





## **CONSOLIDATED FINANCIAL STATEMENTS**

## DIRECTORS' REPORT TO SHAREHOLDERS ON Consolidated Financial Statements for the year ended December 31, 2016

I am pleased to present, on behalf of the Board of Directors, the consolidated financial statements of the Bank and its Subsidiaries for the financial year ended December 31, 2016.

These consolidated financial statements have been prepared in accordance with the approved International Financial Reporting Standards and Islamic Financial Accounting Standards and such other applicable directives.

For the year under review, pre-tax profit is higher by 10% and amounted to Rs. 37.6 billion. After-tax profit also significantly increased by 15% to Rs. 23.1 billion as against Rs. 20.1 billion of prior year. Net income contributed for the year by our group companies amounted to Rs. 335 million, compared to Rs. 857 million for the corresponding period last year. Our subsidiaries cumulatively add Rs. 5,711 million to our total assets and Rs. 3,406 million to our net assets.

The consolidated operating results and appropriations of profit as recommended by the Board of Directors are given below:

	(Rs. in Million)
Pre-tax profit for the year ended December 31, 2016	37,595
Taxation:	
- Current	9,687
- Prior Year(s)	1,344
- Deferred	3,476
	14,507
<b>After-tax profit for the year ended December 31, 2016</b>	<b>23,088</b>
Un-appropriated profit brought forward	52,725
Other comprehensive income - net of tax	(1,851)
Transfer from surplus on revaluation of fixed assets	114
Non-controlling interest	(49)
<b>Profit available for appropriations</b>	<b>74,027</b>
Transfer to Statutory Reserve	(2,276)
Cash dividend paid – 2015	(15,956)
<b>Un-appropriated profit carried forward</b>	<b>55,795</b>
 Basic & diluted earnings per share	 Rs. 10.83

For and on behalf of the Board of Directors,

**Masood Karim Shaikh**  
President (Officiating)  
Karachi

Date: February 22, 2017



## حصص یافتگان کے لیے ڈائریکٹرز کی رپورٹ

انضمام شدہ مالیاتی گوشوارے برائے 2016

میں، NBP کی بورڈ آف ڈائریکٹرز کی جانب سے، 31 دسمبر 2016 کو ختم ہونے والے سال کے لیے آپ کو انضمام شدہ مالیاتی گوشوارے دستاویزات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ یہ انضمام شدہ گوشوارے انٹرنیشنل مالیاتی رپورٹنگ اسٹینڈرڈز اور اسلامی مالیاتی اکاؤنٹنگ اسٹینڈرڈز اور دیگر لاگو ہدایات کی روشنی میں تیار تیار دیے گئے ہیں۔

زیر جائزہ مدت میں قبل از محصول نفع پچھلے سال کے مقابلے میں 10 فیصد زیادہ ہے اور اس مالیت 37.6 ارب روپے ہے۔ بعد از محصول منافع بھی پچھلے سال کے مقابلے میں 15 فیصد بڑھ کر 23.1 ارب روپے ہو گیا جو پچھلے سال 20.1 ارب روپے تھا۔ سال 2016 کے دوران ہماری گروپ کمپنیوں نے 335 ملین روپے مالیت کا خالص آمدنی کا حصہ ڈالا جبکہ پچھلے سال اسی مدت کے دوران یہ مالیت 857 ملین روپے تھی۔ ہمارے ذیلی اداروں نے مجموعی طور پر 5,711 ملین روپے کل اثاثہ جات میں اور 3,406 ملین روپے خالص اثاثہ جات کی مد میں اضافہ کیا۔

2015 کے جمع شدہ منافع کو آگے لے جانا (carry over) کے بعد سال 2016 کا تجویز کردہ مختص شدہ منافع کی تفصیلات درج ذیل گا:

31 دسمبر 2016 کو اختتام سال پر منافع قبل از محصول	(روپے ملین میں)
محصول	37,595
موجودہ	9,687
گذشتہ سال (سالوں) کا	1,344
ماتوی شدہ (deferred)	3,476
31 دسمبر کو اختتام پذیر سال پر منافع بعد از محصول	14,507
غیر مختص شدہ منافع جو آگے بڑھایا	23,088
دیگر جامع آمدنی۔ محصول کی خالص	52,725
غیر متقولہ اثاثہ جات کی دوبارہ قدر پیمائی (revaluation) زائد از ضرورت کی منتقلی	(1,851)
نان کنٹرولنگ سود	114
مختصات کے لیے دستیاب منافع	(49)
دستوری ذخائر میں منتقلی	74,027
2015 اوائل کی کیش ڈیویڈنڈ	(2,276)
غیر مختص شدہ منافع جو آگے بڑھایا	(15,956)
بنیادی اور مٹھتی ہوئی کمائی فی حصص	55,795
	10.83 روپے

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لیے

مسعود کریم شیخ

صدر (Officiating)

کراچی

بتاریخ: 22 فروری 2017



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**EY Ford Rhodes**  
Chartered Accountants  
Progressive Plaza,  
Beaumont Road  
Karachi 75530, Pakistan

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
1st & 3rd Floor, Modern Motors  
House  
Beaumont Road  
Karachi 75530, Pakistan

We have audited the annexed consolidated financial statements comprising consolidated statement of financial position of National Bank of Pakistan and its subsidiary companies (the Group) as at December 31, 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also audited / reviewed the financial statements of National Bank of Pakistan and its subsidiary companies namely NBP Leasing Limited, Taurus Securities Limited, NBP Exchange Limited, NBP Fullerton Asset Management Limited, NBP Modaraba Management Company Limited and CJSC Subsidiary Bank of NBP in Tajikistan. The subsidiaries CJSC Subsidiary Bank of NBP in Kazakhstan and First National Bank Modaraba have been consolidated based on un-audited financial information of the subsidiaries. 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 National Bank of Pakistan and its subsidiary companies as at December 31, 2016 and the results of their operations for the year then ended.

### Emphasis of Matter

We draw attention to note 21.4.4.1 to the consolidated financial statements which explains the contingency in relation to the pension obligations of the Bank. Our opinion is not qualified in respect of this matter.

### Other Matter

The consolidated financial statements of the Bank for the year ended December 31, 2015 were audited by EY Ford Rhodes and KPMG Taseer Hadi & Co., whose audit report dated February 19, 2016 expressed an unmodified opinion on the aforementioned financial statements.

---

**EY Ford Rhodes**  
Chartered Accountants

Engagement Partner:  
Arslan Khalid

Karachi  
Dated: **February 22, 2017**

---

**Grant Thornton Anjum Rahman**  
Chartered Accountants

Engagement Partner:  
Khaliq-ur-Rahman

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

2015 US Dollars in '000	2016 US Dollars in '000		Note	2016 Rupees in '000	2015 Rupees in '000
<b>ASSETS</b>					
1,445,440	1,530,477	Cash and balances with treasury banks	6	160,085,598	151,190,845
197,320	137,629	Balances with other banks	7	14,395,805	20,639,421
73,562	1,163,586	Lendings to financial institutions	8	121,709,399	7,694,515
7,927,368	8,568,773	Investments	9	896,280,784	829,190,763
5,548,106	6,394,776	Advances	10	668,883,928	580,323,536
316,172	325,610	Operating fixed assets	11	34,058,289	33,071,124
92,470	49,451	Deferred tax assets	12	5,172,496	9,672,251
765,706	772,767	Other assets	13	80,830,263	80,091,712
16,366,144	18,943,069			1,981,416,562	1,711,874,167
<b>LIABILITIES</b>					
87,684	97,394	Bills payable	14	10,187,250	9,171,616
214,008	428,916	Borrowings	15	44,863,930	22,384,853
13,686,003	15,842,793	Deposits and other accounts	16	1,657,132,405	1,431,535,397
-	-	Sub-ordinated loans		-	-
872	794	Liabilities against assets subject to finance lease	17	83,007	91,188
-	-	Deferred tax liabilities		-	-
736,493	850,981	Other liabilities	18	89,011,304	77,036,022
14,725,060	17,220,878			1,801,277,896	1,540,219,076
1,641,084	1,722,191			180,138,666	171,655,092
<b>NET ASSETS</b>					
<b>REPRESENTED BY</b>					
203,399	203,398	Share capital	19	21,275,131	21,275,131
432,151	440,074	Reserves	19	46,031,075	45,202,342
504,066	533,424	Unappropriated profit		55,795,351	52,724,525
1,139,616	1,176,896			123,101,557	119,201,998
6,901	7,055	Non-controlling interest		737,972	721,816
1,146,517	1,183,951			123,839,529	119,923,814
494,567	538,240	Surplus on revaluation of assets - net	20	56,299,137	51,731,278
1,641,084	1,722,191			180,138,666	171,655,092
<b>CONTINGENCIES AND COMMITMENTS</b>					
21					

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

Masood Karim Shaikh  
President (Officiating)

Tariq Kirmani  
Director

Iftikhar A. Allawala  
Director

Farrakh Qayyum  
Director

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2016

2015 US Dollars in '000	2016 US Dollars in '000		Note	2016 Rupees in '000	2015 Rupees in '000
1,093,576	1,099,718	Mark-up / return / interest earned	23	115,028,828	114,386,364
573,616	569,744	Mark-up / return / interest expensed	24	59,594,350	59,999,374
519,960	529,974	Net mark-up / interest income		55,434,478	54,386,990
103,859	6,767	Provision against non-performing advances - net	10.4	707,870	10,863,528
(7,613)	(16,024)	Reversal of provision for diminution in the value of investments - net	9.9	(1,676,066)	(796,300)
-	-	Bad debts written off directly		-	-
(1,173)	-	Reversal of provision against off balance sheet obligations	18.1	-	(122,686)
95,073	(9,257)			(968,196)	9,944,542
424,887	539,231	Net mark-up / interest income after provisions		56,402,674	44,442,448
		<b>NON MARK-UP / INTEREST INCOME</b>			
128,687	152,095	Fee, commission and brokerage income		15,908,884	13,460,415
25,878	26,747	Dividend income		2,797,675	2,706,794
45,833	22,131	Income from dealing in foreign currencies	25	2,314,852	4,794,070
117,428	81,507	Gain on sale and redemption of securities - net	26	8,525,471	12,282,801
57	(645)	Unrealized (loss) / gain on revaluation of investments classified as held-for-trading	9.10	(67,457)	5,924
5,354	3,054	Share of profit from joint venture - net of tax	9.7.1	319,422	560,031
(8,822)	(3,186)	Share of loss from associates - net of tax	9.7.1	(333,276)	(922,747)
20,183	14,977	Other income	27	1,566,568	2,111,119
334,598	296,680	Total non-markup / interest income		31,032,139	34,998,407
759,485	835,911			87,434,813	79,440,855
		<b>NON MARK-UP / INTEREST EXPENSES</b>			
417,981	463,032	Administrative expenses	28	48,432,410	43,720,204
14,095	10,499	Other provisions / write offs	13.4/18.2	1,098,216	1,474,345
705	2,958	Other charges	29	309,450	73,749
432,781	476,489	Total non-markup / interest expenses		49,840,076	45,268,298
326,704	359,422			37,594,737	34,172,557
-	-	Extra ordinary / unusual items		-	-
326,704	359,422	<b>PROFIT BEFORE TAXATION</b>		37,594,737	34,172,557
140,272	92,609	Taxation - Current		9,686,755	14,672,221
21,974	12,849	- Prior year(s)		1,344,024	2,298,465
(27,483)	33,239	- Deferred		3,476,698	(2,874,712)
134,763	138,697		30	14,507,477	14,095,974
191,941	220,725	<b>PROFIT AFTER TAXATION</b>		23,087,260	20,076,583
		<b>Attributable to:</b>			
191,620	220,269	Shareholders of the bank		23,039,549	20,043,034
321	456	Non-controlling interest		47,710	33,549
191,941	220,725			23,087,260	20,076,583
..... US Dollar .....				..... Rupees .....	
0.09	0.10	Basic and diluted earnings per share	31	10.83	9.42

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

Masood Karim Shaikh  
President (Officiating)

Tariq Kirmani  
Director

Iftikhar A. Allawala  
Director

Farrakh Qayyum  
Director



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2016

2015 US Dollars in '000	2016 US Dollars in '000	Note	2016 Rupees in '000	2015 Rupees in '000
191,941	220,725		23,087,260	20,076,583
(16,406)	(13,829)		(1,446,496)	(1,716,040)
(23,045)	(27,226)	34.1	(2,847,821)	(2,410,482)
8,066	9,529	12.1	996,737	843,669
(14,979)	(17,697)		(1,851,084)	(1,566,813)
(31,385)	(31,526)		(3,297,580)	(3,282,853)
160,556	189,199		19,789,680	16,793,730
160,235	188,743		19,741,969	16,760,181
321	456		47,710	33,549
160,556	189,199		19,789,680	16,793,730
(110,738)	51,227		5,358,227	(11,582,989)
(37,576)	(19,025)		(1,989,989)	(3,930,386)
(148,314)	32,202		3,368,238	(15,513,375)

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

Masood Karim Shaikh  
President (Officiating)

Tariq Kirmani  
Director

Iftikhar A. Allawala  
Director

Farrakh Qayyum  
Director

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2016

2015	2016		2016	2015
US Dollars in ' 000	US Dollars in ' 000	Note	Rupees in '000	Rupees in '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
326,702	359,419		37,594,737	34,172,557
(25,878)	(26,747)		(2,797,675)	(2,706,794)
300,824	332,672		34,797,062	31,465,764
15,755	21,854		2,285,940	1,647,993
6,067	7,082		740,763	634,555
103,859	6,767	11.3	707,870	10,863,528
(7,613)	(16,024)	10.4	(1,676,066)	(796,300)
(1,173)	-	9.9	-	(122,686)
(57)	645	18.1	67,457	(5,924)
(4,840)	(518)	9.10	(54,188)	(506,224)
(5,354)	(3,054)		(319,422)	(560,031)
8,822	3,186	9.7.1	333,276	922,747
(143)	(1,621)	9.7.1	(169,553)	(15,009)
92	64	27	6,719	9,590
14,095	10,499		1,098,216	1,474,345
129,510	28,880		3,021,012	13,546,583
430,334	361,552		37,818,074	45,012,347
907,275	(1,118,705)		(117,014,884)	94,899,611
72,879	(84,237)		(8,811,113)	7,623,059
373,261	(853,437)		(89,268,262)	39,042,585
29,513	18,479		1,932,919	3,086,991
1,382,928	(2,037,900)		(213,161,340)	144,652,246
(17,593)	9,710		1,015,634	(1,840,211)
(148,953)	(10,429)		(1,090,843)	(15,580,224)
1,884,638	2,156,790		225,597,009	197,130,348
(41,276)	103,447		10,820,433	(4,317,447)
1,676,816	2,259,518		236,342,233	175,392,466
(137,317)	(140,374)		(14,682,961)	(14,363,166)
(92)	(64)		(6,719)	(9,590)
(137,409)	(140,438)		(14,689,680)	(14,372,756)
3,352,669	442,732		46,309,287	350,684,302
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(2,640,702)	446,020		46,653,061	(276,213,498)
(192,191)	(949,194)		(99,284,218)	(20,102,846)
25,878	26,747		2,797,675	2,706,794
(23,563)	(37,465)		(3,918,797)	(2,464,634)
-	-		(1,446,496)	(1,716,040)
(16,406)	(13,829)		734,367	10,803,927
103,289	7,021		255,229	100,686
963	2,440		(54,209,178)	(286,885,612)
(2,742,732)	(518,260)			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(471)	(193)		(20,181)	(49,244)
(111,537)	(152,954)		(15,998,709)	(11,666,593)
(112,008)	(153,147)		(16,018,890)	(11,715,837)
497,929	(228,675)		(23,918,783)	52,082,854
1,138,698	1,636,629		171,188,959	119,106,104
1,636,627	1,407,954	32	147,270,176	171,188,959

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

Masood Karim Shaikh  
President (Officiating)

Tariq Kirmani  
Director

Iftikhar A. Allawala  
Director

Farrakh Qayyum  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2016

	Attributable to the shareholders of the bank					Unappropriated profit	Sub Total	Non Controlling Interest	Total
	Share capital	Reserves (refer note 19.4)							
		Capital		Revenue					
		Exchange Translation	Statutory	General Loan Loss Reserve	General				
(Rupees in '000)									
Balance as at January 1, 2015	21,275,131	9,388,710	23,086,448	-	521,338	59,751,578	114,023,205	717,017	114,740,222
<b>Total Comprehensive income for the year</b>									
Profit after tax for the year ended December 31, 2015	-	-	-	-	-	20,043,034	20,043,034	33,549	20,076,583
Other comprehensive income - net of tax	-	(1,716,040)	-	-	-	(1,566,813)	(3,282,853)	-	(3,282,853)
	-	(1,716,040)	-	-	-	18,476,221	16,760,181	33,549	16,793,730
Transferred from surplus on revaluation of operating fixed assets	-	-	-	-	-	119,934	119,934	-	119,934
Transfer to statutory reserve	-	-	1,921,886	-	-	(1,921,886)	-	-	-
Transfer to general loan loss reserve	-	-	-	12,000,000	-	(12,000,000)	-	-	-
Transactions with owners, recorded directly in equity									
Cash dividend paid for the year ended December 31, 2014 (Rs. 5.5 per share)	-	-	-	-	-	(11,701,322)	(11,701,322)	-	(11,701,322)
Cash dividend paid / profit distribution by Subsidiaries	-	-	-	-	-	-	-	(28,750)	(28,750)
<b>Balance as at December 31, 2015</b>	<b>21,275,131</b>	<b>7,672,670</b>	<b>25,008,334</b>	<b>12,000,000</b>	<b>521,338</b>	<b>52,724,525</b>	<b>119,201,998</b>	<b>721,816</b>	<b>119,923,814</b>
Balance as at January 1, 2016	21,275,131	7,672,670	25,008,334	12,000,000	521,338	52,724,525	119,201,998	721,816	119,923,814
<b>Total Comprehensive income for the year</b>									
Profit after tax for the year ended December 31, 2016	-	-	-	-	-	23,039,549	23,039,549	47,710	23,087,260
Other comprehensive income - net of tax	-	(1,446,496)	-	-	-	(1,851,084)	(3,297,580)	-	(3,297,580)
	-	(1,446,496)	-	-	-	21,188,466	19,741,969	47,710	19,789,680
Transferred from surplus on revaluation of operating fixed assets	-	-	-	-	-	113,937	113,937	-	113,937
Transfer to statutory reserve	-	-	2,275,229	-	-	(2,275,229)	-	-	-
Transfer to general loan loss reserve	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity									
Cash dividend paid for the year ended December 31, 2015 (Rs. 7.5 per share)	-	-	-	-	-	(15,956,348)	(15,956,348)	-	(15,956,348)
Cash dividend paid / profit distribution by Subsidiaries	-	-	-	-	-	-	-	(31,554)	(31,554)
<b>Balance as at December 31, 2016</b>	<b>21,275,131</b>	<b>6,226,174</b>	<b>27,283,563</b>	<b>12,000,000</b>	<b>521,338</b>	<b>55,795,351</b>	<b>123,101,557</b>	<b>737,972</b>	<b>123,839,528</b>

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

**Masood Karim Shaikh**  
President (Officiating)

**Tariq Kirmani**  
Director

**Iftikhar A. Allawala**  
Director

**Farrakh Qayyum**  
Director



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1. THE GROUP AND ITS OPERATIONS

### 1.1 The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies

	Percentage Holding	
	2016	2015
	%	%
- NBP Leasing Limited, Pakistan	100.00	100.00
- CJSC Subsidiary Bank of NBP in Kazakhstan	100.00	100.00
- CJSC Subsidiary Bank of NBP in Tajikistan	100.00	100.00
- NBP Exchange Company Limited, Pakistan	100.00	100.00
- NBP Modaraba Management Company Limited, Pakistan	100.00	100.00
- First National Bank Modaraba, Pakistan	30.00	30.00
- Taurus Securities Limited, Pakistan	58.32	58.32
- NBP Fullerton Asset Management Limited, Pakistan	54.00	54.00
- Cast-N-Link Products Limited (Note 9.8)	76.51	76.51

The subsidiary company of the Group, NBP Modaraba Management Company Limited, Pakistan exercises control over First National Bank Modaraba, Pakistan as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the ultimate holding company.

The Group is principally engaged in commercial banking, modaraba management, brokerage, leasing, foreign currency remittances, asset management, exchange transactions and investment advisory asset. Brief profile of the holding company and subsidiaries is as follows:

#### National Bank of Pakistan

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. It's registered and head office is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,448 (2015: 1,403) branches in Pakistan and 21 (2015: 21) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services as trustee to Long-Term Credit Fund (LTCF) and Endowment Fund for student loans scheme.

#### NBP Leasing Limited, Pakistan

NBP Leasing Limited (NBPLL) was incorporated in Pakistan on November 7, 1995 as a public limited unquoted company under the Companies Ordinance, 1984. The registered office of NBPLL is situated at 4th Floor, P.R.C. Towers, M.T. Khan Road, Karachi. NBPLL is principally engaged in the business of leasing as licensed under the Non-Banking Finance Companies Rules, 2003 (the NBFC Rules).

#### CJSC Subsidiary Bank of NBP in Kazakhstan

CJSC Subsidiary Bank of NBP in Kazakhstan (JSCK) is a joint-stock bank, which was incorporated in the Republic of Kazakhstan in 2001. JSCK conducts its business under license number 25 dated October 29, 2005 (initial license was dated December 14, 2001) and is engaged in providing commercial banking services. The registered office of JSCK is located at 105, Dostyk Ave, 050051, Almaty.

#### CJSC Subsidiary Bank of NBP in Tajikistan

CJSC Subsidiary Bank of NBP in Tajikistan (JSCT) is a joint-stock bank, which was incorporated in the Republic of Tajikistan in 2012. JSCT obtained its license on March 20, 2012 and is engaged in providing commercial banking services. The registered office of JSCT is located at 48 Ainy Street, Dushanbe, Republic of Tajikistan.

#### NBP Exchange Company Limited, Pakistan

NBP Exchange Company Limited (NBPECL) is a public unlisted company, incorporated in Pakistan on September 24, 2002 under the Companies Ordinance, 1984. NBPECL obtained license for commencement of operations from State Bank of Pakistan (SBP) on November 25, 2002 and commencement of business certificate on December 26, 2003 from the Securities and Exchange Commission of Pakistan (SECP). The registered office of NBPECL is situated at Shaheen Complex, M.R. Kiryani Road, Karachi. NBPECL is engaged in foreign currency remittances and exchange

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

transactions. NBPECL has 18 branches (2015: 19 branches).

### **NBP Modaraba Management Company Limited, Pakistan**

NBP Modaraba Management Company Limited (NBPMML) is a public unlisted company, incorporated in Pakistan on August 6, 1992. Its registered office is 26 - Mc Lagon Road, Lahore. The principal purpose of the NBPMML is to float and manage modarabas. NBPMML at present is managing First National Bank Modaraba.

### **First National Bank Modaraba, Pakistan**

First National Bank Modaraba ("the Modaraba") is a multi-purpose, perpetual and multi-dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules framed thereunder. The Modaraba is managed by National Bank Modaraba Management Company Limited (a wholly owned subsidiary of National Bank of Pakistan), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 5th Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore. The Modaraba is listed at Pakistan Stock Exchange Limited. It commenced its operations on December 04, 2003 and is currently engaged in various Islamic modes of financing and operations including ijarah, musharakah and murabaha arrangements.

### **Taurus Securities Limited, Pakistan**

Taurus Securities Limited (TSL) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the Companies Ordinance, 1984. The registered office of TSL is situated at 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. It is engaged in the business of stock brokerage, investment counselling, and fund placements. TSL holds a Trading Rights Entitlement (TRE) Certificate from Pakistan Stock Exchange Limited.

### **NBP Fullerton Asset Management Limited, Pakistan**

NBP Fullerton Asset Management Limited, (NBP Fullerton), was incorporated in Pakistan as public limited company on August 24, 2005 under the Companies Ordinance, 1984 and obtained certificate for commencement of business on December 19, 2005. The main sponsors of NBP Fullerton are National Bank of Pakistan and Alexandra Fund Management Pte. Ltd. (a member of Fullerton Fund Management Group, Singapore). NBP Fullerton is mainly involved in the business of asset management and investment advisory services. NBP Fullerton has been issued license by the Securities and Exchange Commission of Pakistan (SECP) to carry on business of asset management services and investment advisory services as a Non-Banking Finance Company (NBFC) under section of 282C of the Companies Ordinance, 1984 and under the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The registered / principal office of the company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

As at December 31, 2016 NBP Fullerton is managing the following funds and discretionary portfolio;

	Type of Fund
- NAFA Income Opportunity Fund	Open end Fund
- NAFA Income Fund	Open end Fund
- NAFA Islamic Aggressive Income Fund, formerly NAFA Islamic Income Fund	Open end Fund
- NAFA Islamic Asset Allocation Fund	Open end Fund
- NAFA Multi Asset Fund	Open end Fund
- NAFA Stock Fund	Open end Fund
- NAFA Government Securities Liquid Fund	Open end Fund
- NAFA Savings Plus Fund	Open end Fund
- NAFA Riba Free Savings Fund	Open end Fund
- NAFA Asset Allocation Fund	Open end Fund
- NAFA Financial Sector Income Fund	Open end Fund
- NAFA Money Market Fund	Open end Fund
- NAFA Pension Fund	Open end Fund
- NAFA Islamic Pension Fund	Open end Fund
- NAFA Islamic Stock Fund	Open end Fund
- NAFA Government Securities Savings Fund	Open end Fund
- NAFA Islamic Principal Protected Fund	Open end Fund
- NAFA Islamic Principal Preservation Fund	Open end Fund
- NAFA Islamic Active Allocation Plan	Open end Fund
- NAFA Active Allocation Riba Free Savings Fund	Open end Fund
- NAFA Islamic Active Allocation Equity Fund	Open end Fund
- NAFA Islamic Energy Fund	Open end Fund
- Discretionary Portfolio	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1.2 BASIS OF CONSOLIDATION

- The consolidated financial statements include the financial statements of the Bank (holding company) and its subsidiary companies together - "the Group".
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of the comprehensive income from the effective date of acquisition.
- Non-Controlling interest / (minority interest) in equity of the subsidiary companies are measured at fair value for all the subsidiaries acquired from period beginning on or after January 1, 2010 whereas minority interest of previously acquired subsidiaries are measured at the proportionate net assets of subsidiary companies attributable to interest which is not owned by holding company.
- Material intra-group balances and transactions have been eliminated.

## 2 BASIS OF PRESENTATION

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

Key financial figures of the Islamic banking branches of the Bank have been disclosed in note 42 to these financial statements.

- 2.2** The US Dollar amounts shown on the statement of consolidated financial position, consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 104.5985 to 1 US Dollar has been used for 2015 and 2016 as it was the prevalent rate as on December 31, 2016.

## 3 STATEMENT OF COMPLIANCE

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

- 3.2** SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

- 3.3 Application of new and revised International Financial Reporting Standards (IFRSs)**

### New Standards, Interpretations and Amendments

The Group has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

### Standard or Interpretation

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

IFRS 11 - Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment) "

IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

### Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 - Financial Instruments: Disclosures - Servicing contracts

IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 - Employee Benefits - Discount rate: regional market issue

IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the consolidated financial statements.

### 3.4 New and revised approved accounting standards not yet effective

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

Standard or Interpretation	Effective date (annual periods Beginning on or after)
IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 - Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 - Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2017. The Group expects that such improvements to the standards will not have any impact on the Group's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

## 4 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except for revaluation of land and buildings which are stated at revalued amount and certain investments and derivative financial instruments that are carried at fair value.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Group has changed its accounting policy for non-banking assets acquired in satisfaction of claims as disclosed in note 5.10 to the financial statements.

### 5.1 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at fair value at the date of the acquisition.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss account.

### 5.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the subsidiary company.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or entities of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit and loss account. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 5.3 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current and deposit accounts and call money lendings, less call money borrowings and overdrawn nostro accounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 5.4 Investments

Investments other than those categorised as held-for-trading are initially recognised at fair value which includes transactions costs associated with the investments. Investments classified as held-for-trading are initially recognised at fair value, and transaction costs are expensed in the profit and loss account.

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

The Group has classified its investment portfolio, except for investment in subsidiaries, associates and joint venture, into held-for-trading, held-to maturity and available-for-sale as follows:

- **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 to be sold within 90 days. These are carried at market value, with the related unrealized gain / (loss) on revaluation being taken to profit and loss account.
- **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.
- **Available-for-sale** — These are investments that do not fall under the held-for-trading or held-to-maturity categories. These are carried at market value except in case of unquoted securities where market value is not available, which are carried at cost less provision for diminution in value, if any. Surplus / (deficit) on revaluation is taken to 'surplus / (deficit) on revaluation of assets' account shown below equity. Provision for diminution in value of investments in respect of unquoted shares is calculated with reference to book value of the same. On derecognition or impairment in quoted available-for-sale investments, the cumulative gain or loss previously reported as 'surplus / (deficit) on revaluation of assets' below equity is included in the profit and loss account for the period.

Provision for diminution in value of investments in unquoted debt securities is calculated as per the SBP's Prudential Regulations.

Held-for-trading and quoted available-for-sale securities are marked to market with reference to ready quotes on Reuters page (PKRV / PKISRV) or MUFAP or the Stock Exchanges, as the case may be.

**Associates** — Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for under the equity method of accounting. However, in case where associates are considered as fully impaired and financial statements are not available these investments are stated at cost less provision.

Under the equity method, the Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated profit and loss account, its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

**Joint venture** - The Group has interests in joint venture which is jointly controlled entity. A joint venture is contractual arrangement whereby two or more parties undertake in economic activity that is subject to a joint control and includes a jointly controlled entity that involves the establishment of separate entity in which each venturer has an interest. The Group accounts for its interest in joint venture using the equity method of accounting.

The carrying values of investments are reviewed for impairment when indications exist that the carrying value may exceed the estimated recoverable amount. Provision is made for impairment in value, if any.

### 5.5 Repurchase and resale agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective yield method.

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position, as the Group does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective yield method.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 5.6 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the dates on which the derivative contracts are entered into and are subsequently re-measured at fair value using appropriate valuation techniques. 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 instruments is taken to the profit and loss account.

### 5.7 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. A financial asset is derecognised where (a) the rights to receive cash flows from the asset have expired; or (b) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

### 5.8 Advances

Advances are stated net of specific and general provisions. Provisions are made in accordance with the requirements of Prudential Regulations issued by the SBP and charged to the profit and loss account. These regulations prescribe an age based criteria (as supplemented by subjective evaluation of advances by the banks) for classification of non-performing loans and advances and computing provision / allowance there against. Such regulations also require the Group to maintain general provision / allowance against consumer and SME advances at specified percentage of such portfolio. General provision for loan losses of overseas branches is made as per the requirements of the respective central banks. Advances are written off where there are no realistic prospects of recovery.

### 5.9 Operating fixed assets and depreciation

#### Property and equipment

##### Owned assets

Property and equipment except land and buildings are stated at cost less accumulated depreciation and impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued amount less accumulated depreciation and impairment, if any. Cost of operating fixed assets of foreign branches include exchange differences arising on translation at year-end rates. Depreciation is charged to profit and loss account applying the straight line method except buildings, which are depreciated on diminishing balance method at the rates stated in note 11.2. Depreciation is charged from the month in which the assets are brought into use and no depreciation is charged for the month the assets are deleted.

Subsequent costs are included in the asset's carrying amount or 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in profit and loss account currently.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Land and buildings' valuations are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value.

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Assets account" shown below equity. The Group has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the requirements of the Companies Ordinance, 1984 and SECP's SRO 45(1)/2003 dated January 13, 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to unappropriated profit through statement of changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### Leased assets (as lessee)

Assets subject to finance lease are accounted for by recording the asset and the related liability. These are recorded at lower of fair value and the present value of minimum lease payments at the inception of lease and subsequently stated net of accumulated depreciation. Depreciation is charged on the basis similar to the owned assets. 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.

### Ijarah (as lessor)

Assets leased out under 'Ijarah' are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets under Ijarah are depreciated over the period of lease term. However, in the event the asset is expected to be available for re-Ijarah, depreciation is charged over the economic life of the asset using straight line basis.

Ijarah income is recognised on a straight line basis over the period of Ijarah contract.

### Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to income applying the straight-line method at the rates stated in note 11.3. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful life are carried at cost less impairment losses, if any.

### Capital work-in-progress

Capital work-in-progress is stated at cost. These are transferred to specific assets as and when assets are available for use.

### Impairment

The carrying values of operating fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, operating fixed assets are written down to their recoverable amounts.

The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount which would have been determined had there been no impairment. Reversal of impairment loss is recognized as income.

### 5.10 Non-banking assets acquired in satisfaction of claims

Effective January 1, 2016, the Goup has changed its accounting policy prospectively for non-banking assets acquired in satisfaction of claims to comply with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated January 1, 2016. In line with the guidance provided in the Regulations, the non-banking assets acquired in satisfaction of claims are now carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation is credited to the 'surplus on revaluation of fixed assets' account and any deficit arising on revaluation is taken to the profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalised. Previously, Non-banking assets acquired in satisfaction of claims were carried at cost less impairment, if any. Had the accounting policy not been changed, Non-banking assets (included in Other Assets in the statement of financial position) would have been lower by Rs 1,163 million while surplus on revaluation of assets and deferred tax assets would have been lower by Rs 1,127 million and Rs 36 million respectively.

### 5.11 Deposits and their cost

Deposits are recorded at the fair value of proceeds received.

Deposit costs are recognised as an expense in the period in which these are incurred using effective yield method.

### 5.12 Taxation

#### Current

Provision of current taxation is based on taxable income for the year determined in accordance with the prevailing laws of taxation on income earned for local as well as foreign operations, as applicable to the respective jurisdictions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

The charge for the current tax also includes adjustments wherever considered necessary relating to prior years, arising from assessments framed during the year.

### Deferred

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised. Deferred tax is not recognised on differences relating to investment in subsidiaries, branches and associates and interest in joint arrangements to the extent the deductible temporary difference probably will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit or deductible temporary differences will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to gain / loss recognized in surplus on revaluation of assets is charged / credited to such account.

### 5.13 Employee benefits

#### 5.13.1 Defined benefit plans

The Group operates an approved funded pension scheme, an un-funded post retirement medical benefits scheme and an un-funded benevolent scheme for its eligible employees. The Group also operates an un-funded gratuity scheme for its eligible contractual employees. An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. Past-service costs are recognized immediately in profit and loss account when the plan amendment occurs.

#### 5.13.2 Other employee benefits

##### Employees' compensated absences

The Group also makes provision in the financial statements for its liability towards compensated absences. This liability is estimated on the basis of actuarial advice under the Projected Unit Credit method.

#### 5.13.3 Defined contribution plan

The Group also operates an approved funded provident fund scheme covering all its employees. Equal monthly contributions are made by the Group and employees to the fund in accordance with the fund rules.

#### 5.13.4 Retirement and other benefit obligations -

##### In respect of CJSC Subsidiary Bank of NBP in Kazakhstan (CJSC)

The CJSC withholds amounts of pension contributions from employee salaries and pays them to state pension fund. The requirements of the Kazakhstan's legislation state pension system provides for the calculation of current payments by the employer as a percentage of current total payments to staff. This expense is charged in the period the related salaries are earned. Upon retirement all retirement benefit payments are made by pension funds selected by employees.

### 5.14 Revenue recognition

Income on loans and advances and debt security investments are recognized on a time proportion basis that takes into account effective yield on the asset. In case of advances and investments classified under the Prudential Regulations, interest / mark-up is recognized on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations of SBP.

Fee, brokerage and commission income other than commission on letter of credit and guarantees and remuneration for trustee services are recognized upon performance of services.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Commission on letters of credit and guarantees is recognized on time proportion basis.

Dividend income on equity investments and mutual funds is recognized when right to receive is established.

Premium or discount on debt securities classified as held-for-trading, available-for-sale and held-to-maturity securities is amortised using the effective interest method and taken to profit and loss account.

Gains and losses on disposal of investments and operating fixed assets are dealt with through the profit and loss account in the year in which they arise.

The Group follows the 'financing method' in accounting for recognition of finance lease. At the commencement of a lease, the total unearned finance income i.e. the excess of aggregate installment contract receivables plus residual value over the cost of the leased asset is amortized over the term of the lease, applying the annuity method, so as to produce a constant periodic rate of return on the net investment in finance leases. Initial direct costs are deferred and amortized over the lease term as a yield adjustment.

Processing, front end and commitment fees and commission are recognized as income when received.

Rental income from operating leases / Ijarah is recognized on a straight-line basis over the term of the relevant lease.

Profit on trading and revaluation of financial instruments is recognised on trade date basis and is taken to profit and loss account.

### 5.15 Net investment in lease finance

Leases where the Group transfers substantially all the risk and rewards incidental to ownership of the assets to the lessee are classified as finance leases. Net investment in lease finance is recognised at an amount equal to the aggregate of minimum lease payment including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any. The provision against lease finance is made in accordance with the requirements of the NBFC Regulations and the internal criteria as approved by the Board of Directors of NBPL.

### 5.16 Foreign currencies translation

The Group's financial statements are presented in Pak Rupees (Rs.) which is the Group's functional and presentation currency.

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies and assets / liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at the rates applicable to their respective maturities. All gains or losses on dealing in foreign currencies are taken to profit and loss account currently.

Profit and loss account balances of foreign branches and subsidiaries are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except gain / losses arising on translation of net assets of foreign branches and subsidiaries, which is credited to other comprehensive income.

Items included in the consolidated financial statements of the Group's foreign branches and subsidiaries are measured using the currency of the primary economic environment in which the Group operates (the functional currency).

Commitments for outstanding forward foreign exchange contracts are disclosed in these financial statements at committed amounts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Rupee terms at the rates of exchange ruling on the consolidated financial position date.

### 5.17 Provision for off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations is made when the Group has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit and loss account is stated net of expected recoveries.

### 5.18 Off setting

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 5.19 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Group in the consolidated statement of financial position.

### 5.20 Dividend and other appropriations

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

### 5.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. There were no dilutive potential ordinary shares in issue at December 31, 2016.

### 5.22 Related party transactions

Transactions between the Group and its related parties are carried out on an arm's length basis other than pension fund and other staff loans.

### 5.23 Accounting estimates and judgments

The preparation of consolidated financial statements in conformity with Approved Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas of estimates and judgments in relation to these financial statements are as follows:

#### a) Provision against non-performing advances

The Group reviews its loan portfolio to assess amount of non-performing loans and determine provision required there against on a quarterly basis. While assessing this requirement various factors including the past dues, delinquency in the account, financial position and future business / financial plan of the borrower, value of collateral held and requirements of Prudential Regulations are considered. The Group also considers the effect of Forced Sale Value of collaterals in determining the amount of provision, however, no benefit of FSV of collateral is taken during the year in determining provisioning amount against non-performing advances of the Group.

General provision for loan losses of overseas branches is made as per the requirements of the respective central banks.

The amount of general provision against domestic consumer and SME advances is determined in accordance with the relevant Prudential Regulations and SBP directives. During the year, the Group has changed its estimate for determining general provision as a result of revised Prudential Regulation for consumer financing as disclosed in note 10.5.6 to the consolidated financial statements.

#### b) Fair value of derivatives

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest and exchange rates over the term of the contract.

#### c) Impairment of available-for-sale investments

"The Group considers that available-for-sale equity investments and mutual funds are impaired when there has been a significant or prolonged decline in the fair value below its cost except for investments where relaxation has been allowed by SBP. This determination of what is significant or prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

Further the Group has developed internal criteria according to which a decline of 30% in the market value of any scrip below its cost shall constitute as a significant decline and where market value remains below the cost for a period of one year shall constitute as a prolonged decline.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

**d) Held-to-maturity investments**

The Group follows the guidance provided in the SBP circulars on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. In making this judgment, the Group evaluates its intention and ability to hold such investments till maturity.

**e) Income taxes**

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Group's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

**f) Operating fixed assets, depreciation and amortization**

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

The Group also revalues its properties on a periodic basis. Such revaluations are carried out by independent valuer and involves estimates / assumptions and various market factors and conditions.

**g) Employee benefit plans**

The liabilities for employees' benefits plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases, future inflation rates and future pension increases as disclosed in note 34. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

**h) Provision against contingencies**

Provision against contingencies is determined based on the management judgement regarding the probability of future out flows of resources embodying economic benefits to settle an obligation arising from past events.

**i) Determination of control over investees**

The Group's management applies its judgement to determine whether the control exists over the investee entities.

	Note	2016 Rupees in '000	2015
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		27,656,843	22,164,971
Foreign currency		3,759,429	3,036,469
		31,416,272	25,201,440
With State Bank of Pakistan in			
Local currency current accounts	6.1	91,549,779	58,230,669
Local currency deposit account		-	-
		91,549,779	58,230,669
Foreign currency current account	6.2	3,673,920	3,992,844
Foreign currency deposit account	6.2	10,982,843	11,940,474
Foreign currency collection account		697,433	181,959
		15,354,196	16,115,277
With other central banks in			
Foreign currency current accounts	6.3	19,659,947	49,400,312
Foreign currency deposit accounts	6.3	2,105,404	2,243,147
		21,765,351	51,643,459
	32	160,085,598	151,190,845

**6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

- 6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0.15% to 4% per annum (2015: 0.01% to 6.70% per annum).

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>7. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
On current account		58,103	16,272
On deposit account	7.1	6,038,732	7,054,244
		6,096,836	7,070,516
<b>Outside Pakistan</b>			
On current accounts		3,193,293	6,016,033
On deposit accounts	7.2	5,105,676	7,552,872
		8,298,969	13,568,905
	32	14,395,805	20,639,421

- 7.1** These include various deposits with correspondent banks and carry interest at rates ranging from 3.16% to 5.9% per annum.

- 7.2** These include various deposits with correspondent banks and carry interest at rates ranging from 0.56% to 7% per annum (2015: 0.01% to 1.85% per annum).

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings	8.3	61,200	3,061,200
Repurchase agreement lendings (Reverse Repo)	8.4	113,960,886	4,633,315
Bai-Muajjal with other banks	8.5	7,687,313	-
Letters of placement	8.6	173,500	173,500
Lendings to financial institutions - gross	8.1	121,882,899	7,868,015
Less: Provision held against lendings	8.2	(173,500)	(173,500)
lendings to financial institutions - net		121,709,399	7,694,515

### 8.1 Particulars of lendings - gross

In local currency	121,882,899	7,868,015
In foreign currencies	-	-
	121,882,899	7,868,015

### 8.2 Movement in provision for held against lendings is as follows:

Opening balance	173,500	173,500
Charge for the year	-	-
Closing balance	173,500	173,500

- 8.3** This represents zero rate lending to a financial institution (2015: Rs. 61,200 million) which is guaranteed by the SBP.

- 8.4** These carry mark-up at rates ranging from 5.5% to 5.95% per annum (2015: 6.30% to 6.40% per annum) with maturities ranging from January 3, 2017 to January 6, 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 8.4.1 Securities held as collateral against lendings to financial institutions

	2016			2015		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000			Rupees in '000		
Market Treasury Bills	90,023,887	-	90,023,887	3,908,316	-	3,908,316
Pakistan Investment Bonds	23,936,999	-	23,936,999	725,000	-	725,000
	113,960,886	-	113,960,886	4,633,316	-	4,633,316

8.4.2 Market value of the securities under repurchase agreement lendings amounts to Rs.115,366 million (2015: Rs. 4,653 million).

8.5 This represents Bai Muajjal agreements entered into with other banks. These carry rate ranging from 5.6% to 6.0% per annum

8.6 These are overdue placements and full provision has been made against these placements at year-end.

## 9. INVESTMENTS

Note	2016			2015		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	Rupees in '000			Rupees in '000		
<b>9.1 Investments by type:</b>						
<b>Held-for-trading securities</b>						
Market Treasury Bills	902,307	-	902,307	631,277	-	631,277
Pakistan Investment Bonds	9,984,590	-	9,984,590	1,439,315	-	1,439,315
Investment in mutual funds	338,731	-	338,731	320,352	-	320,352
Ordinary shares of listed companies	211,157	-	211,157	167,271	-	167,271
<b>Total Held-for-trading securities</b>	<b>11,436,785</b>	<b>-</b>	<b>11,436,785</b>	<b>2,558,215</b>	<b>-</b>	<b>2,558,215</b>
<b>Available-for-sale securities</b>						
Ordinary shares of listed companies	22,465,681	-	22,465,681	23,056,382	-	23,056,382
Ordinary shares of unlisted companies	2,130,982	-	2,130,982	1,129,263	-	1,129,263
Investments in mutual funds	1,212,740	-	1,212,740	1,143,984	-	1,143,984
Ordinary shares of a bank outside Pakistan	463,295	-	463,295	463,295	-	463,295
Preference shares	633,660	-	633,660	846,660	-	846,660
Market Treasury Bills	369,114,625	-	369,114,625	402,985,122	10,214,352	413,199,474
Pakistan Investment Bonds	125,111,867	4,032,484	129,144,351	161,777,009	93,031	161,870,040
GoP Foreign Currency Bonds	8,685,558	-	8,685,558	9,479,391	-	9,479,391
Foreign Government Securities	519,287	-	519,287	520,093	-	520,093
Foreign Currency Debt Securities	2,732,943	-	2,732,943	2,690,496	-	2,690,496
Term Finance Certificates / Musharika and Sukuk Bonds	64,346,064	-	64,346,064	33,672,956	-	33,672,956
<b>Total available-for-sale securities</b>	<b>597,416,702</b>	<b>4,032,484</b>	<b>601,449,186</b>	<b>637,764,651</b>	<b>10,307,383</b>	<b>648,072,034</b>
<b>Held-to-maturity securities</b>						
Pakistan Investment Bonds	178,328,918	-	178,328,918	107,575,573	-	107,575,573
Market Treasury Bills	29,278,178	-	29,278,178	8,307,581	-	8,307,581
GoP Foreign Currency Bonds	7,889,583	-	7,889,583	1,610,375	-	1,610,375
Other Federal Government Securities	-	-	-	2,944,008	-	2,944,008
Foreign Government Securities	25,106,982	-	25,106,982	20,863,694	-	20,863,694
Foreign Government Debt Securities	405	-	405	406	-	406
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	792,933	-	792,933	811,144	-	811,144
<b>Total Held to maturity securities</b>	<b>241,396,999</b>	<b>-</b>	<b>241,396,999</b>	<b>142,112,781</b>	<b>-</b>	<b>142,112,781</b>
<b>Investments in associates</b>	<b>1,231,806</b>	<b>-</b>	<b>1,231,806</b>	<b>1,751,323</b>	<b>-</b>	<b>1,751,323</b>
<b>Investments in joint venture</b>	<b>4,306,138</b>	<b>-</b>	<b>4,306,138</b>	<b>4,507,135</b>	<b>-</b>	<b>4,507,135</b>
<b>Investments in subsidiaries</b>	<b>1,245</b>	<b>-</b>	<b>1,245</b>	<b>1,245</b>	<b>-</b>	<b>1,245</b>
<b>Investments at cost</b>	<b>855,789,676</b>	<b>4,032,484</b>	<b>859,822,160</b>	<b>788,695,350</b>	<b>10,307,383</b>	<b>799,002,733</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016			2015		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
		Rupees in '000'					
Less: Provision for diminution in value of Investments	9.9	(14,467,703)	-	(14,467,703)	(15,453,451)	-	(15,453,451)
Investments (cost net of provisions)		841,321,973	4,032,484	845,354,457	773,241,899	10,307,383	783,549,282
Unrealized gain / (loss) on revaluation of investments classified as held-for-trading	9.10	(67,457)	-	(67,457)	5,924	-	5,924
Surplus on revaluation of available-for-sale securities	20.1	50,632,745	361,039	50,993,784	45,632,555	3,002	45,635,557
Total investments - at carrying value		891,887,261	4,393,523	896,280,784	818,880,378	10,310,385	829,190,763

		Note	2016	2015
			Rupees in '000	
<b>9.2 Investments by segments</b>				
<b>Federal Government Securities</b>				
- Market Treasury Bills			399,295,110	422,138,332
- Pakistan Investment Bonds			317,457,859	270,884,928
- GoP Foreign Currency Bonds			16,575,141	11,089,766
- Other Federal Government Securities			-	2,944,008
- Ijarah Sukuk bonds			9,123,388	980,684
			<b>742,451,498</b>	<b>708,037,717</b>
<b>Foreign Government Securities</b>			<b>25,626,269</b>	<b>21,383,787</b>
<b>Fully Paid up ordinary shares</b>		9.11/9.12		
- Listed companies			22,676,838	23,223,653
- Unlisted companies			2,130,982	1,129,263
- Ordinary shares of a bank listed outside Pakistan		9.4	463,295	463,295
			<b>25,271,115</b>	<b>24,816,211</b>
<b>Debentures, Bonds, Participation Term Certificates, Term Finance Certificates, Musharika and Sukuk Bonds</b>				
- Listed			3,213,061	2,471,051
- Unlisted			52,802,548	31,032,365
			<b>56,015,609</b>	<b>33,503,416</b>
<b>Foreign Currency Debt Securities</b>			<b>2,733,348</b>	<b>2,690,902</b>
<b>Other Investments</b>				
- Investments in mutual funds			1,551,471	1,464,336
- Preference Shares			633,660	846,660
<b>Investments in associates</b>		9.5	<b>1,231,806</b>	<b>1,751,323</b>
<b>Investments in joint ventures</b>		9.6	<b>4,306,138</b>	<b>4,507,135</b>
<b>Investments in subsidiaries</b>		9.8	<b>1,245</b>	<b>1,245</b>
<b>Total investments at cost</b>			<b>859,822,160</b>	<b>799,002,733</b>
Less: Provision for diminution in value of investments		9.9	(14,467,703)	(15,453,451)
<b>Investments (cost net of provisions)</b>			<b>845,354,457</b>	<b>783,549,282</b>
Unrealized gain / (loss) on revaluation of investments classified as held-for-trading		9.10	(67,457)	5,924
Surplus on revaluation of available-for-sale securities		20.1	50,993,784	45,635,557
<b>Total investments - at carrying value</b>			<b>896,280,784</b>	<b>829,190,763</b>

**9.2.1** Detailed information relating to investments in shares of listed and unlisted companies, Preference Shares, Mutual Funds, Government Securities, Bonds, Debentures, Term Finance Certificates, Participation Term Certificate, Sukuks etc. including quality of available-for-sale securities is given in Annexure-I to the consolidated financial statements.

**9.3** Market value of held-to-maturity investments is Rs. 247,549 million (2015: Rs. 147,047 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 9.4 Investment in shares of company incorporated outside Pakistan - Bank Al-Jazira

The Bank holds 23,333,333 (2015: 23,333,333) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 5.83% (2015: 5.83%) holding in total equity of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006. BAJ's Viability Rating is bb+ with short term and long term IDR at F2 and A-by Fitch Rating Agency.

### 9.5 Investments in associates

	Number of shares	Percentage of holding	Note	2016 Rupees in '000	2015
<b>Unlisted</b>					
Pakistan Emerging Venture Limited	12,500,000	33.33		50,565	50,565
Information System Associates Limited	2,300,000	-		-	1,719
National Fructose Company Limited	1,300,000	39.50		6,500	6,500
Venture Capital Fund Management	33,333	33.33		-	-
Kamal Enterprises Limited	11,000	20.37		-	-
Mehran Industries Limited	37,500	32.05		-	-
National Assets Insurance Company Limited	4,481,500	8.96		44,815	44,815
Tharparkar Sugar Mills Limited	2,500,000	21.52		-	-
Youth Investment Promotion Society	644,508	25.00		-	-
Dadabhoi Energy Supply Company Limited	9,900,000	23.11		32,105	32,105
K-Agricole Limited	5,000	20.00		-	-
New Pak Limited	200,000	20.00		-	-
Pakistan Mercantile Exchange Limited	9,000,000	32.65		106,539	90,000
Prudential Fund Management	150,000	20.00		-	-
				240,524	225,704
<b>Listed</b>					
First Credit and Investment Group Limited	20,000,000	30.77		206,172	204,086
National Fibres Limited	17,030,231	20.19		-	-
Land Mark Spinning Mills Limited	3,970,859	32.79		39,710	39,710
S.G. Fibres Limited	3,754,900	25.03		218,535	218,535
Nina Industries Limited	4,906,000	20.27		49,060	49,060
Agritech Limited	105,772,510	26.95	9.5.1	477,806	1,014,228
				991,283	1,525,619
				1,231,806	1,751,323
Less: Provision for diminution in value of investments			9.9.1/9.9.2	(981,730)	(609,530)
				250,076	1,141,793

9.5.1 The 94,273,510 shares (2015: 120,426,432) of Agritech Limited were acquired from Azgard Nine Limited as part of multiple agreements including the Master Restructuring Agreement (MRA). These shares were acquired at an agreed price of Rs. 35 per share. The market value of these shares at December 31, 2016 amounted to Rs. 12.68 per share.

During the period 2016, the Bank has exercised its Put Option. Accordingly, the Bank sold back 26.2 million shares in Agritech Limited to various banks under the agreement.

9.5.2 Aggregate market value of investments in associates (quoted) on the basis of latest available quoted prices amounts to Rs. 1,606 million (2015: Rs. 1,432 million).

9.5.3 Associates with zero carrying amount, represent the investments acquired from former NDFC which have negative equity or whose operations were closed at the time of amalgamation.

