31 to 35)**	**(1,880,036)**	**–**	**(910,613)**

		2014	2013
		(Rupees '000')	
40.2.4	**Additional Information**		
	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)	7,489,222	11,249,886
(i)	of which: Deferred tax assets	7,489,222	11,249,886
(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	495,668	–
40	Deferred tax assets arising from temporary differences (net of related tax liability)	777,848	–
	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)	94,318	69,139
42	Cap on inclusion of provisions in Tier 2 under standardized approach	94,318	69,139
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	–	–

40.3 Capital Structure Reconciliation

40.3.1

	As per published financial statements 2014	Under regulatory scope of consolidation 2014
	(Rupees '000')	
Assets		
Cash and balances with treasury banks	8,063,675	8,063,675
Balances with other banks	587,428	587,428
Lending to financial institutions	7,699,646	7,699,646
Investments	59,944,107	59,944,107
Advances	93,664,036	93,664,036
Operating fixed assets	2,996,530	2,996,530
Intangible assets	1,197,785	1,197,785
Deferred tax assets	10,139,376	10,139,376
Other assets	9,275,375	9,275,375
Total assets	**193,567,958**	**193,567,958**
Liabilities & Equity		
Bills payable	2,740,528	2,740,528
Borrowings	62,750,894	62,750,894
Deposits and other accounts	105,109,980	105,109,980
Sub-ordinated loans	4,197,195	4,197,195
Liabilities against assets subject to finance lease	–	–
Deferred tax liabilities	–	–
Other liabilities	3,114,267	3,114,267
Total liabilities	**177,912,864**	**177,912,864**
Share capital / Head office capital account	57,258,889	57,258,889
Reserves	474,123	474,123
Unappropriated/Unremitted profit/(losses)	(43,294,117)	(43,294,117)
Minority Interest	–	–
Surplus on revaluation of assets	1,216,199	1,216,199
Total equity	**15,655,094**	**15,655,094**
Total liabilities & equity	**193,567,958**	**193,567,958**

40.3.2

	As per published financial statements 2014	Under regulatory scope of consolidation 2014	Reference
	(Rupees '000')		
Assets			
Cash and balances with treasury banks	8,063,675	8,063,675	
Balances with other banks	587,428	587,428	
Lending to financial institutions	7,699,646	7,699,646	
Investments	59,944,107	59,944,107	
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	–	–	a
of which: significant capital investments in financial sector entities exceeding regulatory threshold	–	–	b
of which: Mutual Funds exceeding regulatory threshold	–	–	c
of which: reciprocal crossholding of capital instrument	–	–	d
of which: others (mention details)	–	–	e

	As per published financial statements 2014	Under regulatory scope of consolidation 2014	Reference
	(Rupees '000')		
Advances	93,664,036	93,664,036	
shortfall in provisions / excess of total EL amount over eligible provisions under IRB	–	–	f
general provisions reflected in Tier 2 capital	94,318	94,318	g
Fixed Assets	2,996,530	2,996,530	
of which: Intangibles	38,548	38,548	
Intangible assets	1,197,785	1,197,785	
of which: Intangibles	1,197,785	1,197,785	
Deferred Tax Assets	10,139,376	10,139,376	
of which: DTAs excluding those arising from temporary differences	5,424,081	5,424,081	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	4,715,295	4,715,295	i
Other assets	9,275,375	9,275,375	
of which: Goodwill	–	–	j
of which: Intangibles	–	–	k
of which: Defined-benefit pension fund net assets	–	–	l
Total assets	**193,567,958**	**193,567,958**	
Liabilities & Equity			
Bills payable	2,740,528	2,740,528	
Borrowings	62,750,894	62,750,894	
Deposits and other accounts	105,109,980	105,109,980	
Sub-ordinated loans	4,197,195	4,197,195	
of which: eligible for inclusion in AT1	–	–	m
of which: eligible for inclusion in Tier 2	4,197,195	4,197,195	n
Liabilities against assets subject to finance lease	–	–	
Deferred tax liabilities	–	–	
of which: DTLs related to goodwill	–	–	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	–	–	r
Other liabilities	3,114,267	3,114,267	
Total liabilities	**177,912,864**	**177,912,864**	
Share capital	57,258,889	57,258,889	
of which: amount eligible for CET1	57,258,889	57,258,889	s
of which: amount eligible for AT1	–	–	t
Reserves	474,123	474,123	
of which: portion eligible for inclusion in CET1 (provide breakup)	474,123	474,123	u
of which: portion eligible for inclusion in Tier 2	–	–	v
Unappropriated profit/(losses)	(43,294,117)	(43,294,117)	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	1,216,199	1,216,199	
of which: Revaluation reserves on Property	–	–	aa
of which: Unrealized Gains/Losses on AFS	681,071	681,071	
In case of Deficit on revaluation (deduction from CET1)	–	–	ab
Total Liabilities & Equity	**193,567,958**	**193,567,958**	

		Component of regulatory capital reported by bank	Source based on reference number from step 2
		(Rupees '000')	
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid up Capital / Capital deposited with SBP	103,028,512	
2	Balance in Share Premium Account	(45,769,623)	(s)
3	Reserve for issue of Bonus Shares	–	
4	General/Statutory Reserves	474,123	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	–	
6	Unappropriated/unremitted profits/(losses)	(43,294,117)	(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	**CET1 before Regulatory Adjustments**	**14,438,895**	
	Common Equity Tier 1 capital: Regulatory adjustments		
9	Goodwill (net of related deferred tax liability)	–	(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	(1,236,333)	(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)	(1,084,816)	{(h) - (r)} * x%
13	Defined-benefit pension fund net assets	–	{(i) - (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 property/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)	(787,489)	(i)
23	Amount exceeding 15% threshold	(119,137)	
24	of which: significant investments in the common stocks of financial entities	(46,370)	
25	of which: deferred tax assets arising from temporary differences	(72,767)	
26	National specific regulatory adjustments applied to CET1 capital	–	
27	Investment in TFCs of other banks exceeding the prescribed limit	–	
28	Any other deduction specified by SBP (mention details)	–	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	(991,336)	
30	**Total regulatory adjustments applied to CET1 (sum of 9 to 25)**	**(4,219,111)**	
	Common Equity Tier 1	**10,219,784**	

		Component of regulatory capital reported by bank	Source based on reference number from step 2
		(Rupees '000')	
	Additional Tier 1 (AT1) 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 AT1)	–	(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)
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	(991,336)	
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**	**(991,336)**	
45	Additional Tier 1 capital	–	
46	**Additional Tier 1 capital recognized for capital adequacy**	**–**	
	Tier 1 Capital (CET1 + admissible AT1)	**10,219,784**	
	Tier 2 Capital		
47	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	4,197,195	(n)
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	4,197,195	
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	94,318	(g)
52	Revaluation Reserves eligible for Tier 2	681,071	
53	of which: portion pertaining to Property	–	portion of (aa)

		Component of regulatory capital reported by bank	Source based on reference number from step 2
		(Rupees '000')	
54	of which: portion pertaining to AFS securities	681,071	
55	Foreign Exchange Translation Reserves	–	(v)
56	Undisclosed / Other Reserves (if any)	–	
57	**T2 before regulatory adjustments**	**4,972,584**	
	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	(991,336)	
59	Reciprocal cross holdings in Tier 2 instruments	(888,700)	
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**	**(1,880,036)**	
64	Tier 2 capital (T2)	3,092,548	
65	Tier 2 capital recognized for capital adequacy	3,092,548	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	–	
67	Total Tier 2 capital admissible for capital adequacy	3,092,548	
	TOTAL CAPITAL (T1 + admissible T2)	**13,312,332**	

40.4 Main Features Template of Regulatory Capital Instruments

Sr. No.	Main Features	Common Shares	Instrument - 2
1	Issuer	NIB Bank Limted	NIB Bank Limted
2	Unique identifier (KSE Symbol)	NIB	NIBTFC2
3	Governing law(s) of the instrument	Capital Market Laws	Capital Market Laws
	Regulatory treatment		
4	Transitional Basel III rules	Common equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common equity Tier 1	Tier 2
6	Eligible at solo / group / group & solo	Group & standalone	Group & standalone
7	Instrument type	Ordinary Shares	Subordinated Debt
8	Amount recognized in regulatory capital (Currency in PKR thousands)	PKR 103,028,512	PKR 4,198,035
9	Par value of instrument	PKR 10	PKR 5,000
10	Accounting classification	Shareholder equity	Liability - Subordinated Loans
11	Original date of issuance	2003	19-June-2014
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	Not applicable	19-June-2022
14	Issuer call subject to prior supervisory approval	No	Yes (SBP's)
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable
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	Six months KIBOR (Ask side)+1.15
19	Existence of a dividend stopper	Not applicable	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	Not applicable	Not applicable
22	Noncumulative or cumulative	Not applicable	Non-cumulative
23	**Convertible or non-convertible**		
24	If convertible, conversion trigger(s)	Not applicable	Upon the occurrence of a Point of Non-Viability PONV event as defined below, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full)

Sr. No.	Main Features	Common Shares	Instrument - 2
25	If convertible, fully or partially	Not applicable	As the case may be
26	If convertible, conversion rate	Not applicable	At a minimum conversion rate of Rs. 2.36 per share
27	If convertible, mandatory or optional conversion	Not applicable	Mandatory
28	If convertible, specify instrument type convertible into	Not applicable	Shares
29	If convertible, specify issuer of instrument it converts into	Not applicable	NIB Bank Limited
30	**Write-down feature**	Not applicable	
31	If write-down, write-down trigger(s)	Not applicable	Explained at 24 above
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)	Not applicable	Not applicable
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable

40.5 Capital Adequacy

Objectives of Managing Capital

Capital Management aims to ensure that there is sufficient capital to meet the capital requirements of the Bank as determined by the underlying business strategy and the minimum regulatory requirements of the SBP.

Bank's capital management seeks:

- to comply with the capital requirements set by the regulators;
- to maintain a strong capital base so as to maintain investor, depositor and market confidence and to sustain future development of the business;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide adequate return to shareholders;
- availability of adequate capital at a reasonable cost so as to enable the Bank to expand; and
- to protect the Bank against unexpected events.

Externally Imposed Capital Requirements

In order to strengthen the solvency of banks, SBP vide BSD Circular No. 07 of 2009 dated April 15, 2009 has asked the banks to raise their minimum paid up capital to Rs. 10 billion free of losses by the end of financial year 2013.

SBP through its BSD Circular No. 09 dated April 15, 2009 has asked Banks to achieve the minimum Capital Adequacy Ratio (CAR) of 10% on standalone as well as on consolidated basis latest by December 31, 2010.

The paid up capital and CAR of the Bank stands at Rs. 103 billion and 11.00% respectively of its risk weighted exposure as at December 31, 2014.

The Bank has complied with all externally imposed capital requirements as at year end.

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

	Capital Requirements		Risk Weighted Assets	
	2014	2013	2014	2013
	(Rupees '000')			
Credit Risk				
Portfolios subject to Simple Approach				
On-Balance Sheet				
Corporate	4,875,496	3,498,233	48,754,956	34,982,328
Sovereign	9,574	12,702	95,741	127,025
Retail	599,248	581,649	5,992,484	5,816,492
Banks	209,673	187,287	2,096,725	1,872,866
Public Sector Entities	68,718	39,984	687,177	399,838
Past Due Loans	492,161	743,086	4,921,610	7,430,857
Claims against Residential Mortgage	61,459	60,540	614,588	605,402
Invetsments in premises, plant and equipment and all other fixed assets	295,798	276,176	2,957,982	2,761,755
Other assets	1,312,854	1,518,142	13,128,536	15,181,420
	7,924,981	**6,917,799**	**79,249,799**	**69,177,983**
Off-Blance Sheet				
Market related	38,018	44,633	380,178	446,331
Non-market related	2,346,621	1,536,645	23,466,206	15,366,445
	2,384,639	**1,581,278**	**23,846,384**	**15,812,776**

	Capital Requirements		Risk Weighted Assets	
	2014	2013	2014	2013
	(Rupees '000')			
Equity Exposure Risk in the Banking Book				
Listed	48,881	7,339	488,814	73,393
Unlisted	12,819	13,574	128,189	135,735
	61,700	**20,913**	**617,003**	**209,128**
Total Credit Risk	**10,371,320**	**8,519,990**	**103,713,186**	**85,199,887**
Market Risk				
Capital Requirement for portfolios subject to Standardized Approach				
Interest rate risk	62,586	170,946	625,855	1,709,463
Equity position risk etc.	565,604	569,128	5,656,044	5,691,275
Foreign exchange risk etc.	2,736	3,429	27,355	34,288
Total Market Risk	**630,926**	**743,503**	**6,309,254**	**7,435,026**
Operational Risk				
Capital Requirement for operational risks	1,104,595	899,594	11,045,946	8,995,944
Total	**12,106,841**	**10,163,087**	**121,068,386**	**101,630,857**

	2014		2013	
Capital Adequacy Ratio	**Required**	**Actual**	**Required**	**Actual**
CET1 to total RWA	5.50%	8.44%	5.00%	11.03%
Tier 1 capital to total RWA	7.00%	8.44%	6.50%	11.03%
Total capital to total RWA	10.00%	11.00%	10.00%	11.03%

The Capital Adequacy Ratio of prior year is based on Basel II Framework as applicable on that date.

41 RISK MANAGEMENT

The risk management framework of NIB is approved by the Board of Directors ("BOD") and implemented by the senior management.The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set standard and appropriate risk limits and controls to ensure quality of portfolio and credit process. Risk management policies are reviewed annually to reflect changes in economic environment, market conditions and products offerings.The BOD sets forth the vision and strategy of NIB and has entrusted the monitoring to the Board's Risk Management Committee ("BRMC"), which is an oversight committee and meets at least quarterly. Findings of the BRMC are escalated to the BOD. Terms and references of BRMC are documented and duly approved by the BOD and broadly includes oversight responsibility at the highest level under the Risk Management Governance Framework.

The BRMC relies on three management committees namely the Asset Liability Committee ("ALCO"), the Credit Risk Committee ("CRC") and the Operational Risk Committee ("ORC"), to identify, manage and monitor risks.

Asset Liability Committee ("ALCO")

The ALCO functions as the top operational unit for managing the statement of financial position within the performance/risk parameters laid down by the BOD. Its objective is to derive the most appropriate strategy for NIB in terms of mix of assets & liabilities given future expectations and potential consequence of interest rate movements, liability constraints, and foreign currency exchange exposure and capital adequacy.

Credit Risk Committee ("CRC")

In our normal business activities there is a need to manage effectively potential credit risk. To address this risk, Credit Risk Committee (CRC) is established under the leadership of the Chief Risk Officer (CRO) of the Bank and membership comprises the President and Senior Management of the Bank. The main objective of the CRC is to ensure effective and proactive management of Credit Risk throughout the Bank in accordance with the Risk Management Framework and related Risk Policies and Procedures. Terms and references of the CRC, which meets six times a calender year, broadly include the following:

To ensure that all relevant risk policies of the Bank are developed, implemented and are not in conflict with any of the applicable laws and regulations.

To oversee implementation of credit risk related policies and procedures relevant to all business units through review of standard MIS decks.

To ensure that all activities are in compliance with the Prudential Regulations and also with the policies and controls established by the relevant units of the Bank through periodic review of business issues highlighted in internal / external audit reports and SBP Inspection Report.

To review stress testing on portfolio considering the major factors like interest rate sensitivity, inflation, Rupee devaluation, fluctuation in oil prices and/or global meltdown etc.

To review the credit portfolio, primarily through Key Risk Indicators, and to assess:

- quality of the portfolio;
- recovery of remedial accounts;
- variance analysis of actual with plan and forecasts; and
- portfolio exceptions

To advise business where activities are not aligned with control requirements or risk appetite and to recommend Risk Policies.

Operational Risk Committee ("ORC")

In our normal business activities there is a need to effectively manage potential risk arising out of banking operation of the Bank. To address this risk, Operational Risk Committee (ORC) is established under the leadership of the President of the Bank and membership comprises the CRO and Senior Management of the Bank. The main objective of the ORC is to ensure effective and proactive management of Operational Risk throughout the Bank in accordance with the Risk Management Framework and related Risk Policies and Procedures. Terms and references of the ORC, which meets on a monthly basis, broadly include the following:

To ensure operational risk identification and measurement covers all activities/products/processes of the Bank, and compliant with the Bank's standards and applicable regulations, and that risk control and risk origination decisions are properly informed.

To develop, maintain and review a consolidated MIS of key operational risks in the Bank in the form of Risk & Control Assessment Matrix.

To monitor all material Operational Risk exposures and key external trends, through KRIs and appropriate management action as per defined thresholds, in accordance with Operational Risk policies and procedures.

To review Ops Loss Data (OLD) and take proactive measures to reduce Ops Losses.

To direct appropriate action in response to material events, risk issues or themes that come to the Committee's attention.

To ensure any areas of potential overlap with another entity or Risk Control Area, Business or Function are notified to the affected entity Risk Control Owner, Business or Function Head.

Risk Management Organization at NIB

The Chief Risk Officer ("CRO") is responsible for enterprise wide risk management and implementation of the overall risk management framework of NIB. In this respect, the CRO has to ensure that the risk organization

structure of NIB is equipped with the best people, policies and processes, which enable it to perform efficiently and effectively.

The CRO is supported by a Chief Operating Officer - Risk responsible for Risk Policies & Procedures, Portfolio Risk and Country Risk Assessment, and five Risk Heads, responsible for Corporate, Trade Finance, Commercial/SME and Consumer Finance businesses and Market, Liquidity and Operational Risks respectively and they are responsible for ensuring the implementation of NIB's risk framework, Bank's policies and Central Bank regulations in their respective domains.

41.1 Credit Risk

Credit risk is the risk that a counterparty or customer will be unable to pay amounts in full when due. NIB's main credit exposure arises from the risk of failure by a client or counterparty to meet its contractual obligations. The risks are inherent in loans and bills receivable from non-bank customers, commitments to lend, repurchase agreements, securities borrowing and lending transactions, and contingent liabilities. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed. Clean risk at liquidation or settlement risk occurs when items of agreed upon original equal value are not simultaneously exchanged between counterparties and/or when items are released without knowledge that counter-value items have been received by the Bank. Typically the duration is intra-day, overnight/over weekend, or in some situations even longer. The risk is that we deliver but do not receive delivery. In this situation 100% of the principal amount is at risk. The risk may be larger than 100% if in addition there was an adverse price fluctuation between the contract price and the market price. Cross-border risk is the risk that we will be unable to obtain payment from our customers or third parties on their contractual obligations as a result of certain actions taken by foreign governments, chiefly relating to convertibility and transferability of foreign currency. Cross-border assets comprise loans and advances, interest-bearing deposits with other banks, trade and other bills, acceptances, amounts receivable under finance leases, certificates of deposit and other negotiable paper, and formal commitments where the counterparty is resident in a country other than where the assets are recorded. Cross-border assets also include exposures to local residents denominated in currencies other than the local currency. NIB has established limits for cross-border exposure and manages exposures within these limits.

NIB has established an appropriate credit risk environment which is operating under a sound credit-granting process; maintaining an appropriate credit administration, measurement and monitoring process and ensuring adequate controls. For risk management reporting purposes the Bank considers and consolidates all elements of credit risk exposures.

There is a proper credit delegation matrix for review and approving credit applications. Businesses have no credit approving authority. All credit approvals are accorded by the Credit Officers / Senior Credit Officers in the Risk Management Group. Corporate Credit Risk Management also approves exposure to Financial Institutions.

The concept of "three initial system" is very much in existence in NIB. Based upon regional considerations and availability of Credit Talent, any initiating unit has to have formal recommendation by the Relationship Manager, his/her Team Leader and Regional Head / Corporate Banking Head / Group Head. The essence here is that the credit proposal must not be left to the sole judgment of one person – rather, the application of minds must be diverse and independent of each other.

Further, in order to measure credit risk, an indigenously developed rating system is followed. This rating system is being continuously fine tuned to address regulatory and global benchmarks.

NIB manages credit risk through:

- Accurate and detailed information about the borrower, cash flows, production, service and operation of the company;
- Insights into the major factors influencing customer attrition and product cancellation;
- Credit and collections treated as a highly people intensive business; and
- Establishment of acceptable risk levels.

NIB monitors exposure to credit risk through:

Post-disbursement maintenance of accounts is done through Credit Administration Department ("CAD") reporting into a CAD Head. The CAD Head has direct reporting line to the CRO;

Submission of regulatory returns pertaining to reporting of NIB's portfolio.

Impaired financial assets

Impaired financial assets including loans and debt instruments are those which NIB determines that it is probable that it will not be able to collect all principal and interest due according to the contractual terms of the agreement(s) underlying the financial assets. Financial assets carried at fair value through profit or losses are not assessed for impairment since the measure of fair value reflects their credit qualities. For the monitoring of the credit quality of the financial assets not carried at fair value through profit or loss, NIB follows the guidelines issued by the State Bank of Pakistan. Credit quality is determined based on three pillars, namely: business prospect, financial performance and repayment capacity.

Write offs

NIB's Write off Policy is laid out in line with the SBP rules. All credit write offs are approved under the approved delegation matrix. Writing off a loan in no way implies that the Bank has given up its claim on a borrower and does not impact the Bank's ability to legally collect written off credits from the customer(s).

41.1.1 Segmental Information

41.1.1.1 Segments by class of business

	2014					
	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Agriculture, Forestry, Hunting and Fishing	40,433	0.03	2,780,441	2.65	120,595	0.11
Automobile and Transportation Equipment	1,294,260	1.10	1,053,325	1.00	124,506	0.11
Cement, Glass and Ceramics	2,129,399	1.81	700,845	0.67	3,816,597	3.50
Chemicals and Pharmaceuticals	4,402,095	3.74	2,169,482	2.06	4,040,819	3.71
Construction	1,826,338	1.55	8,252,446	7.85	429,411	0.39
Electronics and Electrical Appliances	79,050	0.07	2,236,915	2.13	48,444	0.04
Engineering	10,465,909	8.90	906,492	0.86	8,556,526	7.85
Exports / Imports	825,234	0.70	772,498	0.73	145,805	0.13
Financial	2,371,666	2.02	6,396,578	6.09	46,550,065	42.74
Food and Beverages	20,974,374	17.83	3,421,968	3.26	6,022,652	5.53
Footwear and Leather Garments	595,836	0.51	315,975	0.30	50,705	0.05
Individuals	5,609,467	4.77	34,205,971	32.54	266,133	0.24
Insurance	-	-	280,466	0.27	-	-
Mining and Quarrying	67,314	0.06	2,635,678	2.51	276,193	0.25
Non Profit Organizations / Trusts	804,998	0.68	4,531,746	4.31	16,400	0.02
Oil and Gas	2,650,295	2.25	1,627,655	1.55	6,823,029	6.26
Paper and Printing	984,220	0.84	718,810	0.68	364,673	0.33
Power, Gas, Water, Sanitary	9,772,442	8.30	1,071,216	1.02	11,934,803	10.97
Services	1,784,587	1.52	9,350,742	8.90	390,881	0.36
Sugar	2,398,794	2.04	111,563	0.10	839,949	0.76
Textile	36,206,558	30.78	2,219,389	2.11	7,686,451	7.05
Transport, Storage and Communication	4,409,497	3.75	3,662,672	3.48	1,678,346	1.54
Wholesale and Retail Trade	2,652,407	2.25	6,492,920	6.18	4,060,425	3.73
Others	5,298,994	4.50	9,194,187	8.75	4,714,349	4.33
	117,644,167	100.00	105,109,980	100.00	108,957,757	100.00

	2013					
	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Agriculture, Forestry, Hunting and Fishing	4,638	0.00	3,406,582	3.25	5,000	0.00
Automobile and Transportation Equipment	824,370	0.79	829,552	0.79	208,081	0.18
Cement, Glass and Ceramics	2,305,076	2.20	577,511	0.55	579,644	0.50
Chemicals and Pharmaceuticals	5,235,208	5.01	1,258,474	1.20	19,102,590	16.32
Construction	1,525,604	1.46	5,355,661	5.11	113,779	0.10
Electronics and Electrical Appliances	42,644	0.04	1,774,087	1.69	5,081	0.00
Engineering	5,127,175	4.90	588,515	0.56	9,321,263	7.96
Exports / Imports	64,453	0.06	926,026	0.88	1,000	0.00
Financial	1,719,791	1.64	6,299,154	6.01	56,310,941	48.10
Food and Beverages	27,445,533	26.25	2,550,239	2.43	5,487,007	4.69
Footwear and Leather Garments	30,261	0.03	270,429	0.26	18	0.00
Individuals	4,820,030	4.61	34,040,056	32.45	266,133	0.23
Insurance	-	-	311,160	0.30	-	-
Mining and Quarrying	10,000	0.01	3,924,853	3.74	3,500	0.00
Non Profit Organizations / Trusts	1,058	0.00	4,151,444	3.96	17,900	0.02
Oil and Gas	4,925,930	4.71	1,985,013	1.89	5,626,794	4.81
Paper and Printing	1,302,454	1.25	730,009	0.70	222,279	0.19
Power, Gas, Water and Sanitary	6,290,679	6.02	949,164	0.90	6,345,992	5.42
Services	973,256	0.93	6,268,517	5.98	467,425	0.40
Sugar	2,873,804	2.76	58,980	0.05	1,617	0.00
Textile	32,867,949	31.43	1,931,435	1.84	8,182,568	6.99
Transport, Storage and Communication	963,152	0.92	8,189,532	7.81	1,838,853	1.57
Wholesale and Retail Trade	1,017,814	0.97	7,346,530	7.00	161,666	0.14
Others	4,187,651	4.01	11,173,142	10.65	2,812,976	2.38
	104,558,530	100.00	104,896,065	100.00	117,082,107	100.00

41.1.1.2 **Segment by sector**

	2014					
	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Public / Government	15,419,603	13.11	11,521,012	10.96	8,473,452	7.78
Private	102,224,564	86.89	93,588,968	89.04	100,484,305	92.22
	117,644,167	100.00	105,109,980	100.00	108,957,757	100.00

	2013					
	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Public / Government	23,184,744	22.17	12,648,127	12.06	9,610,997	8.21
Private	81,373,786	77.83	92,247,938	87.94	107,471,110	91.79
	104,558,530	100.00	104,896,065	100.00	117,082,107	100.00

	2014		2013	
	Classified Advances	Specific Provisions Held	Classified Advances	Specific Provisions Held
	(Rupees '000')			

41.1.1.3 Details of non-performing advances and specific provisions by class of business segment

Agriculture, Forestry, Hunting and Fishing	–	–	–	–
Automobile and Transportation Equipment	717,826	616,516	682,202	600,559
Cement, Glass and Ceramics	638,764	504,320	597,404	507,858
Chemicals and Pharmaceuticals	846,908	704,973	887,615	595,846
Construction	505,200	406,443	543,878	265,974
Electronics and Electrical Appliances	26,638	25,378	30,504	18,905
Engineering	2,393,457	1,849,651	2,302,985	1,677,639
Financial	213,321	176,841	286,376	249,896
Food and Beverages	2,634,118	2,154,203	3,264,991	2,455,027
Footwear and Leather Garments	101,139	93,969	22,785	12,013
Individuals	762,168	585,020	863,600	491,228
Mining and Quarrying	–	–	3,632	1,374
Oil and Gas	162,542	119,855	166,414	109,682
Paper and Printing	734,432	581,816	617,658	417,956
Power, Gas, Water, Sanitary	366,962	366,663	375,054	374,754
Services	969,327	643,618	643,672	375,590
Sugar	649,179	635,405	419,283	419,283
Textile	13,763,867	11,941,976	14,337,362	11,570,558
Transport, Storage and Communication	535,921	415,665	670,514	446,762
Wholesale and Retail Trade	761,373	534,092	663,900	334,452
Others	2,234,042	1,529,409	2,524,918	1,563,449
	29,017,184	23,885,813	29,904,747	22,488,805

	2014		2013	
	Classified Advances	Specific Provisions Held	Classified Advances	Specific Provisions Held
	(Rupees '000')			

41.1.1.4 Details of non-performing advances and specific provisions by sector

Public / Government	–	–	–	–
Private	29,017,184	23,885,813	29,904,747	22,488,805
	29,017,184	23,885,813	29,904,747	22,488,805

	2014			
	(Loss) / Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
		(Rupees '000')		
41.1.1.5 Geographical Segment Analysis				
Pakistan	(84,430)	193,567,958	15,655,094	108,957,757
	2013			
Pakistan	1,625,267	177,324,639	14,476,194	117,082,107

41.2 Market Risk

Market risk refers to the potential loss that an entity may be exposed to due to market volatility. It is important for the Bank to put in place an effective market risk management framework to manage its market risk exposures. Market risk arises from all positions in financial instruments held by the Bank which exposes the Bank to market risk factors namely interest rates, foreign exchange ("FX") rates and equity prices.

Bank has adopted a market risk management structure that commensurate with its size and the nature of its business activities and facilitates effective management oversight and execution of market risk management and control processes.

Currently Bank's risk appetite for market risk is a combination of notional and sensitivity based limits. Following are the regulatory and internal guidelines monitored by Market & Liquidity Risk Unit (MLRU).

- Foreign Exchange Exposure Limit
- Equity Exposure Limit
- FX Tenor mismatch
- DV01
- VaR

NIB also applies a Value-at-Risk (VaR) methodology to assess the market risk positions held. Currently NIB is using historical simulation model for calculating VaR.

Interest rate risk

The principal risk to which NIB's portfolios are exposed is the risk of losses from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is measured through DV01 and VaR.

41.2.1 Foreign Exchange Risk

NIB has set the following objectives for managing the inherent risk on foreign currency exposures:

Maximize profitability with minimum risk by keeping the exposure at desirable levels in view of strict compliance of regulatory / international standards and the Bank's internal guidelines, which are being adopted from regulator and followed vigorously;

Manage appropriate forward mismatch gaps;

Usage of different tools to manage the inherent risk of product and market, such as compliance of credit limit, monitoring of foreign exchange exposure limit, review of marked to market portfolio etc.

NIB takes steps to ensure that foreign currency exposures adhere to regulatory or international standards and NIB's internal guidelines. NIB uses tools such as Foreign Exchange Exposure Limit (FEEL), VaR and FX tenor gaps to monitor FX risk.

	2014			
	Assets	Liabilities	Off Balance sheet items	Net foreign currency exposure
	(Rupees '000')			
Pakistan Rupee	184,898,418	168,996,664	(146,511)	15,755,243
United States Dollar	8,184,669	6,458,330	(1,813,318)	(86,979)
Great Britain Pound	140,513	1,007,568	867,752	697
Euro	331,258	1,420,387	1,092,077	2,948
Japanese Yen	1,358	15,462	-	(14,104)
Swiss Franc	2,650	836	-	1,814
Others	9,092	13,617	-	(4,525)
	193,567,958	177,912,864	-	15,655,094

	2013			
	Assets	Liabilities	Off Balance sheet items	Net foreign currency exposure
	(Rupees '000')			
Pakistan Rupee	170,986,404	155,558,161	(956,169)	14,472,074
United States Dollar	5,771,426	5,337,581	(455,613)	(21,768)
Great Britain Pound	174,090	1,069,569	901,995	6,516
Euro	318,878	826,644	510,019	2,253
Japanese Yen	2,950	90	8,071	10,931
Swiss Franc	1,647	975	(2,368)	(1,696)
Others	69,244	55,425	(5,935)	7,884
	177,324,639	162,848,445	-	14,476,194

41.2.2 Equity price risk and Fixed Income rate risk

Equity price risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of NIB.

NIB conducts stress testing analysis over the equity portfolio, by anticipating changes/shocks of -30%, -40% and -50% on the current price of shares within a portfolio, thereby monitoring the effects of the predicted changes in the structure of shares portfolio on the Capital Adequacy Ratio ("CAR"). Further, NIB reviews new products to ensure that market risk aspects are properly quantified and mitigated.

41.2.3 Mismatch of Interest Rate Sensitive Assets and Liabilities

Details of the interest rate profile of the Bank based on the earlier of contractual repricing or maturity date is as follows:

	2014												
			Exposed to Yield / Interest risk										
	Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years	Non-interest bearing financial instruments
		(Rupees '000')										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	8,063,675	-	-	-	-	-	-	-	-	-	8,063,675
Balances with other banks	0.15%	587,426	24,723	-	-	-	-	-	-	-	-	562,705
Lendings to financial institutions	9.91%	7,699,646	6,730,297	969,349	-	-	-	-	-	-	-	-
Investments	9.86%	59,944,107	497,591	2,020,249	7,863,562	5,170,255	4,651,297	3,036,353	6,913,565	23,853,833	-	5,937,408
Advances	10.01%	93,654,036	17,779,798	55,383,438	9,829,129	6,091,020	962,204	853,415	1,457,020	685,531	622,481	-
Other assets	10.08%	5,199,904	-	900,000	-	-	-	-	-	-	-	4,299,904
		175,156,796	25,032,409	59,273,036	17,692,691	11,261,275	5,613,501	3,889,768	8,370,585	24,539,364	622,481	18,863,692
Liabilities												
Bills payable	-	2,740,526	-	-	-	-	-	-	-	-	-	2,740,526
Borrowings	9.21%	62,750,894	40,112,192	9,834,876	9,675,250	2,550,454	-	-	-	-	-	578,122
Deposits and other accounts	5.78%	105,109,980	51,996,230	4,956,658	8,241,327	5,262,543	2,151	28,842	527	-	-	34,621,702
Sub-ordinated loans	11.26%	4,197,195	-	-	4,197,195	-	-	-	-	-	-	-
Other liabilities	-	1,864,669	-	-	-	-	-	-	-	-	-	1,864,669
		176,663,266	92,108,422	14,791,534	22,113,772	7,812,997	2,151	28,842	527	-	-	39,805,021
On-balance sheet gap		(1,504,470)	(67,076,013)	44,481,496	(4,421,081)	3,448,278	5,611,350	3,860,926	8,370,058	24,539,364	622,481	(20,941,329)
Non Financial Net Assets		17,159,564										
Total Net Assets		15,655,094										
Off-balance sheet financial instruments												
Foreign exchange contracts - purchase		22,105,204	10,236,762	6,012,181	5,151,201	705,060	-	-	-	-	-	-
Foreign exchange contracts - sale		22,123,668	4,547,452	5,575,756	12,000,460	-	-	-	-	-	-	-
Forward Government Securities - purchase		-	-	-	-	-	-	-	-	-	-	-
Forward Government Securities - sale		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		(18,464)	5,689,310	436,425	(6,849,259)	705,060	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap			(61,386,703)	44,917,921	(11,270,340)	4,153,338	5,611,350	3,860,926	8,370,058	24,539,364	622,481	(20,941,329)
Cumulative Yield / Interest Rate Risk Sensitivity Gap			(61,386,703)	(16,468,782)	(27,739,122)	(23,585,784)	(17,974,434)	(14,113,508)	(5,743,450)	18,795,914	19,418,395	(1,522,934)

	Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk									Non-interest bearing financial instruments
			Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years	
		(Rupees '000')										
2013												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	8,006,105	-	-	-	-	-	-	-	-	-	8,006,105
Balances with other banks	0.12%	692,177	609,969	-	-	-	-	-	-	-	-	82,208
Lendings to financial institutions	9.14%	2,127,516	2,127,516	-	-	-	-	-	-	-	-	-
Investments	9.19%	61,058,866	45,336	16,144,545	11,641,437	-	7,184,188	1,303,824	5,907,333	12,744,702	-	6,087,521
Advances	9.75%	82,000,586	13,177,160	51,974,408	9,963,725	3,775,390	744,909	560,689	1,028,108	678,003	98,194	-
Other assets	10.52%	4,132,941	-	900,000	-	-	-	-	-	-	-	3,232,941
		158,018,211	15,959,981	69,018,953	21,605,162	3,775,390	7,929,097	1,864,513	6,935,441	13,422,705	98,194	17,408,775
Liabilities												
Bills payable	-	2,862,663	-	-	-	-	-	-	-	-	-	2,862,663
Borrowings	8.97%	51,506,673	37,967,316	6,151,491	5,935,237	1,290,343	-	-	-	-	-	162,286
Deposits and other accounts	5.24%	104,896,065	7,278,461	14,810,672	47,935,431	5,441,602	13,225	1,680	22,795	-	-	29,391,999
Other liabilities	-	2,372,543	-	-	-	-	-	-	-	-	-	2,372,543
		161,637,944	45,245,777	20,962,163	53,870,668	6,731,945	13,225	1,680	22,795	-	-	34,789,491
On-balance sheet gap		(3,619,733)	(29,285,796)	48,056,790	(32,265,506)	(2,956,555)	7,915,872	1,862,833	6,912,646	13,422,705	98,194	(17,380,716)
Non Financial Net Assets		18,095,927										
Total Net Assets		14,476,194										
Off-balance sheet financial instruments												
Foreign exchange contracts - purchase		26,499,067	16,543,481	8,061,936	1,893,650	-	-	-	-	-	-	-
Foreign exchange contracts - sale		25,424,367	13,341,936	8,730,588	2,629,162	722,681	-	-	-	-	-	-
Forward Government Securities - purchase		12,699,823	3,098,726	9,601,097	-	-	-	-	-	-	-	-
Forward Government Securities - sale		2,894,757	2,894,757	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		10,679,766	3,405,514	8,932,445	(735,512)	(722,681)	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap			(25,880,282)	56,989,235	(33,001,018)	(3,679,236)	7,915,872	1,862,633	6,912,646	13,422,705	98,194	(17,380,716)
Cumulative Yield / Interest Rate Risk Sensitivity Gap			(25,880,282)	31,108,953	(1,892,065)	(5,571,301)	2,344,571	4,207,204	11,119,850	24,542,555	24,640,749	7,260,033

41.3 Liquidity Risk

Liquidity risk is defined as the risk that a Bank either does not have enough financial resources to meet its obligation and commitments as they fall due or can secure funds at an excessive cost; even when the Bank is solvent. Liquidity risk is due to the difference between the Bank's assets and liabilities generally known as mismatches. Liquidity management is important as the ultimate cost of a lack of liquidity is being out of business.

The liquidity risk policy is formulated keeping in view of the SBP's guidelines on risk management, Basel standards and best practices. NIB maintains its liquidity by keeping a level of liquid assets in such amount which is considered sufficient to anticipate payment of customers' deposits.

The Bank manages its liquidity risk through:

- Controlling the cash flow mismatch between on and off balance sheet assets and liabilities through MCO;
- 5-Day stress testing on Bank's balance sheet carried out on daily basis assuming 50% run offs in CASA (Current and Saving) deposits over 5 days;
- Maintaining stable and diversified sources of funding;
- Ensuring the Bank has the right asset portfolio mix and sufficient liquid assets on hand in relation to its daily cash flows; and
- Stress testing on portfolio as required by local regulator

41.3.1 Maturities of Assets and Liabilities - Based on contractual maturity of the Assets and Liabilities of the Bank

	2014									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,063,675	8,063,675	-	-	-	-	-	-	-	-
Balances with other banks	587,428	587,428	-	-	-	-	-	-	-	-
Lending to financial institutions	7,699,646	6,730,297	969,349	-	-	-	-	-	-	-
Investments	59,944,107	518,196	1,586,811	6,851,142	5,272,677	5,053,827	3,466,206	7,403,427	23,979,874	5,811,947
Advances	93,664,036	58,234,869	10,234,826	7,593,314	1,473,315	3,946,167	3,878,685	5,213,985	2,352,550	736,325
Operating fixed assets	2,996,530	24,794	56,860	134,565	153,613	253,995	259,305	249,700	412,592	1,451,116
Intangible assets	1,197,785	26,867	53,585	80,377	160,582	319,239	313,363	238,485	5,287	-
Deferred tax assets - net	10,139,376	117,395	234,789	352,184	704,367	1,937,086	2,655,266	4,138,269	-	-
Other assets	9,275,375	1,389,476	2,782,595	310,358	366,799	368,395	2,655,944	190,843	1,183,836	27,129
	193,567,958	75,692,997	15,918,815	15,321,940	8,131,353	11,978,709	13,228,789	17,434,709	27,934,139	8,026,517
Liabilities										
Bills payable	2,740,528	2,740,528	-	-	-	-	-	-	-	-
Borrowings	62,750,894	40,528,028	9,834,876	9,875,250	2,550,454	-	-	-	162,296	-
Deposits and other accounts	105,109,980	86,617,931	4,956,658	8,241,327	5,262,543	2,152	28,842	527	-	-
Sub-ordinated loans	4,197,195	-	-	840	840	1,680	1,680	3,359	4,188,796	-
Other liabilities	3,114,267	850,246	1,467,836	455,562	7,313	220,695	11,301	27,950	64,524	8,820
	177,912,864	130,736,733	16,259,370	18,372,999	7,821,150	224,527	41,823	31,836	4,415,606	8,820
Net assets	15,655,094	(55,043,746)	(340,555)	(3,051,059)	310,203	11,654,182	13,186,966	17,402,873	23,518,533	8,017,697
Share capital	103,028,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(43,294,117)									
Shareholders' equity	14,438,895									
Surplus on revaluation of assets - net	1,216,199									
	15,655,094									

The above maturity profile has been prepared in accordance with International Financial Reporting Standard 7, Financial Instruments: Disclosures, based on contractual maturities. Consequently, all demand assets and liabilities such as running finance, current accounts and saving accounts are shown as having a maturity upto one month. However, based on historical behaviour, management is of the opinion that the possibility of these inflows / outflows actually occurring entirely within one month is remote, as these flows normally occur over a longer period of time.

	2013									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,006,105	8,006,105	-	-	-	-	-	-	-	-
Balances with other banks	692,177	692,177	-	-	-	-	-	-	-	-
Lending to financial institutions	2,127,516	2,127,516	-	-	-	-	-	-	-	-
Investments	61,058,886	53,909	15,828,329	9,449,016	160,644	8,226,228	1,688,095	6,725,237	13,020,978	5,906,450
Advances	82,000,586	51,877,347	8,720,171	6,390,111	4,562,651	2,664,692	2,280,952	2,308,906	1,097,562	98,194
Operating fixed assets	2,836,105	34,630	67,794	100,972	194,241	326,632	130,711	185,889	365,204	1,490,032
Intangible assets	1,436,252	28,357	56,714	82,548	160,649	301,510	299,337	460,678	48,461	-
Deferred tax assets - net	11,249,866	117,395	234,789	352,184	704,367	1,937,086	2,655,286	5,246,779	-	-
Other assets	7,915,126	254,269	3,233,358	166,230	183,213	2,060,102	357,261	461,992	1,184,405	14,296
	177,324,639	63,191,705	28,141,155	18,541,059	5,965,765	15,516,250	7,411,642	15,391,481	15,656,610	7,508,972
Liabilities										
Bills payable	2,862,663	2,862,663	-	-	-	-	-	-	-	-
Borrowings	51,506,673	37,967,316	6,151,491	5,935,237	1,290,343	-	-	-	162,286	-
Deposits and other accounts	104,896,065	80,978,766	14,810,672	3,627,126	5,441,602	13,225	1,680	22,794	-	-
Other liabilities	3,583,044	2,097,777	1,189,253	83,872	44,835	46,250	40,006	62,371	4,164	14,716
	162,848,445	123,906,522	22,151,416	9,646,235	6,776,780	59,475	41,686	85,165	166,450	14,716
Net assets	14,476,194	(60,714,817)	5,989,739	8,895,824	(811,015)	15,456,775	7,369,756	15,306,316	15,490,160	7,494,256
Share capital	103,028,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(42,790,164)									
Shareholders' equity	14,942,848									
Deficit on revaluation of assets - net	(466,654)									
	14,476,194									

41.3.2 Maturities of Assets and Liabilities - Based on historical pattern of the Assets and Liabilities of the Bank

	2014									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,063,675	8,063,675	-	-	-	-	-	-	-	-
Balances with other banks	587,428	587,428	-	-	-	-	-	-	-	-
Lending to financial institutions	7,699,646	6,730,297	969,349	-	-	-	-	-	-	-
Investments	59,944,107	518,196	1,586,811	6,851,142	5,272,677	5,053,827	3,466,206	7,403,427	23,979,874	5,811,947
Advances	93,664,036	16,095,800	17,532,839	18,540,333	23,367,352	3,946,167	3,878,685	5,213,985	2,352,550	736,325
Operating fixed assets	2,996,530	24,784	56,860	134,565	153,613	253,995	259,305	249,700	412,592	1,451,116
Intangible assets	1,197,785	26,867	53,565	60,377	160,582	319,239	313,363	288,485	5,287	-
Deferred tax assets - net	10,139,376	117,395	234,789	352,184	704,367	1,937,086	2,655,286	4,138,269	-	-
Other assets	9,275,375	1,389,476	2,782,695	310,358	366,799	368,395	2,655,944	190,843	1,163,836	27,129
	193,567,956	35,553,918	25,218,828	26,268,959	30,025,390	11,878,709	13,226,789	17,434,709	27,934,139	8,026,517
Liabilities										
Bills payable	2,740,528	2,740,528	-	-	-	-	-	-	-	-
Borrowings	62,750,894	40,528,028	9,834,876	9,675,250	2,550,464	-	-	-	162,286	-
Deposits and other accounts	105,109,980	11,036,637	9,368,615	14,859,261	18,496,411	5,139,705	5,160,396	10,283,534	30,789,321	-
Sub-ordinated loans	4,197,195	-	-	840	840	1,680	1,680	3,359	4,188,796	-
Other liabilities	3,114,267	850,246	1,467,836	455,582	7,313	220,695	11,301	27,950	84,524	6,820
	177,912,864	55,155,439	20,671,327	24,990,933	21,057,018	5,356,080	5,173,377	10,294,943	35,204,927	6,820
Net assets	15,655,091	(19,601,521)	2,545,501	1,278,026	8,968,372	6,522,629	8,055,412	7,139,766	(7,270,788)	8,019,697
Share capital	103,028,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(43,294,117)									
Shareholders' equity	14,438,895									
Surplus on revaluation of assets - net	1,216,199									
	15,655,094									

Non-contractual assets and liabilities have been profiled by using Core / Non-core Balance Methodology. Core balances are defined as those which are expected to remain in our books for a longer period and thus placed in longer time buckets. Whereas, non-core balances are considered volatile and expected to attrite from our books in the short run.

In order to work out non-core balances, volatility is calculated using standard deviation and scaled for computing respective tenor volatility. Non-core and core balances are equally distributed in time buckets from 1 month till 1 year and from 2 years till furtherest available time bucket respectively. Similarly, non-core balances for Running Finance are placed in 1 month bucket and core balances are equally distributed in buckets 2 months till 1-year.

	2013									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,006,105	8,006,105	-	-	-	-	-	-	-	-
Balances with other banks	692,177	692,177	-	-	-	-	-	-	-	-
Lending to financial institutions	2,127,516	2,127,516							-	-
Investments	61,056,886	53,909	15,828,329	9,449,016	160,644	8,226,228	1,088,090	6,725,237	13,020,978	5,906,450
Advances	62,000,586	14,561,685	15,504,637	18,567,110	24,916,648	2,664,892	2,280,952	2,308,906	1,097,562	98,194
Operating fixed assets	2,836,105	34,630	67,794	100,972	194,241	326,632	130,711	185,889	305,204	1,490,032
Intangible assets	1,438,252	28,357	56,714	82,546	160,649	301,510	299,337	460,678	48,461	-
Deferred tax assets - net	11,249,886	117,395	234,789	352,184	704,367	1,937,366	2,655,286	5,248,779	-	-
Other assets	7,915,126	254,269	3,233,358	166,230	183,213	2,060,102	357,251	461,992	1,184,405	14,296
	177,324,639	25,676,043	34,925,621	28,718,058	26,319,762	15,516,250	7,411,642	15,391,481	15,656,610	7,508,972
Liabilities										
Bills payable	2,862,663	2,862,663	-	-	-	-	-	-	-	-
Borrowings	51,506,673	37,967,316	6,151,491	5,935,237	1,290,343	-	-	-	162,286	-
Deposits and other accounts	104,896,065	9,247,559	18,748,866	9,534,418	17,256,187	5,020,339	5,008,993	10,037,022	30,042,681	-
Other liabilities	3,583,044	2,097,777	1,189,253	93,672	44,835	46,250	40,006	62,371	4,164	14,716
	162,848,445	52,175,315	26,089,610	15,563,327	18,591,365	5,066,589	5,048,999	10,099,393	30,209,131	14,716
Net assets	14,476,194	(26,499,272)	8,836,211	13,154,731	7,728,397	10,449,661	2,362,643	5,292,088	(14,552,521)	7,494,256
Share capital	103,028,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(42,790,164)									
Shareholders' equity	14,942,848									
Deficit on revaluation of assets - net	(466,654)									
	14,476,194									

41.4 Operational Risk Management

The Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner.

NIB approaches operational risk management from two perspectives to best manage operational risk within the structure of the Bank:

- at the enterprise level to provide independent, integrated management of operational risk across the Bank, and
- at the business and enterprise control function levels to address operational risk in revenue generating and non-revenue generating units.

A sound internal governance structure enhances the effectiveness of NIB's Operational Risk Management and is accomplished at the enterprise level through formal oversight by the Board, the CRO and risk management committees aligned to the Bank's overall risk governance framework and practices. The Operational Risk Committee (ORC) oversees the processes for sound operational risk management and also serves as an escalation point for critical operational risk matters within the Bank. The ORC reports operational risk activities to the Board Risk Management Committee.

Within the Integrated Risk Management Group, the Operational Risk Unit is now further strengthened after formation of Business Operational Risk Committees for Wholesale Banking, Commercial Banking & Consumer Banking. Businesses are now more focused on their relevant Operational Risk issues. Operational Risk System has been rolled out bank-wide. Key Risk Indicators, operational loss incidents and testing of controls are now captured in the Operational Risk System. BCP being part of Bank's control activity is now under the umbrella of Operational Risk Management Unit and fortifies the Integrated Risk Management Group.

