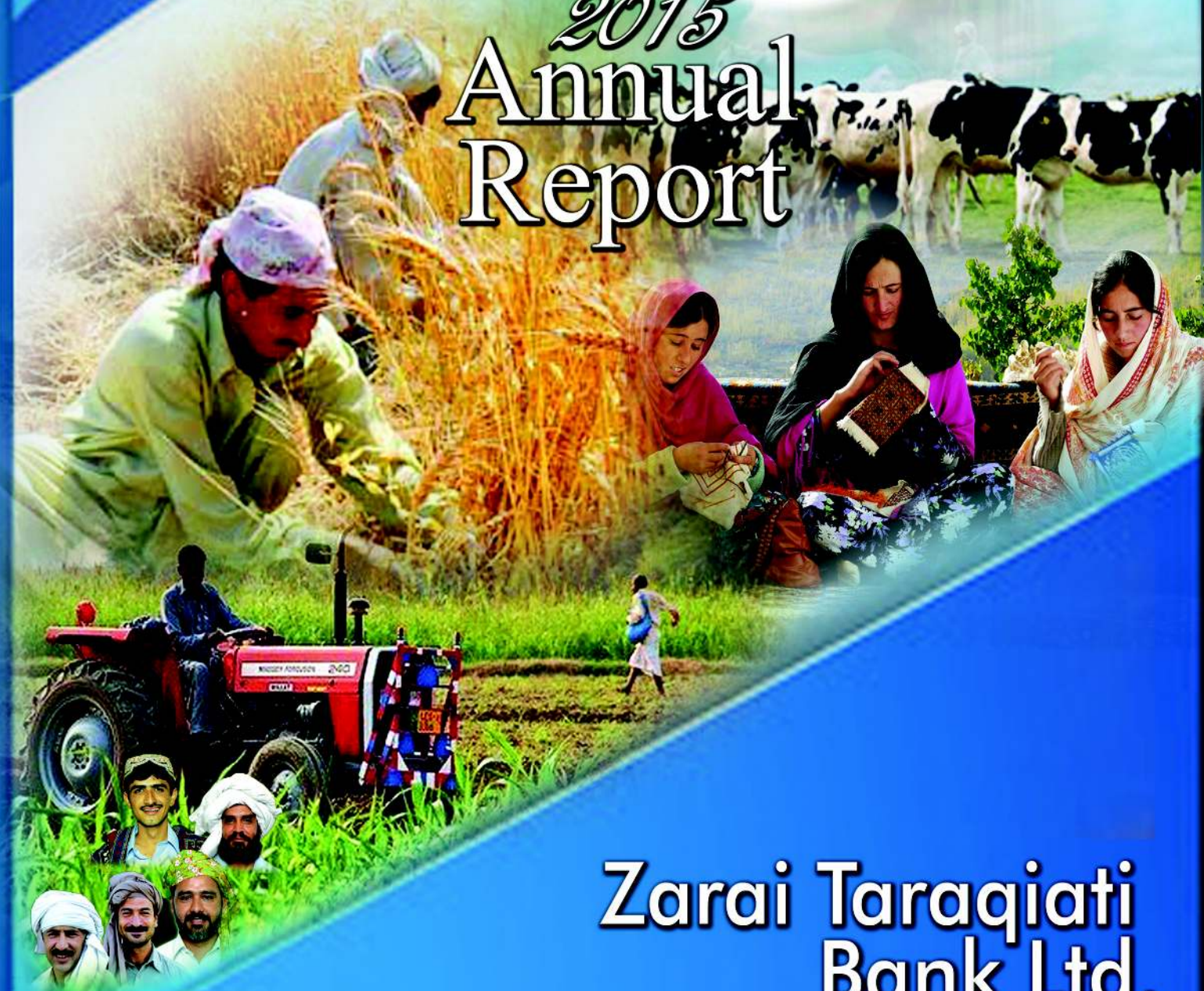




Zarai Taraqiat Bank Ltd.
www.ztbl.com.pk



2015 Annual Report



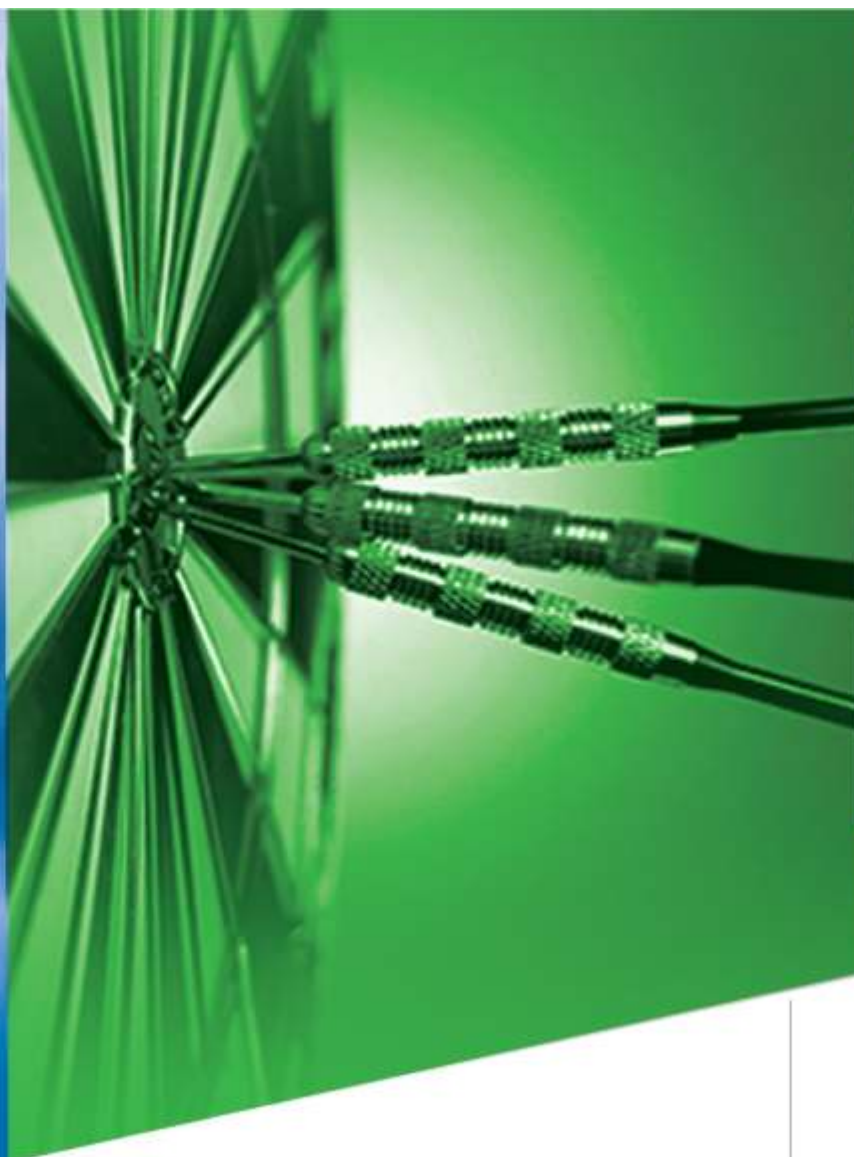
Zarai Taraqiyati Bank Ltd.



Syed Talat Mahmood
President & CEO

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VISION

Dedicated to serve the needs of the farming community, by delivering financial products and technical services on a competitive and sustainable basis, in a convenient, efficient and professional manner, leading to success of the Bank and the farmers.

MISSION

To play effective role in the promotion of economic growth by enhancing the availability of credit to the agriculture sector, through reliable access to sustainable financing, special lending programmes, technical assistance and other products & services and to promote career development opportunities for increasing professionalism and technical proficiencies of employees.

CORE VALUES

- Loyalty to ZTBL Vision and Mission
- Integrity and Meritocracy
- Quality and Efficiency
- Well-Trained Human Resource
- Credit with Technology

ABOUT COMPANY'S

TEAM

(The Board of Directors)



Syed Yawar Ali
Chairman



Syed Talat Mahmood
President & CEO



Mr. Saeed Ahmad
Director



Mr. Majyd Aziz Balagamwala
Director



Mr. Zia-ul-Mustafa Awan
Director



Mr. Zahid Idris Mufti
Director



Mr. Abdul Bari Tareen
Director



Mr. Mohammad Tanvir Butt
Director



Mr. Muazam Ali
Company Secretary

Directors' Report



On behalf of the Board of Directors, I am pleased to present the Directors' Report of Zarai Taraqiati Bank Limited (ZTBL) along with the Audited Accounts and Auditors' Report thereon, for the year ended December 31, 2015.

Economy Review

While emerging economies faced slower economic growth, Pakistan's economy did reasonably well in the FY 15 as Gross Domestic Product (GDP) growth in the country posted a marginal increase over last year. The FY15 was a mixed bag for Pakistan's economy, with several positives to take hope from as its GDP grew 4.2 percent which confirms two consecutive years of increased growth after a couple of years of stagnancy.

The key macroeconomic indicators, like inflation, fiscal balance and current account balance recorded improvements. Particularly, the external sector has become more stable on account of 18.2 percent growth in workers' remittances during July-June 2014-15 as compared to last year, due to continued support from International Financial Institutions and a sharp decline in global oil prices. However, during July-Feb 2015-16 the growth in workers' remittances has slowed down to 6.07 percent. According to SBP, total liquid foreign exchange reserves as on January 01, 2016 stood at \$ 20.810 billion of which \$ 15.883 billion was held by SBP and the rest with Banks which are sufficient enough to finance over 5 months of the country's import bill.

Agriculture Review

Agriculture accounts for about 21 per cent of Pakistan's Gross Domestic Product and 43.5 percent of employment. Wheat, cotton, rice, sugarcane and maize being its main crops contribute 25.6 percent to agriculture GDP whereas livestock's share in agriculture value added stood at 56 percent during the year 2014-15. Agriculture sector recorded a growth of 2.9 percent during the year 2014-15 as compared to growth of 2.7 percent recorded last year.

The year saw agriculture crises of rice and potato where production exceeded demand. Sugarcane crop faced disposal problems and payment difficulties. Preparing a new strategy for disposing of surplus commodity so that storage capacity could be available for the purchase of next crop, remained the major challenge for the government in year 2015.

Wheat sowing by a majority of growers and consecutive bumper crops helped supply exceed demand. Consequently, the farmers suffered since their produce was not purchased. Owing to the glut, the wheat price crashed in the domestic market, reflecting the international trend due to harvesting of bumper crops in the region. Government encouraged the farmers to shift to other crops like potato, pulses, oilseeds, etc to ensure a balance in the demand and supply of commodities and earn profit on their produce on time. Policy makers are also worried about next crop of cotton as farmers faced losses in the current season and Punjab province is running the risk of losing another 15-20 percent area as growers are opting for alternative crops, the fears were reinforced in various meeting of farmers with Punjab agriculture authorities. According to farmers Pink Bollworm is playing havoc with the crop which caused 60 % of losses in the recent season. The current BT seed is vulnerable to it and no pesticide is yet effective. Persistent rains resulted in sharp fall in the output. Price mechanism still remains a problem for cotton growers due to crashing of international market.

Government announced a relief package for farmers to ease out the difficulties being faced by small farmers as the conditions of the agricultural sector did not inspire confidence. Ministry of National Food Security & Research prepared the Kissan Relief Package in consultation with the provincial governments to improve the market trends in relation to the crisis of the major crops as one of the various measures to reduce the cost of agriculture inputs and to increase per acre yield of major crops.

Under Kissan Package, farmers will receive Rs.341 billion in grants, subsidies, markup free loans for solar tube wells for the farmers having land holding upto 12.5 acres in order to spur sluggish growth in one of the country's main economic sectors. The scheme is the government's largest economic development programme for the agriculture sector so far.

The government reduced all taxes on the import of modern agriculture machinery from 45 per cent to only 9 per cent. The turnover tax on rice mills has been removed altogether. Government also announced special exemption of income tax on installation of Halal Meat plants for four years, as the sector possess immense opportunities for exports. The relief package is expected to ensure stability in prices of agricultural products.

Banking Sector Review

According to State Bank of Pakistan, Banking spreads recorded their lowest in the month of November. Average lending rates stood at 8.78% (down by 215bps YoY), whereas average deposit rates stood at 3.49% (down by 162bps YoY). Overall spreads averaged at 5.59%, down by 40bps over the same period last year. The drops are owed to back to back discount rate cuts. Discount rate was lowered by 350 basis points since October 2014 to the end of year 2015. Deposit rates witnessed a sharper decline. With the Discount Rate hitting its multi-decade low, the shrinkage in spreads did not come as a surprise, and had no major impact on big five Banks like ABL, UBL & HBL which remained profitable.

In the period under review Gross NPLs for commercial Banks were up by 3.3% and that from public sector Banks by 8.4% during first three quarters. Contrarily, Net NPLs for commercial Banks declined by 8.8%, the private sector Banks saw a decline of 15.3% while public sector Net NPLs were down by 1.8%

Despite massive drop in lending rates, private sector credit off take remained slow until the start of final quarter but then started to move up gradually in the final months of the year. According to SBP increase in private sector lending was seen towards the end of the year. The hike in advances was owed to financial close of mega power projects by the year end.

Economic Future Outlook for 2016

According to World Bank Pakistan's economy will grow by 4.5% in fiscal year 2016 supported by growth in industry and services however, the country needs to implement energy and taxation reforms and adopt measures to increase investment. Macro economic outlook projects steady growth in the country and low inflation supported by fiscal consolidation and an improving external position.

The government has set a GDP growth target of 5.5 percent for fiscal year 2015-16, with all sectors (viz. agriculture, industry, and services) expected to grow at a higher rate than fiscal year 2015. Growth target for agriculture has been set as 3.9 percent. These growth targets are subject to risks like deterioration in energy availability, extreme weather fluctuations, non-implementation of envisaged reform program and fiscal profligacy. The benefit would spread to other sectors of the economy mainly owing to China-Pakistan Economic Corridor that offers a unique opportunity to fix our chronic problems in infrastructure and energy sector.

Development spending has substantially increased by 28.3 percent in July-to Dec FY 16, compared to a mere 1.5 percent increase in the same period last year which might accelerate next year's economic growth rate.

The outlook for external sector appears less comfortable in FY16 as compared to last year due to shrinking of external current account balance. This is because of a significant YoY decline in exports and a slowdown in workers' remittances. However the overall balance of payment situation is comfortable during FY16 due to substantial inflows in the financial accounts.

It is expected that farmers will continue to benefit from Kissan Package in the coming year. Federal government started working on the construction of several dams, including Diamer-Bhasha, Dasu and Bunji dams, to provide ample amounts of water and power to the nation. With expectation of reversal in interest rate cycle from start of second quarter of 2016 due to stronger CPI expectation, pickup in Banking spreads and advances is also expected.

ZTBL Performance Review

The Bank managed to perform fairly well under the above mentioned economic conditions in 2015. ZTBL having the largest network of 438 branches and 32 Zonal Offices is the only specialized financial institution for agriculture sector in Pakistan, catering to the credit needs of farmers for the production, development purposes and modernization of agriculture through field force of Mobile Credit Officers at doorstep of the farmers.

The efforts of the Bank towards providing financial services to farmers was recognized at international level in the year 2015. The President ZTBL, Syed Talat Mahmood received special "Plaque of Merit" in Vietnam awarded to the Bank by Association of Development Financial Institutions of Asia Pacific (ADFIAP) on enabling financial inclusion of farming community through its lending and deposit schemes.

ZTBL contributed 19% in institutional agriculture credit during the year 2014-15. Its financial products range from the basic credit facility for seeds, fertilizer, tube well, tractor, harvester and other attachments, to the loans for latest technologies of Solar Tube Well, Biogas Units and covered Horticulture.

The Bank has been playing an instrumental and proactive role in modernization of agriculture, boosting productivity and enabling growers, particularly the landless poor and small land owners to increase their farm productivity and income. ZTBL alone is serving approximately 0.408 million farm families annually. The Bank has disbursed Rs. 1,077,357.137 million since inception up to 31.12.2015 which also includes financing of 579,814 tractors and 156,857 tube-wells. While meeting the demand for mechanization, attention was also concentrated towards the provision of more credit for livestock, dairy farming, poultry farming, fish farming and small godowns for self storage. With the objective of enhancing income/profitability of farming community in Gilgit-Baltistan the admissible rates of Yak animal were revised upwards along with enhancing loan disbursing powers during the year under review. To further facilitate the farming community, the Bank has enhanced the value of each produce Index Unit (PIU) From Rs. 3,000 to Rs. 4,000/- in terms of notification issued by Finance Division, Gov. of Pakistan. According to ZTBL Business Strategic Plan 2015-19, three credit schemes namely Gulkand Making, Hay Packing, Dairy livestock (imported breeds) have been targeted in the calendar year 2016.

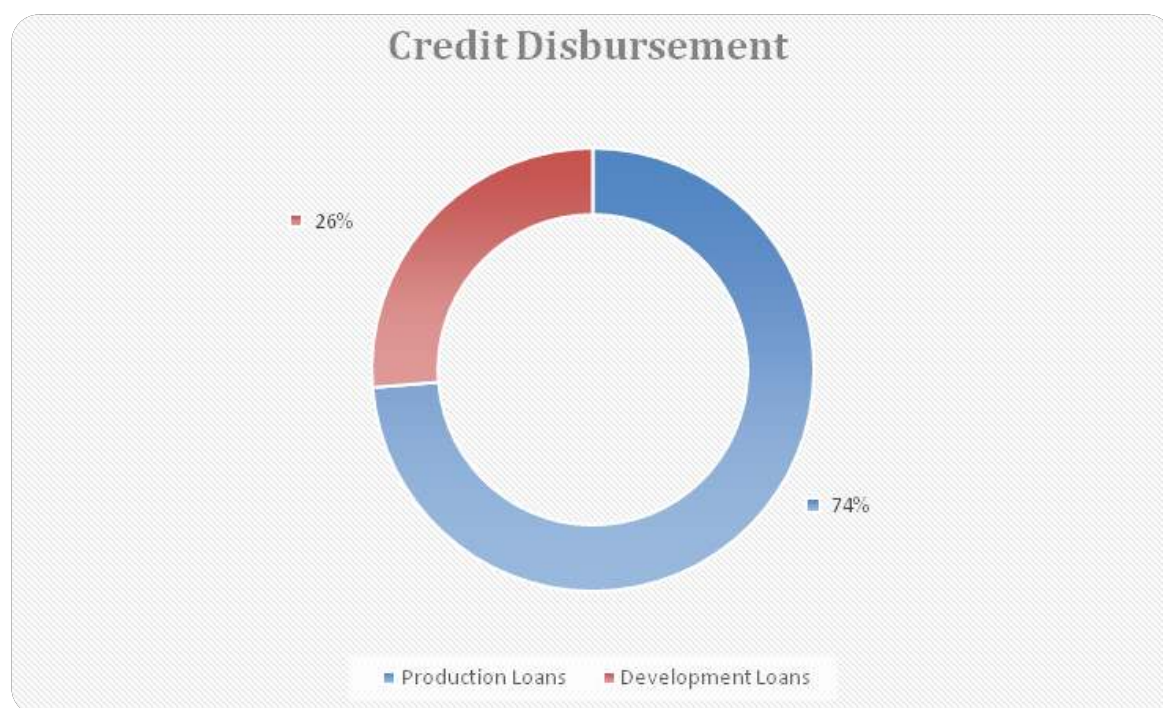


1. CREDIT DISBURSEMENT

During the 2015, the Bank disbursed an amount of Rs. 95,419.965 million as compared to Rs.81,933.747 million disbursed in the year 2014 showing a growth of 16.5%. The Bank served 408,456 borrowers during the year. The Bank disburses loans for two purposes i.e. Production and Development.

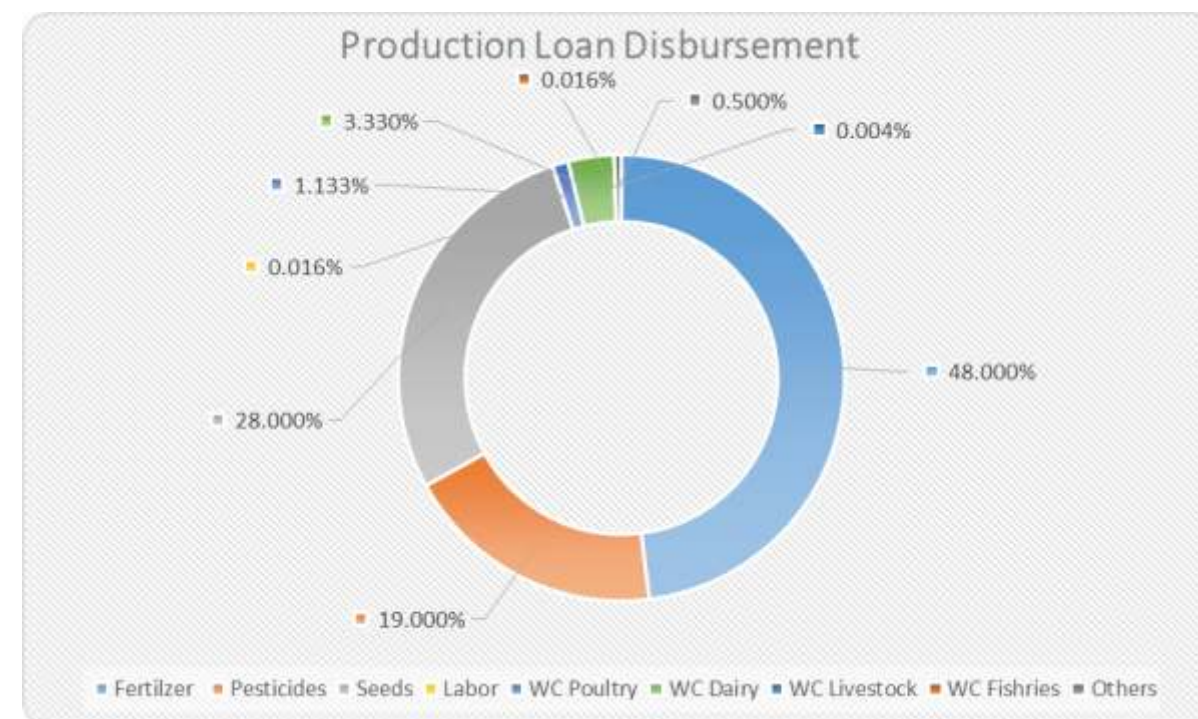
Bank has under taken its initiative for tapping the potential in value added sector and has successfully launched new lending products for value addition sector. These products include product on small scale storage facility/godowns, products for dehydration of fruits, vegetables and dates, tobacco barn financing scheme and gurr making products etc. The intent of these products is not only tapping the potential in value added sector but also is a part of broader framework, the Bank has undertaken for the capacity building of farmers.

During the year 2015 the Bank has disbursed Rs. 662.550 million under the value added products with total outstanding portfolio of Rs. 724.766 million in this sector. With this the Bank has also successfully achieved the structural shift in portfolio composition with development to production ratio of 26% and 74% respectively.



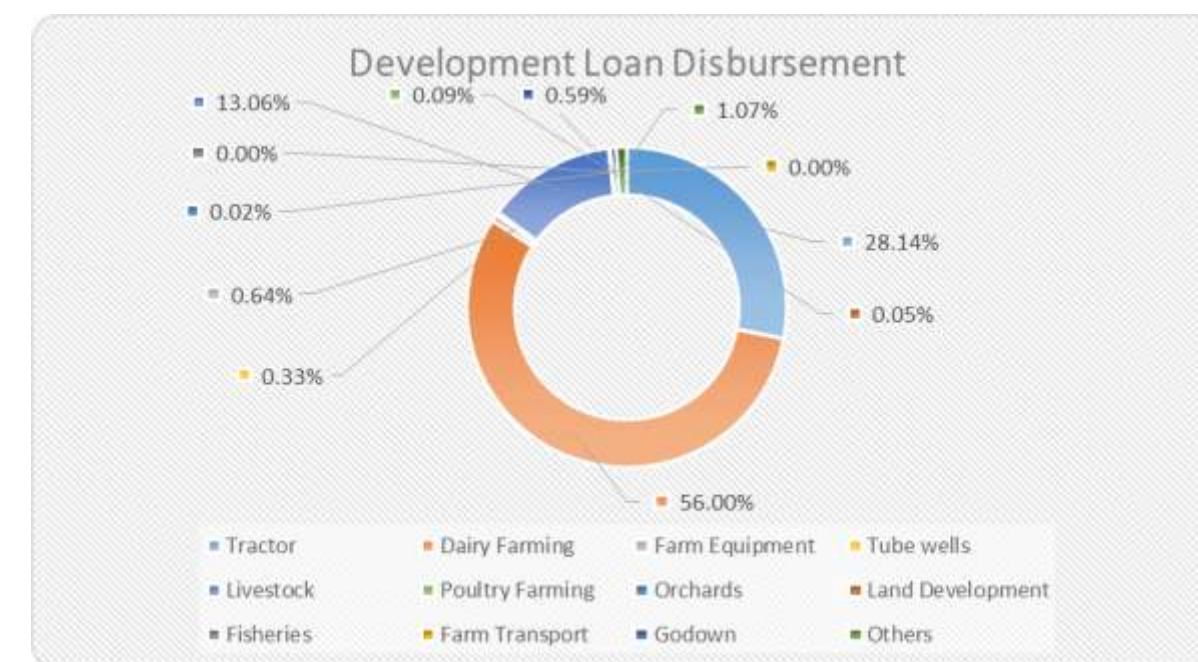
1.1. Production Loans

Bank disbursed a major portion of its funds towards production loans i.e. Rs. 70,352.432 million constituting around 74% of total disbursement.



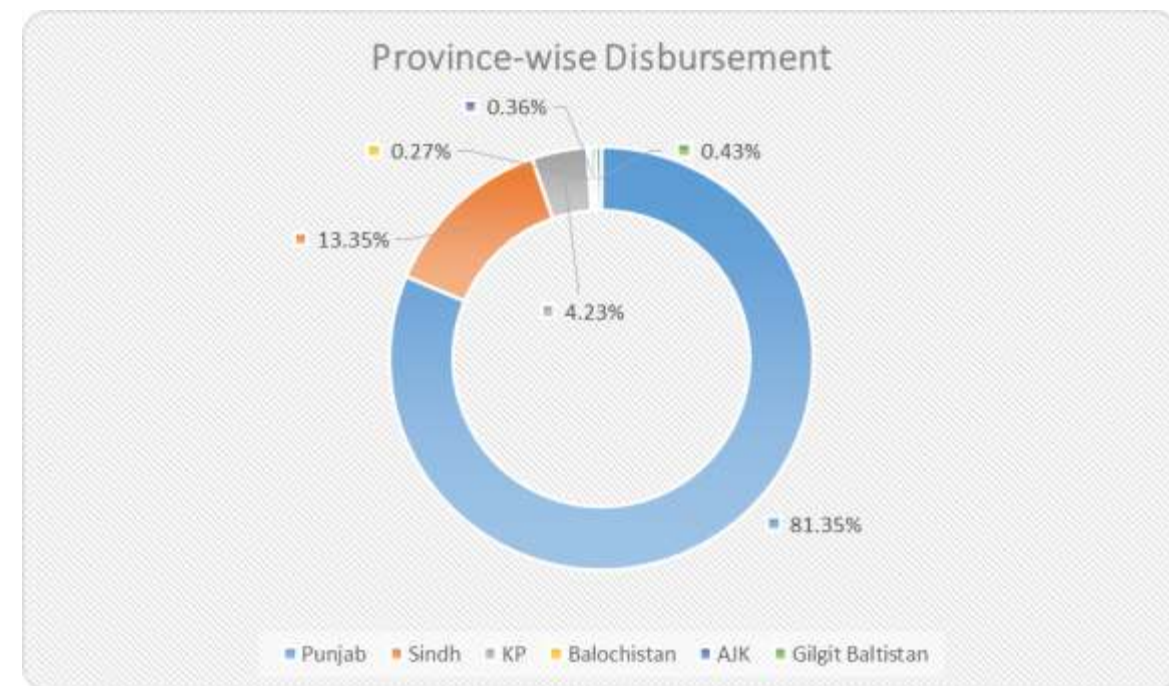
1.2. Development Loans

An amount of Rs.25, 067.533 million constituting 26% of the total agricultural credit was disbursed under the category of development loans.



1.3 Province-wise Disbursement of Loans

The pattern of disbursement in different areas is almost proportionate to the agriculture potential of respective provinces/areas. Accordingly, during the year 2015 the Bank disbursed Rs.77,621.173 million (81.3%) in Punjab, Rs.12,742.769 million (13.4%) in Sindh, Rs.4,035.386 million (4.2%) in Khyber Pakhtunkhwa, Rs. 262.092 million (0.3%) in Baluchistan, Rs. 345.647 million (0.4%) in Azad Jammu & Kashmir and Rs.412.898 million (0.4%) in Gilgit- Baltistan.

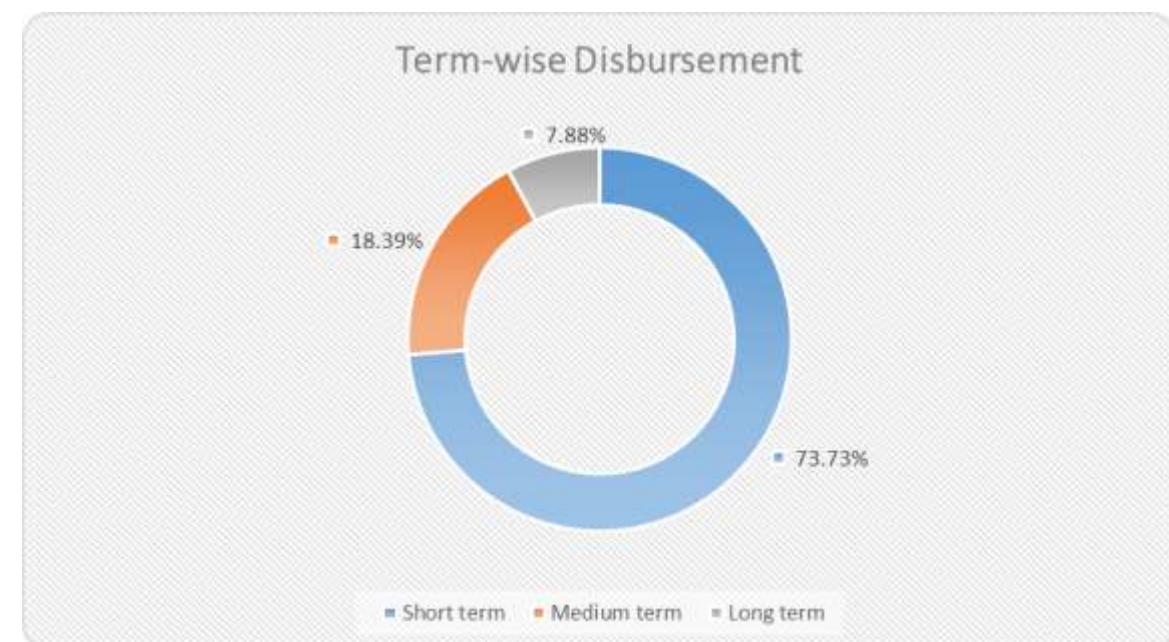


1.4 Term-wise Loan Disbursement

The Bank provides loans on short, medium and long terms basis. Short term loans are basically production loans having maturity period of maximum of 18 months. Medium and long term loans are advanced for development purposes which are recoverable within 5 and 8 years, respectively.

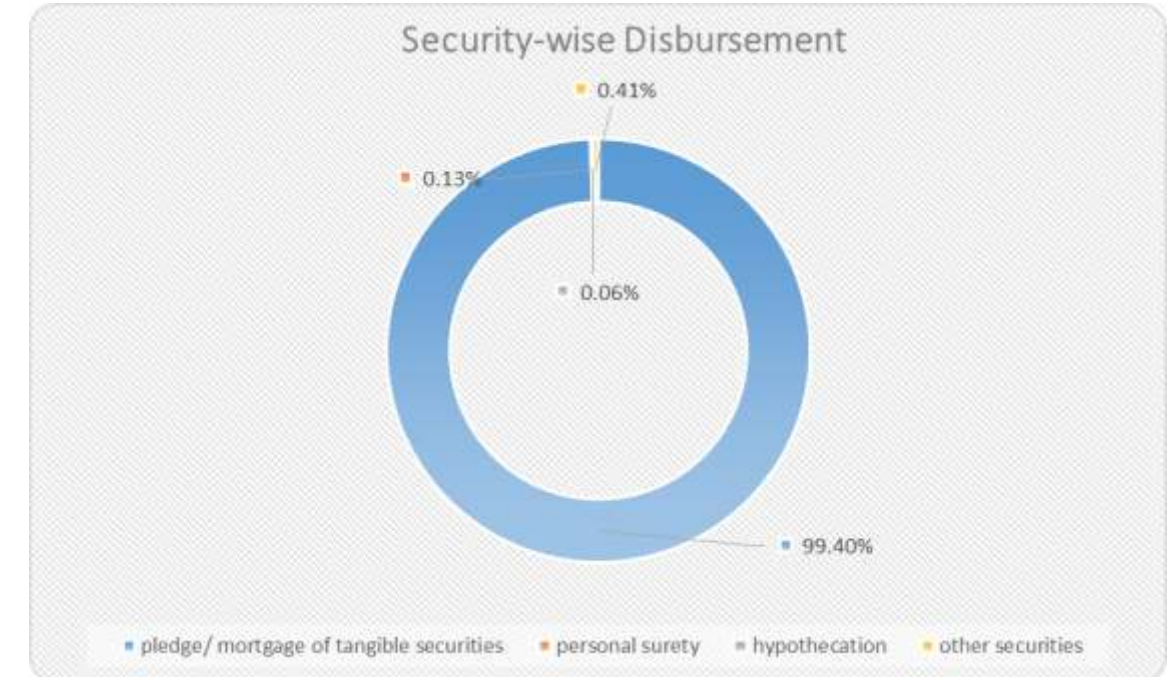
Term-wise loan amounts disbursed during the year 2015 are given as below:

Short term loans	Rs.70,352.432 Million
Medium term loans	Rs. 17,544.848 Million
Long term loans	Rs. 7,522.685 Million



1.5 Security Wise Disbursement of Loans

Security-wise composition of total loans indicates that loans amounting to Rs.94,845 million, constituting 99.4%, were secured against pledge/ mortgage of tangible securities. Loans amounting to Rs.120 million being 0.1% were disbursed against personal surety while loans amounting to Rs.62 million being 0.1% were advanced against hypothecation and loans amounting to Rs. 393 million being 0.4% were disbursed against other securities.



1.6 Holding wise Disbursement of Loans

Holding wise disbursement of loans during the year 2015, revealed that land-less farmers received Rs.17.895 million. Loans advanced to land owners/operators under 12.5 acres amounted to Rs.70,866.088 million representing 74.3% share in the overall disbursement. Farmers owning/operating land from 12.5 to under 16 acres received Rs.7,882.366 million constituting 8.3% share.

Farmers operating land from 16 acres to under 25 acres received Rs.9,752.136 million constituting 10.2% share. It was followed by Rs. 2,503.516 million constituting 2.6% disbursed to farmers with land holding from 25 to 32 acres. An amount of Rs.2,584.073 million was advanced to farmers operating land from 32 to 50 acres representing 2.7% of overall disbursement.

An amount of Rs. 733.840 million was advanced to land operators having holding of 50 to 64 acres constituting 0.8%. Remaining credit amounting to Rs. 1,080.051 million was disbursed to land holders of 64 acres and above which constituted 1.1% of total disbursement.



1.7 Scheme-wise Disbursement of Loans

The loans schemes generally fall under two broad categories namely production and development loans.

1.7.1 Production Credit Schemes

ZTBL caters the need for all input loans such as seed, fertilizers, pesticides etc. under following schemes:

a) One Window Operations (SBP)

Financing input loans to the farmers continues at one focal point in the presence of Revenue & Postal Authorities fortnightly on each Tuesday of 1st & 3rd week of the month throughout the year. Financing limit under the scheme is Rs. 0.200 million per borrower/party.

b) Sada Bahar Scheme (SBS)

Input requirements for the whole year are assessed and loans are made available to only existing borrowers on three years revolving credit basis. Financing limit is upto Rs. 0.500 million per borrower/party. During the year 2015 Bank disbursed an amount of Rs. 17,015.478 million against 98,861 number of loan cases.

c) Awami Zarai Scheme-(AZS) Farm and Non- Farm Credit

Awami Zarai Scheme has played a significant role in meeting credit requirements under production loans. Credit availability to farmers at their door-steps enables them to purchase the required quality inputs. With the objective to facilitate farming community, the Board of Directors of the Bank has approved that the production finance extended by the Bank in kind for inputs may not be conditioned and farmers/borrowers may have the choice to avail production loans in cash under this scheme, through their deposit accounts. Financing limit is upto Rs. 0.700 million per borrower/party. An amount of Rs.23,107.484 million was disbursed under this scheme against 119,087 number of cases.

d) Kissan Dost Scheme (KDS)

The scheme aimed at financing of crop production loans to fresh/new borrowers on seasonal basis without revolving facility on concessional rate of mark up. Financing limit is upto Rs. 0.700 million per borrower/party. Bank disbursed an amount of Rs. 28,991.695 million against 124,949 number of cases during the year.

1.7.2 Development Credit Schemes

ZTBL advances medium & long term loans for tractors, poultry, dairy, fishery, livestock etc. Major Development Schemes are as under:-

a) Special Package for Branches under Karachi Zone

A financing package for the branches of Karachi Zone has been launched for credit extension of a number of Agri-schemes to boost up the Agri. business volume in Karachi Zone. Financing limit is upto Rs. 1.500 million per borrower/party. Bank disbursed an amount of Rs. 150.060 million against 420 number of cases during the year.

b) Special Schemes/Products for Gilgit-Baltistan

Four new special products i.e. Trout Fish Farming, Yak Farming, Sea buckthorn cultivation and Hybrid Poplar were launched for Gilgit-Baltistan area. Financing limit is upto Rs. 1.500 million per borrower/party. An amount of Rs. 96.330 million was disbursed under this scheme against 375 number of cases.

c) Special Product for Milk Chilling Unit

To streamline the milk collection & its delivery, a special scheme has been launched to establish milk chilling units in specified branches under Lahore & Karachi Zones. Financing limit is upto Rs. 1.500 million per borrower/party.

d) Asan Qarza Scheme (AQS)

Youth are the major segment of rural population in Pakistan and to engage them in national development, raise their living standard and check their migration to urban areas, Asan Qarza scheme has been launched by the Bank to finance Agri. business under variety of agro-based activities. Financing limit is upto Rs. 0.200 million per borrower/party. Under this scheme Bank disbursed an amount of Rs. 135.825 million against 871 number of cases.

e) Khawateen Rozgar Scheme (KRS)

As per charter of the Bank, special emphasis has been made to empower the rural women so that they may play a significant role not only to increase the family income but also to contribute towards GDP of the country. For that purpose the titled scheme has been launched by the Bank for variety of Agri. activities. Financing limit is upto Rs. 0.200 million per borrower/party. During the said period, Bank disbursed an amount of Rs. 28.252 million against 223 number of cases under this scheme.

f) Tawanai Bachat Scheme (TBS) (Bio Gas Units)

In order to help the farmers to overcome energy crisis, Bank has introduced the subject scheme for establishment of Small Bio-Gas Units, being an alternative energy producing resource. Through this scheme the farmers will not only get energy at low cost but the same will also be useful in boosting the Agri-production. Financing limit is upto Rs. 0.750 million per borrower/party. During the year 2015, the Bank disbursed an amount of Rs. 0.050 million against only one case under this scheme.

g) Tahafuz-e-Samar Scheme (Dehydration of Fruits & Vegetables)

This scheme has been introduced with the objective to facilitate the farmers of Gilgit-Baltistan to get suitable price of their produce by de-hydration of fruits and vegetables through solar energy systems. Financing limit is upto Rs. 0.500 million per borrower/party. During the year 2015 the Bank advanced an amount of Rs. 1.600 million in 7 number of cases.

h) Khushk Ratab Scheme (Product for Dehydration of Dates (Chuhara)

The scheme is for preservation/de-hydration of dates (Chuhara making) and is applicable in dates growing areas of the country i.e. Turbat Zone in Balochistan, Sukkur in Sindh, D.I.Khan in Khyber Pakhtunkhwa (KP) and Muzaffargarh & Jhang Zones in Punjab Province. Financing limit is upto Rs. 0.500 million per borrower/party. During the year 2015 Bank provided loans amounting to Rs. 56.514 million against 410 number of cases under this scheme.

i) Tobacco Barn Financing Scheme

The prime objective of the scheme is to facilitate tobacco growing community to get reasonable price of tobacco produce through value addition by setting-up of Tobacco Barns. Financing limit is upto Rs. 0.400 million per borrower/party. The Bank provided credit amounting to Rs. 13.123 million against 51 number of cases under this scheme.

j) Soghat-e-Shireen Scheme for "Gur Making"

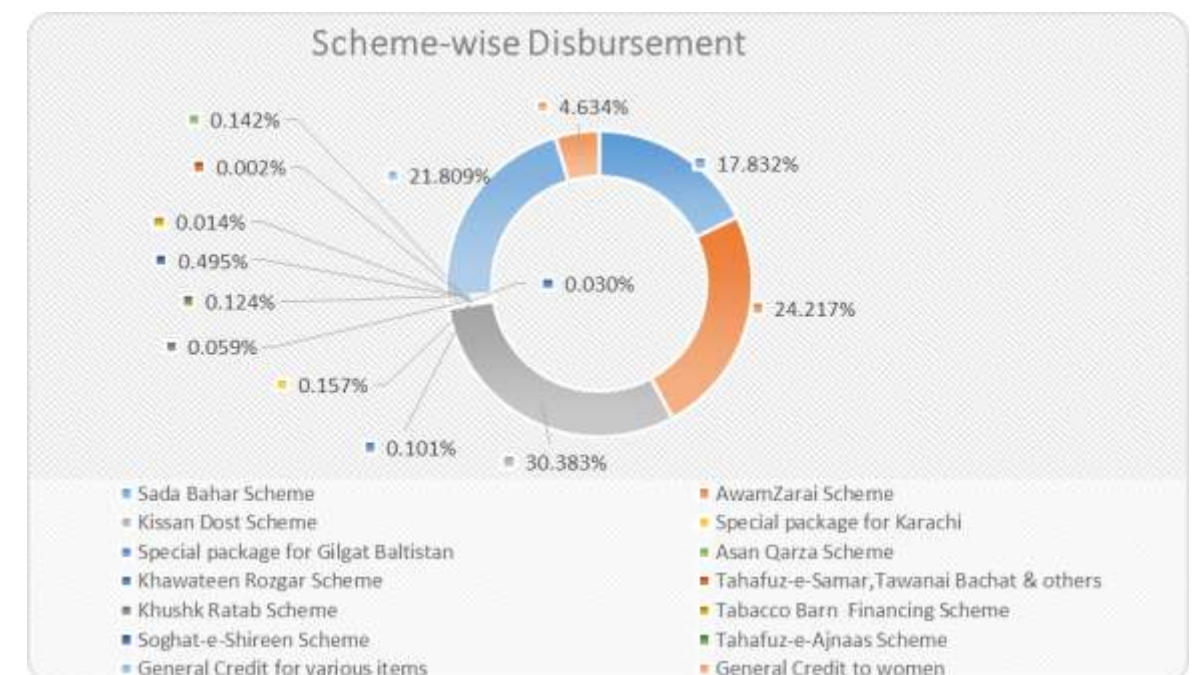
The scheme is applicable through out the country in sugarcane growing areas for Gur Making as value addition where no restriction is imposed by Federal/Provincial Government. Financing limit is upto Rs. 0.500 million per borrower/party. Bank disbursed an amount of Rs. 472.760 million against 1,770 number of cases.

k) Tahafuz-e-Ajnas Scheme (Product on Godown)

The scheme is applicable across the country to promote the capacity building in shape of storage facilities for the establishment of small godowns in order to prevent the wastage of farm produce. All creditworthy and reputable rural populace having capacity to repay, are eligible to get financing is upto Rs. 1.500 million. Loan under the scheme is recoverable within 10 years in half yearly installments commencing one year after the disbursement. During the year the Bank disbursed an amount of Rs. 118.553 million against 1,192 number of cases.

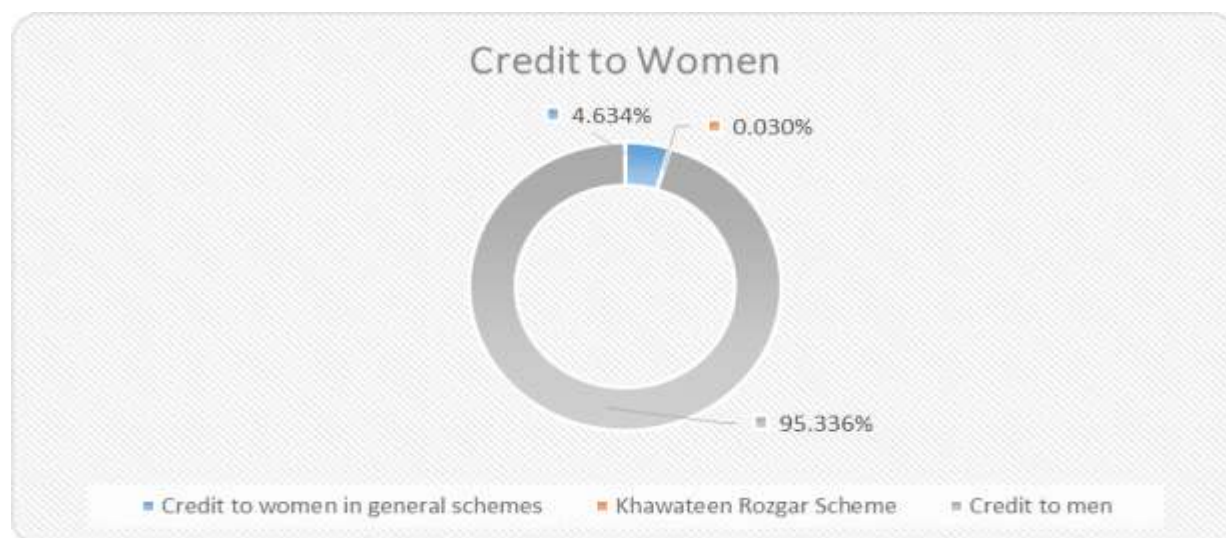
l) Agri. Financing Scheme for "Cut-Flowers"

In order to promote floriculture sector and to facilitate rural community to utilize their best potential and skill to earn livelihood through cut flower cultivation, the Bank has introduced this specific scheme in the vicinity of big cities i.e. Lahore, Gujranwala, Islamabad, Karachi, Hyderabad, Peshawar and Quetta. All creditworthy and reputable farmers engaged in cut flowers cultivation are eligible for availing credit under this scheme. Financing limit is upto Rs. 1.500 million per borrower/party. Loans under the scheme for Rose Cultivation would be recoverable within five years in half yearly installments with one year grace period, whereas loan for Tube Roses & Gladiolus cultivation is recoverable within five years in half yearly installment with six months grace period.



1.7.3 General Credit to Women

The Bank takes initiative to empower the rural women to play due role for increasing their family income and contributing towards national progress. For this purpose Bank is providing credit to all credit worthy women those having technical know how & capacity to payback. It provides credit facilities in different areas like farming, textile and clothing, bamboo cane and related industries and others etc. The rate of markup is charged as per prevailing rate and monitoring is being exercised by ensuring checking of utilization by MCOs in 100% cases and sample checking of utilization by the Manager, Zonal Manager, Recovery and Internal Auditors of the Bank. Bank advanced an amount of Rs. 4,421.772 million against 17,943 number of cases in general credit to women.



