

HBL

HABIB BANK

حیب بینک

A legacy
built for
the
future



Annual
Report
2015

75
1941-2016



Powering a dream

At HBL, we pride ourselves on our rich history, which began in 1941, as Pakistan was making its transition from a dream to a reality. It was the Quaid's trust that fostered our growth. His belief in HBL as a bank for the people led him to sign the first cheque and HBL's expedition as the nation's first commercial bank picked up momentum.

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Corporate Information

Board of Directors

Mr. Sultan Ali Allana	Chairman
Mr. Shaffiq Dharamshi	Director
Mr. Moez Ahamed Jamal	Director
Dr. Najeeb Samie	Director
Mr. Agha Sher Shah	Director
Mr. Sajid Zahid	Director
Mr. Nauman K. Dar	President & CEO

Board Committees

Audit Committee

Mr. Moez Ahamed Jamal	Chairman
Dr. Najeeb Samie	Member
Mr. Sajid Zahid	Member
Mr. Salim Amlani	Secretary

Risk Management Committee

Mr. Shaffiq Dharamshi	Chairman
Mr. Nauman K. Dar	Member
Mr. Agha Sher Shah	Member
Mr. Rizwan Haider	Secretary

Human Resource and Remuneration Committee

Mr. Sultan Ali Allana	Chairman
Mr. Nauman K. Dar	Member
Mr. Moez Ahamed Jamal	Member
Mr. Sajid Zahid	Member
Mr. Jamal Nasir	Secretary

Chief Financial Officer

Mr. Rayomond Kotwal

Company Secretary

Ms. Nausheen Ahmad

Legal Advisors

Mandviwalla and Zafar
Legal Consultants and Advocates

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Registrars

Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main shahrah-e-Faisal
Karachi – 74400, Pakistan
Phone: Customer Support Services
(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 3432-6053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

HBL Corporate Secretariat

Phone: (92-21) 3247-4396
Fax: (92-21) 3241-5623

Head Office

Habib Bank Limited
Habib Bank Plaza
I.I. Chundrigar Road
Karachi – 75650, Pakistan
Phone: (92-21) 32418000 [50 lines]

Registered Office

Habib Bank Limited
9th Floor, Habib Bank Tower
Jinnah Avenue, Blue Area
Islamabad, Pakistan
Phone: (92-51) 2872203, (92-51) 2821183
Fax: (92-51) 2872205

Websites:

Corporate Website:
www.hbl.com

Internet Banking:

www.hblibank.com

Management

Mr. Nauman K. Dar

President & CEO

Ms. Nausheen Ahmad

Company Secretary

Mr. Ayaz Ahmed

Head - Acquisitions & Investments

Mr. Tariq Akbar

Head - Global Operations

Mr. Salim Amlani

Chief Internal Auditor

Mr. Faisal Anwar

Chief Compliance Officer

Mr. Naveed Asghar

Chief Marketing Officer

Mr. Mirza Saleem Baig

Head - Islamic Banking

Mr. Rizwan Haider

Chief Risk Officer

Mr. Abbas Hasan

Head - International, Europe,
Middle East & America

Mr. Fareed Hosain

Chief Information Officer

Mr. Aamir Irshad

Head - Corporate & Investment Banking

Ms. Sima Kamil

Head - Branch Banking

Mr. Rayomond Kotwal

Chief Financial Officer

Mr. Salahuddin Manzoor

Global Treasurer

Dr. Aamir Matin

Head - Technology Strategy

Mr. Abrar Ahmed Mir

Chief Innovation and Financial Inclusion Officer

Mr. Jamal Nasir

Head - Human & Organisational Development

Mr. Hassan Raza

Head - Structured Credits

Mr. Faiq Sadiq

Head - Payment Services

Mr. Abid Sattar

Head - International, Asia & Africa

Mr. Anwar Zaidi

Head - Financial Institutions & Global
Trade Services

HBL

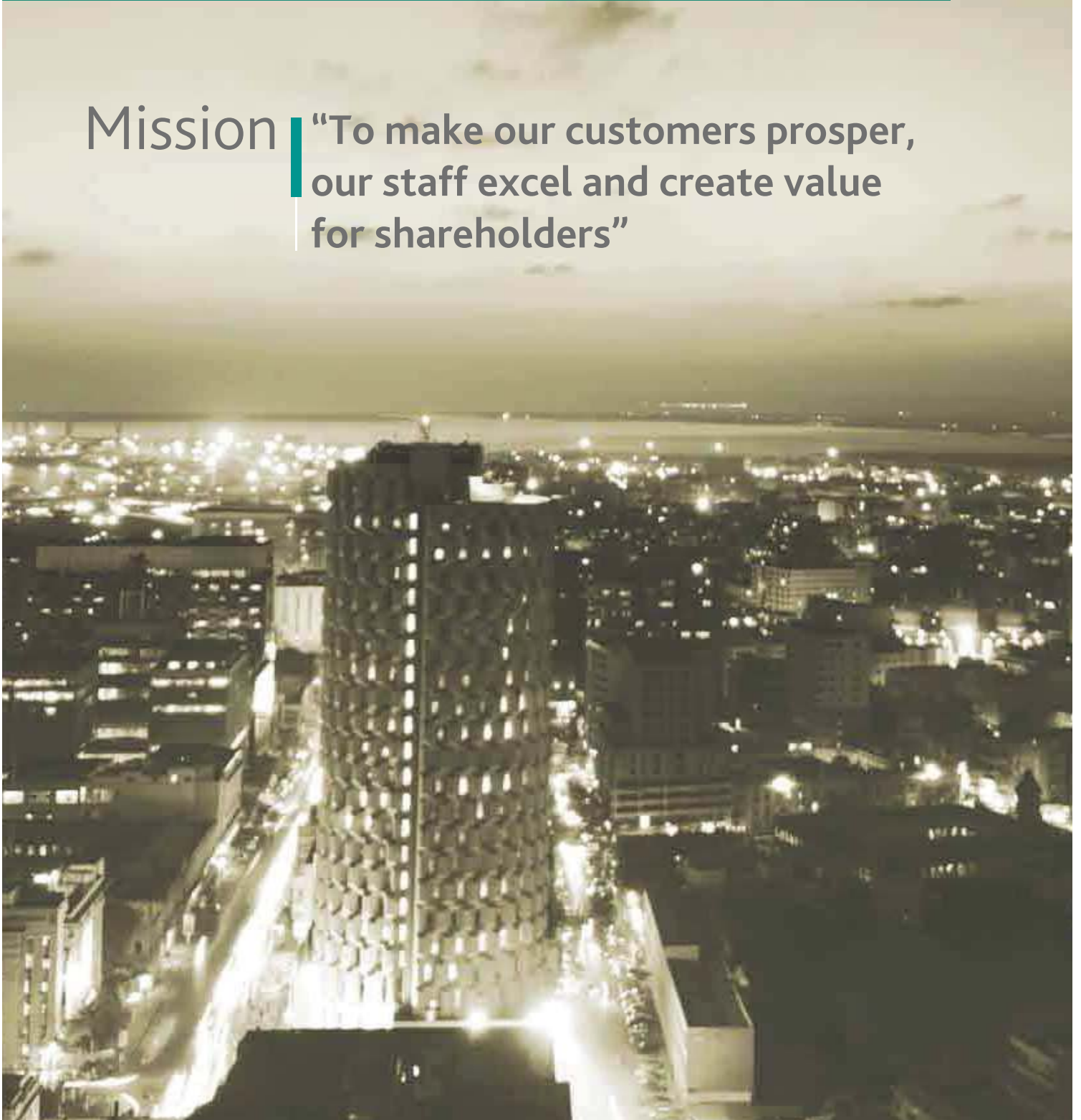


Vision

“Enabling people to advance with confidence and success”

Mission

“To make our customers prosper, our staff excel and create value for shareholders”



Our Values

Our values are the main principles that define our culture and are brought to life in our attitudes and behaviour. Our values make us unique and unmistakable.

Progressiveness

We believe in the advancement of society through the adoption of enlightened working practices, innovative products and processes, and a spirit of enterprise.

Customer Focus

We strive to fully understand our customers' needs while adapting our products and services to meet their requirements. We always endeavour for customer satisfaction as our primary goal.

Excellence

This is at the core of everything we do. In an increasingly competitive environment, we strive to provide quality services, products and premises. Only by being the very best, we can become successful.

Integrity

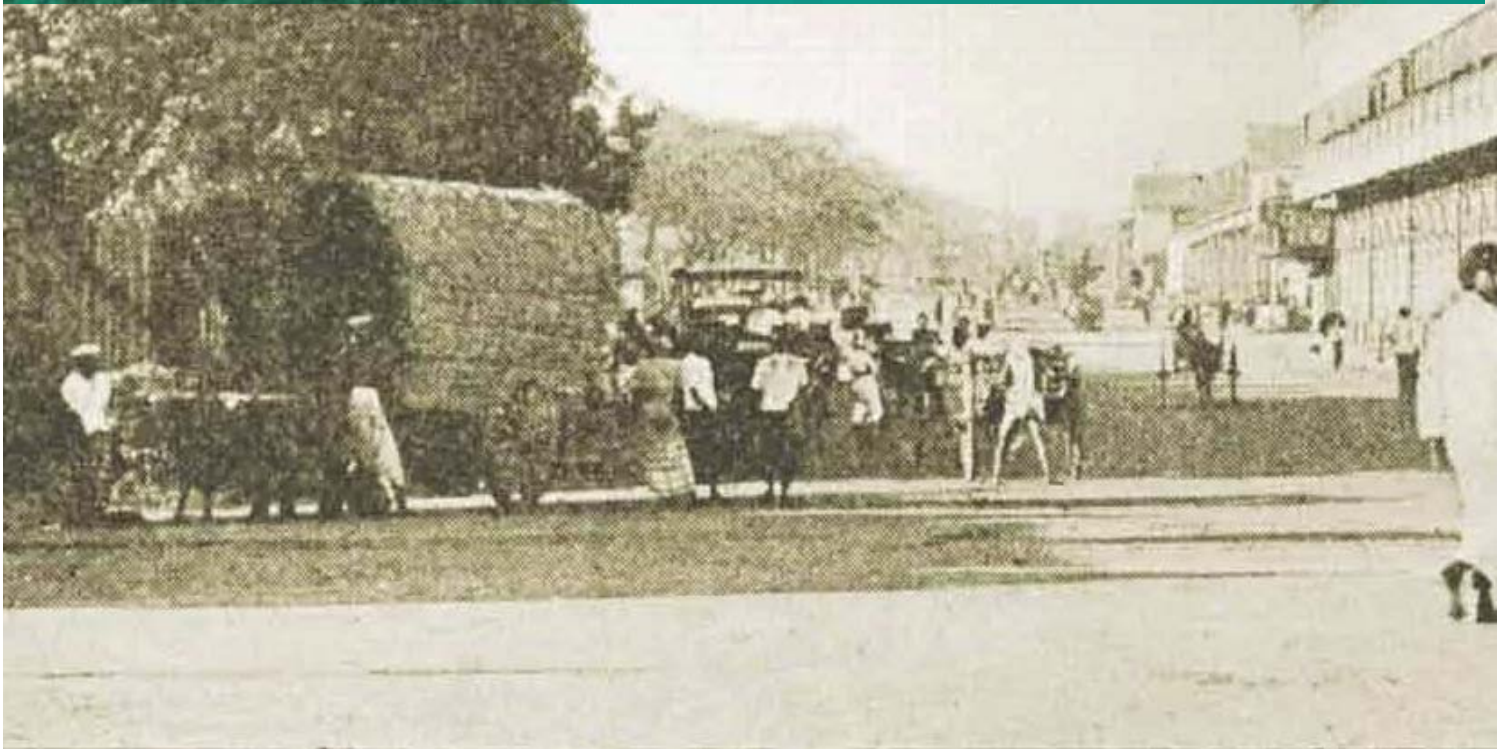
We are the leading bank in Pakistan, and our success depends upon building trust at every level. Our customers – and society in general – expect us to possess and steadfastly adhere to high moral principles and professional standards.

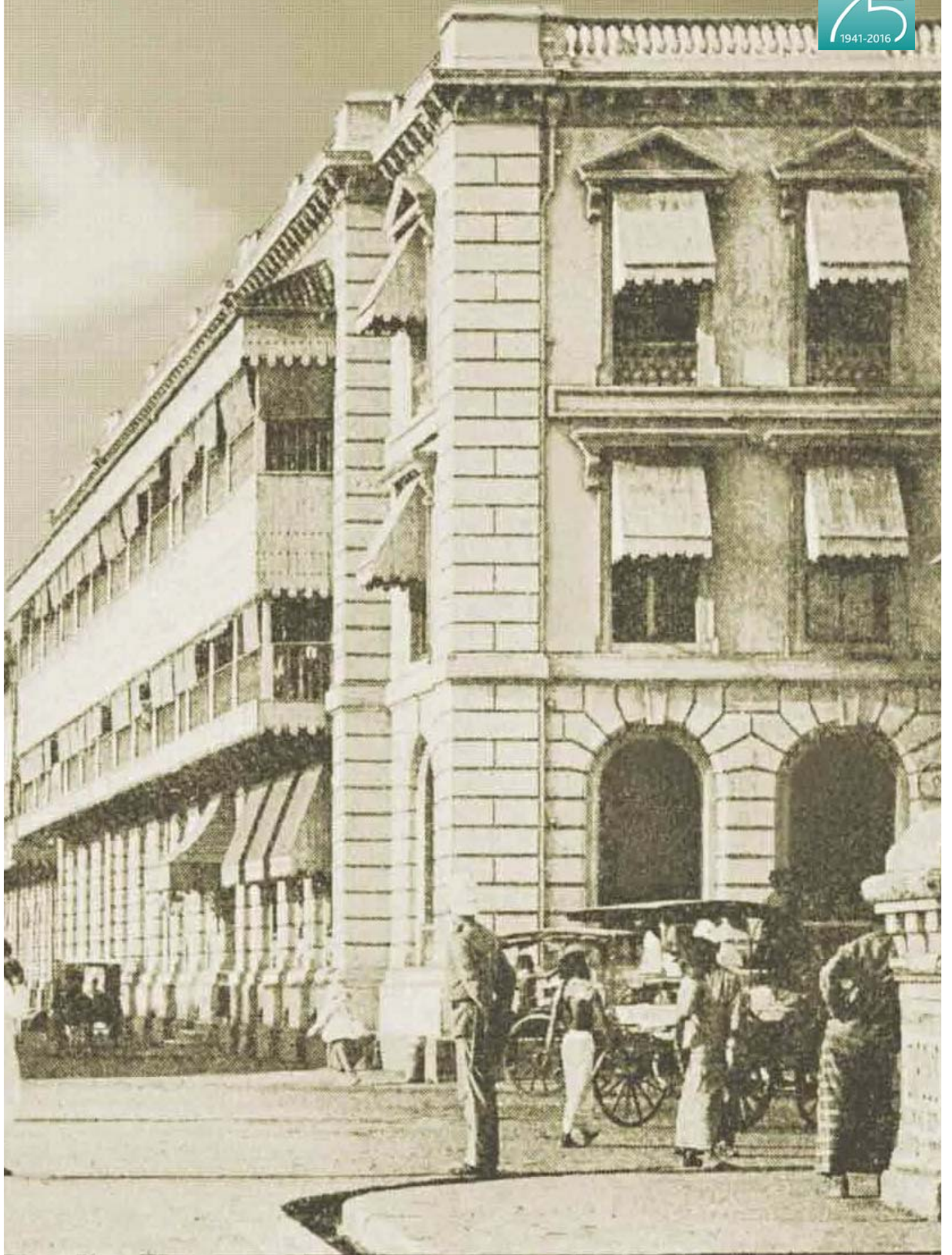
Meritocracy

We believe in providing opportunities to our employees on the basis of their performance and ability. We reward achievements and provide enriching careers for all.

Moving forward

From the very beginning, HBL has always pushed the limit, and consequently played an active role in shaping Pakistan's future. In the 1950s, whilst most banks in Pakistan were satisfied with their domestic growth, HBL embarked on a journey of international expansion. In 1951, HBL opened its first international branch in Colombo, Sri Lanka. Over the years, we have come a long way, and have a presence in over 25 countries today.





HBL's international footprint spans across 4 continents

BRANCHES		
Afghanistan	Kabul:	Main Branch Serena Hotel
Bahrain	Retail Bank	Manama
		Muharraq
		Riffa
	Wholesale Bank	Manama
Bangladesh	Dhaka:	Motijheel Gulshan Uttara Karwan Bazar Naya Bazar
		Chittagong
		Sylhet
Belgium		Brussels
France		Paris
Kenya	Nairobi:	Koinange Street Industrial Area Westlands
		Mombasa
		Malindi
Lebanon		Beirut
Maldives		Male
Mauritius		Port Louis
		Rose Hill
		Curepipe
		Chemin Grenier
		Flacq
Oman	Muscat:	Central (Ruwi) Muttrah Al-Khuwair Walja Area Seeb
		Sohar
		Salalah
Seychelles		Mahe
Singapore		
Sri Lanka	Colombo:	Pettah Dharampala Wellawatte
		Kalmunai
		Kandy
		Galle

Turkey	Istanbul		Birmingham
UAE	Dubai:	Deira Naif Road Bur Dubai Jumeirah	Leicester
	Abu Dhabi:	Main Branch Sheikh Zayed Road	Glasgow
	Al Ain		Netherlands
	Sharjah		Rotterdam
			Switzerland
			Zurich
			11 Branches

USA New York City

SUBSIDIARIES

Hong Kong	Habib Finance International Limited 1 Branch
UK	Habib Allied Holding Limited
	Habibsons Bank Limited Trading as Habib Bank UK
	London: Edware Road Whitechapel Road Green Street Southhall Portman Street
	Manchester

REPRESENTATIVE OFFICES

People's Republic of China Beijing

Iran Tehran

AFFILIATES

Nepal Himalayan Bank Ltd - Nepal (20%)
42 Branches

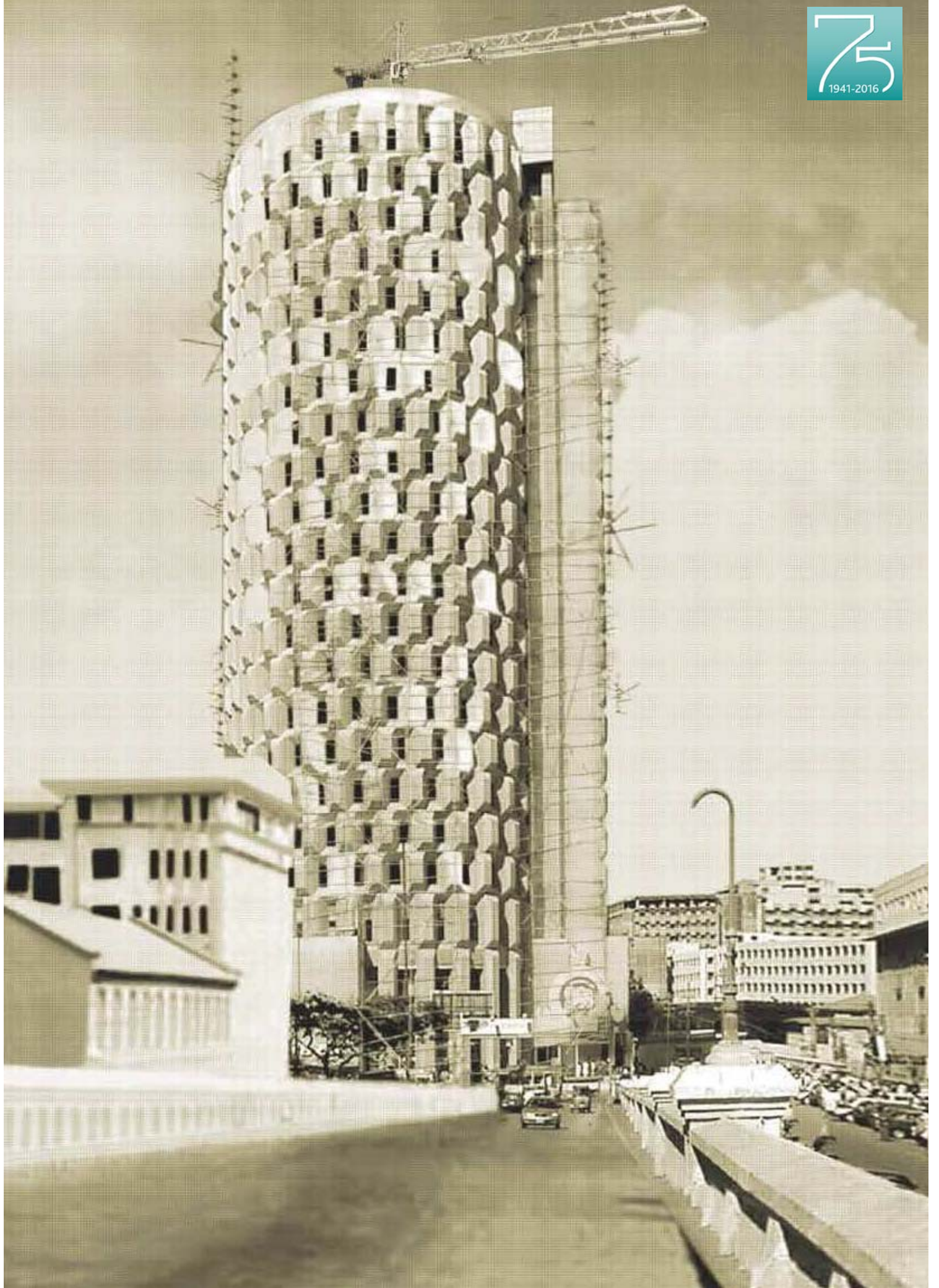
Kyrgyz Republic Kyrgyz Investment and Credit Bank - Kyrgyz Republic (18%)
40 Branches
1 Representative Office in Almaty - Kazakhstan

Kenya Diamond Trust Bank Kenya Limited - Kenya (11.97%)
119 Branches across Kenya, Tanzania, Uganda and Burundi



Rise of a giant

Our rich legacy was a result of our unyielding faith in our potential, where year after year we reached for the stars, determined to shine the brightest. In 1963, HBL laid the foundation stone for the iconic HBL Plaza. The building set many records and remained the tallest structure in Asia for 5 years, in South Asia for 7 years, and in Pakistan for 42 years.





PKR **2.2** Trillion
Asset Base

Over **1900**
ATMs

PKR **1.6** Trillion
Deposit Base

Over **1700**
Branches Worldwide

PKR **60.3** Billion
Profit before tax

Over **8.5** Million
Customers Worldwide

These global accolades stand as a testament to our efforts and achievements:

Best Bank in Pakistan

Euromoney Awards for Excellence, 2015

Safest Bank in Pakistan

Global Finance, 2015

Best Retail Bank in Pakistan

The Asian Banker International Awards, 2015

Best Investment Bank in Pakistan

International Finance Magazine, 2015

Best Domestic Bank in Pakistan

Asiamoney Best Domestic Bank Awards, 2015

Brand of the year, Pakistan

World Branding Awards, 2015

Board of Directors



Dr. Najeeb Samie
Director

Dr. Najeeb Samie was appointed to the Board in 2013. He has over 35 years of experience in the corporate and financial sector.

He is currently the Managing Director of PIA Investments Limited and is a Director of the Roosevelt Hotel Corporation and the Parisien Management Company Limited, amongst other tourism related companies.

Mr. Nauman K. Dar
President & CEO

Mr. Nauman K. Dar, President & CEO of Habib Bank Limited, is a banker with over 33 years of banking experience.

He also serves as Chairman of Habibsons Bank Limited, UK, Chairman of Habib Finance International Limited, Hong Kong, Habib Allied Holding Limited, UK and Habib Bank Financial Services (Pvt.) Limited.

Mr. Sajid Zahid
Director

Mr. Sajid Zahid was appointed to the Board in 2000. He is a Barrister with over 40 years experience in Corporate and Commercial Law.

He is Joint Senior Partner at Orr, Dignam & Co. and has served on the Boards of various companies.



Mr. Sultan Ali Allana
Chairman

Mr. Sultan Ali Allana has been Chairman of the Board of Directors of HBL since February 2004. He has over 31 years of experience in the financial and banking industry.

Mr. Allana also serves on the Boards of The Aga Khan Fund for Economic Development, Tourism Promotion Services (Pakistan) Limited, Jubilee Holdings Limited (East Africa), Jubilee Life Insurance Company Limited and Industrial Promotion Services (Pakistan) Limited.

Mr. Moez Ahamed Jamal
Director

Mr. Moez Ahamed Jamal has been on the Board of HBL since 2009. He has experience of over 37 years in the financial sector.

He currently serves on the Boards of Diamond Trust Bank Kenya, Marcuard Family Office, Switzerland, Jubilee Holdings Limited (East Africa) and Global Finanz Agency AG. He is a Partner of JAAM AG, an investment advisory company in Switzerland.

Mr. Shaffiq Dharamshi
Director

Mr. Dharamshi joined the Board in 2015. He is a banker with over 23 years of banking experience in the Middle East and Africa.

He also currently serves on the Boards of Diamond Trust Bank, Tanzania, Diamond Trust Bank, Uganda, Diamond Trust Bank, Kenya, DCB Bank Limited, India, and Kyrgyz Investment and Credit Bank (KICB).

Mr. Agha Sher Shah
Director

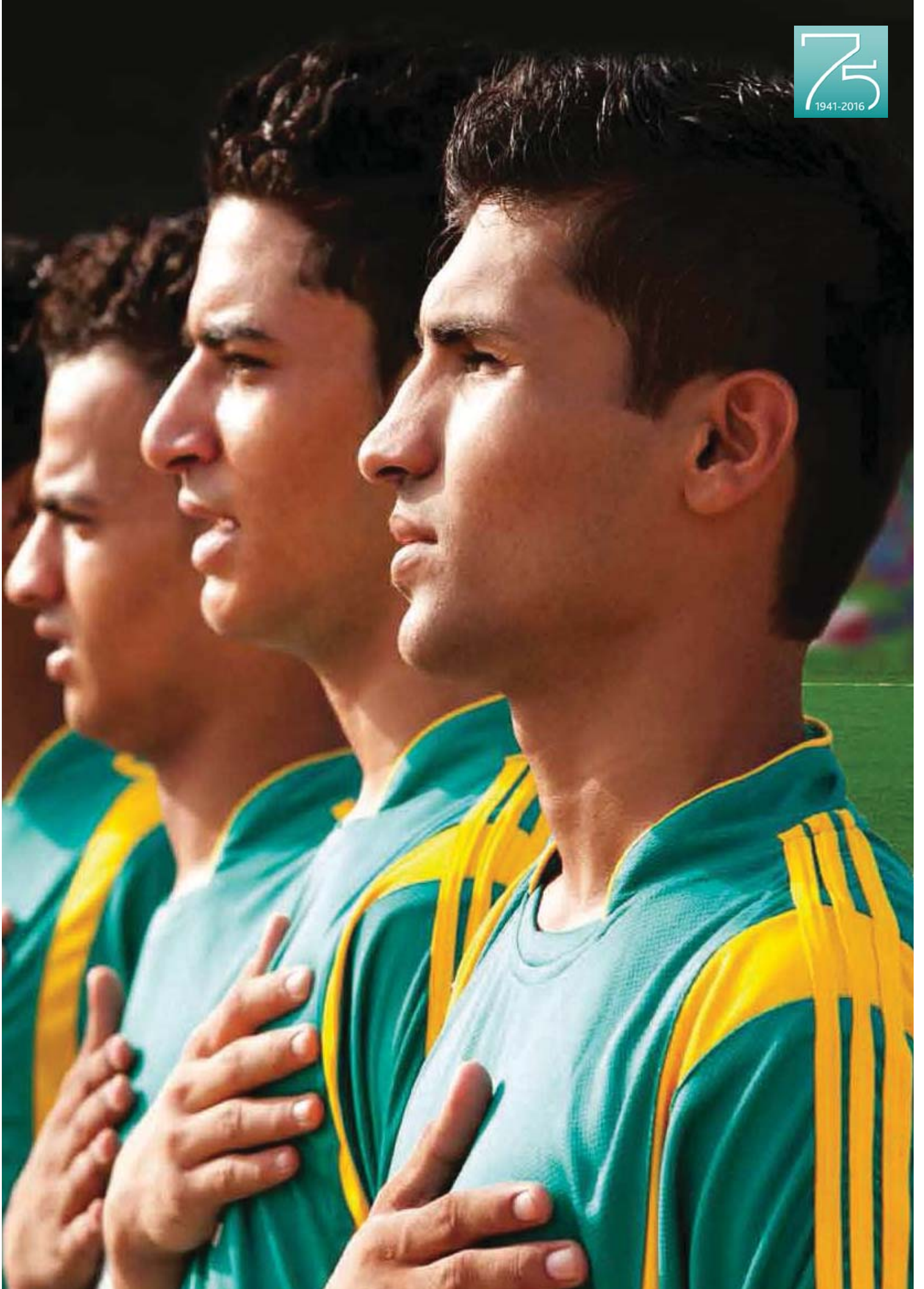
Mr. Agha Sher Shah has been on the Board since 2013. He has over 25 years of experience in the financial sector.

He is currently Chairman and Chief Executive of Bandhi Sugar Mills (Private) Limited. He also serves on the Boards of Attock Cement Pakistan Limited, Attock Refinery Limited, Sui Southern Gas Company Limited, Thatta Cement Company Limited, Newport Containers Terminal (Private) Limited, Triton LPG (Private) Limited.

A group of men in green and yellow cricket uniforms are shown in profile, standing on a green field. They have their hands over their hearts, suggesting they are participating in a national anthem or a formal ceremony. The background is slightly blurred, showing a stadium setting.

Enriching lives

HBL's journey began with a dream; a dream of being the first, the best, the leader. Our relentless drive, saw us to the finish line, where we found a new calling; to enrich the lives and enable the dreams of others. From giving a platform to footballers in a cricketing nation, to supporting Pakistan's first female mountaineer, HBL seeks out all the dreamers and the adventurers with a promise to transform their lives.



Chairman's Message



Banking for tomorrow

We serve the most customers through more channels than any other bank in Pakistan. We continue to raise the bar and this year we became the first bank in the country to deliver revenues in excess of Rs. 100 billion (\$ 1 billion). We posted full year results that, yet again, are unprecedented, with pre-tax profit growing an impressive 25% to Rs. 60.3 billion (\$ 576 million) and post-tax profit reaching Rs. 35.1 billion (\$ 335 million). This exceptional result, along with a prudent and sustained dividend policy, has further strengthened HBL's equity base to Rs. 183 billion (\$ 1.7 billion) with a 17% Capital Adequacy Ratio. We were conferred with several awards, including "Best Bank in Pakistan" and were recognised as the "Safest Bank in Pakistan". Our AAA ratings were reaffirmed for the third year running.

Growth in our deposits surpassed expectations and we closed the year with a base of over Rs. 1.6 trillion (\$ 15.6 billion); thereby making us the first bank in Pakistan to cross Rs. 2 trillion (\$ 20 billion) in terms of balance sheet size. We completed the acquisition of Barclays' Pakistan business and are very pleased to have successfully retained over 80% of their trained staff and more importantly, an even greater proportion of their customers who now fully avail HBL's services.

We concluded landmark transactions for our customers, in both the Conventional and Islamic Banking segments. We maintained our lead in Investment Banking, intensified our Home Remittance efforts and captured inflows of \$4.8 billion. Our cash management throughput exceeded Rs. 1.6 trillion (\$ 15.3 billion) and our distribution of Bancassurance reached new industry highs. These initiatives resulted in

generating fee based income for the bank of Rs. 17.1 billion (\$ 163 million).

The Government of Pakistan divested its remaining stake of 41.5% in HBL, receiving over \$ 1 billion, with overwhelming interest from local as well as international investors. We were fully engaged in partnering the Privatisation Commission, supporting their sales efforts.

Our growth trajectory remains intact

HBL's reach is unrivalled. With 1,663 branches in Pakistan, nearly 1,950 ATMs and over 12,000 POS terminals, we offer a footprint like no other bank. Our consumer business, designed to deliver sustainable and scalable solutions grew by 38%.

HBL remains the largest private lender to the Agricultural sector, the mainstay of Pakistan's economy, through a dedicated sales force and innovative solutions. In 2015, we increased lending to this segment by an impressive 18%. Loans to SME and Retail customers increased by Rs. 2.2 billion (\$ 20.8 million) and this remains an area of high priority for the bank.

We repositioned and reorganised our international business, to bring a more coherent and consistent focus to all aspects of our operations and ensure that successes in Pakistan are transferred throughout the network. We added new branches in Kenya, Sri Lanka and in the UAE, and launched technology driven products in Bangladesh, Sri Lanka and the UK. HBL serves its customers across four continents and retains its lead position as the nation's worldwide bank.

Our team is working hard to establish HBL's first branch in China. This addition will further the initiatives of the Governments of Pakistan and China in forging a long term strategic alliance between the two nations through the structured 'China Pakistan Economic Corridor (CPEC)' programme that envisages an investment in excess of \$ 46 billion over the next 15 years.

Innovating a better tomorrow

Financial inclusion resonates throughout HBL's philosophy and plans. Our focus over the medium term will be to leverage appropriate technology to continuously digitize the flow of money across individuals, institutions and businesses. Only then will it be possible to make a quantum leap in customer acquisition and servicing, and truly achieve financial inclusion.

We spent money where it was most required: technology. We launched our Internet Payment Gateway for online acceptance of card payments and introduced chip technology to enhance security for our card customers. We pioneered the innovative Mobile POS technology in Pakistan, a low-cost solution which enables micro and small merchants to accept cards. We upgraded our systems and networks, and reduced ATM downtime.

As Pakistan's leading bank, HBL continues to play a leadership role in G2P payments and social transfers. In 2015, we disbursed Rs. 19 billion to approximately 1 million beneficiaries of the Benazir Income Support Programme.

The Stars amongst us

We value our human resources – our people who are committed to seeing the Bank grow and prosper. We salute our employees who have been the impetus behind our stellar achievements in 2015 and recognise their contribution to the success story that is HBL.

We consider meritocracy, integrity and compliance with standards as integral to HBL. The Bank has a high quality Management Trainee programme, which prepares our future leaders, whom we select from multi-disciplinary backgrounds. Our goal is to have a pluralistic culture that welcomes induction of people with diverse backgrounds at all levels. HBL actively promotes a gender friendly environment and we are extremely proud of the fact that we have women working in our branches across the country as well as at senior management positions, who are perceived as industry role models.

Realising dreams

HBL's efforts in the area of Corporate Social Responsibility are based on its philosophy of 'enriching lives and enabling

dreams' and are targeted at education, health and emergency relief. The HBL Foundation was established to promote the development and well-being of the underprivileged, and improve their quality of life. In 2016, to commemorate our 75th year, the Foundation will launch a landmark initiative of providing HBL Platinum Scholarships in collaboration with universities across Pakistan.

HBL's sports division has given the nation hockey and cricket legends. Recently, we have been the proud sponsors of the Pakistan Super League, a first for both HBL and Pakistan, which has captured the hearts and minds of the public across this country and the world. We celebrated non-traditional sports, showcasing the mountain climber Samina Baig who formed the centrepiece of HBL's brand identity campaign in 2015, and is our tribute to the many women achievers in Pakistan.

Our pursuit of excellence

HBL's mantra is to achieve excellence in all we do – in the people we hire, the products we offer and the service we deliver to our customers. Most crucially, we remain committed to maintaining the highest standards of compliance and governance in every single jurisdiction in which we operate.

The best is yet to come

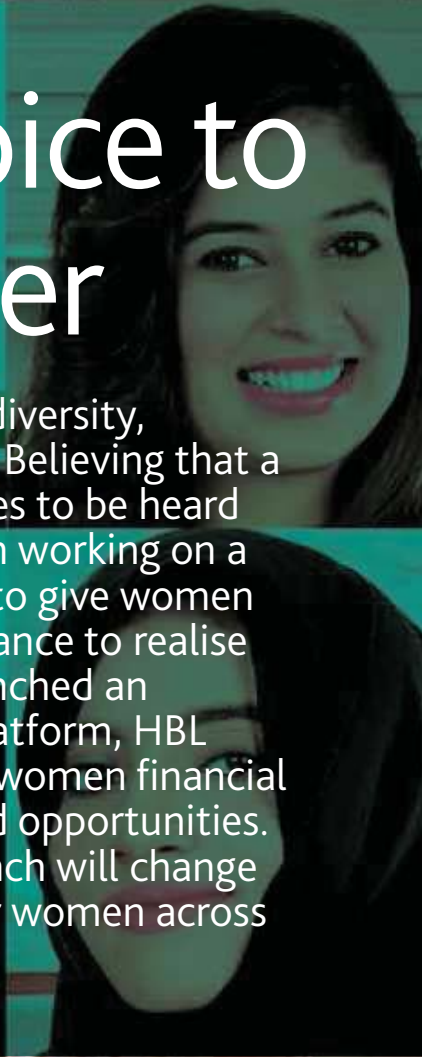
HBL completes its 75th anniversary this year. We have a proud legacy, and the future holds endless possibilities. We will build on our heritage to position HBL as the most admired financial institution, not just in Pakistan, but throughout our sphere of influence. We will do whatever is necessary to be the best – in all aspects of what we do. We will strive to be technology leaders, defining our own landscape. We aim to be the employer of choice, creating a unique workplace and providing unlimited opportunities to our people.

We express our gratitude to our customers for entrusting us with their business, and to our shareholders for their belief in us, and for their support in building this premier national institution.

We will be pleased to present before our shareholders at the forthcoming AGM, a final cash dividend of Rs. 3.5 per share, bringing our total yearly dividend to Rs. 14 per share which will, once again, amount to the highest ever cash dividend paid by HBL.

Sultan Ali Allana
Chairman





The choice to empower

At HBL, we celebrate diversity, equality and progress. Believing that a woman's voice deserves to be heard and valued, HBL began working on a programme designed to give women across the nation a chance to realise their dreams. HBL launched an all-women banking platform, HBL Nisa, in order to offer women financial freedom and increased opportunities. This monumental launch will change the face of banking for women across Pakistan.



Directors' Report 2015

On behalf of the Board of Directors, I am pleased to present the Consolidated Financial Statements for the year ended December 31, 2015.

Macroeconomic Review

Pakistan's macroeconomic backdrop in 2015 has continued to improve, evidenced by the positives of multi-year low inflation and interest rates and stability in the external account. GDP growth improved to a 7-year high of 4.2% supported by improvement in the agriculture and services sectors. Large scale manufacturing growth has strengthened to 3.9% in H1 FY16 compared to 2.7% in the same period in FY15. The improved economic and governance performance was recognised by international ratings agencies, with upgrades from both Moody's and S&P, which further bolstered the positive economic sentiment.

After a long period of near continuous decline, headline inflation has begun to uptick as a result of the low base effect, reaching 3.2% in December 2015. However, the rise remains tempered by unprecedented low oil and commodity prices, which have pulled down inflation to an average of 2.1% during H1 FY16 with the SBP revising its average FY estimates down to 3-4%.

The fiscal deficit for FY15 reduced to 5.3% and has continued to reduce during H1 FY16, to 1.7% as the Government cuts back on development spending in the wake of delayed non-tax revenue, with a slowdown in the Privatisation programme. Exports continued to weaken, falling by 11%. However, helped by low oil prices, imports declined by 10%, thus reducing the trade deficit for H1 FY16 by 9% over the same period last year. This, along with a stable and growing stream of remittances, resulted in the current account deficit reducing by almost 50%, to \$ 1.3 billion in H1 FY16.

The 10th review of the IMF's Extended Fund Facility programme concluded satisfactorily, paving the way for release of the next tranche of \$ 500 million. The IMF mission lauded the Government's economic progress and success in meeting the performance criteria. Uninterrupted IMF disbursements, continued inflows from the Coalition Support Fund and debt issuance have brought stability to the external account. Consequently, the Balance of Payments remained in surplus at \$ 1.5 billion during H1 FY16 with foreign exchange reserves increasing to an all-time high of \$ 21 billion. There was some volatility in the exchange rate triggered mainly by pressure from regional currencies. However, timely IMF disbursements and the issuance of the \$ 1 billion Eurobond at the end of Q3 2015 have kept the Rupee generally stable, depreciating by 4% during the year.

For HBL, the landmark market event was the secondary sell down by the Government of its entire remaining shareholding in the Bank, led by the Privatisation Commission. The issue was oversubscribed by 1.6 times and is a reflection of the value seen by investors in this institution. The transaction size was over \$ 1 billion and is the largest ever equity offering, not just in Pakistan, but in Asian Frontier Markets. More than 75% of the proceeds came from foreign investors covering all significant investment locations and including major International Financial Institutions.

The SBP continued its policy of monetary easing throughout 2015, lowering the discount rate by 300 bps to 6.50%. In addition, a Target Rate was introduced at 50 bps below the discount rate, thus effectively lowering the benchmark for KIBOR. Simultaneously, the SBP also reduced the width of the interest rate corridor to 200 bps, resulting in an increase in the minimum rate paid on savings deposits. Overall banking sector spreads have thus been compressed by 400 bps in the past 12 months. Banking sector deposits continued to rise by 14% while advances increased by 9% over 2014.

Financial Performance

HBL has achieved a new landmark by becoming the first bank in Pakistan to cross Rs. 100 billion in total revenue.

HBL has delivered a pre-tax profit of Rs. 60.3 billion for the year 2015, a growth of 25% over the previous year. Profit after tax reached Rs. 35.1 billion, an increase of 11%. The lower growth in post-tax profit is due to the retrospective tax charge imposed in the Federal Budget earlier this year. Consequently, earnings per share for 2015 increased to Rs. 23.93 compared to Rs. 21.56 for 2014.

HBL's balance sheet has increased by 19% over December 2014 to Rs. 2.2 trillion. Total CASA deposits grew by 13%, further improving the deposit mix. Current accounts grew by 15% to reach Rs. 600 billion and the ratio of current accounts has now risen to 36.7% from 34.2% in December 2014. The Bank was able to contain the decline in its overall margins to just 25 bps despite the average interest rate in 2015 being 276 bps lower than in 2014. This was achieved through a 24% growth in average domestic current accounts, a 6% growth in average domestic loans and a 74% increase in average PIB volumes. With a 21% growth in the average balance sheet over 2014, net interest income for 2015 increased by 14% to Rs. 78.2 billion.

Non mark-up income for 2015 increased to Rs. 36.6 billion, a YoY growth of 56%. During this period, the Bank recorded capital gains of Rs. 11.1 billion from both the equity and fixed income markets. Fees and commissions for the year also increased by 22% over 2014, to Rs. 17.1 billion, strengthening HBL's industry leadership in this area. The upsurge in fees was once again due to new records being set in Bancassurance sales and card related fees, with solid growth in trade revenue. The home remittances and investment banking businesses delivered excellent results, each crossing Rs. 1 billion in income for the first time. The Bank's prudent investments in the equity markets generated dividends and capital gains of Rs. 3.7 billion, a rise of 150% over 2014.

Administrative expenses increased by 17% over 2014, driven by increases in IT and marketing spend, higher rent and maintenance costs and normal salary increases. However, as a result of the strong revenue growth, the cost/income ratio for the year reduced to 42.2% compared to 44.8% in 2014. The Bank continues to look for ways to manage its growth in a controlled manner and there will be more focus on this area going forward. Domestic non-performing loans reduced by Rs. 4.4 billion, driven by strong recoveries and restructuring efforts. However, this was somewhat offset by higher NPLs and provisions in the Middle East, where falling oil prices and economic pressures have led to higher stress on borrowers. Total NPLs thus reduced by Rs. 2.7 billion over 2014 levels, while provisions increased to Rs. 4.8 billion, as the Bank took a conservative view on certain borrowers. Consequently, the coverage has increased to over 90%, a significant strengthening over the December 2014 level of 83%.

Movement in Reserves

	2015	2014
	Rupees in Million	
Profit after tax	35,102	31,482
Un-appropriated profit brought forward	88,715	73,524
Profit attributable to equity holders of the Bank	35,109	31,618
Other Comprehensive Income - net	(282)	(287)
Transferred from surplus on revaluation of fixed assets - net of tax	54	92
De-recognition of equity due to voluntary winding up of Modaraba	-	(30)
Exchange translation on transfer of overseas branch to subsidiary	-	493
	34,881	31,886
Profit available for appropriation	123,596	105,410

2015 2014
Rupees in Million

Appropriations:

Transferred to statutory reserves	(3,594)	(3,161)
Transferred to Statutory Funds of Associates	(37)	-
Cash dividend – Final	(8,068)	(2,667)
Issued as bonus shares	-	(1,333)
1st interim cash dividend	(5,134)	(2,934)
2nd interim cash dividend	(5,134)	(3,300)
3rd interim cash dividend	(5,134)	(3,300)
Total appropriations	(27,101)	(16,695)
Unappropriated Profit carried forward	96,495	88,715
Earnings per share (Rupees)	23.93	21.56

Capital Ratios

During the last quarter, HBL issued Rs. 10 billion of subordinated debt, which contributes towards the Bank's Tier II capital. Consequently, the consolidated Capital Adequacy Ratio (CAR) increased from 16.2% in December 2014 to 17.0% in December 2015. The Tier 1 CAR reduced by 16 bps but, at 13.1%, remains well above regulatory requirements.

HBL's Return on Assets in 2015 remained relatively flat at around 1.7%, while the Return on Equity declined marginally by 25 bps to 19.9%.

Business Developments

HBL has maintained its leadership position with market share of deposits around 14%. This was made possible by sustained improvement in service levels across the network as well as continual monitoring of branch performance through the now embedded KPI mechanism. The year also saw a record number of new to bank relationships, thus expanding the customer base and enhancing financial inclusion in the rural areas and previously unbanked segments. For its affluent customers, the business launched its Investment Services product, offering capital markets and other investment opportunities.

HBL's Consumer business continues its rapid, but tightly controlled growth with a focus on increasing market share. Credit Cards, Personal Loans and Auto Loans remain the key products where strong revenue growth has been achieved with excellent credit quality. The year saw the launch of the HBL Platinum credit card which offers unrivalled benefits to customers and has quickly become the front-of-wallet card for premium customers. HBL also continues to maintain its leading position in Rural Banking, having doubled its portfolio size in the last three years. This is a key focus area for HBL in line with its responsibility as the leading financial institution in supporting this key driver of the economy.

HBL's Islamic Banking business allows faith based customers to access Shariah compliant solutions. The footprint has been expanded by reaching out to customers beyond first tier cities. The Bank is now a leading player in the syndicated transactions market, partnering with the corporate banking team. In addition, an Islamic Treasury was set up to provide access to Shariah compliant products for customers.

HBL Treasury completed several key initiatives in 2015. A new International Treasury was established with a view to enhancing revenues and increasing oversight. Treasury also added presence in Islamabad to better serve clients located in the northern part of the country. HBL Treasury was declared by Euromoney as the Top FX Bank in Pakistan for Non-financial Corporate clients and was also ranked by the SBP as the top Primary Dealer.

With a total portfolio of 4.8 million debit cards issued, HBL currently holds the market leadership with a 19% share. During 2015, Titanium and World Debit Cards were offered to premium customers. HBL has now become the fastest growing POS acquirer in Pakistan and monthly transaction volume grew nearly nine-fold over the year.

During the year, HBL injected capital into the UK, UAE and Hong Kong, in order to further strengthen these businesses. HBL UAE also introduced SMS alerts on all debit and credit transactions, and the call centre now also caters to the needs of customers in Oman and Bahrain. HBL Sri Lanka also received the best Trade Finance Bank of Sri Lanka award for 2015 from Global Banking & Finance.

During 2015, HBL has continued to build credentials and enhance market reach to Chinese companies in China and Pakistan, specifically those involved in the China Pakistan Economic Corridor (CPEC). In November 2015, HBL applied for a license for setting up a branch in Urumqi and the application is currently awaiting approval.

There has been a concerted focus on improving service quality and efficiency across all aspects of HBL's operations. ATM deployments continued at an accelerated pace with more than 350 new machines installed during 2015. To reduce branch counter traffic, Cheque Deposit Kiosks were installed, providing further transactional convenience to customers.

Several initiatives were taken to provide enhanced security and peace of mind to customers in their daily transaction needs. SMS alert facilities on ATM transactions further helped reduce probability of fraud. The launch of HBL Cash Mehfooz in association with Jubilee General Insurance was also successfully completed, covering HBL account holders against the risk of theft.

HBL continued to invest in marketing and branding activities throughout 2015, with industry wide recognition, including the Brand of the Year award. Another major initiative was taken to harmonise the look and feel of the brand by investing in attractive, world class branch signage across all major cities. HBL's Independence Day celebrations generated tremendous excitement where over 40,000 people gathered to sing the National Anthem. As HBL celebrates its 75th anniversary in 2016, showcasing the Bank's brand and its heritage has taken on much more prominence.

Human Resources

With a rich 75 year legacy and as Pakistan's largest Bank, HBL prides itself as an equal opportunity employer, nurturing and developing the nation's best bankers. The Bank's leading position across most market indicators today is the result of the hard work and commitment of its workforce of over 15,000, spread across more than 1,700 branches and over 25 countries. To build the future leadership of the Bank, HBL revamped its Management Trainee Programme, to attract the best young talent from the market. The Bank aims to be recognised as an Employer of Choice with meritocracy, integrity and compliance with standards considered as integral to HBL's culture.

Capacity building, training and development has always been a focus area and was demonstrated by a 40% increase in training man-hours. The Bank aims to continuously extend training coverage and enhanced its e-learning modules, including on compliance and personal effectiveness. Training at international locations was significantly stepped up with a focus on compliance and customer service.

Risk Management Framework

HBL has a highly evolved risk management framework which is characterised by strong Board oversight, multi-tier management supervision, efficient systems and clearly articulated risk appetite, policies and procedures. The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place. It is supported in this task by the Board Risk Management Committee (BRMC), which regularly reviews portfolio risk profiles, policies and adherence to risk appetite. At the senior management level, the governance framework includes a number of committees including the Asset & Liability Committee, Management Risk Committee, Credit Risk Management Committee, Information Security Governance Committee and Operational Risk Management Committee.

The Bank continuously re-evaluates and evolves its risk architecture and governance framework in line with international best practices, new regulatory requirements and changes in its business needs and focus. During 2015, a number of policies and procedures were revamped and structures re-aligned to better address emerging needs. Risk Management for various product programmes in consumer, retail and agricultural financing was consolidated under a Programme Based Lending function. In line with the Bank's focus on integrating the management of non-traditional risks, the information security function was also brought under the risk management umbrella.

HBL strives to leverage technology for efficient risk management. In 2015, the Bank completed the User Acceptance Testing for its integrated credit risk management software, which will automate the entire credit process from loan origination to disbursement and subsequent periodic monitoring and management. Phased implementation is targeted through 2016. The SAS software for operational risk measurement was also deployed during the year. This will further strengthen the operational risk management framework as it facilitates collection, tracking, and reporting of operational losses, near misses, recoveries and key risk indicators. It also supports risk and control assessments, scenario assessments, incident investigation and validation, thus providing the most comprehensive solution to date.

Corporate Social Responsibility – (CSR)

HBL is committed to fulfilling its role as a responsible corporate citizen. HBL aims to balance its assistance between public and private sector entities while ensuring that contributions are made to organisations across all provinces and administrative areas of Pakistan. To further its CSR goals, the Bank established the HBL Foundation in 2009, to which it contributes annually. During 2015, the Bank donated Rs. 387 million, both to the HBL Foundation and also directly to deserving causes including the Earthquake Relief Fund in Nepal. Donations to the HBL Foundation and others are disclosed in Annexure IV to the financial statements.

Credit Ratings

The Bank's credit ratings were re-affirmed by JCR-VIS at AAA/A-1+ for long term and short term respectively. HBL's new subordinated debt issue has also been rated AAA. Moody's also upgraded HBL's baseline credit assessment from Caa1 to B3 and its local and foreign currency ratings from Caa1 to B3 and Caa2 to Caa1 respectively. Moody's rating actions were largely a consequence of their upgrade of Pakistan's credit rating, but also reflect their confidence in HBL's financial performance.

Awards

During 2015, HBL was conferred with several awards, the most significant of which were:

- Best Bank in Pakistan - Euromoney Awards for Excellence, 2015
- Best Domestic Bank in Pakistan - Asiamoney Best Domestic Bank Awards, 2015
- Best Retail Bank in Pakistan - The Asian Banker International Awards, 2015
- Safest Bank in Pakistan - Global Finance, 2015
- Brand of the Year, Pakistan - World Branding Awards, 2015
- Best Local Trade Finance Bank in Pakistan - Global Trade Review, 2015
- Best Investment Bank in Pakistan - International Finance Magazine, 2015

Future Outlook

Underpinned by several positive developments over the last year, GDP growth is expected to continue its upward trajectory, increasing to 4.5% in FY16. The medium term economic outlook is positive with growth targeted around 7% as resources are mobilised for energy and other infrastructure projects linked to the CPEC. The revival of Large Scale Manufacturing is expected to lend support to credit demand in the near term. However, targets under the last two tranches of the EFF programme are progressively more challenging. As the country approaches the end of what would be its first ever successful IMF programme, structural reforms in the energy sector and tax administration along with rejuvenation of the privatisation programme for public sector enterprises become ever more critical.

The global economic outlook for 2016 remains bleak as oil prices remain mired at historically low levels, equity markets are volatile and GDP growth remains elusive. Emerging market assets are expected to continue experiencing outflows in this year. The Pakistan banking sector will remain challenged in 2016 as the reinvestment risk of the sector's maturing PIB investments is compounded by the continued low interest rate environment. However, new opportunities should be forthcoming in the form of CPEC driven loan growth, for which HBL is ideally positioned to capture a dominant share. The Bank remains conscious of regulatory frameworks and is committed to maintain high compliance and risk management standards while growing its presence and business.

Dividend

The Board has recommended a final cash dividend of Rs. 3.50 per share for the year ended December 31, 2015, bringing the total cash dividend for the year to Rs. 14.00 per share. The Board had earlier declared and paid interim cash dividends totalling Rs. 10.50 per share.

Change in Directors

Mr. R. Zakir Mahmood, retired from the Board of Directors on March 26, 2015, at the conclusion of his term. Mr. Mahmood had been on the HBL Board since 2000. The Board wishes to place on record its deepest appreciation for the services of Mr. Mahmood, who also served as President of HBL for over 12 years and played a major role in leading the Bank both prior to and post its privatisation.

Mr. Shaffiq Dharamshi was elected as a Director on March 27, 2015. Mr. Dharamshi is a career banker with over 23 years of experience in the Middle East and Africa. The Board welcomes Mr. Dharamshi and looks forward to his contribution.

Meetings of the Board

	Board Meeting		Audit Committee Meeting		Risk Management Committee Meeting		Human Resource and Remuneration Committee Meeting	
	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	10	10	N/A	N/A	N/A	N/A	6	5
Mr. Agha Sher Shah	10	10	N/A	N/A	7	7	N/A	N/A
Mr. Moez Ahamed Jamal	10	10	7	7	N/A	N/A	6	6
Dr. Najeeb Samie	10	10	7	7	N/A	N/A	N/A	N/A
Mr. R. Zakir Mahmood	3	2	N/A	N/A	2	2	N/A	N/A
Mr. Sajid Zahid	10	10	7	7	N/A	N/A	6	6
Mr. Shaffiq Dharamshi	7	4	N/A	N/A	5	5	N/A	N/A
Mr. Nauman K. Dar	10	10	N/A	N/A	7	7	6	6

Auditors

The current auditors, Messrs Ernst & Young Ford Rhodes Sidat Hyder, are completing their 5 year term, and are not eligible for reappointment as per the Code of Corporate Governance. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs A. F. Ferguson & Co., Chartered Accountants, a member firm of the PwC network, as the auditors of the Bank for the financial year 2016.

Statement under Section XVI of the Code of Corporate Governance (the Code):

The Board is committed to ensure that requirements of corporate governance set by the Securities and Exchange Commission of Pakistan are fully met and the Directors are pleased to report that:

- a) The financial statements prepared by the management of the Bank present a true and fair view of the state of its affairs, operational results, cash flows and changes in equity.
- b) Proper books of accounts of the Bank have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The Bank has followed international accounting standards (as applicable to Banks in Pakistan) in the preparation of its financial statements and there is no departure from the said standards.
- e) As a continuous process, efforts have been made to effectively implement the internal control system. HBL follows the SBP Internal Control Guidelines, including the roadmap and the guidelines for Internal Controls over Financial Reporting (ICFR). The Bank has evaluated its ICFR process and developed a Framework document for the management for ICFR, along with a dedicated Management Testing and Reporting Framework.
- f) There are no doubts about the Bank's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the Code.
- h) Key operating and financial data for the last ten years is presented in the financial statements under the section "Progress 2005 to 2015 – Consolidated".
- i) The Directors, CEO, CFO and Company Secretary have confirmed that neither they nor their spouses are engaged in the business of stock brokerage.
- j) Risk Management, Audit and Human Resource and Remuneration Committees constituted by the Board are functioning efficiently in accordance with their Terms of Reference. The Board has met regularly and held ten meetings in the year, including at least once in every quarter.

The Statement of Internal Control, the Statement of Compliance with the Code, the Review Report on Statement of Compliance with the Code and the Auditors' reports are attached to the Financial Statements.

Value of Investments in employee retirement benefits funds

The following is the value of the investments of the provident, gratuity, pension and benevolent funds maintained by the Bank, based on their latest audited financial statements.

	Rupees in Million
Employees' Provident Fund	9,714
Employees' Pension Fund	4,898
Employees' Gratuity Fund	1,819
Employees' Benevolent Fund – Executives and Officers	1,205
Employees' Benevolent Fund – Clerical and Non-Clerical	521

Pattern of Shareholding

The pattern of Shareholding as at December 31, 2015, and the trading in the Bank's shares by Executives, as defined by the Board of Directors under the Code is given in the Annual Report under the requirements of the Code.

Training programmes attended by Directors

Details have been provided in the Statement of Compliance with the Code.

Appreciation and Acknowledgement

On behalf of the Board and management, I would like to place on record our appreciation for the efforts of our Regulators and the Government of Pakistan, in particular the Ministry of Finance, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan, for developing and strengthening the banking and financial industry through continuous improvements in the regulatory and governance framework.

I would also like to take this opportunity to thank our customers and shareholders for entrusting us with their confidence. We assure them that we remain committed to maintaining high service standards and a strong culture of good corporate governance and compliance in all our endeavours. I would also like to acknowledge the efforts and dedication demonstrated by the employees towards the growth of HBL.

On behalf of the Board

Nauman K. Dar
 President & Chief Executive Officer
 February 23, 2016

Financial Highlights - Consolidated

Financial Position

	2015	2014 (Restated)	Variance Percentage
	Rupees in Million		
Deposits	1,634,944	1,524,645	7
Balance Sheet size	2,218,423	1,864,618	19
Advances - Net	633,383	595,295	6
Liquid Assets	1,265,259	1,019,906	24
Net Worth	182,620	169,595	8

Profit & Loss

Total Income (Net of Interest Cost)	114,753	92,008	25
Total Expenditure	49,713	42,227	18
Provision against loans & others	4,754	1,531	211
Pre-Tax Profit	60,286	48,250	25
Profit after Taxation	35,102	31,483	11
Earnings per share (Rs./Share)	23.93	21.56	11

Financial Ratios

	Percentage	
Non-Interest Income to Total Income	32	25
Total Assets Growth Rate	19	9
Net Non-Performing Loans to Net advances	2	3
Coverage Ratio	90	83
Capital Adequacy Ratio	17	16
Total Risk Weighted Assets on Total Assets	48	52
Net Advances to Deposits	39	39
Liquid Asset to Deposits Ratio	77	67
Return on Average Assets	2	2
Return on Average Equity	20	20

Others

	Rupees in Million		
Home Remittances	474,068	386,197	23
Exports / Imports Payments	836,368	843,556	(1)
Number of Branches	1,716	1,644	4
Number of Staff	15,060	14,123	7

Progress at a Glance 2005 to 2015 - Consolidated

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
(Rs. in Millions)											

Balance Sheet											
Net Assets	41,178	53,443	60,239	66,309	84,370	96,251	109,414	132,730	142,209	169,595	182,620
Total Assets	528,894	594,062	689,001	749,807	863,925	924,699	1,139,647	1,610,474	1,715,271	1,864,618	2,218,423
Total Deposits	432,545	459,140	531,298	597,091	682,750	747,375	933,632	1,214,964	1,401,230	1,524,645	1,634,944
Advances (net of Provision)	316,882	349,433	382,173	456,356	454,662	459,750	457,368	499,818	563,701	595,295	633,383
Investments (net of Diminution)	107,384	119,587	175,197	129,833	216,468	254,909	418,604	797,095	826,062	922,691	1,244,887

Operating Results											
Total Income (net of interest cost)	32,870	38,971	39,875	48,133	53,830	59,757	71,181	73,720	74,339	92,008	114,753
Total Expenditure	15,766	17,204	18,382	21,814	23,149	24,953	30,380	31,114	36,854	42,227	49,713
Operating Profit	17,104	21,767	21,493	26,320	30,682	34,804	40,801	42,607	37,485	49,781	65,040
Provision against loans & Others	3,270	2,927	7,823	9,388	9,300	7,764	6,745	7,045	1,351	1,531	4,754
Profit before Taxation	13,834	18,840	13,670	16,932	21,382	27,040	34,056	35,562	36,133	48,250	60,286
Provision for Taxation	4,187	6,140	3,749	6,068	7,981	10,006	11,895	12,770	13,106	16,768	25,185
Profit after Taxation	9,647	12,700	9,921	10,864	13,401	17,034	22,161	22,792	23,027	31,483	35,102

Others											
Home Remittances	54,759	66,656	79,322	94,530	128,970	158,693	226,536	271,090	307,630	386,197	474,068
Imports Payments	230,369	269,310	263,089	410,073	349,650	412,127	417,646	393,047	476,574	401,464	385,846
Exports Payments	189,697	192,135	208,208	273,711	321,733	388,585	419,969	404,019	427,845	442,093	450,522
Number of Branches	1,470	1,477	1,489	1,508	1,494	1,501	1,506	1,540	1,594	1,644	1,716
Number of Staff	16,314	14,572	14,552	14,123	13,211	13,269	13,661	13,978	13,842	14,123	15,060



24HR
BANKING

TELEPHONE
BANKING

Ushering in the future

As a bank that is 75 years young, HBL is the pioneer of change, ever ready to evolve and grow. Believing that change is the key to progress, HBL regularly launches state-of-the-art products, methods and services, not only aiding Pakistan's banking landscape, but also enhancing the lives of its valuable customers. At HBL, our dedication knows no bounds, and we march forward towards an even brighter future.

Welcome to HBL

"Enabling people to advance
with confidence and success"

Service Day, Pakistan's first service to support
some of the world's highest peaks, including Mount Everest



Annual Statement on Internal Controls 2015

An internal control system is a set of processes designed to identify, evaluate and mitigate the risk of failure and to achieve the overall business objectives of the Bank. The internal control system comprises of various inter-related components including the Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring. It is the responsibility of the Bank's management to establish an internal control system to maintain an adequate and effective internal control environment on an ongoing basis.

The management of the Bank has formulated, implemented and maintained a sound system of internal controls approved by the Board of Directors for achieving effectiveness and efficiency of operations, compliance to laws and regulations and reliability of financial reporting. However, any system of internal controls can only be designed to manage rather than eliminate the risk of failure to achieve objectives. It can therefore only provide reasonable assurance and not absolute assurance against material misstatement and loss.

The management has constituted an Internal Control Unit (ICU) for the conduct of on-site and off-site reviews of the processes in branches as well as in the Head Office. ICU monitors and identifies gaps in the day to day operations and ensures prompt corrective actions.

Global Compliance continuously strives for improving the compliance environment and minimising compliance risk for the institution through effective compliance of laws, regulations, guidelines, the Bank's own policies and procedures, as well as local and international standards. In this regard Global Compliance advises and assists in strengthening controls and minimising compliance risk across the Bank through review of policies, procedures and products.

Internal Audit monitors compliance with the Bank's policies and procedures and reports significant deviations to the Board Audit Committee (BAC) on a periodic basis. During the year, all significant and material findings of the internal & external auditors and regulators were addressed on a priority basis by the management and the status was regularly reported to the BAC.

The Bank endeavours to follow the State Bank of Pakistan's (SBP) Guidelines on Internal Controls to evaluate the effectiveness of the overall set of internal controls including financial reporting controls. As part of this exercise, the Bank has formulated a comprehensive Internal Control process and follows the SBP's stage wise implementation roadmap, as required under the SBP's Instructions on Internal Controls over Financial Reporting (ICFR). In accordance with this roadmap, the Bank has completed a comprehensive gap analysis and is engaged in the effective remediation of the gaps identified which will further strengthen the Bank's existing control environment. Further, as required under the SBP's directives, the Bank's external auditors were engaged to provide their Long Form Report for the year 2014 on ICFR, which was submitted to the SBP within the required time-lines.

A quarterly progress report on ICFR is submitted to the SBP, duly approved by the BAC. During the year, the Bank conducted testing of financial reporting controls for ensuring the effectiveness of ICFR prevalent throughout the year. None of the deficiencies identified are expected to have a material impact on financial reporting.

Based upon the results achieved from reviews, ongoing testing of financial reporting controls and audits conducted during the year 2015, management considers that the existing system of internal controls, including ICFR, is adequate and has been effectively implemented and monitored. The management will continue to enhance its coverage and compliance with the SBP's Guidelines on Internal Controls and further strengthen its control environment on an ongoing basis.

Rayomond Kotwal
Chief Financial Officer

Faisal Anwar
Chief Compliance Officer

Salim Amlani
Chief Internal Auditor

Review Report

To the members on Statement of Compliance with best practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended December 31, 2015 prepared by the Board of Directors of Habib Bank Limited (the Bank) to comply with the Listing Regulations of the Pakistan Stock Exchange, where the Bank is listed.

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

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

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

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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner: Omer Chughtai

Date: February 23, 2016
Karachi



Statement of Compliance

With the best practices of the Code of Corporate Governance for the year ended December 31, 2015

This Statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Chapter 5 of the Regulations of the Pakistan Stock Exchange Limited. The Code establishes a framework of good governance, whereby a Listed Company is managed in compliance with the best practices of corporate governance.

The Board has adopted the Code and applies the principles in the following manner:

- The Bank encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes 7 elected Directors:

Categories	Names
Independent Directors	Mr. Moez Ahamed Jamal Mr. Agha Sher Shah Dr. Najeeb Samie
Non-Executive Directors	Mr. Sultan Ali Allana Mr. Shaffiq Dharamshi Mr. Sajid Zahid
Executive Director	Mr. Nauman K. Dar

The Independent Directors meet the criteria of independence under clause i(b) of the Code.

- The Directors have confirmed that none of them is serving as a director in more than seven listed companies.
- All the resident Directors have confirmed that they are registered taxpayers and none of them have defaulted in the payment of any loans to a banking company, a development finance institution, or a non-banking finance company.
- The Board of Directors of Habib Bank Limited was elected on March 27, 2015 for a three year term which will expire on March 26, 2018.
- The Board has adopted a vision/mission statement, overall corporate strategy and significant policies of the Bank. The Bank maintains a complete record/log of all policies along with the dates on which these were approved or amended including the dates when these are required to be updated.
- All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board.
- The Board of Directors has approved the appointment, remuneration and terms and conditions of employment of the Chief Executive Officer.
- The remuneration of the non-executive Directors has been approved by the Shareholders at the Annual General Meeting.

- All meetings of the Board of Directors were chaired by Mr. Sultan A. Allana, Chairman of the Board. The Board met ten times during the year, including at least once in every quarter, and closely monitored the Bank's performance. The Committees of the Board also met regularly during the year. Written notices of the Board meetings, along with the agenda and working papers were circulated at least seven days before the meeting except in the case of emergency meetings where the notice period was waived by the Directors. The minutes of the meetings were appropriately recorded and circulated. The Chief Financial Officer and the Company Secretary also attended the meetings of the Board.
- During their term on the Board, some of the Directors have attended the Board Governance & Leadership Programme of the Institute of Directors, UK and some have attended in-house Directors' Orientation training.
- The Board has approved the appointments of the Chief Financial Officer, the Head of Internal Audit and the Company Secretary including their remuneration and terms and conditions of employment.
- The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Bank, except as mentioned in the Pattern of Shareholding.
- The Bank has disseminated the Code of Ethics and Business Conduct, which has been approved by the Board of Directors. The same has been placed on the HBL website.
- The Chief Executive Officer and Chief Financial Officer have duly endorsed the financial statements of the Bank before their approval by the Board.
- The Bank has complied with the applicable corporate and financial reporting requirements of the Code.
- The Statutory Auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by ICAP. The Auditors have also confirmed that neither they nor any of the partners of the firm, nor their spouses and minor children hold any shares of the Bank.
- The Statutory Auditors or the persons associated with them have not been appointed to provide services other than approved services and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
- The Board Audit Committee comprises of three members, all of whom are non-executive Directors and the Chairman of the Committee is an Independent Director. The Board Risk Management Committee comprises of three members with a majority of non-executive Directors and the Chairman of the Committee is a non-executive Director. The Board HR and Remuneration Committee comprises of four members, of which three members, including the Chairman of the Committee, are non-executive Directors.
- An effective Internal Audit Group is in place. The Head of Internal Audit reports directly to the Board Audit Committee.
- The Board Audit Committee met seven times during the year, including at least once in every quarter prior to the approval of the interim and final results of the Bank as required by the Code. The Terms of Reference of the Audit Committee have been formulated and approved by the Board. The Board approves the financial statements of the Bank on the recommendation of the Audit Committee.



- The Board Risk Management Committee met seven times during the year and the Board Human Resource and Remuneration Committee met six times during the year.
- The Bank confirms that all other material principles contained in the Code have been complied with.
- The Closed Period, prior to the announcement of interim/final results and business decisions which may materially affect the market price of the Bank's securities, was determined and intimated to Directors, employees and the Pakistan Stock Exchange.
- Material/price sensitive information has been disseminated among all market participants at once through the Pakistan Stock Exchange.

This Statement of Compliance with best practices of corporate governance is being published and circulated along with the Annual Report of the Bank.

For and on behalf of the Board

Nauman K. Dar
President & Chief Executive Officer
February 23, 2016



Consolidated Financial Statements



Auditors' Report

To the members - Consolidated

We have audited the annexed consolidated financial statements comprising consolidated statement of financial position of Habib Bank Limited ("the Bank") and its subsidiary companies as at 31 December 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions / conclusion on the financial statements of Habib Bank Limited and its subsidiary companies namely HBL Asset Management Limited and HBL Currency Exchange (Private) Limited. The financial statements of remaining subsidiary companies were audited by other firms of Chartered Accountants whose reports have been furnished to us and our opinion in so far as it relates to the amounts included for such companies, is based solely on the reports of such other auditors. The financial statements of Habib Bank Financial Services (Private) Limited are unaudited.

These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated 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 Habib Bank Limited and its subsidiary companies as at 31 December 2015 and the results of their operations for the year then ended.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner: Omer Chughtai

Date: February 23, 2016
Karachi

Consolidated Statement of Financial Position

As at December 31, 2015

2015 (US \$ in '000) (Restated)	2014		Note	2015 (Rupees in '000) (Restated)	2014 (Restated)
ASSETS					
1,596,805	1,291,538	Cash and balances with treasury banks	5	167,250,988	135,276,934
386,379	642,391	Balances with other banks	6	40,469,761	67,284,700
423,124	327,604	Lendings to financial institutions	7	44,318,411	34,313,560
11,885,384	8,809,264	Investments	8	1,244,887,008	922,691,101
6,047,132	5,683,497	Advances	9	633,382,624	595,295,176
299,229	260,737	Operating fixed assets	10	31,341,509	27,309,803
-	-	Deferred tax asset		-	-
542,028	787,146	Other assets	11	56,772,484	82,446,422
<u>21,180,081</u>	<u>17,802,177</u>			<u>2,218,422,785</u>	<u>1,864,617,696</u>
LIABILITIES					
268,105	209,943	Bills payable	12	28,081,548	21,989,658
3,000,917	987,303	Borrowings	13	314,319,099	103,411,114
15,609,403	14,556,332	Deposits and other accounts	14	1,634,944,470	1,524,644,784
95,474	-	Subordinated loan	15	10,000,000	-
-	-	Liabilities against assets subject to finance lease		-	-
54,144	27,364	Deferred tax liability	16	5,671,128	2,866,169
408,499	402,049	Other liabilities	17	42,786,489	42,110,871
<u>19,436,542</u>	<u>16,182,991</u>			<u>2,035,802,734</u>	<u>1,695,022,596</u>
<u>1,743,539</u>	<u>1,619,186</u>			<u>182,620,051</u>	<u>169,595,100</u>
NET ASSETS					
REPRESENTED BY:					
Shareholders' equity					
140,046	140,046	Share capital	18	14,668,525	14,668,525
450,522	415,789	Reserves		47,188,150	43,550,188
921,277	846,995	Unappropriated profit		96,495,448	88,715,056
<u>1,511,845</u>	<u>1,402,830</u>	Total equity attributable to the equity holders of the Bank		<u>158,352,123</u>	<u>146,933,769</u>
16,157	11,316	Non-controlling interest		1,692,344	1,185,257
215,537	205,040	Surplus on revaluation of assets - net of deferred tax	19	22,575,584	21,476,074
<u>1,743,539</u>	<u>1,619,186</u>			<u>182,620,051</u>	<u>169,595,100</u>
CONTINGENCIES AND COMMITMENTS					
			20		

The annexed notes 1 to 45 and annexures I to V form an integral part of these consolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Consolidated Profit and Loss Account

For the year ended December 31, 2015

2015 (US \$ in '000) (Restated)	2014 (Restated)		Note	2015 (Rupees in '000) (Restated)	2014 (Restated)
1,377,039	1,311,958	Mark-up / return / profit / interest earned	22	144,232,475	137,415,798
630,734	657,171	Mark-up / return / profit / interest expensed	23	66,063,699	68,832,702
<u>746,305</u>	<u>654,787</u>	Net mark-up / profit / interest income		<u>78,168,776</u>	<u>68,583,096</u>
46,339	13,746	Provision against advances	9.3	4,853,555	1,439,756
351	(975)	Provision / (reversal) against off-balance sheet obligations	17.1	36,744	(102,167)
(3,651)	(990)	Reversal of diminution in the value of investments	8.7	(382,393)	(103,678)
-	-	Bad debts written off directly		-	-
<u>43,039</u>	<u>11,781</u>			<u>4,507,906</u>	<u>1,233,911</u>
<u>703,266</u>	<u>643,006</u>	Net mark-up / profit / interest income after provisions		<u>73,660,870</u>	<u>67,349,185</u>
Non mark-up / interest income					
163,157	133,468	Fee, commission and brokerage income		17,089,181	13,979,618
14,731	8,565	Dividend income		1,542,947	897,058
32,452	31,196	Share of profit of associates and joint venture		3,399,078	3,267,473
26,248	27,180	Income from dealing in foreign currencies		2,749,276	2,846,844
105,421	13,458	Gain on sale of securities	24	11,041,929	1,409,583
175	505	Unrealised gain on held-for-trading securities	8.13	18,326	52,856
7,096	9,278	Other income	25	743,228	971,816
<u>349,280</u>	<u>223,650</u>	Total non mark-up / interest income		<u>36,583,965</u>	<u>23,425,248</u>
<u>1,052,546</u>	<u>866,656</u>			<u>110,244,835</u>	<u>90,774,433</u>
Non mark-up / interest expense					
462,096	393,871	Administrative expenses	26	48,400,384	41,254,445
2,348	2,833	Other provisions / write offs - net	11.2	245,920	296,761
1,230	44	Other charges	27	128,831	4,654
11,299	9,245	Workers Welfare Fund	28	1,183,462	968,292
<u>476,973</u>	<u>405,993</u>	Total non mark-up / interest expenses		<u>49,958,597</u>	<u>42,524,152</u>
<u>575,573</u>	<u>460,663</u>	Profit before taxation		<u>60,286,238</u>	<u>48,250,281</u>
Taxation					
181,902	149,652	- current	29	19,052,573	15,674,740
21,589	(2,010)	- prior years		2,261,220	(210,479)
36,956	12,445	- deferred		3,870,854	1,303,454
<u>240,447</u>	<u>160,087</u>			<u>25,184,647</u>	<u>16,767,715</u>
<u>335,126</u>	<u>300,576</u>	Profit after taxation		<u>35,101,591</u>	<u>31,482,566</u>
Attributable to:					
335,193	301,869	Equity holders of the Bank		35,108,659	31,618,014
(67)	(1,293)	Non-controlling interest		(7,068)	(135,448)
<u>335,126</u>	<u>300,576</u>			<u>35,101,591</u>	<u>31,482,566</u>
-----Rupees-----					
Basic and diluted earnings per share					
				23.93	21.56

The annexed notes 1 to 45 and annexures I to V form an integral part of these consolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2015

2015 (US \$ in '000)	2014 (Restated)		2015 (Rupees in '000)	2014 (Restated)
335,128	300,576	Profit after taxation for the year	35,101,591	31,482,566
		Other comprehensive income / (loss)		
		Items that may be reclassified to profit and loss account in subsequent periods:		
		Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates		
(4,802)	(25,400)	Equity holders of the Bank	(502,945)	(2,660,432)
(105)	(1,294)	Non-controlling interest	(10,970)	(135,566)
(4,907)	(26,694)		(513,915)	(2,795,998)
		Items not to be reclassified to profit and loss account in subsequent periods:		
(2,688)	(2,741)	Actuarial losses - net	(281,560)	(287,084)
<u>327,533</u>	<u>271,141</u>	Comprehensive income transferred to equity	<u>34,306,116</u>	<u>28,399,484</u>
		Components of comprehensive income / (loss) not reflected in equity		
		Items that may be reclassified to profit and loss account in subsequent periods:		
(3,595)	111,773	Movement in surplus / (deficit) on revaluation of investments - net of tax	(376,580)	11,707,214
		Items not to be reclassified to profit and loss account in subsequent periods:		
14,606	(79)	Movement in surplus / (deficit) on revaluation of fixed assets - net of tax	1,529,866	(8,326)
<u>338,544</u>	<u>382,835</u>	Total comprehensive income	<u>35,459,402</u>	<u>40,098,372</u>
		Total comprehensive income attributable to:		
338,783	385,408	Equity holders of the Bank	35,484,402	40,367,829
(239)	(2,573)	Non-controlling interest	(25,000)	(269,457)
<u>338,544</u>	<u>382,835</u>		<u>35,459,402</u>	<u>40,098,372</u>

The annexed notes 1 to 45 and annexures I to V form an integral part of these consolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2015

	Attributable to shareholders of the Bank							Sub Total	Non-controlling interest	Total
	Share capital	Exchange translation reserve	Reserves			Revenue				
			Capital		Non-distributable capital reserve	General reserve	Unappropriated profit			
			Statutory reserve	Bank						
		Associates, joint venture and subsidiary								
(Rupees in '000)										
Balance as at December 31, 2013 (As previously reported)	13,335,023	16,858,006	386,791	20,231,764	-	6,073,812	73,748,915	130,634,311	1,886,116	132,520,427
Effect of retrospective change in accounting policy (note 4.1)	-	-	-	-	-	-	(224,559)	(224,559)	-	(224,559)
Balance as at December 31, 2013 (restated)	13,335,023	16,858,006	386,791	20,231,764	-	6,073,812	73,524,356	130,409,752	1,886,116	132,295,868
Comprehensive income for the year										
Profit after taxation for the year ended December 31, 2014	-	-	-	-	-	-	31,618,014	31,618,014	(135,448)	31,482,566
Other comprehensive income / (loss)										
- Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	-	(2,660,432)	-	-	-	-	-	(2,660,432)	(135,566)	(2,795,998)
- Actuarial losses - net	-	-	-	-	-	-	(287,084)	(287,084)	-	(287,084)
	-	(2,660,432)	-	-	-	-	31,330,930	28,670,498	(271,014)	28,399,484
Transactions with owners, recorded directly in equity										
Final cash dividend paid at Rs. 2 per share for the year ended December 31, 2013	-	-	-	-	-	-	(2,667,005)	(2,667,005)	-	(2,667,005)
1st interim cash dividend paid at Rs. 2 per share	-	-	-	-	-	-	(2,933,705)	(2,933,705)	-	(2,933,705)
2nd interim cash dividend paid at Rs. 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
3rd interim cash dividend paid at Rs. 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
Issued as bonus shares	1,333,502	-	-	-	-	-	(1,333,502)	-	-	-
	1,333,502	-	-	-	-	-	(13,535,048)	(12,201,546)	-	(12,201,546)
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	92,873	92,873	-	92,873
Transferred to statutory reserve	-	-	49,738	3,111,252	-	-	(3,160,990)	-	-	-
Derecognition of equity due to voluntary winding up of modaraba	-	-	(7,561)	-	-	-	(30,247)	(37,808)	(620,768)	(658,576)
Exchange translation realised on sale of Bank branch to Habibsons	-	(493,182)	-	-	-	-	493,182	-	-	-
Non-controlling interest acquired in HAHL during the year	-	-	-	-	-	-	-	-	189,366	189,366
Movement in minority share of surplus / (deficit) on revaluation of securities of subsidiaries	-	-	-	-	-	-	-	-	1,557	1,557
Balance as at December 31, 2014 (restated)	14,668,525	13,704,392	428,968	23,343,016	-	6,073,812	88,715,056	146,933,769	1,185,257	148,119,026
Comprehensive income for the year										
Profit after taxation for the year ended December 31, 2015	-	-	-	-	-	-	35,108,659	35,108,659	(7,068)	35,101,591
Other comprehensive income / (loss)										
- Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	-	(502,945)	-	-	-	-	-	(502,945)	(10,970)	(513,915)
- Actuarial losses - net	-	-	-	-	-	-	(281,560)	(281,560)	-	(281,560)
	-	(502,945)	-	-	-	-	34,827,099	34,324,154	(18,038)	34,306,116
Transactions with owners, recorded directly in equity										
Final cash dividend paid at Rs. 5.5 per share for the year ended December 31, 2014	-	-	-	-	-	-	(8,067,689)	(8,067,689)	-	(8,067,689)
1st interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	-	(5,133,984)	(5,133,984)	-	(5,133,984)
2nd interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	-	(5,133,984)	(5,133,984)	-	(5,133,984)
3rd interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	-	(5,133,984)	(5,133,984)	-	(5,133,984)
	-	-	-	-	-	-	(23,469,641)	(23,469,641)	-	(23,469,641)
Gain on bargain purchase arising on acquisition of Barclays Bank PLC - Pakistan branches (note 1.4.1)	-	-	-	-	547,115	-	-	547,115	-	547,115
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	53,776	53,776	-	53,776
Transferred to statutory reserve	-	-	46,746	3,547,046	-	-	(3,593,792)	-	-	-
Capital contribution to statutory funds of associates	-	-	-	-	-	-	(37,050)	(37,050)	-	(37,050)
Non-controlling interest acquired in HAHL during the year	-	-	-	-	-	-	-	-	532,087	532,087
Movement in minority share of surplus / (deficit) on revaluation of securities of subsidiaries	-	-	-	-	-	-	-	-	(10,361)	(10,361)
Movement in minority share of surplus / (deficit) on revaluation of fixed assets of subsidiaries	-	-	-	-	-	-	-	-	3,399	3,399
Balance as at December 31, 2015	14,668,525	13,201,447	475,714	26,890,062	547,115	6,073,812	96,495,448	158,352,123	1,692,344	160,044,467

The annexed notes 1 to 45 and annexures I to V form an integral part of these consolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Consolidated Cash Flow Statement

For the year ended December 31, 2015

2015 (US \$ in '000)	2014 (Restated)	Note	2015 (Rupees in '000)	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
575,573	460,663		60,286,238	48,250,281
(14,731)	(8,565)		(1,542,947)	(897,058)
(32,452)	(31,196)		(3,399,078)	(3,267,473)
(105,421)	(13,458)		(11,041,929)	(1,409,583)
(152,604)	(53,219)		(15,983,954)	(5,574,114)
422,969	407,444		44,302,284	42,676,167
Adjustment for non-cash items:				
24,602	18,812		2,576,867	1,970,355
4,997	4,323		523,387	452,801
(3,651)	(990)		(382,393)	(103,678)
46,339	13,746		4,853,555	1,439,756
351	(975)		36,744	(102,167)
(175)	(505)		(18,326)	(52,856)
153	2,077		15,978	217,592
-	(1,374)		-	(143,911)
(472)	(202)		(49,432)	(21,115)
11,299	9,245		1,183,462	968,292
2,348	2,833		245,920	296,761
85,791	46,990		8,985,762	4,921,830
508,760	454,434		53,288,046	47,597,997
(Increase) / decrease in operating assets				
(95,520)	9,146		(10,004,851)	957,917
54,465	(125,189)		5,704,745	(13,112,456)
(311,877)	(315,389)		(32,666,275)	(33,034,195)
255,827	(162,417)		26,795,532	(17,011,752)
(97,105)	(593,849)		(10,170,849)	(62,200,486)
Increase / (decrease) in operating liabilities				
38,431	24,511		4,025,298	2,567,342
1,990,176	(42,517)		208,453,064	(4,453,310)
788,627	1,178,287		82,601,623	123,414,970
(16,923)	7,666		(1,772,218)	802,941
2,800,311	1,167,947		293,307,767	122,331,943
3,211,966	1,028,532		336,424,964	107,729,454
(214,753)	(137,700)		(22,493,474)	(14,422,825)
2,997,213	890,832		313,931,490	93,306,629
CASH FLOWS FROM INVESTING ACTIVITIES				
(1,981,274)	(258,555)		(207,520,607)	(27,081,334)
(803,589)	(335,511)		(84,168,767)	(35,141,775)
15,850	7,285		1,660,111	763,058
2,256	-		236,259	-
(55,024)	(41,098)		(5,763,273)	(4,304,653)
674	860		70,580	90,036
(4,800)	(25,400)		(502,945)	(2,660,432)
(2,825,907)	(652,419)		(295,988,642)	(68,335,100)
CASH FLOWS FROM FINANCING ACTIVITIES				
(105)	(1,294)		(10,970)	(135,566)
95,474	(23,765)		10,000,000	(2,489,204)
(217,420)	(116,448)		(22,772,763)	(12,196,831)
(122,051)	(141,507)		(12,783,733)	(14,821,601)
49,255	96,906		5,159,115	10,149,928
1,898,546	1,890,839		198,855,615	198,048,405
35,383	(53,816)		3,706,019	(5,636,699)
1,933,929	1,837,023		202,561,634	192,411,706
1,983,184	1,933,929		207,720,749	202,561,634
Cash and cash equivalents at the end of the year				

The annexed notes 1 to 45 and annexures I to V form an integral part of these consolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Notes to the Consolidated Financial Statements

For the year ended December 31, 2015

1 THE GROUP AND ITS OPERATIONS

1.1 Holding company

Habib Bank Limited, Pakistan

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking and asset management related services in Pakistan and overseas. The Bank's Registered Office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Islamabad and its Principal Office is at Habib Bank Plaza, I.I.Chundrigar Road, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,663 (2014: 1,596) branches inside Pakistan including 44 (2014: 43) Islamic Banking Branches and 53 branches (2014: 48) outside the country including Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of the Bank and its registered office is in Geneva, Switzerland.

