

Annual Report 2015

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

Standard Chartered Bank (Pakistan) Ltd.

Points of interest

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

Strong recognition by our stakeholders

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

Best in Treasury and Working Capital – MNCs / LLCs,

Best in Treasury and Working Capital – SMEs,

Best in Treasury and Working Capital – Financial Institutions,

Best in Treasury and Working Capital – Non-bank Financial Institutions

Best Cash Management Bank

Islamic Finance News (IFN) Awards for 2015

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

Global Finance Awards 2015

Pakistan - Best Emerging Market Bank In Asia Pacific 2015

Best Islamic Digital Bank in Asia' Award for 2015

Best Digital Bank in Pakistan' award for 2015

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

Our strategy

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

Our Brand Promise

Here for good

Our Aspirations

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

Our Objectives

Secure the foundations

Strengthening our balance sheet and aligning our strategy to a tightened risk tolerance

Get lean and focused

Driving sustainable improvements in returns by restructuring our client businesses and assertively managing costs

Invest and innovate

Investing in our core strengths and taking advantage of opportunities in our markets

Our Values

Courageous:

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

Responsive:

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

International:

We value others and actively collaborate

Creative:

We adapt and innovate to meet evolving needs

Trustworthy:

We act with integrity and earn the trust of others



Standard Chartered Bank (Pakistan) Limited - Board of Directors

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



Pakistan Executive Committee – 2015

Top row: Shezad Arif, Naveed Qazi, Majid Aziz, Shahzad Salamullah, Mubbashir Yasin, Khurram Khan, Muslim Reza, Mujahid Zuberi
Front row: Zahoor Mehd, Adil Saifuddin, Khadija Hashmi, Shazad Dada, Sumit Kaushal, Asad Shariff, Azhar Aslam, Muhammad Umer

Company Information

Board of Directors

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

Company Secretary

Mr. Asif Iqbal Alam

Audit Committee

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

Human Resource & Remuneration Committee

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

AUDITORS

M/s KPMG Taseer Hadi & Co
Chartered Accountants

LEGAL ADVISORS

HaidermotaBNR & Co
Barristers at Law & Corporate Counselors

Registered Office

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

Main Office

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

Website

www.sc.com/pk

Registrar and Share Transfer Office

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

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STANDARD CHARTERED BANK (PAKISTAN) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

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

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts (consolidated and un-consolidated) of the Bank and its subsidiaries for the year ended 31 December 2015 along with the Directors' and Auditors' Reports thereon.
2. To consider the appointment of external auditors namely M/s KPMG Taseer Hadi & Co., Chartered Accountants, for the year 2016 and to authorize the Chief Executive Officer and Chief Financial Officer to fix their remuneration. M/s KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
3. To consider and approve final cash dividend @ 12.50% (i.e. Rs. 1.25 per share) as recommended by the Board of Directors in addition to interim dividend of 7.50% already paid for the year 2015.

B. SPECIAL BUSINESS

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

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

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

C. OTHER BUSINESS

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

By Order of the Board

Asif Iqbal Alam
Company Secretary

Karachi: 03 March 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Share Transfer Books of the Bank will remain closed from 23 March 2016 to 30 March 2016 (both days inclusive). Transfer received at the Share Registrar by the close of business on 22 March 2016 will be treated in time.
2. Only those persons whose names appear in the Register of Members of the Bank as at 22 March 2016 are entitled to attend and participate in and vote at the Annual General Meeting.
3. A member entitled to attend and vote at the above meeting is entitled to appoint another member as his/ her proxy to attend and vote instead of him/ her. Proxies, in order to be valid, must be received by the Bank at its registered office marked for the attention of the office of the Company Secretary, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
4. Members are requested to notify change in their address, if any, to the Bank's Share Registrars, M/s. Central Depository Company of Pakistan Limited (Share Registrar Department), CDC House, 99-B, Block B, SMCHS, Main Shahr-e-Faisal, Karachi - 74400.
Toll Free: 0800-CDCPL (23275), Fax: (021) 34326053, Email: info@cdcpak.com.
5. **A. For Attending the Meeting:**
 - i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
 - ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.**B. For Appointing Proxies:**
 - i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Bank.
6. Members may inspect the minutes of the Annual General Meeting held on 30 March 2015, in terms of Section 173 of the Companies Ordinance, 1984, at the Bank's registered address.
7. In terms of Securities and Exchange Commission of Pakistan's (SECP) SRO. 634(I)/2014, the Annual Report for the year ended 2015 will also be placed on the Bank's website simultaneously with the dispatch of the same to the members.

Statement under section 160(1) (b)

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

NOTICE OF ANNUAL GENERAL MEETING

SHAREHOLDERS AWARENESS:

- 1. CINC Requirements:** In compliance with Securities and Exchange Commission of Pakistan's (SECP) directive SRO 831 dated 5 July 2012, printing of Computerized National Identity Card (CNIC) numbers of shareholders on dividend warrants is MANDATORY, therefore shareholders are requested to provide a copy of their valid CNICs, if they have not already done so, to our Share Registrar at their above referred office address latest by 22 March 2016. Failing which may result in withholding of dividend warrants of respective shareholders.
- 2. Tax Requirements:** The dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to the provisions of Finance Act, 2015, effective from 01 July 2015; the 'Filer' and 'Non-Filer' shareholders will pay tax on dividend income @ 12.50% and 17.50% respectively. The Filer status of shareholders will be determined by referring National Tax Number (NTN) and appearance of shareholder's name in Active Taxpayers List (ATL) uploaded by the Federal Board of Revenue (FBR) on their website <http://www.fbr.gov.pk/> as on 22 March 2016.

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

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

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

- 3. e-Dividend/ Bank Mandate:** Furthermore, the Bank encourages its shareholders to provide dividend mandates of their respective Banks. The benefits associated with this are instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc. For more information, the members may contact our Share Registrars.
- 4. Electronic Transmission of Audited Financial Statements along with Notice to members through email:** Shareholders, who wish to receive audited financial statements and notice of general meeting through email in terms of provisions of SECP's SRO 787 (I)/ 2014 dated 08 September 2014, are requested to provide their consent and their email addresses, in writing, to our Share Registrar at their above mentioned office address or at info@cdcpak.com

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

بلدیہ، خبا، مظلع کیا جاتا ہے کہ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کے منحصص یافتہ کان کا دسواں سالانہ اجلاس عام 30 مارچ 2016 بروز پیر 04:00 بجے شام موسن جی ڈیساٹی آڈیٹوریم، اسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، ICAP ہائوس، بلاک 8 کلفن، کراچی میں درج ذیل کارروائی کیلئے منعقد کی جائے گا۔

(الف) عمومی کارروائی

- i. 31 دسمبر 2015ء کو ختم ہونے والے سال کیلئے بینک اور اس کی ذیلی کمپنیوں کے آڈیٹڈ اکاؤنٹس (کنسولیدیشن اور ان کنسولیدیشن) اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور اور انکی توثیق۔
- ii. میسرز KMPG ٹائپر ہائی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس (جنہوں نے اہل ہونے کے سبب پھر سے تقرری کی درخواست دی ہے) کی 2016 کیلئے بطور بیرونی آڈیٹر تقرری اور ان کے معلومے کے تعین کیلئے چیف ایگزیکٹو آفسر اور چیف فنانشل آفسر کو اختیار دینا۔
- iii. بورڈ آف ڈائریکٹرز کی منظوری کی روشنی میں 12.5% (یعنی 1.25 روپے فی حصص) نقد منافع کی ادائیگی پر غور اور منظور کرنا جو سال 2015 کیلئے ادا کیے جانے والے 7.5% عبوری منافع کے علاوہ ہے۔

(ب) خصوصی کارروائی

- iv. 31 دسمبر 2015ء کو ختم ہونے والے سال کیلئے بینک کے ڈائریکٹرز آف ایسوسی ایشن کے تحت بینک کے خود مختار نان ایگزیکٹو ڈائریکٹرز کو ادا کیے معاوضوں کی منظوری اور اس سلسلے میں مندرجہ ذیل قرارداد کو بغیر یا بغیر زرمیم، اصلاح یا اخراج بطور عمومی قرارداد منظور کرنا: "قرارداد آف ڈائریکٹرز آف ایسوسی ایشن کے تحت دی گئی سوادہد پر، بورڈ آف ڈائریکٹرز کے فیصلے کے بورڈ کے نان ایگزیکٹو ممبران کو 31 دسمبر 2015ء کو ختم ہونے والے سال کیلئے مبلغ 5,335,000 روپے فیس ادا کرنے کو حصص یافتگان کی جانب سے توثیق اور منظوری دی جانی ہے۔"

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

(ج) دیگر کارروائی

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

بجٹ بورڈ
(آصف اقبال عالم)
کمپنی سیکریٹری

کراچی، 03 مارچ 2016

نوٹس:

1. بینک کی حصص کی منتقلی کی کتابیں 23 مارچ 2016 سے لے کر 30 مارچ 2016 تک (بشمول دونوں دن) بند رہیں گی۔
2. صرف وہ ممبران جن کے نام 22 مارچ 2016ء کو بینک کے ممبران کے رجسٹر میں درج ہوں گے وہی اس سالانہ اجلاس عام میں شرکت کرنے، ووٹ دینے اور ڈیویڈنڈ لینے کے اہل ہوں گے۔
3. ایک ممبر جو اس اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے اپنی جگہ کسی اور فرد کو بطور نمائندہ اجلاس میں شرکت، بولنے، ووٹ ڈالنے کے لئے مقرر کر سکتا ہے۔ پراکسی کے مؤثر ہونے کیلئے لازم ہے کہ وہ کہنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل وصول ہوجائیں۔ ایک ممبر ایک سے زیادہ پراکسی نامزد کرنے کا مختار نہ ہوگا۔
4. حصص یافتگان سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتہ میں ہونے والی کسی تبدیلی سے فوری طور پر شیئر رجسٹرار میسرز سینٹرل ڈیپازٹری کینی آف پاکستان لمیٹڈ (شیئر رجسٹرار ڈیپازٹس) CDC پائوس-B-99 بلاک B، SMCHS میں شاہراہ فیصل کراچی-74400، ٹول فری نمبر: 0800-CDCPL(23275)، فیکس 021-34326053، ای میل ایڈریس info@cdcpak.com پر مطلع کریں۔

5. (الف) اجلاس میں شرکت کیلئے:

- i. افراد کی صورت میں آکٹونٹ ہولڈر یا سب آکٹونٹ ہولڈر یا گروپ کے آکٹونٹ میں سکیورٹیز کے حامل افراد اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کردی گئی ہیں، اس لئے شناخت کیلئے اصل کمپیوٹرائزڈ شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے وقت دکھانا لازمی ہوگا۔
- ii. کارپوریٹ اثباتی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد کرنے والے کے دستخط کے ساتھ اجلاس کے وقت پیش کرنا لازمی ہوگا۔

(ب) پراکسی کی نامزدگی کیلئے

- i. افراد کی صورت میں آکٹونٹ ہولڈر یا سب آکٹونٹ ہولڈر یا گروپ کے آکٹونٹ میں سکیورٹیز کے حامل افراد اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کردی گئی ہیں اس لئے پراکسی فارم بینک کی جانب سے لاکو کیے گئے قواعد کے مطابق پُر کر کے پیش کرنا ہوگا۔
- ii. پراکسی فارم کا دو افراد سے تصدیق شدہ ہونا لازمی ہے جن کے نام پتہ اور کمپیوٹرائزڈ شناختی کارڈ کے نمبر فارم پر لکھے ہوں گے۔
- iii. پراکسی فارم کی ساتھ پراکسی اور اصل مالک کے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کرنا ہوگی۔
- iv. پراکسی کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت دکھانا ہوگا۔
- v. کارپوریٹ اثباتی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد کرنے والے کے دستخط کے ساتھ پراکسی فارم کے ساتھ بینک میں جمع کرانا ہوگا۔
6. کہنی آرڈیننس 1984 کے سیکشن 173 کے تحت ممبران بینک کے رجسٹرڈ پتے پر 30 مارچ 2015ء کو ہونے والے سالانہ اجلاس عام کی روداد کا معائنہ کر سکتے ہیں۔
7. سکیورٹیز اینڈ ایکسچینج کمیشن کی شرائط 2014 / S.R.O 634 (i) کے تحت سالانہ تختہ 2015 کی سالانہ رپورٹ کی ممبروں کو ترسیل کی ساتھ بینک کی ویب سائٹ پر بھی فراہم کی جائے گی۔

سیکشن 160(1)(b) کے تحت بیان

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

حصص یافتگان (ممبران) کی آگاہی

1. سی این آئی سی کی ضرورت: سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات بطریقہ خط نمبر SRO 831(0)/2012 بتاریخ 5 جولائی 2012 پر عملدرآمد کیلئے حامل حصص کا سی این آئی سی نمبر ڈیویڈنڈ وارنٹ پر برائے ہونا لازمی ہے۔ لہذا جن ممبران نے ایسی تک ایپ فومی سٹراکٹی کارڈ کی نقول جمع نہیں کرائیں ان سے درخواست کی جاتی ہے کہ وہ ایپ فومی سٹراکٹی کارڈ کی نقل ہمارے شیئرجسٹرار کے افسیس پر مہیا کریں۔
2. ٹیکس معاملات: ایک ٹیکس آرڈیننس، 2001 کے سیکشن 150 اور فائننس ایکٹ 2015 کی دفعات کے مطابق ڈیویڈنڈ آفسن پر فائلز ممبران کیلئے شرح وڈیولڈنگ ٹیکس %12.5 جگہ ناں فائلز کیلئے %17.5 ہے۔ فائلز کا تعین فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ (<http://www.fbr.gov.pk/>) پر 22 مارچ 2016 کو جاری کردہ ایکٹو ٹیکس ریٹ لسٹ (ATL) کی بنیاد پر کیا جائیگا۔
3. آئی ٹی ایف ایس اکاؤنٹ کی مشترکہ ملکیت کی صورت میں ہر مشترک ہولڈر کو بطور فائلر یا ناں فائلر علیحدہ طور پر جانیکا اور ٹیکس کی کاپی ڈیویڈنڈ کی مجموعی رقم پر کی جانیکی جو کہ ممبران میں شیئربولڈنگ کے تناسب کو مساوی تقسیم کر کے کردی جانیکی سوائے اس کے کہ شیئر ہولڈنگ کے تناسب کی تفصیل پہلے ہی بینک کے شیئر رجسٹرار کے ریکارڈ میں موجود ہو اس صورت میں ٹیکس کی شرح اس تناسب سے لاگو کی جائیگی۔ لہذا ایسے مشترک ہولڈرز سے درخواست کی جاتی ہے کہ اپنی ہولڈنگ کا تناسب ہمارے شیئر رجسٹرار کو مندرجہ بالا پتے پر 22 مارچ 2016 تک فراہم کر دیں۔
4. اس سلسلے میں وہ ممبران جن کے نام فائلرز ہونے کے باوجود ATL میں موجود ہیں، ان سے گزارش کی جاتی ہے کہ اس امر کو یقینی بنائیں کہ ان کے نام ATL میں موجود ہوں بصورت دیگر ان کو ناں فائلر سمجھا جائیگا۔
5. کارپورٹ شیئر ہولڈرز جو ٹیکس سے استثناء کے دعویدار ہیں ان سے درخواست کی جاتی ہے کہ وہ متعلقہ اتھارٹیز کی جانب سے ان کے ادارے کو جاری کیا گیا موٹر ایکٹ ٹیکس ایکریڈیشن سرٹیفیکٹ فراہم کریں۔ FBR کے لیٹر C. No. 1 (43) DG (WHT)/2008 Vol.11 66417-R بتاریخ 12 مئی 2015 کی ویب سائٹ پر دستیاب ہے (<http://www.fbr.gov.pk/ShowDocument.aspx?type=Doc&Actionid=4141>) اگر آپ خصوصی ٹیکس ریٹ کے نابع ہیں بلکہ ممبرانی متعلقہ اتھارٹیز کی جانب سے جاری کیے گئے سرٹیفیکٹ کی نقل ہمارے شیئر رجسٹرار کو مندرجہ بالا پتے پر فراہم کریں۔
6. ای ڈیویڈنڈ/بینک مینڈٹ: علاوہ اس بینک ایپ شیئر ہولڈرز کی اپنے بینکوں کو ڈیویڈنڈ مینڈٹ فراہم کرنے کی حوصلہ افزائی کرتا ہے۔ اس طریقے کے فوائد میں ڈیویڈنڈ کی فوری منتقلی اور ڈیویڈنڈ وارنٹس کے ڈاک میں گم ہوجانے یا ترسیل نہ ہونے یا غلط پتے پر ترسیل کے امکانات کا ن ہونا شامل ہیں۔ مزید معلومات کیلئے ممبران ہمارے شیئرجسٹرار سے رابطہ کر سکتے ہیں۔
7. الیکٹرانک آڈٹڈ فنانشل اسٹیٹمنٹ اور نوٹس کی ترسیل بطریقہ ای میل: SECP کے نوٹیفکیشن 2014 (i) SRO 787 بتاریخ 8 ستمبر 2014 کے ذریعے کمپنیوں کو سالانہ اجلاس عام کے نوٹس کے ہمراہ سالانہ آڈٹ شدہ فنانشل اسٹیٹمنٹس کی ای میل کے ذریعے ترسیل کی اجازت دی گئی ہے لہذا بینک کے وہ نام ممبران جو سالانہ رپورٹ سافٹ کاپی کی صورت میں حاصل کرنے کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ ایپ ای میل ایڈریسز ہمارے شیئرجسٹرار کو فراہم کریں۔

DIRECTORS' REPORT

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

Economy

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

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

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

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

Operating Results and Business Overview

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

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

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

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

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

Outlook

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

DIRECTORS' REPORT

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

Dividend

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

External Annual Audit

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

Credit Rating

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

Sustainability

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

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

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

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

Performance of the Group

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

Operating Results

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

DIRECTORS' REPORT

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

Corporate Governance

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

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

Statements on Internal Controls and Risk Management Framework

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

Directors' Meetings

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

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

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

² Member of Board Audit Committee

³ Member of Board HR & Remuneration Committee

DIRECTORS' REPORT

Statement of investments of Provident, Gratuity and Pension Funds

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

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

Changes in Board of Directors

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

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

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

Pattern of Shareholding

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

External Auditors

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

Appreciation and Acknowledgment

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

On behalf of the Board



Shazad Dada

Chief Executive Officer
Karachi, March 03, 2016

ڈائریکٹرز کی رپورٹ

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

31 دسمبر، 2015

ڈائریکٹرز کی رپورٹ

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

معیشت

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

عالمی سطح پر تیل اور گھریلو اشیاء خورد و نوش کی قیمتوں میں کمی کے باعث اشیاء صرف کی قیمتوں میں گزشتہ سال 6.8 فیصد کے مقابلے میں مالی سال 2015 میں اوسطاً 4.5 فیصد تک کمی واقع ہوئی ہے۔ مجموعی طور پر اقتصادی صورتحال میں بہتری کے باعث صارفین اور سرمایہ داروں کے اعتماد میں اضافہ ہوا۔ جبکہ ترسیلات زر میں اضافہ آئی ایم ایف کے دسویں جائزے کا کامیاب اختتام اور دسمبر 2015 تک

ذرمہ داروں میں 20 ارب ڈالر تک کی بلند ترین سطح دیکھنے میں آئی۔ اس کی مدد سے مرکزی بینک کو اپنی مالی پابندی حکمت عملی میں گنجائش کا موقع ملا اور نومبر 2014 سے 400 بی بی ایس تک کمی آئی۔ دسمبر 2015 کے اختتام تک پالیسی کی شرح 6 فیصد تک ہو گئی۔ شرح سود میں کمی سے ملٹی سٹیج پر قرضوں کے فروغ کے باعث کارپوریٹ اور کنزیومر دونوں کے لئے قرضہ جات بالخصوص سرمایہ کاری اور طویل مدتی قرضے میں دسمبر 2015 تک تقریباً سال بہ سال 19 فیصد اضافہ ہوا۔

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

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

نتیجہ اور عمومی کاروباری جائزہ

31 دسمبر، 2014 (ملین روپے)

31 دسمبر، 2015 (ملین روپے)

38,716

38,716

54,456

55,016

304,504

327,238

150,040

128,302

128,590

106,785

189,678

225,318

بیلنس شیٹ

ادا کردہ سرمایہ

کل ایکویٹی

جمع شدہ رقم

قرضہ جات۔ مجموعی

قرضہ جات۔ خالص

سرمایہ کاری۔ خالص

ڈائریکٹرز کی رپورٹ

سماجی اور عمومی کاروباری جائزہ

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

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

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

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

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

معاشی منظر

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

منافع حصص

بینک کے حصص یافتگان کے دسویں سالانہ اجلاس عام میں بورڈ آف ڈائریکٹرز کی جانب سے منظوری کیلئے 12.50 فیصد (1.25/- روپے فی حصص) کے تقاضی کیش ڈیویڈنڈ کی تجویز دی گئی ہے۔ یہ منافع 7.50 فیصد (0.75 روپے فی حصص) عبوری کیش ڈیویڈنڈ کے علاوہ ہے، جس کا اعلان 11 اگست سال کے دوران کی گئی تھی۔

ڈائریکٹرز کی رپورٹ

سالانہ بیرونی آڈٹ

اسٹینڈرڈ چارٹرڈ بینک پاکستان لمیٹڈ کی فنانس سٹیٹمنٹس کا آڈٹ بینک کے آڈیٹرز کے لیے ایم بی تاثیر یادی اینڈ کھٹی، چارٹرڈ اکاؤنٹنٹس نے کیا اور بلجی کسی انٹرف پرائیویٹ لمیٹڈ نے کیا اور بلجی کسی انٹرف پرائیویٹ لمیٹڈ نے کیا۔

کرڈٹ ریٹنگ

2015 میں پاکستان کرڈٹ ریٹنگ ایجنسی نے بینک کی بالترتیب "AAA" (ٹرپل A) اور "A1+" (اے ون پلس) کی طویل مدتی اور قلیل مدتی ریٹنگوں کو برقرار رکھا ہے۔ بینک کے ٹی ایٹب سی کو بھی "AAA" ریٹنگ دیا گیا ہے۔ یہ ریٹنگوں کو برقرار رکھنے کے لیے بینک کے مندرجہ ذیل اقدامات سے متعلقہ اور ان کی وقت پر ادائیگی کو یقینی بنانے کی نشاندہی کرتی ہیں۔

معاشی استحکام

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

بینک کی پاکستان میں سماجی کاوشیں تعلیم اور صحت پر مرکوز ہیں۔ ہمارے کیو بی سی انویسٹمنٹ ہیلتھ پروگرام "Seeing is Believing" کے ذریعے ہم قابل گریز نایابین کی روک تھام کیلئے مسلسل مالی تعاون کر رہے ہیں۔ نومبر 2015 میں "پاکستان آرین پیڈیاٹرک آئی کیئر پروگرام" کا کامیاب انعقاد کیا گیا، جس کے باعث ہم نے اندطانی خرابیوں میں مبتلا 15 لاکھ بچوں کا معائنہ کیا۔ پاکستان کے مخصوص اضلاع میں صحت چھٹم کے حوالے سے بھی ہم نے اضافی مالی معاونت فراہم کیا ہے۔ ڈائیاہولک رہنمائی تھرائپی سے متعلق بینک صحت چھٹم پروگرام میں بھی معاونت کر رہا ہے، جس کے ذریعے 10 لاکھ افراد تک براہ راست اور بالواسطہ رسائی حاصل کریں گے۔ قابل گریز نایابین پر قابو پانے کیلئے ہماری خدمات کے اعزاز میں حکومت پاکستان نے اسٹینڈرڈ چارٹرڈ کو ملک کی پیشکش اور سندھ آئی کونسل میں اپنا سرکاری اور اعلیٰ درجے کا پارٹنر بنا لیا ہے۔

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

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

گروپ کی کارکردگی

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

رواں کاروباری نتائج

ٹیلیں شیٹ	31 دسمبر 2015 (ملین روپے)	31 دسمبر 2014 (ملین روپے)
اداکرہ سرمایہ	38,716	38,716
کل ایکویٹی	55,256	54,716
جمع شدہ رقم	327,121	304,306
قرض جات - مجموعی	128,112	150,025
قرض جات - خالص	106,595	128,575
سرمایہ کاری - خالص	224,632	188,992

ڈائریکٹرز کی رپورٹ

رواں کاروباری نتائج

31 دسمبر 2014 (ملین روپے)

31 دسمبر 2015 (ملین روپے)

نفع و نقصان	2015	2014
آمدنی	29,883	28,796
انتظامی اخراجات	12,307	12,497
بان مارک اپ اخراجات	456	448
توہین کاروباری منافع (اوجہات اور ٹیکس سے قبل)	17,120	15,851
(رقوم کی واپسی) (وصولیوں کا خالص)	1,555	483
قبل از ٹیکس منافع	15,565	15,368
بعد از ٹیکس منافع	9,431	9,815
منافع فی حصص (ای پی ایس)	2.39	2.49

کارپوریٹ گورننس

ڈائریکٹران سمیت پاکستان اسٹاک ایکچینج کی قوانین کی کتاب میں موجود کوڈ آف گورننس کی شق (5.19.11) کے تحت درکار مندرجہ ذیل اسٹینڈنٹ پیش کرتے ہیں:

- کمپنیاں بینک کی صورت حال، اس کی کارکردگی، نقدی کے بہاؤ، انگریزی میں تہذیبوں کا واضح اظہار ہیں۔
- بینک کے کارپوریٹ گورننس کی درست کتابیں تیار کی گئی ہیں۔
- کمپنیاں جن کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کا یکساں اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے سوزوں اور محتاط اندازے پر مبنی ہیں۔
- کمپنیاں جن کی تیاری میں پاکستان میں لاگو بین الاقوامی منافع رپورٹنگ اسٹینڈرڈز اور بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز پر عمل درآمد کیا گیا ہے۔
- اندرونی انضباط درست طرز پر ذمہ دارن کیا گیا ہے اور موثر اطلاق اور جانچ کی گئی ہے۔
- بطور ادارہ بینک کے کام جاری رکھنے کی اہلیت پر کوئی شک نہیں۔
- ضوابط کی فہرست میں بیان کردہ کارپوریٹ گورننس جن کی تفصیلات ایکچینج کی قانونی کتاب میں موجود ہیں، کی بہترین حکمت عملیوں سے انحراف نہیں کیا گیا۔
- اس سالانہ رپورٹ میں بنیادی آپریٹنگ اور فنانشل ڈیٹا کا خلاصہ مرتب کیا گیا۔
- بورڈ اور اس کی کمیٹی کے متعلقہ اجلاس اور ڈائریکٹران/ممبران کی شرکت کی تفصیل اس رپورٹ کا جزو ہے۔
- ڈائریکٹران، ہی ای او، ہی ایف او اور گھنٹی بکری نے تصدیق کی ہے کہ وہ یا ان کے شریک حیات اسٹاک بروکر کیج کے بزنس سے منسلک نہیں ہیں۔
- اسٹینڈنٹ آف کمپلائنس مع نظر ثانی رپورٹ اور آڈیٹران کی نظر ثانی رپورٹ اس سالانہ رپورٹ کا حصہ ہیں۔
- کمپنیاں جن میں تمام قانونی ذمے داریاں، انگریزی میں، سامنے لائی گئی ہیں۔

اسٹینڈنٹس برائے اندرونی انضباط اور خطرات سے نمٹنے کا ڈھانچہ

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

ڈائریکٹران کے اجلاس

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

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کے اجلاس		بورڈ آڈٹ کمیٹی کے اجلاس		بورڈ اینڈ آر ایگزیکٹو کمیٹی کے اجلاس		ڈائریکٹران کے نام	نمبر شمار
سال کے دوران منعقدہ	شرکت کی	سال کے دوران منعقدہ	شرکت کی	سال کے دوران منعقدہ	شرکت کی		
3	-	-	-	4	2	کرسٹوس	1-
-	-	-	-	1	1	پاپاڈو پلس 3 سٹیل کوشال	2-
4	-	-	-	5	5	شیر اودا 3	3-
-	-	5	5	5	5	ٹیم آئی پیوہری 2	4-
4	-	5	5	5	5	پریوینٹا 3	5-
4	-	-	-	5	5	اسٹیٹا کانسٹرا 3	6-
-	-	-	-	1	2	رائیل امد	7-
-	-	3	5	4	5	ڈوور اناجھاراں	8-

1- وہ ڈائریکٹران اہمہر ان جو کچھ اجلاس میں شرکت نہیں کر سکتے تھے انہیں رخصت دی گئی تھی

2- بورڈ آڈٹ کمیٹی کے نمبر

3- بورڈ اینڈ آر ایگزیکٹو کمیٹی کے نمبر

پروویڈنٹ گریجویٹ اور ریٹائرمنٹ فنڈ کیلئے مختص رقم کی اسٹینٹ

مختص کی گئی رقم کی قدر بشمول پروویڈنٹ گریجویٹ فنڈ کی حاصل آمدن 31 دسمبر 2015 پر غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر مندرجہ ذیل ہے۔

روپے '000

2,029,066

پروویڈنٹ فنڈ

1,079,677

گریجویٹ فنڈ برائے انتظامی عملہ

24,456

گریجویٹ فنڈ برائے غیر انتظامی عملہ

42,255

مختص فنڈ برائے انتظامی عملہ

49,133

مختص فنڈ برائے غیر انتظامی عملہ

بورڈ آف ڈائریکٹرز کی تبدیلیاں

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

بورڈ کے ڈائریکٹران نے جناب سٹیل کوشال (جنہیں اکتوبر 2015 میں ڈائریکٹری حیثیت سے تقرر کیا گیا تھا) کو نئے چیئرمین اور جناب کرسٹوس پاپاڈو پلس کی جگہ جناب فرانسس جیٹری کو ڈائریکٹر

(اسٹیٹ بینک آف پاکستان کی کلیمز سے مشروط) کی حیثیت سے تقرر کر لیا ہے۔

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

چیئرمین کی حیثیت سے انجام دیں۔

ڈائریکٹرز کی رپورٹ

شیر ہولڈنگ کا انداز

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

بیرونی آڈیٹران

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

تسلیم و تحسین

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

منجانب



شہزاد علی

چیف ایگزیکٹو آفیسر

کراچی: 3 مارچ 2016

Management's Statements on Internal Controls and Risk Management Framework

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

Internal Controls

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

- Efficiency and effectiveness of operations
 - Compliance with applicable laws and regulations
 - Reliability of financial reporting
1. The Management has adopted different strategies to ensure effective monitoring and improvement of internal controls. These include Internal Audit and Operational Risk Framework (ORF) in which assurance responsibilities are divided into three lines of defense i.e. first being the business function, second is the Operational Risk Assurance and support from Group Internal Audit is the third line of defense.
 2. The policies and procedures in all significant areas and as per the directives of the regulators have been duly approved by the Board.
 3. An organization structure has been established which supports clear lines of communication and tiered levels of authority with accountability.
 4. The Bank has an effective Internal Audit Department, which reports directly to the Audit Committee of the Board. The department periodically carries out detailed reviews/audits of its branches and various departments/ units based on a yearly plan which is approved by the Audit Committee.
 5. Internal control policies, tools and reporting structures have been enhanced to provide greater clarity over roles and responsibilities. Relevant training materials have also been updated and deployment is underway.
 6. Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and take action to implement such recommendations.
 7. The management has put in place evaluation and approval procedures for major capital expenditure and other transactions.
 8. There is an annual budgeting and strategic planning process. Financial forecasts are reviewed during the year on a periodic basis to reflect significant changes in business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole, using operating statistics and monthly management accounts which highlight key performance indicators and variance from budgets and forecasts is in place.
 9. Review and implementation of health, safety, environment and contingency management processes and other significant policies are carried out and reporting mechanism is in place.
 10. SCBPL has adopted the internationally accepted Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls Integrated Framework 1992 and available international practices in relation to Internal Controls over Financial Reporting (ICFR) to comply with SBP guidelines on Internal Controls.

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

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

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

Management's Statements on Internal Controls and Risk Management Framework

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

Risk Management Framework

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

The basic risk management principles followed by the Bank include:

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

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

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

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

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

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

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

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

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

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

Credit Risk

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

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

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

Management's Statements on Internal Controls and Risk Management Framework

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

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

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

Market Risk

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

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

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

Liquidity Risk

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

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

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

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

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

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

Operational Risk

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

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

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

Management's Statements on Internal Controls and Risk Management Framework

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

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

Reputational Risk

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

Pension Risk

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

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

Capital Risk

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

Strategic Risk

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

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

Compliance and Regulatory Risk

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

Legal Risk

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

By order of the Board



Shazad Dada
Chief Executive Officer

Report of Shari'ah Board

For the year ended December 31, 2015

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

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

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

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

1. The Bank has complied with Shari'ah rules and principles provided in the fatawa, rulings and guidelines issued by Shari'ah Board.
2. The Bank has complied with directives, regulations, instructions and guidelines related to Shari'ah compliance issued by SBP in accordance with the rulings of SBP's Shari'ah Board.
3. The bank has a comprehensive mechanism in place to ensure Shari'ah compliance in their overall operations.
4. The Shari'ah Board has been provided resources enabling it to discharge its duties. However, due to continuous increase in the volume of Saadiq business, Shari'ah Board may require some resources in future.

Implementation of Shari'ah Governance Framework

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

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

Shari'ah Compliance Reviews

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

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

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

Report of Shari'ah Board

For the year ended December 31, 2015

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

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

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

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

Late Payment and Non-Compliant Income Charity

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

Awareness, Training and Capacity Building

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

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

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

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

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

Report of Shari'ah Board

For the year ended December 31, 2015

Recommendation

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

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



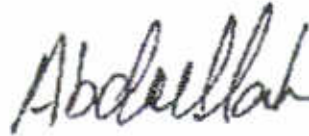
Shaikh Nizam Yaqouby
Chairman Shari'ah Board



Mufti Muhammad Abdul Mubeen
Member Shari'ah Board



Mufti Irshad Ahmad Aijaz
Member Shari'ah Board



Mufti Muhammad Abdullah
Resident Shari'ah Board Member



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

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

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


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

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

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

Date: 03 March 2016

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with the Code of Corporate Governance

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

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

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

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

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

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

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Bank.
3. All the resident directors of the Bank are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The Bank has adopted Group's 'Code of Conduct', which has been approved by the Board and is disseminated to all the directors and employees of the Bank along with its supporting policies and procedures.
5. The Board has developed and approved a vision/mission statement and overall corporate strategy. The Board has also approved significant policies and adopted certain Standard Chartered Group policies as far as they are in accordance with the local laws and regulations. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO are taken by the Board.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose.
8. Two casual vacancies were created during the year on 01 July 2015 and 28 October 2015. These were filled by the Board on 22 September 2015 and 24 February 2016 respectively.
9. The Board met at least once in every quarter. Notices of meetings, agendas and related papers are circulated at least seven days before the meeting except in case where an emergent meeting is to be held. The minutes of the meetings were appropriately recorded and circulated.
10. The Board approved appointment of CFO, Head of Internal Audit and Company Secretary including their remuneration and terms and conditions of employment. No new appointments have been made during the year except the fresh appointment of CFO.
11. The Board has formed an Audit Committee. The terms of reference of this Committee have been approved by the Board and advised to the Committee for compliance. Committee also ensures independence of the internal audit function and independence and objectivity of the External Auditors.
12. The Audit Committee of the Board comprises of three members. Two members including the Chairman are independent non-executive directors while the other member is a non-executive director.
13. The meetings of the Audit Committee are held at least once every quarter prior to approval of interim and final results of the Bank and as required by the Code.

*Subject to clearance from State Bank of Pakistan

14. The Board has constituted a Human Resource & Remuneration Committee. It comprises of four members; two independent non-executive directors, an executive director and a non-executive director.
15. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
16. The financial statements of the Bank were duly endorsed by CEO and CFO before approval of the Board.
17. The directors, CEO and executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding. No trading in shares of the Bank was carried out by the Directors, Executives and their spouses and minor children during the year as confirmed by them.
18. All Directors are provided with an Orientation Pack on their appointment. During the period under review, a number of in-house orientation sessions were attended by the directors. All Directors on the Board have completed directors training programs arranged by Pakistan Institute of Corporate Governance (PICG) except for the two Non-Executive Directors for whom training will be arranged in due course of time.
19. The Bank has complied with all the corporate and financial reporting requirements of the Code.
20. The Board has set up an effective Internal Audit department. Head of Internal Audit Department reports directly to the Chairman of the Board Audit Committee. Personnel of internal audit function are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.
21. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. Material/ price sensitive information, if any, as described in clause 5.19.13 (c) of the Code has been disseminated to the Stock Exchanges and Securities and Exchange Commission of Pakistan in a timely manner.
24. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
25. The Bank has complied with the requirements as stipulated in clause 5.19.6 (b) of the Code relating to Related Party transactions.
26. All other material principles contained in the Code have been complied with.

By Order of the Board



Shazad Dada
Chief Executive Officer

Six Years Key Financial Data

Rupees in million

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

Standard Chartered Bank (Pakistan) Limited

Financial Statements

For the year ended
31 December 2015



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

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

Auditors' Report to the Members

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

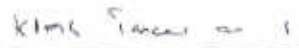
It is the responsibility of the Bank's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962), and the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

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

- a) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984);
- b) in our opinion:
 - i) the statement of financial position and the related profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied except for the change in accounting policy as disclosed in note 3 to the accompanying financial statements, with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's affairs as at 31 December 2015 and its true balance of profit, its cash flows and its changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source, under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: 03 March 2016

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Un-Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015	2014
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	4	29,482,134	21,475,345
Balances with other banks	5	4,300,002	387,301
Lendings to financial institutions	6	26,969,566	10,813,559
Investments	7	225,318,405	189,678,370
Advances	8	106,784,996	128,590,059
Operating fixed assets	9	5,963,952	6,282,553
Intangible assets	10	26,126,720	26,173,114
Other assets	12	22,402,016	26,167,582
		447,347,791	409,567,883
LIABILITIES			
Bills payable	13	11,401,191	5,563,605
Borrowings	14	21,784,451	17,244,871
Deposits and other accounts	15	327,237,527	304,503,668
Sub-ordinated loans	16	2,500,000	2,500,000
Deferred tax liabilities - net	11	3,221,120	2,575,833
Other liabilities	17	19,253,047	16,464,654
		385,397,336	348,852,431
NET ASSETS		61,950,455	60,715,452
REPRESENTED BY:			
Share capital	18	38,715,850	38,715,850
Reserves	19	10,847,005	8,989,320
Unappropriated profit		5,453,310	6,751,303
		55,016,165	54,456,473
Surplus on revaluation of assets - net of deferred tax	20	6,934,290	6,258,979
		61,950,455	60,715,452
CONTINGENCIES AND COMMITMENTS	21		

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghias
Director



Spenta Kandawalla
Director

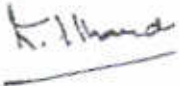
Un-Consolidated Profit and Loss Account

For the year ended 31 December 2015

	Note	2015	2014
(Rupees in '000)			
Mark-up / return / interest earned	22	32,937,559	34,105,789
Mark-up / return / interest expensed	23	(10,629,849)	(13,242,563)
Net mark-up / return / interest income		22,307,710	20,863,226
Provision against non-performing loans and advances - net	8.3 & 17.2	(1,616,385)	(489,241)
Recovery of amounts written off		245,573	312,891
Provision for diminution in the value of investments	7.3	(4,729)	(74,151)
Bad debts written off directly	8.5.1	(181,865)	(215,344)
		(1,557,406)	(465,845)
Net mark-up / return / interest income after provisions		20,750,304	20,397,381
NON MARK-UP / NON INTEREST INCOME			
Fees, commission and brokerage income		3,671,329	3,300,165
Dividend income		14,977	84,204
Income from dealing in foreign currencies		2,061,390	2,908,748
Gain on sale of securities - net	24	1,015,697	727,267
Unrealized gain on revaluation of investments classified as held for trading	7.10	4,042	54,460
Other income	25	329,689	318,029
Total non mark-up / non interest income		7,097,124	7,392,873
		27,847,428	27,790,254
NON MARK-UP / NON INTEREST EXPENSES			
Administrative expenses	26	(12,104,946)	(12,247,951)
Other (provisions) / reversal / asset write-offs	27	(3,164)	-
Other charges	28	(354,899)	(311,740)
Total non mark-up / non interest expenses		(12,462,809)	(12,559,691)
		15,384,619	15,230,563
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		15,384,619	15,230,563
Taxation - current		(5,105,573)	(4,255,131)
- prior years'		(697,323)	(187,994)
- deferred		(293,297)	(1,062,535)
	29	(6,096,193)	(5,505,660)
PROFIT AFTER TAXATION		9,288,426	9,724,903
(Rupees)			
BASIC / DILUTED EARNINGS PER SHARE	30	2.40	2.51

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


Shazad Dada
Chief Executive Officer


Najam I. Chaudhri
Director


Parvez Ghias
Director


Spenta Kandawalla
Director

Un-Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

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

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghies
Director



Spenta Kandawalla
Director

Un-Consolidated Cash Flow Statement

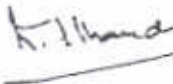
For the year ended 31 December 2015

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

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


 Shazad Dada
 Chief Executive Officer


 Najam I. Chaudhri
 Director


 Parvez Ghias
 Director


 Spenta Kandawalla
 Director

Un-Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

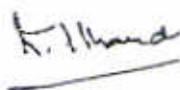
	Share Capital	Share Premium	Statutory Reserve	Unappropriated Profit (a)	Total
(Rupees in '000)					
Balance as at 01 January 2014	38,715,850	1,036,090	6,008,249	6,526,127	52,286,316
Total Comprehensive income for the year					
Profit after tax for year ended 31 December 2014	-	-	-	9,724,903	9,724,903
Surplus on revaluation of assets - net of tax	-	-	-	340	340
Other Comprehensive income	-	-	-	1,965	1,965
Remeasurement of post employment obligations - net of tax	-	-	-	9,727,208	9,727,208
Transactions with owners, recorded directly in equity					
Share based payment transactions (contribution from holding company)	-	-	-	82,231	82,231
Payment against share based payment transactions (to holding company)	-	-	-	10,157	10,157
	-	-	-	92,388	92,388
Reversal of liability against share based payment to holding company	-	-	-	670,156	670,156
Transfer to statutory reserve	-	-	1,944,901	(1,944,901)	-
Cash dividend (Final 2013) at Rs. 1.40 per share	-	-	-	(5,420,219)	(5,420,219)
Cash dividend (Interim 2014) at Rs. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	4,313	4,313
Balance as at 31 December 2014	38,715,850	1,036,090	7,953,230	6,751,303	54,456,473
Total Comprehensive income for the year					
Profit after tax for year ended 31 December 2015	-	-	-	9,288,426	9,288,426
Surplus on revaluation of assets - net of tax	-	-	-	6,358	6,358
Other Comprehensive income	-	-	-	(52,877)	(52,877)
Remeasurement of post employment obligations - net of tax	-	-	-	9,241,907	9,241,907
Transactions with owners, recorded directly in equity					
Share based payment transactions (contribution from holding company)	-	-	-	25,695	25,695
Payment against share based payment transactions (to holding company)	-	-	-	15,163	15,163
	-	-	-	40,858	40,858
Transfer to statutory reserve	-	-	1,857,685	(1,857,685)	-
Remeasurement of liability against share based payment to holding company	-	-	-	(36,910)	(36,910)
Cash dividend (Final 2014) at Rs. 1.50 per share	-	-	-	(5,807,378)	(5,807,378)
Cash dividend (Interim 2015) at Rs. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	24,904	24,904
Balance as at 31 December 2015	38,715,850	1,036,090	9,810,915	5,453,310	55,016,165

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

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghias
Director



Spenta Kandawalla
Director

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Basis of presentation

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

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

2.2 Statement of compliance

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

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

2.3 Basis of measurement

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

2.4 Use of estimates and judgments

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

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

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

2.5 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Business acquisitions

Acquisitions from entities under common control

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

Other acquisitions

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

3.2 Cash and cash equivalents

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

3.3 Investments

The Bank classifies its investments as follows:

a) Held for trading

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

b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortised cost.

c) Available for sale

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

d) Subsidiaries

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

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

Impairment

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

3.4 Sale and repurchase agreements

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

3.5 Advances

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

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

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

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

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

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

3.6 Operating fixed assets - Tangible

Owned

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

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

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

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

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

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

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

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

Leased

Fixed assets held under finance lease are stated at the lower of fair value of asset and present value of minimum lease payments at the inception of lease, less accumulated depreciation. Financial charges are allocated over the period of lease term so as to provide a constant periodic rate of financial charge on the outstanding liability. Depreciation is charged on the basis similar to owned assets.

3.7 Intangible assets

Goodwill

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

Computer software

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

Acquired intangibles in business combination

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

3.8 Impairment of non-financial assets

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

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

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

3.9 Staff retirement benefits

Defined benefit plan

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

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

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

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

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

Defined contribution plan

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

3.10 Foreign currency transactions

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

3.11 Taxation

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

Current tax

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

Deferred tax

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

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

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

3.12 Revenue recognition

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

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

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

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

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

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

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

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

3.13 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to profit and loss account.

3.14 Provisions

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

3.15 Fiduciary activities

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

3.16 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format for segment reporting is based on business segments. A brief description of the products and services offered by different segments of the Bank is given in note 37 to these financial statements.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

3.17 Offsetting

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

3.18 Subordinated liabilities

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

3.19 Non-current assets and disposal groups held for sale

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

3.20 Share-based compensation

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

3.21 Acceptances

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

3.22 Basic and diluted earnings per share

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

3.23 Dividend and appropriation to reserves

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

3.24 Borrowings / deposits and their cost

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

3.25 Financial assets and liabilities

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

3.26 Provision for guarantee claims and other off balance sheet obligations

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

3.27 New, Amended And Revised Standards And Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurements'.

These standards became applicable from January 1, 2015, as per the adoption status of IFRS in Pakistan.

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

IFRS 11 replaces IAS 31 Interests in Joint Ventures. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The application of IFRS 11 did not result in identification of any associate as a joint venture.

IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosures on the nature and risks associated with interests in unconsolidated structured entities.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have any impact on the Bank's financial statements except for disclosures in note 36.

3.28 New standards and interpretations not yet adopted

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 January 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016] clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

4 CASH AND BALANCES WITH TREASURY BANKS

In hand

- Local currency
- Foreign currencies

With State Bank of Pakistan in:

- Local currency current account
- Local currency current account-Islamic Banking
- Foreign currency deposit account

Cash reserve account

Special cash reserve account

Local US Dollar collection account

With National Bank of Pakistan in:

- Local currency current account

Note	2015	2014
	(Rupees in '000)	
	3,135,496	2,374,613
4.1	3,586,031	2,168,908
	8,814,291	2,351,724
	1,468,964	1,476,212
	3,051,786	3,132,302
	8,521,249	8,593,265
	42,833	104,283
	861,484	1,274,038
	<u>29,482,134</u>	<u>21,475,345</u>

4.1 This includes National Prize Bonds of Rs. 1,055 million (2014: Rs. 2,282 million).

5 BALANCES WITH OTHER BANKS

In Pakistan

- In current accounts

Outside Pakistan

- In current accounts

Note	2015	2014
	(Rupees in '000)	
	-	-
5.1	4,300,002	387,301
	<u>4,300,002</u>	<u>387,301</u>

5.1 This includes balances of Rs.4,253,892 million (2014: Rs.337,420 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

6 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings

Repurchase agreement lendings (Reverse Repo)

Bai-Muajjal of Ijarah Sukuk

Placements

Note	2015	2014
	(Rupees in '000)	
6.1	2,000,000	-
6.2&6.6	2,000,000	2,500,000
6.3	6,518,946	-
6.4	16,450,620	8,313,559
	<u>26,969,566</u>	<u>10,813,559</u>

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

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

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

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

6.5 Particulars of lending

In local currency

In foreign currencies

Note	2015	2014
	(Rupees in '000)	
	10,518,946	2,500,000
	16,450,620	8,313,559
	<u>26,969,566</u>	<u>10,813,559</u>

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

5.6 Securities held as collateral against lendings to financial institutions

	2015			2014		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	(Rupees in '000)					
Pakistan Investment Bonds	2,000,000	-	2,000,000	2,500,000	-	2,500,000
	2,000,000	-	2,000,000	2,500,000	-	2,500,000

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

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

7.2 Investments by segment	Note	2015	2014
		----- (Rupees in '000) -----	
Federal Government Securities			
Market Treasury Bills		69,391,574	59,241,644
Pakistan Investment Bonds		144,648,301	113,745,579
GoP Ijarah Sukuk Bonds		4,001,990	10,396,495
Fully paid up ordinary shares			
Listed companies		662,061	662,061
Unlisted companies		3,004	3,004
Bonds and Term Finance Certificates - Unlisted			
Term Finance Certificates		285,025	285,025
Sukuk and Ijarah Bonds		1,425,000	1,475,000
Total investment at cost		220,416,955	185,808,808
Less: Provision for diminution in the value of investments	7.3	(808,221)	(803,492)
Investment (net of provisions)		219,608,734	185,005,316
Surplus on revaluation of held for trading securities - net		4,042	54,460
Surplus on revaluation of available for sale securities - net	20.2	5,019,356	3,932,321
		224,632,132	188,932,097
Investment in subsidiaries - Held for sale	7.11	686,273	686,273
Total Investments - net		225,318,405	189,678,370
7.3 Particulars of provision for diminution in the value of investments			
Opening balance		803,492	860,157
Charge for the year		4,729	74,151
Reversals		-	-
Net charge		4,729	74,151
Provision against investment in subsidiaries classified as held for sale		-	(130,816)
Closing Balance	7.3.1	808,221	803,492
7.3.1 The details of provision held against investments are as follows:			
Ordinary shares / units - available for sale	7.7 & 7.8	523,196	518,467
Term Finance Certificates -unlisted	7.9	285,025	285,025
		808,221	803,492

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

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

Notes to the Un-Consolidated Financial Statements

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

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

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

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

7.9 Bonds and Term Finance Certificates - unlisted			2015		2014		
	2015	2014	Rating	Rating	2015	2014	
		(Number of shares)		(Rupees in '000)		(Rupees in '000)	
Term Finance Certificates of Rs. 5,000 each							
Agritech Limited					147,000	147,000	
Azgard Nine Limited					138,025	138,025	
					<u>285,025</u>	<u>285,025</u>	
Provision for diminution in the value 7.3.1					<u>(285,025)</u>	<u>(285,025)</u>	
					-	-	

Sukuk and Ijarah Bonds

Quality of 'Available for Sale' securities	Note	2015			2014		
		Rating	Cost	Market value	Rating	Cost	Market value
		(Rupees in '000)			(Rupees in '000)		
Wapda Sukuk Bonds	7.9.1	Unrated	100,000	97,134	Unrated	150,000	149,728
Pakistan International Airlines (PIA) Sukuk Bonds	7.9.2	Unrated	1,325,000	1,325,000	Unrated	1,325,000	1,325,000
			<u>1,425,000</u>	<u>1,422,134</u>		<u>1,475,000</u>	<u>1,474,728</u>

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

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For the year ended 31 December 2015

- 7.9.2** PIA Sukuk bonds carry mark-up rates 1.75% above 6 months KIBOR. The principal and profit is payable semi-annually with maturity in October 2019.
- 7.9.3** GoP Ijarah Sukuk Bonds carry mark-up rates of 0.22% below weighted average yield of 6 months treasury bills. The profit is payable semi-annually with principal redemption at maturity falling due on March 2016.