1.7.4 General Credit

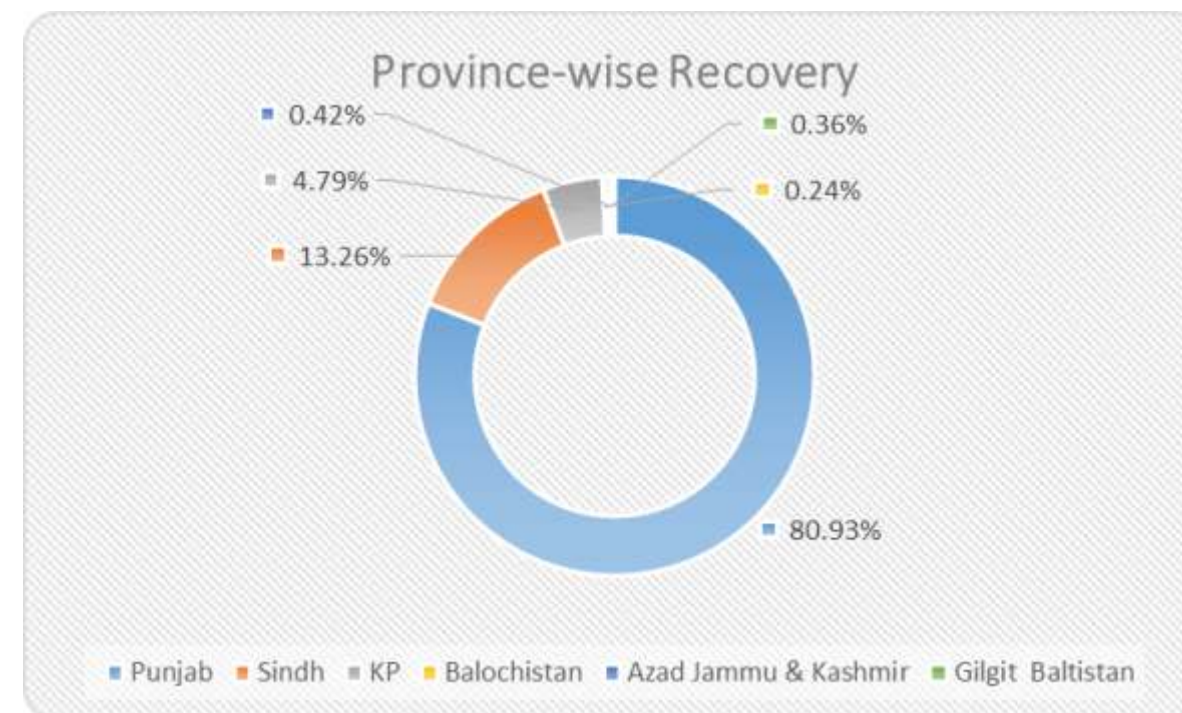
Bank also provides loans or credit facilities for general purposes like tractor, cultivator, harvester and other agriculture equipments. Under the general purpose Bank provided credit to the farming community amounting to Rs. 20,810.468 million against 19,165 number of cases.

2. RECOVERY & SPECIAL ASSET MANAGEMENT

During the year 2015, agricultural loans amounting to Rs.88,720.154 million have been recovered against total recoverable amount of Rs. 96,024.439 million, showing recovery rate of 92.4% whereas, the Bank had recovered Rs.78,721.131 million with recovery rate of 91.7 % during same period of last year depicting a substantial growth of Rs.9,999.023 million in terms of amount. Province wise recovery achievement in respect of agricultural loans is given as under:-

Agricultural Credit Recovery and Growth

Province	2015	2014	(Rupees in Million)	
			Growth	
			Amount	%AGE
Punjab	71,801.630	63,591.136	8,210.494	12.9
Sindh	11,765.543	10,389.046	1,376.497	13.2
KP	4,248.260	4,034.894	213.366	5.3
Balochistan	216.799	182.690	34.109	18.7
Azad Jammu & Kashmir	370.561	283.041	87.520	30.9
Gilgit Baltistan	317.361	240.324	77.037	32.1
Pakistan	88,720.154	78,721.131	9,999.023	12.7



During the year under review, an amount of Rs.2,917.390 million was recovered out of SAM loans with 114% pace against the target of Rs. 2,557.000 million. SAM loans portfolio at the end of the year 2015 was Rs. 22,467.562 million with net reduction of Rs. 3,273.369 million from Rs. 25,740.931 million on December 31, 2014. Non performing loans accrued being the percentage of total outstanding remained at 13.8% as of, December 31, 2015.

Future Outlook:

The recovery target of Agri loans for the year 2016 has been fixed as Rs.93.000 billion. The recovery operation will be monitored through Management Information System (MIS) by using DiMIS (Dynamic Integrated Management Information System) on daily basis by the Head Office. The same facility will be made available for the field to review the case in default through different aspects. Recovery performance of the field functionaries will be monitored by controlling officers. Efforts for settlement of SAM loans through newly launched SAM loan settlement policy would continue unabated. The use of early warning system to monitor addition to SAM loans portfolio will be made more effective. Recovery efforts through legal course/ action against the defaulters would be vigorously followed.

3. BUSINESS STRATEGY

In line with the directive of honorable Chairman to the Board, the bank arranged two days Strategy Formulation Consultative Sessions undertaken by Prof. Dr. Zahoor Hassan of Lahore University of Management Sciences (LUMS). The session was an interactive discussion / deliberations among ZTBL's Board of Directors, Senior Management, Executives and field functionaries were moderated by Prof. Dr. Zahoor Hassan. Detailed deliberations reviewed bank's operational thrust for its better alignment with the vision which would ultimately benefit the farming community along with achieving the highest services level by the bank offered to its clientele.

On the basis of deliberations / recommendations thus formulated a detailed action plan was prepared by core business divisions. This action plan envisages detailed chronology of strategic initiatives to be implemented/ adapted during the coming five years period. Salient features of the initiatives planned under the subject action plan include;

- Launching of projects aiming at capacity building of farming community, initially on pilot basis. Increasing yield levels and enhancing farmer's household incomes through adapting to agriculture best practices is the envisaged outcome. Under this initiative following are the proposed projects;
 - Enhancing farmers' productivity and income through establishment of service providers.
 - Learning & Skill Development by Progressive Farmers.
 - Learning & Skill Development by provision of opportunities to young farmers through arranging training in collaboration with agriculture training institutions of the country, like, NAVTTC, TEVTA, PARC, Agriculture University Faisalabad etc.
 - Establishment of Help Desk in order to facilitate the farming community for timely technical advice and technological solutions.
 - Establishment of permanent display centers and holding of Green Pakistan exhibition.

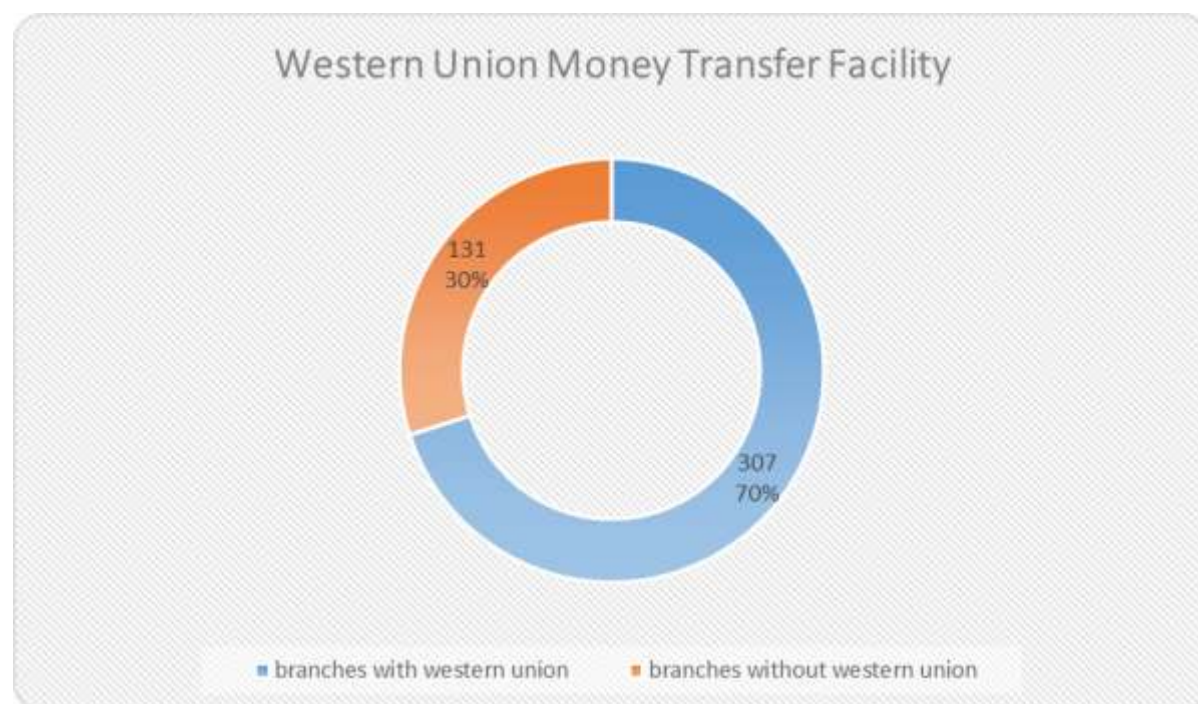
- ii. Lending operations are planned to be made more effective through focused approach. The projects envisage under lending operations are;
 - a. Undertake thorough modalities for arranging suppliers' credit through identification of suppliers.
 - b. Development of modalities for rationalization of lending products especially in terms of geography.
 - c. Identification of potential areas for extension of financing facilities in post-harvest process.
 - d. Recommendation and detailed modalities for devising of tailored products for value chain financing, keeping in view the geographic endowments.
- iii. Launching of banking and financing products under Islamic mode of financing. For this purpose Sharia compliant products both for asset and liability sides will be developed for its active offering, after having met with all pre-requisites.
- iv. Making recovery efforts more effective with especial focus on minimum accretion to SAM (Special Asset Management) Portfolio.
- v. Building up of sustainable deposit base and for this purpose diversifying the liability side product matrix, to be tailored for all segments of both urban and rural clientele.
- vi. Developing alternate delivery channels, ATM facilitations, increase in bank's outreach through opening of new branches, conversion of loss making branches into profit earning units and rationalization of MCOs' circles.

4. OPERATIONS AND BUSINESS OUTREACH

In line with the vision and mission, the Bank is endeavoring to provide credit facility to needy farmers at their door steps. Under Annual Branch Expansion Plan – 2015 the Bank has expanded its Branch network to 438 branches by adding 22 new branches as of December 31, 2015. The Bank has successfully opened 89,720 new deposits accounts and achieved the deposit mobilization of Rs. 35,948 million against the annual target of Rs. 22,000 million.

During the year 2015, ZTBL managed to achieve a land mark of receiving 19,530 Hajj applications. The Bank successfully completed Hajj operation by establishing of hajj booths, making availability of Saudi Rayals and by providing allied services. The Bank has achieved collection of 1,324,229 number of utility bills in the year 2015.

To provide home remittance services to its customers, Western Union money transfer facility has been extended to 307 branches of the Bank. During the year 12,458 transactions were carried out through Western Union.



Future Outlook

State Bank of Pakistan has approved opening of 21 new branches (13 conventional and 8 commercial) to enhance branch network which will be opened at selected places under Annual Branch Expansion Plan of 2016. Up gradation of old branches by enhancing infrastructure and IT equipment will be carried out. According to Deposit Mobilization strategy deposit target of Rs. 40,000 million for the year 2016 has been allocated to Zones. Keeping in view the performance and potential of the Zones, Utility Bills target proposed for the year 2016 is 1,600,000 numbers of bills. Target allocated for the Western Union transactions for the year 2016 has been increased to 20,000 transactions.

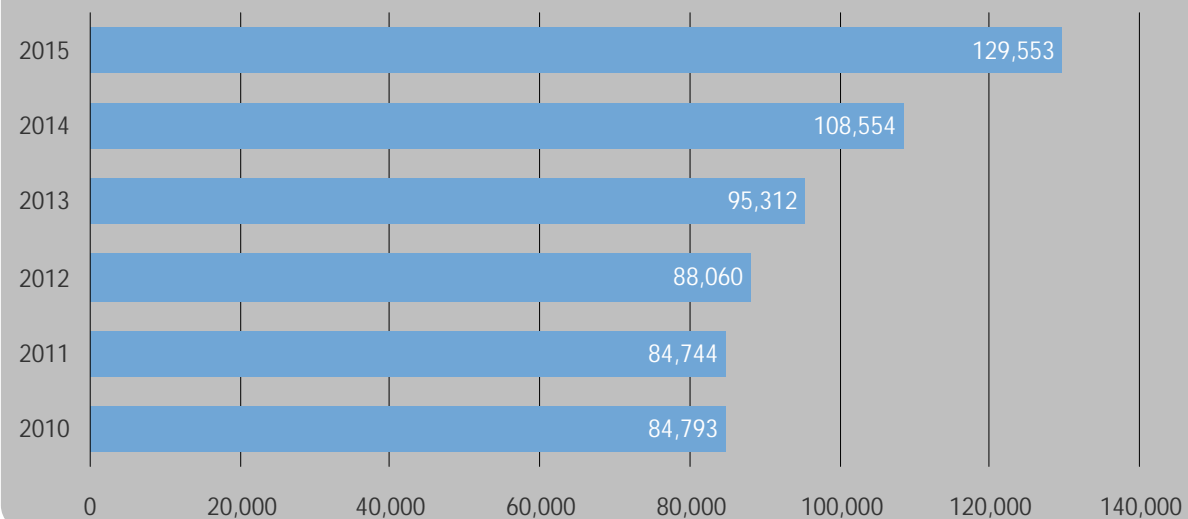
5. FINANCIAL PERFORMANCE OF THE BANK

Despite all constraints, there has been a growing trend in the total assets and advances of the Bank. The assets of the Bank remained at Rs.187,574 million whereas the assets of the Group as per consolidated annual accounts amounted to Rs.187,884 million. The Bank's Capital Adequacy Ratio (CAR) as at December 31, 2015 was 49.74% of its risk weighted exposure, as against required by SBP ratio of 10.25% and industry average of 17.3% for year 2015. The Bank earned pre-tax profit of Rs.8,379 million and the Group showed pre-tax profit of Rs.8,494 million. The classified loans were provided for as per SBP Prudential Regulations during the period under review. The Bank mobilized its deposits up to Rs.35,948 million as on 31.12.2015. The after tax profit of the Bank remained Rs.5,273 million slightly lower than Rs.5,417 million in last year due to increased taxation in the reported period.

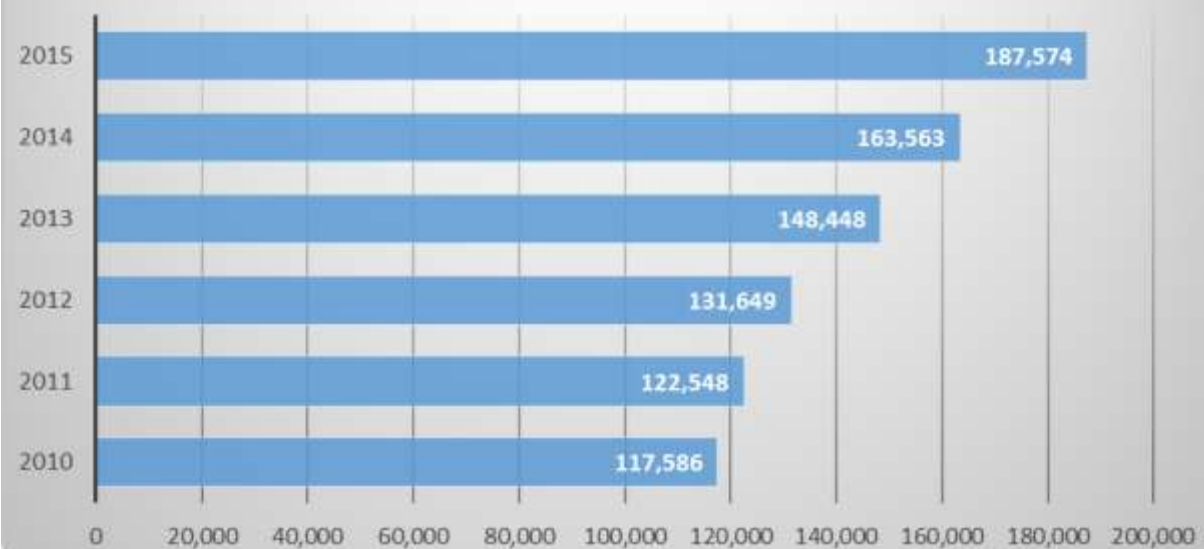
5.1 Six Years at a Glance

Particulars	(Rupees in million)					
	2010	2011	2012	2013	2014	2015
Total Assets	117,586	122,548	131,649	148,448	163,563	187,574
Net Advances	84,793	84,744	88,060	95,312	108,554	129,553
Cash & Bank Balance	13,662	14,233	12,525	12,742	10,085	18,925
Operating Fixed Assets	1,132	1,167	1,180	1,347	1,581	2,101
Share Capital	12,522	12,522	12,522	12,522	12,522	12,522
Deposits	9,603	8,962	11,097	14,907	26,702	35,948
Appropriations						
Profit/(Loss) before Taxation	2,878	3,277	3,870	5,167	8,327	8,379
Taxation	1,014	1,132	1,293	1,790	2,910	3,106
After Tax Profit/(Loss)	1,864	2,145	2,577	3,377	5,417	5,273
Un-appropriated Profit brought forward	4,964	6,456	10,360	12,263	13,598	14,553
Profit available for Appropriation	6,828	8,601	12,937	15,640	19,015	19,826
Other comprehensive Income	-	-	(156)	(1,366)	(3,379)	(54)
Effect of changes in accounting policy for defined benefit plans	-	2,188	-	-	-	-
Issuance of bonus shares	-	-	-	-	-	-
Transferred to Statutory Reserve (20% of after tax profit)	(372)	(429)	(518)	(675)	(1,083)	(1,055)
Un-appropriated Profit Carried forward	6,456	10,360	12,263	13,598	14,553	18,717
Earnings Per Share	1.489	1.713	2.058	2.696	4.326	4.211

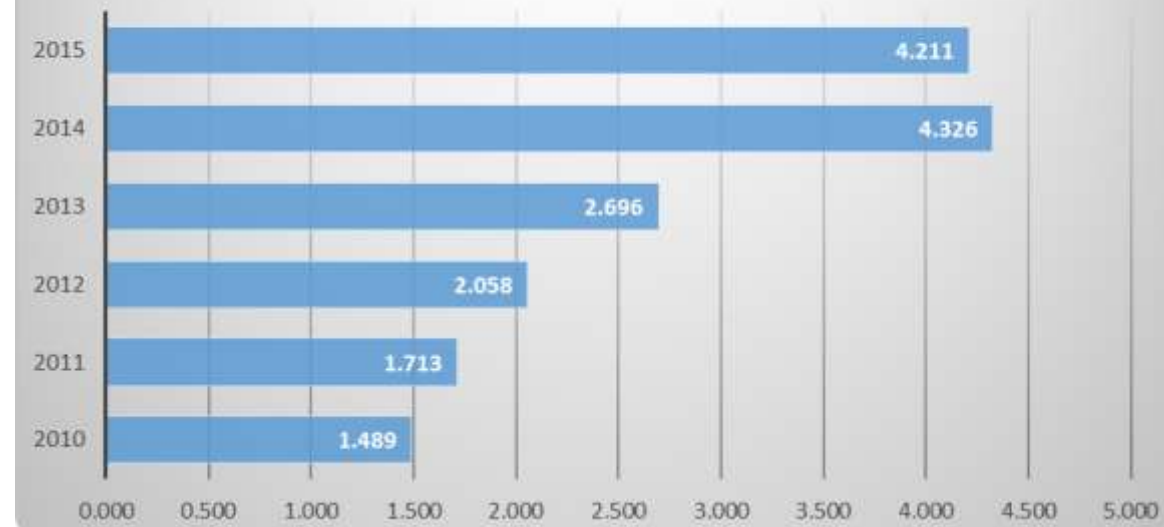
NET ADVANCES Rupees in million



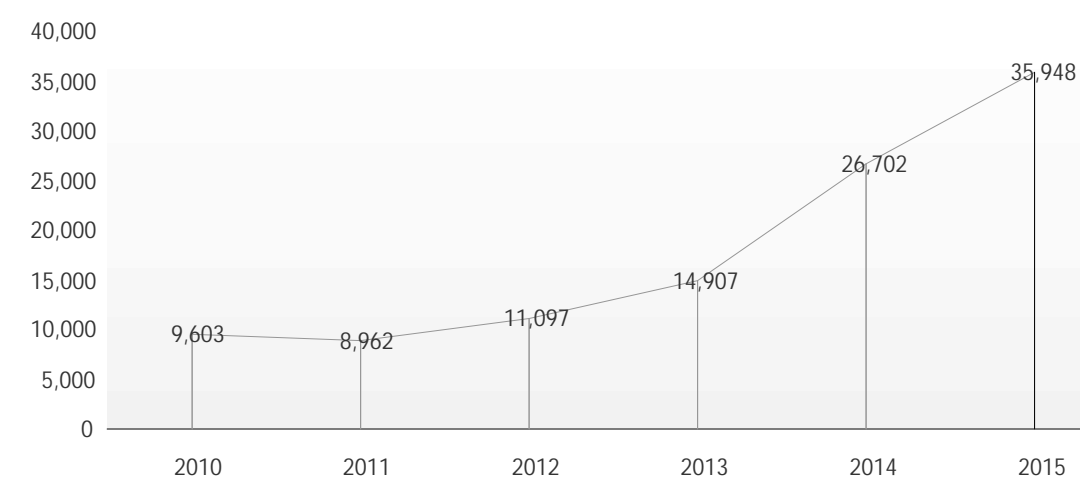
ASSETS Rupees in million

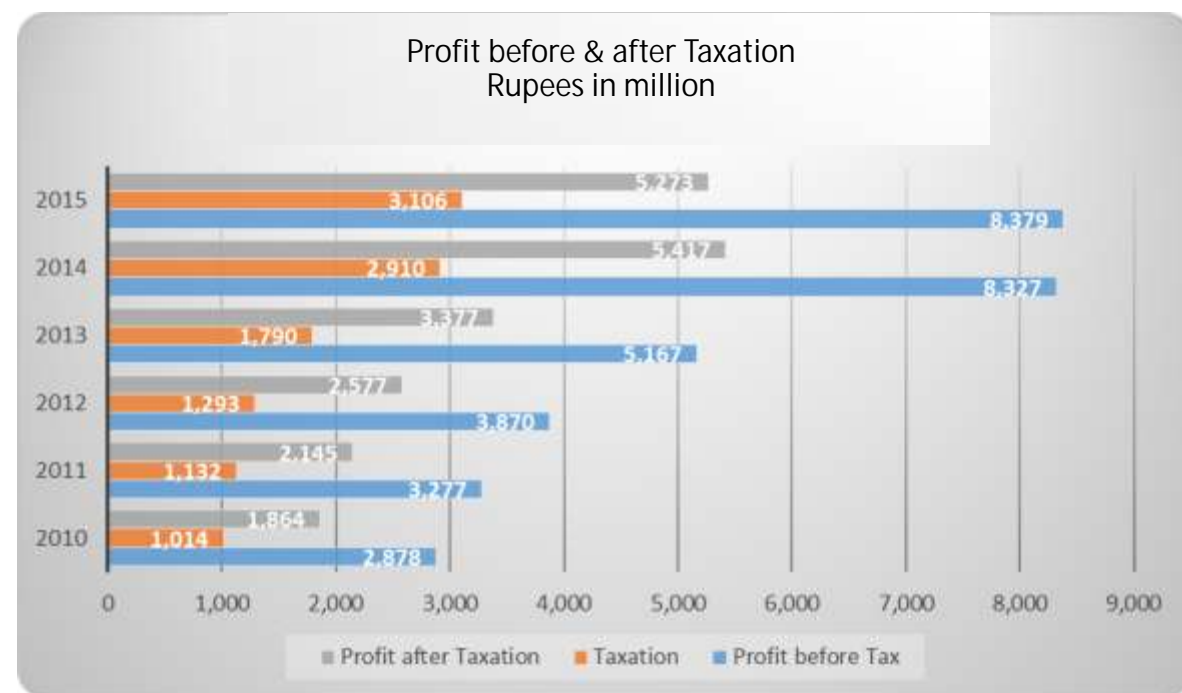


EARNING PER SHARE in Rupees



Deposits Rupees in million





5.2 Capital

The authorized capital of the Bank is Rs.125 billion divisible into 12,500,000,000 number of shares. The paid up capital of the Bank as on 31.12.2015 was Rs.12.522 billion. The issuance of preference shares worth Rs.54.461 billion and ordinary shares worth Rs.40.156 billion are under consideration.

5.3 Credit & Entity Ratings

JCR-VIS Credit Rating Company, Limited, Karachi (JCR-VIS) in their report dated June 18, 2015, has reaffirmed the entity rating of the Bank at 'AAA/A-1+' (Triple A/A- One Plus), previously rated on August 8, 2014. JCR-VIS has also reaffirmed ratings of 'AAA/A-1' assigned to Government Guaranteed Obligations of ZTBL. Outlook on the rating is stable. According to Rating Company there is a notable improvement in the standalone risk profile of the institution.

5.4 Earnings per Share (EPS)

During the year under review the basic earnings per share remained Rs. 4.211 as compared to Rs.4.326 in year 2014. The Group posted an EPS of Rs.4.267 as compared to 4.357 last year.

5.5 Conversion of SBP Debt into Equity

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

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

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

6. REGULATORY COMPLIANCE FUNCTION

The Bank has well defined Compliance policy/program to ensure that all relevant laws are complied with in letter and spirit, and thus minimize legal and regulatory risks. Thereby following SBP Prudential Regulation G-I (D), a Compliance Department was established in 2007 under supervision of a Compliance Officer.

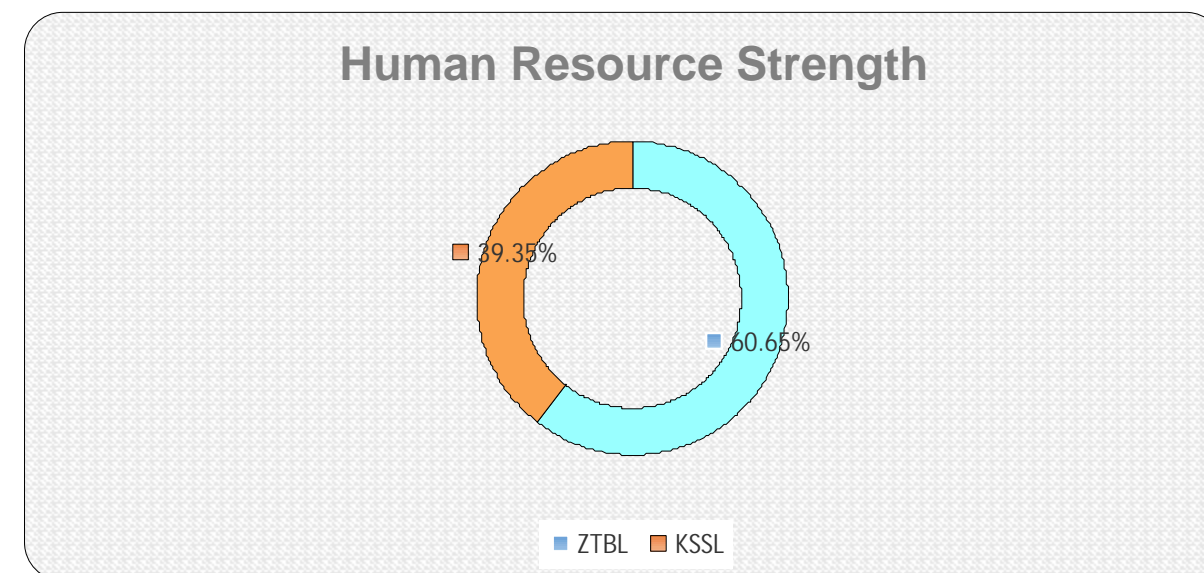
Submission of mandatory returns, other data and reports to State Bank of Pakistan and other Government Departments and agencies was ensured. During the year 2015 around 91 regular/periodical returns were arranged from different Divisions/Departments for onward submission to Regulators. Bank's management arranged coordination with SBP for Inspection of the Bank from 01-01-2014 to 30-06-2015.

Compliance Review Program (CRP) is already operative in 40 selected branches having big loan portfolio where Branch Compliance Officers have been posted whereas, Compliance Review Program (CRP) is being under taken by the concerned Branch Manager at all other Branches. Further 102 branches are planned to be covered under CRP during the year 2016. Branch Compliance Officers have been posted at the selected branches to review the Bank's operations onsite on day to day basis and to report exceptions on monthly basis. Rectifications of exceptions are pursued through Branch Compliance Officers as well as through Operations/Credit/CA&RM Divisions.

7. HUMAN RESOURCE DEVELOPMENT

Bank has made strenuous efforts for enhancing the capabilities and competencies of the existing human resource for meeting the Bank's business needs and implementation of Human Resource Management Strategy by various training programs, motivations through promotion and giving different incentives in the shape of cash awards etc.

The Bank has strengthened manpower base and boosted its operations through promotion of 1,910 officers /staff of committed/clean service record during 2015. Moreover, the Bank did not forget its retiring employees by increasing 20% of their net pension. During the period under review the Bank has successfully played its role in the field of agriculture finance with the strength of 5,699 ZTBL employees and 3,698 support staff hired from M/s KSSL (a subsidiary of ZTBL).



Performance Management Policy of the Bank is based on the concept of Pay for performance, i.e. higher the performance, higher the reward. Annual Merit Increase was granted to 1,500 officers on the basis of final score of Performance Appraisal Reports (PARs). A Grievances Handling Committee (GHC) was established to redress the grievances of the employees internally (at Bank level) which would help in reduction of litigation.

The improvement of HR policies and systems is a continuous process. During the year 2015, various HR policies were updated. To enhance the competencies of manpower, about 76 courses were conducted and 2,362 officers/staff were trained in different areas, 230 trainings were imparted at other institutes while 98 workshops were held in zones.

In order to motivate the Bank employees, a good number of policies especially relevant to monetary benefits based on length of service and other pay/perks etc. were reviewed by the Board of Directors during the year 2015. Role & responsibilities of Key Executives and conflict of interest for all employees of the Bank have also been reviewed as per requirement. Amendments in staff Regulations-2015 (severance benefits) car loan, depreciation policy, transfer posting (job rotation) policy, Job description of field functionaries were made. To boost the morale of employees and minimize the reservations towards HR Policies, a former Honorable Justice of Supreme Court of Pakistan has been appointed as Ombudsman for grievance resolution which is working effectively.

Future Outlook

The management of the Bank considers all of its employees as the most important assets for achieving institutional objectives. For the purpose, Human Resource Policies have substantially been updated/ improved. Motivation and mobilization of human resource for better efficiency through a series of incentives, i.e. Staff Advances, Welfare Activities, Bonuses, and Cash awards will be continued and gradually improved, in future.

8. STRENGTHENING, IT/MIS INFRASTRUCTURE

In pursuant to IT Steering Committee (ITSC), Board Committee on IT (BCIT) and Board directives as well as IT Roadmap (2015-2019) approved by Board, Bank developed 26 IT Systems/Applications to automate/upgrade/ enhance existing IT Systems and ERP configuration/parameterization. Strengthening of Information Technology contributed in many ways towards growth of the Bank as stated below.

8.1 Customer Facilitation through Information Technology

The customers are facilitated by SMS facility on deposit, withdrawal and availability of Personalized Cheque Books. The manual system of handling Personalized Cheque Books have been fully automated enabling the Bank to provide Personalized Cheque Books to the customers. The Bank customers are being facilitated to use the Alternate Delivery Channel. An in-house Mobile Financial Services System has been developed and deployed. Co-Branded ZTBL and U-Bank ATM Cards are under production

8.2 Strengthening of Internal Systems

ERP Technical Resource Teams as per approved plan 2015-16, migrated transactional "Data" from legacy system (cFOCS), enabling the end users to prepare annual financial statements through ERP-EBS as well. Bank successfully developed Interactive Management Information System (iMIS) during the last year. This system provides 362 readymade reports for Accounts, Insurance, Risk Management, Recovery, Budget, SAM, Credit Policy, Credit Operations and Regulatory Reporting Departments. Bank has developed Anti Money Laundering System (AMLS) to meet regulatory requirements of State Bank of Pakistan (SBP) and restricting the Banking facilities to eligible customers for legitimate use only. The Bank was managing its treasury system as a stand alone. The process of manual treasury data entering in the main system has been automated and integrated with legacy application system and after its phase out will be integrated with CBAS as well as ERP-EBS. Disciplinary Proceedings System has been developed to replace legacy application and is under User Accepting Testing (UAT). iAudit Management System has been developed in-house enabling the internal auditors to audit the operations from their own desk and audit CNIC verifications, credit worthiness reports, loan transactions / examining each voucher and security documents.

8.3 Facilitation of Employees through Information Technology

Pay slips have been automated and the employees of the Bank are being provided e-pay slips through e-mail for creating a paperless environment in the Bank. The Bank has developed staff advances system which will be shortly deployed enabling the users to determine staff advances and repayment schedule including markup calculation.

8.4 Facilitation of Farming Community through Information Technology

Bank launched a website named as "Agri. Technology website" to disseminate the latest technology to the farming community. Farmers can get technical support and expertise through this website.

8.5 Trainings in Information Technology

For the purpose of making fully conversant with the newly developed systems in ZTBL, necessary training has been arranged with the collaboration of ZTBL Staff College, Islamabad. During 2015, trainings have been imparted to 1,650 employees of Head Office and branches.

Future Outlook

Already configured and parameterized ERP suit of applications will be implemented practically in all branches after parallel -testing/UAT phase. In coming year all retail customers' activities like deposits, transactions, and other would be done through CBAS by completely replacing a legacy system cFOCS /COBOL up to December 31, 2016. After User Acceptance Testing (UAT) carried out by users of the Bank, now Centralized Branch Automation System (CBAS) would be deployed in all the branches as "Parallel Go Live" w.e.f 01.01.2016 along with Centralized Field Operations Computerization System (cFOCS). All branches will be moved towards the branchless banking by introduction of Alternative Delivery Channels (ADC) and mobile phone banking services will be extended to all branches of the Bank. Processing of ATM cards have been started which will be distributed in coming year. To enhance or improve the processing of treasury system of the Bank, treasury operations/system will be integrated with ERP-EBS. Anti Money Laundering System is under testing process and will be deployed shortly.

9. TECHNOLOGY DISSEMINATION

Endeavour has been made to introduce and demonstrate latest agriculture technologies like solar energy tube well, solar fruit and vegetables dryer, bio-gas for running tube well, tunnel farming, small agricultural machinery for saving time and labour, sprinkler and drip irrigation system, bee keeping, animal fattening, artificial insemination for breed improvement, soil water testing etc. At ZTBL farm off-season tomato crop has been grown in tunnels for demonstrations. During 2015, organic winter vegetables like ice berg, Broccoli, Cabbage, Cauliflower, Turnip, Parsley etc were grown under Organic Farming Initiative Program. Brochures and leaflets were printed in local languages and disseminated to all field functionaries to further disseminate to enhance the access of farmers to the latest agriculture information. One day workshop and field day at Farm house on Ostrich Farm Management and Fish Farming respectively was arranged. Counseling services were also provided to farmers regarding various agricultural activities and new technologies. Two acres have been reserved for rose cultivation. Different varieties of plants like Peach, Pecon Nuts, Seedless Citrus, Pear, Plum and Olive etc were imported from various organizations like Agriculture Research Station Swat, Agriculture Research institute Tarnab, Peshawar for gap filling.

Future outlook

Boards' Committee on Agriculture Technology placed a lot of emphasis on technology dissemination to farmers and creating linkages with service providers. It would be pursued and taken ahead during the next year.

10. RISK MANAGEMENT FRAMEWORK AND POLICY

Effective risk management is fundamental to the business activities of a Bank. The Bank has committed to strengthen its risk management structure at the organizational level through a broader framework of Board / Senior Management. A separate, Credit Administration & Risk Management Division works in the Bank, under which an exclusive Department of Risk Management is functional.

Obligor's Risk Rating System has been developed which is operational in all the branches of the Bank through specialized software called Internal Credit Risk Rating System (ICRMS)

In compliance with SBP guidelines on Basel-II, Standardized Approach (SA) has been implemented for credit and market risk and Basic Indicator Approach (BIA) for operational risk. In addition, Internal Capital Adequacy Assessment Process (ICAAP) has been developed as a part of Basel-II implementation in the Bank.

In order to monitor and control operational risk issues, an Operational Risk Model (ORM) has been designed. The ORM is being implemented in all branches of the Bank in phases as per action plan. Disaster Recovery and Business Continuity Plan has been developed. This includes guidelines on emergency evacuation, disaster recovery and post-disaster business continuity plan. The Risk management policy has been reviewed by the BRMC and approved by the Board.

Future Outlook

Strengthen / widen risk monitoring function in the field which includes Obligor's Risk Rating (ORR) for pre-credit approval process and Operational Risk model (ORM) reports to ensure effective credit and operational risk monitoring functions in the field. Reorganizing/ revamping risk management / capacity building to implement advanced features of RM / Basel-II & Basel-III. Bring Risk Management function at par with other Banks/ DFIs in the country.

11. CREDIT ADMINISTRATION

Credit administration is very important for effective & sound lending through proper, prescribed & stipulated documentation. In order to monitor proper loan documentation, Disbursement Authorization Certificate (DAC) is issued by Officer Incharge Credit Administration (OICAs) before disbursement. Credit Administration has played an effective as role in minimizing audit paras especially related to loan documents. In order to make availability of back up of loan documents electronically, Security Documents Management System (SDMS) has been introduced since July 2013. Under the System 383,552 loan cases have been scanned as on 31.12.2015 achieving 52%, in spite of hardships/ problems being faced by the field functionaries.

Future Outlook

- Scrutiny of pre & post sanction documents (On-going process).
- Shadow copying of 100% loan safe files.
- Deployment of suitable officers as OICAs in the vacant 108 branches.

12. CORPORATE SOCIAL RESPONSIBILITY

The Bank is continuously striving hard for benefiting the farming community through dissemination and introduction of innovative/ appropriate agricultural technologies. In this regard ZTBL has established 50 Farmers Training Centers across the country and trying to develop these to serve as a model for carrying out various agricultural activities. Conducted seven field days training courses on latest agriculture technologies and alternative use of power and energy at Farmers Training Center across the country, which were attended by 60-100 farmers & Bank's officials. Demonstration/exhibitions and training programs conducted in different agro-ecological zones of the country give a good boost in capacity building of farmers resulting in increased per acre yield. Bank also circulates brochures and supplements including various topics of interest of framers and agriculture entrepreneurs. The Bank believes that the growth of its business depends on the growth of farming community around it. It also offered internships to university graduates in the year under review.

Besides the agriculture technology disseminating activities, the Bank is also actively involved in sports sponsorships. The Bank is promoting sports in the country to fulfill its corporate social responsibility and is bringing talented players to represent Pakistan in games of cricket (male and female), Tennis (male and female), Squash (male and female), Golf, Polo, including Shooting Ball.

Zarai Taraqiati Bank Limited (ZTBL) won the President ZTBL Cup Inter Departmental Shooting Ball Tournament 2016 held at the ZTBL Sports Club G-7/2, Islamabad by defeating Pakistan Tourism Development Corporation (PTDC).



The Bank also sponsored Rs. 3,00,000/- only to M/s. Pakistan Federation Baseball on the occasion of 12th West Asia Baseball Cup-2015 held on February 23-28, 2015. Allama Iqbal Bridge Tournament held at Gymkhana Club Lahore on 8-9 November, 2015 was sponsored with an amount of Rs. 25,000. \

On March 19-20, 2015 an Agri-Pak Exhibition & Conference was arranged by Dawn media group, which was sponsored by the Bank up to amount of Rs. 2,50,000, in which the Bank exhibited its stall for technology dissemination purpose. Joint advertisement with Dawn was also arranged. The Bank jointly arranged with State Bank of Pakistan an awareness program on Poultry, Livestock, Fisheries, Horticulture and Agriculture Financing held during October, 2015 at State Bank Bahawalpur. The Bank contributed an amount of Rs. 15,000 for this event.

ZTBL is Platinum member and approved employer of ACCA since January, 2010. Bank has provided 103 internships to the qualified ACCA since 2010, while thirteen ACCA qualified interns were trained during the year 2015 and they are still working with ZTBL. Many ACCA qualified students are being offered ACCA internships every year as per part of Corporate Social Responsibility.

13. FINANCIAL INCLUSION OF FARMING COMMUNITY

Staying committed to its mandate for provisioning of banking and financing services along with technology dissemination and technical knowhow ZTBL has reiterated its commitment towards contributing to the agriculture sector of the country fundamentally through financial inclusion and capacity building of subsistent farming community.

A paradigm shift has been seen in policy of the Bank to bring unbanked segments of population especially in rural area, particularly poor and marginalized groups through the continuum of sound financial access. The objective is to provide equitable and efficient market based financial services to the otherwise excluded poor and marginalized population including women and young people. The Bank has also won an international award on rendering its services in financial inclusion through its lending and deposit schemes. Bank has also introduced alternate delivery channels like mobile banking. Efforts are being made to introduce Islamic banking so that those hesitant to Riba can be banked by offering Shariah compliant products.

14. SUBSIDIARY COMPANY OF THE BANK

Kissan Support Services (Pvt.) Limited was incorporated as a subsidiary of Zarai Taraqiati Bank Limited in 2005 with an Authorized Capital of Rs.100 million fully subscribed by the Bank. Under its Memorandum and Articles of Association, KSSL undertakes non-core activities of the Bank so that Bank may focus on core banking business more efficiently. The KSSL has provided following services to ZTBL in year 2015;

1. Recruitment / Provision of Clerical / non-Clerical Staff.
2. Security Services.
3. Management of Sports Activities.
4. Photocopying Services.
5. Janitorial Services.

The principal activity of the Company remained to provision of non-core support services to ZTBL by exercising appropriate control on the workforce in line with the best service quality standards.

Financial Performance

During the year, KSSL witnessed 55.80% increase in its revenue over the last year. Profit after Taxation was Rs.70.487 million compared to Rs. 41.299 million during the previous year, reflecting 70.68% increase in the company's earning performance, resulting into Earning per Share (EPS) of Rs.7.05 as compared to Rs. 4.13 per share in 2014. The Company being a wholly owned subsidiary of ZTBL neither proposes any dividend to be paid nor transferred any sum to any specific Fund/Reserve for the purpose.

Particulars	2014	2015
Profit after taxation (Rs. in million)	41.299	70.487
Earnings per share (Rs.)	4.13	7.05

Future Outlook

KSSL has a strong vision and passion to assist the ZTBL by providing support staff and taking over all non-core/auxiliary activities of the bank so that the bank may concentrate on its core banking activities. KSSL intends to utilize its experience in security services by establishing a wholly owned subsidiary security company under the Companies Ordinance 1984. The internal audit function will be further strengthened for objective and systematic review of operations of KSSL and to ensure that the resources are utilized effectively.

HIGHLIGHTS OF ZTBL'S OPERATIONS

(as on 31.12.2015)

Particular	Amount (Rs. Million)
A. DISBURSEMENT	
1. Total Disbursement	95,420
a. Production Loans	70,352
b. Development Loans	25,068
2. Tractors Financed	
Number	9,154
Amount	7,054
3. Tube wells Financed	
Number	260
Amount	82.37
4. Loans to Subsistence Farmers	72,869
5. Share of Small Farmers (Under 25 Acres)	88,518
6. Number of Borrowers Served	408,456
B. RECOVERY OPERATIONS	
Total Amount Recovered	88,720
C. NETWORK OF OPERATIONS	
1. Number of Zones	32
2. Number of Branches	438
3. Number of MCOs	1,333

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors are pleased to give the following statements in respect of compliance with the Corporate and Financial Reporting Framework.

- i. The Bank's financial statements, prepared by the management of the Bank, present fairly its state of affairs, the results of its operations, changes in equity and cash flows.
- ii. Proper books of accounts of the Bank have been maintained.
- iii. Accounting policies have been consistently applied in preparation of these financial statements except as stated in the notes to the financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Accounting Standards, as applicable to Banking companies in Pakistan, have been followed in preparation of these financial statements.

- v. The current system of internal control is under constant review by the Internal Control over Financial Reporting Department and Internal Audit Department. Based upon the results through ongoing testing of financial reporting controls and internal audits carried out during the year, the management considers that the Bank's existing Internal controls system is adequate and has been effectively implemented and monitored. Board endorses the statement of Internal Control attached to the Financial Statement for the year 2015.
- vi. Based on the results of December 31, 2015, the Board of Directors is satisfied with the Bank's ability to continue as a going concern.
- vii. There have been no material departures from the best practices of corporate governance as detailed in the Listing Regulation No.35 of the Karachi Stock Exchange (Guarantee) Limited.
- viii. Key operating data and financial data of last six years in summarized form, are included in this Annual Report.
- ix. There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of December 31, 2015 except as disclosed in these financial statement.

STATEMENT OF INTERNAL CONTROLS

It is the responsibility of Bank's management to establish & maintain an adequate and effective system of internal controls and procedures for an efficient working environment for obtaining desired objectives. The management is also responsible to evaluate the effectiveness of Bank's Internal Controls Systems that encompasses material matters by identifying control objective, reviewing significant policies and procedures and establishing relevant control procedures

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Bank's business strategies & policies. It can therefore only provide reasonable and not absolute assurance against material misstatement & loss. Management of the Bank has adopted an internationally accepted Internal Control COSO Framework, in accordance with guidelines on Internal Controls from the State Bank of Pakistan (SBP). The management believes that the Bank's existing system of internal control is considered reasonable in design & is being effectively implemented and monitored.

Based on the work performed under ICFR, the management has identified various areas for process improvements as well as additional controls required to be put in place and areas requiring strengthening of existing controls. The management takes all reasonable steps to ensure that the timelines and priorities assigned to the same & adhered to.

The Bank has successfully completed the stages of its ICFR program and submitted the LFR as of 31st December, 2015 to SBP. The observations pointed out in LFR have now been considerably reduced. Management is confident that with the implementation of ERP and MIS Automation, the internal control deficiencies pointed out by the statutory auditors will be completely resolved and settled out. Necessary steps are also being taken by the management so as to ensure non repetition of exceptions and elimination of such weaknesses to the maximum possible level.

The Bank is continuously making efforts to ensure that an effective and efficient Internal Control System remains active & implemented through consistent & continuous monitoring that would help in future improving the overall control environment.

The BoD is ultimately responsible for Internal Control System and the Board endorses the above management evaluation.

CORPORATE INFORMATION (As on 31.12.2015)

Name:	Zarai Taraqati Bank Limited	
Head Office:	1 Faisal Avenue Islamabad, Pakistan.	
Legal Status:	A Public Limited Company (By shares)	
Location of Assets:	In Head Office and in Zonal and Branch offices located at various positions across the country	
Authorized Capital:	Rs.125, 000,000,000/- divided into 12,500,000,000 ordinary shares of Rs.10 each	
Paid-up capital:	Rs.12, 522,440,670/-	
Consideration for Issuance of Shares:		
Preference Shares:	Rs. 54,461,536,320	
Ordinary Shares:	Rs. 40,155,991,742	
Board of Directors:	Syed Yawar Ali Syed Talat Mahmood (President/CEO, ZTBL) Mr.Mohammad Tanvir Butt Mr.Saeed Ahmad Mr.Zia-ul-Mustafa Awan Mr.Majyd Aziz Balagamwala Mr.Abdul Bari Tareen Mr.Zahid Idris Mufti	Chairman Director Director Director Director Director Director
Chief Operating Officer:	Sheikh Amanullah	
Chief Financial Officer:	Mr. Mehboob Hussain	
Company Secretary:	Mr. Muazam Ali	
Company's Website:	www.ztbl.com.pk	

SHAREHOLDING OF ZTBL

Sr. No.	Name of Share Holder	Number of Shares	Amount (Rs.)
01	Government of Pakistan	1,251,189,067	12,511,890,670
02	Government of Punjab	292,340	2,923,400
03	Government of Sindh	125,545	1,255,450
04	Government of Khyber Pakhtunkhawa	71,740	717,400
05	Government of Balochistan	37,875	378,750
06	Government of Erstwhile East Pakistan *	527,500	5,275,000
	Total: -	1,252,244,067	12,522,440,670

* Certificates of shares of Government of Erstwhile East Pakistan have not yet been issued.

APPOINTMENT & REMUNERATION OF THE DIRECTORS

Appointment of the Chairman and members of the Board of Directors has been made by the Government of Pakistan being the major shareholder u/s (11) sub section 3(a) of the Banking Nationalization Act-1974. Bank adopts the remuneration policy for Board Members as given in Section 78 of the Article of Association of the Bank. During 11th Annual General Meeting of the Bank, the shareholders approved the following remuneration/fees and other benefits for the members while attending the meeting of the Board of Directors or its sub committees.