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on February 25, 2015 by the Board of Directors of the Bank.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2014

(Rupees '000')

S.No.	Name & Address of borrower	Name of Individuals / partners / directors		Father's / Husband's Name	Outstanding Liabilities Before Adjustments				Principal written-off	Interest/ Mark-up written-off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
1	ZAHUR TEXTILE MILLS 31-CAVALRY GROUND, WALTON ROAD, LAHORE	(I) ARIF ZAHUR (II) MOHSIN ZAHUR (III) RAZA ARIF (IV) EJAZ-UL-HAQUE (V) SHAHADAT MANSOOR AKHTAR (VI) SAFFO LLAH CHAUDHRY (VII) COL (R) AFZAAL MUZAFFAR	(I) 35201-1656433-5 (II) 35201-4334522-1 (III) 35201-2942330-5 (IV) 35202-7764779-1 (V) 35200-1569596-7 (VI) 335-37-759962 (VII) 272-87-49 498	(I) MIAN ZAHUR-UL-HAQUE (II) MIAN ZAHUR-UL-HAQUE (III) ARIF ZAHUR (IV) ISRAR UL HAQUE (V) M. BUKSH MALIK (VI) AMMANAT U LLAH (VII) SYED NISAR AHMED	218,035	1,927	6,532	226,494	146,003	1,927	6,532	154,462
2	HASSAN RICE PROCESSING MILLS BAGOWAL ROAD, SIALKOT	MUHAMMAD JAMIL	34603-0223720-3	CHAUDAHRY MUHAMMAD SADIQ	14,656	6,900	-	21,556	3,000	6,900	-	10,556
3	WAHID MOTORS AL-SHAMS AUTO MARKET, BASEMENT SHOP # 80, BADAMI BAGH, LAHORE	(I) MUHAMMAD NAEEM (II) MUHAMMAD ZAHID (III) HABIB UR REHMAN (IV) MUHAMMAD IJAZ (V) MUHAMMAD NADEEM (VI) MUHAMMAD SALEEM (VII) ZIA UR REHMAN	(I) 35202-3823644-3 (II) 35202-6763173-1 (III) 35202-7319704-3 (IV) 35202-1811937-7 (V) 35202-3045498-7 (VI) 35202-7406678-3 (VII) 35202-3260776-1	(I) ABDUL WAHID (II) ABDUL WAHID (III) ABDUL WAHID (IV) ABDUL WAHID (V) ABDUL WAHID (VI) ABDUL WAHID (VII) ABDUL WAHID	3,500	1,209	-	4,709		1,209	-	1,209
4	CHAUDHARY PROCESSING INDUSTRIES (PVT) LIMITED P-45, MAQBOOL ROAD, FAISALABAD	(I) MUHAMMAD ASGHAR ALI (II) AYESHA ASGHAR ALI	(I) 33100-6320079-7 (II) 33100-1869433-6	(I) ALLAH DITTA (II) ASGHAR ALI	14,999	4,313	-	19,312	2,999	4,313	-	7,312
5	SHAHZAD NIAZI GOODS TRUCK STAND, MIRPUR ROAD, KARACHI.	MUHAMMAD AZIZ KHAN	38302-1163823-7	MUHAMMAD ISMAIL KHAN	902	135	-	1,037	831	135	-	766
6	SHAHEEN COTTON MILLS 19-A, ZAFAR ALI ROAD, GULBERG V, LAHORE.	(I) MIAN PARVEZ ASLAM (II) IMRAN ASLAM (III) CHAUDHRY HAKIM ALI (IV) HUMAYUN BAKHT (V) LT. COL (R) ABDUL QAYYUM (VI) RASHID AHMED (VII) HASSAN-UD-DIN ANSARI	(I) 35202-2787118-3 (II) 35202-2787118-1 (III) 35202-2839176-5 (IV) 35201-5366984-5 (V) 35404-1559818-9 (VI) 35404-1559824-3 (VII) 35202-7506801-3	(I) MIAN MUHAMMAD ASLAM (II) MIAN PARVEZ ASLAM (III) CHAUDHRY IMAM-UD-DIN (IV) SHAH MUHAMMAD (V) GHULAM SARWAR KHAN (VI) MAHMOOD AHMAD (VII) HAJI KHUDA BAKSH ANSARI	-	8,746	-	8,746	-	8,746	-	8,746
7	SHAHZAD TEXTILE MILL 19-A, ZAFAR ALI ROAD GULBERG V, LAHORE	(I) MIAN PERVAZ ASLAM (II) MIAN IMRAN ASLAM (III) CHAUDHRY HAKIM ALI (IV) HASSAN UD DIN ANSARI (V) HUMAYUN BAKHT (VI) LT. COL (R) ABDUL QAYYUM (VII) RASHID AHMED	(I) 35202-2787118-3 (II) 35202-2787118-1 (III) 35202-2839176-5 (IV) 35202-7506801-3 (V) 35201-5366984-5 (VI) 35404-1559818-9 (VII) 35404-1559824-3	(I) MIAN MUHAMMAD ASLAM (II) MIAN PERVEZ ASLAM (III) CHAUDHRY IMAM-UD-DIN (IV) HAJI KHUDA BAKHSH ANSARI (V) SHAH MUHAMMAD (VI) GHULAM SARWAR KHAN (VII) MEHMOOD AHMED	-	70,077	-	70,077		70,077	-	70,077
8	PAZER SHOES SHOP # 50-A, HAIDERY CENTRE, BLOCK-G, NORTH NAZIMABAD, KARACHI	SHAZIA MUSAWIR ALI	42101-0535696-0	SYED MUSAWIR ALI	23,960	3,166	-	27,126	1,960	3,001	-	4,961
9	AMMAR TEXTILE (PVT) LIMITED 18-K.M. MULTAN ROAD, MULTAN.	(I) KH. BELAL AHMAD (II) SAMEENA BELAL	(I) 35202-2969902-7 (II) 35200-1446249-4	(I) KH. GHULAM MOHY UDDIN (II) KH. BELAL AHMED	111,786	12,354	-	124,140	73,071	12,354	-	85,425
10	PINE HILLS CONSTRUCTION HOUSE # 280, STREET # 21, RAWAL TOWN, ISLAMABAD	(I) MASOOD AHMED ABBASI (II) MANSOOR AHMED ABBASI	(I) 37404-8235655-1 (II) 61101-4203179-3	(I) RAJA KHALIQ DAD KHAN (II) RAJA KHALIQ DAD KHAN	10,484	2,378	-	12,862	1,484	2,378	-	3,862
11	OCEAN PAK FOOD PRODUCTS F-211, S.I.T.E. AREA, KARACHI.	(I) ABID ALI (II) SHAHID ALI (III) TAHIR ALI (IV) SAUBAN JILANI	(I) 42101-9623495-1 (II) 42101-1845750-1 (III) 42101-1845754-7 (IV) 42101-6001308-7	(I) SHOUKAT ALI (II) SHOUKAT ALI (III) SHOUKAT ALI (IV) AKHTAR JILANI	48,754	23,824		72,578	13,005	23,824	-	36,829
12	F S ENTERPRISES (PVT) LIMITED PLOT # 16-C, 5TH COMMERCIAL LANE, D.H.A. PHASE V, KARACHI.	(I) FAHAD SULTAN AHMED (II) SHEHLA WASIA KHAN	(I) 42301-2924021-1 (II) 42301-0950080-4	(I) KHAWAJA ISLAM AHMED (II) KHAWAJA ISLAM AHMED	59,899	17,782	-	77,681	-	17,782	-	17,782
13	GHUMAN RICE PROCESSING MILLS DESKA ROAD, ADDA, SIALKOT	CH. MUHAMMAD HANIF GHUMAN	34603-2275058-9	ABDUL LATIF	19,994	10,208	-	30,202	1,794	10,208		12,002
14	FRONTIER CABLE INDUSTRIES (PVT.) LIMITED 13, PHASE-I, INDUSTRIAL ESTATE HATTAR	(I) MUHAMMAD PERVEZ (II) DR. NAHEED PERVEZ (III) MUHAMMAD JAVAID	(I) 61101-5966376-3 (II) 61101-6174142-2 (III) 61101-1903548-9	(I) HAFIZ-UR-REHMAN (II) MUHAMMAD PERVEZ (III) HAFIZ-UR-REHMAN	96,225	15,727	-	111,952	-	9,959	-	9,959
15	ELECTRO-ZONE INTERNATIONAL HOUSE # 7, STREET # 66, F-7/3, ISLAMABAD.	(I) MUHAMMAD PERVEZ (II) DR. NAHEED PERVEZ	(I) 61101-5966376-3 (II) 61101-6174142-2	(I) HAFIZ-UR-REHMAN (II) MUHAMMAD PERVEZ	9,999	929	-	10,928	-	787	-	787
16	BABAR PLASTIC CROCKERY 173, ALAMGIR MARKET SHAH ALAM MARKET, LAHORE.	ZAHEER UDDIN BABAR	35202-3301525-3	NASEER UDDIN	24,995	20,802	-	45,797	6,995	20,802	-	27,797

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(Rupees '000')

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		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
17	AHMED WEAVING FACTORY MUHAMMAD ALI STREET, SAMANDARI ROAD, FAISALABAD.	MEHMOOD AHMED	33100-1760916-5	NAIMAT ALI	25,455	1,229	-	26,684	5,456	1,229	-	6,685
18	ZAFAR AHMED & COMPANY RICE DEALER GHALLA MANDI, CIRCULAR ROAD, DASKA, SIALKOT.	ZAFAR AHMED	34601-0745278-5	MIAN GHULAM NABI	14,960	2,160	-	17,120	-	2,160	-	2,160
19	IMTIAZ TRADERS SHOP # 7, SHEIKH NAWAB MARKET, PAPER MANDI, LAHORE.	ABRAR AHMED	35202-6212288-1	HABIB ULLAH	7,312	2,856	-	10,168	-	2,856	-	2,856
20	CLIMAX ENGINEERING COMPANY LIMITED CLIMAXABAD, G.T. ROAD, GUJRANWALA.	(I) CH. MUHAMMAD QAYYUM (II) CH. M.A.HAMEED (III) CH. ABDUL SALAM (IV) CH. IMTIAZ UL HAMEED (V) CH. MEHMOOD GHANI (VI) CH. USMAN GHANI (VII) CH. ZIA HAMEED	(I) 3410*-2524971-3 (II) 3410*-2524977-1 (III) 3410*-5657309-7 (IV) 3410*-2524976-5 (V) 3410*-2589643-7 (VI) 3410*-2589635-3 (VII) 3410*-2524979-9	(I) CH. NAZEER AHMED (II) MUHAMMAD DIN (III) CH. NAZEER AHMED (IV) CH. M. ABDUL HAMEED (V) ABDUL GHANI (VI) ABDUL GHANI (VII) HAMEED	42,534	7,562	-	50,096	-	5,799	-	5,799
21	REGENCY FAISALABAD 949, REGENCY MALL ROAD, FAISALABAD.	(I) MALIK MOHAMMAD ASHRAF (II) ANJADAH ASHRAF	(I) 37406-1612390-5 (II) 37406-1563121-2	(I) MALIK MUHAMMAD TUFAIL (II) MALIK MOHAMMAD ASHRAF	26,000	5,220	-	31,220	-	4,220	-	4,220
22	YARN MERCHANTS OFFICE # 8, M. YASIN MENSION, KHARADAR, KARACHI.	SHAKIL ASHFAQ	42301-1082308-1	ASHFAQ AHMED	14,905	7,847	-	22,752	-	3,589	-	3,589
23	MADINA COTTON WASTE FACTORY NEAR MALIK GHEE MILL, SAMUNDRI ROAD, FAISALABAD.	MUHAMMAD QASIM	35100-4445378-7	MUHAMMAD AKRAM	2,500	603	-	3,103	750	603	-	1,353
24	FARID CRYSTAL COMPANY (PVT) LIMITED E-217A, BILAL STREET, FIRDOUS PARK, GHAZI ROAD, LAHORE.	(I) SHEIKH MUHAMMAD AKRAM (II) ABDUL SALAM (III) HABIB UR REHMAN	(I) 35201-1237360-7 (II) 35201-1237441-9 (III) 35201-1403392-7	(I) SHEIKH ABDUL HAQ (II) ABDUL HAQ (III) ABDUL HAQ	5,823	14,329	-	20,152	5,823	14,329	-	20,152
25	HASSAN TRADERS G.T.ROAD, SADHOKE, TEHSIL KAMOKE.	SYED NAEEM-UL-HASSAN GILLANI	34102-0456134-3	SYED MUHAMMAD HASSAN GILLANI	17,999	7,759	-	25,758	2,999	7,759	-	10,758
26	LAAR SUGAR MILLS LIMITED 16-E, BLOCK-6, RASHID MINHAS ROAD, P.E.C.H.S. SOCIETY, KARACHI.	(I) MOHAMMAD AHMED (II) CP SYED NAEQUE MUSTAFA SHAH (III) ABDUL RAUF (IV) MUSARRAT AHMED	(I) 42000-0356378-5 (II) 42201-4875703-9 (III) 42201-0855138-7 (IV) 42000-0376706-6	(I) MOHAMMAD AMIN (II) SYED GHULAM MUSTAFA SHAH (III) MOHAMMAD FAROUK (IV) MOHAMMAD AMIN	22,000	6,106	-	28,106	7,000	6,106	-	13,106
27	NIAZI EXPRESS BUS SERVICE NIAZI BUILDING, 109-MULTAN ROAD, MULTAN.	(I) AZAM KHAN NIAZI (II) MUHAMMAD FAISAL KHAN NIAZI (III) TARIQ SMAIL SIDDIQUI (IV) ZIA-UR-REHMAN SIDDIQUI (V) FAZAL AHMED	(I) 35202-2865149-7 (II) 35202-4795781-1 (III) 35200-1460878-1 (IV) 35202-2863488-1 (V) 35202-0875944-7	(I) ATA MUHAMMAD KHAN NIAZI (II) ATA MUHAMMAD KHAN NIAZI (III) HAIS AHMED SIDDIQUI (IV) BADAR ASHFAQ AHMED SIDDIQUI (V) ABDUL HAMEED	106,658	14,038		120,696	22,878	14,038	-	36,916
28	KLASS TEXTILE MILLS (PVT) LIMITED FLAT # 1, 2ND FLOOR, AWAMI COMPLEX, USMAN BLK, NEW GARDEN TOWN, LAHORE.	(I) SADIA YOUNAS MANSHA (II) KALSOOM YOUNAS (III) CH. NAZIR AHMED	(I) 35202-2485504-2 (II) 35202-6851704-4 (III) 36501-1866304-3	(I) OMER MANSHA (II) MUHAMMAD YOUNAS (III) CH. ALI MUHAMMAD	91,776	12,995		104,771	31,876	12,995	-	44,871
29	TECHNO TRADERS TECHNO TRADERS, SADAT MARKET, THOKAR NIAZ BAIG, MULTAN ROAD, LAHORE.	IFTIKHAR AHMED	35202-7600510-5	SHAFAT AHMED	33,893	16,900	-	50,793	14,293	16,900	-	31,193
30	M A ENTERPRISES 405, SHAHJAH TRADE CENTRE, SHAHRAH-E-LIAQUAT, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI.	(I) SH. MUHAMMAD RIAZ (II) SHEIKH MUHAMMAD IJAZ	(I) 33100-6090439-5 (II) 33100-3898955-7	(I) HAJI SH. MUHAMMAD ILYAS (II) HAJI SH. MUHAMMAD ILYAS	10,213	1,453		11,666	2,163	1,453	-	3,616
31	GLOBAL FASHION OFFICE # 11, C-1, CHAPAL BRIGHT HOMES, BLOCK 7 MAIN CLIFTON ROAD, KARACHI.	(I) MUHAMMAD JAMSHED ALAM (II) ZOHRA JABEEN (III) MUHAMMAD SHAMSHER ALAM	(I) 42101-0621559-7 (II) 42101-4026002-2 (III) 42101-5608894-7	(I) MUHAMMAD KHURSHEED ALAM (II) MUHAMMAD JAMSHED (III) MUHAMMAD KHURSHEED ALAM	-	7,513		7,513		7,513	-	7,513
32	MYERS INTERNATIONAL 139-B/1, D GROUND, FAISALABAD.	(I) RAJA USMAN HAROON (II) YASIR HUMAYUN	(I) 33100-4031568-3 (II) 37201-6096600-5	(I) RAJA HAROON SARFRAZ (II) HAMAYUN SARFRAZ	-	1,753	-	1,753	-	1,753	-	1,753
33	SAS INTERNATIONAL 1598, KHAYABAN-E-AMIR KHUSRO, PHASE-VI, DHA, KARACHI.	ABDUL SAEED KHAN	42000-0502423-3	ABDUL HAMEED KHAN	11,080	7,911	-	18,991		7,911	-	7,911
34	SPECTRUM FISHERIES LIMITED E-1, FISH HARBOUR, WEST WHARF, PO BOX 8111, KARACHI-74000	(I) MUHAMMAD SIDDIQUE (II) BASHIR SIDDIQ	(I) 513-88-020278 (II) 513-68-017541	(I) HAJI ABDULLAH (II) MUHAMMAD SIDDIQ	30,502	17,563	-	48,065	15,502	17,563	-	33,065

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(Rupees '000')

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		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
35	PAKISTAN TUBE MILLS (PVT) LIMITED 10-KM, SHEIKHUPURA ROAD, LAHORE	(I) SHEIKH MUHAMMAD ARSHAD (II) ZAREENA BEGUM	(I) 35202-6587643-7 (II) 35201-7450131-6	(I) SHEIKH MUHAMMAD ASHRAF (II) SHEIKH MUHAMMAD ASHRAF	18,389	5,265	-	23,654	-	5,265	-	5,265
36	AL AAMIR ENTERPRISES 505, 5TH FLOOR, JILANI CENTRE, M.A. JINNAH ROAD, KARACHI.	(I) MUHAMMAD AAMIR SORATHIA (II) SAMINA SORATHIA (III) GHULAM ABBAS	(I) 42000-0364874-1 (II) 42000-0370524-4 (III) 42000-0480648-5	(I) ABDUL RAZZAQ (II) ABDUL RAZZAQ (III) ABBAS	113,109	61,978	-	175,087	23,109	61,978	-	85,087
37	TAJ CHEMICAL CORPORATION JSMAN CHOWK, CHAK # 204, FAISALABAD.	MUHAMMAD ASHRAF	33100-0760031-3	MUHAMMAD ASGHAR	5,596	2,982	-	8,578	-	2,982	-	2,982
38	AFZAL SHOE COMPANY SHOP # 2-B, MAIN SHOP MARKET SHAHA, AM SHOE MARKET, LAHORE	(I) SHEIKH SHAKEEL AFZAL (II) SHEIKH SOHAIL AFZAL	(I) 35202-3172953-1 (II) 35202-2673547-1	(I) SHEIKH MUHAMMAD AFZAL ( ) SHEIKH MUHAMMAD AFZAL	15,000	2,944	-	17,944	-	2,944	-	2,944
39	BHATTI TRADERS MAIN SARGODHA ROAD, CHAK BAWA OPPOSITE BHATTI ASIA JIM, FAISALABAD.	MUHAMMAD IKRAM	33100-1601527-7	MUHAMMAD YOUSAF	2,619	611	-	3,230	-	611	-	611
40	KASHMIR TRADERS P-202, TIKKA KHANA, STREET # 1, YARN MARKET, FAISALABAD	IMRAN SHER ALI	33100-3430461-7	SHER ALI	24,392	3,184	-	27,576	-	3,184	-	3,184
41	LODHI INTERNATIONAL R 408, SECTOR 15-B, BUFFER ZONE, KARACHI	LIAQUAT ALI KHAN LODHI	42101-3398954-5	KHURSHEED KHAN	4,697	3,757	-	8,454	697	3,757	-	4,454
42	STAHLCO WOOD TECH INDUSTRIES (PVT.) LIMITED 21 KM, FEROZEPUR ROAD, LAHORE	(I) ASIF REHAN DAR ( ) TAYABA JABEEN	(I) 35202-8913452-1 (II) 35202-2643498-0	(I) M. ZAFAR DAR (II) ASIF REHAN DAR	11,999	1,188	-	13,187	4,999	1,188	-	6,187
43	STAHLCO DOMESTIC PRODUCTS (PVT.) LIMITED 21 KM, FEROZEPUR ROAD, LAHORE	( ) ASIF REHAN DAR ( ) TAYABA JABEEN	(I) 35202-8913452-1 (II) 35202-2643498-0	(I) M. ZAFAR DAR (II) ASIF REHAN DAR	39,993	3,977	-	43,970	16,993	3,977	-	20,970
44	MAMA FAHD INTERNATIONAL 67, BLOCK-6, PECHS, KARACHI	MUHAMMAD ABID KHAN	42201-2434640-5	MUHAMMAD ABDUL RAUF KHAN	3,768	28	-	3,796	3,768	-	-	3,768
45	JAMIL KHALID BROTHERS 99 RAILWAY GODOWN, PECO ROAD, OPPOSITE MSB STEEL MILL, BADAMI BAGH, LAHORE	KHALID FAROOQ	35202-4188669-1	MUHAMMAD SHAREEF	1,199	3,542	-	4,741	-	3,542	-	3,542
46	GOLDEN AGRO INDUSTRIES (PVT.) LIMITED ROOM 9/19, 9TH FLOOR, ARKAY SQUARE EXT. NEW CHALLI, KARACHI	(I) SYED FAKHAR ALAM ZAIDI (II) DILSHAD HUSSAIN JAFRI	(I) 42101-2084228-5 (II) 42101-1724855-5	(I) SYED ALI JAFAR ZAIDI (II) SHAMSHAD HUSSAIN JAFRI	11,000	635	-	11,635	-	635	-	635
47	CITY FLOUR MILLS / DAWOOD NOOR FLOUR MILLS PLOT C-106,109, 111-113, SMALL INDUSTRIAL ESTATE, SUKKUR.	(I) MUHAMMAD IQBAL (II) MUHAMMAD AHMED IQBAL	(I) 45504-4306791-7 (II) 45504-2062973-9	(I) DAWOOD NOOR MUHAMMAD (II) MUHAMMAD IQBAL DAWOOD	33,994	5,264	-	39,258	33,994	-	-	33,994
48	AMTEX LIMITED P-226, TIKKA GALI # 2, AMTEX PLAZA, YARN MARKET, FAISALABAD.	(I) KHURRAM IFTIKHAR (II) SHAHZAD IFTIKHAR (III) NADEEM IFTIKHAR	(I) 33102-1749610-9 (II) 33102-1749610-3 (III) 33100-9694843-3	(I) IFTIKHAR UD DIN (II) IFTIKHAR UD DIN (III) IFTIKHAR-UD-DIN	81,326	65,073	-	146,399	-	59,556	-	59,556
49	AAYAN INDUSTRIES HOUSE # 73, STREET # 6, F-10/3, ISLAMABAD	(I) ASIM ABBAS BALOUCH (II) GHULAM QASIM ABBAS BALOUCH	(I) 6110*-8296965-7 (II) 6110*-9198651-1	(I) GHULAM ABBAS (II) GHULAM ABBAS	28,795	12,058	-	40,853	-	12,058	-	12,058
50	FOX AND ASSOCIATES 5-KM, DASKA ROAD, MIANI, SIALKOT.	(I) ZIA-UR-REHMAN (II) GHAZALA MUZAFFAR (III) AHSAN MAJEED	(I) 34603-9696276-9 (II) 34603-9083336-8 (III) 34603-3634307-5	(I) ATTA-UR-REHMAN ( ) ABDUL JALIL (II) CH. ABDUL MAJEED	97,943	62,200	-	160,143	-	62,200	-	62,200
51	RIAZ BILLA WEAVING & TRADING P-202, SHOP # 25 A, TIKA GALI # 1, YARN MARKET, FAISALABAD.	RIAZ AHMED	33100-1705344-3	MUHAMMAD SHAFI	24,040	4,432	-	28,472	2,900	4,432	-	7,332
52	AHMED WEAVING AND TRADING MONTGOMERY BAZAR, FAISALABAD.	MOHAMMAD AHMED	33100-0771536-1	QADEER AHMED	20,088	3,766	-	23,834	17,311	3,766	-	21,077
53	NOOR TRADERS TIKA GALI # 1, YARN MARKET, MONTGOMERY BAZAR, FAISALABAD.	MUHAMMAD AFZAL	33100-0763023-5	MUHAMMAD ASGHAR	27,103	5,997	-	33,100	-	5,997	-	5,997
54	UNIQUE CNG STATION G.T. ROAD, KAMOKE, GUJRANWALA.	(I) MUHAMMAD ASHFAQ (II) SHABBIR AHMED (III) MUHAMMAD SABIR (IV) MUHAMMAD ASGHAR	(I) 34101-7049060-1 (II) 34101-8459976-3 (III) 34101-1335475-3 (IV) 34101-2332808-9	(I) MUHAMMAD ISHAQ (II) NAZIR AHMED (III) MUHAMMAD RAFIQUE (IV) NAZEER AHMED	1,886	1,457	-	3,343	-	1,457	-	1,457

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55	D.M. TEXTILE MILLS LIMITED 157-PESHAWAR ROAD, P.O. BOX # 54, RAWALPINDI	(I) MIAN HABIB ULLAH (II) MIAN MUHAMMAD SALEEM OMER (III) MIAN NAEEM OMER (IV) SYED IRSHAD HUSSAIN SHAH (V) HUSSAIN AHMED QURESHI	(I) 37405-6085591-5 (II) 33100-0902344-5 (III) 33100-0571105-5 (IV) 37405-0554251-3 (V) 210-57-939839	(I) MIAN MUHAMMAD OMER (II) MIAN MUHAMMAD OMER (III) MIAN MUHAMMAD OMER (IV) SYED REHMAN SHAH (V) RAJIF AHMED QURESHI	109,087	34,498	-	143,585	-	34,485		34,485
56	SHIRAZ ALWANI HOUSE # D-18, NOOR APPARTMENT, BLOCK F, NORTH NAZIMABAD, KARACHI.	SHIRAZ ALWANI	42101-1859288-3	BARKAT ALWANI	457	46	-	503	457	46	-	503
57	MUHAMMAD NAEEM ANJUM HOUSE # 5, STREET # 12, TAI ARLIKH COLONY, BANI STOP, CHAKRI ROAD, DHAMIAL CAMP, RAWALPINDI	MUHAMMAD NAEEM ANJUM	37405-0506442-3	MUHAMMAD JAMIL KHAN	497	90	-	587	497	90	-	587
58	AMIR FAROOQ FLAT # 101, DATARI CASTLE, BLOCK 18 GULISTAN-E-JAUHAR, KARACHI.	AMIR FAROOQ	42201-0270903-5	MUHAMMAD FAROOQ BAKALY	522	88	-	610	522	88	-	610
59	IQBAL KHAN LODHI HOUSE # 7, STREET 22, SURIYA JABEEN PARK, BAGHBANPURA, CANTT, LAHORE	IQBAL KHAN LODHI	35201-4244381-1	LATIF KHAN LODHI	921	130	-	1,051	921	130	-	1,051
60	MUHAMMAD KHALID DOGAR FLAT # 2, 78-B, MOZANG MMIESON ROAD, LAHORE	MUHAMMAD KHALID DOGAR	34602-6714573-1	MUHAMMAD MUNIR AHMAD	937	135	-	1,072	937	135	-	1,072
61	WAQAS HUSSAIN HOUSE # 343, STREET # 29, ZAKARIYA TOWN, BOSAN ROAD, MULTAN	WAQAS HUSSAIN	36302-9564038-3	GHULLAM HUSSAIN	1,884	182	-	2,066	1,884	182	-	2,066
62	MUZAMIL LATIF HOUSE # 351/10-P, MAIN BAZAR, MOHALLAH ELAHI BUKSH COLONY, SADDAR, JHANG	MUZAMIL LATIF	33202-8642893-3	MUHAMMAD LATIF	1,000	105	-	1,105	1,000	105	-	1,105
63	ABDUL SALAM HOUSE # 1792/20, DEHLI COLONY, MAHAJIR CAMP # 3, BALDIA TOWN, KARACHI	ABDUL SALAM	42201-1690171-7	ABDUL RAHEEM	641	547	76	1,264	291	547	76	914
64	MUHAMMAD AMIN STREET # 7, PELI KOTHI, NEAR POWER HOUSE FLOUR MILLS AREA, SHAHDRA DAKKHANA, SHAHDRA BAGH, LAHORE	MUHAMMAD AMIN	35202-2956518-3	FAZAL KAREEM	416	482	51	949	246	462	51	779
65	MUHAMMAD NAEEM HOUSE # 204/19, MOHALLAH NEW MIANA PURA, MUSHRAQI SIALKOT.	MUHAMMAD NAEEM	34603-8219776-5	MUHAMMAD ANWER	291	392	66	749	141	392	66	599
66	CHAUDHARY ZAHID ISLAM HOUSE # 3D-1/A, ALLAMA IQBAL ROAD, LAHORE	CHAUDHARY ZAHID ISLAM	35202-1517479-9	CHAUDHARY ABDUL RASHEED	426	493	27	946	213	493	27	733
67	MUHAMMAD SALEEM JIWANI AREEBA APPARTMENT, FLAT # 101, FIRST FLOOR, PLOT # 1-2, BLOCK 3-F, NAZIMABAD # 3, KARACHI.	MUHAMMAD SALEEM JIWANI	42101-6294028-5	MOHAMMAD HAROON JIWANI	631	674	47	1,352	284	674	47	1,005
68	IMAD AZHAR HUSSAIN HOUSE # B-54, BLOCK-2, GULISTAN-E-JOHAR, KARACHI.	IMAD AZHAR HUSSAIN	42101-1807514-3	SYED AZHAR HUSSAIN	280	520	74	874	139	520	74	732
69	ZULFIQAR HOUSE # 3305/B A, NEAR JAMIA MASJID, MUHAMMAD ISMAIL WALI FAREEDABAD, PURANI GANNA MANDI, MULTAN	ZULFIQAR	36302-0558685-7	KHUSHI MUHAMMAD	687	594	68	1,349	237	594	68	899
70	KAMRAN SIDDIQUE HOUSE # 28, WAHID STREET, MAIN AZIZ DIN ROAD SANDA KALAN, LAHORE	KAMRAN SIDDIQUE	35202-8351440-5	RIASAT HUSSAIN	369	443	32	844	69	443	32	544
71	MUHAMMAD ARSHAD NADEEM HOUSE # 157, AL HAMD GARDENS, EAST 2 NEAR SAGIAN PULL, SHAHDARA, LAHORE	MUHAMMAD ARSHAD NADEEM	35103-1589886-1	MUHAMMAD SADIQ	1,008	679	231	1,918	483	679	231	1,393
72	NEK MUHAMMAD GOTH ELAHI BUKSH, LASHARI DAKHANA KUND KOTH, DISTRICT KUND KOTH, JACOBABAD.	NEK MUHAMMAD	43103-5323997-5	MUHAMMAD SULEMAN	333	337	38	708	163	337	38	538

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(Rupees '000')

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73	ABDUL HAKEEM SADHRAICH HOUSE # 752, STREET # 7, UMER FAROOQ COLONY, DHOKE CHAUDRAN, RAWALPINDI.	ABDUL HAKEEM SADHRAICH	61101-1381771-1	MIAN NIZAM UDDIN SADHRAICH	398	64	436	900	158	64	439	660
74	MUHAMMAD SOHAIL SALEEM HOUSE # 77/8, NASIR STREET, MAQBOOL ROAD, ICHRA, LAHORE.	MUHAMMAD SOHAIL SALEEM	35202-2608380-7	MALIK MUHAMMAD SALEEM	428	357	12	797	200	357	12	569
75	MUHAMMAD ZAHID HASSAN QURESHI HOUSE # 145, STREET # 10, SABZAZAR COLONY, MULTAN.	MUHAMMAD ZAHID HASSAN QURESHI	32102-5747400-1	MOHAMMAD ZAHOOR UL HASSAN QURESHI	481	372	52	905	201	372	52	625
76	KAMRAN HUSSAIN KHAN HOUSE # KMC-704, D-1016 GALI 38, SECTOR 02, HURAT COLONY, AHMED RAZA COLONY, KARACHI	KAMRAN HUSSAIN KHAN	42301-0648551-3	HUSSAIN KHAN	387	514	57	958	193	514	57	764
77	MUHAMMAD TAHIR BUTT HOUSE # 449, BLOCK-C, SHAD BAGH, LAHORE.	MUHAMMAD TAHIR BUTT	35202-1298377-3	MUHAMMAD AHMAD BUTT	185	37	401	623	89	37	401	527
78	MUHAMMAD IMRAN HOUSE # A-116, SECTOR 11-A, NORTH KARACHI, KARACHI.	MUHAMMAD IMRAN	35302-1875428-3	TAJ UDDIN	660	505	84	1,249	310	505	84	899
79	ZAHID BASEER 16 A, NEW SAMANABAD, MEHMOOD ROAD, LAHORE	ZAHID BASEER	31304-9004092-7	ABDUL BASEER	268	357	18	643	134	357	18	509
80	SHAHID WASEEM ARA ON WALA TUBE WELL, BASTI ABBAS NAGAR, IN FRONT OF ALI TOWN, KHANEWAL	SHAHID WASEEM	38103-7715530-7	NASIM AKHTAR	318	292	62	672	156	292	62	510
81	WAQAS ALI KHAN HOUSE # 568, BANSI TALAB, SAGAR ROAD CANTT, LAHORE	WAQAS ALI KHAN	35201-3153246-1	GHULAM MUSTAFA KHAN	609	275	62	946	229	275	62	566
82	MUHAMMAD FAISAL NADEEM GHUMAN PLOT # 138, STREET # 5-6, FATEH ABAD SHARQI FAISALABAD	MUHAMMAD FAISAL NADEEM GHUMAN	33100-4153435-5	MUHAMMD BASHIR GHUMAN	418	257	56	731	208	257	56	521
83	AMIR AZIZ MUSTAFA TERRACE, FLAT # 201-202, MAIN BAHADURABAD CHOWRANGI, KARACHI.	AMIR AZIZ	42201-1560426-5	ABDUL AZIZ	1,058	486	158	1,702	456	486	158	1,130
84	MUHAMMAD FARAZ PLOT# 236, STREET # 7, CHAK # 279, ABC CINEMA ROAD FAISALABAD	MUHAMMAD FARAZ	33100-6847608-9	MUHAMMAD NAWAZ	695	523	55	1,273	278	523	55	856
85	MUHAMMAD SHAKEEL FLAT 67-72/3, 2ND FLOOR, AL MADINA BUILDING, HUSSAINABAD, F.B. AREA, GULBERG TOWN, KARACHI.	MUHAMMAD SHAKEEL	42101-0481083-7	MUHAMMAD SIDDIQUE	490	503	44	1,037	240	503	44	787
86	MUHAMMAD NADEEM HANIF HOUSE # 7, STREET # 8, MOHALLAH QURESHI, JANAZGAH MOZANG, LAHORE.	MUHAMMAD NADEEM HANIF	35202-9069911-9	SHEIKH MUHAMMAD HANIF	890	713	115	1,718	500	713	115	1,328
87	TARIQ MEHMOOD HOUSE # F, STREET # 157-S, MOHALLAH MAQBOOL ROAD, CHOWK BABA AZAM, ICHRA, LAHORE.	TARIQ MEHMOOD	35202-2744531-5	MUHAMMAD SADIQ	651	289	175	1,115	311	289	175	775
88	MUHAMMAD UMAIR FLAT # A-22, 4TH FLOOR, PAREKH CENTRE, AMEER KHUSRO ROAD, CHORAJEE, KARACHI.	MUHAMMAD UMAIR	42201-9954966-3	LIAQAT	294	59	469	822	129	59	469	657
89	AGHA ANWAR ALI HOUSE # 33-F, DHA, LAHORE.	AGHA ANWAR ALI	35202-0767269-9	AGHA IFTIKHAR ALI	422	236	46	704	242	236	46	524
90	CHAUDHRY UMER RIASAT HOUSE 64-A, BLOCK A, S.M.C.H.S, KARACHI	CHAUDHRY UMER RIASAT	42201-0597206-1	CHAUDHRY RIASAT ALI	488	503	44	1,035	188	503	44	735
91	FAZAL QASIM HOUSE # 104/6, STREET G-1 AGRA TAJ COLONY BIHAR COLONY, KARACHI.	FAZAL QASIM	42301-0422910-9	SAMI ALLAH	551	363	61	975	236	363	61	660

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2014

(Rupees '000')

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92	ABDUL BASIT FLAT # A-2, PLOT # 519, GROUND FLOOR, SHERATON GARDEN, PEDDR D SOUZA ROAD, GARDEN EAST, KARACHI.	ABDUL BASIT	42201-9680907-3	ABDUL AZIZ	329	321	43	690	161	321	43	525
93	RAEES AHMED HOUSE # 534, BLOCK H, ALLAMA IQBAL COLONY NEAR GOLO KARYANA STORE, FAISALABAD	RAEES AHMED	33100-7393131-5	NUNEH KHAN	334	445	55	834	166	445	55	666
94	JUNAID SAMI B 29, STREET # 7, ASKARI-IV, MAIN RASHID MINHAS ROAD, KARACHI	JUNAID SAMI	42101-0775549-7	SAMIUL REHMAN	295	380	12	687	135	380	12	527
95	FAYYAZ AHMED R-111, PEER COLONY, WALTON ROAD, LAHORE.	FAYYAZ AHMED	35201-8883178-3	HAJI MUHAMMAD ISHAQ	269	376	5	650	132	376	5	513
96	NAZEER AHMED KHAWAJA NAZEER, KHAWAJA HOUSE COLONY, MULTAN	NAZEER AHMED	36302-0357980-9	GHULAM ALI	833	371	116	1,320	406	371	116	893
97	TARIQ BASHIR BALOCH HOUSE # 1549/102-D, STREET # 4, MOHALLA ARIF PURA, OPPOSITE PAK GATE, MULTAN	TARIQ BASHIR BALOCH	36302-3026037-1	BASHIR AHMAD KHAN	385	173	158	716	185	173	158	516
98	KHAWAJA MUHAMMAD IJAZ HOUSE # 142, KHAN VILLAGE, BOSAN ROAD, MULTAN	KHAWAJA MUHAMMAD IJAZ	36302-2881212-1	KHAWAJA SHER MUHAMMAD	266	382	22	670	132	382	22	536
99	RAJA ABDUL SATTAR HOUSE # 15, STREET # 84, GULBERG TOWN, GARI SHAHU, LAHORE.	RAJA ABDUL SATTAR	35202-2309084-1	RAJA ABDUL KARIM	1,074	798	1,474	3,346	399	798	1,474	2,671
100	MUHAMMAD USMAN FLAT # B-101, 1ST FLOOR, NASHEMAN ARCADE PLOT # 714/4, JAMSHED ROAD # 3, KARACHI.	MUHAMMAD USMAN	42301-0892683-5	MUHAMMAD HASHIM	638	651	77	1,366	318	651	77	1,046
101	MUHAMMAD FIAZ HOUSE # 40-S, PEET # 2, MOHALLA ISLAMABAD SINGHPURA, LAHORE	MUHAMMAD FIAZ	35201-5483665-7	SHAH MUHAMMAD	478	256	73	757	208	256	23	517
102	MUHAMMAD IRFAN HOUSE # 2392/11, MIRPURKHAS ROAD PIRULELI HYDERABAD.	MUHAMMAD IRFAN	41303-6147412-7	MUHAMMAD HANIF	737	320	260	1,317	295	320	260	975
103	ARSHAD HANIF HOUSE # 190-S, 188 GHOUSIA STREET, DEPUTY YAQOOB COLONY, BAGHBANPURA, LAHORE	ARSHAD HANIF	35200-1480246-3	MOHAMMAD HANIF	459	303	73	835	243	303	73	619
104	MUHAMMAD RIZWAN HOUSE # 1396, SECTOR 32-E, KORANGI # 01, KARACHI	MUHAMMAD RIZWAN	42201-0486216-7	MUHAMMAD IQBAL	446	376	61	883	216	376	61	653
105	MUHAMMAD ASHRAF ASHRAF HOME STREET # 1, NEAR ABDUL GHAFOOR KIRYANA & SHAH SALEEM DARBAR HANJARWAL, NEAR DAHARA CHOWK, LINK MANSOORA, MAIN BAZAR MULTAN ROAD, LAHORE	MUHAMMAD ASHRAF	35202-1942040-5	JAN MUHAMMAD	483	568	50	1,101	238	568	50	856
106	MALIK MUHAMMAD IQBAL HOUSE # 786, STREET # 12, CHAKLALA SCHEME-III RAWALPINDI.	MALIK MUHAMMAD IQBAL	37405-0588641-9	MALIK REHMAT DIN	329	391	30	750	179	391	30	600
107	ANJUM KHALID BLOCK U, STREET # 15, NEW MULTAN PEHAN, GHAYAB ROAD, HOUSE # 6, MULTAN.	ANJUM KHALID	36302-8165559-7	KHALID SALEEM	349	181	237	767	143	181	237	567
108	MUHAMMAD AZEEM HOUSE # 25, STREET # 34, JAMIA STREET FLEEMING ROAD NEAR LAHORE HOTEL, LAHORE	MUHAMMAD AZEEM	35202-3064565-5	MUHAMMAD NASEEM	386	341	54	781	152	341	54	547
109	RANA SHAHID AMIN HOUSE # 3, BLOCK B, BAHRO WAL COLONY, ABC ROAD FAISALABAD	RANA SHAHID AMIN	33100-1137499-1	RANA MUHAMMAD AMIN	445	266	21	732	213	266	21	520
110	ABDUL WAHEED STREET DOCTOR DALAWER WALI MOHALLA SALAR TOWN NEAR JAMIA FAROOQIA, SHE KHPURA	ABDUL WAHEED	35404-6209085-3	ALI AKBAR	359	255	126	740	169	255	126	550

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111	SHAHBAZ ZAFAR HOUSE # 27, SADAAT STREET, BIBI PAK DAMAN, LAHORE	SHAHBAZ ZAFAR	35202-2763019-5	ZAFAR AHMED	667	832	85	1,604	343	832	85	1,260
112	JAVAID IQBAL MIRZA SCHOOL MOHALLA, NAI ABADI, MANDI BAHAUDDIN	JAVAID IQBAL MIRZA	34402-7208310-5	MIRZA ABDUL HAQ	669	515	76	1,261	210	515	76	801
113	MUHAMMAD ASAD SHAKIL HOUSE # 799, STREET # 72, G-10/4, ISLAMABAD	MUHAMMAD ASAD SHAKIL	61101-3238239-7	SHAKIL AKHTAR	412	265	45	722	197	265	45	507
114	SYED SHOUKAT ALI HOUSE # 1720/18A, GUJRAT COLONY, KARACHI	SYED SHOUKAT ALI	42401-8180658-7	SYED KARAM SHAH FADOI	468	449	52	969	218	449	52	719
115	ABDUL AZIZ HOUSE # A/3, 1ST FLOOR, ARABABAD, S.M.C.H.S, KARACHI	ABDUL AZIZ	42301-1943924-7	ABDUL GHANI	354	436	31	821	154	436	31	621
116	MILLI CHAPPAL SHOES KIRAN MARKET, SHAH MIRAN, MISRI SHAH, LAHORE	MUHAMMAD IQBAL	35200-1500363-1	SHEIKH SIRAJUDDIN	833	347	2,440	3,620	50	347	2,440	2,837
117	ARSHAD CLOTH PRINT COLLEGE ROAD, DASKA, DISRTRICT SIALKOT	MUHAMMAD ANWAR	34601-6577445-9	JAMAL DIN	1,674	495	4,021	6,190	374	495	4,021	4,890
118	MUHAMMAD ASLAM & SAMINA ASLAM 160-A, BCR SOCIETY, JOHAR TOWN, LAHORE	MOHAMMAD ASLAM	35202-3297263-1	GHULAM HAIDER	1,889	666	3,505	6,060	100	666	3,505	4,271
119	BAIG ELECTRONICS 415, CENTURY TOWER, GULBERG, KALMA CHOWK, LAHORE	JAVED ISHAQ	35201-9213520-3	MUHAMMAD ISHAQ	4,188	883	11,842	16,913	289	883	11,842	13,014
120	ELAHI KNITS 30 A, BLOCK-L, GULBERG III, LAHORE	EHSAN ELAHI	35202-5072781-5	FAZAL ELAHI	724	129	1,557	2,410	224	129	1,557	1,910
121	CHAUDHARY IFTIKHAR AHMAD HOUSE # 5, GREEN PARK, ITTEHAD COLONY, MULTAN ROAD, IQBAL TOWN, LAHORE	CHAUDHARY IFTIKHAR AHMAD	35202-3006522-7	CHAUDHARY MUHAMMAD RAMZAN	374	190	670	1,234	124	190	670	984
122	TOP CLASS PESTICIDES PLOT 347, MULTAN CANTT, MULTAN	MUHAMMAD SHARIF	36302-9075480-9	MUHAMMAD UMER DIN	3,010	260	-	3,270	490	260	-	750
123	SHAHEEN TRADERS PLOT # 296, STREET # 1/6, ISLAMPURA, FAISALABAD	MUHAMMAD FAYYAZ	33100-1183651-1	ABDUL MAJEED	5,000	5,383	-	10,383	700	5,383	-	6,083
124	AAMIR SALEEM SHEIKH 81-F, MODEL TOWN, LAHORE	AAMIR SALEEM SHEIKH	35202-9498030-5	SHEIKH SALEEM AHMED	5,861	1,641	4,214	11,716	467	1,641	4,214	6,342
125	MUHAMMAD YOUSAF BAJWA HOUSE # 6, STREET # 4, NEAR STATE LIFE HOUSING SOCIETY, SINDHU CHOWK, KAMAHA, LAHORE	MUHAMMAD YOUSAF BAJWA	35201-0148958-1	MUHAMMAD YASIN BAJWA	436	264	29	731	208	264	29	501
126	WASEEM IMRAN HOUSE # 4/290, SHAH FAISAL, COLONY # 4, KARACHI	WASEEM IMRAN	42201-0583183-5	QAYOOM ALI	420	291	59	770	200	281	69	550
127	MUHAMMAD SHAHID HOUSE # K-710, KAUSAR NIAZI COLONY, BLOCK H, NORTH NAZIMABAD, KARACHI	MUHAMMAD SHAHID	42401-6466027-5	MUHAMMAD KAREEM	4,377	4,753	4,321	13,451	230	4,753	4,321	9,304
128	MUHAMMAD AMIN D-204, BLOCK # 4, METROVILLE SITE, KARACHI.	MUHAMMAD AMIN	42401-7635090-5	YAQOOB SHAH KHAN	316	366	28	710	156	366	28	550
129	HUMA NADEEM HOUSE # C-382, KORANGI # 5-1/2, KARACHI	HUMA NADEEM	42201-0923629-6	MOHAMMAD NADEEM	458	313	40	811	206	313	40	559
130	ISLAM UD DIN NADEEM HOUSE # P-209, STREET # 03, MANSOORA ABAD SADAR BAZAR, FAISALABAD	ISLAM UD DIN NADEEM	33100-0745837-7	ALLAO UD DIN	727	285	272	1,284	227	285	272	784
131	MUHAMMAD IRFAN GHANI DOGAR HOUSE # 60, STREET # 34, SETHI STREET, JUBT COLONY RANJAHA ROAD, PAKI TWATHI SAMANABAD, LAHORE.	MUHAMMAD IRFAN GHANI DOGAR	35202-6857015-7	ABDUL GHANI DOGAR	297	462	5	764	162	462	5	629
132	MUHAMMAD ARSHAD HOUSE # 22, STREET # 2, AKBARABAD, FAISALABAD.	MUHAMMAD ARSHAD	33100-3374986-1	HAJI RANJHA	532	370	143	1,045	212	370	143	725

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133	ASLAM ASHFAQ FLAT # A-53 & 54, FARAZ AVENUE, 6TH FLOOR, BLOCK-20, GULISTAN-E-JOHAR, KARACHI.	ASLAM ASHFAQ	42201-8909737-5	MOHAMMAD MEHBOOB	720	599	3	1,322	345	599	3	947
134	QASEEM AHMED HOUSE # F-52/4, MARTIN QUARTER, MARTIN ROAD, KARACHI	QASEEM AHMED	42000-9568881-9	NIAZ AHMED	7,149	1,717	680	9,546	736	1,717	680	3,133
135	HABIB AHMED HOUSE # 754, SECTOR 11-E, ORANGI TOWN, KARACHI.	HABIB AHMED	42401-7995585-3	RAFIQ AHMED	22	127	501	650	11	127	501	639
136	SAEED AHMED HOUSE # 116-C, QUEENS ROAD, SULTANABAD, KARACHI	SAEED AHMED	42301-4009186-9	GHULAM FARID	320	398	80	798	160	398	80	638
137	ASIF KHAN HOUSE # 315, MOHALLA QUAIDABAD, RAWALPINDI	ASIF KHAN	37405-2489277-3	MOHAMMAD ASLAM KHAN	459	433	42	934	224	433	42	699
138	SHAHID SARWAR HOUSE # 114, STREET # 3, MOHALLAH ISLAMABAD SINGHPURA, LAHORE	SHAHID SARWAR	35201-4222067-3	GHULAM SARWAR	464	327	43	834	218	327	43	588
139	SHEIKH MUHAMMAD MUDASAR SHAN HOUSE # 2054, MOHALLA JATTU SHAH, HUSSAIN AGAHI, MULTAN.	SHEIKH MUHAMMAD MUDASAR SHAN	36302-7364123-5	SHEIKH EJAZ AHMED	437	264	48	749	217	264	48	529
140	MUKESH KUMAR FLAT # C-303, NAZ PLAZA, MUHAMMAD ALI JINNAH ROAD, KARACHI.	MUKESH KUMAR	42301-0151175-3	KANAYOMAL	870	663	-	1,533	426	663	-	1,089
141	J R AND SONS HOUSE # B-4, SECTOR 15-B, BUFFER ZONE, KARACHI.	SYED MUHAMMAD HUSSAIN	42101-9595433-3	SYED ALI MULAHAR	7,239	6,048	-	13,288	838	6,049	-	6,887
142	JAWED AKHTAR R-38/II, BLOCK # 13-C, GULSHAN-E-IQBAL, KARACHI	JAWED AKHTAR	42201-3485151-3	ABDUL SATTAR	1,717	1,266	256	3,240	490	1,266	256	2,013
143	MUHAMMAD ARIF HOUSE # 255, STREET # 2, MAIN BAZAR SADDIQUE COLONY, RAVI ROAD, TIMBER MARKET, LAHORE	MUHAMMAD ARIF	35202-2585511-9	CHAUDHRY AHMAD DIN	665	723	4	1,392	330	723	4	1,057
144	MUHAMMAD JUNAID FLAT # 4, 4TH FLOOR, LIAQUAT NATHAR BUILDING AMBALEE WALLA ROAD, RANCHOR LINE, KARACHI.	MUHAMMAD JUNAID	42301-6473884-3	MUHAMMAD ABDULLAH	279	409	6	694	134	409	6	549
145	SOFIA KHURRAM 48-C, ASKARI APPARTMENT, GULBERG-III, LAHORE	SOFIA KHURRAM	35202-5305809-8	ALTAMASH KHURRAM	282	352	16	650	138	352	16	506
146	SHAKEEL AHMED HOUSE # 51, PAF NEW OFFICER COLONY, ZARAR SHAHEED ROAD, LAHORE	SHAKEEL AHMED	35201-1078087-3	ABDUL RASHID BUTT	440	489	46	981	206	489	46	741
147	AFTAB-UR-REHMAN FLAT # 15, HARDAS BUILDING BOHRA PIR, CHAND BIBI ROAD, KARACHI.	AFTAB-UR-REHMAN	42301-3663707-5	HABIB-UR-REHMAN	433	254	55	742	210	254	55	519
148	HAROON RASHEED MALIK HOUSE # 70 G, GROUND FLOOR, BLOCK # 2, P.E.C.H.S, KARACHI.	HAROON RASHEED MALIK	4210*-1613741-1	MALIK ZAHEER UDDIN	4,673	2,673	22	7,368	490	2,673	22	3,185
149	SHER NAWAZ HOUSE # 1-F A-11, ASKARI SOCIETY, QAZAFI TOWN, LANDHI, KARACHI.	SHER NAWAZ	42501-1387607-7	BOSTAN KHAN	685	670	61	1,416	340	670	61	1,071
150	MUHAMMAD HANIF HOUSE # 02, HAJI PEER WALI GALI, BARA-E-IMAM, NISHTER ROAD, KARACHI	MUHAMMAD HANIF	42301-0701345-3	MUHAMMAD ISMAIL	686	370	60	1,116	336	370	60	766
151	MUHAMMAD NAEEM BHUTTA MARKET, HOUSE # 1568/9, KACHERY ROAD, MULTAN	MUHAMMAD NAEEM	36302-0950804-5	MALIK MEHBOOB AHMED	293	400	28	721	143	400	28	571