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

7.11 Investment in Subsidiaries - Held for Sale

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

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

- 7.11.2** The market value of investments in listed subsidiaries, namely, Standard Chartered Modaraba and Standard Chartered Leasing Limited at 31 December 2015 amounted to Rs 123.443 million and Rs 795.045 million respectively (2014: Rs 110.963 million and Rs 711.912 million respectively).

8 ADVANCES

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

Notes to the Un-Consolidated Financial Statements

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8.1 Particulars of advances - gross

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

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

8.2 Advances include Rs 24,018.416 million (31 December 2014: Rs 23,095.733 million) which have been placed under non-performing status as detailed below.

Category of classification	2015								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
OAEM	39,676	-	39,676	-	-	-	-	-	-
Substandard	710,067	-	710,067	139,866	-	139,866	139,866	-	139,866
Doubtful	3,313,782	-	3,313,782	1,526,603	-	1,526,603	1,526,603	-	1,526,603
Loss	19,954,891	-	19,954,891	15,294,343	-	15,294,343	15,294,343	-	15,294,343
	24,018,416	-	24,018,416	20,960,812	-	20,960,812	20,960,812	-	20,960,812
General Provision	-	-	-	555,906	-	555,906	555,906	-	555,906
	24,018,416	-	24,018,416	21,516,718	-	21,516,718	21,516,718	-	21,516,718

Category of classification	2014								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
OAEM	44,774	-	44,774	-	-	-	-	-	-
Substandard	636,175	-	636,175	212,546	-	212,546	212,546	-	212,546
Doubtful	857,709	-	857,709	297,095	-	297,095	297,095	-	297,095
Loss	21,367,075	-	21,367,075	20,400,894	-	20,400,894	20,400,894	-	20,400,894
	23,095,733	-	23,095,733	20,910,535	-	20,910,535	20,910,535	-	20,910,535
General Provision	-	-	-	539,465	-	539,465	539,465	-	539,465
	23,095,733	-	23,095,733	21,450,000	-	21,450,000	21,450,000	-	21,450,000

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

8.3 Particulars of provision against non-performing advances

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

	Note	2015	2014
		(Rupees in '000)	
8.4 Particulars of provision against non-performing advances			
In local currency		20,814,455	20,731,054
In foreign currencies		702,263	718,946
		21,516,718	21,450,000
8.5 Particulars of write offs			
8.5.1 Against provisions		1,238,681	895,127
Charged and written off during the year		181,865	215,344
	8.5.2	1,420,546	1,110,471
8.5.2 Write-offs of Rs. 500,000 and above		1,026,913	629,738
Write-offs of below Rs. 500,000		393,633	480,733
		1,420,546	1,110,471
8.6 Details of loans written-off of Rs. 500,000 and above			
In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2015 is given in Annexure 1.			
8.7 This includes loans charged off as per Bank's policy. Recovery efforts on the amount charged off are ongoing, as the Bank continues to have the legal right of recovery.			
8.8 Particulars of loans and advances to directors, associated companies, etc.	Note	2015	2014
		(Rupees in '000)	
(i) Debts due by directors, executives or officers of the bank or any of them either severally or jointly with any other persons			
Balance at beginning of the year		888,507	1,195,443
Loans granted during the year		-	-
Repayments		(240,779)	(306,936)
Balance at end of the year		647,728	888,507
(ii) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or in the case of private companies as members			
Balance at beginning of the year		693,293	29,966
Loans granted during the year		777,216	1,568,929
Repayments		(1,349,162)	(905,602)
Balance at end of the year		121,347	693,293
(iii) Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties			
Balance at beginning of the year		776,579	442,908
Loans granted during the year		2,681,969	8,613,650
Repayments		(3,136,735)	(8,279,979)
Balance at end of the year		321,813	776,579
9 OPERATING FIXED ASSETS			
Capital work-in-progress		-	-
Property and equipment	9.1	5,963,952	6,282,553
		5,963,952	6,282,553

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For the year ended 31 December 2015

9.1 Property and equipment

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

	2014							
	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Leased hold improvements	Furniture, fixtures and office equipment	Vehicles	Total
	(Rupees in '000)							
Cost / Valuations								
At 1 January 2014	571,030	3,606,428	280,408	897,257	1,207,010	2,732,840	97,855	9,382,828
Surplus / (Deficit) on revaluation	17,344	215,660	89,657	77,429	-	-	-	390,110
Revaluation adjustment	-	-	(112,237)	(366,133)	-	-	-	(478,370)
Additions during the year	-	-	573	8,572	68,278	209,578	-	286,901
Transfers / write offs	-	-	-	(8,022)	(2,358)	(44,155)	(2,959)	(57,494)
Deletions	-	-	-	(2,304)	(4,265)	(139,740)	(1,505)	(147,812)
At 31 December 2014	588,374	3,622,108	238,401	604,799	1,268,665	2,758,523	93,393	9,374,263
Accumulated Depreciation								
At 1 January 2014	-	-	88,737	299,712	693,253	2,149,244	62,873	3,293,819
Charge for the year	-	-	23,500	75,215	77,441	279,543	23,189	479,888
Revaluation adjustment *	-	-	(112,237)	(366,133)	-	-	-	(478,370)
Transfers / write offs	-	-	-	(8,022)	(2,358)	(44,155)	(2,959)	(57,494)
Deletions	-	-	-	(772)	(3,811)	(139,338)	(1,211)	(145,133)
At 31 December 2014	-	-	-	-	764,525	2,245,293	81,892	3,091,710
Net book value	588,374	3,622,108	238,401	604,799	504,140	513,230	11,501	6,282,553
Rate of depreciation	-	-	6.67%	6.67%	6.67%-10%	14.28% - 33.33%	33.33%	

* The revaluation adjustment relates to the accumulated depreciation as at revaluation date that was eliminated against the gross carrying amount of the revalued buildings.

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

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

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

Notes to the Un-Consolidated Financial Statements

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9.3 As at 31 December 2015, the cost of fully depreciated fixed assets still in use amounted to Rs.2,502,215 million (2014: Rs.2,354,131 million).

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

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

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

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

Items having book value of less than Rs. 250,000 and cost of less than Rs. 1,000,000:

Furniture, fixtures and office equipment	3,599	3,599	-	1,590	1,590		
Total	<u>90,883</u>	<u>47,133</u>	<u>43,750</u>	<u>47,210</u>	<u>3,460</u>		

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

10 INTANGIBLE ASSETS

	2015					
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	Computer Software	Total
	(Rupees in '000)					
Cost						
At 1 January 2015	26,095,310	1,982,413	774,680	389,400	338,350	29,580,153
Additions during the year	-	-	-	-	-	-
At 31 December 2015	26,095,310	1,982,413	774,680	389,400	338,350	29,580,153
Amortised						
At 1 January 2015	-	1,982,413	761,611	324,665	338,350	3,407,039
Charge for the year	-	-	7,460	38,934	-	46,394
At 31 December 2015	-	1,982,413	769,071	363,599	338,350	3,453,433
Net book value	26,095,310	-	5,609	25,801	-	26,126,720
Rate of amortisation					20%	
	2014					
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	Computer Software	Total
	(Rupees in '000)					
Cost						
At 1 January 2014	26,095,310	1,982,413	774,680	389,400	338,350	29,580,153
Additions during the year	-	-	-	-	-	-
At 31 December 2014	26,095,310	1,982,413	774,680	389,400	338,350	29,580,153
Amortised						
At 1 January 2014	-	1,982,413	751,742	285,731	338,350	3,358,236
Charge for the year	-	-	9,869	38,934	-	48,803
At 31 December 2014	-	1,982,413	761,611	324,665	338,350	3,407,039
Net book value	26,095,310	-	13,069	54,735	-	26,173,114
Rate of amortisation					20%	

- 10.1 As at 31 December 2015, the gross carrying amount of fully amortised intangible assets (computer software) still in use amounted to Rs 338.350 million (2014:Rs. 338.350 million).
- 10.2 The recoverable amount for the purpose of assessing impairment on goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the 2016 budget and forecasts for subsequent two years as approved by the management. These have then been extrapolated for a further period of 18 years using a steady long term forecast GDP growth rate and a terminal value determined based on a long term earnings multiple. The cash flows are discounted using a pre-tax discount rate which reflects the current market rate appropriate for the business. For the calculation as at 31 December 2015, the bank has used a long term forecast GDP growth rate of 4.96 percent and a discount rate of 22.91 percent. The management believes that any reasonable possible changes to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount.

Notes to the Un-Consolidated Financial Statements

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11 DEFERRED TAX ASSETS / (LIABILITIES)

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

	Note	2015			
		At 1 January 2015	(Charge) / credit to profit and loss	Debit / (credit) to equity / other comprehensive income	At 31 December 2015
(Rupees in '000)					
Available for sale investments	20.2	(1,376,312)	-	(380,462)	(1,756,774)
Provisions for loans and advances	11.1	5,356,246	514,550	-	5,870,796
Other assets		(86,986)	(164)	-	(87,150)
Fixed assets		(195,311)	52,471	-	(142,840)
Surplus on revaluation of Fixed Assets		(69,039)	16,833	-	(52,206)
Goodwill and other intangibles		(6,190,960)	(876,987)	-	(7,067,947)
Actuarial gains on retirement benefits		(13,471)	-	28,472	15,001
		<u>(2,575,833)</u>	<u>(293,297)</u>	<u>(351,990)</u>	<u>(3,221,120)</u>
		2014			
	Note	At 1 January 2014	(Charge) / credit to profit and loss	Debit / (credit) to equity / other comprehensive income	At 31 December 2014
(Rupees in '000)					
Available for sale investments	20.2	(34,305)	-	(1,342,007)	(1,376,312)
Provisions for loans and advances		5,577,334	(221,088)	-	5,356,246
Other assets		(86,822)	(164)	-	(86,986)
Fixed assets		(227,668)	32,357	-	(195,311)
Surplus on revaluation of Fixed Assets		(20,064)	2,505	(51,480)	(69,039)
Goodwill and other intangibles		(5,314,815)	(876,145)	-	(6,190,960)
Actuarial gains on retirement benefits		(12,413)	-	(1,058)	(13,471)
		<u>(118,753)</u>	<u>(1,062,535)</u>	<u>(1,394,545)</u>	<u>(2,575,833)</u>

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

	Note	2015	2014
		(Restated)	
		(Rupees in '000)	
12 OTHER ASSETS			
Income / mark-up accrued in local currency		8,548,530	8,381,396
Income / mark-up accrued in foreign currencies		13,434	83,963
Advances, deposits, advance rent and other prepayments		581,292	710,980
Receivable from defined benefit plans	33.3	18,025	-
Receivable from defined contribution plans		-	138,949
Advance taxation (payments less provisions)		9,745,525	9,095,167
Branch adjustment account		175	20,095
Unrealized gain on forward foreign exchange contracts		338,424	581,241
Interest rate derivatives and currency options - positive fair value		157,607	302,107
Receivable from SBP / Government of Pakistan		146,060	462,362
Receivable from associated undertakings		34,416	52,057
Receivable from Standard Chartered Bank, Sri Lanka operations	12.2	39,654	39,979
Advances against future Murabaha		689,479	5,593,532
Commodities under Islamic finance		1,378,961	-
Advance Federal Excise Duty		188,443	188,443
Unsettled trades		-	2,299
Others		638,364	631,385
		22,518,389	26,283,955
Less: Provision against other assets	12.1	(116,373)	(116,373)
Other Assets - net of provisions		22,402,016	26,167,582
12.1 Provision against other assets			
Opening balance		116,373	426,357
Net charge for the year		-	(309,984)
Closing balance		116,373	116,373
12.2			
Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, 'unproductive debts', 'staff loans of SCBPL who are not retained by the purchaser', 'their corresponding housing loans' and 'assets arising from litigation which cannot be assigned' are held in trust with SCBSL. The recoveries made (net of expenses) from such assets are to taken to income from Sri Lanka branch operations, as disclosed in note 25 to these financial statements, and consequently recorded as receivable. The Central Bank of Sri Lanka previously had allowed remittance of major portion of the outstanding balance.			
13 BILLS PAYABLE	Note	2015	2014
		(Rupees in '000)	
In Pakistan		11,395,470	5,020,614
Outside Pakistan		5,721	542,991
		11,401,191	5,563,605
14 BORROWINGS			
In Pakistan		20,738,176	15,622,715
Outside Pakistan		1,046,275	1,621,956
	14.1	21,784,451	17,244,671

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

14.1 Particulars of borrowings with respect to currencies	Note	2014	2013
		----- (Rupees in '000) -----	
In local currency		20,738,176	15,622,715
In foreign currencies		1,046,275	1,621,956
		<u>21,784,451</u>	<u>17,244,671</u>
14.2 Details of borrowings secured / unsecured			
Secured			
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	14.2.1	14,831,179	12,065,490
Repurchase agreement borrowings (Repo) State Bank of Pakistan - LTFF	14.2.2	1,192,726	2,295,115
	14.2.3	1,055,711	1,260,102
		<u>17,079,616</u>	<u>15,620,707</u>
Unsecured			
Call borrowings	14.2.4	3,650,000	-
Overdrawn nostro accounts	14.2.5	1,054,835	1,623,954
		<u>21,784,451</u>	<u>17,244,671</u>

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

14.2.2 Repurchase agreement borrowings carry mark up rates ranging to 6.5 percent (2014: 9.5 percent to 9.65 percent) per annum payable at maturity and are due to mature by January 2016. These are secured against six months market treasury bills. The market value of securities held as collateral against lendings to financial institutions amounted to Rs. 1,192,726 million (2014: Rs. 2,295,726 million).

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

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

14.2.5 These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Rs. 1,046,275 million (2014: Rs. 1,621,956 million).

15 DEPOSITS AND OTHER ACCOUNTS	Note	2015	2014
		----- (Rupees in '000) -----	
Customers			
Remunerative			
- Fixed deposits		24,083,614	22,860,282
- Savings deposits		152,388,122	144,299,742
Non-Remunerative			
- Current accounts		142,746,731	134,316,547
- Margin accounts		945,934	422,637
- Special exporters' account		572,198	883,186
		<u>320,736,599</u>	<u>302,782,394</u>
Financial Institutions			
- Remunerative deposits		612,825	1,286
- Non-remunerative deposits	15.1	5,888,103	1,719,968
		<u>6,500,928</u>	<u>1,721,254</u>
		<u>327,237,527</u>	<u>304,503,668</u>

15.1 This includes Rs. 496,085 million (2014: Rs. 438,857 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

15.2 Particulars of deposits	Note	2015	2014
		----- (Rupees in '000) -----	
In local currency		267,837,354	242,970,932
In foreign currencies		59,400,173	61,532,736
		<u>327,237,527</u>	<u>304,503,668</u>
16 SUB-ORDINATED LOANS			
Term Finance Certificates issued	16.1	<u>2,500,000</u>	<u>2,500,000</u>
16.1 The Bank, on 29 June 2012, issued fourth rated, unsecured, subordinated TFCs of Rs 2,500 million by way of private placement. Terms for the fourth outstanding issue are as follow:			
		4th Issue	
Year of Issue		2012	
Rating		AAA	
Rate		0.75% above the six months Karachi Inter-Bank Offered Rate ("KIBOR") prevailing one working day prior to the beginning of each semi annual period	
Floor		-	
Ceiling		-	
Repayment		10 years	
	Note	2015	2014
		----- (Rupees in '000) -----	
17 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		335,223	510,731
Accrued expenses		2,937,185	2,543,938
Advance payments		207,914	211,226
Sundry creditors		1,795,376	1,566,204
Unrealized loss on forward foreign exchange contracts		171,676	725,758
Unrealized loss on interest rate derivatives and currency options	21.8.2	120,633	631,850
Payable to defined benefit plans	33.3	-	32,077
Due to Holding Company	17.1	7,739,048	6,442,443
Unclaimed balances		3,364,784	1,633,683
Dividend Payable		52,053	37,168
Provision against off balance sheet obligations	17.2	667,428	414,084
Worker's Welfare Fund (WWF) payable		1,071,945	757,972
Unsettled trades		203,152	430,024
Others		586,630	527,496
		<u>19,253,047</u>	<u>16,464,654</u>
17.1 Due to Holding Company			
On account of reimbursement of executive and general administrative expenses		7,258,241	5,826,653
Royalty and other payable		480,807	615,790
		<u>7,739,048</u>	<u>6,442,443</u>
17.2 Provision against off-balance sheet obligations			
Opening balance		414,084	318,638
Charge for the year - net		253,344	95,446
Closing balance		<u>667,428</u>	<u>414,084</u>

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

18 SHARE CAPITAL

18.1 Authorized Capital

2015	2014	Note	2015	2014
(Number of shares)			(Rupees in '000)	
4,000,000,000	4,000,000,000		40,000,000	40,000,000

18.2 Issued, subscribed and paid-up Capital

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

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

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

19 RESERVES

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

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

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

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

20 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

		2015	2014
		(Rupees in '000)	
20.1	Surplus on revaluation of fixed assets - net of tax		
	Surplus on revaluation of fixed assets as at 1 January	3,772,008	3,399,057
	Surplus on revaluation of owned properties recorded during the year	-	380,110
	Surplus realized on disposal of revalued properties	(9,782)	(523)
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(24,904)	(4,313)
	Related deferred tax liability	(13,409)	(2,323)
		(38,313)	(6,636)
	Surplus on revaluation of fixed assets as at 31 December	3,723,913	3,772,008
	Less: Related deferred tax liability on:	(69,039)	(20,064)
	Revaluation surplus as at 1 January	-	(51,480)
	Revaluation surplus recorded during the year	3,424	183
	Revaluation surplus realized on disposal during the year	13,409	2,323
	Incremental depreciation charged during the year transferred to profit and loss account	(52,206)	(69,039)
	Surplus on revaluation of fixed assets as at 31 December - net of tax	3,671,708	3,702,970
20.2	Surplus on revaluation of Available for Sale securities - net of tax		
	Market Treasury Bills	48,038	20,313
	Pakistan Investment Bonds	4,923,189	3,887,972
	Sukuk and Ijarah Bonds	13,134	24,036
	Listed shares	34,995	-
		5,019,356	3,932,321
	Related deferred tax liability	(1,756,774)	(1,376,312)
		3,262,582	2,556,009
21	CONTINGENCIES AND COMMITMENTS	Note	
21.1	Transaction-related contingent liabilities		
	Guarantees issued favouring:	21.1.1	
	- Government	53,137,229	43,455,938
	- Others	24,925,787	21,471,986
		78,063,016	64,927,924
21.1.1	Guarantees relating to Islamic Banking Business amount to Rs 3,364 million (2014: Rs 3,074 million).		
21.2	Trade-related contingent liabilities		
	Letters of credit	21.2.1	
		16,782,316	18,121,183
21.2.1	Guarantees relating to Islamic Banking Business amount to Rs 4,377 million (2014: Rs 2,969 million).		
21.3	Trade-related commitments		
	Acceptances	21.3.1	
		6,672,058	5,041,122
21.3.1	Letters of credit relating to Islamic Banking Business amount to Rs 2,056 million (2014: Rs 528 million).		
21.4	Commitment for acquisition of fixed assets		
		60,260	28,915
21.5	Other contingencies		
	Claims against the Bank not acknowledged as debt	21.5.1	
		24,417,886	25,151,427

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

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

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

21.6 Commitments in respect of forward foreign exchange contracts

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

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

21.7 Commitments to extend credit

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

21.8 Derivative instruments

21.8.1 Product analysis

2015

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

2014

Total Market Making	33	30,560,927	-	-
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* At the exchange rate prevailing at year end.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

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

21.8.2 Maturity analysis

Interest Rate Swaps & Cross Currency Swaps

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

22 MARK-UP / RETURN / INTEREST EARNED

Note

	2015	2014
(Rupees in '000)		
On loans and advances to customers	11,776,186	15,473,675
On loans and advances to financial institutions	38,050	35,693
On investments in: i) Held for trading securities	338,859	301,894
ii) Available for sale securities	20,446,823	17,591,049
On securities purchased under resale agreements	315,962	703,147
On call money lending /Placements	21,679	331
	32,937,559	34,105,789

23 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	9,305,522	11,750,987
Securities sold under repurchase agreements	464,939	296,868
Call borrowings	33,506	19,430
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	600,116	902,755
Term Finance Certificates (sub-ordinated loans)	225,766	272,523
	10,629,849	13,242,563

24 GAIN ON SALE OF SECURITIES - NET

Federal Government Securities		
Market Treasury Bills	401,881	44,780
Pakistan Investment Bonds	600,291	638,289
Ijarah Sukuks	13,525	27,004
	1,015,697	710,073
Equity Securities - Listed		
	-	17,194
	1,015,697	727,267

25 OTHER INCOME

(Loss) / income from Sri Lanka branch operations	12.2	(325)	3,567
Rent on property		22,363	21,240
Gain on disposal of fixed assets		3,460	12,366
Gain / (Loss) on derivatives - net		233,456	(331,289)
Gains on assets fair valued at acquisition		57,640	494,738
Other income	25.1	13,095	117,407
		329,689	318,029

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

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

26 ADMINISTRATIVE EXPENSES

	Note	2015	2014
(Rupees in '000)			
Salaries, allowances etc.		5,485,007	5,238,432
(Reversals) / charge for defined benefit plans		(38,848)	7,564
Contributions to defined contribution plans		349,656	234,850
Rent, taxes, insurance, electricity etc.		1,268,501	1,345,361
Legal and professional charges		116,738	104,507
Communications		445,073	471,659
Repairs and maintenance		1,064,730	1,142,244
Stationery and printing		238,372	240,735
Advertisement and publicity		376,969	263,514
Donations	26.1	17,656	26,000
Auditors' remuneration	26.2	19,622	18,800
Depreciation		475,501	478,888
Amortization		46,394	48,803
Travelling, conveyance and vehicles' running		188,379	251,557
Reimbursement of executive and general administrative expenses	26.3	1,431,588	1,385,739
Royalty - net	26.4	(77,512)	184,693
Reward and bonus points redemption		36,903	135,463
Premises security and cash transportation services		339,749	338,750
Documentation and processing charges		145,799	135,618
Others		174,669	194,734
		12,104,946	12,247,951

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

Donee

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

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

26.2 Auditors' remuneration

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

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

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

27 OTHER PROVISIONS / ASSET WRITE OFFS

Fixed asset write offs

2015

2014

(Rupees in '000)	
3,164	-
-	-
-	-
3,164	-

Other provisions

Provision released against other assets

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

28 OTHER CHARGES

Net charge against fines and penalties imposed by SBP
Worker's Welfare Fund (WWF)

2015	2014
----- (Rupees in '000) -----	

40,725	835
313,974	310,905
354,699	311,740

29 TAXATION

For the year
- Current
- Deferred

5,105,573	4,255,131
293,297	1,062,535
5,398,870	5,317,666
697,323	187,994
6,096,193	5,505,660

For prior years'

29.1 Relationship between tax expense and accounting profit

Profit before taxation
Tax at the applicable tax rate of 35% (2014: 35%)

Income (dividend, capital gain etc.) at reduced rates
Expenses that are not deductible in determining taxable income
Prior year provision

15,384,619	15,230,563
5,384,617	5,330,697
-	(13,325)
14,253	294
697,323	187,994
6,096,193	5,505,660

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

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

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

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

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

30 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the year

2015	2014
----- (Rupees in '000) -----	

9,288,426	9,724,903
------------------	-----------

Weighted average number of ordinary shares in issue during the year

(Number of shares)	
3,871,585,021	3,871,585,021

Earnings per share - basic and diluted

----- (Rupees) -----	
2.40	2.51

Notes to the Un-Consolidated Financial Statements

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31 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks
Balances with other banks

2015	2014
----- (Rupees in '000) -----	
29,482,134	21,475,345
4,300,002	387,301
33,782,136	21,862,646

32 STAFF STRENGTH

Permanent
Temporary / on contractual basis / direct contracts
Bank's own staff at the end of year

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

33 DEFINED BENEFIT PLANS

33.1 General description

Non Management Staff Pension Fund

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

Non Management Staff Gratuity Fund

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

Management Staff Pension Fund

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

33.2 Principal Actuarial Assumptions

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

Discount rate
Expected rate of increase in salary in future years
Expected rate of return on plan assets
Expected long term rate of increase in pension
Mortality rate

	2015	2014
	9% p.a.	13.5% p.a.
	10% p.a.	11% p.a.
	9% p.a.	13.5% p.a.
	5% p.a.	8.5% p.a.
	SLIC (2001-05) ultimate mortality table rated down one year Light	SLIC (2001-05) ultimate mortality table rated down one year Light
Withdrawal rate		

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	SCB Non Management Pension Fund		SCB Non Management Gratuity Fund		SCB Management Pension Fund		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
33.3 Reconciliation of (receivable) / payable from / to defined benefit plan	(Rupees in '000)							
Present value of defined benefit obligations	55,546	52,681	-	75,665	59,277	47,543	114,823	175,889
Fair value of plan assets	(51,615)	(72,941)	(20,772)	(26,444)	(60,461)	(44,427)	(132,848)	(143,812)
(Assets) / liability recognised	3,931	(20,260)	(20,772)	49,221	(1,184)	3,116	(18,025)	32,077
33.4 Movement in defined benefit obligation								
Obligation as at 1 January	52,681	59,346	75,665	100,765	47,543	46,716	175,889	206,827
Current service cost	218	502	3,060	3,708	-	-	3,278	4,210
Interest cost	6,792	6,460	9,614	12,746	6,079	5,794	22,485	25,000
Amount transferred to Defined Contribution Plan	-	-	(95,003)	-	-	-	(95,003)	-
Benefits paid	(6,606)	(17,252)	(13,123)	(30,629)	(6,264)	(5,267)	(25,963)	(53,148)
Re-measurement : Actuarial (gain) / loss on obligation	2,461	3,625	65,824	(10,925)	11,919	300	80,204	(7,000)
Liability Settlement (gain) / loss	-	-	(46,037)	-	-	-	(46,037)	-
Obligation as at 31 December	55,546	52,681	-	75,665	59,277	47,543	114,823	175,889
33.5 Movement in fair value of plan assets								
Fair value as at 1 January	72,941	82,838	26,444	52,389	44,427	44,064	143,812	179,291
Interest income on plan assets	9,513	9,426	3,377	6,764	5,684	5,456	18,574	21,646
Contribution / (refund) by the bank	(22,983)	-	99,397	-	16,189	-	92,603	-
Amount transferred to Defined Contribution Plan	-	-	(95,003)	-	-	-	(95,003)	-
Benefits paid	(6,606)	(17,252)	(13,123)	(30,629)	(6,264)	(5,267)	(25,963)	(53,148)
Re-measurement : Actuarial gain / (loss) on plan assets	(1,250)	(2,071)	(320)	(2,080)	425	174	(1,145)	(3,977)
Fair value as at 31 December	51,615	72,941	20,772	26,444	60,461	44,427	132,848	143,812
33.6 Movement in (receivable) / payable from / to defined benefit plan								
Balance as at 1 January	(20,260)	(23,492)	49,221	48,376	3,116	2,652	32,077	27,536
Charge for the year	(2,503)	(2,464)	(36,740)	9,690	395	338	(38,648)	7,564
Contribution to the fund during the year	22,983	-	(99,397)	-	(16,189)	-	(92,603)	-
Actuarial (gain) / loss on plan assets	3,711	5,696	66,144	(8,845)	11,494	126	81,349	(3,023)
Balance as at 31 December	3,931	(20,260)	(20,772)	49,221	(1,184)	3,116	(18,025)	32,077
33.7 Actual return on plan assets								
- Expected return on plan assets	9,513	9,426	3,377	6,764	5,684	5,456	18,574	21,646
- Actuarial gain / (loss) on plan assets	(1,250)	(2,071)	(320)	(2,080)	425	174	(1,145)	(3,977)
	8,263	7,355	3,057	4,684	6,109	5,630	17,429	17,669

Amount recognized in total comprehensive income

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

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

Current service cost	218	502	3,060	3,708	-	-	3,278	4,210
Interest cost	6,792	6,460	9,614	12,746	6,079	5,794	22,485	25,000
Expected return on plan assets	(9,513)	(9,426)	(3,377)	(6,764)	(5,684)	(5,456)	(18,574)	(21,646)
Liability settlement (gain) / loss	-	-	(46,037)	-	-	-	(46,037)	-
	(2,503)	(2,464)	(36,740)	9,690	395	338	(38,648)	7,564

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

Re-measurement : Actuarial gain / loss on obligation

- Change in financial assumptions	(788)	2,079	26,177	(10,594)	(880)	953	24,509	(7,562)
- Change in demographic assumptions	-	5,555	-	-	-	1,500	-	7,055
- Change in experience assumptions	3,249	(4,008)	39,647	(331)	12,799	(2,153)	55,695	(6,483)
	2,461	3,625	65,824	(10,925)	11,919	300	80,204	(7,000)

Re-measurement : Interest income net of return on plan assets

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

33.7.1 Components of plan assets as a percentage of total plan assets

Bonds	95%	86%	21%	76%	70%	95%		
Cash and net current assets	5%	14%	79%	24%	30%	5%		

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

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

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

34 SHARE BASED PAYMENTS

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

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

i) Standard Chartered Share Plan

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

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

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

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

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

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

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

ii) International Sharesave Scheme

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

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

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

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

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

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

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

iii) Restricted Share Scheme

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

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

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

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

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

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

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

iv) Supplementary Restricted Share Scheme

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

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

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

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

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

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

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35 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

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

- 35.1 The director's remuneration / fees represents remuneration paid to the Bank's 3 non-executive directors (2014: 3) for attending Board and Sub-Committee meetings.
- 35.2 The Chief Executive is also entitled to house allowance in lieu of furnished accommodation and provided with Bank maintained car. In addition, the Chief Executive and some of the executives are also reimbursed for cost of medical expenses and other benefits like club subscription, etc. as per their terms of employment.
- 35.3 In addition to the above, all Executives, including Chief Executive of the Bank are also eligible for discretionary variable compensation which includes cash &/or share awards. This is determined on the basis of employee's evaluation and the Bank's performance during the year. The aggregate amount in this respect, relating to all Executives, including Chief Executive of the Bank amounted to Rs. 485.521 million (2014: Rs. 521.332 million).

36 FAIR VALUE OF FINANCIAL INSTRUMENTS

On-balance sheet financial instruments

	2015		2014	
	Book value	Fair value	Book value	Fair value
(Rupees in '000)				
Assets				
Cash and balances with treasury bank	29,482,134	29,482,134	21,475,345	21,475,345
Balances with other banks	4,300,002	4,300,002	387,301	387,301
Lendings to financial institutions	26,969,566	26,969,566	10,813,559	10,813,559
Investments	225,318,405	225,318,405	189,678,370	189,678,370
Advances	106,784,996	106,784,996	128,590,059	128,590,059
Other assets	10,549,285	10,549,285	16,174,791	16,174,791
	<u>403,404,388</u>	<u>403,404,388</u>	<u>367,119,425</u>	<u>367,119,425</u>
Liabilities				
Bills payable	11,401,191	11,401,191	5,563,605	5,563,605
Borrowings	21,784,451	21,784,451	17,244,671	17,244,671
Deposits and other accounts	327,237,527	327,237,527	304,503,668	304,503,668
Sub-ordinated loans	2,500,000	2,500,000	2,500,000	2,500,000
Other liabilities	17,802,513	17,802,513	15,311,850	15,311,850
	<u>380,725,682</u>	<u>380,725,682</u>	<u>345,123,794</u>	<u>345,123,794</u>

Off-balance sheet financial instruments

Interest Rate swaps / Foreign currency options / Forward purchase contracts	81,295,849	81,791,880	68,381,789	69,265,137
Interest Rate swaps / Foreign currency options / Forward sale contracts	56,367,907	56,660,216	52,320,366	53,677,974

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

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

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

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

On balance sheet financial instruments

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

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Commercial Clients

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

Retail Clients

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

38 RELATED PARTY TRANSACTIONS

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

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

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

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PROFIT AND LOSS	Note	2015	2014
		(Rupees in '000)	
Group			
Mark-up / return / interest earned		23,747	37,968
Mark-up / return / interest expensed		28	202
Fee and commission expense		6,363	8,991
Fee and commission income		77,414	118,038
Reimbursement of executive and general administrative expenses	26.3	1,431,588	1,385,769
Payment to group company for direct sales services rendered		207,628	669,494
Reimbursement of administrative expenses (including rent and other charges)		11,687	11,745
Net gain / (loss) on inter-company derivatives		169,088	178,064
Royalty expense / (reversal)		(77,512)	184,693
Dividend paid		8,623,085	8,239,528
Subsidiaries			
Mark-up / return / interest earned		8,268	30,264
Mark-up / return / interest expensed		4,695	5,218
Commission income earned		51,026	60,371
Reimbursement of administrative expenses (including rent and other charges)		27,309	24,967
Dividend income		-	81,278
Key management personnel			
Mark-up / return / interest earned		4,304	3,205
Mark-up / return / interest expensed		1,540	4,151
Salaries and benefits		421,158	387,747
Post retirement benefits		24,702	19,349
Remuneration / fee paid to non-executive directors		5,335	5,795
Rent expenses		2,706	647
Others			
Contribution to defined contribution plans - net of payments received		488,605	373,796
Charge for defined contribution plans		349,656	234,849
Net charge / (income) for defined benefit plans		(38,848)	7,564
Mark-up / return / interest expensed on deposits of staff retirement benefit funds		11,745	16,639
Mark-up / return / interest expensed on deposits of customers with common directorship		184,419	20,806
Mark-up / return / interest earned on advances to customers with common directorship		28,613	22,801
Donation to The Kidney Centre	26.1	-	3,000
Net gain / (loss) on derivatives		-	(9,775)
Payment made to Central Depository Company of Pakistan Limited	38.2	-	4,629
Gas charges		873	82
Miscellaneous income from company with common directorship		5,625	1,753

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

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

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

39 CAPITAL ASSESSMENT AND ADEQUACY

Capital Structure

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

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

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

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

*(Consisting of CET1 only)

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

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

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

- Common Equity Tier I capital, which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as disclosed on the balance sheet and un-appropriated profits (net of accumulated losses, if any). Goodwill and other intangibles are deducted from Tier I capital.
- Additional Tier I capital, which includes perpetual non-cumulative preference shares and share premium resulting from the same. The Bank did not have any ADT1 as of 31 December 2015.

The deduction from Tier 1 Capital include mainly:

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

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

The deductions from Tier 2 include mainly:

- Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;
- 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

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

Leverage Ratio

Tier-1 Leverage Ratio of 3% is being introduced in response to the recently published Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from 31 December 2015. As at 31 December 2015, the bank has a leverage ratio of 6.61 % (2014: 7.12 %) and Tier-1 capital of Rs. 34,898 million (2014: Rs. 33,882 million).

	2015	2014
	(Rupees in '000)	
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1 Fully Paid-up Capital	38,715,850	38,715,850
2 Balance in Share Premium Account	1,036,090	1,036,090
3 Reserve for issue of Bonus Shares	-	-
4 Discount on Issue of shares	-	-
5 General/ Statutory Reserves	9,810,915	7,953,230
6 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7 Unappropriated profits	5,453,310	6,751,303
8 Minority interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9 CET 1 before Regulatory Adjustments	55,016,165	54,456,473
10 Total regulatory adjustments applied to CET1 (Note 39.1.1)	20,117,618	20,573,934
11 Common Equity Tier 1	34,898,547	33,882,539
Additional Tier 1 (AT 1) Capital		
12 Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
13 of which: Classified as equity	-	-
14 of which: Classified as liabilities	-	-
15 Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	-	-
16 of which: instrument issued by subsidiaries subject to phase out	-	-
17 AT1 before regulatory adjustments	-	-
18 Total regulatory adjustment applied to AT1 capital (Note 39.1.2)	-	-
19 Additional Tier 1 capital after regulatory adjustments	-	-
20 Additional Tier 1 capital recognized for capital adequacy	-	-

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	2015	2014
	(Rupees in '000)	
21 Tier 1 Capital (CET1 + admissible AT1) (11+20)	34,898,547	33,862,539
Tier 2 Capital		
22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
23 Tier 2 capital instruments subject to phase-out arrangement issued under pre-Basel 3 rules	1,750,000	2,000,000
24 Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25 of which: instruments issued by subsidiaries subject to phase out	-	-
26 General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	555,906	539,465
27 Revaluation Reserves (net of taxes)	4,645,974	3,505,028
28 of which: Revaluation reserves on fixed assets	2,460,044	2,073,663
29 of which: Unrealized gains/losses on AFS	2,185,930	1,431,365
30 Foreign Exchange Translation Reserves	-	-
31 Undisclosed/Other Reserves (if any)	-	-
32 T2 before regulatory adjustments	6,951,880	6,044,493
33 Total regulatory adjustment applied to T2 capital (Note 39.1.3)	205,882	274,509
34 Tier 2 capital (T2) after regulatory adjustments	-	-
35 Tier 2 capital recognized for capital adequacy	-	-
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37 Total Tier 2 capital admissible for capital adequacy	6,745,998	5,769,984
38 TOTAL CAPITAL (T1 + admissible T2) (21+37)	41,644,545	39,652,523
39 Total Risk Weighted Assets (RWA) (for details refer Note 39.5)	198,026,679	207,956,111
Capital Ratios and buffers (in percentage of risk weighted assets)		
40 CET1 to total RWA	17.62%	16.29%
41 Tier-1 capital to total RWA	17.62%	16.29%
42 Total capital to total RWA	21.03%	19.07%
43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	-	-
44 of which: capital conservation buffer requirement	-	-
45 of which: countercyclical buffer requirement	-	-
46 of which: D-SIB or G-SIB buffer requirement	-	-
47 CET1 available to meet buffers (as a percentage of risk weighted assets)	7.62%	6.29%
National minimum capital requirements prescribed by SBP		
48 CET1 minimum ratio	6.00%	5.50%
49 Tier 1 minimum ratio	7.50%	7.00%
50 Total capital minimum ratio (including buffer requirement of 0.25%)	10.25%	10.00%

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39.1 Regulatory Adjustments and Additional Information

	2015		2014
	Amount	Amounts subject to Pre- Basel III treatment*	Amount
(Rupees in '000)			
39.1.1 Common Equity Tier 1 capital: Regulatory adjustments			
1 Goodwill (net of related deferred tax liability)	18,928,832	-	19,825,701
2 All other intangibles (net of any associated deferred tax liability)	31,410	-	77,804
3 Shortfall in provisions against classified assets	-	-	-
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
5 Defined-benefit pension fund net assets	-	-	-
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-	-
7 Cash flow hedge reserve	-	-	-
8 Investment in own shares/ CET1 instruments	-	-	-
9 Securitization gain on sale	-	-	-
10 Capital shortfall of regulated subsidiaries	-	-	-
11 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
13 Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	951,494	1,427,241	395,920
15 Amount exceeding 15% threshold	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-
17 of which: deferred tax assets arising from temporary differences	-	-	-
18 National specific regulatory adjustments applied to CET1 capital	-	-	-
19 Investments in TFCs of other banks exceeding the prescribed limit	-	-	-
20 Any other deduction specified by SBP	-	-	-
21 Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	205,882	205,882	274,509
22 Total regulatory adjustments applied to CET1 (sum of 1 to 21)	<u>20,117,618</u>		<u>20,573,934</u>

39.1.2 Additional Tier-1 & Tier-1 Capital: regulatory adjustments

23 Investment in mutual funds exceeding the prescribed limit	-	-	-
24 Investment in own AT1 capital instruments	-	-	-
25 Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-
26 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
27 Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
28 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-
29 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-
30 Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	<u>-</u>	<u>-</u>	<u>-</u>

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

39.1.3 Tier 2 Capital: regulatory adjustments

31 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-	-
32 Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-
33 Investment in own Tier 2 capital instrument	-	-	-

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34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	205,882	274,509
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	<u>205,882</u>	<u>274,509</u>

39.1.4 Additional Information

		2015	2014
		----- (Rupees in '000) -----	
Risk Weighted Assets subject to pre-Base I treatment			
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Base I Treatment)	-	-
(i)	of which: deferred tax assets	1,427,241	1,583,679
(ii)	of which: Defined-benefit pension fund net assets	-	-
(iii)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-
(iv)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	137,256	137,256
Amounts below the thresholds for deduction (before risk weighting)			
38	Non-significant investments in the capital of other financial entities	-	-
39	Significant investments in the common stock of financial entities	411,764	549,018
40	Deferred tax assets arising from temporary differences (net of related tax liability)	3,605,592	3,455,297
Applicable caps on the inclusion of provisions in Tier 2			
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	555,906	539,465
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,810,943	1,932,529
43	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
44	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

39.2 Capital Structure Reconciliation

39.2.1

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

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39.2.2

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

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39.2.3 Basel III Disclosure Template

	Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital/ Capital deposited with SBP	38,715,850
2	Balance in Share Premium Account	1,036,090 (s)
3	Reserve for issue of Bonus Shares	-
4	General/ Statutory Reserves	9,810,915 (u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-
6	Unappropriated profits	5,453,310 (w)
7	Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	(x)
8	CET 1 before Regulatory Adjustments	55,016,165
Common Equity Tier 1 capital: Regulatory adjustments		
9	Goodwill (net of related deferred tax liability)	18,928,832 (j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	31,410 (k) - (p)
11	Shortfall of provisions against classified assets	- (f)
12	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
13	Defined-benefit pension fund net assets	- ((h) - (r)) * x%
14	Reciprocal cross holdings in CET1 capital instruments	- ((l) - (q)) * x%
15	Cash flow hedge reserve	-
16	Investment in own shares/ CET1 instruments	-
17	Securitization gain on sale	-
18	Capital shortfall of regulated subsidiaries	-
19	Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-
20	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ab)
21	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	(a) - (ac) - (ae)
23	Amount exceeding 15% threshold	-
24	of which: significant investments in the common stocks of financial entities	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments applied to CET1 capital	-
27	of which: Investment in TFCs of other banks exceeding the prescribed limit	-
28	of which: Any other deduction specified by SBP	-
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-
30	Total regulatory adjustments applied to CET1	205,882
	Common Equity Tier 1	20,117,618
	Additional Tier 1 (AT 1) Capital	34,898,547
31	Qualifying Additional Tier-1 instruments plus any related share premium	-
32	of which: Classified as equity	-
33	of which: Classified as liabilities	-
34	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-
35	of which: instrument issued by subsidiaries subject to phase out	-
36	AT1 before regulatory adjustments	-
	Additional Tier 1 Capital: regulatory adjustments	-
37	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-
38	Investment in own AT1 capital instruments	-
39	Reciprocal cross holdings in Additional Tier 1 capital instruments	-
40	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ac)

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

	Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
41	-	(ad)
42	-	
43	-	
44	-	
45	-	
46	-	
	Tier 1 Capital (CET1 + admissible AT1)	
	34,898,547	
	Tier 2 Capital	
47	-	
48	1,750,000	(n)
49	-	(z)
50	-	
51	555,906	(g)
52	4,645,974	
53	2,460,044	portion of (aa)
54	2,185,930	
55	-	(v)
56	-	
57	T2 before regulatory adjustments	
	6,951,880	
	Tier 2 Capital: regulatory adjustments	
58	-	
	205,882	
59	-	
60	-	
61	-	
62	-	(ae)
	-	(af)
63	205,882	
64	6,745,998	
65	6,745,998	
66	-	
67	6,745,998	
	TOTAL CAPITAL (T1 + admissible T2)	
	41,644,546	

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39.3 Disclosure template for main features of regulatory capital instruments

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

39.4 CAPITAL-ASSESSMENT AND ADEQUACY BASEL III SPECIFIC

39.4.1 Scope Of Applications

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

39.4.2 Capital Structure

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

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

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

39.5 Capital Adequacy

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Un-Consolidated Financial Statements

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

	Capital Requirements		Risk Weighted Assets	
	2015	2014	2015	2014
	(Rupees in '000)			
Credit Risk				
<u>Portfolios subject to standardized approach (Simple)</u>				
Cash & cash equivalents	-	-	-	-
Sovereign	5,426	15,843	64,250	156,425
Public Sector entities	4,857	27,804	48,567	278,036
Banks	1,019,398	565,794	10,193,977	5,657,945
Corporate	6,445,769	8,765,938	64,457,686	87,659,385
Retail	919,395	856,478	9,193,950	8,564,776
Residential Mortgages	87,071	90,292	870,711	902,918
Past Due loans	327,777	221,771	3,277,772	2,217,708
Operating Fixed Assets	596,395	628,255	5,963,952	6,282,553
Other assets	1,407,788	1,290,881	14,077,883	12,908,813
	10,814,876	12,462,856	108,148,748	124,628,558
Off-Balance sheet				
Non-market related				
Loan Repayment Guarantees	2,192,077	1,558,604	21,920,770	15,596,037
Performance Bonds etc.	1,108,493	1,127,892	11,084,926	11,278,919
Stand By Letters of Credit	265,115	217,939	2,661,149	2,179,394
	3,566,685	2,904,435	35,666,845	29,044,350
Market related				
	88,299	78,280	882,986	782,804
Equity Exposure Risk in the Banking Book				
Listed	17,686	14,660	176,864	146,598
Unlisted	-	-	-	-
	17,686	14,660	176,864	146,598
Market Risk				
<u>Capital Requirement for portfolios subject to Standardized Approach</u>				
Interest rate risk	189,440	146,135	1,894,398	1,461,346
Equity position risk	-	-	-	-
Foreign Exchange risk	145,483	400,800	1,454,838	4,006,005
	334,923	546,935	3,349,237	5,467,351
Operational Risk				
Capital Requirement for operational risks	4,980,200	4,788,645	49,801,999	47,886,450
TOTAL	19,802,669	20,795,611	198,026,679	207,956,111
Capital Adequacy Ratio				
	2015		2014	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	17.62%	5.50%	16.29%
Tier-1 capital to total RWA	7.50%	17.62%	7.00%	16.29%
Total capital to total RWA (including buffer requirement of 0.25%)	10.25%	21.03%	10.00%	19.07%

39.6 Types of exposures and ECAI's used

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

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

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LONG-TERM RATING GRADES MAPPING

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

SHORT-TERM RATING GRADES MAPPING

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

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40. RISK MANAGEMENT

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

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

Balancing risk and return

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

Responsibility

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

Accountability

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

Anticipation

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

Competitive Advantage

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

Risk management

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

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

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

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

40.1 Credit Risk

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

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

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

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

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

40.1.1 Corporate and Institutional and Commercial Banking Clients

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

40.1.2 Retail Banking Clients

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

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40.1.3 Segment by Class of Business

	2015					
	Advances - Gross		Deposits		Contingencies and Commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and pharmaceuticals	14,670,165	11.43	8,568,500	2.62	13,968,987	13.76
Agri business	4,753,012	3.70	149,805	0.05	-	-
Textile	25,733,572	20.06	1,506,909	0.46	1,763,140	1.74
Communication	273,652	0.21	11,095,326	3.39	5,906,301	5.82
Insurance	-	-	1,139,814	0.35	-	-
Telecommunications and information technology	4,789,558	3.73	2,424,927	0.74	639,243	0.63
Cement	1,033,619	0.81	12,725	-	266,153	0.26
Sugar	914,302	0.71	7,174	-	2,400	-
Automobile and transportation equipment	1,879,497	1.46	1,348,926	0.41	3,755,074	3.70
Transportation	1,803,988	1.41	2,730,114	0.83	3,063,500	3.02
Financial	2,491,367	1.94	805,054	0.25	43,178,917	42.53
Electronics and electrical appliances	929,120	0.72	6,432,204	1.97	7,990,607	7.87
Production and transmission of energy	13,932,278	10.86	9,993,338	3.05	4,204,780	4.14
Shoes and leather garments	922,777	0.72	66,366	0.02	22,941	0.02
Individuals	16,256,171	12.67	212,400,283	64.91	-	-
Others	37,918,616	29.57	68,556,062	20.95	16,755,347	16.51
	<u>128,301,714</u>	<u>100.00</u>	<u>327,237,527</u>	<u>100.00</u>	<u>101,517,390</u>	<u>100.00</u>