1.2 Subsidiaries

- Habib Finance International Limited, Hong Kong – wholly owned
- Habib Bank Financial Services (Private) Limited, Pakistan – wholly owned
- HBL Currency Exchange (Private) Limited, Pakistan – wholly owned
- HBL Asset Management Limited, Pakistan – wholly owned
- Habib Allied Holding Limited, United Kingdom – shareholding at 89.40%
- Habibsons Bank Limited, United Kingdom – shareholding at 89.40%

Subsequent to the transfer of the entire banking business of Habib Allied International Bank Plc (HAIB) into Habibsons Bank Limited (Habibsons), the Prudential Regulation Authority / Financial Conduct Authority has formally de-authorized HAIB as a banking company. Consequently the name has been formally amended to Habib Allied Holding Limited (HAHL). Habibsons is a 100% owned subsidiary of HAHL.

The Bank's subsidiaries, Habib Finance International Limited, Hong Kong (wholly owned) and Habib Allied Holding Limited, UK (HAHL) issued rights shares during the year. Due to non subscription of right shares by one of the shareholders in HAHL, the shareholding in HAHL has increased from 88.59% to 89.40%.

- 1.3 During the year, the Government of Pakistan (GoP) has sold its entire shareholding in the Bank to domestic and international investors through a secondary offering of shares via the domestic stock exchanges.

1.4 Business Combinations

1.4.1 Acquisition of Barclays Bank PLC - Pakistan Branch Business (Barclays)

During the period, the Bank has acquired the Pakistan branch business of Barclays Bank PLC, a commercial bank. This is effective from the close of business on June 14, 2015 under an agreement dated March 11, 2015.

The proposal for the acquisition and the scheme for amalgamation was approved by the Board of Directors through resolutions dated January 16, 2015, February 07, 2015 and March 27, 2015 and by the shareholders of the Bank in their Extraordinary General Meeting held on April 25, 2015. The State Bank of Pakistan, through its letter BPRD (R&P-02)/625-110/2015/12499 dated June 1, 2015, has also approved the scheme of amalgamation and granted sanction order for the amalgamation of Barclays with and into the Bank. Subsequent to the acquisition, the Bank has incorporated the balances relating to Barclays at their carrying values as appearing in the audited financial statements of Barclays as at the close of business on June 14, 2015. These balances are detailed below:

	June 14, 2015 (Rupees in '000)
ASSETS	
Cash and balances with treasury banks	4,985,464
Balances with other banks	1,414,438
Investments	21,615,276
Advances	10,274,728
Operating fixed assets	134,757
Deferred tax assets	974,231
Other assets	305,757
	39,704,651
LIABILITIES	
Bills payable	2,066,592
Borrowings	2,454,921
Deposits and other accounts	27,698,063
Other liabilities	287,201
	32,506,777
Net assets acquired	7,197,874

IFRS 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values on the acquirer's balance sheet and any intangible assets acquired in the business combination should be separately recognized and carried at their fair values. IFRS - 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of the fair values of the assets and liabilities and to determine the value of any intangibles separately identified. The fair valuation exercise of the recorded assets and liabilities will be completed within the period specified under IFRS - 3. However, management does not expect the fair values of the assets and liabilities transferred to be materially different from the carrying values. No intangible assets have been recognised as allowed by SBP vide their letter BPRD (R&P-02)/625-113/2015/18066 dated August 18, 2015.

The net assets of Barclays as appearing in the audited financial statements of Barclays as of June 14, 2015 were recognised by the Bank along with a contingent consideration of Rs 487 million based on potential realization of certain assets.

The acquisition of Barclays is a bargain purchase as the value of the net assets acquired as at the acquisition date exceeds the consideration paid by the Bank. The total gain on bargain purchase arising on the acquisition of Barclays amounts to Rs. 547 million. Details of carrying values of the net assets acquired, purchase consideration and gain on bargain purchase are as follows:

	June 14, 2015 (Rupees in '000)
Carrying value of net assets acquired	7,197,874
Cash consideration	(6,163,643)
Contingent consideration	(487,116)
Total purchase consideration	(6,650,759)
Gain on bargain purchase	<u>547,115</u>

Under IFRS-3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain has not been taken to the profit and loss account as the SBP, through its letter BPRD (R&P-02)/625-113/2015/18066 dated August 18, 2015 has recommended that the amount of gain should be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions/deficit, assessed by the Bank or recommended by the Banking Inspection Department of the SBP, in the acquired Pakistan branch business of Barclays, against the NCR. As a result of events subsequent to the acquisition, the contingent consideration has increased by Rs. 12.884 million as at December 31, 2015.

- 1.4.2 The Bank has made an offer to purchase 50.51% of the shareholding of First MicroFinance Bank (FMFB), a related entity, at a consideration of Rupees 2 billion. The transaction, for which approval was received from the shareholders at the Annual General Meeting held on March 27, 2015, is subject to regulatory approval. Post completion of the transaction, FMFB will become a subsidiary of the Bank.
- 1.4.3 HBL Asset Management Limited (HBL AML) the Bank's wholly owned subsidiary, has signed a Share Purchase Agreement for purchase of 100% of the shares in PICIC Asset Management Company from NIB Bank Limited. The transaction is subject to regulatory approvals.

2 BASIS OF PRESENTATION

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

The US Dollar amounts shown in these consolidated financial statements are stated solely for information convenience. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2015 and 2014 have all been converted using an exchange rate of Rupees 104.7410 per US Dollar.

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of subsidiary companies from the date that control of the subsidiary by the Group commences until the date that control ceases. The financial statements of the subsidiary companies are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company, except for non-banking subsidiaries in Pakistan which follow the requirements of International Accounting Standard (IAS) 39, Financial Instruments Recognition and Measurement, IAS 40, Investment Property and IFRS - 7, Financial Instruments: Disclosures, and overseas subsidiaries which are required to comply with local regulations enforced within the respective jurisdictions.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts less accumulated depreciation and certain investments, derivative financial instruments and forward foreign exchange contracts are stated at fair value.

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

2.3 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. 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 financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Classification of investments (note 4.4)
- ii) Valuation and impairment of available for sale equity investments and associates (note 4.13)
- iii) Provision against non-performing advances (note 4.5)
- iv) Fixed assets, depreciation and amortisation (note 4.6)
- v) Fair value of derivatives (note 4.18)
- vi) Defined benefit plans and other retirement benefits (note 4.9)
- vii) Taxation (note 4.12)

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3 STATEMENT OF COMPLIANCE

- 3.1 These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 and Banking Companies Ordinance, 1962 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP has deferred applicability of IFRS - 7, Financial Instruments: Disclosures, to banks through S.R.O 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 SBP through various circulars.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under Section 237 of the Companies Ordinance, 1984 and under IFRS 10 is not applicable in case of investment by companies in mutual funds established under the trust structure.

- 3.2 **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year.**

The Group has adopted the following accounting standards, interpretations of and amendments to approved accounting standards which became effective for the current year:

- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 19 – Employee Benefits – (Amendment) – Defined Benefit Plans: Employee Contributions

The Group expects that adoption of above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2013. Such improvements are generally effective for current accounting periods. The Group expects that adoption of such improvements will not have any material impact on the Group's financial statements in the period of initial application.

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

The following standards, amendments, 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:

Standards	Effective date (annual periods beginning on or after)
- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 1, 2016
- IFRS 11 - Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 1, 2016
- IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 1, 2016
- IAS 16 - Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 1, 2016
- IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 1, 2016
- IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 1, 2016
- IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized

The Group expects that adoption of above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are effective for accounting periods beginning on or after January 1, 2016. The Group expects that adoption of such improvements will not have any material impact on the Group's financial statements in the period of initial application.

The following new standards have been issued by the IASB but have not yet been notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
- IFRS 14 – Regulatory Deferral Accounts	January 1, 2016
- IFRS 9 – Financial Instruments: Classification and Measurement	January 1, 2018
- IFRS 15 – Revenue from Contracts with Customers	January 1, 2018
- IFRS 16 – Leases	January 1, 2019

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statement are consistent with those of the previous financial year except as described below in note 4.1.

4.1 Change in accounting policy

The Group has changed its accounting treatment for its investments in certain mutual funds managed by its subsidiary HBL AML. These mutual funds were previously treated as subsidiaries and accounted for using the basis of consolidation for subsidiaries. Subsequent to SECP's SRO 56(I)/2016 as mentioned in note 3.1, these mutual funds are now considered as associates and accounted for using the equity method. This change in accounting policy has been applied retrospectively. Had these funds been consolidated net assets of the Group as at December 31, 2015 would have been higher by Rs. 1,039.707 million (2014: Rs. 297.059 million).

4.2 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.3 Lendings / borrowings (reverse repo / repo)

The Group enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.3.1 Purchase under resale agreements

Securities purchased under agreement to resell (reverse repo) are not recognised in these consolidated financial statements as investments and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as income.

4.3.2 Sale under repurchase agreement

Securities sold subject to a repurchase agreement (repo) are retained in these consolidated financial statements as investments and the counterparty liability is included in borrowings. The difference between the sale and contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as an expense.

4.4 Investments

The Group classifies its investment portfolio, other than its investments in associates and joint venture, into the following categories:

Held-for-trading

These are securities, which are either acquired for generating a 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 trading exists.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold till maturity.

Available-for-sale

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

4.4.1 Initial measurement

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

The cost of investments, other than those classified as held-for-trading, includes transaction costs associated with the investments. In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account.

4.4.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealized surplus / deficit arising on revaluation is taken to the profit and loss account.

Available-for-sale

Quoted securities classified as available-for-sale are subsequently measured at fair value. Any unrealized surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account shown below equity in the statement of financial position and is taken to the profit and loss account either when realized upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. A decline in the carrying value is taken to the profit and loss account. A subsequent increase in the carrying value, upto the cost of the investment, is credited to the profit and loss account. Investments in other unquoted securities are carried at cost less impairment, if any.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the SBP. Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

Held-to-maturity

Investments classified as "held-to-maturity" are measured at amortised cost using the effective interest rate method, less any impairment recognized to reflect irrecoverable amounts.

4.4.3 Investment in associates / joint ventures

Associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased/decreased to recognise the investor's share of the profit and loss / reserve of the investee subsequent to the date of acquisition. The investor's share of the profit and loss of the investee is recognized through the profit and loss account.

4.5 Advances

Advances are stated net of specific and general provisions. Specific provision against non-performing advances of Pakistan operations is made in accordance with the requirements of the Prudential Regulations issued by the SBP. Provision against advances of overseas branches is made as per the requirements of the respective regulatory regimes. Advances are written off when there are no realistic prospects of recovery.

Finance lease receivables

Leases where the Group transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments including any guaranteed residual value. The net investment in finance lease is included in advances to customers.

Ijarah

Assets given on Ijarah, after taking into account the estimated residual value, are stated at cost less accumulated depreciation. Depreciation on Ijarah assets is calculated using the reducing balance method over the Ijarah term. The residual value of an Ijarah asset is determined after taking into account the commitment given by the customer to purchase the Ijarah asset at the expiry of the Ijarah term. Impairment of Ijarah assets is recognized only upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The residual value of the Ijarah asset is the estimated amount which could be obtained from its disposal at the expiry of the Ijarah term.

Ijarah assets are shown under advances and further analysis is provided in "Annexure V" of these consolidated financial statements.

4.6 Operating fixed assets and depreciation

4.6.1 Tangible

Fixed assets and capital work-in-progress, are stated at cost, except for land, buildings and certain machinery which are carried at revalued amounts less accumulated depreciation, where applicable, and accumulated impairment losses (if any).

The cost of fixed assets of foreign branches and subsidiary companies include exchange differences arising on translation at year-end rates. Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. Under the provision of the Companies Ordinance, 1984, a deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above surplus account.

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

All operating fixed assets are depreciated over their expected useful lives using the straight-line method from the date the assets are available for use.

Depreciation is calculated so as to write-off the assets over their expected useful lives at the rates specified in note 10.4 to these consolidated financial statements. The depreciation charge for the year is calculated after taking into account the residual value, if any. 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 in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. However, major repairs and renovations that increase the useful life of an asset are capitalized.

Gains or losses arising on the disposal of fixed assets are charged to the profit and loss account. Surplus on revaluation (net of deferred tax) realized on disposal of fixed assets is transferred directly to unappropriated profit.

4.6.2 Intangible

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method over their estimated useful lives. Amortization is charged at the rates stated in note 10.3 to these consolidated financial statements. Amortization on additions and deletions of intangible assets during the year is charged in proportion to the period of use. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each statement of financial position date. Intangible assets having an indefinite useful life are stated at cost less impairment, if any.

4.6.3 Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any. Goodwill acquired in a business combination is tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of goodwill is recognized through the profit and loss account.

4.7 Borrowings / deposits

Borrowings / deposits are recorded at the proceeds received. The cost of borrowings / deposits is recognised as an expense in the period in which this is incurred.

4.8 Subordinated loan

A subordinated loan is initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is charged to the profit and loss account.

4.9 Employee benefits

The Bank operates the following schemes for its employees:

i) Approved Pension Fund (Defined benefit scheme)

For those who opted for a pension scheme introduced in 1977, the Bank operates a pension scheme for its executives / officers and clerical employees. For the executives and officers, this scheme is applicable to those executives and officers who were in service as at March 31, 2005 and the benefit is based on their salary as on March 31, 2014. The Provident Fund and Gratuity benefit were offered to such executives / officers in lieu of pension fund in respect of the future service after that date. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

ii) Approved Gratuity Fund (Defined benefit scheme)

For those who did not opt for the pension scheme introduced in 1977 and instead opted for the gratuity scheme and for all new employees hired on or after January 01, 2002, the Bank operates an approved gratuity scheme. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

iii) Approved Contributory Gratuity Fund (Defined contribution scheme)

The Bank operates a contributory gratuity scheme for employees hired on or after January 01, 2002. Further, Contributory Gratuity Scheme was offered to staff in lieu of Pension Fund for their services subsequent to March 31, 2005.

iv) Provident Fund (Defined contribution scheme)

For employees hired on or after January 01, 2002 and for those who did not opt for the Bank's Pension scheme introduced in 1977, the Bank operates an approved Provident Fund under which both the Bank and employees contribute at the following rates:

For Executives & Officers	6% of Basic Salary
For Clerical Staff	12% of Basic Salary

For Employees who are on a contract with the Bank, the benefit is as per their Service contract.

The staff (excluding clerical staff) who are covered by the Bank's Pension plan are now also eligible for Provident fund benefits effective from April 01, 2005 by contributing 6% of the basic pay. Bank also makes equal contributions for these employees. Payments are made to the employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

v) Benevolent Fund (Defined contribution scheme)

The Bank operates funded benevolent schemes for its executives, officers and clerical employees. Under this scheme, the employees of the Bank are entitled to receive defined grants / facilities during their service and after retirement. The benevolent fund plan covers all the employees of the Bank. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

vi) Post Retirement Medical Benefits

The Bank also provides post retirement medical benefits to its officers/executives and clerical employees who retired before December 31, 2005. The executives and officers are entitled to receive lump sum payments in lieu of post retirement medical facilities as a full and final settlement, effective January 01, 2006 onwards. However, all clerical staff are covered under Post Retirement Medical Benefits. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

vii) Compensated Absences

The Bank also makes provision in the financial statements for its liabilities towards compensated absences. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

viii) Other Post Retirement Benefits

The scheme offers a maximum of six months benefits to executives retiring after completing 25 years of service. However in case of the death of an executive, the house rent benefit is paid for one year. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

Actuarial gain / loss

Actuarial gain / loss arise out of differences between actuarial assumptions and experience adjustments are recognized in other comprehensive income when they occur except for re-measurement of liability of compensated absences which is recognised in profit or loss.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. The Bank recognise past service cost as an expense when the plan amendment or curtailment occurs and when the Bank recognises related restructuring costs or termination benefits whichever is earlier.

Other schemes

Employee benefits offered by Overseas Branches are governed under their respective local laws.

Employee benefits offered by subsidiary companies are as follows:

Habib Allied Holding Limited, United Kingdom	Defined Contribution Pension Scheme
Habibsons Bank Limited, United Kingdom	Defined Contribution Pension Scheme
Habib Finance International Limited, Hong Kong	Provident Fund and Long Service Payment Scheme
HBL Asset Management Limited	Defined Gratuity Scheme and Provident Fund

4.10 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan rupees at the exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of the financial position. Forward foreign exchange contracts and foreign bills purchased are valued at forward foreign exchange rates applicable to their respective maturities.

Foreign operations

The assets and liabilities of foreign operations are translated to Pakistan rupees at exchange rates prevailing at the date of the statement of the financial position. The income and expenses of foreign operations are translated into Pakistan Rupees at average rates of exchange for the year.

Translation gains and losses

Translation gains and losses are included in the profit and loss account, except those arising on the translation of the net investment in foreign operations which are taken directly to equity as an Exchange Translation Reserve and recognized in the profit and loss account on disposal.

Commitments

Commitments for outstanding forward foreign exchange contracts are translated at forward foreign exchange rates applicable to their respective maturities. Contingencies and commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of financial position.

4.11 Revenue recognition

Advances and investments

Income on performing advances is recognized on a time proportion basis as per the terms of the contract. Income on debt securities is recognized on a time proportion basis that takes into account the effective yield on the asset. Where debt securities are purchased at a premium or discount, such premium / discount is amortized through the profit and loss account over the remaining maturity of the debt security using the effective yield method.

Income recoverable on classified advances and investments is recognized on receipt basis. Income on rescheduled / restructured advances and investments is recognized as permitted by the regulations of SBP or by the regulatory authorities of the countries where the Group operates, except where, in the opinion of the management it would not be prudent to do so.

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

Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Repossessed vehicles on account of loan default are recorded in memorandum account.

Unrealized lease income on classified leases is suspended in accordance with the requirements of the Prudential Regulations of SBP. Gains / losses on termination of lease contracts, documentation charges, front-end fees and other lease income are recognized as income on a receipt basis.

Murabaha

Murabaha transactions are reflected as receivable at the invoiced amount. However, the profit on that sale revenue not due for payment is deferred by recording a credit to the "Deferred Murabaha Income" account.

Ijarah

Ijarah income is recognized over the term of the Ijarah on a basis which takes into account the effective yield on Ijarah assets and represents the pattern of benefits derived from the use of the Ijarah assets.

Fee, Commission and Brokerage Income

Fee, Commission and Brokerage income is recognized on an accrual basis except where, in the opinion of management, it would not be prudent to do so.

4.12 Taxation

Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

Prior years

The 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.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts attributed to the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

4.13 Impairment

Available-for-sale equity securities

The Group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates, among other factors, the normal volatility in share price in the case of listed equity securities. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology.

Associates

The Group considers that a decline in the recoverable value of its investments 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 amount falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, upto the cost of the investment in associates, is credited to the profit and loss account.

Non-financial assets

The carrying amount of the Group's assets (other than deferred tax assets) are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account except for an impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the revaluation surplus. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

4.14 Provision for claims under guarantees

A provision for claims under guarantees is recognized when intimated and reasonable certainty exists that the Group will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognized in other liabilities.

4.15 Other provisions

Other provisions are recognized when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.16 Off setting

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 to settle the liabilities simultaneously.

4.17 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain receivables, bills payable, borrowings, deposits, subordinated loans and certain other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.18 Derivative financial instruments

Derivative financial assets and liabilities are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.19 Dividend distribution

Declarations of dividend to shareholders are recognised as a liability in the period in which they are approved.

4.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic and diluted EPS is calculated by dividing profit for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

4.21 Segment reporting

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

Business segments

- *Branch Banking*

Consists of loans, deposits and other banking services to agriculture, consumer, SME and commercial customers.

- *Corporate Banking*

Consists of lending for project finance, trade finance and working capital to corporate customers. This segment also provides investment banking services including services provided in connection with mergers and acquisitions and the underwriting / arrangement of debt and equity instruments through syndications, Initial Public Offerings and private placements.

- *Treasury*

Consists of proprietary trading, fixed income, equity, derivatives and foreign exchange businesses. Also includes credit, lending and funding activities with professional market counterparties.

- *International Banking*

International banking is considered as a separate segment for monitoring and reporting purposes and consists of the Group's operations outside of Pakistan.

- *Head Office / Others*

This includes corporate items and business results not shown separately in one of the above segments.

Geographical segments

The Group's operations are managed along the following geographic lines for monitoring and reporting purposes:

- Pakistan
- Europe, Middle East and America
- Asia and Africa

	Note	2015 (Rupees in '000)	2014
5. CASH AND BALANCES WITH TREASURY BANKS			
In hand including National Prize Bonds			
Local currency		20,104,302	16,605,428
Foreign currency		4,514,138	3,853,015
		<u>24,618,440</u>	<u>20,458,443</u>
With State Bank of Pakistan in			
Local currency current account	5.2	15,111,708	8,819,466
Foreign currency current account	5.1 / 5.3	5,061,523	5,641,943
Foreign currency deposit account		14,725,629	16,947,158
		<u>34,898,860</u>	<u>31,408,567</u>
With other Central Banks in			
Foreign currency current account	5.1 / 5.4	73,215,775	55,640,415
Foreign currency deposit account		5,622,375	5,408,680
		<u>78,838,150</u>	<u>61,049,095</u>
With National Bank of Pakistan in			
Local currency current account		28,895,538	22,360,829
		<u>167,250,988</u>	<u>135,276,934</u>

5.1 The above balances include remunerative accounts amounting to Rs. 45,800.733 million (2014: Rs. 39,418.596 million).

5.2 This represents current accounts maintained under the Cash Reserve Requirements of the SBP.

5.3 This represents deposit account maintained under the Special Cash Reserve Requirement of the SBP and US Dollar Settlement account maintained with the SBP. This carries mark-up at the rate of 0% (2014: 0%).

5.4 These represent balances held with the Central Banks of the countries in which the Group operates in accordance with local statutory / regulatory requirements and carry varied mark-up rates as given by the Central Banks of the respective countries.

	Note	2015 (Rupees in '000)	2014 (Restated)
6. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		416,273	500,131
In deposit accounts		-	35
		<u>416,273</u>	<u>500,166</u>
Outside Pakistan			
In current accounts	6.1	21,338,186	23,336,904
In deposit accounts		18,715,302	43,447,630
		<u>40,053,488</u>	<u>66,784,534</u>
		<u>40,469,761</u>	<u>67,284,700</u>

6.1 This includes remunerative current account balance amounting to Rs. 6,029.895 million (2014: Rs. 919.259 million).

	Note	2015 (Rupees in '000)	2014
7. LENDINGS TO FINANCIAL INSTITUTIONS			
7.1. In local currency			
Call money lendings	7.2.1	2,813,925	4,042,250
Bai-Muajjal	7.2.2	25,936,778	8,268,950
Repurchase agreement lendings (reverse repo)	7.2 & 7.2.3	15,567,708	22,002,360
		<u>44,318,411</u>	<u>34,313,560</u>

7.2 Securities held as collateral against lendings to financial institutions

	2015			2014		
	Held by Group	Further given as collateral	Total	Held by Group	Further given as collateral	Total
	(Rupees in '000)					
Market treasury bills	2,467,708	-	2,467,708	9,379,577	-	9,379,577
Pakistan investment bonds	13,100,000	-	13,100,000	12,622,783	-	12,622,783
	<u>15,567,708</u>	<u>-</u>	<u>15,567,708</u>	<u>22,002,360</u>	<u>-</u>	<u>22,002,360</u>

The market value of securities held as collateral against lendings to financial institutions as at December 31, 2015 amounted to Rs. 16,959.497 million (2014: Rs. 22,897.458 million).

7.2.1 The call money lendings carry mark-up at the rate of 5.85% per annum (2014: 9.50% to 10.00% per annum) and are due to mature latest by January 14, 2016.

7.2.2 These include Bai-Muajjal transactions with the GoP through the SBP and carry mark-up at rates ranging from 5.93% to 5.94% per annum (2014: 9.50% to 9.96% per annum) and are due to mature latest by November 17, 2016.

7.2.3 Repurchase agreement lendings carry mark-up at rates ranging from 6.20% to 6.75% per annum (2014: 9.00% to 10.30% per annum) and are due to mature latest by February 12, 2016.

8. INVESTMENTS

Note	2015			2014		
	Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
	(Rupees in '000)					
	(Restated)					

8.1 Investments by type

Held-for-trading (HFT)

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds

Fully paid-up ordinary shares

- Listed companies

Overseas Government Securities

29,966,313	-	29,966,313	42,471,309	-	42,471,309
11,871,973	-	11,871,973	5,669,613	-	5,669,613
36,602	-	36,602	-	-	-
1,118,845	-	1,118,845	557,556	-	557,556
42,993,733	-	42,993,733	48,698,478	-	48,698,478

Held-to-maturity (HTM)

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Government of Pakistan US Dollar Bonds
- Government of Pakistan Guaranteed Bonds

Debentures and Corporate Debt Instruments

- Listed securities
- Unlisted securities

Overseas Government securities

29,802,535	-	29,802,535	-	-	-
116,908,270	-	116,908,270	75,781,905	-	75,781,905
597,663	-	597,663	-	-	-
1,713,412	-	1,713,412	1,992,000	-	1,992,000
24,773,658	-	24,773,658	13,576,257	-	13,576,257
4,636,644	-	4,636,644	5,493,233	-	5,493,233
21,234,293	-	21,234,293	18,654,313	-	18,654,313
199,666,475	-	199,666,475	115,497,708	-	115,497,708

Available-for-sale (AFS)

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Government of Pakistan US Dollar Bonds / Sukuks

Fully paid-up ordinary shares

- Listed companies
- Unlisted companies

Debentures and Corporate Debt Instruments

- Listed securities
- Unlisted securities

Overseas Government Securities

NIT Units

Preference shares

490,972,008	62,190,548	553,162,556	389,406,077	18,494,458	407,900,535
125,598,086	171,679,360	297,277,446	187,548,334	35,039,524	222,587,858
53,817,343	-	53,817,343	47,294,174	-	47,294,174
13,451,553	-	13,451,553	15,324,333	-	15,324,333
545,483	-	545,483	1,232,824	-	1,232,824
31,472,988	-	31,472,988	17,992,021	-	17,992,021
12,760,770	-	12,760,770	6,325,967	-	6,325,967
2,960,904	-	2,960,904	3,426,462	-	3,426,462
11,113	-	11,113	2,261,113	-	2,261,113
250,000	-	250,000	250,000	-	250,000
731,840,248	233,869,908	965,710,156	671,061,305	53,533,982	724,595,287

Investment in associates and joint venture

19,135,914	-	19,135,914	16,611,922	-	16,611,922
993,636,370	233,869,908	1,227,506,278	851,869,413	53,533,982	905,403,395

Provision for diminution in the value of investments

(617,536)	-	(617,536)	(953,764)	-	(953,764)
993,018,834	233,869,908	1,226,888,742	850,915,649	53,533,982	904,449,631

Surplus on revaluation of held-for-trading securities

Surplus on revaluation of available-for-sale securities

(Deficit) / surplus on revaluation of investments of associates

18,326	-	18,326	52,856	-	52,856
15,790,209	2,263,289	18,053,498	14,740,801	2,752,192	17,492,993
(73,558)	-	(73,558)	695,621	-	695,621
1,008,753,811	236,133,197	1,244,887,008	866,404,927	56,286,174	922,691,101

Total investments (net of provision)

	Note	2015 (Rupees in '000)	2014 (Restated)
8.2 Investments by segments			
Federal Government Securities			
- Market Treasury Bills		612,931,404	450,371,844
- Pakistan Investment Bonds		426,057,689	304,039,376
- Government of Pakistan Guaranteed Bonds		1,713,412	1,992,000
- Government of Pakistan US Dollar Bonds / Sukuks		54,415,006	47,294,174
Fully paid-up Ordinary Shares			
- Listed companies		13,488,155	15,324,333
- Unlisted companies		545,483	1,232,824
Debentures and Corporate Debt Instruments			
- Listed securities		56,246,646	31,568,278
- Unlisted securities		17,397,414	11,819,200
Preference Shares		250,000	250,000
Overseas Government Securities		25,314,042	22,638,331
NIT Units		11,113	2,261,113
Investment in associates and Joint venture	8.4	19,135,914	16,611,922
		<u>1,227,506,278</u>	<u>905,403,395</u>
Less: Provision for diminution in the value of investments	8.7	(617,536)	(953,764)
Net investments		<u>1,226,888,742</u>	<u>904,449,631</u>
Surplus on revaluation of held-for-trading securities	8.13	18,326	52,856
Surplus on revaluation of available-for-sale securities	19.2	18,053,498	17,492,993
(Deficit) / surplus on revaluation of investments of associates		(73,558)	695,621
		<u>1,244,887,008</u>	<u>922,691,101</u>

8.3 The market value of securities classified as held-to-maturity as at December 31, 2015 amounted to Rs. 205,819.619 million (2014: Rs. 120,192.169 million).

	2015 (Rupees in '000)	2014 (Restated)
8.4 Investment in associates and Joint venture		
Kyrgyz Investment and Credit Bank, Kyrgyz Republic - Holding - 18% (2014: 18%) - Unlisted		
Opening balance	960,962	905,671
Share of profit for the year - net of tax	84,694	168,352
Exchange translation impact for the year	43,814	(44,680)
Dividend received during the year	(66,716)	(68,381)
Closing Balance	1,022,754	960,962
Diamond Trust Bank Kenya Limited - Holding - 11.97% (2014: 11.97%) - Listed		
Opening balance	4,588,114	3,666,516
Investment during the year	-	512,645
Share of profit for the year - net of tax	776,390	771,417
Movement in share of surplus / (deficit) on investment / fixed assets	(77,672)	315
Exchange translation impact for the year	(275,283)	(295,485)
Dividend received during the year	(77,072)	(67,294)
Closing Balance	4,934,477	4,588,114
Himalayan Bank Limited, Nepal, - Holding - 20% (2014: 20%) - Listed		
Opening balance	1,425,497	1,356,483
Share of profit for the year - net of tax	233,732	248,689
Exchange translation impact for the year	(15,446)	(120,411)
Dividend received during the year	(34,909)	(59,264)
Closing Balance	1,608,874	1,425,497
Jubilee General Insurance Company Limited, - Holding - 17.84% (2014: 17.84%) - Listed		
Opening balance	1,574,077	1,357,030
Investment during the year	-	94,737
Share of profit for the year - net of tax	253,284	192,732
Capital contribution from statutory reserve	(1,150)	-
Reversal of impairment	577,378	-
Dividend received during the year	(153,978)	(70,422)
Closing Balance	2,249,611	1,574,077

	2015 (Rupees in '000)	2014 (Restated)
Jubilee Life Insurance Company Limited, Holding - 17.95% (2014: 17.95%) - Listed		
Opening balance	785,246	639,127
Share of profit for the year - net of tax	274,203	217,870
Capital contribution from statutory reserve	(35,900)	-
Dividend received during the year	(129,433)	(71,751)
Closing Balance	894,116	785,246
HBL Money Market Fund, Holding - 17.38% (2014: 5.24%) - Listed		
Opening balance	538,221	187,583
Investment during the year	539,160	630,000
Divestment during the year	(341,416)	(321,551)
Share of profit for the year	49,271	42,124
Movement in share of surplus / (deficit) on investment	(112)	65
Closing Balance	785,124	538,221
HBL Islamic Stock Fund, Holding - 79.47% (2014: 75.24%) - Listed		
Opening balance	626,375	514,480
Share of profit for the year	65,959	120,450
Movement in share of surplus / (deficit) on investment	(56,243)	(8,555)
Closing Balance	636,091	626,375
HBL Islamic Money Market Fund, Holding - 77.84% (2014: 72.97%) - Listed		
Opening balance	345,871	318,104
Share of profit for the year	22,911	27,767
Movement in share of surplus / (deficit) on investment	-	-
Closing Balance	368,782	345,871
HBL Pension Equity Sub Fund, Holding - 68.66% (2014: 71.12%) - Unlisted		
Opening balance	79,298	62,853
Share of profit for the year	22,128	12,279
Movement in share of surplus / (deficit) on investment	(8,644)	4,166
Closing Balance	92,782	79,298
HBL Pension Debt Sub Fund, Holding - 28.14% (2014: 32.97%) - Unlisted		
Opening balance	41,165	36,519
Share of profit for the year	4,006	3,520
Movement in share of surplus / (deficit) on investment	5	1,126
Closing Balance	45,176	41,165
HBL Pension Money Market Sub Fund, Holding - 28.26% (2014: 31.90%) - Unlisted		
Opening balance	39,805	36,497
Share of profit for the year	2,804	3,290
Movement in share of surplus / (deficit) on investment	(1)	18
Closing Balance	42,608	39,805
HBL Islamic Pension Equity Sub Fund, Holding - 63.47% (2014: 68.30%) - Unlisted		
Opening balance	73,705	64,127
Share of profit for the year	23,888	10,497
Movement in share of surplus / (deficit) on investment	(14,792)	(919)
Closing Balance	82,801	73,705

	2015 (Rupees in '000)	2014 (Restated)
HBL Islamic Pension Debt Sub Fund, Holding - 46.39% (2014: 54.83%) - Unlisted		
Opening balance	37,938	35,942
Share of profit for the year	2,399	2,421
Movement in share of surplus / (deficit) on investment	144	(425)
Closing Balance	40,481	37,938
HBL Islamic Pension Money Market Sub Fund, Holding - 63.47% (2014: 65.73%) - Unlisted		
Opening balance	37,705	36,010
Share of profit for the year	2,272	2,301
Movement in share of surplus / (deficit) on investment	363	(606)
Closing Balance	40,340	37,705
HBL Mustahekum Sarmaya Fund, Holding - 26.81% (2014: NIL) - Unlisted		
Opening balance	-	-
Investment during the year	500,000	-
Share of profit for the year	27,602	-
Movement in share of surplus / (deficit) on investment	370	-
Closing Balance	527,972	-
HBL Income Fund, Holding - 19.03% (2014: 49.04%) - Unlisted		
Opening balance	1,423,904	1,113,709
Investment during the year	381,416	260,000
Divestment during the year	(539,160)	(123,050)
Share of profit for the year	177,586	147,736
Movement in share of surplus / (deficit) on investment	(24,569)	25,510
Closing Balance	1,419,177	1,423,905
HBL Stock Fund, Holding - 82.29% (2014: 82.28%) - Unlisted		
Opening balance	3,537,576	3,013,088
Share of profit for the year	634,983	585,505
Movement in share of surplus / (deficit) on investment	(551,748)	(61,017)
Closing Balance	3,620,811	3,537,576
HBL Multi Asset Fund, Holding - 85.35% (2014: 79.57%) - Unlisted		
Opening balance	614,705	540,761
Share of profit for the year	71,954	87,945
Movement in share of surplus / (deficit) on investment	(36,280)	(14,001)
Closing Balance	650,379	614,705
	19,062,356	16,730,165

- 8.5 The Group has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of AKFED's holding in these entities.

8.6 Summary of financial information of associates and joint venture

	2015					
	Based on the annual / interim financial statements as on	Assets	Liabilities	Equity / Net Assets	Revenue	Profit / (loss)
	----- (Rupees in '000) -----					
Diamond Trust Bank Kenya Limited	September 30, 2015	249,545,447	213,037,895	36,507,552	19,233,365	4,987,904
Himalayan Bank Limited, Nepal	October 17, 2015	88,058,133	80,644,208	7,413,926	1,483,097	323,398
Kyrgyz Investment and Credit Bank	September 30, 2015	34,892,688	28,816,379	6,076,309	3,027,220	621,879
Jubilee Life Insurance Company Limited	September 30, 2015	62,997,454	59,632,948	3,364,506	259,532	1,025,829
Jubilee General Insurance Company Limited	September 30, 2015	16,698,160	11,018,067	5,680,093	4,181,572	1,107,389
HBL Income Fund	December 31, 2015	7,412,480	99,071	7,313,409	521,972	375,637
HBL Stock Fund	December 31, 2015	4,474,286	261,301	4,212,985	806,873	728,622
HBL Multi Asset Fund	December 31, 2015	748,564	18,011	730,554	110,276	99,550
HBL Money Market Fund	December 31, 2015	4,330,696	164,014	4,166,682	605,761	(144,738)
HBL Islamic Stock Fund	December 31, 2015	818,393	56,204	762,189	129,390	80,727
HBL Islamic Money Market Fund	December 31, 2015	472,532	6,795	465,737	32,998	22,210
HBL Pension Equity Sub Fund	December 31, 2015	135,634	3,832	131,802	39,989	34,362
HBL Pension Debt Sub Fund	December 31, 2015	153,208	2,146	151,062	16,113	12,797
HBL Pension Money Market Sub Fund	December 31, 2015	139,633	1,829	137,804	9,873	6,827
HBL Islamic Pension Equity Sub Fund	December 31, 2015	156,337	2,781	153,556	53,396	46,915
HBL Islamic Pension Debt Sub Fund	December 31, 2015	84,769	1,312	83,457	4,814	3,015
HBL Islamic Pension Money Market Sub Fund	December 31, 2015	61,179	1,103	60,076	3,493	2,086
HBL Mustaheikum Sarmaya Fund	December 31, 2015	1,970,875	29,485	1,941,390	108,542	73,121

	2014					
	Based on the annual / interim financial statements as on	Assets	Liabilities	Equity / Net Assets	Revenue	Profit
	----- (Rupees in '000) -----					
Diamond Trust Bank Kenya Limited	September 30, 2014	212,958,037	178,622,244	34,335,793	20,688,704	4,912,190
Himalayan Bank Limited, Nepal	October 17, 2014	80,582,592	74,071,806	6,510,786	1,445,700	278,838
Kyrgyz Investment and Credit Bank	September 30, 2014	29,474,683	24,034,138	5,440,545	2,533,843	778,521
Jubilee Life Insurance Company Limited	September 30, 2014	43,602,123	40,994,019	2,608,104	145,112	859,771
Jubilee General Insurance Company Limited	September 30, 2014	15,788,530	10,671,309	5,117,221	3,513,663	766,757
HBL Income Fund	December 31, 2014	3,059,275	38,656	3,020,619	276,973	233,323
HBL Stock Fund	December 31, 2014	4,411,882	110,431	4,301,451	761,308	631,748
HBL Multi Asset Fund	December 31, 2014	858,843	42,864	815,979	128,190	89,852
HBL Money Market Fund	December 31, 2014	9,326,863	61,158	9,265,705	1,184,173	985,592
HBL Islamic Stock Fund	December 31, 2014	829,167	16,657	812,510	155,987	129,510
HBL Islamic Money Market Fund	December 31, 2014	484,249	10,571	473,678	41,208	32,473
HBL Pension Equity Sub Fund	December 31, 2014	111,404	1,342	110,062	16,622	14,173
HBL Pension Debt Sub Fund	December 31, 2014	120,146	1,014	119,132	10,971	8,294
HBL Pension Money Market Sub Fund	December 31, 2014	119,281	1,016	118,265	10,502	7,821
HBL Islamic Pension Equity Sub Fund	December 31, 2014	133,444	1,911	131,533	17,945	15,002
HBL Islamic Pension Debt Sub Fund	December 31, 2014	67,890	608	67,282	5,375	3,787
HBL Islamic Pension Money Market Sub Fund	December 31, 2014	55,875	519	55,356	4,353	3,028

8.7 Particulars of provision held against diminution in value of investments

	Note	2015	2014
		(Rupees in '000)	
		(Restated)	
Opening balance		953,764	1,276,721
Charge for the year		262,864	104,594
Reversal for the year		(577,378)	(63,060)
Reversal on disposal during the year		(67,879)	(145,212)
Total reversals - net		(382,393)	(103,678)
Derecognition of provision due to voluntary winding up of modaraba		-	(11,342)
Write offs		-	(207,937)
Transfers in		46,165	-
Closing balance	8.7.1	617,536	953,764

8.7.1 Particulars of provision in respect of type and segment

Available-for-sale securities

- Fully paid-up ordinary shares

- Listed companies

- Unlisted companies

Total equity securities

- Debentures and corporate debt instruments

- Associate

224,612	291,100
121,261	13,786
345,873	304,886
271,663	71,500
-	577,378
617,536	953,764

- 8.8 Investments held for maintaining the liquidity requirements of the SBP as at December 31, 2015 amounted to Rs. 228,216 million (2014: Rs. 198,121 million) and are available for rediscounting with State Bank of Pakistan.
- 8.9 Investments as at December 31, 2015 include Rs. 225.979 million (2014: Rs. 234.326 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.
- 8.10 Investments as at December 31, 2015 include Rs. 9.933 million (2014: Rs. 9.835 million) pledged with the Controller of Military Accounts in lieu of Regimental Fund Accounts being maintained at various branches of the Bank.
- 8.11 Information relating to investments required to be disclosed by the SBP as part of the consolidated financial statements, is given in Annexure "I" and is an integral part of these consolidated financial statements.
- 8.12 This includes privately placed TFCs amounting to Rs. 10,139.045 million (2014: 3,397.500 million) of Pakistan International Airlines Corporation (PIAC) which is guaranteed by the Government of Pakistan.

	Note	2015 (Rupees in '000)	2014
8.13 Unrealized gain / (loss) on revaluation of held-for-trading securities			
Market Treasury Bills		(4,862)	14,294
Pakistan Investment Bonds		24,984	38,562
Ordinary shares of listed companies		(1,796)	-
		<u>18,326</u>	<u>52,856</u>
9. ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		494,173,132	450,443,893
Outside Pakistan		<u>130,921,332</u>	<u>127,200,670</u>
		<u>625,094,464</u>	<u>577,644,563</u>
Net investment in finance lease - in Pakistan	9.1.3	10,478,123	6,541,460
Bills discounted and purchased (excluding Government treasury bills)			
Payable in Pakistan		16,024,711	27,430,375
Payable outside Pakistan		<u>50,964,538</u>	<u>49,859,655</u>
		66,989,249	77,290,030
Provision against advances	9.3	(69,179,212)	(66,180,877)
		<u>633,382,624</u>	<u>595,295,176</u>
9.1 Particulars of advances			
9.1.1 In local currency		452,958,332	395,654,777
In foreign currency including foreign currency financing by domestic branches amounting to Rs. 17,412.151 million (2014: Rs. 36,990.464 million)		<u>180,424,292</u>	<u>199,640,399</u>
		<u>633,382,624</u>	<u>595,295,176</u>
9.1.2 Short term (for upto one year)		442,156,666	442,819,766
Long term (for over one year)		<u>191,225,958</u>	<u>152,475,410</u>
		<u>633,382,624</u>	<u>595,295,176</u>
9.1.3 Net investment in finance lease			

	2015				2014			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
	----- (Rupees in '000) -----							
Lease rentals receivable	81,991	10,824,333	2,583,814	13,490,138	45,664	7,061,849	1,428,711	8,536,224
Residual value	147	19,381	4,626	24,154	63	9,683	1,959	11,705
Gross investment in finance lease	82,138	10,843,714	2,588,440	13,514,292	45,727	7,071,532	1,430,670	8,547,929
Unearned finance income	(3,436)	(2,323,817)	(708,916)	(3,036,169)	(3,082)	(1,605,670)	(397,717)	(2,006,469)
Net investment in finance lease	<u>78,702</u>	<u>8,519,897</u>	<u>1,879,524</u>	<u>10,478,123</u>	<u>42,645</u>	<u>5,465,862</u>	<u>1,032,953</u>	<u>6,541,460</u>

9.2 Advances include Rs. 76,792.159 million (2014: Rs. 79,527.466 million) which have been placed under non-performing status as detailed below:

Category of classification	2015								
	Non-performing advances			Provision required and held			Net non-performing advances		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Specific provision									
Other assets especially mentioned	980,249	-	980,249	-	-	-	980,249	-	980,249
Substandard	4,820,645	1,272,322	6,092,967	1,289,094	300,990	1,590,084	3,531,551	971,332	4,502,883
Doubtful	541,414	1,746,311	2,287,725	270,707	931,250	1,201,957	270,707	815,061	1,085,768
Loss*	48,515,203	18,916,015	67,431,218	47,308,381	15,780,691	63,089,072	1,206,822	3,135,324	4,342,146
	54,857,511	21,934,648	76,792,159	48,868,182	17,012,931	65,881,113	5,989,329	4,921,717	10,911,046
General provision	-	-	-	1,437,286	1,860,813	3,298,099	-	-	-
	54,857,511	21,934,648	76,792,159	50,305,468	18,873,744	69,179,212	5,989,329	4,921,717	10,911,046

Category of classification	2014								
	Non-performing advances			Provision required and held			Net non-performing advances		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Specific provision									
Other assets especially mentioned	554,199	-	554,199	-	-	-	554,199	-	554,199
Substandard	6,775,792	962,186	7,737,978	1,675,263	288,228	1,963,491	5,100,529	673,958	5,774,487
Doubtful	2,414,009	754,054	3,168,063	1,207,005	373,567	1,580,572	1,207,004	380,487	1,587,491
Loss*	49,502,426	18,564,800	68,067,226	47,750,592	12,212,140	59,962,732	1,751,834	6,352,660	8,104,494
	59,246,426	20,281,040	79,527,466	50,632,860	12,873,935	63,506,795	8,613,566	7,407,105	16,020,671
General provision	-	-	-	1,137,628	1,536,454	2,674,082	-	-	-
	59,246,426	20,281,040	79,527,466	51,770,488	14,410,389	66,180,877	8,613,566	7,407,105	16,020,671

* This includes Government guaranteed non-performing advances amounting to Rs.1,065.697 million (December 31, 2014: Rs. 1,065.738 million).

9.2.1 Exposure amounting to Rs. 1.990 billion (2014: Rs. 8.610 billion) relating to Pakistan International Airlines Corporation (PIAC), which is guaranteed by the Government of Pakistan, has not been classified as non performing, in accordance with a relaxation given by the SBP. However, markup income has been suspended on this amount and is only recognized when received. During the year, pursuant to a settlement agreement between the Group and PIAC, an amount of Rs. 6.600 billion has been converted into Term Finance Certificates (TFCs).

9.2.2 Exposure amounting to Rs. 5.339 billion relating to Northern Power Generation Company Limited, which is guaranteed by the Government of Pakistan has not been classified as non performing, in accordance with a relaxation given by the SBP. However, markup income has been suspended on this amount and is only recognized when received.

9.3 Particulars of provision against non-performing advances

	Note	2015			2014		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		63,506,795	2,674,082	66,180,877	64,571,332	2,150,383	66,721,715
Charge for the year		8,696,343	728,630	9,424,973	5,263,354	636,014	5,899,368
Reversals		(4,410,567)	(160,851)	(4,571,418)	(4,407,668)	(51,944)	(4,459,612)
Net charge against advances		4,285,776	567,779	4,853,555	855,686	584,070	1,439,756
Written off	9.7	(2,180,691)	-	(2,180,691)	(1,372,191)	-	(1,372,191)
Charged off	9.6	(912,906)	-	(912,906)	-	-	-
Transfer in due to acquisition of Barclays Plc-Pakistan branches		746,503	3,287	749,790	-	-	-
Net movement of derecognition and acquisition of Modaraba assets		-	-	-	(11,092)	-	(11,092)
Other movements		435,636	52,951	488,587	(536,940)	(60,371)	(597,311)
Closing balance		65,881,113	3,298,099	69,179,212	63,506,795	2,674,082	66,180,877
In local currency		47,852,851	1,437,286	49,290,137	49,801,826	1,137,628	50,939,454
In foreign currency		18,028,262	1,860,813	19,889,075	13,704,969	1,536,454	15,241,423
		65,881,113	3,298,099	69,179,212	63,506,795	2,674,082	66,180,877

9.4 General provision represents provision amounting Rs. 1,335.602 million (2014: Rs. 1,052.781 million) against consumer finance portfolio, Rs. 101.684 million (2014: Rs 84.847 million) against advances to small enterprises as required by the Prudential Regulation issued by SBP and Rs. 1,753.144 million (2014: Rs. 1,536.454 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates.

- 9.5 As per regulation R-8 of the Prudential Regulations for Corporate / Commercial Banking issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) against non-performing advances (excluding consumer housing finance portfolio). Had the benefit of FSV not been taken by the Bank, the specific provision against non-performing advances as at December 31, 2015 would have been higher by Rs. 78.211 million (2014: Rs. 650.595 million). The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.
- 9.6 These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	2015	2014
	(Rupees in '000)	
9.7 Particulars of write offs		
9.7.1 Against provisions	<u>2,180,691</u>	<u>1,372,191</u>
9.7.2 Analysis of write offs		
Rs. 500,000 and above (Note 9.8)	1,375,200	617,844
Below Rs. 500,000 in Pakistan	413,351	164,492
Overseas	<u>392,140</u>	<u>589,855</u>
	<u>2,180,691</u>	<u>1,372,191</u>

9.8 **Details of written - off advances of Rs 500,000 and above**

The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written-off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2015 is given in Annexure II to these financial statements, except for borrowers in certain countries in which the Bank operates where there are disclosure restrictions.

9.9 **Particulars of advances**

to directors, associated companies, etc.

	2015			2014		
	Balance outstanding	Maximum total amount of advances including temporary advances outstanding**	Limit sanctioned during the year	Balance outstanding	Maximum total amount of advances including temporary advances outstanding**	Limit sanctioned during the year
----- (Rupees in '000) -----						
Debts due by directors or executives of the Group or any of them either severally or jointly with any other persons:						
- in respect of directors	-	-	-	-	-	-
- in respect of executives * (Other than key management personnel)	2,651,500	2,651,500	1,285,536	2,014,300	2,034,200	455,839
- in respect of key management personnel / Companies in which key management personnel or their close family members are interested	61,400	69,800	32,151	66,700	71,000	12,630
Debts due by companies or firms in which the directors of the Group / Parent are interested as directors, partners, advisors or in the case of private companies as members	7,490,551	7,490,551	6,249,551	1,160,705	1,901,741	1,833,008

The disclosure of the year-end balance, limit sanctioned and the highest amount outstanding during the year is considered the most meaningful information to represent the amount of the transactions and the amount of outstanding balances during the year.

* These represent staff advances given by the Group to its executives as per their terms of employment

** Maximum amount has been arrived at by reference to month end balances

	Note	2015	2014
		(Rupees in '000)	
10. OPERATING FIXED ASSETS			
Capital work-in-progress	10.1	1,486,307	1,119,394
Intangible assets			
- Goodwill	10.2	1,916,319	1,932,297
- Computer software	10.3	576,427	844,915
Tangible fixed assets	10.4	<u>27,362,456</u>	<u>23,413,197</u>
		<u>31,341,509</u>	<u>27,309,803</u>
10.1 Capital work-in-progress			
Civil works		483,035	494,343
Advances to suppliers and contractors		<u>1,003,272</u>	<u>625,051</u>
		<u>1,486,307</u>	<u>1,119,394</u>
10.2 Goodwill represents the difference between fair values of identifiable assets and liabilities and purchase consideration paid in cash by the Group for acquisition of Habibsons Bank Limited.			

10.3 Intangible assets

Description	COST		ACCUMULATED AMORTISATION		Book value	Rate of amortization %
	As at January 1, 2015	As at December 31, 2015	As at January 1, 2015	Charge for the year / (amortisation on deletions)	as at December 31, 2015	
	----- Rupees in '000 -----					
Computer software	2,867,300	2,407,814	2,022,385	523,387 (714,385)	576,427	33.33

Description	COST		ACCUMULATED AMORTISATION		Book value	Rate of amortization %
	As at January 1, 2014	As at December 31, 2014	As at January 1, 2014	Charge for the year / (amortisation on deletions)	as at December 31, 2014	
	----- Rupees in '000 -----					
Computer software	2,529,609	2,867,300	1,782,906	452,801 (213,322)	844,915	33.33

10.4 Tangible fixed assets

Description	2015		ACCUMULATED DEPRECIATION				Book value as at December 31, 2015	Rate of depreciation %		
	COST / REVALUATION		Movement in		Movement in					
As at January 1, 2015	Additions / (deletions) / adjustments during the year	Movement in Surplus / (deficit) on revaluation during the year	As at December 31, 2015	As at January 1, 2015	Charge for the year / (depreciation on deletions) / adjustments	Surplus / (deficit) on revaluation reversed during the year	As at December 31, 2015			
Land	11,597,871	809,327	2,010,070	14,417,268	-	-	-	14,417,268	-	
Building	6,695,786	786,209	(1,023,853)	6,358,393	950,189	203,564	(487,216)	608,785	5,749,608	1.67
Machinery	716,592	149,095	(399,639)	466,048	145,878	(57,752)	(197,262)	20,229	445,819	10
Leasehold improvements	3,581,952	543,591	-	3,962,262	2,509,786	469,935	-	2,817,658	1,144,604	20
Furniture, fixtures and office equipment	11,871,584	2,877,114	-	14,286,731	7,593,749	1,758,640	-	8,907,607	5,379,124	20-33
Vehicles	438,388	152,608	-	560,043	289,374	73,115	-	334,010	226,033	20
	34,902,173	5,317,944	586,578	40,050,745	11,488,976	2,576,867	(684,478)	12,688,289	27,362,456	
		(599,910)				(578,762)				
		(156,040)				(114,314)				

Description	2014									
	COST / REVALUATION					ACCUMULATED DEPRECIATION				
	As at January 1, 2014	Additions / (deletions) / adjustments during the year	Movement in Surplus / (deficit) on revaluation during the year	As at December 31, 2014	As at January 1, 2014	Charge for the year / (depreciation on deletions) / adjustments	Movement in Surplus / (deficit) on revaluation reversed during the year	As at December 31, 2014	As at December 31, 2014	Rate of depreciation %
	Rupees in '000									
Land	11,598,754	46,698 (8,000)	(39,581)	11,597,871	-	-	-	-	11,597,871	-
Building	6,491,121	380,475 (55,035) (111,150)	(9,625)	6,695,786	837,278	186,582 (1,924) (14,037)	(57,710)	950,189	5,745,597	1.67
Machinery	605,306	111,286	-	716,592	83,199	62,679	-	145,878	570,714	10
Leasehold improvements	3,129,445	456,699 (4,192)	-	3,581,952	2,154,899	357,903 (3,016)	-	2,509,786	1,072,166	20
Furniture, fixtures and office equipment	10,006,958	2,655,879 (702,489) (88,764)	-	11,871,584	6,992,734	1,310,518 (696,749) (12,754)	-	7,593,749	4,277,835	20-33
Vehicles	424,585	41,768 (27,965)	-	438,388	263,772	52,673 (27,071)	-	289,374	149,014	20
	32,256,169	3,692,805 (797,681) (199,914)	(49,206)	34,902,173	10,331,882	1,970,355 (728,760) (26,791)	(57,710)	11,488,976	23,413,197	

- 10.5 The Bank's domestic properties were revalued as at September 30, 2015 by Iqbal A. Nanjee & Co. (Private) Ltd., professional valuers. The revaluation resulted in increasing the surplus on revaluation of fixed assets of Rs. 1,212.891 million. HBL's property of the Lebanon branch was revalued as on November 16, 2015 by the Banking Control Commission of Lebanon and resulted in a surplus of Rs. 3.413 million. HBL's property of the KEPZ branch was revalued on September 30, 2015 by J & M Associates, licensed valuers, on market value basis and resulted in a surplus of Rs. 2.274 million. The properties of Habib Allied Holding Limited, United Kingdom were revalued by Shepherd, Chartered Surveyors, and Property Link Professional Surveys Limited as on January 7, 2016 and January 14, 2016 respectively. These revaluations have resulted in a surplus of 52.477 million. During the year 2014, the properties of HBL's branches in Srilanka and Singapore were revalued as on December 04, 2014 and December 10, 2014 by G.A.Gunasegaram and United Valuers (Pte) Ltd. and these revaluations resulted in a surplus of Rs. 16.518 million and a deficit of Rs. 8.014 million respectively. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	Domestic	Srilanka	Singapore	Lebanon	KEPZ	UK
	(Rupees in '000)					
Land	9,280,588	47,407	390,565	-	-	-
Building	3,866,476	56,424	29,124	9,061	1,617	115,212

The movement in surplus on revaluation of properties is given in note 19.1 to these consolidated financial statements.

- 10.6 **Details of disposal of fixed assets**
The information relating to disposal of fixed assets, required by the SBP to be disclosed as part of the financial statements is given in Annexure III and is an integral part of these consolidated financial statements.
- 10.7 At December 31, 2015 the cost / valuation of operating fixed assets retired from active service and held for disposal amounted to Rs. Nil million (2014: Rs. 10.973 million). The cost / valuation of fully depreciated operating fixed assets that are still in the Group's use, as at the above date, amounted to Rs. 6,076.268 million (2014: Rs. 6,074.142 million).

	Note	2015 (Rupees in '000)	2014 (Restated)
11. OTHER ASSETS			
Income / mark-up / profit accrued in local currency		26,000,315	26,586,722
Income / mark-up / profit accrued in foreign currency		3,281,510	2,568,524
Advances, deposits, advance rent and other prepayments		2,302,509	1,947,561
Advances against Islamic financing		4,001,235	4,724,485
Receivable from defined contribution plan		-	119,834
Advance taxation		14,486,398	13,306,717
Receivable against sale of securities		40,567	535,325
Advances for subscription of shares / TFCs		-	38,250
Stationery and stamps on hand		47,290	32,481
Accrued income		684,898	732,291
Due from Government of Pakistan / SBP		260,158	823,081
Unrealised gain on forward foreign exchange contracts / derivative instruments		606,745	1,578,686
Non-banking assets acquired in satisfaction of claims	11.1	2,684,993	2,257,327
Receivable from National Savings Centre / Clearing in transit		2,237,327	27,052,310
Claims against fraud and forgeries		75,733	257,371
Others		519,611	344,586
		<u>57,229,289</u>	<u>82,905,551</u>
Provision held against other assets	11.2	<u>(456,805)</u>	<u>(459,129)</u>
Other assets - net		<u>56,772,484</u>	<u>82,446,422</u>

- 11.1 The market value of non-banking assets acquired in satisfaction of claims is Rs. 3,145.620 million (2014: Rs. 2,593.734 million).

11.2 Provision against other assets			
Opening balance		434,129	415,102
Charge for the year		271,029	303,299
Reversal for the year		(25,109)	(6,538)
Net charge		245,920	296,761
Written off		(230,249)	(141,632)
Transfer in		3,855	-
Exchange adjustment / other movement		3,150	(111,102)
Closing balance		<u>456,805</u>	<u>459,129</u>

	2015 (Rupees in '000)	2014
12. BILLS PAYABLE		
In Pakistan	26,779,880	21,235,603
Outside Pakistan	1,301,668	754,055
	<u>28,081,548</u>	<u>21,989,658</u>
13. BORROWINGS		
In Pakistan	270,435,605	86,957,906
Outside Pakistan	43,883,494	16,453,208
	<u>314,319,099</u>	<u>103,411,114</u>
13.1 Particulars of borrowings		
In local currency	269,985,427	85,077,250
In foreign currency	44,333,672	18,333,864
	<u>314,319,099</u>	<u>103,411,114</u>

13.2	Details of borrowings	Note	2015 (Rupees in '000)	2014
	Secured			
	Borrowings from SBP under:			
	- Export refinance scheme		19,545,290	14,504,562
	- Long term financing facility - locally manufactured and imported plant & machinery	13.3	3,434,406	6,468,165
	- Long term finance - export oriented projects		7,024	133,651
	- Refinance facility for modernization of SMEs		5,500	-
	- Financing facility for storage of agricultural produce		-	3,061
			22,992,220	21,109,439
	Repurchase agreement borrowings	13.4	234,669,563	56,041,292
			257,661,783	77,150,731
	Unsecured			
	In Pakistan			
	- Interbank call money borrowing	13.5	10,609,263	9,238,070
	- Overdrawn nostro accounts		2,164,559	569,105
	Outside Pakistan		12,773,822	9,807,175
	- Borrowings of overseas branches and subsidiaries	13.6 & 13.7	43,883,494	16,453,208
			56,657,316	26,260,383
			314,319,099	103,411,114

- 13.3 Borrowings from the SBP under these schemes are secured by the Bank's cash and securities balances held by the SBP. These carry annual mark-up rates ranging from 2.00% to 3.50% (2014: 6.00% to 7.50%).
- 13.4 These carry annual mark-up rates ranging from 6.10% to 6.50% (2014: 8.50% to 9.70%) and are due to mature latest by January 15, 2016.
- 13.5 These carry annual mark-up rates ranging from 6.00% to 6.10% (2014: 9.30% to 9.50%) and are due to mature latest by January 08, 2016.
- 13.6 Since, the Group operates in different countries, these carry varied mark-up rates as given by the external banks of respective countries.
- 13.7 This includes a loan from the International Finance Corporation amounting to US\$ 150 million (December 31, 2014: Nil). The principal amount is payable in six equal half yearly installments from June 2022 to December 2024. Interest at LIBOR + 5% is payable bi-annually commencing from June 2015.

14.	DEPOSITS AND OTHER ACCOUNTS	2015 (Rupees in '000)	2014 (Restated)
	Customers		
	Current accounts - non-remunerative	582,993,149	496,598,562
	Savings accounts	744,682,331	664,856,422
	Fixed deposits	275,295,902	329,292,130
		1,602,971,382	1,490,747,114
	Financial institutions		
	Current accounts - non-remunerative	16,520,329	24,986,975
	Savings accounts	3,899,521	4,092,718
	Fixed deposits	11,553,238	4,817,977
		31,973,088	33,897,670
		1,634,944,470	1,524,644,784
14.1	Particulars of deposits		
	In local currency	1,265,943,176	1,142,171,832
	In foreign currency {including foreign currency deposits of domestic branches of Rs. 100,978.515 million (2014: Rs. 113,589.257 million)}	369,001,294	382,472,952
		1,634,944,470	1,524,644,784

15. SUBORDINATED LOAN

The Bank has issued OTC listed, Term Finance Certificates (TFC) as instruments of redeemable capital under Section 120 of the Companies Ordinance, 1984 and the Basel III Guidelines set by the SBP. Brief description of the terms of the issue are as follows:

Issue Amount	Rupees 10 Billion
Rating	AAA (triple A)
Tenor	10 years from the issue date.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment frequency	Semi-annually in arrears
Redemption	The instrument has been structured to redeem 0.02% of the issue amount semi-annually during the first 108 months after the issue and 99.64% of the issue amount in two equal semi-annual installments in the 114th and 120th months.
Mark-up	Floating (no floor, no cap) rate of return at Base Rate + 0.5% (The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate ("KIBOR"))
Call Option	The Bank may call the TFCs, with the prior written approval of the SBP, on any profit payment date from the fifth anniversary of the issue date, subject to not less than 60 days prior notice being given to the investors through the Trustee. The call option once announced will be irrevocable. No Put Option shall be available to the investors.
Lock-in-Clause	Neither profit nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Banks Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR and CAR.
Loss Absorbency Clause	The TFCs will be subject to loss absorbency clause as stipulated under the "Instructions for Basel III Implementation in Pakistan".

Currently, there is a broken period and maturity of the instrument will start from the issue date i.e. the date when it will be registered in Central Depository Company of Pakistan Limited (CDC). The Bank is also in the process of listing of the issue on the Pakistan Stock Exchange.

	Note	2015 (Rupees in '000)	2014 (Restated)						
16. DEFERRED TAX LIABILITY									
<i>Deductible temporary differences on</i>									
- recognised tax losses		(113,028)	(153,740)						
- provision against investments		(60,320)	(290,333)						
- provision against doubtful debts & off-balance sheet obligations		(3,411,575)	(3,683,961)						
- liabilities written back under section 34(5) of the Income Tax Ordinance 2001		(1,442,062)	(1,313,702)						
- provision against others		(83,469)	(115,627)						
		<u>(5,110,454)</u>	<u>(5,557,363)</u>						
<i>Taxable temporary differences on</i>									
- fixed assets		884,973	1,158,486						
- revaluation of investments	19.2	6,307,247	6,139,341						
- Share of Profit of associates		3,589,362	1,125,705						
		<u>10,781,582</u>	<u>8,423,532</u>						
Net deferred tax liability recognized by the Group		<u>5,671,128</u>	<u>2,866,169</u>						
16.1 Movement in temporary differences during the year									
		Balance as at January 1, 2014	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2014	Other Movement	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2015
		(Rupees in '000)							
		(Restated)							
<i>Deductible temporary differences on</i>									
- recognised tax losses		(186,349)	14,638	17,971	(153,740)	-	39,924	788	(113,028)
- provision against investments		(292,205)	1,872	-	(290,333)	-	230,013	-	(60,320)
- provision against doubtful debts & off-balance sheet obligations		(4,972,311)	1,288,350	-	(3,683,961)	-	272,386	-	(3,411,575)
- liabilities written back under section 34(5) of the ITO		(1,255,056)	(58,646)	-	(1,313,702)	-	(128,360)	-	(1,442,062)
- provision against others		(116,170)	543	-	(115,627)	-	32,158	-	(83,469)
<i>Taxable temporary differences on</i>									
- fixed assets		1,153,769	(12,113)	16,830	1,158,486	-	(14,703)	(258,810)	884,973
- revaluation of investments		(267,086)	-	6,406,427	6,139,341	-	-	167,906	6,307,247
- Tax losses of Barclays Bank PLC - Pakistan branch business		-	-	-	-	(974,231)	975,779	(1,548)	-
- Share of Profit of associates		826,259	299,446	-	1,125,705	-	2,463,657	-	3,589,362
- Others		230,636	(230,636)	-	-	-	-	-	-
Net deferred tax liability recognized by the Group		<u>(4,878,513)</u>	<u>1,303,454</u>	<u>6,441,228</u>	<u>2,866,169</u>	<u>(974,231)</u>	<u>3,870,854</u>	<u>(91,664)</u>	<u>5,671,128</u>
							Note	2015	2014
								(Rupees in '000)	
								(Restated)	
17. OTHER LIABILITIES									
Mark-up / return / profit payable in local currency								12,670,934	15,424,132
Mark-up / return / profit payable in foreign currency								1,490,904	1,759,167
Security deposits								532,215	540,210
Accrued expenses								6,811,357	4,798,526
Unrealised loss on forward foreign exchange contracts / derivative instruments								929,999	1,944,403
Unclaimed dividends								208,595	173,631
Dividend payable								742,946	81,032
Provision for employees' compensated absences	33.3.8							2,251,391	2,134,581
Provision for post retirement medical benefits	33.3.3							2,739,575	2,521,535
Provision against off-balance sheet obligations	17.1							946,073	927,648
Branch adjustment account								4,176,037	1,551,814
Provision for staff retirement benefits								836,863	692,976
Payable to defined benefit plan	33.3.3							484,934	539,945
Provision for Workers Welfare Fund								2,148,773	3,499,205
Unearned income								131,969	148,739
Qarza-e-Hasna Fund								340,898	342,093
Duties and taxes payable								1,497,799	1,526,384
Insurance payable								369,366	203,451
Reward point payable								299,016	261,867
Payable to Barclays Bank Plc - Pakistan branches	14.1							500,000	-
Payable to HBL Foundation								541,446	468,118
Others								2,135,399	2,571,414
								<u>42,786,489</u>	<u>42,110,871</u>
17.1 Provision against off-balance sheet obligations									
Opening balance								927,648	1,118,799
Charge for the year								104,482	57,858
Reversal for the year								(67,738)	(160,025)
Net charge / (reversal)								36,744	(102,167)
Written off								(5,378)	-
Exchange adjustment / other movement								(12,941)	(88,984)
Closing balance								<u>946,073</u>	<u>927,648</u>
18. SHARE CAPITAL									
18.1 Authorised capital									
		2015	2014						
		Number of shares in '000							
		3,000,000	3,000,000	Ordinary shares of Rs. 10 each				30,000,000	30,000,000
18.2 Issued, subscribed and paid-up capital									
		2015	2014						
		Number of shares in '000							
		690,000	690,000	Ordinary shares of Rs. 10 each				6,900,000	6,900,000
		776,852	776,852	Fully paid in cash				7,768,525	7,768,525
		1,466,852	1,466,852	Issued as bonus shares				14,668,525	14,668,525
18.3 Exchange translation reserve									
		This comprises all foreign currency differences arising from the translation of financial statements of foreign operations.							

18.4 Statutory reserves

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

	Note	2015 (Rupees in '000)	2014 (Restated)
19. SURPLUS ON REVALUATION OF ASSETS - net of deferred tax			
Surplus arising on revaluation of:			
- fixed assets	19.1	10,902,891	9,426,801
- investments	19.2	11,672,693	12,049,273
Surplus on revaluation of assets - net of deferred tax		<u>22,575,584</u>	<u>21,476,074</u>
19.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets as at January 1		10,286,364	10,419,565
Surplus on revaluation of the Group's properties recognized during the year		1,271,056	8,504
Surplus realised on disposal during the year - net of deferred tax		-	(33,741)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(53,776)	(59,132)
Related deferred tax liability on incremental depreciation charged during the year		(28,979)	(31,870)
Related deferred tax liability on surplus realised on disposal		-	(16,962)
Surplus on revaluation of fixed assets as at December 31		<u>11,474,665</u>	<u>10,286,364</u>
Less: related deferred tax liability on			
- revaluation as at January 1		859,563	891,565
- revaluation recognized during the year		(258,810)	16,830
- surplus realised on disposal of revalued properties during the year		-	(16,962)
- incremental depreciation charged during the year		(28,979)	(31,870)
		<u>571,774</u>	<u>859,563</u>
		<u>10,902,891</u>	<u>9,426,801</u>
19.2 Surplus on revaluation of investments			
Market Treasury Bills		490,263	371,647
Pakistan Investment Bonds		16,666,315	14,774,097
Government of Pakistan Sukuk and US Dollar / Euro Bonds		117,360	(188,839)
Listed Securities		1,006,484	2,063,647
Other Investments		(226,924)	472,441
		<u>18,053,498</u>	<u>17,492,993</u>
(Deficit) / Surplus on revaluation of investments of associates		(73,558)	695,621
Related deferred tax liability		(6,307,247)	(6,139,341)
		<u>11,672,693</u>	<u>12,049,273</u>
20. CONTINGENCIES AND COMMITMENTS			
20.1 Direct credit substitutes - financial guarantees			
Guarantees in favour of:			
- Government		261,261	274,410
- Financial institutions		295,000	295,000
- Others		31,684,274	24,353,007
		<u>32,240,535</u>	<u>24,922,417</u>
20.2 Transaction-related contingent liabilities			
Guarantees in favour of:			
- Government		718,148	294,415
- Financial institutions		1,253,518	2,956,884
- Others		93,410,699	53,659,253
		<u>95,382,365</u>	<u>56,910,552</u>
20.3 Trade-related contingent liabilities			
Letters of credit in favour of:			
- Government		45,023,666	41,988,863
- Financial institutions		20,924	-
- Others		103,587,432	75,842,800
		<u>148,632,022</u>	<u>117,831,663</u>
20.4 Other contingencies			
Claims against the Group not acknowledged as debts		<u>28,888,202</u>	<u>37,608,696</u>

20.5 Commitments to extend credit

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

20.6 Commitments in respect of forward foreign exchange contracts

2015
2014
(Rupees in '000)

Purchase	155,889,749	175,592,647
Sale	156,605,356	176,427,323

20.7 Commitments in respect of forward Government Securities transactions

Purchase	19,181,362	-
Sale	1,858,663	-

20.8 Commitments in respect of derivatives

Foreign currency options

Purchase	-	3,170,666
Sale	-	3,170,666

Cross Currency Swaps

Purchase	1,918,607	1,390,469
Sale	1,909,263	1,353,623

Interest rate swaps

Purchase	104,741	167,472
Sale	5,604,741	330,805

20.9 Commitments for capital expenditure

1,054,027 1,082,541

20.10 The income tax returns of the Bank have been submitted upto and including the year 2014. The tax authorities have concluded the audit of years 2002 through 2013.

As per Rule 8(A) of the Seventh Schedule, amounts provided for in the Tax Year 2008 (Financial year 2007) and prior to said tax year for doubtful debts, which were neither claimed nor allowed as tax deductible in any year shall be allowed as deduction in tax year in which such doubtful debts are written off.

21. DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to the change in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps and options and structured financial products that have one or more characteristics of forwards, futures, swaps and options.

The Bank as an Authorized Derivative Dealer (ADD) is an active participant in the Pakistan derivatives market. Although the ADD license covers only the transactions mentioned below (permitted under the Financial Derivatives Business Regulations issued by the SBP), the Bank offers a wide variety of derivatives products to satisfy customers' needs, specific approval for which is sought from the SBP on a transaction by transaction basis:

- Foreign Currency Options
- Forward Rate Agreements
- Interest Rate Swaps
- Cross Currency Swaps

These transactions cover the aspects of both market making and hedging.