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152	ABDUL AZIZ AL-HASEEB HOUSE, KARIM PURA, JHELUM.	ABDUL AZIZ	37301-7641234-5	ABDUL KHALIQ	629	136	210	975	233	136	210	579
153	NAFEES-UR-REHMAN FLAT # D-1, 1ST FLOOR, PLOT # 68/9/2 B, AL-YOUSUF GARDEN, GHULAM HUSSAIN QASIM ROAD, GARDEN WEST, KARACHI	NAFEES-UR-REHMAN	42301-2227462-1	ABDUL KHALIQ	857	566	8	1,401	327	566	8	901
154	NAVEED AKRAM HOUSE # 135, STREET # 1, REHMAT ULLAH TOWN, OKARA	NAVEED AKRAM	35302-5115589-7	MUHAMMAD AKRAM	688	524	90	1,302	337	524	90	951
155	KASHIF PERVEZ E-112/2, NEW SUPER TOWN, MAIN BOULEVARD, DEFENCE, LAHORE.	KASHIF PERVEZ	35201-8113920-5	PERVAIZ AKHTAR CHOUDHRY	552	332	58	942	270	332	58	660
156	MUHAMMAD JAMSHAID AKHTAR HOUSE # EW-412, STREET # 7, MUSLIM TOWN, RAWALPINDI	MUHAMMAD JAMSHAID AKHTAR	37405-6092725-7	MUHAMMAD AHSAN KOLSAR	242	413	38	693	107	413	38	558
157	ABDUL MOIZ MAJEED BAWANI FLAT # 7, TAJ TERRACE, BLOCK 7/8, OVERSEAS COOPERATIVE HOUSING SOCIETY, DHORAJEE COLONY, KARACHI	ABDUL MOIZ MAJEED BAWANI	42101-7652439-7	ABDUL MAJEED BAWANI	392	451	6	849	192	451	6	649
158	ABDUL GHAFFAR FLAT # 4, BLOCK # 65, MINHAS CAMP, PAF BASE CHAKLALA, RAWALPINDI.	ABDUL GHAFFAR	37203-7590055-7	AJMAL KHAN	295	431	8	734	145	431	8	584
159	SHEIKH MUHAMMAD ASHRAF HOUSE # 2363/D, MOHALLA SULTANI, NEAR CHOK GHANTA GHAR, MULTAN.	SHEIKH MUHAMMAD ASHRAF	36302-0264230-7	SHEIKH MUHAMMAD GHAFOR	984	708		1,692	443	708	-	1,151
160	SHAHID ASHRAF HOUSE # 109/B, ANWAR TOWN, MULTAN ROAD, LAHORE.	SHAHID ASHRAF	35202-3267324-1	MUHAMMAD ASHRAF	314	384	7	705	153	384	7	544
161	CHAUDHARY SHABIR AHMED BANGREEL KHURD PO RAWAT, ISLAMABAD	CHAUDHARY SHABIR AHMED	61101-2925507-5	WADI HUSSAIN	1,416	1,391	6	2,816	368	1,391	6	1,765
162	CHAUDHARY ZUBAIR UL HAQ HOUSE # 4759, GULSHAN E MAZDOOR SECTOR 16-17, KARACHI.	CHAUDHARY ZUBAIR UL HAQ	42401-9008719-1	CHAUDHARY SHAKAR DIN	744	865	6	1,615	72	865	6	943
163	ZAHID ALI HOUSE # 220, STREET # 13, RACE COURSE ROAD, CANTT, RAWALPINDI.	ZAHID ALI	37405-1797015-7	SABIR ALI KHAN	390	387	25	802	160	387	25	592
164	MUHAMMAD AZAM HOUSE # 1, J-402, 1ST FLOOR, NAZIMABAD # 1, KARACHI	MUHAMMAD AZAM	42101-1421597-1	ABDUL RAZZAQ	456	307	34	887	216	397	34	647
165	ADNAN BASHIR CHAK # 98 - NB F/C TEHSIL & DISTRICT SARGODHA	ADNAN BASHIR	38403-4341978-5	BASHIR AHMAD	313	447	9	769	113	447	9	569
166	FAISAL ZAMAN PLOT # 3642 STREET# 6, BARKAT PURA, FAISALABAD	FAISAL ZAMAN	33100-2651877-5	MUHAMMAD SHARIF	454	293	57	804	202	293	57	552
167	MUHAMMAD RIAZ MALIK CHAUDHARY QAYYUM HOUSE, AMBALA SWEETS, SANDA ROAD, LAHORE.	MUHAMMAD RIAZ MALIK	35200-1557983-1	ALLAH BUKSH	999	1,766	7	2,772	499	1,766	7	2,272
168	MUHAMMAD HANIF HOUSE # 4-73, MOHALLA QURESHI BEGAM ROAD, MOZANG, LAHORE.	MUHAMMAD HANIF	35202-2253566-3	MUHAMMAD MUNSHI	378	475	4	857	181	475	4	660
169	MUHAMMAD USMAN HAIDERI AREA # 5 P-631, STREET # 6, MOHAMMADI ISLAM NAGAR, NEAR KALEEM KARYANA STORE, FAISALABAD	MUHAMMAD USMAN HAIDER	33100-6982940-1	MUHAMMAD RAMZAN	387	274	58	719	187	274	58	519
170	KHWAJA JAMEEL AHMED HOUSE # 108, G.T ROAD, DINA, PUNJAB	KHWAJA JAMEEL AHMED	37301-2838887-1	KHAWAJA ABDUL MAJEED	311	362	5	678	151	362	5	518
171	ADDAGE ADVERTISERS PLOT # 34, SARDAR HOUSE, ALVI ROAD, AL-NAJAF COLONY, FAISALABAD.	MUSHTAQ AHMAD CHAUDHARY	33100-0720752-5	WALI MUHAMMAD	2,916	369	5,903	9,188	616	369	5,903	6,888

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172	WAQAR YOUSUF VILLAGE BURG WALAL, NEAR HOUSING COLONY, SHEIKHUPURA	WAQAR YOUSUF	35404-9313462-1	MUHAMMAD YOUSUF	220	54	801	1,075	53	54	801	908
173	TAHIR SIDDIQUI 322-A, PEOPLES COLONY # 1, FAISALABAD	TAHIR SIDDIQUI	33100-3594558-9	MUHAMMAD SIDDIQUI	1,589	750	1,880	4,219	-	750	1,880	2,630
174	MUHAMMAD ALEEM KHAN MAIN BAZAR, HOUSE # P-223, STREET # 5 MAHMOODABAD, FAISALABAD	MUHAMMAD ALEEM KHAN	33100-9718803-5	AMEER KHAN	903	558	1,701	3,162	-	558	1,701	2,259
175	SYED SAJID ALI STREET # 02, KHAN MODEL COLONY, JARANWALA ROAD, FAISALABAD	SYED SAJID ALI	33100-9262391-9	SYED REHMAT ALI SHAH	995	619	2,957	4,492	-	619	2,957	3,576
176	FAHAD BALOCH APPARTMENT # C-305, 3RD FLOOR CHAPPAL OCEAN CENTRE, BLOCK-4, CLIFTON, KARACHI	FAHAD BALOCH	41202-7306501-9	RASOOL BUX	1,805	986	2,901	5,692	-	986	2,901	3,887
177	STAR IRON TRADE CENTRE / NOOR MUSTAFA SHAIKH HOUSE # M-90 & M-91, BLOCK # 19, GULISTAN E JAUHAR, KARACHI	NOOR MUSTAFA SHAIKH	42201-5913028-1	ALI SHER	2,033	682	5,084	7,799	-	682	5,084	5,766
178	SAHA ENTERPRISES (PVT) LIMITED 4TH FLOOR, SHAN ARCADE NEW GARDEN TOWN, LAHORE	MUHAMMAD ATTIQUE	35200-9029997-9	MUHAMMAD KHALIL	3,748	922	9,967	14,637	-	922	9,967	10,889
179	UMAIRA MUBARIK E-105/A, MAIN BOULEVARD, NEW SUPER TOWN, DHA, LAHORE	UMAIRA MUBARIK	35201-7193036-0	MUBARIK AHMED	2,468	727	4,445	7,640	-	727	4,445	5,172
180	BASHIR HAYDER BUTT 102 JUNIOR CAMPUS, AITCHISON SCHOOL MALL ROAD, LAHORE	BASHIR HAYDER BUTT	35202-2509777-3	ZAHOOR AHMAD BUTT	1,915	679	1,404	3,998	-	679	1,404	2,083
181	COL (R) MUHAMMAD KHALID AL-AKRAM ALIZAI STREET, D I KHAN	COL (R) MUHAMMAD KHALID	35201-1640909-5	MUHAMMAD AKRAM KHAN	3,022	1,570	7,144	11,736	-	1,570	7,144	8,714
182	NIGHAT JAVED HOUSE # 115, PEOPLES COLONY # 1, BLOCK-C, FAISALABAD	NIGHAT JAVED	35100-5939906-0	SHAIKH JAVED UL HASSAN	2,797	1,163	3,035	6,995	-	1,163	3,035	4,198
183	ASMAR-UL-EHSAN & FARAH YAQUB 100-RIWAZ GARDENS, LAHORE POST OFFICE, LAHORE	ASMAR-UL-EHSAN & FARAH YAQUB	35202-2932575-5	MUHAMMAD SIDDIQUE	2,223	957	1,371	4,551	-	957	1,371	2,328
184	SHUMAILA SHAKEEL HOUSE # 6, STREET # 57, SANNAT NAGAR, LAHORE	SHUMAILA SHAKEEL	35202-5937978-4	MUHAMMAD SHAKEEL	1,896	820	2,671	5,387	-	820	2,671	3,491
185	MUHAMMAD YOUNAS STREET # 11, NORTH MOHALLA, GHANG ROAD, SHEIKHUPURA	MUHAMMAD YOUNAS	35404-3958167-5	UMER DIN	1,748	782	1,963	4,493	-	782	1,963	2,745
186	MUHAMMAD HUSSAIN RAHIM PUR KHICHIYAN, SAID PUR ROAD NEAR CHANNAR HOSPITAL, SIALKOT	MUHAMMAD HUSSAIN	34603-2163437-9	CHAUDHARY FAZAL DIN	1,398	861	1,968	4,227	-	861	1,968	2,829
187	SYED KASHIF ALI BUKHARI R-730, 15-A-1, BUFFER ZONE, KARACHI	SYED KASHIF ALI BUKHARI	42101-1369328-9	SYED YASIN ALI	746	1,263	279	2,288	-	1,263	279	1,542
188	MOHAMMAD NADEEM HOUSE # 1899, SECTOR 11-E, MUSLIM TOWN, NORTH KARACHI, KARACHI	MOHAMMAD NADEEM	42201-3695869-5	MUHAMMAD YAMEEN KHAN	570	538	555	1,663	-	538	555	1,093
189	SYED MUHAMMAD FAISAL GHORI HOUSE # A-446, STREET # 10, BLOCK L, NORTH NAZIMABAD, KARACHI	SYED MUHAMMAD FAISAL GHORI	42101-2710423-9	SYED MUHAMMAD ALI GHORI	925	4,135	4,225	9,285	-	4,135	4,225	8,360
190	TAHIR NAVEED 5/1C, SADIQ LINK ROAD JEHLUM	TAHIR NAVEED	61101-9142539-7	GULZAR MUHAMMAD	3,550	2,679	341	6,570	-	2,679	341	3,020

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191	WAQAS AHMED FLAT # C6, GALI # 3, BLOCK 5 A SECTOR I-8/1, ISLAMABAD	WAQAS AHMED	61101-3859882-1	ZAHOOR AHMED	2,570	799	83	3,452	-	799	63	862
192	MUKHTAR HUSSAIN HOUSE # 84, UMAR BLOCK MERAJ PARK BEGUM KOT, SHAHDARA	MUKHTAR HUSSAIN	35202-3079849-9	SOBA KHAN	4,174	3,893	1,016	9,083	-	3,893	1,016	4,909
193	MUHAMMAD ASLAM HOUSE # 5, STREET # 5, MOHALLA AFTAB, NEAR SHEHZAN FACTORY, LAHORE	MUHAMMAD ASLAM	35202-3490311-1	CHAUDHARY MUHAMMAD ASHRAF	1,198	856	5	2,059	-	856	5	861
194	TUFAIL AHMED HOUSE # III-F 15/3, NAZIMABAD # 3 KARACHI	TUFAIL AHMED	42101-5050619-9	WALI MUHAMMAD	741	513	637	1,891	-	513	637	1,150
195	ZULFIQAR AHMED HOUSE # 345, MOHALLA SHAHI MASJID, TEHS _ SARAI-E-ALAMGIR, DISTRICT GUJRAT.	ZULFIQAR AHMED	34703-0843215-1	ZAHOOR KHAN	1,456	1,118	20	2,594	-	1,118	20	1,138
196	MUHAMMAD ASGHAR HOUSE # MG 624, GREEN TOWN, KARACHI	MUHAMMAD ASGHAR	42201-0419514-3	MUHAMMAD SHAFI	799	735	1,033	2,567	-	735	1,033	1,768
197	MUHAMMAD IRFAN ABBASI HOUSE # D-4, 3A, NOORANI MASJID, LIAQUAT MARKET, MALIR COLONY, KARACHI	MUHAMMAD IRFAN ABBASI	42201-5689152-9	ABDUL AZIZ	454	581	609	1,624	-	581	609	1,190
198	MUHAMMAD ISHTIAQ HOUSE # 372, PLOT # 485, GALI # 23, BLOCK M PAKISTAN BAZAR, STREET # 4, SECTOR-11 1/2 USMAN GANI SAFAIT CHOWK, ORANGI TOWN, KARACHI.	MUHAMMAD ISHTIAQ	42401-1941745-1	MUHAMMAD ISHAQ	820	635	665	2,120	-	635	665	1,300
199	MUHAMMAD ARSHAD HOUSE # 1042 A, KESC # 82, STREET # 1, DATA NAGAR SECTOR 8/A, ORANGI TOWN, KARACHI	MUHAMMAD ARSHAD	42401-3195705-3	MUHAMMAD IRSHAD	536	769	16	1,321	-	769	16	785
200	ARSHAD HUSSAIN FLAT # A-6, BLOCK-B, SUNNY VIEW APPARTMENT, NORTH NAZIMABAD, KARACHI.	ARSHAD HUSSAIN	42101-1818663-3	ABID HUSSAIN	1,935	1,239	1,556	4,730	-	1,239	1,556	2,795
201	ABDUL QADIR HOUSE # 210, BLOCK-E UMER POO WALI GALI, LIAQUATABAD, KARACHI.	ABDUL QADIR	42101-6687600-5	MUHAMMAD IZHAR	478	621	647	1,746	-	621	647	1,268
202	SHEIKH TAHIR MEHMOOD NEW SABZI MANDI, GHUMAN TOWN BEHIND AL SYED TYRE, SHEIKHPURA.	SHEIKH TAHIR MEHMOOD	35404-1640790-7	SHEIKH ABDUL SHAKOOR	3,026	1,089	1,998	6,113	-	1,089	1,998	3,087
203	EJAZ HUSSAIN BILAL CHOWK STREET # 2, AKBER COLONY, D.G SHUJAABAD ROAD, MULTAN	EJAZ HUSSAIN	36302-8067339-5	MUHAMMAD HUSSAIN	787	812	411	2,010	-	812	411	1,223
204	MUHAMMAD ASIF SHARIF HOUSE # 3609/A, SADHU SAM ROAD OPPOSITE RAILWAY TOWER, MULTAN.	MUHAMMAD ASIF SHARIF	36101-0250457-7	MUHAMMAD SHARIF AKHTER	629	928	-	1,557	-	928	-	928
205	MUHAMMAD IRFAN HOUSE # 4, PLOT 51/2, DAWOODI COMPOUND, GHULAM HUSSAIN QASIM ROAD, GARDEN WEST, KARACHI.	MUHAMMAD IRFAN	42301-2523904-7	SAMIULLAH KHAN	1,092	633	1,056	2,781	-	633	1,056	1,689
206	MUHAMMAD SHAMIM FLAT # C-12, 3RD FLOOR, A-ONE COMPLEX, PHASE # 2, MAIN ABUL HASSAN ISPHANI ROAD GULSHAN- E-IQBAL, KARACHI.	MUHAMMAD SHAMIM	42501-4958430-3	MUHAMMAD KABEER	272	521	594	1,387	-	521	594	1,115

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207	ZIA MEHMOOD FLAT # A-142, 3RD FLOOR, BLOCK-16, SAGHIR CENTRE, F.B. AREA KARACHI	ZIA MEHMOOD	42501-0621458-9	GHULAM MUSTAFA	901	985	901	2,787	-	985	901	1,886
208	NABEEL SHOES SHOP # 4, ABDUL GHAFOOR ARCADE MIR KARAN TALPUR ROAD KARACHI	MOHAMMAD EJAZ	4230?-1365052-1	DOST MOHAMMAD	610	696	-	1,306	-	696		696
209	WAHEED MARBLE R-274, BLOCK-11, NEAR SAFARI PARK, UNIVERSITY ROAD, GULSHAN-E-IQBAL, KARACHI	ABDUL WAHID	42000-0372642-9	ABDUL GAHFOOR	1,230	980	-	2,210	-	980	-	980
210	SYED WASI ULLAH KHURRAM SHOP # B-11, RAH-E-GHAZI, PHASE-1, ANARKALI COMPLEX, NAGAN CHOWRANGI KARACHI	SYED WASI ULLAH KHURRAM	42101-8106781-5	SYED REHMAT ULLAH	4,998	2,933	-	7,931	-	2,933	-	2,933
211	MUHAMMAD RAFIQ JAN HOUSE # B-52, BLOCK-6, GULSHAN-E-IQBAL, KARACHI	MUHAMMAD RAFIQ JAN	42201-0620219-1	MUHAMMAD HAMZAN ARAIN	4,138	2,193	-	6,331	-	2,193	-	2,193
212	M. R. TRADERS FLORIDA HOMES, FLAT # "F-7, 11TH FLOOR, STREET No. 33, PHASE-V EXT., DHA KARACHI	MUHAMMAD RAFIQUE	42301-2373366-7	MUHAMMAD IBRAHEEM	1,008	1,905	-	2,913	-	1,905	-	1,905
213	UNITED CARPET INDUSTRIES HOUSE # 21-B, 3RD GIZRI, PHASE-IV, DHA, KARACHI	MOHIUDDIN ANSARI	42301-0694507-9	SHAMSUDDIN AHMED	3,200	3,565	-	6,765	-	3,565	-	3,565
214	FAIZ-E-ALAM TRADERS 3-A, COPPER ROAD, LAHORE.	SHEIKH FAYYAZ HAIDER	35201-8210678-3	SHEIKH GHULAM HAIDER	1,999	1,781	-	3,780	-	1,781	-	1,781
215	KHALID ENTERPRISES SHOP # 6, NEW CHINA MARKET COLLEGE ROAD, RAWALPINDI	KHALID MEHMOOD	33100-9146995-1	MUHAMMAD ISMAIL	7,574	6,096	-	13,670	-	6,096	-	6,096
216	NEW SIALKOT SPORTS SUPER MARKET CHOWK, RAMKAL SIALKOT.	MUHAMMAD ILYAS	34603-4085676-9	CHAUDHARY MUHAMMAD JAHANGIR	1,400	1,244	-	2,644	-	1,244	-	1,244
217	A. H ENGINEERING & COMPANY HOUSE # 1, STREET # 2, MAIN BAZAR MEHMOODABAD, CHUNG AMAR SIDHU, LAHORE	MUHAMMAD SHAHBAZ	35201-7815985-3	SULTAN AHMAD MEHAR	625	617	-	1,242	-	617	-	617
218	SERVICE & EFF INTERNATIONAL COMPANY SAHABZADA ABDUL QAYYUM ROAD, UNIVERSITY TOWN, HOUSE # R-III, 43 PESHAWAR.	MUHAMMAD NAIM	1730?-8748808-3	MUHAMMAD HUSSAIN	1,947	1,230	-	3,177	-	1,230	-	1,230
219	MUHAMMAD ASHFAQ HOUSE # 557, STREET # 28 MOHALLA KHURRAM COLONY, MUSLIM TOWN, RAWALPINDI.	MUHAMMAD ASHFAQ	37405-0470995-3	FEROOZ DEEN	543	559	-	1,102	-	559	-	559
220	H.H ASSOCIATES 541-3-C, JAHANZAIB BLOCK, ALLAMA IQBAL TOWN, LAHORE	ZAFAR IQBAL	35202-3006423-5	MUHAMMAD IBRAHIM	1,454	1,038	-	2,492	-	1,038	-	1,038
221	KHAN SPALL & COMPANY NEAR POST OFFICE S.I.E. DEFENSE ROAD, SIALKOT.	IFTIKHAR HUSSAIN	27658-8253484-1	MUHAMMAD HUSSAIN	7,100	4,172	-	11,272	-	4,172	-	4,172
222	SIKAFF INTERNATIONAL SIDDIQ ESTATE, SULEMAN CHOWK, KASHMIR ROAD, SIALKOT.	FARRUKH SIDDIQUI	34603-3242984-5	CHAUDHARY SIDDIQ AHMED	7,207	1,491	-	8,698	-	1,491	-	1,491

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223	UNITED SYSTEM CORPORATION QAMETEE CHOWK UNDER PASS BESIDE SHAH TALLIAN GRAVE YARD, RAWALPINDI	CHAUDHARY MAJEED	37405-9697166-9	MUHAMMAD SIDDIQUE	4,854	4,470	-	9,324	-	4,470	-	4,470
224	IDEAL CONSULTANTS CLINIC HOUSE # 14-E, STREET # 2, FATEH GARH MUGHALPURA, LAHORE	ABDUL MAJEED	35201-1624647-9	FARZAND ALI	300	532		832	-	532	-	532
225	MUHAMMAD HANIF & COMPANY HOUSE # 24, BLOCK-W, SCHEME # 2, FAREED TOWN, SAHIWAL	MUHAMMAD HANIF	36502-4458773-7	CHAUDHARY ABDUL LATIF	1,997	1,780		3,777	-	1,780	-	1,780
226	HUSNAIN TRADERS HUSNAIN TRADERS, G.T. ROAD NEAR NEW SABZI MANDI, KAMOKI	RANA ABDUL JABBAR KHAN	34102-9722914-1	RANA MUHAMMAD IQBAL KHAN	1,998	682	-	2,680	-	682	-	682
227	MUHAMMAD JAVAID HOUSE # 48-B-2, PUNJAB GOVT. HOUSING SOCIETY, LAHORE.	MUHAMMAD JAVAID	35202-4330730-3	ZAHOOR ELAHI	1,688	707	442	2,837	-	707	442	1,149
228	EHSAN TRADERS 276-A, PHASE-II, CANTT, GUJRANWALA	EHSAN-UL-HAMEED	34101-1678661-5	ABDUL HAMEED	1,997	1,661	-	3,658	-	1,661	-	1,661
229	NEW SPRING CHICKS CHAUDARY HURANWALA NEW SPRING, PROTEIN FARM, DIPALPUR OKARA	RAO GHULAM KHALIQ	35302-1966758-1	RAO SHAMIM	9,000	6,983	-	15,983	-	6,983	-	6,983
230	R.A. INTERNATIONAL 38-A, GULISTAN COLONY # 2 FAISALABAD	MUHAMMAD DANISH RASHID	35100-0613021-3	MUHAMMAD RASHID	1,000	799	-	1,799	-	799	-	799
231	MOAZZAM FAROOQ & BROTHER DC ROAD, STREET # 5, LALAZAR COLONY, GUJRANWALA	HAFIZ MOAZZAM FAROOQ	34101-0991106-9	FAROOQ AHMAD	700	708	-	1,408	-	708	-	708
232	WAQAR FOOD TRADERS FURANI SABZI MANDI, G.T. ROAD FAISAL TOWN, KAMOKI	EJAZ ULLAH	34102-1616050-7	MUHAMMAD BASHIR	1,499	1,137	-	2,636	-	1,137	-	1,137
233	CHAUDHARY GOODS TRANSPORT G.T ROAD, LALAMUSA	ABDUL GHAFOOR	34202-8592583-3	AKBAR ALI	983	623	-	1,606	-	623	-	623
234	RAJPUT KARYANA STORE HOUSE # 186, JOHAR PARK, STREET RANA WAZIR ALI, SHEIKHUPURA	MUHAMMAD ASHRAF	35404-5140439-3	RANA ABDUL AZIZ KHAN	472	722	-	1,194	-	722	-	722
235	MUSHTAQ AHMED BALWA GRAIN MERCHANT, BERANI ROAD, NEAR NATIONAL ENGINEERING, TANDO ADAM	MUSHTAQ AHMED	44206-2873983-3	MUHAMMAD ILYAS	9,797	2,455	-	12,252	-	2,455	-	2,455
236	TIMBER WORLD S-17, ZULEKHAN BUILDING, KUCHI MEMON SOCIETY BAHADURABAD, KARACHI	ZOHAIB GHAFOOR	42201-3324861-1	ABDUL GHAFOOR	525	1,393	-	1,918	-	1,393	-	1,393
237	COTTON TREND PRIVATE LIMITED HOUSE # B-152, BLOCK-L, NORTH NAZIMABAD, KARACHI.	SYED SALMAN HASAN	42101-9517941-9	SYED SARFARAZ HASAN	2,970	3,006	-	5,976	-	3,006	-	3,006
238	NEW CHOUDHARY COMPANY 11-A, CLUB ROAD, RAHIM YAR KHAN.	RANA TALLAT MEHMOOD	31303-1665540-7	RANA SHAUKAT MEHMOOD	15,398	9,871	-	25,269	-	9,871	-	9,871
239	MUHAMMAD ABDULLAH HOUSE # 99/1, KHAYABAN E RAHAT, PHASE-VII, STREET # 13, DHA, NEAR RAHAT PARK, KARACHI.	MUHAMMAD ABDULLAH	42301-6015230-9	MUHAMMAD AKBAR	15,100	8,536	-	23,636	-	8,536	-	8,536
					2,072,924	804,701	120,866	2,996,491	407,774	779,783	120,866	1,308,423



NIB Bank Limited
Annual Report 2014

Consolidated Financial Statements

For the year ended December 31, 2014

NIB Bank

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated statement of financial position of NIB Bank Limited and its subsidiary companies as at 31 December 2014 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 NIB Bank Limited and have reviewed its subsidiary company PICIC Asset Management Company Limited for the six months period ended 31 December 2014 except for PICIC Islamic Stock Fund which was reviewed by other firm of auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such Fund, 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 NIB Bank Limited and its subsidiary companies as at 31 December 2014 and the results of their operations for the year then ended.

Date: 25 February 2015
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

NIB Bank Limited
Consolidated Statement of Financial Position
As at December 31, 2014

	Note	2014	2013
		(Rupees '000')	
ASSETS			
Cash and balances with treasury banks	8	8,063,675	8,006,108
Balances with other banks	9	586,418	690,098
Lendings to financial institutions	10	7,699,646	2,127,516
Investments	11	59,670,691	60,791,885
Advances	12	93,673,494	82,025,967
Operating fixed assets	13	3,033,057	2,879,281
Intangible assets	14	2,926,075	3,166,781
Deferred tax assets - net	15	9,992,164	11,089,644
Other assets	16	9,350,081	8,016,185
		194,995,301	178,793,465
LIABILITIES			
Bills payable	17	2,740,528	2,862,663
Borrowings	18	62,750,894	51,506,673
Deposits and other accounts	19	105,102,800	104,887,731
Sub-ordinated loans	20	4,197,195	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities	21	3,271,665	3,836,937
		178,063,082	163,094,004
NET ASSETS		16,932,219	15,699,461
REPRESENTED BY:			
Share capital	22	103,028,512	103,028,512
Reserves		474,123	474,123
Discount on issue of shares		(45,769,623)	(45,769,623)
Accumulated loss		(42,432,340)	(41,716,290)
Shareholders' equity		15,300,672	16,016,722
Surplus / (Deficit) on revaluation of assets - net	23	1,631,547	(317,261)
		16,932,219	15,699,461
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes from 1 to 43 and annexure - 1 form an integral part of these consolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Consolidated Profit and Loss Account
For the year ended December 31, 2014

	Note	2014	2013
		(Rupees '000')	
Mark-up / Return / Interest earned	25	15,074,087	13,171,071
Mark-up / Return / Interest expensed	26	11,248,871	9,878,141
Net Mark-up / Interest Income		3,825,216	3,292,930
Provision / (Reversal) against non-performing loans and advances	12.5	1,536,501	(751,027)
(Reversal) / Provision for diminution in the value of investments	11.12	(11,561)	117,399
Bad debts written off directly		2,421	4,451
		1,527,361	(629,177)
Net Mark-up / Interest income after provisions		2,297,855	3,922,107
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		2,055,116	1,620,375
Dividend income		92,743	57,060
Income from dealing in foreign currencies		587,181	543,436
Gain on sale of securities - net	27	729,629	537,594
Unrealized gain on revaluation of investments classified as held-for-trading		21,558	34,468
Other income	28	95,612	113,415
Total Non Mark-up / Interest income		3,581,839	2,906,348
		5,879,694	6,828,455
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses	29	6,317,951	5,484,765
Other provisions / write offs		140,376	68,702
Other charges	30	77,554	78,571
Total Non Mark-up / Interest expenses		6,535,881	5,632,038
Share of income of associates	11.10.1	548,290	915,919
Extraordinary / Unusual items		-	-
(LOSS) / PROFIT BEFORE TAXATION		(107,897)	2,112,336
Taxation - Current	31	317,503	263,682
- Prior years	31	10,851	148,339
- Deferred	31	184,446	120,237
		512,800	532,258
(LOSS) / PROFIT AFTER TAXATION		(620,697)	1,580,078
Accumulated loss brought forward		(41,716,290)	(43,069,410)
ACCUMULATED LOSS CARRIED FORWARD		(42,336,987)	(41,489,332)
(Loss) / Profit attributable to:			
Equity shareholders of the Bank		(719,856)	1,536,641
Minority unit holders of PICIC Stock Fund and PICIC Islamic Stock Fund		99,159	43,437
		(620,697)	1,580,078
Basic / diluted (loss) / earnings per share (Rupees)	32	(0.07)	0.15

The annexed notes from 1 to 43 and annexure - 1 form an integral part of these consolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2014

	2014	2013
	(Rupees '000')	
(Loss) / Profit after taxation for the period attributable to:		
Equity shareholders of the Bank	(719,856)	1,536,641
Minority unit holders of PICIC Stock Fund and PICIC Islamic Stock Fund	99,159	43,437
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial gain on remeasurement of defined benefit obligation	3,806	3,153
Comprehensive (loss) / income - transferred to statement of changes in equity	(616,891)	1,583,231
Components of comprehensive income not reflected in equity		
Surplus / (deficit) on revaluation of available for sale securities - net of tax	1,948,808	(297,457)
Total comprehensive income for the year	1,331,917	1,285,774
Total comprehensive income attributable to:		
Equity shareholders of the Bank	1,232,758	1,242,337
Minority unit holders of PICIC Stock Fund and PICIC Islamic Stock Fund	99,159	43,437
	1,331,917	1,285,774

The annexed notes from 1 to 43 and annexure - 1 form an integral part of these consolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Consolidated Statement of Changes in Equity
For the year ended December 31, 2014

	Attributable to ordinary shareholders of the Bank					
			Reserves			
			Capital	Revenue		
	Share capital	Discount on issue of shares	Statutory reserve (a)	General reserve	Accumulated loss	Total
	(Rupees '000')					
Balance as at December 31, 2012	103,028,512	(45,769,623)	220,417	5,472	(43,069,410)	14,415,368
Total comprehensive income for the year						
Profit after taxation for the year	–	–	–	–	1,580,078	1,580,078
Other comprehensive income						
Actuarial gain on remeasurement of defined benefit obligation	–	–	–	–	3,153	3,153
	–	–	–	–	1,583,231	1,583,231
Minority unit holders share of PICIC Stock Fund transferred to other liabilities	–	–	–	–	(43,437)	(43,437)
Contribution by and distribution to owners						
Share based payment transaction	–	–	–	–	61,560	61,560
Transfer to statutory reserve	–	–	248,234	–	(248,234)	–
Balance as at December 31, 2013	103,028,512	(45,769,623)	468,651	5,472	(41,716,290)	16,016,722
Total comprehensive income / (loss) for the year						
Loss after taxation for the year	–	–	–	–	(620,697)	(620,697)
Other comprehensive income						
Actuarial gain on remeasurement of defined benefit obligation	–	–	–	–	3,806	3,806
	–	–	–	–	(616,891)	(616,891)
Minority unit holders share of PICIC Stock Fund and PICIC Islamic Stock Fund transferred to other liabilities	–	–	–	–	(99,159)	(99,159)
Balance as at December 31, 2014	103,028,512	(45,769,623)	468,651	5,472	(42,432,340)	15,300,672

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

The annexed notes from 1 to 43 and annexure - 1 form an integral part of these consolidated financial statements.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

NIB Bank Limited
Consolidated Statement of Cash Flows
For the year ended December 31, 2014

	2014	2013
	(Rupees '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(107,897)	2,112,336
Dividend income	(92,743)	(57,060)
	(200,640)	2,055,276
Adjustments for non-cash items		
Depreciation	309,133	291,221
Amortization	341,516	337,944
Share based payment	-	61,560
Workers welfare fund	43,984	34,587
Gain on sale of securities	(729,629)	(537,594)
Gain on sale of operating fixed assets	(37,907)	(43,183)
Provision / (Reversal) against non-performing loans and advances	1,536,501	(751,027)
Bad debts written off directly	2,421	4,451
Fixed assets written off	-	11,737
Gain from insurance against loss of Assets	(162)	(7,416)
Provision / (Reversal) for diminution in the value of investments	(11,561)	117,399
Unrealized gain on revaluation of investments classified as held-for-trading	(21,558)	(34,468)
Other provisions / write offs	140,376	68,702
Share of income of associates	(548,290)	(915,919)
	1,024,824	(1,362,006)
	824,184	693,270
(Increase) / Decrease in operating assets		
Lendings to financial institutions	(5,572,130)	1,313,394
Net investments in held-for-trading securities	367,686	(135,230)
Advances	(13,186,449)	(9,693,495)
Other assets (excluding advance taxation)	(1,545,512)	(1,764,433)
Increase / (Decrease) in operating liabilities		
Bills payable	(122,135)	432,633
Borrowings	11,244,221	(24,672,392)
Deposits and other accounts	215,069	13,793,284
Other liabilities	(501,419)	827,971
	(8,276,485)	(19,204,998)
Income tax paid	(257,708)	(306,848)
Net cash flow used in operating activities	(8,534,193)	(19,511,846)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	9,127,520	20,659,522
Net investments in held-to-maturity securities	(4,975,031)	2,964,302
Net investments in associates	773,898	151,769
Dividend received	93,336	57,097
Payments for capital work in progress	(327,379)	(263,003)
Acquisition of property and equipment	(270,795)	(184,343)
Acquisition of intangible assets	(1,284)	(470)
Sale proceeds of property and equipment disposed off	72,780	82,177
Recovery from Insurance company against loss of assets	1,030	8,474
Net cash flows from investing activities	4,494,075	23,475,525

NIB Bank Limited
Consolidated Statement of Cash Flows
For the year ended December 31, 2014

	Note	2014	2013
		(Rupees '000')	
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt / (Redemption) of sub-ordinated loans		4,197,195	(3,992,800)
Dividend paid		(22)	(1,409)
Receipt from minority unit holders of PICIC Stock Fund and PICIC Islamic Stock Fund		(203,168)	97,061
Net cash flow from / (used in) financing activities		3,994,005	(3,897,148)
Net (decrease) / increase in cash and cash equivalents		(46,113)	66,531
Cash and cash equivalents at beginning of the year		8,696,206	8,629,675
Cash and cash equivalents at end of the year	33	8,650,093	8,696,206

The annexed notes from 1 to 43 and annexure - 1 form an integral part of these consolidated financial statements.

Atif R. Bokhari	**Teo Cheng San, Roland**	**Tejpal Singh Hora**	**Muhammad Abdullah Yusuf**
President / Chief Executive	Chairman / Director	Director	Director

1 STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

NIB Bank Limited (the Bank)

NIB Bank Limited "the Bank" is incorporated in Pakistan and its registered office is situated at first floor, Post Mall, F-7 Markaz, Islamabad. The Bank is listed on all the stock exchanges in Pakistan and has 171 branches (December 31, 2013: 179 branches). The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

The Bank is a subsidiary of Bugis Investments (Mauritius) Pte. Limited which is a wholly owned subsidiary of Fullerton Financial Holdings Pte. Limited which in turn is a wholly owned subsidiary of Temasek Holdings, an investment arm of the Government of Singapore.

Subsidiary Companies

PICIC Asset Management Company Limited (PICIC AMC)

PICIC AMC is a wholly owned subsidiary of the Bank and is an unquoted public limited company with principal business to carry out investment advisory services and asset management services. The Bank acquired interest in PICIC AMC by virtue of acquisition and amalgamation of Pakistan Industrial Credit and Investment Corporation Limited (PICIC) as of June 30, 2007.

PICIC Islamic Stock Fund (PISF)

The Group maintains 74.10% interest in the PISF. PISF is an open ended mutual fund approved by the Securities and Exchange Commission of Pakistan (SECP) and is listed on the Islamabad Stock Exchange Limited. The units of the PISF are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the PISF. The objective of PISF is to provide the maximum total return to the unit holders from investment in "Shariah Compliant" equity investments for the given level of risk. This fund was floated in the current period.

Financial and Management Services (Private) Limited (FMSL)

The Group acquired 95.89% interest in FMSL by virtue of acquisition and amalgamation of PICIC.

PICIC Stock Fund (PSF)

On November 26, 2014, the status of PICIC Stock Fund changed from subsidiary to associate for the Group due to decline in percentage of unit holding below 50%, whereby, the Group relinquished control over the Fund. Accordingly, from November 27, 2014, the Fund is accounted for as an associate under the equity method.

2 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 (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

These consolidated financial statements have been presented in Pakistan Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees.

3 STATEMENT OF COMPLIANCE

3.1 These consolidated 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) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP. In case the requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP shall prevail.

3.2 SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, IFRS 7 'Financial Instruments: Disclosures' has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2015:

- Amendments to IAS 19 'Employee Benefits' Employee contributions – a practical approach (effective for annual periods beginning on or after July 01, 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.

- Amendments to IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after January 01, 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Group's financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after January 01 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after January 01, 2016. Management of the Bank is currently assessing the likely impact of this IFRS on the Group's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after January 01, 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after January 01, 2016. The adoption of this standard is not likely to have an impact on Group's financial statements.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after January 01, 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on Group's financial statements.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after January 01, 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after January 01, 2016). The amendments to IAS 27 will allow 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 January 01, 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a bank 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.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after January 01, 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after July 01, 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'.

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination.

- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria.

- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after January 01, 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 are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' 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.

The Group expects that the above mentioned improvements will not have a material impact on the Group's financial statements in the period of initial application.

4 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain investments and commitments in respect of forward foreign exchange contracts and other forward contracts that are stated at revalued amounts / fair values.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Classification of Investments

Held-to-maturity securities

As described in note 6.3, held-to-maturity securities are investments where the management has positive intent and ability to hold to maturity. The classification of these securities involves management judgment as to whether the financial assets are held-to-maturity investments.

Held-for-trading securities

Investments classified as held-for-trading are those which the Group has acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

Available-for-sale securities

Investments which are not classified as held-for-trading or held-to-maturity are classified as available-for-sale.

5.2 Impairment

Valuation and impairment of available-for-sale investments

The Group determines that an available-for-sale equity investment and mutual funds are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

Provision for diminution in the value of Term Finance Certificates, Bonds and Sukuks is made as per the Prudential Regulations issued by the SBP.

In case of impairment of available-for-sale securities, the loss is recognized in the profit and loss account.

Impairment of non financial assets (excluding deferred tax)

Non financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Group estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an intangible or tangible asset is less than its carrying value, an impairment loss is recognized immediately in the profit and loss account and the carrying value of the asset reduced by the amount of the loss. A reversal of an impairment loss on intangible assets is recognized as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognized.

5.3 Provision against non-performing advances

Apart from the provision determined on the basis of time based criteria given in the Prudential Regulations of the SBP, management also applies subjective criteria of classification and accordingly the classification of an advance may be downgraded on the basis of evaluation of the credit worthiness of the borrower, its cash flows, operations in its account and adequacy of security in order to ensure accurate measurement of the provision.

5.4 Retirement Benefits

The key actuarial assumptions concerning the valuation of the defined benefit plan and the sources of estimation are disclosed in note 35.2 to these consolidated financial statements.

5.5 Operating fixed assets, depreciation and amortization

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

5.6 Income taxes

In making the estimates for income taxes currently payable by the Group, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Group's future taxable profits are taken into account.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently and are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2013 and are enumerated as follows:

6.1 Business combinations

Business combinations are accounted for using the purchase method. Under this method, identified assets acquired, liabilities and contingent liabilities assumed are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

6.2 Revenue recognition

Mark-up / return on performing loans / advances and investments is recognized on time proportionate basis. Where debt securities are purchased at a premium or discount, such premium / discount is amortized through the profit and loss account over the remaining period of maturity using the effective interest rate method so as to produce a constant rate of return. Interest or mark-up recovered on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Prudential Regulations issued by the SBP as amended from time to time.

The financing method is used in accounting for income on finance leases and hire purchase transactions. Under this method, the unearned income, i.e. the excess of aggregate lease rentals and the estimated residual value over the net investment (cost of leased assets) is deferred and then amortized to income over the term of the lease on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the Prudential Regulations issued by the SBP.

Rental income from assets given on operating lease is recognized on time proportionate basis over the lease period.

Gains/Losses on termination of lease contracts, documentation charges and other lease income are recognized as income when they are realized.

Fee, commission and brokerage income is recognized at the time of performance of the service.

Dividend income is recorded when the right to receive the dividend is established.

Management fee is recognized on an accrual basis.

Capital gains/losses arising on sale of investments are included in the profit and loss account in the period in which they arise.

6.3 Investments

Investments of the Group, other than investments in subsidiaries and associates are classified as held-to-maturity, held-for-trading and available-for-sale.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity for which the Group has the positive intent and ability to hold upto maturity.

Held-for-trading

These securities are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements, dealer's margin or are securities included in the portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

Available-for-sale

These are securities which do not fall under the classification of held-for-trading or held-to-maturity securities.

Initial measurement

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

Investments are initially recognized at fair value which, in the case of investments other than held-for-trading, includes transaction costs associated with the investments.

Subsequent measurement

Held-to-maturity

These are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

Held-for-trading

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the profit and loss account.

Available-for-sale

Quoted-securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value (and any revaluation gain or loss is taken to Other Comprehensive Income (OCI)). Any surplus / deficit arising thereon is kept in a separate account shown in the balance sheet below equity and taken to the profit and loss account when actually realized upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. A decline in the carrying value is charged to the profit and loss account. The break-up value of these equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses.

Provision for diminution in the value of securities (except term finance certificates) is made for impairment, if any. Provision for diminution in the value of term finance certificates is made as per the criteria prescribed by the Prudential Regulations issued by the SBP.

Investment in Associates

Investments in associates are accounted for under the equity method.

6.4 Lendings to / borrowings from financial institutions (including repurchase and resale agreements)

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. Securities purchased under agreement to resale (reverse repo) are not recognized in the financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. In the case of the continuous funding system, transactions are shown under advances. The difference between sale and repurchase price is treated as mark-up / return expensed whereas difference between purchase and resale price is treated as mark-up / return earned.

Securities purchase with a corresponding commitment to resell at a specified future date are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

6.5 Advances

Advances including continuous funding system and net investment in finance lease are stated net of provisions.

Provisions

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 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.

Net investment in finance lease

Leases include hire purchase where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset and are classified as finance leases. Net investment in finance lease is recognized at an amount equal to the aggregate of minimum lease payments and any guaranteed residual value less unearned finance income, if any.

6.6 Operating fixed assets and depreciation

Owned

Property and equipment except freehold and leasehold land is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold and leasehold land is stated at cost.

Depreciation is charged to income applying the straight line method over the estimated useful lives of the assets while taking into account any residual value, at the rates given in Note 13.2 to these consolidated financial statements. In respect of additions and deletions to assets during the year, depreciation is charged from the month of acquisition while depreciation on disposals during the year is charged upto the month of disposal.

Normal repairs and maintenance are charged to the profit and loss account for the year as and when incurred. Major repairs and improvements are capitalized and assets so replaced are retired.

Gains and losses on disposal of property and equipment if any, are taken to the profit and loss account for the year.

Assets held under Finance Lease

Leasehold land is stated at cost.

Assets held under finance lease are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods. Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Group.

Finance charges are allocated to accounting periods so as to provide a constant periodic rate of return on the outstanding liability.

Assets held under Operating Lease

Operating lease assets are stated at cost less accumulated depreciation and impairment, if any.

Repairs and maintenance are charged to the profit and loss account as and when incurred.

Capital work in progress

These assets are stated at cost. These are transferred to specific assets as and when assets are available for use.

6.7 Intangible assets

Intangible assets include the value of core deposit relationships, and core overdraft / working capital loan relationships and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to the profit and loss account on a straight line basis over the assets' useful lives which are determined using methods that best reflect the pattern of economic benefits. The estimated useful lives are as follows:

Core deposit relationships	11 years
Core overdraft / working capital loan relationships	11 years
Management rights	Indefinite life

Computer software is stated at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is carried out on the straight line method at the rates given in Note 14 to these consolidated financial statements.

6.8 Sub-Ordinated Loans

Sub-ordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on these loans is recognized separately as part of other liabilities and is charged to the profit and loss account over the period at effective interest rate.

6.9 Staff retirement benefits

Defined benefit plans

The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the Bank on or before March 31, 2006. Provision is made in accordance with actuarial recommendations. Actuarial valuation is carried out periodically using the 'Projected Unit Credit Method'. Actuarial gains and losses are recognized immediately in other comprehensive income with no subsequent recycling through profit and loss accounts. Past service costs are charged to the profit and loss account.

Defined contribution plan

The Group operates a defined contribution provident fund for all its permanent employees. Equal monthly contributions are made to the fund by both the Group and the employees at the rate of 10% of basic salary.

6.10 Share based payment transactions

The share based payment awards granted to employees are recognized as personnel expenses at the fair value of these shares at the grant date with the corresponding increase in the equity over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non market performance conditions at the vesting date.

Grant date is the date at which the entity and the employee agree to a share based payment arrangement and required that the entity and the employee have a shared understanding of the terms and conditions of the arrangement.

6.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity.

Current

Provision for current taxation is based on taxable income at the current rates of taxation in accordance with the

prevailing laws for taxation on income earned after taking into consideration tax credits and rebates available and any adjustments to tax payable in respect of previous years.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences as at the statement of financial position date between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The Group records deferred tax assets/liabilities using tax rates, enacted or substantially enacted at the statement of financial position date, that are expected to be applicable at the time of their reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group recognizes a deferred tax asset/liability on deficit / surplus on revaluation of securities in accordance with the requirements of IAS 12. The related deferred tax asset/liability is adjusted against the related deficit / surplus.

The Group recognizes a deferred tax asset for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized in accordance with the requirements of IAS 12 'Income Taxes'.

6.12 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed quarterly and are adjusted to reflect the current best estimate.

6.13 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Group intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items relating to such assets and liabilities are also offset and the net amount is reported in the financial statements of the Group.

6.14 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared.

6.15 Distributions of bonus shares and other appropriations to reserves

The Group recognizes all appropriations, other than statutory appropriations, to reserves including those in respect of bonus shares made after the statement of financial position date, in the period in which such appropriations are approved. Appropriation to statutory reserves are recognized in the financial statements of the period to which these appropriations relate to.

6.16 Foreign currencies

Transactions in foreign currencies are translated to Rupees at the foreign exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at forward rates applicable to their respective maturities.

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

Assets against which the constituents have exercised their option to transfer exchange risk to the Group and liabilities for which the Group has exercised its option to transfer exchange risk to the Government, are translated at the rates of exchange guaranteed by the Group and the Government, respectively.

Assets, liabilities, commitments and contingent liabilities in respect of Bangladesh are translated at foreign exchange rates approximating those prevailing prior to August 15, 1971.

Exchange gains and losses are included in income currently except net unrealized exchange gain on long-term monetary items which, as a matter of prudence, is carried forward as unrealized gain in view of the uncertainty associated with its realization.

6.17 Cash and cash equivalents

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

6.18 Financial instruments

All financial assets and liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Group loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly. Financial assets carried on the statement of financial position include cash and bank balances, lendings to financial institutions, investments, advances and certain receivables. Financial liabilities include borrowings, deposits, bills payable 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.

6.19 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into and subsequently these instruments are marked to market and changes in fair values are taken to the profit and loss account. Fair values are obtained from quoted market prices in active markets.

6.20 Segment reporting

A segment is a distinguishable component of the Group that is engaged 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 of reporting is based on business segments.

6.21.1 Business segments

Wholesale Banking

Deposits, trade, advisory services and other lending activities for corporates 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, underwriting, transactional banking, and IPO related activities.

Consumer

It represents banking services offered to individuals and small businesses through a retail branch banking and alternate distribution network. These banking services include lending, deposits and distribution of insurance products along with other financial products and services tailored for such customers.

Commercial

It represents all funded and non funded credit facilities, deposit products & transaction services offered by the Bank to small & medium enterprises and commercial businesses operating in the manufacturing, trading, wholesale and service sectors.

6.21.2 Geographical segments

The Group operates in Pakistan only.

6.22 Assets acquired in satisfaction of claims

The Bank acquires assets in settlement of certain advances. These are recorded at the lower of the carrying value of the related advances and the current fair value of such assets.

6.23 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the profit and loss account on a time proportionate basis.

6.24 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

6.25 Fiduciary assets

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

6.26 Assets Held-for-sale

Assets held-for-sale are carried at lower of carrying value and fair value less cost to sell.

7 BASIS OF CONSOLIDATION

These consolidated financial statements includes the financial statements of NIB Bank Limited and its subsidiary companies - "the Group".

The assets and liabilities of subsidiary companies have been consolidated on a line by line basis and the carrying value of investment in subsidiaries held by the holding company is eliminated against the shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been elimninated.

Subsidiary companies are fully consolidated from the date on which more than 50% of the voting rights are transferred to the Group, or the power to control the Company is established and are excluded from consolidation from the date of disposal or when the control is lost.

Non controlling interest represents that part of the net results of operations and of net assets of the subsidiary companies that is not owned by the Group.

Financial and Management Services (Private) Limited has not been consolidated as it is not material and this investment has been fully provided.

8. CASH AND BALANCES WITH TREASURY BANKS

	Note	2014	2013
		(Rupees '000')	
In hand			
Local currency	8.1	1,805,021	1,855,766
Foreign currencies		240,467	200,561
With State Bank of Pakistan in			
Local currency current accounts	8.2	4,274,385	4,146,277
Foreign currency current account	8.3	376,812	347,571
Foreign currency deposit accounts	8.4	1,070,337	1,131,305
With National Bank of Pakistan in local currency current accounts		296,653	324,628
		8,063,675	8,006,108

8.1 This includes National Prize Bonds of Rs. 2.810 million (2013: Rs. 5.495 million).

8.2 The current account is maintained under the requirements of Section 22 of the Banking Companies Ordinance, 1962.

8.3 This represents a US Dollar settlement account maintained with the SBP and special cash reserve at Nil return (2013: Nil) required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme.