	2014					
	Advances - Gross		Deposits		Contingencies and Commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
						(Restated)
Chemical and pharmaceuticals	13,899,988	9.26	4,209,828	1.38	8,757,658	9.94
Agri business	5,118,266	3.41	447,393	0.15	26,197	0.03
Textile	32,843,153	21.89	1,773,702	0.58	3,279,394	3.72
Communication	94,822	0.06	12,149,161	3.99	4,443,819	5.04
Insurance	-	-	1,301,076	0.43	-	-
Telecommunications and information technology	6,555,582	4.37	1,914,641	0.63	175,302	0.20
Cement	1,972,388	1.31	4,675	0.00	225,048	0.26
Sugar	2,184,836	1.46	3,496	0.00	62,400	0.07
Automobile and transportation equipment	2,070,735	1.38	1,337,670	0.44	2,407,788	2.73
Transportation	3,546,158	2.36	1,446,937	0.48	2,597,294	2.95
Financial	207,868	0.14	824,020	0.27	38,043,458	43.19
Electronics and electrical appliances	1,359,030	0.91	4,460,440	1.46	4,103,316	4.66
Production and transmission of energy	18,893,842	12.59	14,224,415	4.67	3,587,525	4.07
Shoes and leather garments	1,273,809	0.85	93,181	0.03	20,192	0.02
Individuals	15,631,439	10.55	203,218,343	66.74	645	0.00
Others	44,188,149	29.44	57,094,690	18.75	20,360,193	23.11
	<u>150,040,059</u>	<u>100.00</u>	<u>304,503,668</u>	<u>100.00</u>	<u>88,090,229</u>	<u>100.00</u>

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

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

40.1.5 Segment by Sector

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

	2014					
	Advances		Deposits		Contingencies and Commitments	
	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
Public / Government	6,167,800	4.11%	4,945,769	1.62%	4,795,000	5.44%
Private	<u>143,872,258</u>	<u>95.89%</u>	<u>299,557,899</u>	<u>98.38%</u>	<u>83,295,229</u>	<u>94.56%</u>
	<u>150,040,059</u>	<u>100%</u>	<u>304,503,668</u>	<u>100%</u>	<u>88,090,229</u>	<u>100%</u>

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

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

40.1.7 Geographical Segment Analysis

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

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

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40.2 Market Risk

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

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

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

40.3 Foreign Exchange Risk

	2015			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)			
Pakistan rupee	360,837,063	319,137,144	53,837,167	95,537,086
United States dollar	33,057,459	52,117,116	(48,598,110)	(67,657,767)
Great Britain pound	5,668,669	5,668,606	(229,477)	(229,414)
Euro	3,758,134	3,758,396	(3,497,927)	(3,498,189)
Swiss Franc	22,167	22,142	(49,502)	(49,477)
Japanese yen	35,218	2,677	(739,986)	(707,445)
Others	25,678	19,601	(722,165)	(716,088)
	<u>403,404,388</u>	<u>380,725,582</u>	<u>-</u>	<u>22,678,706</u>
	2014			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)			
Pakistan rupee	325,220,097	283,642,772	42,444,107	84,021,432
United States dollar	34,393,601	51,226,462	(39,701,194)	(56,534,055)
Great Britain pound	5,809,804	5,808,079	(192,632)	(190,907)
Euro	1,621,047	4,380,041	(700,425)	(3,459,419)
Swiss Franc	21,350	21,350	(54,676)	(54,676)
Japanese yen	27,844	19,472	(603,453)	(595,081)
Others	25,682	25,618	(1,191,727)	(1,191,663)
	<u>367,119,425</u>	<u>345,123,794</u>	<u>-</u>	<u>21,995,631</u>

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

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

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40.4 Mismatch of Interest Rate Sensitive Assets and Liabilities

On-balance sheet financial instruments	Effective yield / interest rate	Total	2015										Non interest bearing financial instruments
			Exposed to yield / interest rate risk										
			Up to one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years		
(Rupees in '000)													
Assets													
Cash and balances with treasury banks		28,482,134	8,521,248	-	-	-	-	-	-	-	-	-	20,960,885
Balances with other banks		4,306,002	-	-	-	-	-	-	-	-	-	-	4,306,002
Lendings to finance institutions	1.99%	26,965,566	20,490,629	-	-	6,518,946	-	-	-	-	-	-	-
Investments	10.02%	225,319,405	14,454,722	34,255,193	7,160,605	106,120,414	88,595,830	22,326,728	224,958	-	-	-	175,364
Advances	7.78%	196,784,996	51,285,280	91,340,685	10,510,578	2,670,263	956,130	870,208	685,273	-	-	-	2,503,990
Other assets		10,519,285	-	-	-	-	-	-	-	-	-	-	10,519,285
		<u>403,484,388</u>	<u>98,095,651</u>	<u>65,690,881</u>	<u>23,681,184</u>	<u>115,308,723</u>	<u>37,561,860</u>	<u>23,136,794</u>	<u>909,441</u>	-	-	-	<u>28,465,734</u>
Liabilities													
Bills payable		11,401,191	-	-	-	-	-	-	-	-	-	-	11,401,191
Borrowings	5.63%	21,784,451	6,032,726	12,418,514	2,224,665	-	-	82,681	956,267	17,763	-	-	1,064,835
Deposits and other accounts	8.09%	327,237,527	166,718,672	4,825,990	1,998,235	3,348,817	757,975	242,671	-	-	-	-	156,182,958
Subordinated loans	9.63%	2,500,000	-	-	2,500,000	-	-	-	-	-	-	-	-
Other liabilities		17,802,513	-	-	-	-	-	-	-	-	-	-	17,802,513
		<u>389,735,682</u>	<u>172,751,598</u>	<u>18,442,504</u>	<u>6,722,965</u>	<u>3,348,817</u>	<u>757,975</u>	<u>325,352</u>	<u>956,267</u>	<u>17,763</u>	-	-	<u>188,411,308</u>
On-balance sheet gap		<u>22,678,706</u>	<u>(73,055,947)</u>	<u>49,158,377</u>	<u>16,958,219</u>	<u>111,968,906</u>	<u>36,804,005</u>	<u>22,811,442</u>	<u>(48,826)</u>	<u>(17,763)</u>	-	-	<u>(141,923,773)</u>
Off-balance sheet financial instruments													
Forward Lending													
Interest Rate Swap		6,834,907	649,631	-	809,362	187,200	2,513,567	909,865	1,735,282	-	-	-	-
Foreign Currency option		63,625	29,840	3,092	50,893	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		74,377,317	36,561,675	35,596,731	1,780,115	348,806	-	-	-	-	-	-	-
		<u>81,275,849</u>	<u>37,210,946</u>	<u>35,599,813</u>	<u>2,640,370</u>	<u>516,006</u>	<u>2,513,567</u>	<u>909,865</u>	<u>1,735,282</u>	-	-	-	-
Forward Borrowing													
Interest Rate Swap		2,382,572	-	-	808,362	-	837,908	-	735,282	-	-	-	-
Foreign Currency option		63,625	29,840	3,092	50,893	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		53,901,705	36,101,210	15,415,008	2,371,759	13,792	-	-	-	-	-	-	-
		<u>56,347,902</u>	<u>36,130,850</u>	<u>15,418,100</u>	<u>2,371,964</u>	<u>13,792</u>	<u>837,908</u>	-	<u>735,282</u>	-	-	-	-
Off-balance sheet gap		<u>24,327,943</u>	<u>1,100,096</u>	<u>20,201,713</u>	<u>(591,694)</u>	<u>502,214</u>	<u>1,675,659</u>	<u>909,865</u>	<u>1,000,000</u>	-	-	-	-
Total yield / interest risk sensitivity gap		<u>47,506,649</u>	<u>(71,955,851)</u>	<u>69,440,090</u>	<u>16,366,625</u>	<u>112,471,120</u>	<u>38,409,664</u>	<u>23,771,307</u>	<u>914,174</u>	<u>(17,763)</u>	-	-	<u>(141,923,773)</u>
Cumulative yield / interest risk sensitivity gap				<u>(2,515,761)</u>	<u>13,850,928</u>	<u>126,332,858</u>	<u>164,821,702</u>	<u>168,580,805</u>	<u>189,547,183</u>	<u>189,529,420</u>	<u>189,529,420</u>	-	-

On-balance sheet financial instruments	Effective yield / interest rate	Total	2014										Non interest bearing financial instruments
			Exposed to yield / interest rate risk										
			Up to one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years		
(Rupees in '000)													
Assets													
Cash and balances with treasury banks		21,475,345	6,580,280	-	-	-	-	-	-	-	-	-	17,895,065
Balances with other banks		387,301	-	-	-	-	-	-	-	-	-	-	387,301
Lendings to finance institutions	4.48%	10,813,526	10,813,526	-	-	-	-	-	-	-	-	-	-
Investments	10.64%	169,578,173	23,605,681	7,712,372	31,725,893	10,837,578	62,988,567	29,320,978	969,275	-	-	-	146,596
Advances	10.38%	186,590,356	57,291,388	38,724,025	20,892,476	7,684,685	582,778	724,799	1,197,017	413,799	-	-	7,046,733
Other assets		16,114,791	-	-	-	-	-	-	-	-	-	-	16,114,791
		<u>367,119,425</u>	<u>130,305,781</u>	<u>46,436,697</u>	<u>51,821,362</u>	<u>20,442,253</u>	<u>63,971,357</u>	<u>30,245,686</u>	<u>1,257,686</u>	<u>413,799</u>	-	-	<u>21,236,520</u>
Liabilities													
Bills payable		5,563,600	-	-	-	-	-	-	-	-	-	-	5,563,600
Borrowings	7.21%	17,244,671	2,525,215	9,181,126	2,598,248	30,494	74,655	-	704,317	441,648	-	-	1,823,664
Deposits and other accounts	6.50%	364,363,688	155,873,281	3,771,367	2,044,748	4,819,244	354,915	338,825	1,030	-	-	-	137,342,358
Subordinated loans	10.90%	2,500,000	-	-	2,500,000	-	-	-	-	-	-	-	-
Other liabilities		15,311,850	-	-	-	-	-	-	-	-	-	-	15,311,850
		<u>385,123,729</u>	<u>158,498,476</u>	<u>12,952,493</u>	<u>7,142,996</u>	<u>4,895,138</u>	<u>439,670</u>	<u>336,324</u>	<u>710,327</u>	<u>441,648</u>	-	-	<u>158,481,272</u>
On-balance sheet gap		<u>(18,004,304)</u>	<u>(28,192,695)</u>	<u>33,484,204</u>	<u>44,678,366</u>	<u>16,547,115</u>	<u>63,471,727</u>	<u>29,809,362</u>	<u>547,359</u>	<u>(27,259)</u>	-	-	<u>(126,905,274)</u>
Off-balance sheet financial instruments													
Forward Lending													
Interest Rate Swap		15,492,385	-	-	809,362	4,303,642	7,963,767	1,647,959	477,295	-	-	-	-
Foreign Currency option		63,625	29,840	3,092	50,893	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		82,689,438	37,023,644	21,794,189	3,885,582	216,203	-	-	-	-	-	-	-
		<u>98,245,448</u>	<u>37,023,644</u>	<u>21,794,189</u>	<u>3,885,582</u>	<u>216,203</u>	<u>1,019,021</u>	<u>7,963,767</u>	<u>1,647,959</u>	<u>477,295</u>	-	-	-
Forward Borrowing													
Interest Rate Swap		15,068,364	-	8,004,000	-	4,674,606	2,325,381	1,399,776	313,507	477,295	-	-	-
Foreign Currency option		63,625	29,840	3,092	50,893	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		37,221,802	18,895,113	12,586,699	5,269,090	4,674,606	3,329,381	1,339,775	313,507	477,295	-	-	-
		<u>52,353,791</u>	<u>18,924,793</u>	<u>12,592,791</u>	<u>5,319,983</u>	<u>4,674,606</u>	<u>3,329,381</u>	<u>1,339,775</u>	<u>313,507</u>	<u>477,295</u>	-	-	-
Off-balance sheet gap		<u>45,891,657</u>	<u>(10,901,149)</u>	<u>21,491,413</u>	<u>(1,441,617)</u>	<u>16,872,509</u>	<u>3,645,680</u>	<u>1,630,591</u>	<u>1,034,452</u>	<u>(27,259)</u>	-	-	-
Total yield / interest risk sensitivity gap		<u>(22,912,647)</u>	<u>(39,094,844)</u>	<u>54,975,617</u>	<u>43,236,749</u>	<u>33,439,624</u>	<u>67,117,407</u>	<u>31,440,957</u>	<u>1,281,811</u>	<u>(27,259)</u>	-	-	<u>(126,905,274)</u>
Cumulative yield / interest risk sensitivity gap				<u>(13,209,273)</u>	<u>(26,345,586)</u>	<u>44,474,206</u>	<u>101,170,294</u>	<u>164,703,926</u>	<u>196,694,267</u>	<u>196,667,008</u>	<u>196,667,008</u>	-	-

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40.5 Yield / Interest Rate Risk

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

40.6 Liquidity Risk

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

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

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

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

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

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

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

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

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	2015									
	Total	Up to one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with										
Treasury banks	29,482,134	29,482,134	-	-	-	-	-	-	-	-
Balances with other banks	4,300,002	4,300,002	-	-	-	-	-	-	-	-
Lendings to financial institutions	26,969,566	20,450,520	-	-	6,518,946	-	-	-	-	-
Investments	225,216,495	17,772,428	34,941,466	5,836,605	106,120,414	26,195,830	22,328,728	1,549,668	179,265	-
Advances	136,784,996	45,215,794	25,979,677	11,326,411	2,705,464	6,357,367	5,600,537	6,502,608	1,047,597	1,042,541
Other assets	22,402,016	2,246,483	8,159,503	216,873	1,865,375	4,060,392	8,800,013	26,377	-	-
Operating fixed assets	5,903,952	70,564	141,126	211,690	423,378	940,757	846,757	1,693,517	1,589,962	140,201
Intangible assets	26,126,720	220	439	659	1,317	2,634	2,634	3,267	13,189	26,100,381
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	447,347,791	119,537,245	69,222,211	17,596,239	116,658,894	47,668,980	34,576,669	9,776,637	2,827,593	27,263,123
Liabilities										
Bills payable	11,401,191	11,401,191	-	-	-	-	-	-	-	-
Borrowings	21,784,451	6,067,561	12,416,514	2,224,665	-	-	82,681	955,267	17,763	-
Deposits and other accounts	327,237,527	316,871,838	4,026,990	1,998,236	3,340,817	757,975	342,671	-	-	-
Subordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Other liabilities	19,253,047	1,725,563	3,540,594	1,300,488	12,593,560	88,171	-	4,821	-	-
Deferred tax liabilities	3,221,120	-	-	-	-	-	-	3,221,120	-	-
	385,397,336	336,266,253	19,983,098	5,523,389	15,934,377	846,086	325,352	4,187,078	2,517,763	-
	61,950,455	(216,546,008)	49,239,113	12,072,850	100,724,517	47,022,894	34,251,317	5,595,819	309,830	27,283,123
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	10,847,005	-	-	-	-	-	-	-	-	-
Unappropriated profit	5,453,236	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net	5,634,299	-	-	-	-	-	-	-	-	-
	61,950,455	-	-	-	-	-	-	-	-	-

	2014									
	Total	Up to one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with										
Treasury banks	21,475,245	21,475,245	-	-	-	-	-	-	-	-
Balances with other banks	387,301	387,301	-	-	-	-	-	-	-	-
Lendings to financial institutions	10,813,566	19,213,869	-	-	-	-	-	-	-	-
Investments	168,578,370	22,919,317	8,298,646	39,400,893	15,037,578	80,908,587	25,510,976	1,486,775	146,558	-
Advances	128,593,059	50,736,941	28,846,298	19,372,596	6,401,248	6,711,982	6,109,888	3,523,640	1,570,759	1,590,497
Other assets	26,157,582	1,043,128	12,562,417	269,473	2,969,317	3,476,372	5,793,625	94,176	871	-
Operating fixed assets	6,262,503	13,184	26,377	39,565	79,131	698,261	158,261	314,267	785,320	4,727,447
Intangible assets	26,173,114	933	1,107	1,660	3,316	6,639	6,639	13,279	32,300	26,107,019
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	409,567,880	107,389,936	49,823,644	45,814,187	27,221,593	97,352,444	41,895,396	11,428,496	2,517,845	32,424,963
Liabilities										
Bills payable	5,563,605	5,563,605	-	-	-	-	-	-	-	-
Borrowings	17,244,571	4,229,179	9,181,120	2,598,245	35,484	74,025	-	704,367	441,848	-
Deposits and other accounts	304,503,688	293,195,819	3,771,267	2,044,748	4,918,894	364,515	308,225	1,069	-	-
Subordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Other liabilities	16,464,854	1,458,774	3,638,442	1,288,132	3,412,920	121,449	403,546	2,326	871	-
Deferred tax liabilities	2,575,213	-	-	-	-	-	-	2,575,213	-	-
	348,852,431	304,357,177	16,491,329	5,902,128	14,268,078	561,519	709,871	3,283,210	2,942,519	-
	90,715,449	(197,267,241)	33,332,315	38,945,059	12,953,515	50,796,925	40,785,529	8,145,286	1425,470	30,424,963
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	8,582,320	-	-	-	-	-	-	-	-	-
Unappropriated profit	4,751,300	-	-	-	-	-	-	-	-	-
Deficit on revaluation of assets - net	9,295,979	-	-	-	-	-	-	-	-	-
	90,715,452	-	-	-	-	-	-	-	-	-

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

	2015									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with Treasury bills	29,482,134	29,482,134	-	-	-	-	-	-	-	-
Balances with other banks	4,300,002	4,300,002	-	-	-	-	-	-	-	-
Lendings to financial institutions	26,988,598	20,450,620	-	-	6,518,946	-	-	-	-	-
Investments	225,218,405	17,772,428	34,941,466	5,826,806	106,120,454	36,595,820	22,328,728	1,548,068	176,865	-
Advances	106,784,996	10,670,747	29,544,063	19,675,990	14,402,622	21,209,291	5,600,537	6,502,608	1,647,597	1,042,541
Other assets	22,482,016	2,249,483	8,159,503	218,873	1,885,375	4,096,292	5,800,013	26,377	-	-
Operating fixed assets	3,963,952	70,564	141,126	211,899	423,378	846,757	846,757	1,693,517	1,585,962	140,201
Intangible assets	26,126,720	220	438	829	1,217	2,534	2,534	5,267	13,169	26,100,581
Deferred tax assets	447,347,791	84,992,198	72,786,597	22,942,818	129,252,052	62,809,504	34,576,869	9,776,837	2,827,593	47,283,123
Liabilities										
Bills payable	11,401,191	11,401,191	-	-	-	-	-	-	-	-
Borrowings	21,784,481	6,082,561	12,418,514	2,224,565	-	-	82,681	965,267	17,763	-
Deposits and other accounts	327,237,527	41,377,198	13,749,108	16,582,910	32,510,164	222,775,479	242,671	-	-	-
Subordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Other liabilities	18,253,047	1,725,663	3,549,594	1,300,488	12,093,580	88,111	-	4,651	-	-
Deferred tax liabilities	3,221,120	-	-	-	-	-	-	3,221,120	-	-
	385,397,338	80,591,613	29,705,213	20,108,363	48,103,724	222,863,596	325,352	4,181,018	2,517,763	-
	81,959,455	24,400,585	43,080,384	2,834,755	84,248,320	(160,953,686)	34,251,317	5,996,819	309,830	27,283,123
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	10,847,005	-	-	-	-	-	-	-	-	-
Unappropriated profit	5,453,370	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net	6,934,290	-	-	-	-	-	-	-	-	-
	61,950,515	-	-	-	-	-	-	-	-	-

	2014									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with Treasury bills	21,475,345	21,475,345	-	-	-	-	-	-	-	-
Balances with other banks	387,301	387,301	-	-	-	-	-	-	-	-
Lendings to financial institutions	10,813,555	10,813,538	-	-	-	-	-	-	-	-
Investments	189,578,378	22,519,217	6,398,545	30,400,893	15,827,518	80,908,587	29,520,970	1,485,775	145,599	-
Advances	125,590,090	11,903,232	30,513,138	17,374,306	12,404,769	36,392,570	8,109,886	9,520,840	1,579,759	1,590,457
Other assets	16,147,582	1,043,738	12,559,417	280,473	2,900,317	3,475,575	3,798,025	94,178	871	-
Operating fixed assets	6,282,550	12,184	26,377	30,565	79,131	158,261	158,261	314,397	765,920	4,717,447
Intangible assets	26,173,114	553	1,187	1,660	3,319	5,639	6,028	13,279	32,900	26,137,819
Deferred tax assets	489,587,883	88,575,205	51,491,684	48,945,947	32,225,114	129,993,030	41,395,389	11,428,466	2,517,049	32,424,953
Liabilities										
Bills payable	5,563,605	5,563,605	-	-	-	-	-	-	-	-
Borrowings	17,244,871	4,256,179	9,181,120	2,590,248	35,464	74,650	-	704,367	441,648	-
Deposits and other accounts	304,303,968	32,284,239	12,471,315	15,094,873	30,915,539	213,419,580	306,325	1,900	-	-
Subordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Other liabilities	15,864,684	1,658,714	3,528,842	1,268,132	9,442,800	121,949	402,546	3,020	871	-
Deferred tax liabilities	2,575,833	-	-	-	-	-	-	2,575,833	-	-
	348,257,431	43,692,797	25,193,077	18,959,050	40,367,802	213,816,184	799,871	3,283,210	2,942,519	-
	90,718,469	24,883,432	26,306,807	20,558,887	18,142,809	(82,923,152)	40,795,528	8,145,296	(425,470)	32,424,953
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	5,989,320	-	-	-	-	-	-	-	-	-
Unappropriated profit	6,751,303	-	-	-	-	-	-	-	-	-
Deficit on revaluation of assets - net	6,298,978	-	-	-	-	-	-	-	-	-
	57,755,451	-	-	-	-	-	-	-	-	-

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

40.9 Operational Risk

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

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

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

41 ISLAMIC BANKING BUSINESS

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

41.1 Balance Sheet

Note	2015	2014
	----- (Rupees in '000) -----	
Assets		
Cash and balances with treasury banks	2,385,567	2,284,066
Due from Financial Institutions	10,437,516	2,813,527
Investments	5,440,132	11,895,570
Islamic Financing and Related Assets	29,805,233	33,322,582
Operating fixed assets	39,644	47,915
Other assets	537,069	865,856
	48,445,161	51,229,516
Liabilities		
Bills payable	147,117	117
Due to Financial Institutions	1,459,000	1,349,000
Deposits and other accounts		
Current Accounts	22,627,461	22,462,038
Saving Accounts	13,028,585	12,272,682
Term Deposits	1,681,517	1,776,086
Others	8,184	11,768
Deposit from Financial Institutions -Remunerative	612,820	268
Deposits from Financial Institutions-Non-Remunerative	-	-
	37,958,567	36,522,842
Due to Head Office	3,879,318	8,320,362
Other liabilities	265,005	221,136
	43,709,007	46,413,457
Net Assets	4,736,154	4,816,059
Represented by:		
Islamic Banking Fund	200,000	200,000
Unappropriated/ Unremitted profit	4,523,020	4,592,023
	4,723,020	4,792,023
Surplus / (deficit) on revaluation of assets - net	13,134	24,036
	4,736,154	4,816,059
CONTINGENCIES AND COMMITMENTS	21	
Remuneration to Shariah Advisor/Board	9,092	4,417
Charity fund		
Opening balance	2,208	1,071
Additions during the year	10,877	4,232
Payments / utilization during the year	(10,899)	(3,095)
Closing balance	2,186	2,208

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

41.1.1 Islamic Mode of Financing	Note	2015	2014
		----- (Rupees in '000) -----	
Murabaha	41.1.1a	2,742,295	7,083,998
Musharaka	41.1.1b	12,496,852	9,000,649
Diminishing Musharaka	41.1.1c	13,472,362	14,492,048
Ijarah	41.1.1d	476,053	856,895
Istisna	41.1.1e	-	1,550,000
Musawammah	41.1.1f	141,492	122,914
Others	41.1.1g	276,179	216,078
		29,605,233	33,322,582
41.1.1a Murabaha			
Financings/Investments/Receivables		673,855	1,490,466
Advances		689,479	5,593,532
Assets/Inventories		1,378,961	-
		2,742,295	7,083,998
41.1.1b Musharaka			
Financings/Investments/Receivables		12,496,852	9,000,649
		12,496,852	9,000,649
41.1.1c Diminishing Musharaka			
Financings/Investments/Receivables		13,472,362	14,492,048
		13,472,362	14,492,048
41.1.1d Ijarah			
Financings/Investments/Receivables		476,053	856,895
		476,053	856,895
41.1.1e Istisna			
Financings/Investments/Receivables		-	1,550,000
		-	1,550,000
41.1.1f Musawammah			
Financings/Investments/Receivables		141,492	122,914
		141,492	122,914
41.1.1g Others			
Financings/Investments/Receivables		276,179	216,078
		276,179	216,078
41.2 Profit and Loss	Note	2015	2014
		----- (Rupees in '000) -----	
Profit / return earned on financings, investments and placements		4,025,195	4,671,127
Return on deposits and others dues expensed		(1,175,437)	(1,474,470)
Net spread earned		2,849,758	3,196,657
Provision against non performing financing		(193,334)	(35,417)
Net spread after provisions		2,656,424	3,161,240
Other income			
Fees, commission and brokerage income		674,172	939,582
Other income		123	679
Total other income		674,295	940,261
		3,330,719	4,101,501
Other expenses			
Administrative expenses		(1,899,722)	(1,264,369)
Profit before taxation		1,430,997	2,837,132

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

Deposit and other accounts include redeemable capital of Rs.15,331,106 million (December 31,2014 : Rs.14,060,804 million) and deposits on Qard basis of Rs.22,627,461 million (December 31,2014 : Rs.22,462,038 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable Capital and non-remunerative deposits are classified as being on Qard basis.

41.3 CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	----- (Rupees in '000) -----	
Profit before tax for the year	1,430,997	2,637,132
Less: Dividend income	-	-
	<u>1,430,997</u>	<u>2,637,132</u>
Adjustments for:		
Depreciation	12,640	11,981
Gain on disposal of fixed assets - net	(123)	(679)
Provision against loans and advances - net of recoveries	193,334	35,417
	<u>205,851</u>	<u>46,719</u>
	<u>1,636,848</u>	<u>2,883,851</u>
(Increase) / decrease in operating assets		
Due from financial institutions	(7,623,989)	2,242,054
Net investments in 'held for trading' securities	(996)	30,598
Advances	3,524,015	(5,436,003)
Other assets	328,787	(258,984)
	<u>(3,772,183)</u>	<u>(3,422,336)</u>
(Decrease) / increase in operating liabilities		
Bills payable	147,000	(2,643)
Borrowings from financial institutions	110,000	289,000
Deposits and other accounts	1,435,725	1,942,580
Other liabilities	(4,397,175)	2,846,238
	<u>(2,704,450)</u>	<u>5,075,175</u>
Cash inflow before taxation	<u>(4,839,785)</u>	<u>4,536,691</u>
Income tax paid	-	-
Net cash generated from operating activities	<u>(4,839,785)</u>	<u>4,536,691</u>
Net investments in 'available for sale' securities	6,445,532	(1,145,532)
Net investment in fixed assets	(4,246)	(6,811)
Net cash used in / (generated from) investing activities	<u>6,441,286</u>	<u>(1,152,343)</u>
Appropriation/ payments made to Head office	(1,500,000)	(3,000,000)
Net cash used in financing activities	<u>(1,500,000)</u>	<u>(3,000,000)</u>
Increase in cash and cash equivalents for the year	101,501	384,348
Cash and cash equivalents at beginning of the year	<u>2,284,066</u>	<u>1,899,718</u>
Cash and cash equivalents at end of the year	<u>2,385,567</u>	<u>2,284,066</u>
Cash and balances with treasury banks	2,385,567	2,284,066
Balances with other banks	-	-
	<u>2,385,567</u>	<u>2,284,066</u>

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

41.4 Ijarah Financing

Note

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

41.5 Profit & Loss distribution and Pool Management

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

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

a) IERS Musharakah Pool

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

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

b) Mudarabah Depositors Pool

1. General Depositors Pool
2. Special Depositors Pool

i) Key features and risk & reward characteristics

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

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

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2015

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

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

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

iii) Deployment of Mudaraba based deposits

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

iv) Other information

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

42. GENERAL

- 42.1 Certain corresponding figures have been re-arranged / reclassified to reflect more appropriate presentation that are not material in nature.
- 42.2 These financial statements were authorized for issue in the Board of Directors meeting held on 03 March 2016.



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghias
Director



Sponta Kandawalla
Director

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

S. NO	Name	Address	Name of Partner/ Director, FCC / CMO	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Disposition		
					Principal	Interest/ Mark up	Total	Principal	Interest/ Mark up	Total Balance
1	Hemika Sweet	Offs No. 711, 716 Floor, Landmark Plaza, Rd Road, Lahore, Pakistan	Zeshan Mustafa 274-78-4365-75 Muhammad Saleem Khan 279-99-484752	Zahra Mustafa Samulah Khan	52,507,862	167,244,958	219,752,820	52,507,862	167,244,958	219,752,820
2	Art Molar Studio	House No. 101-E, Gulberg 4, Lahore	Art Molar Studio 273-86-425772	Syed Kabir Ali Khan	53,929,411	110,742,301	164,671,712	53,929,471	110,742,321	164,671,792
3	Teach Pacific	Suite E, 3rd Floor, 4th Phase, Centre, Main Road, Gulberg 4, Lahore	Khalid Hussain Waheed 35005-7485341-5	Farooq Muhammad Ghaffar	15,840,702	6,772,874	22,613,577	15,840,702	6,772,874	22,613,576
4	Kashan Carpets	Block #6, Super Market, F-4, Scheme Road, Sahiwal	Imran Akram Khan 07304-0982068-0 Imran Akram 61108-211387-0	Amirulhasan, Akonkhan	19,025,770	26,117,382	45,143,152	19,025,770	26,117,382	45,143,152
5	H.J. Communication	10 G.P. Centre Plaza, Gulberg 4, Lahore	Muhammad Rizwan 35202-8468307-3	Sh. Abdul Qayyum	29,295,599	17,257,113	46,552,712	29,295,599	17,257,113	46,552,712
6	Medicare Surgical Supplies	26 No Woodson Road, Sahiwal	Munir Amir Saleem 34603-2219428-7	Rohela Bushara Saleem	19,086,194	45,187,361	64,273,555	19,086,194	45,187,361	64,273,555
7	T.J.F. Trading	54 Center Road, Lahore	Remya Malik 35200-2365462-1 Maha Jamshed Javed 42301-6484290-3 Fahim Malik 42101-7525823-7	Nehal Malik, Maha Yanzar, Maha Jamshed Javed, Javed Malik, Fahim Malik, Malik Tariq	28,788,248	35,278,603	64,066,851	28,788,248	35,278,603	64,066,851
8	Trust Investment Bank Limited	25-D-1-A, Gulberg 4, Lahore	Rafiq Khalid 35202-250489-0 Muhammad Nurhayan Naily Zah 35201-7740663-1 Jawad Ghouse Sheikh 35202-2596771-3 Syed Mubashir Raza Rasheed 35202-6155200-1 Shahid Iqbal 35201-4299422-6 Munazza Ali 35202-6754642-5 Mir Javed Hashmat 47301-7745360-1	Muhammad Atiq Muhammad Nazeem Sheikh Muhammad Rashid Syed Muzammil Hussain Nazeem Muhammad Iqbal Gulshan Muhammad Mir Hashmat Ali Khan	45,326,406	13,841,776	59,168,182	45,326,406	13,841,776	59,168,182
9	Khalid Ullah International	1-2 Sakowal, Main Market Circle, Basmah Road, Lahore	Khalida Shakoor 35200-1454265-6	Khalida Abdul Rasheed	29,996,112	27,809,752	57,805,864	29,996,112	27,809,752	57,805,864
10	Mohib Export Limited	67B, Azam Complex, Lower Marka, Main Market Road, Lahore	Art Saigal 35702-6075426-7 Art Saigal 35702-942384-9 Abdul Saigal No Licence/ Copy of Pakistan	Hafiq Saigal Hafiq Saigal Hafiq Saigal	15,137,038	42,896,967	58,034,005	15,137,038	42,896,967	58,034,005
11	Franchise Franchises (Pvt) Ltd	4-1-A, Main Market, Lower Galle, Lahore	Muhammad Waheed Malik 35202-6998298-5	Malik Abdul Waheed	21,006,251	24,104,299	45,110,550	21,006,251	24,104,299	45,110,550
12	Vita Chemical	2-A, First Floor, Muhammad Anwar, Main Road, Lahore	Rizq Abdul Mirza 35202-6515478-8	Rizq Anwar Mirza Muhammad Sabirque Mirza	27,726,242	17,806,869	45,533,111	27,726,242	17,806,869	45,533,111
13	HARK (Pvt) Ltd	9, 2nd Floor, Industrial Area, Basmah Road, Lahore	Muhammad Kamran Ali 35202-3927469-3 Munir Samraiz 35201-0134623-4	Munir Ali, Munir Ali	22,472,746	1,385,165	23,857,911	22,472,746	1,385,165	23,857,911
14	Food Kraft	Plot #, E-10 A, New Glass Greenway, Sh. Raza	Genoa Ali Ismail 61101-5182757-9	Sheikh Muhammad Saad	5,251,044	1,512,104	6,763,148	5,251,044	1,512,104	6,763,148
15	Dato Ali Traders	Room #7, 1st Floor, Raja Center, Main Market Road, Lahore	Muhammad Ahsanul Jinn 35202-6692946-9	Hafiz Muhammad Farooq	33,363,603	36,549,836	69,913,439	33,363,603	36,549,836	69,913,439
16	NA Traders	3115, Main Basmah Basmah Scheme, Main Road, Lahore	Farooq Iqbal 35201-6292966-7	Hafiz Muhammad Ali	19,996,592	21,778,972	41,775,564	19,996,592	21,778,972	41,775,564
17	Nadeem International	2nd Floor, Edge Plaza, Faisalabad Road, Main Market Road	Nadeem Hashim Sh. 42302-0016654-9 Nadeem Jam 42301-5471335-5 Nadeem Ali Sh. 27405-0248470-7 Khalid Us Rahman 42301-3879374-1 Taimoor Shah 14301-2079181-3	Nadeem Hashim Sh. Syed Hashim Sh. Nadeem Jam, M. Hashim Nadeem Jam, Nadeem Ali Sh. Ali, Mian Muhammad Nadeem, Khalid Us Rahman, Hafeez Us Rahman Khan, Taimoor Shah, Pt. Abdullah Shah	16,256,180	15,781,383	32,037,563	16,256,180	15,781,383	32,037,563
18	Farooq Sweet Traders	A/Shehri Center, 1st Floor, Road #1, Basmah Road, Lahore	Sh. M. Ahsan 35202-5484991-4	Sh. Muhammad Atiq	15,982,564	7,615,240	23,597,804	15,982,564	7,615,240	23,597,804
19	Khalid Eng. Corporation	11 - Bahar Plaza, Lahore	Khalid Raheem Awan 35201-9094100-1	M. Raheem Awan	16,848,345	23,257,941	40,106,286	16,848,345	23,257,941	40,106,286
20	Nars Textile	Plot # 276, Sector W, Phase II, F-15, China Canal, Lahore	Munir Nadeem Anwar 25201-8271728-7	Muhammad Raheem	18,907,800	30,188,395	49,096,195	18,907,800	30,188,395	49,096,195
21	Kashtulah Deed	Al-Rahman Clubhouse, First Floor, Room #1, 51-Bandrawa Road, Lahore	Shahzad Asghar 35202-9826279-4	W/O. Sh. Muhammad Asghar	14,011,284	6,992,882	21,004,166	14,011,284	6,992,882	21,004,166
22	Pharma Containers	18 No. Main Road, Lahore	Nadeem Asim Malik 35202-0819136-1	Muhammad Asim Malik	19,513,392	19,423,472	38,936,864	19,513,392	19,423,472	38,936,864
23	Hassan Khan Raw Mills	Napping Mor, Talwar Fertilizer, Sheikhpura District	Onir Nawaz 35401-4445113-3	Hassan Khan	14,999,067	12,571,965	27,571,032	14,999,067	12,571,965	27,571,032
24	New Electric Co.	Room No. 9, 3rd Floor, Faisal Plaza, 85 Sheikhpura Market, Lahore	Khalida Nadeem Tariq 35202-2973364-5 Zehra Raza 35202-4818367-6	Khalida Tariq Us (W/O) Muhammad Usman	12,252,878	13,873,384	26,126,262	12,252,878	13,873,384	26,126,262
25	Amir Traders	Room # 15, 2nd Floor, Yousf Arcade, Tea Mad, Lahore	Zehra Nadeem 35202-4157189-7	Khalida Basmah Awan	3,894,295	24,259,532	28,153,827	3,894,295	24,259,532	28,153,827

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. No.	Name	Address	Name of Partner/ Directors/ABC / CMC	Foreign Ownership Name	Outstanding Liability at Reporting of Year			Amount Written off / Considered		
					Trade	Interest Mark up	Stts	Principals	Interest Mark up	Total Balance
26	Rafiq Sarda	125-A, PCSPH Phase 1, Lahore	Fariha Saha 10207-5414785-0 Farhad Hussain 30200-1430965-9	Abdul Waheed, Man Najam Ul Din	2,360,572	3,648,198	26,648,768	22,985,577	3,648,198	26,648,768
27	Globe Petroleum Services	50 Block-A North Nazimabad, Karachi	Muhammad 42001-8937971-0 Mr. Farhan 42006-205519-7 Mr Khadija Bt 42001-0763426-0	Hafizullah, Muhammad, Farhan Muhammad Muhammad, Khadija BT Muhammad Hussain	14,910,094	10,853,728	26,044,700	14,990,994	10,880,448	25,871,442
28	Globe Petroleum Services II	50 Block-A North Nazimabad Karachi	Muhammad 42001-8937971-0 Mr. Farhan 42006-205519-7 Mr Khadija Bt 42001-0763426-0	Hafizullah, Muhammad, Farhan Muhammad Muhammad, Khadija BT Muhammad Hussain	14,900,000	10,843,749	25,971,972	14,960,328	10,848,523	25,848,849
29	Air International	Air Charters, M-A, Durr Road Lahore	Dr. Aft Ahsan 35202-2650777-0 Yasir Aft 30200-5780008-9	Dr. Muhammad Ahsan, Dr. Aft Ahsan	26,328,964	15,237,461	54,616,426	6,328,964	18,056,213	25,426,277
30	Harmed Trucking Centre	43-44, Km. Multan Road, Lahore	Muhammad Waheed 30200-8046272-3 Muhammad Yaqub 30201-6305514-3	Abul Waheed, Muhammad Ahsan	11,797,721	10,727,680	22,829,427	11,797,721	13,833,249	24,544,969
31	Fayaz Engineer	40 Fayaz Road, Old Pajpaya, Near Aslamia Yaqub Ali Shah, Baghbanpura Lahore	Fayaz Ahmad 35202-5946672-5	Deen Muhammad	12,942,384	11,309,705	23,300,159	12,942,383	12,176,493	24,178,877
32	Haroon Marketing	F-30/A, St No. 1, Gulshan Colony, Main Jhany Road, Faisalabad	Muhammad Saman 31700-0090077-3	Muhammad Tahir	14,894,534	1,648,345	35,621,802	14,894,534	4,251,084	21,246,618
33	Universal Traders	Sur No 11, Akram Plaza, Main Boulevard Defence, Lahore	Zahid Latif 35200-1753443-0	Dr. Muhammad Latif	9,999,084	11,067,781	20,997,264	9,999,994	10,702,091	20,702,085
34	Nawab Builders	Nawab Builders & Property Dealer, Zeeman Plaza, Behran (Shehadat Road, Ghat)	Dr. Inam Saleem 34201-3801843-3	Dr. Muhammad Tahir	3,980,760	10,717,390	20,161,141	3,980,760	10,702,784	20,754,544
35	Asad Containers	F-606, Site, Karachi	Tahir Masood 42001-0874423-3 Faria Asad 42001-0823947-0 Asad Muhammad 42001-1598089-0	Abul Waheed, W/O Asad Muhammad, W/O Sahib ul Din	15,500,000	3,571,702	19,672,223	15,500,000	3,572,000	19,072,000
36	Khuzaim Bank	206 Al Fatah Road, Lahore	Shahid Farhan 30200-2160046-4	W/O Farhan ul Haq	18,988,000	6,575,028	84,514,228	18,988,000	-	18,988,000
37	Shahid Sana Distributors	1-A/90, Block B, Unit 02, Larkana, Hydrabad 1, Plot No 8 & Block C, Agri, Agriwest, H-8 Twp, Hyderabad, Cant	Nadeem Shahn 41342-1930000	Muhammad Shahn	11,987,080	4,794,251	16,748,334	11,987,080	5,001,279	17,788,359
38	S & S Garments	Sur No 7-B, 150 Floor, Ngaz Center Petals Ground, Lahore	Sheikh Yaqub 30200-5999900-1	Hafiz Farhan	7,594,750	4,408,711	78,963,409	7,594,750	10,402,201	17,996,951
39	Muhammad Wahid	House # 91/2 Saba Avenue, DHA Phase V Ext, Karachi	42001-3490442-1	Abul Waheed	11,735,027	13,761,251	28,896,778	4,046,507	13,409,044	17,475,571
40	Governor Pakistan Limited	314, 1, Growth Road, Guberg II, Lahore	Jawad Elahi 35202-2581094-5 Faraz Elahi 35200-9522225-3	Elahi Elahi Elahi Elahi	13,018,659	37,015,521	17,029,444	13,018,659	4,737,570	17,756,229
41	Rozana Kame	A-1, Plot 22, Block A & Gulshan-E-Qu Karachi	42001-1688454-7	Muhammad Younis Khatib	16,086,385	17,654,028	34,320,267	-	16,729,562	16,729,562
42	Fouslay's Pvt Ltd	11-C, 1st Commercial Lens, Garden, Karachi	Syed Ahmad Ali 35-669571, Faran Merchant Rizwan Jan Sohan 42001-6610749-3	Syed Masood Ali, Ghulam Ali Merchant, Jaf Budge	7,086,642	3,170,212	10,797,134	7,086,642	8,879,134	16,706,026
43	TV Associates	Office No 202, Lardway Road, Jaf Road, Lahore	Dr. Inam Farhan 35202-6942106-0 Muhammad Saad 35202-2792358-9	Dr. Muhammad Yaqub, Muhammad Hajar	7,992,100	6,019,680	11,027,344	7,992,100	8,501,677	11,493,777
44	Medical Store	111-G-1, Jaf Road, Lahore	Gulzar Hafeez 11201-0718005-9, Karamat Ali 35202-0620008-7	Muhammad Atiq Khan, Muhammad Zameer	6,045,660	7,801,808	10,427,440	6,045,660	6,267,021	12,312,681
45	Muslim Traders	Feroz Road, Kot Larkana, Lahore	Jamil Ahmad Sheikh, Shahid Farhan, Hafiz Begam, Hussain Yaqub, Aqeed Anwar	Zameer Noman Sheikh, W/O Asad Aswad, N/A, N/A, Hafiz Begam	7,260,571	4,499,838	15,113,409	7,260,571	8,878,888	16,139,459
46	New Umi Trading Company	# Madia Road, Taxila Lahore	Abdul Masood 30202-8920119-5	Sayim Ahmad	7,504,807	7,803,539	15,754,106	7,504,807	8,176,893	15,681,699
47	Jawad Yaqub	10712, Block 10, Jaf Road, Near H-8 Pak, Karachi	42001-2159077-9	Muhammad Yaqub	18,744,646	18,428,478	29,177,000	8,244,458	11,484,212	19,728,670
48	Friends Traders	#-20, Nazimabad, Karachi	Abdul Jabir 42001-1403184-0	Abdul Jabbar	14,421,728	-	14,921,120	14,921,120	-	14,921,120
49	A-City Computers	Khan Plaza 2ND Floor D-8 & 8A, Jaf Road, West Railway Road, Faisalabad	Muhammad Nadeem Guzar 36302-1388806-1	Muhammad Guzar	6,380,822	7,247,110	13,868,300	6,380,822	8,075,178	14,455,999
50	Al-Khaleel Store	Room 15, 3rd Floor, W/O Ghat, Nadeem Road, Lahore	Asad P Khaleel 30202-2588262-9	Rajid Khaleel	4,981,991	1,132,627	5,703,119	4,981,991	6,278,171	11,260,190
51	Yaqub Shoes	Shop No. 1-1802, Jaf Road, Lahore	Muhammad Ahsan 30200-7725549-0	Abul Muhammad	4,894,968	6,167,887	11,544,621	4,894,968	7,014,679	12,909,647
52	Tahira Pak Company	#-33, Arto Housing Scheme, DHA Lahore	Tahira Mahroof Yaqub 30201-7611000-0	Ghulam Hassan	6,329,202	2,505,484	11,424,740	6,329,202	2,688,484	11,017,686
53	Abdul Rashid	Near W/20, DDA-1, Gulshan-e-Cant, Ghat	34101-2687636-1	Rahma Begum	6,417,045	6,300,783	17,800,827	6,417,045	5,393,280	11,810,325

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. No.	Name	Address	Name of Partners/ Directors/ MNC / GNC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark-up	Total	Principal	Interest Mark-up	Total Balance
54	Zaid Books	8478, Block #1, Network Spa, Karachi	Muhammad Ahmad Zaid 42401-2469679-1	Ali Muhammad	7,988,568	3,469,814	17,497,383	1,588,349	3,325,752	11,524,101
55	Pakistan Filing Station	Plot # 1, Bajwan Coasts, Mar Margal Pore Road, Karachi	Muhammad Yasin Yamin 42531-2679963-1	Muhammad Aamir Khan	6,438,628	4,362,980	15,811,614	6,488,028	6,821,618	11,312,246
56	Al-Saqiqe	3A, Fiy Faww, Muhammad Anwar Link Road, Malir	Razi-Ahmad Mirza 35202-6512425-8 Nawaz Ahmad Mirza 35200-5488587-3 Sadia Fiaz 38200-5043347-6 Maha Ghulam Mustafa 25792-8809275-0 Saghat Hader 31207-6671505-7 Sana Ahmad Khatib	Razi Ahmad Mirza Muhammad Siddique Mirza, Nawaz Ahmad Mirza, Muhammad Siddique Mirza, Sadeeq Mirza, W/O Razi Ahmad Mirza, Maha Ghulam Mustafa, Maha Ghulam Hader, Sajid Hader, Maha Ghulam Hader, Usaid Ahmad Khatib, Muhammad Siddique Mirza	4,990,190	1,599,642	10,589,742	4,969,106	1,687,962	10,899,062
57	Glennis Weaving	Plot # 327 B, Sarmaroh Road, Sialkot	Muhammad Aslam 33301-6411237-5	Muhammad Imran	5,632,286	3,345,390	16,947,296	5,602,206	5,551,586	10,659,756
58	Ahmad Nazir	A-1103, Howa Land Apt Block-13C, Dabulvi, Kpt. Karachi	42201-6652969-7	Nazir Ghateer	11,551,728	8,174,369	21,871,717	-	10,029,864	10,525,844
59	Kausar Malik	4th Floor, E-POB, Lahore	Kausar Malik 33202-2813735-4	Kausar Malik W/O Tanvir Az Malik	4,800,900	4,664,962	3,404,953	4,800,900	4,864,845	9,664,845
60	Amer Javed	House No. 196-A, Street 17, Gateway Grand Lahore Cant. Lahore	33202-4248301-5	Atah Zahra	15,611,702	6,640,644	20,178,346	3,999,702	5,398,878	8,598,578
61	Sabaeh	H No 17247, 75 Pao Chow Market Rawalpindi	37455-5225489-7	Gayyum Aslam	4,381,289	8,932,838	16,214,136	1,381,289	7,391,486	8,772,758
62	Zafar Masood	18-C, Shah Jinnah Colony, Lahore H No 3A3, 28th Street, Phase V, D.D.H.A, Karachi	33202-3578815-7	Umer Muhammad	2,777,611	1,739,321	6,514,132	2,777,611	1,739,321	6,514,132
63	Shahzad Chaudhry	H No 3A/139 Street, Phase V, D.D.H.A, Karachi	42201-6726464-5	Imad Ghawan Din	3,252,800	5,176,181	8,428,181	3,252,800	5,176,181	8,428,181
64	Nabeen Lasse and Refractor Limited	2nd Floor, Eagle Plaza, Faisal-E-Hind Road, Blue Area, Islamabad	Nabeen Hameed Sh 42000-0518804-8 Nabeen Jam 42201-5421835-5 Nasir Ud Din 37405-8298973-7 Khair-Ur Rehman 42301-3678374-1	Nabeen Hameed Sh Abdul Hameed Sh, Nabeen Jam, Muhammad Nabeen Jam, Nasir Ud Din, Mian Muhammad Ishaque, Khair-Ur Rehman, Habib-Ur Rehman Khan	43,567	8,336,897	9,349,454	48,537	9,319,877	8,319,335
65	Fahad Zia Khatib	House No 499, Defense Officers Housing Scheme, Phase 1, Main Cantt, Karachi	42201-9521712-7	Khatib Umra Saad	9,871,933	5,245,091	14,315,025	1,366,933	5,843,496	7,289,430
66	Nabeen Anshari	House No 471 Gun Lake No 8 Phase IV, Near DHA Higher Secondary School, Karachi	42381-8119381-7	Muhammad Anshari	12,250,813	6,349,898	18,544,711	2,447,829	4,572,800	7,020,629
67	Ahmad Amjad	House 73-A Block Model Town Lahore	35202-7743819-9	Nasir Ahmad	9,251,912	6,014,293	13,369,847	179,812	6,541,812	6,771,324
68	Investment Investment	1st Floor, Liaison Square, Building No. 1, Sarwar Shaheed Road, Karachi	Riaz Muhammad Qureshi, Nasir Ali, Mustafa A Taj, Muhammad Nazim Khan, Mustafa Jinn, Nabeen Ali, Mian Ahmad Qureshi	Mr. Qureshi	1,571,579	4,381,373	5,363,449	1,371,579	4,519,154	6,380,728
69	Wahid Ahmad	Multan Motors 8 Montgomery Road Lahore	35200-3090216-7	Wahid Ahmad	2,137,346	3,675,183	6,870,538	2,197,346	3,073,193	5,670,538
70	Sarfaraz Saeed Paracha	Bahman Paracha, House No 74-A Pinar Colony Lahore	35202-4818982-3	Saeed Ur Rehman Paracha	8,448,323	1,490,241	11,989,564	2,124,323	3,490,241	5,614,564
71	Imran Ali	H K B 2, 504-N Alghor Mill, Rawalpindi	Imran Ali 211482-211482	Fazizud Ali	1,288,910	3,994,665	5,174,575	1,288,910	4,076,433	5,286,343
72	Ch. M. Iqbal & Co.	74B Ghulam Maud, Anwaria 645782854 Phaphan	13575-151224	Ch. Muhammad Iqbal	7,544,336	3,344,025	10,428,933	1,184,366	2,844,625	5,089,303
73	Rao Same Usha Khan	Building floor 1st floor, Near Honey Center Opp Ayub Park, Jahang Road Rawalpindi	31101-954435-5	Rao Muhammad Raza	4,804,800	5,169,956	7,369,885	1,329,000	3,168,836	4,994,885
74	Syed Hassan Raza	302-Y Deline Housing Authority Lahore Cant. Lahore	35201-3775403-8	Syed Javed Ali	7,087,380	3,847,325	13,254,327	-	4,546,946	4,546,946
75	Abdul Karim Saah	12-B, Jhalra Town, Lahore	35202-2932668-9	Abdul Saah	14,882,435	3,111,967	17,108,400	2,347,433	2,111,967	4,359,400
76	Hussain Nadeem Khan	Shop No. 44 Nadeem Plaza Commercial Market Rawalpindi	37405-8035410-5	Hussain Nadeem Khan	6,687,852	3,834,961	9,719,034	1,207,032	3,027,178	4,234,218
77	Gul-e-King Electronics	403 - Landmark Plaza, JLI Road, Lahore	Abdul Qadir 30201-5657893-3	Dr. Nazeer Ud Din	10,090,090	1,632,746	11,833,846	2,560,000	1,833,846	4,133,846
78	Alsal Weaving Factory	House No 136 Street No 5 Sarwarabad, Faisalabad	31100-0218871-8	Hussain Ahmad	2,412,531	2,280,518	4,673,449	1,877,871	2,360,518	4,078,449
79	Khalid Aziz	Plot No. 2, Khalid Aziz Block Canal Bank Harbourside Lahore	25200-9388946-8	Aziz U- Hafizman	6,076,480	2,682,624	8,859,117	1,548,473	2,982,624	3,925,207
80	Umar Saik	Dela Agro Limited - 3 - Park View JLI Road Lahore	33201-5685381-5	Ahmad Shadia	6,464,818	2,636,046	9,100,864	1,060,000	2,696,046	3,696,046
81	Wasim Saad	House# 20, Newar Street, Chaudhry Bugh Raah Garh, Rawal Gumbaz, Lahore	33202-0955461-5	Muhammad Saad Ali	1,933,241	2,872,544	6,346,785	429,241	3,257,712	3,681,023