1.	Meeting of the BoD/shareholders	Rs 40,000/ meeting
2.	Meeting of Board Sub Committees	Rs 25,000/ meeting
3.	Travelling	Rs 18/ km if travelled by own car or Return Air Ticket (Business Class)
4.	5 Star Hotel accommodation	At actual

Value of Investments in Employees' Benefits Fund

The Bank operates ten funds for its employees and as per last respective audited financial statements their value of investments are:

Name of Fund	(Rs. in million) for year ended 31.12.2015*
Contributory Provident Fund	875.912
Gratuity Fund under SR-2005	2,148.580
General Provident Fund (Officers)	2,540.828
General Provident Fund (Staff)	719.208
Employees Provident Fund	66.545
Gratuity Fund under SSR-1961	2,012.007
Pension Fund	7,803.785
Benevolent Fund (Officers)	903.603
Benevolent Fund (Staff)	422.975
Employees Benefit Fund	147.602

*Un-audited figures

The Bank also operates two unfunded schemes namely, Leave encashment and Post Retirement Medical Benefit scheme.

BOARD COMMITTEES AND MEETINGS HELD DURING THE YEAR 2015

a. Audit Committee ———08 Meetings Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Mr.Zia-ul-Mustafa Awan	Chairman	08
02	Mr.Majyd Aziz Balagamwala	Member	08
03	Mr.Abdul Bari Tareen	Member	07
04	Mr.Saeed Ahmad Head Audit Division	Member Secretary	04

b. Human Resource Management Committee ——— 04* Meetings Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Mr.Majyd Aziz Balagamwala	Chairman	04
02	Syed Talat Mahmood	Member	03
03	Mr.Abdul Bari Tareen	Member	04
04	Mr. Asif Sharif** Head, HR Division	Member Secretary	01

c. Risk Management Committee ——— 02 Meetings Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Mr. Saeed Ahmad	Chairman	02
02	Mr. Zia-ul-Mustafa Awan	Member	01
03	Mr. Asif Sharif **	Member	02
04	Mr. Mohammad Tanvir Butt *** Head, Credit Administration & Risk Management Division	Member Secretary	

d. Nomination Committee———01 Meeting Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Syed Yawar Ali	Chairman	01
02	Mr.Saeed Ahmad	Member	01
03	Syed Talat Mahmood Company Secretary	Member Secretary	01

e. Procurement Committee ——— 03 Meetings Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Mr. Abdul Bari Tareen	Chairman	03
02	Mr. Majyd Aziz Balagamwala	Member	03
03	Mr. Zia-ul-Mustafa Awan Head, Services Division	Member Secretary	03

f. Investment Committee ———01 Meeting Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Mr. Saeed Ahmad	Chairman	01
02	Mr. Majyd Aziz Balagamwala	Member	01
03	Mr. Asif Sharif**	Member	01
	Chief Financial Officer	Secretary	

g. Committee On Information Technology——— 03* Meetings Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Mr. Saeed Ahmad	Chairman	03
02	Mr. Zia-ul-Mustafa Awan	Member	03
03	Mr. Asif Sharif**	Member	03
04	Mr. Mohammad Tanvir Butt***	Member	
	SEVP (ISD)	Secretary	

h. Agriculture Technology Committee ——— 01 Meeting Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Syed Yawar Ali	Chairman	01
02	Mr. Majyd Aziz Balagamwala	Member	01
03	Mr. Asif Sharif**	Member	01
04	Mr. Zahid Idrees Mufti ***	Member	
	EVP (Planning, Research and Technology Division)	Secretary	

i. Business Strategy Committee ——— 01 Meeting Held

Sr. No.	Name of Member	Designation	No. of Meetings Attended
01	Syed Yawar Ali	Chairman	01
02	Mr. Majyd Aziz Balagamwala	Member	01
03	Mr. Asif Sharif**	Member	01
04	Mr. Abdul Bari Tareen	Member	01
05	Mr. Zia-ul-Mustafa Awan	Member	01
06	Mr. Saeed Ahmad	Member	01
	Chief Operating Officer	Secretary	

* A joint meeting of Human Resource Management Committee and Information Technology Committee held on 17-06-2015

** Resigned

*** No meeting was held during their tenure

Meetings of the Board

Eight (08) meetings of the Board were held during the year 2015. Attendance of the members remained as under: -

Sr. No.	Name of Member	Designation	No. of meetings attended
01	Syed Yawar Ali	Chairman	07
02	Syed Talat Mahmood	President/CEO/Director	08
03	Mr.Mohammad Tanvir Butt *	Director	01
04	Mr.Saeed Ahmad	Director	06
05	Mr.Zia-ul-Mustafa Awan	Director	08
06	Mr.Majyd Aziz Balagamwala	Director	08
07	Mr.Abdul Bari Tareen	Director	08
08	Mr.Zahid Idris Mufti *	Director	01
09	Mr.Asif Sharif **	Director	06

* One meeting was held during their tenure.

** Resigned. Seven meetings were held during his tenure.

Annual General Meeting

12th Annual General Meeting of the Bank was held on April 20, 2015 at Islamabad.

Auditors of the Bank

1. M/s Riaz Ahmad & Company, Chartered Accountants, Islamabad
2. M/s BDO Ebrahim & Company, Chartered Accountant, Islamabad

Acknowledgement

In the end, Board of Directors extends sincerest thanks to our valued customers especially to the farming community for their patronage, to our employees for working as a committed team, to our shareholders for their support, trust and confidence and State Bank of Pakistan and other regulatory bodies for their continued guidance.

On behalf of the Board of Directors



(Syed Yawar Ali)
Chairman Board of Directors

CORPORATE AFFAIRS DEPARTMENT

No. CAD/1(4)/AGM/13/2016/

Dated: April 05, 2016

NOTICE OF 13TH ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of Zarai Taraqiati Bank Limited will be held on Wednesday April 27, 2016 at 12:00 Noon at ZTBL, Head Office, Islamabad, to transact the following business:

Ordinary Business:

1. To confirm the minutes of 12th Annual General Meeting held on April 20, 2015
2. To receive, consider and adopt the audited unconsolidated financial statements of the Bank and consolidated financial statements of the group (ZTBL & KSSL) for the year ended December 31, 2015 together with Auditors' and Directors' reports thereon.
3. To appoint the Auditors of the Bank for the year ending December 31, 2016 and fix their remuneration.

Special Business:

4. Conversion of SBP Debt into Preference shares and Ordinary shares of ZTBL
5. Amendments in Memorandum & Articles of Association of ZTBL
(Statement under Section 160 of the Companies Ordinance, 1984 in respect of Special Business is enclosed with the notice sent to Bank's shareholders)

Any other Business:

6. To consider any other business with the permission of the Chair

By order of the Board

(MUAZAM ALI)
Company Secretary
☎ 051-9252759

1. Government of Pakistan, through Secretary Finance Division, CioP, Islamabad.
2. Governments of Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan through Chief Secretaries, Lahore, Karachi, Peshawar and Quetta.
3. Chairman, ZTBL Board
4. Additional Registrar of Companies, Company Registration Office, Islamabad
5. M/s BDO Ebrahim & Company, Chartered Accountants, Islamabad and M/s Riaz Ahmad & Company, Chartered Accountants, Islamabad.

BDO Ebrahim & Co.
Chartered Accountants
3rd Floor, Saeed Plaza,
22-East, Jinnah Avenue,
Blue Area, Islamabad - 44000,
Pakistan

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

REVIEW REPORT TO THE MEMBERS ON THE DIRECTORS' STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE AND PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance ("the Code") and Public Sector Companies (Corporate Governance) Rules, 2013 ("the Rules") prepared by the Board of Directors of Zarai Taraqiati Bank Limited ("the Bank") for the year ended December 31, 2015 to comply with Regulation G-1 of Prudential Regulations for Corporate / Commercial Banking issued by the State Bank of Pakistan.

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

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

The Code and the Rules require the Bank to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Following instances of non-compliance with the requirements of the Code and the Rules were observed which are not stated in the Statement of Compliance:

- (i) The Committees and Board members shall carry out their evaluation on annual basis as required by rule 8(1) of the Rules. We understand from management the performance evaluation of the members of the Board including the Chairman and the Chief Executive has been conducted by Pakistan Institute of Corporate Governance during the year, however, the same has not been presented to the Board for approval as required by the rule 8(1) of the Rules.
- (ii) The Board has not formulated significant policies regarding "Corporate Social Responsibility" and "Health Safety and Environment" as required by rule 5(7)(i) and 5(7)(m) respectively of the Rules.

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

Further, we highlight below instances of non-compliance with the requirements of the Code and the Rules as reflected in the note / paragraph in the Statement of Compliance:

Note / paragraph Description reference

3. A casual vacancy occurring on the Board was not filled up by the directors within 90 days as required by rule 3(4) of the Rules.
36. The Bank did not prepare monthly accounts for circulation amongst the Board members as required by rule 10(2) of the Rules.



BD Ebrahim & Co.
Chartered Accountants
Engagement Partner:
Abdul Qadeer

Dated 31 March 2016
Islamabad



Riaz Ahmad & Company
Chartered Accountants
Engagement Partner:
Atif Bin Arshad

Dated 31 March 2016
Islamabad

STATEMENT OF COMPLIANCE WITH THE CODE OF
 CORPORATE GOVERNANCE AND PUBLIC SECTOR COMPANIES
 (CORPORATE GOVERNANCE) RULES, 2013

Name of Bank Zarai Taraqiati Bank Limited
 Name of the line ministry Finance Division, GoP
 For the year ended December 31, 2015

I. This statement is being presented to comply with the requirements of the Code of Corporate Governance (the Code), as contained in Prudential Regulations G-1 for Corporate/Commercial banking issued by the State Bank of Pakistan (SBP) and the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby the Bank is managed in compliance with the best practices of public sector governance.

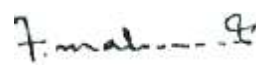
II. The Bank has complied with the provisions contained in the Code and the Rules in the following manner:

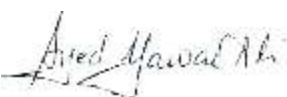
S. No.	Provision of the Rules	Rule No.	Y	N																							
			Tick the relevant box																								
1	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)																									
2	<div>The Board has the requisite percentage of independent directors. At present the Board includes:</div> <table><tr><td>Category</td><td>Names</td><td>Date of appointment</td></tr><tr><td rowspan="4">Independent Directors</td><td>Syed Yawar Ali</td><td>07.07.2014</td></tr><tr><td>Mr.Zia-ul-Mustafa Awan</td><td>07.07.2014</td></tr><tr><td>Mr.Majyd Aziz Balagamwala</td><td>07.07.2014</td></tr><tr><td>Mr.Abdul Bari Tareen</td><td>07.07.2014</td></tr><tr><td></td><td>Mr.Zahid Idris Mufti</td><td>17.12.2015</td></tr><tr><td>Executive Directors</td><td>Syed Talat Mahmood</td><td>30.04.2014</td></tr><tr><td rowspan="2">Non-Executive Directors</td><td>Mr.Saeed Ahmad</td><td>07.07.2014</td></tr><tr><td>Mr.Mohammad Tanvir Butt</td><td>11.12.2015</td></tr></table>	Category	Names	Date of appointment	Independent Directors	Syed Yawar Ali	07.07.2014	Mr.Zia-ul-Mustafa Awan	07.07.2014	Mr.Majyd Aziz Balagamwala	07.07.2014	Mr.Abdul Bari Tareen	07.07.2014		Mr.Zahid Idris Mufti	17.12.2015	Executive Directors	Syed Talat Mahmood	30.04.2014	Non-Executive Directors	Mr.Saeed Ahmad	07.07.2014	Mr.Mohammad Tanvir Butt	11.12.2015	3(2)		
Category	Names	Date of appointment																									
Independent Directors	Syed Yawar Ali	07.07.2014																									
	Mr.Zia-ul-Mustafa Awan	07.07.2014																									
	Mr.Majyd Aziz Balagamwala	07.07.2014																									
	Mr.Abdul Bari Tareen	07.07.2014																									
	Mr.Zahid Idris Mufti	17.12.2015																									
Executive Directors	Syed Talat Mahmood	30.04.2014																									
Non-Executive Directors	Mr.Saeed Ahmad	07.07.2014																									
	Mr.Mohammad Tanvir Butt	11.12.2015																									
3	A casual vacancy occurring on the Board was filled up by the directors within ninety days.	3(4)																									
4	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)																									
5	All the resident Directors of the Bank are registered as tax payers and none of them has defaulted in payment of any loan to the banking company, a Development Financial Institution (DFI) or a Non-Banking Financial Institution (NBFI) or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.																										
6	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as Board members under the provisions of the Ordinance.	3(7)																									
7	The chairman of the Board is working separately from the chief executive of the Bank.	4(1)																									
8	The chairman has been elected from amongst the independent directors.	4(4)																									

9	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)		
10	(a) The Bank has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures, including posting the same on the Bank's website www.ztbl.com.pk (b) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)		
11	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)		
12	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)		
13	The Board has developed and implemented a policy on anticorruption to minimize actual or perceived corruption in the Bank.	5(5)(b)(vi)		
14	(a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)		
15	The Board has ensured compliance with the law as well as Bank's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services, in accordance with the PPRA Rules.	5(5)(c)(iii)		
16	The Board has developed a vision or mission statement, corporate strategy and significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(6)		
17	All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the President and Chief Executive Officer (executive Director) and non-executive Directors, have been taken by the Board/shareholders.			
18	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Bank as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)		
19	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)		

20	<p>The Board has carried out performance evaluation of its members, including the Chairman and the Chief Executive, on the basis of a process, based on specified criteria, developed by it.</p> <p>The Board has also monitored and assessed the performance of senior management on quarterly basis.</p>	8																				
21	<p>The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.</p>	9																				
22	<p>The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the Bank's website.</p>	10																				
23	<p>All the Board members underwent an orientation course arranged by the Bank to apprise them of the material developments and information as specified in the Rules.</p>	11																				
24	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The committees were provided with written term of reference defining their duties, authority and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated to all the Board members.</p> <p>(d) The committees were chaired by the following non-executive directors:</p> <table><tr><th>Committee</th><th>Number of members</th><th>Name of Chair</th></tr><tr><td>Audit Committee</td><td>04</td><td>Mr.Zia-ul-Mustafa Awan</td></tr><tr><td>Risk Management Committee</td><td>03</td><td>Mr.Saeed Ahmad</td></tr><tr><td>Human Resource Committee</td><td>03</td><td>Mr.Majyd Aziz Balagamwal</td></tr><tr><td>Procurement Committee</td><td>03</td><td>Mr.Abdul Bari Tareen</td></tr><tr><td>Nomination Committee</td><td>03</td><td>Syed Yawar Ali</td></tr></table>	Committee	Number of members	Name of Chair	Audit Committee	04	Mr.Zia-ul-Mustafa Awan	Risk Management Committee	03	Mr.Saeed Ahmad	Human Resource Committee	03	Mr.Majyd Aziz Balagamwal	Procurement Committee	03	Mr.Abdul Bari Tareen	Nomination Committee	03	Syed Yawar Ali	12		
Committee	Number of members	Name of Chair																				
Audit Committee	04	Mr.Zia-ul-Mustafa Awan																				
Risk Management Committee	03	Mr.Saeed Ahmad																				
Human Resource Committee	03	Mr.Majyd Aziz Balagamwal																				
Procurement Committee	03	Mr.Abdul Bari Tareen																				
Nomination Committee	03	Syed Yawar Ali																				
25	<p>The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.</p>	13/14																				
26	<p>The Bank has adopted International Financial Reporting Standards notified by the Commission under clause (i) of subsection (3) of section 234 of the Ordinance.</p>	16																				
27	<p>The directors' report for this year has been prepared in compliance with the requirements of the Ordinance and the Rules and fully describes the salient matters required to be disclosed.</p>	17																				

28	The directors, CEO and executives do not hold any interest in the shares of the Bank.	18																	
29	A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place. The annual report of the Bank contains criteria and details of remuneration of each director.	19																	
30	The financial statements of the Bank were duly endorsed by the chief executive and chief financial officer, before approval of the Board.	20																	
31	<div>The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members:</div> <table><tr><td>Name of Member</td><td>Category</td><td>Professional background</td></tr><tr><td>Mr.Zia-ul-Mustafa Awan</td><td>Independent</td><td>FCMA CFO & Business Administrator, Lahore Int. Expo Centre</td></tr><tr><td>Mr.Majyd Aziz Balagamwala</td><td>Independent</td><td>M.A. (Mangnt.) Entrepreneur</td></tr><tr><td>Mr.Abdul Bari Tareen</td><td>Independent</td><td>M.A. (Soci.) Progressive farmer</td></tr><tr><td>Mr.Saeed Ahmad</td><td>Non-Executive Director</td><td>M.Sc (Economics) Dy.Governor, SBP</td></tr></table>	Name of Member	Category	Professional background	Mr.Zia-ul-Mustafa Awan	Independent	FCMA CFO & Business Administrator, Lahore Int. Expo Centre	Mr.Majyd Aziz Balagamwala	Independent	M.A. (Mangnt.) Entrepreneur	Mr.Abdul Bari Tareen	Independent	M.A. (Soci.) Progressive farmer	Mr.Saeed Ahmad	Non-Executive Director	M.Sc (Economics) Dy.Governor, SBP	21		
Name of Member	Category	Professional background																	
Mr.Zia-ul-Mustafa Awan	Independent	FCMA CFO & Business Administrator, Lahore Int. Expo Centre																	
Mr.Majyd Aziz Balagamwala	Independent	M.A. (Mangnt.) Entrepreneur																	
Mr.Abdul Bari Tareen	Independent	M.A. (Soci.) Progressive farmer																	
Mr.Saeed Ahmad	Non-Executive Director	M.Sc (Economics) Dy.Governor, SBP																	
32	The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee, and which worked in accordance with the applicable standards.	22																	
33	The Bank has appointed its external auditors in line with the requirements envisaged under the Rules.	23																	
34	The external auditors of the Bank have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)																	
35	The external auditors have not been appointed to provide non-audit services and the auditors have confirmed that they have observed applicable guidelines issued by IFAC in this regard.	23(5)																	
36	The company has complied with all the corporate and financial reporting requirements of the Rules except preparation /circulation of monthly accounts.																		


 (SYED TALAT MAHMOOD)
 President/CEO


 (SYED YAWAR ALI)
 Chairman

SCHEDULE II

Explanation for Non-Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Code and Rules have been complied with except for the following, towards which reasonable progress is being made by the Company to seek compliance by the end of next accounting year:

S. No.	Rule/ sub-rule No.	Reasons for non-compliance	Future course of action
1	3(4)	As per procedure, the Board Nomination Committee recommended three names for the position of Director and the same were forwarded to the Federal Government on May 25, 2015. The Federal Government appointed the Director on November 18, 2015.	The Director appointed by the Government in place of outgoing one has assumed charge of the office of Director.
2	10(2)	Previously, ERP was not in place which is now in implementation process and data entries are being made from 1 st January, 2016.	The closing of books of accounts is made on quarterly basis since long. This procedure is required to be brought on monthly closing of books of accounts to prepare monthly accounts, same is being finalized with relevant business units/process owners. Hopefully, the monthly accounts will be prepared during first quarter of 2016.



UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITORS' REPORT TO THE MEMBERS

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

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

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

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

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

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

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

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

BDO EBRAHIM & CO.
 CHARTERED ACCOUNTANTS

Engagement partner:
 Abdul Qadeer

DATED: MARCH 31, 2016
 ISLAMABAD

RIAZ AHMAD & COMPANY
 CHARTERED ACCOUNTANTS

Engagement partner:
 Atif Bin Arshad

DATED: MARCH 31, 2016
 ISLAMABAD

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

	Note	2015 Rupees in '000	2014 Rupees in '000
ASSETS			
Cash and balances with treasury banks	7	2,516,338	4,491,391
Balances with other banks	8	16,408,511	5,593,183
Lendings to financial institutions	9	-	820,190
Investments - net	10	19,765,649	29,337,315
Advances - net	11	129,552,744	108,553,958
Operating fixed assets	12	2,101,177	1,581,077
Deferred tax assets - net	13	446,941	1,528,810
Other assets - net	14	16,782,760	11,656,953
		187,574,120	163,562,877
LIABILITIES			
Bills payable	15	346,059	561,964
Borrowings	16	57,143,100	969,349
Deposits and other accounts	17	35,947,953	26,701,911
Sub-ordinated loan	18	3,204,323	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities	19	11,721,237	10,698,014
		108,362,672	38,931,238
NET ASSETS		79,211,448	124,631,639
REPRESENTED BY			
Share capital	20	12,522,441	12,522,441
Reserves	21	5,644,659	4,590,135
Unappropriated profit		18,716,929	14,553,175
		36,884,029	31,665,751
Share deposit money	16.5	40,155,992	89,490,985
Surplus on revaluation of assets - net of tax	22	2,171,427	3,474,903
		79,211,448	124,631,639
CONTINGENCIES AND COMMITMENTS	23		

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

	Note	2015 Rupees in '000	2014 Rupees in '000
Mark-up / return / interest earned	24	18,259,348	15,495,473
Mark-up / return / interest expensed	25	6,016,569	2,399,949
Net mark-up / interest income		12,242,779	13,095,524
Provision for diminution in the value of investments - net (Reversal) / provision against non-performing loans and advances - net	10.3	-	-
Impairment in the value of investment	11.3.4	(573,110)	1,381,324
Write offs under relief packages		160,009	113,663
Bad debts written off directly		-	-
		(413,101)	1,494,987
Net mark-up / interest income after provisions		12,655,880	11,600,537
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		40,919	28,410
Dividend income		81,805	66,737
Income from trading in government securities		-	-
Income from dealing in foreign currencies		-	-
Gain on sale of securities		366,437	118,136
Unrealized gain on revaluation of investments classified as held for trading		-	-
Other income	26	5,093,503	4,299,889
Total non-mark-up / interest income		5,582,664	4,513,172
		18,238,544	16,113,709
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses	27	9,800,810	7,786,170
Provision / (reversal) against other assets - net	14.6	34,936	(10,666)
Other charges	28	23,974	11,099
Total non mark-up / interest expenses		9,859,720	7,786,603
		8,378,824	8,327,106
EXTRA ORDINARY / UNUSUAL ITEMS			
PROFIT BEFORE TAXATION		8,378,824	8,327,106
Taxation - Current year		2,257,101	2,973,440
- Prior years		361,424	4,245
- Deferred		487,678	(67,963)
	29	3,106,203	2,909,722
PROFIT AFTER TAXATION		5,272,621	5,417,384
Unappropriated profit brought forward		14,553,175	13,597,945
Profit available for appropriation		19,825,796	19,015,329
Basic earnings per share (Rupees)	30	4.211	4.326
Diluted earnings per share (Rupees)	31	4.211	4.326

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

	2015 Rupees in '000	2014 Rupees in '000
Profit after taxation for the year	5,272,621	5,417,384
Other comprehensive income - net of tax		
Items that will not be reclassified subsequently to profit and loss account		
Remeasurement of defined benefit plans	(83,605)	(5,197,964)
Deferred tax	29,262	1,819,287
	(54,343)	(3,378,677)
Items that may be reclassified to profit and loss account	-	-
Comprehensive income transferred to equity	5,218,278	2,038,707
Components of comprehensive income not reflected in equity		
Items that may be subsequently reclassified to profit and loss		
Net change in fair value of available for sale securities	(680,022)	847,107
Deferred tax	(623,454)	(228,419)
	(1,303,476)	618,688
Total comprehensive income for the year	3,914,802	2,657,395

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

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

	Note	2015 Rupees in '000	2014 Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	35	13,862,500	9,463,436
(Increase) / decrease in operating assets:			
Lendings to financial institutions		820,190	2,826,526
Advances - net		(20,585,685)	(14,737,229)
Other assets - net		(4,199,018)	(2,175,374)
		(23,964,513)	(14,086,077)
Increase / (decrease) in operating liabilities:			
Bills payable		(215,905)	(144,301)
Borrowings		4,916,538	(2,948,341)
Deposits and other accounts		9,246,042	11,795,329
Other liabilities		(297,066)	1,327,414
		13,649,609	10,030,101
Employees' benefits paid		(277,570)	(412,800)
Income tax paid		(3,002,618)	(2,564,283)
Net cash generated from operating activities		267,408	2,430,377
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		9,892,448	(14,550,984)
Net investments in held to maturity securities		(634,368)	9,788,870
Dividend income		81,805	66,737
Investments in operating fixed assets		(828,187)	(462,944)
Sale proceeds of property and equipment disposed off		61,169	70,764
Net cash generated from / (used in) investing activities		8,572,867	(5,087,557)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net increase / (decrease) in cash and cash equivalents		8,840,275	(2,657,180)
Cash and cash equivalents at beginning of the year		10,084,574	12,741,754
Cash and cash equivalents at end of the year	36	18,924,849	10,084,574

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

	Share Capital	Statutory Reserve	Revenue Reserves		Total
			Contingencies reserve	Un-appropriated profit	
			Rupees in '000		
Balance as at January 01, 2014	12,522,441	3,446,658	60,000	13,597,945	29,627,044
Profit after taxation for the year	-	-	-	5,417,384	5,417,384
Other comprehensive loss for the year	-	-	-	(3,378,677)	(3,378,677)
Total comprehensive income for the year	-	-	-	2,038,707	2,038,707
Transferred to statutory reserve	-	1,083,477	-	(1,083,477)	-
Balance as at December 31, 2014	12,522,441	4,530,135	60,000	14,553,175	31,665,751
Profit after taxation for the year	-	-	-	5,272,621	5,272,621
Other comprehensive loss for the year	-	-	-	(54,343)	(54,343)
Total comprehensive income for the year	-	-	-	5,218,278	5,218,278
Transferred to statutory reserve	-	1,054,524	-	(1,054,524)	-
Balance as at December 31, 2015	12,522,441	5,584,659	60,000	18,716,929	36,884,029

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

PRESIDENT

DIRECTOR

DIRECTOR

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

1 STATUS AND NATURE OF BUSINESS

1.1 Reorganization and conversion

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

1.2 Status

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

1.3 Nature of business

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

2 BASIS OF PRESENTATION

2.1 These financial statements represent separate financial statements of the Bank. The consolidated financial statements of the Bank and its subsidiary are being issued separately.

2.2 The State Bank of Pakistan (SBP) vide Banking Surveillance Department (BSD) Circular No. 4 dated February 17, 2006 has issued 'Revised forms of Annual Financial Statements. These unconsolidated financial statements have been presented in accordance with such revised form.

3 STATEMENT OF COMPLIANCE

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

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" on banks through SRO 411(1)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various Circulars.

3.3 IFRS 8, 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 01, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. The management of the Bank believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these financial statements is based on the requirements laid down by the SBP.

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

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

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

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

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

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

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

		Effective date (annual periods beginning on or after)
IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	July 1, 2014

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2015 are as follows:

Annual Improvements to IFRSs (2010 – 2012) Cycle:

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

Annual Improvements to IFRSs (2011 – 2013 Cycle):

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

4.3 Amendments not yet effective

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

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

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

Annual Improvements to IFRSs (2012 – 2014) Cycle:

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

4.4 Standards or interpretations not yet effective

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

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

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

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

5 BASIS OF MEASUREMENT

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

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Staff retirement benefits

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

a) Pension scheme

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

b) Gratuity scheme

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

c) Provident fund scheme

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

d) Benevolent scheme

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

e) Post retirement medical benefits

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

f) Employees compensated absences

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

6.2 Cash and cash equivalents

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

6.3 Advances

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

6.4 Investments

The Bank classifies its investments as follows:

Held-for-trading

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

Held-to-maturity

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

Available-for-sale

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

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

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

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

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

Investments in Subsidiaries and Associates

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

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

6.5 Operating fixed assets and depreciation / amortization

Property and equipment

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

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

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

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

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

Capital work in progress

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

6.6 Intangible assets

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

6.7 Impairment

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

6.8 Assets acquired in satisfaction of claims

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

6.9 Taxation

Current

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

Deferred

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. The Bank also recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'. The related deferred tax asset / liability is adjusted against the related deficit / surplus.

Prior years

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

6.10 Borrowings / deposits and their costs

Borrowings / deposits are recorded at the proceeds received.

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

6.11 Sale and repurchase agreements

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

6.12 Revenue recognition

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

Fee, brokerage and commission income is recognized on accrual basis.

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

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

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

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

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

6.13 Provisions

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

6.14 Foreign currencies

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

6.15 Financial instruments

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

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

Financial assets

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

Financial liabilities

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

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

Impairment – financial assets

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

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

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

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

6.16 Offsetting

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

6.17 Fair value measurement

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

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

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

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

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

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

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

6.18 Dividend distribution and appropriation

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

6.19 Earnings per share

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

6.20 Segment reporting

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

6.21 Related party transactions

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

6.22 Other payables

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

6.23 Other receivables

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

6.24 Mark-up bearing borrowings

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

6.25 Statutory reserve

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

6.26 Cash reserve requirement

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

6.27 Grants

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

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

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

6.28 Contingencies

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

6.29 Critical accounting estimates and judgments

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

a) Classification of investments

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

b) Provision against advances

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

c) Defined benefit plans

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

d) Operating fixed assets

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

e) Impairment

Impairment of available for sale equity investments

Available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price.

Impairment of investments in subsidiary and associates

The Bank considers that a decline in the recoverable value of investment in subsidiary and associates below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value and is charged to the profit and loss account.

Impairment of non-financial assets (excluding deferred tax)

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

f) Taxation

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

g) Provision and contingent liabilities

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

6.30 Exceptional items

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

	Note	2015	2014
		Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS			
Local currency			
In hand		878,374	1,648,193
Prize bonds		1,956	1,246
In current accounts with:			
State Bank of Pakistan (SBP)	7.1	1,192,200	2,452,692
National Bank of Pakistan		2	2
		1,192,202	2,452,694
In deposit accounts with:			
National Bank of Pakistan	7.2	443,806	389,258
		<u>2,516,338</u>	<u>4,491,391</u>
7.1 This represents current accounts maintained with the SBP under the cash reserve requirement of the Banking Companies Ordinance, 1962.			
7.2 These carry mark-up at the rate 4.25% per annum (2014: 6.50% per annum).			

	Note	2015	2014
		Rupees in '000	
8 BALANCES WITH OTHER BANKS			
In Pakistan - local currency:			
In current accounts		14,585	35,036
In deposit accounts	8.1	16,393,926	5,558,147
		<u>16,408,511</u>	<u>5,593,183</u>
8.1 These carry mark-up rates ranging from 4.25% to 7.50% per annum (2014: 6.50% to 10.25% per annum).			

	Note	2015	2014
		Rupees in '000	
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		-	-
Repurchase agreement lendings	9.2	-	820,190
		<u>-</u>	<u>820,190</u>
9.1 Particulars of lendings			
In local currency		-	820,190
In foreign currencies		-	-
		<u>-</u>	<u>820,190</u>
9.2 These carry mark-up at the rate of Nil (2014: 10.25% per annum).			
9.3 Securities held as collateral against lendings to financial institutions			

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

10 INVESTMENTS - NET

10.1 Investments by types

Note	2015			2014		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	Rupees in '000					
Available-for-sale securities						
Market Treasury Bills	3,695,161	947,658	4,642,819	15,021,572	969,349	15,990,921
Shares in listed companies	89,296	-	89,296	90,031	-	90,031
Shares in unlisted companies	10,523	-	10,523	10,523	-	10,523
Pakistan Investment Bonds	688,524	4,938,229	5,626,753	4,170,348	-	4,170,348
Term Finance Certificates	39,960	-	39,960	39,976	-	39,976
	4,523,464	5,885,887	10,409,351	19,332,450	969,349	20,301,799
Held-to-maturity securities						
Market Treasury Bills	4,278,611	-	4,278,611	3,223,265	-	3,223,265
Sukuk Bonds	-	-	-	812,431	-	812,431
Pakistan Investment Bonds	1,647,553	-	1,647,553	890,399	-	890,399
	5,926,164	-	5,926,164	4,926,095	-	4,926,095
Subsidiary company (unlisted)						
Kissan Support Services (Private) Limited	100,000	-	100,000	100,000	-	100,000
Investments at cost	10,549,628	5,885,887	16,435,515	24,358,545	969,349	25,327,894
Provision for diminution in value of investments	(10,523)	-	(10,523)	(11,258)	-	(11,258)
Investments (net of provisions)	10,539,105	5,885,887	16,424,992	24,347,287	969,349	25,316,636
Surplus / (deficit) on revaluation of available-for-sale securities - net	3,311,095	29,562	3,340,657	4,019,978	701	4,020,679
Investments at revalued amounts (net of provisions)	13,850,200	5,915,449	19,765,649	28,367,265	970,050	29,337,315

10.2

Investments by segments

Federal Government Securities:

Market Treasury Bills	10.6	8,921,430	19,214,186
Sukuk Bonds	10.7	-	812,431
Pakistan Investment Bonds	10.8	7,274,306	5,060,747
		16,195,736	25,087,364

Fully paid-up ordinary shares:

Listed companies	10.4	89,296	90,031
Un-listed companies	10.5	10,523	10,523
		99,819	100,554

Other investments

Term Finance Certificates - listed	10.9	39,960	39,976
Investment in related party			
Subsidiary company (unlisted)	10.10	100,000	100,000
Total investments at		16,435,515	25,327,894
Provision for diminution in value of investments	10.3	(10,523)	(11,258)
Investments (net of provisions)		16,424,992	25,316,636
Surplus on revaluation of available-for-sale securities	22	3,340,657	4,020,679
Total investments at carrying value		19,765,649	29,337,315

10.3

Particulars of provision for diminution in value of investments

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

10.3.1

Particulars of provision in respect of type and segment

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

10.4

Particulars of investments held in listed companies

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

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

10.4.2 Mubarik Dairies Limited is in the process of liquidation under the Companies Ordinance, 1984 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. Trading in shares of Mubarik Dairies Limited is under suspension since February 2012. At the date of suspension, market value per share was Rs. 0.52 against its face value of Rs. 10 per share. During the year this investment has been written off in these financial statements.

10.4.3 Dadabhoy Agricultural Leasing Limited is in the process of liquidation under the Companies Ordinance, 1984 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. During the year this investment has been written off in these financial statements.

10.4.4 Market value of listed investments is Rs. 3,358.298 million (2014: Rs. 3,918.014 million).

10.5 Particulars of investments held in un-listed companies

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

10.5.1 Due to negative break up value, this investment has been fully provided for in these financial statements.

10.5.2 Saudi Pak Kala Bagh Livestock Limited has defaulted in the repayment of loan obtained from the Bank and the case has been referred to National Accountability Bureau. During the year this investment has been written off in these financial statements.

10.5.3 Larkana Sugar Mills Limited is in the process of liquidation since February 2000 and there is no probability of any recovery of amount invested on final settlement. This investment was fully provided. During the year this investment has been written off in these financial statements.

10.5.4 Investment in Larkana Sugar Mills Limited, Saudi Pak Kala Bagh Livestock Limited, Pakistan Agricultural Storages and Services Corporation Limited were transferred to the Bank at the time of conversion of ADBP into the Bank at nominal value of Rs. 01 each.

10.5.5 Cost of unlisted investments is Rs. 10.523 million (2014: Rs. 10.523 million) and face value of investments in unlisted shares is Rs. 21.591 million (2014: Rs. 21.591 million).

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

Name of investment	Credit rating	Maturity period	Principal payment	Rate % per annum	Coupon payment
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Market Treasury Bills -

Available for sale	Unrated	February 2016 to November 2016	On maturity	6.24 to 6.95	at maturity
Held to maturity	Unrated	August 2016 to August 2021	On maturity	6.90 to 10.70	at maturity

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

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

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

Name of investment	Credit rating	Maturity period	Principal payment	Rate % per annum	Coupon payment
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Pakistan Investment Bonds

Available for sale	Unrated	July 2018 to March 2025	On maturity	7.56 to 12.55	at maturity
Held to maturity	Unrated	July 2015 to August 2015	On maturity	10.24 to 10.70	at maturity

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

10.9 Particulars of investments in Term Finance Certificates

Name of investee	Credit Rating	Maturity period	Principal payment	Rate % per annum	Coupon payment
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Bank Alfalah Limited	AA-	February 2021	On maturity	9.72	at maturity
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10.10 Particulars of investment in subsidiary company (un-listed)

Name of investee	Note	Percentage of holding	Number of shares held	Break up value per share (Rupees)	Based on audited financial statements for the year ended	Chief executive
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Kissan Support Services (Private) Limited (KSSL)						
(Ordinary shares)	10.10.1	100%	10,000,000	36.476	December 31, 2015	Brig. (R) Khalid Rafique

10.10.1 KSSL is a wholly owned subsidiary of the Bank and was incorporated in Pakistan as a private limited company on September 19, 2005. KSSL provides multiple services to the Bank including security and janitorial services.

10.11 Quality of Available-for-Sale securities

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

2014
Rupees in '000

Note

11.1	134,692,046	115,495,766
11.2	(5,111,238) (28,064)	(6,919,999) (21,809)
	(5,139,302)	(6,941,808)
	<u>129,552,744</u>	<u>108,553,958</u>
	<u>134,692,046</u>	<u>115,495,766</u>
	76,144,132	66,699,624
	58,547,914	48,796,142
	<u>134,692,046</u>	<u>115,495,766</u>

Advances include Rs. 16,524,468 million (2014: Rs. 18,663,722 million) which have been placed under non-performing status as detailed below:

Category of classification	2015		2014	
	Classified advances	Provision required	Classified advances	Provision required
Domestic				
Other assets especially mentioned	11,657,786	-	11,279,270	-
Substandard	2,262,169	452,429	2,774,219	554,840
Doubtful	1,891,406	945,702	2,490,127	1,245,053
Loss	713,107	713,107	2,120,106	2,120,106
Provision under portfolio audit - general	16,524,468	2,111,238	18,663,722	3,919,999
	<u>16,524,468</u>	<u>2,111,238</u>	<u>18,663,722</u>	<u>3,919,999</u>

11 ADVANCES - NET

Loans, etc.
In Pakistan - gross

Less:
- Provision against non-performing advances
- Provision against staff advances

Advances - net of provision

11.1 Particulars of advances (gross)

11.1.1 In local currency

11.1.2 Short term

Long term

11.2

11.3 Particulars of provision against non-performing advances

	2015			2014		
	Specific	General	Total	Specific	General	Total
Opening balance	3,919,999	3,000,000	6,919,999	3,896,440	3,000,000	6,896,440
Charge for the year	3,260,103	-	3,260,103	5,223,911	-	5,223,911
Reversals	(3,839,467)	-	(3,839,467)	(3,848,023)	-	(3,848,023)
	(579,364)	-	(579,364)	1,375,888	-	1,375,888
Amounts written off (Note 11.4)	-	-	-	-	-	-
Amounts charged off (Note 11.5)	(1,229,397)	-	(1,229,397)	(1,352,329)	-	(1,352,329)
Closing balance	2,111,238	3,000,000	5,111,238	3,919,999	3,000,000	6,919,999

11.3.1 Particulars of provision against non-performing advances

	2015			2014		
	Specific	General	Total	Specific	General	Total

In local currency

	2,111,238	3,000,000	5,111,238	3,919,999	3,000,000	6,919,999
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11.3.2 Regulations R-11, R-12, R-13 and R-15 of the Prudential Regulations for Agriculture Financing prescribe minimum standards for classification and provisioning of non-performing loans. As per the time based criteria given in the aforesaid Regulations, provision against non-performing loans is to be made at a given percentage of the difference resulting from the outstanding balance of principal less the amount of realizable liquid assets and a given percentage of the value of mortgaged lands and buildings at the time of sanction of the loans. However, as a matter of prudence the Bank has not availed the benefit of allowed value of mortgaged lands and buildings while computing the provision against non-performing loans.

11.3.3 In addition to the time based criteria, the Bank has classified loans and advances amounting to Rs. 26.141 million (2014: Rs. 1,679,524 million) on the basis of credit worthiness of the borrowers in accordance with the subjective criteria of the Prudential Regulations for Agriculture Financing.

11.3.4 Provision against non-performing loans and advances - net

	Note	2015	2014
		Rupees in '000	
Provision against non-performing loans and advances	11.3	(579,364)	1,375,888
Provision against staff advances		6,254	5,436
		(573,110)	1,381,324

	Note	2015	2014
		Rupees in '000	
11.4 Particulars of write offs			
11.4.1 Against provisions		-	-
Write offs of Rupees 500,000 and above	11.6	-	-
Write offs of below Rupees 500,000		-	-
11.5 Particulars of charged offs			
11.5.1 Against provisions		1,229,397	1,352,329
11.5.2 Charge offs of Rupees 500,000 and above		-	-
Charge offs of below Rupees 500,000	11.7	1,229,397	1,352,329
11.6 Details of write offs of Rupees 500,000 and above			
In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year have to be disclosed. However, this write off does not effect the Bank's right to recover debts from these customers. During the year ended December 31, 2015, no write-off or any other financial relief of five hundred thousand rupees or above was allowed to any person(s).			
11.7 Particulars of charged off			
In terms of Prudential Regulations for Agricultural Financing - Part B (specific regulations) the Bank extinguishes its loans through provisions. The total balance for these off-balance sheet loans extinguished against provisions as at December 31, 2015 was Rs. 22,467 million (Rs. 25,741 million as at December 31, 2014) with an addition of Rs. 1,229 million (Rs. 1,352 million for the year ended December 31, 2014) as charge off loans during the year. Detail of charge offs out of extinguished loan portfolio exceeding five hundred thousand rupees is given at Annexure-I.			
11.8 Particulars of loans and advances to directors, executives and officers			
Debts due by the directors, executives and officers of the Bank or any of them either severally or jointly with other persons:			
	Note	2015	2014
		Rupees in '000	
Balance at the beginning of year		1,690,246	1,698,988
Loans granted during the year		502,817	298,812
		2,193,063	1,997,800
Repayments		(479,110)	(307,554)
Balance at the end of year		1,713,953	1,690,246
12 OPERATING FIXED ASSETS			
Capital work-in-progress	12.1	299,821	213,711
Property and equipment	12.2	1,801,344	1,367,263
Intangible assets	12.3	12	103
		2,101,177	1,581,077

12.1 Capital work-in-progress

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

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

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

12.2 Property and equipment

Description	COST			ACCUMULATED DEPRECIATION			Annual rate of Depreciation		
	At January 01	Additions	(Deletions)/ adjustments	At December 31	At January 01	Charge for the year		Depreciation on (deletions)/ adjustments	At December 31
Rupees in '000									
Year ended December 31, 2015									
Land - Freehold	221,895	669	-	222,564	-	-	-	-	222,564
Land - Leasehold	15,139	-	-	15,139	9,888	401	-	10,289	4,850
Buildings on freehold land	333,278	4,467	-	337,745	64,155	13,855	-	78,010	259,735
Buildings on leasehold land	360,559	5,455	-	366,014	121,501	4,290	-	125,791	240,223
Buildings on leasehold land - ADB	21,224	-	-	21,224	6,095	756	-	6,851	14,373
Furniture and fixtures	181,530	133,634	(3,281)	311,883	62,995	21,967	(2,575)	82,387	229,496
Computer, office and other equipment	500,214	193,112	(10,353)	682,973	265,755	97,728	(9,556)	353,927	329,046
Computer, office and other equipment - ADB	157,519	-	-	157,519	157,519	-	-	157,519	-
Vehicles	1,010,833	404,724	(86,234)	1,329,323	747,020	127,928	(46,682)	828,266	501,057
	2,802,191	742,061	(99,868)	3,444,384	1,434,928	266,925	(58,813)	1,643,040	1,801,344

Description	COST			ACCUMULATED DEPRECIATION			Annual rate of Depreciation
	At January 01	Additions	(Deletions)/ adjustments	At December 31	Depreciation on (deletions)/ adjustments	At December 31	
Year ended December 31, 2014							
Land - Freehold	221,895	-	-	221,895	-	-	-
Land - Leasehold	15,139	-	-	15,139	9,888	5,251	5%
Buildings on freehold land	150,112	183,166	-	333,278	59,720	64,155	5%
Buildings on leasehold land	355,577	4,982	-	360,559	118,059	121,501	5%
Buildings on leasehold land - ADB	21,224	-	-	21,224	796	15,129	5%
Furniture and fixtures	138,697	48,339	(5,506)	181,530	62,995	118,535	10%/20%
Computer, office and other equipment	282,839	222,499	(5,124)	500,214	265,755	234,459	20%/33.33%
Computer, office and other equipment - ADB	157,519	-	-	157,519	-	-	20%/33.33%
Vehicles	917,478	188,923	(95,568)	1,010,833	747,020	263,813	20%
	2,260,480	647,909	(106,198)	2,802,191	(90,717)	1,434,928	

12.2.1 Detail of disposal of operating fixed assets during the year

Description	Cost	Accumulated depreciation	Book value	Sale proceed	Mode of disposal/ settlement	Particulars of buyers	Location
..... Rupees in '000							
Vehicles							
Toyota Corolla, VJ-073	2,126	958	1,168	1,168	Insurance Claim	M/s NICL, Islamabad.	Islamabad
Toyota Corolla, AE-947	1,738	579	1,159	1,159	As per Bank policy	Sheikh Amanullah, COO	Islamabad
Toyota Corolla, VJ-127	1,504	877	627	627	As per Bank policy	Ghulam Ghaus, Ex-EVP	Islamabad
Toyota Corolla, QH-642	1,294	1,294	-	-	As per Bank policy	Khalid Mehmood Gill, SEVP	Islamabad
Honda City, CU-476	1,044	35	1,009	1,009	As per Bank policy	Saeed Akhtar, SVP	Islamabad
Honda Civic, SB-970	1,044	88	956	957	As per Bank policy	Shahzad Ashraf Butt, VP	Islamabad
Suzuki Cultus, AS-769	1,044	209	835	836	As per Bank policy	Sher Aman Khan, EVP	Islamabad
Toyota Corolla, AD-934	1,044	244	800	801	As per Bank policy	M. Khalid Zia, EVP	Islamabad
Toyota Corolla, AE-621	1,044	348	696	696	As per Bank policy	Ghulam Rasool, EVP	Islamabad
Suzuki Cultus, AE-527	1,039	-	1,039	1,039	As per Bank policy	Tahzeeb Nisar, SVP	Islamabad
Honda Civic, AJ-760	1,039	225	814	814	As per Bank policy	Meerza Babar Ali, SVP	Islamabad
Toyota Corolla, ZA-234	1,029	257	772	772	As per Bank policy	Alamgir Khattak, EVP	Islamabad
Toyota Corolla, EC-347	1,029	343	686	686	As per Bank policy	M. Shah Zaman, EVP	Islamabad
Suzuki Cultus, RN-14-416	1,049	105	944	944	As per Bank policy	Rasheed A. Malik, SVP (R)	R.Y.Khan
Toyota Corolla, AG-153	1,044	244	800	801	As per Bank policy	Noor Badshah, EVP	Mingora
Suzuki Cultus, D-1991	1,044	104	940	940	As per Bank policy	Sultan-e-Rome, SVP	Mingora
Toyota Corolla, FDA-13-612	1,039	243	796	797	As per Bank policy	Muhammad Asghar, VP	Faisalabad
Toyota Corolla, AJ-480	1,039	225	814	814	As per Bank policy	M. Saleem Safdar, SVP	Islamabad
Suzuki Cultus, AF-698	1,039	243	796	797	As per Bank policy	Zulfiqar A. Majhiana, VP (R)	Okara
	22,272	6,621	15,651	15,657			
Other assets having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000	77,596	52,192	25,404	45,512			
	99,868	58,813	41,055	61,169			
			2015	2014			
			Rupees in '000				
			75,623	74,971			

12.2.2 Carrying amount of temporarily idle property

12.2.3 The title documents of freehold land having cost of Rs. 0.849 million (2014: Rs. 0.849 million) and leasehold land having book value of Nil (2014: Rs. 0.061 million) are still in the name of Agricultural Development Bank of Pakistan.