8.4 This represents special cash reserve of 15% required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme at Nil return (2013: Nil) per annum.

9. BALANCES WITH OTHER BANKS

	Note	2014	2013
		(Rupees '000')	
In Pakistan			
In current accounts		163,010	86,744
In deposit accounts		–	126
Outside Pakistan			
In current accounts		405,116	489,944
In deposit accounts		24,723	120,025
		592,849	696,839
Provision against doubtful balances		(6,431)	(6,741)
		586,418	690,098

10. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	10.2 & 10.3	7,699,646	2,127,516
		7,699,646	2,127,516

10.1 Particulars of Lendings

In local currency	7,699,646	2,127,516
In foreign currencies	–	–
	7,699,646	2,127,516

10.2 These represent repurchase agreement lendings to financial institutions carrying mark-up rates ranging from 9.50% to 9.75% (2013: 9.65% to 10.80%) per annum and having remaining maturities upto forty three days (2013: twenty seven days).

	2014			2013		
	Held by Group	Further given as collateral/sold	Total	Held by Group	Further given as collateral/sold	Total
	(Rupees '000')					
10.3 Securities held as collateral against lendings to financial institutions						
Market Treasury Bills	4,334,497	3,365,149	7,699,646	1,962,550	-	1,962,550
Pakistan Investment Bonds	-	-	-	164,966	-	164,966
	4,334,497	3,365,149	7,699,646	2,127,516	-	2,127,516

10.3.1 The market value of securities held as collateral against lendings to financial institutions as at December 31, 2014 amounted to Rs. 7,735.068 million (2013: Rs. 2,141.672 million).

	Note	2014			2013		
		Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
		(Rupees '000')					
11. INVESTMENTS							
11.1 (a) Investments by types:							
Held-for-trading securities							
Ordinary shares / certificates in listed companies / modarabas	11.2	85,682	23,066	108,748	302,102	8,416	310,518
		85,682	23,066	108,748	302,102	8,416	310,518
Available-for-sale securities							
Market Treasury Bills	11.2.1	6,961,506	7,119,226	14,080,732	12,268,930	11,139,181	23,408,111
Pakistan Investment Bonds	11.2.1	4,779,679	25,161,147	29,940,826	9,698,609	18,213,372	27,911,981
Defense Savings Certificates	11.3	-	2,730	2,730	-	2,730	2,730
Sukuk Bonds	11.4	433,433	-	433,433	461,976	-	461,976
Cumulative Preference shares	11.5	55,178	-	55,178	55,178	-	55,178
Ordinary shares / Certificates in listed companies / modarabas	11.6	31,722	-	31,722	59,614	-	59,614
Ordinary shares of unlisted companies	11.7	65,726	-	65,726	66,279	-	66,279
Term Finance Certificates	11.8 & 11.9	877,673	271,268	1,148,941	2,269,443	138,493	2,407,936
		13,204,917	32,554,371	45,759,288	24,880,029	29,493,776	54,373,805
Held-to-maturity securities							
Pakistan Investment Bonds	11.2.1	6,693,345	-	6,693,345	1,717,358	-	1,717,358
Term Finance Certificates	11.8 & 11.9	10,072	-	10,072	11,028	-	11,028
		6,703,417	-	6,703,417	1,728,386	-	1,728,386
Associates	11.10	5,408,227	-	5,408,227	5,294,462	-	5,294,462
Subsidiary	11.11	724	-	724	724	-	724
Total investments - Gross		25,402,967	32,577,437	57,980,404	32,205,703	29,502,192	61,707,895
Provision for diminution in value of investments	11.12 & 11.13	(192,265)	-	(192,265)	(215,587)	-	(215,587)
Investments - net of provisions		25,210,702	32,577,437	57,788,139	31,990,116	29,502,192	61,492,308
Surplus on revaluation of held-for-trading securities		17,242	4,316	21,558	31,220	3,248	34,468
Surplus/(Deficit) on revaluation of available-for-sale securities	23	384,031	1,476,963	1,860,994	(305,001)	(429,890)	(734,891)
Net Investments		25,611,975	34,058,716	59,670,691	31,716,335	29,075,550	60,791,885

	Note	2014	2013
		(Rupees '000')	
11.1 (b) **Investments by segments:**			
Federal Government Securities			
Market Treasury Bills	11.2.1	14,080,732	23,408,111
Pakistan Investment Bonds	11.2.1	36,634,171	29,629,339
Defense Savings Certificates	11.3	2,730	2,730
Sukuk Bonds	11.4	433,433	461,976
Cumulative Preference Shares	11.5	55,178	55,178
Fully Paid-up Ordinary Shares & Modaraba certificates			
Listed	11.2 & 11.6	140,470	370,132
Unlisted	11.7	65,726	66,279
Term Finance Certificates			
Listed	11.8	688,425	1,656,492
Unlisted	11.9	470,588	762,472
Associates	11.10	5,408,227	5,294,462
Subsidiary	11.11	724	724
Total investments - Gross		57,980,404	61,707,895
Provision for diminution in value of investments	11.12 & 11.13	(192,265)	(215,587)
Investments - net of provisions		57,788,139	61,492,308
Surplus on revaluation of Held-for-trading securities		21,558	34,468
Surplus / (Deficit) on revaluation of Available-for-sale securities	23	1,860,994	(734,891)
Net Investments		59,670,691	60,791,885

11.2 Shares with market value aggregating to Rs. 27.382 million (2013: Rs. 11.664 million) have been pledged with the National Clearing Company Limited of Pakistan (NCCPL) as collateral against trading facility in Stock Exchange.

11.2.1 Market Treasury Bills and Pakistan Investment Bonds are eligible for rediscounting. Market Treasury Bills embody effective yields ranging from 9.47% to 10.00% (2013: 9.14% to 10.50%) with remaining maturities of 22 days to 344 days and Pakistan Investment Bonds carry mark-up ranging from 10% to 12.5% (2013: 8% to 12%) per annum on semi-annual basis with remaining maturities of 1.63 years to 9.55 years. Certain government securities are required to be maintained with the SBP to meet statutory liquidity requirements calculated on the basis of demand and time liabilities.

11.3 These DSCs of Rs. 2.730 million are pledged as security and carry interest rate at 12.15% (2013: 12.15%) per annum.

11.4 These Sukuk Bonds of Liberty Power Tech Limited carry mark-up rate of 3 months KIBOR + 300 bps and have an original maturity of 12 years.

11.5 Particulars of investment in Cumulative Preference Shares

Investee	Note	Number of Shares held		Total nominal value	
		2014	2013	2014	2013
				(Rupees '000')	
Pak Elektron Limited (PEL)	11.5.1	2,500,000	2,500,000	25,000	25,000
Galaxy Textile Mills Limited	11.5.2	3,017,800	3,017,800	30,178	30,178
				55,178	55,178

11.5.1 These preference shares carry fixed dividend of 9.5% on cumulative basis payable when and if declared by the Board of Directors. For redemption, the call option can be exercised by PEL up to 100% after three years of the issue date at 1% premium on the issue price.

11.5.2 These preference shares are non voting and convertible into ordinary shares after 10 years from the date of issuance. These preference shares bear a fixed return at the rate of 5% per annum that will be non cumulative for the first five years and thereafter will be cumulative from year to year.

11.6 Particulars of investment in Listed Ordinary Shares

	Number of Shares held		Cost of investment	
	2014	2013	2014	2013
			(Rupees '000')	
Held-for-trading securities				
Abbott Laboratories (Pakistan) Limited	22,800	–	13,240	–
Aisha Steel Mills Limited	–	20,000	–	200
Attock Cement Pakistan Limited	15,000	74,000	2,626	10,912
Bank Alfalah Limited	–	969,000	–	20,415
Bank Al-Habib Limited	–	224,500	–	8,060
Cherat Cement Company Limited	270,000	285,500	15,631	16,286
D G Khan Cement Company Limited	–	336,000	–	26,310
Engro Corporation Limited	–	400,000	–	11,300
Exide Pakistan Limited	6,900	–	11,752	–
Fatima Fertilizer Company Limited	–	188,000	–	5,456
GlaxoSmithKline Pakistan Limited	57,400	–	10,486	–
Habib Bank Limited	–	71,318	–	8,575
IGI Insurance Limited	–	28,000	–	4,617
K-Electric Limited	400,000	–	3,495	–
Lafarge Pakistan Cement Limited	–	745,000	–	4,108
Lotte Chemical Pakistan Limited	350,000	–	2,657	–
Lucky Cement Limited	22,500	35,500	8,579	10,010
Mari Petroleum Company Limited	200	–	95	–
Meezan Bank Limited	125,000	–	5,061	–
National Bank of Pakistan Limited	–	414,000	–	22,672
National Foods Limited	13,000	–	5,094	–
Nishat (Chunian) Limited	–	458,150	–	25,210
Nishat Mills Limited	–	215,500	–	21,332
Oil and Gas Development Company Limited	–	82,200	–	21,715
Pak Suzuki Motor Company Limited	41,500	–	9,732	–
Pakistan Oilfields Limited	10,000	46,200	5,489	22,227
Pakistan Petroleum Limited	15,000	66,200	3,446	13,417
Pakistan State Oil Company Limited	–	49,100	–	16,409
Pioneer Cement Limited	170,000	–	11,365	–
TPL Direct Insurance Limited	–	79,000	–	1,946
TPL Trakker Limited	–	250,000	–	2,224
United Bank Limited	–	214,000	–	26,320
Wyeth Pakistan Limited	–	3,200	–	10,797
Total			108,748	310,518
Available-for-sale				
Agritech Limited	605,138	605,138	21,180	21,180
IGI Insurance Limited	847	770	–	–
Tariq Glass Industries Limited	743,500	2,710,712	10,542	38,434
Total			31,722	59,614
Total Listed Shares / Certificates			140,470	370,132

	Note	Percentage of holding	Number of Shares held 2014	Number of Shares held 2013	Cost of Investment 2014	Cost of Investment 2013
					(Rupees '000')	
11.7 Particulars of Unlisted Ordinary Shares						
Pakistan Export Finance Guarantee Agency Limited Chief Executive: Syed Muhammad Zaeem	11.7.1	5.26%	568,044	568,044	5,680	5,680
Central Depository Company of Pakistan Limited Chief Executive: Mr. Muhammad Hanif Jakhura	11.7.2	5.00%	3,250,000	3,250,000	5,000	5,000
Crescent Capital Management (Private) Limited Chief Executive: Mr. Mahmood Ahmed	11.7.3	4.88%	100,000	100,000	1,000	1,000
Pakistan Textile City (Private) Limited Chief Executive: Mr. Muhammad Hanif Kasbati	11.7.4	4.00%	5,000,000	5,000,000	50,000	50,000
National Investment Trust Limited Chief Executive: Mr. Shahid Ghaffar	11.7.5	8.33%	*79,200	*79,200	100	100
Sunbiz (Private) Limited Chief Executive: Mr. Muqadder Ali Shah	11.7.6	4.65%	10,000	10,000	1,000	1,000
SWIFT Chief Executive: Mr. Gottfried Leibbrandt	11.7.7	0.01%	**9	**9	2,946	3,499
Islamabad Stock Exchange Limited Chief Executive: Mian Ayyaz Afzal	11.7.8	0.83%	3,034,603	-	-	-
					65,726	66,279

11.7.1 This investment is fully provided in these consolidated financial statements.

11.7.2 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs.117.827 million (June 30, 2013: Rs. 111.941 million).

11.7.3 This investment is fully provided in these consolidated financial statements.

11.7.4 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs. 22.763 million (June 30, 2013: Rs. 27.241 million).

11.7.5 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs. 872.874 million (June 30, 2013: Rs. 1,783.479 million).

11.7.6 This investment is fully provided in these consolidated financial statements.

11.7.7 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2013 amounts to Rs. 3.172 million (December 31, 2012: Rs. 2.970 million).

11.7.8 During the year, the Bank has recorded Investment in the Company at Nil Value due to conversion of the Islamabad Stock Exchange from limited by guarantee to public company limited by shares. Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2014 amounts to Rs. 33.233 million.

		Note	Number of Certificates held 2014	2013	Amortized cost 2014	2013
11.8	**Particulars of investment in Listed Term Finance Certificates**				(Rupees '000')	
	Investee					
	Askari Bank Limited		30,000	30,000	154,440	151,336
	Azgard Nine Limited	11.8.1	10,000	10,000	16,269	16,269
	Bank Alfalah Limited		46,000	55,000	229,540	274,560
	Engro Fertilizer Limited		32,692	217,438	119,355	1,026,065
	Escorts Investment Bank Limited		–	2,016	–	1,007
	Summit Bank Limited		10,000	10,000	49,931	49,954
	Telecard Limited	11.8.2	74,888	74,888	118,890	137,301
					688,425	1,656,492

11.8.1 This includes an amount of Rs. 8.135 million (2013: Rs. 8.135 million) classified as Held to Maturity.

11.8.2 This includes an amount of Rs. 1.938 million (2013: Rs. 2.894 million) classified as Held to Maturity.

		Note	Number of Certificates held 2014	2013	Amortized cost 2014	2013
11.9	**Particulars of investment in Unlisted Term Finance Certificates**				(Rupees '000')	
	Azgard Nine Limited	11.9.1	11,864	11,864	–	–
	Avari Hotels Limited		–	30,400	–	56,590
	Pakistan Mobile Communications Limited		200,000	200,000	470,588	705,882
					470,588	762,472

11.9.1 In the year 2012, the Bank received 11,864 Term Finance Certificates of Rs. 5,000 each, having total value of Rs. 59.32 million in respect of overdue mark-up of Azgard Nine Limited. These certificates have been recognized at Nil value in the Bank's books as per the requirement of Prudential Regulations, whereby overdue interest on classified advance accounts can only be recognized once this is received in cash.

		Holding	Number of Shares / Units / Certificates held 2014	2013	Total carrying value 2014	2013
11.10	**Particulars of investment in associates**				(Rupees '000')	
	PICIC Investment Fund - Closed end	34.04%	96,703,821	96,703,821	1,738,458	1,636,562
	PICIC Growth Fund - Closed end	15.34%	43,482,858	43,482,858	1,754,653	1,627,859
	PICIC Energy Fund - Open end	39.69%	37,729,841	31,825,782	425,448	428,932
	PICIC Income Fund - Open end	*** 32.89%	10,389,714	6,412,727	1,111,318	644,403
	PICIC Cash Fund - Open end	*** 3.04%	1,545,090	8,810,607	161,854	887,130
	PICIC Islamic Income Fund - Open end	*** 20.15%	1,061,941	–	110,584	–
	PICIC Stock Fund - Open end	*** 26.87%	846,966	–	105,912	–
	PICIC Insurance Limited	–	–	10,499,993	–	69,576
					5,408,227	5,294,462

11.10.1 Summarized financial information in respect of associates is set out below:

	2014					
	Total assets	Total liabilities	Net assets	Total revenue	Profit for the year / period	Share of profit for the year / period
	(Rupees '000')					
PICIC Investment Fund - Closed end	5,652,223	544,470	5,107,753	575,019	575,019	195,711
PICIC Growth Fund - Closed end	12,438,281	998,279	11,440,002	1,143,863	1,143,863	175,445
PICIC Energy Fund - Open end	1,117,856	46,005	1,071,851	137,690	137,690	40,063
PICIC Income Fund - Open end	3,407,487	28,848	3,378,639	301,382	301,382	79,355
PICIC Cash Fund - Open end	5,358,441	27,739	5,330,702	544,312	544,312	51,790
PICIC Islamic Income Fund - Open end	551,013	2,152	548,861	30,250	30,250	5,584
PICIC Stock Fund - Open end	405,990	11,782	394,208	114,112	114,112	342
						548,290

	Number of Shares / Certificates held		Total carrying value	
	2014	2013	2014	2013
			(Rupees '000')	
11.11 Particulars of investment in unconsolidated subsidiary				
Financial and Management Services (Private) Limited	*88,850	*88,850	724	724
			724	724

Unless otherwise stated, holdings in ordinary shares, preference shares and units of mutual funds are of Rs. 10 each.

* Shares of Face Value of Rs. 100 each
** Shares of Face Value of Euro 2,680 each
*** Units of Face Value of Rs. 100 each
All Term Finance Certificates are of Original Face Value of Rs. 5,000 each

11.12 Particulars of provision for diminution in value of investments

	2014	2013
	(Rupees '000')	
Opening balance	215,587	137,975
Charge for the year	6,850	117,399
Reversal for the year		
- Term Finance Certificates	(18,411)	-
	(11,561)	117,399
Reversal due to sale / write off / transfer to other assets	(11,761)	(39,787)
Closing balance	192,265	215,587

	2014	2013
	(Rupees '000')	
11.13 Particulars of Provision in respect of Type and Segment		
Available-for-sale securities		
- Listed shares / units	20,937	30,325
- Unlisted shares	35,445	30,968
- Term Finance Certificates	135,159	153,570
	191,541	214,863
Subsidiary	724	724
	192,265	215,587

	2014		2013	
	(Rupees '000')	Rating	(Rupees '000')	Rating
11.14 Quality of Available-For-Sale Securities - at Market Value				
Federal Government Securities				
Market Treasury Bills	14,093,269	Unrated	23,374,805	Unrated
Pakistan Investment Bonds	31,758,973	Unrated	27,137,317	Unrated
Defense Savings Certificates	2,730	Unrated	2,730	Unrated
Sukuk Bonds	433,433	A+	461,976	Unrated
Cumulative Preference shares				
Pak Elektron Limited	25,000	A2 / A-	25,000	*
Galaxy Textile Mills Limited	30,178	*	30,178	*
Ordinary shares of Listed Companies				
Agritech Limited	4,690	*	7,667	D
IGI Insurance Limited	229	AA	127	AA
Tariq Glass Limited	34,989	*	65,600	*
Ordinary shares of Unlisted Companies				
Central Depository Company of Pakistan Limited	5,000	*	5,000	*
Crescent Capital Management (Private) Limited	–	*	–	*
National Investment Trust Limited	100	AM2-	100	AM2-
Pakistan Export Finance Guarantee Agency Limited	–	*	-	*
Pakistan Textile City (Private) Limited	22,764	*	27,242	*
Sunbiz (Private) Limited	-	*	-	*
SWIFT	2,417	*	2,970	*
Islamabad Stock Exchange Limited	–	*	-	–

	2014		2013	
	(Rupees '000')	Rating	(Rupees '000')	Rating
Term Finance Certificates				
Askari Bank Limited	146,817	AA-	151,992	AA-
Avari Hotels Limited	–		56,590	A-
Azgard Nine Limited	–	*	–	D
Bank Alfalah Limited	248,658	AA-	294,395	AA-
Engro Fertilizer Limited	111,807	A+	1,037,571	A
Escorts Investment Bank Limited	–		743	BB
Pakistan Mobile Communication Limited	470,588	AA-	705,883	AA-
Summit Bank Limited	47,172	A (SO)	47,193	A- (SO)
Telecard Limited	–	*	–	*
	47,438,814		53,435,079	

* Rating not Available

11.15 The Bank has received interest from a few parties in potentially acquiring the Bank's interest in its wholly owned subsidiary company. The management of the Bank is currently evaluating the feasibility of pursuing a transaction for possible divestment of its equity stake in the PICIC AMC, subject to the relevant approvals including the regulatory approvals from the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan. The sale will only be effected if it makes economic sense to the Bank. Following is the break-up of the net assets of the subsidiary:

	2014 (Rupees '000')
Assets	2,972,668
Liabilities	113,502
Net Income for the year ended December 31, 2014	336,830

	Note	2014	2013
12. ADVANCES		(Rupees '000')	
Loans, cash credits, running finance, etc. - in Pakistan	12.1	107,411,316	97,043,697
Net investment in finance lease - in Pakistan	12.3	1,805,746	1,777,383
Bills discounted and purchased (excluding Treasury Bills)			
Payable in Pakistan		2,985,989	2,600,925
Payable outside Pakistan		5,450,574	3,161,906
Advances - Gross		117,653,625	104,583,911
Provision against non-performing advances - Specific	12.4	(23,885,813)	(22,488,805)
- General		(94,318)	(69,139)
	12.5	(23,980,131)	(22,557,944)
Advances - Net of provisions		93,673,494	82,025,967

12.1 This includes a sum of Rs. 72.337 million (2013: Rs. 72.337 million) representing unrealized exchange gain, which has not been recognized as income and deferred in these consolidated financial statements, in accordance with the policy of the Bank, as stated in note 6.16.

		2014	2013
12.2	**Particulars of advances**	(Rupees '000')	
12.2.1	In local currency	111,090,972	100,775,369
	In foreign currencies	6,562,653	3,808,542
		117,653,625	104,583,911
12.2.2	Short term (for up to one year)	96,644,764	93,350,797
	Long term (for over one year)	21,008,861	11,233,114
		117,653,625	104,583,911

12.3 Net Investment in Finance Lease

	2014			
	Not later than one year	Later than one and less than five years	Over five years	Total
	(Rupees '000')			
Lease rentals receivable	1,556,776	161,895	138	1,718,809
Residual value	419,234	48,192	700	468,126
Minimum lease payments	1,976,010	210,087	838	2,186,935
Financial charges for future periods (including income suspended)	(352,332)	(28,850)	(7)	(381,189)
Present value of minimum lease payments	1,623,678	181,237	831	1,805,746

	2013			
Lease rentals receivable	1,645,136	61,750	–	1,706,886
Residual value	427,762	17,480	–	445,242
Minimum lease payments	2,072,898	79,230	–	2,152,128
Financial charges for future periods (including income suspended)	(365,024)	(9,721)	–	(374,745)
Present value of minimum lease payments	1,707,874	69,509	–	1,777,383

12.3.1 Leases includes non-performing loans of Rs. 1,548.373 million (2013: Rs.1,721.768 million) against which provision of Rs.1,068.190 million (2013: Rs. 1,177.073 million) has been held.

12.4 Advances include Rs. 29,017,184 million (2013: Rs. 29,904,747 million), which have been placed under non-performing status as detailed below:

	Note	2014								
		Classified Advances			Provision Required			Provision Held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
		(Rupees '000')								
Category of Classification										
OAEM		40,397	–	40,397	3,590	–	3,590	3,590	–	3,590
Substandard		2,470,814	–	2,470,814	1,058,262	–	1,058,262	1,058,262	–	1,058,262
Doubtful		827,949	–	827,949	406,658	–	406,658	406,658	–	406,658
Loss	12.4.1	25,678,024	–	25,678,024	22,417,303	–	22,417,303	22,417,303	–	22,417,303
		29,017,184	–	29,017,184	23,885,813	–	23,885,813	23,885,813	–	23,885,813

	2013								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees '000')								
Category of Classification									
OAEM	42,632	–	42,632	6,648	–	6,648	6,648	–	6,648
Substandard	2,450,356	–	2,450,356	611,308	–	611,308	611,308	–	611,308
Doubtful	571,213	–	571,213	86,598	–	86,598	86,598	–	86,598
Loss	26,840,546	–	26,840,546	21,784,251	–	21,784,251	21,784,251	–	21,784,251
	29,904,747	–	29,904,747	22,488,805	–	22,488,805	22,488,805	–	22,488,805

12.4.1 Included in the Provision required and held is an amount of Rs. 343.944 million (2013: Rs. 293.089 million) which represents provision in excess of the requirements of the State Bank of Pakistan.

12.4.2 In accordance with BSD Circular No. 1 dated October 21, 2011 issued by the State Bank of Pakistan, the Bank has availed the benefit of Forced Sale Value (FSV) against the non-performing advances. During the year ended December 31, 2014, total FSV benefit erosion resulted in decrease in profit before tax of Rs. 2,022.246 million. Had the benefit under the said circular not been taken by the Bank, the specific provision against non performing advances would have been higher by Rs. 2,383.281 million (December 31, 2013: Rs. 4,405.527 million). The FSV benefit recognized will not be available for the distribution of cash and stock dividend to shareholders.

12.5 Particulars of provision against non-performing advances

	Note	2014			2013		
		Specific	General	Total	Specific	General	Total
		(Rupees '000')					
Opening balance		22,488,805	69,139	22,557,944	23,214,941	78,923	23,293,864
Charge for the year		3,707,350	25,179	3,732,529	2,724,727	–	2,724,727
Reversals		(2,196,028)	–	(2,196,028)	(3,465,970)	(9,784)	(3,475,754)
		1,511,322	25,179	1,536,501	(741,243)	(9,784)	(751,027)
Amounts written off - Net (includes recovery of earlier written-off Retail loans)	12.6.1	(124,086)	–	(124,086)	125,609	–	125,609
Amount transferred to Other Assets / Other Liabilities		9,772	–	9,772	(110,502)	–	(110,502)
Closing balance		23,885,813	94,318	23,980,131	22,488,805	69,139	22,557,944

12.5.1 Particulars of provision against non-performing advances - currency wise

In local currency	23,782,152	94,318	23,876,470	22,393,468	69,139	22,462,607
In foreign currencies	103,661	–	103,661	95,337	–	95,337
	23,885,813	94,318	23,980,131	22,488,805	69,139	22,557,944

	Note	2014	2013
		(Rupees '000')	
12.6 Particulars of write offs / (write backs):			
12.6.1 Against provisions (includes recovery of earlier written-off Retail loans)		124,086	(125,609)
Directly charged to profit and loss account		2,421	4,451
		126,507	(121,158)
12.6.2 Write offs of Rs. 500,000 and above	12.7	497,774	210,840
Write offs of below Rs. 500,000 (includes recovery of earlier written-off Retail loans)	12.7	(371,267)	(331,998)
		126,507	(121,158)

12.7 Details of loan write offs 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 financial relief of five hundred thousand rupees or above allowed to person(s) during the year ended December 31, 2014 is given in Annexure 1. However, this write off does not affect the Bank's right to recover these debts from any of its customers.

12.8 Particulars of loans and advances to directors, associated companies etc.

Debts due by directors, executives or officers of the Group or any of them either severally or jointly with any other persons:

	Note	2014	2013
		(Rupees '000')	
Balance at the beginning of the year		1,485,462	1,415,450
Additions during the year		920,232	752,182
Repayments during the year		(713,427)	(682,170)
Balance at the end of the year		1,692,267	1,485,462

Debts due by controlled firms, managed modarabas and other related parties:

Balance at the beginning of the year		24,876	21,951
Loans granted during the year		5,178,968	5,326
Repayments during the year		(5,179,148)	(2,401)
Balance at the end of the year		24,696	24,876

13. OPERATING FIXED ASSETS

Capital work in progress	13.1	204,855	248,527
Property and equipment	13.2	2,828,202	2,630,754
		3,033,057	2,879,281

13.1 Capital work in progress

Civil works	84,414	64,359
Electrical, office and computer equipment	55,207	58,770
Advances to suppliers and contractors	27,750	51,048
Advance for computer software	37,484	74,350
	204,855	248,527

13.2 Property and Equipment

Particulars	Note	2014 COST As at January 01, 2014	COST Additions / (Deletions)	COST As at December 31, 2014	DEPRECIATION Accumulated as at January 01, 2014	DEPRECIATION For the year / (on deletion)	DEPRECIATION Accumulated as at December 31, 2014	Net Book value as at December 31, 2014	Rate of Depreciation % per annum
		(Rupees '000)							
Freehold land		317,697	-	317,697	-	-	-	317,697	-
Leasehold land	13.2.3	1,064,456	-	1,064,456	15,634	-	15,634	1,048,822	-
Buildings on freehold land		571,173	-	558,143	196,655	27,907	211,532	346,611	5%
			(13,030)			(13,030)			
Buildings on leasehold land		162,573	-	136,626	55,756	6,794	53,793	82,833	5%
			(25,947)			(8,757)			
Furniture and fixtures		213,011	36,478	232,463	136,350	24,205	147,062	85,401	10%
			(17,026)			(13,493)			
Electrical, office and computer equipment		1,471,356	306,575	1,658,914	1,090,727	190,972	1,168,336	490,578	10% to 33%
			(119,017)			(113,363)			
Vehicles		24,993	-	21,642	14,268	3,561	15,007	6,635	20%
			(3,341)			(2,822)			
Leasehold improvements		833,226	199,267	1,010,638	518,331	55,694	561,013	449,625	10%
			(21,855)			(13,012)			
		4,658,475	542,320	5,000,579	2,027,721	309,133	2,172,377	2,828,202	
			(200,216)			(164,477)			

13.2.1 Included in cost of property and equipment are fully depreciated items still in use having cost of Rs. 1,060.532 million (2013: Rs. 909.704 million).

13.2.2 Carrying amount of temporarily idle property is Rs. 790.447 million (2013: Rs. 812.378 million).

13.2.3 This includes a plot of land costing Rs. 361 million in Block-6, KDA Scheme-5, Clifton, Karachi (the "Plot"), possession of which was taken by the Bank (formerly PICIC) in April 1983 pursuant to an allotment order by Karachi Development Authority (KDA). All the legal dues in respect of the Plot including Non-utilization Fees have been paid. In 2000, KDA cancelled the allotment unilaterally based on certain building and construction restrictions. The Bank filed a Civil Suit against KDA before the High Court of Sindh in respect of the said unilateral cancellation of the allotment. Meanwhile, also in 2000, a dispute arose with KPT in respect of construction of a boundary wall on the Plot by KPT as KPT claimed that the ownership of the land had been reverted to KPT. The said claim by KPT was also challenged by way of Civil Suit before the High Court of Sindh. The High Court of Sindh initially issued restraining orders against KDA and KPT in the respective suits in respect of cancellation of the allotment of the Plot. Subsequently, both the suits were decided in favor of the Bank. In the suit filed against KDA, the High Court of Sindh held that the action of cancellation of the allotment by KDA was improper and void, whereas, in the suit against KPT, the High Court of Sindh held that since allotment in favor of the Bank was valid therefore, KPT had no standing to claim that the ownership of the land had been reverted back to KPT. Both the decisions of the High Court of Sindh were challenged in two separate High Court Appeals by KDA and KPT. Furthermore, in November 2008, KPT filed a civil suit seeking a declaration from the High Court of Sindh to the effect that the ownership of the plot had been validly reverted to KPT.

During the year, appeal filed by KDA has been disposed off in favour of the Bank vide order dated March 06, 2014 passed by the Honourable High Court of Sindh, Karachi. However, the appeal filed by KPT against NIB Bank is still pending before the High Court of Sindh, Karachi. At present, the Bank is actively defending the cases. Also as per legal opinion provided by the dealing counsel, the appeal filed by the KPT is likely to be decided by the Hon'ble Court in favour of the Bank.

This also includes a plot of land having book value of Rs. 372.103 million situated in Railway Quarters, I.I. Chundrigar Road, Karachi, (the "Plot"), where a tenant is claiming for the possession as tenant of an insignificant area of only 18 square feet of the plot measuring 3,120.46 square yards, however there is no issue over the title of the subject property.

Particulars	2013											
	COST					DEPRECIATION					Net Book value as at December 31, 2013	Rate of depreciation % per annum
	As at January 01, 2013	Additions / (Deletions)	Adjustment	(Write - offs)	As at December 31, 2013	Accumulated as at January 01, 2013	For the year / (on Deletions)	Adjustment	(Write-offs)	Accumulated as at December 31, 2013		
	(Rupees '000')											
Freehold land	336,617	-	-	-	317,697	-	-	-	-	-	317,697	-
		(18,920)										
Leasehold land	1,064,456	-	-	-	1,064,456	15,634	-	-	-	15,634	1,048,822	-
Buildings on freehold land	584,330	-	-	-	571,173	247,256	27,807	-	-	196,655	374,518	5%
		(13,157)					(3,947)	(74,463)				
Buildings on leasehold land	162,573	-	-	-	162,573	48,595	7,871	-	-	55,756	106,817	5%
								(710)				
Furniture and fixtures	233,067	6,560	-	-	213,011	125,900	21,993	-	-	136,350	76,661	10%
		(10,848)	(726)	(15,052)			(7,028)		(4,515)			
Electrical, office and computer equipment	1,337,344	198,750	-	-	1,471,356	972,538	179,130	-	-	1,090,727	380,629	10% to 33%
		(60,217)		(4,521)			(56,827)		(4,114)			
Vehicles	47,908	6,160	-	-	24,963	32,109	6,599	-	-	14,268	10,715	20%
		(29,085)					(24,440)					
Leasehold Improvements	774,426	62,791	-	-	833,226	473,450	47,821	-	-	518,331	314,895	10%
		(301)	(201)	(3,489)			(234)		(2,706)			
	4,540,721	274,281	-	-	4,658,475	1,915,464	291,221	-	-	2,027,721	2,630,754	
		(132,528)	(927)	(23,072)			(92,476)	(75,173)	(11,335)			

13.2.4 **Detail of disposal of property and equipment during the year**

Items individually having cost more than Rs. 1 million or net book value exceeding Rs. 0.25 million

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer
	(Rupees '000')					
Buildings on freehold land	13,030	13,030	-	30,500	Highest offer	Javed Iqbal, House # 15 Qazafi Street # 17 Urdu Bazar Lahore
Buildings on leasehold land	25,947	8,757	17,190	17,000	Through Estate Agent	M A Saya, House #C 48, Block 17, Gulshan e Iqbal, Karachi
Computer Equipment	3,191	3,001	190	295	Bid	Mr Shafi Rahi, LC 58-63 Sector 2B Gulshan e Zahoor
Office Equipment	6,239	5,093	1,146	1,697	Bid	Ali Ahsan, H # 795/A Faisal Road Taxali Lahore
Vehicle	1,336	1,336	-	972	Bid	Mr Wamiq Sakrani, 49/2 Khyaban-e-Bukhari D-A Phase 6 Karachi
	49,743	31,217	18,526	50,464		

Items individually having cost less than Rs. 1 million or net book value not exceeding Rs. 0.25 million

Computer Equipment	67,577	67,156	421	1,104
Furniture and fixtures	17,026	13,493	3,533	7,698
Leasehold improvements	21,855	13,011	8,844	4,599
Office equipment	40,890	37,859	3,031	7,207
Vehicles	1,965	1,449	516	1,708
Sub Total	149,313	132,968	16,345	22,316

Items retired from the books and claimed from the Insurance companies

Computer Equipment	1,121	253	868	1,003
Vehicles	39	39	-	27
Sub Total	1,160	292	868	1,030
2014	200,216	164,477	35,739	73,810
2013	132,528	92,476	40,052	90,651

14. INTANGIBLE ASSETS

Particulars	2014 COST As at January 01, 2014	COST Additions / Adjustments*	COST As at December 31, 2014	AMORTIZATION / IMPAIRMENT Accumulated as at January 01, 2014	AMORTIZATION / IMPAIRMENT Amortization for the year/ Adjustment*	AMORTIZATION / IMPAIRMENT Accumulated as at December 31, 2014	Net Book Value as at December 31, 2014	Rate of amortization % per annum
	(Rupees '000')							
Core Deposit Relationships	2,489,453	–	2,489,453	1,471,040	226,314	1,697,354	792,099	9.09%
Capital Loan Relationships	124,149	–	124,149	94,032	6,693	100,725	23,424	8.31%
Brand*	204,116	–	–	204,116	–	–	–	20%
		(204,116)			(204,116)			
Computer Software	913,128	100,811	1,013,939	521,604	108,509	630,113	383,826	10% to 50%
Management Rights	1,726,726	–	1,726,726	–	–	–	1,726,726	Note 6.7
	5,457,572	100,811	5,354,267	2,290,792	341,516	2,428,192	2,926,075	
		(204,116)			(204,116)			

*During the year, brand having Nil book value was adjusted by the Bank.

14.1 Included in cost of computer software are fully amortized items still in use having cost of Rs. 298.739 million (2013: Rs. 107.823 million).

Particulars	2013 COST As at January 01, 2013	COST Additions / (Deletions)	COST As at December 31, 2013	AMORTIZATION / IMPAIRMENT Accumulated as at January 01, 2013	AMORTIZATION / IMPAIRMENT Amortization for the year	AMORTIZATION / IMPAIRMENT Accumulated as at December 31, 2013	Net Book Value as at December 31, 2013	Rate of amortization % per annum
	(Rupees '000')							
Core Deposit Relationships	2,489,453	–	2,489,453	1,244,726	226,314	1,471,040	1,018,413	9.09 %
Core Overdraft / Working Capital Loan Relationships	124,149	–	124,149	87,339	6,693	94,032	30,117	8.31%
Brand	204,116	–	204,116	204,116	–	204,116	–	20%
Computer Software	858,379	54,749	913,128	416,666	104,937	521,603	391,525	10% to 50%
Management Rights	1,726,726	–	1,726,726	–	–	–	1,726,726	Note 6.7
	5,402,823	54,749	5,457,572	1,952,847	337,944	2,290,791	3,166,781	

14.2 Annual test for impairment

Intangibles

In the current year, the Group assessed the recoverable amount of core deposit relationships and determined that no impairment loss exists.

	Note	2014	2013
		(Rupees '000')	
15. DEFERRED TAX ASSETS			
Deferred debits arising due to:			
Provision against loans and advances		7,416,342	7,527,506
Provision against other receivables		291,184	291,184
Provision against balances with other banks		2,251	2,359
Provision against Off Balance sheet Items		13,101	13,101
Unused tax losses		4,991,269	4,637,085
Deficit on revaluation of securities		–	261,487
Provision against workers welfare fund		22,035	–
Excess of accounting base provision for bonus		9,304	–
Excess of tax base of investments over accounting base		62,329	152,880
Minimum turnover tax*		432,812	242,811
		13,240,627	13,128,413
Deferred credits arising due to:			
Excess of accounting base of leased asset over tax base		(174,338)	(157,902)
Accelerated tax depreciation on owned assets		(769,507)	(815,226)
Fair valuation of subsidiaries and associates		(471,460)	(461,757)
Accelerated tax amortization on intangible assets		(11,060)	(1,081)
Unrealized exchange gains	15.2	(2,377)	(2,377)
Unrealized exchange losses	15.3	(33,604)	(33,604)
(Surplus) on revaluation of securities		(651,709)	–
		(2,114,055)	(1,471,947)
Deferred tax Assets		11,126,572	11,656,466
Unrecognized deferred tax assets*	15.1	(1,134,408)	(566,822)
Recognized deferred tax assets		9,992,164	11,089,644

* Included in the unrecognized deferred tax assets.

15.1 The deferred tax asset recognised in the books has been restricted to Rs. 9,992.164 million due to uncertainty of availability of future tax profits for utilization of the un-recognised deferred tax assets. The deductible differences available to the Bank are Rs. 11,126.572 million. Had these been taken completely, the profit after tax for the year would be higher by Rs. 1,134.408 million (2013: Rs. 566.822 million). Therefore, the accumulated amount of deferred tax asset not recognised as of December 31, 2014 amounted to Rs. 1,134.408 million.

The management has recorded deferred tax asset based on financial projections indicating realisibility of deferred tax asset over a number of future years through reversals as a result of recoveries from borrowers and realisibility of remaining deferred tax asset against future taxable profits. The financial projections involve certain key assumptions such as deposits composition, interest rates, growth of deposits and advances, investment returns and potential provision / reversals against assets. Any significant change in the key assumptions may have an effect on the realisibility of the deferred tax asset.

15.2 In 1987 and 1989, the Bank (formerly PICIC) exercised its option to avail the exchange risk coverage offered by the Government of Pakistan, Ministry of Finance and Economic Affairs (Economic Affairs Division), through Office Memo 1(16)/50/DM/86 dated July 8, 1987 and 1(12)/50/DM/89 dated June 1, 1989 respectively and, in turn the Bank (formerly PICIC) offered the risk coverage to its Borrowers.

15.3 The unrealized exchange losses of the Bank (formerly PICIC) as on April 21, 1987, the effective date of exercise of both the options arising on related borrowings as reduced by gains arising on related advances was claimed as loss for tax purposes.

15.4 Movement in temporary differences during the year

	2014			
	Balance as at January 01, 2014	Recognized in profit and loss account	Recognized in equity	Balance as at December 31, 2014
	(Rupees '000')			
Deferred debits arising due to:				
Provision against loans and advances	7,527,506	(111,164)	–	7,416,342
Provision against other receivable	291,184	-	–	291,184
Provision against balances with other banks	2,359	(108)	–	2,251
Provision against Off Balance sheet Items	13,101	-	–	13,101
Unused tax losses	4,637,085	354,184	–	4,991,269
Provision against workers welfare fund	–	22,035	–	22,035
Excess of accounting base provision for bonus	–	9,304	–	9,304
Excess of tax base of investments over accounting base	152,880	(90,551)	–	62,329
Minimum turnover tax*	242,811	190,001	–	432,812
Deferred credits arising due to:				
Excess of accounting base of leased asset over tax base	(157,902)	(16,436)	–	(174,338)
Accelerated tax depreciation on owned assets	(815,226)	45,719	–	(769,507)
Fair valuation of subsidiaries and associates	(461,757)	(9,703)	–	(471,460)
Accelerated tax amortization on intangible assets	(1,081)	(9,979)	–	(11,060)
Unrealized exchange gains	(2,377)	–	–	(2,377)
Unrealized exchange losses	(33,604)	–	–	(33,604)
(Surplus)/Deficit on revaluation of securities	261,487	(162)	(913,034)	(651,709)
Deferred tax assets	11,656,466	383,140	(913,034)	11,126,572
Unrecognised deferred tax assets*	(566,822)	(567,586)	–	(1,134,408)
Recognised deferred tax assets	11,089,644	(184,446)	(913,034)	9,992,164

	2013			
	Balance as at January 01, 2013	Recognized in profit and loss account	Recognized in equity	Balance as at December 31, 2013
	(Rupees '000')			
Deferred debits arising due to:				
Provision against loans and advances	8,432,590	(905,084)	–	7,527,506
Provision against other receivables	255,121	36,063	–	291,184
Provision against balances with other banks	–	2,359	–	2,359
Provision against off balance sheet items	–	13,101	–	13,101
Unused tax losses	4,488,530	148,555	–	4,637,085
Surplus / (Deficit) on revaluation of securities	(178,403)	(3,712)	443,602	261,487
Excess of tax base of investments over accounting base	378,894	(226,014)	–	152,880
Minimum turnover tax*	–	242,811	–	242,811
Deferred credits arising due to:				
Excess of accounting base of leased asset over tax base	(159,787)	1,885	–	(157,902)
Accelerated tax depreciation on owned assets	(798,215)	(17,011)	–	(815,226)
Accelerated tax amortization on intangible assets	8,843	(9,924)	–	(1,081)
Fair valuation of subsidiaries and associates	(643,298)	181,541	–	(461,757)
Unrealized exchange gains	(2,377)	–	–	(2,377)
Unrealized exchange losses	(33,604)	–	–	(33,604)
Deferred tax assets	11,748,294	(535,430)	443,602	11,656,466
Unrecognized deferred tax assets*	(982,015)	415,193	–	(566,822)
Recognized deferred tax assets	10,766,279	(120,237)	443,602	11,089,644

* Included in the unrecognized deferred tax assets.

	Note	2014	2013
		(Rupees '000')	
16. OTHER ASSETS			
Income / mark-up accrued			
Local currency	16.1 & 16.6	4,357,621	3,515,211
Foreign currencies		96,597	72,276
Advances, deposits, advance rent and other prepayments	16.2	545,745	485,947
Advance taxation - net		1,161,311	1,231,846
Non-banking assets acquired in satisfaction of claims	16.3	994,488	888,525
Non-banking assets acquired in satisfaction of claims with buy back option with customer	16.3	1,458,854	1,102,755
Unrealized gain on forward foreign exchange contracts - net		335,001	499,578
Stationery and stamps on hand		3,217	630
Advance for purchase of term finance certificates shares and Sukuk Bonds	16.7	1,215,800	1,185,000
Assets in respect of Bangladesh	16.4	425,409	425,409
Insurance claim		186,828	4,873
Dividend receivable		–	593
Management fee receivable		42,351	37,300
Others		252,952	169,263
		11,076,174	9,619,206
Liabilities in respect of Bangladesh	16.4	(342,416)	(342,416)
Rupee Borrowings from Government of Pakistan in respect of Bangladesh		(82,993)	(82,993)
Provisions held against other assets	16.5	(1,300,684)	(1,177,612)
Other assets - net of provisions		9,350,081	8,016,185

16.1 This includes Rs. 5.671 million (2013: Rs. 0.705 million) in respect of related parties.

16.2 Advances, deposits, advance rent and other prepayments

Advances	44,776	39,959
Deposits	38,872	40,593
Advance rent	284,323	266,873
Prepayments	177,774	138,522
	545,745	485,947

16.3 Represents cost of land and building acquired by the Bank against advances and held for resale. The market value of the subject assets as of December 31, 2014 was Rs. 2,545.390 million (2013: Rs. 2,037.041 million). Provision of Rs. 151.272 million (2013: Rs. 132.272 million) has been made against difference between cost and fair value. The above mentioned values include properties having market value of Rs. 1,618.947 million (2013: Rs. 1,219.752 million) acquired through settlement agreements, where the settlement agreement signed with borrowers entails a buy back option.

16.4 All the assets and liabilities as of November 30, 1971 clearly identifiable as being in or in respect of the areas now under Bangladesh and referred to above were segregated as of that date and in such segregation, for purposes of conversion of foreign currency amounts, generally speaking, the parity rates ruling prior to August 15, 1971 were used, and all income accrued or due in 1971 but not received in that year and interest accrued but not due on borrowings in 1971 was eliminated. Subsequently, consequent to the assuming by Bangladesh of certain foreign currency loan obligations as of July 1, 1974, including amounts previously identified by the Bank (formerly PICIC) as its foreign currency liabilities in respect of Bangladesh, such amounts were eliminated from the books of the Bank (formerly PICIC) by reducing an equivalent sum from its related foreign assets in that area.

Arising from advices received from the lenders and as a result of diversion of shipments and of the meeting of certain contingent liabilities, there have been certain modifications to the foreign currency advances relating to Bangladesh. Furthermore, the difference between the actual amount of rupees required to remit maturities of foreign currency borrowings in respect of Bangladesh and the figures at which they appeared in the books and the interest paid to foreign lenders has been treated as increasing the rupee assets in that area.

The Government of Pakistan, while initially agreeing to provide the rupee finance required for discharging current maturities of foreign currency borrowings and interest related to Bangladesh, did not accept any responsibility for PICIC's assets in that area. However, following an agreement reached between PICIC and the Government of Pakistan during 1976, the Government has agreed that it would continue to provide the funds for servicing PICIC's foreign currency liabilities relating to Bangladesh and has further agreed that an amount equivalent to the rupee assets in Bangladesh financed from PICIC's own funds not exceeding Rs. 82 million would be deemed to have been allocated out of the rupee loans by the Government and that such allocated amount together with the rupee finance being provided by the Government including any interest thereon would not be recovered from PICIC until such time as PICIC recovers the related assets from Bangladesh and only to the extent of such recovery.

Accordingly, such allocated amounts, together with the rupee finance being provided by the Government for discharging the current maturities of foreign currency borrowings (including the interest and charges thereon and any exchange difference between the final rupee payment and the amount at which the liability, commitment or contingent liability as appearing in the books relating to Bangladesh) have been treated as liabilities in respect of Bangladesh. Further, in view of the aforesaid agreement no interest is being accrued on the allocated amount of rupee loans or in respect of the rupee finance provided by the Government related to PICIC's assets in Bangladesh nor is it considered necessary to provide for any loss that may arise in respect of PICIC's assets in Bangladesh.

	2014	2013
16.5 Particulars of provisions held against other assets	(Rupees '000')	
Opening balance	1,177,612	1,012,176
Charge for the year	149,376	62,400
Reversals	(9,000)	–
Write offs	(7,532)	–
Transfer from Investments / Advances	(9,772)	103,036
Closing balance	1,300,684	1,177,612

16.6 This includes a sum of Rs. 30.466 million (2013: Rs. 30.466 million) representing unrealised exchange gain, which has not been recognized as income and deferred in the financial statements, in accordance with the policy of the Bank, as stated in note 6.16.

16.7 This includes Rs. 900 million in respect of advance paid by the Bank for purchase of Sukuk Bonds of Sui Southern Gas Company (SSGC). As per agreed repayment schedule mark-up has been received from SSGC which have been recorded as mark-up income of the Bank. These carry mark-up rate of 3 months KIBOR + 70 bps and have original maturity of 5 years. The Sukuk are in the process of issuance and is expected to complete in first half of 2015, upon issuance of the Bonds this advance will be reclassified as Investments.

	2014	2013
17. BILLS PAYABLE	(Rupees '000')	
In Pakistan	2 645,240	2,771,816
Outside Pakistan	95,288	90,847
	2,740,528	2,862,663
18. BORROWINGS		
In Pakistan	61,469,196	51,449,032
Outside Pakistan	1,281,698	57,641
	62,750,894	51,506,673

	Note	2014	2013
		(Rupees '000')	
18.1 Particulars of borrowings with respect to currencies			
In local currency		61,418,954	51,449,032
In foreign currencies		1,331,940	57,641
		62,750,894	51,506,673
18.2 Details of borrowings - secured / unsecured			
Secured			
Borrowings from SBP under			
Export Refinance Scheme	18.3	11,534,564	11,536,922
Long Term Financing Facility	18.4	2,450,527	831,725
Long Term Finance for Export Oriented Projects	18.5	133,636	451,991
Repurchase Agreement Borrowings	18.6	35,906,593	28,658,485
Unsecured			
Call Borrowings	18.7	11,231,348	9,807,623
Overdrawn Nostro Accounts		415,836	57,641
Foreign Borrowings Payable in Local Currency	18.8	162,286	162,286
Other borrowings	18.9	916,104	–
		62,750,894	51,506,673

18.3 Borrowings from SBP under Export Refinance Scheme are subject to mark-up rates ranging from 5.5% to 6.5% (2013: 8.4%) per annum maturing within six months.

18.4 Borrowings from SBP under Long Term Financing Facility (LTFF) are subject to mark-up rates ranging from 6.0% to 8.6% (2013: 6.50% to 8.60%) per annum with remaining maturity upto ten years.

18.5 Borrowings from SBP under Long Term Finance for Export Oriented Projects are subject to mark-up rate of 5.00% (2013: 5.00%) per annum with remaining maturity upto two years.

18.6 These borrowings are subject to mark-up rates ranging from 9.50% to 9.90% (2013: 9.40% to 10%) per annum with remaining maturity upto one month. Government securities have been given as collateral against these borrowings.

18.7 These borrowings are subject to mark-up at rates ranging from 9.50% to 10.25% (2013: 9.00% to 10.50%) per annum with remaining maturity upto six month.

18.8 The Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till June 30, 2006. The principal amount has been accounted for and shown as payable to the GoP whereas interest has been accounted for in Other Liabilities (note 20). However, the Bank is contending that any amount of principal and interest is payable to the GoP only when recovered from the related sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million (2013: Rs. 96.011 million) which has been netted off against unrealized exchange gain (note 15) as it is payable when recovered from sub-borrowers, who have availed the related German credit.

18.9 These represent unsecured borrowings in foreign currency and are subject to mark-up rates ranging from 2% to 2.65% per annum with remaining maturity upto three months.