Un-Consolidated Financial Statements

Annexure-1

Sl. No.	Name	Address	Name of Parents/Directors/MC / GAO	Father / Husband Name	Outstanding Liabilities at Reporting of Year			Amount Written off / Concession		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total Balance
80	Syed Sabih Ahmad	14 Baghwan Chambers, Afzal Hussian Road, Karachi	42301-322820-1	Syed Wasim Ahmed	1,513,099	2,224,528	3,698,497	1,243,069	1,343,885	2,686,957
81	Malik Amjad Ali	Qad Plaza CNG Station Trussambid Colony Peshawar City, Peshawar	17301-905848-3	Malik Ghulam Hussain	3,471,434	2,280,980	5,737,947	1,207,404	1,267,404	5,527,547
84	Mikhar Ghori	H No 4795 Balara Colony Sakasa Road, Faisalabad	32100-482703-3	Muhammad Tariq Ghori	1,696,100	1,520,931	3,216,931	968,496	888,496	3,238,603
85	Taqi Mahmood Razi	H No C-1107 A, Near Madina Free Dispensary, Karta Para Rawalpindi	37400-8306154-3	Taqiuddin Hussain	4,000,200	2,563,638	6,563,738	600,857	502,260	3,061,578
86	Naufal Jamil Usman	House A-6102, Gulistan-e-Ushar Block 14, Karachi	42301-957030-1	Muhammad Usman	3,591,611	2,702,961	6,294,572	819,619	516,010	3,140,120
87	Gottarmin	Shop # 210, Nesti Suburb Pak. Phase 4, DHA, Karachi	Zigzag Rd Sema Zaib 502 40-061379	Syed Ali Jaffer Zaib	1,080,900	2,044,144	3,125,020	1,680,984	1,280,984	3,125,120
88	Mian Muhammad Omar Nawaz	Qinn Fethis 76-A, Near Anarkali Lahore	35200-918702-3	Mian Muhammad Nawaz	3,495,900	2,251,679	5,747,574	729,497	749,987	3,051,650
89	Muhammad Ilyas	Medic Corner, 30 Floor, Man Awan Town, Lahore	35200-5556119-7	Mian Muhammad Ilyas	4,445,400	1,802,961	6,248,261	1,170,432	1,462,661	3,046,290
90	Iran Bakhir	P-236 Street No 7 A-Mastan Town Faisalabad	32100-889109-0	Bakhir Ahmed	1,901,980	1,800,274	3,702,257	343,533	1,900,274	2,811,657
91	Imran Harid	H. 379-D-01 Ghum Town Lahore	35200-8843006-0	Muhammad Harid	2,801,900	2,681,336	5,483,236	32,478	2,764,959	2,797,628
92	Khawal Mahmood	Khawal Traders Shop # 7, Ground Floor, Almasad Centre Market 147 A Almasad Market Shah Alam, Lahore	35200-343449-2	Ashiq Ali	4,291,100	1,037,172	5,328,272	1,034,100	1,987,172	2,751,299
93	Ahwalat Zan Services	Har, Balika Road, Lahore Cantt, Lahore	35201-027733-1	Sidra Khan	4,277,504	1,631,440	5,908,944	772,504	1,507,440	2,714,947
94	Ecol Marketing	Bar No. 309, 3rd Floor, Awan E-Rupa, Off The Mall Road, Lahore	At Awan Sheikh 302C1-9872857-0	Munir Manzoor	1,006,600	1,586,132	2,592,732	1,000,000	1,581,625	2,581,625
95	Yasmeen Parvaz	House 16 Street 2 Gaffar Colony Sadam High Near Pakistan Public School, Lahore	35200-7064702-8	Feruz Akhter	2,983,300	1,796,119	4,679,412	548,100	2,030,384	2,649,028
98	Muhammad Najjar	79-C-1, Gulberg II, Lahore	275-88-02701-1	Absa Majid	6,078,000	2,117,600	8,195,600	-	2,517,600	2,517,600
97	Zahid Mahmood Sethi	14-B, Temple Road Lahore	35200-903904-0	Muhammad Latif Sethi	2,972,919	1,446,004	4,418,923	780,319	1,546,004	2,404,600
96	Tameer Ahmad	H. No. 24, Block-C, Garden View, Lahore	35202-427984-7	Bashir Ahmad	2,871,980	1,629,488	4,501,468	748,232	1,590,488	2,349,056
99	Khawal Yasmin Ahmad	House No. 4, Street No. 74 G-6/4 Islamabad	514-77-32541-1	Khawal Kazi Ahmed	5,781,510	2,739,481	8,520,991	-	2,714,369	2,214,280
100	Shahid Ali Baloch	145-11-A Phase II DHA, Lahore	275-51-10889-0	Shahid Ali	796,277	1,274,489	2,070,766	796,277	1,076,491	2,172,774
101	Sohail Hameed Butt	XX-58, 2nd Floor Commercial Area Khayaban-e-Iqbal DHA Lahore Cantt, Lahore	35201-074254-5	Abdul Hameed Butt	979,304	1,773,640	2,752,944	338,924	1,773,640	2,171,966
102	Nadeem Asim	House No P-612 Sector 15-A1 North Karachi Buffer Zone Karachi	42101-2958025-1	Inayatullah	3,382,534	1,433,100	4,815,634	462,536	1,624,465	2,360,466
103	Khalid Manzoor	H. No. 113, Jinnah Block, Azam Garden Multan Road, Lahore	35200-2908989-9	Manzoor Hussain	3,000,000	1,485,300	4,485,300	456,000	1,581,300	2,899,300
104	Muhammad Amir Hussain Qadir	C-17 Block-6, North Nazimabad Karachi	42101-1987395-5	Muhammad Nisar Hussain Qadir	3,295,727	1,071,811	4,367,538	-	1,964,547	1,964,547
105	Intehabuddin Traders	2981 Floor, Park House, Awan E-Tajir Road, Karachi	Muhammad Anwar N/A	S.A. Khattak	787,308	1,175,471	1,962,779	707,308	1,175,471	1,682,777
106	Nadeem Ahmad Mirza	A-3, Block 8, Khayaban-e-Jinnah, Khayaban, DHA, 181 Floor, Jinnah Apartments, Karachi	42300-4958901-1	Muhammad Anwar Mirza	4,492,500	1,841,302	6,333,802	-	1,825,967	1,825,967
107	Muhammad Nadeem Aman	Ly-86 Hafeez Center, Gulberg-II Lahore	35200-998708-3	Muhammad Jarrangi	2,486,142	810,572	3,296,714	498,142	1,280,500	1,734,700
108	Sikandar Shah	Plot # A/D-16, Al Fakh Co Operative Housing Society, Shah Faisal Colony, Karachi	Salamat Shah 42561-849006-3	M. Syed Shah	1,134,122	1,430,241	2,564,363	380,000	1,430,241	1,758,241
109	Muhammad Abdulrahman Power Lahore	NB Abu Bakkar Mousavi Anwar Hussian Mirbilah Aziz Colony Multan	36300-0257845-1	Taqi Ali	1,638,700	580,374	2,219,074	379,182	1,250,547	1,732,549
110	Imran Nabil Khan	House No 60, Enter: Villa Muzer Town Lahore	35200-8847271-0	Ajaz Nabil Khan	2,584,435	1,250,114	3,834,549	484,432	1,262,714	1,687,148
111	Asif Ali Khan	1-8/2 22nd Street Kh-E, Tanzeem Phase 2 DHA Karachi	514-46-051626	Noor Muhammad	3,990,828	4,599,436	8,590,264	-	1,667,204	1,667,204
112	New Bantlah Zan Services	Near Govt Higher Secondary School Fakhri Road, Jinnah Jinnah Town, Malir East District	Sajad Hussain 36632-920232-7	Zin Hussain	2,481,608	1,206,296	3,687,904	372,274	1,206,296	1,577,570
113	Malik Jill Ahmad Awan	House No 848 Khajoor Waf Gak Chini Road Service Road Saddarabad Rawalpindi	15101-150304-1	Malik Abdul Ghaffar	2,381,148	968,309	3,349,457	380,148	968,309	1,540,459
114	Muhammad Kamran Malik	House No. 209, Ahsan Street Sher Meer Park Kot Khawaja Lahore	35200-284973-5	Malik Mahmood Aam	2,288,000	836,186	3,124,186	500,000	636,186	1,468,186
115	Kulsoor Traders	Flat No C-11 Solvia Apartments Bk 6-A Abul Hasan Ispahani Road Karachi	96 Syed Amir Hani 244 42201-192025-9	M. Syed Moini Mohar	2,036,544	817,072	2,853,616	868,944	259,486	1,471,470
116	Cheema Sazaj	National Kaseerik Market, Dabete Khari Gali, Gujranwala	Handi Ch Behman 34111-256829-3	Muhammad Sharif	787,176	406,370	1,193,546	787,176	967,625	1,475,001
117	Mohammad Ali Choudhry	House # 294M Bl # 1 Aziz Colony Hafeez Jamal Road Multan	35200-282930-1	Lia Din	600,816	807,794	1,408,610	600,816	807,794	1,408,610
118	Jamil Muhammad	H # 3, 30/12 Ghum Street, Sehrai Road, Baghban Pura, Lahore	35201-0488801-5	M Sardouq	2,284,256	998,211	3,282,467	400,208	856,711	1,425,967

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

S. NO.	Name	ADDRESS	Name of Property/Deed/Title NO. / CMC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total Balance
119	Amal Khan Durrani	House No 5-11, Dada Bhai Town, Shaheed-E-Millat Road Baloch Colony Karachi	4201-889852-8	Haji Mir Baska Khan	1,103,054	212,523	1,315,577	1,103,054	286,982	1,390,036
120	Rafiq Farooq	1st Pakistan 7th Floor, Block B-FTC, Isfahar Shaheed-e-Faisal Karachi	4201-6099704-0	Fareez Mehmood	1,254,381	28,575	1,282,957	1,225,791	339,631	1,365,422
121	Muhammad Anwar	108-A3 Jaltar Town, Lahore	35202-0407164-1	Muhammad Sarwar	1,499,987	101,891	1,301,878	1,161,384	218,577	1,380,976
122	Syed Ejaz Ali Rizvi	Scale 4 B, Second Floor, Kharwaah, Maf, Near Tariq Road, PECHS, Block - B, Karachi	42101-7933861-0	Syed Walidur Hussain Rizvi	3,688,307	720,495	3,813,312	388,507	863,713	1,272,219
123	Ali Raja	Apart. 2nd Floor, Main Khawaja-a Market, Phase VII, DHA, Karachi	42001-1954334-3	Syed Atiq Ali	210,080	-	210,080	1,079,181	360,773	1,347,954
124	Waseem	Scha Mission, 3rd Floor, Gk - 22, Near Bangal Khwa, Jalsa Khwa Road, Khairabad Karachi	62001-7849470-9	Muhammad	6,094,314	3,017,416	7,901,732	-	1,388,213	1,346,313
125	Somaira Usman	18-B Kalgah Road F-8, Market Lahore, Pakistan Islamabad	61131-1890218-2	Usman Ullah Khan	1,200,905	-	1,200,000	1,200,000	139,340	1,339,340
126	Muhammad Hashim	B-02 (Block -7) Gulshan-e-Jahar Karachi	42101-4428613-1	Muhammad Qasim	1,640,162	1,226,541	2,866,702	-	1,317,572	1,317,572
127	Mahmood Wahid	House No 5, Feroze Block, Alama Iqbal Town, Lahore	35202-5325550-9	Dr. Hussain Bakhsh	3,547,726	780,588	4,328,313	447,726	867,442	1,315,177
128	Syed Saif Hussain	Flat # B-203 Pearl Residency, B-14, Gulshan-e-Iqbal, Machine Center, National Stadium Road, Karachi	42101-1510795-1	Syed Ali Hussain Noon	1,318,608	-	1,320,500	1,130,687	177,864	1,311,882
129	Syed Kazim Raza Rizvi	S-25-26 Market Centre, Rasheed Minhas Road Gulshan-E-Iqbal, Karachi	42001-6762099-1	Syed Khawar Feroze Rizvi	3,165,188	1,321,193	4,506,315	-	1,304,315	1,306,315
130	Farooq Usman Shakir	Hebiba Bank Ltd. City Court Branch, Gate No. 3 Karachi Court Karachi	45203-6195476-9	Gul Feroze Shakir	1,142,259	82,367	1,229,316	1,141,389	162,142	1,303,431
131	Muhammad Shoaib Qasim	H. No. 431, Block A, Gulshan Muhammad Road, Ferozshah	32100-6628111-9	Muhammad Aslam Qasmi	1,184,103	110,140	1,271,608	257,285	1,026,021	1,289,286
132	Fahima Iqbal	Dr. Waseem, Plot-5-11, Dighamati Enclave, Islamabad	32401-1739350-4	Muhammad Iqbal Khan	1,103,744	48,327	1,152,321	1,103,244	158,362	1,241,606
133	Syed Khalid Ahmad	H No 5-478, Block 13, Feroze E Azam Market, F-8 Area, Karachi	42001-1551046-1	Syed Noor Ahmad	1,116,516	5,251	1,163,762	1,106,638	62,058	1,226,693
134	Asim Qasim	129 Sarwar Colony, Sarwar Road, Gantt, Lahore	35201-8049598-1	Imran Qasim	420,000	-	420,000	398,831	224,968	1,223,259
135	Muhammad Younis	House No 77, Street No 20, Nadeem Road, Gulshan-e-Iqbal, Near Muhammad Saad Colony Lahore	35201-2516883-7	Muhammad Aliud Din	1,118,941	-	1,118,941	1,083,830	127,298	1,221,098
136	Abdul Rehman Khan Sherwani	House # 576, Block E, Zameer Colony, Century Ground, Lahore	35402-2337357-1	Muraza Khan Sherwani	970,816	96,483	1,036,473	976,816	244,325	1,214,325
137	Muzaffar Ali Ghosh	Banglow No. Eo-1, 2nd Fl. (Delance View Phase-I, Near Iqbal University Karachi	42001-3044839-7	Muhammad Anwar Javed	1,263,498	168,938	1,162,421	1,083,498	126,222	1,187,719
138	Tahir Azfar	H No 27-A, Main Naam Ud Din Road F-104 Islamabad	61101-2484787-1	Muhammad Hassan	1,332,332	86,912	1,285,213	1,120,519	46,717	1,174,836
139	Muhammad Mansoor	Street -05, Khushal Colony, Khushal Road, Lahore	35302-4374615-1	Waqar Muhammad	473,050	608,609	1,171,669	472,666	886,809	1,171,669
140	Pratima International	Flat No. 4, Second Floor, City Archade, 10 Markaz, Islamabad	Abdul Rehman, Amd 81701-1852085-9, Raha Rehman 81701-1358021-8	Munir Razvi, W/O Aftab Rehman, Amd	441,899	879,969	1,128,458	442,890	716,038	1,165,928
141	Beard Gadar	Shop No 1, Ground Floor, Eastside Market, Abbas Market 1 Road, Feroze Street, Mai Lado Masjid, Lahore	35202-6194897-7	Sarfaraz Khan	399,327	34,974	1,052,501	396,660	175,945	1,162,894
142	Haidar Butt	Butt Chowk, 18 - MacLeod Road, Ganga Eminent Building, Lakshmi Chowk Lahore	35202-0474645-3	Abdul Hamid Butt	1,294,569	1,380,939	4,675,396	-	1,463,206	1,145,316
143	Talib Imran	House D-42, Kankashan Canton, Block 5, Karachi	49201-7971411-1	Abul Imran	1,393,809	-	1,039,000	1,033,900	120,913	1,154,813
144	Muhammad Anwar Sheikh	House No F-67, Ground Floor, 7th Block, Porton Road 9, North Nazimabad Karachi	42101-6794803-7	Shahid Muhammad Yasari	992,483	25,463	1,028,449	992,940	160,522	1,163,571
145	Ahmad Hader Zaid	Federal Urdu Uni G-711 Zero Point F-10 Dugard Office Islamabad	61600-0153730-7	Hazir Hussain Zaid	1,808,800	-	1,000,000	992,853	141,188	1,134,020
146	Ferozha Saigal	81-E-1 Gulberg 66, Lahore	35202-0597798-6	Gulzar Ahmad Shaikh	947,346	121,086	369,247	947,546	276,340	1,122,896
147	Bardar Asif Khattak	218 Western Block, Metro Iqbal Town Lahore	35202-4805581-3	Abdul Hameed	1,342,983	768,459	2,611,462	342,985	768,459	1,111,462
148	Zahir Ali Khan	20-A-1/1 Block 6, PECHS, Karachi	317-73-19854	Dawood Ali Khan	273,249	537,617	1,104,888	273,249	637,917	1,109,888
149	Farooq Ahmad Ali	H No 24-23 Street, Rhy C, 7th Block, Iqbal Entry Phase 3 ChA Karachi	42001-0981226-1	Muhammad Anwar Ali	1,159,988	-	1,156,988	1,265,164	18,246	1,089,410
150	Kashif Mehmood	S-2 Sea Breeze Plaza, Shaheed-e-Farooq Karachi	35202-5141631-9	Abdul Majid	989,013	93,196	1,048,214	393,347	184,836	1,365,184
151	Ali Naveed Pkoria	1 Habeshah Road, DFI Gate, Near Al Aynah, H-9, Gulshan Lahore	35201-6886908-5	Hussain Akbar Pkoria	366,840	147,200	1,014,945	870,069	188,187	1,068,226
152	Khalid Mahmood	House No 985, Phase 1, Main Canal, Chak Prati, Karachi	61101-5034740-9	Muhammad Anwar	973,947	-	973,167	954,371	139,406	1,094,778
153	Imran Ahmad Khan	AAZAD P-1, 1st Floor, House No. 20, Street No. 1, Khayaban-e-Dehli, Phase VI, DHA A Karachi	42101-0977861-3	Saeed Ahmad Khan	-	-	-	964,432	196,011	1,062,444

Un-Consolidated Financial Statements

Annexure-1

Sr. No.	Name	Address	Name of Partners/ Directors/NC / CMC	Father / Husband's Name	Amount in PKR Rupee					
					Outstanding Liabilities at Reporting of Year			Amount Written off - Contingent		
					Principle	Interest/ Mark up	Total	Principle	Interest/ Mark up	Total
154	Muhammad Abdusajjad Farooq	B-89 Block 7 Gulistan-e-Jinnah Karachi	42000-0475366-7	M Abida Waheed	954,874	79,000	1,000,147	934,874	108,844	1,243,287
155	Shtuzad Waseem Anshad	No-40-S-8-A-Model Park Colony Timber Market Lahore	35262-9039560-3	Ranoo Durr	2,987,621	1,016,740	3,962,751	-	1,639,127	1,005,421
156	Murtaza Nadeem	Marcel Hospital, All Road, Lahore Department Of Music Teaching One Lahore	29200-0552226-8	Ahmad Masah	960,780	61,224	1,014,404	953,785	66,890	1,023,825
157	Saleem	Fat No 10-37D Floor Buhari Mansion, New Market Road Khairabad Police Chowk, Near Galt E-Room Sixth Floor Karachi	42001-3244238-0	Haji Saibul	854,371	-	854,371	824,745	106,376	1,021,080
158	Syed Masood Hameed Ali	Down Group Of Newspaper, Hinson House Dr. Zia Uddin Ahmad Rd Karachi	42001-1113065-7	(Late) Hameed Ali	920,549	27,059	947,568	927,989	32,921	1,000,310
159	Mubenzar Ather	75-MCH House Gulberg KASAB Bank Lahore	35200-2170993-8	Muhammad	1,000,270	-	1,000,270	915,112	194,211	1,019,325
160	Haqib Mahmood	Roaming Bros Poultry Shop No 16 Paf Market Chakiala Road Rawalpindi	37495-5510708-7	Ayaz Hussain	1,280,196	522,954	1,943,250	436,195	522,954	891,250
161	Mir Haseeb Raffique	House No F-34-A Agrhari Road Samanabad Lahore	35200-0559453-3	Mir Muhammad Rafiq	1,291,487	76,587	2,007,079	191,491	796,187	987,029
162	Ranvir Ranvir	532-21st Street Phase # 5, DHA Karachi	42000-0508014-7	Abdul Rahman	834,531	93,209	927,639	836,543	131,852	974,396
163	Syed Aidi Hussain	House# 20-K, Block-2 PECHS, Karachi	41901-0213078-1	Syed Murtaza Ali Shah	1,098,878	17,181	1,396,132	139,876	622,296	901,172
164	Fareed Ahmad Khan	A-33 Sector No 11-A Power House Chokkang Park Karachi, Karachi	42101-8096531-3	Tamoor Khan	678,880	13,001	699,781	675,650	71,747	347,337
165	Rana Muhammad Nadeem	House No D-053 Navy Housing Scheme Block B Cluster 3 Talwar Karakoram, Karachi	42301-2533623-3	Rana Muhammad Yasir	833,940	-	703,340	910,017	31,754	341,770
166	Muhammad Asim Feroze Lodi	H No 690, Out Side Deri Gate And Para Mutan	35302-0000095-7	Muhammad Sale	1,496,680	161,188	2,053,871	374,680	664,798	936,671
167	Ghazala Tabir	House # 7, 1st Floor, All Centre, Block 2, Main Tang Road, PECHS Karachi	42301-7690648-0	Muhammad Tariq	1,447,902	51,549	2,958,491	360,390	367,485	934,327
168	Inam Hassan Maqdoom	C-34 4th Floor Wajid Square Gulistan-e-Mir Block No 16 Karachi University Road, Near Balli Makran Masjid, Karachi	42101-0103414-3	Inam Muhammad	814,192	54,274	868,466	874,132	106,456	929,647
169	Rhona Armit Siddiqui	Lakson Square Building No 2, 4th Floor Sarwar Shaheed Road Phase Club Karachi	42201-0650465-0	Zameer Armit Siddiqui	870,201	31,341	852,943	828,201	89,199	912,819
170	Khalid Kiran House	House 1800 100 Street 3-Out Side Deri Gate And Para Mutan Mutan	35302-0021644-5	Muhammad Atzar	1,389,934	511,472	1,381,700	389,834	571,672	991,796
171	Muhammad Zahir Service	Fadhli Chowk Malir	36602-789548-0	Razaq Ali	1,378,180	330,267	1,828,432	365,145	350,287	994,430
172	Rahmat Ebi	Sugraji Qad Sheikh Zayed Masjid, New Campus Lahore	35200-0102887-6	Nasir Muzamir Mase	867,684	-	867,684	877,153	68,071	985,161
173	Tayyab Rehman	House No. 07, Street No. 2, Mohallah: Tariqabad Khochar Khe, Sayraman 305000/0321-6480019/2891480, Darywan	34101-3283250-3	Abdul Rehman	390,574	312,660	470,034	77,286	289,774	879,034
174	Menzar Ali	Fat No 18-A Super Police, CIV Line 2, Sakhi Anees Road Kasim Club Karachi	42301-9738689-7	Zameer Muhammad Bugha	520,148	12,711	644,347	604,092	70,410	674,482
175	Aasi Fak	Suit # 29, 3rd Floor, Sadiq Plaza, The Mall, Lahore	34200-7479600-0	Muhammad Ahmad	307,746	447,770	645,472	317,746	427,571	870,317
176	M.S Fabrics	M.S Fabrics Duffa Road, Near Shokat Park Chowk, Malir	36302-8605613-3	Muhammad Tahir	357,488	504,931	862,380	317,488	504,931	862,380
177	Muhammad Anshad Javed	House No 41, All Block (Bida) Town Lahore 744607073203003000-4151390	35202-2889951-5	Muhammad Ibrahim	1,200,529	802,130	2,902,962	850,530	356,320	1,206,850
178	Nasir Akbar	Phase No 11 Block 6, Main Douse Road, Soan Avenue, Soan Garden Housing Society Islamabad, Islamabad	61101-1752491-1	Muhammad Anwar Akbar Abbasi	680,772	2,421	800,200	686,519	196,372	845,291
179	Syed Muhammad Saad Haq	Suit No 381, Al Amanah Tower, Block 10 Upon Choke Gulshan-e-Iqbal Karachi	42101-5480427-5	Syed Muhammad Ali	982,207	89,894	417,297	728,207	171,249	809,654
180	Mirza Ali Yaqub	Lark Colony GS-11, H No 117, Mohalla Nisar Park Karachi Private, Mughal Park Lahore Canal Lahore	35201-0373006-0	Mirza Akram Haq	778,607	56,296	630,636	778,207	57,898	836,463
181	Muhammad Feroze	78032, Second Floor, Azimabad (F B Area), Karachi	42101-5441070-9	Muhammad Feroze	88,860	-	88,060	678,417	152,562	830,979
182	Muhammad Shoaib Khan	H No 248 Block 1 Sector C-3, Tower 01, Lahore Near Ghazal Chowk Lahore	35290-7503605-5	Muhammad Asim Khan	762,941	-	762,941	764,962	69,517	824,520
183	Nasir Rauf Malik	6-B-P-Workshop, Bahadur P-Workshop Lahore	35201-760135-7	A Rauf Malik	750,000	-	750,000	738,600	78,800	818,320
184	Syed Shoaib Hussain Rizvi	H No A-144 Block 1 North, Mairanabad Karachi	41301-5035385-5	Syed Shoaib Hussain	951,741	736,492	1,07,694	-	95,800	916,939
185	Nafisa Shafiq	68-C-9, Gateway II Govt College For Women Lahore	35201-9018896-7	Fayaz Ali	85,840	-	85,842	390,227	117,447	416,774
186	Qwam Uddin Ahmed	E-S-3, Ghatiya Club, Street 33, The Plaza V, F-7, Karachi	35201-4198200-1	Muhammad Usman Ahmed	720,231	77,441	721,642	723,231	91,829	812,161
187	Sheikh Sajid Hussain	H No 590, Block A, Wafa Training Centre, Gulshan-e-Razvi Lahore	35200-0338011-9	Sajid Muhammad Akmal	750,000	27,000	710,000	58,000	688,045	1,038,045

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. No.	Name	Address	Name of Partners/ Directors / M.C / O.M.C	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written-off / Conversion		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total
105	Naveed Ali	Fat No 5-96 Sector 23/A, Labour Square Al-Farooq School Karing No 112 Karachi	34933-651029-3	Mohammad Saif	89,530	51,513	141,043	66,261	112,772	802,913
106	Aamir Siddiqi	House No 5 Street No 1 Mahmoodebad Begum Pur, Near Sheesh Chashm Lahore	26209-2628735-7	Mohammad Siddiqi	737,317	44,730	782,047	434,428	124,564	799,062
109	Nasreen Tarver	Works Directorate K-2, Scheme 01, Civil Aviation, I.C. Ode Restaurant Authority Karachi	42911-5754034-0	Muhammad Tarver	153,986	-	153,986	718,959	74,208	795,167
141	Shahid Qasim	Fat No 2 Plo No 23/E, Staff Quater Ode Maci Kh, Jamy Phase 2 East DHA Karachi	35231-2176117-7	Aziz Raza	667,143	123,514	790,657	367,143	123,514	790,657
187	Muhammad Naveed	Habit Bank, May Gate Branch, Saddar, Rawalpindi	61101-1401579-3	Basim Ahmad	714,762	17,288	732,050	648,813	83,929	790,523
193	Aamir Waheed Indkamat	Chak 75/B Khayaban-e-Jahang Road, Faisalabad	33100-0013885-3	Ghousiyah Ahsan Durrani	1,172,881	58,544	1,231,425	217,631	588,529	794,144
194	Safiq Elmaghrabi	Office 50 DHA 4 Male Cant., Karachi	Master A. Farooq 203-42-001190	Ghousiyah A. Farooq	280,326	484,073	764,399	280,326	502,736	763,614
195	Khalid Ahmed Khan	Office # 16, 5/2 Opp. Talsana Library Back H. Worn Nazimabad Karachi	42101-2918734-3	Jamir Ahmad Khan	4462,901	446,290	4,909,191	-	761,372	761,372
196	Fahad Abbas Akbar	Netpak 15B, Garden Block Garden, Topical Garden, Tarni Lahore	34101-1476623-3	Ghousiyah A. Khan	754,204	27,048	781,252	748,617	25,111	772,134
197	Ahmad Masood Shah	House No 384 Nazim Block, Ahsan iqbal Town Lahore	33092-3091996-3	Fahim Masood Bhatti	2,094,800	875,116	2,969,916	-	764,451	764,451
198	Muhammad	House 4251-G Street-01, Malir Muhammad Colony Multan	33004-1982515-3	Muhammad Ahmad	1,076,879	702,546	1,779,425	-	154,952	754,363
199	Muhammad Akbar U. Haq	House-21, 6/7, Korian Town, Security Check Post, Islamabad	35009-1984431-7	Han Tahir Muhammad	687,952	13,758	701,710	688,257	77,031	745,288
200	Fahad Ahmad Sheikh	H No 361, Phase 05 Khayaban-e-Taqdeer, Khado Market Karachi	42911-3326171-1	Rashid Ahmad Sheikh	637,183	76,858	714,041	637,183	91,271	728,453
201	Muhammad Ahmad Khan Ghauri	H # 351, Street 5, Masjid Phase 4, Gulistan Colony Rawalpindi	37405-5116884-7	Muhammad Naveed Khan	724,670	36,821	761,491	626,711	86,969	713,680
203	Muhammad Yousaf Bahadurzai	Eureka Shopping Ctr 1 Al Syed P Lane Opp Shaheen Cargo Terminal Airport Rawalpindi	61101-1958167-5	Ghulam Hanif	577,748	18,545	596,293	562,301	148,209	711,470
203	Muhammad Saad Siddiqui	Shahid Baran, Syeda Nazim Road, Gaf Javed Bus Stop, Gulshan-e-Iqbal	34101-1817615-3	Muhammad Saad Siddiqui, Dooday	1,188,918	622,315	1,711,233	178,338	528,833	708,171
204	Muhammad Sulaiman	House No C-145 Street No B Bhatti Road D3 Bus Stop Saddar-e-Jahid Karachi	42911-5541377-1	Ghulam Rasool Gilani	633,812	38,736	672,548	633,812	63,098	707,020
205	Tariq Rauf Khan	1-2-218 Reemabad No 1 Near Madina Masjid Near Muslim League Quarters Karachi	42101-0021559-3	Ahmed Rauf Khan	1,205,765	458,982	1,664,747	160,765	942,845	703,658
206	Muhammad	3-D Haq Top Arcade, Samsam Blvd, DHA, Karachi	42101-210-52-4019407	Khalid Ali	230,469	472,497	702,966	230,469	472,497	702,966
207	Muhammad Nawaz (Dissatisfied)	Near Coca Cola Factory, H. No. 10, Murtaza Road, Near Hador Colony Multan	33002-9919805-1	Muhammad Nawaz	2,594,493	308,851	2,903,344	398,493	308,851	697,344
208	Muhammad Ayaz Anwar Bano	Fat # A-6-47 Nazim Square, Plot # 50 & Block # North Nazimabad Karachi	42101-0373672-5	Muhammad Ayaz Anwar Bano	688,683	-	688,683	688,683	25,189	694,330
209	Ahmed Zahid Zahid	Fat No 1 Muhammad View, Apartment Plot 2-49-4 Opp DHA Phase 1 Mahmoodebad Road Karachi	42911-4732419-7	Muhammad Zahid Zahid	619,116	24,528	643,644	619,116	18,947	690,143
210	Muhammad Saadique	Shahid Malik Street Ward # 66, Chini Khan Road, Minerva Nazimabad Colony Multan	33002-9917901-1	Ahmed Zahid	721,242	512,454	1,233,696	171,242	512,454	683,672
211	Ahmed Anwar	Apartment Plot 132, Ahsan Husein Ahsan Street, Main Khayaban-e-Istehsan, Phase VII D.H.A Karachi	42911-4948226-3	Ghulam Ali	-	-	-	538,814	140,849	679,663
212	Nasim Uddin Siddiqi	House No F / L - R 125, Tariq Bin Zayun Society, Humayun Masjid, Main Hall, Karachi	41303-4168102-3	Nasim Uddin Siddiqi	582,794	13,384	596,178	582,794	82,743	671,527
213	Muhammad Fahir Ghani	District Sales Office, Plot No 13-C, Near Khayaban-e-Istehsan, Phase No 2 DHA Near Fayal Bank Karachi	42911-3530941-1	Sagheer Ahmed Ghani	632,795	45,448	678,243	628,281	42,181	670,462
214	Syed Anwar Anwar	House No 15, 196, Sector 15-B, Baiter Zone, Today's Restaurant, North Karachi, Karachi	42111-4591758-3	Syed Anwar Anwar	697,509	12,520	710,029	699,120	48,794	657,967
215	Hussain Mubashir	H # 17-A/2 West Street Phase-1, D.H.A Karachi	42301-7299895-8	Muhammad Anwar Mubashir	444,471	14,553	459,024	444,233	153,742	647,975
216	Javed Ak Khan	Shop # B S E 7, Anwar Shopping Centre, Huber Market Block D, North Nazimabad Karachi, Karachi	42101-1704851-1	Anwar Akhbar	1,354,105	648,285	2,002,390	-	645,554	645,554
217	Muhammad Faruk Dewandazai	Ground Floor, Bahria Complex 1, M-1 Khar Road, Larkana, Near Baiter Larkana, Larkana	42901-4345279-7	Fayyaz Ali	598,765	34,821	633,586	598,765	46,058	644,823
218	Shahid Anwar Nazam	28, Sunnyside Apartments, Binjyade Road, Civil Lines Karachi	42101-1136696-8	Muhammad Anwar Nazam	599,569	22,421	621,990	563,549	79,548	643,134
219	Ahmed Naveed Anwar Shaukat	House # 510, S.H.C. Zafar Colony, Ginning Ground, Lahore	36402-2537927-1	Muhammad Anwar Shaukat	612,154	16,848	629,002	629,002	13,020	642,077
220	Muhammad Ali Shah	Banglow No R-1-216/Fk, Distance View Phase-3, Near Iqbal University Karachi	42301-0444828-7	Muhammad Anwar Javed	411,762	125,552	537,314	411,762	143,015	540,777
221	Muhammad Hanif	Apartment Plot 114-116C, Tarni, Ginnery St, Near Khayaban-e-Istehsan, Phase 7, Near ICC Road, North Karachi	42101-6245324-3	Muhammad Anwar	70,407	-	70,407	318,498	127,223	637,721

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. No.	Name	Address	Name of Parents/Debtors/NC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark up	Tax	Principal	Interest Mark up	Total Balance
220	Waqar Ahmad Khan	Cargo Plot 25-A 151 Floor Ishaq Plaza Wahdat Road Lahore	35202-2428258-1	Ahmad Waq Khan	526,872	86,299	613,231	526,872	188,012	438,864
221	Muhammad Ferozuddin	Acad Pakistan 114-1182 Jari Corner Main St Main Khayaban-e-Ibrahim near Bahad Bazaar Karachi	42201-3810583-1	Muhammad Saaduddin	-	-	-	385,168	125,586	510,753
222	Danish Younus	Plot No 285 Plot No 302 3rd Floor Sharabad Apartment Near Pk Station Karachi 756275503218472708/7562110-1 Lahore	42201-3812430-5	Younis	382,244	-	382,244	499,091	113,882	612,973
223	Muhammad Ferozuddin	Acad Pakistan 114-1182 Jari Corner Main St Main Khayaban-e-Ibrahim near Bahad Bazaar Karachi	42201-3810583-1	Muhammad Saaduddin	-	-	-	535,168	125,586	660,753
224	Danish Younus	Plot No 285 Plot No 302 3rd Floor Sharabad Apartment Near Pk Station Karachi	42201-3812430-5	Younis	382,244	-	382,244	499,091	113,882	612,973
225	Abdul Razzak	Time Capital Management Ltd Level 8 Lohi Tower (Jal Plaza) Durrani Road Karachi	42301-9404703-1	R V Muhammad	576,483	20,255	596,738	570,469	44,042	614,514
226	Saifullah Raza Yousaf	Sheikh Usman Mobile Centre Shop #26 Jinnah Market Main Bazaar Ferozshah Lahore	35202-6249389-1	Sheikh Muhammad Yousaf	143,087	89,580	232,667	612,687	105,987	718,674
227	Ali Masim Zai Services D/O Lajpat Ali	Phara Colony H # 161 Street # 5 Sialkot	36202-9028870-1	Ghulam Rasool	604,492	56,248	1,264,001	246,482	302,973	611,305
228	Aamir Anwar	H # 14, Banded Alwazain Plaza, Service Road Ghori Town Phase 1 Islamabad	61101-8589070-9	Sabit Hassan Khan	912,501	43,830	696,501	562,239	42,433	604,672
229	Khusroo Kour	18-Kh, Rawalpindi Road Rawalpindi University Lahore	35201-2397090-2	Kabir Fayyaz Syed	542,915	51,122	694,037	552,292	47,448	600,740
230	Ghulam Mustafa	Engro Polymer Port Qasbi Dept. Operation Tower Steel Karachi	41001-9920917-6	Muhammad	511,192	-	571,192	581,373	37,729	619,101
231	Chaudry Muhammad Nisar	229th Ferozpur Road, Roohi Naya Soc, Maya Plaza, Lahore	34201-0366080-3	Chaudry Akbar Ditta	498,241	160,271	398,667	499,336	180,271	679,607
232	Aef Pate	May Fair Group Of Companies Flower Market Road Dera Road Lahore	36043-0903734-9	Hazir Hussain Jeffrey	363,070	14,875	572,816	563,336	36,326	599,664
233	Abdul Qadir	House No P-124 Street No 3, Rajan Colony No 4 Bazaar Ferozshah	35100-4074077-8	Ghulam Nisar	1,273,210	207,286	1,541,241	173,242	423,286	696,511
234	Saif Saad	187-A, Ahmed Block Raja Market New Garden Town Lahore	35202-8421230-8	Saif Harif	388,965	-	388,965	470,341	128,028	598,369
235	Gamer Wali	Acad House Acad Street Ph Vb Khayaban E, Ibrahmd DHA near KFC Karachi	42201-3746573-9	Sarfraz Maah	-	-	-	482,179	113,901	596,079
236	Abdul Pathwan Khan Shekari	House # 516, St # E, Zameer Colony Gentry District, Lahore	36402-2327357-1	Murtaza Raza Shekari	487,454	31,704	499,158	487,454	127,569	615,023
237	Hesham Ali	H/Ko G-47, Kunda Muhammad Trade Yabi Gato Sadiq Lahore	36202-6239562-2	Nasir Hussain	457,542	80,654	557,198	457,542	74,454	531,996
238	Ahsan Khuram	131 Floor Room 1 Hebbal Park Plaza Sindh Mallam Building Karachi	42201-8623670-3	Sheikh Muhammad Iqbal	681,889	-	681,889	491,359	486,241	977,600
239	Shahid Mahmood	House No 2 Jinnah Homes, Koley Ph Acad Reception Shalimar Bagh, G8 Road Lahore Near Pakistan Mir Lahore	35201-1306542-9	Muhammad Ishaq	495,239	90,158	585,397	499,708	90,158	589,866
240	Muhammad Sajid Jamil	H No 11 St No 23-A (B), Mahala Nazim Road Asghar General Store Kot Khawaja Saeed Bogorian Plaza Lahore	36201-4315685-8	Jamal Ditta	281,342	-	282,342	331,270	87,669	418,939
241	Maqbool Hussain Zaid	Shop No 5 Ground Floor Binmily Tower Jinnah Hotel Acade Road Lahore	35202-8740380-1	Naam Usan Zaid	489,989	44,758	544,725	499,839	88,664	588,503
242	Saif Saad	187-A, Ahmed Block Raja Market New Garden Town Lahore	35202-8421230-8	Saif Harif	489,965	-	489,965	487,849	30,041	517,890
243	Zulfkar Ali	H No G5 Block H, Shah Khawar Town, Bahawal Road, Gantt Lahore	35201-1627085-7	Muhammad Ishaq	496,780	41,157	547,937	496,165	85,202	581,367
244	Khalid Manzoor	House No 389 Phase 1 Main Gantt Check Post Karachi	61101-8259240-9	Muhammad Ahsan	499,667	-	499,667	494,412	86,294	580,706
245	Syed Ahmad Ali Rizvi	Bungalow No 38 Main Khayaban E Balkhan Near 01 Main Shah Muzal Phase 8 DHA Karachi	42201-1394825-9	Syed Aziz Ur Rehman	457,382	71,918	531,281	452,280	136,112	588,392
246	Muhammad Inoos	3-A Khoghar Building, Awan Group Royal Ganga Shalimar Hotel Services Lahore	42201-3545897-1	Gulistan Khan	514,302	65,619	579,921	386,231	74,388	460,619
247	Muhammad Zameer	H No 26 St No 7 Miryad Wali Dera Begum Kot Lajpat Road Ghansara Lahore	35202-8147948-8	Muhammad Tariq	493,877	27,549	527,521	488,273	82,264	570,537
248	Anwar Ullah Sheikh	Phase-04 DHA Ft. SdyS Paradise Phase-2 Parkside Check Karachi Ok 17 Durrani-e-Jinnah Karachi	41203-4947030-1	Ahla Bin Shaka	426,125	13,110	439,235	357,158	24,384	381,542

Un-Consolidated Financial Statements

Annexure-1

Sr. No.	Name	Address	Name of Partners/ Directors/ NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Crossed out		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total
277	Abul Aash	Fat No 101 Bhaiyale Sunrow Gulshan-e-Iqbal University Road East Ben High School Karachi	41103-224408-5	Shoukat Ali	602,070	14,144	616,214	402,072	34,881	546,953
272	Mun Muhammad Aft	A-261 Jinnah Garden Model Gokaly Karachi Near Main Canal Karachi	42501-0940448-5	Mun Muhammad Sada	495,545	-	495,545	465,145	33,508	548,653
279	Abul Hadeb	F-312 Sector 14B Shadman Town South Nazim Garden East North Karachi Karachi	42101-845715-5	Hadeb Qader	476,900	-	476,900	473,710	37,072	540,782
280	Zafar Afzal	429 Akbar Block Modelo Town Lahore	35202-1601742-5	Muhammad Afzal	1,111,000	428,368	2,794,237	-	946,643	540,943
281	Sameer	Ege Court 3rd Floor Mayo Hospital King Edward College Lahore Lahore	33302-6978620-8	Rashid Ali	486,353	-	486,353	486,203	37,043	507,426
282	Ahmad Bukhari	Apex Khan Hospital Chief Operation Officer Department Tumor Medical Stadium Road Karachi	41303-7658642-7	Zohoor Hussain Shah Bukhari	467,000	27,736	479,001	434,882	70,474	536,358
283	Muhammad Sohail	House No 630 Akab Waza Town Sector 21G Kowangi Crossing Karachi	42101-6160500-3	Muhammad Younis	446,000	411	446,419	467,258	74,251	536,727
284	Adeel Hussain	M-642 Westwood Sherwood Villa Road Near Bahadurabad Crossing Karachi	42200-0495250-5	Rafique Hussain	478,433	67,267	545,700	463,473	66,766	536,179
285	Sayim Mosa	H No 03 D-Media Road G-6 Street Model Town Lahore	35201-1254554-1	Mosa Anshari	401,331	3,144	401,975	472,345	54,662	527,198
286	Sheikh Tariq Mahmood	House 237 Muzakki Subzone Scheme Block A near Lajpat Chowk Lahore	35207-9659629-7	Muhammad Atiq	467,000	30,789	517,417	461,000	45,713	526,740
287	Shahid Aziz Malik	140 G Phase 7 DHA Lahore	35201-3025443-8	Abdul Aziz Malik	404,342	114,262	520,611	408,349	117,332	526,381
288	Muhammad Shoaib Farooq	Fat # 401 Prime View Apartment Block F North Nazimabad Karachi	42101-2478752-2	Muhammad Farooq	448,801	10,128	511,366	449,601	74,736	524,567
289	Ali Akbar	Agnor Jewellers 1796-A Sindh Road Model	35302-0286824-7	Hussain Akbar Shah	496,318	14,751	461,548	416,771	106,133	522,910
290	Aamir Ali Raza	Office No 267 2nd Floor Chetani Plaza Jinnah Avenue SGB Bait Area Islamabad	61101-9810401-3	Rahid Shabbir Usha Khan	462,796	0,000	461,800	444,007	77,235	522,272
291	Saeed Muhammad Shahn	Appt No 603 Sea Beach Heights Block 2 Clifton Karachi	42001-8190090-7	Saeed Muhammad Shahn	1,716,280	291,126	2,029,126	150,200	412,658	102,480
292	Sayim Akbar Khan	3841 Chughtai Park Miralvan Road Lahore	35202-2670496-7	Akbar Khan	441,497	13,146	453,620	445,418	75,938	522,215
293	Nasim Joseph	City School 31 rd Ave Gurdwara Road Nazim Tikka Sialkot W Lahore	35201-1616425-5	Joseph Gill	492,608	-	492,608	472,198	10,013	522,211
294	Wajid Ali Khan	4 East Circle Office 12 1st Floor Parcel Plaza F-479 Bhai Akbar Near Area Anand Islamabad	61101-2956575-7	Munir Khan	379,654	14,000	393,756	346,978	123,932	519,360
295	Amir Qamar	129 Simar Colony Baner Road Court Lahore	35207-0489001-1	Amir Qamar	346,185	-	346,185	411,049	115,026	515,849
296	Saeed Raheem Farooq	61 U-4 Jinnah Town Lahore Near Lahore Grammar School Lahore	35102-4905362-7	Saeed Farooq Ali	452,016	32,017	484,938	452,979	61,270	516,288
297	Imad Hussain	House No P-424 Old Lascar Bhai Jang Water Fashadabad	33100-9488389-9	Muhammad Younis	574,314	467,739	1,205,854	-	616,931	516,121
298	Fawaz Saleem	Suit 605 8th Floor 35th Tower M.A. Jinnah Road Karachi	42101-1716624-3	Saleem	467,000	25,796	496,805	442,960	73,178	515,348
299	Muhammad Nasir	House 122 B-59-42 Area Upper F-104 Near Shier One Islamabad	61101-6195000-7	Muhammad Nasir	361,846	-	361,846	443,200	71,609	514,209
300	Ali Nayeed Fiazade	1 Habsayin Road (Off Davis Road) Al-Aysha WPT School Lahore	35201-8886200-0	Nayeed Aamir Fiazade	474,975	21,670	496,480	475,967	37,694	513,961
301	Abdul Haq Khan	F No 304 G-3 3rd Near Anand Apartment Near Talwar Block 8 Clifton Karachi	42001-0858838-1	Haq Abdul Sami	508,807	11,399	522,389	470,326	42,865	513,421
302	Ahmed Ali	Fat No C-10-4th Floor Bad Road Apartment Near Talwar Road Court Road Clifton Karachi	42001-1142118-1	Ahmed Muhammad Shahn	484,736	56,776	541,915	484,736	18,347	513,298
303	Waseem Reyaz Sheikh	Room No 2 Special House (Building M.T Khan Road 61 Karachi)	42101-3811942-5	Reyaz Mohammad Reyaz	449,473	42,095	491,568	436,158	90,260	512,118
304	Muhammad Ali Kausar	22 F PA Housing Society Near Wapda Chowk Lahore	35202-7442958-1	Muhammad Ali Kausar	399,267	210,383	1,509,607	569,540	305,490	505,490
305	Muhammad Asim Khan Karachi	House No 16A Street No 43 DHA Modelo near Muzi Public School Raw Road Lahore	35202-9900776-7	Lal Baksh Khan Karachi	472,345	25,772	498,117	472,345	46,371	508,717
306	Qasim Mirza	Elite Properties Ltd D-116 51175, Karachi	42000-8524471-9	Qasim Mirza Javed	267,153	2,867	229,650	404,212	61,205	505,160
307	Maqsood Hussain Zaki	Shop No 9 Ground Floor Sumbay Tower Sindh Road Abbott Road Lahore	35207-8740381-1	Jasim Ullah Zaki	327,196	26,674	423,210	357,395	106,388	503,778

