

Leading the way

in Asia, Africa and the Middle East

Standard Chartered Bank (Pakistan) Ltd.

Points of Interest

- The Bank opened its first branch in Karachi in 1863
- The largest international Bank in Pakistan with 143* branches in 32* cities
- The first international Bank to get an Islamic Banking license and to open the first Islamic Banking branch in Pakistan
- Credit Ratings of AAA / A1+ (long and short term respectively. Highest long term rating assigned by PACRA to any private sector commercial bank)

Strong Recognition by Stakeholders

- Best Foreign Commercial Bank in Pakistan by Finance Asia Country Awards 2011
- Best Foreign Investment Bank in Pakistan by Finance Asia Country Awards 2011
- Best Bank in Pakistan by The Asset Triple A Awards for 2011
- Best Debt House in Pakistan by The Asset Triple A Awards for 2011
- Best Country Deal in Pakistan by The Asset Triple A Awards for 2011
- Best International Trade Bank in Pakistan for Excellence 2011 by Euromoney Awards
- Best Foreign Exchange Provider in Pakistan by Global Finance Magazine Award 2011

Sustainability

- As part of the Bank's Sustainability agenda, our efforts are noticeable in the field of tackling avoidable blindness, education, HIV awareness among youth and disaster response

What we stand for

Strategic intent

The world's best international Bank
Leading the way in Asia, Africa and the Middle East

Brand promise

Here for good

Values

Courageous

We stand up for what we believe is right

Responsive

We deliver thoughtful, timely, high quality solutions

International

We value our diversity and collaborate as one team

Creative

We continuously improve the way we work

Trustworthy

We are reliable, open and honest

Competitive Positioning

Delivery

Collaborating to combine global capability and deep local knowledge to provide innovative solutions

Customers & Clients

Building long term relationships with our customers and clients, delighting them with our service and solutions

Discipline

Balancing the pursuit of growth with firm control of costs and risks

Commitment to Stakeholders

Our People

A great place to work, enabling individuals to grow and teams to succeed

Communities

Trusted and caring, dedicated to being a force for good

Investors

A distinctive investment, delivering consistently superior performance

Regulators

Demonstrating exemplary governance and ethics

* As of 31 December 2011

Standard Chartered



Standard Chartered Bank (Pakistan) Limited - Board of Directors
Left to Right: Raheel Ahmed, Shahid Zaki, Najam I. Chaudhri, Christos Papadopoulos (Chairman),
Mohsin A. Nathani (Chief Executive), Parvez Ghias
October 2011

Standard Chartered



Standard Chartered Bank (Pakistan) Limited
Executive Committee Members
October 2011

Company Information

Board of Directors

| | |
|---------------------------|-------------------------|
| Mr. Christos Papadopoulos | Chairman |
| Mr. Mohsin Ali Nathani | Chief Executive Officer |
| Mr. Andrew James Hardacre | |
| Mr. Raheel Ahmed | |
| Mr. Najam I. Chaudhri | |
| Mr. Shahid Zaki | |
| Mr. Parvez Ghias | |

Company Secretary

Mr. Asif Iqbal Alam

Audit Committee of the Board

| | |
|---------------------------|----------|
| Mr. Najam I. Chaudhri | Chairman |
| Mr. Shahid Zaki | Member |
| Mr. Andrew James Hardacre | Member |

Auditors

M/s KPMG Taseer Hadi & Co
Chartered Accountants

Legal Advisors

Haidermota & Co
Barristers at Law & Corporate Counselors

Registered Office

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

Main Office

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

Website

www.standardchartered.com.pk

Registrar and Share Transfer Office

M/s Central Depository Company of Pakistan Limited
(Share Registrar Department)
CDC House, 99-B, Block B
SMCHS, Main Shahra-e-Faisal
Karachi 74400
Toll Free: 0800-CDCPL (23275)
Fax: (021) 35655595
Email: info@cdcpak.com

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STANDARD CHARTERED BANK (PAKISTAN) LIMITED NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the shareholders of **Standard Chartered Bank (Pakistan) Limited ("Bank")** will be held on Friday, March 30, 2012 at 4:00 PM at Jinnah Auditorium, The Institute of Bankers Pakistan, Moulvi Tamizuddin Khan Road, Karachi, to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Bank and consolidated accounts of the Bank and its subsidiaries for the year ended December 31, 2011 along with the Directors' and Auditors' Reports thereon.
2. To consider the appointment of external auditors namely KPMG Taseer Hadi & Co., Chartered Accountants and to authorize the Chief Executive Officer and Chief Financial Officer to fix their remuneration. KPMG Taseer Hadi & Co., Chartered Accountants being eligible have offered themselves for re-appointment.
3. To consider and approve cash dividend @ Re. 1/- per share of Rs. 10 each (i.e. 10%) for the year ended December 31, 2011 as recommended by Board of Directors.

B. SPECIAL BUSINESS

4. To grant approval to the remuneration paid to the Directors in accordance with the Articles of Association of the Bank and in that connection to pass the following resolution, as ordinary resolution, with or without modification, addition or deletion:

"RESOLVED THAT the decision of the Board of Directors of Standard Chartered Bank (Pakistan) Limited to pay a fee of Rs. 3,580,000/- during the year ended December 31, 2011 to the non-executive members of the Board, in terms of their discretion under the Articles of Association of the Bank, be and is hereby confirmed and approved by the shareholders."

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

C. OTHER BUSINESS

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

By Order of the Board



Asif Iqbal Alam
Company Secretary

Karachi: March 5, 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Share Transfer Books of the Bank will remain closed from March 23, 2012 to March 30, 2012 (both days inclusive).
2. A member entitled to attend and vote at the above meeting is entitled to appoint another member as his/ her proxy to attend and vote instead of him/ her. Proxies, in order to be valid, must be received by the Bank at its registered office marked for the attention of the office of the Company Secretary, not less than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
3. Members are requested to notify change in their address, if any, to the Share Registrars, M/s. Central Depository Company of Pakistan Limited (Share Registrar Department), CDC House, 99-B, Block B SMCHS, Main Shakra-e-Faisal, Karachi 74400, Toll Free: 0800-CDCPL (23275), Fax: (021) 35655595, Email: info@cdcpak.com.

4. **A. For attending the Meeting:**

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.

B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Bank.

Statement under section 160(1) (b)

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

Directors' Report

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL) along with the audited financial statements and auditors' report thereon for the year ended 31 December 2011.

Economy

In comparison with 2010, the economy is showing signs of recovery with price pressure being subsided; inflation declined to 9.7% y/y in December 2011, the first single digit CPI print in two years. This has allowed SBP to cut rates by 200bps in 2011 and bring down policy rate to 12%. Manufacturing output posted growth of 0.83% y/y during July to December 2011 compared to a 2% decline in the same period last year. Agriculture production is also likely to be higher on improved cotton and rice output. State Bank of Pakistan forecasts that growth will pick up to 3.8% in FY12, the highest in the last four years.

Private credit has remained weak at 4% in 2011, as heavy government deficit financing has crowded out the private sector. Government borrowing from the banking sector has swelled to PKR 4.2trn by end 2011, from PKR 3trn at the end of 2010. The banking sector remains well capitalized and highly liquid, with AD ratio of 57% at September 2011 from 61% at the end of 2010. However, rising non performing loan (NPLs) are a matter of concern. NPLs to loans ratio has increased to 16.7% by September 2011, from 14.7% end of 2010.

However, concerns remain over the widening trade deficit and sharp drop in foreign capital inflows. This has led to 5% y/y depreciation in the Rupee (PKR), with official net FX reserves with SBP declining to USD 12.9bn by December 2011 compared to USD 14.8bn in June 2011. Large external debt payments including repayments to the IMF and suspended aid flows from the US administration indicate that pressure on PKR is likely to rise in 2012. These fiscal concerns along with the increase in energy prices are likely to put pressure on inflation going forward.

Operating Results and Business Overview

| | December 31, 2011 (PKR millions) | December 31, 2010 (PKR millions) |
|--|-------------------------------------|-------------------------------------|
| Balance Sheet | | |
| Paid-up capital | 38,716 | 38,716 |
| Total equity | 54,589 | 51,073 |
| Deposits | 235,953 | 220,266 |
| Advances - gross | 151,610 | 157,906 |
| Advances - net | 129,620 | 139,269 |
| Investments - net | 104,375 | 72,637 |
| | FY 2011 (PKR millions) | FY 2010 (PKR millions) |
| Profit and Loss | | |
| Revenue | 26,755 | 23,474 |
| Administrative expenses | 13,240 | 12,851 |
| Other non mark-up expenses | 603 | 628 |
| Operating profit (before provisions and tax) | 12,912 | 9,994 |
| Provisions (net of recoveries) | 4,481 | 4,431 |
| Profit before tax | 8,431 | 5,563 |
| Profit after tax | 5,446 | 3,606 |

The Bank continues to deliver strong financial performance despite a challenging business environment, uncertain political and security situation and depreciation of the Rupee. Our annual profits (before tax) have grown by 52% to PKR 8.4 billion in 2011, with earnings per share up at PKR 1.41 from PKR 0.93 in 2010. This is testimony of the disciplined execution of our strategy of improving profitability, enhancing customer service, and people engagement.

The growth in profitability is attributed to a steady revenue line which remains resilient and underpinned by high levels of activity across our businesses. Revenue increased to a record PKR 26.8 billion fostered by improved net interest margins and volumes. Both Consumer and Wholesale banking businesses are exhibiting good momentum. Income from Consumer banking assets is stable and focus is continuing on building secured and SME portfolio and diversified cost effective retail liabilities base. Wholesale Banking income was driven by enhanced volumes and margins in assets, Corporate Finance and FX flows. The bank's cost of funds has further improved to 4.4% in 2011 as Current and Savings accounts continue to grow in double digits. The ratio of these low cost deposits to the total deposit base is also at its record highest of 84%.

Despite high inflation and currency depreciation, the bank's administrative costs have been well controlled and only increased marginally by 3%. We are continuing with our strategy of investing into distribution and intellectual capital through the headroom created from optimization of existing cost base.

The bank's balance sheet remains highly liquid and well capitalized as we continue to manage risks and returns prudently. The deposits base has increased by PKR 15.6 billion to PKR 235.9 billion and with the Advances to Deposits Ratio of 55%, the surplus liquidity has been deployed in short term Government Securities. The capital base is strong which is evident from the Capital Adequacy Ratio of 12.9% compared to requirement of 10%. We continue to be prudent on provisioning against non-performing assets resulting in a high loss coverage ratio of 83%.

Outlook

Despite the challenging external environment we believe good opportunities exist and intend to follow a prudent growth strategy supported by the balance sheet strength, effective risk management practices, unique global capabilities and product offering. In line with the strategic priorities, the bank will continue to focus on deepening client relationships, utilising cross selling opportunities and further improving customer service and engagement.

Directors' Report

Dividend

Final cash dividend of 10% (Re. 1/- per share) has been recommended by the Board of Directors for approval at the sixth Annual General Meeting of the Bank's shareholders.

External Annual Audit

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

Credit Rating

Pakistan Credit Rating Agency (PACRA) maintained the Bank's long-term and short-term ratings of "AAA" (Triple A) and "A1+" (A One Plus) respectively in 2011. The Bank's outstanding listed subordinated TFC has also been assigned "AAA" rating. These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

Sustainability

As the largest International Bank in the country, with 143 branches in 32 cities of Pakistan, Standard Chartered is now truly a part of the social fabric of this country. Through our sustainability strategy we seek to strengthen relationships between our business, community, government and customers.

In Pakistan, the Bank's community efforts are focused on education and health. Through our education programme, the Bank has extended more than 3,000 scholarships to deserving students and supports institutions of both vocational and higher learning. Through our health programme, Seeing is Believing, we are contributing to the tackling of avoidable blindness, with more than 550,000 cataract operations funded to date. A 20% reduction in cataract blindness in Pakistan is attributable to the efforts of the Bank. As a result, the Government of Pakistan has made Standard Chartered its official and only corporate partner.

The Bank extends supports to a Hemodialysis facility, and also runs a programme called "Living with HIV" to create awareness about HIV and AIDS. To encourage employees to participate in these initiatives and engage with the communities, Standard Chartered provides three days paid volunteering leave to each member of staff. In 2011, SCBPL employees logged 3,743 volunteering days as opposed to 2,000 last year.

Moreover, Standard Chartered PLC has directly contributed approximately USD 96,000 during the year as part of the Seeing is Believing programme.

Performance of the Group

In compliance with section 236(5) of the Companies Ordinance, 1984, attached with this report are the consolidated financial statements of SCBPL and its subsidiaries (the Group) namely - Standard Chartered Leasing Limited, Standard Chartered Services of Pakistan (Private) Limited and Standard Chartered Modaraba, for the year ended December 31, 2011.

Operating Results

| | December 31, 2011 (PKR millions) | December 31, 2010 (PKR millions) |
|--|-------------------------------------|-------------------------------------|
| Balance Sheet | | |
| Paid-up capital | 38,716 | 38,716 |
| Total equity | 55,659 | 52,100 |
| Deposits | 235,875 | 220,188 |
| Advances - gross | 159,653 | 163,713 |
| Advances - net | 137,309 | 144,722 |
| Investments - net | 104,040 | 72,294 |
| Profit and Loss | | |
| Revenue | 27,110 | 23,747 |
| Administrative expenses | 13,408 | 12,998 |
| Non mark-up expenses | 608 | 633 |
| Operating profit (before provisions and tax) | 13,094 | 10,117 |
| Provisions (net of recoveries) | 4,507 | 4,359 |
| Profit before tax | 8,586 | 5,758 |
| Profit after tax | 5,553 | 3,741 |

Corporate Governance

As required by the Code of Corporate Governance (the Code), a prescribed statement by the Board, along with Auditors' Review Report thereon, forms part of this Annual Report.

The directors are pleased to give the following statement as required by clause (xix) of the Code:

- The financial statements present fairly the Bank's state of affairs, results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards and International Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements.

Directors' Report

- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summarized key operating and financial data is tabulated in this Annual Report.
- Details of Board meetings held and attended by the directors form part of this report.
- All statutory liabilities, if any, have been adequately disclosed in the financial statements.

Statements on Internal Controls and Risk Management Framework

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

Directors' Meetings

Six (6) meetings of the Board of Directors of SCPBL were held during the year. Attendance by each director was as follows:

| S No | Name | No. of meeting(s) held during the tenor in the year | Total no. of meeting(s) attended * |
|------|---|---|------------------------------------|
| 1 | Christos Papadopoulos, Chairman | 6 | 3 |
| 2 | Mohsin Ali Nathani, Chief Executive Officer | 6 | 6 |
| 3 | Najam I. Chaudhri, Director | 6 | 5 |
| 4 | Parvez Ghias, Director | 6 | 6 |
| 5 | Shahid Zaki, Director | 6 | 6 |
| 6 | Andrew James Hardacre, Director | 6 | 5 |
| 7 | Raheel Ahmed, Director | 6 | 3 |

* Leave of absence was granted to the Directors who could not attend some of the meetings.

Statement of investments of Provident, Gratuity and Pension Funds

Value of investments including accrued income of provident and gratuity funds as at December 31, 2011 on the basis of un-audited accounts is:

| | PKR '000 |
|-------------------------------------|-----------|
| Provident Fund | 1,602,187 |
| Management Staff Gratuity Fund | 879,254 |
| Non- Management Staff Gratuity Fund | 37,094 |
| Management Staff Pension Fund | 9,438 |
| Non- Management Staff Pension Fund | 71,664 |

Pattern of Shareholding

The pattern of shareholding as required under section 236(2)(d) of the Companies Ordinance, 1984, and Clause (xix) of the Code of Corporate Governance forms part of this Annual Report. At December 31, 2011, Standard Chartered Bank, UK (holding company) held 98.99% shares of SCBPL.

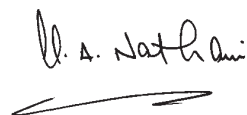
External Auditors

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

Appreciation and Acknowledgment

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

On behalf of the Board



Mohsin Ali Nathani
Chief Executive

Karachi: March 05, 2012

Management's Statements on Internal Controls and Risk Management Framework

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

Internal Controls

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

- Efficiency and effectiveness of operations
 - Compliance with applicable laws and regulations
 - Reliability of financial reporting
1. The Management has adopted different strategies to ensure effective monitoring and improvement of internal controls. These include Internal Audit and Assurance and Operational Risk Management & Assurance Framework (ORMAF) in which assurance responsibilities are divided into three lines of defense i.e. first being the business function, second is the Operational Risk Assurance and support from Group Internal Audit is the third line of defense.
 2. The policies and procedures in all significant areas and as per the directives of the regulators have been duly approved by the Board.
 3. An organization structure has been established which supports clear lines of communication and tiered levels of authority with accountability.
 4. The Bank has an effective Internal Audit Department, which reports directly to the Audit Committee of the Board. The department periodically carries out reviews of branches and various departments / units to monitor the compliance of Bank's policies and procedures based on a yearly plan which is approved by the Audit Committee. The Bank has further strengthened its Internal Audit function, during the year 2011, by performing more detailed risk-based audits of its overall operations. This process involves alignment of Internal Audit framework, responsibilities and tools with the international best practices, resulting in more proactive role of Internal Audit in timely identification, reporting and monitoring of controls.
 5. Internal control policies, tools and reporting structures have been enhanced to provide greater clarity over roles and responsibilities. Relevant training materials have also been updated and deployment is underway.
 6. Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and take action to implement such recommendations.
 7. The management has put in place evaluation and approval procedures for major capital expenditure and other transactions.
 8. There is an annual budgeting and strategic planning process. Financial forecasts are reviewed during the year on a periodic basis to reflect significant changes in business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole, using operating statistics and monthly management accounts which highlight key performance indicators and variance from budgets and forecasts is in place.
 9. Review and implementation of health, safety, environment and contingency management processes and other significant policies are carried out and reporting mechanism is in place.
 10. SCBPL is also in the process of adopting an internationally accepted Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Controls Integrated Framework and available best international practices in relation to Internal Controls over Financial Reporting (ICFR) for the implementation of SBP guidelines on Internal Controls. The Bank has devised a well defined and comprehensive Internal Control Program along the lines of staged roadmap, as suggested by SBP. Accordingly, the Bank has completed a detailed documentation of the existing processes and controls, together with a comprehensive gap analysis of the control design and development of implemented remediation plans for the gaps. Furthermore, the Bank has developed a comprehensive management testing and reporting framework for ensuring ongoing operating effectiveness of majority of key controls and has significantly addressed the design improvement opportunities identified to complete the project related initiatives. Simultaneously, the bank has also deployed its resources in the form of a cross-functional dedicated team comprising personnel from various functions to complete the work on Quality Assurance/Validation on the implemented remediation plans, within the stipulated timeline.

Management's Statements on Internal Controls and Risk Management Framework

In accordance with SBP directives, all stages of ICFR are likely to be completed by September 30, 2012. A Long Form Report will also be submitted to SBP by the statutory auditors, through the Bank, by December 31, 2012.

A quarterly progress report duly approved by the Board Audit Committee, to the extent of ICFR roadmap completed, will also be submitted to SBP latest by April 30, 2012.

Risk Management Framework

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

The basic risk management principles followed by the Bank include:

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

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

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

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

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

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

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

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

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

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

Credit Risk

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

Management's Statements on Internal Controls and Risk Management Framework

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

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

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

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

Consumer Banking: For Consumer Banking, program based standard credit application forms are generally used, which are processed in central units for different products and market segments. Consumer Banking Analytics team has developed Bureau scores and uses Bureau data for portfolio monitoring and for underwriting new business. Medium enterprises relationship based business of Consumer Bank operates much like Wholesale banking with numerical risk grading system for quantifying counter party risk. As with Wholesale Banking, origination and approval roles are segregated.

Market Risk

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

Market risk is managed by the Head of Market Risk reporting directly to the CRO, who agrees policies and procedures and levels of risk appetite in terms of Value at Risk ("VaR"). Limits are then proposed by the business within the terms of agreed policy. These are agreed and delegated down by RC under delegated authority from the BOD, and are monitored by the Head of Market Risk as part of an independent risk management function. Policies cover both trading and non-trading books. In addition to market risk policies, as well as VaR and other market risk limits, independent stress testing of portfolios, factor sensitivity measures and derivatives are also employed as additional risk management tools to manage and hedge market risk exposures. Risk models are periodically back tested against actual results to ensure that pre-determined levels of accuracy are maintained.

Liquidity Risk

The Bank defines liquidity risk as the risk that the Bank either does not have sufficient financial resources available to meet all its obligations and commitments as and when they fall due, or can access them only at an excessive cost. Liquidity risk is managed through the Asset and Liability Committee ("ALCO"). This committee, chaired by the CEO, is responsible for both statutory and prudential liquidity.

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

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

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

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

Operational Risk

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

Management's Statements on Internal Controls and Risk Management Framework

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

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

Reputational Risk

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

Pension Risk

Pension risk is the potential for loss due to having to meet an actuarially assessed shortfall in the Bank's defined benefits pension schemes. Pension obligation risk to a bank arises from its contractual or other liabilities to or with respect to an occupational pension scheme. It represents the risk that additional contributions will need to be made to a pension scheme because of a future shortfall in the funding of the scheme.

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

Capital Risk

Capital risk is the risk arising from sub optimal allocation of capital or increase in cost of capital.

The Bank manages its demand for capital by regular monitoring of capital requirements and asset exposures. The Bank's Asset and Liability Committee (ALCO) monitors Risk Weighted Assets (RWA) growth and provides guidance for RWA management, capital structure and maintenance of capital ratio.

Strategic Risk

Strategic risk is the potential for opportunity loss from failure to optimise the earnings potential of the Bank's franchise.

The Bank reviews the capital implications of business growth and capital as part of the strategy process. The Bank regularly monitors its capital to ensure an appropriate capital adequacy level for the sustainability of expanding operations and ability to withstand various stress testing scenarios. The Bank has integrated robust risk management disciplines corresponding to the underlying strategic direction that has built a well balanced business between the business segments and appropriate liquidity level.

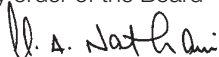
Compliance and Regulatory Risk

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

Legal Risk

Legal Risk is the risk of unexpected loss, including reputational loss arising from defective transaction or contracts, claims being made or some other event resulting in a liability or other loss for the Bank, failure to protect the title to and ability to control the rights to assets of the Bank (including intellectual property rights), changes in the law or jurisdiction risk. The Bank manages legal risk through Legal function, Legal risk policies and procedures and effective use of its internal and external lawyers.

By order of the Board



Mohsin Ali Nathani
Chief Executive Officer

Report of SCBPL Shariah Advisor

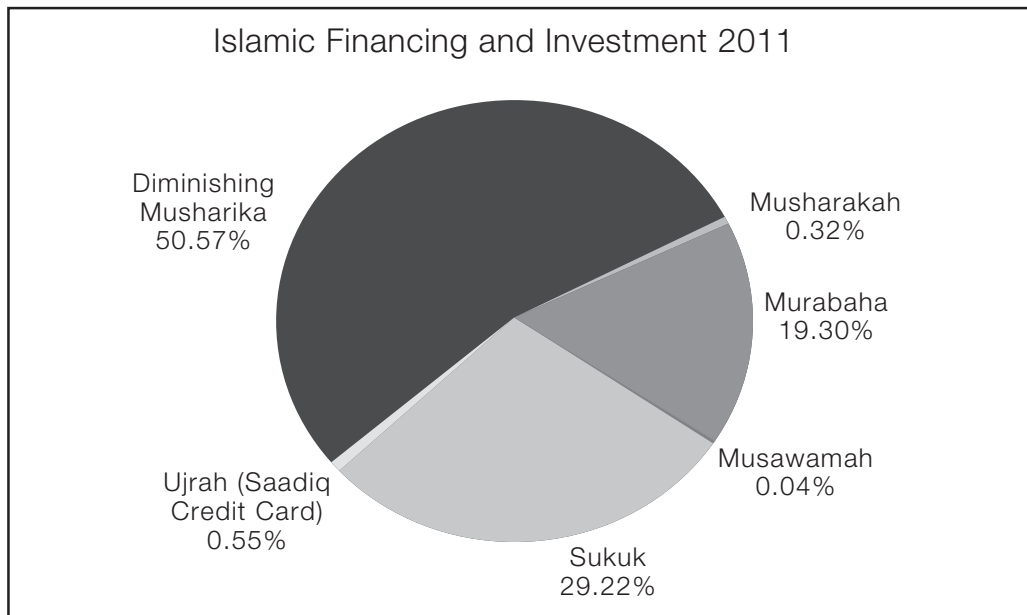
For the year ended December 31, 2011

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

The year under review was the eight year of Islamic commercial banking for Standard Chartered Bank (Pakistan) Limited (SCBPL) through the Saadiq platform. During this year the bank developed a number of new products and also arranged of number of structured transactions after due approval from the Shariah Advisor.

Business Review

At the close of the year ended December 31, 2011 the Bank had total financing assets of Rs. 20,272 Million. The breakup of these assets in different modes of Islamic finance is as follows:



The year under review SCBPL selected several Islamic financing modes for the investment. Significant percentage of the assets (51%) has been financed using the Diminishing Musharakah mode, (29 %) represents Sukuk holdings under various Islamic financing modes and Murabaha transactions (including Export refinance) represented only 19% of the portfolio.

SCBPL apart from other structured transactions, also structured and arranged the Syndicated Term Financing for Pakistan Mobile Communications Limited. This facility was one of the largest syndicated transactions which was structured by SCBPL along with other Islamic Bank. In addition, the Bank was also the Joint Financial Advisors to the Government of Pakistan for the local currency Sukuk Program.

Shariah Review

Annual Shariah Review was carried out on a test check basis and Standard Agreements for Murabaha, Diminishing Musharakah, import and export finance along with the relevant supplemental documents including declarations, purchase invoices, description of assets and recovery of payments etc. were reviewed. The allocation of funds, weightages, profit sharing ratios, profits and losses relating to Mudarabah accounts and the overall Shariah compliance of the bank's operation and their alignment with the Shariah guidelines were also checked.

As part of continuous improvement necessary recommendations and corrective measures were suggested. An action plan was agreed for the implementation of recommended changes and all issues identified were duly addressed by management.

Report of SCBPL Shariah Advisor

For the year ended December 31, 2011

Subject to the aforesaid, the affairs of SCBPL, were found to have been carried out in accordance with the rules and principles of Shariah including Fatawas of the Shariah Advisor and SBP regulations and guidelines related to Shariah compliance.

Late Payment Charity

During the year an amount of approximately Rs 4.377 million was transferred to the charity account and the same amount was disbursed after due approval of the Shariah Advisor.

Training

The year under review, SCBPL again paid attention on the development of Saadiq team and provided training to all stakeholders across the organization including senior management training which was recommended by Shariah advisor in the last Shariah review report. During the year under review a total of 21 sessions were held including Shariah specific and product related trainings. This includes an Islamic Banking certification program with the cooperation of Centre for Islamic Economics. The management maintains continuous emphasis on training as it is essential ingredient to ensure Shariah compliance of Saadiq products.

Development & Progress

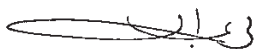
In order to facilitate its customers and provide Islamic products & services to its customers, during the year, the following actions with the guidance of Shariah were taken by SCBPL:

- a) The bank has opened 36 dedicated Islamic windows in conventional branches across the network including Karachi, Lahore, Islamabad, Rawalpindi, Multan, Gujranwala and Sialkot with a dedicated Relationship Managers.
- b) The bank also hired new staff dedicated for Islamic Banking.
- c) In the continuation of the facilitation to the customers, the Bank first time, offered Islamic products & services to small & medium size enterprises (SME).
- d) As part of the improvement of Shariah compliance, the Shariah department has implemented a policy to help increase the percentage of direct payments in the overall portfolio of Murabahas. The objective is to gradually increase direct payments to the maximum level possible keeping in mind practical challenges faced by the industry.
- e) In the continuation of Islamic banking awareness program, the Bank also arranged engagement sessions with the clients.

Recommendation

- 1- Direct payment to the supplier (in Murabaha's) is an important Shariah requirement. The plan of shifting from indirect payment to direct payment to has been discussed with the management. The management should speed up the shifting process where the same is possible or follow the guideline defined in the circular of SBP in case of indirect payment.
- 2- Conventional insurance was allowed by Shariah scholars due to unavailability of Takaful (Islamic Insurance). However, currently Takaful business has been increasing gradually and number of Takaful companies are available in Pakistan. The Bank should also focus on shifting its Islamic business from Conventional Insurance to Takaful (Islamic Insurance).
- 3- The management should continue their focus on increasing cross sell of complete Islamic product suite to new and existing customers and endeavor to convert their business into Islamic banking.

May Allah Subhanah wa Ta'ala accept our endeavors and grant us Ikhlas to fulfill our responsibility towards Islamic banking which is very mingled between service of deen and service for ourselves.



Muhammad Abdul Mubeen

Shariah Advisor

Standard Chartered Bank (Pakistan) Ltd.



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

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Review Report to the Members on Statement of Compliance With Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Standard Chartered Bank (Pakistan) Limited to comply with listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges where the Bank is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code of Corporate Governance and report if it does not. 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.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further sub-regulation (xiii)(a) of Listing Regulations 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide Circular No. KSE/N-269 dated 19 January 2009 requires the Company 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 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 price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's Compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Bank for the year ended 31 December 2011.

Date: March 05, 2011
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Statement of Compliance with the Code of Corporate Governance

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

The Securities and Exchange Commission of Pakistan (SECP) vide its letter #2(10)SE/SMD/202 dated March 28, 2002 has directed all the Stock Exchanges to fully adopt the Code of Corporate Governance (“Code”) in their listing regulations. In May 2002 the Stock Exchanges have formally incorporated this code in their listing rules.

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

1. The Bank encourages representation of non-executive (Independent) directors on its Board of Directors. The Board comprises of three Independent Non-Executive Directors (INEDs) and four Executive Directors as approved by State Bank of Pakistan.
2. None of the directors of the Bank is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The Bank has prepared a 'Statement of Ethics and Business Practices', which has been approved by the Board and is signed by all the directors and employees of the Bank.
5. The Board has developed and approved a vision/mission statement. The Board has also approved significant policies and adopted certain Standard Chartered Group policies as far as they are in accordance with the local laws and regulations. A complete record of particulars of significant policies has been maintained.
6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose.
8. No casual vacancy has occurred on the Board during the financial year ended December 31, 2011.
9. The Board of Directors have met six times in the year and notices of meetings, agendas and related papers are always endeavored to be circulated at least seven days before the meeting except in case where an emergent meeting is to be held. The minutes of the meetings were appropriately recorded and circulated.
10. The Board has approved appointment of CFO, Head of Internal Audit and Company Secretary. The Board has also approved the remuneration and terms and conditions of employment of the CFO, Head of Internal Audit and Company Secretary as recommended by the CEO.
11. The Board has formed an Audit Committee. The terms of reference of this Committee have been approved by the Board and advised to the Committee for compliance. Committee also ensures independence of the internal audit function and independence and objectivity of the External Auditors.
12. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13. The financial statements of the Bank were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.
15. All Directors are provided with an Orientation Pack on their appointment. During the period under review, INEDs have attended one workshop organized by PICG. Two INEDs have completed "The Board Development Series (BDS)" program offered by Pakistan Institute of Corporate Governance (PICG) in 2009 whereas one INED has completed certification in 2011. Remaining Directors will acquire certifications in due course of time.
16. The Bank has complied with all the corporate and financial reporting requirements.
17. The Audit Committee of the Board comprises of three members. Two Directors including the Chairman are INEDs and the other one is an Executive Director.
18. The meetings of the Audit Committee are held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code.
19. The Board has set up an effective internal control (Audit) department. The Internal Control Department reports directly to the Chairman of the Board Audit Committee.
20. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. All material information as described in clause (xxiii) of the Code has been disseminated to the Stock Exchanges and Securities and Exchange Commission of Pakistan in a timely manner.
23. The Bank has complied with the requirements as stipulated in clause 35 (xiii) (a) of the Listing Regulations relating to related party transactions.
24. All other material principles contained in the Code have been complied with.

By Order of the Board



Mohsin Ali Nathani
Chief Executive Officer

Six Years Key Financial Data

| Key Financial Data | Rupees in million | | | | | |
|---|-------------------|---------|---------|---------|---------|----------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Standard Chartered Bank (Pakistan) Limited | | | | | | |
| Revenue | 14,023 | 22,339 | 22,985 | 23,167 | 23,473 | 26,755 |
| Operating Profit | 8,923 | 10,179 | 10,330 | 10,802 | 9,993 | 12,912 |
| Profit before Tax | 7,360 | 4,126 | 1,014 | 1,384 | 5,563 | 8,431 |
| Profit after Tax | 5,709 | 2,767 | 608 | 746 | 3,606 | 5,446 |
| Net Mark-up Income before provision | 10,336 | 16,192 | 16,419 | 16,284 | 17,278 | 20,540 |
| Non Mark-up Income | 3,687 | 6,147 | 6,566 | 6,883 | 6,195 | 6,215 |
| Non Mark-up Expenses | 5,100 | 12,160 | 12,655 | 12,365 | 13,480 | 13,843 |
| Shareholder's Equity | 40,230 | 43,066 | 42,769 | 47,717 | 51,073 | 54,589 |
| Total Assets | 246,318 | 255,545 | 264,629 | 312,845 | 321,923 | 356,405 |
| Advances - net | 129,004 | 119,537 | 125,601 | 124,447 | 139,269 | 129,620 |
| Investments - net | 34,629 | 40,696 | 29,587 | 83,785 | 72,637 | 104,375 |
| Deposits | 156,878 | 177,162 | 174,552 | 206,958 | 220,266 | 235,953 |
| Expense / Income Ratio | 36% | 54% | 55% | 53% | 57% | 52% |
| Advances / Deposits Ratio | 82% | 67% | 72% | 60% | 63% | 55% |
| Return on Equity | 23.48% | 6.64% | 1.42% | 1.65% | 7.30% | 10.31% |
| Return on Assets | 3.19% | 1.10% | 0.23% | 0.26% | 1.14% | 1.61% |

Standard Chartered Bank (Pakistan) Limited

Financial Statements

For the year ended
31 December 2011



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

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Auditors' Report to the Members

We have audited the annexed unconsolidated statement of financial position of Standard Chartered Bank (Pakistan) Limited ("the Bank") as at 31 December 2011 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 (hereinafter referred to as the 'financial statements') for the year ended 31 December 2011, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984);
- b) in our opinion:
 - i) the statement of financial position and the related profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's affairs as at 31 December 2011 and its true balance of profit, its cash flows and its changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source, under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: March 05, 2012
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Un-Consolidated Statement of Financial Position

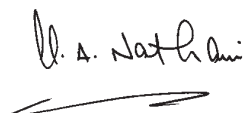
As at 31 December 2011

| | Note | 2011 | 2010 |
|--|------|--------------------|--------------------|
| ----- (Rupees in '000) ----- | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 4 | 26,293,094 | 24,087,842 |
| Balances with other banks | 5 | 3,054,167 | 821,931 |
| Lendings to financial institutions | 6 | 20,205,971 | 30,421,885 |
| Investments | 7 | 104,375,499 | 72,637,401 |
| Advances | 8 | 129,620,134 | 139,269,413 |
| Operating fixed assets | 9 | 6,435,158 | 6,601,893 |
| Intangible assets | 10 | 26,412,571 | 26,681,268 |
| Deferred tax assets | 11 | 2,729,730 | 3,393,322 |
| Other assets | 12 | 37,278,550 | 18,008,022 |
| | | 356,404,874 | 321,922,977 |
| LIABILITIES | | | |
| Bills payable | 13 | 4,576,789 | 5,691,864 |
| Borrowings from financial institutions | 14 | 19,361,864 | 15,914,343 |
| Deposits and other accounts | 15 | 235,952,722 | 220,265,762 |
| Sub-ordinated loans | 16 | 699,200 | 1,135,900 |
| Other liabilities | 17 | 41,225,688 | 27,841,964 |
| | | 301,816,263 | 270,849,833 |
| NET ASSETS | | 54,588,611 | 51,073,144 |
| REPRESENTED BY: | | | |
| Share capital | 18 | 38,715,850 | 38,715,850 |
| Reserves | 19 | 3,756,625 | 2,667,488 |
| Unappropriated profit | | 8,797,964 | 6,716,831 |
| | | 51,270,439 | 48,100,169 |
| Surplus on revaluation of assets - net of deferred tax | 20 | 3,318,172 | 2,972,975 |
| | | 54,588,611 | 51,073,144 |
| CONTINGENCIES AND COMMITMENTS | 21 | | |

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Un-Consolidated Profit and Loss Account

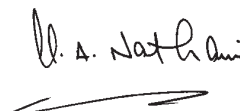
For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|---|------------|---------------------|---------------------|
| ----- (Rupees in '000) ----- | | | |
| Mark-up / return / interest earned | 22 | 31,975,248 | 27,958,232 |
| Mark-up / return / interest expensed | 23 | (11,435,212) | (10,680,185) |
| Net mark-up / return / interest income | | 20,540,036 | 17,278,047 |
| Provision against non-performing loans and advances | 8.3 & 17.2 | (4,421,525) | (3,417,266) |
| Recovery of amounts written off | | 426,956 | 690,035 |
| Provision for diminution in the value of investments | 7.3 | - | (55,879) |
| Bad debts written off directly | 8.4.1 | (486,608) | (1,648,084) |
| | | (4,481,177) | (4,431,194) |
| Net mark-up / return / interest income after provisions | | 16,058,859 | 12,846,853 |
| NON MARK-UP / NON INTEREST INCOME | | | |
| Fees, commission and brokerage income | | 3,103,775 | 3,443,215 |
| Dividend income | | 50,118 | 30,317 |
| Income from dealing in foreign currencies | | 2,402,852 | 1,733,428 |
| Gain on sale of securities | 24 | 886,808 | 814,537 |
| Unrealized gain on revaluation of investments classified as held for trading | 7.11 | 56,673 | 81,601 |
| Other income | 25 | (285,153) | 92,384 |
| Total non mark-up / non interest income | | 6,215,073 | 6,195,482 |
| | | 22,273,932 | 19,042,335 |
| NON MARK-UP / NON INTEREST EXPENSES | | | |
| Administrative expenses | 26 | (13,240,121) | (12,851,268) |
| Other provisions / asset write-offs | 27 | (399,182) | (455,394) |
| Other charges | 28 | (203,927) | (172,955) |
| Total non mark-up / non interest expenses | | (13,843,230) | (13,479,617) |
| | | 8,430,702 | 5,562,718 |
| Extra-ordinary / unusual items | | - | - |
| PROFIT BEFORE TAXATION | | 8,430,702 | 5,562,718 |
| Taxation - current | | (2,504,289) | (1,168,652) |
| - prior years' | | - | 30,884 |
| - deferred | | (480,727) | (819,335) |
| | 29 | (2,985,016) | (1,957,103) |
| PROFIT AFTER TAXATION | | 5,445,686 | 3,605,615 |
| ----- (Rupees) ----- | | | |
| BASIC / DILUTED EARNINGS PER SHARE | 30 | 1.41 | 0.93 |

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Un-Consolidated Statement of Comprehensive Income

For the year ended 31 December 2011

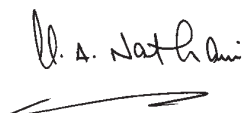
| | 2011 | 2010 |
|---|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Profit for the year | 5,445,686 | 3,605,615 |
| Other comprehensive income: | | |
| Surplus / (deficit) on revaluation of 'Available for Sale' financial assets | (i) - | - |
| Surplus / (deficit) on revaluation of fixed assets | (ii) - | 2,169 |
| Actuarial gain / (loss) on defined benefit plans | (20,103) | (759) |
| Deferred tax on actuarial gain / (loss) | 7,036 | 1,410 |
| | (13,067) | |
| Total comprehensive income for the year | 5,432,619 | 3,607,025 |

- (i) Surplus / deficit on revaluation of 'Available for Sale' securities-net of deferred tax is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan vide its BSD circular 20 dated 04 August 2000 and BSD circular 10 dated 13 July 2004.
- (ii) Surplus on revaluation of fixed assets-net of deferred tax is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Un-Consolidated Cash Flow Statement

For the year ended 31 December 2011

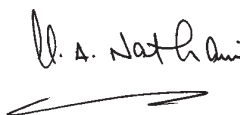
| Note | 2011 | 2010 |
|--|------------------------------|---------------------|
| | ----- (Rupees in '000) ----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 8,430,702 | 5,562,718 |
| Dividend income | (50,118) | (30,317) |
| | 8,380,584 | 5,532,401 |
| Adjustments for: | | |
| Depreciation | 433,196 | 541,107 |
| Amortization | 268,697 | 383,064 |
| Gain on disposal of fixed assets | (7,628) | (9,797) |
| Unrealized gain on revaluation of investments classified as held for trading | (56,673) | (81,601) |
| Other provisions / asset write offs | 399,182 | 455,394 |
| Provision for diminution in the value of investments | - | 55,879 |
| Lease rentals expense | - | 2,369 |
| Provision against loans and advances - net of recoveries | 4,481,177 | 4,375,315 |
| | 5,517,951 | 5,721,730 |
| | 13,898,535 | 11,254,131 |
| Decrease / (increase) in operating assets | | |
| Lendings to financial institutions | 10,215,914 | (9,853,821) |
| Held for trading securities | 2,013,808 | (640,772) |
| Advances | 5,168,102 | (19,198,004) |
| Other assets | 850,830 | 1,397,105 |
| | 18,248,654 | (28,295,492) |
| Increase / (decrease) in operating liabilities | | |
| Bills payable | (1,115,075) | 847,226 |
| Borrowings from financial institutions | 3,447,521 | 167,017 |
| Deposits and other accounts | 15,686,960 | 13,307,812 |
| Other liabilities | (3,065,965) | (4,970,166) |
| | 14,953,441 | 9,351,889 |
| Cash inflow/ (outflow) before taxation | 47,100,630 | (7,689,472) |
| Income tax paid | (6,455,947) | (2,280,511) |
| Net cash generated from / (used in) operating activities | 40,644,683 | (9,969,983) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net investments | (33,152,705) | 11,659,901 |
| Dividend income received | 50,118 | 30,317 |
| Net investment in fixed assets (including intangible assets) | (355,802) | (192,864) |
| Sale proceeds on disposal of fixed assets | 7,771 | 12,139 |
| Net cash (used in) / generated from investing activities | (33,450,618) | 11,509,493 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of sub-ordinated Term Finance Certificates | (436,700) | (387,100) |
| Dividend paid | (2,319,877) | - |
| Payment of lease obligations | - | (2,369) |
| Net cash used in financing activities | (2,756,577) | (389,469) |
| Increase in cash and cash equivalents for the year | 4,437,488 | 1,150,041 |
| Cash and cash equivalents at beginning of the year | 24,909,773 | 23,759,732 |
| Cash and cash equivalents at end of the year | 29,347,261 | 24,909,773 |

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



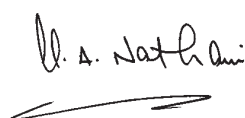
Andrew J. Hardacre
Director

Un-Consolidated Statement of Changes in Equity

For the year ended 31 December 2011

| | Share Capital | Share Premium | Statutory Reserve | Unappropriated Profit | Total |
|--|-------------------|------------------|-------------------|-----------------------|-------------------|
| ----- (Rupees in '000) ----- | | | | | |
| Balance as at 31 December 2009 | 38,715,850 | 1,036,090 | 910,275 | 3,974,288 | 44,636,503 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 3,605,615 | 3,605,615 |
| Other comprehensive income | - | - | - | - | - |
| Actuarial gain on defined plan - net of tax | - | - | - | 1,410 | 1,410 |
| | - | - | - | 3,607,025 | 3,607,025 |
| Transactions with owners, recorded directly in equity | | | | | |
| Share based payment transactions (Contribution from holding Company) | - | - | - | 47,733 | 47,733 |
| Payment against share based payment transactions (to holding Company) | - | - | - | (198,638) | (198,638) |
| | - | - | - | (150,905) | (150,905) |
| Transfer to statutory reserve | - | - | 721,123 | (721,123) | - |
| Transferred from surplus on revaluation of fixed asset - net of deferred tax | - | - | - | 7,546 | 7,546 |
| Balance as at 31 December 2010 | 38,715,850 | 1,036,090 | 1,631,398 | 6,716,831 | 48,100,169 |
| Total Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 5,445,686 | 5,445,686 |
| Other comprehensive income | - | - | - | - | - |
| Actuarial gain on defined plan - net of tax | - | - | - | (13,067) | (13,067) |
| | - | - | - | 5,432,619 | 5,432,619 |
| Transactions with owners, recorded directly in equity | | | | | |
| Share based payment transactions (Contribution from holding Company) | - | - | - | 95,760 | 95,760 |
| Payment against share based payment transactions (to holding Company) | - | - | - | (42,588) | (42,588) |
| | - | - | - | 53,172 | 53,172 |
| Transfer to statutory reserve | - | - | 1,089,137 | (1,089,137) | - |
| Cash dividend (2010) | - | - | - | (2,322,951) | (2,322,951) |
| Transferred from surplus on revaluation of fixed asset - net of deferred tax | - | - | - | 7,430 | 7,430 |
| Balance as at 31 December 2011 | 38,715,850 | 1,036,090 | 2,720,535 | 8,797,964 | 51,270,439 |

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


Christos Papadopoulos
Chairman

Mohsin Ali Nathani
Chief Executive

Najam I. Chaudhri
Director

Andrew J. Hardacre
Director

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

1. STATUS AND NATURE OF BUSINESS

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

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 143 branches in Pakistan (2010: 162 branches in Pakistan) in operation at 31 December 2011.

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

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

These financial statements are separate financial statements of the Bank in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated financial statements are presented separately.

2. BASIS OF PREPARATION

2.1 Basis of presentation

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

2.2 Statement of compliance

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

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

2.3 Basis of measurement

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

2.4 Use of estimates and judgments

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

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

- Note 8 Provision against non-performing advances
- Note 9 & 10 Valuation and depreciation rates for fixed assets
- Note 10.2 Goodwill impairment testing
- Note 11 Deferred taxation
- Note 21.6 Derivative instruments
- Note 29 Income taxes
- Note 33 Employees' retirement defined benefit plans

2.5 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Business acquisitions

Acquisitions from entities under common control

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

Other acquisitions

Other business combinations are accounted for using the acquisition method. For acquisition prior to 1 January 2009, the cost of acquisition is measured as the fair value of the asset given, equity instruments issued and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

3.2 Cash and cash equivalents

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

3.3 Investments

The Bank classifies its investments as follows:

a) Held for trading

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

b) Held to maturity

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

c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories and are carried at market value. The surplus / deficit arising as a result of revaluation at market value is kept in a separate account below equity.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

d) Subsidiaries

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

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

3.4 Sale and repurchase agreements

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

3.5 Advances

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

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

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

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

3.6 Operating fixed assets - tangible

Owned

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

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

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

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

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

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

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

Gains and losses on disposal of fixed assets are included in profit and loss account currently.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

Leased

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

3.7 Intangible assets

Goodwill

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

Computer software

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

Acquired intangibles in business combination

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

3.8 Impairment of non-financial assets

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

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

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

3.9 Staff retirement benefits

Defined benefit plan

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

For defined benefit plans, the liability / asset recognised on the balance sheet is the present value of defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the "Projected Unit Credit Actuarial Cost Method".

Actuarial gains and losses that arise are recognised in other comprehensive income in the period in which they arise. Past service costs are recognised immediately to the extent that benefits are vested and are otherwise recognised over the average period until benefits are vested on a straight line basis. Current service costs and any past service costs together with the expected return on plan assets less the effect of unwinding of discount on plan liabilities are charged to operating expenses.

Defined contribution plan

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

3.10 Foreign currency transactions

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

3.11 Taxation

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

Current tax

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

Deferred tax

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

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

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

3.12 Revenue recognition

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

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

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

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

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

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

3.13 Derivative financial instruments

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

3.14 Provisions

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

3.15 Fiduciary activities

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

3.16 Segment reporting

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

3.17 Offsetting

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

3.18 Subordinated liabilities

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

3.19 Non-current assets and disposal groups held for sale

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

3.20 Share-based compensation

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

3.21 New standards and interpretations not yet adopted

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2012:

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Bank.
- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Bank.
- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Bank.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The amendment has no impact on financial statements of the Bank.
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard. The amendments have no impact on financial statements of the Bank.
- Disclosures – Transfers of Financial Assets (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 July 2011). The amendments introduce new disclosure requirements about transfers of financial assets, including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The amendments have no impact on financial statements of the Bank.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments have no impact on financial statements of the Bank.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement. The amendments have no impact on financial statements of the Bank.
- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Bank.

| | Note | 2011 | 2010 |
|--|------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| 4. CASH AND BALANCES WITH TREASURY | | | |
| In hand | | | |
| - Local currency | 4.1 | 2,410,531 | 2,306,311 |
| - Foreign currencies | | 1,180,606 | 921,596 |
| With State Bank of Pakistan in: | | | |
| - Local currency current account | | 11,432,125 | 10,219,015 |
| - Local currency current account-Islamic Banking | | 779,147 | 557,362 |
| - Foreign currency deposit account | | | |
| Cash reserve account (5% of FE 25) | | 2,518,300 | 2,278,108 |
| Special cash reserve account (15% of FE 25) | | 7,036,227 | 6,827,499 |
| Local US Dollar collection account | | 28,689 | 19,083 |
| With National Bank of Pakistan in: | | | |
| - Local currency current account | | 907,469 | 958,868 |
| | | 26,293,094 | 24,087,842 |

4.1 This includes National Prize Bonds of Rs. 5.148 million (2010: Rs. 4.382 million).

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|-------------------------------------|------|------------------|----------------|
| ----- (Rupees in '000) ----- | | | |
| 5. BALANCES WITH OTHER BANKS | | | |
| In Pakistan | | | |
| - In current accounts | | 10,751 | 23,829 |
| Outside Pakistan | | | |
| - In current accounts | 5.1 | 3,043,416 | 798,102 |
| | | 3,054,167 | 821,931 |

5.1 This includes balances of Rs.2,986.847 million (2010: Rs. 758.120 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

6. LENDINGS TO FINANCIAL INSTITUTIONS

| | | | |
|--|-----|-------------------|-------------------|
| Call money lendings | | 500,000 | - |
| Repurchase agreement lendings (Reverse Repo) | 6.1 | 9,351,574 | 6,457,638 |
| Placements | 6.2 | 10,354,397 | 23,964,247 |
| | | 20,205,971 | 30,421,885 |

6.1 These carry mark-up at rates ranging from 11.75 percent to 11.85 percent per annum (2010: 12.3 percent to 13.8 percent per annum) payable at maturity, and are due to mature by January 2012. These arrangements are governed under Master Repurchase Agreements.

6.2 This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.15 percent to 0.45 percent per annum (2010: 0.15 percent and 1.22 percent per annum), and are due to mature by January 2012.

| | 2011 | 2010 |
|-----------------------------------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | |
| 6.3 Particulars of lending | | |
| In local currency | 9,851,574 | 6,457,638 |
| In foreign currencies | 10,354,397 | 23,964,247 |
| | 20,205,971 | 30,421,885 |

6.4 Securities held as collateral against lendings to financial institutions

| | 2011 | | | 2010 | | |
|------------------------------|------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|
| | Held by bank | Further given as collateral | Total | Held by bank | Further given as collateral | Total |
| ----- (Rupees in '000) ----- | | | | | | |
| Market Treasury Bills | 9,351,574 | - | 9,351,574 | 5,307,638 | - | 5,307,638 |
| Pakistan Investment Bonds | - | - | - | 1,150,000 | - | 1,150,000 |
| | 9,351,574 | - | 9,351,574 | 6,457,638 | - | 6,457,638 |

6.4.1 The market value of securities held as collateral against lendings to financial institutions amounted to Rs. 9,389.849 million (2010: Rs. 6,360.864 million).

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

7. INVESTMENTS

| | Note | 2011 | | | 2010 | | |
|---|------|--------------------|---------------------|--------------------|-------------------|---------------------|-------------------|
| | | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| ----- (Rupees in '000) ----- | | | | | | | |
| 7.1 Investments by type | | | | | | | |
| Held for trading | | | | | | | |
| Market Treasury Bills | | 5,607,171 | - | 5,607,171 | 7,932,763 | - | 7,932,763 |
| Pakistan Investment Bonds | | 473,372 | - | 473,372 | 161,588 | - | 161,588 |
| Available for sale | | | | | | | |
| Market Treasury Bills | 7.6 | 75,169,692 | 1,792,417 | 76,962,109 | 50,579,193 | - | 50,579,193 |
| Pakistan Investment Bonds | 7.6 | 14,908,368 | 18,904 | 14,927,272 | 10,356,924 | 18,958 | 10,375,882 |
| Ordinary shares of listed companies | 7.7 | - | - | - | - | - | - |
| Units / certificates of mutual funds | 7.8 | - | - | - | - | - | - |
| Ordinary shares of unlisted companies | 7.9 | 86,987 | - | 86,987 | 86,987 | - | 86,987 |
| Sukuk and Ijarah Bonds | 7.10 | 5,925,000 | - | 5,925,000 | 3,625,000 | - | 3,625,000 |
| Subsidiaries | 7.12 | | | | | | |
| Standard Chartered Services of Pakistan (Private) Limited | | 44,500 | - | 44,500 | 44,500 | - | 44,500 |
| Standard Chartered Modaraba | | 42,000 | - | 42,000 | 42,000 | - | 42,000 |
| Standard Chartered Leasing Limited | | 730,589 | - | 730,589 | 730,589 | - | 730,589 |
| Investments at amortised cost | | 102,987,679 | 1,811,321 | 104,799,000 | 73,559,544 | 18,958 | 73,578,502 |
| Provision for diminution in the value of investments | 7.3 | (133,157) | - | (133,157) | (133,157) | - | (133,157) |
| Investments (net of provisions) | | 102,854,522 | 1,811,321 | 104,665,843 | 73,426,387 | 18,958 | 73,445,345 |
| Surplus on revaluation of held for trading securities - net (Deficit) / surplus on revaluation of available for sale securities - net | 7.11 | 56,673 | - | 56,673 | 81,601 | - | 81,601 |
| | | (345,647) | (1,370) | (347,017) | (886,824) | (2,721) | (889,545) |
| Total investments | | 102,565,548 | 1,809,951 | 104,375,499 | 72,621,164 | 16,237 | 72,637,401 |

| | Note | 2011 | | 2010 | |
|---|------|------------------------------|--|------------------------------|--|
| | | ----- (Rupees in '000) ----- | | ----- (Rupees in '000) ----- | |
| 7.2 Investments by segment | | | | | |
| Federal Government Securities | | | | | |
| Market Treasury Bills | | 82,569,280 | | 58,511,956 | |
| Pakistan Investment Bonds | | 15,400,644 | | 10,537,470 | |
| Fully paid up ordinary shares | | | | | |
| Listed companies | | - | | - | |
| Unlisted companies | | 86,987 | | 86,987 | |
| Investment in subsidiaries | | | | | |
| Standard Chartered Services of Pakistan (Private) Limited | | 44,500 | | 44,500 | |
| Standard Chartered Modaraba | | 42,000 | | 42,000 | |
| Standard Chartered Leasing Limited | | 730,589 | | 730,589 | |
| Bonds and Term Finance Certificates | | | | | |
| Sukuk and Ijarah Bonds | | 5,925,000 | | 3,625,000 | |
| Total investment at amortised cost | | 104,799,000 | | 73,578,502 | |
| Provision for diminution in the value of investments | | (133,157) | | (133,157) | |
| | | 104,665,843 | | 73,445,345 | |
| Surplus on revaluation of held for trading securities - net | | 56,673 | | 81,601 | |
| Deficit on revaluation of available for sale securities - net | | (347,017) | | (889,545) | |
| Total investments | | 104,375,499 | | 72,637,401 | |

7.3 Particulars of provision for diminution in the value of investments

| | | | |
|---------------------|-------|---------|---------|
| Opening balance | | 133,157 | 77,278 |
| Charge for the year | | - | 55,879 |
| Reversals | | - | - |
| Net charge | | - | 55,879 |
| Closing balance | 7.3.1 | 133,157 | 133,157 |

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

| | | | |
|--|------|----------------|----------------|
| Ordinary shares of unlisted companies - available for sale | | 2,341 | 2,341 |
| Subsidiaries | 7.12 | 130,816 | 130,816 |
| | | 133,157 | 133,157 |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

7.4 Investments include securities having book value of Rs. 18.904 million (2010: Rs. 18.958 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

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

| Quality of 'Available for Sale' securities | 2011 | | | 2010 | | |
|--|------------------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|
| | Rating | Cost | Market value | Rating | Cost | Market value |
| | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| 7.6 Federal Government Securities | | | | | | |
| Market Treasury Bills | Unrated | 76,962,109 | 77,050,046 | Unrated | 50,579,193 | 50,544,997 |
| Pakistan Investment Bonds | Unrated | 14,927,272 | 14,493,242 | Unrated | 10,375,882 | 9,520,186 |
| | | <u>91,889,381</u> | <u>91,543,288</u> | | <u>60,955,075</u> | <u>60,065,183</u> |

7.7 Particulars of shares held - listed

| 2011 | 2010 | (Number of shares) | 2011 | | | 2010 | | |
|--------|--------|-----------------------------|------------------------------|----------|--------------|------------------------------|----------|--------------|
| | | | Rating | Cost | Market value | Rating | Cost | Market value |
| | | | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| 7,500 | 7,500 | Sakrand Sugar Mills Limited | Unrated | - | 17 | Unrated | - | 22 |
| 2,800 | 2,800 | Bawany Sugar Mills Limited | Unrated | - | 33 | Unrated | - | - |
| 11,000 | 11,000 | Dadabhoy Cement Limited | Unrated | - | - | Unrated | - | - |
| 4,800 | 4,800 | Khurshid Spinning Mills | Unrated | - | - | Unrated | - | - |
| 3,500 | 3,500 | Taj Textile Mills Limited | Unrated | - | - | Unrated | - | - |
| | | | | <u>-</u> | <u>50</u> | | <u>-</u> | <u>22</u> |

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

7.8 Particulars of units / certificates held in mutual funds

| 2011 | 2010 | (Number of units) | 2011 | | | 2010 | | |
|--------|--------|----------------------------------|------------------------------|----------|--------------|------------------------------|----------|--------------|
| | | | Rating | Cost | Market value | Rating | Cost | Market value |
| | | | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| 13,788 | 13,788 | National Investment (Unit) Trust | Unrated | - | 358 | Unrated | - | 433 |
| | | | | <u>-</u> | <u>358</u> | | <u>-</u> | <u>433</u> |

7.9 Particulars of shares held - unlisted

| 2011 | 2010 | (Number of shares) | 2011 | | 2010 | |
|-----------|-----------|---|---------|------------------|----------------|------------------|
| | | | Rating | (Rupees in '000) | Rating | (Rupees in '000) |
| 8,000,000 | 8,000,000 | Khushali Bank Limited Ordinary Shares of Rs. 10 each Chief Executive: M. Ghalib Nishtar | A/A-1 | A-/A-2 | 83,088 | 83,088 |
| 573,769 | 573,769 | Pakistan Export Finance Guarantee Agency Limited Chairman : Mr Muneer Kamal | Unrated | Unrated | 3,004 | 3,004 |
| 8 | 8 | Society for Worldwide Interbank Fund Transfer | Unrated | Unrated | 895 | 895 |
| | | Provision for diminution in the value - note 7.3.1 | | | <u>86,987</u> | <u>86,987</u> |
| | | | | | <u>(2,341)</u> | <u>(2,341)</u> |
| | | | | | <u>84,646</u> | <u>84,646</u> |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | | | 2010 | | |
|---|--------|------------------------------|------------------|------------------|------------------------------|------------------|------------------|
| | | Rating | Cost | Market value | Rating | Cost | Market value |
| 7.10 Bonds and Term Finance Certificates | | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| Wapda Sukuk Bonds | 7.10.1 | Unrated | 300,000 | 287,551 | Unrated | 300,000 | 300,000 |
| Pakistan International Airlines (PIA) Sukuk Bonds | 7.10.2 | Unrated | 1,325,000 | 1,325,000 | Unrated | 1,325,000 | 1,325,000 |
| GoP Ijarah Sukuk Bonds | 7.10.3 | Unrated | 4,300,000 | 4,311,117 | Unrated | 2,000,000 | 1,999,892 |
| | | | <u>5,925,000</u> | <u>5,923,668</u> | | <u>3,625,000</u> | <u>3,624,892</u> |

7.10.1 Wapda Sukuk Bonds carry mark-up rates of 0.25% below 6 months KIBOR. The principal and profit is payable semi-annually with final maturity in July 2017.