	2014	2013
19. DEPOSITS AND OTHER ACCOUNTS	(Rupees '000')	
Customers		
Fixed deposits	26,197,708	28,949,611
Savings deposits	38,948,679	40,747,664
Current accounts - Non remunerative	33,605,381	28,537,129
Margin accounts	633,456	534,933
Financial Institutions		
Remunerative deposits	5,334,912	5,798,457
Non-remunerative deposits	382,664	319,937
	105,102,800	104,887,731

	2014	2013
	(Rupees '000')	
19.1 Particulars of deposits		
In Local currency	97,623,179	97,887,347
In Foreign currencies	7,479,621	7,000,384
	105,102,800	104,887,731

20. SUB-ORDINATED LOANS

Term Finance Certificates - Listed, Unsecured	4,197,195	–

Mark-up	Floating (no floor, no cap) rate of return at Base Rate + 1.15% (The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate ("KIBOR"))
Security	The TFCs are unsecured and subordinated to all other indebtedness of the Bank including deposits
Issue Date	June 19, 2014
Issue Amount	Rs. 4,198.035 million
Rating	A+ (A plus)
Tenor	8 years from the Issue Date
Redemption	Fifteen equal semi-annual installments of 0.02% of the Issue Amount for the first ninety months followed by remaining 99.70% on maturity at the end of the ninety sixth month.
Maturity	June 19, 2022
Call Option	The Bank may call the TFCs, in part or full, on any profit payment date from the 60th month from the last day of public subscription and on all subsequent profit payment dates, subject to the SBP approval and not less than forty five days prior notice being given to the Trustee and the Investors.
Lock-in-Clause	Neither profit nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Banks' Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR and CAR. In case the lock-in clause goes into effect, the Bank will be required to comply with the SBP instructions prevalent or issued at the time.
Loss Absorbency Clause	The TFCs will be subject to loss absorbency clause as stipulated under the "Instructions for Basel III Implementation in Pakistan".

	Note	2014	2013
		(Rupees '000')	
21. OTHER LIABILITIES			
Mark-up / Return / Interest payable in:			
Local currency		734,453	795,598
Foreign currencies		9,037	4,784
Unearned income on inland bills		66,064	42,681
Accrued expenses		382,497	553,515
Insurance premium payable		57,978	47,311
Advances from lessees		400,952	319,614
Unclaimed dividend		43,129	43,151
Borrowing from Government of Pakistan		2,095	2,095
Branch adjustment account		48,371	186,682
Unrealized exchange loss - net		258,509	620,863
Security and other deposits		5,771	5,771
Payable to IBRD - Managed Fund		68,220	68,220
Payable to Workers Welfare Fund		95,993	54,426
Withholding tax / duties payable		147,680	115,566
Payable to defined benefit plan	35.5	60,718	56,150
Security deposits against lease		462,364	455,042
Provision against off balance sheet items		37,430	37,430
Revaluation on forward purchase and sale of Government Securities		–	18,072
Payable to minority interests of PICIC Islamic Stock Fund / PICIC Stock Fund		42,860	146,869
Others		347,544	263,097
		3,271,665	3,836,937

22. SHARE CAPITAL

22.1 Authorized

2014	2013		2014	2013
Number of shares			(Rupees '000')	
12,000,000,000	12,000,000,000	Ordinary shares of Rs. 10 each	120,000,000	120,000,000

22.2 Issued, subscribed and paid up

Fully paid up ordinary shares of Rs. 10 each

3,278,902,659	3,278,902,659	Fully paid in cash	32,789,027	32,789,027
764,824,417	764,824,417	Issued for consideration other than cash (under schemes of amalgamation)	7,648,244	7,648,244
6,259,124,088	6,259,124,088	Issuance of shares on discount	62,591,241	62,591,241
10,302,851,164	10,302,851,164		103,028,512	103,028,512

22.2.1 The holding Company Bugis Investments (Mauritius) Pte. Limited holds 9,105,728,598 (2013: 9,105,728,598) ordinary shares.

		2014	2013
		(Rupees '000')	
23.	**SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET**		
	Surplus / (Deficit) on revaluation of available-for-sale securities		
	Market Treasury Bills	12,537	(33,302)
	Pakistan Investment Bonds	1,818,147	(774,664)
	Term Finance Certificates	1,188	28,973
	Investment in Shares of Listed Companies	29,122	44,102
		1,860,994	(734,891)
	Share of surplus on revaluation of securities of associates	415,348	149,393
		2,276,342	(585,498)
	Related deferred tax asset / (liability)	(644,795)	268,237
		1,631,547	(317,261)
24.	**CONTINGENCIES AND COMMITMENTS**		
24.1	**Direct credit substitutes**		
	Contingent liability in respect of guarantees given favouring:		
	Government	–	–
	Financial Institutions	22,749	–
	Others	–	–
		22,749	–
24.2	**Transaction-related contingent liabilities / commitments**		
	Guarantees given in favour of:		
	Government	17,748,721	19,100,740
	Financial Institutions	–	–
	Others	1,426,507	793,108
		19,175,228	19,893,848
24.3	**Trade-related contingent liabilities**		
	Letters of Credit	34,543,032	23,287,063
	Acceptances	8,265,894	5,237,186
		42,808,926	28,524,249
24.4	**Other Contingencies**		
	Claims against the Bank not acknowledged as debts	266,133	266,133
24.5	**Commitments in respect of forward lending**		
	Commitments to extend credit	2,302,643	708,000
	The Bank make commitments to extend credit in the normal course of its business but none of these commitments are irrevocable and do not attract any significant penalty or expense if the facility is ultimately withdrawn except commitments mentioned above.		
24.6	**Commitments in respect of forward exchange contracts**		
	Purchase	22,105,204	26,499,067
	Sale	22,123,668	25,424,367
		44,228,872	51,923,434
24.7	**Commitments for the acquisition of operating fixed assets**	153,206	171,863
24.8	**Commitments with respect to Government Securities**		
	Purchase	–	12,699,823
	Sale	–	2,894,757

24.9 Other Contingencies

A penalty of Rs. 700 million was imposed by the Competition Commission of Pakistan ("the Commission") on all the member banks utilizing the 1 link Switch on account of uncompetitive behavior and imposing of uniform charges on cash withdrawal for off network ATM transactions. The Bank's share in this penalty is Rs. 50 million. The concerned banks filed a constitutional petition before the High Court of Sindh, which has suspended the order of the Commission. Consequently an appeal was filed with the Competition Appellate Tribunal ("Tribunal") which has set aside the order of the Commission. The Commission has preferred an appeal before the Supreme Court, which has been admitted for hearing and will be fixed by the concerned office of the Supreme Court.

The management in consultation with external legal counsel, representing the Bank, is confident that they have strong grounds to contest this penalty and are optimistic that the outcome will be decided in favour of the Bank.

24.10 Tax Contingencies

- The income tax returns of NIB Bank Limited have been filed up to and including tax year 2014 relevant to the financial year ended December 31, 2013. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC), from tax years 2004 through 2008 for Ex-PICIC Commercial Bank Limited (Ex-PCBL), tax years 2003 and 2004 for Ex-National Development Leasing Corporation Limited (Ex-NDLC) and from tax years 2004 through 2008 for NIB Bank Limited. Last year, a combined Appellate Order for Ex-PICIC pertaining to tax years 2003 through 2007 was issued by Commissioner Inland Revenue (Appeals) - CIR(A) in which the aforementioned expenses were allowed. However, the tax authorities have filed appeal with Income Tax Appellate Tribunal (ITAT) against above combined Appellate Order. These disallowances may result in additional tax aggregating to Rs. 1,370 million (2013: Rs. 1,370 million), which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals filed against orders are pending at various appellate forums. Management is confident that the eventual outcome of the cases will be in favour of the Bank.

- The income tax returns of PICIC AMC have been filed up to and including the tax year 2014 relevant to the financial year ended June 30, 2014. While finalizing the assessments for tax years 2005, 2006, 2007, 2008 and 2009, the tax authorities have made certain disallowances which resulted in additional tax aggregating to Rs. 71.136 million. As a matter of prudence the management has made provision in these financial statements in respect of above disallowances except for matter relating to dividend income claimed as exempt under clause 103 of Second Schedule of Income Tax Ordinance, 2001 amounting to Rs. 36.005 million. PICIC AMC appeals in respect of above tax years are pending before Commissioner Inland Revenue (Appeals) - CIR(A) and Appellate Tribunal Inland Revenue (ATIR).

The management based on the advice from tax advisor is confident that the eventual outcome of the above appeals will be in favour of PICIC AMC.

- Punjab Revenue Authority issued Show Cause Notice No. PRA/AM.70/14 dated June 20, 2014 to PICIC AMC requiring it to pay Sales Tax under Punjab Sales Tax on Service Act, 2012 with effect from May 22, 2013 on management fee earned in Punjab. In respect of this the PICIC AMC has filed a petition on July 08, 2014 in the High Court of Sindh challenging the above notice. The Court has ordered suspension of the show cause notice till the next hearing of appeal in their order dated July 10, 2014. The management of PICIC AMC is expecting a favourable outcome of the petition.

- The Sindh Revenue Board (SRB) has disallowed certain inputs claimed by the PICIC AMC during the period ended June 30, 2014 aggregating to Rs. 1.627 million including penalties thereof. The management has filed a review application with the Commissioner SRB and expecting a favourable outcome.

	2014	2013
25. MARK-UP / RETURN / INTEREST EARNED	(Rupees '000')	
On loans and advances to customers	9,218,399	7,337,137
On investments in:		
Held-for-trading securities	24,794	31,227
Available-for-sale securities	4,719,368	4,640,031
Held-to-maturity securities	136,078	338,736
On deposits with financial institutions	1,026	1,994
On securities purchased under resale agreements	919,769	753,025
On call money lendings	54,653	68,921
	15,074,087	13,171,071

	Note	2014	2013
		(Rupees '000')	
26. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		6,196,221	4,863,937
Securities sold under repurchase agreements		2,693,618	3,006,232
Other short term borrowings		1,896,083	1,639,826
Long term borrowings		462,949	368,146
		11,248,871	9,878,141
27. GAIN ON SALE OF SECURITIES			
Market Treasury Bills		39,565	64,618
Pakistan Investment Bonds		372,043	321,058
Term Finance Certificates		6,861	6,331
Ordinary shares of Listed Companies		133,080	118,161
Units / Shares of Mutual Funds / Company		132,309	–
Sukuk		45,771	27,426
		729,629	537,594
28. OTHER INCOME			
Gain on disposal of property and equipment		37,907	43,183
Rent		10,252	5,976
Gain on trading liabilities		5,099	5,399
Recovery against written off assets		14,641	34,643
Recovery from insurance company against loss of assets		162	8,176
Gain on sale of non-banking asset acquired in satisfaction of claims		22,674	–
(Loss) on revaluation of forward purchase and sale of Government Securities		–	(18,072)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		4,877	34,110
		95,612	113,415
29. ADMINISTRATIVE EXPENSES			
Salaries, allowances, etc.		3,045,679	2,733,251
Charge for defined benefit plan	35.4	13,205	14,843
Contribution to defined contribution plan		112,849	101,509
Non-executive directors' fees, allowances and other expenses		14,573	13,954
Brokerage and commission		42,949	48,767
Rent, taxes, insurance, electricity, etc.		959,791	843,570
Legal and professional charges		202,166	162,760
Communication		168,357	152,837
Repairs and maintenance		489,050	333,278
Stationery and printing		97,473	73,045
Advertisement and publicity		58,016	19,165
Fees and subscriptions		150,350	68,603
Auditor's remuneration	29.1	10,697	10,291
Depreciation	13.2	309,133	291,221
Amortization	14	341,516	337,944
Travelling, conveyance and vehicles running		70,576	61,303
Security services		148,819	120,085
Fixed assets written off		–	11,737
Donation	29.2	2,100	435
Others		80,652	86,167
		6,317,951	5,484,765

	Note	2014	2013
		(Rupees '000')	
29.1 Auditor's remuneration			
Audit fee including fee for branch audit		5,534	4,876
Audit fee of consolidated financial statements		825	750
Review fee		1,345	1,513
Special certifications and sundry advisory services		2,067	2,168
Out-of-pocket expenses		926	984
		10,697	10,291

29.2 No donation was paid during the year in which any of the Directors or their spouses have any interest. Details of donations are below:

Mohatta Palace Museum	1,000	–
The Citizen Foundation	400	400
The Society for Rehabilitation	500	–
Jan Mohammad Dawood Trust	200	–
Rotary Club	–	35
	2,100	435

30. OTHER CHARGES			
Penalties of the State Bank of Pakistan		18,081	266
Operational Loss		15,489	43,718
Worker's welfare fund		43,984	34,587
		77,554	78,571
31. TAXATION			
For the year			
Current		317,503	263,682
Prior years	31.2	10,851	148,339
Deferred		184,446	120,237
		512,800	532,258

31.1 This includes charge for minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, reconciliation of tax charge to the accounting profit has not been presented.

31.2 This represent charge of Rs. 10.851 million in respect of AJK branches.

32. BASIC / DILUTED (LOSS) / EARNINGS PER SHARE		
(Loss) / Profit after taxation (Rs. in '000')	(719,856)	1,536,641
Weighted average number of ordinary shares outstanding during the year (in '000')	10,302,851	10,302,851
(Loss) / Profit per share - basic / diluted (Rupees)	(0.07)	0.15

33. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	8	8,063,675	8,006,108
Balances with other banks	9	586,418	690,098
		8,650,093	8,696,206

34. STAFF STRENGTH	(Numbers)	
Permanent	2,499	2,446
Temporary / on contractual basis	26	24
Group's own staff strength at the end of the year	2,525	2,470
Outsourced	571	640
Total staff strength	3,096	3,110

35. DEFINED BENEFIT PLAN

35.1 The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the Bank on or before March 31, 2006. The benefits under the gratuity scheme are payable in lump sum on retirement at the age of 60 years or earlier cessation of services. The benefit is equal to one month's last drawn basic salary for each year of confirmed service, subject to a minimum of five years of service.

35.2 Principal actuarial assumptions

The actuarial valuation is carried out periodically. The actuarial valuation was carried out for the year ended December 31, 2014 using the "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:

	Gratuity	
	2014	2013
- Valuation discount rate	10.50%	12.75%
- Salary increase rate	9.50%	11.75%
- Mortality rate	Based on State Life Insurance Corporation of Pakistan SLIC (2001-2005) Ultimate Mortality table	Based on State Life Insurance Corporation of Pakistan SLIC (2001-2005) Ultimate Mortality table
- Withdrawal rate	Moderate Age - Wise withdrawal rates	Heavy Age - Wise withdrawal rates

	Note	2014	2013
		(Rupees '000')	
35.3 Reconciliation of (receivable from) / payable to defined benefit plan			
Present value of defined benefit obligations	35.7	60,718	55,914
Net actuarial (gain) / loss not recognized		-	-
Net liability		60,718	55,914
35.4 Charge for defined benefit plan			
Current service cost		6,027	7,091
Interest cost		7,178	7,752
Cost recognized in the Profit and Loss Account		13,205	14,843
Actuarial gain on remeasurement of obligation (recognized in OCI)		(3,806)	(3,153)
Total defined benefit cost for the year		9,399	11,690
35.5 Movement in balance payable			
Opening balance		55,914	63,588
Expense recognized		13,205	14,843
Benefits paid to outgoing members		(4,595)	(19,364)
Actuarial gain recognized on remeasurement of obligation		(3,806)	(3,153)
Closing balance		60,718	55,914
35.6 Reconciliation of present value of defined benefit obligations			
Opening balance		55,914	63,588
Current service cost		6,027	7,091
Interest cost		7,178	7,752
Benefits paid		(4,595)	(19,364)
Actuarial gain recognized on remeasurement of obligation (recognized in OCI)		(3,806)	(3,153)
Closing balance		60,718	55,914

	2014	2013	2012	2011	2010
	(Rupees '000')				
35.7 Summary of valuation results for the current and previous periods					
Present value of defined benefit obligations	60,718	55,914	63,588	71,098	79,459
Fair value of plan assets	–	–	–	–	–
Deficit	60,718	55,914	63,588	71,098	79,459
Experience gain on obligation	(3,806)	(3,153)	(8,647)	(8,139)	(4,427)

35.8 Expected contribution for the next one year

The Group provides for gratuity as per the actuary's expected charge for the next one year. Based on actuarial advice, management estimates that the charge in respect of the defined benefit plan for the year ending December 31, 2015 would be Rs. 12.818 million.

36. DEFINED CONTRIBUTION PLAN

The Group has established a provident fund scheme administered by the Board of Trustees for all permanent employees. Equal monthly contributions are made to the fund by both the Group and the employees at the rate of 10% of basic salary.

37. COMPENSATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2014	2013	2014	2013	2014	2013
	(Rupees '000')					
Fees	–	–	14,573	13,454	–	–
Managerial remuneration	46,296	44,672	–	–	828,737	691,705
Share based payment transaction **	–	61,560	–	–	–	–
Charge for defined benefit plan	–	–	–	–	5,755	7,367
Contribution to defined contribution plan	3,554	3,486	–	–	68,525	57,448
Rent and house maintenance	15,163	15,163	–	–	269,873	225,937
Utilities	2,806	2,806	–	–	77,107	64,554
Others	84,645	56,995	–	–	639,209	525,172
	152,464	184,682	14,573	13,454	1,889,206	1,572,183
Number of persons	2	2	7	7	759	706

The Presidents / Chief Executives are provided with travel, medical insurance and security arrangements, as per terms of their employment.

Directors fees represents fees paid to certain non executive directors of the Group and no further benefits are paid to non-executive directors.

** The Parent, Bugis Investments (Mauritius) Pte. Limited entered into a share incentive award arrangement for the President / Chief Executive, whereby a performance based incentive award was granted to the President / Chief Executive.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

38.1 On-balance sheet financial instruments

	2014		2013	
	Book value	Fair value	Book value	Fair value
	(Rupees '000')			
Assets				
Cash and balances with treasury banks	8,063,675	8,063,675	8,006,108	8,006,108
Balances with other banks	586,418	586,418	690,098	690,098
Lendings to financial institutions	7,699,646	7,696,386	2,127,516	2,126,128
Investments	59,670,691	59,801,814	60,791,885	60,496,776
Advances	93,673,494	93,673,494	82,025,967	82,025,967
Other assets	5,249,725	5,249,725	4,177,811	4,177,811
	174,943,649	175,071,512	157,819,385	157,522,888
Liabilities				
Bills payable	2,740,528	2,740,528	2,862,663	2,862,663
Borrowings	62,750,894	62,766,792	51,506,673	51,499,784
Deposits and other accounts	105,102,800	105,102,800	104,887,731	104,887,731
Sub-ordinated loans	4,197,195	4,137,730	–	–
Other liabilities	1,874,489	1,874,489	2,424,205	2,424,205
	176,665,906	176,622,339	161,681,272	161,674,383

38.2 Off-balance sheet financial instruments

Forward purchase of foreign exchange	22,105,204	21,836,880	26,499,067	25,958,444
Forward sale of foreign exchange	22,123,668	21,774,441	25,424,367	25,063,988
Forward purchase of Government Securities	–	–	12,699,823	12,693,401
Forward sale of Government Securities	–	–	2,894,757	2,906,407

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 values of held-to-maturity securities, sub-ordinated loans and investment in quoted associates have been stated at market values.

Fair value of unquoted equity securities have been stated at the lower of cost and Net Assets Value as per the latest available audited financial statements.

Except for investment in unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of other on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced.

The fair value of unquoted subsidiaries, fixed term advances, staff loans, fixed term deposits, other assets and other liabilities cannot be calculated with sufficient reliability due to non-availability of relevant active markets for similar assets and liabilities.

39. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The Group comprises the Bank, Asset Management Company and PICIC Islamic Stock Fund. The Bank is organized into reportable segments as disclosed in note 6.20.1 of the annual consolidated financial statements. These segments are managed by respective segment heads and the results of these segments are regularly reviewed by the Group's President / Chief Executive, Executive Committee and the Board of Directors. Segment performance is reviewed on the basis of various factors including profit before taxation.

Transactions between reportable segments are carried out on an arm's length basis.

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

	Wholesale Banking	Commercial	Consumer	Head Office / Other	*Adjustments
			(Rupees '000')		
For the Year ended December 31, 2014					
Net Interest Income	1,000,594	112,678	2,659,321	53,623	-
Non Mark-up Income including share of income of associates	1,691,498	422,086	730,943	1,285,602	-
Net Interest and non mark-up Income	2,692,092	534,764	3,389,264	1,339,225	-
Total expenses including provisions (excluding Impairment)	1,624,492	2,127,742	4,089,237	233,332	-
Impairment against Investment	(11,561)	-	-	-	-
Total expenses including provisions	1,612,931	2,127,742	4,089,237	233,332	-
Segment Net income/(loss) before tax	1,079,161	(1,592,978)	(699,973)	1,105,589	-
Segment Return on net assets (ROA) (%)	0.53%	-3.72%	-0.65%	-	-
Segment Cost of funds (%)	9.28%	3.69%	4.91%	-	-
For the Year ended December 31, 2013					
Net Interest Income	799,131	55,658	2,361,152	76,989	-
Non Mark-up Income including share of income of associates	1,512,534	383,896	480,419	1,445,418	-
Net Interest and non mark-up Income	2,311,665	439,554	2,841,571	1,522,407	-
Total expenses including provisions (excluding Impairment)	(517,719)	1,846,145	3,326,206	230,830	-
Impairment against Investment	117,399	-	-	-	-
Total expenses including provisions	(400,320)	1,846,145	3,326,206	230,830	-
Segment Net income/(loss) before tax	2,711,985	(1,406,591)	(484,635)	1,291,577	-
Segment Return on net assets (ROA) (%)	1.69%	-5.12%	-0.51%	-	-
Segment Cost of funds (%)	8.68%	4.11%	4.68%	-	-
As at December 31, 2014					
Segment Assets (Gross of advances provisions)	145,475,247	37,202,944	71,490,343	12,122,164	(47,315,266)
Segment Non Performing Loans	14,569,273	11,889,745	2,328,386	229,780	-
Segment Provision against advances (including general provisions)	12,700,280	9,390,168	1,686,730	202,953	-
Segment Assets (Net)	132,774,967	27,812,776	69,803,613	11,919,211	(47,315,266)
Segment Liabilities	128,424,600	26,606,245	68,413,817	1,733,686	(47,315,266)
As at December 31, 2013					
Segment Assets (Gross of advances provisions)	126,260,716	32,803,560	78,320,050	12,049,239	(46,082,156)
Segment Non Performing Loans	14,649,539	12,349,392	2,676,677	229,139	-
Segment Provision against advances (including general provisions)	12,307,058	8,585,588	1,460,137	205,161	-
Segment Assets (Net)	113,953,658	24,217,972	74,859,913	11,844,078	(46,082,156)
Segment Liabilities	107,280,099	34,366,386	62,025,414	5,504,261	(46,082,156)

* The respective segment assets and liabilities incorporate intersegment lending and borrowing with appropriate transfer pricing. The adjustments column eliminates intersegment lending and borrowing.

40. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its holding company (refer note 1), unconsolidated subsidiary (refer note 11.11), associated undertakings (refer note 11.10), employee benefit plans (refer note 35) and its key management personnel.

Transactions with related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties except for staff loans which are on discounted rates as per industry practice. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Contributions to defined contribution plan are made in accordance with the terms of the contribution plan.

The detail of transactions with related parties is given below:

	Holding company		Unconsolidated subsidiary		Associates		Key management personnel		Other related parties	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Rupees '000')									
40.1 Balances outstanding as at the year end										
Advances										
At the beginning of the year	-	-	-	-	-	-	168,110	155,572	24,876	21,951
Addition during the year	-	-	-	-	-	-	31,498	85,521	5,178,968	5,326
Repaid during the year	-	-	-	-	-	-	(146,986)	(72,983)	(5,179,148)	(2,401)
At the end of the year	-	-	-	-	-	-	52,622	168,110	24,696	24,876
Deposits										
At the beginning of the year	19,897	32,623	-	-	363,827	611,316	33,426	35,727	72,033	71,366
Transfer from subsidiary to associate	-	-	-	-	2,614	-	-	-	-	-
Deposits during the year	-	175	-	-	38,263,001	30,007,012	290,681	244,964	9,996,037	1,742,212
Exchange difference	(251)	758	-	-	-	-	(980)	1,139	(2,673)	3,142
Withdrawal during the year	(2,990)	(13,859)	-	-	(37,670,735)	(30,254,501)	(296,094)	(248,404)	(9,794,509)	(1,744,687)
At the end of the year	16,656	19,897	-	-	958,707	363,827	27,033	33,426	270,888	72,033
Investment in shares / mutual funds - cost										
At the beginning of the year	-	-	724	724	5,294,462	3,969,457	-	-	50,000	18,987
Investments made during the year	-	-	-	-	1,813,412	4,084,080	-	-	23,170	50,000
Investments sold during the year	-	-	-	-	(1,971,363)	(3,827,427)	-	-	(12,390)	(18,987)
Equity accounting method adjustments	-	-	-	-	271,716	1,068,352	-	-	-	-
At the end of the year	-	-	724	724	5,408,227	5,294,462	-	-	60,780	50,000
Investment in Term Finance Certificates - cost										
At the end of the year	-	-	-	-	-	-	-	-	-	49,954
Receivables										
At the end of the year	171	171	-	-	42,256	37,911	-	-	61,371	30,267
Payables										
At the end of the year	-	-	-	-	-	-	-	-	1,030	918

	Holding company		Unconsolidated subsidiary		Associates		Key management personnel		Other related parties	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Rupees '000')									
40.2 Income / Expense for the year										
Mark-up / return / interest earned on advances	-	-	-	-	-	-	3,544	6,551	15,099	2,717
Mark-up / return / interest expensed on deposits	-	-	-	-	71,869	82,654	842	540	12,817	5,529
Mark-up / Return / Interest earned on Term Finance Certificates	-	-	-	-	-	-	-	-	-	6,419
Dividend income from shares / mutual funds	-	-	-	-	542,529	408,421	-	-	73,110	-
Directors remuneration	-	-	-	-	-	-	-	-	14,200	13,454
Directors travelling expense	4,474	2,337	-	-	-	-	-	-	6,240	4,543
Insurance premium expense	-	-	-	-	-	2,642	-	-	-	-
Remuneration to key management personnel	-	-	-	-	-	-	423,284	466,696	-	-
Contribution to Provident Fund	-	-	-	-	-	-	-	-	109,940	100,691
Management fee earned	-	-	-	-	438,247	349,362	-	-	-	-
Commission income	-	-	-	-	3,012	1,371	-	-	-	-
Fees and subscription	-	-	-	-	-	-	-	-	-	450

41 CAPITAL ASSESSMENT AND ADEQUACY

41.1 Scope of Application

The Basel III Framework is applicable to the Bank on both at the consolidated level (comprising wholly owned subsidiaries and associates) and also on a stand alone basis. Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines as stipulated by State Bank of Pakistan vide BPRD Circular No. 06 of August 15, 2013. The said circular has revised the Basel II Framework with Basel III Capital reforms to further strengthen the capital related rules. These instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

41.1.1 Capital Management

The purpose of capital management at the Bank is to ensure efficient utilization of capital in relation to business requirements, growth, risk appetite, shareholders' returns and expectations.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions, regulatory requirements and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may issue capital / Tier 2 capital.

The Bank ensures adherence to SBP's requirements by monitoring its capital adequacy on a regular basis. The Bank also closely monitors the capital adequacy requirements by applying stressed conditions.

Banking operations are categorized as either Trading book or Banking book, and Risk-Weighted Assets are determined according to SBP requirements that seek to reflect the varying levels of risk attached to Bank's On and Off-balance sheet exposures.

Collateral, if any, is used as an outflow adjustment and applicable risk weights are applied to Net Adjusted Exposure.

Cash and near Cash collateral includes Government of Pakistan Securities, Shares listed on the stock exchanges, Cash and Cash equivalents (deposits / margins, lien on deposits).

The Group has complied with all regulatory capital requirements as at the reporting date.

41.1.2 Capital Structure

The Group's regulatory capital base comprise of:

(a) Tier 1 capital which includes fully issued, subcribed and paid up capital, balance in share premium account, reserves and accumulated profits/losses.

(b) Tier 2 capital consists of general provision for loan losses (subject to 1.25% of Risk Weighted Asset), sub-ordinated loans and surplus on revaluation of securities.

The issued, subscribed and paid up capital of the Bank is Rs. 103,028,512 thousands as at December 31, 2014, comprising of 10,302,851,164 shares of Rs. 10 each.

Quoted, unsecured and eligible for Tier 2 Term Finance Certificates (TFCs) of Rs. 4,198,035 thousands were issued on June 19, 2014 having the tenure of 8 years. The said TFCs have been issued as per Basel-III guidelines.

41.2 Common Equity Tier 1 capital (CET1): Instruments and reserves

		2014	2013
		(Rupees '000')	
1	Fully Paid up Capital / Capital deposited with SBP	103,028,512	103,028,512
2	Balance in Share Premium Account	–	–
3	Reserve for issue of Bonus Shares	–	–
4	Discount on Issue of shares	(45,769,623)	(45,769,623)
5	General/Statutory Reserves	474,123	474,123
6	Gain/(Loss) on derivatives held as Cash Flow Hedge	–	–
7	Unappropriated/unremitted profits/(losses)	(42,432,340)	(41,716,290)
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**	**15,300,672**	**16,016,722**
10	Total regulatory adjustments applied to CET1 (Note 41.2.1)	(4,928,909)	(3,688,442)
11	**Common Equity Tier 1**	**10,371,763**	**12,328,280**
	Additional Tier 1 (AT1) 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 AT1)	–	–
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 41.2.2)	(72,974)	(130,050)

		Note	2014	2013
			(Rupees '000')	
19	Additional Tier 1 capital after regulatory adjustments		–	–
20	**Additional Tier 1 capital recognized for capital adequacy**		**–**	**–**
21	**Tier 1 Capital (CET1 + admissible AT1) (11+20)**		**10,371,763**	**12,328,280**
	Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium		4,197,195	–
23	Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel III rules		–	–
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)		–	–
25	of which: instruments issued by subsidiaries subject to phase out		–	–
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets		94,318	69,139
27	Revaluation Reserves (net of taxes)		913,666	–
28	of which: Revaluation reserves on fixed assets		–	–
29	of which: Unrealized gains/losses on AFS		913,666	–
30	Foreign Exchange Translation Reserves		–	–
31	Undisclosed/Other Reserves (if any)		–	–
32	**T2 before regulatory adjustments**		**5,205,179**	**69,139**
33	Total regulatory adjustment applied to T2 capital (Note 41.2.3)		(903,858)	(34,788)
34	Tier 2 capital (T2) after regulatory adjustments		4,301,321	34,351
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**		**4,301,321**	**34,351**
38	**TOTAL CAPITAL (T1 + admissible T2) (21+37)**		**14,673,084**	**12,362,631**
39	**Total Risk Weighted Assets (RWA) {for details refer Note 41.5}**		**122,473,536**	**103,527,747**
	Capital Ratios and buffers (in percentage of risk weighted assets)			
40	**CET1 to total RWA**		**8.47%**	**11.91%**
41	**Tier 1 capital to total RWA**		**8.47%**	**11.91%**
42	**Total capital to total RWA**		**11.98%**	**11.94%**
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)		–	–
	National minimum capital requirements prescribed by SBP			
48	**CET1 minimum ratio**		**5.50%**	**5.00%**
49	**Tier 1 minimum ratio**		**7.00%**	**6.50%**
50	**Total capital minimum ratio**		**10.00%**	**10.00%**

		2014		2013
		Amount	(Rupees '000') Amounts subject to Pre-Basel III treatment*	
Regulatory Adjustments and Additional Information				
41.2.1	**Common Equity Tier 1 capital: Regulatory adjustments**			
1	Goodwill (net of related deferred tax liability)	–	–	–
2	All other intangibles (net of any associated deferred tax liability)	(2,964,623)	–	(3,241,131)
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)	(1,084,816)	(4,339,265)	–
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	–	–	(317,261)
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)	–	–	–
15	Amount exceeding 15% threshold	(775,377)	(3,101,509)	–
16	of which: significant investments in the common stocks of financial entities	(31,119)	–	–
17	of which: deferred tax assets arising from temporary differences	–	–	–
18	National specific regulatory adjustments applied to CET1 capital	(31,119)	–	–
19	Investments in TFCs of other banks exceeding the prescribed limit	–	–	–
20	Any other deduction specified by SBP (mention details)	–	–	–
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)**	(72,974)	–	(130,050)
		(4,928,909)		**(3,688,442)**
41.2.2	**Additional Tier 1 & Tier 1 Capital: regulatory adjustments**			
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	(72,974)	–	(95,262)
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	–	–	–

		2014		2013
		Amount	(Rupees '000') Amounts subject to Pre-Basel III treatment*	
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	–	–	(34,788)
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)**	**(72,974)**		**(130,050)**
41.2.3	**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	–	–	(34,788)
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	(903,858)	–	–
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)	**(903,858)**		**(34,788)**

		2014	2013
		(Rupees '000')	
40.2.4	**Additional Information**		
	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)	7,440,774	11,089,644
(i)	of which: deferred tax assets	7,440,774	11,089,644
(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)	691,197	–

		2014	2013
		(Rupees '000')	
	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)	94,318	69,139
42	Cap on inclusion of provisions in Tier 2 under standardized approach	94,318	69,139
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	–	–

41.3 Capital Structure Reconciliation

41.3.1

	As per published financial statements 2014	Under regulatory scope of consolidation 2014
	(Rupees '000')	
Assets		
Cash and balances with treasury banks	8,063,675	8,063,675
Balances with other banks	586,418	586,418
Lending to financial institutions	7,699,646	7,699,646
Investments	59,670,691	59,670,691
Advances	93,673,494	93,673,494
Operating fixed assets	3,033,057	3,033,057
Intangible assets	2,926,075	2,926,075
Deferred tax assets	9,992,164	9,992,164
Other assets	9,350,081	9,350,081
Total assets	**194,995,301**	**194,995,301**
Liabilities & Equity		
Bills payable	2,740,528	2,740,528
Borrowings	62,750,894	62,750,894
Deposits and other accounts	105,102,800	105,102,800
Sub-ordinated loans	4,197,195	4,197,195
Liabilities against assets subject to finance lease	–	–
Deferred tax liabilities	–	–
Other liabilities	3,271,665	3,271,665
Total liabilities	**178,063,082**	**178,063,082**
Share capital / Head office capital account	57,258,889	57,258,889
Reserves	474,123	474,123
Unappropriated/Unremitted profit/(losses)	(42,432,340)	(42,432,340)
Minority Interest	–	–
Surplus on revaluation of assets	1,631,547	1,631,547
Total equity	**16,932,219**	**16,932,219**
Total liabilities & equity	**194,995,301**	**194,995,301**

41.3.2

	As per published financial statements 2014	Under regulatory scope of consolidation 2014	Reference
	(Rupees '000')		
Assets			
Cash and balances with treasury banks	8,063,675	8,063,675	
Balances with other banks	586,418	586,418	
Lending to financial institutions	7,699,646	7,699,646	
Investments	59,670,691	59,670,691	
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	–	–	a
of which: significant capital investments in financial sector entities exceeding regulatory threshold	–	–	b
of which: Mutual Funds exceeding regulatory threshold	–	–	c
of which: reciprocal crossholding of capital instrument	–	–	d
of which: others (mention details)	–	–	e
Advances	93,673,494	93,673,494	
Shortfall in provisions / excess of total EL amount over eligible provisions under IRB	–	–	f
General provisions reflected in Tier 2 capital	94,318	94,318	g
Fixed Assets	3,033,057	3,033,057	
of which: Intangibles	38,548	38,548	
Intangible assets	2,926,075	2,926,075	
of which: Intangibles	2,926,075	2,926,075	
Deferred Tax Assets	9,992,164	9,992,164	
of which: DTAs excluding those arising from temporary differences	5,424,081	5,424,081	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	4,568,083	4,568,083	i
Other assets	9,350,081	9,350,081	
of which: Goodwill	–	–	j
of which: Intangibles	–	–	k
of which: Defined-benefit pension fund net assets	–	–	l
Total assets	**194,995,301**	**194,995,301**	
Liabilities & Equity			
Bills payable	2,740,528	2,740,528	
Borrowings	62,750,894	62,750,894	
Deposits and other accounts	105,102,800	105,102,800	
Sub-ordinated loans	4,197,195	4,197,195	
of which: eligible for inclusion in AT1	–	–	m
of which: eligible for inclusion in Tier 2	4,197,195	4,197,195	n
Liabilities against assets subject to finance lease	–	–	

	As per published financial statements 2014	Under regulatory scope of consolidation 2014	Reference
	(Rupees '000')		
Deferred tax liabilities	-	-	
of which: DTLs related to goodwill	-	-	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	-	-	r
Other liabilities	3,271,665	3,271,665	
Total liabilities	**178,063,082**	**178,063,082**	
Share capital	57,258,889	57,258,889	
of which: amount eligible for CET1	57,258,889	57,258,889	s
of which: amount eligible for AT1	-	-	t
Reserves	474,123	474,123	
of which: portion eligible for inclusion in CET1 (provide breakup)	474,123	474,123	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Unappropriated profit/(losses)	(42,432,340)	(42,432,340)	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	1,631,547	1,631,547	
of which: Revaluation reserves on Property	-	-	aa
of which: Unrealized Gains/Losses on AFS	913,666	913,666	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
Total Liabilities & Equity	**194,995,301**	**194,995,301**	

		Component of regulatory capital reported bank	Source based on reference number from step 2
		(Rupees '000')	
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid up Capital / Capital deposited with SBP	103,028,512	
2	Balance in Share Premium Account	(45,769,623)	(s)
3	Reserve for issue of Bonus Shares	-	
4	General/Statutory Reserves	474,123	(u)
5	Gain/(Loss) on derivatives held as Cash Flow Hedge	-	
6	Unappropriated/unremitted profits/(losses)	(42,432,340)	(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	15,300,672	

		Component of regulatory capital reported bank	Source based on reference number from step 2
		(Rupees '000')	
	Common Equity Tier 1 capital: Regulatory adjustments		
9	Goodwill (net of related deferred tax liability)	–	(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	(2,964,623)	(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)	(1,084,816)	[(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 property / 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)	(775,377)	(i)
23	Amount exceeding 15% threshold	(31,119)	
24	of which: significant investments in the common stocks of financial entities	–	
25	of which: deferred tax assets arising from temporary differences	(31,119)	
26	National specific regulatory adjustments applied to CET1 capital	–	
27	Investment in TFCs of other banks exceeding the prescribed limit	–	
28	Any other deduction specified by SBP (mention details)	–	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	(72,974)	
30	**Total regulatory adjustments applied to CET1 (sum of 9 to 25)**	**(4,928,909)**	
	Common Equity Tier 1	**10,371,763**	
	Additional Tier 1 (AT1) 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 AT1)	–	(y)
35	of which: instrument issued by subsidiaries subject to phase out	–	
36	**AT1 before regulatory adjustments**	–	

		Component of regulatory capital reported bank	Source based on reference number from step 2
		(Rupees '000')	
	Additional Tier 1 Capital: regulatory adjustments		
37	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	(72,974)	
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)
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	**(72,974)**	
45	Additional Tier 1 capital	–	
46	**Additional Tier 1 capital recognized for capital adequacy**	–	
	Tier 1 Capital (CET1 + admissible AT1)	**10,371,763**	
	Tier 2 Capital		
47	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	4,197,195	(n)
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	4,197,195	
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	94,318	(g)
52	Revaluation Reserves eligible for Tier 2	913,666	
53	of which: portion pertaining to Property	–	portion of (aa)
54	of which: portion pertaining to AFS securities	913,666	
55	Foreign Exchange Translation Reserves	–	(v)
56	Undisclosed/Other Reserves (if any)	–	
57	**T2 before regulatory adjustments**	**5,205,179**	

		Component of regulatory capital reported bank	Source based on reference number from step 2
		(Rupees '000')	
	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	(903,858)	
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**	**(903,858)**	
64	Tier 2 capital (T2)	4,301,321	
65	Tier 2 capital recognized for capital adequacy	4,301,321	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	–	
67	Total Tier 2 capital admissible for capital adequacy	4,301,321	
	TOTAL CAPITAL (T1 + admissible T2)	**14,673,084**	

41.4 Main Features Template of Regulatory Capital Instruments

Sr. No	Main Features	Common Shares	Instrument - 2
1	Issuer	NIB Bank Limted	NIB Bank Limted
2	Unique identifier (KSE Symbol)	NIB	NIBTFC2
3	Governing law(s) of the instrument	Capital Market Laws	Capital Market Laws
	Regulatory treatment		
4	Transitional Basel III rules	Common equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common equity Tier 1	Tier 2
6	Eligible at solo/ group/ group & solo	Group & standalone	Group & standalone
7	Instrument type	Ordinary Shares	Subordinated Debt
8	Amount recognized in regulatory capital (Currency in PKR thousands)	PKR 103,028,512	PKR 4,198,035
9	Par value of instrument	PKR 10	PKR 5,000
10	Accounting classification	Shareholder equity	Liability - Subordinated Loans
11	Original date of issuance	2003	19-June-2014
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	Not applicable	19-June-2022
14	Issuer call subject to prior supervisory approval	No	Yes (SBP's)
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable

Sr. No.	Main Features	Common Shares	Instrument - 2
	Coupons / dividends		
17	Fixed or floating dividend/ coupon	Not applicable	Floating
18	Coupon rate and any related index/benchmark	Not applicable	Six months KIBOR (Ask side) +1.15
19	Existence of a dividend stopper	Not applicable	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	Not applicable	Not applicable
22	Noncumulative or cumulative	Not applicable	Non-cumulative
23	**Convertible or non-convertible**		
24	If convertible, conversion trigger (s)	Not applicable	Upon the occurrence of a Point of Non-Viability PONV event as defined below, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full)
25	If convertible, fully or partially	Not applicable	As the case may be
26	If convertible, conversion rate	Not applicable	At a minimum conversion rate of Rs. 2.36 per share.
27	If convertible, mandatory or optional conversion	Not applicable	Mandatory
28	If convertible, specify instrument type convertible into	Not applicable	Shares
29	If convertible, specify issuer of instrument it converts into	Not applicable	NIB Bank Limited
30	**Write-down feature**		
31	If write-down, write-down trigger(s)	Not applicable	Explained at 24 above
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	Not applicable	Not applicable
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable

41.5 Capital Adequacy

Objectives of Managing Capital

Capital Management aims to ensure that there is sufficient capital to meet the capital requirements of the Bank as determined by the underlying business strategy and the minimum regulatory requirements of the SBP.

Bank's capital management seeks:

- to comply with the capital requirements set by the regulators;
- to maintain a strong capital base so as to maintain investor, depositor and market confidence and to sustain future development of the business;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide adequate return to shareholders;
- availability of adequate capital at a reasonable cost so as to enable the Bank to expand, and
- to protect the Bank against unexpected events

Externally Imposed Capital Requirements

In order to strengthen the solvency of Banks, SBP vide BSD Circular No. 07 of 2009 dated April 15, 2009 has asked the Banks to raise their minimum paid up capital to Rs. 10 billion free of losses by the end of financial year 2013.

SBP through its BSD Circular No. 09 dated April 15, 2009 has asked Banks to achieve the minimum Capital Adequacy Ratio (CAR) of 10% on standalone as well as on consolidated basis latest by December 31, 2010.

The paid up capital and CAR of the Group stands at Rs. 103 billion and 11.98% respectively of its risk weighted exposure as at December 31, 2014.

The Group has complied with all externally imposed capital requirements as at year end.

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

	Capital Requirements		Risk Weighted Assets	
	2014	2013	2014	2013
	(Rupees '000')			
Credit Risk				
Portfolios subject to Simple Approach				
On-Balance Sheet				
Corporate	4,875,496	3,500,122	48,754,956	35,001,217
Sovereign	9,574	12,703	95,741	127,025
Retail	599,958	581,056	5,999,578	5,810,560
Banks	209,652	187,245	2,096,523	1,872,450
Public Sector Entities	68,718	39,984	687,177	399,839
Past Due Loans	492,161	743,086	4,921,610	7,430,857
Claims against Residential Mortgage	61,459	61,044	614,588	610,442
Investments in premises, plant and equipment and all other fixed assets	299,451	280,493	2,994,509	2,804,931
Other assets	1,177,183	1,437,062	11,771,829	14,370,623
	7,793,652	6,842,795	77,936,511	68,427,944
Off-Balance Sheet				
Market related	38,018	44,633	380,178	446,331
Non-market related	2,346,621	1,536,645	23,466,206	15,366,445
	2,384,639	1,581,278	23,846,384	15,812,776
Equity Exposure Risk in the Banking Book				
Listed	48,881	7,339	488,814	73,393
Unlisted	12,819	13,574	128,189	135,735
	61,700	20,913	617,003	209,128
Total Credit Risk	**10,239,991**	**8,444,986**	**102,399,898**	**84,449,848**

	Capital Requirements		Risk Weighted Assets	
	2014	2013	2014	2013
	(Rupees '000')			
Market Risk				
Capital Requirement for portfolios subject to Standardized Approach				
Interest rate risk	95,953	231,459	959,533	2,314,588
Equity position risk etc.	844,552	788,728	8,445,516	7,887,275
Foreign exchange risk etc.	2,736	3,429	27,354	34,288
Total Market Risk	**943,241**	**1,023,616**	**9,432,404**	**10,236,151**
Operational Risk				
Capital Requirement for operational risks	1,064,123	884,175	10,641,234	8,841,748
Total	**12,247,355**	**10,352,777**	**122,473,536**	**103,527,747**

	2014		2013	
Capital Adequacy Ratio	**Required**	**Actual**	**Required**	**Actual**
CET1 to toal RWA	5.50%	8.47%	5.00%	11.91%
Tier 1 capital to total RWA	7.00%	8.47%	6.50%	11.91%
Total capital to total RWA	10.00%	11.98%	10.00%	11.94%

The Capital Adequacy Ratio of prior year is based on BASEL II Framework as applicable on that date.

42. RISK MANAGEMENT

The risk management framework of NIB is approved by the Board of Directors ("BOD") and implemented by the senior management. The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set standard and appropriate risk limits and controls to ensure quality of portfolio and credit process. Risk management policies are reviewed annually to reflect changes in economic environment, market conditions and products offerings. The BOD sets forth the vision and strategy of NIB and has entrusted the monitoring to the Board's Risk Management Committee ("BRMC"), which is an oversight committee and meets at least quarterly. Findings of the BRMC are escalated to the BOD. Terms and references of BRMC are documented and duly approved by the BOD and broadly includes oversight responsibility at the highest level under the Risk Management Governance Framework.

The BRMC relies on three management committees namely the Asset Liability Committee ("ALCO"), the Credit Risk Committee ("CRC") and the Operational Risk Committee ("ORC"), to identify, manage and monitor risks.

Asset Liability Committee ("ALCO")

The ALCO functions as the top operational unit for managing the statement of financial position within the performance/risk parameters laid down by the BOD. Its objective is to derive the most appropriate strategy for NIB in terms of mix of assets & liabilities given future expectations and potential consequence of interest rate movements, liability constraints, and foreign currency exchange exposure and capital adequacy.

Credit Risk Committee ("CRC")

In our normal business activities there is a need to manage effectively potential credit risk. To address this risk, Credit Risk Committee (CRC) is established under the leadership of the Chief Risk Officer (CRO) of the Bank and membership comprises the President and Senior Management of the Bank. The main objective of the CRC is to ensure effective and proactive management of Credit Risk throughout the Bank in accordance with the Risk Management Framework and related Risk Policies and Procedures. Terms and references of the CRC, which meets six times a calender year, broadly include the following:

To ensure that all relevant risk policies of the Bank are developed, implemented and are not in conflict with any of the applicable laws and regulations.

To oversee implementation of credit risk related policies and procedures relevant to all business units through review of standard MIS decks.

To ensure that all activities are in compliance with the Prudential Regulations and also with the policies and controls established by the relevant units of the Bank through periodic review of business issues highlighted in internal/ external audit reports and SBP Inspection Report.

To review stress testing on portfolio considering the major factors like interest rate sensitivity, inflation, Rupee devaluation, fluctuation in oil prices and/or global meltdown etc.

To review the credit portfolio, primarily through Key Risk Indicators, and to assess:

- quality of the profolio;
- recovery of remedial accounts;
- variance analysis of actual with plan and forecasts; and
- portfolio exceptions

To advise business where activities are not aligned with control requirements or risk appetite and to recommend Risk Policies.

Operational Risk Committee ("ORC")

In our normal business activities there is a need to effectively manage potential risk arising out of banking operation of the Bank. To address this risk, Operational Risk Committee (ORC) is established under the leadership of the President of the Bank and membership comprises the CRO and Senior Management of the Bank. The main objective of the ORC is to ensure effective and proactive management of Operational Risk throughout the Bank in accordance with the Risk Management Framework and related Risk Policies and Procedures. Terms and references of the ORC, which meets on a monthly basis, broadly include the following:

To ensure operational risk identification and measurement covers all activities/products/processes of the Bank, and compliant with the Bank's standards and applicable regulations, and that risk control and risk origination decisions are properly informed.

To develop, maintain and review a consolidated MIS of key operational risks in the Bank in the form of Risk & Control Assessment Matrix.

To monitor all material Operational Risk exposures and key external trends, through KRIs and appropriate management action as per defined thresholds, in accordance with Operational Risk policies and procedures.

To review Ops Loss Data (OLD) and take proactive measures to reduce Operational Losses.

To direct appropriate action in response to material events, risk issues or themes that come to the Committee's attention.

To ensure any areas of potential overlap with another entity or Risk Control Area, Business or Function are notified to the affected entity Risk Control Owner, Business or Function Head.

Risk Management Organization at the Group

The Chief Risk Officer ("CRO") is responsible for enterprise wide risk management and implementation of the overall risk management framework of NIB. In this respect, the CRO has to ensure that the risk organization structure of NIB is equipped with the best people, policies and processes, which enable it to perform efficiently and effectively.

The CRO is supported by a Chief Operating Officer - Risk responsible for Risk Policies & Procedures, Portfolio Risk and Country Risk Assessment, and five Risk Heads, responsible for Corporate, Trade Finance, Commercial/SME and Consumer Finance businesses and Market, Liquidity and Operational Risks respectively and they are responsible for ensuring the implementation of NIB's risk framework, Bank's policies and Central Bank regulations in their respective domains.

42.1 Credit Risk

Credit risk is the risk that a counterparty or customer will be unable to pay amounts in full when due. NIB's main credit exposure arises from the risk of failure by a client or counterparty to meet its contractual obligations. The risks are inherent in loans and bills receivable from non-bank customers, commitments to lend, repurchase agreements, securities borrowing and lending transactions, and contingent liabilities. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed. Clean risk at liquidation or settlement risk occurs when items of agreed upon original equal value are not

simultaneously exchanged between counterparties and/or when items are released without knowledge that counter-value items have been received by the Bank. Typically the duration is intra-day, overnight/over weekend, or in some situations even longer. The risk is that we deliver but do not receive delivery. In this situation 100% of the principal amount is at risk. The risk may be larger than 100% if in addition there was an adverse price fluctuation between the contract price and the market price. Cross-border risk is the risk that we will be unable to obtain payment from our customers or third parties on their contractual obligations as a result of certain actions taken by foreign governments, chiefly relating to convertibility and transferability of foreign currency. Cross-border assets comprise loans and advances, interest-bearing deposits with other banks, trade and other bills, acceptances, amounts receivable under finance leases, certificates of deposit and other negotiable paper, and formal commitments where the counterparty is resident in a country other than where the assets are recorded. Cross-border assets also include exposures to local residents denominated in currencies other than the local currency. NIB has established limits for cross-border exposure and manages exposures within these limits.