The policy guidelines for taking derivative exposures are approved by the Board of Directors the (BoD) and the Board Risk Management Committee (BRMC).

The responsibility for derivatives trading activity lies with the Global Treasury. Measurement & monitoring of market and credit risk exposure and limits and its reporting to the senior management and the BoD is done by the Treasury Middle Office (TMO). TMO coordinates with the business regarding approvals for derivatives risk limits. Treasury Operations records derivatives activity in the Bank's books, and handles its reporting to the SBP.

Derivatives Risk Management

There are a number of risks undertaken by the Bank, which need to be monitored and assessed.

Credit Risk

Credit risk refers to the risk of non-performance or default by a party (a customer, guarantor, trade counterparty, third party, etc.), resulting in an adverse impact on the Bank's profitability. Credit risk associated with derivatives transactions is categorized into settlement risk and pre-settlement risk. A pre-settlement risk limit for derivative transaction is recommended by Treasury Middle Office for approval to the appropriate Credit Approval Authority. The exposure of each counterparty is estimated and monitored by Treasury Middle Office on a daily basis.

Market Risk

The Bank, as a policy, hedges back-to-back all Options transactions. In addition, the Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market. To manage the interest rate risk of Interest Rate Derivatives, the Bank has implemented various limits which are monitored and reported by Treasury Middle Office on a daily basis.

Liquidity Risk

Derivatives transactions, usually being non-funded in nature, do not carry a specific funding liquidity risk.

The liquidity risk arises from the fact that in Pakistan interest rate derivatives generally have a uni-directional demand, and no perfect hedge is available. The Bank mitigates its risk by limiting the portfolio in terms of tenor, notional and sensitivity limits, and can also hedge its risk by taking on and off balance sheet positions in the interbank market, where available.

Operational Risk

The staff involved in the process of trading, settlement and risk management of derivatives are carefully trained to deal with the complexities involved in the process. Adequate systems and controls are in place to carry out derivatives transactions smoothly. Each transaction is processed in accordance with the product program or transaction memo, which contains detailed accounting and operational aspects of the transaction to further mitigate operational risk. In addition, the Treasury Middle Office and the Compliance and Control Department are assigned the responsibility of monitoring any deviation from policies and procedures. The Bank's Audit and Inspection Group also reviews this function, which covers regular review of systems, transactional processes, accounting practices and end-user roles and responsibilities.

The Bank uses a derivatives system which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures, carry out stress tests and sensitivity analysis. Treasury Middle Office produces various reports for higher management (BoD, BRMC, MRC, etc) on a periodic basis. These reports provide details of the derivatives business profile containing outstanding positions, profitability, risk exposures and the status of compliance with limits.

21.1 Product Analysis Counterparties

	2015					
	Interest Rate Swaps		FX Options		Cross Currency Swaps	
	No. of Contracts	Notional Principal* (Rupees in '000)	No. of Contracts	Notional Principal* (Rupees in '000)	No. of Contracts	Notional Principal* (Rupees in '000)
With Banks for						
Hedging	1	104,741	-	-	-	-
Market Making	-	-	-	-	3	2,623,188
With other entities for						
Hedging	-	-	-	-	-	-
Market Making	3	5,604,741	-	-	1	1,204,682
Total						
Hedging	1	104,741	-	-	-	-
Market Making	3	5,604,741	-	-	4	3,827,870

	2014					
	Interest Rate Swaps		FX Options		Cross Currency Swaps	
	No. of Contracts	Notional Principal* (Rupees in '000)	No. of Contracts	Notional Principal* (Rupees in '000)	No. of Contracts	Notional Principal* (Rupees in '000)
With Banks for						
Hedging	1	167,472	68	3,170,666	-	-
Market Making	-	-	-	-	2	1,548,048
With other entities for						
Hedging	-	-	-	-	-	-
Market Making	3	330,805	68	3,170,666	1	1,196,044
Total						
Hedging	1	167,472	68	3,170,666	-	-
Market Making	3	330,805	68	3,170,666	3	2,744,092

* At the exchange rate prevailing at the end of the reporting year.

21.2 Maturity Analysis

Remaining Maturity	2015				
	No. of Contracts	Notional Principal	Mark to Market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 Month	-	-	-	-	-
1 to 3 Months	1	1,204,681	-	796	796
3 Months to 6 Months	-	-	-	-	-
6 Months to 1 Year	1	1,065,954	-	23,971	23,971
1 to 2 Years	3	723,509	(10,198)	1,821	(8,377)
2 to 3 Years	-	-	-	-	-
3 to 4 Years	3	6,543,208	-	91,447	91,447
	8	9,537,352	(10,198)	118,035	107,837
	2014				
Remaining Maturity	No. of Contracts	Notional Principal	Negative	Positive	Net
			(Rupees in '000)		
Upto 1 Month	14	508,436	(67)	21	(46)
1 to 3 Months	58	2,970,478	(2,448)	9,771	7,323
3 Months to 6 Months	64	2,862,418	(5,770)	3,154	(2,616)
6 Months to 1 Year	-	-	-	-	-
1 to 2 Years	5	2,404,042	(12,014)	61,707	49,693
2 to 3 Years	1	334,944	(4,594)	4,767	173
3 to 5 Years	1	503,383	-	5,412	5,412
	143	9,583,701	(24,893)	84,832	59,939

	Note	2015 (Rupees in '000)	2014 (Restated)
22. MARK-UP / RETURN / PROFIT / INTEREST EARNED			
<i>On advances to</i>			
- Customers		45,668,454	52,670,210
- Financial institutions		8,393	120,455
<i>On investments in</i>			
- Available-for-sale securities		73,852,858	64,370,552
- Held-for-trading securities		3,562,233	3,513,937
- Held-to-maturity securities		14,099,560	8,435,829
On deposits with financial institutions		2,141,048	1,439,331
On lendings to financial institutions		4,899,929	5,556,337
Compensation received on delayed tax refunds		-	1,309,147
		<u>144,232,475</u>	<u>137,415,798</u>
22.1 Rs. 220 million has been reclassified from Mark-up / return / profit / interest earned on Customer advances to Fee, commission and brokerage income.			
23. MARK-UP / RETURN / PROFIT / INTEREST EXPENSED			
On:			
Deposits		47,832,205	59,567,932
Securities sold under repurchase agreements		12,393,804	4,281,627
Other short term borrowings		4,880,189	4,444,383
Long term borrowings		957,501	538,760
		<u>66,063,699</u>	<u>68,832,702</u>
24. GAIN / (LOSS) ON SALE OF SECURITIES - NET			
<i>Federal Government Securities</i>			
- Market treasury bills		594,214	71,567
- Pakistan Investment Bonds		7,568,150	736,047
Listed shares		2,117,298	638,125
Unlisted shares		663,645	-
Others		98,622	(36,156)
		<u>11,041,929</u>	<u>1,409,583</u>
25. OTHER INCOME			
Incidental charges		397,783	551,570
Gain on sale of operating fixed assets - net		49,432	21,115
Gain on sale of non-banking asset		-	74,835
Rent on properties		64,420	102,198
Liabilities no longer required written back		3,004	27,663
Management fee income		104,715	152,917
Derivative income		123,874	41,518
		<u>743,228</u>	<u>971,816</u>
25.1 Certain incidental charges and rent on lockers amounting to Rs. 1,617 million have been reclassified to Fee, commission and brokerage income.			
26. ADMINISTRATIVE EXPENSES			
Salaries, allowances, etc.		22,100,791	20,415,771
Charge for defined benefit / contribution plan and other benefits		1,484,961	1,426,195
Non-executive directors' fees		31,400	12,400
Outsourced service charges		844,727	774,443
Brokerage and commission		425,652	393,928
Rent, taxes, insurance, electricity, etc		5,476,774	4,857,000
Legal and professional charges		1,035,008	759,293
Consultancy charges		795,365	484,200
Communications		1,595,408	1,144,149
Repairs and maintenance		3,317,253	2,072,552
Stationery and printing		943,865	965,843
Auditors' remuneration	26.1	174,975	186,012
Advertisement and publicity		2,332,967	1,279,817
Amortisation	10.3	523,387	452,801
Depreciation	10.4	2,576,867	1,970,355
Entertainment		232,322	207,267
Travelling		526,769	412,630
Conveyance		166,401	164,587
Training		316,331	207,432
Security charges		1,834,465	1,413,876
Remittance charges		229,138	223,353
Donations	26.3	386,720	384,014
Documentation and processing charges		777,958	864,941
Subscription		83,839	85,995
Others		187,041	95,591
		<u>48,400,384</u>	<u>41,254,445</u>

	2015 (Rupees in '000)	2014 (Restated)
26.1 Auditors' remuneration		
Audit fee	5,213	4,803
Fee for interim review	4,741	4,368
Fee for audit of local branches of Habib Bank Limited	13,715	12,638
Special certifications / examinations and sundry advisory services	20,904	16,817
Out of pocket expenses	<u>5,573</u>	<u>3,989</u>
	50,146	42,615
Overseas subsidiaries / branches and domestic subsidiaries	<u>124,829</u>	<u>143,397</u>
	<u>174,975</u>	<u>186,012</u>
26.2 The Bank operates a short term employee benefit scheme which includes cash awards / special bonus for all employees. Under this scheme, the bonus for all Executives, including the Chief Executive Officer is determined on the basis of employees' evaluation and the Bank's performance during the year. The aggregate amount determined for the eligible employees in respect of the above scheme relating to all Executives and for the Key Management Personnel of the Bank amounted to Rs. 1,600.723 million (2014: Rs. 1,303.544 million) and Rs. 508.760 million (2014: Rs. 428.900 million) respectively.		
26.3 Details of donations in excess of Rs. 100,000 and above are given in Annexure IV.		
	2015 (Rupees in '000)	2014
27. OTHER CHARGES		
Penalties imposed by the State Bank of Pakistan	<u>128,831</u>	<u>4,654</u>
28. WORKERS WELFARE FUND		
The Worker's Welfare Ordinance, 1971 has been amended vide Finance Act, 2008 by virtue of which WWF @ 2% of profit before tax as per accounts or declared income as per income tax return, whichever is higher, has been levied.		
	Note	2015 (Rupees in '000)
		2014 (Restated)
29. TAXATION		
For Pakistan - for the year - current		16,954,266
- deferred		3,870,854
For Pakistan - prior year - current	29.2	(210,479)
For Overseas - for the year - current		2,098,307
		<u>25,184,647</u>
		<u>16,767,715</u>
The Bank's branches in Azad Jammu & Kashmir region are included in overseas for taxation purpose.		
29.1 Relationship between tax expense and accounting profit		
Accounting profit for the current year		<u>60,286,238</u>
		<u>48,514,805</u>
Tax on income @ 35% (2014: 35%)		21,100,183
- Reduced rate income		-
- Penalty imposed by SBP		45,091
- Tax losses		(501,859)
- Prior year charge		2,261,220
- Share of profit		2,463,657
- Others		(183,645)
Tax charge for the current year		<u>25,184,647</u>
		<u>16,767,715</u>
29.2 The Federal Government vide Finance Act 2015 has imposed a onetime tax at the rate of 4% on income of banks for the year ended December 31, 2014 (Tax Year 2015). This tax has been levied for financing the rehabilitation of internally displaced persons affected by the ongoing war on terror. Further, the reduced rates of taxation on dividend income and capital gains of banks have also been revised with effect from the tax year 2015 and a uniform tax rate of 35% has been made applicable.		
	2015 (Rupees in '000)	2014
30. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year attributable to equity holders of the Bank	<u>35,108,659</u>	<u>31,618,014</u>
	(Number)	
Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
	(Rupees)	(Restated)
Basic and diluted earnings per share	<u>23.93</u>	<u>21.56</u>
	(Rupees in '000)	(Restated)
31. CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	167,250,988	135,276,934
Balances with other banks	<u>40,469,761</u>	<u>67,284,700</u>
	<u>207,720,749</u>	<u>202,561,634</u>
32. STAFF STRENGTH		
	(Number)	
Permanent	15,042	14,103
Others	18	20
Total staff strength	<u>15,060</u>	<u>14,123</u>

33. DEFINED BENEFIT PLANS AND OTHER BENEFITS

33.1 Principal actuarial assumptions

The latest actuarial valuation for the pension and gratuity schemes was carried out as at December 31, 2015 using the Projected Unit Credit Method and assuming that no indexation of pension will take place. The following significant assumptions were used for the valuation of these schemes:

	2015	2014
Valuation discount rate	10.00%	12.25%
Expected rate of increase in salary level	9.00%	11.25%
Expected rate of return on funds invested	10.00%	12.25%

33.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2015	2014
- Pension fund	3,044	7,108
- Gratuity fund	66	121
- Benevolent fund	14,169	13,356
- Post retirement medical benefit scheme	14,169	13,356
- Compensated absences	14,169	13,356

33.3 Pension, gratuity, benevolent fund schemes and other benefits

33.3.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2015 are as follows:

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
Fair value of plan assets	3,641,812	3,516,044	95,321	118,769	1,796,901	1,841,667	-	-
Present value of defined benefit obligations	(4,127,198)	(4,009,651)	(94,869)	(165,107)	(985,726)	(1,174,230)	(2,739,575)	(2,521,535)
Receivable from / (payable to) the fund	(485,386)	(493,607)	452	(46,338)	811,175	667,437	(2,739,575)	(2,521,535)

33.3.1.1 The surplus on benevolent fund has not been accounted for as this is a contributory scheme with contribution both from the employees and the Bank.

33.3.2 The following amounts have been charged / (credited) to the profit and loss account in respect of the above-referred schemes:

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
Current service cost	58,633	47,323	4,172	6,527	38,619	22,288	70,396	61,386
Net mark up	60,466	62,687	1,210	2,230	(89,000)	(76,869)	289,563	269,358
Past service cost	-	(133,559)	-	-	36,126	-	-	-
Settlement loss	27,591	67,268	-	-	-	-	-	-
Contributions - employees	-	-	-	-	(41,256)	(39,029)	-	-
Charge / (reversal) for the year	146,690	43,719	5,382	8,757	(55,511)	(93,610)	359,959	330,744

33.3.3 Movement in amounts (receivable from) / payable to defined benefit plans

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in '000)							
Opening balance	493,607	324,386	46,338	17,155	(667,437)	(552,272)	2,521,535	2,225,250
Charge / (credit) for the year	146,690	43,719	5,382	8,757	(55,511)	(93,610)	359,959	330,744
Contributions during the year	(171,654)	-	(71,637)	-	(41,253)	(39,029)	-	-
Actuarial (gains) / losses - net	16,743	125,502	19,465	20,426	(46,974)	17,474	173,585	272,069
Benefits paid	-	-	-	-	-	-	(315,504)	(306,528)
Closing balance	485,386	493,607	(452)	46,338	(811,175)	(667,437)	2,739,575	2,521,535

33.3.4 The significant portion of the assets comprises of debt securities.

33.3.5 Movement in present value of defined benefit obligations

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in '000)							
Opening balance	(4,009,651)	(6,432,871)	(165,107)	(244,437)	(1,174,230)	(1,105,881)	(2,521,535)	(2,225,250)
Current service cost	(58,633)	(47,323)	(4,172)	(6,527)	(38,619)	(22,288)	(70,396)	(61,386)
Mark-up cost	(451,618)	(770,055)	(13,810)	(24,368)	(133,000)	(134,739)	(289,563)	(269,358)
Benefits paid	645,922	3,395,823	90,042	113,979	141,233	138,854	315,504	306,528
Past Service Cost	-	133,559	-	-	(36,126)	-	-	-
Settlement loss	(27,591)	(67,268)	-	-	-	-	-	-
Actuarial (loss) / gain	(225,627)	(221,516)	(1,822)	(3,754)	255,016	(50,176)	(173,585)	(272,069)
Closing balance	(4,127,198)	(4,009,651)	(94,869)	(165,107)	(985,726)	(1,174,230)	(2,739,575)	(2,521,535)

33.3.6 Movement in fair value of plan assets

	Pension		Gratuity		Benevolent	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Opening balance	3,516,044	6,108,485	118,769	227,282	1,841,667	1,658,153
Return on plan assets	391,153	707,368	12,600	22,138	222,000	211,608
Employer contribution	171,654	-	71,637	-	41,253	39,029
Employee contributions	-	-	-	-	41,256	39,029
Benefits paid	(645,922)	(3,395,823)	(90,042)	(113,979)	(141,233)	(138,854)
Actuarial gain / (loss) on plan assets	208,883	96,014	(17,643)	(16,672)	(208,042)	32,702
Closing balance	3,641,812	3,516,044	95,321	118,769	1,796,901	1,841,667

33.3.7 Actual return on plan assets

	Pension		Gratuity		Benevolent	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Expected return on plan assets	391,153	707,368	12,600	22,138	222,000	211,608
Actual gain / (loss) on plan assets	208,883	96,014	(17,643)	(16,672)	(208,042)	32,702
Actual return on plan assets	600,036	803,382	(5,043)	5,466	13,958	244,310

33.3.8 Other long term benefits - Employee compensated absences

The liability of the Bank in respect of employee compensated absences as at December 31, 2015, amounted to Rs. 2,251.391 million (2014: Rs. 2,134.581 million). Provision for this balance is held by Bank.

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

	2015	2014	2013	2012	2011
	(Rupees in '000)				
Pension Fund					
Present value of defined benefit obligations	(4,127,198)	(4,009,651)	(6,432,871)	(6,132,451)	(4,161,705)
Fair value of plan assets	3,641,812	3,516,044	6,108,485	5,030,128	4,014,787
Deficit	(485,386)	(493,607)	(324,386)	(1,102,323)	(146,918)
Experience adjustments on plan liabilities [loss]	(225,627)	(221,516)	(159,428)	(423,638)	(132,145)
Experience adjustments on plan assets [gain / (loss)]	208,883	96,014	66,779	(235,167)	164,373
Gratuity Fund					
Present value of defined benefit obligations	(94,869)	(165,107)	(244,437)	(302,753)	(374,205)
Fair value of plan assets	95,321	118,769	227,282	204,657	329,342
Surplus / (deficit)	452	(46,338)	(17,155)	(98,096)	(44,863)
Experience adjustments on plan liabilities [(loss) / gain]	(1,822)	(3,754)	(5,429)	(12,636)	1,608
Experience adjustments on plan assets [(loss) / gain]	(17,643)	(16,672)	2,314	(29,051)	19,122
Benevolent Fund					
Present value of defined benefit obligations	(985,726)	(1,174,230)	(1,105,881)	(1,175,073)	(1,469,644)
Fair value of plan assets	1,796,901	1,841,667	1,658,153	1,587,950	1,478,094
Surplus	811,175	667,437	552,272	412,877	8,450
Experience adjustments on plan liabilities [gain / (loss)]	255,016	(50,176)	108,984	9,597	28,649
Experience adjustments on plan assets [(loss) / gain]	(208,042)	32,702	(77,174)	(68,607)	83,402
Post employment medical benefit					
Present value of defined benefit obligations	(2,739,575)	(2,521,535)	(2,225,250)	(2,182,363)	(2,455,614)
Experience adjustments on plan liabilities [loss]	(173,585)	(272,069)	(36,118)	(173,538)	(71,735)
DEFINED CONTRIBUTION PLANS					
Provident Fund					
Payments are made to the employees on retirement, death, resignation and discharge as specified in the rules of the Fund.					
34.2 Subsidiary companies					
34.2.1 Habib Finance International Limited, Hong Kong					
<p>Habib Finance International Limited, Hong Kong maintains the following two schemes for its employees.</p> <p>Provident Fund</p> <p>The company is required to contribute at 5% of salary of all of its employees, subject to a maximum contribution of HK \$ 1,500. Employees who earn HK \$ 7,100 or more per month are also required to contribute the same amount. Those who earn less than HK \$ 7,100 per month have an option not to contribute to the fund.</p> <p>Long Service Payment</p> <p>The company is required to pay long service payment at 2/3rd of employee's last month's full wages or 2/3rd of HK \$ 22,500 whichever is lower, for every year of service. The maximum payment is the total amount of wages earned during the last 12 months or HK \$ 390,000 whichever is lower.</p>					
34.2.2 Habib Allied Holding Limited, United Kingdom					
<p>Habib Allied Holding Limited (HAHL) is maintaining a defined contribution pension scheme for its employees. Employer's contribution is 6% of basic salary, whereas contribution from the employee is 1% of basic. HAHL also makes defined contribution towards personal pension plans of some of the staff members as per their terms of employment.</p>					
34.2.3 Habibsons Bank Limited					
<p>Habibsons Bank Limited is maintaining a defined contribution pension scheme for its employees. Employer's contribution for employees of Habibsons Bank Limited is upto 5% of basic salary. Minimum employee contribution is 1% of basic.</p>					

35. REMUNERATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Fees of non executive directors	-	-	31,400	21,273	-	-
Managerial remuneration (including allowances)	63,900	45,900	-	-	7,772,385	7,020,059
Contribution to retirement funds	3,690	2,610	-	-	343,875	281,593
Medical	311	383	-	-	583,976	510,872
House-rent, maintenance, furnishing, others	2,921	1,254	-	-	1,578,036	1,277,413
Utilities	1,186	1,348	-	-	361,010	296,883
Conveyance	3,143	1,683	-	-	975,716	858,628
	<u>75,151</u>	<u>53,178</u>	<u>31,400</u>	<u>21,273</u>	<u>11,614,998</u>	<u>10,245,448</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>4,507</u>	<u>3,583</u>

The Chief Executive Officer (CEO) and certain executives are provided with free club memberships and CEO is also provided with free use of Bank maintained cars in accordance with his entitlement.

In addition to the above, the President / CEO was paid Rs. 30.000 million in lieu of long term benefits to which he is entitled as per the terms of his contract.

In addition to the above, all executives, including the CEO of the Bank are entitled to certain short term employee benefits which are disclosed in note 26.2 to these consolidated financial statements.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices. Unquoted equity investments other than investments in associates and joint venture, are estimated using the break-up value of the investee company.

The fair value of fixed term loans, other assets and other liabilities can not be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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 they are either short-term in nature or, in the case of customer advances and deposits, are frequently repriced.

Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities for which fair value is measured or disclosed in the financial statements:

	2015			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Recurring Fair Value Measurements				
Financial Assets & Liabilities				
- Fully paid up Ordinary Shares	14,524,283	-	-	14,524,283
- NIT Units	-	42,555	-	42,555
- Federal Government Securities	-	963,389,692	-	963,389,692
- Overseas Government Securities	-	4,045,632	-	4,045,632
- FCY Bonds	-	7,537,445	-	7,537,445
- Debentures and Corporate Debt Instruments	-	25,918,372	-	25,918,372
- Unrealised gain on forward foreign exchange contracts / derivative instruments	-	606,745	-	606,745
- Unrealised loss on forward foreign exchange contracts /derivative instruments	-	929,999	-	929,999
Non-Financial Assets				
Operating Fixed Assets	-	20,612,695	-	20,612,695
	<u>14,524,283</u>	<u>1,023,083,135</u>	<u>-</u>	<u>1,037,607,418</u>
	2014			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Recurring Fair Value Measurements				
Financial Assets & Liabilities				
- Fully paid up Ordinary Shares	17,821,375	-	-	17,821,375
- NIT Units	-	2,694,507	-	2,694,507
- Federal Government Securities	-	740,933,266	-	740,933,266
- Overseas Government Securities	-	5,161,190	-	5,161,190
- FCY Bonds	-	9,134,214	-	9,134,214
- Debentures and Corporate Debt Instruments	-	11,163,176	-	11,163,176
- Unrealised gain on forward foreign exchange contracts / derivative instruments	-	1,578,686	-	1,578,686
- Unrealised loss on forward foreign exchange contracts /derivative instruments	-	1,944,403	-	1,944,403
Non-Financial Assets				
Operating Fixed Assets	-	17,914,182	-	17,914,182
	<u>17,821,375</u>	<u>790,523,624</u>	<u>-</u>	<u>808,344,999</u>

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation techniques used in determination of fair values within level 2

Federal Government Securities / FCY Bonds / Government of Pakistan USD Dollar Bonds

The fair value of Government Securities is derived on the basis of PKRV rates (Reuters page). The fair value of Government of Pakistan USD Dollar Bonds & FCY Bonds is also determined on the basis of rates taken from Reuters.

Debentures and Corporate Debt Instrument

Investment in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

Units of mutual funds

Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.

Overseas Government Securities

Fair value of overseas securities is determined on the basis of methodology defined by their local regulators.

Derivatives

The Group enters into derivative contract with various counterparties. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

Operating Fixed Assets

Land, Buildings and certain machinery are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of market value of the properties.

37. SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	For the year ended December 31, 2015					
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	Total
	(Rupees in million)					
Net markup income - External	(19,041)	18,939	69,915	7,993	363	78,169
Inter segment revenue / (expense) - net	59,022	(13,118)	(54,161)	-	8,257	-
Non-funded income	11,053	3,381	11,549	7,212	3,389	36,584
Total income	51,034	9,202	27,303	15,205	12,009	114,753
Total expenses including provision	22,368	1,355	370	13,791	16,583	54,467
Inter segment administrative cost	11,721	1,674	322	1,230	(14,947)	-
Total expenses including provision	34,089	3,029	692	15,021	1,636	54,467
Profit before tax	16,945	6,173	26,611	184	10,373	60,286
Segment return on assets %	8.14%	8.45%	9.17%	4.90%	6.18%	-
Segment cost of funds %	3.83%	5.59%	6.62%	1.53%	0.01%	-
	As at December 31, 2015					
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	Total
	(Rupees in million)					
Segment assets (gross of provisions)	305,318	362,136	1,139,132	412,480	69,611	2,288,677
Segment non-performing advances	8,290	46,462	-	21,935	105	76,792
Segment provision held including general provision	6,587	44,259	72	18,874	462	70,254
Inter Segment Assets / (Liabilities)	979,320	(148,415)	(845,715)	(73,191)	88,001	-
Segment liabilities including equity	1,278,051	169,463	293,344	320,415	157,150	2,218,423
	For the year ended December 31, 2014					
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	Total
	(Rupees in million)					
	(Restated)					
Net markup income - External	(32,433)	22,781	67,760	8,192	2,283	68,583
Inter segment revenue / (expense) - net	74,730	(17,896)	(63,057)	-	6,223	-
Non-funded income	8,980	2,126	3,141	6,464	2,714	23,425
Total income	51,277	7,011	7,844	14,656	11,220	92,008
Total expenses including provision	18,755	1,476	188	9,701	13,638	43,758
Inter segment administrative cost	8,951	1,279	246	942	(11,418)	-
Total expenses including provision	27,706	2,755	434	10,643	2,220	43,758
Profit before tax	23,571	4,256	7,410	4,013	9,000	48,250
Segment return on assets %	10.01%	9.81%	9.56%	4.95%	6.99%	-
Segment cost of funds %	5.22%	7.64%	8.61%	1.19%	0.01%	-
	As at December 31, 2014					
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	Total
	(Rupees in million)					
	(Restated)					
Segment assets (gross of provisions)	268,462	330,721	854,694	392,862	85,473	1,932,212
Segment non-performing advances	22,742	36,421	-	20,281	83	79,527
Segment provision held including general provision	10,743	40,961	87	14,410	1,393	67,594
Inter Segment Assets / (Liabilities)	913,308	(171,786)	(775,848)	(86,099)	120,425	-
Segment liabilities including equity	1,171,027	117,975	78,759	292,354	204,503	1,864,618

38. TRUST ACTIVITIES

The Group is not engaged in any significant trust activities. However, the Bank acts as security agent for arrangement and distribution of the term finance certificates and also engages in investment portfolio services as custodian on behalf of its customers.

39. RELATED PARTY TRANSACTIONS

The Group has related party relationship with its subsidiaries, associated undertakings, joint venture company, associates of AKFED Group entities, employee benefit schemes of the Group / related party, and members of the Key Management Personnel of the Group / related party, including both Executive and Non-Executive Directors.

Transactions with the related parties, other than those under terms of employment are executed on arm's length basis i.e. substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk. Details of advances to related parties are given in note 9.9 to these consolidated financial statements.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the contribution plan.

Details of transactions with related parties and balances with them as at the year-end were as follows:

	2015			
	Individuals and companies related through			
	Parent Group Entities	Associates	Joint venture	Other related parties
	----- (Rs. in 000) -----			
Statement of financial position				
Deposits	5,018,930	3,262,854	193,692	92,926
Maximum Deposits during the year	5,018,930	5,003,911	193,692	250,352
Investments	-	17,453,484	1,608,874	-
Markup / Other Receivable	15,899	130,583	-	-
Mark-up / Other Payable	12,434	3,259	-	1,026,391
Placements / Lendings	350,000	-	-	-
Nostro balances	128,540	-	-	-
Profit and Loss				
Mark-up / Other Income / Share of Profit	50,879	5,538,957	307,032	-
Mark-up / Other Expense	70,932	629,779	152	513,297
Others				
Other contingencies	472,408	5,275	-	-
Securities held as custodian	13,679,505	33,261,760	-	4,513,760

	2014			
	Individuals and companies related through			
	Parent Group Entities	Associates	Joint venture	Other related parties
	----- (Rs. in 000) -----			
	(Restated)			
Statement of financial position				
Deposits	3,914,395	3,133,203	113,168	116,266
Maximum Deposits during the year	3,996,836	4,077,656	113,168	729,432
Borrowings	3,281,763	-	2,160,385	-
Investments	-	15,304,667	1,425,497	-
Markup / Other Receivable	-	277,663	-	-
Mark-up / Other Payable	8,352	5,906	18,326	961,746
Nostro balances	89,035	-	-	-
Overdrawn Nostro	173,250	692,192	-	-
Provision for diminution in the value of investments	-	577,378	-	-
Profit and Loss				
Mark-up / Other Income / Share of Profit	93,836	4,848,951	371,658	-
Mark-up / Other Expense	189,224	656,432	289,873	406,016
Others				
Other contingencies	541,418	-	-	-
Securities held as custodian	10,027,505	36,180,700	-	5,377,465

39.1. The donations disclosed in note 26 and annexure IV of these consolidated financial statements include donations to HBL Foundation. The Foundation was established by the Board of Directors of HBL to promote development and advance the welfare and well being of the people with the objective of improving their quality of life. Liability to the fund is shown in note 17.

39.2 Key Management Personnel

Key Management Personnel includes the President / Chief Executive Officer, direct reports to the President, and Chief Executives of the Bank's subsidiaries:

	2015	2014
	----- (Rupees in '000) -----	
Managerial remuneration (including allowances)	743,852	474,239
Contribution to provident and benevolent fund	18,587	11,462
Medical	25,381	16,080
	<u>787,820</u>	<u>501,781</u>
Number of persons	<u>26</u>	<u>23</u>

In addition Key Management Personnel are paid short-term employee benefits which are disclosed in note 26.2.

40 CAPITAL ADEQUACY

40.1 Risk-Weighted Exposures

	Capital Requirements		Risk Weighted Assets	
	2015	2014	2015	2014
	(Rupees in '000) ----- (Restated)			
Credit Risk				
On-balance sheet				
Other sovereigns, GOP, PG, SBP other than PKR	7,971,732	8,375,855	77,772,999	83,758,552
PSE's	934,936	1,344,765	9,121,330	13,447,650
Banks	3,981,539	3,854,844	38,844,281	38,548,443
Corporates	36,354,860	29,357,174	354,681,565	293,571,739
Retail Portfolio	7,523,530	6,346,773	73,400,296	63,467,732
Secured by residential property	296,294	209,455	2,890,674	2,094,546
Past due loans	945,534	1,224,552	9,224,724	12,245,524
Commercial entities exceeding 10%	-	840,000	-	8,400,000
Listed Equity investments	874,550	807,515	8,532,193	8,075,150
Unlisted equity investments	222,473	409,897	2,170,465	4,098,969
Investments in fixed assets	2,909,819	2,452,903	28,388,476	24,529,026
Other assets	1,657,573	1,234,784	16,171,445	12,347,843
	63,672,840	56,458,517	621,198,448	564,585,174
Off-balance sheet				
Non-market related	9,362,267	8,801,809	91,339,189	88,018,089
Market related	97,429	223,167	950,531	2,231,669
	9,459,696	9,024,976	92,289,720	90,249,758
Market Risk				
Interest Rate Risk	9,036,189	8,109,675	112,952,362	101,370,938
Equity Position Risk	2,542,290	3,030,322	31,778,625	37,879,025
Foreign Exchange Risk	5,548,906	4,942,088	69,361,325	61,776,097
	17,127,385	16,082,085	214,092,312	201,026,060
Operational Risk	10,618,092	9,033,041	132,726,149	112,913,013
	100,878,013	90,598,619	1,060,306,629	968,774,005
Capital Adequacy Ratio				
Total eligible regulatory capital held	180,079,337	156,587,504		
Total risk weighted assets	1,060,306,629	968,774,005		
Capital adequacy ratio	16.98%	16.16%		

40.2 Capital management

The Group's lead regulator SBP sets and monitors capital requirements for the Bank and the Group as a whole. In addition the Group's branches and subsidiaries outside Pakistan are also required to follow capital requirements applicable in respective countries.

Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.25%, including capital conservation buffer (CCB), of the risk weighted exposures of the Bank. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET1) ratio and Tier 1 ratio of 6.25% and 7.75% (including CCB), respectively, as at December 31, 2015. As at December 31, 2015 the Group was fully compliant with prescribed ratios. The Group and its individually regulated operations have complied with all capital requirements throughout the year.

The Group's regulatory capital is analysed into two tiers:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.

CET1 capital includes fully paid-up capital, balance in share premium account and other reserves (excluding foreign exchange translation reserves) as per the financial statements, unappropriated profits and non-controlling interest meeting the eligibility criteria.

AT 1 capital includes instruments meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares.

- Tier 2 capital includes general provisions for loan losses, surplus on the revaluation of fixed assets and equity investments, foreign exchange translation reserves and subordinated debts (meeting the revised eligibility criteria).

Above capital is subject to certain regulatory adjustments i.e. threshold deductions for investments, reciprocal crossholdings, investment in own shares etc.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

- On and off-balance sheet assets in the banking book are broken down to various asset classes for calculation of credit risk. Ratings for assets are applied using various ECAI's and aligned with appropriate risk buckets. Collaterals if any, are used as an outflow adjustment. Risk weights notified, are applied at net adjusted exposure. Eligible collaterals used include: Government of Pakistan guarantees for advances and investments in PSE / GOP, deposits / margins, lien on deposits, saving certificates and lending of securities (repo & reverse repo).

- The Group calculates requirements for market risk in its trading portfolios based upon the methodology provided by SBP which takes account of specific and general market risk, capital charge for interest rate risk using the maturity method, foreign exchange risk and equity price risk.

40.3 Capital structure

The risk weighted assets to capital ratio is calculated in accordance with the SBP's guidelines on capital adequacy.

Note	2015	2014
	(Rupees in '000)	
	(Restated)	
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully Paid-up Capital	14,668,525	14,668,525
Balance in Share Premium Account	-	-
Reserve for issue of Bonus Shares	-	-
Discount on Issue of shares	-	-
General/ Statutory Reserves	33,986,703	29,845,796
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
Unappropriated profit	96,495,448	88,715,056
Non-controlling interest arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	1,249,421	1,185,257
	146,400,097	134,414,634
CET 1 before Regulatory Adjustments		
Total regulatory adjustments applied to CET1	40.4.1 7,086,366	5,519,456
Common Equity Tier 1	139,313,731	128,895,178
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 instruments plus any related share premium	-	-
of which: Classified as equity	-	-
of which: Classified as liabilities	-	-
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	-
of which: instrument issued by subsidiaries subject to phase out	-	-
AT1 before regulatory adjustments	-	-
Total of Regulatory Adjustment applied to AT1 capital	40.4.2 -	-
Additional Tier 1 capital after regulatory adjustments	-	-
Additional Tier 1 capital recognized for capital adequacy	-	-
Tier 1 Capital (CET1 + admissible AT1)	139,313,731	128,895,178
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III plus any related share premium	10,000,000	-
Tier 2 capital instruments subject to phase out arrangement issued under pre-Basel 3 rules	-	-
Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
of which: instruments issued by subsidiaries subject to phase out	-	-
General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	3,298,099	2,674,082
Revaluation Reserves (net of taxes)		
of which: Revaluation reserves on fixed assets	7,304,937	5,279,008
of which: Unrealized gains/losses on AFS	7,820,704	6,747,593
	15,125,641	12,026,601
Foreign Exchange Translation Reserves	13,201,447	13,704,392
Undisclosed/Other Reserves (if any)	-	-
Tier 2 before regulatory adjustments	41,625,187	28,405,075
Total regulatory adjustment applied to T2 capital	40.4.3 859,581	712,749
Tier 2 capital recognized for capital adequacy	40,765,606	27,692,326
Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
Total Tier 2 capital admissible for capital adequacy	40,765,606	27,692,326
TOTAL CAPITAL (Tier 1 + admissible Tier 2)	180,079,337	156,587,504
Total Risk Weighted Assets	1,060,306,629	968,774,005
Capital Ratios and buffers (in percentage of risk weighted assets)		
CET1 to total RWA	13.14%	13.30%
Tier-1 capital to total RWA	13.14%	13.30%
Total capital to RWA	16.98%	16.16%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	10.25%	10.00%
of which: capital conservation buffer requirement	0.25%	-
of which: countercyclical buffer requirement	-	-
of which: D-SIB or G-SIB buffer requirement	-	-
CET1 available to meet buffers (as a percentage of risk weighted assets)	-	-
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.25%	5.50%
Tier 1 minimum ratio	7.75%	7.00%
Total capital minimum ratio	10.25%	10.00%

40.4 Regulatory Adjustments and Additional Information

	2015		2014	
	Basel III Transit	Pre- Basel III treatment	Basel III Transit	Pre- Basel III treatment
----- (Rupees in '000) -----				
40.4.1 Common Equity Tier 1 capital: Regulatory adjustments				
Goodwill (net of related deferred tax liability)	1,916,319	-	1,932,297	-
All other intangibles (net of any associated deferred tax liability)	1,036,714	-	848,480	-
Shortfall in provisions against classified assets	-	-	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
Defined-benefit pension fund net assets	-	-	-	-
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	293,869	-	46,521	-
Cash flow hedge reserve	-	-	-	-
Investment in own shares / CET1 instruments	15,060	-	20,293	-
Securitization gain on sale	-	-	-	-
Capital shortfall of regulated subsidiaries	-	-	-	-
Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	-	-	-
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)	-	-	-	-
Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-	-
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-	-
Amount exceeding 15% threshold	-	-	-	-
of which: significant investments in the common stocks of financial entities	-	-	-	-
of which: deferred tax assets arising from temporary differences	-	-	-	-
National specific regulatory adjustments applied to CET1 capital	-	-	-	-
Investments in TFCs of other banks exceeding the prescribed limit	-	-	-	-
Any other deduction specified by SBP (mention details)	-	-	-	-
Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	3,824,404	-	2,671,865	-
Total regulatory adjustments applied to CET1	<u>7,086,366</u>	-	<u>5,519,456</u>	-
40.4.2 Additional Tier-1 Capital: regulatory adjustments				
Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	3,061,264	-	1,959,116	-
Investment in own AT1 capital instruments	-	-	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-	-
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)	-	-	-	-
Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	804,437	-	712,749	-
Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
Adjustment in AT1 in respect of NCI share of excess capital held by subsidiaries	(41,297)	-	-	-
Transfer to CET1 due to insufficient AT1 to cover deductions	(3,824,404)	-	(2,671,865)	-
Total regulatory adjustment applied to AT1 capital	<u>-</u>	-	<u>-</u>	-
40.4.3 Tier 2 Capital: regulatory adjustments				
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	804,437	-	712,749	-
Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	55,144	-	-	-
Investment in own Tier 2 capital instrument	-	-	-	-
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)	-	-	-	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
Total regulatory adjustment applied to T2 capital	<u>859,581</u>	-	<u>712,749</u>	-
			2015	2014
			----- (Rupees in '000) -----	
40.4.4 Additional Information				
Risk Weighted Assets subject to pre-Basel III treatment				
Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)			1,060,306,629	968,774,005
of which: deferred tax assets			-	-
of which: Defined-benefit pension fund net assets			-	-
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			-	-
of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity			-	-
Amounts below the thresholds for deduction (before risk weighting)				
Non-significant investments in the capital of other financial entities			3,477,567	4,565,971
Significant investments in the common stock of financial entities			10,169,506	9,697,196
Deferred tax assets arising from temporary differences (net of related tax liability)			-	-
Applicable caps on the inclusion of provisions in Tier 2				
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)			3,298,099	2,674,082
Cap on inclusion of provisions in Tier 2 under standardized approach			8,918,602	8,185,437
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			-	-

40.5 Capital structure reconciliation

	As per published financial statements	Under regulatory scope of consolidation
	----- (Rupees in '000) -----	
Assets		
Cash and balances with treasury banks	167,250,988	167,250,988
Balances with other banks	40,469,761	40,469,761
Lendings to financial institutions	44,318,411	44,318,411
Investments	1,244,887,008	1,241,516,815
Advances	633,382,624	636,680,723
Operating fixed assets	31,341,509	28,388,476
Deferred tax asset	-	-
Other assets	56,772,484	56,772,484
Total assets	<u>2,218,422,785</u>	<u>2,215,397,658</u>
Liabilities & Equity		
Bills payable	28,081,548	28,081,548
Borrowings	314,319,099	314,319,099
Deposits and other accounts	1,634,944,470	1,634,944,470
Subordinated loan	10,000,000	10,000,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liability	5,671,128	5,671,128
Other liabilities	42,786,489	42,786,489
Total liabilities	2,035,802,734	2,035,802,734
Share capital	14,668,525	14,668,525
Reserves	47,188,150	47,188,150
Unappropriated profit	96,495,448	93,470,321
Non-controlling interest	1,692,344	1,692,344
Surplus on revaluation of assets	22,575,584	22,575,584
Total liabilities & equity	<u>2,218,422,785</u>	<u>2,215,397,658</u>

40.5.1 Detail of capital structure reconciliation

	As per published financial statements	Under regulatory scope of consolidation	Reference
	----- (Rupees in '000) -----		
Assets			
Cash and balances with treasury banks	167,250,988	167,250,988	
Balances with other banks	40,469,761	40,469,761	
Lendings to financial institutions	44,318,411	44,318,411	
Investments	1,244,887,008	1,241,516,815	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>	-	-	a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>	-	-	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	3,061,264	c
<i>of which: reciprocal crossholding of capital instrument</i>	-	293,869	d
<i>of which: investment in own shares</i>	-	15,060	e
Advances	633,382,624	636,680,723	
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	f
<i>general provisions reflected in Tier 2 capital</i>	-	3,298,099	g
Operating fixed assets	31,341,509	28,388,476	
<i>of which: Goodwill</i>	-	1,916,319	
<i>of which: Intangibles</i>	-	1,036,714	
Deferred Tax Assets	-	-	
<i>of which: DTAs excluding those arising from temporary differences</i>	-	-	h
<i>of which: DTAs arising from temporary differences exceeding regulatory</i>	-	-	i
Other assets	56,772,484	56,772,484	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	2,218,422,785	2,215,397,658	
Liabilities & Equity			
Bills payable	28,081,548	28,081,548	
Borrowings	314,319,099	314,319,099	
Deposits and other accounts	1,634,944,470	1,634,944,470	
Subordinated loans	10,000,000	10,000,000	
<i>of which: eligible for inclusion in AT1</i>	-	-	m
<i>of which: eligible for inclusion in Tier 2</i>	-	-	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	5,671,128	5,671,128	
<i>of which: DTLs related to goodwill</i>	-	-	o
<i>of which: DTLs related to intangible assets</i>	-	-	p
<i>of which: DTLs related to defined pension fund net assets</i>	-	-	q
<i>of which: other deferred tax liabilities</i>	-	-	r
Other liabilities	42,786,489	42,786,489	
Total liabilities	2,035,802,734	2,035,802,734	
Share capital	14,668,525	14,668,525	
<i>of which: amount eligible for CET1</i>	14,668,525	14,668,525	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	47,188,150	47,188,150	
<i>of which: portion eligible for inclusion in CET1</i>	-	33,986,703	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	13,201,447	v
Unappropriated profit	96,495,448	93,470,321	w
Non-controlling interest	1,692,344	1,692,344	
<i>of which: portion eligible for inclusion in CET1</i>	-	1,249,421	x
<i>of which: portion eligible for inclusion in AT1</i>	-	41,297	y
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	z
Surplus on revaluation of assets	22,575,584	22,575,584	
<i>of which: Revaluation reserves on Property</i>	-	10,902,891	
<i>of which: Unrealized Gains/Losses on AFS</i>	-	11,672,693	aa
Total liabilities & Equity	2,218,422,785	2,215,397,658	

40.5.2 Component of capital reported by the Group

	--(Rupees in '000)--	Source based on reference number
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully Paid-up Capital	14,668,525	(s)
Balance in Share Premium Account	-	
Reserve for issue of Bonus Shares	-	
General/ Statutory Reserves	33,986,703	(u)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated profit	96,495,448	(w)
Non-controlling interest	1,249,421	(x)
CET 1 before Regulatory Adjustments	146,400,097	
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill	1,916,319	(j) - (o)
All other intangibles	1,036,714	(k) - (p)
Shortfall of provisions against classified assets	-	(f)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{{(h) - (r)} * x%
Defined-benefit pension fund net assets	-	{{(l) - (q)} * x%
Reciprocal cross holdings	293,869	(d)
Cash flow hedge reserve	-	
Investment in own shares	15,060	
Securitization gain on sale	-	
Capital shortfall of regulated subsidiaries	-	
Deficit on account of revaluation from bank's holdings of property/ AFS	-	(ab)
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
Amount exceeding 15% threshold	-	
of which: significant investments in the common stocks of financial entities	-	
of which: deferred tax assets arising from temporary differences	-	
National specific regulatory adjustments applied to CET1 capital	-	
Investment in TFCs of other banks exceeding the prescribed limit	-	
Any other deduction specified by SBP (mention details)	-	
Regulatory adjustment applied to CET1	3,824,404	
Total regulatory adjustments applied to CET1	7,086,366	
Common Equity Tier 1	139,313,731	
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 instruments plus any related share premium	-	
of which: Classified as equity	-	(t)
of which: Classified as liabilities	-	(m)
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
of which: instrument issued by subsidiaries subject to phase out	-	
AT1 before regulatory adjustments	-	
Additional Tier 1 Capital: regulatory adjustments		
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	3,061,264	
Investment in own AT1 capital instruments	-	
Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
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)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Base I treatment which, during transitional period, remain subject to deduction from tier-1 capital	804,437	
Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
Adjustment in AT1 in respect of NCI share of excess capital held by subsidiaries	(41,297)	
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	(3,824,404)	
Total of Regulatory Adjustment applied to AT1 capital	-	
Additional Tier 1 capital	-	
Additional Tier 1 capital recognized for capital adequacy	-	
Tier 1 Capital (CET1 + admissible AT1)	139,313,731	
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III	10,000,000	(n)
Capital instruments subject to phase out arrangement from tier 2 (Pre-Base I instruments)	-	
Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
of which: instruments issued by subsidiaries subject to phase out	-	
General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	3,298,099	(g)
Revaluation Reserves eligible for Tier 2	-	
of which: portion pertaining to Property	7,304,937	portion of (aa)
of which: portion pertaining to AFS securities	7,820,704	
	15,125,641	
	13,201,447	(v)
	-	
Tier 2 before regulatory adjustments	41,625,187	
Tier 2 Capital: regulatory adjustments		
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Base I treatment which, during transitional period, remain subject to deduction from tier-2 capital	804,437	
Reciprocal cross holdings in Tier 2 instruments	55,144	
Investment in own Tier 2 capital instrument	-	
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)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
Amount of Regulatory Adjustment applied to Tier 2 capital	859,581	
Tier 2 capital	40,765,606	
Tier 2 capital recognized for capital adequacy	40,765,606	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	40,765,606	
TOTAL CAPITAL (Tier 1 + admissible Tier 2)	180,079,337	

40.6 Main Features of Regulatory Capital Instruments

	Common Shares	Debt Instruments
Issuer	Habib Bank Limited	Habib Bank Limited
Unique identifier	HBL	HBL
Governing law(s) of the instrument	Relevant Capital Market Laws	Laws applicable in Pakistan
Regulatory treatment		
Transitional Basel III rules	Common Equity Tier 1	Tier II Capital
Post-transitional Basel III rules	Common Equity Tier 1	Tier II Capital
Eligible at solo / group / group & solo	Group and Standalone	Group and Standalone
Instrument type	Ordinary shares	Term Finance Certificate
Amount recognized in regulatory capital (Currency in PKR thousands)	14,668,525	10,000,000
Par value of instrument	Rs. 10 per share	PKR 100,000/- and/ or in multiples of PKR 100,000
Accounting classification	Shareholders' equity	Subordinated loan
Original date of issuance	1947	2015
Perpetual or dated	Perpetual	Dated
Original maturity date	No maturity	February 2026
Issuer call subject to prior supervisory approval	Not applicable	Yes
Optional call date, contingent call dates and redemption amount	Not applicable	2021
Subsequent call dates, if applicable	Not applicable	Anytime after the first call date
Coupons / dividends		
Fixed or floating dividend/ coupon	Not applicable	Floating
Coupon rate and any related index/ benchmark	Not applicable	6 months KIBOR + 0.50% per annum
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Not applicable	Not applicable
Convertible or non-convertible	Non-convertible	Convertible
If convertible, conversion trigger (s)	Not applicable	The instrument will be subject to loss absorbency clause as stipulated in terms of the Basel III Guidelines wherein upon the occurrence of a Point of Non-Viability ("PONV") event as defined in the Guidelines, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank.
If convertible, fully or partially	Not applicable	Fully
If convertible, conversion rate	Not applicable	To be determined in case of trigger event(s)
If convertible, mandatory or optional conversion	Not applicable	Mandatory
If convertible, specify instrument type convertible into	Not applicable	Common Equity Tier 1
If convertible, specify issuer of instrument it converts into	Not applicable	Habib Bank Limited
Write-down feature		
If write-down, write-down trigger(s)	Not applicable	The instrument will be subject to loss absorbency clause as stipulated in terms of the Basel III Guidelines wherein upon the occurrence of a Point of Non-Viability ("PONV") event as defined in the Guidelines, SBP may at its option, have them immediately written down.
If write-down, full or partial	Not applicable	May be written down fully or partially
If write-down, permanent or temporary	Not applicable	Permanent
If temporary write-down, description of write-up mechanism	Not applicable	Not Applicable
Position in subordination hierarchy in liquidation	Subordinated	Subordinate to all other indebtedness to the Bank including deposits
Non-compliant transitioned features	Not applicable	None
If yes, specify non-compliant features	Not applicable	Not applicable

40.7 Leverage Ratio

The leverage ratio compares Tier 1 capital to total exposure, which includes certain exposures held off-balance sheet adjusted by the regulatory credit conversion factors. The Group's current leverage ratio of 5.1% is above the current minimum requirement set by SBP.

41. RISK MANAGEMENT FRAMEWORK

HBL's aim is to build a diversified business, characterized by sustained growth and profitability. The bank's operations have a high degree of complexity in view of its size and its regional, product and target market diversification. This coupled with increasing competition in the banking sector, changes in the regulatory regime and challenging macro-economic environment makes it imperative for the bank to have a well developed, robust risk management framework. Hence the risk management framework at HBL has been developed around board oversight, strong supervision, clear policies and procedures, efficient systems and documented risk appetite.

The Board of Directors provides the strategic direction for effective risk management and has the ultimate responsibility for ensuring that a robust risk management framework is in place including the required human resources, policies, procedures and systems. It is supported in this task by board committees i.e. Board Risk Management Committee (BRMC) and Board Audit Committee (BAC) as well as management committees i.e. Asset & Liability Committee (ALCO), Management Risk Committee (MRC), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC).

For effective implementation of the risk management framework, Risk Management function operates independently within the bank. The function is also responsible for development and oversight of risk policies and plays a pivotal role in monitoring the risks associated with various activities of the Bank. Risk Management function is headed by the Chief Risk Officer (CRO), who administratively reports to the President with an independent functional reporting line to the BRMC. This is to ensure the independence of this position.

Risk Management function comprises of the following areas:

- Credit Policy & Analytics
- Credit Approvals
- Credit Administration
- Program Based Lending*
- Market & Liquidity Risk Management
- Operational Risk Management**
- Information Security Risk

* The department is responsible for managing risk of all program based lending products across Consumer Banking, Retail Banking, and Rural Banking.

** The Operational Risk Management Department (ORMD) operates within Global Compliance function independent from business units and other support functions. Head ORMD has a dotted reporting line to the CRO.

The Operational Risk Management Division (ORMD) operates within Global Compliance Group (GCG) independent from business units and other support functions. Head ORMD has a dotted reporting line to the CRO.

Risk Management alignment with Basel framework

The Bank is continuing with its efforts to adopt the Foundation Internal Ratings Based (FIRB) Approach for certain credit risk portfolios and Internal Models Approach (IMA) for Market Risk (Alternate Standardized Approach for operational risk has already been adopted) under the Basel II Framework. Considerable challenges remain in this area not the least of which relate to data quality and sufficiency and a lack of in-country expertise in this area. Being a large Bank in Pakistan, and having a strong risk culture and focus, the Bank is increasingly developing resources internally to embed Basel related processes and methodologies in its risk practices. To this end, a programme is in place to augment the skill set of staff in this area. Once completed, the Bank expects to achieve a number of significant business benefits from its Basel II program with a more robust risk management and internal control environment in line with best practice.

The Bank is currently engaged in the deployment of a comprehensive suite of systems for Loan Origination, Credit Administration / Collateral Management, and Internal Risk Ratings as part of FIRB related initiatives for credit risk, a Capital calculator and ALM system as a step towards implementing Basel III framework for sound liquidity risk management.

Scope of application of Basel III framework

State Bank of Pakistan through BPRD circular no. 06 dated August 15, 2013 has required Banks/DFIs to report capital ratio following the Basel III framework setting higher capital requirements to be achieved gradually in phase-in arrangements by 2019.

The Basel III guideline applies on a consolidated as well as a standalone basis. Lists of 'subsidiaries' and 'associates and joint venture' have been provided in notes 1.2 and 8.4, respectively, of these consolidated financial statements. Subsidiaries are fully consolidated whereas the equity method has been used to incorporate associates and joint venture as mentioned in note 2.1.

41.1. Credit Risk

Credit risk is defined as the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk; it also stems from activities both on and off balance sheet. The credit process at HBL is governed by well defined and documented credit policies and procedures. Beside core documents, separate policies are in place for consumer loans, rural banking and SME financing. These policy and procedure documents lay down the basic underwriting standards. Certain types of exposures/ facilities are managed under product programs that contain their own detailed credit criteria, regulatory, compliance and documentation requirements.

Credit risk appetite i.e. tolerance for credit risk, is defined through the Overall Risk Appetite document that is also approved by the board of directors. It also covers the concentration risk the bank is willing to carry on its books with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at HBL are:

- An independent risk management function.
- Approval rules based on three-initial system and joint business / risk sign-offs
- An independent audit and business risk review function.

Credit approval authorities are designated to individuals based on their qualifications and experience. Proactive monitoring is ensured through an early warning mechanism for assets under stress. This enables the bank to put in place viable solutions before further deterioration in credit quality. A special Structured Credits function has been established to handle stressed assets to ensure a focused remedial strategy. The Bank follows the guidelines of SBP for domestic operations and the local regulators for international operation for classification/ provisioning/ write-off of problem advances. However, subjective judgment is also applied to recognize credit losses earlier than the regulations warrant.

Disbursement authorization as well as collateral and security management, documentation and monitoring are managed by Credit Administration Department (CAD) that operates as part of Risk Management.

Stress testing on the credit portfolio is performed according to the guidelines issued by SBP at defined frequency. The scope of stress testing is being expanded to include optional scenarios.

Business Risk Review performs the function of independent reviewer of the credit portfolio. BRR is part of the Internal Audit function which reports to the Board Audit Committee and is independent of Risk Management and the business functions. It provides independent assessment of the quality of credit portfolio, efficacy of processes for acquisition of risk assets, regulatory/policy compliance and appropriate classification and risk rating of assets to the Board and the senior management of the bank.

41.1.1 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by the internationally recognized rating agencies. The limit utilization is controlled at Head office level and country risk exposures are reported to BRMC at defined frequency. CBTR arises from exposure to counterparties in Countries other than the country where exposure is located. The Bank defines transfer risk as arising where an otherwise solvent and willing debtor is unable to meet its obligation due to the imposition of governmental or regulatory controls restricting its ability to perform under its obligation towards its foreign liabilities.

41.2. Segmental information
41.2.1 Segment by class of business

	2015					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	36,429,160	5.19	5,467,198	0.33	9,620,297	3.48
Agribusiness	42,570,576	6.06	12,394,096	0.76	914,417	0.33
Textile	72,876,467	10.37	8,515,983	0.52	10,128,611	3.67
Cement	10,197,937	1.45	1,750,364	0.11	3,224,198	1.17
Sugar	6,007,415	0.86	1,731,369	0.11	138,819	0.05
Shoes and leather garments	2,063,954	0.29	934,986	0.06	30,262	0.01
Automobile and transportation equipment	58,383,921	8.31	14,852,062	0.91	5,897,025	2.13
Financial	53,078,486	7.55	25,245,208	1.54	59,410,386	21.51
Hotel & Tourism	1,469,141	0.21	684,301	0.04	787,278	0.28
Research & Development	-	-	-	-	-	-
Insurance	229,563	0.03	2,741,191	0.17	139,193	0.05
Electronics and electrical appliances	12,516,805	1.78	3,084,569	0.19	9,171,921	3.32
Oil and Gas	22,086,663	3.14	13,597,855	0.83	7,834,132	2.84
Power and energy	49,384,972	7.03	30,368,334	1.86	30,572,591	11.07
Education & Medical	1,945,728	0.28	9,821,479	0.60	580,229	0.21
Telecommunication	15,477,915	2.20	8,196,179	0.50	1,735,070	0.63
Printing & publishing	5,998,213	0.85	633,344	0.04	266,461	0.10
Construction	6,143,968	0.87	2,886,454	0.18	576,062	0.21
Mining & quarrying	333,474	0.05	258,641	0.02	-	-
Food, tobacco and beverages	20,191,746	2.87	6,205,856	0.38	1,731,222	0.63
Government / public - note 41.2.2	107,988,423	15.37	143,422,271	8.77	88,381,871	31.99
Whole sale & retail trade	32,856,160	4.68	69,543,492	4.25	5,913,743	2.14
Metal and allied	9,686,397	1.38	5,130,269	0.31	2,555,161	0.92
Individuals	55,133,290	7.85	829,324,963	50.72	663,146	0.24
Farming, cattle and dairy	2,147,466	0.31	1,321,131	0.08	449,182	0.16
Ports and shipping	-	-	-	-	28,596	0.01
Trust funds and non profit organizations	8,762,959	1.25	26,880,643	1.64	2,137,000	0.77
Others	68,601,037	9.77	409,952,232	25.08	33,368,049	12.08
	702,561,836	100.00	1,634,944,470	100.00	276,254,922	100.00

	2014					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
			(Restated)			
Chemicals and pharmaceuticals	23,384,888	3.54	5,746,940	0.38	8,225,094	4.12
Agribusiness	31,190,314	4.72	11,165,035	0.73	990,690	0.50
Textile	79,580,175	12.03	6,548,140	0.43	6,295,977	3.15
Cement	4,333,023	0.66	519,952	0.03	1,431,614	0.72
Sugar	5,808,854	0.88	1,131,039	0.07	51,766	0.03
Shoes and leather garments	2,728,541	0.41	783,222	0.05	184,693	0.09
Automobile and transportation equipment	13,296,860	2.01	9,604,047	0.63	6,211,356	3.11
Financial	45,637,234	6.90	31,437,265	2.06	27,647,551	13.85
Hotel & Tourism	1,291,773	0.20	55,023	-	377,648	0.19
Research & Development	-	-	3,603,934	0.24	-	-
Insurance	4,339	-	3,756,375	0.25	2,405	-
Electronics and electrical appliances	11,102,266	1.68	3,381,590	0.22	8,404,978	4.21
Oil and Gas	13,790,561	2.08	8,477,586	0.56	4,334,268	2.17
Power and energy	42,977,607	6.50	18,406,102	1.21	15,617,450	7.82
Education & Medical	2,126,716	0.32	10,840,040	0.71	807,202	0.40
Telecommunication	11,793,993	1.78	1,685,173	0.11	2,385,972	1.19
Printing & publishing	4,630,691	0.70	1,309,926	0.09	37,145	0.02
Construction	2,135,723	0.32	1,840,520	0.12	760,105	0.38
Mining & quarrying	371,264	0.06	96,429	0.01	-	-
Food, tobacco and beverages	14,801,813	2.24	4,066,682	0.27	3,616,961	1.81
Government / public - note 41.2.2	128,540,269	19.43	149,089,937	9.78	65,056,929	32.58
Whole sale & retail trade	62,797,468	9.49	80,134,239	5.26	8,904,596	4.46
Metal and allied	8,584,872	1.30	5,710,217	0.37	3,141,094	1.57
Individuals	40,180,710	6.07	759,892,535	49.84	402,022	0.20
Farming, cattle and dairy	1,746,794	0.26	415,099	0.03	696,221	0.35
Ports and shipping	-	-	-	-	27,532	0.01
Trust funds and non profit organizations	3,105,384	0.47	25,865,943	1.70	2,000	-
Others	105,533,921	15.95	379,081,794	24.85	34,051,363	17.07
	661,476,053	100.00	1,524,644,784	100.00	199,664,632	100.00

41.2.2 Government / public sector

	2015					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	-	-	9,129	0.01	-	-
Agribusiness	43,958,665	40.71	976,495	0.68	-	-
Automobile and transportation equipment	3,227,583	2.99	1,669,736	1.16	-	-
Financial	1,198,049	1.11	6,727,880	4.69	19,606,685	22.18
Insurance	-	-	14,472,387	10.09	39,204	0.04
Oil and Gas	21,674,742	20.07	1,834,161	1.28	15,599,105	17.65
Power and energy	33,941,904	31.43	24,568,418	17.13	1,342,500	1.52
Education & medical	182,840	0.17	35,116,252	24.48	307,224	0.35
Telecommunication	297,000	0.28	1,734,701	1.21	-	-
Printing & publishing	929,836	0.86	55,015	0.04	-	-
Construction	-	-	132,107	0.09	-	-
Whole sale & retail trade	-	-	-	-	-	-
Metal and allied	1,105,019	1.02	116,833	0.08	-	-
Defence	252,084	0.23	7,336,766	5.12	43,719,160	49.47
Ports and shipping	-	-	2,860,470	1.99	2,142	-
Others	1,220,701	1.13	45,811,921	31.95	7,765,851	8.79
	107,988,423	100.00	143,422,271	100.00	88,381,871	100.00

	2014					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	-	-	12,450	0.01	-	-
Agribusiness	54,049,139	42.05	5,068,266	3.40	-	-
Automobile and transportation equipment	8,966,168	6.98	-	-	-	-
Financial	1,328,892	1.03	2,460,405	1.65	11,428,961	17.57
Insurance	-	-	4,482,315	3.01	39,204	0.06
Oil and Gas	25,002,993	19.45	15,752,170	10.57	12,500,276	19.21
Power and energy	35,055,739	27.27	14,059,369	9.43	1,083,215	1.67
Education & medical	425,078	0.33	34,895,959	23.41	491,995	0.76
Telecommunication	227,000	0.18	2,036,183	1.37	-	-
Printing & publishing	-	-	-	-	-	-
Construction	-	-	2,425,190	1.63	-	-
Metal and allied	1,105,265	0.86	60,885	0.04	-	-
Defence	817,874	0.64	2,351,336	1.58	31,270,002	48.07
Ports and shipping	-	-	3,999,700	2.68	2,142	-
Others	1,562,121	1.21	61,485,709	41.22	8,241,134	12.66
	128,540,269	100.00	149,089,937	100.00	65,056,929	100.00

41.2.3 Segment by sector

	2015					
	Advances (Rupees in '000)		Deposits (Rupees in '000)		Contingencies and commitments (Rupees in '000)	
	Percent	Percent	Percent	Percent	Percent	Percent
Government / public	107,988,423	15.37	143,422,271	8.77	88,381,871	31.99
Private	594,573,413	84.63	1,491,522,199	91.23	187,873,051	68.01
	702,561,836	100.00	1,634,944,470	100.00	276,254,922	100.00

	2014					
	Advances (Rupees in '000)		Deposits (Rupees in '000) (Restated)		Contingencies and commitments (Rupees in '000)	
	Percent	Percent	Percent	Percent	Percent	Percent
Government / public	128,540,269	19.43	149,089,937	9.78	65,056,929	32.58
Private	532,935,784	80.57	1,375,554,847	90.22	134,607,703	67.42
	661,476,053	100.00	1,524,644,784	100.00	199,664,632	100.00

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

	2015		2014	
	Classified advances	Specific provisions held	Classified advances	Specific provisions held
	----- (Rupees in '000) -----			
Chemicals and pharmaceuticals	876,924	549,259	687,121	636,619
Agribusiness	6,741,005	5,202,885	3,776,586	2,893,818
Textile	20,530,171	20,373,125	21,105,013	19,982,173
Cement	860,694	806,694	1,242,697	835,899
Sugar	331,776	268,941	320,964	285,464
Shoes and leather garments	949,158	948,211	917,558	514,148
Automobile and transportation equipment	1,044,094	1,034,090	1,365,467	1,354,406
Financial	1,237,461	1,237,306	1,383,406	1,383,406
Hotel and Tourism	284,188	271,689	261,594	243,424
Electronics and electrical appliances	1,821,436	1,821,436	2,717,838	2,717,490
Oil and Gas	3,013,685	1,005,036	3,674,205	1,238,904
Power and energy	1,804,624	1,767,852	1,735,437	1,735,437
Education & medical	56,136	56,066	568,384	550,679
Telecommunication	1,232,553	1,232,553	1,416,345	741,206
Printing & publishing	335,013	230,017	366,201	257,178
Construction	1,277,175	1,107,100	1,468,528	1,290,962
Mining & quarrying	-	-	648	648
Food, tobacco and beverages	1,133,864	857,951	115,007	115,007
Whole sale & retail trade	8,863,520	7,057,620	7,113,233	5,804,872
Metal and allied	2,425,779	977,883	2,489,254	1,241,313
Individual	3,758,572	3,645,757	2,557,743	2,270,989
Farming, cattle and dairy	136,913	111,540	190,218	117,068
Others	18,077,418	15,318,102	24,054,019	17,295,685
	76,792,159	65,881,113	79,527,466	63,506,795

	2015		2014	
	Classified advances	Specific provisions held	Classified advances	Specific provisions held
41.2.5 Segment by sector	----- (Rupees in '000) -----			
Private	74,107,939	64,262,590	76,909,125	61,954,192
Government / public	2,684,220	1,618,523	2,618,341	1,552,603
	<u>76,792,159</u>	<u>65,881,113</u>	<u>79,527,466</u>	<u>63,506,795</u>

41.2.6 **GEOGRAPHICAL SEGMENT ANALYSIS**

	For the year ended December 31, 2015			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	----- (Rupees in '000) -----			
Pakistan	58,365,351	1,825,301,036	110,026,423	240,937,741
Europe, Middle East and America	(246,559)	303,616,870	42,722,487	28,739,366
Asia and Africa	2,167,446	89,504,879	29,871,141	6,577,815
	<u>60,286,238</u>	<u>2,218,422,785</u>	<u>182,620,051</u>	<u>276,254,922</u>

	For the year ended December 31, 2014			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	----- (Rupees in '000) -----			
	(Restated)			
Pakistan	43,085,225	1,486,165,935	108,302,195	150,241,070
Europe, Middle East and America	1,799,970	276,810,728	33,151,683	39,933,518
Asia and Africa	3,365,086	101,641,033	28,141,222	9,490,044
	<u>48,250,281</u>	<u>1,864,617,696</u>	<u>169,595,100</u>	<u>199,664,632</u>

2014									
Total	Upto one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years	Over ten years
(Restated)									
Assets									
Cash and balances with treasury banks	64,738,639	11,182,413	14,530,452	4,446,003	924,841	705,467	1,110,328	17,624,055	20,014,736
Balances with other banks	67,284,700	2,540,492	1,700,829	300,000	-	-	-	-	-
Lendings to financial institutions	34,313,560	33,771,310	542,250	-	-	-	-	-	-
Investments	922,691,101	17,761,882	15,975,361	96,920,167	96,810,973	54,236,897	113,914,113	145,822,563	64,213,787
Advances	595,295,176	92,670,032	73,439,811	30,510,618	17,047,855	22,405,297	238,778,201	37,628,385	7,899,370
Operating fixed assets	27,509,803	-	-	-	-	-	-	-	27,509,803
Other assets	82,446,422	38,458,399	11,974,673	6,901,231	-	-	-	-	-
	1,864,617,696	609,417,117	1,176,211,261	139,620,269	114,783,669	77,347,661	353,802,642	201,075,003	119,437,696
Liabilities									
Bills payable	4,376,087	7,078,534	10,535,037	-	-	-	-	-	-
Borrowings from financial institutions	81,508,677	7,232,926	7,984,624	134,706	144,181	732,744	2,280,997	3,392,259	-
Deposits and other accounts	267,051,319	122,560,472	95,137,080	162,669,687	31,262,494	31,633,510	49,438,237	384,859,051	380,032,934
Subordinated loan	-	-	-	-	-	-	-	-	-
Deferred tax liability	2,866,169	-	-	-	318,463	318,463	636,926	1,592,317	-
Other liabilities	42,110,871	10,370,636	4,192,557	1,851,145	536,549	536,549	3,044,605	-	-
	1,695,022,596	374,514,913	147,242,568	117,849,298	164,655,538	33,221,266	55,400,765	389,843,627	380,032,934
Net gap	234,902,204	(15,730,955)	(228,172)	(25,035,269)	82,521,982	44,126,395	298,401,877	(188,768,624)	(260,595,238)
Share capital	14,668,525	-	-	-	-	-	-	-	-
Reserves	43,550,188	-	-	-	-	-	-	-	-
Unappropriated profit	88,715,056	-	-	-	-	-	-	-	-
Non-controlling interest	1,185,257	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	21,476,074	-	-	-	-	-	-	-	-
	169,595,100	-	-	-	-	-	-	-	-

41.4.2 In accordance with BSD Circular Letter No.02 dated January 14, 2013, issued by the SBP, the Group is required to report maturity gaps of assets and liabilities on contractual basis which are as follows:

2015									
Total	Upto one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years	Over ten years
Assets									
Cash and balances with treasury banks	165,424,050	14,348	1,034,770	777,820	-	-	-	-	-
Balances with other banks	34,346,905	4,682,011	1,368,135	72,710	-	-	-	-	-
Lendings to financial institutions	17,067,708	-	271,125	26,207,903	356,075	207,800	207,800	-	-
Investments	215,394,494	112,774,501	234,753,482	249,171,087	40,915,375	164,768,889	132,640,027	91,487,041	2,982,112
Advances	633,382,624	300,811,821	43,361,672	57,476,169	40,507,004	18,466,051	101,677,200	32,845,969	13,637,062
Operating fixed assets	31,341,509	17,019,976	647,015	1,294,030	2,588,059	2,588,059	2,169,508	703,033	19,218,486
Other assets	56,772,484	31,780,895	4,207,835	6,311,752	14,472,002	-	-	-	-
	2,218,422,785	766,527,849	165,471,710	332,502,556	62,325,560	192,164,424	236,694,535	125,036,043	35,837,660
Liabilities									
Bills payable	28,081,548	-	-	-	-	-	-	-	-
Borrowings from financial institutions	314,319,099	290,322,872	16,509,845	312,207	370,050	464,342	1,088,806	1,282,561	-
Deposits and other accounts	1,634,944,470	1,438,876,336	65,575,333	58,434,601	10,233,584	5,155,336	4,548,726	4,247,870	23,374
Subordinated loan	10,000,000	-	-	2,000	4,000	4,000	8,000	5,000,000	4,982,000
Deferred tax liability	5,671,128	5,229,682	1,521,950	(554,684)	(515,933)	(1,377,814)	(688,505)	(3,171)	531,194
Other liabilities	42,786,489	42,630,640	-	155,849	-	-	-	-	-
	2,035,802,734	1,805,141,078	71,065,699	58,349,973	10,091,701	4,245,864	4,957,027	10,527,260	5,536,568
Net gap	(1,038,613,229)	94,406,011	235,974,884	274,152,583	52,233,859	187,918,560	231,737,508	114,508,783	30,301,092
Share capital	14,668,525	-	-	-	-	-	-	-	-
Reserves	47,188,150	-	-	-	-	-	-	-	-
Unappropriated profit	96,495,448	-	-	-	-	-	-	-	-
Non-controlling interest	1,692,344	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	22,575,584	-	-	-	-	-	-	-	-
	182,620,051	-	-	-	-	-	-	-	-

2014

	Total	Upto one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years	Over ten years
(Rupees in '000) (Restated)										
Assets										
Cash and balances with treasury banks	135,276,934	130,173,667	776,260	2,891,642	1,183,120	250,245	-	-	-	-
Balances with other banks	67,284,700	64,291,898	1,185,555	1,507,247	300,000	-	-	-	-	-
Lendings to financial institutions	34,313,560	33,771,310	-	542,250	-	-	-	-	-	-
Investments	922,691,101	118,699,519	31,288,381	331,555,637	75,598,922	115,725,840	28,331,422	112,265,267	106,702,012	2,524,101
Advances	595,295,176	353,572,408	52,602,432	24,094,240	12,550,686	12,628,087	22,210,608	66,846,792	41,769,677	9,020,246
Operating fixed assets	27,309,803	1,318,760	398,733	598,099	1,196,198	2,392,395	2,392,395	1,863,724	764,157	16,385,342
Other assets	82,446,422	62,245,289	2,902,018	5,273,418	12,025,697	-	-	-	-	-
	1,864,617,696	764,072,851	89,155,379	365,920,283	103,396,873	130,996,567	52,934,425	180,975,783	149,235,846	27,929,689
Liabilities										
Bills payable	21,989,658	21,989,658	-	-	-	-	-	-	-	-
Borrowings from financial institutions	103,411,114	95,083,208	2,467,757	148,384	91,345	550,388	181,179	1,862,952	3,025,901	-
Deposits and other accounts	1,524,644,784	1,268,123,324	95,153,325	53,830,350	80,046,304	8,826,376	9,198,011	4,561,206	4,905,888	-
Deferred tax liability	2,866,169	2,345,771	1,471,372	1,479,827	(541,256)	(490,529)	(1,405,693)	(682,419)	(6,272)	695,368
Subordinated loan	-	-	-	-	-	-	-	-	-	-
Other liabilities	42,110,871	40,628,714	1,333,501	26,403	122,253	-	-	-	-	-
	1,695,022,596	1,428,170,675	100,425,955	55,484,964	79,718,646	8,886,235	7,973,497	5,741,739	7,925,517	695,368
Net gap	169,595,100	(664,097,824)	(11,270,576)	310,435,319	23,678,227	122,110,332	44,960,928	175,234,044	141,310,329	27,234,321
Share capital	14,668,525	-	-	-	-	-	-	-	-	-
Reserves	43,550,188	-	-	-	-	-	-	-	-	-
Unappropriated profit	88,715,056	-	-	-	-	-	-	-	-	-
Non-controlling interest	1,185,257	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	21,476,074	-	-	-	-	-	-	-	-	-
	169,595,100	-	-	-	-	-	-	-	-	-

41.4.3 The Group has assets and liabilities that have contractual or non-contractual maturities. The Group conducts empirical and statistical studies to assess the expected maturity of assets and liabilities with non-contractual maturities. The behavioral maturities of Demand deposits are determined on the basis of an empirical study conducted by the Bank, based on the past five years of data. The attrition rate of deposits is determined based on historically observed monthly data of all Current and Saving Deposit accounts. The parameters used to determine the stickiness of deposits in the study are accounts with balances above a minimum level and monthly change in account balances.

Overdraft facilities are a part of the loan portfolio that roll-over periodically and are constantly a part of the balance sheet. The core or stable part of this asset category can be considered to have a behavioral maturity of a longer tenor. Although, contractually such facilities are short-term, they are generally rolled over periodically, such as working capital financing for commercial borrowers. Hence these assets need to be analyzed as having a core portion which is stable and constantly appears on the balance sheet and a non-core portion that is relatively volatile. Statistical analysis is used to ascertain the change in maturity profiling over time based on the cyclical changes in the outstanding amount against overdraft facilities.

Interest Rate Risk

Interest rate risk is the uncertainty about the change in an investment's value due to changes in interest rates, including changes in the shape of the yield curve. Interest rate risk is inherent in the business of a financial institution and results due to the mismatches in the contractual maturities or repricing of assets and liabilities on its balance sheet. Substantial part of the Bank's assets and liabilities are subject to floating rates which significantly reduces the exposure to changes in interest rates. The Bank is exposed to interest rate risk as a result of mismatches on a relatively small part of its assets and liabilities. The major portion related to this risk is reflected in the banking book owing to the retail activities and investments qualifying for statutory reserve requirements. The overall potential impact of the mismatches on the earnings in short term and economic value of the portfolio in the long term is not material and is being managed with in the tolerance limits approved by the Board. The Bank uses simulation and duration gap models to measure and monitor the interest rate sensitivity on the potential earnings and the Bank's economic value of equity.

41.6. Operational Risk Management (ORM)

In line with the approved Operational Risk Management Policy, the Bank has established an Operational Risk Management Department (ORMD). Operational Risk Management Policy and a detailed ORM framework has been prepared and implemented. Statistical Analysis Software – SAS for operational risk management has been deployed that facilitates loss data management, risk and control assessment, and tracking of key risk indicators (KRIs). Operational Risk Coordinators (ORCs) have been assigned from all the relevant departments of the bank, being responsible for implementation of the ORM Framework in coordination with ORMD. The Bank has been granted permission by SBP to move to the more advanced approach i.e, Alternative Standardised Approach (ASA) under Basel II with a capital floor i.e., operational risk charge under ASA should not fall below a certain percentage of operational risk capital charge calculated under BIA for 3 years . HBL is the first Pakistani bank to achieve this milestone.

The Bank's ORM framework and practices address all the significant areas of ORM within the Bank including Risk Control Self Assessment (RCSA), Key Risk Indicators, Operational Loss Data Management, Operational Risk Reporting, Capital Calculation etc. Detailed RCSA exercises are conducted at regular intervals across the Bank, the results of which are continually evaluated against the losses. Operational loss data collection and evaluation has been underway since 2009. The Bank has also established Key Risk Indicators (KRI) and is monitoring them at regular intervals. Operational risk reports are regularly submitted to the senior management.

42. ISLAMIC BANKING BUSINESS

In order to meet the guidelines for Shariah Compliance in Islamic Banking Institutions (IBI), statement of financial position and profit and loss account of IBI as at December 31, 2015 is given in annexure V. Further, detailed disclosures are also given in the said annexure to comply with instructions issued by the SBP and the SECP under relevant circulars and standards.

43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

After December 31, 2015, the following dividends were proposed by the Directors for 2015. The dividends have not been provided for and, there are no income tax consequences.

	2015 (Rupees in '000)	2014
Cash dividend: Rs. 3.5 per share in addition to Rs. 10.5 already paid during the year (2014: Rs. 12 per share)	<u>5,133,984</u>	<u>8,067,689</u>

44. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on February 23, 2016.

45. GENERAL

45.1 These consolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BSD Circulars No. 4 and 7 dated February 17, 2006 and April 20, 2010 respectively and related clarifications / modifications.

45.2 The comparative figures have been re-arranged and reclassified for comparison purposes. There are no material reclassifications to report other than as disclosed in note 22.1 and 25.1 to these consolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Detail of Domestic Investments

Detail of Domestic Investments as at December 31, 2015 is disclosed in Annexure I of Unconsolidated Financial Statements.

Detail of Advances Written – Off

Detail of Advances written – off for the year ended December 31, 2015 is disclosed in Annexure II of Unconsolidated Financial Statements.