9.5.4 The details of break-up value based on latest available financial statements of unlisted investments in associates are as follows:

	Year / Period ended	Break-up value of bank's share Rs. in '000
National Assets Insurance Limited	December 31, 2015	52,993
Pakistan Emerging Venture Limited	June 30, 2016	75,082
Information System Associates Limited	June 30, 2016	14,469
Dadabhoi Energy Supply Company Limited	June 30, 2007	103,952
Pakistan Mercantile Exchange Limited	June 30, 2015	(40,884)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>9.6 Investment in joint ventures</b>			
United National Bank Limited (UNBL) (incorporated in United Kingdom)	9.6.1	4,306,138	4,507,135

**9.6.1** Under a joint venture agreement, the Bank holds 20.25 million ordinary shares (45%) and United Bank Limited (UBL) holds 23.25 million ordinary shares (55%) in UNBL. In addition to ordinary shares, four preference shares categories as "A", "B", "C" and "D" have been issued and allotted. The "B" and "D" category shares are held by the Group and category "A" and "C" are held by UBL. Dividends payable on "A" and "B" shares are related to the ability of the venture to utilize tax losses that have been surrendered to it on transfer of business from the Group or UBL as appropriate. Dividends payable on "C" and "D" shares are related to loans transferred to the venture by the Group or UBL that have been written-off or provided for at the point of transfer and the ability of the venture to realize in excess of such loan value.

## 9.7 Summary of financial information of associates and joint ventures

		2016				
	Based on the financial statements as on	Assets	Liabilities	Equity	Revenue	Profit / (loss)
		Rupees in '000'				
United National Bank Limited	December 31, 2016	67,148,552	56,924,131	10,224,421	2,479,817	709,827
First Credit and Investment Bank Limited	September 30, 2016	1,040,692	322,886	717,806	17,219	5,433
Agritech Limited	September 30, 2016	49,065,040	43,323,242	5,741,798	5,521,280	(1,030,135)
		2015				
	Based on the financial statements as on	Assets	Liabilities	Equity	Revenue	Profit / (loss)
		Rupees in '000'				
United National Bank Limited	December 31, 2015	71,978,338	44,706,143	11,727,616	3,355,003	2,040,780
First Credit and Investment Bank Limited	September 30, 2015	677,261	13,956	663,305	42,157	(611)
Agritech Limited	September 30, 2015	49,349,923	41,686,908	7,663,015	1,667,212	(2,122,870)

## 9.7.1 Movement Schedule for Associates and Joint Venture

	2016							
	Opening Balance	Addition	Disposal	Dividend paid	Share of profit / (loss) for the year - net of tax	Exchange Translation Reserve	Surplus (Deficit) on Revaluation Properties	Surplus (Deficit) on Revaluation Securities
	Rupees in '000'							
<b>Joint Venture</b>								
United National Bank Limited	4,507,135	-	-	(162,934)	319,422	(544,186)	-	186,701
	4,507,135	-	-	(162,934)	319,422	(544,186)	-	186,701
<b>Associates</b>								
<b>Unlisted</b>								
Pakistan Emerging Venture Limited	50,565	-	-	-	-	-	-	-
Information System Associates Limited	1,719	-	(1,719)	-	-	-	-	-
National Fructose Company Limited	6,500	-	-	-	-	-	-	-
National Assets Insurance Company	44,815	-	-	-	-	-	-	-
Dadabhoy Energy Supply Company Limited	32,105	-	-	-	-	-	-	-
Pakistan Mercantile Exchange Limited	90,000	16,539	-	-	-	-	-	-
<b>Listed</b>								
First Credit and Investment Bank Limited	204,086	-	-	-	2,086	-	-	-
Land Mark Spinning Mills Limited	39,710	-	-	-	-	-	-	-
S.G. Fibres Limited	218,535	-	-	-	-	-	-	-
Nina Industries Limited	49,060	-	-	-	-	-	-	-
Agritech Limited	1,014,228	-	(201,060)	-	(335,362)	-	-	-
	1,751,323	16,539	(202,779)	-	(333,276)	-	-	-
								1,231,808

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

2015									
Opening Balance	Addition	Disposal	Dividend paid	Share of profit / (loss) for the year - net of tax	Exchange Translation Reserve	Surplus (deficit) on Revaluation Properties	Surplus (deficit) on Revaluation Securities	Closing Balance	
Rupees in '000'									
<b>Joint Venture</b>									
United National Bank Limited	4,489,187	-	-	(107,723)	560,031	(22,617)	-	(411,743)	4,507,135
	4,489,187	-	-	(107,723)	560,031	(22,617)	-	(411,743)	4,507,135
<b>Associates</b>									
<b>Unlisted</b>									
Pakistan Emerging Venture Limited	50,565	-	-	-	-	-	-	-	50,565
Information System Associates Limited	1,719	-	-	-	-	-	-	-	1,719
National Fructose Company Limited	6,500	-	-	-	-	-	-	-	6,500
National Assets Insurance Company	44,815	-	-	-	-	-	-	-	44,815
Dadabhai Energy Supply Company Limited	32,105	-	-	-	-	-	-	-	32,105
Pakistan Mercantile Exchange Limited	90,000	-	-	-	-	-	-	-	90,000
<b>Listed</b>									
First Credit and Investment Bank Limited	199,732	-	-	-	7,425	-	-	(3,071)	204,086
Taha Spinning Mills Limited	2,501	-	(2,501)	-	-	-	-	-	-
Land Mark Spinning Mills Limited	39,710	-	-	-	-	-	-	-	39,710
S.G. Fibres Limited	218,535	-	-	-	-	-	-	-	218,535
Nine Industries Limited	49,060	-	-	-	-	-	-	-	49,060
AgriTech Limited	1,862,079	-	-	-	(847,851)	-	-	-	1,014,228
<b>Listed Mutual Funds</b>									
NAFA Riba Free Saving Fund	512,350	-	(481,238)	(33,390)	2,278	-	-	-	-
NAFA Income Opportunity Fund	44,978	-	(44,459)	(1,166)	647	-	-	-	-
NAFA Multi Asset Fund	72,271	-	(77,082)	(2,128)	6,939	-	-	-	-
NAFA Financial Sector Income Fund	737,307	-	(692,415)	(53,508)	8,616	-	-	-	-
NAFA Islamic Aggressive Income Fund	78,409	-	(74,926)	(5,701)	2,218	-	-	-	-
NAFA Islamic Multi Asset Fund	126,050	-	(136,430)	(11,618)	21,998	-	-	-	-
NAFA Government Securities Liquid Fund	4,022,805	-	(3,738,261)	(271,389)	(12,955)	-	-	-	-
NAFA Money Market Fund	3,542,657	-	(3,425,785)	-	(116,872)	-	-	-	-
NAFA Savings Plus Fund	476,534	-	(444,783)	(36,559)	4,808	-	-	-	-
	12,210,482	-	(9,117,880)	(415,459)	(922,747)	-	-	(3,071)	1,751,323

		Note	Percentage holding	2016 Rupees in '000	2015 Rupees in '000
9.8	Investments in subsidiaries				
	Cast-N-Link Products Limited	9.8.1	76.51	1,245	1,245
				1,245	1,245
	Less: Provision for diminution in value of investments			(1,245)	(1,245)
				-	-

**9.8.1** The consolidated financial statements of Cast-N-Link Products Limited (CNL) are not available since the year 1997. Accordingly, the management of the Group had applied to the Securities and Exchange Commission of Pakistan (SECP) for the exemption from the requirements of section 237 of the Companies Ordinance, 1984 in respect of consolidating its subsidiary CNL. The SECP, vide its letter EMD/233/627/2002-539 dated November 05, 2014 under Section 237(8) of the Companies Ordinance, 1984, based on the fact that investments of the Group in CNL are not material and comprise of 0.00015% of the total assets of the Bank and the investment have been fully provided for, granted the exemption from consolidation of CNL in its consolidated financial statements for the year ended December 31, 2016.

		Note	2016 Rupees in '000	2015 Rupees in '000
<b>9.9 Particulars of provision for diminution in value of investments</b>				
Opening balance			15,453,451	15,668,377
Charge for the year			1,447,014	1,055,831
Reversals for the year			(3,123,080)	(1,852,131)
			(1,676,066)	(796,300)
Transfer from advances	10.4		214,444	595,227
Transfer advances	10.4		(284,000)	-
Other transfers			99,769	-
Others			660,104	(13,853)
Closing Balance	9.9.1/9.9.2		14,467,703	15,453,451



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>9.9.1 Particulars of provision in respect of type</b>			
<b>Available-for-sale securities</b>			
Ordinary shares of listed companies and mutual funds		2,743,863	3,394,043
Ordinary shares of unlisted companies		398,923	398,923
Debentures, Bonds, Participation Term Certificates, Term Finance Certificates and Sukuk Bonds		9,303,518	9,983,942
Preference shares		433,444	446,444
<b>Held-to-maturity securities</b>			
Debentures, Bonds, Participation Term Certificates, and Term Finance Certificates		604,979	619,324
<b>Investments in associates</b>	9.5	981,730	609,530
<b>Investments in subsidiaries</b>	9.8	1,245	1,245
		<b>14,467,703</b>	<b>15,453,451</b>
<b>9.9.2 Particulars of provision in respect of segments</b>			
Fully Paid up Ordinary Shares		3,142,786	3,735,090
Debentures, Bonds, Participation Term Certificates, Term Finance Certificates and Sukuk Bonds		9,908,497	10,603,266
Other investments		433,445	504,320
Investments in associates	9.5	981,730	609,530
Investments in subsidiaries	9.8	1,245	1,245
		<b>14,467,703</b>	<b>15,453,451</b>
<b>9.10 Unrealized (loss) / gain on revaluation of investments classified as Held-for-trading</b>			
Ordinary shares of listed companies		1,064	-
Federal Government securities		(68,521)	5,924
		<b>(67,457)</b>	<b>5,924</b>
<b>9.11</b> The investments in shares include shares of Pakistan State Oil Company Limited, Sui Northern Gas Pipeline Limited and Pakistan Engineering Company with cost of Rs. 4,603 million (2015: Rs: 4,603 million) that have been frozen by the Government of Pakistan for sale in the equity market due to their proposed privatization.			
<b>9.12</b> The investments also include shares acquired under tri-partite consent agreement dated June 29, 2011. These strategic investments comprise of the shares of Pakistan State Oil (22,022,713 shares) and shares of Sui Northern Gas Pipeline Limited (18,805,318 shares). The cost of these shares amounts to Rs. 4,601 million and market value as at December 31, 2016 amounts to Rs. 11,096 million. These shares can not be sold without concurrence of privatization commission.			
<b>10. ADVANCES</b>	Note	2016 Rupees in '000	2015
Loans, cash credits, running finances, etc.			
In Pakistan		709,766,336	621,615,397
Outside Pakistan		52,266,377	54,635,448
		<b>762,032,713</b>	<b>676,250,845</b>
<b>Islamic financing and related assets</b>	42.2.2	3,199,129	1,026,891
<b>Net investment in finance lease</b>			
In Pakistan	10.2	1,030,538	1,270,081
<b>Bills discounted and purchased (excluding Government treasury bills)</b>			
Payable in Pakistan		8,855,145	8,678,788
Payable outside Pakistan		8,437,549	7,387,939
		<b>17,292,694</b>	<b>16,066,727</b>
<b>Advances - gross</b>	10.1	<b>783,555,074</b>	<b>694,614,544</b>
<b>Less: Provision against non-performing advances</b>	10.4	<b>114,671,146</b>	<b>114,291,008</b>
<b>Advances - net of provision</b>		<b>668,883,928</b>	<b>580,323,536</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

**2016**  
Rupees in '000

**2015**

## 10.1 Particulars of advances - gross

10.1.1 In local currency	722,851,148	615,480,140
In foreign currencies	60,703,926	79,134,404
	<b>783,555,074</b>	<b>694,614,544</b>
10.1.2 Short-term (for upto one year)	378,754,941	386,234,580
Long-term (for over one year)	404,800,132	308,379,964
	<b>783,555,074</b>	<b>694,614,544</b>

## 10.2 Net investment in finance lease

	2016				2015			
	Later than				Later than			
	Not later than one year	one and less than five years	Over five years	Total	Not later than one year	one and less than five years	Over five years	Total
	Rupees in '000							
Lease rentals receivable	525,510	375,069	-	900,579	629,224	487,422	-	1,116,645
Residual value	140,838	142,125	-	282,963	172,738	151,716	-	324,455
Minimum lease payments	666,348	517,194	-	1,183,542	801,962	639,138	-	1,441,100
Financial charges for future periods	107,536	45,468	-	153,004	118,617	52,402	-	171,019
	<b>558,812</b>	<b>471,726</b>	<b>-</b>	<b>1,030,538</b>	<b>683,346</b>	<b>586,736</b>	<b>-</b>	<b>1,270,081</b>

The leases executed are for a term of 1 to 7 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Group requires the lessees to insure the leased assets in favour of the Group and maintained financial ratios, as required under the SECP Prudential Regulations for Non-Banking Finance Companies. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 9.06% to 13.65% (2015: 12.53% to 15.70%) per annum.

## 10.3 Advances include Rs. 120,562 million (2015: Rs. 128,277 million) which have been placed under non-performing status (refer note 10.5.3) as detailed below:

	2016								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	Rupees in '000'								
<b>Category of Classification</b>									
Other Assets Especially									
Mentioned	1,082,036	-	1,082,036	31,804	-	31,804	31,804	-	31,804
Substandard	4,843,374	52,363	4,895,737	1,128,619	13,091	1,141,710	1,128,619	13,091	1,141,710
Doubtful	3,561,908	43,765	3,605,673	1,614,012	21,882	1,635,894	1,614,012	21,882	1,635,894
Loss	79,531,756	31,446,649	110,978,405	77,723,512	29,707,018	107,430,530	77,723,512	29,707,018	107,430,530
	<b>89,019,074</b>	<b>31,542,777</b>	<b>120,561,851</b>	<b>80,497,947</b>	<b>29,741,991</b>	<b>110,239,938</b>	<b>80,497,947</b>	<b>29,741,991</b>	<b>110,239,938</b>
	2015								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	Rupees in '000'								
<b>Category of Classification</b>									
Other Assets Especially									
Mentioned	2,069,365	-	2,069,365	19,476	-	19,476	19,476	-	19,476
Substandard	7,057,274	83,227	7,140,501	1,582,057	20,807	1,602,864	1,582,057	20,807	1,602,864
Doubtful	2,610,175	152,627	2,762,802	997,687	76,358	1,074,045	997,687	76,358	1,074,045
Loss	84,644,181	31,660,021	116,304,202	78,694,872	29,935,390	108,630,262	78,694,872	29,935,390	108,630,262
	<b>96,380,995</b>	<b>31,895,875</b>	<b>128,276,870</b>	<b>81,294,092</b>	<b>30,032,555</b>	<b>111,326,647</b>	<b>81,294,092</b>	<b>30,032,555</b>	<b>111,326,647</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 10.4 Particulars of provision against non-performing advances:

		2016			2015		
		Specific	General	Total	Specific	General	Total
Note		Rupees in '000'					
Opening balance		111,326,647	2,964,361	114,291,008	98,549,185	3,201,465	101,750,650
Foreign exchange adjustments		(287,596)	(11,380)	(298,976)	859,521	16,854	876,375
Charge for the year		8,984,211	1,522,050	10,506,261	16,062,482	227,540	16,290,022
Reversal during the year		(9,754,567)	(43,824)	(9,798,391)	(4,944,996)	(481,498)	(5,426,494)
		(770,356)	1,478,226	707,870	11,117,486	(253,958)	10,863,528
Transfer to investments	9.9	(214,444)	-	(214,444)	(595,227)	-	(595,227)
Transfer from investments	9.9	284,000	-	284,000	-	-	-
Transfer from off balance sheet obligations	18.1	-	-	-	1,494,692	-	1,494,692
Other transfer		263,938	-	263,938	-	-	-
Amount charged off	10.5.4	(97,256)	-	(97,256)	(18,228)	-	(18,228)
Amounts written off	10.6	(266,672)	-	(266,672)	(12,690)	-	(12,690)
Other adjustments		1,677	-	1,677	(68,091)	-	(68,091)
Closing balance		110,239,938	4,431,207	114,671,146	111,326,647	2,964,361	114,291,008

### 10.5 Particulars of provision against non-performing advances:

	2016			2015		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
In local currency	80,050,265	4,269,942	84,320,207	81,294,092	2,747,891	84,041,983
In foreign currencies	30,189,673	161,265	30,350,939	30,032,555	216,470	30,249,025
	110,239,938	4,431,207	114,671,146	111,326,647	2,964,361	114,291,008

**10.5.1** As of 31 December 2016, The Bank has not availed the benefit of Forced Sale Value (FSV) of collaterals against non-performing advances. Last year, the Group had availed the benefit of Forced Sale Value (FSV) of collaterals against non-performing advances which had resulted in decrease in provision against NPLs by Rs. 3,598 million.

**10.5.2** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2016.

**10.5.3** The SBP has allowed specific relaxation to the Group for non-classification of overdue loans of ASG Metals Private Limited and its associated companies till September 30, 2017. Had that relaxation not provided, the amount of non-performing loans would have been higher by Rs. 2,005 million (2015: Rs. 1,654 million) and provision would be higher by Rs. 1,090 million (2015: Rs. 923 million).

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

**10.5.6** During the period State Bank of Pakistan vide BPRD Circular No.10 dated August 3, 2016 has issued revised Prudential Regulations for consumer financing which amongst other things required banks to maintain general reserve at a percentage ranging from 1% to 7% based on secured and unsecured portfolio as per slab of NPL to Gross Loan Ratio for the performing portfolio only. This change resulted in the additional provision of Rs 768 million. Previously, general provision against consumer and SME loan were made at 1% to 5% of performing portfolio.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>10.6 Particulars of write offs:</b>			
<b>10.6.1</b> Against provisions	10.4	266,672	12,690
		<u>266,672</u>	<u>12,690</u>
<b>10.6.2</b> Write offs of Rs. 500,000 and above	10.7	265,486	10,948
Write offs of below Rs. 500,000		1,186	1,742
		<u>266,672</u>	<u>12,690</u>

### 10.7 Details of loan write off 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 Rs. 500,000 or above allowed to a person(s) during the year ended December 31, 2016 is given in Annexure II.

	Note	2016 Rupees in '000	2015
<b>10.8 Particulars of loans and advances to directors, associated companies, etc. :</b>			
Debts due by directors, executives or officers & staff of the Bank or any of them either severally or jointly with any other persons			
Balance at beginning of the year		31,372,520	30,839,116
Loans granted / additions during the year		4,053,881	4,341,870
Repayments		(4,913,632)	(3,808,466)
Balance at end of the year		<u>30,512,769</u>	<u>31,372,520</u>
Debts due by companies or firms in which the directors of the Group are interested as directors, partners or in the case of private companies as members:			
Balance at beginning of the year		6,020,112	9,115,000
Adjustment due to retirement / appointment of directors		-	(1,154,000)
Loans granted / additions during the year		-	62,566,778
Repayments / other adjustments		(6,020,112)	(64,507,666)
Balance at end of the year		<u>-</u>	<u>6,020,112</u>
Debts due by controlled firms, managed modarabas and other related parties:			
Balance at beginning of the year		5,555,674	6,014,168
Loans granted / additions during the year		378,870	-
Repayments		(68,200)	(458,494)
Balance at end of the year		<u>5,866,344</u>	<u>5,555,674</u>

## 11. OPERATING FIXED ASSETS

Capital work-in-progress	11.1	1,545,405	1,365,006
Property and equipment	11.2	31,062,696	30,490,562
Intangible assets	11.3	1,450,188	1,215,556
		<u>34,058,289</u>	<u>33,071,124</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		1,477,219	1,291,008
Equipments		18,167	16,304
Advances to suppliers and contractors		50,019	57,694
		<u>1,545,405</u>	<u>1,365,006</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 11.2 Property and equipment

	Cost / revalued amount			Accumulated depreciation			Book Value at December 31, 2016	Rate of depreciation
	At January 1, 2016	Additions/ (deletions)/ adjustments	At December 31, 2016	At January 1, 2016	Charge for the year/ (deletions) / adjustments	At December 31, 2016		
Rupees in '000								
Owned								
Land								
- freehold	11,214,811	- - (5,374)	11,209,437	-	-	-	11,209,437	Nil
- leasehold	10,372,742	4,924 - -	10,377,666	-	-	-	10,377,666	Nil
Buildings on land:								
- freehold	2,904,419	112,658 - 1,593	3,018,670	293,514	139,201 - 158	432,873	2,585,797	5% on book value
- leasehold	2,747,943	84,333 - 10,797	2,843,073	230,471	118,440 - 5,472	354,383	2,488,690	5% on book value
Furniture and fixtures	2,724,075	1,181,459 (25,843) 9,658	3,889,350	1,771,658	469,441 (16,144) (8,528)	2,216,427	1,672,924	20% on cost
Computer & peripheral equipments	3,025,025	359,679 (19,087) 72,051	3,437,667	2,651,403	382,804 (14,215) (57,603)	2,962,389	475,278	33.33% on cost
Electrical & office equipments	3,667,546	384,629 (7,920) (6,787)	4,037,468	2,320,797	634,477 (5,797) (3,186)	2,946,292	1,091,176	20% on cost
Vehicles	963,330	701,245 (296,115) (358,213)	1,010,247	290,286	216,342 (280,305) 74,054	300,377	709,870	20% on cost
	37,619,891	2,828,927 (348,965) (276,275)	39,823,577	7,558,129	1,960,704 (316,461) 10,367	9,212,740	30,610,838	
Assets held under finance lease								
Vehicles	342,657	12,000 (16,256) (88,520)	249,881	213,552	49,921 (12,385) (76,070)	175,018	74,863	20% on cost
Office equipment	13,304	- (1,200) (10,254)	1,850	12,436	250 (836) (10,475)	1,375	475	20% on book value
Assets held under Ijarah								
Machinery	1,395,154	- (141,857) (787,371)	465,926	1,096,326	83,291 (125,923) (769,095)	284,600	181,326	25% to 33% on cost
Vehicles	714,594	6 (197,126) 82,554	600,027	714,593	90,322 (153,976) (246,107)	404,832	195,195	20% on book value
2016	40,085,599	2,840,932 (705,404) (1,079,866)	41,141,261	9,575,037	2,184,488 (609,580) (1,091,380)	10,078,565	31,062,696	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Cost / revalued amount			Accumulated depreciation			Book Value at December 31, 2015	Rate of depreciation
	At January 1, 2015	Additions/ (deletions)/ adjustments	At December 31, 2015	At January 1, 2015	Charge for the year/ (deletions) / adjustments	At December 31, 2015		
	Rupees in '000							
Owned								
Land								
- freehold	11,203,348	11,463	11,214,811	-	-	-	11,214,811	Nil
		-						
- leasehold	10,338,464	34,278	10,372,742	-	-	-	10,372,742	Nil
Buildings on land:								
- freehold	2,867,306	37,113	2,904,419	148,001	145,513	293,514	2,610,905	5% on book value
		-			-			
		-			-			
- leasehold	2,681,061	67,398 (516)	2,747,943	112,688	117,916 (133)	230,471	2,517,472	5% on book value
					-			
Furniture and fixtures	3,433,918	416,740 (25,082) (1,101,501)	2,724,075	2,499,573	295,829 (18,031) (1,005,713)	1,771,658	952,418	20% on cost
Computer & peripheral equipments	3,874,422	269,952 (7,546) (1,111,803)	3,025,025	3,447,606	334,000 (6,906) (1,123,297)	2,651,403	373,622	33.33% on cost
Electrical & office equipments	3,956,737	485,709 (5,220) (769,680)	3,667,546	2,795,242	261,979 (3,975) (732,449)	2,320,797	1,346,749	20% on cost
Vehicles	1,518,258	191,377 (79,204) (667,101)	963,330	850,089	135,574 (65,544) (629,833)	290,286	673,044	20% on cost
	39,873,514	1,514,030 (117,568) (3,650,085)	37,619,891	9,853,199	1,290,811 (94,588) (3,491,292)	7,558,129	30,061,762	
Assets held under finance lease								
Vehicles	317,903	68,717 (50,763) 6,800	342,657	228,011	26,073 (40,532) -	213,552	129,105	20% on cost
Office equipment	13,304	-	13,304	12,131	305	12,436	868	20% on book value
Assets held under Ijarah								
Machinery	1,492,773	280,891 (378,510)	1,395,154	1,175,453	249,650 (326,044) (2,733)	1,096,326	298,827	25% to 33% on cost
Vehicles	792,565	- (77,971)	714,594	792,565	- (77,971)	714,593	1	20% on book value
		-						
2015	42,490,059	1,863,638 (624,812) (3,643,285)	40,085,599	12,061,359	1,566,839 (539,136) (3,494,025)	9,595,037	30,490,562	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 11.3 Intangible assets

	Cost			Accumulated amortisation			Book Value at	Rate of
	At January 1, 2016	Additions / Adjustments	At December 31, 2016	At January 1, 2016	Charge for the year	At December 31, 2016	December 31, 2016	amortisation
	Rupees in '000							
Computer software	153,883	372,156	526,039	150,652	22,227	172,879	353,160	33.33% on cost
Core Banking Application	1,700,538	524,727	2,303,196	1,052,278	718,475	1,770,753	532,443	33.33% on cost
		77,931						
Website	1,041	-	1,041	1,041	-	1,041	-	33.33% on cost
Room and Membership Card	-	-	-	-	-	-	-	
Trading right entitlement certificate (TREC) - (11.7)	-	-	-	-	-	-	-	
Goodwill on NAFA Acquisition	655,146	-	655,146	92,593	-	92,593	562,553	
Others	4,192	582	4,774	2,681	61	2,742	2,032	
	2,514,800	975,396	3,490,196	1,299,245	740,763	2,040,008	1,450,188	

	Cost		Accumulated amortisation			Book Value at December 31, 2015	Rate of amortisation	
	At January 1, 2015	Additions / (Disposal)	At December 31, 2015	At January 1, 2015	Charge for the year			At December 31, 2015
Rupees in '000								
Computer software	154,990	(1,107)	153,883	149,928	724	150,652	3,232	33.33% on cost
Core Banking Application	1,328,910	371,628	1,700,538	418,447	633,831	1,052,278	648,260	33.33% on cost
Website	1,041	-	1,041	1,041	-	1,041	-	33.33% on cost
Room and Membership Card	-	-	-	-	-	-	-	-
Trading right entitlement certificate (TREC) - (11.7)	-	-	-	-	-	-	-	-
Goodwill on NAFA Acquisition	655,146	-	655,146	92,593	-	92,593	562,553	-
Others	4,192	-	4,192	2,681	-	2,681	1,511	-
	2,144,279	370,521	2,514,800	664,690	634,555	1,299,245	1,215,556	-

### 11.4 Revaluation of properties

Had there been no revaluation, the carrying amount of revalued assets at December 31, 2016 would have been as follows;

	Rupees in '000
Land	
freehold	1,076,005
leasehold	869,805
Building	
freehold	620,581
leasehold	670,820

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

- 11.5** The Ijarah payments receivable from customers for each of the following periods under the terms of the respective agreements are given below:

	2016	2015
	Rupees in '000	
Not later than one year	82,029	83,926
Later than one year but not later than five years	96,848	180,236
	<b>178,877</b>	<b>264,162</b>

The rate of profit is 6 months KIBOR + 2.5% (2015: 6 months KIBOR + 2.5%).

**11.6 Details of disposals of property and equipment**

Details of disposals of property and equipment made to chief executive or a director or an executive or a shareholder holding not less than ten percent of the voting shares of the Group or any related party, irrespective of the value, or where original cost or the book value exceeds rupees one million or two hundred fifty thousand rupees respectively, whichever is lower are given in Annexure III.

- 11.7** The TRE Certificate acquired on surrender of Stock Exchange Membership Card is stated at Nil value.

According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once to a company intending to carry out shares brokerage business in the manner to be prescribed. Upto December 31, 2019, a Stock Exchange shall offer for issuance of 15 TRE Certificate each year in the manner prescribed. After 2019, no restriction shall be placed on issuance of TRE Certificate.

	Note	2016	2015
		Rupees in '000	
<b>12. DEFERRED TAX ASSETS - net</b>			
<b>Deductible temporary differences on :</b>			
Provision for diminution in the value of investments		3,642,117	4,117,499
Provision against non-performing advances		3,312,021	8,000,570
Other provision		2,666,050	2,262,569
Provision against defined benefits plans		12,755,946	10,807,811
Unrealised loss on derivatives		691,907	691,907
Provision against off-balance sheet obligation		116,622	116,622
Others		4,358	-
		<b>23,189,021</b>	<b>25,996,978</b>
<b>Taxable temporary differences on :</b>			
Excess of accounting book value of leased assets over lease liabilities		(85)	(8,097)
Revaluation of securities	20.1	(17,094,125)	(15,104,136)
Non-banking assets		(36,273)	-
Operating fixed assets		(886,042)	(1,212,494)
		<b>(18,016,525)</b>	<b>(16,324,727)</b>
<b>Net deferred tax assets</b>		<b>5,172,496</b>	<b>9,672,251</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 12.1 Reconciliation of deferred tax

	January 1, 2015	Recognize d in Profit and Loss Account	Recognized in Other Comprehensi ve Income / Surplus on revaluation of assets	December 31, 2015	Recognized in Profit and Loss Account	Recognized in Other Comprehensiv e Income / Surplus on revaluation of assets	December 31, 2016
	Rupees in '000						
<b>Deferred tax assets arising in respect of:</b>							
Provision for diminution in the value of investments	3,636,653	480,846	-	4,117,499	(475,382)	-	3,642,117
Provision against advances	7,092,841	907,729	-	8,000,570	(4,688,549)	-	3,312,021
Other provision	1,769,167	493,402	-	2,262,569	403,481	-	2,666,050
Charge against defined benefits plans	9,031,229	932,913	843,669	10,807,811	944,930	996,737	12,755,946
Unrealised gain / loss on derivatives	691,907	-	-	691,907	-	-	691,907
Provision against off-balance sheet obligations	116,622	-	-	116,622	-	-	116,622
Others	-	-	-	-	4,358	-	4,358
	22,338,419	2,814,891	843,669	25,996,978	(3,811,162)	996,737	23,189,021
<b>Less: Deferred tax (liabilities) arising in respect of:</b>							
Excess of accounting book value of leased assets over lease liabilities	(3,720)	(4,377)	-	(8,097)	8,012	-	(85)
Revaluation of securities	(11,173,750)	-	(3,930,386)	(15,104,136)	-	(1,989,989)	(17,094,125)
Non-banking assets	-	-	-	-	-	(36,273)	(36,273)
Revaluation of fixed assets	(1,276,693)	64,199	-	(1,212,494)	326,452	-	(886,042)
	(12,454,163)	59,822	(3,930,386)	(16,324,727)	334,464	(2,026,262)	(18,016,525)
<b>Net deferred tax assets</b>	<b>9,884,256</b>	<b>2,874,712</b>	<b>(3,086,717)</b>	<b>9,672,251</b>	<b>(3,476,698)</b>	<b>(1,029,525)</b>	<b>5,172,496</b>

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>13. OTHER ASSETS</b>			
Income / mark-up accrued in local currencies		23,234,508	28,528,306
Income / mark-up accrued in foreign currencies		1,651,422	1,573,224
Advances, deposits, advance rent and other prepayments	13.1	5,707,385	4,885,084
Advance taxation (payments less provisions)		14,632,950	10,980,767
Income tax refunds receivable		20,144,561	22,237,149
Compensation for delayed tax refunds	13.5	4,126,792	2,793,522
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		228,484	271,040
Branch adjustment account - net		934,495	1,498,108
Unrealized gain on forward foreign exchange contracts		672,274	1,995,434
Unrealized gain on derivatives	9.5.1	-	364,800
Commission receivable on Govt. treasury transactions		5,394,496	5,145,471
Stationery and stamps on hand		310,593	281,133
Non-banking assets acquired in satisfaction of claims		2,769,018	1,419,746
Barter trade balances		195,399	195,399
Receivable on account of Government transactions	13.2	323,172	323,172
Receivable from Government under VHS scheme	13.3	418,834	418,834
Prize bonds on hand		336,422	234,578
Receivable against sale of shares		695,511	7,143
Others		5,500,386	3,015,959
		<b>87,276,702</b>	<b>86,168,870</b>
Less: Provision held against other assets	13.4	6,446,439	6,077,158
<b>Other assets (net of provision)</b>		<b>80,830,263</b>	<b>80,091,712</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

- 13.1** This includes Rs. 2,325 million (2015: Rs. 2,300 million) advance against Pre-IPO placement of Term Finance Certificates.
- 13.2** This represents amount receivable from GoP on account of encashment of various instruments handled by the Group for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.
- 13.3** This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

	Note	2016 Rupees in '000	2015
<b>13.4 Provisions against other assets</b>			
Opening balance		6,077,158	5,557,491
Charge for the year	13.4.1	370,266	389,917
Reversals		(366)	(17,559)
		369,900	372,358
Write offs		(620)	(2,586)
Reclassifications		-	149,895
Closing balance		6,446,439	6,077,158

**13.4.1** This mainly includes provision made on account of financial improprieties.

### 13.5 Movement in compensation for delayed refund

Opening balance		2,793,522	1,208,251
Accrued during the year	27	1,333,270	1,585,271
Closing balance		4,126,792	2,793,522

## 14. BILLS PAYABLE

In Pakistan		10,152,968	8,958,569
Outside Pakistan		34,282	213,047
		10,187,250	9,171,616

## 15. BORROWINGS

In Pakistan		41,341,143	19,008,803
Outside Pakistan		3,522,787	3,376,050
	15.1 & 15.2	44,863,930	22,384,853

### 15.1 Particulars of borrowings with respect to currencies

In local currency		41,341,143	19,008,803
In foreign currencies		3,522,787	3,376,050
	15.2	44,863,930	22,384,853

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>15.2 Details of borrowings</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		5,018,651	4,612,557
Under Export Refinance Scheme (New Scheme)		6,397,399	2,262,393
Refinance Facility for Modernization of SMEs		13,000	20,940
Financing Facility for storage of Agriculture Produce (FFSAP)		457,805	591,625
Under Long-Term Financing Facility (LTFF)		1,633,848	348,800
		<u>13,520,703</u>	<u>7,836,315</u>
Repurchase agreement borrowings		<u>4,000,000</u>	<u>10,301,568</u>
		<u>17,520,703</u>	<u>18,137,883</u>
<b>Unsecured</b>			
Call borrowings	32	27,189,616	3,376,063
Overdrawn nostro accounts	32	82,811	326,444
Others		70,800	544,463
		<u>27,343,227</u>	<u>4,246,970</u>
		<u>44,863,930</u>	<u>22,384,853</u>

### 15.3 Mark-up / interest rates and other terms are as follows:

- The Group has entered into agreements with the SBP for extending export finance to customers. As per the terms of the agreement, the Group has granted SBP the right to recover the outstanding amount from the Group at the date of maturity of finances by directly debiting the current account maintained by the Group with the SBP. These borrowings carry mark-up ranging from 4.0% to 6.0% (2015: 4.5 % to 7.0 %).
- Repurchase agreement borrowings carry mark-up at the rate of 5.7% per annum (2015: 5.00% to 9.60% per annum) having maturity ranging from January 10, 2017 to January 10, 2017.
- Call borrowings carry interest ranging from 5.6% to 6% per annum (2015 : 5% to 9.5% per annum).
- Unsecured borrowings "Others" carry interest at the rate of 10% per annum (2015: 10% per annum).

### 15.4 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Group's cash and security balances held by the SBP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>16. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		439,084,115	330,551,976
Savings deposits		429,137,018	382,255,071
Current accounts - remunerative		220,938,478	183,332,050
Current accounts - non-remunerative		339,780,994	332,225,875
		<b>1,428,940,606</b>	<b>1,228,364,972</b>
<b>Financial Institutions</b>			
Remunerative deposits		51,136,254	109,257,412
Non - remunerative deposits		177,055,545	93,913,013
		<b>228,191,799</b>	<b>203,170,425</b>
	16.1	<b>1,657,132,405</b>	<b>1,431,535,397</b>
<b>16.1 Particulars of deposits</b>			
In local currency		1,498,329,764	1,199,339,988
In foreign currencies [including deposits of foreign branches of Rs. 86,312 million (2015: Rs. 158,964 million)]		158,802,641	232,195,409
		<b>1,657,132,405</b>	<b>1,431,535,397</b>

## 17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2016			2015		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	Rupees in '000			Rupees in '000		
Not later than one year	36,708	4,864	31,844	33,779	6,232	27,547
Later than one year and not later than five years	54,183	3,020	51,163	75,652	12,011	63,641
	<b>90,891</b>	<b>7,884</b>	<b>83,007</b>	<b>109,431</b>	<b>18,243</b>	<b>91,188</b>

The Group has entered into lease agreements with First National Bank Modaraba (a related party) for lease of vehicles. Lease rentals are payable in quarterly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rates ranging from KIBOR + 2.95% to KIBOR + 3.3% per annum (2015: KIBOR + 2.95% to KIBOR + 3.3% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>18. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		19,163,528	14,041,877
Mark-up / return / interest payable in foreign currencies		203,769	252,916
Unearned commission and income on Bai Muajjal and bills discounted		310,604	392,023
Accrued expenses		6,217,050	5,114,789
Advance payments		117,361	56,960
Unclaimed dividends		153,607	164,414
Un-realized loss on forward foreign exchange contracts		1,209,712	1,572,385
Unrealized loss on PUT Option		306,339	-
Provision against off-balance sheet obligations	18.1	627,494	627,494
Provision against contingencies	18.2	3,546,841	2,818,525
Employment benefits:			
Pension fund	34.1.2	9,855,826	8,435,332
Post retirement medical benefits	34.1.3	13,377,650	11,268,022
Benevolent fund	34.1.4	1,977,230	1,830,831
Gratuity scheme	34.1.5	1,385,322	1,067,622
Compensated absences	34.2.1	6,262,603	5,709,230
Staff welfare fund		389,343	371,257
Liabilities relating to:			
Barter trade agreements		14,261,334	14,282,581
Payable to brokers		32,688	610
Others		9,613,003	9,029,154
		<b>89,011,304</b>	<b>77,036,022</b>

### 18.1 Provision against off balance sheet obligations

Opening balance	627,494	2,244,872
Reversal of provision for the year	-	(122,686)
Transfer to advances	-	(1,494,692)
Closing balance	<b>627,494</b>	<b>627,494</b>

### 18.2 Provision against contingencies

Opening balance	2,818,525	1,826,821
Charge during the year	728,316	938,282
Reclassification	-	53,422
Closing balance	<b>3,546,841</b>	<b>2,818,525</b>

**18.2.1** This represents provision made on account of regulatory violations and reported instances of financial improprieties for which investigations are in progress.

## 19. SHARE CAPITAL

### 19.1 Authorized Capital

2015	2016		2016	2015
Number of shares			Rupees in '000	
2,500,000,000	2,500,000,000	Ordinary shares of Rs.10 each	25,000,000	25,000,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 19.2 Issued, subscribed and paid up capital

2015	2016		2016	2015
Number			Rupees in '000	
140,388,000	140,388,000	Ordinary shares of Rs.10 each		
1,987,125,026	1,987,125,026	Fully paid in cash	1,403,880	1,403,880
2,127,513,026	2,127,513,026	Issued as fully paid bonus shares	19,871,251	19,871,251
			21,275,131	21,275,131

The Federal Government and the SBP held 75.60% (2015: 75.60%) shares of the Bank as at December 31, 2016.

### 19.3 Shares of the Bank held by subsidiary and associates

Following shares were held by the associates of the Bank as of year end:

First Credit & Investment Bank Limited  
Taurus Securities Limited

2016	2015
Number of shares	
40,000	70,000
-	11,475
40,000	81,475

### 19.4 Reserves

#### 19.4.1 Exchange translation reserve

This comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### 19.4.2 Statutory reserve

Every bank incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital, thereafter 10% of the profits of the Group are to be transferred to this reserve.

#### 19.4.3 General loan loss reserve

The Group is cognizant of the fact that a part of its credit or loan portfolio (funded and non-funded) which is not currently impaired as per the applicable Prudential Regulations is underperforming and therefore the potential for risk of credit losses on this part of portfolio is higher than the usual risk. Therefore, as a matter of abundant caution and in order to protect the equity base of the Group from future contingencies in respect of the credit portfolio, the Board of Directors in their meeting held on April 29, 2015 decided to transfer an aggregate amount of Rs. 12 billion from the unappropriated profits to a "General Reserve for potential loan losses". This appropriation has been made on the basis of the management's best estimates and judgment regarding the inherent portfolio risks.

## 20. SURPLUS ON REVALUATION OF ASSETS - net

	Note	2016	2015
		Rupees in '000	
Available-for-sale securities	20.1	33,117,837	29,562,898
Operating fixed assets	20.2	22,054,443	22,168,380
Non-banking assets		1,126,857	-
		56,299,137	51,731,278

### 20.1 Surplus / (deficit) on revaluation of available-for-sale securities - net of tax

Federal Government Securities		4,311,723	9,109,036
Term Finance Certificates and Sukus		281,349	59,167
Shares and mutual funds		37,269,582	26,047,519
GoP Foreign Currency Bonds		306,362	288,428
Foreign Currency Debt Securities		54,677	39,306
Investment outside Pakistan		8,770,091	10,092,101
	9.1	50,993,784	45,635,557
Deferred tax liability	12	(17,094,125)	(15,104,136)
Share of revaluation loss on securities of associates		(781,822)	(968,523)
		33,117,837	29,562,898

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>20.2 Movement in surplus on revaluation of fixed assets - net of tax</b>			
Surplus on revaluation on January 1,		23,002,503	23,187,017
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(113,937)	(119,934)
Related deferred tax liability		(61,351)	(64,580)
		(175,288)	(184,514)
		22,827,215	23,002,503
Less: Related deferred tax liability on:			
Revaluation as at January 1,		1,236,022	1,300,602
Revaluation of Group's properties during the year		-	-
Incremental depreciation charged during the year transferred to profit and loss account		(61,351)	(64,580)
	12	1,174,671	1,236,022
Share of surplus on revaluation of fixed assets of joint venture		401,899	401,899
Surplus on revaluation on December 31,		22,054,443	22,168,380

## 21. CONTINGENCIES AND COMMITMENTS

### 21.1 Direct credit substitutes

Include general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued on behalf of:

	2016 Rupees in '000	2015
- Government	12,013,689	7,422,663
- Financial institutions	6,075,143	6,860,358
- Others	21,866,018	24,477,771
	39,954,850	38,760,792

### 21.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credits related to particular transactions issued on behalf of:

- Government	15,625,100	13,543,468
- Financial institutions	19,015,609	5,094,682
- Others	17,593,612	19,901,269
	52,234,321	38,539,419

### 21.3 Trade-related contingent liabilities

Letters of credit issued on behalf of:

- Government	330,993,013	221,145,520
- Financial institutions	2,421,680	14,847,586
- Others	47,295,687	49,095,879
	380,710,380	285,088,985

### 21.4 Other contingencies

**21.4.1** Claims against the Bank not acknowledged as debts [including SBP liabilities on Bangladesh borrowing and interest thereon amounting to Rs. 224 million (2015: Rs. 204 million), claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (2015: Rs. 1,597 million)].

14,238,035	17,262,022
------------	------------



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 21.4.2 Taxation

**21.4.2.1** The tax returns of the Bank have been filed upto Tax Year 2016 and amended by the tax authorities up to Tax Year 2015. For Azad Kashmir and Gilgit Baltistan Branches no amendment to returns filed u/s 120 of the Income Tax Ordinance, 2001 has been made, hence returns filed are deemed assessments for all the years till the tax year 2016.

**21.4.2.2** During the year, the tax department amended the tax year 2015 on the major issues i.e. charge for bad debts, provision against investments, other provision and unrealized gain on derivatives aggregating to Rs. 2,264 million against which the bank has filed Appeal before Commissioner Appeal Inland Revenue [CIR(A)]. The bank has received favorable judgement of Appellate Tribunal Inland Revenue (ATIR) for the tax years 2004, 2006, 2007, 2008, 2009 and 2010 on the similar matter during the year 2016. Therefore, no provision has been made on the opinion of tax consultant of the bank who expect favorable outcome.

In consequent of aforesaid judgement of ATIR for the aforementioned tax years, the bank has filed appeal effects before the department to obtain relief on the matter decided in bank's favor i.e. provision for non-performing loans-net vs gross advances, provision against diminution in value of investment, other provisions, reversal of provision for diminution in value of investment, other balance sheet provision and etc. However, the the Bank is in the process of filing appeal effect which will substantially increase further refunds to the Bank.

**21.4.2.3** Through Finance Act, 2015, for tax year 2015 and onwards, income from Dividend and income from Capital Gains taxed at the rate of thirty five percent. As the chargeability of tax imposed was retrospective from the tax year 2015, therefore, on legal grounds, the bank filed Constitution Petition (CP) before the Honourable High Court of Sindh which is pending. However, recently the Honourable High Court of Sindh has given favourable judgement on the same issue in other case against which the department has filed appeal before Supreme Court of Pakistan. The bank has made the provision on prudent basis.

**21.4.2.4** The other matters under tax contingencies include interest credited to suspense account, allocation of common expenditure between taxable income and exempt / low tax rate income and reversal of bad debts expense. The aggregate effect of contingencies as on December 31, 2016 amounts to Rs. 14,770 million (2015: Rs. 14,622 million). No provision has been made against these contingencies based on the opinion of tax consultants of the Bank who expect favourable outcome upon decision of pending appeals.

**21.4.2.5** The Sindh Workers Welfare Fund Act, 2015 (Sindh WWF Act) has been promulgated in the month of May 2015. Earlier as per the Workers Welfare Fund Ordinance, 1971, the Bank in which Government holds more than 51% shareholding remained exempt from levy of WWF. The Sindh WWF Act, 2015 is retrospective in its effect and it attempts to impose levy from the date even prior to its promulgation. As the chargeability of tax imposed is retrospective and the law is defective considering constitutional issues – Fee or Tax including geographical / territorial jurisdiction for bank operating in all the provinces of Pakistan as well as the Bank employees do not fall in the definition of workers, therefore, on legal grounds against the said levy bank has decided to file suit before Honourable High Court of Sindh. Hence, no provision has been made for Sindh WWF in these financial statements based on the advice of the Tax consultant.

**21.4.2.6** In case of Sales Tax / FED, appeals have been filed before various appellate forums including reference and constitutional petitions before the High Court of Sindh; wherein apart from other legal grounds, the principal ground is levy of duty on service which are not specified in the First Schedule to the Customs Act, 1969 and specially for Tax year 2011 levy of duty by FBR on services provided in province of Sindh after promulgation of Sindh Sales Tax on Services Act, 2011.

### 21.4.3 Barter Trade Agreements

In order to reduce pressure on the balance of payment, the GoP had entered into barter trade agreements with various countries and designated the Bank to handle the related transactions on behalf of GoP. Accordingly, the Bank executed banking arrangements with the designated banks of these countries and opened accounts in their names. In one of the barter agreement, repayments made to the Bank by the GoP could not be utilized due to non-finalization of Letter of Exchange for its utilization after 1994 at Government level, which was required under the relevant barter agreement. The concerned bank is now demanding payment of interest on the balances in its accounts with the Bank. Since these balances are maintained in current accounts and there is also no clause for payment of any interest in the relevant banking arrangement, therefore the Bank has strongly refused such claims.

### 21.4.4 Contingencies in respect of employees benefits and related matters

The following are the detail of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that except for Pensionary benefits (note 21.4.4.1) and Restoration of Commuted Pension (note 21.4.4.4), the financial impact of other matters is impracticable to determine with sufficient reliability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 21.4.4.1 Pensionary benefits to retired employees

In 1977 the Federal Govt. vide letter No. 17 (9) 17 XI / 77 dated November 30, 1977 addressed to the Pakistan Banking Council, directed that all executives/ officers of all nationalized banks would be paid pension as calculated @ 70% of average emoluments on completion of 30 years of qualifying service and where qualifying service was less than 30 years but not less than 10 years, proportionate reduction in percentage was to be made. This pension scheme was made applicable with effect from May 01, 1977.

In the year 1997, the Banks Nationalization Act, 1974 ("BNA, 1974") was substantially amended whereby the Pakistan Banking Council was dissolved and the Board of Directors of the nationalized banks were empowered/ mandated respectively to determine personnel policies with the President of the Bank deciding the remuneration and benefits of the employees in accordance with policies determined by the Board. In the year 1999, by virtue of the said amendments in BNA, the Board of Directors of the Bank approved the Revised Pay Structure for the officers/ executives of the bank with effect from January 01, 1999 vide Circular No.37/1999, whereby the Basic salary was increased by 110 % to 140% and besides giving multifarious benefits to its employees, formula for monthly gross pension was revised. However, the amount of gross pension on the basis of existing Basic Pay and existing formula was protected.

A number of the bank employees, after attaining the age of superannuation filed Writ Petitions before the Lahore High Court, Lahore and the Peshawar High Court, Peshawar, praying for re-calculation of their pensionary benefits and increases in accordance with the Bank circular No. 228 ( C ) dated December 26, 1977 and furthermore, for allowing the increases in their pension as per the increases allowed by the Federal Government to its employees. This litigation started in the year 2010 & 2011.

The Peshawar High Court, Peshawar, in terms of judgment dated June 03, 2014, dismissed the petition while observing that the petition was hit by laches and that the Petitioners could not claim the benefits granted to the similarly placed employees of other institutions who were governed through different Statutes and Service Rules. The said order has been assailed by the pensioners before the honorable Supreme Court of Pakistan where the matter is pending adjudication.

Lahore High Court, Lahore, through its judgment dated January 15, 2016, allowed the Writ Petitions on the same matter and the Bank was directed to release the pensionary benefits of the Petitioners. The said order was assailed by the Bank by filing Intra Court Appeals in January 2016 which were dismissed by Lahore High Court, Lahore, through its judgment dated January 16 2017.

Based on the opinion of legal counsel on this matter, the Bank believes the judgment dated January 16, 2017 can be challenged on merits and legal grounds in the Supreme Court of Pakistan, therefore, the Bank will file appeal before the Supreme Court of Pakistan against the said order and is confident about the favorable outcome of the case.

In case this matter is decided unfavorably, as per the advice of the Actuaries, the Bank might have a financial impact of Rs.47.7 billion approximately as at year ended 31 December 2016, arising out of the additional pension liability exclusive of any penalties or additional profit due to delayed payment. Pension expense for the year 2017 and onwards may also increase. No provision was made in the financial statements for the said amount as prima-facie the Bank has a strong case on merits and legal grounds.

### 21.4.4.2 Encashment of unavailed leave

Some of the employees of the Bank filed Writ Petitions before Lahore High Court after their retirement, in September 2012, praying the Court for issuance of directions to the bank for encashing their entire un-availed leave balance frozen in terms of Bank's Circular 37/1999 and 57/ 1999.

The Bank revised rules of leave encashment with effect from January 1, 1999. As per revised rules, leave balances accumulated under old rules were marked as "Frozen Leave" to differentiate it with subsequent leaves to be accumulated. There was no bar on employees to avail these leaves, which would lapse on retirement.

The Lahore High Court dismissed the petitions of the subject ex-employees in April 2014 while observing that claim of the petitioners was hit by laches as the Petitions were filed in the year 2012 and that all the petitioners filed the petitions after having availed all retirement benefits when all outstanding dues were paid at the time of retirement at which point no claim for any amount was made. The Petitioners have filed Intra Court appeals against the aforesaid judgment which are pending adjudication.

Another Constitution Petition No. D-3445/ 2012 titled as Iffat Aara Hassan & others vs. NBP etc, filed before the High Court, of Sindh, Karachi, on the matter was dismissed by a Division Bench vide order dated January 11, 2017, while concluding that the issue which was subject matter of the Petition was passed and closed transaction, hence, the same could not be agitated through this Constitution Petition.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 21.4.4.3 Post retirement medical facilities

On March 14, 1995 on the instructions of Pakistan Banking Council the Bank issued Circular 19/95. In terms of the said Circular the Bank was to provide relief to the retired employees regarding increase of medical ceiling on the increase of salary. It was decided that the Bank would re-determine the monetary ceiling of retired officers/executives after every revision of pay scale on the basis of notional re-fixation in revised scale on point to point basis. In 2003 two retired employees moved Federal Service Tribunal for increase of post-retirement medical ceiling in the light of the said Circular. The Bank contested the case but a representative of Establishment Division stated before the FST that Bank had adopted the said Circular and the two appeals were accepted by the FST. The Bank's appeals before the Supreme Court failed and even review petitions were dismissed.

Later on in September, 2011 Ch. Muhammad Qasim and 5 others who had opted for separation from service under GHS/ VHS filed Writ Petition for availing similar relief of post-retirement medical ceiling while citing the respective judgments of the FST and Supreme Court. The Bank contested the Writ Petition on the Grounds that the petitioners had opted for separation from the service of the Bank under GHS AND VHS after receiving payment of compensation as contemplated under the said Schemes. With regard to medical ceiling for such optees, it was contended by the bank before the Court that option was given to such employees either to accept the present medical ceiling for 10 years in lump sum or to continue with the present payment as if they had retired on attaining the age of superannuation. The petitioners had opted for continuing with the present ceiling as prevalent at the time of the separation scheme floated by the Bank therefore, they were not entitled for any benefit under the said circular. It was also urged by the Bank that in view of judgment of Apex Court in Naseem Arif Abbasi case, the petitioners, after having signed a disclaimer at the time of receipt of benefits under GHS, were not entitled to any further payment. The High Court while disregarding these arguments allowed the Writ Petition. The Bank has filed an Intra Court Appeal against the order of the single bench which is still pending adjudication.

### 21.4.4.4 Restoration of Commuted Pension

The portion of pension of an employee commuted at the time of retirement is restored after the lapse of period for which the commutation was made. However, that restoration is made without applying any increase granted in pension during that period. Some of the retired employees filed Writ Petitions before Lahore High Court while praying the court for restoration of the commuted portion of their pension with application of all the increments granted during the period for which the pension was commuted.

In one of such Writ Petitions, the Honorable Lahore High Court, without issuing notices to the bank disposed of the same vide order dated January 13, 2015 while observing that the Petitioner was also entitled to be treated at par with the pensioners whose cases had already been decided in a case titled as "Additional Accountant General Pakistan Revenue, Lahore vs. A.A. Zubari" which had attained finality up to the level of Supreme Court of Pakistan.