NIB has established an appropriate credit risk environment which is operating under a sound credit-granting process; maintaining an appropriate credit administration, measurement and monitoring process and ensuring adequate controls. For risk management reporting purposes the Bank considers and consolidates all elements of credit risk exposures.

There is a proper credit delegation matrix for review and approving credit applications. Businesses have no credit approving authority. All credit approvals are accorded by the Credit Officers / Senior Credit Officers in the Risk Management Group. Corporate Credit Risk Management also approves exposure to Financial Institutions.

The concept of "three initial system" is very much in existence in NIB. Based upon regional considerations and availability of Credit Talent, any initiating unit has to have formal recommendation by the Relationship Manager, his/her Team Leader and Regional Head / Corporate Banking Head / Group Head. The essence here is that the credit proposal must not be left to the sole judgment of one person – rather, the application of minds must be diverse and independent of each other.

Further, in order to measure credit risk, an indigenously developed rating system is followed. This rating system is being continuously fine tuned to address regulatory and global benchmarks.

The Bank manages credit risk through:

- Accurate and detailed information about the borrower, cash flows, production, service and operation of the company;
- Insights into the major factors influencing customer attrition and product cancellation;
- Credit and collections treated as a highly people-intensive business; and
- Establishment of acceptable risk levels.

NIB manages credit risk through:

Post-disbursement maintenance of accounts through Credit Administration Department ("CAD") reporting into a CAD Head. The CAD Head has direct reporting line to the CRO

Submission of regulatory returns pertaining to reporting of NIB's portfolio

Impaired financial assets

Impaired financial assets including loans and debt instruments are those which NIB determines that it is probable that it will not be able to collect all principal and interest due according to the contractual terms of the agreement(s) underlying the financial assets. Financial assets carried at fair value through profit or losses are not assessed for impairment since the measure of fair value reflects their credit qualities. For the monitoring of the credit quality of the financial assets not carried at fair value through profit or loss, NIB follows the guidelines issued by the State Bank of Pakistan. Credit quality is determined based on three pillars namely: business prospect, financial performance and repayment capacity.

Write offs

NIB's Write off Policy is laid out in line with the SBP rules. All credit write offs are approved under the approved delegation matrix. Writing off a loan in no way implies that the Bank has given up its claim on a borrower and does not impact the Bank's ability to legally collect written off credits from the customer(s).

42.1.1 Segmental Information

42.1.1.1 Segments by class of business

	2014					
	Advances (Gross)		Deposits		Contingencies and commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Agriculture, Forestry, Hunting and Fishing	40,433	0.03	2,780,441	2.65	120,595	0.11
Automobile and Transportation Equipment	1,294,260	1.10	1,053,325	1.00	124,506	0.11
Cement, Glass and Ceramics	2,129,399	1.81	700,845	0.67	3,816,597	3.50
Chemicals and Pharmaceuticals	4,402,095	3.74	2,169,482	2.06	4,040,819	3.71
Construction	1,626,338	1.55	8,252,446	7.85	429,411	0.39
Electronics and Electrical Appliances	79,050	0.07	2,236,915	2.13	48,444	0.04
Engineering	10,465,909	8.90	906,492	0.86	8,556,526	7.85
Exports / Imports	825,234	0.70	772,498	0.73	145,805	0.13
Financial	2,371,666	2.02	6,396,578	6.09	46,550,065	42.73
Food and Beverages	20,974,374	17.83	3,421,968	3.26	6,022,652	5.53
Footwear and Leather Garments	595,836	0.51	315,975	0.30	50,705	0.05
Individuals	5,609,467	4.77	34,205,971	32.54	266,133	0.24
Insurance	–	–	280,466	0.27	–	–
Mining and Quarrying	67,314	0.06	2,635,678	2.51	276,193	0.25
Non Profit Organizations / Trusts	804,998	0.68	4,531,746	4.31	16,400	0.02
Oil and Gas	2,650,295	2.25	1,627,655	1.55	6,823,029	6.26
Paper and Printing	984,220	0.84	718,810	0.68	364,673	0.33
Power, Gas, Water, Sanitary	9,772,442	8.31	1,071,216	1.02	11,934,803	10.96
Services	1,784,587	1.52	9,350,742	8.90	390,881	0.36
Sugar	2,398,794	2.04	111,563	0.11	839,949	0.77
Textile	36,206,558	30.77	2,219,389	2.11	7,688,451	7.05
Transport, Storage and Communication	4,409,497	3.75	3,662,672	3.48	1,678,346	1.54
Wholesale and Retail Trade	2,652,407	2.25	6,492,920	6.18	4,060,425	3.73
Others	5,308,452	4.51	9,187,007	8.74	4,714,349	4.34
	117,653,625	100.00	105,102,800	100.00	108,957,757	100.00

	2013					
Agriculture, Forestry, Hunting and Fishing	4,638	0.00	3,406,582	3.25	5,000	0.00
Automobile and Transportation Equipment	824,370	0.79	829,552	0.79	208,081	0.18
Cement, Glass and Ceramics	2,305,076	2.20	577,511	0.55	579,644	0.50
Chemicals and Pharmaceuticals	5,235,208	5.01	1,258,474	1.20	19,102,590	16.32
Construction	1,525,604	1.46	5,355,661	5.11	113,779	0.10
Electronics and Electrical Appliances	42,644	0.04	1,774,087	1.69	5,081	0.00
Engineering	5,127,175	4.90	588,515	0.56	9,321,263	7.96
Exports / Imports	64,453	0.06	926,026	0.88	1,000	0.00
Financial	1,719,791	1.64	6,290,820	6.00	56,310,941	48.10
Food and Beverages	27,445,533	26.25	2,550,239	2.43	5,487,007	4.69
Footwear and Leather Garments	30,261	0.03	270,429	0.26	18	0.00
Individuals	4,845,411	4.63	34,040,056	32.45	266,133	0.23
Insurance	–	0.00	311,160	0.30	–	0.00
Mining and Quarrying	10,000	0.01	3,924,853	3.74	3,500	0.00
Non Profit Organizations / Trusts	1,058	0.00	4,151,444	3.96	17,900	0.02
Oil and Gas	4,925,930	4.71	1,985,013	1.89	5,626,794	4.81
Paper and Printing	1,302,454	1.25	730,009	0.70	222,279	0.19
Power, Gas, Water and Sanitary	6,290,679	6.01	949,164	0.90	6,345,992	5.42
Services	973,256	0.93	6,268,517	5.98	467,425	0.40
Sugar	2,873,804	2.75	58,980	0.06	1,617	0.00
Textile	32,867,949	31.44	1,931,435	1.84	8,182,568	6.99
Transport, Storage and Communication	963,152	0.92	8,189,532	7.81	1,838,853	1.57
Wholesale and Retail Trade	1,017,814	0.97	7,346,530	7.00	161,666	0.14
Others	4,187,651	4.00	11,173,142	10.65	2,812,976	2.38
	104,583,911	100.00	104,887,731	100.00	117,082,107	100.00

42.1.1.2 Segment by sector

	2014					
	Advances (Gross)		Deposits		Contingencies and commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Public / Government	15,419,603	13.11	11,521,012	10.96	8,473,452	7.78
Private	102,234,022	86.89	93,581,788	89.04	100,484,305	92.22
	117,653,625	100.00	105,102,800	100.00	108,957,757	100.00
	2013					
Public / Government	23,184,744	22.17	12,648,127	12.06	9,610,997	8.21
Private	81,399,167	77.83	92,239,604	87.94	107,471,110	91.79
	104,583,911	100.00	104,887,731	100.00	117,082,107	100.00

	2014		2013	
	Classified Advances	Specific Provisions Held	Classified Advances	Specific Provisions Held
	(Rupees '000')			

42.1.1.3 Details of non-performing advances and specific provisions by class of business segment

Agriculture, Forestry, Hunting and Fishing	-	-	-	-
Automobile and Transportation Equipment	717,826	616,516	682,202	600,559
Cement, Glass and Ceramics	638,764	504,320	597,404	507,858
Chemicals and Pharmaceuticals	846,908	704,973	887,615	595,846
Construction	505,200	406,443	543,878	265,974
Electronics and Electrical Appliances	26,638	25,378	30,504	18,905
Engineering	2,393,457	1,849,651	2,302,985	1,677,639
Financial	213,321	176,841	286,376	249,896
Food and Beverages	2,634,118	2,154,203	3,264,991	2,455,027
Footwear and Leather Garments	101,139	93,969	22,785	12,013
Individuals	762,168	585,020	863,600	491,228
Mining and Quarrying	-	-	3,632	1,374
Oil and Gas	162,542	119,855	166,414	109,682
Paper and Printing	734,432	581,816	617,658	417,956
Power, Gas, Water, Sanitary	366,962	366,663	375,054	374,754
Services	969,327	643,618	643,672	375,590
Sugar	649,179	635,405	419,283	419,283
Textile	13,763,867	11,941,976	14,337,362	11,570,558
Transport, Storage and Communication	535,921	415,665	670,514	446,762
Wholesale and Retail Trade	761,373	534,092	663,900	334,452
Others	2,234,042	1,529,409	2,524,918	1,563,449
	29,017,184	23,885,813	29,904,747	22,488,805

42.1.1.4 Details of non-performing advances and specific provisions by sector

Public / Government	-	-	-	-
Private	29,017,184	23,885,813	29,904,747	22,488,805
	29,017,184	23,885,813	29,904,747	22,488,805

42.1.1.5 Geographical Segment Analysis

	(Loss) / Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
		(Rupees '000')		
2014				
Pakistan	(107,897)	194,995,301	16,932,219	108,957,757
2013				
Pakistan	2,112,336	178,793,465	15,699,461	117,082,107

42.2 Market Risk

Market risk refers to the potential loss that an entity may be exposed to due to market volatility. It is important for the Bank to put in place an effective market risk management framework to manage its market risk exposures. Market risk arises from all positions in financial instruments held by the Bank (either in Trading or Banking book) which exposes the Bank to market risk factors namely interest rates, foreign exchange ("FX") rates and equity prices.

The Bank has adopted a market risk management structure that commensurate with its size and the nature of its business activities and facilitates effective management oversight and execution of market risk management and control processes.

Currently Bank's risk appetite for market risk is a combination of notional and sensitivity based limits. Following are the regulatory and internal guidelines monitored by Market & Liquidity Risk Unit (MLRU):

- Foreign Exchange Exposure Limit
- Equity Exposure Limit
- Statutory Liquidity & Cash Reserve Requirement
- FX Tenor mismatch
- DV01

NIB also applies a Value-at-Risk (VaR) methodology to assess the market risk positions held. Currently NIB is using historical simulation model for calculating VaR numbers for FX and ALM book.

Interest rate risk

The principal risk to which NIB's portfolios are exposed is the risk of losses from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is measured through DV01, VaR and interest rate sensitivity analysis.

42.2.1 Foreign Exchange Risk

NIB has set the following objectives for managing the inherent risk on foreign currency exposures:

Maximize profitability with minimum risk by keeping the exposure at desirable levels in view of strict compliance of regulatory / international standards and the Bank's internal guidelines, which are being adopted from regulator and followed vigorously;

Manage appropriate forward mismatch gaps.

Usage of different tools to manage the inherent risk of product and market, such as compliance of credit limit, monitoring of foreign exchange exposure limit, review of marked to market portfolio etc.

NIB takes steps to ensure that foreign currency exposures adhere to regulatory or international standards and NIB's internal guidelines. NIB uses tools such as Foreign Exchange Exposure Limit (FEEL), VaR and FX tenor gaps to monitor FX risk.

	2014			
	Assets	Liabilities	Off balance sheet items	Net foreign currency exposure
	(Rupees '000')			
Pakistan Rupee	186,325,761	169,146,882	(146,511)	17,032,368
United States Dollar	8,184,669	6,458,330	(1,813,318)	(86,979)
Great Britain Pound	140,513	1,007,568	867,752	697
Euro	331,258	1,420,387	1,092,077	2,948
Japanese Yen	1,358	15,462	-	(14,104)
Swiss Franc	2,650	836	-	1,814
Others	9,092	13,617	-	(4,525)
	194,995,301	178,063,082	-	16,932,219

	2013			
	Assets	Liabilities	Off balance sheet items	Net foreign currency exposure
	(Rupees '000')			
Pakistan Rupee	172,455,230	155,803,720	(956,169)	15,695,341
United States Dollar	5,771,426	5,337,581	(455,613)	(21,768)
Great Britain Pound	174,090	1,069,569	901,995	6,516
Euro	318,878	826,644	510,019	2,253
Japanese Yen	2,950	90	8,071	10,931
Swiss Franc	1,647	975	(2,368)	(1,696)
Others	69,244	55,425	(5,935)	7,884
	178,793,465	163,094,004	-	15,699,461

42.2.2 Equity price risk and Fixed Income rate risk

Equity price risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the NIB.

NIB conducts stress testing analysis over the equity portfolio, by anticipating changes/shocks of -30%, -40% and -50% on the current price of shares within a portfolio, thereby monitoring the effects of the predicted changes in the structure of shares portfolio on the Capital Adequacy Ratio ("CAR"). Further, NIB reviews new products to ensure that market risk aspects are properly quantified and mitigated.

42.2.3 Mismatch of Interest Rate Sensitive Assets and Liabilities

Details of the interest rate profile of the Group based on the earlier of contractual repricing or maturity date is as follows:

		2014										
		Exposed to Yield / Interest rate risk										Not Exposed to Yield / Interest rate risk
	Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years	
		(Rupees '000')										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	8,063,675	-	-	-	-	-	-	-	-	-	8,063,675
Balances with other banks	0.15%	586,418	24,522	-	-	-	-	-	-	-	-	561,896
Lendings to financial institutions	9.91%	7,699,646	6,730,297	969,349	-	-	-	-	-	-	-	-
Investments	9.86%	59,670,891	497,591	2,020,243	7,883,562	5,170,255	4,651,297	3,036,353	6,913,565	23,853,833	-	5,663,992
Advances	10.01%	93,673,494	17,779,798	55,384,002	9,829,710	6,092,236	964,864	656,300	1,458,572	685,531	622,481	-
Other assets	10.08%	5,249,725	-	900,000	-	-	-	-	-	-	-	4,349,725
		174,943,849	25,032,208	59,273,594	17,893,272	11,262,491	5,616,161	3,892,653	8,372,137	24,539,364	622,481	18,639,288
Liabilities												
Bills payable	-	2,740,528	-	-	-	-	-	-	-	-	-	2,740,526
Borrowings	9.21%	62,750,894	40,112,192	9,834,876	9,675,250	2,550,454	-	-	-	-	-	578,122
Deposits and other accounts	5.76%	105,102,800	51,989,050	4,956,858	8,241,327	5,262,543	2,151	28,842	527	-	-	34,621,702
Sub-ordinated loans	11.28%	4,197,195	-	-	4,197,195	-	-	-	-	-	-	-
Other liabilities	-	1,874,489	-	-	-	-	-	-	-	-	-	1,874,489
		176,665,906	92,101,242	14,791,534	22,113,772	7,812,997	2,151	28,842	527	-	-	39,814,841
On-balance sheet gap		(1,722,257)	(67,069,034)	44,482,060	(4,420,500)	3,449,494	5,614,010	3,863,811	8,371,610	24,539,364	622,481	(21,175,553)
Non Financial Net Assets		18,654,476										
Total Net Assets		16,932,219										
Off-balance sheet financial instruments												
Foreign exchange contracts - purchase		22,105,204	10,236,762	6,012,181	5,151,201	705,060	-	-	-	-	-	-
Foreign exchange contracts - sale		22,123,668	4,547,452	5,575,756	12,000,460	-	-	-	-	-	-	-
Forward Government Securities - purchase		-	-	-	-	-	-	-	-	-	-	-
Forward Government Securities - sale		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		(18,464)	5,689,310	436,425	(6,849,259)	705,060	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap			(61,379,724)	44,918,485	(11,269,759)	4,154,554	5,614,010	3,863,811	8,371,610	24,539,364	622,481	(21,175,553)
Cumulative Yield / Interest Rate Risk Sensitivity Gap			(61,379,724)	(16,461,239)	(27,730,998)	(23,576,444)	(17,962,434)	(14,098,623)	(5,727,013)	18,812,351	19,434,832	(1,740,721)

	Effective Yield / Interest rate	Total	Exposed to Yield / Interest rate risk									Not Exposed to Yield / Interest rate risk
			Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years	
			(Rupees '000')									
2013												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	8,006,108	-	-	-	-	-	-	-	-	-	8,006,108
Balances with other banks	0.12%	690,098	610,095	-	-	-	-	-	-	-	-	80,003
Lendings to financial institutions	9.14%	2,127,516	2,127,516	-	-	-	-	-	-	-	-	-
Investments	9.19%	60,791,865	45,336	16,144,545	11,641,437	-	7,184,188	1,303,824	5,907,333	12,744,702	-	5,820,520
Advances	9.75%	62,025,967	13,177,580	51,975,250	9,964,987	3,777,928	750,263	566,455	1,037,308	678,003	98,193	-
Other assets	10.52%	4,177,811	-	900,000	-	-	-	-	-	-	-	3,277,811
		157,819,385	15,960,527	69,019,795	21,606,424	3,777,928	7,934,451	1,870,279	6,944,641	13,422,705	98,193	17,184,442
Liabilities												
Bills payable	-	2,862,663	-	-	-	-	-	-	-	-	-	2,862,663
Borrowings	8.97%	51,506,673	37,967,316	6,151,491	5,935,237	1,290,343	-	-	-	-	-	162,286
Deposits and other accounts	5.24%	104,887,731	7,270,127	14,810,672	47,935,431	5,441,602	13,225	1,880	22,795	-	-	29,391,999
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	2,424,205	-	-	-	-	-	-	-	-	-	2,424,205
		161,681,272	45,237,443	20,962,163	53,870,668	6,731,945	13,225	1,880	22,795	-	-	34,841,153
On-balance sheet gap		(3,861,887)	(29,276,916)	48,057,632	(32,264,244)	(2,954,017)	7,921,226	1,868,399	6,921,846	13,422,705	98,193	(17,656,711)
Non Financial Net Assets		19,561,348										
Total Net Assets		15,699,461										
Off-balance sheet financial instruments												
Foreign exchange contracts - purchase		26,499,067	16,543,461	8,061,936	1,893,650	-	-	-	-	-	-	-
Foreign exchange contracts - sale		25,424,367	13,341,936	8,730,588	2,629,152	722,681	-	-	-	-	-	-
Forward Government Securities - purchase		12,699,823	3,098,726	9,601,097	-	-	-	-	-	-	-	-
Forward Government Securities - sale		2,894,757	2,894,757	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		10,879,766	3,406,514	8,932,445	(735,512)	(722,681)	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap			(25,871,402)	56,990,077	(32,999,756)	(3,676,698)	7,921,226	1,868,399	6,921,846	13,422,705	98,193	(17,656,711)
Cumulative Yield / Interest Rate Risk Sensitivity Gap			(25,871,402)	31,118,675	(1,881,081)	(5,557,779)	2,363,447	4,231,846	11,153,692	24,576,397	24,674,590	7,017,879

42.3 Liquidity Risk

Liquidity risk is defined as the risk that a Group, either does not have enough financial resources to meet its obligation and commitments as they fall due or can secure funds at an excessive cost; even when the Group is solvent. Liquidity risk is due to the difference between the Group's assets and liabilities generally known as mismatches. Liquidity management is important as the ultimate cost of a lack of liquidity is being out of business.

The liquidity risk policy is formulated keeping in view of the SBP's guidelines on risk management, Basel standards and best practices.NIB maintains its liquidity by keeping a level of liquid assets in such amount which is considered sufficient to anticipate payment of customers' deposits.

The Group manages its liquidity risk through:

- Controlling the cash flow mismatch between on and off balance sheet assets and liabilities;
- 5-Day stress testing on Bank's balance sheet carried out on daily basis assuming deposit run offs;
- Maintaining stable and diversified sources of funding;
- Ensuring the Bank has the right asset portfolio mix and sufficient liquid assets on hand in relation to its daily cash flows;
- Certain periodic reports such as tenor maturity gaps and maximum cash outflows (MCO); and
- Stress testing on portfolio as required by local regulator.

42.3.1 Maturities of Assets and Liabilities - Based on contractual maturity of the Assets and Liabilities of the Group

	2014									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,063,675	8,063,675	–	–	–	–	–	–	–	–
Balances with other banks	586,418	586,418	–	–	–	–	–	–	–	–
Lending to financial institutions	7,699,646	6,730,297	969,349	–	–	–	–	–	–	–
Investments	59,670,691	1,779,960	1,586,811	6,851,142	5,272,677	5,053,827	3,466,206	7,403,427	23,079,874	4,276,767
Advances	93,673,494	58,234,868	10,235,390	7,593,895	1,474,531	3,946,827	3,881,570	5,215,537	2,352,550	736,325
Operating fixed assets	3,033,057	27,200	59,265	139,029	158,601	257,804	266,923	260,507	412,592	1,451,116
Intangible assets	2,928,075	26,867	53,714	80,506	160,840	320,287	313,363	238,185	5,287	1,726,726
Deferred tax assets	9,992,164	117,395	244,093	365,136	534,899	1,937,086	2,655,286	4,138,269	–	–
Other assets	9,350,081	1,457,442	2,782,640	310,403	369,577	367,362	2,656,123	191,203	1,183,836	31,498
	194,995,301	77,024,123	15,931,282	15,340,111	7,971,125	11,885,193	13,239,471	17,447,425	27,934,139	8,222,432
Liabilities										
Bills payable	2,740,528	2,740,528	–	–	–	–	–	–	–	–
Borrowings	62,750,894	40,526,028	9,834,876	9,675,250	2,550,454	–	–	–	162,286	–
Deposits and other accounts	105,132,800	86,610,751	4,959,658	8,241,327	5,262,543	2,152	28,842	527	–	–
Sub-ordinated loans	4,197,195	–	–	840	840	1,680	1,680	3,359	4,188,796	–
Other liabilities	3,271,665	902,933	1,467,836	455,875	111,730	220,695	11,301	27,950	64,525	8,820
	178,063,082	130,782,240	16,259,370	18,373,292	7,925,567	224,527	41,823	31,836	4,415,607	8,820
Net assets	16,932,219	(53,758,117)	(328,088)	(3,033,181)	45,558	11,660,666	13,197,648	17,415,589	23,518,532	8,213,612
Share capital	103,028,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(42,432,340)									
Shareholders' equity	15,300,672									
Surplus on revaluation of assets – net	1,631,547									
	16,932,219									

The above maturity profile has been prepared in accordance with International Financial Reporting Standard 7, Financial Instruments: Disclosures, based on contractual maturities. Consequently, all demand assets and liabilities such as running finance, current accounts and saving accounts are shown as having a maturity upto one month. However, based on historical behaviour, management is of the opinion that the possibility of these inflows / outflows actually occurring entirely within one month is remote, as these flows normally occur over a longer period of time.

2013

	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,006,108	8,006,108	-	-	-	-	-	-	-	-
Balances with other banks	690,098	690,098	-	-	-	-	-	-	-	-
Lendings to financial institutions	2,127,516	2,127,516	-	-	-	-	-	-	-	-
Investments	60,791,885	398,895	15,828,329	9,449,016	160,644	8,226,228	1,688,095	6,725,237	13,020,978	5,294,463
Advances	82,025,967	51,877,767	8,721,013	8,391,372	4,565,189	2,670,040	2,286,718	2,318,106	1,097,562	98,194
Operating fixed assets	2,879,281	35,143	68,837	102,537	197,371	332,692	136,971	193,838	321,660	1,490,032
Intangible assets	3,166,781	28,407	56,814	82,696	160,950	302,111	299,938	460,678	48,461	1,726,726
Deferred tax assets	11,089,644	117,395	234,789	353,232	543,077	1,937,086	2,655,286	5,248,779	-	-
Other assets	8,016,185	295,018	3,261,967	217,765	185,261	2,038,200	357,261	461,992	1,184,405	14,296
	178,793,465	63,576,347	28,171,749	18,596,638	5,812,492	15,506,563	7,424,269	15,408,630	15,673,066	8,623,711
Liabilities										
Bills payable	2,862,663	2,862,663	-	-	-	-	-	-	-	-
Borrowings	51,506,673	37,967,316	6,151,491	5,935,237	1,290,343	-	-	-	162,286	-
Deposits and other accounts	104,887,731	80,970,432	14,810,672	3,627,126	5,441,602	13,225	1,880	22,794	-	-
Other liabilities	3,836,937	2,254,525	1,231,972	83,672	99,261	46,250	40,006	62,371	4,164	14,716
	163,094,004	124,054,936	22,194,135	9,646,035	6,831,206	59,475	41,886	85,165	166,450	14,716
Net assets	15,699,461	(60,478,589)	5,977,614	8,950,603	(1,018,714)	15,447,088	7,382,383	15,323,465	15,506,616	8,608,995
Share capital	103,028,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(41,716,290)									
Shareholder's equity	16,016,722									
Deficit on revaluation of assets-net	(317,261)									
	15,699,461									

42.3.2 Maturities of Assets and Liabilities - Based on historical pattern of the Assets and Liabilities of the Group

	2014									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000')									
Assets										
Cash and balances with treasury banks	8,063,675	8,063,675	-	-	-	-	-	-	-	-
Balances with other banks	586,416	586,416	-	-	-	-	-	-	-	-
Lending to financial institutions	7,699,646	6,730,297	969,349	-	-	-	-	-	-	-
Investments	59,670,691	1,779,960	1,586,611	6,851,142	5,272,677	5,053,827	3,466,206	7,403,427	23,979,874	4,276,767
Advances	93,673,494	18,095,800	17,532,839	18,540,333	23,367,352	3,946,167	3,878,685	5,223,443	2,352,550	736,325
Operating fixed assets	3,033,057	24,775	59,285	136,990	158,077	258,983	263,114	257,318	423,399	1,451,116
Intangible assets	2,926,075	26,867	53,714	80,506	160,840	320,287	313,363	238,485	5,287	1,726,726
Deferred tax assets	9,992,164	117,395	244,093	365,136	534,899	1,937,086	2,655,286	4,138,269	-	-
Other assets	9,350,061	1,456,230	2,782,540	310,403	369,577	368,574	2,656,123	191,200	1,183,836	31,498
	194,995,301	36,881,417	23,228,731	26,284,510	29,863,422	11,884,924	13,232,777	17,452,142	27,944,946	8,222,432
Liabilities										
Bills payable	2,740,528	2,740,528	-	-	-	-	-	-	-	-
Borrowings	62,750,894	40,528,028	9,834,876	9,675,250	2,550,454	-	-	-	162,286	-
Deposits and other accounts	105,102,800	11,029,457	9,368,615	14,859,261	18,496,411	5,133,705	5,160,396	10,263,634	30,789,321	-
Sub-ordinated loans	4,197,195	-	-	840	840	1,680	1,680	3,359	4,188,796	-
Other liabilities	3,271,665	902,934	1,469,129	558,747	8,565	220,695	11,301	27,950	64,524	8,820
	178,063,082	55,200,947	20,671,620	25,094,098	21,056,270	5,356,080	5,173,377	10,294,943	35,204,927	8,820
Net assets	16,932,219	(18,319,530)	2,557,111	1,190,412	8,805,152	6,528,844	8,059,400	7,157,199	(7,259,981)	8,213,612
Share capital	103,026,512									
Reserves	474,123									
Discount on issue of shares	(45,789,623)									
Accumulated loss	(42,432,340)									
Shareholders' equity	15,300,672									
Surplus on revaluation of assets - net	1,631,547									
	16,932,219									

Non-contractual assets and liabilities have been profiled by using Core/Non-core Balance Methodology. Core balances are defined as those which are expected to remain in our books for a longer period and thus placed in longer time buckets. Whereas, non-core balances are considered volatile and expected to attrite from our books in the short run.

In order to work out non-core balances, volatility is calculated using standard deviation and scaled for computing respective tenor volatility. Non-core and core balances are equally distributed in time buckets from 1 month till 1 year and from 2 years till furtherest available time bucket respectively. Similarly, non-core balances for Running Finance are placed in 1-month bucket and core balances are equally distributed in buckets 2-months till 1-year.

	2013									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Over 10 Years
	(Rupees '000)									
Assets										
Cash and balances with treasury banks	8,006,108	8,006,108	-	-	-	-	-	-	-	-
Balances with other banks	690,098	690,098	-	-	-	-	-	-	-	-
Lending to financial institutions	2,127,516	2,127,516	-	-	-	-	-	-	-	-
Investments	60,791,685	398,895	15,828,329	9,449,016	160,644	8,226,228	1,688,095	6,725,237	13,020,976	5,294,463
Advances	82,025,967	14,562,105	15,505,678	18,568,372	24,919,186	2,670,046	2,286,718	2,318,106	1,097,562	98,194
Operating fixed assets	2,879,281	35,143	56,837	102,537	197,371	332,892	136,971	193,938	321,660	1,490,032
Intangible assets	3,166,781	28,407	56,814	82,696	160,950	302,111	299,938	460,676	48,461	1,726,728
Deferred tax assets	11,089,644	117,395	234,789	353,232	543,077	1,937,086	2,655,286	5,248,779	-	-
Other assets	8,016,165	295,018	3,261,967	217,785	185,261	2,038,200	357,261	461,992	1,184,405	14,296
	178,793,465	26,260,685	34,956,414	28,773,638	26,166,489	15,506,563	7,424,269	15,408,630	15,673,066	8,623,711
Liabilities										
Bills payable	2,862,663	2,862,663	-	-	-	-	-	-	-	-
Borrowings	51,506,673	37,967,316	6,151,491	5,935,237	1,290,343	-	-	-	162,286	-
Deposits and other accounts	104,887,731	9,239,225	18,748,866	9,534,418	17,256,187	5,020,339	5,008,993	10,037,022	30,042,681	-
Other liabilities	3,836,937	2,254,525	1,231,972	83,672	99,261	46,250	40,006	62,371	4,164	14,716
	163,094,004	52,323,729	26,132,329	15,553,327	18,645,791	5,066,589	5,048,999	10,099,393	30,209,131	14,716
Net assets	15,699,461	(26,063,044)	8,824,085	13,220,311	7,520,698	10,439,974	2,375,270	5,309,237	(14,536,065)	8,608,995
Share capital	103,026,512									
Reserves	474,123									
Discount on issue of shares	(45,769,623)									
Accumulated loss	(41,716,290)									
Shareholders' equity	15,016,722									
Deficit on revaluation of assets - net	(317,261)									
	15,699,461									

42.4 Operational Risk Management

The Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner.

NIB approach operational risk management from two perspectives to best manage operational risk within the structure of the Bank:

- at the enterprise level to provide independent, integrated management of operational risk across the Bank, and
- at the business and enterprise control function levels to address operational risk in revenue generating and non-revenue generating units.

A sound internal governance structure enhances the effectiveness of NIB's Operational Risk Management and is accomplished at the enterprise level through formal oversight by the Board, the CRO and risk management committees aligned to the Bank's overall risk governance framework and practices. The Operational Risk Committee (ORC) oversees the processes for sound operational risk management and also serves as an escalation point for critical operational risk matters within the Bank. The ORC reports operational risk activities to the Board Risk Management Committee.

Within the Integrated Risk Management Group, the Operational Risk team develops the strategies, policies, controls and monitoring tools for assessing and managing operational risks across the Bank and report results to Operational Risk Committee (ORC) and the Board. The business and support functions are responsible for all the risks within the business line, including operational risks. Operational Risk Management tools, such as Loss Collection & Reporting, Risk and Control Self Assessment and Key Risk Indicators are developed and used to identify measure, mitigate and monitor risks.

43. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on February 25, 2015 by the Board of Directors of the Bank.

Atif R. Bokhari	Teo Cheng San, Roland	Tejpal Singh Hora	Muhammad Abdullah Yusuf
President / Chief Executive	Chairman / Director	Director	Director

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2014

(Rupees '000')

S.No.	Name & Address of borrower	Name of Individuals / partners / directors		Father's / Husband's Name	Outstanding Liabilities Before Adjustments				Principal written-off	Interest/ Mark-up written-off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
1	ZAHUR TEXTILE MILLS 31-CAVALRY GROUND, WALTON ROAD LAHORE	(I) ARIF ZAHUR (II) MOHSIN ZAHUR (III) RAZA ARIF (IV) E.AZ UL-HAQUE (V) SHAHADAT MANSOOR AKHTAR (VI) SAEED ULLAH CHAUDHRY (VII) COL.(R) AFZAAL MUZAFFAR	(I) 3520?-1656433-5 (II) 35201-6334522-1 (III) 35201-2942330-5 (IV) 35202-7768779-1 (V) 35200-1509096-7 (VI) 338-37-759962 (VII) 272-87-491499	(I) MIAN ZAHUR-UL-HAQUE (II) MIAN ZAHUR-UL-HAQUE (III) ARIF ZAHUR (IV) ISRAR UL-HAQUE (V) M. BUKSH MALIK (VI) AMMANAT ULLAH (VII) SYED NISAR AHMED	219,036	1,927	6,532	226,494	146,003	1,927	6,532	154,462
2	HASSAN RICE PROCESSING MILLS BAGOWAL ROAD, SIALKOT	MUHAMMAD JAMIL	34603-0223720-3	CHAUDHRY MUHAMMAD SADIQ	14,656	6,900	-	21,556	3,656	6,900		10,556
3	WAHID MOTORS AL SHAMS AUTO MARKET, BASEMENT SHOP # 60, BADAMI BAGH, LAHORE	(I) MUHAMMAD NAEEM (II) MUHAMMAD ZAHID (III) HAFIZ UR REHMAN (IV) MUHAMMAD IJAZ (V) MUHAMMAD NADEEM (VI) MUHAMMAD SALEEM (VII) ZIA UR REHMAN	(I) 35202-3823644-3 (II) 35202-6783173-1 (III) 35202-7319704-3 (IV) 35202-161?937-7 (V) 35202-3045498-7 (VI) 35202-7406678-3 (VII) 35202-3280776-1	(I) ABDUL WAHID (II) ABDUL WAHID (III) ABDUL WAHID (IV) ABDUL WAHID (V) ABDUL WAHID (VI) ABDUL WAHID (VII) ABDUL WAHID	3,500	1,209	-	4,709	-	1,209	-	1,209
4	CHAUDHARY PROCESSING INDUSTRIES (PVT) LIMITED P-45, MAQBOOL ROAD, FAISALABAD	(I) MUHAMMAD ASGHAR ALI (II) AYESHA ASGHAR ALI	(I) 33100-6320079-7 (II) 33100-1569133-6	(I) ALLAH DITTA (II) ASGHAR ALI	14,999	4,313	-	19,312	2,999	4,313	-	7,312
5	SHAHZAD NIAZI GOODS TRUCK STAND, MIRPUR ROAD, KARACHI.	MUHAMMAD AZIZ KHAN	38302-1169323-7	MUHAMMAD ISMAIL KHAN	902	135	-	1,037	631	135	-	766
6	SHAHEEN COTTON MILLS 19-A, ZAFAR ALI ROAD, GULBERG V, LAHORE.	(I) MIAN PARVEZ ASLAM (II) IMRAN ASLAM (III) CHAUDHRY HAKIM ALI (IV) HUMAYUN BAKHT (V) LT. COL (R) ABDUL QAYYUM (VI) RASHID AHMED (VII) HASSAN-UD-DIN ANSARI	(I) 35202-2787118-3 (II) 35202-2787119-1 (III) 35202-2839176-5 (IV) 35201-5366984-5 (V) 35404-1559818-9 (VI) 35404-1559824-3 (VII) 35202-7606801-9	(I) MIAN MUHAMMAD ASLAM (II) MIAN PARVEZ ASLAM (III) CHAUDHRY IMAM UD DIN (IV) SHAH MUHAMMAD (V) CHULAM SARWAR KHAN (VI) MAHMOOD AHMAD (VII) HAJI KHUDA BAKSH ANSARI	-	8,746		8,746	-	8,746	-	8,746
7	SHAHZAD TEXTILE MILL 19-A, ZAFAR ALI ROAD GULBERG V, LAHORE.	(I) MIAN PERVAZ ASLAM (II) MIAN IMRAN ASLAM (III) CHAUDHRY HAKIM ALI (IV) HASSAN UD DIN ANSARI (V) HUMAYUN BAKHT (VI) LT. COL (R) ABDUL QAYYUM (VII) RASHID AHMED	(I) 35202-2787118-3 (II) 35202-2787118-1 (III) 35202-2839176-5 (IV) 35202-7606801-9 (V) 35201-5366984-5 (VI) 35404-1559818-9 (VII) 35404-1559824-3	(I) MIAN MUHAMMAD ASLAM (II) MIAN PERVEZ ASLAM (III) CHAUDHRY IMAM-UD-DIN (IV) HAJI KHUDA BAKHSH ANSARI (V) SHAH MUHAMMAD (VI) GHULAM SARWAR KHAN (VII) MEHMOOD AHMED	-	70,077	-	70,077	-	70,077	-	70,077
8	PAZEB SHOES SHOP # 60-A, HAIDERY CENTRE, BLOCK-G, NORTH NAZIMABAD, KARACHI.	SHAZIA MUSAWIR ALI	42101-0535896-0	SYED MUSAWIR ALI	23,960	3,166	-	27,126	1,960	3,001		4,961
9	AMMAR TEXTILE (PVT) LIMITED 18-K.M. MULTAN ROAD, MULTAN.	(I) KH. BELAL AHMAD (II) SAMEENA BELAL	(I) 35202-2669902-7 (II) 35200-1448248-4	(I) KH. GHULAM MOHY UDDIN (-) KH. BELAL AHMED	111,786	12,354	-	124,140	75,071	12,354	-	85,425
10	PINE HILLS CONSTRUCTION HOUSE # 280, STREET # 21, RAWAL TOWN, ISLAMABAD.	(I) MASOOD AHMED ABBASI (II) MANSOOR AHMED ABBASI	(I) 37404-8235655-1 (II) 61101-4203179-3	(I) RAJA KHALIQ DAD KHAN (II) RAJA KHALIQ DAD KHAN	10,484	2,378	-	12,862	1,484	2,378	-	3,862
11	OCEAN PAK FOOD PRODUCTS F-211, S.I.T.E. AREA, KARACHI.	(I) ABID ALI (II) SHAHID ALI (III) TAHIR ALI (IV) SAUBAN JILANI	(I) 42101-9623495-1 (II) 42101-1845750-1 (III) 42101-1845754-7 (IV) 42101-6001308-7	(I) SHOUKAT ALI (II) SHOUKAT ALI (III) SHOUKAT ALI (IV) AKHTAR JILANI	48,754	23,824	-	72,578	13,005	23,824	-	36,829
12	F.S. ENTERPRISES (PVT) LIMITED PLOT # 16-C, 6TH COMMERICAL LANE, D.H.A. PHASE V, KARACHI.	(I) FARAD SULTAN AHMED (II) SHEHLA WISAL KHAN	(I) 42301-2924621-1 (-) 42301-0993080-4	(I) KHAWAJA ISLAM AHMED (II) KHAWAJA ISLAM AHMED	59,899	17,782	-	77,681	-	17,782	-	17,782
13	GHUMAN RICE PROCESSING MILLS DESKA ROAD, ADDA, SIALKOT.	CH. MUHAMMAD HANIF GHUMAN	34603-2275068-9	ABDUL LATIF	19,994	10,208	-	30,202	1,764	10,208	-	12,002
14	FRONTIER CABLE INDUSTRIES (PVT.) LIMITED 13, PHASE-4, INDUSTRIAL ESTATE, HATTAR.	(I) MUHAMMAD PERVEZ (II) DR. NAHEED PERVEZ (III) MUHAMMAD JAVAID	(I) 61101-5966376-3 (II) 61101-6174142-2 (III) 61101-1903549-9	(I) HAFIZ-UR-REHMAN (II) MUHAMMAD PERVEZ (III) HAFIZ UR REHMAN	96,225	15,727	-	111,952	-	9,959	-	9,959
15	ELECTRO-ZONE INTERNATIONAL HOUSE # 7, STREET # 66, F-7/3, ISLAMABAD.	(I) MUHAMMAD PERVEZ (II) DR. NAHEED PERVEZ	(I) 61101-5966376-3 (II) 61101-6174142-2	(I) HAFIZ-UR-REHMAN (II) MUHAMMAD PERVEZ	9,999	929	-	10,928	-	787	-	787
16	BABAR PLASTIC CROCKERY 173, ALAMGIR MARKET SHAH ALAM MARKET, LAHORE.	ZAHEER UDDIN BABAR	35202-3391525-3	NASEER UDDIN	24,995	20,802	-	45,797	6,995	20,802	-	27,797

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		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
17	AHMED WEAVING FACTORY MUHAMMAD ALI STREET, SAMANDARI ROAD, FAISALABAD.	MEHMOOD AHMED	33100-1760916-5	NAIMAT ALI	25,455	1,229	-	26,684	5,456	1,229	-	6,685
18	ZAFAR AHMED & COMPANY RICE DEALER GHALLA MANDI, CIRCULAR ROAD, DASKA, SIALKOT	ZAFAR AHMED	34601-0745278-5	MIAN GHULAM NABI	14,960	2,160	-	17,120	-	2,160	-	2,160
19	IMTIAZ TRADERS SHOP # 7, SHEIKH NAWAB MARKET, PAPER MANDI, LAHORE	ABRAR AHMED	35202-8212288-1	HABIB ULLAH	7,312	2,856	-	10,168	-	2,856	-	2,856
20	CLIMAX ENGINEERING COMPANY LIMITED CLIMAXABAD, G.T. ROAD, GUJRANWALA	(I) CH. MUHAMMAD QAYYUM (II) CH. M.A HAMEED (III) CH. ABDUL SALAM (IV) CH. IMTIAZ UL HAMEED (V) CH. MEHMOOD GHANI (VI) CH. USMAN GHANI (VII) CH. ZIA HAMEED	(I) 34101-2524971-3 (II) 34101-2524977-1 (III) 34101-5657309-7 (IV) 34101-2524976-5 (V) 34101-2589643-7 (VI) 34101-2589635-3 (VII) 34101-2524979-9	(I) CH. NAZEER AHMED (II) MUHAMMAD DIN (III) CH. NAZEER AHMED (IV) CH. M. ABDUL HAMEED (V) ABDUL GHANI (VI) ABDUL GHANI (VII) HAMEED	42,534	7,562	-	50,096	-	5,799	-	5,799
21	REGENCY FAISALABAD 949, REGENCY MALL ROAD, FAISALABAD.	(I) MALIK MOHAMMAD ASHRAF (II) ANJADAH ASHRAF	(I) 37406-1612390-3 (II) 37406-1563121-2	(I) MALIK MUHAMMAD TUFAIL (II) MALIK MOHAMMAD ASHRAF	25,000	6,220	-	31,220	-	4,220	-	4,220
22	YARN MERCHANTS OFFICE # 8, M. YASIN MENSION, KHARADAR, KARACHI.	SHAKIL ASHFAQ	42301-1062308-1	ASHFAQ AHMED	14,905	7,847	-	22,752	-	3,589	-	3,589
23	MADINA COTTON WASTE FACTORY NEAR MALIK GHEE MILL, SAMUNDRI ROAD, FAISALABAD.	MUHAMMAD QASIM	33100-4446378-7	MUHAMMAD AKRAM	2,500	603	-	3,103	750	603	-	1,353
24	FARID CRYSTAL COMPANY (PVT) LIMITED E-217A, BILAL STREET, FIRDOUS PARK, GHAZI ROAD, LAHORE	(I) SHEIKH MUHAMMAD AKRAM (II) ABDUL SALAM (III) HAFIZ UR REHMAN	(I) 35201-1237960-7 (II) 35201-1237441-9 (III) 35201-1403892-7	(I) SHEIKH ABDUL HAQ (II) ABDUL HAQ (III) ABDUL HAQ	5,823	14,329	-	20,152	5,823	14,329	-	20,152
25	HASSAN TRADERS G.T ROAD, SADHOKE, TEHSIL KAMOKI	SYED NAEEM UL HASSAN GILLANI	34102-0458104-3	SYED MUHAMMAD HASSAN GILLANI	17,999	7,759	-	25,758	2,999	7,759	-	10,758
26	LAAR SUGAR MILLS LIMITED 16-E, BLOCK-8, RASHID MINHAS ROAD, P.E.C.H.S. SOCIETY, KARACHI	(I) MOHAMMAD AHMED (II) DR. SYED RAFIQUE MUSTAFA SHAH (III) ABDUL RAUF (IV) MUSARRAT AHMED	(I) 42000-0396378-5 (II) 42201-8875703-9 (III) 42201-3803168-7 (IV) 42000-0378706-6	(I) MOHAMMAD AMIN (II) SYED GHULAM MUSTAFA SHAH (III) MOHAMMAD FAROUK (IV) MOHAMMAD AMIN	22,000	6,106	-	28,106	7,000	6,106	-	13,106
27	NIAZI EXPRESS BUS SERVICE NIAZI BUILDING, 109-MULTAN ROAD, MULTAN	(I) AZAM KHAN NIAZI (II) MUHAMMAD FAISAL KHAN NIAZI (III) TARIQ ISMAIL SIDDIQUI (IV) ZIA UR-REHMAN SIDDIQUI (V) FAZAL AHMED	(I) 35202-2865140-7 (II) 35202-4705781-1 (III) 35200-1460878-1 (IV) 35202-2863488-1 (V) 35202-0870944-7	(I) ATA MUHAMMAD KHAN NIAZI (II) ATA MUHAMMAD KHAN NIAZI (III) RAIS AHMED SIDDIQUI (IV) BADAR ASHFAQ AHMED SIDDIQUI (V) ABDUL HAMEED	105,658	14,038	-	120,696	22,079	14,038	-	36,916
28	KLASS TEXTILE MILLS (PVT) LIMITED FLAT # 1, 2ND FLOOR, AWAMI COMPLEX, USMAN BLK. NEW GARDEN TOWN, LAHORE	(I) SADIA YOUNAS MANSHA (II) KALSOOM YOUNAS (III) CH. NAZIR AHMED	(I) 35202-2483584-2 (II) 35202-6833179-4 (III) 3650?-1866304-9	(I) OMER MANSHA (II) MUHAMMAD YOUNAS (III) CH. ALI MUHAMMAD	91,776	12,995	-	104,771	31,876	12,995	-	44,871
29	TECHNO TRADERS TECHNO TRADERS, SADAT MARKET, THOKAR NIAZ BAIG, MULTAN ROAD, LAHORE	IFTIKHAR AHMED	35202-7600510-5	SHAFAT AHMED	33,800	16,900	-	50,700	14,293	16,900	-	31,193
30	M.A ENTERPRISES 405, SHAHRAH-E-LIAQUAT, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI	(I) SH. MUHAMMAD RIAZ (II) SHEIKH MUHAMMAD IJAZ	(I) 33100 6090439-5 (II) 33100 0898955-7	(I) HAJI SH. MUHAMMAD ILYAS (II) HAJI SH. MUHAMMAD ILYAS	10,213	1,453	-	11,666	2,163	1,453	-	3,616
31	GLOBAL FASHION OFFICE # 11, C-1, CHAPAL BRIGHT HOMES, BLOCK-7, MAIN CLIFTON ROAD, KARACHI	(I) MUHAMMAD JAMSHED ALAM (II) ZOHRA JABEEN (III) MUHAMMAD SHAMSHER ALAM	(I) 42101-3621559-7 (II) 42101-4026002-2 (III) 42101-5608891-7	(I) MUHAMMAD KHURSHEED ALAM (II) MUHAMMAD JAMSHED (III) MUHAMMAD KHURSHEED ALAM	-	7,513	-	7,513	-	7,513	-	7,513
32	MYERS INTERNATIONAL 139-B/1, D GROUND, FAISALABAD	(I) RAJA USMAN HAROON (II) YASIR HUMAYUN	(I) 33100-4031568-3 (II) 37201-8096600-5	(I) RAJA HAROON SARFRAZ (II) HAMAYUN SARFRAZ	-	1,753	-	1,753	-	1,753	-	1,753
33	SAS INTERNATIONAL 159/II, KHAYABAN-E-AMIR KHUSRO, PHASE-V, DHA, KARACHI	ABDUL SAEED KHAN	42000-0502123-3	ABDUL HAMEED KHAN	11,080	7,911	-	18,991	-	7,911	-	7,911
34	SPECTRUM FISHERIES LIMITED E-1, FISH HARBOUR, WEST WHARF, PO BOX 6111, KARACHI-74000	(I) MUHAMMAD SIDDIQUE (II) BASHIR SIDDIQ	(I) 513-88-020278 (II) 513-88-017341	(I) HAJI ABDULLAH (II) MUHAMMAD SIDDIQ	30,502	17,563	-	48,065	15,502	17,563	-	33,065

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(Rupees '000')