Details of Disposal of Operating Fixed Assets - Consolidated

ANNEXURE-III

For the year ended December 31, 2015

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
	----- (Rupees in '000) -----					
FURNITURE & FIXTURES						
	1,176	1,176	-	1	Sale	Khalid Brothers
	1,442	1,442	-	100	Sale	Generator X Power System
	2,269	2,269	-	15	Sale	M/s Samha Trade
	4,887	4,887	-	115		
MOTOR VEHICLES						
	1,239	1,239	-	975	Auction	} Mr. Niaz Ahmed
	1,239	1,239	-	960	Auction	
	1,269	1,269	-	900	Auction	} Mr. Amjad Ali
	1,269	1,269	-	1,000	Auction	
	2,290	2,290	-	1,105	Auction	} Mr. M.Jawaid
	1,269	1,269	-	700	Auction	
	1,269	1,269	-	960	Auction	} Mr. Saleem Noor
	1,080	1,080	-	820	Auction	
	1,269	1,269	-	850	Auction	Syed Riaz Ahmad
	1,269	1,269	-	1,015	Auction	Mr. Shaik Jawaid
	1,269	1,269	-	1,030	Auction	Mr. Iqbal Moosa
	1,269	1,269	-	875	Auction	Mr. M.Ashraf
	1,239	1,239	-	1,025	Auction	Syed Faqeer
	1,239	1,239	-	1,015	Auction	Mr. Khair Muhammad
	1,239	1,239	-	1,005	Auction	Mr. Abdul Kabir Khan
	1,239	1,239	-	1,035	Auction	Mr. M.Faheem Khalsai
	1,080	1,080	-	820	Auction	Syed Asghar
	1,335	1,335	-	394	Auction	Mr. Juma Khan
	1,921	1,921	-	528	Auction	Mr. Farook Latona
	11,122	8,994	2,128	6,806	Auction	M/s Performance Motors
	36,414	34,286	2,128	23,818		
Assets having cost of less than Rs. 1 million and book value of less than Rs. 250,000	558,609	539,588	19,020	46,647		
	599,910	578,762	21,148	70,580		

Detail of Donations in excess of Rs. 100,000

Detail of donations for the year ended December 31, 2015 is disclosed in Annexure IV of Unconsolidated Financial Statements.

Detail of Islamic Banking

The Statement of the financial position and profit and loss account of the Islamic Banking Business is disclosed in Annexure V of Unconsolidated Financial Statements.

HBL Domestic Network

Name of Region	Number of Branches
Bahawalpur	61
Faisalabad	99
Gujranwala	72
Gujrat	70
Hyderabad	60
Islamabad	139
Jhelum	77
Karachi	169
Lahore	114
Mardan	95
Mirpur A.K.	59
Multan	107
Muzaffarabad	38
Peshawar - D.I.Khan	104
Quetta	40
Sahiwal	80
Sargodha	77
Sialkot	77
Sukkur	51
Islamic Banking	44
Commercial	19
Corporate (Including KEPZ)	12
	1,664

Subsidiaries

Habib Bank Financial Services (Private) Limited
HBL Currency Exchange (Private) Limited
HBL Asset Management Limited

Affiliates

Jubilee General Insurance Company Limited
Jubilee Life Insurance Company Limited
HBL Money Market Fund
HBL Stock Fund
HBL Multi Asset Fund
HBL Income Fund
HBL Islamic Stock Fund
HBL Islamic Money Market Fund
HBL Pension Equity Sub Fund
HBL Pension Debt Sub Fund
HBL Pension Money Market Sub Fund
HBL Islamic Pension Equity Sub Fund
HBL Islamic Pension Debt Sub Fund
HBL Islamic Pension Money Market Sub Fund
HBL Mustahekum Sarmaya Fund





Unconsolidated
Financial
Statements

Directors' Report 2015

On behalf of the Board of Directors, I am pleased to present the Unconsolidated Financial Statements for the year ended December 31, 2015.

Macroeconomic Review

Pakistan's macroeconomic backdrop in 2015 has continued to improve, evidenced by the positives of multi-year low inflation and interest rates and stability in the external account. GDP growth improved to a 7-year high of 4.2% supported by improvement in the agriculture and services sectors. Large scale manufacturing growth has strengthened to 3.9% in H1 FY16 compared to 2.7% in the same period in FY15. The improved economic and governance performance was recognised by international ratings agencies, with upgrades from both Moody's and S&P, which further bolstered the positive economic sentiment.

After a long period of near continuous decline, headline inflation has begun to uptick as a result of the low base effect, reaching 3.2% in December 2015. However, the rise remains tempered by unprecedented low oil and commodity prices, which have pulled down inflation to an average of 2.1% during H1 FY16 with the SBP revising its average FY estimates down to 3-4%.

The fiscal deficit for FY15 reduced to 5.3% and has continued to reduce during H1 FY16, to 1.7% as the Government cuts back on development spending in the wake of delayed non-tax revenue, with a slowdown in the Privatisation programme. Exports continued to weaken, falling by 11%. However, helped by low oil prices, imports declined by 10%, thus reducing the trade deficit for H1 FY16 by 9% over the same period last year. This, along with a stable and growing stream of remittances, resulted in the current account deficit reducing by almost 50%, to \$ 1.3 billion in H1 FY16.

The 10th review of the IMF's Extended Fund Facility programme concluded satisfactorily, paving the way for release of the next tranche of \$ 500 million. The IMF mission lauded the Government's economic progress and success in meeting the performance criteria. Uninterrupted IMF disbursements, continued inflows from the Coalition Support Fund and debt issuance have brought stability to the external account. Consequently, the Balance of Payments remained in surplus at \$ 1.5 billion during H1 FY16 with foreign exchange reserves increasing to an all-time high of \$ 21 billion. There was some volatility in the exchange rate triggered mainly by pressure from regional currencies. However, timely IMF disbursements and the issuance of the \$ 1 billion Eurobond at the end of Q3 2015 have kept the Rupee generally stable, depreciating by 4% during the year.

For HBL, the landmark market event was the secondary sell down by the Government of its entire remaining shareholding in the Bank, led by the Privatisation Commission. The issue was oversubscribed by 1.6 times and is a reflection of the value seen by investors in this institution. The transaction size was over \$ 1 billion and is the largest ever equity offering, not just in Pakistan, but in Asian Frontier Markets. More than 75% of the proceeds came from foreign investors covering all significant investment locations and including major International Financial Institutions.

The SBP continued its policy of monetary easing throughout 2015, lowering the discount rate by 300 bps to 6.50%. In addition, a Target Rate was introduced at 50 bps below the discount rate, thus effectively lowering the benchmark for KIBOR. Simultaneously, the SBP also reduced the width of the interest rate corridor to 200 bps, resulting in an increase in the minimum rate paid on savings deposits. Overall banking sector spreads have thus been compressed by 400 bps in the past 12 months. Banking sector deposits continued to rise by 14% while advances increased by 9% over 2014.

Financial Performance

HBL has achieved a new landmark by becoming the first bank in Pakistan to cross Rs. 100 billion in total revenue.

HBL has delivered a pre-tax profit of Rs. 57.4 billion for the year 2015, a growth of 22% over the previous year. Profit after tax reached Rs. 35.5 billion, an increase of 14%. The lower growth in post-tax profit is due to the retrospective tax charge imposed in the Federal Budget earlier this year. Consequently, earnings per share for 2015 increased to Rs. 24.18 compared to Rs. 21.21 for 2014.

HBL's balance sheet has increased by 20% over December 2014 to Rs. 2.1 trillion. Total CASA deposits grew by 13%, further improving the deposit mix. Current accounts grew by 14% to reach Rs. 561 billion and the ratio of current accounts has now risen to 36.0% from 33.9% in December 2014. The Bank was able to contain the decline in its overall margins to just 22 bps despite the average interest rate in 2015 being 276 bps lower than in 2014. This was achieved through a 24% growth in average domestic current accounts, a 6% growth in average domestic loans and a 74% increase in average PIB volumes. With a 21% growth in the average balance sheet over 2014, net interest income for 2015 increased by 14% to Rs. 76.8 billion.

Non mark-up income for 2015 increased to Rs. 32.3 billion, a YoY growth of 65%. During this period, the Bank recorded capital gains of Rs. 10.9 billion from both the equity and fixed income markets. Fees and commissions for the year also increased by 23% over 2014, to Rs. 16.3 billion, strengthening HBL's industry leadership in this area. The upsurge in fees was once again due to new records being set in Bancassurance sales and card related fees, with solid growth in trade revenue. The home remittances and investment banking businesses delivered excellent results, each crossing Rs. 1 billion in income for the first time. The Bank's prudent investments in the equity markets generated dividends and capital gains of Rs. 4.1 billion, a rise of 126% over 2014.

Administrative expenses increased by 20% over 2014, driven by increases in IT and marketing spend, higher rent and maintenance costs and normal salary increases. However, as a result of the strong revenue growth, the cost/income ratio for the year reduced to 42% compared to 44% in 2014. The Bank continues to look for ways to manage its growth in a controlled manner and there will be more focus on this area going forward. Domestic non-performing loans reduced by Rs. 4.4 billion, driven by strong recoveries and restructuring efforts. However, this was somewhat offset by higher NPLs and provisions in the Middle East, where falling oil prices and economic pressures have led to higher stress on borrowers. Total NPLs thus increased by Rs. 0.4 billion over 2014 levels, while provisions increased to Rs. 4.7 billion, as the Bank took a conservative view on certain borrowers. Consequently, the coverage has increased to over 92%, a significant strengthening over the December 2014 level of 89%.

Movement in Reserves

	2015	2014
	Rupees in Million	
Profit after tax	35,470	31,112
Un-appropriated profit brought forward	81,708	67,435
Profit attributable to equity holders of the Bank	35,470	31,112
Other Comprehensive Income - net	(281)	(287)
Transferred from surplus on revaluation of fixed assets - net of tax	54	93
	35,243	30,918
Profit available for appropriation	116,951	98,353

2015 2014
Rupees in Million

Appropriations:

Transferred to statutory reserves	(3,547)	(3,111)
Cash dividend – Final	(8,068)	(2,667)
Issued as bonus shares	-	(1,333)
1st interim cash dividend	(5,134)	(2,934)
2nd interim cash dividend	(5,134)	(3,300)
3rd interim cash dividend	(5,134)	(3,300)
Total appropriations	(27,017)	(16,645)
Unappropriated Profit carried forward	89,934	81,708
Earnings per share (Rupees)	24.18	21.21

Capital Ratios

During the last quarter, HBL issued Rs. 10 billion of subordinated debt, which contributes towards the Bank's Tier II capital. Consequently, the unconsolidated Capital Adequacy Ratio (CAR) increased from 15.09% in December 2014 to 15.92% in December 2015. The Tier 1 CAR reduced by 10 bps but, at 12.93%, remains well above regulatory requirements.

HBL's Return on Assets in 2015 remained relatively flat at around 1.8%, while the Return on Equity declined marginally by 20 bps to 21.5%.

Business Developments

HBL has maintained its leadership position with market share of deposits around 14%. This was made possible by sustained improvement in service levels across the network as well as continual monitoring of branch performance through the now embedded KPI mechanism. The year also saw a record number of new to bank relationships, thus expanding the customer base and enhancing financial inclusion in the rural areas and previously unbanked segments. For its affluent customers, the business launched its Investment Services product, offering capital markets and other investment opportunities.

HBL's Consumer business continues its rapid, but tightly controlled growth with a focus on increasing market share. Credit Cards, Personal Loans and Auto Loans remain the key products where strong revenue growth has been achieved with excellent credit quality. The year saw the launch of the HBL Platinum credit card which offers unrivalled benefits to customers and has quickly become the front-of-wallet card for premium customers. HBL also continues to maintain its leading position in Rural Banking, having doubled its portfolio size in the last three years. This is a key focus area for HBL in line with its responsibility as the leading financial institution in supporting this key driver of the economy.

HBL's Islamic Banking business allows faith based customers to access Shariah compliant solutions. The footprint has been expanded by reaching out to customers beyond first tier cities. The Bank is now a leading player in the syndicated transactions market, partnering with the corporate banking team. In addition, an Islamic Treasury was set up to provide access to Shariah compliant products for customers.

HBL Treasury completed several key initiatives in 2015. A new International Treasury was established with a view to enhancing revenues and increasing oversight. Treasury also added presence in Islamabad to better serve clients located in the northern part of the country. HBL Treasury was declared by Euromoney as the Top FX Bank in Pakistan for Non-financial Corporate clients and was also ranked by the SBP as the top Primary Dealer.

With a total portfolio of 4.8 million debit cards issued, HBL currently holds the market leadership with a 19% share. During 2015, Titanium and World Debit Cards were offered to premium customers. HBL has now become the fastest growing POS acquirer in Pakistan and monthly transaction volume grew nearly nine-fold over the year.

During the year, HBL injected capital into the UK, UAE and Hong Kong, in order to further strengthen these businesses. HBL UAE also introduced SMS alerts on all debit and credit transactions, and the call centre now also caters to the needs of customers in Oman and Bahrain. HBL Sri Lanka also received the best Trade Finance Bank of Sri Lanka award for 2015 from Global Banking & Finance.

During 2015, HBL has continued to build credentials and enhance market reach to Chinese companies in China and Pakistan, specifically those involved in the China Pakistan Economic Corridor (CPEC). In November 2015, HBL applied for a license for setting up a branch in Urumqi and the application is currently awaiting approval.

There has been a concerted focus on improving service quality and efficiency across all aspects of HBL's operations. ATM deployments continued at an accelerated pace with more than 350 new machines installed during 2015. To reduce branch counter traffic, Cheque Deposit Kiosks were installed, providing further transactional convenience to customers.

Several initiatives were taken to provide enhanced security and peace of mind to customers in their daily transaction needs. SMS alert facilities on ATM transactions further helped reduce probability of fraud. The launch of HBL Cash Mehfooz in association with Jubilee General Insurance was also successfully completed, covering HBL account holders against the risk of theft.

HBL continued to invest in marketing and branding activities throughout 2015, with industry wide recognition, including the Brand of the Year award. Another major initiative was taken to harmonise the look and feel of the brand by investing in attractive, world class branch signage across all major cities. HBL's Independence Day celebrations generated tremendous excitement where over 40,000 people gathered to sing the National Anthem. As HBL celebrates its 75th anniversary in 2016, showcasing the Bank's brand and its heritage has taken on much more prominence.

Human Resources

With a rich 75 year legacy and as Pakistan's largest Bank, HBL prides itself as an equal opportunity employer, nurturing and developing the nation's best bankers. The Bank's leading position across most market indicators today is the result of the hard work and commitment of its workforce of over 14,000, spread across more than 1,700 branches and over 25 countries. To build the future leadership of the Bank, HBL revamped its Management Trainee Programme, to attract the best young talent from the market. The Bank aims to be recognised as an Employer of Choice with meritocracy, integrity and compliance with standards considered as integral to HBL's culture.

Capacity building, training and development has always been a focus area and was demonstrated by a 40% increase in training man-hours. The Bank aims to continuously extend training coverage and enhanced its e-learning modules, including on compliance and personal effectiveness. Training at international locations was significantly stepped up with a focus on compliance and customer service.

Risk Management Framework

HBL has a highly evolved risk management framework which is characterised by strong Board oversight, multi-tier management supervision, efficient systems and clearly articulated risk appetite, policies and procedures. The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place. It is supported in this task by the Board Risk Management Committee (BRMC), which regularly reviews portfolio risk profiles, policies and adherence to risk appetite. At the senior management level, the governance framework includes a number of committees including the Asset & Liability Committee, Management Risk Committee, Credit Risk Management Committee, Information Security Governance Committee and Operational Risk Management Committee.

The Bank continuously re-evaluates and evolves its risk architecture and governance framework in line with international best practices, new regulatory requirements and changes in its business needs and focus. During 2015, a number of policies and procedures were revamped and structures re-aligned to better address emerging needs. Risk Management for various product programmes in consumer, retail and agricultural financing was consolidated under a Programme Based Lending function. In line with the Bank's focus on integrating the management of non-traditional risks, the information security function was also brought under the risk management umbrella.

HBL strives to leverage technology for efficient risk management. In 2015, the Bank completed the User Acceptance Testing for its integrated credit risk management software, which will automate the entire credit process from loan origination to disbursement and subsequent periodic monitoring and management. Phased implementation is targeted through 2016. The SAS software for operational risk measurement was also deployed during the year. This will further strengthen the operational risk management framework as it facilitates collection, tracking, and reporting of operational losses, near misses, recoveries and key risk indicators. It also supports risk and control assessments, scenario assessments, incident investigation and validation, thus providing the most comprehensive solution to date.

Corporate Social Responsibility – (CSR)

HBL is committed to fulfilling its role as a responsible corporate citizen. HBL aims to balance its assistance between public and private sector entities while ensuring that contributions are made to organisations across all provinces and administrative areas of Pakistan. To further its CSR goals, the Bank established the HBL Foundation in 2009, to which it contributes annually. During 2015, the Bank donated Rs. 387 million, both to the HBL Foundation and also directly to deserving causes including the Earthquake Relief Fund in Nepal. Donations to the HBL Foundation and others are disclosed in Annexure IV to the financial statements.

Credit Ratings

The Bank's credit ratings were re-affirmed by JCR-VIS at AAA/A-1+ for long term and short term respectively. HBL's new subordinated debt issue has also been rated AAA. Moody's also upgraded HBL's baseline credit assessment from Caa1 to B3 and its local and foreign currency ratings from Caa1 to B3 and Caa2 to Caa1 respectively. Moody's rating actions were largely a consequence of their upgrade of Pakistan's credit rating, but also reflect their confidence in HBL's financial performance.

Awards

During 2015, HBL was conferred with several awards, the most significant of which were:

- Best Bank in Pakistan - Euromoney Awards for Excellence, 2015
- Best Domestic Bank in Pakistan - Asiamoney Best Domestic Bank Awards, 2015
- Best Retail Bank in Pakistan - The Asian Banker International Awards, 2015
- Safest Bank in Pakistan - Global Finance, 2015
- Brand of the Year, Pakistan - World Branding Awards, 2015
- Best Local Trade Finance Bank in Pakistan - Global Trade Review, 2015
- Best Investment Bank in Pakistan - International Finance Magazine, 2015

Future Outlook

Underpinned by several positive developments over the last year, GDP growth is expected to continue its upward trajectory, increasing to 4.5% in FY16. The medium term economic outlook is positive with growth targeted around 7% as resources are mobilised for energy and other infrastructure projects linked to the CPEC. The revival of Large Scale Manufacturing is expected to lend support to credit demand in the near term. However, targets under the last two tranches of the EFF programme are progressively more challenging. As the country approaches the end of what would be its first ever successful IMF programme, structural reforms in the energy sector and tax administration along with rejuvenation of the privatisation programme for public sector enterprises become ever more critical.

The global economic outlook for 2016 remains bleak as oil prices remain mired at historically low levels, equity markets are volatile and GDP growth remains elusive. Emerging market assets are expected to continue experiencing outflows in this year. The Pakistan banking sector will remain challenged in 2016 as the reinvestment risk of the sector's maturing PIB investments is compounded by the continued low interest rate environment. However, new opportunities should be forthcoming in the form of CPEC driven loan growth, for which HBL is ideally positioned to capture a dominant share. The Bank remains conscious of regulatory frameworks and is committed to maintain high compliance and risk management standards while growing its presence and business.

Dividend

The Board has recommended a final cash dividend of Rs. 3.50 per share for the year ended December 31, 2015, bringing the total cash dividend for the year to Rs. 14.00 per share. The Board had earlier declared and paid interim cash dividends totalling Rs. 10.50 per share

Change in Directors

Mr. R. Zakir Mahmood, retired from the Board of Directors on March 26, 2015, at the conclusion of his term. Mr. Mahmood had been on the HBL Board since 2000. The Board wishes to place on record its deepest appreciation for the services of Mr. Mahmood, who also served as President of HBL for over 12 years and played a major role in leading the Bank both prior to and post its privatisation.

Mr. Shaffiq Dharamshi was elected as a Director on March 27, 2015. Mr. Dharamshi is a career banker with over 23 years of experience in the Middle East and Africa. The Board welcomes Mr. Dharamshi and looks forward to his contribution.

Meetings of the Board

	Board Meeting		Audit Committee Meeting		Risk Management Committee Meeting		Human Resource and Remuneration Committee Meeting	
	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	10	10	N/A	N/A	N/A	N/A	6	5
Mr. Agha Sher Shah	10	10	N/A	N/A	7	7	N/A	N/A
Mr. Moez Ahamed Jamal	10	10	7	7	N/A	N/A	6	6
Dr. Najeeb Samie	10	10	7	7	N/A	N/A	N/A	N/A
Mr. R. Zakir Mahmood	3	2	N/A	N/A	2	2	N/A	N/A
Mr. Sajid Zahid	10	10	7	7	N/A	N/A	6	6
Mr. Shaffiq Dharamshi	7	4	N/A	N/A	5	5	N/A	N/A
Mr. Nauman K. Dar	10	10	N/A	N/A	7	7	6	6

Auditors

The current auditors, Messrs Ernst & Young Ford Rhodes Sidat Hyder, are completing their 5 year term, and are not eligible for reappointment as per the Code of Corporate Governance. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs A. F. Ferguson & Co., Chartered Accountants, a member firm of the PwC network, as the auditors of the Bank for the financial year 2016.

Statement under Section XVI of the Code of Corporate Governance (the Code):

The Board is committed to ensure that requirements of corporate governance set by the Securities and Exchange Commission of Pakistan are fully met and the Directors are pleased to report that:

- a) The financial statements prepared by the management of the Bank present a true and fair view of the state of its affairs, operational results, cash flows and changes in equity.
- b) Proper books of accounts of the Bank have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The Bank has followed international accounting standards (as applicable to Banks in Pakistan) in the preparation of its financial statements and there is no departure from the said standards.
- e) As a continuous process, efforts have been made to effectively implement the internal control system. HBL follows the SBP Internal Control Guidelines, including the roadmap and the guidelines for Internal Controls over Financial Reporting (ICFR). The Bank has evaluated its ICFR process and developed a Framework document for the management for ICFR, along with a dedicated Management Testing and Reporting Framework.
- f) There are no doubts about the Bank's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the Code.
- h) Key operating and financial data for the last ten years is presented in the financial statements under the section "Progress 2005 to 2015 – Consolidated".
- i) The Directors, CEO, CFO and Company Secretary have confirmed that neither they nor their spouses are engaged in the business of stock brokerage.
- j) Risk Management, Audit and Human Resource and Remuneration Committees constituted by the Board are functioning efficiently in accordance with their Terms of Reference. The Board has met regularly and held ten meetings in the year, including at least once in every quarter.

The Statement of Internal Control, the Statement of Compliance with the Code, the Review Report on Statement of Compliance with the Code and the Auditors' reports are attached to the Financial Statements.

Value of Investments in employee retirement benefits funds

The following is the value of the investments of the provident, gratuity, pension and benevolent funds maintained by the Bank, based on their latest audited financial statements.

	Rupees in Million
Employees' Provident Fund	9,714
Employees' Pension Fund	4,898
Employees' Gratuity Fund	1,819
Employees' Benevolent Fund – Executives and Officers	1,205
Employees' Benevolent Fund – Clerical and Non-Clerical	521

Pattern of Shareholding

The pattern of Shareholding as at December 31, 2015, and the trading in the Bank's shares by Executives, as defined by the Board of Directors under the Code is given in the Annual Report under the requirements of the Code.

Training programmes attended by Directors

Details have been provided in the Statement of Compliance with the Code.

Appreciation and Acknowledgement

On behalf of the Board and management, I would like to place on record our appreciation for the efforts of our Regulators and the Government of Pakistan, in particular the Ministry of Finance, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan, for developing and strengthening the banking and financial industry through continuous improvements in the regulatory and governance framework.

I would also like to take this opportunity to thank our customers and shareholders for entrusting us with their confidence. We assure them that we remain committed to maintaining high service standards and a strong culture of good corporate governance and compliance in all our endeavours. I would also like to acknowledge the efforts and dedication demonstrated by the employees towards the growth of HBL.

On behalf of the Board

Nauman K. Dar
President & Chief Executive Officer
February 23, 2016

We have audited the annexed unconsolidated statement of financial position of Habib Bank Limited ("the Bank") as at **31 December 2015** and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement, together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended, in which are incorporated the unaudited certified returns from the branches except for 95 branches which have been audited by us and 24 branches audited by auditors abroad and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- (b) in our opinion:
 - (i) the unconsolidated statement of financial position and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes in accounting policies as mentioned in note 4.1 to the accompanying financial statements, with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;

- (c) in our opinion and to the best of our information and according to the explanations given to us the unconsolidated statement of financial position, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's affairs as at 31 December 2015 and its true balance of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Audit Engagement Partner: Omer Chughtai

Date: February 23, 2016

Karachi



Unconsolidated Statement of Financial Position

As at December 31, 2015

2015 (US \$ in '000)	2014		Note	2015 (Rupees in '000)	2014
ASSETS					
1,473,190	1,167,368	Cash and balances with treasury banks	5	154,303,383	122,271,268
280,964	506,256	Balances with other banks	6	29,428,453	53,025,792
423,124	327,604	Lendings to financial institutions	7	44,318,411	34,313,560
11,556,879	8,569,462	Investments	8	1,210,479,109	897,573,967
5,744,026	5,302,551	Advances	9	601,635,036	555,394,512
276,284	237,483	Operating fixed assets	10	28,938,259	24,874,238
-	-	Deferred tax asset		-	-
532,713	780,429	Other assets	11	55,796,857	81,742,917
<u>20,287,180</u>	<u>16,891,153</u>			<u>2,124,899,508</u>	<u>1,769,196,254</u>
LIABILITIES					
266,773	209,619	Bills payable	12	27,942,101	21,955,683
3,002,503	951,208	Borrowings	13	314,485,132	99,630,517
14,877,753	13,817,086	Deposits and other accounts	14	1,558,310,675	1,447,215,445
95,474	-	Subordinated loan	15	10,000,000	-
-	-	Liabilities against assets subject to finance lease		-	-
21,142	17,666	Deferred tax liability	16	2,214,422	1,850,325
382,805	388,354	Other liabilities	17	40,095,528	40,676,639
<u>18,646,450</u>	<u>15,383,933</u>			<u>1,953,047,858</u>	<u>1,611,328,609</u>
<u>1,640,730</u>	<u>1,507,220</u>	NET ASSETS		<u>171,851,650</u>	<u>157,867,645</u>
REPRESENTED BY:					
Shareholders' equity					
140,046	140,046	Share capital	18	14,668,525	14,668,525
425,373	388,625	Reserves		44,553,993	40,704,933
858,631	780,093	Unappropriated profit		89,933,889	81,707,742
<u>1,424,050</u>	<u>1,308,764</u>			<u>149,156,407</u>	<u>137,081,200</u>
216,680	198,456	Surplus on revaluation of assets - net of deferred tax	19	22,695,243	20,786,445
<u>1,640,730</u>	<u>1,507,220</u>			<u>171,851,650</u>	<u>157,867,645</u>
CONTINGENCIES AND COMMITMENTS					
			20		

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

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Unconsolidated Profit and Loss Account

For the year ended December 31, 2015

2015 (US \$ in '000)	2014		Note	2015 (Rupees in '000)	2014
1,360,417	1,296,034	Mark-up / return / profit / interest earned	22	142,491,463	135,747,879
627,549	653,979	Mark-up / return / profit / interest expensed	23	65,730,062	68,498,443
<u>732,868</u>	<u>642,055</u>	Net mark-up / profit / interest income		<u>76,761,401</u>	<u>67,249,436</u>
44,688	6,380	Provision against advances	9.3	4,680,657	668,280
351	(975)	Provision / (reversal) against off-balance sheet obligations	17.1	36,744	(102,167)
(3,651)	(990)	Reversal against diminution in the value of investments	8.7	(382,393)	(103,678)
-	-	Bad debts written off directly		-	-
<u>41,388</u>	<u>4,415</u>			<u>4,335,008</u>	<u>462,435</u>
<u>691,480</u>	<u>637,640</u>	Net mark-up / profit / interest income after provisions		<u>72,426,393</u>	<u>66,787,001</u>
Non mark-up / interest income					
155,968	127,019	Fee, commission and brokerage income		16,336,203	13,304,079
19,094	11,288	Dividend income		1,999,890	1,182,305
22,365	24,121	Income from dealing in foreign currencies		2,342,524	2,526,411
104,378	13,283	Gain on sale of securities	24	10,932,640	1,391,286
175	505	Unrealised gain on held-for-trading securities	8.13	18,326	52,856
6,079	10,981	Other income	25	636,733	1,150,126
<u>308,059</u>	<u>187,197</u>	Total non mark-up / interest income		<u>32,266,316</u>	<u>19,607,063</u>
<u>999,539</u>	<u>824,837</u>			<u>104,692,709</u>	<u>86,394,064</u>
Non mark-up / interest expense					
436,673	365,233	Administrative expenses	26	45,737,572	38,254,838
2,348	2,833	Other provisions / write offs - net	11.2	245,920	296,761
1,230	44	Other charges	27	128,831	4,654
11,253	9,195	Workers Welfare Fund	28	1,178,618	963,120
<u>451,504</u>	<u>377,305</u>	Total non mark-up / interest expenses		<u>47,290,941</u>	<u>39,519,373</u>
<u>548,035</u>	<u>447,532</u>	Profit before taxation		<u>57,401,768</u>	<u>46,874,691</u>
Taxation					
174,744	143,056	- current	29	18,302,817	14,983,827
21,589	(2,010)	- prior		2,261,220	(210,479)
13,054	9,441	- deferred		1,367,273	988,822
<u>209,387</u>	<u>150,487</u>			<u>21,931,310</u>	<u>15,762,170</u>
<u>338,648</u>	<u>297,045</u>	Profit after taxation		<u>35,470,458</u>	<u>31,112,521</u>
----- Rupees -----					
Basic and diluted earnings per share			30	<u>24.18</u>	<u>21.21</u>

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

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2015

2015 (US \$ in '000)	2014		2015 (Rupees in '000)	2014
338,648	297,045	Profit after taxation for the year	35,470,458	31,112,521
		Other comprehensive income / (loss)		
		Items that may be reclassified to profit and loss account in subsequent periods:		
(2,340)	(18,169)	Effect of translation of net investment in foreign branches	(245,101)	(1,903,090)
		Items not to be reclassified to profit and loss account in subsequent periods:		
(2,688)	(2,741)	Actuarial losses - net	(281,560)	(287,084)
<u>333,620</u>	<u>276,135</u>	Comprehensive income transferred to equity	<u>34,943,797</u>	<u>28,922,347</u>
		Components of comprehensive income / (loss) not reflected in equity		
		Items that may be reclassified to profit and loss account in subsequent periods:		
4,458	113,291	Movement in surplus on revaluation of investments - net of tax	466,978	11,866,164
		Items not to be reclassified to profit and loss account in subsequent periods:		
14,281	(79)	Surplus / (deficit) on revaluation of fixed assets - net of tax	1,495,756	(8,326)
<u>352,359</u>	<u>389,347</u>	Total comprehensive income	<u>36,906,531</u>	<u>40,780,185</u>

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

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2015

	Share Capital	RESERVES				Total	
		Exchange translation reserve	Capital		Revenue		
			Statutory	Non - distributable capital reserve	General		Unappropriated profit
(Rupees in '000)							
Balance as at December 31, 2013	13,335,023	13,191,195	20,231,764	-	6,073,812	67,435,578	120,267,372
Comprehensive income for the year							
Profit after taxation for the year ended December 31, 2014	-	-	-	-	-	31,112,521	31,112,521
Other comprehensive income / (loss)							
- Effect of translation of net investment in foreign branches	-	(1,903,090)	-	-	-	-	(1,903,090)
- Actuarial losses - net	-	-	-	-	-	(287,084)	(287,084)
	-	(1,903,090)	-	-	-	30,825,437	28,922,347
Transactions with owners, recorded directly in equity							
Final cash dividend paid at Rs. 2 per share for the year ended December 31, 2013	-	-	-	-	-	(2,667,005)	(2,667,005)
1st interim cash dividend paid at Rs. 2 per share	-	-	-	-	-	(2,933,705)	(2,933,705)
2nd interim cash dividend paid at Rs. 2.25 per share	-	-	-	-	-	(3,300,418)	(3,300,418)
3rd interim cash dividend paid at Rs. 2.25 per share	-	-	-	-	-	(3,300,418)	(3,300,418)
Issued as bonus shares	1,333,502	-	-	-	-	(1,333,502)	-
	1,333,502	-	-	-	-	(13,535,048)	(12,201,546)
Transferred from surplus on revaluation of fixed assets	-	-	-	-	-	93,027	93,027
Transferred to statutory reserve	-	-	3,111,252	-	-	(3,111,252)	-
Balance as at December 31, 2014	14,668,525	11,288,105	23,343,016	-	6,073,812	81,707,742	137,081,200
Comprehensive income for the year							
Profit after taxation for the year ended December 31, 2015	-	-	-	-	-	35,470,458	35,470,458
Other comprehensive income / (loss)							
- Effect of translation of net investment in foreign branches	-	(245,101)	-	-	-	-	(245,101)
- Actuarial losses - net	-	-	-	-	-	(281,560)	(281,560)
	-	(245,101)	-	-	-	35,188,898	34,943,797
Transactions with owners, recorded directly in equity							
Final cash dividend paid at Rs. 5.5 per share for the year ended December 31, 2014	-	-	-	-	-	(8,067,689)	(8,067,689)
1st interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	(5,133,984)	(5,133,984)
2nd interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	(5,133,984)	(5,133,984)
3rd interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	(5,133,984)	(5,133,984)
	-	-	-	-	-	(23,469,641)	(23,469,641)
Gain on bargain purchase arising on acquisition of Barclays Bank PLC - Pakistan branches (note 1.2.1)	-	-	-	547,115	-	-	547,115
Transferred from surplus on revaluation of fixed assets	-	-	-	-	-	53,936	53,936
Transferred to statutory reserve	-	-	3,547,046	-	-	(3,547,046)	-
Balance as at December 31, 2015	14,668,525	11,043,004	26,890,062	547,115	6,073,812	89,933,889	149,156,407

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

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Unconsolidated Cash Flow Statement

For the year ended December 31, 2015

2015 (US \$ in '000)	2014		Note	2015 (Rupees in '000)	2014
548,035	447,532	CASH FLOWS FROM OPERATING ACTIVITIES		57,401,768	46,874,691
(19,094)	(11,288)	Profit before taxation		(1,999,890)	(1,182,305)
(104,378)	(13,283)	Dividend income		(10,932,640)	(1,391,286)
(123,472)	(24,571)	Gain on sale of securities		(12,932,530)	(2,573,591)
424,563	422,961			44,469,238	44,301,100
23,831	18,029	Adjustment for non-cash items:		2,496,104	1,888,393
4,989	4,316	Depreciation		522,569	452,025
(3,651)	(990)	Amortisation		(382,393)	(103,678)
44,688	6,380	Reversal against diminution in the value of investments		4,680,657	668,280
351	(975)	Provision against advances		36,744	(102,167)
(175)	(505)	Provision / (reversal) against off-balance sheet obligations		(18,326)	(52,856)
-	(1,374)	Unrealised gain on held-for-trading securities		-	(143,911)
(474)	(234)	Exchange gain on subordinated loan		(49,625)	(24,551)
11,253	9,195	Gain on sale of operating fixed assets - net		1,178,618	963,120
2,348	2,833	Workers Welfare Fund		245,920	296,761
83,160	36,675	Other provisions / write offs - net		8,710,268	3,841,416
507,723	459,636			53,179,506	48,142,516
(95,520)	9,146	Decrease / (increase) in operating assets		(10,004,851)	957,917
54,465	(126,414)	Lendings to financial institutions		5,704,745	(13,240,697)
(388,066)	(307,461)	Investments in held-for-trading securities		(40,646,453)	(32,203,806)
259,678	(169,545)	Advances		27,198,936	(17,758,272)
(169,443)	(594,274)	Other assets		(17,747,623)	(62,244,858)
37,424	24,892	Increase / (decrease) in operating liabilities		3,919,826	2,607,213
2,027,856	(54,031)	Bills payable		212,399,694	(5,659,245)
796,223	1,243,304	Borrowings		83,397,167	130,224,934
(33,886)	3,909	Deposits and other accounts		(3,549,228)	409,781
2,827,617	1,218,074	Other liabilities		296,167,459	127,582,683
3,165,897	1,083,436			331,599,342	113,480,341
(207,815)	(131,364)	Income tax paid		(21,766,775)	(13,759,222)
2,958,082	952,072	Net cash flows from operating activities		309,832,567	99,721,119
(1,959,087)	(285,779)	CASH FLOWS FROM INVESTING ACTIVITIES		(205,196,776)	(29,932,765)
(761,380)	(378,131)	Net investments in available-for-sale securities		(79,747,717)	(39,605,863)
19,171	11,049	Net investments in held-to-maturity securities		2,008,041	1,157,318
2,256	-	Dividend income received		236,259	-
(54,900)	(40,987)	Net cash inflow on acquisition		(5,750,285)	(4,293,029)
674	854	Fixed capital expenditure		70,551	89,437
(2,340)	(18,169)	Proceeds from sale of fixed assets		(245,101)	(1,903,090)
(2,755,606)	(711,163)	Effect of translation of net investment in foreign branches		(288,625,028)	(74,487,992)
95,474	(23,765)	Net cash flows used in investing activities		10,000,000	(2,489,204)
(217,420)	(116,379)	Issuance / (repayment) of subordinated loan		(22,772,763)	(12,189,666)
(121,946)	(140,144)	Dividend paid		(12,772,763)	(14,678,870)
80,530	100,765	Net cash flows used in financing activities		8,434,776	10,554,257
1,649,512	1,604,055	Increase in cash and cash equivalents during the year		172,771,585	168,010,306
24,112	(31,196)	Cash and cash equivalents at the beginning of the year		2,525,475	(3,267,503)
1,673,624	1,572,859	Effect of exchange rate changes on cash and cash equivalents		175,297,060	164,742,803
1,754,154	1,673,624	Cash and cash equivalents at the end of the year	31	183,731,836	175,297,060

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

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2015

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking, and asset management related services in Pakistan and overseas. The Bank's Registered Office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Islamabad and its Principal office is at Habib Bank Plaza, I.I.Chundrigar Road, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,663 (2014: 1,596) branches inside Pakistan including 44 (2014: 43) Islamic Banking Branches and 53 branches (2014: 48) outside the country including Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of the Bank and its registered office is in Geneva, Switzerland.

1.1 During the year, the Government of Pakistan (GoP) has sold its entire shareholding in the Bank to domestic and international investors through a secondary offering of shares via the domestic stock exchanges.

1.2 Business Combinations

1.2.1 Acquisition of Barclays Bank PLC - Pakistan Branch Business (Barclays)

During the year, the Bank has acquired the Pakistan branch business of Barclays Bank PLC, a commercial bank. This is effective from the close of business on June 14, 2015 under an agreement dated March 11, 2015.

The proposal for the acquisition and the scheme for amalgamation was approved by the Board of Directors through resolutions dated January 16, 2015, February 07, 2015 and March 27, 2015 and by the shareholders of the Bank in their Extraordinary General Meeting held on April 25, 2015. The State Bank of Pakistan, through its letter BPRD (R&P-02)/625-110/2015/12499 dated June 1, 2015, has also approved the scheme of amalgamation and granted sanction order for the amalgamation of Barclays with and into the Bank. Subsequent to the acquisition, the Bank has incorporated the balances relating to Barclays at their carrying values as appearing in the audited financial statements of Barclays as at the close of business on June 14, 2015. These balances are detailed below:

	June 14, 2015 (Rupees in '000)
ASSETS	
Cash and balances with treasury banks	4,985,464
Balances with other banks	1,414,438
Investments	21,615,276
Advances	10,274,728
Operating fixed assets	134,757
Deferred tax assets	974,231
Other assets	305,757
	39,704,651
LIABILITIES	
Bills payable	2,066,592
Borrowings	2,454,921
Deposits and other accounts	27,698,063
Other liabilities	287,201
	32,506,777
Net assets acquired	7,197,874

International Financial Reporting Standard (IFRS) 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values on the acquirer's balance sheet and any intangible assets acquired in the business combination should be separately recognized and carried at their fair values. IFRS - 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of the fair values of the assets and liabilities and to determine the value of any intangibles separately identified. The fair valuation exercise of the recorded assets and liabilities will be completed within the period specified under IFRS - 3. However, management does not expect the fair values of the assets and liabilities transferred to be materially different from the carrying values. No intangible assets have been recognised as allowed by SBP vide their letter BPRD (R&P-02)/625-113/2015/18066 dated August 18, 2015.

The net assets of Barclays as appearing in the audited financial statements of Barclays as of June 14, 2015 were recognised by the Bank along with a contingent consideration of Rs 487 million based on potential realization of certain assets.

The acquisition of Barclays is a bargain purchase as the value of the net assets acquired as at the acquisition date exceeds the consideration paid by the Bank. The total gain on bargain purchase arising on the acquisition of Barclays amounts to Rs. 547 million. Details of carrying values of the net assets acquired, purchase consideration and gain on bargain purchase are as follows:

June 14, 2015
(Rupees in '000)

Carrying value of net assets acquired	7,197,874
Cash consideration	(6,163,643)
Contingent consideration	(487,116)
Total purchase consideration	(6,650,759)
Gain on bargain purchase	547,115

Under IFRS-3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain has not been taken to the profit and loss account as the SBP, through its letter BPRD (R&P-02)/625-113/2015/18066 dated August 18, 2015 has recommended that the amount of gain should be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions/deficit, assessed by the Bank or recommended by the Banking Inspection Department of the SBP, in the acquired Pakistan branch business of Barclays, against the NCR. As a result of events subsequent to the acquisition, the contingent consideration has increased by Rs. 12.884 million as at December 31, 2015.

- 1.2.2 The Bank has made an offer to purchase 50.51% of the shareholding of First MicroFinance Bank (FMFB), a related entity, at a consideration of Rs 2 billion. The transaction, for which approval was received from the shareholders at the Annual General Meeting held on March 27, 2015, is subject to regulatory approval. Post completion of the transaction, FMFB will become a subsidiary of the Bank.

2 BASIS OF PRESENTATION

These unconsolidated financial statements represents separate financial statements of Habib Bank Limited. The unconsolidated financial statements of the Bank are being issued separately.

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

The US Dollar amounts shown in these unconsolidated financial statements are stated solely for information convenience. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2015 and 2014 have all been converted using an exchange rate of Rupees 104.7410 per US Dollar.

2.1 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts less accumulated depreciation and certain investments, derivative financial instruments and forward foreign exchange contracts are stated at fair value.

The unconsolidated financial statements are presented in Pakistan Rupees, which is the Bank's functional currency. The amounts are rounded to the nearest thousand Rupees.

2.2 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank'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 Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Classification of investments (note 4.4)
- ii) Valuation and impairment of available for sale equity investments and associates (note 4.13)
- iii) Provision against non-performing advances (note 4.5)
- iv) Fixed assets, depreciation and amortisation (note 4.6)
- v) Fair value of derivatives (note 4.18)
- vi) Defined benefit plans and other retirement benefits (note 4.9)
- vii) Taxation (note 4.12)

- 2.2.1 Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3 STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards IFRSs issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP has deferred applicability of IFRS - 7, Financial Instruments: Disclosures, to banks through S.R.O 411(1)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under Section 237 of the Companies Ordinance, 1984 and under IFRS 10 is not applicable in case of investment by companies in mutual funds established under the trust structure.

- 3.2 **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year.**

The Bank has adopted the following accounting standards, interpretations of and amendments to approved accounting standards which became effective for the current year:

- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

The Bank expects that adoption of above standards and amendments are not expected to have any material impact on the Bank's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2013. Such improvements are generally effective for current accounting periods. The Bank expects that adoption of such improvements will not have any material impact on the Bank's financial statements in the period of initial application.

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

The following standards, amendments, 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:

Standards	Effective date (annual periods beginning on or after)
- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 1, 2016
- IFRS - 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 1, 2016
- IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 1, 2016
- IAS 16 - Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 1, 2016
- IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 1, 2016
- IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 1, 2016
- IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Bank's unconsolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are effective for accounting periods beginning on or after January 1, 2016. The Bank expects that adoption of such improvements will not have any material impact on the Bank's financial statements in the period of initial application.

The following new standards have been issued by the IASB but have not yet been notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
- IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
- IFRS 9 - Financial Instruments: Classification and Measurement	January 1, 2018
- IFRS 15 - Revenue from Contracts with Customers	January 1, 2018
- IFRS 16 - Leases	January 1, 2019

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statement are consistent with those of the previous financial year except as described below in note 4.1.

4.1 Change in accounting policy

Subsequent to SECP's SRO 56(I)/2016 as mentioned in note 3.1, the Bank has changed its accounting treatment for its investments in certain mutual funds of its subsidiary HBL AML. The Bank classifies its investment in mutual funds as investment in associates rather than investment in subsidiaries.

4.2 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.3 Lendings / borrowings (reverse repo / repo)

The Bank enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under

4.3.1 Purchase under resale agreements

Securities purchased under agreement to resell (reverse repo) are not recognised in these unconsolidated financial statements as investments and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as income.

4.3.2 Sale under repurchase agreement

Securities sold subject to a repurchase agreement (repo) are retained in these unconsolidated financial statements as investments and the counterparty liability is included in borrowings. The difference between the sale and contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as an expense.

4.4 Investments

The Bank classifies its investment portfolio, other than its investments in subsidiaries, associates and joint venture, into the following categories:

Held-for-trading

These are securities, which are either acquired for generating a 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 trading exists.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold till maturity.

Available-for-sale

These are investments, other than investments in subsidiaries, associates and joint venture that do not fall under the held-for-trading or held-to-maturity categories.

4.4.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Bank commits to purchase or sell the investments.

The cost of investments, other than those classified as held-for-trading, includes transaction costs associated with the investments. In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account.

4.4.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealized surplus / deficit arising on revaluation is taken to the profit and loss account.

Available-for-sale

Quoted securities classified as available-for-sale are subsequently measured at fair value. Any unrealized surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account shown below equity in the statement of financial position and is taken to the profit and loss account either when realized upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. A decline in the carrying value is taken to the profit and loss account. A subsequent increase in the carrying value, upto the cost of the investment, is credited to the profit and loss account. Investments in other unquoted securities are carried at cost less impairment, if any.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the SBP. Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

Held-to-maturity

Investments classified as "held-to-maturity" are measured at amortised cost using the effective interest rate method, less any impairment recognized to reflect irrecoverable amounts.

4.4.3 Investment in subsidiaries / associates / joint venture

Investments in subsidiaries, associates and joint ventures are recorded at cost less impairment if any.

4.5 Advances

Advances are stated net of specific and general provisions. Specific provision against non-performing advances of Pakistan operations is made in accordance with the requirements of the Prudential Regulations issued by the SBP. Provision against advances of overseas branches is made as per the requirements of the respective regulatory regimes. Advances are written off when there are no realistic prospects of recovery.

Finance lease receivables

Leases where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments including any guaranteed residual value. The net investment in finance lease is included in advances to customers.

Ijarah

Assets given on Ijarah, after taking into account the estimated residual value, are stated at cost less accumulated depreciation. Depreciation on Ijarah assets is calculated using the reducing balance method over the Ijarah term. The residual value of an Ijarah asset is determined after taking into account the commitment given by the customer to purchase the Ijarah asset at the expiry of the Ijarah term. Impairment of Ijarah assets is recognized only upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The residual value of the Ijarah asset is the estimated amount which could be obtained from its disposal at the expiry of the Ijarah term.

Ijarah assets are shown under advances and further analysis is provided in "Annexure V" of these unconsolidated financial statements.

4.6 Operating fixed assets and depreciation

4.6.1 Tangible

Fixed assets and capital work-in-progress, are stated at cost, except for land, buildings and certain machinery which are carried at revalued amounts less accumulated depreciation, where applicable, and accumulated impairment losses (if any).

The cost of fixed assets of foreign branches and subsidiary companies include exchange differences arising on translation at year-end rates. Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. Under the provision of the Companies Ordinance, 1984, a deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above surplus account.

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

All operating fixed assets are depreciated over their expected useful lives using the straight-line method from the date the assets are available for use.

Depreciation is calculated so as to write-off the assets over their expected useful lives at the rates specified in note 10.3 to these unconsolidated financial statements. The depreciation charge for the year is calculated after taking into account the residual value, if any. 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 in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. However, major repairs and renovations that increase the useful life of an asset are capitalized.

Gains or losses arising on the disposal of fixed assets are charged to the profit and loss account. Surplus on revaluation (net of deferred tax) realized on disposal of fixed assets is transferred directly to unappropriated profit.

4.6.2 Intangible

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method over their estimated useful lives. Amortization is charged at the rates stated in note 10.2 to these unconsolidated financial statements. Amortization on additions and deletions of intangible assets during the year is charged in proportion to the period of use. The useful life and amortization method are reviewed and adjusted, if appropriate, at each statement of financial position date. Intangible assets having an indefinite useful life are stated at cost less impairment, if any.

4.7 Borrowings / deposits

Borrowings / deposits are recorded at the proceeds received. The cost of borrowings / deposits is recognized as an expense in the period in which this is incurred.

4.8 Subordinated loan

A subordinated loan is initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is charged to the profit and loss account.

4.9 Employee benefits

The Bank operates the following schemes for its employees:

i) Approved Pension Fund (Defined benefit scheme)

For those who opted for a pension scheme introduced in 1977, the Bank operates a pension scheme for its executives / officers and clerical employees. For the executives and officers, this scheme is applicable to those executives and officers who were in service as at March 31, 2005 and the benefit is based on their salary as on March 31, 2014. The Provident Fund and Gratuity benefit were offered to such executives / officers in lieu of pension fund in respect of the future service after that date. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

ii) Approved Gratuity Fund (Defined benefit scheme)

For those who did not opt for the pension scheme introduced in 1977 and instead opted for the gratuity scheme and for all new employees hired on or after January 01, 2002, the Bank operates an approved gratuity scheme. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

iii) Approved Contributory Gratuity Fund (Defined contribution scheme)

The Bank operates a contributory gratuity scheme for employees hired on or after January 01, 2002. Further, Contributory Gratuity Scheme was offered to staff in lieu of Pension Fund for their services subsequent to March 31, 2005.

iv) Provident Fund (Defined contribution scheme)

For employees hired on or after January 01, 2002 and for those who did not opt for the Bank's Pension scheme introduced in 1977, the Bank operates an approved Provident Fund under which both the Bank and employees contribute at the following rates:

For Executives & Officers	6% of Basic Salary
For Clerical Staff	12% of Basic Salary

For Employees who are on a contract with the Bank, the benefit is as per their Service contract.

The staff (excluding clerical staff) who are covered by the Bank's Pension plan are now also eligible for Provident fund benefits effective from April 01, 2005 by contributing 6% of the basic pay. Bank also makes equal contributions for these employees. Payments are made to the employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

v) Benevolent Fund (Defined contribution scheme)

The Bank operates funded benevolent schemes for its executives, officers and clerical employees. Under this scheme, the employees of the Bank are entitled to receive defined grants / facilities during their service and after retirement. The benevolent fund plan covers all the employees of the Bank. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

vi) Post Retirement Medical Benefits

The Bank also provides post retirement medical benefits to its officers/executives and clerical employees who retired before December 31, 2005. The executives and officers are entitled to receive lump sum payments in lieu of post retirement medical facilities as a full and final settlement, effective January 01, 2006 onwards. However, all clerical staff are covered under Post Retirement Medical Benefits. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

vii) Compensated Absences

The Bank also makes provision in the financial statements for its liabilities towards compensated absences. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

viii) Other Post Retirement Benefits

The scheme offers a maximum of six months benefits to executives retiring after completing 25 years of service. However in case of the death of an executive, the house rent benefit is paid for one year. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.

Actuarial gain / loss

Actuarial gain / loss arise out of differences between actuarial assumptions and experience adjustments are recognized in other comprehensive income when they occur except for re-measurement of liability of compensated absences which is recognised in profit or loss.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. The Bank recognise past service cost as an expense when the plan amendment or curtailment occurs and when the Bank recognises related restructuring costs or termination benefits whichever is earlier.

Other schemes

Employee benefits offered by Overseas Branches are governed under their respective local laws.

4.10

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan rupees at the exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of the financial position. Forward foreign exchange contracts and foreign bills purchased are valued at forward foreign exchange rates applicable to their respective maturities.

Foreign operations

The assets and liabilities of foreign operations are translated to Pakistan rupees at exchange rates prevailing at the date of statement of the financial position. The income and expenses of foreign operations are translated into Pakistan Rupees at average rates of exchange for the year.

Translation gains and losses

Translation gains and losses are included in the profit and loss account, except those arising on the translation of the net investment in foreign operations which are taken directly to equity as an Exchange Translation Reserve and recognized in the profit and loss account on disposal.

Commitments

Commitments for outstanding forward foreign exchange contracts are translated at forward foreign exchange rates applicable to their respective maturities. Contingencies and commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of financial position.

4.11 Revenue recognition

Advances and investments

Income on performing advances is recognized on a time proportion basis as per the terms of the contract. Income on debt securities is recognized on a time proportion basis that takes into account the effective yield on the asset. Where debt securities are purchased at a premium or discount, such premium / discount is amortized through the profit and loss account over the remaining maturity of the debt security using the effective yield method.

Income recoverable on classified advances and investments is recognized on receipt basis. Income on rescheduled / restructured advances and investments is recognized as permitted by the regulations of SBP or by the regulatory authorities of the countries where the Bank operates, except where, in the opinion of the management it would not be prudent to do so.

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

Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Repossessed vehicles on account of loan default are recorded in memorandum account.

Unrealized lease income on classified leases is suspended in accordance with the requirements of the Prudential Regulations of SBP. Gains / losses on termination of lease contracts, documentation charges, front-end fees and other lease income are recognized as income on a receipt basis.

Murabaha

Murabaha transactions are reflected as receivable at the invoiced amount. However, the profit on that sale revenue not due for payment is deferred by recording a credit to the "Deferred Murabaha Income" account.

Ijarah

Ijarah income is recognized over the term of the Ijarah on a basis which takes into account the effective yield on Ijarah assets and represents the pattern of benefits derived from the use of the Ijarah assets.

Fee, Commission and Brokerage Income

Fee, Commission and Brokerage income is recognized on an accrual basis except where, in the opinion of management, it would not be prudent to do so.

4.12 Taxation

Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

Prior years

The 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.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts attributed to the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

4.13 Impairment

Available-for-sale equity securities

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price in the case of listed equity securities. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology.

Subsidiaries and Associates

The Bank considers that a decline in the recoverable value of its investments in subsidiaries and 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 amount falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, upto the cost of the investment in subsidiaries and associates, is credited to the profit and loss account.

Non-financial assets

The carrying amount of the Bank's assets (other than deferred tax assets) are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account except for an impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the revaluation surplus. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

4.14 Provision for claims under guarantees

A provision for claims under guarantees is recognized when intimated and reasonable certainty exists that the Bank will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognized in other liabilities.

4.15 Other provisions

Other provisions are recognized when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.16 Off setting

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

4.17 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain receivables, bills payable, borrowings, deposits, subordinated loans and certain other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.18 Derivative financial instruments

Derivative financial assets and liabilities are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.19 Dividend distribution

Declarations of dividend to shareholders are recognised as a liability in the period in which they are approved.

4.20 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic and diluted EPS is calculated by dividing profit for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

4.21 Segment reporting

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

Business segments

- *Branch Banking*

Consists of loans, deposits and other banking services to agriculture, consumer, SME and commercial customers.

- *Corporate Banking*

Consists of lending for project finance, trade finance and working capital to corporate customers. This segment also provides investment banking services including services provided in connection with mergers and acquisitions and the underwriting / arrangement of debt and equity instruments through syndications, Initial Public Offerings and private placements.

- *Treasury*

Consists of proprietary trading, fixed income, equity, derivatives and foreign exchange businesses. Also includes credit, lending and funding activities with professional market counterparties.

- *International Banking*

International banking is considered as a separate segment for monitoring and reporting purposes and consists of the Bank's operations outside of Pakistan.

- *Head Office / Others*

This includes corporate items and business results not shown separately in one of the above segments.

Geographical segments

The Bank's operations are managed along in the following geographic lines for monitoring and reporting purposes:

- Pakistan
- Europe, Middle East and America
- Asia and Africa

	Note	2015 (Rupees in '000)	2014
5. CASH AND BALANCES WITH TREASURY BANKS			
In hand including National Prize Bonds			
Local currency		20,104,302	16,605,428
Foreign currency		4,071,118	3,633,929
		<u>24,175,420</u>	<u>20,239,357</u>
With State Bank of Pakistan in			
Local currency current account	5.2	15,108,681	8,817,802
Foreign currency current account	5.1 / 5.3	5,061,523	5,641,943
Foreign currency deposit account	5.1 / 5.3	14,725,629	16,947,158
		<u>34,895,833</u>	<u>31,406,903</u>
With other Central Banks in			
Foreign currency current account	5.1 / 5.4	60,714,217	42,855,499
Foreign currency deposit account	5.1 / 5.4	5,622,375	5,408,680
		<u>66,336,592</u>	<u>48,264,179</u>
With National Bank of Pakistan in			
Local currency current account		28,895,538	22,360,829
		<u>154,303,383</u>	<u>122,271,268</u>

5.1 The above balances include remunerative accounts amounting to Rs. 45,800.733 million (2014: Rs. 39,418.596 million).

5.2 This represents current accounts maintained under the Cash Reserve Requirements of the SBP.

5.3 This represents deposit account maintained under the Special Cash Reserve Requirement of the SBP and US Dollar Settlement account maintained with the SBP. This carries mark-up at the rate of 0% (2014: 0%).

5.4 These represent balances held with the Central Banks of the countries in which the Bank operates in accordance with local statutory / regulatory requirements and carry varied mark-up rates as given by the Central Banks of the respective countries.

	Note	2015 (Rupees in '000)	2014
6. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		416,273	500,131
In deposit accounts		-	35
		<u>416,273</u>	<u>500,166</u>
Outside Pakistan			
In current accounts	6.1	16,770,025	23,130,386
In deposit accounts	6.1	12,242,155	29,395,240
		<u>29,012,180</u>	<u>52,525,626</u>
		<u>29,428,453</u>	<u>53,025,792</u>

6.1 This includes remunerative current account balance amounting to Rs. 4,219.062 million (2014: Rs. 744.723 million).

	Note	2015 (Rupees in '000)	2014
7. LENDINGS TO FINANCIAL INSTITUTIONS			
7.1 In local currency			
Call money lendings	7.2.1	2,813,925	4,042,250
Bai-Muajjal	7.2.2	25,936,778	8,268,950
Repurchase agreement lendings (reverse repo)	7.2 & 7.2.3	15,567,708	22,002,360
		<u>44,318,411</u>	<u>34,313,560</u>

7.2 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	2,467,708	-	2,467,708	9,379,577	-	9,379,577
Pakistan investment bonds	13,100,000	-	13,100,000	12,622,783	-	12,622,783
	15,567,708	-	15,567,708	22,002,360	-	22,002,360

The market value of securities held as collateral against lendings to financial institutions as at December 31, 2015 amounted to Rs. 16,959.497 million (2014: Rs. 22,897.458 million).

- 7.2.1 The call money lendings carry mark-up at the rate of 5.85% per annum (2014: 9.50% to 10.00% per annum) and are due to mature latest by January 14, 2016.
- 7.2.2 These include Bai-Muajjal transactions with the GoP through the SBP and carry mark-up at rates ranging from 5.93% to 5.94% per annum (2014: 9.50% to 9.96% per annum) and are due to mature latest by November 17, 2016.
- 7.2.3 Repurchase agreement lendings carry mark-up at rates ranging from 6.20% to 6.75% per annum (2014: 9.00% to 10.30% per annum) and are due to mature latest by February 12, 2016.

8. INVESTMENTS

8.1 Investments by type

	2015			2014		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	----- (Rupees in '000) -----					

Held-for-trading (HFT)

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds

29,966,313	-	29,966,313	42,471,309	-	42,471,309
11,871,973	-	11,871,973	5,669,613	-	5,669,613

Fully paid-up ordinary shares

- Listed companies

36,602	-	36,602	-	-	-
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Overseas Government Securities

1,118,845	-	1,118,845	557,556	-	557,556
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42,993,733	-	42,993,733	48,698,478	-	48,698,478
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Held-to-maturity (HTM)

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Government of Pakistan US Dollar Bonds
- Government of Pakistan Guaranteed Bonds

29,802,535	-	29,802,535	-	-	-
116,808,351	-	116,808,351	75,683,578	-	75,683,578
597,663	-	597,663	-	-	-
1,713,412	-	1,713,412	1,992,000	-	1,992,000

Debentures and Corporate Debt Instruments

- Listed securities
- Unlisted securities

7,859,935	-	7,859,935	2,101,819	-	2,101,819
4,636,644	-	4,636,644	5,493,233	-	5,493,233

Overseas Government securities

18,403,624	-	18,403,624	14,803,817	-	14,803,817
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179,822,164	-	179,822,164	100,074,447	-	100,074,447
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Available-for-sale Securities (AFS)

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Government of Pakistan US Dollar Bonds / Sukuku

490,972,008	62,190,548	553,162,556	389,346,079	18,494,458	407,840,537
125,598,086	171,679,360	297,277,446	187,548,334	35,039,524	222,587,858
52,087,758	-	52,087,758	45,689,461	-	45,689,461

Fully paid-up ordinary shares

- Listed companies
- Unlisted companies

13,451,551	-	13,451,551	15,324,333	-	15,324,333
545,483	-	545,483	1,232,824	-	1,232,824

Debentures and Corporate Debt Instrument

- Listed securities
- Unlisted securities

13,551,267	-	13,551,267	11,184,454	-	11,184,454
19,360,513	-	19,360,513	12,107,368	-	12,107,368

Overseas Government Securities

674,909	-	674,909	72,175	-	72,175
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NIT Units

11,113	-	11,113	2,261,113	-	2,261,113
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Preference shares

250,000	-	250,000	250,000	-	250,000
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716,502,688	233,869,908	950,372,596	665,016,141	53,533,982	718,550,123
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Investment in subsidiary companies

11,503,269	-	11,503,269	5,982,029	-	5,982,029
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Investment in associates and joint venture

8,194,447	-	8,194,447	7,694,447	-	7,694,447
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959,016,301	233,869,908	1,192,886,209	827,465,542	53,533,982	880,999,524
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Provision for diminution in the value of investments

(617,536)	-	(617,536)	(953,764)	-	(953,764)
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958,398,765	233,869,908	1,192,268,673	826,511,778	53,533,982	880,045,760
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Surplus on revaluation of held-for-trading securities

18,326	-	18,326	52,856	-	52,856
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Surplus on revaluation of available-for-sale securities

15,928,821	2,263,289	18,192,110	14,723,159	2,752,192	17,475,351
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Total investments (net of provision)

974,345,912	236,133,197	1,210,479,109	841,287,793	56,286,174	897,573,967
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8.2	Investments by segments	Note	2015	2014
			(Rupees in '000)	
	Federal Government Securities			
	- Market treasury bills		612,931,404	450,311,846
	- Pakistan investment bonds		425,957,770	303,941,049
	- Government of Pakistan guaranteed bonds		1,713,412	1,992,000
	- Government of Pakistan US Dollar Bonds / Sukuks		52,685,421	45,689,461
	Fully paid-up Ordinary Shares			
	- Listed companies		13,488,153	15,324,333
	- Unlisted companies		545,483	1,232,824
	Debentures and Corporate Debt Instruments			
	- Listed securities		21,411,202	13,286,273
	- Unlisted securities	8.3	23,997,157	17,600,601
	Overseas Government Securities		20,197,378	15,433,548
	NIT units		11,113	2,261,113
	Preference shares		250,000	250,000
	Investment in subsidiary companies	8.5	11,503,269	5,982,029
	Investment in associates and joint venture	8.6	8,194,447	7,694,447
			<u>1,192,886,209</u>	<u>880,999,524</u>
	Less: Provision for diminution in the value of investments	8.7	(617,536)	(953,764)
	Net investments		<u>1,192,268,673</u>	<u>880,045,760</u>
	Surplus on revaluation of held-for-trading securities	8.13	18,326	52,856
	Surplus on revaluation of available-for-sale securities	19.2	18,192,110	17,475,351
			<u>1,210,479,109</u>	<u>897,573,967</u>

8.3 This includes investment in the Variable Rate Subordinated Loan Notes issued by Habib Allied Holding Limited, UK (HAHL) amounting to Rs. 6.599 billion equivalent US \$ 63 million (2014: Rs. 6.330 billion equivalent US \$ 63 million). These notes are perpetual and are repayable either at the option of the Bank or five years after receipt of repayment notice from the note holder. The Financial Services Authority (FSA) approval is required prior to repayment. Interest is payable on a six monthly basis at 6 month LIBOR + 5.5% to 5.75% (2014: 6 month LIBOR + 5.5% to 5.75%).

8.4 The market value of investment classified as held-to-maturity (HTM) and investment in listed associates and joint venture is as follows:

	2015		2014	
	Book value	Market value	Book value	Market value
----- (Rupees in '000) -----				
- Investment classified as held-to-maturity	179,822,164	186,075,225	100,074,447	104,935,785
- Investment in listed associates and joint venture	7,758,216	28,410,125	7,258,216	27,145,739

8.5	Investment in subsidiaries	Note	2015	2014
			(Rupees in '000)	
	Habib Allied Holding Limited - Holding 89.40% (2014: 88.59%)	8.5.1	9,321,926	4,261,126
	Habib Finance International Limited, Hong Kong - wholly owned		1,648,843	1,188,403
	Habib Bank Financial Services (Private) Limited - wholly owned		32,500	32,500
	HBL Currency Exchange (Private) Limited - wholly owned		400,000	400,000
	HBL Asset Management Limited - wholly owned		100,000	100,000
			<u>11,503,269</u>	<u>5,982,029</u>

8.5.1 The Bank's subsidiaries, Habib Finance International Limited, Hong Kong (wholly owned) and Habib Allied Holding Limited, UK (HAHL) issued rights shares during the year. Due to non subscription of right shares by one of the shareholders in HAHL, the shareholding in HAHL has increased from 88.59% to 89.40%.

8.6	Investment in associates and joint venture	Note	2015	2014
			(Rupees in '000)	
	Himalayan Bank Limited, Nepal - Holding 20% (2014: 20%) - Listed		7,197	7,197
	Diamond Trust Bank Kenya Limited - Holding 11.97% (2014: 11.97%) - Listed		2,147,056	2,147,056
	Kyrgyz Investment and Credit Bank, Kyrgyz Republic - Holding 18% (2014: 18%) - Unlisted		256,231	256,231
	Jubilee General Insurance Company Limited - Holding 17.84% (2014: 17.84%) - Listed		1,703,791	1,703,791
	Jubilee Life Insurance Company Limited - Holding 17.95% (2014: 17.95%) - Listed		468,404	468,404
	HBL Income Fund 19.03% (2014: 43.86%) - listed		739,586	739,586
	HBL Multi Asset Fund 85.35% (2014: 79.57%) - listed	8.6.1	248,181	248,181
	HBL Stock Fund 82.29% (2014: 82.28%) - listed		1,344,001	1,344,001
	HBL Money Market Fund - Holding 4.01% (2014: 1.68%) - Listed		100,000	100,000
	HBL Islamic Money Market Fund - Holding 77.84% (2014: 72.97%) - Listed		250,000	250,000
	HBL Islamic Stock Fund - Holding 79.47% (2014: 75.24%) - Listed		250,000	250,000
	HBL Pension Equity Sub Fund - Holding 68.66% (2014: 71.12%) - Unlisted		30,000	30,000
	HBL Pension Debt Sub Fund - Holding 28.14% (2014: 32.97%) - Unlisted		30,000	30,000
	HBL Pension Money Market Sub Fund - Holding 28.26% (2014: 31.90%) - Unlisted		30,000	30,000
	HBL Islamic Pension Equity Sub Fund - Holding 63.47% (2014: 68.30%) - Unlisted		30,000	30,000
	HBL Islamic Pension Debt Sub Fund - Holding 46.39% (2014: 54.83%) - Unlisted		30,000	30,000
	HBL Islamic Pension Money Market Sub Fund - Holding 63.76% (2014: 65.73%) - Unlisted		30,000	30,000
	HBL Mustahekum Sarmaya Fund 26.81% (2014: Nil) - listed		500,000	-
			<u>8,194,447</u>	<u>7,694,447</u>

- 8.6.1 Upuntil the previous year, these investments were accounted for as investments in subsidiaries. However, pursuant to the notification issued by SECP as explained in note 4.1 of these unconsolidated financial statements, these investments are now accounted for as investments in associates. Had IFRS 10 been adopted, investments in subsidiaries would have been higher by Rs. 2,331.768 million (2014: Rs. 2,331.768 million) and investments in associates would have been decreased by Rs. 2,331.768 million (2014: Rs. 2,331.768 million).
- 8.6.2 The Bank has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of AKFED's holding in these entities.

8.7	Movement in provision for diminution in the value of investments	Note	2015 (Rupees in '000)	2014
	Opening balance		953,764	1,265,379
	Charge for the year		262,864	104,594
	Reversal for the year		(577,378)	(63,060)
	Reversal on disposal during the year		(67,879)	(145,212)
	Total reversal - net		(382,393)	(103,678)
	Write offs		-	(207,937)
	Transfer in		46,165	-
	Closing balance	8.7.1	<u>617,536</u>	<u>953,764</u>

8.7.1 **Particulars of provision in respect of type and segment**

Available-for-sale securities (AFS)

- Fully paid-up ordinary shares

- Listed companies

- Unlisted companies

Total equity securities

- Debentures and Corporate Debt Instruments

- Associate

	224,612	291,100
	121,261	13,786
	<u>345,873</u>	<u>304,886</u>
	271,663	71,500
	-	577,378
	<u>617,536</u>	<u>953,764</u>

- 8.8 Investments held for maintaining the liquidity requirements of the SBP amounted to Rs. 228,216 million as at December 31, 2015 (2014: Rs. 198,121 million) and are available for rediscounting with State Bank of Pakistan.
- 8.9 Investments include Rs. 225.979 million as at December 31, 2015 (2014: Rs. 223.755 million) pledged with SBP and National Bank of Pakistan against TT/DD discounting facilities and demand loan facilities.
- 8.10 Investments include Rs. 9.933 million as at December 31, 2015 (2014: Rs. 9.835 million) pledged with the Controller of Military Accounts in lieu of Regimental Fund Accounts being maintained at various branches of the Bank.
- 8.11 Information relating to investments required to be disclosed by the SBP as part of the unconsolidated financial statements, is given in Annexure "I" and is an integral part of these unconsolidated financial statements.
- 8.12 This includes privately placed TFCs amounting to Rs. 10,139.045 million (2014: 3,397.500 million) of Pakistan International Airlines Corporation (PIAC) which is guaranteed by the Government of Pakistan.

8.13	Unrealized gain / (loss) on revaluation of held-for-trading securities	Note	2015 (Rupees in '000)	2014
	Market Treasury Bills		(4,862)	14,294
	Pakistan Investment Bonds		24,984	38,562
	Ordinary shares of listed companies		(1,796)	-
			<u>18,326</u>	<u>52,856</u>

9. **ADVANCES**

Loans, cash credits, running finances, etc.

In Pakistan

Outside Pakistan

Net investment in finance lease - in Pakistan

Bills discounted and purchased (excluding Government treasury bills):

Payable in Pakistan

Payable outside Pakistan

Provision against advances

	494,173,132	450,443,893
	107,729,765	96,819,124
	<u>601,902,897</u>	<u>547,263,017</u>
	10,478,123	6,541,460
	16,024,711	27,430,375
	36,889,914	35,009,946
	52,914,625	62,440,321
	(63,660,609)	(60,850,286)
	<u>601,635,036</u>	<u>555,394,512</u>

	2015 (Rupees in '000)	2014 (Rupees in '000)
9.1 Particulars of advances		
9.1.1 In local currency	452,958,332	395,654,777
In foreign currency including foreign currency financing by domestic branches amounting to Rs. 17,412.151 million (2014: Rs. 36,990.464 million)	148,676,704	159,739,735
	601,635,036	555,394,512
9.1.2 Short term (for upto one year)	410,991,138	404,775,011
Long term (for over one year)	190,643,898	150,619,501
	601,635,036	555,394,512

	2015				2014			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
	(Rupees in '000)							
Lease rentals receivable	81,991	10,824,333	2,583,814	13,490,138	45,664	7,061,849	1,428,711	8,536,224
Residual value	147	19,381	4,626	24,154	63	9,683	1,959	11,705
Gross investment in finance lease	82,138	10,843,714	2,588,440	13,514,292	45,727	7,071,532	1,430,670	8,547,929
Unearned finance income	(3,436)	(2,323,817)	(708,916)	(3,036,169)	(3,082)	(1,605,670)	(397,717)	(2,006,469)
Net investment in finance lease	78,702	8,519,897	1,879,524	10,478,123	42,645	5,465,862	1,032,953	6,541,460

9.2 Advances include Rs. 68,949.121 million (2014: Rs. 68,535.255 million) which have been placed under non-performing status as detailed below:

Category of classification	Non-performing advances			Provision required and held			Net non-performing advances		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Specific provision									
Other assets especially mentioned	980,249	-	980,249	-	-	-	980,249	-	980,249
Substandard	4,820,645	1,272,322	6,092,967	1,289,046	300,990	1,590,036	3,531,599	971,332	4,502,931
Doubtful	541,414	1,746,311	2,287,725	270,707	931,250	1,201,957	270,707	815,061	1,085,768
Loss *	48,515,203	11,072,977	59,588,180	47,308,381	10,635,469	57,943,850	1,206,822	437,508	1,644,330
	54,857,511	14,091,610	68,949,121	48,868,134	11,867,709	60,735,843	5,989,377	2,223,901	8,213,278
General provision	-	-	-	1,437,286	1,487,480	2,924,766	-	-	-
	54,857,511	14,091,610	68,949,121	50,305,420	13,355,189	63,660,609	5,989,377	2,223,901	8,213,278

Category of classification	Non-performing advances			Provision required and held			Net non-performing advances		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Specific provision									
Other assets especially mentioned	554,199	-	554,199	-	-	-	554,199	-	554,199
Substandard	6,775,792	962,186	7,737,978	1,675,263	288,228	1,963,491	5,100,529	673,958	5,774,487
Doubtful	2,414,009	754,054	3,168,063	1,207,005	373,567	1,580,572	1,207,004	380,487	1,587,491
Loss *	49,502,426	7,572,589	57,075,015	47,750,592	7,149,428	54,900,020	1,751,834	423,161	2,174,995
	59,246,426	9,288,829	68,535,255	50,632,860	7,811,223	58,444,083	8,613,566	1,477,606	10,091,172
General provision	-	-	-	1,137,628	1,268,575	2,406,203	-	-	-
	59,246,426	9,288,829	68,535,255	51,770,488	9,079,798	60,850,286	8,613,566	1,477,606	10,091,172

* This includes Government guaranteed non-performing advances amounting to Rs. 1,065.697 million (2014: Rs. 1,065.738 million).

9.2.1 Exposure amounting to Rs. 1.990 billion (2014: Rs. 8.610 billion) relating to Pakistan International Airlines Corporations (PIAC), which is guaranteed by the Government of Pakistan, has not been classified as non performing, in accordance with a relaxation given by the SBP. However, markup income has been suspended on this amount and is only recognized when received. During the year, pursuant to a settlement agreement between the Bank and PIAC, an amount of Rs. 6.600 billion has been converted into Term Finance Certificates (TFCs).

9.2.2 Exposure amounting to Rs. 5.339 billion relating to Northern Power Generation Company Limited, which is guaranteed by the Government of Pakistan has not been classified as non performing, in accordance with a relaxation given by the SBP. However, markup income has been suspended on this amount and is only recognized when received.

9.3 Particulars of provision against advances

	Note	2015			2014		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		58,444,083	2,406,203	60,850,286	59,694,061	1,859,703	61,553,764
Charge for the year		8,631,114	620,961	9,252,075	4,491,878	636,014	5,127,892
Reversals for the year		(4,410,567)	(160,851)	(4,571,418)	(4,407,668)	(51,944)	(4,459,612)
Net charge against advances		4,220,547	460,110	4,680,657	84,210	584,070	668,280
Written off	9.7	(2,180,691)	-	(2,180,691)	(1,372,191)	-	(1,372,191)
Charged off	9.6	(912,906)	-	(912,906)	-	-	-
Transfer in due to acquisition of Barclays Bank Plc-Pakistan branches		746,503	3,287	749,790	-	-	-
Acquisition of Modaraba assets		-	-	-	109,890	-	109,890
Other movement		418,307	55,166	473,473	(71,887)	(37,570)	(109,457)
Closing balance		60,735,843	2,924,766	63,660,609	58,444,083	2,406,203	60,850,286
In local currency		47,852,851	1,437,286	49,290,137	49,801,826	1,137,628	50,939,454
In foreign currency		12,882,992	1,487,480	14,370,472	8,642,257	1,268,575	9,910,832
		60,735,843	2,924,766	63,660,609	58,444,083	2,406,203	60,850,286

9.4 General provision represents provision amounting Rs. 1,335.602 million (2014: Rs. 1,052.781 million) against consumer finance portfolio, Rs. 101.684 million (2014: Rs. 84.847 million) against advances to small enterprises as required by the Prudential Regulation issued by SBP and Rs. 1,487.480 million (2014: Rs. 1,268.575 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates.

9.5 As per regulation R-8 of the Prudential Regulations for Corporate / Commercial Banking issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) against non-performing advances (excluding consumer housing finance portfolio). Had the benefit of FSV not been taken by the Bank, the specific provision against non-performing advances as at December 31, 2015 would have been higher by Rs. 78.211 million (2014: Rs. 650.595 million). The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

- 9.6 These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	2015 (Rupees in '000)	2014 (Rupees in '000)
9.7 Particulars of write offs		
9.7.1 Against provisions	<u>2,180,691</u>	<u>1,372,191</u>
9.7.2 Analysis of write offs		
Rs. 500,000 and above (Note 9.8)	1,375,200	617,844
Below Rs. 500, 000 in Pakistan	413,351	164,492
Overseas	<u>392,140</u>	<u>589,855</u>
	<u>2,180,691</u>	<u>1,372,191</u>

9.8 Details of written - off advances of Rs 500,000 and above

The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written-off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2015 is given in Annexure II to these financial statements, except for borrowers in certain countries in which the Bank operates where there are disclosure restrictions..

9.9 Particulars of advances to directors, associated companies, etc

	2015			2014		
	Balance outstanding	Maximum total amount of advances including temporary advances outstanding **	Limit sanctioned during the year	Balance outstanding	Maximum total amount of advances including temporary advances outstanding **	Limit sanctioned during the year
----- (Rupees in '000) -----						
Debts due by directors or executives of the Bank or any of them either severally or jointly with any other persons						
- in respect of directors	-	-	-	-	-	-
- in respect of executives * (other than key management personnel)	2,651,500	2,651,500	1,285,536	2,014,300	2,034,200	455,839
- in respect of key management personnel / Companies in which key management personnel or their close family members are interested	61,400	69,800	32,151	66,700	71,000	12,630
Debts due by companies or firms in which the directors of the Bank / Parent are interested as directors, partners, advisors or in the case of private companies as members	7,490,551	7,490,551	6,249,551	1,160,705	1,901,741	1,833,008
Debts due by Subsidiary company	107,532	107,532	-	51,009	159,962	-

The disclosure of the year-end balance, limit sanctioned and the highest amount outstanding during the year is considered the most meaningful information to represent the amount of the transactions and the amount of outstanding balances during the year.