Un-Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sr. No	Name	Address	Name of Partners/ Directors M/D / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concessions		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total
307	Maqbool Hussain Zaidi	Shrg. No 6 Ground Floor, Bombay Tower, Sana Hotel, Abbott Road, Lahore	35001-8740383-1	Isam Ullah Zaidi	307,196	30,614	433,810	307,196	106,586	503,778
308	Waqar Zia	Shop No. 17 Mohataab Building, Minerva Tract, near Garden, Faisalabad	40301-2569424-3	Zia Ul Hassan	496,752	79,764	527,508	496,507	67,301	562,809
309	Muhammad Naqem Aslam	16 C Saky Town, Pathankotla Road, L.P.O. Cantt Lahore	35001-3980589-7	Muhammad Aslam	442,448	32,117	540,569	442,448	38,130	502,642
310	Muhammad Nadeem	Flat # B-406 4Th Floor A-01, Appartment Block 2, Gubbeh-e-ajal, near Iqbal University, Karachi	40201-7481242-3	Muhammad Shah	462,054		462,054	448,728	52,991	502,919
Total					1,422,810,130	1,231,860,581	2,654,670,812	1,826,913,451	1,422,807,196	2,448,728,830

Standard Chartered Bank (Pakistan) Limited

**Consolidated
Financial Statements**

For the year ended
31 December 2015



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

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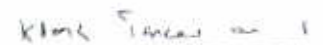
Auditors' Report to the Members

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

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

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

Date: 03 March, 2016
Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Consolidated Statement of Financial Position

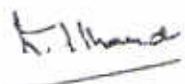
As at 31 December 2015

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

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghias
Director



Spenta Kandawalla
Director

Consolidated Profit and Loss Account

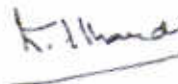
For the year ended 31 December 2015

	Note	2015	2014
----- (Rupees in '000) -----			
Mark-up / return / interest earned	22	33,883,308	35,269,158
Mark-up / return / interest expensed	23	(11,116,572)	(13,873,493)
Net mark-up / return / interest income		22,766,736	21,395,665
Provision against non-performing loans and advances - net		(1,621,492)	(511,391)
Recovery of amounts written off		252,617	316,883
Provision for diminution in the value of investments	7.3	(4,729)	(73,643)
Bad debts written off directly	8.5.1	(161,865)	(215,344)
		(1,555,469)	(483,495)
Net mark-up / return / interest income after provisions		21,211,267	20,912,170
NON MARK-UP / NON INTEREST INCOME			
Fees, commission and brokerage income		3,635,678	3,321,683
Dividend income		858	3,754
Income from dealing in foreign currencies		2,061,390	2,908,748
Gain on sale of securities - net	24	1,015,697	727,126
Unrealized gain on revaluation of investments classified as held for trading - net	7.10	4,042	54,460
Other income	25	399,196	384,498
Total non mark-up / non interest income		7,116,861	7,400,269
		28,328,128	28,312,439
NON MARK-UP / NON INTEREST EXPENSES			
Administrative expenses	26	(12,307,281)	(12,496,824)
Other (provisions) / reversal / asset write-offs	27	(2,800)	(555)
Other charges	28	(453,352)	(447,053)
Total non mark-up / non interest expenses		(12,763,433)	(12,944,432)
		15,564,695	15,368,007
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		15,564,695	15,368,007
Taxation - current		(5,231,564)	(4,256,948)
- prior years'		(697,323)	(187,994)
- deferred		(204,874)	(1,108,180)
	29	(6,133,761)	(5,553,122)
PROFIT AFTER TAXATION		9,430,934	9,814,885
Attributable to :			
Equity holders of the bank		9,268,761	9,652,462
Non-controlling interests		162,173	162,423
		9,430,934	9,814,885
----- (Rupees) -----			
BASIC / DILUTED EARNINGS PER SHARE	30	2.39	2.49

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghias
Director



Spenta Kandawalla
Director

Consolidated Statement of Comprehensive Income

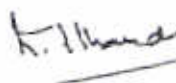
For the year ended 31 December 2015

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

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Parvez Ghias
Director



Spenta Kandawalla
Director

Consolidated Cash Flow Statement


For the year ended 31 December 2015

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

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


Shazad Dada
Chief Executive Officer


Najam I. Chaudhri
Director


Parvez Ghies
Director


Spenta Kandawalla
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Share Capital	Share Premium	Statutory Reserve	Unappropriated Profit (a)	Total	Non-controlling Interest	Total
(Rupees in '000)							
Balance as at 01 January 2014	38,715,850	1,036,090	5,144,462	6,721,973	52,618,375	862,322	53,500,697
Total Comprehensive Income for the year							
Profit after tax for the year ended 31 December 2014				9,652,462	9,652,462	162,423	9,814,885
Surplus on revaluation of assets - net of tax				340	340		340
Other Comprehensive Income							
Remeasurement of post-employment obligations - net of tax				1,945	1,945	20	1,965
				9,654,747	9,654,747	162,443	9,817,190
Transactions with owners, recorded directly in equity							
Share based payment transactions (contribution from holding company)				82,231	82,231		82,231
Payment against share based payment transactions (to holding company)				10,157	10,157		10,157
Transfer to statutory reserve				92,388	92,388		92,388
Reversal of liability against share based payment to holding company			1,930,492	(1,930,492)			
Dividend paid to Non-Controlling Interest				670,156	670,156		670,156
Cash dividend (Interim 2014) at Rs. 0.75 per share				(2,903,689)	(2,903,689)	(119,527)	(3,023,216)
Cash dividend (Final 2013) at Rs. 1.40 per share				(5,420,219)	(5,420,219)		(5,420,219)
Transferred from surplus on revaluation of fixed assets - net of deferred tax				4,313	4,313		4,313
Balance as at 31 December 2014	38,715,850	1,036,090	8,074,954	6,869,177	54,716,071	925,238	55,641,309
Total Comprehensive Income for the year							
Profit after tax for the year ended 31 December 2015				9,268,761	9,268,761	162,173	9,430,934
Surplus on revaluation of assets - net of deferred tax				6,358	6,358		6,358
Other Comprehensive Income							
Remeasurement of post-employment obligations - net of tax				(52,857)	(52,857)	(20)	(52,877)
				9,222,262	9,222,262	162,153	9,384,415
Transactions with owners, recorded directly in equity							
Share based payment transactions (contribution from holding company)				25,695	25,695		25,695
Payment against share based payment transactions (to holding company)				15,163	15,163		15,163
Transfer to statutory reserve			1,853,752	(1,853,752)			
Dividend paid to Non-Controlling Interest						(119,813)	(119,813)
Remeasurement of liability against share based payment to holding company				(36,910)	(36,910)		(36,910)
Cash dividend (Final 2014) at Rs. 1.50 per share				(5,807,378)	(5,807,378)		(5,807,378)
Cash dividend (Interim 2015) at Rs. 0.75 per share				(2,903,689)	(2,903,689)		(2,903,689)
Transferred from surplus on revaluation of fixed assets - net of deferred tax				24,904	24,904		24,904
Balance as at 31 December 2015	38,715,850	1,036,090	9,928,706	5,575,472	55,256,118	967,578	56,223,696

(a) As further explained in note 8.2.1 of these consolidated financial statements the amount of Rs. 505,713 million net of tax as at 31 December 2015 represents additional profit arising from availing forced sale value benefit for determining provisioning requirement is not available for the purpose of distribution of dividend to shareholders / bonus to employees.

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

Shazad Dada
Chief Executive Officer

Najam I. Chaudhri
Director

Parvez Ghias
Director

Spenta Kandawalla
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

2.

2.1 BASIS OF PREPARATION

2.1

Basis of presentation

In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. One permissible form of trade related mode of financing comprises of purchase of goods by the Bank from its customers and immediate resale to them at appropriate profit on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon.

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

2.2

Statement of compliance

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

2.3 Basis of measurement

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

2.4 Use of estimates and judgments

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

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

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

2.5 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

Subsidiaries

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

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

Material intra group balances and transactions are eliminated.

Acquisitions from entities under common control

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

Other acquisitions

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

3.2 Cash and cash equivalents

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

3.3 Investments

The Group classifies its investments as follows:

a) Held for trading

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

b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortised cost.

c) Available for sale

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

d) Subsidiaries

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

Impairment

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

3.4 Sale and repurchase agreements

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

3.5 Advances

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

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

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

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

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

3.6 Operating fixed assets - Tangible

Owned

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

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

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

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

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

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

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

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

Leased

Fixed assets held under finance lease are stated at the lower of fair value of asset and present value of minimum lease payments at the inception of lease, less accumulated depreciation. Financial charges are allocated over the period of lease term so as to provide a constant periodic rate of financial charge on the outstanding liability. Depreciation is charged on the basis similar to owned assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

3.7 Intangible assets

Goodwill

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

Computer software

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

Acquired intangibles in business combination

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

3.8 Impairment of non-financial assets

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

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

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

3.9 Staff retirement benefits

Defined benefit plan

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

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

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

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

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

Defined contribution plan

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

3.10 Foreign currency transactions

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

3.11 Taxation

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

Current tax

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

Deferred tax

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

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

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

3.12 Revenue recognition

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

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

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

The Group follows the effective interest method in accounting for the recognition of lease income. Under this method, the unearned lease income i.e. the excess of aggregate lease rentals and the estimated residual value over the cost of the leased assets is deferred and taken to income over the term of the lease, so as to produce a systematic return on the net investment in lease. Unrealised lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Processing, front-end fee, commitment fee, penal charges and commission are recognised as income when realised.

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

3.13 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to profit and loss account.

3.14 Provisions

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

3.15 Fiduciary activities

The Group commonly acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

3.16 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. A brief description of the products and services offered by different segments of the Group is given in note 37 to these financial statements.

3.17 Offsetting

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

3.18 Subordinated liabilities

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

3.19 Non-current assets and disposal groups held for sale

Non-current assets and disposal groups comprising of assets and liabilities that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before being classified as held for sale, the assets and components of disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, the assets and disposal group are measured at the lower of their carrying values and fair values less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss.

3.20 Share-based compensation

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

3.21 Acceptances

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

3.22 Basic and diluted earnings per share

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

3.23 Dividend and appropriation to reserves

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

3.24 Borrowings / deposits and their cost

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

3.25 Financial assets and liabilities

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

3.26 Provision for guarantee claims and other off balance sheet obligations

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

3.27 New, Amended And Revised Standards And Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurements'.

These standards became applicable from January 1, 2015, as per the adoption status of IFRS in Pakistan.

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

IFRS 11 replaces IAS 31 Interests in Joint Ventures. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The application of IFRS 11 did not result in identification of any associate as a joint venture.

IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosures on the nature and risks associated with interests in unconsolidated structured entities.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The related disclosures of IFRS 13 are included in note 36.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

3.28 New standards and interpretations not yet adopted

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 January 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) (effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
 - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
 - IFRS 7 'Financial Instruments - Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
 - IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
 - IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

4 CASH AND BALANCES WITH TREASURY BANKS

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

4.1 This includes National Prize Bonds of Rs. 1,055 million (2014: Rs. 2,282 million).

5 BALANCES WITH OTHER BANKS

		2015	2014
(Rupees in '000)			
In Pakistan			
- In current accounts		-	-
Outside Pakistan			
- In current accounts	5.1	4,300,002	387,301
		<u>4,300,002</u>	<u>387,301</u>

5.1 This includes balances of Rs. 4,253,892 million (2014: Rs. 337,420 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

6 LENDINGS TO FINANCIAL INSTITUTIONS

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

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

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

6.3 These represent lendings to State Bank of Pakistan by Islamic Banking Business under Bai Muajjal agreements at return of 5.93 percent per annum with maturities upto November 2016.

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

6.5 Particulars of lending

		2015	2014
(Rupees in '000)			
In local currency	6.4	10,518,946	2,500,000
In foreign currencies		16,450,620	8,313,559
		<u>26,969,566</u>	<u>10,813,559</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

6.6 Securities held as collateral against lendings to financial institutions

	2015			2014		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	(Rupees in '000)					
Pakistan Investment Bonds	2,000,000	-	2,000,000	2,500,000	-	2,500,000
	2,000,000	-	2,000,000	2,500,000	-	2,500,000

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

7 INVESTMENTS

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

7.3 Particulars of provision for diminution in the value of investments

Opening balance		803,492	787,551
Charge for the year		4,729	74,151
Reversals		-	(508)
Net charge		4,729	73,643
Transfer to held for sale		-	(57,702)
Closing Balance	7.3.1	808,221	803,492

7.3.1 The details of provision held against investments are as follows:

Ordinary shares / units - available for sale		523,196	518,467
Term Finance Certificates - unlisted	7.9	285,025	285,025
		808,221	803,492

7.4 Investments include securities having book value of Rs. 18,953 million (2014: Rs. 18,696 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

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

7.8	Particulars of shares held - unlisted		2015	2014	2015	2014		
	2015	2014					Rating	Rating
	(Number of shares)						(Rupees in '000)	
573,769	573,769	Pakistan Export Finance Guarantee Agency Limited Chairman: Mr. Muneer Kamal	Unrated	Unrated	3,004	3,004		
					3,004	3,004		
		Provision for diminution in the value - note 7.3.1			(3,004)	(3,004)		
					-	-		

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

8 ADVANCES

Note	2015	2014
	(Rupees in '000)	
Loans, cash credits, running finances, etc.		
- In Pakistan	113,789,879	128,249,140
- Outside Pakistan	-	-
	<u>113,789,879</u>	<u>128,249,140</u>
Net investment in Finance Lease / Ijarah Finance		
- In Pakistan	-	-
- Outside Pakistan	-	-
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	12,611,897	14,089,817
- Payable outside Pakistan	1,709,843	7,686,396
	<u>14,321,740</u>	<u>21,776,213</u>
Advances - gross	128,111,619	150,025,353
Provision for non-performing advances	(21,516,718)	(21,450,000)
Advances - net of provision	<u>106,594,901</u>	<u>128,575,353</u>

	2015	2014
	(Rupees in '000)	
8.1 Particulars of advances - Gross		
8.1.1 In local currency	121,720,771	128,724,733
In foreign currencies	6,390,848	21,300,620
	<u>128,111,619</u>	<u>150,025,353</u>
8.1.2 Short term (for upto one year)	110,062,667	126,137,110
Long term (for over one year)	18,048,952	23,888,243
	<u>128,111,619</u>	<u>150,025,353</u>

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

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

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

- 8.2.1 At 31 December 2015, the provision requirement has been reduced by Rs. 778,020 million (2014: Rs. 1,068.87 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 10 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 505.713 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

8.3 Particulars of provision against non-performing advances

Note	2015						2014		
	Specific	General	Total	Specific	General	Total			
	(Rupees in '000)								
Opening balance	20,910,535	539,465	21,450,000	21,627,511	560,462	22,187,973			
Charge for the year	2,755,378	48,009	2,803,387	2,253,508	209,770	2,463,278			
Reversals	(1,408,778)	(31,568)	(1,440,346)	(1,816,566)	(230,767)	(2,047,333)			
	1,346,600	16,441	1,363,041	436,942	(20,997)	415,945			
Amounts written off	(1,238,681)	-	(1,238,681)	(904,664)	-	(904,664)			
Other movements	(57,642)	-	(57,642)	(127,270)	-	(127,270)			
Transfer to held for sale	-	-	-	(121,984)	-	(121,984)			
Closing balance	20,960,812	555,906	21,516,718	20,910,535	539,465	21,450,000			

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

8.4 Particulars of provision against non-performing advances	Note	2015	2014
		(Rupees in '000)	
In local currency		20,814,455	20,731,054
In foreign currencies		702,263	718,946
		<u>21,516,718</u>	<u>21,450,000</u>
8.5 Particulars of write offs			
8.5.1 Against provisions		1,238,681	904,664
Charged and written off during the year		181,865	215,344
	8.5.2	<u>1,420,546</u>	<u>1,120,008</u>
8.5.2 Write-offs of Rs. 500,000 and above		1,059,725	639,276
Write-offs of below Rs. 500,000		360,821	480,732
		<u>1,420,546</u>	<u>1,120,008</u>
8.6 Details of loans written-off of Rs. 500,000 and above			
In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2015 is given in Annexure 1.			
8.7 This includes loans charged off as per Bank's policy. Recovery efforts on the amount charged off are ongoing, as the Bank continues to have the legal right of recovery.			
8.8 Particulars of loans and advances to directors, associated companies, etc.		2015	2014
		(Rupees in '000)	
(i) Debts due by directors, executives or officers of the bank or any of them either severally or jointly with any other persons			
Balance at beginning of the year		968,535	1,294,740
Loans granted during the year		15,995	19,962
Repayments / transfer		(275,940)	(346,167)
Balance at end of the year		<u>708,590</u>	<u>968,535</u>
(ii) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or in the case of private companies as members			
Balance at beginning of the year		693,293	29,966
Loans granted during the year		777,216	1,568,929
Repayments		(1,349,162)	(905,602)
Balance at end of the year		<u>121,347</u>	<u>693,293</u>
(iii) Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties			
Balance at beginning of the year		68,581	90,001
Loans granted during the year		149,534	36,111
Repayments		(86,397)	(57,531)
Balance at end of the year		<u>131,718</u>	<u>68,581</u>
9 OPERATING FIXED ASSETS		2015	2014
		(Rupees in '000)	
Capital work-in-progress		-	-
Property and equipment	9.1	5,963,952	6,282,553
		<u>5,963,952</u>	<u>6,282,553</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

9.1 Property and equipment

	2015							
	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Leased hold improvements	Furniture, fixtures and office equipment	Vehicles	Total
	(Rupees in '000)							
Cost / Valuations								
At 1 January 2015	588,374	3,822,108	238,401	604,799	1,268,665	2,758,523	93,393	9,374,263
Additions during the year	-	-	-	642	16,455	184,976	1,741	203,814
Transfers / write offs	-	-	-	-	(31,970)	(203,027)	-	(234,997)
Deletions	-	(43,750)	-	-	-	(47,133)	-	(90,883)
At 31 December 2015	588,374	3,778,358	238,401	605,441	1,253,150	2,693,339	95,134	9,252,197
Accumulated Depreciation								
At 1 January 2015	-	-	-	-	764,525	2,245,293	81,892	3,091,710
Charge for the year	-	-	39,644	88,532	103,036	232,768	11,521	475,501
Transfers / write offs	-	-	-	-	(28,807)	(203,026)	-	(231,833)
Deletions	-	-	-	-	-	(47,133)	-	(47,133)
At 31 December 2015	-	-	39,644	88,532	638,754	2,227,902	93,413	3,288,245
Net book value	588,374	3,778,358	198,757	516,909	414,396	465,437	1,721	5,963,952
Rate of depreciation			6.67%	6.67%	6.67%-10%	14.20% - 33.33%	33.33%	
	2014							
	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Leased hold improvements	Furniture, fixtures and office equipment	Vehicles	Total
	(Rupees in '000)							
Cost / Valuations								
At 1 January 2014	571,030	3,606,428	280,408	897,257	1,207,010	2,749,149	96,209	9,409,491
Surplus / (Deficit) on revaluation	17,344	215,680	69,657	77,429	-	-	-	380,110
Revaluation adjustment	-	-	(112,237)	(366,133)	-	-	-	(478,370)
Additions during the year	-	-	573	6,572	88,278	209,578	-	285,001
Transfers / write offs	-	-	-	(8,022)	(2,368)	(44,155)	(2,959)	(57,494)
Transfer to held for sale	-	-	-	-	-	(16,309)	(364)	(16,663)
Deletions	-	-	-	(2,304)	(4,265)	(139,740)	(1,503)	(147,812)
At 31 December 2014	588,374	3,822,108	238,401	604,799	1,268,665	2,758,523	93,393	9,374,263
Accumulated Depreciation								
At 1 January 2014	-	-	88,737	299,712	893,253	2,180,821	63,004	3,305,527
Charge for the year	-	-	23,500	75,215	77,441	280,832	23,637	480,725
Revaluation adjustment *	-	-	(112,237)	(366,133)	-	-	-	(478,370)
Transfers / write offs	-	-	-	(8,022)	(2,368)	(44,155)	(2,959)	(57,494)
Transfer to held for sale	-	-	-	-	-	(12,966)	(579)	(13,545)
Deletions	-	-	-	(772)	(3,811)	(139,339)	(1,211)	(145,133)
At 31 December 2014	-	-	39,644	88,532	764,525	2,245,293	81,892	3,091,710
Net book value	588,374	3,822,108	238,401	604,799	504,140	513,230	11,501	6,282,553
Rate of depreciation				6.67%	6.67%-10%	14.26% - 33.33%	33.33%	

* The revaluation adjustment relates to the accumulated depreciation as at revaluation date that was eliminated against the gross carrying amount of the revalued buildings.

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

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

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

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

Particulars	Cost / Revalued amount	Accumulated depreciation	Book value	Sale Proceeds	Gain / (loss) on Sale	Mode of disposal	Particulars of purchaser
	(Rupees in '000)						
Leasehold land	43,750	-	43,750	33,968	(9,782)	Tender	Mr. M. Aslama Qureshi
Furniture, fixtures and office equipment	8,632	8,632	-	3,752	3,752	Tender	M/S Power Tech Engineering & Services
	7,958	7,958	-	2,900	2,900	Tender	M/S National Traders
	4,490	4,490	-	788	788	Tender	M/S National Traders
	3,452	3,452	-	560	560	Tender	M/S National Traders
	3,150	3,150	-	491	491	Tender	M/S National Traders
	2,773	2,773	-	395	395	Tender	M/S Pakistan International SF General Trading
	2,619	2,619	-	114	114	Tender	M/S National Traders
	2,135	2,135	-	212	212	Tender	M/S National Traders
	1,782	1,782	-	800	800	Tender	M/S Pakistan International SF General Trading
	1,703	1,703	-	174	174	Tender	M/S National Traders
	1,566	1,566	-	533	533	Tender	M/S National Traders
	1,149	1,149	-	318	318	Tender	M/S Pakistan International SF General Trading
	1,117	1,117	-	411	411	Tender	M/S Pakistan International Trading
	1,008	1,008	-	204	204	Tender	M/S Pakistan International SF General Trading
	<u>87,284</u>	<u>43,534</u>	<u>43,750</u>	<u>45,620</u>	<u>1,870</u>		

Items having book value of less than Rs. 250,000 and cost of less than Rs. 1,000,000:

Furniture, fixtures and office equipment	3,599	3,599	-	1,590	1,590
Total	<u>90,883</u>	<u>47,133</u>	<u>43,750</u>	<u>47,210</u>	<u>3,460</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

10 INTANGIBLE ASSETS

	2015					Total
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	Computer Software	
	(Rupees in '000)					
Cost						
At 1 January 2015	26,095,310	1,982,413	774,680	389,400	338,350	29,580,153
Additions during the year	-	-	-	-	-	-
At 31 December 2015	<u>26,095,310</u>	<u>1,982,413</u>	<u>774,680</u>	<u>389,400</u>	<u>338,350</u>	<u>29,580,153</u>
Amortised						
At 1 January 2015	-	1,982,413	761,611	324,665	338,350	3,407,039
Charge for the year	-	-	7,460	38,934	-	46,394
At 31 December 2015	-	<u>1,982,413</u>	<u>769,071</u>	<u>363,599</u>	<u>338,350</u>	<u>3,453,433</u>
Net book value	<u>26,095,310</u>	-	<u>5,609</u>	<u>25,801</u>	-	<u>26,126,720</u>
Rate of amortisation					20%	
	2014					
Cost						
At 1 January 2014	26,095,310	1,982,413	774,680	389,400	343,133	29,584,936
Additions during the year	-	-	-	-	-	-
Transfer to held for sale	-	-	-	-	(4,783)	(4,783)
At 31 December 2014	<u>26,095,310</u>	<u>1,982,413</u>	<u>774,680</u>	<u>389,400</u>	<u>338,350</u>	<u>29,580,153</u>
Amortised						
At 1 January 2014	-	1,982,413	751,742	285,731	342,210	3,362,096
Charge for the year	-	-	9,869	38,934	6,527	55,330
Deletions/ write offs	-	-	-	-	-	-
Transfer to held for sale	-	-	-	-	(10,387)	(10,387)
At 31 December 2014	-	<u>1,982,413</u>	<u>761,611</u>	<u>324,665</u>	<u>338,350</u>	<u>3,407,039</u>
Net book value	<u>26,095,310</u>	-	<u>13,069</u>	<u>64,735</u>	-	<u>26,173,114</u>
Rate of amortisation					20%	

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

11 DEFERRED TAX ASSETS / (LIABILITIES) - NET

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

	2015				
	At 1 January 2015	(Charge) / credit to profit and loss	Debit / (credit) to equity / other comprehensive income	Transfer to held for sale	At 31 December 2015
	(Rupees in '000)				
Available for sale investments	(1,376,312)	-	(380,462)	-	(1,756,774)
Provisions for loans and advances	5,356,246	600,162	-	(85,612)	5,870,796
Other assets	(86,986)	2,647	-	-	(84,339)
Fixed assets	(195,311)	52,471	-	-	(142,840)
Surplus on revaluation of fixed assets	(69,039)	16,833	-	-	(52,206)
Goodwill	(6,190,960)	(876,987)	-	-	(7,067,947)
Actuarial gains on retirement benefits	(13,471)	-	28,472	-	15,001
	<u>(2,575,833)</u>	<u>(204,874)</u>	<u>(351,990)</u>	<u>(85,612)</u>	<u>(3,218,309)</u>

	2014				
	At 1 January 2014	(Charge) / credit to profit and loss	Debit / (credit) to equity / other comprehensive income	Transfer to held for sale	At 31 December 2014
	(Rupees in '000)				
Available for sale investments	(34,207)	-	(1,342,105)	-	(1,376,312)
Provisions for loans and advances	5,435,339	(221,088)	-	141,995	5,356,246
Other assets	(86,822)	(164)	-	-	(86,986)
Fixed assets	(227,669)	(26,137)	-	58,495	(195,311)
Surplus on revaluation of fixed assets	(20,064)	2,505	(51,480)	-	(69,039)
Goodwill	(5,314,815)	(876,145)	-	-	(6,190,960)
Actuarial gains on retirement benefits	(12,413)	-	(1,058)	-	(13,471)
	<u>(260,651)</u>	<u>(1,121,029)</u>	<u>(1,394,643)</u>	<u>200,490</u>	<u>(2,575,833)</u>

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

	Note	2015	2014
----- (Rupees in '000) -----			
12 OTHER ASSETS			
Income / mark-up accrued in local currency		8,548,415	8,381,396
Income / mark-up accrued in foreign currencies		13,434	83,963
Advances, deposits, advance rent and other prepayments		581,280	710,984
Receivable from defined benefit plans	33.3	18,025	-
Receivable from defined contribution plans		-	138,949
Advance taxation (payments less provisions)		9,745,525	9,095,167
Branch adjustment account		175	20,095
Unrealized gain on forward foreign exchange contracts		338,424	581,241
Interest rate derivatives and currency option - positive fair value		157,607	302,107
Receivable from SBP / Government of Pakistan		146,060	462,362
Receivable from associated undertakings		34,416	52,057
Receivable from Standard Chartered Bank, Sri Lanka operations	12.2	39,654	39,979
Assets Held for Sale	12.3	9,542,209	10,893,538
Advances against future Murabaha		689,479	5,593,533
Advance Federal Excise Duty		188,443	188,443
Commodities under Islamic finance		1,378,961	-
Unsettled trades		-	2,299
Others		616,369	594,269
		32,038,476	37,140,382
Less: Provision against other assets	12.1	(116,373)	(116,373)
Other Assets - net of provisions		31,922,103	37,024,009
12.1 Provision against other assets			
Opening balance		116,373	429,028
Reversal during the year		-	(309,984)
Transfer to held for sale		-	(2,671)
Closing balance		116,373	116,373
12.2	Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, 'unproductive debts', 'staff loans of SCBPL who are not retained by the purchaser', 'their corresponding housing loans' and 'assets arising from litigation which cannot be assigned' are held in trust with SCBSL. The recoveries made (net of expenses) from such assets are to taken to income from Sri Lanka branch operations, as disclosed in note 25 to these financial statements, and consequently recorded as receivable. The Central Bank of Sri Lanka previously had allowed remittance of major portion of the outstanding balance.		
12.3 Disposal Group Held for Sale			
Last year, the management of the Standard Chartered Bank Pakistan has decided to divestment its shareholdings in Standard Chartered Leasing Limited (SCLL) (86.45%), Standard Chartered Modaraba (SCM) (20%) and Standard Chartered Services of Pakistan (SCSP) (100%). On 1 September 2015, the bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator and shareholders.			

As at 31 December 2015, the disposal group is stated at lower of carrying value and fair value less cost to sell. Assets and liabilities of the Disposal Group Held for Sale are comprised of the following:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

Assets classified as held for sale:

	2015			Total
	SCLL	SCM	SCSP	
	(Rupees in '000)			
Cash and balances with treasury banks	70	26	-	96
Balances with other banks	(1,282)	345,357	-	344,076
Investments	418,453	-	12,774	431,227
Advances	4,074,539	4,808,085	-	8,882,624
Operating fixed assets	1,635	12,480	-	14,115
Intangible assets	550	10,289	-	10,839
Other assets	(16,531)	56,582	33,549	73,600
	<u>4,477,434</u>	<u>5,232,820</u>	<u>46,323</u>	<u>9,756,577</u>
Provision against investment	(214,368)	-	-	(214,368)
	<u>4,263,066</u>	<u>5,232,820</u>	<u>46,323</u>	<u>9,542,209</u>

Liabilities classified as held for sale:

Borrowings from financial institutions	512,254	562,092	-	1,074,346
Deferred tax liabilities - net	104,534	-	-	104,534
Other liabilities	2,673,358	3,665,804	14,999	6,354,162
	<u>3,290,146</u>	<u>4,227,896</u>	<u>14,999</u>	<u>7,533,042</u>

Assets classified as held for sale:

	2014			Total
	SCLL	SCM	SCSP	
	(Rupees in '000)			
Cash and balances with treasury banks	130	21	-	151
Balances with other banks	(1,513)	496,720	-	495,207
Investments	417,672	-	13,338	431,010
Advances	4,872,961	5,015,169	-	9,888,130
Operating fixed assets	2,888	230	-	3,118
Intangible assets	550	18,547	-	19,097
Other assets	70,645	78,139	27,241	176,025
	<u>5,363,333</u>	<u>5,608,826</u>	<u>40,579</u>	<u>11,012,738</u>
Provision against impairment	(119,200)	-	-	(119,200)
	<u>5,244,133</u>	<u>5,608,826</u>	<u>40,579</u>	<u>10,893,538</u>

Liabilities classified as held for sale:

Borrowings from financial institutions	650,000	274,183	-	924,183
Deferred tax liabilities - net	190,144	-	-	190,144
Other liabilities	3,591,614	4,446,839	11,178	8,049,631
	<u>4,431,758</u>	<u>4,721,022</u>	<u>11,178</u>	<u>9,163,958</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

13	BILLS PAYABLE	Note	2015	2014
			(Rupees in '000)	
	In Pakistan		11,395,470	5,020,614
	Outside Pakistan		5,721	542,991
			11,401,191	5,563,605
14	BORROWINGS			
	In Pakistan		20,738,176	15,622,715
	Outside Pakistan		1,046,275	1,621,956
			21,784,451	17,244,671
14.1	Particulars of borrowings with respect to currencies			
	In local currency		20,738,176	15,622,715
	In foreign currencies		1,046,275	1,621,956
			21,784,451	17,244,671
14.2	Details of borrowings secured / unsecured			
	Secured			
	Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	14.2.1	14,831,179	12,065,490
	Repurchase agreement borrowings (Repo)	14.2.2	1,192,726	2,295,115
	State Bank of Pakistan - LTFF	14.2.3	1,055,711	1,260,102
			17,079,616	15,620,707
	Unsecured			
	Call borrowings	14.2.4	3,650,000	-
	Overdrawn nostro accounts	14.2.5	1,054,835	1,623,964
			21,784,451	17,244,671

14.2.1 Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged at 1.5 percent to 3.5 percent (2014: 5.5 percent to 6.5 percent) per annum. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 1,459 billion (2014: Rs. 1,349 billion). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

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

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

14.2.4 These carry mark-up at rate 6.5 percent per annum payable at maturity, and are due to mature during January 2016.

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

Notes to the Consolidated Financial Statements

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15 DEPOSITS AND OTHER ACCOUNTS

	Note	2015	2014
(Rupees in '000)			
Customers			
Remunerative			
- Fixed deposits		24,083,614	22,860,282
- Savings deposits		152,659,280	144,299,742
Non- Remunerative			
- Current accounts		142,359,370	134,118,420
- Margin accounts		945,934	422,637
- Special exporters' account		572,198	883,186
		<u>320,620,396</u>	<u>302,584,267</u>
Financial Institutions			
- Remunerative deposits		612,825	1,286
- Non-remunerative deposits	15.1	5,888,103	1,719,988
		<u>6,500,928</u>	<u>1,721,274</u>
		<u>327,121,324</u>	<u>304,305,541</u>

15.1 This includes Rs. 496,085 million (2014: Rs. 438,857 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

15.2 Particulars of deposits

	Note	2015	2014
(Rupees in '000)			
In local currency		267,721,151	242,772,805
In foreign currencies		59,400,173	61,532,736
		<u>327,121,324</u>	<u>304,305,541</u>

16 SUB-ORDINATED LOANS

Term Finance Certificates issued	16.1	2,500,000	2,500,000
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16.1 The Bank, on 29 June 2012, issued fourth rated, unsecured, subordinated TFCs of Rs 2,500 million by way of private placement. Terms for the fourth outstanding issue are as follows:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

		2015	2014
		(Rupees in '000)	
17	OTHER LIABILITIES		
			Note
	Mark-up / return / interest payable in local currency	335,217	510,731
	Accrued expenses	2,937,185	2,543,938
	Advance payments	207,914	211,226
	Sundry creditors	1,817,539	1,566,204
	Unrealized loss on forward foreign exchange contracts	171,676	725,758
	Unrealized loss on interest rate derivatives and currency options	120,633	631,850
	Payable to defined benefit plans	-	32,077
	Due to Holding Company	7,739,048	6,442,443
	Dividend payable	52,053	37,168
	Liabilities held for sale	7,533,042	9,163,958
	Unclaimed balances	3,364,784	1,633,683
	Provision against off balance sheet obligations	667,428	414,084
	Worker's Welfare Fund (WWF) payable	1,071,945	757,972
	Unsettled trades	203,152	430,024
	Others	586,633	532,277
		26,808,249	25,633,393
17.1	Due to Holding Company		
	On account of reimbursement of executive and general administrative expenses	7,258,241	5,826,653
	Royalty and other payable	480,807	615,790
		7,739,048	6,442,443
17.2	Provision against off-balance sheet obligations		
	Opening balance	414,084	318,638
	Charge for the year - net	253,344	95,446
	Closing balance	667,428	414,084
18	SHARE CAPITAL		
18.1	Authorized Capital		
		2015	2014
		(Number of shares)	
		4,000,000,000	4,000,000,000
	Ordinary shares of Rs. 10 each		
		40,000,000	40,000,000
18.2	Issued, subscribed and paid-up Capital		
		2015	2014
		(Rupees in '000)	
	2,939,785,018	2,939,785,018	2,939,785,018
	Ordinary shares of Rs. 10 each Fully paid in cash	29,397,850	29,397,850
	931,800,003	931,800,003	931,800,003
	Issued in terms of scheme of amalgamation	9,318,000	9,318,000
		38,715,850	38,715,850

Notes to the Consolidated Financial Statements

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

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

19 RESERVES	Note	2015	2014
		----- (Rupees in '000) -----	
Share premium	19.1	1,036,090	1,036,090
Statutory reserve	19.2	9,928,706	8,074,954
		<u>10,964,796</u>	<u>9,111,044</u>

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

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

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

20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	Note	2015	2014
		----- (Rupees in '000) -----	
Surplus / (deficit) arising on revaluation of:			
Fixed assets	20.1	3,671,708	3,702,970
Available for Sale Securities	20.2	3,262,582	2,556,009
		<u>6,934,290</u>	<u>6,258,979</u>

20.1 Surplus on revaluation of fixed assets - net of tax

Surplus on revaluation of fixed assets as at 1 January	3,772,008	3,399,057
Surplus on revaluation of owned properties recorded during the year	-	380,110
Surplus realized on disposal of revalued properties	(9,782)	(523)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(24,904)	(4,313)
Related deferred tax liability	(13,409)	(2,323)
	<u>(38,313)</u>	<u>(6,636)</u>
Surplus on revaluation of fixed assets as at 31 December	3,723,913	3,772,008
Less: Related deferred tax liability on:		
Revaluation surplus as at 1 January	(69,039)	(20,064)
Revaluation surplus recorded during the year	-	(51,480)
Revaluation surplus realized on disposal during the year	3,424	183
Incremental depreciation charged during the year transferred to profit and loss account	13,409	2,323
	<u>(52,206)</u>	<u>(69,039)</u>
Surplus on revaluation of fixed assets as at 31 December - net of tax	<u>3,671,708</u>	<u>3,702,970</u>

Notes to the Consolidated Financial Statements

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	Note	2015	2014
----- (Rupees in '000) -----			
20.2 Surplus / (deficit) on revaluation of Available for Sale securities - net of tax			
Market Treasury Bills		48,038	20,313
Pakistan Investment Bonds		4,923,189	3,887,972
Sukuk and Ijarah Bonds		13,134	24,036
Listed shares and units of mutual funds		34,995	-
		<u>5,019,356</u>	<u>3,932,321</u>
Related deferred tax (liability) / asset		<u>(1,756,774)</u>	<u>(1,376,312)</u>
		<u>3,262,582</u>	<u>2,556,009</u>

	Note	2015	2014
----- (Rupees in '000) -----			
21 CONTINGENCIES AND COMMITMENTS			
21.1 Transaction-related contingent liabilities			
Guarantees issued favouring:	21.1.1		
- Government		53,137,229	43,455,938
- Others		24,925,787	21,471,986
		<u>78,063,016</u>	<u>64,927,924</u>

21.1.1 Guarantees relating to Islamic Banking Business amount to Rs 3,364 million (2014: Rs 3,074 million).

21.2 Trade-related contingent liabilities			
Letters of credit	21.2.1	16,782,316	18,121,183

21.2.1 Letters of credit relating to Islamic Banking Business amount to Rs 4,377 million (2014: Rs 2,969 million).

21.3 Trade-related commitments			
Acceptances	21.3.1	6,672,058	5,041,122

21.3.1 Acceptances relating to Islamic Banking Business amount to Rs 2,056 million (2014: Rs 528 million).

21.4 Commitment for acquisition of fixed assets		60,260	28,915
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21.5 Other contingencies			
Claims against the Bank not acknowledged as debt	21.5.1	24,417,886	25,151,427

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

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

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21.9.2 Maturity analysis

Interest Rate Swaps & Cross Currency Swaps Remaining Maturity	No. of contracts	Notional principal	Mark to Market		
			Negative	Positive	Net
(Rupees in '000)					
Upto 1 month	3	649,631	(13,986)	9,880	(4,106)
1 to 3 months	-	-	-	-	-
3 to 6 months	2	1,618,724	(13,165)	13,165	-
6 months to 1 year	1	167,200	-	4,382	4,382
1 to 2 years	10	3,351,495	(88,111)	17,233	(70,878)
2 to 3 years	3	959,865	-	85,829	85,829
3 to 5 years	5	2,470,564	(4,631)	26,378	21,747
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
	24	9,217,478	(119,893)	156,867	36,974

22 MARK-UP / RETURN / INTEREST EARNED

Note

2015 2014

(Rupees in '000)

On loans and advances to customers	12,670,391	16,591,011
On loans and advances to financial institutions	38,050	35,693
On investments in: i) Held for trading securities	338,859	301,894
ii) Available for sale securities	20,498,367	17,637,062
On securities purchased under resale agreements	315,962	703,147
On call money lending / placements	21,679	331
	33,883,308	35,269,158

23 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	9,544,992	11,826,113
Securities sold under repurchase agreements	464,939	296,868
Call borrowings	33,506	19,430
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	600,116	902,755
Profit on redeemable capital, musharika and murabaha	225,521	332,922
Term Finance Certificates (sub-ordinated loans)	225,766	272,523
Others	21,732	222,882
	11,116,572	13,873,493

24 GAIN ON SALE OF SECURITIES - NET

Federal Government Securities		
Market Treasury Bills	401,793	44,550
Pakistan Investment Bonds	600,379	638,378
Ijarah sukuk	13,525	27,004
	1,015,697	709,932
Equity Securities - Listed	-	17,194
	1,015,697	727,126

25 OTHER INCOME

Income from Sri Lanka branch operations	12.2	(325)	3,567
Rent on property		22,363	21,240
Gain on disposal of fixed assets		3,460	12,366
Loss on derivatives		233,456	(331,289)
Gains on assets fair valued at acquisition		57,640	494,738
Other income	25.1	82,602	183,876
		399,196	384,498

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

Notes to the Consolidated Financial Statements

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26 ADMINISTRATIVE EXPENSES	Note	2015	2014
		(Rupees in '000)	
Salaries, allowances, etc.		5,623,595	5,375,048
Charge / (income) for defined benefit plans		(38,848)	7,564
Contributions to defined contribution plans		349,656	234,850
Rent, taxes, insurance, electricity, etc.		1,288,965	1,357,646
Legal and professional charges		125,412	113,181
Communications		445,689	472,275
Repairs and maintenance		1,071,045	1,147,660
Stationery and printing		240,972	243,336
Advertisement and publicity		378,568	265,580
Donations	26.1	17,656	26,000
Auditors' remuneration	26.2	21,319	20,543
Depreciation		475,501	480,725
Amortization		46,394	55,330
Traveling, conveyance and vehicles' running		190,350	253,528
Reimbursement of executive and general administrative expenses	26.3	1,431,588	1,385,769
Royalty - net	26.4	(77,512)	184,693
Reward and bonus points redemption		36,903	135,463
Premises security and cash transportation services		339,749	338,760
Documentation and processing charges		145,799	135,818
Others		194,480	263,255
		<u>12,307,281</u>	<u>12,496,824</u>
26.1 Details of the donations given in excess of Rs. 100,000 are given below:			
Donee			
Institute of Business Administration		8,000	8,000
The Citizen Foundation		1,000	1,000
The Kidney Centre	26.1.1	-	3,000
Lahore University of Management Sciences		1,200	2,400
Habib University		4,000	4,000
Aman Foundation		3,456	3,400
The Hunar Foundation		-	4,200
26.1.1 CEO of the bank is also a member of the Board of Governors of The Kidney Centre.			
26.2 Auditors' remuneration			
Audit fee		18,326	18,336
Fee for audit of pension, gratuity and provident funds		310	310
Special certifications and others		1,385	692
Taxation services		-	-
Out-of-pocket expenses		1,297	1,205
		<u>21,318</u>	<u>20,543</u>
26.3 Total cost for the year included in Administrative Expenses relating to outsourced activities is Rs 1,816 million (December 2014: Rs 1,828.5 million). This includes payments to local companies for obtaining routine services such as personnel for collection and recoveries, contact centre, service quality and technology maintenance, courier services and executive and general administrative expenses of SCB UK.			
26.4 During the year, the State Bank of Pakistan has partially restricted the remittance of royalty expense to SCB group. Accordingly the royalty amounting to Rs 267.755 million has been reversed.			

Notes to the Consolidated Financial Statements

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27 OTHER PROVISIONS / ASSET WRITE OFFS

Fixed asset write offs

Other provisions

Provision against receivable under cross currency swaps arrangement
Overdue mark up suspended
Provision against non-banking assets acquired in satisfaction of claims
Others

	2015	2014
	(Rupees in '000)	
	3,164	555
	-	-
	-	-
	(364)	-
	(364)	-
	2,800	555

28 OTHER CHARGES

Net charge / (reversal) against fines and penalties imposed by SBP
Worker's Welfare Fund (WWF)
Impairment loss on remeasurement of disposal group

	2015	2014
	(Rupees in '000)	
	40,725	835
	317,459	327,018
	95,166	119,200
	453,352	447,053

29 TAXATION

For the year

- Current
- Deferred

	5,231,564	4,256,948
	204,874	1,108,180
	5,436,438	5,365,128

For prior years

	697,323	187,994
	6,133,761	5,553,122

29.1 Relationship between tax expense and accounting profit

Profit before taxation

	15,564,695	15,368,007
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Tax at the applicable tax rate of 35% (2014: 35%)
Expenses that are not deductible in determining taxable income
Income (dividend, capital gain etc.) at reduced rates
Prior year provision
Others

	5,447,643	5,378,802
	14,253	294
	-	(13,325)
	697,323	187,994
	(25,458)	(643)
	6,133,761	5,553,122

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

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

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

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

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

Notes to the Consolidated Financial Statements

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30 EARNINGS PER SHARE - BASIC AND DILUTED

	2015	2014
	(Rupees in '000)	
Profit for the year attributable to equity holders of the bank	9,268,761	9,652,462
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	3,871,585,021	3,871,585,021
	(Rupees)	
Earnings per share - basic and diluted	2.39	2.49

31 CASH AND CASH EQUIVALENTS

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

32 STAFF STRENGTH

	(Number)	
Permanent	3,425	3,304
Temporary / on contractual basis / direct contracts	6	5
Group's own staff at the end of the year	3,431	3,309
Outsourced	429	1,091
Total Staff Strength	3,860	4,400

33 DEFINED BENEFIT PLANS

33.1 General description

Non Management Staff Pension Fund

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

Non Management Staff Gratuity Fund

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

Management Staff Pension Fund

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

33.2 Principal Actuarial Assumptions

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

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

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

Amount recognized in total comprehensive income

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

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

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

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

Re-measurement : Actuarial gain / loss on obligation

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

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

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

33.7.1 Components of plan assets as a percentage of total plan assets

Bonds	95%	88%	21%	76%	70%	95%		
Cash and net current assets	5%	14%	79%	24%	30%	5%		

Notes to the Consolidated Financial Statements

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

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

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

34 SHARE BASED PAYMENTS

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

The total expense recognised in respect of above schemes on equity settled basis amounts to Rs. 25,695 million (2014: Rs.82,231 million). As also explained in note 3.20 in detail, the Bank's liability towards its parent, however continues to be determined and recorded on cash settled basis for options not yet vested. The main features of each plan are as follows:

i) Standard Chartered Share Plan

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

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

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

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

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For the year ended 31 December 2015

Range of exercise price	2015				2014			
	Weighted average exercise price	Number of options ('000)	Weighted average remaining life		Weighted average exercise price	Number of options ('000)	Weighted average remaining life	
			Expected years	Contractual years			Expected years	Contractual years
NIL	-	82	10	5.46 / 7.41	-	85	10	5.09 / 7.91

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

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

ii) International Sharesave Scheme

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

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

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

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

Range of exercise price	2015				2014			
	Weighted average exercise price	Number ('000)	Weighted average remaining life		Weighted average exercise price	Number ('000)	Weighted average remaining life	
			Expected years	Contractual years			Expected years	Contractual years
£5.57/£13.93	8.11/ 10.89	62	3.33/5.33	1.22/2.61	10.85	70	3.33/5.33	0.83/2.91

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

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

iii) Restricted Share Scheme

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

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

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

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

Range of exercise price	2015				2014			
	Weighted average exercise price	Number of options (‘000)	Weighted average remaining life		Weighted average exercise price	Number of options (‘000)	Weighted average remaining life	
			Expected years	Contractual years			Expected years	Contractual years
N/A	-	10	-	13	-	13	-	2.07

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

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

iv) Supplementary Restricted Share Scheme

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

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

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

Range of exercise price	2015				2014			
	Weighted average exercise price	Number of options (‘000)	Weighted average remaining life		Weighted average exercise price	Number of options (‘000)	Weighted average remaining life	
			Expected years	Contractual years			Expected years	Contractual years
N/A	-	1	5	2.07	-	1	5	3.07

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

As at 31 December 2015, total number of options exercisable were 1,426.