7.10.2 PIA Sukuk bonds carry mark-up rates of 1.75% above 6 months KIBOR. The principal and profit is payable semi-annually with final maturity in October 2012.

7.10.3 GoP Ijarah Sukuk Bonds carry mark-up rates of weighted average yield of 6 months Treasury Bills. The profit is payable semi-annually with principal redemption at maturity falling due between December 2013 and December 2014 for the various issues held by the Bank.

| | 2011 | 2010 |
|---|------------------------------|---------------|
| 7.11 Unrealized gain / (loss) on revaluation of investments classified as held for trading | ----- (Rupees in '000) ----- | |
| Market Treasury Bills | 59,984 | 83,842 |
| Pakistan Investment Bonds | (3,311) | (2,241) |
| | <u>56,673</u> | <u>81,601</u> |

7.12 Investment in Subsidiaries

| | 2011 | 2010 | | 2011 | 2010 |
|------------|--------------------|---|------------------|------------------------------|------|
| | (Number of shares) | | | ----- (Rupees in '000) ----- | |
| 4,450,000 | 4,450,000 | Standard Chartered Services of Pakistan (Pvt) Limited - 100% owned | 44,500 | 44,500 | |
| 4,538,353 | 4,538,353 | Standard Chartered Modaraba - Listed 20% owned | 42,000 | 42,000 | |
| 84,579,276 | 84,579,276 | Standard Chartered Leasing Limited - Listed 86.45% owned Provision for diminution in the value - note 7.12.4 & 7.3.1 | 730,589 | 730,589 | |
| | | | <u>(130,816)</u> | <u>(130,816)</u> | |
| | | | <u>686,273</u> | <u>686,273</u> | |

7.12.1 The above investments in subsidiaries are strategic investments of the Bank.

7.12.2 Standard Chartered Services of Pakistan (Private) Limited (100% owned by the Bank) exercises control over Standard Chartered Modaraba as its management company and also has a direct economic interest of 10 percent. Therefore, Standard Chartered Modaraba is considered a subsidiary of the Bank.

7.12.3 The market value of investments in listed subsidiaries, namely, Standard Chartered Modaraba and Standard Chartered Leasing Limited at 31 December 2011 amounted to Rs 46.972 million and Rs 253.738 million respectively (2010: Rs 42.252 million and 240.205 million respectively).

7.12.4 The Bank periodically reviews its investment in Standard Chartered Leasing Limited (SCLL) for evidence of any impairment. The recoverable amount of investment in SCLL is determined with reference to its value in use. The Bank uses present value techniques and financial projections of SCLL to calculate its value in use. The recoverable amount as at 31st December 2011 is estimated to be above the carrying value of Rs. 599.773 million. Based on these calculations, the Bank considers that no additional impairment loss has arisen during the year. Hence, the Bank continues to hold an accumulated impairment loss of Rs.130.82 million from last year.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

| 8. ADVANCES | Note | 2011 | | 2010 | |
|---|------|------------------------------|--|--------------|--|
| | | ----- (Rupees in '000) ----- | | | |
| Loans, cash credits, running finances, etc. | | | | | |
| - In Pakistan | | 137,201,988 | | 147,338,159 | |
| - Outside Pakistan | | - | | - | |
| | | 137,201,988 | | 147,338,159 | |
| Net investment in Finance Lease | | | | | |
| - In Pakistan | | - | | - | |
| - Outside Pakistan | | - | | - | |
| | | - | | - | |
| Bills discounted and purchased (excluding treasury bills) | | | | | |
| - Payable in Pakistan | | 6,224,555 | | 3,133,517 | |
| - Payable outside Pakistan | | 8,183,008 | | 7,434,767 | |
| | | 14,407,563 | | 10,568,284 | |
| Advances - gross | | 151,609,551 | | 157,906,443 | |
| Provision for non-performing advances | 8.3 | (21,989,417) | | (18,637,030) | |
| Advances - net of provision | | 129,620,134 | | 139,269,413 | |
| 8.1 Particulars of advances | | | | | |
| 8.1.1 In local currency | | 115,567,167 | | 128,139,462 | |
| In foreign currencies | | 14,052,967 | | 11,129,951 | |
| | | 129,620,134 | | 139,269,413 | |
| 8.1.2 Short term (for upto one year) | | 100,516,647 | | 95,791,758 | |
| Long term (for over one year) | | 29,103,487 | | 43,477,655 | |
| | | 129,620,134 | | 139,269,413 | |

8.2 Advances include Rs 25,696.862 million (31 December 2010: Rs 22,107.709 million) which have been placed under non-performing status as detailed below:

| Category of classification | 2011 | | | | | | | | |
|----------------------------|------------------------------|----------|------------|--------------------|----------|------------|----------------|----------|------------|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| | ----- (Rupees in '000) ----- | | | | | | | | |
| Substandard | 1,690,949 | - | 1,690,949 | 350,883 | - | 350,883 | 350,883 | - | 350,883 |
| Doubtful | 3,296,540 | - | 3,296,540 | 1,506,748 | - | 1,506,748 | 1,506,748 | - | 1,506,748 |
| Loss | 20,709,373 | - | 20,709,373 | 19,518,689 | - | 19,518,689 | 19,518,689 | - | 19,518,689 |
| | 25,696,862 | - | 25,696,862 | 21,376,320 | - | 21,376,320 | 21,376,320 | - | 21,376,320 |
| General provision | - | - | - | 613,097 | - | 613,097 | 613,097 | - | 613,097 |
| | 25,696,862 | - | 25,696,862 | 21,989,417 | - | 21,989,417 | 21,989,417 | - | 21,989,417 |

| Category of classification | 2010 | | | | | | | | |
|----------------------------|------------------------------|----------|------------|--------------------|----------|------------|----------------|----------|------------|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| | ----- (Rupees in '000) ----- | | | | | | | | |
| Substandard | 2,113,942 | - | 2,113,942 | 369,798 | - | 369,798 | 369,798 | - | 369,798 |
| Doubtful | 2,141,058 | - | 2,141,058 | 991,601 | - | 991,601 | 991,601 | - | 991,601 |
| Loss | 17,852,709 | - | 17,852,709 | 16,609,886 | - | 16,609,886 | 16,609,886 | - | 16,609,886 |
| | 22,107,709 | - | 22,107,709 | 17,971,285 | - | 17,971,285 | 17,971,285 | - | 17,971,285 |
| General provision | - | - | - | 665,745 | - | 665,745 | 665,745 | - | 665,745 |
| | 22,107,709 | - | 22,107,709 | 18,637,030 | - | 18,637,030 | 18,637,030 | - | 18,637,030 |

8.2.1 At 31 December 2011, the provision requirement has been reduced by Rs. 1,378.368 million (31 December 2010: Rs. 1,334.357 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the requirements of State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 1 dated 21 October 2011. Had the said benefit been taken in accordance with the requirements of PR and previous SBP Circular 10 dated 20 October 2009, profit for the year before taxation would have been lower by Rs. 161.426 million. Increase in accumulated profits amounting to Rs. 895.939 million due to the said FSV benefit is not available for distribution of cash and stock dividend.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

8.3 Particulars of provision against non-performing advances

| | 2011 | | | 2010 | | |
|------------------------------|-------------|-----------|-------------|-------------|-------------|-------------|
| | Specific | General | Total | Specific | General | Total |
| ----- (Rupees in '000) ----- | | | | | | |
| Opening balance | 17,971,285 | 665,745 | 18,637,030 | 15,485,633 | 1,298,005 | 16,783,638 |
| Charge for the year | 5,673,215 | 197,087 | 5,870,302 | 8,234,580 | 1,252,382 | 9,486,962 |
| Reversals | (1,237,938) | (249,735) | (1,487,673) | (4,182,001) | (1,884,642) | (6,066,643) |
| | 4,435,277 | (52,648) | 4,382,629 | 4,052,579 | (632,260) | 3,420,319 |
| Amounts written off | (868,917) | - | (868,917) | (1,330,264) | - | (1,330,264) |
| Other movements | (161,325) | - | (161,325) | (236,663) | - | (236,663) |
| Closing balance | 21,376,320 | 613,097 | 21,989,417 | 17,971,285 | 665,745 | 18,637,030 |

8.4 Particulars of write offs

8.4.1 Against provisions
Charged and written off during the year

8.4.2 Write-offs of Rs. 500,000 and above
Write-offs of below Rs. 500,000

8.5 Details of loans written-off of Rs. 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2011 is given in Annexure 1.

8.6 Particulars of loans and advances to directors, associated companies, etc.

(i) Debts due by directors, executives or officers of the Bank or any of them either severally or jointly with any other persons

Balance at beginning of the year
Loans granted during the year
Repayments
Balance at end of the year

(ii) Debts due by companies or firms in which the directors of the Bank are interested as directors, partners or in the case of private companies as members

Balance at beginning of the year
Loans granted during the year
Repayments
Balance at end of the year

(iii) Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties

Balance at beginning of the year
Loans granted during the year
Repayments
Balance at end of the year

9. OPERATING FIXED ASSETS

Capital work-in-progress
Property and equipment

9.1 Capital work-in-progress

Civil works
Advance payment towards property and equipment
Consultants' fee and other charges

| | Note | 2011 | 2010 |
|--|------|------------------------------|-------------|
| | | ----- (Rupees in '000) ----- | |
| | 10.3 | 868,917 | 1,330,264 |
| | | 486,608 | 1,648,084 |
| | | 1,355,525 | 2,978,348 |
| | | 465,954 | 1,768,480 |
| | | 889,571 | 1,209,868 |
| | | 1,355,525 | 2,978,348 |
| | | 2,924,018 | 2,764,858 |
| | | 1,152,452 | 965,532 |
| | | (1,849,672) | (806,372) |
| | | 2,226,798 | 2,924,018 |
| | | - | - |
| | | - | - |
| | | - | - |
| | | - | - |
| | | 117,187 | 217,653 |
| | | 287,360 | 3,554,559 |
| | | (213,247) | (3,655,025) |
| | | 191,300 | 117,187 |
| | 9.1 | 82,439 | 9,059 |
| | 9.2 | 6,352,719 | 6,592,834 |
| | | 6,435,158 | 6,601,893 |
| | | 3,815 | 2,387 |
| | | 77,891 | 6,252 |
| | | 733 | 420 |
| | | 82,439 | 9,059 |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

9.2 Property and equipment

| | 2011 | | | | |
|-----------------------------|-------------------------------------|--------------------------|--|---------------|-------------------|
| | Land and buildings on freehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | ----- (Rupees in '000) ----- | | | | |
| Cost / Valuations | | | | | |
| At 1 January 2011 | 5,402,148 | 1,392,223 | 3,235,716 | 67,028 | 10,097,115 |
| Additions during the year | 16,386 | 9,966 | 253,064 | 3,006 | 282,422 |
| Transfers / write offs | - | (121,540) | (18,257) | - | (139,797) |
| Deletions | - | - | (39,621) | (4,157) | (43,778) |
| At 31 December 2011 | 5,418,534 | 1,280,649 | 3,430,902 | 65,877 | 10,195,962 |
| Depreciation | | | | | |
| At 1 January 2011 | 97,956 | 602,139 | 2,743,557 | 60,629 | 3,504,281 |
| Charge for the year | 99,145 | 74,191 | 255,388 | 4,472 | 433,196 |
| Transfers / write offs | - | (34,938) | (15,661) | - | (50,599) |
| Deletions | - | - | (39,521) | (4,114) | (43,635) |
| At 31 December 2011 | 197,101 | 641,392 | 2,943,763 | 60,987 | 3,843,243 |
| Net book value | 5,221,433 | 639,257 | 487,139 | 4,890 | 6,352,719 |
| Rate of depreciation | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

| | 2010 | | | | |
|-----------------------------|-------------------------------------|--------------------------|--|---------------|-------------------|
| | Land and buildings on freehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | ----- (Rupees in '000) ----- | | | | |
| Cost / Valuations | | | | | |
| At 1 January 2010 | 5,315,577 | 1,389,895 | 3,391,346 | 76,071 | 10,172,889 |
| Additions during the year | 82,010 | 24,936 | 107,013 | 503 | 214,462 |
| Transfers / write offs | 4,561 | (17,888) | (197,797) | - | (211,124) |
| Deletions | - | (4,720) | (64,846) | (9,546) | (79,112) |
| At 31 December 2010 | 5,402,148 | 1,392,223 | 3,235,716 | 67,028 | 10,097,115 |
| Depreciation | | | | | |
| At 1 January 2010 | - | 541,294 | 2,654,863 | 49,297 | 3,245,454 |
| Charge for the year | 95,349 | 77,473 | 347,831 | 20,454 | 541,107 |
| Transfers / write offs | 2,607 | (12,856) | (195,261) | - | (205,510) |
| Deletions | - | (3,772) | (63,876) | (9,122) | (76,770) |
| At 31 December 2010 | 97,956 | 602,139 | 2,743,557 | 60,629 | 3,504,281 |
| Net book value | 5,304,192 | 790,084 | 492,159 | 6,399 | 6,592,834 |
| Rate of depreciation | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

- 9.3 The Bank's owned land and buildings were revalued by an independent accredited professional valuer, Iqbal A. Nanjee & Co. (Private) Limited. The valuation performed by the valuer was based on active market prices, adjusted for any difference in the nature, location or condition of the specific land and building. The date of revaluation was 31 December 2009. The revaluation resulted in a net surplus of Rs. 3,599.739 million over the book value. If the owned land and buildings were measured using the cost model, the carrying amounts would have been as follows:

| | 2011 | 2010 |
|--------------------------|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Cost | 2,268,407 | 2,252,021 |
| Accumulated depreciation | (623,673) | (535,959) |
| Carrying amount | 1,644,734 | 1,716,062 |

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

- 9.4 As at 31 December 2011, the cost of fully depreciated property and equipment still in use amounted to Rs 2,848.861 million (2010: Rs. 2,518.206 million).

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

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

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

| Particulars | Cost | Accumulated depreciation | Book value | Sale Proceeds | Gain / (Loss) on Sale | Mode of Disposal | Particulars of Purchaser |
|---|------------------|--------------------------|------------|---------------|-----------------------|------------------|-----------------------------------|
| | (Rupees in '000) | | | | | | |
| Furniture, fixtures and office equipment | 14,781 | 14,781 | - | 2,012 | 2,012 | Tender | M/S Ilyas Hussain Soomro |
| | 2,627 | 2,578 | 49 | 88 | 39 | Tender | M/S Muhammad Hashim & Sons |
| | 8,086 | 8,086 | - | 1,722 | 1,722 | Tender | M/S National Traders |
| | 3,575 | 3,575 | - | 57 | 57 | Tender | M/S Aslam Soomro |
| | 3,406 | 3,406 | - | 898 | 898 | Tender | M/S National Traders |
| | 1,269 | 1,269 | - | 173 | 173 | Tender | M/S Mohammad Ibrahim Osman Soomro |
| | 1,122 | 1,122 | - | 339 | 339 | Tender | M/S Farhan & Company |
| | 34,866 | 34,817 | 49 | 5,289 | 5,240 | | |
| Items having book value of less than Rs. 250,000 and cost of less than Rs. 1,000,000: | | | | | | | |
| Furniture, fixtures and office equipment | 4,755 | 4,704 | 51 | 701 | 650 | | |
| Vehicles | 4,157 | 4,114 | 43 | 1,781 | 1,738 | | |
| Total | 43,778 | 43,635 | 143 | 7,771 | 7,628 | | |

10. INTANGIBLE ASSETS

| | 2011 | | | | | |
|-----------------------------|-------------------|--------------------------|-----------------------------------|----------------|-------------------|-------------------|
| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | Total |
| | (Rupees in '000) | | | | | |
| Cost | | | | | | |
| At 1 January 2011 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| Additions during the year | - | - | - | - | - | - |
| At 31 December 2011 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| Depreciation | | | | | | |
| At 1 January 2011 | - | 1,761,348 | 681,430 | 168,933 | 287,174 | 2,898,885 |
| Charge for the year | - | 162,924 | 39,350 | 38,932 | 27,491 | 268,697 |
| At 31 December 2011 | - | 1,924,272 | 720,780 | 207,865 | 314,665 | 3,167,582 |
| Net book value | 26,095,310 | 58,141 | 53,900 | 181,535 | 23,685 | 26,412,571 |
| Rate of amortisation | | | | | 20% | |
| | 2010 | | | | | |
| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | Total |
| | (Rupees in '000) | | | | | |
| Cost | | | | | | |
| At 1 January 2010 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 300,190 | 29,541,993 |
| Additions during the year | - | - | - | - | 38,160 | 38,160 |
| Transfers / write offs | - | - | - | - | - | - |
| At 31 December 2010 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 338,350 | 29,580,153 |
| Depreciation | | | | | | |
| At 1 January 2010 | - | 1,521,572 | 609,335 | 129,998 | 254,916 | 2,515,821 |
| Charge for the year | - | 239,776 | 72,095 | 38,935 | 32,258 | 383,064 |
| Transfers / write offs | - | - | - | - | - | - |
| At 31 December 2010 | - | 1,761,348 | 681,430 | 168,933 | 287,174 | 2,898,885 |
| Net book value | 26,095,310 | 221,065 | 93,250 | 220,467 | 51,176 | 26,681,268 |
| Rate of amortisation | | | | | 20% | |

- 10.1 As at 31 December 2011, the gross carrying amount of fully amortised intangible assets (computer software) still in use amounted to Rs.240.381 million (2010: Rs. 204.529 million).

- 10.2 The recoverable amount for the purpose of assessing impairment on goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the 2012 budget and forecasts for subsequent three years as approved by the management. These have then been extrapolated for a further period of 16 years using a steady long term forecast GDP growth rate and a terminal value determined based on a long term earnings multiple. The cash flows are discounted using a pre-tax discount rate which reflects the current market rate appropriate for the business. For the calculation as at 31 December 2011, the Bank has used a long term forecast GDP growth rate of 4.8 percent and a discount rate of 30.6 percent. The management believes that any reasonable possible changes to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

11. DEFERRED TAX ASSETS

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

| Note | 2011 | | | |
|--|------------------------------|--|--|---------------------------|
| | At 1 January 2011 | (Charge) / credit to profit and loss | Debit/ (credit) to equity/ other comprehensive income | At 31 December 2011 |
| | ----- (Rupees in '000) ----- | | | |
| Available for sale investments | 311,500 | - | (189,901) | 121,599 |
| Provisions for loans and advances | 6,279,742 | 322,904 | - | 6,602,646 |
| Other assets | (42,328) | (35,541) | - | (77,869) |
| Fixed assets | (317,102) | 36,712 | - | (280,390) |
| Surplus on revaluation of fixed assets | (37,110) | 4,001 | - | (33,109) |
| Goodwill | (2,777,999) | (808,803) | - | (3,586,802) |
| Actuarial gains on retirement benefits | (23,381) | - | 7,036 | (16,345) |
| | <u>3,393,322</u> | <u>(480,727)</u> | <u>(182,865)</u> | <u>2,729,730</u> |
| | ----- (Rupees in '000) ----- | | | |
| | 2010 | | | |
| | At 1 January 2010 | (Charge) / credit to profit and loss | Debit/ (credit) to equity/ other comprehensive income | At 31 December 2010 |
| | ----- (Rupees in '000) ----- | | | |
| Available for sale investments | 257,536 | - | 53,964 | 311,500 |
| Provisions for loans and advances | 6,354,738 | (74,996) | - | 6,279,742 |
| Other assets | (4,654) | (37,674) | - | (42,328) |
| Fixed assets | (376,819) | 59,717 | - | (317,102) |
| Surplus on revaluation of fixed assets | (41,173) | 4,063 | - | (37,110) |
| Goodwill | (2,007,554) | (770,445) | - | (2,777,999) |
| Actuarial gains on retirement benefits | (22,622) | - | (759) | (23,381) |
| | <u>4,159,452</u> | <u>(819,335)</u> | <u>53,205</u> | <u>3,393,322</u> |

11.1 The Finance Act, 2010 amended the Seventh Schedule to the Income Tax Ordinance, 2001 whereby the limit for claiming provisions for advances and off balance sheet items in respect of Consumer and SME advances has been enhanced from 1% to 5% of gross Consumer and SME advances. In case of Corporate advances, the limit continues to be 1% of gross Corporate advances.

The management carried out an exercise and based on that concluded that the Bank would achieve a deduction for provisions in excess of the limits prescribed by the Income Tax Ordinance, 2001 in future years. Accordingly, deferred tax asset of Rs. 2,363 million has been recognised on such provisions for income years 2009 upto 2011.

The Seventh Schedule has been further amended through Finance Act, 2010 by introducing transitional provisions, whereby amounts provided for against irrecoverable or doubtful advances in tax year 2008 (income year 2007) and prior years, would be allowed in the tax year in which these advances are actually written off.

The management considers that the amendment made vide Finance Act, 2009 in respect of provisions for bad debts being allowed at 1% of total advances is applicable for tax year 2010 (income year 2009), whereas for tax year 2009 (income year 2008), the provision for bad debts would continue to be allowed under the Seventh Schedule at the time of actual write-off.

The deferred tax asset recognized upto December 31, 2008 relating to provisions for advances and off balance sheet items amounting to Rs. 4,240 million has been carried forward.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

| 12. OTHER ASSETS | Note | 2011 | 2010 |
|---|--------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| Income / mark-up accrued in local currency | | 2,429,189 | 4,234,762 |
| Income / mark-up accrued in foreign currencies | | 40,329 | 199,291 |
| Advances, deposits, advance rent and other prepayments | | 907,707 | 862,524 |
| (Payable to) / receivable from defined benefit plans | | (222) | 18,915 |
| Advance taxation (payments less provisions) | | 7,522,940 | 3,571,282 |
| Branch adjustment account | | 314,373 | 329,739 |
| Unrealized gain on forward foreign exchange contracts | | 613,650 | 407,072 |
| Interest rate derivatives and currency options - positive fair value | | 2,408,980 | 2,985,800 |
| Receivable from SBP / Government of Pakistan | | 327,749 | 56,539 |
| Receivable from associated undertakings | | 44,270 | 5,563 |
| Receivable from Standard Chartered Bank, Sri Lanka operations | 25.1 | 137,408 | 124,847 |
| Non-banking assets acquired in satisfaction of claims | 12.2 | 783,940 | 65,555 |
| Advances against future Murabaha | | 564,616 | - |
| Advance Federal Excise Duty | | 100,000 | - |
| Tax compensation under section 102 of the Income Tax Ordinance, 2001 | | - | 116,333 |
| Bank acceptances | 12.3 | 21,542,782 | 5,042,995 |
| Others | | 98,301 | 288,721 |
| | | <u>37,836,012</u> | <u>18,309,938</u> |
| Provision against other assets | 12.1 | (557,462) | (301,916) |
| | | <u>37,278,550</u> | <u>18,008,022</u> |
| 12.1 Provision against other assets | | | |
| Opening balance | | 301,916 | 205,190 |
| Net charge for the year | | 255,546 | 96,726 |
| Closing balance | | <u>557,462</u> | <u>301,916</u> |
| 12.2 Market value of non-banking assets acquired in satisfaction of claims amounted to Rs 475.439 million at December 31, 2011 (2010: Rs. 91.983 million). Accordingly, the differential between carrying amount and market value has been provided. | | | |
| 12.3 Included in these acceptances is Rs 2,605.560 million (2010: Rs 1,600 million) which have been further discounted by the Bank. | | | |
| 13. BILLS PAYABLE | Note | 2011 | 2010 |
| ----- (Rupees in '000) ----- | | | |
| In Pakistan | | 4,377,080 | 5,468,828 |
| Outside Pakistan | | 199,709 | 223,036 |
| | | <u>4,576,789</u> | <u>5,691,864</u> |
| 14. BORROWINGS FROM FINANCIAL INSTITUTIONS | | | |
| In Pakistan | | 19,360,413 | 14,280,581 |
| Outside Pakistan | | 1,451 | 1,633,762 |
| | | <u>19,361,864</u> | <u>15,914,343</u> |
| 14.1 Particulars of borrowings with respect to currencies | | | |
| In local currency | | 19,360,413 | 14,280,581 |
| In foreign currencies | | 1,451 | 1,633,762 |
| | | <u>19,361,864</u> | <u>15,914,343</u> |
| 14.2 Details of borrowings secured / unsecured | | | |
| Secured | | | |
| Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme | 14.2.1 | 15,261,066 | 12,875,118 |
| Repurchase agreement borrowings (Repo) | 14.2.2 | 1,792,417 | - |
| State Bank of Pakistan - LTF | 14.2.3 | 2,163,538 | 1,369,379 |
| State Bank of Pakistan - LTF - Export Oriented Projects | 14.2.4 | 21,028 | 31,116 |
| | | <u>19,238,049</u> | <u>14,275,613</u> |
| Unsecured | | | |
| Call borrowings | | 100,000 | - |
| Overdrawn nostro accounts | 14.2.5 | 23,815 | 1,638,730 |
| | | <u>19,361,864</u> | <u>15,914,343</u> |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

- 14.2.1** Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged at 10.2 percent to 11 percent (2010: 8.5 percent to 9 percent) per annum. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs.1.923 billion (2010: 805 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.
- 14.2.2** Repurchase agreement borrowings carry mark-up rates ranging from 11.65 percent to 11.85 percent (2010: Nil percent) per annum payable at maturity and are due to mature by January 2012.
- 14.2.3** Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan is charged at rates ranging from 8.5 percent to 12.6 percent (2010: 7 percent to 9.5 percent) per annum. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.
- 14.2.4** Mark-up on Long Term Finance for Export Oriented Projects (EOP) from State Bank of Pakistan is charged at 6.5 percent to 7 percent (2010:5 percent) per annum. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.
- 14.2.5** These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Rs. Nil (2010: Rs. 1,633.622 million).

| | Note | 2011 | 2010 |
|--|--|--------------------|--------------------|
| ----- (Rupees in '000) ----- | | | |
| 15. DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| Fixed deposits | | 37,616,096 | 45,968,703 |
| Savings deposits | | 103,630,972 | 90,401,741 |
| Current accounts (non-remunerative) | | 92,865,197 | 81,552,663 |
| Margin accounts | | 559,710 | 951,052 |
| Special exporters' account | | 540,657 | 930,283 |
| | | <u>235,212,632</u> | <u>219,804,442</u> |
| Financial Institutions | | | |
| Non-remunerative deposits | 15.1 | 740,090 | 461,320 |
| | | <u>235,952,722</u> | <u>220,265,762</u> |
| 15.1 | This includes Rs. 216.542 million (2010: Rs.93.610 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan. | | |
| 15.2 Particulars of deposits | | | |
| In local currency | | 189,987,132 | 173,998,222 |
| In foreign currencies | | 45,965,590 | 46,267,540 |
| | | <u>235,952,722</u> | <u>220,265,762</u> |
| 16. SUB-ORDINATED LOANS | | | |
| Term Finance Certificates issued | 16.1 | 699,200 | 1,135,900 |
| 16.1 | The Bank issued subordinated Term Finance Certificates in three issues. The first and second issues of Rs 750 million each was fully repaid during the year 2008 and 2011 respectively. The outstanding third issue of Rs 1,000 million is unsecured and is subordinated to the depositors and other creditors of the Bank, and carry the following terms: | | |

Third Issue

| | |
|---------------|---|
| Year of Issue | 2005 |
| Rating | AAA |
| Rate | 2.00% above the six months Karachi Inter-Bank Offered Rate ("KIBOR") prevailing one working day prior to the beginning of each semi annual period |
| Floor | - |
| Ceiling | - |
| Repayment | 7 years |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|--|------|--|----------------------|
| ----- (Rupees in '000) ----- | | | |
| 17. OTHER LIABILITIES | | | |
| Mark-up / return / interest payable in local currency | | 1,225,316 | 2,298,819 |
| Mark-up / return / interest payable in foreign currencies | | - | 2,453 |
| Accrued expenses | | 2,092,742 | 1,950,382 |
| Advance payments | | 108,249 | 158,759 |
| Sundry creditors | | 669,844 | 634,219 |
| Unrealized loss on forward foreign exchange contracts | | 473,575 | 876,589 |
| Unrealized loss on interest rate derivatives and currency options | | 8,413,722 | 10,654,614 |
| Due to Holding Company | 17.1 | 4,568,330 | 4,867,708 |
| Unclaimed balances | | 1,120,420 | 78,871 |
| Dividend Payable | | 3,074 | - |
| Provision against off balance sheet obligations | 17.2 | 122,361 | 83,465 |
| Worker's Welfare Fund (WWF) payable | | 287,712 | 112,836 |
| Short sell - Pakistan Investment Bonds | | - | 660,074 |
| Bank acceptances | 12.3 | 21,542,782 | 5,042,995 |
| Unsettled trades | | 49,857 | 47,046 |
| Others | | 547,704 | 373,134 |
| | | 41,225,688 | 27,841,964 |
| 17.1 Due to Holding Company | | | |
| On account of reimbursement of executive and general administrative expenses | | 3,876,742 | 4,158,379 |
| Others | | 691,588 | 709,329 |
| | | 4,568,330 | 4,867,708 |
| 17.2 Provision against off-balance sheet obligations | | | |
| Opening balance | | 83,465 | 86,518 |
| Charge / (reversal) for the year | | 38,896 | (3,053) |
| Closing balance | | 122,361 | 83,465 |
| 18. SHARE CAPITAL | | | |
| 18.1 Authorized | | | |
| | | 2011 | 2010 |
| | | (Number of shares) | |
| | | 4,000,000,000 | 4,000,000,000 |
| | | Ordinary shares of Rs.10 each | |
| | | 40,000,000 | 40,000,000 |
| 18.2 Issued, subscribed and paid-up | | | |
| | | 2,939,785,018 | 2,939,785,018 |
| | | Ordinary shares of Rs. 10 each | |
| | | Fully paid in cash | |
| | | 29,397,850 | 29,397,850 |
| | | 931,800,003 | 931,800,003 |
| | | Issued in terms of scheme | |
| | | of amalgamation | |
| | 18.3 | 9,318,000 | 9,318,000 |
| | | 38,715,850 | 38,715,850 |
| 18.3 | | | |
| | | These represent 892,554,151 shares of Rs 10 each issued and allotted at par to Standard Chartered Bank, United Kingdom against transfer of entire undertaking of SCB Branch Business by SCB to the Bank, and 39,245,852 shares issued and allotted at par credited as fully paid up to persons who were registered shareholders of Union Bank. These shares have been issued in accordance with the scheme of amalgamation duly approved by State Bank of Pakistan on 4 December 2006. | |
| 18.4 | | | |
| | | At 31 December 2011, Standard Chartered Bank , United Kingdom, held 98.99% shares of the Bank. | |
| | Note | 2011 | 2010 |
| 19. Reserves | | ----- (Rupees in '000) ----- | |
| Share premium | 19.1 | 1,036,090 | 1,036,090 |
| Statutory reserve | 19.2 | 2,720,535 | 1,631,398 |
| | | 3,756,625 | 2,667,488 |
| 19.1 | | | |
| | | This represents excess of fair value of the shares over par value of shares issued to registered shareholders of Union Bank in terms of the amalgamation scheme. | |
| 19.2 | | | |
| | | In accordance with the Banking Companies Ordinance, 1962, the Bank is required to transfer twenty percent of its profit of each year to a reserve fund until the amount in such fund equals the paid-up capital of the Bank. | |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

19.3 The Board of Directors in its meeting held on March 5, 2012 has announced a final cash dividend of 10% (Re. 1/- per share) in respect of the year ended December 31, 2011 (2010: Rs. 0.6 per share). These financial statements for the year ended December 31, 2011 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

| 20. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF DEFERRED TAX | Note | 2011 | 2010 |
|---|--------|------------------|------------------|
| ----- (Rupees in '000) ----- | | | |
| Surplus / (deficit) arising on revaluation of: | | | |
| Fixed assets | 20.1 | 3,543,590 | 3,551,020 |
| Securities | 20.2 | (225,418) | (578,045) |
| | | <u>3,318,172</u> | <u>2,972,975</u> |
| 20.1 Surplus on revaluation of fixed assets | | | |
| Surplus on revaluation of fixed assets as at 1 January | | 3,588,130 | 3,599,739 |
| Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax | | (7,430) | (7,546) |
| Related deferred tax liability | | (4,001) | (4,063) |
| | | <u>(11,431)</u> | <u>(11,609)</u> |
| Surplus on revaluation of fixed assets as at 31 December - gross | | 3,576,699 | 3,588,130 |
| Less: Related deferred tax liability on: | | | |
| Revaluation surplus as at 1 January | | (37,110) | (41,173) |
| Revaluation surplus recorded during the year | | - | - |
| Incremental depreciation charged during the year transferred to profit and loss account | | 4,001 | 4,063 |
| | | <u>(33,109)</u> | <u>(37,110)</u> |
| Surplus on revaluation of fixed assets as at 31 December - net of tax | | <u>3,543,590</u> | <u>3,551,020</u> |
| 20.2 Surplus / (deficit) on revaluation of Available for Sale securities | | | |
| Market Treasury Bills | | 87,937 | (34,196) |
| Pakistan Investment Bonds | | (434,030) | (855,696) |
| Sukuk and Ijarah Bonds | | (1,332) | (108) |
| Listed shares and units of mutual funds | | 408 | 455 |
| | | <u>(347,017)</u> | <u>(889,545)</u> |
| Related deferred tax asset | | 121,599 | 311,500 |
| | | <u>(225,418)</u> | <u>(578,045)</u> |
| 21. CONTINGENCIES AND COMMITMENTS | | | |
| 21.1 Transaction-related contingent liabilities | | | |
| Guarantees issued favouring: | 21.1.1 | | |
| - Government | | 35,465,770 | 30,962,886 |
| - Others | | 25,987,687 | 16,542,077 |
| 21.1.1 Guarantees relating to Islamic Banking Business amount to Rs. 2,025 million (2010: Rs. 2,039 million). | | | |
| 21.2 Trade-related contingent liabilities | | | |
| Letters of credit | 21.2.1 | 19,526,195 | 15,182,936 |
| 21.2.1 Letters of credit relating to Islamic Banking Business amount to Rs. 2,860 million (2010: Rs. 1,045 million). | | | |
| 21.3 Other contingencies | | | |
| Claims against the Bank not acknowledged as debt | 21.3.1 | 13,293,575 | 12,432,208 |
| 21.3.1 This includes claims for penal interest and additional surcharge amounting to Rs. 136.361 million (2010: Rs. 138.058 million) claimed by Customs authorities in respect of certain bank guarantees issued on behalf of a customer in favour of Collector of Customs, Government of Pakistan. The guarantees remaining outstanding against the said customer at 31 December 2011 amount to Rs.80.827 million (2010: Rs. 80.827 million). The Bank has referred the claims to Alternate Dispute Resolution (ADR) Committee, where it is yet to come up for a hearing. The Bank considers that the above amounts are not payable and if it is required to settle the claims, it would be able to recover them from the customer. | | | |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

21.4 Commitments in respect of forward foreign exchange contracts

| | 2011 | 2010 |
|------------------------|------------------------------|------------|
| | ----- (Rupees in '000) ----- | |
| Purchase | | |
| State Bank of Pakistan | 8,873,750 | 19,914,750 |
| Other banks | 34,228,360 | 17,348,621 |
| Customers | 8,517,556 | 15,368,507 |
| Sale | | |
| State Bank of Pakistan | - | 2,176,875 |
| Other banks | 34,427,185 | 33,108,590 |
| Customers | 2,259,646 | 1,290,420 |

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

21.5 Commitments to extend credit

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

21.6 Derivative instruments

21.6.1 Product analysis

| Counterparties | 2011 | | | |
|----------------------------------|------------------------------|---------------------|------------------|----------------------|
| | Interest Rate Swaps | | FX Options | |
| | No. of Contracts | Notional Principal* | No. of Contracts | Notional Principal * |
| | ----- (Rupees in '000) ----- | | | |
| With Banks for | | | | |
| Hedging | - | - | - | - |
| Market Making | 30 | 39,617,555 | 132 | 15,822,498 |
| With FIs other than banks | | | | |
| Hedging | - | - | - | - |
| Market Making | 4 | 1,016,333 | - | - |
| With other entities for | | | | |
| Hedging | - | - | - | - |
| Market Making | 48 | 61,527,574 | 132 | 15,822,498 |
| Total | | | | |
| Hedging | - | - | - | - |
| Market Making | 82 | 102,161,462 | 264 | 31,644,996 |
| 2010 Total Market Making | 98 | 125,021,858 | 204 | 8,800,720 |

* At the exchange rate prevailing at year end.

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 11 contracts with local banks having notional principal of Rs. 17,304 million.

21.6.2 Maturity analysis

Interest Rate Swaps

| Remaining Maturity | No. of Contracts | Notional Principal | Mark to Market | | |
|--------------------|------------------------------|--------------------|--------------------|------------------|--------------------|
| | | | Negative | Positive | Net |
| | ----- (Rupees in '000) ----- | | | | |
| Upto 1 month | - | - | - | - | - |
| 1 to 3 months | 2 | 200,000 | (119) | - | (119) |
| 3 to 6 months | 2 | 434,333 | (1,822) | 8,765 | 6,943 |
| 6 month to 1 year | 12 | 16,563,782 | (2,731,258) | 263,842 | (2,467,416) |
| 1 to 2 year | 27 | 32,287,543 | (3,201,364) | 874,076 | (2,327,288) |
| 2 to 3 years | 12 | 9,102,037 | (1,383,376) | 14,703 | (1,368,673) |
| 3 to 5 years | 10 | 28,173,366 | (607,036) | 745,726 | 138,690 |
| 5 to 10 years | 17 | 15,400,401 | (234,172) | 405,600 | 171,428 |
| Above 10 years | - | - | - | - | - |
| | 82 | 102,161,462 | (8,159,147) | 2,312,712 | (5,846,435) |

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For the year ended 31 December 2011

| 22. MARK-UP / RETURN / INTEREST EARNED | Note | 2011 | 2010 |
|---|-------------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| On loans and advances to customers | | 20,028,383 | 17,882,098 |
| On loans and advances to financial institutions | | 862,758 | 62,607 |
| On investments in: i) Held for trading securities | | 7,380 | 22,508 |
| ii) Available for sale securities | | 10,567,816 | 8,844,295 |
| On deposits with financial institutions / State Bank of Pakistan | | - | - |
| On securities purchased under resale agreements | | 508,873 | 1,146,110 |
| On call money lending | | 38 | 614 |
| | | 31,975,248 | 27,958,232 |
| 23. MARK-UP / RETURN / INTEREST EXPENSED | | | |
| Deposits | | 9,543,162 | 9,368,635 |
| Securities sold under repurchase agreements | | 34,851 | 308,725 |
| Call borrowings | | 294,645 | 12,569 |
| Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme | | 1,434,570 | 792,920 |
| Term Finance Certificates (sub-ordinated loans) | | 127,984 | 171,716 |
| Others | | - | 25,620 |
| | | 11,435,212 | 10,680,185 |
| 24. GAIN / (LOSS) ON SALE OF SECURITIES | | | |
| Federal Government Securities | | | |
| Market Treasury Bills | | 227,778 | 763,027 |
| Pakistan Investment Bonds | | 659,030 | 46,182 |
| | | 886,808 | 809,209 |
| Commercial Paper | | - | 3,426 |
| Equity Securities | | - | 1,902 |
| | | 886,808 | 814,537 |
| 25. OTHER INCOME | | | |
| Income from Sri Lanka branch operations | 25.1 & 25.2 | 12,561 | 40,246 |
| Rent on property | | 39,145 | 32,908 |
| Gain on disposal of fixed assets | | 7,628 | 9,797 |
| Gain / (loss) on derivatives | | (509,028) | (283,086) |
| Others | | 164,541 | 292,519 |
| | | (285,153) | 92,384 |
| 25.1 | | | |
| Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, 'unproductive debts', 'staff of SCBPL who are not retained by the purchaser', 'their corresponding housing loans' and 'assets arising from litigation which cannot be assigned' are held in trust with SCBSL. The income from Sri Lanka branch operations in the current year mainly represents recoveries (net of expenses) in respect of assets held in trust. | | | |
| 25.2 | | | |
| Prior year amount has been reclassified from note 28 'Other Charges' for better presentation. | | | |
| 26. ADMINISTRATIVE EXPENSES | Note | 2011 | 2010 |
| ----- (Rupees in '000) ----- | | | |
| Salaries, allowances etc. | | 4,371,955 | 4,193,162 |
| (Income) / charge for defined benefit plans | | (966) | 994 |
| Contributions to defined contribution plans | | 286,649 | 266,637 |
| Rent, taxes, insurance, electricity etc. | | 1,192,827 | 1,086,608 |
| Legal and professional charges | | 86,217 | 97,381 |
| Communications | | 527,972 | 470,987 |
| Repairs and maintenance | | 745,012 | 819,580 |
| Stationery and printing | | 204,400 | 182,045 |
| Advertisement and publicity | | 270,621 | 144,515 |
| Donations | 26.1 | 19,502 | 20,195 |
| Auditors' remuneration | 26.2 | 17,715 | 23,242 |
| Depreciation | | 433,196 | 541,107 |
| Amortization | | 268,697 | 383,064 |
| Travelling, conveyance and vehicles' running | | 188,055 | 117,459 |
| Reimbursement of executive and general administrative expenses | | 3,875,954 | 3,764,765 |
| Others | | 752,315 | 739,527 |
| | | 13,240,121 | 12,851,268 |

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| | Note | 2011 | 2010 |
|---------------|--|------------------------------|------------------|
| | | ----- (Rupees in '000) ----- | |
| 26.1 | Details of the donations given in excess of Rs. 100,000 are given below: | | |
| | Donee | | |
| | Institute of Business Administration (IBA) | 7,000 | 13,000 |
| | The Citizen Foundation | 5,200 | 5,270 |
| | The Kidney Centre | 2,500 | - |
| | Care Foundation | 1,250 | - |
| | Lahore University of Management Sciences | 1,200 | - |
| | SST Public School Rashidabad | 1,200 | - |
| | Rizwan Scholars | 750 | 1,500 |
| | HOPE | 250 | 180 |
| | AmanTech Foundation | 150 | - |
| | Bait-ul-Sukoon Trust | - | 100 |
| 26.1.1 | Mr. Mohsin Ali Nathani, CEO of the Bank is also a member of Board of Governors of The Kidney Centre. | | |
| 26.1.2 | Mr. Shahid Zaki, non executive director of the Bank is also CEO of AmanTech Foundation. | | |
| 26.2 | Auditors' remuneration | | |
| | Audit fee | 16,045 | 15,664 |
| | Fee for audit of pension, gratuity and provident funds | 403 | 400 |
| | Special certifications and others | 590 | 3,380 |
| | Taxation services | - | 3,208 |
| | Out-of-pocket expenses | 677 | 590 |
| | | 17,715 | 23,242 |
| 27. | OTHER PROVISIONS / ASSET WRITE OFFS | | |
| | Asset write offs | 89,198 | 17,362 |
| | Other provisions | | |
| | Provision against receivable under cross currency swap arrangements | - | 96,726 |
| | Overdue mark up suspended | - | 341,306 |
| | Provision against non-banking assets acquired in satisfaction of claims | 309,984 | - |
| | | 309,984 | 438,032 |
| | | 399,182 | 455,394 |
| 28. | OTHER CHARGES | | |
| | Charge against fine and penalties imposed by SBP | 29,051 | 60,119 |
| | Worker's Welfare Fund (WWF) | 174,876 | 112,836 |
| | | 203,927 | 172,955 |
| 29. | TAXATION | | |
| | For the year | | |
| | - Current | 2,504,289 | 1,168,652 |
| | - Deferred | 480,727 | 819,335 |
| | | 2,985,016 | 1,987,987 |
| | For prior years' | - | (30,884) |
| | | 2,985,016 | 1,957,103 |
| 29.1 | Relationship between tax expense and accounting profit | | |
| | Profit before taxation | 8,430,702 | 5,562,718 |
| | Tax at the applicable tax rate of 35% (2010: 35%) | 2,950,746 | 1,946,951 |
| | Incomes (dividend, capital gain etc.) at reduced rates | (17,116) | (10,890) |
| | Expenses that are not deductible in determining taxable income | 51,386 | 21,042 |
| | | 2,985,016 | 1,957,103 |
| 29.2 | Standard Chartered Bank (Pakistan) Limited | | |

The return for income year 2011 (tax year 2012) is due for filing by 30 September 2012.

The tax department amended the assessments for income years 2007 to 2010 (tax years 2008 to 2011 respectively) under section 122 (5A) of the Income Tax Ordinance, 2001, determining additional tax liability of Rs. 8,461 million on account of various issues (such as disallowances of expenses relating to provision against loans and advances, goodwill amortisation etc.). Appeals against the amended assessment orders are being contested before different appellate forums, however, the Bank has discharged the aforesaid tax liability.

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The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Consequently, no additional provision is required.

The Tax Authorities have passed an order levying Federal Excise Duty amounting to Rs. 114 million on certain items. The Bank is contesting the order in the appeal. The Bank has paid Rs.100 million under protest and the balance demand is legally stayed till the decision of the appeal.

29.3 Standard Chartered Bank – Branch Operations

The assessments have been finalized upto and including tax year 2006. The Bank's / departmental appeals for the assessment / tax years 1976-77 to 2006 are pending before different appellate forums on various issues. The management expects favourable decisions in pending appeals and consequently, no additional provision is required.

29.4 Union Bank Limited

The tax assessments for the assessment years 1993-94 through tax year 2007 are pending at various appeal forums against certain disallowances. The management expects favourable decision in pending appeals and consequently, no additional provision is required.

30. EARNINGS PER SHARE - BASIC AND DILUTED

| | 2011 | 2010 |
|---|------------------------------|---------------|
| | ----- (Rupees in '000) ----- | |
| Profit for the year | 5,445,686 | 3,605,615 |
| Weighted average number of ordinary shares in issue during the year | 3,871,585,021 | 3,871,585,021 |
| | ----- (Rupees) ----- | |
| Earnings per share - basic and diluted | 1.41 | 0.93 |

31. CASH AND CASH EQUIVALENTS

| | ----- (Rupees in '000) ----- | |
|---------------------------------------|------------------------------|------------|
| Cash and balances with treasury banks | 26,293,094 | 24,087,842 |
| Balances with other banks | 3,054,167 | 821,931 |
| | 29,347,261 | 24,909,773 |

32. STAFF STRENGTH

| | ----- (Number) ----- | |
|---|----------------------|--------------|
| Permanent | 3,009 | 3,074 |
| Temporary / on contractual basis / direct contracts | 3 | 2 |
| Bank's own staff at the end of year | 3,012 | 3,076 |
| Outsourced | 1,906 | 1,783 |
| Total staff strength | 4,918 | 4,859 |

33. DEFINED BENEFIT PLANS

33.1 General description

Non Management Staff Pension Fund

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

Non Management Staff Gratuity Fund

The plan provides a lump sum gratuity calculated at one month's salary for each completed year of service (maximum 39 months) after completing 5 years of service. For the employees of ex-ANZ Grindlays Bank, the plan provides a lump sum calculated at 50% of last drawn merged salary for each completed year of service (maximum 40 months) after completing 5 years of service. However, if the employee is not entitled for pension, the percentage is increased to 100%. The employees of SCB are entitled to either pension or gratuity, but not both.

Management Staff Pension Fund

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

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33.2 Principal Actuarial Assumptions

The last actuarial valuation of the scheme was carried out on 31 December 2011 and the key assumptions used for actuarial valuation were as follows:

| | 2011 | 2010 |
|---|---|---|
| Discount rate | 13% p.a. | 13.2% p.a. |
| Expected rate of increase in salary in future years | 12% p.a. | 13.2% p.a. |
| Expected rate of return on plan assets | 5.5%-11.7% p.a. | 13.66%-13.93% p.a. |
| Expected long term rate of increase in pension | 7% p.a. | 7.2% p.a. |
| Mortality rate | LIC (1975-79) ultimate mortality table rated down one year Light | LIC (1975-79) ultimate mortality table rated down one year Light |
| Withdrawal rate | | |

| | SCB Non Management Pension Fund | | SCB Non Management Gratuity Fund | | SCB Management Pension Fund | | Total | |
|--|---------------------------------|----------|----------------------------------|----------|-----------------------------|----------|-----------|-----------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| 33.3 Reconciliation of (receivable) / payable from / to defined benefit plan | (Rupees in '000) | | | | | | | |
| Present value of defined benefit obligations | 68,506 | 56,948 | 55,950 | 42,222 | 45,189 | 39,094 | 169,645 | 138,264 |
| Fair value of plan assets | (76,101) | (73,662) | (41,739) | (37,182) | (51,583) | (46,335) | (169,423) | (157,179) |
| (Asset) / liability recognised | (7,595) | (16,714) | 14,211 | 5,040 | (6,394) | (7,241) | 222 | (18,915) |
| 33.4 Movement in defined benefit obligation | | | | | | | | |
| Obligation as at 1 January | 56,948 | 58,699 | 42,222 | 35,574 | 39,094 | 42,667 | 138,264 | 136,940 |
| Current service cost | 448 | 388 | 1,803 | 1,490 | - | - | 2,251 | 1,878 |
| Interest cost | 7,135 | 6,960 | 5,530 | 4,414 | 5,156 | 4,949 | 17,821 | 16,323 |
| Benefits paid | (6,121) | (5,939) | - | - | (6,680) | (5,632) | (12,801) | (11,571) |
| Actuarial (gain) / loss on obligation | 10,096 | (2,771) | 6,395 | (896) | 7,619 | (2,890) | 24,110 | (6,557) |
| Past service cost resulting from change in Rules | - | (389) | - | 1,640 | - | - | - | 1,251 |
| Obligation as at 31 December | 68,506 | 56,948 | 55,950 | 42,222 | 45,189 | 39,094 | 169,645 | 138,264 |
| 33.5 Movement in fair value of plan assets | | | | | | | | |
| Fair value as at 1 January | 73,662 | 72,888 | 37,182 | 34,931 | 46,335 | 46,861 | 157,179 | 154,680 |
| Expected return on plan assets | 9,526 | 8,652 | 5,135 | 4,333 | 6,377 | 5,473 | 21,038 | 18,458 |
| Contribution by the Bank | - | - | - | - | - | - | - | - |
| Benefits paid | (6,121) | (5,939) | - | - | (6,680) | (5,632) | (12,801) | (11,571) |
| Actuarial gain / (loss) on plan assets | (966) | (1,939) | (578) | (2,082) | 5,551 | (367) | 4,007 | (4,388) |
| Fair value as at 31 December | 76,101 | 73,662 | 41,739 | 37,182 | 51,583 | 46,335 | 169,423 | 157,179 |
| 33.6 Movement in (receivable) / payable from / to defined benefit plan | | | | | | | | |
| Balance as at 1 January | (16,714) | (14,189) | 5,040 | 643 | (7,241) | (4,194) | (18,915) | (17,740) |
| Charge for the year | (1,943) | (1,693) | 2,198 | 3,211 | (1,221) | (524) | (966) | 994 |
| Contribution to the fund during the year | - | - | - | - | - | - | - | - |
| Actuarial (gain) / loss on plan assets | 11,062 | (832) | 6,973 | 1,186 | 2,068 | (2,523) | 20,103 | (2,169) |
| Balance as at 31 December | (7,595) | (16,714) | 14,211 | 5,040 | (6,394) | (7,241) | 222 | (18,915) |
| 33.7 Charge for defined benefit plan | | | | | | | | |
| Current service cost | 448 | 388 | 1,803 | 1,490 | - | - | 2,251 | 1,878 |
| Interest cost | 7,135 | 6,960 | 5,530 | 4,414 | 5,156 | 4,949 | 17,821 | 16,323 |
| Expected return on plan assets | (9,526) | (8,652) | (5,135) | (4,333) | (6,377) | (5,473) | (21,038) | (18,458) |
| Recognition of past service cost | - | (389) | - | 1,640 | - | - | - | 1,251 |
| | (1,943) | (1,693) | 2,198 | 3,211 | (1,221) | (524) | (966) | 994 |
| 33.8 Actual return on plan assets | | | | | | | | |
| Expected return on plan assets | 9,526 | 8,652 | 5,135 | 4,333 | 6,377 | 5,473 | 21,038 | 18,458 |
| Actuarial gain / (loss) on plan assets | (966) | (1,939) | (578) | (2,082) | 5,551 | (367) | 4,007 | (4,388) |
| | 8,560 | 6,713 | 4,557 | 2,251 | 11,928 | 5,106 | 25,045 | 14,070 |
| 33.9 Cumulative amount of actuarial gains / (losses) recognised in comprehensive income | 18,923 | 29,985 | (12,408) | (5,435) | 40,185 | 42,253 | 46,700 | 66,803 |
| 33.10 Expected contributions for next year | - | - | - | - | - | - | - | - |
| 33.11 Components of plan assets as a percentage of total plan assets | | | | | | | | |
| Bonds | 94% | 97% | 89% | 99% | 18% | 98% | | |
| Cash and net current assets | 6% | 3% | 11% | 1% | 82% | 2% | | |
| Others | 0% | 0% | 0% | 0% | 0% | 0% | | |

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| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|------------------------------|-----------------|----------------|----------------|-----------------|
| 33.12 Five year data on surplus / (deficit) of the plans and experience adjustments | ----- (Rupees in '000) ----- | | | | |
| Present value of defined benefit obligation | <u>169,645</u> | <u>138,264</u> | <u>136,940</u> | <u>112,326</u> | <u>243,948</u> |
| Fair value of plan assets | <u>169,423</u> | <u>157,179</u> | <u>154,680</u> | <u>148,852</u> | <u>333,183</u> |
| Deficit / (Surplus) | <u>222</u> | <u>(18,915)</u> | <u>17,740</u> | <u>36,526</u> | <u>89,235</u> |
| Experience adjustments on plan liabilities - loss / (gain) | <u>(741)</u> | <u>(4,247)</u> | <u>(7,621)</u> | <u>(7,620)</u> | <u>(26,188)</u> |
| Experience adjustments on plan assets - loss / (gain) | <u>(3,889)</u> | <u>330</u> | <u>3,566</u> | <u>(3,027)</u> | <u>(22,440)</u> |

34. SHARE BASED PAYMENTS

The Bank's employees participate in the following share compensation plans operated globally by the ultimate holding company, Standard Chartered PLC (SCPLC). For employees in Pakistan, the Group operates cash equivalent or "phantom" arrangements under which employees can receive a cash benefit linked to either the growth in Group's share (Sharesave scheme) or the value of the Group's share (restricted / performance share awards). The arrangement does not give an option to the Bank's employees to buy SCPLC shares. The market value of shares is denominated in pounds sterling at the time of grant.

i) Standard Chartered Share Plan (the 2011 Plan)

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

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

| | 2011 | Weighted average exercise price | 2010 | Weighted average exercise price |
|-------------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Number ('000) | £ per share | Number ('000) | £ per share |
| At 1 January | - | - | - | - |
| Granted during the year | 27 | - | - | - |
| Exercised during the year | - | - | - | - |
| Lapsed during the year | (1) | - | - | - |
| Adjustment due to right issue | - | - | - | - |
| At 31 December | <u>26</u> | - | <u>-</u> | - |

The weighted average price at the time the options were exercised during 2011 was £ NIL (2010: £ NIL).

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|--|-------------------|---------------------------------|----------------|--|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life Expected years | Contractual years | Weighted average exercise price | No. of options | Weighted average remaining life Expected years | Contractual years |
| NIL | - | 26 | 10 | 6.5 / 9.4 | - | - | - | - |

ii) International Sharesave Scheme

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

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

| | 2011 | Weighted average exercise price | 2010 | Weighted average exercise price |
|-------------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Number ('000) | £ per share | Number ('000) | £ per share |
| At 1 January | 109 | 11.67 | 112 | 10.44 |
| Granted during the year | 42 | 10.65 | 28 | 15.19 |
| Exercised during the year | (14) | 9.97 | (13) | 10.15 |
| Lapsed during the year | (19) | 11.02 | (23) | 9.44 |
| Adjustment due to right issue | - | - | 5 | 11.28 |
| At 31 December | <u>118</u> | 11.42 | <u>109</u> | 11.67 |

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The weighted average price at the time the options were exercised during 2011 was £14.81 (2010: £17.61).