* These represent staff advances given by the Bank to its executives as per their terms of employment
** Maximum amount has been arrived at by reference to month end balances

	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
10. OPERATING FIXED ASSETS			
Capital work-in-progress	10.1	1,486,307	1,119,170
Intangible assets	10.2	575,128	843,040
Tangible fixed assets	10.3	<u>26,876,824</u>	<u>22,912,028</u>
		<u>28,938,259</u>	<u>24,874,238</u>
10.1 Capital work-in-progress			
Civil works		483,035	494,119
Advances to suppliers and contractors		<u>1,003,272</u>	<u>625,051</u>
		<u>1,486,307</u>	<u>1,119,170</u>

10.3 Tangible fixed assets

Description	COST / REVALUATION			ACCUMULATED DEPRECIATION			Book value as at December 31, 2015	Rate of depreciation %
	As at January 1, 2015	Additions/ (deletions)/ adjustments during the year	Movement in Surplus / (deficit) on revaluation during the year	As at January 1, 2015	Charge for the year/ (depreciation on deletions)/ adjustments	Movement in Surplus / (deficit) on revaluation reversed during the year		
	(Rupees in '000)							
Land	11,597,996	809,327	2,010,070	14,417,393	-	-	14,417,393	-
Building	6,089,502	786,210	(896,518)	5,863,186	149,340	(307,403)	5,395,760	1.67
Machinery	716,594	149,096	(399,639)	466,051	71,613	(197,262)	445,828	10
Leasehold improvements	3,581,954	543,591	-	3,962,264	2,509,787	-	1,150,042	20
Furniture, fixtures and office equipment	11,082,992	2,868,742	-	13,473,498	6,954,397	-	5,246,368	20-33
Vehicles	429,232	152,608	-	550,544	284,700	-	221,433	20
	33,498,270	5,309,574	713,913	38,732,936	10,586,242	(504,665)	26,876,824	
		(596,586)			(575,660)			
		(192,235)			(145,909)			

- 10.4 The Bank's domestic properties were revalued as at September 30, 2015 by Iqbal A. Nanjee & Co. (Private) Ltd., professional valuers. The revaluation resulted in increasing the surplus on revaluation of fixed assets of Rs. 1,212.891 million. HBL's property of the Lebanon branch was revalued as on November 16, 2015 by the Banking Control Commission of Lebanon and resulted in a surplus of Rs. 3.413 million. HBL's property of the KEPZ branch was revalued on September 30, 2015 by J & M Associates, licensed valuers, on market value basis and resulted in a surplus of Rs. 2.274 million. The properties of HBL's branches in Srilanka and Singapore were revalued as on December 04, 2014 and December 10, 2014 by G.A.Gunasegaram and United Valuers (Pte) Ltd. and these revaluations resulted in a surplus of Rs. 16.518 million and a deficit of Rs. 8.014 million respectively. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	Domestic	Srilanka	Singapore	Lebanon	KEPZ
	----- (Rupees in '000) -----				
Land	9,280,588	47,407	390,565	-	-
Building	3,866,476	56,424	29,124	9,061	1,617

The movement in surplus on revaluation of properties is given in note 19.1 to these unconsolidated financial statements.

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets in aggregate having book value exceeding Rs. 250,000 or cost exceeding Rs. 1 million (whichever is lower), required by the SBP to be disclosed as part of the financial statements is given in Annexure III and is an integral part of these unconsolidated financial statements.

- 10.6 The information relating to disposal of fixed assets, required by the SBP to be disclosed as part of the financial statements is given in Annexure III and is an integral part of these unconsolidated financial statements.

11. OTHER ASSETS

	Note	2015 (Rupees in '000)	2014
Income / mark-up / profit accrued in local currency		26,000,315	26,576,369
Income / mark-up / profit accrued in foreign currency		2,607,108	2,084,117
Advances, deposits, advance rent and other prepayments		2,197,454	1,797,945
Advances against Islamic financing		4,001,235	4,724,486
Receivable from defined contribution plan		-	119,835
Advance taxation		14,460,012	13,257,274
Receivable against sale of securities		40,566	535,325
Advances for subscription of shares		-	38,250
Stationery and stamps on hand		47,276	32,473
Accrued income		585,941	714,182
Due from Government of Pakistan / SBP		260,158	823,080
Unrealised gain on forward foreign exchange contracts / derivative instruments		606,745	1,578,686
Non-banking assets acquired in satisfaction of claims	11.1	2,684,993	2,257,327
Receivable from National Saving Centre / Clearing in transit		2,237,327	27,052,310
Claims against fraud and forgeries		75,733	257,371
Others		443,365	322,536
		56,248,228	82,171,566
Provision held against other assets	11.2	(451,371)	(428,649)
Other assets- net		55,796,857	81,742,917

- 11.1 The market value of non-banking assets acquired in satisfaction of claims is Rs. 3,145.620 million (2014: Rs. 2,593.734 million).

11.2 Provision against other assets

Opening balance	428,649	291,741
Charge for the year	271,029	303,299
Reversal for the year	(25,109)	(6,538)
Net charge	245,920	296,761
Written off	(230,249)	(141,632)
Transfer in	3,855	-
Exchange adjustment / other movement	3,196	(18,221)
Closing balance	451,371	428,649

	Note	2015 (Rupees in '000)	2014
12. BILLS PAYABLE			
In Pakistan		26,779,880	21,235,603
Outside Pakistan		1,162,221	720,080
		<u>27,942,101</u>	<u>21,955,683</u>
13. BORROWINGS			
In Pakistan		270,563,308	86,957,906
Outside Pakistan		43,921,824	12,672,611
		<u>314,485,132</u>	<u>99,630,517</u>
13.1 Particulars of borrowings			
In local currency		269,985,427	85,077,250
In foreign currency		44,499,705	14,553,267
		<u>314,485,132</u>	<u>99,630,517</u>
13.2 Details of borrowings			
Secured			
Borrowings from SBP under:			
- Export refinance scheme	13.3	19,545,290	14,504,562
- Long term financing facility - locally manufactured and imported plant & machinery		3,434,406	6,468,165
- Long term finance - export oriented projects		7,024	133,651
- Refinance facility for modernization of SMEs		5,500	-
- Financing facility for storage of agricultural produce		-	3,061
		<u>22,992,220</u>	21,109,439
Repurchase agreement borrowings	13.4	<u>234,669,563</u>	56,041,292
		<u>257,661,783</u>	77,150,731
Unsecured			
In Pakistan			
- Interbank call money borrowing	13.5	10,609,263	9,238,070
- Overdrawn nostro accounts		2,292,262	569,105
Outside Pakistan		12,901,525	9,807,175
- Overdrawn nostro accounts	13.6 & 13.7	81,445	218,592
- Borrowings of overseas branches		43,840,379	12,454,019
		<u>43,921,824</u>	12,672,611
		<u>56,823,349</u>	22,479,786
		<u>314,485,132</u>	<u>99,630,517</u>

13.3 Borrowings from the SBP under these schemes are secured by the Bank's cash and securities balances held by the SBP. These carry annual mark-up rates ranging from 2.00% to 3.50% (2014: 6.00% to 7.50%).

13.4 These carry annual mark-up rates ranging from 6.10% to 6.50% (2014: 8.50% to 9.70%) and are due to mature latest by January 15, 2016.

13.5 These carry annual mark-up rates ranging from 6.00% to 6.10% (2014: 9.30% to 9.50%) and are due to mature latest by January 08, 2016.

13.6 Since, the Bank operates in different countries, these carry varied mark-up rates as given by the external banks of respective countries.

13.7 This includes a loan from International Finance Corporation amounting to US\$ 150 million (December 31, 2014: Nil). The principal amount is payable in six equal half yearly installments from June 2022 to December 2024. Interest at LIBOR + 5% is payable bi-annually commencing from June 2015.

14. DEPOSITS AND OTHER ACCOUNTS

Customers

	2015 (Rupees in '000)	2014 (Rupees in '000)
Current accounts - non-remunerative	548,633,021	468,368,418
Savings accounts	736,526,538	656,174,379
Fixed deposits	245,129,674	291,630,878
	<u>1,530,289,233</u>	<u>1,416,173,675</u>

Financial institutions

	2015 (Rupees in '000)	2014 (Rupees in '000)
Current accounts - non-remunerative	12,625,064	22,128,144
Savings accounts	3,835,432	4,092,718
Fixed deposits	11,560,946	4,820,908
	<u>28,021,442</u>	<u>31,041,770</u>
	<u>1,558,310,675</u>	<u>1,447,215,445</u>

14.1 Particulars of deposits

	2015 (Rupees in '000)	2014 (Rupees in '000)
In local currency	1,266,326,467	1,142,630,972
In foreign currencies (including foreign currency deposits of domestic branches of Rs. 100,978.515 million (2014: Rs. 113,589.257 million))	291,984,208	304,584,473
	<u>1,558,310,675</u>	<u>1,447,215,445</u>

15. SUBORDINATED LOAN

The Bank has issued OTC listed, Term Finance Certificates (TFC) as instruments of redeemable capital under Section 120 of the Companies Ordinance, 1984 and the Basel III Guidelines set by the SBP. Brief description of the terms of the issue are as follows:

Issue Amount	Rupees 10 Billion
Rating	AAA (triple A)
Tenor	10 years from the issue date.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment frequency	Semi-annually in arrears
Redemption	The instrument has been structured to redeem 0.02% of the issue amount semi-annually during the first 108 months after the issue and 99.64% of the issue amount in two equal semi-annual installments in the 114th and 120th months.
Mark-up	Floating (no floor, no cap) rate of return at Base Rate + 0.5% (The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate ("KIBOR"))
Call Option	The Bank may call the TFCs, with the prior written approval of the SBP, on any profit payment date from the fifth anniversary of the issue date, subject to not less than 60 days prior notice being given to the investors through the Trustee. The call option once announced will be irrevocable. No Put Option shall be available to the investors.
Lock-in-Clause	Neither profit nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Banks Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR and CAR.

Loss Absorbency Clause The TFCs will be subject to loss absorbency clause as stipulated under the "Instructions for Basel III Implementation in Pakistan".

Currently, there is a broken period and maturity of the instrument will start from the issue date i.e. the date when it will be registered in Central Depository Company of Pakistan Limited (CDC). The Bank is also in the process of listing of the issue on the Pakistan Stock Exchange.

16. DEFERRED TAX LIABILITY

Deductible temporary differences on

	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
- provision against investments		(60,320)	(290,333)
- provision against doubtful debts & off-balance sheet obligations		(3,411,571)	(3,683,957)
- liabilities written back under section 34(5) of the Income Tax Ordinance (ITO)		(1,442,063)	(1,313,703)
- provision against others		(83,469)	(115,627)
		<u>(4,997,423)</u>	<u>(5,403,620)</u>

Taxable temporary differences on

- fixed assets		844,636	1,136,517
- revaluation of investments	19.2	6,367,209	6,117,428
		<u>7,211,845</u>	<u>7,253,945</u>

Net deferred tax liability recognised by the Bank

	<u>2,214,422</u>	<u>1,850,325</u>
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16.1 Movement in temporary differences during the year

	Balance as at January 1, 2014	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2014	Other movement	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2015
----- (Rupees in '000) -----								
Deductible temporary differences on								
- provision against investments	(292,205)	1,872	-	(290,333)	-	230,013	-	(60,320)
- provision against doubtful debts & off-balance sheet obligations	(4,972,306)	1,288,349	-	(3,683,957)	-	272,386	-	(3,411,571)
- liabilities written back under section 34(5) of the ITO	(1,255,057)	(58,646)	-	(1,313,703)	-	(128,360)	-	(1,442,063)
- provision against others	(116,170)	543	-	(115,627)	-	32,158	-	(83,469)
Taxable temporary differences on								
- fixed assets	1,132,347	(12,660)	16,830	1,136,517	-	(14,703)	(277,178)	844,636
- on revaluation of investments	(277,549)	-	6,394,977	6,117,428	-	-	249,781	6,367,209
- Tax losses of Barclays Bank PLC - Pakistan branch business	-	-	-	-	(974,231)	975,779	(1,548)	-
- others	230,636	(230,636)	-	-	-	-	-	-
	<u>(5,550,304)</u>	<u>988,822</u>	<u>6,411,807</u>	<u>1,850,325</u>	<u>(974,231)</u>	<u>1,367,273</u>	<u>(28,945)</u>	<u>2,214,422</u>

	Note	2015 (Rupees in '000)	2014
17. OTHER LIABILITIES			
Mark-up / return / profit payable in local currency		12,670,934	15,424,132
Mark-up / return / profit payable in foreign currency		1,360,084	1,659,136
Security deposits		532,215	540,210
Accrued expenses		6,431,026	4,421,789
Unrealised loss on forward foreign exchange contracts / derivative instruments		929,999	1,944,403
Unclaimed dividends		208,595	173,657
Dividend payable		742,946	81,006
Provision for employees' compensated absences	33.3.8	2,251,391	2,134,581
Provision for post retirement medical benefits	33.3.3	2,739,575	2,521,535
Provision against off-balance sheet obligations	17.1	946,073	927,648
Branch adjustment account		2,245,521	1,313,633
Provision for staff retirement benefits		827,556	692,547
Payable to defined benefit plan	33.3.3	484,934	539,945
Provision for Workers Welfare Fund		2,141,738	3,488,642
Unearned income		109,425	148,739
Qarza-e-Hasna Fund		340,898	342,093
Duties and taxes payable		1,470,997	1,511,704
Insurance payable		369,366	203,451
Reward points payable		299,016	261,867
Payable to Barclays Bank Plc - Pakistan branches	1.2.1	500,000	-
Payable to HBL Foundation		541,446	468,118
Others		1,951,793	1,877,803
		<u>40,095,528</u>	<u>40,676,639</u>
17.1 Provision against off-balance sheet obligations			
Opening balance		927,648	1,118,799
Charge for the year		104,482	57,858
Reversal for the year		(67,738)	(160,025)
Net charge / (reversal)		36,744	(102,167)
Written off		(5,378)	-
Exchange adjustment / other movement		(12,941)	(88,984)
Closing balance		<u>946,073</u>	<u>927,648</u>
18. SHARE CAPITAL			
18.1 Authorised Capital			
		2015	2014
		Number of shares in '000	
		<u>3,000,000</u>	<u>3,000,000</u>
		Ordinary shares of Rs. 10 each	
		<u>30,000,000</u>	<u>30,000,000</u>
18.2 Issued, subscribed and paid-up capital			
		2015	2014
		Number of shares in '000	
		690,000	690,000
		Ordinary shares of Rs. 10 each	
		690,000	Fully paid in cash
		776,852	776,852
		Issued as bonus shares	
		<u>1,466,852</u>	<u>1,466,852</u>
		<u>6,900,000</u>	<u>6,900,000</u>
		<u>7,768,525</u>	<u>7,768,525</u>
		<u>14,668,525</u>	<u>14,668,525</u>
18.3 Exchange translation reserve			
		This comprises all foreign currency differences arising from the translation of financial statements of foreign operations.	
18.4 Statutory reserves			
		Every banking company incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital. Thereafter 10% of the profits of the Bank are to be transferred to this reserve.	
19. SURPLUS ON REVALUATION OF ASSETS - net of deferred tax			
Surplus arising on revaluation of:			
- fixed assets	19.1	10,870,342	9,428,522
- investments	19.2	11,824,901	11,357,923
Surplus on revaluation of assets - net of deferred tax		<u>22,695,243</u>	<u>20,786,445</u>

19.1 Surplus on revaluation of fixed assets

	2015 (Rupees in '000)	2014
Surplus on revaluation of fixed assets as at January 1	10,289,072	10,422,480
Recognised during the year	1,218,578	8,504
Realised on disposal during the year - net of deferred tax	-	(33,741)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(53,936)	(59,286)
Related deferred tax liability on incremental depreciation charged during the year	(29,042)	(31,923)
Related deferred tax liability on surplus realised on disposal	-	(16,962)
Surplus on revaluation of fixed assets as at December 31	<u>11,424,672</u>	<u>10,289,072</u>
Less: related deferred tax liability on:		
- revaluation as at January 1	860,550	892,605
- revaluation recognised during the year	(277,178)	16,830
- surplus realised on disposal during the year	-	(16,962)
- incremental depreciation charged during the year	(29,042)	(31,923)
	<u>554,330</u>	<u>860,550</u>
	<u>10,870,342</u>	<u>9,428,522</u>

19.2 Surplus / (deficit) on revaluation of investments

Market Treasury Bills	490,264	371,647
Pakistan Investment Bonds	16,666,314	14,774,097
Government of Pakistan Sukuk and US Dollar / Euro Bonds	122,325	(206,481)
Listed Securities	1,006,486	2,063,647
Other Investments	(93,279)	472,441
	<u>18,192,110</u>	<u>17,475,351</u>
Related deferred tax liability	(6,367,209)	(6,117,428)
	<u>11,824,901</u>	<u>11,357,923</u>

20. CONTINGENCIES AND COMMITMENTS

20.1 Direct credit substitutes - financial guarantees

Guarantees in favour of:		
- Government	261,261	274,410
- Financial institutions	295,000	295,000
- Others	31,770,952	24,414,605
	<u>32,327,213</u>	<u>24,984,015</u>

20.2 Transaction-related contingent liabilities

Guarantees in favour of:		
- Government	718,148	294,415
- Financial institutions	1,251,328	2,956,884
- Others	93,410,699	52,186,802
	<u>95,380,175</u>	<u>55,438,101</u>

	2015	2014
	(Rupees in '000)	
20.3 Trade-related contingent liabilities		
Letters of credit in favour of:		
- Government	45,023,666	41,676,214
- Financial institutions	20,924	-
- Others	103,290,533	75,305,381
	<u>148,335,123</u>	<u>116,981,595</u>
20.4 Other contingencies		
Claims against the Bank not acknowledged as debts	<u>28,886,188</u>	<u>37,606,753</u>
20.5 Commitments to extend credit		
The Bank makes commitments to extend credit in the normal course of its business but none of these commitments are irrevocable and do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
20.6 Commitments in respect of forward foreign exchange contracts	2015	2014
	(Rupees in '000)	
Purchase	145,474,954	170,017,119
Sale	146,192,286	170,839,112
20.7 Commitments in respect of forward Government Securities transactions		
Purchase	19,181,362	-
Sale	1,858,663	-
20.8 Commitments in respect of derivatives		
Foreign currency options		
Purchase	-	3,170,666
Sale	-	3,170,666
Cross Currency Swaps		
Purchase	1,918,607	1,390,469
Sale	1,909,263	1,353,623
Interest rate swaps		
Purchase	104,741	167,472
Sale	5,604,741	330,805
20.9 Commitments for capital expenditure	1,054,027	1,082,541
20.10 The income tax returns of the Bank have been submitted upto and including the year 2014. The tax authorities have concluded the audit of years 2002 through 2013.		
As per Rule 8(A) of the Seventh Schedule, amounts provided for in the Tax Year 2008 (Financial year 2007) and prior to said tax year for doubtful debts, which were neither claimed nor allowed as tax deductible in any year shall be allowed as deduction in tax year in which such doubtful debts are written off.		

21. DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to the change in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps and options and structured financial products that have one or more characteristics of forwards, futures, swaps and options.

The Bank as an Authorized Derivative Dealer (ADD) is an active participant in the Pakistan derivatives market. Although the ADD license covers only the transactions mentioned below (permitted under the Financial Derivatives Business Regulations issued by the SBP), the Bank offers a wide variety of derivatives products to satisfy customers' needs, specific approval for which is sought from the SBP on a transaction by transaction basis:

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

These transactions cover the aspects of both market making and hedging.

The policy guidelines for taking derivative exposures are approved by the Board of Directors the (BoD) and the Board Risk Management Committee (BRMC).

The responsibility for derivatives trading activity lies with the Global Treasury. Measurement & monitoring of market and credit risk exposure and limits and its reporting to the senior management and the BoD is done by the Treasury Middle Office (TMO). TMO coordinates with the business regarding approvals for derivatives risk limits. Treasury Operations records derivatives activity in the Bank's books, and handles its reporting to the SBP.

Derivatives Risk Management

There are a number of risks undertaken by the Bank, which need to be monitored and assessed.

Credit Risk

Credit risk refers to the risk of non-performance or default by a party (a customer, guarantor, trade counterparty, third party, etc.), resulting in an adverse impact on the Bank's profitability. Credit risk associated with derivatives transactions is categorized into settlement risk and pre-settlement risk. A pre-settlement risk limit for derivative transaction is recommended by Treasury Middle Office for approval to the appropriate Credit Approval Authority. The exposure of each counterparty is estimated and monitored by Treasury Middle Office on a daily basis.

Market Risk

The Bank, as a policy, hedges back-to-back all Options transactions. In addition, the Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market. To manage the interest rate risk of Interest Rate Derivatives, the Bank has implemented various limits which are monitored and reported by Treasury Middle Office on a daily basis.

Liquidity Risk

Derivatives transactions, usually being non-funded in nature, do not carry a specific funding liquidity risk.

The liquidity risk arises from the fact that in Pakistan interest rate derivatives generally have a uni-directional demand, and no perfect hedge is available. The Bank mitigates its risk by limiting the portfolio in terms of tenor, notional and sensitivity limits, and can also hedge its risk by taking on and off balance sheet positions in the interbank market, where available.

Operational Risk

The staff involved in the process of trading, settlement and risk management of derivatives are carefully trained to deal with the complexities involved in the process. Adequate systems and controls are in place to carry out derivatives transactions smoothly. Each transaction is processed in accordance with the product program or transaction memo, which contains detailed accounting and operational aspects of the transaction to further mitigate operational risk. In addition, the Treasury Middle Office and the Compliance and Control Department are assigned the responsibility of monitoring any deviation from policies and procedures. The Bank's Audit and Inspection Group also reviews this function, which covers regular review of systems, transactional processes, accounting practices and end-user roles and responsibilities.

The Bank uses a derivatives system which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures, carry out stress tests and sensitivity analysis. Treasury Middle Office produces various reports for higher management (BoD, BRMC, MRC, etc) on a periodic basis. These reports provide details of the derivatives business profile containing outstanding positions, profitability, risk exposures and the status of compliance with limits.

21.1 Product Analysis

		2015					
		Interest Rate Swaps		FX Options		Cross Currency Swaps	
Counterparties		No. of	Notional	No. of	Notional	No. of	Notional
		Contracts	Principal*	Contracts	Principal *	Contracts	Principal *
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
With Banks for							
	Hedging	1	104,741	-	-	-	-
	Market Making	-	-	-	-	3	2,623,188
With other entities for							
	Hedging	-	-	-	-	-	-
	Market Making	3	5,604,741	-	-	1	1,204,682
Total							
	Hedging	1	104,741	-	-	-	-
	Market Making	3	5,604,741	-	-	4	3,827,870
		2014					
		Interest Rate Swaps		FX Options		Cross Currency Swaps	
Counterparties		No. of	Notional	No. of	Notional	No. of	Notional
		Contracts	Principal*	Contracts	Principal *	Contracts	Principal *
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	

* At the exchange rate prevailing at the end of the reporting year.

21.2 Maturity Analysis

		2015					
Remaining Maturity	No. of	Notional	Mark to Market				
			Negative	Positive	Net		
		Contracts	Principal	(Rupees in '000)			
	Upto 1 Month	-	-	-	-	-	
	1 to 3 Months	1	1,204,681	-	796	796	
	3 Months to 6 Months	-	-	-	-	-	
	6 Months to 1 Year	1	1,065,954	-	23,971	23,971	
	1 to 2 Years	3	723,509	(10,198)	1,821	(8,377)	
	2 to 3 Years	-	-	-	-	-	
	3 to 4 Years	3	6,543,208	-	91,447	91,447	
		8	9,537,352	(10,198)	118,035	107,837	
		2014					
Remaining Maturity	No. of	Notional	Mark to Market				
			Negative	Positive	Net		
		Contracts	Principal	(Rupees in '000)			

22. MARK-UP / RETURN / PROFIT / INTEREST EARNED	2015	2014
	(Rupees in '000)	
On advances to		
- Customers	44,487,005	51,216,531
- Financial institutions	8,393	120,455
On investments in		
- Available-for-sale securities	73,884,485	64,274,171
- Held-for-Trading securities	3,562,233	3,513,937
- Held-to-maturity securities	13,770,615	8,452,205
On deposits with financial institutions	1,879,500	1,305,096
On lendings to financial institutions	4,899,232	5,556,337
Compensation received on delayed tax refunds	-	1,309,147
	142,491,463	135,747,879
22.1	Rs. 220 million has been reclassified from Mark-up / return / profit / interest earned on Customer advances to Fee, commission and brokerage income.	
23. MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
On:		
Deposits	47,535,379	59,294,886
Securities sold under repurchase agreements	12,393,804	4,281,627
Other short term borrowings	4,843,377	4,383,170
Long term borrowings	957,502	538,760
	65,730,062	68,498,443
24. GAIN / (LOSS) ON SALE OF SECURITIES- NET		
<i>Federal Government Securities</i>		
- Market treasury bills	594,214	71,567
- Pakistan Investment Bonds	7,568,150	736,047
Listed shares	2,122,751	638,125
Unlisted shares	663,645	-
Others	(16,120)	(54,453)
	10,932,640	1,391,286
25. OTHER INCOME		
Incidental charges	395,810	386,179
Gain on sale of operating fixed assets - net	49,625	24,551
Gain on sale of non-banking asset	-	74,835
Rent on properties	64,420	102,198
Liabilities no longer required written back	3,004	27,663
Derivative income	123,874	41,518
Exchange translation realized on sale of foreign operation	-	493,182
	636,733	1,150,126
25.1	Certain incidental charges and rent on lockers amounting to Rs. 1,617 million have been reclassified to Fee, commission and brokerage income.	

26. ADMINISTRATIVE EXPENSES	Note	2015	2014
(Rupees in '000)			
Salaries, allowances, etc.		20,564,260	18,706,537
Charge for defined benefit / contribution plan and other benefits		1,479,637	1,371,719
Non-executive directors' fees		31,400	12,400
Outsourced service charges		844,727	774,443
Brokerage and commission		425,652	393,928
Rent, taxes, insurance, electricity, etc.		4,983,198	4,403,566
Legal and professional charges		955,171	586,125
Consultancy charges		795,365	484,200
Communications		1,501,675	1,053,812
Repairs and maintenance		3,275,699	2,036,440
Stationery and printing		920,328	914,734
Auditors' remuneration	26.1	127,474	118,851
Advertisement and publicity		2,253,471	1,237,822
Amortization	10.2	522,569	452,025
Depreciation	10.3	2,496,104	1,888,393
Entertainment		225,177	197,360
Travelling		504,133	365,223
Conveyance		159,173	154,795
Training		290,298	189,516
Security charges		1,823,948	1,403,525
Remittance charges		174,073	165,967
Donations	26.3	386,720	384,014
Documentation and processing charges		739,291	861,947
Subscription		83,763	73,516
Others		174,266	23,980
		45,737,572	38,254,838
26.1 Auditors' remuneration			
Audit fee		5,213	4,803
Fee for interim review		4,741	4,368
Fee for audit of local branches of the Bank		13,715	12,638
Special certifications / examinations and sundry advisory services		20,904	16,817
Out of pocket expenses		5,573	3,989
		50,146	42,615
Overseas branches		77,328	76,236
		127,474	118,851
26.2	The Bank operates a short term employee benefit scheme which includes cash awards / special bonus for all employees. Under this scheme, the bonus for all Executives, including the Chief Executive Officer is determined on the basis of employees' evaluation and the Bank's performance during the year. The aggregate amount determined for the eligible employees in respect of the above scheme relating to all Executives and for the Key Management Personnel of the Bank amounted to Rs. 1,596.688 million (2014: Rs. 1,290.994 million) and Rs. 505.500 million (2014: Rs. 418.600 million) respectively.		
26.3	Details of donations in excess of Rs. 100,000 and above are given in Annexure IV.		
		2015	2014
(Rupees in '000)			
27. OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		128,831	4,654
28. WORKERS WELFARE FUND			
The Worker's Welfare Ordinance, 1971 has been amended vide Finance Act, 2008 by virtue of which WWF @ 2% of profit before tax as per accounts or declared income as per income tax return, whichever is higher, has been levied.			

29. TAXATION	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
For Pakistan - for the year			
- current		16,954,265	13,688,211
- deferred		1,367,273	988,822
For Pakistan - prior year	29.2	2,261,220	(210,479)
For Overseas - for the year		1,348,552	1,295,616
		<u>21,931,310</u>	<u>15,762,170</u>
<p>The Bank's branches in Azad Jammu & Kashmir region are included in overseas for taxation purpose.</p>			
29.1 Relationship between tax expense and accounting profit			
Accounting profit for the current year		<u>57,401,768</u>	<u>46,874,691</u>
Tax on income @ 35% (2014: 35%)		20,090,619	16,406,142
- Reduced rate income		-	(128,133)
- Penalty imposed by SBP		45,091	1,629
- Tax losses		(541,783)	-
- Prior year charge		2,261,220	(210,479)
- Others		76,163	(306,989)
Tax charge for the current year		<u>21,931,310</u>	<u>15,762,170</u>
29.2 The Federal Government vide Finance Act 2015 has imposed a onetime tax at the rate of 4% on income of banks for the year ended December 31, 2014 (Tax Year 2015). This tax has been levied for financing the rehabilitation of internally displaced persons affected by the ongoing war on terror. Further, the reduced rates of taxation on dividend income and capital gains of banks have also been revised with effect from the tax year 2015 and a uniform tax rate of 35% has been made applicable.			
30. BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the year		<u>35,470,458</u>	<u>31,112,521</u>
		(Number)	
Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
Basic and diluted earnings per share		<u>24.18</u>	<u>21.21</u>
31. CASH AND CASH EQUIVALENTS			
	Note	2015 (Rupees in '000)	2014 (Rupees in '000)
Cash and balances with treasury banks	5	154,303,383	122,271,268
Balances with other banks	6	29,428,453	53,025,792
		<u>183,731,836</u>	<u>175,297,060</u>
32. STAFF STRENGTH			
		(Number)	
Permanent		14,774	13,954
Others		18	20
Total staff strength		<u>14,792</u>	<u>13,974</u>

33. DEFINED BENEFIT PLANS AND OTHER BENEFITS

33.1 Principal actuarial assumptions

The latest actuarial valuation for the pension and gratuity schemes was carried out as at December 31, 2015 using the Projected Unit Credit Method and assuming that no indexation of pension will take place. The following significant assumptions were used for the valuation of these schemes:

	2015	2014
-----Per annum-----		
Valuation discount rate	10.00%	12.25%
Expected rate of increase in salary level	9.00%	11.25%
Expected rate of return on funds invested	10.00%	12.25%

33.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2015	2014
-----Number-----		
- Pension fund	3,044	7,108
- Gratuity fund	66	121
- Benevolent fund	14,169	13,356
- Post retirement medical benefit scheme	14,169	13,356
- Compensated absences	14,169	13,356

33.3 Pension, gratuity, benevolent fund schemes and other benefits

33.3.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2015 are as follows:

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
Fair value of plan assets	3,641,812	3,516,044	95,321	118,769	1,796,901	1,841,667	-	-
Present value of defined benefit obligations	(4,127,198)	(4,009,651)	(94,869)	(165,107)	(985,726)	(1,174,230)	(2,739,575)	(2,521,535)
Receivable from / (payable to) the fund	(485,386)	(493,607)	452	(46,338)	811,175	667,437	(2,739,575)	(2,521,535)

33.3.1.1 The surplus on benevolent fund has not been accounted for as this is a contributory scheme with contribution both from the employees and the Bank.

33.3.2 The following amounts have been charged / (credited) to the profit and loss account in respect of the above-referred schemes:

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
Current service cost	58,633	47,323	4,172	6,527	38,619	22,288	70,396	61,386
Net mark up	60,466	62,687	1,210	2,230	(89,000)	(76,869)	289,563	269,358
Past service cost	-	(133,559)	-	-	36,126	-	-	-
Settlement loss	27,591	67,268	-	-	-	-	-	-
Contributions - employees	-	-	-	-	(41,256)	(39,029)	-	-
Charge / (reversal) for the year	146,690	43,719	5,382	8,757	(55,511)	(93,610)	359,959	330,744

33.3.3 Movement in amounts (receivable from) / payable to defined benefit plans

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in '000)							
Opening balance	493,607	324,386	46,338	17,155	(667,437)	(552,272)	2,521,535	2,225,250
Charge / (credit) for the year	146,690	43,719	5,382	8,757	(55,511)	(93,610)	359,959	330,744
Contributions during the year	(171,654)	-	(71,637)	-	(41,253)	(39,029)	-	-
Actuarial (gains) / losses - net	16,743	125,502	19,465	20,426	(46,974)	17,474	173,585	272,069
Benefits payable	-	-	-	-	-	-	(315,504)	(306,528)
Closing balance	485,386	493,607	(452)	46,338	(811,175)	(667,437)	2,739,575	2,521,535

33.3.4 The significant portion of the assets comprises of debt securities.

33.3.5 Movement in present value of defined benefit obligations

	Pension		Gratuity		Benevolent		Post-employment medical benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in '000)							
Opening balance	(4,009,651)	(6,432,871)	(165,107)	(244,437)	(1,174,230)	(1,105,881)	(2,521,535)	(2,225,250)
Current service cost	(58,633)	(47,323)	(4,172)	(6,527)	(38,619)	(22,288)	(70,396)	(61,386)
Mark-up cost	(451,618)	(770,055)	(13,810)	(24,368)	(133,000)	(134,739)	(289,563)	(269,358)
Benefits paid	645,922	3,395,823	90,042	113,979	141,233	138,854	315,504	306,528
Past Service Cost	-	133,559	-	-	(36,126)	-	-	-
Settlement loss	(27,591)	(67,268)	-	-	-	-	-	-
Actuarial (loss) / gain	(225,627)	(221,516)	(1,822)	(3,754)	255,016	(50,176)	(173,585)	(272,069)
Closing balance	(4,127,198)	(4,009,651)	(94,869)	(165,107)	(985,726)	(1,174,230)	(2,739,575)	(2,521,535)

33.3.6 Movement in fair value of plan assets

	Pension		Gratuity		Benevolent	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Opening balance	3,516,044	6,108,485	118,769	227,282	1,841,667	1,658,153
Return on plan assets	391,153	707,368	12,600	22,138	222,000	211,608
Employer contribution	171,654	-	71,637	-	41,253	39,029
Employee contributions	-	-	-	-	41,256	39,029
Benefits paid	(645,922)	(3,395,823)	(90,042)	(113,979)	(141,233)	(138,854)
Actuarial gain / (loss) on plan assets	208,883	96,014	(17,643)	(16,672)	(208,042)	32,702
Closing balance	3,641,812	3,516,044	95,321	118,769	1,796,901	1,841,667

33.3.7 **Actual return on plan assets**

	Pension		Gratuity		Benevolent	
	2015	2014	2015	2014	2015	2014
Expected return on plan assets	391,153	707,368	12,600	22,138	222,000	211,608
Actuarial (loss) / gain on plan assets	208,883	96,014	(17,643)	(16,672)	(208,042)	32,702
Actual return on plan assets	600,036	803,382	(5,043)	5,466	13,958	244,310

33.3.8 **Other long term benefits - Employee compensated absences**

The liability of the Bank in respect of employee compensated absences as at December 31, 2015, amounted to Rs. 2,251.391 million (2014: Rs. 2,134.581 million). Provision for this balance is held by Bank.

The charge for the year amounting to Rs. 278.082 million (2014: Rs. 408.366 million) is included in administrative expenses (note 26) under 'Charge for defined benefit plans and other benefits.'

33.3.9 **Composition of fair value of plan assets**

	2015		2014	
	Fair value (Rupees in '000)	%	Fair value (Rupees in '000)	%
Pension Fund				
Bonds	1,767,311	48.53	3,531,281	100.43
Equities	2,078,091	57.06	1,366,337	38.86
Others (including bank balances)	(203,590)	(5.59)	(1,381,574)	(39.29)
	3,641,812	100.00	3,516,044	100.00
Gratuity Fund				
Bonds	80,755	84.72	111,671	94.02
Others (including bank balances)	14,566	15.28	7,098	5.98
	95,321	100.00	118,769	100.00
Benevolent Fund				
Bonds	1,791,619	99.71	1,762,765	95.72
Others (including bank balances)	5,282	0.29	78,902	4.28
	1,796,901	100.00	1,841,667	100.00

As per actuarial recommendations, the expected return on plan assets of each of the funds was assumed at 10% per annum (2014:12.25% per annum) and was determined by considering the expected returns available on the underlying assets.

33.3.10 Sensitivity analysis of defined benefit obligations

	+1% discount rate	-1% discount rate	+1% salary increase rate	-1% salary increase rate
	(Rupees in '000)			
Pension Fund	3,983,099	4,440,149	4,247,690	4,016,166
Gratuity Fund	93,952	95,830	96,135	93,637
Benevolent Fund	921,917	1,057,056	996,115	985,726
Post retirement medical benefit	2,532,585	2,981,159	2,815,713	2,669,967
Employee compensated absences	2,135,965	2,381,166	2,391,498	2,124,705

33.3.11 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the pension and gratuity funds according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme. Based on actuarial advice, the management estimates that the charge / (reversal) in respect of defined benefit plans for the year ending December 31, 2016, subject to the provisions of the Trust Deeds, would be as follows:

2016				
	Gratuity	Benevolent	Post retirement medical benefit	Employee compensated absences
	(Rupees in '000)			
	2,290	(82,695)	352,715	305,280

Expected charge / (reversal) for the year

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

Pension Fund

	2015	2014	2013	2012	2011
	(Rupees in '000)				
Present value of defined benefit obligations	(4,127,198)	(4,009,651)	(6,432,871)	(6,132,451)	(4,161,705)
Fair value of plan assets	3,641,812	3,516,044	6,108,485	5,030,128	4,014,787
Deficit	(485,386)	(493,607)	(324,386)	(1,102,323)	(146,918)
Experience adjustments on plan liabilities [(loss) / gain]	(225,627)	(221,516)	(159,428)	(423,638)	(132,145)
Experience adjustments on plan assets [(gain) / (loss)]	208,883	96,014	66,779	(235,167)	164,373

Gratuity Fund

	2015	2014	2013	2012	2011
	(Rupees in '000)				
Present value of defined benefit obligations	(94,869)	(165,107)	(244,437)	(302,753)	(374,205)
Fair value of plan assets	95,321	118,769	227,282	204,657	329,342
Surplus / (deficit)	452	(46,338)	(17,155)	(98,096)	(44,863)
Experience adjustments on plan liabilities [(loss) / gain]	(1,822)	(3,754)	(5,429)	(12,636)	1,608
Experience adjustments on plan assets [(loss) / gain]	(17,643)	(16,672)	2,314	(29,051)	19,122

	2015	2014	2013	2012	2011
	(Rupees in '000)				
Benevolent Fund					
Present value of defined benefit obligations	(985,726)	(1,174,230)	(1,105,881)	(1,175,073)	(1,469,644)
Fair value of plan assets	1,796,901	1,841,667	1,658,153	1,587,950	1,478,094
Surplus	811,175	667,437	552,272	412,877	8,450
Experience adjustments on plan liabilities [gain / (loss)]	255,016	(50,176)	108,984	9,597	28,649
Experience adjustments on plan assets [(loss) / gain]	(208,042)	32,702	(77,174)	(68,607)	83,402
Post employment medical benefit					
Present value of defined benefit obligations	(2,739,575)	(2,521,535)	(2,225,250)	(2,182,363)	(2,455,614)
Experience adjustments on plan liabilities [loss]	(173,585)	(272,069)	(36,118)	(173,538)	(71,735)

34. DEFINED CONTRIBUTION PLAN

34.1 Provident Fund

Payments are made to the employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

35. REMUNERATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Fees of non executive directors	-	-	31,400	21,273	-	-
Managerial remuneration (including allowances)	63,900	45,900	-	-	6,459,647	5,608,260
Contribution to retirement funds	3,690	2,610	-	-	330,325	266,295
Medical	311	383	-	-	462,517	378,750
House-rent, maintenance, furnishing, others	2,921	1,254	-	-	1,571,489	1,272,068
Utilities	1,186	1,348	-	-	359,495	295,693
Conveyance	3,143	1,683	-	-	968,343	852,275
	75,151	53,178	31,400	21,273	10,151,816	8,673,341
Number of persons	1	1	6	6	4,342	2,666

The Chief Executive Officer and certain executives are provided with free club memberships and CEO is also provided with free use of Bank maintained cars in accordance with his entitlement.

In addition to the above, the President / CEO was paid Rs. 30.000 million in lieu of long term benefits to which he is entitled as per the terms of his contract.

In addition to the above, all executives, including the Chief Executive Officer of the Bank are entitled to certain short term employee benefits which are disclosed in note 26.2 to these unconsolidated financial statements.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices. Unquoted equity investments other than investments in associates and joint venture, are estimated using the break-up value of the investee company.

The fair value of fixed term loans, other assets and other liabilities can not be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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 they are either short-term in nature or, in the case of customer advances and deposits, are frequently repriced.

Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities for which fair value is measured or disclosed in the financial statements:

	2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Recurring Fair Value Measurements				
Financial Assets & Liabilities				
- Fully paid up Ordinary Shares	14,524,283	-	-	14,524,283
- NIT Units	-	42,555	-	42,555
- Federal Government Securities	-	961,665,072	-	961,665,072
- Overseas Government Securities	-	1,780,374	-	1,780,374
- FCY Bonds	-	7,537,445	-	7,537,445
- Debentures and Corporate Debt Instruments	-	8,109,562	-	8,109,562
- Unrealised gain on forward foreign exchange contracts / derivative instruments	-	606,745	-	606,745
- Unrealised loss on forward foreign exchange contracts / derivative instruments	-	929,999	-	929,999
Non-Financial Assets				
Operating Fixed Assets	-	20,258,981	-	20,258,981
	14,524,283	1,000,930,733	-	1,015,455,016

	2014			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Recurring Fair Value Measurements				
Financial Assets				
- Fully paid up Ordinary Shares	17,821,375	-	-	17,821,375
- NIT Units	-	2,694,507	-	2,694,507
- Federal Government Securities	-	739,310,911	-	739,310,911
- Overseas Government Securities	-	1,806,903	-	1,806,903
- FCY Bonds	-	9,134,214	-	9,134,214
- Debentures and Corporate Debt Instruments	-	3,807,373	-	3,807,373
- Unrealised gain on forward foreign exchange contracts / derivative instruments	-	1,578,686	-	1,578,686
- Unrealised loss on forward foreign exchange contracts / derivative instruments	-	1,944,403	-	1,944,403
Non-Financial Assets				
Operating Fixed Assets	-	17,566,734	-	17,566,734
	17,821,375	777,843,731	-	795,665,106

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation techniques used in determination of fair values within level 2

Federal Government Securities The fair value of Government Securities is derived on the basis of PKRV rates (Reuters page).

Debentures and Corporate Debt Instruments Investment in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

Units of mutual funds Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.

Overseas Government Securities Fair value of overseas securities is determined on the basis of methodology defined by their local regulators.

Derivatives The Bank enters into derivative contract with various counterparties. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

Operating Fixed Assets Land, Buildings and certain machinery are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of market value of the properties.

37. SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	For the year ended December 31, 2015					Total
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	
	------(Rupees in million)-----					
Net markup income - External	(19,048)	18,939	69,915	6,616	339	76,761
Inter segment revenue / (expense) - net	59,022	(13,118)	(54,161)	-	8,257	-
Non-funded income	11,228	3,381	11,549	4,554	1,554	32,266
Total income	51,202	9,202	27,303	11,170	10,150	109,027
Total expenses including provision	22,450	1,355	370	11,209	16,242	51,626
Inter segment administrative cost	11,721	1,674	322	1,230	(14,947)	-
Total expenses including provision	34,171	3,029	692	12,439	1,295	51,626
Profit before tax	17,031	6,173	26,611	(1,269)	8,855	57,401
Segment return on assets %	8.16%	8.45%	9.17%	5.19%	4.71%	-
Segment cost of funds %	3.83%	5.59%	6.62%	1.92%	0.01%	-
	As at December 31, 2015					Total
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	
	------(Rupees in million)-----					
Segment assets (gross of provision)	305,318	362,136	1,139,132	314,548	68,496	2,189,630
Segment non-performing advances	8,290	46,462	-	14,092	105	68,949
Segment provision held including general provision	6,587	44,259	72	13,355	457	64,730
Inter Segment Assets / (Liabilities)	979,320	(148,415)	(845,715)	(74,176)	88,986	-
Segment liabilities including equity	1,278,051	169,463	293,344	227,018	157,024	2,124,900
	For the year ended December 31, 2014					Total
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	
	------(Rupees in million)-----					
Net markup income - External	(32,356)	22,781	67,760	6,880	2,184	67,249
Inter segment revenue / (expense) - net	74,730	(17,896)	(63,057)	-	6,222	-
Non-funded income	9,547	2,126	3,141	3,686	1,107	19,607
Total income	51,921	7,011	7,844	10,566	9,513	86,856
Total expenses including provision	18,755	1,476	188	6,158	13,404	39,981
Inter segment administrative cost	8,951	1,279	246	942	(11,418)	-
Total expenses including provision	27,706	2,755	434	7,100	1,986	39,981
Profit before tax	24,215	4,256	7,410	3,466	7,527	46,874
Segment return on assets %	10.07%	9.81%	9.56%	5.07%	5.02%	-
Segment cost of funds %	5.22%	7.64%	8.61%	1.25%	0.01%	-
	As at December 31, 2014					Total
	Branch banking	Corporate banking	Treasury	International banking	Head Office / Others	
	------(Rupees in million)-----					
Segment assets (gross of provision)	268,462	331,402	859,117	295,934	76,514	1,831,429
Segment non-performing advances	22,742	36,421	-	9,289	83	68,535
Segment provision held including general provision	10,743	40,961	87	9,080	1,362	62,233
Inter Segment Assets / (Liabilities)	913,308	(172,467)	(780,271)	(83,942)	123,372	-
Segment liabilities including equity	1,171,027	117,974	78,759	202,912	198,524	1,769,196

38. TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, the Bank acts as security agent for arrangement and distribution of the term finance certificates and also engages in investment portfolio services as custodian on behalf of its customers.

39. RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its subsidiaries, associated undertakings, joint venture company, associates of AKFED Group entities, employee benefit schemes of the Bank / related party, and members of Key Management Personnel of the Bank / related party, including both Executive and Non-Executive Directors.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk. Details of advances to related parties are given in note 9.9 to these unconsolidated financial statements.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the contribution plan.

Details of transactions with related parties and balances with them as at the year-end were as follows:

	2015				
	Parent Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	Rs. in 000				
Statement of financial position					
Deposits	5,018,930	443,279	3,262,854	193,692	92,926
Maximum Deposits during the year	5,018,930	1,413,889	5,003,911	193,692	250,352
Borrowings	-	2,106,440	-	-	-
Investments	-	18,103,011	8,187,250	7,197	-
Mark-up / Other Receivable	15,899	3,877	130,583	-	-
Mark-up / Other Payable	12,434	1,852	3,259	-	1,026,391
Placements / Lendings	350,000	2,552,079	-	-	-
Nostro balances	128,540	1,352,580	-	-	-
Profit and Loss Account					
Mark-up / Other Income	50,879	412,051	2,446,911	-	-
Mark-up / Other Expense	70,932	12,404	629,779	152	513,297
Dividend income	-	-	422,276	34,666	-
Others					
Other contingencies	472,408	86,678	5,275	-	-
Securities held as custodian	13,679,505	-	33,261,760	-	4,513,760
	2014				
	Parent Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	Rs. in 000				
Statement of financial position					
Deposits	3,914,395	442,840	2,963,040	-	116,266
Maximum Deposits during the year	3,914,395	442,840	3,936,712	-	729,432
Borrowings	2,536,471	332,401	-	2,160,385	-
Investments	-	12,311,665	7,687,250	7,197	-
Mark-up / Other Receivable	-	-	277,663	-	-
Mark-up / Other Payable	8,352	13	5,906	18,326	961,746
Nostro balances	89,035	6,150,516	-	-	-
Overdrawn Nostro	173,250	-	692,192	-	-
Provision for diminution in the value of investments	-	-	577,378	-	-
Profit and Loss Account					
Mark-up / Other Income	93,836	412,393	1,953,136	-	-
Mark-up / Other Expense	189,224	9,723	656,432	289,873	406,016
Dividend income	-	6,500	267,518	54,885	-
Others					
Other contingencies	541,418	-	-	-	-
Securities held as custodian	10,027,505	-	36,180,700	-	5,377,465

- 39.1 The donations disclosed in note 26 and annexure IV of these unconsolidated financial statements include donations to HBL Foundation. The Foundation was established by the Board of Directors of HBL to promote development and advance the welfare and well being of the people with the object of improving their quality of life. Liability to the fund is shown in note no. 17.

39.2 Key Management Personnel

Key Management Personnel includes the President / Chief Executive Officer and direct reports to the President.

	2015	2014
	(Rupees in '000)	
Managerial remuneration (including allowances)	612,023	392,395
Contribution to provident and benevolent fund	15,622	10,764
Medical	23,096	14,615
	<u>650,741</u>	<u>417,774</u>
Number of persons	<u>21</u>	<u>18</u>

In addition, Key Management Personnel are paid short-term employee benefits which are disclosed in note 26.2.

40 CAPITAL ADEQUACY

40.1 Risk-Weighted Exposures

	Capital Requirements		Risk Weighted Assets	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
Credit Risk				
On-balance sheet				
Other sovereigns, GOP, PG, SBP other than PKR	7,496,096	7,919,400	73,132,645	79,193,997
PSE's	934,936	1,344,765	9,121,330	13,447,650
Banks	3,055,429	3,009,174	29,809,059	30,091,738
Corporates	31,953,378	25,932,249	311,740,277	259,322,492
Retail Portfolio	7,523,530	6,346,773	73,400,296	63,467,732
Secured by residential property	296,294	209,455	2,890,674	2,094,546
Past due loans	807,274	928,078	7,875,841	9,280,775
Commercial entities exceeding 10%	-	840,000	-	8,400,000
Listed Equity investments	489,995	614,988	4,780,436	6,149,880
Unlisted equity investments	104,620	96,355	1,020,679	963,549
Investments in fixed assets	2,860,042	2,402,763	27,902,844	24,027,633
Other assets	1,560,276	1,194,977	15,222,207	11,949,767
	<u>57,081,870</u>	<u>50,838,977</u>	<u>556,896,288</u>	<u>508,389,759</u>
Off-balance sheet				
Non-market related	9,348,840	8,662,944	91,208,195	86,629,436
Market related	93,690	214,791	914,046	2,147,909
	<u>9,442,530</u>	<u>8,877,735</u>	<u>92,122,241</u>	<u>88,777,345</u>
Market Risk				
Interest Rate Risk	9,034,841	8,107,672	112,935,513	101,345,900
Equity Position Risk	2,541,868	3,010,466	31,773,350	37,630,825
Foreign Exchange Risk	4,085,522	4,321,602	51,069,025	54,020,022
	<u>15,662,231</u>	<u>15,439,740</u>	<u>195,777,888</u>	<u>192,996,747</u>
Operational Risk				
	<u>10,158,912</u>	<u>8,853,406</u>	<u>126,986,400</u>	<u>110,667,575</u>
	<u>92,345,543</u>	<u>84,009,858</u>	<u>971,782,817</u>	<u>900,831,426</u>
Capital Adequacy Ratio				
Total eligible regulatory capital held	154,723,222	135,963,905		
Total risk weighted assets	971,782,817	900,831,426		
Capital adequacy ratio	15.92%	15.09%		

40.2 Capital management

The Bank's lead regulator SBP sets and monitors capital requirements for the Bank as a whole. In addition the Bank's branches outside Pakistan are also required to follow capital requirements applicable in respective countries.

Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.25%, including capital conservation buffer (CCB), of the risk weighted exposures of the Bank. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET1) ratio and Tier 1 ratio of 6.25% and 7.75% (including CCB), respectively, as at December 31, 2015. As at December 31, 2015 the Bank was fully compliant with prescribed ratios. The Bank and its individually regulated operations have complied with all capital requirements throughout the year.

The Bank's regulatory capital is analysed into two tiers:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.

CET1 capital includes fully paid-up capital, balance in share premium account and other reserves (excluding foreign exchange translation reserves) as per the financial statements, unappropriated profits and non-controlling interest meeting the eligibility criteria.

AT 1 capital includes instruments meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares.

- Tier 2 capital includes general provisions for loan losses, surplus on the revaluation of fixed assets and equity investments, foreign exchange translation reserves and subordinated debts (meeting the revised eligibility criteria).

Above capital is subject to certain regulatory adjustments i.e. threshold deductions for investments, reciprocal crossholdings, investment in own shares etc.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

- On and off-balance sheet assets in the banking book are broken down to various asset classes for calculation of credit risk. Ratings for assets are applied using various ECAI's and aligned with appropriate risk buckets. Collaterals if any, are used as an outflow adjustment. Risk weights notified, are applied at net adjusted exposure. Eligible collaterals used include: Government of Pakistan guarantees for advances and investments in PSE / GOP, deposits / margins, lien on deposits, saving certificates and lending of securities (repo & reverse repo).

- The Bank calculates requirements for market risk in its trading portfolios based upon the methodology provided by SBP which takes account of specific and general market risk, capital charge for interest rate risk using the maturity method, foreign exchange risk and equity price risk.

40.3 Capital structure

The risk weighted assets to capital ratio is calculated in accordance with the SBP's guidelines on capital adequacy.

	Note	2015 (Rupees in '000)	2014
Common Equity Tier 1 capital (CET1): Instruments and reserves			
Fully Paid-up Capital		14,668,525	14,668,525
Balance in Share Premium Account		-	-
Reserve for issue of Bonus Shares		-	-
Discount on Issue of shares		-	-
General/ Statutory Reserves		33,510,989	29,416,828
Gain/(Losses) on derivatives held as Cash Flow Hedge		-	-
Unappropriated profit		89,933,889	81,707,742
Non-controlling interest arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)		-	-
CET 1 before Regulatory Adjustments		138,113,403	125,793,095
Total regulatory adjustments applied to CET1	40.4.1	12,503,498	8,375,111
Common Equity Tier 1		125,609,905	117,417,984
Additional Tier 1 (AT 1) Capital			
Qualifying Additional Tier-1 instruments plus any related share premium		-	-
of which: Classified as equity		-	-
of which: Classified as liabilities		-	-
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)		-	-
of which: instrument issued by subsidiaries subject to phase out		-	-
AT1 before regulatory adjustments		-	-
Total of Regulatory Adjustment applied to AT1 capital	40.4.2	-	-
Additional Tier 1 capital after regulatory adjustments		-	-
Additional Tier 1 capital recognized for capital adequacy		-	-
Tier 1 Capital (CET1 + admissible AT1)		125,609,905	117,417,984
Tier 2 Capital			
Qualifying Tier 2 capital instruments under Basel III plus any related share premium		10,000,000	-
Tier 2 capital instruments subject to phase out arrangement issued under pre-Basel 3 rules		-	-
Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier of which: instruments issued by subsidiaries subject to phase out)		-	-
Assets		2,924,766	2,406,203
Revaluation Reserves (net of taxes)		-	-
of which: Revaluation reserves on fixed assets		7,283,129	5,279,972
of which: Unrealized gains/losses on AFS		7,922,683	6,360,437
Foreign Exchange Translation Reserves		15,205,812	11,640,409
Undisclosed/Other Reserves (if any)		11,043,004	11,288,105
Tier 2 before regulatory adjustments		39,173,582	25,334,717
Tier 2 Capital: regulatory adjustments		-	-
Total regulatory adjustment applied to T2 capital	40.4.3	10,060,265	6,788,796
Reciprocal cross holdings in Tier 2 instruments		-	-
Investment in own Tier 2 capital instrument		-	-
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		-	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation		-	-
Amount of Regulatory Adjustment applied to T2 capital		10,060,265	6,788,796
Tier 2 capital		29,113,317	18,545,921
Tier 2 capital recognized for capital adequacy		29,113,317	18,545,921
Portion of Additional Tier 1 capital recognized in Tier 2 capital		-	-
Total Tier 2 capital admissible for capital adequacy		29,113,317	18,545,921
TOTAL CAPITAL (Tier 1 + admissible Tier 2)		154,723,222	135,963,905
Total Risk Weighted Assets		971,782,817	900,831,426
Capital Ratios and buffers (in percentage of risk weighted assets)			
CET1 to total RWA		12.93%	13.03%
Tier-1 capital to total RWA		12.93%	13.03%
Total capital to RWA		15.92%	15.09%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)		10.25%	10.00%
of which: capital conservation buffer requirement		0.25%	-
of which: countercyclical buffer requirement		-	-
of which: D-SIB or G-SIB buffer requirement		-	-
CET1 available to meet buffers (as a percentage of risk weighted assets)		-	-
National minimum capital requirements prescribed by SBP			
CET1 minimum ratio		6.25%	5.50%
Tier 1 minimum ratio		7.75%	7.00%
Total capital minimum ratio		10.25%	10.00%

40.4 Regulatory Adjustments and Additional Information

	2015		2014	
	Basel III Transit	Pre- Basel III treatment	Basel III Transit	Pre- Basel III treatment
	----- (Rupees in '000) -----			
40.4.1 Common Equity Tier 1 capital: Regulatory adjustments				
Goodwill (net of related deferred tax liability)	-	-	-	-
All other intangibles (net of any associated deferred tax liability)	1,035,415	-	846,605	-
Shortfall in provisions against classified assets	-	-	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
Defined-benefit pension fund net assets	-	-	-	-
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	293,869	-	46,521	-
Cash flow hedge reserve	-	-	-	-
Investment in own shares / CET1 instruments	15,060	-	-	-
Securitization gain on sale	-	-	-	-
Capital shortfall of regulated subsidiaries	-	-	-	-
Deficit on account of revaluation from bank's holdings of fixed assets / AFS	-	-	-	-
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)	-	-	-	-
Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	732,666	-	-	-
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax)	-	-	-	-
Amount exceeding 15% threshold	-	-	-	-
of which: significant investments in the common stocks of financial entities	-	-	-	-
of which: deferred tax assets arising from temporary differences	-	-	-	-
National specific regulatory adjustments applied to CET1 capital	-	-	-	-
Investments in TFCs of other banks exceeding the prescribed limit	-	-	-	-
Any other deduction specified by SBP (mention details)	-	-	-	-
Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	10,426,488	-	7,481,985	-
Total regulatory adjustments applied to CET1	<u>12,503,498</u>	-	<u>8,375,111</u>	-
40.4.2 Additional Tier-1 Capital: regulatory adjustments				
Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	3,061,264	-	-	-
Investment in own AT1 capital instruments	-	-	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-	-
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)	-	-	-	-
Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	7,365,224	-	-	-
Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
Transfer to CET1 due to insufficient AT1 to cover deductions	(10,426,488)	-	-	-
Total regulatory adjustment applied to AT1 capital	<u>-</u>	-	<u>-</u>	-
40.4.3 Tier 2 Capital: regulatory adjustments				
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	7,365,224	-	5,522,869	-
Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	55,144	-	-	-
Investment in own Tier 2 capital instrument	-	-	-	-
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)	-	-	-	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	2,639,897	-	1,959,116	-
Total regulatory adjustment applied to T2 capital	<u>10,060,265</u>	-	<u>7,481,985</u>	-
			2015	2014
			(Rupees in '000)	
40.4.4 Additional Information				
Risk Weighted Assets subject to pre-Basel III treatment				
Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)			971,782,817	900,831,426
of which: deferred tax assets			-	-
of which: Defined-benefit pension fund net assets			-	-
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			-	-
of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity			-	-
Amounts below the thresholds for deduction (before risk weighting)			-	-
Non-significant investments in the capital of other financial entities			3,477,567	4,565,971
Significant investments in the common stock of financial entities			15,508,571	10,350,631
Deferred tax assets arising from temporary differences (net of related tax liability)			-	-
Applicable caps on the inclusion of provisions in Tier 2				
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)			2,924,766	2,406,203
Cap on inclusion of provisions in Tier 2 under standardized approach			8,112,732	7,464,589
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			-	-

40.5 Capital structure reconciliation

	As per published financial statements	Under regulatory scope of consolidation
	(Rupees in '000)	
Assets		
Cash and balances with treasury banks	154,303,383	154,303,383
Balances with other banks	29,428,453	29,428,453
Lendings to financial institutions	44,318,411	44,318,411
Investments	1,210,479,109	1,207,108,916
Advances	601,635,036	604,559,802
Operating fixed assets	28,938,259	27,902,844
Deferred tax asset	-	-
Other assets	55,796,857	55,796,857
Total assets	2,124,899,508	2,123,418,666
Liabilities & Equity		
Bills payable	27,942,101	27,942,101
Borrowings	314,485,132	314,485,132
Deposits and other accounts	1,558,310,675	1,558,310,675
Subordinated loan	10,000,000	10,000,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liability	2,214,422	2,214,422
Other liabilities	40,095,528	40,095,528
Total liabilities	1,953,047,858	1,953,047,858
Share capital	14,668,525	14,668,525
Reserves	44,553,993	44,553,993
Unappropriated profit	89,933,889	88,453,047
Surplus on revaluation of assets	22,695,243	22,695,243
Total liabilities & equity	2,124,899,508	2,123,418,666

40.5.1 Detail of capital structure reconciliation

	As per published financial statements	Under regulatory scope of consolidation	Reference
	(Rupees in '000)		
Assets			
Cash and balances with treasury banks	154,303,383	154,303,383	
Balances with other banks	29,428,453	29,428,453	
Lendings to financial institutions	44,318,411	44,318,411	
Investments	1,210,479,109	1,207,108,916	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>	-	-	a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>	-	-	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	3,061,264	c
<i>of which: reciprocal crossholding of capital instrument</i>	-	293,869	d
<i>of which: investment in own shares</i>	-	15,060	e
Advances	601,635,036	604,559,802	
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	f
<i>general provisions reflected in Tier 2 capital</i>	-	2,924,766	g
Operating fixed assets	28,938,259	27,902,844	
<i>of which: Goodwill</i>	-	-	
<i>of which: Intangibles</i>	-	1,035,415	
Deferred Tax Assets	-	-	
<i>of which: DTAs excluding those arising from temporary differences</i>	-	-	h
<i>of which: DTAs arising from temporary differences exceeding regulatory</i>	-	-	i
Other assets	55,796,857	55,796,857	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	2,124,899,508	2,123,418,666	
Liabilities & Equity			
Bills payable	27,942,101	27,942,101	
Borrowings	314,485,132	314,485,132	
Deposits and other accounts	1,558,310,675	1,558,310,675	
Subordinated loan	10,000,000	10,000,000	
<i>of which: eligible for inclusion in AT1</i>	-	-	m
<i>of which: eligible for inclusion in Tier 2</i>	-	-	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	2,214,422	2,214,422	
<i>of which: DTLs related to goodwill</i>	-	-	o
<i>of which: DTLs related to intangible assets</i>	-	-	p
<i>of which: DTLs related to defined pension fund net assets</i>	-	-	q
<i>of which: other deferred tax liabilities</i>	-	-	r
Other liabilities	40,095,528	40,095,528	
Total liabilities	1,953,047,858	1,953,047,858	
Share capital	14,668,525	14,668,525	
<i>of which: amount eligible for CET1</i>	-	14,668,525	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	44,553,993	44,553,993	
<i>of which: portion eligible for inclusion in CET1</i>	-	33,510,989	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	11,043,004	v
Unappropriated profit	89,933,889	88,453,047	w
Non-controlling interest	-	-	
<i>of which: portion eligible for inclusion in CET1</i>	-	-	x
<i>of which: portion eligible for inclusion in AT1</i>	-	-	y
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	z
Surplus on revaluation of assets	22,695,243	22,695,243	
<i>of which: Revaluation reserves on Property</i>	-	10,870,342	
<i>of which: Unrealized Gains/Losses on AFS</i>	-	11,824,901	aa
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-	ab
Total liabilities & Equity	2,124,899,508	2,123,418,666	

40.5.2 Component of capital reported by the Group

	Rupees in '000	Source based on reference number
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully Paid-up Capital	14,668,525	
Balance in Share Premium Account	-	(s)
Reserve for issue of Bonus Shares	-	
General/ Statutory Reserves	33,510,989	(u)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated profit	89,933,889	(w)
Non-controlling interest	-	(x)
	138,113,403	
CET 1 before Regulatory Adjustments		
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill	-	(j) - (o)
All other intangibles	1,035,415	(k) - (p)
Shortfall of provisions against classified assets	-	(f)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{(h) - (r)} * x%
Defined-benefit pension fund net assets	-	{(l) - (q)} * x%
Reciprocal cross holdings	293,869	(d)
Cash flow hedge reserve	-	
Investment in own shares	15,060	
Securitization gain on sale	-	
Capital shortfall of regulated subsidiaries	-	
Deficit on account of revaluation from bank's holdings of property/ AFS	-	(ab)
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
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)	732,666	(b) - (ad) - (af)
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
Amount exceeding 15% threshold	-	
of which: significant investments in the common stocks of financial entities	-	
of which: deferred tax assets arising from temporary differences	-	
National specific regulatory adjustments applied to CET1 capital	-	
Investment in TFCs of other banks exceeding the prescribed limit	-	
Any other deduction specified by SBP (mention details)	-	
Regulatory adjustment applied to CET1	10,426,488	
Total regulatory adjustments applied to CET1	12,503,498	
	125,609,905	
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 instruments plus any related share premium	-	
of which: Classified as equity	-	(t)
of which: Classified as liabilities	-	(m)
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
of which: instrument issued by subsidiaries subject to phase out	-	
	-	
AT1 before regulatory adjustments		
Additional Tier 1 Capital: regulatory adjustments		
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	3,061,264	
Investment in own AT1 capital instruments	-	
Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
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)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
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	7,364,966	
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
Transfer to CET1 due to insufficient AT1 to cover deductions	(10,426,488)	
Total of Regulatory Adjustment applied to AT1 capital	-	
Additional Tier 1 capital	-	
	-	
Additional Tier 1 capital recognized for capital adequacy		
	125,609,905	
Tier 1 Capital (CET1 + admissible AT1)		
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III	10,000,000	(n)
Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	
Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
of which: instruments issued by subsidiaries subject to phase out	-	
General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	2,924,766	(g)
Revaluation Reserves eligible for Tier 2	-	
of which: portion pertaining to Property	7,283,129	
of which: portion pertaining to AFS securities	7,922,683	portion of (aa)
	15,205,812	
Foreign Exchange Translation Reserves	11,043,004	(v)
Undisclosed/Other Reserves (if any)	-	
	39,173,582	
Tier 2 before regulatory adjustments		
Tier 2 Capital: regulatory adjustments		
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	7,365,224	
Reciprocal cross holdings in Tier 2 instruments	55,144	
Investment in own Tier 2 capital instrument	-	
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)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
Amount of Regulatory Adjustment applied to Tier 2 capital	2,639,897	(af)
Tier 2 capital	10,060,265	
Tier 2 capital recognized for capital adequacy	29,113,317	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	29,113,317	
	154,723,222	

40.6 Main Features of Regulatory Capital Instruments

	Common Shares	Debt Instruments
Issuer	Habib Bank Limited	Habib Bank Limited
Unique identifier	HBL	HBL
Governing law(s) of the instrument	Relevant Capital Market Laws	Laws applicable in Pakistan
Regulatory treatment		
Transitional Basel III rules	Common Equity Tier 1	Tier II Capital
Post-transitional Basel III rules	Common Equity Tier 1	Tier II Capital
Eligible at solo / group / group & solo	Group and Standalone	Group and Standalone
Instrument type	Ordinary shares	Term Finance Certificate
Amount recognized in regulatory capital (Currency in PKR thousands)	14,668,525	10,000,000
Par value of instrument	Rs. 10 per share	PKR 100,000/- and/ or in multiples of
Accounting classification	Shareholders' equity	Subordinated loan
Original date of issuance	1947	2015
Perpetual or dated	Perpetual	Dated
Original maturity date	No maturity	February 2026
Issuer call subject to prior supervisory approval	Not applicable	Yes
Optional call date, contingent call dates and redemption amount	Not applicable	2021
Subsequent call dates, if applicable	Not applicable	Anytime after the first call date
Coupons / dividends		
Fixed or floating dividend/ coupon	Not applicable	Floating
Coupon rate and any related index/ benchmark	Not applicable	6 months KIBOR + 0.50% per annum
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Not applicable	Not applicable
Convertible or non-convertible	Non-convertible	Convertible
If convertible, conversion trigger (s)	Not applicable	The instrument will be subject to loss absorbency clause as stipulated in terms of the Basel III Guidelines wherein upon the occurrence of a Point of Non-Viability ("PONV") event as defined in the Guidelines, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank.
If convertible, fully or partially	Not applicable	Fully
If convertible, conversion rate	Not applicable	To be determined in case of trigger event(s)
If convertible, mandatory or optional conversion	Not applicable	Mandatory
If convertible, specify instrument type convertible into	Not applicable	Common Equity Tier 1
If convertible, specify issuer of instrument it converts into	Not applicable	Habib Bank Limited
Write-down feature		
If write-down, write-down trigger(s)	Not applicable	The instrument will be subject to loss absorbency clause as stipulated in terms of the Basel III Guidelines wherein upon the occurrence of a Point of Non-Viability ("PONV") event as defined in the Guidelines, SBP may at its option, have them immediately written down.
If write-down, full or partial	Not applicable	May be written down fully or partially
If write-down, permanent or temporary	Not applicable	Permanent
If temporary write-down, description of write-up mechanism	Not applicable	Not Applicable
Position in subordination hierarchy in liquidation	Subordinated	Subordinate to all other indebtedness to the Bank including deposits
Non-compliant transitioned features	Not applicable	None
If yes, specify non-compliant features	Not applicable	Not applicable

40.7 Leverage Ratio

The leverage ratio compares Tier 1 capital to total exposure, which includes certain exposures held off-balance sheet adjusted by the regulatory credit conversion factors. The Group's current leverage ratio of 4.7% is above the current minimum requirement set by SBP.

41. RISK MANAGEMENT FRAMEWORK

HBL's aim is to build a diversified business, characterized by sustained growth and profitability. The bank's operations have a high degree of complexity in view of its size and its regional, product and target market diversification. This coupled with increasing competition in the banking sector, changes in the regulatory regime and challenging macro-economic environment makes it imperative for the bank to have a well developed, robust risk management framework. Hence the risk management framework at HBL has been developed around board oversight, strong supervision, clear policies and procedures, efficient systems and documented risk appetite.

The Board of Directors provides the strategic direction for effective risk management and has the ultimate responsibility for ensuring that a robust risk management framework is in place including the required human resources, policies, procedures and systems. It is supported in this task by board committees i.e. Board Risk Management Committee (BRMC) and Board Audit Committee (BAC) as well as management committees i.e. Asset & Liability Committee (ALCO), Management Risk Committee (MRC), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC).

For effective implementation of the risk management framework, Risk Management function operates independently within the bank. The function is also responsible for development and oversight of risk policies and plays a pivotal role in monitoring the risks associated with various activities of the Bank. Risk Management function is headed by the Chief Risk Officer (CRO), who administratively reports to the President with an independent functional reporting line to the BRMC. This is to ensure the independence of this position.

Risk Management function comprises of the following areas:

- Credit Policy & Analytics
- Credit Approvals
- Credit Administration
- Program Based Lending*
- Market & Liquidity Risk Management
- Operational Risk Management**
- Information Security Risk

* The department is responsible for managing risk of all program based lending products across Consumer Banking, Retail Banking, and Rural Banking.

** The Operational Risk Management Department (ORMD) operates within Global Compliance function independent from business units and other support functions. Head ORMD has a dotted reporting line to the CRO.

The Operational Risk Management Division (ORMD) operates within Global Compliance Group (GCG) independent from business units and other support functions. Head ORMD has a dotted reporting line to the CRO.

Risk Management alignment with Basel framework

The Bank is continuing with its efforts to adopt the Foundation Internal Ratings Based (FIRB) Approach for certain credit risk portfolios and Internal Models Approach (IMA) for Market Risk (Alternate Standardized Approach for operational risk has already been adopted) under the Basel II Framework. Considerable challenges remain in this area not the least of which relate to data quality and sufficiency and a lack of in-country expertise in this area. Being a large Bank in Pakistan, and having a strong risk culture and focus, the Bank is increasingly developing resources internally to embed Basel related processes and methodologies in its risk practices. To this end, a programme is in place to augment the skill set of staff in this area. Once completed, the Bank expects to achieve a number of significant business benefits from its Basel II program with a more robust risk management and internal control environment in line with best practice.

The Bank is currently engaged in the deployment of a comprehensive suite of systems for Loan Origination, Credit Administration / Collateral Management, and Internal Risk Ratings as part of FIRB related initiatives for credit risk.

Scope of application of Basel III framework

State Bank of Pakistan through BPRD circular no. 06 dated August 15, 2013 has required Banks/DFIs to report capital ratio following the Basel III framework setting higher capital requirements to be achieved gradually in phase-in arrangements by 2019.

The Basel III guideline applies on a consolidated as well as a standalone basis. Lists of 'subsidiaries' and 'associates and joint venture' have been provided in notes 8.5 and 8.6, respectively, of these consolidated financial statements.

41.1. Credit Risk

Credit risk is defined as the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk; it also stems from activities both on and off balance sheet. The credit process at HBL is governed by well defined and documented credit policies and procedures. Beside core documents, separate policies are in place for consumer loans, rural banking and SME financing. These policy and procedure documents lay down the basic underwriting standards. Certain types of exposures/facilities are managed under product programs that contain their own detailed credit criteria, regulatory, compliance and documentation requirements.

Credit risk appetite i.e. tolerance for credit risk, is defined through the Overall Risk Appetite document that is also approved by the board of directors. It also covers the concentration risk the bank is willing to carry on its books with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at HBL are:

- An independent risk management function.
- Approval rules based on three-initial system and joint business/risk sign-offs
- An independent audit and business risk review function.

Credit approval authorities are designated to individuals based on their qualifications and experience. Proactive monitoring is ensured through an early warning mechanism for assets under stress. This enables the bank to put in place viable solutions before further deterioration in credit quality. A special Structured Credits function has been established to handle stressed assets to ensure a focused remedial strategy. The Bank follows the guidelines of SBP for domestic operations and the local regulators for international operation for classification/ provisioning/ write-off of problem advances. However, subjective judgment is also applied to recognize credit losses earlier than the regulations warrant.

Disbursement authorization as well as collateral and security management, documentation and monitoring are managed by Credit Administration Department (CAD) that operates as part of Risk Management.

Stress testing on the credit portfolio is performed according to the guidelines issued by SBP at defined frequency. The scope of stress testing is being expanded to include optional scenarios.

Business Risk Review performs the function of independent reviewer of the credit portfolio. BRR is part of the Internal Audit function which reports to the Board Audit Committee and is independent of Risk Management and the business functions. It provides independent assessment of the quality of credit portfolio, efficacy of processes for acquisition of risk assets, regulatory/policy compliance and appropriate classification and risk rating of assets to the Board and the senior management of the bank.

41.1.1 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by the internationally recognized rating agencies. The limit utilization is controlled at Head office level and country risk exposures are reported to BRMC at defined frequency. CBTR arises from exposure to counterparties in Countries other than the country where exposure is located. The Bank defines transfer risk as arising where an otherwise solvent and willing debtor is unable to meet its obligation due to the imposition of governmental or regulatory controls restricting its ability to perform under its obligation towards its foreign liabilities.