The judgment referred in the case was given by a Division Bench of Lahore High Court in which restoration of pension after period of commutation was directed to be allowed at the rate prevailing at the time of restoration and not at the rate of pension prevailing at the time of commutation. High Court in the subject case came to the conclusion that an employee was given restored pension at the rate prevailing fifteen years ago and that such an action on the part of the employer would be a violation of Article 9 of the Constitution and would also be contrary to the test of economic justice. In the above mentioned case the Bank has filed an Intra Court Appeal as the matter was decided without summoning the Bank. The Bank is of the view that the A.A. Zubari's judgment pertains to Civil servants and the Bank employees are not civil servants. The matter is still pending adjudication.

In case this matter is decided unfavorably, the bank estimates based on the actuarial advice that the financial impact arising from the additional liability would be approximately Rs. 3,404 million excluding any penal interest/ profit payment due to delayed payment in case of unfavorable decision. Pension expense for 2017 onward will also increase due to this decision. No provision has been made in these financial statements for the above-mentioned amount as the Bank is confident about the favorable outcome of the matter.

### 21.4.4.5 Regularizing of temporary hires/outsourced workers

A practice was prevalent in the Bank for hiring temporary godown keepers for keeping watch over the pledged stocks of the borrowers. Letters of appointment to be issued by the Bank to such temporary employees for a period of less than 90 days and after short breaks they would be re-hired for similar short periods. In 2001-2002 the temporary godown staff filed Appeals before the FST for regularization of their services. The Bank pointed out that such employees were not on the pay roll of the Bank and their temporary employment did not entitle them for regular absorption in the Bank. Subsequently in terms of President office circular No. 10/2003

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

dated August 1, 2003 a formula was evolved that if such temporary employee had completed three years' service as on the date of the circular with breaks of not more than 15 days, they would be eligible for the absorption on regular bases (with certain other conditions). Subsequently the FST while accepting the appeals of the temporary hires adopted almost the same criterion as given in the said circular. The honorable Supreme court also upheld the decision of the FST (2005 SCMR 100). The Bank had obtained permission from Government to absorb 1500 godwon staff in the Bank. All who fulfilled the criteria were absorbed. Some Petitions are still pending before High Courts as well as NIRC in terms of which the Petitioners have sought regularization of service in terms of the Ikram Bari judgment.

Under the SBP Guidelines, in terms of a policy decision the bank outsourced certain noncore jobs to various service provider companies after entering into contract with them. The sources deployed by the service provider companies are actually their employees and the said companies have the sole administrative control over those resources. However some of those resources filed writ petitions before various benches of High Courts and NIRC while praying for issuance of directions to the Bank for absorbing them in the regular service of the Bank while alleging that actually they were employees of the Bank. Petitions filed before the Peshawar High Court, Abbotabad and Mardan Bench were allowed. Appeals filed by the Bank before the honorable Supreme Court of Pakistan against the order of the Peshawar High Court, Abbotabad Bench were disposed of on March 03, 2016 and the Bank was directed to decide the cases of the Respondents after engaging them through personal hearings. Subsequently all the Respondents who had been hired through a service provider company (80 in numbers) were heard in person and their cases for regularization in Bank's service were declined through speaking orders duly communicated to them. Many of those Petitioners again approached High Court and NIRC for redress of their grievance. Some of those Petitioners also filed contempt petitions before the honorable Supreme court which were decided in terms of order dated November 25, 2016 and the Bank was directed to regularize the services of all those Petitioners. The Bank has filed a Review Petition against the said order which is still pending adjudication.

Appeal filed by the Bank against the order of Peshawar High Court, Mardan Bench in the matter of Mr. Talimand and 23 others was dismissed by the honorable Supreme Court of Pakistan vide order dated May 25, 2016 and Bank was directed to regularize all the Respondents in Bank's service. The Bank has filed a Review Petition against the said order.

Some Petitions filed by the employees of service provider companies are pending adjudication before NIRC Islamabad Bench. Moreover in the mid of August 2016, some service provider companies terminated the services of some resources deployed at various Bank Branches/offices. Almost all of those employees (around 150 in number) have filed petitions before various benches of NIRC for their absorption in Bank's service.

The Bank believes that the financial impact of this matter is not expected to be material.

### 21.4.4.6 Golden Handshake (GHS)

The Bank had introduced the Golden Hand Shake Scheme in 1997 with a cut-off date, however, some of the employees who had opted for separation under the said scheme were not relieved on the said date and continued to perform their duties. Subsequently some of those employees filed Petitions before various high courts for additional payment of certain pensionary benefits beyond the cut off date and also for increase in the salaries announced by the Bank after the cut off date as mentioned in the scheme but the Apex Court held that after having received the payments and signed disclaimer no further payment could be claimed by such optees under this scheme. Most of the cases have been disposed of on the basis of Apex Court judgment in Naseem Arif Abbasi case (2011 SCMR 446). There are still some pending Petitions, however, keeping in view the said Judgment prima facie the Bank has a good case.

### 21.4.4.7 Foreign Exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has also adjudicated penalty of Rs. 1,020 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgments. The Honorable High Court has granted relief to the Bank by way of interim orders. Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

	2016	2015
	Rupees in '000	
<b>21.5 Commitments in respect of forward exchange contracts</b>		
Purchase	145,531,852	273,199,134
Sale	90,986,181	183,645,395
<b>21.6 Commitments for the acquisition of operating fixed assets</b>	1,094,029	1,999,488
<b>21.7 Other commitments</b>		
Professional services to be received	12,670	81,095
Commitments for sale of quoted securities under future contracts under counter commitments	-	174,985



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 22. DERIVATIVE INSTRUMENTS

The Group enters into foreign exchange forward contracts to manage its foreign currency exposure. The Group is also party to put option held by Agritech Limited for purchase of its shares. The accounting policy for derivative is disclosed in note 5.6 to the financial statements.

### 23. MARK-UP / RETURN / INTEREST EARNED

On Loans and advances to:

Customers

Financial institutions

On Investments in:

Held-for-trading securities

Available-for-sale securities

Held-to-maturity securities

On deposits with financial institutions

On securities purchased under resale agreements

2016 2015  
Rupees in '000

54,559,229	56,954,514
37,698	68,209
54,596,927	57,022,723
667,347	450,240
40,937,305	38,925,217
17,445,504	16,359,970
59,050,156	55,735,428
596,455	482,468
785,291	1,145,745
115,028,828	114,386,364

### 24. MARK-UP / RETURN / INTEREST EXPENSED

Deposits

Securities sold under repurchase agreements

Short-term borrowings

50,051,476	53,275,394
8,250,159	5,551,365
1,292,715	1,172,615
59,594,350	59,999,374

### 25. INCOME FROM DEALING IN FOREIGN CURRENCIES

This includes Rs. 3,377 million (2015: Rs. 6,614 million) on account of interest on Cross Currency Swap transactions charged by Foreign Exchange department to Treasury Department.

### 26. GAIN ON SALE & REDEMPTION OF SECURITIES - net

Federal Government Securities

Market Treasury Bills

Pakistan Investment Bonds

GoP Ijarah Sukuks

Shares and mutual funds

Foreign Government / debt securities

Associates

2016 2015  
Rupees in '000

153,795	189,081
3,084,430	6,633,083
650	2,370
3,238,875	6,824,534
5,231,490	4,922,735
919	24,734
54,188	510,798
8,525,471	12,282,801

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015
<b>27. OTHER INCOME</b>			
Rent on property / lockers		31,028	33,766
Gain on sale of property and equipment		169,553	15,009
Compensation for delayed tax refunds	13.5	1,333,270	1,585,271
Net unrealized gain on derivatives-put option in respect of Agritech Limited (an associate)		-	364,800
Others		32,717	112,273
		<u>1,566,568</u>	<u>2,111,119</u>
<b>28. ADMINISTRATIVE EXPENSES</b>			
Salaries and allowances		27,234,174	24,637,535
Charge for defined benefit plans		4,974,977	4,416,670
Non-executive directors' fees, allowances and other expenses	35	25,863	20,814
Non-executive directors' fees, allowances and other expenses - Subsidiaries		3,690	4,567
Rent, taxes, insurance, electricity and other utilities	28.1	3,461,073	3,329,064
Legal and professional charges		645,202	314,997
Communications		1,070,678	942,385
Repairs and maintenance		1,140,537	1,067,320
Financial charges on leased assets		6,719	9,590
Books, stationery, printing and other computer accessories		1,027,852	848,112
Advertisement, sponsorship and publicity		585,618	809,914
Donations	28.2	950	931
Contributions for other Corporate and Social Responsibility	28.2	54,317	58,659
Auditors' remuneration	28.3	177,277	162,623
Depreciation	11.2	2,184,488	1,566,839
Depreciation on Ijarah Assets		67,046	81,154
Amortization	11.3	740,763	634,555
Depreciation on Non-banking Assets		34,406	-
Conveyance		275,030	279,588
Entertainment		129,649	100,045
Travelling		534,696	558,207
Security services		2,090,662	1,994,719
Outsourcing and janitorial services		1,096,187	870,705
Clearing, verification, licence fee charges		273,025	238,507
Subscription		61,370	43,522
Brokerage		181,706	325,567
Training		67,985	72,704
Fixed Assets charged off		-	133,793
Non-banking asset revaluation deficit		111,538	-
Miscellaneous operating expenses		174,932	197,117
		<u>48,432,410</u>	<u>43,720,204</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

**28.1** This includes Rs. 1.800 million (2015: Rs.1.800 million) insurance premium against directors' liability insurance.

**28.2** Donations and Contributions for Corporate & Social Responsibilities exceeding Rs. 0.1 million have been disclosed in Annexure IV.

Note : None of the directors / executives or their spouses have any interest in the donees, except Mr. Tariq Kirmani (director) who is member of the director Professional Education Foundation, Karachi and Director.Family Education Services Foundation (FESF).

### 28.3 Auditors' remuneration

	Grant Thornton Anjum Rahman	EY Ford Rhodes	2016 Total	2015 Total
	Rs. in '000			
Audit fee - Annual	6,226	6,226	12,452	12,452
Review of interim financial statements	2,178	2,178	4,356	4,356
Fee for audit of domestic branches	5,060	5,060	10,120	10,120
Fee for taxation, special certifications and sundry advisory services	14,136	4,336	18,472	17,470
Sales tax	2,208	1,424	3,632	2,220
Out-of-pocket expenses	4,500	4,500	9,000	7,800
	34,308	23,724	58,032	54,418
Fee for audit of overseas branches including advisory services and out-of-pocket expenses			113,565	102,152
Fee for audit of subsidiaries including out-of-pocket expenses			5,680	6,053
	34,308	23,724	177,277	162,623

## 29. OTHER CHARGES

Penalties imposed by the SBP / regulatory authorities

Note	2016 Rupees in '000	2015
	309,450	73,749
	309,450	73,749

## 30. TAXATION

For the year

Current

Deferred

30.1	9,686,755	14,672,221
	3,476,698	(2,874,712)
	13,163,453	11,797,509

For prior year

Current

Deferred

30.1	1,344,024	2,298,465
	-	-
	1,344,024	2,298,465
30.2	14,507,477	14,095,974

**30.1** Current taxation includes Rs. 321 million (2015: Rs. 267 million) of overseas branches.

### 30.2 Relationship between tax expense and accounting profit

Accounting profit before tax	37,594,737	34,172,557
Income tax at statutory rate @ 35% (2015: 35%)	13,158,158	11,960,395
Increase / (derease) in taxes resulting from:		
Prior year tax effects	1,344,024	2,298,465
Others	5,295	(162,886)
Tax charge for current year	14,507,477	14,095,974

**30.3** The Federal Government has extended one time super tax at the rate of 4% on income of banks for the year ended December 31, 2015 (Tax Year 2016). This tax has been levied for financing the rehabilitation of internally displaced persons affected by the ongoing war on terror. Accordingly, provisions of Rs. 1.3 billion for Super tax have been made for the prior year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

		2016	2015
<b>31. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit after tax for the year	Rupees in '000	23,039,549	20,043,034
Weighted average number of ordinary shares	Numbers '000	2,127,513	2,127,513
Basic earnings per share	Rupees	10.83	9.42
Basic and diluted earnings per share are same.			

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>32. CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	6	160,085,598	151,190,845
Balance with other banks	7	14,395,805	20,639,421
Call money lendings	8	61,200	3,061,200
Call borrowings	15.2	(27,189,616)	(3,376,063)
Overdrawn nostros	15.2	(82,811)	(326,444)
		147,270,176	171,188,959
		2016	2015
		Number	Number

<b>33. STAFF STRENGTH</b>			
Permanent		12,371	13,289
Temporary / on contractual basis		3,723	2,882
Total Staff Strength		16,094	16,171

**33.1** In addition to the above, the Group is utilizing the services of other companies including security services and the number of persons deployed by such companies as at year end are 9,898 (2015: 9,254).

## 34. EMPLOYEE BENEFITS

### 34.1 Defined benefit plans

#### 34.1.1 General description

General description of the type of defined benefit plan and accounting policy for recognising actuarial gains and losses is disclosed in note 5 to the consolidated financial statements.

#### Principal actuarial assumptions

The financial assumptions used in actuarial valuation at December 31, 2016 of pension fund, post retirement medical benefits, benevolent fund and gratuity scheme are as follows:

	Note	2016	2015
Salary increase rate		9.50%	10.00%
Discount rate		9.50%	10.00%
Expected rate of return on plan assets		9.50%	10.00%
Pension indexation rate		5.00%	5.50%
Rate of inflation in the cost of medical benefits		9.50%	8.00%
Mortality table		Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
		Rupees in '000	Rupees in '000

Number of employees covered under retirement benefit plan

#### 34.1.2 Net defined benefit liability - pension fund

Present value of defined benefit obligations		54,855,012	46,819,562
Fair value of plan assets		(48,752,410)	(38,384,230)
	18	6,102,602	8,435,332



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 34.1.2.1 Reconciliation of net defined benefit liability - pension fund

The following table shows a reconciliation from the opening balances to the closing balances for net defined liability for pension fund and its components,

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2016	2015	2016	2015	2016	2015
	Rupees in '000					
Balance as at January 01,	46,819,560	43,052,540	38,384,229	35,520,891	8,435,331	7,531,649
<b>Included in profit and loss</b>						
Current service cost	1,456,522	1,145,592	-	-	1,456,522	1,145,592
Interest cost / income	4,544,817	4,727,058	3,753,224	3,931,706	791,593	795,352
	6,001,339	5,872,650	3,753,224	3,931,706	2,248,115	1,940,944
<b>Included in other comprehensive income</b>						
Remeasurement loss / (gain)						
▪ Actuarial loss / (gain) arising on						
financial assumptions	-	(37,127)	-	(2,387,548)	-	2,350,421
demographic assumptions	-	-	-	-	-	-
experience adjustments	4,776,940	-	3,265,357	-	1,511,583	-
▪ Return on plan assets excluding interest income	-	-	3,753,224	-	(3,753,224)	-
	4,776,940	(37,127)	7,018,581	(2,387,548)	(2,241,641)	2,350,421
<b>Others</b>						
Benefits paid	(2,742,827)	(2,068,503)	(2,742,827)	(2,068,503)	-	-
Benefits paid on behalf of fund	-	-	1,300,353	2,463,964	(1,300,353)	(2,463,964)
Contributions paid by the employer	-	-	1,038,850	923,719	(1,038,850)	(923,719)
	(2,742,827)	(2,068,503)	(403,624)	1,319,180	(2,339,203)	(3,387,683)
Balance as at December 31,	54,855,012	46,819,560	48,752,410	38,384,229	6,102,602	8,435,331

### 34.1.2.2 Plan assets

Note 2016 2015  
Rupees in '000

The composition and the fair value of the plan assets of the fund are as follows:

Pakistan Investment Bonds	1,608,503	6,693,178
Term Finance Certificates	558,259	641,445
Mutual Funds / Shares	14,688,924	10,758,737
Term Deposit Receipts	8,912,713	2,419,036
Defence Saving Certificates	6,287,332	16,740,033
Special Saving Certificates	12,406,140	-
Cash at Bank	537,315	1,131,801
	<b>44,999,186</b>	<b>38,384,230</b>

### 34.1.3 Net defined benefit liability - post retirement medical scheme

Present value of defined benefit obligations

Fair value of plan assets

13,377,650	11,268,022
-	-
<b>13,377,650</b>	<b>11,268,022</b>

18

### 34.1.3.1 Reconciliation of net defined benefit liability - post retirement medical scheme

The following table shows a reconciliation from the opening balances to the closing balances for net defined liability for post retirement medical scheme and its components,

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2016	2015	2016	2015	2016	2015
	Rupees in '000					
Balance as at January 01,	11,268,022	10,220,524	-	-	11,268,022	10,220,524
<b>Included in profit and loss</b>						
Current service cost	237,642	183,580	-	-	237,642	183,580
Interest cost / (income)	1,104,088	1,130,492	-	-	1,104,088	1,130,492
	1,341,730	1,314,072	-	-	1,341,730	1,314,072
<b>Included in other comprehensive income</b>						
▪ Actuarial loss / (gain) arising on						
financial assumptions	1,057,432	76,834	-	-	1,057,432	76,834
demographic assumptions	-	-	-	-	-	-
experience adjustments	164,747	-	-	-	164,747	-
	1,222,179	76,834	-	-	1,222,179	76,834
<b>Others</b>						
Benefits paid	(454,281)	(343,408)	-	-	(454,281)	(343,408)
Balance as at December 31,	13,377,650	11,268,022	-	-	13,377,650	11,268,022

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>34.1.4 Net defined benefit liability - Benevolent Scheme</b>			
Present value of defined benefit obligations		1,977,230	1,830,831
Fair value of plan assets		-	-
	18	<u>1,977,230</u>	<u>1,830,831</u>

### 34.1.4.1 Reconciliation of net defined benefit liability - Benevolent Scheme

The following table shows a reconciliation from the opening balances to the closing balances for net defined liability for Benevolent Scheme and its components.

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2016	2015	2016	2015	2016	2015
	Rupees in '000					
Balance as at January 01,	1,830,831	1,624,009	-	-	1,830,831	1,624,009
<b>Included in profit and loss</b>						
Current service cost	61,464	28,239	-	-	61,464	28,239
Interest cost / (income)	177,760	181,153	-	-	177,760	181,153
	239,224	209,392	-	-	239,224	209,392
<b>Included in other comprehensive income</b>						
- Actuarial loss / (gain) arising on						
financial assumptions	18,906	83,416	-	-	18,906	83,416
demographic assumptions	-	-	-	-	-	-
experience adjustments	(5,255)	-	-	-	(5,255)	-
	13,651	83,416	-	-	13,651	83,416
<b>Others</b>						
Benefits paid	(106,476)	(85,986)	-	-	(106,476)	(85,986)
Balance as at December 31,	<u>1,977,230</u>	<u>1,830,831</u>	<u>-</u>	<u>-</u>	<u>1,977,230</u>	<u>1,830,831</u>

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>34.1.5 Net defined benefit liability - Gratuity Fund</b>			
Present value of defined benefit obligations		1,298,782	1,001,423
Fair value of plan assets		-	-
Holding Company	18	1,298,782	1,001,423
Subsidiaries		86,540	66,199
		<u>1,385,322</u>	<u>1,067,622</u>

### 34.1.5.1 Reconciliation of net defined benefit liability - Gratuity fund

The following table shows a reconciliation from the opening balances to the closing balances for net defined liability for gratuity fund and its components.

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2016	2015	2016	2015	2016	2015
	Rupees in '000					
Balance as at January 01,	1,001,423	892,157	-	-	1,001,423	892,157
<b>Included in profit and loss</b>						
Current service cost	166,694	136,230	-	-	166,694	136,230
Interest cost / (income)	96,653	98,922	-	-	96,653	98,922
	263,347	235,152	-	-	263,347	235,152
<b>Included in other comprehensive income</b>						
- Actuarial loss / (gain) arising on						
financial assumptions	(2,756)	(100,189)	-	-	(2,756)	(100,189)
demographic assumptions	-	-	-	-	-	-
experience adjustments	106,556	-	-	-	106,556	-
	103,800	(100,189)	-	-	103,800	(100,189)
<b>Others</b>						
Benefits paid	(69,788)	(25,697)	-	-	(69,788)	(25,697)
Balance as at December 31,	<u>1,298,782</u>	<u>1,001,423</u>	<u>-</u>	<u>-</u>	<u>1,298,782</u>	<u>1,001,423</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 34.1.6 Duration

As at December 31, 2016, the weighted average duration of the defined benefit obligations was as follows:

	Years
Pension Fund	12.0
Post retirement medical fund	12.0
Benevolent fund	12.0
Gratuity fund	12.0

### 34.1.7 Sensitivity Analysis

Reasonably possible changes at the reporting date due to one of the relevant actuarial assumptions, holding other assumptions constant would have effected the defined benefit obligation by the amounts shown below:

Effect of discount rate on present value of defined benefit obligation	Increase by 1%	Original Liability	Decrease by 1%
Discount rate (%)	10.50%	9.50%	8.50%
Rupees in '000			
Pension Fund	49,037,064	54,855,012	61,983,039
Post Retirement Medical Scheme	11,535,988	13,377,650	15,723,773
Benevolent Scheme	1,830,831	1,977,230	1,830,831
Gratuity Scheme	1,151,766	1,298,782	1,475,957
Effect of salary increase rate on present value of defined benefit obligation	Increase by 1%	Original Liability	Decrease by 1%
Salary increase rate (%)	10.50%	9.50%	8.50%
Rupees in '000			
Pension Fund	57,946,191	54,855,012	52,102,885
Post Retirement Medical Scheme	14,104,158	13,377,650	12,735,137
Benevolent Scheme	1,997,002	1,977,230	1,957,458
Gratuity Scheme	1,480,502	1,298,782	1,145,680
Effect of medical inflation rate on present value of defined benefit obligation	Increase by 1%	Original Liability	Decrease by 1%
Medical inflation rate (%)	10.50%	9.50%	8.50%
Rupees in '000			
Post Retirement Medical Scheme	14,243,870	13,377,650	12,652,150

### 34.1.8 Expected contributions for 2016

Rupees in '000

The expected contributions to be paid to the funds in the next financial year are as follows:

- Pension Fund	1,116,906
----------------	-----------

The expected expense to be recognized for the schemes in the next financial year are as follows:

- Post Retirement Medical Scheme	1,676,804
- Benevolent Scheme	244,591
- Gratuity Scheme	319,611

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Note	2016 Rupees in '000	2015 Rupees in '000
<b>34.2 Other employee benefits</b>			
<b>34.2.1 Reconciliation of net liability recognized for compensated absences</b>			
Opening net liability		5,709,230	5,364,523
Charge for the year		820,252	669,143
Benefits paid during the year		(266,879)	(324,436)
Closing net liability	18	6,262,603	5,709,230

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

	2016	2015	2014	2013	2012
	Rupees in '000				
Opening net liability	5,709,230	5,364,523	4,341,871	3,795,006	3,148,005
Net charge for the year	553,373	344,707	1,022,652	546,865	647,001
Closing net liability	6,262,603	5,709,230	5,364,523	4,341,871	3,795,006

<b>34.2.1.2 Experience adjustment on obligation</b>	2016 Rupees in '000	2015 Rupees in '000
Present value of defined benefit obligations	6,262,603	5,709,230
Fair value of plan assets	-	-
Deficit	6,262,603	5,709,230

### 34.2.1.3 Working of sensitivity analysis (Discount rate effect)

	1% Increase	Original Liability	1% Decrease
Discount rate	10.50%	9.50%	8.50%
	Rupees in '000		
Present value of defined benefit obligations	5,816,700	6,262,603	6,771,378

### 34.2.1.4 Working of sensitivity analysis (Salary increase rate effect)

	1% Increase	Original Liability	1% Decrease
Salary increase rate	10.50%	9.50%	8.50%
	Rupees in '000		
Present value of defined benefit obligations	6,796,257	6,262,603	5,787,280



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 35. COMPENSATION OF DIRECTORS AND EXECUTIVES

	President		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	Rupees in '000					
Fees	-	-	25,863	20,814	-	-
Managerial remuneration	42,000	42,000	-	-	3,214,110	2,245,538
Charge for defined benefit plan	3,500	3,500	-	-	1,418,513	1,187,011
Rent and house maintenance	-	-	-	-	1,474,544	1,026,378
Utilities	1,421	2,304	-	-	494,335	335,373
Medical	117	295	-	-	550,739	404,492
Conveyance	-	-	-	-	868,404	503,061
Bonus and others	2,690	22,994	-	-	693,068	564,830
	49,728	71,093	25,863	20,814	8,713,713	6,266,683
	Number					
Number of persons	1	1	7	6	2,396	1,803

The President and certain executives are also provided with free use of Bank's cars, household equipment, mobile phones and free membership of clubs.

Executives mean executives, other than the chief executive and directors, whose basic salary exceeds five hundred thousand rupees in the financial year.

Performance Bonus is accounted for on payment / approval basis.

The above information does not include particulars of directors, chief executives and executives of subsidiaries.

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 9.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy as stated in note 5.

The maturity and re-pricing profile and effective rates are stated in notes 41.4.1, 41.4.2 and 41.3.3 respectively.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 36.1 On balance sheet financial instruments

	2016						Fair value			
	Carrying Amount									
	HFT	Available for Sale	HTM	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)									
<b>Financial assets measured at fair value</b>										
Investments										
– Market Treasury Bills	802,307	388,674,263	-	-	-	388,976,570	-	388,976,570	-	388,976,570
– Pakistan Investment Bonds	9,916,069	133,486,436	-	-	-	143,412,505	-	143,412,505	-	143,412,505
– GoP Foreign Currency Bonds	-	8,991,920	-	-	-	8,991,920	-	8,991,920	-	8,991,920
– Ordinary shares of listed companies	212,221	54,487,775	-	-	-	54,699,996	54,699,996	-	-	54,699,996
– Ordinary shares of unlisted companies	-	1,732,059	-	-	-	1,732,059	-	1,732,059	-	1,732,059
– Investments in mutual funds	338,731	3,716,365	-	-	-	4,055,096	-	4,055,096	-	4,055,096
– Ordinary shares of a bank outside Pakistan	-	9,233,386	-	-	-	9,233,386	9,233,386	-	-	9,233,386
– Preference shares	-	200,216	-	-	-	200,216	200,216	-	-	200,216
– Foreign Currency Debt Securities	-	573,964	-	-	-	573,964	-	573,964	-	573,964
– Foreign Government Securities	-	2,732,943	-	-	-	2,732,943	-	2,732,943	-	2,732,943
– Term Finance Certificates / Musharka and Sukuk Bonds	-	55,323,895	-	-	-	55,323,895	-	55,323,895	-	55,323,895
<b>Financial assets not measured at fair value (refer note 36.2)</b>										
Cash and bank balances with SBP	-	-	-	160,085,598	-	160,085,598	-	-	-	-
Balances with other banks	-	-	-	14,395,805	-	14,395,805	-	-	-	-
Lending to financial instruments	-	-	-	121,709,399	-	121,709,399	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
– Market Treasury Bills	-	-	29,278,178	-	-	29,278,178	-	-	-	-
– Pakistan Investment Bonds	-	-	178,328,918	-	-	178,328,918	-	-	-	-
– GoP Foreign Currency Bonds	-	-	7,869,583	-	-	7,869,583	-	-	-	-
– Foreign Government Securities	-	-	25,106,982	-	-	25,106,982	-	-	-	-
– Foreign Currency Debt Securities	-	-	405	-	-	405	-	-	-	-
– Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	187,954	-	-	187,954	-	-	-	-
Advances	-	-	-	668,883,928	-	668,883,928	-	-	-	-
Other assets	-	-	-	80,830,263	-	80,830,263	-	-	-	-
	11,369,328	639,563,222	240,792,028	1,045,994,993	-	1,937,629,553	64,133,598	586,796,952	-	650,932,550
<b>Financial liabilities not measured at fair value</b>										
Deposits and other accounts	-	-	-	1,857,132,485	1,857,132,485	-	-	-	-	-
Bills payable	-	-	-	10,187,250	10,187,250	-	-	-	-	-
Borrowings	-	-	-	44,863,930	44,863,930	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	83,067	83,067	-	-	-	-	-
Other liabilities (excluding liabilities against assets subject to finance lease)	-	-	-	88,011,304	88,011,304	-	-	-	-	-
	-	-	-	1,881,277,896	1,881,277,896	-	-	-	-	-
	2015						Fair value			
	Carrying Amount									
	HFT	Available for Sale	HTM	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)									
<b>Financial assets measured at fair value</b>										
Investments										
– Market Treasury Bills	631,277	413,356,391	-	-	-	413,987,668	-	413,987,668	-	413,987,668
– Pakistan Investment Bonds	1,445,239	170,822,159	-	-	-	172,267,398	-	172,267,398	-	172,267,398
– GoP Foreign Currency Bonds	-	9,767,819	-	-	-	9,767,819	-	9,767,819	-	9,767,819
– Ordinary shares of listed companies	167,271	44,240,464	-	-	-	44,407,735	44,407,735	-	-	44,407,735
– Ordinary shares of unlisted companies	-	730,340	-	-	-	730,340	-	730,340	-	730,340
– Investments in mutual funds	320,352	2,617,154	-	-	-	2,937,506	-	2,937,506	-	2,937,506
– Ordinary shares of a bank outside Pakistan	-	10,555,396	-	-	-	10,555,396	10,555,396	-	-	10,555,396
– Preference shares	-	395,440	-	-	-	395,440	395,440	-	-	395,440
– Foreign Government Securities	-	520,093	-	-	-	520,093	-	520,093	-	520,093
– Foreign Currency Debt Securities	-	2,729,802	-	-	-	2,729,802	-	2,729,802	-	2,729,802
– Term Finance Certificates / Musharka and Sukuk Bonds	-	23,748,181	-	-	-	23,748,181	-	23,748,181	-	23,748,181
<b>Financial assets not measured at fair value</b>										
Cash and bank balances with SBP	-	-	-	151,190,845	-	151,190,845	-	-	-	-
Balances with other banks	-	-	-	20,639,421	-	20,639,421	-	-	-	-
Lending to financial instruments	-	-	-	7,894,515	-	7,894,515	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
– Market Treasury Bills	-	-	8,307,581	-	-	8,307,581	-	-	-	-
– Pakistan Investment Bonds	-	-	107,575,573	-	-	107,575,573	-	-	-	-
– GoP Foreign Currency Bonds	-	-	1,810,375	-	-	1,810,375	-	-	-	-
– Other Federal Government Securities	-	-	2,944,038	-	-	2,944,038	-	-	-	-
– Foreign Government Securities	-	-	20,863,694	-	-	20,863,694	-	-	-	-
– Foreign Currency Debt Securities	-	-	406	-	-	406	-	-	-	-
– Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	191,820	-	-	191,820	-	-	-	-
Advances	-	-	-	580,323,536	-	580,323,536	-	-	-	-
Other assets (excluding markup accrued)	-	-	-	80,091,712	-	80,091,712	-	-	-	-
	2,594,139	679,484,239	141,493,457	839,340,028	-	1,663,417,864	55,239,571	620,635,807	-	675,875,378
<b>Financial liabilities not measured at fair value</b>										
Deposits and other accounts	-	-	-	1,431,536,397	1,431,536,397	-	-	-	-	-
Bills payable	-	-	-	9,171,616	9,171,616	-	-	-	-	-
Borrowings	-	-	-	22,384,853	22,384,853	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	91,188	91,188	-	-	-	-	-
Other liabilities (excluding liabilities against assets subject to finance lease)	-	-	-	77,036,022	77,036,022	-	-	-	-	-
	-	-	-	1,540,219,076	1,540,219,076	-	-	-	-	-

**36.2** The Group has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 37. Segment Details with respect to Business Activities

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

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Agency Services	Assets Management	Retail Brokerage	Total
	Rupees in '000								
<b>2016</b>									
Total income	887,555	632,382	11,885,965	61,614,088	2,397,950	7,699,254	1,236,361	113,062	86,466,617
Inter segment revenue	-	(499,736)	23,771,307	(22,568,016)	-	(703,555)	-	-	-
Total expenses	27,079	-	18,107,934	21,158,011	2,022,538	6,417,683	1,027,514	111,121	48,871,880
Net income	860,476	132,646	17,549,338	17,888,061	375,412	578,016	208,847	1,941	37,594,737
Segment assets (Gross)	-	10,047,510	232,405,933	1,718,728,704	-	16,481,832	2,578,001	1,174,582	1,981,416,563
Segment non-performing loans	-	-	12,118,626	108,125,260	-	-	317,965	-	120,561,851
Segment provision required	-	-	11,061,457	103,357,043	-	-	252,646	-	114,671,146
Segment liabilities (Gross)	-	-	505,940,367	1,292,652,738	-	-	1,807,737	877,054	1,801,277,896
Segment Return on net Assets (ROA) (%)	0.00%	1.57%	3.70%	1.08%	0.00%	4.17%	27.11%	0.65%	2.04%
Segment cost of funds (%)	0.00%	0.00%	3.08%	3.98%	0.00%	0.00%	16.68%	16.00%	4.07%
<b>2015</b>									
Total income	524,932	254,177	11,606,790	67,117,290	2,274,313	6,211,461	1,273,774	122,660	89,385,397
Inter segment revenue	-	(91,821)	10,769,393	(10,677,572)	-	-	-	-	-
Total expenses	24,930	-	14,171,954	32,149,955	1,829,924	5,786,862	1,150,406	98,808	55,212,839
Net income	500,002	162,356	8,204,229	24,289,763	444,389	424,599	123,368	23,852	34,172,558
Segment assets (Gross)	-	1,469,140	254,733,701	1,427,546,756	-	25,116,852	2,530,715	477,004	1,711,874,168
Segment non-performing loans	-	-	11,292,671	116,984,199	-	-	-	-	128,276,870
Segment provision required	-	-	5,640,502	108,650,506	-	-	-	-	114,291,008
Segment liabilities (Gross)	-	-	452,321,601	1,085,887,018	-	-	1,850,508	159,951	1,540,219,076
Segment Return on net Assets (ROA) (%)	0.00%	11.05%	3.44%	1.65%	0.00%	3.32%	18.14%	7.52%	2.00%
Segment cost of funds (%)	0.00%	0.00%	3.65%	4.84%	0.00%	0.00%	16.68%	16.00%	4.54%

### 37.1 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing product 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.

#### 37.1.1 Business segments

##### Corporate finance

Corporate banking includes, services provided in connection with mergers and acquisition, underwriting, privatization, securitization, research, debts (government, high yield), equity, syndication, IPO and secondary private placements.

##### Trading and sales

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

##### Retail banking

It includes retail lending and deposits, banking services, trust and estates, private lending and deposits, trust and estates investment advice, merchant / commercial and private labels and retail.

##### Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, lending, guarantees, bills of exchange and deposits.

##### Payment and settlement

It includes payments and collections, funds transfer, clearing and settlement.

##### Agency services

It includes escrow, depository receipts, securities lending (customers), corporate actions, issuer and paying agents.

##### Assets management

It includes asset and modaraba management and investment advisory services.

##### Retail brokerage

It includes business of stock brokerage, investment counselling and fund placements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 38. TRUST ACTIVITIES

### 38.1 Long Term Credit Fund (LTCF)

Consequent upon the NDFC's amalgamation, the Bank manages on behalf of the GoP, LTCF established from the proceeds of loans disbursed by various international funding agencies for financing private sector energy development projects. Fund assets are accounted for separately from those of the Bank and amounted to Rs. 51,907 million on December 31, 2016 (2015: Rs. 54,516 million).

### 38.2 Endowment Fund

Students Loan Scheme was launched by Government of Pakistan with collaboration with the major commercial banks with a view to extend financial help by way of mark-up free loan to the meritorious students without sufficient resources for pursuing scientific technical and professional education within Pakistan.

The Scheme is being administered by a high powered committee headed by the Deputy Governor, State Bank of Pakistan and the President's of NBP, HBL, UBL, MCB, ABL and the Deputy Secretary, Ministry of Finance as member and Senior Director of SMEFD (Infra Housing & SME Finance Department) as a secretary of the Committee. The State Bank of Pakistan has assigned National Bank of Pakistan to operate the scheme.

The Committee in its meeting held on August 7, 2001 approved creation of Endowment Fund initially at an amount of Rs. 500 million, Rs.396 million were transferred from the old Qarz-e-Hasna Fund, Rs. 50 million contributed by Government of Pakistan and Rs. 54 million were contributed by participating banks (HBL, NBP and UBL 25% each, MCB 17.5% and ABL 7.5%).

The amount of the endowment fund in investments stands at Rs. 668 million as at December 31, 2016 (2015 Rs. 667 million).

## 39. RELATED PARTY TRANSACTIONS AND BALANCES

The Group has related party relationship with its associated undertakings, subsidiary companies, employee benefit plans, and its key management personnel (including their associates). The details of investments in subsidiary companies and associated undertakings are stated in note 9.

Transactions between the Group and its related parties are carried out under normal course of business, except employees staff loans, employees sale of assets, and provident fund that are as per agreement.

Details of loans and advances to the companies or firms, in which the directors of the Bank are interested as directors, partners or in case of private companies as members, are given in note 10.8. There are no transactions with key management personnel other than under advance salary. Contributions in respect of staff retirement and other benefit plans are disclosed in note 34. Remuneration to the executives and disposal of assets are disclosed in notes 35 and annexure to the financial statements.

### 39.1 Balances

	2016				2015			
	At January 01,	Given during the year	Received during the year	At December 31,	At January 01,	Given during the year	Received during the year	At December 31,
	Rupees in '000							
<b>Advances</b>								
Associates	3,065,368	250,000	(18,200)	3,297,168	3,346,445	-	(281,077)	3,065,368
Key management executives	193,530	49,469	(62,294)	180,705	186,667	-	(27,556)	159,111
*Adjustment	5,125	-	-	5,125	34,419	-	-	34,419
	198,655	49,469	(62,294)	185,830	221,086	-	(27,556)	193,530
	<b>3,264,023</b>	<b>299,469</b>	<b>(80,494)</b>	<b>3,482,998</b>	<b>3,567,531</b>	<b>-</b>	<b>(308,633)</b>	<b>3,258,898</b>
	Rupees in '000							
<b>Deposits</b>								
Key management executives	18,554	360,809	(349,287)	28,838	19,309	303,945	(310,206)	13,048
*Adjustment	(1,238)	-	-	-	5,506	-	-	5,506
	17,316	360,809	(349,287)	28,838	24,815	303,945	(310,206)	18,554
Associates	-	-	-	-	26,038	-	(26,038)	-
Pension Fund (Current)	3,371	8,715,538	(8,717,546)	1,363	4,248	27,290,824	(27,291,701)	3,371
Pension Fund (Fixed Deposit)	2,300,000	8,800,000	(2,300,000)	8,800,000	7,300,000	2,300,000	(7,300,000)	2,300,000
Pension Fund (N.I.D.A)	1,128,437	7,481,029	(7,573,507)	1,035,959	1,056,675	13,584,552	(13,512,790)	1,128,437
Provident Fund	13,391,708	2,788,345	(3,043,008)	13,137,045	13,123,803	2,400,226	(2,132,321)	13,391,708
	<b>16,840,832</b>	<b>28,145,721</b>	<b>(21,983,348)</b>	<b>23,003,205</b>	<b>21,535,579</b>	<b>45,879,547</b>	<b>(50,573,056)</b>	<b>16,842,070</b>

\*Adjustments due to retirement / appointment of directors and changes in key management executives.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	2016	2015
	Rupees in '000	
<b>Placements with:</b>		
Joint venture	49,541	68,450
<b>Repo borrowing from:</b>		
Joint venture	49,649	399,496
<b>Mark-up receivables from associates</b>	2,071,751	2,064,167
<b>Off Balance Sheet items</b>	25,245	-
<b>39.2 Transactions during the year</b>		
<b>Redemption / sale of investment in associates</b>	-	8,878,813
<b>Income for the year</b>		
On advances / placements with:		
Joint ventures	1,138	1,863
Companies in which directors of the Group are interested as director	157	812,534
<b>Dividend from Joint Venture</b>	162,934	107,723
<b>Expenses for the year</b>		
Remuneration to key management executives	260,172	284,564
Charge for defined benefit plan	29,504	41,704
<b>Mark-up on deposits of:</b>		
Provident fund	1,287,100	1,745,016
Pension fund	244,115	503,518
<b>Mark-up on Borrowing (Repo / Call):</b>		
Joint venture	72	106

### 39.3 Transactions with Government-related entities

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Group.

The Group in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking service to Government-related entities.

The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 7,318 million for the year ended December 31, 2016. As at the Consolidated Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 274,135 million, Rs. 605,009 million and Rs. 358,632 million respectively and income earned on advances and profit paid on deposits amounted to Rs. 12,467 million and Rs. 17,443 million respectively.

## 40. CAPITAL ASSESSMENT AND ADEQUACY

### 40.1 Statutory minimum capital requirement and management of capital

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the Grouping markets where the Group operates;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprises of the following three capital standards:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

**i. Minimum Capital Requirement (MCR):**

The MCR standard sets the nominal amount of capital banks/ DFIs are required to hold. Currently the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

**ii. Capital Adequacy Ratio:**

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 10.65%.

**iii. Leverage Ratio:**

Tier-1 Leverage Ratio of 3% is introduced in response to Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. The bank has a leverage ratio of 4.00% in the year December 31, 2016 (2015 : 4.64%) and Tier-1 capital of Rs 99,721 Million (2015: Rs 95,874 Million).

The SBP's regulatory capital as managed by the Group is analysed into following tiers:

**1. Tier 1 Capital (going-concern capital)**

- Common Equity Tier 1
- Additional Tier 1

**2. Tier 2 Capital (gone-concern capital)**

- Tier I capital, which comprises highest quality capital element and include fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriate profits (net of accumulated losses, if any).
- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.
- Tier III capital, has been eliminated in Basel III Capital requirements. Also the Basel III capital rules requires group to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR). These deductions are being done in phased manner starting from 2014, with full deductions in 2018.

Risk weighted assets are measured according to the nature and reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off balance sheet exposures, with some adjustments to reflect more contingent nature of potential losses.

The Group's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Group monitors and reports its capital ratio under the SBP rules, which ultimately determines the regulatory capital, required to be maintained by Groups and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2016 stood at Rs. 21,275 billion (2015 : Rs. 21,275 billion) and is in compliance with the SBP requirement for the said year. In addition the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 17.15% (2015: 18.38%).

There have been no material changes in the Group's management of capital during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 40.2 Capital Adequacy Ratio (CAR) disclosure

### CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2016 CONSOLIDATED

		2016	2015
		Rupees in '000	
		Amount	Amount
<b>Rows #</b>	<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
1	Fully Paid-up Capital/ Capital deposited with SBP	21,275,131	21,275,131
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	27,833,627	25,529,672
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	55,766,625	52,724,525
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)	374,250	301,940
9	<b>CET 1 before Regulatory Adjustments</b>	<b>105,249,633</b>	<b>99,831,268</b>
10	Total regulatory adjustments applied to CET1 (Note 44.2.1)	5,528,709	3,957,576
11	<b>Common Equity Tier 1</b>	<b>99,720,924</b>	<b>95,873,692</b>
<b>Additional Tier 1 (AT 1) Capital</b>			
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	<b>AT1 before regulatory adjustments</b>	<b>-</b>	<b>-</b>
18	Total regulatory adjustment applied to AT1 capital (Note 44.2.2)	-	-
19	Additional Tier 1 capital after regulatory adjustments	-	-
20	<b>Additional Tier 1 capital recognized for capital adequacy</b>	<b>-</b>	<b>-</b>
21	<b>Tier 1 Capital (CET1 + admissible AT1) (11+20)</b>	<b>99,720,924</b>	<b>95,873,692</b>
<b>Tier 2 Capital</b>			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
23	Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 3 rules	-	-
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25	of which: instruments issued by subsidiaries subject to phase out	-	-
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	7,712,655	7,079,604
27	Revaluation Reserves (net of taxes)	-	-
28	of which: Revaluation reserves on fixed assets	18,081,413	14,917,268
29	of which: Unrealized gains/losses on AFS	25,831,913	24,307,519
30	Foreign Exchange Translation Reserves	6,226,174	7,672,670
31	Undisclosed/Other Reserves (if any)	-	-
32	<b>T2 before regulatory adjustments</b>	<b>57,852,156</b>	<b>53,977,061</b>
33	Total regulatory adjustment applied to T2 capital (Note 44.2.3)	1,321,372	1,405,867
34	Tier 2 capital (T2) after regulatory adjustments	56,530,784	52,571,194
35	Tier 2 capital recognized for capital adequacy	39,353,680	39,182,045
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	<b>Total Tier 2 capital admissible for capital adequacy</b>	<b>39,353,680</b>	<b>39,182,045</b>
38	<b>TOTAL CAPITAL (T1 + admissible T2) (21+37)</b>	<b>139,074,604</b>	<b>135,055,737</b>
39	<b>Total Risk Weighted Assets (RWA) {for details refer Note 44.5}</b>	<b>811,091,256</b>	<b>734,713,959</b>
<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>			
40	<b>CET1 to total RWA</b>	<b>12.29%</b>	<b>13.05%</b>
41	<b>Tier-1 capital to total RWA</b>	<b>12.29%</b>	<b>13.05%</b>
42	<b>Total capital to total RWA</b>	<b>17.15%</b>	<b>18.38%</b>
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	6.65%	6.25%
44	of which: capital conservation buffer requirement	0.65%	0.25%
45	of which: countercyclical buffer requirement	-	-
46	of which: D-SIB or G-SIB buffer requirement	-	-
47	<b>CET1 available to meet buffers (as a percentage of risk weighted assets)</b>	<b>5.64%</b>	<b>6.80%</b>
<b>National minimum capital requirements prescribed by SBP</b>			
48	<b>CET1 minimum ratio</b>	<b>6.00%</b>	<b>6.00%</b>
49	<b>Tier 1 minimum ratio</b>	<b>7.50%</b>	<b>7.50%</b>
50	<b>Total capital minimum ratio</b>	<b>10.65%</b>	<b>10.25%</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

		2016	Rupees in '000	2015
		Amount	subject to Pre-Base I treatment*	Amounts
<b>Regulatory Adjustments and Additional Information</b>				
<b>40.2.1</b>	<b>Common Equity Tier 1 capital: Regulatory adjustments</b>			
1	Goodwill (net of related deferred tax liability)	-	-	562,553
2	All other intangibles (net of any associated deferred tax liability)	1,450,188	-	653,003
3	Shortfall in provisions against classified assets	955,320	-	-
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	1,743,179	-	1,050,247
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)	-	-	227,256
13	Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-
15	Amount exceeding 15% threshold	-	-	-
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	58,650	-	58,650
20	Any other deduction specified by SBP (mention details)	-	-	-
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	1,321,372	-	1,405,867
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	5,528,709	-	3,957,576
<b>40.2.2</b>	<b>Additional Tier-1 &amp; Tier-1 Capital: regulatory adjustments</b>			
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-	-	-
24	Investment in own AT1 capital instruments	-	-	-
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-
26	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
27	Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
28	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Base I 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)	-	-	-
<b>40.2.3</b>	<b>Tier 2 Capital: regulatory adjustments</b>			
31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Base I treatment which, during transitional period, remain subject to deduction from tier-2 capital	1,321,372	-	1,405,867
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-
33	Investment in own Tier 2 capital instrument	-	-	-
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	1,321,372	-	1,405,867
		<b>2016</b>	<b>2015</b>	
		<b>Rupees in '000</b>		
		<b>Amount</b>	<b>Amount</b>	
<b>40.2.4</b>	<b>Additional Information</b>			
<b>Risk Weighted Assets subject to pre-Base I treatment</b>				
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	-	-	-
(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	-	-	340,884
(iv)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-	-
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
38	Non-significant investments in the capital of other financial entities	8,165,587	-	9,741,759
39	Significant investments in the common stock of financial entities	4,019,350	-	2,074,475
40	Deferred tax assets arising from temporary differences (net of related tax liability)	5,172,496	-	9,672,251
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	-	-
42	Cap on inclusion of provisions in Tier 2 under standardized approach	-	-	-
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	-	-	-
<i>Note: Rows which are not applicable for any institution should be left blank</i>				



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 40.3 Capital Structure Reconciliation

Table: 40.3.1		Balance sheet of the published financial statements	Under regulatory scope of consolidation
(in thousand PKR)		As at period end	As at period end
Assets	(1)	(2)	(3)
Cash and balances with treasury banks		160,085,598	160,085,598
Balanced with other banks		14,395,805	14,395,805
Lending to financial institutions		121,709,399	121,709,399
Investments		896,280,784	896,280,784
Advances		668,883,928	668,883,928
Operating fixed assets		34,058,289	34,058,289
Deferred tax assets		5,172,496	5,172,496
Other assets		80,830,263	80,830,263
<b>Total assets</b>		<b>1,981,416,561</b>	<b>1,981,416,561</b>
<b>Liabilities &amp; Equity</b>			
Bills payable		10,187,250	10,187,250
Borrowings		44,863,930	44,863,930
Deposits and other accounts		1,657,132,405	1,657,132,405
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		83,007	83,007
Deferred tax liabilities		-	-
Other liabilities		89,011,304	89,011,304
<b>Total liabilities</b>		<b>1,801,277,896</b>	<b>1,801,277,896</b>
Share capital/ Head office capital account		21,275,131	21,275,131
Reserves		46,059,801	46,059,801
Unappropriated/ Unremitted profit/ (losses)		55,766,625	55,766,625
Minority Interest		737,972	737,972
Surplus on revaluation of assets		56,299,136	56,299,136
<b>Total liabilities &amp; equity</b>		<b>1,981,416,561</b>	<b>1,981,416,561</b>

Table: 40.3.2		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Assets	(1)	As at period end	As at period end	(4)
Cash and balances with treasury banks		160,085,598	160,085,598	
Balanced with other banks		14,395,805	14,395,805	
Lending to financial institutions		121,709,399	121,709,399	
Investments		896,280,784	896,280,784	
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)		5,528,709	5,528,709	d
of which: others (mention details)		-	-	e
Advances		668,883,928	668,883,928	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB		-	-	f
general provisions reflected in Tier 2 capital		7,712,655	7,712,655	g
Fixed Assets		34,058,289	34,058,289	
Deferred Tax Assets		5,172,496	5,172,496	
of which: DTAs that rely on future profitability excluding those arising from temporary differences		5,172,496	5,172,496	h
of which: DTAs arising from temporary differences exceeding regulatory threshold		-	-	i
Other assets		80,830,263	80,830,263	
of which: Goodwill		-	-	j
of which: Intangibles		-	-	k
of which: Defined-benefit pension fund net assets		-	-	l
<b>Total assets</b>		<b>1,981,416,561</b>	<b>1,981,416,561</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Table: 40.3.2	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
(1)	As at period end (2)	As at period end (3)	(4)
<b>Liabilities &amp; Equity</b>			
Bills payable	10,187,250	10,187,250	
Borrowings	44,863,930	44,863,930	
Deposits and other accounts	1,657,132,405	1,657,132,405	
Sub-ordinated loans	-	-	
of which: eligible for inclusion in AT1	-	-	m
of which: eligible for inclusion in Tier 2	-	-	n
Liabilities against assets subject to finance lease	83,007	83,007	
Deferred tax liabilities	-	-	
of which: DTLs related to goodwill	-	-	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	-	-	q
of which: other deferred tax liabilities	-	-	r
Other liabilities	89,011,304	89,011,304	
<b>Total liabilities</b>	<b>1,801,277,896</b>	<b>1,801,277,896</b>	
Share capital	21,275,131	21,275,131	
of which: amount eligible for CET1	21,275,131	21,275,131	s
of which: amount eligible for AT1	-	-	t
Reserves	46,059,801	46,059,801	
of which: portion eligible for inclusion in CET1(provide breakup)	27,833,627	27,833,627	u
of which: portion eligible for inclusion in Tier 2	6,226,174	6,226,174	v
Unappropriated profit/ (losses)	55,766,625	55,766,625	w
Minority Interest	737,972	737,972	
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	56,299,136	56,299,136	
of which: Revaluation reserves on Fixed Assets	18,081,413	18,081,413	
of which: Unrealized Gains/Losses on AFS	25,831,913	25,831,913	aa
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
<b>Total liabilities &amp; Equity</b>	<b>1,981,416,560</b>	<b>1,981,416,560</b>	

## Basel III Disclosure Template

Table: 40.3.3		Component of regulatory capital reported by bank	Source based on reference number from step 2
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>			
1	Fully Paid-up Capital/ Capital deposited with SBP	21,275,131	
2	Balance in Share Premium Account	-	(s)
3	Reserve for issue of Bonus Shares	-	
4	General/ Statutory Reserves	27,833,627	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6	Unappropriated/unremitted profits/ (losses)	55,766,625	(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)	374,250	(x)
8	<b>CET 1 before Regulatory Adjustments</b>	<b>105,249,633</b>	
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>			
9	Goodwill (net of related deferred tax liability)	-	(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	1,450,188	(k) - (p)
11	Shortfall of provisions against classified assets	955,320	(f)
12	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	((h) - (r)) * x%
13	Defined-benefit pension fund net assets	-	((l) - (q)) * x%
14	Reciprocal cross holdings in CET1 capital instruments	1,743,179	(d)
15	Cash flow hedge reserve	-	
16	Investment in own shares/ CET1 instruments	-	
17	Securitization gain on sale	-	
18	Capital shortfall of regulated subsidiaries	-	
19	Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	(ab)
20	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(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	-	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## Basel III Disclosure Template

Table: 40.3.3		Component of regulatory capital reported by bank	Source based on reference number from step 2
26	National specific regulatory adjustments applied to CET1 capital	-	
27	of which: Investment in TFCs of other banks exceeding the prescribed limit	58,650	
28	of which: Any other deduction specified by SBP (mention details)	-	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	1,321,372	
30	Total regulatory adjustments applied to CET1 (sum of 9 to 29)	5,528,709	
31	<b>Common Equity Tier 1</b>	99,720,924	
	<b>Additional Tier 1 (AT 1) Capital</b>		
32	Qualifying Additional Tier-1 instruments plus any related share premium	-	
33	of which: Classified as equity	-	(t)
34	of which: Classified as liabilities	-	(m)
35	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
36	of which: instrument issued by subsidiaries subject to phase out	-	
37	<b>AT1 before regulatory adjustments</b>	-	
	<b>Additional Tier 1 Capital: regulatory adjustments</b>		
38	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
39	Investment in own AT1 capital instruments	-	
40	Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
41	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)
42	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
43	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	
44	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
45	Total of Regulatory Adjustment applied to AT1 capital (sum of 38 to 44)	-	
46	Additional Tier 1 capital	-	
47	<b>Additional Tier 1 capital recognized for capital adequacy</b>	-	
48	<b>Tier 1 Capital (CET1 + admissible AT1) (31+47)</b>	99,720,924	
	<b>Tier 2 Capital</b>		
49	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	
50	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
51	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
52	of which: instruments issued by subsidiaries subject to phase out	-	
53	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	7,712,655	(g)
54	Revaluation Reserves	-	
55	of which: Revaluation reserves on fixed assets	18,081,413	portion of (aa)
56	of which: Unrealized Gains/Losses on AFS	25,831,913	
57	Foreign Exchange Translation Reserves	6,226,174	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	<b>T2 before regulatory adjustments</b>	57,852,156	
	<b>Tier 2 Capital: regulatory adjustments</b>		
60	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	1,321,372	
61	Reciprocal cross holdings in Tier 2 instruments	-	
62	Investment in own Tier 2 capital instrument	-	
63	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
64	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
65	Amount of Regulatory Adjustment applied to T2 capital (sum of 60 to 64)	1,321,372	
66	Tier 2 capital (T2)	56,530,784	
67	Tier 2 capital recognized for capital adequacy	39,353,680	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	39,353,680	
70	<b>TOTAL CAPITAL (T1 + admissible T2) (48+69)</b>	139,074,604	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 40.4 Main Features Template of Regulatory Capital Instruments

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

Main Features	Common Shares
1 Issuer	NATIONAL BANK OF PAKISTAN
2 Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	NBP
3 Governing law(s) of the instrument	THROUGH GOVERNMENT ACT
Regulatory treatment	
4 Transitional Basel III rules	Common Equity Tier 1
5 Post-transitional Basel III rules	Common Equity Tier 1
6 Eligible at solo/ group/ group&solo	Group and Standalone
7 Instrument type	Ordinary Shares
8 Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	PKR 21,275,131
9 Par value of instrument	PKR 10
10 Accounting classification	Shareholders Equity
11 Original date of issuance	N/A
12 Perpetual or dated	N/A
13 Original maturity date	N/A
14 Issuer call subject to prior supervisory approval	No
15 Optional call date, contingent call dates and redemption amount	Not Applicable
16 Subsequent call dates, if applicable	Not Applicable
Coupons / dividends	
17 Fixed or floating dividend/ coupon	Not Applicable
18 coupon rate and any related index/ benchmark	Not Applicable
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or mandatory	N/A
21 Existence of step up or other incentive to redeem	No
22 Noncumulative or cumulative	Not Applicable
23 Convertible or non-convertible	
24 If convertible, conversion trigger (s)	Not Applicable
25 If convertible, fully or partially	Not Applicable
26 If convertible, conversion rate	Not Applicable
27 If convertible, mandatory or optional conversion	Not Applicable
28 If convertible, specify instrument type convertible into	Not Applicable
29 If convertible, specify issuer of instrument it converts into	Not Applicable
30 Write-down feature	
31 If write-down, write-down trigger(s)	Not Applicable
32 If write-down, full or partial	Not Applicable
33 If write-down, permanent or temporary	Not Applicable
34 If temporary write-down, description of write-up mechanism	Not Applicable
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not Applicable
36 Non-compliant transitioned features	Not Applicable
37 If yes, specify non-compliant features	Not Applicable



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 40.5 Risk Weighted Assets

The capital requirements for the banking group as per the major risk categories should be indicated in the manner given below:-

	Capital Requirements		Risk Weighted Assets	
	2016	2015	2016	2015
	Rupees in '000		Rupees in '000	
<b>Credit Risk</b>				
<b>On-Balance sheet</b>				
Portfolios subject to standardized approach (Simple or Comprehensive)				
Sovereign	6,180,564	4,440,417	61,805,639	44,404,173
Public Sector entities	836,089	227,508	8,360,894	2,275,075
Banks	1,913,758	815,049	19,137,576	8,150,487
Corporate	18,379,082	14,458,586	183,790,821	144,585,861
Retail	11,778,158	11,326,990	117,781,578	113,269,895
Residential Mortgages	818,158	811,093	8,181,581	8,110,934
Past Due loans	1,306,187	2,088,073	13,061,873	20,880,727
Operating Fixed Assets	3,260,810	3,208,512	32,608,101	32,085,119
Other assets	1,855,511	4,022,479	18,555,112	40,224,788
	46,328,317	41,398,706	463,283,174	413,987,059
<b>Off-Balance sheet</b>				
Non-market related	4,981,522	5,490,493	49,815,221	54,904,925
Market related	61,166	54,333	611,655	543,327
	5,042,688	5,544,825	50,426,876	55,448,252
<b>Equity Exposure Risk in the Banking Book</b>				
Under simple risk weight method	10,330,235	9,693,299	103,302,354	96,932,991
	61,701,240	56,636,830	617,012,405	566,368,302
<b>Market Risk</b>				
<u>Capital Requirement for portfolios subject to Standardized Approach</u>				
Interest rate risk	823,216	514,440	8,232,162	5,144,396
Equity position risk	127,655	363,871	1,276,549	3,638,713
Foreign Exchange risk	4,496,696	3,069,638	44,966,959	30,696,381
	5,447,567	3,947,949	54,475,670	39,479,490
<b>Operational Risk</b>	13,960,318	12,886,617	139,603,181	128,866,167
TOTAL	81,109,126	73,471,396	811,091,256	734,713,958

Capital Adequacy Ratios	2016		2015	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	12.29%	6.00%	13.05%
Tier-1 capital to total RWA	7.50%	12.29%	7.50%	13.05%
Total capital to total RWA	10.65%	17.15%	10.25%	18.38%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41. RISK MANAGEMENT

Effective risk management plays a vital role to the success of the Bank and is recognized as a fundamental factor in the Bank's overall approach to strategy management. In Pakistani banking industry, Risk Management further gained its importance with the introduction of Basel framework in 2006. The regulator has been actively introducing various guidelines for implementation of Basel to strengthen internal risk management environment of Banks.