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| £8.32/£14.63 | 11.42 | 118 | 3.33/5.33 | 2.4 | 10.43 | 109 | 3.33/5.33 | 2.19 |

The intrinsic value of vested International Sharesave cash-settled awards as at 31 December 2011 was Rs. 6,636 thousand (2010: Rs 19,688 thousand).

iii) Restricted Share Scheme

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

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

| | 2011 | Weighted average exercise price | 2010 | Weighted average exercise price |
|-------------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Number ('000) | £ per share | Number ('000) | £ per share |
| At 1 January | 116 | - | 99 | - |
| Granted during the year | 18 | - | 59 | - |
| Exercised during the year | (21) | - | (38) | - |
| Lapsed during the year | (3) | - | (9) | - |
| Adjustment due to right issue | - | - | 5 | - |
| At 31 December | 110 | - | 116 | - |

The weighted average price at the time the options were exercised during 2011 was £15.74 (2010: £17.94).

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| N/A | - | 110 | - | 3.87 | - | 116 | - | 5.4 |

The intrinsic value of vested Restricted Share Scheme cash-settled awards as at 31 December 2011 was Rs. 32,870 thousand (2010 : Rs. 54,530 thousand).

iv) Supplementary Restricted Share Scheme

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

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

| | 2011 | Weighted average exercise price | 2010 | Weighted average exercise price |
|-------------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Number ('000) | £ per share | Number ('000) | £ per share |
| At 1 January | 6 | - | 5 | - |
| Granted during the year | 1 | - | 6 | - |
| Exercised during the year | (5) | - | (2) | - |
| Lapsed during the year | - | - | (3) | - |
| Adjustment due to right issue | - | - | - | - |
| At 31 December | 2 | - | 6 | - |

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For the year ended 31 December 2011

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| N/A | - | 2 | 5 | 6.29 | - | 6 | 5 | 2.08 |

The intrinsic value of vested Supplementary Restricted Share Scheme cash-settled awards as at 31 December 2011 was Rs 4,487 thousand (2010 : Rs. 3,191 thousand).

v) Executive Share Option Scheme (closed)

The Executive Share Option Scheme is an intrinsic part of the Group's executive directors' and senior managers' total remuneration. An EPS performance criterion needs to be met before the options can be exercised. Executive share options are exercisable after the third, but before the tenth anniversary of the date of grant with any benefit payable in cash. The exercise price is based on the share price at the date of grant and options can normally only be exercised if a performance condition is satisfied. The options granted do not confer any right to participate in any share issue of any other company.

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

| | 2011 | Weighted average exercise price | 2010 | Weighted average exercise price |
|---------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Number ('000) | £ per share | Number ('000) | £ per share |
| At 1 January | - | - | 1 | 8.19 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | (1) | - |
| Lapsed during the year | - | - | - | - |
| At 31 December | - | - | - | 8.19 |

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| NIL | - | - | - | - | - | - | 5 | - |

The intrinsic value of vested Executive Share Option Scheme cash-settled awards as at 31 December 2011 was Rs. Nil (2010: Rs. Nil).

vi) Performance Share Plan

The Performance Share Plan is designed as an intrinsic part of total remuneration for the Group's executive directors and for a small number of the Group's most senior executives. The awards granted under this scheme are Rs. Nil cost options. Certain performance criteria need to be met before the options can be exercised.

The option granted do not confer any right to participate in any share issue of any other company.

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

| | 2011 | 2010 |
|-------------------------------|---------------|---------------|
| | Number ('000) | Number ('000) |
| At 1 January | 73 | 85 |
| Granted during the year | - | 10 |
| Exercised during the year | (20) | (21) |
| Lapsed during the year | (14) | (4) |
| Adjustment due to right issue | - | 3 |
| At 31 December | 39 | 73 |

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| N/A | - | 39 | - | 7.85 | - | 73 | - | 7.76 |

The intrinsic value of vested Performance Share Plan cash-settled awards as at 31 December 2011 was Rs. 3,574 thousand (2010: Rs. 14,978 thousand).

- vii) The total expense recognised in respect of above schemes on equity settled basis amounts to Rs.95.760 million (2010: Rs. 47.733 million) and is also included in managerial remuneration note 35. As also explained in note 3.20 in detail, the Bank's liability towards its parent, however continues to be determined and recorded on cash settled basis.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

35. COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

| | Note | Chief Executive | | Directors | | Executives | |
|---|------|------------------|----------------|--------------|--------------|------------------|------------------|
| | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | (Rupees in '000) | | | | | |
| Director's remuneration / fees | 35.1 | - | - | 3,580 | 3,355 | - | - |
| Managerial remuneration | 35.3 | 93,496 | 264,439 | - | - | 1,891,409 | 1,673,962 |
| Contribution to defined contribution plan | | 3,422 | 3,214 | - | - | 185,882 | 151,858 |
| Rent and house maintenance | | 7,467 | 7,013 | - | - | 413,899 | 336,576 |
| Utilities | | 1,867 | 1,753 | - | - | 103,475 | 84,144 |
| Medical | | - | - | - | - | 8,763 | 7,200 |
| Others | | 234 | 1,097 | - | - | 186,049 | 80,936 |
| | | <u>106,486</u> | <u>277,516</u> | <u>3,580</u> | <u>3,355</u> | <u>2,789,477</u> | <u>2,334,676</u> |
| Number of persons | | <u>1</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>887</u> | <u>812</u> |

35.1 The director's remuneration / fees represents remuneration paid to the Bank's 3 non-executive directors (2010: 3) for attending Board and Sub-Committee meetings.

35.2 The Chief Executive is entitled to Bank provided free use of furnished accommodation. The Chief Executive and some of the executives are also provided with Bank maintained cars. In addition, the Chief Executive and some of the executives are also reimbursed for cost of medical expenses and other benefits like club subscription, education etc.

35.3 Managerial remuneration also includes charge against share compensation plans.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

On-balance sheet financial instruments

Except for investment in subsidiaries, unlisted companies, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced. The fair value of fixed term advances of over one year, staff loans, fixed term deposits of over one year and investment in equity of unlisted companies cannot be calculated with sufficient reliability due to non-availability of relevant active market for similar assets and liabilities. The fair value of investment in quoted subsidiaries is disclosed in note 7.12.3 to these financial statements.

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

37. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

2011

| | Wholesale Banking | Consumer Banking | Total |
|---|------------------------------|---------------------|------------------|
| | ----- (Rupees in '000) ----- | | |
| Internal Income | (12,553,240) | 12,909,222 | 355,982 |
| Net mark-up / return / interest income | 21,375,476 | (835,440) | 20,540,036 |
| Non mark-up / non interest income | 3,855,434 | 2,359,639 | 6,215,073 |
| Operating income | 12,677,670 | 14,433,421 | 27,111,091 |
| Non mark-up / non interest expenses | 4,215,074 | 9,628,156 | 13,843,230 |
| Internal non mark-up / non interest expenses | 82,304 | 273,678 | 355,982 |
| Operating profit before provisions and taxation | 8,380,292 | 4,531,587 | 12,911,879 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 2,533,873 | 1,947,304 | 4,481,177 |
| Provision for diminution in the value of investments | - | - | - |
| Profit before taxation | 5,846,419 | 2,584,283 | 8,430,702 |
| Other segment items: | | | |
| Depreciation on tangible fixed assets | 55,888 | 377,308 | 433,196 |
| Amortisation on intangible assets | 50,720 | 217,977 | 268,697 |
| Segment assets (gross) | 319,838,506 | 59,246,404 | 379,084,910 |
| Segment non performing loans | 15,068,724 | 10,628,138 | 25,696,862 |
| Segment provision required | 13,422,943 | 8,566,474 | 21,989,417 |
| Segment liabilities | 121,527,768 | 180,288,495 | 301,816,263 |
| Segment return on net assets (ROA) (%) | * | 1.91% | 5.10% |
| Segment cost of funds (%) | ** | 6.45% | 3.28% |
| | | | 4.41% |

2010

| | | | |
|---|------------------|---------------|------------------|
| Internal income | (10,479,597) | 10,479,597 | - |
| Net mark-up / return / interest income | 17,483,089 | (205,042) | 17,278,047 |
| Non mark-up / non interest income | 3,649,746 | 2,545,736 | 6,195,482 |
| Operating income | 10,653,238 | 12,820,291 | 23,473,529 |
| Non mark-up / non interest expenses | 4,095,880 | 9,383,737 | 13,479,617 |
| Operating profit before provisions and taxation | 6,557,358 | 3,436,554 | 9,993,912 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 1,018,307 | 3,357,008 | 4,375,315 |
| Provision for diminution in the value of investments - net | 55,879 | - | 55,879 |
| Profit before taxation | 5,483,172 | 79,546 | 5,562,718 |
| Other segment items: | | | |
| Depreciation of tangible fixed assets | 83,691 | 457,416 | 541,107 |
| Amortisation of intangible assets | 73,312 | 309,752 | 383,064 |
| Segment assets (gross) | 286,498,251 | 54,496,829 | 340,995,080 |
| Segment non performing loans | 13,135,761 | 8,971,948 | 22,107,709 |
| Segment provision required | 11,133,711 | 7,503,319 | 18,637,030 |
| Segment liabilities | 106,050,373 | 164,799,460 | 270,849,833 |
| Segment return on net assets (ROA) (%) | * | 1.99% | 0.17% |
| Segment cost of funds (%) | ** | 6.34% | 3.51% |
| | | | 4.53% |

* Segment ROA = Net income / (Segment assets - Segment provisions)

** Segment cost of funds have been computed based on the average balances.

The management reviews the performance of Corporate and Institutional Banking and Global Markets as one business segment, namely Wholesale Banking. Therefore the business activities of the Bank have been presented in two segments, Wholesale and Consumer Banking.

Wholesale Banking

Deposits, trade and other lending activities for corporates and financial institutions. It also includes the overall management of treasury of the Bank, which entails various cash and interest risk management products for customers. The products include FX forwards, FX options and interest rate swaps.

Consumer Banking

Wealth management, deposits, mortgages, auto finance, unsecured lending (credit cards, personal loans etc.) and SME lending (including SME trade).

Notes to the Un-Consolidated Financial Statements

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38. RELATED PARTY TRANSACTIONS

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

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

| | 2011 | 2010 |
|---|------------------------------|------------|
| | ----- (Rupees in '000) ----- | |
| OUTSTANDING BALANCES | | |
| Group | | |
| Nostro balances with other subsidiaries and branches of the holding company | 2,986,847 | 758,120 |
| Overdrawn nostro balances with other subsidiaries and branches of the holding company | - | 1,633,622 |
| Vostro balances of other subsidiaries and branches of the holding company | 216,542 | 93,610 |
| Placements with other subsidiaries and branches of the holding company | 10,354,397 | 23,964,247 |
| Deposits of group companies | 11,731 | 12,890 |
| Due to holding company | 4,568,330 | 4,867,708 |
| Due to group companies | 32,803 | 19,059 |
| Due from associated undertakings | 179,828 | 128,720 |
| Interest receivable from group companies | 137 | 23,327 |
| Inter-company derivative assets | 782,787 | 885,244 |
| Inter-company derivative liabilities | 800,435 | 1,004,935 |
| Other receivables | 356 | 563 |
| Subsidiaries | | |
| Deposits of subsidiaries | 78,138 | 77,874 |
| Loans to subsidiaries | 64,563 | - |
| Accrued interest receivable | 1,941 | 520 |
| Other receivables | 1,494 | 1,126 |
| Key management personnel | | |
| Loans and advances to key management personnel | 126,737 | 117,187 |
| Deposits of key management personnel | 89,958 | 42,834 |
| Others | | |
| Deposits by staff retirement benefit funds | 72,074 | 50,921 |
| Deposits by customers with common directorship | 670 | 885 |
| (Payable to) / receivable from defined benefit plans | (222) | 18,915 |
| Derivative assets | 8,747 | 231 |
| Derivative liabilities | 35,762 | 831 |
| PROFIT AND LOSS | | |
| Group | | |
| Mark-up / interest / income earned | 82,247 | 69,133 |
| Mark-up / interest expensed | 2,554 | 811 |
| Fee and commission expense | 83,768 | 88 |
| Fee and commission income | 46,758 | 773 |
| Reimbursement of executive and general administrative expenses | 3,875,954 | 3,764,765 |
| Payment to group company for direct sales services rendered | 536,781 | 539,504 |
| Administrative expenses including rent & other charges | 3,633 | - |
| Net loss / (gain) on inter-company derivatives | 102,042 | (17,904) |
| Royalty expense | 136,512 | 48,539 |

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For the year ended 31 December 2011

| Note | 2011 | 2010 |
|---|------------------------------|---------|
| | ----- (Rupees in '000) ----- | |
| Subsidiaries | | |
| Mark-up / interest / income earned | 18,481 | 7,367 |
| Mark-up / interest expensed | 6,825 | 21,493 |
| Lease rentals paid | - | 311 |
| Administrative expenses (including rent and other charges) | 10,428 | 12,815 |
| Reimbursement of salaries | 2,531 | 6,292 |
| Dividend income | 50,118 | 29,965 |
| Key management personnel | | |
| Mark-up / interest / income earned | 6,178 | 5,585 |
| Mark-up / interest expensed | 1,038 | 1,430 |
| Sale of vehicles | - | 86 |
| Salaries and benefits | 361,116 | 498,809 |
| Post retirement benefits | 17,128 | 15,259 |
| Remuneration / fee paid to non-executive directors | 3,580 | 3,355 |
| Others | | |
| Contribution to defined contribution plans - net of payments received | 286,649 | 162,176 |
| Charge for defined contribution plans | 286,649 | 266,637 |
| Net (income) / charge for defined benefit plans | (966) | 994 |
| Mark-up / interest expensed on deposits of staff retirement benefit funds | 8,461 | 3,482 |
| Mark-up / interest expensed on deposits of customers with common directorship | 38 | 120,992 |
| Donation to The Kidney Centre | 26.1.1 2,500 | 25 |
| Donation to Aman Tech Foundation | 26.1.2 152 | - |
| Net loss on derivatives | 26,415 | 17,292 |

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

| | Balance as at 31 December 2010 | Net disbursement / deposits | Net repayments / withdrawals | Balance as at 31 December 2011 |
|---------------------------|--------------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| | ----- (Rupees in '000) ----- | | | |
| Loans and advances | | | | |
| Key management personnel | 117,187 | 103,180 | (93,630) | 126,737 |
| Subsidiaries | - | 184,180 | (119,617) | 64,563 |
| Deposits | | | | |
| Group companies | 12,890 | 576,636 | (577,795) | 11,731 |
| Subsidiaries | 77,874 | 26,278,355 | (26,278,091) | 78,138 |
| Key management personnel | 42,834 | 677,773 | (630,649) | 89,958 |
| Others | 51,806 | 50,989,904 | (50,968,966) | 72,744 |

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39. CAPITAL ASSESSMENT AND ADEQUACY

39.1 Capital Structure

The Bank's lead regulator, State Bank of Pakistan (SBP) sets and monitors capital requirements for the Bank as a whole. Effective 31 December 2008, SBP has advised all banks to calculate their capital requirements based on Basel II accord under the Standardised approach. The transition to the 'Advanced Approaches' of Basel II has been made discretionary for banks, and is subject to prior written approval from SBP.

The State Bank of Pakistan through its BSD Circular No.07 of 2009 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 ending on December 31, 2013. The raise is to be achieved in a phased manner requiring Rs. 8 billion paid up capital (net of losses) by the end of the financial year 2011. The paid up capital of the Bank is comfortably in compliance with the SBP requirement. Furthermore, SBP requires the Bank to maintain a prescribed total capital to total risk-weighted assets ratio. As at the year end, SBP's minimum prescribed capital adequacy ratio is 10 percent. The Bank's ratio is compliant with this minimum benchmark.

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

The Bank's regulatory capital is analysed into three tiers:

- Tier I capital, which includes ordinary share capital, balance in share premium account, reserve for issue of bonus shares, general reserves as disclosed on the balance sheet (except those included in Tier II) and un-appropriated profits (net of accumulated losses, if any). Goodwill and other intangibles are deducted from Tier I capital.
- Tier II capital includes sub-ordinated debt, revaluation reserves on assets, exchange translation reserves and impairment allowances that are not held against identified debts. Sub-ordinated debt is limited to 50 percent of Tier I capital. Information on the terms, conditions and other features of the Bank's sub-ordinated debt currently in issue is given in note 16 to these financial statements. Revaluation reserves are eligible upto 45 percent for treatment as Tier II capital. There is also a restriction on the amount of impairment allowances that are not held against identified debts upto 1.25 percent of total risk weighted assets.
- Tier III supplementary capital consists of short term sub-ordinated debt solely for the purpose of meeting a proportion of the capital requirements for market risk. The Bank currently does not have any Tier III capital.

Total of Tier II and Tier III capital is limited to Tier I capital. 50 percent of the amount of investments in subsidiaries and associates not consolidated on the balance sheet is deducted from both Tier I and Tier II capital.

| | 2011 | 2010 |
|--|------------------------------|-------------------|
| | ----- (Rupees in '000) ----- | |
| Tier I Capital | | |
| Fully paid-up capital | 38,715,850 | 38,715,850 |
| Balance in share premium account | 1,036,090 | 1,036,090 |
| General reserves as disclosed on the balance sheet | 2,720,535 | 1,631,398 |
| Un-appropriated/ un-remitted profits (net of accumulated losses, if any) | 8,797,964 | 6,716,831 |
| Less: | | |
| Book value of goodwill and other intangibles | (26,412,571) | (26,681,268) |
| Other deductions (50 percent of investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the balance sheet) | (343,137) | (343,137) |
| Total Tier I Capital-----> | 24,514,731 | 21,075,764 |
| Tier II Capital | | |
| Sub-ordinated debt - upto maximum of 50 percent of 'Total eligible Tier 1 capital' | 50,000 | 379,360 |
| General provisions or general reserves for loan losses - upto maximum of 1.25 percent of 'Risk Weighted Assets' | 613,097 | 665,745 |
| Revaluation reserves (upto 45 percent) | 1,453,357 | 1,214,363 |
| Less: | | |
| Other deductions (50 percent of investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the balance sheet) | (343,137) | (343,137) |
| Total Tier II Capital-----> | 1,773,317 | 1,916,331 |
| Total Regulatory Capital Base | 26,288,048 | 22,992,095 |

Notes to the Un-Consolidated Financial Statements

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39.2 Capital Adequacy

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

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

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

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

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

For credit risk, the Bank uses the 'Standardized Approach'. The Bank uses reputable and SBP approved rating agencies (ECAIs) for deriving risk weights for specific credit exposures. These are consistently applied across the Bank's credit portfolio for both on and off balance sheet exposures. The ECAIs used for rating various types of exposures are tabled in note 39.3 to these financial statements.

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

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

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

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

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

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

The Bank's approach for mitigating operational risk is further detailed in note 40.9 to these financial statements.

The capital requirements for the Bank as per the major risk categories are indicated below :

| | Capital Requirements | | Risk Weighted Assets | |
|---|----------------------|-------------------|----------------------|--------------------|
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| ----- (Rupees in '000) ----- | | | | |
| Credit Risk | | | | |
| Portfolios subject to 'Standardized Approach' - Simple | | | | |
| Government of Pakistan and State Bank of Pakistan | 2,869 | 1,908 | 28,689 | 19,083 |
| Public Sector Entities | 323,094 | 147,415 | 3,230,936 | 1,474,156 |
| Banks | 1,421,924 | 1,932,755 | 14,219,243 | 19,327,553 |
| Corporate Portfolio | 11,298,284 | 9,041,256 | 112,982,843 | 90,412,563 |
| Retail Portfolio | 755,585 | 1,164,719 | 7,555,854 | 11,647,198 |
| Residential Mortgage Finance | 137,910 | 164,173 | 1,379,102 | 1,641,732 |
| Past Due Portfolio | 423,276 | 369,380 | 4,232,757 | 3,693,810 |
| All other Risk Weighted Assets | 1,184,617 | 1,435,506 | 11,846,173 | 14,355,069 |
| Market Risk | | | | |
| Capital Requirement for portfolios subject to 'Standardized Approach' | | | | |
| Interest Rate Risk | 261,190 | 143,011 | 2,611,901 | 1,430,120 |
| Foreign Exchange Risk | 61,304 | 163,090 | 613,037 | 1,630,902 |
| Operational Risk | | | | |
| Capital Requirement for operational risk - 'Standardised Approach' | 4,509,837 | 4,254,196 | 45,098,371 | 42,541,969 |
| TOTAL | 20,379,890 | 18,817,409 | 203,798,906 | 188,174,155 |
| Capital Adequacy Ratio | | | | |
| Total eligible regulatory capital held (Note 39.1) | (a) 26,288,048 | | 22,992,095 | |
| Total Risk Weighted Assets | (b) 203,798,906 | | 188,174,155 | |
| Capital Adequacy Ratio (a) / (b) | 12.90% | | 12.22% | |

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(Rupees in '000)

Credit Exposures subject to Standardised Approach

| Exposures | Rating Category | 2011 | | | 2010 | | |
|--------------------------|-----------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | Amount outstanding* | Deduction/ CRM** | Net amount | Amount outstanding | Deduction/ CRM** | Net amount |
| Corporate | 0% | - | - | - | - | - | - |
| | 20% | 20,343,061 | 14,774,636 | 5,568,425 | 12,855,415 | 8,377,917 | 4,477,498 |
| | 50% | 3,017,661 | 989,238 | 2,028,423 | 7,030,168 | 2,686,851 | 4,343,317 |
| | 100% | 2,282,744 | - | 2,282,744 | 1,632,997 | - | 1,632,997 |
| | 150% | 3,829,574 | (1,914,787) | 5,744,361 | 5,756,891 | (2,878,446) | 8,635,337 |
| Banks | 0% | - | - | - | - | - | - |
| | 20% | 30,508,323 | 26,186,410 | 4,321,913 | 21,335,706 | 18,239,473 | 3,096,233 |
| | 50% | 16,620,714 | 8,320,558 | 8,300,156 | 29,016,100 | 14,508,050 | 14,508,050 |
| | 100% | 652,402 | - | 652,402 | 746,352 | - | 746,352 |
| | 150% | 353,733 | (176,866) | 530,599 | 329,760 | (164,880) | 494,640 |
| Sovereigns etc | 0% | 126,098,035 | 126,098,035 | - | 85,918,263 | 85,918,263 | - |
| | 20% | 15,148,271 | 12,289,605 | 2,858,666 | 4,247,859 | 3,398,287 | 849,572 |
| | 50% | - | - | - | - | - | - |
| | 100% | 28,689 | - | 28,689 | 19,083 | - | 19,083 |
| | 150% | - | - | - | - | - | - |
| Unrated including retail | 50% upto 150% | 127,798,331 | 22,097,143 | 105,701,188 | 127,094,324 | 43,016,848 | 84,077,476 |
| All Other Exposures | | 23,655,615 | 6,197,584 | 17,458,031 | 26,367,741 | 6,677,132 | 19,690,609 |
| Total | | 370,337,153 | 214,861,556 | 155,475,597 | 322,350,659 | 179,779,495 | 142,571,164 |

CRM= Credit Risk Mitigation

* Amount outstanding represents Original Exposure in the case of On-balance sheet items and the Credit Equivalent Exposure in the case of Off-balance sheet items.

** Deduction/CRM reflects reduction in exposures due to ratings and collaterals.

39.3 Types of exposures and ECAI's used

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

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

LONG-TERM RATING GRADES MAPPING

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

SHORT-TERM RATING GRADES MAPPING

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

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40. RISK MANAGEMENT

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

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

Balancing risk and return

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

Responsibility

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

Accountability

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

Anticipation

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

Competitive Advantage

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

Risk management

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

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

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

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

40.1 Credit risk

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

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

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

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

40.1.1 Wholesale Banking

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

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40.1.2 Consumer Banking

For Consumer Banking, program based standard credit application forms are generally used, which are processed in central units for different products and market segments. Consumer Banking Analytics team has developed Bureau scores and uses Bureau data for portfolio monitoring and for underwriting new business. Medium enterprises relationship based business of Consumer Bank operates much like Wholesale banking with numerical risk grading system for quantifying counter party risk. As with Wholesale Banking, origination and approval roles are segregated.

40.1.3 Segment by class of business

| | 2011 | | | | | |
|---|--------------------|---------------|--------------------|---------------|-------------------------------|---------------|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 8,891,626 | 5.87 | 3,151,112 | 1.34 | 3,783,790 | 4.67 |
| Agri business | 4,982,873 | 3.29 | 335,713 | 0.14 | 263,593 | 0.33 |
| Textile | 30,106,679 | 19.86 | 1,245,461 | 0.53 | 2,657,237 | 3.28 |
| Communication | 209,159 | 0.14 | 13,493,841 | 5.72 | 1,876,968 | 2.32 |
| Insurance | 47,677 | 0.03 | 1,369,266 | 0.58 | - | - |
| Telecommunications and information technology | 5,958,475 | 3.93 | 1,552,479 | 0.66 | 1,489,322 | 1.84 |
| Cement | 10,662,073 | 7.03 | 44,349 | 0.02 | 1,402,723 | 1.73 |
| Sugar | 3,097,848 | 2.04 | 1,552 | 0.00 | 74,392 | 0.09 |
| Automobile and transportation equipment | 1,536,177 | 1.01 | 692,307 | 0.29 | 1,919,255 | 2.37 |
| Transportation | 5,237,601 | 3.45 | 1,746,703 | 0.74 | 1,243,216 | 1.54 |
| Financial | 2,294,702 | 1.51 | 1,404,108 | 0.60 | 35,976,421 | 44.43 |
| Electronics and electrical appliances | 1,589,791 | 1.05 | 2,568,419 | 1.09 | 3,376,497 | 4.17 |
| Production and transmission of energy | 20,923,124 | 13.80 | 12,188,344 | 5.17 | 12,454,821 | 15.38 |
| Shoes and leather garments | 1,651,182 | 1.09 | 147,011 | 0.06 | 264,079 | 0.33 |
| Individuals | 18,704,875 | 12.34 | 149,630,030 | 63.42 | 2,094 | 0.00 |
| Others | 35,715,689 | 23.56 | 46,382,027 | 19.64 | 14,195,244 | 17.52 |
| | <u>151,609,551</u> | <u>100.00</u> | <u>235,952,722</u> | <u>100.00</u> | <u>80,979,652</u> | <u>100.00</u> |

| | 2010 | | | | | |
|---|--------------------|---------------|--------------------|---------------|-------------------------------|---------------|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 12,055,122 | 7.63 | 3,118,225 | 1.42 | 4,379,579 | 6.99 |
| Agri business | 3,412,050 | 2.16 | 139,164 | 0.06 | - | - |
| Textile | 31,206,057 | 19.76 | 984,202 | 0.45 | 2,368,412 | 3.78 |
| Communication | 265,565 | 0.17 | 8,408,199 | 3.82 | 138,340 | 0.22 |
| Insurance | 51,893 | 0.03 | 1,203,223 | 0.55 | - | - |
| Telecommunications and information technology | 6,034,904 | 3.82 | 5,112,133 | 2.32 | 2,717,307 | 4.33 |
| Cement | 8,586,127 | 5.44 | 22,824 | 0.01 | 851,453 | 1.36 |
| Sugar | 2,552,046 | 1.62 | 19,205 | 0.01 | 163,673 | 0.26 |
| Automobile and transportation equipment | 2,833,286 | 1.79 | 932,293 | 0.42 | 2,996,873 | 4.78 |
| Transportation | 2,327,602 | 1.47 | 2,640,009 | 1.19 | 704,937 | 1.13 |
| Financial | 638,204 | 0.40 | 1,554,362 | 0.71 | 26,734,531 | 42.65 |
| Electronics and electrical appliances | 2,662,375 | 1.69 | 2,846,214 | 1.29 | 616,961 | 0.98 |
| Production and transmission of energy | 30,315,008 | 19.20 | 7,074,002 | 3.21 | 8,990,750 | 14.34 |
| Shoes and leather garments | 1,244,733 | 0.79 | 106,750 | 0.05 | 29,981 | 0.05 |
| Individuals | 21,935,553 | 13.89 | 134,395,094 | 61.01 | 500 | 0.00 |
| Others | 31,785,918 | 20.14 | 51,709,863 | 23.48 | 11,994,602 | 19.13 |
| | <u>157,906,443</u> | <u>100.00</u> | <u>220,265,762</u> | <u>100.00</u> | <u>62,687,899</u> | <u>100.00</u> |

Notes to the Un-Consolidated Financial Statements

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

| | 2011 | | 2010 | |
|---|---------------------|-------------------------|---------------------|-------------------------|
| | Classified Advances | Specific Provision held | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Chemical and pharmaceuticals | 253,300 | 126,522 | 104,010 | 104,010 |
| Agri business | 16,799 | 16,799 | 16,799 | 9,300 |
| Textile | 7,646,561 | 7,484,393 | 6,621,504 | 6,516,600 |
| Footwear and Leather garments | 15,564 | 5,997 | 15,576 | 8,646 |
| Automobile and transportation equipment | 399,783 | 380,479 | 454,955 | 399,692 |
| Financial | 49,326 | 24,663 | - | - |
| Production and transmission of energy | 276,416 | 213,232 | 375,968 | 190,452 |
| Individuals | 6,003,225 | 4,351,597 | 4,690,708 | 3,386,034 |
| Others | 11,035,888 | 8,772,638 | 9,828,189 | 7,356,551 |
| | <u>25,696,862</u> | <u>21,376,320</u> | <u>22,107,709</u> | <u>17,971,285</u> |

40.1.5 Segment by sector

| | 2011 | | | | | |
|---------------------|--------------------|-------------|--------------------|-------------|-------------------------------|-------------|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 9,171,405 | 6.05% | 1,913,256 | 0.81% | 7,107,266 | 8.78% |
| Private | 142,438,146 | 93.95% | 234,039,466 | 99.19% | 73,872,386 | 91.22% |
| | <u>151,609,551</u> | <u>100%</u> | <u>235,952,722</u> | <u>100%</u> | <u>80,979,652</u> | <u>100%</u> |

| | 2010 | | | | | |
|---------------------|--------------------|-------------|--------------------|-------------|-------------------------------|-------------|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 26,829,322 | 16.99% | 3,432,915 | 1.56% | 1,446,027 | 2.31% |
| Private | 131,077,121 | 83.01% | 216,832,847 | 98.44% | 61,241,872 | 97.69% |
| | <u>157,906,443</u> | <u>100%</u> | <u>220,265,762</u> | <u>100%</u> | <u>62,687,899</u> | <u>100%</u> |

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

| | 2011 | | 2010 | |
|---------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Classified Advances | Specific Provision held | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Public / Government | - | - | - | - |
| Private | 25,696,862 | 21,376,320 | 22,107,709 | 17,971,285 |
| | <u>25,696,862</u> | <u>21,376,320</u> | <u>22,107,709</u> | <u>17,971,285</u> |

40.1.7 GEOGRAPHICAL SEGMENT ANALYSIS

| | 2011 | | | |
|----------|------------------------|-----------------------|---------------------|-------------------------------|
| | Profit before taxation | Total assets employed | Net Assets employed | Contingencies and Commitments |
| | (Rupees in '000) | | | |
| Pakistan | 8,430,702 | 356,404,874 | 54,588,611 | 80,979,652 |
| | <u>8,430,702</u> | <u>356,404,874</u> | <u>54,588,611</u> | <u>80,979,652</u> |

| | 2010 | | | |
|----------|------------------------|-----------------------|---------------------|-------------------------------|
| | Profit before taxation | Total assets employed | Net Assets employed | Contingencies and Commitments |
| | (Rupees in '000) | | | |
| Pakistan | 5,562,718 | 321,922,977 | 51,073,144 | 62,687,899 |
| | <u>5,562,718</u> | <u>321,922,977</u> | <u>51,073,144</u> | <u>62,687,899</u> |

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40.2 Market Risk

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

Market risk is managed by the Head of Market Risk reporting directly to the CRO, who agrees policies and procedures and levels of risk appetite in terms of Value at Risk ("VaR"). Limits are then proposed by the business within the terms of agreed policy. These are agreed and delegated down by RC under delegated authority from the BOD, and are monitored by the Head of Market Risk as part of an independent risk management function. Policies cover both trading and non-trading books.

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

40.3 Foreign Exchange Risk

| | 2011 | | | |
|----------------------|------------------------------|--------------------|-------------------------|-------------------------------|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | ----- (Rupees in '000) ----- | | | |
| Pakistan Rupee | 270,627,492 | 245,662,985 | 40,311,498 | 65,276,005 |
| United States Dollar | 32,528,850 | 46,662,490 | (32,133,785) | (46,267,425) |
| Great Britain Pound | 3,881,735 | 3,881,726 | (351,981) | (351,972) |
| Euro | 4,746,625 | 4,971,547 | (5,072,294) | (5,297,216) |
| Swiss Franc | 24,443 | 20,224 | (45,799) | (41,580) |
| Japanese Yen | - | - | (1,054,791) | (1,054,791) |
| Others | 57,987 | 26,744 | (1,652,848) | (1,621,605) |
| | <u>311,867,132</u> | <u>301,225,716</u> | <u>-</u> | <u>10,641,416</u> |
| | ----- (Rupees in '000) ----- | | | |
| | 2010 | | | |
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | ----- (Rupees in '000) ----- | | | |
| Pakistan Rupee | 232,400,108 | 208,215,108 | 21,578,209 | 45,763,209 |
| United States Dollar | 37,812,440 | 52,163,503 | (16,096,793) | (30,447,856) |
| Great Britain Pound | 4,075,795 | 4,038,016 | (296,107) | (258,328) |
| Euro | 5,512,661 | 5,988,864 | (2,435,722) | (2,911,925) |
| Swiss Franc | 19,474 | 19,331 | (29,885) | (29,742) |
| Others | 370,502 | 21,945 | (2,719,702) | (2,371,145) |
| | <u>280,190,980</u> | <u>270,446,767</u> | <u>-</u> | <u>9,744,213</u> |

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

40.3.2 The management sets limits on the level of exposure by currency in total, for both overnight and intra day positions which are monitored daily.

Notes to the Un-Consolidated Financial Statements

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40.4 Mismatch of interest rate sensitive assets and liabilities

2011

| | Effective yield / interest rate | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Exposed to yield / interest rate risk | | | | | Non interest bearing financial instruments | |
|---|---------------------------------|-------------|----------------|--------------------------------|---------------------------------|-----------------------------|---------------------------------------|-------------------------------|--------------------------------|------------------------------|----------------|--|--------------|
| | | | | | | | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | | |
| ----- (Rupees in '000) ----- | | | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 26,293,094 | 7,036,227 | - | - | - | - | - | - | - | - | - | 19,256,867 |
| Balances with other banks | 0.00% | 3,054,167 | - | - | - | - | - | - | - | - | - | - | 3,054,167 |
| Lendings to financial institutions | 2.01% | 20,205,971 | 20,205,971 | - | - | - | - | - | - | - | - | - | - |
| Investments | 11.95% | 104,375,499 | 15,000,085 | 6,369,343 | 15,000,077 | 49,803,163 | 3,654,103 | 2,746,629 | 10,743,221 | 287,551 | - | - | 771,327 |
| Advances | 13.10% | 129,620,134 | 72,388,095 | 34,188,654 | 15,475,277 | 2,614,358 | 642,076 | 98,600 | 491,006 | 14,623 | - | - | 3,707,445 |
| Other assets | - | 28,318,267 | - | - | - | - | - | - | - | - | - | - | 28,318,267 |
| | - | 311,867,132 | 114,630,378 | 40,557,997 | 30,475,354 | 52,417,521 | 4,296,179 | 2,845,229 | 11,234,227 | 302,174 | - | - | 55,108,073 |
| Liabilities | | | | | | | | | | | | | |
| Bills payable | 0.00% | 4,576,789 | - | - | - | - | - | - | - | - | - | - | 4,576,789 |
| Borrowings | 10.00% | 19,361,864 | 2,447,241 | 10,724,431 | 4,712,443 | 579,614 | 429,525 | - | 430,172 | 14,623 | - | - | 23,815 |
| Deposits and other accounts | 6.59% | 235,952,722 | 118,954,999 | 8,004,444 | 5,313,998 | 7,212,246 | 799,202 | 962,179 | - | - | - | - | 94,705,654 |
| Sub-ordinated loans | 13.95% | 699,200 | 699,200 | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | - | 40,635,141 | - | - | - | - | - | - | - | - | - | - | 40,635,141 |
| | - | 301,225,716 | 122,101,440 | 18,728,875 | 10,026,441 | 7,791,860 | 1,228,727 | 962,179 | 430,172 | 14,623 | - | - | 139,941,399 |
| On-balance sheet gap | | 10,641,416 | (7,471,062) | 21,829,122 | 20,448,913 | 44,625,661 | 3,067,452 | 1,883,050 | 10,804,055 | 287,551 | - | - | (84,833,326) |
| Off-balance sheet financial instruments | | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | | |
| Interest Rate Swap | | 55,080,732 | - | - | - | 9,136,635 | 20,193,942 | 5,092,630 | 8,255,314 | 12,402,211 | - | - | - |
| Foreign Currency options | | 15,822,498 | 2,318,516 | 12,750,502 | 753,480 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 51,619,665 | 24,637,959 | 21,671,887 | 4,895,546 | 414,273 | - | - | - | - | - | - | - |
| | | 122,522,895 | 26,956,475 | 34,422,389 | 5,649,026 | 9,550,908 | 20,193,942 | 5,092,630 | 8,255,314 | 12,402,211 | - | - | - |
| Forward Borrowing | | | | | | | | | | | | | |
| Interest Rate Swap | | 47,080,731 | - | 200,000 | 434,333 | 7,427,147 | 12,093,601 | 4,009,407 | 19,918,052 | 2,998,191 | - | - | - |
| Foreign Currency options | | 15,822,498 | 2,318,516 | 12,750,502 | 753,480 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 36,686,830 | 17,314,106 | 16,263,828 | 3,086,411 | 22,485 | - | - | - | - | - | - | - |
| | | 99,590,059 | 19,632,622 | 29,214,330 | 4,274,224 | 7,449,632 | 12,093,601 | 4,009,407 | 19,918,052 | 2,998,191 | - | - | - |
| Off-balance sheet gap | | 22,932,836 | 7,323,853 | 5,208,059 | 1,374,802 | 2,101,276 | 8,100,341 | 1,083,223 | (11,662,738) | 9,404,020 | - | - | - |
| Total yield / interest risk sensitivity gap | | 33,574,252 | (147,209) | 27,037,181 | 21,823,715 | 46,726,937 | 11,167,793 | 2,966,273 | (858,683) | 9,691,571 | - | - | (84,833,326) |
| Cumulative yield / interest risk sensitivity gap | | | | 26,889,972 | 48,713,687 | 95,440,624 | 106,608,417 | 109,574,690 | 108,716,007 | 118,407,578 | 118,407,578 | | |
| 2010 | | | | | | | | | | | | | |
| | Effective yield / interest rate | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | Non interest bearing financial instruments | |
| ----- (Rupees in '000) ----- | | | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | |
| Cash and balances with treasury banks | 0.00% | 24,087,842 | 6,827,499 | - | - | - | - | - | - | - | - | - | 17,260,343 |
| Balances with other banks | 0.00% | 821,931 | - | - | - | - | - | - | - | - | - | - | 821,931 |
| Lendings to financial institutions | 4.50% | 30,421,885 | 20,610,409 | 5,525,451 | - | 4,286,025 | - | - | - | - | - | - | - |
| Investments | 11.34% | 72,637,401 | 37,638,316 | 21,482,672 | 5,544,722 | 1,501,000 | 1,592,708 | 1,500,030 | 441,879 | 2,164,700 | - | - | 771,374 |
| Advances | 13.99% | 139,269,413 | 67,776,150 | 38,683,509 | 22,047,904 | 775,352 | 987,372 | 481,827 | 759,792 | 2,524,993 | 1,761,835 | - | 3,470,679 |
| Other assets | - | 12,952,508 | - | - | - | - | - | - | - | - | - | - | 12,952,508 |
| | - | 280,190,980 | 132,852,374 | 65,691,632 | 27,592,626 | 6,562,377 | 2,580,080 | 1,981,857 | 1,201,671 | 4,689,693 | 1,761,835 | - | 35,276,835 |
| Liabilities | | | | | | | | | | | | | |
| Bills payable | 0.00% | 5,691,864 | - | - | - | - | - | - | - | - | - | - | 5,691,864 |
| Borrowings | 7.04% | 15,914,343 | 792,459 | 6,487,180 | 5,642,552 | 1,748 | 203,800 | 3,000 | 119,803 | 1,025,071 | - | - | 1,638,730 |
| Deposits and other accounts | 6.62% | 220,265,762 | 107,306,780 | 13,299,769 | 4,736,807 | 9,365,030 | 806,079 | 854,799 | 1,180 | - | - | - | 83,895,318 |
| Sub-ordinated loans | 12.92% | 1,135,900 | 1,135,900 | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | - | 27,438,898 | - | - | - | - | - | - | - | - | - | - | 27,438,898 |
| | - | 270,446,767 | 109,235,139 | 19,786,949 | 10,379,359 | 9,366,778 | 1,009,879 | 857,799 | 120,983 | 1,025,071 | - | - | 118,664,810 |
| On-balance sheet gap | | 9,744,213 | 23,617,235 | 45,904,683 | 17,213,267 | (2,804,401) | 1,570,201 | 1,124,058 | 1,080,688 | 3,664,622 | 1,761,835 | - | (83,387,975) |
| Off-balance sheet financial instruments | | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | | |
| Interest Rate Swap | | 70,714,086 | - | - | 30,000 | 1,274,037 | 17,310,484 | 22,040,652 | 13,815,128 | 16,243,785 | - | - | - |
| Foreign Currency options | | 4,400,360 | 1,423,839 | 2,908,866 | 67,635 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 52,631,879 | 27,255,871 | 16,602,308 | 8,113,004 | 660,696 | - | - | - | - | - | - | - |
| | | 127,746,325 | 28,679,710 | 19,511,194 | 8,210,639 | 1,934,733 | 17,310,484 | 22,040,652 | 13,815,128 | 16,243,785 | - | - | - |
| Forward Borrowing | | | | | | | | | | | | | |
| Interest Rate Swap | | 54,307,772 | 7,143 | 2,019,275 | 905,993 | 1,493,081 | 8,685,892 | 12,135,883 | 18,812,647 | 10,247,858 | - | - | - |
| Foreign Currency options | | 4,400,360 | 1,423,839 | 2,908,866 | 67,635 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 36,575,885 | 21,731,711 | 9,716,783 | 5,115,215 | 12,176 | - | - | - | - | - | - | - |
| | | 95,284,017 | 23,162,693 | 14,644,944 | 6,088,843 | 1,505,257 | 8,685,892 | 12,135,883 | 18,812,647 | 10,247,858 | - | - | - |
| Off-balance sheet gap | | 32,462,308 | 5,517,017 | 4,866,250 | 2,121,796 | 429,476 | 8,624,592 | 9,904,769 | (4,997,519) | 5,995,927 | - | - | - |
| Total yield / interest risk sensitivity gap | | 42,206,521 | 29,134,252 | 50,770,933 | 19,335,063 | (2,374,925) | 10,194,793 | 11,028,827 | (3,916,831) | 9,660,549 | 1,761,835 | - | (83,387,975) |
| Cumulative yield / interest risk sensitivity gap | | | | 79,905,185 | 99,240,248 | 96,865,323 | 107,060,116 | 118,088,943 | 114,172,112 | 123,832,661 | 125,594,896 | | |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

40.5 Yield / Interest Rate Risk

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

40.6 Liquidity Risk

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

Liquidity risk is managed through the Asset and Liability Committee ("ALCO"). This committee, chaired by the CEO, is responsible for oversight of statutory and prudential liquidity management.

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

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

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

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

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

40.7 Maturities of assets and liabilities - based on contractual maturity of assets and liabilities of the Bank

| | | 2011 | | | | | | | | | |
|--|--------------------|-----------------------------|-------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|----------------|
| | | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| | | ------(Rupees in '000)----- | | | | | | | | | |
| Assets | | | | | | | | | | | |
| Cash and balances with treasury banks | | | | | | | | | | | |
| | 26,293,094 | 26,293,094 | - | - | - | - | - | - | - | - | - |
| Balances with other banks | | | | | | | | | | | |
| | 3,054,167 | 3,054,167 | - | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | | | | | | | | | | | |
| | 20,205,971 | 20,205,971 | - | - | - | - | - | - | - | - | - |
| Investments | | | | | | | | | | | |
| | 104,375,499 | 15,000,084 | 6,369,343 | 13,675,077 | 49,803,163 | 3,654,103 | 2,746,629 | 12,068,221 | 1,058,879 | - | |
| Advances | | | | | | | | | | | |
| | 129,620,134 | 58,014,394 | 25,317,422 | 11,566,121 | 5,618,710 | 9,172,009 | 4,934,330 | 6,932,078 | 6,629,870 | 1,435,200 | |
| Other assets | | | | | | | | | | | |
| | 37,278,550 | 580,581 | 17,879,305 | 7,601,366 | 9,177,415 | 873,854 | 14,703 | 745,726 | 405,600 | - | |
| Operating fixed assets | | | | | | | | | | | |
| | 6,435,158 | 25,227 | 50,452 | 75,678 | 151,357 | 385,152 | 302,714 | 605,428 | 1,513,569 | 3,325,581 | |
| Intangible assets | | | | | | | | | | | |
| | 26,412,571 | 2,298 | 4,598 | 6,897 | 13,795 | 27,590 | 27,590 | 55,182 | 137,952 | 26,136,669 | |
| Deferred tax assets | | | | | | | | | | | |
| | 2,729,730 | - | - | - | - | - | - | 2,729,730 | - | - | |
| | 356,404,874 | 123,175,816 | 49,621,120 | 32,925,139 | 64,764,440 | 14,112,708 | 8,025,966 | 23,136,365 | 9,745,870 | 30,897,450 | |
| Liabilities | | | | | | | | | | | |
| Bills payable | | | | | | | | | | | |
| | 4,576,789 | 4,576,789 | - | - | - | - | - | - | - | - | |
| Borrowings | | | | | | | | | | | |
| | 19,361,864 | 2,471,056 | 10,724,431 | 4,712,443 | 579,614 | 429,525 | - | 430,172 | 14,623 | - | |
| Deposits and other accounts | | | | | | | | | | | |
| | 235,952,722 | 213,516,893 | 8,007,044 | 5,403,371 | 7,263,965 | 799,270 | 962,179 | - | - | - | |
| Sub-ordinated loans | | | | | | | | | | | |
| | 699,200 | 199,200 | - | - | 250,000 | 250,000 | - | - | - | - | |
| Other liabilities | | | | | | | | | | | |
| | 41,225,688 | 1,031,144 | 15,821,907 | 362,373 | 18,584,316 | 3,201,364 | 1,383,376 | 607,036 | 234,172 | - | |
| | 301,816,263 | 221,795,082 | 34,553,382 | 10,478,187 | 26,677,895 | 4,680,159 | 2,345,555 | 1,037,208 | 248,795 | - | |
| | 54,588,611 | (98,619,266) | 15,067,738 | 22,446,952 | 38,086,545 | 9,432,549 | 5,680,411 | 22,099,157 | 9,497,075 | 30,897,450 | |
| Net assets | | | | | | | | | | | |
| Share capital | | | | | | | | | | | |
| | 38,715,850 | | | | | | | | | | |
| Reserves | | | | | | | | | | | |
| | 3,756,625 | | | | | | | | | | |
| Unappropriated profit | | | | | | | | | | | |
| | 8,797,964 | | | | | | | | | | |
| Surplus on revaluation of assets - net | | | | | | | | | | | |
| | 3,318,172 | | | | | | | | | | |
| | 54,588,611 | | | | | | | | | | |
| 2010 | | | | | | | | | | | |
| | | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| | | ------(Rupees in '000)----- | | | | | | | | | |
| Assets | | | | | | | | | | | |
| Cash and balances with treasury banks | | | | | | | | | | | |
| | 24,087,842 | 24,087,842 | - | - | - | - | - | - | - | - | |
| Balances with other banks | | | | | | | | | | | |
| | 821,931 | 821,931 | - | - | - | - | - | - | - | - | |
| Lendings to financial institutions | | | | | | | | | | | |
| | 30,421,885 | 20,610,409 | 5,525,451 | - | 4,286,025 | - | - | - | - | - | |
| Investments | | | | | | | | | | | |
| | 72,637,401 | 37,638,315 | 21,482,672 | 4,219,722 | 1,501,000 | 1,592,708 | 1,500,030 | 1,766,879 | 2,936,075 | - | |
| Advances | | | | | | | | | | | |
| | 139,269,413 | 59,413,642 | 16,808,371 | 13,289,538 | 6,280,207 | 12,183,963 | 11,116,995 | 10,338,185 | 8,076,677 | 1,761,835 | |
| Other assets | | | | | | | | | | | |
| | 18,008,022 | 623,338 | 7,962,096 | 3,630,312 | 2,963,594 | 310,490 | 1,115,221 | 500,590 | 902,381 | - | |
| Operating fixed assets | | | | | | | | | | | |
| | 6,601,893 | 27,436 | 54,877 | 82,316 | 164,632 | 338,327 | 329,266 | 656,327 | 1,625,105 | 3,323,607 | |
| Intangible assets | | | | | | | | | | | |
| | 26,681,268 | 5,246 | 10,493 | 15,740 | 31,480 | 62,958 | 62,958 | 125,916 | 264,670 | 26,101,807 | |
| Deferred tax assets | | | | | | | | | | | |
| | 3,393,322 | - | - | - | - | - | - | 3,393,322 | - | - | |
| | 321,922,977 | 143,228,159 | 51,843,960 | 21,237,628 | 15,226,938 | 14,488,446 | 14,124,470 | 16,781,219 | 13,804,908 | 31,187,249 | |
| Liabilities | | | | | | | | | | | |
| Bills payable | | | | | | | | | | | |
| | 5,691,864 | 5,691,864 | - | - | - | - | - | - | - | - | |
| Borrowings | | | | | | | | | | | |
| | 15,914,343 | 2,431,189 | 6,487,180 | 5,642,552 | 1,748 | 203,800 | 3,000 | 119,803 | 1,025,071 | - | |
| Deposits and other accounts | | | | | | | | | | | |
| | 220,265,762 | 191,017,241 | 13,314,247 | 4,821,772 | 9,450,379 | 806,079 | 854,864 | 1,180 | - | - | |
| Sub-ordinated loans | | | | | | | | | | | |
| | 1,135,900 | 237,500 | - | - | 199,200 | 449,200 | 250,000 | - | - | - | |
| Other liabilities | | | | | | | | | | | |
| | 27,841,964 | 1,950,829 | 6,545,825 | 217,760 | 8,795,232 | 4,691,906 | 3,644,240 | 1,419,601 | 576,571 | - | |
| | 270,849,833 | 201,328,623 | 26,347,252 | 10,682,084 | 18,446,559 | 6,150,985 | 4,752,104 | 1,540,584 | 1,601,642 | - | |
| | 51,073,144 | (58,100,464) | 25,496,708 | 10,555,544 | (3,219,621) | 8,337,461 | 9,372,366 | 15,240,635 | 12,203,266 | 31,187,249 | |
| Net assets | | | | | | | | | | | |
| Share capital | | | | | | | | | | | |
| | 38,715,850 | | | | | | | | | | |
| Reserves | | | | | | | | | | | |
| | 2,667,488 | | | | | | | | | | |
| Unappropriated profit | | | | | | | | | | | |
| | 6,716,831 | | | | | | | | | | |
| Deficit on revaluation of assets - net | | | | | | | | | | | |
| | 2,972,975 | | | | | | | | | | |
| | 51,073,144 | | | | | | | | | | |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

40.8 Maturities of assets and liabilities - based on expected maturity of assets and liabilities of the Bank

The expected maturity analysis is prepared in accordance with the guidelines issued by SBP through BSD Circular letter No. 3 of 2011 where non-contractual assets and liabilities are stated as per their expected maturities.

| | 2011 | | | | | | | | | |
|--|--------------------|--------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| ------(Rupees in '000)----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 26,293,094 | 26,293,094 | - | - | - | - | - | - | - | - |
| Balances with other banks | 3,054,167 | 3,054,167 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 20,205,971 | 20,205,971 | - | - | - | - | - | - | - | - |
| Investments | 104,375,499 | 15,000,084 | 6,369,343 | 13,675,077 | 49,803,163 | 3,654,103 | 2,746,629 | 12,068,221 | 1,058,879 | - |
| Advances | 129,620,134 | 22,723,235 | 26,871,527 | 13,897,279 | 10,281,026 | 35,915,589 | 4,934,330 | 6,932,078 | 6,629,870 | 1,435,200 |
| Other assets | 37,278,550 | 580,581 | 17,879,305 | 7,601,366 | 9,177,415 | 873,854 | 14,703 | 745,726 | 405,600 | - |
| Operating fixed assets | 6,435,158 | 25,227 | 50,452 | 75,678 | 151,357 | 385,152 | 302,714 | 605,428 | 1,513,569 | 3,325,581 |
| Intangible assets | 26,412,571 | 2,298 | 4,598 | 6,897 | 13,795 | 27,590 | 27,590 | 55,182 | 137,952 | 26,136,669 |
| Deferred tax assets | 2,729,730 | - | - | - | - | - | - | 2,729,730 | - | - |
| | 356,404,874 | 87,884,657 | 51,175,225 | 35,256,297 | 69,426,756 | 40,856,288 | 8,025,966 | 23,136,365 | 9,745,870 | 30,897,450 |
| Liabilities | | | | | | | | | | |
| Bills payable | 4,576,789 | 4,576,789 | - | - | - | - | - | - | - | - |
| Borrowings | 19,361,864 | 2,471,056 | 10,724,431 | 4,712,443 | 579,614 | 429,525 | - | 430,172 | 14,623 | - |
| Deposits and other accounts | 235,952,722 | 25,616,559 | 13,902,224 | 14,246,141 | 24,949,506 | 156,276,113 | 962,179 | - | - | - |
| Sub-ordinated loans | 699,200 | 199,200 | - | - | 250,000 | 250,000 | - | - | - | - |
| Other liabilities | 41,225,688 | 1,031,144 | 15,821,907 | 362,373 | 18,584,316 | 3,201,364 | 1,383,376 | 607,036 | 234,172 | - |
| | 301,816,263 | 33,894,748 | 40,448,562 | 19,320,957 | 44,363,436 | 160,157,002 | 2,345,555 | 1,037,208 | 248,795 | - |
| | 54,588,611 | 53,989,909 | 10,726,663 | 15,935,340 | 25,063,320 | (119,300,714) | 5,680,411 | 22,099,157 | 9,497,075 | 30,897,450 |
| Net assets | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 3,756,625 | | | | | | | | | |
| Unappropriated profit | 8,797,964 | | | | | | | | | |
| Surplus on revaluation of assets - net | 3,318,172 | | | | | | | | | |
| | 54,588,611 | | | | | | | | | |
| ------(Rupees in '000)----- | | | | | | | | | | |
| | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 24,087,842 | 24,087,842 | - | - | - | - | - | - | - | - |
| Balances with other banks | 821,931 | 821,931 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 30,421,885 | 20,610,409 | 5,525,451 | - | 4,286,025 | - | - | - | - | - |
| Investments | 72,637,401 | 37,638,315 | 21,482,672 | 4,219,722 | 1,501,000 | 1,592,708 | 1,500,030 | 1,766,879 | 2,936,075 | - |
| Advances | 139,269,413 | 17,135,336 | 18,798,779 | 16,275,151 | 12,251,433 | 43,515,022 | 11,116,995 | 10,338,185 | 8,076,677 | 1,761,835 |
| Other assets | 18,008,022 | 623,338 | 7,962,096 | 3,630,312 | 2,963,594 | 310,490 | 1,115,221 | 500,590 | 902,381 | - |
| Operating fixed assets | 6,601,893 | 27,436 | 54,877 | 82,316 | 164,632 | 338,327 | 329,266 | 656,327 | 1,625,105 | 3,323,607 |
| Intangible assets | 26,681,268 | 5,246 | 10,493 | 15,740 | 31,480 | 62,958 | 62,958 | 125,916 | 264,670 | 26,101,807 |
| Deferred tax assets | 3,393,322 | - | - | - | - | - | - | 3,393,322 | - | - |
| | 321,922,977 | 100,949,853 | 53,834,368 | 24,223,241 | 21,198,164 | 45,819,505 | 14,124,470 | 16,781,219 | 13,804,908 | 31,187,249 |
| Liabilities | | | | | | | | | | |
| Bills payable | 5,691,864 | 5,691,864 | - | - | - | - | - | - | - | - |
| Borrowings | 15,914,343 | 2,431,189 | 6,487,180 | 5,642,552 | 1,748 | 203,800 | 3,000 | 119,803 | 1,025,071 | - |
| Deposits and other accounts | 220,265,762 | 28,587,931 | 20,304,207 | 15,306,713 | 30,420,259 | 124,790,608 | 854,864 | 1,180 | - | - |
| Sub-ordinated loans | 1,135,900 | 237,500 | - | - | 199,200 | 449,200 | 250,000 | - | - | - |
| Other liabilities | 27,841,964 | 1,950,829 | 6,545,825 | 217,760 | 8,795,232 | 4,691,906 | 3,644,240 | 1,419,601 | 576,571 | - |
| | 270,849,833 | 38,899,313 | 33,337,212 | 21,167,025 | 39,416,439 | 130,135,514 | 4,752,104 | 1,540,584 | 1,601,642 | - |
| | 51,073,144 | 62,050,540 | 20,497,156 | 3,056,216 | (18,218,275) | (84,316,009) | 9,372,366 | 15,240,635 | 12,203,266 | 31,187,249 |
| Net assets | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 2,667,488 | | | | | | | | | |
| Unappropriated profit | 6,716,831 | | | | | | | | | |
| Deficit on revaluation of assets - net | 2,972,975 | | | | | | | | | |
| | 51,073,144 | | | | | | | | | |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

40.9 Operational Risk

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

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

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

41. ISLAMIC BANKING BUSINESS

The Bank is operating with 15 Islamic Banking branches as at the end of 2011 (2010: 15).