41.2 Segmental information

41.2.1 Segment by class of business

	2015					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	36,429,160	5.48	5,467,198	0.35	9,620,297	3.49
Agribusiness	42,570,576	6.40	12,394,096	0.80	914,417	0.33
Textile	72,876,467	10.95	8,515,983	0.55	10,128,611	3.67
Cement	10,197,937	1.53	1,750,364	0.11	3,224,198	1.17
Sugar	6,007,415	0.90	1,731,369	0.11	138,819	0.05
Shoes and leather garments	2,063,954	0.31	934,986	0.06	30,262	0.01
Automobile and transportation equipment	36,481,506	5.48	14,852,062	0.95	5,897,025	2.14
Financial	39,003,844	5.86	21,293,562	1.37	59,117,021	21.42
Hotel & Tourism	1,469,141	0.22	684,301	0.04	787,278	0.29
Research & Development	-	-	-	-	-	-
Insurance	229,563	0.03	2,741,191	0.18	139,193	0.05
Electronics and electrical appliances	12,516,805	1.88	3,084,569	0.20	9,171,921	3.32
Oil and Gas	22,086,663	3.32	13,597,855	0.87	7,834,132	2.84
Power and energy	49,384,972	7.42	30,368,334	1.95	30,572,591	11.08
Education & Medical	1,945,728	0.29	9,821,479	0.63	580,229	0.21
Telecommunication	15,477,915	2.33	8,196,179	0.53	1,735,070	0.63
Printing & publishing	5,998,213	0.90	633,344	0.04	266,461	0.10
Construction	6,143,968	0.92	2,886,454	0.19	576,062	0.21
Mining & quarrying	333,474	0.05	258,641	0.02	-	-
Food, tobacco and beverages	20,191,746	3.04	6,205,856	0.40	1,731,222	0.63
Government / public - note 41.2.2	106,790,375	16.05	143,422,271	9.20	88,381,867	32.02
Whole sale & retail trade	32,856,160	4.94	69,396,370	4.45	5,913,743	2.14
Metal and allied	9,686,397	1.46	5,130,269	0.33	2,555,161	0.93
Individuals	55,133,290	8.29	829,324,963	53.22	663,146	0.24
Farming, cattle and dairy	2,147,466	0.32	1,321,131	0.08	449,182	0.16
Ports and shipping	-	-	-	-	28,596	0.01
Trust funds and non profit organizations	8,762,959	1.32	26,880,643	1.72	2,137,000	0.77
Others	68,509,951	10.31	337,417,205	21.65	33,449,007	12.09
	665,295,645	100.00	1,558,310,675	100.00	276,042,511	100.00

	2014					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	23,384,888	3.51	5,746,940	0.40	8,225,094	4.17
Agribusiness	31,190,314	4.69	11,165,035	0.77	990,690	0.50
Textile	79,580,175	11.96	6,548,140	0.45	6,295,977	3.19
Cement	4,333,023	0.65	519,952	0.04	1,431,614	0.73
Sugar	5,808,854	0.87	1,131,039	0.08	51,766	0.03
Shoes and leather garments	2,728,541	0.41	783,222	0.05	184,693	0.09
Automobile and transportation equipment	13,296,860	2.00	9,604,047	0.66	6,211,356	3.15
Financial	40,558,925	6.10	28,581,365	1.97	27,647,551	14.01
Hotel & Tourism	1,291,773	0.19	55,023	-	377,648	0.19
Research & Development	-	-	3,603,934	0.25	-	-
Insurance	4,339	-	3,756,375	0.26	2,405	-
Electronics and electrical appliances	11,102,266	1.67	3,381,590	0.23	8,404,978	4.26
Oil and Gas	13,790,561	2.07	8,477,586	0.59	4,334,268	2.20
Power and energy	42,977,607	6.46	18,406,102	1.27	15,617,450	7.91
Education & Medical	2,126,716	0.32	10,840,040	0.75	807,202	0.41
Telecommunication	11,793,993	1.77	1,685,173	0.12	2,385,972	1.21
Printing & publishing	4,630,691	0.70	1,309,926	0.09	37,145	0.02
Construction	2,135,723	0.32	1,840,520	0.13	760,105	0.39
Mining & quarrying	371,264	0.06	96,429	0.01	-	-
Food, tobacco and beverages	14,801,813	2.22	4,066,682	0.28	3,616,961	1.83
Government / public - note 41.2.2	127,392,822	19.15	149,089,937	10.30	65,056,929	32.96
Whole sale & retail trade	62,711,735	9.43	79,923,557	5.52	8,791,753	4.45
Metal and allied	8,584,872	1.29	5,710,217	0.39	3,141,094	1.59
Individuals	40,180,710	6.04	759,892,535	52.51	402,022	0.20
Farming, cattle and dairy	1,746,794	0.26	415,099	0.03	696,221	0.35
Ports and shipping	-	-	-	-	27,532	0.01
Trust funds and non profit organizations	3,105,384	0.47	25,865,943	1.79	2,000	-
Others	66,614,155	17.39	304,719,037	21.06	31,903,285	16.15
	616,244,798	100.00	1,447,215,445	100.00	197,403,711	100.00

41.2.2 Government / public sector

	2015					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	-	-	9,129	0.01	-	-
Agribusiness	43,958,665	41.16	976,495	0.68	-	-
Automobile and transportation equipment	3,227,583	3.02	1,669,736	1.16	-	-
Financial	-	-	6,727,880	4.69	19,606,685	22.18
Insurance	-	-	14,472,387	10.09	39,204	0.04
Oil and Gas	21,674,742	20.30	1,834,161	1.28	15,599,105	17.65
Power and energy	33,941,904	31.78	24,568,418	17.13	1,342,500	1.52
Education & medical	182,840	0.17	35,116,252	24.48	307,224	0.35
Telecommunication	297,000	0.28	1,734,701	1.21	-	-
Printing & publishing	929,836	0.87	55,015	0.04	-	-
Construction	-	-	132,107	0.09	-	-
Whole sale & retail trade	-	-	-	-	-	-
Metal and allied	1,105,019	1.03	116,833	0.08	-	-
Defence	252,084	0.24	7,336,766	5.12	43,719,160	49.47
Ports and shipping	-	-	2,860,470	1.99	2,142	-
Others	1,220,702	1.15	45,811,921	31.95	7,765,847	8.79
	106,790,375	100.00	143,422,271	100.00	88,381,867	100.00

	2014					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemicals and pharmaceuticals	-	-	12,450	0.01	-	-
Agribusiness	54,049,139	42.43	5,068,266	3.40	-	-
Automobile and transportation equipment	8,966,168	7.04	-	-	-	-
Financial	181,444	0.14	2,460,405	1.65	11,428,961	17.57
Insurance	-	-	4,482,315	3.01	39,204	0.06
Oil and Gas	25,002,993	19.63	15,752,170	10.57	12,500,276	19.21
Power and energy	35,055,739	27.52	14,059,369	9.43	1,083,215	1.67
Education & medical	425,078	0.33	34,895,959	23.41	491,995	0.76
Telecommunication	227,000	0.18	2,036,183	1.37	-	-
Printing & publishing	-	-	-	-	-	-
Construction	-	-	2,425,190	1.63	-	-
Metal and allied	1,105,265	0.87	60,885	0.04	-	-
Defence	817,874	0.64	2,351,336	1.58	31,270,002	48.07
Ports and shipping	-	-	3,999,700	2.68	2,142	-
Others	1,562,122	1.22	61,485,709	41.22	8,241,134	12.66
	127,392,822	100.00	149,089,937	100.00	65,056,929	100.00

41.2.3 Segment by sector

	2015					
	Advances (Rupees in '000)		Deposits (Rupees in '000)		Contingencies and commitments (Rupees in '000)	
	Percent	Percent	Percent	Percent	Percent	Percent
Government / public	106,790,375	16.05	143,422,271	9.20	88,381,867	32.02
Private	558,505,270	83.95	1,414,888,404	90.80	187,660,644	67.98
	665,295,645	100.00	1,558,310,675	100.00	276,042,511	100.00

	2014					
	Advances (Rupees in '000)		Deposits (Rupees in '000)		Contingencies and commitments (Rupees in '000)	
	Percent	Percent	Percent	Percent	Percent	Percent
Government / public	127,392,822	20.67	149,089,937	10.30	65,056,929	32.96
Private	488,851,976	79.33	1,298,125,508	89.70	132,346,782	67.04
	616,244,798	100.00	1,447,215,445	100.00	197,403,711	100.00

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

	2015		2014	
	Classified advances	Specific provisions held	Classified advances	Specific provisions held
	------(Rupees in '000)-----			
Chemicals and Pharmaceuticals	876,924	549,259	687,121	636,619
Agribusiness	6,741,005	5,202,885	3,776,586	2,893,818
Textile	20,530,171	20,373,125	21,105,013	19,982,173
Cement	860,694	806,694	1,242,697	835,899
Sugar	331,776	268,941	320,964	285,464
Shoes and leather garments	949,158	948,211	917,558	514,148
Automobile and transportation equipment	1,044,094	1,034,090	1,365,467	1,354,406
Financial	39,414	39,414	235,958	235,958
Hotel and Tourism	284,188	271,689	261,594	243,424
Electronics and electrical appliances	1,821,436	1,821,436	2,717,838	2,717,490
Oil and Gas	3,013,685	1,005,036	3,674,206	1,238,904
Power and energy	1,804,624	1,767,852	1,735,437	1,735,437
Education & medical	56,136	56,066	568,384	550,679
Telecommunication	1,232,553	1,232,553	1,416,345	741,206
Printing & publishing	335,013	230,017	366,201	257,178
Construction	1,277,175	1,107,100	1,468,528	1,290,962
Mining & quarrying	-	-	648	648
Food, tobacco and beverages	1,133,864	857,951	115,007	115,007
Whole sale & retail trade	8,812,140	7,006,240	7,113,233	5,755,611
Metal and allied	2,425,779	977,883	2,489,254	1,241,313
Individual	3,758,572	3,645,757	2,557,743	2,270,989
Farming, cattle and dairy	136,913	111,540	190,218	117,068
Others	11,483,807	11,422,104	14,209,255	13,429,682
	68,949,121	60,735,843	68,535,255	58,444,083

41.2.5 Segment by sector

	2015		2014	
	Classified advances	Specific provisions held	Classified advances	Specific provisions held
	------(Rupees in '000)-----			
Private	67,462,949	60,315,368	67,064,362	58,038,928
Government / public	1,486,172	420,475	1,470,893	405,155
	68,949,121	60,735,843	68,535,255	58,444,083

41.2.6 GEOGRAPHICAL SEGMENT ANALYSIS

	For the year ended December 31, 2015			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	----- (Rupees in '000) -----			
Pakistan	56,978,696	1,819,625,068	112,863,236	240,725,330
Europe, Middle East and America	(184,316)	214,981,657	34,663,208	28,739,366
Asia and Africa	607,388	90,292,783	24,325,206	6,577,815
	<u>57,401,768</u>	<u>2,124,899,508</u>	<u>171,851,650</u>	<u>276,042,511</u>

	For the year ended December 31, 2014			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	----- (Rupees in '000) -----			
Pakistan	42,242,020	1,482,343,315	104,214,396	150,302,669
Europe, Middle East and America	2,962,663	190,335,958	30,378,917	37,723,841
Asia and Africa	1,670,008	96,516,981	23,274,332	9,377,201
	<u>46,874,691</u>	<u>1,769,196,254</u>	<u>157,867,645</u>	<u>197,403,711</u>

41.3. Market Risk Management

It is the risk of loss due to adverse movements in market rates or prices, such as foreign exchange rates, interest rates and equity prices. It emanates from the trading activities mainly carried out by Treasury and investments / structural positions housed in banking book.

Market risk at the Bank level is managed by the RMG under the supervision of ALCO supported by the Treasury Middle Office (TMO). The Bank carries a limited amount of market risk the bulk of which is located in the banking book stemming from the mismatches in structural assets and liabilities positions.

41.3.1 Foreign Exchange Risk

The Bank's assets are typically funded in the same currency as that of the business transacted to eliminate foreign exchange exposure. However, the Bank is obliged to maintain a reasonable open position in various currencies resulting from the sizeable trade related transactions handled across the Bank. Foreign exchange risks are controlled and monitored through the limits approved by ALCO within the overall limit advised by SBP. The regulatory limit for foreign exchange is relatively small compared to the size of the Bank; which restricts the risk generated through the foreign exchange activities of the Bank.

End-of-the-day positions are marked to market daily according to the guidelines of SBP and sensitivity is conducted in line with the internal market risk policy of the Bank. The intra-day positions are managed by treasury through stop loss/ dealers limits.

2014

	Upto one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years	Over ten years
Total									
----- Rupees in '000 -----									
Assets									
Cash and balances with treasury banks	122,271,268	11,163,258	14,511,297	4,446,003	924,841	705,468	1,110,328	17,624,055	19,795,650
Balances with other banks	53,025,792	4,476,962	1,700,829	-	-	-	-	-	-
Lendings to financial institutions	34,313,560	-	-	56,250	-	-	-	-	-
Investments	897,573,967	293,130,840	16,038,312	94,962,828	97,146,518	54,758,922	115,265,969	146,032,716	66,312,697
Advances	555,394,512	72,392,737	72,307,105	29,862,712	17,037,194	22,368,182	239,940,911	37,807,708	7,937,103
Operating fixed assets	2,4874,238	-	-	-	-	-	-	-	24,874,238
Other assets	81,742,917	37,800,763	11,934,318	7,214,534	-	-	-	-	-
	1,769,196,254	519,282,143	126,751,425	137,028,327	115,108,552	77,832,571	356,317,208	201,464,479	118,919,688
Liabilities									
Bills payable	21,955,683	7,078,534	10,535,037	-	-	-	-	-	-
Borrowings from financial institutions	99,630,517	7,477,761	7,987,737	135,636	144,181	732,744	2,280,997	3,392,259	-
Deposits and other accounts	1,447,215,445	189,190,631	95,167,464	162,720,092	312,69,836	31,641,471	49,448,126	384,970,974	380,142,681
Subordinated loan	-	-	-	-	-	-	-	-	-
Deferred tax liability	1,850,325	-	-	-	205,592	205,592	411,183	1,027,958	-
Other liabilities	40,676,639	9,264,153	3,918,404	1,822,013	536,549	536,549	3,044,605	-	-
	1,611,328,609	292,564,870	146,486,120	164,677,681	32,156,158	33,116,356	55,184,911	389,391,191	380,142,681
Net gap	157,867,645	226,717,273	(19,734,695)	(27,649,354)	82,952,395	44,716,216	301,132,297	(187,926,712)	(261,222,993)
Share capital	14,668,525								
Reserves	40,704,933								
Unappropriated profit	81,707,742								
Surplus on revaluation of assets - net of tax	157,867,645								

41.4.2 In accordance with BSD Circular Letter No.02 dated January 14, 2013, issued by the SBP, the Bank is required to report maturity gaps of assets and liabilities on contractual basis which are as follows:

	2015									
	Total	Upto one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years	Over ten years
Assets										
Cash and balances with treasury banks	154,303,383	149,875,059	14,348	1,034,770	777,820	-	-	-	29,100	2,572,286
Balances with other banks	29,428,453	25,956,695	3,330,913	68,135	72,710	-	-	-	-	-
Lendings to financial institutions	44,318,411	17,067,709	-	271,125	26,207,902	356,075	207,800	207,800	-	-
Investments	1,210,479,109	172,889,882	107,399,196	236,599,365	246,699,855	40,908,194	165,829,107	145,025,370	91,984,091	3,144,049
Advances	601,635,036	299,814,342	41,088,171	55,754,238	14,334,387	18,450,003	24,586,660	102,284,340	32,263,331	13,059,564
Operating fixed assets	28,938,259	1,645,566	318,519	477,778	955,557	1,911,112	1,911,112	2,127,214	673,015	18,918,386
Other assets	55,796,857	33,628,930	3,266,614	5,370,531	13,530,782	61,625,384	192,534,679	249,644,724	124,949,537	37,694,285
	2,124,899,508	700,878,183	155,417,761	299,575,942	302,579,013	61,625,384	192,534,679	249,644,724	124,949,537	37,694,285
Liabilities										
Bills payable	27,942,101	27,942,101	-	17,328,522	314,316	-	-	-	-	-
Borrowings from financial institutions	314,485,132	289,414,962	4,221,573	47,846,082	58,428,521	10,234,110	464,342	1,088,806	1,282,561	-
Deposits and other accounts	1,558,310,675	1,362,305,694	65,520,941	47,846,082	58,428,521	10,234,110	5,155,340	4,548,743	4,247,870	23,374
Subordinated loan	10,000,000	-	-	-	2,000	4,000	4,000	8,000	5,000,000	4,982,000
Deferred tax liability	2,214,422	1,557,686	1,584,825	1,589,646	(517,684)	(488,759)	(1,303,572)	(753,249)	(2,856)	548,385
Other liabilities	40,095,528	39,939,679	-	-	155,849	-	-	-	-	-
	1,953,047,858	1,721,160,122	71,327,339	66,764,250	58,383,002	10,119,401	4,320,110	4,892,300	10,527,575	5,553,759
Net gap	171,851,650	(1,020,281,939)	84,090,422	232,811,692	244,196,011	51,505,983	188,214,569	244,752,424	114,421,962	32,140,526
Share capital	14,668,525									
Reserves	44,553,993									
Unappropriated profit	89,933,889									
Surplus on revaluation of assets - net of tax	22,695,243									
	<u>171,851,650</u>									

2014

	Total	Upto one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years	Over ten years
----- Rupees in '000 -----										
Assets										
Cash and balances with treasury banks	122,271,268	117,425,396	759,105	2,653,402	1,183,120	250,245	-	-	-	-
Balances with other banks	53,025,792	50,332,990	1,185,555	1,507,247	-	-	-	-	-	-
Lendings to financial institutions	34,313,560	33,771,310	-	-	542,250	-	-	-	-	-
Investments	897,573,967	95,280,269	30,886,778	331,455,760	74,707,848	115,725,840	28,258,189	112,265,267	106,683,992	2,310,024
Advances	555,394,512	320,242,716	49,932,565	22,978,090	11,621,640	12,270,633	21,859,616	66,159,743	41,677,111	8,652,398
Operating fixed assets	24,874,238	1,261,142	283,945	425,918	851,836	1,703,673	1,703,673	1,813,038	735,196	16,095,817
Other assets	81,742,917	62,153,487	2,698,117	5,069,517	11,821,796	-	-	-	-	-
	1,769,196,254	680,467,310	85,746,065	364,089,934	100,728,490	129,950,391	51,821,478	180,238,048	149,096,299	27,058,239
Liabilities										
Bills payable	21,955,683	21,955,683	-	-	-	-	-	-	-	-
Borrowings from financial institutions	99,630,517	91,694,020	2,213,589	74,327	90,716	549,012	174,181	1,841,168	2,993,504	-
Deposits and other accounts	1,447,215,445	1,190,741,806	95,105,504	53,830,350	80,046,304	8,826,376	9,198,011	4,561,206	4,905,888	-
Subordinated loan	-	-	-	-	-	-	-	-	-	-
Deferred tax liability	1,850,325	1,214,445	1,460,132	1,466,619	(553,063)	(514,143)	(1,275,563)	(678,581)	(4,948)	735,427
Other liabilities	40,676,639	40,580,790	-	-	95,849	-	-	-	-	-
	1,611,328,609	1,346,186,744	98,779,225	55,371,296	79,679,806	8,861,245	8,096,629	5,723,793	7,894,444	735,427
Net gap	157,867,645	(665,719,434)	(13,033,160)	308,718,638	21,048,684	121,089,146	43,724,849	174,514,255	141,201,855	26,322,812
Share capital	14,668,525	-	-	-	-	-	-	-	-	-
Reserves	40,704,933	-	-	-	-	-	-	-	-	-
Unappropriated profit	81,707,742	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	20,786,445	-	-	-	-	-	-	-	-	-
	157,867,645	-	-	-	-	-	-	-	-	-

41.4.3

The Bank has assets and liabilities that have contractual or non-contractual maturities. The Bank conducts empirical and statistical studies to assess the expected maturity of assets and liabilities with non-contractual maturities. The behavioral maturities of Demand deposits are determined on the basis of an empirical study conducted by the Bank, based on the past five years of data. The attrition rate of deposits is determined based on historically observed monthly data of all Current and Saving Deposit accounts. The parameters used to determine the stickiness of deposits in the study are accounts with balances above a minimum level and monthly change in account balances.

Overdraft facilities are a part of the loan portfolio that roll-over periodically and are constantly a part of the balance sheet. The core or stable part of this asset category can be considered to have a behavioral maturity of a longer tenor. Although, contractually such facilities are short-term, they are generally rolled over periodically; such as working capital financing for commercial borrowers. Hence these assets need to be analyzed as having a core portion which is stable and constantly appears on the balance sheet and a non-core portion that is relatively volatile. Statistical analysis is used to ascertain the change in maturity profiling over time based on the cyclical changes in the outstanding amount against Overdraft facilities.

41.5

Interest Rate Risk

Interest rate risk is the uncertainty about the change in an investment's value due to changes in interest rates, including changes in the shape of the yield curve. Interest rate risk is inherent in the business of a financial institution and results due to the mismatches in the contractual maturities or repricing of assets and liabilities on its balance sheet. Substantial part of the Bank's assets and liabilities are subject to floating rates which significantly reduces the exposure to changes in interest rates. The Bank is exposed to interest rate risk as a result of mismatches on a relatively small part of its assets and liabilities. The major portion related to this risk is reflected in the banking book owing to the retail activities and investments qualifying for statutory reserve requirements. The overall potential impact of the mismatches on the earnings in short term and economic value of the portfolio in the long term is not material and is being managed with in the tolerance limits approved by the Board. The Bank uses simulation and duration gap models to measure and monitor the interest rate sensitivity on the potential earnings and the Bank's economic value of equity.

**Yield / Interest Rate Risk
Interest rate risk management**

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. In accordance with BSD Circular Letter No.03 of 2011, issued by the SBP, the Bank is required to report interest rate sensitivity gap of assets and liabilities on the basis of an objective and systematic behavioural study approved by ALCO committee.

	Effective yield / interest rate	Total	Exposed to yield / interest risk								Not exposed to yield / interest risk		
			Up to one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	Over five to ten years		Over ten years	
Rupees in '000													
On-balance sheet assets													
Financial Assets													
Cash and balances with treasury banks	1.23%	154,303,383	64,321,799	14,348	1,034,770	777,820	-	-	-	-	-	-	88,154,646
Balances with other banks		29,428,453	12,531,867	2,369,854	1,486,786	72,710	-	-	-	-	-	-	12,967,236
Lendings to financial institutions	7.43%	44,318,411	15,631,633	1,250,000	27,436,778	-	-	-	-	-	-	-	-
Investments	8.13%	1,210,479,109	111,979,127	129,992,511	262,473,373	341,745,831	34,939,017	135,775,678	108,637,352	50,824,958	118,757	-	33,992,465
Advances	8.53%	601,635,036	53,371,221	257,026,779	199,684,139	44,047,291	15,466,077	13,684,918	12,425,419	5,172,393	756,799	-	39,139,391
Other assets		39,139,391	-	-	-	-	-	-	-	-	-	-	174,253,738
		2,079,303,783	257,835,647	390,653,492	464,679,068	414,080,430	50,405,094	149,460,596	121,062,771	55,997,391	875,556	-	-
		27,942,101	-	-	-	-	-	-	-	-	-	-	27,942,101
	6.37%	314,485,132	268,344,377	12,106,676	29,543,637	85,492	237,241	327,417	1,886,054	1,952,812	1,426	-	-
	3.26%	1,558,310,675	114,128,660	82,602,930	722,086,134	55,743,606	9,745,196	4,720,722	3,679,494	4,247,870	23,374	-	561,332,689
	7.02%	10,000,000	-	10,000,000	-	-	-	-	-	-	-	-	-
		37,953,790	-	-	-	-	-	-	-	-	-	-	37,953,790
		1,948,691,698	382,473,037	104,709,606	751,629,771	55,829,098	9,982,437	5,048,199	5,565,548	6,200,682	24,800	-	627,228,580
On-balance sheet gap		130,612,085	(124,637,390)	285,943,886	(286,950,703)	358,251,332	40,422,657	144,412,457	115,497,223	49,796,709	850,756	-	(452,974,842)
Net non - financial net assets		41,239,565	-	-	-	-	-	-	-	-	-	-	-
Total net assets		171,851,650	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments													
Foreign and local currency forward purchases		145,474,954	78,180,808	42,132,434	18,166,363	6,934,133	61,216	-	-	-	-	-	-
Foreign and local currency forward sales		(146,192,286)	(70,477,949)	(60,727,431)	(11,441,861)	(3,545,045)	-	-	-	-	-	-	-
Government Securities transactions forward purchases		19,181,362	19,181,362	-	-	-	-	-	-	-	-	-	-
Government Securities transactions forward sales		(1,858,663)	(1,858,663)	-	-	-	-	-	-	-	-	-	-
Foreign Currency Options purchases		-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Options sales		-	-	-	-	-	-	-	-	-	-	-	-
Cross Currency Swaps- long position		1,918,607	-	604,681	-	542,250	25,214	-	519,502	-	-	-	-
Cross Currency Swaps- short position		(1,909,263)	-	(600,000)	-	(523,704)	(261,853)	-	(523,706)	-	-	-	-
Interest rate swaps - long position		104,741	-	-	-	-	104,741	-	-	-	-	-	-
Interest rate swaps - short position		(5,604,741)	-	-	-	-	(104,741)	-	(5,500,000)	-	-	-	-
Off-balance sheet gap		11,114,711	25,025,558	(18,590,316)	6,724,502	3,407,634	51,537	-	(5,504,204)	-	-	-	-
Total yield / interest rate risk sensitivity Gap		(99,611,832)	267,353,570	40,474,194	144,412,457	109,993,019	49,796,709	850,756	(452,974,842)	-	-	-	-
Cumulative yield / interest rate risk sensitivity gap		(99,611,832)	167,741,738	289,648,697	434,061,154	593,850,882	594,701,638	141,726,796	-	-	-	-	-

2014

Effective yield / interest rate	Total	Exposed to yield / interest risk							Not exposed to yield / interest risk
		Up to one month	Over one to three months	Over three to six months	Over six months to one year	Over one to two years	Over two to three years	Over three to five years	
		Rupees in '000							
On-balance sheet assets									
Financial Assets									
1.90%	122,271,268	59,335,733	695,527	309,809	1,183,120	250,245	-	-	60,496,834
	53,025,792	23,563,961	2,201,050	2,587,273	893,857	893,857	-	-	22,885,794
9.62%	34,313,560	33,771,310	-	542,250	-	-	-	-	-
9.94%	897,573,967	59,957,934	45,105,172	384,564,457	54,841,263	90,363,819	47,008,799	106,972,523	89,033,365
10.38%	555,394,512	56,681,098	2,448,174,795	166,663,480	32,002,856	11,490,998	12,410,344	23,561,648	6,627,537
	66,687,698	-	-	-	-	-	-	-	1,472,000
	1,729,266,797	233,310,036	292,816,544	554,667,269	88,921,096	102,998,919	59,419,143	130,534,171	95,330,658
	21,955,683	-	-	-	-	-	-	-	8,099,537
8.21%	99,630,517	75,413,232	7,409,770	7,988,643	135,907	1,441,181	732,744	4,413,781	-
4.62%	1,447,215,445	111,432,723	93,069,128	647,023,714	78,489,436	8,116,033	9,184,843	4,555,156	3,392,259
3.66%	-	-	-	-	-	-	-	-	4,837,406
	37,187,997	-	-	-	-	-	-	-	10,444
	1,605,989,642	186,845,955	100,478,898	655,012,357	78,625,343	8,260,214	9,917,587	8,968,937	8,229,665
	123,277,155	46,464,081	192,337,646	(100,345,088)	10,295,753	94,738,705	49,501,556	121,565,234	87,100,993
	34,590,490	-	-	-	-	-	-	-	10,444
	157,867,645	-	-	-	-	-	-	-	8,089,093
	170,017,119	47,402,051	77,822,032	35,536,315	9,256,721	-	-	-	-
	(170,839,112)	(69,147,426)	(52,087,130)	(49,083,700)	(520,856)	-	-	-	-
	3,170,666	254,218	1,485,239	1,431,209	-	-	-	-	-
	(3,170,666)	(254,218)	(1,485,239)	(1,431,209)	-	-	-	-	-
	1,390,469	-	-	-	-	1,138,294	-	252,175	-
	(1,353,623)	-	-	-	-	(1,102,415)	-	(251,208)	-
	167,472	-	-	-	-	167,472	-	-	-
	(330,805)	-	-	-	-	(163,333)	(167,472)	-	-
	(948,480)	(21,745,375)	25,734,902	(13,547,385)	8,735,865	(127,454)	-	967	-
	24,718,706	218,072,548	(113,892,473)	19,031,618	94,611,251	49,501,556	121,566,201	87,100,993	8,089,093
	24,718,706	242,791,254	128,898,781	147,930,399	242,541,650	292,043,206	413,609,407	500,710,400	508,799,493
									122,328,675

41.6. Operational Risk Management (ORM)

In line with the approved Operational Risk Management Policy, the Bank has established an Operational Risk Management Department (ORMD). Operational Risk Management Policy and a detailed ORM framework has been prepared and implemented. Statistical Analysis Software – SAS for operational risk management has been deployed that facilitates loss data management, risk and control assessment, and tracking of key risk indicators (KRIs). Operational Risk Coordinators (ORCs) have been assigned from all the relevant departments of the bank, being responsible for implementation of the ORM Framework in coordination with ORMD. The Bank has been granted permission by SBP to move to the more advanced approach i.e, Alternative Standardised Approach (ASA) under Basel II with a capital floor i.e., operational risk charge under ASA should not fall below a certain percentage of operational risk capital charge calculated under BIA for 3 years . HBL is the first Pakistani bank to achieve this milestone.

The Bank's ORM framework and practices address all the significant areas of ORM within the Bank including Risk Control Self Assessment (RCSA), Key Risk Indicators, Operational Loss Data Management, Operational Risk Reporting, Capital Calculation etc. Detailed RCSA exercises are conducted at regular intervals across the Bank, the results of which are continually evaluated against the losses. Operational loss data collection and evaluation has been underway since 2009. The Bank has also established Key Risk Indicators (KRI) and is monitoring them at regular intervals. Operational risk reports are regularly submitted to the senior management.

42. ISLAMIC BANKING BUSINESS

In order to meet the guidelines for Shariah Compliance in Islamic Banking Institutions (IBI), statement of financial position and profit and loss account of IBI as at December 31, 2015 is given in annexure V. Further, detailed disclosures are also given in the said annexure to comply with instructions issued by the SBP and the SECP under relevant circulars and standards.

43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

After December 31, 2015, the following dividends were proposed by the Directors for 2015. The dividends have not been provided for and, there are no income tax consequences.

	2015	2014
	(Rupees in '000)	
Cash dividend: Rs. 3.5 per share in addition to Rs. 10.5 already paid during the year (2014: Rs. 12 per share)	<u>5,133,984</u>	<u>8,067,689</u>

44. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on February 23, 2016.

45. GENERAL

45.1 These unconsolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BSD Circulars No. 4 and 7 dated February 17, 2006 and April 20, 2010 respectively and related clarifications / modifications.

45.2 The comparative figures have been re-arranged and reclassified for comparison purposes. There are no material reclassifications to report other than as disclosed in note 22.1 and 25.1 to these unconsolidated financial statements.

Nauman K. Dar
President and Chief Executive Officer

Agha Sher Shah
Director

Shaffiq Dharamshi
Director

Moez Ahamed Jamal
Director

DETAIL OF DOMESTIC INVESTMENTS - Unconsolidated
For the year ended December 31, 2015

ANNEXURE - I

1 Particulars of investments held in listed Companies

1.1 Ordinary shares

	Number of Shares held	Paid-up value per Share	Total paid-up value	Cost	Market Value	Short Term Rating
		Rupees	Rupees in '000	Rupees in '000		
Adamjee Insurance Company Limited	2,452,500	10	24,525	127,614	138,591	Unrated
AgriTech Limited	5,562,428	10	55,624	194,691	52,009	Unrated
Allied Bank Limited	3,029,300	10	30,293	331,813	285,542	A1+
Attock Petroleum Limited	500,000	10	5,000	265,172	262,560	Unrated
Bank Alfalah Limited	16,439,000	10	164,390	485,886	473,772	A1+
Bank Al-Habib Limited	6,000,000	10	60,000	247,561	249,600	A1+
Cherat Cement Company Limited	588,000	10	5,880	49,699	53,026	A1
D G Khan Cement Company Limited	3,492,300	10	34,923	513,565	515,429	Unrated
Dawood Hercules Corporation Limited	217,700	10	2,177	25,252	25,937	A1
Dolmen REIT	41,000,000	10	410,000	451,000	439,930	Unrated
Engro Corporation Limited	2,084,400	10	20,844	595,049	582,361	A1+
Engro Fertilizers Limited	8,067,000	10	80,670	716,115	678,677	A1+
Engro Foods Limited	8,800	10	88	1,247	1,290	Unrated
Fatima Fertilizer Company Limited	812,000	10	8,120	34,179	36,321	A-1
Fauji Cement Company Limited	6,226,500	10	62,265	217,898	229,260	Unrated
Fauji Fertilizer Bin Qasim Limited	7,208,000	10	72,080	416,381	379,777	Unrated
Fauji Fertilizer Company Limited	9,203,500	10	92,035	1,198,260	1,085,829	Unrated
Habib Metropolitan Bank Limited	5,879,000	10	58,790	178,347	179,133	A1+
Hub Power Company Limited	15,808,000	10	158,080	1,120,842	1,621,901	A1+
K-Electric Limited	35,250,000	3.5	123,375	295,030	262,260	A1
Kot Addu Power Company	19,399,500	10	193,995	1,187,073	1,570,874	A-1+
LALPR Power Limited	9,912,000	10	99,120	293,472	294,783	A1+
Lucky Cement Limited	571,636	10	5,716	290,274	282,983	Unrated
MCB Limited	200,000	10	2,000	43,479	43,370	A1+
National Bank of Pakistan	7,760,500	10	77,605	419,377	419,377	A1+
National Refinery Limited	393,000	10	3,930	96,492	87,702	A1+
Nishat (Chunian) Limited	3,032,500	10	30,325	113,569	103,105	A-2
Nishat Chunian Power Limited	10,684,000	10	106,840	417,616	588,154	A-2
Nishat Mills Limited	2,512,300	10	25,123	290,022	238,342	A1+
Oil & Gas Development Company Limited	245,000	10	2,450	28,647	28,748	Unrated
Pakgen Power Limited	52,400,000	10	524,000	149,718	154,213	A1+
Pakistan Petroleum Limited	95,000	10	950	11,412	11,572	Unrated
Pakistan State Oil Company Limited	1,768,484	10	17,685	662,949	595,774	A1+
Pakistan Telecommunication Company Limited	33,037,000	10	330,370	729,142	544,780	Unrated
Pioneer Cement Limited	685,000	10	6,850	57,473	62,239	Unrated
Saif Power Limited	27,768,354	10	277,684	277,684	909,414	A1
United Bank Limited	5,208,900	10	52,089	875,047	807,119	A-1+
			13,451,551	14,285,691		

Number of units held	Paid-up value per unit	Total paid-up value	Cost	Market Value	Short Term Rating
	Rupees	Rupees in '000	Rupees in '000		
673,546	10	6,735	11,113	42,555	3 Star

2 Units

3 Particulars of investment held in unlisted equity

3.1 Ordinary shares

Number of Shares	Paid-up value per Share	Percentage of holding	Cost	Break-up value	Based on accounts as at	Name of Chief Executive	Short Term Rating
	Rupees		Rupees in '000	Rupees in '000			
2,266,609	10	9.07%	1,527	80,566	June 30, 2015	Mr. Haider Wahab	Not Available
4,124,901	10	6.35%	6,346	165,402	June 30, 2015	Mr. Muhammad Hanif Jakhura	Not Available
23,095,324	10	9.26%	63,300	232,402	June 30, 2015	Ms. Tahira Raza	A2
79,200	100	8.33%	100	927,665	September 30, 2015	Mr. Shahid Chalfar	AMZ
22,672,065	10	8.10%	336,000	315,022	September 30, 2015	Mr. Shamsuddin A Shaikh	Not Available
73,000	100	9.95%	116,592	73,522	November 30, 2015	Mr. Adil Matchewala	Not Available
1,987,501	10	0.83%	537,339	4,084	September 30, 2015	Mr. Ihsan Ul Haq Khan	B

4 Preference Shares

No of Shares	Paid-up value per Share	Total paid-up value	Cost	Rate of interest / Profit	Medium to Long Term Rating	Terms and Conditions
	Rupees	Rupees in '000	Rupees in '000			
60,000,000	10	600,000	150,000	Nil	A-2	Privately placed, non-cumulative Convertible preference shares
10,000,000	10	100,000	100,000	6 Month kibar + 200BPS	Not Available	Listed cumulative Convertible preference shares
			250,000			



5 Investment in Term Finance Certificates / Sukuks

	Number of certificates held	Paid-up value per certificate Rupees	Total paid-up value	Rupees in '000		Medium to Long Term Rating	Terms of Redemption	
				Cost	Market Value		Principal	Interest/Profit
Azgard Nine Limited	9233	5,000	46,165	46,165	-	Unrated	7 Stepped up Semi Annual instalment till maturity	Semi Annual
Bank Al Habib Limited	10,000	5,000	50,000	49,910	55,144	AA	Major repayments in 2 equal semi annual instalments before maturity	Semi Annual
Bank Al Falah Limited	40,000	5,000	200,000	199,520	202,658	AA-	Major repayments in 3 equal semi annual instalments before maturity	Semi Annual
Faysal Bank Limited	50,000	5,000	250,000	249,500	255,114	AA-	Major repayments in 4 equal semi annual instalments before maturity	Semi Annual
Independent Media Corporation	40,000	5,000	200,000	110,000	110,000	Unrated	On Maturity	Semi Annual
Pak-Libya Holding Company (Private) Limited	50,000	5,000	250,000	250,000	249,461	Unrated	16 equal quarterly instalments with 1 year grace period.	3 MK + 150 BPS Markup payment quarterly
Worldcall Telecom Limited	96,000	5,000	480,000	193,083	-	Unrated	3 equal semi annual instalments till maturity	Semi Annual
Quetta Textile Mills Limited	20,000	5,000	100,000	32,983	32,983	Unrated	72 stepped up semi annual instalments till maturity	Semi Annual
Sui Southern Gas Company (Islamic)	200,000	5,000	1,000,000	833,333	833,333	Unrated	Quarterly	Semi Annual
Water and Power Development Authority (Islamic)	398,400	5,000	1,992,000	1,707,429	1,659,656	Unrated	14 equal semi annual instalments till maturity	Semi Annual
K-Electric - Sukuk (Islamic)	100,000	5,000	500,000	500,000	508,968	AA	On Maturity	Quarterly
K-Electric - Sukuk (Islamic)	100,000	5,000	500,000	500,000	522,405	AA	On Maturity	Quarterly
K-Electric - Sukuk (Islamic)	1,263,372	5,000	6,316,860	6,316,860	6,490,574	AA	On Maturity	Quarterly
Pakistan International Airlines (Govt Guarantee)	700,000	5,000	3,500,000	9,714,045	9,714,045	N/A	Semi Annual	Semi Annual
Pakistan International Airlines (Govt Guarantee)	85,000	5,000	425,000	425,000	425,000	N/A	On Maturity	On Maturity
				21,127,828	21,059,339			

6 Particulars of investments held in bonds / Sukuks

	Rate of Interest / Profit	Book Value	Rupees in '000		Medium to Long Term Rating
			Market Value	Principal	
GOP Ijara Sukuk XIV	6.15%	2,676,928	26,850,976	On Maturity	N/A
GOP Ijara Sukuk XV	4.39%	4,626,077	2,010,700	On Maturity	N/A
GOP Ijara Sukuk XVI	5.89%	25,000,000	25,282,500	On Maturity	N/A
		32,303,005	54,144,176		
6.2 Foreign Currency Bonds and Sukuks					
Orange SA	5.00%	785,265	787,442	On Maturity	BAA1
Corporation Andina de Fomento	3.75%	262,054	261,983	On Maturity	AA3
HSBC Bank Brasil S.A	4.00%	526,540	525,067	On Maturity	BAA2
Korea National Oil Corporation	4.00%	568,172	569,710	On Maturity	AA2
Tencent Holdings Limited	4.63%	531,671	531,222	On Maturity	A2
Bank of Tokyo-Mitsubishi UJF Limited	1.65%	526,031	519,201	On Maturity	A1
BBVA Bancomer SA/ Texas agency	4.50%	315,722	315,166	On Maturity	A3
Abu Dhabi National Energy Company PJSC	5.88%	541,173	540,411	On Maturity	A3
Saudi Electricity Global Sukuk Company	2.67%	529,295	526,795	On Maturity	A1
DIB Sukuk Limited	4.75%	431,399	436,225	On Maturity	BAA1
SoQ Sukuk A.Q.S.C	2.10%	526,258	530,461	On Maturity	AA2
Mitsubishi Corporation	1.88%	1,050,154	1,047,515	On Maturity	A1
QIB Sukuk Funding Limited	2.69%	315,812	314,883	On Maturity	A2
HSBC Sukuk (Islamic)	3.58%	210,647	210,513	On Maturity	A2
Saudi Electricity Company (Islamic)	2.67%	211,448	211,315	On Maturity	A1
IBD Trust Services (Islamic)	1.36%	210,268	210,197	On Maturity	AAA
		7,541,908	7,537,445		

ANNEXURE - II
Amount Written - Off During the Year
 Statement showing written - off Advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2015

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at beginning of year			Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
1	AHMED SHIRAZ H.NO.R-503,BOCK-15,F.B.AREA, KARACHI NORTH, KARACHI	42101-6094535-9	BASHIR AHMED	0.342	-	-	0.342	0.210	-	0.552
2	TALIB HUSSAIN H.NO.B-15,AL-BURHAN CENTER, 4TH FLOOR,DIP-097,NEAR FIRE BRIGADE,SADDAR,KARACHI	42301-1091861-9	HAJI NAIB	0.336	-	-	0.336	0.217	-	0.553
3	NAUMAN AHMAD AHMAD NAGAR,PO AHMAD NAGAR,THE LULIAN,CHINIOT	33201-1512923-3	SHARIF AHMAD	0.388	-	-	0.388	0.229	-	0.617
4	MEHBOOB ELIAHI H.NO.S-43,0,EC-32/B, KORANGI NO.1, KARACHI	42201-1609926-7	MUHAMMAD YOUNUS	0.396	-	-	0.396	0.248	-	0.644
5	ABIDA NASREEN ENTOMOLOGY DEPARTMENT,BZU, MULTAN	36302-0391524-8	GHULAM MUSTAFA CHEMA	0.444	-	-	0.444	0.259	-	0.703
6	MUHAMMAD WAZIR NAZIR AUTOS,SHER SHAH ROAD, ISMAILABAD,MULTAN	36303-1012201-7	Ameer Bux	0.389	-	-	0.389	0.320	-	0.709
7	MUHAMMAD HASSAN MATEEN NIAZ TOWN OLD SHUJABAD ROAD, MULTAN	36101-6167651-1	ABDUL MATEEN	0.394	-	-	0.394	0.321	-	0.715
8	HAMZA MAJID H.NO.67-C,CANAL BANK,EXTENTION MUGHALPUR,LAHORE	35201-1343374-5	MAJID ALI BUTT	0.458	-	-	0.458	0.304	-	0.762
9	MAZHAR ALI H.NO.3F/9/6,NAZIMABAD.NO.3, KARACHI SOUTH	42101-477791-1	GHULAM ABBASS	0.458	-	-	0.458	0.322	-	0.780
10	FAISAL ASHRAF M-1,ABDULLAH ARCADE,BLOCK-H, NORTH NAZIMABAD-HYDRI,KARACHI	42101-1414440-3	MUHAMMAD ASHRAF	0.442	-	-	0.442	0.353	-	0.795
11	REHAN BUTT H.NO.151,BLOCK-B,GEC-HOUSING SOCIETY/PHASE-III,MODEL TOWN, LINK ROAD,LAHORE	35202-4953966-5	M.A.BUTT	0.768	-	-	0.768	0.488	-	1.256
12	RAJA WEAVING MILLS LTD JAPAN PLAZA,5TH FLOOR,17-A JINNAH ROAD,KARACHI	RIAZ YOUSUF SHAIKH 35201-1444152-3 HUMAYUN RIAZ	HAJI MUHAMMAD YOUSUF RIAZ YOUSUF	36.983	-	-	36.983	4.555	-	41.538

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband's Name	Outstanding liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
		MUNAF RIAZ 42301-7822722-1 ALI RIAZ SALMA RIAZ AMBREEN HUMAYUN AISHA RIAZ NIUSRAT HUSSAIN SIDDIQUI	RIAZ YOUSUF	1,023	-	-	1,023	-	0,120	-	1,143
13	KANS INTERNATIONAL HOUSE-6/FIRST SOUTH STREET, DEFENCE HOUSING SOCIETY, KARACHI	ERUM ANWAR 514-87-14377	SHEIKH NASIM ANWAR	1,023	-	-	1,023	-	0,120	-	1,143
14	WISDOM EDUCATION SYSTEM (PVT) LTD 28-OLD CLIFTON,KARACHI	ATIF AZIZ MALIK 42301-5610141-9 ASSAM AZIZ MALIK 42000-0389528-3 ABEER AMIR MEMON 42201-8347875-8 ANSAR AZIZ MALIK 42301-1553803-7 ARFA AZIZ MALIK 42201-2300365-0 PRINCES ANDILEEB ABBASSI 31201-9953907-4 USMA AZIZ MALIK 42301-9631584-2	ABDUL AZIZ MALIK ABDUL AZIZ MALIK MUHAMMAD AMIR ABDUL AZIZ MALIK PRINCE AZIZ RASHEED M. ABBASSI ABDUL AZIZ MALIK ABDUL REHMAN	68,397	2,603	-	71,000	-	70,407	-	70,407
15	HAFEEZ-UR-REHMAN HOUSE-D-701 KDA BLOCK-9, CLIFTON,SCHEME-5,KARACHI	42301-3659708-3	ABDUL REHMAN	0,789	-	-	0,789	-	0,652	-	1,441
16	ABM GRAVURE (PVT) LTD LA/10,BLOCK-22,FEDERAL B, INDUSTRIAL AREA,KARACHI	ABDUL WASSAY MEHTA 42301-1145243-3 ABDUL RAFFAY MEHTA ABDUL ALEEM MEHTA 35201-5033041-5 NASIM BASIT MEHTA 42301-8173275-8	ABDUL BASIT MEHTA ABDUL BASIT MEHTA ABDUL BASIT MEHTA ALLAH BACHAYO MEMON	-	-	-	-	-	5,530	-	5,530
17	IRSHAD ALI MEMON POST OFFICE BUNDER MUJALLA POTALKA SEHWAN	41206-1512585-3	ALLAH BACHAYO MEMON	0,536	-	-	0,536	-	0,517	-	1,053
18	MUHAMMAD SALEEM MOHANDROON KABLI GATE,GUJRAT	34201-0538697-7	TAHIR ALI KHAN	0,973	-	-	0,973	-	1,158	-	2,131
19	CH MUHAMMAD ARIF ILM CANTT WAHAB COLONY,JINNAH TOWN,BLOCK	37301-9246572-7	HAJI MUHAMMAD FAZIL	0,613	-	-	0,613	-	0,559	-	1,172
20	ARIF MEHMOOD H.NO.1,KARISHNA STREET,NO.3, RAILWAY ROAD,LAHORE	35202-2341894-3	MEHMOOD AHMED	0,712	-	-	0,712	-	0,473	-	1,185

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Up-Debited Mark-up	Reversal	
21	H.M.SHAHI TEXTILE (PVT) LTD ASHRAF BUTT CENTRE P-156,UNIT. 27TH FLOOR CIRCULAR ROAD, FAISALABAD	MAQBOOL HUSSAIN 33301-1981323-5 MUHAMMAD ILYAS 33301-5506353-7 MUHAMMAD SHAFI 333077030081-5 SHAMIM AKHTAR 33301-7263909-6	MUHAMMAD SHAFI MUHAMMAD SARDAR MUHAMMAD ISMAIL MAQBOOL HUSSAIN RAO BARKAT ALI	50,286	7,714	-	-	24,285	-	24,285	
22	RAO IDREES 301-H.SHAH RUKN-E-ALAM COLONY, MULTAN	36302-8773226-3	RAO BARKAT ALI	0.893	-	-	0.893	-	0.323	-	1,216
23	MUHAMMAD SHAHID HAMEED 2-A,GULSHANI IQBAL STREET QASIM BELA,MULTAN	36302-0277881-1	MUHAMMAD IBRAHIM	0.572	-	-	0.572	-	0.490	-	1,062
24	MUHAMMAD ASLAM RAUFE MARKET,OKARA	35302-1999706-3	MUHAMMAD SHAFI	0.766	-	-	0.766	-	0.192	-	0,958
25	WAAQAR RASHEED P-35,MOHALLA,HOUSING COLONY, SAMUNDRI	33105-4346135-9	ABDULRASHEED	-	-	-	-	-	0.551	-	0,551
26	MUSHARAF ALI FLAT,NO.19,BLOCK-T1,HUSSAIN BALOCHALLAMA IQBAL TOWN,LAHORE	35202-2799242-9	REHMAT ALI	0.660	-	-	0.660	-	0.679	-	1,339
27	RIAZ ENTERPRISES INTERNATIONAL BAHAWALPUR ROAD,MULTAN	MUHAMMAD AZEEM 323-91-747741 MUHAMMAD RIAZ 501-65-272445	MUHAMMAD HAYAT MUHAMMAD AZEEM	2,109	0.320	-	2,109	-	3,130	0.320	5,559
28	SHADAB WEAVING MILLS (PVT) LTD 40-INDUSTRIAL ESTATE,MULTAN	MIAN KHAWAR ZUBAIR NIGHT GUL 315-60-379404	322-43-583874	3,408	0.950	-	3,408	-	0.404	0.950	4,762
29	BARKAT AHMAD NIDRAT QASIM RASHIDABAD SHARKI,PO.D.G.KHAN	32102-0622620-8	SYED RIFAQUAT ALI SHAH	0.659	-	-	0.659	-	0.770	-	1,429
30	FAIZ TALIB KHAN BARA DARU SULTAN KHEL,PO.S. ABAD,	16101-9716548-3	GUL KARIM	0.789	-	-	0.789	-	0.804	-	1,593
31	GOODLUCK FLOUR & GENERAL MILLS (PVT) LTD, BUDNI ROAD,PESHAWAR.	SYED MUHAMMAD ALI SHAH 135-64-353479 SYED REFAQAT ALI SHAH 137-77-609982 MISTGUL SANAM BIBI 135-25-353473 MUHAMMAD ROSHAN DIN 270-44-109611	SYED RIFAQUAT ALI SHAH SYED GHUFRAN SHAH SYED RIFAQUAT ALI SHAH GHULAM QADIR	-	0.652	-	-	-	5.325	-	5,325
32	STAR LINK PHARMA ROOM.NO.35-AHMED COMPLEX,DR BANO ROAD,QUETTA	SYED ALI AIZAZ 54400-0477202-7	SYED TAHIR ALI	-	-	-	-	-	0.564	-	0,564

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
33	MUHAMMAD RAFIQUE H.NO.428,WARD NO.GUJAR KHAN.	37401-1468277-1	ZIAFAT HUSSAIN	0.535	-	-	0.535	-	0.044	-	0.579
34	SADIQ HUSSAIN MOH.GULSHAN-3-AMIR AMIRABAD, HUB BALUCHISTAN,KARACHI	51503-7008473-5	ABDUL KHALIQ	0.803	-	-	0.803	-	0.993	-	1.796
35	SHAIKH MUHAMMAD RIZWAN H.NO.253,AREA-37/C,16-LANDHI TOWN SHIP,KARACHI	42201-0890111-7	SHAIKH ABDUL KHALIQ	0.719	-	-	0.719	-	0.919	-	1.638
36	IJAZ YOUSUF 209-C,BATALA COLONY FAISALABAD	33100-8836553-1	MUHAMMAD YOUSUF	-	-	-	-	-	1.572	-	1.572
37	FIDA HOUSE OF STYLE SHOP.NO.73,PANORAMA CENTRE MARKAZ BRANCH,LAHORE	MUHAMMAD NADDEEM 35202-2058306-7	MUHAMMAD RAFIQUE	1.497	0.100	-	1.597	-	1.179	-	1.179
38	AJAX INDUSTRIES LTD PLOT#57,2,SECTOR-18,KORANGI INDUSTRIAL AREA,KARACHI	ABDUL GHAFAR ADAMJEE 42201-3940458-7	ZAKARIA ADAMJEE	1.200	-	-	1.200	-	1.041	-	2.241
39	MUHAMMAD SARWAR JHANDA CHICHI,RAWALPINDI	AKBAR ADAMJEE ZAFAR ADAMJEE SYED SADD AHMED MAJEED MARFANI SALIM KHAN	MUHAMMAD UMER KHAN	0.529	-	-	0.529	-	0.335	-	0.864
40	RIZWAN GHOURI A-80,BLOCK NO.1,NORTH NAZIMABAD TOWN, KARACHI	37405-7482324-1 42101-7997263-7	MUHAMMAD MIRAJ UDDIN GHOURI	0.634	-	-	0.634	-	0.604	-	1.238
41	MUHAMMAD YOUSUF CHISHTI KHAYABAN-E-RAUF,NATIONAL COLON Y BEHIND NUQSHBAND COLONY, MULTAN	36302-4600731-3	CH.ABDUL RAUF CHISHTI	0.635	-	-	0.635	-	0.420	-	1.055
42	MALIK NASEER AHMED KHAN C/O.MUSLIM MOTORS ZARGHOON ROAD,QUETTA.	54400-9747851-5	MALIK SHER AHMED	0.455	-	-	0.455	-	0.301	-	0.756

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
43	MUHAMMAD ILYAS ST.21,SHAH FAREED ROAD,AMEEN PARK,LAHORE	34101-7272537-1	INAYAT ULLAH	0.695	-	-	0.695	0.692	-	1.387
44	AHMED RIAZ H-410,ABBASS BLOCK,MUSTAFA TOWN,WAHDAT ROAD.	35202-9667348-9	RIAZ AHMED	0.317	-	-	0.317	0.219	-	0.536
45	ABDUL HANEEED AMIR HUSSAIN AUTO,2ND UNITA2 POINT HOUSE,SHAMEEN TOWER, BLOCK-6,GJOHAR,KARACHI	42201-7922225-5	SIRAJUDDIN	0.541	-	-	0.541	0.421	-	0.962
46	ASIA SPINNERS 10-FIRST FLOOR,MAIN BLOCK, TRUST PLAZA,C.T.ROAD, GUJRANWALA	MUHAMMAD ARSHAD BUTT 34101-2665877-9 FARZANA ARSHAD 34101-2516061-8	MUHAMMAD ASLAM BUTT MUHAMMAD ARSHAD BUTT	6.116	3.454	-	9.570	2.718	-	2.718
47	AMIN-UL-HAQ KHUSHAL BAGH BARO GHARI,WARSAK ROAD,PESHAWAR.	17301-5076215-1	SHAHZADA	0.749	-	-	0.749	0.541	-	1.290
48	MALIK & BROTHERS ENTERPRISE MOH,KANDO KHEL,VILLI&PO,TAJORI, DISTT.LAKKI MARWAT.	GUZAR ALI 11201-6693764-9	MUHAMMAD ARSHAD BUTT	0.452	-	-	0.452	0.401	-	0.853
49	HAMID HUSSAN B-ISECTOR-5,M,NORTH KARACHI	42101-6836666-7	MEHDI HASAN (LATE)	0.543	-	-	0.543	0.404	-	0.947
50	ZUHAIL HUSSAIN H.NO.A-1653 GULASTAN,H.D.PHASE-1, KARACHI	42501-3110423-1	MUHAMMAD SULEMAN	0.640	-	-	0.640	0.461	-	1.101
51	SYED WAJAHAT ALI HOUSE NO.B-151,BLOCK-01,K.D.A. SCHEME NO.36,GULISTAN-E-JOUHAR, KARACHI	42201-4839382-1	SYED RASHID ALI	3.461	-	-	3.461	0.775	-	0.775
52	SOHAIL ABDUL SATTAR FLAT,NO.04,2ND FLOOR PLOT,NO.1-C, ZAMZAMA COMM,LANE,NO.3, PHASE-V,DHAKARACHI	42301-8867671-7	ABDUL SATTAR	2.837	0.213	-	3.050	1.528	-	1.528
53	RASHID RAFIQUE HOUSE NO.R-48,SECTOR-15-A/4, BUFFER ZONE,KARACHI	42201-3317974-7	MUHAMMAD RAFIQUE SIDDIQUI	2.915	-	-	2.915	1.706	-	1.706
54	KHADIM HUSSAIN 208-MULTAN ROAD HAJI PURA, MULTAN ROAD,LAHORE	35202-2410085-9	MUHAMMAD RAMZAN	0.726	-	-	0.726	0.749	-	1.475
55	AMIR TEHSEEN ROOM-40,AHMED COMPLEX,DR.BANO ROAD,QUETTA.	37405-1904184-9	MUHAMMAD SHAFI	0.692	-	-	0.692	0.642	-	1.334
56	PROGRESSIVE KNITWEAR (PVT) LTD 35-D,MUSLIM TOWN,LAHORE			0.624	-	-	0.624	0.635	-	1.259

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
57	SHABIBIR HUSSAIN SHAH ARIYAN SOOK KALAN, P.O. KHAS, DISTT. GUJRAT	34201-6389188-3	LAL KHAN	0.587	-	-	0.587	0.516	-	1.103
58	ABDUL REHMAN BHATTI MOH. BAKSHUPURA, GUJRAT	34201-7270936-7	MUHAMMAD RAMZAN	0.696	-	-	0.696	0.673	-	1.369
59	HAMEED RAJA CHAK. NO. 248-RB, DISTT. FAISALABAD	33100-0872064-9	MUHAMMAD MOHAY UDDIN SIDDIQUE	-	-	-	-	1.035	-	1.035
60	ABDUL KHALIQ MOHALLA NAWAB RAISANI ROAD, KILLI SHEKHAN QUETTA.	54400-0574031-5	MOBIN AHMED	-	-	-	-	0.704	-	0.704
61	RATHORE TRAVELS ABBOT ROAD, SIALKOT.	34603-2294552-1	KHAWAJA MUHAMMAD YOUSUF	1.006	-	-	1.006	0.554	-	1.560
62	RAI ASAD KHAN 12-C, PEOPLES COLONY, FAISALABAD	33104-4672420-1	NOOR MUHAMMAD KHAN	0.703	-	-	0.703	0.384	-	1.087
63	ABDUL QADEER HOUSE P-46, WARD NO. 4, MANDI BAZAR, SAMUNDRI.	33105-5465742-7	ABDULLATIF	0.527	-	-	0.527	0.459	-	0.986
64	MUHAMMAD IDREES QASIM ROAD NEAR GIRLS COLLEGE MOH. QASIM BASTI, SAMUNDRI.	33105-7131707-7	HAJI NAZEER AHMED	0.575	-	-	0.575	0.498	-	1.073
65	JAMIL AHMED JENJO FLAT. 204, RUJILAKE DRIVE, GULISTAN-E-JOHAR, BLOCK-18, KARACHI	42201-0716956-1	ALLAH WARRAYO	0.955	-	-	0.955	0.749	-	1.704
66	NASIR IQBAL P. NO(463331) HOUSE NO. R-980, SECTOR-15/A/4, BUFFER ZONE NORTH KARACHI	42101-4405376-3	BASHIR AHMED QURESHI	1.940	-	-	1.940	0.801	-	0.801
67	KASHIF SHAHID SIDDIQUE HOUSE R-67, SECTOR-11-L, NORTH NAZIMABAD, KARACHI	42101-6676049-1	SHAHID ANWAR SIDDIQUI	0.652	-	-	0.652	0.272	-	0.924
68	HASSAN JAN ALLAH ABAD TOWN ASKARI MOH, HUB CHOWKI, H.NO.166.	52101-1488321-3	HAJI MUHAMMAD HASHIM	0.838	-	-	0.838	0.549	-	1.387
69	ZULFIQAR ALI FLAT#20-B, GULISHAN-E-AMIN, GULISTAN-E-JAUHAR, KARACHI	41303-9558751-9	GHULAM SIDDIQUE	0.661	-	-	0.661	0.994	-	1.655

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
70	MUHAMMAD MUZAMMIL NAQVI D-36-1BLOCK-8,KEHKASHAN CUFTON,KARACHI	42301-9985844-5	MUHAMMAD NAQI	0.970	-	-	0.970	1,431	-	2,401
71	KHAUD ALI ST. MEHER BOOTA FAROOQ GUINJ.	34101-2412981-1	MUHAMMAD ISMAIL	0.573	-	-	0.573	0.558	-	1,131
72	ADNAN EHSAN HOUSE.NO.485,CAU-8,MOHALLAH FAROOQ GUINJ,GUJRANWALA	34101-1125168-5	EHSAN-UL-HAQ	0.710	-	-	0.710	0.662	-	1,372
73	THAPAR (PVT) LTD MAHARAJA ROAD,SIALKOT.	ALIANA AZMAT 34603-2150428-5 ARSLAN AZMAT 34603-6116564-9 NOMAN AZMAT RIZWAN AZMAT ADNAN AZMAT ATTIQ-UR-REHMAN		-	13,104	-	13,104	-	13,104	13,104
74	MOHAMMAD AKRAM HOUSE.NO.47,AWAMI COLONY, TOBA TEK SINGH.	33303-8849857-9	MOHAMMAD YAQOOB	0.707	-	-	0.707	0.596	-	1,303
75	MIRZA SHAFIQ AHMED 31-X-20,MADINA TOWN,FAISALABAD	33100-5468370-5	MIRZ MUHAMMAD ANWAR	0.684	-	-	0.684	0.588	-	1,272
76	DR.ATTA-UR-REHMAN 5.1 NEW WAQAS TOWN,MULTAN	36302-9538592-1	ABDUL REHMAN	0.624	-	-	0.624	0.622	-	1,246
77	RAZA MUHAMMAD QURESHI C/O,ATTA FABRICS MALL PLAZA, TEH MALL,MULTAN CANTT.	36302-4914764-9	ATTA MUHAMMAD	0.534	-	-	0.534	0.360	-	0,894
78	JAVED COMMISSION AGENT GRAIN MARKET,KOT ADU,PO&TEH, SAMEDIST,MUZAFFAR GARH.	JAVED AKHTAR 32303-0798536-5	SH.ABDUL MAJIED	0.488	0.642	-	1,140	1,086	-	1,086
79	ZAHOOR ENGINEERING & CO 221-B,BLOCK-2,KARIM PARKRAVI ROAD,LAHORE	MIAN WAQAR ZAHOOR 35202-2858492-1 MIAN JAVED IQBAL 54400-8308233-5 AMJAD IQBAL MIAN 265-5-4-013170	MIAN ZAHOOR AHMED MIAN ZAHOOR MUHAMMAD	1,000	-	-	1,000	0.668	-	1,668
80	FOUR STAR COTTON GINNING & OIL MILLS BASTI BAHAWALPUR SUKHA,MULTAN	ZAWAR HUSSAIN 36302-2713820-7 SHAZIA ANJUM 36302-3051605-8	HAJI MUHAMMAD IBRAHIM ZAWAR HUSSAIN	8,746	0.212	-	8,958	7,317	-	7,317
81	MUHAMMAD SAJID HUSSAIN A-47B-CGULSHAN JAMIL,RASHID MINHAS ROAD,FL-37,KARACHI	42201-9904495-3	JUN MUHAMMAD KHAN	0.569	-	-	0.569	0.529	-	1,098
82	RANA MUHAMMAD HABIB-UR-REHMAN HOUSE.NO.98/40,AL-PIAZ COLONY, SATIANA ROAD,FAISALABAD	35402-9785841-1	RANA SAIF-UR-REHMAN	0.505	-	-	0.505	0.526	-	1,031

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83	CH.MUHAMMAD ASLAM HOUSE NO.P-210,GOLE CHOWK-D- TYPE COLONY,FAISALABAD	33100-6454682-1	CH.WALI MUHAMMAD	0.639	-	-	0.639	0.485	-	1.124
84	SOHAIB TUFAIL H.NO.421,ST.NO.3,GRONANIK PURA FAISALABAD	33100-0592090-5	MUHAMMAD TUFAIL	0.509	-	-	0.509	0.563	-	1.072
85	RANA BABER IQBAL CHAK.NO.219-R.B.TALIANWALA, GHULAMI MUHAMMADBAD,FAISALABAD	33100-6876240-9	RANA MOHAMMAD ALI KHAN	0.521	-	-	0.521	0.535	-	1.056
86	MALIK HAMID AKHTAR KHAN P-47-A,ST.NO.1,AQSA TOWN, MILLAT ROAD,FAISALABAD	33100-2110818-7	SHER MUHAMMAD	0.819	-	-	0.819	0.953	-	1.772
87	BASHARAT ALI CHAK.NO.261-R.B.BAGOWAL, FAISALABAD	33100-4475764-9	FAZAL KAREEM	0.689	-	-	0.689	0.696	-	1.385
88	ZAMIR HUSSAIN WARD NO.4,SHAHKOT, DISTT. SHIKHUPURA.	35403-0985607-9	MANZOOR AHMED MUGHAL	0.550	-	-	0.550	0.545	-	1.095
89	MUHAMMAD AMIR KHAN P-60-C,KAKSHAN COLONY-1, JARANWALA,FAISALABAD	33303-2202905-5	NISAR AHMED KHAN	0.623	-	-	0.623	0.504	-	1.127
90	PANORAMA SUITING CENTRE 222-G.PANORAMA CENTRE,THE MALL ROAD,LAHORE	MUHAMMAD KAMRAN ZUBAIR 35202-5972139-3	ZUBAIR BASHIR	4.000	0.438	-	4.438	2.951	-	2.951
91	NEW AMARATSAR GENERAL VERITY STORE SAIDNAGRI BAZAR, LAHORI GATE, GUJRANWALA	ABDUL WAHEED 34101-2734505-9	MUHAMMAD ISMAIL	0.996	0.254	-	1.250	0.526	-	0.526
92	SAMMAD KHAN N-W-728/C,SAIDPUR ROAD,SATLITE TOWN,RAWALPINDI	37405-4214794-1	ZARBAT KHAN	0.513	-	-	0.513	0.386	-	0.899
93	MATLOOB HUSSAIN HOUSE NO.B-13/110,SIKANDERABAD, LIAQUATABAD.	42101-5751243-5	MUHAMMAD HAROON	0.631	-	-	0.631	0.385	-	1.016
94	AZRA VILLAGE PEERO FAQEER SHORO, PO.LOHANO,TANDO ADAM.	44206-3661650-2	JUNaid ALI SHORO	1.700	0.700	-	2.400	0.649	-	0.649

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95	ANVER ALI VILAGEPEERO FAQEER SHORO,PO LOHANO,TANDO ADAM,DISTT. SANGHAR.	44206-8605620-9	ATTA MUHAMMAD SHORO	1,400	0,540	-	1,940	-	0,572	0,572
96	SHAMSHAD ALI KHAN SHAHEE ESTATE AGENCY,SHOP-327, FARHANI PARADISE,BLOCK-19, GUJISTAN-E-JAUHAR (MORE)	42201-5140055-5	CH.GHASITA KHAN	1,048	-	-	1,048	1,166	-	2,214
97	AFZAL MOTIWALA NEAR HAVEELY MIAN KHAN RANG MOHAL BAZAR,SHAH ALAM MARKET, LAHORE	MUHAMMAD AFZAL 35202-7471197-7	HAJI MUHAMMAD HANIF	0,943	-	-	0,943	0,552	-	0,552
98	DR MUHAMMAD FAROOQ CO4,BUKHSHI SQUARE,F.BAREA, KARACHI	42101-7110370-5	TANZEEM	0,882	-	-	0,882	0,855	-	1,737
99	PERVAIZ LARIK FLAT#202,BLOCK-O,QIRA COMPLEX GUJISTAN-E-JOHAR,BLOCK-17, KARACHI	42301-7921418-1	ALLAH WASAYO LARIK	0,341	-	-	0,341	0,388	-	0,729
100	JAVED HABIB HOUSE#D/92,BLOCK-K-05,SCHEME-5, CLIFTON,KARACHI	42301-1176752-3	ABDUL HABIB AHMED	1,379	-	-	1,379	1,436	-	2,815
101	MUHAMMAD TAYYAB KHAN 304-A,PIA ECH SOCIETY, GUJITAN-E-JOHAR,BLOCK-9,KARACHI	42201-0795508-1	MUHAMMAD ARAF KHAN SHERWANI	0,825	-	-	0,825	0,885	-	1,710
102	AMJAD IQBAL H.NO.41,STREET.20-F-72, ISLAMABAD	61101-0988133-9	MAHMOOD KHAN	1,013	-	-	1,013	0,831	-	1,844
103	SAADAT AHMED GHUMMAN KOT AKRAM BUX,PO.GHOWKI,TEH. DASKA,DISTT.SIALKOT.	34601-4782011-9	BASHARAT AHMED GHUMMAN	2,500	0,100	-	2,600	0,640	-	0,640
104	WALI CLOTH HOUSE SHOUKAT MARKET,SHOP.NO.21-22, ELAHABAD,PO.SAMEDIDISTT,KASUR	SH.MUHAMMAD HUSSAIN JAVED 35101-2497449-9	SH.MUHAMMAD ESSA	1,496	0,454	-	1,950	0,696	-	0,696
105	SHEZAD RAFI P-148,AMIN TOWN,FAISALABAD, CHAK-198-RB,PO.SAMEFAISALABAD	33100-2456683-5	MUHAMMAD IHSAN-UL-HAQ	0,507	-	-	0,507	0,328	-	0,835
106	SHAHZAD RAFI P-148,AMIN TOWN,FAISALABAD	33100-2456683-5	MUHAMMAD IHSAN-UL-HAQ	0,594	-	-	0,594	0,066	-	0,660
107	ZAKA ULLAH HOUSE.NO.3/D,SATELLITE TOWN, SARGODHA.	34201-5432706-5	SANAULLAH	0,799	-	-	0,799	0,832	-	1,631
108	MUHAMMAD IQBAL ANJUM P-57,BLOCK-2,STREET.2,WARD-20, TANDLIANWALA.	33106-5799311-7	AMEER ALI	0,846	-	-	0,846	0,760	-	1,606

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				Principal	Mark-up	Other Charges	Total		Un-Debited Mark-up	Reversal	
109	ABBAS ALI HOUSE NO.84-9-K, ISLAMPURA ROAD, WARD NO.3, TANDLIANWALA, DISTT. FAISALABAD	33106-0359565-1	MUHAMMAD SHARIF	0.518	-	-	0.518	-	0.349	-	0.867
110	ZAHID ABBAS CHAK NO.408-G8, TEHTANLIANWALA, DISTT FAISALABAD	33106-8650152-7	ABID HUSSAIN	0.537	-	-	0.537	-	0.546	-	1.083
111	OBAD HASNAIN P-264 FAISAL TOWN, TEHSIL TANDLIANWALA.	33106-2083388-3	HASNAIN AHMAD	0.649	-	-	0.649	-	0.365	-	1.014
112	AKHTAR ALI SAJJID FLAT T18-C, RABI ARCADE, MAIN BHADUURABAD, KARACHI	42000-0364817-1	BASHIR AHMED	0.260	-	-	0.260	-	0.253	-	0.513
113	ABDUL REHMAN R-1080, NORTH NAZIMABAD BLOCK TMUSTAFABAD KARACHI	42101-3670258-3	MUHAMMAD RAMZAN	0.301	-	-	0.301	-	0.419	-	0.720
114	WAHEED IQBAL T-5 15TH EAST STREET PHASE-I DHA KARACHI	42301-1501485-7	MUHAMMAD SHARIF	0.514	-	-	0.514	-	0.725	-	1.239
115	SULEHA A. HAMID 57-A Z 12 SOUTH STREET PHASE-2, DHA, KARACHI	42301-3937998-8	ASJAM HAMID	0.514	-	-	0.514	-	0.725	-	1.239
116	MUSADDAQ NAVED HOUSE D-93 BLOCK 6 PECHS KARACHI	42000-0488513-5	REHMAT ILLAHI	0.519	-	-	0.519	-	0.830	-	1.349
117	ABDUL RAZZAK SEA ROCK APARTMENT FLAT NO.D-7, FLOOR CLIFTON BLOCK NO.1 KARACHI	42301-9216518-1	MUHAMMAD HUSSAIN	0.504	-	-	0.504	-	0.805	-	1.309
118	S GHUFRAN UL HAQ B-43 T1-A NORTH KARACHI KARACHI	42101-7746479-1	ABDUL FATEH	0.533	-	-	0.533	-	0.699	-	1.232
119	NAEEM AHMED SIDDIQUI G-23/B BLOCK B NORTH NAZIMABAD KARACHI	42101-1763389-5	SALEEM AHMED SIDDIQUI	0.518	-	-	0.518	-	0.828	-	1.346
120	SYED MUHAMMAD AKHTAR A-17 RABIA VILLAS SCHEEM 33 UNIVERSITY ROAD KARACHI	42201-9255863-1	SYED ZHAR HUSSAIN	0.524	-	-	0.524	-	0.800	-	1.324

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121	KASHIF RIAZ FLAT NO. A-1, MUNAWAR HOSPITAL AL-RANA SQUARE NORTH NAZIMABAD KARACHI	42101-0149495-1	RIAZ AHMED	0.244	-	-	0.244	0.322	-	0.566
122	S. ANIS-UL-HASSAN D 2/1, RABIA CITY GULUSTAN-E- JOHAR, KARACHI	42201-4816776-3	SYED SHAFIQ-UL-HASSAN	0.241	-	-	0.241	0.275	-	0.516
123	M. NASIR ISMAIL FLAT NO. 4, JEWEL MANSION PLAZA QTR KARACHI	42301-3802930-5	MUHAMMAD ISMAIL	0.253	-	-	0.253	0.366	-	0.619
124	ADNAN AHMED B-T1 AL MUSLIM HOUSING SOCIETY KDA SCHEEM NO.33 KARACHI	42201-6213940-7	SULTAN AHMED	0.382	-	-	0.382	0.532	-	0.914
125	M. LAEQO WAKSI R-63/15 A -2, BUFFER ZONE KARACHI	42101-1922797-1	MUHAMMAD RAFIQ	0.227	-	-	0.227	0.279	-	0.506
126	NAZIA JABEEN D-503 IQRA CITY ABDUL ASPFHANI ROAD TOWN KARACHI	42301-7624147-4	DOST MUHAMMAD	0.261	-	-	0.261	0.345	-	0.606
127	M. ARIF KALEEM FLAT # A-4 PLOT # 4-D-15/2 BAHYANI IMAGE CENTER, NAZIMABAD-4, KARACHI	42101-7929513-5	MUHAMMAD KALEEM-UR-REHMAN	0.263	-	-	0.263	0.366	-	0.629
128	JAMAL DIN K 13, S-5-5-10 HAZARA COLONY ST 1, BLK A LIAYARI TOWN KARACHI	42301-6634995-7	SULTAN AHMED MUGHAL	0.428	-	-	0.428	0.595	-	1.023
129	M. DILSHAD BACIR TOWER, PHASE-II, FLAT, C-10, ISHOW MARKET, NASHTER ROAD, KARACHI	42301-5279688-1	CHARAGH DIN	0.436	-	-	0.436	0.632	-	1.068
130	RAHIL AHMED QURESHI A-6, PLOT, 3RD FLOOR, PLOT-3-C, ST-11 BADAR COMM AREA PHASE-V EXT, NEAR KFC 26TH ST, KARACHI	42301-18245845-5	ZAHEER AHMED QURESHI	0.500	-	-	0.500	0.843	-	1.343
131	BILAL YOUSUF HOUSE 13-34, SECTOR-W-A, GULSHAN	42101-1806675-5	MUHAMMAD YOUSUF KHAN	0.500	-	-	0.500	0.865	-	1.365
132	MUHAMMAD AFZAL PARWEZ H. NO. 79 TOP FLOOR ALIRIAZ COLONY-22, MASSON ROAD, LAHORE	35202-5002916-9	MOHAMMAD ASLAM	0.248	-	-	0.248	0.316	-	0.564

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
133	MUHAMMAD ADNAN YOUSAF AWAN NO.12-13-B,RATTA MANSION,FAZAL ST-3,SECTOR-G-9/3,ISLAMABAD	61101-1777006-9	MUHAMMAD YOUSUF KHAN	0.455	-	-	0.455	-	0.731	-	1.186
134	SHAIKAT HAYAT 3-CUISTAN COLONY NATIONAL PARK RAWALPINDI	37405-0351315-7	MEHTAB KHAN	0.345	-	-	0.345	-	0.485	-	0.830
135	MUHAMMAD IMRAN AWAN H NO.529 ST NO.03 G-9/3 ISLAMABAD	61101-1770884-3	MUHAMMAD YOUSUF AWAN	0.416	-	-	0.416	-	0.567	-	0.983
136	MAGDALINE HOSKYN 1987-A, INDUS ROAD LALKURTI RAWALPINDI	37405-5308364-4		0.261	-	-	0.261	-	0.310	-	0.571
137	H.A.REHMAN & SONS C-96,BLOCK-6,JUNA GARH TOWN, F.B.AREA,KARACHI	ABDUL HAMID GUNG 42101-1062107-1	ABDUL REHMAN	1.046	-	-	1.046	-	-	-	0.889
138	ENVIRON ENVISION III-REHMAN STREET GARDEN EAST, KARACHI	MISTAMTUL RASHID (LATE)	SHAIKH KHURSHED AHMED	0.750	-	-	0.750	-	1.011	-	1.761
139	EMMAN INDUSTRY 229-A/1,MUNIR ROAD,LAHORE CANTT.	42201-8718192-7	KHAN RIAZ LIA QUAT	1.390	-	-	1.390	-	-	-	1.390
140	ACCORD TEXTILE MILLS LIMITED 135-B,SHADMAN-II,LAHORE	HAIDER ALI KHAN KHARAL 35202-2079442-9 AZRA AHMED 35202-2002692-6 FARNAZ HAIDER 35202-2430461-8 RAHIM AZEEM MIRZA 35202-2959641-7 MUHAMMAD TAHIR 254-94-021226 TAHIRA JAVAID 33302-2132872-6	KHALIAD AHMED KHAN KHARAL KHALID AHMED KHAN KHARAL HAIDER ALI KHAN KHARAL TARIQ AZEEM MIRZA HAKIM MANZOOR HUSSAIN JAVED AHMED KHAN	196.265	115.677	-	311.942	-	24.209	115.677	164.365
141	SARDAR BROTEHRS RICE MILLS KAMOKI ROAD,TATLEY AALI,TEHSIL NOWSHERA VIRKAN,GUJRANWALA	SARDAR MUHAMMAD GHIAS 34101-6761495-3	SARDAR SOOFI MIRZA KHAN	9.943	-	-	9.943	-	6.167	-	6.167
142	MUHAMMAD ASLAM 15-X,STREET NO.1,NEW MULTAN	36302-6679737-5	MUHAMMAD YOUNAS	-	-	-	-	-	0.602	-	0.602
143	S.B.TRADERS MUSLIM COLONEY,MOHALLAHAJI PURA DASKA ROAD,SIALKOT.	MUHAMMAD SABIR ILYAS 34603-4266815-1	ABDUL AZIZ	5.998	0.780	-	6.778	-	2.267	0.134	2.401

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
144	TARIQ TRADERS 15-GHAFOR CLOTH MARKET, IQBAL STREET, GUJRANWALA	ABDUL HAMEED		0.437	0.070	-	0.437	-	0.054	0.070	0.561
145	AL-MAKKA SWEET FAQIR PURA, STREET, NO. 20, BLOCK-Z, PEOPLES COLONY, FERDOWZA ROAD, GUJRANWALA	CH. SHAHNAWAZ SINDHU 34101-9237529-5	CH. ABDUL SATTAR SINDHU	0.800	0.081	-	-	-	0.587	-	0.587
146	SOLARTECH INTERNATIONAL SYSTEM 187-MEHRAN BLOCK, ALLAMA IQBAL TOWN, LAHORE	INAM GHOUS 35202-4307946-1 MUSHTAQ AHMED 35202-2750514-1 MUHAMMAD ANSAR 266-67-042133	SUFI FAIZ AHMED MIAN SHADI KHAN MIAN MUHAMMAD ISMAIL	1.489	-	-	1.489	-	1.017	-	2.506
147	MUNEER AHMED MC-179 GREEN TOWN, KARACHI	42201-9463958-9	ABDUL SATTAR	0.556	-	-	0.556	-	0.585	-	1.141
148	SYED WASEEM AKHTER 14-A, HAJRABAD SHAH FAISAL COLONY, NO.03.	42201-0403123-9	SYED ZAFIR AHMED	1.211	-	-	0.201	-	0.486	-	0.687
149	SAMINA SARFRAZ P-312, NAZIM WALI ST, NOORPUR MILLAT ROAD, FAISALABAD	33100-2136273-0	RAMA SARFARAZ HUSSAIN SHAH	0.836	-	-	0.836	-	0.432	-	1.268
150	SYED RASOOL SHAH N-1203, ST-56, NEW AMARPURA, RAWALPINDI	71103-2101859-5	SYED AKBAR SHAH	0.872	-	-	0.872	-	0.499	-	1.371
151	MUHAMMAD AQIL JAVED H.NO.88-D,BLOCK-B, PCSIR, PH-1, NEW CAMPUS ROAD, LAHORE	35202-2670135-3	SANA ULLAH	1.371	-	-	1.371	-	0.453	-	1.824
152	AHMED YAR KHAN BALOCH 620/C/4, BLOCK-19, HAIRMAIN TOWER, GULISTAN-E-JOHAR, KARACHI	54102-1564425-1	MIR AMEER JAN JAMAL DIN	0.505	-	-	0.505	-	0.218	-	0.723
153	UZMA ASHFAQ H.NO.49, ST-B-1, JOHAR TOWN, LAHORE	35201-1261165-4	MUHAMMAD ASHFAQ	0.564	-	-	0.564	-	0.189	-	0.753
154	NAVEED WAHEED H.NO.C-360, SEC-1, KHAYABAN-E- SIR SYED, ISLAMABAD	37405-0517587-3	ABDUL WAHEED	1.064	-	-	1.064	-	0.617	-	1.681
155	ABDUL ZUBAIR NASIR LUDHER, PO MAIN BEDIAN ROAD, LAHORE	35201-8311012-5	ABDUL RAUF	0.562	-	-	0.562	-	0.215	-	0.777

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
156	ABID HUSSAIN 41-A, FAREED COURT ROAD, NEAR FAMILY HOSPITAL, OPP. EXCISE & TAX OFFICE, LAHORE	91509-0114744-9	KHAN MUHAMMAD	1,079	-	-	1,079	-	0,411	-	1,490
157	MUHAMMAD KASHIF A-130, SEC-36/B, ZANANABAD, LANDHI-4, KARACHI	42201-5102476-3	QADDER-UR-REHMAN	0,788	-	-	0,788	-	0,287	-	1,075
158	MUHAMMAD IDREES 120-NISHTER BLOCK, ALLAMA IQBAL TOWN, LAHORE	36304-0641463-5	ABDUL RASHEED	1,262	-	-	1,262	-	0,370	-	1,632
159	ZIA-UR-REHMAN H.NO.MIEB 154, 1ST FLOOR BLOCK-B, STREET-10, MOHAMMADI ROAD, SHERSHAH, KARACHI	35202-7088329-9	MANGAY KHAN	0,425	-	-	0,425	-	0,140	-	0,565
160	ABDULLAH H.NO.634,BLOCK-B,MPR COLONY, MANGOPIR ROAD,KARACHI	502-90-386240	ABDUL REHMAN	0,412	-	-	0,412	-	0,128	-	0,540
161	AFZAL AHMED PLT#Z1,BLOCK-J1, NEAR JAMIA MASJID WAPDA TOWN, LAHORE	35200-1572660-5	ANWAR AHMED	-	-	-	-	-	2,222	-	2,222
162	S.A.S. INDUSTRIES PLOT.NO.64,SECTOR-Z7,KORANGI INDUSTRIAL AREA,KARACHI	ABDULLAH ISMAIL (LATE) 42000-051279-1 KHURSHID ISMAIL (DECEASED) IMRAN ISMAIL	MUHAMMAD ISMAIL S. RAHMAN	1,500	-	-	1,500	-	0,385	-	1,885
163	Z.R.CORPORATION 10,MADRAS HOTEL BUILDING,A.A. REHMAN STREET,JODIA BAZAR, KARACHI	ARSHAD MANZOOR 521-50-778271	MANZOOR ELAHI	1,200	-	-	1,200	-	-	-	1,034
164	FEDERAL ENTERPRISES C-96,BLOCK-6,F.B.AREA,KARACHI	MUHAMMAD SADIQ CUNG 501-35-229990	ABDUL REHMAN	3,174	-	-	3,174	-	-	-	2,698
165	Z.I.CORPORATION 198/6,LIJAUATA BAD BR,KARACHI 212,ABDULLAH SQUARE,ALTAF HUSSAIN ROAD,NEW CHALLIKHLI	SHAHID 504-88-209507	MUHAMMAD SIDDIQ	1,095	-	-	1,095	-	-	-	0,929
166	PAK ALUMINIUM COMPANY 147-C,PCHS KARACHI	SHEKH GHULAM MURTAZA 42201-1933171-9 AHMED HASSAN 42201-6454936-9 FARHAT SHEIKH	SHEKH ABDUL RAHIM SHEKH ABDUL RAHIM FARID AZAM	0,671	-	-	0,671	-	0,789	-	1,460
167	KHAN PETROLIUM SERVICES BAND ROAD,FISHIN.	ABDUL WAHAB 54303-2058885-7	BISMILLAH	4,400	0,801	-	5,201	-	1,741	0,801	2,542

