



**ZTBL**  
زرعی ترقیاتی بینک لمیٹڈ

# **CONSOLIDATED FINANCIAL STATEMENTS**



**BDO Ebrahim & Co.**  
Chartered Accountants  
3<sup>rd</sup> Floor, Saeed Plaza  
22-East Blue Area  
Islamabad -44000  
Pakistan

**Riaz Ahmad & Company**  
Chartered Accountants  
2-A, ATS Centre, 30 -West  
Fazal-ul-Haq Road, Blue Area  
Islamabad

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated statement of financial position of Zarai Taraqiati Bank Limited ("the Bank") and its subsidiary company as at December 31, 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. These consolidated financial statements include unaudited certified returns from the branches except for one hundred and twenty five branches which have been audited by us. We have also expressed separate opinion on the financial statements of Zarai Taraqiati Bank Limited. The financial statements of subsidiary company Kissan Support Services (Private) Limited were audited by BDO Ebrahim & Co., Chartered Accountants, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of BDO Ebrahim & Co., Chartered Accountants. These financial statements are the 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 Zarai Taraqiati Bank Limited and its subsidiary company as at December 31, 2015 and the results of their operations for the year then ended.

We draw attention to Note 16.5 & 43 to the consolidated financial statements whereby it is stated that, during the prior years the Bank obtained borrowings and subordinated loan from the State Bank of Pakistan (SBP), which was converted into share deposit money based on the decision made in the meeting held on July 11, 2014 among Ministry of Finance (MoF), SBP, Securities & Exchange Commission of Pakistan and the Bank, which was pending for legal and corporate formalities. However, subsequent to the balance sheet date the Board in their meeting held on February 02, 2016 resolved to convert the principal debt (Note 16) and subordinated loan (Note 18) into redeemable preference shares and mark-up on SBP's debts (Note 16.5) into ordinary shares of the Bank. Further, in consultation with SBP, a resolution by circulation dated February 19, 2016 was approved by the Board of Directors of the Bank and it has been agreed that debt and existing mark-up shall be accrued upto the balance sheet date as per the existing arrangements and will be converted into redeemable preference shares and ordinary shares, respectively. The decision made by the Board of Directors is pending for members' approval.

Our report is not qualified in respect of the above matter.

The consolidated financial statements of the Bank for the year ended December 31, 2014, were audited by Ilyas Saeed & Co. Chartered Accountants and Riaz Ahmad & Company Chartered Accountants, who had expressed unqualified opinion – with emphasis of matter on the conversion of borrowings and mark up from State Bank of Pakistan (SBP) into equity of Bank vide their report dated March 27, 2015.

**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**

Engagement Partner:  
Abdul Qadeer

**DATED: MARCH 31, 2016**  
**ISLAMABAD**

**RIAZ AHMAD & COMPANY**  
**CHARTERED ACCOUNTANTS**

Engagement Partner:  
Atif Bin Arshad

**DATED: MARCH 31, 2016**  
**ISLAMABAD**

**ZARAI TARAQIATI BANK LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2015**

	Note	2015 ..... Rupees in '000 .....	2014
<b>ASSETS</b>			
Cash and balances with treasury banks	7	2,516,338	4,491,391
Balances with other banks	8	16,742,698	5,913,555
Lendings to financial institutions	9	-	820,190
Investments - net	10	19,665,649	29,237,315
Advances - net	11	129,552,744	108,553,958
Operating fixed assets	12	2,105,429	1,584,150
Deferred tax assets - net	13	507,162	1,581,812
Other assets - net	14	16,793,850	11,669,626
		187,883,870	163,851,997
<b>LIABILITIES</b>			
Bills payable	15	346,059	561,964
Borrowings	16	57,143,100	969,349
Deposits and other accounts	17	35,869,024	26,695,967
Sub-ordinated loan	18	3,204,323	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities	19	11,845,150	10,805,319
		108,407,656	39,032,599
<b>NET ASSETS</b>		<b>79,476,214</b>	<b>124,819,398</b>
<b>REPRESENTED BY</b>			
Share capital	20	12,522,441	12,522,441
Reserves	21	5,643,290	4,588,766
Unappropriated profit		18,983,064	14,742,303
		37,148,795	31,853,510
Share deposit money	16.5	40,155,992	89,490,985
Surplus on revaluation of assets - net of tax	22	2,171,427	3,474,903
		<b>79,476,214</b>	<b>124,819,398</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	23		

The annexed notes from 1 to 46 and annexure I form an integral part of these consolidated financial statements.

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

**ZARAI TARAQIATI BANK LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Note	2015	2014
		..... Rupees in '000 .....	
Mark-up / return / interest earned	24	18,284,436	15,522,130
Mark-up / return / interest expensed	25	6,013,775	2,398,270
Net mark-up / interest income		12,270,661	13,123,860
Provision for diminution in the value of investments - net (Reversal) / provision against non-performing loans and advances - net	10.3	-	-
Impairment in the value of investment	11.3.4	(573,110)	1,381,324
Write offs under relief packages		160,009	113,663
Bad debts written off directly		-	-
		(413,101)	1,494,987
Net mark-up / interest income after provisions		12,683,762	11,628,873
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee, commission and brokerage income		40,919	28,648
Dividend income		81,805	68,116
Income from trading in government securities		-	-
Income from dealing in foreign currencies		-	-
Gain on sale of securities		366,437	118,414
Unrealized gain on revaluation of investments classified as held for trading		-	-
Other income	26	5,086,001	4,269,529
Total non-mark-up / interest income		5,575,162	4,484,707
		18,258,924	16,113,580
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Administrative expenses	27	9,706,358	7,730,765
Provision / (reversal) against other assets - net	14.6	34,936	(10,666)
Other charges	28	23,974	11,099
Total non mark-up / interest expenses		9,765,268	7,731,198
		8,493,656	8,382,382
<b>EXTRA ORDINARY / UNUSUAL ITEMS</b>			
		-	-
<b>PROFIT BEFORE TAXATION</b>			
Taxation - Current year		2,311,747	3,003,990
- Prior years		361,408	4,263
- Deferred		477,391	(82,153)
	29	3,150,546	2,926,100
<b>PROFIT AFTER TAXATION</b>			
Unappropriated profit brought forward		5,343,110	5,456,282
Profit available for appropriation		14,742,303	13,758,929
		20,085,413	19,215,211
Basic earnings per share (Rupees)	30	4.267	4.357
Diluted earnings per share (Rupees)	31	4.267	4.357

The annexed notes from 1 to 46 and annexure I form an integral part of these consolidated financial statements.

PRESIDENT

DIRECTOR

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DIRECTOR

**ZARAI TARAQIATI BANK LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	..... Rupees in '000 .....	..... Rupees in '000 .....
Profit after taxation for the year	5,343,110	5,456,282
<b>Other comprehensive income - net of tax</b>		
Items that will not be reclassified subsequently to profit and loss account		
Remeasurement of defined benefit plans	(74,020)	(5,214,509)
Deferred tax	26,195	1,825,078
	(47,825)	(3,389,431)
Items that may be reclassified to profit and loss account	-	-
Comprehensive income transferred to equity	5,295,285	2,066,851
Components of comprehensive income not reflected in equity		
Items that may be subsequently reclassified to profit and loss		
Net change in fair value of available for sale securities	(680,022)	847,130
Deferred tax	(623,454)	(228,419)
	(1,303,476)	618,711
Total comprehensive income for the year	3,991,809	2,685,562

Surplus arising on revaluation of assets has been reported in accordance with the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 46 and annexure I form an integral part of these consolidated financial statements.

**PRESIDENT**

**DIRECTOR**

**DIRECTOR**

**DIRECTOR**

**ZARAI TARAQIATI BANK LIMITED  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Share Capital	Statutory Reserve	Revenue Reserves		Total
			Contingencies reserve	Un-appropriated profit	
	Rupees in '000 .....				
Balance as at January 01, 2014	12,522,441	3,445,289	60,000	13,758,929	29,786,659
Profit after taxation for the year	-	-	-	5,456,282	5,456,282
Other comprehensive loss for the year	-	-	-	(3,389,431)	(3,389,431)
Total comprehensive income for the year	-	-	-	2,066,851	2,066,851
Transferred to statutory reserve	-	1,083,477	-	(1,083,477)	-
Balance as at December 31, 2014	12,522,441	4,528,766	60,000	14,742,303	31,853,510
Profit after taxation for the year	-	-	-	5,343,110	5,343,110
Other comprehensive loss for the year	-	-	-	(47,825)	(47,825)
Total comprehensive income for the year	-	-	-	5,295,285	5,295,285
Transferred to statutory reserve	-	1,054,524	-	(1,054,524)	-
Balance as at December 31, 2015	12,522,441	5,583,290	60,000	18,983,064	37,148,795

The annexed notes from 1 to 46 and annexure I form an integral part of these consolidated financial statements.

**PRESIDENT**

**DIRECTOR**

**DIRECTOR**

**DIRECTOR**



**ZARAI TARAQIATI BANK LIMITED  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Note	2015 ..... Rupees in '000 .....	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating profit before working capital changes	35	14,021,725	9,548,477
(Increase) / decrease in operating assets:			
Lendings to financial institutions		820,190	2,826,526
Advances - net		(20,585,685)	(14,737,229)
Other assets - net		(4,197,435)	(2,171,452)
		(23,962,930)	(14,082,155)
Increase / (decrease) in operating liabilities:			
Bills payable		(215,905)	(144,301)
Borrowings		4,916,538	(2,948,341)
Deposits and other accounts		9,173,057	11,798,074
Other liabilities		(321,779)	1,316,766
		13,551,911	10,022,198
Employees' benefits paid		(278,764)	(414,036)
Income tax paid		(3,048,572)	(2,611,850)
Net cash generated from operating activities		283,370	2,462,634
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		9,892,448	(14,518,583)
Net investments in held to maturity securities		(634,367)	9,789,148
Dividend income		81,805	68,116
Investments in operating fixed assets		(830,335)	(465,209)
Sale proceeds of property and equipment disposed off		61,169	70,764
Net cash generated from / (used in) investing activities		8,570,720	(5,055,764)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
Net increase / (decrease) in cash and cash equivalents		8,854,090	(2,593,130)
Cash and cash equivalents at beginning of the year		10,404,946	12,998,076
Cash and cash equivalents at end of the year	36	19,259,036	10,404,946

The annexed notes from 1 to 46 and annexure I form an integral part of these consolidated financial statements.

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

**ZARAI TARAQIATI BANK LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**1. THE GROUP AND ITS OPERATIONS**

The "Group" consists of:

**Holding company**

- Zarai Taraqati Bank Limited

**Subsidiary company**

Kissan Support Services (Private) Limited

**1.1 Zarai Taraqati Bank Limited ("the Bank")**

**(a) Reorganization and conversion**

The Federal Government in its cabinet meeting held on August 28, 2002 decided for the reorganization and conversion of Agricultural Development Bank of Pakistan into a public limited company for the purposes of ensuring good governance, autonomy, delivering high quality and viable financial services to a greater number of rural clientele and adequate returns to stake holders. Accordingly, the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002 was promulgated for taking over the entire undertaking of Agricultural Development Bank of Pakistan and for matters connected therewith or incidental thereto.

**(b) Status**

As required under section 3 of the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002, Zarai Taraqati Bank Limited ("the Bank") was incorporated as a public limited company under the Companies Ordinance, 1984 on October 23, 2002. Consequently, under SRO 823 (1) / 2002 dated November 18, 2002, all the assets, contracts, liabilities, proceedings and undertakings of Agricultural Development Bank of Pakistan were transferred to, and vested in Zarai Taraqati Bank Limited on December 14, 2002, the effective date specified by the Federal Government, on the basis of net worth determined at Rupees 8.7 billion. The Bank's registered and principal office is situated at 1-Faisal Avenue (Zero Point), Islamabad. The Bank operates 438 (2014: 416) branches in Pakistan as at close of the year.

**(c) Nature of business**

The main purpose of the Bank is to provide sustainable rural finance and services particularly to small farmers and low-income households to strengthen the rural and agricultural sector, mitigate poverty, capital market and investment activities and other banking business.

**1.2 Kissan Support Services (Private) Limited ("the Company")**

Kissan Support Services (Private) Limited was incorporated in Pakistan as a private limited company on September 19, 2005 under the Companies Ordinance, 1984. It is a subsidiary of Zarai Taraqati Bank Limited (ZTBL) which holds 100% shares. The registered office of the Company is situated at Zarai Taraqati Bank Limited, 1-Faisal Avenue, Zero Point, Head Office, Islamabad. The Company's principal business is the provision of consultancy, advisory, agency and other support services on contractual basis or otherwise to the Bank.



## 2 BASIS OF PRESENTATION

- 2.1 These consolidated financial statements include the financial statements of Zarai Taraqati Bank Limited and its subsidiary company.
- 2.2 The State Bank of Pakistan (SBP) vide Banking Surveillance Department (BSD) Circular No. 4 dated February 17, 2006 has issued 'Revised forms of Annual Financial Statements. These unconsolidated financial statements have been presented in accordance with such revised form.

## 3 STATEMENT OF COMPLIANCE

- 3.1 These consolidated financial statements have been prepared in accordance with the 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 as are notified under the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) shall prevail.
- 3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" on banks through SRO 411(1)/2008 dated April 28, 2008. 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 prescribed by the State Bank of Pakistan through various Circulars.
- 3.3 IFRS 8, 'Operating Segments' is effective for the Group's accounting period beginning on or after January 01, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. The management of the Group believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these consolidated financial statements is based on the requirements laid down by the SBP.

## 4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after January 01, 2015 but are considered not relevant or do not have a significant effect on the Group's operations and are detailed as below:

### 4.1 Standards or interpretations that are effective in current year but not relevant to the Group

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Group has adopted these accounting standards and interpretations which do not have significant impact on the Group's financial statements other than certain disclosure requirement about fair value of financial instruments as per IFRS 13 "Fair Value Measurement".

**Effective date  
(annual periods  
beginning on or  
after)**

IFRS 10	Consolidated Financial Statements	January 1, 2015
IFRS 11	Joint Arrangements	January 1, 2015
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2015
IFRS 13	Fair Value Measurement	January 1, 2015
IAS 27	Separate Financial Statements (Revised 2011)	January 1, 2015
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)	January 1, 2015

**4.2 Amendments that are effective in current year but not relevant to the Group**

The Group has adopted the amendments to the following accounting standards which became effective during the year:

**Effective date  
(annual periods  
beginning on or  
after)**

IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	July 1, 2014
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The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2015 are as follows:

Annual Improvements to IFRSs (2010 – 2012) Cycle:

IFRS 2	Share - based payments
IFRS 3	Business Combinations
IFRS 8	Operating Segments
IFRS 13	Fair Value Measurement
IAS 16	Property Plant and Equipment
IAS 24	Related Party Disclosures
IAS 38	Intangible Assets

Annual Improvements to IFRSs (2011 – 2013 Cycle):

IFRS 3	Business Combinations
IFRS 13	Fair Value Measurement
IAS 40	Investment Property

**4.3 Amendments not yet effective**

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

**Effective date  
(annual periods  
beginning on or  
after)**

IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture and application of the consolidation exception	January 01, 2016
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IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) -Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture and the application of the consolidation exception	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	January 01, 2016
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2016 are as follows:

Annual Improvements to IFRSs (2012 – 2014) Cycle:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

#### 4.4 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers

The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Group's future financial statements.

The Group expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Group's financial statements in the period of initial application.

## 5 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investments which are carried at fair value and obligations under employee retirement benefits, which are measured at present value.

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded to the nearest thousand Rupees.

## 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 6.1 Basis of consolidation

The consolidated financial statements include the financial statements of Zarai Taraqati Bank Limited and its subsidiary company.

Subsidiary is an entity over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases / the subsidiary is disposed off. The assets and liabilities of subsidiary company has been consolidated on a line by line basis based on the financial statements as at December 31, 2015 and the carrying value of investments held by the Bank is eliminated against the subsidiary shareholders' equity in these consolidated financial statements. Material intra-group balances and transactions have been eliminated.

### 6.2 Staff retirement benefits

#### Zarai Taraqati Bank Limited

The Bank operates the following staff retirement benefits for its employees:

#### a) Pension scheme

The Bank operates defined benefit funded pension scheme approved by the income tax authorities, for its eligible employees who opted for the employees' benefits scheme, introduced in 1975 and 1977 for clerical / non-clerical staff and for executives / officers, respectively. The Bank's costs are determined on the basis of actuarial valuation carried out by independent actuary by using 'Projected Unit Credit Method'.

#### b) Gratuity scheme

The Bank operates defined benefit funded gratuity scheme approved by the income tax authorities, for its eligible employees who did not opt for the employees' benefits scheme, introduced in 1975 and 1977 for clerical / non-clerical staff and for executives / officers, respectively. Annual contributions are made on the basis of actuarial recommendations.

#### c) Provident fund scheme

The Bank operates a defined contribution funded provident fund scheme for its employees who did not opt for the employees' benefit scheme introduced in 1975 and 1977 for clerical / non-clerical staff and for executives / officers respectively. Under this scheme, equal contributions at defined rates are made by the member employees and the Bank. The Bank also operates non-contributory provident fund for its employees who opted for the new employees' benefit scheme, as mentioned above. Under this, non-contributory provident fund, contributions at defined rates are made by its member employees only. Both of these provident funds are approved by the income tax authorities.

#### d) Benevolent scheme

The Bank also has two funded defined benefit benevolent fund schemes for its employees, separately for officers and for clerical and non-clerical staff. Equal contribution to these schemes are made by employees and the Bank. The Bank is also liable to meet any shortfall in the fund, determined on the basis of actuarial valuation.

**e) Post retirement medical benefits**

The Bank operates an unfunded defined benefit post retirement medical benefit scheme for all of its employees. Provision is made in the consolidated financial statements for the benefit based on actuarial valuation. Actuarial gains / losses are accounted for in the manner similar to pension scheme.

**f) Employees compensated absences**

The Bank accounts for all accumulating compensated absences when the employees render service that increases their entitlement to future compensated absences. The compensated absences are only encashable at the time of retirement and that too for a certain period provided in the terms of employment. Provision is made in the consolidated financial statements for the benefit based on entitled un-availed leave balances carried forwarded to the next year on the basis of actuarial valuation carried out using the 'Projected Unit Credit Method'.

**Kissan Support Services (Private) Limited**

The Company operates the following staff retirement benefits for its employees:

**Unfunded medical benefits**

The Company operates an unfunded medical benefit fund for its employees. Employees are entitled for free medical facility during their service. This unfunded amount is utilized against the reimbursement of employee's actual medical expenses. The benefits are charged to profit and loss account at the rate of Rupees 400/- per employee per month.

**Gratuity scheme**

The Company operates an un-funded gratuity scheme for its permanent employees whose period of service is one year or more. Employees are entitled to gratuity on the basis set out in staff regulation. The most recent actuarial valuation is carried out at December 31, 2015 using the 'Projected Unit Credit Method' as under the latest IAS - 19 revised 2011.

**6.3 Cash and cash equivalents**

Cash and cash equivalents comprise of cash, balances with treasury banks and balances with other banks.

**6.4 Advances**

Advances are stated net of provision for non-performing advances. Provision for non-performing advances is determined on the basis of Prudential Regulations issued by the SBP and charged to consolidated profit and loss account. Advances are written off when there is no realistic prospect of recovery. Further, advances are charged off in accordance with the Prudential Regulations issued by the SBP.

**6.5 Investments**

The Group classifies its investments as follows:

**Held-for-trading**

These are securities, which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealers margin or are securities included in a portfolio in which a pattern of short-term profit taking exists.

**Held-to-maturity**

These are investments with fixed or determinable payments and fixed maturity in respect of which the Group has the positive intent and ability to hold till maturity.

**Available-for-sale**

These are investments, other than those in associates, that do not fall under the 'held for trading' or 'held-to-maturity' categories.

Investments are initially recognized at cost which in case of investments other than 'held for trading' include transaction costs associated with the investment.

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Group commits to purchase or sell the investment.

In accordance with the requirements of the State Bank of Pakistan, quoted securities, other than those classified as 'held to maturity', 'investments in associates' are subsequently re-measured to market value. Surplus / (deficit) arising on revaluation of quoted securities which are classified as 'available for sale', is taken to a separate account which is shown in the balance sheet below equity. Surplus / (deficit) arising on valuation of quoted securities which are classified as 'held for trading', is taken to the consolidated profit and loss account for the current year.

Unquoted equity securities (excluding investments in associates) are valued at the lower of cost and break-up value. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments classified as 'held to maturity' are carried at amortized cost.

#### **Investments in Associates**

Investments in associates are valued at cost less impairment, if any. A reversal of an impairment loss on associates is recognized in the consolidated profit and loss account as it arises provided the increased carrying value does not exceed cost.

Gains and losses on disposal of investments in associates are included in the consolidated profit and loss account.

### **6.6 Operating fixed assets and depreciation / amortization**

#### **Property and equipment**

Property and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.

Depreciation is computed over the estimated useful lives of the related assets at the rates set out in note 12.2. Depreciation is charged on reducing balance method except for vehicles, computer equipment and leasehold land which are depreciated / amortized on straight line method. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off.

Gains / losses, if any, on disposal of operating fixed assets are charged to consolidated profit and loss account during the year.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated profit and loss account.

#### **Capital work in progress**

Capital work-in-progress are stated at cost less impairment losses (if any) and consist of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs, if any. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

### **6.7 Intangible assets**

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the costs of the intangible assets are amortized over its useful life over which economic benefits are expected to flow to the Group. The useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.



## 6.8 Impairment

The carrying value of assets are reviewed at each statement of financial position date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the higher of fair value less costs to sell and value in use. The resulting impairment loss is taken to the consolidated profit and loss account except for the impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

## 6.9 Assets acquired in satisfaction of claims

The Bank occasionally acquires assets in settlement of certain advances. These are stated at lower of the carrying value and the current fair value of such assets.

## 6.10 Taxation

### Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits, exemptions and rebates as laid down in the applicable income tax law. The charge for current tax also includes adjustments wherever considered necessary, relating to prior years which arise from assessments framed / finalized during the year.

### Deferred

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amount 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 tax rates enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits 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 Group also recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'. The related deferred tax asset / liability is adjusted against the related deficit / surplus.

### Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments and changes in estimates made during the current year, except otherwise stated.

## 6.11 Borrowings / deposits and their costs

Borrowings / deposits are recorded at the proceeds received.

Borrowings / deposits costs are recognized as an expense in the period in which these are incurred using effective mark-up / interest rate method.

## 6.12 Sale and repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in the consolidated financial statements as investments and the counter party liability is included in borrowings. Securities purchased under an agreement to resell (reverse repo) are not recognized in the consolidated financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The difference between the purchase / sale and re-sale / re-purchase price is recognized as mark-up income / expense on a time proportion basis, as the case may be.

### 6.13 Revenue recognition

#### Zarai Taraqati Bank Limited

Mark-up / interest on advances and returns on investments are recognized on a time proportion basis using the effective interest method except that mark-up / interest on non-performing advances and investments is recognized on a receipt basis, in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan (SBP). Where the debt securities are purchased at premium or discount, such premium / discount is amortised through the profit and loss account over the remaining period of maturity.

Fee, brokerage and commission income is recognized on accrual basis

Profit / (loss) on sale of investments is credited / charged to profit and loss account for the current year.

Income from interbank deposits in saving accounts is recognized in the profit and loss account as it accrues using the effective interest method.

Dividend income is recognized when the Bank's right to receive has been established.

Recoveries against loans written-off under Government relief packages are accounted for on cash receipt basis.

Operating lease rentals are recorded in profit and loss account on a time proportion basis over the term of lease arrangements.

#### Kissan Support Services (Private) Limited

Revenue from services is recognized as and when services are rendered. Interest income is recognized on time proportion basis. Commission income is recognized when services are rendered. Rental income is recognized on accrual basis.

### 6.14 Provisions

Provisions are recognized when the group has a legal or constructive obligation 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 at each statement of financial position date and are adjusted to reflect current best estimates.

### 6.15 Foreign currencies

Transactions in foreign currencies are translated to Pak Rupees at the foreign exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Pak Rupee terms at the rates of exchange prevailing at the statement of financial position date.

### 6.16 Financial instruments

Financial assets and liabilities are recognized when the Bank becomes a party to the contractual provisions of the instrument. These are derecognized when the Bank ceases to be the party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

#### Financial assets

Financial assets are cash and balances with SBP and NBP, balances with other banks, lending to financial institutions, investments, advances and other receivables. Advances are stated at their nominal value as reduced by appropriate provisions against non-performing advances, while other financial assets excluding investments are stated at cost. Investments classified as available for sale are valued at mark-to-market basis and investments classified as held to maturity are stated at amortized cost.

### **Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangement entered into. Financial liabilities include borrowings and other liabilities which are stated at their nominal value. Financial charges are accounted for on accrual basis.

Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the net profit and loss for the period in which it arises.

### **Impairment – financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in consolidated profit and loss account.

#### **6.17 Offsetting**

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

#### **6.18 Fair value measurement**

A number of assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial assets and financial liabilities of the Group that either require fair value measurements or only fair value disclosures as at December 31, 2015 are disclosed in Note 42.

#### **6.19 Dividend distribution and appropriation**

Dividends (including bonus dividend) and other appropriations (except appropriations which are required by law) are recognized in the period in which these are approved.