41.1 Balance Sheet

Assets

Cash in hand
Balances with and due from Financial Institutions
Investments
Financing and receivables
- Murabaha
- Musharaka
- Diminishing Musharaka
- Others

Operating fixed assets
Other assets

Liabilities

Deposits and other accounts
- Current accounts
- Savings accounts
- Term deposits
- Others

Due to financial institutions
Other liabilities

Net Assets

Represented by:

Islamic Banking Fund
Reserves
Deficit on revaluation of assets - net

CONTINGENCIES AND COMMITMENTS

Charity fund

Opening balance
Additions during the year
Payments / utilization during the year
Closing balance

| Note | 2011 | 2010 |
|------------------------------|-------------------|------------|
| ----- (Rupees in '000) ----- | | |
| | 124,796 | 113,723 |
| | 1,744,661 | 557,362 |
| | 5,923,668 | 3,624,892 |
| | 3,911,912 | 1,758,147 |
| | 64,563 | - |
| | 10,238,647 | 7,552,373 |
| | 119,962 | 28,196 |
| | 14,335,084 | 9,338,716 |
| | 216,255 | 211,224 |
| 41.3 | 6,360,912 | 582,735 |
| | 28,705,376 | 14,428,652 |
| | 8,846,563 | 5,381,984 |
| | 4,182,275 | 2,222,316 |
| | 3,420,838 | 3,440,267 |
| | 83,844 | 417,692 |
| | 16,533,520 | 11,462,259 |
| | 1,922,500 | 805,000 |
| 41.3 | 7,327,534 | 444,835 |
| | 25,783,554 | 12,712,094 |
| | 2,921,822 | 1,716,558 |
| | 200,000 | 200,000 |
| | 2,723,154 | 1,516,666 |
| | (1,332) | (108) |
| | 2,921,822 | 1,716,558 |
| 21 | | |
| | - | - |
| | 4,377 | 4,141 |
| | (4,377) | (4,141) |
| | - | - |

Notes to the Un-Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|--|------|------------------------------|-----------|
| | | ----- (Rupees in '000) ----- | |
| 41.2 Profit and loss | | | |
| Profit / return earned on financings, investments and placements | | 2,355,604 | 1,471,808 |
| Return on deposits and others dues expensed | | (627,700) | (453,105) |
| Net spread earned | | 1,727,904 | 1,018,703 |
| Provision against non performing financing | | (185,514) | (196,064) |
| Net spread after provisions | | 1,542,390 | 822,639 |
| Other income | | | |
| Fees, commission and brokerage income | | 461,960 | 253,618 |
| Other income | | 7 | 2 |
| Total other income | | 461,967 | 253,620 |
| Other expenses | | 2,004,357 | 1,076,259 |
| Administrative expenses | 41.4 | (797,869) | (361,775) |
| Profit before taxation | | 1,206,488 | 714,484 |

41.3 This includes acceptances of Rs. 5,456 million (2010: Rs. 309 million).

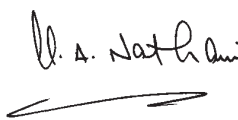
41.4 This includes Bank's Shariah Advisor cost of Rs.520 thousand for 2011.

42 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 05 March 2012.



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Un-Consolidated Financial Statements

Annexure-1

Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above as required under sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 during the year ended 31 December, 2011.

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-----------------------|--|---|--------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 1 | SH. MOHAMMAD SHAFIQUE | 22 SHAMI ROAD SHAMI BLOCK MUSLIM TOWN 1 FSD | 33100-0137938-5 | SHEIKH HAJI ABDUL GHAFOR | 1,599,158 | 683,511 | - | 2,282,669 | 559,158 | 1,355,273 | - | 1,914,430 |
| 2 | FAYYAZ AHMAD KHAN | 352 3 DHA LHR CANTT | 273-44-188399 | GHULAM HUSSAIN | 5,035,578 | 152,978 | - | 5,188,556 | 2,836,293 | 882,917 | - | 3,719,210 |
| 3 | MALIK MOHAMMAD AYUB | H NO 231 WESTWOOD COLONYTHOKAR NIAZ BAIGRAI WIND RO 8/9 ALI PARKTHOKAR NIAZ BAIGNEAR L.M.T STOP MULTAN | 35202-2680499-9 | MALIK HASSAN AHMED | 10,698,793 | 3,754,339 | - | 14,453,132 | 6,365,686 | 2,504,705 | - | 8,870,391 |
| 4 | NASIRA EJAZ | HOUSE NO 150-B MUSLIM TOWN SARGODHA RD FSD | 33100-6193226-5 | MUHAMMAD EJAZ ELLAHI | 2,312,421 | 964,248 | - | 3,276,669 | 1,012,421 | 684,797 | - | 1,697,218 |
| 5 | ABDUL RAZZAK KHAN | C-B 670LANE NO SPESHAWAR ROAD RAWALPINDI CANTT.NEAR SHOP NO 1-ZMAJEED PLAZABANK ROAD SADDAR RAWALPINDI | 37405-1532829-3 | ZABAR DAST KHAN | 1,632,777 | 435,701 | - | 2,068,478 | 162,677 | 520,240 | - | 682,918 |
| 6 | SH NISAR AHMED | DOST STREET SIMANDRI ROAD FAISALABAD | 33100-0917755-3 | MUHAMMAD AKBAR | 1,998,080 | 399,617 | - | 2,397,696 | 195,874 | 579,421 | - | 775,294 |
| 7 | S PERVEZ ALAM | 94/1 6TH STREET PHASE-VI D.H.A KARACHI | 42301-8882602-7 | MUHAMMAD ZAHOOR ALAM | 4,999,525 | 1,497,528 | - | 6,497,053 | 1,499,525 | 2,078,295 | - | 3,577,820 |
| 8 | MAQSOOD AHMED | 444-B GULISTAN COLONYNO 2 MILLAT ROADFAISALABAD 12 JAMIA CLOTH MARKETGALE KATCHERY BAZAR FAISALABAD | 33100-1625996-3 | HAJI ABDUL AZIZ | 1,207,473 | 363,023 | - | 1,570,496 | 96,063 | 413,501 | - | 509,564 |
| 9 | KHAWAR MAQSOOD | 11-E SHAH ALAM MARKET LAHORE | 35202-2873459-7 | MAQSOOD ALAM | 7,399,618 | 1,954,814 | - | 9,354,432 | 2,599,618 | 1,954,814 | - | 4,554,432 |
| 10 | MUNIR HUSSAIN SHAIKH | 127 ABU BAKAR NEW GARDEN TOWN LAHORE | 35202-6338470-1 | MUHAMMAD HUSSAIN SHAIKH | 4,185,633 | 59,583 | - | 4,245,216 | - | 596,398 | - | 596,398 |
| 11 | IJAZ UL QAMAR | 100-B AZIZ SHAHEED ROAD SIALKOT CANTT SIALKOT | 34603-1115981-5 | CHAUDHARY MUHAMMAD SHAFI | 1,446,548 | 976,834 | - | 2,423,382 | 246,548 | 1,001,405 | - | 1,247,953 |
| 12 | AMIR MAJEED | 101 WEST WIND ESTATE FL-11 CLIFTON BLOCK-2 KEHKASHAN | 517-65-042657 | ABDUL MAJEED CLODY | 9,587,136 | 4,155,204 | - | 13,742,340 | 3,355,086 | 4,155,204 | - | 7,510,290 |
| 13 | M AFZAL | CHAK NO.204,R.BDAKHANA KHAS FAISALABAD CHAK NO.204-R.BMAIN MADINA TOWN ROAD FAISALABAD | 33100-3622072-3 | CHAUDHRY FAQIR MUHAMMAD | 9,596,388 | 4,001,311 | - | 13,597,700 | 6,563,378 | 88,898 | - | 6,652,276 |
| 14 | HAKIM MOHAMMAD IQBAL | 152-B EME HOUSING SOCIETY MULTAN ROAD LAHORE | 36402-3443792-5 | M RUSTAM BHATTI | 5,652,000 | 2,150,585 | - | 7,802,585 | 1,607,340 | 2,300,432 | - | 3,907,772 |
| 15 | QAMER ABBAS ZAIDI | 32 A JHAFARIA COLONY LHR | 272-60-198224 | QAMAR ABBAS ZAIDI | 1,267,927 | 295,271 | - | 1,563,198 | 316,207 | 549,551 | - | 865,758 |
| 16 | SYED MUKARAM HUSSAIN | HOSUE NO 12 GALI 21 NABI PURA LAL PUL MUGHAL PURA | 35201-6543905-5 | SYED ALAM SHAH | 2,649,090 | 1,146,696 | - | 3,795,787 | 661,790 | 1,322,335 | - | 1,984,125 |
| 17 | MASOOD AHMED | 5 SARFRAZ CLOTH MARKET GOLE KAPRA GHNTA GHAR FAISALABAD | 33100-8759568-1 | BASHIR AHMAD SHEIKH | 2,460,392 | 616,109 | - | 3,076,502 | 442,392 | 711,874 | - | 1,154,266 |
| 18 | M ASIF | 232-U OPPOSITR LUMS D.H.A. CANTT LAHORE | 35201-9997991-7 | MOHAMMED RAFIQ | 3,036,328 | 1,365,934 | - | 4,402,262 | 1,036,328 | 1,567,247 | - | 2,603,574 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|--------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 19 | M UL HASSAN KHAN | H NO B 4 ST 40 F 7/1 ISD | 101-61-697434 | MUHAMMAD YUSUF KHAN | 10,198,639 | 4,284,557 | - | 14,483,196 | 4,078,639 | 4,284,557 | - | 8,363,196 |
| 20 | KALSOOM AKHTAR | H NO P-46 CANNAL PRK EAST CANNAL ROAD NEAR HUMDRD UNIVERSTY FAISALABAD | 33100-0524348-6 | MUSHTAQ AHMED BHATTI | 4,420,029 | 1,106,882 | - | 5,526,911 | 3,169,159 | 57,709 | - | 3,226,868 |
| 21 | IMTIAZ AHMED MALIK | 7 C DHA LAHORE | 275-58-325564 | MALIK MUHAMMAD AKRAM | 299,983 | 463,207 | - | 763,189 | 299,983 | 477,143 | - | 777,126 |
| 22 | AHMED ALI | H NO B-334 P GULISTAN COLONYNO 2 FAISLABAD NEW CIVIL LINE ROAD OPP H NO 20 FAISLABAD | 33100-4819700-1 | FAZAL HUSSAIN | 1,990,014 | 492,685 | - | 2,482,700 | 497,659 | 689,931 | - | 1,187,590 |
| 23 | M UMAR FAROOQ | H NO F-704F-BLOCKNEAR MASHAL SCHOOLSATELLITE TOWNR P/1573DEGREE COLLEGE ROADOPP.MALIK MEMORIAL HOSPTI | 37405-8199577-7 | ABDUL GHAFOR KHAN | 5,195,879 | 1,648,434 | - | 6,844,313 | 778,889 | 1,897,134 | - | 2,676,023 |
| 24 | ZEESHAN AKRAM KHAN | P.O BOX 2201 OPPOSITE: GIRLS HIGH SCHOOL SIALKOT | 34603-2808719-9 | MUHAMMAD AKRAM KHAN | 2,116,042 | 636,548 | - | 2,752,590 | 1,472,438 | 25,011 | - | 1,497,449 |
| 25 | MUSHTAQ AHMED JAVAID | 174 A JALIL TOWN GJW | 34101-2592117-7 | MAIN LAHAB DIN (LATE) | 1,626,037 | 168,495 | - | 1,794,532 | 655,900 | - | - | 655,900 |
| 26 | IMTIAZ HUSSAIN | FLAT NO 4 NAJEEB PLAZA 1-9 MARKAZ ISL | 61101-1886729-7 | MUHAMMAD SHAFI | 1,744,458 | 733,363 | - | 2,477,821 | 444,458 | 733,363 | - | 1,177,821 |
| 27 | M HUSSAIN USMAN | KAMANI CONSULTANT & MANAGMENT 205 A.H. CENTRE SHAHRAH-E-LIAQUAT | 42301-8481331-5 | MUHAMMAD USMAN | 1,388,691 | 334,947 | - | 1,723,639 | 263,841 | 462,951 | - | 726,792 |
| 28 | MOHAMMAD RAMZAN SABQI | FLAT NO 203 ARIF ARCADE PLOT NO 48 BLOCK 3 BAHADUR | 42201-2808512-5 | WALI MOHAMMAD SABQI | 4,327,045 | 1,353,477 | - | 5,680,521 | 2,618,396 | 55,470 | - | 2,673,866 |
| 29 | ZAMIN SHAH | H NO 4 ST 955 CAB LINES RWP | 37405-0566805-5 | MISKEEN SHAH | 2,994,509 | 819,093 | - | 3,813,602 | 599,009 | 1,005,548 | - | 1,604,557 |
| 30 | TAHIR USMAN | B-209,BLOCK 6 GULSHAN E IQBALNEAR DISCO BAKERY KARA SHOP NO 5 BUILDING NO 3-C10TH STREET | 42201-6720877-3 | SHAHZAD BI | 9,795,624 | 4,084,640 | - | 13,880,264 | 3,428,061 | 4,251,032 | - | 7,679,092 |
| 31 | M MAZHAR AWAN | H NO E 119 BLOCK E SATELLITE TOWN NEAR HOLY FAMILY HOSPITAL RAWALPINDI | 36201-4913274-3 | MALIK JAHANDAD KHAN | 867,878 | 603,098 | - | 1,470,976 | 237,138 | 610,638 | - | 847,776 |
| 32 | M SHAKEEL | HOUSE NO C/164 BLOCK 6 GULISTAN E MUSTAFA FEDERAL B AREA KARACHI | 42000-0564185-1 | MUHAMMAD TAHIR | 1,489,959 | 632,133 | - | 2,122,092 | 372,490 | 632,133 | - | 1,004,623 |
| 33 | MOHAMMAD AKBAR KHAN | M.A.K TRADERS SUIT#6.7 3RD FLOOR RANA CHEMBER LAKE LASANI FALOODA LAHORE | 35202-7271412-1 | M ARSHAD KHAN | 2,692,229 | 1,114,191 | - | 3,806,420 | 942,248 | 1,650,793 | - | 2,593,041 |
| 34 | RIAZ HUSSAIN KHAN | HOUSE NO. C - 256 , BLOCK - 10, FEDERAL 'B ' AREA , PH#6349049 | 42101-2628509-5 | AHMED HUSSAIN KHAN | 2,476,596 | 1,070,442 | - | 3,547,038 | 742,945 | 1,070,442 | - | 1,813,387 |
| 35 | M YASIN | 197 E MOHAMMADI PARK NEAR SHAMI CHOWK GHULAM MOHAM | 33100-6853002-1 | MANZOOR AHMAD | 2,149,412 | 859,814 | - | 3,009,225 | 1,361,356 | - | - | 1,361,356 |
| 36 | SALMAN MALIK | 4/1, FAZLIA COLONY, FERAZ PUR ROAD, LAHORE | 35202-5904340-7 | MUHAMMAD ASHIQ MALIK | 4,262,393 | 60,676 | - | 4,323,069 | 700,000 | 172,681 | - | 872,681 |
| 37 | QASIM ALI SHAH | B-52 BLOCK 13 FEDERAL B AREA KARACHI | 42000-6843871-3 | BUNYAD ALI SHAH | 3,010,015 | 753,741 | - | 3,763,756 | 1,010,015 | 1,294,299 | - | 2,304,314 |
| 38 | SYED MUKHTAR HUSSAIN RIZVI | HOUSE NO 71-A, SOUTH CIRCULAR AVENUE PHASE 2, D.H.A KARACHI | 42301-9114784-5 | SYED ZAFAR HUSSAIN RIZVI | 14,809,090 | 5,670,323 | - | 20,479,413 | 4,809,014 | 5,670,323 | - | 10,479,338 |
| 39 | NASEER AHMED | H NO.135-136JAMIA MUSJID CHOWKKARAM TOWN FAISALABAD ST NO.4 ABDULLAH CENTRE KARKHANA BAZAR FAISALABAD | 33100-8782913-1 | SUFI FAIZ AHMED | 2,146,367 | 429,228 | - | 2,575,594 | - | 555,643 | - | 555,643 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|--------------------------|---|---|------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 40 | EJAZ MUSTAFA | 5 A RACE COURSE ROAD RAIL LINE FSD | 33100-8319290-7 | SHEIKH GHULAM MUSTAFA | 9,543,752 | 1,600,213 | - | 11,143,965 | 860,382 | 2,628,380 | - | 3,488,762 |
| 41 | MOHAMMAD AYUB | HOUSE NO 65 BLOCK 14 SECTOR B 1 TOWNSHIP LHR | 35202-2797783-5 | MUHAMMAD YAQOOB | 1,683,050 | 687,564 | - | 2,370,614 | 939,979 | - | - | 939,979 |
| 42 | M ANWAR SAJID | H NO GF 3 BUILDING NO 36 SEAVIEW TOWN SHIP PHASE 5 | 42301-0113488-1 | MOHAMMAD FAZIL | 5,600,000 | 976,125 | - | 6,576,125 | 1,960,000 | 976,125 | - | 2,936,125 |
| 43 | SEEMA YASMEEN | B 152 BLOCK L NORTH NAZIMABAD KHI | 42101-8853264-6 | SYED SARFARAZ HASAN | 5,599,920 | 2,335,090 | - | 7,935,010 | 1,599,920 | 2,430,212 | - | 4,030,132 |
| 44 | MOHAMMAD AZHAR | H NO 76 ST NO 8 PHASE 1 PAKISTAN TOWN ISL | 61101-5768787-9 | GHULAM MUHAMMAD | 3,498,852 | 1,458,385 | - | 4,957,237 | 748,852 | 1,517,818 | - | 2,266,670 |
| 45 | ASIF MANZOOR | LASANI GARDEN STREET MANZOOR VILLA BOSAN ROAD MULTAN NEAR BANK AL FALAH ABDALI ROAD MULTAN | 36302-3622052-1 | MANZOOR AHMED | 2,199,783 | 934,095 | - | 3,133,878 | 549,283 | 934,095 | - | 1,483,378 |
| 46 | ASIF JAVED | 144 B MODEL TOWN GUJRANWALA | 34101-7602766-3 | ABDUL HAMEED | 1,996,514 | 835,538 | - | 2,832,052 | 496,514 | 835,538 | - | 1,332,052 |
| 47 | SYED SHAHID HUSSAIN SHAH | BUKHARI ST JAHANGEER ABAD DAK KHANA KHAS TEH DISTT | 36302-0201449-5 | SYED TAJ MUHAMMAD SHAH | 1,198,665 | 519,531 | - | 1,718,196 | 358,665 | 519,531 | - | 878,196 |
| 48 | MUHAMMAD ASLAM ANJUM | CHAUDHRY FARM SERVICES, NAZIR COLONY BUDHLA ROAD TEHSIL MULTAN | 36202-0412676-9 | MOHAMMAD SIDDIQUE | 1,499,999 | 426,911 | - | 1,926,911 | 369,999 | 511,904 | - | 881,904 |
| 49 | RIASAT ALI | H NO.P-12 MAIN ROAD SARFRAZ COLONY NEAR ZEESHAN DYI MUHAMMAD ALI STREET NEAR NAVEED SIZING SAMANABAD ROAD | 33100-1868667-1 | NOOR HASSAN | 3,394,450 | 1,386,755 | - | 4,781,205 | 1,184,450 | 1,386,755 | - | 2,571,205 |
| 50 | M AZEEM | H # 7/33 FAZLIA COLONY FEROPUR ROAD LAHORE | 35202-1129219-7 | ABDUL RAHIM | 6,799,561 | 1,814,192 | - | 8,613,753 | 5,005,898 | 182,572 | - | 5,188,470 |
| 51 | S ASHRAF NASEEM | FLAT NO 502 A 5TH FLOOR ROYAL APPARTMENT KDA 1 SB | 42201-0662704-4 | SYED SEEM AHMED | 5,299,772 | 2,166,372 | - | 7,466,145 | 4,085,602 | 159,420 | - | 4,245,021 |
| 52 | FAKHAR ALAM | FAKHAR SPRAY CENTRE, OPPOSIT SABZI MANDI, RAILWAY ROAD, SHUJABAD | 36304-2663317-7 | MUHAMMAD HAROON | 747,926 | 202,497 | - | 950,423 | 247,926 | 280,691 | - | 528,618 |
| 53 | SHEIKH KHALID PERVAIZ | 15 B NEW MUSLIM TOWN LHR | 35202-6908260-3 | SHEIKH MOHAMMAD ASHIQ | 8,385,859 | 3,546,493 | - | 11,932,352 | 2,485,859 | 3,546,493 | - | 6,032,352 |
| 54 | MIRZA AHMED TARIQ BAIG | QUAID-E-AZAM ROAD KEHROR PACCA | 36202-0468500-5 | MIRZA ANWAR BAIG | 4,977,942 | 1,906,691 | - | 6,884,633 | 1,627,942 | 1,906,691 | - | 3,534,633 |
| 55 | TAUSEEF GILANI | SUITE:2 MEZZANINE FLR SETHI PLAZA BLK-A JINNAH AVENUE BLUE AREA ISLAMABAD | 61101-9620730-7 | PIR BADSHAH GILANI | 5,987,197 | 1,699,354 | - | 7,686,551 | 1,587,197 | 2,091,351 | - | 3,678,548 |
| 56 | SHAFQAT MAHMOOD | 27/BHATTA LUDDAN ROAD VEHARI 067-3362913 | 36603-1416675-5 | KHURSHEED AHMED | 1,549,395 | 551,994 | - | 2,101,390 | 1,016,790 | 8,554 | - | 1,025,343 |
| 57 | TALAT MEHMOOD | T M TEXTILE INDUSTRIES CHAK# 204 RB NEAR OPP PTCL EXCHANGE FAISALABAD | 33100-4223994-7 | CH FAQEER MUHAMMAD | 4,499,649 | 1,688,233 | - | 6,187,883 | 2,881,935 | 40,342 | - | 2,922,277 |
| 58 | ZAFAR ABBAS SHEIKH | HOUSE#487/A, THANA CITY ROAD THATHI SHARQI CHINIOT, FAISALABAD | 33201-4954100-9 | GAZANFAR ALI SHAH | 2,671,941 | 1,029,093 | - | 3,701,034 | 801,541 | 1,029,093 | - | 1,830,634 |
| 59 | ATTA ULLA | H NO.208 ST NO.6 NEARBADSHAH GENERAL STOREAL MASOO P-842 MAIN BAZAR NEAR AMANULLAH MASJIDRAJA GHULAM | 33100-5519829-1 | MUHAMMAD YOUS | 2,424,591 | 810,406 | - | 3,234,997 | 363,641 | 912,726 | - | 1,276,367 |
| 60 | M GHAFAR KHAN | H NO 214 KAUSAR BLOCK AWAN TOWN MULTAN ROAD LAHORE | 35202-2254456-2 | MUHAMMAD HANIF KHAN | 505,616 | - | - | 505,616 | 505,616 | - | - | 505,616 |
| 61 | IRSHAD HUSSAIN KHAN | SUBHANALLAH TRDERS QUAID-E-AZAM ROAD KEHROR PACCA DISTT LODAHRAN | 36202-0924563-9 | MEHMOOD KHAN | 1,964,903 | 642,449 | - | 2,607,352 | 686,903 | 729,658 | - | 1,416,561 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-------------------------|--|---|-------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 62 | ASHIQ ALI KHAN | FLAT NO A 904 9TH FLOOR BELLE VIEW APARTMENTS CLI | 42301-0939649-1 | ALI MUHAMMAD HALANI | 6,998,284 | 2,860,661 | - | 9,858,945 | 2,398,284 | 2,979,536 | - | 5,377,820 |
| 63 | MUHAMMAD ASLAM | 4-B GHALLA MANDI VEHARI 067-3364371 | 36603-1464238-5 | ZIR AHMED | 1,040,914 | 745,498 | - | 1,786,412 | 312,234 | 745,498 | - | 1,057,732 |
| 64 | NAEEM MEHBOOB | 2-DISTRIBUTOR PLAZA MAHELAL ST NILA GUMBAD LAHORE | 35201-1508356-7 | MAHBOOB ELAHI | 3,392,959 | 54,849 | - | 3,447,808 | 319,279 | 496,389 | - | 815,668 |
| 65 | MUHAMMAD SHABBIR | CHAK NO 223 R.B ASA SINGH WALA D.TYPE COLONY | 33100-4244480-7 | HAJI ATA MUHAMMAD | 2,267,328 | 338,975 | - | 2,606,303 | - | 555,508 | - | 555,508 |
| 66 | MUHAMMAD IDRESS | P-263 ST 2 SARGODHA ROAD MUSTAFABAD FSD | 33100-2484358-5 | ABDUL LATIF | 9,599,897 | 3,481,203 | - | 13,081,099 | 3,100,941 | 5,156,582 | - | 8,257,523 |
| 67 | CH.MAQSOOD QADIR | 5-6 KHYBER BLOCK FORTRESS STADIUM CANTT LAHORE | 35201-8440455-7 | CH MUSHTAQ AHMED | 3,496,806 | 1,088,865 | - | 4,585,670 | 870,696 | 1,365,756 | - | 2,236,451 |
| 68 | MIAN NASEER AHMED | GULZAR CENTRE GENERAL BUS STAND MULTAN | 36302-0446997-5 | HAJI MUHAMMAD AMIN | 2,784,507 | 1,086,187 | - | 3,870,694 | 974,577 | 1,086,187 | - | 2,060,764 |
| 69 | MUHAMMAD YAQOOB MALIK | HOUSE # 314 ,STREET # 65 ,A-8/3 ,ISLAMABAD . | 61101-6198898-5 | MALIK MUHAMMAD HUSSAIN | 7,899,168 | 4,263,790 | - | 12,162,958 | 2,399,168 | 4,263,790 | - | 6,662,958 |
| 70 | QAISER MEHMOOD | FINE TECH SR # 04, MOON ARCADE,OPP STAR GATE, SHAHRAH-E-FAISAL KARACHI | 42401-1993027-3 | ABDUL GHANI | 2,193,147 | 212,807 | - | 2,405,954 | 193,147 | 449,273 | - | 642,420 |
| 71 | MUHAMMAD NAEEM | 403-F SHAH RUKN-E-ALAM COLONY | 36302-7188834-9 | MUHAMMAD YOUNIS | 3,038,495 | 776,190 | - | 3,814,685 | 758,407 | 1,167,864 | - | 1,926,271 |
| 72 | SHAHID AKHTAR | H NO 17 LANE NO 6 LALA ZAR 1M RWP | 37405-3928486-5 | SHAHID AKHTER | 1,850,912 | 783,818 | - | 2,634,730 | 200,912 | 783,818 | - | 984,730 |
| 73 | MUKHTAR AHMED | 105- GROUND FLOOR PAKISTN CLOTH MARKET LAHORE | 35202-9914881-1 | MUHAMMAD ISHAQUE (LATE) | 9,799,836 | 4,156,351 | - | 13,956,186 | 3,299,836 | 4,281,198 | - | 7,581,033 |
| 74 | SAEEDA MUSHTAQA PIRACHA | C 78 BLOCK 6 GULSHAN E IQBAL KARACHI | 42201-4808759-6 | MUSHTAQ PIRACHA | 3,042,307 | 1,500,792 | - | 4,543,099 | - | 1,702,501 | - | 1,702,501 |
| 75 | NASEER AHMED | H NO .5 MUGHALST NO.1 BOHAR SHAH ROAD CANTT NEAR JA SHOP NO.107-LG SADIQ TRADE CENTRE GULBURG-III LAHORE | 35201-1512422-1 | ALI AHMAD | 999,234 | 409,701 | - | 1,408,935 | 249,234 | 409,701 | - | 658,935 |
| 76 | MEHMOOD AHMED | 613-C NEELAM BLOCK ALLAMA IQBAL TOWN LAHORE 190-FMULTAN ROAD NEAR CHWOKYATEEM KHANA LAHORE | 35202-9153200-7 | ALLAH RAKHA | 1,823,730 | 86,906 | - | 1,910,636 | 182,330 | 361,685 | - | 544,015 |
| 77 | MUHAMMAD IQBAL | PAKISTAN PESTICIDE QUAID-E-AZAM ROAD KEHROR PACCA | 36202-0965999-7 | MUHAMMAD ZULFIQAR | 3,074,934 | 905,025 | - | 3,979,959 | 1,174,839 | 661,787 | - | 1,836,626 |
| 78 | ABDUL SATTAR | 103-5/B-1 AL KARIM CHOWK TOWN SHIP LAHORE | 35202-8656843-9 | MUHAMMAD ALI KHOKHAR | 1,304,084 | 347,880 | - | 1,651,964 | 325,890 | 496,807 | - | 822,697 |
| 79 | MUHAMMAD LAZ | NAZEER CORPORATION QUAID-E-AZAM ROAD KEHROR PACCA DISTT. LODHRAN | 36202-0917529-7 | MUHAMMAD WAZ | 1,575,048 | 578,094 | - | 2,153,141 | 455,048 | 577,894 | - | 1,032,941 |
| 80 | IMRAN RIAZ | AL-SHAFI HOSPITAL SATELLITE TOWN GUJRANWALA | 34101-0525405-3 | RIAZ AHMED SHEIKH | 9,967,536 | 4,320,275 | - | 14,287,811 | 3,467,532 | 4,320,275 | - | 7,787,807 |
| 81 | MALIK AKHTAR HAMEED | 5 ILYAS STREET MUSLIM TOWN LAHORE | 35202-1320077-7 | MALIK HAMEED UD DIN | 7,099,363 | 2,901,931 | - | 10,001,294 | 3,099,362 | 2,312,277 | - | 5,411,639 |
| 82 | SAEED AKHTAR | 90-B IQBAL ROAD VEHARI OFF/0673366373 RES/0673362047 | 36603-1461246-9 | ABDUL HAMEED KHAN | 6,356,702 | 3,074,724 | - | 9,431,426 | 2,856,702 | 3,185,979 | - | 6,042,681 |
| 83 | SARDAR MOHAMMAD ZAHEER | HOUSE NO 25 STREET NO 4 CHAKLALA SCHEME III | 37405-9498991-7 | SARDAR SEER | 10,798,511 | 4,401,767 | - | 15,200,278 | 2,798,511 | 4,401,767 | - | 7,200,278 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|------------------------|--|---|--------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 84 | TARIQ MEHMOOD NAWAZ | HOUSE NO.189, STREET NO.08, MOHALLAH ALTAF GUNJ, JHAN | 33102-1763840-5 | MUHAMMAD WAZ | 1,092,796 | 346,698 | - | 1,439,495 | 163,866 | 414,875 | - | 578,742 |
| 85 | MUHAMMAD NAVEED YOUNAS | 68-AL HAMD PARK ALLAMA IQBAL TOWNLAHORE SHOP NO.7 ASAD PLAZA DUBAI CHOWKMOON MKT ALLAMA IQBAL | 35404-8542303-9 | MUHAMMAD YOUS | 7,987,353 | 1,733,145 | - | 9,720,497 | 1,596,921 | 2,366,412 | - | 3,963,332 |
| 86 | HASSAN TEX | H.NO.66/3 N/B MOSQUE SAYYEDA FATIMA ZEHRA ANSAN COLONY MULTAN | 36302-9625490-7 | ABDUL AZIZ | 4,646,667 | 520,070 | - | 5,166,737 | 1,066,667 | 520,070 | - | 1,586,737 |
| 87 | NAVEED AHMED | HOUSE NO. P - 1029/C 1-A NEAR GOVT. DEGREE COLLEGE ASGHAR MALL ROAD RAWALPINDI. 4419911/0300-5559900/4452541 | 37405-1218023-7 | ABDUL MAJEED | 3,786,099 | 1,520,152 | - | 5,306,251 | 586,099 | 1,631,908 | - | 2,218,007 |
| 88 | AGHA FARRUKH RAHEEM | 22 GROUND FLOOR RAJA CENTRE MAIN BOULEVARD GULBERG II LAHORE | 35202-6104949-5 | AGHA RAHIM UDDIN AHMED | 2,694,332 | 1,057,092 | - | 3,751,424 | 942,332 | 1,144,197 | - | 2,086,529 |
| 89 | MEHMOOD-UL-HASSAN | 137 CHANDNI CHOWK AZAM CLOTH MARKET LAHORE | 35202-2930749-3 | GULZAR HUSSAIN | 7,959,682 | 2,130,436 | - | 10,090,118 | 1,591,473 | 2,437,033 | - | 4,028,506 |
| 90 | SHEIKH ABDUL QUDDUS | H. NO. 57, STREET # 39, SECTOR F-10/4, ISLAMABAD. 051-2110581/0300-8550991 | 61101-2111008-1 | SHEIKH ABDUL RAUF | 19,787,881 | 7,444,710 | - | 27,232,591 | - | 3,650,814 | - | 3,650,814 |
| 91 | ZULFIQAR BUTT | QUAID GIRLS COLLEGE MOHALLAH ISLAMABAD NAI ABADI SIALKOT | 34603-2721874-9 | GHULAM MUSTAFA BUTT | 4,506,305 | 214,781 | - | 4,721,086 | 450,630 | 819,678 | - | 1,270,308 |
| 92 | NAYA SAVERA | NAYA SAVERA CHUNGI NO 14-A, BAHAWAL PUR ROAD MULTAN | 36302-0271444-5 | SULTAN AHMED | 1,116,183 | 423,458 | - | 1,539,641 | 728,818 | 29,244 | - | 758,062 |
| 93 | M.ISHFAQ JAMIL | MIAN COMMUNICATION IST FLOOR NOKIA TOWER USMAN MARKET HALL ROAD LAHORE. HALL ROAD, LAHORE | 35201-7706290-9 | MIAN MUHAMMAD JAMIL | 14,231,419 | 5,931,559 | - | 20,162,978 | 4,731,419 | 6,137,280 | - | 10,868,698 |
| 94 | KHALID MAHMOOD | HNO 119-B KH-E- SHEHAR PHASE VI PAKISTAN DEFENCE OFFICER CO- OPERATIVE HOUSING SOCIETY KARACHI | 42301-0856668-9 | MUHAMMAD MUBEEN SIDDIQUI | 10,270,000 | 4,861,079 | - | 15,131,079 | 3,570,000 | 4,912,029 | - | 8,482,029 |
| 95 | MUHAMMAD NAZEER | M/S AMMAR ENTERPRISES B-56 BLOCK 10-A 01 GULSHAN-E- IQBAL KARACHI | 42101-3016323-1 | HIDAYAT ULLAH | 14,995,932 | 5,661,788 | - | 20,657,719 | 4,999,664 | 8,046,736 | - | 13,046,400 |
| 96 | M SALEEM | OFFICE NO.3 GROUND FLOOR AKASH PLAZA BEHIND DEWAN SALMAN MOSQUE F-10 MARKAZ ISLAMABAD | 37405-2387449-1 | ALLAH BAKSH | 1,698,265 | 736,070 | - | 2,434,335 | 423,265 | 736,070 | - | 1,159,335 |
| 97 | MUHAMMAD IRFAN | PLOT 470 C P BERAR SOCIETY BLK 7 AL MADINA ARCADE FLAT 7 4TH FLOOR DHORAJI COLONY KARACHI | 42201-0666723-3 | MUHAMMAD ILYAS | - | - | - | - | 437,730 | 904,636 | - | 1,342,366 |
| 98 | MUHAMMAD IMRAN | HOUSE# 88/F/2 BLOCK# 2 P.E.C.H.S KARACHI | 42301-8236466-3 | ABDUL AZIZ | - | - | - | - | 1,895,260 | 2,203,061 | - | 4,098,321 |
| 99 | MUNA ANIS | HOUSE # IH-43, AIR FORCE OFFICERS HOUSING SCHEME, FAISAL CONTONMENT | 42201-3236983-0 | ANIS FAROOQI | - | - | - | - | 2,871,714 | 2,844,950 | - | 5,716,665 |
| 100 | MOHAMMAD RAFIQ RAJPUT | H.NO. 59, BLOCK 6, PECHS, KARACHI | 42201-7017197-3 | KALO RAJPUT | - | - | - | - | 3,336,345 | - | - | 3,336,345 |
| 101 | IQBAL AHMED SHEIKH | HOUSE C 215 BLOCK 6 F B AREA KARACHI | 42101-1542327-7 | NOOR AHMED SHEIKH | - | - | - | - | 420,470 | 1,262,186 | - | 1,682,655 |
| 102 | S.M ABBAS HASAN ABIDI | C-14, 5TH FLOOR PALM, BEACH HOME BLOCK-2, CLIFTON KARACHI | 42301-7832533-3 | SIBTE HASAN ABIDI | - | - | - | - | 2,474,970 | 2,974,827 | - | 5,449,797 |
| 103 | SYED SAIR RAZA | AL MANZAR B4 SECTOR Z6 GULSHANE MAYYAMER SCH 45 | 42101-6027969-3 | SYED ASAD RAZA | - | - | - | - | 1,971,314 | 3,068,834 | - | 5,040,148 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-------------------------|---|---|-----------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 104 | ARSHAD SAEED EFFENDI | AVENUE CENTRE STRACHAN ROAD ADJACENT PIA HEAD OFFICE | 42301-0875872-9 | SAEED ULLAH EFFENDI | - | - | - | - | 1,361,744 | 2,015,289 | - | 3,377,033 |
| 105 | MASHOOD UL HASSAN | R-11, ABID TOWN GULSHAN E IQBAL BLOCK NO 1 D-41, ST 8-A 12ABID S & R, F.B AREA | 42201-6618874-9 | SHAHID HUSSAIN | - | - | - | - | 1,027,480 | 1,198,778 | - | 2,226,259 |
| 106 | MOHYED | H# 75-A LANE # 7-B GULISTAN COLONY RAWALPINDI | 37405-0316283-9 | SHOAIB ALI | 7,349,177 | 307,087 | - | 7,656,264 | 1,101,877 | 1,430,903 | - | 2,532,781 |
| 107 | KHALID MUNIR VOHRA | HOUSE#48/3 16TH LANE KHAYABAN-E-BADBAN PHASE 7 DHA KARACHI | 42301-2557684-3 | ELAHI BUSKH | - | - | - | - | 3,192,622 | 3,198,788 | - | 6,391,410 |
| 108 | IMRAN ALI | IMRAN BROTHERS 4-PURI HOUSE WEST WHARF ROAD KARACHI | 42301-2295802-9 | SAJAWAL HUSSAIN | - | - | - | - | 1,319,066 | 1,444,630 | - | 2,763,695 |
| 109 | HAMID RASOOL KHAN | LH # 10A ST # 2A PRAHIM NAGAR RIWAZ GARDEN LAHORE | 35202-0278502-7 | MOHAMMAD RAFIQ KHAN | 14,499,890 | 5,933,211 | - | 20,433,101 | 4,949,890 | 5,933,211 | - | 10,883,101 |
| 110 | NAZIR AHMED KHAN | H-16 BLOCK A PIA HOUSING SOCIETY NEAR JOHAR TOWN LAHORE | 35301-1867471-7 | AHMED KHAN | 3,167,080 | 45,082 | - | 3,212,162 | 316,708 | 567,259 | - | 883,966 |
| 111 | HASSAN MAJID | 19-A, NEW AWAMI AUTO MARKET BADAMI BAGH LAHORE | 35202-5362446-1 | ABDUL MAJID | 4,957,636 | 72,519 | - | 5,030,154 | 3,612,829 | 51,637 | - | 3,664,465 |
| 112 | ZAFAR IQBAL BUTT | H # 2-SF NAZIR APPARTMENTS BLOCK 7 KASHMIR ROAD TNT COLONY RAWALPINDI ISLAMABAD | 37405-0239263-7 | SIRAJ UDDIN BUTT | - | - | - | - | 292,500 | 540,543 | - | 833,043 |
| 113 | MUHAMMAD NADEEM BUTT | H # 29/2 ST # 01 SHAHIGAN COLONY RAH E AMAN, NEW LALAZAR ISLAMABAD | 37405-9719132-9 | MUHAMMAD HANIF BUTT | - | - | - | - | 1,015,585 | 1,040,376 | - | 2,055,961 |
| 114 | IJAZ PASHA | HOUSE NO. 145, STREET NO. 6 ASKARI X | 61101-1572643-1 | GHULAM ABBAS PASHA | - | - | - | - | 1,397,109 | 1,606,850 | - | 3,003,959 |
| 115 | ZEESHAN HAIDER SHEIKH | H NO 25 AWAMI ST NO 1 SANDA KALAN | 35201-5135642-9 | FAIZ ALI SHEIKH | 5,999,864 | 842,827 | - | 6,842,691 | 1,999,864 | 842,827 | - | 2,842,691 |
| 116 | ZAKI | 21-C, WARIS COLONY WAHDAT ROAD LAHORE | 35202-1138968-3 | MUHAMMAD AHMED | 4,019,696 | 1,140,807 | - | 5,160,503 | 984,496 | 1,470,521 | - | 2,455,017 |
| 117 | TAHIR NAWAZ | H NO 15 ST 48 ISLAMABAD COLONY SAMANABAD 7595883/0300-9423175/7555141 LAHORE | 35202-3697560-9 | RAB WAZ | 3,633,032 | 3,398,612 | - | 7,031,644 | 2,133,032 | 3,398,612 | - | 5,531,644 |
| 118 | ISHTIAQ AHMED ANSARI | WADALA ROAD MOHALLA BANWALA DASKA KALAN DASKA | 34601-9908260-1 | SA ULLAH | 7,233,045 | 444,359 | - | 7,677,403 | 722,000 | 1,273,772 | - | 1,995,771 |
| 119 | ZAFAR HUSSAIN | H# 4001 MOH WALYAT NEAR PUL SNAWALA HASSAN PARWANA ROAD MULTAN | 36302-0120873-5 | MUHAMMAD HUSSAIN | 1,949,940 | 797,070 | - | 2,747,010 | 579,940 | 830,192 | - | 1,410,132 |
| 120 | MR MALIK MUHAMMAD ASLAM | 517 AMMAR BLOCK NASHTAR COLONY FEROUZ PUR ROAD LAHORE | 35202-2760836-3 | MALIK AFSAR KHAN | 839,707 | - | - | 839,707 | 848,523 | 205,173 | - | 1,053,696 |
| 121 | MR MALIK MUHAMMAD ASLAM | 517 AMMAR BLOCK NASHTAR COLONY FEROUZ PUR ROAD LAHORE | 35202-2760836-3 | MALIK AFSAR KHAN | 823,496 | - | - | 823,496 | 829,992 | 169,019 | - | 999,011 |
| 122 | MR FAYYAZ ABDUL MAJEED | ABDUL MAJEED & CO 405 4TH FLOOR GUL TOWER LI CHUNDRIGAR ROAD | 42301-0560282-3 | A MAJEED | 371,646 | 12,210 | - | 383,856 | 411,593 | 103,778 | - | 515,371 |
| 123 | MR MUHAMMAD IQBAL SAHTO | 33/1/11 8 GIZRI LANE PHASE-4 D.H.A | 42301-2758354-3 | MUHAMMAD SAFFAR SAHTO | 34,081 | - | - | 34,081 | 510,827 | 153,307 | - | 664,134 |
| 124 | MR USMAN MASOUD | 177 - A , AHMED BLK NEW GARDEN TOWN LAHORE | 35202-5483047-7 | MOHAMMAD MASOUD | 985,457 | 196,258 | - | 1,181,715 | 1,248,812 | - | - | 1,248,812 |
| 125 | MR SHEIKH MUBARIK ALI | SUNSHINE PAPER STORES 6 NOOR CHAMBER BANGALI GALLI GUNPAT RD LAHORE | 35200-1434279-9 | SHEIKH KARAMAT ALI | 411,335 | - | - | 411,335 | 441,372 | 140,760 | - | 582,132 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|---------------------|---|---|------------------------|--|------------------|--------|-----------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 126 | NADEEM ISMAIL | 41-B COMMERCIAL AREA CAVALRY GROUND LAHORE | 35202-5880308-9 | SH M ISMAIL | 907,935 | 138,770 | - | 1,046,705 | 909,965 | 187,271 | - | 1,097,236 |
| 127 | SHEIKH HAFEEZ UR | SHOP # U 819 KALAN BAZAR NEAR URDU BAZAR RAWALPINDI RAWALPINDI | 37405-2542055-5 | SHAIKH AZIZ UR REHMAN | 363,174 | 216,181 | - | 579,354 | 337,933 | 242,262 | - | 580,194 |
| 128 | SYED WASIF ALI | 270/Q L.C.C.H.S DEFENCE LAHORE CANTT LAHORE | 35201-7183727-3 | SYED ABDUL ALI SHAH | 578,558 | 107,894 | - | 686,451 | 546,099 | 105,023 | - | 651,122 |
| 129 | M ILYAS | LATIF MEDICAL CENTRE GR FLR TRADE CENTRE F 11 ISLAMABAD 03 | 61101-5058257-7 | ABDUL LATI F | 478,483 | 12,198 | - | 490,681 | 471,764 | 78,190 | - | 549,954 |
| 130 | I M MIRZA | 40 D 3 WAPDA TOWN LAHORE | 35202-7808379-7 | AL HAJ GHULAM MOHAMMAD | 499,699 | 12,660 | - | 512,358 | 501,729 | 82,284 | - | 584,013 |
| 131 | KHALID MEHMOOD | M 1901 NEAR GUL NOOR HOTEL MURREER ROAD RAWALPINDI | 37405-0214971-9 | M SIDDIQUE | 582,000 | 62,062 | - | 644,062 | 584,030 | 109,443 | - | 693,473 |
| 132 | JAMIL AHMAD | 29/195 ALLAUDDIN ROAD, ST 3 LAHORE CANTT.6672741 | 35201-8529440-9 | A. A. REHMAN | 544,153 | 13,993 | - | 558,146 | 597,856 | 96,778 | - | 694,634 |
| 133 | S IMDAD SHAH | 43/7C BLOCK 6 P.E.C.H.S KARACHI | 42201-0763835-5 | GHULAM MUHAMMAD SHAH | 954,743 | 77,715 | - | 1,032,458 | 429,743 | 97,778 | - | 527,521 |
| 134 | NAEEM FAZAL | 7/H II WAPDA TOWN LAHORE 5185068 | 35202-4657678-9 | MALIK FAZAL HUSSAIN | 735,924 | 113,965 | - | 849,888 | 735,924 | 141,617 | - | 877,541 |
| 135 | S FAIYAZ MEHMOOD | HOUS ENO 269-W D.H.A. PHASE 3 LAHORE | 35201-2430660-7 | SYED MAHMOOD BOKHARI | 449,567 | 11,317 | - | 460,884 | 438,077 | 73,503 | - | 511,580 |
| 136 | A RAHSID | 93 CIRCULAR ROAD LAHORE | 35202-2882229-3 | RASHEED AHMAD | 459,219 | 13,888 | - | 473,107 | 439,345 | 82,415 | - | 521,760 |
| 137 | MOEED ASGHAR | 70/A 13TH SOUTH STREET PHASE II DHA KARACHI | 514-49-033955 | MOEED ASGHAR KIDWANI | 491,899 | 81,279 | - | 573,178 | 491,899 | 82,533 | - | 574,431 |
| 138 | SHEIKH JAMIL | RAHMAN & COMPANY RAHMAN CENTRE PLAZA SQ M.A.JINNAH RD KARACHI 7724740 | 42301-0895746-7 | SHAIKH ABDUL REHMAN | - | 159 | - | 159 | 548,130 | 89,464 | - | 637,594 |
| 139 | S HASAN JAMAL ZAIDI | FRITZ COMPANIES 21-A BLOCK-H GULBERG-II LAHORE-5764581-5 | 270-58-510150 | HASSAN JAMAL ZAIDI | 904,509 | 22,837 | - | 927,346 | 876,896 | 145,650 | - | 1,022,546 |
| 140 | QAZI TAMMAM | 103 1ST FLOOR LATIF PLAZA FERROZEPUR ROAD, ICHHRA LAHORE | 35202-2409818-7 | QAZI ALTAF ULLAH | 575,144 | 16,535 | - | 591,679 | 624,515 | 114,912 | - | 739,427 |
| 141 | M ADNAN KHAN | HOUSE# 37 I LANE# 1 TULSA ROAD LALAZAR COLONY CANTT RAWALPINDI | 37405-4064950-7 | M SHER KHAN | 499,280 | 68,912 | - | 568,192 | 499,280 | 84,178 | - | 583,458 |
| 142 | SYED NASIR RAZA | HOUSE # D-2, BLOCK 13/D-1, GULSHAN-E-IQBAL, KARACHI | 42101-1739755-1 | S FURZAND RAZA | 989,710 | 28,633 | - | 1,018,343 | 969,944 | 180,487 | - | 1,150,431 |
| 143 | USMAN MASOUD | | 35202-5483047-7 | MOHAMMAD MASOOD | 459,518 | 69,831 | - | 529,349 | 459,518 | 94,343 | - | 553,861 |
| 144 | KHAWAJA IZHAR ULHAQ | 89 MECLEOD ROAD, LAHORE | 35202-2812360-5 | KHAWAJA CHIRAG UL HAQ | 876,928 | 25,390 | - | 902,318 | 865,108 | 108,483 | - | 973,591 |
| 145 | AASHIQ HUSSAIN BHAT | 132 C 1 FAISAL TOWN LAHORE | 270-52-599634 | AASHIQ HUSSAIN BHATTI | 469,582 | 88,506 | - | 558,088 | 469,582 | 91,346 | - | 560,928 |
| 146 | WASEEM PASHA | HOUSE # 107 STREET 11 WESTRIDGE 1 RAWALPINDI | 37405-6350019-1 | TAJMUL HASSAN MALIK | 603,941 | 15,498 | - | 619,439 | 647,726 | 107,863 | - | 755,589 |
| 147 | SYED MARGHOOB ALAM | 5TH FLOOR IMTIAZ PLAZA 85 SHAHRA E QUAD I AZAM LAHORE | 35202-2498982-3 | SYED MAY ALI | 599,207 | 14,999 | - | 614,206 | 593,088 | 98,917 | - | 692,005 |
| 148 | FAIZ NABI | 18/H ASKARI III SCHOOL ROAD KARACHI CANTT KARACHI | 42301-7156177-9 | SAJJAD NABI | 551,086 | 82,449 | - | 633,535 | 495,627 | 104,268 | - | 599,895 |
| 149 | MUHAMMAD SIDDIQUE | PLOT NO 54 BLOCK-4 KARIM PARK | 35202-2521079-1 | MIAN QAMAR UDDIN | 573,130 | 47,370 | - | 620,499 | 438,192 | 73,172 | - | 511,364 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|------------------------|---|---|--------------------------|--|------------------|--------|---------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 150 | MUHAMMAD SHAHID | 515B BLOCKSABZAZAR SCHEME MULTAN RDLAHOE SHAHID GARMENTS RIAZ BUILDING RANGMEHAL LAHORE | 35202-2301559-1 | MOHAMMAD ISHFAQ | 452,607 | 25,047 | - | 477,653 | 452,607 | 74,151 | - | 526,758 |
| 151 | ZAFAR IQBAL | L/893SECTOR 5A1NORTH KARACHIKARACHI CD 388/389GABOL TOWNSECTOR 16/BF.B.AREAKARACHI | 42101-1502481-9 | MUNWAR ALI | 483,992 | 11,921 | - | 495,913 | 455,543 | 74,115 | - | 529,658 |
| 152 | ASIF JOHN | 247/B BLOCK 6 P.E.C.H.S. KARACHI KARACHI | 42000-7486178-5 | JAN KHAN | 908,205 | 23,053 | - | 931,258 | 935,902 | 152,998 | - | 1,088,901 |
| 153 | WAHEED AHMED | FLAT NO K-158TH FLOORMAYFAIR CENTRE SADDARKARACHI SUIT NO 55HASHMI ELECTRONICS MARKET HAROON ROAD S | 246-73-368459 | MOHAMMAD ARSHAD | 494,792 | 78,762 | - | 573,555 | 494,792 | 92,630 | - | 587,422 |
| 154 | ZEESHAN AHMAD | 16-BROYAL ENCLAVEFLAT NO 47SECTOR G-5 DIPLOMATIC E 24 MEZZANINEMUHAMMADI PLAZANEAR AMERICAN EXPRESS B | 61101-5465682-5 | IKRAM ZAFAR | 493,755 | 54,408 | - | 548,164 | 493,755 | 81,883 | - | 575,638 |
| 155 | ABDUL KABIR BUTT | H NO 194ST NO 7MARGALLA TOWNISLAMABAD SHOP NO 7,868-EJINNAH AVENUEPAKTEL PLAZA, BLUE AREA | 260-61-539717 | GHULAM QADIR BUTT | 477,640 | 54,037 | - | 531,677 | 443,400 | 74,648 | - | 518,049 |
| 156 | MUHAMMAD IRFAN | 8 ABBOT ROAD LAHORE | 35202-0368453-7 | CHAUDHRY MOHAMMAD YOUSAF | 498,913 | 13,518 | - | 512,432 | 500,999 | 81,712 | - | 582,710 |
| 157 | AURANGZEB | PASRUR ROAD, HNO 12/345MUHALLAH BABAY BERI GHALA MANDIOLD CHOWK JUNDAR BAZARHAJI PURA ROAD, K | 34603-9382539-1 | HAJI ZIR AHMED | 419,250 | 186,346 | - | 605,596 | 405,287 | 243,702 | - | 648,988 |
| 158 | NASIR MANZOOR | H # 163ST # 63SECTOR G-7/2-4ISLAMABAD H # 589LABOUR COLONYIBN E SINA ROADG 9/3ISLAMABAD | 61101-2892226-9 | MANZOOR AHMED | 499,395 | 68,963 | - | 568,359 | 499,395 | 84,232 | - | 583,628 |
| 159 | KHALID IQBAL | 210 PAK BLOCK ALLAMA IQBAL TOWN LAHORE | 35202-8309522-5 | CH MUHAMMAD IQBAL | 494,807 | 15,138 | - | 509,945 | 494,807 | 91,349 | - | 586,156 |
| 160 | ARSHAD MEER | FLAT NO 402, 4TH FLOORCHAPPAL BEACH ARCADE 2BLOCK H NO 4, SHOP NO 2 AREA 5/D, BLOCK 91LANDHI NO 6 KARACHI | 42301-9789752-3 | MIR GHULAM MUHAMMAD | 491,642 | - | - | 491,642 | 499,972 | 92,724 | - | 592,696 |
| 161 | SHAKAIB BAQIR | 384-FF DHA LHCDEFENCE HOUSING SOCIETYLAHORE 384-FF DHA LHCDEFENCE HOUSING SOCIETYLAHORE | 35200-1453915-9 | QAISAR HUSSAIN | 473,684 | 63,830 | - | 537,514 | 473,684 | 90,382 | - | 564,066 |
| 162 | ASAD ALI KHAN | H # ZB-317/27ST # 1GULISTAN FATIMA COLONY MOHALLA A MAIN MURREE ROAD RAWALPINDI GENERAL HOSPITAL | 37105-0278187-3 | SHAIR MUHAMMAD | 480,872 | 89,278 | - | 570,150 | 480,872 | 104,422 | - | 585,295 |
| 163 | ARSHAD ALI | H NO.135 SHAHID TOWNMAIN ST NO.1GHAZI ROADCANTT M 14-J COMMERCIAL AREA MUGHAL MKTDHA LAHORE | 35201-1632805-7 | WALI MUHAMMAD | 376,513 | - | - | 376,513 | 499,670 | 89,650 | - | 589,319 |
| 164 | MUHAMMAD ABRAIZ ABBASI | BASEMENT NO 4 FERROZE CENTRE 14-D BLUE AREA ISLAMABAD | 37405-9146604-1 | ABDUL HAMID KHAN | 409,648 | 124,827 | - | 534,475 | 396,655 | 134,323 | - | 530,978 |
| 165 | MUSHTAQ ALI JIVANI | FLAT NO 106, ML PARADISEBURGARI BAZAR NISHTAR PARK ROOM NO 701, 7TH FLOORMUSTAFA CLOTH MARKET MONTANDA | 42301-0847957-1 | HUSSAIN ALI | 498,036 | 27,342 | - | 525,378 | 490,565 | 80,481 | - | 571,046 |
| 166 | ADAM MUHAMMAD | A182 GULSHAN-E-RABIA, BLOCK 13D2, GULSHAN-E-IQBAL KARACHI | 42000-0364832-3 | MOHAMMAD BUDHANI | 486,433 | 12,468 | - | 498,901 | 500,931 | 81,838 | - | 582,769 |
| 167 | SHAN ALI CHAUDHRY | 35-SHADMAN COLONY #1, SHADMAN LAHORE | 35202-1262093-5 | CHAUDHARY GHULAM RASOOL | 499,849 | 77,005 | - | 576,853 | 485,169 | 106,623 | - | 591,792 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|-------------------------|--|------------------|--------|---------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 168 | MUHAMMAD ARSHAD | MAUZA RAIWIND KHURD MAIN ROAD CHOWKRAILWAY ROAD RAIWIND | 35202-2770335-7 | MUHAMMAD SHAFIH | 443,837 | 41,317 | - | 485,155 | 443,837 | 96,086 | - | 539,923 |
| 169 | SHAHZAD IQBAL KHAN | HOUSE NO 1853 C-4, SECTOR 16 ORANGI TOWN KARACHI | 42401-2265854-1 | AYUB KHAN | 489,701 | 40,702 | - | 530,403 | 493,416 | 82,041 | - | 575,458 |
| 170 | ZAFAR MEHMOOD ABBASI | OFF. Å 5, 1ST FLOOR, KALA KHAN SHOPPING CENTER SHAMASABAD | 37404-4623469-9 | MOHD ARIF KHAN | 393,306 | 93,084 | - | 486,390 | 387,317 | 116,402 | - | 503,718 |
| 171 | MR CHAUDHRY G QUMAIS | 731,ST NO 74 G-10/4 ISLAMABAD. 256131 | 61101-3216595-5 | CHAUDRY NIZAMUDDIN | 489,086 | 15,280 | - | 504,366 | 478,258 | 142,608 | - | 620,867 |
| 172 | MR WASEEM P TAJAMMAL | HOUSE NO 107, ST 11 WESTRIDGE 1, RAWALPINDI | 37405-6350019-1 | TAJMUL HASSAN MALIK | 364,974 | 13,662 | - | 378,636 | 400,433 | 129,249 | - | 529,682 |
| 173 | MR KHAWAJA IZHAR ULHAQ | 292 M BLOCK MODEL TOWN EXTENTION LAHORE | 35202-2812360-5 | KHAWAJA CHIRAG UL HAQ | 406,685 | 13,130 | - | 419,815 | 424,970 | 118,019 | - | 542,989 |
| 174 | MALIK HADI HUSSAIN | 152-F.MODEL TOWN LAHORE. 5830991 | 35202-2087176-9 | MALIK FAZAL U DIN | 473,124 | 114,079 | - | 587,203 | 475,212 | 129,006 | - | 604,218 |
| 175 | MR ISMAIL DOSSA | RELIANCE INDUS.(PVT)LTD PLOT 23, SECTOR 23 KORANGI ND.AREA, KARACHI | 42301-3186357-9 | MOHAMMAD FAROOQ DOSA | 434,146 | - | - | 434,146 | 435,345 | 140,511 | - | 575,856 |
| 176 | MR AMER SAEED | LAIBA LOOK INTERNATIONAL YAZDANI ROAD RIAZABAD HARBANS PURA NEAR PEPSI WARE HOUSE | 35201-6110862-9 | SAEED AHMED | 247,542 | - | - | 247,542 | 371,673 | 196,432 | - | 568,106 |
| 177 | MS KRIS STRATE | BEST BRANDS INC 181-CCA PHASE IV DHA | 84035-2466001-2 | DONN STRATE | 501,644 | 85,417 | - | 587,061 | 508,140 | 133,626 | - | 641,766 |
| 178 | MR AAMIR HUSSAIN CHAUDHRY. | C 5 SHADAB COLONY TEMPLE ROAD LAHORE | 35202-0883188-5 | CHAUDHRY GHULAM HUSSAIN | 493,803 | - | - | 493,803 | 494,358 | 161,690 | - | 656,048 |
| 179 | MALIK RAB NAWAZ NOON | MALIK RUB NAWAZ NOON H NO 27-C, CIVIL LINES | 37405-0490370-3 | MALIK MOHAMMAD SADIQ | - | - | - | - | 515,569 | 49,065 | - | 564,634 |
| 180 | MR. TAHIR IQBAL CHEEMA | 135-SADAR BAZAR AREA | 34104-9850879-1 | SAJJAD ALI CHEEMA | 498,728 | - | - | 498,728 | 497,355 | 170,314 | - | 667,669 |
| 181 | MR SHEIKH ABDUL HAFEEZ | PUNJAB ENGINEERING SERVICES PV 6 -R B-12 OPPOSITE SAEED MANZIL M. A. JINNAH ROAD | 42301-7311703-1 | SHEIKH ABDUL HAMEED | 462,794 | 14,710 | - | 477,505 | 444,704 | 112,864 | - | 557,568 |
| 182 | MR RAJA HAMDAD ARSHAD | PIONEER ELECTRONICS OFFICE#31-A AZHAR SHAHEED MARKET KASHMIR ROAD SADDAR RAWALPINDI | 37405-7897890-5 | RAJA ARSHAD KAMAN | 459,191 | - | - | 459,191 | 483,646 | 125,910 | - | 609,556 |
| 183 | SUALEHA BHATTI | WINNING EGDE C-16 HABIB CENTER B LOCK-5 CLIFTON | 516-62-075883 | BHATTI | 491,199 | 32,724 | - | 523,924 | 481,993 | 83,785 | - | 565,779 |
| 184 | MR ASIM EJAZ MALIK | 369-AA PHASE-4 D.H.A LAHORE CANTT. | 273-88-92227 | MOHAMMAD IBRAHIM MALIK | - | - | - | - | 565,487 | 288 | - | 565,775 |
| 185 | MR AAMIR MANZOOR CHAUDHRY | NEW 601 CERAMICS AND GELASS IN Q UATABPUR OLD SHUJABAD ROAD | 36302-0371505-7 | CH MANZOOR AHMED | 438,011 | 50,320 | - | 488,332 | 448,528 | 118,938 | - | 567,465 |
| 186 | SHAHBAZ ALI | FUTURE MOBILE FUTURE MOBILES, 12 -G HAFEZ CENTER MAIN BOULEVARD GULBERG LAHORE | 35202-7637509-5 | CHAUDHRY MUHAMMAD RAFI | - | - | - | - | 387,950 | 119,936 | - | 507,886 |
| 187 | MR NAYYER IQBAL KHAN | A-101 PRIME RESIDENCY CL-10 CIVIL LINES KARACHI | 42201-3251081-5 | IQBAL ZAHIR KHAN | 434,629 | 69,689 | - | 504,317 | 442,886 | 111,237 | - | 554,123 |
| 188 | MR M WAQAS SANDAL | LOYAL SPORTS PVT LTD INDUSTRIAL ESTATE SIALKOT | 34603-2150488-5 | SHEIKH MOHAMMAD SARWAR | 595,100 | - | - | 595,100 | 609,861 | - | - | 609,861 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|-------------------------|--|------------------|--------|---------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 189 | MUHAMMAD ARSHAD | HOUSE NO 632 GALI NO 3 AYUB COLONY | 33100-8743938-5 | MOHAMMAD SHARIF | 480,018 | 32,975 | - | 512,993 | 491,891 | 126,895 | - | 618,786 |
| 190 | IJAZ AHMAD | C/O DREAM CAR PARK PLAZA SHOP NO .1,2,3, & 4 FAZAL-E-HA ROAD BLUE AREA OPP POLYCLINIC HOSP. | 37405-3103828-7 | TAJ MUHD | 480,159 | 15,644 | - | 495,803 | 488,548 | 54,166 | - | 542,714 |
| 191 | MR USMAN MASOUD | MURU GROUP INTERNATIONAL 177-A, AHMED BLOCK NEW GARDEN TOWN | 35202-5483047-7 | MOHAMMAD MASOOD | 493,142 | 90,820 | - | 583,961 | 497,318 | 121,867 | - | 619,184 |
| 192 | MR RIZWAN ARSHAD | H NO 12, BLOCK C MODEL TOWN, FAISALABAD | 33100-5554834-9 | MOHAMMAD IRSHAD ANWER | 533,468 | 41,934 | - | 575,402 | 545,816 | 136,773 | - | 682,589 |
| 193 | NOUMAN ANWER | 51-A NISAR ROAD ST.4 CANTT | 274-87-331357 | | 474,786 | 64,800 | - | 539,586 | 481,282 | 107,363 | - | 588,645 |
| 194 | MR SYED KHAWAR ALI | APEX COMMUNICATION 32-1, C/1 BLOCK 6 PECHS APEX HOUSE | 42201-4032116-5 | SYED ASHIQ HUSSAIN | 493,993 | 79,073 | - | 573,066 | 496,081 | 94,437 | - | 590,519 |
| 195 | TARIQ SOHAIL | TARIQ SOHAIL 'HOUSE NO 1001 STREET NO 105 I-10/4 | 61101-1802394-9 | MUHAMMAD SHARIF | 498,935 | 123,924 | - | 622,860 | 501,023 | 139,595 | - | 640,618 |
| 196 | MR SETH NISAR AHMED | HON. CONSUL OF THE REP. OF KAZHAKHSTAN 196-L-MODEL TOWN EXTN | 35202-2792709-9 | MOHAMMAD LATIF | - | - | - | - | 662,171 | 82 | - | 662,254 |
| 197 | HAROON BASHIR | PLOT NO 90, STREET NO 7 SECTOR# I-10/3 | 61101-1991102-7 | BASHIR HUSSAIN | 397,902 | 12,932 | - | 410,834 | 432,307 | 123,457 | - | 555,764 |
| 198 | MR FAIZ UL HASAN | W S FORMS QURESHI STREET RORAS ROAD NEAR MAKKI MASJID NEW MUBARA K PURA | 34603-7209250-9 | CHUDHARY MUHAMMAD ISHAQ | 392,833 | 25,080 | - | 417,913 | 419,016 | 100,506 | - | 519,522 |
| 199 | MR MUHAMMED ISMAIL F DOSSA | RELIANCE INDUSTRIES PVT LTD PLT 23 SECTOR-23 K.I.A MAIN ROAD NEAR TOYOTA SHOW ROOM | 42301-3186357-9 | MOHAMMAD FAROOQ DOSA | 888,576 | - | - | 888,576 | 889,434 | - | - | 889,434 |
| 200 | TARIQ MEHMOOD | TARIQ TRADERS 26-ALLAMA IQBAL ROAD LAHORE | 35201-4698183-9 | CHAUDHARY GUFTAR AHMAD | 478,665 | 14,975 | - | 493,640 | 483,268 | 214,236 | - | 697,504 |
| 201 | WAQAS SHAHID | 496-F JOHAR TOWN | 35202-1718192-9 | SHAHID FAROOQ | 501,488 | 131,100 | - | 632,588 | 503,576 | 146,135 | - | 649,711 |
| 202 | MR SHAHZAD IQBAL KHAN | HOUSE NO 1853 SECTOR 16 C-4 STREET 9 OPPOSITE ASIA GROUND ORANGI TOWN GULSHAN-E-BIHARE | 42401-2265854-1 | AYUB KHAN | 504,627 | 87,608 | - | 592,235 | 513,443 | 119,372 | - | 632,814 |
| 203 | KASHIF ALI | 721 D FAISAL TOWN | 35202-2685153-5 | SH MUHAMMAD ASHRAF | 397,182 | - | - | 397,182 | 399,532 | 138,976 | - | 538,508 |
| 204 | MUHAMMAD ALMANI | FLAT NO 374 BLOCK ""G"" SULTANABAD COLONY PLOT NO 61 GULBAR NO 1 | 42101-0730230-9 | SIKANDAR ILWANI | 473,598 | 37,897 | - | 511,495 | 485,647 | 131,583 | - | 617,230 |
| 205 | WAQAS RASHEED | SHOP NO.28 GROUND FLOOR IBRAR BUSINESS CENTRE WAHDAT ROAD LAHORE | 35202-6513190-5 | ABDUR RASHEED | 423,883 | 80,502 | - | 504,385 | 428,059 | 107,525 | - | 535,585 |
| 206 | ANWAR MANJI | F-16 EVERSHERE SQUARE BLOCK 10 GULSHAN E IQBAL NEAR SINDBAD NEAR SINDBAD | 42101-7570468-7 | HYDER ALI | 462,357 | 28,994 | - | 491,351 | 456,784 | 125,583 | - | 582,367 |
| 207 | MR ZEESHAN AHMED ZAFAR | HATF REAL ESTATE SERVICES OFFICE NO 1, 2ND FLOOR LORDS TRADE CENTRE SECTOR F-11 MARKAZ | 61101-5465682-5 | IKRAM ZAFAR | 493,469 | 97,547 | - | 591,016 | 497,645 | 108,794 | - | 606,439 |
| 208 | MIAN MOHAMMAD IQBAL | 101B GULBERG II | 35202-4847431-7 | MUHAMMAD SHARIF | 408,316 | 13,478 | - | 421,794 | 479,686 | 127,088 | - | 606,774 |
| 209 | GOHAR ALI | I-G TRADERS 11/15 CANTONMENT PLAZA THE MALL | 90403-0150038-7 | WAHEEDULLAH | 503,930 | 72,733 | - | 576,663 | 519,043 | 44,727 | - | 563,771 |
| 210 | ALI KAZIM | RAINBOW JEWELLERY HOUSE SH NO 12 3 PAK MARKET SHAH ALAM MARKET | 35202-3042612-1 | ASIF ALI | 490,101 | 21,854 | - | 511,955 | 487,141 | 164,120 | - | 651,261 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-----------------------------|---|---|----------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 211 | YASMIN MAJID | H:6- STREET NO 19 F-6/2 | 61101-8190819-6 | KHAWAJA FAROOQ MAJID | 459,949 | - | - | 459,949 | 470,246 | 151,644 | - | 621,891 |
| 212 | MR AHMED EL RHAIDI | EMBASSY OF THE KINGDOM OF MOR 6 GOMAL ROAD E/7 | A002895 | | 518,038 | 32,695 | - | 550,733 | 502,734 | 64,596 | - | 567,331 |
| 213 | MS UZMA ASAD | 96-E MODEL TOWN | 35202-7940382-4 | MIAN ASAD MUNIR | 503,292 | 23,651 | - | 526,943 | 497,393 | 172,284 | - | 669,678 |
| 214 | IFTIKHAR AHMAD | RAWAL ENTERPRISES F 2712 MOTI BA ZAR INSIDE MASTI GATE | 35202-2935494-1 | MUHAMMAD HUSSAIN | 474,997 | 47,062 | - | 522,059 | 484,403 | 117,803 | - | 602,206 |
| 215 | S FARHAT ABBAS JAFARI | BANGLOW 9 CRYSTLE BANGLOW GAZI ABBASD BEHIND EID GHAIH MULTAN MULTAN | 270-88-434045 | S SAJID HUSSAIN JAFRI | 352,232 | - | - | 352,232 | 540,619 | 79,503 | - | 620,122 |
| 216 | SYED SABAHAT ALI SHAH | FIRST FLOOR SOFTWARE TECHNOLOGY PARK 1 AWAMI MARKAZ, CONSTITUTION AVENUE F-5/1 ISLAMABAD ISLAMABAD | 42501-2070278-5 | SYED FARASAT ALI SHAH | 553,663 | 18,007 | - | 571,670 | 588,292 | - | - | 588,292 |
| 217 | MUHAMMAD ARIF | H NO 77-K, BLOCK NO 02 GHAZALI ROAD, P.E.C.H.S PLOT NO 57, SECTOR NO 24 KORANGI INDUSTRIAL AREA | 42201-1296802-9 | ABDUL HAMEED | 636,518 | - | - | 636,518 | 619,435 | 37,933 | - | 657,367 |
| 218 | SYED KASHIF SAGHEER ZAIDI | H # 106-R, PARADISE HOMES, ABUL HASSAN ASPAHANI ROAD, KARACHI | 42201-3643060-5 | SYED SAGHIR HUSSAIN ZAIDI | 546,518 | 7,222 | - | 553,740 | 475,459 | 77,896 | - | 553,356 |
| 219 | SYED JOHAR ABBAS ALI SHAH | R-294.RAFI BANGLOW MALIR NEW BABAL MARKET KARACHI | 42201-7228380-9 | SYED SIR ABBAS ALI SHAH | 515,364 | 5,867 | - | 521,231 | 497,885 | 50,245 | - | 548,131 |
| 220 | MUHAMMAD PERVAIZ HAYAT | WORLD STYLE SKIN TREATMENT SHOP# 1 REHMAT PLAZA COMMERCIAL MARKET NEAR N B P RAWALPINDI | 37405-9731825-3 | MUHAMMAD HAYAT | 909,997 | 47,107 | - | 957,104 | 959,996 | - | - | 959,996 |
| 221 | RAJA RIAZ AHMED | 49 BABAR BLOCK NEW GARDEN TOWN HAROON STREET LAHORE | 210-65-856041 | RAJA MHD HUSSAIN | - | - | - | - | 642,000 | - | - | 642,000 |
| 222 | SARDAR KHAN | SARDAR COOL CORNER SHOP# 15 STATION ROAD NEAR OPPT HABIB HOTEL HYDERABAD | 41303-7483159-9 | ZAR MOHD URF TALIB | 528,682 | 20,797 | - | 549,479 | 556,183 | - | - | 556,183 |
| 223 | ZUBI ARSHAD | HOUSE# 430 BLOCK-M MODEL TOWN LAHORE | 37405-0229152-4 | MALIK ZIA MAHMOOD | 796,279 | 9,401 | - | 805,680 | 766,662 | 68,485 | - | 835,147 |
| 224 | SHAHID RAZA | 30-ICI TOWN SHIP BUTT CHOWK | 35202-0855588-3 | RAZA HUSSAN | 497,771 | 10,974 | - | 508,745 | 1,008,673 | 18,540 | - | 1,027,214 |
| 225 | MUHAMMAD JAVAID IQBAL | H # 10/A, ST # MOHALLA SIDDIQUE GUNJ SHER SHA WASON PURA LAHORE | 35202-9496484-9 | SHEIKH MUHAMMAD SHAREEF | 502,907 | 13,173 | - | 516,080 | 469,412 | 35,851 | - | 505,263 |
| 226 | WAJID MEHMOOD | HAZRAT KARMAN WALA UNITY CORNER SHOP# A-4 ABUL HASSAN ISPHANI ROAD BLK-4A KARACHI | 42201-5095551-1 | IRAHAD MEHMOOD | 477,132 | 12,290 | - | 489,422 | 507,036 | - | - | 507,036 |
| 227 | MUHAMMAD AJMAL | H # 31 ST # 24/A MUHALLAH FAZAL STREET BANK COLONY LAHORE | 35202-2680859-3 | MUHAMMAD ASHRAF | - | - | - | - | 626,626 | - | - | 626,626 |
| 228 | MUZAFFAR ALI | 3-A AKBER WALI STREE NA NA LAHORE | 35302-4020038-3 | SHAH MOHAMMAD | 510,058 | - | - | 510,058 | 458,616 | 43,153 | - | 501,769 |
| 229 | AYUB DURRANI | 1-3/A 100 HABIB PLAZA FAZAL E HAQ ROAD BLUE AREA ISLAMABAD | 61101-3789412-9 | MUHAMMAD ASLAM KHAN DURANI | 14,939,248 | 5,228,274 | - | 20,167,522 | 12,013,194 | - | - | 12,013,194 |
| 230 | SYED ATHER ALI SHAH | HOUSE NO 170-BB PHASEIV D.H.A LAHORE | 35201-1587734-3 | SAEED AZHAR ALI SHAH | 6,422,227 | 192,168 | - | 6,614,395 | 1,386,904 | - | - | 1,386,904 |
| 231 | MUHAMMAD ASHIQ | 177 KHYBER BLOCK ALLAMA IQBAL TOWN LAHORE | 35202-2524810-9 | CH M BOTA | 2,247,586 | 628,241 | - | 2,875,827 | 1,350,706 | - | - | 1,350,706 |
| 232 | SHEIKH MUHAMMAD KHALID RAFI | AHMED PLAZA OFFICE # 1 2ND FLOOR TIKA GALI # 1 FAISALABAD | 33100-4129492-5 | SH MOHAMMAD RAFI | 4,801,529 | 1,832,891 | - | 6,634,419 | 3,401,805 | - | - | 3,401,805 |
| 233 | EJAZ KHALID | MAHRIA CLEARIUN & FORWARDING AGENCY ROOM NO 2-E, 2RD FLOOR MUHAMMAD BAKSH & SONS BUILDING, 23-WEST WHARF ROAD KARACHI | 35202-2745477-9 | BOOTAY KHAN | 2,679,480 | - | - | 2,679,480 | 1,740,485 | - | - | 1,740,485 |
| 234 | AMIR MAJEED | FLAT 10, 101 WEST WIND ESTATES FL-11, CLIFTON, KARACHI 5879099/5861323/0333-2103313 CLIFTON | 42301-6831572-5 | ABDUL MAJEED | 6,568,072 | - | - | 6,568,072 | 4,274,751 | - | - | 4,274,751 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-------------------------|--|---|-----------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 235 | ISHTIAQ AHMED KHAN | HOUSE # 109/2 SANA SYE CLINIC E BLOCK SATELLITE TOWN RAWALPINDI | 37405-4051344-5 | MUHD ASLAM KHAN | 6,381,631 | 414,225 | - | 6,795,856 | 1,456,581 | - | - | 1,456,581 |
| 236 | MIAN IRFAN AKMAL | SHOP # 1 REHMAN STREET NO 16 BRANDRATH ROAD LAHORE | 35202-8483741-1 | MUHAMMAD ISMAIL | 4,276,155 | 1,150,537 | - | 5,426,692 | 1,922,512 | - | - | 1,922,512 |
| 237 | NASIR GHAFFAR | D-6,BLOCK-7, JASON VIP APARTMENT CLIFTON,KARACHI PECHS | 42201-6414806-3 | ABDUL GHAFFAR | 3,859,082 | 478,667 | - | 4,337,749 | 661,132 | - | - | 661,132 |
| 238 | RIAZ AHMED | H NO 2 AS, QADRI ST 16 MUHAMMAD ALI ROAD ICHRA LAHORE 5452491108754758 LAHORE | 35201-6208090-5 | CHAN DIN | 1,240,722 | 408,960 | - | 1,649,682 | 836,772 | - | - | 836,772 |
| 239 | ALI ZAHID | 50-A-11 LAWRENCE ROAD LAHORE LAHORE | 35202-2467252-3 | AKHTAR ALI | 2,660,037 | 1,112,253 | - | 3,772,290 | 2,175,403 | - | - | 2,175,403 |
| 240 | MUHAMMAD RIZWAN | 573-B, MODEL TOWN GUJRANWALA | 34101-4255215-1 | HAJI MUHAMMAD | 2,436,761 | 81,374 | - | 2,518,135 | 620,418 | - | - | 620,418 |
| 241 | MUHAMMAD YAMEEN MUGHAL | HOUSE # B-1,310STREET # 2,MUSLIM TOWN NEARMAJID F SHOP # B-1,438KURI ROAD NEARATTA CHAKKISADIQABADRA | 37405-8925326-1 | ABDUL RAHI MUGHAL | 2,396,918 | 685,408 | - | 3,082,326 | 1,315,163 | - | - | 1,315,163 |
| 242 | ASIF | HOUSE A-28 SECTOR-V SUB SECTOR-II GULSHAN-E-MAYMAR KDA SCHEME-45 KARACHI. 2474255/0300-2796344/0304-2963922 GULSHAN -E- MAYMAR | 42101-1750500-7 | CHARAGH UD DIN | 3,727,703 | 1,107,688 | - | 4,835,391 | 2,085,537 | - | - | 2,085,537 |
| 243 | MOHAMMAD IBRAHIM SHEIKH | HOUSE C-58 OWN HOMES F-B-AREA BLOCK 21 ,BEHIND CENTRUM SHOPPING MALL KHL. KARACHI | 42201-4506647-1 | M YOUSUF | 2,568,759 | 530,429 | - | 3,099,188 | 1,044,238 | - | - | 1,044,238 |
| 244 | MUHAMMAD AZHAR ALI | 48/2, BANK COLONY INDRAR NAGAR BASTAMI ROAD SAMANABAD LAHORE. 7595760/0300-4475663/7637426 SAMANABAD | 35202-6310730-9 | MUHAMMAD ASLAM ALI | 1,465,649 | 510,720 | - | 1,976,369 | 858,092 | - | - | 858,092 |
| 245 | EJAZ HAIDER | PLOT 28/A/4, V-1-2, 33RD ST PH-5, DHA, KARACHI. 5347876/0300-2305142/5343521 CLIFTON | 42301-8230895-9 | SHAFQAT HUSSAIN | 12,118,063 | 5,425,308 | - | 17,543,371 | 6,142,237 | - | - | 6,142,237 |
| 246 | SHAHID ABBAS | HOUSE 338 NARGIS BLOCK ALLAMA IQBAL TOWN LAHORE. 7840024/0300-4841449/7724661 IQBAL TOWN | 35202-6066278-5 | MUHAMMAD ABBAS | 5,578,112 | 978,282 | - | 6,556,394 | 3,368,431 | - | - | 3,368,431 |
| 247 | JAVED IQBAL KHAN | 37 / II, MAIN KHY-E-BAHARIA PHASE V, D.H.A. 3008203222 DHA KARACHI | 42301-5661982-7 | IQBAL AHMED KHAN | 18,016,123 | 2,312,928 | - | 20,329,051 | 5,849,957 | - | - | 5,849,957 |
| 248 | NAEEM HAMEED | 1466 H MIAN CIRCULAR ROAD OUTSIDE AKBARI GATE LAHORE | 35202-2826783-9 | ABDUL HAMEED | 996,471 | 702,713 | - | 1,699,183 | 898,715 | - | - | 898,715 |
| 249 | EJAZ HAIDER | H NO.1990 ST NO.2MAIN BAZARMANSOORABADFAISALABAD SHOP NO.35/34 IST FLOOR3RD GALLERYREX CITY SATIANA | 33105-0198588-1 | MIRZA GHULAM HAIDAR | 3,220,680 | 869,101 | - | 4,089,781 | 1,131,976 | - | - | 1,131,976 |
| 250 | AZRA | APARTMENT # 1,FIRST FLOOR,PLOT # C-26TH BADAR COMM.STREET,PHASE V EXT.D H A DHA KARACHI | 42301-0981148-8 | NADEEM LIAQUAT | 798,090 | 323,025 | - | 1,121,114 | 571,921 | - | - | 571,921 |
| 251 | ASGHAR ALI | SHOP NO 48, MEMON PLAZA ABIGAL OFF NISHTAR ROAD KARACHI KARACHI | 42301-1014173-9 | SULEMAN | 1,954,402 | 520,605 | - | 2,475,007 | 1,072,466 | - | - | 1,072,466 |
| 252 | IMRAN SABIR | HOUSE # 55-S BLOCK 6 PECHS PAKISTAN EMPLOYEES CO-OPERATIVE HOUSING SOCIETY | 42201-4154606-7 | MOHAMMAD SABIR | 5,945,271 | 686,630 | - | 6,631,901 | 1,727,345 | - | - | 1,727,345 |
| 253 | RIAZ AHMED KHAN | FLAT # 401, CLIFTON VIEW APT FRERE TOWN, NEAR TEEN TALWAR CLIFTON GULSHAN -E- IQBAL | 41304-9693644-5 | WAHID ALI KHAN | 2,136,327 | 561,260 | - | 2,697,587 | 1,262,605 | - | - | 1,262,605 |
| 254 | MUHAMMAD IQBAL | HOUSE# 75, BLOCK-I,SHEES MEHAL KRS, CAPTAIN ROAD, JAMSHED QUARTERS | 42301-1116504-9 | ABDUL GHAFFAR | 2,400,950 | 155,607 | - | 2,556,557 | 591,190 | - | - | 591,190 |
| 255 | ZAFAR IQBAL | B-2, BLOCK# 3,DARUL ISLAM ROAD, TOWNSHIP, TOWNSHIP | 35202-2914926-7 | CH. AMEER ALI | 1,459,674 | 378,833 | - | 1,838,507 | 714,234 | - | - | 714,234 |
| 256 | ALTAF HUSAIN | RAILWAY ROAD WARD -09 CHAH KHOLAY RAILWAY ROAD | 34201-0563615-3 | KHADIM HUSAIN | 778,043 | 391,855 | - | 1,169,898 | 601,750 | - | - | 601,750 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|------------------------------|--|--|---|--|------------------|--------|-------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 257 | ABDUL RASHID | HOUSE # 28-B/1, KHAYABAN-E-BAHRIA, PHASE -7, DHA. | 42201-8240575-5 | ABDUL KARIM LAKHANI | 23,775,433 | 9,118,375 | - | 32,893,808 | 19,875,154 | - | - | 19,875,154 |
| 258 | SHAHAB UD DIN | H # R269 LINES AREA, SECTOR 1-A MA JINNAH ROAD | 42201-2150016-3 | MOIN UDDIN | 2,328,592 | 848,687 | - | 3,177,279 | 1,542,862 | - | - | 1,542,862 |
| 259 | FAYYAZ UL HASSAN | RORAS ROAD NEAR MAKKI MASJID NEW MUBARIK PURA MUBARAK PURA SLK | 34603-7209250-9 | CHUDHARY MUHAMMAD ISHAQ | 2,711,573 | 597,098 | - | 3,308,671 | 1,510,984 | - | - | 1,510,984 |
| 260 | IFTIKHAR SULTAN | 18 2ND FLOOR, NATIONAL BUSINESS CENTRE, SHAMAS ABAD 1-8/4 | 61101-3671428-7 | SULTAN AHMED | 13,974,757 | 883,698 | - | 14,858,456 | 3,374,619 | - | - | 3,374,619 |
| 261 | MANSOOB HASSAN DURANI | H # R-645, BLOCK # 19 F.B. AREA DHA KARACHI | 42101-0368659-9 | MASROOR HASAN KHAN | 1,767,569 | 869,550 | - | 2,637,119 | 1,341,951 | - | - | 1,341,951 |
| 262 | NAEEM MUMTAZ | PLAZA SHOES SAID NAGRI MARKET, JOHAR TOWN | 34101-5033210-5 | MUMTAZ AHMED | 4,542,206 | 1,742,632 | - | 6,284,838 | 3,300,714 | - | - | 3,300,714 |
| 263 | SYED IMRAN ALI SHAH | H NO R-195, BLOCK 15-A/4 BUFFER ZONE | 42101-1914830-7 | SYED RIAST ALI SHAH | 2,833,773 | 681,111 | - | 3,514,884 | 1,560,744 | - | - | 1,560,744 |
| 264 | TABISH AHMER | FLAT # A-109, RUFU HEAVEN 13-D/2, GULSHAN-E-IQBAL GULSHAN-E-IQBAL | 42101-9404446-3 | MOHAMMAD SHIBLI | 1,518,555 | 125,303 | - | 1,643,857 | 640,036 | - | - | 640,036 |
| 265 | MOHSIN ABBAS | HEAD OFFICE 6TH FLOOR MADINA CITY MALL SADDAR DHA KARACHI | 42201-7827248-1 | GHULAM ALI | 13,569,591 | 3,815,699 | - | 17,385,290 | 7,754,042 | - | - | 7,754,042 |
| 266 | JAWED | FLAT # 113, BLOCK -B, RUFU HEAVEN, GULSHAN-E-IQBAL.BLOCK -13-D-2. GULISTAN -E- JOHAR | 42201-0797543-9 | MOHAMMAD | 8,544,164 | 2,333,827 | - | 10,877,991 | 5,735,739 | - | - | 5,735,739 |
| 267 | ABDUL RAUF | HOUSE # A-80, BLOCK 9 YASEENABAD FEDERAL B AREA GULSHAN -E- IQBAL | 42104-1717594-7 | MUHAMMAD HAJI DADO | 1,807,775 | 649,859 | - | 2,457,634 | 1,087,499 | - | - | 1,087,499 |
| 268 | MUHAMMAD AYYUB | B-55-12TH STREET GUSHAN-E-FAISAL CO-OPERATIVE SOCIETY, BATH ISLAND BATH ISLAND | 42301-9716522-5 | NOOR MUHAMMAD | 9,504,698 | 1,156,010 | - | 10,660,708 | 4,503,453 | - | - | 4,503,453 |
| 269 | UMER WAHEED KHAN | H NO 11 ST NO 57 JINNAH ROAD ISLAM PURA LAHORE | 35202-6834611-3 | ABDUL WAHEED KHAN | 868,040 | 25,691 | - | 893,731 | 868,040 | 47,527 | - | 915,567 |
| 270 | MOHAMMAD IQBAL | 101B GULBERG II LAHORE | 35202-4847431-7 | MUHAMMAD SHARIF | 708,274 | - | - | 708,274 | 580,052 | 36,920 | - | 616,972 |
| 271 | CABLES AND CONDUCTOR LIMITED | 37-C/1, FAISAL TOWN, LAHORE. FACTORY ADDRESS: 1.6 KM OFF RAIWAND MANGA ROAD, ROSA, MAUZA BHAIL, DIST. KASUR. | (1) Muhammad Ibrahim Khan, R/o , House 18-D-III, Model Town, Lahore. CNIC. 35202-2050323-3 (2) Muhammad Amir Khan, R/o House No. 335, Street 7, Cavalry Ground, Lahore Cantt, Lahore. CNIC. 35201-2473182-5. (3) Naziran Begum, R/o House. 124-D. Model Town, Lahore. CNIC. 35202-7521331-6 (4) Muhammad Imran Khan, R/o House No. 335, Street 7, Cavalry Ground, Lahore Cantt, Lahore. CNIC. 35201-1370877-1 | (1) MUHAMMAD ISMAIL KHAN (2) MUHAMMAD IBRAHIM KHAN (3) W/O MUHAMMAD IBRAHIN KHAN (4) MUHAMMAD IBRAHIM KHAN | 112,399,438 | 145,648,936 | - | 258,048,374 | 112,399,438 | 149,388,111 | - | 261,787,549 |