NBP, being one of the country's leading Bank, has always been determined to attain best practices in Risk Management standards. The Bank's Risk Management Group identifies and assesses these risks and presents them regularly for analysis to senior management and the Board, which undertake suitable measures and strategize accordingly. Primary goals of our risk management framework are to ensure that the outcomes of holistic risk-taking activities are consistent with the Bank's strategies and to provide tools where Bank can safely perform its business activities and ultimately achieve its goals.

Risk Management Group (RMG) has a continuously evolving framework, which incorporates the instructions issued by SBP along with the needs of the volatile local and global markets. Since the introduction and implementation of Basel framework, the overall Risk Management of the Bank has gone through several significant improvements and changes, which have further strengthened the Risk Management Framework.

The Bank has also undertaken a comprehensive BPR and COSO exercise aimed at overall business process improvement, risk management and strengthening of the overall control environment. Furthermore, Bank has also introduced Enterprise Risk Management Wing for integrated risk management activities addressing the full spectrum of its material risks and managing overall risk faced by the Bank.

### 41.1 Overall Structure and broad initiatives

Risk Management Group is committed to support Bank's growth objectives by keeping them consistent with its risk tolerance and risk appetite level. Specialized functions of Risk Management Group are Credit Risk Architecture, Market & Liquidity Risk, Operational Risk and Enterprise Risk.

An Executive Risk Management Committee (ERMC) also exists within the Bank comprising of relevant Group Chiefs/ Divisional Heads. ERMC along with BRC (Board Risk Committee) are provided periodic updates via MIS and progress reports by RMG to ensure that the Board and senior management remain aware of the various risk management initiatives and provide oversight and guidance.

Bank's Risk Management Policy ensures the following:

- Setting Risk Management objectives of the Bank which includes establishing most appropriate course of action under uncertainty by identifying, assessing, understanding, acting on and communicating risk issues.
- Implementation of Risk Management Process at Strategic, Macro and Micro Level.
- Integrated Risk Management i.e., quantifying various risks by using different measurement methodologies and aggregating all the risks to keep the total risk within the capital.
- Alignment of Risk management approach with the regulatory requirements and the Bank's Risk Management Policy

The structure of RMG with dedicated Wings for specific responsibilities has been implemented as follows:

#### 41.1.1 Credit Risk Architecture

Credit Risk Architecture Wing is responsible for ensuring that there is a framework in place for effective assessment/ measurement and reporting of credit risks. The Wing functions with a view to architecturally improve credit risk environment in Bank and introduce tools, models, policies and framework for all asset classes.

During couple of years the Wing has performed several functions successfully, which include:

- Building the process for development of credit risk rating models to determine the key parameters to measure credit and transaction risks, complying the Basel framework and best practices in Risk Management.
- Conducted review of existing Internal Risk Rating Model for Corporate / Commercial Borrowers of Bank.
- Developed Credit Portfolio Management Framework to standardize the portfolio management review activities.
- Revised Credit Risk Tolerance Limits & Concentration Policy using methodological approach to ensure better analysis.

Perseverance towards improved credit portfolio analytics and review of existing tools / models is a benchmark set by the Wing for effective management of credit risks, at a portfolio level.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 41.1.2 E-CIB and Data Management

E-CIB & Data Management Wing manages collection & consolidation of borrower's information in two separate databases on monthly / quarterly basis for e-CIB reporting and various risk related analysis for credit portfolio management/MIS respectively and reviews the quality and integrity of credit and advances related data. Such data is utilized by various groups, divisions and field functionaries.

The Wing is responsible for handling e-CIB related matters and performing periodic review and generate reports of advances data, highlighting inconsistencies and errors and issuing instructions to the relevant data entry points for rectification. The Wing has taken several initiatives for data accuracy and identification of data discrepancies which improved the quality of data significantly and carried out additional data collection exercises for Basel Models requirements.

### 41.1.3 Operational Risk Management

Operational Risk Management Wing has been developed to help align the Bank with the sound practices of operational risk set by the Basel Committee and provide guidance for setting Operational Risk Strategy of the Bank, selection and adoption of risk and loss measurement tools, reporting & communication and establishment of operational risk management process.

For further strengthening the operational risk in the Bank, Operational Risk Management Wing has achieved the following milestones.

#### 41.1.3.1 Implementation of Operational Risk Management tools - Risk & Control Self Assessment (RCSA)

For identification and assessment of operational risk across the Bank, the Bank has adopted risk assessment methodology known as Risk & Control self Assessment.

#### 41.1.3.2 Mapping of Bank's activities into Basel Defined Business Lines

One of the qualifying criteria of the SBP, for allowing the banks to move towards next level approaches (The Standardised Approach (TSA)/ Alternative Standardised Approach (ASA)) in order to get benefit of the capital, is mapping of Bank's activities into Basel defined business lines. RMG has developed Business Line Mapping Policy & segregates Banks Business activities into Basel Defined Business lines. These business lines include Corporate Finance, Trading and Sales, Retail Banking, Commercial Banking, Payment and Settlement, Agency Services, Asset Management, Retail Brokerage etc.

#### 41.1.3.3 Monitoring of ORM Tolerance limit and updation

Bank has identified the limits for various operational risk categories and now Bank would monitor its operational losses against those defined limits and apprise the Senior Management / Board.

#### 41.1.3.4 Training to field functionaries on Operational Risk Management & its tools

Training is also being imparted to the field functionaries on Operational Risk Management and its various tool such as Risk & Control Self Assessment (RCSA), Key Risk Indicators (KRIs), Operational Loss Data Collection Mechanism etc.

#### 41.1.3.5 Key Risk Indicators & Its Reporting

Key Risk Indicators (KRIs) act as early warning signals by providing the capability to indicate changes in an organization's risk profile. Currently, the Bank has initiated KRI exercise on pilot run basis whereby the relevant stakeholders report their specific KRI reports to RMG and on the basis of data received from relevant stakeholders, RMG has developed the KRI thresholds which the Group is using for variance reporting.

### 41.1.4 Market & Liquidity Risk Management

"The Wing is engaged in identification, measurement and monitoring of of Market and Liquidity Risks with the support and involvement of respective Business and Support Groups / Divisions, and in line with the regulatory requirements and internal policies. Market & Liquidity Risk Wing is responsible for formulation of Market Risk Management (MRM) Framework (which includes Asset Liability Management (ALM) Policy & Procedures, Investment Policy of the Bank, Interest Rate Risk Management (IRRM) Policy, VaR & Back Testing Policy etc.)

An array of MIS and dashboards are used to monitor/ assess Treasury, Equity Investment portfolio, Liquidity & Interest Rate Risk. Market Risk Wing is also coordinating with other wings for ICAAP, Risk Appetite, Stress Testing and other Risk functionalities.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 41.1.5 BPR & COSO Implementation Project

The Business Process Review and COSO Implementation Project commenced from March 2014 to effectively implement BPR & COSO, in order to achieve CBA optimization by streamlining the operating model (including best practice centralization), improving regulatory compliance as well as improving the platform for customer service and product/ service deployment. This also includes aligning the existing documentation with resultant improved processes as a tool for effective operations. Furthermore, it will enable MIS reporting and decision making and improve TATs resulting from process and organizational efficiencies.

The Project Management Office (PMO) – BPR & COSO Implementation ensures smooth coordination amongst various stakeholders i.e. Consultants, IT vendors and the BPR & COSO Project Implementation Team. Further, PMO assists the BPR & COSO Steering Committee by providing project updates and escalating all relevant issues for appropriate resolution/ disposition in timely manner.

### 41.1.6 Credit Administration

Credit Administration Wing (CAD) ensures proper credit discipline in the Bank by adopting standardized practices with respect to Credit Administration.

In line with the best market practices, the Wing is responsible for preparation of finance documents, supervision of registration of charge with relevant authorities, safe keeping of the security documents, maintenance of shadow credit files, disbursements of finances as per sanction etc. Besides, Post disbursement functions including visits of pledge sites, monitoring of limits, insurances, deferrals expiries and other relevant matters pertaining to the credit portfolio of the Bank are also being performed by CAD. It also monitors the performances of vendors including Mucaddam companies & Bank's Legal Advisors.

### 41.1.7 Enterprise Risk Management

An entity may be exposed to multiple risks. To be effective, risk management should look at all risks to which the entity is exposed, so that no material risk is ignored. Hence, a new wing, namely Enterprise Risk Management (ERM) has been established for systematic application of risk management across the enterprise to address all material risks that affect the achievement of an entity's business objectives. Viewed in this manner, ERM will become an integral part of how an entity manages its business and takes decisions.

#### 41.1.7.1 Internal Capital Adequacy Assessment Process (ICAAP)

The ICAAP process evaluates the bank's resilience under stressed conditions. Stress testing and scenario analysis are used to assess the bank's ability to maintain operations during the periods of severe but plausible stress conditions, and to simulate a set of feasible management actions and their impact on the bank's earning, risk profile and capital position, should such conditions materialize. These conditions may arise from strategy, reputation, liquidity, or physical events, or from materialization of risks that are unique to the bank, which are evaluated under Pillar 2. Based on the evaluation performed, it was indicated that the bank was able to meet the minimum capital requirements during the 3-years simulated for the stress testing exercise.

#### 41.1.7.2 Basel Implementation

This Wing is responsible for managing and facilitating Basel II project in close coordination with the Basel II consultants and with the active support and involvement of other functions within the bank. The Wing is also responsible to perform project management and support services in relation to evaluation, selection and implementation of suitable risk management applications, as required by the bank.

A comprehensive diagnostic exercise was conducted on a bank-wide basis and the relevant areas for improvement were identified. This exercise encompassed all possible aspects that impacted the bank's risk management environment including the assessment of its existing risk management structure, policies and procedures, overall system architecture from a risk perspective and data availability and quality required for comprehensive risk management.

Based on the areas identified during the diagnostic exercise, detailed remediation plans have been developed proposing various structured initiatives that the bank needs to undertake. These remediation plans contain the initiatives, action steps and related guidelines for enhancement in policies and procedures.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41.1.8 SEGMENTAL INFORMATION

### 41.1.8.1 Segments by class of business

	2016					
	Advances (Gross)		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Chemical and pharmaceuticals	3,175,190	0.41	492,249	0.03	10,465,280	2.21
Agribusiness	45,363,639	5.79	38,940,923	2.35	25,000	0.01
Textile	81,728,135	10.43	3,685,882	0.22	9,070,681	1.92
Cement	8,699,220	1.11	863,003	0.05	3,974,360	0.84
Sugar	27,871,009	3.56	627,018	0.04	68,897	0.01
Flour	2,878,362	0.37	168,199	0.01	-	-
Rice processing	14,322,371	1.83	861,127	0.05	-	-
Shoes & leather garments	945,416	0.12	534,266	0.03	60,321	0.01
Automobile and transportation equipment	3,596,855	0.46	4,592,786	0.28	2,447,509	0.52
Financial	3,870,193	0.49	201,771,304	12.18	11,197,645	2.37
Insurance	353,086	0.05	13,653,719	0.82	3,151	0.00
Transportation	61,430,992	7.84	891,407	0.05	35,232,501	7.45
Real estate construction	9,129,532	1.17	5,703,144	0.34	7,184,749	1.52
Electronics and electrical appliances	4,402,480	0.56	702,602	0.04	3,200,474	0.68
Production and transmission of energy	193,337,654	24.67	148,577,079	8.97	175,232,999	37.06
Food and tobacco	2,396,690	0.31	2,331,674	0.14	57,554	0.01
Fertilizer	14,383,791	1.84	2,513,423	0.15	2,588,510	0.55
Metal products	56,463,116	7.21	2,138,982	0.13	2,588,275	0.55
Telecommunication	5,261,061	0.67	69,774,078	4.21	6,618,440	1.40
Hotel and services	8,329,919	1.06	167,083,190	10.08	6,573,329	1.39
Public sector commodity operations	48,508,261	6.19	6,119,684	0.37	770,665	0.16
Individuals	132,767,928	16.94	540,354,826	32.61	3,019,866	0.64
General traders	26,452,997	3.38	59,957,169	3.62	1,114,914	0.24
Others	27,887,178	3.56	384,794,670	23.22	191,404,431	40.47
	783,555,074	100.00	1,657,132,405	100.00	472,899,551	100.00

	2015					
	Advances (Gross)		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Chemical and pharmaceuticals	2,953,103	0.43	730,669	0.05	6,822,114	1.88
Agribusiness	50,646,577	7.29	33,523,894	2.34	501,992	0.14
Textile	62,305,139	8.97	3,338,992	0.23	7,060,796	1.95
Cement	8,436,466	1.21	1,624,918	0.11	8,046,294	2.22
Sugar	22,210,108	3.20	197,704	0.01	4,399	0.00
Flour	2,723,340	0.39	508,225	0.04	-	-
Rice processing	13,825,538	1.99	1,368,188	0.10	-	-
Shoes & leather garments	545,355	0.08	149,623	0.01	84,299	0.02
Automobile and transportation equipment	2,658,595	0.38	5,140,798	0.36	2,284,055	0.63
Financial	4,873,762	0.70	204,903,745	14.31	7,008,570	1.93
Insurance	365,782	0.05	568,293	0.04	3,154	0.00
Transportation	63,654,368	9.16	2,058,782	0.14	23,622,221	6.52
Real estate construction	8,532,279	1.23	6,709,768	0.47	3,693,670	1.02
Electronics and electrical appliances	6,237,969	0.90	1,523,571	0.11	2,241,055	0.62
Production and transmission of energy	125,229,341	18.03	102,115,195	7.13	120,538,973	33.26
Food and tobacco	2,959,822	0.43	1,540,662	0.11	1,102,705	0.30
Fertilizer	15,909,181	2.29	2,665,856	0.19	4,950,538	1.37
Metal products	55,653,597	8.01	3,609,941	0.25	1,060,524	0.29
Telecommunication	5,121,866	0.74	71,609,919	5.00	4,159,840	1.15
Hotel and services	6,757,980	0.97	165,700,402	11.58	4,928,030	1.36
Public sector commodity operations	48,314,784	6.96	93,417	0.01	768,600	0.21
Individuals	127,545,545	18.36	491,838,943	34.36	4,633,175	1.28
General traders	25,473,372	3.67	42,427,287	2.96	363,496	0.10
Others	31,680,674	4.56	287,586,604	20.09	158,510,696	43.74
	694,614,544	100.00	1,431,535,397	100.00	362,389,196	100.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 41.1.8.2 Segment by sector

		2016					
		Advances (Gross)		Deposits		Contingencies & Commitments	
		Rupees in '000	Percent %	Rupees in '000	Percent %	Rupees in '000	Percent %
Public/ Government		274,492,545	35.03	605,009,388	36.51	358,631,802	75.84
Private		509,062,528	64.97	1,052,123,017	63.49	114,267,749	24.16
		783,555,074	100.00	1,657,132,405	100.00	472,899,551	100.00
		2015					
		Advances (Gross)		Deposits		Contingencies & Commitments	
		Rupees in '000	Percent %	Rupees in '000	Percent %	Rupees in '000	Percent %
Public/ Government		227,531,350	32.76	532,737,226	37.21	242,038,580	66.79
Private		467,083,194	67.24	898,798,171	62.79	120,350,616	33.21
		694,614,544	100.00	1,431,535,397	100.00	362,389,196	100.00

### 41.1.8.3 Details of non-performing advances and specific provision by class of business segment

	2016		2015	
	Classified Advances	Specific Provisions Held	Classified Advances	Specific Provisions Held
	Rupees in '000			
Chemical and pharmaceuticals	2,308,916	2,279,424	2,574,630	2,496,560
Agribusiness	4,798,659	2,795,310	5,605,763	2,286,443
Textile	30,323,790	29,836,834	31,907,985	30,782,783
Cement	2,624,564	2,550,624	2,744,483	2,694,675
Sugar	3,873,804	3,447,393	4,104,998	3,762,502
Flour	689,499	567,952	594,524	493,938
Rice processing	4,037,375	4,018,215	3,517,761	3,196,494
Shoes & leather garments	518,371	518,371	362,212	352,516
Automobile and transportation equipment	954,519	932,398	985,917	956,681
Financial	480,315	479,065	703,465	690,363
Transportation/Karobar	4,153,621	3,510,359	4,037,131	3,825,351
Real estate construction	3,192,549	3,192,549	3,473,607	3,378,209
Electronics and electrical appliances	3,682,097	3,533,881	4,012,681	3,783,073
Production & Transmission of Energy	4,280,543	3,937,322	1,897,997	1,703,138
Food and tobacco	3,503,041	2,788,550	3,090,327	3,076,673
Fertilizer	3,107,771	3,101,654	18,319,159	14,694,459
Metal products	16,481,474	15,958,668	6,543,060	5,298,938
Hotel and services	3,424,230	3,421,683	4,263,956	4,247,129
Individuals	6,955,825	4,200,199	6,824,717	3,900,375
General traders	9,929,755	9,855,371	10,419,731	10,347,312
Others	11,241,134	9,314,116	12,292,766	9,359,035
	120,561,851	110,239,938	128,276,870	111,326,647

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

Public/ Government	3,152,118	3,152,118	4,891,816	4,891,816
Private	117,409,733	107,087,820	123,385,054	106,434,831
	120,561,851	110,239,938	128,276,870	111,326,647

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 41.1.8.5 Geographical Segment Analysis

	2016			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies & commitments
	Rupees in '000			
Pakistan	36,362,154	1,861,103,162	152,448,624	423,693,925
Asia Pacific (including South Asia)	133,906	70,832,963	20,519,974	26,701,275
Europe	(380,134)	5,320,507	1,564,522	2,044,756
United States of America and Canada	(139,158)	9,625,944	2,709,719	5,290,880
Middle East	1,617,969	34,533,985	2,895,827	15,168,715
	<b>37,594,737</b>	<b>1,981,416,562</b>	<b>180,138,666</b>	<b>472,899,551</b>

	2015			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies & commitments
	Rupees in '000			
Pakistan	38,033,563	1,564,556,531	151,191,109	316,093,756
Asia Pacific (including South Asia)	(3,654,571)	73,747,274	13,872,877	19,571,315
Europe	(184,782)	9,152,966	2,378,541	2,811,056
United States of America and Canada	(160,262)	29,918,934	2,080,106	4,553,469
Middle East	138,609	34,498,463	2,132,459	19,359,600
	<b>34,172,557</b>	<b>1,711,874,167</b>	<b>171,655,092</b>	<b>362,389,196</b>

### 41.2 Operational Risk

A comprehensive Operational Risk Management Framework has been developed to help align the bank with the sound practices for operational risk set by Basel, provide guidance for setting the operational risk strategy of the bank, selection and adoption of risk and loss measurement tools, reporting, communication and establishment of operational risk management processes.

Currently, the Bank has a Board Approved Operational Risk Strategy Document which also includes Operational Risk Tolerance limits as per Basel II Loss Event Categories. Furthermore, the Bank has already rolled out Operational Loss Data Collection Mechanism whereby field functionaries are responsible to report operational losses under their jurisdiction.

Moreover, the bank has also completed Risk & Control Self Assessment (RCSA) exercise, whereas 40 RCDAs have been developed which include but not limited to various cross functional team meetings held with the relevant stakeholders. In addition, on the basis of high risks, identified from RCSA exercise, the Bank has initiated the Key Risk Indicators (KRIs) reporting on pilot run basis. Based on KRI data reported by relevant stakeholders, KRI thresholds have been set which we are using for variance reporting.

### 41.3 Market & Liquidity Risk Wing

The Bank has developed Market Risk Management (MRM) Framework comprising of related Policies / Procedures. The Framework aims to formalize and enhance the existing documentation that governs the market risk management of the Bank through policies and procedures.

RMG in coordination with the other groups is also working on devising improved criteria for various market risk limits on VaR models and policy framework have been approved, whereas VaR limits are being monitored pilot run. Going forward VaR will be used for capital calculation under IMA approach.

Proprietary market risk stress testing scenarios have been developed (in addition to the regulatory ones) and testing is being performed on the same to assess subsequent impact on CAR for ICAAP

Limits / zones and Management Action Triggers & Management Action Plans corresponding to Liquidity Ratio, Balance Sheet Duration Gap, Government Securities PVBP and Duration have been developed. These triggers are used for proposing/ recommending actions by ALCO.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 41.3.1 Foreign Exchange Risk

	2016			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000			
Pakistan Rupee	1,805,441,422	1,625,274,778	(54,545,672)	125,620,973
United States Dollar	107,660,998	126,422,863	33,359,565	14,597,700
Great Britain Pound	3,724,592	2,344,061	5,419,102	6,799,633
Japanese Yen	6,607,372	20,215,658	7,773,153	(5,835,133)
Euro	5,927,829	8,688,265	6,295,228	3,534,792
Other currencies	52,054,348	18,332,271	1,698,624	35,420,701
	175,975,139	176,003,118	54,545,672	54,517,693
	1,981,416,562	1,801,277,896	-	180,138,666

	2015			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000			
Pakistan Rupee	1,516,293,052	1,288,751,311	(89,553,739)	137,988,002
United States Dollar	111,104,793	121,637,460	4,614,616	(5,918,051)
Great Britain Pound	3,818,816	7,784,448	8,421,739	4,456,107
Japanese Yen	23,482,251	92,427,156	68,606,897	(338,008)
Euro	8,074,400	10,369,682	6,643,117	4,347,835
Other currencies	49,100,856	19,249,019	1,267,370	31,119,207
	195,581,116	251,467,765	89,553,739	33,667,090
	1,711,874,167	1,540,219,076	-	171,655,092

Currency Risk arises where the value of a financial instrument changes due to changes in foreign exchange rates. In order to manage currency risk exposure the Bank enters into ready, spot, forward and swaps transactions with the SBP and in the interbank market, financial institutions and corporate.

The Group's foreign exchange exposure comprises forward contracts, purchases of foreign bills, foreign currencies cash in hand, balances with banks abroad, foreign placements with the SBP and foreign currencies assets and liabilities. The net open position is managed within the statutory limits, as fixed by the SBP. Appropriate segregation of duties exists between the front, middle and back office functions

### 41.3.2 Equity Position Risk

Investments in equity are inherent to volatility of stock market prices. The risks from various factors include, but are not limited to:

- Changes in business cycle affecting the business of the company in which the investment is made. Change in business circumstances (i.e. fundamentals) of the company, its business sector, industry and / or economy in general;
- Fluctuation in the shares' prices resulting from their dependence on market sentiment, speculative activity, supply and demand of shares and liquidity in the market;
- Possibility of defaults by participant or failure of the stock exchanges, the depositories, the settlement or the clearing system on discharging their fiduciary responsibilities; and
- Any government or court order restraining payment of dividend by a company to its shareholders.

The Group mitigates the aforesaid risk as follows:

- Compliance with the SBP regulations for equity exposure / investments and compliance with the SECP Corporate Governance Rules by the investee company prudent investing practices (focus on dividend payout history);
- Through diversification and capping maximum exposure through internal limits. Additionally, continuous follow up of these sectors and companies through self-monitoring and fundamentals research conducted internally and from reputable brokerage houses;
- Investments are made as per the guidelines on liquidity and growth as per investment policy manual or guidelines set by Senior Management and the Board of Directors; and
- The Group follows a delivery versus payment settlement system thereby minimizing risk in relation to settlement risk.



### 41.3.3

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the mark-up / interest rates. The Group is exposed to interest / mark-up rate risk as a result of mismatches or gaps in interest / mark-up based assets and liabilities that mature or re-price in a given period. The Group manages this risk by matching / re-pricing of assets and liabilities. Assets and Liabilities Committee (ALCO) / Executive Risk Management Committee (ERMC) of the Group monitors and manages the interest rate risk with the objective of limiting the potential adverse effects on the profitability of the Group.

Management of interest rate risk is one of the critical components of market risk management in banks. The Group's net interest income or net interest margin is also dependent on the movement of interest rates and mismatches in the cash flows or re-pricing dates. Interest rate risk management includes establishing and monitoring various risk mitigating / quantifying limits such as P/VBP, duration, balance sheet DGAP and other money market and inter-rate sensitivity limits.

As part of the risk reporting, an interest rate sensitivity statement is prepared on a quarterly basis. This statement classifies the interest rate-sensitive assets and liabilities into various maturity groups enabling the management to monitor the impact of interest rate movements on the Statement of Financial Position.

[illegible]

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41.3.3 Mismatch of Interest Rate Sensitive Assets and Liabilities - (continued)

	Effective Yield / Interest rate	2015									Non-interest bearing financial Instruments
		Exposed to Yield / Interest risk									
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
		Rupees in '000									
On-balance sheet financial Instruments											
Assets											
Cash and balances with treasury banks	0.1%	151,190,845	13,665,770	2	765,510	-	-	-	-	-	136,759,563
Balances with other banks	2.7%	20,639,421	9,619,949	400,335	2,424,353	436,173	-	-	-	-	7,758,611
Lending to financial institutions	6.1%	7,694,515	4,633,315	3,061,200	-	-	-	-	-	-	-
Investments	8.4%	829,190,763	172,632,537	184,596,124	41,235,572	217,485,209	29,593,046	51,024,256	43,153,655	1,155,564	65,992,305
Advances	8.2%	590,323,536	214,881,468	96,376,396	80,484,568	49,088,294	23,857,874	26,594,666	49,520,629	32,416,385	1,398
Other assets	0.0%	67,160,693	859,290	-	-	-	-	-	-	-	66,301,403
		1,656,199,773	416,292,329	284,434,046	124,910,003	267,009,676	53,450,920	77,619,122	71,843,124	75,570,040	276,813,280
Liabilities											
Bills payable	0.0%	9,171,616	-	-	-	-	-	-	-	-	9,171,616
Borrowings	6.1%	22,394,853	14,068,671	5,126,290	1,241,826	1,425,200	70,800	227,663	224,403	-	-
Deposits and other accounts	3.7%	1,431,535,397	823,973,302	34,198,650	42,714,588	79,468,045	6,061,090	5,169,629	12,504,338	42,847	427,402,909
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	9.5%	91,188	-	2,407	2,466	21,966	11,156	19,737	-	-	33,456
Other liabilities	0.0%	70,568,060	739,744	-	-	-	-	-	-	-	69,828,316
		1,533,751,114	830,761,718	39,327,347	43,958,880	80,915,211	6,143,046	5,417,029	12,728,741	42,847	506,436,297
On-balance sheet gap		122,448,659	(422,469,389)	245,108,700	80,951,123	186,094,465	47,307,873	72,202,093	59,114,383	75,527,193	(229,623,077)
Off-balance sheet financial Instruments											
Cross currency swaps	-	-	-	-	-	-	-	-	-	-	-
Forward purchase of foreign exchange	-	273,199,134	159,781,121	75,951,727	20,758,840	16,707,446	-	-	-	-	-
Forward sale of foreign exchange	-	183,645,395	156,607,154	24,618,598	1,716,729	702,914	-	-	-	-	-
Off-balance sheet gap		456,844,529	316,388,275	100,570,325	22,475,569	17,410,360	-	-	-	-	-
Total Yield / Interest Risk Sensitivity Gap		579,293,188	(106,101,114)	345,677,025	103,426,692	203,504,825	47,307,873	72,202,093	59,114,383	75,527,193	(229,623,077)
Cumulative Yield / Interest Risk Sensitivity Gap		(106,101,114)	239,575,911	343,002,603	546,507,429	593,815,302	666,017,395	725,131,779	800,668,972	808,916,205	579,293,188

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41.4

### Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its liability when they fall due. To mitigate this risk, management has arranged diversified funding sources, manages specific assets with liquidity in mind and monitors liquidity on daily basis. In addition, the Group maintains statutory deposits with central banks inside and outside Pakistan.

The purpose of liquidity management is to ensure that there are sufficient cash flows to meet all of the Group's liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking sustained damage to the Group's reputation, as well as to capitalize on opportunities for business expansion and profitability. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments as opportunities arise.

ALCO is responsible for ensuring that the Group has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Regulatory stress as well as proprietary stress testing and ratio based liquidity assessments are performed to proactively identify and manage liquidity position, needs /requirements. Group has various limits / ratios, triggers and management actions in place to monitor and mitigate liquidity risk.

## 41.4.1

### Maturities of Assets and Liabilities (based on contractual maturity)

2016									
		Rupees in '000							
Total		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Above 5 to 10 Years
<b>Assets</b>									
Cash and balances with treasury banks	160,085,598	159,322,713	-	762,884	-	-	-	-	-
Balances with other banks	14,395,805	12,083,121	1,246,652	785,747	270,266	-	-	-	-
Lending to financial institutions - net	121,709,399	114,022,086	-	-	7,687,313	-	-	-	-
Investments - net	896,280,784	9,436,003	102,535,812	166,923,107	200,532,317	45,309,169	102,711,962	114,492,994	134,743,333
Advances - net	668,883,928	179,566,243	30,553,352	79,257,734	89,377,612	28,626,766	61,396,402	144,973,995	19,660,556
Operating fixed assets	34,058,289	222,524	24,335	56,015	1,186,436	1,207,482	2,731,643	1,393,538	21,621
Deferred tax assets - net	5,172,496	-	-	21,974	12,320	1,533	1,533	2,302,148	2,832,987
Other assets	80,830,263	15,456,584	14,552,966	9,652,943	1,515,831	23,175,994	13,823,876	2,645,488	6,581
	1,981,416,562	490,119,274	148,913,117	257,460,405	300,582,114	98,320,944	180,655,416	265,808,163	157,258,497
<b>Liabilities</b>									
Bills payable	10,187,250	10,187,250	-	-	-	-	-	-	-
Borrowings	44,863,930	16,645,042	16,778,323	9,251,572	54,511	147,490	388,213	163,833	1,434,946
Deposits and other accounts	1,657,132,405	1,290,257,149	77,035,883	91,563,968	156,037,028	8,440,646	22,312,594	11,485,136	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	83,007	-	4,083	3,774	28,201	10,381	-	36,568	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	89,011,304	29,111,106	11,436,508	6,866,417	1,434,540	23,494,471	3,477,334	6,710,977	3,242,622
	1,801,277,896	1,346,200,547	105,254,797	107,695,731	157,554,281	32,092,988	26,178,141	18,396,514	4,677,568
<b>Net assets</b>	180,138,666	(856,081,273)	43,658,320	149,774,673	143,027,834	66,227,956	154,477,275	247,411,649	152,580,929
<b>Share capital</b>									
Share capital	21,275,131	-	-	-	-	-	-	-	-
Reserves	46,031,075	-	-	-	-	-	-	-	-
Unappropriated profit	55,795,351	-	-	-	-	-	-	-	-
Minority Interest	737,972	-	-	-	-	-	-	-	-
Surplus on revaluation of assets	56,299,137	-	-	-	-	-	-	-	-
	180,138,667	-	-	-	-	-	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41.4.1 Maturities of Assets and Liabilities (based on contractual maturity) - (continued)

	2015									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
<b>Assets</b>										
Cash and balances with treasury banks	151,190,845	150,425,335	-	765,510	-	-	-	-	-	-
Balances with other banks	20,639,421	17,535,071	243,824	2,424,353	436,173	-	-	-	-	-
Lending to financial institutions - net	7,694,515	4,633,315	3,061,200	-	-	-	-	-	-	-
Investments - net	829,190,763	173,019,752	184,595,963	41,235,572	246,668,844	32,799,063	61,579,652	23,618,507	43,153,654	22,519,756
Advances - net	580,323,536	156,537,800	56,317,406	111,069,272	62,310,102	36,299,911	45,461,097	69,457,445	27,906,815	14,963,688
Operating fixed assets	33,071,124	4,236	-	-	717,912	948,745	2,297,665	1,041,995	784,780	27,275,791
Deferred tax assets - net	9,672,251	-	-	19,190	(1,817)	-	-	2,649,177	7,020,182	(14,481)
Other assets	80,091,712	16,229,977	17,347,644	9,895,255	1,357,548	23,933,523	10,308,505	952,770	-	66,491
	1,711,874,167	518,385,485	261,566,037	165,409,152	311,488,762	93,981,242	119,646,919	97,719,894	78,865,431	64,811,245
<b>Liabilities</b>										
Bills payable	9,171,616	9,171,616	-	-	-	-	-	-	-	-
Borrowings	22,384,853	13,484,093	5,126,290	1,241,826	2,009,779	70,800	227,663	224,402	-	-
Deposits and other accounts	1,431,535,397	1,167,807,879	55,417,826	99,288,558	58,466,813	16,601,412	7,672,852	26,270,058	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	91,188	-	2,407	2,466	21,966	11,156	53,193	-	-	-
Other liabilities	77,036,022	22,561,482	9,354,369	6,876,641	1,199,393	22,376,222	2,964,273	5,839,105	2,821,212	3,043,325
	1,540,219,076	1,213,025,069	69,900,892	107,419,491	61,697,951	39,059,590	10,917,981	32,333,565	2,821,212	3,043,325
<b>Net assets</b>	171,655,092	(694,639,584)	191,665,145	57,989,661	249,790,811	54,921,652	108,728,938	65,386,329	76,044,219	61,767,920
<b>Share capital</b>										
Reserves	21,275,131									
Unappropriated profit	45,202,342									
Minority Interest	52,724,525									
	721,816									
Surplus on revaluation of assets	51,731,278									
	171,655,092									



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41.4.2

### Maturities of Assets and Liabilities (based on behavioural study)

The Bank has assets and liabilities that have contractual and non-contractual maturities. The Bank conducts statistical study to assess the expected maturity of assets and liabilities with non-contractual maturities. The behavioral maturities are determined on the basis of statistical study conducted by the Bank, based on the past seven years of data. The attrition rate of deposits is determined based on historically observed weekly data of all Current and Saving Deposit accounts using VaR based approach. The approach considers the tendency of variation among the respective time bands for selected deposit types and drives the portion of volatility of such time bands based on 99% confidence interval on the variation data so calculated. The remaining portion of the deposit which marked as core is accordingly shifted to higher time bands.

2016										
Rupees in '000										
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
<b>Assets</b>										
Cash and balances with treasury banks	160,085,598	99,332,132	4,286,845	28,233,310	28,233,310	-	-	-	-	-
Balances with other banks	14,395,805	12,093,121	1,246,652	785,747	270,286	-	-	-	-	-
Lending to financial institutions - net	121,709,399	114,022,086	-	-	7,687,313	-	-	-	-	-
Investments - net	896,280,784	9,436,003	102,535,812	166,923,107	200,532,317	45,309,169	102,711,962	114,492,994	134,743,333	19,596,087
Advances - net	668,883,928	222,175,904	26,571,026	23,021,694	95,141,942	30,937,154	66,381,134	156,801,651	21,263,572	26,589,851
Operating fixed assets	34,058,289	222,524	24,335	56,015	1,186,436	1,207,482	2,731,643	1,393,538	21,621	27,214,695
Deferred tax assets -net	5,172,496	-	-	21,974	12,320	1,533	1,533	2,302,148	2,832,987	-
Other assets	80,830,263	23,055,592	8,054,792	8,552,109	1,515,831	23,175,994	13,823,876	2,645,488	-	6,581
	1,981,416,562	480,337,362	142,719,462	227,593,957	334,579,754	100,631,332	185,650,148	277,635,819	158,861,513	73,407,214
<b>Liabilities</b>										
Bills payable	10,187,250	4,474,175	466,021	309,666	4,937,388	-	-	-	-	-
Borrowings	44,863,930	16,645,042	16,778,323	9,251,572	54,511	147,490	388,212	163,833	1,434,947	-
Deposits and other accounts	1,657,132,405	413,689,666	115,151,833	229,916,032	303,239,186	192,739,750	206,611,697	195,784,240	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	83,007	-	4,083	3,774	28,201	10,381	-	36,568	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	89,011,304	25,107,419	14,396,171	7,910,441	1,434,540	23,494,471	3,477,333	6,710,977	3,242,623	3,237,329
	1,801,277,896	459,916,302	146,796,431	247,391,485	309,683,827	216,392,092	210,477,242	202,695,618	4,677,570	3,237,329
<b>Net assets</b>	180,138,666	20,421,060	(4,076,969)	(19,797,529)	24,885,928	(115,760,760)	(24,827,094)	74,940,201	154,183,943	70,169,885
Share capital	21,275,131									
Reserves	46,031,075									
Unappropriated profit	55,795,351									
Minority Interest	737,972									
Surplus on revaluation of assets	56,299,137									
	180,138,666									

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 41.4.2 Maturities of Assets and Liabilities (based on behavioural study) - (continued)

	2015									
	Rupees in '000									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets										
Cash and balances with treasury banks	151,190,845	102,189,514	3,828,809	22,586,261	22,586,261	-	-	-	-	-
Balances with other banks	20,639,421	17,535,071	243,824	2,424,353	436,173	-	-	-	-	-
Lending to financial institutions - net	7,694,515	4,633,315	3,061,200	-	-	-	-	-	-	-
Investments - net	829,190,763	173,019,751	184,595,962	41,235,572	246,668,845	32,799,063	61,579,652	23,618,507	43,153,655	22,519,757
Advances - net	580,323,536	128,667,967	69,093,365	113,685,657	70,781,349	37,408,893	46,865,726	71,615,211	28,775,545	15,429,823
Operating fixed assets	33,071,124	4,236	-	-	717,912	948,745	2,297,665	1,041,995	784,780	27,275,791
Deferred tax assets - net	9,672,251	-	-	19,190	(1,817)	-	-	2,649,177	7,020,182	(14,481)
Other assets	80,091,712	11,566,368	6,645,593	25,260,915	1,357,547	23,933,523	10,308,505	952,770	-	66,491
	1,711,874,167	435,616,222	267,468,753	205,211,948	342,546,270	95,090,224	121,051,548	99,877,660	79,734,162	65,277,381
Liabilities										
Bills payable	9,171,616	4,048,210	518,701	263,382	4,341,323	-	-	-	-	-
Borrowings	22,384,853	13,484,092	5,126,290	1,241,826	2,009,779	70,800	227,663	224,403	-	-
Deposits and other accounts	1,431,535,397	367,179,723	102,133,803	223,900,098	185,404,428	184,059,085	175,130,526	193,727,734	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	91,188	-	2,407	2,466	21,966	11,156	53,193	-	-	-
Other liabilities	77,036,022	19,892,843	11,389,856	7,509,794	1,199,393	22,376,222	2,964,273	5,839,104	2,821,212	3,043,325
	1,540,219,076	404,604,868	119,171,057	232,917,566	192,976,889	206,517,263	178,375,655	199,791,241	2,821,212	3,043,325
Net assets	171,655,092	31,011,354	148,297,696	(27,705,618)	149,569,381	(111,427,039)	(57,324,107)	(99,913,581)	76,912,950	62,234,056
Share capital	21,275,131									
Reserves	45,202,342									
Unappropriated profit	52,724,525									
Minority Interest	721,816									
Surplus on revaluation of assets	51,731,278									
	171,655,092									

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 42. ISLAMIC BANKING BUSINESS

The Bank is operating 118 Islamic banking branches as at December 31, 2016 (December 31, 2015: 79 branches).

### 42.1 Profit Distribution Policy for Islamic Banking Division

The profit distribution mechanism during the year complies with the rules and principles of Islamic Shariah and is in the light of guidelines approved by the Shariah Advisor of the Bank's Islamic Banking Division and the SBP guidelines related to Shariah Compliance.

The non-compliant income identified during the year is transferred to the charity account.

### 42.2 Statement of Financial Position As at December 31, 2016

	Note	2016 Rupees in '000	2015
<b>ASSETS</b>			
Cash and balances with treasury banks		2,678,218	1,086,611
Balances with other banks		5,538,299	3,900,000
Due from financial institutions		7,687,313	5,819,375
Investments	42.2.1	15,758,428	1,167,617
Islamic financing and related assets	42.2.2	3,199,129	837,408
Operating fixed assets		114,611	61,946
Due from Head Office		-	304,234
Other assets		838,032	615,660
		<b>35,814,030</b>	<b>13,792,851</b>
<b>LIABILITIES</b>			
Bills payable		58,567	37,588
Deposits and other accounts			
-Current accounts		8,812,377	5,743,529
-Saving accounts		14,843,662	5,535,023
-Term deposits		1,982,014	1,422,749
-Deposit from financial institutions-Remunerative		7,450,000	-
Due to Head Office		732,188	-
Other liabilities		411,346	350,510
		<b>34,290,154</b>	<b>13,089,399</b>
<b>NET ASSETS</b>		<b>1,523,876</b>	<b>703,452</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		1,700,000	800,000
Unappropriated profit		(381,998)	(100,147)
		<b>1,318,002</b>	<b>699,853</b>
Surplus on revaluation of assets - net		205,874	3,599
		<b>1,523,876</b>	<b>703,452</b>
<b>Remuneration to Shariah Board</b>		<b>7,980</b>	<b>4,615</b>
<b>CHARITY FUND</b>			
Opening balance		-	0.13
Additions during the period		-	-
Payment / utilisation during the period		-	(0.13)
Closing balance		-	-
<b>42.2.1 Investments</b>			
Sukuk		13,889,235	1,298,424
Leasing Certificate		2,000,000	-
Provision for diminution in the value of investments		(130,807)	(130,807)
		<b>15,758,428</b>	<b>1,167,617</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	2016	2015
	Rupees in '000	
<b>42.2.2 Islamic financing and related assets</b>		
Murabaha	499,314	588,400
Diminishing Musharaka	2,697,160	211,252
Ijarah assets	169,383	229,550
Advance against Ijarah assets	25,066	-
Advance against Murabaha	-	-
	<u>3,390,923</u>	<u>1,029,202</u>
Provision against non-performing financings	(191,794)	(191,794)
	<u>3,199,129</u>	<u>837,408</u>
<b>42.3 Profit and Loss Account for the year ended December 31, 2016</b>		
Profit / return earned on financings, investments and placements	1,207,083	712,350
Profit / return expensed on deposit	(466,571)	(209,658)
Net spread earned	740,512	502,692
Depreciation on assets given on Ijarah	(67,046)	(81,154)
	<u>673,466</u>	<u>421,538</u>
Provision against advances and investments	-	(3,394)
Provision reversed against advances and investments	-	20,627
	<u>-</u>	<u>17,233</u>
Profit after provision	<u>673,466</u>	<u>438,771</u>
<b>Other income</b>		
Fee, commission and brokerage income	167,673	83,421
Income from dealing in foreign currencies	2,739	302
Other income	19,423	(15,030)
Total other income	<u>189,835</u>	<u>68,693</u>
	<u>863,301</u>	<u>507,464</u>
<b>Other expenses</b>		
Administrative expenses	(1,245,299)	(607,611)
<b>(Loss) / Profit for the year</b>	<u>(381,998)</u>	<u>(100,147)</u>
<b>42.4 Cash Flow Statement For the year ended December 31, 2016</b>		
<b>Cash Flow from Operating Activities</b>		
(Loss) / Profit for the year	(381,998)	(100,147)
Adjustments :		
Depreciation - Own assets	59,289	18,749
Depreciation - Ijarah assets	67,046	81,154
Reversal of provision against non performing financings and investments	-	(17,233)
	<u>126,335</u>	<u>82,670</u>
	(255,663)	(17,477)
(Increase) / decrease in operating assets		
Balance with other banks	(1,638,299)	(3,899,734)
Due from financial institutions	(4,811,946)	(5,819,375)
Financings	(13,873,295)	1,341,442
Other assets	(222,372)	(441,879)
	<u>(20,545,912)</u>	<u>(8,819,546)</u>
(Increase) / decrease in operating liabilities		
Bills payable	20,979	25,488
Deposits and other accounts	20,386,752	10,211,354
Borrowings from Head Office	1,136,569	(752,430)
Other liabilities	60,836	287,823
	<u>21,605,136</u>	<u>9,772,235</u>
<b>Net cash generated operating activities</b>	<u>803,561</u>	<u>935,212</u>
<b>Cash Flow from Investing Activities</b>		
Investment in operating fixed assets	(111,954)	(22,277)
<b>Net cash used in investing activities</b>	<u>(111,954)</u>	<u>(22,277)</u>
<b>Cash Flow from Financing Activities</b>		
Net Cash Flow from Financing Activities	900,000	-
<b>Increase in cash and cash equivalents</b>	<u>1,591,607</u>	<u>912,935</u>
Cash and cash equivalents at beginning of the year	1,086,611	173,676
<b>Cash and cash equivalents at end of the year</b>	<u>2,678,218</u>	<u>1,086,611</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	2016	2015
	Rupees in '000	
<b>42.5 Allocation of Income and Expenses to Remunerative Depositors' Pool</b>		
Income from financing activities	216,375	161,536
Income from investments	567,756	314,588
Income from placements with Financial Institutions	424,729	236,226
<b>Total Income</b>	<b>1,208,860</b>	<b>712,350</b>
Less: Administrative expenses directly attributable to the Pool	(67,046)	(81,154)
Less: Profit distributed to other Special Pools	(121,468)	(2,276)
<b>Gross Distributable Income</b>	<b>1,020,346</b>	<b>628,920</b>
Mudarib (Bank) share of profit before Hiba	(288,603)	(135,599)
Less: Hiba from bank's share to depositors	81,416	45,895
Net Mudarib (Bank) share of profit	(207,187)	(89,704)
<b>Rab-ul-Maal Share of Profit</b>	<b>813,159</b>	<b>539,216</b>
<b>Rab-ul-Maal Share of Profit is distributed as follows:</b>		
Remunerative depositors' share in Mudarabah pool	389,783	207,887
Bank's equity in Mudarabah pool	423,376	331,329
	<b>813,159</b>	<b>539,216</b>

Note: Administrative and operating expenses are paid by the Bank and not charged to the depositors' pool as per guidelines of Mudarabah.

### 42.6 Pools maintained by National Bank of Pakistan Islamic Banking Group (NBP-IBG)

NBP-IBG has managed following pools for profit and loss distribution.

- General depositors pool
- Special depositors pool
- Equity pool

#### Key features and risk & reward characteristics

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

Equity pool includes IBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 42.7 Sectors of economy where Mudaraba based deposits have been deployed

Sector	Percentage
Fertilizer	3.08%
Textile composite	1.32%
Fuel & energy	19.24%
Leasing/Mudarbas	0.11%
Services	4.69%
Sugar	1.11%
Financial	40.80%
Federal Government	29.24%
Others	0.41%
<b>Total</b>	<b>100.00%</b>

### 42.8 Parameters for profit allocation and charging expenses

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using pre-agreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using various weightages assigned to the different categories of the pool.

No provision against any non performing asset of the pool is passed on to the pool except on the actual loss / write off of such non performing asset, Administrative expense are borne by mudarib and not charged to Mudaraba pool.

	<b>Rupees in '000</b>
<b>42.9 Mudarib Share</b>	
Gross distributable income	1,020,346
Mudarib (Bank) share of profit before Hiba	288,603
	<b>Percentage</b>
Mudarib Share	28%

	<b>Rupees in '000</b>
<b>42.10 Hiba from Mudarib share</b>	
Mudarib (Bank) share of profit before Hiba	288,603
Hiba from bank's share to depositors	81,416
	<b>Percentage</b>
Hiba from bank's share to depositors	28%

**42.11** During the year the average profit rate earned by the Islamic Banking Group is 5.79% and the profit rate distributed to the depositors is 3.30%.