#### **6.20 Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

#### 6.21 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing particular products or services (business segment), or in providing product or services within a particular economic environment (geographical segment), and is subject to risk and rewards that are different from those of other segments. The Bank has only one reportable segment. The Bank is engaged in providing agri-financing and operates only in Pakistan.

#### 6.22 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

#### 6.23 Other payables

Liabilities for other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Group.

#### 6.24 Other receivables

These are recognized at cost, which is the fair value of the consideration given. An assessment is made at each balance sheet date to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

#### 6.25 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition mark-up bearing borrowings are stated at original cost less subsequent repayments.

#### 6.26 Statutory reserve

In compliance with the requirements of the Banking Companies Ordinance, 1962, the Bank is required to maintain a statutory reserve to which an appropriation equivalent to 20% of the profit after tax is made till such time the reserve fund equals the paid up capital of the Bank. However, thereafter, the contribution is reduced to 10% of the profit after tax.

#### 6.27 Cash reserve requirement

The Bank maintains liquidity equivalent to at least 5% of its time and demand deposits in the form of liquid assets i.e. cash and banks.

#### 6.28 Grants

Grants of non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the income and expenditure account to the extent of the actual expenditure incurred. Expenditure incurred against grants committed but not received, is recognized directly in income and expenditure account and reflected as a receivable from donors.

Grants that compensate the Group for the cost of an asset are recognized in the consolidated profit and loss account as other operating income on a systematic basis over the useful life of the asset.

The grant related to an asset is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it.

#### 6.29 Contingencies

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### 6.30 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates and judgments. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually 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 consolidated financial statements or where judgment was exercised in application of accounting policies described in notes are as follows:

#### a) Classification of investments

As described in Note 6.4, investments 'held for trading' are the securities acquired principally for the purpose of generating profits from short term fluctuations in market prices while investments 'held to maturity' are investments where the management has positive intention and ability to hold the same to maturity and 'available for sale' securities are investments that do not fall under the 'held for trading' or 'held to maturity' categories. The classification of these investments involves management judgment at the time of purchase whether these are 'held for trading', 'held to maturity' or 'available for sale' investments.

#### b) Provision against advances

The Bank reviews its loan portfolio to assess the amount of non-performing advances and provision required there against on regular basis. The amount of provision is determined in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan (SBP) from time to time and the management's judgment in case of subjective provision.

#### c) Defined benefit plans

Certain actuarial assumptions have been adopted as disclosed in Note 34 of these consolidated financial statements for the actuarial valuation of staff retirement benefit plans. Actuarial assumptions are entity's best estimates of the variables that will determine the ultimate cost of providing post employment benefits. Changes in these assumptions in future years may affect the liability/asset under these plans in those years.

#### d) Operating fixed assets

Estimates of useful life of the property and equipment are based on the management's best estimates. Changes in the expected useful life are accounted for by changing the depreciation / amortization period or method, as appropriate, and are treated as change in accounting estimates. Such changes are accounted for as change in accounting estimate in accordance with the IAS 8 'Changes in Accounting Estimates and Errors'.

#### e) Impairment

##### Impairment of available for sale equity investments

Available for sale equity investments 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.

##### Impairment of investments in associates

The Group considers that a decline in the recoverable value of investment in associates 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 consolidated profit and loss account.

##### Impairment of non-financial assets (excluding deferred tax)

The carrying amounts of non-financial assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the consolidated profit and loss account.

**f) Taxation**

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

**g) Provision and contingent liabilities**

The management exercises judgment in measuring and recognizing provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**h) Provision for doubtful receivables**

The carrying amount of trade and other receivables are assessed on regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

**6.31 Trade debts**

Trade debts originated by the company are recognized and carried at original invoice amount less provision for any uncollectible amounts. Provision for doubtful debt is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written off when identified.

**6.32 Borrowing**

Loans and borrowings are recorded at the proceeds received. Mark up, interest and other borrowing costs are charged to income in the period in which they are incurred.

Borrowing cost on long term finances which are specifically obtained for the acquisition of qualifying assets (plant and machinery) are capitalized up to the date of commencement of commercial production on the respective assets. All other borrowing costs are charged to consolidated profit and loss account in the period in which these are incurred.

**6.33 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.

**6.34 Exceptional items**

Exceptional items are disclosed separately in the consolidated financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.



	Note	2015	2014
Rupees in '000			
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>Local currency</b>			
In hand		878,374	1,648,193
Prize bonds		1,956	1,246
In current accounts with:			
State Bank of Pakistan (SBP)	7.1	1,192,200	2,452,692
National Bank of Pakistan		2	2
		1,192,202	2,452,694
In deposit accounts with:			
National Bank of Pakistan	7.2	443,806	389,258
		<u>2,516,338</u>	<u>4,491,391</u>

7.1 This represents current accounts maintained with the SBP under the cash reserve requirement of the Banking Companies Ordinance, 1962.

7.2 These carry mark-up at the rate 4.25% per annum (2014: 6.50% per annum).

	Note	2015	2014
Rupees in '000			
<b>8 BALANCES WITH OTHER BANKS</b>			
In Pakistan - local currency:			
In current accounts		14,585	35,036
In deposit accounts	8.1	16,728,113	5,878,519
		<u>16,742,698</u>	<u>5,913,555</u>

8.1 These carry mark-up rates ranging from 4.25% to 7.50% per annum (2014: 6.50% to 10.25% per annum).

	Note	2015	2014
Rupees in '000			
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		-	-
Repurchase agreement lendings	9.2	-	820,190
		<u>-</u>	<u>820,190</u>
<b>9.1 Particulars of lendings</b>			
In local currency		-	820,190
In foreign currencies		-	-
		<u>-</u>	<u>820,190</u>

9.2 These carry mark-up at the rate of Nil (2014: 10.25% per annum).

**9.3 Securities held as collateral against lendings to financial institutions**

	2015			2014		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
..... Rupees in '000 .....						
Market Treasury Bills	-	-	-	820,190	-	820,190
	-	-	-	820,190	-	820,190

**10 INVESTMENTS - NET**
**10.1 Investments by types**

Note	2015			2014		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	..... Rupees in '000 .....					
	<b>Available-for-sale securities</b>					
10.6	3,695,161	947,658	4,642,819	15,021,572	969,349	15,990,921
10.4	89,296	-	89,296	90,031	-	90,031
10.5	10,523	-	10,523	10,523	-	10,523
10.8	688,524	4,938,229	5,626,753	4,170,348	-	4,170,348
10.9	39,960	-	39,960	39,976	-	39,976
	4,523,464	5,885,887	10,409,351	19,332,450	969,349	20,301,799
	<b>Held-to-maturity securities</b>					
10.6	4,278,611	-	4,278,611	3,223,265	-	3,223,265
10.7	-	-	-	812,431	-	812,431
10.8	1,647,553	-	1,647,553	890,399	-	890,399
	5,926,164	-	5,926,164	4,926,095	-	4,926,095
	10,449,628	5,885,887	16,335,515	24,258,545	969,349	25,227,894
	<b>Investments at cost</b>					
	Provision for diminution in value of investments					
10.3	(10,523)	-	(10,523)	(11,258)	-	(11,258)
	10,439,105	5,885,887	16,324,992	24,247,287	969,349	25,216,636
	<b>Investments (net of provisions)</b>					
	Surplus on revaluation of available-for-sale securities - net					
22	3,311,095	29,562	3,340,657	4,019,978	701	4,020,679
	13,750,200	5,915,449	19,665,649	28,267,265	970,050	29,237,315

	Note	2015	2014
Rupees in '000			
<b>10.2 Investments by segments</b>			
<b>Federal Government Securities:</b>			
Market Treasury Bills	10.6	8,921,430	19,214,186
Sukuk Bonds	10.7	-	812,431
Pakistan Investment Bonds	10.8	7,274,306	5,060,747
		16,195,736	25,087,364
<b>Fully paid-up ordinary shares:</b>			
Listed companies	10.4	89,296	90,031
Un-listed companies	10.5	10,523	10,523
		99,819	100,554
<b>Other investments</b>			
Term Finance Certificates - listed	10.9	39,960	39,976
<b>Total investments at cost</b>		16,335,515	25,227,894
Provision for diminution in value of investments	10.3	(10,523)	(11,258)
<b>Investments (net of provisions)</b>		16,324,992	25,216,636
Surplus on revaluation of available-for-sale securities	22	3,340,657	4,020,679
<b>Total investments at carrying value</b>		19,665,649	29,237,315

### 10.3 Particulars of provision for diminution in value of investments

Opening balance	11,258	11,258
Charge for the year	-	-
Written-off	(735)	-
Closing balance	10,523	11,258

#### 10.3.1 Particulars of provision in respect of type and segment

Available-for-sale securities - listed securities	-	735
Available-for-sale securities - un-listed securities	10,523	10,523
	10,523	11,258

### 10.4 Particulars of investments held in listed companies

Number of ordinary shares		Paid up value/share Rupees	Name	2015	2014
2015	2014			Rupees in '000	
430,551	430,551	10	Nestle Pakistan Limited	89,296	89,296
-	450,000	10	Uqab Breeding Farm Limited (Note 10.4.1)	-	585
-	150,000	10	Mubarik Dairies Limited (Note 10.4.2)	-	150
-	300,000	10	Dadabhoy Agricultural Leasing Limited (Note 10.4.3)	-	-
				89,296	90,031

10.4.1 Uqab Breeding Farm Limited is in the process of liquidation under the Companies Ordinance, 1984 since February 2012 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. During the year this investment has been written off in these consolidated financial statements.

- 10.4.2 Mubarik Dairies Limited is in the process of liquidation under the Companies Ordinance, 1984 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. Trading in shares of Mubarik Dairies Limited is under suspension since February 2012. At the date of suspension, market value per share was Rs. 0.52 against its face value of Rs. 10 per share. During the year this investment has been written off in these consolidated financial statements.
- 10.4.3 Dadabhoj Agricultural Leasing Limited is in the process of liquidation under the Companies Ordinance, 1984 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. During the year this investment has been written off in these consolidated financial statements.
- 10.4.4 Market value of listed investments is Rs. 3,358.298 million (2014: Rs. 3,918.014 million).

#### 10.5 Particulars of investments held in un-listed companies

Name of investee	Percentage of holding	Number of shares held	Break up value per share (Rupees)	Based on audited financial statements for the year ended	Name of chief executive/ managing director
Pakistan Mercantile Exchange Limited (Note 10.5.1)	3.30%	909,091	(3.84)	June 30, 2015	Mr. Ejaz Ali Shah
Pakistan Agricultural Storage and Services Corporation Limited (Note 10.5.4)	8.33%	2,500	135,375	March 31, 2015	Capt. (R) Tariq Masud
Saudi Pak Kala Bagh Livestock Limited (Note 10.5.2 & 10.5.4)	33.33%	1,000,000	-	-	Mr. Malik Allah Yar
Larkana Sugar Mills Limited (Note 10.5.3 & 10.5.4)	6.36%	141,970	-	-	Mr. Anwar Majeed

- 10.5.1 Due to negative break up value, this investment has been fully provided for in these consolidated financial statements.
- 10.5.2 Saudi Pak Kala Bagh Livestock Limited has defaulted in the repayment of loan obtained from the Bank and the case has been referred to National Accountability Bureau. During the year this investment has been written off in these consolidated financial statements.
- 10.5.3 Larkana Sugar Mills Limited is in the process of liquidation since February 2000 and there is no probability of any recovery of amount invested on final settlement. This investment was fully provided. During the year this investment has been written off in these financial statements.
- 10.5.4 Investment in Larkana Sugar Mills Limited, Saudi Pak Kala Bagh Livestock Limited, Pakistan Agricultural Storages and Services Corporation Limited were transferred to the Bank at the time of conversion of ADBP into the Bank at nominal value of Rs. 01 each.
- 10.5.5 Cost of unlisted investments is Rs. 10.523 million (2014: Rs. 10.523 million) and face value of investments in unlisted shares is Rs. 21.591 million (2014: Rs. 21.591 million).

**10.6 Principal terms of investments in Market Treasury Bills - Federal Government Securities**

Name of investment	Credit rating	Maturity period	Principal payment	Rate % per annum	Coupon payment
<b>Market Treasury Bills -</b>					
Available for sale	Unrated	February 2016 to November 2016	On maturity	6.24 to 6.95	at maturity
Held to maturity	Unrated	August 2016 to August 2021	On maturity	6.90 to 10.70	at maturity

10.6.1 Market Treasury Bills are held by the Bank which also cover statutory liquidity reserve requirements calculated on the basis of domestic demand and time liabilities. Market value of Market Treasury Bills classified as 'held to maturity' as on December 31, 2015 is Rs. 4,275.483 million (2014: Rs. 3,225.416 million).

10.7 Market value of Sukuk Bonds classified as "held to maturity" as on December 31, 2015 is Rs. Nil (2014: Rs. 802.160 million).

**10.8 Principal terms of investments in Pakistan Investment Bonds - Federal Government Securities**

Name of investment	Credit rating	Maturity period	Principal payment	Rate % per annum	Coupon payment
<b>Pakistan Investment Bonds</b>					
Available for sale	Unrated	July 2018 to March 2025	On maturity	7.56 to 12.55	at maturity
Held to maturity	Unrated	July 2015 to August 2015	On maturity	10.24 to 10.70	at maturity

10.8.1 Market value of Pakistan Investment Bonds classified as 'held to maturity' as on December 31, 2015 is Rs. 1,669.25 million (2014: Rs. 870.037 million).

**10.9 Particulars of investments in Term Finance Certificates**

Name of investee	Credit Rating	Maturity period	Principal payment	Rate % per annum	Coupon payment
Bank Alfalah Limited	AA-	February 2021	On maturity	9.72	at maturity

**10.10 Quality of Available-for-Sale securities**

	2015		2014	
	Market value	Credit rating	Market value	Credit rating
	Rs. in '000		Rs. in '000	
<b>Shares in listed companies</b>				
Nestle Pakistan Limited	3,358,298	Unrated	3,918,014	Unrated
Uqab Breeding Farm Limited	-	Unrated	-	Unrated
Mubarik Dairies Limited	Not available	Unrated	Not available	Unrated
	<u>3,358,298</u>		<u>3,918,014</u>	
Pakistan Investment Bonds	5,693,653	Unrated	4,362,582	Unrated
Market Treasury Bills	4,678,533	Unrated	16,165,413	Unrated
Term Finance Certificates - listed				
Bank Alfalah Limited	40,689	AA-	39,692	AA-
	<u>13,771,173</u>		<u>24,485,701</u>	







	Note	2015	2014
Rupees in '000			
<b>11.4 Particulars of write offs</b>			
11.4.1 Against provisions		-	-
Write offs of Rupees 500,000 and above	11.6	-	-
Write offs of below Rupees 500,000		-	-
<b>11.5 Particulars of charged off</b>			
11.5.1 Against provisions		1,229,397	1,352,329
11.5.2 Charge offs of Rupees 500,000 and above		-	-
Charge offs of below Rupees 500,000	11.7	1,229,397	1,352,329

#### 11.6 Details of write offs of Rupees 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year have to be disclosed. However, this write off does not effect the Bank's right to recover debts from these customers. During the year ended December 31, 2015, no write-off or any other financial relief of five hundred thousand rupees or above was allowed to any person(s).

#### 11.7 Particulars of charged off

In terms of Prudential Regulations for Agricultural Financing - Part B (specific regulations) the Bank extinguishes its loans through provisions. The total balance for these off-balance sheet loans extinguished against provisions as at December 31, 2015 was Rs. 22,467 million (Rs. 25,741 million as at December 31, 2014) with an addition of Rs. 1,229 million (Rs. 1,352 million for the year ended December 31, 2014) as charge off loans during the year. Detail of charge offs out of extinguished loan portfolio exceeding five hundred thousand rupees is given at Annexure-I.

#### 11.8 Particulars of loans and advances to directors, executives and officers

Debts due by the directors, executives and officers of the Bank or any of them either severally or jointly with other persons:

	Note	2015	2014
Rupees in '000			
Balance at the beginning of year		1,690,246	1,698,988
Loans granted during the year		502,817	298,812
		2,193,063	1,997,800
Repayments		(479,110)	(307,554)
Balance at the end of year		1,713,953	1,690,246
<b>12 OPERATING FIXED ASSETS</b>			
Capital work-in-progress	12.1	299,821	213,711
Property and equipment	12.2	1,805,596	1,370,336
Intangible assets	12.3	12	103
		2,105,429	1,584,150

**12.1 Capital work-in-progress**

Note	Opening balances	Additions	Transferred	Closing balances
	Rupees in '000			
12.1.1	195,216	17,383	-	212,599
	1,270	-	-	1,270
12.1.2	150	66,992	-	67,142
	13,547	1,735	-	15,282
	3,528	-	-	3,528
<b>December 31, 2015</b>	<b>213,711</b>	<b>86,110</b>	<b>-</b>	<b>299,821</b>
<b>December 31, 2014</b>	<b>399,850</b>	<b>42,748</b>	<b>228,867</b>	<b>213,731</b>

12.1.1 Subsequent to the balance sheet date amounting to Rs. 211.169 million building and related cost have been capitalized upon completion of the building and is available for use.

12.1.2 This includes an amount of Rs. 66.992 million (2014: Nil) which has been given as advance to suppliers for vehicles.

**12.2 Property and equipment**

Description	COST			ACCUMULATED DEPRECIATION			Book value at December 31	Annual rate of Depreciation
	At January 01	Additions	(Deletions)/ adjustments	At December 31	At January 01	Charge for the year		
<b>Year ended December 31, 2015</b>	Rupees in '000							
Land - Freehold	221,895	669	-	222,564	-	-	222,564	-
Land - Leasehold	15,139	-	-	15,139	9,888	401	4,850	Lease terms for 33 to 99 years
Buildings on freehold land	333,278	4,467	-	337,745	64,155	13,855	259,735	5%
Buildings on leasehold land	360,559	5,455	-	366,014	121,500	4,290	240,224	5%
Buildings on leasehold land - ADB	21,224	-	-	21,224	6,095	756	14,373	5%
Furniture and fixtures	182,112	133,634	(3,281)	312,465	63,215	22,003	229,822	10% / 20%
Computer, office and other equipment	503,440	193,705	(10,353)	686,792	267,954	98,246	330,148	20% / 33.33%
Computer, office and other equipment - ADB	157,519	-	-	157,519	157,519	-	-	20% / 33.33%
Vehicles	1,015,387	406,279	(86,234)	1,335,432	749,891	128,343	503,880	20%
	<b>2,810,553</b>	<b>744,209</b>	<b>(99,868)</b>	<b>3,454,894</b>	<b>1,440,217</b>	<b>267,894</b>	<b>1,805,596</b>	

Description	COST			ACCUMULATED DEPRECIATION				Annual rate of Depreciation		
	At January 01	Additions	(Deletions)/ adjustments	At December 31	At January 01,	Charge for the year	Depreciation on (deletions) / adjustments		At December 31	Book value at December 31
<b>Year ended December 31, 2014</b>										
Land - Freehold	221,895	-	-	221,895	-	-	-	-	221,895	-
Land - Leasehold	15,139	-	-	15,139	9,075	813	-	9,888	5,251	5%
Buildings on freehold land	150,112	183,166	-	333,278	59,720	4,435	-	64,155	269,123	5%
Buildings on leasehold land	355,577	4,982	-	360,559	118,058	3,442	-	121,500	239,059	5%
Buildings on leasehold land - ADB	21,224	-	-	21,224	5,299	796	-	6,095	15,129	5%
Furniture and fixtures	139,279	48,339	(5,506)	182,112	54,264	13,792	(4,841)	63,215	118,897	10%/20%
Computer, office and other equipment	285,611	222,953	(5,124)	503,440	205,445	67,530	(5,021)	267,954	235,486	20%/33.33%
Computer, office and other equipment - ADB	157,519	-	-	157,519	157,519	-	-	157,519	-	20%/33.33%
Vehicles	921,503	190,734	(96,850)	1,015,387	709,593	122,435	(82,137)	749,891	265,496	20%
	<u>2,267,859</u>	<u>650,174</u>	<u>(107,480)</u>	<u>2,810,553</u>	<u>1,318,973</u>	<u>213,243</u>	<u>(91,999)</u>	<u>1,440,217</u>	<u>1,370,336</u>	



12.3 Intangible assets

Description	COST				ACCUMULATED AMORTIZATION			Book value at December 31, 2015	Annual rate of amortization
	At January 01 2015	At January 01 2015	At December 31, 2015	Additions	At January 01 2015	Charge for the year	At December 31, 2015		
					Rupees in '000 .....				
Computer software	1,159	16	1,175	1,057	107	1,164	11	33.33%	
Computer software - ADB	80,500	-	80,500	80,499	-	80,499	1	33.33%	
<b>2015</b>	<b>81,659</b>	<b>16</b>	<b>81,675</b>	<b>81,556</b>	<b>107</b>	<b>81,663</b>	<b>12</b>		
Description	COST				ACCUMULATED AMORTIZATION			Book value at December 31, 2014	Annual rate of Amortization
	At January 01 2014	At January 01 2014	At December 31, 2014	Additions	At January 01 2014	Charge for the year	At December 31, 2014		
					Rupees in '000 .....				
Computer software	1,156	3	1,159	946	111	1,057	102	33.33%	
Computer software - ADB	80,500	-	80,500	80,499	-	80,499	1	33.33%	
<b>2014</b>	<b>81,656</b>	<b>3</b>	<b>81,659</b>	<b>81,445</b>	<b>111</b>	<b>81,556</b>	<b>103</b>		



### 13 DEFERRED TAX ASSETS / (LIABILITIES) - NET

The details of the tax effect of taxable and deductible temporary differences are as follows:

	Note	2015	2014
		Rupees in '000	
<b>Taxable temporary differences on:</b>			
Accelerated tax depreciation		(65,703)	(49,477)
Surplus on revaluation of assets	22	<u>(1,169,230)</u>	<u>(545,776)</u>
		(1,234,933)	(595,253)
<b>Deductible temporary differences on:</b>			
Provision for medical facilities		18,316	15,300
Defined benefit plans		1,538,323	1,504,887
Provision against non-performing loans and advances		<u>185,456</u>	<u>656,878</u>
		<u>507,162</u>	<u>1,581,812</u>

### 14 OTHER ASSETS - NET

Income / mark-up accrued on deposits in local currency		60,698	10,234
Income / mark-up accrued on securities		264,015	387,602
Accrued interest / mark-up on advances	14.1	9,638,620	6,842,759
Stationery and stamps in hand		85,979	74,588
Amount recoverable from Federal Government	14.2	1,476,547	549,154
Crop loan insurance claim recoverable from Insurance Companies		246	-
Tax recoverable	14.3	427,748	427,749
Non banking assets acquired in satisfaction of claims	14.4	246,497	270,697
Receivable from defined benefit plans	14.5	3,723,275	2,761,549
Stock of farm machinery		13,125	13,125
Advances against salary and expenses		25,082	25,235
Security deposits		6,059	2,776
Advances and other prepayments		1,303,058	604,608
Others		<u>303,426</u>	<u>445,139</u>
		17,574,375	12,415,215
Provision held against other assets	14.6	<u>(780,525)</u>	<u>(745,589)</u>
Other assets - net of provisions		<u>16,793,850</u>	<u>11,669,626</u>

14.1 This does not include Rs. 3,452.266 million (2014: Rs. 3,254.630 million) on account of unrealised mark-up on non performing loans and advances kept in the memorandum account in accordance with the Prudential Regulations for Agriculture Financing.

14.2 This includes amount recoverable from Federal Government on account of crop loan insurance premium amounting to Rs. 1,105.273 million, small livestock farmers premium amounting to Rs. 295.254 million and animal tagging charges amounting to Rs. 19.164 million.

14.3 This includes tax recoverable of Rupees 297.149 million for assessment years 1991-92 to 1998-99 as disclosed in Note 23.2.4.

14.4 Market value of non-banking assets acquired in satisfaction of claims is Rs. 633.221 million (2014: Rs. 638.346 million).

	Note	2015	2014
		Rupees in '000	
<b>14.5 Receivable from defined benefit plans</b>			
Pension scheme	34.1.5	1,545,639	822,242
Gratuity scheme - Staff Regulations 1975	34.4.1.5	2,177,636	1,939,307
	14.5.1	<u>3,723,275</u>	<u>2,761,549</u>

14.5.1 These represent assets recognized by the Group as required by International Accounting Standard (IAS) 19 'Employee Benefits' against its defined benefit schemes on the recommendation of independent actuary.

	Note	2015	2014
		Rupees in '000	
<b>14.6 Provision held against other assets</b>			
Opening balance		745,589	756,255
Charge for the year		61,984	908
Reversals		(27,048)	(11,574)
		34,936	(10,666)
Amount written off		-	-
Closing balance		<u>780,525</u>	<u>745,589</u>

## 15 BILLS PAYABLE

In Pakistan		<u>346,059</u>	<u>561,964</u>
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## 16 BORROWINGS

In Pakistan	16.1	<u>57,143,100</u>	<u>969,349</u>
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### 16.1 Particulars of borrowings with respect to currencies

In local currency	16.2	<u>57,143,100</u>	<u>969,349</u>
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### 16.2 Details of borrowings from financial institutions - secured

Borrowing from State Bank of Pakistan (SBP)

Agricultural loans	16.3 & 16.5	50,174,089	-
Agri-project loans	16.4 & 16.5	1,083,124	-
		51,257,213	-
Repurchase agreement borrowings	16.6	5,885,887	969,349
		<u>57,143,100</u>	<u>969,349</u>

16.3 As per agreement with the SBP, these loans were obtained for providing finance to customers for agriculture purposes. Three credit lines amounting to Rs. 1.577 billion carried interest rate of 4.00% per annum while remaining thirty two credit lines amounting to Rs. 48.597 billion were based on profit and loss sharing subject to maximum share of profit to the SBP ranging from 4.00% to 10.00% per annum. These loans were secured by way of guarantee of Government of Pakistan (GoP).