Un-Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | Total Balance |
|---------|------------------------------|---|---|--------------------------------------|--|----------------------|--------|---------------|---------------------------------|----------------------|--------|------------------|
| | | | | | Principal | Interest/ Mark up | Others | Total | Principal | Interest/ Mark up | Others | |
| 272 | COTTON ARTS (PVT) LIMITED | REGISTERED OFFICE AT P-18, TIKKA GALI NO. 3, MONTGOMERY BAZAR, FAISALABAD. | (1) Ateeq Ahmad R/o House No. 121-A, Peoples Colony, Faisalabad. 33100- 9241325-1 | (1) SHEIKH MUHAMMAD YAQOOB | 41,146,580 | 17,664,173 | - | 58,810,753 | 1,808,028 | - | - | 1,808,028 |
| | | | (2) Laeeq Ahmad R/o House No. 121-A, Peoples Colony, Faisalabad. 33100- 4364680-7 | (2) SHEIKH MUHAMMAD YAQOOB | | | | | | | | |
| | | | (3) Razia Sultana R/o House No. 121-A, Peoples Colony, Faisalabad. 33100- 7734758-4 | (3) W/O SHEIKH MUHAMMAD YAQOOB | | | | | | | | |
| | | | (4) Nafeez Ahmed R/o House No. 121-A, Peoples Colony, Faisalabad. 33100- 0905950-3 | (4) SHEIKH MUHAMMAD YAQOOB | | | | | | | | |
| | | | | | 906,581,313 | 381,662,455 | - | 1,288,243,768 | 465,953,828 | 346,641,012 | - | 812,594,841 |

Standard Chartered Bank (Pakistan) Limited

**Consolidated
Financial Statements**

For the year ended
31 December 2011



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

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

Auditors' Report to the Members

We have audited the annexed consolidated financial statements of Standard Chartered Bank (Pakistan) Limited ("the Bank") comprising consolidated financial position as at 31 December 2011 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 financial statements are responsibility of the Bank's management. Our responsibility is to express our opinion on these financial statements based on our audit. The financial statements of a subsidiary, Standard Chartered Modaraba for the six months period to 31 December 2011 were reviewed by another firm of chartered accountants, whose report has been furnished to us and our opinion in so far as it relates to the amounts included for the subsidiary, is solely based on the report of other auditor.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements present fairly the consolidated financial position of the Bank as at 31 December 2011 and the consolidated results of its operations, its consolidated cash flows and consolidated changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: March 05, 2012
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Consolidated Statement of Financial Position

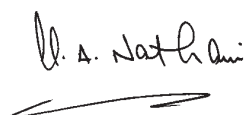
As at 31 December 2011

| | Note | 2011 | 2010 |
|--|------|--------------------|--------------------|
| ----- (Rupees in '000) ----- | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 4 | 26,293,151 | 24,087,885 |
| Balances with other banks | 5 | 3,204,253 | 921,931 |
| Lendings to financial institutions | 6 | 20,205,971 | 30,421,885 |
| Investments | 7 | 104,040,114 | 72,294,275 |
| Advances | 8 | 137,308,880 | 144,721,557 |
| Operating fixed assets | 9 | 6,437,023 | 6,606,225 |
| Intangible assets | 10 | 26,413,335 | 26,681,948 |
| Deferred tax assets | 11 | 2,719,906 | 3,429,115 |
| Other assets | 12 | 37,565,179 | 18,132,579 |
| | | 364,187,812 | 327,297,400 |
| LIABILITIES | | | |
| Bills payable | 13 | 4,576,789 | 5,691,864 |
| Borrowings from financial institutions | 14 | 19,361,864 | 15,914,343 |
| Deposits and other accounts | 15 | 235,874,584 | 220,187,888 |
| Sub-ordinated loans | 16 | 699,200 | 1,135,900 |
| Other liabilities | 17 | 48,016,637 | 32,267,336 |
| | | 308,529,074 | 275,197,331 |
| NET ASSETS | | | |
| | | 55,658,738 | 52,100,069 |
| REPRESENTED BY: | | | |
| Share capital | 18 | 38,715,850 | 38,715,850 |
| Reserves | 19 | 3,879,491 | 2,785,229 |
| Unappropriated profit | | 8,940,420 | 6,838,790 |
| Attributable to equity holders of the bank | | 51,535,761 | 48,339,869 |
| Minority interest | | 799,803 | 787,227 |
| | | 52,335,564 | 49,127,096 |
| Surplus on revaluation of assets - net of deferred tax | 20 | 3,323,174 | 2,972,973 |
| | | 55,658,738 | 52,100,069 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 21 | | |

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Consolidated Profit and Loss Account

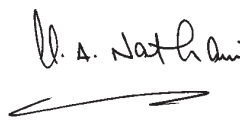
For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|---|------------|---------------------|---------------------|
| ----- (Rupees in '000) ----- | | | |
| Mark-up / return / interest earned | 22 | 32,825,124 | 28,569,842 |
| Mark-up / return / interest expensed | 23 | (11,907,713) | (11,016,266) |
| Net mark-up / return / interest income | | 20,917,411 | 17,553,576 |
| Provision against non-performing loans and advances | 8.4 & 17.4 | (4,420,716) | (3,395,488) |
| Recovery of amounts written off | | 426,956 | 690,035 |
| Provision for diminution in the value of investments | 7.3 | (27,109) | (5,698) |
| Bad debts written off directly | 8.6.1 | (486,608) | (1,648,084) |
| | | (4,507,477) | (4,359,235) |
| Net mark-up / return / interest income after provisions | | 16,409,934 | 13,194,341 |
| NON MARK-UP / NON INTEREST INCOME | | | |
| Fees, commission and brokerage income | | 3,113,571 | 3,455,599 |
| Dividend income | | - | 352 |
| Income from dealing in foreign currencies | | 2,402,852 | 1,733,428 |
| Gain on sale of securities | 24 | 885,562 | 805,608 |
| Unrealized gain on revaluation of investments classified as held for trading | 7.10 | 56,673 | 81,601 |
| Other income | 25 | (266,105) | 117,309 |
| Total non mark-up / non interest income | | 6,192,553 | 6,193,897 |
| | | 22,602,487 | 19,388,238 |
| NON MARK-UP / NON INTEREST EXPENSES | | | |
| Administrative expenses | 26 | (13,408,462) | (12,997,894) |
| Other provisions / asset write-offs | 27 | (399,182) | (455,394) |
| Other charges | 28 | (208,515) | (177,265) |
| Total non mark-up / non interest expenses | | (14,016,159) | (13,630,553) |
| | | 8,586,328 | 5,757,685 |
| Extra-ordinary / unusual items | | - | - |
| PROFIT BEFORE TAXATION | | 8,586,328 | 5,757,685 |
| Taxation - current | | (2,506,776) | (1,194,171) |
| - prior years' | | - | 30,884 |
| - deferred | | (526,411) | (853,543) |
| | 29 | (3,033,187) | (2,016,830) |
| PROFIT AFTER TAXATION | | 5,553,141 | 3,740,855 |
| Attributable to : | | | |
| Equity holders of the bank | | 5,471,308 | 3,664,412 |
| Minority shareholders | | 81,833 | 76,443 |
| | | 5,553,141 | 3,740,855 |
| ----- (Rupees) ----- | | | |
| BASIC / DILUTED EARNINGS PER SHARE | 30 | 1.41 | 0.95 |

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2011

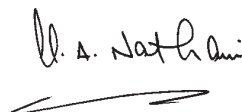
| | 2011 | 2010 |
|---|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Profit for the year | 5,553,141 | 3,740,855 |
| Other comprehensive income: | | |
| Surplus / (deficit) on revaluation of 'Available for Sale' financial assets | (i) - | - |
| Surplus / (deficit) on revaluation of fixed assets | (ii) (20,103) | 2,169 |
| Actuarial gain / (loss) on defined benefit plans | 7,036 | (759) |
| Deferred tax on actuarial gain / (loss) | (13,067) | 1,410 |
| Total comprehensive income for the year | 5,540,074 | 3,742,265 |
| Attributable to: | | |
| Equity holders of the bank | 5,458,241 | 3,665,822 |
| Minority shareholders | 81,833 | 76,443 |
| | 5,540,074 | 3,742,265 |

- (i) Surplus / deficit on revaluation of 'Available for Sale' securities-net of deferred tax is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan vide its BSD circular 20 dated 04 August 2000 and BSD circular 10 dated 13 July 2004.
- (ii) Surplus on revaluation of fixed assets-net of deferred tax is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Consolidated Cash Flow Statement

For the year ended 31 December 2011

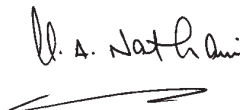
| Note | 2011 | 2010 |
|--|------------------------------|---------------------|
| | ----- (Rupees in '000) ----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 8,586,328 | 5,757,685 |
| Dividend income | - | (352) |
| | 8,586,328 | 5,757,333 |
| Adjustments for: | | |
| Depreciation | 436,488 | 543,915 |
| Amortization | 269,010 | 383,084 |
| Gain on disposal of fixed assets | (7,872) | (10,029) |
| Unrealized gain on revaluation of investments classified as held for trading | (56,673) | (81,601) |
| Other provisions / write offs | 399,182 | 455,394 |
| Provision for diminution in the value of investments | 27,109 | 5,698 |
| Lease rentals expense | - | 2,369 |
| Provision against loans and advances - net of recoveries | 4,480,368 | 4,353,537 |
| | 5,547,612 | 5,652,367 |
| | 14,133,940 | 11,409,700 |
| Decrease / (increase) in operating assets | | |
| Lendings to financial institutions | 10,215,914 | (9,853,821) |
| Held for trading securities | 2,013,808 | (640,772) |
| Advances | 2,932,309 | (19,614,940) |
| Other assets | 706,871 | 1,345,392 |
| | 15,868,902 | (28,764,141) |
| Increase / (decrease) in operating liabilities | | |
| Bills payable | (1,115,075) | 847,226 |
| Borrowings from financial institutions | 3,447,521 | 67,017 |
| Deposits and other accounts | 15,686,696 | 13,272,063 |
| Other liabilities | (700,388) | (4,268,375) |
| | 17,318,754 | 9,917,931 |
| Cash inflow before taxation | 47,321,596 | (7,436,510) |
| Income tax paid | (6,476,546) | (2,281,865) |
| Net cash generated from / (used in) operating activities | 40,845,050 | (9,718,375) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net investments | (33,182,619) | 11,532,215 |
| Dividend income received | - | 352 |
| Net investment in fixed assets (including intangible assets) | (357,349) | (194,364) |
| Sale proceeds on disposal of fixed assets | 8,340 | 13,694 |
| Net cash (used in) / generated from investing activities | (33,531,628) | 11,351,897 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of sub-ordinated Term Finance Certificates | (436,700) | (387,100) |
| Dividend paid | (2,319,877) | - |
| Dividend paid to minority shareholders by the subsidiary | (69,257) | (61,720) |
| Payment of lease obligations | - | (2,369) |
| Net cash used in financing activities | (2,825,834) | (451,189) |
| Increase in cash and cash equivalents for the year | 4,487,588 | 1,182,333 |
| Cash and cash equivalents at beginning of the year | 25,009,816 | 23,827,483 |
| Cash and cash equivalents at end of the year | 29,497,404 | 25,009,816 |

31

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



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



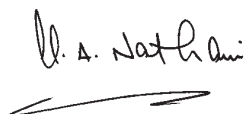
Andrew J. Hardacre
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2011

| | Share Capital | Share Premium | Statutory Reserve | Unappropriated Profit | Total | Minority Interest | Total |
|---|-------------------|------------------|-------------------|-----------------------|-------------------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | | | | | |
| Balance as at 31 December 2009 - restated | 38,715,850 | 1,036,090 | 1,016,257 | 4,049,209 | 44,817,406 | 772,504 | 45,589,910 |
| Total Comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | 3,664,412 | 3,664,412 | 76,443 | 3,740,855 |
| Other Comprehensive income | - | - | - | - | - | - | - |
| Actuarial gain on defined plan - net of tax | - | - | - | 1,410 | 1,410 | - | 1,410 |
| | - | - | - | 3,665,822 | 3,665,822 | 76,443 | 3,742,265 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Share based payment transactions (contribution from holding company) | - | - | - | 47,733 | 47,733 | - | 47,733 |
| Payment against share based payment transactions (to holding company) | - | - | - | (198,638) | (198,638) | - | (198,638) |
| | - | - | - | (150,905) | (150,905) | - | (150,905) |
| Transfer to statutory reserve | - | - | 732,882 | (732,882) | - | - | - |
| Dividend paid to minority shareholders | - | - | - | - | (61,720) | - | (61,720) |
| Transferred from surplus on revaluation of fixed assets - net of deferred tax | - | - | - | 7,546 | 7,546 | - | 7,546 |
| Balance as at 31 December 2010 | 38,715,850 | 1,036,090 | 1,749,139 | 6,838,790 | 48,339,869 | 787,227 | 49,127,096 |
| Total Comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | 5,471,308 | 5,471,308 | 81,833 | 5,553,141 |
| Other Comprehensive income | - | - | - | - | - | - | - |
| Actuarial gain on defined plan - net of tax | - | - | - | (13,067) | (13,067) | - | (13,067) |
| | - | - | - | 5,458,241 | 5,458,241 | 81,833 | 5,540,074 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Share based payment transactions (contribution from holding company) | - | - | - | 95,760 | 95,760 | - | 95,760 |
| Payment against share based payment transactions (to holding company) | - | - | - | (42,588) | (42,588) | - | (42,588) |
| | - | - | - | 53,172 | 53,172 | - | 53,172 |
| Transfer to statutory reserve | - | - | 1,094,262 | (1,094,262) | - | - | - |
| Dividend paid to minority shareholders | - | - | - | - | - | (69,257) | (69,257) |
| Cash dividend (2010) | - | - | - | (2,322,951) | (2,322,951) | - | (2,322,951) |
| Transferred from surplus on revaluation of fixed assets - net of deferred tax | - | - | - | 7,430 | 7,430 | - | 7,430 |
| Balance as at 31 December 2011 | 38,715,850 | 1,036,090 | 2,843,401 | 8,940,420 | 51,535,761 | 799,803 | 52,335,564 |

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


Christos Papadopoulos
Chairman

Mohsin Ali Nathani
Chief Executive

Najam I. Chaudhri
Director

Andrew J. Hardacre
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

1. STATUS AND NATURE OF BUSINESS

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

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 143 (2010: 162) in operation branches in Pakistan at 31 December 2011.

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

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

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

2. BASIS OF PREPARATION

2.1 Basis of presentation

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

2.2 Statement of compliance

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

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

2.3 Basis of measurement

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

2.4 Use of estimates and judgments

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

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

| | |
|---------------|---|
| - Note 8 | Provision against non-performing advances |
| - Note 9 & 10 | Valuation and depreciation rates for fixed assets |
| - Note 10.2 | Goodwill impairment testing |
| - Note 11 | Deferred taxation |
| - Note 21.6 | Derivative instruments |
| - Note 29 | Income taxes |
| - Note 33 | Employees' retirement defined benefit plans |

2.5 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Acquisitions from entities under common control

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

Other acquisitions

Other business combinations are accounted for using the acquisition method. For acquisitions prior to 1 January 2009, the cost of acquisition is measured as the fair value of the asset given, equity instruments issued and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

3.2 Cash and cash equivalents

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

3.3 Investments

The Group classifies its investments as follows:

a) Held for trading

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

b) Held to maturity

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories and are carried at market value. The surplus / deficit arising as a result of revaluation at market value is kept in a separate account below equity.

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

3.4 Sale and repurchase agreements

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

3.5 Advances

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

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

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

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

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

3.6 Operating fixed assets - tangible

Owned

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

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

Gains and losses on disposal of fixed assets are included in profit and loss account currently.

Leased

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

3.7 Intangible assets

Goodwill

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

Computer software

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

Acquired intangibles in business combination

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

3.8 Impairment of non-financial assets

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

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

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

3.9 Staff retirement benefits

Defined benefit plan

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

For defined benefit plans, the liability / asset recognised on the balance sheet is the present value of defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the "Projected Unit Credit Actuarial Cost Method".

Actuarial gains and losses that arise are recognised in other comprehensive income in the period in which they arise. Past service costs are recognised immediately to the extent that benefits are vested and are otherwise recognised over the average period until benefits are vested on a straight line basis. Current service costs and any past service costs together with the expected return on plan assets less the effect of the unwinding of the discount on plan liabilities are charged to operating expenses.

Defined contribution plan

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

3.10 Foreign currency transactions

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

3.11 Taxation

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

Current tax

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

Deferred tax

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

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

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

3.12 Revenue recognition

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

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

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

The Group follows the finance method for recognising income on Ijarah contracts commencing prior to 30 June 2008 and accounted for as finance leases. Under this method the unearned income i.e. the excess of aggregate Ijarah rentals (including residual value) over the cost of the asset under Ijarah facility is deferred and then amortised over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. For Ijarah arrangements commencing on or after 1 July 2008, Ijarah rentals are recognized as income on accrual basis, as and when rentals become due. In case of Ijarah arrangements with staggered rentals, the income is recognised on a straight line basis over the Ijarah term. Documentation charges, front-end fee and other Ijarah income are recognised as income on receipt basis. Unrealized Ijarah income pertaining to non-performing Ijarahs is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations.

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

3.13 Derivative financial instruments

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

3.14 Provisions

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

3.15 Fiduciary activities

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

3.16 Segment reporting

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

3.17 Offsetting

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

3.18 Subordinated liabilities

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

3.19 Non-current assets and disposal groups held for sale

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

3.20 Share-based compensation

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

3.21 New standards and interpretations not yet adopted

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2012:

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Group.
- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Group.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Group.
- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The amendment has no impact on financial statements of the Group.
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard. The amendments have no impact on financial statements of the Group.
- Disclosures – Transfers of Financial Assets (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 July 2011). The amendments introduce new disclosure requirements about transfers of financial assets, including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The amendments have no impact on financial statements of the Group.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments have no impact on financial statements of the Group.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement. The amendments have no impact on financial statements of the Group.
- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Group.

| | Note | 2011 | 2010 |
|--|------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| 4. CASH AND BALANCES WITH TREASURY BANKS | | | |
| In hand | | | |
| - Local currency | 4.1 | 2,410,564 | 2,306,342 |
| - Foreign currencies | | 1,180,606 | 921,596 |
| With State Bank of Pakistan in: | | | |
| - Local currency current account | | 11,432,149 | 10,219,027 |
| - Local currency current account-Islamic Banking | | 779,147 | 557,362 |
| - Foreign currency deposit account | | | |
| Cash reserve account (5% of FE 25) | | 2,518,300 | 2,278,108 |
| Special cash reserve account (15% of FE 25) | | 7,036,227 | 6,827,499 |
| Local US Dollar collection account | | 28,689 | 19,083 |
| With National Bank of Pakistan in: | | | |
| - Local currency current account | | 907,469 | 958,868 |
| | | 26,293,151 | 24,087,885 |

4.1 This includes National Prize Bonds of Rs. 5.148 million (2010: Rs. 4.382 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|-------------------------------------|------|------------------|----------------|
| ----- (Rupees in '000) ----- | | | |
| 5. BALANCES WITH OTHER BANKS | | | |
| In Pakistan | | | |
| - In current accounts | | 10,837 | 23,829 |
| - In fixed accounts | 5.1 | 150,000 | 100,000 |
| Outside Pakistan | | | |
| - In current accounts | 5.2 | 3,043,416 | 798,102 |
| | | 3,204,253 | 921,931 |

5.1 These carry mark up rate of 9.5% per annum (2010: 12.6 % per annum). The balance has been kept to comply with the requirements of the guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) for maintaining the prescribed liquidity against the certificate of musharika issued by Standard Chartered Modaraba.

5.2 This includes balances of Rs.2,986.847 million (2010: Rs. 758.120 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

6. LENDINGS TO FINANCIAL INSTITUTIONS

| | | | |
|--|-----|-------------------|-------------------|
| Call money lendings | | 500,000 | - |
| Repurchase agreement lendings (Reverse Repo) | 6.1 | 9,351,574 | 6,457,638 |
| Placements | 6.2 | 10,354,397 | 23,964,247 |
| | | 20,205,971 | 30,421,885 |

6.1 These carry mark-up at rates ranging from 11.75 percent to 11.85 percent per annum (2010: 12.3 percent to 13.8 percent per annum) payable at maturity, and are due to mature by January 2012. These arrangements are governed under Master Repurchase Agreements.

6.2 This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.15 percent to 0.45 percent per annum (2010: 0.15 percent and 1.22 percent per annum), and are due to mature by January 2012.

| | 2011 | 2010 |
|-----------------------------------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | |
| 6.3 Particulars of lending | | |
| In local currency | 9,851,574 | 6,457,638 |
| In foreign currencies | 10,354,397 | 23,964,247 |
| | 20,205,971 | 30,421,885 |

6.4 Securities held as collateral against lendings to financial institutions

| | 2011 | | | 2010 | | |
|------------------------------|------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|
| | Held by bank | Further given as collateral | Total | Held by bank | Further given as collateral | Total |
| ----- (Rupees in '000) ----- | | | | | | |
| Market Treasury Bills | 9,351,574 | - | 9,351,574 | 5,307,638 | - | 5,307,638 |
| Pakistan Investment Bonds | - | - | - | 1,150,000 | - | 1,150,000 |
| | 9,351,574 | - | 9,351,574 | 6,457,638 | - | 6,457,638 |

6.4.1 The market value of securities held as collateral against lendings to financial institutions amounted to Rs.9,389.849 million (2010: Rs. 6,360.864 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

7. INVESTMENTS

| | Note | 2011 | | | 2010 | | |
|---|------|------------------------------|---------------------|--------------------|-------------------|---------------------|-------------------|
| | | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| 7.1 Investments by type | | ----- (Rupees in '000) ----- | | | | | |
| Held for trading | | | | | | | |
| Market Treasury Bills | | 5,607,171 | - | 5,607,171 | 7,932,763 | - | 7,932,763 |
| Pakistan Investment Bonds | | 473,372 | - | 473,372 | 161,588 | - | 161,588 |
| Available for sale | | | | | | | |
| Market Treasury Bills | 7.6 | 75,300,230 | 1,792,417 | 77,092,647 | 50,600,556 | - | 50,600,556 |
| Pakistan Investment Bonds | 7.6 | 14,908,368 | 18,904 | 14,927,272 | 10,356,924 | 18,958 | 10,375,882 |
| Ordinary shares of listed companies | 7.7 | - | - | - | - | - | - |
| Units / certificates of mutual funds | 7.8 | 1,363 | - | 1,363 | 1,363 | - | 1,363 |
| Ordinary shares of unlisted companies | 7.11 | 86,987 | - | 86,987 | 86,987 | - | 86,987 |
| Sukuk and Ijarah Bonds | 7.9 | 5,925,000 | - | 5,925,000 | 3,625,000 | - | 3,625,000 |
| Held To Maturity | | | | | | | |
| Pakistan Investment Bonds | | 205,615 | - | 205,615 | 280,189 | - | 280,189 |
| Sukuk Bonds | | 60,547 | - | 60,547 | 65,234 | - | 65,234 |
| Investments at amortised cost | | 102,568,653 | 1,811,321 | 104,379,974 | 73,110,604 | 18,958 | 73,129,562 |
| Provision for diminution in the value of investments | 7.3 | (54,450) | - | (54,450) | (27,341) | - | (27,341) |
| Investments (net of provisions) | | 102,514,203 | 1,811,321 | 104,325,524 | 73,083,263 | 18,958 | 73,102,221 |
| Surplus on revaluation of held for trading securities - net | 7.10 | 56,673 | - | 56,673 | 81,601 | - | 81,601 |
| (Deficit) / surplus on revaluation of available for sale securities - net | | (340,713) | (1,370) | (342,083) | (886,826) | (2,721) | (889,547) |
| Total investments at market value | | 102,230,163 | 1,809,951 | 104,040,114 | 72,278,038 | 16,237 | 72,294,275 |

| | Note | 2011 | 2010 |
|--|-------|------------------------------|-------------------|
| | | ----- (Rupees in '000) ----- | |
| 7.2 Investments by segment | | | |
| Federal Government Securities | | | |
| Market Treasury Bills | | 82,699,818 | 58,533,319 |
| Pakistan Investment Bonds | | 15,606,259 | 10,817,659 |
| Fully paid up ordinary shares | | | |
| Unlisted companies | | 86,987 | 86,987 |
| Bonds and Term Finance Certificates | | | |
| Sukuk and Ijarah Bonds | | 5,985,547 | 3,690,234 |
| Other investments (mutual funds) | | 1,363 | 1,363 |
| Total investment at amortised cost | | 104,379,974 | 73,129,562 |
| Provision for diminution in the value of investments | | (54,450) | (27,341) |
| Surplus on revaluation of held for trading securities - net | | 56,673 | 81,601 |
| Deficit on revaluation of available for sale securities - net | | (342,083) | (889,547) |
| Total investments | | 104,040,114 | 72,294,275 |
| 7.3 Particulars of provision for diminution in the value of investments | | | |
| Opening balance | | 27,341 | 21,643 |
| Charge for the year | | 27,109 | 15,688 |
| Reversals | | - | (9,990) |
| Net charge | | 27,109 | 5,698 |
| Closing Balance | 7.3.1 | 54,450 | 27,341 |
| 7.3.1 The details of provision held against investments are as follows: | | | |
| Ordinary shares of unlisted companies - available for sale | | 2,341 | 2,341 |
| Sukuk bonds - held to maturity | | 52,109 | 25,000 |
| | | 54,450 | 27,341 |

Notes to the Consolidated Financial Statements

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7.4 Investments include securities having book value of Rs. 18.904 million (2010: Rs. 18.958 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

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

| Quality of 'Available for Sale' securities | 2011 | | | 2010 | | |
|--|------------------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|
| | Rating | Cost | Market value | Rating | Cost | Market value |
| | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| 7.6 Federal Government Securities | | | | | | |
| Market Treasury Bills | Unrated | 77,092,647 | 77,180,389 | Unrated | 50,600,556 | 50,566,358 |
| Pakistan Investment Bonds | Unrated | 14,927,272 | 14,493,243 | Unrated | 10,375,882 | 9,520,186 |
| | | <u>92,019,919</u> | <u>91,673,632</u> | | <u>60,976,438</u> | <u>60,086,544</u> |

7.7 Particulars of shares held - listed

| 2011 | 2010 | (Number of shares) | Note | 2011 | | | 2010 | | |
|--------|--------|-----------------------------|------|------------------------------|----------|--------------|------------------------------|----------|--------------|
| | | | | Rating | Cost | Market value | Rating | Cost | Market value |
| | | | | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| 7,500 | 7,500 | Sakrand Sugar Mills Limited | | Unrated | - | 17 | Unrated | - | 22 |
| 2,800 | 2,800 | Bawany Sugar Mills Limited | | Unrated | - | 33 | Unrated | - | - |
| 11,000 | 11,000 | Dadabhoy Cement Limited | | Unrated | - | - | Unrated | - | - |
| 4,800 | 4,800 | Khurshid Spinning Mills | | Unrated | - | - | Unrated | - | - |
| 3,500 | 3,500 | Taj Textile Mills Limited | | Unrated | - | - | Unrated | - | - |
| | | | | | <u>-</u> | <u>50</u> | | <u>-</u> | <u>22</u> |

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

7.8 Particulars of units / certificates held in mutual funds

| 2011 | 2010 | (Number of units) | Note | 2011 | | | 2010 | | |
|--------|--------|----------------------------------|------|------------------------------|--------------|--------------|------------------------------|--------------|--------------|
| | | | | Rating | Cost | Market value | Rating | Cost | Market value |
| | | | | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| 17,235 | 17,235 | National Investment (Unit) Trust | | Unrated | 1,363 | 6,850 | Unrated | 1,363 | 1,796 |
| | | | | | <u>1,363</u> | <u>6,850</u> | | <u>1,363</u> | <u>1,796</u> |

7.9 Bonds and Term Finance Certificates

| | | | | | | | |
|---|-------|---------|------------------|------------------|---------|------------------|------------------|
| Wapda Sukuk Bonds | 7.9.1 | Unrated | 300,000 | 287,551 | Unrated | 300,000 | 300,000 |
| Pakistan International Airlines Sukuk Bonds | 7.9.2 | Unrated | 1,325,000 | 1,325,000 | Unrated | 1,325,000 | 1,325,000 |
| GoP Ijarah Sukuk Bonds | 7.9.3 | Unrated | 4,300,000 | 4,311,117 | Unrated | 2,000,000 | 1,999,892 |
| | | | <u>5,925,000</u> | <u>5,923,668</u> | | <u>3,625,000</u> | <u>3,624,892</u> |

7.9.1 Wapda Sukuk Bonds carry mark-up rates of 0.25% below 6 months KIBOR. The principal and profit is payable semi-annually with final maturity in July 2017.