### 43. SUBSEQUENT EVENT

The Board of Directors has proposed a cash dividend of Rs.7.5 per share (2015: Rs. 7.5 per share) amounting to Rs.15,956 million (2015: Rs. 15,956 million) at its meeting held on February 22, 2017 for approval of the members at the annual general meeting to be held on March 30, 2017. These financial statements do not reflect this appropriation as explained in note 5.20.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 44. GENERAL

- 44.1** During the year, SBP issued BSD Circular letter No. 05 dated February 29, 2016 whereby banks having Islamic Banking Branches (IBBs) were advised to classify Islamic Financing and Related Assets under the head of "Advances" in their financial statements. Further the banks were advised to classify the Bai Muajjal of Government of Pakistan Sukuk with State Bank of Pakistan and other Financial Institutions under the head "Lendings to Financial Institutions", however Bai Muajjal transactions with Government of Pakistan are required to be reported under "Investments" as "Other Federal Government Securities".

The above requirements have resulted in change in the presentation of Islamic Financing and Related Assets and Bai Muajjal transactions in the financial statements and as a result corresponding figures have also been reclassified in these financial statements as follows:

- Bai Muajjal of Rs.2,944 million has been reclassified from "Lending to financial institutions" to "Investments".
- Assets given on Ijarah of Rs. 230 million (net) have been reclassified from "Operating fixed assets" to "Advances".

- 44.2** Figures have been rounded off to the nearest thousand rupees.

### 45. DATE OF AUTHORIZATION FOR ISSUE

The consolidated financial statements were authorized for issue on February 22, 2017 by the Board of Directors of the Bank,

Masood Karim Shaikh  
President (Officiating)

Tariq Kirmani  
Director

Iftikhar A. Allawala  
Director

Farrakh Qayyum  
Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## Annexure I as referred to in Note 9.2.1 to the consolidated financial statements

### 1.1 Particulars of investments held in listed companies and modarabas

#### 1.1.1 Ordinary shares

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2016	2015	2016	2015
Rupees in '000						
<b>Held-for-trading</b>						
Habib Bank Limited	AAA/A-1+	Unrated	75,000	-	20,494	-
United Bank Limited	AAA/A-1+	Unrated	100,000	-	23,890	-
Crescent Steel & Allied Product Limited	Unrated	Unrated	50,000	-	7,709	-
MCB Bank Limited	Unrated	AAA/A1+	50,000	-	11,891	-
Pakistan State Oil Company Limited	Unrated	AAA	3,000	54,000	1,303	17,591
Oil & Gas Development Co Limited	Unrated	Unrated	-	444,000	-	52,098
Pak Elektron Limited	Unrated	BBB	185,000	1,357,000	13,187	84,866
Engro Fertilizer Limited	Unrated	AA-	117,000	5,000	7,954	420
TRG Pakistan Limited	Unrated	Unrated	2,779,000	-	122,999	-
Fauji Cement Company Limited	Unrated	Unrated	62,000	-	2,795	-
Engro Corporation Limited	Unrated	A	-	44,000	-	12,293
			3,421,000	1,904,000	212,220	167,268
<b>Available-for-sale</b>						
Abbott Laboratories (Pakistan) Limited	Unrated	Unrated	34,750	-	33,259	-
Adamjee Insurance Company Limited	Unrated	AA+	5,285,307	8,036,307	391,853	454,132
Adil Textile Mills Limited	Unrated	Unrated	47,696	47,696	-	-
Ados Pakistan Limited	Unrated	Unrated	575,500	575,500	26,617	20,171
Agriauto Industries Limited	Unrated	Unrated	484,000	567,047	173,267	117,379
Aisha Steel Mills Limited	Unrated	Unrated	-	10,000,000	-	87,100
Akzo Nobel Pakistan Limited	Unrated	Unrated	881,000	-	206,172	-
Al Abbas Sugar Mills Limited	Unrated	A/A1	727,285	727,285	239,277	152,650
Al Abid Silk Mills Limited	Unrated	Unrated	583,570	583,570	8,170	11,753
Al-Shaheer Corporation Limited	Unrated	Unrated	4,025,000	-	231,035	-
Allied Bank Limited	Unrated	AA+/A1+	4,999,950	6,136,450	596,044	578,422
Amtext Limited	Unrated	Unrated	23,172,472	23,172,472	74,152	44,259
Amreli Steels Limited	Unrated	Unrated	902,000	-	60,064	-
Archroma Pakistan (Formerly Clariant Pakistan Limited)	Unrated	Unrated	289,720	289,720	232,219	133,506
Arif Habib Corporation Limited	AA-/A-1	Unrated	1,135,500	-	49,962	-
Asim Textile Mills Limited	Unrated	Unrated	-	504,737	-	3,079
Askari Bank Limited	Unrated	AA+/A1+	-	19,145,344	-	416,220
Atlas Insurance Limited	Unrated	Unrated	394,000	-	33,372	-
Attock Petroleum Limited	Unrated	Unrated	1,048,651	1,011,151	717,927	510,753
Attock Refinery Limited	Unrated	AA/A1+	400,900	911,885	170,503	193,210
Ayaz Textile Mills Limited	Unrated	Unrated	107,432	107,432	-	-
Azgard Nine Limited	Unrated	Unrated	22,169,691	22,169,691	182,678	97,990
Babri Cotton Mills Limited	Unrated	Unrated	-	321,778	-	12,871
Balochistan Particle Board Limited	Unrated	Unrated	-	850	-	4
Baluchistan Wheels Limited	Unrated	Unrated	328,000	684,357	42,696	41,910
Bank Al Habib Limited	Unrated	AA+/A1+	5,516,366	11,037,866	325,410	459,175
Bank Alfalah Limited	Unrated	AA/A1+	3,410,000	30,689,567	129,444	884,473
Bank of Punjab	Unrated	AA/A1+	1,322,479	1,322,479	23,342	12,180
BankIslami Pakistan Limited	Unrated	A+/A1	-	2,210,107	-	25,416
Berger Paints Pakistan Limited	Unrated	Unrated	-	203,429	-	19,956
BOC Pakistan Limited (Linde Pakistan Limited)	Unrated	Unrated	-	281,585	-	32,734
Bolan Casting Limited	Unrated	Unrated	1,100,000	1,144,649	71,786	61,697
Burshane LPG Pakistan Limited	Unrated	Unrated	1,816,238	1,816,238	122,578	142,211
CASS PAK Industries Limited	Unrated	Unrated	27,384	27,384	-	-
Century Insurance Company Limited	A+	Unrated	1,147,500	1,147,500	34,173	28,974
Cherat Packaging Limited	Unrated	Unrated	31,600	-	10,680	-
Colony Textile Mills Limited	Unrated	Unrated	471,316	471,316	2,738	1,419
Colony Sarhad Textile Mills Limited	Unrated	Unrated	167,677	167,677	-	-
Imperial Sugar Limited (Formerly Colony Sugar Mills Limited)	Unrated	Unrated	181,491	181,491	1,608	907
Crescent Knitwear Limited	Unrated	Unrated	42,130	42,130	-	-
Crescent Steel & Allied Product Limited	Unrated	Unrated	2,599,960	2,473,606	400,862	307,642
Crescent Textile Mills Limited	Unrated	Unrated	900,000	1,049,799	24,750	19,978
Wyeth Pakistan Limited	Unrated	Unrated	-	57,788	-	134,068
D.S Industries Limited	Unrated	Unrated	-	540,339	-	1,626
Dadabhoi Construction Technologies Limited	Unrated	Unrated	35,390	35,390	-	-
Dadabhoi Cement Industries Limited	Unrated	Unrated	5,004,500	5,004,500	-	-
Dawood Capital Management Limited	Unrated	Unrated	328,285	328,285	-	-
Dawood Hercules Corporation Limited	Unrated	AA-/A1+	4,183,192	4,512,992	603,760	537,678
Dawood Lawrencepur Limited	Unrated	Unrated	-	135,387	-	18,953
<b>Balance carried forward</b>			<b>95,877,932</b>	<b>159,874,776</b>	<b>5,220,397</b>	<b>5,564,498</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2016	2015	2016	2015
			Rupees in '000			
<b>Balance brought forward</b>			<b>95,877,932</b>	<b>159,874,776</b>	<b>5,220,397</b>	<b>5,564,498</b>
Dewan Salman Fibres Limited	Unrated	Unrated	-	2,740,202	-	5,672
DG Khan Cement Company Limited	Unrated	Unrated	50,000	-	11,087	-
Dolmen City REIT	Unrated	Unrated	40,375,450	40,375,450	438,881	433,229
EFU General Insurance Company Limited	AA+	AA+	595,586	274,549	89,933	39,398
English Leasing Limited	Unrated	Unrated	360,416	360,416	-	-
Engro Corporation Limited	Unrated	AA/A1+	3,035,823	3,059,823	959,593	854,884
Engro Fertilizers Limited	Unrated	AA-/A1+	4,100,000	648,652	278,718	54,571
Engro Foods Limited 2	Unrated	Unrated	13,661,421	10,347,488	2,622,173	1,516,838
Engro Foods Limited 1	Unrated	Unrated	4,347,488	13,826,421	834,457	2,026,815
Engro Polymer & Chemicals Limited	Unrated	Unrated	-	2,645,333	-	27,617
ESCORTS Investment Bank Limited	Unrated	BB/B	1,221,067	1,221,067	4,884	2,870
Faran Sugar Mills Limited	Unrated	Unrated	-	381,883	-	29,649
Fateh Industries Limited	Unrated	Unrated	11,712	11,712	-	2,068
Fateh Sports Wear Limited	Unrated	Unrated	23,003	23,003	-	1,349
Fateh Textile Mills Limited	Unrated	Unrated	11,847	11,847	-	-
Fatima Enterprises Limited	Unrated	Unrated	109	109	-	-
Fatima Fertilizer Company Limited	AA-/A-1	AA-/A1+	4,700,000	6,240,614	173,383	279,143
Fauji Cement Company Limited	Unrated	Unrated	7,986,500	-	360,031	-
Fauji Fertilizer Co Limited	Unrated	Unrated	1,551,500	-	161,930	-
Fauji Fertilize Bin Qasim Limited	Unrated	Unrated	3,969,000	-	203,252	-
First Capital Securities Corporation Limited	Unrated	Unrated	2,048,345	2,048,345	12,003	5,940
First Equity Modarba Limited	Unrated	Unrated	68,435	68,435	441	359
First National Equities Limited	Unrated	Unrated	-	191,637	-	617
Gadoon Textile Mills Limited	Unrated	Unrated	67,518	67,518	18,293	9,037
General Tyre & Rubber Company Limited	Unrated	Unrated	363,900	158,900	101,361	27,264
Ghani Global Glass Limited	Unrated	Unrated	2,535,500	-	59,432	-
Glaxosmithkline Pakistan Limited	Unrated	Unrated	3,896,808	3,896,808	909,125	857,376
Globe Textile Mills Limited	Unrated	Unrated	33,704	33,704	-	-
Grays Of Cambridge Pakistan Limited	Unrated	Unrated	-	160,985	-	11,993
Greaves Aircondition Private Limited	Unrated	Unrated	30,080	30,080	-	-
Gulistan Spinning Mills Limited	Unrated	Unrated	148,828	148,828	-	327
Gulistan Textile Mills Limited	Unrated	Unrated	374,355	374,355	-	-
Gulshan Spinning Mills Limited	Unrated	Unrated	313,190	313,190	-	642
GOC (Pak) Limited	Unrated	Unrated	160,985	-	11,591	-
Habib Bank Limited	AAA/A-1+	Unrated	3,175,000	4,066,538	867,569	813,796
Habib Metropolitan Bank Limited	Unrated	AA+/A1+	-	29,776,785	-	907,299
Habib Sugar Mills Limited	Unrated	Unrated	6,546,806	6,546,806	314,901	248,844
Haji Mohammad Ismail Mills Limited	Unrated	Unrated	1,089,149	1,594,650	6,426	5,517
Hakim Textile Mills Limited	Unrated	Unrated	131,445	131,445	-	-
Hashimi Can Company Limited	Unrated	Unrated	82,154	82,154	-	-
Hinopak Motors Limited	Unrated	Unrated	-	16,262	-	16,717
Hub Power Company Limited	Unrated	AA+/A1+	55,734,200	57,740,000	6,882,059	5,924,124
First IBL Modaraba	Unrated	Unrated	-	727,077	-	2,988
Ibrahim Fibers Limited	Unrated	AA-/A1+	1,069,562	1,076,062	72,730	46,432
ICI Pakistan Limited	Unrated	Unrated	150,000	-	149,060	-
IGI Insurance Limited	Unrated	AA	4,000,000	4,586,385	1,231,560	1,085,001
IGI Life Insurance Limited	Unrated	AA	3,022,900	2,500,000	259,728	345,325
Indus Dyeing & Manufacturing Company Limited	A+/A-1	Unrated	267,362	267,362	192,958	249,270
Innovative Investment Bank Limited	Unrated	Unrated	17,952	17,952	-	-
International Industries Limited	Unrated	Unrated	4,149,728	6,312,636	845,424	388,227
International KnitWear Limited	Unrated	Unrated	-	13,616	-	250
International Steel Limited	Unrated	Unrated	272	2,915,478	27	71,167
Javed Omer Vohra & Company Limited	Unrated	Unrated	859,960	859,960	-	-
Jehangir Siddiqui & Company Limited	Unrated	AA/A1+	317,000	-	8,049	-
Johnson & Phillips (Pakistan) Limited	Unrated	Unrated	-	256,675	-	5,416
Js Bank Limited	Unrated	AA-/A1+	-	14,475,904	-	112,188
Karim Cotton Mills Limited	Unrated	Unrated	56,285	56,285	-	-
KASB Bank (Platinum Bank Limited)	Unrated	Unrated	-	918,280	-	2,057
K-Electric Limited	Unrated	AA/A1+	20,000,000	20,000,000	187,400	148,800
Khursheed Spinning Mills Limited	Unrated	Unrated	53,900	53,900	-	-
Kohat Textiles Mills Limited	Unrated	Unrated	2,078,554	2,078,554	35,959	20,578
Kohinoor Energy Limited	Unrated	Unrated	10,135,351	10,135,351	435,820	435,820
Kohinoor Mills Limited	Unrated	Unrated	-	545,683	-	8,747
<b>Balance carried forward</b>			<b>304,858,082</b>	<b>417,287,930</b>	<b>23,960,636</b>	<b>22,590,721</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2016	2015	2016	2015
			Rupees in '000			
<b>Balance brought forward</b>			<b>304,858,082</b>	<b>417,287,930</b>	<b>23,960,636</b>	<b>22,590,721</b>
Kohinoor Textile Mills Limited	Unrated	Unrated	-	310,823	-	22,224
Kot Addu Power Company Limited	AA+/A-1+	Unrated	5,584,500	1,742,644	440,059	141,154
KSB Pumps Company Limited	Unrated	Unrated	654,400	1,087,818	267,159	277,905
Leiner Pak. Gelatine Limited	Unrated	Unrated	-	13,900	-	266
Linde Pakistan Limited (BOC)	Unrated	Unrated	281,585	-	55,013	-
Lotte Chemical Pakistan Limited	Unrated	Unrated	-	1,800,000	-	11,700
Maple Leaf Cement Factory Limited	Unrated	A+/A1	125,500	-	16,011	-
Mari Petroleum Company Limited	Unrated	Unrated	2,500,000	3,648,500	3,437,275	2,543,515
Masood Textile Mills Limited	Unrated	Unrated	4,542,262	4,543,662	733,439	908,687
Mcb Bank Limited	Unrated	AAA/A1+	1,000,000	-	237,820	-
Meezan Bank Limited	Unrated	Unrated	2,273,500	-	154,848	-
Mehar Dastgir Textile Limited	Unrated	Unrated	24,856	24,856	-	-
Mehran Jute Limited	Unrated	Unrated	61,931	61,931	-	-
Metropolitan Steel Corporation Limited	Unrated	Unrated	50,204	50,204	-	-
Milat Tractors Limited	Unrated	Unrated	327,250	-	296,050	-
Mirpurkhas Sugar Mills Limited	Unrated	Unrated	400,000	802,353	85,580	63,386
Moonlite Pakistan Limited	Unrated	Unrated	58,846	58,846	-	-
Morafa industries Limited	Unrated	Unrated	29,069	29,069	-	-
National Foods Limited	AA-/A-1	Unrated	1,016,400	1,224,200	381,150	388,059
National Over Limited	Unrated	Unrated	12,471	12,471	-	-
National Refinery Limited	Unrated	AA+/A1+	840,054	869,554	479,772	194,050
Nestle Pakistan Limited	Unrated	Unrated	-	4,980	-	38,844
NIB (NDLC - IFIC Bank) Limited	Unrated	AA-/A1+	12,862,190	12,862,190	23,281	24,438
Nishat Chunian Limited	Unrated	AA-/A1+	2,400,000	2,258,638	149,832	76,794
Nishat Chunian Power Limited	Unrated	Unrated	120,000	-	6,658	-
Nishat Mills	Unrated	AA/A1+	861,000	-	131,104	-
Oil And Gas Company Limited	Unrated	Unrated	2,785,481	2,015,581	460,579	236,508
Orix Leasing Pakistan Limited	Unrated	AA+/A1+	1,100,000	1,689,793	52,008	102,232
Packages Limited	Unrated	AA/A1+	1,000,000	1,016,263	850,050	591,577
Pak Datacom Limited	Unrated	Unrated	750,791	750,791	72,677	59,125
Pak Electron Limited	Unrated	A+/A1	782,000	-	55,741	-
Pakgen Power Limited	Unrated	AA/A1+	3,406,500	3,406,500	91,192	100,253
Pakistan Engineering Company Limited	Unrated	Unrated	135,242	135,242	46,118	25,696
Pakistan International Airlines Corporation	Unrated	Unrated	5,843,500	15,836,011	53,526	133,973
Pakistan National Shipping Corporation Limited	Unrated	AA-/A1+	608,707	608,707	98,233	54,175
Pakistan Oil Fields Limited	Unrated	Unrated	180,000	64,150	96,232	17,193
Pakistan Paper Products Limited	Unrated	Unrated	-	13,000	-	867
Pakistan Petroleum Limited	Unrated	Unrated	1,494,384	1,144,384	281,213	139,397
Pakistan Reinsurance Company Limited	Unrated	Unrated	12,083,770	12,083,770	502,564	409,036
Pakistan Services Limited	Unrated	Unrated	418,460	418,460	369,709	230,153
Pakistan State Oil 1	Unrated	AA/A1+	2,573,547	3,062,447	1,117,460	997,653
Pakistan State Oil 2	Unrated	AA/A1+	22,022,713	22,022,713	9,562,482	7,174,339
Pakistan Telecommunication Company Limited	Unrated	Unrated	34,861,854	34,361,854	598,927	566,627
Pakistan Tobacco Company Limited	Unrated	Unrated	-	1,100	-	1,226
Pan Islamic Steamship Company Limited	Unrated	Unrated	421	421	-	-
Paramount Spinning Mills Limited	Unrated	Unrated	994,301	994,301	-	2,704
Pervez Ahmed Securities Limited	Unrated	Unrated	-	301,925	-	607
Premium Textile Mills Limited	Unrated	Unrated	27,000	167,389	3,240	14,890
Quetta Textile Mills Limited	Unrated	Unrated	9,686	9,686	295	381
Rishabh Metals & Chemicals Private Limited	Unrated	Unrated	-	13	-	-
Rupal Polyester Limited	Unrated	Unrated	816,483	816,483	16,493	9,569
S.G. Power Limited	Unrated	Unrated	164,692	164,692	-	-
Sadoon Textile Mills	Unrated	Unrated	421	421	-	-
Samba Bank Limited	AA-/A-1	Unrated	-	3,469,974	-	20,820
Samin Textile Mills	Unrated	Unrated	1,604,838	1,604,838	14,299	12,839
Schon Textiles Mills	Unrated	Unrated	131,446	131,446	-	-
The Searle Company Limited	Unrated	Unrated	119,100	1,502	77,866	594
Security Investment Bank Limited	BBB+/A-2	Unrated	-	1,160,703	-	2,658
Security Papers Limited	Unrated	Unrated	1,346,415	1,346,415	132,810	118,633
Service Industries Limited	Unrated	Unrated	819,976	842,126	1,227,594	715,807
Service Textile Mills	Unrated	Unrated	82,575	82,575	1,032	917
<b>Balance carried forward</b>			<b>437,048,403</b>	<b>558,420,245</b>	<b>46,638,028</b>	<b>39,022,192</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Investee	JCRVIS	PACRA	No. of shares held		Market Value	
			2016	2015	2016	2015
			Rupees in '000			
<b>Balance brought forward</b>			<b>437,048,403</b>	<b>558,420,245</b>	<b>46,638,028</b>	<b>39,022,192</b>
Shabbir Tiles & Ceramics Limited	Unrated	Unrated	1,316,989	1,316,989	14,698	10,878
Shahtaj Sugar Mills Limited	Unrated	Unrated	328,039	408,539	54,294	27,703
Shell Pakistan Limited	Unrated	Unrated	-	218,750	-	49,928
Silk Bank Limited	A-/A-2	Unrated	2,751,788	1,810,788	5,091	3,296
Sitara Chemical Limited	A+/A-1	Unrated	164,800	520,814	95,584	187,493
Sitara Energy Limited	Unrated	Unrated	1,550,000	1,130,517	65,255	36,357
SME Leasing Limited	BB+/B	B+/B	910,477	1,230,477	3,460	308
Soneri Bank Limited	Unrated	AA-/A1+	-	25,026,394	-	378,649
Sui Northern Gas Pipeline Limited 1	Unrated	AA-/A1+	14,300,000	18,805,318	1,166,451	452,080
Sui Northern Gas Pipeline Limited 2	Unrated	AA-/A1+	18,805,318	16,701,835	1,533,950	401,512
Sui Southern Gas Pipeline Limited	Unrated	A+/A1	10,277,174	10,320,674	373,575	385,477
Summit Bank Limited	A-/A-1	Unrated	32,308,297	48,908,297	142,157	192,210
Sunshine Cotton Mills Limited	Unrated	Unrated	498,220	498,220	-	-
Suraj Ghee Limited	Unrated	Unrated	27,384	27,384	-	-
Taj Textile Mills Limited	Unrated	Unrated	763,513	763,513	-	-
Telecard Limited	Unrated	Unrated	-	10,782,876	-	31,055
Thal Limited	Unrated	Unrated	5,307,500	6,197,498	2,699,023	1,570,012
Thatta Cement Company Limited	Unrated	Unrated	-	9,859,862	-	255,272
TPL Direct Insurance Limited	Unrated	Unrated	816,878	1,157,378	15,504	27,546
TPL Trakker Limited	Unrated	A-/A2	5,500,000	9,298,597	96,965	138,828
Treet Corporation Limited	AA-/A-1	Unrated	2,144,725	1,703,660	140,222	107,262
TRG Pakistan Limited	Unrated	Unrated	750,000	-	33,195	-
First Tri-Star Modaraba	Unrated	Unrated	-	151,492	-	833
Twakkal Garments Industries Limited	Unrated	Unrated	172,325	172,325	-	-
United Bank Limited	AAA/A-1+	Unrated	5,314,900	6,657,940	1,269,730	1,031,648
Wah Noble Chemicals Limited	Unrated	Unrated	-	324,421	-	16,195
WorldCall Telecom	Unrated	Unrated	47,435,914	47,435,914	130,923	72,103
Wyeth Pakistan Limited	Unrated	Unrated	57,788	-	272,860	-
Yousuf Weaving Mills Limited	Unrated	Unrated	-	627,427	-	1,757
Zahur Cotton Mills	Unrated	Unrated	225	225	-	-
Zeal Pak Cement Limited	Unrated	Unrated	247,789	247,789	-	-
First Dawood Investment Bank Limited	Unrated	Unrated	29,000,000	-	104,690	-
Agriotech Limited	Unrated	Unrated	242,055	242,055	3,069	2,263
Jahangir Siddiqui & Company Limited	Unrated	AA	13,400	13,400	752	752
			<b>618,053,901</b>	<b>780,981,613</b>	<b>54,859,476</b>	<b>44,403,608</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1.1.2 Particulars of Investments held in un-listed companies

### 1.1.2.1 Ordinary Shares - Holding 10% and above

Investee	Rating		Percentage of holding	No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive	
	JCRVIS	PACRA			2016	2015				
	Rupees in '000									
Digri Sugar Mills Limited	Unrated	Unrated	9.94%	2,000,000	4,063	4,063	129,796	30-Sep-15	Mr. Naveed Ahmad Javeri	
JDM Textile Mills Limited	Unrated	Unrated	10.00%	478,444	4,784	4,784	11,639	June 30, 2012	Mr. Lt. Gen @ Ali Kuli Khan	
Gelcaps Pakistan Limited	Unrated	Unrated	14.6%	2,000,000	4,665	4,665	25,340	30-Jun-06	Mr. Sadruddin Hashwani	
Intech International	Unrated	Unrated	18.6%	275,000	-	-	.....	Not Available.....	Mr. Hassan Zaidi	
Pakistan Agriculture Storage Service Corporation (Face value: Rs.1,000 each)	Unrated	Unrated	18.3%	5,500	5,500	5,500	109,831	31-Mar-03	Muhammad Khan Khichi	
Precision Engineering	Unrated	Unrated	16.8%	15,100	-	-	.....	Not Available.....	Mr. Zaheer Hussain	
Resources and Engineering Management Corporation	Unrated	Unrated	10.0%	66,125	-	-	(484,696)	June 30, 2005	Mr. Shafaat Ahmed	
Safa Rice Mills Limited	Unrated	Unrated	15.8%	450,000	-	-	.....	Not Available.....	Mr. Pervaiz Alam	
Sigma Knitting Mills Private Limited	Unrated	Unrated	14.1%	500,000	-	-	(6,793)	June 30, 1999	.....	Not Available.....
				5,790,169	19,012	19,012				

### 1.1.2.2 Ordinary Shares - Holding below 10%

Investee	Rating		No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
	JCRVIS	PACRA		2016	2015			
	Rupees in '000							
Accord Textile Mills Limited	Unrated	Unrated	233,400	-	-	-	Not Available	
Adamjee Floorings Limited	Unrated	Unrated	30,080	-	-	-	Not Available	
Adamjee Papers & Board Mills Limited	Unrated	Unrated	137,597	-	-	-	Not Available	
Adi Polypropylene Limited	Unrated	Unrated	69,093	-	-	-	Not Available	
Afsar Textile Mills Limited	Unrated	Unrated	32,778	-	-	-	Not Available	
Al Ameen Textile	Unrated	Unrated	30,000	328	328	-	Not Available	
Al Zamin Modarba Management (Private) Limited	Unrated	Unrated	140,000	1,000	1,000	2,134	June 30, 2006	Mr. Bashir A. Chaudhry
Al-Hussany Industries Limited	Unrated	Unrated	31,514	-	-	-	Not Available	
Alif Textile Mills Limited	Unrated	Unrated	163,464	-	-	-	Not Available	
Amazai Textile Limited	Unrated	Unrated	10,111	-	-	-	Not Available	
AMZ Venture Limited Class A	Unrated	Unrated	200,000	122	122	-	Not Available	
Apex Fabrics Limited	Unrated	Unrated	144,506	-	-	-	Not Available	
Arabian Sea Country Club	Unrated	Unrated	660,000	6,500	6,500	-	Not Available	
Arag Industries Limited	Unrated	Unrated	96,478	-	-	-	Not Available	
Aslo Electronics Limited	Unrated	Unrated	20,054	-	-	-	Not Available	
Aswan Tantage Limited	Unrated	Unrated	86,030	-	-	-	Not Available	
Atlas Power Limited	Unrated	Unrated	37,500,000	375,000	375,000	653,823	30-Jun-13	Maqsood A. Basra
Attock Textile Mills Limited	Unrated	Unrated	100,000	200	200	(1,412)	Sept. 30, 1998	Mr. Arshad Ali Chaudhry
Awan Textile Mills Limited	Unrated	Unrated	108,696	-	-	-	Not Available	
Behawalpur Textile Limited	Unrated	Unrated	33,283	-	-	-	Not Available	
Beluchistan Foundry (Tower)	Unrated	Unrated	37,664	-	-	-	Not Available	
Bankers Equity Limited	Unrated	Unrated	1,486,925	-	-	5,646	30-Jun-16	Amjad Aziz Khan
Bankers Equity Limited	Unrated	Unrated	251,022	-	-	5,646	30-Jun-16	Amjad Aziz Khan
Bawany Textile Mills Limited	Unrated	Unrated	42,972	-	-	-	Not Available	
Bela Engineers Limited	Unrated	Unrated	135,658	-	-	-	Not Available	
Brikis Private Limited	Unrated	Unrated	39,050	-	-	-	Not Available	
Byco Oil Pakistan Limited	Unrated	Unrated	148,809,523	1,000,000	-	1,319,332	30-Jun-16	Amir Abbasszady
Calmate Textile Telecom Limited	Unrated	Unrated	44	-	-	-	Not Available	
Central Cotton Mills Limited	Unrated	Unrated	17,864	-	-	-	Not Available	
Chansada Sugar Mills Limited	Unrated	Unrated	4,634	-	-	-	Not Available	
Chilya Corrugated Board Limited	Unrated	Unrated	22,076	-	-	-	Not Available	
Crescent Spinning Mills Limited	Unrated	Unrated	370,744	-	-	-	Not Available	
Crown Textile Mills Limited	Unrated	Unrated	161,948	-	-	-	Not Available	
Dadabhoi Leasing Company Limited	Unrated	Unrated	188,742	-	-	-	Not Available	
Dadabhoi Sack Limited	Unrated	Unrated	25,102	-	-	-	Not Available	
Engine System	Unrated	Unrated	788,500	-	-	-	Not Available	
F.T.C. Management Company Private Limited	Unrated	Unrated	80,000	250	250	34,857	June 30, 2012	Engr. Mir Fateh Sultan
Fauji Akbar Portia Marinas Terminal Limited	Unrated	Unrated	29,188,739	321,076	321,076	212,867	30-Jun-15	Mr. Ahmed Kamal Rana
Fauji Oil Terminal and Distribution Limited	Unrated	Unrated	1,088,600	10,886	10,886	21,981	June 30, 2014	LT, Gen @ M. Mustafa Khan
Fazal Vegetable Ghee Mills Private Limited	Unrated	Unrated	21,486	-	-	-	Not Available	
First Women Bank Limited	Unrated	A- / A2	7,688,441	21,100	21,100	68,275	Dec. 31, 2015	Ms. Tahira Raza
Fortune Securities Limited	Unrated	Unrated	500,000	5,000	5,000	8,334	June 30, 2012	Mr. Qasim Lakhani
Frontier Textile Mills Limited	Unrated	Unrated	50,000	500	500	272	Sep. 30, 2002	Not available
Ghafoor Textile Mills Limited	Unrated	Unrated	23,424	-	-	-	Not Available	
Ghulam M. Dadabhoi ( Dadabhoi Padube )	Unrated	Unrated	25,278	-	-	-	Not Available	
Gulistan Power Generation Limited	Unrated	Unrated	220,000	2,200	2,200	8,096	June 30, 2000	Mr. Abdul Shakoor
Gypsum Corporation	Unrated	Unrated	84,176	-	-	-	Not Available	
H. Sheikh Muhammad Hussain	Unrated	Unrated	57,634	-	-	-	Not Available	
Harun Textile Mills Limited	Unrated	Unrated	29,683	-	-	-	Not Available	
Hazara Woolen Mills Limited	Unrated	Unrated	20,000	200	200	-	Not Available	
Hyderabad Electronic	Unrated	Unrated	50,135	-	-	-	Not Available	
Industrial Development Bank of Pakistan	Unrated	Unrated	1,011	107	107	-	Not Available	
Indus Bank Limited.	Unrated	Unrated	76	-	-	-	Not Available	
Indus Polyester Company Limited	Unrated	Unrated	3	-	-	-	Not Available	
Insecta Pakistan Limited	Unrated	Unrated	50,000	-	-	315	June 30, 1997	Mr. Syed Tauqeer Haider
Inter Asia Leasing Company Limited	Unrated	Unrated	50,000	500	500	-	Not Available	
Investec Securities Limited	Unrated	Unrated	50,205	-	-	-	Not Available	
Islamabad Stock Exchange Limited	Unrated	Unrated	3,034,603	30,346	30,346	-	Not Available	
Islamic Investment Bank	Unrated	Unrated	71,339	-	-	-	Not Available	
ITTI Textile Mills Limited	Unrated	Unrated	83,418	-	-	-	Not Available	
Junaid Cotton Mills Limited	Unrated	Unrated	51,759	328	328	-	Not Available	
Kaiser Arts & Crafts Limited	Unrated	Unrated	868,959	8,395	8,395	-	Not Available	
Balance carried forward			235,567,521	1,784,038	784,038			



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Investee	Rating		No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
	JCRVIS	PACRA		2016	2015			
				Rupees in '000				
Balance brought forward			235,567,521	1,784,038	784,038			
Karachi Pipes	Unrated	Unrated	79,710	-	-	-	Not Available	
Karim Silk Mills Limited	Unrated	Unrated	9,690	-	-	-	Not Available	
Kaytex Mills (Saleem Denim Ind.)	Unrated	Unrated	82,575	-	-	-	Not Available	
Kaytex Mills Limited	Unrated	Unrated	377,800	3,778	3,778	-	Not Available	
Kohinoor Cotton Mills Private Limited	Unrated	Unrated	31,935	-	-	-	Not Available	
Kohinoor Looms Limited	Unrated	Unrated	86,366	-	-	-	Not Available	
Pakistan Stock Exchange	Unrated	Unrated	4,007,383	-	-	-	June 30, 2016	Mr. Muneeb A. Kamal
Lafayette Industries Synth.	Unrated	Unrated	46,765	-	-	-	Not Available	
Marr Fabrics Limited	Unrated	Unrated	60,246	-	-	-	Not Available	
Medi Glass Limited	Unrated	Unrated	150,404	-	-	-	Not Available	
Mehran Bank Limited	Unrated	Unrated	376,390	-	-	-	Not Available	
Mian Mohammad Sugar Mills Limited	Unrated	Unrated	87,630	15	15	-	Not Available	
Mohib Textile Mills Limited	Unrated	Unrated	507,080	-	-	-	Not Available	
Mubark Dairies Limited	Unrated	Unrated	28,227	-	-	-	Not Available	
Muslim Ghee Mills Limited	Unrated	Unrated	181,000	1,810	1,810	-	Not Available	
Myfp Video Industries Limited	Unrated	Unrated	537,300	5,373	5,373	-	Not Available	
National Asset Leasing Corporation Limited	Unrated	Unrated	135,050	14	14	-	Not Available	
National Construction Limited	Unrated	Unrated	149,999	250	250	597	June 30, 2005	Mr. Ali Mohammad Shaikh
National Film Development Corporation Limited	Unrated	Unrated	10,000	-	-	(1,825)	June 30, 2000	Mr. Sajjad Haider
National Industry Cooperative Bank of Gujrat	Unrated	Unrated	1	-	-	-	Not Available	
National Institution of Facilitation Technology (Private) Limited	Unrated	Unrated	2,266,607	1,526	1,526	28,030	June 30, 2012	Mr. Haider Wahab
National Investment Trust Limited	Unrated	AM2+	79,200	100	100	1,796	June 30, 2016	Mr. Shahid Ghaffar
National Match Ind.	Unrated	Unrated	13,398	-	-	-	Not Available	
National Woollen Mills Limited	Unrated	Unrated	18,300	183	183	-	Not Available	
Natover Lease & Refinance	Unrated	Unrated	371,674	2,602	2,602	-	Not Available	
Naveed Textile Mills	Unrated	Unrated	35,979	-	-	-	Not Available	
Newyork Poly Clinic of Karachi	Unrated	Unrated	220,133	-	-	(241)	June 30, 1998	Mr. Akhter Aziz Khan
Norrie Textile Mills	Unrated	Unrated	69,557	-	-	-	Not Available	
Nowshera Engineering Works Limited	Unrated	Unrated	18,179	41	41	-	Not Available	
Nusrat Textile Mills	Unrated	Unrated	156,134	-	-	-	Not Available	
Pak Ghee Limited	Unrated	Unrated	29,491	-	-	-	Not Available	
Pak Paper Corporation	Unrated	Unrated	52,831	-	-	-	Not Available	
Pakistan Export Finance Guarantee Agency Limited	Unrated	Unrated	1,152,938	11,529	11,529	1,152	Dec 31, 2009	Not available
Pakistan Paper Corporation Limited	Unrated	Unrated	37,250	373	373	-	Not Available	
Pakistan Telephone Cables	Unrated	Unrated	45,969	143	143	-	Not Available	
Pakistan Textile City	Unrated	Unrated	10,000,000	100,000	100,000	33,812	June 30, 2015	Mr. Muhammad Hanif Kasbati
Pakistan Tourism Development Corporation	Unrated	Unrated	10,000	100	100	24,983	June 30, 1996	Not available
Pearl Fabrics Limited	Unrated	Unrated	117,121	-	-	-	Not Available	
People Steel Mills Limited	Unrated	Unrated	1,076,880	3,276	3,276	-	Not Available	
Polyron Limited	Unrated	Unrated	76	-	-	-	Not Available	
Prudential Investment Bank	Unrated	Unrated	166,278	-	-	-	Not Available	
Punjab Building Limited	Unrated	Unrated	226,070	-	-	-	Not Available	
Punjab Cotton	Unrated	Unrated	28,648	-	-	-	Not Available	
Punjab Lamps	Unrated	Unrated	55,274	-	-	-	Not Available	
Qadri Textile Mills Limited	Unrated	Unrated	50,000	500	500	-	Not Available	
Qayyum Spinning	Unrated	Unrated	36,653	-	-	-	Not Available	
Quality Steel Works	Unrated	Unrated	1,685	-	-	-	Not Available	
RCD Ball	Unrated	Unrated	10,027	-	-	-	Not Available	
Refrigerator Manufacturing Company Limited	Unrated	Unrated	45,737	4,589	4,589	-	Not Available	
Regal Ceramics Limited	Unrated	Unrated	45,501	-	-	-	Not Available	
Rehman Cotton Mills Limited	Unrated	Unrated	1,695,800	16,958	16,958	107,895	June 30, 2011	Mr. LT. Gen. @ Ali Kuli Khan
Rex Baren Battery	Unrated	Unrated	28,564	-	-	-	Not Available	
Roush Power Pakistan Limited	Unrated	Unrated	39,729,000	132,888	132,888	870,989	June 30, 2013	Mr. Naseem Akhter
Ruby Rice and General Mills Limited	Unrated	Unrated	75,000	750	750	-	Not Available	
Sahrish Textile Mills	Unrated	Unrated	10,043	20	20	-	Not Available	
Saltex Spinning Mills	Unrated	Unrated	182,423	-	-	-	Not Available	
Shahpur Textile Mills	Unrated	Unrated	200,527	-	-	-	Not Available	
Shahyar (Oe) Textile Mills	Unrated	Unrated	40,023	-	-	-	Not Available	
Shahyar Textile Mills	Unrated	Unrated	113,161	-	-	-	Not Available	
Shoab Capital	Unrated	Unrated	100,000	271	271	544	June 30, 2000	Not available
Silfaq (International) Textile Mills	Unrated	Unrated	54,769	-	-	-	Not Available	
Sindh Alkalis Limited	Unrated	Unrated	359,369	-	-	-	Not Available	
SME Bank Limited	Unrated	B / B	6,121,095	26,950	26,950	50,986	31-12-2010	Mr. R. A Chughtai
South Asia Regional Fund	Unrated	Unrated	5,000	287	287	-	Dec 31, 07	Mr. Jean Fondamiers
Star Salica Industries Limited	Unrated	Unrated	26,650	267	267	-	Not Available	
Sunrise Textile Mills	Unrated	Unrated	7,668	-	-	-	Not Available	
Sunshine Cloth Mills	Unrated	Unrated	150,000	-	-	-	Not Available	
Sunshine Cloth Mills	Unrated	Unrated	374,721	-	-	-	Not Available	
Syed Match Ind.	Unrated	Unrated	162	2	2	-	Not Available	
Taga Pakistan Limited	Unrated	Unrated	48,450	-	-	-	Not Available	
Tariq Cotton Mills	Unrated	Unrated	21,907	-	-	-	Not Available	
Tawakkal Limited	Unrated	Unrated	57,297	-	-	-	Not Available	
Tawakkal Modaraba (Ist)	Unrated	Unrated	241,827	-	-	-	Not Available	
Transmobile Limited	Unrated	Unrated	644,508	-	-	(44)	June 30, 1997	Mr. Javed Burki
Turbo Tec Limited (Tubes)	Unrated	Unrated	86,788	-	-	-	Not Available	
Union Insurance Company of Pakistan	Unrated	Unrated	156	4	4	-	Not Available	
Unity Modaraba	Unrated	Unrated	1,000,000	28	28	-	Not Available	
Uqab Breeding Farms	Unrated	Unrated	70,778	-	-	-	Not Available	
Zafar Textiles Mills Limited	Unrated	Unrated	247,100	256	256	-	Not Available	
Zafar Textiles Mills Limited	Unrated	Unrated	34,041	-	-	-	Not Available	
Zahur Textile Mills	Unrated	Unrated	210,229	-	-	-	Not Available	
Zulsham Engineering Works Limited	Unrated	Unrated	3,300	330	330	-	Not Available	
Information System Associates Limited	Unrated	Unrated	2,300,000	1,719	-	-	Not Available	
Pakistan Stock Exchange Limited	Unrated	Unrated	6,411	11,000	11,000	-	Not Available	
			313,197,429	2,111,970	1,110,251			
			318,967,598	2,130,982	1,129,263			

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1.2 Particulars of Investments held in units of mutual funds

	Rating		No. of units held		Market value	
	JCRVIS	PACRA	2016	2015	2016	2015
					Rupees in '000	
AKD Cash Fund	Unrated	AA+(f)	1,023,413	970,683	52,470	50,010
AKD Aggressive Income Fund	Unrated	BBB+(f)	1,452,715	-	77,401	-
Atlas Money Market Fund	Unrated	AA(f)	102,626	96,281	52,796	50,015
BMA Chundrigar Road Saving Fund	Unrated	Unrated	6,070,318	-	51,234	-
Dominion Stock Fund	Unrated	Unrated	80,326	80,326	-	-
First Dawood Mutual Fund	Unrated	Unrated	1,157,674	1,157,674	-	-
HLB Money Market Fund	AA(f)	Unrated	503,777	481,029	52,378	49,974
Investec Mutual Fund	Unrated	Unrated	87,858	87,858	-	-
J.S Income Fund	Unrated	Unrated	784,354	-	78,090	-
Lakson Money Market Fund	Unrated	AA(f)	485,902	485,902	49,995	50,014
Lakson Income Fund	Unrated	A+(f)	494,374	-	51,380	-
Meezan Balanced Fund	Unrated	Unrated	-	3,543,409	-	52,797
NIT-Equity Market Opportunity Fund	Unrated	Unrated	10,045,493	10,045,493	2,746,337	2,008,898
NIT-Islamic Equity Fund	Unrated	Unrated	12,523,541	12,523,541	160,677	123,482
PICIC Energy Fund	Unrated	Unrated	-	51,327	-	590
PICIC Investment Fund	Unrated	Unrated	1,000,000	1,000,000	13,900	11,430
NAFA Government Securities Liquid Fund	Unrated	Unrated	-	15,551,135	-	162,069
NAFA Pension Fund	Unrated	Unrated	155,412	564,861	42,957	82,510
NAFA Islamic Pension Fund	Unrated	Unrated	143,487	569,824	39,757	79,281
NAFA Islamic Stock Fund	Unrated	Unrated	3,608,882	10,504,650	53,824	115,795
NAFA Money Market Fund	Unrated	AA(f)	16,630	-	168	-
NAFA Islamic Energy Fund	Unrated	Unrated	10,194,849	-	143,071	-
NAFA Government Securities Savings Fund	Unrated	AA-(f)	5,593,008	-	58,954	-
NAFA Government Securities Liquid Fund	Unrated	AAA(f)	-	4,103,580	-	42,767
			55,524,640	61,817,573	3,725,389	2,879,631

## 1.3 Particulars of Investments held in Preference shares

	Rating	Cumulative/ Non-	Rate	No. of certificates held		Market Value / Cost	
	PACRA	cumulative		2016	2015	2016	2015
	Rupees in '000						
Listed:							
Agritech Limited	Unrated	Cumulative	9.25%	3,458,756	3,458,756	6,918	10,376
Aisha Steel Mills Limited	Unrated	Cumulative	0.00%	273,699	273,699	4,434	2,264
Chenab Textile Mills Limited	Unrated	Cumulative	9.25%	10,000,000	10,000,000	31,100	15,300
Charsada Sugar Mills Limited	Unrated	Cumulative	6.00%	105	105	-	-
Summit Bank Limited	Unrated	Non-Cumulative	10.00%	14,997,640	14,997,640	149,976	149,976
Masood Textile Mills	Unrated	Floating	12.65%	5,000,000	5,000,000	44,200	44,200
Pak Elektron Limited	A+/A1	Cumulative	9.50%	10,643,642	10,643,642	106,436	106,436
				44,373,842	44,373,842	343,065	328,553
Unlisted:							
Pakistan Mercantile Exchange Limited	Unrated	-	-	-	1,300,000	-	13,000
Moro Textile Mills	Unrated	Non-Cumulative	-	19,242,000	19,242,000	192,420	192,420
Silk Bank Limited	Unrated	Non-Cumulative	-	-	80,000,000	-	200,000
				19,242,000	100,542,000	192,420	405,420

\* Cost of the above investment amounted to Rs. 633.660 million (2015: Rs. 846.66 million)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1.4 Debentures, Bonds, Participation Term Certificates and Term finance certificates

### 1.4.1 Term finance certificates

Investee	Rate of Interest	Profit payment	Maturity	Long Term Rating	No. of certificates held		Market value / Cost	
					2016	2015	2016	2015
					(Rupees in '000)			
Listed								
Bank AL Habib Limited	6 months Kibor + 0.75%	Half yearly	March 17, 2026	AA	107,000	-	541,265	-
Azgard Nine Limited	6 month Kibor + 2.4%	Half yearly	Overdue	Unrated	20,000	20,000	32,538	32,538
Bank Al-Falah Limited	15% (Fixed)	Half yearly	December 2, 2017	AA-	10,850	10,850	38,062	59,265
Faysal Bank Limited	6 months Kibor + 2.25%	Half yearly	December 27, 2017	AA-	1,000	14,200	2,515	72,452
NB Bank Limited	3 months Kibor + 1.15%	Half yearly	June 19, 2022	A+	70,000	80,000	353,626	395,762
Saudi Pak Leasing Company Limited	6 months Kibor + 1.50%	Half yearly	March 13, 2017	Unrated	10,000	10,000	27,948	27,948
Habib Bank Limited	6 months Kibor + 0.5%	Half yearly	February 19, 2026	AAA	15,500	-	1,553,564	-
Summit Bank Limited	6 months Kibor + 3.25%	Half yearly	October 27, 2018	A-(SO)	23,898	44,898	120,346	229,862
Javedan Corporation Limited	6 month Kibor + 2.25%	Half yearly	June 7, 2017	Unrated	14,000	14,000	776,250	891,425
Telecard Limited	3 months Kibor	Quarterly	December 31, 2020	Unrated	7,000	7,000	10,894	10,894
Azgard Nine Limited	6 months Kibor +1.75%	Half yearly	September 20, 2017	Unrated	4,000	4,000	6,506	6,506
							3,463,514	1,728,652
Unlisted								
Afroze Textile Industries	3 month Kibor+5% + (Floor/5.50%)	Quarterly	December 29, 2019	Unrated	12	12	-	284,000
AgriTech Limited	6 month Kibor + 1.75%	Half yearly	January 14, 2019	D	95,273	95,273	336,368	336,368
AKD Securities Limited	6 month Kibor + 2.5%	Half yearly	December 31, 2015	D	4	4	458,796	458,796
Al-Azhar Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	5,168	5,168
Al-Qaim Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	16	16	357	357
Apex Fabrics Limited	22.00%	Overdue	Overdue	Unrated	16	16	2,640	2,640
Aqma Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	3,549	3,549
Aswan Tentage & Canvas Mills Limited	22.00%	Overdue	Overdue	Unrated	1	1	3,643	3,643
Azgard Nine Limited	Zero Markup	-	March 31, 2017	D	122,697	122,697	613,485	613,485
Babri Cotton Mills	Zero Markup	Annually	December 30, 2016	Unrated	-	5	-	-
Bachani Sugar Mills Limited	22.00%	Overdue	Overdue	Unrated	28	28	15,870	23,696
Bajichistan Cotres Limited	22.00%	Overdue	Overdue	Unrated	22	22	-	-
Bankers Equity Limited	22.00%	Overdue	Overdue	Unrated	10	10	31,335	31,335
Beja Chemical Limited	22.00%	Overdue	Overdue	Unrated	24	24	24,595	24,595
Bentonite Pak Limited	22.00%	Overdue	Overdue	Unrated	31	31	3,417	3,417
Blue Star Spinning Mills Limited	22.00%	Overdue	Overdue	Unrated	17	17	2,252	2,252
Brother Steel Limited	22.00%	Overdue	Overdue	Unrated	17	17	-	-
Bunny's Limited	3 months Kibor + 2.5%	Overdue	December 6, 2012	Unrated	6,000	6,000	30,000	30,000
Colony Textile Mills Limited	Fixed 7%	Annually	December 31, 2017	Unrated	240	240	119,536	119,536
Cast-N-Link Product Limited	22.00%	Overdue	Overdue	Unrated	16	16	2,549	2,549
Chiniot Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	6	6	1,185	1,185
Danneman Fabrics Limited	22.00%	Overdue	Overdue	Unrated	14	14	3,283	3,283
Engro Fertilizer Limited	6 months Kibor + 1.7%	Half yearly	December 17, 2016	A+	-	8,291	-	-
Engro Fertilizer Limited	6 months Kibor + 2.4%	Half yearly	December 17, 2016	A+	-	2,000	-	9,447
Fauji Akbar Portia Marine Terminal Limited	Zero Markup	Half yearly	October 15, 2024		7	2	359,170	227,126
General Dairies & Food Limited	22.00%	Overdue	Overdue	Unrated	6	6	1,350	1,350
Glorix Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	1	1	924	924
Gypsum Corporation Limited	22.00%	Overdue	Overdue	Unrated	-	-	900	900
Hospitex International Limited	22.00%	Overdue	Overdue	Unrated	-	-	239	239
Independent News Paper Corp. Limited	3 month Kibor	Quarterly	March 30, 2018	B	1	1	487,474	868,806
Janana De Majocho Textile Mills Limited	Zero Markup	Annually	January 1, 2017	Unrated	-	11	-	-
Balance carried forward							2,508,085	3,058,646

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Investee	Rate of interest	Profit payment	Maturity	Long Term Rating	No. of certificates held		Market value / Cost	
					2016	2015	2016	2015
					(Rupees in '000)			
Balance brought forward						2,508,085	3,058,646	
JDW Sugar Mills Limited	3 month Kibor + 1.25%	Quarterly	June 23, 2014	A+	-	-	-	-
Kamal Ghee & Allied Industries Limited	22.00%	Overdue	Overdue	Unrated	14	14	4,238	4,238
Kiran Sugar Mills Limited*	3 month Kibor + 3.00%	Quarterly	July 6, 2016	Unrated	PENDING RECEIPT		120,000	120,000
Kiran Sugar Mills Limited	3 month Kibor + 3.00%	Quarterly	January 26, 2027	Unrated	144	144	385,227	595,227
Malk Food Industries Limited	22.00%	Overdue	Overdue	Unrated	11	11	1,401	1,401
Minaco Fabrics Limited	22.00%	Overdue	Overdue	Unrated	14	14	1,640	1,640
Moro Textile Mills Limited	8% for first 3 years and 3 month Kibor+3%	Quarterly	January 10, 2021	Unrated	20	20	188,613	188,613
Munalisa Fruit Juices	-	-	-	Unrated	2	2	1,500	1,500
Munawar Engineering Company Limited	22.00%	Overdue	Overdue	Unrated	28	28	1,306	1,306
National Sugar Industries Limited	3 month Kibor + 3.00%	Quarterly	September 3, 2016	Unrated	20	20	-	-
National Tiles & Ceramics Limited	22.00%	Overdue	Overdue	Unrated	16	16	-	-
New Allied Electronic Industries Limited,	3 month Kibor + 1.50 %	Quarterly	December 31, 2020	Unrated	1	1	1,308,738	1,308,738
Oil & Gas Investment Limited	6 month Kibor + 2%	Half yearly	May 14, 2015	Unrated	188,700	188,700	751,800	815,800
Pakistan International Airlines Corp. Limited	6 month Kibor + 1.25%	Half yearly	February 18, 2011	Unrated	594,976	594,976	12,149,456	15,035,895
Pakistan Laminates Limited	22.00%	Overdue	Overdue	Unrated	-	-	95	95
Pak Elektron Limited	3 month Kibor + 2%	Quarterly	February 24, 2020	AA	26	26	2,723,614	2,976,229
Pak Libya Holding Company Private Limited	6 month Kibor + 1.6%	Half yearly	February 7, 2016	AA	50,000	50,000	-	41,545
Parthenon private Limited	3 month Kibor + 2%	Quarterly	December 30, 2017	Unrated	10	10	1,631,635	1,631,635
Pirjee Weaving Mills Limited	22.00%	Overdue	Overdue	Unrated	16	16	401	401
Pak Hy-Oil Limited	6 months Kibor + 2.25%	Overdue	December 6, 2013	Unrated	1	1	130,000	200,000
Rehman Cotton Mills Limited	Zero Markup	Annually	December 30, 2016	Unrated	11	11	7,511	22,533
Rand Ghar Private Limited	22.00%	Outstanding	Overdue	Unrated	22	22	2,092	2,092
Raja Weaving Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	3,831	3,831
Regency Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	24	24	3,404	6,748
Sarela Cement Limited	22.00%	Overdue	Overdue	Unrated	32	32	6,033	6,033
Seri Sugar Mills Limited	22.00%	Overdue	Overdue	Unrated	24	24	5,422	5,422
Shazeb Industries Limited	22.00%	Overdue	Overdue	Unrated	14	14	1,840	1,840
Slagkot Dairies Limited	22.00%	Overdue	Overdue	Unrated	13	13	1,323	1,323
Silverland Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	6	6	1,035	1,035
Sind Textile Industries Limited	22.00%	Overdue	Overdue	Unrated	15	15	7,445	7,445
Sinsas Enterprises Limited	22.00%	Overdue	Overdue	Unrated	2	2	4,302	4,302
Star Socks International	22.00%	Overdue	Overdue	Unrated	16	16	1,799	1,799
Standard Chartered Bank Limited	Six Month Kibor +0.75%	Half yearly	AAA	AAA	86,730	86,730	334,985	434,319
Sunflo Juices Limited	22.00%	Overdue	Overdue	Unrated	28	28	748	748
Tanocraft Limited	22.00%	Overdue	Overdue	Unrated	22	22	-	-
Tawakkal Garments Industries Limited	22.00%	Overdue	Overdue	Unrated	16	16	759	759
Tharparkar Sugar Mills Limited	22.00%	Overdue	Overdue	Unrated	5	5	5,237	8,412
Turbo Tubes Limited	22.00%	Overdue	Overdue	Unrated	2	2	67	67
Ultra Engineering Industries Limited	22.00%	Overdue	Overdue	Unrated	16	16	1,126	1,126
Water and Power Development Authority	6 months Kibor + 1.75%	Half yearly	September 27, 2021	AAA	385,000	385,000	999,617	1,649,999
Walton Leather Industries Limited	22.00%	Overdue	Overdue	Unrated	38	38	2,196	2,196
Zamir Textile Mills Limited	22.00%	Overdue	Overdue	Unrated	14	14	7,516	7,516
Azgard Nine Limited	Zero Markup	-	September 20, 2017	Unrated	860	860	4,300	4,300
							23,310,337	28,156,664
							26,773,851	29,883,316

All term finance certificates have a face value of Rs. 5,000 each unless otherwise mentioned.