16.4 These loans were given by the SBP for the purpose of providing finance to agro based industry. These were subject to profit and loss sharing with a maximum share of profit to the SBP ranging from 4.00% to 6.00% per annum. These were secured by guarantee given by the GoP.

16.5 In view of future financial viability and sustainability of the Bank, in a meeting, held on July 11, 2014 among Ministry of Finance (MoF), State Bank of Pakistan (SBP), Securities & Exchange Commission of Pakistan (SECP) and the Bank, it was decided to convert outstanding SBP debt - principal (Rs. 51.257 billion), subordinated loan (Rs. 3.204 billion) and accrued mark-up (Rs. 35.030 billion) owed by the Bank to SBP as on June 30, 2014 into equity investment of SBP in the Bank. It was also decided that Bank's claim against Government of Pakistan (GoP) on account of mark-up differential and various Presidential Relief Packages shall be waived off by the Bank procedurally. As decided, the Board of Directors of the Bank in its meeting dated July 18, 2014 and the shareholders of the Bank in their extra ordinary general meeting dated August 13, 2014 approved the conversion of SBP debt of Rs. 89.491 billion into 8,949,098,476 fully paid-up ordinary shares as equity investment of SBP in the Bank and the Bank's claim against the GoP was waived-off / written-off.

However, subsequent to the reporting date, it was mutually agreed between the Bank and SBP that SBP debt - principal amounting Rs. 54.460 billion (SBP borrowings amounting Rs. 51.257 billion and subordinated loan amounting Rs. 3.204 billion) be converted into redeemable preference shares carrying a mark-up of 7.5% per annum, redeemable in one bullet payment on December 31, 2025. The mark-up on preference shares shall be payable half yearly on June 30 and December 31, each year and shall be the contractual obligation of the Bank.

Mark-up on the existing debt shall be accrued up to December 31, 2015 as per existing arrangements, leading to increase in accrued mark-up from Rupees 35.030 billion as on June 30, 2014 to Rs. 40.156 billion as on December 31, 2015. The accrued mark-up of Rs. 40.156 billion be converted into ordinary shares of the Bank, which has been shown as share deposit money of the Bank. The Board of Directors in their meeting held on February 02, 2016 and further in consultation with SBP, resolution by circulation dated February 19, 2016, was approved by the Board of Directors of the Bank and has resolved to convert of SBP debt into preference shares and mark-up into ordinary shares of the Bank for which members approval will be obtained.

The principal of the preference shares and return thereon shall be guaranteed by the Federal Government of Pakistan.

16.6 It carries markup at the rate of 6.15% (2014: 9.75%) and is secured against Pakistan Investment Bonds of carrying value of Rupees 4,967.633 million and Market Treasury Bills of carrying value of Rs. 947.816 million (2014: Market Treasury Bills of carrying value of Rs. 970.050 million). This is repayable by January 2016.

	Note	2015 Rupees in '000	2014 Rupees in '000
<b>17 DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers - local currency</b>			
Fixed deposits	17.1	14,074,688	496,081
Saving deposits	17.2	8,539,950	13,763,443
Current accounts - remunerative		90,903	80,182
Current accounts - non-remunerative	17.3	13,134,386	12,328,978
Unclaimed deposits		29,097	27,283
		<u>35,869,024</u>	<u>26,695,967</u>

17.1 This represents term deposits having tenure of 3 to 60 months (2014: 3 to 12 months) carrying interest at the rates ranging from 6.00 % to 8.25% (2014: 6.50% to 9.25%) per annum.

17.2 This Rs. 92.071 million (2014: Rs. 62.993 million) as deposit of employees' benefit funds.

17.3 This includes Rs. 0.010 million (2014: Rs. 0.010 million) as deposit of employees' benefit funds.

## 18 SUB-ORDINATED LOAN

As per restructuring plan of the Bank approved by the ECC of the Cabinet, the SBP's equity holding of Rupees 3.204 billion was converted into subordinated loan on terms to be agreed with the SBP. Accordingly, the Bank submitted a proposal to the SBP for restructuring the debt according to which the SBP's debt of Rs. 51.257 billion and SBP's subordinated debt of Rs. 3.204 billion was repayable in 15 equal annual installments commencing from 2006 onward with the provision to make repayment of the subordinated debt in the last installment and rate of mark up to be pegged at weighted average yield of 12 months Treasury Bill rate of 2.3558% per annum as per Treasury Bill auction dated June 12, 2003 and capped at the aforesaid markup rate for an initial period of five years.

As more fully explained in Note 16.5, the Bank is in process to issue redeemable preference shares and ordinary shares to the SBP against sub-ordinated debt and related mark-up thereon.

	Note	2015	2014
		Rupees in '000	
<b>19 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		992	777
Accrued expenses		556,903	916,213
Taxation (provisions less payments)	19.1	3,044,986	3,420,404
Branch adjustment account		118,432	341,025
Payable to Ministry of Food Agriculture and Livestock	19.2	176,100	176,100
Profit payable on deposits and other accounts		370,690	149,395
Net liabilities relating to Bangladesh	19.3	189	189
Provision for Gratuity scheme	19.4	150,751	160,053
Provision for employees' post retirement medical benefits	34.5.4	4,443,878	4,220,464
Provision for employees' compensated absences	34.6.2	2,390,052	866,380
Security deposits		17,282	25,904
Deferred income	19.5	14,375	15,131
Others	19.6	560,520	513,284
		<u>11,845,150</u>	<u>10,805,319</u>
<b>19.1 Taxation -net</b>			
Opening balance		3,420,404	3,039,116
Charge during the year	29	2,673,155	3,008,253
Advance income tax/withholding tax		(3,048,573)	(2,626,965)
Closing balance		<u>3,044,986</u>	<u>3,420,404</u>

19.2 This represents the amount of Rs. 8.100 million (2014: Rs. 8.100 million) payable under Japanese KR-II Grant-1996 and Rs. 168 million (2014: Rs. 168 million) payable under Crop Maximization Project - Productivity Enhancement on Sustainable Basis.

	Note	2015	2014
		Rupees in '000	
<b>19.3 Net liabilities relating to Bangladesh</b>			
Liabilities		1,636,887	1,607,516
Assets		(1,636,698)	(1,607,327)
	19.3.1	<u>189</u>	<u>189</u>

19.3.1 This represents the amount relating to the activities of the Bank in Bangladesh (former East Pakistan) before its separation. In accordance with the Finance Division letter No.F.5(12)PEC(op-FR)/78-236 dated May 6, 1979 the Bank has to calculate interest on the loans made in Bangladesh as it does in the case of corresponding borrowings made from the SBP. Instead of carrying the interest to profit and loss account, the Bank shows it in the statement of financial position only. The Bank is accruing interest at the rate of 8% per annum on its loans and advances made in Bangladesh with contra increase in its liabilities relating to its activities in Bangladesh.

	Note	2015	2014
		Rupees in '000	
<b>19.4 Provision for Gratuity scheme</b>			
Gratuity scheme - staff regulation 2005 of the Bank	34.4.2.5	11,268	53,215
Gratuity scheme of the Company	34.4.3.4	139,483	106,838
	19.4.1	<u>150,751</u>	<u>160,053</u>

19.4.1 These represent liabilities recognized by the Group as required by International Accounting Standard (IAS) 19 'Employee Benefits' against its defined benefit schemes on the recommendation of independent actuary.

#### 19.5 Deferred grant

Opening balance		15,131	15,927
Additions during the year		-	-
Amortization during the year	26	(756)	(796)
Closing balance		<u>14,375</u>	<u>15,131</u>

19.5.1 Deferred income comprises of the grants from the Asian Development Bank via Government of Pakistan for Rural Support Development Finance Project (RSDFP).

19.6 This represents various payables which include insurance claims payable / adjustable against the loan liability of the borrowers, withholding income tax, contribution received from borrowers, etc.

## 20 SHARE CAPITAL

### 20.1 Authorized capital

2015	2014		2015	2014
Number of shares			Rupees in '000	
12,500,000,000	12,500,000,000	Ordinary shares of Rupees 10 each	125,000,000	125,000,000

### 20.2 Issued, subscribed and paid up capital

2015	2014		2015	2014
Number of shares			Rupees in '000	
1,186,961,201	1,186,961,201	Ordinary shares of - fully paid in cash	11,869,612	11,869,612
65,282,866	65,282,866	- Issued as bonus shares	652,829	652,829
<u>1,252,244,067</u>	<u>1,252,244,067</u>		<u>12,522,441</u>	<u>12,522,441</u>

### 20.3

Shareholder	No. of ordinary shares	Paid-up value per share	2015	2014
			Rupees in '000	
Government of Pakistan	1,251,189,067	10	12,511,891	12,511,891
Government of Punjab	292,340	10	2,923	2,923
Government of Sindh	125,545	10	1,256	1,256
Government of Khyber Pakhtunkhwa	71,740	10	717	717
Government of Balochistan	37,875	10	379	379
Erstwhile East Pakistan	527,500	10	5,275	5,275
	<u>1,252,244,067</u>		<u>12,522,441</u>	<u>12,522,441</u>

**21 RESERVES**

	Revenue reserve		2015	2014
	Statutory reserves	Contingencies reserve		
	Rupees in '000			Restated
Opening balance	4,528,766	60,000	4,588,766	3,505,289
Transferred from unappropriated profit	1,054,524	-	1,054,524	1,083,477
Closing balance	5,583,290	60,000	5,643,290	4,588,766

21.1 Statutory reserves represent reserve maintained as per requirement of section 21 of the Banking Companies Ordinance, 1962.

21.2 The Bank has set aside contingencies reserve for insurance of cash, building and vehicles.

**22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

 2015  
2014  
Rupees in '000

Surplus / (deficit) arising on revaluation of available-for-sale securities:

Quoted investments	3,269,002	3,828,718
Other securities	71,655	191,961
	3,340,657	4,020,679
Related deferred tax liability	(1,169,230)	(545,776)
	2,171,427	3,474,903

**23 CONTINGENCIES AND COMMITMENTS**
**23.1 Contingent assets**

23.1.1 The Government of Pakistan reduced the markup rates on the Bank's advances from 14% to 9% vide Presidential Relief Package 2004 w.e.f. July 01, 2004. As per the directive of the Bank's Board of Directors, the Bank requested the Ministry of Finance to compensate the loss of revenue due to this reduction in rate of markup. The total claim in this respect was worked out at Rs. 33,062 million for the period from July 01, 2004 to June 30, 2014. This amount was not accounted for in these financial statements as the formal approval from Ministry of Finance was not received by the Bank. However, as more fully explained in Note 16.5, the Board of Directors has resolved to waive off this claim along with claims against Presidential Relief Packages (Note 23.1.2).

23.1.2 There was a contingent asset of an amount of Rs. 1.708 billion (2014: Rs. 1.708 billion) receivable from the Federal Government on account of following Presidential Relief Packages:

	2015	2014
	Rupees in '000	
Advances outstanding as at April 30, 2007 receivable from borrowers of Badin, Umerkot and Tharparkar districts outstanding as on April 30, 2007	752,444	752,444
Advances outstanding as at August 04, 2008 from borrowers of Girdawar Circles of Mathra and Khalisa of Peshawar districts	61,168	61,168
Advances outstanding as at May 31, 2007 from borrowers of Mansehra, Battagram, Kohistan and Shangla districts	296,773	296,773
Advances outstanding as at November 30, 2009 from borrowers of Gilgit Baltistan	597,341	597,341
	1,707,726	1,707,726

23.1.3 As more fully explained in Note 16.5, the Board of Directors has resolved to waive off claims against the above Presidential Relief Packages.

	2015	2014
	Rupees in '000	
<b>23.2 Contingent liabilities</b>		
23.2.1 Contingent liabilities in respect of 471 cases (2014: 521 cases) filed against the Bank by various borrowers.	<u>4,094,925</u>	<u>4,580,091</u>
23.2.2 Contingent liabilities in respect of 480 cases (2014: 458 cases) filed against the Bank in various courts of law by the employees.	<u>2,317,838</u>	<u>1,692,334</u>
23.2.3 This includes (Note 23.2.2) an amount of Rs. 2,063.00 million (2014: Rs. 1,359.00 million) regarding case related to reduction in pension factor decided against the Bank by the Honorable Islamabad High Court. The Bank has filed a review petition before the Honorable Islamabad High Court. The legal advisor of the Bank has opined that the Bank has a very strong case both on legal as well as factual grounds and hence no provision has been made in these financial statements as favourable outcome is expected.		
23.2.4 There is a contingency of an amount of Rs. 297.149 million and Rs. 54.828 million on account of minimum income tax levied by the income tax authorities under section 80-D of the Income Tax Ordinance, 1979, and various tax refunds pertaining to assessment years 1991-92 to 1998-99 and assessment year 1999-2000 respectively despite the income of the Bank being exempt from tax up to income year ended June 30, 1999. The Bank paid, under protest, these disputed tax demands and also filed writ petition in this respect in the Honorable Lahore High Court, Rawalpindi Bench, Rawalpindi. Later on, the Bank withdrew the said petition on the directions of the Federal Government and the case was referred to the Law and Justice Division of the Government of Pakistan (GoP) which decided the reference in the Bank's favour. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision, further took up the matter with Federal Cabinet for its review. Federal Cabinet referred the case to the Attorney General of Pakistan (AGP) for final decision which was received on March 12, 2011 whereby the AGP decided that Section 27-A of the ADBP Ordinance should prevail over the said section 80-D of the Income Tax Ordinance, 1979.		
23.2.5 Income Tax Department under section 161 / 205 of the Income Tax Ordinance, 2001 levied income tax amounting to Rupees 7.714 million for the tax year 2004. The Bank filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) who decided the case in favour of the Bank. However, being aggrieved, the FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), where case is pending. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.		
23.2.6 The cases relating to taxation matters of the Bank for the assessment years 2002-2003 and tax years 2003 to 2009 were contested by the Bank at various forums. ATIR vide its orders dated June 09, 2010, March 01, 2011, July 22, 2011 and April 16, 2012 has decided most of the issues involved in favour of the Bank.		
Final appeal effects order has also been received by the Bank as per decisions of ATIR resulting in net refunds of Rupees 4.640 billion out of which Rupees 1.887 billion has been adjusted against payment of advance tax for the period from June 2012 to May 2013. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 133 of the Income Tax Ordinance, 2001 against the aforementioned ATIR orders dated June 09, 2010, March 01, 2011 and July 22, 2011 before the Honorable Lahore High Court, Rawalpindi Bench for tax years 2003, 2004, 2006 and 2007 and Honorable Islamabad High Court, Islamabad for assessment year 2002-03 and tax years 2004, 2005, 2006, 2007, 2008 and 2009. No provision for income tax involved of approximately Rupees 9.917 billion has been recognized in these financial statements as the Bank is confident for a favourable outcome based on strong grounds of appeal and opinion of legal counsel of the Bank.		
23.2.7 Deputy Commissioner Inland Revenue (DCIR) passed orders under section 122(4) of the Income Tax Ordinance, 2001 and raised demand of Rs. 3.307 billion for tax years 2008 and 2009. The Bank filed appeals before CIR(A) who maintained the order. The Bank filed an appeal against the said order before the ATIR which has been decided and cases have been remanded back to the assessing officer. No order, in this regard, has been received so far. The Bank has not accounted for the demand as tax payable, as a favourable outcome is expected.		





- 23.2.8 Assistant Commissioner Inland Revenue (ACIR) raised demand of Rs. 429.747 million under section 161 of the Income Tax Ordinance, 2001 for the tax year 2010. CIR(A), against appeal filed by the Bank, remanded back the case to ACIR with the directions to provide opportunity to the assessee. The Bank and department both filed appeals before the ATIR which were decided in favour of the Bank. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad under section 133 of the Income Tax Ordinance, 2001 which is pending for adjudication. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.9 ACIR passed orders under section 122(5A) and raised demand of Rs. 3.288 billion for tax year 2010, Rs. 2.923 billion for tax year 2011 and Rs. 2.037 billion for tax year 2012. The Bank filed appeal before CIR(A) who remanded back the cases to ACIR. The Bank filed appeal with ATIR against the orders of the CIR(A) which was decided by the ATIR in favour of the Bank. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.10 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 208.337 million for tax year 2011. The Bank filed appeal before CIR(A) against the orders of DCIR who remanded back the case to Assessing Officer for verification. The Bank has filed appeal before ATIR against the orders of the CIR(A). ATIR decided the case in favour of Bank on the issue of default surcharge. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. Further, the Assessing Officer on remanded back case after verification on various issues reduced the demand to Rupees 14.365 million.
- Being aggrieved the Bank filed appeal before CIR(A) against the order of Assessing Officer on remanded back case deleted various issues and also confirmed the action of Assessing Officer on certain issues. Being aggrieved both the Bank and the department has filed appeal before ATIR against the orders of the CIR(A). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.11 ACIR passed order under section 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 4.920 billion for tax year 2013. The Bank filed appeal before CIR(A) against the orders of ACIR who deleted the demand on various issues and also confirmed the action of ACIR on certain issues. The Bank and FBR both have filed appeals before ATIR against the orders of the CIR(A) which were decided in favour of the Bank except Rs. 2.830 billion which were remanded back to ACIR. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. No provision for income tax involved has been recognized in these financial information, as a favourable outcome is expected.
- 23.2.12 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 27.792 million for tax year 2009. To avail the Government amnesty, the Bank paid Rs. 19.183 million under protest with waiver of penalty amount of Rs. 8.609 million under amnesty. The FBR allowed the amnesty to the Bank. The Bank has filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. The Bank has filed appeal before ATIR against the orders of the CIR(A) who decided the case in favour of the Bank except remanded back the issue of profit on debt for verification. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The Assessing Officer completed the proceeding on remanded back issue, the decision is awaited. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.13 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 15.943 million for tax year 2012. The Bank filed appeal before CIR(A) against the orders of DCIR which has been decided. Being aggrieved the Bank filed appeal before ATIR against the orders of the CIR(A). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 23.2.14 The cases relating to Federal Excise Duties / Sales tax matters of the Bank for the years 2008, 2009, 2010, 2011 and 2012 were contested by the Bank at various forums. ATIR vide its orders dated May 07, 2012, January 08, 2013, November 26, 2013 and March 13, 2014 has decided most of the issues involved in favour of the Bank. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 47 of the Sales Tax Act, 1990 and under section 34A of the Federal Excise Act, 2005 against the aforementioned ATIR orders before the Honorable Islamabad High Court, Islamabad for years 2008, 2009, 2010, 2011 and 2012. No provision for amount involved of approximately Rs. 825.121 million has been recognized in these financial statements as the Bank is confident for a favourable outcome.
- 23.2.15 The Bank is facing claims launched in various Courts, pertaining to post employment benefits and non-payments of advances and others. The matters are still pending before the Courts. As no amount is involved or not quantified in most of the cases, therefore, the contingent liability is not accurately quantifiable (2014: same as mentioned).
- 23.2.16 The Officer Inland Revenue LTU, Islamabad has initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2009 and 2011. The Company has submitted all the documentary evidences yet, the case is pending for adjudication. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of the Company.
- 23.2.17 The Officer Inland Revenue, Large Taxpayers Unit, Islamabad amended the assessment of the Company under section 122(5A) for the financial year ended December 31, 2009 i.e. Tax Year 2010 and created a demand of Rs. 5.095 million. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Commissioner passed an Order against the Company and maintained the assessment framed by the Officer Inland Revenue. The tax amount of Rs. 5.095 million has been deposited with the Tax Authorities and at the same time the Company preferred an appeal before the Appellate Tribunal Inland Revenue, Islamabad under section 131 of the Income Tax Ordinance, 2001. Appellate Tribunal Revenue Islamabad passed order against the Company and maintained/ upheld the order of the commissioner (Appeals). Now the Company has preferred an application for rectification of mistake under section 221 of the Ordinance and subsequent to the balance sheet the date of hearing has been fixed. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of the Company.

23.3 Commitments against capital expenditure	2015	2014
	Rupees in '000	
	38,188	4,496

	Note	2015 Rupees in '000	2014
<b>24 MARK-UP / RETURN / INTEREST EARNED</b>			
On loans and advances to customers		16,611,328	12,889,081
On investments:			
- In held to maturity securities		397,706	558,667
- In available for sale securities		1,001,941	1,585,733
		1,399,647	2,144,400
On deposits with financial institutions		233,007	297,902
On securities purchased under resale agreement		38,896	130,154
On call money lendings		1,558	60,593
		<u>18,284,436</u>	<u>15,522,130</u>
<b>25 MARK-UP / RETURN / INTEREST EXPENSED</b>			
On deposits		766,634	560,036
On borrowings and subordinated debt - State Bank of Pakistan		5,126,544	1,689,826
On securities sold under repurchased agreement		98,150	122,327
Bank commission and other charges		22,447	26,081
		<u>6,013,775</u>	<u>2,398,270</u>
<b>26 OTHER INCOME</b>			
Rent on property - others		38,696	23,753
Recoveries of charged off amounts		2,916,752	2,557,110
Gain on sale of operating fixed assets		20,114	55,283
Loan application fee		1,556,550	1,149,550
Deferred income amortization	19.5	756	796
Others	26.1	553,133	483,037
		<u>5,086,001</u>	<u>4,269,529</u>
<b>26.1 Others</b>			
Sale proceeds of loan application forms		60,770	53,474
Postal charges received from loanees		202,577	208,956
Credit worthiness report, renewal of Sada Bahar Scheme and other charges recovered	26.1.1	289,786	220,607
		<u>553,133</u>	<u>483,037</u>
26.1.1 Other charges includes sale of scrap, business margin and charges of loose cheques etc.			

27 ADMINISTRATIVE EXPENSES	Note	2015 Rupees in '000	2014
Salaries, allowances and benefits	27.1	7,719,360	6,930,913
Charge / (reversal) for defined benefit plans and other benefits:			
- Pension scheme	34.1.7	268,181	(1,171,745)
- Benevolent scheme - officers / executives	34.2.7	(20,327)	32,021
- Benevolent scheme - clerical / non-clerical	34.3.7	(34,028)	(3,576)
- Gratuity under old staff regulations	34.4.1.7	(218,172)	(220,475)
- Gratuity scheme - staff regulation 2005	34.4.2.7	110,111	233,551
- Gratuity scheme of the Company	34.4.3.6	43,424	30,590
- Employees' compensated absences	34.6.2	145,921	185,276
		295,110	(914,358)
Contribution to defined contribution plan - provident fund	34.8	41,626	79,646
Non-executive directors' fees and other expenses		7,696	3,233
Rent, taxes, insurance, electricity, etc.		273,220	257,338
Legal and professional charges		61,028	182,824
Communications		90,233	82,429
Repairs and maintenance		74,425	50,671
Motor vehicle expenses		401,126	444,317
Traveling expenses		162,696	154,317
Stationery and printing		100,993	94,175
Advertisement and publicity		15,827	14,210
Auditors' remuneration	27.2	6,139	5,526
Depreciation - tangible	12.2	267,894	213,243
Amortization - intangible	12.3	107	111
Commutation to employees	27.3	5,748	14,073
Others		183,130	118,097
		9,706,358	7,730,765

27.1 This includes post retirement medical benefit amounting to Rs. 685.692 million (2014: Rs. 624.216 million).

#### 27.2 Auditors' remuneration

	2015		Total
	BDO Ebrahim & Co. Chartered Accountants	Riaz Ahmad & Co. Chartered Accountants	
	..... Rupees in '000 .....		
Audit fee	1,088	951	2,039
Fee for half year review	288	216	504
Consolidation of the financial statements of subsidiary company	261	261	522
Other certifications / services	617	573	1,190
Out of pocket expenses	942	942	1,884
	3,196	2,943	6,139

	2014		Total
	Ilyas Saeed & Co. Chartered Accountants	Riaz Ahmad & Co. Chartered Accountants	
	..... Rupees in '000 .....		
Audit fee	1,018	880	1,898
Fee for half year review	271	200	471
Consolidation of the financial statements of subsidiary company	242	242	484
Other certifications / services	490	437	927
Out of pocket expenses	873	873	1,746
	<u>2,894</u>	<u>2,632</u>	<u>5,526</u>

### 27.3 Commutation to employees

#### - Under Staff Regulations - 2005

Commutation to employees under Staff Regulations - 2005 (SR - 2005) comprises the differential of 100% commutation of pension (on the basic pay admissible as on the date of option in respect of officers / executives under SSR-1961 opted for SR - 2005) and amount received from pension fund thereof.

#### - Voluntary Golden Handshake Scheme - 2011 for drivers

All drivers of the Bank having age between 55-59 years as on January 01, 2011 were entitled for Voluntary Golden Handshake Scheme (VGHSS - 2011) subject to completion of 10-20 years of service. VGHSS - 2011 comprises commutation of pension, compensation, leave encashment, general provident fund, benevolent fund grant and medical facilities.