7.9.2 PIA Sukuk bonds carry mark-up rates of 1.75% above 6 months KIBOR. The principal and profit is payable semi-annually with final maturity in October 2012.

7.9.3 Gop Ijarah Sukuk Bonds carry mark-up rates of weighted average yield of 6 months treasury bills. The profit is payable semi-annually with principal redemption at maturity falling due between December 2013 and December 2014 for the various issues held by the Bank.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | | | | 2011 | 2010 | |
|--------------|---|-------------|---|------------------------------|--------------------|----------------|
| 7.10 | Unrealized gain on revaluation of investments classified as held for trading | | | ----- (Rupees in '000) ----- | | |
| | Market Treasury Bills | | | 59,984 | 83,842 | |
| | Pakistan Investment Bonds | | | (3,311) | (2,241) | |
| | | | | <u>56,673</u> | <u>81,601</u> | |
| 7.11 | Particulars of shares held - unlisted | | | | | |
| | 2011 | 2010 | | 2011 | 2010 | |
| | (Number of shares) | | | (Rupees in '000) | | |
| | | | 2011 | 2010 | | |
| | | | Rating | | | |
| | | | | | | |
| | 8,000,000 | 8,000,000 | A/A-1 | A-/A-2 | 83,088 | 83,088 |
| | | | Khushali Bank Limited Ordinary Shares of Rs. 10 each Chief Executive: M. Ghalib Nishtar | | | |
| | 573,769 | 573,769 | Unrated | Unrated | 3,004 | 3,004 |
| | | | Pakistan Export Finance Guarantee Agency Limited Chairman : Mr Muneer Kamal | | | |
| | 8 | 8 | Unrated | Unrated | 895 | 895 |
| | | | Society for Worldwide Interbank Fund Transfer | | | |
| | | | Provision for diminution in the value - note 7.3.1 | | | |
| | | | | | <u>86,987</u> | <u>86,987</u> |
| | | | | | (2,341) | (2,341) |
| | | | | | <u>84,646</u> | <u>84,646</u> |
| 8. | ADVANCES | | | | | |
| | | | | 2011 | 2010 | |
| | | | | ----- (Rupees in '000) ----- | | |
| | Loans, cash credits, running finances, etc. | | | | | |
| | - In Pakistan | | | 137,692,156 | 147,607,997 | |
| | - Outside Pakistan | | | - | - | |
| | | | | <u>137,692,156</u> | <u>147,607,997</u> | |
| | Net investment in Finance Lease / Ijarah Finance | | | | | |
| | - In Pakistan | | | 4,150,183 | 3,161,249 | |
| | - Outside Pakistan | | | - | - | |
| | | | | <u>4,150,183</u> | <u>3,161,249</u> | |
| | Ijarah contracts accounted for under IFAS 2 | | | 3,403,589 | 2,375,742 | |
| | | | | <u>3,403,589</u> | <u>2,375,742</u> | |
| | Bills discounted and purchased (excluding treasury bills) | | | | | |
| | - Payable in Pakistan | | | 6,224,555 | 3,133,517 | |
| | - Payable outside Pakistan | | | 8,183,008 | 7,434,767 | |
| | | | | <u>14,407,563</u> | <u>10,568,284</u> | |
| | Advances - gross | | | 159,653,491 | 163,713,272 | |
| | | | | <u>159,653,491</u> | <u>163,713,272</u> | |
| | Provision for non-performing advances | | | (22,344,611) | (18,991,715) | |
| | Advances - net of provision | | | 137,308,880 | 144,721,557 | |
| | | | | <u>137,308,880</u> | <u>144,721,557</u> | |
| 8.1 | Particulars of advances | | | | | |
| 8.1.1 | In local currency | | | 123,255,913 | 133,591,606 | |
| | In foreign currencies | | | 14,052,967 | 11,129,951 | |
| | | | | <u>137,308,880</u> | <u>144,721,557</u> | |
| 8.1.2 | Short term (for upto one year) | | | 103,308,334 | 97,878,638 | |
| | Long term (for over one year) | | | 34,000,546 | 46,842,919 | |
| | | | | <u>137,308,880</u> | <u>144,721,557</u> | |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

8.2 Net investment in Finance Lease

| | 2011 | | | | 2010 | | | |
|---|-------------------------|---|-----------------|-----------|-------------------------|---|-----------------|-----------|
| | Not later than one year | Later than one and less than five years | Over five years | Total | Not later than one year | Later than one and less than five years | Over five years | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Lease rental receivable | 1,977,681 | 2,111,548 | - | 4,089,229 | 1,682,103 | 1,450,402 | - | 3,132,505 |
| Residual value | 237,904 | 632,453 | - | 870,357 | 240,149 | 398,401 | - | 638,550 |
| Minimum Lease payments | 2,215,585 | 2,744,001 | - | 4,959,586 | 1,922,252 | 1,848,803 | - | 3,771,055 |
| Financial charges for future periods | (475,512) | (333,891) | - | (809,403) | (408,434) | (201,372) | - | (609,806) |
| Present value of minimum lease payments | 1,740,073 | 2,410,110 | - | 4,150,183 | 1,513,818 | 1,647,431 | - | 3,161,249 |

8.3 Ijarah contracts accounted for under IFAS 2

The following is a statement of assets leased out subsequent to 1 July 2008 that have been accounted for under Islamic Financial Accounting Standard 2, 'Ijarah' (IFAS 2):

| | 2011 | | | 2010 | | |
|--------------------------------|-----------|--------------------------|----------------|-----------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Net book value | Cost | Accumulated depreciation | Net book value |
| ----- (Rupees in '000) ----- | | | | | | |
| Tangible | | | | | | |
| Plant, machinery and equipment | 2,468,700 | 795,926 | 1,672,774 | 1,674,770 | 443,421 | 1,231,349 |
| Motor vehicles | 2,508,867 | 778,052 | 1,730,815 | 1,552,034 | 407,641 | 1,144,393 |
| | 4,977,567 | 1,573,978 | 3,403,589 | 3,226,804 | 851,062 | 2,375,742 |

8.4 Advances include Rs. 26,102.557 million (31 December 2010: Rs. 22,581.390 million) which have been placed under non-performing status as detailed below:

| | 2011 | | | | | | | | |
|------------------------------|---------------------|----------|------------|--------------------|----------|------------|----------------|----------|------------|
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| ----- (Rupees in '000) ----- | | | | | | | | | |
| Category of classification | | | | | | | | | |
| OAEM | 4,078 | - | 4,078 | 2,267 | - | 2,267 | 2,267 | - | 2,267 |
| Substandard | 1,713,133 | - | 1,713,133 | 364,979 | - | 364,979 | 364,979 | - | 364,979 |
| Doubtful | 3,317,025 | - | 3,317,025 | 1,526,900 | - | 1,526,900 | 1,526,900 | - | 1,526,900 |
| Loss | 21,068,321 | - | 21,068,321 | 19,808,971 | - | 19,808,971 | 19,808,971 | - | 19,808,971 |
| | 26,102,557 | - | 26,102,557 | 21,703,117 | - | 21,703,117 | 21,703,117 | - | 21,703,117 |
| General provision | - | - | - | 641,494 | - | 641,494 | 641,494 | - | 641,494 |
| | 26,102,557 | - | 26,102,557 | 22,344,611 | - | 22,344,611 | 22,344,611 | - | 22,344,611 |
| ----- (Rupees in '000) ----- | | | | | | | | | |
| | 2010 | | | | | | | | |
| | Classified Advances | | | Provision Required | | | Provision Held | | |
| | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| ----- (Rupees in '000) ----- | | | | | | | | | |
| OAEM | 58,301 | - | 58,301 | 15,922 | - | 15,922 | 15,922 | - | 15,922 |
| Substandard | 2,139,758 | - | 2,139,758 | 391,950 | - | 391,950 | 391,950 | - | 391,950 |
| Doubtful | 2,166,314 | - | 2,166,314 | 1,013,765 | - | 1,013,765 | 1,013,765 | - | 1,013,765 |
| Loss | 18,217,017 | - | 18,217,017 | 16,902,482 | - | 16,902,482 | 16,902,482 | - | 16,902,482 |
| | 22,581,390 | - | 22,581,390 | 18,324,119 | - | 18,324,119 | 18,324,119 | - | 18,324,119 |
| General provision | - | - | - | 667,596 | - | 667,596 | 667,596 | - | 667,596 |
| | 22,581,390 | - | 22,581,390 | 18,991,715 | - | 18,991,715 | 18,991,715 | - | 18,991,715 |

At 31 December 2011, the provision requirement has been reduced by Rs. 1,378.368 million (31 December 2010: Rs. 1,334.357 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the requirements of State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 1 dated 21 October 2011. Had the said benefit been taken in accordance with the requirements of PR and previous SBP Circular 10 dated 20 October 2009, profit for the year before taxation would have been lower by Rs. 161.426 million. Increase in accumulated profits amounting to Rs. 895.939 million due to the said FSV benefit is not available for distribution of cash and stock dividend.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

8.5 Particulars of provision against non-performing advances:

| | 2011 | | | 2010 | | |
|---------------------|------------------------------|-----------|-------------|-------------|-------------|-------------|
| | Specific | General | Total | Specific | General | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Opening balance | 18,324,119 | 667,596 | 18,991,715 | 15,864,857 | 1,307,010 | 17,171,867 |
| Charge for the year | 5,673,214 | 223,633 | 5,896,848 | 8,246,716 | 1,250,375 | 9,497,091 |
| Reversals | (1,265,292) | (249,735) | (1,515,028) | (4,208,761) | (1,889,789) | (6,098,550) |
| | 4,407,922 | (26,102) | 4,381,820 | 4,037,955 | (639,414) | 3,398,541 |
| Amounts written off | (868,917) | - | (868,917) | (1,342,030) | - | (1,342,030) |
| Other movements | (160,007) | - | (160,007) | (236,663) | - | (236,663) |
| Closing balance | 21,703,117 | 641,494 | 22,344,611 | 18,324,119 | 667,596 | 18,991,715 |

8.6 Particulars of write offs

8.6.1 Against provisions Charged and written off during the year

8.6.2 Write-offs of Rs. 500,000 and above Write-offs of below Rs. 500,000

| | 2011 | 2010 |
|--|------------------------------|-----------|
| | ----- (Rupees in '000) ----- | |
| | 868,917 | 1,342,030 |
| | 486,608 | 1,648,084 |
| | 1,355,525 | 2,990,114 |
| | 465,954 | 1,776,062 |
| | 889,571 | 1,214,052 |
| | 1,355,525 | 2,990,114 |

8.7 Details of loans written-off of Rs. 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2011 is given in Annexure 1.

8.8 Particulars of loans and advances to directors, associated companies, etc.

(i) Debts due by directors, executives or officers of the Group or any of them either severally or jointly with any other persons

Balance at beginning of the year
Loans granted during the year
Repayments
Balance at end of the year

| | 2011 | 2010 |
|--|------------------------------|-----------|
| | ----- (Rupees in '000) ----- | |
| | 2,945,343 | 2,782,731 |
| | 1,184,199 | 975,162 |
| | (1,854,938) | (812,550) |
| | 2,274,604 | 2,945,343 |

(ii) Debts due by companies or firms in which the directors of the Group are interested as directors, partners or in the case of private companies as members

Balance at beginning of the year
Loans granted during the year
Repayments
Balance at end of the year

| | | |
|--|---|---|
| | - | - |
| | - | - |
| | - | - |
| | - | - |

(iii) Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties

Balance at beginning of the year
Loans granted during the year
Repayments
Balance at end of the year

| | | |
|--|----------|-----------|
| | 117,187 | 130,470 |
| | 103,180 | 102,087 |
| | (93,630) | (115,370) |
| | 126,737 | 117,187 |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

8.9 Contractual rentals receivable- Ijarah contracts commencing 1 July 2010

| | 2011 | | | | 2010 | | | |
|---|------------------------------|---|-----------------------|------------------|-------------------------|---|-----------------------|------------------|
| | Not later than one year | Later than one and less than five years | Later than five years | Total | Not later than one year | Later than one and less than five years | Later than five years | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Rentals receivable | 1,527,807 | 2,520,234 | 788 | 4,048,829 | 512,961 | 2,255,476 | 220 | 2,768,657 |
| Residual value | 64,128 | 525,980 | - | 590,108 | 11,775 | 343,721 | - | 355,496 |
| Total future Ijarah payments receivable | <u>1,591,935</u> | <u>3,046,214</u> | <u>788</u> | <u>4,638,937</u> | <u>524,736</u> | <u>2,599,197</u> | <u>220</u> | <u>3,124,153</u> |

9. OPERATING FIXED ASSETS

| | Note | 2011 | 2010 |
|--|------|------------------------------|------------------|
| | | ----- (Rupees in '000) ----- | |
| Capital work-in-progress | 9.1 | 82,438 | 9,059 |
| Property and equipment | 9.2 | 6,354,585 | 6,597,166 |
| | | <u>6,437,023</u> | <u>6,606,225</u> |
| 9.1 Capital work-in-progress | | | |
| Civil works | | 3,815 | 2,387 |
| Advance payment towards property and equipment | | 77,890 | 6,252 |
| Consultants' fee and other charges | | 733 | 420 |
| | | <u>82,438</u> | <u>9,059</u> |

9.2 Property and equipment

| | 2011 | | | | |
|-----------------------------|-------------------------------------|--------------------------|--|---------------|-------------------|
| | Land and buildings on freehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | ----- (Rupees in '000) ----- | | | | |
| Cost / Valuations | | | | | |
| At 1 January 2011 | 5,402,148 | 1,392,223 | 3,251,365 | 69,627 | 10,115,363 |
| Additions during the year | 16,386 | 9,966 | 254,215 | 3,006 | 283,573 |
| Transfers / write offs | - | (121,540) | (23,881) | - | (145,421) |
| Deletions | - | - | (39,889) | (5,283) | (45,172) |
| At 31 December 2011 | <u>5,418,534</u> | <u>1,280,649</u> | <u>3,441,810</u> | <u>67,350</u> | <u>10,208,343</u> |
| Depreciation | | | | | |
| At 1 January 2011 | 97,956 | 602,139 | 2,755,999 | 62,103 | 3,518,197 |
| Charge for the year | 99,145 | 74,191 | 257,987 | 5,165 | 436,488 |
| Transfers / write offs | - | (34,938) | (21,285) | - | (56,223) |
| Deletions | - | - | (39,788) | (4,916) | (44,704) |
| At 31 December 2011 | <u>197,101</u> | <u>641,392</u> | <u>2,952,913</u> | <u>62,352</u> | <u>3,853,758</u> |
| Net book value | <u>5,221,433</u> | <u>639,257</u> | <u>488,897</u> | <u>4,998</u> | <u>6,354,585</u> |
| Rate of depreciation | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

| | 2010 | | | | |
|-----------------------------|-------------------------------------|--------------------------|--|---------------|-------------------|
| | Land and buildings on freehold land | Leased hold improvements | Furniture, fixtures and office equipment | Vehicles | Total |
| | ----- (Rupees in '000) ----- | | | | |
| Cost / Valuations | | | | | |
| At 1 January 2010 | 5,315,577 | 1,389,895 | 3,406,663 | 81,375 | 10,193,510 |
| Additions during the year | 82,010 | 24,936 | 107,345 | 503 | 214,794 |
| Transfers / write offs | 4,561 | (17,888) | (197,797) | - | (211,124) |
| Deletions | - | (4,720) | (64,846) | (12,251) | (81,817) |
| At 31 December 2010 | <u>5,402,148</u> | <u>1,392,223</u> | <u>3,251,365</u> | <u>69,627</u> | <u>10,115,363</u> |
| Depreciation | | | | | |
| At 1 January 2010 | - | 541,294 | 2,665,450 | 51,200 | 3,257,944 |
| Charge for the year | 95,349 | 77,473 | 349,686 | 21,407 | 543,915 |
| Transfers / write offs | 2,607 | (12,856) | (195,261) | - | (205,510) |
| Deletions | - | (3,772) | (63,876) | (10,504) | (78,152) |
| At 31 December 2010 | <u>97,956</u> | <u>602,139</u> | <u>2,755,999</u> | <u>62,103</u> | <u>3,518,197</u> |
| Net book value | <u>5,304,192</u> | <u>790,084</u> | <u>495,366</u> | <u>7,524</u> | <u>6,597,166</u> |
| Rate of depreciation | 6.67% | 6.67%-10% | 14.28% - 33.33% | 33.33% | |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

- 9.3** The Bank's owned land and buildings were revalued by an independent accredited professional valuer, Iqbal A. Nanjee & Co. (Private) Limited. The valuation performed by the valuer was based on active market prices, adjusted for any difference in the nature, location or condition of the specific land and building. The date of revaluation was 31 December 2009. The revaluation resulted in a net surplus of Rs. 3,599.739 million over the book value. If the owned land and buildings were measured using the cost model, the carrying amounts would have been as follows:

| | 2011 | 2010 |
|--------------------------|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Cost | 2,268,407 | 2,252,021 |
| Accumulated depreciation | (623,673) | (535,959) |
| Carrying amount | 1,644,734 | 1,716,062 |

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

- 9.4** As at 31 December 2011, the cost of fully depreciated property and equipment still in use amounted to Rs. 2,848.861 million (2010: Rs. 2,518.206 million).

- 9.5** Depreciation rates for furniture, fixtures and office equipment are as follows:

| | | |
|------------------------|-------|---------|
| Furniture and fixtures | 33.33 | percent |
| Printers | 33.33 | percent |
| Other office equipment | 20 | percent |
| Computer equipment | 33.33 | percent |
| ATM machines | 14.28 | percent |

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

| Particulars | Cost | Accumulated depreciation | Book value | Sale Proceeds | Gain / (Loss) on Sale | Mode of Disposal | Particulars of Purchaser |
|--|------------------------------|--------------------------|------------|---------------|-----------------------|------------------------|-----------------------------------|
| | ----- (Rupees in '000) ----- | | | | | | |
| Furniture, fixtures and office equipment | 14,781 | 14,781 | - | 2,012 | 2,012 | Tender | M/S Ilyas Hussain Soomro |
| | 2,627 | 2,578 | 49 | 88 | 39 | Tender | M/S Muhammad Hashim & Sons |
| | 8,086 | 8,086 | - | 1,722 | 1,722 | Tender | M/S National Traders |
| | 3,575 | 3,575 | - | 57 | 57 | Tender | M/S Aslam Soomro |
| | 3,406 | 3,406 | - | 898 | 898 | Tender | M/S National Traders |
| | 1,269 | 1,269 | - | 173 | 173 | Tender | M/S Mohammad Ibrahim Osman Soomro |
| | 1,122 | 1,122 | - | 339 | 339 | Tender | M/S Farhan & Company |
| Vehicles | 1,126 | 802 | 324 | 513 | 189 | Employee Service Rules | Salman Dogar |
| | 35,992 | 35,619 | 373 | 5,802 | 5,429 | | |
| Items having book value of less than Rs. 250,000 and cost of less than Rs. 1,000,000 | | | | | | | |
| Furniture, fixtures and office equipment | 5,023 | 4,971 | 52 | 757 | 705 | | |
| Vehicles | 4,157 | 4,114 | 43 | 1,781 | 1,738 | | |
| | 45,172 | 44,704 | 468 | 8,340 | 7,872 | | |

10. INTANGIBLE ASSETS

| | 2011 | | | | | |
|-----------------------------|------------------------------|--------------------------|-----------------------------------|----------------|-------------------|-------------------|
| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Cost | | | | | | |
| At 1 January 2011 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 341,308 | 29,583,111 |
| Additions during the year | - | - | - | - | 397 | 397 |
| At 31 December 2011 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 341,705 | 29,583,508 |
| Depreciation | | | | | | |
| At 1 January 2011 | - | 1,761,348 | 681,430 | 168,933 | 289,452 | 2,901,163 |
| Charge for the year | - | 162,924 | 39,350 | 38,932 | 27,804 | 269,010 |
| Deletions/ write offs | - | - | - | - | - | - |
| At 31 December 2011 | - | 1,924,272 | 720,780 | 207,865 | 317,256 | 3,170,173 |
| Net book value | 26,095,310 | 58,141 | 53,900 | 181,535 | 24,449 | 26,413,335 |
| Rate of amortisation | | | | | 20% | |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | 2010 | | | | | Total |
|-----------------------------|------------------------------|--------------------------|-----------------------------------|----------------|-------------------|-------------------|
| | Goodwill | Core deposits intangible | Customer relationships intangible | Brand names | Computer Software | |
| Cost | ----- (Rupees in '000) ----- | | | | | |
| At 1 January 2010 | 26,095,310 | 1,982,413 | 774,680 | 389,400 | 302,448 | 29,544,251 |
| Additions during the year | - | - | - | - | 38,860 | 38,860 |
| Transfers / write offs | - | - | - | - | - | - |
| At 31 December 2010 | <u>26,095,310</u> | <u>1,982,413</u> | <u>774,680</u> | <u>389,400</u> | <u>341,308</u> | <u>29,583,111</u> |
| Depreciation | | | | | | |
| At 1 January 2010 | - | 1,521,572 | 609,335 | 129,998 | 257,174 | 2,518,079 |
| Charge for the year | - | 239,776 | 72,095 | 38,935 | 32,278 | 383,084 |
| Transfers / write offs | - | - | - | - | - | - |
| At 31 December 2010 | <u>-</u> | <u>1,761,348</u> | <u>681,430</u> | <u>168,933</u> | <u>289,452</u> | <u>2,901,163</u> |
| Net book value | <u>26,095,310</u> | <u>221,065</u> | <u>93,250</u> | <u>220,467</u> | <u>51,856</u> | <u>26,681,948</u> |
| Rate of amortisation | | | | | 20% | |

10.1 As at 31 December 2011, the gross carrying amount of fully amortised intangible assets (computer software) still in use amounted to Rs. 240.381 million (2010: Rs. 204.529 million).

10.2 The recoverable amount for the purpose of assessing impairment on goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the 2012 budget and forecasts for subsequent three years as approved by management. These have then been extrapolated for a further period of 16 years using a steady long term forecast GDP growth rate and a terminal value determined based on a long term earnings multiple. The cash flows are discounted using a pre-tax discount rate which reflects the current market rate appropriate for the business. For the calculation as at 31 December 2011, the Bank has used a long term forecast GDP growth rate of 4.8 percent and a discount rate of 30.6 percent. The management believes that any reasonable possible changes to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount.

11. DEFERRED TAX ASSETS

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

| | 2011 | | | At 31 December 2011 |
|--|------------------------------|--------------------------------------|---|---------------------|
| | At 1 January 2011 | (Charge) / credit to profit and loss | Debit/ (credit) to equity/ other comprehensive income | |
| | ----- (Rupees in '000) ----- | | | |
| Available for sale investments | 311,501 | - | (189,834) | 121,667 |
| Provisions for loans and advances | 6,315,534 | 277,220 | - | 6,592,754 |
| Other assets | (42,328) | (35,541) | - | (77,869) |
| Fixed assets | (317,102) | 36,712 | - | (280,390) |
| Surplus on revaluation of fixed assets | (37,110) | 4,001 | - | (33,109) |
| Goodwill | (2,777,999) | (808,803) | - | (3,586,802) |
| Actuarial gains on retirement benefits | (23,381) | - | 7,036 | (16,345) |
| | <u>3,429,115</u> | <u>(526,411)</u> | <u>(182,798)</u> | <u>2,719,906</u> |

| | 2010 | | | At 31 December 2010 |
|--|------------------------------|--------------------------------------|---|---------------------|
| | At 1 January 2011 | (Charge) / credit to profit and loss | Debit/ (credit) to equity/ other comprehensive income | |
| | ----- (Rupees in '000) ----- | | | |
| Available for sale investments | 257,537 | - | 53,964 | 311,501 |
| Provisions for loans and advances | 6,424,738 | (109,204) | - | 6,315,534 |
| Other assets | (4,654) | (37,674) | - | (42,328) |
| Fixed assets | (376,819) | 59,717 | - | (317,102) |
| Surplus on revaluation of fixed assets | (41,173) | 4,063 | - | (37,110) |
| Goodwill | (2,007,554) | (770,445) | - | (2,777,999) |
| Actuarial gains on retirement benefits | (22,622) | - | (759) | (23,381) |
| | <u>4,229,453</u> | <u>(853,543)</u> | <u>53,205</u> | <u>3,429,115</u> |

11.1 The Finance Act, 2010 amended the Seventh Schedule to the Income Tax Ordinance, 2001 whereby the limit for claiming provisions for advances and off balance sheet items in respect of Consumer and SME advances has been enhanced from 1% to 5% of gross Consumer and SME advances. In case of Corporate advances, the limit continues to be 1% of gross Corporate advances.

Notes to the Consolidated Financial Statements

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The management carried out an exercise and based on that concluded that the Bank would achieve a deduction for provisions in excess of the limits prescribed by the Income Tax Ordinance, 2001 in future years. Accordingly, deferred tax asset of Rs. 2,353 million has been recognised on such provisions for income years 2009 upto 2011.

The Seventh Schedule has been further amended through Finance Act, 2010 by introducing transitional provisions, whereby amounts provided for against irrecoverable or doubtful advances in tax year 2008 (income year 2007) and prior years, would be allowed in the tax year in which these advances are actually written off.

The management considers that the amendment made vide Finance Act, 2009 in respect of provisions for bad debts being allowed at 1% of total advances is applicable for tax year 2010 (income year 2009), whereas for tax year 2009 (income year 2008), the provision for bad debts would continue to be allowed under the Seventh Schedule at the time of actual write-off.

The deferred tax asset recognized upto December 31, 2008 relating to provisions for advances and off balance sheet items amounting to Rs. 4,240 million has been carried forward.

| | Note | 2011 | 2010 |
|---|------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| 12. OTHER ASSETS | | | |
| Income / mark-up accrued in local currency | | 2,455,422 | 4,241,880 |
| Income / mark-up accrued in foreign currencies | | 40,329 | 199,291 |
| Advances, deposits, advance rent and other prepayments | | 918,547 | 887,490 |
| Receivable from defined benefit plans | | (222) | 18,915 |
| Advance taxation (payments less provisions) | | 7,541,634 | 3,571,864 |
| Branch adjustment account | | 314,373 | 329,739 |
| Unrealized gain on forward foreign exchange contracts | | 613,650 | 407,072 |
| Interest rate derivatives and currency option | | | |
| - positive fair value | | 2,408,980 | 2,985,800 |
| Receivable from SBP / Government of Pakistan | | 327,749 | 56,539 |
| Receivable from associated undertakings | | 44,270 | 4,437 |
| Receivable from Standard Chartered Bank, Sri Lanka operations | | 137,408 | 124,847 |
| Non-banking assets acquired in satisfaction of claims | 12.2 | 783,940 | 65,555 |
| Advances against future Murabaha | | 564,616 | - |
| Advance Federal Excise Duty | | 100,000 | - |
| Tax compensation under section 102 of the Income Tax Ordinance | | - | 116,333 |
| Bank acceptances | 12.3 | 21,542,782 | 5,042,995 |
| Others | | 338,040 | 390,362 |
| | | 38,131,518 | 18,443,119 |
| Provision against other assets | 12.1 | (566,339) | (310,540) |
| | | 37,565,179 | 18,132,579 |
| 12.1 Provision against other assets | | | |
| Opening balance | | 310,540 | 215,051 |
| Charge for the year | | 255,799 | 96,726 |
| Reversal for the year | | - | (1,237) |
| Closing balance | | 566,339 | 310,540 |
| 12.2 Market value of non-banking assets acquired in satisfaction of claims amounted to Rs. 475.439 million at 31 December 2011 (2010: Rs. 91.983 million). Accordingly, the differential between carrying amount and market value has been provided. | | | |
| 12.3 Included in these acceptances is Rs. 2,605.560 million (2010: Rs. 1,600 million) which have been further discounted by the Bank. | | | |
| 13. BILLS PAYABLE | | | |
| In Pakistan | | 4,377,080 | 5,468,828 |
| Outside Pakistan | | 199,709 | 223,036 |
| | | 4,576,789 | 5,691,864 |
| 14. BORROWINGS FROM FINANCIAL INSTITUTIONS | | | |
| In Pakistan | | 19,360,413 | 14,280,581 |
| Outside Pakistan | | 1,451 | 1,633,762 |
| | | 19,361,864 | 15,914,343 |
| 14.1 Particulars of borrowings with respect to currencies | | | |
| In local currency | | 19,360,413 | 14,280,581 |
| In foreign currencies | | 1,451 | 1,633,762 |
| | | 19,361,864 | 15,914,343 |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

14.2 Details of borrowings secured / unsecured

| | Note | 2011 | 2010 |
|--|--------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| Secured | | | |
| Borrowings from State Bank of Pakistan under | | | |
| Export Refinance (ERF) scheme | 14.2.1 | 15,261,066 | 12,875,118 |
| Repurchase agreement borrowings (Repo) | 14.2.2 | 1,792,417 | - |
| State Bank of Pakistan - LTFF | 14.2.3 | 2,163,538 | 1,369,379 |
| State Bank of Pakistan - LTF | | | |
| - Export Oriented Projects | 14.2.4 | 21,028 | 31,116 |
| | | 19,238,049 | 14,275,613 |
| Unsecured | | | |
| Call borrowings | | 100,000 | - |
| Overdrawn nostro accounts | 14.2.5 | 23,815 | 1,638,730 |
| | | 19,361,864 | 15,914,343 |

14.2.1 Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged at 10.2 percent to 11 percent (2010: 8.5 percent to 9 percent) per annum. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs.1.923 billion (2010: 805 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

14.2.2 Repurchase agreement borrowings carry mark-up rates ranging from 11.65 percent to 11.85 percent (2010: Nil percent) per annum payable at maturity and are due to mature by January 2012.

14.2.3 Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan is charged at rates ranging from 8.5 percent to 12.6 percent (2010: 7 percent to 9.5 percent) per annum. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.

14.2.4 Mark-up on Long Term Finance for Export Oriented Projects (EOP) from State Bank of Pakistan is charged at 6.5 percent to 7 percent (2010:5 percent) per annum. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.

14.2.5 These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Nil (2010: Rs. 1,633.622 million).

| | Note | 2011 | 2010 |
|--|------|--------------------|--------------------|
| ----- (Rupees in '000) ----- | | | |
| 15. DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| - Fixed deposits | | 37,616,096 | 45,968,703 |
| - Savings deposits | | 103,552,834 | 90,327,218 |
| - Current accounts (non-remunerative) | | 92,865,197 | 81,549,312 |
| - Margin accounts | | 559,710 | 951,052 |
| - Special exporters' account | | 540,657 | 930,283 |
| | | 235,134,494 | 219,726,568 |
| Financial Institutions | | | |
| - Non-remunerative deposits | 15.1 | 740,090 | 461,320 |
| | | 235,874,584 | 220,187,888 |

15.1 This includes Rs.216.542 million (2010: Rs. 93.610 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

| | Note | 2011 | 2010 |
|-------------------------------------|------|--------------------|--------------------|
| ----- (Rupees in '000) ----- | | | |
| 15.2 Particulars of deposits | | | |
| In local currency | | 189,908,994 | 173,920,348 |
| In foreign currencies | | 45,965,590 | 46,267,540 |
| | | 235,874,584 | 220,187,888 |
| 16. SUB-ORDINATED LOANS | | | |
| Term Finance Certificates issued | 16.1 | 699,200 | 1,135,900 |

Notes to the Consolidated Financial Statements

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- 16.1** The Bank issued subordinated Term Finance Certificates in three issues. The first and second issues of Rs. 750 million each was fully repaid during the year 2008 and 2011 respectively. The outstanding third issue of Rs. 1,000 million is unsecured and is subordinated to the depositors and other creditors of the Bank, and carry the following terms:

| | |
|---------------|---|
| Year of Issue | Third Issue 2005 |
| Rating | AAA |
| Rate | 2.00% above the six months Karachi Inter-Bank Offered Rate ("KIBOR") prevailing one working day prior to the beginning of each semi annual period |
| Floor | - |
| Ceiling | - |
| Repayment | 7 years |

| 17. OTHER LIABILITIES | Note | 2011 | 2010 |
|---|------|------------------------------|-------------------|
| | | ----- (Rupees in '000) ----- | |
| Mark-up / return / interest payable in local currency | | 1,396,814 | 2,334,863 |
| Mark-up / return / interest payable in foreign currencies | | - | 2,453 |
| Musharika and accrued profit thereon | 17.1 | 103,202 | 60,544 |
| Certificates of Musharika | 17.2 | 2,747,432 | 1,980,022 |
| Accrued expenses | | 2,161,440 | 1,965,165 |
| Advance payments | | 108,249 | 158,759 |
| Sundry creditors | | 757,468 | 847,214 |
| Unrealized loss on forward foreign exchange contracts | | 473,575 | 876,589 |
| Unrealized loss on interest rate derivatives and currency options | | 8,413,722 | 10,654,614 |
| Due to Holding Company | 17.3 | 4,568,330 | 4,867,708 |
| Dividend payable | | 3,074 | - |
| Unclaimed balances | | 1,120,420 | 78,871 |
| Provision against off balance sheet obligations | 17.4 | 122,361 | 83,465 |
| Worker's Welfare Fund (WWF) payable | | 287,712 | 112,836 |
| Short sell - Treasury Bills / Pakistan Investment Bonds | | - | 660,074 |
| Bank acceptances | 12.3 | 21,542,782 | 5,042,995 |
| Security Deposits | | 1,306,686 | 820,382 |
| Certificates of Investment | | 2,305,809 | 1,300,602 |
| Unsettled trades | | 49,857 | 47,046 |
| Others | | 547,704 | 373,134 |
| | | 48,016,637 | 32,267,336 |

- 17.1** The estimated share of profit payable on participatory and unsecured Musharika facilities ranges from 13.87% to 14.50% per annum.
- 17.2** The estimated share of profit payable on participatory and unsecured Musharika facilities ranges from 7.25% to 15.5% per annum and are due to mature by May 2014.

| 17.3 Due to Holding Company | 2011 | 2010 |
|--|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| On account of reimbursement of executive and general administrative expenses | 3,876,742 | 4,158,379 |
| Others | 691,588 | 709,329 |
| | 4,568,330 | 4,867,708 |
| 17.4 Provision against off-balance sheet obligations | | |
| Opening balance | 83,465 | 86,518 |
| Charge / (reversal) for the year | 38,896 | (3,053) |
| Closing balance | 122,361 | 83,465 |

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| 18. SHARE CAPITAL | Note | 2011 | 2010 |
|---|------|------------------------------|-------------------|
| | | ----- (Rupees in '000) ----- | |
| 18.1 Authorized | | | |
| 2011 2010 (Number of shares) | | | |
| <u>4,000,000,000</u> | | <u>40,000,000</u> | <u>40,000,000</u> |
| 4,000,000,000 | | | |
| Ordinary shares of Rs.10 each | | | |
| 18.2 Issued, subscribed and paid-up | | | |
| 2,939,785,018 | | 29,397,850 | 29,397,850 |
| 2,939,785,018 | | | |
| Ordinary shares of Rs. 10 each Fully paid in cash | | | |
| 931,800,003 | | 9,318,000 | 9,318,000 |
| 931,800,003 | | | |
| Issued in terms of scheme of amalgamation | 18.3 | <u>38,715,850</u> | <u>38,715,850</u> |
| <u>3,871,585,021</u> | | | |
| 3,871,585,021 | | | |
| 18.3 These represent 892,554,151 shares of Rs 10 each issued and allotted at par to Standard Chartered Bank, United Kingdom against transfer of entire undertaking of SCB Branch Business by SCB to the Bank, and 39,245,852 shares issued and allotted at par credited as fully paid up to persons who were registered shareholders of Union Bank. These shares have been issued in accordance with the scheme of amalgamation duly approved by State Bank of Pakistan on 4 December 2006. | | | |
| 18.4 At 31 December 2011, Standard Chartered Bank, United Kingdom, held 98.99% shares of the Bank. | | | |
| 19. Reserves | Note | 2011 | 2010 |
| | | ----- (Rupees in '000) ----- | |
| Share premium | 19.1 | 1,036,090 | 1,036,090 |
| Statutory reserve | 19.2 | 2,843,401 | 1,749,139 |
| | | <u>3,879,491</u> | <u>2,785,229</u> |
| 19.1 This represents excess of fair value of the shares over par value of shares issued to registered shareholders of Union Bank in terms of the amalgamation scheme. | | | |
| 19.2 In accordance with the Banking Companies Ordinance, 1962, the Bank is required to transfer twenty percent of its profit of each year to a reserve fund until the amount in such fund equals the paid-up capital of the Bank. | | | |
| 19.3 The Board of Directors in its meeting held on March 5, 2012 has announced a final cash dividend of 10% (Re. 1/- per share) in respect of the year ended December 31, 2011 (2010: Rs. 0.6 per share). These financial statements for the year ended December 31, 2011 do not include the effect of these appropriations which will be accounted for subsequent to the year end. | | | |
| 20. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF DEFERRED TAX | Note | 2011 | 2010 |
| | | ----- (Rupees in '000) ----- | |
| Surplus / (deficit) arising on revaluation of: | | | |
| Fixed assets | 20.1 | 3,543,590 | 3,551,020 |
| Securities | 20.2 | (220,416) | (578,047) |
| | | <u>3,323,174</u> | <u>2,972,973</u> |
| 20.1 Surplus on revaluation of fixed assets | | | |
| Surplus on revaluation of fixed assets as at 1 January | | 3,588,130 | 3,599,739 |
| Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax | | (7,430) | (7,546) |
| Related deferred tax liability | | (4,001) | (4,063) |
| | | <u>(11,431)</u> | <u>(11,609)</u> |
| Surplus on revaluation of fixed assets as at 31 December - gross | | 3,576,699 | 3,588,130 |
| Less: Related deferred tax liability on: | | | |
| - Revaluation surplus as at 1 January | | (37,110) | (41,173) |
| - Revaluation surplus recorded during the year | | - | - |
| - Incremental depreciation charged during the year transferred to profit and loss account | | 4,001 | 4,063 |
| | | <u>(33,109)</u> | <u>(37,110)</u> |
| Surplus on revaluation of fixed assets as at 31 December - net of tax | | <u>3,543,590</u> | <u>3,551,020</u> |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|---|--------|------------|------------|
| ----- (Rupees in '000) ----- | | | |
| 20.2 Surplus / (deficit) on revaluation of Available for Sale securities | | | |
| Market Treasury Bills | | 87,742 | (34,198) |
| Pakistan Investment Bonds | | (434,030) | (855,696) |
| Sukuk and Ijarah Bonds | | (1,332) | (108) |
| Listed shares and units of mutual funds | | 5,537 | 455 |
| | | (342,083) | (889,547) |
| Related deferred tax asset | | 121,667 | 311,500 |
| | | (220,416) | (578,047) |
| 21. CONTINGENCIES AND COMMITMENTS | | | |
| 21.1 Transaction-related contingent liabilities | | | |
| Guarantees issued favouring: | 21.1.1 | | |
| - Government | | 35,465,770 | 30,962,886 |
| - Others | | 25,987,687 | 16,542,077 |
| 21.1.1 Guarantees relating to Islamic Banking Business amount to Rs 2,025 million (2010: Rs 2,039 million). | | | |
| 21.2 Trade-related contingent liabilities | | | |
| Letters of credit | 21.2.1 | 19,526,195 | 15,182,936 |
| 21.2.1 Letters of credit relating to Islamic Banking Business amount to Rs 2,860 million (2010: Rs 1,045 million). | | | |
| 21.3 Other contingencies | | | |
| Claims against the Bank not acknowledged as debt | 21.3.1 | 13,293,575 | 12,432,208 |
| 21.3.1 This includes claims for penal interest and additional surcharge amounting to Rs. 136.361 million (2010: Rs.138.058 million) claimed by Customs authorities in respect of certain bank guarantees issued on behalf of a customer in favour of Collector of Customs, Government of Pakistan. The guarantees remaining outstanding against the said customer at 31 December 2011 amount to Rs.80.827 million (2010: Rs.80.827 million). | | | |
| The bank has referred the claims to Alternate Dispute Resolution (ADR) Committee, where it is yet to come up for a hearing. | | | |
| The bank considers that the above amounts are not payable and if it is required to settle the claims, it would be able to recover them from the customer. | | | |
| 21.4 Commitments in respect of forward foreign exchange contracts | | | |
| ----- (Rupees in '000) ----- | | | |
| Purchase | | | |
| State Bank of Pakistan | | 8,873,750 | 19,914,750 |
| Other banks | | 34,228,360 | 17,348,621 |
| Customers | | 8,517,556 | 15,368,507 |
| Sale | | | |
| State Bank of Pakistan | | - | 2,176,875 |
| Other banks | | 34,427,185 | 33,108,590 |
| Customers | | 2,259,646 | 1,290,420 |

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

21.5 Commitments to extend credit

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

21.6 Derivative instruments

21.6.1 Product analysis

| Counterparties | 2011 | | | |
|----------------------------------|---------------------|---------------------|------------------|----------------------|
| | Interest Rate Swaps | | FX Options | |
| | No. of Contracts | Notional Principal* | No. of Contracts | Notional Principal * |
| ----- (Rupees in '000) ----- | | | | |
| With Banks for | | | | |
| Hedging | - | - | - | - |
| Market Making | 30 | 39,617,555 | 132 | 15,822,498 |
| With FIs other than banks | | | | |
| Hedging | - | - | - | - |
| Market Making | 4 | 1,016,333 | - | - |
| With other entities for | | | | |
| Hedging | - | - | - | - |
| Market Making | 48 | 61,527,574 | 132 | 15,822,498 |
| Total | | | | |
| Hedging | - | - | - | - |
| Market Making | 82 | 102,161,462 | 264 | 31,644,996 |
| 2010 Total Market Making | 98 | 125,021,858 | 204 | 8,800,720 |

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

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 11 contracts with local banks having notional principal of Rs. 17,304 million.

21.6.2 Maturity analysis

Interest Rate Swaps

| Remaining Maturity | No. of Contracts | Notional Principal | Mark to Market | | |
|--------------------|------------------|--------------------|------------------------------|------------------|--------------------|
| | | | Negative | Positive | Net |
| | | | ----- (Rupees in '000) ----- | | |
| Upto 1 month | - | - | - | - | - |
| 1 to 3 months | 2 | 200,000 | (119) | - | (119) |
| 3 to 6 months | 2 | 434,333 | (1,822) | 8,765 | 6,943 |
| 6 month to 1 year | 12 | 16,563,782 | (2,731,258) | 263,842 | (2,467,416) |
| 1 to 2 years | 27 | 32,287,543 | (3,201,364) | 874,076 | (2,327,288) |
| 2 to 3 years | 12 | 9,102,037 | (1,383,376) | 14,703 | (1,368,673) |
| 3 to 5 years | 10 | 28,173,366 | (607,036) | 745,726 | 138,690 |
| 5 to 10 years | 17 | 15,400,401 | (234,172) | 405,600 | 171,428 |
| Above 10 years | - | - | - | - | - |
| | 82 | 102,161,462 | (8,159,147) | 2,312,712 | (5,846,435) |

22. MARK-UP / RETURN / INTEREST EARNED

| | 2011 | 2010 |
|--|------------------------------|-------------------|
| | ----- (Rupees in '000) ----- | |
| On loans and advances to customers | 20,848,189 | 18,474,431 |
| On loans and advances to financial institutions | 862,758 | 62,607 |
| On investments in: i) Held for trading securities | 7,380 | 22,508 |
| ii) Available for sale securities | 10,597,886 | 8,863,572 |
| On deposits with financial institutions / the State Bank of Pakistan | - | - |
| On securities purchased under resale agreements | 508,873 | 1,146,110 |
| On call money lending | 38 | 614 |
| | 32,825,124 | 28,569,842 |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|--|---|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| 23. MARK-UP / RETURN / INTEREST EXPENSED | | | |
| Deposits | | 9,544,849 | 9,347,142 |
| Securities sold under repurchase agreements | | 34,851 | 308,725 |
| Call borrowings | | 294,645 | 12,569 |
| Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme | | 1,434,570 | 792,920 |
| Profit on redeemable capital, musharika and murabaha | | 260,367 | 223,991 |
| Term Finance Certificates (sub-ordinated loans) | | 127,984 | 171,716 |
| Others | | 210,447 | 159,203 |
| | | 11,907,713 | 11,016,266 |
| 24. GAIN / (LOSS) ON SALE OF SECURITIES | | | |
| Federal Government Securities | | | |
| Market Treasury Bills | | 226,532 | 763,027 |
| Pakistan Investment Bonds | | 659,030 | 46,182 |
| | | 885,562 | 809,209 |
| Commercial Paper | | - | 3,426 |
| Equity Securities | | - | (7,027) |
| | | 885,562 | 805,608 |
| 25. OTHER INCOME | | | |
| Income from Sri Lanka branch operations | 25.1 & 25.2 | 12,561 | 40,246 |
| Rent on property | | 39,145 | 32,908 |
| Gain on disposal of fixed assets | | 7,872 | 10,029 |
| Loss on derivatives | | (509,028) | (283,086) |
| Others | | 183,345 | 317,212 |
| | | (266,105) | 117,309 |
| 25.1 | Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, 'unproductive debts', 'staff of SCBPL who are not retained by the purchaser', 'their corresponding housing loans' and 'assets arising from litigation which cannot be assigned' are held in trust with SCBSL. The income from Sri Lanka branch operations in the current year mainly represents recoveries (net of expenses) in respect of assets held in trust. | | |
| 25.2 | Prior year amount has been reclassified from note 28 'Other Charges' for better presentation. | | |
| | Note | 2011 | 2010 |
| ----- (Rupees in '000) ----- | | | |
| 26. ADMINISTRATIVE EXPENSES | | | |
| Salaries, allowances, etc. | | 4,427,733 | 4,271,520 |
| Charge / (income) for defined benefit plans | | (966) | 994 |
| Contributions to defined contribution plans | | 286,649 | 266,637 |
| Rent, taxes, insurance, electricity, etc. | | 1,201,918 | 1,091,293 |
| Legal and professional charges | | 91,264 | 103,699 |
| Communications | | 528,744 | 470,987 |
| Repairs and maintenance | | 745,344 | 821,264 |
| Stationery and printing | | 205,589 | 182,045 |
| Advertisement and publicity | | 270,856 | 145,769 |
| Donations | 26.1 | 19,502 | 20,195 |
| Auditors' remuneration | 26.2 | 19,250 | 24,608 |
| Depreciation | | 436,488 | 543,915 |
| Amortization | | 269,010 | 383,084 |
| Traveling, conveyance and vehicles' running | | 188,780 | 117,459 |
| Reimbursement of executive and general administrative expenses | | 3,875,954 | 3,764,765 |
| Others | | 842,347 | 789,660 |
| | | 13,408,462 | 12,997,894 |

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| | Note | 2011 | 2010 |
|--|--------|------------------------------|------------------|
| 26.1 Details of the donations given in excess of Rs. 100,000 are given below: | | ----- (Rupees in '000) ----- | |
| Donee | | | |
| Institute of Business Administration (IBA) | | 7,000 | 13,000 |
| The Citizen Foundation | | 5,200 | 5,270 |
| The Kidney Centre | 26.1.1 | 2,500 | - |
| Care Foundation | | 1,250 | - |
| Lahore University of Management Sciences | | 1,200 | - |
| SST Public School Rashidabad | | 1,200 | - |
| Rizwan Scholars | | 750 | 1,500 |
| HOPE | | 250 | 180 |
| AmanTech Foundation | 26.1.2 | 152 | - |
| Bait-ul-Sukoon Trust | | - | 100 |
| 26.1.1 Mr. Mohsin Ali Nathani, CEO of the Bank is also a member of Board of Governors of The Kidney Centre. | | | |
| 26.1.2 Mr. Shahid Zaki, non executive director of the Bank is also CEO of AmanTech Foundation. | | | |
| 26.2 Auditors' remuneration | | ----- (Rupees in '000) ----- | |
| Audit fee | | 17,045 | 16,872 |
| Fee for audit of pension, gratuity and provident funds | | 603 | 400 |
| Special certifications and others | | 680 | 3,438 |
| Taxation services | | - | 3,208 |
| Out-of-pocket expenses | | 922 | 690 |
| | | 19,250 | 24,608 |
| 27. OTHER PROVISIONS / ASSET WRITE OFFS | | | |
| Asset write offs | | 89,198 | 17,362 |
| Other provisions | | | |
| Provision against receivable under cross currency swaps arrangement | | - | 96,726 |
| Overdue mark up suspended | | - | 341,306 |
| Provision against non-banking assets acquired in satisfaction of claims | | 309,984 | - |
| | | 309,984 | 438,032 |
| | | 399,182 | 455,394 |
| 28. OTHER CHARGES | | | |
| Charge / (reversal) against fine and penalties imposed by SBP | | 29,051 | 60,119 |
| Worker's Welfare Fund (WWF) | | 179,464 | 117,146 |
| | | 208,515 | 177,265 |
| 29. TAXATION | | | |
| For the year | | | |
| - Current | | 2,506,776 | 1,194,171 |
| - Deferred | | 526,411 | 853,543 |
| | | 3,033,187 | 2,047,714 |
| For prior years | | | |
| - Current | | - | (30,884) |
| - Deferred | | - | - |
| | | - | (30,884) |
| | | 3,033,187 | 2,016,830 |
| 29.1 Relationship between tax expense and accounting profit | | | |
| Profit before taxation | | 8,586,328 | 5,757,685 |
| Tax at the applicable tax rate of 35% (2010: 35%) | | 3,005,215 | 2,015,190 |
| Expenses that are not deductible in determining taxable income | | 51,386 | 21,042 |
| Incomes (dividend, capital gain etc.) at reduced rates | | (17,116) | (10,890) |
| Others | | (6,298) | (8,512) |
| | | 3,033,187 | 2,016,830 |
| 29.2 Standard Chartered Bank (Pakistan) Limited | | | |

The return for income year 2011 (tax year 2012) is due for filing by 30 September 2012.

The tax department amended the assessments for income years 2007 to 2010 (tax years 2008 to 2011 respectively) under section 122 (5A) of the Income Tax Ordinance, 2001, determining additional tax liability of Rs. 8,461 million on account of various issues (such as disallowances of expenses relating to provision against loans and advances, goodwill amortisation etc). Appeals against the amended assessment orders are being contested before different appellate forums, however, the bank has discharged the aforesaid tax liability.

Notes to the Consolidated Financial Statements

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The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Consequently, no additional provision is required.

The Tax Authorities have passed an order levying Federal Excise Duty amounting to Rs. 114 million on certain items. The Bank is contesting the order in the appeal. The Bank has paid Rs.100 million under protest and the balance demand is legally stayed till the decision of the appeal.

29.3 Standard Chartered Bank – Branch Operations

The assessments have been finalized upto and including tax year 2006. The Bank's / departmental appeals for the assessment / tax years 1976-77 to 2006 are pending before different appellate forums on various issues. The management expects favourable decisions in pending appeals and consequently, no additional provision is required.

29.4 Union Bank Limited

The tax assessments for the assessment years 1993-94 through tax year 2007 are pending at various appeal forums against certain disallowances. The management expects favourable decision in pending appeals and consequently, no additional provision is required.

30. EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the year attributable to equity holders of the bank

Weighted average number of ordinary shares
in issue during the year

Earnings per share - basic and diluted

31. CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks
Balances with other banks

32. STAFF STRENGTH

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

Outsourced
Total Staff Strength

33. DEFINED BENEFIT PLANS

33.1 General description

Non Management Staff Pension Fund

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

Non Management Staff Gratuity Fund

The plan provides a lump sum gratuity calculated at one month's salary for each completed year of service (maximum 39 months) after completing 5 years of service. For the employees of ex-ANZ Grindlays Bank, the plan provides a lump sum calculated at 50% of last drawn merged salary for each completed year of service (maximum 40 months) after completing 5 years of service. However, if the employee is not entitled for pension, the percentage is increased to 100%. The employees of SCB are entitled to either pension or gratuity, but not both.