12.3 Intangible assets

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

13 DEFERRED TAX ASSETS / (LIABILITIES) - NET

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

	Note	2015 Rupees in '000	2014 Rupees in '000
Taxable temporary differences on:			
Accelerated tax depreciation		(66,041)	(49,786)
Surplus on revaluation of assets	22	(1,169,230)	(545,776)
		<u>(1,235,271)</u>	<u>(595,562)</u>

Deductible temporary differences on:

Defined benefit plans		1,496,756	1,467,494
Provision against non-performing loans and advances		185,456	656,878
		<u>446,941</u>	<u>1,528,810</u>

14 OTHER ASSETS - NET

Income / mark-up accrued on deposits in local currency

		58,423	4,367
Income / mark-up accrued on securities		264,015	387,602
Accrued interest / mark-up on advances	14.1	9,638,620	6,842,759
Stationery and stamps in hand		85,979	74,588
Amount recoverable from Federal Government	14.2	1,476,547	549,154
Crop loan insurance claim recoverable from Insurance Companies		246	-
Tax recoverable	14.3	422,652	422,653
Non banking assets acquired in satisfaction of claims			
	14.4	246,497	270,697
Receivable from defined benefit plans	14.5	3,723,275	2,761,549
Stock of farm machinery		13,125	13,125
Advances against salary and expenses		22,459	24,009
Security deposits		6,059	2,776
Advances and other prepayments		1,301,962	604,124
Others		303,426	445,139
		<u>17,563,285</u>	<u>12,402,542</u>
Provision held against other assets	14.6	(780,525)	(745,589)
Other assets - net of provisions		<u>16,782,760</u>	<u>11,656,953</u>

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

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

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

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

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

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

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

15 BILLS PAYABLE

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

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

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

Borrowing from State Bank of Pakistan (SBP)

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

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

- 16.4 These loans were given by the SBP for the purpose of providing finance to agro based industry. These were subject to profit and loss sharing with a maximum share of profit to the SBP ranging from 4.00% to 6.00% per annum. These were secured by guarantee given by the GoP.
- 16.5 In view of future financial viability and sustainability of the Bank, in a meeting, held on July 11, 2014 among Ministry of Finance (MoF), State Bank of Pakistan (SBP), Securities & Exchange Commission of Pakistan (SECP) and the Bank, it was decided to convert outstanding SBP debt - principal (Rs. 51.257 billion), subordinated loan (Rs. 3.204 billion) and accrued mark-up (Rs. 35.030 billion) owed by the Bank to SBP as on June 30, 2014 into equity investment of SBP in the Bank. It was also decided that Bank's claim against Government of Pakistan (GoP) on account of mark-up differential and various Presidential Relief Packages shall be waived off by the Bank procedurally. As decided, the Board of Directors of the Bank in its meeting dated July 18, 2014 and the shareholders of the Bank in their extra ordinary general meeting dated August 13, 2014 approved the conversion of SBP debt of Rs. 89.491 billion into 8,949,098,476 fully paid-up ordinary shares as equity investment of SBP in the Bank and the Bank's claim against the GoP was waived-off / written-off.

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

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

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

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

	Note	2015 Rupees in '000	2014
17 DEPOSITS AND OTHER ACCOUNTS			
Customers - local currency			
Fixed deposits	17.1	14,074,688	496,081
Saving deposits	17.2	8,618,816	13,768,046
Current accounts - remunerative		90,903	80,182
Current accounts - non-remunerative	17.3	13,134,449	12,330,319
Unclaimed deposits		29,097	27,283
		<u>35,947,953</u>	<u>26,701,911</u>

- 17.1 This represents term deposits having tenure of 3 to 60 months (2014: 3 to 12 months) carrying interest at the rates ranging from 6.00 % to 8.25% (2014: 6.50% to 9.25%) per annum.
- 17.2 This includes Rs. 12.172 million excluding branch adjustment account amounting to Rs. 66.190 million as deposit of Kissan Support Services (Private) Limited, wholly owned subsidiary of the Bank and Rs. 92.071 million (2014: Rs. 62.993 million) as deposit of employees' benefit funds.
- 17.3 This includes Rs. 0.063 million (2014: Rs. 1.384 million) as deposit of Kissan Support Services (Private) Limited, wholly owned subsidiary of the Bank and Rs. 0.010 million (2014: Rs. 0.010 million) as deposit of employees' benefit funds.

18 SUB-ORDINATED LOAN

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

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

	Note	2015 Rupees in '000	2014
19 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		992	777
Accrued expenses		551,284	909,105
Taxation (provisions less payments)	19.1	3,080,143	3,464,237
Branch adjustment account		118,432	341,025
Payable to Ministry of Food Agriculture and Livestock	19.2	176,100	176,100
Profit payable on deposits and other accounts		371,231	150,291
Net liabilities relating to Bangladesh	19.3	189	189
Provision for Gratuity scheme - SR - 2005	34.4.2.5	11,268	53,215
Provision for employees' post retirement medical benefits	34.5.4	4,443,878	4,220,464
Provision for employees' compensated absences	34.6.2	2,390,052	866,380
Payable to subsidiary company	39	47,990	8,130
Security deposits		16,913	25,685
Deferred income	19.4	14,375	15,131
Others	19.5	498,390	467,285
		<u>11,721,237</u>	<u>10,698,014</u>

	Note	2015 Rupees in '000	2014 Rupees in '000
19.1	Taxation -net		
	Opening balance	3,464,237	3,039,116
	Charge during the year	2,618,525	2,977,685
	Advance income tax/withholding tax	(3,002,619)	(2,552,564)
	Closing balance	3,080,143	3,464,237
19.2	This represents the amount of Rs. 8.100 million (2014: Rs. 8.100 million) payable under Japanese KR-II Grant-1996 and Rs. 168 million (2014: Rs. 168 million) payable under Crop Maximization Project - Productivity Enhancement on Sustainable Basis.		
	Note	2015 Rupees in '000	2014 Rupees in '000
19.3	Net liabilities relating to Bangladesh		
	Liabilities	1,636,887	1,607,516
	Assets	(1,636,698)	(1,607,327)
	19.3.1	189	189
19.3.1	This represents the amount relating to the activities of the Bank in Bangladesh (former East Pakistan) before its separation. In accordance with the Finance Division letter No.F.5(12)PEC(op-FR)/78-236 dated 6 May 1979 the Bank has to calculate interest on the loans made in Bangladesh as it does in the case of corresponding borrowings made from the SBP. Instead of carrying the interest to profit and loss account, the Bank shows it in the statement of financial position only. The Bank is accruing interest at the rate of 8% per annum on its loans and advances made in Bangladesh with contra increase in its liabilities relating to its activities in Bangladesh.		
	Note	2015 Rupees in '000	2014 Rupees in '000
19.4	Deferred grant		
	Opening balance	15,131	15,927
	Additions during the year	-	-
	Amortization during the year	(756)	(796)
	Closing balance	14,375	15,131
19.4.1	Deferred income comprises of the grants from the Asian Development Bank via Government of Pakistan for Rural Support Development Finance Project (RSDFP).		
19.5	This represents various payables which include insurance claims payable / adjustable against the loan liability of the borrowers, withholding income tax, contribution received from borrowers, etc.		
20	SHARE CAPITAL		
20.1	Authorized capital		
		2015 Rupees in '000	2014 Rupees in '000
	Number of shares		
	12,500,000,000	12,500,000,000	12,500,000,000
	Ordinary shares of Rupees 10 each	125,000,000	125,000,000

	2015 Rupees in '000	2014 Rupees in '000
20.2	Issued, subscribed and paid up capital	
	2015 Number of shares	2014 Number of shares
	1,186,961,201	1,186,961,201
	65,282,866	65,282,866
	1,252,244,067	1,252,244,067
20.3	Shareholder	No. of ordinary shares
	Government of Pakistan	1,251,189,067
	Government of Punjab	292,340
	Government of Sindh	125,545
	Government of Khyber Pakhtunkhwa	71,740
	Government of Balochistan	37,875
	Erstwhile East Pakistan	527,500
	1,252,244,067	1,252,244,067
21	RESERVES	
	Revenue reserve	
	Statutory reserves	Contingencies reserve
	2015	2014
	Restated	
	Opening balance	4,530,135
	Transferred from unappropriated profit	1,054,524
	Closing balance	5,584,659
21.1	Statutory reserves represent reserve maintained as per requirement of section 21 of the Banking Companies Ordinance, 1962.	
21.2	The Bank has set aside contingencies reserve for insurance of cash, building and vehicles.	
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX	
	Surplus / (deficit) arising on revaluation of available-for-sale securities:	
	Quoted investments	3,269,002
	Other securities	71,655
	3,340,657	4,020,679
	Related deferred tax liability	(1,169,230)
	2,171,427	3,474,903

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingent assets

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

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

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

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

	2015	2014
	Rupees in '000	

23.2 Contingent liabilities

23.2.1 Contingent liabilities in respect of 471 cases (2014: 521 cases) filed against the Bank by various borrowers.

	<u>4,094,925</u>	<u>4,580,091</u>
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23.2.2 Contingent liabilities in respect of 480 cases (2014: 458 cases) filed against the Bank in various courts of law by the employees.

	<u>2,317,838</u>	<u>1,692,334</u>
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23.2.3 This includes (Note 23.2.2) an amount of Rs. 2,063.00 million (2014: Rs. 1,359.00 million) regarding case related to reduction in pension factor decided against the Bank by the Honorable Islamabad High Court. The Bank has filed a review petition before the Honorable Islamabad High Court. The legal advisor of the Bank has opined that the Bank has a very strong case both on legal as well as factual grounds and hence no provision has been made in these financial statements as favourable outcome is expected

23.2.4 There is a contingency of an amount of Rs. 297.149 million and Rs. 54.828 million on account of minimum income tax levied by the income tax authorities under section 80-D of the Income Tax Ordinance, 1979, and various tax refunds pertaining to assessment years 1991-92 to 1998-99 and assessment year 1999-2000 respectively despite the income of the Bank being exempt from tax up to income year ended 30 June 1999. The Bank paid, under protest, these disputed tax demands and also filed writ petition in this respect in the Honorable Lahore High Court, Rawalpindi Bench, Rawalpindi. Later on, the Bank withdrew the said petition on the directions of the Federal Government and the case was referred to the Law and Justice Division of the Government of Pakistan (GoP) which decided the reference in the Bank's favour. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision, further took up the matter with Federal Cabinet for its review. Federal Cabinet referred the case to the Attorney General of Pakistan (AGP) for final decision which was received on March 12, 2011 whereby the AGP decided that Section 27-A of the ADBP Ordinance should prevail over the said section 80-D of the Income Tax Ordinance, 1979.

23.2.5 Income Tax Department under section 161 / 205 of the Income Tax Ordinance, 2001 levied income tax amounting to Rs. 7.714 million for the tax year 2004. The Bank filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) who decided the case in favour of the Bank. However, being aggrieved, the FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), where case is pending. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.6 The cases relating to taxation matters of the Bank for the assessment years 2002-2003 and tax years 2003 to 2009 were contested by the Bank at various forums. ATIR vide its orders dated June 09 2010, March 01, 2011, July 22, 2011 and April 16, 2012 has decided most of the issues involved in favour of the Bank.

Final appeal effects order has also been received by the Bank as per decisions of ATIR resulting in net refunds of Rs. 4.640 billion out of which Rs. 1.887 billion has been adjusted against payment of advance tax for the period from June 2012 to May 2013. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 133 of the Income Tax Ordinance, 2001 against the aforementioned ATIR orders dated June 09, 2010, March 01, 2011 and July 22, 2011 before the Honorable Lahore High Court, Rawalpindi Bench for tax years 2003, 2004, 2006 and 2007 and Honorable Islamabad High Court, Islamabad for assessment year 2002-03 and tax years 2004, 2005, 2006, 2007, 2008 and 2009. No provision for income tax involved of approximately Rs. 9.917 billion has been recognized in these financial statements as the Bank is confident for a favourable outcome based on strong grounds of appeal and opinion of legal counsel of the Bank.

23.2.7 Deputy Commissioner Inland Revenue (DCIR) passed orders under section 122(4) of the Income Tax Ordinance, 2001 and raised demand of Rs. 3.307 billion for tax years 2008 and 2009. The Bank filed appeals before CIR(A) who maintained the order. The Bank filed an appeal against the said order before the ATIR which has been decided and cases have been remanded back to the assessing officer. No order, in this regard, has been received so far. The Bank has not accounted for the demand as tax payable, as a favourable outcome is expected.

23.2.8 Assistant Commissioner Inland Revenue (ACIR) raised demand of Rs. 429.747 million under section 161 of the Income Tax Ordinance, 2001 for the tax year 2010. CIR(A), against appeal filed by the Bank, remanded back the case to ACIR with the directions to provide opportunity to the assessee. The Bank and department both filed appeals before the ATIR which were decided in favour of the Bank. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad under section 133 of the Income Tax Ordinance, 2001 which is pending for adjudication. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.9 ACIR passed orders under section 122(5A) and raised demand of Rs. 3.288 billion for tax year 2010, Rs. 2.923 billion for tax year 2011 and Rs. 2.037 billion for tax year 2012. The Bank filed appeal before CIR(A) who remanded back the cases to ACIR. The Bank filed appeal with ATIR against the orders of the CIR(A) which was decided by the ATIR in favour of the Bank. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.10 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 208.337 million for tax year 2011. The Bank filed appeal before CIR(A) against the orders of DCIR who remanded back the case to Assessing Officer for verification. The Bank has filed appeal before ATIR against the orders of the CIR(A). ATIR decided the case in favour of Bank on the issue of default surcharge. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. Further, the Assessing Officer on remanded back case after verification on various issues reduced the demand to Rs. 14.365 million.

Being aggrieved the Bank filed appeal before CIR(A) against the order of Assessing Officer on remanded back case deleted various issues and also confirmed the action of Assessing Officer on certain issues. Being aggrieved both the Bank and the department has filed appeal before ATIR against the orders of the CIR(A). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.11 ACIR passed order under section 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 4.920 billion for tax year 2013. The Bank filed appeal before CIR(A) against the orders of ACIR who deleted the demand on various issues and also confirmed the action of ACIR on certain issues. The Bank and FBR both have filed appeals before ATIR against the orders of the CIR(A) which were decided in favour of the Bank except Rs. 2.830 billion which were remanded back to ACIR. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. No provision for income tax involved has been recognized in these financial information, as a favourable outcome is expected.

23.2.12 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 27.792 million for tax year 2009. To avail the Government amnesty, the Bank paid Rs. 19.183 million under protest with waiver of penalty amount of Rs. 8.609 million under amnesty. The FBR allowed the amnesty to the Bank. The Bank has filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. The Bank has filed appeal before ATIR against the orders of the CIR(A) who decided the case in favour of the Bank except remanded back the issue of profit on debt for verification. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The Assessing Officer completed the proceeding on remanded back issue, the decision is awaited. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 23.2.13 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 15.943 million for tax year 2012. The Bank filed appeal before CIR(A) against the orders of DCIR which has been decided. Being aggrieved the Bank filed appeal before ATIR against the orders of the CIR(A). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.14 The cases relating to Federal Excise Duties / Sales tax matters of the Bank for the years 2008, 2009, 2010, 2011 and 2012 were contested by the Bank at various forums. ATIR vide its orders dated May 07, 2012, January 08, 2013, November 26, 2013 and March 13, 2014 has decided most of the issues involved in favour of the Bank. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 47 of the Sales Tax Act, 1990 and under section 34A of the Federal Excise Act, 2005 against the aforementioned ATIR orders before the Honorable Islamabad High Court, Islamabad for years 2008, 2009, 2010, 2011 and 2012. No provision for amount involved of approximately Rs. 825.121 million has been recognized in theses financial statements as the Bank is confident for a favourable outcome.
- 23.2.15 The Bank is facing claims launched in various Courts, pertaining to post employment benefits and non-payments of advances and others. The matters are still pending before the Courts. As no amount is involved or not quantified in most of the cases, therefore, the contingent liability is not accurately quantifiable (2014: same as mentioned).

	2015	2014
	Rupees in '000	
23.3 Commitments against capital expenditure	38,188	4,496
24 MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to customers	16,611,328	12,889,081
On investments:		
- In held to maturity securities	397,706	558,667
- In available for sale securities	1,001,941	1,585,733
	1,399,647	2,144,400
On deposits with financial institutions	207,919	271,245
On securities purchased under resale agreement	38,896	130,154
On call money lendings	1,558	60,593
	18,259,348	15,495,473
25 MARK-UP / RETURN / INTEREST EXPENSED		
On deposits	769,468	561,718
On borrowings and subordinated debt - State Bank of Pakistan	5,126,544	1,689,826
On securities sold under repurchased agreement	98,150	122,327
Bank commission and other charges	22,407	26,078
	6,016,569	2,399,949
	2015	2014
	Rupees in '000	
26 OTHER INCOME		
Rent on property - KSSL - subsidiary company	7,502	8,906
Rent on property - others	38,696	23,753
	46,198	32,659
Recoveries of charged off amounts	2,916,752	2,557,110
Gain on sale of operating fixed assets	20,114	55,283
Loan application fee	1,556,550	1,149,550
Deferred income amortization	19.4	756
Others	26.1	553,133
	5,093,503	4,299,889

26.1 Others		
Sale proceeds of loan application forms	60,770	53,474
Postal charges received from loanees	202,577	208,956
Accounting and other services rendered to KSSL - subsidiary company	-	21,475
Credit worthiness report, renewal of Sada Bahar Scheme and other charges recovered	26.1.1	289,786
		220,586
		553,133
		504,491

- 26.1.1 Other charges includes sale of scrap, business margin and charges of loose cheques etc.

	Note	2015	2014
		Rupees in '000	
27 ADMINISTRATIVE EXPENSES			
Salaries, allowances and benefits	27.1	7,057,559	6,511,512
Charge / (reversal) for defined benefit plans and other benefits:			
- Pension scheme	34.1.7	268,181	(1,171,745)
- Benevolent scheme - officers / executives	34.2.7	(20,327)	32,021
- Benevolent scheme - clerical / non-clerical	34.3.7	(34,028)	(3,576)
- Gratuity under old staff regulations	34.4.1.7	(218,172)	(220,475)
- Gratuity scheme - staff regulation 2005	34.4.2.7	110,111	233,551
- Employees' compensated absences	34.6.2	145,921	185,276
		251,686	(944,948)
Contribution to defined contribution plan - provident fund	34.8	41,626	79,646
Non-executive directors' fees and other expenses		7,696	3,233
Rent, taxes, insurance, electricity, etc.		270,696	253,686
Legal and professional charges		60,452	182,593
Communications		90,005	75,601
Repairs and maintenance		73,803	50,671
Motor vehicle expenses		401,009	444,248
		2015	2014
		Rupees in '000	
Traveling expenses		162,368	153,965
Stationery and printing		99,171	91,954
Advertisement and publicity		15,827	14,210
Auditors' remuneration	27.2	5,886	5,264
Depreciation - tangible	12.2	266,925	212,411
Amortization - intangible	12.3	107	111
Services rendered by KSSL - subsidiary company		866,995	556,990
Commutation to employees	27.3	5,748	14,073
Others		123,251	80,950
		9,800,810	7,786,170

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

27.2 Auditors' remuneration

	2015		Total
	BDO Ebrahim & Co. Chartered Accountants	Riaz Ahmad & Co. Chartered Accountants	
	Rupees in '000		
Audit fee	951	951	1,902
Fee for half year review	216	216	432
Consolidation of the financial statements of subsidiary company	261	261	522
Other certifications	573	573	1,146
Out of pocket expenses	942	942	1,884
	2,943	2,943	5,886
	2014		Total
	Ilyas Saeed & Co. Chartered Accountants	Riaz Ahmad & Co. Chartered Accountants	
	Rupees in '000		
Audit fee	880	880	1,760
Fee for half year review	200	200	400
Consolidation of the financial statements of subsidiary company	242	242	484
Other certifications	437	437	874
Out of pocket expenses	873	873	1,746
	2,632	2,632	5,264

27.3 Commutation to employees

- Under Staff Regulations - 2005

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

- Voluntary Golden Handshake Scheme - 2011 for drivers

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

	Note	2015	2014
		Rupees in '000	
28 OTHER CHARGES			
Penalties imposed by SBP		23,974	9,928
Fixed assets - written off		-	1,171
		23,974	11,099
29 TAXATION			
For the year:			
Current		2,257,101	2,973,440
Deferred		487,678	(67,963)
Prior year	29.1	361,424	4,245
		3,106,203	2,909,722

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

	2015	2014
	Rupees in '000	
29.2 Relationship between income tax expense and accounting profit		
Accounting profit for the year	8,378,824	8,327,106
Tax rate	35%	35%
	2015	2014
	Rupees in '000	
Tax on accounting income	2,932,588	2,914,487
Tax effect on separate block of income (taxable at reduced rate)		
Dividend income	-	(19,387)
Tax effect of permanent differences		
Penalties imposed by SBP	8,391	3,475
Repair allowance of one fifth allowed against rental income	(3,234)	(2,286)
	5,157	1,189
Tax effect of prior years	361,424	4,245
Others	(192,966)	9,188
	3,106,203	2,909,722

30 BASIC EARNINGS PER SHARE

Profit after tax for the year - Rupees in '000	5,272,621	5,417,384
Weighted average number of ordinary shares outstanding during the year	1,252,244,067	1,252,244,067
Basic earnings per share in Rupees	4.211	4.326

31 DILUTED EARNINGS PER SHARE

Profit after tax for the year - Rupees in '000	5,272,621	5,417,384
Weighted average number of ordinary shares outstanding during the year	1,252,244,067	1,252,244,067
Diluted earnings per share in Rupees	4.211	4.326

31.1 There is no dilutive effect on the basic earnings per share of the Bank. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. The Bank has no dilutive equity instruments, however, share deposit money has not been treated as convertible instrument.

	2015	2014
	Number	
32 STAFF STRENGTH		
Permanent	5,699	5,777
Contractual	7	10
Total staff strength	<u>5,706</u>	<u>5,787</u>

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

34 DEFINED BENEFIT AND CONTRIBUTION PLANS

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

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

34.1 Pension scheme

34.1.1 General description

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

34.1.2 Principal actuarial assumption

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

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

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

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

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

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

34.2 Benevolent scheme - officers / executives

34.2.1 General description

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

34.2.2 Principal actuarial assumption

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

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

Note 2015 2014
Rupees in '000

34.2.3 Changes in the present value of obligation

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

34.2.4 Changes in the fair value of plan assets

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

34.2.5 Amounts recognized in the statement of financial position

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

34.2.6 Movement in net asset recognized

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

34.2.7

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

	2015		2014	
	Fair value	%	Fair value	%
	Rupees in '000		Rupees in '000	
34.2.9 Composition of fair value of plan assets				
Government securities	947,160	96.17	829,008	97.08
Term deposit receipts	32,876	3.33	21,034	2.46
Deposits in the Bank	4,879	0.50	3,897	0.46
Fair value of total plan assets	<u>984,915</u>	<u>100.00</u>	<u>853,939</u>	<u>100.00</u>

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

34.3 Benevolent scheme - clerical / non-clerical

34.3.1 General description

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

34.3.2 Principal actuarial assumption

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

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

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

34.3.4 Changes in the fair value of plan assets	2015	2014
Total assets as on January 01	394,084	340,003
Expected return on plan assets	44,408	43,475
Remeasurement due to return on investment	13,616	8,654
Contributions - Employer	3,178	2,506
Contributions - Employees	3,177	2,506
Benefits paid	<u>(5,052)</u>	<u>(3,060)</u>
Total assets as at December 31	<u>453,411</u>	<u>394,084</u>

34.3.5 Amounts recognized in the statement of financial position

	2015	2014
Present value of defined benefit obligation	95,254	65,027
Fair value of plan assets	<u>(453,411)</u>	<u>(394,084)</u>
Unrecognized due to impact of asset ceiling	358,157	329,057
Asset recognized in the statement of financial position	<u>-</u>	<u>-</u>

	Note	2015 Rupees in '000	2014 Rupees in '000	
34.3.6	Movement in net asset recognized			
Opening net receivable		-	-	
Credit for the year	34.3.7	(34,028)	(3,576)	
Comprehensive income		37,206	6,082	
Contribution to fund / benefits paid during the year		(3,178)	(2,506)	
Closing net receivable		-	-	
34.3.7	Income recognized in profit and loss account			
Current service cost		6,526	4,430	
Interest cost		(37,377)	(2,506)	
Contributions - Employees		(3,177)	(40,099)	
Past service cost		-	34,599	
		(34,028)	(3,576)	
34.3.8	Actual return on plan assets			
Actual return on plan assets		58,024	52,129	
34.3.9	Composition of fair value of plan assets			
		2015	2014	
		Fair value	Fair value	
		%	%	
		Rupees in '000	Rupees in '000	
Government securities		438,229	381,139	
Term deposit receipts		13,240	10,584	
Deposits in the Bank		1,942	2,361	
Debtors and creditors		-	-	
Fair value of total plan assets		453,411	394,084	
34.3.10	Other relevant details	2015	2014	
		2013	2012	
		2011		
		Rupees in '000		
Present value of defined benefit obligation		95,254	65,027	28,012
Fair value of plan assets		(453,411)	(394,084)	(340,003)
Surplus in benevolent scheme - clerical / non-clerical		(358,157)	(329,057)	(311,991)
		(358,157)	(329,057)	(311,991)
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	2015	2014	2013	2012	2011
	Rupees in '000				
Experience adjustment	(24,900)	(176)	5,735	(1,618)	(835)
Assumptions gain / (loss)	-	-	-	-	-
Actuarial (loss) / gain on obligation	<u>(24,900)</u>	<u>(176)</u>	<u>5,735</u>	<u>(1,618)</u>	<u>(835)</u>
Experience adjustment	13,616	8,654	(5,540)	-	419
Assumptions gain / (loss)	-	-	-	-	-
Actuarial (loss) / gain on assets	<u>13,616</u>	<u>8,654</u>	<u>(5,540)</u>	<u>-</u>	<u>419</u>
34.4	Gratuity scheme				
34.4.1	Gratuity under old Staff Regulations				
34.4.1.1	General description				
	For employees who opted for the scheme introduced in 1975 for clerical / non-clerical staff and in 1977 for officers / executives, the Bank operates an approved funded gratuity scheme in which monthly contributions, if the employee has less than ten years of service, are made by the Bank on the basis of actuarial recommendation.				
34.4.1.2	Principal actuarial assumption				
	The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:				
		2015	2014		
		%			
	Valuation discount rate	9.00	11.25		
	Expected rate of increase in salary	7.00	9.25		
	Expected rate of return on plan assets	9.00	11.25		
34.4.1.3	Changes in the present value of obligation				
	Present value of obligation as on January 01	-	-		
	Benefits paid	(188,817)	(24,131)		
	Addition to liability from Pension Fund	188,817	24,131		
	Present value of obligation as at December 31	<u>-</u>	<u>-</u>		

	Note	2015	2014
		Rupees in '000	
34.4.1.4	Changes in the fair value of plan assets		
Total assets as on January 01,		1,939,307	1,741,282
Expected return on plan assets		218,172	220,475
Remeasurement due to return on investment		20,157	1,681
Payment from Pension Fund		188,817	-
Benefits paid		(188,817)	(24,131)
Total assets as at December 31,		<u>2,177,636</u>	<u>1,939,307</u>
34.4.1.5	Amounts recognized in the statement of financial position		
Present value of defined benefit obligation		-	-
Fair value of plan assets		<u>(2,177,636)</u>	<u>(1,939,307)</u>
Asset recognized in the statement of financial position	14.5	<u>(2,177,636)</u>	<u>(1,939,307)</u>
34.4.1.6	Movement in net asset recognized		
Opening net assets		(1,939,307)	(1,741,282)
Credit for the year	34.4.1.7	(218,172)	(220,475)
Comprehensive income		(20,157)	(1,681)
Payment from Pension Fund		(188,817)	-
Addition to liability from Pension Fund		188,817	24,131
Closing net assets	14.5	<u>(2,177,636)</u>	<u>(1,939,307)</u>
34.4.1.7	Income recognized in profit and loss account		
Expected return on plan assets		<u>(218,172)</u>	<u>(220,475)</u>
34.4.1.8	Actual return on plan assets		
Actual return on plan assets		<u>238,329</u>	<u>222,156</u>

	2015		2014	
	Fair value	%	Fair value	%
	Rupees in '000		Rupees in '000	
34.4.1.9	Composition of fair value of plan assets			
Government securities	1,100,555	50.54	979,491	50.50
Term deposit receipts	1,131,222	51.95	954,228	49.21
Deposits in the Bank	5,050	0.23	5,588	0.29
Debtors and creditors	(59,190)	(2.72)	-	-
Due from / (to) the Bank	-	-	-	-
Fair value of total plan assets	<u>2,177,637</u>	<u>100.00</u>	<u>1,939,307</u>	<u>100.00</u>

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

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

34.4.2 Gratuity under Staff Regulations - 2005 (SR-2005)

34.4.2.1 General description

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

34.4.2.2 Principal actuarial assumption

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

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

	Note	2015 Rupees in '000	2014 Rupees in '000
34.4.2.3	Changes in the present value of obligation		
Present value of obligation as on January 01		869,303	1,634,839
Current service cost		116,198	262,655
Interest cost		95,844	203,749
Remeasurment due to experience		125,009	253,178
Transferred to SSR 1961		-	(1,411,508)
Benefits paid		(34,718)	(73,610)
Present value of obligation as at December 31		<u>1,171,636</u>	<u>869,303</u>
34.4.2.4	Changes in the fair value of plan assets		
Total assets as on January 01		816,088	1,675,887
Expected return on plan assets		101,931	232,853
Remeasurement due to return on investment		62,428	18,034
Funds payable to SSR 1961		-	(1,411,508)
Contributions		214,639	374,432
Benefits paid		(34,718)	(73,610)
Total assets as at December 31		<u>1,160,368</u>	<u>816,088</u>
34.4.2.5	Amounts recognized in the statement of financial position		
Present value of defined benefit obligation		1,171,636	869,303
Fair value of plan assets		(1,160,368)	(816,088)
Asset recognized in the statement of financial position	19	<u>11,268</u>	<u>53,215</u>
34.4.2.6	Movement in net asset recognized		
Opening net assets		53,215	(41,048)
Charge for the year	34.4.2.7	110,111	233,551
Comprehensive income		62,581	235,144
Contribution to fund during the year		(214,639)	(374,432)
Closing net assets		<u>11,268</u>	<u>53,215</u>
34.4.2.7	Expense recognized in profit and loss account		
Current service cost		116,198	262,655
Interest cost		(6,087)	(29,104)
		<u>110,111</u>	<u>233,551</u>
34.4.2.8	Actual return on plan assets		
Actual return on plan assets		<u>164,359</u>	<u>250,887</u>

	2015		2014	
	Fair value Rupees in '000	%	Fair value Rupees in '000	%
34.4.2.9	Composition of fair value of plan assets			
Government securities	2,242,776	193.28	1,991,836	244.07
Term deposit receipts	-	-	229,123	28.08
Deposits in the Bank	13,658	1.18	6,637	0.81
Debtors and creditors	(955,444)	(82.34)	(1,411,508)	(172.96)
Mark-up payable to pension fund	(140,621)	(12.12)	-	-
Fair value of total plan assets	<u>1,160,369</u>	<u>100.00</u>	<u>816,088</u>	<u>100.00</u>
34.4.2.10	Other relevant details			
Present value of defined benefit obligation	1,171,636	869,303	1,634,839	992,636
Fair value of plan assets	(1,160,368)	(816,088)	(1,675,887)	(1,360,616)
(Surplus) / deficit in gratuity scheme under staff regulations - 2005	<u>11,268</u>	<u>53,215</u>	<u>(41,048)</u>	<u>(367,980)</u>
Experience adjustment	(125,009)	(253,178)	(389,395)	72,489
Assumptions gain / (loss)	-	-	-	-
Actuarial gain / (loss) on obligation	<u>(125,009)</u>	<u>(253,178)</u>	<u>(389,395)</u>	<u>72,489</u>
Experience adjustment	62,428	18,034	(24,461)	(13,283)
Assumptions gain / (loss)	-	-	-	-
Actuarial gain / (loss) on assets	<u>62,428</u>	<u>18,034</u>	<u>(24,461)</u>	<u>(13,283)</u>

Projected Gratuity Fund scheme (SR-2005) contributions for the year 2016 amount to Rs. 130.946 million.

34.5 Post retirement medical benefits

34.5.1 General description

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

34.5.2 Principal actuarial assumption

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

	2015	2014
 %	
Valuation discount rate	9.00	11.25
Medical inflation rate	9.00	8.25
Note	2015	2014
	Rupees in '000	

34.5.3 Changes in the present value of obligation

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

34.5.4 Amounts recognized in the statement of financial position

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

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

34.5.6 Expense recognized in profit and loss account

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

34.5.7 Post retirement medical benefits - sensitivity analysis

	Discount rate		Salary increase rate	
	+1%	-1%	+1%	-1%
Obligation (Rs. in million)	4,193,883	4,727,350	4,704,124	4,204,913
%age change	-5.36%	6.38%	5.86%	-5.38%

	Withdrawal rate		Mortality age	
	+1%	-1%	1 year back	1 year forward
Obligation (Rs. in million)	4,466,097	4,424,325	4,488,317	4,401,217
%age change	50.00%	-0.44%	1.00%	-0.96%

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

34.6 Employees compensated absences - unfunded

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

34.6.1 Principal actuarial assumption

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

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

34.6.2 Movement in liability recognized for compensated absences

		2015	2014
		Rupees in '000	
Opening liability		866,380	681,457
Charge for the year	27	145,921	185,276
Comprehensive income		1,381,187	-
Benefits paid during the year		(3,436)	(353)
Closing liability		<u>2,390,052</u>	<u>866,380</u>

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

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

34.7 Risks associated with defined benefit plans

Investment risk

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

Longevity risk

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

Salary increase risk

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

Withdrawal risk

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

34.8 Defined contribution plan

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

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

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

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

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

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

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

35 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	Note	2015	2014
		Rupees in '000	
Profit before taxation		8,378,824	8,327,106
Dividend income		(81,805)	(66,737)
		8,297,019	8,260,369
Adjustments for non-cash charges:			
Depreciation	12.2	266,925	212,411
Amortization	12.3	107	111
Amortization of deferred income	19.4	(756)	(796)
Provision against non-performing loans and advances - net		(573,110)	1,381,324
Provision for employees post retirement medical benefits	34.5.6	685,692	624,216
Provision / (reversal) against other assets - net	14.6	34,936	(10,666)
Fixed assets - written off	28	-	1,171
Write offs under relief packages		160,009	113,663
Mark-up on borrowing and sub-ordinated debt-State Bank of Pakistan		5,126,543	-
Reversal for defined benefit plans - net	27	251,686	(944,948)
Gain on sale of securities		(366,437)	(118,136)
Gain on sale of operating fixed assets	26	(20,114)	(55,283)
		5,565,481	1,203,067
		13,862,500	9,463,436

36 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	7	2,516,338	4,491,391
Balances with other banks	8	16,408,511	5,593,183
		18,924,849	10,084,574

37 COMPENSATION OF PRESIDENT, DIRECTORS AND EXECUTIVES

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

	President / Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	Rupees in '000					
Fee	-	-	-	-	-	-
Managerial remuneration	10,560	9,617	7,696	3,233	-	-
Charged for defined benefit plan	2,112	1,722	-	-	3,075,916	2,361,113
Contribution to defined benefit or contributory fund	-	-	-	-	185,875	1,998,456
Rent and house maintenance	1,897	1,665	-	-	42,382	38,706
Utilities	431	330	-	-	275,536	22,784
Medical	1,584	1,290	-	-	75,901	6,172
Conveyance	1,198	227	-	-	83,285	3,650
Club facility	625	16	-	-	49,163	-
Leave fare assistance	2,376	1,456	-	-	-	-
	20,783	16,323	7,696	3,233	3,788,058	4,430,881
Number of persons	1	1	8	8	2,555	4,023

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

38 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

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

39 RELATED PARTY TRANSACTIONS AND BALANCES

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

The transactions between the Bank and its subsidiary, Kissan Support Services (Private) Limited, are carried out on "cost plus" method. Details of loans and advances to directors, executives and officers of the Bank, are given in Note 11.8 to these financial statements. There are no transactions with key management personnel other than under their terms of employment. Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan as disclosed in note 34 to these financial statements. Remuneration to the executives are determined in accordance with the terms of their appointment. Compensation to president, directors and executives and disposal of vehicles to employees are disclosed in Note 37 and Note 12.2.1 to these financial statements respectively. Details of transactions with related parties and balances with them other than those disclosed in these financial statements are as under:

Subsidiary company		Key management personnel		Agricultural Technology Development Fund	
2015	2014	2015	2014	2015	2014
..... Rupees in '000'					

Advances

Opening balance	-	-	11,559	7,183	-	-
Addition	-	-	6,680	6,555	-	-
Deletion	-	-	(5,954)	(2,179)	-	-
Closing balance	-	-	12,285	11,559	-	-

Deposits

Opening balance	7,583	8,688	3,861	3,054	124,346	124,262
Addition	1,198,966	48,918	133,231	80,399	22,534	93
Deletion	(1,194,314)	(50,023)	(119,903)	(79,592)	(3,243)	(9)
Closing balance	12,235	7,583	17,189	3,861	143,637	124,346

Investments at the end of the year

100,000	100,000	-	-	-	-
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Payable at the end of the year

47,990	8,130	-	-	-	-
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Deposits with the subsidiary company is net against branch adjustment account amounting to Rs. 66.190 million (2014: Nil)

Subsidiary company		Key management personnel		Agricultural Technology Development Fund	
2015	2014	2015	2014	2015	2014
..... Rupees in '000'					

Other transactions

Mark-up / interest earned	-	-	408	466	-	-
Mark-up / interest expensed	2,835	1,682	-	-	8,193	10,075
Compensation	-	-	81,962	56,762	-	-
Post retirement benefit	-	-	5,667	5,252	-	-
Contribution to defined benefit plans	-	-	967	530	-	-
Services rendered by subsidiary company	866,995	556,990	-	-	-	-
Rent, accounting and communication charges	7,502	30,394	-	-	-	-

40 CAPITAL ASSESSMENT AND ADEQUACY

40.1 Scope of application

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

40.2 Capital management

Objectives and goals of managing capital

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

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

Statutory minimum capital requirement and capital adequacy ratio

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

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

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

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

- *(Consisting of CET1 only)

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

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

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

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

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

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

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

40.3 Capital Adequacy Ratio

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

	2015 Rupees in '000	2014 Rupees in '000
Additional Tier 1 (AT 1) Capital		
12 Qualifying Additional Tier-1 instruments plus any related share premium	-	-
13 of which: Classified as equity	-	-
14 of which: Classified as liabilities	-	-
15 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	-
16 of which: instrument issued by subsidiaries subject to phase out	-	-
17 AT1 before regulatory adjustments	-	-
18 Total regulatory adjustments applied to AT1 capital (Note 40.3.2)	-	-
19 Additional Tier 1 capital	-	-
20 Additional Tier 1 capital recognized for capital adequacy	-	-
21 Tier 1 Capital (CET1 + admissible AT1) (11+20)	76,391,753	31,461,200
Tier 2 Capital		
22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	3,204,323	-
23 Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel III rules	-	-
24 Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25 of which: instruments issued by subsidiaries subject to phase out	-	-
26 General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	1,653,368	1,323,858
27 Revaluation Reserves (net of taxes)	-	-
28 of which: Revaluation reserves on Property	-	-
29 of which: Unrealized Gains/Losses on AFS	1,454,856	1,945,946
30 Foreign Exchange Translation Reserves	-	-
31 Undisclosed/Other Reserves (if any)	-	-
32 T2 before regulatory adjustments	6,312,547	3,269,804
33 Total regulatory adjustments applied to T2 capital (Note 40.3.3)	(30,000)	(40,000)
34 Tier 2 capital (T2) after regulatory adjustments	6,282,547	3,229,804
35 Tier 2 capital recognized for capital adequacy	6,282,547	3,229,804
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37 Total Tier 2 capital admissible for capital adequacy	6,282,547	3,229,804
38 TOTAL CAPITAL (T1 + admissible T2) (21+37)	82,674,300	34,691,004

	2015 Rupees in '000	2014 Rupees in '000
39 Total Risk Weighted Assets (for details refer Note 40.6)	166,226,620	135,471,027
Capital Ratios and buffers (in percentage of risk weighted		
40 CET1 to total RWA	45.96%	23.22%
41 Tier-1 capital to total RWA	45.96%	23.22%
42 Total capital to RWA	49.74%	25.61%
43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	6.25%	5.50%
44 of which: capital conservation buffer requirement	0.25%	-
45 of which: countercyclical buffer requirement	-	-
46 of which: D-SIB or G-SIB buffer requirement	-	-
47 CET1 available to meet buffers (as a percentage of risk weighted assets)	45.96%	23.22%
National minimum capital requirements prescribed by SBP		
48 CET1 minimum ratio	6.00%	5.50%
49 Tier 1 minimum ratio	7.50%	7.00%
50 Total capital minimum ratio	10.25%	10.00%

Regulatory Adjustments and Additional Information	2015		2014
	Amount	Amounts subject to Pre-Basel III treatment	Amount
..... Rupees in '000			
40.3.1 Common Equity Tier 1 capital: Regulatory			
1 Goodwill (net of related deferred tax liability)	-	-	-
2 All other intangibles (net of any associated deferred tax liability)	(12)	-	(103)
3 Shortfall of provisions against classified assets	-	-	-
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
5 Defined-benefit pension fund net assets	(618,256)	(1,545,639)	(164,448)
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-	-
7 Cash flow hedge reserve	-	-	-
8 Investment in own shares/ CET1 instruments	-	-	-
9 Securitization gain on sale	-	-	-
10 Capital shortfall of regulated subsidiaries	-	-	-
11 Deficit on account of revaluation from bank's holdings of property/ AFS	-	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
13 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-

	2015		2014
	Amount	Amounts	Amount
..... Rupees in '000			
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-
15 Amount exceeding 15% threshold	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-
17 of which: deferred tax assets arising from temporary differences	-	-	-
18 National specific regulatory adjustments applied to CET1 capital	-	-	-
19 Investment in TFCs of other banks exceeding the prescribed limit	-	-	-
20 Any other deduction specified by SBP (mention details)	-	-	-
21 Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	(30,000)	-	(40,000)
22 Total regulatory adjustments applied to	(648,268)	-	(204,551)
40.3.2 Additional Tier 1 Capital: regulatory			
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 issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-

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

..... Rupees in '000

28	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	(30,000)	-	(40,000)
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	30,000	-	40,000
30	Total of Regulatory Adjustment applied to	-	-	-
40.3.3	Tier 2 Capital: regulatory adjustments			
31	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	(30,000)	-	(40,000)
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-
33	Investment in own Tier 2 capital instrument	-	-	-
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory 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)	(30,000)	-	(40,000)

40.3.4 Additional Information

2015	2014
Amount	Amount

..... Rupees in '000

Risk weighted assets subject to Pre-Basel III Treatment

37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)		
(i)	of which: deferred tax assets	-	-
(ii)	of which: Defined-benefit pension fund net assets	1,545,639	822,242
(iii)	of which: recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-
(iv)	of which: recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-
	Amounts below the thresholds for deduction (before risk weighting)		
38	Non-significant investments in the capital of other financial entities	39,960	39,976
39	Significant investments in the common stock of financial entities	-	-
40	Deferred tax assets arising from temporary differences (net of related tax liability)	446,941	1,528,810
	Applicable caps on the inclusion of provisions in Tier 2		
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	3,000,000	3,000,000
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,653,368	1,323,858
43	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
44	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

40.4 Capital Structure Reconciliation

Step 1

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

Step 2

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

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
	Rupees in '000		
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	-	-	a
of which: significant capital investments in financial sector entities exceeding regulatory threshold	-	-	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument of which: others (mention details)	-	-	d
Advances	129,552,744	129,552,744	e
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	3,000,000	3,000,000	g
Fixed Assets	2,101,177	2,101,177	
Deferred Tax Assets	446,941	446,941	
of which: DTAs excluding those arising from temporary differences	-	-	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-	i
Other assets	16,782,760	16,782,760	
of which: Goodwill	-	-	j
of which: Intangibles	-	-	k
of which: Defined-benefit pension fund net assets	1,545,639	1,545,639	l
Total assets	187,574,120	187,574,120	
Liabilities & Equity			
Bills payable	346,059	346,059	
Borrowings	57,143,100	57,143,100	
Deposits and other accounts	35,947,953	35,947,953	
Sub-ordinated loans	3,204,323	3,204,323	
of which: eligible for inclusion in AT1	-	-	m
of which: eligible for inclusion in Tier 2	3,204,323	3,204,323	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	-	-	
of which: DTLs related to goodwill	-	-	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	540,974	540,974	q
of which: other deferred tax liabilities	(540,974)	(540,974)	r

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
	Rupees in '000		
Other liabilities	11,721,237	11,721,237	
Total liabilities	108,362,672	108,362,672	
	2015		
	Rupees in '000		
Share capital	52,678,433	52,678,433	
of which: amount eligible for CET1	52,678,433	52,678,433	s
of which: amount eligible for AT1	-	-	t
Reserves	5,644,659	5,644,659	
of which: portion eligible for inclusion in CET1(provide breakup)	5,644,659	5,644,659	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Unappropriated profit/ (losses)	18,716,929	18,716,929	w
Minority Interest	-	-	
of which: portion eligible for inclusion in CET1	-	-	x
of which: portion eligible for inclusion in AT1	-	-	y
of which: portion eligible for inclusion in Tier 2	-	-	z
Surplus on revaluation of assets	2,171,427	2,171,427	
of which: Revaluation reserves on Property	-	-	aa
of which: Unrealized Gains/Losses on AFS	2,171,427	2,171,427	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
Total Equity	79,211,448	79,211,448	
Total liabilities & Equity	187,574,120	187,574,120	
Step 3	Component of regulatory capital reported by bank	Source based on reference number from Step 2	
	Rupees in '000		
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1 Fully Paid-up Capital/ Capital deposited with SBP	52,678,433		
2 Balance in Share Premium Account	-	(s)	
3 Reserve for issue of Bonus Shares	-		
4 General/ Statutory Reserves	5,644,659	(u)	
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-		
6 Unappropriated/unremitted profits/(losses)	18,716,929	(w)	

Step 3	Component of regulatory capital reported by bank	Source based on reference number from Step 2
	Rupees in '000	
7 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
8 CET 1 before Regulatory Adjustments	77,040,021	
Common Equity Tier 1 capital: Regulatory adjustments		
9 Goodwill (net of related deferred tax liability)	-	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	-	(k) - (p)
11 Shortfall of provisions against classified assets	-	(f)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	540,974	{{(h) - (r)} * x% {(l) - (q)} * x%
13 Defined-benefit pension fund net assets	-	(d)
14 Reciprocal cross holdings in CET1 capital instruments	-	
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	
19 Deficit on account of revaluation from bank's holdings of property/ AFS	-	(ab)
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments applied to CET1 capital	-	

Step 3

Component of
regulatory capital
reported by bank
 Source based on
reference number
from Step 2

	Rupees in '000	
27 Investment in TFCs of other banks exceeding the prescribed limit	-	
28 Any other deduction specified by SBP (mention details)	-	
29 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	(30,000)	
30 Total regulatory adjustments applied to CET1 (sum of 9 to 25)	510,974	
Common Equity Tier 1	77,550,995	
Additional Tier 1 (AT 1) Capital		
31 Qualifying Additional Tier-1 instruments plus any related share premium	-	
32 of which: Classified as equity	-	(i)
33 of which: Classified as liabilities	-	(m)
34 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
35 of which: instrument issued by subsidiaries subject to phase out	-	
36 AT1 before regulatory adjustments	-	
Additional Tier 1 Capital: regulatory adjustments		
37 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
38 Investment in own AT1 capital instruments	-	
39 Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
40 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)

Component of
regulatory capital
reported by bank
 Source based on
reference number
from Note 40.4.2

	Rupees in '000	
41 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
42 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	(30,000)	
43 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	30,000	
44 Total of Regulatory Adjustment applied to AT1 capital	-	
45 Additional Tier 1 capital	-	
46 Additional Tier 1 capital recognized for capital adequacy	-	
Tier 1 Capital (CET1 + admissible AT1)		
Tier 2 Capital		
47 Qualifying Tier 2 capital instruments under Basel III	3,204,323	
48 Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
49 Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
50 of which: instruments issued by subsidiaries subject to phase out	-	
51 General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	-	(g)
	1,476,555	
52 Revaluation Reserves eligible for Tier 2	-	
53 of which: portion pertaining to Property	-	
54 of which: portion pertaining to AFS securities	1,279,350	portion of (aa)
55 Foreign Exchange Translation Reserves	-	(v)
56 Undisclosed/Other Reserves (if any)	-	
57 T2 before regulatory adjustments	5,960,228	
Tier 2 Capital: regulatory adjustments		
58 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	(30,000)	
59 Reciprocal cross holdings in Tier 2 instruments	-	
60 Investment in own Tier 2 capital instrument	-	

Component of
regulatory capital
reported by bank

Source based on
reference number
from Note 40.4.2

Rupees in '000

61	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
62	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
63	Amount of Regulatory Adjustment applied to T2 capital	(30,000)	
64	Tier 2 capital (T2)	5,930,228	
65	Tier 2 capital recognized for capital adequacy	5,930,228	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
67	Total Tier 2 capital admissible for capital adequacy	5,930,228	
	TOTAL CAPITAL (T1 + admissible T2)	83,481,223	

40.5 Main Features Template of Regulatory Capital Instruments

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

40.6 Risk weighted assets

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

	2015	2014	2015	2014
	Capital Requirements		Risk Weighted Assets	
	..... Rupees in '000			
Credit risk				
Portfolios subject to standardized approach (simple or comprehensive)				
On-balance sheet				
Banks	346,670	119,736	3,382,148	1,197,362
Retail	8,981,956	7,152,636	87,628,839	71,526,362
Loans secured against residential property	46,676	50,461	455,372	504,614
Past due loans	2,074,818	2,038,336	20,242,123	20,383,358
Deferred tax assets	114,529	-	1,117,353	-
Listed equity investments	348,396	-	3,398,987	-
Investments in fixed assets	215,369	158,097	2,101,165	1,580,974
Other assets	1,428,597	1,071,583	13,937,533	10,715,830
Total credit risk	13,557,011	10,590,849	132,263,520	105,908,500
Off-Balance Sheet				
Non-market related	606	14	5,912	140
	13,557,617	10,590,863	132,269,432	105,908,640
Market risk				
Capital requirement for portfolios subject to standardized approach				
Interest rate risk	639	640	7,988	7,995
Equity position risk	537,328	626,882	6,716,600	7,836,028
Foreign exchange risk	-	-	-	-
Total market risk	537,967	627,522	6,724,588	7,844,023
Operational risk				
Capital requirement for operational risks	2,178,608	1,737,469	27,232,600	21,718,364
	2,178,608	1,737,469	27,232,600	21,718,364
Total	16,274,192	12,955,854	166,226,620	135,471,027
Capital adequacy ratio	2015		2014	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	45.96%	5.50%	23.22%
Tier-1 capital to total RWA	7.50%	45.96%	7.00%	23.22%
Total capital total RWA	10.25%	49.74%	10.00%	25.61%
Total capital plus CBB to total RWA	10.25%	49.74%	10.00%	25.61%
* As SBP capital requirement of 10.25% (10% in 2014) is calculated on overall basis therefore, capital charge for credit risk is calculated after excluding capital requirements against market and operational risk from the total capital required.				
Leverage Ratio	2015		2014	
	Required	Actual	Required	Actual
Leverage Ratio	3.00%	40.72%	3.00%	19.23%
	2015		2014	
	... Rupees in '000 ...			
Tier-1 Capital			76,391,753	31,461,200
Total Exposures			187,612,308	163,567,373

40.7 Leverage Ratio

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

41 RISK MANAGEMENT

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

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

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

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

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

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

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

41.1 Credit risk

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

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

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

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

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

41.1.1 Credit risk - General disclosures

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

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

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

Credit exposures subject to standardized approach

Exposures	Rating	2015			2014		
		Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
		..... Rupees '000					
Cash and cash equivalents	-	880,330	880,330	-	1,649,439	1,649,439	-
Claims on Government of Pakistan (Federal or Provincial Governments) and SBP, denominated in PKR	-	20,245,666	20,245,666	-	29,488,963	29,488,963	-
Claims on banks	-	-	-	-	-	-	-
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	-	16,910,742	13,528,594	3,382,148	5,986,810	4,789,448	1,197,362
Claims categorized as retail portfolio	-	116,838,452	29,209,613	87,628,839	95,368,482	23,842,121	71,526,361
Claims fully secured by residential property	-	1,301,062	845,690	455,372	1,441,753	937,139	504,614
Past due loans	-	-	-	-	-	-	-
Deferred tax assets	-	14,413,230	(5,828,893)	20,242,123	14,743,723	(5,639,635)	20,383,358
Listed equity investments	-	446,941	(670,412)	1,117,353	-	-	-
Investments in premises, plant and equipment and all other fixed assets	-	3,398,987	-	3,398,987	-	-	-
All other assets	-	2,101,165	-	2,101,165	1,580,974	-	1,580,974
	-	13,937,533	-	13,937,533	10,715,830	-	10,715,830
		190,474,108	58,210,588	132,263,520	160,975,974	55,067,475	105,908,499

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

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

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

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

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

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

Concentration of risk

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

41.1.5 Equity position risk in the banking book

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

Exposures	Available for sale	Subsidiary
	Rupees in '000	
Equity investments - publicly traded	3,358,298	-
Equity investments - others	-	100,000
Total value	<u>3,358,298</u>	<u>100,000</u>

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

Investments - Available for sale
Investment in subsidiary

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

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

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

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

41.1.6 Segmental information

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

41.1.7 Segments by class of business

	2015				2014			
	Advances (gross)		Deposits		Contingencies and commitments		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Agriculture, forestry, hunting and fishing	132,661,848	98.49%	-	-	4,094,925	13.84%	2,317,838	7.83%
Individuals	-	-	20,317,180	56.52%	2,317,838	7.83%	23,183,130	78.33%
Others	2,030,198	1.51%	15,630,773	43.48%	23,183,130	78.33%	29,595,893	100.00%
	134,692,046	100.00%	35,947,953	100.00%	29,595,893	100.00%		

	2015				2014			
	Advances (gross)		Deposits		Contingencies and commitments		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Agriculture, forestry, hunting and fishing	113,537,306	98.30%	-	-	4,580,091	24.88%	1,692,334	9.19%
Individuals	-	-	16,916,465	63.35%	1,692,334	9.19%	12,138,249	65.93%
Others	1,958,460	1.70%	9,785,446	36.65%	12,138,249	65.93%	18,410,674	100.00%
	115,495,766	100.00%	26,701,911	100.00%	18,410,674	100.00%		

41.1.8 Segments by sector

	2015				2014			
	Advances (gross)		Deposits		Contingencies and commitments		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Public / government *	-	-	15,526,221	43.19%	23,183,130	78.33%	21,673	21.67%
Private	134,692,046	100.00%	20,421,732	56.81%	6,412,763	21.67%	29,595,893	100.00%
	134,692,046	100.00%	35,947,953	100.00%	29,595,893	100.00%		

2014

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

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

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

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

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

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

41.1.11 Geographical segment analysis

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

2014

	2014		2014	
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	..... Rupees in '000			
Pakistan	8,327,106	163,562,877	124,631,639	18,410,674

41.2 Market risk management

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

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

41.2.1 Foreign exchange risk management

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

41.2.2 Equity price risk

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

41.3 Mismatch of interest rate sensitive assets and liabilities

The Bank's interest rate exposure originates from its investing and borrowing activities. Interest rate risk in the banking book is the risk of adverse changes in earnings and / or capital due to mismatched assets and liabilities in the banking book. The Asset and Liability Management Committee (ALCO) of the Bank monitors and controls mismatch of interest rate sensitive assets and liabilities. The Risk Management Department calculates duration and convexity measures to assess the impact of interest rate changes on its investment portfolio. Interest rate risk stress tests are conducted bi-annually to assess the impact of a parallel shift in the yield curve of the Bank's capital using sensitivity positions.