	Note	2015	2014
		Rupees in '000	
<b>28 OTHER CHARGES</b>			
Penalties imposed by SBP		23,974	9,928
Fixed assets - written off		-	1,171
		<u>23,974</u>	<u>11,099</u>
<b>29 TAXATION</b>			
For the year:			
Current		2,311,747	3,003,990
Deferred		477,391	(82,153)
Prior year	29.1	361,408	4,263
		<u>3,150,546</u>	<u>2,926,100</u>

29.1 The Finance Act, 2015 has introduced certain amendments relating to taxation of banking companies. As per these amendments, bank's income from dividend and capital gains are now taxed at the normal tax rates instead of previously applicable reduced rates. In addition, one-time super tax at the rate of 4 percent of the taxable income has also been levied. These amendments apply retrospectively for the tax year 2015, i.e year ended December 31, 2014. The effects of above amendments have been incorporated in these financial statements and an amount of Rs. 342.037 million (2014: Nil) has been recognised as prior year tax charge.

	2015	2014
	Rupees in '000	
<b>29.2 Relationship between income tax expense and accounting profit</b>		
Accounting profit for the year	8,493,656	8,382,382
Tax rate	35%	35%
	2015	2014
	Rupees in '000	
Tax on accounting income	2,972,780	2,933,834
Tax effect on separate block of income (taxable at reduced rate)		
Dividend income	-	(19,387)
Tax effect of permanent differences		
Penalties imposed by SBP	8,391	3,475
Repair allowance of one fifth allowed against rental income	(2,709)	(2,286)
	5,682	1,189
Tax effect of prior years	361,408	4,263
Others	(189,324)	42,201
	3,150,546	2,962,100
<b>30 BASIC EARNINGS PER SHARE</b>		
Profit after tax for the year - Rupees in '000	5,343,110	5,456,282
Weighted average number of ordinary shares	1,252,244,067	1,252,244,067
Basic earnings per share in Rupees	4.267	4.357
<b>31 DILUTED EARNINGS PER SHARE</b>		
Profit after tax for the year - Rupees in '000	5,343,110	5,456,282
Weighted average number of ordinary shares	1,252,244,067	1,252,244,067
Diluted earnings per share in Rupees	4.267	4.357
31.1	There is no dilutive effect on the basic earnings per share of the Bank. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. The Bank has no dilutive equity instruments, however, share deposit money has not been treated as convertible instrument.	

	2015	2014
	Number	
<b>32 STAFF STRENGTH - GROUP</b>		
Permanent	7,673	7,729
Contractual	1,592	553
Total staff strength	<u>9,265</u>	<u>8,282</u>

### 33 CREDIT RATING

JCR-VIS Credit Rating Company Limited, Karachi in their report dated June 18, 2015 has reaffirmed credit rating of the Bank at AAA/A-1+ (December 31, 2014: AAA/A-1+) with stable outlook and short-term credit rating of A-1+ (December 31, 2014: A-1+).

### 34 DEFINED BENEFIT AND CONTRIBUTION PLANS

The Group operates the following retirement benefit plans for its employees:

- Pension Scheme - funded
- Benevolent Scheme - funded
- Post Retirement Medical Benefits - unfunded
- Employees Gratuity Scheme - funded
- Employees Gratuity Scheme - unfunded of the Company
- Employees Compensated Absences - unfunded
- Defined Contribution Plan

#### 34.1 Pension scheme

##### 34.1.1 General description

For employees who opted for the scheme introduced in year 1975 for clerical / non-clerical staff and in the year 1977 for officers / executives, the Bank operates an approved funded pension scheme on which contributions are made on the basis of actuarial recommendation. However, most of the officers / executives have been excluded from this scheme after opting new Staff Regulations introduced in 2005 (SR-2005) effective from 2006 and 2008.

##### 34.1.2 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. The actuarial valuations were made using the Projected Unit Credit (PUC) method based on the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25
Expected rate of return on plan assets	9.00	11.25
Expected rate of increase in pension	4.75	7.00



	Note	2015	2014
		Rupees in '000	
<b>34.1.3 Changes in the present value of obligation</b>			
Present value of obligation as on January 01		9,867,605	2,748,554
Current service cost		360,683	71,279
Interest cost		1,099,056	337,765
Benefits paid		(196,444)	(198,834)
Liability transferred to Gratuity - SSR 1961		(188,817)	(24,131)
Transferred from SR 2005		-	3,194,617
Remeasurement due to experience		(800,902)	3,738,355
Present value of obligation as at December 31		<u>10,141,181</u>	<u>9,867,605</u>
<b>34.1.4 Changes in the fair value of plan assets</b>			
Total assets as on January 01		10,689,847	6,059,405
Expected return on plan assets		1,191,558	759,898
Remeasurement due to return on investment		-	53,870
Payment to Gratuity - SSR 1961		(188,817)	-
Benefits paid		(196,444)	(198,834)
Funds receivable from Gratuity under Staff Regulations - 2005 (SR-2005)		-	1,411,508
Amount to be recovered from employees transferred from SR 2005		190,676	2,604,000
Total assets as at December 31		<u>11,686,820</u>	<u>10,689,847</u>
<b>34.1.5 Amounts recognized in statement of financial position</b>			
Present value of defined benefit obligation		10,141,181	9,867,605
Fair value of plan assets		(11,686,820)	(10,689,847)
Asset recognized in the statement of financial position	14.5	<u>(1,545,639)</u>	<u>(822,242)</u>
<b>34.1.6 Movement in net asset recognized</b>			
Opening net assets		(822,242)	(3,310,851)
Expense / (credit) for the year	34.1.7	268,181	(1,171,745)
Other comprehensive income		(991,578)	3,684,485
Transferred to Gratuity - SSR 1961		-	(24,131)
Closing net asset	14.5	<u>(1,545,639)</u>	<u>(822,242)</u>
<b>34.1.7 Expense / (income) recognized in the profit and loss account</b>			
Current service cost		360,683	71,279
Interest cost		(92,502)	(422,134)
Net impact of transfer from SR 2005		-	(820,890)
		<u>268,181</u>	<u>(1,171,745)</u>
<b>34.1.8 Actual return on plan assets</b>			
Actual return on plan assets		<u>1,191,558</u>	<u>813,768</u>

34.1.9	Composition of fair value of plan assets	2015		2014	
		Fair value Rupees in '000	%	Fair value Rupees in '000	%
	Government securities	6,677,729	57.14	5,662,464	52.97
	Term deposit receipts	1,482,645	12.69	995,464	9.31
	Deposits in the Bank	56,272	0.48	16,411	0.15
	Debtors and creditors	3,329,552	28.49	4,015,508	37.57
	Mark-up receivable from Gratuity SR-2005	140,622	1.20	-	-
	Fair value of total plan assets	11,686,820	100.00	10,689,847	100.00

34.1.10	Other relevant details	2015	2014	2013	2012	2011
		..... Rupees in '000 .....				
	Present value of defined benefit obligation	10,141,181	9,867,605	2,748,554	1,848,263	1,503,105
	Fair value of plan assets	(11,686,820)	(10,689,847)	(6,059,405)	(5,692,003)	(5,206,173)
	Surplus in pension fund	(1,545,639)	(822,242)	(3,310,851)	(3,843,740)	(3,703,068)
	Experience adjustment Assumptions gain / (loss)	(419,218)	(3,738,355)	(881,695)	(301,482)	(197,824)
	Actuarial (loss) / gain on obligation	(419,218)	(3,738,355)	(881,695)	(301,482)	(197,824)
	Experience adjustment Assumptions gain / (loss)	190,676	53,870	(73,607)	-	44,065
	Actuarial gain / (loss) on assets	190,676	53,870	(73,607)	-	44,065

34.1.11 The expected contribution to the Pension Fund for 2016 is Rs. 352.108 million.

## 34.2 Benevolent scheme - officers / executives

### 34.2.1 General description

For all officers / executives, the Bank operates an approved funded benevolent scheme to which contributions are made at the rate of 2% of basic pay to a maximum of Rupees 100, by each officer / executive. Employee contributions are matched by an equal amount of contributions by the Bank, which is also liable to meet any shortfall in the fund.

### 34.2.2 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25
Expected rate of return on plan assets	9.00	11.25

### 34.2.3 Changes in the present value of obligation

	Note	2015	2014
		Rupees in '000	
Present value of obligation as on January 01		383,546	245,632
Current service cost		42,458	28,317
Contributions - Employees		(11,116)	(11,930)
Interest cost		41,659	30,010
Remeasurement due to change in experience		(175,371)	36,303
Past service cost		-	75,729
Benefits paid		(26,490)	(20,515)
Present value of obligation as at December 31		<u>254,686</u>	<u>383,546</u>

### 34.2.4 Changes in the fair value of plan assets

Total assets as on January 01	853,939	728,898
Expected return on plan assets	93,327	90,106
Remeasurement due to return on investment	41,908	31,590
Contributions - Employer	11,116	11,930
Contributions - Employees	11,116	11,930
Benefits paid	(26,490)	(20,515)
Total assets as at December 31	<u>984,916</u>	<u>853,939</u>

### 34.2.5 Amounts recognized in the statement of financial position

Present value of defined benefit obligation	254,686	383,546
Fair value of plan assets	(984,916)	(853,939)
Unrecognized due to impact of asset ceiling	730,230	470,393
Asset recognized in the statement of financial position	<u>-</u>	<u>-</u>

### 34.2.6 Movement in net asset recognized

Opening net receivable		-	-
(Credit) expense for the year	34.2.7	(20,327)	32,021
Comprehensive income / (expense)		31,443	(20,091)
Contribution to fund / benefits paid during the year		(11,116)	(11,930)
Closing net receivable		<u>-</u>	<u>-</u>

	2015	2014
	Rupees in '000	
<b>34.2.7 (Income) /expense recognized in profit and loss account</b>		
Current service cost	42,458	28,317
Interest cost	(51,669)	(60,095)
Contributions - Employees	(11,116)	(11,930)
Past service cost	-	75,729
	<u>(20,327)</u>	<u>32,021</u>
<b>34.2.8 Actual return on plan assets</b>		
Actual return on plan assets	<u>135,235</u>	<u>121,696</u>

	2015		2014	
	Fair value Rupees in '000	%	Fair value Rupees in '000	%
<b>34.2.9 Composition of fair value of plan assets</b>				
Government securities	947,161	96.17	829,008	97.08
Term deposit receipts	32,876	3.33	21,034	2.46
Deposits in the Bank	4,879	0.50	3,897	0.46
Fair value of total plan assets	<u>984,916</u>	<u>100.00</u>	<u>853,939</u>	<u>100.00</u>

	2015	2014	2013	2012	2011
	..... Rupees in '000 .....				
<b>34.2.10 Other relevant details</b>					
Present value of defined benefit obligation	254,686	383,546	245,632	244,874	211,133
Fair value of plan assets	<u>(984,916)</u>	<u>(853,939)</u>	<u>(728,898)</u>	<u>(677,701)</u>	<u>(609,363)</u>
Surplus in benevolent scheme - officers / executives	<u>(730,230)</u>	<u>(470,393)</u>	<u>(483,266)</u>	<u>(432,827)</u>	<u>(398,230)</u>
Experience adjustment Assumptions gain / (loss)	175,371	(36,303)	17,729	6,596	(11,828)
	-	-	-	-	-
Actuarial (loss) / gain on obligation Experience adjustment Assumptions gain / (loss)	175,371	(36,303)	17,729	6,596	(11,828)
	41,908	31,590	(17,984)	-	(3,017)
Actuarial loss on assets	<u>41,908</u>	<u>31,590</u>	<u>(17,984)</u>	<u>-</u>	<u>(3,017)</u>

### 34.3 Benevolent scheme - clerical / non-clerical

#### 34.3.1 General description

For all clerical / non-clerical staff, the Bank operates an approved funded benevolent scheme to which contributions are made at different rates but not exceeding Rs. 100 by each employee. Employee contributions are matched by an equal amount of contributions by the Bank, which is also liable to meet any shortfall in the fund.

#### 34.3.2 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25
Expected rate of return on plan assets	9.00	11.25

#### 34.3.3 Changes in the present value of obligation

	2015	2014
	Rupees in '000	
Present value of obligation as on January 01	65,027	28,012
Current service cost	6,526	4,430
Contributions - Employees	(3,178)	(2,506)
Interest cost	7,031	3,376
Remeasurement due to change in experience	24,900	176
Past service cost	-	34,599
Benefits paid	(5,052)	(3,060)
Present value of obligation as at December 31	<u>95,254</u>	<u>65,027</u>

#### 34.3.4 Changes in the fair value of plan assets

Total assets as on January 01	394,084	340,003
Expected return on plan assets	44,408	43,475
Remeasurement due to return on investment	13,616	8,654
Contributions - Employer	3,178	2,506
Contributions - Employees	3,177	2,506
Benefits paid	(5,052)	(3,060)
Total assets as at December 31	<u>453,411</u>	<u>394,084</u>

#### 34.3.5 Amounts recognized in the statement of financial position

Present value of defined benefit obligation	95,254	65,027
Fair value of plan assets	(453,411)	(394,084)
Unrecognized due to impact of asset ceiling	358,157	329,057
Asset recognized in the statement of financial position	<u>-</u>	<u>-</u>

	Note	2015 Rupees in '000	2014 Rupees in '000
<b>34.3.6</b>			
<b>Movement in net asset recognized</b>			
Opening net receivable		-	-
Credit for the year	34.3.7	(34,028)	(3,576)
Comprehensive income		37,206	6,082
Contribution to fund / benefits paid during the year		(3,178)	(2,506)
Closing net receivable		-	-
<b>34.3.7</b>			
<b>Income recognized in profit and loss account</b>			
Current service cost		6,526	4,430
Interest cost		(37,377)	(2,506)
Contributions - Employees		(3,177)	(40,099)
Past service cost		-	34,599
		(34,028)	(3,576)
<b>34.3.8</b>			
<b>Actual return on plan assets</b>			
Actual return on plan assets		58,024	52,129
<b>34.3.9</b>			
<b>Composition of fair value of plan assets</b>			
		<b>2015</b>	<b>2014</b>
		<b>Fair value</b>	<b>Fair value</b>
		<b>%</b>	<b>%</b>
		<b>Rupees in '000</b>	<b>Rupees in '000</b>
Government securities		438,229	381,139
Term deposit receipts		13,240	10,584
Deposits in the Bank		1,942	2,361
Debtors and creditors		-	-
Fair value of total plan assets		453,411	394,084
		96.65	96.71
		2.92	2.69
		0.43	0.60
		-	-
		100.00	100.00
<b>34.3.10</b>			
<b>Other relevant details</b>			
Present value of defined benefit obligation		95,254	65,027
Fair value of plan assets		(453,411)	(394,084)
Surplus in benevolent scheme - clerical / non-clerical		(358,157)	(329,057)
		28,012	31,149
		(340,003)	(306,517)
		(311,991)	(275,368)
			(249,923)

	2015	2014	2013	2012	2011
	..... Rupees in '000 .....				
Experience adjustment Assumptions gain / (loss)	(24,900)	(176)	5,735	(1,618)	(835)
Actuarial (loss) / gain on obligation	(24,900)	(176)	5,735	(1,618)	(835)
Experience adjustment Assumptions gain / (loss)	13,616	8,654	(5,540)	-	419
Actuarial (loss) / gain on assets	13,616	8,654	(5,540)	-	419

### 34.4 Gratuity scheme

#### 34.4.1 Gratuity under old Staff Regulations of the Bank

##### 34.4.1.1 General description

For employees who opted for the scheme introduced in 1975 for clerical / non-clerical staff and in 1977 for officers / executives, the Bank operates an approved funded gratuity scheme in which monthly contributions, if the employee has less than ten years of service, are made by the Bank on the basis of actuarial recommendation.

##### 34.4.1.2 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25
Expected rate of return on plan assets	9.00	11.25

##### 34.4.1.3 Changes in the present value of obligation

	2015	2014
	Rupees in '000	
Present value of obligation as on January 01	-	-
Benefits paid	(188,817)	(24,131)
Addition to liability from Pension Fund	188,817	24,131
Present value of obligation as at December 31	-	-



	Note	2015	2014		
		Rupees in '000			
<b>34.4.1.4 Changes in the fair value of plan assets</b>					
Total assets as on January 01,		1,939,307	1,741,282		
Expected return on plan assets		218,172	220,475		
Remeasurement due to return on investment		20,157	1,681		
Payment from Pension Fund		188,817	-		
Benefits paid		(188,817)	(24,131)		
Total assets as at December 31,		<u>2,177,636</u>	<u>1,939,307</u>		
<b>34.4.1.5 Amounts recognized in the statement of financial position</b>					
Present value of defined benefit obligation		-	-		
Fair value of plan assets		<u>(2,177,636)</u>	<u>(1,939,307)</u>		
Asset recognized in the statement of financial position	14.5	<u>(2,177,636)</u>	<u>(1,939,307)</u>		
<b>34.4.1.6 Movement in net asset recognized</b>					
Opening net assets		(1,939,307)	(1,741,282)		
Credit for the year	34.4.1.7	(218,172)	(220,475)		
Comprehensive income		(20,157)	(1,681)		
Payment from Pension Fund		(188,817)	-		
Addition to liability from Pension Fund		188,817	24,131		
Closing net assets	14.5	<u>(2,177,636)</u>	<u>(1,939,307)</u>		
<b>34.4.1.7 Income recognized in profit and loss account</b>					
Expected return on plan assets		<u>(218,172)</u>	<u>(220,475)</u>		
<b>34.4.1.8 Actual return on plan assets</b>					
Actual return on plan assets		<u>238,329</u>	<u>222,156</u>		
<b>34.4.1.9 Composition of fair value of plan assets</b>					
		2015		2014	
		Fair value	%	Fair value	%
		Rupees in '000		Rupees in '000	
Government securities		1,100,554	50.54	979,491	50.50
Term deposit receipts		1,131,222	51.95	954,228	49.21
Deposits in the Bank		5,050	0.23	5,588	0.29
Debtors and creditors		(59,190)	(2.72)	-	-
Due from / (to) the Bank		-	-	-	-
Fair value of total plan assets		<u>2,177,636</u>	<u>100.00</u>	<u>1,939,307</u>	<u>100.00</u>

	2015	2014	2013	2012	2011
	..... Rupees in '000 .....				
<b>34.4.1.10 Other relevant details</b>					
Present value of defined benefit obligation	-	-	-	-	-
Fair value of plan assets	(2,177,636)	(1,939,307)	(1,741,282)	(1,594,870)	(1,425,804)
Surplus in gratuity scheme under old staff regulations	(2,177,636)	(1,939,307)	(1,741,282)	(1,594,870)	(1,425,804)
Experience adjustment Assumptions gain / (loss)	-	-	-	-	-
Actuarial gain / (loss) on obligation	-	-	-	-	-
Experience adjustment Assumptions gain / (loss) Actuarial gain / (loss) on assets	20,157	1,681	(19,071)	-	3,700

34.4.1.11 No contribution is expected in 2016 to the Gratuity Fund scheme under old regulations.

#### 34.4.2 Gratuity under Staff Regulations - 2005 (SR-2005) of the Bank

##### 34.4.2.1 General description

The Bank also operates a separate Gratuity Fund scheme, w.e.f. August 2006, established upon introduction of Staff Regulations - 2005 (SR-2005) for the employees governed under SR-2005 and contributions to this Fund are made by the Bank at the rate of 8.333% of the monetized salary per month.

##### 34.4.2.2 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25
Expected rate of return on plan assets	9.00	11.25

	Note	2015	2014
		Rupees in '000	
<b>34.4.2.3 Changes in the present value of obligation</b>			
Present value of obligation as on January 01		869,303	1,634,839
Current service cost		116,198	262,655
Interest cost		95,844	203,749
Remeasurement due to experience		125,009	253,178
Transferred to SSR 1961		-	(1,411,508)
Benefits paid		(34,718)	(73,610)
Present value of obligation as at December 31		<u>1,171,636</u>	<u>869,303</u>
<b>34.4.2.4 Changes in the fair value of plan assets</b>			
Total assets as on January 01		816,088	1,675,887
Expected return on plan assets		101,931	232,853
Remeasurement due to return on investment		62,428	18,034
Funds payable to SSR 1961		-	(1,411,508)
Contributions		214,639	374,432
Benefits paid		(34,718)	(73,610)
Total assets as at December 31		<u>1,160,368</u>	<u>816,088</u>
<b>34.4.2.5 Amounts recognized in the statement of financial position</b>			
Present value of defined benefit obligation		1,171,636	869,303
Fair value of plan assets		(1,160,368)	(816,088)
Asset recognized in the statement of financial position	14.5	<u>11,268</u>	<u>53,215</u>
<b>34.4.2.6 Movement in net asset recognized</b>			
Opening net assets		53,215	(41,048)
Charge for the year	34.4.2.7	110,111	233,551
Comprehensive income		62,581	235,144
Contribution to fund during the year		(214,639)	(374,432)
Closing net assets		<u>11,268</u>	<u>53,215</u>
<b>34.4.2.7 Expense recognized in profit and loss account</b>			
Current service cost		116,198	262,655
Interest cost		(6,087)	(29,104)
		<u>110,111</u>	<u>233,551</u>
<b>34.4.2.8 Actual return on plan assets</b>			
Actual return on plan assets		<u>164,359</u>	<u>250,887</u>



**34.4.3.2 Principal actuarial assumption**

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015 %	2014
Valuation discount rate	10.00	11.25
Expected rate of increase in salary	9.00	10.25

Note	2014	2013
	Rupees in '000	

**34.4.3.3 Changes in the present value of obligation**

Present value of obligation as on 01 January	106,838	60,939
Current service cost	31,472	22,748
Interest cost	11,952	7,842
Benefits paid	(1,194)	(1,236)
Actuarial (gain) / loss on obligation	(9,585)	16,545
Present value of obligation as at 31 December	<u>139,483</u>	<u>106,838</u>

**34.4.3.4 Amounts recognized in the statement of financial position**

Present value of defined benefit obligation	19.4	<u>139,483</u>	<u>106,838</u>
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**34.4.3.5 Movement in net (asset) / liability recognized**

Opening net (asset) / liability		106,838	60,939
Charge for the year	34.4.3.6	43,424	30,590
Comprehensive income		(1,194)	(1,236)
Contribution to fund during the year		(9,585)	16,545
Closing net asset		<u>139,483</u>	<u>106,838</u>

**34.4.3.6 Expense recognized in profit and loss account**

Current service cost		31,472	22,748
Interest cost		11,952	7,842
		<u>43,424</u>	<u>30,590</u>

**34.4.3.7 Other relevant details**

	2015	2014	2013	2012	2011
	..... Rupees in '000 .....				
Present value of defined benefit obligation	139,483	106,838	60,938	54,919	42,651

Projected Gratuity Fund scheme of the Company contributions for the year 2016 amount to Rupees 45.446 million.

### 34.5 Post retirement medical benefits

#### 34.5.1 General description

The Bank provides post retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefits on the basis of actuarial valuation carried out by independent actuary by using Projected Unit Credit (PUC) method.

#### 34.5.2 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Medical inflation rate	9.00	8.25

Note	2015	2014
	Rupees in '000	

#### 34.5.3 Changes in the present value of obligation

Present value of obligation as on January 01	4,220,464	2,325,802
Current service cost	213,433	227,175
Past service cost	-	-
Interest cost	472,259	242,300
Net impact of transfer	-	154,741
Remeasurement due to experience	(417,077)	1,294,026
Benefits paid	(45,201)	(23,580)
Present value of obligation as at December 31	<u>4,443,878</u>	<u>4,220,464</u>

#### 34.5.4 Amounts recognized in the statement of financial position

Present value of defined benefit obligation	19	<u>4,443,878</u>	<u>4,220,464</u>
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#### 34.5.5 Movement in net liability recognized

Opening net liability		4,220,464	2,325,802
Charge for the year	34.5.6	685,692	624,216
Comprehensive income		(417,077)	1,294,026
Benefits paid during the year		(45,201)	(23,580)
Closing net liability		<u>4,443,878</u>	<u>4,220,464</u>

#### 34.5.6 Expense recognized in profit and loss account

Current service cost	213,432	227,175
Interest cost	472,260	242,300
Net impact of transfer	-	154,741
	<u>685,692</u>	<u>624,216</u>

#### 34.5.7 Post retirement medical benefits - sensitivity analysis

	Discount rate		Salary increase rate	
	+1%	-1%	+1%	-1%
Obligation (Rupees in million)	4,193,883	4,727,350	4,704,124	4,204,913
%age change	-5.36%	6.38%	5.86%	-5.38%
	Withdrawal rate		Mortality age	
	+1%	-1%	1 year back	1 year forward
Obligation (Rupees in million)	4,466,097	4,424,325	4,488,317	4,401,217
%age change	50.00%	-0.44%	1.00%	-0.96%

	2015	2014	2013	2012	2011
	..... Rupees in '000 .....				
<b>34.5.8 Other relevant details</b>					
Present value of defined benefit obligation	4,443,878	4,220,464	2,325,802	1,257,078	1,093,841
Fair value of plan assets	-	-	-	-	-
Deficit in post retirement medical benefits	4,443,878	4,220,464	2,325,802	1,257,078	1,093,841
Experience adjustment	417,077	(1,294,026)	(626,788)	107,383	89,849
Assumptions gain / (loss)	-	-	-	-	-
Actuarial gain / (loss) on obligation	417,077	(1,294,026)	(626,788)	107,383	89,849

#### 34.6 Employees compensated absences - unfunded

The liability of the Bank in respect of long-term employees compensated absences is determined based on actuarial valuation carried out using Projected Unit Credit (PUC) method.