Management Staff Pension Fund

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

| | 2011 | 2010 |
|--|------------------------------|---------------|
| | ----- (Rupees in '000) ----- | |
| | 5,471,308 | 3,664,412 |
| | ----- (Number) ----- | |
| | 3,871,585,021 | 3,871,585,021 |
| | ----- (Rupees) ----- | |
| | 1.41 | 0.95 |
| | ----- (Rupees in '000) ----- | |
| | 26,293,151 | 24,087,885 |
| | 3,204,253 | 921,931 |
| | 29,497,404 | 25,009,816 |
| | ----- (Number) ----- | |
| | 3,067 | 3,123 |
| | 3 | 2 |
| | 3,070 | 3,125 |
| | 1,920 | 1,795 |
| | 4,990 | 4,920 |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

33.2 Principal Actuarial Assumptions

The last actuarial valuation of the scheme was carried out on 31 December 2011 and the key assumptions used for actuarial valuation were as follows:

| | 2011 | 2010 |
|---|--|--|
| Discount rate | 13% p.a. | 13.2% p.a. |
| Expected rate of increase in salary in future years | 12% p.a. | 13.2% p.a. |
| Expected rate of return on plan assets | 5.5%-11.7% p.a. | 13.66%-13.93% p.a. |
| Expected long term rate of increase in pension | 7% p.a. | 7.2% p.a. |
| Mortality rate | LIC (1975-79) ultimate mortality table rated down one year | LIC (1975-79) ultimate mortality table rated down one year |
| Withdrawal rate | Light | Light |

| | SCB Non Management Pension Fund | | SCB Non Management Gratuity Fund | | SCB Management Pension Fund | | Total | |
|--|---------------------------------|----------|----------------------------------|----------|-----------------------------|----------|-----------|-----------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| 33.3 Reconciliation of (receivable) / payable from / to defined benefit plan | (Rupees in '000) | | | | | | | |
| Present value of defined benefit obligations | 68,506 | 56,948 | 55,950 | 42,222 | 45,189 | 39,094 | 169,645 | 138,264 |
| Fair value of plan assets | (76,101) | (73,662) | (41,739) | (37,182) | (51,583) | (46,335) | (169,423) | (157,179) |
| (Asset) / liability recognised | (7,595) | (16,714) | 14,211 | 5,040 | (6,394) | (7,241) | 222 | (18,915) |
| 33.4 Movement in defined benefit obligation | | | | | | | | |
| Obligation as at 1 January | 56,948 | 58,699 | 42,222 | 35,574 | 39,094 | 42,667 | 138,264 | 136,940 |
| Current service cost | 448 | 388 | 1,803 | 1,490 | - | - | 2,251 | 1,878 |
| Interest cost | 7,135 | 6,960 | 5,530 | 4,414 | 5,156 | 4,949 | 17,821 | 16,323 |
| Benefits paid | (6,121) | (5,939) | - | - | (6,680) | (5,632) | (12,801) | (11,571) |
| Actuarial (gain) / loss on obligation | 10,096 | (2,771) | 6,395 | (896) | 7,619 | (2,890) | 24,110 | (6,557) |
| Past service cost resulting from change in Rules | - | (389) | - | 1,640 | - | - | - | 1,251 |
| Obligation as at 31 December | 68,506 | 56,948 | 55,950 | 42,222 | 45,189 | 39,094 | 169,645 | 138,264 |
| 33.5 Movement in fair value of plan assets | | | | | | | | |
| Fair value as at 1 January | 73,662 | 72,888 | 37,182 | 34,931 | 46,335 | 46,861 | 157,179 | 154,680 |
| Expected return on plan assets | 9,526 | 8,652 | 5,135 | 4,333 | 6,377 | 5,473 | 21,038 | 18,458 |
| Contribution by the bank | - | - | - | - | - | - | - | - |
| Benefits paid | (6,121) | (5,939) | - | - | (6,680) | (5,632) | (12,801) | (11,571) |
| Actuarial gain / (loss) on plan assets | (966) | (1,939) | (578) | (2,082) | 5,551 | (367) | 4,007 | (4,388) |
| Fair value as at 31 December | 76,101 | 73,662 | 41,739 | 37,182 | 51,583 | 46,335 | 169,423 | 157,179 |
| 33.6 Movement in (receivable) / payable from / to defined benefit plan | | | | | | | | |
| Balance as at 1 January | (16,714) | (14,189) | 5,040 | 643 | (7,241) | (4,194) | (18,915) | (17,740) |
| Charge for the year | (1,943) | (1,693) | 2,198 | 3,211 | (1,221) | (524) | (966) | 994 |
| Contribution to the fund during the year | - | - | - | - | - | - | - | - |
| Actuarial (gain) / loss on plan assets | 11,062 | (832) | 6,973 | 1,186 | 2,068 | (2,523) | 20,103 | (2,169) |
| Balance as at 31 December | (7,595) | (16,714) | 14,211 | 5,040 | (6,394) | (7,241) | 222 | (18,915) |
| 33.7 Charge for defined benefit plan | | | | | | | | |
| Current service cost | 448 | 388 | 1,803 | 1,490 | - | - | 2,251 | 1,878 |
| Interest cost | 7,135 | 6,960 | 5,530 | 4,414 | 5,156 | 4,949 | 17,821 | 16,323 |
| Expected return on plan assets | (9,526) | (8,652) | (5,135) | (4,333) | (6,377) | (5,473) | (21,038) | (18,458) |
| Recognition of past service cost | - | (389) | - | 1,640 | - | - | - | 1,251 |
| | (1,943) | (1,693) | 2,198 | 3,211 | (1,221) | (524) | (966) | 994 |
| 33.8 Actual return on plan assets | | | | | | | | |
| - Expected return on plan assets | 9,526 | 8,652 | 5,135 | 4,333 | 6,377 | 5,473 | 21,038 | 18,458 |
| - Actuarial gain / (loss) on plan assets | (966) | (1,939) | (578) | (2,082) | 5,551 | (367) | 4,007 | (4,388) |
| | 8,560 | 6,713 | 4,557 | 2,251 | 11,928 | 5,106 | 25,045 | 14,070 |
| 33.9 Cumulative amount of actuarial gains / (losses) recognised in comprehensive income | 18,923 | 29,985 | (12,408) | (5,435) | 40,185 | 42,253 | 46,700 | 66,803 |
| 33.10 Expected contributions for next year | - | - | - | - | - | - | - | - |
| 33.11 Components of plan assets as a percentage of total plan assets | | | | | | | | |
| Bonds | 94% | 97% | 89% | 99% | 18% | 98% | | |
| Cash and net current assets | 6% | 3% | 11% | 1% | 82% | 2% | | |
| Others | 0% | 0% | 0% | 0% | 0% | 0% | | |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|------------------------------|-----------------|----------------|----------------|-----------------|
| 33.12 Five year data on surplus / (deficit) of the plans and experience adjustments | ----- (Rupees in '000) ----- | | | | |
| Present value of defined benefit obligation | <u>169,645</u> | <u>138,264</u> | <u>136,940</u> | <u>112,326</u> | <u>243,948</u> |
| Fair value of plan assets | <u>169,423</u> | <u>157,179</u> | <u>154,680</u> | <u>148,852</u> | <u>333,183</u> |
| Deficit / (Surplus) | <u>222</u> | <u>(18,915)</u> | <u>17,740</u> | <u>36,526</u> | <u>89,235</u> |
| Experience adjustments on plan liabilities - loss / (gain) | <u>(741)</u> | <u>(4,247)</u> | <u>(7,621)</u> | <u>(7,620)</u> | <u>(26,188)</u> |
| Experience adjustments on plan assets - loss / (gain) | <u>(3,889)</u> | <u>330</u> | <u>3,566</u> | <u>(3,027)</u> | <u>(22,440)</u> |

34. SHARE BASED PAYMENTS

The Bank's employees participate in the following share compensation plans operated globally by the ultimate holding company, Standard Chartered PLC (SCPLC). For employees in Pakistan, the Group operates cash equivalent or "phantom" arrangements under which employees can receive a cash benefit linked to either the growth in Group's share (Sharesave scheme) or the value of the Group's share (restricted / performance share awards). The arrangement does not give an option to the Bank's employees to buy SCPLC shares. The market value of shares is denominated in pounds sterling at the time of grant.

i) Standard Chartered Share Plan (the 2011 Plan)

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

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

| | 2011 | Weighted average exercise price £ per share | 2010 | Weighted average exercise price £ per share |
|-------------------------------|---------------|---|---------------|---|
| | Number ('000) | | Number ('000) | |
| At 1 January | - | - | - | - |
| Granted during the year | 27 | - | - | - |
| Exercised during the year | - | - | - | - |
| Lapsed during the year | (1) | - | - | - |
| Adjustment due to right issue | - | - | - | - |
| At 31 December | <u>26</u> | - | <u>-</u> | - |

The weighted average price at the time the options were exercised during 2011 was £ NIL (2010: £ NIL).

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|--|---|---------------------------------|----------------|--|---|
| | Weighted average exercise price | No. of options | Weighted average remaining life Expected years | Weighted average remaining life Contractual years | Weighted average exercise price | No. of options | Weighted average remaining life Expected years | Weighted average remaining life Contractual years |
| NIL | - | 26 | 10 | 6.5 / 9.4 | - | - | - | - |

ii) International Sharesave Scheme

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

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

| | 2011 | Weighted average exercise price £ per share | 2010 | Weighted average exercise price £ per share |
|-------------------------------|---------------|---|---------------|---|
| | Number ('000) | | Number ('000) | |
| At 1 January | 109 | 11.67 | 112 | 10.44 |
| Granted during the year | 42 | 10.65 | 28 | 15.19 |
| Exercised during the year | (14) | 9.97 | (13) | 10.15 |
| Lapsed during the year | (19) | 11.02 | (23) | 9.44 |
| Adjustment due to right issue | - | - | 5 | 11.28 |
| At 31 December | <u>118</u> | 11.42 | <u>109</u> | 11.67 |

The weighted average price at the time the options were exercised during 2011 was £ 14.81 (2010: £ 17.61).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| £8.32/£14.63 | 11.42 | 118 | 3.33/5.33 | 2.4 | 10.43 | 109 | 3.33/5.33 | 2.19 |

The intrinsic value of vested International Sharesave cash-settled awards as at 31 December 2011 was 6,636 thousand (2010: Rs. 19,688 thousand).

iii) Restricted Share Scheme

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

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

| | 2011 | | 2010 | |
|-------------------------------|---------------|---|---------------|---|
| | Number ('000) | Weighted average exercise price £ per share | Number ('000) | Weighted average exercise price £ per share |
| At 1 January | 116 | - | 99 | - |
| Granted during the year | 18 | - | 59 | - |
| Exercised during the year | (21) | - | (38) | - |
| Lapsed during the year | (3) | - | (9) | - |
| Adjustment due to right issue | - | - | 5 | - |
| At 31 December | 110 | - | 116 | - |

The weighted average price at the time the options were exercised during 2011 was £ 15.74 (2010: £ 17.94).

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| N/A | - | 110 | - | 3.87 | - | 116 | - | 5.4 |

The intrinsic value of vested Restricted Share Scheme cash-settled awards as at 31 December 2011 was Rs. 32,870 thousand (2010 : Rs. 54,530 thousand).

iv) Supplementary Restricted Share Scheme

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

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

| | 2011 | | 2010 | |
|-------------------------------|---------------|---|---------------|---|
| | Number ('000) | Weighted average exercise price £ per share | Number ('000) | Weighted average exercise price £ per share |
| At 1 January | 6 | - | 5 | - |
| Granted during the year | 1 | - | 6 | - |
| Exercised during the year | (5) | - | (2) | - |
| Lapsed during the year | - | - | (3) | - |
| Adjustment due to right issue | - | - | - | - |
| At 31 December | 2 | - | 6 | - |

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| N/A | - | 2 | 5 | 6.29 | - | 6 | 5 | 2.08 |

The intrinsic value of vested Supplementary Restricted Share Scheme cash-settled awards as at 31 December 2011 was Rs. 4,487 thousand (2010 : Rs. 3,191 thousand).

v) Executive Share Option Scheme (closed)

The Executive Share Option Scheme is an intrinsic part of the Group's executive directors' and senior managers' total remuneration. An EPS performance criterion needs to be met before the options can be exercised. Executive share options are exercisable after the third, but before the tenth anniversary of the date of grant with any benefit payable in cash. The exercise price is based on the the share price at the date of grant and options can normally only be exercised if a performance condition is satisfied. The options granted do not confer any right to participate in any share issue of any other company.

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

| | 2011 | Weighted average exercise price £ per share | 2010 | Weighted average exercise price £ per share |
|---------------------------|---------------|---|---------------|---|
| | Number ('000) | | Number ('000) | |
| At 1 January | - | - | 1 | 8.19 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | (1) | - |
| Lapsed during the year | - | - | - | - |
| At 31 December | - | - | - | 8.19 |

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| NIL | - | - | - | - | - | - | 5 | - |

The intrinsic value of vested Executive Share Option Scheme cash-settled awards as at 31 December 2011 was Rs. Nil (2010: Rs. Nil).

vi) Performance Share Plan

The Performance Share Plan is designed as an intrinsic part of total remuneration for the Group's executive directors and for a small number of the Group's most senior executives. The awards granted under this scheme are Nil cost options. Certain performance criteria need to be met before the options can be exercised.

The option granted do not confer any right to participate in any share issue of any other company.

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

| | 2011 | 2010 |
|-------------------------------|---------------|---------------|
| | Number ('000) | Number ('000) |
| At 1 January | 73 | 85 |
| Granted during the year | - | 10 |
| Exercised during the year | (20) | (21) |
| Lapsed during the year | (14) | (4) |
| Adjustment due to right issue | - | 3 |
| At 31 December | 39 | 73 |

| Range of exercise price | 2011 | | | | 2010 | | | |
|-------------------------|---------------------------------|----------------|---------------------------------|-------------------|---------------------------------|----------------|---------------------------------|-------------------|
| | Weighted average exercise price | No. of options | Weighted average remaining life | | Weighted average exercise price | No. of options | Weighted average remaining life | |
| | | | Expected years | Contractual years | | | Expected years | Contractual years |
| N/A | - | 39 | - | 7.85/9.44 | - | 73 | - | 7.76 |

The intrinsic value of vested Performance Share Plan cash-settled awards as at 31 December 2011 was Rs. 3,574 thousand (2010: Rs. 14,978 thousand).

- vii) The total expense recognised in respect of above schemes on equity settled basis amounts to Rs. 95.760 million (2010: Rs. 47.733 million) and is also included in managerial remuneration note 35. As also explained in note 3.20 in detail, the Bank's liability towards its parent, however continues to be determined and recorded on cash settled basis.

Notes to the Consolidated Financial Statements

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35. COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

| | Note | Chief Executive | | Directors | | Executives | |
|---|------|------------------|----------------|--------------|--------------|------------------|------------------|
| | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | (Rupees in '000) | | | | | |
| Director's remuneration / fees | 35.1 | - | - | 3,580 | 3,355 | - | - |
| Managerial remuneration | 35.3 | 93,496 | 264,439 | - | - | 1,938,739 | 1,700,660 |
| Contribution to defined contribution plan | | 3,422 | 3,214 | - | - | 189,632 | 153,530 |
| Rent and house maintenance | | 7,467 | 7,013 | - | - | 420,659 | 342,019 |
| Utilities | | 1,867 | 1,753 | - | - | 103,475 | 87,664 |
| Medical | | - | - | - | - | 11,729 | 8,518 |
| Others | | 234 | 1,097 | - | - | 191,030 | 80,936 |
| | | <u>106,486</u> | <u>277,516</u> | <u>3,580</u> | <u>3,355</u> | <u>2,855,264</u> | <u>2,373,327</u> |
| Number of persons | | <u>1</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>915</u> | <u>822</u> |

35.1 The director's remuneration / fees represents remuneration paid to the Bank's 3 non-executive directors (2010: 3) for attending Board and Sub-Committee meetings.

35.2 The Chief Executive is entitled to Bank provided free use of furnished accommodation. The Chief Executive and some of the executives are also provided with Bank maintained cars. In addition, the Chief Executive and some of the executives are also reimbursed for cost of medical expenses and other benefits like club subscription, education etc.

35.3 Managerial remuneration also includes charge against share compensation plans.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Except for investment unlisted companies, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced. The fair value of fixed term advances of over one year, staff loans, fixed term deposits of over one year and investment in equity of unlisted companies cannot be calculated with sufficient reliability due to non-availability of relevant active market for similar assets and liabilities. The fair value of investment classified as held to maturity amounted to Rs.201.954 million (2010: Rs. 331.247 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

37. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

| | Wholesale Banking | Consumer Banking | Total |
|--|----------------------|---------------------|------------------|
| | (Rupees in '000) | | |
| 2011 | | | |
| Internal income | (12,553,240) | 12,909,222 | 355,982 |
| Net mark-up / return / interest income | 21,554,687 | (637,276) | 20,917,411 |
| Non mark-up / non interest income | 3,824,175 | 2,368,378 | 6,192,553 |
| Operating income | 12,825,622 | 14,640,324 | 27,465,946 |
| Non mark-up / non interest expenses | 4,306,251 | 9,708,908 | 14,016,159 |
| Internal non mark-up / non interest expenses | 82,304 | 273,678 | 355,982 |
| Operating profit before provisions and taxation | 8,436,067 | 4,657,738 | 13,093,805 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 2,544,488 | 1,935,880 | 4,480,368 |
| Provision for diminution in the value of investments | 27,109 | - | 27,109 |
| Profit before taxation | 5,864,470 | 2,721,858 | 8,586,328 |
| Other segment items: | | | |
| Depreciation on tangible fixed assets | 58,376 | 378,112 | 436,488 |
| Amortisation on intangible assets | 51,033 | 217,977 | 269,010 |
| Segment assets (gross) | 323,588,088 | 63,565,124 | 387,153,212 |
| Segment non performing loans | 15,082,385 | 11,020,172 | 26,102,557 |
| Segment provision required | 13,441,180 | 8,903,431 | 22,344,611 |
| Segment liabilities | 125,114,237 | 183,414,837 | 308,529,074 |
| Segment return on net assets (ROA) (%) | * | 1.89% | 4.98% |
| Segment cost of funds (%) | ** | 1.91% | 5.10% |
| | | | 2.35% |
| | | | 2.36% |
| 2010 | | | |
| Internal income | (10,479,598) | 10,479,598 | - |
| Net mark-up / return / interest income | 17,627,821 | (74,245) | 17,553,576 |
| Non mark-up / non interest income | 3,635,466 | 2,558,431 | 6,193,897 |
| Operating income | 10,783,689 | 12,963,784 | 23,747,473 |
| Non mark-up / non interest expenses | 4,171,791 | 9,458,762 | 13,630,553 |
| Operating profit before provisions and taxation | 6,611,898 | 3,505,022 | 10,116,920 |
| Direct write-offs / provisions against non-performing loans and advances - net of recoveries | 1,021,935 | 3,331,602 | 4,353,537 |
| Provision for diminution in the value of investments - net | 5,698 | - | 5,698 |
| Profit before taxation | 5,584,265 | 173,420 | 5,757,685 |
| Other segment items: | | | |
| Depreciation of tangible fixed assets | 84,704 | 459,211 | 543,915 |
| Amortisation of intangible assets | 73,332 | 309,752 | 383,084 |
| Segment assets (gross) | 289,176,218 | 57,450,778 | 346,626,996 |
| Segment non performing loans | 13,154,634 | 9,426,756 | 22,581,390 |
| Segment provision required | 11,138,025 | 7,853,690 | 18,991,715 |
| Segment liabilities | 108,584,859 | 166,612,472 | 275,197,331 |
| Segment return on net assets (ROA) (%) | * | 2.01% | 0.35% |
| Segment cost of funds (%) | ** | 6.34% | 3.51% |
| | | | 1.76% |
| | | | 4.53% |

* Segment ROA = Net income / (Segment assets - Segment provisions)

** Segment cost of funds have been computed based on the average balances.

The management reviews the performance of Corporate and Institutional Banking and Global Markets as one business segment, namely Wholesale Banking. Therefore the business activities of the group have been presented in two segments, Wholesale and Consumer Banking.

Wholesale banking

Deposits, trade and other lending activities (including murahaba and ijarah) for corporates and financial institutions. It also includes the overall management of treasury of the Bank, which entails various cash and interest risk management products for customers. The products include FX forwards, FX options and interest rate swaps.

Consumer Banking

Wealth management, deposits, mortgages, auto finance, unsecured lending (credit cards, personal loans etc.), consumer leases and SME lending (including SME trade).

Notes to the Consolidated Financial Statements

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38. RELATED PARTY TRANSACTIONS

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

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

| Note | 2011 | 2010 |
|---|------------------------------|------------|
| | ----- (Rupees in '000) ----- | |
| OUTSTANDING BALANCES | | |
| Group | | |
| Nostro balances with other subsidiaries and branches of the holding company | 2,986,847 | 758,120 |
| Overdrawn nostro balances with other subsidiaries and branches of the holding company | - | 1,633,622 |
| Vostro balances of other subsidiaries and branches of the holding company | 216,542 | 93,610 |
| Placements with other subsidiaries and branches of the holding company | 10,354,397 | 23,964,247 |
| Deposits of group companies | 11,731 | 12,890 |
| Due to holding company | 4,568,330 | 4,867,708 |
| Due to group companies | 32,803 | 19,059 |
| Due from associated undertakings | 179,828 | 128,720 |
| Interest receivable from group companies | 137 | 23,327 |
| Inter-company derivative assets | 782,787 | 885,244 |
| Inter-company derivative liabilities | 800,435 | 1,004,935 |
| Other receivables | 356 | 563 |
| Key management personnel | | |
| Loans and advances to key management personnel | 126,737 | 117,187 |
| Deposits of key management personnel | 89,958 | 42,834 |
| Others | | |
| Deposits by staff retirement benefit funds | 72,074 | 50,921 |
| Deposits by customers with common directorship | 670 | 885 |
| (Payable to) / receivable from defined benefit plans | (222) | 18,915 |
| Derivative asset | 8,747 | 231 |
| Derivative liabilities | 35,762 | 831 |
| PROFIT AND LOSS | | |
| Group | | |
| Mark-up / interest / income earned | 82,247 | 69,133 |
| Mark-up / interest expensed | 2,554 | 811 |
| Fee and commission expense | 83,768 | 88 |
| Fee and commission income | 46,758 | 773 |
| Reimbursement of executive and general administrative expenses | 3,875,954 | 3,764,765 |
| Payment to group company for direct sales services rendered | 536,781 | 539,504 |
| Administrative expenses including rent & other charges | 3,633 | - |
| Net loss / (gain) on inter-company derivatives | 102,042 | (17,904) |
| Royalty expense | 136,512 | 48,539 |
| Key management personnel | | |
| Mark-up / interest / income earned | 6,178 | 5,585 |
| Mark-up / interest expensed | 1,038 | 1,430 |
| Sale of vehicles | - | 86 |
| Salaries and benefits | 361,116 | 498,809 |
| Post retirement benefits | 17,128 | 15,259 |
| Remuneration / fee paid to non-executive directors | 3,580 | 3,355 |
| Others | | |
| Contribution to defined contribution plans - net of payments received | 286,649 | 162,176 |
| Charge for defined contribution plans | 286,649 | 266,637 |
| Net (income) / charge for defined benefit plans | (966) | 994 |
| Mark-up / interest expensed on deposits of staff retirement benefit funds | 8,461 | 3,482 |
| Mark-up / interest expensed on deposits of customers with common directorship | 38 | 120,992 |
| Donation to The Kidney Centre | 26.1.1 2,500 | 25 |
| Donation to Aman Tech Foundation | 26.1.2 152 | - |
| Net loss on derivatives | 26,415 | 17,292 |

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

| | Balance as at 31 December 2010 | Net disbursement / deposits | Net repayments / withdrawals | Balance as at 31 December 2011 |
|------------------------------|--------------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| ----- (Rupees in '000) ----- | | | | |
| Loans and advances | | | | |
| Key Management Personnel | 117,187 | 103,180 | (93,630) | 126,737 |
| Others | - | - | - | - |
| Deposits | | | | |
| Group companies | 12,890 | 576,636 | (577,795) | 11,731 |
| Key Management Personnel | 42,834 | 677,773 | (630,649) | 89,958 |
| Others | 51,806 | 50,989,904 | (50,968,966) | 72,744 |

39. CAPITAL ASSESSMENT AND ADEQUACY

39.1 Capital Structure

The Bank's lead regulator, State Bank of Pakistan (SBP) sets and monitors capital requirements for the Bank as a whole. Effective 31 December 2008, SBP has advised all banks to calculate their capital requirements based on Basel II accord under the Standardised approach. The transition to the 'Advanced Approaches' of Basel II has been made discretionary for banks, and is subject to prior written approval from SBP.

The State Bank of Pakistan through its BSD Circular No.07 of 2009 dated 15 April 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 ending on 31 December 2013. The raise is to be achieved in a phased manner requiring Rs. 8 billion paid up capital (net of losses) by the end of the financial year 2011. The paid up capital of the Bank is comfortably in compliance with the SBP requirement. Furthermore, SBP requires the Bank to maintain a prescribed total capital to total risk-weighted assets ratio. As at the year end, SBP's minimum prescribed capital adequacy ratio is 10 percent. The Bank's ratio is compliant with this minimum benchmark.

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

The Bank's regulatory capital is analysed into three tiers:

- Tier I capital, which includes ordinary share capital, balance in share premium account, reserve for issue of bonus shares, general reserves as disclosed on the balance sheet (except those included in Tier II) and un-appropriated profits (net of accumulated losses, if any). Goodwill and other intangibles are deducted from Tier I capital.
- Tier II capital includes sub-ordinated debt, revaluation reserves on assets, exchange translation reserves and impairment allowances that are not held against identified debts. Sub-ordinated debt is limited to 50 percent of Tier I capital. Information on the terms, conditions and other features of the Bank's sub-ordinated debt currently in issue is given in note 16 to these financial statements. Revaluation reserves are eligible upto 45 percent for treatment as Tier II capital. There is also a restriction on the amount of impairment allowances that are not held against identified debts upto 1.25 percent of total risk weighted assets.
- Tier III supplementary capital consists of short term sub-ordinated debt solely for the purpose of meeting a proportion of the capital requirements for market risk. The Bank currently does not have any Tier III capital.

Total of Tier II and III capital is limited to Tier I capital. 50 percent of the amount of investments in subsidiaries and associates not consolidated on the balance sheet is deducted from both Tier I and Tier II capital.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | 2011 | 2010 |
|---|------------------------------|-------------------|
| | ----- (Rupees in '000) ----- | |
| Tier I Capital | | |
| Fully paid-up capital | 38,715,850 | 38,715,850 |
| Balance in share premium account | 1,036,090 | 1,036,090 |
| General reserves as disclosed on the balance sheet | 2,843,401 | 1,749,139 |
| Un-appropriated/ un-remitted profits (net of accumulated losses, if any) | 8,940,420 | 6,838,790 |
| Minority in equity of subsidiaries | 799,803 | 787,227 |
| Less: | | |
| Book value of goodwill and other intangibles | (26,413,335) | (26,681,948) |
| Total Tier I Capital-----> | 25,922,229 | 22,445,148 |
| Tier II Capital | | |
| Sub-ordinated debt - upto maximum of 50 percent of 'Total eligible Tier 1 capital' | 50,000 | 379,360 |
| General provisions or general reserves for loan losses - upto maximum of 1.25 percent of 'Risk Weighted Assets' | 641,494 | 667,596 |
| Revaluation reserves (upto 45 percent) | 1,458,137 | 1,214,363 |
| Total Tier II Capital-----> | 2,149,631 | 2,261,319 |
| Total Regulatory Capital Base | 28,071,860 | 24,706,467 |

39.2 Capital Adequacy

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

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

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

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

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

For credit risk, the Bank uses the 'Standardized Approach'. The Bank uses reputable and SBP approved rating agencies (ECAIs) for deriving risk weights for specific credit exposures. These are consistently applied across the Bank's credit portfolio for both on and off balance sheet exposures. The ECAIs used for rating various types of exposures are tabled in note 39.3 to these financial statements.

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

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

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

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

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

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

The Bank's approach for mitigating operational risk is further detailed in note 40.9 to these financial statements.

The capital requirements for the Bank as per the major risk categories are indicated below :

| | Capital Requirements | | Risk Weighted Assets | |
|---|----------------------|-------------------|----------------------|--------------------|
| | 31 December 2011 | 31 December 2010 | 31 December 2011 | 31 December 2010 |
| ----- (Rupees in '000) ----- | | | | |
| Credit Risk | | | | |
| Portfolios subject to 'Standardized Approach' - Simple | | | | |
| Government of Pakistan and State Bank of Pakistan | 2,869 | 1,908 | 28,689 | 19,083 |
| Public Sector Entities | 323,327 | 147,870 | 3,233,271 | 1,478,701 |
| Banks | 1,424,926 | 1,934,755 | 14,249,260 | 19,347,553 |
| Corporate Portfolio | 12,041,326 | 9,566,822 | 120,413,259 | 95,668,225 |
| Retail Portfolio | 755,585 | 1,164,719 | 7,555,854 | 11,647,198 |
| Residential Mortgage Finance | 137,910 | 164,173 | 1,379,102 | 1,641,732 |
| Past Due Portfolio | 423,276 | 369,381 | 4,232,757 | 3,693,810 |
| All other Risk Weighted Assets | 1,214,724 | 1,452,111 | 12,147,236 | 14,521,113 |
| Market Risk | | | | |
| Capital Requirement for portfolios subject to 'Standardized Approach' | | | | |
| Interest Rate Risk | 261,190 | 143,012 | 2,611,901 | 1,430,120 |
| Foreign Exchange Risk | 61,304 | 163,090 | 613,037 | 1,630,902 |
| Operational Risk | | | | |
| Capital Requirement for operational risk - 'Standardised Approach' | | | | |
| | 4,554,957 | 4,294,567 | 45,549,571 | 42,945,677 |
| TOTAL | 21,201,394 | 19,402,408 | 212,013,937 | 194,024,114 |
| Capital Adequacy Ratio | | | | |
| | 2011 | | 2010 | |
| Total eligible regulatory capital held (Note 39.1) | (a) | 28,071,860 | | 24,706,467 |
| Total Risk Weighted Assets | (b) | 212,013,937 | | 194,024,114 |
| Capital Adequacy Ratio (a) / (b) | | 13.24% | | 12.73% |

Notes to the Consolidated Financial Statements

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(Rupees in '000)

Credit Exposures subject to Standardised approach

| Exposures | Rating Category | 2011 | | | 2010 | | |
|--------------------------|-----------------|---------------------|------------------|-------------|--------------------|------------------|-------------|
| | | Amount outstanding* | Deduction/ CRM** | Net amount | Amount outstanding | Deduction/ CRM** | Net amount |
| Corporate | 0% | - | - | - | - | - | - |
| | 20% | 20,464,724 | 14,871,966 | 5,592,758 | 13,002,568 | 8,495,639 | 4,506,929 |
| | 50% | 3,411,308 | 1,186,061 | 2,225,247 | 7,309,581 | 2,826,557 | 4,483,024 |
| | 100% | 2,282,744 | - | 2,282,744 | 1,632,997 | - | 1,632,997 |
| | 150% | 3,853,768 | (1,926,884) | 5,780,652 | 5,812,798 | (2,906,399) | 8,719,197 |
| Banks | 0% | - | - | - | - | - | - |
| | 20% | 30,658,409 | 26,306,479 | 4,351,930 | 21,435,706 | 18,319,473 | 3,116,233 |
| | 50% | 16,620,714 | 8,320,559 | 8,300,155 | 29,016,100 | 14,508,050 | 14,508,050 |
| | 100% | 652,402 | - | 652,402 | 746,352 | - | 746,352 |
| | 150% | 353,733 | (176,866) | 530,599 | 329,760 | (164,880) | 494,640 |
| Sovereigns etc | 0% | 126,433,993 | 126,433,993 | - | 86,219,814 | 86,219,814 | - |
| | 20% | 15,148,271 | 12,289,605 | 2,858,666 | 4,247,859 | 3,398,287 | 849,572 |
| | 50% | - | - | - | - | - | - |
| | 100% | 28,689 | - | 28,689 | 19,083 | - | 19,083 |
| | 150% | - | - | - | - | - | - |
| Unrated including retail | 50% upto 150% | 134,975,969 | 22,099,479 | 112,876,490 | 132,106,080 | 43,021,393 | 89,084,687 |
| All Other Exposures | | 23,949,271 | 6,910,177 | 17,759,094 | 26,533,828 | 6,677,177 | 19,856,651 |
| Total | | 378,833,995 | 215,954,569 | 163,239,426 | 328,412,526 | 180,395,111 | 148,017,415 |

CRM= Credit Risk Mitigation

* Amount outstanding represents Original Exposure in the case of On-balance sheet items and the Credit Equivalent Exposure in the case of Off-balance sheet items

** Deduction/CRM reflects reduction in exposures due to ratings and collaterals.

39.3 Types of exposures and ECAI's used

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

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

LONG-TERM RATING GRADES MAPPING

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

SHORT-TERM RATING GRADES MAPPING

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

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40. RISK MANAGEMENT

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

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

Balancing risk and return

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

Responsibility

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

Accountability

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

Anticipation

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

Competitive Advantage

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

Risk management

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

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

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

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

Notes to the Consolidated Financial Statements

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40.1 Credit risk

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

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

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

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

40.1.1 Wholesale Banking

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

40.1.2 Consumer Banking

For Consumer Banking, program based standard credit application forms are generally used, which are processed in central units for different products and market segments. Consumer Banking Analytics team has developed Bureau scores and uses Bureau data for portfolio monitoring and for underwriting new business. Medium enterprises relationship based business of Consumer Bank operates much like Wholesale banking with numerical risk grading system for quantifying counter party risk. As with Wholesale Banking, origination and approval roles are segregated.

40.1.3 Segment by class of business

| | 2011 | | | | | |
|---|--------------------|---------------|--------------------|---------------|-------------------------------|---------------|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 9,527,776 | 5.97 | 3,151,112 | 1.34 | 3,783,790 | 4.67 |
| Agri business | 5,169,099 | 3.24 | 335,713 | 0.14 | 263,593 | 0.33 |
| Textile | 30,800,450 | 19.29 | 1,245,461 | 0.53 | 2,657,237 | 3.28 |
| Communication | 609,555 | 0.38 | 13,493,841 | 5.72 | 1,876,968 | 2.32 |
| Insurance | 47,677 | 0.03 | 1,369,266 | 0.60 | - | - |
| Telecommunications and information technology | 6,119,964 | 3.83 | 1,552,479 | 0.66 | 1,489,322 | 1.84 |
| Cement | 10,680,307 | 6.70 | 44,349 | 0.02 | 1,402,723 | 1.73 |
| Sugar | 3,793,644 | 2.38 | 1,552 | 0.00 | 74,392 | 0.09 |
| Automobile and transportation equipment | 1,759,277 | 1.10 | 692,307 | 0.29 | 1,919,255 | 2.37 |
| Transportation | 5,720,684 | 3.58 | 1,746,703 | 0.74 | 1,243,216 | 1.54 |
| Financial | 2,313,816 | 1.45 | 1,325,970 | 0.56 | 35,976,421 | 44.43 |
| Electronics and electrical appliances | 1,710,639 | 1.07 | 2,568,419 | 1.09 | 3,376,497 | 4.17 |
| Production and transmission of energy | 21,343,544 | 13.37 | 12,188,344 | 5.17 | 12,454,821 | 15.38 |
| Shoes and leather garments | 1,681,196 | 1.05 | 147,011 | 0.06 | 264,079 | 0.33 |
| Individuals | 19,419,000 | 12.16 | 149,630,030 | 63.42 | 2,094 | 0.00 |
| Others | 38,956,863 | 24.40 | 46,382,027 | 19.66 | 14,195,244 | 17.52 |
| | <u>159,653,491</u> | <u>100.00</u> | <u>235,874,584</u> | <u>100.00</u> | <u>80,979,652</u> | <u>100.00</u> |

Notes to the Consolidated Financial Statements

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| | 2010 | | | | | |
|---|--------------------|---------------|--------------------|---------------|-------------------------------|---------------|
| | Advances - Gross | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | Percent | (Rupees in '000) | Percent | (Rupees in '000) | Percent |
| Chemical and pharmaceuticals | 12,581,392 | 7.69 | 3,118,225 | 1.42 | 4,379,579 | 6.99 |
| Agri business | 3,754,374 | 2.29 | 139,164 | 0.06 | - | - |
| Textile | 31,537,475 | 19.26 | 984,202 | 0.45 | 2,368,412 | 3.78 |
| Communication | 965,316 | 0.59 | 8,408,199 | 3.82 | 138,340 | 0.22 |
| Insurance | 51,893 | 0.03 | 1,203,223 | 0.55 | - | - |
| Telecommunications and information technology | 6,057,752 | 3.70 | 5,112,133 | 2.32 | 2,717,307 | 4.33 |
| Cement | 8,646,315 | 5.28 | 22,824 | 0.01 | 851,453 | 1.36 |
| Sugar | 3,004,413 | 1.84 | 19,205 | 0.01 | 163,673 | 0.26 |
| Automobile and transportation equipment | 2,911,272 | 1.78 | 932,293 | 0.42 | 2,996,873 | 4.78 |
| Transportation | 2,327,602 | 1.42 | 2,640,009 | 1.20 | 704,937 | 1.12 |
| Financial | 647,492 | 0.40 | 1,477,200 | 0.67 | 26,734,531 | 42.65 |
| Electronics and electrical appliances | 2,790,378 | 1.70 | 2,846,214 | 1.29 | 616,961 | 0.98 |
| Production and transmission of energy | 30,945,948 | 18.90 | 7,074,002 | 3.21 | 8,990,750 | 14.34 |
| Shoes and leather garments | 1,245,722 | 0.76 | 106,750 | 0.05 | 29,981 | 0.05 |
| Individuals | 22,208,754 | 13.57 | 134,395,094 | 61.02 | 500 | 0.00 |
| Others | 34,037,174 | 20.79 | 51,709,151 | 23.50 | 11,994,602 | 19.13 |
| | <u>163,713,272</u> | <u>100.00</u> | <u>220,187,888</u> | <u>100.00</u> | <u>62,687,899</u> | <u>100.00</u> |

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

| | 2011 | | 2010 | |
|---|---------------------|-------------------------|---------------------|-------------------------|
| | Classified Advances | Specific Provision held | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Chemical and pharmaceuticals | 259,345 | 132,448 | 110,055 | 109,936 |
| Agri business | 16,799 | 16,799 | 16,799 | 9,300 |
| Textile | 7,726,811 | 7,544,373 | 6,702,963 | 6,595,554 |
| Footwear and Leather garments | 15,564 | 5,997 | 16,393 | 9,457 |
| Automobile and transportation equipment | 402,721 | 383,064 | 458,088 | 402,277 |
| Financial | 49,326 | 24,663 | - | - |
| Production and transmission of energy | 276,416 | 213,232 | 375,968 | 190,452 |
| Individuals | 6,060,285 | 4,422,462 | 4,749,996 | 3,441,120 |
| Others | 11,295,290 | 8,960,079 | 10,151,128 | 7,566,023 |
| | <u>26,102,557</u> | <u>21,703,117</u> | <u>22,581,390</u> | <u>18,324,119</u> |

40.1.5 Segment by sector

| | 2011 | | | | | |
|---------------------|--------------------|-------------|--------------------|-------------|-------------------------------|-------------|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 9,171,405 | 5.74% | 1,913,256 | 0.81% | 7,107,266 | 8.78% |
| Private | 150,482,086 | 94.26% | 233,961,328 | 99.19% | 73,872,386 | 91.22% |
| | <u>159,653,491</u> | <u>100%</u> | <u>235,874,584</u> | <u>100%</u> | <u>80,979,652</u> | <u>100%</u> |

| | 2010 | | | | | |
|---------------------|--------------------|-------------|--------------------|-------------|-------------------------------|-------------|
| | Advances | | Deposits | | Contingencies and Commitments | |
| | (Rupees in '000) | % | (Rupees in '000) | % | (Rupees in '000) | % |
| Public / Government | 26,829,322 | 16.39% | 3,432,915 | 1.56% | 1,446,027 | 2.31% |
| Private | 136,883,950 | 83.61% | 216,754,973 | 98.44% | 61,241,872 | 97.69% |
| | <u>163,713,272</u> | <u>100%</u> | <u>220,187,888</u> | <u>100%</u> | <u>62,687,899</u> | <u>100%</u> |

Notes to the Consolidated Financial Statements

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

| | 2011 | | 2010 | |
|---------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Classified Advances | Specific Provision held | Classified Advances | Specific Provision held |
| | (Rupees in '000) | | | |
| Public / Government | - | - | - | - |
| Private | 26,102,557 | 21,703,117 | 22,581,390 | 18,324,119 |
| | <u>26,102,557</u> | <u>21,703,117</u> | <u>22,581,390</u> | <u>18,324,119</u> |

40.1.7 GEOGRAPHICAL SEGMENT ANALYSIS

| | 2011 | | | |
|----------|------------------------|-----------------------|---------------------|-------------------------------|
| | Profit before taxation | Total assets employed | Net Assets employed | Contingencies and Commitments |
| | (Rupees in '000) | | | |
| Pakistan | 8,586,328 | 364,187,812 | 55,658,738 | 80,979,652 |
| | <u>8,586,328</u> | <u>364,187,812</u> | <u>55,658,738</u> | <u>80,979,652</u> |
| | 2010 | | | |
| | Profit before taxation | Total assets employed | Net Assets employed | Contingencies and Commitments |
| | (Rupees in '000) | | | |
| Pakistan | 5,757,685 | 327,297,400 | 52,100,069 | 62,687,899 |
| | <u>5,757,685</u> | <u>327,297,400</u> | <u>52,100,069</u> | <u>62,687,899</u> |

40.2 Market Risk

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

Market risk is managed by the Head of Market Risk reporting directly to the CRO, who agrees policies and procedures and levels of risk appetite in terms of Value at Risk ("VaR"). Limits are then proposed by the business within the terms of agreed policy. These are agreed and delegated down by RC under delegated authority from the BOD, and are monitored by the Head of Market Risk as part of an independent risk management function. Policies cover both trading and non-trading books.

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

40.3 Foreign Exchange Risk

| | 2011 | | | |
|----------------------|--------------------|--------------------|-------------------------|-------------------------------|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | (Rupees in '000) | | | |
| Pakistan Rupee | 278,417,622 | 252,375,797 | 40,311,498 | 66,353,323 |
| United States Dollar | 32,528,850 | 46,662,490 | (32,133,785) | (46,267,425) |
| Great Britain Pound | 3,881,735 | 3,881,726 | (351,981) | (351,972) |
| Euro | 4,746,625 | 4,971,547 | (5,072,294) | (5,297,216) |
| Swiss Franc | 24,443 | 20,224 | (45,799) | (41,580) |
| Japanese Yen | - | - | (1,054,791) | (1,054,791) |
| Others | 57,987 | 26,744 | (1,652,848) | (1,621,605) |
| | <u>319,657,262</u> | <u>307,938,528</u> | <u>-</u> | <u>11,718,734</u> |
| | 2010 | | | |
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| | (Rupees in '000) | | | |
| Pakistan Rupee | 237,709,635 | 212,563,732 | 21,578,209 | 46,724,112 |
| United States Dollar | 37,812,440 | 52,163,503 | (16,096,793) | (30,447,856) |
| Great Britain Pound | 4,075,795 | 4,038,016 | (296,107) | (258,328) |
| Euro | 5,512,661 | 5,988,864 | (2,435,722) | (2,911,925) |
| Swiss Franc | 19,474 | 19,331 | (29,885) | (29,742) |
| Others | 370,502 | 21,945 | (2,719,702) | (2,371,145) |
| | <u>285,500,507</u> | <u>274,795,391</u> | <u>-</u> | <u>10,705,116</u> |

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

40.3.2 The management sets limits on the level of exposure by currency in total, for both overnight and intra day positions which are monitored daily.

Notes to the Consolidated Financial Statements

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40.4 MISMATCH OF INTEREST RATE SENSITIVE ASSETS AND LIABILITIES

| | | 2011 | | | | | | | | | | | |
|---|--------|---------------------------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|----------------|-------------|--|--------------|
| Effective yield / interest rate | Total | Exposed to yield / interest rate risk | | | | | | | | | | Non interest bearing financial instruments | |
| | | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | | | |
| (Rupees in '000) | | | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 26,293,151 | 7,036,227 | - | - | - | - | - | - | - | - | - | 19,256,924 |
| Balances with other banks | 0.00% | 3,204,253 | 150,000 | - | - | - | - | - | - | - | - | - | 3,054,253 |
| Lendings to financial institutions | 2.01% | 20,205,971 | 20,205,971 | - | - | - | - | - | - | - | - | - | - |
| Investments | 11.95% | 104,040,114 | 15,731,975 | 6,369,343 | 15,000,077 | 50,030,009 | 3,712,716 | 2,747,801 | 10,705,213 | (296,457) | - | - | 39,437 |
| Advances | 13.10% | 137,308,880 | 72,969,741 | 34,583,434 | 15,840,567 | 4,013,828 | 2,769,152 | 1,748,960 | 1,602,203 | 23,049 | - | - | 3,757,946 |
| Other assets | - | 28,604,893 | - | - | - | - | - | - | - | - | - | - | 28,604,893 |
| | | 319,657,262 | 116,093,914 | 40,952,777 | 30,840,644 | 54,043,837 | 6,481,868 | 4,496,761 | 12,307,416 | (273,408) | - | - | 54,713,453 |
| Liabilities | | | | | | | | | | | | | |
| Bills payable | 0.00% | 4,576,789 | - | - | - | - | - | - | - | - | - | - | 4,576,789 |
| Borrowings | 10.00% | 19,361,864 | 2,447,241 | 10,724,431 | 4,712,443 | 579,614 | 429,525 | - | 430,172 | 14,623 | - | - | 23,815 |
| Deposits and other accounts | 6.59% | 235,874,584 | 118,876,861 | 8,004,444 | 5,313,998 | 7,212,246 | 799,202 | 962,179 | - | - | - | - | 94,705,654 |
| Sub-ordinated loan - TFCs | 13.95% | 699,200 | 699,200 | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | - | 47,426,091 | - | - | - | - | - | - | - | - | - | - | 47,426,091 |
| | | 307,938,528 | 122,023,302 | 18,728,875 | 10,026,441 | 7,791,860 | 1,228,727 | 962,179 | 430,172 | 14,623 | - | - | 146,732,349 |
| On-balance sheet gap | | 11,718,734 | (5,929,388) | 22,223,902 | 20,814,203 | 46,251,977 | 5,253,141 | 3,534,582 | 11,877,244 | (288,031) | - | - | (92,018,896) |
| Off-balance sheet financial instruments | | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | | |
| Interest Rate Swap | | 55,080,732 | - | - | - | 9,136,635 | 20,193,942 | 5,092,630 | 8,255,314 | 12,402,211 | - | - | - |
| Foreign Currency option | | 15,822,498 | 2,318,516 | 12,750,502 | 753,480 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 51,619,665 | 24,637,959 | 21,671,887 | 4,895,546 | 414,273 | - | - | - | - | - | - | - |
| | | 122,522,895 | 26,956,475 | 34,422,389 | 5,649,026 | 9,550,908 | 20,193,942 | 5,092,630 | 8,255,314 | 12,402,211 | - | - | - |
| Forward Borrowing | | | | | | | | | | | | | |
| Interest Rate Swap | | 47,080,731 | - | 200,000 | 434,333 | 7,427,147 | 12,093,601 | 4,009,407 | 19,918,052 | 2,998,191 | - | - | - |
| Foreign Currency option | | 15,822,498 | 2,318,516 | 12,750,502 | 753,480 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 36,686,830 | 17,314,106 | 16,263,828 | 3,086,411 | 22,485 | - | - | - | - | - | - | - |
| | | 99,590,059 | 19,632,622 | 29,214,330 | 4,274,224 | 7,449,632 | 12,093,601 | 4,009,407 | 19,918,052 | 2,998,191 | - | - | - |
| Off-balance sheet gap | | 22,932,836 | 7,323,853 | 5,208,059 | 1,374,802 | 2,101,276 | 8,100,341 | 1,083,223 | (11,662,738) | 9,404,020 | - | - | - |
| Total yield / interest risk sensitivity gap | | 34,651,570 | 1,394,465 | 27,431,961 | 22,189,005 | 48,353,253 | 13,353,482 | 4,617,805 | 214,506 | 9,115,989 | - | - | (92,018,896) |
| Cumulative yield / interest risk sensitivity gap | | | | 28,826,426 | 51,015,431 | 99,368,684 | 112,722,166 | 117,339,971 | 117,554,477 | 126,670,466 | 126,670,466 | - | - |

| | | 2010 | | | | | | | | | | | |
|---|--------|---------------------------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|----------------|-------------|--|--------------|
| Effective yield / interest rate | Total | Exposed to yield / interest rate risk | | | | | | | | | | Non interest bearing financial instruments | |
| | | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years | | | |
| (Rupees in '000) | | | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | |
| Cash and balances with treasury banks | - | 24,087,885 | 6,827,499 | - | - | - | - | - | - | - | - | - | 17,260,386 |
| Balances with other banks | 0.00% | 921,931 | - | - | - | - | - | - | - | - | - | - | 921,931 |
| Lendings to financial institutions | 4.50% | 30,421,885 | 20,610,409 | 5,525,451 | - | 4,286,025 | - | - | - | - | - | - | - |
| Investments | 11.34% | 72,294,275 | 37,661,852 | 21,504,134 | 5,544,722 | 1,575,697 | 1,592,708 | 1,745,756 | 443,242 | 2,164,700 | - | - | 61,464 |
| Advances | 13.99% | 144,721,557 | 68,531,868 | 39,679,019 | 23,548,044 | 1,852,339 | 1,662,740 | 746,716 | 822,179 | 2,527,142 | 1,761,835 | - | 3,589,675 |
| Other assets | - | 13,052,974 | - | - | - | - | - | - | - | - | - | - | 13,052,974 |
| | | 285,500,507 | 133,631,628 | 66,708,604 | 29,092,766 | 7,714,061 | 3,255,448 | 2,492,472 | 1,265,421 | 4,691,842 | 1,761,835 | - | 34,886,430 |
| Liabilities | | | | | | | | | | | | | |
| Bills payable | - | 5,691,864 | - | - | - | - | - | - | - | - | - | - | 5,691,864 |
| Borrowings | 7.04% | 15,914,343 | 792,459 | 6,487,180 | 5,642,552 | 1,748 | 203,800 | 3,000 | 119,803 | 1,025,071 | - | - | 1,638,730 |
| Deposits and other accounts | 6.62% | 220,187,888 | 107,232,257 | 13,299,769 | 4,736,807 | 9,365,030 | 806,079 | 854,799 | 1,180 | - | - | - | 83,891,967 |
| Sub-ordinated loan - TFCs | 12.92% | 1,135,900 | 237,500 | - | - | 199,200 | 449,200 | 250,000 | - | - | - | - | - |
| Other liabilities | - | 31,865,396 | - | - | - | - | - | - | - | - | - | - | 31,865,396 |
| | | 274,795,391 | 108,262,216 | 19,786,949 | 10,379,359 | 9,565,978 | 1,459,079 | 1,107,799 | 120,983 | 1,025,071 | - | - | 123,087,957 |
| On-balance sheet gap | | 10,705,116 | 25,369,412 | 46,921,655 | 18,713,407 | (1,851,917) | 1,796,369 | 1,384,673 | 1,144,438 | 3,666,771 | 1,761,835 | - | (88,201,527) |
| Off-balance sheet financial instruments | | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | | |
| Interest Rate Swap | | 70,714,086 | - | - | 30,000 | 1,274,037 | 17,310,484 | 22,040,652 | 13,815,128 | 16,243,785 | - | - | - |
| Foreign Currency option | | 4,400,360 | 1,423,839 | 2,908,886 | 67,635 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 52,631,879 | 27,255,871 | 16,602,308 | 8,113,004 | 660,696 | - | - | - | - | - | - | - |
| | | 127,746,325 | 28,679,710 | 19,511,194 | 8,210,639 | 1,934,733 | 17,310,484 | 22,040,652 | 13,815,128 | 16,243,785 | - | - | - |
| Forward Borrowing | | | | | | | | | | | | | |
| Interest Rate Swap | | 54,307,772 | 7,143 | 2,019,275 | 905,993 | 1,493,081 | 8,685,892 | 12,135,883 | 18,812,647 | 10,247,858 | - | - | - |
| Foreign Currency option | | 4,400,360 | 1,423,839 | 2,908,886 | 67,635 | - | - | - | - | - | - | - | - |
| Forward Foreign Exchange Contracts | | 36,575,885 | 21,731,711 | 9,716,783 | 5,115,215 | 12,176 | - | - | - | - | - | - | - |
| | | 95,284,017 | 23,162,693 | 14,644,944 | 6,088,843 | 1,505,257 | 8,685,892 | 12,135,883 | 18,812,647 | 10,247,858 | - | - | - |
| Off-balance sheet gap | | 32,462,308 | 5,517,017 | 4,866,250 | 2,121,796 | 429,476 | 8,624,592 | 9,904,769 | (4,997,519) | 5,995,927 | - | - | - |
| Total yield / interest risk sensitivity gap | | 43,167,424 | 30,886,429 | 51,787,905 | 20,835,203 | (1,422,441) | 10,420,961 | 11,289,442 | (3,853,081) | 9,662,698 | 1,761,835 | - | (88,201,527) |
| Cumulative yield / interest risk sensitivity gap | | | | 82,674,334 | 103,509,537 | 102,087,096 | 112,508,057 | 123,797,499 | 119,944,418 | 129,607,116 | 131,368,951 | - | - |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

40.5 Yield / Interest Rate Risk

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

40.6 Liquidity Risk

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

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

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

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

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

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

40.7 Maturities of assets and liabilities - based on contractual maturity of assets and liabilities of the group

| | 2011 | | | | | | | | | |
|--|--------------------|----------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| ------(Rupees in '000)----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury bank | 26,293,151 | 26,293,151 | - | - | - | - | - | - | - | - |
| Balances with other banks | 3,204,253 | 3,204,253 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 20,205,971 | 20,205,971 | - | - | - | - | - | - | - | - |
| Investments | 104,040,114 | 15,000,084 | 6,369,343 | 13,675,077 | 50,030,009 | 3,712,716 | 2,747,801 | 12,030,213 | 474,871 | - |
| Advances | 137,308,880 | 58,646,541 | 25,712,202 | 11,931,411 | 7,018,180 | 11,299,085 | 6,584,690 | 8,043,275 | 6,638,296 | 1,435,200 |
| Other assets | 37,565,179 | 867,210 | 17,879,305 | 7,601,366 | 9,177,415 | 873,854 | 14,703 | 745,726 | 405,600 | - |
| Operating fixed assets | 6,437,023 | 25,227 | 50,452 | 75,678 | 152,018 | 385,152 | 303,918 | 605,428 | 1,513,569 | 3,325,581 |
| Intangible assets | 26,413,335 | 2,298 | 4,598 | 6,897 | 13,795 | 27,590 | 28,354 | 55,182 | 137,952 | 26,136,669 |
| Deferred tax assets | 2,719,906 | - | - | - | - | - | - | 2,719,906 | - | - |
| | 364,187,812 | 124,244,735 | 50,015,900 | 33,290,429 | 66,391,417 | 16,298,397 | 9,679,466 | 24,199,730 | 9,170,288 | 30,897,450 |
| Liabilities | | | | | | | | | | |
| Bills payable | 4,576,789 | 4,576,789 | - | - | - | - | - | - | - | - |
| Borrowings | 19,361,864 | 2,471,056 | 10,724,431 | 4,712,443 | 579,614 | 429,525 | - | 430,172 | 14,623 | - |
| Deposits and other accounts | 235,874,584 | 213,438,755 | 8,007,044 | 5,403,371 | 7,263,965 | 799,270 | 962,179 | - | - | - |
| Sub-ordinated loan - TFCs | 699,200 | 199,200 | - | - | 250,000 | 250,000 | - | - | - | - |
| Other liabilities | 48,016,637 | 18,219,423 | 7,814,991 | 1,387,895 | 9,683,161 | 4,970,065 | 3,807,404 | 1,557,127 | 576,571 | - |
| | 308,529,074 | 238,905,223 | 26,546,466 | 11,503,709 | 17,776,740 | 6,448,860 | 4,769,583 | 1,987,299 | 591,194 | - |
| | 55,658,738 | (114,660,488) | 23,469,434 | 21,786,720 | 48,614,677 | 9,849,537 | 4,909,883 | 22,212,431 | 8,579,094 | 30,897,450 |
| Net assets | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 3,879,491 | | | | | | | | | |
| Unappropriated profit | 8,940,420 | | | | | | | | | |
| Surplus / (deficit) on revaluation of assets | 3,323,174 | | | | | | | | | |
| Minority interest | 799,803 | | | | | | | | | |
| | 55,658,738 | | | | | | | | | |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | 2010 | | | | | | | | | |
|--|--------------------|---------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| ----- (Rupees in '000) ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury bank | 24,087,885 | 24,087,885 | - | - | - | - | - | - | - | - |
| Balances with other banks | 921,931 | 921,931 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 30,421,885 | 20,610,409 | 5,525,451 | - | 4,286,025 | - | - | - | - | - |
| Investments | 72,294,275 | 37,769,030 | 21,504,134 | 4,219,722 | 1,575,697 | 1,592,708 | 1,745,756 | 1,768,242 | 2,118,986 | - |
| Advances | 144,721,557 | 59,655,659 | 17,015,834 | 13,975,008 | 7,232,137 | 13,264,283 | 12,846,040 | 10,885,154 | 8,085,607 | 1,761,835 |
| Other assets | 18,132,579 | 609,410 | 8,069,077 | 3,630,894 | 2,994,516 | 310,490 | 1,115,221 | 500,590 | 902,381 | - |
| Operating fixed assets | 6,606,225 | 27,480 | 54,877 | 82,316 | 164,632 | 338,327 | 329,266 | 660,615 | 1,625,105 | 3,323,607 |
| Intangible assets | 26,681,948 | 5,926 | 10,493 | 15,740 | 31,480 | 62,958 | 62,958 | 125,916 | 264,670 | 26,101,807 |
| Deferred tax assets | 3,429,115 | - | - | - | - | - | - | 3,429,115 | - | - |
| | 327,297,400 | 143,687,730 | 52,179,866 | 21,923,680 | 16,284,487 | 15,568,766 | 16,099,241 | 17,369,632 | 12,996,749 | 31,187,249 |
| Liabilities | | | | | | | | | | |
| Bills payable | 5,691,864 | 5,691,864 | - | - | - | - | - | - | - | - |
| Borrowings | 15,914,343 | 2,431,189 | 6,487,180 | 5,642,552 | 1,748 | 203,800 | 3,000 | 119,803 | 1,025,071 | - |
| Deposits and other accounts | 220,187,888 | 190,939,367 | 13,314,247 | 4,821,772 | 9,450,379 | 806,079 | 854,864 | 1,180 | - | - |
| Sub-ordinated loan - TFCs | 1,135,900 | 237,500 | - | - | 199,200 | 449,200 | 250,000 | - | - | - |
| Other liabilities | 32,267,336 | 2,470,122 | 7,814,991 | 1,387,895 | 9,683,161 | 4,970,065 | 3,807,404 | 1,557,127 | 576,571 | - |
| | 275,197,331 | 201,770,042 | 27,616,418 | 11,852,219 | 19,334,488 | 6,429,144 | 4,915,268 | 1,678,110 | 1,601,642 | - |
| | 52,100,069 | (58,082,312) | 24,563,448 | 10,071,461 | (3,050,001) | 9,139,622 | 11,183,973 | 15,691,522 | 11,395,107 | 31,187,249 |
| Net assets | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 2,785,229 | | | | | | | | | |
| Unappropriated profit | 6,838,790 | | | | | | | | | |
| Surplus / (deficit) on revaluation of assets | 2,972,973 | | | | | | | | | |
| Minority interest | 787,227 | | | | | | | | | |
| | 52,100,069 | | | | | | | | | |

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

The expected maturity analysis is prepared in accordance with the guidelines issued by SBP through BSD Circular letter No. 3 of 2011 where non-contractual assets and liabilities are stated as per their expected maturities.

| | 2011 | | | | | | | | | |
|--|--------------------|-------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|
| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
| ----- (Rupees in '000) ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 26,293,151 | 26,293,151 | - | - | - | - | - | - | - | - |
| Balances with other banks | 3,204,253 | 3,204,253 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 20,205,971 | 20,205,971 | - | - | - | - | - | - | - | - |
| Investments | 104,040,114 | 15,000,084 | 6,369,343 | 13,675,077 | 50,030,009 | 3,712,716 | 2,747,801 | 12,030,213 | 474,871 | - |
| Advances | 137,308,880 | 23,355,382 | 27,266,307 | 14,262,569 | 11,680,496 | 38,042,665 | 6,584,690 | 8,043,275 | 6,638,296 | 1,435,200 |
| Other assets | 37,565,179 | 867,210 | 17,879,305 | 7,601,366 | 9,177,415 | 873,854 | 14,703 | 745,726 | 405,600 | - |
| Operating fixed assets | 6,437,023 | 25,227 | 50,452 | 75,678 | 152,018 | 385,152 | 303,918 | 605,428 | 1,513,569 | 3,325,581 |
| Intangible assets | 26,413,335 | 2,298 | 4,598 | 6,897 | 13,795 | 27,590 | 28,354 | 55,182 | 137,952 | 26,136,669 |
| Deferred tax assets | 2,719,906 | - | - | - | - | - | - | 2,719,906 | - | - |
| | 364,187,812 | 88,953,576 | 51,570,005 | 35,621,587 | 71,053,733 | 43,041,977 | 9,679,466 | 24,199,730 | 9,170,288 | 30,897,450 |
| Liabilities | | | | | | | | | | |
| Bills payable | 4,576,789 | 4,576,789 | - | - | - | - | - | - | - | - |
| Borrowings | 19,361,864 | 2,471,056 | 10,724,431 | 4,712,443 | 579,614 | 429,525 | - | 430,172 | 14,623 | - |
| Deposits and other accounts | 235,874,584 | 25,538,421 | 13,902,224 | 14,246,141 | 24,949,506 | 156,276,113 | 962,179 | - | - | - |
| Sub-ordinated loans | 699,200 | 199,200 | - | - | 250,000 | 250,000 | - | - | - | - |
| Other liabilities | 48,016,637 | 1,996,949 | 16,274,049 | 953,256 | 22,303,002 | 3,440,775 | 1,896,155 | 918,279 | 234,172 | - |
| | 308,529,074 | 34,782,415 | 40,900,704 | 19,911,840 | 48,082,122 | 160,396,413 | 2,858,334 | 1,348,451 | 248,795 | - |
| | 55,658,738 | 54,171,161 | 10,669,301 | 15,709,747 | 22,971,611 | (117,354,436) | 6,821,132 | 22,851,279 | 8,921,493 | 30,897,450 |
| Net assets | | | | | | | | | | |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 3,879,491 | | | | | | | | | |
| Unappropriated profit | 8,940,420 | | | | | | | | | |
| Surplus on revaluation of assets - net | 799,803 | | | | | | | | | |
| Minority interest | 3,323,174 | | | | | | | | | |
| | 55,658,738 | | | | | | | | | |

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2010

| | Total | Upto one month | Over one month to three months | Over three months to six months | Over six months to one year | Over one year to two years | Over two years to three years | Over three years to five years | Over five years to ten years | Over ten years |
|--|--------------------|--------------------|--------------------------------|---------------------------------|-----------------------------|----------------------------|-------------------------------|--------------------------------|------------------------------|-------------------|
| (Rupees in '000) | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 24,087,885 | 24,087,885 | - | - | - | - | - | - | - | - |
| Balances with other banks | 921,931 | 921,931 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 30,421,885 | 20,610,409 | 5,525,451 | - | 4,286,025 | - | - | - | - | - |
| Investments | 72,294,275 | 37,769,030 | 21,504,134 | 4,219,722 | 1,575,697 | 1,592,708 | 1,745,756 | 1,768,242 | 2,118,986 | - |
| Advances | 144,721,557 | 17,377,353 | 19,006,242 | 16,960,621 | 13,203,363 | 44,595,342 | 12,846,040 | 10,885,154 | 8,085,607 | 1,761,835 |
| Other assets | 18,132,579 | 609,410 | 8,069,077 | 3,630,894 | 2,994,516 | 310,490 | 1,115,221 | 500,590 | 902,381 | - |
| Operating fixed assets | 6,606,225 | 27,480 | 54,877 | 82,316 | 164,632 | 338,327 | 329,266 | 660,615 | 1,625,105 | 3,323,607 |
| Intangible assets | 26,681,948 | 5,926 | 10,493 | 15,740 | 31,480 | 62,958 | 62,958 | 125,916 | 264,670 | 26,101,807 |
| Deferred tax assets | 3,429,115 | - | - | - | - | - | - | 3,429,115 | - | - |
| | <u>327,297,400</u> | <u>101,409,424</u> | <u>54,170,274</u> | <u>24,909,293</u> | <u>22,255,713</u> | <u>46,899,825</u> | <u>16,099,241</u> | <u>17,369,632</u> | <u>12,996,749</u> | <u>31,187,249</u> |
| Liabilities | | | | | | | | | | |
| Bills payable | 5,691,864 | 5,691,864 | - | - | - | - | - | - | - | - |
| Borrowings | 15,914,343 | 2,431,189 | 6,487,180 | 5,642,552 | 1,748 | 203,800 | 3,000 | 119,803 | 1,025,071 | - |
| Deposits and other accounts | 220,187,888 | 28,510,057 | 20,304,207 | 15,306,713 | 30,420,259 | 124,790,608 | 854,864 | 1,180 | - | - |
| Sub-ordinated loans | 1,135,900 | 237,500 | - | - | 199,200 | 449,200 | 250,000 | - | - | - |
| Other liabilities | 32,267,336 | 2,470,122 | 7,814,991 | 1,387,895 | 9,683,161 | 4,970,065 | 3,807,404 | 1,557,127 | 576,571 | - |
| | <u>275,197,331</u> | <u>39,340,732</u> | <u>34,606,378</u> | <u>22,337,160</u> | <u>40,304,368</u> | <u>130,413,673</u> | <u>4,915,268</u> | <u>1,678,110</u> | <u>1,601,642</u> | <u>-</u> |
| Net assets | <u>52,100,069</u> | <u>62,068,692</u> | <u>19,563,896</u> | <u>2,572,133</u> | <u>(18,048,655)</u> | <u>(83,513,848)</u> | <u>11,183,973</u> | <u>15,691,522</u> | <u>11,395,107</u> | <u>31,187,249</u> |
| Share capital | 38,715,850 | | | | | | | | | |
| Reserves | 2,785,229 | | | | | | | | | |
| Unappropriated profit | 6,838,790 | | | | | | | | | |
| Deficit on revaluation of assets - net | 2,972,973 | | | | | | | | | |
| Minority interest | 787,227 | | | | | | | | | |
| | <u>52,100,069</u> | | | | | | | | | |

40.9 Operational Risk

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

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

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

Notes to the Consolidated Financial Statements

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41. ISLAMIC BANKING BUSINESS

The Bank is operating with 15 Islamic Banking branches as at the end of 2011 (2010: 15).