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
168	O.H.MUHAMMAD MUHAMMAD FEROUZ STREET,ODIA BAZAR,KARACHI	MUHAMMAD OWAIS 42201-9637248-7	MUHAMMAD SIDDIQ	2,929	-	-	2,929	2,507	-	5,436
169	FARMAISH INDUSTRIES (PVT) LTD 148-D,GULSHAN-E-IQBALKARACHI	DR.JAVID MAHMOOD 35202-2588597-3 SOHAILA KHALID	CH.MUHAMMAD AFZAL KHALID AZIZ	2,066	-	-	2,066	0,829	-	2,895
170	WAQAR AHMED H.NO.3-A,ST.NO.14,F-8/3, ISLAMABAD	42201-0441745-9	MUHAMMAD ZAHOOR	0,503	-	-	0,503	0,229	-	0,732
171	ATTA MUHAMMAD H.NO.62,SECTOR-4,ST.NO.9,NEVAL COLONY,HUB RIVER ROAD,KARACHI	56202-3104498-1	AGHA MUHAMMAD	0,544	-	-	0,544	0,190	-	0,734
172	DR.ZAFAR ABBA.SS IMTIAZ HOUSE,MAIN BAZAR CHAH DA QILAG.T.ROAD,GUJRANWALA	34101-1004179-5	MUHAMMAD BAKSH	-	-	-	-	1,944	-	1,944
173	JAVED CLOTH COMMISSION SHOP HAJJ FARID ROAD,KASUR	MUHAMMAD JAVAD 35102-4215665-3	MUHAMMAD ISLAM	6,999	0,058	-	7,057	5,766	-	5,766
174	PERVAIZ IQBAL 862-NSAMANABAD,LAHORE	35202-1122790-9	MUHAMMAD IQBAL	-	-	-	-	0,902	-	0,902
175	JAMIL TARIQ H.NO.522-F,GULISTAN COLONY NO. 1,FAISALABAD	33100-0996721-5	RAJA MUHAMMAD TARIQ	0,758	-	-	0,758	0,148	-	0,906
176	MUHAMMAD RIAZ H.NO.33,ST.NO.1,MOH.AMERATSARI, MUGHAL PURA,LAHORE	35201-3207871-1	MUHAMMAD YOUSUF	0,798	-	-	0,798	0,230	-	1,028
177	TAYIBA BANO 286-E,SHAH RUKNI ALAM COLONY, MULTAN	36302-5959352-6	RAO IDRESS ALI	-	-	-	-	0,921	-	0,921
178	SYED RIZWAN ABID SHAH 05-CC,PHASE-04,D.H.LAHORE	35201-1528749-1	SYED ABID HUSSAIN	0,227	-	-	0,227	0,383	-	0,610
179	SYED MUHAMMAD ALI JAFRI R-945,BLOCK-20,FB AREA, ANCHOLI SOCIETY,KARACHI	42101-8461228-7	SYED ADIL HUSSAIN JAFRI	1,588	-	-	1,588	0,957	-	0,957
180	MASTER WEAVERS B-10/65,SERAY GHAT,HYDERABAD	ROMANA AMAN 42201-0495722-8	DR.ABDUL QADIR BHANWAR	4,690	-	-	4,690	0,613	-	5,303
181	MUHAMMAD KAMRAN H.NO.2,ST.NO.11,CHIRAGH STREET, ASHRAF PARK,CHAHMEERAN,LAHORE	35202-2823721-5	MUHAMMAD LATIF	2,273	-	-	2,273	7,193	-	9,466
182	ABBAS RAMZAN A GHAFAR PLOT.NO.101LY-19,OLD SURVEY-5, 82-86 OF K9, JOONKA KUMHARWARA MIDDLEWAY STREET,KARACHI	MUHAMMAD ABBAS ABDUL GHAFAR MUHAMMAD RAMZAN	ADAM LOHAR WADHA ADAM LOHAR WADHA ADAM LOHAR WADHA	1,157	-	-	1,157	-	-	1,157

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
183	PIR DEEDAR AHMED SARHANDI HOUSE#A-14,AMIR VILLAS,BLOCK#2, KDA SCHEME#3 GULISTAN-E-JAUHAR, MAIN UNIVERSITY RD, KHI.	449-49-333215	NISAR AHMED SARHANDI	0.542	-	-	0.542	-	0.451	-	0.993
184	M.YAQOUB SHOE MAKERS SHOP#1945-D,BAZAR WACHOWALI INSIDE SHAH ALAM LAHORE	MUHAMMAD QAYYUM 35202-4974199-1	KHUSHI MUHAMMAD	1.800	-	-	1.800	-	1.601	-	1.601
185	S.A.BROTHERS H/1461,AKBARI MANDILAHORE	SHAHID IQBAL RAZZAK 35202-2033972-3	ABDUL RAZZAQ	1.356	-	-	1.356	-	2.853	-	4.209
186	AHMED BILAL PETROLIUM KASUR BUS STAND,MULTAN ROAD, PATTOKI,DISTT.KASUR	MEHMOOD ANWAR 35103-1374410-3	MUHAMMAD ANWAR	5.007	0.156	-	5.163	-	3.008	-	3.008
187	USMAN INDUSTRIES BAJWA COLONY,BAJWA ROAD, GUJRANWALA	ABDUL RAUF 34101-7310321-1	MUHAMMAD AFZAL	4.663	0.157	-	4.820	-	3.799	-	3.799
188	COSMOS TRADING CORPORATION CI-20-21,SECTOR-16/B,NORTH KARACHI,KARACHI	ZAHIDA WASIF 42301-9089100-4	WASIF ALI	19.296	3.597	-	22.893	-	5.835	-	5.835
189	ABDUL HALEEM GRAIN MERCHANT TEHKAL CHOWK,TEHKAL PAVAN, PESHAWAR.	ABDUL HALEEM 17301-4600830-3	ABDUL QAYYUM	0.413	0.096	-	0.509	-	0.487	0.050	0.537
190	MUKTAR AHMED QURESHI UPPER ADDA,MUZAFFARABADA,K.	82203-5925871-1	ABDUL RAHEEM QURESHI	0.200	-	-	0.200	-	0.310	-	0.510
191	KHMAQBOOL AHMED WARD13,MOHALLAH,QAZIAN, MUZAFFARABADA,K.	82203-3648069-1	KH.WALI MUHAMMAD	0.200	-	-	0.200	-	0.320	-	0.520
192	MUHAMMAD ABULLAH WOOD INDUSTRY WARD#15,KHAWAJA MOHALLAH, MUZAFFARABADA,K.	KHEHTISHAM WOOGRA 82203-1168725-3	KH.ABDULLA WOGRA	0.194	-	-	0.194	-	0.310	-	0.504
193	SHABAZ AHMED KHOKHAR LCCS COMMERCIAL ZONE,LAHORE CANIT,LAHORE	SHAH BAZAR AHMED KHOKHAR 518-90-339240	IJAZ AHMED	3.403	-	-	3.403	-	1.763	-	5.166
194	FANCY TOWELS INDUSTRIES PLOT#272,SECTOR-6/A,NORTH KARACHI INDUSTRIAL AREA,KARACHI	FAIZ AHMED ANSAR 42101-9491814-1 MUHAMMAD AAMIR ANSARI 42101-1178103-3 FARHAT AAMIR ANSARI 42101-1191469-8 SAEEDA BEGUM 42101-9211299-4	AMIR ULLAH ANSARI AMIR ULLAH ANSARI MUHAMMAD AMIR ANSARI AMIR ULLAH ANSARI	32.113	-	-	32.113	-	29.820	-	61.933
195	HASEEB SPINNING MILLS LTD 6-KILO METER,SATYANA ROAD, FAISALABAD	ABDUL SALAM CHAUDHRY 33100-3046005-5 SAEED AHMED KHAN 33100-0603752-7	CH.MUHAMMAD ISHAQ ALI NAWAZ KHAN	83.394	-	-	83.394	-	55.812	-	139.206

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal		
196	ELECTRO TECH PAKISTAN LTD 8-HAMILTON COURTS-II,MAIN CLIFTON ROAD,KARACHI	KASHIF MAJEED	AKRAM MAJEED								
		33100-7069482-9									
		ABDUL MAJEED	CH.ABDUL HAMID								
		35202-2342438-7									
		AHMED NAJEEB	CH.ABDUL HAMID								
		35202-2459838-1									
		NASIR AZIZ	ABDULAZIZ								
		33100-0946157-9									
		IKRAM-UL-HAQ	ABDUL HAKIM								
		NAUSHABA RAUF	ABDUL RAUF								
		33100-4351466-4									
		KALSOOM RASHID	ABDUL RASHID								
		33100-4740618-4									
		RUBINA BASHIR	BASHIR AHMED MANGI			6.707	0.878	-	6.707	0.026	0.878
		42201-8815482-0									
		ADEEBA KOUSAR	MUHAMMAD ZAHEER ANWAR SIDDIQUI								
91400-0206288-2											
BASHIR AHMED MANGI	ALI MURAD MANGI										
42201-2347201-1											
SHAKIL AHMED											
501-46-308238											
FARINA MANGI											
424-87-020371											
SYED ZAKI HUSSAIN											
514-85-120372											
ZAHEER ANWAR											
197	KHAMJAD MAQBOOL UPPER ADA,MUZAFFARABAD.	82203-6336796-1			0.200	-	-	0.200	0.314	-	
198	HINA TEXTILE MILLS (PVT) LTD PLOTFC-320 TO 325,HITE DISTRICT LASBELLE,BALUCHISTAN.	LAL JAN MAGESI	MIR SONA KHAN MAGESI								
		622-56-000158									
		SHAIKH MASOOD NADEEM	SHAIKH ABDUL HAKEEM								
		270-56-184955	SHAKH MASOOD NADEEM								
		271-86-302654	LALA RUKH S NADEEM								
199	WOOD AND WOOD WORKS 356/1,CHOOTA ROHI NALA MANGA ROAD,RAIWIND.	TUFAIL MUHAMMAD SOOMRO	JAN MUHAMMAD SOOMRO		0.700	-	-	0.700	5.092	-	
		FAIZAN CHANI	CH. IMTIAZ AHMED SADIQ								
		35201-2556713-1									
		MISBAH ASLAM MEHAR	MUHAMMAD ASLAM MEHAR								
		35202-9548452-6									
200	SYED MUHAMMAD ALI H.NO.C-2-106/MIK.G.SOCIETY, NEW ALI MEDICAL COMPLEX, KARACHI	515-99-018371	SYED SHAMSHAD ALI		0.532	-	-	0.532	0.159	-	
201	DEEN AUTOS 148-GENERAL BUS STAND,BADAMI BAGHLAHORE	MUHAMMAD SALAH UDDIN	HAJI CHAMAN DIN								
		35200-1550509-5									
		MUHAMMAD ALAUDDIN									
				1.003	-	-	1.003	0.774	-	1.177	

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
202	FAISAL MOTORS DIN BUILDING GENERAL BUS STAND, BADAMI BAGH, LAHORE	CH. MUHAMMAD NAWAZ 352-02-6-449170-3	MEER ZAHOOR DIN	0.353	-	-	0.353	-	0.464	-	0.817
203	CH. MUHAMMAD NAWAZ H-4512, TEZAB AHATA G.T. ROAD, LAHORE	35202-6-449170-3	MEER ZAHOOR DIN	0.723	-	-	0.723	-	1.379	-	2.102
204	COUNTER TRADE COMPANY HOUSE#10, ST.15/B, MAIN BAZAR, MUJAHIDABAD, MUGHALPUR, LAHORE	ZULFIQAR AHMED MINHAS 250-88-05727	BASHIR AHMED MINHAS	0.448	-	-	0.448	-	0.061	-	0.509
205	SADIA ENTERPRISES 15/1, 16/1, MEHDI PUR ROAD, INDUSTRIAL ESTATE, MULTAN	SAJAD HAIDER 36302-2310027-9	MUHAMMAD ASLAM	2.368	0.396	-	2.764	-	1.633	-	1.633
206	FARHAT FAHIM R/O H.NO. 6-A, BLOCK-4, SATELITE TWO, QUETTA.	MS. FARHAT FAHEEM 54400-03-45882-8	MUHAMMAD FAHEEM	5.000	-	-	5.000	-	2.416	-	2.416
207	AL-MANSOOR TEXTILE INDUSTRIES MEHMOOD TOWN, CHAK 222-R-8, NAWABAN WALA, FAISALABAD	LANA MUHAMMAD ASHRAF KHAN 248-58-365214	MEHDI KHAN	0.012	-	-	0.012	-	0.611	-	0.623
208	NASEER UDDIN & ZAHEER UDDIN NEAR DC OFFICE BAGH, P/O, TEHSIL & DISTT. BAGHA, K.	82101-8342834-3	NAZIR AHMED KHAN	0.200	-	-	0.200	-	0.320	-	0.520
209	SUNDEW CORPORATION SUITE 5, KAMRAN APARTMENTS, 79-FEROZEPUR ROAD, LAHORE	82101-3419571-1	NAZIR AHMED KHAN	0.241	-	-	0.241	-	0.264	-	0.505
210	YAHYA TEXTILE MILLS LTD 38-A, MAIN ROAD ALTAI TOWN, MULTAN	MUHAMMAD BASIR JAHANGIR FARAH NAZ 36302-4367489-6 MALIK GHULAM M. MURTAZA 32304-7656411-1 HAJJ DOST MUHAMMAD 32303-2090901-3 MASHOOQ ALI 36302-1676506-3 GHULAM HUSSAIN 32303-6466585-3 CH. FAYYAZ AHMED 32303-0682421-3 AHMED BAKHSH 32303-07810-7	MALIK GHULAM MUHAMMAD MURTAZA MALIK MUHAMMAD YAR KHAR NOOR MUHAMMAD AMEER BAKHSH AZEEM BAKHSH CH. MUHAMMAD SHAFI ALLAH DITTA	259.999	133.116	-	393.109	159.993	174.074	133.116	467.183
211	AIPAK PRIVATE LTD SUITE-5, 1ST FLOOR, HOTEL METRO POLE BLDG, ABDULLAH HAROON ROAD, KARACHI	KHADIM HUSSAN MANGHI 45504-7934111-1 AFTAB ALI MANGHI 42301-5145816-1	MUHAMMAD HASHIM MANGHI ALI HASSAN MANGHI (LATE)	2.693	3.174	-	5.867	-	0.955	3.174	4.129
212	QADIR CONSTRUCTION COMPANY 1ST FLOOR STATE VIEW HOUSE, I.I. CHUNDRIGAR ROAD, KARACHI	NISAR AHMED MANGHI 42143-194476 MASHOOQ ALI 42501-8707881-9	MUHAMMAD SULEMAN MANGHI MUHAMMAD SALEH MANGHI	3.094	-	-	3.094	-	2.208	-	3.502

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
213	SERVICES INDUSTRIES TEXTILE LTD 38-EMPRESS ROAD, LAHORE	KHADIM HUSSAIN MANGHI ALI HASSAN MANGHI AMIR HAMEED 35200-1510260-9 IJAZ HAMEED 35200-1510400-1 MUHAMMAD HAMEED 35202-9697886-9 ASAD HAMEED 270-78-424047 MARYAM HAMEED 35202-1202378-0 FAROOQ HAMEED 35201-1452075-5 ABID HUSSAIN 35202-2327185-9 SAJIDA CHAUDHRY 35202-2433150-8 SADDIQA LIAQUAT 35201-6911321-4 AHMED MAHMOOD 35201-2550198-3 HASSAN MAHMOOD 35202-9061529-5	HAJI MUHAMMAD HASHIM MANGHI MUHAMMAD IBRAHIM MANGHI CH. MUHAMMAD SAIED CH. MUHAMMAD SAIED IJAZ HAMEED MUMTAZ HAMEED ALI-UZ-ZAMAN CH. MUHAMMAD SAIED BASHIR AHMED KHAN KARAMAT ULLAH CHAUDHRY LIAQUAT MEHMOOD LIAQUAT MAHMOOD LIAQUAT MAHMOOD	15,094	-	-	4,521	-	9,560	-	14,081
214	ISMAL & COMPANY 313-SHERA KOT NEW BUND ROAD, LAHORE	FAZAL-E-MOEEN SIDDIQUI 210-57-441729 MUHAMMAD AFZAL SIDDIQUI MEHMOODA NUSRAT SABAHAT MOEEN IRFAN SIDDIQUI MUHAMMAD ADNAN FARIDA ASAD ALI KHAN 35202-2385016-6 ABBAS ALI KHAN 35202-9291541-5 RAZA ALI KHAN 42301-3397253-7	FAZAL KARIM SIDDIQUI FAZAL KARIM SIDDIQUI FAZAL-E-MOEEN SIDDIQUI FAZAL-E-MOEEN SIDDIQUI FAZAL-E-MOEEN SIDDIQUI ASAD ALI KHAN ASAD ALI KHAN ASAD ALI KHAN MUHAMMAD ASIAM	9,580	0,132	-	9,580	-	1,768	0,132	11,480
215	HAIDERI HOMES I-H/B, GULBERG-I, LAHORE	ASAD ALI KHAN 35202-2385016-6 ABBAS ALI KHAN 35202-9291541-5 RAZA ALI KHAN 42301-3397253-7	ASAD ALI KHAN ASAD ALI KHAN ASAD ALI KHAN	69,998	5,489	-	-	-	39,095	5,489	44,584
216	EHSAN ULLAH POULTRY FARM VILLDHOO SARAY, TEH & DISTT. GUJRAT	EHSAN ULLAH 34201-8529202-9	MUHAMMAD ASIAM	9,500	1,057	-	-	-	1,101	-	1,101

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
217	DATA ENTERPRISES 4-QARI ROAD, NEAR FIRDOUS CINEMARA]GARH LAHORE	TARIQ MASOOD 272-11-156402	CH.FAZALI MAHMOOD	1,015	-	-	1,015	-	0.827	-	1,842
218	AKBAR ROLLING INDUSTRIES STREET.H.MIRAMZAN INDUSTRY SHEKHUJRA ROAD, GUJRANWALA	MUHAMMAD AKBAR 34101-6028580-7	MUHAMMAD RAMZAN	4,849	0.651	-	5,500	-	2,435	-	2,435
219	SABAHI DESIGNS ET INTERIOR 11&12 HAMILTON COURTS.B2/JMAIN CUFTON ROAD, KARACHI	TALAT INAYAT ULLAH KHAN 42301-7119575-4	INAYAT ULLAH KHAN	-	-	-	-	-	0.509	-	0.509
220	SYED FAIZ-UL-HASSAN H.NO.6,ST.10,HAJIWARY MANZIL, SHEESH MAHAL ROAD, LAHORE	35202-7439933-1	SYED NOOR-UL-HASAN	0.401	-	-	0.401	-	0.129	-	0.530
221	IRFAN AKHTER KHAN FLAT.NO.A-202,2ND FLOOR,BLOCK- A,AFSHAN APTT,SUB PLOT A-2, PLOT.327/3,NAZERATHI RD,KARACHI	42301-7589315-5	ABDULHAMEED HAN	1,910	-	-	1,910	-	0.528	-	0.528
222	MARKETING LINKS INTERNATIONAL 23-HAMEED NAZAMI ROAD, LAHORE	SAHBZADA WAHEED SUBHANI 35202-7535814-3	GHULAM MAHBOOB SUBHANI	-	-	-	-	-	0.719	-	0.719
223	AL-HABIB FURNITURE HOUSE SHOP.NO.17,ST.NO.5,CANAL PARK, GULBERG-II, LAHORE	HAJI SARWAR KHAN 35202-2576252-1	SAFEY KHAN	5,997	0.038	-	6,035	-	0.553	-	0.553
224	MEHBOOB & SONS G.T.ROAD, RAHILLAN WALL	RAO MEHBOOB ALI 32304-5394172-1	MUHAMMAD SHAFI KHAN(LATE)	1,500	0.386	-	1,886	-	0.938	-	0.938
225	MUBARAK STEEL CASTING NEAR GULSHAN-E-IQBAL PARK,G.T. ROAD, GUJRANWALA	CH.MUHAMMAD SARWAR 34101-5142619-9	CH.MUBARAK ALI	14,949	2,300	-	17,249	-	1,928	-	1,928
226	ZAIN POULTARY FARMS FLAT.NO.7,1ST FLOOR, SHAN ARCADE, NEW GARDEN TOWN, LAHORE	MUHAMMAD AMIR JUNAID 35200-1529512-3	MUHAMMAD JUNAID KHAN	9,999	-	-	9,999	-	0.588	-	0.588
227	PRIME PROTEIN FARMS 222-GAFDEN BLOCK, NEW GARDEN TOWN, LAHORE	MUHAMMAD AMER JUNAID 35200-1529512-3	MUHAMMAD JUNAID KHAN	10,000	-	-	10,000	-	0.932	-	0.932
228	A.H.INTERNATIONAL (PVT) LTD PLOT.D-99,S.I.T.E,KARACHI	M.ADNAN SHERAZEE 42301-8051825-9	MOHSIN SHERAZEE	273,733	-	-	273,733	-	206,146	-	432,016
229	NOVA MEDICINES (PVT) LTD 406,PANORAMA CENTRE-2,BAJA GHAZANFAR ALI KHAN ROAD, SADDAR, KARACHI	SEEEMA SHERAZEE 514-67-176776 MALIK ALI ZAIN 510-87-093555 FATIMA KHUZEMA 42301-0780523-2 KHUZEMA NAUJMAN 42301-8563201-1	M.ADNAN SHERAZEE MALIK NASEEM AKHTAR KHUZEMA NOMAN NOMAN BHAI	-	-	-	-	-	1,476	-	1,476

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
230	TARBELA COTTON & SPINNING MILLS (PVT) LTD 61101-3995326-1 SECTOR NO.04,KHALABAT TOWN SHIP,HARIPUR HAZARA,DISTT. ABBOTTABAD	MALIK ABDUL QAYYUM KHAWAR ALMAS KHAWAJA SHAIKAT ALI SADIYA QAYYUM	MUHAMMAD SALAH MANGHI	9.471	-	-	9.471	10.427	-	19.898
231	GHULAM ALI AND CO STATE VIEW HOUSE,1ST FLOOR, ILCHUNDRIGAR ROAD,KARACHI	GHULAM ALI MANGHI 42301-1815328-7	MUHAMMAD ASLAM GHOURI	2.023	-	-	2.023	4.602	-	5.425
232	MOHARRHATYABAD,NEAR HARRIAWALA CHOWK,GUJRAT	PARVAIZ ASLAM GHOURI 34201-2690077-9	MUHAMMAD ASLAM GHOURI	-	-	-	-	3.141	-	3.141
233	ANMOL VARIETY CENTRE SHOP NO.7,8,9,10 MADNI CENTRE, HUSSAIN AGAHI CHOWK,MULTAN	IQBAL MEHMOOD 36302-2731839-1 MUMTAZ MEHMOOD 36302-1747453-1 SULTAN MEHMOOD 36302-2866280-9	HAJI MUHAMMAD AKRAM HAJI MUHAMMAD AKRAM HAJI MUHAMMAD AKRAM	10.000	1.408	-	11.408	5.771	-	5.771
234	SARNA ZARI EMPORIUM SHOP NO.1,RAHIM SHOPPING CENTRE,HUSSAIN AGAHI,MULTAN	QAISER MEHMOOD ANJUM 36302-6239432-9	HAJI MUHAMMAD AKRAM	1.500	0.281	-	1.781	0.721	-	0.721
235	ANMOL DULHA DRESSES SHOP NO.FF1&2,RAHIM SHOPPING CENTRE,HUSSAIN AGAHI,MULTAN	EJAZ MAHMOOD SHAHID 36302-4521210-9	HAJI MUHAMMAD AKRAM	3.999	0.751	-	4.750	2.288	-	2.288
236	SOHAIL POULTRY FARM CHAK 308 G.B.TEHSIL & DISTT. TOBA TEK SINGH	SOHAIL SARWAR 33100-0966732-3 KHALID PERVEZ 33303-1871216-7	MUHAMMAD SARWAR ABDULRASHEED	-	-	-	-	0.795	-	0.795
237	AL-BADAR FURNITURE GUJRAT ROAD,JALALPUR JATTAN, TEH & DISTT GUJRAT	MUNIR AHMED MALIK 34201-1052941-5	BASHIR AHMED MALIK	-	-	-	-	0.581	-	0.581
238	HAJI ASHRAF & SONS MOUZA LUND PUR SARGODHA ROAD, GUJRAT	MUAZ ULLAH KHAN 34201-7077422-7	MUHAMMAD ASHRAF KHAN	-	0.098	-	0.098	0.781	0.098	0.879
239	SINDH AUTOS SAKRAND MAIN ROAD SAKRAND,PO SAME, TALUKA SAKRAND.	IMRAN AHMED 45402-7391944-1	MAQBOOL AHMED RAJPUT	2.750	0.865	-	3.615	1.090	-	1.090
240	NEELAM HANDI CRAFT TARIQABAD,MUZAFFAR ABAD.	CH INAVEED ASGHAR 34202-4851417-3	CH ASGHAR ALI	0.199	-	-	0.199	0.322	-	0.521
241	EJAZ & SONS WEAVING FACTORY EIDGAH ROAD,LUCHA MARABA MUJAHIDABAD,FAISALABAD	EJAZ HUSSAIN 33100-0612718-5	HABIB ULLAH	2.500	0.055	-	2.555	0.621	-	0.621

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
242	UMAR ASHFAQ ICE FACTORY GARH ROAD ZAM ZAM COLONY, SAMUNDRI FAISALABAD	ASHFAQ AHMED 33105-7932843-7	CH.ABDUL MAJEED	2,500	0.227	-	2,727	-	0.702	-	0.702
243	AL-FAROOQ ROLLER FLOUR MILLS (PVT) LTD 88-H,BLOCK,NO.2,PECHS,KARACHI	MIAN FAZAL ELLAHI FAROOQI MIAN MISMAL FAROOQI MISTNAZIR BEGUM PERVAIZ AKHTAR SALEEN AKHTAR SAEEDA RAFIQUE IQBAL AHMED SHEKH		3,137	1,957	-	5,094	3,137	13,191	1,957	18,285
244	WALEED OIL TRADERS OLD SABZI MANDI ROAD,O/S BOHRA GATE,MULTAN	HAMID ALI 36302-7350220-5	MUHAMMAD ALI	0.950	-	-	0.950	-	0.612	-	0.612
245	SYED IQBAL HUSSAIN KAZMI R/O HOUSE L-367,BLOCK-27/A, SHAH LATIF TOWN,KARACHI	439-63-275206	SYED RAFIQ HUSSAIN KAZMI	0.502	-	-	0.502	0.502	0.035	-	0.537
246	SUBHAN SONS PLOT NO. 3-A-60 TEZAB AHATA, NAULAKHA GARHI, SHAHU LAHORE	MUHAMMAD ANWAR SUBHANI 35202-7722317-5	SUBHAN MUHAMMAD	-	-	-	-	-	0.747	-	0.747
247	JATT TRADERS 256-E,MAIN WALTON ROAD,NEAR KOREY STOP LAHORE CANTT.	CH. SHAFAT HUSSAIN 35201-9079479-3	CH. MUHAMMAD RAFIQUE	-	-	-	-	-	1,894	-	1,894
248	FEROZ ASLAM HOUSE NO.13/2,SUB BLOCK-H, NAZIMABAD KARACHI	42301-6626533-3	MUHAMMAD ASLAM	0.611	-	-	0.611	0.611	0.338	-	0.949
249	AMIR BAZA KHAN R/O BLOCK-15,KHASKHANA APPARTMENT, BLOCK-3,GULSHAN-E-IQBAL, KARACHI	42201-5830684-1	MUNSHI RAZA KHAN	0.407	-	-	0.407	0.407	0.096	-	0.503
250	HINA ILYAS HOUSE.222/4/37-D SECTOR,LANDHI NO.1,KARACHI	42201-0251996-2	ASIF AZIZ	0.415	-	-	0.415	0.415	0.090	-	0.505
251	MUHAMMAD NAVEED SHAHID G-16,AHMED COMFORTS, GULISTAN-E-JAUHAR,BLOCK-17,KDA SCHEME-36,KARACHI	42201-0534322-3	SHAHID HUSSAIN SHAIKH	0.518	-	-	0.518	0.518	0.084	-	0.602
252	ASLAM BROTHERS NOWSHARA ROAD,GUJRANWALA	MUHAMMAD SHAFI MUHAMMAD ASLAM AMANULLAH	IMAM DIN	0.510	-	-	0.510	0.510	-	-	0.510
253	YASIR BOARD INDUSTRY PLOT#18,INDUSTRIAL ESTATE, MULTAN	CH.MUHAMMAD RAFIQ 34101-5916524-7 CH.AMIR RAFIQ 34101-2719289-1	CH.MUHAMMAD RAFIQ	7,467	1,533	-	9,000	-	0.802	-	0.802

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal		
254	HAFIZ & SONS RAMPUR ROAD,JATOI, TEHSIL, JATOIDIST,MUZZAFFAR GARH.	ABDUL GHAFOOR 32302-7359959-7	ALLAH BAKSH	1,700	0,050	-	1,750	-	2,001	-	2,001
255	HIGHLAND TRAVEL PAKISTAN (PVT) LTD 44-HAIDER ROAD,RAWALPINDI CANTT.	IFTIKHAR JILLANI BUTT 210-38-045685 GHULAM YAZDANI BUTT 272-89-086897 MUSSARAT BUTT G.R.BUTT SURREAYA BUTT		0,222	0,687	-	0,909	0,222	0,112	0,687	1,021
256	WELCOME SHOES 196-M,GULBERG-III,LAHORE	ASHRAF IJAZ GILL 35202-1085675-9	CH.KHUSHI MUHAMMAD GILL	1,600	0,434	-	2,034	-	1,176	0,434	1,610
257	SHOAB AHMAD H.NO.6827,1ST.NO.8,SECTOR NO.1, AIRPORT HOUSING SOCIETY, RAWALPINDI	37405-4219557-1	SAEED AHMAD	0,470	-	-	0,470	0,470	0,281	-	0,751
258	HASSAN ASHFAQ BHATTI HOUSE NO.166-B,STREET NO.5, F-117,ISLAMABAD	61101-2681901-5	MASHFAQ BHATTI	1,198	-	-	1,198	1,198	0,635	-	1,833
259	IMRAN SHAHZAD OFFICE IMRAN & BROTHERS,SHOP, NO.1215,ST.NO.2,BABOOLAL HUSSAIN ROAD,RAWALPINDI	37405-4436997-9	HAJI MUHAMMAD RAMZAN	0,400	-	-	0,400	0,400	0,416	-	0,816
260	KANWAL ZARAR 81-AZEEM PARK SHADBAGH,NEAR AMIR ROAD,LAHORE	35202-4130666-0	MALIK ZARAR ELAHI	0,981	-	-	0,981	0,981	0,578	-	1,559
261	MUHAMMAD YASEEN MULTIMODEL FREIGHT FORWARDERS SUITE NO.37-2ND FLOOR GLASS TOWERS,CLIFTON,KARACHI	35202-3003623-3	RAMZAN AUI	0,380	-	-	0,380	0,380	0,180	-	0,560
262	BARAR ALAM 36-H,MODEL TOWN,LAHORE	35202-4306274-5	ANIS ALAM	0,438	-	-	0,438	0,438	0,209	-	0,647
263	AMIR AFTAB AMIR AUTOS.SHOP.NO.05,R-341, SECTOR 14-A NEAR ANDA MORE, NORTH KARACHIKARACHI	42101-1872656-7	SHEIKH AFTAB AHMED YOHRA	0,363	-	-	0,363	0,363	0,271	-	0,634
264	FURRUKH IQBAL H.NO.461,SECTOR-8-B,HAZRAT BILAL COLONY,MILLS AREA, KORANGI,KARACHI	42201-1583064-7	M IQBAL	0,293	-	-	0,293	0,293	0,262	-	0,555
265	MOHAMMAD RAZI KHAN A-182,BLOCK-1,AL-SAFI MOSQUE, SHARIFABAD,F.B.AREA,KARACHI	42101-6826066-9	M. RAFI KHAN	0,213	-	-	0,213	0,213	0,358	-	0,571

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
266	WAJAHAT HASHMI FLAT NO. 90, OYSTER VIEW APARTMENT TOWER-2, BLOCK-2, CLIFTON, KARACHI	42201-7808746-9	MIAN JAN	0.493	-	-	0.493	-	0.447	-	0.940
267	MUHAMMAD FARRUKH KHAN AHMED HOUSE NO. H-23 1ST FLR. BLK-2 P.E.C.H.S. NR. SOCIETY MEDICAL STORE, KARACHI	42201-0640028-3	MISRAR AHMED KHAN	0.288	-	-	0.288	-	0.252	-	0.540
268	KHAUL AHMED AMZ TECHNOLOGY SERVICES OFF NO 13-A, ST NO 42 F-8/1, ISLAMABAD	61101-1964419-1	SHAFIQUE AHMED	0.363	-	-	0.363	-	0.167	-	0.530
269	AMJAD HUSSAIN HOUSE NO. A-71 SECTOR 8-A BILAL COLONY KORANGI INDUSTRIAL AREA, KARACHI	42201-3350547-9	ALLAH RAKHA	0.342	-	-	0.342	-	0.304	-	0.646
270	ZAHID IQBAL ANJUM HOUSE NO. A-350, BATA MORE PHASE-1 GULSHAN-E-HADEED KARACHI	31202-5411354-1	BASHIR AHMED	0.480	-	-	0.480	-	0.410	-	0.890
271	PERVAIZ BASHIR VIP PROPERTY INVESTERS & BUILD OFF-40-05, GROUND FLOOR, ALMERA CENTRE, G-11/1, ISLAMABAD	37405-0288989-9	BASHIR AHMED	0.733	-	-	0.733	-	0.044	-	0.777
272	MEHBOOB HUSSAIN QURESHI SAEED BROTHERS CARGO SERVICES OFF NO T. MOON MARKET, FATEH JANG ROAD TARNOL, ISLAMABAD	37105-1720516-7	NAZIR HUSSAIN	0.472	-	-	0.472	-	0.385	-	0.857
273	FAROOQ AHMED SHAIKH HOUSE NO. R-760/1 1ST FLOOR BLOCK - 1 FEDERAL B AREA KARACHI	42101-1912283-5	ZIA UD DIN SHAIKH	0.384	-	-	0.384	-	0.203	-	0.587
274	RAJA BAHRAM ALI SHOP NO. G-94, NEAR JILANI ESTAT AGENCY JILLANI CENTER KHARADAR KARACHI	42301-3923092-1	MOHAMMAD SIDDIQUE KAKA	0.476	-	-	0.476	-	0.386	-	0.862
275	NASEER AHMED NASEER STEEL TRADERS SHOP # 08 CHOWK STINOOZ ABDUL SATTAR ROAD SHAM NAGAR BADAMI BAGH, LAHORE	35202-2397722-7	SARDAR KHAN	0.455	-	-	0.455	-	0.308	-	0.763
276	MUHAMMAD KAMRAN SAFDAR 389 D.TAJPURA HOUSING SCHEME LAHORE	33100-1011627-5	SAJAD HUSSAIN SAFDAR	0.426	-	-	0.426	-	0.253	-	0.679

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
277	FAZAL AKBAR ADNAN AUTO & TYRE SERVICE SHOP 4,BUTT MARKET,PLOT 5,GENERAL TRUCK STAND,RAVI ROAD,LAHORE	21203-2754102-1	ABDUL QADIR	0.420	-	-	0.420	0.328	-	0.748
278	AHMED HASSAN MILKY WAY ENTERPRISES,OFFICE N O.15,1ST FLOOR,LONDON SHOPPING MALL-G-9,MARKAZ,ISLAMABAD	37104-3463357-1	CHULAM SARWAR	0.346	-	-	0.346	0.228	-	0.574
279	MUHAMMAD RAFIQUE UNIVERSAL SEWING MACHINE SHOP. 1,REX IND 1,SEWING MKT,ALLAMA IQBAL,ROD,BOHAR WALA,LAHORE	35201-1684765-5	FEROZ DIN	0.461	-	-	0.461	0.320	-	0.781
280	SHEIKH WASEEM IJAZ HUSSAIN CASPIAN SEA RESTAURANT,SHOP NO 76-GH CANAL BANK ROAD,M.A. JINNAH ROAD, LAHORE	35202-2866690-1	SHEIKH IJAZ HUSSAIN	0.392	-	-	0.392	0.291	-	0.683
281	MUHAMMAD SALED HOUSENO 16,4,LATIF BLOCK NEW KENAL BANK SCHEEM,LAHORE	35201-7065400-5	MUHAMMAD BASHIR	0.352	-	-	0.352	0.154	-	0.506
282	RAJ KUMAR HOUSE NO C-271 IQBAL CENTER M.A, JINNAH ROAD KARACHI	45401-4955739-5	TARO MAL	0.377	-	-	0.377	0.193	-	0.570
283	ARIF HUSSAIN SHAH ARIF ELECTRONICS,SHOP NO.1,NEW SHALIMAR ROAD,RUSTUM PARK, CHAPPAR STOP,MULTAN RD,LAHORE	35202-2793055-5	MUBARAK HUSSAIN SHAH	0.297	-	-	0.297	0.244	-	0.541
284	TARIQ MEHMOOD AKRAM AHD TRAVEL AND TOURS PVT 30LG ALLATIF CENTRE MAIN BOULEVARD GULBERG,LAHORE	35303-1986985-3	MEHMOOD AHMED	0.393	-	-	0.393	0.201	-	0.594
285	AFZAL MASEEH FANICA HOSIERY,SHOP NO.2,GROUND FLOOR,HUSAIN MARKET, DIL MUHAMMAD ROAD, BILAL COLONY, LAHORE	35202-4255762-3	LAL MASEEH	0.480	-	-	0.480	0.400	-	0.880
286	TANVEER AHMAD DECENT ENTERPRISES,REHMAN STREET NO.1, BRANDERTH ROAD,LAHORE	35202-9050952-5	JAMEEL AHMAD	0.450	-	-	0.450	0.296	-	0.746
287	ZEEZHAN JAVED SABRI GARMENTS,SHOP NO.B-1, WALEED MARKET, LANDA BAZAR, LAHORE	35202-5142619-9	MUHAMMAD JAVED	0.381	-	-	0.381	0.284	-	0.665

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				Principal	Mark-up	Other Charges	Total		Un-debited Mark-up	Reversal	
288	MUSAVIRE HOUSE NO 5/EE30 1ST AND 2ND FLOOR, PAPOSH NAGER NAZIMABAD NEAR BANK AL HABIB, KARACHI	42101-1631793-9	SHABUDDIN	0.283	-	-	0.283	-	0.226	-	0.509
289	JAVED AHMED NAZIR AHMED FOUNDARY SHOP NO 22 GULSHAN PARK SADIQ AKBAR ROAD LAL PULLA HORE	35200-2067850-3	NAZEER AHMED	0.325	-	-	0.325	-	0.237	-	0.562
290	GHAZANFAR ALI SHAHID A.R.COMMUNICATION,CHOWK TAJ PURA, SHAD BAGH, LAHORE	35202-1102725-5	CHAUDHARY GHULAM HUSSAIN	0.462	-	-	0.462	-	0.353	-	0.815
291	IMRAN AHMED QURESHI HOUSE NO. E-43,LIQAQAT ASHRAF COLONY GATE NO.1, MEHMOODABAD, KARACHI	42000-9406939-7	MOHAMMAD IKRAM QURESHI	0.338	-	-	0.338	-	0.265	-	0.603
292	HAJI MUHAMMAD SIDDIQUE HOUSE NO A-421 BLOCK 19,GULSHAN MASJID, KARACHI	42201-8656697-1	ABDUL KARIM JUMMA	0.360	-	-	0.360	-	0.367	-	0.727
293	ALVAS AHMED AL MUBARAK INTERNATIONAL DHAMIAL ROAD, OPP SHELL PETROL PUMP KAMAL RAWALPINDI	37201-9199907-3	MUHAMMAD HUSSAIN	0.357	-	-	0.357	-	0.214	-	0.571
294	MUHAMMAD NADEEM AKRAM HEERA AUTOS,SHOPNO 60/G, 70-FALAMING ROAD LAHORE	35202-2393114-5	SHEKH MUHAMMAD AKRAM	0.373	-	-	0.373	-	0.302	-	0.675
295	SACHIR ALI HNO 03 13- NAZAMABAD,GAZIABAD, MUGHAL PURA,LAHORE	35201-9900649-7	SHAMSHAIR ALI	0.302	-	-	0.302	-	0.286	-	0.588
296	MUHAMMAD NOAMAN THE DESIGN CENTER,43-G 1ST FLOOR, CIRRAAT OIL G-BLOCK,MAIN MARKET GULBERG,LAHORE	35201-1009738-7	MUHAMMAD RAFIQ	0.388	-	-	0.388	-	0.323	-	0.711
297	UMAIR IDEAL ZONE SHOP-50, DIPLOMATE MARKET ABDULLAH HAROON ROAD, SADDAR OPP JI HOSPITAL, KARACHI	42201-5160498-9	SALEEM KHAN	0.294	-	-	0.294	-	0.307	-	0.601
298	ZAEHER ABBAS HOUSE NO 12,A REHMAN BLOCK, RIZWAN GARDEN, JALLO PARK, LAHORE	35201-8233263-5	NAZIR AHMAD	0.387	-	-	0.387	-	0.353	-	0.740

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
299	MUHAMMAD SHAFI AL-SHAFI HOME CLINIC,ST-10, HAMEED PARK NEAR JAFRI COLONY, NAWAN KOT, MULTAN ROAD, LAHORE	35200-1406434-3	TAJ MUHAMMAD	0.454	-	-	0.454	0.204	-	0.658
300	SHAH ANWAR AHMED B-117/1, BLOCK-13-D/2, GULSHAN-E-IQBAL, KARACHI	42201-9645092-1	SHAH ABRAR AHMED	0.988	-	-	0.988	0.586	-	1.574
301	SHUJAAT HASHMI SUITE NO 201 2ND FLOOR, YOUSUF CHAMBER, PLOT NO A/2 BLOCK-7/78, KCHS SHAHRAH-E-FAISAL, KARACHI	42201-7913341-9	MIAN JAN	0.300	-	-	0.300	0.334	-	0.634
302	KHURAM SHAHZAD K.S.PRINTERS, PRINTING STREET, 1ST FLOOR, IQBAL PLAZA 1 MISSION ROAD, LAHORE	35201-3559414-9	ABDUL NISAR	0.296	-	-	0.296	0.227	-	0.523
303	MALIK TARIQ NADEEM MALIK TRADERS OFFICE NO 107, 1ST FLOOR, KHALEJ TOWER, 38-A, JAIL ROAD, LAHORE	35202-9737833-7	MALIK SHAHDIN	0.984	-	-	0.984	0.941	-	1.925
304	MALIK NADEEM AHMED AWAN HARROON IRON STORE, SH NO 5A/684 SERVICE ROAD, SADIQABAD RAWALPINDI	37405-5191348-7	HAJI ABDUL CHAFAR AWAN	0.308	-	-	0.308	0.286	-	0.594
305	SYED AHMED SABEEH HOUSE NO C-31 1ST FLOOR, BLOCK J, NORTH NAZIMABAD, KARACHI	42101-5066045-9	SYED PERVEZ AKHTER	0.295	-	-	0.295	0.274	-	0.569
306	MUHAMMAD NAWAZ MINHAS PAKISTAN CHEMIST, SHOP NO.8, MEHRAN PLAZA G-9 MARKAZ ISLAMABAD	61101-5094575-5	NAWAB DIN MINHAS	0.423	-	-	0.423	0.333	-	0.756
307	FAISAL REHMAN AHSAN CLOTH HOUSE, SHOP NO.1, BISMILLAH MARKET, CHAH MIRAN LAHORE	35202-3399533-5	MUNAWAR HUSSAIN	0.367	-	-	0.367	0.343	-	0.710
308	MUHAMMAD AKMAL MAHREEN ENTERPRISES SUIT NO 402, CAESARS TOWER SHAHRAH-E-FAISAL, OPP AISHA BAWANJ, KARACHI	42201-4227572-9	FAZAL AHMED	0.448	-	-	0.448	0.229	-	0.677
309	MOHAMMAD SAQIIN MASTER LEATHERS PLOT NO A-15 SECTOR 8-E KORANGI INDUSTRIAL AREA, KARACHI	34602-0359480-3	MOHAMMAD GULZAR	0.496	-	-	0.496	0.450	-	0.946

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310	MUHAMMAD HABIB HUSSAIN AHMAD ARTS,RANA, CENTRE KASHMIR BLOCK NO135 A-C,CHOONA MANDI, AZAM CLOTH MARKET,LAHORE	35202-9018650-3	MUNIR HUSSAIN	0.355	-	-	0.355	-	0.287	-	0.642
311	MUHAMMAD DAWOOD PEPCO,732 WAPDA HOUSE, SHAHRAH-E-QUAID-E-AZAM,LAHORE	33105-8260641-5	MUHAMMAD LATIF	0.344	-	-	0.344	-	0.203	-	0.547
312	SALMAN SAEED KHAN SALMAN ASSOCIATE,OFFICE-15,1ST FLOOR,MAJED PLAZA BANK ROAD, NR GHAGHAR PLAZA,RAWALPINDI	37405-3103743-5	ABDUL SAEED KHAN	0.418	-	-	0.418	-	0.296	-	0.714
313	Faisal Maibaj AL MUBARAK INTERNATIONALDHAMIAL ROAD, KAMALABAD,OPP SHELL PETROL PUMP, RAWALPINDI	61101-2379663-7	MUHAMMAD MAIRAJDIN	0.313	-	-	0.313	-	0.194	-	0.507
314	MUHAMMAD SHAKEL CHAUDHARY MAHNOOR COLLECTION,COUNTER NO. CG13 PACE GROUND FLOOR,MODEL TOWN LINK ROAD,LAHORE	37401-1415475-7	CHAUDHARY ABDUL GAFOOR	0.294	-	-	0.294	-	0.307	-	0.601
315	UMAR HAYAT HOUSE NO. B-615 BISMA AVENUE BLOCK -13 GULISTAN E JOHAR NEAR RABIA CITY,KARACHI	42501-6033265-1	NOOR MUHAMMAD	0.454	-	-	0.454	-	0.385	-	0.839
316	HASSAN IQBAL BHATTI HOUSE NO. 43/4-A BLOCK - 6, P E C H S,NEAR FM100 OFFICE, KARACHI	42201-3154306-9	MUHAMMAD IQBAL BHATTI	0.323	-	-	0.323	-	0.222	-	0.545
317	SHEHZAD ANWAR AIRWAVES MEDIA PVT LTD H NO 03 ST NO 56F-7/4 ISLAMABAD	35202-5977957-7	SHEIKH MUHAMMAD ANWAR	0.360	-	-	0.360	-	0.286	-	0.646
318	MUHAMMAD IHSAN LODHI THE LINKS ENTERPRISES,OFFICE NO.7-BAKASHA PLAZA,SECTOR F-10,MARKAZ,ISLAMABAD	37301-2771048-7	MUHAMMAD ZAMAN LODHI	0.272	-	-	0.272	-	0.231	-	0.503
319	IMRAN TABASSUM OFF NO.38F-15TH FLOOR,GULBERG CENTER MAIN BOULEVARD,GULBERG-III, LAHORE	35401-0358170-7	MUHAMMAD ASHRAF	0.298	-	-	0.298	-	0.321	-	0.619
320	ZEEESHAN UD DIN HOUSE NO.617 BLOCK-8,AZIZABAD, F B AREA NEAR ALTAF HUSSAIN HALI COMP- SCH,KARACHI	42101-0935498-3	AZIZ UDDIN	0.490	-	-	0.490	-	0.510	-	1.000

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321	NADEEM S.M. ENTERPRISES,SHOP NO.04, SHALIMAR CENTER,ALTAF HUSSAIN ROAD,NEW CHALLI,KARACHI	42301-1647265-5	MUHAMMAD ISMAIL	0.348	-	-	0.348	-	0.267	0.615
322	NABEEL MUSHTAQ TAYYAB TRADING COMPANY, SHOP NO. 2, GANJ MANDI,NEAR JAMA MASJID, RAWALPINDI	37405-0769129-1	MUSHTAQ AHMED	0.458	-	-	0.458	-	0.399	0.857
323	MALIK IBRAR ANJUM OFFICE NO. 07 2ND FLOOR,RAJA HAQ NAWAZ CENTRE,G-T1 MARKAZ, ISLAMABAD	37103-1987634-3	MALIK MUHAMMAD RIAZ	0.353	-	-	0.353	-	0.267	0.620
324	MUHAMMAD RIZWAN ASLAM ART MANUFACTURING AND TRADING PLOT NO.1,GULSHAN PARK,MAIN ITTEFAQ ROAD MANSOOR,LAHORE	35202-2392049-7	SHEIKH MUHAMMAD ASLAM	0.386	-	-	0.386	-	0.198	0.584
325	SYED RAHID-UL- HASSAN SADDAT BOTTLE STORE,SHOP NO.177, CIRCULAR ROAD,LAHORE	35202-6533478-9	SYED SHAMAS-UL-HASSAN ZAIDI	0.224	-	-	0.224	-	0.401	0.625
326	TAHIR JAVED HOUSE NO 22 QUAID-E-AZAM COLONY, LANE NO 6 NEAR ICMC COLLEGE, DAMIAL CAMP,RAWALPINDI	37405-9261826-3	MUHAMMAD BASHIR REHMANI	0.280	-	-	0.280	-	0.256	0.536
327	MUHAMMAD ATIF HOUSE NO 2CB/51, AL FALAH SOCIETY SHAH FAISAL, OPP. SHOUKAT OMER HOSPITAL,KARACHI	42201-0776937-3	M HANIF AHMED	0.266	-	-	0.266	-	0.283	0.549
328	MUHAMMAD JAVAID DER BUND HAZARA GOOD TRANSPORT 65-A SABZAZAR TRUCK STAND NEAR MASJID TRUCK STAND,LAHORE	54400-5621102-7	MUHAMMAD IDREES	0.248	-	-	0.248	-	0.270	0.518
329	MUHAMMAD ANWAR NOORI SINEL ENTERPRISES,FLAT NO 05, SANA PLAZA 1ST FLOOR,SCHEME-III, NEAR ABL,RAWALPINDI	37405-9403789-9	MUHAMMAD SARWAR	0.278	-	-	0.278	-	0.247	0.525
330	MUHAMMAD ALI SUBHAN PAINT HOUSE,51-A NAZ TOWN, QASIM MARKET NEAR VALENCIA, LAHORE	35202-7131925-1	MUHAMMAD YOUNAS	0.300	-	-	0.300	-	0.340	0.640
331	MUHAMMAD RAUF ANWAR 36-A,FEROZ PUR ROAD,LAHORE	35403-2694422-7	MALIK MUHAMMAD ANWAR KHAN	0.475	-	-	0.475	-	0.448	0.923

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332	WASIM CHANAN DIN SEVEN STAR SHOES,T1 SHAFIQAABAD NO.1 BUND ROAD,NEAR AMJAD NAZIR BUTT COUNSEL,LAHORE	35202-2230179-3	CHANAN DIN	0.471	-	-	0.471	-	0.439	-	0.910
333	GHULAM HAIDER ZAIN STUDIO,SHOP NO.F-13 FIRST FLOOR,AL-AMIN CENTRE,HALL ROAD,LAHORE	35202-2904286-9	NAWAB DIN	0.447	-	-	0.447	-	0.485	-	0.932
334	MUHAMMAD GULL JAN MASHALLAH FABRICS,SHOP-NO-81-H ABDALI RD,KIRSHAN NAGAR,LAST BUS STOP,SHAN CHARGAH,LAHORE	35202-9594762-9	MUHAMMAD JAN	0.403	-	-	0.403	-	0.207	-	0.610
335	MUNIR AHMED WATTO IRON STORE,QAINCHI SIGNAL MAIN FERROZPUR ROAD, TRAFFIC SIGNAL,LAHORE	35201-2734823-7	MUMTAZ AHMED	0.272	-	-	0.272	-	0.231	-	0.503
336	AHSAN ULLAH OFFICE-MCB,IT DEPARTMENT,7TH FLOOR,15 MAIN MCB HOUSE,JAIL ROAD,LAHORE	31304-2080133-9	MUHAMMAD ASHRAF	0.435	-	-	0.435	-	0.251	-	0.686
337	NAVEED RASOOL BHATTI AL-RAHEEM POULTRY POINT,SHOP NO.135 STNO39 BLOCK D,MAIN MARKET GULBERG II,LAHORE	35202-4472425-7	GHULAM RASOOL BHATTI	0.388	-	-	0.388	-	0.236	-	0.624
338	MUHAMMAD TARIQ MEHMOOD MIAN TARIQ MEHMOOD DAYEMAKER SHOP-1,G-5,ST-9,HAJWAR,DATA DARBAR,NEAR DR. QAZILAHORE	35202-2425207-9	ALLAH RAKHA	0.292	-	-	0.292	-	0.297	-	0.589
339	MARIA ZAHID SALEEM RESIDENCE HOUSENO 378,BLOCK-C, FAISAL TOWN,LAHORE	36302-8352657-2	ZAHID SALEEM	0.334	-	-	0.334	-	0.219	-	0.553
340	MUHAMMAD IMRAN OFFICE NIB BANK (HRS PVT LTD) COLLECTION DEPARTMENT BANK SQ MALL ROAD,LAHORE	35202-2330256-1	MUHAMMAD HANIF	0.344	-	-	0.344	-	0.247	-	0.591
341	MUHAMMAD ABID RESIDENCE HOUSE,NO.22,CHUSIA COL STREET NO.01,WAHDAT ROAD, NEAR PILOT,H/5C,LAHORE	35202-2911815-5	KHAWAJA NOOR MUHAMMAD	0.465	-	-	0.465	-	0.396	-	0.861
342	MUHAMMAD NASIR GONDAL RESIDENCE HOUSENO F-8 TELECOM OFFICERS COLONY TUFAIL ROAD,LAHORE	35201-1236705-7	CHOUHDHARI FARMAN ALI	0.257	-	-	0.257	-	0.300	-	0.557

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343	ASAD ALI RESNO 462 AMMAR BLOCK NISTHER COLONY,FEROZPUR ROAD,LAHORE	35201-7228573-1	M MAZHAR ALI	0.399	-	-	0.399	0.193	-	0.592
344	IRFAN AHMED KHAN EXCEL FINANCIAL SERVICES (PVT) MARKETING DEPT, OFF. 212, 2ND FL DIQ TRADE CNTR72, BLVD, LAHORE	36502-0796066-3	MUHAMMAD NAWAZ KHAN	0.295	-	-	0.295	0.245	-	0.540
345	KHALID AZIZ KHAN OFFICE KHALID GENERAL STORE SH NO 129 GROUND FLOOR, GHAZI COLONY NEAR MEDICAL, RAWALPINDI	37405-0650021-9	ABDUL AZIZ KHAN	0.483	-	-	0.483	0.482	-	0.965
346	MUHAMMAD ISMAIL HOUSE NO 4, STREET NO 42, F-7/1, ISLAMABAD	38404-0977203-5	NOOR MUHAMMAD	0.729	-	-	0.729	0.372	-	1.101
347	TAHIR ALI NAZIR OFFICE NAZIR TRADERS, CHOWK TANGA WALA, ADDA, KOT KHAWAJA, SAEED, LAHORE	35202-0511042-5	NAZIR AHMAD	0.220	-	-	0.220	0.412	-	0.632
348	KALSOOM DAIVER RES HNO 417-D, ST NO.1, SOUTH EAST NFC HOUSING CORP SOCIETY, LAHORE	35202-5749337-8	DAIVER	0.334	-	-	0.334	0.225	-	0.559
349	MUHAMMAD MUJTABA HAIDER OFFICE MOBILINK, OFF NO 78-W, 3RD FLOOR, ROSHAN CENTRE, JINNAH AVENUE BLUE AREA, ISLAMABAD	37405-0650234-7	AGHA MUHAMMAD WAJAHAT HUSSAIN	0.467	-	-	0.467	0.297	-	0.764
350	MEHMOOD KHAN KHANZADA OFF-MAXICON ENGINEERING FLAT-6, 2ND FLOOR, AL-JANNAT PLAZA, G-8 MARKAZ, UTILITY STORE, ISLAMABAD	61101-4340780-3	KHANZADA TAJ ALI KHAN	0.407	-	-	0.407	0.271	-	0.678
351	ABDUL SHAKOOR OFF-UNITED FABRICS SHOP-5, AL- MADINA MARKET-139, BANO BAZAR, BAGHBANPURA, ABDUL AZIZ LAHORE	35201-3983402-5	MUHAMMAD RAFIQ	0.483	-	-	0.483	0.495	-	0.978
352	MOHAMMAD NASIR KHORASANE HOUSE NO 10A/1, 3RD NORTH STREE T, PHASE I DHAK, KARACHI	42301-5797702-3	MUHAMMAD MEHDI KHURASANI	0.409	-	-	0.409	0.196	-	0.605
353	RUKHSANA CHAND OFF EXCELLENCY CARE N ALEAR, FL NO.3, 3RD FLR, 8TH COM ST PL NO.1, ZAMZAMA, PHASE-V, CLIFTON, KARACH	42201-0617765-6	CHAND MASEH	0.395	-	-	0.395	0.248	-	0.643

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354	MUHAMMAD AKHTAR PARACHA OFF ERA AUTOMATION, P.LNO.49,603 6TH FLR, ANJUM ESTATES,HAHRA-E-FAISAL, DACHS,KARACHI	42201-4583354-5	MOHAMMAD ASLAM PARACHA	0.280	-	-	0.280	-	0.256	-	0.536
355	SHER NAWAZ OFFESHER NAWAZ POULTRY SERVICES SHOPNO 16/A, AMANULLAH MARKET, DAWOOD CHOWRANGILANDHI,KARACHI	42501-1387807-7	BOSTAN KHAN	0.166	-	-	0.166	-	0.510	-	0.676
356	GHAZANFAR NISAR RES HOUSE NO.B-95/14, STREET NO JINNAH ABAD NO 02, LEE MARKET, NEAR JAMA MASJID AL ASHRAF,KHI	17301-6697042-3	NISAR MOHAMMAD	0.661	-	-	0.661	-	0.500	-	1.161
357	SYED NOOR UL HUDA RES B-6,SOHNI CHALET, SEC NO 22 SCHEME NO 33,GUIZAR-E-HIJRI KARACHI	42501-1498911-9	SYED NAJAM UL HUDA	0.444	-	-	0.444	-	0.359	-	0.803
358	MEHMOOD TABISH OFFICE USMAN ENTERPRISES OFF NO 5-B, MEZZANINE FLOOR ITTEHAD CENTRE BLUE AREA,ISL	37402-6174243-3	ABDULGHAFOOR	0.469	-	-	0.469	-	0.409	-	0.878
359	MAZHAR ABBAS OFF USMAN MILK SHOP P.LNO L-229 SHIREEN JINNAH COLO NY,NEAR MEEZAN BANK,KARACHI	33303-2170637-1	SHER MUHAMMAD	0.292	-	-	0.292	-	0.297	-	0.589
360	TAHIR SAJJAD RES H.NO.176, HUNZA BLOCK, ALLAM AIQBAL TOWN,NEAR PIZZA HUT, LAHORE	35202-2867979-7	SAJJAD HUSSAIN	0.424	-	-	0.424	-	0.308	-	0.732
361	KHALIL AHMAD OFFICE BAJWA HOSPITAL,OPD AND EMERGENCY DEPTT.,G.T.RD-109,BAJWA HOSPITAL,VANDALA RD,LAHORE	45105-1847924-3	KHUSHI MOHAMMAD	0.302	-	-	0.302	-	0.230	-	0.532
362	DAWOOD HOUSE NO. C-10,GENERAL ABAD BLOCK A,CLIFTON,NEAR ZIAUDDIN HOSPITAL,KARACHI	42301-1109658-9	GUL-E-LALU JAN	0.486	-	-	0.486	-	0.496	-	0.982
363	AHMED JAMIL RES HINO 35P,VALANCIA HOMES VALANCIA TOWN,LAHORE	35200-3511626-1	MUHAMMAD AJMAL	0.431	-	-	0.431	-	0.309	-	0.740
364	MANZOOR HUSSAIN OFF A-Z M ENTERPRISES,J/2/13, PAK JAMHORIA COLONY,NEAR PNS SHIFA HOSPITAL,KARACHI	42301-0807798-7	MAKBILLI KHAN	0.370	-	-	0.370	-	0.330	-	0.700

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				Principal	Mark-up	Other Charges	Total		Un-Debited Mark-up	Reversal	
365	NADIR ALI OFFNASIR CHICKEN CENTRESHOP-44, MAIN GOLE MARKET,NAZIMABAD, NO.3,NEAR NIB BANK,KARACHI	42101-6503828-1	NIZAM UDDIN	0.296	-	-	0.296	0.296	0.314	-	0.610
366	KASHIF HANIF CRYSTAL-1,SHOP NO 25-A,BLOCK NO.12-C,JINNAH SUPER MARKET, ISLAMABAD	37405-0658479-1	MUHAMMAD HANIF	0.377	-	-	0.377	0.377	0.352	-	0.729
367	MUDASSIR KHURSHID ALAM SHAH OFFICE UNITED BANK LIMITED BR BANKING DEPTT. UBL REWAZ GARDEN BRANCH CHOWK CHUBURGI,LAHORE	35202-0373009-1	SYED KHURSHID ALAM SHAH	0.405	-	-	0.405	0.405	0.201	-	0.606
368	MOHAMMAD SADDIQUE URF BALA OFFICE MSN AND CO (SHANDY COLA DISTRIBUTOR),HAMZA CHOWK,MAIN SHAUKAT TOWN,NEAR SHAN,LAHORE	32303-7520737-9	MANZOOR HUSSAIN	0.479	-	-	0.479	0.479	0.467	-	0.946
369	MUHAMMAD SHAHBAZ BAIG OFFICE IQRA TRADERSHOP NO.6, ST-44,MUHAMMAD DIN MKT,DARBAR MIRAN HUSSAIN CHAHMILAHORE	35202-0364639-5	MIRZA ANWER BAIG	0.483	-	-	0.483	0.483	0.481	-	0.964
370	HASSAN TAYYAB RES HNO.10,STNO.2,PAK PARK NEA R MARGAZAR COLONY,MULTAN ROAD, LAHORE	35200-1557620-9	SARFRAZ AHMED	0.298	-	-	0.298	0.298	0.285	-	0.583
371	MUHAMMAD FTIKHAR RESIDENCE HOUSE NO E-457/B,STNO 1,PIR COLONY,WALTON CANTT, NEAR ALLAH REHMAT MASJID,LAHORE	35201-7079415-1	BAKSHIR AHMED	0.493	-	-	0.493	0.493	0.525	-	1.018
372	MUHAMMAD MANSOOR SADIQ AL-MANSOOR MOBILE CENTRE & REPAIRING LAB SHOP-376A,5,G.T.RD, CHOWK DAROCHAHWALA,MCB,LAHORE	35201-6073763-5	MUHAMMAD SADIQ	0.490	-	-	0.490	0.490	0.510	-	1.000
373	MUHAMMAD MUSHTAQ RES.H-15641ST,24,LIAQUAT ASH COLONY-2,MEHMOODABAD-6,NEAR BARKAT MURGH CHOLAY,KARACHI	42201-0599684-9	MUHAMMAD GULZAR	0.453	-	-	0.453	0.453	0.386	-	0.839
374	MOHSIN BUTT OFFICE PORTS LOGISTICS SERVICE FLAT.3,MAIN PLAZA,624-627-G-1, JOHAR TOWN,DOCTOR HOSP,LAHORE	34603-6679073-3	MUHAMMAD ISHAQ BUTT	0.434	-	-	0.434	0.434	0.328	-	0.762
375	MUHAMMAD ZIA UL-HAQ OFF-ALLIANCE ENTERPRISES(PVT) LTD. 8-C-1,SUIT.3,FIRST FLOOR, CIVIC CENTRE,FAISAL TOWN,LAHORE	35202-2363794-3	MUHAMMAD IKRAM-UL-HAQ CHAUDHRY	0.401	-	-	0.401	0.401	0.253	-	0.654

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				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
376	MUHAMMAD KHURRAM FAROOQ NATIONAL COMM.FOR HUMAN DEVELO HEALTH DEPT T.A.CLUB RD ANEXE- B,MINISTRY OF FORG N,LAHORE	45504-1426220-3	MUHAMMAD FAROOQ ASLAM MIAN	0.393	-	-	0.393	0.219	-	0.612
377	SYED TANWEER ALTAF STME PVT LTD,H-5/A STREET NO. 13,F-8/3,ISLAMABAD	35202-2486357-9	SYED ALTAF HUSSAIN	0.279	-	-	0.279	0.238	-	0.517
378	SAJJAD RAZA R-461,BLOCK-20,F.B. AREA, KARACHI	42201-1576833-3	JAFFAR RAZA	0.434	-	-	0.434	0.332	-	0.766
379	MUHAMMAD WASEEM BABAR OFFICE HAFIZ WASEEM TRADERS 297 AL-HADID BAZAR,BAROON SARAY SULTAN,LAHORE	35202-2144408-1	MUHAMMAD RAFIQUE	0.339	-	-	0.339	0.162	-	0.501
380	JAMEEL AHMED KHAN OFFICE AKHWAN HARDWARE AND PAINT STORE,MAIN KURI ROAD, RAWALPINDI	37405-4608480-3	WAZIR AHMED	0.497	-	-	0.497	0.539	-	1.036
381	ABDUL SHAKOOR (DIAMOND FOAM)CAPITAL IND L RI ENTERPRISES(PVT)LTD,MIS(DEPT), 23-KM MULTAN ROAD,LAHORE	35202-8161688-9	MUHAMMAD AFEZAL	0.350	-	-	0.350	0.156	-	0.506
382	ADNAN AHMED RESHOUSE NO G-90/1,MALIR COLONY, NEAR TAYIBA MASJID,KARACHI	42501-6308635-9	SHAKEEL AHMED	0.287	-	-	0.287	0.280	-	0.567
383	MUHAMMAD ZEESHAN TARIQ RES H.NO.118-K3,WAPDA TOWN, LAHORE	34101-2618771-9	M. ISMAIL TARIQ	0.300	-	-	0.300	0.229	-	0.529
384	MUHAMMAD SAEED OFF.SAEED MOULDING WORK,66/64 KACHU PURA ROAD,NAZAD CHAH, MIRAN ROAD,NEARR BUTT CHAIR,LAHORE	35202-2420039-5	ABDUL HAMEED	0.345	-	-	0.345	0.367	-	0.712
385	MUBASHAR IQBAL OFFICE BILAL ENGINEERING WORKS, JAMIA MASJID MUHAMMADIA MUSA, SHADRABAIWA SANTOR,LAHORE	35202-2416404-9	MUHAMMAD YASIN	0.467	-	-	0.467	0.426	-	0.893
386	MUHAMMAD FAROOQ IMPRESSION MARKETING SUIT,9, 3RD FLOOR,PARIS PLAZA ALJANNAT SHOPPING MALL,RAWALPINDI	37405-4505148-9	MUHAMMAD ISMAIL	0.380	-	-	0.380	0.363	-	0.743
387	MUHAMMAD HANIF CHAUDHRY OFF JAVED TRADING COMPANY 57 FERDZERUR ROAD ICHRAL,LAHORE	35202-4758150-5	CHAUDHRY GHULANI MUHAMMAD	0.382	-	-	0.382	0.277	-	0.659

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388	AMIR HASHMI OFFICE SKY CHAIN,36 UG, EDEN TOWER, GULBERG II, LAHORE	37405-7410874-3	SADAT AHMAD HASHMI	0.449	-	-	0.449	0.372	-	0.821
389	SYED ABBAS JAMAL OFF MADINA BAKERY & NIMO CORNER SHOP-3, KARACHI CENTER, APT, BLOCK-A-5, PIB COLONY, KARACHI	42101-6488970-7	SYED JAMAL	0.449	-	-	0.449	0.370	-	0.819
390	AHMED NUMAIR MIRZA OFF U FONE PAK TELECOM MOBILE PLOT NO.181-186, ST NO.21-19/2, ISLAMABAD	61101-0394144-5	AHMED SOHAIL MIRZA	0.441	-	-	0.441	0.255	-	0.696
391	NAZISH RAZA HASNAIN RESHOUSE NO. A-36 BLOCK 13D/3 GULSHAN-E IQBAL, NEAR EVER GREEN BANGLOWS, KARACHI	42000-7537115-9	RAFIQ-UL-HASNAIN	0.365	-	-	0.365	0.296	-	0.661
392	MUHAMMAD ZAHID KHAN RES R-341 SECTOR-8, NORTH KARACHI, NEAR BOMBAY BAKERY, KARACHI	42101-1807173-3	DIL HUSSAIN	0.353	-	-	0.353	0.166	-	0.519
393	MUHAMMAD EJAZ RES FLAT NO. F-2 BAGH ERIZWAN BLOCK-16, GULSHAN E IQBAL, NEAR NOOR MASJID, KARACHI	42201-6943317-3	MUHAMMAD USMAN	0.382	-	-	0.382	0.225	-	0.607
394	WALI UL ISLAM SHAHEEN H.NO.264, ST NO.08 AL NOOR COLONY, SECTOR-III KRL ROAD, RAWALPINDI	37405-4015474-3	ISLAM UD DIN SHAHEEN	0.388	-	-	0.388	0.236	-	0.624
395	FAHD BAIG HOUSE NO.93, STREET NO.61, F-11/4, ISLAMABAD	61101-1846683-5	IFTIKHAR BAIG	0.483	-	-	0.483	0.482	-	0.965
396	FAISAL MURTAZA 112-RAFI MANSION, MALL ROAD, LAHORE	35202-2285811-7	JAVED AHMAD	0.459	-	-	0.459	0.312	-	0.771
397	WAQAS KHALID SHUJA RES H NO /57, MOHALLA NIZAM, BLOCK ALLAMA IQBAL TOWN, NEAR BRAIN NET OFFICE, LAHORE	42101-0131552-9	KHAWAJA KHALID MAHMOOD	0.347	-	-	0.347	0.254	-	0.601
398	MUHAMMAD RAHIM OFFICE SOB TRADERS, SHOP NO.17A MARCALLA PLAZA, CHONGI ROAD SOHAN, ISLAMABAD	61101-6760032-5	MUHAMMAD SHAN	0.417	-	-	0.417	0.296	-	0.713
399	ZULFIQAR ALI HOUSE NO. 21 REHMAN STREET NO.4, SHANKAR DASS AHATTA, NISHTER ROAD, LAHORE	35201-6412547-9	MANZOOR AHMAD	0.255	-	-	0.255	0.281	-	0.536

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400	MUHAMMAD UMER RES FLAT NO 04 AL RAHIM APPT. PLOT NO. 704/166 JAMSHAD ROAD NO.3,KARACHI	42201-1689720-1	MUHAMMAD YASEEN	0.412	-	-	0.412	0.209	-	0.621
401	HINA ISLAM HOUSE NO.A-210, BLOCK-13/A, GULSHAN-E-IQBAL NEAR MASJID GILLANI OPP PIA AUDIT,KARACHI	42101-1713672-0	SHAIKHI ISLAMUDDIN	0.348	-	-	0.348	0.196	-	0.544
402	WAKEEL AHMED OFF.ANNOL INT'L TRAVEL & TOUR, OFF.12-14,1ST FLOOR,33B/1 MIAN PLAZA,CHANDINI CHOWK,RAWALPINDI	37405-3943199-9	JAMIL UD DIN	0.359	-	-	0.359	0.298	-	0.657
403	MUHAMMAD AZAD H.NO.17,GREEN VALLEY-II BHARA NEAR BORI WALA SITE OFFICE, ISLAMABAD	61101-7147046-5	MANSABDAR	0.479	-	-	0.479	0.468	-	0.947
404	SARWAR ALI HOUSE NO.212,2ND FLOOR,STREET NO.4,SECTOR D,AKHTAR COLONY, NEAR X-9 BUS,KARACHI	42301-0716384-5	M.SADDIQ	0.409	-	-	0.409	0.233	-	0.642
405	MAHWISH SUITANA OFFICE TELENOB CUSTOMER RELATI ON DEPTT.,BEHRIA COMPLEX FIRST FLOOR,MALL ROAD,LAHORE	35201-7604726-6	SHAHID MAQBOOL	0.300	-	-	0.300	0.225	-	0.525
406	LIAQAT ALI RES ST.NO.3,MALIK TOWN,DOSAKO CHOWK NEAR KANDAY WALAHORE	35202-4899835-3	GHULAM MUHAMMAD	0.354	-	-	0.354	0.181	-	0.535
407	RIZWAN KHALIQ CHOHAN RES R-228,ANWAR IBRAHIM MALIR NEAR GREENLAND SCHOOL,KARACHI	42201-0686821-5	ABDUL KHALIQ CHOHAN	0.388	-	-	0.388	0.367	-	0.755
408	MUHAMMAD FURQAN OFF DOLEX HOUSE DEPT OPERATION OFFICE-201,MARINE FAISAL 2-FLR PECHS,NURSERY BUS STOP,KARACHI	42201-0643023-7	MUHAMMAD SALEEM	0.342	-	-	0.342	0.329	-	0.671
409	ANWAR UL HAQ BANGLOW NO.D-199,RUFF DREAM LAND BLOCK 8,CULISTAN-E-JOHAR KARACHI	42501-1503906-3	MUHAMMAD INAYATULLAH	0.348	-	-	0.348	0.186	-	0.534
410	NOOR KHAN KARACHI CENTRE FOR DISPUTE RESOLUTION D-9/5 PARK LANE BLOCK-5, CLIFTON,KARACHI	71502-3272881-5	IBADAT SHAH	0.370	-	-	0.370	0.198	-	0.568

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411	SYED MUZAHIR HUSSAIN RES. H.NO.145,ALI BLOCK,NEW GARDEN TOWN,LAHORE	35202-3332261-5	SYED MUSHTAQ HUSSAIN	0.379	-	-	0.379	0.168	-	0.547
412	AAMIR MAHMOOD OFF. AMIR & CO.OFF.5,1ST FLOOR, MARBLE PLAZA-I-9 MARKAZ,OPP. CNG STATION,ISLAMABAD	37405-7336738-9	MUHAMMAD KHAN	0.355	-	-	0.355	0.286	-	0.641
413	MUHAMMAD JAWAD FALCON COMPLEX,HOUSE NO.424, ST NO.17,NEAR CHATRI CHOWK, RAWALPINDI	37405-4142278-5	MUHAMMAD DILBAR	0.393	-	-	0.393	0.185	-	0.578
414	SHEIKH ALRAZA JAWA RESIDENCE H.NO.199,TARIQ BLOCK NEW GARDEN TOWN,LAHORE	35202-1226138-1	SHEIKH ANWAR ALI JAWA	0.298	-	-	0.298	0.323	-	0.621
415	MAZHAR AHMED SABIR OFF INVEST CAPITAL INVEST BANK C3,12TH COMM. LANE KHAYABAN-E- ITTEHAD,DHA,OPP.KFC, KARACHI	42201-3286754-5	NAZEER AHMED	0.349	-	-	0.349	0.237	-	0.586
416	MUHAMMAD TAYAB MAHER OFFTAWAIRQI STEEL MILLS LTD., HSE DEPT,OPP.KESC BIN QASIM POWER PLANT PORT QASIM,KARACHI	42201-8913162-1	NAWAB ALI	0.357	-	-	0.357	0.172	-	0.529
417	MOJIB SHIWANI OFF.SHIWANI INDUSTRIES 9-10, ALAM CLOTH MARKET,M.A. JINNAH ROAD, NEAR MEMON MASJID,KARACHI	42301-5979311-3	ABDULL KAREEM SHIWANI	0.390	-	-	0.390	0.332	-	0.722
418	MUHAMMAD HASSAN HOUSE-454,ABBAS CEBLOCK,MUSTAFA TOWN,NEAR SUBHAN BANQUET,HALL & MUSTAFA TOWN PARK,LAHORE	35202-2170517-1	MUHAMMAD ALI	0.378	-	-	0.378	0.221	-	0.599
419	HAMMAD AHMED ARY COMMUNICATION (PVT) LTD, SUITE NO.105,1ST FLOOR,SADIQ TRADE CENTER GULBERG,LAHORE	31304-2099783-1	MUHAMMAD NASEEM	0.402	-	-	0.402	0.264	-	0.666
420	NASEER SHAH AL NOOR CEMENT TRADERS,SHOP NO. 5, PLOT 72,10TH COM. STREET,PHASE IV, OPP.MASJID IBRAHIM,KARACH	42301-1003024-9	SYED MOJIB SHAH	0.273	-	-	0.273	0.233	-	0.506
421	AJIB USMAN PAKISTAN MIRCRO FINANCE NETWORK, OFF.NO.132,ST.NO.40,F-10/4, ISLAMABAD	33100-3635232-3	MUHAMMAD ALI	0.347	-	-	0.347	0.333	-	0.680