On-balance sheet financial instruments	Effective Yield / Interest rate	Total	2015										Not exposed to Yield / Interest risk	
			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 years 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	-	2,516,338	-	-	-	-	-	-	-	-	-	-	2,516,338	
Balances with other banks	5.32	16,408,511	14,408,511	2,000,000	-	-	-	-	-	-	-	-	-	
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments - net	7.48	19,665,649	-	10,553,534	4,241,216	360,886	155,345	-	1,094,715	-	-	-	3,259,953	
Advances - net	13.04	129,552,744	47,946,978	37,985	5,166,872	26,639,213	20,183,060	10,906,216	12,341,208	320,209	5,278,567	-	732,436	
Other assets - net	-	14,627,098	-	-	-	-	-	-	-	-	-	-	14,627,098	
		182,770,340	62,355,489	12,591,519	9,408,088	27,000,099	20,338,405	10,906,216	13,435,923	320,209	5,278,567	-	21,135,825	
Liabilities														
Bills payable	-	346,059	-	-	-	-	-	-	-	-	-	-	346,059	
Borrowings	6.15	57,143,100	5,885,887	-	51,257,213	-	-	-	-	-	-	-	-	
Deposits and other accounts	3.41	35,947,953	8,738,693	59,018	561,626	13,046,539	149	377,536	845	-	-	-	13,163,547	
Sub-ordinated loans	9.00	3,204,323	-	-	3,204,323	-	-	-	-	-	-	-	-	
Other liabilities	-	7,944,994	-	-	-	-	-	-	-	-	-	-	7,944,994	
		104,586,429	14,624,580	59,018	55,023,162	13,046,539	149	377,536	845	-	-	-	21,454,600	
On-balance sheet gap		78,183,911	47,730,909	12,532,501	(45,615,074)	13,953,560	20,338,256	10,528,680	13,435,078	320,209	5,278,567	-	(318,775)	
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-	-	
Total yield / interest risk sensitivity gap		78,183,911	47,730,909	12,532,501	(45,615,074)	13,953,560	20,338,256	10,528,680	13,435,078	320,209	5,278,567	-	(318,775)	
Cumulative yield / interest risk sensitivity gap														
		78,183,911	47,730,909	60,263,410	14,648,336	28,601,896	48,940,152	59,468,832	72,903,910	78,182,477	78,502,686	-	78,183,911	
Reconciliation of assets and liabilities exposed to yield / interest rate risk with total assets and liabilities:														
Rupees in '000														
Total financial assets			182,770,340											
Add non-financial assets:														
Investment in subsidiary company			100,000											
Operating fixed assets			2,101,177											
Deferred tax assets - net			446,941											
Other assets			2,155,662											
Total assets as per statement of financial position			187,574,120											
Rupees in '000														
Total financial liabilities														
Add non-financial liabilities:														
Investment in subsidiary company			100,000											
Operating fixed assets			2,101,177											
Deferred tax assets - net			446,941											
Other assets			2,155,662											
Total liabilities as per statement of financial position			187,574,120											
Total liability as per statement of financial position														
Other liabilities														
Total financial liabilities														
Add non-financial liabilities:														
Rupees in '000														
104,586,429														
3,776,243														
108,362,672														

41.3.1 Mismatch of interest rate sensitive assets and liabilities

Effective Yield / Interest rate	Total	2014										Not exposed to Yield / Interest risk
		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	-	4,102,133	-	-	-	-	-	-	-	-	-	4,102,133
Balances with other banks	5.69	5,982,441	3,982,441	2,000,000	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	820,190	820,190	-	-	-	-	-	-	-	-	-
Investments - net	10.08	29,237,315	-	11,570,461	12,541,912	358,862	360,783	155,345	-	39,976	-	4,209,976
Advances - net	12.39	108,553,958	36,693,613	47,439	3,380,196	25,520,951	18,506,237	8,856,122	9,698,049	5,009,432	454,072	387,847
Other assets - net	-	10,070,539	-	-	-	-	-	-	-	-	-	10,070,539
		158,766,576	41,496,244	13,617,900	15,922,108	25,879,813	18,867,020	9,011,467	9,698,049	5,049,408	454,072	18,770,495
Liabilities												
Bills payable	-	561,964	-	-	-	-	-	-	-	-	-	561,964
Borrowings	-	52,226,562	-	-	-	969,349	51,257,213	-	-	-	-	-
Deposits and other accounts	7.02	26,701,911	14,107,842	69,109	-	124,731	2,249	272,442	1,331	-	-	12,124,207
Sub-ordinated loans	-	3,204,323	-	-	-	-	3,204,323	-	-	-	-	-
Other liabilities	-	42,533,415	36,156,894	-	-	-	-	-	-	-	-	6,376,521
		125,228,175	50,264,736	69,109	-	1,094,080	54,463,785	272,442	1,331	-	-	19,062,692
On-balance sheet gap		33,538,401	(8,768,492)	13,548,791	15,922,108	24,785,733	(35,596,765)	8,739,025	9,696,718	5,049,408	454,072	(292,197)
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap		33,538,401	(8,768,492)	13,548,791	15,922,108	24,785,733	(35,596,765)	8,739,025	9,696,718	5,049,408	454,072	(292,197)
Cumulative yield / interest risk sensitivity gap		33,538,401	(8,768,492)	4,780,299	20,702,407	45,488,140	9,891,375	18,630,400	28,327,118	33,376,526	33,830,598	33,538,401
Reconciliation of assets and liabilities exposed to yield / interest rate risk with total assets and liabilities:												
Rupees in '000												
Total financial assets		158,766,576										
Add non-financial assets:												
Investment in subsidiary company		100,000										
Operating fixed assets		1,581,077										
Deferred tax assets - net		1,528,810										
Other assets		1,586,414										
Total assets as per statement of financial position		163,562,877										
Total financial liabilities												
Add non-financial liabilities:												
Investment in subsidiary company		100,000										
Operating fixed assets		1,581,077										
Deferred tax assets - net		1,528,810										
Other assets		1,586,414										
Total liabilities as per statement of financial position		163,562,877										
Total financial liabilities												
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Investment in subsidiary company		100,000										
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Other assets		1,586,414										
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Add non-financial liabilities:												
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Other assets		1,586,414										
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Total financial liabilities												
Add non-financial liabilities:												
Investment in subsidiary company		100,000										
Operating fixed assets		1,581,077										
Deferred tax assets - net		1,528,810										
Other assets		1,586,414										
Total liabilities as per statement of financial position		163,562,877										

41.4 Liquidity risk

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

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

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

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

	2014									
	Total	Upto 1month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Rupees in '000										
Assets										
Cash and balances with treasury banks	4,102,133	4,102,133	-	-	-	-	-	-	-	-
Balances with other banks	5,982,441	3,982,441	2,000,000	-	-	-	-	-	-	-
Lending to financial institutions	820,190	820,190	-	-	-	-	-	-	-	-
Investments - net	29,337,315	-	11,610,438	12,541,912	358,862	360,783	155,345	-	39,976	4,269,999
Advances - net	108,553,958	36,695,926	52,063	3,387,280	25,532,525	18,535,951	8,876,820	9,725,126	5,120,158	628,109
Other assets - net	11,656,953	1,126,767	781,450	854,481	1,687,833	1,047,876	881,251	1,519,799	1,965,699	1,791,797
Deferred tax assets - net	1,528,810	1,528,810	-	-	-	-	-	-	-	-
Operating fixed assets	1,581,077	-	-	-	198,054	-	-	-	-	1,383,023
	163,562,877	48,256,267	14,443,951	16,783,673	27,777,274	19,944,610	9,913,416	11,244,925	7,125,833	8,072,928
Liabilities										
Bills payable	561,964	561,964	-	-	-	-	-	-	-	-
Borrowings	52,226,562	-	-	969,349	-	51,257,213	-	-	-	-
Deposits and other accounts	26,701,911	26,232,049	69,109	-	124,731	2,249	272,442	1,331	-	-
Sub-ordinated loan	3,204,323	-	-	-	-	3,204,323	-	-	-	-
Deferred tax liabilities - net	-	-	-	-	-	-	-	-	-	-
Other liabilities	46,854,907	38,999,280	992,743	84,309	1,761,692	1,907,352	306,802	759,442	1,459,056	584,232
	129,549,667	65,793,293	1,061,852	1,053,658	1,886,423	56,371,137	579,244	760,773	1,459,056	584,232
Net assets	34,013,210	(17,537,026)	13,382,099	15,730,015	25,890,851	(36,426,527)	9,334,172	10,484,152	5,666,777	7,488,696
Share capital		12,522,441								
Reserves		4,590,136								
Unappropriated profit		13,425,730								
Surplus on revaluation of assets - net of tax		3,474,903								
		34,013,210								

41.5 Operational risk

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

41.6 Fair value of financial instruments

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

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

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

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

42 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

Fair value hierarchy

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

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

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

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

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

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

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

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

Valuation technique used & key inputs

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

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

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

43 EVENTS AFTER THE REPORTING PERIOD

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

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

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

44 CORRESPONDING FIGURES

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

45 DATE OF AUTHORIZATION FOR ISSUE

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

46 GENERAL

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

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

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

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

Sr. No.	Name and address of the borrower	3	4	5	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
9	PIR AKBAR DIN BILAND KHEL UORAKZAI AGENCY	PIR AKBAR DIN	2160240861951	PIR SHARIF DIN	0.310	0.465	-	0.775	0.307	0.268	-	0.575
10	MUHAMMAD SALEEM LABER	MUHAMMAD SALEEM	32287107564	GHULAM MEHMOOD	0.437	0.483	-	0.920	0.437	0.118	-	0.555
11	MST NASARA BATOOL AMEER PUR	MST NASARA BATOOL	271-60-198749	OAN RAZA	0.314	0.235	-	0.549	0.314	0.235	-	0.549
12	ASIFA BEGUM ALLO MEHAR	ASIFA BEGUM	302 52 001021	TUFAIL	0.403	0.122	-	0.525	0.403	0.122	-	0.525
13	SHAIKAT HUSSAIN THARJAI KALAN P.O.KHAS G.KHAN	SHAIKAT HUSSAIN	210-45-349841	CHANAN KHAN	0.387	0.596	-	0.983	0.387	0.596	-	0.983
14	ABDUL HAMEED 53/SP	ABDUL HAMEED	337-45-313780	QUTAS DIN	0.461	0.534	-	0.996	0.461	0.059	-	0.520
15	SHARIFAN BIBI 32 EB	SHARIFAN BIBI	335-45-530244	FAZAL DAD	0.485	0.046	-	0.531	0.485	0.046	-	0.531
16	ALLAH DITTA	ALLAH DITTA	325-56-208269	ALLAH WASAYA	0.889	0.869	-	1.758	0.714	-	-	0.714
	VILL FADDA, MAILSI, VEHARI											
17	MST KHURSHID BIBI VILL HASSAN SHAH, KARAMPUR, VEHARI	MST KHURSHID BIBI	324-28-440642	MUHAMMAD ZAFAR KHAN	0.495	0.624	-	1.119	0.495	0.078	-	0.573
	MST SAJIDA PERVIEN HASSAN SHAH	MST SAJIDA PERVIEN	32458440641	MUHAMMAD ZAFAR KHAN								
18	SADIO MUHAMMAD VILL KHICHI, LUDDEN, VEHARI	SADIO MUHAMMAD	36603-1431819-5	JAMAL	0.622	0.084	-	0.706	0.622	0.084	-	0.706
19	MST SHAISTA JALAL PUR	MST SHAISTA SULTANA	327-86-798616	NADIR ABBAS	0.451	0.392	-	0.843	0.451	0.156	-	0.607
20	MST. AZRA PERVEEN BAILA WAGAH	MST. AZRA PERVEEN	326-89-645457	AHMED KHAN	0.490	0.568	-	1.058	0.490	0.023	-	0.513
21	FAYAZ HUSSAIN JHONJHAN WALI	FAYAZ HUSSAIN	32303-8125822-9	BASHIR AHMAD	0.431	0.866	-	1.297	0.431	0.188	-	0.619
22	KHURSHIED AHMED LUNDI PATAFI	KHURSHIED AHMED	318-52-319359	GHULAM AHMED	0.707	0.512	-	1.220	0.594	-	-	0.594
23	MST SAFOORAN KALAN KOT JAGEER PO THATTA	MST SAFOORAN	491-40-095313	MUHAMMAD JUMMAN	0.303	0.237	-	0.540	0.303	0.237	-	0.540

Sr. No.	Name and address of the borrower	3	4	5	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
24	MOHAMMAD KALANKOT JAGEER VILL JUMAN SOM	MOHAMMAD	491-57-089087	NOOR MOHAMMAD	0.347	0.704	-	1.051	0.347	0.353	-	0.700
25	AZIZ UR REHMAN 11 A 57 N NAZIM ABAD KARACHI	AZIZ UR REHMAN	501-24-520398	ABDUL GHAFOR	0.134	0.863	-	0.997	0.134	0.863	-	0.997
26	ARIF QURESHI A-291 BLOCK 1 GULSHAN-E- IOBAL	ARIF QURESHI	42301 4144369 3	RIAZLUL HHASAN	1.459	1.346	-	2.805	1.459	0.161	-	1.620
27	JAWAID AHMED KHAN 4-F 11/5 NAZIMABAD NO.4	JAWAID AHMED KHAN	502-56-182561	MANSOOR KHAN	0.425	0.564	-	0.989	0.425	0.564	-	0.989
28	WALI MUHAMMAD	WALI MUHAMMAD	-	SIDDIQUE	0.229	0.330	-	0.559	0.229	0.330	-	0.559
29	GADANI DISTRICT LASBELA BACHAYO SONMANI DISTRICT LASBELA	BACHAYO	-	SABAGA	0.208	0.296	-	0.503	0.208	0.296	-	0.504
30	ILYAS GADANI DISTRICT LASBELA	ILYAS	-	NOORUDDIN	0.212	0.299	-	0.511	0.212	0.299	-	0.511
31	GUL MUHAMMAD SONAMIANI DISTRICT LASBELA	GUL MUHAMMAD	-	MUHAMMAD SIDDIQUE	0.212	0.322	-	0.534	0.212	0.322	-	0.534
32	MUHAMMAD ASLAM SONMANI DISTRICT LASBELA	MUHAMMAD ASLAM	-	SHER MUHAMMAD	0.222	0.295	-	0.517	0.222	0.295	-	0.517
33	JAN MUHAMMAD BUDEWAN DISTRICT LASBELA	JAN MUHAMMAD	-	GHULAM MUHAMMAD	0.203	0.325	-	0.528	0.203	0.325	-	0.528
34	WALI MUHAMMAD JUNUBI MAWALI DISTRICT LASBELA	WALI MUHAMMAD	-	FIDA MUHAMMAD	0.212	0.330	-	0.542	0.212	0.330	-	0.542
35	NASIR	NASIR	-	ABBASI	0.212	0.332	-	0.544	0.212	0.332	-	0.544
36	GADANI DISTRICT LASBELA RUSTAM	RUSTAM	-	WALI MUHAMMAD	0.203	0.333	-	0.536	0.203	0.333	-	0.536
37	USMAN BUDEWAN GADDANI	USMAN	-	GUL MUHAMMAD	0.208	0.296	-	0.504	0.208	0.296	-	0.504
38	WALI MUHAMMAD GADANI DISTRICT LASBELA	WALI MUHAMMAD	-	MOOSA	0.208	0.299	-	0.507	0.208	0.299	-	0.507

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in million												
39	RAZA MOHAMMAD SONMIANI DISTRICT LASBELA	RAZA MOHAMMAD	-	QADIR BUX	0.222	0.279	-	0.502	0.222	0.279	-	0.501
40	JAN MUHAMMAD BUDEWAN GADDANI	JAN MUHAMMAD	-	ALI MUHAMMAD	0.222	0.287	-	0.509	0.222	0.287	-	0.509
41	MUBARAK BUDEWAN GADDANI	MUBARAK	-	QADIR BUX	0.222	0.322	-	0.544	0.222	0.322	-	0.544
42	KHAMISO BUDEWAN GADDANI	KHAMISO	-	SIDDIQUE	0.226	0.287	-	0.512	0.226	0.287	-	0.513
43	MADAD BUDEWAN GADDANI	MADAD	-	BIJAR	0.203	0.330	-	0.533	0.203	0.330	-	0.533
44	ALLANO BUDEWANI GADDANI	ALLANO	-	MUHAMMAD	0.212	0.291	-	0.503	0.212	0.291	-	0.503
45	ACHAR BUDEWANI GADDANI	ACHAR	-	ALI	0.203	0.300	-	0.503	0.203	0.300	-	0.503
46	ABDUL KARIM SONMIANI DISTRICT LASBELA	ABDUL KARIM	-	ABDUL RAHIM	0.212	0.289	-	0.501	0.212	0.289	-	0.501
47	HASHIM BUDEWAN GADDANI	HASHIM	-	KALO	0.203	0.314	-	0.517	0.203	0.314	-	0.517
48	IBRAHIM SONMIANI DISTRICT LASBELA	IBRAHIM	-	WALI MUHAMMAD	0.212	0.301	-	0.512	0.212	0.301	-	0.513
49	NAZIR AHMED SONMIANI DISTRICT LASBELA	NAZIR AHMED	-	GUL MUHAMMAD	0.212	0.293	-	0.505	0.212	0.293	-	0.505
50	SALEMAN BUDEWANI GADDANI	SALEMAN	-	ABBAS	0.226	0.299	-	0.525	0.226	0.299	-	0.525
51	ABDUL MAJEED GADDANI	ABDUL MAJEED	-	ABDULLAH	0.212	0.292	-	0.504	0.212	0.292	-	0.504
52	ACHAR BUDEWANI GADDANI	ACHAR	-	AHMED KHAN	0.212	0.298	-	0.509	0.212	0.298	-	0.510
53	MUHAMMAD AYUB SONMIANI DISTRICT LASBELA	MUHAMMAD AYUB	-	SIDDIQUE	0.212	0.297	-	0.509	0.212	0.297	-	0.509
54	ALLAH BUX BUDEWANI GADDANI	ALLAH BUX	-	REHMAT	0.212	0.305	-	0.517	0.212	0.305	-	0.517
55	CHUTTA BUDEWAN GADDANI	CHUTTA	-	SOOMAR	0.222	0.284	-	0.507	0.222	0.284	-	0.506
56	ABDUL MAJID SONMIANI DISTRICT LASBELA	ABDUL MAJID	-	MUHAMMAD SIDDUQUE	0.226	0.317	-	0.542	0.226	0.317	-	0.543

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million												
57	SIKANDAR SONAMIANI DISTRICT LASBELA	SIKANDAR	-	IBRAHIM	0.208	0.330	-	0.537	0.208	0.330	-	0.538
58	MUHAMMAD YAMIN SONMIANI DISTRICT LASBELA	MUHAMMAD YAMIN	-	MUHAMMAD ISHEQUE	0.222	0.322	-	0.544	0.222	0.322	-	0.544
59	AHMED BUDEWAN GADDANI	AHMED	-	BACHAL	0.208	0.297	-	0.505	0.208	0.297	-	0.505
60	SHAH DAD SONMIANI DISTRICT LASBELA	SHAH DAD	-	GUL MUHAMMAD	0.208	0.306	-	0.513	0.208	0.306	-	0.514
61	MUHAMMAD HASHIM KUND GADANI	MUHAMMAD HASHIM	-	ABBAS	0.222	0.304	-	0.526	0.222	0.304	-	0.526
62	SOOMAR C/O KHALIFAZAI FISHERMEN	SOOMAR	99508 3409883 7	MOHAMMED ISMAIL	0.222	0.290	-	0.512	0.222	0.290	-	0.512
63	AYUB ALYANI SONMIANI DISTRICT LASBELA	AYUB ALYANI	-	REHMAN	0.222	0.290	-	0.512	0.222	0.290	-	0.512
64	DUR MUHAMMAD GADDANI	DUR MUHAMMAD	-	ARAB	0.222	0.301	-	0.523	0.222	0.301	-	0.523
65	DARYA KHAN SONMIANI DISTRICT LASBELA	DARYA KHAN	-	JUMA KAHN	0.222	0.318	-	0.540	0.222	0.318	-	0.540
66	ABDUL GHAFOR GADDANI	ABDUL GHAFOR	280-55-110112	GHULAM MUHAMMAD	0.227	0.282	-	0.509	0.227	0.282	-	0.509
67	NOOR UDDIN GADDANI	NOOR UDDIN	-	FAQIR MUHAMMAD	0.227	0.335	-	0.562	0.227	0.335	-	0.562
68	FATEH MOHAMMAD	FATEH MOHAMMAD	-	REHMAT	0.227	0.308	-	0.535	0.227	0.308	-	0.535
69	GADANI DISTRICT LASBELA PIR BUX	PIR BUX	-	FATEH MUHAMMAD	0.227	0.346	-	0.573	0.227	0.346	-	0.573
70	GADDANI HAJI	HAJI	-	FATEH MUHAMMAD	0.227	0.361	-	0.588	0.227	0.361	-	0.588
71	MUHAMMAD ALI GADDANI	MUHAMMAD ALI	-	ALI MUHAMMAD	0.227	0.338	-	0.565	0.227	0.338	-	0.565
72	UMER GADDANI	UMER	-	GUL MUHAMMAD	0.227	0.282	-	0.509	0.227	0.282	-	0.509

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					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
73	FAQIR MUHAMMAD GADDANI	FAQIR MUHAMMAD	-	DIL MUHAMMAD	0.227	0.279	-	0.507	0.227	0.279	-	0.506
74	S. HASSAN ZAHID BUNDEWANI GUDDANI	S. HASSAN ZAHID	-	QUDRATOLLAH	0.227	0.299	-	0.526	0.227	0.299	-	0.526
75	GHULAM NABI SONMIANI DISTRICT LASBELA	GHULAM NABI	-	MOHAMMAD ESSA	0.227	0.295	-	0.523	0.227	0.295	-	0.522
76	MUHAMMAD AMIN SONMIANI DISTRICT LASBELA	MUHAMMAD AMIN	-	ESSA	0.227	0.282	-	0.509	0.227	0.282	-	0.509
77	MAMOON SONMIANI DISTRICT LASBELA	MAMOON	-	YOUSAF	0.227	0.301	-	0.529	0.227	0.301	-	0.528
78	ALLAH BUX SONMIANI DISTRICT LASBELA	ALLAH BUX	-	ABDUL KARIM KHAN	0.227	0.304	-	0.532	0.227	0.304	-	0.531
79	BASHIR AHMED SONMIANI DISTRICT LASBELA	BASHIR AHMED	-	GUL MUHAMMAD	0.212	0.312	-	0.524	0.212	0.312	-	0.524
80	FAQIR MUHAMMAD SONMIANI DISTRICT LASBELA	FAQIR MUHAMMAD	-	HASSAN	0.227	0.324	-	0.552	0.227	0.324	-	0.551
81	ABDOO SONMIANI DISTRICT LASBELA	ABDOO	-	MUHAMMAD ALI	0.227	0.286	-	0.513	0.227	0.286	-	0.513
82	AHMED SONMIANI DISTRICT LASBELA	AHMED	-	GOHRAM	0.231	0.288	-	0.519	0.231	0.288	-	0.519
83	ABDUL WAHAB C/OGWADER FISHERMEN	ABDUL WAHAB	99501 39403179	ABDUL GHAFUOR	0.216	0.366	-	0.582	0.216	0.366	-	0.582
84	AHMED KHAN SONMIANI DISTRICT LASBELA	AHMED KHAN	-	TAJ MUHAMMAD	0.216	0.302	-	0.518	0.216	0.302	-	0.518
85	HAJI MUHAMMAD IBRAHIM SONMIANI DISTRICT LASBELA	HAJI MUHAMMAD IBRAHIM	-	MUHAMMAD	0.222	0.288	-	0.510	0.222	0.288	-	0.510
86	CH ABDUL RAUF C/O SHABBIR H. KHWAJA SPARE PARTS, KHOSKI ROAD, BADIN	CH ABDUL RAUF	35202-6098292-1	CH. MUHAMMAD ISHAQUE	0.885	1.421	-	2.306	0.885	0.323	-	1.208
87	ALEEM UDDIN NABI BUX BURGHARI HOUSE, BADIN	ALEEM UDDIN	421101-2420004-7	NABI BUX	0.106	0.556	-	0.662	0.105	0.528	-	0.633

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					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
88	HAMID ALI NABI BUX BURGHARI HOUSE, BADIN	HAMID ALI	41101-4737312-9	NABI BUX	0.481	0.432	-	0.913	0.480	0.198	-	0.678
89	MUHAMMAD ASLAM DEH KANDHAR, TALUKA TNADO M. KHAN	MUHAMMAD ASLAM	277-30-108903	KARIM DAD	0.098	0.610	-	0.708	0.098	0.610	-	0.708
90	ABDUL KHALIQUE BHATTI MOHALLAH, SEHWAN SHARIF	ABDUL KHALIQUE	41206-3082833-7	DOST MUHAMMAD MEMON	0.210	0.302	-	0.513	0.210	0.302	-	0.512
91	MUHAMMAD ISMAIL DEH DEKHMARO TALUKA TANDO BAGO	MUHAMMAD ISMAIL	41104-5373328-7	KAMAL KHAN	0.119	0.799	-	0.918	0.119	0.778	-	0.897
92	GHULAM MOHIUDDIN H.NO 2110 NEAR OLD POWER HOUSE,	GHULAM MOHIUDDIN	452-46-058632	MOHAMMAD JAN PATHAN	1.500	1.001	-	2.501	0.896	0.003	-	0.899
	SHER KHAN B.NO A-1 D-C UNIT NO 7,LITFABAD,HYD.	SHER KHAN	41304-2319817-1	MUHAMMAD JAN PATHAN								
93	MUNAWAR ALI DEH MANGO, BHIRIACITY, N.SHAH	MUNAWAR ALI	432-59-162002	ABDULLAH	0.125	0.614	-	0.739	0.125	0.490	-	0.615
94	MUHAMMED MITHAL DEH DALI POTA, BHIRIACITY, N.SHAH	MUHAMMED MITHAL	444-54-074819	MUHAMMED PARIAL	0.229	0.380	-	0.609	0.229	0.293	-	0.522
95	GHULAM HYDER DAHRI DEH PUBJO, DAULAT PUR N.SHAH	GHULAM HYDER	451-432-033172	RABRAKHIO	0.090	0.716	-	0.806	0.090	0.623	-	0.713
96	MIR MUHAMMAD MANGWANI	MIR MUHAMMAD	463-45-020710	MUHAMMAD SADIK	0.128	0.396	-	0.524	0.128	0.396	-	0.524
97	MST SHAHNAZ JAINDERO JACOBABAD	MST SHAHNAZ	401-45-770330	MUHAMMAD IBRAHIM	0.098	0.440	-	0.539	0.098	0.440	-	0.538
98	DAD MUHAMMED MOHAMMAD PUR GARHI KHAHO	DAD MUHAMMED	405-49-020781	BAHAR KHAN	0.125	0.819	-	0.944	0.125	0.819	-	0.944
99	MST SHAMSHAD BEGUM MEHER SHAH JACOBABAD	MST SHAMSHAD BEGUM	401-75-059638	HAMIND KHAN	0.125	0.505	-	0.630	0.125	0.505	-	0.630
100	GHOUS BUX RUSTAM KHAN JACOBABAD HUSSAIN BUX RUSTAM KHAN JACOBABAD	GHOUS BUX HUSSAIN BUX	401-85-193026 401-87-193024	RASTUM KHAN RASTUM KHAN	0.095	0.698	-	0.792	0.095	0.592	-	0.687

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					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
101	AMANULLAH HAJANO RAZA MOHAMMAD HAJANO	AMANULLAH	40352069396	RAZA MUHAMMAD	0.084	0.722	-	0.806	0.084	0.712	-	0.796
102	KHAN MOHAMMAD GERHI MAKORO RASOOL BUX GERHI MAKORO	KHAN MOHAMMAD	424-85-142265	JUNO KHAN	0.133	0.578	-	0.710	0.133	0.578	-	0.711
103	GUL MUHAMMED KHAN MURAD BHATTI	GUL MUHAMMED KHAN	42460117222	ABDUL KARIM KHAN	0.131	0.400	-	0.531	0.131	0.400	-	0.531
104	JAN GUL THANGO BOZADAR	JAN GUL	427-15-076238	ARAB KHAN	0.098	0.546	-	0.644	0.098	0.546	-	0.644
105	HUSSAIN BUX GOTH METLA	HUSSAIN BUX	422-05-30113071	HOOT KHAN	0.117	0.509	-	0.625	0.117	0.489	-	0.606
	MUHAMMAD BUX GOTH METLA	MUHAMMAD BUX	422-05-30036032	MUHAMMAD SADIQUE								
	GHULAM QADIR GOTH METLO	GHULAM QADIR	422-05-00027118	MUHAMMAD SADIQUE								
106	MST ASHRAF KHATOON CHODIO SADHAYO DEH	MST ASHRAF KHATOON	411-09-064459	HADI BUX	0.081	0.829	-	0.909	0.081	0.829	-	0.910
107	CHODIO JAGI NIAZ AHMED HATHI GATE PANGPEER SHIKARPUR	NIAZ AHMED	411-95-99084866	HAJI ALI MURAD	0.108	0.507	-	0.615	0.108	0.507	-	0.615
108	MEERO KHAN RAHIM WAH HAJI KHAN RAHIM WAH	MEERO KHAN	412-92-79059797	MITHAN KHAN THAHEEM	0.110	0.466	-	0.576	0.110	0.466	-	0.576
109	MOHAMMAD SACHAL HONI	MOHAMMAD SACHAL	412-22-06979999	MIR MOHAMMAD	0.120	0.603	-	0.723	0.120	0.603	-	0.723
110	GAHI KHAN R/O QAIM KHAN	GAHI KHAN	412-38-122668	QAIM KHAN	0.113	0.441	-	0.555	0.113	0.441	-	0.554
111	MUHAMMAD YAKOOB TARO KHAN PO BUXAPUR KASHMIRE	MUHAMMAD YAKOOB	402-53-089883	PISAND KHAN	0.094	1.072	-	1.166	0.094	0.978	-	1.072
	ADAM TARO KHAN PO BUXA PUR KASHMIRE	ADAM	402-53-089883	PISAND								
112	LUTUF ALI NOOR PUR PACHO MOHD LAIQUE KASHMIRE	LUTUF ALI	402-37-03417777	MADA ALI	0.105	0.680	-	0.786	0.105	0.680	-	0.785

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					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
113	MUHAMMAD YOUSAF BACHARO PO TAL THUL	MUHAMMAD YOUSAF	404-80-054444	MIR MUHAMMAD	0.095	0.524	-	0.619	0.095	0.521	-	0.616
114	NIAMATULLAH DHOFO JANIB	NIAMATULLAH	48490010487	ALI MOHAMMAD	0.281	0.268	-	0.549	0.281	0.222	-	0.503
115	MST KALSOOM DING	MST KALSOOM	442-02-96463220	AMANULLAH	0.331	0.379	-	0.710	0.331	0.180	-	0.511
116	MST AMBERUNNISA DING	MST AMBERUNNISA	442-02-42182804	AMANULLAH	0.331	0.319	-	0.651	0.331	0.180	-	0.511
117	MUHAMMAD RASOOL UMER KHAN KILLI PO.PIR ABAD	MUHAMMAD RASOOL	129-44-587455	MIR MAST	0.308	0.634	-	0.942	0.308	0.286	-	0.594
118	MUGHAL KHAN SHAKAR MOORI JAN ALAM AFRIDI DARA ADAMKHEL ATARI	MUGHAL KHAN	129-08-535076	MEHIR DILL KHAN								
	SABIR KHAN DARRAADAM KHAEL KOHAT	SABIR KHAN	159-88-0166613	HAJI SADBAR KHAN								
	SAID WAZIR DARA ADAMKHEL ATARI	SAID WAZIR	137-39-049289	PIRZADA								
119	AZIZ KHAN SHER MAST MIRA KHEL	AZIZ KHAN	155-27-218245	MUHAMAMD KHAN	0.295	0.209	-	0.504	0.295	0.209	-	0.504
120	SULTAN MAHMOOD DHERI JOLAGRAM	SULTAN MAHMOOD	117-39-124343	AJAB KHAN	0.104	0.609	-	0.713	0.104	0.609	-	0.713
121	SHER ZAMAN SHINO BANDA	SHER ZAMAN	109-36-289645	NASAR KHAN	0.133	1.123	-	1.256	0.133	1.064	-	1.197
122	SAMI UR REHMAN BAZAI HOUSE ZARGHOON ROAD QTA	SAMI UR REHMAN	601-53-191780	HAJI MOHAMMAD HUSSAIN	0.396	0.515	-	0.911	0.396	0.119	-	0.515
123	MOHAMMAD SABIR K.GHULAM SARWAR AGHBARG QUETTA	MOHAMMAD SABIR	544-00-03994367	ABDUL RAHMAN	0.480	0.553	-	1.033	0.480	0.124	-	0.604
124	ABDUL WAHAB SHABOZAH	ABDUL WAHAB	609-90-244810	KAMAL	0.283	0.274	-	0.557	0.283	0.274	-	0.557
125	AMANULLAH BAZAR	AMANULLAH	609-84-645657	HAMIDULLAH	0.283	0.511	-	0.794	0.283	0.260	-	0.543

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					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million												
126	M.KHALID KHAN TARWALL	M.KHALID KHAN	612 64 419361	M.HASHIM KHAN	0.332	0.341	-	0.672	0.332	0.189	-	0.521
127	MUHAMMAD IOBAL QILLA NIDA	MUHAMMAD IOBAL	544-00-04043887	AKHTAR MOHAMMAD	0.340	0.503	-	0.843	0.340	0.170	-	0.510
128	ABDUL QAHIR TORA SHAH	ABDUL QAHIR	543-03-20259377	RAZ MOHAMMAD	0.357	0.366	-	0.723	0.357	0.167	-	0.524
129	ABDUL MANEER	ABDUL MANEER	542-03-95967449	ABDUL HAD	0.331	0.294	-	0.625	0.331	0.294	-	0.625
DELSURA KAREZ QILLA ABDULLAH												
130	MUHAMMAD RAHIM DELSARA KAREZ QILLI	MUHAMMAD RAHIM	542-03-76951943	MALIK ABDUL HAD KHAN	0.303	0.268	-	0.570	0.303	0.268	-	0.571
131	FATEH MUHAMMAD MAZAI ADDA	FATEH MUHAMMAD	542-03-80538251	HAJI BARKAT	0.400	0.260	-	0.660	0.400	0.196	-	0.596
132	MUHAMMAD FSSA KILLI ABDUL REHMANZA	MUHAMMAD FSSA	542-02-10948191	H.ABDUL BAQI	0.399	0.312	-	0.711	0.399	0.114	-	0.513
133	RAHIM KHAN SPEZAND TEHSIL DASHT MASTUNG	RAHIM KHAN	544-00-64984355	BANGUL KHAN	0.350	0.210	-	0.560	0.350	0.165	-	0.515
134	MIR MUHAMMAD UMAR HITACHI	MIR MUHAMMAD UMAR	627-41-066426	MIR MASTEE KHAN	0.117	0.404	-	0.521	0.117	0.404	-	0.521
135	MIAN KHAN TOOTAK	MIAN KHAN	627-52-001411	HAJI MIR PIR MOHAMMAD	0.141	0.534	-	0.676	0.141	0.534	-	0.675
136	NABI WARRIS	NABI WARRIS	514-01-98270267	BAKHSI ALI	0.350	0.467	-	0.817	0.350	0.165	-	0.515
NOGHAY TEHSIL BAGHBANA												
137	ATTA MUHAMMAD ABLO NALL	ATTA MUHAMMAD	627 45 027404	MAZAR KHAN	0.400	0.447	-	0.847	0.400	0.125	-	0.525
138	RASOOL BUX GADUK MASHKEL	RASOOL BUX	636 52 041504	MUHAMMED AMIN	0.383	0.481	-	0.863	0.383	0.140	-	0.523
139	ABDUL QAYYUM KHUDAIDADZAI	ABDUL QAYYUM	612-95-19058981	ABDUL BAQI	0.301	0.443	-	0.745	0.301	0.312	-	0.613
140	MUHAMMAD IBRAHIM KAZA	MUHAMMAD IBRAHIM	562-01-15498541	FAIZ MUHAMMAD	0.317	0.263	-	0.580	0.317	0.263	-	0.580
141	MIR KARIM BUKHSH GHINVA	MIR KARIM BUKHSH	522-03-14796179	MIR HASHIM	0.169	0.491	-	0.660	0.169	0.491	-	0.660

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1		3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million												
142	MOULADAD CHALLOO	MOULADAD	522-03-09992409	DIN MUHAMMAD	0.396	0.465	-	0.861	0.396	0.465	-	0.861
143	JADO SEAGAK HOSHAB KECH	JADO	632-22-643005	GHULAM MUHAMMAD	0.315	0.546	-	0.862	0.315	0.546	-	0.861
144	MALIK MIRZA BALGATOR TEH. HOSHAB	MALIK MIRZA	632-41-215127	FAQUIR MUHAMMAD	0.305	0.483	-	0.788	0.305	0.483	-	0.788
145	JUNAD AYOUB CHIB BULEDA	JUNAD AYOUB	522-03-31187705	MUHAMMAD AYOUB	0.433	0.762	-	1.195	0.433	0.762	-	1.195
146	S.TEH.BULEDA KECH GHULAM GOKDAN	GHULAM	832-90-063286	REHMAT	0.218	0.890	-	1.108	0.218	0.890	-	1.108
147	MUHAMMAD IOBAL ZOOR BAZAR	MUHAMMAD IOBAL	632-50-088911	MIR MUHAMMAD ASHRAF	0.172	0.419	-	0.591	0.172	0.419	-	0.591
148	TAJ MUHAMMAD SARI KAHN	TAJ MUHAMMAD	632 90 178612	DOSHAMBY	0.265	0.427	-	0.692	0.265	0.427	-	0.692
149	MUHAMMAD ARIF ABSOR	MUHAMMAD ARIF	632-59-235137	ABDUL REHMAN	0.380	0.259	-	0.639	0.380	0.139	-	0.519
150	HAMID ULLAH DANUK TEH TURBAT DISTT KECH	HAMID ULLAH	522-04-10572379	MOHAMMAD KARIM	0.400	0.327	-	0.727	0.400	0.279	-	0.679
151	LAL KHAN JAHEEN	LAL KHAN	631-33-063215	MIR HAQUE	0.234	0.431	-	0.665	0.234	0.431	-	0.665
152	PEER MOHAMMAD JAHEEN	PEER MOHAMMAD	523-03-86100737	MIR HAQUE	0.206	0.469	-	0.675	0.206	0.469	-	0.675
153	MUHAMMAD NOOR PAROOM	MUHAMMAD NOOR	631-35-073663	DAR MAN	0.463	0.223	-	0.686	0.463	0.223	-	0.686
154	MUHAMMAD YASIN PAROOM	MUHAMMAD YASIN	632-22-323232	MOHAMMAD NOOR	0.059	0.665	-	0.725	0.059	0.665	-	0.724
155	ABDUL GHAFFAR VILLAGE KURAK SIBI	ABDUL GHAFFAR	606-96-19035412	ESSA KHAN	0.054	0.510	-	0.564	0.054	0.510	-	0.564
156	NISAR AHMED SADAR USTO	NISAR AHMED	607-60-103319	ALI MUHAMMAD								
157	GHULAM HYDER SAMEJI	GHULAM HYDER	607-93-087968	FOUJA KHAN								

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1					6	7	8	9	10	11	12	13
					Rupees in million							
156	AZIZULLAH ZOREGARH	AZIZULLAH	607-55-104319	CHUTTA KHAN	0.027	0.530	-	0.557	0.027	0.515	-	0.542
157	ARBAB KHAN JANGDOST	ARBAB KHAN	607-85-028443	MIR KHAN	0.040	0.548	-	0.588	0.040	0.548	-	0.588
158	RAJAB ALI SHAHWASAYA	RAJAB ALI	607-27-162871	BAKSHAN KHAN	0.094	1.073	-	1.167	0.094	0.979	-	1.073
159	SYED ABDUL HAMEED SHAH BHAG	SYED ABDUL HAMEED SHAH	622-36-040447	S.ABDUL MAJEED SHAH	0.050	0.523	-	0.573	0.050	0.522	-	0.572
160	IFTIKHAR UL HASSAN RORAS	IFTIKHAR UL HASSAN	34603-8183818-9	SAFDAR ALI	0.462	0.400	-	0.862	0.462	0.054	-	0.516
161	LIAQAT ALI MUHAMMAD WALA SHREEN JANGHER	LIAQAT ALI	35402-1981211-3	RAJA	0.461	0.669	-	1.130	0.461	0.141	-	0.602
162	SULTAN AHMAD MALWALI T RB	SULTAN AHMAD	35403-4926975-3	SADDAD	0.080	0.874	-	0.954	0.080	0.794	-	0.874
163	ASHIQ HUSSAIN MIAN ALI FAQIRAN	ASHIQ HUSSAIN	294-46-260641	RAJDA	0.099	1.153	-	1.252	0.099	1.045	-	1.144
164	BAKHSIA VEERKEY BATH	BAKHSIA	35404-2011869-1	JHANDA	0.278	0.341	-	0.620	0.278	0.296	-	0.574
165	JUMA KHAN CHANDIA	JUMA KHAN	53404-38095285	ALLAHDINA	0.300	0.566	-	0.866	0.300	0.294	-	0.594
166	SOHNA KHAN CHANDIA	SOHNA KHAN	53404-25483625	ALLAH DINO	0.300	0.426	-	0.726	0.300	0.294	-	0.594
167	GHULAM SHABIR CHANDIA	GHULAM SHABIR	607-42-163737	MUHAMMAD ASGHAR	0.318	0.624	-	0.943	0.318	0.314	-	0.632
168	MUHAMMAD ASLAM CHANDIA	MUHAMMAD ASLAM	53404 63025997	SULTAN	0.319	0.626	-	0.945	0.319	0.315	-	0.634
169	UMAR DRAZ 186 GB	UMAR DRAZ	253-5740543-7	GUL SHER	0.315	0.336	-	0.651	0.315	0.205	-	0.520
170	NOOR MUHAMAD C/O ROSHAN BURIRO R/O PO BHAN	NOOR MUHAMAD	465-85-106949	GHULAM HUSSAIN	0.347	0.648	-	0.996	0.347	0.284	-	0.631
171	PARVEZ H.N.84 KHOJA/C/BEH CEN JAIL	PARVEZ	449-59-333752	RAJAB ALI	0.098	1.001	-	1.099	0.098	0.922	-	1.020
172	GHULAMULLAH DEH KHATORI	GHULAMULLAH	99453-85172943	HAJI ILLAHI BUX	0.145	0.607	-	0.752	0.145	0.607	-	0.752
173	HAKUM Jhang	HAKUM	261-55-169282	MAHNI	0.324	0.326	-	0.649	0.324	0.179	-	0.503
174	GHULAM QADIR GADANI	GHULAM QADIR	540-22-674921	DODA	0.227	0.304	-	0.531	0.227	0.304	-	0.531