\* Certificates of Kiran Sugar Mills have not received yet.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1.4.2 Debentures

Investee	Terms of Redemption		Rate of Interest	Cost	
	Principal	Interest		2016	2015
				(Rupees in '000)	
Aaj Textile Mills Limited	Overdue	Overdue	14%	1,005	1,005
Aaj Textile Mills Limited	Overdue	Overdue	12.5%	270	270
Ajax Industries Limited	Overdue	Overdue	11%	1,397	1,397
Ajax Industries Limited	Overdue	Overdue	14%	269	269
Ali Asbestose Industries Limited	Overdue	Overdue	14%	175	175
Ali Asbestose Industries Limited	Overdue	Overdue	11%	1,510	1,510
Allied Marbles Industries	Overdue	Overdue	14%	23	23
Allied Marbles Industries	Overdue	-	Interest free	15	15
Azad Kashmir Mineral & Industrial Development Corporation	Overdue	Overdue	12%	3,286	3,286
Azad Kashmir Mineral & Industrial Development Corporation	Overdue	Overdue	14%	1,998	1,998
Azad Kashmir Mineral & Industrial Development Corporation	Overdue	Overdue	12.5%	2,336	2,336
Carbon Dioxide Limited	Overdue	Overdue	11%	495	495
Carbon Dioxide Limited	Overdue	Overdue	14%	95	95
Chillya Corrugated Board	Overdue	Overdue	14%	317	317
Consolidated Spinning & Textile Mills Limited	Overdue	Overdue	14%	180	180
Consolidated Sugar Mills	Overdue	Overdue	14%	1,875	1,875
Damaan Oil Mills	Overdue	Overdue	14%	204	204
Effef Industries Limited	Overdue	Overdue	14%	1,799	1,799
Effef Industries Limited	Overdue	-	Interest free	3,828	3,828
Electric Lamp Manufacturing	Overdue	Overdue	11%	75	75
Electric Lamp Manufacturing	Overdue	Overdue	14%	150	150
Hassan Tanneries Limited	Overdue	Overdue	14%	437	437
Hassan Tanneries Limited	Overdue	Overdue	12.5%	58	58
Hazara Woolen Mills	Overdue	Overdue	14%	1,148	1,148
Hydri Gas Limited	Overdue	Overdue	11%	47	47
Hydri Gas Limited	Overdue	Overdue	14%	50	50
Junaid Cotton Mills Limited	Overdue	Overdue	12.5%	165	165
Junaid Cotton Mills Limited	Overdue	Overdue	14%	470	470
Karachi Development Authority	Overdue	Overdue	12.5%	156,034	156,034
Khyber Textile Mills Limited	Overdue	Overdue	14%	1,000	1,000
Lahore Dyeing & Printing Mill	Overdue	Overdue	11%	1,013	1,013
Mansoor Textile Mills	Overdue	Overdue	14%	510	510
Morgah Valley Limited	Overdue	Overdue	11%	400	400
Morgah Valley Limited	Overdue	Overdue	14%	160	160
National Woolen Mills	Overdue	Overdue	14%	66	66
Pakistan Paper Corporation	Overdue	Overdue	11%	506	506
Progressive Tobacco Co.	Overdue	Overdue	14%	144	144
Qadri Textile Mills Limited	Overdue	Overdue	14%	489	489
Regal Ceramics Limited	Overdue	Overdue	14%	105	105
Rising Sun Knitwear Industries	Overdue	Overdue	14%	57	57
Rose Textile Mills Limited	Overdue	Overdue	14%	740	740
Sarhad Bricks Limited	Overdue	Overdue	11%	543	543
Sarhad Bricks Limited	Overdue	Overdue	14%	102	102
Shafaq Lamp Manufacturing Corporation	Overdue	Overdue	11%	368	368
Shafaq Lamp Manufacturing Corporation	Overdue	Overdue	14%	83	83
Shahdin Limited	Overdue	Overdue	14%	163	163
Shahyar Textile Mills Limited	Overdue	Overdue	14%	280	280
Spinzer Towel Industries Limited	Overdue	Overdue	12.5%	200	200
Spinzer Towel Industries Limited	Overdue	Overdue	14%	175	175
Sun Publications Limited	Overdue	Overdue	13.5%	178	178
Zulsham Engineering Works Limited	Overdue	Overdue	14%	236	236
				187,229	187,229

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 1.4.3 Participation Term Certificate

Investee	Number of certificate(s)	Rate of interest	Paid - up value per certificate Rupees	Cost	
				2016 (Rupees in '000)	2015
Ali Paper Industries Limited	13	17%	261,000	3,393	3,393
Alipure Jute Mills Limited	53	17%	172,113	7,081	7,081
American Marbals Limited	12	17%	104,167	448	448
Azmat Oil Industries Limited	1	17%	226,000	226	226
Annis Garments Limited	12	17%	32,917	395	395
Bhawalpur Board Mills Limited	14	17%	137,000	1,918	1,918
Bela Chemicals limited	1	17%	10,500,000	10,500	10,500
Calcium Limited	1	17%	300,000	300	300
Dadabhoy Cement Limited	1	17%	11,601,000	7,303	7,303
Delta Tyre & Rubber Company Limited	7	17%	268,714	1,118	1,118
Gypsum Corporation Limited	32	17%	32,594	1,043	1,043
Ittehad Industries Limited	1	17%	600,000	451	451
Jubilee Paper Board Mills	16	17%	431,938	4,415	4,415
Kamal Enterprises Limited	17	17%	64,294	1,093	1,093
Khattak Edible Oil Limited	15	17%	82,467	1,237	1,237
Meditex International Limited	15	17%	87,800	508	508
Morgah Valley Limited	16	17%	29,250	468	468
National Fructose Limited	11	17%	550,818	3,215	3,215
Pak Belt Industries Limited	13	17%	94,692	757	757
Pangrio Sugar Mills Limited	29	17%	442,586	4,433	4,433
Punjab Building Products	12	17%	121,500	1,458	1,458
Punjab Cables Mills Limited	12	17%	388,667	3,833	3,833
Rainbow Packages Limited	23	17%	122,174	2,223	2,223
Sampak Paper Board Mills	11	17%	14,909	165	165
Sarela Cement Limited	35	17%	406,629	14,232	14,232
Shafi Woolen Industries Limited	11	17%	89,455	490	490
Sindh Glass Industries Limited	17	17%	598,765	9,457	9,457
Star Silica Industries Limited	15	17%	137,467	1,803	1,803
United Wood (Veener) Limited	15	17%	51,000	727	727
Waziristan Oil Industries Limited	13	17%	88,385	1,094	1,094
Zafar Oil Industries Limited	11	17%	65,455	720	720
Treet Corporation Limited	7,729,500	6.95 perTCLTC	33	121,796	154,885
				<b>208,300</b>	<b>241,389</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## 1.4.4 Investment in Sukuk

Investee	Terms of Redemption		Rate of Interest %	Market Value / Cost	
	Principal	Interest		2016	2015
				————(Rupees in '000)————	
Water and Power Development Authority	Bi-Annual	Bi-Annual	6 month Kibor - 0.25%	77,637	152,242
Quetta Textile Mills Limited	Quarterly	Quarterly	3 month Kibor + 1.75%	193,652	198,622
Pakistan International Airlines Corp. Limited	Bi-Annual	Bi-Annual	6 month Kibor + 1.75%	550,000	550,000
K- Electric Limited	Quarterly	Quarterly	3 month Kibor + 1%	2,061,352	2,055,000
Maple Leaf Cement Limited	Quarterly	Quarterly	3 months Kibor + 1.7%	-	225
Neelum Jhelum Hydropower Limited	Bi-Annual	Bi-Annual	6 month Kibor + 1.13%	19,500,000	-
				22,382,641	2,956,089
Islamic Banking					
Other Islamic Sukuk					
Water and Power Development Authority	Bi-Annual	Bi-Annual	6 Month Kibor - 0.25%	4,167	8,334
Security Leasing Limited	Monthly	Monthly	0%	30,807	30,807
Fatima Fertilizer Limited	Bi-Annual	Bi-Annual	6 month Kibor + 1.10%	1,000,000	-
Arzoo Textile Limited	Bi-Annual	Bi-Annual	6 month Kibor + 2.0%	100,000	100,000
Neelum-Jhelum Hydropower Plant	Bi-Annual	Bi-Annual	6 month Kibor + 1.13%	3,250,000	-
Pakistan International Airlines Corp. Limited	On Maturity	Bi-Annual	6 month Kibor + 1.75%	175,000	175,000
Sui Sothem Gas Company Limited	Bi-Annual	Bi-Annual	6 month Kibor + 0.50%	2,000,000	-
				6,559,974	314,141
GoP Ijara Sukuk					
GoP Ijara Sukuk	On Maturity	Bi-Annual	6 M T-bills	9,329,262	980,684
Total Islamic Banking				15,889,236	1,294,825
				38,271,877	4,250,914

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

### 1.4.5 Foreign Currency Debt Securities

Investee	Terms of Redemption		Rate of Interest %	Market Value / Cost	
	Principal	Interest		2016	2015
				(Rupees in '000)	
Goldman Sachs Group	On Maturity	Bi-Annual	3.63%	-	105,107
Goldman Sachs Group	On Maturity	Bi-Annual	5.35%	-	104,975
Goldman Sachs Group	On Maturity	Bi-Annual	7.50%	231,769	240,152
Goldman Sachs Group	On Maturity	Bi-Annual	6.15%	440,192	227,947
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.50%	105,294	109,090
Merrill Lynch & Co.	On Maturity	Bi-Annual	6.40%	323,617	336,480
Bank of America	On Maturity	Quarterly	6.88%	122,353	127,229
Lloyds TSB Bank	On Maturity	Quarterly	2.00%	208,779	209,638
CitiGroup Inc.	On Maturity	Bi-Annual	1.85%	209,615	209,680
CitiGroup Inc.	On Maturity	Bi-Annual	6.13%	217,314	224,939
CitiGroup Inc.	On Maturity	Bi-Annual	1.75%	208,751	-
Morgan Stanley	On Maturity	Bi-Annual	4.75%	200,248	206,240
Bank of America	On Maturity	Bi-Annual	5.63%	115,011	116,327
Bank of America	On Maturity	Bi-Annual	6.88%	255,899	265,463
Lloyds TSB Bank	On Maturity	Bi-Annual	4.88%	-	210,121
JP Morgan Chase & Co.	On Maturity	Bi-Annual	6.00%	109,222	-
				2,748,064	2,693,387



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## Annexure II as referred to in Note 10.7 to the consolidated financial statements

### Statement Showing Written-off Loans Or Any Other Financial Relief Of Five Hundred Thousand Rupees Or Above Provided From January To December 2016

(Rupees in Millions)

Sl. No.	Name & Address of the borrower	Name of Individuals/Partners/ Directors with NIC No.	Fathers/Husband's name.	Outstanding liabilities at beginning of year				Principal written-off	Interest/ Mark-up written off.	Other financial relief/waiver provided.	Total (9+10+11)
				Principal	Interest/ mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12
1	Khalid Rasheed Dar G.T Road Near Noori Masjid Kot Shahab Din Shahdara Lahore	Khalid Rasheed Dar 35202-8965803-8	Abdul Rashid Dar	0,445	1,229	0,069	1,743	-	-	1,212	1,212
2	Muhammad Nawaz Dhakkam Pura Post office Mannu Abad, Muridke, District Sheikhupura	Muhammad Nawaz 35401-4195225-8	Muhammad Hayat	0,400	0,707	0,060	1,167	-	-	0,687	0,687
3	Ashraf Ali P.O Faiz Pur Khurd Feroz Wala Sheikhupura	Ashraf Ali 35401-2941955-7	Rohmat Ali Sattar	0,475	0,913	0,067	1,455	-	-	0,913	0,913
4	Ijaz Ahmed Khan Village Nangal Saidan Post Office Khass Tehsil Feroz Wala District Sheikhupura	Ijaz Ahmed Khan 35401-6597059-5	Karim Dad Khan	0,279	0,511	0,055	0,845	-	-	0,511	0,511
5	M/s Shiwali Graphic Industry, 143-B Small Industries Estate Sahiwal	Hameed Raza Sheikh 36502-6424210-3	Sh. Abdul Hameed	0,449	1,694	0,066	2,209	-	-	0,664	0,664
6	M/s Ghulam Safdar & Brothers	Ghulam Sanwar 36402-8774802-3  Ghulam Safdar 36402-8480735-3	Nawab Ali	-	3,992	0,186	3,778	-	-	0,773	0,773
7	Muhammad Yousaf Cheema R/o New Cheema Wala, Sialkot	Muhammad Yousaf Cheema 34603-2204275-5	Ghulam Hussain	1,815	-	1,354	3,169	-	-	1,091	1,091
8	Zeeshaan Nazeer R/o College Road, Daska Sialkot	Zeeshaan Nazeer 34601-9574517-5	Nazeer Ahmed	4,299	-	1,642	5,941	-	-	1,562	1,562
9	Muhammad Younas R/O Daska, Sialkot	Muhammad Younas s/o Muhammad Jmal 34601-3382659-5	Muhammad Jmal	1,836	0,128	1,088	3,052	-	-	0,902	0,902
10	M/s BNN Enterprises Room No/Mes Inspection, Banglow 4-1, R4 Road, Quetta Cantt.	Col. (Retd.) Bashir Ahmed 37405-6042557-5	Haji Lal Mir Khan	-	2,295	0,086	2,381	-	-	2,295	2,295
11	M/s Ammar Textiles (Pvt) Limited 18-Km Multan Road, Lahore	Khawaja Bilal Ahmad 35202-2969902-7 Mrs. Sameena Bilal 35200-1448248-4	Muhammad Mohiuddin  Khawaja Bilal Ahmad	315,246	70,529	1,371	387,146	265,486	-	71,900	337,386
12	M/s Nilus Pvt Ltd, House No.5-B, Street No.53, F-7/3, Islamabad	Ali Siddique 61101-1870166-5  Mrs. Farhat Sohail 61101-1751066-2	Muhammad Siddique  W/o Sohail Siddique	22,712	0,214	7,771	30,697	-	-	4,000	4,000
				347,956	81,812	13,815	443,583	265,486	-	86,510	351,996

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## Annexure ■ as referred to in Note 11.6 to the consolidated financial statements

### Details of disposals of property and equipment

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser
(Rupees in '000)						
Furniture & Fixtures	125	65	65	-	As per Service Rules	Syed Abdul Qadir, Ex-Employee
Furniture & Fixtures	125	62	62	-	As per Service Rules	Sayed Aqueel Hussain, Ex-Employee
Furniture & Fixtures	125	2	2	-	As per Service Rules	Zahoor Ahmed Gishkori, Ex-Employee
Furniture & Fixtures	150	75	75	-	As per Service Rules	Liaquat Hussain Seyyal, Ex-Employee
Furniture & Fixtures	125	73	73	-	As per Service Rules	Muhammad Ashraf, Ex-Employee
Furniture & Fixtures	125	3	3	-	As per Service Rules	Jehngir Khan, Ex-Employee
Furniture & Fixtures	125	27	27	-	As per Service Rules	Muhammad Javed Khan, Ex-Employee
Furniture & Fixtures	125	115	115	-	As per Service Rules	Ataulah Malik, Ex-Employee
Furniture & Fixtures	125	102	102	-	As per Service Rules	Shahid Ahmed Siddiqui, Ex-Employee
Furniture & Fixtures	125	20	20	-	As per Service Rules	Azhar Hussain Zuberi, Ex-Employee
Furniture & Fixtures	150	75	75	-	As per Service Rules	Raja Sheraz Akhtar, Ex-Employee
Furniture & Fixtures	125	70	70	-	As per Service Rules	Nisar Ahmed, Ex-Employee
Furniture & Fixtures	125	60	60	-	As per Service Rules	Mahar Shoukat Hussain, Ex-Employee
Furniture & Fixtures	125	20	20	-	As per Service Rules	Syed Rizwan Shahid, Ex-Employee
Furniture & Fixtures	125	80	80	-	As per Service Rules	Javed Iqbal, Ex-Employee
Furniture & Fixtures	300	5	5	-	As per Service Rules	Tariq Taj, Ex-Employee
Furniture & Fixtures	125	73	73	-	As per Service Rules	Abdul Rasheed, Ex-Employee
Furniture & Fixtures	150	13	13	-	As per Service Rules	Farouq Anwar Khawaja, Ex-Employee
Furniture & Fixtures	125	48	48	-	As per Service Rules	Ali Asghar, Ex-Employee
Furniture & Fixtures	125	18	18	-	As per Service Rules	Rao Muhammad Qadeer, Ex-Employee
Furniture & Fixtures	125	88	88	-	As per Service Rules	Ashraf Hussain Khan, Ex-Employee
Furniture & Fixtures	125	90	90	-	As per Service Rules	Sajjad Hussain Khan, Ex-Employee
Furniture & Fixtures	125	73	73	-	As per Service Rules	Muhammad Ayyaz Khan, Ex-Employee
Furniture & Fixtures	150	23	23	-	As per Service Rules	Muhammad Irshad Hussain, Ex-Employee
Furniture & Fixtures	125	90	90	-	As per Service Rules	Abdul Sattar, Ex-Employee
Furniture & Fixtures	125	75	75	-	As per Service Rules	Muhammad Bashir, Ex-Employee
Furniture & Fixtures	125	79	79	-	As per Service Rules	Munir Ahmed Awan, Ex-Employee
Furniture & Fixtures	125	98	98	-	As per Service Rules	Raja Jamil Ahmed, Ex-Employee
Furniture & Fixtures	125	123	123	-	As per Service Rules	Anwer Zeb, Ex-Employee
Furniture & Fixtures	125	98	98	-	As per Service Rules	Muhammad Munir, Ex-Employee
Furniture & Fixtures	150	73	73	-	As per Service Rules	Zahid Iqbal, Ex-Employee
Furniture & Fixtures	125	123	123	-	As per Service Rules	Taj Muhammad, Ex-Employee
Furniture & Fixtures	125	123	123	-	As per Service Rules	Muhammad Izhar Khan, Ex-Employee
Furniture & Fixtures	125	23	23	-	As per Service Rules	Ghulam Qadir Khattai, Ex-Employee
Furniture & Fixtures	125	94	94	-	As per Service Rules	Mohammad Javaid, Ex-Employee
Furniture & Fixtures	125	57	57	-	As per Service Rules	Mohammad Rauf Tahir, Ex-Employee
Furniture & Fixtures	125	28	28	-	As per Service Rules	Abdul Razzaque, Ex-Employee
Furniture & Fixtures	150	71	71	-	As per Service Rules	M. Akhtar Abbasi, Ex-Employee
Furniture & Fixtures	125	125	125	-	As per Service Rules	Shafqat Mahmood, Ex-Employee
Furniture & Fixtures	175	-	-	-	As per Service Rules	Gulzar A. Sanghar, Ex-Employee
Furniture & Fixtures	125	94	94	-	As per Service Rules	Abdul Saeed Khan, Ex-Employee
Furniture & Fixtures	125	94	94	-	As per Service Rules	Asad Iqbal, Ex-Employee
Furniture & Fixtures	125	90	90	-	As per Service Rules	Javed Iqbal, Ex-Employee
Furniture & Fixtures	125	115	115	-	As per Service Rules	Zaheer Uddin, Ex-Employee
Furniture & Fixtures	125	43	43	-	As per Service Rules	Asrar Ahmed, Ex-Employee
Furniture & Fixtures	125	21	21	-	As per Service Rules	A. Razzaq Khan, Ex-Employee
Furniture & Fixtures	125	15	15	-	As per Service Rules	Munawar Ali Soomro, Ex-Employee
Furniture & Fixtures	125	100	100	-	As per Service Rules	Nasir Ud Din Alqotoshi, Ex-Employee
Furniture & Fixtures	125	125	125	-	As per Service Rules	Muhammad Ashfaq, Ex-Employee
Furniture & Fixtures	125	24	24	-	As per Service Rules	Muhammad Yaseen, Ex-Employee
Furniture & Fixtures	125	57	57	-	As per Service Rules	Muhammad Saeed, Ex-Employee
Furniture & Fixtures	125	53	53	-	As per Service Rules	Muhammad Akram Khan, Ex-Employee
Furniture & Fixtures	150	42	42	-	As per Service Rules	Amanullah Malik, Ex-Employee
Furniture & Fixtures	125	35	35	-	As per Service Rules	M. Nasir Khan, Ex-Employee
Furniture & Fixtures	150	83	83	-	As per Service Rules	Rao Muhammad Tariq Saqib, Ex-Employee
Furniture & Fixtures	125	15	15	-	As per Service Rules	Muhammad Ilyas Sheikh, Ex-Employee
Furniture & Fixtures	125	69	69	-	As per Service Rules	Shabbir Ahmed, Ex-Employee
Furniture & Fixtures	125	96	96	-	As per Service Rules	Khawar Karim, Ex-Employee
Furniture & Fixtures	125	15	15	-	As per Service Rules	Aftab Ahmed Baig, Ex-Employee
Furniture & Fixtures	125	52	52	-	As per Service Rules	Sardar Muhammad, Ex-Employee
Furniture & Fixtures	125	92	92	-	As per Service Rules	Rashid Ahmed, Ex-Employee
Furniture & Fixtures	125	53	53	-	As per Service Rules	Ajmal Hussain Jokhio, Ex-Employee
Furniture & Fixtures	125	35	35	-	As per Service Rules	Akhtar Ali Javed, Ex-Employee
Furniture & Fixtures	125	94	94	-	As per Service Rules	Iqbal Masood, Ex-Employee
Furniture & Fixtures	150	12	12	-	As per Service Rules	Abid Hussain Siddiqui, Ex-Employee
Furniture & Fixtures	125	13	13	-	As per Service Rules	Syde Raees Ahmed, Ex-Employee
Furniture & Fixtures	125	67	67	-	As per Service Rules	Abdul Salam, Ex-Employee
Furniture & Fixtures	125	17	17	-	As per Service Rules	Sarir Ud Din, Ex-Employee
Furniture & Fixtures	125	88	88	-	As per Service Rules	Muhammad Ilyas, Ex-Employee
Furniture & Fixtures	125	67	67	-	As per Service Rules	Ghulam Mustafa Khan, Ex-Employee
Furniture & Fixtures	150	52	52	-	As per Service Rules	Tanvir Hussain, Ex-Employee

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser
(Rupees in '000)						
Furniture & Fixtures	125	52	52	-	As per Service Rules	Gul Muhammad Khan Ex-Employee
Furniture & Fixtures	125	69	69	-	As per Service Rules	Rana Muhammad Ikram Ex-Employee
Furniture & Fixtures	12,734	5,019	5,019	-	Insurance Claim	Adamjee Insurance Company Limited
Furniture & Fixtures	1,813	21	21	-	Insurance Claim	Adamjee Insurance Company Limited
	24,147	9,542	9,542	-		
Computer Equipment	122	31	31	-	As per entitlement	Akbar Hassan Khan Ex-Employee
Computer Equipment	100	18	18	-	As per entitlement	Akbar Hassan Khan Ex-Employee
Computer Equipment	143	-	-	-	As per entitlement	M. Nusrat Vohra Ex-Employee
Computer Equipment	4,862	2,117	2,117	-	Insurance Claim	Adamjee Insurance Company Limited
Computer Equipment	1,901	-	-	-	Insurance Claim	Adamjee Insurance Company Limited
Computer Equipment	4,437	862	862	-	Insurance Claim	Adamjee Insurance Company Limited
Computer Equipment	1,567	498	498	-	Insurance Claim	Adamjee Insurance Company Limited
Computer Equipment	1,019	472	472	-	Insurance Claim	Adamjee Insurance Company Limited
Computer Equipment	1,010	572	572	-	Insurance Claim	Adamjee Insurance Company Limited
	15,161	4,569	4,569	-		
Electrical Installations	680	-	-	-	As per entitlement	M. Nusrat Vohra Ex-Employee
Electrical Installations	728	347	347	-	Insurance Claim	Adamjee Insurance Company Limited
Electrical Installations	1,008	469	469	-	Insurance Claim	Adamjee Insurance Company Limited
Electrical Installations	3,128	805	805	-	Insurance Claim	Adamjee Insurance Company Limited
Office Equipment	73	53	53	-	As per entitlement	Raza Mohsin Qizilbash Ex-Employee
Office Equipment	101	-	-	-	As per entitlement	Malik Aamir Sultan Ex-Employee
Office Equipment	134	22	22	-	As per entitlement	Raza Mohsin Qizilbash Ex-Employee
Office Equipment	94	51	51	-	As per entitlement	M. Nusrat Vohra Ex-Employee
	5,945	1,747	1,747	-		
Motor Vehicles	1,673	781	781	-	As per entitlement	Pir Muhammad Ex-Employee
Motor Vehicles	1,538	589	589	-	As per entitlement	Malik Amir Sultan Ex-Employee
Motor Vehicles	424	-	335	335	Auction	Mr. Asif Auctioneer
Motor Vehicles	664	-	540	540	Auction	S. Abdul Qadir Auctioneer
Motor Vehicles	550	-	410	410	Auction	M. Shafiq Auctioneer
Motor Vehicles	550	-	435	435	Auction	Islamuddin Auctioneer
Motor Vehicles	550	-	430	430	Auction	Shahid Salman Auctioneer
Motor Vehicles	699	-	490	490	Auction	Asif Ali Abro Auctioneer
Motor Vehicles	790	-	505	505	Auction	M. Shuja Hussain Auctioneer
Motor Vehicles	790	-	530	530	Auction	Anjum Auctioneer
Motor Vehicles	863	-	585	585	Auction	Rashid Baig Auctioneer
Motor Vehicles	584	-	530	530	Auction	A. Asghar Auctioneer
Motor Vehicles	879	-	790	790	Auction	Shakeel Auctioneer
Motor Vehicles	879	-	805	805	Auction	Anjum Auctioneer
Motor Vehicles	879	-	930	930	Auction	A. Kabir Khan Auctioneer
Motor Vehicles	910	-	900	900	Auction	Shahrukh Hussain Auctioneer
Motor Vehicles	910	-	830	830	Auction	Mohd. Hanif Auctioneer
Motor Vehicles	910	-	815	815	Auction	Shahrukh Hussain Auctioneer
Motor Vehicles	1,239	-	855	855	Auction	M/S Anis Traders Auctioneer
Motor Vehicles	1,875	-	1,030	1,030	Auction	Jawed Khan Auctioneer
Motor Vehicles	1,039	-	1,380	1,380	Auction	Rashid Khan Auctioneer
Motor Vehicles	1,559	-	1,340	1,340	Auction	Asif Ali Abro Auctioneer
Motor Vehicles	434	-	435	435	Auction	Muhammad Abbas Auctioneer
Motor Vehicles	830	-	490	490	Auction	M. Shahbaz Auctioneer
Motor Vehicles	830	-	490	490	Auction	Nawaz Khan Auctioneer
Motor Vehicles	555	-	440	440	Auction	Haji Mehboob Ahmed Auctioneer
Motor Vehicles	555	-	460	460	Auction	M. Umer Auctioneer
Motor Vehicles	627	-	495	495	Auction	Col. Retd. Ahmed Nehal Jafri Auctioneer
Motor Vehicles	627	-	565	565	Auction	Abdul Khalid Auctioneer
Motor Vehicles	627	-	455	455	Auction	A. Kaleem Auctioneer
Motor Vehicles	627	-	490	490	Auction	Mehtab khattak Auctioneer
Motor Vehicles	829	-	550	550	Auction	Muhammad Saleem Auctioneer
Motor Vehicles	829	-	575	575	Auction	Muhammad Hanif Auctioneer
Motor Vehicles	829	-	580	580	Auction	Muhammad Ishaq Auctioneer
Motor Vehicles	830	-	560	560	Auction	Rana Abdul Samad Auctioneer
Motor Vehicles	830	-	610	610	Auction	Furqan Ahmed Siddiqi Auctioneer
Motor Vehicles	680	-	605	605	Auction	Hassanuddin Auctioneer
Motor Vehicles	680	-	580	580	Auction	Muhammad Hanif Auctioneer
Motor Vehicles	680	-	655	655	Auction	Saad Bin Khalid Auctioneer
Motor Vehicles	879	-	765	765	Auction	Muhammad Saleem Auctioneer
Motor Vehicles	1,899	-	1,200	1,200	Auction	Syed Azhar Hussain Kazmi Auctioneer
Motor Vehicles	1,559	-	1,450	1,450	Auction	Khursheed ahmed Auctioneer
Motor Vehicles	830	-	465	465	Auction	Ifthikhar Ahmed Auctioneer
Motor Vehicles	627	-	470	470	Auction	Faisal Khan Auctioneer
Motor Vehicles	829	-	465	465	Auction	Ahmed Ali Auctioneer
Motor Vehicles	829	-	510	510	Auction	Imran Mushtaq Auctioneer
Motor Vehicles	829	-	530	530	Auction	Naveed Muhammad Hanif Auctioneer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser
(Rupees in '000)						
Motor Vehicles	829	-	465	465	Auction	Muhammad Farrukh,
Motor Vehicles	829	-	450	450	Auction	Tabish Hyder Sheikh
Motor Vehicles	830	-	560	560	Auction	Shakil Ahmed,
Motor Vehicles	830	-	550	550	Auction	M.Ejaz ul Haq Siddiqui
Motor Vehicles	830	-	575	575	Auction	Muhammad Sohail Zaman
Motor Vehicles	753	-	315	315	Auction	Mubashir Nasir Siddiqui
Motor Vehicles	1,239	-	970	970	Auction	Muhammad Gulzar Khan
Motor Vehicles	602	-	560	560	Auction	Fayyaz Ahmed
Motor Vehicles	77	-	40	40	Auction	Muhammad Hussain
Motor Vehicles	54	-	36	36	Auction	Asgher Ali Rizvi
Motor Vehicles	54	-	34	34	Auction	M.Ayazuddin
Motor Vehicles	54	-	34	34	Auction	Latif Ahmed
Motor Vehicles	54	-	33	33	Auction	Muhammad Iftikhar
Motor Vehicles	54	-	39	39	Auction	Rahimullah Khan
Motor Vehicles	77	-	37	37	Auction	Hassan
Motor Vehicles	54	-	36	36	Auction	Faiz A.Bashir
Motor Vehicles	54	-	41	41	Auction	Faiz A.Bashir
Motor Vehicles	830	-	459	459	Auction	Sharif Mughal
Motor Vehicles	830	-	468	468	Auction	Mubeen
Motor Vehicles	830	-	464	463	Auction	Awais Lateef
Motor Vehicles	830	-	522	522	Auction	Muhammad Hussain
Motor Vehicles	830	-	567	567	Auction	Khuda Dad
Motor Vehicles	829	-	464	463	Auction	Noor-UI-Ameen
Motor Vehicles	555	-	369	369	Auction	Habib Ur Rehman
Motor Vehicles	434	-	306	306	Auction	Zafar Abbas
Motor Vehicles	830	-	509	508	Auction	Khalid Mehmood
Motor Vehicles	830	-	581	580	Auction	Faisal Hayat
Motor Vehicles	830	-	477	477	Auction	Fahd Khan
Motor Vehicles	830	-	473	472	Auction	Muhammad Ali Khan
Motor Vehicles	830	-	504	504	Auction	Aftab Ahmed
Motor Vehicles	830	-	527	526	Auction	Abrar Hussain
Motor Vehicles	906	-	572	571	Auction	Farooq Naeem
Motor Vehicles	830	-	477	477	Auction	Muhammad Jaffer
Motor Vehicles	906	-	567	567	Auction	Sarrrd Ullah Akbar
Motor Vehicles	906	-	522	522	Auction	Khalid Mehmood
Motor Vehicles	830	-	450	450	Auction	Raja Jahangir
Motor Vehicles	830	-	590	589	Auction	Muhammad Zubair
Motor Vehicles	906	-	500	499	Auction	Mubeen Ur Rehman
Motor Vehicles	906	-	513	513	Auction	Shamsher Hussain
Motor Vehicles	906	-	491	490	Auction	Muhammad Siddique
Motor Vehicles	555	-	392	391	Auction	Mehmood Asif
Motor Vehicles	830	-	554	553	Auction	Muhammad Siddique
Motor Vehicles	830	-	464	463	Auction	Mohsin Ali Raza
Motor Vehicles	434	-	450	450	Auction	Muhammad Shehzad
Motor Vehicles	1,900	-	180	180	Auction	Habibur Rehman
Motor Vehicles	678	-	450	450	Auction	Muhammad Irfan
Motor Vehicles	297	-	311	310	Auction	Habibur Rehman
Motor Vehicles	1,040	-	797	796	Auction	Zeeshan Baig
Motor Vehicles	830	-	545	544	Auction	Muhammad Naeem
Motor Vehicles	830	-	491	490	Auction	Nafees Ahmed Satti
Motor Vehicles	830	-	441	441	Auction	Muhammad Ejaz Khan
Motor Vehicles	906	-	621	621	Auction	Muhammad Hussain Khan
Motor Vehicles	434	-	342	342	Auction	Muhammad Hussain Khan
Motor Vehicles	830	-	554	554	Auction	Muhammad Ayaz
Motor Vehicles	830	-	419	418	Auction	Umer Junaid Baig
Motor Vehicles	830	-	459	459	Auction	Tariq Zaman Abbasi
Motor Vehicles	906	-	603	603	Auction	Raza Khan
Motor Vehicles	830	-	468	468	Auction	Muhammad Siddique
Motor Vehicles	830	-	468	468	Auction	Hujhat Badshah
Motor Vehicles	830	-	468	468	Auction	Junaid James Khokhar
Motor Vehicles	906	-	495	495	Auction	Sajid Gondal
Motor Vehicles	1,050	-	630	630	Auction	Shamshair Hussain
Motor Vehicles	906	-	495	495	Auction	Mohsin Ali
Motor Vehicles	1,239	-	765	765	Auction	Abrar Hussain
Motor Vehicles	906	-	473	472	Auction	Munnawar Tariq
Motor Vehicles	830	-	495	495	Auction	Naheed Gul
Motor Vehicles	906	-	504	504	Auction	Muhammad Anwer Jarra
Motor Vehicles	906	-	495	495	Auction	Abdul Saeed Jan
Motor Vehicles	829	-	500	499	Auction	Raza Khan
Motor Vehicles	906	-	608	607	Auction	Nasir Iftikhar Janjua
Motor Vehicles	906	-	491	490	Auction	Muhammad Shahbaz
Motor Vehicles	906	-	563	562	Auction	Muhammad Hussain
Motor Vehicles	906	-	495	495	Auction	Raja Jahangir Ali
Motor Vehicles	906	-	482	481	Auction	Ehsan Ul Haq



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser	
(Rupees in '000)							
		-					
Motor Vehicles	906	-	603	603	Auction	Abrar Hussain	Auctioneer
Motor Vehicles	906	-	549	549	Auction	Ishfaq Ahmed	Auctioneer
Motor Vehicles	906	-	495	495	Auction	Khan Baz Jarra	Auctioneer
Motor Vehicles	906	-	608	607	Auction	Khuram Memboob	Auctioneer
Motor Vehicles	627	-	500	499	Auction	Abrar	Auctioneer
Motor Vehicles	678	-	374	373	Auction	Umer Latif	Auctioneer
Motor Vehicles	664	-	554	553	Auction	Abdul Qayum	Auctioneer
Motor Vehicles	906	-	477	477	Auction	Raza Khan	Auctioneer
Motor Vehicles	906	-	576	576	Auction	Muhammad Shehzad	Auctioneer
Motor Vehicles	906	-	560	559	Auction	Karamat Hussain	Auctioneer
Motor Vehicles	906	-	540	540	Auction	Muhammad Anwar Jarra	Auctioneer
Motor Vehicles	906	-	594	594	Auction	Shehzad Iqbal	Auctioneer
Motor Vehicles	906	-	558	558	Auction	Shamshair Hussain	Auctioneer
Motor Vehicles	1,720	-	900	900	Auction	Muhammad Irfan	Auctioneer
Motor Vehicles	906	-	545	544	Auction	Muhammad Asghar	Auctioneer
Motor Vehicles	906	-	567	567	Auction	Usaman Ahmed	Auctioneer
Motor Vehicles	830	-	531	531	Auction	Muhammad Rashid	Auctioneer
Motor Vehicles	1,239	-	990	990	Auction	Syed Anjum Naseer	Auctioneer
Motor Vehicles	830	-	599	598	Auction	Muhammad Shehzad	Auctioneer
Motor Vehicles	10	-	13	13	Auction	Shaukat Ali	Auctioneer
Motor Vehicles	1,239	-	887	886	Auction	Muhammad Hussain	Auctioneer
Motor Vehicles	555	-	680	680	Insurance Claim	National Insurance Co.Ltd	
Motor Vehicles	555	-	705	705	Insurance Claim	National Insurance Co.Ltd	
Motor Vehicles	555	-	510	510	Insurance Claim	National Insurance Co.Ltd	
Motor Vehicles	1,384	277	277	-	As per entitlement	M,Tariq Khattak	Employee
Motor Vehicles	2,088	591	591	-	As per entitlement	Asif Hassan	Ex-Employee
Motor Vehicles	1,269	127	127	-	As per entitlement	Yasir Ishaq Ansari	Employee
Motor Vehicles	1,269	127	127	-	As per entitlement	Pervez Rahim	Employee
Motor Vehicles	1,424	285	285	-	As per entitlement	Imran Jaffery	Employee
Motor Vehicles	1,424	285	285	-	As per entitlement	Wajahat A Malik	Employee
Motor Vehicles	1,480	148	148	-	As per entitlement	Mohsin Furqan	Employee
Motor Vehicles	1,424	285	285	-	As per entitlement	Farooq Hassan	Employee
Motor Vehicles	1,300	130	130	-	As per entitlement	Ahmed Nehal Jafri	Ex-Employee
Motor Vehicles	1,399	275	275	-	As per entitlement	Saeed Habib	Employee
Motor Vehicles	1,269	127	127	-	As per entitlement	Dr Qadir Baksh	Employee
Motor Vehicles	890	89	89	-	As per entitlement	Mukhtiar A Mangi	Ex-Employee
Motor Vehicles	999	124	124	-	As per entitlement	Farooq Anwar Khawaja	Employee
Motor Vehicles	1,608	322	322	-	As per entitlement	Akbar Hassan Khan	Ex-Employee
Motor Vehicles	1,269	124	124	-	As per entitlement	Zahid Iqbal	Employee
Motor Vehicles	1,608	322	322	-	As per entitlement	Aamir Sattar	Employee
Motor Vehicles	1,424	332	332	-	As per entitlement	Suleman Nanji	Employee
Motor Vehicles	1,050	124	124	-	As per entitlement	Imtiaz Ul Haq	Employee
Motor Vehicles	1,538	308	308	-	As per entitlement	Tariq Hassan	Employee
Motor Vehicles	1,538	272	272	-	As per entitlement	Hamid Masood	Employee
Motor Vehicles	965	165	482	317	Insurance Claim	National Insurance Co.Ltd	
Motor Vehicles	542	-	1,312	1,312	Auction	Auctioneer	Auctioneer
Motor Vehicles	542	-	1,250	1,250	Auction	Auctioneer	Auctioneer
Motor Vehicles	367	-	450	450	Auction	Auctioneer	Auctioneer
Motor Vehicles	350	-	365	365	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	580	580	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	440	440	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	575	575	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	475	475	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	470	470	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	475	475	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	421	421	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	440	440	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	600	600	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	485	485	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	510	510	Auction	Auctioneer	Auctioneer
Motor Vehicles	879	-	975	975	Auction	Auctioneer	Auctioneer
Motor Vehicles	1,660	-	635	635	Auction	Auctioneer	Auctioneer
Motor Vehicles	502	-	465	465	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	420	420	Auction	Auctioneer	Auctioneer
Motor Vehicles	350	-	280	280	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	455	455	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	535	535	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	585	585	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	425	425	Auction	Auctioneer	Auctioneer
Motor Vehicles	555	-	545	545	Auction	Auctioneer	Auctioneer
Motor Vehicles	540	-	350	350	Auction	Muhammad Asif	Auctioneer
Motor Vehicles	829	-	470	470	Auction	Muhammad Akram Khan	Auctioneer
Motor Vehicles	829	-	520	520	Auction	Muhammad Akram Khan	Auctioneer
Motor Vehicles	829	-	485	485	Auction	Muhammad Farrukh	Auctioneer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser	
(Rupees in '000)							
Motor Vehicles	829	-	480	480	Auction	Muhammad Yousuf	Auctioneer
Motor Vehicles	830	-	610	610	Auction	Shah Fahad,	Auctioneer
Motor Vehicles	830	-	580	580	Auction	Sheikh Rehan Ali	Auctioneer
Motor Vehicles	830	-	620	620	Auction	Muhammad Farrukh	Auctioneer
Motor Vehicles	830	-	600	600	Auction	Muhammad Farrukh	Auctioneer
Motor Vehicles	830	-	590	590	Auction	Nadeem	Auctioneer
Motor Vehicles	830	-	590	590	Auction	Shamim Iqbal	Auctioneer
Motor Vehicles	906	-	675	675	Auction	Azmat Mioz	Auctioneer
Motor Vehicles	906	-	620	620	Auction	Ishtiaq Ahmed	Auctioneer
Motor Vehicles	906	-	625	625	Auction	Shah Fahad,	Auctioneer
Motor Vehicles	906	-	600	600	Auction	Shahid Ali Khan	Auctioneer
Motor Vehicles	906	-	640	640	Auction	Muhammad Isam Khan	Auctioneer
Motor Vehicles	906	-	610	610	Auction	Kamran Jan	Auctioneer
Motor Vehicles	906	-	650	650	Auction	Ayub Ali	Auctioneer
Motor Vehicles	602	-	490	490	Auction	Abdul Khalid	Auctioneer
Motor Vehicles	1,239	-	900	900	Auction	ammad Farrukh	Auctioneer
Motor Vehicles	1,239	-	1,000	1,000	Auction	Azim ullah Khan	Auctioneer
Motor Vehicles	1,239	-	710	710	Auction	Muhammad Hussain	Auctioneer
Motor Vehicles	1,269	-	770	770	Auction	Aurangzeb Khan	Auctioneer
Motor Vehicles	1,619	-	1,030	1,030	Auction	Saeed Ahmed Qureshi	Auctioneer
Motor Vehicles	1,790	-	1,450	1,450	Auction	Syed Mohammad Ali	Auctioneer
Motor Vehicles	1,877	250	250	-	As per entitlement	M. Nusrat Vohra,	Ex-Employee
Motor Vehicles	1,658	1,492	1,492	-	As per entitlement	Pir Muhammad	Ex-Employee
Motor Vehicles	1,538	538	538	-	As per entitlement	Malik Amir Sultan,	Ex-Employee
Motor Vehicles	939	375	375	-	As per entitlement	Uzma Bashir,	Ex-Employee
Motor Vehicles	1,858	1,531	1,531	-	As per entitlement	Tabraiz Hussain Butt	Ex-Employee
Motor Vehicles	829	-	500	500	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	935	-	600	600	Auction	M.Aqib Zahoor	Auctioneer
Motor Vehicles	829	-	585	585	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	560	560	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	680	680	Auction	Farhan Abbas	Auctioneer
Motor Vehicles	935	-	650	650	Auction	Shahid Latif	Auctioneer
Motor Vehicles	935	-	560	560	Auction	Shahid Mukhtar	Auctioneer
Motor Vehicles	829	-	625	625	Auction	Mirza Sohail Baig	Auctioneer
Motor Vehicles	829	-	605	605	Auction	Mumtaz Ahmed Farooq	Auctioneer
Motor Vehicles	829	-	580	580	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	540	-	705	705	Auction	Khadim Hussain	Auctioneer
Motor Vehicles	1,239	-	1,060	1,060	Auction	Khurram Ayub	Auctioneer
Motor Vehicles	1,239	-	975	975	Auction	M.Razzaq	Auctioneer
Motor Vehicles	1,239	-	1,050	1,050	Auction	Mian Abrar Abid	Auctioneer
Motor Vehicles	1,018	-	1,105	1,105	Auction	M.Aqib Zahoor	Auctioneer
Motor Vehicles	1,269	-	1,080	1,080	Auction	M.Imran Hashmi	Auctioneer
Motor Vehicles	54	-	14	14	Auction	Mumtaz Ahmed Farooq	Auctioneer
Motor Vehicles	829	-	219	219	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	515	515	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	530	530	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	525	525	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	535	535	Auction	Zafar Iqbal Sial	Auctioneer
Motor Vehicles	829	-	605	605	Auction	Mirza Sohail Baig	Auctioneer
Motor Vehicles	829	-	530	530	Auction	Muhammad Waheed	Auctioneer
Motor Vehicles	829	-	555	555	Auction	Saeed Ahmed Khan	Auctioneer
Motor Vehicles	829	-	625	625	Auction	Zulfiqar Ali	Auctioneer
Motor Vehicles	829	-	600	600	Auction	Abid Ansar	Auctioneer
Motor Vehicles	829	-	600	600	Auction	Muhammad Yousuf	Auctioneer
Motor Vehicles	829	-	435	435	Auction	Khalid Rasool Butt	Auctioneer
Motor Vehicles	829	-	630	630	Auction	Muhammad Yousuf	Auctioneer
Motor Vehicles	829	-	650	650	Auction	Muhammad Irfan	Auctioneer
Motor Vehicles	829	-	670	670	Auction	Muhammad Yousuf	Auctioneer
Motor Vehicles	829	-	705	705	Auction	Manzoor Ahmed	Auctioneer
Motor Vehicles	829	-	680	680	Auction	Yousaf Ahsan	Auctioneer
Motor Vehicles	829	-	555	555	Auction	Waqar Ahmed	Auctioneer
Motor Vehicles	829	-	570	570	Auction	Muhammad Usman	Auctioneer
Motor Vehicles	829	-	600	600	Auction	Abid Ansar	Auctioneer
Motor Vehicles	829	-	700	700	Auction	Muhammad Waheed	Auctioneer
Motor Vehicles	935	-	665	665	Auction	Shahid Ali Shafi	Auctioneer
Motor Vehicles	829	-	655	655	Auction	S.Hassan Raza Naqvi	Auctioneer
Motor Vehicles	829	-	600	600	Auction	Muhammad Ahmed	Auctioneer
Motor Vehicles	829	-	595	595	Auction	Sajid Ali	Auctioneer
Motor Vehicles	829	-	660	660	Auction	Muhammad Ahmed	Auctioneer
Motor Vehicles	829	-	690	690	Auction	S.Hassan Raza Naqvi	Auctioneer
Motor Vehicles	829	-	605	605	Auction	Muhammad Amin	Auctioneer
Motor Vehicles	809	-	575	575	Auction	Imran Yousaf Minhas	Auctioneer
Motor Vehicles	54	-	30	30	Auction	Kashif Ali	Auctioneer
Motor Vehicles	54	-	30	30	Auction	Waseem Shaukat	Auctioneer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser	
(Rupees in '000)							
		-					
Motor Vehicles	54	-	30	30	Auction	Kashif Ali	Auctioneer
Motor Vehicles	54	-	34	34	Auction	Shahid Ali Shafi	Auctioneer
Motor Vehicles	54	-	35	35	Auction	Kashif Ali	Auctioneer
Motor Vehicles	54	-	37	37	Auction	Muhammad Imran	Auctioneer
Motor Vehicles	54	-	27	27	Auction	Muhammad Ramzan	Auctioneer
Motor Vehicles	54	-	32	32	Auction	Kashif Ali	Auctioneer
Motor Vehicles	54	-	31	31	Auction	Waseem Shaukat	Auctioneer
Motor Vehicles	54	-	32	32	Auction	Kashif Ali	Auctioneer
Motor Vehicles	829	-	485	485	Auction	Adnan Naseer Ahmed	Auctioneer
Motor Vehicles	829	-	490	490	Auction	Asif Nazir	Auctioneer
Motor Vehicles	829	-	615	615	Auction	Mirza Sohail Baig	Auctioneer
Motor Vehicles	829	-	585	585	Auction	Muhammad Zar Khan	Auctioneer
Motor Vehicles	829	-	570	570	Auction	Muhammad Usman Siddiqui	Auctioneer
Motor Vehicles	829	-	475	475	Auction	Muhammad Farooq Bajwa	Auctioneer
Motor Vehicles	829	-	605	605	Auction	Saeed Ahmed Saleem	Auctioneer
Motor Vehicles	829	-	437	437	Auction	Mirza Sohail Baig	Auctioneer
Motor Vehicles	829	-	405	405	Auction	Suleman Nanji	Auctioneer
Motor Vehicles	829	-	450	450	Auction	Khadim Hussain	Auctioneer
Motor Vehicles	829	-	910	910	Auction	Adnan Naseer Ahmed	Auctioneer
Motor Vehicles	829	-	465	465	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	435	435	Auction	Yawar Ali	Auctioneer
Motor Vehicles	829	-	340	340	Auction	Manzoor Qadir	Auctioneer
Motor Vehicles	829	-	570	570	Auction	Waqas Rashid	Auctioneer
Motor Vehicles	829	-	570	570	Auction	Adnan Naseer Ahmed	Auctioneer
Motor Vehicles	829	-	620	620	Auction	Adil Arshad	Auctioneer
Motor Vehicles	829	-	710	710	Auction	Qaisar Nawaz	Auctioneer
Motor Vehicles	54	-	17	17	Auction	Muhammad Ashraf	Auctioneer
Motor Vehicles	1,673	335	335	-	As per entitlement	S.M Ali Zamin	Employee
Motor Vehicles	1,538	308	308	-	As per entitlement	Amin Qazi	Employee
Motor Vehicles	1,608	482	482	-	As per entitlement	Sahibzada Raoof	Employee
Motor Vehicles	1,269	617	617	-	Insurance Claim	Insurance Claim	
Motor Vehicles	1,269	254	254	-	As per entitlement	Farooq Abbas	Employee
Motor Vehicles	1,538	615	1,495	880	Insurance Claim	Insurance Claim	
Motor Vehicles	1,448	290	290	-	As per entitlement	Taslim Haider	Ex-Employee
Motor Vehicles	1,749	-	1,160	1,160	Auction	Abrar Hussain	Auctioneer
Motor Vehicles	1,749	-	1,085	1,085	Auction	Muhammad Javed Butt	Auctioneer
Motor Vehicles	1,749	-	1,300	1,300	Auction	Aftab Ali Khan	Auctioneer
Motor Vehicles	1,259	-	1,110	1,110	Auction	Hamza Khan	Auctioneer
Motor Vehicles	1,259	-	1,200	1,200	Auction	Abrar Hussain	Auctioneer
Motor Vehicles	1,269	-	1,040	1,040	Auction	Arshad Ali	Auctioneer
Motor Vehicles	1,269	-	1,025	1,025	Auction	Abdul Ghafoor	Auctioneer
Motor Vehicles	1,269	-	955	955	Auction	Ali Jawad	Auctioneer
Motor Vehicles	1,269	-	800	800	Auction	Saif Ur Rehman	Auctioneer
Motor Vehicles	1,269	-	750	750	Auction	Sh. Muhammad Rafiq	Auctioneer
Motor Vehicles	969	-	925	925	Auction	Rizwan Suhail	Auctioneer
Motor Vehicles	1,269	-	800	799	Auction	Muhammad Javed Butt	Auctioneer
Motor Vehicles	1,269	-	995	995	Auction	Shaukat Ullah	Auctioneer
Motor Vehicles	879	-	555	555	Auction	Abrar Hussain	Auctioneer
Motor Vehicles	938	-	585	585	Auction	Imtiaz Hussain	Auctioneer
Motor Vehicles	879	-	540	540	Auction	Muhammad Arshad	Auctioneer
Motor Vehicles	938	-	675	675	Auction	Malik Zahid	Auctioneer
Motor Vehicles	938	-	715	715	Auction	Shehzad Iqbal	Auctioneer
Motor Vehicles	1,040	-	850	850	Auction	Zafar Abbas	Auctioneer
Motor Vehicles	379	-	280	280	Auction	Muhammad Siddique	Auctioneer
Motor Vehicles	305	-	305	305	Auction	Aijaz Ahmed	Auctioneer
Motor Vehicles	1,712	341	341	-	As per policy	Feroz Ahmed	Employee
Motor Vehicles	4,272	611	611	-	As per policy	Zain Hussain	Employee
Motor Vehicles	1,514	361	361	-	As per policy	Adeel Ahmed	Employee
Motor Vehicles	1,467	293	290	(3)	As per policy	Syed Muhammad Nasrullah	Employee
Motor Vehicles	1,060	550	544	(6)	As per policy	S.M Faraz Naseem	Employee
Motor Vehicles	1,317	-	1,125	1,125	Auction	Mr.Shakeeb Shafiq	Auctioneer
Motor Vehicles	1,418	-	140	140	As per policy	Mr,Shahzad Enver Murad	Ex - Employee
	293,342	15,447	181,838	166,390			
Assets held under finance lease							
Vehicles	7,730	-	773	773	As per entitlement	Khalid B Shaheen	Ex-Employee
Vehicles	1,025	465	636	171	As per Service Rules	Salman Ahmed	Employee
Vehicles	2,100	570	686	116	As per Service Rules	Muhammad Ali Bhabha	Employee
Vehicles	1,773	996	1,523	527	Insurance Claim	Adamjee Insurance Company Limited	
Vehicles	1,814	850	1,277	427	As per Service Rules	Sohail Ahmed	Ex - Employee
Vehicles	1,814	989	1,510	521	As per Service Rules	Ahmad Nauman	Ex - Employee
	16,256	3,870	6,405	2,535			
Office Equipment	1,200	363	250	(113)	Negotiation	Qureshi Engineering	