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				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
422	QAISAR MAHMOOD RES HOUSE NO.400-7H,1ST,NO.04, WARD NO.10,PESHAWAR ROAD NEAR ISMAIL MILL,RAWALPINDI	34403-1941244-5	MUHAMMAD BASHIR	0.396	-	-	0.396	-	0.279	-	0.675
423	AFAQ AHMED KHAN DURRANI RES HOUSE NO.1423/2,BLOCK-2, AZIZABAD,F.BAREA,KARACHI	42101-6678123-9	FAROOQ AHMED KHAN DURRANI	0.353	-	-	0.353	-	0.311	-	0.664
424	MUHAMMAD AKRAM BHATTI AKRAM & SONS MUTTON SHOP,8 MAIN BAZAR,GHARI SHAHU,LAHORE	35202-4099198-7	MUHAMMAD YOUSUF BHATTI	0.434	-	-	0.434	-	0.333	-	0.767
425	NABEL AHMED HOUSE NO.A-521,1ST FLOOR,BLOCK 5,GULSHAN-E-IBBAL,NEAR NARIYAL PARK,KARACHI	42201-0640506-7	RAEES AHMED	0.347	-	-	0.347	-	0.254	-	0.601
426	MUHAMMAD RAMZAN NADEEM HOUSE NO.MC-27/A,1ST FLOOR, GREEN TOWN,NEAR MAKKAH MASJID, KARACHI	61101-1914849-5	NISAR AHMED REHMANI	0.462	-	-	0.462	-	0.322	-	0.784
427	CHAUDHRY MUHAMMAD ARIF CHAUDHRY TRADERS,F-4/5,HAJVERY TOWER,NEAR CHOWK CHUBURJI, LAHORE	35202-5301017-9	MUHAMMAD ISMAIL	0.454	-	-	0.454	-	0.386	-	0.840
428	MUHAMMAD MUMTAZ H.NO.29/18,H-2,ST.NO.9,GHOSIA COLONY,WALTON ROAD NEAR RAHAT BAKER,LAHORE	35202-2391307-3	MUHAMMAD MUSHTAQ	0.300	-	-	0.300	-	0.226	-	0.526
429	BISMILLAH DEPARTMENTAL STORE JANBAZ CENTRE,SHORKOT ROAD, TOBA TEK SINGH	ARIF GHIAS 33303-2685333-9	QAZI GHIAS UDDIN JANIBAZ	3.999	-	-	3.999	-	1.157	-	1.157
430	MURAD VILLAGE KALATUK,DISTT.KECH,C/O. HASSAN SHOP KEEPER,DASHTI ROAD,TURBAT	63100-3705012-9	ABDULLAH	0.812	-	-	0.812	-	0.951	-	1.763
431	MUHAMMAD HASSAN GRAM KANIPANJUR	33203-1466887-1	ALI MOHAMMAD	0.288	-	-	0.288	-	0.258	-	0.546
432	AL-GHANI TRADERS PIR ABDUL REHMAN JUNOBI,TEH. AHMED PUR SIALD,ISTT.JHANG	33203-1466887-1	TASLIM HUSSAIN SHAH	0.004	0.147	-	0.151	-	1.051	-	1.051
433	RAVI PLASTIC INDUSTRIES (PVT) LTD USMAN STREET, BUND ROAD,LAHORE	SHAFIQ-UR-REHMAN 35202-5624983-5 ATTIQ-UR-REHMAN 35202-0196327-7 MUHAMMAD RAFIQ 35202-5624888-5	LATE MUHAMMAD RAFIQUE QURESHI LATE MUHAMMAD RAFIQ QURESHI MIAN NOOR AHMED QURESHI	26.990	0.360	-	27.350	-	11.218	0.360	11.578

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434	CENTRAL CERAMICS MEZZANINE OFFICE NO.182,MEZZANINE FLOOR,PLOT NO.10-C,SEHAR LANE 4, PHASE-VILDHA,KARACHI	SAMI-UZ-ZAMAN 42201-6299923-5 IRSHAD KAZMI 42201-1478285-5	IQBAL AHMED	8.200	-	-	-	4.126	-	4.126
435	AL-SAFA EXPORTS SC-11,BLOCK-N,NORTH NAZIMABAD, KARACHI	ALIYA KHAN	IQBAL AHMED	4.306	-	-	1.241	2.486	-	3.727
436	F.F.CONSTRUCTION PLOT NO.9,ROW NO.5,(E.5/9) NAZIMABAD,NO.1,KARACHI	SHEKH ABDUL SAMAD 42101-1545026-7 SAJID NADEEM 42101-7830841-5	SH.GHULAM RASOOL SH.ABDUL SAMAD	5.711	-	-	-	1.706	-	1.706
437	HAFEEZ ELECTRICAL INDUSTRY NIGAR CINEMA,C.T.ROAD, GUJRANWALA	MUHAMMAD HAFEEZ 34101-4649248-5	REHMAT ALI	1.300	0.252	-	-	0.803	-	0.803
438	HASNAIN USMAN TRADING CO FATEH SHER HOUSE,CHINIOT MORE, JHANG SADDAR.	SARFARAZ KHAN 38405-2279039-7 MUHAMMAD YAQOOB 33201-1607179-7	REHMAT ALI	2.100	-	-	-	4.307	-	4.307
439	KAMAL AGRO INDUSTRIES PHALA FACTORY NEAR PUNJAB ARHAT, NEAR WAQAR KANTA KACHA,RAHEEM ROAD,MISRI SHAH,LAHORE	FAROOQ KAMAL 35202-9566337-9	KAMAL DIN	6.494	0.100	-	-	2.549	-	2.549
440	SYED YASIR RAZA HOUSE # A-8,KDA OVERSEAS BUNGALOWS BLOCK-16-A,NEAR HILL TOP,LAWN, GUJISTAN-E-JAUHAR,KARACHI	42201-3565966-1	SYED HUSNAIN RAZA	0.627	-	-	0.627	0.175	-	0.802
441	SAAD YOUSUF USMANI HOUSE#36-A,ROBINA CITY,BLOCK-14, GUJISTAN-E-JOHAR,KARACHI	42201-7606673-9	JAVED YOUSUF USMANI	0.484	-	-	0.484	0.154	-	0.638
442	T.SHAIKH CO H-381SECTOR-50-E,KORANGI TOWNSHIP,KARACHI	TANVEER AHMED SHAIKH 42301-7246122-7	ZAHEER AHMED SHAIKH	-	0.095	-	-	3.025	0.095	3.120
443	BASHIR PRINTING INDUSTRIES (PVT) LTD CHAH#77/B,NEAR PHARAN DRAIN SARGODHA ROAD,FAISALABAD	RASHEED AHMED 33100-0899225-9 NAVFEED AHMED 33100-0899230-7 ZULFIQAR AHMED 33100-8523136-9	ELAHI BAKHSH RASHID AHMED NOOR AHMED	43.941	1.000	-	-	16.255	-	16.255
444	ALI COLLECTION JEWELERS SADDAR BAZAR TOBA TEK SINGH.	TAHIR MEHMOOD 33303-8859797-3	MUHAMMAD RAMZAN	1.610	-	-	-	0.907	-	0.907
445	IQBAL FURNITURE EIDGAH ROAD,CHINIOT.	JAVED IQBAL 33201-3309055-3	MUHAMMAD HANIF	1.108	0.045	-	-	0.597	-	0.597

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				Principal	Mark-up	Other Charges		Total	Un-Debited Mark-up	Reversal		
446	SHADI KHEL PETROLEUM SERVICE SARGODHA ROAD,MIANWALI.	IMTIAZ ULLAH KHAN 38302-5772692-3	HAJI ZAFAR ULLAH KHAN	4,498	-	-	4,498	-	-	2,378	-	2,378
447	MUHAMMAD RAMZAN WEAVING FACTORY CHAK.NO.188-1B,NALEY WALA, FAISALABAD	MUHAMMAD RAMZAN 33101-1689718-5	FAQEER MUHAMMAD	6,787	0,513	-	7,300	-	-	4,511	-	4,511
448	LEVER PACKAGES SHAHDAB COLONY,NEAR NAQVI PARK, JHANG ROAD,FAISALABAD	SALEEM SOHAIL 33100-4623932-3	MUHAMMAD SHARIF	3,500	0,331	-	3,831	-	-	1,936	-	1,936
449	M. HABIB & ABU BAKAR WEAVING FACTORY NAWALIAN WALA ROAD,NEAR POLICE CHOWK SAMANABAD,FAISALABAD	MUHAMMAD HABIB ABU BAKAR 33100-0597278-7		14,000	1,249	-	15,249	-	-	5,917	-	5,917
450	NAZEER AHMED VILLAGE SOLBAND/C/O HASSAN SHOP KEEPER DASHITI ROAD,TURBAT	52203-7329711-3	SYED AHMED	0,319	-	-	0,319	0,319	-	0,282	-	0,601
451	KLASS TEXTILE MILLS (PVT) LTD DEFENCE ROAD,1-KM,OFF SHOPTIAN CHOWK RAIWIND ROAD,LAHORE	SADIA YOUNUS MANSHA 35202-2483564-2 KALSOOM YOUNAS 35202-6883179-4 CH.NAZIR AHMED 36501-1866304-3		337,576	-	-	337,576	101,886	-	140,647	-	242,533
452	WARYA COOL INDUSTRIES 66-A,FEROZEPUUR ROAD,LAHORE	MUHAMMAD RAMZAN 35201-9397133-7	CH.MUHAMMAD HAYAT	2,501	-	-	2,501	-	-	3,154	-	3,154
453	DIVINE DEVELOPERS (PVT) LTD 3RD FLOOR DIVINE CENTRE MAIN DEFENCE ROAD,LAHORE	MUHAMMAD AMJAD 35201-7413466-7 MUHAMMAD AJMAL AZIZ 35201-7309916-7 M.MAJID AZIZ 35201-8112729-9	ABDUL AZIZ ABDUL AZIZ ABDUL AZIZ	35,000	-	-	35,000	-	-	21,356	-	21,356
454	KHALID CORPORATION KOT SAI SINGH CHINNIOT MORE, TEH. & DISTT,JHANG	ABDUL MAJID 33202-1207860-1 AMIR KHAN 38403-1542091-9 MUHAMMAD SHAKSHER KHAN 33202-1144946-1	HAJI GEHINA KHAN NAWAZ KHAN HAQ NAWAZ	4,499	0,300	-	4,799	-	-	5,484	-	5,484
455	TARIQ WEAVING FACTORY NEAR RAMZAN SIZING INDUSTRY, FAIZABAD,GHULAM MUHAMMADABAD, FAISALABAD	ABDUL REHMAN 33100-8590497-9	GHULAM RA SOOL	1,200	-	-	1,200	-	-	1,025	-	1,025
456	VERSTILE INTERNATIONAL 195-L1,MODEL TOWN EXTENSION, LAHORE	ASHRAF-UL-AZIM 35202-3382729-1	MUHAMMAD FAZAL AZEEM	19,998	0,414	-	20,412	-	-	0,879	-	0,879
457	RAHEEM SONS BAHAWAL PUR ROAD,ADAM WAHINI, DISTT. LODHRAN	MIAN ABDUL RAHEEM 36203-1815260-7 KAMAL RAHEEM 36203-1815271-3	HAJI AJMAL MUHAMMAD MIAN ABDUL RAHEEM	1,999	0,401	-	2,400	-	-	1,651	-	1,651

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
		SAFIA BEGUM 36202-1272702-2 NOSHREEN ZEHRA 36203-0994477-2	MUHAMMAD AKHTER ANWER RAHEEM								
458	MISTER SHOES SADDAR BAZAR, OKARA	MUHAMMAD SHAFIQUE 35302-1054575-1	SHEIKH MUHAMMAD ASHRAF	2,000	0.087	-	2,087	-	1,602	-	1,602
459	CH.SAIF-UR-REHMAN POULTRY FEED & COMM.SHOP, HOUSE.NO.P-17,SANEED COLONY, FAISALABAD	ATTIQUE-UR-REHMAN 33100-7054173-7	SAIF-UR-REHMAN	3,000	0.770	-	3,770	-	1,185	-	1,185
460	ADNAN BOOKS INTERNATIONAL BLOCK # 24,2ND FLOOR,3-TEMPLE ROAD,MIAN CHAMBERS,LAHORE	SHEIKH AHMED JAMAL 35202-3873629-7 NAJMA BEGUM 35202-2822153-2	SULTAN CHAND SHEIKH HUSSAIN UDDIN (LATE)	1,500	0.190	-	1,690	-	0.557	-	0.557
461	MUGHAL ENGINEERING WORKS(PVT) LTD MAIN KAHNA ROAD NEAR CALTEX PETROL PUMP,LAHORE	BASHIR AHMED MUGHAL 35202-5129473-7 QURBAN BIBI 35202-1138090-2	FEROZ DIN MUGHAL BASHIR AHMED MUGHAL	59,928	3.399	-	57,327	-	27,899	-	27,899
462	ASIF & BROTHERS 106-H,MODEL TOWN,LAHORE	MUHAMMAD ASIF 35202-1024527-7 OMER AMIN 35202-6987733-9	HAJI MUHAMMAD AMIN HAJI MUHAMMAD AMIN	14,856	1.167	-	16,023	-	-	0.823	0.823
463	PRINCE FABRICS (PVT) LTD 127/3 INDUSTRIAL ESTATE,KOT LAKHPAT,LAHORE	MIAN MUHAMMAD NAEEM 35202-3480135-3 IMRAN NAEEM 35202-6077712-1 MUHAMMAD SAMI NAEEM 35202-6020403-1 MUHAMMAD ASIF 35202-1024527-7 MUHAMMAD OMER AMIN 35202-6987733-9 MUHAMMAD SOHAIL NAEEM 35202-0473882-1	MUHAMMAD SHAFI MIAN MUHAMMAD NAEEM MIAN MUHAMMAD NAEEM MUHAMMAD AMIN MUHAMMAD AMIN MIAN MUHAMMAD NAEEM	60,561	3.283	-	63,844	-	27,268	3.283	30,551
464	MUHAMMAD FAROOQ TEXTILE MILLS LTD KORANGI INDUSTRIAL AREA, KARACHI	MUHAMMAD MUKHTAR SUMAR 42201-3324087-3 SABIHA SUMAR 42201-1154169-2 FAHMIDA CHAPRA 42000-0505253-0 IFTIKHAR AHMED BASHIR 61101-1991024-5 SHAHID NAZEER AHMED 42301-8951574-3 MUHAMMAD IQBAL KHAN 42000-6451486-7	LATE ABDUL KAREEM SUMAR LATE ABDUL KAREEM SUMAR RASHID JAN MOAMMAD CHHAPRA MUHAMMAD BASHIR NAZIR AHMED	509,202	-	-	509,202	187,612	349,787	-	537,399

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband's Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
465	CALLMATE TELIPS TELECOM LTD. 99-CF-1/5, CLIFTON, KARACHI	MUHAMMAD AJMAL ANSARI 42000-0677785-3 HASAN JAMIL ANSARI 42301-4170707-5 YUBA JAMIL ANSARI 42301-4918316-4 MARIA JAMIL ANSARI 42301-2403949-4 NUZHAT IKRAM ULLAH 42301-3534786-6 ABU SHAMIM MUHAMMAD ARIF 42301-7193007-3	ZILLUR REHMAN ANSARI AHMED JAMIL ANSARI AHMED JAMIL ANSARI SALMAN MOEEZ AHMED SYED AHMED IKRAM ULLAH MUHAMMAD ARIF	225.423	-	-	225.423	-	128.049	-	353.472
466	H.M. INTERNATIONAL II-A, 41, NAZIMABAD, KARACHI	NOUSHAD AKBER 42101-1920976-1 HUMAYUN MIRZA 42101-1601798-7	MUHAMMAD HASHIM MIRZA AYAZ UDDIN	-	-	-	-	-	1.558	-	1.558
467	HILAL TYRE TRADERS SHOP#3, OLD REVALI CINEMA, CIRCULAR ROAD, LAHORE	ABDUL SAMAD SHEIKH 35200-1424745-3	MOHAMMAD KAUSAR SHEIKH	1.500	0.050	-	1.550	-	0.963	-	0.963
468	ARSHAD CLOTH HOUSE SHOPING 50, UMER BLOCK, NEAR TADDY STREET PAKISTAN CLOTH MARKET, LAHORE	MUHAMMAD ARSHAD 352.02-8256150-9	MUHAMMAD ISMAIL	0.999	0.036	-	1.035	-	0.566	-	0.566
469	LUTTON ROAD PEARL GAS AGENCY 107-LUTTON ROAD, LAHORE	OMER HANIF 35202-6472143-5	GHULAM HABIB	3.459	1.535	-	4.994	-	2.333	-	2.333
470	ANWAR RAHIM GENERAL TRADERS BAHAWAL PUR ROAD, ADAM WALI, DISTT. LODHRAN	MISTRZIA PARVEEN 31202-0297738-8 REHANA SHAHNAZ 36602-0908164-6 MIAN ABDUL RAHIM 36203-1815260-7 ANWAR RAHIM 36203-1815273-5	MUHAMMAD IBRAHIM MUHAMMAD IQBAL HAJJJAMAL MUHAMMAD MIAN ABDUL RAHIM	3.224	0.619	-	3.843	-	2.005	-	2.005
471	MALIK MUAZIM HUSSAIN BASTI JHOKE LAAL, MOUZA WIGHA MALL, TEHKEHOR PACCA, DISTT. LODHRAN	36202-0953836-1	MALIK GHULAM FAREED	4.996	0.704	-	5.700	-	1.225	-	1.225
472	AZIZ DUPATTA CENTRE DUPALLA MARKET, GALI BATA SERVICE WALI HUSSAIN AGAHI, MULTAN	MUHAMMAD A SHRAF QURESHI 36302-9000581-5	MUHAMMAD A SHRAF QURESHI	1.000	0.370	-	1.370	-	0.514	-	0.514
473	SYED SALMAN MUJTABA NAQVI R-881, BLOCK-20 F.B AREA, KARACHI	42101-5255888-5	SYED MUSHTAQ MUJTABA	2.631	-	-	2.631	-	2.181	-	2.181

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
474	786-CARMENTS H-83 HEWAZ GARDEN, LAHORE SHOP, 93-B BASEMENT PANORAMA CENTRE, THE MALL, LAHORE	MASOOD AFTAL 35202-0323704-9	MALIK MUHAMMAD AFTAL	5,000	-	-	-	-	4,325	-	4,325
475	BISMILAH STEEL RE-ROLLING MILLS (PVT) LTD, NEAR BOYS DEGREE COLLEGE, BHIMBER, AZAD KASHMIR	RAJA AURANGZEB KHAN 42401-9500513-1 RAJA MUHAMMAD AZAM KHAN 34202-0816984-1 RAJA AZIZ AHMED KHAN 81103-6042514-9	RAJA WALIDAD KHAN ABDUL GHAFOR KHAN RAJA ALAHA DITTA KHAN	6,102	1,893	-	-	-	2,569	1,223	3,792
476	GUYTON PHARMACEUTICALS 25.5 KILOMETER RAINWIND ROAD, LAHORE	TASNEEM KHURSHED SIDDIQUI 35202-2506684-2 BILAL KHURSHID SIDDIQUI 35202-5705402-7 ZAIN KHURSHID SIDDIQUI 35202-9539627-9 FAIZAN KHURSHID M.	KHURSHID AHMED SIDDIQUI KHURSHID AHMED SIDDIQUI KHURSHID AHMED SIDDIQUI KHURSHID AHMED SIDDIQUI	15,000	1,849	-	-	-	8,535	1,210	9,745
477	TAHIR MEHMOOD BUTT AL-MEHMOOD SEWING MACHINE, 7REX MARKET-6, ALLAMA IQBAL ROAD, LAHORE	35201-3034098-7	BASHIR AHMED BUTT	-	-	-	-	-	5,821	-	5,821
478	PARAMOUNT STEEL TRADERS 141-H MODEL TOWN, LAHORE	MUZAMMIL HUSSAIN 35202-7026400-3	MAQBOOL HUSSAIN	11,200	-	-	-	-	3,081	-	3,081
479	PANI ISLAMIC TEAMSHIP COMPANY LTD WRITERS CHAMBERS, MUFTAZ HASAN ROAD, KARACHI	NAWABZADA JAM KARAM ALI INQILAB MATRI NASIM KHAN SHAHAB KHAN JALAL Z. KIDWAI PERVAIZ A. SAYEED MOUZAM ALI 42301-9062338-3	AL-HAJ NAWAB NAZI KHAN M. NASEEM KHAN	9,595	-	-	-	-	13,899	-	23,494
480	ROMA BUSINESS MACHINE PLOT # G-1 BLOCK-7 & 8, COMMERCIAL AREA, PECHS, KARACHI	MOHAN LAL 42301-9084998-9	PEETA MEER DAS	-	-	-	-	-	3,752	-	3,752
481	DOLPHIN AUTO INDUSTRIES (PVT) LTD SUITE NO. 508, 5TH FLOOR, KASHIF CENTRE, SHAHRAH-E-FAISAL, KARACHI	CH. MUHAMMAD ASHRAF 36501-7167574-9 DR. MALIK M. ARSHAD KHAN 42201-0528164-5	CH. ABDUL AZIZ MALIK MUHAMMAD ASLAM KHAN	3,192	1,451	-	-	-	6,649	-	6,649
482	TRADE IMPEX OF PAKISTAN 5-C, 5TH FLOOR, STATE LIFE BUILDING, NO. 4, SHAHRAH-E-LIAQAT, KARACHI	MUHAMMAD IBRAHIM 515-505-119425	ABDULLAH DAWOOD	2,746	-	-	-	-	8,582	-	11,128
483	AKIF BEDDING 654, COMMERCIAL AREA, LIAQUATABAD, KARACHI	MUHAMMAD IMTIAZ 42701-9635574-9	SAHIB JAN	-	-	-	-	-	0,610	-	0,610

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
484	BHATTI CONE BISCUITS PRODUCTS AZIZ PLAZA RAILWAY ROAD, KASUR	MUHAMMAD YOUNUS BHATTI 35102-9129758-1	MIAN KHAIR DIN BHATTI	1,147	0.253	-	-	-	1,095	-	1,095
485	ZAMEER PAPER MART GAMPAT ROAD, LAHORE	SHEIKH ZAHEER ALI 35202-1357585-3	NOOR MUHAMMAD	3,999	0.200	-	-	-	0.686	-	0.686
486	ESSEM ESS CORPORATION PAK LTD 310, MADINA BAZAR, AZAM CLOTH MARKET, LAHORE	S.M. SHARIF NASREEN SAIED SALEEM SHEIKH SHAHEEN SALEEM	MUHAMMAD SHARIF	0.501	-	-	0.501	-	0.484	-	0.985
487	CHAUDHRY SPORTS SHOP-80-GIPANORAMA CENTRE, THE MALL, LAHORE	SHAFQAT HUSSAIN 35202-9980328-5	MUHAMMAD SHARIF	3,000	0.647	-	-	-	2.664	0.359	3,023
488	G.A. IMPEX P-37, RAVI MARKET, MAIN SUSAN ROAD, FAISALABAD	AZHER ABBASS 33100-1155081-7	SYED SAKHAWAT ALI SHAH	6,500	-	-	-	-	2.188	-	2.188
489	FAWAD STEEL RE-ROLLING MILLS MEHMOOD BOOTI SULTAN MAHMOOD ROAD, LAHORE	ASGHAR ALI 502-55-173806	ROZDAR KHAN	1,502	0.342	-	1,502	-	4.337	0.342	6.181
490	ZEEZHAN OIL TRADERS P-20, ARIF STREET, BILAL ROAD, FAISALABAD	ZEEZHAN ILYAS 33100-0975121-9	MUHAMMAD ILYAS FARRUKH	7,000	0.604	-	-	-	5.833	-	5.833
491	H.A. CONSTRUCTION 112-C-NEW MUSLIM TOWN, LAHORE	HAMID ASHRAF 35201-6097667-9	M.A. NASEEM	95,818	5.777	-	5,818	-	47,897	5.777	59,492
492	SHAMA COOL & GENERAL ORDER SUPPLIERS VILLAGE & POST OFFICE, KAKUL, TEH & DISTT. ABBOTTABAD	ZIAFAT KHAN 13101-0872589-3	WALAYAT KHAN	1,000	0.033	-	-	-	0.675	-	0.675
493	SARDAR WEAVING FACTORY FAISALABAD ROAD, GOJRA.	CH. MUHAMMAD ASHFAQ MOHSAN, CH. UMER DIN 33301-0681984-1	MUHAMMAD SHAFIQ	50,515	1.485	-	-	-	32.168	-	32.168
494	AMEEN FOUNDRY SHEIKH ABDUL QADIR JILLANI ROAD, LAHORE	MUHAMMAD AMEEN QADRI 35202-4027222-9	MUHAMMAD SHAFIQ	4,000	0.025	-	-	-	0.934	-	0.934
495	UNIQUE CERAMICS PLOT NO. 21-C, SHAHBAZ LANE NO.1, PHASE-VI, DHAKA, KARACHI	ISHHAT KAZIM 42201-1478285-5	KAZIM ALI SIDDIQUE	-	-	-	-	-	3.217	-	3.217
496	COMPUTER COMMUNICATION INTL. (PVT) LTD SUITE-5, 3RD FLOOR PARK VIEW, PLOT #826-827, NEAR JHEEL PARK, KARACHI	MUHAMMAD TARIQ KHAN 42201-0940017-7 NOREEN TARIQ KHAN 42201-7563531-6	MUHAMMAD YOUSUF KHAN MUHAMMAD TARIQ KHAN FAZAL HASSAN	-	-	-	-	-	2.794	-	2.794
497	SYED ABBAS HASSAN FLAT, NO. A-405, 4TH FLOOR, RUFFI LAKE DRIVE, BLOCK-18, KDA SCHEME-36, GULISTAN-E-JOHAR, KARACHI	42201-7412141-5	FAZAL HASSAN	4,119	-	-	-	-	1,233	-	1,233

S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's/Husband Name	Outstanding Liabilities at beginning of year			Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges		Un-Debited Mark-up	Reversal	
498	RASHID MEHMOOD HBL CHARMALA BRANCH(1306), JHELUM	37301-2285911-5	CH.MUHAMMAD TALIB HUSSAIN	0.475	-	-	0.475	0.475	-	0.523
499	OSAKA INTERNATIONAL 316,3RD FLOOR,SABIR MANZIL, PLAZA QUARTERS,MARSTON ROAD, KARACHI	MUHAMMAD IRFAN MEHRUN-NISA 516-90-324213	MUHAMMAD ARIF MUHAMMAD ARIF	0.550	-	-	0.550	0.398	-	0.948
500	MADINA FERTILIZER AGENCY ANAJ MANDI,DAHARKI	MEHAR DIN 45101-1305974-5	CHAND KHAN	1.500	0.068	-	1.568	2.103	0.068	2.171
501	MURSHID COTTON BROKER ANAJ MANDI,DAHARKI	HAJI MEHAR DIN 45101-1305974-5	CHAND KHAN	1.500	0.068	-	1.568	2.053	0.068	2.121
502	ISKYCO STEEL GUJRANWALA SAKHIRA ROAD PARSUR, DISTT.SIALKOT.	MUHAMMAD IQBAL MIRZA 34602-3585392-5	GHULAM MUHAMMAD	2.490	0.660	-	3.150	2.694	-	2.694
503	MAQBOOL AHMED CHOWK NO.5/4-L,TEH.DISTRICT. OKARA,TEH.RENALA KHURD, DISTT. OKARA	35302-7462752-9	FAIZ AHMED	1.488	0.532	-	2.020	0.929	-	0.929
504	MUHAMMAD AMIN CHAK NO.35-JB BABA BAKLA,P.O. KHASAMINPUR ROAD,FAISALABAD	33100-7748565-5	MUHAMMAD ISHAQ	0.384	-	-	0.384	0.152	-	0.536
505	SARWAR ALI H.NO.27,BUTHI MOHALLA,UC.NO.3, DADU	41201-5527260-1	GHULAM NABI	0.413	-	-	0.413	0.211	-	0.624
506	DR.SURESH KUMAR H.NO.102,MBSI COLONY,JPMC NEAR WARD07,KARACHI	43207-6653383-7	VEROOMAL	0.458	-	-	0.458	0.224	-	0.682
507	ANSA SHAHID H.NO.5,ST.NO.22,IMAM CHAZALI ROAD,MAKHAN PURA,LAHORE	35202-3932398-4	SHAKEEL AHMED	0.434	-	-	0.434	0.229	-	0.663
508	ASHFAQ HUSSAIN WARD NO.4,FIRST HOUSE CHOWK, WEST MOHALLAH EIDGAH,LAYYAH,	32203-7419703-3	MALIK GHULAM HUSSAIN	0.454	-	-	0.454	0.199	-	0.653
509	RAFIQUE AHMED SIAL BASTI CHAR HOEYEWALI,MOUZA SHANDER DAREEGA SHARQI,POSANAWAN, TEHKOT ADDUJMUZAFFARGARH.	32303-2346615-3	GHULAM NABI	0.451	-	-	0.451	0.232	-	0.683
510	BAHOO SEED CORPORATION GHILAH MANDI,SADIQABAD.	FARYAD HUSSAIN 31304-2111234-7 ARIF HUSSAIN 31304-2111232-9 ZAHID HUSSAIN 31304-2110439-3 ZAFAR IQBAL ANJUM 31304-2113171-7	ABDUL HAMEED ABDUL HAMEED ABDUL HAMEED MUHAMMAD TUFAIL	3.000	0.900	-	3.900	1.463	-	1.463



S. No.	Name & Address of the Borrower	Name of Individuals/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at beginning of year			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up	Other Charges			Un-Debited Mark-up	Reversal	
511	MUHAMMAD KALEEM HOUSE.NO.73,MODEL TOWN,BAHA WALPUR	31202-18668817-3	MUHAMMAD YAMEEN	0.512	-	-	0.512	-	0.108	-	0.620
512	M/s Hashim Rasouli Limited Street No. 2, Charahi Haji Yaqoob, AFC Continental Restaurant Kabuli, Afghanistan.	Muhammad Hashim Tazkira Number 211445	Haji Chini	32,498	-	-	32,498	-	-	-	32,498
				3,248.338	344.790	-	3,593.128	-	1,910.196	290.679	3,576.075

Details of Disposal of Operating Fixed Assets - Unconsolidated
ANNEXURE-III

For the year ended December 31, 2015

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
	----- (Rupees in '000) -----					
FURNITURE & FIXTURES						
	1,176	1,176	-	1	Sale	Khalid Brothers
	1,442	1,442	-	100	Sale	Generator X Power System
	2,269	2,269	-	15	Sale	M/s Samha Trade
	4,887	4,887	-	115		
MOTOR VEHICLES						
	1,239	1,239	-	975	Auction	Mr. Niaz Ahmed
	1,239	1,239	-	960	Auction	
	1,269	1,269	-	900	Auction	Mr. Amjad Ali
	1,269	1,269	-	1,000	Auction	
	2,290	2,290	-	1,105	Auction	Mr. M.Jawaid
	1,269	1,269	-	700	Auction	
	1,269	1,269	-	960	Auction	Mr. Saleem Noor
	1,080	1,080	-	820	Auction	
	1,269	1,269	-	850	Auction	Syed Riaz Ahmad
	1,269	1,269	-	1,015	Auction	Mr. Shaik Jawaid
	1,269	1,269	-	1,030	Auction	Mr. Iqbal Moosa
	1,269	1,269	-	875	Auction	Mr. M.Ashraf
	1,239	1,239	-	1,025	Auction	Syed Faqeer
	1,239	1,239	-	1,015	Auction	Mr. Khair Muhammad
	1,239	1,239	-	1,005	Auction	Mr. Abdul Kabir Khan
	1,239	1,239	-	1,035	Auction	Mr. M.Faheem Khalsai
	1,080	1,080	-	820	Auction	Syed Asghar
	1,335	1,335	-	394	Auction	Mr. Juma Khan
	1,921	1,921	-	528	Auction	Mr. Farook Latona
	11,122	8,994	2,128	6,806	Auction	M/s Performance Motors
	36,414	34,286	2,128	23,818		
Assets having cost of less than Rs. 1 million and book value of less than Rs. 250,000	555,285	536,487	18,798	46,618		
	596,586	575,660	20,926	70,551		

DETAILS OF DONATIONS IN EXCESS OF RS. 100,000

For the year ended December 31, 2015

ANNEXURE - IV

	2015	2014
	(Rupees in `000)	
HBL Foundation	354,521	305,064
Earthquake Affectees Relief Fund - Nepal	20,530	-
Alamgir Haque	4,000	-
A.G. Moosa & Co.	2,869	-
Layton Rahmatulla Benevolent Trust	2,800	-
Sindh High Court Bar Association, Karachi	2,000	-
Flood Relief Funds	-	13,037
University of Karachi	-	10,800
Kidz Dunya Ventures (Pvt.) Ltd.	-	8,250
HBL Officers Welfare Association	-	5,761
Patient Behbud Society-AKUH	-	5,000
Oxford University Press	-	5,000
Indus Valley School of Art & Architecture	-	3,083
Pakistan Veterans Cricket Association	-	1,780
Sind Club	-	1,600
Old Ravians Union-GC University, Lahore	-	1,500
Lahore University of Management Sciences	-	1,270
GC University-Lahore	-	1,158
Third World Solidarity	-	1,000
National Academy of Performing Arts	-	1,000
Naya Jevan	-	1,000
New World Concepts	-	1,000
Pakistan Guarantee Export Corporation Limited	-	1,000
Dawn Media Group	-	800
Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology(SZABIST)	-	800
Canvas Gallery	-	645
Institute of Chartered Accountants of Pakistan	-	600
Floral Art Society of Pakistan	-	600
Rotary Club of Lahore Model Town	-	600
Subh-e-Nau	-	500
International Islamic University, Islamabad	-	500
Publicity Channel	-	500
Idara-e-Taleem-o-Aagahi	-	500
Malik Auto & Agricultural Ind. (Pvt) Ltd.	-	500
Tariq A. Qaiser	-	500
Entertainment Xtra	-	450
The Citizens Foundation	-	425
All Pakistan Music Conference	-	400
Karachi Chamber of Commerce	-	350
Pakistan Hindu Council	-	350
Football Championship - Pakistan Rangers	-	300

	2015	2014
	(Rupees in `000)	
CAS Veterans Golf Championship-2014	-	300
Siddiqsons Limited	-	300
The Cardiovascular Foundation	-	300
Zoomin Communications	-	300
Arts Council Institute of Arts & Crafts	-	250
Pakistan Education Foundation	-	250
Port Grand Limited	-	250
Sindh Volley Ball Association, Karachi	-	220
Ripah International University	-	200
Jinnah Postgraduate Medical Centre	-	200
Cancer Foundation Pakistan Trust	-	200
Karachi Eat Food Festival	-	200
Sindh Sumo Festival	-	200
His Highness Aga Khan Ismaili Charitable Trust	-	150
M/s. Say & See	-	150
DA Creek Vista Community Centre	-	125
Mehran University of Engg. & Technology, Jamshoro	-	125
Souvenir Markhour	-	102
	386,720	381,444

Report of Shariah Board

(For the Period ended December 2015)

In the name of Allah, the Beneficent, the Merciful

Introduction

HBL IB Shariah Board became effective on April 1, 2015. The respective members of the Shariah Board include Mufti Muhammad Zubair Usmani as Chairman Shariah Board, Mufti Muhammad Yahya Asim as Resident Shariah Board Member and Mufti Ejaz Ahmed Samadani as Member Shariah Board. As of December, the Shariah Board has held three meetings respectively on the following dates:

- 1st Shariah Board meeting – April 20th, 2015
 - 2nd Shariah Board meeting – October 10th - 11th, 2015
 - 3rd Shariah Board meeting – December 30, 2015
1. While the Board of Directors and Executive Management are solely responsible to ensure that the operations of Habib bank Limited- Islamic Banking (HBL-IB) are conducted in a manner that comply with Shariah principles at all times, we are required to submit a report on the overall Shariah Compliance environment of Habib bank Limited- Islamic Banking.
 2. To form our opinion as expressed in this report, the Shariah Compliance Manager, Head Shariah Processing Unit and Shariah Board Member of the bank carried out reviews, on test check basis, of each class of transactions. The relevant documentation and process flows. Further, we have gone through the report of SBP inspection team. Based on above, we are of the view that:
 - i) As of December 2015, HBL IB has mostly complied with the Shariah rulings and principles as advised by its Resident Shariah Board member and Shariah Board.
 - ii) HBL IB has majorly complied with the directives, regulations, instructions and guidelines related to Shariah Compliance issued by SBP.
 - iii) HBL Islamic Banking has a mechanism in place to ensure Shariah compliance in their overall operations. Some observations and recommendations in this regard are following.

Shariah Processing Unit : Although, HBL IB has a Shariah Processing Unit in place that acts as a check point for all earning sources which ensures that any earnings from prohibited Shariah sources are credited to charity account or are being utilized as appropriate. However, more adequate resources should be allocated for this department.

Shariah Compliance Department: was constituting of one Shariah Compliance Officer. Upon recommendation of Shariah Board the bank has appointed immediately head of Shariah Compliance department. It has been discussed with management that the management will hire more staff for this department, as Shariah Compliance is the Backbone of any Islamic Banking Institution.

Inaccurate usage of contract (AOF) : It was observed that in some windows, staff was negligent and used incorrect account opening forms for opening Islamic banking accounts. Similarly, in some cases Islamic forms were used to open conventional accounts. To ensure that customers' intention is correctly reflected, on the recommendation of the sharia board the management has started the process of obtaining fresh AOF from the customers.

Treasury: The inspection team of SBP has mention some observations on implementation of Sukook Murabaha transactions executed by the management, as no proper IB treasury was in operation at that time. In view of SBP observation and its implication, the Shariah Board had advised and enforced the management to discontinue this transaction immediately.

IBWs Operations: we recommend that Islamic Banking window operations of the bank should be strengthened by:

1. Creating separate Counters with dedicated staff to facilitate Islamic Banking customers; although it is not a regulatory requirement.
 2. Induction, rotation and transfer of trained Islamic Banking Windows staff should be with the knowledge and consent of Islamic Banking Department to avoid untrained staff being deployed at IBWs.
- iv) HBL Islamic banking has a proper system in place to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized.

During the year an amount Rs.14,653,490/- has been realized from sources prohibited by Shariah credited to charity account.

- v) HBL IB complies with the profit and loss and pool management instructions of SBP. The same have also been incorporated in the HBL IB's Shariah Compliance Framework. The Pool management practices are reviewed and monitored by the Shariah Advisor on a monthly basis.
- vi) The level of awareness, capacity and sensitization of the staff and the management in appreciating the importance of Shariah compliance in the products and processes of the bank is over all satisfactory.

Training of Staff : The management has arranged number of trainings during the fiscal year. Further, the management has ensured to further enhance training and skills of staff and awareness of customers.

Further, we also recommend that HBL IB should have a dedicated trained CAD staff to ensure that documentation and securitization are all in conformity with Shariah principles.

vii) The Shariah Board has been provided adequate resources enabling it to discharge its duties effectively.

3. Following, is significant Shariah related issue and non-compliance matter of the bank, which has remained outstanding.

Staff Financing: The IBD yet not has Islamic modes based financing facilities for its employees. Resultantly, the employees of Islamic Banking Division are also entertaining the same facilities of the conventional banking.

It is recommended that for IBD staff facilities based upon Islamic modes should be developed.

Dr. Muhammad Zubair Usmani
Chairman Shariah Board

Dr. Ejaz Ahmed Samadani
Member Shariah Board

Mufti Muhammad Yahya Asim
Resident Shariah Board Member

Date of Report: **January 21, 2016**

1 FINANCIAL POSITION OF ISLAMIC BANKING BUSINESS

The Statement of the financial position of the Islamic Banking Business as at December 31, 2015 is as follows:

	Note	2015 (Rupees in '000)	2014
1.1 ASSETS			
Cash and balances with treasury banks		5,320,895	3,026,837
Balances with other banks		-	35
Due from financial institutions / Government of Pakistan	1.2	62,735,812	55,081,889
Investments	1.3	40,473,868	33,752,058
Islamic financing and related assets	1.4	19,778,998	10,539,537
Due from Head Office		6,916,001	12,984,581
Other assets		1,099,553	1,103,532
		<u>136,325,127</u>	<u>116,488,469</u>
LIABILITIES			
Bills payable		3,657	2,400
Due to financial institutions		102,500	75,161
Deposit and other accounts			
-Current accounts		26,241,008	16,592,062
-Savings accounts		59,594,852	46,325,718
-Term deposits		29,357,389	24,538,054
-Deposits from financial institutions - remunerative		15,156,844	22,288,991
-Deposits from financial institutions - non - remunerative		289,950	3,387,438
Due to Head Office		-	-
Deferred tax liability		107,014	133,044
Other liabilities		1,168,029	843,034
		<u>132,021,243</u>	<u>114,185,902</u>
NET ASSETS		<u>4,303,884</u>	<u>2,302,567</u>
REPRESENTED BY			
Islamic Banking Fund		250,000	250,000
Unappropriated profit		3,855,143	1,805,485
		<u>4,105,143</u>	<u>2,055,485</u>
Surplus on revaluation of investments - net of deferred tax		198,741	247,082
		<u>4,303,884</u>	<u>2,302,567</u>

The commitments in respect of financial guarantees and letter of credit of Islamic Banking business amounting to Rs. 78.476 million (2014 : Rs. 87.066million) and Rs. 172.040 million (2014 : Rs. 69.783 million).

1.2 This includes Bai Muajjal transaction amounting to Rs. 25,936.778 million (2014: Rs. Nil) with Government of Pakistan (GoP) through the State Bank of Pakistan.

1.3 This Includes GoP Ijarah Sukuk Rs. 29,978.298 million (2014: Rs 26,159.271 million).

		2015 (Rupees in '000)	2014
1.4 Islamic financing and related assets - net			
Ijarah	1.5	704,744	785,934
Murabaha	1.6	344,967	91,835
Diminishing Musharaka		14,831,762	4,914,056
Istisnah Financing		6,180	133,116
Advance for Murabaha		250,954	168,265
Advance for Ijarah		28,801	50,000
Advance for Diminishing Musharaka		1,577,770	2,241,685
Istisnah		305,612	836,853
Assets/Inventories		1,838,097	1,427,682
Provision against financings		(109,889)	(109,889)
		<u>19,778,998</u>	<u>10,539,537</u>

1.5 Ijarah

	2015				2014			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
Ijarah rental receivable	156,447	512,664	-	669,111	136,491	584,557	1,714	722,762
Residual value	32,117	105,244	-	137,361	27,900	119,488	350	147,738
Minimum Ijarah payments	188,564	617,908	-	806,472	164,391	704,045	2,064	870,500
Less: Profit for future periods	(45,886)	(55,842)	-	(101,728)	(1,830)	(82,603)	(133)	(84,566)
Present value of minimum Ijarah payments	142,678	562,066	-	704,744	162,561	621,442	1,931	785,934

1.5.1 This represents fixed assets given to customer under Ijarah agreement.

1.6 This represents assets sold under Murabaha agreement.

	2015 (Rupees in '000)	2014 (Rupees in '000)
1.7 Particulars of deposits		
In local currency	124,848,054	109,261,454
In foreign currency	5,791,989	3,870,809
	130,640,043	113,132,263

2 PROFIT AND LOSS ACCOUNT OF ISLAMIC BANKING BUSINESS

Profit earned	8,795,407	5,123,730
Profit distributed	5,631,742	2,943,360
Net profit earned	3,163,665	2,180,370
Depreciation on assets given on Ijarah	257,821	264,974
Reversal against diminution in value of investments	-	(10,578)
	257,821	254,396
Net profit after depreciation and provisions	2,905,844	1,925,974

Other income

Fee, commission and brokerage income	88,177	89,282
Income from dealing in foreign currencies	8,254	4,573
Dividend income	283,513	-
Gain on sale of securities	482,373	-
Rent on Lockers	4,507	4,382
Others	676	829
Total other income	867,500	99,066
	3,773,344	2,025,040

Administrative expenses

Net Profit for the year

	3,153,322	1,514,109
--	-----------	-----------

3 Charity Fund

Opening balance	1,032	4,039
Additions during the year		
Income purification	14,516	-
Penalty on delayed payment	137	1,035
Payments / Utilization - Health Sector	(1,035)	(4,042)
Closing balance	14,650	1,032

4 Remuneration to Shariah Advisor / Board

	3,525	1,919
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5 Mudarib's share in profit is 30% (2014: 30%) and amounts to Rs. 2,164.67 million (2014: Rs. 1,180.99million) after netting of Hiba to depositors from Mudarib's share amounting to Nil (2014: Rs. 25.866 million).

6 Following are the types and nature of pools maintained by Islamic Banking Business alongwith their key features :

General Pool PKR (Mudaraba)

Generally the deposits parked in general pool are not based on special weightages. The risk of loss is minimal due to the less risky assets parked in General Pool.

Special Pool(s) PKR (Mudaraba)

Separate pool(s) are created where the customers desire to invest in a special class of assets. These pool(s) rates are higher / lower than the general pool depending on the special class of assets. In case of loss in special pool the loss will be born by the Special pool members.

Treasury Pool(s) (Mudaraba)

Treasury pool(s) are created where the FIs desire to invest in a special class of assets. These pool(s) rates are higher / lower than the general pool depending on the special class of assets. In case of loss in treasury pool the loss will be borne by the respective FIs.

General Pool FCY (Mudaraba)

In FCY pool, all FCY deposits and Investments are parked to share the return among the FCY deposit holders. The weightages are also declared separately.

Islamic Export Refinance Scheme Pool PKR (Musharaka)

IERS pool is required by the SBP to facilitate the exporters under Islamic Export Refinance Scheme.

7 The following are the parameters used for profit distribution in pool :

- Administrative and operating expenses are paid by the Mudarib and not charged to pool except for salaries and allowances to the extent of branch staff.
- It is the practice of the Bank that the Bank first charges the proportionate profit to average equity allocated to pools and then charges the Mudarib fee before distribution of profit among depositors.
- It is the practice of the Bank to give the priority to depositors funds for placement of funds in investing activities.
- Provisions for non performing accounts and provisions on impairment (if any) is borne by Mudarib. However, write off of non performing accounts is charged to respective pool.
- Income generated from non - financing activities are not be considered as income of the pool.
- 2% profit Equalization Reserve is charged for the year

8 Average profit rates earned on the earning assets of Islamic Banking Business during the year is 8.14% (2014: 9.67%) as compared to profit of 4.91%(2014: 5.24%) distributed to the depositors.

9 Segmentation of economic sectors where Mudaraba based average deposits are deployed

	Note	2015 (Rupees in '000)	2014
Chemical and Pharmaceuticals		41,635	219,843
Textile		3,752,622	32,052
Cement		660,450	1,501,818
Sugar		1,126	8,873
Financial		13,308,534	2,510,303
Power & Energy		12,187,526	4,672,402
Education & Medical		6,664	9,503
Telecommunication		1,034,592	-
Printing & Publishing		-	4,716
Food, tobacco and beverages		3,379,932	41,081,345
Public / Government	9.1	56,455,211	22,893,902
Individual		13,916	29,754
Ports and shipping		900,360	1,499,365
Transportation		270,654	-
Others		4,536,213	2,229,124
		96,549,435	76,693,000

9.1 This includes investments in GoP Sukuk and Bai Muajjal with GoP.

Pattern of Shareholding

As at December 31, 2015

No. of Shareholders	Number of Shares		Total Shares Held
	From	To	
21,061	1	100	559,649
71,529	101	500	15,559,314
2,603	501	1,000	1,899,753
2,115	1,001	5,000	3,965,509
250	5,001	10,000	1,853,806
83	10,001	15,000	1,055,721
56	15,001	20,000	995,859
42	20,001	25,000	953,816
31	25,001	30,000	860,916
19	30,001	35,000	632,533
20	35,001	40,000	750,726
12	40,001	45,000	502,641
13	45,001	50,000	633,003
15	50,001	55,000	791,234
11	55,001	60,000	634,845
7	60,001	65,000	444,299
6	65,001	70,000	398,937
10	70,001	75,000	733,899
7	75,001	80,000	545,768
9	80,001	85,000	741,048
7	85,001	90,000	609,209
6	90,001	95,000	557,965
13	95,001	100,000	1,294,151
4	100,001	105,000	408,026
3	105,001	110,000	326,858
1	110,001	115,000	112,821
5	115,001	120,000	584,734
3	120,001	125,000	369,561
3	125,001	130,000	381,017
1	130,001	135,000	130,500
2	135,001	140,000	275,930
1	140,001	145,000	144,200
5	145,001	150,000	745,400
3	150,001	155,000	456,379
4	155,001	160,000	632,653
2	165,001	170,000	331,178
5	170,001	175,000	866,983
1	180,001	185,000	181,647
7	195,001	200,000	1,391,515
3	205,001	210,000	628,215
1	210,001	215,000	210,671
1	230,001	235,000	230,465
1	235,001	240,000	236,500
1	240,001	245,000	241,015
4	245,001	250,000	999,500
1	255,001	260,000	258,500
1	260,001	265,000	264,920
2	265,001	270,000	533,733

No. of Shareholders	Number of Shares		Total Shares Held
	From	To	
1	270,001	275,000	272,513
1	275,001	280,000	276,137
1	280,001	285,000	283,700
1	285,001	290,000	289,768
1	290,001	295,000	291,617
1	305,001	310,000	307,000
1	310,001	315,000	310,135
1	315,001	320,000	319,500
1	320,001	325,000	321,642
3	330,001	335,000	996,355
1	340,001	345,000	343,060
3	345,001	350,000	1,039,325
2	370,001	375,000	747,048
1	375,001	380,000	379,185
1	390,001	395,000	394,455
1	395,001	400,000	400,000
1	410,001	415,000	414,226
1	430,001	435,000	434,000
2	435,001	440,000	871,400
1	445,001	450,000	449,100
1	450,001	455,000	452,600
1	460,001	465,000	463,628
1	470,001	475,000	472,799
1	480,001	485,000	481,400
1	500,001	505,000	501,684
1	505,001	510,000	505,399
1	510,001	515,000	514,600
1	520,001	525,000	523,355
1	555,001	560,000	558,600
1	575,001	580,000	575,900
1	580,001	585,000	582,536
2	595,001	600,000	1,199,300
2	630,001	635,000	1,264,400
1	645,001	650,000	646,526
1	650,001	655,000	652,636
2	670,001	675,000	1,349,100
1	690,001	695,000	695,000
1	700,001	705,000	704,350
1	745,001	750,000	745,172
1	750,001	755,000	753,700
1	765,001	770,000	766,420
1	790,001	795,000	790,470
1	795,001	800,000	798,600
5	800,001	805,000	4,021,812
1	810,001	815,000	811,349
1	815,001	820,000	818,796
1	820,001	825,000	824,200
1	835,001	840,000	838,700
1	865,001	870,000	869,303
1	965,001	970,000	967,869

No. of Shareholders	Number of Shares		Total Shares Held
	From	To	
1	975,001	980,000	975,227
1	990,001	995,000	993,588
1	995,001	1,000,000	1,000,000
1	1,115,001	1,120,000	1,118,800
1	1,165,001	1,170,000	1,166,000
1	1,170,001	1,175,000	1,172,373
1	1,180,001	1,185,000	1,182,900
1	1,185,001	1,190,000	1,185,496
1	1,210,001	1,215,000	1,211,800
1	1,220,001	1,225,000	1,222,533
1	1,235,001	1,240,000	1,235,330
1	1,250,001	1,255,000	1,252,643
1	1,255,001	1,260,000	1,255,629
1	1,265,001	1,270,000	1,267,100
1	1,270,001	1,275,000	1,270,319
1	1,325,001	1,330,000	1,328,400
1	1,340,001	1,345,000	1,340,500
2	1,375,001	1,380,000	2,753,830
1	1,405,001	1,410,000	1,408,700
1	1,420,001	1,425,000	1,422,300
1	1,505,001	1,510,000	1,508,100
1	1,520,001	1,525,000	1,521,944
1	1,545,001	1,550,000	1,550,000
1	1,635,001	1,640,000	1,636,900
1	1,690,001	1,695,000	1,690,821
1	1,750,001	1,755,000	1,753,938
1	1,755,001	1,760,000	1,758,540
1	1,765,001	1,770,000	1,767,344
1	1,815,001	1,820,000	1,815,061
1	1,820,001	1,825,000	1,824,688
1	1,855,001	1,860,000	1,859,754
1	1,885,001	1,890,000	1,888,788
1	2,050,001	2,055,000	2,054,048
1	2,125,001	2,130,000	2,129,800
1	2,200,001	2,205,000	2,202,200
1	2,350,001	2,355,000	2,354,700
1	2,425,001	2,430,000	2,425,888
1	2,855,001	2,860,000	2,859,900
1	2,960,001	2,965,000	2,963,600
1	3,005,001	3,010,000	3,009,000
1	3,125,001	3,130,000	3,125,100
1	3,175,001	3,180,000	3,178,139
1	3,250,001	3,255,000	3,252,400
1	3,430,001	3,435,000	3,431,700
1	3,560,001	3,565,000	3,560,900
1	3,665,001	3,670,000	3,665,810
1	3,720,001	3,725,000	3,724,000
1	3,730,001	3,735,000	3,734,728
1	3,965,001	3,970,000	3,969,237
1	3,970,001	3,975,000	3,970,900

No. of Shareholders	Number of Shares		Total Shares Held
	From	To	
1	4,000,001	4,005,000	4,001,000
1	4,055,001	4,060,000	4,059,400
1	4,065,001	4,070,000	4,066,538
1	4,195,001	4,200,000	4,195,600
1	4,615,001	4,620,000	4,618,582
1	4,755,001	4,760,000	4,755,100
1	4,780,001	4,785,000	4,784,215
1	4,920,001	4,925,000	4,922,700
1	4,945,001	4,950,000	4,947,300
1	4,995,001	5,000,000	5,000,000
1	5,185,001	5,190,000	5,188,300
1	5,405,001	5,410,000	5,407,007
1	5,470,001	5,475,000	5,474,321
1	5,505,001	5,510,000	5,509,600
1	5,695,001	5,700,000	5,700,000
1	6,105,001	6,110,000	6,106,600
1	6,420,001	6,425,000	6,422,100
1	6,620,001	6,625,000	6,622,992
1	6,640,001	6,645,000	6,640,200
1	6,785,001	6,790,000	6,788,771
1	6,805,001	6,810,000	6,807,600
1	6,880,001	6,885,000	6,884,600
1	7,045,001	7,050,000	7,048,600
1	7,720,001	7,725,000	7,722,490
1	7,805,001	7,810,000	7,805,400
1	8,445,001	8,450,000	8,449,093
1	10,180,001	10,185,000	10,185,000
1	11,650,001	11,655,000	11,650,868
1	12,075,001	12,080,000	12,078,600
1	12,340,001	12,345,000	12,344,492
1	15,700,001	15,705,000	15,702,982
1	16,815,001	16,820,000	16,818,296
1	17,835,001	17,840,000	17,839,614
1	18,610,001	18,615,000	18,612,200
1	20,995,001	21,000,000	20,995,800
1	28,410,001	28,415,000	28,410,823
1	29,995,001	30,000,000	30,000,000
1	30,535,001	30,540,000	30,537,658
1	40,905,001	40,910,000	40,908,300
1	45,240,001	45,245,000	45,243,700
1	50,005,000	223,236,500	73,342,000
1	223,236,500	1,708,162,000	748,094,778
98,146			1,466,852,508

Trading by Executives

Shares Trading (Sale/Purchase) during the Year 2015

HBL - Board of Directors including CEO

S.No.	Name of shareholder	No. of Shares	Sale/Purchase
1	NAUMAN K. DAR* President & CEO	107,054	Purchase
2	AGHA SHER SHAH Director	1,000	Purchase

*Inclusive in the above are 57,954 shares purchased by Nauman K. Dar under divestment of Government of Pakistan shares in HBL.

HBL - Executives

Shares purchased during the year

S.No.	Name of shareholder	No. of Shares	Sale/Purchase
1	Aamir Zuberi	8,000	Purchase
2	Adeel Zuberi	840	Purchase
3	Aftab Abdul Sattar	2,000	Purchase
4	Amir Ali Ahmed Lalji	1,000	Purchase
5	Asad Ali	2,500	Purchase
6	Asim Anwar Siddiqui	500	Purchase
7	Bakht Nasar Rathore	210	Purchase
8	Fahim uddin Sufi	89	Purchase
9	Jamal Nasir	11,100	Purchase
10	Kashif Umar Thanvi	384	Purchase
11	Mubashar Maqbool	1,400	Purchase
12	Muhammad Ahsan Azam	1,739	Purchase
13	Muhammad Hanif	127	Purchase
14	Muhammad Khalid Shaikh	129	Purchase
15	Qazi Ejaz Mehmood	17	Purchase
16	Sardar Muhammad Ibrahim Khan	33	Purchase
17	Sobia Chughtai	2,500	Purchase
18	Sohail Khawer	6,790	Purchase
19	Suliman Aleem	210	Purchase
20	Taher Ejaz	5,000	Purchase
21	Tauqeer Mazhar	5,000	Purchase
22	Zenia Rabadi	5,000	Purchase

Shares sold during the year

S.No.	Name of shareholder	No. of Shares	Sale/Purchase
1	Ahmad Mansoor Bajwa	2,000	Sale
2	Asim Anwar Siddiqui	500	Sale
3	Mehrukh Burki	210	Sale
4	Muhammad Asim Akhtar	210	Sale
5	Muhammad Usman Shakir	210	Sale
6	Rizwan ur Rehman	89	Sale
7	Sohail Khawer	4,700	Sale
8	Syed Ijaz ul Hassan	33	Sale
9	Syed Shahid Mansoor	2,557	Sale

Divestment of Government of Pakistan shareholding in HBL

During the year 2015, Government of Pakistan divested its 41.5 % shareholding comprising 609,317,135 shares through book building at the price of Rs. 168/- per share.

As a result, following executives of HBL also purchased the shares the details of which are as under:

S.No.	Name of shareholder	No. of Shares	Sale/Purchase
1	Aamir Zuberi	5,795	Purchase
2	Ahmad Mansoor Bajwa	3,477	Purchase
3	Amin Lakhani	1,797	Purchase
4	Anis Ali	1,797	Purchase
5	Fareed Hosain	1,797	Purchase
6	Jamal Nasir	28,977	Purchase
7	Khalid Mohsin Shaikh	14,488	Purchase
8	Maya Inayat Ismail	14,488	Purchase
9	Mubashar Maqbool	18,137	Purchase
10	Muhammad Ahsan Azam	1,739	Purchase
11	Musheer Khan	1,931	Purchase
12	Rameez H. Loan	3,157	Purchase
13	Rayomond Kotwal	12,170	Purchase
14	Sima Kamil	17,386	Purchase
15	Sobia Chughtai	5,795	Purchase
16	Sumbul Munir	6,954	Purchase
17	Syed Rizwan Haider	28,455	Purchase
18	Syed Shahid Mansoor	4,057	Purchase
19	Umair Muhammad Siddiqui	5,043	Purchase

Categories of Shareholders

As at December 31, 2015

Particulars	Shareholders	Shareholding	Percentage
Shareholders holding five percent or more voting rights			
AGA KHAN FUND FOR ECONOMIC DEVELOPMENT	1	748,094,778	51.00
CDC GROUP PLC	1	73,342,000	5.00
Associated Companies, Undertakings and Related Parties			
THE AGA KHAN UNIVERSITY FOUNDATION	1	1,185,496	0.08
JUBILEE GENERAL INSURANCE COMPANY LIMITED	1	3,969,237	0.27
JUBILEE LIFE INSURANCE COMPANY LIMITED	1	12,344,492	0.84
CDC - TRUSTEE HBL - MULTI ASSET FUND	1	210,671	0.01
CDC - TRUSTEE HBL - MUSTAHEKUM SARMAYA FUND 1	1	25,000	0.00
CDC - TRUSTEE HBL - STOCK FUND	1	1,270,319	0.09
TRUSTEE - HBL EMPLOYEES PROVIDENT FUND	1	15,702,982	1.07
TRUSTEE - HBL EMPLOYEES GRATUITY FUND TRUST	1	3,178,139	0.22
TRUSTEE - HBL EMPLOYEES PENSION FUND TRUST	1	5,474,321	0.37
Directors and their Spouse(s) and Minor Children			
NAUMAN KRAMAT DAR CEO	1	1,172,373	0.08
AGHA SHER SHAH Director	1	1,000	0.00
NAJEEB SAMIE Director	1	18,500	0.00
Executives	1,273	948,911	0.06
Public Sector Companies and Corporations	9	43,088,503	2.94
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	50	48,491,388	3.31
Mutual Funds			
CDC - TRUSTEE ABL STOCK FUND	1	330,405	0.02
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	157,983	0.01
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	88,900	0.01
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	158,800	0.01
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	40,500	0.00
CDC - TRUSTEE ASKARI HIGH YIELD SCHEME - MT	1	15,000	0.00
CDC - TRUSTEE ATLAS INCOME FUND - MT	1	29,800	0.00
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	375,000	0.03
CDC - TRUSTEE FAYSAL INCOME & GROWTH FUND - MT	1	900	0.00
CDC - TRUSTEE FAYSAL SAVINGS GROWTH FUND - MT	1	1,000	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	30,400	0.00
CDC - TRUSTEE LAKSON EQUITY FUND	1	414,226	0.03
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	44,694	0.00
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	28,788	0.00
CDC - TRUSTEE NAFA ASSET ALLOCATION FUND	1	67	0.00
CDC - TRUSTEE NAFA MULTI ASSET FUND	1	180	0.00
CDC - TRUSTEE NAFA STOCK FUND	1	108,163	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,222,533	0.08
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	2,054,048	0.14
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	36,716	0.00
CDC - TRUSTEE PAKISTAN SARMAYA MEHFOOZ FUND	1	679	0.00
CDC - TRUSTEE PICIC GROWTH FUND	1	514,600	0.04
CDC - TRUSTEE PICIC INCOME FUND - MT	1	78,700	0.01
CDC - TRUSTEE PICIC INVESTMENT FUND	1	307,000	0.02
CDC - TRUSTEE PICIC STOCK FUND	1	4,700	0.00
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	400,000	0.03
MCBFSL - TRUSTEE MCB PAKISTAN FREQUENT PAYOUT FUND	1	500	0.00
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	10,000	0.00
Privatisation Commission of Pakistan	1	4,002	0.00
Foreign Companies	146	410,008,935	27.95
General Public			
a. Local	96,393	44,399,440	3.03
b. Foreign	12	157,117	0.01
Others	220	47,310,622	3.23
	98,146	1,466,852,508	100.00

Notice of Annual General Meeting

Notice is hereby given that the 74th Annual General Meeting of Habib Bank Limited will be held on Tuesday, March 29, 2016 at 9.00 a.m. at Serena Hotel, Islamabad, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts (consolidated and unconsolidated) of the Bank for the year ended December 31, 2015, together with the Reports of the Directors and Auditors thereon.
2. To appoint Auditors for a term ending at the conclusion of the next Annual General Meeting. The retiring Auditors, Ernst & Young, Ford Rhodes Sidat Hyder, Chartered Accountants, have completed five years as Auditors of the Bank and are no longer eligible for appointment. The Board of Directors recommends that A. F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network), who have indicated their consent to act as Auditors, be appointed as Auditors at the same statutory audit fees as currently being paid to the retiring Auditors. In addition any Federal or Provincial taxes and reimbursements of out of pocket expenses will be paid at actuals.
3. To approve payment of a Final Cash Dividend of Rs. 3.5/- per share, i.e. 35%, as recommended by the Directors, to those who are Shareholders as at close of business on March 21, 2016. The Final Cash Dividend is in addition to the 105% Interim Cash Dividend (i.e. Rs. 10.5 per share) already paid.

Special Business

4. To approve and authorise investment in Himalayan Bank Limited, Nepal as and by way of subscription to a rights issue and/or acquisition of additional shares as and when available over the next five (5) years.

The said investments, as authorised, will be subject to approval being granted by the State Bank of Pakistan and other regulatory approvals being taken as required in Pakistan and Nepal.

And for the aforesaid purpose to consider, and if thought fit, to pass the following Resolution as a Special Resolution with or without modification:

Resolved as and by way of Special Resolution that, subject to the approval of the State Bank of Pakistan and any other Regulatory approvals required in Pakistan or Nepal, Habib Bank Limited ("the Bank") be and is hereby authorised to invest in equity of Himalayan Bank Limited, by way of subscription to a rights issue and/or acquisition of additional shares at the issue price in the case of rights shares, and at or around the prevailing market price for acquisition of additional shares, in such amounts and at such times as may be determined by the Board of Directors of the Bank from time to time within a period of five years, as a result of which investment, the total shareholding of Habib Bank Limited shall be increased upto 30%.

Further Resolved that, for the purpose of giving effect to the above Resolution, the Board of Directors of the Bank or such person or persons as may be authorised by the Board of Directors of the Bank, be and each of them is hereby authorised to do all such acts, deeds and things and to execute and deliver for and on behalf and in the name of the Bank all such deeds, agreements, declarations and undertakings as may be necessary or required or as they or any of them may think fit for or in connection with the investment aforesaid, including without limiting the generality of the foregoing any approval, sanction or permission required thereof or in connection therewith.

A Statement of Material Facts under Section 160(1)(b) of the Companies Ordinance, 1984 relating to the aforesaid Special Business to be transacted at the said Annual General Meeting is attached. An update is also attached to comply with the requirements of Regulations 4 and 8 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Any Other Business:

5. To consider any other business with the permission of the Chair.

By the Order of the Board

Nausheen Ahmad
Company Secretary

March 7, 2016
Karachi

Notes:

1. Copies of the Minutes of the AGM dated March 27, 2015 are available for inspection by Shareholders as required under section 173 of the Companies Ordinance, 1984.
2. The Register of Members and the Share Transfer Books of the Bank will be closed from March 22, 2016 to March 29, 2016 (both days inclusive) for the purposes of the Annual General Meeting.
3. Only those persons whose names appear in the Register of Members of the Bank as at March 21, 2016 are entitled to attend and participate in and vote at the Annual General Meeting.
4. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a Member but is duly authorised by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Meeting.
5. Members are requested to notify immediately any changes in their registered address to our Shares Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahrah-e-Faisal, Karachi - 74400.
6. CDC Account Holders will further have to follow the undermentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
7. Pursuant to Section 150 of the Income Tax Ordinance, 2001 and Finance Act, 2015 withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders at 12.5% and 17.5% respectively. According to the Federal Board of Revenue (FBR), withholding tax in case of joint accounts will be determined separately based on 'Filer/Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, Central Depository Company of Pakistan Limited in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- (ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney along with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- (v) In case of a corporate entity, the Board of Directors' resolution/power of attorney along with specimen signature shall be submitted (unless it has been provided earlier) to the Bank along with the proxy form.

Statement of Material Facts

Under Section 160(1)(b) of the Companies Ordinance, 1984

Special Business

Agenda Item 4 – Investment in Himalayan Bank Limited:

HBL's vision is to be a regional player in South Asia. HBL has a long established direct presence in this region, with branches in Bangladesh, Sri Lanka, Maldives and Afghanistan. In addition to its own network, HBL seeks to invest in South Asian financial institutions where it feels it can add value as an investor and grow its outreach and presence. With this view, Himalayan Bank Limited, Nepal was established as a joint venture in 1992 with HBL being one of the joint venture partners. Currently, Himalayan Bank Limited is increasing its capital through a rights issue. HBL intends to participate in this capital raising in order to maintain its shareholding and, in line with its strategy, will seek to increase its shareholding as opportunities arise in future. All investments will be subject to regulatory approvals being obtained in Pakistan and Nepal.

For this purpose, the Board of Directors have recommended that the Members consider and, if thought fit, to pass the Resolution with or without modification set forth at Agenda Item 4 of the Notice convening the 74th Annual General Meeting of HBL, which Resolution will be proposed and passed as a Special Resolution.

Himalayan Bank Limited

1	Name of associated company or associated undertaking alongwith criteria based on which the associated relationship is established	Himalayan Bank Limited. Habib Bank Limited holds 20% shareholding in Himalayan Bank Limited, making it an associated company.
2	Purpose, benefits and period of investments	To maintain and/or increase its shareholding in Himalayan Bank Limited upto a maximum of 30% over a period of 5 years in order to enhance its presence in the banking sector in Nepal in line with its strategy.
3	Maximum amount of investment	The amount of the investment will be linked to the share price to be paid by HBL either, to maintain and/ or increase its shareholding upto a maximum shareholding of 30%.
4	Maximum price at which securities will be acquired	Since this is a listed security, the shares will be purchased at either the issue price in the case of rights shares or at or around the prevailing market price.
5	Maximum number of securities to be acquired	Additional shareholding of 10% would be acquired to achieve a maximum shareholding of 30%.
6	Number of securities and percentage thereof held before and after the proposed investment	At present 20%. After completion of the full proposed investment, 30%. HBL will also participate in any capital offerings through right issues.

7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	NPR. 1161 ¹
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	Not Applicable
9	Break-up value of securities intended to be acquired on the basis of latest audited financial statements	NPR. 208.81
10	Earnings / (loss) per share of the associated company or associated undertaking for the last three years	2015: NPR.33.37 2014: NPR.33.10 2013: NPR.34.20
11	Source of fund from which securities will be acquired	Cash generated from own operations.
12	Where the securities are intended to be acquired using borrowed funds 1. Justification for investment through borrowings and 2. Detail of guarantees and assets pledged for obtaining such funds	Not Applicable
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	NIL
14	Direct or indirect interest of Directors, Sponsors, Majority Shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Habib Bank Limited presently holds 20% shareholding in Himalayan Bank Limited, making it an associated company. The Directors of the Bank are not directly or indirectly interested in the proposed investment in Himalayan Bank Limited.
15	Any other important details necessary for the members to understand the transaction	Financial Position in table below.

¹ USD 1= NPR 109.58

16	<p>In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information required, namely</p> <p>I. Description of the project and its history since conceptualization;</p> <p>II. Starting and expected date of completion of work;</p> <p>III. Time by which such project shall become commercially operational; and</p> <p>IV. Expected time by which the project shall start paying return on investment</p>	Not Applicable
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NPR million

	2013/14	2014/15
Revenue	3,743.392	4,057.999
Operating expense	1,679.950	1,964.870
Operating profit / (loss)	2,063.442	2,093.129
Customer deposits	64,674.848	73,538.200
Customer loans and advances	45,320.359	53,476.230
Investments / balances with banks	25,384.650	25,500.801
Equity	6,083.411	6,958.900

The Directors of the Bank are not directly or indirectly interested in the proposed investment in Himalayan Bank Limited.

Update

This Statement provides information as required under Regulations 4 and 8 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 in respect of the investments authorised by the Shareholders in the previous Annual General Meetings of the Bank.

Summary / Overview

Company name	Approvals taken in Annual General Meeting (March 22, 2013 and in the case of FMFB, March 27, 2015)	Update for 2015
Diamond Trust Bank Kenya Limited (DTBK)	To acquire additional shareholding of 14.32%	No additional shares acquired in 2015
Kyrgyz Investment and Credit Bank Limited (KICB)	To acquire additional shareholding of 8%	No additional shares acquired in 2015
Habib Allied Holding Limited (previously named Habib Allied International Bank PLC)	To make additional investment of upto GBP 50 million	Investment in Right shares were made during 2015 amounting to GBP 32.373 million
Jubilee General Insurance Company Limited (JGIC)	To acquire additional shareholding of 8.26%	No additional shares acquired in 2015
Jubilee Life Insurance Company Limited (JLIC)	To acquire additional shareholding of 6.55%	No additional shares acquired in 2015
First MicroFinance Bank Limited (FMFB)	To invest upto Rs. 2 billion in the form of equity over a period of 3 years	The Bank is in discussion with the Shareholders of FMFB and the transaction will be concluded once all formalities are completed.

(i) **Diamond Trust Bank Kenya Limited (DTBK):**

1	Total Investment approved	Approved by the Shareholders in Annual General Meeting held on March 22, 2013 to acquire additional shareholding of 14.32% as a result of which the total shareholding shall stand increased upto 26%.
2	Amount of investment made to date since March 2013.	Rs. 512.604 million representing 0.06% shareholding.
3	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The timeframe specified for making the complete investment is March 2019.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Financial position of the company is given in the table below.

US\$ million

	2013	2014
Revenue	174.400	153.895
Operating expense	75.450	73.050
Operating profit	98.950	80.845
Customer deposits	1,561.490	1,569.330
Customer loans and advances	1,345.150	1,342.140
Investments / balances with banks	524.870	631.090
Equity	254.020	314.570

(ii) **Kyrgyz Investment and Credit Bank Limited (KICB):**

1	Total Investment approved	Approved by the Shareholders in Annual General Meeting held on March 22, 2013 to acquire additional shareholding of 8% as a result of which total shareholding shall stand increased upto 26%.
2	Amount of investment made to date since March 2013.	NIL.
3	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The timeframe specified for making the complete investment is March 2019.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Financial position of the company is given in the table below.

US\$ in million

	2013	2014
Revenue	23.590	27.970
Operating expense	11.540	14.870
Operating profit	12.050	13.100
Customer deposits	170.720	164.595
Customer loans and advances	146.920	189.800
Investments / balances with banks	61.050	48.830
Equity	50.130	56.912

(iii) Habib Allied Holding Limited:

Consequent upon the merger of the banking business carried on by Habib Allied International Bank, Plc with its wholly owned subsidiary in the UK, Habibsons Bank Limited, the name of Habib Allied International Bank, Plc has been changed to Habib Allied Holding Limited. Habib Allied Holding Limited (formerly named Habib Allied International Bank, Plc) is a subsidiary of HBL. HBL will continue to invest in this subsidiary to further grow and strengthen operations in the UK and in other international markets.

1	Total Investment approved:	Approved by the Shareholders in Annual General Meeting held on March 22, 2013 to invest upto GBP 50 million.
2	Amount of investment made to date since March 2013.	GBP 46.617 million.
3	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The timeframe specified for making the complete investment is March 2019.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Financial position of the company is given in the table below.

GBP in million

	2013	2014
Revenue	15.300	13.519
Operating expenses	16.300	16.424
Operating profit / (loss)	(1.000)	(2.905)
Customer deposits	472.600	475.784
Customer loans and advances	171.500	149.724
Investments / balances with banks	220.770	259.300
Equity	40.900	44.790

(iv) Jubilee General Insurance Company Limited (JGIC):

1	Total Investment approved	Approved by the Shareholders in the Annual General Meeting held on March 22, 2013 to acquire additional 8.26% as a result of which the total shareholding shall stand increased upto 24.50%.
2	Amount of investment made to date since March 2013.	Rs. 163.02 million representing 1.42% shareholding.
3	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The timeframe specified for making the complete investment is March 2019.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Financial position of the Company is given in the table below.

Rs. in million

	2013	2014
Revenue	4,567.290	4,690.390
Operating expense	3,347.020	3,420.568
Operating profit	1,220.270	1,269.822
Investments / balances with banks	8,467.000	8,798.636
Equity	4,759.800	5,422.877

(v) Jubilee Life Insurance Company Limited (JLIC):

1	Total Investment approved	Approved by the Shareholders in Annual General Meeting held on March 22, 2013 to acquire additional shareholding of 6.55% as a result of which the total shareholding shall stand increased upto 24.50%.
2	Amount of investment made to date since March 2013.	NIL
3	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The timeframe specified for making the complete investment is March 2019.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Financial position of the Company is given in the table below.

Rs. in million

	2013	2014
Revenue	145.050	215.125
Operating expense	60.070	94.555
Operating profit	84.980	120.57
Investments / balances with banks	33,242.180	46,979.689
Equity	2,243.100	3,159.865

(vi) **First MicroFinance Bank Limited (FMFB):**

1	Total Investment approved	Approved by the Shareholders at the Annual General Meeting held on March 27, 2015 to invest upto Rs. 2 billion in the form of equity over a period of 3 years as a result of which the total shareholding shall stand at over 50%.
2	Amount of investment made to date since March 2013.	NIL
3	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time	The Bank is in discussion with the shareholders of FMFB and will complete the transaction once all formalities are completed.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	Financial position of the Company is given in the table below.

Rs. in million

	2013	2014
Revenue	1,010.200	1,189.690
Operating expense	839.200	979.539
Operating profit	171.000	210.151
Customer deposits	7,814.900	8,749.901
Customer loans and advances	3,450.400	4,416.691
Investments / balances with banks	5,574.500	5,505.199
Equity	1,102.100	1,208.14

HBL



Admission Slip

The 74th Annual General Meeting of Habib Bank Limited will be held on Tuesday, March 29, 2016 at 9.00 a.m. at the Serena Hotel Islamabad.

Kindly bring this slip duly signed by you for attending the Meeting.

Company Secretary

Name _____

Folio/CDC Account No. _____ Signature _____

Note:

- i. The signature of the shareholder must tally with the specimen signature on the Bank's record.
- ii. Shareholders are requested to handover duly completed admission slips at the counter before entering the meeting premises.

CDC Account Holders/Proxies/Corporate Entities:

- I. The CDC Account Holder/Proxy shall authenticate his identity by showing his/her original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- II. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting (unless it has been provided earlier).

This Admission Slip is Not Transferable

Form of Proxy

I/We _____
of _____
being member(s) of Habib Bank Limited holding _____
Ordinary shares hereby appoint _____
of _____ vide Folio/CDC Account No. _____ or failing
him/her _____ of _____ who is also
member of Habib Bank Limited vide Folio/CDC Account No. _____ as my/our proxy in
my/our absence to attend, speak and vote for me/us and on my/our behalf at the 74th Annual General Meeting of the Bank
to be held on Tuesday, March 29, 2016 at Serena Hotel Islamabad and at any adjournment thereof.

As witness my/our hand/Seal this _____ day of _____ 2016

Signed by the said _____

In the presence of: 1. _____
2. _____

Folio/CDC Account No.

Signature on Five Rupees Revenue Stamp
--

This signature should agree with the specimen registered with the Bank.

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank at 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, not less than 48 hours before the time of holding the Meeting.
2. No person shall act as proxy unless he himself is a member of the Bank, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

- a. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- b. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- d. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.

پراکسی فارم

میں / ہم _____
 برائے _____
 حبیب بینک لمیٹڈ کے ممبر (ممبران) کی حیثیت سے _____
 عمومی شیئرز کی تحویل رکھتا ہوں / رکھتے ہیں _____
 لہذا بذریعہ ہذا _____ کے / کی جناب / محترمہ _____
 کو بحوالہ فوئیو / CDC اکاؤنٹ نمبر یا ان کی جگہ _____
 کے / کی جناب / محترمہ _____ بحوالہ فوئیو / CDC اکاؤنٹ نمبر _____ (یہ بھی حبیب بینک لمیٹڈ
 کے / کی ممبر ہیں)، کو بینک کے 74 ویں سالانہ اجلاس عام میں اپنی جگہ شرکت، رائے اور ووٹ دینے کے لئے اپنا پراکسی تقرر کرتا / کرتی ہوں / کرتے ہیں۔ یہ اجلاس سرینا ہوٹل اسلام آباد
 میں بروز منگل 29 مارچ 2016 کو اتوار کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔
 میں / ہم بروز _____ بتاریخ _____ کو اپنے دستخط / مہر کے ساتھ اس امر کی تصدیق کرتا / کرتی ہوں / کرتے ہیں۔

مذکورہ بالا کے دستخط: _____

ان کی موجودگی میں: _____
 1. _____
 2. _____

پانچ روپے کی
 ریونیو مہر پر
 دستخط

فوئیو / CDC اکاؤنٹ نمبر:

یہ دستخط بینک کے پاس رجسٹرڈ نمونہ
 دستخط کے جیسے ہونے چاہئیں۔

اہم نکات:

1. باضابطہ، مکمل شدہ اور دستخط کردہ یہ پراکسی فارم بینک کے رجسٹرڈ آفس بمقام نویں منزل، حبیب بینک ٹاور، جناح ایونیو، ملیویا، اسلام آباد میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچ جانا چاہئے۔
2. بینک کا ممبر نہ ہونے کی صورت میں کسی فرد کو بطور پراکسی مقرر نہیں کیا جاسکتا، ماسوائے کارپوریشن جو ممبر کے علاوہ دوسرے فرد کو پراکسی نامزد کر سکتی ہے۔
3. کسی ممبر کی جانب سے ایک سے زیادہ پراکسی مقرر کئے جانے اور ممبر اگر بینک کو ایک سے زائد پراکسی انسٹرکٹمنٹس داخل کرائے، تو وہ سب غیر موثر تصور کئے جائیں گے۔

برائے CDC اکاؤنٹ ہولڈرز / کارپوریٹ ادارے:

درج بالا کے علاوہ درج ذیل تقاضے بھی لازمی ہیں:-

- الف۔ پراکسی فارم دو افراد کی جانب سے گواہی کے ہمراہ ہونا چاہئے جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔
- ب۔ بینیفیشل مالکان اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔
- ج۔ پراکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- د۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی کو پیش کئے جائیں (اگر وہ پہلے پیش نہ کئے گئے ہوں)۔

AFFIX
CORRECT
POSTAGE

Habib Bank Limited
Registered Office,
9th Floor, HBL Tower,
Jinnah Avenue, Blue Area,
Islamabad, Pakistan.

111-111-425 | www.hbl.com