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35 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

Note	Chief Executive*		Directors		Executives	
	2015	2014*	2015	2014	2015	2014
	(Rupees in '000)					
Director's remuneration / fees	-	-	5,335	5,795	-	-
Managerial remuneration	30,000	18,954	-	-	1,655,539	1,690,587
Contribution to defined contribution plan	5,499	1,630	-	-	236,449	219,889
Rent and house maintenance	12,000	3,558	-	-	525,977	461,721
Medical	3,000	889	-	-	140,460	128,170
Others	18,957	26,097	-	-	460,028	157,611
	<u>69,456</u>	<u>51,128</u>	<u>5,335</u>	<u>5,795</u>	<u>3,018,453</u>	<u>2,657,978</u>
Number of persons	<u>1</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>1,245</u>	<u>1,131</u>

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

- 35.1 The director's remuneration / fees represents remuneration paid to the Bank's 3 non-executive directors (2014: 3) for attending Board and Sub-Committee meetings.
- 35.2 The Chief Executive is also entitled to house allowance in lieu of furnished accommodation and provided with Bank maintained car. In addition, the Chief Executive and some of the executives are also reimbursed for cost of medical expenses and other benefits like club subscription, etc. as per their terms of employment.

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

36 FAIR VALUE OF FINANCIAL INSTRUMENTS

On-balance sheet financial instruments

	2015		2014	
	Book value	Fair value	Book value	Fair value
	(Rupees in '000)			
On - balance sheet financial instruments				
Assets				
Cash and balances with treasury banks	29,482,134	29,482,134	21,475,345	21,475,345
Balances with other banks	4,300,002	4,300,002	387,301	387,301
Lendings to financial institutions	26,969,566	26,969,566	10,813,559	10,813,559
Investments - net	224,632,132	224,632,132	188,992,097	188,992,097
Advances - net	106,594,901	106,594,901	128,575,353	128,575,353
Other assets	20,091,494	20,091,494	27,187,529	27,187,529
	<u>412,070,229</u>	<u>412,070,229</u>	<u>377,431,184</u>	<u>377,431,184</u>
Liabilities				
Bills payable	11,401,191	11,401,191	5,563,605	5,563,605
Borrowings	21,784,451	21,784,451	17,244,671	17,244,671
Deposits and other accounts	327,121,324	327,121,324	304,305,541	304,305,541
Sub-ordinated loans	3,218,309	3,218,309	2,575,833	2,575,833
Other liabilities	25,335,555	25,335,555	24,475,808	24,475,808
	<u>388,860,830</u>	<u>388,860,830</u>	<u>354,165,458</u>	<u>354,165,458</u>
Off-balance sheet financial instruments				
Interest Rate swaps / Foreign currency options / Forward purchase contracts	81,295,849	81,791,880	68,381,789	69,425,392
Interest Rate swaps / Foreign currency options / Forward sale contracts	56,367,906	57,725,514	52,320,366	53,677,974

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

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

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

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

On balance sheet financial instruments

Note	2015									
	Carry value					Fair value				
	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Investments										
Government Securities (Tbills + PIBs + Sukuk)	1,483,214	221,539,320	-	-	-	223,033,134	-	223,033,134	-	223,033,134
Sukuk Bonds (other than government)	-	97,134	-	-	-	97,134	-	97,134	-	97,134
Equity securities traded (Shares)	-	176,864	-	-	-	176,864	176,864	-	-	176,864
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NSP	36.2	-	-	29,482,134	-	29,482,134	-	-	-	-
- Balances with other banks	36.2	-	-	4,300,002	-	4,300,002	-	-	-	-
- Lending to financial instruments	36.2	-	-	26,969,566	-	26,969,566	-	-	-	-
- Sukuk Bonds (other than government)	36.2	1,325,000	-	-	-	1,325,000	-	-	-	-
- Advances	36.2	-	106,594,901	-	-	106,594,901	-	-	-	-
- Other assets	36.2	-	-	20,091,494	-	20,091,494	-	-	-	-
		1,493,214	223,136,918	106,594,901	80,843,196	412,070,229	176,864	223,130,268	-	223,307,132
Financial liabilities not measured at fair value										
- Bills Payable	36.2	-	-	-	11,401,191	11,401,191	-	-	-	-
- Deposits and other accounts	36.2	-	-	-	327,121,324	327,121,324	-	-	-	-
- Borrowings	36.2	-	-	-	21,784,451	21,784,451	-	-	-	-
- Sub-ordinated loans	36.2	-	-	-	2,500,000	2,500,000	-	-	-	-
- Other liabilities (excluding liabilities against assets subject to finance lease)	36.2	-	-	-	25,335,555	25,335,555	-	-	-	-
		-	-	-	388,142,521	388,142,521	-	-	-	-
Off balance sheet financial instruments										
Interest Rate swaps / Foreign currency options / Forward purchase contracts										
Interest Rate swaps / Foreign currency options / Forward purchase contracts		-	-	81,295,849	-	81,295,849	-	81,791,880	-	81,791,880
Interest Rate swaps / Foreign currency options / Forward sale contracts										
Interest Rate swaps / Foreign currency options / Forward sale contracts		-	-	56,367,906	-	56,367,906	-	57,725,514	-	57,725,514

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On balance sheet financial instruments

Note	2014										
	Carry value					Fair value					
	Available for Sale	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)											
Financial assets measured at fair value											
- Investments											
Government Securities (Tbills + PIBs + Sukuk's)	8,289,501	179,101,270	-	-	-	187,370,771	-	187,370,771	-	187,370,771	
Sukuk Bonds (other than government)	-	149,728	-	-	-	149,728	-	149,728	-	149,728	
Equity securities traded (Shares)	-	146,598	-	-	-	146,598	146,598	-	-	146,598	
Financial assets not measured at fair value											
- Cash and bank balances with SBP and NBP	36.2	-	-	21,475,345	-	21,475,345	-	-	-	-	
- Balances with other banks	36.2	-	-	387,301	-	387,301	-	-	-	-	
- Lending to financial instruments	36.2	-	-	10,813,559	-	10,813,559	-	-	-	-	
- Sukuk Bonds (other than government)	36.2	-	1,325,000	-	-	1,325,000	-	-	-	-	
- Advances	36.2	-	-	128,575,353	-	128,575,353	-	-	-	-	
- Other assets	36.2	-	-	27,187,529	-	27,187,529	-	-	-	-	
		8,289,501	180,722,596	-	188,439,887	-	377,431,184	146,598	187,520,499	-	187,667,097
Financial liabilities not measured at fair value											
- Bills Payable	-	-	-	-	5,563,605	5,563,605	-	-	-	-	
- Deposits and other accounts	36.2	-	-	-	304,305,541	304,305,541	-	-	-	-	
- Borrowings	36.2	-	-	-	17,244,671	17,244,671	-	-	-	-	
- Sub-ordinated loans	36.2	-	-	-	2,500,000	2,500,000	-	-	-	-	
- Other liabilities (excluding liabilities against assets subject to finance lease)	36.2	-	-	-	24,475,808	24,475,808	-	-	-	-	
		-	-	-	354,089,625	354,089,625	-	-	-	-	
Off Balance sheet financial instruments											
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	68,381,789	-	68,381,789	-	68,425,392	-	68,425,392	
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	52,320,366	-	52,320,366	-	53,677,974	-	53,677,974	

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

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

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

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

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

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37 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

	Corporate and institutional clients	Commercial clients	Retail clients	Total
2015	(Rupees in '000)			
Internal Income	(12,379,718)	(1,343,108)	13,797,905	75,079
Net mark-up / return / interest income	23,767,601	2,023,734	(3,024,599)	22,766,736
Non mark-up / non interest income	3,247,702	406,454	3,462,705	7,116,861
Operating income	14,635,585	1,087,080	14,236,011	29,958,676
Non mark-up / non interest expenses	3,131,947	880,951	8,750,535	12,763,433
Internal non mark-up / non interest expenses	15,408	3,605	56,066	75,079
Operating profit before provisions and taxation	11,488,230	202,524	5,429,410	17,120,164
Direct write-offs / provisions against non-performing loans and advances - net of recoveries	1,255,130	340,881	(45,271)	1,550,740
Provision for diminution in the value of investments	4,729	-	-	4,729
Profit before taxation	10,228,371	(138,357)	5,474,681	15,564,695
Other segment items:				
Depreciation on tangible fixed assets	142,650	19,020	313,831	475,501
Amortisation on intangible assets	13,918	1,856	30,620	46,394
Segment assets (gross)	408,608,378	34,809,966	35,014,478	478,432,822
Segment non performing loans	11,349,894	8,743,150	3,925,372	24,018,416
Segment provision required	9,730,860	7,767,873	4,017,985	21,516,718
Segment liabilities	132,330,916	6,709,932	253,792,676	392,833,524
Segment return on net assets (ROA) (%) *	2.56%	-0.51%	17.66%	3.41%
Segment cost of funds (%) **	4.42%	2.89%	2.30%	2.97%
2014				
Internal Income	(13,212,375)	(1,607,244)	14,928,110	108,491
Net mark-up / return / interest income	23,046,829	2,525,377	(4,176,541)	21,395,665
Non mark-up / non interest income	3,348,584	465,923	3,585,762	7,400,269
Operating income	13,183,038	1,384,056	14,337,331	28,904,425
Non mark-up / non interest expenses	3,957,772	623,000	8,363,660	12,944,432
Internal non mark-up / non interest expenses	21,303	7,081	80,107	108,491
Operating profit before provisions and taxation	9,203,963	753,975	5,893,564	15,851,502
Direct write-offs / provisions against non-performing loans and advances - net of recoveries	672,393	(113,418)	(149,123)	409,852
Provision for diminution in the value of investments - net	73,643	-	-	73,643
Profit before taxation	8,457,927	667,393	6,042,687	15,368,007
Other segment items:				
Depreciation of tangible fixed assets	95,632	7,237	377,856	480,725
Amortisation of intangible assets	50,667	4,663	-	55,330
Segment assets (gross)	371,253,029	36,718,656	34,121,512	442,093,196
Segment non performing loans	9,476,183	9,089,774	4,529,776	23,095,733
Segment provision required	8,744,098	8,333,478	4,372,424	21,450,000
Segment liabilities	110,435,328	7,918,026	239,469,689	357,823,043
Segment return on net assets (ROA) (%) *	2.33%	3.06%	20.31%	3.65%
Segment cost of funds (%) **	6.32%	6.43%	3.03%	3.98%

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

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

Corporate and Institutional Clients

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

Commercial Clients

This include deposits, trade, wealth management and SME discretionary lending activities.

Retail Clients

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

38 RELATED PARTY TRANSACTIONS

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

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

OUTSTANDING BALANCES

	Note	2015	2014
----- (Rupees in '000) -----			
Group			
Nostro balances with other subsidiaries and branches of the holding company		4,253,892	337,420
Overdrawn nostro balances with other subsidiaries and branches of the holding company		1,046,275	1,621,956
Vostro balances of other subsidiaries and branches of the holding company		496,085	438,857
Placements with other subsidiaries and branches of the holding company		16,450,620	8,313,559
Deposits of group company	38.1	25,445	33,745
Due from group companies		19,748	290
Due to holding company		7,739,048	6,442,443
Due to group company		-	-
Due from other subsidiaries and branches of the company		74,069	93,716
Interest receivable from group companies		202	65
Inter-company derivative assets		31,079	20,301
Inter-company derivative liabilities		56,183	214,493
Other receivables - SLA		453	1,508
Transaction-related contingent liabilities - Guarantees		21,183,434	24,199,988
Commitments in respect of forward foreign exchange contracts		4,037,342	7,540,663
Derivative instruments- Interest rate swaps - Notional		2,382,572	4,459,958
Derivative instruments- FX options - Notional		83,624	-
Key management personnel			
Loans and advances to key management personnel	38.1	131,718	68,581
Deposits of key management personnel	38.1	87,112	172,834
Rent payable		-	1,574

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Note	2015	2014	
	----- (Rupees in '000) -----		
Others			
Loans and advances to customers with common directorship	38.1	121,347	693,293
Deposits by staff retirement benefit funds		176,807	113,870
Deposits by customers with common directorship		555,683	435,906
Accrued interest receivable against loans and advances to customers with common directorship		3,506	17,855
(Receivable from) / payable to defined benefit plans	33.3	(18,025)	32,077
Receivable from defined contribution plans		-	138,949
Transaction-related contingent liabilities - Guarantees		101,739	526,739
Trade-related contingent liabilities - Letter of Credit		1,689,606	1,087
Advance receivable		-	1,802
PROFIT AND LOSS			
Group			
Mark-up / return / interest earned		23,747	37,968
Mark-up / return / interest expensed		28	202
Fee and commission expense		6,363	8,991
Fee and commission income		77,414	118,038
Reimbursement of executive and general administrative expenses	26.3	1,431,588	1,385,769
Payment to group company for direct sales services rendered		207,628	669,494
Reimbursement of administrative expenses (including rent and other charges)		11,687	11,745
Gain on inter-company derivatives		169,088	178,064
Reversal of royalty expense		(77,512)	184,693
Dividend paid		8,623,085	8,239,528
Key management personnel			
Mark-up / return / interest earned		4,304	3,205
Mark-up / return / interest expensed		1,548	4,151
Salaries and benefits		421,158	387,747
Post retirement benefits		24,702	19,349
Remuneration / fee paid to non-executive directors		5,335	5,795
Rent expenses		2,706	647
Others			
Contribution to defined contribution plans - net of payments received		488,605	373,796
Charge for defined contribution plans		349,656	234,849
Net charge / (income) for defined benefit plans		(38,848)	7,564
Mark-up / return / interest expensed on deposits of staff retirement benefit funds		11,745	16,639
Mark-up / return / interest expensed on deposits of customers with common directorship		184,419	20,806
Mark-up / return / interest earned on advances to customers with common directorship		28,613	22,801
Donation to The Kidney Centre	26.1.1	-	3,000
Net gain / (loss) on derivatives		-	(9,775)
Payment made to Central Depository Company of Pakistan Limited	38.2	-	4,629
Gas charges		873	82
Miscellaneous income from company with common directorship		5,625	1,753

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

	Balance as at 31 December 2014	Net disbursement / deposits	Net repayments / withdrawals	Balance as at 31 December 2015
(Rupees in '000)				
Loans and advances				
Key management personnel	68,581	149,534	(86,397)	131,718
Others	693,293	777,216	(1,349,162)	121,347
Deposits				
Group companies	33,745	503,726	(512,026)	25,445
Key management personnel	172,834	1,018,749	(1,104,471)	87,112
Others	549,776	166,715,153	(166,532,439)	732,490

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

39 Capital Adequacy Ratio (CAR) disclosure

Capital Structure

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

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

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

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

*(Consisting of CET1 only)

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

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

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For the year ended 31 December 2015

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

- Common Equity Tier 1 capital, which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as disclosed on the balance sheet and un-appropriated profits (net of accumulated losses, if any). Goodwill and other intangibles are deducted from Tier 1 capital.
- Additional Tier 1 capital, which includes perpetual non-cumulative preference shares and share premium resulting from the same. The Bank did not have any ADT1 as of 31 December 2015.

The deduction from Tier 1 Capital include mainly:

- i) Book value of goodwill / intangibles;
 - ii) Deficit on revaluation of available for sale investments
 - iii) Defined-benefit pension fund net assets
 - iv) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
 - v) Investment in mutual funds above a prescribed ceiling;
 - vi) Threshold deductions applicable from 2015 on deferred tax assets and certain investments;
 - vii) 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position.
- Tier II capital includes sub-ordinated debt, revaluation reserves on assets, exchange translation reserves and impairment allowances that are not held against identified debts. Information on the terms, conditions and other features of the Bank's sub-ordinated debt currently in issue is given in note 16 to these financial statements. There is a restriction on the amount of impairment allowances that are not held against identified debts upto 1.25 percent of credit risk weighted assets.

The deductions from Tier 2 include mainly:

- i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;
- ii) 50% of investments in majority owned securities or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

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

Leverage Ratio

Tier-1 Leverage Ratio of 3% is being introduced in response to the recently published Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from 31 December 2015. As at 31 December 2015, the bank has a leverage ratio of 6.73 % (2014: 7.40 %) and Tier-1 capital of Rs. 36,137 million (2014: Rs. 35,258 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

	2015	2014
	(Rupees in '000)	
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1 Fully Paid-up Capital	38,715,850	38,715,850
2 Balance in Share Premium Account	1,036,090	1,036,090
3 Reserve for issue of Bonus Shares	-	-
4 Discount on issue of shares	-	-
5 General/ Statutory Reserves	9,928,706	8,074,954
6 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7 Unappropriated profits	5,575,472	6,889,197
8 Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	752,018	835,114
9 CET 1 before Regulatory Adjustments	56,008,136	55,551,205
10 Total regulatory adjustments applied to CET1 (Note 39.1.1)	19,898,139	20,307,167
11 Common Equity Tier 1	36,109,997	35,244,038
Additional Tier 1 (AT 1) Capital		
12 Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
13 of which: Classified as equity	-	-
14 of which: Classified as liabilities	-	-
15 Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	26,950	14,402
16 of which: instrument issued by subsidiaries subject to phase out	-	-
17 AT1 before regulatory adjustments	26,950	14,402
18 Total regulatory adjustment applied to AT1 capital (Note 39.1.2)	-	-
19 Additional Tier 1 capital after regulatory adjustments	26,950	14,402
20 Additional Tier 1 capital recognized for capital adequacy	26,950	14,402
21 Tier 1 Capital (CET1 + admissible AT1) (11+20)	36,136,947	35,258,440
Tier 2 Capital		
22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
23 Tier 2 capital instruments subject to phase-out arrangement issued under pre-Basel 3 rules	1,750,000	2,000,000
24 Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	44,917	24,003
25 of which: instruments issued by subsidiaries subject to phase out	-	-
26 General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	555,906	539,465
27 Revaluation Reserves (net of taxes)	4,645,974	3,505,028
28 of which: Revaluation reserves on fixed assets	2,460,044	2,073,663
29 of which: Unrealized gains/losses on AFS	2,185,930	1,431,365
30 Foreign Exchange Translation Reserves	-	-
31 Undisclosed/Other Reserves (if any)	-	-
32 T2 before regulatory adjustments	6,996,797	6,068,496
33 Total regulatory adjustment applied to T2 capital (Note 39.1.3)	-	-
34 Tier 2 capital (T2) after regulatory adjustments	-	-
35 Tier 2 capital recognized for capital adequacy	-	-
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37 Total Tier 2 capital admissible for capital adequacy	6,996,797	6,068,496
38 TOTAL CAPITAL (T1 + admissible T2) (21+37)	43,133,744	41,326,936
39 Total Risk Weighted Assets (RWA) (for details refer Note 39.5)	208,154,347	218,557,252
Capital Ratios and buffers (in percentage of risk weighted assets)		
40 CET1 to total RWA	17.35%	16.13%
41 Tier-1 capital to total RWA	17.36%	16.13%
42 Total capital to total RWA	20.72%	18.91%
43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	-	-
44 of which: capital conservation buffer requirement	-	-
45 of which: countercyclical buffer requirement	-	-
46 of which: D-SIB or G-SIB buffer requirement	-	-
47 CET1 available to meet buffers (as a percentage of risk weighted assets)	7.35%	6.13%
National minimum capital requirements prescribed by SBP		
48 CET1 minimum ratio	6.00%	5.50%
49 Tier 1 minimum ratio	7.50%	7.00%
50 Total capital minimum ratio (including buffer requirement of 0.25%)	10.25%	10.00%

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For the year ended 31 December 2015

39.1 Regulatory Adjustments and Additional Information

	2015		2014
	Amount	Amounts subject to Pre- Basel III treatment*	Amount
----- (Rupees in '000) -----			
39.1.1 Common Equity Tier 1 capital: Regulatory adjustments			
1 Goodwill (net of related deferred tax liability)	18,928,832	-	19,825,701
2 All other intangibles (net of any associated deferred tax liability)	42,249	-	96,901
3 Shortfall in provisions against classified assets	-	-	-
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
5 Defined-benefit pension fund net assets	-	-	-
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-	-
7 Cash flow hedge reserve	-	-	-
8 Investment in own shares/ CET1 instruments	-	-	-
9 Securitization gain on sale	-	-	-
10 Capital shortfall of regulated subsidiaries	-	-	-
11 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
13 Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	927,058	1,390,587	384,565
15 Amount exceeding 15% threshold	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-
17 of which: deferred tax assets arising from temporary differences	-	-	-
18 National specific regulatory adjustments applied to CET1 capital	-	-	-
19 Investments in TFCs of other banks exceeding the prescribed limit	-	-	-
20 Any other deduction specified by SBP	-	-	-
21 Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-
22 Total regulatory adjustments applied to CET1 (sum of 1 to 21)	<u>19,898,139</u>		<u>20,307,167</u>
39.1.2 Additional Tier-1 & Tier-1 Capital: regulatory adjustments			
23 Investment in mutual funds exceeding the prescribed limit	-	-	-
24 Investment in own AT1 capital instruments	-	-	-
25 Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-
26 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
27 Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-
28 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-
29 Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	<u>-</u>	<u>-</u>	<u>-</u>

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

	2015		2014
	Amount	Amounts subject to Pre- Basel III treatment*	Amount
	----- (Rupees in '000) -----		
39.1.3 Tier 2 Capital: regulatory adjustments			
31	-	-	-
32	-	-	-
33	-	-	-
34	-	-	-
35	-	-	-
36	-	-	-

39.1.4 Additional Information

	2015	2014
	----- (Rupees in '000) -----	
Risk Weighted Assets subject to pre-Basel III treatment		
37	-	-
(i)	1,390,587	1,538,259
(ii)	-	-
(iii)	-	-
(iv)	-	-
Amounts below the thresholds for deduction (before risk weighting)		
38	-	-
39	-	-
40	3,803,937	3,520,154
Applicable caps on the inclusion of provisions in Tier 2		
41	555,906	539,465
42	1,934,474	2,061,419
43	-	-
44	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

39.2 Capital Structure Reconciliation

39.2.1

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015
----- (Rupees in '000) -----		
Assets		
Cash and balances with treasury banks	29,482,134	29,482,134
Balanced with other banks	4,300,002	4,300,002
Lending to financial institutions	26,969,566	26,969,566
Investments	224,632,132	224,632,132
Advances	106,594,901	106,594,901
Operating fixed assets	5,963,952	5,963,952
Deferred tax assets	-	5,984,327
Other assets	58,048,823	58,048,823
Total assets	455,991,510	461,975,837
Liabilities & Equity		
Bills payable	11,401,191	11,401,191
Borrowings	21,784,451	21,784,451
Deposits and other accounts	327,121,324	327,121,324
Sub-ordinated loans	2,500,000	2,500,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	3,218,309	9,202,636
Other liabilities	26,808,249	26,808,249
Total liabilities	392,833,524	398,817,851
Share capital	38,715,850	38,715,850
Reserves	10,964,796	10,964,796
Unappropriated profit	5,575,472	5,575,472
Minority interest	967,578	967,578
Surplus on revaluation of assets	6,934,290	6,934,290
Total liabilities & equity	455,991,510	461,975,837

39.2.2

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Reference
----- (Rupees in '000) -----			
Assets			
Cash and balances with treasury banks	29,482,134	29,482,134	
Balanced with other banks	4,300,002	4,300,002	
Lending to financial institutions	26,969,566	26,969,566	
Investments	224,632,132	224,632,132	
of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold	-	-	a
of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold	-	-	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)	-	-	d
of which: others	-	-	e
Advances	106,594,901	106,594,901	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	555,906	555,906	g
Fixed Assets	5,963,952	5,963,952	
Deferred Tax Assets	-	5,984,327	

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Reference
	———— (Rupees in '000) ————		
of which: DTAs that rely on future profitability excluding those arising from temporary differences	-	-	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	927,058	927,058	i
Other assets	58,048,823	58,048,823	
of which: Goodwill	26,095,310	26,095,310	j
of which: Intangibles	42,249	42,249	k
of which: Defined-benefit pension fund net assets	-	-	l
Total assets	455,991,510	461,975,837	
Liabilities & Equity			
Bills payable	11,401,191	11,401,191	
Borrowings	21,784,451	21,784,451	
Deposits and other accounts	327,121,324	327,121,324	
Sub-ordinated loans	2,500,000	2,500,000	
of which: eligible for inclusion in AT1	-	-	m
of which: eligible for inclusion in Tier 2	1,750,000	1,750,000	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	3,218,309	9,202,636	
of which: DTLs related to goodwill	-	7,166,477	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	-	-	q
of which: other deferred tax liabilities	-	2,036,159	r
Other liabilities	26,808,249	26,808,249	
Total liabilities	392,833,524	398,067,851	
Share capital	38,715,850	38,715,850	
of which: amount eligible for CET1	38,715,850	38,715,850	s
of which: amount eligible for AT1	-	-	t
Reserves	10,964,796	10,964,796	
of which: portion eligible for inclusion in CET1	10,964,796	10,964,796	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Unappropriated profit	5,575,472	5,575,472	w
Minority interest	967,578	967,578	
of which: portion eligible for inclusion in CET1	-	-	x
of which: portion eligible for inclusion in AT1	-	-	y
of which: portion eligible for inclusion in Tier 2	-	-	z
Surplus on revaluation of assets	6,934,290	6,934,290	
of which: Revaluation reserves on Property	3,671,708	3,671,708	aa
of which: Unrealized Gains/Losses on AFS	3,262,582	3,262,582	ab
In case of Deficit on revaluation (deduction from CET1)	-	-	
Total liabilities & Equity	455,991,510	461,225,837	

Notes to the Consolidated Financial Statements

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39.2.3 Basel III Disclosure Template

	Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1 Fully Paid-up Capital/ Capital deposited with SBP	38,715,850	
2 Balance in Share Premium Account	1,036,090	(s)
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	9,928,706	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6 Unappropriated profits	5,575,472	(w)
7 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	752,018	(x)
8 CET 1 before Regulatory Adjustments	56,008,136	
Common Equity Tier 1 capital: Regulatory adjustments		
9 Goodwill (net of related deferred tax liability)	18,928,832	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	42,249	(k) - (p)
11 Shortfall of provisions against classified assets	-	(l)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	((h) - (r)) * x %
13 Defined-benefit pension fund net assets	-	((i) - (q)) * x %
14 Reciprocal cross holdings in CET1 capital instruments	-	(d)
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	(ab)
19 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	(a) - (ac) - (ae)
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(b) - (ad) - (af)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	927,058	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments applied to CET1 capital	-	
27 of which: Investment in TFCs of other banks exceeding the prescribed limit	-	
28 of which: Any other deduction specified by SBP	-	
29 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	
30 Total regulatory adjustments applied to CET1	19,898,139	
Common Equity Tier 1	36,109,997	
Additional Tier 1 (AT 1) Capital		
31 Qualifying Additional Tier-1 instruments plus any related share premium	-	
32 of which: Classified as equity	-	(f)
33 of which: Classified as liabilities	-	(m)
34 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	26,950	(y)
35 of which: instrument issued by subsidiaries subject to phase out	26,950	
36 AT1 before regulatory adjustments	-	
Additional Tier 1 Capital: regulatory adjustments		
37 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
38 Investment in own AT1 capital instruments	-	
39 Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
40 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)

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For the year ended 31 December 2015

	Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
41	-	(ad)
42	-	
43	-	
44	-	
45	-	
46	26,950	
	Tier 1 Capital (CET1 + admissible AT1)	
	36,136,947	
	Tier 2 Capital	
47	-	
48	1,750,000	(n)
49	44,916	(z)
50	-	
51	555,906	(g)
52	4,645,974	
53	2,460,044	portion of (aa)
54	2,185,930	
55	-	(v)
56	-	
57	6,996,797	
	Tier 2 Capital: regulatory adjustments	
58	-	
59	-	
60	-	
61	-	(ae)
62	-	(af)
63	-	
64	6,996,797	
65	6,996,797	
66	-	
67	6,996,797	
	43,133,744	
	TOTAL CAPITAL (T1 + admissible T2)	

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39.3 Disclosure template for main features of regulatory capital instruments

	Main Features	Common Shares	TFCs
1	Issuer	Standard Chartered Bank (Pakistan) Limited	Standard Chartered Bank (Pakistan) Limited
2	Unique identifier (PSX Symbol)	SCBPL	SCBPL
3	Governing law(s) of the instrument	Relevant regulations/ laws	Relevant regulations/ laws
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Ineligible
6	Eligible at solo/ group/ group & solo	Solo and Group	Solo and Group
7	Instrument type	Ordinary shares	Other Tier 2 (Subordinated Debt)
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	38,715,650	1,750,000
9	Par value of instrument	PKR 10 per share	PKR 5,000 per Certificate
10	Accounting classification	Shareholders' equity	Sub-ordinated debt liability
11	Original date of issuance	Dec 2006	June 2012
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	Not applicable	December 31, 2022
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	May be called, subject to regulatory approval at any time after 60th month from the issuance date
16	Subsequent call dates, if applicable	Not applicable	Not applicable
	Coupons / dividends		
17	Fixed or floating dividend/ coupon	Not applicable	Floating
18	Coupon rate and any related index/ benchmark	Not applicable	6 M KIBOR + 0.75% pt
19	Existence of a dividend stopper	Not applicable	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger (s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable
30	Write-down feature	Not applicable	Not applicable
31	If write-down, write-down trigger(s)	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated debt/TFCs	Creditors including Depositors
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-compliant features	No	Absence of part of non-convertibility clause

39.4 CAPITAL-ASSESSMENT AND ADEQUACY BASEL III SPECIFIC

39.4.1 Scope Of Applications

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

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39.4.2 Capital Structure

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

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

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

39.5 Capital Adequacy

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

	Capital Requirements		Risk Weighted Assets	
	2015	2014	2015	2014
	(Rupees in '000)			
Credit Risk				
Portfolios subject to standardized approach (Simple)				
Cash & cash equivalents	-	-	-	-
Sovereign	6,426	15,642	64,250	156,425
Public Sector entities	4,857	27,804	48,567	278,036
Banks	1,026,267	575,699	10,262,672	5,756,986
Corporate	7,532,223	9,754,457	75,322,229	97,544,573
Retail	919,395	856,478	9,193,950	8,564,776
Residential Mortgages	87,071	90,292	870,711	902,918
Past Due loans	327,777	221,771	3,277,772	2,217,708
Operating Fixed Assets	597,807	628,567	5,978,067	6,285,669
Other assets	1,301,304	1,270,211	13,013,038	12,702,113
	11,803,127	13,440,921	118,031,256	134,409,204
Off-Balance sheet				
Non-market related				
Loan Repayment Guarantees	2,192,077	1,611,661	21,920,770	16,116,607
Performance Bonds etc.	1,108,493	1,127,892	11,084,926	11,278,919
Stand By Letters of Credit	266,115	217,939	2,661,149	2,179,394
	3,566,685	2,957,492	35,666,845	29,574,920
Market related				
	88,299	78,280	882,986	782,804
Equity Exposure Risk in the Banking Book				
Listed	17,686	14,660	176,864	146,598
Unlisted	-	-	-	-
	17,686	14,660	176,864	146,598
Market Risk				
Capital Requirement for portfolios subject to Standardized Approach				
Interest rate risk	189,440	148,135	1,894,398	1,481,353
Equity position risk	-	-	-	-
Foreign Exchange risk	145,483	400,600	1,454,838	4,006,005
	334,923	548,735	3,349,236	5,487,358
Operational Risk				
Capital Requirement for operational risks	5,004,716	4,815,637	50,047,160	48,156,368
TOTAL	20,815,436	21,855,725	208,154,347	218,557,252

Capital Adequacy Ratio

CET1 to total RWA
Tier-1 capital to total RWA
Total capital to total RWA (including buffer requirement of 0.25%)

2015		2014	
Required	Actual	Required	Actual
6.00%	17.35%	5.50%	16.13%
7.50%	17.36%	7.00%	16.13%
10.25%	20.72%	10.00%	18.91%

39.6 Types of exposures and ECAI's used

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

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

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LONG-TERM RATING GRADES MAPPING

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

SHORT-TERM RATING GRADES MAPPING

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

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40. RISK MANAGEMENT

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

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

Balancing risk and return

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

Responsibility

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

Accountability

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

Anticipation

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

Competitive Advantage

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

Risk management

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

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

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

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

40.1 Credit risk

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

Notes to the Consolidated Financial Statements

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

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

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

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

40.1.1 Corporate and Institutional and Commercial Banking Clients

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

40.1.2 Retail Banking Clients

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

Notes to the Consolidated Financial Statements

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40.1.3 Segment by Class of Business

2015

	Advances - Gross		Deposits		Contingencies and Commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and pharmaceuticals	14,670,185	11.43	8,568,500	2.62	13,968,987	13.76
Agri business	4,753,012	3.70	149,805	0.05	-	-
Textile	25,733,572	20.06	1,506,909	0.46	1,763,140	1.74
Communication	273,652	0.21	11,095,326	3.39	5,906,301	5.82
Insurance	-	-	1,139,814	0.35	-	-
Telecommunications and information technology	4,789,558	3.73	2,424,927	0.74	639,243	0.63
Cement	1,033,619	0.81	12,725	-	266,153	0.26
Sugar	914,302	0.71	7,174	-	2,400	-
Automobile and transportation equipment	1,879,497	1.46	1,348,926	0.41	3,755,074	3.70
Transportation	1,803,988	1.41	2,730,114	0.83	3,063,500	3.02
Financial	2,301,272	1.94	688,851	0.25	43,178,917	42.53
Electronics and electrical appliances	929,120	0.72	6,432,204	1.97	7,990,607	7.87
Production and transmission of energy	13,932,278	10.86	9,993,338	3.05	4,204,780	4.14
Shoes and leather garments	922,777	0.72	66,366	0.02	22,941	0.02
Individuals	16,256,171	12.67	212,400,283	64.91	-	-
Others	37,918,616	29.57	68,556,062	20.95	16,755,348	16.51
	<u>128,111,619</u>	<u>100.00</u>	<u>327,121,324</u>	<u>100.00</u>	<u>101,517,391</u>	<u>100.00</u>

2014

	Advances - Gross		Deposits		Contingencies and Commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and pharmaceuticals	13,899,988	9.27	4,209,828	1.38	8,757,658	9.94
Agri business	5,118,266	3.41	447,393	0.15	26,197	0.03
Textile	32,843,153	21.89	1,773,702	0.58	3,279,394	3.72
Communication	94,822	0.06	12,149,161	3.99	4,443,819	5.04
Insurance	-	-	1,301,076	0.43	-	-
Telecommunications and information technology	6,555,582	4.38	1,914,641	0.63	175,302	0.20
Cement	1,972,388	1.31	4,675	0.00	225,048	0.26
Sugar	2,184,830	1.46	3,496	0.00	62,400	0.07
Automobile and transportation equipment	2,070,735	1.38	1,337,670	0.44	2,407,788	2.73
Transportation	3,546,158	2.36	1,446,937	0.46	2,597,294	2.95
Financial	207,868	0.14	625,892	0.21	38,043,458	43.19
Electronics and electrical appliances	1,359,030	0.91	4,460,440	1.47	4,103,316	4.66
Production and transmission of energy	18,893,842	12.59	14,224,415	4.67	3,587,525	4.07
Shoes and leather garments	1,273,809	0.85	93,181	0.03	20,192	0.02
Individuals	15,831,439	10.55	203,218,343	66.76	645	0.00
Others	44,173,443	29.44	57,094,691	18.78	20,360,193	23.11
	<u>150,025,353</u>	<u>100.00</u>	<u>304,305,541</u>	<u>100.00</u>	<u>88,090,229</u>	<u>100.00</u>

Notes to the Consolidated Financial Statements

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

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

40.1.5 Segment by Sector

	2015					
	Advances		Deposits		Contingencies and Commitments	
	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
Public / Government	5,566,884	4.35%	3,823,086	1.17%	-	0.00%
Private	122,544,735	95.65%	323,298,238	98.83%	94,845,332	100.00%
	<u>128,111,619</u>	<u>100%</u>	<u>327,121,324</u>	<u>100%</u>	<u>94,845,332</u>	<u>100%</u>

	2014					
	Advances		Deposits		Contingencies and Commitments	
	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
Public / Government	6,167,800	4.11%	4,945,769	1.63%	4,795,000	5.77%
Private	143,857,553	95.89%	299,359,772	98.37%	78,254,107	94.23%
	<u>150,025,353</u>	<u>100%</u>	<u>304,305,541</u>	<u>100%</u>	<u>83,049,107</u>	<u>100%</u>

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

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

40.1.7 Geographical Segment Analysis

	2015			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
(Rupees in '000)				
Pakistan	15,564,695	455,991,510	63,157,986	94,845,332
	<u>15,564,695</u>	<u>455,991,510</u>	<u>63,157,986</u>	<u>94,845,332</u>

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	2014			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	(Rupees in '000)			
Pakistan	15,368,007	419,723,331	61,900,288	83,049,107
	<u>15,368,007</u>	<u>419,723,331</u>	<u>61,900,288</u>	<u>83,049,107</u>

40.2 Market Risk

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

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

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

40.3 Foreign Exchange Risk

	2015			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)			
Pakistan rupee	369,502,904	326,553,983	53,837,167	96,786,088
United States dollar	33,057,459	52,117,116	(48,598,110)	(67,657,767)
Great Britain pound	5,668,669	5,668,606	(229,477)	(229,414)
Euro	3,758,134	3,758,396	(3,497,927)	(3,498,189)
Swiss Franc	22,167	22,142	(49,502)	(49,477)
Japanese yen	35,218	2,677	(739,986)	(707,445)
Others	25,678	19,601	(722,165)	(716,088)
	<u>412,070,229</u>	<u>388,142,521</u>	<u>-</u>	<u>23,927,708</u>

	2014			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)			
Pakistan rupee	335,531,856	292,608,603	42,444,107	85,367,359
United States dollar	34,393,601	51,226,462	(39,701,194)	(56,534,055)
Great Britain pound	5,809,804	5,808,079	(192,632)	(190,907)
Euro	1,621,047	4,380,041	(700,425)	(3,459,419)
Swiss Franc	21,350	21,350	(54,676)	(54,676)
Japanese yen	27,844	19,472	(603,453)	(595,081)
Others	25,682	25,618	(1,191,727)	(1,191,663)
	<u>377,431,184</u>	<u>354,089,625</u>	<u>-</u>	<u>23,341,558</u>

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

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

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40.4 Mismatch of Interest Rate Sensitive Assets and Liabilities

On-balance sheet financial instruments	Effective yield / interest rate	Total	2015									Non interest bearing financial instruments
			Exposed to yield / interest rate risk									
			Up to one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years	
(Rupees in '000)												
Assets												
Cash and balances with treasury banks		29,460,124	8,321,249									26,960,885
Balances with other banks	8.00%	4,300,002										4,300,002
Lending to financial institutions	1.90%	26,969,356	20,450,620	34,255,183	7,118,606	6,518,946	36,595,830	22,326,728	224,068			(106,167)
Investments	10.02%	224,632,132	18,143,950	31,345,580	16,305,872	2,679,363	994,130	810,066	885,273			2,581,698
Advances	7.79%	106,384,981	51,885,691	31,345,580	16,305,872	2,679,363	994,130	810,066	885,273			20,097,454
Other assets		20,081,894										47,748,918
		412,670,229	86,506,514	65,600,861	23,624,478	115,285,223	37,581,960	23,136,794	908,441			
Liabilities												
Bills payable	0.00%	11,401,191										11,401,191
Borrowings	5.61%	21,794,451	9,332,728	12,416,514	2,224,660				82,681	865,267	17,763	1,054,835
Deposits and other accounts	5.09%	327,121,324	157,184,129	4,625,990	1,912,215	3,372,728	757,675	242,671				149,765,808
Subordinated loan - TFCs	9.93%	2,606,000			2,500,000							
Other liabilities		25,328,595										25,328,595
		388,142,521	173,136,856	16,442,504	6,836,885	3,312,728	757,675	325,332	947,948	17,763		187,887,186
On-balance sheet gap		23,827,708	(73,597,241)	49,158,357	16,787,593	111,962,494	36,824,285	22,811,462	(64,825)	(17,763)		(139,811,268)
Off-balance sheet financial instruments												
Forward Lending		6,834,907	642,631		889,262	167,290	2,513,567	959,865	1,736,260			
Interest Rate Swap		83,625	29,640	3,882	50,893							
Foreign Currency option		74,377,717	36,951,975	35,896,721	1,280,115	348,609						
Forward Foreign Exchange Contracts		81,295,849	37,238,946	35,699,833	2,640,370	516,406	2,513,567	859,865	1,736,260			
Forward Borrowing		2,382,572			806,362		837,928		735,282			
Interest Rate Swap		82,825	29,640	3,882	50,893							
Foreign Currency option		10,901,709	36,181,210	15,415,058	2,371,709	13,782						
Forward Foreign Exchange Contracts		36,367,906	36,130,950	15,418,189	2,291,964	13,782	937,928		735,282			
Off-balance sheet gap		24,927,943	1,100,896	20,387,213	(391,554)	582,224	1,671,636	959,865	1,000,000			
Total yield / interest risk sensitivity gap		48,855,651	(72,496,345)	69,545,570	16,396,039	112,544,718	38,495,921	23,771,287	954,174	(17,763)		(139,811,268)
Cumulative yield / interest risk sensitivity gap				(339,155)	13,094,846	125,458,517	183,959,201	187,730,208	188,684,882	198,588,919	188,688,919	

On-balance sheet financial instruments	Effective yield / interest rate	Total	2014									Non interest bearing financial instruments
			Exposed to yield / interest rate risk									
			Up to one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years	
(Rupees in '000)												
Assets												
Cash and balances with treasury banks		21,476,345	6,593,295									12,882,080
Balances with other banks	3.00%	287,301										287,301
Lending to financial institutions	4.48%	19,812,559	10,913,539	7,712,372	31,125,893	15,181,325	10,968,397	19,520,976	180,775			(136,427)
Investments	10.04%	185,982,697	25,890,516	7,712,372	10,395,471	7,689,696	899,770	724,709	1,197,091	413,709		1,645,733
Advances	10.32%	1,85,715,353	57,291,368	38,724,525	10,395,471	7,689,696	899,770	724,709	1,197,091	413,709		27,182,529
Other assets		27,182,529										41,964,216
		377,401,154	100,588,306	46,436,697	51,621,363	22,741,288	81,851,357	30,245,585	1,367,868	413,709		
Liabilities												
Bills payable		5,563,506										5,563,506
Borrowings	7.21%	17,244,571	2,580,210	5,181,770	2,298,248	25,464	74,655		704,357	441,548		1,623,964
Deposits and other accounts	6.50%	304,305,541	156,076,097	3,777,367	2,044,148	4,828,658	164,511	336,225		1,800		(37,144,231)
Subordinated loan - TFCs	10.80%	1,600,000			2,500,000							
Other liabilities		24,475,808										24,475,808
		364,289,625	158,656,317	33,961,487	7,142,996	4,653,292	439,573	336,325	704,357	441,548		196,867,606
On-balance sheet gap		23,341,529	(58,078,011)	12,475,210	44,678,367	18,087,996	87,221,784	29,909,260	657,511	(27,839)		(126,843,395)
Off-balance sheet financial instruments												
Forward Lending		15,492,363				900,000	4,593,642	7,963,767	1,647,658	477,295		
Interest Rate Swap												
Foreign Currency option		82,995,426	27,073,844	21,794,180	2,885,992	216,370						
Forward Foreign Exchange Contracts		88,361,789	27,073,844	21,794,180	2,885,992	1,016,070	4,593,642	7,963,767	1,647,658	477,295		
Forward Borrowing		15,688,864		5,934,070		4,674,696	2,329,361	1,338,775	313,507	477,295		
Interest Rate Swap												
Foreign Currency option		37,021,800	18,895,113	12,586,639	5,789,880							
Forward Foreign Exchange Contracts		32,390,366	18,895,113	12,586,639	5,789,880	4,674,696	2,329,361	1,338,775	313,507	477,295		
Off-balance sheet gap		16,087,425	8,129,537	3,263,487	11,964,436	(3,658,596)	2,274,261	6,892,982	1,334,152			
Total yield / interest risk sensitivity gap		39,428,954	(49,948,474)	15,738,697	56,642,803	14,429,400	89,896,045	36,802,242	1,991,663	(27,839)		(126,843,395)
Cumulative yield / interest risk sensitivity gap				(13,136,084)	29,637,875	44,058,272	127,754,300	164,297,652	166,274,313	166,246,474	166,246,474	

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40.5 Yield / Interest Rate Risk

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

40.6 Liquidity Risk

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

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

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

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

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

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

40.7 MATURITIES OF ASSETS AND LIABILITIES - based on contractual maturity of assets and liabilities of the group

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

Notes to the Consolidated Financial Statements

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	2015									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with:										
treasury banks	29,482,134	29,482,134	-	-	-	-	-	-	-	-
Balances with other banks	4,300,002	4,300,002	-	-	-	-	-	-	-	-
Lendings to financial institutions	26,969,586	20,450,620	-	-	6,518,946	-	-	-	-	-
Investments	224,632,132	17,772,428	34,941,466	5,193,833	106,075,914	36,595,830	22,326,728	1,549,066	176,865	-
Advances	106,594,901	45,046,405	26,979,877	11,314,705	3,709,464	6,357,367	5,600,537	6,502,608	1,047,597	1,042,541
Other assets	31,922,103	2,223,153	8,159,503	9,714,759	1,931,698	4,066,600	5,800,013	26,377	-	-
Operating fixed assets	5,963,982	78,564	141,126	211,690	423,378	846,757	846,757	1,693,517	1,589,982	140,201
Intangible assets	26,126,720	220	439	659	1,317	2,634	2,634	5,267	13,169	26,100,381
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	455,991,510	119,339,526	69,222,211	26,435,646	118,660,717	47,869,188	34,576,669	9,776,837	2,827,593	27,283,123
Liabilities										
Bills payable	11,401,191	11,401,191	-	-	-	-	-	-	-	-
Borrowings	21,784,451	6,067,561	12,416,514	2,224,865	-	-	62,681	955,267	17,763	-
Deposits and other accounts	327,121,324	316,671,638	4,025,990	1,910,111	3,312,739	757,975	242,671	-	-	-
Sub-ordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Deferred tax liabilities	3,218,309	-	-	-	-	-	-	3,218,309	-	-
Other liabilities	26,808,249	1,747,824	3,540,594	8,818,530	12,608,559	88,111	-	4,631	-	-
	392,833,524	336,108,414	19,983,098	12,953,306	15,921,298	846,086	325,352	4,178,207	2,517,763	-
	63,157,986	(216,768,888)	49,239,113	13,482,340	102,739,419	47,023,102	34,251,317	5,598,630	309,830	27,283,123
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	10,964,796	-	-	-	-	-	-	-	-	-
Unappropriated profit	5,575,472	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of assets	6,934,290	-	-	-	-	-	-	-	-	-
Minority interest	967,578	-	-	-	-	-	-	-	-	-
	63,157,986	-	-	-	-	-	-	-	-	-
2014										
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with:										
treasury banks	21,475,345	21,475,345	-	-	-	-	-	-	-	-
Balances with other banks	387,301	387,301	-	-	-	-	-	-	-	-
Lendings to financial institutions	12,815,559	10,813,559	-	-	-	-	-	-	-	-
Investments	188,892,097	22,919,217	8,398,645	30,400,893	15,151,305	80,968,587	29,520,976	1,486,775	146,589	-
Advances	129,575,353	50,736,941	26,845,298	15,072,596	8,386,542	6,741,962	8,309,894	8,520,840	1,573,759	1,590,497
Other assets	37,024,009	887,417	12,552,417	299,473	13,013,055	3,476,975	3,799,025	94,176	871	-
Operating fixed assets	6,282,553	13,841	26,566	38,551	79,164	108,206	158,206	314,289	265,647	4,727,342
Intangible assets	26,173,114	553	1,107	1,660	3,319	6,629	6,638	13,278	32,900	26,107,019
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	419,723,351	107,234,274	49,823,835	45,814,173	37,835,325	91,352,389	41,595,344	11,428,357	2,516,778	32,424,858
Liabilities										
Bills payable	5,563,805	5,563,805	-	-	-	-	-	-	-	-
Borrowings	17,244,671	4,209,179	9,181,120	2,598,248	35,464	74,653	-	704,357	441,648	-
Deposits and other accounts	304,305,541	293,165,620	3,771,367	2,044,748	4,621,566	364,916	336,325	1,000	-	-
Sub-ordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Deferred tax liabilities	2,575,853	-	-	-	-	-	-	2,575,833	-	-
Other liabilities	25,833,835	1,658,774	3,538,442	1,266,137	16,581,659	121,549	483,546	2,020	871	-
	357,825,343	304,597,176	16,460,935	5,909,128	23,236,889	56,519	799,871	3,283,210	2,942,519	-
	61,900,298	(197,362,901)	33,332,900	39,905,045	14,294,636	30,790,870	40,796,473	8,145,147	(425,741)	32,424,858
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	9,111,344	-	-	-	-	-	-	-	-	-
Unappropriated profit	6,889,177	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of assets	3,258,579	-	-	-	-	-	-	-	-	-
Minority interest	967,578	-	-	-	-	-	-	-	-	-
	61,900,298	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

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40.8 MATURITIES OF ASSETS AND LIABILITIES - based on expected maturity of assets and liabilities of the bank