##### 34.6.1 Principal actuarial assumption

The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:

	2015	2014
	..... % .....	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25

##### 34.6.2 Movement in liability recognized for compensated absences

	2015	2014
	Rupees in '000	
Opening liability	866,380	681,457
Charge for the year	145,921	185,276
Comprehensive income	1,381,187	-
Benefits paid during the year	(3,436)	(353)
Closing liability	2,390,052	866,380



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

	2015	2014	2013	2012	2011
	..... Rupees in '000 .....				
Opening liability	866,380	681,457	446,202	343,973	798,452
Charged / (reversal) for the year	145,921	185,276	235,255	102,229	(454,479)
Comprehensive income	1,381,187	-	-	-	-
Benefits paid during the year	(3,436)	(353)	-	-	-
	<u>2,390,052</u>	<u>866,380</u>	<u>681,457</u>	<u>446,202</u>	<u>343,973</u>

### 34.7 Risks associated with defined benefit plans

#### Investment risk

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

#### Longevity risk

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

#### Salary increase risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

#### Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

### 34.8 Defined contribution plan

The Bank operates an approved non-contributory provident fund (General Provident Fund) through an independent trust for 3,824 (2014: 4,061) employees who are governed under Staff Service Regulations 1961. Contributions to the fund are made by the employees only at the rate of 8% of mean of pay scale per month.

The Bank also operates Contributory Provident Fund scheme introduced in 2006 (w.e.f. July 2006) for 1,883 (2014: 1,716) employees governed under Staff Regulations 2005. Contributions to the Contributory Provident Fund are made by the employees and the Bank at the rate of 2% of monetized salary per month, if their remaining service is more than ten years from the date of option / appointment. During the year, the Bank contributed Rs. 41.626 million (2014: Rs. 79.646 million) in respect of this fund.

The Bank has contributory provident fund scheme for benefit of all its permanent employees under the title of following funds. The Funds are maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Bank.

Employees Provident Fund, Employees Provident Fund (Officers), Employees Contributory Provident Fund and Employees Provident Fund (Staff).

The Trustees have intimated that the size of the Funds at year end was Rs. 4,188.797 million. As intimated by the Trustees, the cost of the investments made at year end was Rs. 3,913.853 million (2014: Rs. 3,754.394 million) which is equal of 93.44% (2014: 95.95%) of the total fund size. The fair value of the investments was Rs. 4,120.054 million (2014: Rs. 3,754.008 million) at that date. The category wise break up of investment as per section 227 of the Companies Ordinance, 1984 is given below:

	2015	2014
	Rupees in '000	
Investment in TDR	326,762	1,316,404
Pakistan Investment Bond	3,587,090	2,437,990
	<u>3,913,852</u>	<u>3,754,394</u>

According to the Trustees, investments out of provident fund have been made in accordance with the provisions of section 227 of Companies Ordinance, 1984 and the rules made thereunder. The figures have been taken from the un-audited accounts of the Funds.

### 35 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	Note	2015	2014
		Rupees in '000	
Profit before taxation		8,493,656	8,382,382
Dividend income		(81,805)	(68,116)
		<u>8,411,851</u>	<u>8,314,266</u>
Adjustments for non-cash charges:			
Depreciation	12.2	267,894	213,243
Amortization	12.3	107	111
Amortization of deferred income	19.5	(756)	(796)
Provision against non-performing loans and advances - net		(573,110)	1,381,324
Provision for employees post retirement medical benefits	34.5.6	685,692	624,216
Provision / (reversal) against other assets - net	14.6	34,936	(10,666)
Fixed assets - written off	28	-	1,171
Write offs under relief packages		160,009	113,663
Mark-up on borrowings and subordinated debt - State Bank of Pakistan		5,126,543	-
Reversal for defined benefit plans - net	27	295,110	(914,358)
Gain on sale of securities		(366,437)	(118,414)
Gain on sale of operating fixed assets	26	(20,114)	(55,283)
		<u>5,609,874</u>	<u>1,234,211</u>
		<u>14,021,725</u>	<u>9,548,477</u>

### 36 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	7	2,516,338	4,491,391
Balances with other banks	8	16,742,698	5,913,555
		<u>19,259,036</u>	<u>10,404,946</u>

### 37 COMPENSATION OF PRESIDENT, DIRECTORS AND EXECUTIVES

37.1 The aggregate amount charged in these financial statements for compensation, including all benefits to the President, Directors and Executives of the Bank is as follows:

	President / Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
Fee	-	-	7,696	3,233	-	-
Managerial remuneration	10,560	9,617	-	-	3,075,916	2,361,113
Charged for defined benefit plan	2,112	1,722	-	-	185,875	1,998,456
Contribution to defined benefit or contributory fund	-	-	-	-	42,382	38,706
Rent and house maintenance	1,897	1,665	-	-	275,536	22,784
Utilities	431	330	-	-	75,901	6,172
Medical	1,584	1,290	-	-	83,285	3,650
Conveyance	1,198	227	-	-	49,163	-
Club facility	625	16	-	-	-	-
Leave fare assistance	2,376	1,456	-	-	-	-
	20,783	16,323	7,696	3,233	3,788,058	4,430,881
<b>Number of persons</b>	1	1	8	8	2,555	4,023

37.2 The Chief executive, senior vice presidents and above, other than covered under SR-2005, have been provided with Bank maintained cars. Vice presidents and above, governed by SR-2005, have also been provided cars under Car Loan Depreciation Policy (CLDP).

37.3 The aggregate amount charged in these financial statements for compensation, including all benefits to the President, Directors and Executives of the Company is as follows:

	President / Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
Fee	-	-	470,000	76,000	38,996,354	17,024,532
Managerial remuneration	2,875,226	1,940,780	-	-	-	-
	2,875,226	1,940,780	470,000	76,000	38,996,354	17,024,532
<b>Number of persons</b>	1	1	7	7	54	25

37.4 The Chief executive has been provided with Company maintained cars (with monthly petrol entitlement: 250 Litres) and other benefits as per Company policy.

### 38 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Agency services	Assets management	Retail brokerage	Agri financing
	Rupees in '000								
<b>2015</b>									
Total income	-	-	-	-	-	-	-	-	23,842,012
Total expenses	-	-	-	-	-	-	-	-	15,463,188
Net income before tax	-	-	-	-	-	-	-	-	8,378,824
Taxation	-	-	-	-	-	-	-	-	3,106,203
Income after tax	-	-	-	-	-	-	-	-	5,272,621
Segment assets (gross)	-	-	-	-	-	-	-	-	193,504,470
Segment non performing loans	-	-	-	-	-	-	-	-	16,524,468
Segment provision required	-	-	-	-	-	-	-	-	2,111,238
Segment liabilities	-	-	-	-	-	-	-	-	108,362,672
Segment return on net assets (%)	-	-	-	-	-	-	-	-	10.58%
Segment cost of funds (%)	-	-	-	-	-	-	-	-	6.25%
<b>2014</b>									
Total income	-	-	-	-	-	-	-	-	20,008,645
Total expenses	-	-	-	-	-	-	-	-	11,681,539
Net income before tax	-	-	-	-	-	-	-	-	8,327,106
Taxation	-	-	-	-	-	-	-	-	2,909,722
Income after tax	-	-	-	-	-	-	-	-	5,417,384
Segment assets (gross)	-	-	-	-	-	-	-	-	171,261,532
Segment non performing loans	-	-	-	-	-	-	-	-	18,663,722
Segment provision required	-	-	-	-	-	-	-	-	3,919,999
Segment liabilities	-	-	-	-	-	-	-	-	38,931,238
Segment return on net assets (%)	-	-	-	-	-	-	-	-	6.68%
Segment cost of funds (%)	-	-	-	-	-	-	-	-	8.67%

### 39 RELATED PARTY TRANSACTIONS AND BALANCES

The Group has related party relationship with its employee benefit plans, agriculture technology development fund, the Bank's directors and key management personnel.

Details of transactions with related parties and balances with them other than those disclosed in these consolidated financial statements are as under:

	Key management personnel		Agricultural Technology Development Fund	
	2015	2014	2015	2014
..... Rupees in '000' .....				
<b>Advances</b>				
Opening balance	11,559	7,183	-	-
Addition	6,680	6,555	-	-
Deletion	(5,954)	(2,179)	-	-
Closing balance	12,285	11,559	-	-
<b>Deposits</b>				
Opening balance	3,861	3,054	124,346	124,262
Addition	133,231	80,399	22,534	93
Deletion	(119,903)	(79,592)	(3,243)	(9)
Closing balance	17,189	3,861	143,637	124,346
..... Rupees in '000' .....				
<b>Other transactions</b>				
Mark-up / interest earned	408	466	-	-
Mark-up / interest expensed	-	-	8,193	10,075
Compensation	81,962	56,762	-	-
Post retirement benefit	5,667	5,252	-	-
Contribution to defined benefit plans	967	530	-	-

### 40 CAPITAL ASSESSMENT AND ADEQUACY

#### 40.1 Scope of application

The Basel III Framework is applicable to the Bank at the level of standalone financial statements of the Bank. Standardized Approach is used for calculating the Capital Adequacy for Credit and Market risk, whereas, Basic Indicator Approach (BIA) is used for Operational Risk Capital Adequacy purposes.

#### 40.2 Capital management

##### Objectives and goals of managing capital

The Bank manages its capital to attain following objectives and goals:

- an appropriately capitalized status, as defined by banking regulations;
- acquire strong credit ratings that enable an optimized funding mix and liquidity sources at lesser costs;
- cover all risks underlying business activities; and
- retain flexibility to harness future investment opportunities; build and expand even in stressed times.

### Statutory minimum capital requirement and capital adequacy ratio

The State Bank of Pakistan through its BSD Circular No. 07 dated April 15, 2009 requires the minimum paid-up capital (net of losses) for all locally incorporated banks to be raised to Rs. 10 billion by the year ended on December 31, 2013. The paid-up capital of the Bank for the year ended December 31, 2015 stands at Rs. 12.522 billion and is in compliance with the SBP requirement. In addition the banks are also required to maintain a minimum capital adequacy ratio (CAR) of 10.25 % of the risk weighted exposure. The Bank's CAR as at December 31, 2015 is 49.74% of its risk weighted exposure.

The capital adequacy ratio of the Bank was subject to the Basel III capital adequacy guidelines stipulated by the State Bank of Pakistan through its circular BPRD Circular No. 06 dated August 15, 2013. These instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019. Under Basel III guidelines banks are required to maintain the following ratios on an ongoing basis:

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

S No.	Ratio	Year ended						As of 31 Dec 2019
		2013	2014	2015	2016	2017	2018	
1	CET 1	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
2	ADT 1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
3	Tier 1	6.50%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%
4	Total Capital	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
5	* CCB	-	-	0.25%	0.65%	1.28%	1.90%	2.50%
6	Total Capital plus CCB	10.00%	10.00%	10.25%	10.65%	11.28%	11.90%	12.50%

- \*(Consisting of CET1 only)

Bank's regulatory capital is analyzed in to three tiers:

Common Equity Tier 1 capital (CET1), which includes fully paid up capital, share premium, general reserves, statutory reserves as per the financial statements and net unappropriated profits after all regulatory adjustments applicable on CET1 (refer to note 40.3).

Additional Tier 1 Capital (AT1) which includes perpetual non-cumulative preference shares and Share premium resulting from the issuance of preference shares balance in share premium account after all regulatory adjustments applicable on AT1. However, the Bank currently does not have any AT1 (refer to note 40.3)

Tier 2 capital, which includes subordinated debt, general provisions for loan losses (up to a maximum of 1.25% of credit risk weighted assets) and net of tax reserves on revaluation of equity investments up to a maximum of 67% of the balance after all regulatory adjustments applicable on Tier-2 (refer to note 40.3).

The required capital adequacy ratio (10.25% of the risk-weighted assets) is achieved by the Bank through improvement in the asset quality at the existing volume level, ensuring better recovery management, striking compromise proposal and settlement and composition of assets mix with low risk. Banking operations are categorized as either trading book or banking book and risk-weighted assets are determined according to specified requirements of the State Bank of Pakistan that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise the credit risk, market risk and operational risk.

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Bank. As the Bank carries on the business on a wide area network basis, it is critical that it is able to continuously monitor the exposure across entire organization and aggregate the risks so as to take an integrated approach / view. Maximization of the return on risk-adjusted capital is the principal basis to be used in determining how capital is allocated within the Bank to particular operations or activities.

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

#### 40.3 Capital Adequacy Ratio

	2015 ..... Rupees in '000 .....	2014 ..... Rupees in '000 .....
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
1 Fully Paid-up Capital/ Capital deposited with SBP	52,678,433	12,522,441
2 Balance in Share Premium Account	-	-
3 Reserve for issue of Bonus Shares	-	-
4 Discount on issue of Shares	-	-
5 General/ Statutory Reserves	5,644,659	4,590,135
6 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7 Unappropriated/unremitted profits/ (losses)	18,716,929	14,553,175
8 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9 <b>CET 1 before Regulatory Adjustments</b>	<b>77,040,021</b>	<b>31,665,751</b>
10 Total regulatory adjustments applied to CET1 (Note 40.3.1)	<b>(648,268)</b>	<b>(204,551)</b>
11 <b>Common Equity Tier 1</b>	<b>76,391,753</b>	<b>31,461,200</b>
<b>Additional Tier 1 (AT 1) Capital</b>		
12 Qualifying Additional Tier-1 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 by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	-
16 of which: instrument issued by subsidiaries subject to phase out	-	-
17 <b>AT1 before regulatory adjustments</b>	<b>-</b>	<b>-</b>
18 Total regulatory adjustments applied to AT1 capital (Note 40.3.2)	<b>-</b>	<b>-</b>
19 Additional Tier 1 capital	-	-
20 <b>Additional Tier 1 capital recognized for capital adequacy</b>	<b>-</b>	<b>-</b>
21 <b>Tier 1 Capital (CET1 + admissible AT1) (11+20)</b>	<b>76,391,753</b>	<b>31,461,200</b>

	2015	2014
<b>Tier 2 Capital</b>		
22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	3,204,323	-
23 Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel III rules	-	-
24 Tier 2 capital instruments issued to third party 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	1,653,368	1,323,858
27 Revaluation Reserves (net of taxes)	-	-
28 of which: Revaluation reserves on Property	-	-
29 of which: Unrealized Gains/Losses on AFS	1,454,856	1,945,946
30 Foreign Exchange Translation Reserves	-	-
31 Undisclosed/Other Reserves (if any)	-	-
32 <b>T2 before regulatory adjustments</b>	<b>6,312,547</b>	<b>3,269,804</b>
33 Total regulatory adjustments applied to T2 capital (Note 40.3.3)	(30,000)	(40,000)
34 Tier 2 capital (T2) after regulatory adjustments	<b>6,282,547</b>	<b>3,229,804</b>
35 Tier 2 capital recognized for capital adequacy	<b>6,282,547</b>	<b>3,229,804</b>
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37 Total Tier 2 capital admissible for capital adequacy	<b>6,282,547</b>	<b>3,229,804</b>
38 <b>TOTAL CAPITAL (T1 + admissible T2) (21+37)</b>	<b>82,674,300</b>	<b>34,691,004</b>
	2015	2014
	..... Rupees in '000 .....	
39 Total Risk Weighted Assets {for details refer Note 40.6}	<b>166,226,620</b>	<b>135,471,027</b>

**Capital Ratios and buffers (in percentage of risk weighted**

40 <b>CET1 to total RWA</b>	<b>45.96%</b>	<b>23.22%</b>
41 <b>Tier-1 capital to total RWA</b>	<b>45.96%</b>	<b>23.22%</b>
42 <b>Total capital to RWA</b>	<b>49.74%</b>	<b>25.61%</b>
43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	6.25%	5.50%
44 of which: capital conservation buffer requirement	0.25%	-
45 of which: countercyclical buffer requirement	-	-
46 of which: D-SIB or G-SIB buffer requirement	-	-
47 CET1 available to meet buffers (as a percentage of risk weighted assets)	45.96%	23.22%

**National minimum capital requirements prescribed by SBP**

48 <b>CET1 minimum ratio</b>	<b>6.00%</b>	<b>5.50%</b>
49 <b>Tier 1 minimum ratio</b>	<b>7.50%</b>	<b>7.00%</b>
50 <b>Total capital minimum ratio</b>	<b>10.25%</b>	<b>10.00%</b>



**Regulatory Adjustments and Additional Information**

	2015		2014
	Amount	Amounts subject to Pre - Basel III treatment	Amount

..... Rupees in '000 .....

**40.3.1 Common Equity Tier 1 capital: Regulatory Adjustment**

1	Goodwill (net of related deferred tax liability)	-	-	-
2	All other intangibles (net of any associated deferred tax liability)	(12)	-	(103)
3	Shortfall of provisions against classified assets	-	-	-
4	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
5	Defined-benefit pension fund net assets	(618,256)	(1,545,639)	(164,448)
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 property/ AFS	-	-	-
12	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
13	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
		-	-	-

	2015		2014
	Amount	Amounts	Amount
	..... Rupees in '000 .....		
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-
15 Amount exceeding 15% threshold	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-
17 of which: deferred tax assets arising from temporary differences	-	-	-
18 National specific regulatory adjustments applied to CET1 capital	-	-	-
19 Investment 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	-	-	-
	(30,000)	-	(40,000)
<b>22 Total regulatory adjustments applied to CET1 (Sum of 1 to 21)</b>	<b>(648,268)</b>	<b>-</b>	<b>(204,551)</b>

#### 40.3.2 Additional 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	-	-	-
27 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-

	2015		2014
	Amount	Amounts subject to Pre - Basel III treatment	Amount
	..... Rupees in '000 .....		
28 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	(30,000)	-	(40,000)
29 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	30,000	-	40,000
<b>30 Total of Regulatory Adjustment applied to AT1 Capital (Sum of 23 to 29)</b>	-		-

#### 40.3.3 Tier 2 Capital: regulatory adjustments

31 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	(30,000)	-	(40,000)
32 Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-
33 Investment in own Tier 2 capital instrument	-	-	-
34 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory	-	-	-
35 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
<b>36 Total Regulatory Adjustment applied to T2 capital (sum of 31 to 35)</b>	<b>(30,000)</b>		<b>(40,000)</b>

40.3.4 Additional Information

	2015 Amount	2014 Amount
	..... Rupees in '000 .....	
<b>Risk weighted assets subject to Pre-Basel III Treatment</b>		
37 Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)		
(i) of which: deferred tax assets	-	-
(ii) of which: Defined-benefit pension fund net assets	1,545,639	822,242
(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	-	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
38 Non-significant investments in the capital of other financial entities	39,960	39,976
39 Significant investments in the common stock of financial entities	-	-
40 Deferred tax assets arising from temporary differences (net of related tax liability)	446,941	1,528,810
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
41 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	3,000,000	3,000,000
42 Cap on inclusion of provisions in Tier 2 under standardized approach	1,653,368	1,323,858
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	-	-

#### 40.4 Capital Structure Reconciliation

##### Step 1

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
Rupees in '000			
<b>Assets</b>			
Cash and balances with treasury banks	2,516,338	2,516,338	
Balanced with other banks	16,408,511	16,408,511	
Lending to financial institutions	-	-	
Investments	19,765,649	19,765,649	
Advances	129,552,744	129,552,744	
Operating fixed assets	2,101,177	2,101,177	
Deferred tax assets	446,941	446,941	
Other assets	16,782,760	16,782,760	
<b>Total assets</b>	<b>187,574,120</b>	<b>187,574,120</b>	
<b>Liabilities &amp; Equity</b>			
Bills payable	346,059	346,059	
Borrowings	57,143,100	57,143,100	
Deposits and other accounts	35,947,953	35,947,953	
Sub-ordinated loans	3,204,323	3,204,323	
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	-	-	
Other liabilities	11,721,237	11,721,237	
<b>Total liabilities</b>	<b>108,362,672</b>	<b>108,362,672</b>	
Share capital/ Head office capital account	12,522,441	12,522,441	
Reserves	5,644,659	5,644,659	
Unappropriated/ Unremitted profit/ (losses)	18,716,929	18,716,929	
Minority Interest	-	-	
<b>Total equity</b>	<b>36,884,029</b>	<b>36,884,029</b>	
Share deposit money	40,155,992	40,155,992	
Surplus on revaluation of assets	2,171,427	2,171,427	
<b>Total liabilities &amp; equity</b>	<b>187,574,120</b>	<b>187,574,120</b>	

##### Step 2

##### Assets

Cash and balances with treasury banks	2,516,338	2,516,338
Balanced with other banks	16,408,511	16,408,511
Lending to financial institutions	-	-
Investments	19,765,649	19,765,649

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
	Rupees in '000		
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	129,552,744	129,552,744	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	3,000,000	3,000,000	g
Fixed Assets	2,101,177	2,101,177	
Deferred Tax Assets	446,941	446,941	
of which: DTAs excluding those arising from temporary differences	-	-	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-	i
Other assets	16,782,760	16,782,760	
of which: Goodwill	-	-	j
of which: Intangibles	-	-	k
of which: Defined-benefit pension fund net assets	1,545,639	1,545,639	l
<b>Total assets</b>	<b>187,574,120</b>	<b>187,574,120</b>	
<b>Liabilities &amp; Equity</b>			
Bills payable	346,059	346,059	
Borrowings	57,143,100	57,143,100	
Deposits and other accounts	35,947,953	35,947,953	
Sub-ordinated loans	3,204,323	3,204,323	
of which: eligible for inclusion in AT1	-	-	m
of which: eligible for inclusion in Tier 2	3,204,323	3,204,323	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	540,974	540,974	q
of which: other deferred tax liabilities	(540,974)	(540,974)	r

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
	Rupees in '000		
Other liabilities	11,721,237	11,721,237	
<b>Total liabilities</b>	<b>108,362,672</b>	<b>108,362,672</b>	

	2015	2015	
	Rupees in '000		
Share capital	52,678,433	52,678,433	
of which: amount eligible for CET1	52,678,433	52,678,433	s
of which: amount eligible for AT1	-	-	t
Reserves	5,644,659	5,644,659	
of which: portion eligible for inclusion in CET1(provide breakup)	5,644,659	5,644,659	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Unappropriated profit/ (losses)	18,716,929	18,716,929	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	2,171,427	2,171,427	
of which: Revaluation reserves on Property	-	-	aa
of which: Unrealized Gains/Losses on AFS	2,171,427	2,171,427	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
<b>Total Equity</b>	<b>79,211,448</b>	<b>79,211,448</b>	
<b>Total liabilities &amp; Equity</b>	<b>187,574,120</b>	<b>187,574,120</b>	

**Step 3**

**Component of  
regulatory capital  
reported by bank**

**Source based on  
reference number  
from Step 2**

Rupees in '000

**Common Equity Tier 1 capital (CET1): Instruments and  
reserves**

1 Fully Paid-up Capital/ Capital deposited with SBP	52,678,433	
2 Balance in Share Premium Account	-	(s)
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	5,644,659	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6 Unappropriated/unremitted profits/(losses)	18,716,929	(w)

Step 3	Component of regulatory capital reported by bank	Source based on reference number from Step 2
	<b>Rupees in '000</b>	
7	-	(x)
8	<b>77,040,021</b>	
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
9	-	(j) - (o)
10	-	(k) - (p)
11	-	(f)
12	540,974	{(h) - (r)} * x%
13	-	{(l) - (q)} * x%
14	-	(d)
15	-	
16	-	
17	-	
18	-	
19	-	(ab)
20	-	(a) - (ac) - (ae)
21	-	(b) - (ad) - (af)
22	-	(i)
23	-	
24	-	
25	-	
26	-	



Step 3	Component of regulatory capital reported by bank	Source based on reference number from Step 2
	<b>Rupees in '000</b>	
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	(30,000)	
30 <b>Total regulatory adjustments applied to CET1 (sum of 9 to 25)</b>	<b>510,974</b>	
<b>Common Equity Tier 1</b>	<b>77,550,995</b>	
<b>Additional Tier 1 (AT 1) Capital</b>		
31 Qualifying Additional Tier-1 instruments plus any related share premium	-	
32 of which: Classified as equity	-	(t)
33 of which: Classified as liabilities	-	(m)
34 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
35 of which: instrument issued by subsidiaries subject to phase out	-	
36 <b>AT1 before regulatory adjustments</b>	-	
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
37 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
38 Investment in own AT1 capital instruments	-	
39 Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
40 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)

	Component of regulatory capital reported by bank	Source based on reference number from Note 40.4.2
	<b>Rupees in '000</b>	
41	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ad)
42	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	
43	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
44	Total of Regulatory Adjustment applied to AT1 capital	
45	Additional Tier 1 capital	
46	<b>Additional Tier 1 capital recognized for capital adequacy</b>	
	<b>Tier 1 Capital (CET1 + admissible AT1)</b>	
	<b>Tier 2 Capital</b>	
47	Qualifying Tier 2 capital instruments under Basel III	
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	(n)
49	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	
50	of which: instruments issued by subsidiaries subject to phase out	(z)
51	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	(g)
52	Revaluation Reserves eligible for Tier 2	
53	of which: portion pertaining to Property	
54	of which: portion pertaining to AFS securities	portion of (aa)
55	Foreign Exchange Translation Reserves	(v)
56	Undisclosed/Other Reserves (if any)	
57	<b>T2 before regulatory adjustments</b>	
	<b>Tier 2 Capital: regulatory adjustments</b>	
58	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	
59	Reciprocal cross holdings in Tier 2 instruments	
60	Investment in own Tier 2 capital instrument	

	Component of regulatory capital reported by bank	Source based on reference number from Note 40.4.2
	Rupees in '000	
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	<b>(30,000)</b>	
64 Tier 2 capital (T2)	<b>5,930,228</b>	
65 Tier 2 capital recognized for capital adequacy	<b>5,930,228</b>	
66 Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
67 Total Tier 2 capital admissible for capital adequacy	<b>5,930,228</b>	
<b>TOTAL CAPITAL (T1 + admissible T2)</b>	<b>83,481,223</b>	

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

Disclosure template for main features of regulatory capital instruments		
	Main Features	Common Shares
1	Issuer	Zarai Taraqati Bank Limited
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	ZTBL
3	Governing law(s) of the instrument	Laws applicable in Pakistan
	Regulatory treatment	
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/ group/ group&solo	Solo
7	Instrument type	Common Shares
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	52,678,433
9	Par value of instrument	PKR 10
10	Accounting classification	Shareholder equity
11	Original date of issuance	2002
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	Coupons / dividends	
17	Fixed or floating dividend/ coupon	Not applicable
18	coupon rate and any related index/ benchmark	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Not applicable
23	Convertible or non-convertible	Not applicable
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	Not applicable
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable

#### 40.6 Risk weighted assets

The risk weighted assets to capital ratio, calculated in accordance with the State Bank of Pakistan's guidelines on capital adequacy was as follows:

	2015	2014	2015	2014
	Capital Requirements		Risk Weighted Assets	
	..... Rupees in '000 .....			
<b>Credit risk</b>				
Portfolios subject to standardized approach (simple or comprehensive)				
<b>On-balance sheet</b>				
Banks	346,670	119,736	3,382,148	1,197,362
Retail	8,981,956	7,152,636	87,628,839	71,526,362
Loans secured against residential property	46,676	50,461	455,372	504,614
Past due loans	2,074,818	2,038,336	20,242,123	20,383,358
Deferred tax assets	114,529	-	1,117,353	-
Listed equity investments	348,396	-	3,398,987	-
Investments in fixed assets	215,369	158,097	2,101,165	1,580,974
Other assets	1,428,597	1,071,583	13,937,533	10,715,830
Total credit risk	13,557,011	10,590,849	132,263,520	105,908,500
<b>Off-Balance Sheet</b>				
Non-market related	606	14	5,912	140
	13,557,617	10,590,863	132,269,432	105,908,640

#### Market risk

Capital requirement for portfolios subject to standardized approach

Interest rate risk

Equity position risk

Foreign exchange risk

Total market risk

	2015	2014	2015	2014
Interest rate risk	639	640	7,988	7,995
Equity position risk	537,328	626,882	6,716,600	7,836,028
Foreign exchange risk	-	-	-	-
Total market risk	537,967	627,522	6,724,588	7,844,023

#### Operational risk

Capital requirement for operational risks

	2015	2014	2015	2014
Capital requirement for operational risks	2,178,608	1,737,469	27,232,600	21,718,364
	2,178,608	1,737,469	27,232,600	21,718,364

#### Total

	2015	2014	2015	2014
	16,274,192	12,955,854	166,226,620	135,471,027

#### Capital adequacy ratio

	2015		2014	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	45.96%	5.50%	23.22%
Tier-1 capital to total RWA	7.50%	45.96%	7.00%	23.22%
Total capital total RWA	10.25%	49.74%	10.00%	25.61%
Total capital plus CBB to total RWA	10.25%	49.74%	10.00%	25.61%

\* As SBP capital requirement of 10.25% (10% in 2014) is calculated on overall basis therefore, capital charge for credit risk is calculated after excluding capital requirements against market and operational risk from the total capital required.