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35	PAKISTAN TUBE MILLS (PVT) LIMITED 10-KM, SHEIKHUPURA ROAD, LAHORE.	(i) SHEIKH MUHAMMAD ASHRAF (ii) ZAREENA BEGUM	(i) 35202-6587643-7 (ii) 35201-7450131-6	(i) SHEIKH MUHAMMAD ASHRAF (ii) SHEIKH MUHAMMAD ASHRAF	18,389	5,265	-	23,654		5,265	-	5,265
36	AL AAMIR ENTERPRISES 505, 5TH FLOOR, JILANI CENTRE M.A. JINNAH ROAD, KARACHI	(i) MUHAMMAD AAMIR SORATHIA (ii) SAMINA SORATHIA (iii) GHULAM ABBAS	(i) 42000-0384674-1 (ii) 42000-0370524-4 (iii) 42000-0489648-5	(i) ABDUL RAZZAQ (ii) ABDUL RAZZAQ (iii) ABBAS	113,109	61,978	-	175,087	23,109	61,978	-	85,087
37	TAJ CHEMICAL CORPORATION USMAN CHOWK, CHAK # 204, FAISALABAD.	MUHAMMAD ASHRAF	33100-0763031-3	MUHAMMAD ASGHAR	5,596	2,982	-	8,578	-	2,982	-	2,982
38	AFZAL SHOE COMPANY SHOP # 2 B, MAIN SHOE MARKET, SHAHALAM SHOE MARKET, LAHORE	(i) SHEIKH SHAKEEL AFZAL (ii) SHEIKH SOHAIL AFZAL	(i) 35202-3172953-1 (ii) 35202-2673547-1	(i) SHEIKH MUHAMMAD AFZAL (ii) SHEIKH MUHAMMAD AFZAL	15,000	2,944	-	17,944	-	2,944	-	2,944
39	BHATTI TRADERS MAIN SARGODHA ROAD, CHAK BAWA OPPOSITE BHATTI ASIA JIM, FAISALABAD	MUHAMMAD IKRAM	33100-1601527-7	MUHAMMAD YOUSAF	2,619	611	-	3,230	-	611	-	611
40	KASHMIR TRADERS P-202, TIKKA KHANA STREET # 1, YARN MARKET, FAISALABAD	IMRAN SHER ALI	33100-3430461-7	SHER ALI	24,392	3,184	-	27,576	-	3,184	-	3,184
41	LODHI INTERNATIONAL R-408, SECTOR 15 B, BUFFER ZONE, KARACHI.	LIAQUAT ALI KHAN LODHI	42101-3399954-5	KHURSHEED KHAN	4,697	3,757	-	8,454	697	3,757	-	4,454
42	STAHLCO WOOD TECH INDUSTRIES (PVT.) LIMITED 21 KM, FEROZEPUR ROAD, LAHORE	(i) ASIF REHAN DAR (ii) TAYABA JABEEN	(i) 35202-8913452-1 (ii) 35202-2643498-0	(i) M. ZAFAR DAR (ii) ASIF REHAN DAR	11,999	1,188	-	13,187	4,999	1,188	-	6,187
43	STAHLCO DOMESTIC PRODUCTS (PVT.) LIMITED 21 KM, FEROZEPUR ROAD, LAHORE	(i) ASIF REHAN DAR (ii) TAYABA JABEEN	(i) 35202-8913452-1 (ii) 35202-2643498-0	(i) M. ZAFAR DAR (ii) ASIF REHAN DAR	30,093	3,977	-	43,970	16,993	3,977	-	20,070
44	MAMA FAHD INTERNATIONAL 67, BLOCK-6, FECHS, KARACHI	MUHAMMAD ABID KHAN	42201-2434640-5	MUHAMMAD ABDUL RAUF KHAN	3,768	28	-	3,796	3,768	-	-	3,768
45	JAMIL KHALID BROTHERS 99 RAILWAY GODOWN, FCCC ROAD, OPPOSITE MSD STEEL MILL, BADAMI BAGH, LAHORE	KHALID FAROOQ	35202-4188869-1	MUHAMMAD SHAREEF	1,199	3,542	-	4,741	-	3,542	-	3,542
46	SOLDEN AGRO INDUSTRIES (PVT.) LIMITED ROOM 6/10, 9TH FLOOR ARKAY SQUARE EXT, NEW CHALLI, KARACHI	(i) SYED FAKHAR ALAM ZAIDI (ii) DILSHAD HUSSAIN JAFRI	(i) 42101-2364220-5 (ii) 42101-1724555-5	(i) SYED A.I. JAFAR ZAIDI (ii) SHAMSHAD HUSSAIN JAFRI	11,000	635	-	11,635	-	635	-	635
47	CITY FLOUR MILLS / DAWOOD NOOR FLOUR MILLS PLOT C-106,109,117-119, SMALL INDUSTRIAL ESTATE, SUKKUR	(i) MUHAMMAD IQBAL (ii) MUHAMMAD AHMED IQBAL	(i) 45504-4306791-7 (ii) 45504-2062973-9	(i) DAWOOD NOOR MUHAMMAD (ii) MUHAMMAD IQBAL DAWOOD	33,994	5,264	-	39,258	33,994	-	-	33,994
48	AMTEX LIMITED P-225, TIKKA GALI # 2, AMTEX PLAZA, YARN MARKET, FAISALABAD	(i) KHURRAM IFTIKHAR (ii) SHAHZAD IFTIKHAR (iii) NADEEM IFTIKHAR	(i) 33102-1748610-9 (ii) 33102-1748610-3 (iii) 33100-9634643-3	(i) IFTIKHAR-UD-DIN (ii) IFTIKHAR-UD-DIN (iii) IFTIKHAR-UD-DIN	81,326	65,073	-	146,399	-	59,556	-	59,556
49	AAYAN INDUSTRIES HOUSE # 73, STREET # 6, F-10/3, ISLAMABAD	(i) ASIM ABBAS BALOUCH (ii) GHULAM QASIM ABBAS BALOUCH	(i) 61101-8266965-7 (ii) 61101-919865-1	(i) GHULAM ABBAS (ii) GHULAM ABBAS	28,795	12,058	-	40,853	-	12,058	-	12,058
50	FOX AND ASSOCIATES 5-KM, DASKA ROAD, MIANI, SIALKOT	(i) ZIA-UR REHMAN (ii) GHAZALA MUZAFFAR (iii) AHSAN MAJEED	(i) 34603-9696276-9 (ii) 34603-9683396-6 (iii) 34603-3634307-5	(i) ATTA-UR-REHMAN (ii) ABDUL JALIL (iii) CH. ABDUL MAJEED	97,943	62,200	-	160,143	-	62,200	-	62,200
51	RIAZ BILLA WEAVING & TRADING P-202, SHOP # 25 A, TIKA GALI # 1, YARN MARKET, FAISALABAD.	RIAZ AHMED	33100-1705344-3	MUHAMMAD SHAFI	24,040	4,432	-	28,472	3,000	4,432	-	7,332
52	AHMED WEAVING AND TRADING MONTGOMERY BAZAR, FAISALABAD	MOHAMMAD AHMED	33100-0771538-1	QADEER AHMED	20,068	3,766	-	23,834	17,311	3,766	-	21,077
53	NOOR TRADERS TIKA GALI # 1, YARN MARKET, MONTGOMERY BAZAR, FAISALABAD.	MUHAMMAD AFZAL	33100-0783023-5	MUHAMMAD ASGHAR	27,103	5,997	-	33,100	-	5,997	-	5,997
54	UNIQUE CNG STATION G.T. ROAD, KAMOKE, GUJRANWALA	(i) MUHAMMAD ASHFAQ (ii) SHABBIR AHMED (iii) MUHAMMAD SABIR (iv) MUHAMMAD ASGHAR	(i) 34101-7049080-1 (ii) 34101-8459978-3 (iii) 34101-1335475-3 (iv) 34101-2332868-9	(i) MUHAMMAD ISHAQ (ii) NAZIR AHMED (iii) MUHAMMAD RAFIQUE (iv) NAZEER AHMED	1,886	1,457	-	3,343	-	1,457	-	1,457

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S.No.	Name & Address of borrower	Name of Individuals / partners / directors		Father's / Husband's Name	Outstanding Liabilities Before Adjustments				Principal written-off	Interest/ Mark-up written-off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
55	D.M. TEXTILE MILLS (LIMITED) 157-PESHAWAR ROAD, P.O. BOX # 64, RAWALPINDI	(I) MIAN HABIB ULLAH (II) MIAN MUHAMMAD SALEEM OMER (III) MIAN NAEEM OMER (IV) SYED IRSHAD HUSSAIN SHAH (V) HUSSAIN AHMED QURESHI	(I) 37405-6085591-5 (II) 33100-0902344-5 (III) 33100-05711[illegible]-5 (IV) 37405-0554251-3 (V) 216-57-939839	(I) MIAN MUHAMMAD OMER (II) MIAN MUHAMMAD OMER (III) MIAN MUHAMMAD OMER (IV) SYED REHMAN SHAH (V) FAUT AHMED QURESHI	139,087	34,498	-	143,585	-	34,485		34,485
56	SHIRAZ ALWANI HOUSE # D-18, NOOR APPARTMENT, BLOCK F NORTH NAZIMABAD, KARACHI	SHIRAZ ALWANI	42101-1659288-3	BARKAT ALWANI	457	46	-	503	457	46		503
57	MUHAMMAD NAEEM ANJUM HOUSE # 5, STREET # 12, LALARUKH COLONY, BANI STOP, CHAKRI ROAD, DHAMIAL CAMP, RAWALPINDI	MUHAMMAD NAEEM ANJUM	37405-2608442-3	MUHAMMAD JAMIL KHAN	497	90	-	587	497	90	-	587
58	AMIR FAROOQ FLAT # 101, DATARI CASTLE, BLOCK 13, GULISTAN-E-JAUHAR, KARACHI	AMIR FAROOQ	42201-0270503-5	MUHAMMAD FAROOQ BAKALY	522	88	-	610	522	88	-	610
59	IQBAL KHAN LODHI HOUSE # 7, STREET 22, SURYA JABEEN PARK, BAGHBANPURA, CANTT, LAHORE	IQBAL KHAN LODHI	35201-4244361-1	LATIF KHAN LODHI	921	130	-	1,051	921	130	-	1,051
60	MUHAMMAD KHALID DOGAR FLAT # 2, 78 B, MOZANG MAIRON ROAD, LAHORE	MUHAMMAD KHALID DOGAR	34602-6714673-1	MUHAMMAD MUNIR AHMAD	937	135	-	1,072	937	135	-	1,072
61	WAQAS HUSSAIN HOUSE # 343, STREET # 29, ZAKARIYA TOWN, ROSAN ROAD, MULTAN	WAQAS HUSSAIN	36302-9564036-3	GHULAM HUSSAIN	1,884	182	-	2,066	1,884	182	-	2,066
62	MUZAMIL LATIF HOUSE # 3511/9-F, MAIN BAZAR, MOHALLAH ELAHI BUKSH COLONY, SADDAR, JHANG	MUZAMIL LATIF	33202-8642893-3	MUHAMMAD LATIF	1,000	105	-	1,105	1,000	105	-	1,105
63	ABDUL SALAM HOUSE # 1/32/33, DEHLI COLONY, MAHAJIR CAMP # 2, BALDIA TOWN, KARACHI	ABDUL SALAM	42401-1000171-7	ABDUL RAHEEM	647	547	76	1,264	291	547	76	914
64	MUHAMMAD AMIN STREET # 7, PELI KOTHI, NEAR POWER HOUSE, FLOUR MILLS AREA, SHAHDRA DAKHANA, SHAHDRA BAGH, LAHORE	MUHAMMAD AMIN	35202-2956618-3	FAZAL KAREEM	416	482	51	949	246	482	51	779
65	MUHAMMAD NAEEM HOUSE # 204/13, MOHALLAH NEW MIANA PURA, MUSHRAQI SIALKOT	MUHAMMAD NAEEM	34603-6219770-5	MUHAMMAD ANWER	291	392	66	749	141	392	66	599
66	CHAUDHARY ZAHID ISLAM HOUSE # 3D-1/A, ALLAMA IQBAL ROAD, LAHORE	CHAUDHARY ZAHID ISLAM	35202-1517479-9	CHAUDHARY ABDUL RASHEED	426	480	27	946	213	493	27	733
67	MUHAMMAD SALEEM JIWANI AREEBA APPARTMENT, FLAT # 101, FIRST FLOOR, PLOT # 1-2, BLOCK 3-F, NAZIMABAD # 3, KARACHI	MUHAMMAD SALEEM JIWANI	42101-4629428-5	MOHAMMAD HAROON JIWANI	631	674	47	1,355	284	674	47	1,005
68	IMAD AZHAR HUSSAIN HOUSE # B-54, BLOCK-2, GULISTAN-E-JOHAR, KARACHI	IMAD AZHAR HUSSAIN	42101-1857514-3	SYED AZHAR HUSSAIN	280	520	74	874	138	520	74	732
69	ZULFIQAR HOUSE # 3305/8 A, NEAR JAMIA MASJID, MUHAMMADI ISMAIL WALI FAREEDABAD, PURANI GANNA MANDI, MULTAN	ZULFIQAR	36302-0658885-7	KHUSHI MUHAMMAD	687	584	68	1,319	237	584	68	889
70	KAMRAN SIDDIQUE HOUSE # 28, WAHID STREET, MAIN AZIZ BIN ROAD, SANDA KALAN, LAHORE	KAMRAN SIDDIQUE	35202-8351440-5	RIASAT HUSSAIN	369	443	32	844	69	443	32	544
71	MUHAMMAD ARSHAD NADEEM HOUSE # 157, AL HAMD GARDENS, EAST 2 NEAR SAGIAN PULL, SHAHDARA, LAHORE	MUHAMMAD ARSHAD NADEEM	36103-1588886-1	MUHAMMAD SADIQ	1,008	679	231	1,918	493	679	231	1,393
72	NEK MUHAMMAD GOTH ELAHI BUKSH, LASHARI DAKHANA KUND KOTH, DISTRICT KUND KOTH, JACOBABAD	NEK MUHAMMAD	43103-5023997-5	MUHAMMAD SULEMAN	333	337	38	708	163	337	38	538

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2014

(Rupees '000')

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73	ABDUL HAKEEM SADHRAICH HOUSE # 752, STREET # 7, UMER FAROOQ COLONY CHOKE CHAUDRIAN, RAWALPINDI	ABDUL HAKEEM SADHRAICH	61101-1981771-1	MIAN NIZAM UDDIN SADHRAICH	398	64	438	900	168	84	438	690
74	MUHAMMAD SOHAIL SALEEM HOUSE # 776, NASIR STREET, MAQBOOL ROAD, ICHRA, LAHORE	MUHAMMAD SOHAIL SALEEM	35202-2608580-7	MAL K MUHAMMAD SALEEM	428	357	12	797	200	357	12	569
75	MUHAMMAD ZAHID HASSAN QURESHI HOUSE # 145, STREET # 10, SABZAZAR COLONY, MULTAN	MUHAMMAD ZAHID HASSAN QURESHI	36102-5747400-1	MOHAMMD ZAHOOR UL HASSAN QURESHI	481	372	52	905	201	372	52	625
76	KAMRAN HUSSAIN KHAN HOUSE # KMC-704, D-1018 GAL: 38, SECTOR D2, HIJRAT COLONY, AHMED RAZA COLONY, KARACHI	KAMRAN HUSSAIN KHAN	42301-0640551-3	HUSSAIN KHAN	387	514	57	958	193	514	57	764
77	MUHAMMAD TAHIR BUTT HOUSE # 449, BLOCK-C, SHAD BAGH, LAHORE	MUHAMMAD TAHIR BUTT	35202-1268377-3	MUHAMMAD AHMAD BUTT	185	37	401	623	89	37	401	527
78	MUHAMMAD IMRAN HOUSE # A-119, SECTOR 11-A, NORTH KARACHI, KARACHI	MUHAMMAD IMRAN	35302-1875428-3	TAJ UDDIN	660	505	84	1,249	310	505	84	899
79	ZAHID BASEER 16 A, NEW SAMANABAD, MEHMOOD BOAD, LAHORE	ZAHID BASEER	31304-9004092-7	ABDUL BASEER	268	357	18	643	134	357	18	509
80	SHAHID WASEEM ARAION WALA TUBE WELL, BASTI ABBAS NAGAR, IN FRONT OF A.T TOWN, KHANEWAL	SHAHID WASEEM	38103-7715530-7	NASIM AKHTAR	318	292	62	672	156	292	62	510
81	WAQAS ALI KHAN HOUSE # 588, RANS TALAB, SAGAR ROAD CANTT, LAHORE	WAQAS ALI KHAN	35201-3763346-1	GHULAM MUSTAFA KHAN	609	275	62	946	229	275	62	566
82	MUHAMMAD FAISAL NADEEM GHUMAN PLOT # 138, STREET # 5-6, FATEH ABAD SHAROI, FAISALABAD	MUHAMMAD FAISAL NADEEM GHUMAN	33100-4153435-5	MUHAMMD BASHIR GHUMAN	418	257	56	731	208	257	56	521
83	AMIR AZIZ MUSTAFA TERRACE, FLAT # 201-202 MAIN BAHADURABAD CHOWRANGI, KARACHI	AMIR AZIZ	42201-1560426-5	ABDUL AZIZ	1,058	486	158	1,702	456	486	158	1,100
84	MUHAMMAD FARAZ PLOT# 236, STREET # 7, CHAK # 279, ABC CINEMA ROAD, FAISALABAD	MUHAMMAD FARAZ	33100-6847604-9	MUHAMMAD NAWAZ	696	523	55	1,273	278	523	55	856
85	MUHAMMAD SHAKEEL FLAT 671-72/3, 2ND FLOOR, AL MADINA BUILDING, HUSSAINABAD, F.B. AREA, SULBERG TOWN, KARACHI	MUHAMMAD SHAKEEL	42101-0481083-7	MUHAMMAD SIDDIQUE	490	503	44	1,037	240	503	44	787
86	MUHAMMAD NADEEM HANIF HOUSE # 7, STREET # 9, MOHALLAH QURESHI JANAZGAH MOZANG, LAHORE	MUHAMMAD NADEEM HANIF	35202-9069511-5	SHEIKH MUHAMMAD HANIF	890	713	115	1,718	500	713	115	1,328
87	TARIQ MEHMOOD HOUSE # 6, STREET# 157-S, MOHALLAH MAQBOOL ROAD, CHOWK BABA AZAM, ICHRA, LAHORE	TARIQ MEHMOOD	35202-2744531-5	MUHAMMAD SADIQ	651	289	175	1,115	311	289	175	775
88	MUHAMMAD UMAIR FLAT # A-22, 4TH FLOOR, PARFKH CENTRE, AMBER KHURRO ROAD, DHORAJEE, KARACHI.	MUHAMMAD UMAIR	42201-9954966-3	LIAQAT	294	59	469	822	129	59	469	657
89	AGHA ANWAR ALI HOUSE # 33-P, D.H.A, LAHORE	AGHA ANWAR ALI	35202-0767269-9	AGHA IFTIKHAR ALI	422	236	46	704	242	236	46	524
90	CHAUDHRY UMER RIASAT HOUSE 64 A, BLOCK A, S.M.C.H.S, KARACHI.	CHAUDHRY UMER RIASAT	42201-0597206-1	CHAUDHRY RIASAT ALI	488	503	44	1,035	188	503	44	735
91	FAZAL QASIM HOUSE # 1018, STREET G-1, AGRA TAJ COLONY BIHAR COLONY, KARACHI	FAZAL QASIM	42301-0422910-9	SAMI ULLAH	551	363	61	975	236	363	61	660

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2014

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92	ABDUL BASIT FLAT # A-2, PLOT # 519, GROUND FLOOR, SHERATON GARDEN, FR.OH D'SOUZA ROAD, GARDEN EAST, KARACHI	ABDUL BASIT	42201-0680607-3	ABDUL AZIZ	326	321	43	690	161	321	43	525
93	RAEES AHMED HOUSE # 534, BLOCK H, ALLAMA IQBAL COLONY, NEAR GOLD KARYANA STORE, FAISALABAD.	RAEES AHMED	33100-7393131-5	NUNEH KHAN	334	445	55	834	166	445	55	666
94	JUNAID SAMI B-29, STREET # 7, ASKARI-IV, MAIN RASHID MINHAS ROAD, KARACHI.	JUNAID SAMI	42101-0775549-7	SAMI UL REHMAN	295	380	12	687	136	380	12	527
95	FAYYAZ AHMED E-111, PEER COLONY, WALTON ROAD, LAHORE	FAYYAZ AHMED	35201-8883178-5	HAJI MUHAMMAD ISHAQ	269	376	5	650	132	376	5	513
96	NAZEER AHMED KHAWAJA NAZEER, KHAWAJA HOUSE COLONY, MULTAN	NAZEER AHMED	36302-3357980-9	GHULAM ALI	833	371	116	1,320	406	371	116	893
97	TARIQ BASHIR BALOCH HOUSE # 1649/102-D, STREET # 4, MOHALLA ARIF PURA OPPOSITE PAKGATE, MULTAN	TARIQ BASHIR BALOCH	36302-3028037-1	BASHIR AHMAD KHAN	385	173	158	716	185	173	158	516
98	KHAWAJA MUHAMMAD IJAZ HOUSE # 142, KHAN VILLAGE, ROSAN ROAD, MULTAN	KHAWAJA MUHAMMAD IJAZ	36302-2881212-1	KHAWAJA SHER MUHAMMAD	266	382	22	670	132	382	22	536
99	RAJA ABDUL SATTAR HOUSE # 15, STREET # 64, GULBERG TOWN, GARI SHAHU, LAHORE	RAJA ABDUL SATTAR	35202-2339084-1	RAJA ABDUL KARIM	1,074	798	1,474	3,346	399	798	1,474	2,671
100	MUHAMMAD USMAN FLAT # B-101, 1ST FLOOR, NASHEMAN ARCADE PLOT # 714/4, JAMSHED ROAD # 3, KARACHI.	MUHAMMAD USMAN	42301-6802683-5	MUHAMMAD HASHIM	638	651	77	1,366	318	651	77	1,046
101	MUHAMMAD RIAZ HOUSE # 43, STREET # 4, MOHALLA ISLAMABAD SINGHPURA, LAHORE	MUHAMMAD RIAZ	35201-5483669-7	GHULAM MUHAMMAD	478	256	23	757	239	256	23	512
102	MUHAMMAD IRFAN HOUSE # 2362/11, MIR PUR KHAS ROAD, PHULELI HYDERABAD	MUHAMMAD IRFAN	41303-8147412-7	MUHAMMAD HANIF	737	320	260	1,317	295	320	260	875
103	ARSHAD HANIF HOUSE # 199-S, 18B GHOUSIA STREET, DEPUTY YAQOOB COLONY, BAGHBANPURA, LAHORE	ARSHAD HANIF	35202-1460216-3	MOHAMMAD HANIF	459	303	73	835	243	303	73	619
104	MUHAMMAD RIZWAN HOUSE # 1396, SECTOR 32-E, KORANGI # 01, KARACHI	MUHAMMAD RIZWAN	42201-0486216-7	MUHAMMAD IQBAL	446	376	61	883	215	376	61	653
105	MUHAMMAD ASHRAF ASHRAF HOME STREET # 1, NEAR ABDUL GHAFOOR KIRYANA & SHAH SALEEM DARBAR HANJARWAL, NEAR QAHARA CHOWK LINK MANSOORA, MAIN BAZAR MULTAN ROAD, LAHORE	MUHAMMAD ASHRAF	35202-1940340-5	JAN MUHAMMAD	483	568	50	1,101	233	568	60	856
106	MALIK MUHAMMAD IQBAL HOUSE # 756, STREET # 12, CHAKLALA SCHEME-III, RAWALPINDI	MALIK MUHAMMAD IQBAL	37405-0608641-9	MALIK REHMAT DIN	326	291	30	750	179	391	30	600
107	ANJUM KHALID BLOCK U, STREET # 15, NEW MULTAN PERAN, GHAYAB ROAD, HOUSE # 6, MULTAN	ANJUM KHALID	36302-8165559-7	KHALID SALEEM	349	161	237	767	146	181	237	567
108	MUHAMMAD AZEEM HOUSE # 25, STREET # 34, JAMIA STREET FLEMING ROAD, NEAR LAHORE HOTEL, LAHORE	MUHAMMAD AZEEM	35202-3064586-5	MUHAMMAD NASEEM	386	341	54	781	152	341	54	547
109	RANA SHAHID AMIN HOUSE # 3, BLOCK-B, BAHRO WAL COLONY, ABC ROAD, FAISALABAD.	RANA SHAHID AMIN	33100-1137493-1	RANA MUHAMMAD AMIN	446	286	21	752	213	286	21	520
110	ABDUL WAHEED STREET DOCTOR DALAWER WALI MOHALLA, SALAR TOWN, NEAR JAMIA FAROOQIA, SHEIKHUPURA.	ABDUL WAHEED	35104-6209085-3	ALI AKBAR	359	255	126	740	169	255	126	550

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111	SHAHBAZ ZAFAR HOUSE # 27, SADAAT STREET, BIBI PAK DAMAN, LAHORE	SHAHBAZ ZAFAR	35202-2763019-5	ZAFAR AHMED	687	832	85	1,604	343	832	85	1,260
112	JAVAID IQBAL MIRZA SCHOOL MOHALLA, NAI ABADI, MANDI BAHAUDDIN	JAVAID IQBAL MIRZA	34402-7206313-5	MIRZA ABDUL HAQ	660	515	76	1,251	210	515	76	801
113	MUHAMMAD ASAD SHAKIL HOUSE # 739, STREET # 72, G-10/4, ISLAMABAD	MUHAMMAD ASAD SHAKIL	61101-3256239-7	SHAKIL AKHTAR	412	265	45	722	157	265	45	507
114	SYED SHOUKAT ALI HOUSE # 1726/B/6, A, GUJRAT COLONY, KARACHI	SYED SHOUKAT ALI	42401-8180658-7	SYED KARAM SHAH FAQQI	468	449	52	969	218	449	52	719
115	ABDUL AZIZ HOUSE # 4/3, 1ST FLOOR, ARABABAD, S.M.C.H.S, KARACHI	ABDUL AZIZ	42301-1943624-7	ABDUL GHAN	364	436	31	831	154	436	31	621
116	MILL, CHAPRAI SHOES KIRAN MARKET, SHAH M IRAN, MISRI SHAH, LAHORE	MUHAMMAD IQBAL	35200-1509363-1	SHEIKH SIRAJUDDIN	833	347	2,440	3,620	50	347	2,440	2,837
117	ARSHAD CLOTH PRINT COLLEGE ROAD, DASKA, DISTRICT SIALKOT	MUHAMMAD ANWAR	34601-6577415-9	JAMAL DIN	1,674	495	4,021	6,190	374	495	4,021	4,890
118	MUHAMMAD ASLAM & SAMINA ASLAM 160 A, BOR SOCIETY, JOHAR TOWN, LAHORE	MOHAMMAD ASLAM	35202-3297305-1	SHULAM HAIDER	1,889	666	3,505	6,060	100	666	3,505	4,271
119	BAIG ELECTRONICS 4/5, CENTURY TOWER, GULBERG, KALMA CHOWK, LAHORE	JAVED ISHAQ	35201-9213526-3	MUHAMMAD ISHAQ	4,188	683	11,842	16,913	289	683	11,842	13,014
120	ELAHI KNITS 30-A, BLOCK-II, GULBERG III, LAHORE	EHSAN ELAHI	35202-5072781-5	FAZAL ELAHI	724	129	1,557	2,410	224	129	1,557	1,910
121	CHAUDHARY IFTIKHAR AHMAD HOUSE # 5, GREEN PARK, ITTEHAD COLONY, MULTAN ROAD, IQBAL TOWN, LAHORE	CHAUDHARY IFTIKHAR AHMAD	35202-3006522-7	CHAUDHARY MUHAMMAD RAMZAN	374	190	670	1,234	124	190	670	984
122	TOP CLASS PEST CIDES PLOT 347, MULTAN CANTT, MULTAN	MUHAMMAD SHARIF	36302-9075480-9	MUHAMMAD UMER DIN	3,010	260	-	3,270	490	260	-	750
123	SHAHEEN TRADERS PLOT # 246, STREET # 16, ISLAMPURA, FAISALABAD	MUHAMMAD FAYYAZ	33100-1183651-1	ABDUL MAJEED	5,000	5,383	-	10,383	700	5,383	-	6,083
124	AAMIR SALEEM SHEIKH 81-F, MODEL TOWN, LAHORE	AAMIR SALEEM SHEIKH	35202-9498030-5	SHEIKH SALEEM AHMED	5,861	1,641	4,214	11,716	487	1,641	4,214	6,342
125	MUHAMMAD YOUSAF BAJWA HOUSE # 6, STREET # 4, NEAR STATE LIFE HOUSING SOCIETY, SINDHU CHOWK, KAMAHA, LAHORE	MUHAMMAD YOUSAF BAJWA	35201-0148958-1	MUHAMMAD YASIN BAJWA	438	264	29	731	208	264	29	501
126	WASEEM IMRAN HOUSE # 4/280, SHAH FAISAL COLONY # 4, KARACHI	WASEEM IMRAN	42201-0583183-5	QAYOOM ALI	420	281	69	770	200	281	69	550
127	MUHAMMAD SHAHID HOUSE # K-770, KAUSAR NIAZI COLONY, BLOCK H, NORTH NAZIMABAD, KARACHI	MUHAMMAD SHAHID	42401-6486097-5	MUHAMMAD KAREEM	4,977	4,753	4,321	13,451	230	4,753	4,321	9,304
128	MUHAMMAD AMIN D-204, BLOCK # 4, METROVILLE SITE, KARACHI	MUHAMMAD AMIN	42401-7635390-5	YAQOOB SHAH KHAN	316	366	28	710	156	366	28	550
129	HUMA NADEEM HOUSE # C-382, KORANGI # 5-1/2, KARACHI	HUMA NADEEM	42201-0923529-6	MOHAMMAD NADEEM	456	313	40	811	206	313	40	559
130	ISLAM UD DIN NADEEM HOUSE # P 209, STREET # 03, MANSOORA ABAD SADAR BAZAR, FAISALABAD	ISLAM UD DIN NADEEM	33100-0745837-7	ALLAO UD DIN	727	285	272	1,284	227	285	272	784
131	MUHAMMAD IRFAN GHANI DOGAR HOUSE # 60, STREET # 34, SETHI STREET, JUBT COLONY RANJAHA ROAD, PAKI TWATHI SAMANABAD, LAHORE	MUHAMMAD IRFAN GHANI DOGAR	35202-6857015-7	ABDUL GHANI DOGAR	297	462	5	764	162	462	5	629
132	MUHAMMAD ARSHAD HOUSE # 22, STREET # 2, AKBARABAD FAISALABAD	MUHAMMAD ARSHAD	33100-3374986-1	HAJI RANJHA	532	370	143	1,045	212	370	143	725

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133	ASLAM ASHFAQ FLAT # A-53 & 54, FARAZ AVENUE, 6TH FLOOR BLOCK-20, GULISTAN-E-JOHAR, KARACHI	ASLAM ASHFAQ	42201-8909737-5	MOHAMMAD MEHBOOB	720	599	3	1,322	345	599	3	947
134	QASEEM AHMED HOUSE # P.62/4, MARTIN QUARTER, MARTIN ROAD, KARACHI.	QASEEM AHMED	42000-9558891-9	NIAZ AHMED	7,149	1,717	680	9,546	736	1,717	680	3,133
135	HABIB AHMED HOUSE # 754, SECTOR 11-E, ORANGI TOWN, KARACHI	HABIB AHMED	42401-7995565-3	RAFIQ AHMED	22	127	501	650	11	127	501	639
136	SAEED AHMED HOUSE # 116 C, QUEENS ROAD, SULTANABAD, KARACHI	SAEED AHMED	42301-4009199-9	GHULAM FARID	320	398	80	798	160	398	80	638
137	ASIF KHAN HOUSE # 315, MOHALLA QUAIDABAD, RAWALPINDI	ASIF KHAN	37405-2469277-3	MOHAMMAD ASLAM KHAN	459	433	42	934	224	433	42	699
138	SHAHID SARWAR HOUSE # 114, STREET # 3, MOHALLAH ISLAMABAD SINGPURA, LAHORE	SHAHID SARWAR	35201-4222367-3	GHULAM SARWAR	464	327	43	834	218	327	43	588
139	SHEIKH MUHAMMAD MUJASAR SHAN HOUSE # 2034, MOHALLA JATTU SHAH, HUSSAIN AGAHI, MULTAN.	SHEIKH MUHAMMAD MUJASAR SHAN	36302-7384123-5	SHEIKH EJAZ AHMED	437	264	48	749	217	264	48	529
140	MUKESH KUMAR FLAT # C-303, NAZ PLAZA, MUHAMMAD ALI JINNAH ROAD, KARACHI	MUKESH KUMAR	42301-0151175-3	KANAYOMAL	670	863	-	1,533	426	663	-	1,089
141	J.H. AND SONS HOUSE # 3-4, SECTOR 15-B, BUFFER ZONE, KARACHI	SYED MUHAMMAD HUSSAIN	42101-9595433-3	SYED ALI MULAHAR	7,239	6,049	-	13,288	838	6,049	-	6,887
142	JAWED AKHTAR R-3801, BLOCK # 13-C, GULSHAN-E-IQBAL, KARACHI	JAWED AKHTAR	42301-3465151-3	ABDUL SATTAR	1,717	1,265	258	3,240	490	1,265	258	2,013
143	MUHAMMAD ARIF HOUSE # 250, STREET # 2, MAIN BAZAR SADDIQUE COLONY, RAVI ROAD, TIMBER MARKET, LAHORE	MUHAMMAD ARIF	35202-2585511-9	CHAUDHRY AHMAD DIN	695	723	4	1,392	330	723	4	1,057
144	MUHAMMAD JUNAID FLAT # 4, 4TH FLOOR, LIAQUAT NATHAR BUILDING, AMBAJEE VALLA ROAD, RANCHOR LINE, KARACHI	MUHAMMAD JUNAID	42301-6473884-3	MUHAMMAD ABDULLAH	279	409	6	694	134	409	6	549
145	SOFIA KHURRAM 48-C, ASKARI APPARTMENT, GULBERG-III, LAHORE	SOFIA KHURRAM	35202-5308809-8	ALTAMASH KHURRAM	282	352	16	650	138	352	16	506
146	SHAKEEL AHMED HOUSE # 51, PAF NEW OFFICER COLONY, ZARAR SHAHEED ROAD, LAHORE	SHAKEEL AHMED	35201-1076067-3	ABDUL RASHID BUTT	446	489	46	981	206	489	46	741
147	AFTAB-UR-REHMAN FLAT # 15, HARDAS BUILDING BOHRA PIR CHAND BIBI ROAD, KARACHI	AFTAB-UR-REHMAN	42301-3663707-5	HABIB-UR-REHMAN	433	254	55	742	210	254	55	519
148	HAROON RASHEED MALIK HOUSE # 76-G, GROUND FLOOR, BLOCK # 2, P.E.C.H.S, KARACHI	HAROON RASHEED MALIK	42101-1613741-1	MALIK ZAHEER JIDDIN	4,673	2,673	22	7,368	490	2,673	22	3,186
149	SHER NAWAZ HOUSE # 1-P A-11, ASKARI SOCIETY, QAZAF TOWN, LANDHI, KARACHI.	SHER NAWAZ	42501-1387807-7	BOSTAN KHAN	685	670	61	1,416	340	670	61	1,071
150	MUHAMMAD HANIF HOUSE # 02, HAJI PEER WALI GALI, BARA-E IMAM NISHTER ROAD, KARACHI	MUHAMMAD HANIF	42301-0701345-3	MUHAMMAD ISMAIL	686	370	60	1,116	336	370	60	766
151	MUHAMMAD NAEEM BHUTTA MARKET, HOUSE # 1568/9, KACHERY ROAD, MULTAN.	MUHAMMAD NAEEM	36302-0553894-5	MALIK MEHBOOB AHMED	293	400	28	721	143	400	28	571

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152	ABDUL AZIZ AL-HASEEB HOUSE, KARIM PURA, JHELUM	ABDUL AZIZ	37301-7541234-5	ABDUL KHALID	629	136	210	975	233	136	210	579
153	NAFEES-UR-REHMAN FLAT # D 1, 1ST FLOOR, PLOT # 68/9/2 B, AL-YOUSUF SAHEEN GHULAM HUSSAIN QASIM ROAD, GARDEN WEST, KARACHI	NAFEES-UR-REHMAN	42301-2227463-1	ABDUL KHALID	827	566	8	1,401	327	566	8	901
154	NAVEED AKRAM HOUSE # 135, STREET # 1, REHMAT ULLAH TOWN, OKARA	NAVEED AKRAM	35302-5115589-7	MUHAMMAD AKRAM	688	524	90	1,302	337	524	90	951
155	KASHIF PERVEZ E-112/2, NEW SUPER TOWN, MAIN BOULEVARD, DEFENCE, LAHORE	KASHIF PERVEZ	35201-5113920-9	PERVAIZ AKHTAR CHOUDHRY	552	332	58	942	270	332	58	660
156	MUHAMMAD JAMSHAID AKHTAR HOUSE # BV-412, STREET # 7, MUSLIM TOWN, RAWALPINDI	MUHAMMAD JAMSHAID AKHTAR	37405-8092725-7	MUHAMMAD AHSAN KOUSAR	242	413	38	693	107	413	38	558
157	ABDUL MOIZ MAJEED BAWANI FLAT # 7, TAJ TERRACE, BLOCK 7/8, OVERSEAS COOPERATIVE HOUSING SOCIETY, DHORAJEE COLONY, KARACHI	ABDUL MOIZ MAJEED BAWANI	42101-7652439-7	ABDUL MAJEED BAWANI	362	481	6	849	192	481	6	649
158	ABDUL GHAFFAR FLAT # 4, BLOCK # 65, MINHAS CAMP, PAF BASE CHAKLALA, RAWALPINDI	ABDUL GHAFFAR	37203-7890065-7	AJMAL KHAN	295	431	8	734	145	431	8	584
159	SHEIKH MUHAMMAD ASHRAF HOUSE # 23/39, MOHALLA SULTANI, NEAR CHOK GHANTA GHAR, MULTAN	SHEIKH MUHAMMAD ASHRAF	36302-0281230-7	SHEIKH MUHAMMAD GHAFOR	984	708	-	1,692	443	708	-	1,151
160	SHAHID ASHRAF HOUSE # 169/8, ANWAR TOWN, MULTAN ROAD, LAHORE	SHAHID ASHRAF	35202-9267324-1	MUHAMMAD ASHRAF	314	384	7	705	152	384	7	544
161	CHAUDHARY SHABIR AHMED BANGREEL KHURD PO RAWAT, ISLAMABAD	CHAUDHARY SHABIR AHMED	37101-2975307-5	WADI HUSSAIN	1,478	1,351	6	2,835	368	1,391	6	1,765
162	CHAUDHARY ZUBAIR UL HAQ HOUSE # 47/8, GULSHAN-E-MAZDOOR SECTOR 10-17, KARACHI	CHAUDHARY ZUBAIR UL HAQ	42401-8008719-1	CHAUDHARY SHAKAR DIN	144	865	6	1,015	72	865	6	943
163	ZAHID ALI HOUSE # 220, STREET # 13, RACE COURSE ROAD, CANTT, RAWALPINDI	ZAHID ALI	37405-1797015-7	SABIR ALI KHAN	390	387	25	802	160	387	25	572
164	MUHAMMAD AZAM HOUSE # 1, J-40/2, 1ST FLOOR, NAZIMABAD # 1, KARACHI	MUHAMMAD AZAM	42101-1421597-1	ABDUL RAZZAQ	456	397	34	887	216	397	34	647
165	ADNAN BASHIR CHAK # 96 NB P/O, TEHSIL & DISTRICT SARGODHA	ADNAN BASHIR	38403-4341078-9	BASHIR AHMAD	313	447	9	769	113	447	9	569
166	FAISAL ZAMAN PLOT # 3642 STREET# 6, BARKAT PURA, FAISALABAD	FAISAL ZAMAN	33100-2651877-5	MUHAMMAD SHARIF	451	293	57	801	232	293	57	582
167	MUHAMMAD RIAZ MALIK CHAUDHARY QAYYUM HOUSE, AMBALA SWEETS, SANDA ROAD, LAHORE	MUHAMMAD RIAZ MALIK	35200-1557583-1	ALLAH BUKSH	999	1,766	7	2,772	499	1,766	7	2,272
168	MUHAMMAD HANIF HOUSE # 4-73, MOHALLA QURESHI BEGAM ROAD, MOZANG, LAHORE	MUHAMMAD HANIF	35202-2203566-3	MUHAMMAD MUNSHI	378	475	4	857	181	475	4	660
169	MUHAMMAD USMAN HAIDER AREA # 5 P-831, STREET # 5, MOHAMMAD ISLAM NAGAR, NEAR KALEEM KARYANA STORE, FAISALABAD	MUHAMMAD USMAN HAIDER	33100-6962940-1	MUHAMMAD RAMZAN	387	274	58	719	187	274	58	519
170	KHWAJA JAMEEL AHMED HOUSE # 109, G.T ROAD, DINA, PUNJAB	KHWAJA JAMEEL AHMED	37301-2898887-1	KHAWAJA ABDUL MAJEED	311	362	5	678	151	362	5	518
171	ADDAGE ADVERTISERS PLOT # 34, SARDAR HOUSE, ALVI ROAD, AL NAJAF COLONY, FAISALABAD	MUSHTAQ AHMAD CHAUDHARY	33100-3720752-5	WALI MUHAMMAD	2,916	369	5,903	9,188	616	369	5,903	6,888

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172	WAQAR YOUSUF VILLAGE BURG WALA., NEAR HOUSING COLONY, SHEIKHUPURA	WAQAR YOUSUF	35404-9313467-1	MUHAMMAD YOUSUF	220	54	801	1,075	53	54	801	908
173	TAHIR SIDDIQUI 322-A, PEOPLES COLONY # 1, FAISALABAD.	TAHIR SIDDIQUI	33100-3664668-9	MUHAMMAD SIDDIQUI	1,589	750	1,880	4,219		750	1,880	2,630
174	MUHAMMAD ALEEM KHAN MAIN BAZAR, HOUSE # D-220, STREET # 5, MAHMOODABAD, FAISALABAD.	MUHAMMAD ALEEM KHAN	33100-9718803-5	AMEER KHAN	903	558	1,701	3,162		558	1,701	2,259
175	SYED SAJID ALI STREET # 02, KHAN MODEL COLONY JARANWALA ROAD, FAISALABAD.	SYED SAJID ALI	33100-8262391-9	SYED REHMAT ALI SHAH	906	619	2,957	4,482	-	619	2,957	3,576
176	FAHAD BALOCH APPARTMENT # C-305, 3RD FLOOR, CHAPPAL OCEAN CENTRE, BLOCK-4, CLIFTON, KARACHI	FAHAD BALOCH	41202-7306501-9	RASOOL BUX	1,805	986	2,901	5,692	-	986	2,901	3,887
177	STAR IRON TRADE CENTRE / NOOR MUSTAFA SHAIKH HOUSE # M-90 & M-91, BLOCK # 19, GULISTAN E JAUHAR, KARACHI	NOOR MUSTAFA SHAIKH	42201-5913028-1	ALI SHER	2,023	682	5,084	7,789	-	682	5,084	5,766
178	SAHA ENTERPRISES (PVT) LIMITED 4TH FLOOR, SHAN ARCADE, NEW GARDEN TOWN, LAHORE	MUHAMMAD ATTIQUE	35200-8029997-9	MUHAMMAD KHALIL	3,748	922	9,967	14,637	-	922	9,967	10,889
179	UMAIRA MUBARIK E 106/A, MAIN BOULEVARD, NEW SUPER TOWN, DHA, LAHORE	UMAIRA MUBARIK	35201-7193036-0	MUBARIK AHMED	2,468	727	4,445	7,640	-	727	4,445	5,172
180	BASHIR HAYDER BUTT 102 JUNIOR CAMPUS, ATCHISON SCHOOL MALL ROAD, LAHORE	BASHIR HAYDER BUTT	35202-2509777-3	ZAHOOR AHMAD BUTT	1,915	679	1,404	3,998	-	679	1,404	2,083
181	COL. (R) MUHAMMAD KHALID AL AKRAM ALIZAI STREET, D I KHAN	COL. (R) MUHAMMAD KHALID	35201-1640909-5	MUHAMMAD AKRAM KHAN	3,022	1,570	7,144	11,736	-	1,570	7,144	8,714
182	NIGHAT JAVED HOUSE # 115, PEOPLES COLONY # 1, BLOCK C, FAISALABAD	NIGHAT JAVED	33100-5339906-0	SHAIKH JAVED UL HASSAN	2,797	1,163	3,035	6,995	-	1,163	3,035	4,198
183	ASMAR UL EHSAN & FARAH YAQUB 100 RIWAZ GARDENS, LAHORE POST OFFICE, LAHORE.	ASMAR-UL-EHSAN & FARAH YAQUB	35202-2832575-5	MUHAMMAD SIDDIQUE	2,223	957	1,371	4,551	-	957	1,371	2,328
184	SHUMAILA SHAKEEL HOUSE # 6, STREET # 57, SANNAT NAGAR, LAHORE	SHUMAILA SHAKEEL	35202-5937978-4	MUHAMMAD SHAKEEL	1,696	820	2,671	5,387	-	820	2,671	3,491
185	MUHAMMAD YOUNAS STREET # 11, NORTH MOHALLA GHANG ROAD, SHEIKHUPURA	MUHAMMAD YOUNAS	35404-3958187-6	UMER DIN	1,746	782	1,963	4,493	-	782	1,963	2,745
186	MUHAMMAD HUSSAIN RAHIM PUR KHICHIAN, SAID PUR ROAD, NEAR CHANNAR HOSPITAL, SIALKOT	MUHAMMAD HUSSAIN	34603-2163137-9	CHAUDHARY FAZAL DIN	1,398	661	1,968	4,227	-	661	1,968	2,629
187	SYED KASHIF AL BUKHARI R-730, 15-A-1, BUFFER ZONE, KARACHI.	SYED KASHIF AL BUKHARI	42101-1369328-9	SYED YASIN ALI	746	1,263	279	2,288	-	1,263	279	1,542
188	MOHAMMAD NADEEM HOUSE # 1889, SECTOR 1' E MUSLIM TOWN, NORTH KARACHI, KARACHI	MOHAMMAD NADEEM	42201-0695669-5	MUHAMMAD YAMEEN KHAN	570	538	555	1,663	-	538	555	1,093
189	SYED MUHAMMAD FAISAL GHORI HOUSE # A-148, STREET # 10, BLOCK-I NORTH NAZIMABAD, KARACHI	SYED MUHAMMAD FAISAL GHORI	42101-2710123-9	SYED MUHAMMAD ALI GHORI	325	4,135	4,225	9,285	-	4,135	4,225	8,360
190	TAHIR NAVEED 5/10, SADIQ LINK ROAD, JEHLUM.	TAHIR NAVEED	61101-9142539-7	GULZAR MUHAMMAD	3,550	2,679	341	6,570	-	2,679	341	3,020

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191	WAQAS AHMED FLAT # 08, GALI # 3, BLOCK E-A, SECTOR I-8/1, ISLAMABAD.	WAQAS AHMED	61101-3859882-1	ZAHOOR AHMED	2,570	796	83	3,452		799	83	882
192	MUHKHTAR HUSSAIN HOUSE # 84, UMAR BLOCK, MERAJ PARK BEGUM KOT, SHAHDARA.	MUHKHTAR HUSSAIN	35202-9079849-9	SOBA KHAN	4,174	3,893	1,016	9,083		3,893	1,016	4,909
193	MUHAMMAD ASLAM HOUSE # 5, STREET # 5 MOHALLA AFTAB, NEAR SHEHZAN FACTORY, LAHORE.	MUHAMMAD ASLAM	35202-3490311-1	CHAUDHARY MUHAMMAD ASHRAF	1,198	856	5	2,059		856	5	861
194	TUFAIL AHMED HOUSE # III-F 15/3, NAZIMABAD # 3, KARACHI	TUFAIL AHMED	42101-5650619-9	WALI MUHAMMAD	741	513	637	1,891	-	513	637	1,150
195	ZULFIQAR AHMED HOUSE # 345, MOHALLA SHAHI MASJID, TEHSIL SARAI E-ALAMGIR, DISTRICT GUJRAT.	ZULFIQAR AHMED	34203-0843215-1	ZAHOOR KHAN	1,456	1,118	20	2,594	-	1,118	20	1,138
196	MUHAMMAD ASGHAR HOUSE # MC 624, GREEN TOWN, KARACHI	MUHAMMAD ASGHAR	42201-0419514-3	MUHAMMAD SHAFI	700	735	1,033	2,567	-	735	1,033	1,768
197	MUHAMMAD IRFAN ABBASI HOUSE # D-1, 3A, NOORANI MASJID LIAQUAT MARKET, MALIR COLONY, KARACHI	MUHAMMAD IRFAN ABBASI	42201-5089152-9	ABDUL AZIZ	434	581	609	1,624	-	581	609	1,190
198	MUHAMMAD ISHTIAQ HOUSE # 372, PLOT # 465, GALI # 23, BLOCK M, PAKISTAN BAZAR, STREET # 4, SECTOR-11 1/2 USMAN GANI SAFAIT CHOWK, ORANGI TOWN, KARACHI.	MUHAMMAD ISHTIAQ	42401-1641745-1	MUHAMMAD ISHAQ	820	635	665	2,120	-	635	665	1,300
199	MUHAMMAD ARSHAD HOUSE # 1092-A, KESC # 82, STREET # 1, DATA NAGAR SECTOR 3/A, ORANGI TOWN, KARACHI.	MUHAMMAD ARSHAD	42401-3195705-2	MUHAMMAD IRSHAD	636	769	16	1,421	-	769	16	785
200	ARSHAD HUSSAIN FLAT # A-6, BLOCK-3, SUNNY VIEW APPARTMENT, NORTH NAZIMABAD, KARACHI.	ARSHAD HUSSAIN	42101-1618982-3	ABID HUSSAIN	1,935	1,239	1,556	4,730	-	1,239	1,556	2,795
201	ABDUL QADIR HOUSE # 710, BLOCK-5, UMER PCO WALI GALI, LIAQUATABAD, KARACHI.	ABDUL QADIR	42101-6687800-5	MUHAMMAD IZHAR	478	621	847	1,746	-	621	647	1,268
202	SHEIKH TAHIR MEHMOOD NEW SABZI MANDI, GHOMAN TOWN, BEHIND AL-SYED TYRE, SHEIKHPURA.	SHEIKH TAHIR MEHMOOD	35404-1640790-7	SHEIKH ABDUL SHAKOOR	3,026	1,089	1,998	6,113	-	1,089	1,998	3,087
203	EJAZ HUSSAIN BILAL CHOWK, STREET # 2, AKBER COLONY, OLD SHUJAABAD ROAD, MULTAN.	EJAZ HUSSAIN	36302-8067339-5	MUHAMMAD HUSSAIN	787	812	411	2,010	-	812	411	1,223
204	MUHAMMAD ASIF SHARIF HOUSE # 3609/A, SADHU SAM ROAD, OPPOSITE RAILWAY TOWER, MULTAN.	MUHAMMAD ASIF SHARIF	36101-0250457-7	MUHAMMAD SHARIF AKHTER	629	928	-	1,557	-	928	-	928
205	MUHAMMAD IRFAN HOUSE # 4, PLOT 5/12, DAWOODI COMPOUND, GHULAM HUSSAIN QASIM ROAD, GARDEN WEST, KARACHI.	MUHAMMAD IRFAN	42301-2523904-7	SAMIULLAH KHAN	1,092	633	1,056	2,781	-	633	1,056	1,689
206	MUHAMMAD SHAMIM FLAT # C-12, 3RD FLOOR, A-ONE COMPLEX, PHASE # 2, MAIN ABUL HASSAN ISPHANI ROAD GULSHAN- E-IQBAL, KARACHI	MUHAMMAD SHAMIM	42501-4958430-3	MUHAMMAD KABEER	272	521	594	1,387	-	521	594	1,115