	2015									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with treasury banks	29,482,134	29,482,134	-	-	-	-	-	-	-	-
Balances with other banks	4,300,002	4,300,002	-	-	-	-	-	-	-	-
Lendings to financial institutions	26,969,596	20,490,620	-	-	6,518,946	-	-	-	-	-
Investments	224,632,732	17,772,428	34,941,496	5,193,833	106,075,914	38,595,830	22,325,728	1,549,068	176,866	-
Advances	106,594,901	10,495,358	29,544,063	16,561,284	14,482,622	21,258,291	5,690,537	6,502,608	1,047,587	1,042,541
Other assets	31,922,180	2,223,153	8,159,503	9,714,759	1,931,898	4,056,600	8,800,013	25,377	-	-
Operating fixed assets	3,963,932	70,564	141,126	211,580	423,378	846,757	846,757	1,693,517	1,588,962	140,201
Intangible assets	26,126,720	229	439	659	1,317	2,634	2,534	5,267	13,169	26,100,381
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	495,991,610	84,794,479	72,796,597	31,782,223	129,353,876	82,810,112	34,576,569	8,775,837	2,827,593	27,281,123
Liabilities										
Bills payable	11,401,191	11,401,191	-	-	-	-	-	-	-	-
Borrowings	21,784,461	6,087,961	12,416,514	2,224,665	-	-	82,681	955,267	17,763	-
Deposits and other accounts	327,121,324	41,377,198	13,748,105	15,494,785	32,482,086	222,775,479	242,671	-	-	-
Sub-ordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Deferred tax liabilities	3,218,309	(2,811)	-	-	-	-	-	3,221,120	-	-
Other liabilities	28,668,249	1,747,824	3,540,594	8,818,538	12,698,558	88,111	-	4,631	-	-
	392,833,624	60,610,963	29,706,213	27,537,888	45,990,545	222,863,590	325,362	4,181,918	2,517,763	-
	63,157,986	24,183,516	43,090,384	4,244,245	84,363,331	(160,053,478)	34,251,317	5,395,810	209,830	27,281,123
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	19,964,796	-	-	-	-	-	-	-	-	-
Unappropriated profit	5,575,472	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net	907,578	-	-	-	-	-	-	-	-	-
Minority interest	6,534,290	-	-	-	-	-	-	-	-	-
	63,157,986									

	2014									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with treasury banks	21,475,345	21,475,345	-	-	-	-	-	-	-	-
Balances with other banks	387,301	387,301	-	-	-	-	-	-	-	-
Lendings to financial institutions	16,813,568	15,813,559	-	-	-	-	-	-	-	-
Investments	188,982,097	22,919,317	8,798,845	30,430,823	15,151,305	80,968,587	29,529,578	1,485,775	146,589	-
Advances	128,575,353	11,923,232	30,513,136	17,574,366	13,393,063	36,380,570	6,109,038	9,520,840	1,570,759	1,580,401
Other assets	37,024,009	887,617	12,552,417	298,473	12,913,355	3,476,973	5,289,625	94,178	871	-
Operating fixed assets	6,282,553	13,841	26,388	39,551	78,194	158,206	158,206	314,288	705,647	4,727,342
Intangible assets	25,173,114	533	1,107	1,600	3,319	6,620	6,032	13,279	32,969	25,137,519
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	419,723,331	58,426,565	51,491,675	48,318,933	42,536,646	120,992,977	41,595,344	11,428,357	2,516,776	32,424,858
Liabilities										
Bills payable	5,563,505	5,563,505	-	-	-	-	-	-	-	-
Borrowings	17,244,671	4,208,178	9,181,120	2,528,248	29,464	74,626	-	704,357	441,648	-
Deposits and other accounts	304,305,541	32,281,240	12,471,316	15,094,670	30,721,411	213,419,580	338,325	1,906	-	-
Sub-ordinated loans	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Deferred tax liabilities	2,575,633	-	-	-	-	-	-	2,575,633	-	-
Other liabilities	26,832,399	1,668,774	3,538,442	1,266,132	18,581,899	121,949	462,546	3,020	871	-
	397,823,642	43,682,798	25,190,877	18,959,680	49,338,534	213,818,104	799,871	3,283,210	2,942,519	-
	61,900,288	24,727,767	26,300,798	26,356,683	(6,801,688)	(92,825,207)	40,795,473	8,145,147	(425,743)	32,424,858
Net assets										
Share capital	38,715,850	-	-	-	-	-	-	-	-	-
Reserves	9,111,044	-	-	-	-	-	-	-	-	-
Unappropriated profit	6,889,177	-	-	-	-	-	-	-	-	-
Deficit on revaluation of assets - net	905,238	-	-	-	-	-	-	-	-	-
Minority interest	8,258,579	-	-	-	-	-	-	-	-	-
	61,900,288									

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40.9 Operational Risk

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

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

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

41 ISLAMIC BANKING BUSINESS

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

41.1 Balance Sheet

Note	2015	2014
	----- (Rupees in '000) -----	
Assets		
Cash and balances with treasury banks	2,385,567	2,284,066
Due from Financial Institutions	10,437,516	2,813,527
Investments	5,440,132	11,895,570
Islamic Financing and Related Assets	29,605,233	33,322,582
Operating fixed assets	39,644	47,915
Other assets	537,069	865,856
	48,445,161	51,229,516
Liabilities		
Bills payable	147,117	117
Due to Financial Institutions	1,459,000	1,349,000
Deposits and other accounts		
Current Accounts	22,627,461	22,462,038
Saving Accounts	13,028,585	12,272,682
Term Deposits	1,681,517	1,776,086
Others	8,184	11,768
Deposit from Financial Institutions -Remunerative	612,820	268
Deposits from Financial Institutions-Non-Remunerative	37,958,567	36,522,842
Due to Head Office	3,679,318	8,320,362
Other liabilities	265,005	221,136
	43,709,007	46,413,457
	4,736,154	4,816,059
Net Assets		
Represented by:		
Islamic Banking Fund	200,000	200,000
Unappropriated/ Unremitted profit	4,523,020	4,592,023
	4,723,020	4,792,023
Surplus / (deficit) on revaluation of assets - net	13,134	24,036
	4,736,154	4,816,059
CONTINGENCIES AND COMMITMENTS	21	
Remuneration to Shariah Advisor/Board	9,092	4,417
Charity fund		
Opening balance	2,208	1,071
Additions during the year	10,877	4,232
Payments / utilization during the year	(10,899)	(3,095)
Closing balance	2,186	2,208

Notes to the Consolidated Financial Statements

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41.1.1 Islamic Mode of Financing	Note	2015	2014
		(Rupees in '000)	
Murabaha	41.1.1a	2,742,295	7,083,998
Musharaka	41.1.1b	12,496,852	9,000,649
Diminishing Musharaka	41.1.1c	13,472,362	14,492,048
Ijarah	41.1.1d	476,053	856,895
Istisna	41.1.1e	-	1,550,000
Musawammah	41.1.1f	141,492	122,914
Others	41.1.1g	276,179	216,078
		29,605,233	33,322,582
41.1.1a Murabaha			
Financings/Investments/Receivables		673,855	1,490,466
Advances		689,479	5,593,532
Assets/Inventories		1,378,961	-
		2,742,295	7,083,998
41.1.1b Musharaka			
Financings/Investments/Receivables		12,496,852	9,000,649
		12,496,852	9,000,649
41.1.1c Diminishing Musharaka			
Financings/Investments/Receivables		13,472,362	14,492,048
		13,472,362	14,492,048
41.1.1d Ijarah			
Financings/Investments/Receivables		476,053	856,895
		476,053	856,895
41.1.1e Istisna			
Financings/Investments/Receivables		-	1,550,000
		-	1,550,000
41.1.1f Musawammah			
Financings/Investments/Receivables		141,492	122,914
		141,492	122,914
41.1.1g Others			
Financings/Investments/Receivables		276,179	216,078
		276,179	216,078
41.2 Profit and Loss			
Profit / return earned on financings, investments and placements		4,025,195	4,671,127
Return on deposits and others dues expensed		(1,175,437)	(1,474,470)
Net spread earned		2,849,758	3,196,657
Provision against non performing financing		(193,334)	(35,417)
Net spread after provisions		2,656,424	3,161,240
Other income			
Fees, commission and brokerage income		674,172	939,582
Other income		123	679
Total other income		674,295	940,261
Other expenses			
Administrative expenses		(1,899,722)	(1,264,369)
Profit before taxation		1,430,997	2,837,132

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

Deposit and other accounts include redeemable capital of Rs. 15,331,106 million (December 31, 2014: Rs. 14,060,804 million) and deposits on Qard basis of Rs. 22,627,461 million (December 31, 2014: Rs. 22,462,038 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable Capital and non-remunerative deposits are classified as being on Qard basis.

41.3 CASH FLOW FROM OPERATING ACTIVITIES

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

41.4 Ijarah Financing

Note

Cost

As at 1 January

Additions during the year

Transfer/ Write offs

Deletions

As at 31 December

Accumulated Depreciation

As at 1 January

Charge for the year

Transfer/ Write offs

Deletions

As at 31 December

Net Book value

Future Ijarah payments

Not later than one year

Later than one and less than five years

Total Future Ijarah payments

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

41.5 Profit & Loss distribution and Pool Management

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

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

a) IERS Musharakah Pool

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

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

b) Mudarabah Depositors Pool

- General Depositors Pool
- Special Depositors Pool

i) Key features and risk & reward characteristics

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

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

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

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

iii) Deployment of Mudaraba based deposits

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

iv) Other Information


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

42 GENERAL

- 42.1 Certain corresponding figures have been re-arranged / reclassified to reflect more appropriate presentation that are not material in nature.
- 42.2 These consolidated financial statements were authorized for issue in the Board of Directors meeting held on 03 March 2016.


Shazad Dada
Chief Executive Officer


Najam I. Chaudhri
Director


Parvez Ghias
Director


Spenta Kandawalla
Director

Consolidated Financial Statements

Annexure-1

Sl. No.	Name	Address	Name of Firm/Partners/ Directors/ POC / CMC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Conversion		
					Principal	Interest/ Mark-up	Total	Principal	Interest/ Mark-up	Total
1	Heerles Decor	Office No. 719, 7th Floor, Larnash Plaza, Jail Road, Lahore, Pakistan	Zameer Mustafa 274-78-4885-75 Muhammad Sakeem Khan 270-60-454762	Shakeel Mustafa Samsulah Khan	11,507,982	167,244,908	218,752,890	12,507,982	167,244,908	218,752,890
2	Aff Muzak Shah	House No. 10-C, Gulberg I, Lahore	Aff Muzak Shah 273-86-42272	Syed Kabir Ali Shah	53,829,471	110,749,321	164,578,792	53,829,471	110,749,321	164,578,792
2	Tech Pacific	Suit # 3, 3rd Floor, Al-Farooq Centre, Main Bulevard, Gaborge II, Lahore	Khalid Hussain Bhatti 35200-7465341-5	Fateh Muhammad Bhatti	30,642,702	6,277,614	42,115,317	30,642,702	36,553,608	74,366,310
4	Karim Carpets	Block # 3, Super Market, F-6, Scheme Road, Sahiwal	Imran Arshad 17381-6982950-9 Iftan Arif 61108-211387-3	Amerah, Amerah	10,904,728	28,117,282	66,043,062	39,325,776	10,854,808	75,188,771
5	H J Communication	10-GF, Gate Post, Gulberg II, Lahore	Muhammad Razaq 35200-9488307-3	Sh. Koda Qayyum	29,896,500	37,351,119	67,356,619	25,989,500	38,858,200	69,257,700
6	Healthcare Surgical Supplies	35-Ah, Wazirabad Road, Sahiwal	Muzt Ameer Saeed 34803-2216428-7	Rhaza Bukhar Saeed	11,386,164	49,197,281	68,294,445	15,888,104	49,187,361	68,284,365
7	H.J.F. Trading	60 Circle Road, Lahore	Rohan Malik 35202-2886452-1 Malik Jamshed Javed 42501-6484290-3 Farhan Malik 42401-7525523-7	Rohan Malik, Malik Parvaz, Malik Jamshed Javed, Javed Malik, Farhan Malik, Malik Tariq	19,786,240	35,276,650	68,046,873	20,710,240	37,471,538	67,229,838
8	Trust Investment Bank Limited	23-DH A, Gaborge II, Lahore	Ash Kamal 35200-2550489-9 Musharraf Humayun Nadeem 35201-7740005-1 Javed Usmani Sheikh 35202-2986771-9 Syed Mohsin Raza Naqvi 35200-5195520-7 Shahid Ishaq 35201-6250652-8 Munawwar Ali 35202-6734642-5 Mr. Javed Hafeez 17301-7746366-1	Muhammad Azam Muhammad Nadeem Sheikh Muhammad Nadeem Syed Muhammad Hussain Naqvi Muhammad Iqbal Ghulam Muhammad Muhammad Ali Khan	49,326,466	13,841,770	63,168,236	48,319,870	13,841,770	62,161,640
9	Khalid Utan International	F-2, Saeedee, Wazir Hussain Centre, Gaborge Road, Lahore	Khalid Khalid 35200-1484282-6	Khalid Khalid Rameez	29,895,111	27,800,762	57,625,873	29,895,111	29,855,328	59,930,439
10	Mahd Export Limited	6/FB, Awan Complex, Uman Block, New Gaborge Town, Lahore	Ash Saigal 35202-6075434-7 Ash Saigal 35202-3562894-9 Ash Saigal No. Lahore City, Old Park Road	Rahma Saigal Rahim Saigal Rahim Saigal	15,337,238	42,608,857	58,216,158	15,587,238	42,690,287	68,236,195
11	Fabrics Industries (Pvt) Ltd	A-14-B, New Market, Lahore Gate, Lahore	Muhammad Waheed Malik 35202-6288399-5	Malik Abdul Waheed	29,826,251	24,184,299	54,000,550	29,826,251	36,254,138	56,100,389
12	Vital Chemical	14, First Floor, Wazirabad, Lahore, Faisal, Faisal	Razi Ahmad Mirza 35200-6612425-5	Razi Ahmad Mirza Muhammad Siddique Mirza	12,736,241	17,806,886	40,543,127	25,736,241	27,214,537	56,710,778
13	HMB (Pvt) Ltd	F-1, Jinnah Road, Wazirabad, Sahiwal, Sahiwal, Lahore	Muhammad Manzoor Ali 35202-3810489-3 Manish Sunam 35201-2134623-4	Manzoor Ali, Manzoor Ali	10,472,746	1,386,156	24,657,897	10,472,746	25,492,862	46,463,708
14	Food Kraft	Plot No. 5-10-A, New Gaborge, Gaborge, Faisal	Gamer Ul Islam 84101-3132752-5	Shahid Muhammad Sabir	5,257,644	1,513,104	6,764,747	5,257,644	42,698,957	47,956,601
15	DATA AI Traders	Room # 7, 10th Floor, Nigar Centre, Larkana Road, Lahore	Muhammad Ahmad Sani 35202-6910948-8	Hazrat Muhammad Yamin	30,030,500	38,648,830	68,679,330	4,005,000	41,681,264	45,254,579
16	MA Traders	235-E, Main Bulevard, Sahiwal, Scheme, Multan Road, Lahore	Nasir Ishaq 35201-8335246-7	Haj Muhammad Ali	11,366,309	21,716,273	41,774,710	11,366,309	22,985,532	42,962,832
17	Nadom International	2nd Floor, Egan Plaza, Faisal-HQ Road, Bha Area, Bahawalpur	Nadom Hameed Shah 42300-0816664-9 Nadeem Jam 42201-1467305-5 Nadeem Us Din 37400-2566970-7 Khalid Ur Rehman 42301-3076374-1 Tameer Shah 14301-2379381-2	Nadom Hameed Shah Abdul Hameed Shah Nadeem Jam Muhammad Nadeem Jam, Nadeem Us Din Dr. Muzt Masood Tameer, Khalid Ur Rehman, Habib Ur Rehman Khan, Tameer Shah, Dr. Abdulhaleem Khan	10,256,190	19,761,305	35,217,495	19,256,190	20,749,248	40,005,438
18	Pearl Steel Traders	Al Rehman Quarter, First Floor, Room # 1, Sandert Road, Lahore	Sh. M Asghar 35202-6484941-6	Sh. Muhammad Akmal	15,982,204	7,315,289	23,497,494	15,982,204	23,712,406	39,694,386
19	Khalid Eng. Corporation	F-7 - Sand Road, Lahore	Khalid Bashir Awan 35201-4054135-1	M. Bashir Awan	10,888,515	23,257,911	34,106,226	15,701,315	29,257,941	38,011,256
20	Reza Textile	Plot # 273, Sector W, Phase II, CHA, Lahore City, Lahore	Muzt Nadeem Ahmed 35201-5221735-7	Muhammad Bashir	11,267,200	30,788,988	50,186,388	2,961,608	30,215,380	52,215,680
21	AwadJah Steel	Al Rehman Chamber, First Floor, Room # 1, 61-Randert Road, Lahore	Shehryar Asghar 35202-3829329-6	W/O. Sh. Muhammad Asghar	14,011,254	6,780,363	22,094,245	14,011,254	19,110,677	33,121,861
22	Pharma Containers	68 Km, Multan Road, Lahore	Nasim Aslam Malik 35200-6813196-1	Muhammad Aslam Malik	19,213,187	19,422,472	38,635,659	4,513,261	29,014,867	29,228,186
23	Husain Khan Rice Mills	Narang Mor, Tarni Fertilizer, Shekhupata District	Omer Nawaz 25401-4446113-3	Husain Khan	14,899,287	12,977,966	27,877,899	14,899,287	14,057,572	25,256,859
24	Kar Electronics Co	Floor No. 6, 3rd Floor, Feroze Plaza 65, Chadman Market, Lahore	Khalid Nadim Taj 35202-2970084-5 Zoraida Shah 35202-4819374-0	Khalid Taj (Sh. Dr.) Muhammad Sultan	11,362,870	13,873,284	26,236,154	12,252,870	16,424,943	28,777,813
25	Ariz Traders	Room # 14, First Floor, Reg Arwala, The Mall, Lahore	Zabih Nawaz 35200-4187185-2	Khalid Bashir Awan	28,34,126	24,320,533	55,194,369	5,534,330	24,574,681	28,426,417

Consolidated Financial Statements

Annexure-1

Sl. No.	Name	Address	Name of Partners/ Directors/ MC / CMC	Father / Husband Name	Outstanding Loans at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark-up	Total	Principal	Interest Mark-up	Total Balance
26	Nafes Bander	131-A, PQR Phase 1, Lahore	Fareeha Saher 35202-6414785-6 Fahad Fawzan 35200-1422965-8	Abdul Wahid, Man Azad Ul Din	22,986,572	3,646,196	26,632,768	22,986,572	3,646,196	26,632,768
27	Geeta Petroleum Service	50 Block A North Nazimabad, Karachi	Mi Rehamatullah Muhammad 42301-8937521-3 Mi. Farhan 42368-205545-7 Ms Khadija W/O 42301-6754426-6	Rehamatullah, Muhammad, Farhan rehamatullah Muhammad, Khadija W/O Muhammad Hussain	14,995,954	13,353,726	28,349,680	14,995,954	10,653,448	25,649,402
29	Geeta Petroleum Service II	50 Block A North Nazimabad, Karachi	Mi Rehamatullah Muhammad 42301- 8937521-3 Mi. Farhan 42326- 292541-7 Ms Khadija W/O 42301-6754426-6	Rehamatullah, Muhammad, Farhan rehamatullah Muhammad, Khadija W/O Muhammad Hussain	14,992,376	10,016,746	25,009,122	14,992,376	10,548,521	25,540,897
28	Air International	Air Chambers, 14-A, Denis Road Lahore	Sh. Aail Ameen 35202-2659677-5 Fawad Airf 35200-5780598-9	Sh. Muhammad Ameen, Sh. Aail Ameen	28,278,964	16,237,467	44,516,431	8,338,954	19,056,312	25,482,227
33	Hatted Trucking Corpn	43-44, Km, Multan Road, Lahore	Ameer Asim Wahid Masood 35202-6546272-3 Muhammad Yasir 35201-6325514-3	Khalid Wahid, Muhammad Asghar	11,101,721	12,727,586	23,829,307	11,101,721	13,563,248	24,754,969
31	Fayaz Engineer	10 Fayaz Road, Old PAF Road, Near Kastana Yashin Ali Shah, Dagbani Road Lahore	Fayaz Ahmad 35202-6446272-5	Omer Muhammad	11,002,384	11,299,787	22,302,171	12,002,263	11,176,483	24,178,747
32	Hannan Marketing	F-301A, 50 No. 1, Gulistan Colony, Main Boring Road, Faisalabad	Muhammad Saleem 33100-3490271-2	Mohammad Tufail	14,394,358	5,429,345	19,823,703	14,994,558	5,251,394	20,245,952
33	Universal Traders	Sub No. 11, Aram Plaza, Main Boulevard Defence, Lahore	Zahid Latif, 35201-1733443-5	Ch. Muhammad Latif	9,389,384	10,067,211	19,456,595	9,389,384	10,792,291	20,181,675
34	Nawab Builders	Nawab Builders & Property Dealer Zameer Plaza, Rehman Shaheed Road, Gujrat	Ch. Imran Iqbal 34011-3801948-3	Ch. Muhammad Latif	8,993,362	10,151,380	19,144,742	8,993,362	13,755,784	22,740,526
35	Asad Containers	F-606, Sba, Karachi	Sami Masood 42301- 7027465-5, Fawad Asad 42301- 9229452-9, Asad Masood 42301-1536088-3	Khalid, Sahar, Usama, W/O Fawad Masood, Khalid Sahar Ul Din	15,905,060	3,577,223	19,482,283	15,905,060	3,572,223	19,477,283
36	Khuran Steels	296 Al Hindoo Bazaar, Lahore	Ghazwan Fawad 35202-6788849-4	W/O. Fawad Ul Wahid	18,989,000	5,125,305	24,114,305	18,989,000	-	18,989,000
37	Shivan Sons Distributors	1, A/B, Block B, Unit 02, Lutfabad, Hydriabad 2. Plot No 6, Block F, Alpha Apartment, 95 Top, Hydriabad, Cantt.	Nadeem Shivan 433042352889	Muhammad Shivan	11,987,688	4,799,271	16,786,959	11,987,688	5,269,279	17,256,967
38	S.A.S. Corpn	Sub No. 7-B, 159 Feroz Nagar Canton, Faisalabad District, Lahore	(Shahid) Yousaf 35201- 6890660-1	Hafiz Yousaf	7,504,750	2,428,713	9,933,463	1,504,750	10,032,201	11,536,951
39	Atan Mahal	House # 91/2 Suba Avenue, BHA, Phase V East, Karachi	42301-3482442-1	Ayaz Wafiq	11,795,027	13,101,251	24,896,278	4,845,527	13,421,044	11,474,234
40	Genetech Pakistan Limited	31/C-1, Ghada Road, Durgam W, Lahore	Jamali Elahi 35202- 2561094-E Farah Elahi 35200- 832025-3	Elman Elahi, Elman Elahi	13,788,889	3,731,535	17,520,424	13,788,889	3,731,535	17,520,424
41	Yousaf Karim	F-1, Pk 22, Block 12-A, Gabbani E-2, Karachi	42711-1989434-7	Muhammad Yousef Karim	10,582,339	17,654,058	28,236,397	-	16,729,940	16,729,940
42	Frontiers Pvt Ltd	17/C, 1st Commercial Lane, Zamzama, Karachi	Gyud Ahmad Ali 55- 35-089671, Nafsan Murtaza Roshan Jal Daga 42001-6819743-3	Gyud Murtaza Ali, Gulam Ali Merchant, Jal Daga	7,089,540	8,170,212	15,259,752	7,089,540	8,673,194	15,762,734
42	TV Associates	Qatar No. 222, Litchark Plaza, Jaf Road Lahore	Sh. Imran Yaqub 35202-6442176-3 Muhammad Shariq 35202-2793228-9	Sh. Muhammad Yaqub, Muhammad Hajar	7,982,146	8,019,580	16,001,726	7,982,146	5,501,671	11,483,397
44	Mazdoor Steel	215-0, Jinnah Town, Lahore	Ghulam Mustafa 11201- 0718005-5, Kamran Ali 35200- 9625006-7	Muhammad Ahsan Khan, Muhammad Dean	8,945,463	7,481,380	16,426,843	8,945,463	6,367,620	16,413,283
45	Muham Traders	Yousaf Road, Kala Sharif, Lahore	Sami Ahmad Sheikh, Shahida Farman, Hafsa Begum, Hafsa Yousaf, Ameer Ahmad	Zoha Farman Sheikh, W/O Ameer Ahmad H.A. Hafsa Begum	7,250,571	8,899,808	16,150,379	7,250,571	8,854,838	16,105,409
46	New World Trading Company	M Mirza Road, Swat Road Lahore	Khalid Waseem 20202-9630218-5	Shameer Ahmad	1,504,027	1,623,228	3,127,255	1,504,027	8,178,830	15,686,085
47	Jamil Yaqub	12/12, Block 7B, Pk 22 Centre New Rd, Park Karachi	42201-3169677-9	Muhammad Yaqub	18,744,698	10,426,618	29,171,316	3,244,680	11,984,312	15,228,964
48	Fawaz Traders	4F-95, Nazimabad Sharada	Abdul Jabir 42301-1430194-2	Abdul Jabbar	14,971,128	0	14,971,128	14,971,128	-	14,971,128
49	A-One Computers	Plot No. 29, Pk 22, 15, New Town, Mehar Yousaf Road, Faisalabad	Muhammad Nadeem Suzair 35300-1389506-1	Muhammad Gulzar	6,389,020	7,547,110	13,936,130	6,389,020	8,075,179	14,464,209
50	Al-Khalq Steel	Plot#12, 3rd Floor, Bait Center, Wazir Road Lahore	Khalid Khalid 35202-2782242-5	Ayaz Khalid	4,607,031	1,732,827	6,339,858	4,607,031	8,218,175	12,878,033
51	Yasir Steels	Shop No. 7-182, Kachra Bazar, Lahore	Muhammad Ahsan 35202-7225440-5	Ana Muhammad	4,096,980	6,937,867	11,034,847	4,096,980	7,014,624	12,011,644
52	Yasir Pak Distributors	H-133, Jinnah Housing Scheme, DHA Lahore	Tahir Mahmood Rasheed 35201-7011031-5	Ghulam Haseeb	9,128,262	9,505,484	18,633,746	9,128,262	2,565,484	11,693,747
53	Abdul Wahid	House No 291, DGF-1, Durrani Cantt, Gujranwala	34101-2062696-1	Saima Begum	6,417,045	5,383,783	11,800,828	6,417,045	3,385,180	11,215,827

Consolidated Financial Statements

Annexure-1

Sr. No.	Name	Address	Name of Patrons/ Director/ MC / CMC	Father / Husband/ Name	Amount in PKR Rupees					
					Outstanding Liabilities at Beginning of Year			Amount Waived / Concession		
					Principal	Interest/ Mark up	Total	Principal	Interest/ Mark up	Total
54	Zaha Blocks	10/4, Block # 1, Ahmed Ali, Karachi	Munir Ahmad Zia 42401-6194075-1	Ah Muhammad	7,995,940	9,469,874	17,465,814	1,585,340	9,855,752	11,524,101
55	Pakistan Fishing Station	Plot # 5, Muslim Colony, West Wazir, Peshawar Road, Karachi	Ah Muhammad Yaqub Karim 42361-2576949-1	Muhammad Alam Khan	5,488,528	4,762,286	10,250,814	6,485,528	4,825,678	11,311,206
56	Al Siddique	3/A, 1st Floor, Muhammad Anwar, 1st Road, Malir	Razi Ahmad Mirza 35202-6512425-5, Naveed Ahmad Mirza 35202-9489587-3, Sada Raun 35200-864347-6, Malik Ghulam Murtaza 35200-8000975-5, Sajad Haidar 35200-6071500-7, Sami Ahmad Kikab	Razi Ahmad Mirza, Muhammad Siddique Mirza, Naveed Ahmad Mirza, Muhammad Siddique Mirza, Sami Razi W/O Razi Ahmad Mirza, Malik Ghulam Murtaza, Malik Ghulam Haidar, Sajad Haidar, Malik Ghulam Haidar, Sami Ahmad Kikab, Muhammad Siddique Mirza	4,896,100	5,590,542	10,486,642	4,280,100	5,897,982	10,688,082
57	Ghousia Weaving	Chak # 207/B, Sanjwal Road, Talea, Feroz	Muhammad Aslam 33301-0411227-5	Muhammad Ismail	5,802,200	5,345,000	10,347,200	5,802,200	5,657,556	10,659,756
58	Ahmad Noor	A1205, Hyde Lane Apt, Block 10-C, Galson 2, West Karachi	42701-4682969-7	Nazar Ghaffar	11,537,728	10,376,808	21,914,536	-	10,531,844	10,531,844
59	Karimab Malik	10/4, Block L, P.O.S, Lahore	Karimab Malik 35202-2613735-4	Karimab Malik W/O Tariq As Malik	4,800,808	4,694,955	9,495,763	4,800,808	6,894,845	9,695,653
60	Amir Iqbal	House No 128 A, Street 17, Garden Ground, Lahore Cantt, Lahore	35205-4248373-3	Adnan Basha	15,037,707	4,540,644	20,178,351	3,989,792	5,596,875	9,586,667
61	Gulshan	H No 10, 47/1, W. Road New Wapda, Rawalpindi	37485-5225485-7	Gulshan Aslam	5,381,582	3,992,638	13,114,130	1,287,292	7,391,466	8,772,138
62	Zafar Masood	106-C, Shah Jahan Colony, Lahore (H.C. 345, 35th Street, Phase I, East DHA, Karachi)	35202-3028815-7	Zafar Muhammad	2,777,611	5,798,521	8,514,132	2,777,611	5,738,521	8,514,132
63	Shehzad Choudhry	H.No. 343, 28th Street, Phase V, East DHA, Karachi	42301-0726484-9	Haji Chawani Din	1,202,000	5,175,797	6,428,107	3,252,000	5,175,797	8,428,107
64	Naveed Leaze and Refinance Limited	2nd Floor, Eagle Plaza, Fazaal E-Haq Road, Blue Area, Islamabad	Naveed Hameed Sh 42300-0516094-2, Naveed Jam 42301-9421029-3, Naveed Us Din 37405-0296879-7, Khalid Us Rehman 42301-9675374-1	Naveed Hameed Sh, Akhla Hameed Sh, Naveed Jam, Muhammad Aslam Jam, Naveed Us Din, Mirza Muhammad Wahid, Khalid Us Rehman, Habib Us Rehman Khan	40,557	8,308,897	8,349,454	40,557	8,310,877	8,351,434
65	Fahad Bin Khatir	House No. 430, Defence Officers Housing Society, Phase 1, Malir Cantt, Karachi	42301-9621713-7	Khatir Usdin Sulejo	9,071,370	5,249,297	14,310,667	1,266,933	5,883,486	7,260,430
66	Naveed Anshad	House No. 4/1, Gazi Lane No. 8, Phase IV, Near DHA Higher Secondary School, Karachi	42101-0119385-2	Muhammad Anshad	12,250,173	4,343,895	16,594,068	2,847,909	4,572,806	7,025,262
67	Atiq Ahmad	House 73-A Block Model Town, Lahore	35202-7743616-9	Naveed Ahmad	3,394,172	5,074,935	15,369,947	170,912	6,541,843	6,712,755
68	International Investment	1st Floor, Lakson Square, Building No. 1, Sarwar Shahzad Road, Karachi	Naveed Muhammad Qureshi, Najam Ali, Murtaza A Taj, Muhammad Naveed Khan, Mustafa Jafri, Farhan Ali, Haseeb Ahmad Qureshi	M. Qureshi	1,571,570	4,201,872	5,363,442	1,077,570	4,518,136	6,260,728
69	Wahedi Ahmad	Muslim Mahal 6 Montgomery Road, Lahore	35203-9550316-7	Basha Ahmad	2,197,345	1,073,183	5,870,528	2,197,345	3,573,133	5,670,638
70	Saiman Saeed Paracha	Refinance Paracha, House No 74-A, Park Colony, Lahore	35202-4616962-3	Saeed Us Rehman Paracha	6,489,203	1,490,247	17,265,264	2,124,303	3,490,247	3,814,550
71	Imran Ali	H # 5-2, 664 / N Angar Mall, Rawalpindi	Imran Ali 2111-63-211432	Fazand Ali	1,289,919	1,904,865	5,174,270	1,059,919	4,516,402	5,296,342
72	Ch. M. Iqbal & Co	74-B, Ghalib Market, Amwale, 3427832056 Rawalpindi	338-75-101274	Ch. Muhammad Iqbal	7,584,368	1,944,625	10,428,993	2,194,368	2,944,625	5,028,993
73	Reo Sani Usah Khan	Building No. 104, Hotel, Near Kidney Center Opp Ayub Park, Jhelum Road, Rawalpindi	31101-1654838-5	Rao Muhammad Rafiq	4,894,000	3,781,030	7,265,030	1,829,000	3,165,030	4,994,030
74	Syed Hassan Azeem	361-Y Defense Housing Authority, Lahore Cantt, Lahore	35201-3779403-3	Syed Hassan Ali	7,697,602	5,941,025	13,254,327	-	4,548,946	4,548,946
75	Abdul Karim Salam	12-B, Johar Town, Lahore	35201-2635668-3	Abdul Salam	14,967,433	5,111,987	17,099,420	2,247,433	2,711,987	4,959,420
76	Raja Raafiq Farooq Khan	Shop No. 44, Nader Plaza, Commercial Market, Rawalpindi	37405-8035470-5	Raja Nadeem Khan	8,887,302	5,911,941	9,719,624	1,267,302	3,027,178	4,234,216
77	Gold King Electronics	402 - Landmark Plaza, Jati Road, Lahore	Abdul Shabbir 35201-6657090-2	Ch. Waqar Us Din	16,280,000	1,520,740	17,800,740	2,500,000	1,833,948	4,333,948
78	Atiq Weaving Factory	House No 136 Street No 5, Samanabad, Faisalabad	33100-0219671-9	Hussain Ahmad	2,412,521	2,281,116	4,693,637	1,817,521	2,280,216	4,097,737
79	Khalid Aziz	Plot No. 2, Khalid Aziz Block Canal Bank Hababpur Lahore	35202-9980668-8	Aziz Us Rehman	6,975,493	2,862,624	8,838,117	1,045,473	2,862,624	3,928,097
80	Usar Sadiq	Data Agro Limited 3 - A Race View Jati Road, Lahore	35201-9985281-5	Ahmed Shauq	6,494,218	2,896,040	9,190,258	1,000,000	3,896,040	3,896,040
81	Waseem Saadat	House # 20, Anwar Street, Chaman Bagh, Park Gate, Feroz Garden, Lahore	35202-2959881-3	Muhammad Saadat Ali	2,073,247	2,473,544	3,896,791	403,243	3,267,792	3,680,033

Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. No.	Name	Address	Name of Partners/ Directors / C/O's	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principal	Interest/ Markup	Total	Principal	Interest/ Markup	Total Balance
87	Syed Sabih Ahmed	74 Sheppard Chambers, Atlas Hussain Road, Karachi	42201-9239901-1	Syed Wasil Amirani	1,343,809	2,224,529	3,568,337	1,343,809	1,343,809	3,608,457
88	Malik Anwar Ali	Gas Plus CNG Station Husmatabad Colony Postwar City, Faisalabad	17301-9058948-3	Malik Ghulam Hussain	3,471,404	2,269,143	5,740,547	1,367,404	1,367,404	3,627,547
89	Mishar Ghori	H No 6743/1 Baita Colony Sarraf Road Faisalabad	31100-4675733-3	Muhammed Yousaf Ghori	1,596,246	1,920,711	3,516,957	606,496	606,496	3,526,603
90	Tareq Mahmood Rasool	H No 9-1107 A, Near Madina Free Depository, Karim Pur Rawalpindi	37400-6708104-3	Tasleemul Hussain	4,902,262	2,607,426	7,509,688	602,360	602,360	3,386,751
91	Munirul Jamil Lohan	House 4-610, Gulistan-e-Jahar Block-14 Karachi	40201-6675532-1	Muhammad Lohan	3,819,610	2,323,691	6,143,301	816,610	816,610	3,196,110
92	Cottonwala	Shop # 2113, Near Shaheed Park, Phase 4 DHA, Karachi	Zoghair Ali Tariq Zaid 342-60-981370	Syed Ali Jaffer Zaid	1,090,961	2,044,141	3,135,102	1,090,961	1,090,961	3,125,100
93	Mian Muhammad Omar Nawaz	Omni Fabrics 76-A New Avenue, Lahore	35202-9186726-5	Mian Muhammad Nawaz	5,239,991	2,251,478	7,491,469	799,991	799,991	3,951,674
94	Muhammad Ayaz	Match Center, 3rd Floor, Main Road Town, Lahore	35202-6896915-7	Mian Muhammad Ibrahim	4,443,432	1,852,851	6,296,283	1,193,432	1,852,851	3,996,282
95	Yasin Bashir	F-436 Street No 7 W Massara Town Faisalabad	33130-3656105-5	Bashir Ahmed	1,361,895	1,900,274	3,262,169	313,330	1,900,274	2,912,807
96	Imam Raza	# 379-3-01 Green Town Lahore	35202-6849306-0	Muhammad Hafiz	2,821,852	2,361,236	5,183,088	32,478	2,764,465	2,791,628
97	Khwair Mahmood	Khwair Traders Shop # 7 Ground Floor, Anwar Centre Market 147-A Aungmye Market Shan Alam, Lahore	35202-3454499-5	Ashiq Ali	4,097,127	1,987,772	6,084,899	1,024,127	1,987,772	2,711,299
98	Ahmed Zafar Services	146, Bedon Road, Lahore Cantt, Lahore	35201-9277051-1	Sudhan Khan	4,277,504	1,611,432	5,888,936	777,504	1,937,443	2,714,947
99	Faisal Marketing	Suit No 309, 3rd Floor, Anwar F-Road, Off The Mall Road, Lahore	35201-6874877-9	Munirul Maroof	1,806,036	1,346,173	3,152,209	1,000,000	1,590,625	2,690,625
100	Yousaf Pervez	House 10 Street 2 Gaddafi Colony Badami Bagan Near Pakistan Public School, Lahore	35202-7364762-4	Pervez Akbar	2,585,262	1,736,119	4,321,381	346,192	2,726,384	2,585,262
101	Muhammad Raheem	75-C-1, Gulberg III, Lahore	275-66-00731	Abdul Mujeeb	6,278,598	2,517,820	8,796,418	-	2,517,820	2,517,820
102	Zahid Mahmood Sethi	14-B, Terwar Road Lahore	35203-9039904-3	Muhammad Latif Sethi	3,472,919	1,646,004	5,118,923	786,919	1,646,004	2,434,923
103	Tarvoor Ahmad	H No 24, Block C, Gussain Road, Lahore	35202-4216084-7	Bashir Ahmad	2,611,859	1,692,483	4,304,342	748,322	1,692,483	2,948,635
104	Khwaja Wasim Ahmed	House No. 4 - Street No. 24 G-4/4 Islamabad	614-77-10341	Khwaja Kubil Ahmed	6,781,513	2,734,457	9,515,970	-	2,214,380	3,214,380
105	Shameel Ali Bano	146/11 G Phase II DHA, Lahore	275-51-10990	Shameel Ali	796,277	1,378,487	2,174,764	196,277	1,378,487	2,172,774
106	Sahib Hamid Bui	301-66, 2nd Floor Commercial Area Khayaban-e-Jahar DHA Lahore Cantt, Lahore	35201-9147254-5	Abdul Hamid Bui	478,924	1,723,846	2,202,770	398,924	1,723,846	2,171,966
107	Naveem Arain	House No R-110 Sector 15-4/1 North Karachi, Baffa Zawal Karachi	42131-906825-1	Inayatullah	3,362,535	1,433,109	4,795,644	462,535	1,694,889	2,987,494
108	Raza Manzoor	H No 118, Green Block, Azadi Garden Mohan Road, Lahore	35202-3895965-5	Manzoor Hussain	3,330,000	1,380,260	4,710,260	498,000	1,380,260	2,849,950
109	Muhammad Aftab Hussain Qazi	C-17 Block-S, North Nazimabad Karachi	42101-1907390-5	Muhammed Nur Hassan Qazi	2,283,197	1,914,691	4,197,888	-	1,964,647	1,964,647
110	International Traders	3rd Floor, Park House, Awan E, (Lahore Road), Karachi	Muhammad Arshad 124	S.A. Khaliq	787,396	1,175,471	1,962,867	787,396	1,175,471	1,962,772
111	Nadeem Anwar Mirza	A-3, Block B, Khayaban E Awan, Khayaban, DHA, 15th Street Jinnah Apartments, Karachi	42301-4959901-1	Muhammad Anwar Mirza	4,482,825	1,642,362	6,125,187	-	1,826,367	1,826,367
112	Muhammad Nadeem Akbar	2489 Walker Center Gulberg III Lahore	35202-9687094-3	Muhammad Jahangir	2,406,147	615,372	3,021,519	488,147	1,281,163	1,784,706
113	Saleem Shah	Plot # A/D-16, Al Fathi Co. Operative Housing Sectors, Shah Faisal Colony, Karachi	Saleem Shah 42201-949006-3	Mr. Syed Shah	1,134,122	1,480,242	2,614,364	300,000	1,480,242	1,760,243
114	Muhammad Abdullah Tawar Jooni	188 Abu Bakr Minto Ahee Hadees Mohan Anz Colony Multan	36302-6557440-1	Tahir Ali	1,639,106	196,974	1,836,080	379,142	1,353,347	1,732,529
115	Imam Nadeem Khan	House No.63, Eden Villa Moon Town Lahore	35202-9647273-3	Aqr Nabi Khan	2,664,436	1,202,774	3,867,210	484,436	1,202,774	1,687,148
116	Araf Ali Khan	J-62 2794 Steel Kh E-Tarapur Phase V DHA Karachi	314-46-451826	Nadeem Muhammad	5,095,205	4,599,436	9,694,641	-	1,667,205	1,667,205
117	New Ramkishan Zan Services	Near Gand Higher Secondary School Faisal Pur Road Jinnah Town, Faisalabad	Sajad Hussain 36602-8295020-7	Zar Hussain	2,497,526	1,205,206	3,702,732	372,274	1,205,206	1,577,670
118	Malik Jafar Ahmad Anwar	House # 04-048 Phayer Wali Dal Carri's Road Service Road Saddar Road Rawalpindi	12101-150624-1	Malik Abdul Ghafoor	2,381,143	956,539	3,337,682	393,143	956,539	1,544,496
119	Muhammad Nadeem Malik	House No 238, Awan Steel Shop Near Park Road Khayaban, Lahore	35202-2619773-5	Muhammad Nadeem	2,282,360	938,149	3,220,509	650,000	938,149	1,488,199
120	Kalash Traders	Plot No C-11, Jinnah Apartments 3B S-A Awan Hussain Scheme, Road Karachi	Mr. Syed Amir Raza Zaid 42201-790592-9	M. Syed Mohd. Mubshir	2,098,044	411,673	2,509,717	396,044	579,468	1,478,446
121	Ghoshal Scrap	National Kaspera Market, Outside Khaf Gate, Gujranwala	Habib Ur-Rahman 38101-3569425-1	Muhammad Shah	787,176	828,216	1,615,392	787,176	828,216	1,475,001
122	Muhammad Ali Chaudhry	House 4294M Bk 1, Aziz Colony Hafiz Jinnah Road Multan	36302-2927930-1	Lal Din	628,919	667,754	1,296,673	628,919	667,754	1,428,676
123	Jamil Muhammad	H # 5, G 3 12, Gulshan Street, Sahi Road, Gulshan Park, Lahore	35201-5469405-9	M. Rafique	2,294,398	956,711	3,251,109	469,356	956,711	1,428,067

Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sr. NO.	Name	Address	Name of Partners/ Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total Balance
118	Imad Khan Durani	House No E-11, Dada Bhai Trani Street E-Mal Road Block Odhavy Karachi	4201-880281-8	Haj Mir Dacha Khan	1,00,054	210,323	1,315,377	1,100,054	286,880	1,386,934
120	Babar Pervez	Taj Palace 11th Floor Block B 77C Building Shehr-e-Faisal Karachi	4201-6090734-8	Pervez Mirza	1,014,981	28,825	1,283,257	1,225,791	55,521	1,281,312
121	Muhammad Akter	203-A3 Jinnah Town Lahore	3500-0407164-1	Muhammad Sarwar	1,09,987	61,801	1,31,788	1,31,364	24,577	1,06,807
122	Syed Ejaz Ali Rizvi	Suite # 8, Second Floor Kethkashin Mall, Main Tariq Road, PECHS Block # Karachi	42107-792081-9	Syed Waqar Hassan Rizvi	1,388,507	721,485	3,813,519	388,507	663,713	1,372,230
125	Ali Raza	Axact Axact Street, Min Khayaban-e-Istehad Phase VII, DHA, Karachi	4201-1984334-3	Syed Atab Ali	210,060	-	210,060	1,075,181	259,779	1,347,054
124	Jalees	Sohni Mansion, 3rd Floor, Gc-02, Near Bangla House, Agra Khan Road, Khairpur Karachi	4201-7546479-9	Mohammad	1,064,318	2,907,418	7,901,732	-	1,386,312	1,386,312
126	Sumaira Usman	10-B Hagan Road F-8, Markaz-Lahore, Pakistan Islamabad	61101-1850748-2	Usman Ali Akbar	1,200,000	-	1,200,000	1,260,000	139,340	1,399,340
126	Muhammad Hashim	B-61 Block #7, Gulistan-e-Jahar Karachi	42151-4429813-1	Muhammad Qasim	1,640,112	1,029,941	3,869,701	-	1,317,077	1,317,077
127	Malik Abdul Wahed	House No 6, Nanga Block Alama Iqbal Town, Lahore	35002-6329500-9	Ch Hassan Saleem	2,241,281	76,048	4,307,763	447,720	857,442	1,515,177
128	Syed Sami Hashmi	Flat # B-503 Pearl Residency St-14 Gaddafi E Iqbal Mashri Center National Stadium Road, Karachi	42101-1516786-1	Syed Ali-Hussain Noon	1,000,000	-	1,000,000	1,165,587	117,984	1,283,571
129	Syed Kazim Raza Rizvi	S-25-35 Nazam Centre, Raah-e-Mirza Road Gushan-E-Iqbal, Karachi	4201-6782058-1	Syed Khalid Hussain Rizvi	2,105,105	1,321,110	4,506,315	-	1,386,312	1,386,312
130	Fahim Ullah Sheikh	Haji Bank Ltd City Court Branch Gate No 3 Karachi Coast Karachi	42003-6195476-9	Ullah Hassan Sheikh	1,141,289	82,367	1,623,376	1,141,289	182,142	1,323,431
131	Muhammad Shoaib Qasim	H. No. 491, Block A, Ghulam Muhammad Road, Faisalabad	32100-4664812-8	Muhammad Aslam Qasim	1,101,000	118,710	1,27,580	117,205	1,085,021	1,283,289
132	Fahima Iqbal	Ch Women, Plot-11, Dagonair Enclave, Islamabad	32465-1732064-4	Muhammad Iqbal Khan	1,033,244	45,077	1,162,311	1,110,244	119,955	1,230,199
133	Syed Khalid Ahmed	H No 8-428, Block 13 Farooq E-Arabi Masjid, F.B Area, Karachi	42001-1950548-1	Syed Nazir Ahmad	1,171,112	1,251	1,183,763	1,183,638	62,000	1,245,638
134	Asim Gema	728 Sarwar Colony, Sarwar Road Cantt, Lahore	35201-0948681-1	Imam Gema	420,000	-	420,000	899,631	214,508	1,114,139
135	Muhammad Yousef	House No 17 Street No 22, Nigar Road Gwalmandi, Near Muhammad Square Lahore	35202-2018903-7	Muhammad Akbar Din	1,118,341	-	1,118,341	1,089,492	177,288	1,266,780
136	Abdul Raheem Khan (Shoran)	House # 516, St # 6, Zaman Colony Cavalry Ground, Lahore	35402-2337051-1	Murtaza Khan Sherwan	876,000	66,460	1,090,470	876,000	244,325	1,120,325
137	Muzaffar Ali Shah	Banglow No.Ee-1294 Fa, Defence Vek Phase-1, Near Iqbal University, Karachi	4201-6644839-7	Muhammad Anwar Javed	1,003,000	108,000	1,162,431	1,063,640	108,220	1,171,860
138	Talat Azfar	H.No 27-A, Main Naum Ud De Road F-104 Islamabad	61101-2489787-1	Muhammad Aslam	1,202,380	86,211	1,289,218	1,128,533	46,217	1,174,750
139	Muhammad Waseem	Street -35, Khushal Colony, Khushal Road Mutair	36300-0374615-1	Wali Muhammad	473,000	108,600	1,171,660	473,000	69,509	1,171,660
140	Peoples International	Flat No. 4, Second Floor, City Archade, 18 Markaz, Islamabad	6101-1950088-9 61501-1538921-6	Munir Bag, WO Abdul Raheem Arif	448,000	679,362	1,128,400	448,000	718,039	1,166,039
141	Sardar Sanjay	Shop No 1, Ground Floor, Haidi Mirza Arcade Mission 1 Road, Fencing Street, Meera Lada Mall, Lahore	35202-6194891-7	Sardar Khan	599,207	53,874	1,039,501	98,362	179,845	1,169,646
142	Nadeem Butt	Butt Khatri, 11, Maceoda Road, Gooli Bhawan Bhaktig, Lashmi Chowk Lahore	35201-0674555-3	Abdul Hamid Butt	3,284,369	1,380,938	4,675,306	-	1,165,300	1,165,300
143	Talib Ismail	House D-42, Karakoram Circle, Block 5, Karachi	42001-7214111-1	Abdul Ismail	1,038,000	-	1,060,000	1,033,900	132,078	1,165,978
144	Muhammad Aslam Sheikh	House No F-67 Ground Floor, H-Big Porton Block B, Wadhwa Nazimabad, Karachi	42101-6794805-7	Sheikh Muhammad Yaseen	399,280	25,462	1,025,449	99,349	153,622	1,104,571
145	Adnan Hader Zaki	Peonak Lich, Ur- G-711, Zee Point Film Brigade Office Islamabad	35009-8152735-7	Fiaz Hussain Zaidi	1,000,000	-	1,000,000	892,463	141,156	1,033,619
146	Raanda Saqin	61-E1 Gumbaz 88, Lahore	35202-0507786-6	Gulzar Ahmad Sheikh	147,548	121,636	369,247	347,548	21,346	1,122,395
147	Sardar Abdul Khaliq	218 Nazam Block Alama Iqbal Town Lahore	35202-4921693-3	Abdul Hamid	1,947,883	788,438	2,411,462	342,983	789,499	1,111,482
148	Zakir Ali Khan	20-A 1/1 Block-6 PECHS, Karachi	517-75-18894	Ikhtyar Ali Khan	272,243	37,517	1,169,866	272,244	817,617	1,169,866
149	Fawad Akhtar Ali	H No 245/23 Street No 5, Tarziam 13th Block Phase 5 DHA Karachi	4201-6881225-1	Muhammad Akhtar Ali	1,128,986	-	1,105,380	1,081,164	15,246	1,096,410
150	Kashif Masud	S-3 Sea Beach Plaza, Shaheen-e-Faisal, Karachi	36300-5141811-9	Abdul Masud	380,318	53,399	1,046,214	363,347	144,036	1,058,154
151	Ali Naveed Pizzardi	1-Habbibul Road/06 Dava Road, Al-Aydia High School Lahore	35201-8696309-8	Naveed Asim Pizzardi	866,845	147,220	1,014,043	870,888	188,157	1,059,045
152	Khalid Mahmood	House No 388 Phase 1 Main Cantt Chak Pind Karachi	61101-5094240-8	Muhammad Aslam	972,167	-	923,127	954,374	136,485	1,090,859
153	Imran Ahmed Khan	Axact Pk Ltd, Axact Innok Axact Street Main, Khayaban-e-Istehad Phase VII D.H.A. Karachi	42101-5977951-3	Saeed Ahmed Khan	-	-	-	954,433	188,011	1,052,444

Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. No	Name	Address	Name of Partner/ Director NO - CNIC	Father / Husband Name	Outstanding Loans at Beginning of Year			Amount Written off / Composition		
					Principals	Interest Mak-up	Total	Principals	Interest Mak-up	Total Balance
104	Muhammad Ashkwardi Farooq	R-20 Block 7 - Quater-4-Johar, Karachi	4300-047530-7	M. Ahsan Waqar	88,815	73,330	1,306,147	84,815	128,244	1,043,861
105	Shahzad Waseem Anwar	Near-45 G-8 - Al Madad Park Colony Timber Market Lahore	35202-902950-3	Naveed Ali	1,587,001	1,875,740	3,962,761	-	1,032,121	1,032,121
106	Muhammad Nazam	Mirafza House/1st Floor, Lahore Department Of Math Teaching One Lahore	35202-405423-8	Arif-ul-Masleh	90,195	31,224	1,014,603	90,195	88,650	1,013,008
107	Sayim	Flat No: 10-2611 Floor: 1st Floor Menton - New Menton Road - 42-Awami Police Choke - Near Gard E Azam Both Place Karachi	42301-2284208-9	Fayyaz Sattar	804,371	-	804,371	804,745	106,320	1,031,086
108	Syed Masood Hameed Ali	Upper Ground Of Nazimpora - House No. 10 - D-2 - Uddin Ahmed Rd - Karachi	42301-1112005-1	Ikhtesam Ahmad	60,540	32,050	342,598	277,086	52,921	1,000,913
109	Muhammad Athar	15-MQB House - Gulberg KAGAB - Bani Lahore	35202-217088-9	Muhammad	1,005,970	-	1,005,970	915,118	104,810	1,019,935
110	Rashid Mahmood	Rashid Plaza - Fostery - Shop No: 15 - 1st Floor - Chakala Road - Rawalpindi	31605-9510120-7	Arif Ali - Fostery	1,352,130	312,254	1,044,250	420,130	357,064	991,258
111	Muhammad Raafiq	House No. F-34-A - Alifan Road - Saddar/1st, Lahore	35202-295242-3	Muhammad Raafiq	1,891,491	795,381	2,687,278	191,480	795,181	967,078
112	Rahim Rahman	552-21st Street Phase II B - Doha - Karachi	42000-0528914-7	Ahsan Rahman	834,511	65,325	327,485	838,545	127,862	974,385
113	Syed Adil Hussain	House 25-K, Block 2 PECHS, Karachi	42201-4213076-1	Syed Masood Ali Syed	1,288,425	677,215	1,796,182	168,870	802,298	961,132
114	Fareed Ahmed Khan	A-30 - Sector No: 11 - A - Power House Chowring Road Karachi - Karachi	42101-8026337-3	Fareed Khan	475,560	13,901	888,781	475,660	21,787	947,007
115	Rana Muhammad Imdad	House No. D-102 - Nary Housing Scheme Block B G/10th 7 Tahsil - Kankarwan, Karachi	42301-2284205-0	Rana Muhammad Imdad	330,940	-	330,940	310,817	21,704	941,770
116	Muhammad Asad Yousaf Usmani	H-10-99C, Out Side Dera Gani Araf - Park, Multan	35300-809000-7	Muhammad Usmani	1,490,803	164,780	1,363,871	374,682	594,188	928,671
117	Ghazala Tariq	House F-7 - 1st Floor - Al Centre - Block 7 - Main Tariq Road - PECHS - Karachi	42201-295240-2	Muhammad Tariq	2,441,902	1,16,589	1,698,491	365,822	567,430	933,337
118	Imam Hassan Muhsin	C-04 4th Floor Waqf Square - Gulshan-e-Iqbal Block No 15 Karachi - University Road - Near Babul Musamam Masjid - Karachi	42101-5148414-3	Imam Waqar	814,132	54,278	868,468	814,132	198,482	906,642
119	Shauq Ahmed Siddiq	Lahore Square Banking No 7 - 4th Floor - Service - Shaheed Road - Feroze - Chak - Karachi	42001-9523402-5	Zameer Ahmed Siddiq	820,201	34,840	862,042	620,201	88,110	910,310
120	Khalid Kamal House	House 1094/105 Street 3 Out Side Dera Gani Araf Park Multan Multan	35302-4413045-5	Muhammad Kamal	1,368,854	117,612	1,681,706	388,854	314,372	901,706
121	Muhammad Zaid Sohail	Firdous Chowk - Multan	35302-4488412-5	Sohail Ali	1,218,130	100,282	1,038,452	316,195	590,067	896,412
122	Rahim Iqbal	Superior Opt - Sheikh Zayed Hospital - New Campus - Lahore	35200-5403881-8	Nasir Mohsin Iqbal	857,684	-	857,684	811,152	87,967	899,181
123	Tarwar Farooq	House No: 67 - Street No: 2 - Mahabbat - Talqabad - Block No: Five - Dera Gani Araf - 207825021 - 6490015089148 - Gujranwala	34101-3302359-3	Abdul Rashid	328,574	117,460	679,034	77,200	801,774	679,034
124	Muhammad Ali	Flat No 10-A Upper Phase - Civil Lane - Zayed-ul-Ahmed Road Karachi - Club - Karachi	42301-5728968-7	Syed Muhammad Baghir	825,188	65,135	844,341	804,882	78,418	974,402
125	Azeem Fakir	Suit F-36 - 3rd Floor - Sate Plaza - The Mall - Lahore	Abdulrahman Fakir 35302-2478000-5	Muhammad Fakir	327,716	447,720	845,472	327,716	472,571	870,317
126	M. S. Farooq	M. S. Farooq - Radha Road - Near - Shaheed Pathan Chowk - Multan	35302-4488410-3	Muhammad Farooq	357,489	304,936	862,389	357,489	504,936	862,389
127	Muhammad Asad Usman	House No 41 - B - Block B - B - 1st Floor - Lahore - 7448007820700000 - 4101000	34202-2880951-5	Muhammad Asad Usman	1,296,020	801,132	2,082,882	-	856,520	356,520
128	Nisar Abbas	House No-11 - Block F - Near - Doha - Road - Shaheed Avenue - Near - Bank - Housing - Society - Islamabad - Islamabad	41101-1752440-1	Muhammad Asad Khan - Abbas	905,422	2,421	888,293	845,519	138,872	845,391
129	Syed Muhammad Saad Ali	Unit No 021 - Al-Anwar - Tower Block - 10 - Upper - Chose - Station - e - Iqbal - Karachi	42101-5465427-3	Syed Muhammad Ali	798,207	109,684	817,381	798,207	131,248	809,594
130	Muhammad Yousaf	Unit No 021 - Al-Anwar - Tower Block - 10 - Upper - Chose - Station - e - Iqbal - Karachi	35201-0271900-9	Muhammad Yousaf	778,507	55,200	633,625	778,507	67,896	836,403
131	Muhammad Farooq	1st Floor - Second Floor - Anwar - F-3 - Area - Karachi	42101-5441072-9	Muhammad Farooq	16,939	-	88,080	678,417	152,552	830,969
132	Muhammad Asad Khan	H No 240 Block E - Sector C-6 - Township - Lahore - Near - Chose - Chowk - Lahore	35200-282839-5	Muhammad Asad Khan	732,981	-	82,061	754,982	16,357	634,520
133	Nasir Asad Usman	N.B.P.P.W.P. Workshop - Mughalpur - V-1 - R - Workshop - Lahore	35201-7862125-2	Ahsan Usman	790,000	-	790,000	790,000	79,802	818,362
134	Syed Ghulam Hussain Razi	H No A-134 Block 1 North - Nazimabad - Karachi	42101-5823428-5	Syed Ghulam Hussain	981,131	758,483	1,737,684	-	818,929	818,929
135	Hafizul Branzal	H-0-11 - Gulberg 3 - Girls College - For - Women - Lahore	35201-3039898-7	Fayyaz Ali	80,842	-	80,842	699,207	117,447	816,774
136	Owais Usman Ahmed	E-0-3 - Gateway - Chose - Street - 33 - Chose - Phase - V - Ext - Karachi	35201-4186230-1	Muhammad Usman Ahmed	725,231	77,411	797,642	700,231	91,909	812,161
137	Sheikh Saqib Hussain	H No 592 - Block A - Azad - Training - Centre - Quater-4 - Row - Lahore	35202-2938611-9	Sheikh Muhammad Asad	750,000	21,099	771,099	718,263	88,292	886,545

Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sl. NO.	Name	Address	Name of Partner/ Director/ NO. / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written-off / Conversion		
					Principal	Interest/ Mark-up	Total	Principal	Interest/ Mark-up	Total
186	Bakht Ali	Floor No 8-06 Sector 32/A, Labour Square At Public School Kuning No 11-2 Karachi	14932-657299-3	Muhammad San	706,374	57,318	763,692	680,201	113,772	829,673
188	Aamir Siddiqui	House No 5 Street No 1 Mahmoodabad Begum Pasha Near Bhakshi Chowk Lahore	35205-2828759-7	Mohammad Siddiqui	177,912	44,739	222,651	674,478	624,564	599,912
190	Nasreen Tariyar	Worka Directorate Xdo, Scheme#01 Giv, Arabian La Giv Restaurant Authority Karachi	42201-5754054-6	Muhammad Tariyar	703,880	-	703,880	718,856	74,368	793,224
191	Sheikh Qasim	Floor No 2 Plot No 235E, Gulf Lane One Main Rd, Jamr Phase 2 Ext D-1A Karachi	35203-2175117-7	Abdul Rasheed	147,142	123,314	270,457	667,143	123,314	790,457
192	Nasir Jumaat	Head Bank, Main Gate Branch Bank, Rawalpindi	91101-9481579-3	Bashir Ahmad	714,766	17,250	732,017	686,413	30,809	717,222
192	Asad Weaving Industries	Chak#72-B, Mehranpur, Jhang Road Faisalabad	33100-013890-3	Chaudhry Ahmed Durr	1517,631	509,549	2,027,180	217,521	568,909	784,141
194	Sakso Enterprises	Office 5B, DPA-3 Main Centre, Karachi	Muhammad A. Farooqi 203-42-081190	Shahzad A. Farooqi	150,628	404,075	554,703	266,620	520,786	783,614
195	Abdul Arshed Khan	Office # 10, St 2 Opp. Tamara Library Block-H, Wadhwa Nazimabad Karachi	42101-2919794-3	Jamil Ahmed Khan	1,022,621	446,646	1,469,267	-	-	1,469,267
196	Fahad Abbas Khan	Plot# 188, Garden Block Dawa Terminal Garden Town Lahore	34101-1478820-3	Shazfar Ali Khan	74,264	37,346	111,610	746,417	26,117	772,527
197	Azhar Mahmood Bhutt	House No 384 Nisam Block, Alama Iqbal Town Lahore	36202-3991096-3	Faizan Mahmood Bhutt	2,200,889	175,116	2,376,005	-	-	2,376,005
198	Mani Muhammad	House # 251-D, Street #1, Moh Jan Muhammad Colony Multan	30204-1906519-5	Mani Ata Muhammad	1,301,928	70,280	1,372,208	-	-	1,372,208
199	Muhammad Ahsan Ullah	House#31, St-7, Karam Town, Security Check Post, Iqbalabad	36302-1984421-7	Rao Tahir Muhammad	607,853	13,759	621,612	659,257	77,011	736,268
200	Fahad Ahmad Sheikh	House No 341, Phase 05 Khayaban-e-Tarsoom Road Market Karachi	42301-2328071-1	Habibul Ahmad Sheikh	627,183	76,958	704,141	637,183	11,271	704,141
201	Muhammad Anwar Khan Ghani	House # 381, Street 5, Malakia Phase 4 Gulzar Colony Rawalpindi	37405-5116688-7	Muhammad Shari Khan	714,473	28,627	743,100	676,731	66,369	743,100
202	Hussain Haidar Sahbaz	Furqan Brokers Office 1-A, Syed F. Lala Opp Sheeran Cargo Terminal Airport Haveli	41101-1951427-6	Ghulam Haidar	617,748	19,344	637,092	593,201	148,209	741,410
203	Muhammad Saad Siddiqui	Street Baitan Stone Muslim Road Sak Javed But War, Gaganwala	34101-3617013-3	Muhammad Saad Siddiqui	1,785,212	132,844	1,918,056	176,218	529,833	2,447,889
204	Muhammad Subhan	House No 0-145, Street No 9 Brabai Road D3 Buss Stop Gulshan-e-Johar Karachi	42201-5041077-1	Ghulam Rasool Qureshi	652,511	16,296	668,807	623,812	53,398	707,600
205	Tariq Rauf Khan	1-2170 Nazimabad No. 1 Near Madina Masjid Near Muslim League Quarters Karachi	42101-0016528-5	Abdul Rauf Khan	1,021,705	499,652	1,521,357	162,785	542,446	2,063,803
206	Mamir	2-D 100 Top Arcade, Sunset Blvd, DHA, Karachi	Abul Ali Khan 213-52-331346	Khalid Ali	290,403	472,487	762,890	258,438	472,487	730,925
207	Muhammad Nawaz (Deceased)	Near Coca Cola Factory, H No. 13, Market Abad West Near Colony, Multan	38302-981387-1	Muhammad Hajar	2,384,483	369,951	2,754,434	288,448	388,911	3,143,345
208	Mizza Ayes Azhar Bag	Floor # A-6 A Nazim Square, Plot # Se-4 Block L, North Nazimabad Karachi	42101-2078725-5	Mizza Ayes Azhar Bag	683,141	-	683,141	683,963	20,269	694,232
209	Asif Ibrahim Zahid	Floor No 7 Muhammad View Apartment Plot 2-45 A Opp. DHA Phase 1 Mehranabad Near Karachi	42000-0733420-7	Muhammad Ibrahim Zahid	819,140	24,528	843,668	713,169	70,997	784,166
210	Muhammad Badshah	Shamat Milk Street Ward # 06, Sheer Min Road Miranwa Khushkbad Colony Multan	38302-0071891-5	Abdul Majeed	729,242	51,034	780,276	171,282	512,534	662,812
211	Ashraf Ashraf	Asad Plot 1st Asad House Road Street Main Khayaban-e-Iftedal Phase VII D H A Karachi	42011-0949206-2	Ghulam Ali	-	-	-	525,514	148,648	674,162
212	Nasim-Ul-Haq Siddiqi	House No F-1, L-1125, Tareeq-e-Zayed Society Behrman Masjid Main Road, Karachi	41103-4168002-3	Nasim-Ul-Haq Siddiqi	586,794	13,184	600,000	668,794	10,743	679,537
213	Muhammad Fahir Ghani	Daxco Sales Office, Plot No 13-D, Main Khayaban-e-Iftedal, Phase No 2 DHA Near Faysal Bank Karachi	41304-3082041-1	Saghir Ahmed Ghani	632,701	48,446	681,147	628,281	42,285	670,566
214	Syed Abdul Aziz	House No B-195, Sector 15-B, Baba Zain, Turkey's Restaurant North Karachi, Karachi	42101-4381750-2	Syed Abdul Aziz	407,423	12,520	420,000	595,190	48,714	643,904
215	Hussain Mehmood	H # 17-A2 Wadhwa Street Phase-1 D H A Karachi	42301-726885-8	Muhammad Ahsan Farooqi	444,471	14,523	459,000	424,230	193,743	617,973
216	Jawad Ali Khan	Shop # B-5-E-7 Arbazan Shipping Centre Hydco Market Block G, North Nazimabad Karachi, Karachi	42101-1504051-1	Asad Ahmad	1,254,089	640,305	1,894,394	645,594	245,594	891,188
217	Muhammad Faruk Durrani	Ground Floor Bahria Complex 1 M T Khan Road Lazarr, Near Beach Luxury Hotel Karachi	42201-5345229-7	Yaqub Ali	538,350	34,221	572,571	585,105	46,234	631,339
218	Ghulam Akbar Yaqub	2B, Sunnyside Apartment, Sunnyside Road, Clif, Lines Karachi	42201-1190000-9	Muhammad Akbar Yaqub	569,990	32,421	602,411	583,283	79,548	662,831
219	Abdul Rafiq Khan Sherwani	House # 516, G.P.F., Zafar Colony Cavalry Ground Lahore	36402-2337007-1	Murtaza Khan Sherwani	621,334	1,840	623,174	625,247	13,638	642,217
220	Mansoor Ali Bhutt	Banglow No Co-1 2nd Flr, Defence View Phase-II Near Iqbal University Karachi	42101-2944039-7	Muhammad Anwar Javed	491,750	125,920	617,670	492,762	149,016	641,778
221	Muhammad Hafeez	Asad Pakistan 114-116C, Tareeq-e-Zayed, Sheer Min Khayaban-e-Iftedal Phase 7 Near SCE Bhakshi Branch Karachi	42101-6283284-9	Murtaza Ahmad	52,401	-	52,401	610,498	627,223	679,624

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Annexure-1

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Payment Director NCC / CRIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off - Composition		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total
229	Waseem Akhond Khan	Cargo Plot, 25-A, 15 th Floor (Bata) Phase Wahdat Road, Lahore	3520/2428258-1	Ahmad Wali Khan	526,873	58,386	585,259	526,872	66,372	593,244
231	Muhammad Fawad Joon	Asad Park, 114-116C, Jinnah Colony, 2 nd Floor, Khayaban-e-Imam, Near Bahadur Branch, Karachi	42201-0810380-1	Muhammad Sabirul Haq	-	-	-	98,769	125,596	224,365
232	Danish Younis	Plot No 285 For No 300, 15 th Floor, Shalimar Apartments Near PAF Station Karachi	42201-2814320-1	Younis	382,244	-	382,244	498,691	178,889	677,580
233	Abdul Razaq	Bank Capital Management Ltd, Level 8 UJ Tower, UJ Plaza I, Groundage Road, Karachi	42201-9491703-1	K V Muhammad	570,480	22,255	592,735	570,480	44,642	615,122
235	Sheikh Rehman Younis	Sheikh Humayun Mobile Centre, Shop 426, Jinnah Market Main Bazaar, Trencher, Lahore	25200-6480389-1	Sheikh Muhammad Younis	382,267	65,523	447,790	572,667	106,581	679,248
237	Ali Muzaffar Zaini	Phase Colony, H # 901 Street # 3, Sahiwal	38532-3038570-1	Ghulam Rasool	896,407	358,199	1,254,606	248,482	302,871	551,353
238	Aamir Anjum	H # 1A, Behind, Awajam Plaza, Service Road, Ghazi Town Phase 3, Islamabad	61131-9589075-9	Saeed Hussain Khan	612,931	45,682	658,613	652,239	42,433	694,672
239	Khusroo Kazi	18-A, Haveli Road Superior University Lahore	23201-2387330-2	Kusht Fayaz Syed	642,071	51,170	693,241	352,302	47,448	399,750
240	Ghulam Mustafa	Engro Polymer Port Quam, Dept Operation Tower, Steel Karachi	42201-2885317-4	Muhammad	371,162	-	371,162	381,872	32,776	414,648
241	Chaudry Muhammad Naveed	22Km Ferozpur Road, Phase 1, Near Stop, Merry Plaza, Lahore	34201-0686200-3	Ghoushy Ahsan Ditta	496,380	163,271	659,651	496,380	182,271	678,651
242	Ali Raza	May Fair Group Of Companies, Rawalpindi Marg Road, Dera Road, Lahore	38502-0602734-9	Riaz Hussain Jeffery	262,330	14,875	277,205	383,836	36,329	420,165
243	Abdul Ghafoor	House No. P-124 Street No. 3, Pakpattan Colony No. 1, Jinnah, Faisalabad	32180-4278377-8	Ghulam Naveed	1,272,286	257,886	1,530,172	173,245	423,266	1,953,438
244	Saeed Saad	157-A, Ahmed Block Raja Market, New Garden Town, Lahore	25202-8431230-8	Saeed Harif	328,889	-	328,889	476,307	128,885	605,192
245	Ghulam Naveed	Asad House, Asad Street Ph. Vii, Khayaban-e-Imam, Near RFC, Karachi	42201-0748973-8	Saharun Memon	-	-	-	482,176	113,861	596,037
246	Abdul Rehman Khan Shaheen	House F/3/6, S.F.H, Zaman Colony, Conroy Ground, Lahore	35400-2337357-1	Muhammad Naveed Shaheen	482,454	31,726	514,180	482,454	127,888	642,068
247	Hassan Ali	H/O G-47, Kucha Muhammad Hussain, Vaidi Gade, Sector Lahore	35201-5032856-3	Naveed Hussain	452,544	39,654	492,198	457,545	124,454	582,000
248	Adnan Khuram	12, Feroz Road, 1 st Floor, Near Plaza, Sindh Madressa Building, Karachi	42301-4622810-3	Sheikh Muhammad Iqbal	491,059	-	491,059	609,946	85,682	695,628
249	Shahid Mehmood	House No 2, 2 nd Floor, Kowli Ph, Abdul Rehman Sharmar, Bagh, G Road, Lahore, Near Pakistan Mtr, Lahore	25201-1328542-8	Muhammad Waqar	496,709	88,158	584,867	766,709	65,153	831,862
250	Muhammad Saeed Jaffer	H No. 11, 2 nd Floor, 25-A (G), Nizamiy, Nizam, Abdul Aziz, General Store, Kot Khata, Saeed, Rajpura, Puna, Lahore	32201-4019000-9	Jaffer Qazi	289,381	-	289,381	501,075	67,889	568,964
251	Muhammad Hussain Zaheer	Shop No 5, Ground Floor, Baniqas Town, Near Hotel, Abbott Road, Lahore	35202-8743365-1	Hussain Umar Zaheer	498,930	44,286	543,216	488,335	88,854	577,189
252	Saeed Saad	187-A, Ahmed Block Raja Market, New Garden, Town Lahore	35201-8431230-9	Saeed Harif	482,016	-	482,016	487,835	80,541	568,376
253	Zulfiqar Ali	H No 25 Block 14, Sikh Khawan, Town, Defence Road, Gantt, Lahore	35201-1627005-7	Muhammad Imran	496,185	46,107	542,292	496,155	86,200	582,355
254	Shahid Mehmood	House No. 880, Phase 1 Main Court, Chak, Road, Karachi	61131-5034543-8	Muhammad Ahsan	498,867	-	498,867	624,413	88,361	712,774
255	Syed Ahsan Ali Rizvi	Banglow No 28, Main, Khayaban-e-Imam, Near 81 Main, Station, Main, Phase 3, Chak, Karachi	42201-1914889-1	Syed Ahsan Ali Rizvi	487,283	73,578	560,861	487,283	186,133	673,414
256	Muhammad Imran	J A Khayaban, Building, Ahsan Group, Near, Cargo, Shobana, Hotel, Services, Lahore	42201-0645882-1	Ghulam Naveed	514,000	43,579	557,579	588,031	74,269	662,300
257	Muhammad Zaheer	H No. 25, D/O No 7, Mahmood, Wal, Street, Begum, Kot, Lajpat, Road, Shalimar, Lahore	35202-9147360-9	Muhammad Tariq	499,872	17,348	517,220	499,873	85,204	585,077
258	Aman Ullah Sheikh	Plot# 304 (And Ph. Bily) Paradise Phase 2, Perform, Chak, Karachi, BK 12, Gantt, e, Jinnah, Karachi	42201-6847656-1	Muhammad Bilal Sheikh	618,128	13,738	631,866	557,105	24,264	581,369
259	Qazi Saad	House No. 379, Street No 25, 18 th Floor, E-11A, Islamabad	61101-0162241-1	Qazi Saadul Haq	470,513	10,000	480,513	487,050	81,664	568,714
260	Khuram Shahbaz	House Shop 10, Abdul Mal Road, Lahore, Hotel, Lahore	35202-7144214-9	Sheikh Ahsan Ali	491,297	43,997	535,294	491,297	87,668	578,965
261	Mehdi Akram	Mi-Highway, And, Tractor, E-V 12, Central, Street, Park, Saha, Phase 2, DHA, Karachi	42201-0387719-1	Sheikh Waqar Akram	499,673	14,081	513,754	488,638	87,788	576,426
262	Ghulam Naveed	House No. 54, Ahsan, 18, School, Road, Chak, Karachi	42201-0645882-5	Ghulam Naveed	482,113	7,240	489,353	484,190	166,719	650,909
263	Syed Muhammad Azam Amadi	At, Main, Services, Shop 28, Civil, Auditor, Mid, City, Terminal, 1, Algon, Karachi	42201-5871167-1	Syed Waqar Hussain Amadi	497,124	24,468	521,592	495,221	78,437	573,658
264	Aamir Idris Khan	House No. 12, First Floor, Sher, Park, Group, Gade, e, Ahsan, Colony, Near, Sher, Park, Bridge, Gantt, Lahore	35202-4214634-7	Iqbal Muhammad Khan	525,742	-	525,742	617,336	41,625	658,961

Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sr. No	Name	Address	Name of Partners/ Directors NIC / CNIC	Father / Husband Name	Outstanding Balances at Beginning of Year			Amount Written off - Current/Non		
					Principal	Interest Mark up	Total	Principal	Interest Mark up	Total
255	Muhammad Khuram Munir	Street No 9 North Ghazal Road (Shakhsipura) near Stadium Shakhsipura	35494-1953250-9	Muhammad Munir Bajwa	501,000	-	500,000	520,500	57,200	577,200
256	Muhammad Sohail	House No 830 Alah Wali Town Sector 31Q Kaziang Crossing Karachi	42201-6100508-3	Muhammad Younas	140,549	-	140,549	179,800	95,240	275,040
257	Muhammad Zahid	House No 293-294 Meer Saher Colony Faisalabad	32103-6130730-1	Shahid Muhammad Amir	100,851	27,309	127,160	484,565	91,299	575,864
258	Shakeel Ahmad	H No 14 St No 1 Paradise House Gawa Town Feroze Blue Line 2 Main Boulevard Defence Lahore	35201-6634206-5	Muhammad Faraz	400,327	14,571	414,898	481,307	70,426	551,734
259	Habib Ur Rehman And Company C/O Habib Ur Rehman	Berard Dastar Baba Qarni Sayh Street No. 3, Faisalabad Faisalabad	346-96-119174	Nizam Din	219,026	411,694	630,720	133,636	411,660	545,300
260	Muhammad Imran	3-A Khoghor Building Aweri Group Royal Cargo (Shades Hotel) Sookan Lahore	42001-3545897-1	Gulshan Khan	60,110	36,232	96,342	471,525	82,820	554,345
261	Khudad Ahmed Khan	Office # 10, 5-2 Clari, Tanzeem Library, Block # North Nazimabad Karachi	42101-2919794-3	Jamil Ahmad Khan	179,132	50,231	229,363	479,130	80,213	559,343
262	Ghulam Abbas Jabe	5-105 Block - Krista Market North Nazimabad Karachi	42101-1876078-7	Syed Naim Hussain Jabe	100,159	12,927	113,086	500,150	95,213	595,363
263	Muhammad Siddiq	2100-2 Santa Muhammad Al Road Model Colony Karachi Near 9-C Ras Slip Karachi	42001-6880240-5	Abdulaziz Saif	90,339	-	90,339	505,232	52,360	557,592
264	Faisal Farooq	Model Group Of Companies 161 Shaheen 2 Lahore	35200-2995477-1	Farooq Ahmed	470,444	74,580	545,024	498,320	89,224	587,544
265	Munawar Ghulam	Plot 199 Sector 25 Hamdani Package Shan Feroze Korang Karachi	40001-0760113-0	Ghulam Muzaf	500,000	45,687	545,687	528,816	45,687	574,503
266	Naseem Ubah	Plot No 16 Truck Stand Rai Line Saeed, Mark Head Tayw Wala Lahore	17101-6598829-1	Muhammad Abbas	470,000	18,754	488,754	471,515	85,987	557,502
267	Haseeb Ali	House #2-47 Kacha Ch Muhammad Siddiqui Hotel Yau Gate Lahore	35202-5030690-0	Nazir Hussain	487,730	30,900	518,630	407,730	57,220	464,950
268	Abdul Hameed	H No 10 St No 3 Atal Park Broom Field Street Habebpura Lahore	35201-1608035-0	Hassan Muhammad Chaudry	500,000	0,789	500,789	427,571	95,460	523,031
269	Wasim Ahmed Khan	Cargo Plus 25-A, 151 Floor Bataq Plaza Wahdat Road Lahore	35200-3498258-1	Ahmed Waheed Khan	474,900	52,751	527,651	474,388	70,340	544,728
270	Rahat	9178, Tang Road, Saher	Sh. Sheela Parvay 24803-9171701-1, Tanzeem Khasra 34603-2189703-0	Sh. Parvez Iqbal, W/O Sh. Parvez Iqbal	500,000	-	500,000	500,000	-	500,000
271	Yousaf Rasheed	A One Network Sutan Chambers, Sd T # 1, 2nd Floor 22 Lark Avenue Road Parkside Ground Lahore	35202-0467895-5	Hafiz Abdul Rasheed	434,800	14,410	449,210	434,300	118,250	552,550
272	Syed Tahir Mansoor	House No A-211 Block L, North Nazimabad Karachi near Landmark Charing Karachi	42101-0781343-5	Muhammad Asad Mansoor	201,767	10,400	212,167	513,700	37,372	551,072
273	Abdul Majeed Mang	F-35 9Th Floor Bomfiah Terrace Hai Bashi Park Colony Opp Old Cemented House Feroze Road Street No 2 Karachi	45004-1142607-0	Muhammad Asim Mang	472,070	42,707	514,777	494,266	84,647	578,913
274	Muhammad Sameer	Street No 157, Royal Park, Near Wicket-Jacob Press Lahore	35200-1484329-5	Muhammad Sameer	482,417	71,716	554,133	462,217	90,886	553,103
275	Syed Yaseer Abbas Rizvi	M/S Netcom Delivery Ltd. 78, Korangi, Karachi	42101-6254046-5	Syed Saad Ahmad Rizvi	2,494,800	267,600	2,762,400	170,267	175,652	345,919
276	Ahmed Iqbal	H No 33 St No 13 Area A Government for Syed Hospital Kaziang Road Karachi	42201-6900700-5	Muhammad Iqbal	494,291	-	494,291	494,291	63,756	558,047
277	Abul Azeem	Plot No 101 Farzana Binodhi Gulshan-e-Iqbal University Road Govt Boys High School Karachi	41103-2244930-5	Shoukat Ali	400,070	14,134	414,204	400,070	34,961	435,031
278	Muhammad Asif	A-69/1 Jinnah Garden Model Colony Near Main Canal Karachi	42501-9540440-5	Muhammad Asif	490,348	-	490,348	480,140	60,005	540,145
279	Abdul Hafeez	F-112 Sector 14B, Shantown Town Sakh Hassan Gabrielan North Karachi Karachi	42101-9416719-5	Hafiz Ghosh	485,000	-	485,000	470,210	67,672	537,882
280	Zaher Azeez	429-Abbas Block, Model Town Lahore	35202-1601740-5	Muhammad Ahsan	1,514,830	49,236	1,564,066	1,400,040	164,026	1,564,066
281	Sunam	Eye Dept for Floor Mayo Hospital King Edward College Lahore	33303-6978800-9	Heshmat Ali	480,500	-	480,500	480,525	41,045	521,570
282	Khuram Bushair	Agar Khan Hospital Chief Operator Office Department Time Medical Stadium Road Karachi	41303-7959680-7	Zaroon Haseeb Shah Bushair	407,880	21,732	429,612	433,862	76,474	510,336
283	Muhammad Sohail	House No 830 Alah Wali Town Sector 31Q Kaziang Crossing Karachi	42201-6100508-3	Muhammad Younas	400,899	411	401,310	401,365	74,211	475,576
284	Adeel Hussain	Plot #2 Madrasat (Shah-e-Millat Road) near Barabanki Charing Karachi	42001-6485240-5	Farooq Hussain	478,438	17,207	495,645	463,473	80,706	544,179
285	Simon Mawit	H No 53 Diksha Road GR Street Model Town Lahore	35201-1304564-7	Muhammad Ahsan	480,500	0,544	481,044	470,040	14,800	484,840
286	Shahid Tariq Mahmood	House # 837 Mughal Sahbaz Scheme Block A near Jinnah Chowk Lahore	35202-9666529-7	Muhammad Ahsan	480,500	30,780	511,280	480,000	45,713	525,713

Consolidated Financial Statements

Annexure-1

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partner/ Directors BIC / CMC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark-up	Total	Principal	Interest Mark-up	Total Balance
287	Shahid Aziz Malik	143 J Phase 2 Dera Lahore	35201-2023443-9	Abdul Aziz Malik	468,949	114,832	583,781	468,949	117,032	585,981
288	Muhammad Shereef Farooq	Flat # 401, Phase View Apartments, Block-F, North Nazimabad Karachi	42101-2479155-3	Muhammad Farooq	449,631	0,125	449,756	449,631	74,736	524,367
289	Ali Akbar	Aman Jewellers * 7824 Sarda Bazar, Multan	36302-8299254-7	Husain Khan Akbar Shabbir	466,912	14,153	481,065	416,771	106,139	522,910
290	Amir Ali Aslam	Office No 207 2nd Floor, Cheshm-e-Banoon Avenue, FCB Binn Area, Islamabad	51101-8813421-0	Haris Shabbir Usman Aslam	463,792	25,001	488,793	444,207	77,830	522,037
291	Sheer Muhammad Shabbir	Appt No 601 Sag Bridge Heights Block 2 Clifton Karachi	42001-9180396-7	Nazim Muhammad Shabbir	1,713,839	293,178	2,007,017	110,369	412,459	522,489
292	Saleem Ashtar Khan	3945 Chughtal Park, Netaji Road Lahore	35202-2570495-7	Ashtar Khan	441,437	12,168	453,605	446,416	75,880	522,296
293	Naveed Jaseem	City School 31 Ind Area, Gaurangal Road, Nazimabad, Taxila, Galtberg W, Lahore	35201-1516403-5	Jaseem Gil	492,000	-	492,000	472,198	62,013	522,211
294	Wajid Ali Khan	A Best Choice Chowk 13 1st Floor, Refmat Plaza F-6/4 Blue Area, Near Anwar Amara Islamabad	51101-2568713-7	Munir Khan	379,824	14,022	393,846	386,816	123,802	510,618
295	Azeez Qamar	125 Sarda Colony, Sarda Road, Cantt, Lahore	35201-0349609-1	Imran Qamar	386,182	-	386,182	407,048	115,000	522,048
296	Syed Farooq Farooq	611-E-1, Jinnah Town Lahore, Near Lahore Grammar School, Lahore	32132-0836383-7	Syed Farooq Ali	452,515	32,017	484,532	452,310	63,370	515,680
297	Imdad Hussain	House No P-424, Opp. Laxmi (Shah Jang Bazar) Faisalabad	33102-0482382-8	Muhammad Yousaf	724,015	48,735	1,282,654	-	510,131	515,131
298	Feroze Soomro	Gate 695 67th Floor, Jinnah Tower, M.A. Jinnah Road Karachi	42101-7719624-2	Soomro	481,285	21,796	503,081	442,148	73,778	515,926
299	Muhammad Naveed	House 122-B Sh-42, 1st Floor Upper F-10/4 near Silver Ore Islamabad	51101-9195009-7	Muhammad Munir	311,842	-	311,842	442,200	71,008	513,208
300	Ali Naveed Pirozka	1 Habibullah Road (Opp. Darya Road) Al-Aydarul High School Lahore	35201-8866808-9	Naveed Arshad Pirozka	414,915	71,572	486,487	415,882	47,833	513,715
301	Abdul Rab Khan	H No 304 02 3rd floor, Alameda Apartment, Teen Talwar Block 3 Clifton Karachi	42001-2653809-1	Prof. Abdul Sami	508,827	11,595	520,422	475,528	42,891	518,419
302	Ahmed Iqbal	Flat No 2, 12-4th Floor, Bod Road, Apartment, Teen Talwar Block, Choke Road Clifton Karachi	42001-1142018-1	Ahmed Muhammad Shabbir	494,735	10,175	504,910	494,735	10,647	510,382
303	Wasim Fayaz Shabbir	Room No. 8 Imperial Hotel, Building M F Khan Road 01 Karachi	42101-3801843-5	Shabbir Muhammad Fayaz	449,473	42,025	491,498	492,179	32,280	524,459
304	Muhammad Ali Kasur	32 F PA Housing Society Near Wazir, Okara Lahore	35202-7442925-1	Muhammad Ali Kasur	881,267	510,263	1,391,530	-	585,660	525,870
305	Muhammad Aslam Khan Ranjoor	House No 15A, Street No 43 Qila Muhammad Mass Public School, Ravi Road, Lahore	35202-9822196-7	La. Bush Khan Ranjoor	472,345	35,772	508,117	472,345	34,371	506,716
306	Owais Mirza	Elin Publishers Ltd (J-1153) J.T.E. Karachi	42000-5214471-4	Arshad Mirza Jami	217,152	5,282	222,434	404,212	101,755	505,967
307	Mazoon Hussain Zaidi	Shop No 8 Ground Floor, Umbay Tower, Sarda Hotel, Abbott Road, Lahore	35202-2192383-1	Hussain Ullah Zaidi	357,196	38,634	395,830	357,196	108,583	465,779
308	Waqar Zia	Shop No 10 Mirzaabad Building, Netaji Road near Garden, Karachi	42001-2568424-3	Zia Ul Hassan	480,261	10,784	491,045	426,567	57,031	503,598
309	Muhammad Nadeem Aslam	18-C Sully Town, Netaji Road, Lahore Cantt Lahore	35201-0882567-7	Muhammad Aslam	449,446	93,101	542,547	449,446	52,143	501,589
310	Muhammad Naveed	Flat # B-428 4th Floor, 40th Apartment, Block 2 Gulshan-e-Iqbal near Aga University, Karachi	42201-7451247-2	Muhammad Shafiq	462,254	-	462,254	448,728	32,134	500,862
311	Tawseer Corp (Pvt) Ltd.	123 B-1, Opposite Bank Al Fajr, Bhokan Kharam Road, Jinnah Town Lahore	Chairman: Muhammad Amir 38250-5482077-5 Yousaf Khalid 38500-1088815-3 25252-2909528-7 Khalid Anam 33250-2905525-5 M. Zahir Anam 38200-3025530-7 Saf Ullah Hafiz 33250-4822567-3	Ghulam Ali Chairman: Muhammad Amir Chairman: Muhammad Anam Chairman: Muhammad Anam Chairman: Muhammad Anam Chairman: Muhammad Anam Hafiz Ullah	480,688	21,383	502,071	486,214	21,813	508,027
312	Farooq Ahmed	5 12466 Anwar Was Hyderabad Hyderabad	Farooq Ahmed 41303-7407013-5	Khalid Muhammad Farooq Ahmed	996,304	425,798	1,422,102	996,304	425,798	1,422,102
313	Syed Aziz Ali Shah	C-340 Gulshan-e-Sajjad Hyderabad	Syed Aziz Ali Shah 41303-1526201-5	Syed Hashim Shah	783,341	238,625	1,021,966	783,341	238,625	1,021,966
314	Apko Trade Mills Ltd	Suit # 303 The Forum Chaquab-e-Jam Block 9 Clifton Karachi	Zahir Ahmad 42501-4799981-3 Imran Zahir 42301-7098733-5 Abdul Wahid Zahir 42301-7218575-1 Muhammad Tahir Khan 32304-6587434-3 "Sahib" Ebrahim 42401-7529004-0 Roshan Raza 42501-8826556-4 Hafiz Faizul Lodhi 42301-7054659-4	Dad Muhammad Zahir Ahmad Zahir Ahmad Muhammad Imran Khan Muhammad Imran Raza Raza Ahmad Khan Raza Ahmad Khan Lodhi	18,188,194	1,254,507	19,442,701	18,090,194	5,264,007	23,354,201

Consolidated Financial Statements

Annexure-1

Amount in INR Rupees

Sl. No.	Name	Address	Name of Partner/ Directors (MC) / DMC	Father / Husband Name	Outstanding Liability at Beginning of Year			Amount Written off / Concession		
					Principal	Interest Mark up	Fee	Principal	Interest Mark up	Fee Balance
315	Gasster Enterprises (Pvt) Ltd	Plot # 101-103 Huzoor Industrial Estate Shalva Road Islamabad	Waseem Raza 37425-4352019-1 Amara Waseem	Tajamul Hussain Malik Waseem Raza	2,207,240	314,270	2,525,515	2,305,956	316,270	2,529,406
316	Ast Raza	444 J. Jaha Teen Lahore	Ast Raza 33130-1314461-0	Raza Muhammad Akhraf	1,215,362	426,130	1,641,492	1,294,515	426,130	1,530,916
317	Sheikh Muhammad Azeem Talib	House # 491, Street 3, Askari 5, Main Canal Karachi	Sheikh Muhammad Azeem Talib 43501-9442923-5	Sheikh Talib Hussain	1,111,438	347,855	1,505,471	1,160,987	347,855	1,567,742
318	Zeenat Azeem	House # 17 & 18, Street # 2, Seed Park Mozang Lahore	Zeenat Azeem 33262-0169562-8	Mian Muhammad Azeem	715,538	241,732	957,277	641,027	241,732	922,796
319	AgriTech Limited	2nd Floor Aam Centre, B-Gate Block, New Garden Town, Lahore	Wajidat Ahsan/ Begam 42301-4899101-1 Asim Umair Begam 36952-2846781-5 Ahsan Raza Durani 42307-7463092-7 Fatima Ali Yasmin 26291-2467510-3 Kulshan Ali Kazim 42304-5737826-1 Asim Murtaza Khan 42307-0482600-8 Muhammad Khaliq MI 42301-0667822-9 Masood Ahsan Qureshi 42301-4682564-1	Tasbeehuddin Begam Imtiaz Ahsan Hassan Ali Khan Durani Arfat Ali Haziq Aqsa Hassan Kazim Ghulam Murtaza Khan Mohammed Arwar MI Arshad Ali Qureshi	4,000,000	2,749,363	46,850,388	7,234,662	1,275,285	8,306,117
					1,492,317,148	1,242,288,821	2,734,640,478	1,896,729,742	1,434,355,411	2,496,965,663

PATTERN OF SHAREHOLDERS

As of 31 December 2015

NO. OF SHAREHOLDERS	SHAREHOLDINGS' SLAB		TOTAL SHARES HELD
1193	1	to 100	46,766
1870	101	to 500	580,230
1084	501	to 1000	847,531
2360	1001	to 5000	5,997,795
778	5001	to 10000	4,809,671
107	10001	to 15000	1,317,825
67	15001	to 20000	1,175,047
37	20001	to 25000	845,249
21	25001	to 30000	595,673
15	30001	to 35000	488,765
9	35001	to 40000	339,021
9	40001	to 45000	383,410
10	45001	to 50000	490,421
3	50001	to 55000	154,856
3	55001	to 60000	171,287
3	60001	to 65000	183,897
6	65001	to 70000	411,219
2	70001	to 75000	146,024
2	75001	to 80000	155,817
1	85001	to 90000	89,000
6	95001	to 100000	598,900
1	100001	to 105000	103,045
1	110001	to 115000	113,500
1	120001	to 125000	122,500
3	125001	to 130000	381,000
1	130001	to 135000	134,400
1	135001	to 140000	135,700
1	145001	to 150000	145,258
1	155001	to 160000	158,000
1	170001	to 175000	175,000
1	175001	to 180000	178,900
2	195001	to 200000	400,000
2	205001	to 210000	420,000
2	215001	to 220000	437,500
2	225001	to 230000	451,662
1	235001	to 240000	238,900
2	245001	to 250000	497,232
1	270001	to 275000	275,000
3	295001	to 300000	900,000
1	300001	to 305000	302,100
1	320001	to 325000	321,500
2	370001	to 375000	747,500
1	410001	to 415000	414,500
1	440001	to 445000	440,179
2	455001	to 460000	917,614
1	495001	to 500000	500,000
1	710001	to 715000	712,500
1	795001	to 800000	800,000
1	815001	to 820000	817,795
1	910001	to 915000	914,570
1	995001	to 1000000	1,000,000
1	1075001	to 1080000	1,078,600
1	1995001	to 2000000	2,000,000
1	3180001	to 3185000	3,183,000
1	3832335001	to 3832340000	3,832,339,162
7631			3,871,585,021

CATEGORY WISE LIST OF SHAREHOLDERS

As at 31 December 2015

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Sultan Mohammad Parvez Ghias	1	1	0.00
Spenta Kandawalla	1	1	0.00
Shazad Dada	1	1	0.00
Vinod Ramabhadran	1	1	0.00
Sunil Kaushal	1	1	0.00
Najmul Islam Chaudhri	1	1	0.00
Standard Chartered Bank (UK)	1	3,832,339,162	98.99
Executives			
	-	-	-
Public Sector Companies and Corporations			
	6	1,087,951	0.03
Banks, DFIs, NBFCs, Insurance Companies, Takaful, Modarabas and Pension Funds	12	3,201,883	0.08
Mutual Funds			
CDC - Trustee AKD Index Tracker Fund	1	41,098	0.00
CDC - Trustee First Capital Mutual Fund	1	16,000	0.00
General Public			
a. Local	7497	29,388,980	0.76
b. Foreign	8	12,889	0.00
Foreign Companies			
	15	3,220,778	0.08
Others			
	84	2,276,274	0.06
Totals	7631	3,871,585,021	100.00
Shareholders holding 5% or more			
Standard Chartered Bank (UK)		3,832,339,162	98.99

FORM OF PROXY
10TH ANNUAL GENERAL MEETING
STANDARD CHARTERED BANK (PAKISTAN) LIMITED

نمائندگی کا فارم (پراکسی فارم)
 لسواں سالانہ اجلاس عام
 اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

I/We of being member(s) of Standard Chartered Bank (Pakistan) Limited holding Ordinary shares hereby appoint of or failing him/ her of who is/are also member(s) of Standard Chartered Bank (Pakistan) Limited as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on 30 March 2016 and/or any adjournment thereof.

میں/ہم کے/کی (پاکستان) لمیٹڈ اور حامل نام حصص، کے/کی کا/ان کی موجودگی میں کے/کی جو اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کے رکن ہیں، کو اپنی غیر حاضری میں بینک کے سالانہ اجلاس عام جو 30 مارچ 2016 کو منعقد ہونا ہے اس کے التواء کی صورت میں حاضری اور حق بلک دینی کے استعمال کے لئے اپنا نمائندہ (پراکسی) تقرر کرا کر رہی ہوں۔
 آج بروز تاریخ 2016 کو دستخط کیے گئے۔

Signed this day of 2016.

Folio/ CDC No.
 فولیو/ سی ڈی سی
 []

Signature
 دستخط
 Rs. 5/-
 Revenue
 Stamp

WITNESSES:

گواہ:

1. Signature: _____
 Name: _____
 CNIC/Passport No.: _____
 Address: _____

1. دستخط:
 نام:
 سی این آئی سی / پاسپورٹ نمبر:
 پتہ:

2. Signature: _____
 Name: _____
 CNIC/Passport No.: _____
 Address: _____

2. دستخط:
 نام:
 سی این آئی سی / پاسپورٹ نمبر:
 پتہ:

Note:

نوٹ:

- The Proxy Form should be deposited at the registered office of the Bank, as soon as possible but not later than 48 hours before the time of holding the meeting, failing which, Proxy Form will not be treated as valid.
- No person shall act as proxy unless he/she is a member of the Bank.

- نمائندگی کا فارم (پراکسی فارم) حوالہ ال حد بینک کے رجسٹرڈ پتہ پر جمع کرنا چاہئے۔ اس کے بعد سے 48 گھنٹے پہلے تک موصول ہونے والے فارم موز اعتبار رکھیں گے۔ جس کے حوالہ موصول ہونے والا کوئی بھی فارم قابل قبول نہیں ہوگا۔
- کسی بھی شخص کا تقرر بطور نمائندہ (پراکسی) نہیں کیا جاسکتا۔

Fold here

Company Secretary
Standard Chartered Bank (Pakistan) Limited
P.O.Box No. 5556,
I.I.Chundrigar Road,
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**She used to have a difficult time seeing the finish line.
But with your help, she's now always the first to cross it.**

Make a donation to Standard Chartered's 'Seeing is Believing' programme and we will match your contribution with a donation of our own*. Join LRBT and us as we set out to eliminate preventable blindness from Pakistan.

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