#### 40.7 Leverage Ratio

	2015		2014	
	Required	Actual	Required	Actual
Leverage Ratio	3.00%	40.72%	3.00%	19.23%
			<b>2015</b>	<b>2014</b>
			... Rupees in '000 ...	
Tier-1 Capital			76,391,753	31,461,200
Total Exposures			187,612,308	163,567,373

## 41 RISK MANAGEMENT

This section presents information about the Bank's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

Credit risk is the risk of loss resulting from client or counterparty default.

Market risk is the risk of loss arising from adverse movements in market variables such as interest rates, exchange rates and equity indices.

Liquidity risk is the risk that the Bank may be unable to meet its payment obligations when due.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and therefore includes legal risk.

Equity position risk is the risk that arises due to changes in prices of individual stocks or levels of equity indices.

Risk management is a dynamic process of identification, measurement, monitoring and control and reporting risk. The Bank has setup a centralized risk management function at the organizational level which encompasses a broader framework of risk committees, risk management department and its units responsible for each category of risk i.e. credit, market, liquidity, operational and equity position risks. The Bank's risk management department is independent of the business and operations and directly reports to the President. The Bank's systematic and integrated risk management function for each category of risk is as follows:

### 41.1 Credit risk

Credit risk is the risk of financial losses arising when a customer or counterparty is unable or unwilling to perform as per the contractual terms resulting in reduction in portfolio value due to actual or perceived deterioration in the credit quality resulting in economic loss to the Bank. Principally, exposures are only approved when reasonably assured for repayment capacity of counter party. Standardized procedures are adopted and under no circumstances it exceeds approved credit lines. The Bank credit appraisal structure comprises of well-defined credit appraisal, approval and review methods for the purpose of prudence in its lending operations and ensuring credit across the Bank. The credit portfolio is reviewed and analyzed on quarterly basis and risk gaps are reported to the Credit Risk Committee for corrective measures. The Bank pays particular attention to the management of Non-Performing Loans (NPLs).

With the rolling-out of Obligor Risk Rating (ORR) Model for fresh borrowers in year 2010, credit portfolio is more effectively monitored as well as the loaning products. As an early warning signal, Portfolio at Risk (PAR) report is also be generated. This enables the management to take proactive measurements for having a quality credit portfolio / products.

With regards to Basel-II compliance, the Bank has implemented Standardized Approach for minimum capital requirements for credit risk. An internal credit rating system (obligor risk rating) is also under process which will be implemented in due course of time.

A robust MIS is prerequisite for establishment of an effective risk management system therefore the existing MIS of the bank is under going substantial up gradation process for strengthening of the data collection machinery to ensure the integrity and reliability of data.

Risk Management Department independently scrutinize agriculture portfolio on a continuous basis and report crucial findings to the senior management for strategic decision making. Risk factors are identified and necessary actions are recommended to mitigate these risk factors.

#### 41.1.1 Credit risk - General disclosures

The Bank has adopted Standardized Approach of Basel II for calculation of capital charge against credit risk in line with SBP's requirements.

#### 41.1.2 Credit risk: Disclosures for portfolio subject to the standardized approach

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. However, there are no exposures for which ratings from ECAIs are used by the Bank.

#### Credit exposures subject to standardized approach

Exposures	Rating	2015			2014		
		Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Cash and cash equivalents	-	880,330	880,330	-	1,649,439	1,649,439	-
Claims on Government of Pakistan (Federal or Provincial Governments) and SBP, denominated in PKR	-	20,245,666	20,245,666	-	29,488,963	29,488,963	-
Claims on banks	-	-	-	-	-	-	-
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	-	16,910,742	13,528,594	3,382,148	5,986,810	4,789,448	1,197,362
Claims categorized as retail portfolio	-	116,838,452	29,209,613	87,628,839	95,368,482	23,842,121	71,526,361
Claims fully secured by residential property	-	1,301,062	845,690	455,372	1,441,753	937,139	504,614
Past due loans	-	14,413,230	(5,828,893)	20,242,123	14,743,723	(5,639,635)	20,383,358
Deferred tax assets	-	446,941	(670,412)	1,117,353	-	-	-
Listed equity investments	-	3,398,987	-	3,398,987	-	-	-
Investments in premises, plant and equipment and all other fixed assets	-	2,101,165	-	2,101,165	1,580,974	-	1,580,974
All other assets	-	13,937,533	-	13,937,533	10,715,830	-	10,715,830
		190,474,108	58,210,588	132,263,520	160,975,974	55,067,475	105,908,499

#### 41.1.3 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Bank does not make use of on and off-balance sheet netting in capital charge calculations under Basel-II's Standardized Approach for Credit Risk.

#### 41.1.4 Credit risk: Disclosures for portfolio subject to the standardized approach

The wholesale portfolio, which represents agricultural loans are ideally collateralized by land.

The Bank manages limits and controls concentrations of credit risk as identified. Concentrations of credit risk exist if clients are engaged in similar activities, or are located in the same geographic region or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. The Bank sets limits on its credit exposure to counterparty, in line with SBP standards. Limits are also applied in a variety of forms to portfolios or sectors where the Bank considers it appropriate to restrict credit risk concentrations or areas of higher risk, or to control the rate of portfolio growth.

The Bank classifies a claim as impaired if it considers it likely that it will suffer a loss on that claim as a result of the obligor's inability to meet its commitments (including interest payments, principal repayments or other payments due). Advances are classified as non-performing where payment of interest, principal or fees is overdue by more than 90 days. The authority to establish allowances, provisions and credit valuation adjustments for impaired claims, is vested in Finance Division and is according to SBP regulations.

#### Concentration of risk

Out of the total financial assets of Rs. 182,770 million (2014: Rs. 158,714 million) the financial assets which are subject to credit risk amount to Rs. 161,634 million (2014: Rs. 139,996 million). To manage credit risk the bank applies credit limits to its customers and obtains adequate collaterals. Investments amounting to Rs. 21,136 million (2014: Rs. 25,087 million) are guaranteed by the Government of Pakistan.

#### 41.1.5 Equity position risk in the banking book

The Bank takes proprietary equity positions for strategic purposes. The Bank has invested in its subsidiary to achieve long term strategic objectives. As of December 31, 2015 the composition of equity investments and subsidiary is as follows:

Exposures	Available for sale
	Rupees in '000
Equity investments - publically traded	3,358,298
Equity investments - others	-
Total value	<u><u>3,358,298</u></u>



Bank classifies its equity investment portfolio in accordance with the directives of SBP as follows:

Investments - Available for sale  
Investment in subsidiary

The accounting policies for equity investments are designed and their valuation is carried out under the provisions and directives of State Bank of Pakistan, Securities and Exchange Commission of Pakistan and the requirements of approved International Accounting Standards as applicable in Pakistan.

In accordance with the requirements of the State Bank of Pakistan, quoted securities, other than investments in subsidiary are subsequently re-measured to market value. Surplus / (deficit) arising on revaluation of quoted securities which are classified as 'available for sale', is taken to a separate account which is shown in the statement of financial position below equity. The surplus / (deficit) arising on these securities is taken to the profit and loss account when actually realized upon disposal.

Unquoted equity securities are valued at the lower of cost and break-up value. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements.

The cumulative unrealized gain of Rs. 3,340.657 million (2014: Rs. 4,020.679 million) is recognized in the statement of financial position in respect of 'available for sale' securities.

#### 41.1.6 Segmental information

Segmental information is presented in respect of the class of business and geographical distribution of advances, deposits, contingencies and commitments.

#### 41.1.7 Segments by class of business

	2015					
	Advances (gross)		Deposits		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Agriculture, forestry, hunting and fishing	132,661,848	98.49%	-	-	4,094,925	13.84%
Individuals	-	-	20,317,180	56.52%	2,317,838	7.83%
Others	2,030,198	1.51%	15,630,773	43.48%	23,183,130	78.33%
	134,692,046	100.00%	35,947,953	100.00%	29,595,893	100.00%

#### 2014

	2014					
	Advances (gross)		Deposits		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Agriculture, forestry, hunting and fishing	113,537,306	98.30%	-	-	4,580,091	24.88%
Individuals	-	-	16,916,465	63.35%	1,692,334	9.19%
Others	1,958,460	1.70%	9,785,446	36.65%	12,138,249	65.93%
	115,495,766	100.00%	26,701,911	100.00%	18,410,674	100.00%

#### 41.1.8 Segments by sector

	2015					
	Advances (gross)		Deposits		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Public / government *	-	-	15,526,221	43.19%	23,183,130	78.33%
Private	134,692,046	100.00%	20,421,732	56.81%	6,412,763	21.67%
	134,692,046	100.00%	35,947,953	100.00%	29,595,893	100.00%

2014

Advances (gross)	Deposits		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%
Public / government *	-	-	9,736,611	36.46%
Private	115,495,766	100.00%	16,965,300	63.54%
	115,495,766	100.00%	26,701,911	100.00%
			12,138,249	65.93%
			6,272,425	34.07%
			18,410,674	100.00%

\* This amount represents deposits belonging to autonomous / semi-autonomous bodies.

#### 41.1.9 Details of non-performing advances and specific provisions by class of business segment

	2015		2014	
	Classified advances	Specific provision held	Classified advances	Specific provision held
	Rupees in '000			
Agriculture, forestry, hunting and fishing	16,524,468	5,111,238	18,663,722	6,919,999
Advances to employees	28,064	28,064	21,809	21,809
	16,552,532	5,139,302	18,685,531	6,941,808

#### 41.1.10 Details of non-performing advances and specific provisions by sector

Private	16,524,468	5,111,238	18,663,722	6,919,999
Advances to employees	28,064	28,064	21,809	21,809
	16,552,532	5,139,302	18,685,531	6,941,808

#### 41.1.11 Geographical segment analysis

	2015		
	Profit before taxation	Total assets employed	Net assets employed
Pakistan	8,378,824	187,574,120	79,211,448
			29,595,893
			Rupees in '000

2014

	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
..... Rupees in '000 .....				
Pakistan	8,327,106	163,562,877	124,631,639	18,410,674

#### 41.2 Market risk management

The Bank is not involved in commercial activities like underwriting, trading and discounting operations. The Bank operates foreign currency transactions through SBP in local currency. The Bank is not exposed to interest rate risk as it has a fixed lending rate portfolio of advances and investments / placements are being placed in held to maturity securities / investments. Correspondingly, the borrowing from SBP is in the process of conversion into equity instruments. Liquidity position of the Bank is closely monitored by the Asset Liabilities Management Committee (ALCO) on periodic basis.

With regards to Basel-II compliance, the Bank has implemented Standardized Approach (SA) for minimum capital requirements for market risk.

##### 41.2.1 Foreign exchange risk management

The Bank is not directly exposed to foreign exchange risk as the Bank is not engaged in foreign operations. Foreign transactions, if any, are undertaken through SBP.

##### 41.2.2 Equity price risk

The Bank's proprietary positions in the equity instruments expose it to the equity price risk in banking book. Equity price risk is managed by applying limits. The stress test for equity price risk assesses the impact of fall in stock market index. This exercise is done based on the criteria advised by SBP for Stress Testing on Equities.



41.3.1 Mismatch of interest rate sensitive assets and liabilities

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk							Not exposed to Yield / Interest 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
Rupees in '000										
<b>On-balance sheet financial instruments</b>										
<b>Assets</b>										
Cash and balances with treasury banks	4,102,133	-	-	-	-	-	-	-	-	4,102,133
Balances with other banks	5,982,441	3,982,441	2,000,000	-	-	-	-	-	-	-
Lendings to financial institutions	820,190	820,190	-	-	-	-	-	-	-	-
Investments - net	29,237,315	11,570,461	12,541,912	358,862	360,783	155,345	-	39,976	-	4,209,976
Advances - net	108,553,958	36,693,613	47,439	25,520,951	18,506,237	8,856,122	-	5,009,432	454,072	387,847
Other assets - net	10,070,539	-	-	-	-	-	-	-	-	10,070,539
	158,766,576	41,496,244	13,617,900	15,922,108	25,879,813	9,011,467	9,698,049	5,049,408	454,072	18,770,495
<b>Liabilities</b>										
Bills payable	561,964	-	-	-	-	-	-	-	-	561,964
Borrowings	52,226,562	-	-	-	969,349	-	-	-	-	-
Deposits and other accounts	26,701,911	14,107,842	69,109	124,731	2,249	272,442	1,331	-	-	12,124,207
Sub-ordinated loans	3,204,323	-	-	-	3,204,323	-	-	-	-	-
Other liabilities	42,533,415	36,156,894	-	-	-	-	-	-	-	6,376,521
	125,228,175	50,264,736	69,109	1,094,080	54,463,785	272,442	1,331	-	-	19,062,692
<b>On-balance sheet gap</b>	<b>33,538,401</b>	<b>(8,768,492)</b>	<b>13,548,791</b>	<b>15,922,108</b>	<b>24,785,733</b>	<b>8,739,025</b>	<b>9,696,718</b>	<b>5,049,408</b>	<b>454,072</b>	<b>(292,197)</b>
<b>Off-balance sheet gap</b>										
	-	-	-	-	-	-	-	-	-	-
<b>Total yield / interest risk sensitivity gap</b>	<b>33,538,401</b>	<b>(8,768,492)</b>	<b>13,548,791</b>	<b>15,922,108</b>	<b>24,785,733</b>	<b>8,739,025</b>	<b>9,696,718</b>	<b>5,049,408</b>	<b>454,072</b>	<b>(292,197)</b>
<b>Cumulative yield / interest risk sensitivity gap</b>	<b>33,538,401</b>	<b>(8,768,492)</b>	<b>4,780,299</b>	<b>20,702,407</b>	<b>45,488,140</b>	<b>9,891,375</b>	<b>18,630,400</b>	<b>28,327,118</b>	<b>33,376,526</b>	<b>33,538,401</b>
<b>Reconciliation of assets and liabilities exposed to yield / interest rate risk with total assets and liabilities:</b>										
	Rupees in '000									
Total financial assets	158,766,576									
Add non-financial assets:										
Investment in subsidiary company	100,000									
Operating fixed assets	1,581,077									
Deferred tax assets - net	1,528,810									
Other assets	1,586,414									
Total assets as per statement of financial position	163,562,877									
		Rupees in '000								
Total financial liabilities	125,228,175									
Add non-financial liabilities:										
Other liabilities	4,321,492									
Total liability as per statement of financial position	129,549,667									

#### 41.4 Liquidity risk

Assets and Liabilities Management Committee (ALCO) is effectively performing the function of cash management at the Bank. Accordingly, the yields on fund's placement have been constantly increasing.

##### 41.4.1 Maturities of assets and liabilities - Based on contractual maturity of the assets and liabilities of the Bank

	2015									
	Total	Upto 1month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
..... Rupees in '000 .....										
<b>Assets</b>										
Cash and balances with treasury banks	2,516,338	2,516,338	-	-	-	-	-	-	-	-
Balances with other banks	16,408,511	14,408,511	2,000,000	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	19,765,649	-	10,383,534	4,241,216	360,886	155,345	1,094,715	-	-	3,529,953
Advances - net	129,552,744	47,950,565	48,718	5,186,902	26,666,373	20,232,313	10,947,661	12,446,984	5,487,065	586,163
Other assets - net	16,782,760	6,622,630	1,568,973	1,282,731	2,018,437	1,181,114	933,423	1,067,342	1,175,604	932,506
Deferred tax assets - net	446,941	-	-	-	446,941	-	-	-	-	-
Operating fixed assets	2,101,177	82,468	36,352	53,893	338,767	204,801	191,861	340,030	223,171	629,834
	187,574,120	71,580,512	14,037,577	10,764,742	29,831,404	21,773,573	12,072,945	14,949,071	6,885,840	5,678,456
<b>Liabilities</b>										
Bills payable	346,059	346,059	-	-	-	-	-	-	-	-
Borrowings	57,143,100	5,885,887	-	51,257,213	-	-	-	-	-	-
Deposits and other accounts	35,947,953	21,902,240	59,018	561,626	13,046,539	149	377,536	845	-	-
Sub-ordinated loan	3,204,323	-	-	3,204,323	-	-	-	-	-	-
Deferred tax liabilities - net	-	-	-	-	-	-	-	-	-	-
Other liabilities	11,721,237	205,785	282,789	440,633	5,155,506	498,814	495,256	1,166,547	2,476,828	999,079
	108,362,672	28,339,971	341,807	55,463,795	18,202,045	498,963	872,792	1,167,392	2,476,828	999,079
<b>Net assets</b>	79,211,448	43,240,541	13,695,770	(44,699,053)	11,629,359	21,274,610	11,200,153	13,781,679	4,409,012	4,679,377
Share capital		12,522,441								
Reserves		5,644,659								
Unappropriated profit		18,716,929								
Surplus on revaluation of assets - net of tax		2,171,427								
		<u>39,055,456</u>								

## 41.4.2 Maturities of assets and liabilities - Based on contractual maturity of the assets and liabilities of the Bank

2014

	Total	Upto 1month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
..... Rupees in '000 .....										
<b>Assets</b>										
Cash and balances with treasury banks	4,102,133	4,102,133	-	-	-	-	-	-	-	-
Balances with other banks	5,982,441	3,982,441	2,000,000	-	-	-	-	-	-	-
Lending to financial institutions	820,190	820,190	-	-	-	-	-	-	-	-
Investments - net	29,337,315	-	11,610,438	12,541,912	358,862	360,783	155,345	-	39,976	4,269,999
Advances - net	108,553,958	36,695,926	52,063	3,387,280	25,532,525	18,535,951	8,876,820	9,725,126	5,120,158	628,109
Other assets - net	11,656,953	1,126,767	781,450	854,481	1,687,833	1,047,876	881,251	1,519,799	1,965,699	1,791,797
Deferred tax assets - net	1,528,810	1,528,810	-	-	-	-	-	-	-	-
Operating fixed assets	1,581,077	-	-	-	198,054	-	-	-	-	1,383,023
	163,562,877	48,256,267	14,443,951	16,783,673	27,777,274	19,944,610	9,913,416	11,244,925	7,125,833	8,072,928
<b>Liabilities</b>										
Bills payable	561,964	561,964	-	-	-	-	-	-	-	-
Borrowings	52,226,562	-	-	969,349	-	51,257,213	-	-	-	-
Deposits and other accounts	26,701,911	26,232,049	69,109	-	124,731	2,249	272,442	1,331	-	-
Sub-ordinated loan	3,204,323	-	-	-	-	3,204,323	-	-	-	-
Deferred tax liabilities - net	-	-	-	-	-	-	-	-	-	-
Other liabilities	46,854,907	38,999,280	992,743	84,309	1,761,692	1,907,352	306,802	759,442	1,459,056	584,232
	129,549,667	65,793,293	1,061,852	1,053,658	1,886,423	56,371,137	579,244	760,773	1,459,056	584,232
<b>Net assets</b>	34,013,210	(17,537,026)	13,382,099	15,730,015	25,890,851	(36,426,527)	9,334,172	10,484,152	5,666,777	7,488,696
Share capital	12,522,441									
Reserves	4,590,136									
Unappropriated profit	13,425,730									
Surplus on revaluation of assets - net of tax	3,474,903									
	34,013,210									



#### 41.5 Operational risk

- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. In order to manage operational issues, an Operational Risk Model (ORM) has been developed which comprises Key Risk Indicator (KRI), Control Self Assessment (CSA) and Corporate Governance (CG). This model has been successfully implemented in all large and medium branches of the Bank. The data of the Operational Risk Model is collected and analyzed on quarterly basis and risk gaps are elevated to Operational Risk Committee for corrective measures. This model will be rolled out to the remaining branches of the bank in a phased manner.
- With regards to Basel-II compliance, the Bank has implemented Basic Indicator Approach (BIA) for minimum capital requirements for operational risk. Disaster recovery and business continuity plan has also been revised. It includes separate IT business continuity plan which caters to IT specific business continuity planning requirements.

#### 41.6 Fair value of financial instruments

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'held to maturity'.

Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in Note 6.3 to these financial statements.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently re-priced.

### 42 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Bank is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

Set out below is a comparison by category of carrying amounts and fair values of the Bank's assets and liabilities, that are carried in the statement of the financial position:

	Carrying amount		Fair Value	
	2015	2014	2015	2014
----- Rupees-----				
<b>Assets</b>				
Available for sale securities	13,739,485	20,291,276	13,739,485	20,291,276

The management assessed that the cash and banks, advances, deposits, other assets and other liabilities approximate their fair value amounts largely due to the short-term maturities of these instruments.

### Fair value hierarchy

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

The Bank use the following hierarchy for determining and disclosing the fair value of the assets and liabilities by valuation method:

**Level 1:** based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** based on valuation techniques whereby all inputs having a significant effect on the fair value are observable, either directly or indirectly and includes quoted prices for identical or similar assets or liabilities in markets that are not so much actively traded.

**Level 3:** based on valuation techniques whereby all inputs having a significant effect on the fair value are not observable market data.

The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities. The valuation was carried at December 31, 2015.

	2015	Level of hierarchy	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value
	Rupees			
<b>Assets</b>				
Investments (Note 10)				
Listed securities	3,358,298	Level 1	Not applicable	Not applicable
Term finance certificate	40,689	Level 2		Note *
Pakistan Investment Bonds	5,698,294	Level 2		Note *
Market Treasury Bills	4,642,204	Level 2		Note *
	<u>13,739,485</u>			

\*Note: Prices are derived from market corroborated sources such as indices and yield curves; and matrix

### Valuation technique used & key inputs

Revaluation rates for T-bills are contributed by money market brokers on daily basis and daily prices announcement by Pakistan Stock Exchange for listed securities.

During the reporting period there were no transfers into and out of level 3.

Investment in subsidiary and other unlisted securities have not been carried out at fair value in accordance with the SBP guidelines.