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Particulars of property and equipment	Original Cost	Book Value	Sale Proceeds	Gain / Loss on disposal	Mode of disposal	Particulars of Purchaser
(Rupees in '000)						
<b>Assets held underjarah</b>						
Machinery	18,100	1,962	1,527	(435)	As per agreement	Epct (Pvt) Limited
Machinery	7,500	1,125	1,114	(11)	As per agreement	Sheikhpura Textile Mills Limited
Machinery	35,444	3,544	3,544	-	As per agreement	Comfort Knitwears (Pvt) Limited
Machinery	51,142	5,682	5,109	(572)	As per agreement	Hira Textile Mills Limited
Machinery	7,258	1,089	1,089	-	As per agreement	Sheikhpura Textile Mills Limited
Machinery	2,900	290	283	(7)	As per agreement	Precision Forging (Pvt) Ltd
Machinery	5,056	506	506	-	As per agreement	Synthetic Products Enterprises Limited
Machinery	1,410	141	141	-	As per agreement	Sheikhpura Textile Mills Limited
Machinery	11,133	1,392	1,114	(277)	As per agreement	Netsol Technologies Limited
	139,942	15,730	14,426	(1,304)		
Vehicle	1,625	341	250	(91)	As per agreement	Infogistic (Private) Limited
Vehicle	1,176	412	412	-	As per agreement	Abdul Bari Rashid
Vehicle	1,625	325	363	38	As per agreement	Tariq Glass Industries Limited
Vehicle	2,040	234	204	(30)	As per agreement	Hira Terry Mills Limited
Vehicle	1,096	438	438	-	As per agreement	Mrs Asia Saleem
Vehicle	737	321	321	-	As per agreement	ICC Pakistan
Vehicle	1,096	244	219	(24)	As per agreement	Infogistic (Private) Limited
Vehicle	12,500	2,778	2,500	(278)	As per agreement	Faraz Ahmed Chaudhry
Vehicle	3,497	699	699	-	As per agreement	United Track System (Pvt) Ltd
Vehicle	560	294	319	25	As per agreement	Muhammad Shafiq
Vehicle	1,679	252	249	(3)	As per agreement	Tariq Baig
Vehicle	12,500	2,778	2,503	(275)	As per agreement	Netsol Technologies Limited
Vehicle	970	301	300	-	As per agreement	Ihsan Cotton Products (Private) Limited
Vehicle	965	264	313	49	As per agreement	Khalid Javed
Vehicle	6,157	1,220	1,230	10	As per agreement	United Track System (Pvt) Ltd
Vehicle	1,690	1,215	1,269	54	As per agreement	Suhail Anwar S/O Ch. Muhammad Anwar
Vehicle	2,438	488	486	(1)	As per agreement	H Karim Buksh & Sons
Vehicle	4,352	1,050	1,104	54	As per agreement	Performance Automotive (Pvt) Limited
Vehicle	6,391	959	959	-	As per agreement	Tariq Zaman
Vehicle	5,599	931	840	(91)	As per agreement	Performance Automotive (Pvt) Limited
Vehicle	3,500	350	350	-	As per agreement	Adbistan-E-Soophia
Vehicle	2,438	1,357	1,381	24	As per agreement	Imran Hafeez
Vehicle	2,093	209	209	-	As per agreement	Synthetic Products Enterprises Limited
Vehicle	1,555	920	1,023	103	As per agreement	Khawaja Akbar Butt
Vehicle	1,010	202	201	(1)	As per agreement	Tariq Glass Industries Limited
Vehicle	34,000	1,700	1,700	-	As per agreement	National Bank Of Pakistan
Vehicle	1,005	314	333	20	As per agreement	Mian Mohammad Almas
Vehicle	1,791	1,094	1,154	60	As per agreement	Khalid Ahmad Hashmi
Vehicle	1,646	1,390	1,407	17	As per agreement	Tariq Saeed Butt S/O Muhammad Shafi
Vehicle	690	345	453	108	As per agreement	City News
Vehicle	2,800	531	1,986	1,454	As per agreement	Shah G Coal
Vehicle	2,800	648	305	(343)	As per agreement	Coleta Traders
Vehicle	1,845	1,008	1,000	(8)	As per agreement	Abdul Ali Khan
Vehicle	1,646	1,321	1,315	(6)	As per agreement	Shahid Mahmood Khan
Vehicle	18,220	3,220	3,220	-	As per agreement	United Track System (Pvt) Ltd
Vehicle	3,502	809	700	(108)	As per agreement	Khawas Khan Niazi
Vehicle	1,498	906	900	(6)	As per agreement	Sohail Nasir
Vehicle	1,498	1,005	1,000	(5)	As per agreement	Ahmed Imran
Vehicle	1,200	585	732	147	As per agreement	Asif Ali
Vehicle	1,804	862	940	78	As per agreement	Amir Rashid
Vehicle	1,625	431	425	(6)	As per agreement	Al-Saleem Khan Kakar Enterpris
Vehicle	2,207	1,293	1,146	(147)	As per agreement	Man Diesel & Turbo Pakistan
Vehicle	2,524	568	977	410	As per agreement	Man Diesel & Turbo Pakistan
Vehicle	1,605	914	876	(37)	As per agreement	Muhammad Iqbal Shahid
Vehicle	695	592	637	45	As per agreement	Muhammad Idrees Shah
Vehicle	1,532	153	81	(73)	As per agreement	Precision Forging (Pvt) Ltd
Vehicle	2,404	518	481	(37)	As per agreement	H Karim Buksh & Sons
Vehicle	24,600	3,690	4,218	528	As per agreement	Al-Saleem Khan Kakar Enterpris
	192,418	42,474	44,126	1,652		
	688,412	93,743	262,904	169,160		
Other Assets (having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000)	16,992	2,081	2,472	392		
	705,404	95,824	265,376	169,553		



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

## Annexure IV as referred to in Note 28.2 to the consolidated financial statements

2016                      2015  
(Rupees in '000)

### Donations include following amounts exceeding Rs 0.1 million:

Fatimid Foundation Kidney Centre Quetta.  
The Kidney Centre PGTI  
The Citizens Foundation

450	300
-	200
500	286
950	786

### Contributions for Corporate & Social Responsibilities include following amounts exceeding Rs 0.1 million:

Lifetime Support Single Unit TCF School Nawabshah  
Pakistan Disabled Foundation, Karachi  
Disabled Welfare Association, Karachi,  
Make-A-Wish Foundation, Karachi  
Adoption of Non Formal School Child Care Foundation for Elimination of Child Labor  
Adoption of Taleem Foundation Schools in Kila Saifullah & Muslim Bagh, Baluchistan  
Help International Welfare Trust-Karachi.  
Development & Research to Habib University Foundation, Karachi  
SOS Children's Village Islamabad.  
Family Ramzan Package (Ration) Interior Sind & Suburb area, Sindh  
Sponsor Repair of Auto Wheelchairs Saaya Association, Islamabad  
Anjuman-e-Mazoorran Liyari, Karachi  
Society for Special Persons, AJK.  
Society for Special Persons, Multan.  
Govt-Girls School Gizri Campus, Raavian Educational Trust.  
Cadet College, Larkana.  
Poor Patients Aid Society, Karachi  
Sukkur Blood & Drug Donating Society.  
Women Vocational Program in Gilgit Taxila,  
Orphan Students Educational Expenses Roshni Homes, Lahore  
Rising Sun Education & Welfare Society, Lahore.  
Interior Sindh by Dar-ul-Sukun.  
MPRC at Azad Kashmir.  
Sindh Disabled Association, in Khairpur.  
Chair to Grace Association, in Skardu (GB)  
Food Students of Sujawal  
Govt. Degree College Mehmoodabad Karachi.  
SOS Children's Village Quetta.  
Al-Umeed Rehabilitation Association at Karachi.  
Karachi Independent Living Centre,  
Nargis Khatoon Hearing Impairment School Skardu.  
Shigar & Skardu.  
Patient Care Karachi.  
Al-Qadir Model School Lyari.  
Int-Grammar School, Karachi.  
Poor Students Baluchistan Schools..  
Poor Dialysis Patients at Pak Kidney Int ISLD

-	3,750
-	155
-	225
-	100
-	2,925
-	7,000
-	188
-	3,330
-	3,000
-	7,113
-	320
-	218
-	186
-	110
-	400
-	395
-	200
-	200
-	500
-	420
-	200
-	260
-	133
-	126
-	267
-	285
-	299
-	200
-	200
-	150
-	115
-	500
-	300
-	312
-	305
-	250
-	500
-	35,136

### Balance carried forward

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	2016 (Rupees in '000)	2015 (Rupees in '000)
<b>Balance brought forward</b>	-	35,136
Begum Noor M-Hospital, Chakwal.	-	476
NICH by SADA Welfare Foundation	-	475
Medical Aid Foundation (Cancer Division).	-	300
Model Welfare Medical Center Malir.	-	100
Al-Mustafa Trust Chakwal Rawalpindi.	-	100
Shaukat Khanum Memorial Cancer Hospital Peshawar.	-	500
Gulab Devi Charity Hospital Lahore.	-	450
National Institute of Cardio Vascular Karachi.	-	400
Poor Patients Treatment Pakistan Kidney Institute Islamabad	-	450
British Women Association Chairty Bazar.	-	100
College for Disabilities Person at Pindi.	-	500
Deprived student Education Expenses.	-	242
Deprived student Education Expenses.	-	209
DEWA Trust.	-	400
Suburban area by TCF.	-	400
Earth quick victim in KPK.	-	2,300
Kaus-e-Kazah in (Rawalpindi & Jhang).	-	500
Firdous Ittehad Social Welfare Orgaiz Karachi	38	140
Patient Welfare Dept at Awwaz-e-Tijarat-o-Sanat Hospital Trust Karachi.	100	200
Adoption of 05 Children at Ida Rieu Welfare Association for Blind, Karachi	120	-
Scholarship of 15 Children for one year by Education fund for Sindh (EFS).	126	-
NBP Scholarship Program, 252 Children at High School Pajza, Distt, Kohlu Baluchistan	126	-
50 Sewing Machines, Hafizaan Bibi Training Center Bilal Ganj, Sheikhpura Punjab.	127	-
Bed of Life at Fatima kidney Care Hospital Karachi.	141	-
Ghurki Trust Teaching Hospital Jallo Morr, Lahore.	150	-
Uniform & Shose for students at ABB Gulshan-e-Iqbal, Karachi	150	-
10 Student at Minerva Education System, Karachi.	180	-
Prevention of Blindness Trust.	183	-
S-Machine to Women Residing in Adara-e-Behbood-e-Umat Rasida Old Age Home Quetta.	187	-
Patients Treatment at The Indus Hospital, Karachi.	200	-
Cancer Care Hospital & Research Centre, Lahore.	200	-
Support a child Program by Sp-Children School (PNAD) Mauripur	202	-
Wheel Chairs & Stretchers at Abbas Institute of Medical Sciences A.J.K.	239	-
NBP Women V- Training Programe by Kaus-e-Kazah Bhakkar.	250	-
NBP Women V- Training Programe by Kaus-e-Kazah Abbottabad.	250	-
Vocation Training + 20 Sewing Machine in Distt Multan By Kaus-e-Kazah.	250	-
Thar Relief Appeal 2016 "Installation of Hands Pumps" Tharparkar.	260	-
Vocation Training in Collaboration with Fatima Ali Joo Welfare Foundation (FAWF).	271	-
10 Fowler Bed/Incubator to Hazrat Abbas Hospital at Skardu.	272	-
Child Aid Association at National Institute of Child Health Karachi.	300	-
Blood Bank run by Sada Welfare Foundation at (NICH) Karachi.	300	-
Department of Special Education Govt. College of Home Economics Lahore.	300	-
The Kidney Center Institute Islamabad.	300	-
Equipment for Patients Welfare Society MAYO Hospital, Lahore.	300	-
Sundas Foundation, Lahore	350	-
05 Student Scholarship to Deaf Reach School by Family Education Services Foundation.	360	-
01 Class Edu-Expences, One Year at Nowshera KPK, The Citizen Foundation	360	-
Treatment Poor Patients by Transparent Hands, Lahore.	373	-
15 Water Hand Pump in Villages of Sindh by Children Health & Education Welfare Foundation, Karachi	375	-
Infusion Pumps for NICVD at Karachi.	375	-
Equipment Koochi Goth Hospital, Karachi.	375	-
Medical Equipment at Al Mustafa Trust Medical Centre Lahore.	390	-
Govt, Girls Sec-School Gizri Ravians Educational Services Trust.	400	-
Rehabilitation-Street Childrens Program AAS Trust Karachi.	400	-
Afzaal Memorial Thalassemia Foundation Karachi.	400	-
Various Equipment in Association for the Rehabilitation of Physically Disabled, Khyber Pakhtunkhwa.	407	-
Uniform & Shose for Students Studying at AAB, Karachi.	419	-
06 Student Studying at Deaf Reach School	432	-
<b>Balance carried forward</b>	<b>10,938</b>	<b>43,377</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

	2016	2015
	(Rupees in '000)	
<b>Balance brought forward</b>	<b>10,938</b>	<b>43,377</b>
Treatment for Dialysis Patients at Pak Kidney Institute, Islamabad	450	-
Adaptation of MALC Triple Merger Centre at ,Swabi,KPK.	450	-
Equipment-Gulab Devi Chest Hospital, Lahore.	450	-
Medical Equipment-Surriya Khaliq Free Medical Center Sheikhupura Punjab.	470	-
NBP Scholarship Programme for the students of Boys&Girls High School Teh Pazza Balochistan.	479	-
NBP Female Ward in MALC.	495	990
Food for 10 Patients for 11 month Koochi Goth Hospital, Sindh.	495	-
Re-Adaption of Female Ward in Marie Adelaide Leprosy Centre Karachi.	495	-
Jammia Masjid at Distt Kohlu Baluchistan.	500	500
Financial Grant to Widoe of Deceased Police Constable Died During On-Duty.	500	-
Renovation of National Police Bureau Library Islamabad.	500	-
NBP Scholarship at Centre for Development Social Services ,Karachi.	673	-
2nd Inst NBP Scholarship for 17 students-Centre for Devel Social Services Karachi.	673	-
NBP Scholarship Program Sindh Madressat al Islam University.	720	720
Marie Adelaide Leprosy Centre, Karachi	990	-
20 Students Scholarship,through Professional Education Foundation, Karachi	1,200	1,200
NBP Scholarship Program Namal College Mianwali	1,500	1,500
Aman Ambulance to Aman Foundation .	2,000	-
Institute of Business Administration (IBA)	2,100	2,100
Distribution of Ramzan Food Package Packets for Lyari Town,Karachi.	2,276	-
3rd Install 15 non-formal Schools Adopted by NBP in Collab with CCF Lahore	3,150	-
2nd Instal Habib University Foundation to Faculty Development & Research Fund Karachi.	3,330	-
Solorship for 10 students of Sargodhian Spirit Trust Tandoallyar.	3,750	-
3rd & Final Installment-Taaleem Foundation School in Kila Siafullah & Muslim Bagh.	6,000	-
The Aga Khan University Hospital	7,500	7,500
Patient Aid Foundation	500	-
Professional Education Foundation	120	-
	<b>52,704</b>	<b>57,887</b>

## PATTERN OF SHAREHOLDING

As of December 31, 2016

<b>Government</b>			
Federal Government of Pakistan	1	6,238,919	0.29
Pakistan Atomic Energy Commission	1	679,424	0.03
Privatisation Commission, Ministry of Privatization & Investment	1	1,656,788	0.08
<b>Associated companies, undertakings and related parties</b>			
First Credit & Investment Bank Limited	1	50,000	0.00
<b>State Bank of Pakistan</b>	1	1,599,845,728	75.20
<b>Mutual Funds</b>	27	17,598,125	0.83
<b>Director, Chief Executive, and their spouse and minor children</b>			
Syed Ahmed Iqbal Ashraf	1	50,000	0.00
Tariq Kirmani	1	44,168	0.00
<b>Executives</b>	4	18,745	0.00
<b>Public Sector Companies and Corporations</b>	13	108,862,828	5.12
<b>Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful Companies and Modarabas</b>	22	32,242,346	1.52
<b>General Public</b>			
Local	10,998	86,229,977	4.05
Foreign	57	740,624	0.03
<b>Foreign Companies</b>	99	223,521,888	10.51
<b>Others</b>	174	49,733,466	2.34
<b>TOTAL</b>	<b>11,401</b>	<b>2,127,513,026</b>	<b>100.00</b>
<b>Shareholders holding five percent or more voting rights in the bank.</b>			
<b>State Bank of Pakistan</b>		1,599,845,728	75.20



## PATTERN OF SHAREHOLDING

As of December 31, 2016

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1300	1	to	100	50,926
1918	101	to	500	601,570
1410	501	to	1000	1,143,355
3233	1001	to	5000	8,285,879
2040	5001	to	10000	13,484,813
471	10001	to	15000	5,835,209
213	15001	to	20000	3,770,548
117	20001	to	25000	2,701,354
96	25001	to	30000	2,649,993
56	30001	to	35000	1,812,320
42	35001	to	40000	1,617,780
32	40001	to	45000	1,360,970
53	45001	to	50000	2,583,697
29	50001	to	55000	1,548,398
14	55001	to	60000	801,585
13	60001	to	65000	817,977
15	65001	to	70000	1,012,586
17	70001	to	75000	1,249,789
9	75001	to	80000	707,343
10	80001	to	85000	820,778
10	85001	to	90000	872,375
10	90001	to	95000	925,016
24	95001	to	100000	2,381,953
10	100001	to	105000	1,026,813
6	105001	to	110000	653,011
9	110001	to	115000	1,023,183
4	115001	to	120000	467,500
5	120001	to	125000	618,400
7	125001	to	130000	894,237
1	130001	to	135000	130,247
4	135001	to	140000	551,877
6	140001	to	145000	858,716
4	145001	to	150000	599,950
2	150001	to	155000	305,983
2	155001	to	160000	315,415
5	160001	to	165000	815,618
6	165001	to	170000	1,012,659
2	170001	to	175000	347,150
3	175001	to	180000	536,149
2	180001	to	185000	369,272
2	185001	to	190000	375,500
2	190001	to	195000	385,104

## PATTERN OF SHAREHOLDING

As of December 31, 2016

No. of Shareholders	Shareholdings' Slab			Total Shares Held
5	195001	to	200000	997,656
2	200001	to	205000	401,182
2	205001	to	210000	414,456
1	215001	to	220000	216,500
2	220001	to	225000	446,330
2	225001	to	230000	459,349
2	230001	to	235000	464,985
1	235001	to	240000	235,288
2	245001	to	250000	495,093
2	250001	to	255000	502,374
1	255001	to	260000	259,500
2	265001	to	270000	535,200
1	275001	to	280000	279,968
1	285001	to	290000	288,601
4	290001	to	295000	1,171,435
4	295001	to	300000	1,199,984
1	300001	to	305000	302,530
1	310001	to	315000	313,550
1	315001	to	320000	320,000
2	320001	to	325000	646,000
1	325001	to	330000	329,233
1	330001	to	335000	330,397
1	340001	to	345000	345,000
6	345001	to	350000	2,094,500
1	355001	to	360000	355,119
3	360001	to	365000	1,087,578
1	370001	to	375000	375,000
2	390001	to	395000	786,144
5	395001	to	400000	1,992,071
1	400001	to	405000	400,001
1	405001	to	410000	406,500
2	430001	to	435000	865,100
1	440001	to	445000	443,000
2	445001	to	450000	893,391
2	450001	to	455000	907,996
3	455001	to	460000	1,372,500
1	465001	to	470000	469,000
2	495001	to	500000	1,000,000
1	500001	to	505000	501,487
1	505001	to	510000	508,000
1	515001	to	520000	519,000
2	520001	to	525000	1,048,500

## PATTERN OF SHAREHOLDING

As of December 31, 2016

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1	530001	to	535000	533,643
1	545001	to	550000	550,000
1	555001	to	560000	560,000
3	595001	to	600000	1,799,500
1	600001	to	605000	603,000
1	605001	to	610000	607,500
1	615001	to	620000	617,500
2	630001	to	635000	1,269,000
1	640001	to	645000	640,511
1	650001	to	655000	654,512
1	655001	to	660000	655,097
2	670001	to	675000	1,346,540
2	675001	to	680000	1,357,924
2	695001	to	700000	1,400,000
1	705001	to	710000	707,609
1	730001	to	735000	734,683
2	745001	to	750000	1,497,140
1	810001	to	815000	812,508
1	815001	to	820000	815,912
1	830001	to	835000	830,282
1	835001	to	840000	840,000
1	840001	to	845000	842,000
1	875001	to	880000	877,500
1	880001	to	885000	882,596
1	910001	to	915000	912,887
1	920001	to	925000	925,000
1	925001	to	930000	927,004
2	955001	to	960000	1,915,404
1	970001	to	975000	971,000
3	995001	to	1000000	3,000,000
1	1045001	to	1050000	1,050,000
1	1050001	to	1055000	1,055,000
1	1055001	to	1060000	1,060,000
1	1075001	to	1080000	1,075,332
2	1120001	to	1125000	2,245,097
1	1140001	to	1145000	1,144,026
1	1145001	to	1150000	1,145,500
2	1160001	to	1165000	2,329,000
1	1165001	to	1170000	1,165,500
1	1260001	to	1265000	1,263,737
2	1310001	to	1315000	2,624,465
1	1315001	to	1320000	1,318,612

## PATTERN OF SHAREHOLDING

As of December 31, 2016

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1	1345001	to	1350000	1,350,000
1	1395001	to	1400000	1,400,000
1	1460001	to	1465000	1,462,500
1	1515001	to	1520000	1,518,000
1	1565001	to	1570000	1,566,906
1	1570001	to	1575000	1,571,563
1	1590001	to	1595000	1,593,758
1	1655001	to	1660000	1,656,788
1	1705001	to	1710000	1,705,767
1	1750001	to	1755000	1,753,766
1	1795001	to	1800000	1,796,223
1	1840001	to	1845000	1,843,737
1	1920001	to	1925000	1,922,404
1	2000001	to	2005000	2,002,000
1	2185001	to	2190000	2,189,208
1	2230001	to	2235000	2,232,000
1	2320001	to	2325000	2,323,901
1	2455001	to	2460000	2,459,547
1	2480001	to	2485000	2,483,000
1	2610001	to	2615000	2,615,000
1	2785001	to	2790000	2,787,500
1	2885001	to	2890000	2,889,500
1	2920001	to	2925000	2,924,000
1	3265001	to	3270000	3,265,500
1	3280001	to	3285000	3,282,626
1	3450001	to	3455000	3,454,000
1	3500001	to	3505000	3,503,100
1	3695001	to	3700000	3,700,000
1	3805001	to	3810000	3,805,731
2	4870001	to	4875000	9,741,032
1	4945001	to	4950000	4,949,110
1	5265001	to	5270000	5,270,000
1	5665001	to	5670000	5,666,578
1	5685001	to	5690000	5,685,450
1	5795001	to	5800000	5,795,444
1	5830001	to	5835000	5,835,000
1	6100001	to	6105000	6,103,500
2	6235001	to	6240000	12,478,819
1	6480001	to	6485000	6,480,500
1	6755001	to	6760000	6,758,385
1	8695001	to	8700000	8,697,900
1	8780001	to	8785000	8,781,661



## PATTERN OF SHAREHOLDING

As of December 31, 2016

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1	11320001	to	11325000	11,322,500
1	14265001	to	14270000	14,266,768
1	15890001	to	15895000	15,891,470
1	22540001	to	22545000	22,545,000
1	26580001	to	26585000	26,580,956
1	66375001	to	66380000	66,378,420
1	68515001	to	68520000	68,515,763
1	1599845001	to	1599850000	1,599,845,728
11,401				2,127,513,026

# SYMBOLIZING EXCELLENCE



# UNPARALLELED MARKET OUTREACH



DOMESTIC OUTREACH  
**1448**  
BRANCHES

## DOMESTIC SUBSIDIARIES

- Taurus Securities Limited
- NBP Fullerton Asset Management Limited
- NBP Exchange Company Limited
- NBP Leasing Limited
- NBP Modaraba Management Company Limited

## Head Office Contacts

### President's Secretariat

**Mirza Babur Baig**  
EVP & PSO to the President  
Ph: 021-99220622  
Fax: 021-99220253, 99220774  
[babur.baig@nbp.com.pk](mailto:babur.baig@nbp.com.pk)

**Mr. Iqbal Wahid / Mr. Suleman Nanji**  
PS to the President  
Ph: 021-99220291, 99220779  
Fax: 021-99220774, 99220253  
[nbpceo@nbp.com.pk](mailto:nbpceo@nbp.com.pk)

### Operations Group

**Mr. Nausherwan Adil**  
SEVP/Group Chief  
Ph: 021-99220001  
Fax: 021-99220002  
[n.adil@nbp.com.pk](mailto:n.adil@nbp.com.pk)

**Mr. Mohsin Furqan**  
EVP/Divisional Head  
Ph: 021-99212700  
Fax: 021-99212268  
[furqan.mohsin@nbp.com.pk](mailto:furqan.mohsin@nbp.com.pk)

**Mr. Shoukat Mahmood**  
Reconciliation & Govt. Accounts  
EVP/ Divisional Head  
Ph: 021-99220058,  
[shoukat.mahmood01@nbp.com.pk](mailto:shoukat.mahmood01@nbp.com.pk)

**Mr. Javed Ashraf**  
Customer Ser. & Govt. Business  
SVP/ Wing Head  
Ph: 021-99213172  
Fax: 021-99213172  
[javed.ashraf@nbp.com.pk](mailto:javed.ashraf@nbp.com.pk)

**Mr. Hammad Sarwar**  
Treasury Operations Wing  
SVP/ Wing Head  
Ph: 021-99220754  
Fax: 021-99220816  
[hammad@nbp.com.pk](mailto:hammad@nbp.com.pk)

**Mr. Parkash Lal Khetpal**  
ATM Card Management Wing  
VP/ Wing Head  
Ph: 021-99217401  
[khetpal.parkash@nbp.com.pk](mailto:khetpal.parkash@nbp.com.pk)

**Mr. Muhammad Rizwan Qasim**  
VP/ Wing Head (Admin)  
Ph: 021-99220916  
Fax: 021-99220072  
[rizwan.qasim@nbp.com.pk](mailto:rizwan.qasim@nbp.com.pk)

### Audit & Inspection Group

**Mr. Abdul Wahid Sethi**  
SEVP/Group Chief  
Ph: 021-99220912, 99220919  
Fax: 021-99220713, 99220913  
[awahid.sethi@nbp.com.pk](mailto:awahid.sethi@nbp.com.pk)

**Mr. Zeeshan Hashmi**  
BACC Secretarial Support Wing  
VP/Wing Head (A)  
Ph: 021-99220090  
Fax: 021-99220090  
[Zeeshan.hashmi@nbp.com.pk](mailto:Zeeshan.hashmi@nbp.com.pk)

**Mr. Mashkoor Ahmed Khan**  
Admin. Wing  
SVP/Wing Head  
Ph: 021-99207313  
Fax: 021-99207319  
[mashkoorahmed@nbp.com.pk](mailto:mashkoorahmed@nbp.com.pk)

**Mr. Ibrahim M. Sadiq**  
Business Risk Review Wing  
VP/Wing Head  
Ph: 99207310, Fax: 99207311  
[ibrahim.sadiq@nbp.com.pk](mailto:ibrahim.sadiq@nbp.com.pk)

**Mr. Dawood M. Vaid**  
Financial & Management Audit Wing  
VP/Wing Head  
Ph: 021-99207314  
[dawoodmuhammadvaid@yahoo.com](mailto:dawoodmuhammadvaid@yahoo.com)

**Mr. Yawar Hassan Zaidi**  
Internal Shariah Audit Wing  
VP/Wing Head  
Ph: 021-99207312  
[yawar.zaidi@nbp.com.pk](mailto:yawar.zaidi@nbp.com.pk)

**Mr. Zeeshan Nisarul Aziz**  
Quality Assurance & Review Wing  
AVP/Wing Head  
Ph: 021-99207309  
[zeeshan.aziz@nbp.com.pk](mailto:zeeshan.aziz@nbp.com.pk)

**Mr. Ehsanullah Kashani**  
IS Audit & Automation Wing  
AVP/Wing Head  
Ph: 021-99207308, Fax: 99207308  
[ehsanulh@nbp.com.pk](mailto:ehsanulh@nbp.com.pk)



## Commercial Retail Banking Group

**Mr. Mudassir H. Khan**  
SEVP/Group Chief  
Ph: 021-99220211  
Fax: 021-99220003  
[mudassir.khan@nbp.com.pk](mailto:mudassir.khan@nbp.com.pk)

**Mr. Khurram Saeed Naik**  
SME /Comm. & Commodity  
EVP/Divisional Head  
Ph: 021-99220366  
Fax: 021-99211498  
[naikcbw@nbp.com.pk](mailto:naikcbw@nbp.com.pk)

**Mr. Umer Azeem Daud Pota**  
Business Development Wing  
SVP/Wing Head  
Ph: 021-99220034  
Fax: 021-99220960  
[umar.daudpota@nbp.com.pk](mailto:umar.daudpota@nbp.com.pk)

**Mr. Muhammad Aasim Akhtar**  
Network Planning & Service Quality  
EVP/Wing Head  
Ph: 021-99220973  
Fax: 021-99220974  
[aasim.akhtar@nbp.com.pk](mailto:aasim.akhtar@nbp.com.pk)

**Mr. Azfar Jamal**  
Payment Services & E-Banking  
EVP/ Divisional Head  
Ph: 042-99211208  
Fax: 042-99210641  
[azfar.jamal@nbp.com.pk](mailto:azfar.jamal@nbp.com.pk)

**Mr. Farrukh Saeed**  
Core Banking Support Wing  
SVP/Wing Head  
Ph: 021-99220928  
Fax: 021-99220880  
[fskhan@nbp.com.pk](mailto:fskhan@nbp.com.pk)

**Mr. Zubair Mirza**  
Agri. Credit & PMYBL  
EVP/Divisional Head  
Ph: 021-99220508  
Fax: 021-99213112  
[zubair.mirza@gmail.com.pk](mailto:zubair.mirza@gmail.com.pk)

**Mr. Ahmed Nasim**  
Cash Management Services  
SVP/Wing Head  
Ph: 021-99220925  
Fax: 021-99220925  
[Ahmed.naseem@nbp.com.pk](mailto:Ahmed.naseem@nbp.com.pk)

**Mr. Ahmar Qadeer**  
Consumer Banking Wing  
SVP/Wing Head  
Ph: 021-99220586  
Fax: 021-99220096  
[Ahmar.qadeer@nbp.com.pk](mailto:Ahmar.qadeer@nbp.com.pk)

## Treasury & Capital Markets Group

**Mr. Risha A. Mohyeddin**  
SEVP/Group Chief  
Ph: 021-99220737  
Fax: 021-99220857  
[risha.mohyeddin@nbp.com.pk](mailto:risha.mohyeddin@nbp.com.pk)

**Mr. Sajid Agha**  
FX Flow Wing  
VP/Wing Head  
Ph: 021-99220628  
Fax: 021-99220440  
[agha@nbp.com.pk](mailto:agha@nbp.com.pk)

**Mr. Muhammad Ismail Usuf**  
FM Trading Division  
EVP/Divisional Head  
Ph: 021-99220275, Fax: 99220439  
[mismail@nbp.com.pk](mailto:mismail@nbp.com.pk)

**Mr. Syed Rehan Mobin**  
Equity Market Division  
SVP/Divisional Head  
Ph: 021-99220148  
Fax: 021-99220257  
[rehan.mobin@nbp.com.pk](mailto:rehan.mobin@nbp.com.pk)

**Mr. Tahir Abbas**  
Sales & Structuring Division  
EVP/ Divisional Head  
Ph: 99220747, Fax: 99220440  
[tahir.abbas@nbp.com.pk](mailto:tahir.abbas@nbp.com.pk)

**Mr. Abdul Hadi Palekar**  
Equity Trading Wing  
SVP/ Wing Head  
Ph: 021-99220873  
Fax: 021-99220257  
[hadipalekar@nbp.com.pk](mailto:hadipalekar@nbp.com.pk)

## Compliance Group

**Mr. M Faraz Haider**  
SEVP/ Group Chief  
Ph: 021-99220549  
Fax: 021-99220650  
[Faraz.haider@nbp.com.pk](mailto:Faraz.haider@nbp.com.pk)

**Mr. Farooq Ahmed**  
SVP/ Wing Head  
Ph: 021-99220546  
Fax: 021-99220632  
[farooqahmed@nbp.com.pk](mailto:farooqahmed@nbp.com.pk)

**Mr. Danish Riaz**  
AVP/ Wing Head  
Ph: 021-99062975  
Fax: 021-99220632  
[danish.riaz@nbp.com.pk](mailto:danish.riaz@nbp.com.pk)

**Mr. Khawar Saeed**  
EVP/ Wing Head  
Ph: 021-99220883  
Fax: 021-99220632  
[Khawar.saeed@nbp.com.pk](mailto:Khawar.saeed@nbp.com.pk)

**Mr. Saeed Habib**  
SVP/ Divisional Head  
Ph: 021-99220076  
Fax: 021-99220632  
[saeed.habib@nbp.com.pk](mailto:saeed.habib@nbp.com.pk)

**Mr. Muhammad Saifuddin**  
AVP/ Wing Head  
Ph: 021-99220267  
Fax: 021- 9922067  
[Muhhammad.saifuddin@nbp.com.pk](mailto:Muhhammad.saifuddin@nbp.com.pk)

SVP/ Wing Head  
Ph: 021-99220823  
Fax: 021-99220267  
[ansari@nbp.com.pk](mailto:ansari@nbp.com.pk)

**Mr. Abdul Majid Shaikh**  
VP/ Wing Head  
Ph: 021-99062723  
Fax: 021-99220632  
[Amajid.shaikh@nbp.com.pk](mailto:Amajid.shaikh@nbp.com.pk)

**Mr. Wajih ur Rehman**  
AVP/ Wing Head  
Ph: 021-99220128  
Fax: 021-99220632  
[wajih.rehman@nbp.com.pk](mailto:wajih.rehman@nbp.com.pk)

## International Banking Group

**Mr. Masood Karim Shaikh**  
SEVP/Group Chief  
Ph: 021 - 99220955  
Fax: 021 - 99220319  
[masoodkarim@nbp.com.pk](mailto:masoodkarim@nbp.com.pk)

**Sheikh Tariq Abdullah**  
Financial Institutions Division  
SVP/Divisional Head  
Ph: 021 - 99220066  
Fax: 021 - 99220210  
[tariqabdullah@nbp.com.pk](mailto:tariqabdullah@nbp.com.pk)

**Mr. Hamid Rasool Qadri**  
CAD – Operations Wing  
VP / Wing Head  
Ph: 021 - 99062563  
[hamid.qadri@nbp.com.pk](mailto:hamid.qadri@nbp.com.pk)

**Mr. G. M. Tiwana**  
China Desk, Lahore  
VP / In-charge  
Ph: 042-9926 8258  
Fax: 042-9926 8217  
[gm.tiwana@nbp.com.pk](mailto:gm.tiwana@nbp.com.pk)

**Mr. Sharaf Ahmad**  
Funds Management Wing  
VP / Wing Head  
Ph: 021- 99220722  
Fax: 021- 99220708  
[sharaf.ahmad@nbp.com.pk](mailto:sharaf.ahmad@nbp.com.pk)

**Mr. Nasir Husain**  
Executive Vice President  
Ph: 021 - 99220981  
Fax: 021 - 99220796  
[nasir.husain@nbp.com.pk](mailto:nasir.husain@nbp.com.pk)

**Syed Azhar Ali**  
Support & Operations Wing  
SVP/ Wing Head  
Ph: 021 - 99220845  
Fax: 021 - 99220706  
[azhar.ali@nbp.com.pk](mailto:azhar.ali@nbp.com.pk)

**Syed Khawaja Maaz**  
Credit Processing Wing  
SVP / Wing Head  
Ph: 021 - 99220301  
[syed.maaz@nbp.com.pk](mailto:syed.maaz@nbp.com.pk)

**Mr. Irfan Ahmed Kazi**  
Admin & Operations Wing  
VP / Deputy Wing Head  
Ph: 021- 99220738  
Fax: 021- 99220706  
[irfan.kazi@nbp.com.pk](mailto:irfan.kazi@nbp.com.pk)

**Bangladesh Special Affairs**  
SVP/ Wing Head  
Tel : 021 - 99220922  
Fax: 021 - 99220096  
[ahsan@nbp.com.pk](mailto:ahsan@nbp.com.pk)

**Mr. Moin Ud Din Khan**  
Policy & Procedures Wing  
VP/ Wing Head  
Ph: 021 - 99220709  
Fax: 021 - 99220706  
[moinuddin.khan@nbp.com.pk](mailto:moinuddin.khan@nbp.com.pk)

**Mr. Kazi Imtiaz Ahmed**  
Credit Processing Wing  
VP / Wing Head  
Ph: 021 - 99220309  
[kazimiaz@nbp.com.pk](mailto:kazimiaz@nbp.com.pk)

**Mr. M. Alamgir Khanji**  
Credit Processing Wing  
VP / Wing Head  
Ph: 99220266  
[alamgir.khanji@nbp.com.pk](mailto:alamgir.khanji@nbp.com.pk)

## Logistic Support Group

**Mr. Shahid Iqbal Dar**  
EVP/Group Head  
Ph: 021-99220640  
Fax: 021-99220639  
[shahiddar@nbp.com.pk](mailto:shahiddar@nbp.com.pk)

**Mr. Saad Salman Dar**  
Administration & Inspection  
VP/Head  
Ph: 021-99220547  
[salman.dar@nbp.com.pk](mailto:salman.dar@nbp.com.pk)

**Protocol Wing**  
Mr. Fateh Shahab Qazi  
VP/ Wing Head  
Ph:021-99220356  
Fax: 021-99220356  
[Fateh.shahab@nbp.com.pk](mailto:Fateh.shahab@nbp.com.pk)

**Mr. Muhammad Ramzan Baloch**  
Logistic Support & Security Division  
SVP/Divisional Head (A)  
Ph: 021-99220720  
Fax: 021-99220831  
[mrbaloch@nbp.com.pk](mailto:mrbaloch@nbp.com.pk)

**Mr. Muhammad Yousaf**  
VP/LSG  
Ph: 021-99062730  
Fax: 021-99220639  
[mrysiddiqui@nbp.com.pk](mailto:mrysiddiqui@nbp.com.pk)

**Mr. Mohammad Ibrahim**  
Transport & Protocol Wing  
VP/ Head Transport  
Ph:021-99212204  
Fax: 021-99220378  
[Muhhammad.ibrahim06@nbp.com.pk](mailto:Muhhammad.ibrahim06@nbp.com.pk)

**Mr. Akhtar H. Khan**  
Security & Safety Wing  
SVP/Chief Security Officer  
Ph: 021-99220061  
Fax: 021-99220062  
[Akhtarch.khan@nbp.com.pk](mailto:Akhtarch.khan@nbp.com.pk)

**Ms. Khadija Adnan**  
Property & Premises Wing  
SVP/Wing Head  
Ph: 021-99220445  
[Khadija\\_adnan@nbp.com.pk](mailto:Khadija_adnan@nbp.com.pk)

**Mr. Sher Mohammad**  
Stationery & Stores Wing  
VP/Wing Head  
Ph: 021- 32416425  
Fax: 021-34245802  
[aa.knbp@yahoo.com](mailto:aa.knbp@yahoo.com)

## Credit Management Group

**Mr. Wajahat A. Baqai**

SEVP/ Head, CMG

Ph: 021-99220703

Fax: 021-99220863

[baqai@nbp.com.pk](mailto:baqai@nbp.com.pk)**Ms. Azra Naila Uzair**

SME &amp; Retail Credit Division

EVP / Divisional Head

Ph: 021-99220222

[azranuzair@nbp.com.pk](mailto:azranuzair@nbp.com.pk)**Research Division**

EVP / Divisional Head

Ph: 021-99220315

Fax: 021-99220416

[k.ahsan.elahi@nbp.com.pk](mailto:k.ahsan.elahi@nbp.com.pk)**Mr. M. Khurram Khawaja**

SME &amp; Retail Credit Wing

SVP / Wing Head

Ph: 021-99220011

Fax: 021-99220730

[muhammad.khawaja@nbp.com.pk](mailto:muhammad.khawaja@nbp.com.pk)**Mr. M. Rashid Ghani**

Students Loan Wing

SVP / Wing Head

Ph: 021-99220825

Fax: 021-99220481

[mrghani@nbp.com.pk](mailto:mrghani@nbp.com.pk)**Mr. Rashid Ata**

Credit Policy Wing

SVP / Wing Head

Ph: 021-99220896

Fax: 021-99220418

[rashid\\_ata@nbp.com.pk](mailto:rashid_ata@nbp.com.pk)**Mr. Hidayat Ali Shar**

Corporate Approval Division

SVP / Divisional Head

Ph: 021-99220302

[hidayat@nbp.com.pk](mailto:hidayat@nbp.com.pk)**Mr. M. Saleem Saleemi**

Corporate Credit Wing

SVP / Wing Head

Ph: 021-99220285

[muhammad.saleemi@nbp.com.pk](mailto:muhammad.saleemi@nbp.com.pk)**Mr. Mudassir Nabi**

Commercial &amp; Overseas Credit Wing

SVP / Wing Head

Ph: 021-99220843

[mudassir@nbp.com.pk](mailto:mudassir@nbp.com.pk)**Mr. Arif Raza Abdy**

Overseas Credit Monitoring Wing

SVP / Wing Head

Ph: 021-99220634

Fax: 021-99220633

[arif.abdi@nbp.com.pk](mailto:arif.abdi@nbp.com.pk)**Ms. Rizwana Ammar**

Credit Monitoring

SVP / Wing Head

Ph: 021-99220092

Fax: 021-99220063

[rizwana.ammar@nbp.com.pk](mailto:rizwana.ammar@nbp.com.pk)**Mr. Parvez Rahim**

Project Monitoring Wing

SVP / Wing Head

Ph: 021-99220080

Fax: 021-99220988

[parvez.rahim@nbp.com.pk](mailto:parvez.rahim@nbp.com.pk)

## Corporate Banking Group

**Syed Jamal Baquar**

SEVP/ Group Chief

Ph: 021-99220741

Fax: 021-99220795

[jamal.baquar@nbp.com.pk](mailto:jamal.baquar@nbp.com.pk)**Mr. Usman Shahid**

EVP/Corporate Head Lahore

Ph: 042-99268214

Fax: 042-99268217

[usman.nbp@hotmail.com](mailto:usman.nbp@hotmail.com)**Mr. Khadim Hussain**

EVP/Corporate Head FSD/Multan

Ph: 041-9220597

Fax: 041-8731776

[khussain474@gmail.com](mailto:khussain474@gmail.com)**Ms. Rima Ather**

SVP/Corporate Head Karachi

Ph: 021-99220193

Fax: 021-992212775

[rima.ather@nbp.com.pk](mailto:rima.ather@nbp.com.pk)**Mr. Abid Kitchlew**

SVP/Corporate Head Islamabad

Ph: 051-9244735

Fax: 051-9244745

[kitchlew@nbp@hotmail.com](mailto:kitchlew@nbp@hotmail.com)**Mr. Asad Saleem**

SVP/Head CCD

Ph: 021-99220965

Fax: 021-992212775

[asad.saleem@nbp.com.pk](mailto:asad.saleem@nbp.com.pk)

## Investment Banking Group

**Mr. Rehmat Ali Hasnie**

SEVP/Group Chief

Ph: 021-99220891-92

Fax: 021-99220953

[rehmat.hasnie@nbp.com.pk](mailto:rehmat.hasnie@nbp.com.pk)**Mr. Rashid Mirza**

Private Energy Division

SVP/ Division Head

Ph: 021-99203584

[rashid.mirza@nbp.com.pk](mailto:rashid.mirza@nbp.com.pk)**Agency & Trustee Wing**

VP/ Wing Head

Ph: 021-99220954

Fax: 021-99220953

[hanifabbasi@nbp.com.pk](mailto:hanifabbasi@nbp.com.pk)

## Risk Management Group

**Ms. Sultana Naheed**

SEVP/Group Chief

Ph: 021-99220511

**Mr. Saleem Ahmed**

Market &amp; Liquidity Risk

Management Wing

SVP/Wing Head

**Credit Administration Wing**

SVP/Wing Head

Ph: 021-99220286



Fax: 021-99220512  
[sultana@nbp.com.pk](mailto:sultana@nbp.com.pk)

**Mr. S. M. Ayub**  
 Operational Risk Management Wing  
 SVP/Wing Head  
 Ph: 021-99217923  
 Fax: 021-99217925  
[muhammad.ayub@nbp.com.pk](mailto:muhammad.ayub@nbp.com.pk)

**Mr. Muhammad Saleem Baig**  
 eCIB & Data Management Wing  
 VP/Wing Head  
 Ph: 021-99217919  
 Fax: 021-99217925  
[saleembaig786@nbp.com.pk](mailto:saleembaig786@nbp.com.pk)

Ph: 021-99220208  
[saleem.ahmed@nbp.com.pk](mailto:saleem.ahmed@nbp.com.pk)

**Mr. Muhammad Zaheer Abbas**  
 Enterprise Risk Management Wing  
 SVP/Wing Head  
 Ph: 021-99217909  
 Fax: 021-99217925  
[zachaudry@nbp.com.pk](mailto:zachaudry@nbp.com.pk)

**Mr. Mobashir Nabi**  
 Credit Risk Architecture Wing  
 VP/Wing Head  
 Ph: 021-99220068  
 Fax: 021-99220512  
[mobashir.nabi@nbp.com.pk](mailto:mobashir.nabi@nbp.com.pk)

Fax : 021-99220323  
[javedhaider@nbp.com.pk](mailto:javedhaider@nbp.com.pk)

**Mr. Shakeel Hayat Mir**  
 BPR & COSO  
 SVP/Wing Head  
 Ph: 021-99217927  
 Fax: 021-99217925  
[shakeel@nbp.com.pk](mailto:shakeel@nbp.com.pk)

#### Assets Recovery Group

**Mr. Tariq Jamali**  
 SEVP / Group Chief  
 Ph: 021-99220231  
 Fax: 021-99220235

**Mr. Shahid Iqbal Chaudhry**  
 ARD - South  
 EVP / Divisional Head  
 Ph: 042-99220357  
 Fax: 042-99220276

**Mr. Shahid Majeed**  
 ARW Wing - ARD North  
 SVP / Wing Head  
 Ph: 042-99221164  
 Fax: 042-99220276

**Sardar Azmat Babar Chouhan**  
 ARD- South  
 EVP / Divisional Head  
 Ph: 021-99220971  
 Fax: 021-99062932

**Mrs. Azmat Moiz**  
 Administration Wing  
 SVP / Wing Head  
 Ph: 021-99220029  
 Fax: 021-99220029

**Mr. Karim Akram Khan**  
 S&MARW (Central) - ARD North  
 EVP / Wing Head  
 Ph: 051-99244731  
 Fax: 051-99244731

**Mr. Mujahid Abbas Khan**  
 SME Bank Portfolio Wing  
 SVP / Wing Head  
 Ph: 042-99221168/99212692  
 Fax: 042-99220276

**Mr. Muhammad Salim Qasim**  
 S&MARW - ARD South  
 SVP / Wing Head  
 Ph: 021-99220073  
 Fax: 021-99062932

**Mr. Taslim Haider Zaidi**  
 SAMW Wing - ARD North  
 SVP / Wing Head  
 Ph: 042-99220667  
 Fax: 042-99220276

**Syed Hassan Mustafa Naqvi**  
 Operations & MIS - ARD South  
 SVP / Wing Head  
 Ph: 021-99062924  
 Fax: 021-99220968

**Mr. Muhammad Amin Qazi**  
 SAMW - ARD South  
 SVP / Wing Head  
 Ph: 021-99203562  
 Fax: 021-99203592

#### Islamic Banking Group

**Mr. Khawaja Muhammad Aminulazam**  
 Head of Islamic Banking Group  
 Ph: 021-99225681 - 87  
 Fax: 021-99222547  
[khawaja.amin@nbp.com.pk](mailto:khawaja.amin@nbp.com.pk)

**Mr. Muhammad Fuad Mohsin**  
 Operations Wing  
 SVP / Wing Head  
 Ph: 042-99213529  
 Fax: 042-99211247  
[mfuadm@nbp.com.pk](mailto:mfuadm@nbp.com.pk)

**Ehsan Waquar Ahmed**  
 Chairman Shariah Board  
 Ph: 021-99203506  
 Fax: 021-99202547  
[ehsan.ahmad@nbp.com.pk](mailto:ehsan.ahmad@nbp.com.pk)

**Mr. Irfan Butt**  
 Administration & HR Wing  
 VP / Wing Head  
 Ph: 042-99213961  
 Fax: 042-99211247  
[irfanbutt@nbp.com.pk](mailto:irfanbutt@nbp.com.pk)

**Sarfraz Ahmad**  
 Marketing Wing  
 SVP/Wing Head  
 Ph: 021-99203309  
[sarfraz@nbp.com.pk](mailto:sarfraz@nbp.com.pk)

**Mr. Tahir Mustafa**  
 Compliance Wing  
 Wing Head  
 Ph: 042-99213960  
 Fax: 042-99211247  
[tahirmustafa@nbp.com.pk](mailto:tahirmustafa@nbp.com.pk)



**Mr. Kamran Masood Khan**  
Punjab Central Region  
SVP/Regional Head  
Ph: 042-99213963  
[kamran.khan03@nbp.com.pk](mailto:kamran.khan03@nbp.com.pk)

**Mr. Muhammad Tariq Khattak**  
FEDC Region  
SVP/Regional Head  
Ph: 051-9216693 & 2802170  
[muhammad.khattak@nbp.com.pk](mailto:muhammad.khattak@nbp.com.pk)

**Ms. Saima Rahim**  
KPK Region  
VP/ Regional Head  
Ph: 091-9212696  
[saima.rahim@nbp.com.pk](mailto:saima.rahim@nbp.com.pk)

**Mr. Rehman Nazir**  
Punjab South Region  
SVP/Regional Head  
Ph: 061-6537517 & 6514530  
[rehman.nazir@nbp.com.pk](mailto:rehman.nazir@nbp.com.pk)

**Syed Akhtar Ali Shah**  
Islamic Banking Region - Sindh  
SVP/Regional Head  
Ph: 021-99225577  
[akhtar.ali09@nbp.com.pk](mailto:akhtar.ali09@nbp.com.pk)

**Mr. Tahir Mustafa**  
Compliance Wing  
Head of Compliance  
Ph: 042-99213960  
[tahirmustafa@nbp.com.pk](mailto:tahirmustafa@nbp.com.pk)

### Information Technology Division

**Mr. Shahid Saeed**  
SEVP/Chief Information Officer  
Tel: 99220451, Fax: 99220452  
[shahid.saeed@nbp.com.pk](mailto:shahid.saeed@nbp.com.pk)

**Mr. Syed Asrar Hussain**  
EVP/ITD, Special Assignment  
Tel: 99220176/99220362  
[asrar.hussain@nbp.com.pk](mailto:asrar.hussain@nbp.com.pk)

**IT Operations Wing**  
SVP/Wing Head (A)  
Tel: 99220157  
[yasir.ansari@nbp.com.pk](mailto:yasir.ansari@nbp.com.pk)

**Mr. Sabih Uddin Siddiqui**  
System Maintenance Wing  
VP/Wing Head  
Tel: 99212242  
[sabih@nbp.com.pk](mailto:sabih@nbp.com.pk)

**Mr. Saad Zia**  
IT Dev. & Maintenance Wing  
VP/Wing Head  
Tel: 99220289  
[saad.zia@nbp.com.pk](mailto:saad.zia@nbp.com.pk)

**Mr. Nazir Ahmed Dayo**  
Coordination & Compliance Wing  
VP/Wing Head  
Tel: 99220180  
[nazir@nbp.com.pk](mailto:nazir@nbp.com.pk)

**Mr. Wajahat Malik**  
ADC Wing  
SVP/Wing Head  
Tel: 99220993  
[wajahat.malik@nbp.com.pk](mailto:wajahat.malik@nbp.com.pk)