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
175	HASSAN ALI BROHI C-VI-265 GIZRI	HASSAN ALI BROHI	510-66-287765	MOHAMMAD ASLAM BROHI	0.461	0.361	-	0.822	0.461	0.346	-	0.807
176	MOHAMMAD OASIM GHAZI	MOHAMMAD OASIM	403-37-064841	SHER ALI KHAN	0.076	0.964	-	1.041	0.076	0.886	-	0.962
177	MAQBOOL AHMED KHARIRO	MAQBOOL AHMED	403-65-187990	NAJAMUDDIN	0.084	0.706	-	0.790	0.084	0.706	-	0.790
178	MOHAMMAD SADIQ WARAH	MOHAMMAD SADIQ	424-48-034865	ABDUL REHAMN	0.099	0.923	-	1.022	0.099	0.840	-	0.939
179	MST.KHAIR UNISA KANDH KOT	MST.KHAIR UNISA	403-31-028611	MUHD RAMZAN	0.079	0.677	-	0.756	0.079	0.641	-	0.720
180	MOHD AKRAM NOOR PUR PACHO	MOHD AKRAM	402-35-088425	MADADA LAI	0.083	0.732	-	0.815	0.083	0.732	-	0.815
181	MST HAKIM ZADI MEHER SHAH JACOBABAD	MST HAKIM ZADI	401-19-038046	HAMID KHANA	0.090	0.416	-	0.506	0.090	0.416	-	0.506
182	ABDUL MAJEED DEH SONO DARO VIL MOHD KHAN BU	ABDUL MAJEED	411-06-084577	KHAN MUHAMMAD	0.105	0.761	-	0.866	0.105	0.713	-	0.818
183	ATTAULLAH SALGHANI	ATTAULLAH	403-91-249226	LALI KHAN	0.271	0.526	-	0.797	0.271	0.252	-	0.523
184	GHULAM MURTAZA TANDO MITHA KHAN	GHULAM MURTAZA	484-89-181093	HAJI ALI SHER SHAH	0.256	0.251	-	0.507	0.256	0.251	-	0.507
185	NAWAZ ALI KANGNI P.O.KHAI TAL.KHIPRO	NAWAZ ALI	475-42-061291	MIR MOHAMMED	0.087	0.633	-	0.720	0.087	0.597	-	0.684
186	MUHAMMAD AJMAL KHAN KHEROR PACCA	MUHAMMAD AJMAL KHAN	280 55 110112	HAJI KABIR KHAN	0.322	0.264	-	0.586	0.322	0.180	-	0.502
187	MAQSOOD BIBI JOKE GAMOON KHAN WAH	MAQSOOD BIBI	322-30-331892	SADAT HUSSAIN	0.479	0.078	-	0.557	0.479	0.053	-	0.532
188	ASHIQ HUSSAIN RABNAWAZ	ASHIQ HUSSAIN	344 45 075370	KARIM BUX	0.371	0.467	-	0.838	0.371	0.232	-	0.603
189	RABNAWAZ KHANO SHUMALI BOHAR MAIL SI	RABNAWAZ	326 45 013403	GHULAM HASSAN	0.475	0.101	-	0.576	0.475	0.063	-	0.538
190	MUMTAZ HUSSAIN	MUMTAZ HUSSAIN	326 85 105383	MUHAMMAD BUX	0.475	0.354	-	0.829	0.475	0.104	-	0.579
191	MST.SAMINA MOUZA NAU QABIL WAH	MST.SAMINA	326-85-063680	GHULAM MURTAZA	0.292	0.316	-	0.608	0.292	0.230	-	0.522
192	FIDA HUSSAIN CHOWKI RANJO KHAN	FIDA HUSSAIN	326-45-196177	ALLAH DEWAYA	0.274	0.373	-	0.647	0.274	0.244	-	0.518
193	RANA MOHAMMAD AYUB NIKABIL WAH	RANA MOHAMMAD AYUB	326-27-536648	GHULAM ROJAN	0.395	0.659	-	1.054	0.395	0.239	-	0.634
194	ALTAF HUSSAIN NOAKABLE WAH	ALTAF HUSSAIN	344-56-208333	ZULFIOAR	0.400	0.650	-	1.049	0.400	0.217	-	0.617

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
195	HUJI AKBAR KHAJI WALA	HUJI AKBAR	326-91-710411	RANAN ABDUL RAZAO	0.354	0.475	-	0.829	0.354	0.155	-	0.509
196	MST NAWAB BEGUM MARI BAGHOO KHAN	MST NAWAB BEGUM	326-32-011444	SHAM MUHAMMAD	0.357	0.251	-	0.608	0.356	0.183	-	0.539
197	RANA MOEEN FAREED NOQABIL WAH	RANA MOEEN FAREED	326-74-773604	RANA RABNAWAZ	0.499	0.565	-	1.064	0.495	0.023	-	0.518
198	RIAZ AHMED NORAJA BHUTTA	RIAZ AHMED	36301-8445009-9	NAZIR AHMED	0.451	0.562	-	1.013	0.437	0.070	-	0.507
199	ZAIB UN NISSA LABER	ZAIB UN NISSA	323-55-220801	MUHAMMAD SALEEM	0.474	0.679	-	1.153	0.474	0.179	-	0.653
200	AFTAB AHAMD BHUTTA PUR	AFTAB AHAMD	315-61-308521	GUL MUHAMMAD	0.500	0.433	-	0.932	0.500	0.259	-	0.759
201	AFTAB AHMED BHUTTA PUR	AFTAB AHMED	315-61-308521	GUL MUHAMMAD	0.462	0.281	-	0.743	0.462	0.087	-	0.549
202	KARAM KHAN KAROOCHO	KARAM KHAN	43394-89206867	SUHRAB	0.246	0.532	-	0.777	0.246	0.292	-	0.538
203	OURBAN ALI SHAH KALRI	OURBAN ALI SHAH	486-55-294773	FAIZUDDIN SHAH	0.309	0.230	-	0.539	0.309	0.211	-	0.520
204	MST SHAMEEM AKHTAR PANDAT MANFOOL PUR	MST SHAMEEM AKHTAR	336-49-006476	MOHAMMAD JAFAR	0.408	0.793	-	1.201	0.408	0.385	-	0.793
205	MST.ASHRAFO BALO KHELL BALA P.O BADA BER	MST.ASHRAFO	137-29-434791	SHER MOHAMMAD	0.303	0.599	-	0.902	0.303	0.296	-	0.599
206	ABDUL HAKEEM DARAADAMKHEL ATTRIWAL	ABDUL HAKEEM	143-58-000535	DAD SHER	0.293	0.462	-	0.755	0.293	0.248	-	0.541
207	MUMTAZ KHAN DARAADAMKHEL BALKI KHEL	MUMTAZ KHAN	159-8900407-6	ABDUL MALIK	0.329	0.600	-	0.929	0.320	0.311	-	0.631
208	MOHAMMAD YOUSAF NADEEM ATTA GENRAL STORE JINNAH RD KZ	MOHAMMAD YOUSAF NADEEM	627-55-010010	MIR ABDULLAH	0.097	0.919	-	1.016	0.097	0.839	-	0.936
209	HIDAYAT ULLAH JANGLE DUKI	HIDAYAT ULLAH	609-41-051433	SARDAR MOHD HASHIM KHAN	0.109	0.573	-	0.682	0.109	0.567	-	0.676
210	MALIK ALLAH DAD KHAN MARIANZAI	MALIK ALLAH DAD KHAN	56301-1071161-5	MALIK MIR KHAN	0.200	1.540	-	1.740	0.200	1.408	-	1.608
211	ASSAD ULLAH BADRI TEHSIL WADH KHUZDAR	ASSAD ULLAH	627-42-008447	MURAD MUHAMMAD	0.400	0.662	-	1.061	0.400	0.279	-	0.679
212	AZIZ AHMED KILLI HASHIM KHAN DALBANDIN	AZIZ AHMED	54101-0121070-3	ALLAH BUKHSH	0.350	0.250	-	0.600	0.350	0.178	-	0.528

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
213	AMIR MUHAMMAD KHAN DASHT-E GORAN CHAGAI KHAN	AMIR MUHAMMAD KHAN	54101-9712208-1	H.MUHAMMAD ALI KHAN	0.447	0.475	-	0.922	0.447	0.087	-	0.534
214	JUMA KHAN KAN MATHERZAI	JUMA KHAN	56202-7122738-1	ABDDAL	0.242	0.408	-	0.650	0.242	0.263	-	0.505
215	TARAKY PARAI MALA LORAI	TARAKY	56302-0850987-7	RASHMIN KHAN	0.278	0.443	-	0.721	0.278	0.295	-	0.573
216	ABDUL SALAM NASIMUSLIM BAGH	ABDUL SALAM	56202-0851947-7	NOOR MOHAMMAD	0.281	0.501	-	0.782	0.281	0.286	-	0.567
217	JALAL UDDIN ZIRAT	JALAL UDDIN	55401-5048523-1	NOOR MUHAMMAD	0.315	0.430	-	0.746	0.315	0.203	-	0.518
218	MOHD HANIF KHAN MATHERZAI	MOHD HANIF	56202-6721713-9	MOHD GUL	0.277	0.257	-	0.534	0.277	0.255	-	0.532
219	ABDUL GHAFOR KAWAS	ABDUL GHAFOR	55401-5048523-1	RAHIM DIL	0.534	0.620	-	1.154	0.524	0.150	-	0.674
220	MUNIR AHMAD CHARI	MUNIR AHMAD	606-73-003198	AKHTER MUHAMMAD	0.450	0.512	-	0.962	0.450	0.060	-	0.510
221	HAFEEZ ULLAH QADRI MEDICAL STORE NUSHKI	HAFEEZ ULLAH	54102-1551552-7	ABDUL MANAN	0.391	0.431	-	0.822	0.391	0.201	-	0.592
222	SHAMSUDDIN QILLA SAIFULLAH	SHAMSUDDIN	612-90-276260	AMEERUDDIN	0.272	0.447	-	0.719	0.272	0.290	-	0.562
223	ABDUL SATAR DIL MURAD MAHNARI	ABDUL SATAR	627-5125701-2	KHALIL UR RAHMAN	0.245	0.398	-	0.643	0.245	0.272	-	0.517
224	GHULAM MOHAMMAD KUCHLAK	GHULAM MOHAMMAD	602-91-429730	GULMIR KHAN	0.322	0.317	-	0.639	0.322	0.191	-	0.513
225	MUHAMMAD MURRAD ABI NOGHAY BAGHBANA KHUZDAR	MUHAMMAD MURRAD	627-46-204292	ALI MUHAMMAD	0.383	0.587	-	0.970	0.383	0.201	-	0.584
226	SALEH MUHAMMAD GHULAM PRENZ TEHSIL MASTUNG	SALEH MUHAMMAD	626-47-031736	MISRI KHAN	0.319	0.495	-	0.813	0.319	0.305	-	0.624
227	HABIB UR REHMAN LIDI DASHT KIRDGAP	HABIB UR REHMAN	51201-1608450-7	HUJI GHULAM JAN	0.350	0.577	-	0.927	0.350	0.246	-	0.596
228	TAIMOOR KHAN LIDDI DAST KIRDGAP T D MASTUNG	TAIMOOR KHAN	51602-8342443-7	HUSSAIN BUX	0.380	0.574	-	0.954	0.380	0.226	-	0.606
229	MOULA BUX LIDDI DASHT KIRDGAP	MOULA BUX	51201-1599176-9	DOST ALI	0.350	0.551	-	0.901	0.350	0.198	-	0.548
230	ABDUL MADAD FARAKHI PSHIN	ABDUL MADAD	604-8811689-8	H.ABDUL BASEER	0.301	0.444	-	0.745	0.301	0.265	-	0.566

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
..... Rupees in million												
231	MUHAMMAD WARIS GHULAM PARANZ TEHSIL MASTUNG	MUHAMMAD WARIS	621-46-045419	ATTA MUHAMMAD KHAN	0.380	0.553	-	0.933	0.380	0.170	-	0.550
232	ABDUL RAZIQ MALEZAI PISHIN	ABDUL RAZIQ	602-40-220040	SHER MUHAMMAD	0.400	0.325	-	0.725	0.400	0.113	-	0.513
233	SYED MUHAMMAD USMAN KILLI INYAT KAREZ PISHIN	SYED MUHAMMAD USMAN	602-52-328942	SYED MUHAMMAD UMER	0.493	0.212	-	0.705	0.493	0.034	-	0.527
234	HASINA BIBI RANG PUR	HASINA BIBI	360-52-254424	IRSHAD HUSSAIN	0.522	0.119	-	0.641	0.522	0.119	-	0.641
235	ZAFAR ALI HAMANRAT TESIL ARIFWALA PAKPATAN	ZAFAR ALI	338-57-320935	MOHD YAR	0.477	0.648	-	1.125	0.439	0.080	-	0.519
236	GHULAM RAUF SHAH KHAGGA	GHULAM RAUF	337-87-013977	MOHD YOUSAF	0.531	0.548	-	1.079	0.531	0.087	-	0.618
237	NASIR ALI KOT MOHABAT	NASIR ALI	289-86-508956	FATEH SHER	0.500	0.683	-	1.183	0.500	0.133	-	0.633
238	SABIHA FAZIL	SABIHA FAZIL	296-42-008631	M FAZIL	0.051	0.939	-	0.990	0.051	0.889	-	0.940
239	37 MCLEOD ROAD LAHORE GUL SHER D ARBELO NUNDHI	GUL SHER D ARBELO	45104-49024879	NANGO	0.334	0.191	-	0.525	0.334	0.187	-	0.521
240	HABIB ULLAH WGAWADAR	HABIB ULLAH	521010142147-3	MUHAMMAD KHAN	0.313	0.434	-	0.748	0.313	0.335	-	0.648
241	MST ZAFARAN BIBI KHICHI	MST ZAFARAN BIBI	324-86-538683	MUHAMMAD ZUBAIR	0.461	0.487	-	0.948	0.461	0.045	-	0.506
242	MUSHTAQ HUSSAIN SHER GARH	MUSHTAQ HUSSAIN	325-59-379988	NOOR MUHAMMAD	0.814	0.272	-	1.086	0.814	0.112	-	0.926
243	MST ATTA ELAHI HUSSAN SHAH	MST ATTA ELAHI	325-43-072826	HUSSAN SHAH	0.467	0.206	-	0.673	0.467	0.080	-	0.547
244	MST FURDOS BAGUM SHATAB GARH	MST FURDOS BAGUM	325-57-019527	SHOKAT HAYAT KHAN	0.498	0.602	-	1.100	0.498	0.075	-	0.573

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/s husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)	
					Principal	Interest	Others	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13	
					 Rupees in million							
245	MST. NASREEN MAI SHER GARH	MST. NASREEN MAI	325-90-463139	MUSHTAQ HUSSAIN KHAN	0.900	0.520	-	1.420	0.754	-	-	0.754	
246	ALLAH YAR KHAN DHODHA	ALLAH YAR KHAN	325-26-275302	SHAH MUHAMMAD KHAN	0.602	0.531	-	1.133	0.602	0.273	-	0.875	
247	MUHAMMAD GHALIB SULTAN MAKKAL	MUHAMMAD GHALIB SULTAN	262-90-351535	SULTAN KHIZER HAYAT	0.350	0.156	-	0.506	0.350	0.156	-	0.506	
248	HAQ NAWAZ FADDA	HAQ NAWAZ	325-90-174782	MEHR JAN	0.500	0.365	-	0.865	0.500	0.015	-	0.515	
249	MUHAMMAD JAHANZEB KHAN SHAMAN	MUHAMMAD JAHANZEB KHAN	325-81-549270	SAFDAR HUSSAIN KHAN	0.813	0.564	-	1.377	0.548	-	-	0.548	
250	MOHAMMAD ABDUL HAMEED F 54 MARTAN QUARTER KARACHI 2.988	MOHAMMAD ABDUL HAMEED	51683063340	ANWAR AHMED	3.416	4.485	-	7.901	-	2.988	-	2.988	
251	AHMED BUKSH JALAPUR PEERWALA	AHMAD BUKSH	327 50 502164	GHULAM MUHAMMAD	0.614	0.673	-	1.287	0.530	-	-	0.530	
252	NAZAR HUSSAIN USTA MUHAMMAD	NAZAR HUSSAIN	53404 63865421	ALLA DITTA	0.315	0.595	-	0.910	0.019	0.595	-	0.614	
					86.715	154.711	-	241.430	81.535	114.320	-	195.855	

CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITORS' REPORT TO THE MEMBERS

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

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

In our opinion, the consolidated financial statements present fairly the financial position of Zarai Taraqiati Bank Limited and its subsidiary company as at December 31, 2015 and the results of their operations for the year then ended.

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

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

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

BDO EBRAHIM & CO.
 CHARTERED ACCOUNTANTS

Engagement partner:
 Abdul Qadeer

DATED: MARCH 31, 2016
 ISLAMABAD

RIAZ AHMAD & COMPANY
 CHARTERED ACCOUNTANTS

Engagement partner:
 Atif Bin Arshad

DATED: MARCH 31, 2016
 ISLAMABAD

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

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

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

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

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

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

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

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

PRESIDENT DIRECTOR DIRECTOR DIRECTOR

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

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

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

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

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

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

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

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

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

1. THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding company

- Zarai Taraqiati Bank Limited

Subsidiary company

Kissan Support Services (Private) Limited

1.1 Zarai Taraqiati Bank Limited ("the Bank")

(a) Reorganization and conversion

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

(b) Status

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

(c) Nature of business

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

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

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

2 BASIS OF PRESENTATION

2.1 These consolidated financial statements include the financial statements of Zarai Taraqiati Bank Limited and its subsidiary company.

2.2 The State Bank of Pakistan (SBP) vide Banking Surveillance Department (BSD) Circular No. 4 dated February 17, 2006 has issued 'Revised forms of Annual Financial Statements. These unconsolidated financial statements have been presented in accordance with such revised form.

3 STATEMENT OF COMPLIANCE

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

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" on banks through SRO 411(1)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various Circulars.

3.3 IFRS 8, 'Operating Segments' is effective for the Group's accounting period beginning on or after January 01, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. The management of the Group believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these consolidated financial statements is based on the requirements laid down by the SBP.

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

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

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

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

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

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

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

		Effective date (annual periods beginning on or after)
IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	July 1, 2014

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2015 are as follows:

Annual Improvements to IFRSs (2010 – 2012) Cycle:

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

Annual Improvements to IFRSs (2011 – 2013 Cycle):

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

4.3 Amendments not yet effective

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

		Effective date (annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture and application of the consolidation exception	January 01, 2016

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

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

Annual Improvements to IFRSs (2012 – 2014) Cycle:

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

4.4 Standards or interpretations not yet effective

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

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

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

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

5 BASIS OF MEASUREMENT

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

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Basis of consolidation

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

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

6.2 Staff retirement benefits

Zarai Taraqati Bank Limited

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

a) Pension scheme

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

b) Gratuity scheme

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

c) Provident fund scheme

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

d) Benevolent scheme

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

e) Post retirement medical benefits

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

f) Employees compensated absences

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

Kissan Support Services (Private) Limited

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

Unfunded medical benefits

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

Gratuity scheme

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

6.3 Cash and cash equivalents

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

6.4 Advances

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

6.5 Investments

The Group classifies its investments as follows:

Held-for-trading

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

Held-to-maturity

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

Available-for-sale

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

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

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

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

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

Investments in Associates

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

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

6.6 Operating fixed assets and depreciation / amortization

Property and equipment

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

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

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

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

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

Capital work in progress

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

6.7 Intangible assets

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

6.8 Impairment

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

6.9 Assets acquired in satisfaction of claims

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

6.10 Taxation

Current

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

Deferred

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. The Group also recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'. The related deferred tax asset / liability is adjusted against the related deficit / surplus.

Prior years

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

6.11 Borrowings / deposits and their costs

Borrowings / deposits are recorded at the proceeds received.

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

6.12 Sale and repurchase agreements

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

6.13 Revenue recognition

Zarai Taraqiati Bank Limited

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

Fee, brokerage and commission income is recognized on accrual basis

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

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

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

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

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

Kissan Support Services (Private) Limited

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

6.14 Provisions

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

6.15 Foreign currencies

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

6.16 Financial instruments

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

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

Financial assets

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

Financial liabilities

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

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

Impairment – financial assets

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

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

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

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

6.17 Offsetting

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

6.18 Fair value measurement

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

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

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

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

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

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

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

6.19 Dividend distribution and appropriation

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

6.20 Earnings per share

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

6.21 Segment reporting

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

6.22 Related party transactions

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

6.23 Other payables

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

6.24 Other receivables

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

6.25 Mark-up bearing borrowings

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

6.26 Statutory reserve

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

6.27 Cash reserve requirement

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

6.28 Grants

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

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

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

6.29 Contingencies

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

6.30 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates and judgments. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies described in notes are as follows:

a) Classification of investments

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

b) Provision against advances

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

c) Defined benefit plans

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

d) Operating fixed assets

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

e) Impairment

Impairment of available for sale equity investments

Available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price.

Impairment of investments in associates

The Group considers that a decline in the recoverable value of investment in associates below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value and is charged to the consolidated profit and loss account.

Impairment of non-financial assets (excluding deferred tax)

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

- f) **Taxation**
In making the estimates for income tax currently payable by the Group, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred tax, estimates of the Group's future taxable profits are taken into account.
- g) **Provision and contingent liabilities**
The management exercises judgment in measuring and recognizing provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.
- h) **Provision for doubtful receivables**
The carrying amount of trade and other receivables are assessed on regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.
- 6.31 **Trade debts**
Trade debts originated by the company are recognized and carried at original invoice amount less provision for any uncollectible amounts. Provision for doubtful debt is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written off when identified.
- 6.32 **Borrowing**
Loans and borrowings are recorded at the proceeds received. Mark up, interest and other borrowing costs are charged to income in the period in which they are incurred.
- Borrowing cost on long term finances which are specifically obtained for the acquisition of qualifying assets (plant and machinery) are capitalized up to the date of commencement of commercial production on the respective assets. All other borrowing costs are charged to consolidated profit and loss account in the period in which these are incurred.
- 6.33 **Trade and other payables**
Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.
- 6.34 **Exceptional items**
Exceptional items are disclosed separately in the consolidated financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

	Note	2015	2014	
		Rupees in '000		
7 CASH AND BALANCES WITH TREASURY BANKS				
Local currency				
In hand		878,374	1,648,193	
Prize bonds		1,956	1,246	
In current accounts with:				
State Bank of Pakistan (SBP)	7.1	1,192,200	2,452,692	
National Bank of Pakistan		2	2	
		1,192,202	2,452,694	
In deposit accounts with:				
National Bank of Pakistan	7.2	443,806	389,258	
		2,516,338	4,491,391	
7.1 This represents current accounts maintained with the SBP under the cash reserve requirement of the Banking Companies Ordinance, 1962.				
7.2 These carry mark-up at the rate 4.25% per annum (2014: 6.50% per annum).				
	Note	2015	2014	
		Rupees in '000		
8 BALANCES WITH OTHER BANKS				
In Pakistan - local currency:				
In current accounts		14,585	35,036	
In deposit accounts	8.1	16,728,113	5,878,519	
		16,742,698	5,913,555	
8.1 These carry mark-up rates ranging from 4.25% to 7.50% per annum (2014: 6.50% to 10.25% per annum).				
	Note	2015	2014	
		Rupees in '000		
9 LENDINGS TO FINANCIAL INSTITUTIONS				
Call money lendings		-	-	
Repurchase agreement lendings	9.2	-	820,190	
		-	820,190	
9.1 Particulars of lendings				
In local currency		-	820,190	
In foreign currencies		-	-	
		-	820,190	
9.2 These carry mark-up at the rate of Nil (2014: 10.25% per annum).				
9.3 Securities held as collateral against lendings to financial institutions				
		2015	2014	
		Held by Bank	Further given as collateral	Total
		Rupees in '000		
Market Treasury Bills		-	-	-
		-	-	-
		820,190	-	820,190
		820,190	-	820,190

10 INVESTMENTS - NET

10.1 Investments by types

Note	2015		2014	
	Held by Bank	Given as collateral	Total	Given as collateral
	Rupees in '000			
Available-for-sale securities				
Market Treasury Bills	3,695,161	947,658	4,642,819	15,021,572
Shares in listed companies	89,296	-	89,296	90,031
Shares in unlisted companies	10,523	-	10,523	10,523
Pakistan Investment Bonds	688,524	4,938,229	5,626,753	4,170,348
Term Finance Certificates	39,960	-	39,960	39,976
	4,523,464	5,885,887	10,409,351	19,332,450
Held-to-maturity securities				
Market Treasury Bills	4,278,611	-	4,278,611	3,223,265
Sukuk Bonds	-	-	-	812,431
Pakistan Investment Bonds	1,647,553	-	1,647,553	890,399
	5,926,164	-	5,926,164	4,926,095
Investments at cost	10,449,628	5,885,887	16,335,515	24,258,545
Provision for diminution in value of investments	(10,523)	-	(10,523)	(11,258)
Investments (net of provisions)	10,439,105	5,885,887	16,324,992	24,247,287
Surplus on revaluation of available-for-sale securities - net	3,311,095	29,562	3,340,657	4,019,978
Investments at revalued amounts (net of provisions)	13,750,200	5,915,449	19,665,649	28,267,265
				970,050
				29,237,315

	Note	2015	2014	
		Rupees in '000		
10.2	Investments by segments			
	Federal Government Securities:			
	Market Treasury Bills	10.6	8,921,430	19,214,186
	Sukuk Bonds	10.7	-	812,431
	Pakistan Investment Bonds	10.8	7,274,306	5,060,747
			16,195,736	25,087,364
	Fully paid-up ordinary shares:			
	Listed companies	10.4	89,296	90,031
	Un-listed companies	10.5	10,523	10,523
			99,819	100,554
	Other investments			
	Term Finance Certificates - listed	10.9	39,960	39,976
	Total investments at cost		16,335,515	25,227,894
	Provision for diminution in value of investments	10.3	(10,523)	(11,258)
	Investments (net of provisions)		16,324,992	25,216,636
	Surplus on revaluation of available-for-sale securities	22	3,340,657	4,020,679
	Total investments at carrying value		19,665,649	29,237,315
10.3	Particulars of provision for diminution in value of investments			
	Opening balance		11,258	11,258
	Charge for the year		-	-
	Written-off		(735)	-
	Closing balance		10,523	11,258
10.3.1	Particulars of provision in respect of type and segment			
	Available-for-sale securities - listed securities		-	735
	Available-for-sale securities - un-listed securities		10,523	10,523
			10,523	11,258
10.4	Particulars of investments held in listed companies			

10.4.2 Mubarik Dairies Limited is in the process of liquidation under the Companies Ordinance, 1984 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. Trading in shares of Mubarik Dairies Limited is under suspension since February 2012. At the date of suspension, market value per share was Rs. 0.52 against its face value of Rs. 10 per share. During the year this investment has been written off in these consolidated financial statements.

10.4.3 Dadabhoy Agricultural Leasing Limited is in the process of liquidation under the Companies Ordinance, 1984 and there is no probability of any recovery of amount invested on final settlement. This investment had been fully provided for in prior years. During the year this investment has been written off in these consolidated financial statements.

10.4.4 Market value of listed investments is Rs. 3,358.298 million (2014: Rs. 3,918.014 million).

10.5 Particulars of investments held in un-listed companies

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

10.5.1 Due to negative break up value, this investment has been fully provided for in these consolidated financial statements.

10.5.2 Saudi Pak Kala Bagh Livestock Limited has defaulted in the repayment of loan obtained from the Bank and the case has been referred to National Accountability Bureau. During the year this investment has been written off in these consolidated financial statements.

10.5.3 Larkana Sugar Mills Limited is in the process of liquidation since February 2000 and there is no probability of any recovery of amount invested on final settlement. This investment was fully provided. During the year this investment has been written off in these financial statements.

10.5.4 Investment in Larkana Sugar Mills Limited, Saudi Pak Kala Bagh Livestock Limited, Pakistan Agricultural Storages and Services Corporation Limited were transferred to the Bank at the time of conversion of ADBP into the Bank at nominal value of Rs. 01 each.

10.5.5 Cost of unlisted investments is Rs. 10.523 million (2014: Rs. 10.523 million) and face value of investments in unlisted shares is Rs. 21.591 million (2014: Rs. 21.591 million).

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

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

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

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

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

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

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

10.9 Particulars of investments in Term Finance Certificates

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

10.10 Quality of Available-for-Sale securities

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

Note 2015
Rupees in '000

11 ADVANCES - NET

Loans, etc.					
In Pakistan - gross	11.1	134,692,046	115,495,766		
Less:					
- Provision against non-performing advances	11.2	(5,111,238)	(6,919,999)		
- Provision against staff advances		(28,064)	(21,809)		
		(5,139,302)	(6,941,808)		
		129,552,744	108,553,958		
Advances - net of provision		134,692,046	115,495,766		
Particulars of advances (gross)					
11.1.1 In local currency		76,144,132	66,699,624		
11.1.2 Short term		58,547,914	48,796,142		
Long term		134,692,046	115,495,766		

11.2 Advances include Rs. 16,524.468 million (2014: Rs. 18,663.722 million) which have been placed under non-performing status as detailed below:

Category of classification	2015				2014			
	..... Rupees in '000 .....		..... Rupees in '000 .....		..... Rupees in '000 .....		..... Rupees in '000	
	Classified advances	Provision required	Provision held	Classified advances	Provision required	Provision held	Classified advances	Provision held
		Domestic			Domestic			
Other assets especially mentioned	11,657,786	-	-	11,279,270	-	-	-	-
Substandard	2,262,169	452,429	452,429	2,774,219	554,840	554,840	554,840	554,840
Doubtful	1,891,406	945,702	945,702	2,490,127	1,245,053	1,245,053	1,245,053	1,245,053
Loss	713,107	713,107	713,107	2,120,106	2,120,106	2,120,106	2,120,106	2,120,106
	16,524,468	2,111,238	2,111,238	18,663,722	3,919,999	3,919,999	3,919,999	3,919,999
Provision under portfolio audit - general	-	-	3,000,000	-	-	3,000,000	-	3,000,000
	16,524,468	2,111,238	5,111,238	18,663,722	3,919,999	6,919,999	18,663,722	6,919,999

11.3 Particulars of provision against non-performing advances

	2015				2014			
	..... Rupees in '000 .....		..... Rupees in '000 .....		..... Rupees in '000 .....		..... Rupees in '000	
	Specific	General	Total	Specific	General	Total	Specific	Total
Opening balance	3,919,999	3,000,000	6,919,999	3,896,440	3,000,000	6,896,440		
Charge for the year	3,260,103	-	3,260,103	5,223,911	-	5,223,911		
Reversals	(3,839,467)	-	(3,839,467)	(3,848,023)	-	(3,848,023)		
	(579,364)	-	(579,364)	1,375,888	-	1,375,888		
Amounts written off (Note 11.4)	-	-	-	-	-	-		
Amounts charged off (Note 11.5)	(1,229,397)	-	(1,229,397)	(1,352,329)	-	(1,352,329)		
Closing balance	2,111,238	3,000,000	5,111,238	3,919,999	3,000,000	6,919,999		

11.3.1 Particulars of provision against non-performing advances

	2015				2014			
	..... Rupees in '000 .....		..... Rupees in '000 .....		..... Rupees in '000 .....		..... Rupees in '000	
	Specific	General	Total	Specific	General	Total	Specific	Total
In local currency	2,111,238	3,000,000	5,111,238	3,919,999	3,000,000	6,919,999		

11.3.2 Regulations R-11, R-12, R-13 and R-15 of the Prudential Regulations for Agriculture prescribe minimum standards for classification and provisioning of non-performing loans. As per the time based criteria given in the aforesaid Regulations, provision against non-performing loans is to be made at a given percentage of the difference resulting from the outstanding balance of principal less the amount of realizable liquid assets and a given percentage of the value of mortgaged lands and buildings at the time of sanction of the loans. However, as a matter of prudence the Bank has not availed the benefit of allowed value of mortgaged lands and buildings while computing the provision against non-performing loans.

11.3.3 In addition to the time based criteria, the Bank has classified loans and advances amounting to Rs. 26.141 million (2014: Rs. 1,679.524 million) on the basis of credit worthiness of the borrowers in accordance with the subjective criteria of the Prudential Regulations for Agriculture Financing.

11.3.4 Provision against non-performing loans and advances - net

Provision against non-performing loans and advances	11.3	(579,364)	1,375,888		
Provision against staff advances		6,254	5,436		
		(573,110)	1,381,324		

	Note	2015	2014
		Rupees in '000	
11.4	Particulars of write offs		
11.4.1	Against provisions	-	-
	Write offs of Rupees 500,000 and above	-	-
	Write offs of below Rupees 500,000	-	-
11.5	Particulars of charged off		
11.5.1	Against provisions	1,229,397	1,352,329
11.5.2	Charge offs of Rupees 500,000 and above	-	-
	Charge offs of below Rupees 500,000	1,229,397	1,352,329
11.6	Details of write offs of Rupees 500,000 and above		
In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year have to be disclosed. However, this write off does not effect the Bank's right to recover debts from these customers. During the year ended December 31, 2015, no write-off or any other financial relief of five hundred thousand rupees or above was allowed to any person(s).			
11.7	Particulars of charged off		
In terms of Prudential Regulations for Agricultural Financing - Part B (specific regulations) the Bank extinguishes its loans through provisions. The total balance for these off-balance sheet loans extinguished against provisions as at December 31, 2015 was Rs. 22,467 million (Rs. 25,741 million as at December 31, 2014) with an addition of Rs. 1,229 million (Rs. 1,352 million for the year ended December 31, 2014) as charge off loans during the year. Detail of charge offs out of extinguished loan portfolio exceeding five hundred thousand rupees is given at Annexure-I.			
11.8	Particulars of loans and advances to directors, executives and officers		
Debts due by the directors, executives and officers of the Bank or any of them either severally or jointly with other persons:			
	Note	2015	2014
		Rupees in '000	
	Balance at the beginning of year	1,690,246	1,698,988
	Loans granted during the year	502,817	298,812
		2,193,063	1,997,800
	Repayments	(479,110)	(307,554)
	Balance at the end of year	1,713,953	1,690,246
12	OPERATING FIXED ASSETS		
	Capital work-in-progress	299,821	213,711
	Property and equipment	1,805,596	1,370,336
	Intangible assets	12	103
		2,105,429	1,584,150

	Note	Opening balances	Additions	Transferred	Closing balances
		Rupees in '000			
12.1.1		195,216	17,383	-	212,599
12.1.2		1,270	-	-	1,270
		150	66,992	-	67,142
		13,547	1,735	-	15,282
		3,528	-	-	3,528
		213,711	86,110	-	299,821
		399,850	42,748	228,867	213,731
12.1.1	Subsequent to the balance sheet date amounting to Rs. 211.169 million building and related cost have been capitalized upon completion of the building and is available for use.				
12.1.2	This includes an amount of Rs. 66.992 million (2014: Nil) which has been given as advance to suppliers for vehicles.				
12.2	Property and equipment				
	Description	At January 01	At January 01	At December 31	Annual rate of Depreciation
Year ended December 31, 2015					
Land - Freehold		221,895	669	222,564	-
Land - Leasehold		15,139	-	15,139	Lease terms for 33 to 99 years
Buildings on freehold land		333,278	4,467	337,745	5%
Buildings on leasehold land		360,559	5,455	366,014	5%
Buildings on leasehold land - ADB		21,224	-	21,224	5%
Furniture and fixtures		182,112	133,634	315,746	10% / 20%
Computer, office and other equipment		503,440	193,705	697,145	20% / 33.33%
Computer, office and other equipment - ADB		157,519	-	157,519	20% / 33.33%
Vehicles		1,015,387	406,279	1,421,666	20%
		2,810,553	744,209	3,554,762	

Description	COST			ACCUMULATED DEPRECIATION			Annual rate of Depreciation
	At January 01	Additions	(Deletions)/ adjustments	At December 31	Charge for the year	Depreciation on (deletions) / adjustments	
Year ended December 31, 2014							
Land - Freehold	221,895	-	-	221,895	-	-	-
Land - Leasehold	15,139	-	-	15,139	9,075	813	5%
Buildings on freehold land	150,112	183,166	-	333,278	59,720	4,435	5%
Buildings on leasehold land	355,577	4,982	-	360,559	118,058	3,442	5%
Buildings on leasehold land - ADB	21,224	-	-	21,224	5,299	796	5%
Furniture and fixtures	139,279	48,339	(5,506)	182,112	54,264	13,792	10%/20%
Computer, office and other equipment	285,611	222,953	(5,124)	503,440	205,445	67,530	20/33.33%
Computer, office and other equipment - ADB	157,519	-	-	157,519	157,519	-	20/33.33%
Vehicles	921,503	190,734	(96,850)	1,015,387	709,593	122,435	20%
	2,267,859	650,174	(107,480)	2,810,553	1,318,973	213,243	
						(91,999)	
						1,440,217	

12.2.1 Detail of disposal of operating fixed assets during the year

Description	Cost	Accumulated depreciation	Book value	Sale proceed	Mode of disposal/ settlement	Particulars of buyers	Location
..... Rupees in '000							
Vehicles							
Toyota Corolla, VJ-073	2,126	958	1,168	1,168	Insurance Claim	M/s NICL, Islamabad.	Islamabad
Toyota Corolla, AE-947	1,738	579	1,159	1,159	As per Bank policy	Sheikh Amanullah, COO	Islamabad
Toyota Corolla, VJ-127	1,504	877	627	627	As per Bank policy	Ghulam Ghaus, Ex-EVP	Islamabad
Toyota Corolla, QH-642	1,294	1,294	-	-	As per Bank policy	Khalid Mehmood Gilli, SEVP	Islamabad
Honda City, CU-476	1,044	35	1,009	1,009	As per Bank policy	Saeed Akhtar, SVP	Islamabad
Honda Civic, SB-970	1,044	88	956	957	As per Bank policy	Shahzad Ashraf Butt, VP	Islamabad
Suzuki Cultus, AS-769	1,044	209	835	836	As per Bank policy	Sher Aman Khan, EVP	Islamabad
Toyota Corolla, AD-934	1,044	244	800	801	As per Bank policy	M. Khalid Zia, EVP	Islamabad
Toyota Corolla, AE-621	1,044	348	696	696	As per Bank policy	Ghulam Rasool, EVP	Islamabad
Suzuki Cultus, AE-527	1,039	-	1,039	1,039	As per Bank policy	Tahzeeb Nisar, SVP	Islamabad
Honda Civic, AJ-760	1,039	225	814	814	As per Bank policy	Meerza Babar Ali, SVP	Islamabad
Toyota Corolla, ZA-234	1,029	257	772	772	As per Bank policy	Alamgir Khattak, EVP	Islamabad
Toyota Corolla, EC-347	1,029	343	686	686	As per Bank policy	M. Shah Zaman, EVP	Islamabad
Suzuki Cultus, RN-14-416	1,049	105	944	944	As per Bank policy	Rasheed A. Malik, SVP (R)	R.Y.Khan
Toyota Corolla, AG-153	1,044	244	800	801	As per Bank policy	Noor Badshah, EVP	Mingora
Suzuki Cultus, D-1991	1,044	104	940	940	As per Bank policy	Sultan-e-Rome, SVP	Mingora
Toyota Corolla, FDA-13-612	1,039	243	796	797	As per Bank policy	Muhammad Asghar, VP	Faisalabad
Toyota Corolla, AJ-480	1,039	225	814	814	As per Bank policy	M. Saleem Safdar, SVP	Islamabad
Suzuki Cultus, AF-698	1,039	243	796	797	As per Bank policy	Zulfiqar A. Majhiana, VP (R)	Okara
	22,272	6,621	15,651	15,657			
Other assets having book value of less than Rupees 250,000 or cost of less than Rupees 1,000,000	77,596	52,192	25,404	45,512			
	99,868	58,813	41,055	61,169			
			Rupees in '000				
			75,623	74,971			

12.2.2 Carrying amount of temporarily idle property

12.2.3 The title documents of freehold land having cost of Rs. 0.849 million (2014: Rs. 0.849 million) and leasehold land having book value of Nil (2014: Rs. 0.061 million) are still in the name of Agricultural Development Bank of Pakistan.

12.3 Intangible assets

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

13 DEFERRED TAX ASSETS / (LIABILITIES) - NET

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

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

14 OTHER ASSETS - NET

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

- 14.1 This does not include Rs. 3,452.266 million (2014: Rs. 3,254.630 million) on account of unrealised mark-up on non performing loans and advances kept in the memorandum account in accordance with the Prudential Regulations for Agriculture Financing.
- 14.2 This includes amount recoverable from Federal Government on account of crop loan insurance premium amounting to Rs. 1,105.273 million, small livestock farmers premium amounting to Rs. 295.254 million and animal tagging charges amounting to Rs. 19.164 million.
- 14.3 This includes tax recoverable of Rupees 297.149 million for assessment years 1991-92 to 1998-99 as disclosed in Note 23.2.4.
- 14.4 Market value of non-banking assets acquired in satisfaction of claims is Rs. 633.221 million (2014: Rs. 638.346 million).

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

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

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

15 BILLS PAYABLE

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

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

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

Borrowing from State Bank of Pakistan (SBP)			
Agricultural loans	16.3 & 16.5	50,174,089	-
Agri-project loans	16.4 & 16.5	1,083,124	-
		51,257,213	-
Repurchase agreement borrowings	16.6	5,885,887	969,349
		<u>57,143,100</u>	<u>969,349</u>

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

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

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

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

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

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

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

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

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

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

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

18 SUB-ORDINATED LOAN

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

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

	Note	2015 Rupees in '000	2014
19 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		992	777
Accrued expenses		556,903	916,213
Taxation (provisions less payments)	19.1	3,044,986	3,420,404
Branch adjustment account		118,432	341,025
Payable to Ministry of Food Agriculture and Livestock	19.2	176,100	176,100
Profit payable on deposits and other accounts		370,690	149,395
Net liabilities relating to Bangladesh	19.3	189	189
Provision for Gratuity scheme	19.4	150,751	160,053
Provision for employees' post retirement medical benefits	34.5.4	4,443,878	4,220,464
Provision for employees' compensated absences	34.6.2	2,390,052	866,380
Security deposits		17,282	25,904
Deferred income	19.5	14,375	15,131
Others	19.6	560,520	513,284
		<u>11,845,150</u>	<u>10,805,319</u>
19.1 Taxation -net			
Opening balance		3,420,404	3,039,116
Charge during the year	29	2,673,155	3,008,253
Advance income tax/withholding tax		(3,048,573)	(2,626,965)
Closing balance		<u>3,044,986</u>	<u>3,420,404</u>
19.2			
This represents the amount of Rs. 8.100 million (2014: Rs. 8.100 million) payable under Japanese KR-II Grant-1996 and Rs. 168 million (2014: Rs. 168 million) payable under Crop Maximization Project - Productivity Enhancement on Sustainable Basis.			
		2015	2014
	Note	Rupees in '000	
19.3 Net liabilities relating to Bangladesh			
Liabilities		1,636,887	1,607,516
Assets	19.3.1	<u>(1,636,698)</u>	<u>(1,607,327)</u>
		<u>189</u>	<u>189</u>

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

	Note	2015	2014		
		Rupees in '000			
19.4	Provision for Gratuity scheme				
	Gratuity scheme - staff regulation 2005 of the Bank	34.4.2.5	11,268	53,215	
	Gratuity scheme of the Company	34.4.3.4	139,483	106,838	
		19.4.1	<u>150,751</u>	<u>160,053</u>	
19.4.1	These represent liabilities recognized by the Group as required by International Accounting Standard (IAS) 19 'Employee Benefits' against its defined benefit schemes on the recommendation of independent actuary.				
19.5	Deferred grant				
	Opening balance		15,131	15,927	
	Additions during the year		-	-	
	Amortization during the year	26	<u>(756)</u>	<u>(796)</u>	
	Closing balance		<u>14,375</u>	<u>15,131</u>	
19.5.1	Deferred income comprises of the grants from the Asian Development Bank via Government of Pakistan for Rural Support Development Finance Project (RSDFP).				
19.6	This represents various payables which include insurance claims payable / adjustable against the loan liability of the borrowers, withholding income tax, contribution received from borrowers, etc.				
20	SHARE CAPITAL				
20.1	Authorized capital				
		2015	2014		
		Number of shares			
		12,500,000,000	12,500,000,000	Ordinary shares of Rupees 10 each	
		2015	2014		
		Rupees in '000			
		125,000,000	125,000,000		
		2015	2014		
		Rupees in '000			
20.2	Issued, subscribed and paid up capital				
		2015	2014		
		Number of shares			
		1,186,961,201	1,186,961,201	Ordinary shares of	
		65,282,866	65,282,866	- fully paid in cash	
		1,252,244,067	1,252,244,067	- Issued as bonus shares	
		11,869,612	11,869,612		
		652,829	652,829		
		<u>12,522,441</u>	<u>12,522,441</u>		
20.3					
	Shareholder	No. of ordinary shares	Paid-up value per share		
				2015	2014
				Rupees in '000	
	Government of Pakistan	1,251,189,067	10	12,511,891	12,511,891
	Government of Punjab	292,340	10	2,923	2,923
	Government of Sindh	125,545	10	1,256	1,256
	Government of Khyber Pakhtunkhwa	71,740	10	717	717
	Government of Balochistan	37,875	10	379	379
	Erstwhile East Pakistan	527,500	10	5,275	5,275
		<u>1,252,244,067</u>		<u>12,522,441</u>	<u>12,522,441</u>

21 RESERVES

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

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

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

2015 2014
Rupees in '000

22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

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

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

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingent assets

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

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

2015 2014
Rupees in '000

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

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

2015 2014
Rupees in '000

23.2 Contingent liabilities

23.2.1 Contingent liabilities in respect of 471 cases (2014: 521 cases) filed against the Bank by various borrowers. 4,094,925 4,580,091

23.2.2 Contingent liabilities in respect of 480 cases (2014: 458 cases) filed against the Bank in various courts of law by the employees. 2,317,838 1,692,334

23.2.3 This includes (Note 23.2.2) an amount of Rs. 2,063.00 million (2014: Rs. 1,359.00 million) regarding case related to reduction in pension factor decided against the Bank by the Honorable Islamabad High Court. The Bank has filed a review petition before the Honorable Islamabad High Court. The legal advisor of the Bank has opined that the Bank has a very strong case both on legal as well as factual grounds and hence no provision has been made in these financial statements as favourable outcome is expected.

23.2.4 There is a contingency of an amount of Rs. 297.149 million and Rs. 54.828 million on account of minimum income tax levied by the income tax authorities under section 80-D of the Income Tax Ordinance, 1979, and various tax refunds pertaining to assessment years 1991-92 to 1998-99 and assessment year 1999-2000 respectively despite the income of the Bank being exempt from tax up to income year ended June 30, 1999. The Bank paid, under protest, these disputed tax demands and also filed writ petition in this respect in the Honorable Lahore High Court, Rawalpindi Bench, Rawalpindi. Later on, the Bank withdrew the said petition on the directions of the Federal Government and the case was referred to the Law and Justice Division of the Government of Pakistan (GoP) which decided the reference in the Bank's favour. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision, further took up the matter with Federal Cabinet for its review. Federal Cabinet referred the case to the Attorney General of Pakistan (AGP) for final decision which was received on March 12, 2011 whereby the AGP decided that Section 27-A of the ADBP Ordinance should prevail over the said section 80-D of the Income Tax Ordinance, 1979.

23.2.5 Income Tax Department under section 161 / 205 of the Income Tax Ordinance, 2001 levied income tax amounting to Rupees 7.714 million for the tax year 2004. The Bank filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) who decided the case in favour of the Bank. However, being aggrieved, the FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), where case is pending. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.6 The cases relating to taxation matters of the Bank for the assessment years 2002-2003 and tax years 2003 to 2009 were contested by the Bank at various forums. ATIR vide its orders dated June 09, 2010, March 01, 2011, July 22, 2011 and April 16, 2012 has decided most of the issues involved in favour of the Bank.