## 43 EVENTS AFTER THE REPORTING PERIOD

As explained in Note 16.5 to the unconsolidated financial statements, the Bank has obtained borrowings and subordinated loan from the State Bank of Pakistan during the prior years. In a meeting, held on July 11, 2014 among Ministry of Finance (MoF), State Bank of Pakistan (SBP), Securities & Exchange Commission of Pakistan (SECP) and the Bank, it was decided to convert outstanding SBP debt - principal (Rupees 51.257 billion), subordinated loan (Rupees 3.204 billion) and accrued mark-up (Rupees 35.030 billion) owed by the Bank to SBP as on June 30, 2014 into equity investment of SBP in the Bank. It was also decided that Bank's claim against Government of Pakistan (GoP) on account of mark-up differential and various Presidential Relief Packages shall be waived off by the Bank procedurally. As decided, the Board of Directors of the Bank in its meeting dated July 18, 2014 and the shareholders of the Bank in their extra ordinary general meeting dated August 13, 2014 approved the conversion of SBP debt of Rupees 89.491 billion into 8,949,098,476 fully paid-up ordinary shares as equity investment of SBP in the Bank and the Bank's claim against the GoP have been waived-off / written-off.

However, subsequent to the balance sheet date, the Board of Directors of the Bank in their meeting held on February 2, 2016 and further, in consultation with the State Bank of Pakistan, a resolution by circulation dated February 19, 2016 was approved by the Board of Directors of the Bank, that the SBP debt - principal amounting Rupees 54.460 billion (SBP borrowings amounting Rupees 51.257 billion and sub-ordinated loan amounting Rupees 3.204 billion) be converted into redeemable preference shares carrying a mark-up of 7.5% per annum, redeemable in one bullet payment on December 31, 2025. The mark-up on preference shares shall be payable half yearly on June 30 and December 31, each year and shall be the contractual obligation of the Bank. Mark-up on the existing debt shall be accrued up to December 31, 2015 as per existing arrangements, leading to increase in accrued mark-up from Rupees 35.030 billion as on June 30, 2014 to Rs. 40.156 billion as on December 31, 2015.

The accrued mark-up of Rs. 40.156 billion be converted into ordinary shares of the Bank, which has been shown as share deposit money of the Bank. The impact of mark-up from June 30, 2014 to December 31, 2015 has been recorded in these financial statements due to continuous events. The members' approval is pending for resolution passed by the Board of Directors.

## 44 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except balances with other banks amounting to Rs. 389.258 million which have been reclassified to cash and balances with treasury banks for better presentation.

#### 45 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on March 31, 2016 by the Board of Directors of the Bank.

#### 46 GENERAL

46.1 The financial statements of the subsidiary company (the Company) for the year ended December 31, 2015 were restated on account of correction of prior year error as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". As per IAS 39 "Financial Instrument", gain or loss on an available-for-sale financial asset shall be recognised in other comprehensive income until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment. In prior year, the Company erroneously classified unrealized gain on revaluation of investments classified as available for sale to profit and loss account instead of routing it through other comprehensive income. During the year, the Company has corrected this error retrospectively by accounting for the surplus on revaluation of investments at fair value as at the earliest period presented and in subsequent year transferred the surplus on revaluation of investments at fair value recognized in equity to profit and loss account upon disposal. This error has been corrected retrospectively as per the requirements of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). However, as the State Bank of Pakistan has deferred the applicability of IAS 39 on Banks (more fully explained in Note 3.2 to these consolidated financial statements), therefore, Group's financial statements have not been restated and impact is also not material.

Had the consolidated financial statements been restated for the year ended December 31, 2015, the financial impact would have been as follows:

	<b>Amount Rupees '000</b>
<b>As at December 31, 2013</b>	
<b>Effect on balance sheet</b>	
Increase in surplus on revaluation of investments at fair value	2,378
Decrease in accumulated profit	(2,378)
<b>For the year ended December 31, 2014</b>	
<b>Effect on other comprehensive income</b>	
Transfer to profit and loss account on disposal of investments	(2,378)
<b>Effect on profit and loss account</b>	
Increase in other income	2,378

46.2 The figures in the consolidated financial statements are rounded off to the nearest thousand rupees.

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

**ZARAI TARAQIATI BANK LIMITED**  
**STATEMENT SHOWING CHARGE OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF FIVE HUNDRED THOUSAND RUPEES**  
**OR ABOVE PROVIDED DURING THE YEAR ENDED DECEMBER 31, 2015**

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Total	Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13	
Rupees in million .....													
1	DAIRY & FOOD PRODUCERS	MR. PARVEZ RASHEED	35201-0637920-1	ABDUL RASHEED	7.950	33.109	-	41.059	7.950	27.726	-	35.676	
	68 M, DHA, LAHORE CANTT.	MST. ABIDA KAMRAN PIR SHOUKAT HUSSAIN	35201-6210321-6	MUHAMMAD KAMRAN	-	-	-	-	-	-	-	-	
			211-50-141888	IJAZ HUSSAIN	-	-	-	-	-	-	-	-	
		MR. WASEEM AHMED	267-57-213963	MIAN SANAUULLAH	-	-	-	-	-	-	-	-	
		MIAN SANAUULLAH	269-27-167854	MIAN ATTAULLAH	-	-	-	-	-	-	-	-	
		MST. SHAHNAZ KHAN	267-87-109790	SANAUULLAH	-	-	-	-	-	-	-	-	
2	ABDUL FATAH KHUHAWAR MUHALLAH WARAH	ABDUL FATAH	4249519004501	KHUDA BUX	0.133	1.349	-	1.482	0.133	1.130	-	1.263	
3	HIDAYATULLAH HAJJANO	HIDAYATULLAH	40385191632	HADAH SHAIKH	0.111	0.898	-	1.009	0.111	0.898	-	1.009	
4	MST SAHIB KHATOON QUTAB PUR	MST SAHIB KHATOON	325-87-043115	GHULAM HAIDER	0.592	0.076	-	0.668	0.592	0.076	-	0.668	
5	GHULAM RASOOL 66/KB	GHULAM RASOOL	3660262445401	GHAZI KHAN	0.622	0.017	-	0.639	0.622	0.017	-	0.639	
6	MST SARWAR JAN NIKA MERA P.O.SANGHOORI G.KHAN	MST SARWAR JAN	21714151309	REHMAT ALI	0.278	0.341	-	0.619	0.278	0.341	-	0.619	
7	GHAFOOR KHAN GAHNWARI/BALUCH	GHAFOOR KHAN	3660267023441	DOST MUHAMMAD KHAN	0.603	0.015	-	0.618	0.603	0.015	-	0.618	
8	MST.ZARENA BIBI SHATAB GARH	MST.ZARENA BIBI	32555213119	SHAH MUHAMMAD KHAN	0.508	0.073	-	0.581	0.508	0.073	-	0.581	
9	PIR AKBAR DIN BILAND KHEL U. ORAKZAI AGENCY	PIR AKBAR DIN	2160240861951	PIR SHARIF DIN	0.310	0.465	-	0.775	0.307	0.268	-	0.575	

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's / husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million .....												
10	MUHAMMAD SALEEM LABER	MUHAMMAD SALEEM	32287107564	GHULAM MEHMOOD	0.437	0.483	-	0.920	0.437	0.118	-	0.555
11	MST NASARA BATOOL AMEER PUR	MST NASARA BATOOL	271-60-198749	OAN RAZA	0.314	0.235	-	0.549	0.314	0.235	-	0.549
12	ASIFA BEGUM ALLO MEHAR	ASIFA BEGUM	302 52 001021	TUFAIL	0.403	0.122	-	0.525	0.403	0.122	-	0.525
13	SHAIKAT HUSSAIN THARJAI KALAN P.O.KHAS G.KHAN	SHAIKAT HUSSAIN	210-45-349841	CHANAN KHAN	0.387	0.596	-	0.983	0.387	0.596	-	0.983
14	ABDUL HAMEED 53/SP	ABDUL HAMEED	337-45-313780	QUTAS DIN	0.461	0.534	-	0.996	0.461	0.059	-	0.520
15	SHARIFAN BIBI 32 EB	SHARIFAN BIBI	335-45-530244	FAZAL DAD	0.485	0.046	-	0.531	0.485	0.046	-	0.531
16	ALLAH DITTA	ALLAH DITTA	325-56-208269	ALLAH WASAYA	0.889	0.869	-	1.758	0.714	-	-	0.714
VILL FADDA, MAILSI, VEHARI												
17	MST KHURSHID BIBI VILL HASSAN SHAH, KARAMPUR, VEHARI	MST KHURSHID BIBI	324-28-440642	MUHAMMAD ZAFAR KHAN	0.495	0.624	-	1.119	0.495	0.078	-	0.573
MUHAMMAD ZAFAR KHAN												
18	MST SAJIDA PERVIEN HASSAN SHAH VILL KHICHI, LUDDEN, VEHARI	MST SAJIDA PERVIEN	32458440641	MUHAMMAD ZAFAR KHAN	0.622	0.084	-	0.706	0.622	0.084	-	0.706
19	MST SHAISTA SULTANA JALAL PUR	MST SHAISTA SULTANA	327-86-798616	NADIR ABBAS	0.451	0.392	-	0.843	0.451	0.156	-	0.607
20	MST AZRA PERVEEN BAILA WAGAH	MST AZRA PERVEEN	326-89-645457	AHMED KHAN	0.490	0.568	-	1.058	0.490	0.023	-	0.513
21	FAYAZ HUSSAIN JHONJHAN WALI	FAYAZ HUSSAIN	32303-8125822-9	BASHIR AHMAD	0.431	0.866	-	1.297	0.431	0.188	-	0.619
22	KHURSHIED AHMED LUNDI PATAFI	KHURSHIED AHMED	318-52-319359	GHULAM AHMED	0.707	0.512	-	1.220	0.594	-	-	0.594

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's / husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
23	MST SAFOORAN KALAN KOT JAGEER PO THATTA	MST SAFOORAN	491-40-095313	MUHAMMAD JUMMAN	0.303	0.237	-	0.540	0.303	0.237	-	0.540
24	MOHAMMAD KALANKOT JAGEER VILL JUMAN SOM	MOHAMMAD	491-57-089087	NOOR MOHAMMAD	0.347	0.704	-	1.051	0.347	0.353	-	0.700
25	AZIZ UR REHMAN 11 A/57 N NAZIM/ABAD KARACHI	AZIZ UR REHMAN	501-24-520398	ABDUL GHAFOR	0.134	0.863	-	0.997	0.134	0.863	-	0.997
26	ARIF QURESHI A-291 BLOCK 1 GULSHAN-E- IQBAL	ARIF QURESHI	42301 4144369 3	RIAZLULHASAN	1.459	1.346	-	2.805	1.459	0.161	-	1.620
27	JAWAID AHMED KHAN 4-F 11/5 NAZIM/ABAD NO.4	JAWAID AHMED KHAN	502-56-182561	MANSOOR KHAN	0.425	0.564	-	0.989	0.425	0.564	-	0.989
28	WALI MUHAMMAD	WALI MUHAMMAD	-	SIDDIQUE	0.229	0.330	-	0.559	0.229	0.330	-	0.559
29	GADANI DISTRICT LASBELA BACHAYO SONMIANI DISTRICT LASBELA	BACHAYO	-	SABAGA	0.208	0.296	-	0.503	0.208	0.296	-	0.504
30	ILYAS	ILYAS	-	NOORUDDIN	0.212	0.299	-	0.511	0.212	0.299	-	0.511
31	GADANI DISTRICT LASBELA GUL MUHAMMAD SONMIANI DISTRICT LASBELA	GUL MUHAMMAD	-	MUHAMMAD SIDDIQUE	0.212	0.322	-	0.534	0.212	0.322	-	0.534
32	MUHAMMAD ASLAM SONMIANI DISTRICT LASBELA	MUHAMMAD ASLAM	-	SHER MUHAMMAD	0.222	0.295	-	0.517	0.222	0.295	-	0.517
33	JAN MUHAMMAD BUDEWAN DISTRICT LASBELA	JAN MUHAMMAD	-	GHULAM MUHAMMAD	0.203	0.325	-	0.528	0.203	0.325	-	0.528

1	2	3	4	5	6			7		8		9		10	11	12	13				
					Principal	Interest	Others	Interest	Others	Total	Principal charged off	Interest charged off	Other financial relief / waiver provided					Total (10+11+12)			
									Rupees in million												
34	WALI MUHAMMAD JUNUBI MAWALI DISTRICT LASBELA	WALI MUHAMMAD	-	FIDA MUHAMMAD	0.212	0.330	-	0.542	0.330	-	0.542	0.212	0.330	-	0.542	-	0.542				
35	NASIR	NASIR	-	ABBASI	0.212	0.332	-	0.544	0.332	-	0.544	0.212	0.332	-	0.544	-	0.544				
36	GADANI DISTRICT LASBELA RUSTAM	RUSTAM	-	WALI MUHAMMAD	0.203	0.333	-	0.536	0.333	-	0.536	0.203	0.333	-	0.536	-	0.536				
37	GADANI DISTRICT LASBELA USMAN BUDEWAN GADDANI	USMAN	-	GUL MUHAMMAD	0.208	0.296	-	0.504	0.296	-	0.504	0.208	0.296	-	0.504	-	0.504				
38	WALI MUHAMMAD	WALI MUHAMMAD	-	MOOSA	0.208	0.299	-	0.507	0.299	-	0.507	0.208	0.299	-	0.507	-	0.507				
39	GADANI DISTRICT LASBELA RAZA MOHAMMAD SONMIANI DISTRICT LASBELA	RAZA MOHAMMAD	-	QADIR BUX	0.222	0.279	-	0.502	0.279	-	0.502	0.222	0.279	-	0.502	-	0.502				
40	JAN MUHAMMAD BUDEWAN GADDANI	JAN MUHAMMAD	-	ALI MUHAMMAD	0.222	0.287	-	0.509	0.287	-	0.509	0.222	0.287	-	0.509	-	0.509				
41	MUBARAK BUDEWAN GADDANI	MUBARAK	-	QADIR BUX	0.222	0.322	-	0.544	0.322	-	0.544	0.222	0.322	-	0.544	-	0.544				
42	KHAMISO BUDEWAN GADDANI	KHAMISO	-	SIDDIQUE	0.226	0.287	-	0.512	0.287	-	0.512	0.226	0.287	-	0.512	-	0.512				
43	MADAD BUDEWAN GADDANI	MADAD	-	BIJAR	0.203	0.330	-	0.533	0.330	-	0.533	0.203	0.330	-	0.533	-	0.533				
44	ALLANO BUDEWANI GADDANI	ALLANO	-	MUHAMMAD	0.212	0.291	-	0.503	0.291	-	0.503	0.212	0.291	-	0.503	-	0.503				
45	ACHAR BUDEWANI GADDANI	ACHAR	-	ALI	0.203	0.300	-	0.503	0.300	-	0.503	0.203	0.300	-	0.503	-	0.503				
46	ABDUL KARIM SONMIANI DISTRICT LASBELA	ABDUL KARIM	-	ABDUL RAHIM	0.212	0.289	-	0.501	0.289	-	0.501	0.212	0.289	-	0.501	-	0.501				
47	HASHIM BUDEWAN GADDANI	HASHIM	-	KALO	0.203	0.314	-	0.517	0.314	-	0.517	0.203	0.314	-	0.517	-	0.517				
48	IBRAHIM SONMIANI DISTRICT LASBELA	IBRAHIM	-	WALI MUHAMMAD	0.212	0.301	-	0.512	0.301	-	0.512	0.212	0.301	-	0.512	-	0.512				



1 Sr. No.	2 Name and address of the borrower	3 Name of individual / partners / directors	4 NIC number	5 Father's/ husband's name	6 Outstanding liabilities at beginning of the year				9 Total	10 Principal charged off	11 Interest charged off	12 Other financial relief / waiver provided	13 Total (10+11+12)
					6 Principal	7 Interest	8 Others	9 Total					
..... Rupees in million .....													
49	NAZIR AHMED SONMIANI DISTRICT LASBELA	NAZIR AHMED	-	GUL MUHAMMAD	0.212	0.293	-	0.505	0.212	0.293	-	0.505	
50	SALEMAN BUDEWANI GADDANI	SALEMAN	-	ABBAS	0.226	0.299	-	0.525	0.226	0.299	-	0.525	
51	ABDUL MAJEED GADDANI	ABDUL MAJEED	-	ABDULLAH	0.212	0.292	-	0.504	0.212	0.292	-	0.504	
52	ACHAR BUNDEWANI GADDANI	ACHAR	-	AHMED KHAN	0.212	0.298	-	0.509	0.212	0.298	-	0.510	
53	MUHAMMAD AYUB SONMIANI DISTRICT LASBELA	MUHAMMAD AYUB	-	SIDDIQUE	0.212	0.297	-	0.509	0.212	0.297	-	0.509	
54	ALLAH BUX BUDEWANI GADDANI	ALLAH BUX	-	REHMAT	0.212	0.305	-	0.517	0.212	0.305	-	0.517	
55	CHUTTA BUDEWAN GADDANI	CHUTTA	-	SOOMAR	0.222	0.284	-	0.507	0.222	0.284	-	0.506	
56	ABDUL MAJID SONMIANI DISTRICT LASBELA	ABDUL MAJID	-	MUHAMMAD SIDDUQUE	0.226	0.317	-	0.542	0.226	0.317	-	0.543	
57	SIKANDAR	SIKANDAR	-	IBRAHIM	0.208	0.330	-	0.537	0.208	0.330	-	0.538	
SONAMIANI DISTRICT LASBELA													
58	MUHAMMAD YAMIN SONMIANI DISTRICT LASBELA	MUHAMMAD YAMIN	-	MUHAMMAD ISHEQUE	0.222	0.322	-	0.544	0.222	0.322	-	0.544	
59	AHMED BUDEWAN GADDANI	AHMED	-	BACHAL	0.208	0.297	-	0.505	0.208	0.297	-	0.505	
60	SHAH DAD SONMIANI DISTRICT LASBELA	SHAH DAD	-	GUL MUHAMMAD	0.208	0.306	-	0.513	0.208	0.306	-	0.514	

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					Principal	Interest	Others					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in million .....												
61	MUHAMMAD HASHIM KUND GADANI	MUHAMMAD HASHIM	-	ABBAS	0.222	0.304	-	0.526	0.222	0.304	-	0.526
62	SOOMAR	SOOMAR	99508 3409883 7	MOHAMMED ISMAIL	0.222	0.290	-	0.512	0.222	0.290	-	0.512
63	C/O KHALIFAZAI FISHERMEN AYUB ALYANI SONMIANI DISTRICT LASBELA	AYUB ALYANI	-	REHMAN	0.222	0.290	-	0.512	0.222	0.290	-	0.512
64	DUR MUHAMMAD GADDANI	DUR MUHAMMAD	-	ARAB	0.222	0.301	-	0.523	0.222	0.301	-	0.523
65	DARYA KHAN SONMIANI DISTRICT LASBELA	DARYA KHAN	-	JUMA KAHN	0.222	0.318	-	0.540	0.222	0.318	-	0.540
66	ABDUL GHAFOOR GADDANI	ABDUL GHAFOOR	280-55-110112	GHULAM MUHAMMAD	0.227	0.282	-	0.509	0.227	0.282	-	0.509
67	NOOR UDDIN GADDANI	NOOR UDDIN	-	FAQIR MUHAMMAD	0.227	0.335	-	0.562	0.227	0.335	-	0.562
68	FATEH MOHAMMAD	FATEH MOHAMMAD	-	REHMAT	0.227	0.308	-	0.535	0.227	0.308	-	0.535
69	GADANI DISTRICT LASBELA PIR BUX	PIR BUX	-	FATEH MUHAMMAD	0.227	0.346	-	0.573	0.227	0.346	-	0.573
70	GADDANI HAJI	HAJI	-	FATEH MUHAMMAD	0.227	0.361	-	0.588	0.227	0.361	-	0.588
71	MUHAMMAD ALI GADDANI	MUHAMMAD ALI	-	ALI MUHAMMAD	0.227	0.338	-	0.565	0.227	0.338	-	0.565
72	UMER GADDANI	UMER	-	GUL MUHAMMAD	0.227	0.282	-	0.509	0.227	0.282	-	0.509
73	FAQIR MUHAMMAD GADDANI	FAQIR MUHAMMAD	-	DIL MUHAMMAD	0.227	0.279	-	0.507	0.227	0.279	-	0.506
74	S. HASSAN ZAHID BUNDEWANI GUDDANI	S. HASSAN ZAHID	-	QUDRATOLLAH	0.227	0.299	-	0.526	0.227	0.299	-	0.526
75	GHULAM NABI SONMIANI DISTRICT LASBELA	GHULAM NABI	-	MOHAMMAD ESSA	0.227	0.295	-	0.523	0.227	0.295	-	0.522

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					Principal	Interest	Others	Total	Principal charged off	Interest charged off	Other financial relief / waiver provided	
1	2	3	4	5	6	7	8	9	10	11	12	13
76	MUHAMMAD AMIN SONMIANI DISTRICT LASBELA	MUHAMMAD AMIN	-	ESSA	0.227	0.282	-	0.509	0.227	0.282	-	0.509
77	MAMOON SONMIANI DISTRICT LASBELA	MAMOON	-	YOUSAF	0.227	0.301	-	0.529	0.227	0.301	-	0.528
78	ALLAH BUX SONMIANI DISTRICT LASBELA	ALLAH BUX	-	ABDUL KARIM KHAN	0.227	0.304	-	0.532	0.227	0.304	-	0.531
79	BASHIR AHMED SONMIANI DISTRICT LASBELA	BASHIR AHMED	-	GUL MUHAMMAD	0.212	0.312	-	0.524	0.212	0.312	-	0.524
80	FAQIR MUHAMMAD SONMIANI DISTRICT LASBELA	FAQIR MUHAMMAD	-	HASSAN	0.227	0.324	-	0.552	0.227	0.324	-	0.551
81	ABDOO SONMIANI DISTRICT LASBELA	ABDOO	-	MUHAMMAD ALI	0.227	0.286	-	0.513	0.227	0.286	-	0.513
82	AHMED SONMIANI DISTRICT LASBELA	AHMED	-	GOHRAM	0.231	0.288	-	0.519	0.231	0.288	-	0.519
83	ABDUL WAHAB C/OGWADER FISHERMEN SONMIANI DISTRICT LASBELA	ABDUL WAHAB	99501 39403179	ABDUL GHAFUOR	0.216	0.366	-	0.582	0.216	0.366	-	0.582
84	AHMED KHAN SONMIANI DISTRICT LASBELA	AHMED KHAN	-	TAJ MUHAMMAD	0.216	0.302	-	0.518	0.216	0.302	-	0.518
85	HAJI MUHAMMAD IBRAHIM SONMIANI DISTRICT LASBELA	HAJI MUHAMMAD IBRAHIM	-	MUHAMMAD	0.222	0.288	-	0.510	0.222	0.288	-	0.510
86	CH ABDUL RAUF C/O SHABBIR H. KHWAJA SPARE PARTS, KHOSKI ROAD, BADIN	CH ABDUL RAUF	35202-6098292-1	CH. MUHAMMAD ISHAQUE	0.885	1.421	-	2.306	0.885	0.323	-	1.208

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					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million .....												
87	ALEEM UDDIN NABI BUX BURGHARI HOUSE, BADIN	ALEEM UDDIN	421101-2420004-7	NABI BUX	0.106	0.556	-	0.662	0.105	0.528	-	0.633
88	HAMID ALI NABI BUX BURGHARI HOUSE, BADIN	HAMID ALI	41101-4737312-9	NABI BUX	0.481	0.432	-	0.913	0.480	0.198	-	0.678
89	MUHAMMAD ASLAM DEH KANDHAR, TALUKA TNADO M. KHAN	MUHAMMAD ASLAM	277-30-108903	KARIM DAD	0.098	0.610	-	0.708	0.098	0.610	-	0.708
90	ABDUL KHALIQUE BHATTI MOHALLAH, SEHWAN SHARIF	ABDUL KHALIQUE	41206-3082833-7	DOST MUHAMMAD MEMON	0.210	0.302	-	0.513	0.210	0.302	-	0.512
91	MUHAMMAD ISMAIL DEH DEKHMAR TALUKA TANDO BAGO	MUHAMMAD ISMAIL	41104-5373328-7	KAMAL KHAN	0.119	0.799	-	0.918	0.119	0.778	-	0.897
92	GHULAM MOHIUDDIN H.NO 2110 NEAR OLD POWER HOUSE,	GHULAM MOHIUDDIN	452-46-058632	MOHAMMAD JAN PATHAN	1.500	1.001	-	2.501	0.896	0.003	-	0.899
93	SHER KHAN B.NO A-1 D-C UNIT NO 7, LITFABAD HYD.	SHER KHAN	41304-2319817-1	MUHAMMAD JAN PATHAN	0.125	0.614	-	0.739	0.125	0.490	-	0.615
94	MUNAWAR ALI DEH MANGO, BHIRIACITY, N.SHAH	MUNAWAR ALI	432-59-162002	ABDULLAH	0.229	0.380	-	0.609	0.229	0.293	-	0.522
95	MUHAMMED MITHAL DEH DALI POTA, BHIRIACITY, N.SHAH	MUHAMMED MITHAL	444-54-074819	MUHAMMED PARIAL	0.090	0.716	-	0.806	0.090	0.623	-	0.713
96	GHULAM HYDER DAHRI DEH PUBJO, DAULAT PUR N.SHAH	GHULAM HYDER	451-432-033172	RABRAKHIO	0.128	0.396	-	0.524	0.128	0.396	-	0.524
97	MIR MUHAMMAD MANGWANI MST SHAHNAZ JAINDERO JACOBABAD	MIR MUHAMMAD MST SHAHNAZ	463-45-020710 401-45-770330	MUHAMMAD SADIK MUHAMMAD IBRAHIM	0.098	0.440	-	0.539	0.098	0.440	-	0.538