**Mr. Muhammad Shahid Razzaq**  
ADC Wing  
SVP/ Consultant  
Tel: 99220219  
[razshahid@nbp.com.pk](mailto:razshahid@nbp.com.pk)

**Mr. Zulfiqar Ali Shaikh**  
IT Administration Wing  
AVP/ Wing Head  
Tel: 99220745  
[zashaikh@nbp.com.pk](mailto:zashaikh@nbp.com.pk)

**Mr. Imran Jafri**  
PMO & Strategic Planning Wing  
SVP/ Wing Head (A)  
Tel: 99220806  
[imran.jafri@nbp.com.pk](mailto:imran.jafri@nbp.com.pk)

**Mr. Muhammad Ebrahim**  
Project Management Office  
SVP  
Tel: 99220373  
[muhammad.ebrahim@nbp.com.pk](mailto:muhammad.ebrahim@nbp.com.pk)

**Mr. Syed Shakeel Raza Abidi**  
IT International Operations Wing  
SVP/ Wing Head  
Tel: 99220979  
[shakeel.abidi@nbp.com.pk](mailto:shakeel.abidi@nbp.com.pk)

**Mr. Abdul Qadir**  
International Security Office  
SVP/CISO (A)  
Tel: 99220156  
[abdul.qadir01@nbp.com.pk](mailto:abdul.qadir01@nbp.com.pk)

**Mr. Arshad Hussain Jafri**  
IT Infrastructure Wing  
SVP/Wing Head (A)  
Tel: 99220832  
[arshad.jafri@nbp.com.pk](mailto:arshad.jafri@nbp.com.pk)

### Legal Division

**Mr. Aamir Zareef Khan**  
EVP/Head  
Ph: 021-99220903  
[Aamir.zareef@nbp.com.pk](mailto:Aamir.zareef@nbp.com.pk)

**Ms. Rubina Rizvi**  
Senior Legal Counsel  
Ph: 021-99217934  
[rubina.rizvi@nbp.com.pk](mailto:rubina.rizvi@nbp.com.pk)

**Naveed Tayyab**  
Wing Head - Admin  
Ph: 021-99217932  
[naveed.tayyab@nbp.com.pk](mailto:naveed.tayyab@nbp.com.pk)

## Financial Control Division

**Mr. Aamir Sattar**  
SEVP/Chief Financial Officer  
Ph: 021-99220772  
Fax: 021-9920473  
[aamirsattar@nbp.com.pk](mailto:aamirsattar@nbp.com.pk)

**Mr. Abdul Rahim Haroon**  
Financial reporting & Taxation Wing  
SVP/Wing Head  
Ph: 021-99220383  
Fax: 021-99220473  
[arahimharoon@nbp.com.pk](mailto:arahimharoon@nbp.com.pk)

**M. Kashif Khan**  
Policy & Procedures Review Wing  
SVP/Wing Head  
Ph: 021-99220791  
Fax: 021-9920473  
[kashifkhan@nbp.com.pk](mailto:kashifkhan@nbp.com.pk)

**Mr. Hakim Ali Lagheri**  
SBP Reporting & General  
Accounting Wing  
SVP/Wing Head  
Ph: 021-99220635  
Fax: 021-9920473  
[hakimlagheri@nbp.com.pk](mailto:hakimlagheri@nbp.com.pk)

**Mr. Wasif K Ahmed**  
Business Performance Review &  
Investor Relations Wing  
SVP/Wing Head  
Ph: 021- 99220312  
Fax: 021-9920473  
[wasifahmed@nbp.com.pk](mailto:wasifahmed@nbp.com.pk)

## Strategic Marketing Division

**Mr. Ovais Asad Khan**  
EVP/Divisional Head  
Ph: 021-99220069  
[ovais.asad@nbp.com.pk](mailto:ovais.asad@nbp.com.pk)

**Mr. Muhammad Anwer Moten**  
VP/Coordinator  
Ph: 021-99220069  
[Muhhammad.moten@nbp.com](mailto:Muhhammad.moten@nbp.com)

## Human Resources Management Group

**Mr. Zahid Mahmood Chaudhry**  
SEVP / Group Chief  
Ph : 021-99220786  
Fax: 021-99220980  
[zmc@nbp.com.pk](mailto:zmc@nbp.com.pk)

**Mr. Muhammad Ehsan Qadir**  
PIR Division  
EVP / Divisional Head  
Ph: 021-99220641  
Fax: 021-99220277  
[ehsan.qadir59@nbp.com.pk](mailto:ehsan.qadir59@nbp.com.pk)

**Mahmood A. Nadeem**  
PM Wing  
SVP / Wing Head  
Ph: 021-99220359  
Fax: 021-99212263  
[mahmood.nadeem@nbp.com.pk](mailto:mahmood.nadeem@nbp.com.pk)

**Mr. Arshad Mehmood Mian**  
IDW  
SVP / Wing Head  
Ph: 021-99220226  
[arshadmian@nbp.com.pk](mailto:arshadmian@nbp.com.pk)

**Mr. Mansoor Hussain Qureshi**  
IRW  
SVP / Wing Head  
Ph: 021-99220869  
[mansoor.qureshi@nbp.com.pk](mailto:mansoor.qureshi@nbp.com.pk)

**Ms. Fouzia Mumtaz**  
HRO, SBP Coordination Wing  
VP / Wing Head  
Ph: 021-99220918  
[fauzia.mumtaz@nbp.com.pk](mailto:fauzia.mumtaz@nbp.com.pk)

**Mr. Adnan Adil Hussain**  
HR Division  
SVP / Divisional Head  
Ph: 021-99220071  
Fax: 021-99220074  
[adnan.adil@nbp.com.pk](mailto:adnan.adil@nbp.com.pk)

**Ms. Shahla Ghulam Hussain**  
Recruitment & Placement Wing  
SVP / Wing Head  
Ph: 021-99220377  
Fax: 021-99220543  
[shahla.hussain@nbp.com.pk](mailto:shahla.hussain@nbp.com.pk)

**Mr. Irshad Ahmed**  
CMW  
SVP / Wing Head  
Ph: 021-99220284  
Fax: 021-99220284  
[Irshad.ahmad@nbp.com.pk](mailto:Irshad.ahmad@nbp.com.pk)

**Dr. Muhammad Asif Khan**  
HR&SPM Wing  
VP / Wing Head  
Ph: 021-99220395  
Fax: 021-99220272  
[asifmughal@nbp.com.pk](mailto:asifmughal@nbp.com.pk)

**Ms. Shabana Shah**  
HR Policies Wing  
VP / Wing Head  
Tel: 021-99220280  
Fax: 021-99220280  
[shabana.shah@nbp.com.pk](mailto:shabana.shah@nbp.com.pk)

**Mr. Aziz-ur-Rehman**  
Human Resources Service Division  
SVP/Divisional Head (A)  
Ph: 021-99220789  
Fax: 021-99220308  
[aziz@nbp.com.pk](mailto:aziz@nbp.com.pk)

**Mr. Aziz-ur-Rehman**  
EBW  
SVP / Wing Head  
Ph: 021-99220789

**Mr. Muhammad Khursheed Khan**  
SL & WW  
SVP / Wing Head  
Ph: 021-99220644

**Syed Imran Ghani**  
HRIS Wing  
VP / Wing Head  
021-99220787

Fax: 021-99220308  
[aziz@nbp.com.pk](mailto:aziz@nbp.com.pk)

**Mr. Zaheer Baig**  
 E-Learning Division  
 EVP / Divisional Head  
 Ph: 042-35754044,  
[zaheer.baig@nbp.com.pk](mailto:zaheer.baig@nbp.com.pk)

Fax: 021-99220735  
[khurshed.khan@nbp.com.pk](mailto:khurshed.khan@nbp.com.pk)

**Ms. Rifat Sultana Mughal**  
 HRL&EG Wing  
 SVP / Wing Head  
 021-99220264  
[rifat.mughal@nbp.com.pk](mailto:rifat.mughal@nbp.com.pk)

[imran.ghani@nbp.com.pk](mailto:imran.ghani@nbp.com.pk)

**Dr. Qadir Buksh**  
 Head EHMW  
 EVP / Chief Medical Officer  
 Ph: 021-99220358  
 Fax: 021-99220320

### Global Home Remittances Management Group

**Mr. S.H. Irtiza Kazmi**  
 EVP / Group Head  
 Ph: 021-99220909  
 Fax: 021-99220910  
[irtiza.kazmi@nbp.com.pk](mailto:irtiza.kazmi@nbp.com.pk)

**Mr. Zahid Shaheen**  
 Remittance Operation Wing  
 VP / Wing Head  
 Ph: 021-99220719  
 Fax: 021-99220351  
[zahid.shaheen@nbp.com.pk](mailto:zahid.shaheen@nbp.com.pk)

**Nusrat Ilyas**  
 Quality Assurance Wing  
 SVP / Wing Head  
 Ph: 021-99220970  
 Fax: 021-99220351  
[nusrat.ilyas@nbp.com.pk](mailto:nusrat.ilyas@nbp.com.pk)

### Secretary Board Of Directors

**Mr. Syed M. Ali Zamin**  
 EVP/Secretary (Board)  
 Ph:021-99220099  
 Fax:021-99220239  
[ali.zamin@nbp.com.pk](mailto:ali.zamin@nbp.com.pk)

**Mr. Salman Talat**  
 Board, Corporate Affairs, Credit  
 Committee & Shares Wing  
 SVP/Wing Head  
 Ph:021-99220574  
[salman.talat@nbp.com.pk](mailto:salman.talat@nbp.com.pk)

## Overseas Branches Contacts

### Kingdom of Saudi Arabia

#### RIYADH BRANCH

Mr. Shahzad Akhtar Shami  
SEVP/General Manager  
National Bank of Pakistan  
Al-Guthmi Building No. 857  
Near Obeikan Book Shop  
P. O. Box No. 63020  
Riyadh-11516  
Kingdom of Saudi Arabia  
Tel: 009661-4620750, 009661-2177516  
Fax: 009661-2178869  
[sashami@nbp.com.pk](mailto:sashami@nbp.com.pk)

### Country Office, US Operations

Wall Street Branch, New York  
Mr. Nasir M. Qureshi,  
EVP/Country Manager  
US Operations  
National Bank of Pakistan  
New York Branch  
100 Wall Street, 21<sup>st</sup> Floor  
New York N.Y. 10005  
Tel: 212.344.8822 Ext. 3501  
Direct 212.710.3501  
Fax: 212.809.4720  
E-mail: [nqureshi@nbpusa.com](mailto:nqureshi@nbpusa.com)  
[operations@nbpusa.com](mailto:operations@nbpusa.com)

Washington D. C. Branch  
Mr. Wasim Shahid  
VP/Manager  
National Bank of Pakistan  
Washington D.C. Branch  
1875 Connecticut Avenue N.W.  
Washington, D.C. 20009  
Tel: 202.462.7373  
Direct : 202.462.3850  
Fax: 202.667.2515  
Email: [nbpwashington@nbpusa.com](mailto:nbpwashington@nbpusa.com)

### Representative Office, Canada

Representative Officer  
National Bank of Pakistan,  
Toronto Representative Office  
First Canadian Place  
100 King Street West, Suite 3700  
Toronto, ON M5X 1C9  
Tel # 416.644.5097  
Fax # 416.644.8801  
[uaziz@nbp.com.sa](mailto:uaziz@nbp.com.sa)

### France

Paris Branch  
Mr. Muhammad Yaqoob  
SVP/General Manager  
National Bank of Pakistan  
Paris Branch  
128, Boulevard Haussmann, 75008  
Paris, France  
Tel: 00331-42562538 - 42564319  
Fax: 00331-45636604  
Telex: 290828 F  
[m.yaqoob@nbpfr.paris.fr](mailto:m.yaqoob@nbpfr.paris.fr)

### Germany

Frankfurt Branch  
Mr. Muhammad Rizwan Khan  
SVP/General Manager  
National Bank of Pakistan  
Frankfurt Branch (Germany)  
Holzgraben 31  
60313 Frankfurt am Main  
P. O. Box 101643,  
Tel: 004969-97571211  
Fax: 004969-745682  
Telex: 414103 A NBP D  
[rizwan.khan@nbpffm.de](mailto:rizwan.khan@nbpffm.de)

### China

Representative Office, Beijing  
Ch. Muhammad Waseef Aslam  
Chief Representative  
Representative Office  
401 Kun Lun Hotel 2 Xinyuan  
Chaoyang District, Beijing, China  
Tel: 0086-10-65903388 EXT.435  
Fax: 0086-10-65903762 & 86-10-65903228  
[nbpbj@hotmail.com](mailto:nbpbj@hotmail.com)

### Hong Kong Operations

Main Branch  
Mr. Moeen Ud Din  
Country Manager,  
National Bank of Pakistan  
Main Branch, Hong Kong  
1801-1805, 18th Floor,  
ING, Tower, 308-320  
DES VOEUX Road Central  
HONG KONG



Tel: 00852-25231491, 00852-25217321

Fax: 00852-28507723

Telex: 75137 MILLAT HX

[nbpkce@nbp.com.hk](mailto:nbpkce@nbp.com.hk)

[nbpkh@nbp.com.hk](mailto:nbpkh@nbp.com.hk)

#### Kowloon Branch

**Mr. Muhammad Ayyub**

Manager,

National Bank of Pakistan

Kowloon Branch

1103 Fourseas Building,

208-212 Nathan Road, Kowloon

T.S.T. P.O. Box 99006

Tel: 00852-27245622 & 00852-23697355

Fax: 00852-23691780

Telex: 75137 MILBA HX

[nbpkow@nbp.com.hk](mailto:nbpkow@nbp.com.hk)

#### Japan Operations

**Tokyo Branch, Japan**

**Mr. Muhammad Ashfaq Khan**

Country Manager,

Japan Operations

National Bank of Pakistan

Tokyo Branch (Japan)

3/F, CJ Bldg 2-7-4 Nishi-Shimbashi

Minato-Ku Tokyo 105-0003

Japan 105-0003

Tel: 00813-3504-1835 & 00813-3502-0331 - 2

Fax: 00813-3502-0359 & 813-3502-5402

Telex: J-23847 MILLBANK

[info@nbpkyo.com](mailto:info@nbpkyo.com)

**Osaka Branch, Japan**

**Rao Sajid Ali Qaiser**

Manager,

National Bank of Pakistan

Osaka Branch (Japan)

Sanei Shinsaibashi Building, 4th Floor 1-13-1

Nishi Shinsaibashi Chuo-Ku

Osaka 542-0086, Japan

Tel: 00816-6244-8934 & 00816-6244-8936

Fax: 00816-6244-8938

Telex: 5222701 NBPOSKJ

[nbpposaka@skyblue.ocn.ne.jp](mailto:nbpposaka@skyblue.ocn.ne.jp)

#### Republic Of Korea

**Seoul Branch**

**Mr. Imran Shahzad**

General Manager

Seoul Branch

National Bank of Pakistan

22nd Floor, Kyobo Building 1,

Jangno 1 ga, Jongna gu,

Seoul 110-714,

Republic of Korea

K. P. O. Box 1663

Tel: 00822-734-5815 & 00822-734-5855

Fax: 00822-734-5817

Telex: K32149 MILLAT

[nbpseoul@nbpkr.com](mailto:nbpseoul@nbpkr.com)

[nbpkorea@nbpkr.com](mailto:nbpkorea@nbpkr.com)

#### Kingdom Of Bahrain

**Bahrain Branch, Manama**

**Mr. Imtiaz Ahmed Shaikh**

VP/General Manager (A)

Bahrain OBU

National Bank of Pakistan

Unit No.501-2, 5th Floor,

9 Manama Centre, Government Avenue

P. O. Box No.775, Manama, State of Bahrain

Tel: 00973-17-224451, 224460, 224461

Fax: 00973-17-224411

Telex: 9222 NATPAK BN

[nbpbn@batelco.com.bh](mailto:nbpbn@batelco.com.bh)

[imtiaz.shaikh@nbp.com.pk](mailto:imtiaz.shaikh@nbp.com.pk)

#### Bangladesh

**CONTROLLING OFFICE, DHAKA**

**BANGLADESH OPERATIONS**

**Md. Qamruzzaman**

General Manager

Bangladesh Operations

National Bank of Pakistan

Controlling Office

80-Gulshan Avenue, (1st Floor)

Gulshan-01

Dhaka-1212, Bangladesh

Tel: 0088-02-8855025, 0088-02-9897458

(Ext-102)

Fax: 0088-02-9861028

[md.qamruzzaman@nbp-bd.com](mailto:md.qamruzzaman@nbp-bd.com)

**Gulshan Branch, Dhaka**  
**Mr. Ehtesham Haider Chaudhary**  
 Branch Manager  
 National Bank of Pakistan  
 80-Gulshan Avenue, (Ground Floor)  
 Gulshan-01  
 Dhaka-1212, Bangladesh  
 Tel: 0088-02-8855025, 0088-02-9897458  
 (Ext-102)  
 Fax: 0088-02-9861028  
 Email: [ehtesham@nbp-bd.com](mailto:ehtesham@nbp-bd.com)

#### **CONTROLLING OFFICE, DHAKA BANGLADESH OPERATIONS**

**Mr. Ghulam Hussain Azhar**  
 SVP/Deputy General Manager,  
 Bangladesh Operations  
 National Bank of Pakistan  
 Controlling Office  
 80-Gulshan Avenue, (1st Floor)  
 Gulshan-01  
 Dhaka-1212, Bangladesh  
 Tel: 0088-02-8855025, 0088-02-9897458  
 (Ext-102)  
 Fax: 0088-02-9861028  
[ghulam-azhar@nbp-bd.com](mailto:ghulam-azhar@nbp-bd.com)

**Chittagong Branch**  
**Mr. Noor Ul Islam**  
 Branch Manager,  
 Chittagong Branch  
 69, Agrabad Commercial Area  
 Chittagong (Bangladesh)  
 Tel: 0088-031-2520272 & 008-031-2520292  
 Fax: 0088-031-2520305  
[n.amin@nbp-bd.com](mailto:n.amin@nbp-bd.com)

**Dhaka Branch**  
 Branch Manager  
 National Bank of Pakistan  
 Dhaka Branch (Bangladesh)  
 79, Motijheel Commercial Area, Dhaka-1000  
 Tel: 0088-02-9560248-9 (Ext-16)  
 Fax: 0088-02-9560247  
[nbp@agni.com](mailto:nbp@agni.com)

**Sylhet Branch**  
**Mr. Md. Ataur Rohaman Joardder**  
 Branch Manager,  
 Sylhet Branch  
 Metropolitan Market, Sobhani Ghat  
 Sylhet

Tel: 0088-0821-2831412-3  
 Fax: 0088-0821-2831414  
[joardder@nbp-bd.com](mailto:joardder@nbp-bd.com)

#### **Export Processing Zone Branch, Karachi**

**Mr. Hafeez Ullah Memon**  
 Manager  
 Export Processing Zone Branch, Karachi  
 Off-Shore Banking Branch  
 EPZ Karachi  
 P. O. Box No. 17004 Landhi, Karachi-75160  
 Tel: (021) 35082218 & 5082220  
 Fax: (021) 35082219  
 Telex: (021) 327642 NBEPZ  
[nbpepz@yahoo.com](mailto:nbpepz@yahoo.com)

#### **Kazakhstan**

**NBP Subsidiary Bank in Kazakhstan**  
**Muhammad Rafiq**  
 General Manager,  
 National Bank of Pakistan  
 Subsidiary Bank in Kazakhstan  
 Building No. 27A, Nauryzbay Street,  
 040900 Kaskelen, Karassy Region  
 Almaty Oblast, Kazakhstan  
 Tel: 007-727-298-38-38 & 077-727-300-14-44  
 Fax: 007-727-298-32-89  
[rafiqnbp@gmail.com](mailto:rafiqnbp@gmail.com)

**Almaty Branch**  
**Artykbekov Talgat**  
 Manager, Almaty Branch of  
 NBP Subsidiary Bank of Kazakhstan  
 Building No.105, Dostyk Avenue, 050051  
 Almaty (Kazakhstan)  
 Tel: 007-727-2597602/04/05/06  
 Fax: 007-727-2597603  
[nbp\\_almaty@nursat.kz](mailto:nbp_almaty@nursat.kz)

**Karaghanda Branch JSC Subsidiary Bank**  
**Meshelev Manarbek**  
 Manager, Karaghanda Branch of  
 NBP Subsidiary Bank of Kazakhstan  
 Building No.2, Lenina Street,  
 100000 Karaghanda, Kazakhstan  
 Telephone # 7-7212-402811/19/20/32  
 Fax # 7-7212-402827  
[nbp\\_karaghanda@mail.ru](mailto:nbp_karaghanda@mail.ru)

**Turkmenistan**

**Ashgabat Branch**  
**Sarfraz Ahmed**  
 VP/General Manager,  
 National Bank of Pakistan  
 Ashgabat Branch  
 International Trade Complex,  
 Ground Floor, 1 Seidi Street,  
 Ashgabat (Turkmenistan)  
 Tel: 00993-12-920466, 00993-12-921204  
 Fax: 00993-12-920465  
[nbp\\_turkmen@gmail.com](mailto:nbp_turkmen@gmail.com)

**Tajikistan**

**CJSC NBP Pakistan Subsidiary Bank in Tajikistan**  
**Mr. Muhammad Mehmood Iqbal**  
 General Manager,  
 National Bank of Pakistan  
 Subsidiary Bank in Tajikistan  
 Business Centre,  
 "Sozidanic" Ayuni Avenue-48,  
 Dushanbe, Tajikistan  
 Tel: + 992 44610 4412 & + 992 44610 4415  
[nbp\\_tj@nbp.tj](mailto:nbp_tj@nbp.tj)

**Kyrgyz Republic**

**Bishkek Branch**  
**Mr. Muhammad Amin**  
 General Manager,  
 National Bank of Pakistan  
 Bishkek Branch (Kyrgyz Republic)  
 Building No.84, Moscovskaya Street,  
 Bishkek 720021  
 Tel: 00996-312-624721, 624714 & 624723  
 Fax: 00996-312-900661 & 00996-312-624722  
[nbp\\_bishkek@transfer.kg](mailto:nbp_bishkek@transfer.kg)  
[nbp@nbp.kg](mailto:nbp@nbp.kg)

**Azerbaijan**

**Baku Branch**  
**Mr. Asim Nazir**  
 General Manager,  
 National Bank of Pakistan

**Baku Branch**  
**Nobel Prospect-9**  
 Baku, Azerbaijan AZ 1025  
 Tel: 00994-12-4643052, 54, 55 & 56  
 Fax: 00994-12-4643053  
[nbp\\_n@vandex.com](mailto:nbp_n@vandex.com)

**Uzbekistan**

**Representative Office, Tashkent**  
**Ms. Dildora Yuldasheva**  
 In-charge,  
 National Bank of Pakistan  
 Representative Office  
 Building No. 65,  
 Mustakillik Shoh Kuchasi Street,  
 Tashkent (Uzbekistan)  
 Tel: 00998-71-2371991  
 Fax: 00998-71-2001132  
[nbpro.tashkent@yahoo.com](mailto:nbpro.tashkent@yahoo.com)

**Country Office, Afghanistan**

**Kabul Branch**  
**Mr. Gohar Ali Shah**  
 VP/Country Manager  
 Afghanistan Operations  
 National Bank of Pakistan  
 Kabul Branch  
 House No. 2, Street No. 10  
 Wazir Akbar Khan  
 Kabul (Afghanistan)  
 Tel: 0093-20-2302729  
 Fax: 0093-20-2301659  
[countrymanagernbp@gmail.com](mailto:countrymanagernbp@gmail.com)

**Jalalabad Branch**  
**Mr. Azmat Ali Shah**  
 Manager  
 National Bank of Pakistan  
 Jalalabad Branch  
 Bank Street  
 Near Haji Qadeer House  
 Nahya Awal Jalalabad  
 Afghanistan  
 Tel # 0093-607-56003542-46  
[nbp\\_jalabad@yahoo.com](mailto:nbp_jalabad@yahoo.com)

## Regional Office Contacts

### Regional Office, Karachi

<b>Mr. Tariq Latif Ansari</b> EVP/Regional Head tariq.latif@nbp.com.pk 021-99203533-34 021-99203535	<b>Mr. Mashooq Ali Khawaja</b> VP/Reg. Manager Ops. mashooq.ali@nbp.com.pk 021-99202476 021-99202481	<b>Syed Tariq Hasan</b> SVP/Reg. Bus. Dev. Manager tariq.hasan@nbp.com.pk 021-99202497 021-99203503
<b>Mr. Agha Abdul Hakeem</b> VP/Regional Manager Credit agha.hakeem@nbp.com.pk 021-99203561 021-99203545	<b>Mr. Kaleemullah Shaikh</b> SVP/Regional Manager HR kalim.sheikh@nbp.com.pk 021-99202472 021-99202393	<b>Mr. S.M. Rashid Nabi</b> VP/Regional Comp. & Controls Head rashid.nabi@nbp.com.pk 021-99225550 021-99225509

### Regional Office, Hyderabad

<b>Mr. Ghulam Raza Dahraj</b> SVP/Regional Head g.raza@nbp.com.pk 022-9200556/9200616 022-9200559	<b>Mr. Nizamuddin Nizamani</b> VP/Reg. Manager Ops. nizambaloch@nbp.com.pk 022-9200563 022-9200710	<b>Mr. Parkash</b> VP/Reg. Bus. Dev. Manager parkash@nbp.com.pk 022-9200836 022-9200837
<b>Mr. Ghulam Ali Bhutto</b> VP/Regional Manager Credit Ghulam.bhutto@nbp.com.pk 022-9200560 022-9201054	<b>Mr. Hamid Ali Kalhoro</b> VP/Regional Manager HR Kalhoro.hamid@nbp.com.pk 022-9201617 022-9201083	<b>Mr. Syed Wahid Ali</b> VP/Regional Comp & Controls Head wahid.ali@nbp.com.pk 022-9200562 022-9201192

### Regional Office, Sukkur

<b>Mr. Rafique Ahmed Bhurgri</b> SVP/Regional Head rafique.bhurgri@nbp.com.pk 071-9310270 071-9310886	<b>Mr. Muhammad Hassan</b> VP/Reg. Manager Ops. muh.hassan@nbp.com.pk 071-9310272 071-9310271	<b>Mr. Gobind Ram Lund</b> VP/Reg. Bus. Dev. Manager gobind.lund@nbp.com.pk 071-9310276 071-9310886
<b>Dr. Anwar Ali Khuwaja</b> VP/Regional Manager Credit anwar.khuwaja@nbp.com.pk 071-9310274 071-9310886	<b>Mr. Manzoor A. Mashori</b> VP/Regional Manager HR manzoor.mashori@nbp.com.pk 071-9310287 071-9310266	<b>Mr. Abdul Hameed Memon</b> VP/Reg. Compl & Control Head abdulmemon03@gmail.com 071-9310273 071-9310886
<b>Mr. Anwar Ali Qureshi</b> AVP/Regional Manager Agri anwar.ahmed@nbp.com.pk 071-9310294 071-9310886	<b>Mr. Khurram Shahzad</b> AVP/Regional Retail Head khurram.shahzad@nbp.com.pk 071-9310877 071-9310886	<b>Mr. Abdul Subhan Solangi</b> AVP/Regional Manager CAD subhan.rh@nbp.com.pk 071-9310277 071-9310305
<b>Mr. Muhammad Haroon Chajjan</b> AVP/Head of Quality Review wing qru.sukkur@yahoo.com 071-9310263 071-9310265		



## Regional Office, Larkana

**Mr. Fakir Muhammad Buriro**  
VP/Regional Head (A)  
Fakir.Muhammad@yahoo.com  
074-9410830  
074-9410829

**Mr. Abdul Latif Solangi**  
VP/Reg. Manager Ops.  
Abdul.Solangi@nbp.com.pk  
074-9410823  
074-4040806

**Mr. Fakir Muhammad Buriro**  
VP/Reg. Bus. Dev. Manager  
Fakir.Muhammad@yahoo.com  
074-9410834  
074-9410891

**Mr. Ghulam Hyder Channa**  
VP/Regional Manager Credit  
Ghulam.Hyder@nbp.com.pk  
074-9410869  
074-4040813

**Mr. Manzoor Ahmed Jagirani**  
VP/Regional Manager HR  
Manzoor.Jagirani@nbp.com.pk  
074-9410864  
074-9410864

**Mr. Muhammad Iqbal Umrani**  
VP/Reg. Compl & Control Head  
Iqbal.Umrani@nbp.com.pk  
074-9410863  
074-4040805

## Regional Office, Lahore

**Mr. Tariq Zafar Iqbal**  
SVP/Regional Head  
tariq.iqbal@nbp.com.pk  
042-99211221  
042-99211244

**Mr. Farouq A. Khawaja**  
SVP/Reg. Manager Ops.  
farouq.khawaja@nbp.com.pk  
042-99211206  
042-99211245

**Mr. Dilbar Husain Khan**  
SVP/Reg. Bus. Dev. Manager  
dilbar@nbp.com.pk  
042-99213631  
042-99213630

**Mr. Muhammad Saleem Tahir**  
SVP/Regional Manager Credit  
saleemtahir@nbp.com.pk  
042-99211229, 042-99211202

**Mr. Ch. Muhammad Shafi**  
VP/Regional Manager HR  
chmshafi@nbp.com.pk  
042-99211218, 042-99213231

## Regional Office, Gujranwala

**Mr. Shahid Iqbal Khan**  
SVP/Regional Head  
shahid.ikhan@nbp.com.pk  
055-9200339  
055-9200314

**Mr. Abdul Hameed Asim**  
SVP/Reg. Manager Ops.  
abdul.asim@nbp.com.pk  
055-9200338  
055-9201229

**Mr. Abdul Majed Arshad**  
SVP/Reg. Bus. Dev. Manager  
majed@nbp.cpm.pk  
055-9200341  
055-9200344

**Mr. Shakil Ahmad**  
SVP/Regional Manager Credit  
shakilahmed@nbp.com.pk  
055-9200337  
055-9201230

**Mr. Pervaiz Ahmed Kiyani**  
VP/Regional Manager HR  
pervaiz.kiyani@nbp.com.pk  
055-9200336  
055-9201228

**Mr. Syed Naved Asghar**  
SVP/Reg. Compl & Control Head  
syed.asghar@nbp.com.pk  
055-9200246  
055-9201231

**Mr. Maqsood Ahmad Rashad**  
VP/Regional Manager CAD  
maqsood.rashad@nbp.com.pk  
055-9200584, 055-9200584

**Mr. Muhammad Saleem Sabir**  
VP/Regional Manager (Agn)  
mssabir@nationalbank.com.pk  
055-9200731, 055-9201306

## Regional Office, Gujrat

**Mr. Mumtaz Rafi**  
SVP/Regional Head  
mumtaz.rafi@nbp.com.pk  
053-9260150  
053-9260151

**Mr. Shahzad Ahmed Cheema**  
VP/Reg. Manager Ops.  
sacheema@nbp.com.pk  
053-9260153  
053-9260375

**Mr. Muhammad Shabbir**  
VP/Reg. Bus. Dev. Manager  
muhammadshabbir@nbp.com.pk  
053-9260263  
053-9260151

**Mr. Aamer Manzoor**  
SVP/Regional Manager Credit  
aamermanzoor@nbp.com.pk  
053-9260163

**Mr. Wajid Ali**  
VP/Regional Manager HR  
wajid@nbp.com.pk  
053-9260373

**Mr. Anwaar ul Haq**  
VP/Reg. Compl & Control Head  
mahaqq@nbp.com.pk  
053-9260164

## Regional Office, Jhelum

**Mr. Nasir Khan**

SVP/Regional Head (A)  
[nasir.khan@nbp.com.pk](mailto:nasir.khan@nbp.com.pk)  
 0544-279455  
 0544-731062

**Mr. Ata Ul Mohsin Tahir**

VP/Reg. Manager Ops.  
[ata.tahir@nbp.com.pk](mailto:ata.tahir@nbp.com.pk)  
 0544-735400  
 0544-730853

**Mr. Nasir Khan**

SVP/Reg. Bus. Dev. Manager  
[nasir.khan@nbp.com.pk](mailto:nasir.khan@nbp.com.pk)  
 0544-732777  
 0544-730305

**Mr. Abdul Ghafoor**

VP/Regional Manager Credit  
[ghafoor.a@nbp.com.pk](mailto:ghafoor.a@nbp.com.pk)  
 0544-730281, 0544-731065

**Mr. Manzoor Sultan**

VP/Regional Manager HR  
[manzoorsultan@nbp.com.pk](mailto:manzoorsultan@nbp.com.pk)  
 0544-731066, 0544-731067

## Regional Office, Sialkot

**Mr. Sohail Hassan Butt.**

SVP/Regional Head  
[sohail.butt@nbp.com.pk](mailto:sohail.butt@nbp.com.pk)  
 (052) 9250291, 9250292  
 (052) 9250294

**Mr. Shahid Abbas.**

VP/Reg. Manager Ops.  
[shahid.abbas@nbp.com.pk](mailto:shahid.abbas@nbp.com.pk)  
 (052) 9250117  
 (052) 9250116

**Mr. Syed Iftikhar Hussain Shah.**

VP/Reg. Bus. Dev. Manager  
[iftikharshah@nbp.com.pk](mailto:iftikharshah@nbp.com.pk)  
 (052) 9250119  
 (052) 9250294

**Mr. Javed Anwar Khan.**

SVP/Regional Manager Credit  
[javed.akhan@nbp.com.pk](mailto:javed.akhan@nbp.com.pk)  
 (052) 9250297, (052) 9250299

**Mr. Muhammad Gulrez Akhtar.**

VP/Regional Manager HR  
[gulrezakhtar@nbp.com.pk](mailto:gulrezakhtar@nbp.com.pk)  
 (052) 9250120, (052) 4290285

## Regional Office, Sargodha

**Mr. Imdad Hussain Khan**

SVP/Regional Head  
[Imdad.khan@nbp.com.pk](mailto:Imdad.khan@nbp.com.pk)  
 0333-6611008  
 048-9230471  
 048-9230473

**Mr. Muhammad Anwar**

VP/Reg. Manager Ops.  
[manwar@nbp.com.pk](mailto:manwar@nbp.com.pk)  
 0300-9606173  
 048-9230495  
 048-9230596

**Mr. Khalid Mahmood**

VP/Reg. Bus. Dev. Manager  
[k.mahmood@nbp.com.pk](mailto:k.mahmood@nbp.com.pk)  
 0300-7979180  
 048-3221924  
 048-9230473

**Mr. Sajjad Hussain Manjotha**

VP/Regional Manager Credit  
[maliksajjad@nbp.com.pk](mailto:maliksajjad@nbp.com.pk)  
 0333-4563066  
 048-9230596  
 048-9230596

**Mr. Jamil Anwar Cheema**

VP/Regional Manager HR  
[jacheema@nbp.com.pk](mailto:jacheema@nbp.com.pk)  
 0300-6045779  
 048-3740440  
 048-9230473

**Mr. Muhammad Mushtaq**

VP/Reg. Compl & Control Head  
[mmushtaq@nbp.com.pk](mailto:mmushtaq@nbp.com.pk)  
 0300-8600841  
 048-9230704  
 048-9230496

## Regional Office, Multan

**Mr. Muhammad Farrukh**

SVP/Regional Head  
[farrukh.ghauri@nbp.com.pk](mailto:farrukh.ghauri@nbp.com.pk)  
 0300-8630386  
 061-9200866-7  
 061-9200116

**Mr. Tariq Mahmood Rashid**

VP/Reg. Manager Ops.  
[tariq.rashid@nbp.com.pk](mailto:tariq.rashid@nbp.com.pk)  
 0342-6446688  
 061-9200521-717  
 061-9200116

**Kamran Khan Tareen**

VP/Reg. Bus. Dev. Manager  
[kamtareen@nbp.com.pk](mailto:kamtareen@nbp.com.pk)  
 3006337567  
 061-9200512  
 061-9200116

**Mr. Hamid Raza**

SVP/Regional Manager Credit  
[hamidraza@nbp.com.pk](mailto:hamidraza@nbp.com.pk)  
 0300-9638464  
 061-9200714  
 061-9200116

**Mr. Muhammad Akram Khan**

SVP/Regional Manager HR  
[makramkhan@nbp.com.pk](mailto:makramkhan@nbp.com.pk)  
 0300-6973003  
 0409200251/061-9200117  
 061-9200116

**Mr. Naweed-ul-Haq Majid**

VP/Reg. Compl & Control Head  
[naweed.majid@nbp.com.pk](mailto:naweed.majid@nbp.com.pk)  
 0314-5159000  
 040-9200256  
 061-9200116

## Regional Office, Faisalabad

**Mr. Manzoor Ahmad**

SVP/Regional Head  
[manzor@nbp.com.pk](mailto:manzor@nbp.com.pk)  
 041-9200737-738  
 041-9200741

**Mr. A.D Naul**

VP/Reg. Manager Ops.  
[adnaul@nbp.com.pk](mailto:adnaul@nbp.com.pk)  
 041-9200739-949  
 041-9200322

**Mr. A.J Tariq Hassan**

SVP/Reg. Bus. Dev. Manager  
[ajamal.hassan@nbp.com.pk](mailto:ajamal.hassan@nbp.com.pk)  
 041-9200407  
 041-9200323

**Mr. Manzoor Ahmad**

SVP/Regional Manager Credit  
[manzur.ahmad@nbp.com.pk](mailto:manzur.ahmad@nbp.com.pk)  
 041-9200735  
 041-9200323

**Mr. M Ehsan Tabassum**

SVP/Regional Manager HR  
[ehsantabassum@nbp.com.pk](mailto:ehsantabassum@nbp.com.pk)  
 041-9200108  
 041-9200736

**Mr. Masood Iqbal**

SVP/Reg. Compl & Control Head  
[shmasood@nbp.com](mailto:shmasood@nbp.com)  
 041-9200326  
 041-9201374

## Regional Office, Bahawalpur

**Muhammad Younas**

SVP/Regional Head  
[younas@nbp.com.pk](mailto:younas@nbp.com.pk)  
 062-9250129  
 062-9250128

**Ghulam Rasool**

SVP/Reg. Manager Ops.  
[gr\\_paracha@yahoo.com](mailto:gr_paracha@yahoo.com)  
 062-9250321  
 062-9250130

**Dawood Mehmood Malik**

AVP/Reg. Bus. Dev. Manager  
[dawd.malik@nbp.com.pk](mailto:dawd.malik@nbp.com.pk)  
 062-9250131  
 062-9250128

**Mughees Raza Malik**

VP/Regional Manager Credit  
[mughees.malik@nbp.com.pk](mailto:mughees.malik@nbp.com.pk)  
 062-9250242  
 062-9250332

**Sajid Iqbal**

VP/Regional Manager HR  
[iqbal.sajid@nbp.com.pk](mailto:iqbal.sajid@nbp.com.pk)  
 062-2750550  
 062-2201693

**Muhammad Naeem Baig**

VP/Reg. Compl & Control Head  
[naeembaig@nbp.com.pk](mailto:naeembaig@nbp.com.pk)  
 062-9250135  
 062-9250329

## Regional Office, Gawadar

**Muhammad Sultan Jaffar**

VP/Regional Head  
[sultan.jaffar@nbp.com.pk](mailto:sultan.jaffar@nbp.com.pk)  
 086-4211546  
 086-4211521

**Bahad Baloch**

AVP/Reg. Manager Ops.  
[bahad.baloch@nbp.com.pk](mailto:bahad.baloch@nbp.com.pk)  
 086-4211547  
 086-4211521

**Malik Dad**

AVP/Reg. Bus. Dev. Manager  
[malik.dad@nbp.com.pk](mailto:malik.dad@nbp.com.pk)  
 086-4211549  
 086-4211521

**Abdul Waheed**

VP/Regional Manager Credit  
[a.waheed@nbp.com.pk](mailto:a.waheed@nbp.com.pk)  
 086-4210877  
 086-4211521

**Muhammad Iqbal**

AVP/Regional Manager HR  
[iqbal.baloch@nbp.com.pk](mailto:iqbal.baloch@nbp.com.pk)  
 086-4211548  
 086-4211521

**Khalil Ahmed**

AVP/Reg. Compl & Control Head (A)  
[ahmed.khalil@nbp.com.pk](mailto:ahmed.khalil@nbp.com.pk)  
 086-4212046  
 086-4211521

## Regional Office, Quetta

**Muhammad Asghar**

VP/Regional Head (A)  
[muhammad.asghar03@nbp.com.pk](mailto:muhammad.asghar03@nbp.com.pk)  
 0333-7802447  
 081-9202568, 9202624

**Manzoor Ahmed Durrani**

AVP/Reg. Manager Ops.  
[manzoorjuni@nbp.com.pk](mailto:manzoorjuni@nbp.com.pk)  
 0333-7919188  
 081-9201864, 2882062

**Muhammad Asghar**

VP/Reg. Bus. Dev. Manager  
[muhammad.asghar03@nbp.com.pk](mailto:muhammad.asghar03@nbp.com.pk)  
 0333-7802447  
 081-2882054

**Muhammad Shaban Jamro**

VP/Regional Manager Credit  
[sjshaban@nbp.com.pk](mailto:sjshaban@nbp.com.pk)  
 0331-8973145  
 081-9202094, 2882065

**Dil Pazir Khan**

VP/Regional Manager HR  
[dilpazir.khan@nbp.com.pk](mailto:dilpazir.khan@nbp.com.pk)  
 0345-9830095  
 081-9201350

**Zafar Iqbal Baloch**

AVP/Reg. Compl. and Controls Head  
[zafar.iqbal@nbp.com.pk](mailto:zafar.iqbal@nbp.com.pk)  
 0300-9388669  
 081-9202238/2882067



## Regional Office, Islamabad

**Farooq Hasan**  
SVP/Regional Head  
farooq.hasan@nbp.com.pk  
051-9206570, 9202454  
051-9204987

**Mukhtar Ahmed**  
VP/Reg. Manager Ops.  
mukhtar\_ahmad@nbp.com.pk  
051-9204042, 051-9206547  
051-9204717

**Syed Ali Raza**  
VP/Regional Bus. Dev. Manager  
alijafri.gmbnsnd@gmail.com.pk  
051-9204267  
051-9202041

**Ch. Tanvir Yaqub**  
SVP/Regional Manager Credit  
chaudhry.yaqub@nbp.com.pk  
051-9206490, 9206246  
051-2603461

**Muhammad Majid chaudry**  
VP/Regional Manager HR  
muhammad.majid@nbp.com.pk  
051-9203727  
051-9207260

**Junaid Shafqat Sheikh**  
VP/Reg. Compl. and Controls Head  
junaid.shafqat@nbp.com.  
051-9202946  
051-9206378

## Regional Office, Rawalpindi

**Mr. Muhammad Aqib Malik**  
SVP/Regional Head  
aqib@nbp.com.pk  
051-9272660  
051-9272662

**Mr. Masood Yasin**  
SVP/Reg. Manager Ops.  
masood.yasin@nbp.com.pk  
051-9272664  
051-9272768

**Mrs. Zahida Hamid**  
SVP/Reg. Bus. Dev. Manager  
zahida.hamid@nbp.com.pk  
051-9271416  
051-9271416

**Mr. Muhammad Saqib**  
SVP/Regional Manager Credit  
rme\_rwp@hotmail.com  
051-9272771  
051-9272771

**M. Iftikhar**  
SVP/Regional Manager HR  
iftikhar.muhammad@nbp.com.pk  
051-9272772  
051-9271074

**Mr. Arif Mukhtar**  
VP/Reg. Compl. and Controls Head  
arifsheikh@nbp.com.pk  
051-9272770  
051-9272770

## Regional Office, Peshawar

**Mr. Syed Wasim Akhtar**  
SVP/Regional Head  
syed.akhtar@nbp.com.pk  
091-9211355-56  
091-9210646

**Mr. Sohail Akhtar**  
SVP/Regional Manager Ops  
sohail.akhtar@nbp.com.pk  
091-9211358  
091-9211639

**Mr. Akhtar Munir**  
SVP/Reg. Bus. Dev. Manager  
akhtar.munir@nbp.com.pk  
091-9211359  
091-9210650

**Mr. Shahid Majeed**  
VP/Regional Manager Credit  
shahid.majeed@nbp.com.pk  
091-9213182  
091-9210650

**Mr. Sohail Ahmed**  
SVP/Regional Manager HR  
sohail.ahmed02@nbp.com.pk  
091-9211630  
091-9213119

**Mr. Safdar Ali**  
VP/Reg. Compl. and Controls Head  
safdar.ali@nbp.com.pk  
091-9211627  
091-9211627

## Regional Office, Mardan

**Mr. Muhammad Naeem Ullah**  
SVP/Regional Head  
muhammad.ian@nbp.com.pk  
0300-9507967  
0937-880121-122  
0937-880123

**Mr. Qadeerullah Durrani**  
AVP/Reg. Manager Ops.  
qadeer.durrani@nbp.com.pk  
0333-9135737  
0937-880125-126  
0937-880126

**Mr. Jamal Malik**  
VP/Reg. Bus. Dev. Manager  
jamal.malik@nbp.com.pk  
0305-1909502  
0937-880124

**Mr. Muhammad Riaz Asim**  
VP/Regional Manager Credit  
mzasim@nbp.com.pk  
0333-5188245/03125188245

**Mr. Ijaz Ahmad**  
VP/Regional Manager HR  
rmhrmd@nbp.com.pk  
0333-9030919

**Mr. Waqar Ahmad Zakori**  
VP/Reg. Compl. and Controls Head  
waqar.zakori@nbp.com.pk  
0321-9630321



## Regional Office, Abbottabad

**Syed Azhar Hussain Shah**  
SVP/Regional Head  
azhar.hussain@nbp.com.pk  
[azhar.hshah@gmail.com](mailto:azhar.hshah@gmail.com)  
0992-9310143  
0992-9310142 0992-9310318

**Muhammad Sheraz Khan**  
AVP/Reg. Manager Ops.  
muh.sheraz@nbp.com.pk  
0992-9310144  
0992-9310318

**Ms. Taranum Sarwar**  
SVP/Reg. Bus. Dev. Manager  
taranum.sarwar@nbp.com.pk  
0992-9310448  
0992-9310318

**Dawood Jan Khan**  
SVP/Regional Manager Credit  
dawood.khan@nbp.com.pk  
0992-9310312  
0992-9310318

**Saeed-uz-Zaman**  
VP/Regional Manager HR  
saeed.zaman@nbp.com.pk  
0992-9310313  
0992-9310145

## Regional Office, Mirpur (AK)

**Mr. Basharat Ali**  
SVP/Regional Head  
basharat.ali@nbp.com.pk  
05827-921434 05827-921429  
05827-921920

**Mr. Ali Azam**  
VP/Reg. Manager Ops.  
aliazam@nbp.com.pk  
05827-921903  
05827-921430

**Mr. Muhammad Saleem Adil**  
VP/Reg. Bus. Dev. Manager  
msaleem.adil@nbp.com.pk  
05827-921919  
05827-921931

**Mr. Ejaz Riaz**  
VP/Regional Manager Credit  
ejaz.riaz@nbp.com.pk  
05827-921932  
05827-921920

**Mr. Tallat Khurshid**  
SVP/Regional Manager HR  
tallat.khurshid@nbp.com.pk  
05827-921902  
05827-921931

**Mr. Muhammad Aslam Khan**  
VP/Reg. Compl & Control Head  
alslam.khan@nbp.com.pk  
05827-921436  
05827-921439

## Regional Office, Muzaffarabad

**Mr. Muhammad Atlas**  
EVP/Regional Head  
matlas@nbp.com.pk  
05822-921965  
05822-921586

**Mr. Muhammad Nazim Khan**  
VP/Reg. Manager Ops.  
mnazim@nbp.com.pk  
05822-921675  
05822-921960

**Mr. Nadir Khan**  
SVP/Reg. Bus. Dev. Manager  
nadir.khan@nbp.com.pk  
05822-921419  
05822-921463

**Mr. Muhammad Jehangir**  
VP/Regional Manager Credit  
muhammad.jehangir@nbp.com.pk  
05822-921253  
05822-921463

**Mr. Naheed Yousaf**  
VP/Regional Manager HR  
naheed.yousaf@nbp.com.pk  
05822-921964  
05822-921004

**Mr. Shabir Ahmed Khan**  
VP/Reg. Compl & Control Head  
shabbir.khan@nbp.com.pk  
05822-921961  
05822-921961

## Regional Office, Gilgit

**Mr. Zubair Shaikh**  
SVP/Regional Head  
zubaid.sheikh@nbp.com.pk  
864211546  
864211521

**Mr. Zia Nawaz**  
VP/Reg. Manager Ops.  
zia.nawaz@nbp.com.pk  
864211549  
864211521

**Mr. Nazim Khan**  
VP/Reg. Bus. Dev. Manager  
nazim.khan@nbp.com.pk  
864210877  
864211521

**Mr. Zar Wali Khan**  
VP/Regional Manager Credit  
zar.khan@nbp.com.pk  
864211547  
864211521

**Mr. Mir Muhammad**  
AVP/Regional Manager HR  
mir.khilji@nbp.com.pk  
864211548  
864211521

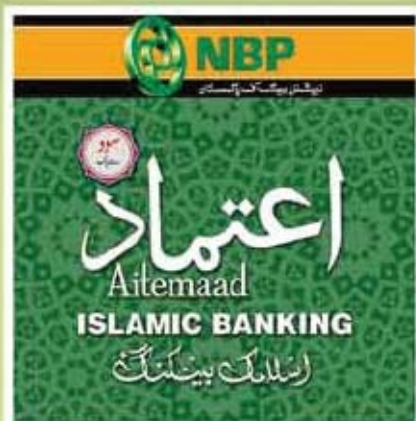
**Ch. Muhammad Akram**  
VP/Reg. Compl & Control Head  
ch.akramnbp@gmail.com  
864212046  
864211521

A new branch every week – that's how fast  
**NBP Aitemaad is growing!**

NBP has established a network of  
**128 Islamic Banking branches**

Serving Pakistanis across the nation, NBP is continually increasing access to its Islamic Banking products and services for its valued customers. With a wide network of 128 branches across Pakistan, we thank our customers for their continued patronage, and their faith in us to serve them better.

Bahawalpur | Batkhela | Bhakkar  
Bhimber A.K | D.I. Khan | Dir D.G. Khan  
Faisalabad | Gujranwala | Gujrat  
Hafizabad | Haripur | Hasilpur  
Hyderabad | Islamabad | Jamrud  
Jaranwala | Jhang | Jhelum | Karachi  
Kasur | Khanewal | Lahore | Layyah  
Manshera | Mardan | Mianwali  
Mingora | Mirpur A.K | Mirpur Khas  
Multan | Muzaffarabad A.K | Nowshera  
Okara | Pakpattan | Peshawar | Quetta  
Rawalpindi | Sahiwal | Sargodha  
Sheikhupura | Sialkot | Sukkur | Swabi  
Taxila | Timergara, Lower Dir | Tulamba  
Kuchlak | Sanjavi | Sanghar | Jacobabad  
Nawabshah | Dadu | Nasarpur | Bhalwal  
Kharian | Samundri | Vehari | Sadiqabad  
Muzaffargarh | Dadyal | Kotli | Abbotabad  
Gujar Khan | Hangu | Swat





## 68TH ANNUAL GENERAL MEETING OF NATIONAL BANK OF PAKISTAN

### Form of Proxy

Folio No. \_\_\_\_\_ of CDC participant identity No. \_\_\_\_\_  
 CDC A/c No. \_\_\_\_\_  
 I/We \_\_\_\_\_  
 of \_\_\_\_\_  
 being a member (s) of the National Bank of Pakistan holding shares No. \_\_\_\_\_  
 Hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 also a member of National Bank of Pakistan (Folio No. \_\_\_\_\_) or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
 also a member of National Bank of Pakistan (Folio No. \_\_\_\_\_) as my/our Proxy to vote for me/us and on my/our  
 behalf at the 68th Annual General meeting of National Bank of Pakistan. To be held at 9.30 A.M. on Thursday, March  
 2017, 30 at Grand Ball Room, Pearl Continental Hotel, Karachi and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

#### Witnesses:

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 CNIC No. \_\_\_\_\_

2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 CNIC No. \_\_\_\_\_

**Affix Revenue Stamp  
Of Five Rupees**

Signature \_\_\_\_\_  
 (Signature should agree with the  
 specimen signature registered  
 with the Bank).

#### NOTE:

##### A. General:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. No person shall act as a Proxy, who is not a member of the bank except that Government of Pakistan/State Bank of Pakistan/Corporation may appoint a person who is not a member.
2. The instrument appointing a Proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporation (other than Government of Pakistan and State Bank of Pakistan), its common seal should be affixed on the instrument.
3. The instrument appointing a Proxy, together with the power of Attorney, if any, under which it is signed or a notariably certified copy thereof, should be deposited, with our Registrar/Transfer Agents, Messrs Central Depository Company of Pakistan Limited, CDC House, -99B, Block "B", SMCHS, Main Shahr-e-Faisal Karachi not less than 48 hours before the time of holding the meeting.
4. If a member appoints more than one Proxy, and more than one instrument of Proxy are deposited by a member with the Bank, all such instruments of Proxy shall be rendered invalid.

##### B. For CDC Account Holder:

1. The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
3. The Proxy shall produce his/her original CNIC or original passport at the time of meeting.
4. In case of Government of Pakistan/State Bank of Pakistan/corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with Proxy form to the Bank.









**National Bank of Pakistan**

**نیشنل بینک آف پاکستان**

**Head Office:**

NBP Building, I.I. Chundrigar Road,  
Karachi, 74000, Pakistan.

**Phone:** (021) 99220100 (30 lines)  
(021) 99062000 (60 lines)

**DID:** 021 9906-(Ext.)

**Call Center:** 111-NBP-NBP (+92 21 111 627 627)

**Toll Free:** 0800-11627

**Website:** [www.nbp.com.pk](http://www.nbp.com.pk)