Final appeal effects order has also been received by the Bank as per decisions of ATIR resulting in net refunds of Rupees 4.640 billion out of which Rupees 1.887 billion has been adjusted against payment of advance tax for the period from June 2012 to May 2013. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 133 of the Income Tax Ordinance, 2001 against the aforementioned ATIR orders dated June 09, 2010, March 01, 2011 and July 22, 2011 before the Honorable Lahore High Court, Rawalpindi Bench for tax years 2003, 2004, 2006 and 2007 and Honorable Islamabad High Court, Islamabad for assessment year 2002-03 and tax years 2004, 2005, 2006, 2007, 2008 and 2009. No provision for income tax involved of approximately Rupees 9.917 billion has been recognized in these financial statements as the Bank is confident for a favourable outcome based on strong grounds of appeal and opinion of legal counsel of the Bank.

23.2.7 Deputy Commissioner Inland Revenue (DCIR) passed orders under section 122(4) of the Income Tax Ordinance, 2001 and raised demand of Rs. 3.307 billion for tax years 2008 and 2009. The Bank filed appeals before CIR(A) who maintained the order. The Bank filed an appeal against the said order before the ATIR which has been decided and cases have been remanded back to the assessing officer. No order, in this regard, has been received so far. The Bank has not accounted for the demand as tax payable, as a favourable outcome is expected.

23.2.8 Assistant Commissioner Inland Revenue (ACIR) raised demand of Rs. 429.747 million under section 161 of the Income Tax Ordinance, 2001 for the tax year 2010. CIR(A), against appeal filed by the Bank, remanded back the case to ACIR with the directions to provide opportunity to the assessee. The Bank and department both filed appeals before the ATIR which were decided in favour of the Bank. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad under section 133 of the Income Tax Ordinance, 2001 which is pending for adjudication. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.9 ACIR passed orders under section 122(5A) and raised demand of Rs. 3.288 billion for tax year 2010, Rs. 2.923 billion for tax year 2011 and Rs. 2.037 billion for tax year 2012. The Bank filed appeal before CIR(A) who remanded back the cases to ACIR. The Bank filed appeal with ATIR against the orders of the CIR(A) which was decided by the ATIR in favour of the Bank. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.10 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 208.337 million for tax year 2011. The Bank filed appeal before CIR(A) against the orders of DCIR who remanded back the case to Assessing Officer for verification. The Bank has filed appeal before ATIR against the orders of the CIR(A). ATIR decided the case in favour of Bank on the issue of default surcharge. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. Further, the Assessing Officer on remanded back case after verification on various issues reduced the demand to Rupees 14.365 million.

Being aggrieved the Bank filed appeal before CIR(A) against the order of Assessing Officer on remanded back case deleted various issues and also confirmed the action of Assessing Officer on certain issues. Being aggrieved both the Bank and the department has filed appeal before ATIR against the orders of the CIR(A). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.11 ACIR passed order under section 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 4.920 billion for tax year 2013. The Bank filed appeal before CIR(A) against the orders of ACIR who deleted the demand on various issues and also confirmed the action of ACIR on certain issues. The Bank and FBR both have filed appeals before ATIR against the orders of the CIR(A) which were decided in favour of the Bank except Rs. 2.830 billion which were remanded back to ACIR. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. No provision for income tax involved has been recognized in these financial information, as a favourable outcome is expected.

23.2.12 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 27.792 million for tax year 2009. To avail the Government amnesty, the Bank paid Rs. 19.183 million under protest with waiver of penalty amount of Rs. 8.609 million under amnesty. The FBR allowed the amnesty to the Bank. The Bank has filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. The Bank has filed appeal before ATIR against the orders of the CIR(A) who decided the case in favour of the Bank except remanded back the issue of profit on debt for verification. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The Assessing Officer completed the proceeding on remanded back issue, the decision is awaited. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.13 DCIR passed order under section 161/205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 15.943 million for tax year 2012. The Bank filed appeal before CIR(A) against the orders of DCIR which has been decided. Being aggrieved the Bank filed appeal before ATIR against the orders of the CIR(A). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

23.2.14 The cases relating to Federal Excise Duties / Sales tax matters of the Bank for the years 2008, 2009, 2010, 2011 and 2012 were contested by the Bank at various forums. ATIR vide its orders dated May 07, 2012, January 08, 2013, November 26, 2013 and March 13, 2014 has decided most of the issues involved in favour of the Bank. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 47 of the Sales Tax Act, 1990 and under section 34A of the Federal Excise Act, 2005 against the aforementioned ATIR orders before the Honorable Islamabad High Court, Islamabad for years 2008, 2009, 2010, 2011 and 2012. No provision for amount involved of approximately Rs. 825.121 million has been recognized in these financial statements as the Bank is confident for a favourable outcome.

23.2.15 The Bank is facing claims launched in various Courts, pertaining to post employment benefits and non-payments of advances and others. The matters are still pending before the Courts. As no amount is involved or not quantified in most of the cases, therefore, the contingent liability is not accurately quantifiable (2014: same as mentioned).

23.2.16 The Officer Inland Revenue LTU, Islamabad has initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2009 and 2011. The Company has submitted all the documentary evidences yet, the case is pending for adjudication. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of the Company.

23.2.17 The Officer Inland Revenue, Large Taxpayers Unit, Islamabad amended the assessment of the Company under section 122(5A) for the financial year ended December 31, 2009 i.e. Tax Year 2010 and created a demand of Rs. 5.095 million. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals). The Commissioner passed an Order against the Company and maintained the assessment framed by the Officer Inland Revenue. The tax amount of Rs. 5.095 million has been deposited with the Tax Authorities and at the same time the Company preferred an appeal before the Appellate Tribunal Inland Revenue, Islamabad under section 131 of the Income Tax Ordinance, 2001. Appellate Tribunal Revenue Islamabad passed order against the Company and maintained/ upheld the order of the commissioner (Appeals). Now the Company has preferred an application for rectification of mistake under section 221 of the Ordinance and subsequent to the balance sheet the date of hearing has been fixed. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of the Company.

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

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

	Note	2015 Rupees in '000	2014 Rupees in '000
27	ADMINISTRATIVE EXPENSES		
Salaries, allowances and benefits	27.1	7,719,360	6,930,913
Charge / (reversal) for defined benefit plans and other benefits:			
- Pension scheme	34.1.7	268,181	(1,171,745)
- Benevolent scheme - officers / executives	34.2.7	(20,327)	32,021
- Benevolent scheme - clerical / non-clerical	34.3.7	(34,028)	(3,576)
- Gratuity under old staff regulations	34.4.1.7	(218,172)	(220,475)
- Gratuity scheme - staff regulation 2005	34.4.2.7	110,111	233,551
- Gratuity scheme of the Company	34.4.3.6	43,424	30,590
- Employees' compensated absences	34.6.2	145,921	185,276
		295,110	(914,358)
Contribution to defined contribution plan - provident fund	34.8	41,626	79,646
Non-executive directors' fees and other expenses		7,696	3,233
Rent, taxes, insurance, electricity, etc.		273,220	257,338
Legal and professional charges		61,028	182,824
Communications		90,233	82,429
Repairs and maintenance		74,425	50,671
Motor vehicle expenses		401,126	444,317
Traveling expenses		162,696	154,317
Stationery and printing		100,993	94,175
Advertisement and publicity		15,827	14,210
Auditors' remuneration	27.2	6,139	5,526
Depreciation - tangible	12.2	267,894	213,243
Amortization - intangible	12.3	107	111
Commutation to employees	27.3	5,748	14,073
Others		183,130	118,097
		<u>9,706,358</u>	<u>7,730,765</u>
27.1	This includes post retirement medical benefit amounting to Rs. 685.692 million (2014: Rs. 624.216 million).		
27.2	Auditors' remuneration		
		2015	
		BDO Ebrahim & Co. Chartered Accountants	Riaz Ahmad & Co. Chartered Accountants
		Rupees in '000	
Audit fee		1,088	951
Fee for half year review		288	216
Consolidation of the financial statements of subsidiary company		261	261
Other certifications / services		617	573
Out of pocket expenses		942	942
		<u>3,196</u>	<u>2,943</u>
			<u>6,139</u>

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

27.3 Commutation to employees

- Under Staff Regulations - 2005

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

- Voluntary Golden Handshake Scheme - 2011 for drivers

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

	Note	2015	2014
		Rupees in '000	
28 OTHER CHARGES			
Penalties imposed by SBP		23,974	9,928
Fixed assets - written off		-	1,171
		23,974	11,099

29 TAXATION

For the year:

Current		2,311,747	3,003,990
Deferred		477,391	(82,153)
Prior year	29.1	361,408	4,263
		3,150,546	2,926,100

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

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

	2015	2014
	Number	
32 STAFF STRENGTH - GROUP		
Permanent	7,673	7,729
Contractual	1,592	553
Total staff strength	<u>9,265</u>	<u>8,282</u>
33 CREDIT RATING		
JCR-VIS Credit Rating Company Limited, Karachi in their report dated June 18, 2015 has reaffirmed credit rating of the Bank at AAA/A-1+ (December 31, 2014: AAA/A-1+) with stable outlook and short-term credit rating of A-1+ (December 31, 2014: A-1+).		
34 DEFINED BENEFIT AND CONTRIBUTION PLANS		
The Group operates the following retirement benefit plans for its employees:		
Pension Scheme - funded		
Benevolent Scheme - funded		
Post Retirement Medical Benefits - unfunded		
Employees Gratuity Scheme - funded		
Employees Gratuity Scheme - unfunded of the Company		
Employees Compensated Absences - unfunded		
Defined Contribution Plan		
34.1 Pension scheme		
34.1.1 General description		
For employees who opted for the scheme introduced in year 1975 for clerical / non-clerical staff and in the year 1977 for officers / executives, the Bank operates an approved funded pension scheme on which contributions are made on the basis of actuarial recommendation. However, most of the officers / executives have been excluded from this scheme after opting new Staff Regulations introduced in 2005 (SR-2005) effective from 2006 and 2008.		
34.1.2 Principal actuarial assumption		
The latest actuarial valuation is carried out as at December 31, 2015. The actuarial valuations were made using the Projected Unit Credit (PUC) method based on the following significant assumptions:		
	2015	2014
 %	
Valuation discount rate	9.00	11.25
Expected rate of increase in salary	7.00	9.25
Expected rate of return on plan assets	9.00	11.25
Expected rate of increase in pension	4.75	7.00

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

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

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

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

34.2 Benevolent scheme - officers / executives

34.2.1 General description

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

34.2.2 Principal actuarial assumption

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

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

Note 2015 2014
Rupees in '000

34.2.3 Changes in the present value of obligation

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

34.2.4 Changes in the fair value of plan assets

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

34.2.5 Amounts recognized in the statement of financial position

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

34.2.6 Movement in net asset recognized

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

34.2.7

		2015	2014			
		Rupees in '000				
34.2.7	(Income) /expense recognized in profit and loss account					
	Current service cost	42,458	28,317			
	Interest cost	(51,669)	(60,095)			
	Contributions - Employees	(11,116)	(11,930)			
	Past service cost	-	75,729			
		<u>(20,327)</u>	<u>32,021</u>			
34.2.8	Actual return on plan assets					
	Actual return on plan assets	<u>135,235</u>	<u>121,696</u>			
		2015	2014			
		Fair value	%	Fair value	%	
34.2.9	Composition of fair value of plan assets	Rupees in '000		Rupees in '000		
	Government securities	947,161	96.17	829,008	97.08	
	Term deposit receipts	32,876	3.33	21,034	2.46	
	Deposits in the Bank	4,879	0.50	3,897	0.46	
	Fair value of total plan assets	<u>984,916</u>	<u>100.00</u>	<u>853,939</u>	<u>100.00</u>	
		2015	2014	2013	2012	2011
		..... Rupees in '000				
34.2.10	Other relevant details					
	Present value of defined benefit obligation	254,686	383,546	245,632	244,874	211,133
	Fair value of plan assets	<u>(984,916)</u>	<u>(853,939)</u>	<u>(728,898)</u>	<u>(677,701)</u>	<u>(609,363)</u>
	Surplus in benevolent scheme - officers / executives	<u>(730,230)</u>	<u>(470,393)</u>	<u>(483,266)</u>	<u>(432,827)</u>	<u>(398,230)</u>
	Experience adjustment	175,371	(36,303)	17,729	6,596	(11,828)
	Assumptions gain / (loss)	-	-	-	-	-
	Actuarial (loss) / gain on obligation	<u>175,371</u>	<u>(36,303)</u>	<u>17,729</u>	<u>6,596</u>	<u>(11,828)</u>
	Experience adjustment	41,908	31,590	(17,984)	-	(3,017)
	Assumptions gain / (loss)	-	-	-	-	-
	Actuarial loss on assets	<u>41,908</u>	<u>31,590</u>	<u>(17,984)</u>	<u>-</u>	<u>(3,017)</u>

34.3	Benevolent scheme - clerical / non-clerical		
34.3.1	General description		
	For all clerical / non-clerical staff, the Bank operates an approved funded benevolent scheme to which contributions are made at different rates but not exceeding Rs. 100 by each employee. Employee contributions are matched by an equal amount of contributions by the Bank, which is also liable to meet any shortfall in the fund.		
34.3.2	Principal actuarial assumption		
	The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:		
		2015	2014
	 %	
	Valuation discount rate	9.00	11.25
	Expected rate of increase in salary	7.00	9.25
	Expected rate of return on plan assets	9.00	11.25
		2015	2014
		Rupees in '000	
34.3.3	Changes in the present value of obligation		
	Present value of obligation as on January 01	65,027	28,012
	Current service cost	6,526	4,430
	Contributions - Employees	(3,178)	(2,506)
	Interest cost	7,031	3,376
	Remeasurement due to change in experience	24,900	176
	Past service cost	-	34,599
	Benefits paid	(5,052)	(3,060)
	Present value of obligation as at December 31	<u>95,254</u>	<u>65,027</u>
34.3.4	Changes in the fair value of plan assets		
	Total assets as on January 01	394,084	340,003
	Expected return on plan assets	44,408	43,475
	Remeasurement due to return on investment	13,616	8,654
	Contributions - Employer	3,178	2,506
	Contributions - Employees	3,177	2,506
	Benefits paid	(5,052)	(3,060)
	Total assets as at December 31	<u>453,411</u>	<u>394,084</u>
34.3.5	Amounts recognized in the statement of financial position		
	Present value of defined benefit obligation	95,254	65,027
	Fair value of plan assets	(453,411)	(394,084)
	Unrecognized due to impact of asset ceiling	358,157	329,057
	Asset recognized in the statement of financial position	<u>-</u>	<u>-</u>

	Note	2015 Rupees in '000	2014			
34.3.6	Movement in net asset recognized					
	Opening net receivable	-	-			
	Credit for the year	34.3.7 (34,028)	(3,576)			
	Comprehensive income	37,206	6,082			
	Contribution to fund / benefits paid during the year	(3,178)	(2,506)			
	Closing net receivable	-	-			
34.3.7	Income recognized in profit and loss account					
	Current service cost	6,526	4,430			
	Interest cost	(37,377)	(2,506)			
	Contributions - Employees	(3,177)	(40,099)			
	Past service cost	-	34,599			
		(34,028)	(3,576)			
34.3.8	Actual return on plan assets					
	Actual return on plan assets	58,024	52,129			
34.3.9	Composition of fair value of plan assets					
		2015	2014			
		Fair value	%	Fair value	%	
		Rupees in '000		Rupees in '000		
	Government securities	438,229	96.65	381,139	96.71	
	Term deposit receipts	13,240	2.92	10,584	2.69	
	Deposits in the Bank	1,942	0.43	2,361	0.60	
	Debtors and creditors	-	-	-	-	
	Fair value of total plan assets	453,411	100.00	394,084	100.00	
34.3.10	Other relevant details					
	Present value of defined benefit obligation	95,254	65,027	28,012	31,149	23,370
	Fair value of plan assets	(453,411)	(394,084)	(340,003)	(306,517)	(273,293)
	Surplus in benevolent scheme - clerical / non-clerical	(358,157)	(329,057)	(311,991)	(275,368)	(249,923)

	2015	2014	2013	2012	2011
	Rupees in '000				
Experience adjustment	(24,900)	(176)	5,735	(1,618)	(835)
Assumptions gain / (loss)	-	-	-	-	-
Actuarial (loss) / gain on obligation	(24,900)	(176)	5,735	(1,618)	(835)
Experience adjustment	13,616	8,654	(5,540)	-	419
Assumptions gain / (loss)	-	-	-	-	-
Actuarial (loss) / gain on assets	13,616	8,654	(5,540)	-	419
34.4	Gratuity scheme				
34.4.1	Gratuity under old Staff Regulations of the Bank				
34.4.1.1	General description				
	For employees who opted for the scheme introduced in 1975 for clerical / non-clerical staff and in 1977 for officers / executives, the Bank operates an approved funded gratuity scheme in which monthly contributions, if the employee has less than ten years of service, are made by the Bank on the basis of actuarial recommendation.				
34.4.1.2	Principal actuarial assumption				
	The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:				
		2015	2014		
		%			
Valuation discount rate		9.00	11.25		
Expected rate of increase in salary		7.00	9.25		
Expected rate of return on plan assets		9.00	11.25		
34.4.1.3	Changes in the present value of obligation				
Present value of obligation as on January 01		-	-		
Benefits paid		(188,817)	(24,131)		
Addition to liability from Pension Fund		188,817	24,131		
Present value of obligation as at December 31		-	-		

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

	2015	2014	2013	2012	2011
	Rupees in '000				
34.4.1.10	Other relevant details				
Present value of defined benefit obligation	-	-	-	-	-
Fair value of plan assets	(2,177,636)	(1,939,307)	(1,741,282)	(1,594,870)	(1,425,804)
Surplus in gratuity scheme under old staff regulations	(2,177,636)	(1,939,307)	(1,741,282)	(1,594,870)	(1,425,804)
Experience adjustment	-	-	-	-	-
Assumptions gain / (loss)	-	-	-	-	-
Actuarial gain / (loss) on obligation	-	-	-	-	-
Experience adjustment	20,157	1,681	(19,071)	-	3,700
Assumptions gain / (loss)	-	-	-	-	-
Actuarial gain / (loss) on assets	20,157	1,681	(19,071)	-	3,700
34.4.1.11	No contribution is expected in 2016 to the Gratuity Fund scheme under old regulations.				
34.4.2	Gratuity under Staff Regulations - 2005 (SR-2005) of the Bank				
34.4.2.1	General description				
	The Bank also operates a separate Gratuity Fund scheme, w.e.f. August 2006, established upon introduction of Staff Regulations - 2005 (SR-2005) for the employees governed under SR-2005 and contributions to this Fund are made by the Bank at the rate of 8.333% of the monetized salary per month.				
34.4.2.2	Principal actuarial assumption				
	The latest actuarial valuation is carried out as at December 31, 2015. Actuarial valuation was made using the following significant assumptions:				
	2015	2014			
 %				
Valuation discount rate	9.00	11.25			
Expected rate of increase in salary	7.00	9.25			
Expected rate of return on plan assets	9.00	11.25			

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

	2015		2014	
	Fair value Rupees in '000	%	Fair value Rupees in '000	%
34.4.2.9	Composition of fair value of plan assets			
Government securities	2,242,775	193.28	1,991,836	244.07
Term deposit receipts	-	-	229,123	28.08
Deposits in the Bank	13,658	1.18	6,637	0.81
Debtors and creditors	(955,444)	(82.34)	(1,411,508)	(172.96)
Mark-up payable to pension fund	(140,621)	(12.12)	-	-
Fair value of total plan assets	<u>1,160,368</u>	<u>100.00</u>	<u>816,088</u>	<u>100.00</u>
	2015	2014	2013	2012
	..... Rupees in '000			
34.4.2.10	Other relevant details			
Present value of defined benefit obligation	1,171,636	869,303	1,634,839	992,636
Fair value of plan assets	(1,160,368)	(816,088)	(1,675,887)	(1,360,616)
(Surplus) / deficit in gratuity scheme under staff regulations - 2005	<u>11,268</u>	<u>53,215</u>	<u>(41,048)</u>	<u>(367,980)</u>
Experience adjustment	(125,009)	(253,178)	(389,395)	72,489
Assumptions gain / (loss)	-	-	-	-
Actuarial gain / (loss) on obligation	<u>(125,009)</u>	<u>(253,178)</u>	<u>(389,395)</u>	<u>72,489</u>
Experience adjustment	62,428	18,034	(24,461)	(13,283)
Assumptions gain / (loss)	-	-	-	-
Actuarial gain / (loss) on assets	<u>62,428</u>	<u>18,034</u>	<u>(24,461)</u>	<u>(13,283)</u>
Projected Gratuity Fund scheme (SR-2005) contributions for the year 2016 amount to Rupees 130.946 million.				

34.4.3 Gratuity scheme of the Company

34.4.3.1 General description

The scheme provides for terminal benefits for all permanent employees of the Company whose period of service is one year. Employees are entitled to gratuity on the basis set out in the Company's staff regulations.

34.4.3.2 Principal actuarial assumption

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

		2015 %	2014
Valuation discount rate		10.00	11.25
Expected rate of increase in salary		9.00	10.25
	Note	2014	2013
		Rupees in '000	
34.4.3.3 Changes in the present value of obligation			
Present value of obligation as on 01 January		106,838	60,939
Current service cost		31,472	22,748
Interest cost		11,952	7,842
Benefits paid		(1,194)	(1,236)
Actuarial (gain) / loss on obligation		(9,585)	16,545
Present value of obligation as at 31 December		<u>139,483</u>	<u>106,838</u>
34.4.3.4 Amounts recognized in the statement of financial position			
Present value of defined benefit obligation	19.4	<u>139,483</u>	<u>106,838</u>
34.4.3.5 Movement in net (asset) / liability recognized			
Opening net (asset) / liability		106,838	60,939
Charge for the year	34.4.3.6	43,424	30,590
Comprehensive income		(1,194)	(1,236)
Contribution to fund during the year		(9,585)	16,545
Closing net asset		<u>139,483</u>	<u>106,838</u>
34.4.3.6 Expense recognized in profit and loss account			
Current service cost		31,472	22,748
Interest cost		11,952	7,842
		<u>43,424</u>	<u>30,590</u>

34.4.3.7 Other relevant details

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

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

34.5 Post retirement medical benefits

34.5.1 General description

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

34.5.2 Principal actuarial assumption

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

		2015 %	2014
Valuation discount rate		9.00	11.25
Medical inflation rate		9.00	8.25
	Note	2015	2014
		Rupees in '000	
34.5.3 Changes in the present value of obligation			
Present value of obligation as on January 01		4,220,464	2,325,802
Current service cost		213,433	227,175
Past service cost		-	-
Interest cost		472,259	242,300
Net impact of transfer		-	154,741
Remeasurement due to experience		(417,077)	1,294,026
Benefits paid		(45,201)	(23,580)
Present value of obligation as at December 31		<u>4,443,878</u>	<u>4,220,464</u>
34.5.4 Amounts recognized in the statement of financial position			
Present value of defined benefit obligation	19	<u>4,443,878</u>	<u>4,220,464</u>
34.5.5 Movement in net liability recognized			
Opening net liability		4,220,464	2,325,802
Charge for the year	34.5.6	685,692	624,216
Comprehensive income		(417,077)	1,294,026
Benefits paid during the year		(45,201)	(23,580)
Closing net liability		<u>4,443,878</u>	<u>4,220,464</u>
34.5.6 Expense recognized in profit and loss account			
Current service cost		213,432	227,175
Interest cost		472,260	242,300
Net impact of transfer		-	154,741
		<u>685,692</u>	<u>624,216</u>

34.5.7 Post retirement medical benefits - sensitivity analysis

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

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

34.6 Employees compensated absences - unfunded

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

34.6.1 Principal actuarial assumption

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

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

34.6.2 Movement in liability recognized for compensated absences

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

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

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

34.7 Risks associated with defined benefit plans

Investment risk

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

Longevity risk

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

Salary increase risk

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

Withdrawal risk

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

34.8 Defined contribution plan

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

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

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

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

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

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

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

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OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

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

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CASH AND CASH EQUIVALENTS

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

37 COMPENSATION OF PRESIDENT, DIRECTORS AND EXECUTIVES

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

	President / Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	Rupees in '000					
Fee	-	-	7,696	3,233	-	-
Managerial remuneration	10,560	9,617	-	-	3,075,916	2,361,113
Charged for defined benefit plan	2,112	1,722	-	-	185,875	1,998,456
Contribution to defined benefit or contributory fund	-	-	-	-	42,382	38,706
Rent and house maintenance	1,897	1,665	-	-	275,536	22,784
Utilities	431	330	-	-	75,901	6,172
Medical	1,584	1,290	-	-	83,285	3,650
Conveyance	1,198	227	-	-	49,163	-
Club facility	625	16	-	-	-	-
Leave fare assistance	2,376	1,456	-	-	-	-
	<u>20,783</u>	<u>16,323</u>	<u>7,696</u>	<u>3,233</u>	<u>3,788,058</u>	<u>4,430,881</u>
Number of persons	1	1	8	8	2,555	4,023

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

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

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

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

38 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

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

39 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

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

40 CAPITAL ASSESSMENT AND ADEQUACY

40.1 Scope of application

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

40.2 Capital management

Objectives and goals of managing capital

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

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

Statutory minimum capital requirement and capital adequacy ratio

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

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

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

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

- *(Consisting of CET1 only)

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

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

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

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

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

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

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

40.3 Capital Adequacy Ratio

2015
..... Rupees in '000

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

1	Fully Paid-up Capital/ Capital deposited with SBP	52,678,433	12,522,441
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on issue of Shares	-	-
5	General/ Statutory Reserves	5,644,659	4,590,135
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	18,716,929	14,553,175
8	Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9	CET 1 before Regulatory Adjustments	77,040,021	31,665,751
10	Total regulatory adjustments applied to CET1 (Note 40.3.1)	(648,268)	(204,551)
11	Common Equity Tier 1	76,391,753	31,461,200

2015
..... Rupees in '000

Additional Tier 1 (AT 1) Capital

12	Qualifying Additional Tier-1 instruments plus any related share premium	-	-
13	of which: Classified as equity	-	-
14	of which: Classified as liabilities	-	-
15	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	-
16	of which: instrument issued by subsidiaries subject to phase out	-	-
17	AT1 before regulatory adjustments	-	-
18	Total regulatory adjustments applied to AT1 capital (Note 40.3.2)	-	-
19	Additional Tier 1 capital	-	-
20	Additional Tier 1 capital recognized for capital adequacy	-	-

21	Tier 1 Capital (CET1 + admissible AT1) (11+20)	76,391,753	31,461,200
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Tier 2 Capital		
22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	3,204,323	-
23 Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel III rules	-	-
24 Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25 of which: instruments issued by subsidiaries subject to phase out	-	-
26 General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	1,653,368	1,323,858
27 Revaluation Reserves (net of taxes)	-	-
28 of which: Revaluation reserves on Property	-	-
29 of which: Unrealized Gains/Losses on AFS	1,454,856	1,945,946
30 Foreign Exchange Translation Reserves	-	-
31 Undisclosed/Other Reserves (if any)	-	-
32 T2 before regulatory adjustments	6,312,547	3,269,804
33 Total regulatory adjustments applied to T2 capital (Note 40.3.3)	(30,000)	(40,000)
34 Tier 2 capital (T2) after regulatory adjustments	6,282,547	3,229,804
35 Tier 2 capital recognized for capital adequacy	6,282,547	3,229,804
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37 Total Tier 2 capital admissible for capital adequacy	6,282,547	3,229,804
38 TOTAL CAPITAL (T1 + admissible T2) (21+37)	82,674,300	34,691,004
	2015	2014
	..... Rupees in '000	
39 Total Risk Weighted Assets (for details refer Note 40.6)	166,226,620	135,471,027
Capital Ratios and buffers (in percentage of risk weighted		
40 CET1 to total RWA	45.96%	23.22%
41 Tier-1 capital to total RWA	45.96%	23.22%
42 Total capital to RWA	49.74%	25.61%
43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	6.25%	5.50%
44 of which: capital conservation buffer requirement	0.25%	-
45 of which: countercyclical buffer requirement	-	-
46 of which: D-SIB or G-SIB buffer requirement	-	-
47 CET1 available to meet buffers (as a percentage of risk weighted assets)	45.96%	23.22%
National minimum capital requirements prescribed by SBP		
48 CET1 minimum ratio	6.00%	5.50%
49 Tier 1 minimum ratio	7.50%	7.00%
50 Total capital minimum ratio	10.25%	10.00%

Regulatory Adjustments and Additional Information

	2015	2014
	Amount	Amount
	Amounts subject to Pre - Basel III treatment	Amount
..... Rupees in '000		
40.3.1 Common Equity Tier 1 capital: Regulatory Adjustment		
1 Goodwill (net of related deferred tax liability)	-	-
2 All other intangibles (net of any associated deferred tax liability)	(12)	(103)
3 Shortfall of provisions against classified assets	-	-
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
5 Defined-benefit pension fund net assets	(618,256)	(1,545,639)
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-
7 Cash flow hedge reserve	-	-
8 Investment in own shares/ CET1 instruments	-	-
9 Securitization gain on sale	-	-
10 Capital shortfall of regulated subsidiaries	-	-
11 Deficit on account of revaluation from bank's holdings of property/ AFS	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
13 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-

	2015	2014
	Amount	Amounts
	Amount	Amount
	..... Rupees in '000	

14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-
15	Amount exceeding 15% threshold	-	-	-
16	of which: significant investments in the common stocks of financial entities	-	-	-
17	of which: deferred tax assets arising from temporary differences	-	-	-
18	National specific regulatory adjustments applied to CET1 capital	-	-	-
19	Investment in TFCs of other banks exceeding the prescribed limit	-	-	-
20	Any other deduction specified by SBP (mention details)	-	-	-
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-
		(30,000)	-	(40,000)
22	Total regulatory adjustments applied to CET1 (Sum of 1 to 21)	(648,268)		(204,551)

40.3.2 Additional Tier 1 Capital: Regulatory Adjustments

23	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	-	-
24	Investment in own AT1 capital instruments	-	-	-
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-
26	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
27	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-

	2015	2014
	Amount	Amounts
	Amount	Amount
	..... Rupees in '000	

28	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	(30,000)	-	(40,000)
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	30,000	-	40,000

30 Total of Regulatory Adjustment applied to AT1 Capital (Sum of 23 to 29)

40.3.3 Tier 2 Capital: regulatory adjustments

31	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	(30,000)	-	(40,000)
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-
33	Investment in own Tier 2 capital instrument	-	-	-
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
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)	(30,000)		(40,000)

40.3.4 Additional Information

	2015 Amount Rupees in '000	2014 Amount Rupees in '000
Risk weighted assets subject to Pre-Basel III Treatment		
37 Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)		
(i) of which: deferred tax assets	-	-
(ii) of which: Defined-benefit pension fund net assets	1,545,639	822,242
(iii) of which: recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-
(iv) of which: recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-
Amounts below the thresholds for deduction (before risk weighting)		
38 Non-significant investments in the capital of other financial entities	39,960	39,976
39 Significant investments in the common stock of financial entities	-	-
40 Deferred tax assets arising from temporary differences (net of related tax liability)	446,941	1,528,810
Applicable caps on the inclusion of provisions in Tier 2		
41 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	3,000,000	3,000,000
42 Cap on inclusion of provisions in Tier 2 under standardized approach	1,653,368	1,323,858
43 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
44 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

40.4 Capital Structure Reconciliation

Step 1

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

Step 2

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

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
	Rupees in '000		
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	-	-	a
of which: significant capital investments in financial sector entities exceeding regulatory threshold	-	-	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument	-	-	d
of which: others (mention details)	-	-	e
Advances	129,552,744	129,552,744	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	3,000,000	3,000,000	g
Fixed Assets	2,101,177	2,101,177	
Deferred Tax Assets	446,941	446,941	
of which: DTAs excluding those arising from temporary differences	-	-	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-	i
Other assets	16,782,760	16,782,760	
of which: Goodwill	-	-	j
of which: Intangibles	-	-	k
of which: Defined-benefit pension fund net assets	1,545,639	1,545,639	l
Total assets	187,574,120	187,574,120	
Liabilities & Equity			
Bills payable	346,059	346,059	
Borrowings	57,143,100	57,143,100	
Deposits and other accounts	35,947,953	35,947,953	
Sub-ordinated loans	3,204,323	3,204,323	
of which: eligible for inclusion in AT1	-	-	m
of which: eligible for inclusion in Tier 2	3,204,323	3,204,323	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	-	-	
of which: DTLs related to goodwill	-	-	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	540,974	540,974	q
of which: other deferred tax liabilities	(540,974)	(540,974)	r

	Balance sheet as in published financial statements 2015	Under regulatory scope of consolidation 2015	Ref
	Rupees in '000		
Other liabilities	11,721,237	11,721,237	
Total liabilities	108,362,672	108,362,672	
	2015	2015	
	Rupees in '000		
Share capital	52,678,433	52,678,433	
of which: amount eligible for CET1	52,678,433	52,678,433	s
of which: amount eligible for AT1	-	-	t
Reserves	5,644,659	5,644,659	
of which: portion eligible for inclusion in CET1 (provide breakup)	5,644,659	5,644,659	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Unappropriated profit/ (losses)	18,716,929	18,716,929	w
Minority Interest	-	-	
of which: portion eligible for inclusion in CET1	-	-	x
of which: portion eligible for inclusion in AT1	-	-	y
of which: portion eligible for inclusion in Tier 2	-	-	z
Surplus on revaluation of assets	2,171,427	2,171,427	
of which: Revaluation reserves on Property	-	-	aa
of which: Unrealized Gains/Losses on AFS	2,171,427	2,171,427	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
Total Equity	79,211,448	79,211,448	
Total liabilities & Equity	187,574,120	187,574,120	
Step 3	Component of regulatory capital reported by bank	Source based on reference number from Step 2	
	Rupees in '000		
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1 Fully Paid-up Capital/ Capital deposited with SBP	52,678,433		
2 Balance in Share Premium Account	-	(s)	
3 Reserve for issue of Bonus Shares	-		
4 General/ Statutory Reserves	5,644,659	(u)	
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-		
6 Unappropriated/unremitted profits/(losses)	18,716,929	(w)	

Step 3	Component of regulatory capital reported by bank	Source based on reference number from Step 2
	Rupees in '000	
7 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
8 CET 1 before Regulatory Adjustments	77,040,021	
Common Equity Tier 1 capital: Regulatory adjustments		
9 Goodwill (net of related deferred tax liability)	-	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	-	(k) - (p)
11 Shortfall of provisions against classified assets	-	(f)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	540,974	{(h) - (r)} * x%
13 Defined-benefit pension fund net assets	-	{(l) - (q)} * x%
14 Reciprocal cross holdings in CET1 capital instruments	-	(d)
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	
19 Deficit on account of revaluation from bank's holdings of property/ AFS	-	(ab)
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments applied to CET1 capital	-	

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

	Component of regulatory capital reported by bank	Source based on reference number from Note 40.4.2
	Rupees in '000	
41 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation		(ad)
42 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	(30,000)	
43 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	30,000	
44 Total of Regulatory Adjustment applied to AT1 capital	-	
45 Additional Tier 1 capital	-	
46 Additional Tier 1 capital recognized for capital adequacy	-	
Tier 1 Capital (CET1 + admissible AT1)		
Tier 2 Capital		
47 Qualifying Tier 2 capital instruments under Basel III	3,204,323	
48 Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
49 Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
50 of which: instruments issued by subsidiaries subject to phase out	-	
51 General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	1,476,555	(g)
52 Revaluation Reserves eligible for Tier 2	-	
53 of which: portion pertaining to Property	-	portion of (aa)
54 of which: portion pertaining to AFS securities	1,279,350	
55 Foreign Exchange Translation Reserves	-	(v)
56 Undisclosed/Other Reserves (if any)	-	
57 T2 before regulatory adjustments	5,960,228	
Tier 2 Capital: regulatory adjustments		
58 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	(30,000)	
59 Reciprocal cross holdings in Tier 2 instruments	-	
60 Investment in own Tier 2 capital instrument	-	

	Component of regulatory capital reported by bank	Source based on reference number from Note 40.4.2
	Rupees in '000	
61 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
62 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
63 Amount of Regulatory Adjustment applied to T2 capital	(30,000)	
64 Tier 2 capital (T2)	5,930,228	
65 Tier 2 capital recognized for capital adequacy	5,930,228	
66 Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
67 Total Tier 2 capital admissible for capital adequacy	5,930,228	
TOTAL CAPITAL (T1 + admissible T2)	83,481,223	

40.5 Main Features Template of Regulatory Capital Instruments

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

40.6 Risk weighted assets

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

	2015	2014	2015	2014
	Capital Requirements		Risk Weighted Assets	
	..... Rupees in '000			
Credit risk				
Portfolios subject to standardized approach (simple or comprehensive)				
On-balance sheet				
Banks	346,670	119,736	3,382,148	1,197,362
Retail	8,981,956	7,152,636	87,628,839	71,526,362
Loans secured against residential property	46,676	50,461	455,372	504,614
Past due loans	2,074,818	2,038,336	20,242,123	20,383,358
Deferred tax assets	114,529	-	1,117,353	-
Listed equity investments	348,396	-	3,398,987	-
Investments in fixed assets	215,369	158,097	2,101,165	1,580,974
Other assets	1,428,597	1,071,583	13,937,533	10,715,830
Total credit risk	13,557,011	10,590,849	132,263,520	105,908,500
Off-Balance Sheet				
Non-market related	606	14	5,912	140
	13,557,617	10,590,863	132,269,432	105,908,640
Market risk				
Capital requirement for portfolios subject to standardized approach				
Interest rate risk	639	640	7,988	7,995
Equity position risk	537,328	626,882	6,716,600	7,836,028
Foreign exchange risk	-	-	-	-
Total market risk	537,967	627,522	6,724,588	7,844,023
Operational risk				
Capital requirement for operational risks	2,178,608	1,737,469	27,232,600	21,718,364
	2,178,608	1,737,469	27,232,600	21,718,364
Total	16,274,192	12,955,854	166,226,620	135,471,027
Capital adequacy ratio	2015		2014	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	45.96%	5.50%	23.22%
Tier-1 capital to total RWA	7.50%	45.96%	7.00%	23.22%
Total capital total RWA	10.25%	49.74%	10.00%	25.61%
Total capital plus CBB to total RWA	10.25%	49.74%	10.00%	25.61%
* As SBP capital requirement of 10.25% (10% in 2014) is calculated on overall basis therefore, capital charge for credit risk is calculated after excluding capital requirements against market and operational risk from the total capital required.				
Leverage Ratio	2015		2014	
	Required	Actual	Required	Actual
Leverage Ratio	3.00%	40.72%	3.00%	19.23%
	2015		2014	
	... Rupees in '000 ...			
Tier-1 Capital			76,391,753	31,461,200
Total Exposures			187,612,308	163,567,373

41 RISK MANAGEMENT

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

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

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

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

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

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

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

41.1 Credit risk

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

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

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

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

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

41.1.1 Credit risk - General disclosures

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

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

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

Credit exposures subject to standardized approach

Exposures	Rating	2015			2014		
		Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
		..... Rupees '000					
Cash and cash equivalents	-	880,330	880,330	-	1,649,439	1,649,439	-
Claims on Government of Pakistan (Federal or Provincial Governments) and SBP, denominated in PKR	-	20,245,666	20,245,666	-	29,488,963	29,488,963	-
Claims on banks	-	-	-	-	-	-	-
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	-	16,910,742	13,528,594	3,382,148	5,986,810	4,789,448	1,197,362
Claims categorized as retail portfolio	-	116,838,452	29,209,613	87,628,839	95,368,482	23,842,121	71,526,361
Claims fully secured by residential property	-	1,301,062	845,690	455,372	1,441,753	937,139	504,614
Past due loans	-	-	-	-	-	-	-
Deferred tax assets	-	14,413,230	(5,828,893)	20,242,123	14,743,723	(5,639,635)	20,383,358
Listed equity investments	-	446,941	(670,412)	1,117,353	-	-	-
Investments in premises, plant and equipment and all other fixed assets	-	3,398,987	-	3,398,987	-	-	-
All other assets	-	2,101,165	-	2,101,165	1,580,974	-	1,580,974
	-	13,937,533	-	13,937,533	10,715,830	-	10,715,830
		190,474,108	58,210,588	132,263,520	160,975,974	55,067,475	105,908,499

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

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

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

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

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

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

Concentration of risk

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

41.1.5 Equity position risk in the banking book

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

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

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

Investments - Available for sale
Investment in subsidiary

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

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

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

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

41.1.6 Segmental information

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

41.1.7 Segments by class of business

	2015				2014			
	Advances (gross)		Deposits		Contingencies and commitments		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Agriculture, forestry, hunting and fishing	132,661,848	98.49%	-	-	4,094,925	-	4,094,925	13.84%
Individuals	-	-	20,317,180	56.52%	2,317,838	56.52%	2,317,838	7.83%
Others	2,030,198	1.51%	15,630,773	43.48%	23,183,130	43.48%	23,183,130	78.33%
	134,692,046	100.00%	35,947,953	100.00%	29,595,893	100.00%	29,595,893	100.00%

2014

	2014				2015			
	Advances (gross)		Deposits		Contingencies and commitments		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Agriculture, forestry, hunting and fishing	113,537,306	98.30%	-	-	4,580,091	-	4,580,091	24.88%
Individuals	-	-	16,916,465	63.35%	1,692,334	63.35%	1,692,334	9.19%
Others	1,958,460	1.70%	9,785,446	36.65%	12,138,249	36.65%	12,138,249	65.93%
	115,495,766	100.00%	26,701,911	100.00%	18,410,674	100.00%	18,410,674	100.00%

41.1.8 Segments by sector

	2015				2014			
	Advances (gross)		Deposits		Contingencies and commitments		Contingencies and commitments	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Public / government *	-	-	15,526,221	43.19%	23,183,130	43.19%	23,183,130	78.33%
Private	134,692,046	100.00%	20,421,732	56.81%	6,412,763	56.81%	6,412,763	21.67%
	134,692,046	100.00%	35,947,953	100.00%	29,595,893	100.00%	29,595,893	100.00%

Public / government *

Private

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

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

	2015				2014			
	Classified advances	Specific provision held	Classified advances	Specific provision held	Classified advances	Specific provision held	Classified advances	Specific provision held
Agriculture, forestry, hunting and fishing	16,524,468	5,111,238	18,663,722	5,111,238	16,524,468	5,111,238	18,663,722	5,111,238
Advances to employees	28,064	28,064	21,809	28,064	28,064	28,064	21,809	28,064
	16,552,532	5,139,302	18,685,531	5,139,302	16,552,532	5,139,302	18,685,531	5,139,302

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

	2015				2014			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
Private	16,524,468	5,111,238	18,663,722	5,111,238	16,524,468	5,111,238	18,663,722	5,111,238
Advances to employees	28,064	28,064	21,809	28,064	28,064	28,064	21,809	28,064
	16,552,532	5,139,302	18,685,531	5,139,302	16,552,532	5,139,302	18,685,531	5,139,302

41.1.11 Geographical segment analysis

	2015				2014			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
Pakistan	8,378,824	187,574,120	79,211,448	29,595,893	8,378,824	187,574,120	79,211,448	29,595,893

2014

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

Pakistan

41.2 Market risk management

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

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

41.2.1 Foreign exchange risk management

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

41.2.2 Equity price risk

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

41.3 Mismatch of interest rate sensitive assets and liabilities

The Bank's interest rate exposure originates from its investing and borrowing activities. Interest rate risk in the banking book is the risk of adverse changes in earnings and / or capital due to mismatched assets and liabilities in the banking book. The Asset and Liability Management Committee (ALCO) of the Bank monitors and controls mismatch of interest rate sensitive assets and liabilities. The Risk Management Department calculates duration and convexity measures to assess the impact of interest rate changes on its investment portfolio. Interest rate risk stress tests are conducted bi-annually to assess the impact of a parallel shift in the yield curve of the Bank's capital using sensitivity positions.

positions.