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207	ZIA MEHMOOD FLAT # A-142, 3RD FLOOR, BLOCK-16, SAGHIR CENTRE, F.B. AREA, KARACHI.	ZIA MEHMOOD	42501-0821458-9	GHULAM MUSTAFA	901	985	901	2,787	-	985	901	1,886
208	NABEEL SHOES SHOP # 4, ABDUL GHAFOOR ARCADE, MIR KARAN TALPUR ROAD, KARACHI.	MOHAMMAD EJAZ	42301-1365052-1	DOST MOHAMMAD	610	696	-	1,306	-	696	-	696
209	WAHEED MARBLE B-274, BLOCK-17, NEAR SAFARI PARK, UNIVERSITY ROAD, GULSHAN-E-IQBAL, KARACHI.	ABDUL WAHID	42000-0372642-9	ABDUL GAHFOOR	1,230	980	-	2,210	-	980	-	980
210	SYED WASI ULLAH KHURRAM SHOP # B-11, BAB-E-GHAZI, PHASE-1, ANARKALI COMPLEX, NAGAN CHOWRANGI, KARACHI.	SYED WASI ULLAH KHURRAM	42101-8108781-5	SYED REHMAT ULLAH	4,998	2,933	-	7,931	-	2,933	-	2,933
211	MUHAMMAD RAFIQ JAN HOUSE # B-52, BLOCK-6, GULSHAN E IQBAL, KARACHI.	MUHAMMAD RAFIQ JAN	42201-0620219-1	MUHAMMAD RAMZAN ARAIN	4,138	2,193	-	6,331	-	2,193	-	2,193
212	M. R. TRADERS FLORIDA HOMES, FLAT # TF 7, 11TH FLOOR, STREET No. 33, PHASE-V EXT., DHA KARACHI.	MUHAMMAD RAFIQUE	42301-2373386-7	MUHAMMAD IBRAHEEM	1,008	1,905	-	2,913	-	1,905	-	1,905
213	UNITED CARPET INDUSTRIES HOUSE # 21-B, 3RD GIZRI, PHASE V, DHA, KARACHI	MOHIUDDIN ANSARI	42301-0694507-9	SHAMSUDDIN AHMED	3,200	3,565	-	6,765	-	3,565	-	3,565
214	FAIZ-E-ALAM TRADERS 3-A, COPPER ROAD, LAHORE.	SHEIKH FAYYAZ HAIDER	35201-6210678-3	SHEIKH GHULAM HAIDER	1,899	1,781	-	3,680	-	1,781	-	1,781
215	KHALID ENTERPRISES SHOP # 6, NEW CHINA MARKET COLLEGE ROAD, RAWALPINDI	KHALID MEHMOOD	33100-9116995-1	MUHAMMAD ISMAIL	7,574	6,096	-	13,670	-	6,096	-	6,096
216	NEW SIALKOT SPORTS SUPER MARKET CHOWK, RAMKALI SIALKOT.	MUHAMMAD ILYAS	34603-4086676-9	CHAUDHARY MUHAMMAD JAHANGIR	1,400	1,244	-	2,644	-	1,244	-	1,244
217	A. H ENGINEERING & COMPANY HOUSE # 1, STREET # 2, MAIN BAZAR MEHMOODABAD, CHUNGI AMAR SIDHU, LAHORE.	MUHAMMAD SHAHBAZ	35201-7916885-3	SULTAN AHMAD MEHAR	625	617	-	1,242	-	617	-	617
218	SERVICE & EFF INTERNATIONAL COMPANY SAHABZADA ABDUL QAYYUM ROAD, UNIVERSITY TOWN, HOUSE # B-III, 43 PESHAWAR	MUHAMMAD NAIM	17301-8248808-3	MUHAMMAD HUSSAIN	1,947	1,230	-	3,177	-	1,230	-	1,230
219	MUHAMMAD ASHFAQ HOUSE # 557, STREET # 29, MOHALLA KHURRAM COLONY, MUSLIM TOWN, RAWALPINDI	MUHAMMAD ASHFAQ	37405-0470996-3	FEROOZ DEEN	543	559	-	1,102	-	559	-	559
220	H H ASSOCIATES 541-J-C, JAHANZAIB BLOCK ALLAMA IQBAL TOWN, LAHORE	ZAFAR IQBAL	35202-3006423-5	MUHAMMAD IBRAHIM	1,454	1,038	-	2,492	-	1,038	-	1,038
221	KHAN SPALL & COMPANY NEAR POST OFFICE S. E. DEFENSE ROAD, SIALKOT.	IFTIKHAR HUSSAIN	27658-6253484-1	MUHAMMAD HUSSAIN	7,100	4,172	-	11,272	-	4,172	-	4,172
222	SIKARF INTERNATIONAL SIDDIQ ESTATE, SULEMAN CHOWK, KASHMIR ROAD, SIALKOT.	FARRUKH SIDDIQUI	34603-3242984-5	CHAUDHARY SIDDIQ AHMED	7,207	1,491	-	8,698	-	1,491	-	1,491

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2014

(Rupees '000')

S.No.	Name & Address of borrower	Name of Individuals / partners / directors		Father's / Husband's Name	Outstanding Liabilities Before Adjustments				Principal written-off	Interest/ Mark-up written-off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Mark-up	Others	Total				
223	UNITED SYSTEM CORPORATION DAMETTEE CHOWK UNDER PASS, BESIDE SHAH TALL AN GRAVE YARD, RAWALPINDI.	CHAUDHARY MAJEED	37405-9697168-9	MUHAMMAD SIDDIQUE	4,854	4,470	-	9,324	-	4,470	-	4,470
224	IDEAL CONSULTANTS CLINIC HOUSE # 14-E, STREET # 2, FATEH GARH, MUGHALPURA, LAHORE	ABDUL MAJEED	35201-1624541-9	FARZAND ALI	300	532	-	832	-	532	-	532
225	MUHAMMAD HANIF & COMPANY HOUSE # 24, BLOCK-W, SCHEME # 2, FAREED TOWN, SAHIWAL	MUHAMMAD HANIF	36502-4468773-7	CHAUDHARY ABDUL LATIF	1,997	1,780	-	3,777	-	1,780	-	1,780
226	HUSNAIN TRADERS HUSNAIN TRADERS, G.T. ROAD, NEAR NEW SABZI MANDI, KAMOKI	RANA ABDUL JABBAR KHAN	34102-8722914-1	RANA MUHAMMAD IQBAL KHAN	1,998	682	-	2,680	-	682	-	682
227	MUHAMMAD JAVAID HOUSE # 46-B-2, PUNJAB GOVT. HOUSING SOCIETY, LAHORE.	MUHAMMAD JAVAID	35202-4030730-3	ZAHOOR ELAHI	1,688	707	442	2,837	-	707	442	1,149
228	EHSAN TRADERS 276-A, PHASE II, CANTT. GUJRANWALA	EHSAN-UL-HAMEED	34101-1678861-5	ABDUL HAMEED	1,997	1,661	-	3,658	-	1,661	-	1,661
229	NEW SPRING CHICKS CHAUDARY HURANWALA NEW SPRING FROTEIN FARM, DIPALPUR, OKARA.	RAO GHULAM KHALIQ	35302-1968758-1	RAO SHAMIM	9,000	6,983	-	15,983	-	6,983	-	6,983
230	R.A. INTERNATIONAL 381-A, GULISTAN COLONY # 2, FAISALABAD.	MUHAMMAD DANISH RASHID	33100-0613021-3	MUHAMMAD RASHID	1,000	799	-	1,799	-	799	-	799
231	MOAZZAM FAROOQ & BROTHER DC ROAD STREET # 5, LALAZAR COLONY GUJRANWALA	HAFIZ MOAZZAM FAROOQ	34101-0981106-9	FAROOQ AHMAD	700	708	-	1,408	-	708	-	708
232	WAQAR RICE TRADERS PURANI SABZI MANDI G.T ROAD FAISAL TOWN, KAMOKI.	EBAD ULLAH	34102-1616050-7	MUHAMMAD BASHIR	1,499	1,137	-	2,636	-	1,137	-	1,137
233	CHAUDHARY GOODS TRANSPORT G.T ROAD, LALAMUSA	ABDUL GHAFOOR	34202-8592569-3	AKBAR ALI	983	623	-	1,606	-	623	-	623
234	RAJPUT KARYANA STORE HOUSE # 186, JOHAR PARK, STREET RANA WAZIR ALI, SHEIKHUPURA	MUHAMMAD ASHRAF	35404-5140499-3	RANA ABDUL AZIZ KHAN	472	722	-	1,194	-	722	-	722
235	MUSHTAQ AHMED BAJWA GRAIN MERCHANT, BERANI ROAD, NEAR NATIONAL ENGINEERING, TANDO ADAM	MUSHTAQ AHMED	44206-2873983-3	MUHAMMAD ILYAS	9,797	2,455	-	12,252	-	2,455	-	2,455
236	TIMBER WORLD S-17, ZULEKHAN BUILDING, KUCHI MEMON SOCIETY, BAHADURABAD, KARACHI	ZOHAIB GHAFOOR	42201-3324891-1	ABDUL GHAFOOR	525	1,393	-	1,918	-	1,393	-	1,393
237	COTTON TREND PRIVATE LIMITED HOUSE # B-152, BLOCK-L, NORTH NAZIMABAD, KARACHI.	SYED SALMAN HASAN	42101-9517911-9	SYED SAHIBAHAZ HASAN	2,970	3,006	-	5,976	-	3,006	-	3,006
238	NEW CHOUDHARY COMPANY 11-A, CLUB ROAD, RAHIM YAR KHAN	RANA TALLAT MEHMOOD	31303-1665640-7	RANA SHAUKAT MEHMOOD	15,398	9,871	-	25,269	-	9,871	-	9,871
239	MUHAMMAD ABDULLAH HOUSE # 99/1 KHAYABAN-E-RAHAT PHASE-VII STREET # 13, DHA, NEAR RAHAT PARK, KARACHI	MUHAMMAD ABDULLAH	42201-6915230-9	MUHAMMAD AKBAR	15,100	8,536	-	23,636	-	8,536	-	8,536
					2,072,924	804,701	120,866	2,998,491	497,774	779,783	120,866	1,398,423

FINANCIAL AND MANAGEMENT SERVICES (PRIVATE) LIMITED

The Bank has not consolidated the financial statements of Financial & Management Services (Private) Limited ("FMSL") - Subsidiary, as the investment is fully provided for. The Bank has also received relaxation from Securities and Exchange Commission of Pakistan (SECP) of the requirements of Section 237 of the Companies Ordinance, 1984 through SECP letter EMD/233/654/2002-630-631 dated December 01, 2014.

As per the requirements of the SECP, enclosed herein are the financial highlights of FMSL for the year ended December 31, 2013 and the Auditors' opinion.

Annual financial statements of FMSL would be available for inspection at Registered Office of the Bank and would also be available to the members on request, without any cost.

Auditors' Report to the Members

We have audited the annexed balance sheet of Financial and Management Services (Private) Limited ("the Company") as at 31 December 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of 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 auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

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

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

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

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and 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 Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to note 1.2 to the financial statements which states that the Board of directors of the Company in their meeting dated 25 March 2009 had decided to place the Company on a dormant status and future regulatory expenses of the Company will be borne by the Holding Company. Our opinion is not qualified in respect of this matter.

Date: 02 April 2014
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

Financial and Management Services (Private) Limited
Balance Sheet
As at December 31, 2013

	2013	2012
	(Rupees '000')	
CURRENT ASSET		
Advance tax	–	57
TOTAL ASSET	–	57
SHARE CAPITAL		
Authorized share capital		
300,000 ordinary shares of Rs. 100 each	30,000	30,000
Issued, subscribed and paid-up capital	9,265	9,265
Accumulated loss	(9,265)	(9,208)
	–	57
TOTAL EQUITY	–	57

Contingencies and commitments

Hakim Ali Laghari
Chief Executive

Yameen Kerai
Director

Financial and Management Services (Private) Limited
Profit and Loss Account
For the year ended December 31, 2013

	2013	2012
	(Rupees '000')	
Expenses	(57)	-
Loss for the year	(57)	-

Hakim Ali Laghari
Chief Executive

Yameen Kerai
Director

Pattern of Shareholding as at December 31, 2014

Number of Shareholders	Shareholdings		Shares held	Percentage
	From	To		
1,456	1	100	55,329	0.0005
3,091	101	500	1,070,897	0.0104
3,232	501	1,000	2,790,688	0.0271
9,013	1,001	5,000	26,249,829	0.2548
2,512	5,001	10,000	19,713,046	0.1913
3,461	10,001	50,000	85,000,550	0.8250
806	50,001	100,000	61,170,207	0.5937
483	100,001	200,000	68,811,332	0.6679
165	200,001	300,000	41,440,612	0.4022
98	300,001	400,000	35,007,383	0.3398
71	400,001	500,000	33,529,688	0.3254
31	500,001	600,000	17,051,359	0.1655
26	600,001	700,000	16,911,811	0.1641
19	700,001	800,000	14,498,559	0.1407
15	800,001	900,000	12,817,427	0.1244
27	900,001	1,000,000	26,413,583	0.2564
58	1,000,001	2,000,000	81,907,159	0.7950
25	2,000,001	3,000,000	60,385,847	0.5861
10	3,000,001	4,000,000	35,824,298	0.3477
2	4,000,001	5,000,000	9,151,532	0.0888
17	5,000,001	10,000,000	117,552,920	1.1410
3	10,000,001	15,000,000	38,862,190	0.3772
1	15,000,001	20,000,000	16,083,935	0.1561
1	20,000,001	25,000,000	24,578,800	0.2386
3	25,000,001	30,000,000	85,420,050	0.8291
2	30,000,001	50,000,000	64,187,351	0.6230
1	50,000,001	1,000,000,000	200,636,184	1.9474
1	1,000,000,001	10,000,000,000	9,105,728,598	88.3807
24,630			**10,302,851,164**	**100.0000**

Pattern of Shareholding as at December 31, 2014

Categories of Shareholders

Category	Number of Shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children	1	27,000,000	0.2621
Associated Companies, Undertakings and Related Parties	1	9,105,728,598	88.3807
NIT, ICP & IDBP/ICP	3	4,165,048	0.0404
Banks, Development Financial Institutions, Non Banking Financial Institutions	26	31,320,881	0.3040
Insurance Companies	14	807,983	0.0078
Modarabas and Mutual Funds	15	8,126,504	0.0789
Public Sector Companies & Corporations	6	237,547,935	2.3057
Executives/Employees	18	2,430,238	0.0236
Foreign Companies	63	60,833,242	0.5905
Shareholders holding 5% or more [excluding Bugis Investments (Mauritius) Pte Limited]	–	–	–
General Public (including local & foreign individuals)	24,282	680,034,251	6.6004
Others	201	144,856,484	1.4060
Total	**24,630**	**10,302,851,164**	**100.0000**

Details of Pattern of Shareholding

S. No.	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
1	Associated Companies, Undertakings and related parties			
	Bugis Investments (Mauritius) Pte Ltd.	1	9,105,728,598	88.3807
2	NIT & ICP			
	CDC-Trustee National Investment (Unit) Trust	1	4,151,532	0.0403
	Investment Corporation of Pakistan	2	13,516	0.0001
3	Directors, CEO and their spouses and minor children			
	Badar Kazmi*	1	27,000,000	0.2621
4	Executives/Employees	18	2,430,238	0.0236
5	Public Sector Companies and Corporations	6	237,547,935	2.3057
6	Foreign Companies	63	60,833,242	0.5905
7	Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	55	40,255,368	0.3907
8	General Public (including local & foreign individuals)	24,282	680,034,251	6.6004
9	Others	201	144,856,484	1.4060
	Total	**24,630**	**10,302,851,164**	**100.0000**

* Mr Badar Kazmi since resigned with effect from 7 January 2015.

Details of Modaraba / Mutual Funds

S.No.	Name of Modaraba / Mutual Funds	Number of Shares Held
1	SAFEWAY MUTUAL FUND LTD.	651
2	GOLDEN ARROW SELECTED STOCKS FUND LTD.	2,127
3	FIRST TRI STAR MODARABA	6
4	PRUDENTIAL STOCKS FUNDS LIMITED	3,367
5	UNICAP MODARABA	2,152
6	SAFEWAY FUND (PVT) LTD.	1,965
7	FIRST INTERFUND MODARABA	289
8	INDUSTRIAL CAPITAL MODARABA	575
9	SAFEWAY MUTUAL FUND LIMITED	1,812
10	ASIAN STOCK FUND LTD.	575
11	NATIONWIDE MODARBA (PVT) LTD	50,000
12	PRUDENTIAL STOCK FUND LTD.	4,223
13	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	5,872,955
14	CDC - TRUSTEE AKD INDEX TRACKER FUND	362,336
15	CDC - TRUSTEE AKD OPPORTUNITY FUND	1,823,471
		8,126,504

Trade in the shares by Executives (G-5 & above):

S.No.	Name of Executives	Purchase	Sale
1	Tufail Jawed Ahmad	806,500	-
2	Ahmed Fawad Hashmi	-	125,000

NIB Bank Limited
Branch Network

NIB Bank

ABBOTTABAD

Al-Pine Hotel Branch
Khasra No. 2047, 2049, Near Al-Pine Hotel
Opposite Sui Gas Office, Mansehra Road
Abbottabad, Khyber Pakhtoon Khwa
Tel: 0992-344077, 344078, 344076 344079
344080, 9310315

ATTOCK

Attock City Branch
Shop # B-III/37, C-152, Dr. Ghulam Gillani Burc Road
Attock City, Punjab
Tel: 057-2700903, 2701909, 2700904

BAHAWALPUR

Bahawalpur Branch
913/2 BV, Near Fawara Chowk, Circular Road
Bahawalpur, Punjab
Tel: 062-2889371-2

CHAKWAL

Chakwal Branch
B1-1/1634/1, B-1-1635, Talagang Road
Chakwal, Punjab
Tel: 0543-602049, 602050
602051, 602052, 550121

CHAMAN

Chaman Branch
Plot # 1332, 1333,
Chamber of Commerce Road,
Chaman, Balochistan
Tel: 0826-615217-9

DASKA

Daska Branch
Property # BV III-083,
Gujranwala Road, Near Canal Rest House,
Daska District Sialkot, Punjab
Tel: 052-9200080-85

FAISALABAD

Liaquat Road Branch
Plot No. 3, Liaquat Road, Faisalabad, Punjab
Tel: 041 2604940, 2604935, 2604931 2604932
2604939, 2619563, 2541217

Gulistan Colony Branch
Commercial Center # 2, Millat Road,
Faisalabad, Punjab
Tel: 041-8846916, 8849936
8849935, 8847253

Regency Arcade Branch
The Mall, Regency Shopping Arcade
Faisalabad, Punjab
Tel: 041-2604875, 2604877,
2604876 2612890

Karkhana Bazar Branch
Property #122, Khatoon i # 1650
Khewat # 1647, Faisalabad, Punjab
Tel:041-2601806, 2601807,
2601805, 2601808

GAWADAR

Gawadar Branch
Plot Khayut & Khatoon i # 35, Thana Ward
Main Airport Road, Gawadar, Balochistan
Tel: 086-4212207-9, 4212210

GHAKAR MANDI

Ghakar Mandi Branch
Khewat # 2414, Khatoon i # 3600,
Khasra # 3359, Mauza Ghakar,
District Wazirabad, Punjab
Tel: 055-3886660-65

GUJAR KHAN

Gujar Khan Branch
Commercial Property # B III 379 & B III 377
G.T. Road (Near MCB), Gujar Khan, Punjab
Tel: 051-3513116, 3511804, 3513734
3513735, 3511890

GUJRANWALA

Anwar Industries Branch
Khewat No. 1627, Khatooni No.1804
Khasra No. 5089/2529, Revenue Estate
Khalil Shahpur, Tehsil & Distt.
Gujranwala, Punjab
Tel: 055-4272160, 4272169, 4556091 4272144

Al-Hameed Centre Branch
BX 11-7S-149, G.T. Road,
Gujranwala, Punjab
Tel: 055-9201234,9200234-7, 3254360

GUJRAT

Gujrat Branch
Shafique Plaza, Opp. Wahid Industries
G.T. Road, Gujrat, Punjab
Tel: 053-3530173, 3530289, 3530172 3530290

HYDERABAD

Risala Road Branch
F-71/2, Risala Road,
Hyderabd, Sindh
Tel: 022-2731000, 2729437, 2785931, 2789932

Cantt Branch
Plot # 53 & 54, Cantt Saddar
Hyderabad, Sindh
Tel: 022-2787462, 2784560, 2786985
2784647, 2784646

Market Area Branch
Plot # /1272/1, Sheet No.2, Ward "A"
City Survey, Market Area, Hyderabad, Sindh
Tel: 022-2635072, 2635071, 2635070

Latifabad Branch
Plot # 175, Block "D", Unit # 7, Latifabad
Hyderabad, Sindh
Tel: 022-3818437, 3821641, 3821639

Qasimabad Branch
Plot No. B-01, GECH Society
Near Ali CNG, Qasimabad, Hyderabad, Sindh
Tel: 022-2670527, 2654901, 2654902

ISLAMABAD

Post Mall Branch
Plot # 3, F-7 Markaz, Post Office
Mall Building, Islamabad
Tel: 051-2653430, 2608017, 2608018
2608010, 2653531-33

I-8 Branch
MB City Mall, Plot No. 34, I-8 Markaz
Islamabad
Tel: 051-4862279, 4862276, 4862280-86

F-10 Branch
Block # "B" Unit # 3, 4 & 5
Main Double Road, F-10 Markaz
Islamabad
Tel: 051-2215857, 2215856, 2215857

G-9 Markaz Branch
Hote Metropolitan Building
G-9 Markaz, Islamabad
Tel: 051-2285795, 2653872, 2653788, 2285795
2285684, 2285795, 2653872

Centauras Mall Branch
Shop No. 313, 3rd Floor
Centaurus Shopping Mall, Islamabad
Tel: 051-111-333-111, 7122, 2701313

Blue Area Branch
Plot No. 89, Blue Area, F-7 / G / 7
Bilal Plaza, Islamabad
Tel: 051-2277037, 2822936, 2277406 2277407
2277408, 2277409, 2277410-12

Stock Exchange Branch
Islamabad Stock Exchange
Rival Center, 102, Fazl-e-Haq Road, Islamabad
Tel: 051-2806422, 2870952,
2870953, 2870954

F-11 Markaz Branch
Plot # 18, Trade Centre, Main Double Road
F-11 Markaz, Islamabad
Tel: 051-2107865, 2107863, 2107862, 2107864

F-8 Markaz Branch
Shop # 12 & 13, Al-Babar Center
F-8 Markaz, Islamabad, Punjab
Tel: 051-2818246, 2818245, 2852653

I-10 Markaz Branch
Plot # 3-A, I-10 Markaz, Islamabad
Tel: 051-4444620, 4447180, 4444620, 4444619

PWD Employee
Coop. Housing Society Branch
40-B, Block-B, Commercial Area (Extension)
PWD Employees Housing Society, Loh Bhar
Islamabad Highway, Islamabad
Tel: 051-4307195, 5854401, 5957660, 5957661

JHANG

Jhang Branch
Khewat # 598, Khatoon i # 203, Usaf Shah Road
(Opposite District Courts Jhang) District Jhang, Punjab
Tel: 047-7629590, 7629592, 7629594, 7629591

JHELUM

Civil Lines Branch
B-V-112, Resham Plaza, Civil Lines, Jhelum, Punjab
Tel: 0544-627286, 628677, 627128, 629909, 629174

KAMOKI

Kamoki Branch
Khasra # 9393 / 277 / 2, Khewat # 2006
Khatoon i # 2157, G.T. Road, Kamoki Tehsil Kamoki,
District Gujranwala, Punjab
Tel: 055-6816723, 6816823, 6816923, 6816723

KAMRA

Kamra Branch
Khasra # 419, Masha-Allah Building Kutba More
PAC Chowk, G.T. Road Kamra Cantt
District Attock, Punjab
Tel: 057-2642511, 2642520, 2642521

KARACHI

Gul Tower Branch
Gul Tower, 11 Chundrigar Road, Karachi, Sindh
Tel: 021-35277220, 32426140 32419166, 111-333-111,
35277110, 35277271 Ext. 6261, 6112, 6230, 6231

DHA 26th Street Branch
42-C, 26th Street
Tauheed Commercial Area
Phase V, DHA, Karachi, Sindh
Tel: 021-35304163, 35304159, 35304160

Jodia Bazar Branch
MR 6/2, Market Plaza, Virjee Street
Karachi, Sindh
Tel: 021-32432849, 32443758, 32410396

North Karachi Industrial Area Branch
Plot # 1, Sector 12-B, Industrial Area
North Karachi, Sindh
Tel: 021-36962727, 36962726, 36962724

Korangi Industrial Area Branch
Plot # SC-5, ST-17, Sector 15,
Korangi Industrial Area, Karachi, Sindh
Tel: 021-35114151, 35114153, 35114146
35114148, 35114350 35114154

Gulshan-e-Iqbal Branch
Plot # FL-2/3, Block 6
Improvement Scheme No. 24
Gulshan-e-Iqbal, Karachi, Sindh
Tel: 021-34986186, 34987547, 34991326
34997547, 34986387

Cloth Market Branch
Plot # 21/1, Bunder Quarters
Cloth Market, Karachi, Sindh
Tel: 021-32472148, 32472149, 32471726
32471727, 32471728 32471729

NIB Bank Limited
Branch Network

Steel Market Branch
Shop # G-2, Ground Floor, Plot # RC-1/1
Ranchore Quarters, Mehar Nawaz Building
Opposite Moin Steel Market, Mission Road
Karachi, Sindh
Tel: 021-32751031, 32751086, 32751066
32751093, 32751101

Regal Chowk Saddar Branch
Shop No G-1/A and G/1
Artillery Maidan, 293-III B-192 Regal Chowk
Saddar, Karachi, Sindh
Tel: 021-32750007, 32750268, 32750264, 32750001

Orangi Town Branch
I.S. 45 Sector 1-C Orangi Town, Karachi, Sindh
Tel: 021-36695781, 36762506, 36667481

Allama Iqbal Road Branch
Plot No. 683-C Ground Floor & Mezzanine Floor
Block-2, PECHS, Allama Iqbal Road, Karachi, Sindh
Tel: 021-34301814, 34301818 34301814
34301815, 34301817 34301819

PIB Colony Branch
H. No. 156, PIB Colony Karachi, Sindh
Tel: 021-34860637, 34860633, 34860635, 34860631

DHA Phase-II Branch
106/C, Phase-II, National Highway
D.H.A., Karachi, Sindh
Tel: 021-35314081, 35314162, 35314161
35304083, 35314163

Liaquatabad Branch
Shop Nos. 63 to 66 'B' Road Liaquatabad No. 5
Near Post Office Roundabout, Karachi, Sindh
Tel: 021-34860625, 34860630, 34860621, 34860624

Gizri Market Branch
Plot No. G-10/9-A, Lower Gizri Bazar Area Clifton
Cantonment, Karachi, Sindh
Tel: 021-35837030, 35834399, 35834390, 35837084

EOBI House Branch
EOBI House, (Awami Markaz)
Plot No. ST-1-A/1, KDA Com Complex Scheme 1
Shop No. G-01/B, Shahrah-e-Faisal
Karachi, Sindh
Tel: 021-34536731-32

Khalid Bin Waleed Road Branch
168 D, Block III, Rabi Square
Khalid Bin Waleed Road PECHS
Karachi, Sindh
Tel: 021-34323139, 34398482 34398481
34323136, 34323143

Khayaban-e-Shahbaz Branch
Plot # 18-C Phase-VI, Shahbaz Lane-II
Survey No. 26, DHA Karachi Sindh
Tel: 021-35348772, 35842467, 35348300, 35348771

University Road Branch
SR-4, Block 13-B, University Road, Karachi, Sindh
Tel: 021 34980828 34980430, 34980433

Kulsoom Court Branch
Kulsoom Court, Shop # 2,3,5A & 6, Plot No. BC-3
KDA Sceme # 5, Block 9 Clifton Karachi Sindh
TeL: 021-35837011, 35837015 35837017, 35837012

Zamzama, Branch
18-C 5th Zamzama Lane,
DHA Phase V, Karachi, Sindh
Tel: 021-35822294, 35295209, 35295210, 35295015

Hyderi Branch
D-14, Block-H, North Nazimabad, Hyderi
Karachi, Sindh
Tel: 021-36724412, 36643390, 36724410, 36643395,
36643411

Business Arcade Branch
Plot # 27-A, Business Arcade, Block-6, P.E.C.H.S
SEF, Karachi, Sindh
Tel: 021-34524668, 34524667, 34326570
34326571, 34326572

New Challi Branch
Plot # SR-6, Hussain Trade Center
Altaf Hussain Road, New Challi, Karachi, Sindh
Tel: 021-32211673, 32275637 32211674, 32211675
32216865, 2275634

Defence Phase-I Branch
19/C & 21/C, 21st East Street
Phase-I, Pakistan Defence Officers Housing Authority,
Karachi, Sindh
Tel: 021-35386881, 35386802, 35306883

Johar Morr Branch
Commercial Shop # 3,4,5 & 6, Javed Arcade
Plot # SB-1, Block # 17, KDA Scheme # 36
Gulistan-e-Johar, Karachi, Sindh
Tel: 021-34632745, 34632739, 34636746

SITE Branch
Shop No. 2, Plot B/9, SITE Area,
Karachi, Sindh
Tel: 021-32582504, 32555051, 32562656, 32555051

Saba Avenue Branch
Saba Avenue, Plot # B-C, Badar Commercial
Street # 6, Phase-V Ext., DHA, Karachi, Sindh
Tel: 021-35341673, 35341675, 35342003

Shaheed-e-Millat Road Branch
Shop # 6 & 7, Ground Floor
Adam Arcade, Shaheed-e-Millat Road
Karachi, Sindh
Tel: 021-34943666, 34943685, 34944555, 34943777

Saddar Branch
State Life Building # 5
Zaibunnisa Street, Saddar, Karachi, Sindh
Tel: 021-35212102, 35219710, 35212104

M.A Jinnah Road Branch
79 N.I. Lines Godrej Kandawala Building
M.A. Jinnah Road, Karachi, Sindh
Tel: 021-32294730, 32239867, 32294731

North Napier Road Branch
Marium Manzil, Plot # 161, Survey Sheet # MR 1
Market Quarters Napier Road Karachi Sindh
Tel: 021-32430486, 32440563, 32473320, 32430489

Stock Exchange Branch
Room Nos. 109 to 112, 2nd Floor
Karachi Stock Exchange Building
Stock Exchange Road, Karachi, Sindh
Tel: 021-32417944, 32418675

Timber Market Branch
Ground Floor, Plot # 1/2, 7 Lea Quarters
Timber Market, Siddiq Wahab Road, Karachi, Sindh
Tel: 021 32751119, 32752198, 32752192, 3275119

Garden East Branch
Shop # 2, 3 & 4, Ground Floor, Garden Luxury
Apartments, Garden East, Karachi, Sindh
Tel: 021-332258007, 32236473, 32227267
32258007

Jamshed Quarters Branch
Ground Floor, Show Room # 2, Ashfaq Plaza
Plot # 714/5, Jamshed Quarters, New M.A.Jinnah Road
Karachi, Sindh
Tel: 021-34914840, 34126552

Stadium Road Branch
Shop # 2 & 3, Ground Floor, Plot # SC-45, Chandni
Chowk, KDA Sch # 7, Stadium Road, Karachi, Sindh
Tel: 021-34932266, 34932338, 34946680, 34941751

M.T. Khan Road Branch
G-5(a), Ground Floor, Al-Fareed Center
Plot # CL-10/10/1, (Old Survey # F-9/PO 6), Civil Lines
Quarters, M.T. Khan Road Near PIDC House, Karachi, Sindh
Tel: 021-35693637, 35693328, 35693635, 35693643

Pakistan Chowk Branch
Plot Survey # 98, Sheet # S.R 9 (Old Survey # B-21/30),
Serai Quarters, Pakistan Chowk, Karachi, Sindh
Tel: 021-32212810, 32212356, 32212369, 32216368

F.B. Area Branch
Plot # C-15, Block-13, F.B. Area
K.D.A Scheme # 16, Shahrah-e-Pakistan,
Karachi, Sindh
Tel: 021-36804434, 36804433, 36805559

Tariq Road Branch
Shop # 1, Ground Floor, Zuljilal Center Plot # 1
72-F/2, Block 2, PECHS, Karachi, Sindh
Tel: 021-34322761, 34322762,
34398489, 34314222

Malir Branch
Plot # 2-A/423, Drakshan Society, Malir Halt
Karachi, Sindh
Tel: 021-34115090, 34116236, 34115091

Boulton Market Branch
Plot # SR 1/6, New Cloth Market Building, Serai Quarters
Boulton Market, M.A. Jinnah Road, Karachi, Sindh
Tel: 021-32411553, 32426942, 32426943, 32414612

Bilawal Chowk Branch
Sands Apartment, Plot No. 7/4
Shop No. 8 Clifton, Block-2, KDA Scheme-5
Khayaban-e-Sadi Road, Kehkashan, Karachi, Sindh
Tel: 021-35140412, 35375014, 35376891
35375011, 35375012

DHA Phase-IV Branch
Plot # 99-E, Survey # 26, 9th Commercial Street
Phase-IV, DHA, Karachi, Sindh
Tel: 021-3885718, 35890325

West Wharf Road Branch
Ground Floor, Ibrahim Buildiong
Plot 20, West Wharf Road, Karachi, Sindh
Tel: 021-32204639, 32205496,
32205422 32204642

Nishtar Road Branch
Shop # 7, 8 & G/19, Ground Floor, Ana Crown Palace
Nishtar Road Garden West Karachi, Sindh
Tel: 021-32239419, 32295081, 32231338, 32231339

Shershah Branch
Plot # M II-E-606, Shershah, Karachi, Sindh
Tel: 021 32587581, 32587579, 32587583

Nagan Chowrangi Branch
Plot # SC 20, Sector 11-H
North Karachi Township, Karachi, Sindh
Tel: 021-36900591, 36984856, 36987948, 36900654

Nazimabad No. 1 Branch
Property No 1, Row No. 11,
Sub Block F Block No. 1,
Nazimabad, Karachi, Sindh
Tel: 021-36610971, 36610992, 36610970, 6610993

Rashid Minhas Road Branch
Plot No. FL-20, Project No. 2, Pakistan Railway
Employees Co-operative Housing Society Limited
Gulshan-e-Jamal, Rashid Minhas Road, Karachi, Sindh
Tel: 021-34688631, 34688634, 34688619, 34688620

North Nazimbad Branch
Plot # SD-12, Block- A
North Nazimabad, Karachi, Sindh
Tel: 021-36673568, 36635618, 36673597

Landhi Branch
Plot # 48/1-48/2, Area 4-D, Landhi # 06 Landhi
Karachi, Sindh
Tel: 021-35040601-4

Bahria Town Icon Branch
Plot # 5, Block-4, Shahrah-e-Fridousi,
Clifton, Karachi, Sindh
Tel: 0321-2058400

KASUR

Kasur Branch
B-III, 9R-53-A, Railway Road, Kasur, Punjab
Tel: 049-2770218, 2721771, 2770217

NIB Bank Limited
Branch Network

NIB Bank

KHANEWAL

Khanewal Branch
Plot No. 80, Block No.b/1059/1781/1731
Khanewal, Punjab
Tel: 065-2559076, 2559075, 2559061, 2559060

KHARIAN

Kharian Branch
Bilal Plaza, G.T Road, Kharian, Punjab
Tel: 053-7532215, 7531864, 7534853

KOHAT

Kohat Branch
Shop # 2 & 3, Behram Plaza, Hangu Road, Kohat,
Khyber Pakhtoon Khwa
Tel: 0922-510272, 520010, 520012, 520011

LAHORE

Bund Road Branch
Plot # 8 B-5-595, Chohan Park
Bank Stop, Bund Road, Lahore, Punjab
Tel: 042-37147239, 37147236, 37147231, 37147232
37147233, 37147234, 37147235,38

DHA Z Block Branch
Z-38, Phase III, D.H.A Lahore Cantt., Lahore, Punjab
Tel: 042-35692819, 35692812, 35692801, 35692802
35692815, 35692813

Ichra Branch
Shop # 158, Mohalla Rascol Pura, Ichra
Main Ferozepura Road, Lahore, Punjab
Tel: 042-37597093, 37597290, 37588177

Johar Town R-Block Branch
70 R Main Boulevard,
Johar Town Lahore, Punjab
Tel: 042-35291605, Ext.107, 35291600, 35291601
35291603, 35291604

Gulberg Hali Road Branch
70, Block F/1, Gulberg-III, Lahore, Punjab
Tel: 042-35752531, 35784929, 35756944
35757218, 35757219

Bilal Gunj Branch
SWII-8-S-14/A Old Sanda Road
Mouza Shesh Mahal
Tehsil and District Lahore, Punjab
Tel: 042-37220007, 37880097, 37220008 37220006

Azam Cloth Market Branch
F/1085, F/1065-A/1 and F-1083, F-1113 and F-1114
Chowk Old Kotwali, Kucha Haji, Shaikh Elahi Buksh,
inside Delhi Gate, Lahore, Punjab
Tel: 042-37674722, 37640832, 37674722
7658134, 7640832

Urdu Bazar Branch
SIII-13-S-20 & S-III-2-S-26/RH Mujahid Street
Behind Urdu Bazaar, Paisa Akhbar
Lahore, Punjab
Tel: 042-37361222, 37361227, 37361226, 37361223

Model Town C-Block Branch
Shop No10 and 11, Commercial Market, C-Block
Model Town, Lahore, Punjab
Tel: 042-35915403, 35915406, 35915408
35915401, 35915410

Punjab Cooperative Society Branch
Plot No. 66-F, Commercial Area, Punjab Cooperative
Housing Society, Defense Road, Lahore, Punjab
Tel: 042-35923817, 35923810, 35923801
35923802, 35923803

NIB House Branch
14-A (Ground Floor), Shahrah-e-Aiwan-e-Tijarat,
Old Race Course Road, Lahore, Punjab
Tel: 042-39203194, 3628250*, 36282446
36375746, 36375724, 36382590

Ravi Link Road Branch
Mubark Plaza, Plot No. 3, Ravi Link Road
Badami Bagh, Lahore, Punjab
Tel: 042-37706096, 37723239,
37723238, 377706366

Thokar Niaz Beg Branch
S.S. Centre, Kibriya Town, Main Raiwind Road
Lahore, Punjab
Tel: 042-35963292, 35963291, 35963294

Shah Alam Market Branch
1-A, Shah Alam Market Road, Lahore, Punjab
Tel: 042-37631971, 37631973, 37672350
37672210, 37631972

Bharia Town Branch
Sector B, Executive Lodge, Bahria Town, Lahore, Punjab
Tel: 042-35341658, 35341656, 35341657

Gulberg Main Boulevard Branch
83-E-I, Main Boulevard, Gulberg III Lahore, Punjab
Tel: 042-35763570, 35763571, 35756850 35756851
35756852, 35756853, 35756854

Model Town Link Road Branch
Plot # 34 B, Phase III, Govt Employees Cooperative
Housing Society
Model Town Link Road, Lahore, Punjab
Tel: 042-35888301, 35942206, 35888302
35888303, 35888304

6-Bank Square Branch
6 Bank Square, Shahrah Quaid Azam Lahore, Punjab
Tel: 042-37240257, 327233606, 327353624
39212731, 329212732, 329212733

Circular Road Branch
Babr Center, 51-Circular Road
Cutside Akabri Gate, Lahore, Punjab
Tel: 042-37672885, 37379250, 37672882 37672863
37379264, 37379265

Badami Bagh Branch
93-Badami Bagh, Lahore, Punjab
Tel: 0423-7722829, 7705235, 3773209 37722830

Allama Iqbal Town Branch
24, Gulshan Block, Allama Iqbal Town Lahore, Punjab
Tel: 042-37812321, 37812325, 37811034 37812316

Packages Branch
Packages Limited, Shahrah-e-Roomi,
P.O Amer Sidhu, Lahore, Punjab
Tel: 042-35920550, 35920577, 35920574 35920545,
35920571, 359020573

Gulshan-e-Ravi Branch
Plot # 16, Block-A, Gulshan Ravi, Lahore, Punjab
Tel: 042-37401974, 37401870, 37401872, 37401873

Cavalry Ground Branch
Commercial Plot # 29, Baza Area, Officers Housing
Scheme, Cavalry Ground, Lahore, Punjab
Tel: 042-36687402, 36687401, 36687401 36687353

Timber Market Branch
Timber Market, Plot # NW III R #4
Ravi Road, Lahore, Punjab
Tel: 042-37709235, 37709686,
37709231 37709232, 37709233

New Garden Town Branch
10-B, Aibak Block
New Garde Town, Lahore, Punjab
Tel: 042-35843885, 35941502, 35843083, 35843882

Mughalpura Branch
13/B, Shalimar Link Road, Mughalpura
Lahore, Punjab
Tel: 042-36844011, 36846812, 36844012
36844013, 36844014

WAPDA Town Branch
258 E-2, Wapda Employees Cooperative Housing
Society, Lahore, Punjab
Tel: 042-35189621, 35189622, 35188449

Shahdara Branch
364-366, Hadbast Mauza Fathpuri, Shadra,
Lahore, Punjab
Tel: 042-37940868, 37919163
37919160, 37919162

DHA Phase II Branch
Commercial Plot # 12, Block CCA
D.H.A. Phase II, Lahore, Punjab
Tel: 042-35749481, 35895776, 35707033

Ghazi Road Branch
Plot # 2/1, Block -B, Guldasht Scheme Lahore
Cantonment, Ghazi Road, Lahore, Punjab
Tel: 042-36639775, 36639771, 36639772

Johar Town E-Block Branch
Plot # 1, Block E 1, Johar Town
Lahore, Punjab
Tel: 042-35220637, 35220636, 35203603

Wahdat Road Branch
19/A, Wahdat Road, Lahore, Punjab
Tel: 042-37561656, 37502937, 37502836

Multan Road Branch
9-A, Block Industrial, Allama Iqbal Town Scheme
Multan Road, Lahore, Punjab
Tel: 042-37803470, 37803449
37806070, 37806069

Davis Road Branch
Aftab Centre, 30 Davis Road
Lahore, Punjab
Tel: 042-36286965, 39204344
36287027, 36287029

LARKANA

Larkana Branch
Plot City Survey # A-700
Bank Square Bunder Road, Larkana, Sindh
Tel: 074-4059041, 4055781, 4055781
4055782, 4055783

MANDI BAHAUDDIN

Mandi Bahauddin Branch
Plot # 7/211, Ward # 7
Mandi Bahauddin, Punjab
Tel: 0546-509551, 509554, 509552
509553, 509454

MARDAN

Mardan Branch
CB/436, 20-21, The Mall, Mardan Cantt.,
Mardan, Khyber Pakhtoon Khwa
Tel: 0937-863684, 870172, 873682 873684

MINGORA

Mingora Branch
Haji Muhammad Ismail Manzil
Bank Square, Main Bazar, Mingora Swat
Khyber Pakhtoon Khwa
Tel: 0946-724991, 724994, 710440 712006

MIRPUR A.K.

Mirpur A.K. Branch
Bank Square, Allama Iqbal Road
Mirpur A.K., Azad Jammu & Kashmir
Tel: 05827 442118, 442840, 447883 442840

MIRPURKHAS

Mirpurkhas Branch
Plot # 7/15, Sir Syed Road
Mirpurkhas, Sindh
Tel: 0233-874148, 875344, 875327 875344

MULTAN

Abdali Road Branch
Plot # 66/9, Abdali Road, Multan, Punjab
Tel: 061-4580277, 4781535, 4781225 4517126,
4783841, 4782241, 4782196

Vihari Road Branch
Sherry Commercial Area
Opp. Grain Market, Vehari Road Multan, Punjab
Tel: 061-4230700, 4230701
4230702, 4230703

NIB Bank Limited
Branch Network



MUZAFFARABAD

Domel Syeden Branch
Plot No. 26-1, Ghar Phan Chowk
Domel Syedan, Muzaffarabad, AJK
Tel: 05822-920455, 921138
921137 921136, 920505

NAWABSHAH

Nawabshah Branch
Shop # S-1 to S-4, Firdous Shopping Centre
Kutchry Road, Nawab Shah, Sindh
Tel: 0244-372646, 360665, 372649

NOWSHERA

Nowshera Branch
Shah Building, The Mall, G.T. Road
Nowshera Cantt., Nowshera, Khyber Pakhtoon Khwa
Tel: 0923-614881, 614882, 610146

OKARA

Okara Branch
Khewat # 50-18, Chak # 1-A/4-C
M.A. Jinnah Road, Okara, Punjab
Tel: 0442-550902, 550901, 550903 551101, 551102

PESHAWAR

Fakhr-e-Alam Road Branch
17-20, Cantonment Plaza, Fakher-e-Alam Road,
Peshawar Cantt., Peshawar, Khyber Pakhtoon Khwa
Tel: 091-5267478, 5276232, 5273633
5261255, 5276914

Hayatabad Branch
B-1, Phase 5, Hayatabad, Peshawar
Khyber Pakhtoon Khwa
Tel: 091-5824366, 5825278, 5825279, 58252306

Shoba Chowk Branch
Plot # 401/14 & 401/14A, Shuba Chowk, Khyber Bazar
Peshawar City, Peshawar, Khyber Pakhtoon Khwa
Tel: 091-2590157, 2590258, 2590257

University Road Branch
Ruby Villa, Opposite Jabbar Flats University Road
Peshawar, Khyber Pakhtoon Khwa
Tel: 091-5851453, 5852019, 5851527 5853164

Chowk Yadgar Branch
Shop No. 1,2,3,4,5, Ground & First Floor
Haroon Plaza (Outside Katchery Gate) Chowk Yadgar
Peshawar, Khyber Pakhtoon Khwa
Tel: 091-2590792, 2580718, 2590781
2580719, 2588004

QUETTA

Mannan Chowk Branch
2-11/6-303, Mannan Chowk, M.A. Jinnah Road
Quetta, Balochistan
Tel: 081-2836204, 2836205

Masjid Road Branch
Plot # P-30/4, (Municipal No. 2-20/425)
Khasra No. 263, Masjid Road, Quetta Balochistan
Tel: 081-2843640, 2843651

RAHIMYAR KHAN

Model Town Branch
14 Model Town House, Town House Circle
Rahimyar Khan, Punjab
Tel: 068-5885642, 5885643, 5887182
5885651, 5885643

RAWALPINDI

Murree Road Saddar Branch
Bldg # 11/10, Survey No. 349/10
Main Murree Road, Near Health
Way Hospital Building, Saddar Rawalpindi, Punjab
Tel: 051-5562952, 5562944, 5562945
5120415, 5120474, 5120697

City Saddar Branch
Shop # 317 A, City Saddar Road
Raja Bazaar, Rawalpindi, Punjab
Tel: 051-5778800, 5778801, 5778802
5778804, 5778806

Hamilton Road Branch
Plot 725-726, Hamilton Road
Monalia Workshop, Raja Bazar Rawalpindi, Punjab
Tel: 051-5775950, 5778953, 5778951
5778950, 5778958

Mall Road Branch
31/3-31/A, The Mall
Rawalpindi, Punjab
Tel: 051-5701200, 5701105, 5701103
5701104, 5701106, 5701316, 5701318

Satellite Town Branch
North Star Plaza, 20-B, Muree Road
Satellite Town, Rawalpindi, Punjab
Tel: 051-4426976, 4426975, 442672, 442673

College Road Branch
C-263, College Road, Rawalpindi Punjab
Tel: 051-5775217, 5775227

Adyala Road Branch
Khasra # 1385/572, Sikndar Plaza, Munawar Colony
Main Adyala Road Rawalpindi, Punjab
Tel: 051-5572401, 5573424, 5948549

Bahria Town Rawalpindi Branch
Spring North Plot # 78, Service Road,
Phase VII, Rawalpindi, Punjab
Tel: 051-5400392

SAHIWAL

Sahiwal Branch
267/B-1, Jinnah Road (High Street)
Sahiwal, Punjab
Tel: 040-9200479, 9200480, 9200477 9200478

SANGHAR

Sanghar Branch
Plot City Survey No. 951, Nawabshah Road
Sanghar, Sindh
Tel: 0235-543702, 542882, 542696

SARAI ALAMGIR

Sarai Alamgir Branch
Fazal Plaza, Main G.T. Road
Sarai Alamgir, Gujrat, Punjab
Tel: 0544-654929, 654927, 654932 6654931

SARGODHA

Mian Khan Road Branch
110 Mian Khan Road, Block 5
Sargodha, Punjab
Tel: 048-3726609, 3729623, 3729623

SHAHDADPUR

Shahdadpur Branch
Plot City Survey # 801 to 804 & 813
Station Road, Shahdadpur, Sindh
Tel: 0235-844901, 844902

SHEIKHUPURA

Main Branch Sheikhupura
Shop No.1, Ground Floor, Al-Hamd
Plaza, Batti Chowk, Lahore Road
Sheikhupura, Punjab
Tel: 056-3790165, 3812456

SIALKOT

Shahabpura Branch
Plot # R III 8 S-206, Shahabpura
Sialkot, Punjab
Tel: 052-3557365, 3557367

Kashmir Road Branch
155/A, Bill-125, Sublime Chowk
Kashmir Road, Sialkot, Punjab
Tel: 052-3241292, 3241491, 3241492

SUKKUR

Nishter Road Branch
Ground Floor, City Survey # B-1244
Nishtar Road, Sukkur, Sindh
Tel: 071-5628195, 5628194, 5628196, 5621159

TALUKA KUNRI

Kunri Branch
Union Council Chajro, Nabisar Road Taluka Kunri,
District Umerkot, P.O. Kunri, Sindh
Tel: 0238-558014, 558013, 558013, 558014

TANDO ADAM

Tando Adam Branch
Plot City Survey # 535, Muhammadi Chowk
Tando Adam, Distt: Sanghar, Sindh
Tel: 0235-574227, 574081, 574081

TANDO ALLAHYAR

Tando Allahyar Branch
Plot # 1610/F-B, Adjacent Main Bus Stop
Hyderabad, Mirpurkhas Road, Tando Allahyar, Sindh
Tel: 022-2763515, 2763715, 3891041, 3891040

WAH

Wah Cantt Branch
Shop # 1/37, Commercial Area, Civic Centre, Aslam
Market, Wah Cantt, Punjab
Tel: 051-4902233, 4902232, 4902234, 4902231

WAZIRABAD

Wazirabad Branch
Khewat # 201, Khatani # 203, Khata # 51
(Opposite District Courts Wazirabad)
Tehsil Wazirabad, Distt. Gujranwala, Punjab
Tel: 055-6607170, 6607168, 6607169

Proxy Form

I/We _____ S/o,D/o,W/o _____

of _____

(full address) being a member of NIB Bank Limited and holder of shares as per Registered Folio No. _____ and / or CDC Participant I.D. No. _____ and Account No. _____ do hereby appoint _____

of _____

(full address) or failing him/her _____

of _____

(full address) as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 12th Annual General Meeting of NIB Bank Limited scheduled to be held on Friday, 27 March 2015 at Islamabad Serena Hotel, Khayaban-e-Suhrawardy, Islamabad and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2015.

Witnesses :

1. _____
   Name:
   CNIC No :
   Address :

   _____
   Signature of Member(s)
   on Rs. 5/- Revenue Stamp

2. _____
   Name:
   CNIC No.
   Address :

NOTE: A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him / her. No person shall act as proxy (except for Corporate Entities) unless he / she is entitled to be present and vote in his / her own right.

Proxies, in order to be valid, must be completed in all respect and be received at the Head Office of the Bank situated at PNSC Building, M.T. Khan Road, Karachi-Pakistan, not later than 48 hours before the meeting.

For CDC Account Holders / Corporate Entities:

In addition to the above, the following requirements have to be met:

i) The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.

ii) Attested copies of CNIC or the Passport of the shareholder and the proxy shall be provided with the proxy form.

iii) The proxy shall produce his original CNIC or Passport at the time of the meeting. In case of a corporate entity, the Board of Directors resolution OR power of attorney with specimen signature shall be submitted to the Company (unless it has been provided earlier) along with proxy form.



NIB Bank Limited
Registered Office:
First Floor, Post Mall, F-7 Markaz, Islamabad - Pakistan.
Head Office:
PNSC Building, M.T. Khan Road, Karachi - Pakistan.
UAN: +92 21 111-333-111 www.nibpk.com