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					6	7	8	9				
1	2	3	4	5	Principal	Interest	Others	Total	10	11	12	13
98	DAD MUHAMMED MOHAMMAD PUR GARHI KHAIRO	DAD MUHAMMED	405-49-020781	BAHAR KHAN	0.125	0.819	-	0.944	0.125	0.819	-	0.944
99	MST SHAMSHAD BEGUM	MST SHAMSHAD BEGUM	401-75-059638	HAMIND KHAN	0.125	0.505	-	0.630	0.125	0.505	-	0.630
100	MEHER SHAH JACOBABAD GHOUS BUX	GHOUS BUX	401-85-193026	RASTUM KHAN	0.095	0.698	-	0.792	0.095	0.592	-	0.687
	RUSTAM KHAN JACOBABAD HUSSAIN BUX	HUSSAIN BUX	401-87-193024	RASTUM KHAN								
101	RUSTAM KHAN JACOBABAD AMANULLAH HAJANO	AMANULLAH	40352069396	RAZA MUHAMMAD	0.084	0.722	-	0.806	0.084	0.712	-	0.796
	RAZA MOHAMMAD HAJANO	RAZA MOHAMMAD	40354069397	MIRAL SHAIKH								
102	KHAN MOHAMMAD GERHI MAKORO RASOOL BUX GERHI MAKORO	KHAN MOHAMMAD	424-85-142265	JUMO KHAN	0.133	0.578	-	0.710	0.133	0.578	-	0.711
		RASOOL BUX	42410026533	CHUTTO KHAN								
103	GUL MUHAMMED KHAN MURAD BHATTI	GUL MUHAMMED KHAN	42460117222	ABDUL KARIM KHAN	0.131	0.400	-	0.531	0.131	0.400	-	0.531
104	JAN GUL THANGO BOZADAR	JAN GUL	427-15-016238	ARAB KHAN	0.098	0.546	-	0.644	0.098	0.546	-	0.644
105	HUSSAIN BUX GOTH METLA	HUSSAIN BUX	422-05-30113071	HOOT KHAN	0.117	0.509	-	0.625	0.117	0.489	-	0.606
	MUHAMMAD BUX GOTH METLA	MUHAMMAD BUX	422-05-30036032	MUHAMMAD SADIQUE								
	GHULAM QADIR GOTH METLO	GHULAM QADIR	422-05-00027118	MUHAMMAD SADIQUE								



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					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
	MUGHAL KHAN SHAKAR MOORI	MUGHAL KHAN	129-08-535076	MEHIR DILL KHAN								
118	JAN ALAM AFRIDI DARA ADAMKHEL ATARI WAL	JAN ALAM AFRIDI	159-46-010288	MIR ALAM AFRIDI	0.305	0.257	-	0.562	0.305	0.229	-	0.534
	SABIR KHAN	SABIR KHAN	159-88-0166613	HAJI SADBAR KHAN								
	DARRA ADAM KHAEL KOHAT SAID WAZIR DARA ADAMKHEL ATARI WAL	SAID WAZIR	137-39-049289	PIRZADA								
119	AZIZ KHAN SHER MAST MIRA KHEL	AZIZ KHAN	155-27-218245	MUHAMMAD KHAN	0.295	0.209	-	0.504	0.295	0.209	-	0.504
120	SULTAN MAHMOOD DHERI JOLA GRAM	SULTAN MAHMOOD	117-39-124343	AJAB KHAN	0.104	0.609	-	0.713	0.104	0.609	-	0.713
121	SHER ZAMAN SHINO BANDA	SHER ZAMAN	109-36-289645	NASAR KHAN	0.133	1.123	-	1.256	0.133	1.064	-	1.197
122	SAMI UR REHMAN BAZAI HOUSE ZARGHOON ROAD QTA	SAMI UR REHMAN	601-53-191780	HAJI MOHAMMAD HUSSAIN	0.396	0.515	-	0.911	0.396	0.119	-	0.515
123	MOHAMMAD SABIR K.GHULAM SARWAR	MOHAMMAD SABIR	544-00-03994367	ABDUL RAHMAN	0.480	0.553	-	1.033	0.480	0.124	-	0.604
124	AGHBARG QUETTA SHABOZAH	ABDUL WAHAB	609-90-244810	KAMAL	0.283	0.274	-	0.557	0.283	0.274	-	0.557
125	AMANULLAH BAZAR	AMANULLAH	609-84-645657	HAMIDULLAH	0.283	0.511	-	0.794	0.283	0.260	-	0.543
126	M.KHALID KHAN TARWALL	M.KHALID KHAN	612 64 419361	M.HASHIM KHAN	0.332	0.341	-	0.672	0.332	0.189	-	0.521
127	MUHAMMAD IQBAL QILLA NIDA	MUHAMMAD IQBAL	544-00-04043887	AKHTAR MOHAMMAD	0.340	0.503	-	0.843	0.340	0.170	-	0.510
128	ABDUL QAHR TORA SHAH	ABDUL QAHR	543-03-20259377	RAZ MOHAMMAD	0.357	0.366	-	0.723	0.357	0.167	-	0.524
129	ABDUL MANEER	ABDUL MANEER	542-03-95967449	ABDUL HAD	0.331	0.294	-	0.625	0.331	0.294	-	0.625

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					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million .....												
	DELSURA KAREZ QILLA ABDULLAH											
130	MUHAMMAD RAHIM DELSARA KAREZ QILLI ABDULLAH	MUHAMMAD RAHIM	542-03-76951943	MALIK ABDUL HAD KHAN	0.303	0.268	-	0.570	0.303	0.268	-	0.571
131	FATEH MUHAMMAD MAZAI ADDA	FATEH MUHAMMAD	542-03-80538251	HAJI BARKAT	0.400	0.260	-	0.660	0.400	0.196	-	0.596
132	MUHAMMAD FSSA KILLI ABDUL REHMANZA	MUHAMMAD FSSA	542-02-10948191	H.ABDUL BAQI	0.399	0.312	-	0.711	0.399	0.114	-	0.513
133	RAHIM KHAN SPEZAND TEHSIL DASHT MASTUNG	RAHIM KHAN	544-00-64984355	BANGUL KHAN	0.350	0.210	-	0.560	0.350	0.165	-	0.515
134	MIR MUHAMMAD UMAR HITACHI	MIR MUHAMMAD UMAR	627-41-066426	MIR MASTEE KHAN	0.117	0.404	-	0.521	0.117	0.404	-	0.521
135	MIAN KHAN TOOTAK	MIAN KHAN	627-52-001411	HAJI MIR PIR MOHAMMAD	0.141	0.534	-	0.676	0.141	0.534	-	0.675
136	NABI WARRIS	NABI WARRIS	514-01-98270267	BAKHSALI	0.350	0.467	-	0.817	0.350	0.165	-	0.515
137	NOGHAY TEHSIL BAGHBANA ATTA MUHAMMAD ABLO NALL	ATTA MUHAMMAD	627 45 027404	MAZAR KHAN	0.400	0.447	-	0.847	0.400	0.125	-	0.525
138	RASOOL BUX GADUK MASHKEL	RASOOL BUX	636 52 041504	MUHAMMED AMIN	0.383	0.481	-	0.863	0.383	0.140	-	0.523
139	ABDUL QAYYUM KHUDAIDAZAI	ABDUL QAYYUM	612-95-19056981	ABDUL BAQI	0.301	0.443	-	0.745	0.301	0.312	-	0.613
140	MOHAMMAD IBRAHIM KAZA	MOHAMMAD IBRAHIM	562-01-15498541	FAIZ MUHAMMAD	0.317	0.263	-	0.580	0.317	0.263	-	0.580
141	MIR KARIM BUKHSH	MIR KARIM BUKHSH	522-03-14796179	MIR HASHIM	0.169	0.491	-	0.660	0.169	0.491	-	0.660
142	GHINNA MOULADAD CHALLOO	MOULADAD	522-03-09992409	DIN MUHAMMAD	0.396	0.465	-	0.861	0.396	0.465	-	0.861



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					Principal	Interest	Others	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13	
Rupees in million													
143	JADO SEAGAK HOSHAB KECH	JADO	632-22-643005	GHULAM MUHAMMAD	0.315	0.546	-	0.862	0.315	0.546	-	0.861	
144	MALIK MIRZA BALGATOR TEH. HOSHAB	MALIK MIRZA	632-41-215127	FAQIJR MUHAMMAD	0.305	0.483	-	0.788	0.305	0.483	-	0.788	
145	JUNAID AYOUB CHIB BULEDA	JUNAID AYOUB	522-03-31187705	MUHAMMAD AYOUB	0.433	0.762	-	1.195	0.433	0.762	-	1.195	
146	S.TEHBULEDA KECH GHULAM GOKDAN	GHULAM	832-90-063286	REHMAT	0.218	0.890	-	1.108	0.218	0.890	-	1.108	
147	MUHAMMAD IQBAL ZOOR BAZAR	MUHAMMAD IQBAL	632-50-088911	MIR MUHAMMAD ASHRAF	0.172	0.419	-	0.591	0.172	0.419	-	0.591	
148	TAJ MUHAMMAD SARI KAHN	TAJ MUHAMMAD	632 90 178612	DOSHAMBY	0.265	0.427	-	0.692	0.265	0.427	-	0.692	
149	MUHAMMAD ARIF ABSOR	MUHAMMAD ARIF	632-59-235137	ABDUL REHMAN	0.380	0.259	-	0.639	0.380	0.139	-	0.519	
150	HAMID ULLAH DANUK TEH TURBAT DISTT	HAMID ULLAH	522-04-10572379	MOHAMMAD KARIM	0.400	0.327	-	0.727	0.400	0.279	-	0.679	
151	LAL KHAN JAHEEN	LAL KHAN	631-33-063215	MIR HAQUE	0.234	0.431	-	0.665	0.234	0.431	-	0.665	
152	PEER MOHAMMAD JAHEEN	PEER MOHAMMAD	523-03-86100737	MIR HAQUE	0.206	0.469	-	0.675	0.206	0.469	-	0.675	
153	MUHAMMAD NOOR PAROOM	MUHAMMAD NOOR	631-35-073663	DAR IMAN	0.206	0.469	-	0.675	0.206	0.469	-	0.675	
154	MUHAMMAD YASIN PAROOM	MUHAMMAD YASIN	632-22-323232	MOHAMMAD NOOR	0.463	0.223	-	0.686	0.463	0.223	-	0.686	
155	ABDUL GHAFFAR VILLAGE KURAK SIBI	ABDUL GHAFFAR	606-96-19035412	ESSA KHAN	0.059	0.665	-	0.725	0.059	0.665	-	0.724	
156	NISAR AHMED SADAR USTO	NISAR AHMED	607-60-103319	ALI MUHAMMAD	0.054	0.510	-	0.564	0.054	0.510	-	0.564	
157	GHULAM HYDER SAMEJI	GHULAM HYDER	607-93-087968	FOUJA KHAN	0.027	0.530	-	0.557	0.027	0.515	-	0.542	
158	AZIZULLAH ZOREGARH	AZIZULLAH	607-55-104319	CHUTTA KHAN	0.040	0.548	-	0.588	0.040	0.548	-	0.588	
159	ARBAB KHAN JANGDOST	ARBAB KHAN	607-85-028443	MIR KHAN	0.040	0.548	-	0.588	0.040	0.548	-	0.588	

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					6	7	8	9						
1	2	3	4	5	Principal	Interest	Others	Total	10	11	12	13		
					..... Rupees in million .....									
158	RAJAB ALI SHAHWASAYA	RAJAB ALI	607-27-162871	BAKSHAN KHAN	0.094	1.073	-	1.167	0.094	0.979	-	1.073		
159	SYED ABDUL HAMEED SHAH BHAG	SYED ABDUL HAMEED SHAH	622-36-040447	S.ABDUL MAJEED SHAH	0.050	0.523	-	0.573	0.050	0.522	-	0.572		
160	IFTIKHAR UL HASSAN RORAS	IFTIKHAR UL HASSAN	34603-8183818-9	SAFDAR ALI	0.462	0.400	-	0.862	0.462	0.054	-	0.516		
161	LIAQAT ALI MUHAMMAD WALA SHREEN JANGHER	LIAQAT ALI	35402-1981211-3	RAJA	0.461	0.669	-	1.130	0.461	0.141	-	0.602		
162	SULTAN AHMAD MALWALI 1 RB	SULTAN AHMAD	35403-4926975-3	SADDAD	0.080	0.874	-	0.954	0.080	0.794	-	0.874		
163	ASHIQ HUSSAIN MIAN ALI FAQIRAN	ASHIQ HUSSAIN	294-46-260641	RAJDA	0.099	1.153	-	1.252	0.099	1.045	-	1.144		
164	BAKHSHA VEERKEY BATH	BAKHSHA	35404-2011869-1	JHANDA	0.278	0.341	-	0.620	0.278	0.296	-	0.574		
165	JUMA KHAN CHANDIA	JUMA KHAN	53404-38095285	ALLAHDINA	0.300	0.566	-	0.866	0.300	0.294	-	0.594		
166	SOHNA KHAN CHANDIA	SOHNA KHAN	53404-25483625	ALLAH DINO	0.300	0.426	-	0.726	0.300	0.294	-	0.594		
167	GHULAM SHABIR CHANDIA	GHULAM SHABIR	607-42-163737	MUHAMMAD ASGHAR	0.318	0.624	-	0.943	0.318	0.314	-	0.632		
168	MUHAMMAD ASLAM CHANDIA	MUHAMMAD ASLAM	53404 63025997	SULTAN	0.319	0.626	-	0.945	0.319	0.315	-	0.634		
169	UMAR DRAZ 186 GB	UMAR DRAZ	253-5740543-7	GUL SHER	0.315	0.336	-	0.651	0.315	0.205	-	0.520		
170	NOOR MUHAMAD C/O ROSHAN BURIRO R/O PO BHAN	NOOR MUHAMAD	465-85-106949	GHULAM HUSSAIN	0.347	0.648	-	0.996	0.347	0.284	-	0.631		
171	PARVEZ H.N.84 KHOJA C/BEH CEN JAIL	PARVEZ	449-59-333752	RAJAB ALI	0.098	1.001	-	1.099	0.098	0.922	-	1.020		
172	GHULAMULLAH DEHKHATORI	GHULAMULLAH	99453-85172943	HAJI ILLAHI BUX	0.145	0.607	-	0.752	0.145	0.607	-	0.752		

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					Principal	Interest	Others	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13	
..... Rupees in million .....													
173	HAKUM jhang	HAKUM	261-55-169282	MAHNI	0.324	0.326	-	0.649	0.324	0.179	-	0.503	
174	GHULAM QADIR GADANI	GHULAM QADIR	540-22-674921	DODA	0.227	0.304	-	0.531	0.227	0.304	-	0.531	
175	HASSAN ALI BROHI C-VI-265 GIZRI	HASSAN ALI BROHI	510-66-287765	MOHAMMAD ASLAM BROHI	0.461	0.361	-	0.822	0.461	0.346	-	0.807	
176	MOHAMMAD QASIM GHAZI	MOHAMMAD QASIM	403-37-064841	SHER ALI KHAN	0.076	0.964	-	1.041	0.076	0.886	-	0.962	
177	MAQBOOL AHMED KHARIRO	MAQBOOL AHMED	403-65-187990	NAJAMUDDIN	0.084	0.706	-	0.790	0.084	0.706	-	0.790	
178	MOHAMMAD SADIQ WARAH	MOHAMMAD SADIQ	424-48-034865	ABDUL REHAMN	0.099	0.923	-	1.022	0.099	0.840	-	0.939	
179	MST.KHAIR UNISA KANDH KOT	MST.KHAIR UNISA	403-31-028611	MUHD RAMZAN	0.079	0.677	-	0.756	0.079	0.641	-	0.720	
180	MOHD AKRAM NOOR PUR PACHO	MOHD AKRAM	402-35-088425	MADADALAI	0.083	0.732	-	0.815	0.083	0.732	-	0.815	
181	MST HAKIM ZADI	MST HAKIM ZADI	401-19-038046	HAMID KHANA	0.090	0.416	-	0.506	0.090	0.416	-	0.506	
182	MEHER SHAH JACOBABAD	ABDUL MAJEED	411-06-084577	KHAN MUHAMMAD	0.105	0.761	-	0.866	0.105	0.713	-	0.818	
183	DEH SONO DARO VIL MOHD KHAN BU	ABDUL MAJEED	411-06-084577	KHAN MUHAMMAD	0.105	0.761	-	0.866	0.105	0.713	-	0.818	
184	ATTAULLAH SALGHANI	ATTAULLAH	403-91-249226	LALI KHAN	0.271	0.526	-	0.797	0.271	0.252	-	0.523	
185	GHULAM MURTAZA TANDO MITHA KHAN	GHULAM MURTAZA	484-89-181093	HAJI ALI SHER SHAH	0.256	0.251	-	0.507	0.256	0.251	-	0.507	
186	NAWAZ ALI KANGNI P.O.KHAI TAL.KHIPRO	NAWAZ ALI	475-42-061291	MIR MOHAMMED	0.087	0.633	-	0.720	0.087	0.597	-	0.684	
187	MUHAMMAD AJMAL KHAN KHEROR PACCA	MUHAMMAD AJMAL KHAN	280 55 110112	HAJI KABIR KHAN	0.322	0.264	-	0.586	0.322	0.180	-	0.502	
188	MAQSOOD BIBI JHOKE GAMOON	MAQSOOD BIBI	322-30-331892	SADAT HUSSAIN	0.479	0.078	-	0.557	0.479	0.053	-	0.532	
189	ASHIQ HUSSAIN KHAN WAH	ASHIQ HUSSAIN	344 45 075370	KARIM BUX	0.371	0.467	-	0.838	0.371	0.232	-	0.603	

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					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million .....												
189	RABNAWAZ KHANO SHUMALI	RABNAWAZ	326 45 013403	GHULAM HASSAN	0.475	0.101	-	0.576	0.475	0.063	-	0.538
190	MUMTAZ HUSSAIN BOHAR MAILSI	MUMTAZ HUSSAIN	326 85 105383	MUHAMMAD BUX	0.475	0.354	-	0.829	0.475	0.104	-	0.579
191	MST.SAMINA MOUZA NAU QABIL WAH	MST.SAMINA	326-85-603680	GHULAM MURTAZA	0.292	0.316	-	0.608	0.292	0.230	-	0.522
192	FIDA HUSSAIN CHOWKI RANJO KHAN	FIDA HUSSAIN	326-45-196177	ALLAH DEWAYA	0.274	0.373	-	0.647	0.274	0.244	-	0.518
193	RANA MOHAMMAD AYUB NIKABIL WAH	RANA MOHAMMAD AYUB	326-27-536648	GHULAM ROJAN	0.395	0.659	-	1.054	0.395	0.239	-	0.634
194	ALTAF HUSSAIN NOAKABLE WAH	ALTAF HUSSAIN	344-56-208333	ZULFIQAR	0.400	0.650	-	1.049	0.400	0.217	-	0.617
195	HAJI AKBAR KHAJI WALA	HAJI AKBAR	326-91-710411	RANAN ABDUL RAZAQ	0.354	0.475	-	0.829	0.354	0.155	-	0.509
196	MST NAWAB BEGUM MARI BAGHOO KHAN	MST NAWAB BEGUM	326-32-011444	SHAM MUHAMMAD	0.357	0.251	-	0.608	0.356	0.183	-	0.539
197	RANA MOEEN FAREED NOQABIL WAH	RANA MOEEN FAREED	326-74-773604	RANA RABNAWAZ	0.499	0.565	-	1.064	0.495	0.023	-	0.518
198	RIAZ AHMED NORAJA BHUTTA	RIAZ AHMED	36301-8445009-9	NAZIR AHMED	0.451	0.562	-	1.013	0.437	0.070	-	0.507
199	ZAB UN NISSA LABER	ZAB UN NISSA	323-55-220801	MUHAMMAD SALEEM	0.474	0.679	-	1.153	0.474	0.179	-	0.653
200	AFTAB AHAMD BHUTTA PUR	AFTAB AHAMD	315-61-308521	GUL MUHAMMAD	0.500	0.433	-	0.932	0.500	0.259	-	0.759
201	AFTAB AHMED BHUTTA PUR	AFTAB AHMED	315-61-308521	GUL MUHAMMAD	0.462	0.281	-	0.743	0.462	0.087	-	0.549
202	KARAM KHAN KAROOCOHO	KARAM KHAN	43394-89206867	SUHRAB	0.246	0.532	-	0.777	0.246	0.292	-	0.538
203	QURBAN ALI SHAH KALRI	QURBAN ALI SHAH	486-55-294773	FAIZUDDIN SHAH	0.309	0.230	-	0.539	0.309	0.211	-	0.520

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					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million .....												
		MST SHAMEEM AKHTAR	336-49-006476	MOHAMMAD JAFAR	0.408	0.793	-	1.201	0.408	0.385	-	0.793
204	PANDAT MANFOOL PUR											
205	MST.ASHRAFO BALO KHELL BALA.P.O BADA BER	MST.ASHRAFO	137-29-434791	SHER MOHAMMAD	0.303	0.599	-	0.902	0.303	0.296	-	0.599
206	ABDUL HAKEEM	ABDUL HAKEEM	143-58-000535	DAD SHER	0.293	0.462	-	0.755	0.293	0.248	-	0.541
207	DARA ADAMIKHEL ATTRIWAL MUMTAZ KHAN	MUMTAZ KHAN	159-8900407-6	ABDUL MALIK	0.329	0.600	-	0.929	0.320	0.311	-	0.631
208	DARA ADAMIKHEL BALKI MOHAMMAD YOUSAF NADEEM	MOHAMMAD YOUSAF NADEEM	627-55-010010	MIR ABDULLAH	0.097	0.919	-	1.016	0.097	0.839	-	0.936
209	ATT A GENRAL STORE JINNAH RD KZ											
210	HIDAYAT ULLAH JANGLE DUKI	HIDAYAT ULLAH	609-41-051433	SARDAR MOHD HASHIM KHAN	0.109	0.573	-	0.682	0.109	0.567	-	0.676
211	MALIK ALLAH DAD KHAN	MALIK ALLAH DAD KHAN	56301-1071161-5	MALIK MIR KHAN	0.200	1.540	-	1.740	0.200	1.408	-	1.608
212	ASSAD ULLAH KHUZDAR	ASSAD ULLAH	627-42-008447	MURAD MUHAMMAD	0.400	0.662	-	1.061	0.400	0.279	-	0.679
213	AZIZ AHMED KILLI HASHIM KHAN DALBANDIN	AZIZ AHMED	54101-0121070-3	ALLAH BUKHSH	0.350	0.250	-	0.600	0.350	0.178	-	0.528
214	AMIR MUHAMMAD KHAN	AMIR MUHAMMAD KHAN	54101-9712208-1	H.MUHAMMAD ALI KHAN	0.447	0.475	-	0.922	0.447	0.087	-	0.534
215	DASHT-E-GORAN CHAGAI JUMA KHAN	JUMA KHAN	56202-7122738-1	ABDDAL	0.242	0.408	-	0.650	0.242	0.263	-	0.505
216	KAN MATHERZAI TARAKY	TARAKY	56302-0850987-7	RASHMIN KHAN	0.278	0.443	-	0.721	0.278	0.295	-	0.573
217	PAPAI MALA LORAAI NASI MUSLIM BAGH	ABDUL SALAM	56202-0851947-7	NOOR MOHAMMAD	0.281	0.501	-	0.782	0.281	0.286	-	0.567
218	JALAL UDDIN ZIRAT	JALAL UDDIN	56401-5048523-1	NOOR MUHAMMAD	0.315	0.430	-	0.746	0.315	0.203	-	0.518





1 Sr. No.	2 Name and address of the borrower	3 Name of individual / partners / directors	4 NIC number	5 Father's / husband's name	6 Outstanding liabilities at beginning of the year				9 Total	10 Principal charged off	11 Interest charged off	12 Other financial relief / waiver provided	13 Total (10+11+12)
					6 Principal	7 Interest	8 Others	8 Total					
..... Rupees in million .....													
247	MUHAMMAD GHALIB SULTAN MAKKAL	MUHAMMAD GHALIB SULTAN	262-90-351535	SULTAN KHIZER HAYAT	0.350	0.156	-	0.506	0.350	0.156	-	0.506	
248	HAQ NAWAZ FADDA	HAQ NAWAZ	325-90-174782	MEHR JAN	0.500	0.365	-	0.865	0.500	0.015	-	0.515	
249	MUHAMMAD JAHANZEB KHAN SHAMAN	MUHAMMAD JAHANZEB KHAN	325-81-549270	SAFDAR HUSSAIN KHAN	0.813	0.564	-	1.377	0.548	-	-	0.548	
250	MOHAMMAD ABDUL HAMEED F 54 MARTAN QUARTER KARACHI 2.988	MOHAMMAD ABDUL HAMEED	51683063340	ANWAR AHMED	3.416	4.485	-	7.901	-	2.988	-	2.988	
251	AHMED BUKSH JALAPUR PEERWALA	AHMAD BUKSH	327 50 502164	GHULAM MUHAMMAD	0.614	0.673	-	1.287	0.530	-	-	0.530	
252	NAZAR HUSSAIN USTA MUHAMMAD	NAZAR HUSSAIN	53404 63865421	ALLA DITTA	0.315	0.595	-	0.910	0.019	0.595	-	0.614	
					<b>86.715</b>	<b>154.711</b>	<b>-</b>	<b>241.430</b>	<b>81.535</b>	<b>114.320</b>	<b>-</b>	<b>195.855</b>	