	Effective Yield / Interest rate	Total	2015										Not exposed to Yield / Interest risk
			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	-	2,516,338	-	-	-	-	-	-	-	-	-	-	2,516,338
Balances with other banks	5.32	16,408,511	14,408,511	2,000,000	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	7.48	19,665,649	-	10,553,534	4,241,216	360,886	155,345	-	1,094,715	-	-	-	3,259,953
Advances - net	13.04	129,552,744	47,946,978	37,985	5,166,872	26,639,213	20,183,060	10,906,216	12,341,208	320,209	-	-	732,436
Other assets - net	-	14,627,098	-	-	-	-	-	-	-	-	-	-	14,627,098
		182,770,340	62,355,489	12,591,519	9,408,088	27,000,099	20,338,405	10,906,216	13,435,923	5,278,567	320,209	-	21,135,825
Liabilities													
Bills payable	-	346,059	-	-	-	-	-	-	-	-	-	-	346,059
Borrowings	6.15	57,143,100	5,885,887	-	51,257,213	-	-	-	-	-	-	-	-
Deposits and other accounts	3.41	35,947,953	8,738,693	59,018	561,626	13,046,539	149	377,536	845	-	-	-	13,163,547
Sub-ordinated loans	9.00	3,204,323	-	-	3,204,323	-	-	-	-	-	-	-	-
Other liabilities	-	7,944,994	-	-	-	-	-	-	-	-	-	-	7,944,994
		104,586,429	14,624,580	59,018	55,023,162	13,046,539	149	377,536	845	-	-	-	21,454,600
On-balance sheet gap		78,183,911	47,730,909	12,532,501	(45,615,074)	13,953,560	20,338,256	10,528,680	13,435,078	5,278,567	320,209	-	(318,775)
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap		78,183,911	47,730,909	12,532,501	(45,615,074)	13,953,560	20,338,256	10,528,680	13,435,078	5,278,567	320,209	-	(318,775)
Cumulative yield / interest risk sensitivity gap		78,183,911	47,730,909	60,263,410	14,648,336	28,601,896	48,940,152	59,468,832	72,903,910	78,182,477	78,502,686	-	78,183,911
Reconciliation of assets and liabilities exposed to yield / interest rate risk with total assets and liabilities:													
Rupees in '000													
Total financial assets													
Add non-financial assets:													
Investment in subsidiary company		100,000											
Operating fixed assets		2,101,177											
Deferred tax assets - net		446,941											
Other assets		2,155,662											
Total assets as per statement of financial position		187,574,120											
Total financial liabilities													
Add non-financial liabilities:													
Other liabilities		104,586,429											
Total liability as per statement of financial position		3,776,243											
		108,362,672											

41.3.1 Mismatch of interest rate sensitive assets and liabilities

	Effective Yield / Interest rate	Total	2014										Not exposed to Yield / Interest risk
			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 years to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Above 10 years	Yield / Interest	
Rupees in '000													
On-balance sheet financial instruments													
Assets													
Cash and balances with treasury banks	-	4,102,133	-	-	-	-	-	-	-	-	-	-	4,102,133
Balances with other banks	5.69	5,982,441	3,982,441	2,000,000	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	820,190	820,190	-	-	-	-	-	-	-	-	-	-
Investments - net	10.08	29,237,315	11,570,461	12,541,912	358,862	360,783	155,345	39,976	-	-	-	-	4,209,976
Advances - net	12.39	108,553,958	36,693,613	47,439	25,520,951	18,506,237	8,856,122	5,009,432	9,698,049	454,072	-	-	387,847
Other assets - net	-	10,070,539	-	-	-	-	-	-	-	-	-	-	10,070,539
		158,766,576	41,496,244	13,617,900	15,922,108	25,879,813	18,867,020	9,011,467	9,698,049	454,072	-	-	18,770,495
Liabilities													
Bills payable	-	561,964	-	-	-	-	-	-	-	-	-	-	561,964
Borrowings	-	52,226,562	-	-	-	969,349	51,257,213	-	-	-	-	-	-
Deposits and other accounts	7.02	26,701,911	14,107,842	69,109	-	124,731	2,249	272,442	1,331	-	-	-	12,124,207
Sub-ordinated bans	-	3,204,323	-	-	-	-	3,204,323	-	-	-	-	-	-
Other liabilities	-	42,533,415	36,156,894	-	-	-	-	-	-	-	-	-	6,376,521
		125,228,175	50,264,736	69,109	-	1,094,080	54,463,785	272,442	1,331	-	-	-	19,062,692
On-balance sheet gap		33,538,401	(8,768,492)	13,548,791	15,922,108	24,785,733	(35,596,765)	8,739,025	9,696,718	5,049,408	454,072	-	(292,197)
Off-balance sheet gap													
		-	-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap		33,538,401	(8,768,492)	13,548,791	15,922,108	24,785,733	(35,596,765)	8,739,025	9,696,718	5,049,408	454,072	-	(292,197)
Cumulative yield / interest risk sensitivity gap		33,538,401	(8,768,492)	4,780,299	20,702,407	45,488,140	9,891,375	18,630,400	28,327,118	33,376,526	33,830,598	-	33,538,401
Reconciliation of assets and liabilities exposed to yield / interest rate risk with total assets and liabilities:													
			Rupees in '000										Rupees in '000 125,228,175 <u>4,321,492</u> <u>129,549,667</u>
Total financial assets			158,766,576										
Add non-financial assets:													
Investment in subsidiary company			100,000										
Operating fixed assets			1,581,077										
Deferred tax assets - net			1,528,810										
Other assets			1,586,414										
Total assets as per statement of financial position			163,562,877										
													Rupees in '000 125,228,175 <u>4,321,492</u> <u>129,549,667</u>
Total financial liabilities													
Add non-financial liabilities:													
Other liabilities			4,321,492										
Total liability as per statement of financial position			129,549,667										

41.4 Liquidity risk

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

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

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

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

2014										
Total	Upto 1month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees in '000										
Assets										
Cash and balances with treasury banks	4,102,133	4,102,133	-	-	-	-	-	-	-	-
Balances with other banks	5,982,441	3,982,441	-	-	-	-	-	-	-	-
Lending to financial institutions	820,190	820,190	-	-	-	-	-	-	-	-
Investments - net	29,337,315	-	11,610,438	12,541,912	358,862	155,345	-	39,976	4,269,999	-
Advances - net	108,553,958	36,695,926	52,063	3,387,280	25,532,525	8,876,820	9,725,126	5,120,158	628,109	-
Other assets - net	11,656,953	1,126,767	781,450	854,481	1,687,833	881,251	1,519,799	1,965,699	1,791,797	-
Deferred tax assets - net	1,528,810	1,528,810	-	-	-	-	-	-	-	-
Operating fixed assets	1,581,077	-	-	-	198,054	-	-	-	1,383,023	-
	163,562,877	48,256,267	14,443,951	16,783,673	27,777,274	9,913,416	11,244,925	7,125,833	8,072,928	-
Liabilities										
Bills payable	561,964	561,964	-	-	-	-	-	-	-	-
Borrowings	52,226,562	-	-	-	-	-	-	-	-	-
Deposits and other accounts	26,701,911	26,232,049	69,109	969,349	124,731	272,442	1,331	-	-	-
Sub-ordinated loan	3,204,323	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	-	-	-	-	-	-	-	-	-	-
Other liabilities	46,854,907	38,999,280	992,743	84,309	1,761,692	306,802	759,442	1,459,056	584,232	-
	129,549,667	65,793,293	1,061,852	1,053,658	1,886,423	579,244	760,773	1,459,056	584,232	-
Net assets	34,013,210	(17,537,026)	13,382,099	15,730,015	25,890,851	9,334,172	10,484,152	5,666,777	7,488,696	-
Share capital	12,522,441	-	-	-	-	-	-	-	-	-
Reserves	4,590,136	-	-	-	-	-	-	-	-	-
Unappropriated profit	13,425,730	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	3,474,903	-	-	-	-	-	-	-	-	-
	34,013,210	-	-	-	-	-	-	-	-	-

41.5 Operational risk

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

41.6 Fair value of financial instruments

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

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

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

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

42 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

Fair value hierarchy

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

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

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

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

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

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

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

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

Valuation technique used & key inputs

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

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

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

43 EVENTS AFTER THE REPORTING PERIOD

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

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

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

44 CORRESPONDING FIGURES

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

45 DATE OF AUTHORIZATION FOR ISSUE

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

46 GENERAL

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

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

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

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

PRESIDENT

DIRECTOR

DIRECTOR

DIRECTOR

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

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

Sr. No.	Name and address of the borrower	3	NIC number	Father's/husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1			4	5	6	7	8	9	10	11	12	13
10	MUHAMMAD SALEEM LABER	MUHAMMAD SALEEM	32287107564	GHULAM MEHMOOD	0.437	0.483	-	0.920	0.437	0.118	-	0.555
11	MST NASARA BATOOL AMEER PUR	MST NASARA BATOOL	271-60-198749	OAN RAZA	0.314	0.235	-	0.549	0.314	0.235	-	0.549
12	ASIFA BEGUM ALLO MEHAR	ASIFA BEGUM	302 52 001021	TUFAIL	0.403	0.122	-	0.525	0.403	0.122	-	0.525
13	SHAIKAT HUSSAIN THARJAI KALAN PO.KHAS G.KHAN	SHAIKAT HUSSAIN	210-45-349841	CHANAN KHAN	0.387	0.596	-	0.983	0.387	0.596	-	0.983
14	ABDUL HAMEED 53/SP	ABDUL HAMEED	337-45-313780	OUTAS DIN	0.461	0.534	-	0.996	0.461	0.059	-	0.520
15	SHARIFAN BIBI 32 EB	SHARIFAN BIBI	335-45-530244	FAZAL DAD	0.485	0.046	-	0.531	0.485	0.046	-	0.531
16	ALLAH DITTA	ALLAH DITTA	325-56-208269	ALLAH WASAYA	0.889	0.869	-	1.758	0.714	-	-	0.714
	VILL FADDA, MAILSI, VEHARI											
17	MST KHURSHID BIBI VILL HASSAN SHAH, KARAMPUR, VEHARI	MST KHURSHID BIBI	324-28-440642	MUHAMMAD ZAFAR KHAN	0.495	0.624	-	1.119	0.495	0.078	-	0.573
	MST SAJIDA PERVIEN HASSAN SHAH	MST SAJIDA PERVIEN	32458440641	MUHAMMAD ZAFAR KHAN								
18	SADIQ MUHAMMAD VILL KHICHI, LUDDEN, VEHARI	SADIQ MUHAMMAD	36603-1431819-5	JAMAL	0.622	0.084	-	0.706	0.622	0.084	-	0.706
	MST SHAISTA SULTANA JALAL PUR	MST SHAISTA SULTANA	327-86-798616	NADIR ABBAS	0.451	0.392	-	0.843	0.451	0.156	-	0.607
20	MST. AZRA PERVEEN BAILA WAGAH	MST. AZRA PERVEEN	326-89-645457	AHMED KHAN	0.490	0.568	-	1.058	0.490	0.023	-	0.513
21	FAYAZ HUSSAIN JHONJHAN WALI	FAYAZ HUSSAIN	32303-8125822-9	BASHIR AHMAD	0.431	0.866	-	1.297	0.431	0.188	-	0.619
22	KHURSHIED AHMED LUNDI PATAFI	KHURSHIED AHMED	318-52-319359	GHULAM AHMED	0.707	0.512	-	1.220	0.594	-	-	0.594

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

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
34	WALI MUHAMMAD JUNUBI MAWALI DISTRICT LASBELA	WALI MUHAMMAD	-	FIDA MUHAMMAD	0.212	0.330	-	0.542	0.212	0.330	-	0.542
35	NASIR	NASIR	-	ABBASI	0.212	0.332	-	0.544	0.212	0.332	-	0.544
36	GADANI DISTRICT LASBELA RUSTAM	RUSTAM	-	WALI MUHAMMAD	0.203	0.333	-	0.536	0.203	0.333	-	0.536
37	GADANI DISTRICT LASBELA USMAN	USMAN	-	GUL MUHAMMAD	0.208	0.296	-	0.504	0.208	0.296	-	0.504
38	BUDEWAN GADDANI WALI MUHAMMAD	WALI MUHAMMAD	-	MOOSA	0.208	0.299	-	0.507	0.208	0.299	-	0.507
39	GADANI DISTRICT LASBELA RAZA MOHAMMAD	RAZA MOHAMMAD	-	QADIR BUX	0.222	0.279	-	0.502	0.222	0.279	-	0.501
40	SONMIANI DISTRICT LASBELA JAN MUHAMMAD	JAN MUHAMMAD	-	ALI MUHAMMAD	0.222	0.287	-	0.509	0.222	0.287	-	0.509
41	BUDEWAN GADDANI MUBARAK	MUBARAK	-	QADIR BUX	0.222	0.322	-	0.544	0.222	0.322	-	0.544
42	BUDEWAN GADDANI KHAMISO	KHAMISO	-	SIDDIQUE	0.226	0.287	-	0.512	0.226	0.287	-	0.513
43	BUDEWAN GADDANI MADAD	MADAD	-	BUJAR	0.203	0.330	-	0.533	0.203	0.330	-	0.533
44	BUDEWAN GADDANI ALLANO	ALLANO	-	MUHAMMAD	0.212	0.291	-	0.503	0.212	0.291	-	0.503
45	ACHAR	ACHAR	-	ALI	0.203	0.300	-	0.503	0.203	0.300	-	0.503
46	BUDEWANI GADDANI ABDUL KARIM	ABDUL KARIM	-	ABDUL RAHIM	0.212	0.289	-	0.501	0.212	0.289	-	0.501
47	SONMIANI DISTRICT LASBELA HASHIM	HASHIM	-	KALO	0.203	0.314	-	0.517	0.203	0.314	-	0.517
48	BUDEWAN GADDANI IBRAHIM	IBRAHIM	-	WALI MUHAMMAD	0.212	0.301	-	0.512	0.212	0.301	-	0.513
					Rupees in million							

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

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

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					Rupees in million							
76	MUHAMMAD AMIN SONMIANI DISTRICT LASBELA	MUHAMMAD AMIN	-	ESSA	0.227	0.282	-	0.509	0.227	0.282	-	0.509
77	MAMOON SONMIANI DISTRICT LASBELA	MAMOON	-	YOUSAF	0.227	0.301	-	0.529	0.227	0.301	-	0.528
78	ALLAH BUX SONMIANI DISTRICT LASBELA	ALLAH BUX	-	ABDUL KARIM KHAN	0.227	0.304	-	0.532	0.227	0.304	-	0.531
79	BASHIR AHMED SONMIANI DISTRICT LASBELA	BASHIR AHMED	-	GUL MUHAMMAD	0.212	0.312	-	0.524	0.212	0.312	-	0.524
80	FAQIR MUHAMMAD SONMIANI DISTRICT LASBELA	FAQIR MUHAMMAD	-	HASSAN	0.227	0.324	-	0.552	0.227	0.324	-	0.551
81	ABDOO SONMIANI DISTRICT LASBELA	ABDOO	-	MUHAMMAD ALI	0.227	0.286	-	0.513	0.227	0.286	-	0.513
82	AHMED SONMIANI DISTRICT LASBELA	AHMED	-	GOHRAM	0.231	0.288	-	0.519	0.231	0.288	-	0.519
83	ABDUL WAHAB C/OGWADER FISHERMEN	ABDUL WAHAB	99501 39403179	ABDUL GHAFOR	0.216	0.366	-	0.582	0.216	0.366	-	0.582
84	AHMED KHAN SONMIANI DISTRICT LASBELA	AHMED KHAN	-	TAJ MUHAMMAD	0.216	0.302	-	0.518	0.216	0.302	-	0.518
85	HAJI MUHAMMAD IBRAHIM SONMIANI DISTRICT LASBELA	HAJI MUHAMMAD IBRAHIM	-	MUHAMMAD	0.222	0.288	-	0.510	0.222	0.288	-	0.510
86	CH ABDUL RAUF C/O SHABIR H. KHWAJA SPARE PARTS, KHOSKI ROAD, BADIN	CH ABDUL RAUF	35202-6098292-1	CH. MUHAMMAD ISHAQUE	0.885	1.421	-	2.306	0.885	0.323	-	1.208

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

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

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					Rupees in million								
106	MST ASHRAF KHATOON CHODIO SADHAYO DEH CHODIO JAGI	MST ASHRAF KHATOON	411-09-064459	HADI BUX	0.081	0.829	-	0.909	0.081	0.829	-	0.910	
107	HAJI AHMED HATHI GATE PANGPEER SHIKARPUR	HAJI AHMED	411-95-99084866	HAJI ALI MURAD	0.108	0.507	-	0.615	0.108	0.507	-	0.615	
108	MEERO KHAN RAHIM WAH HAJI KHAN RAHIM WAH	MEERO KHAN HAJI KHAN	412-92-79059797 426-25-859361	MITHAN KHAN THAHEEM MITHAN KHAN	0.110	0.466	-	0.576	0.110	0.466	-	0.576	
109	MOHAMMAD SACHAL HONI	MOHAMMAD SACHAL	412-22-06979999	MIR MOHAMMAD	0.120	0.603	-	0.723	0.120	0.603	-	0.723	
110	GAHI KHAN RIO QAIM KHAN	GAHI KHAN	412-38-122668	QAIM KHAN	0.113	0.441	-	0.555	0.113	0.441	-	0.554	
111	MUHAMMAD YAKOOB TARO KHAN PO BUXAPUR KASHMORE ADAM TARO KHAN PO BUXA PUR	MUHAMMAD YAKOOB	402-53-089883	PISAND KHAN PISAND	0.094	1.072	-	1.166	0.094	0.978	-	1.072	
112	LUTUF ALI NOOR PUR PACHO MOHD LAIQUE KASHMORE	LUTUF ALI	402-37-03417777	MADAALI	0.105	0.680	-	0.786	0.105	0.680	-	0.785	
113	MUHAMMAD YOUSAF BACHARO PO TAL THUL	MUHAMMAD YOUSAF	404-80-054444	MIR MUHAMMAD	0.095	0.524	-	0.619	0.095	0.521	-	0.616	
114	NIAMATULLAH DHORO JANIB	NIAMATULLAH	48490010487	ALI MOHAMMAD	0.281	0.268	-	0.549	0.281	0.222	-	0.503	
115	MST KALSOOM DING	MST KALSOOM	442-02-96463220	AMANULLAH	0.331	0.379	-	0.710	0.331	0.180	-	0.511	
116	MST AMBERUNNISA DING	MST AMBERUNNISA	442-02-42182804	AMANULLAH	0.331	0.319	-	0.651	0.331	0.180	-	0.511	
117	MUHAMMAD RASOOL UMER KHAN KILLI P.O.PIR ABAD	MUHAMMAD RASOOL	129-44-587455	MIR MAST	0.308	0.634	-	0.942	0.308	0.286	-	0.594	

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

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	DELSURA KAREZ QILLA ABDULLAH											
130	MUHAMMAD RAHIM DELSARA KAREZ QILLI ABDULLAH	MUHAMMAD RAHIM	542-03-76951943	MALIK ABDUL HAD KHAN	0.303	0.268	-	0.570	0.303	0.268	-	0.571
131	FATEH MUHAMMAD MAZAI ADDA	FATEH MUHAMMAD	542-03-80538251	HAJI BARKAT	0.400	0.260	-	0.660	0.400	0.196	-	0.596
132	MUHAMMAD FSSA KILLI ABDUL REHMANZA	MUHAMMAD FSSA	542-02-10948191	H.ABDUL BAQI	0.399	0.312	-	0.711	0.399	0.114	-	0.513
133	RAHIM KHAN SPEZAND TEHSIL DASHT MASTUNG	RAHIM KHAN	544-00-64984355	BANGUL KHAN	0.350	0.210	-	0.560	0.350	0.165	-	0.515
134	MIR MUHAMMAD UMAR HITACHI	MIR MUHAMMAD UMAR	627-41-066426	MIR MASTEE KHAN	0.117	0.404	-	0.521	0.117	0.404	-	0.521
135	MIAN KHAN TOOTAK	MIAN KHAN	627-52-001411	HAJI MIR PIR MOHAMMAD	0.141	0.534	-	0.676	0.141	0.534	-	0.675
136	NABI WARRIS	NABI WARRIS	514-01-98270267	BAKHSH ALI	0.350	0.467	-	0.817	0.350	0.165	-	0.515
137	NOGHAY TEHSIL BAGHBANA ATTA MUHAMMAD ABLO NALL	ATTA MUHAMMAD	627 45 027404	MAZAR KHAN	0.400	0.447	-	0.847	0.400	0.125	-	0.525
138	RASOOL BUX GADUK MASHKEL	RASOOL BUX	636 52 041504	MUHAMMED AMIN	0.383	0.481	-	0.863	0.383	0.140	-	0.523
139	ABDUL QAYYUM KHUDAIDADZAI	ABDUL QAYYUM	612-95-19058981	ABDUL BAQI	0.301	0.443	-	0.745	0.301	0.312	-	0.613
140	MUHAMMAD IBRAHIM KAZA	MOHAMMAD IBRAHIM	562-01-15498541	FAIZ MUHAMMAD	0.317	0.263	-	0.580	0.317	0.263	-	0.580
141	MIR KARIM BUKHSH	MIR KARIM BUKHSH	522-03-14796179	MIR HASHIM	0.169	0.491	-	0.660	0.169	0.491	-	0.660
142	GHINNA MOULADAD CHALLOO	MOULADAD	522-03-09992409	DIN MUHAMMAD	0.396	0.465	-	0.861	0.396	0.465	-	0.861

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

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
..... Rupees in million												
158	RAJAB ALI SHAHWASAYA	RAJAB ALI	607-27-162871	BAKSHAN KHAN	0.094	1.073	-	1.167	0.094	0.979	-	1.073
159	SYED ABDUL HAMEED SHAH BHAG	SYED ABDUL HAMEED SHAH	622-36-040447	S.ABDUL MAJEED SHAH	0.050	0.523	-	0.573	0.050	0.522	-	0.572
160	IFTIKHAR UL HASSAN RORAS	IFTIKHAR UL HASSAN	34603-8183818-9	SAFDAR ALI	0.462	0.400	-	0.862	0.462	0.054	-	0.516
161	LIAQAT ALI MUHAMMAD WALA SHREEN JANGHER	LIAQAT ALI	35402-1981211-3	RAJA	0.461	0.669	-	1.130	0.461	0.141	-	0.602
162	SULTAN AHMAD MALWALI 1 RB	SULTAN AHMAD	35403-4926975-3	SADDAD	0.080	0.874	-	0.954	0.080	0.794	-	0.874
163	ASHIQ HUSSAIN MIAN ALI FAQIRAN	ASHIQ HUSSAIN	294-46-260641	RAJDA	0.099	1.153	-	1.252	0.099	1.045	-	1.144
164	BAKSHA VEERKEY BATH	BAKSHA	35404-2011869-1	JHANDA	0.278	0.341	-	0.620	0.278	0.296	-	0.574
165	JUMA KHAN CHANDIA	JUMA KHAN	53404-38095285	ALLAHDINA	0.300	0.566	-	0.866	0.300	0.294	-	0.594
166	SOHNA KHAN CHANDIA	SOHNA KHAN	53404-25483625	ALLAH DINO	0.300	0.426	-	0.726	0.300	0.294	-	0.594
167	GHULAM SHABIR CHANDIA	GHULAM SHABIR	607-42-163737	MUHAMMAD ASGHAR	0.318	0.624	-	0.943	0.318	0.314	-	0.632
168	MUHAMMAD ASLAM CHANDIA	MUHAMMAD ASLAM	53404 63025997	SULTAN	0.319	0.626	-	0.945	0.319	0.315	-	0.634
169	UMAR DRAZ	UMAR DRAZ	253-5740543-7	GUL SHER	0.315	0.336	-	0.651	0.315	0.205	-	0.520
170	186 GB NOOR MUHAMAD C/O ROSHAN BURIRO R/O PO BHAN	NOOR MUHAMAD	465-85-106949	GHULAM HUSSAIN	0.347	0.648	-	0.996	0.347	0.284	-	0.631
171	PARVEZ H.N.84 KHOJA C/BEH CEN JAIL	PARVEZ	449-59-333752	RAJAB ALI	0.098	1.001	-	1.099	0.098	0.922	-	1.020
172	GHULAMULLAH DEH KHATORI	GHULAMULLAH	99453-85172943	HAJI ILLAHI BUX	0.145	0.607	-	0.752	0.145	0.607	-	0.752

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/husband's name	Outstanding liabilities at beginning of the year				Rupees in million				Total (10+11+12)
					Principal	Interest	Others	Total	Principal charged off	Interest charged off	Other financial relief / waiver provided		
1			4	5	6	7	8	9	10	11	12	13	
173	HAKUM jhang	HAKUM	261-55-169282	MAHNI	0.324	0.326	-	0.649	0.324	0.179	-	0.503	
174	GHULAM QADIR GADANI	GHULAM QADIR	540-22-674921	DODA	0.227	0.304	-	0.531	0.227	0.304	-	0.531	
175	HASSAN ALI BROHI C-VI-265 GIZRI	HASSAN ALI BROHI	510-66-287765	MOHAMMAD ASLAM BROHI	0.461	0.361	-	0.822	0.461	0.346	-	0.807	
176	MOHAMMAD QASIM GHAZI	MOHAMMAD QASIM	403-37-064841	SHER ALI KHAN	0.076	0.964	-	1.041	0.076	0.886	-	0.962	
177	MAQBOOL AHMED KHARIRO	MAQBOOL AHMED	403-65-187990	NAJAMUDDIN	0.084	0.706	-	0.790	0.084	0.706	-	0.790	
178	MOHAMMAD SADIQ WARAH	MOHAMMAD SADIQ	424-48-034865	ABDUL REHAMN	0.099	0.923	-	1.022	0.099	0.840	-	0.939	
179	MST.KHAIR UNISA KANDH KOT	MST.KHAIR UNISA	403-31-028611	MUHD RAMZAN	0.079	0.677	-	0.756	0.079	0.641	-	0.720	
180	MOHD AKRAM NOOR PUR PACHO	MOHD AKRAM	402-35-088425	MADADA LAI	0.083	0.732	-	0.815	0.083	0.732	-	0.815	
181	MST HAKIM ZADI	MST HAKIM ZADI	401-19-038046	HAMID KHANA	0.090	0.416	-	0.506	0.090	0.416	-	0.506	
182	MEHER SHAH JACOBABAD ABDUL MAJEED DEH SONO DARO VIL MOHD KHAN BU	ABDUL MAJEED	411-06-084577	KHAN MUHAMMAD	0.105	0.761	-	0.866	0.105	0.713	-	0.818	
183	ATTAULLAH SALGHANI	ATTAULLAH	403-91-249226	LALI KHAN	0.271	0.526	-	0.797	0.271	0.252	-	0.523	
184	GHULAM MURTAZA TANDO MITHA KHAN	GHULAM MURTAZA	484-89-181093	HAJI ALI SHER SHAH	0.256	0.251	-	0.507	0.256	0.251	-	0.507	
185	NAWAZ ALI KANGNI P.O.KHAI TAL.KHIPRO	NAWAZ ALI	475-42-061291	MIR MOHAMMED	0.087	0.633	-	0.720	0.087	0.597	-	0.684	
186	MUHAMMAD AJMAL KHAN KHEROR PACCA	MUHAMMAD AJMAL KHAN	280 55 110112	HAJI KABIR KHAN	0.322	0.264	-	0.586	0.322	0.180	-	0.502	
187	MAQSOOD BIBI JHOKE GAMOON	MAQSOOD BIBI	322-30-331892	SADAT HUSSAIN	0.479	0.078	-	0.557	0.479	0.053	-	0.532	
188	ASHIQ HUSSAIN KHAN WAH	ASHIQ HUSSAIN	344 45 075370	KARIM BUX	0.371	0.467	-	0.838	0.371	0.232	-	0.603	

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
..... Rupees in million												
189	RABNAWAZ KHANO SHUMALI	RABNAWAZ	326 45 013403	GHULAM HASSAN	0.475	0.101	-	0.576	0.475	0.063	-	0.538
190	MUMTAZ HUSSAIN BOHAR MALSI	MUMTAZ HUSSAIN	326 85 105383	MUHAMMAD BUX	0.475	0.354	-	0.829	0.475	0.104	-	0.579
191	MST.SAMINA MOUZA NAU QABIL WAH	MST.SAMINA	326-85-603680	GHULAM MURTAZA	0.292	0.316	-	0.608	0.292	0.230	-	0.522
192	FIDA HUSSAIN CHOWKI RANJO KHAN	FIDA HUSSAIN	326-45-196177	ALLAH DEWAYA	0.274	0.373	-	0.647	0.274	0.244	-	0.518
193	RANA MOHAMMAD AYUB NIKABIL WAH	RANA MOHAMMAD AYUB	326-27-536648	GHULAM ROJAN	0.395	0.659	-	1.054	0.395	0.239	-	0.634
194	ALTAF HUSSAIN NOAKABLE WAH	ALTAF HUSSAIN	344-56-208333	ZULFIOAR	0.400	0.650	-	1.049	0.400	0.217	-	0.617
195	HAJI AKBAR KHAJI WALA	HAJI AKBAR	326-91-710411	RANAN ABDUL RAZAQ	0.354	0.475	-	0.829	0.354	0.155	-	0.509
196	MST NAWAB BEGUM MARI BAGHOO KHAN	MST NAWAB BEGUM	326-32-011444	SHAM MUHAMMAD	0.357	0.251	-	0.608	0.356	0.183	-	0.539
197	RANA MOEEN FAREED NOOABIL WAH	RANA MOEEN FAREED	326-74-773604	RANA RABNAWAZ	0.499	0.565	-	1.064	0.495	0.023	-	0.518
198	RIAZ AHMED NORAJA BHUTTA	RIAZ AHMED	36301-8445009-9	NAZIR AHMED	0.451	0.562	-	1.013	0.437	0.070	-	0.507
199	ZAIB UN NISSA LABER	ZAIB UN NISSA	323-55-220801	MUHAMMAD SALEEM	0.474	0.679	-	1.153	0.474	0.179	-	0.653
200	AFTAB AHAMD BHUTTA PUR	AFTAB AHAMD	315-61-308521	GUL MUHAMMAD	0.500	0.433	-	0.932	0.500	0.259	-	0.759
201	AFTAB AHMED BHUTTA PUR	AFTAB AHMED	315-61-308521	GUL MUHAMMAD	0.462	0.281	-	0.743	0.462	0.087	-	0.549
202	KARAM KHAN KAROOCHO	KARAM KHAN	43394-89206867	SUHRAB	0.246	0.532	-	0.777	0.246	0.292	-	0.538
203	QURBAN ALI SHAH KALRI	QURBAN ALI SHAH	486-55-294773	FAIZUDDIN SHAH	0.309	0.230	-	0.539	0.309	0.211	-	0.520

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
..... Rupees in million												
204	MST SHAMEEM AKHTAR PANDAT MANFOOL PUR	MST SHAMEEM AKHTAR	336-49-006476	MOHAMMAD JAFAR	0.408	0.793	-	1.201	0.408	0.385	-	0.793
205	MST.ASHRAFO BALO KHELL BALA P O BADA BER	MST.ASHRAFO	137-29-434791	SHER MOHAMMAD	0.303	0.599	-	0.902	0.303	0.296	-	0.599
206	ABDUL HAKEEM	ABDUL HAKEEM	143-58-000535	DAD SHER	0.293	0.462	-	0.755	0.293	0.248	-	0.541
207	DARA ADAMKHEL ATTRIWAL MUMTAZ KHAN DARA ADAMKHEL BALKI KHEL	MUMTAZ KHAN	159-8900407-6	ABDUL MALIK	0.329	0.600	-	0.929	0.320	0.311	-	0.631
208	MOHAMMAD YOUSAF NADEEM ATTA GENRAL STORE JINNAH RD KZ	MOHAMMAD YOUSAF NADEEM	627-55-010010	MIR ABDULLAH	0.097	0.919	-	1.016	0.097	0.839	-	0.936
209	HIDAYAT ULLAH JANGLE DUKI	HIDAYAT ULLAH	609-41-051433	SARDAR MOHD HASHIM KHAN	0.109	0.573	-	0.682	0.109	0.567	-	0.676
210	MALIK ALLAH DAD KHAN MARJANZAI	MALIK ALLAH DAD KHAN	56301-1071161-5	MALIK MIR KHAN	0.200	1.540	-	1.740	0.200	1.408	-	1.608
211	ASSAD ULLAH BADRI TEHSIL WADH KHUZDAR	ASSAD ULLAH	627-42-008447	MURAD MUHAMMAD	0.400	0.662	-	1.061	0.400	0.279	-	0.679
212	AZIZ AHMED KILLI HASHIM KHAN DALBANDIN	AZIZ AHMED	54101-0121070-3	ALLAH BUKHSH	0.350	0.250	-	0.600	0.350	0.178	-	0.528
213	AMIR MUHAMMAD KHAN DASHT-E-GORAN CHAGAI	AMIR MUHAMMAD KHAN	54101-9712208-1	H.MUHAMMAD ALI KHAN	0.447	0.475	-	0.922	0.447	0.087	-	0.534
214	JUMA KHAN KAN MATHERZAI	JUMA KHAN	56202-7122738-1	ABDDAL	0.242	0.408	-	0.650	0.242	0.263	-	0.505
215	TARAKY PARAI MALA LORAAI	TARAKY	56302-0850987-7	RASHMIN KHAN	0.278	0.443	-	0.721	0.278	0.295	-	0.573
216	ABDUL SALAM NASI MUSLIM BAGH	ABDUL SALAM	56202-0851947-7	NOOR MOHAMMAD	0.281	0.501	-	0.782	0.281	0.286	-	0.567
217	JALAL UDDIN ZIRAT	JALAL UDDIN	55401-5048523-1	NOOR MUHAMMAD	0.315	0.430	-	0.746	0.315	0.203	-	0.518

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
218	MOHD HANIF KHAN MATHERZAI	MOHD HANIF	56202-6721713-9	MOHD GUL	0.277	0.257	-	0.534	0.277	0.255	-	0.532
219	ABDUL GHAFOR KAWAS	ABDUL GHAFOR	55401-5048523-1	RAHIM DIL	0.534	0.620	-	1.154	0.524	0.150	-	0.674
220	MUNIR AHMAD CHARI	MUNIR AHMAD	606-73-003198	AKHTER MUHAMMAD	0.450	0.512	-	0.962	0.450	0.060	-	0.510
221	HAFEEZ ULLAH QADRI MEDICAL STORE NUSHKI	HAFEEZ ULLAH	54102-1551552-7	ABDUL MANAN	0.391	0.431	-	0.822	0.391	0.201	-	0.592
222	SHAMSUDDIN QILLA SAIFULLAH	SHAMSUDDIN	612-90-276260	AMEERUDDIN	0.272	0.447	-	0.719	0.272	0.290	-	0.562
223	ABDUL SATAR DIL MURAD MAHNARI	ABDUL SATAR	627-5125701-2	KHALIL UR RAHMAN	0.245	0.398	-	0.643	0.245	0.272	-	0.517
224	GHULAM MOHAMMAD KUCHLAK	GHULAM MOHAMMAD	602-91-429730	GULMIR KHAN	0.322	0.317	-	0.639	0.322	0.191	-	0.513
225	MUHAMMAD MURRAD ABI NOGHAY BAGHBANA KHUZDAR	MUHAMMAD MURRAD	627-46-204292	ALI MUHAMMAD	0.383	0.587	-	0.970	0.383	0.201	-	0.584
226	SALEH MUHAMMAD GHULAM PRENZ TEHSIL MASTUNG	SALEH MUHAMMAD	626-47-031736	MISRI KHAN	0.319	0.495	-	0.813	0.319	0.305	-	0.624
227	HABIB UR REHMAN LIDI DASHT KIRDGAP	HABIB UR REHMAN	51201-1608450-7	HAJI GHULAM JAN	0.350	0.577	-	0.927	0.350	0.246	-	0.596
228	TAIMOOR KHAN LIDDI DAST KIRDGAP T D MASTUNG	TAIMOOR KHAN	51602-8342443-7	HUSSAIN BUX	0.380	0.574	-	0.954	0.380	0.226	-	0.606
229	MOULA BUX LIDDI DASHT KIRDGAP MASTUNG	MOULA BUX	51201-1599176-9	DOST ALI	0.350	0.551	-	0.901	0.350	0.198	-	0.548
230	ABDUL MADAD FARAKHI PSHIN	ABDUL MADAD	604-8811689-8	H.ABDUL BASEER	0.301	0.444	-	0.745	0.301	0.265	-	0.566
231	MUHAMMAD WARIS GHULAM PARANZ TEHSIL MASTUNG	MUHAMMAD WARIS	621-46-045419	ATTA MUHAMMAD KHAN	0.380	0.553	-	0.933	0.380	0.170	-	0.550

Sr. No.	Name and address of the borrower	Name of individual / partners / directors	NIC number	Father's/ husband's name	Outstanding liabilities at beginning of the year				Principal charged off	Interest charged off	Other financial relief / waiver provided	Total (10+11+12)
					Principal	Interest	Others	Total				
1					6	7	8	9	10	11	12	13
					Rupees in million							
232	ABDUL RAZIO MALEZAI PISHIN	ABDUL RAZIO	602-40-220040	SHER MUHAMMAD	0.400	0.325	-	0.725	0.400	0.113	-	0.513
233	SYED MUHAMMAD USMAN KILLI INYAT KAREZ PISHIN	SYED MUHAMMAD USMAN	602-52-328942	SYED MUHAMMAD UMER	0.493	0.212	-	0.705	0.493	0.034	-	0.527
234	HASINA BIBI RANG PUR	HASINA BIBI	360-52-254424	IRSHAD HUSSAIN	0.522	0.119	-	0.641	0.522	0.119	-	0.641
235	ZAFAR ALI HAMANRAT TESIL ARIFWALA PAKPATAN	ZAFAR ALI	338-57-320935	MOHD YAR	0.477	0.648	-	1.125	0.439	0.080	-	0.519
236	GHULAM RAUF SHAH KHAGGA	GHULAM RAUF	337-87-013977	MOHD YOUSAF	0.531	0.548	-	1.079	0.531	0.087	-	0.618
237	NASIR ALI KOT MOHABAT	NASIR ALI	289-86-508956	FATEH SHER	0.500	0.683	-	1.183	0.500	0.133	-	0.633
238	SABIHA FAZIL	SABIHA FAZIL	296-42-008631	M FAZIL	0.051	0.939	-	0.990	0.051	0.889	-	0.940
239	37 MCLEOD ROAD LAHORE GUL SHER D ARBELO NUNDHI	GUL SHER D ARBELO	45104-49024879	NANGO	0.334	0.191	-	0.525	0.334	0.187	-	0.521
240	HABIB ULLAH WGAWADAR	HABIB ULLAH	521010142147-3	MUHAMMAD KHAN	0.313	0.434	-	0.748	0.313	0.335	-	0.648
241	MST ZAFARAN BIBI KHICHI	MST ZAFARAN BIBI	324-86-538683	MUHAMMAD ZUBAIR	0.461	0.487	-	0.948	0.461	0.045	-	0.506
242	MUSHTAQUE HUSSAIN SHER GARH	MUSHTAQUE HUSSAIN	325-59-379988	NOOR MUHAMMAD	0.814	0.272	-	1.086	0.814	0.112	-	0.926
243	MST ATTA ELAHI HUSSAN SHAH	MST ATTA ELAHI	325-43-072826	HUSSAN SHAH	0.467	0.206	-	0.673	0.467	0.080	-	0.547
244	MST FURDOS BAGUM SHATAB GARH	MST FURDOS BAGUM	325-57-019527	SHOKAT HAYAT KHAN	0.498	0.602	-	1.100	0.498	0.075	-	0.573
245	MST NASREEN MAI SHER GARH	MST NASREEN MAI	325-90-463139	MUSHTAQ HUSSAIN KHAN	0.900	0.520	-	1.420	0.754	-	-	0.754
246	ALLAH YAR KHAN DHODHA	ALLAH YAR KHAN	325-26-275302	SHAH MUHAMMAD KHAN	0.602	0.531	-	1.133	0.602	0.273	-	0.875

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

Statistical Annex



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SELECTED FINANCIAL AND STATISTICAL INDICATORS

(RUPEES MILLION)

SR. NO.	DESCRIPTION	2011	2012	2013	2014	2015
<u>DURING THE YEAR</u>						
1	AGRICULTURAL CREDIT DISBURSED	65,452	64,133	71,107	81,934	95,420
2	LOANS TO SUBSISTENCE FARMERS	44,606	45,207	51,858	61,321	72,869
3	2 AS % AGE OF 1	68%	70%	73%	75%	76%
4	LOANS TO SMALL FARMERS (UPTO 25.0 ACRES)	58,066	57,617	64,575	75,300	88,518
5	4 AS %AGE OF 1	89%	90%	91%	92%	93%
6	FINANCING OF TRACTORS					
	- NUMBER	908	7,296	9,212	10,554	9,154
	- AMOUNT	431	3,594	5,977	7,489	7,054
7	6 AS %AGE OF 1	1%	6%	8%	9%	7%
8	AGRI. CREDIT RECOVERY	72,422	67,376	72,636	78,721	88,720
9	CUMMULATIVE RECOVERY (%)	99%	99%	99%	99%	99%
10	TOTAL INCOME	8,104	10,936	12,912	16,114	18,239
11	TOTAL EXPENDITURE	4,827	7,066	7,745	7,787	9,860
12	PROFIT BEFORE TAXATION	3,277	3,870	5,167	8,327	8,379
<u>AT THE END OF THE YEAR</u>						
1	TOTAL ASSETS	122,468	131,859	148,448	163,563	187,574
2	LOAN PORTFOLIO (NET)	84,744	88,060	95,312	108,554	129,553
3	NUMBER OF ZONAL OFFICES	31	31	31	32	32
4	NUMBER OF BRANCHES	359	359	379	416	438
5	NUMBER OF MCO's	1,277	1,313	1,308	1,271	1,333
6	NUMBER OF REGULAR EMPLOYEES	5,789	5,724	5,599	5,777	5,699

2.1

LOANS DISBURSED SINCE INCEPTION: AREA-WISE
UPTO 31.12.2015

(RUPEES MILLION)

Sr. No.	Province/ Area	Amount Disbursed	Share (%)
1	PUNJAB	841504.849	78.1
2	SINDH	158310.516	14.7
3	KHYBER PAKHTUN KHWA	59134.098	5.5
4	BALUCHISTAN	10222.149	0.9
5	AZAD KASHMIR	4194.871	0.4
6	GILGIT/BALTISTAN	3990.654	0.4
TOTAL		1077357.137	100.0

2.2

LOANS DISBURSED : AREA-WISE
DURING 01-01-2015 TO 31-12-2015

(RUPEES MILLION)

Sr. No.	Province/ Area	Number of Borrowers	Amount Disbursed	Share (%)
1	PUNJAB	345247	77621.173	81.3
2	SINDH	39972	12742.769	13.4
3	KHYBER PAKHTUN KHWA	16020	4035.386	4.2
4	BALUCHISTAN	782	262.092	0.3
5	AZAD KASHMIR	4665	345.647	0.4
6	GILGIT/BALTISTAN	1770	412.898	0.4
TOTAL		408456	95419.965	100.0

100.0

2.3

TERM-WISE COMPOSITION OF LOANS DISBURSED
DURING 01-01-2015 TO 31-12-2015

Sr. No.	Province / Area	Short Term		Medium Term		Long Term		TOTAL	
		No. of Borrowers	Amount	No. of Borrowers	Amount	No. of Borrowers	Amount	No. of Borrowers	Amount
1	PUNJAB	300010	55991.643	32884	14387.631	12353	7241.899	345247	77621.173
2	SINDH	34772	10539.534	4970	2077.432	230	125.803	39972	12742.769
3	KHYBER PAKHTUN KHWA	12509	3248.896	3312	698.448	199	88.042	16020	4035.386
4	BALUCHISTAN	635	195.736	69	24.250	78	42.106	782	262.092
5	AZAD KASHMIR	4062	225.937	575	103.500	28	16.210	4665	345.647
6	GILGIT/BALTISTAN	679	150.686	1074	253.587	17	8.625	1770	412.898
TOTAL		352667	70352.432	42884	17544.848	12905	7522.685	408456	95419.965

2.4

LOANS DISBURSED: SECURITY - WISE
DURING 01.01.2015 TO 31.12.2015

(RUPEES MILLION)

SR. NO.	PARTICULARS	NUMBER OF BORROWERS	AMOUNT DISBURSED	SHARE (%)
1	SECURED LOANS	403834	94844.978	99.4
2	HYPOTHECATION LOANS	227	62.031	0.1
3	PERSONAL SURETY LOANS	3408	119.611	0.1
4	OTHER SECURITY	987	393.345	0.4
	TOTAL	408456	95419.965	100.0

2.5

ANNUAL CREDIT DISBURSEMENT, TRACTORS & TUBEWELLS FINANCED
SINCE INCEPTION UPTO 31-12-2015

(RUPEES MILLION)

YEAR	ANNUAL CREDIT DISBURSED	TRACTORS FINANCED		TUBEWELLS FINANCED	
		NUMBER	AMOUNT	NUMBER	AMOUNT
Since Inception upto 31-12-2003	299868.874	450648	73726.696	132613	12630.003
2004	33714.580	7848	1952.655	4369	845.424
2005	39356.053	10807	2893.575	3895	703.891
2006	52520.505	9052	2512.927	1918	292.898
2007	55912.018	10275	3478.103	1218	178.114
2008	70698.335	16143	5741.191	1941	340.850
2009	77680.431	24596	9994.861	1917	360.733
2010	69561.375	13321	6269.645	1839	397.014
2011	65451.788	908	431.248	1745	476.253
2012	64132.759	7296	3594.398	2051	524.817
2013	71106.707	9212	5976.749	1522	575.109
2014	81933.747	10554	7489.295	1569	608.154
2015	95419.965	9154	7053.922	260	82.378
TOTAL	1077357.137	579814	131115.265	156857	18015.638

2.6

AGRICULTURAL CREDIT DISBURSED BY MAJOR PURPOSES
DURING 01-01-2015 TO 31-12-2015

(RUPEES MILLION)

PURPOSES	NO. OF BORROWERS	AMOUNT DISBURSED	SHARE (%)
I. DEVELOPMENT LOANS	55789	25067.533	26.3
1 TRACTORS	10982	7053.922	7.4
2 DAIRY FARMING	30811	14036.768	14.7
3 FARM EQUIPMENT	924	161.396	0.2
4 TUBEWELLS	264	82.378	0.1
5 LIVESTOCK	11047	3273.992	3.4
6 POULTRY FARMING	4	22.844	0.0
7 ORCHARDS	35	5.563	0.0
8 LAND DEVELOPMENT	109	13.693	0.0
9 FISHERIES	6	0.845	0.0
10 FARM TRANSPORTATION	6	0.370	0.0
11 GODOWN/ COLD STORAGE	474	148.357	0.2
12 OTHERS	1127	267.405	0.3
II. PRODUCTION LOANS	352667	70352.432	73.7
1 FERTILIZER	169280	33769.167	35.4
2 PESTICIDES	67007	13366.962	14.0
3 SEEDS	98747	19698.681	20.6
4 LABOUR HIRE/ OTHER CHARGES	127	11.200	0.0
5 WORKING CAPITAL FOR POULTRY	4433	796.852	0.8
6 WORKING CAPITAL FOR DAIRY	7164	2343.012	2.5
7 WORKING CAPITAL FOR LIVESTOCK	16	3.074	0.0
8 WORKING CAPITAL FOR FISHERIES	62	11.486	0.0
9 OTHERS	5831	351.998	0.4
TOTAL:-	408456	95419.965	100.0

2.7

AGRICULTURAL CREDIT DISBURSED BY SIZE OF LOAN
DURING 01-01-2015 TO 31-12-2015

(RUPEES MILLION)

SIZE OF LOAN	NO. OF BORROWERS	SHARE (%)	AMOUNT DISBURSED	SHARE (%)
UPTO RS. 25000/-	7359	1.8	150.901	0.2
RS.25001 TO 50000/-	31890	7.8	1261.179	1.3
RS.50001 TO 100000/-	75887	18.6	5780.426	6.1
RS.100001 TO 200000/-	114202	28.0	16269.731	17.1
RS.200001 TO 500000/-	134539	32.9	42269.319	44.3
RS.500001 TO 1000000/-	44188	10.8	29159.110	30.6
OVER 1000000/-	391	0.1	529.299	0.6
TOTAL:-	408456	100.0	95419.965	100.0

2.8

AGRICULTURAL CREDIT DISBURSED BY SIZE OF HOLDING
DURING 01-01-2015 TO 31-12-2015

(RUPEES MILLION)

SIZE OF HOLDING	NO. OF BORROWERS	SHARE (%)	AMOUNT DISBURSED	SHARE (%)
A. LANDLESS	129	0.0	17.895	0.0
B. OWNERS				
UNDER 5.1 HECTARES (UNDER 12.5 ACRES)	345503	84.6	70866.088	74.3
5.1 TO UNDER 6.5 HECTARES (12.51 TO UNDER 16 ACRES)	22561	5.5	7882.366	8.3
6.5 TO UNDER 10.1 HECTARES (16.01 TO UNDER 25 ACRES)	24097	5.9	9752.136	10.2
10.1 TO UNDER 13 HECTARES (25.01 TO UNDER 32 ACRES)	5788	1.4	2503.516	2.6
13 TO UNDER 20.2 HECTARES (32.01 TO UNDER 50 ACRES)	6017	1.5	2584.073	2.7
20.2 TO UNDER 26 HECTARES (50.01. TO UNDER 64 ACRES)	1716	0.4	733.840	0.8
26 HECTARES & ABOVE (64.01 ACRES & ABOVE)	2645	0.6	1080.051	1.1
TOTAL:-	408456	100.0	95419.965	100.0

3.1

RECOVERY POSITION
DURING 01-01-2015 TO 31-12-2015

(RUPEES MILLION)

SR. NO.	PROVINCE/ AREA	RECOVERABLE	RECOVERY	RECOVERY RATE (%)
1	PUNJAB	76746.161	71801.630	93.6
2	SINDH	13626.711	11765.543	86.3
3	KHYBER PAKHTUN KHWA	4634.544	4248.260	91.7
4	BALUCHISTAN	292.823	216.799	74.0
5	AZAD KASHMIR	372.060	370.561	99.6
6	GILGIT/BALTISTAN	352.140	317.361	90.1
	TOTAL	96024.439	88720.154	92.4

3.2

CUMMULATIVE RECOVERY SINCE INCEPTION
UPTO 31.12.2015

(RUPEES MILLION)

SR. NO.	PROVINCE / AREA	TOTAL RECOVERABLE	TOTAL RECOVERY	PAST DUES AS ON 31-12-2015	RECOVERY RATE (%)
1	PUNJAB	851080.260	846135.729	4944.531	99.4
2	SINDH	154582.205	152721.037	1861.168	98.8
3	KHYBER PAKHTUN KHWA	61539.445	61153.161	386.284	99.4
4	BALUCHISTAN	7799.629	7723.605	76.024	99.0
5	AZAD KASHMIR	3974.437	3972.938	1.499	100.0
6	GILGIT/BALISTAN	3607.538	3572.759	34.779	99.0
	TOTAL	1082583.514	1075279.229	7304.285	99.3

4

STAFF POSITION
(REGULAR EMPLOYEES)

(NUMBERS)

YEAR	OFFICERS	STAFF	TOTAL	M.C.O.'s
FY' 1992	4842	3816	8658	1454
FY' 1993	5046	3621	8667	1521
FY' 1994	5035	3369	8404	1432
FY' 1995	5035	3576	8611	1376
FY' 1996	5443	3383	8826	1441
FY' 1997	5347	3830	9177	1441
FY' 1998	4535	3368	7903	1449
FY' 1999	4608	3183	7791	1463
FY' 2000	4586	3196	7782	1459
FY' 2001	4563	3177	7740	1465
FY' 2002	4515	3150	7665	1496
CY' 2003	3711	2027	5738	1363
CY' 2004	3657	1934	5591	1328
CY' 2005	3609	1934	5543	1311
CY' 2006	3485	1841	5326	1258
CY' 2007	3629	1704	5333	1269
CY' 2008	3651	1635	5286	1243
CY' 2009	3709	1565	5274	1212
CY' 2010	3930	1564	5494	1362
CY' 2011	4145	1644	5789	1277
CY' 2012	4095	1629	5724	1313
CY' 2013	4218	1381	5599	1308
CY' 2014	4581	1196	5777	1271
CY' 2015	4550	1149	5699	1333

5

NETWORK OF FIELD OFFICES
AS ON 31.12.2015

(NUMBERS)

SR. NO.	PROVINCES	ZONAL	BRANCHES
1	PUNJAB	17	221
2	SINDH	6	89
3	KHYBER PAKHTUN KHWA	4	53
4	BALUCHISTAN	3	33
5	AZAD KASHMIR	1	11
6	GILGIT/BALTISTAN	1	9
TOTAL		32	438