41.1 Balance Sheet

Assets

| | |
|---|--|
| Cash in hand | |
| Balances with and due from Financial Institutions | |
| Investments | |
| Financing and receivables | |
| - Murabaha | |
| - Musharaka | |
| - Diminishing Musharaka | |
| - Others | |

| | |
|------------------------|--|
| Operating fixed assets | |
| Other assets | |

Liabilities

| | |
|-----------------------------|--|
| Deposits and other accounts | |
| - Current accounts | |
| - Savings accounts | |
| - Term deposits | |
| - Others | |

| | |
|-------------------------------|--|
| Due to financial institutions | |
| Other liabilities | |

Net Assets

Represented by:

| | |
|--|--|
| Islamic Banking Fund | |
| Reserves | |
| Deficit on revaluation of assets - net | |

CONTINGENCIES AND COMMITMENTS

Charity fund

| | |
|--|--|
| Opening balance | |
| Additions during the year | |
| Payments / utilization during the year | |
| Closing balance | |

| Note | 2011 | 2010 |
|------|------------------------------|------------|
| | ----- (Rupees in '000) ----- | |
| | 124,796 | 113,723 |
| | 1,744,661 | 557,362 |
| | 5,923,668 | 3,624,892 |
| | 3,911,912 | 1,758,147 |
| | 64,563 | - |
| | 10,238,647 | 7,552,373 |
| | 119,962 | 28,196 |
| | 14,335,084 | 9,338,716 |
| | 216,255 | 211,224 |
| 41.3 | 6,360,912 | 582,735 |
| | 28,705,376 | 14,428,652 |
| | 8,846,563 | 5,381,984 |
| | 4,182,275 | 2,222,316 |
| | 3,420,838 | 3,440,267 |
| | 83,844 | 417,692 |
| | 16,533,520 | 11,462,259 |
| | 1,922,500 | 805,000 |
| 41.3 | 7,327,534 | 444,835 |
| | 25,783,554 | 12,712,094 |
| | 2,921,822 | 1,716,558 |
| | 200,000 | 200,000 |
| | 2,723,154 | 1,516,666 |
| | (1,332) | (108) |
| | 2,921,822 | 1,716,558 |
| 21 | | |
| | - | - |
| | 4,377 | 4,141 |
| | (4,377) | (4,141) |
| | - | - |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2011

| | Note | 2011 | 2010 |
|--|------|-----------|-----------|
| ----- (Rupees in '000) ----- | | | |
| 41.2 Profit and Loss | | | |
| Profit / return earned on financings, investments and placements | | 2,355,604 | 1,471,808 |
| Return on deposits and others dues expensed | | (627,700) | (453,105) |
| Net spread earned | | 1,727,904 | 1,018,703 |
| Provision against non performing financing | | (185,514) | (196,064) |
| Net spread after provisions | | 1,542,390 | 822,639 |
| Other income | | | |
| Fees, commission and brokerage income | | 461,960 | 253,618 |
| Other income | | 7 | 2 |
| Total other income | | 461,967 | 253,620 |
| Other expenses | | 2,004,357 | 1,076,259 |
| Administrative expenses | 41.4 | (797,869) | (361,775) |
| Profit before taxation | | 1,206,488 | 714,484 |

41.3 This includes acceptances of Rs. 5,456 million (2010: Rs. 309 million).

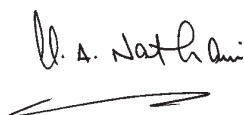
41.4 This includes Bank's Shariah Advisor cost Rs. 520 thousand for 2011.

42. DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 05 March 2012.



Christos Papadopoulos
Chairman



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Andrew J. Hardacre
Director

Consolidated Financial Statements

Annexure-1

Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above as required under sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 during the year ended 31 December, 2011.

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-----------------------|--|---|---------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 1 | SH. MOHAMMAD SHAFIQUE | 22 SHAMI ROAD SHAMI BLOCK MUSLIM TOWN 1 FSD | 33100-0137938-5 | SHEIKH HAJI ABDUL GHAFUOR | 1,599,158 | 683,511 | - | 2,282,669 | 559,158 | 1,355,273 | - | 1,914,430 |
| 2 | FAYYAZ AHMAD KHAN | 352 3 DHA LHR CANTT | 273-44-188399 | GHULAM HUSSAIN | 5,035,578 | 152,978 | - | 5,188,556 | 2,836,293 | 882,917 | - | 3,719,210 |
| 3 | MALIK MOHAMMAD AYUB | H NO 231 WESTWOOD COLONYTHOKAR NIAZ BAIGRAIWIND RO 8/9 ALI PARKTHOKAR NIAZ BAIGNEAR I.M.T STOP MULTAN | 35202-2680499-9 | MALIK HASSAN AHMED | 10,698,793 | 3,754,339 | - | 14,453,132 | 6,365,686 | 2,504,705 | - | 8,870,391 |
| 4 | NASIRA EJAZ | HOUSE NO 150-B MUSLIM TOWN SARGODHA RD FSD | 33100-6193226-5 | MUHAMMAD EJAZ ELLAHI | 2,312,421 | 964,248 | - | 3,276,669 | 1,012,421 | 684,797 | - | 1,697,218 |
| 5 | ABDUL RAZZAK KHAN | C-B 670LANE NO 5PESHAWAR ROAD RAWALPINDI CANTT.NEAR SHOP NO 1-2MAJEED PLAZABANK ROAD SADDAR RAWALPINDI | 37405-1532829-3 | ZABAR DAST KHAN | 1,632,777 | 435,701 | - | 2,068,478 | 162,677 | 520,240 | - | 682,918 |
| 6 | SH NISAR AHMED | DOST STREET SIMANDRI ROAD FAISALABAD | 33100-0917755-3 | MUHAMMAD AKBAR | 1,998,080 | 399,617 | - | 2,397,696 | 195,874 | 579,421 | - | 775,294 |
| 7 | S PERVEZ ALAM | 94/1 6TH STREET PHASE-VI D.H.A KARACHI | 42301-8882602-7 | MUHAMMAD ZAHOR ALAM | 4,999,525 | 1,497,528 | - | 6,497,053 | 1,499,525 | 2,078,295 | - | 3,577,820 |
| 8 | MAQSOOD AHMED | 444-B GULISTAN COLONYNO 2 MILLAT ROADFAISALABAD 12 JAMIA CLOTH MARKETGALE KATCHERY BAZAR FAISALABAD | 33100-1625996-3 | HAJI ABDUL AZIZ | 1,207,473 | 363,023 | - | 1,570,496 | 96,063 | 413,501 | - | 509,564 |
| 9 | KHAWAR MAQSOOD | 11-E SHAH ALAM MARKET LAHORE | 35202-2873459-7 | MAQSOOD ALAM | 7,399,618 | 1,954,814 | - | 9,354,432 | 2,599,618 | 1,954,814 | - | 4,554,432 |
| 10 | MUNIR HUSSAIN SHAIKH | 127 ABU BAKAR NEW GARDEN TOWN LAHORE | 35202-6338470-1 | MUHAMMAD HUSSAIN SHAIKH | 4,185,633 | 59,583 | - | 4,245,216 | - | 596,398 | - | 596,398 |
| 11 | IJAZ UL QAMAR | 100-B AZIZ SHAHEED ROAD SIALKOT CANTT SIALKOT | 34603-1115981-5 | CHAUDHARY MUHAMMAD SHAFI | 1,446,548 | 976,834 | - | 2,423,382 | 246,548 | 1,001,405 | - | 1,247,953 |
| 12 | AMIR MAJEED | 101 WEST WIND ESTATE FL-11 CLIFTON BLOCK-2 KEHKASHAN | 517-65-042657 | ABDUL MAJEED CLODY | 9,587,136 | 4,155,204 | - | 13,742,340 | 3,355,086 | 4,155,204 | - | 7,510,290 |
| 13 | M AFZAL | CHAK NO.204.R.BDAKHANA KHAS FAISALABAD CHAK NO.204-R.BMAIN MADINA TOWN ROAD FAISALABAD | 33100-3622072-3 | CHAUDHRY FAQIR MUHAMMAD | 9,596,388 | 4,001,311 | - | 13,597,700 | 6,563,378 | 88,898 | - | 6,652,276 |
| 14 | HAKIM MOHAMMAD IQBAL | 152-B EME HOUSING SOCIETY MULTAN ROAD LAHORE | 36402-3443792-5 | M RUSTAM BHATTI | 5,652,000 | 2,150,585 | - | 7,802,585 | 1,607,340 | 2,300,432 | - | 3,907,772 |
| 15 | QAMER ABBAS ZAIDI | 32 A JHAFARIA COLONY LHR | 272-60-198224 | QAMAR ABBAS ZAIDI | 1,267,927 | 295,271 | - | 1,563,198 | 316,207 | 549,551 | - | 865,758 |
| 16 | SYED MUKARAM HUSSAIN | HOSUE NO 12 GALI 21 NABI PURA LAL PUL MUGHAL PURA | 35201-6543905-5 | SYED ALAM SHAH | 2,649,090 | 1,146,696 | - | 3,795,787 | 661,790 | 1,322,335 | - | 1,984,125 |
| 17 | MASOOD AHMED | 5 SARFRAZ CLOTH MARKET GOLE KAPRA GHNTA GHAR FAISALABAD | 33100-8759568-1 | BASHIR AHMAD SHEIKH | 2,460,392 | 616,109 | - | 3,076,502 | 442,392 | 711,874 | - | 1,154,266 |
| 18 | M ASIF | 232-U OPPOSITR LUMS D.H.A. CANTT LAHORE | 35201-9997991-7 | MOHAMMED RAFIQ | 3,036,328 | 1,365,934 | - | 4,402,262 | 1,036,328 | 1,567,247 | - | 2,603,574 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|--------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 19 | M UL HASSAN KHAN | H NO B 4 ST 40 F 7/1 ISD | 101-61-697434 | MUHAMMAD YUSUF KHAN | 10,198,639 | 4,284,557 | - | 14,483,196 | 4,078,639 | 4,284,557 | - | 8,363,196 |
| 20 | KALSOOM AKHTAR | H NO P-46 CANNAL PRK EAST CANNAL ROAD NEAR HUMDRD UNIVERSTY FAISALABAD | 33100-0524348-6 | MUSHTAQ AHMED BHATTI | 4,420,029 | 1,106,882 | - | 5,526,911 | 3,169,159 | 57,709 | - | 3,226,868 |
| 21 | IMTIAZ AHMED MALIK | 7 C DHA LAHORE | 275-58-325564 | MALIK MUHAMMAD AKRAM | 299,983 | 463,207 | - | 763,189 | 299,983 | 477,143 | - | 777,126 |
| 22 | AHMED ALI | H NO B-334 P GULISTAN COLONYNO 2 FAISLABAD NEW CIVIL LINE ROAD OPP H NO 20 FAISLABAD | 33100-4819700-1 | FAZAL HUSSAIN | 1,990,014 | 492,685 | - | 2,482,700 | 497,659 | 689,931 | - | 1,187,590 |
| 23 | M UMAR FAROOQ | H NO F-704F-BLOCKNEAR MASHAL SCHOOLSATTELITE TOWNR P/1573DEGREE COLLEGE ROADOPP.MALIK MEMORIAL HOSPIT | 37405-8199577-7 | ABDUL GHAFOOR KHAN | 5,195,879 | 1,648,434 | - | 6,844,313 | 778,889 | 1,897,134 | - | 2,676,023 |
| 24 | ZESHAN AKRAM KHAN | P.O BOX 2201 OPPOSITE: GIRLS HIGH SCHOOL SIALKOT | 34603-2808719-9 | MUHAMMAD AKRAM KHAN | 2,116,042 | 636,548 | - | 2,752,590 | 1,472,438 | 25,011 | - | 1,497,449 |
| 25 | MUSHTAQ AHMED JAVAID | 174 A JALIL TOWN GJW | 34101-2592117-7 | MAIN LAHAB DIN (LATE) | 1,626,037 | 168,495 | - | 1,794,532 | 655,900 | - | - | 655,900 |
| 26 | IMTIAZ HUSSAIN | FLAT NO 4 NAJEEB PLAZA 1-9 MARKAZ ISL | 61101-1886729-7 | MUHAMMAD SHAFI | 1,744,458 | 733,363 | - | 2,477,821 | 444,458 | 733,363 | - | 1,177,821 |
| 27 | M HUSSAIN USMAN | KAMANI CONSULTANT & MANAGMENT 205 A.H. CENTRE SHAHRAH-E-LIAQUAT | 42301-8481331-5 | MUHAMMAD USMAN | 1,388,691 | 334,947 | - | 1,723,639 | 263,841 | 462,951 | - | 726,792 |
| 28 | MOHAMMAD RAMZAN SABQI | FLAT NO 203 ARIF ARCADE PLOT NO 48 BLOCK 3 BAHADUR | 42201-2808512-5 | WALI MOHAMMAD SABQI | 4,327,045 | 1,353,477 | - | 5,680,521 | 2,618,396 | 55,470 | - | 2,673,866 |
| 29 | ZAMIN SHAH | H NO 4 ST 955 CAB LINES RWP | 37405-0566805-5 | MISKEEN SHAH | 2,994,509 | 819,093 | - | 3,813,602 | 599,009 | 1,005,548 | - | 1,604,557 |
| 30 | TAHIR USMAN | B-209.BLOCK 6 GULSHAN E IQBALNEAR DISCO BAKERY KARA SHOP NO 5 BUILDING NO 3-C10TH STREET | 42201-6720877-3 | SHAHZAD BI | 9,795,624 | 4,084,640 | - | 13,880,264 | 3,428,061 | 4,251,032 | - | 7,679,092 |
| 31 | M MAZHAR AWAN | H NO E 119 BLOCK E SATTELITE TOWN NEAR HOLY FAMILY HOSPITAL RAWALPINDI | 36201-4913274-3 | MALIK JAHANDAD KHAN | 867,878 | 603,098 | - | 1,470,976 | 237,138 | 610,638 | - | 847,776 |
| 32 | M SHAKEEL | HOUSE NO C/164 BLOCK 6 GULISTAN E MUSTAFA FEDERAL B AREA KARACHI | 42000-0564185-1 | MUHAMMAD TAHIR | 1,489,959 | 632,133 | - | 2,122,092 | 372,490 | 632,133 | - | 1,004,623 |
| 33 | MOHAMMAD AKBAR KHAN | M.A.K TRADERS SUIT#6.7 3RD FLOOR RANA CHEMBER LAKE LASANI FALOODA LAHORE | 35202-7271412-1 | M ARSHAD KHAN | 2,692,229 | 1,114,191 | - | 3,806,420 | 942,248 | 1,650,793 | - | 2,593,041 |
| 34 | RIAZ HUSSAIN KHAN | HOUSE NO. C - 256 , BLOCK - 10. FEDERAL ' B ' AREA , PH#6349049 | 42101-2628509-5 | AHMED HUSSAIN KHAN | 2,476,596 | 1,070,442 | - | 3,547,038 | 742,945 | 1,070,442 | - | 1,813,387 |
| 35 | M YASIN | 197 E MOHAMMADI PARK NEAR SHAMI CHOWK GHULAM MOHAM | 33100-6853002-1 | MANZOOR AHMAD | 2,149,412 | 859,814 | - | 3,009,225 | 1,361,356 | - | - | 1,361,356 |
| 36 | SALMAN MALIK | 4/1, FAZLIA COLONY, FEROUZ PUR ROAD, LAHORE | 35202-5904340-7 | MUHAMMAD ASHIQ MALIK | 4,262,393 | 60,676 | - | 4,323,069 | 700,000 | 172,681 | - | 872,681 |
| 37 | QASIM ALI SHAH | B-52 BLOCK 13 FEDERAL B AREA KARACHI | 42000-6843871-3 | BUNYAD ALI SHAH | 3,010,015 | 753,741 | - | 3,763,756 | 1,010,015 | 1,294,299 | - | 2,304,314 |
| 38 | SYED MUKHTAR HUSSAIN RIZVI | HOUSE NO 71-A, SOUTH CIRCULAR AVENUE PHASE 2, D.H.A KARACHI | 42301-9114784-5 | SYED ZAFAR HUSSAIN RIZVI | 14,809,090 | 5,670,323 | - | 20,479,413 | 4,809,014 | 5,670,323 | - | 10,479,338 |
| 39 | NASEER AHMED | H NO.135-136JAMIA MUSJID CHOWKKARAM TOWN FAISALABAD ST NO.4 ABDULLAH CENTRE KARKHANA BAZAR FAISALABAD | 33100-8782913-1 | SUFI FAIZ AHMED | 2,146,367 | 429,228 | - | 2,575,594 | - | 555,643 | - | 555,643 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|--------------------------|---|---|------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 40 | EJAZ MUSTAFA | 5 A RACE COURSE ROAD RAIL LINE FSD | 33100-8319290-7 | SHEIKH GHULAM MUSTAFA | 9,543,752 | 1,600,213 | - | 11,143,965 | 860,382 | 2,628,380 | - | 3,488,762 |
| 41 | MOHAMMAD AYUB | HOUSE NO 65 BLOCK 14 SECTOR B 1 TOWNSHIP LHR | 35202-2797783-5 | MUHAMMAD YAQOOB | 1,683,050 | 687,564 | - | 2,370,614 | 939,979 | - | - | 939,979 |
| 42 | M ANWAR SAJID | H NO GF 3 BUILDING NO 36 SEAVIEW TOWN SHIP PHASE 5 | 42301-0113488-1 | MOHAMMAD FAZIL | 5,600,000 | 976,125 | - | 6,576,125 | 1,960,000 | 976,125 | - | 2,936,125 |
| 43 | SEEMA YASMEEN | B 152 BLOCK L NORTH NAZIMABAD KHI | 42101-8853264-6 | SYED SARFARAZ HASAN | 5,599,920 | 2,335,090 | - | 7,935,010 | 1,599,920 | 2,430,212 | - | 4,030,132 |
| 44 | MOHAMMAD AZHAR | H NO 76 ST NO 8 PHASE 1 PAKISTAN TOWN ISL | 61101-5768787-9 | GHULAM MUHAMMAD | 3,498,852 | 1,458,385 | - | 4,957,237 | 748,852 | 1,517,818 | - | 2,266,670 |
| 45 | ASIF MANZOOR | LASANI GARDEN STREET MANZOOR VILLA BOSAN ROAD MULTAN NEAR BANK AL FALAH ABDALI ROAD MULTAN | 36302-3622052-1 | MANZOOR AHMED | 2,199,783 | 934,095 | - | 3,133,878 | 549,283 | 934,095 | - | 1,483,378 |
| 46 | ASIF JAVED | 144 B MODEL TOWN GUJRANWALA | 34101-7602766-3 | ABDUL HAMEED | 1,996,514 | 835,538 | - | 2,832,052 | 496,514 | 835,538 | - | 1,332,052 |
| 47 | SYED SHAHID HUSSAIN SHAH | BUKHARI ST JAHANGEER ABAD DAK KHANA KHAS TEH DISTT | 36302-0201449-5 | SYED TAJ MUHAMMAD SHAH | 1,198,665 | 519,531 | - | 1,718,196 | 358,665 | 519,531 | - | 878,196 |
| 48 | MUHAMMAD ASLAM ANJUM | CHAUDHRY FARM SERVICES, NAZIR COLONY BUDHLA ROAD TEHSIL MULTAN | 36202-0412676-9 | MOHAMMAD SIDDIQUE | 1,499,999 | 426,911 | - | 1,926,911 | 369,999 | 511,904 | - | 881,904 |
| 49 | RIASAT ALI | H NO P-12 MAIN ROAD SARFRAZ COLONY NEAR ZEESHAN DYI MUHAMMAD ALI STREET NEAR NAVEED SIZING SAMANABAD ROAD | 33100-1868667-1 | NOOR HASSAN | 3,394,450 | 1,386,755 | - | 4,781,205 | 1,184,450 | 1,386,755 | - | 2,571,205 |
| 50 | M AZEEM | H # 7/33 FAZLIA COLONY FEROPUR ROAD LAHORE | 35202-1129219-7 | ABDUL RAHIM | 6,799,561 | 1,814,192 | - | 8,613,753 | 5,005,898 | 182,572 | - | 5,188,470 |
| 51 | S ASHRAF NASEEM | FLAT NO 502 A 5TH FLOOR ROYAL APPARTMENT KDA 1 SB | 42201-0662704-4 | SYED SEEM AHMED | 5,299,772 | 2,166,372 | - | 7,466,145 | 4,085,602 | 159,420 | - | 4,245,021 |
| 52 | FAKHAR ALAM | FAKHAR SPRAY CENTRE, OPPOSIT SABZI MANDI, RAILWAY ROAD, SHUJABAD | 36304-2663317-7 | MUHAMMAD HAROON | 747,926 | 202,497 | - | 950,423 | 247,926 | 280,691 | - | 528,618 |
| 53 | SHEIKH KHALID PERVAIZ | 15 B NEW MUSLIM TOWN LHR | 35202-6908260-3 | SHEIKH MOHAMMAD ASHIQ | 8,385,859 | 3,546,493 | - | 11,932,352 | 2,485,859 | 3,546,493 | - | 6,032,352 |
| 54 | MIRZA AHMED TARIQ BAIG | QAUID-E-AZAM ROAD KEHROR PACCA | 36202-0468500-5 | MIRZA ANWAR BAIG | 4,977,942 | 1,906,691 | - | 6,884,633 | 1,627,942 | 1,906,691 | - | 3,534,633 |
| 55 | TAUSEEF GILANI | SUITE:2 MEZZANINE FLR SETHI PLAZA BLK-A JINNAH AVENUE BLUE AREA ISLAMABAD | 61101-9620730-7 | PIR BADSHAH GILANI | 5,987,197 | 1,699,354 | - | 7,686,551 | 1,587,197 | 2,091,351 | - | 3,678,548 |
| 56 | SHAFQAT MAHMOOD | 27/BHATTA LUDDAN ROAD VEHARI 067-3362913 | 36603-1416675-5 | KHURSHEED AHMED | 1,549,395 | 551,994 | - | 2,101,390 | 1,016,790 | 8,554 | - | 1,025,343 |
| 57 | TALAT MEHMOOD | T M TEXTILE INDUSTRIES CHAK# 204 RB NEAR OPP PTCL EXCHANGE FAISALABAD | 33100-4223994-7 | CH FAQEER MUHAMMAD | 4,499,649 | 1,688,233 | - | 6,187,883 | 2,881,935 | 40,342 | - | 2,922,277 |
| 58 | ZAFAR ABBAS SHEIKH | HOUSE#487/A, THANA CITY ROAD THATHI SHARQI CHINIOT, FAISALABAD | 33201-4954100-9 | GAZANFAR ALI SHAH | 2,671,941 | 1,029,093 | - | 3,701,034 | 801,541 | 1,029,093 | - | 1,830,634 |
| 59 | ATTA ULLA | H NO.208 ST NO.6 NEARBADSHAH GENERAL STOREAL MASOO P-842 MAIN BAZAR NEAR AMANULLAH MASJIDRAJA GHULAM | 33100-5519829-1 | MUHAMMAD YOUS | 2,424,591 | 810,406 | - | 3,234,997 | 363,641 | 912,726 | - | 1,276,367 |
| 60 | M GHAFFAR KHAN | H NO 214 KAUSAR BLOCK AWAN TOWN MULTAN ROAD LAHORE | 35202-2254456-2 | MUHAMMAD HANIF KHAN | 505,616 | - | - | 505,616 | 505,616 | - | - | 505,616 |
| 61 | IRSHAD HUSSAIN KHAN | SUBHANALLAH TRDERS QAUID-E-AZAM ROAD KEHROR PACCA DISTT LODAHRAN | 36202-0924563-9 | MEHMOOD KHAN | 1,964,903 | 642,449 | - | 2,607,352 | 686,903 | 729,658 | - | 1,416,561 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-------------------------|--|---|-------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 62 | ASHIQ ALI KHAN | FLAT NO A 904 9TH FLOOR BELLE VIEW APPARTMENTS CLI | 42301-0939649-1 | ALI MUHAMMAD HALANI | 6,998,284 | 2,860,661 | - | 9,858,945 | 2,398,284 | 2,979,536 | - | 5,377,820 |
| 63 | MUHAMMAD ASLAM | 4-B GHALLA MANDI VEHARI 067-3364371 | 36603-1464238-5 | ZIR AHMED | 1,040,914 | 745,498 | - | 1,786,412 | 312,234 | 745,498 | - | 1,057,732 |
| 64 | NAEEM MEHBOOB | 2-DISTRIBUTOR PLAZA MAHELAL ST NILA GUMBAD LAHORE | 35201-1508356-7 | MAHBOOB ELAHI | 3,392,959 | 54,849 | - | 3,447,808 | 319,279 | 496,389 | - | 815,668 |
| 65 | MUHAMMAD SHABIB | CHAK NO 223 R.B ASA SINGH WALA D.TYPE COLONY | 33100-4244480-7 | HAJI ATA MUHAMMAD | 2,267,328 | 338,975 | - | 2,606,303 | - | 555,508 | - | 555,508 |
| 66 | MUHAMMAD IDRESS | P-263 ST 2 SARGODHA ROAD MUSTAFABAD FSD | 33100-2484358-5 | ABDUL LATIF | 9,599,897 | 3,481,203 | - | 13,081,099 | 3,100,941 | 5,156,582 | - | 8,257,523 |
| 67 | CH.MAQSOOD QADIR | 5-6 KHYBER BLOCK FORTRESS STADIUM CANTT LAHORE | 35201-8440455-7 | CH MUSHTAQ AHMED | 3,496,806 | 1,088,865 | - | 4,585,670 | 870,696 | 1,365,756 | - | 2,236,451 |
| 68 | MIAN NASEER AHMED | GULZAR CENTRE GENERAL BUS STAND MULTAN | 36302-0446997-5 | HAJI MUHAMMAD AMIN | 2,784,507 | 1,086,187 | - | 3,870,694 | 974,577 | 1,086,187 | - | 2,060,764 |
| 69 | MUHAMMAD YAQOOB MALIK | HOUSE # 314 ,STREET # 65 ,A-8/3 ,ISLAMABAD . | 61101-6198898-5 | MALIK MUHAMMAD HUSSAIN | 7,899,168 | 4,263,790 | - | 12,162,958 | 2,399,168 | 4,263,790 | - | 6,662,958 |
| 70 | QAISER MEHMOOD | FINE TECH SR # 04, MOON ARCADE,OPP STAR GATE, SHAHRAH-E-FAISAL KARACHI. | 42401-1993027-3 | ABDUL GHANI | 2,193,147 | 212,807 | - | 2,405,954 | 193,147 | 449,273 | - | 642,420 |
| 71 | MUHAMMAD NAEEM | 403-F SHAH RUKN-E-ALAM COLONY | 36302-7188834-9 | MUHAMMAD YOUNIS | 3,038,495 | 776,190 | - | 3,814,685 | 758,407 | 1,167,864 | - | 1,926,271 |
| 72 | SHAHID AKHTAR | H NO 17 LANE NO 6 LALA ZAR 1M RWP | 37405-3928486-5 | SHAHID AKHTER | 1,850,912 | 783,818 | - | 2,634,730 | 200,912 | 783,818 | - | 984,730 |
| 73 | MUKHTAR AHMED | 105- GROUND FLOOR PAKISTN CLOTH MARKET LAHORE | 35202-9914881-1 | MUHAMMAD ISHAQUE (LATE) | 9,799,836 | 4,156,351 | - | 13,956,186 | 3,299,836 | 4,281,198 | - | 7,581,033 |
| 74 | SAEEDA MUSHTAQA PIRACHA | C 78 BLOCK 6 GULSHAN E IQBAL KARACHI | 42201-4808759-6 | MUSHTAQA PIRACHA | 3,042,307 | 1,500,792 | - | 4,543,099 | - | 1,702,501 | - | 1,702,501 |
| 75 | NASEER AHMED | H NO .5 MUGHALST NO.1 BOHAR SHAH ROAD CANTT NEAR JA SHOP NO.107-LG SADIQ TRADE CENTRE GULBURG-III LAHORE | 35201-1512422-1 | ALI AHMAD | 999,234 | 409,701 | - | 1,408,935 | 249,234 | 409,701 | - | 658,935 |
| 76 | MEHMOOD AHMED | 613-C NEELAM BLOCK ALLAMA IQBAL TOWN LAHORE 190-FMULTAN ROAD NEAR CHWOKYATEEM KHANA LAHORE | 35202-9153200-7 | ALLAH RAKHA | 1,823,730 | 86,906 | - | 1,910,636 | 182,330 | 361,685 | - | 544,015 |
| 77 | MUHAMMAD IQBAL | PAKISTAN PESTICIDE QUAID-E-AZAM ROAD KEHROR PACCA | 36202-0965999-7 | MUHAMMAD ZULFIQAR | 3,074,934 | 905,025 | - | 3,979,959 | 1,174,839 | 661,787 | - | 1,836,626 |
| 78 | ABDUL SATTAR | 103-5/B-1 AL KARIM CHOWK TOWN SHIP LAHORE | 35202-8656843-9 | MUHAMMAD ALI KHOKHAR | 1,304,084 | 347,880 | - | 1,651,964 | 325,890 | 496,807 | - | 822,697 |
| 79 | MUHAMMAD IJAZ | NAZEER CORPORATION QUAID-E-AZAM ROAD KEHROR PACCA DISTT. LODHRAN | 36202-0917529-7 | MUHAMMAD WAZ | 1,575,048 | 578,094 | - | 2,153,141 | 455,048 | 577,894 | - | 1,032,941 |
| 80 | IMRAN RIAZ | AL-SHAFI HOSPITAL SATELLITE TOWN GURANWALA | 34101-0525405-3 | RIAZ AHMED SHEIKH | 9,967,536 | 4,320,275 | - | 14,287,811 | 3,467,532 | 4,320,275 | - | 7,787,807 |
| 81 | MALIK AKHTAR HAMEED | 5 ILYAS STREET MUSLIM TOWN LAHORE | 35202-1320077-7 | MALIK HAMEED UD DIN | 7,099,363 | 2,901,931 | - | 10,001,294 | 3,099,362 | 2,312,277 | - | 5,411,639 |
| 82 | SAEED AKHTAR | 90-B IQBAL ROAD VEHARI OFF/0673366373 RES/0673362047 | 36603-1461246-9 | ABDUL HAMEED KHAN | 6,356,702 | 3,074,724 | - | 9,431,426 | 2,856,702 | 3,185,979 | - | 6,042,681 |
| 83 | SARDAR MOHAMMAD ZAHEER | HOUSE NO 25 STREET NO 4 CHAKLALA SCHEME III | 37405-9498991-7 | SARDAR SEER | 10,798,511 | 4,401,767 | - | 15,200,278 | 2,798,511 | 4,401,767 | - | 7,200,278 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|------------------------|--|---|--------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 84 | TARIQ MEHMOOD NAWAZ | HOUSE NO.189, STREET NO.08, MOHALLAH ALTAF GUNJ, JHAN | 33102-1763840-5 | MUHAMMAD WAZ | 1,092,796 | 346,698 | - | 1,439,495 | 163,866 | 414,875 | - | 578,742 |
| 85 | MUHAMMAD NAVEED YOUNAS | 68-AL HAMD PARK ALLAMA IQBAL TOWNLAHORE SHOP NO.7 ASAD PLAZA DUBAI CHOWKMOON MKT ALLAMA IQBAL | 35404-8542303-9 | MUHAMMAD YOUS | 7,987,353 | 1,733,145 | - | 9,720,497 | 1,596,921 | 2,366,412 | - | 3,963,332 |
| 86 | HASSAN TEX | H.NO.66/3 N/B MOSQUE SAYYEDA FATIMA ZEHRA ANSAN COLONY MULTAN | 36302-9625490-7 | ABDUL AZIZ | 4,646,667 | 520,070 | - | 5,166,737 | 1,066,667 | 520,070 | - | 1,586,737 |
| 87 | NAVEED AHMED | HOUSE NO. P - 1029/C 1-A NEAR GOVT. DEGREE COLLEGE ASGHAR MALL ROAD RAWALPINDI. 4419911/0300-5559900/4452541 | 37405-1218023-7 | ABDUL MAJEED | 3,786,099 | 1,520,152 | - | 5,306,251 | 586,099 | 1,631,908 | - | 2,218,007 |
| 88 | AGHA FARRUKH RAHEEM | 22 GROUND FLOOR RAJA CENTRE MAIN BOULEVARD GULBERG II LAHORE | 35202-6104949-5 | AGHA RAHIM UDDIN AHMED | 2,694,332 | 1,057,092 | - | 3,751,424 | 942,332 | 1,144,197 | - | 2,086,529 |
| 89 | MEHMOOD-UL-HASSAN | 137 CHANDNI CHOWK AZAM CLOTH MARKET LAHORE | 35202-2930749-3 | GULZAR HUSSAIN | 7,959,682 | 2,130,436 | - | 10,090,118 | 1,591,473 | 2,437,033 | - | 4,028,506 |
| 90 | SHEIKH ABDUL QUDDUS | H. NO. 57, STREET # 39, SECTOR F-10/4, ISLAMABAD. 051-2110581/0300-8550991 | 61101-2111008-1 | SHEIKH ABDUL RAUF | 19,787,881 | 7,444,710 | - | 27,232,591 | - | 3,650,814 | - | 3,650,814 |
| 91 | ZULFIQAR BUTT | QUAID GIRLS COLLEGE MOHALLAH ISLAMABAD NAI ABADI SIALKOT | 34603-2721874-9 | GHULAM MUSTAFA BUTT | 4,506,305 | 214,781 | - | 4,721,086 | 450,630 | 819,678 | - | 1,270,308 |
| 92 | NAYA SAVERA | NAYA SAVERA CHUNGI NO 14-A, BAHAWAL PUR ROAD MULTAN | 36302-0271444-5 | SULTAN AHMED | 1,116,183 | 423,458 | - | 1,539,641 | 728,818 | 29,244 | - | 758,062 |
| 93 | M.ISHFAQ JAMIL | MIAN COMMUNICATION IST FLOOR NOKIA TOWER USMAN MARKET HALL ROAD LAHORE. HALL ROAD, LAHORE | 35201-7706290-9 | MIAN MUHAMMAD JAMIL | 14,231,419 | 5,931,559 | - | 20,162,978 | 4,731,419 | 6,137,280 | - | 10,868,698 |
| 94 | KHALID MAHMOOD | HNO 119-B KH-E- SHEEHAR PHASE VI PAKISTAN DEFENCE OFFICER CO-OPERATIVE HOUSING SOCIETY KARACHI | 42301-0856668-9 | MUHAMMAD MUBEEN SIDDIQUI | 10,270,000 | 4,861,079 | - | 15,131,079 | 3,570,000 | 4,912,029 | - | 8,482,029 |
| 95 | MUHAMMAD NAZEER | M/S AMMAR ENTERPRISES B-56 BLOCK 10-A 01 GULSHAN-E- IQBAL KARACHI | 42101-3016323-1 | HIDAYAT ULLAH | 14,995,932 | 5,661,788 | - | 20,657,719 | 4,999,664 | 8,046,736 | - | 13,046,400 |
| 96 | M SALEEM | OFFICE NO.3 GROUND FLOOR AKASH PLAZA BEHIND DEWAN SALMAN MOSQUE F-10 MARKAZ ISLAMABAD | 37405-2387449-1 | ALLAH BAKSH | 1,698,265 | 736,070 | - | 2,434,335 | 423,265 | 736,070 | - | 1,159,335 |
| 97 | MUHAMMAD IRFAN | PLOT 470 C P BERAR SOCIETY BLK 7 AL MADINA ARCADE FLAT 7 4TH FLOOR DHORAJI COLONY KARACHI | 42201-0666723-3 | MUHAMMAD ILYAS | - | - | - | - | 437,730 | 904,636 | - | 1,342,366 |
| 98 | MUHAMMAD IMRAN | HOUSE# 88/F/2 BLOCK# 2 P.E.C.H.S KARACHI | 42301-8236466-3 | ABDUL AZIZ | - | - | - | - | 1,895,260 | 2,203,061 | - | 4,098,321 |
| 99 | MUNA ANIS | HOUSE # IH-43, AIR FORCE OFFICERS HOUSING SCHEME, FAISAL CONTONMENT | 42201-3236983-0 | ANIS FAROOQI | - | - | - | - | 2,871,714 | 2,844,950 | - | 5,716,665 |
| 100 | MOHAMMAD RAFIQ RAJPUT | H.NO. 59, BLOCK 6, PECHS, KARACHI | 42201-7017197-3 | KALO RAJPUT | - | - | - | - | 3,336,345 | - | - | 3,336,345 |
| 101 | IQBAL AHMED SHEIKH | HOUSE C 215 BLOCK 6 F B AREA KARACHI | 42101-1542327-7 | NOOR AHMED SHEIKH | - | - | - | - | 420,470 | 1,262,186 | - | 1,682,655 |
| 102 | S.M ABBAS HASAN ABIDI | C-14, 5TH FLOOR PALM, BEACH HOME BLOCK-2, CLIFTON KARACHI | 42301-7832533-3 | SIBTE HASAN ABIDI | - | - | - | - | 2,474,970 | 2,974,827 | - | 5,449,797 |
| 103 | SYED SAIR RAZA | AL MANZAR B4 SECTOR Z6 GULSHANE MAYYAMER SCH 45 | 42101-6027969-3 | SYED ASAD RAZA | - | - | - | - | 1,971,314 | 3,068,834 | - | 5,040,148 |

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| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|--------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 104 | ARSHAD SAEED EFFENDI | AVENUE CENTRE STRACHAN ROAD ADJACENT PIA HEAD OFFICE | 42301-0875872-9 | SAEED ULLAH EFFENDI | - | - | - | - | 1,361,744 | 2,015,289 | - | 3,377,033 |
| 105 | MASHOOD UL HASSAN | R-11, ABID TOWNGULSHAN E IQBALBLOCK NO 1 D-41, ST 8-A 12ABID S & R, F.B AREA | 42201-6618874-9 | SHAHID HUSSAIN | - | - | - | - | 1,027,480 | 1,198,778 | - | 2,226,259 |
| 106 | MOHYED | H# 75-A LANE # 7-B GULISTAN COLONY RAWALPINDI | 37405-0316283-9 | SHOAIB ALI | 7,349,177 | 307,087 | - | 7,656,264 | 1,101,877 | 1,430,903 | - | 2,532,781 |
| 107 | KHALID MUNIR VOHRA | HOUSE#48/3 16TH LANE KHAYABAN-E- BADBAN PHASE 7 DHA KARACHI | 42301-2557684-3 | ELAHI BUSKH | - | - | - | - | 3,192,622 | 3,198,788 | - | 6,391,410 |
| 108 | IMRAN ALI | IMRAN BROTHERS 4-PURI HOUSE WEST WHARF ROAD KARACHI | 42301-2295802-9 | SAJAWAL HUSSAIN | - | - | - | - | 1,319,066 | 1,444,630 | - | 2,763,695 |
| 109 | HAMID RASOOL KHAN | LH # 10A ST # 2A PRAHIM NAGAR RIWAZ GARDEN LAHORE | 35202-0278502-7 | MOHAMMAD RAFIQ KHAN | 14,499,890 | 5,933,211 | - | 20,433,101 | 4,949,890 | 5,933,211 | - | 10,883,101 |
| 110 | NAZIR AHMED KHAN | H-16 BLOCK A PIA HOUSING SOCIETY NEAR JOHAR TOWN LAHORE | 35301-1867471-7 | AHMED KHAN | 3,167,080 | 45,082 | - | 3,212,162 | 316,708 | 567,259 | - | 883,966 |
| 111 | HASSAN MAJID | 19-A, NEW AWAMI AUTO MARKET BADAMI BAGH LAHORE | 35202-5362446-1 | ABDUL MAJID | 4,957,636 | 72,519 | - | 5,030,154 | 3,612,829 | 51,637 | - | 3,664,465 |
| 112 | ZAFAR IQBAL BUTT | H # 2-SF NAZIR APPARTMENTS BLOCK 7 KASHMIR ROAD TNT COLONY RAWALPINDI ISLAMABAD | 37405-0239263-7 | SIRAJ UDDIN BUTT | - | - | - | - | 292,500 | 540,543 | - | 833,043 |
| 113 | MUHAMMAD NADEEM BUTT | H # 29/2 ST # 01 SHAHIGAN COLONY RAH E AMAN,NEW LALAZAR ISLAMABAD | 37405-9719132-9 | MUHAMMAD HANIF BUTT | - | - | - | - | 1,015,585 | 1,040,376 | - | 2,055,961 |
| 114 | IJAZ PASHA | HOUSE NO. 145, STREET NO. 6 ASKARI X | 61101-1572643-1 | GHULAM ABBAS PASHA | - | - | - | - | 1,397,109 | 1,606,850 | - | 3,003,959 |
| 115 | ZEESHAN HAIDER SHEIKH | H NO 25 AWAMI ST NO 1 SANDA KALAN | 35201-5135642-9 | FAIZ ALI SHEIKH | 5,999,864 | 842,827 | - | 6,842,691 | 1,999,864 | 842,827 | - | 2,842,691 |
| 116 | ZAKI | 21-C, WARIS COLONY WAHDAT ROAD LAHORE | 35202-1138968-3 | MUHAMMAD AHMED | 4,019,696 | 1,140,807 | - | 5,160,503 | 984,496 | 1,470,521 | - | 2,455,017 |
| 117 | TAHIR NAWAZ | H NO 15 ST 48 ISLAMABAD COLONY SAMANABAD 7595883/0300- 9423175/7555141 LAHORE | 35202-3697560-9 | RAB WAZ | 3,633,032 | 3,398,612 | - | 7,031,644 | 2,133,032 | 3,398,612 | - | 5,531,644 |
| 118 | ISHTIAQ AHMED ANSARI | WADALA ROAD MOHALLA BANWALA DASKA KALAN DASKA | 34601-9908260-1 | SA ULLAH | 7,233,045 | 444,359 | - | 7,677,403 | 722,000 | 1,273,772 | - | 1,995,771 |
| 119 | ZAFAR HUSSAIN | H# 4001 MOH WALYAT NEAR PUL SNAWALA HASSAN PARWANA ROAD MULTAN | 36302-0120873-5 | MUHAMMAD HUSSAIN | 1,949,940 | 797,070 | - | 2,747,010 | 579,940 | 830,192 | - | 1,410,132 |
| 120 | MR MALIK MUHAMMAD ASLAM | 517 AMMAR BLOCK NASHTAR COLONY FEROZ PUR ROAD LAHORE | 35202-2760836-3 | MALIK AFSAR KHAN | 839,707 | - | - | 839,707 | 848,523 | 205,173 | - | 1,053,696 |
| 121 | MR MALIK MUHAMMAD ASLAM | 517 AMMAR BLOCK NASHTAR COLONY FEROZ PUR ROAD LAHORE | 35202-2760836-3 | MALIK AFSAR KHAN | 823,496 | - | - | 823,496 | 829,992 | 169,019 | - | 999,011 |
| 122 | MR FAYYAZ ABDUL MAJEED | ABDUL MAJEED & CO 405 4TH FLOOR GUL TOWER LI CHUNDRIGAR ROAD | 42301-0560282-3 | A MAJEED | 371,646 | 12,210 | - | 383,856 | 411,593 | 103,778 | - | 515,371 |
| 123 | MR MUHAMMAD IQBAL SAHTO | 33/1/11 8 GIZRI LANE PHASE-4 D.H.A | 42301-2758354-3 | MUHAMMAD SAFFAR SAHTO | 34,081 | - | - | 34,081 | 510,827 | 153,307 | - | 664,134 |
| 124 | MR USMAN MASOUD | 177 - A , AHMED BLK NEW GARDEN TOWN LAHORE | 35202-5483047-7 | MOHAMMAD MASOOD | 985,457 | 196,258 | - | 1,181,715 | 1,248,812 | - | - | 1,248,812 |
| 125 | MR SHEIKH MUBARIK ALI | SUNSHINE PAPER STORES 6 NOOR CHAMBER BANGALI GALI GUNPAT RD LAHORE | 35200-1434279-9 | SHEIKH KARAMAT ALI | 411,335 | - | - | 411,335 | 441,372 | 140,760 | - | 582,132 |

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| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|---------------------|---|---|------------------------|--|------------------|--------|-----------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 126 | NADEEM ISMAIL | 41-B COMMERCIAL AREA CAVALRY GROUND LAHORE | 35202-5880308-9 | SH M ISMAIL | 907,935 | 138,770 | - | 1,046,705 | 909,965 | 187,271 | - | 1,097,236 |
| 127 | SHEIKH HAFEEZ UR | SHOP # U 819 KALAN BAZAR NEAR URDU BAZAR RAWALPINDI RAWALPINDI | 37405-2542055-5 | SHAIKH AZIZ UR REHMAN | 363,174 | 216,181 | - | 579,354 | 337,933 | 242,262 | - | 580,194 |
| 128 | SYED WASIF ALI | 270/Q L.C.C.H.S DEFENCE LAHORE CANTT LAHORE | 35201-7183727-3 | SYED ABDUL ALI SHAH | 578,558 | 107,894 | - | 686,451 | 546,099 | 105,023 | - | 651,122 |
| 129 | M ILYAS | LATIF MEDICAL CENTRE GR FLR TRADE CENTRE F 11 ISLAMABAD 03 | 61101-5058257-7 | ABDUL LATI F | 478,483 | 12,198 | - | 490,681 | 471,764 | 78,190 | - | 549,954 |
| 130 | I M MIRZA | 40 D 3 WAPDA TOWN LAHORE | 35202-7808379-7 | AL HAJ GHULAM MOHAMMAD | 499,699 | 12,660 | - | 512,358 | 501,729 | 82,284 | - | 584,013 |
| 131 | KHALID MEHMOOD | M 1901 NEAR GUL NOOR HOTEL MURREER ROAD RAWALPINDI | 37405-0214971-9 | M SIDDIQUE | 582,000 | 62,062 | - | 644,062 | 584,030 | 109,443 | - | 693,473 |
| 132 | JAMIL AHMAD | 29/195 ALLAUDDIN ROAD, ST 3 LAHORE CANTT.6672741 | 35201-8529440-9 | A. A. REHMAN | 544,153 | 13,993 | - | 558,146 | 597,856 | 96,778 | - | 694,634 |
| 133 | S IMDAD SHAH | 43/7C BLOCK 6 P.E.C.H.S KARACHI | 42201-0763835-5 | GHULAM MUHAMMAD SHAH | 954,743 | 77,715 | - | 1,032,458 | 429,743 | 97,778 | - | 527,521 |
| 134 | NAEEM FAZAL | 7/H II WAPDA TOWN LAHORE 5185068 | 35202-4657678-9 | MALIK FAZAL HUSSAIN | 735,924 | 113,965 | - | 849,888 | 735,924 | 141,617 | - | 877,541 |
| 135 | S FAIYAZ MEHMOOD | HOUS ENO 269-W D.H.A. PHASE 3 LAHORE | 35201-2430660-7 | SYED MAHMOOD BOKHARI | 449,567 | 11,317 | - | 460,884 | 438,077 | 73,503 | - | 511,580 |
| 136 | A RAHSID | 93 CIRCULAR ROAD LAHORE | 35202-2882229-3 | RASHEED AHMAD | 459,219 | 13,888 | - | 473,107 | 439,345 | 82,415 | - | 521,760 |
| 137 | MOEED ASGHAR | 70/A 13TH SOUTH STREET PHASE II DHA KARACHI | 514-49-033955 | MOEED ASGHAR KIDWANI | 491,899 | 81,279 | - | 573,178 | 491,899 | 82,533 | - | 574,431 |
| 138 | SHEIKH JAMIL | RAHMAN & COMPANY RAHMAN CENTRE PLAZA SQ M.A.JINNAH RD KARACHI 7724740 | 42301-0895746-7 | SHAIKH ABDUL REHMAN | - | 159 | - | 159 | 548,130 | 89,464 | - | 637,594 |
| 139 | S HASAN JAMAL ZAIDI | FRITZ COMPANIES 21-A BLOCK-H GULBERG-II LAHORE-5764581-5 | 270-58-510150 | HASSAN JAMAL ZAIDI | 904,509 | 22,837 | - | 927,346 | 876,896 | 145,650 | - | 1,022,546 |
| 140 | QAZI TAMMAM | 103 1ST FLOOR LATIF PLAZA FEROPUR ROAD, ICHHRA LAHORE | 35202-2409818-7 | QAZI ALTAZ ULLAH | 575,144 | 16,535 | - | 591,679 | 624,515 | 114,912 | - | 739,427 |
| 141 | M ADNAN KHAN | HOUSE# 37 I LANE# 1 TULSA ROAD LALAZAR COLONY CANTT RAWALPINDI | 37405-4064950-7 | M SHER KHAN | 499,280 | 68,912 | - | 568,192 | 499,280 | 84,178 | - | 583,458 |
| 142 | SYED NASIR RAZA | HOUSE # D-2, BLOCK 13/D-1, GULSHAN-E-IQBAL, KARACHI | 42101-1739755-1 | S FURZAND RAZA | 989,710 | 28,633 | - | 1,018,343 | 969,944 | 180,487 | - | 1,150,431 |
| 143 | USMAN MASOUD | | 35202-5483047-7 | MOHAMMAD MASOUD | 459,518 | 69,831 | - | 529,349 | 459,518 | 94,343 | - | 553,861 |
| 144 | KHAWAJA IZHAR ULHAQ | 89 MECLEOD ROAD, LAHORE | 35202-2812360-5 | KHAWAJA CHIRAG UL HAQ | 876,928 | 25,390 | - | 902,318 | 865,108 | 108,483 | - | 973,591 |
| 145 | AASHIQ HUSSAIN BHAT | 132 C 1 FAISAL TOWN LAHORE | 270-52-599634 | AASHIQ HUSSAIN BHATTI | 469,582 | 88,506 | - | 558,088 | 469,582 | 91,346 | - | 560,928 |
| 146 | WASEEM PASHA | HOUSE # 107 STREET 11 WESTRIDGE 1 RAWALPINDI | 37405-6350019-1 | TAJMUL HASSAN MALIK | 603,941 | 15,498 | - | 619,439 | 647,726 | 107,863 | - | 755,589 |
| 147 | SYED MARGHOOB ALAM | 5TH FLOOR IMTIAZ PLAZA 85 SHAHRA E QUAD I AZAM LAHORE | 35202-2498982-3 | SYED MAY ALI | 599,207 | 14,999 | - | 614,206 | 593,088 | 98,917 | - | 692,005 |
| 148 | FAIZ NABI | 18/H ASKARI III SCHOOL ROAD KARACHI CANTT KARACHI | 42301-7156177-9 | SAJJAD NABI | 551,086 | 82,449 | - | 633,535 | 495,627 | 104,268 | - | 599,895 |
| 149 | MUHAMMAD SIDDIQUE | PLOT NO 54 BLOCK-4 KARIM PARK | 35202-2521079-1 | MIAN QAMAR UDDIN | 573,130 | 47,370 | - | 620,499 | 438,192 | 73,172 | - | 511,364 |

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| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|------------------------|---|---|--------------------------|--|------------------|--------|---------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 150 | MUHAMMAD SHAHID | 515B BLOCKSABZAZAR SCHEME MULTAN RDLAHOE SHAHID GARMENTS RIAZ BUILDING RANGMEHAL LAHORE | 35202-2301559-1 | MOHAMMAD ISHFAQ | 452,607 | 25,047 | - | 477,653 | 452,607 | 74,151 | - | 526,758 |
| 151 | ZAFAR IQBAL | L/893SECTOR 5A1NORTH KARACHIKARACHI CD 388/389GABOL TOWNSECTOR 16/BF.B.AREAKARACHI | 42101-1502481-9 | MUNWAR ALI | 483,992 | 11,921 | - | 495,913 | 455,543 | 74,115 | - | 529,658 |
| 152 | ASIF JOHN | 247/B BLOCK 6 P.E.C.H.S. KARACHI KARACHI | 42000-7486178-5 | JAN KHAN | 908,205 | 23,053 | - | 931,258 | 935,902 | 152,998 | - | 1,088,901 |
| 153 | WAHEED AHMED | FLAT NO K-158TH FLOORMAYFAIR CENTRE SADDARKARACHI SUIT NO 55HASHMI ELECTRONICS MARKETA HAROON ROAD S | 246-73-368459 | MOHAMMAD ARSHAD | 494,792 | 78,762 | - | 573,555 | 494,792 | 92,630 | - | 587,422 |
| 154 | ZEESHAN AHMAD | 16-BROYAL ENCLAVEFLAT NO 47SECTOR G-5 DIPLOMATIC E 24 MEZZANINEMUHAMMADI PLAZANEAR AMERICAN EXPRESS B | 61101-5465682-5 | IKRAM ZAFAR | 493,755 | 54,408 | - | 548,164 | 493,755 | 81,883 | - | 575,638 |
| 155 | ABDUL KABIR BUTT | H NO 194ST NO 7MARGALLA TOWNISLAMABAD SHOP NO 7.868-EJINNAH AVENUEPAKTEL PLAZA, BLUE AREA | 260-61-539717 | GHULAM QADIR BUTT | 477,640 | 54,037 | - | 531,677 | 443,400 | 74,648 | - | 518,049 |
| 156 | MUHAMMAD IRFAN | 8 ABBOT ROAD LAHORE | 35202-0368453-7 | CHAUDHRY MOHAMMAD YOUSAF | 498,913 | 13,518 | - | 512,432 | 500,999 | 81,712 | - | 582,710 |
| 157 | AURANGZEB | PASRUR ROAD, HNO 12/345MUHALLAH BABAY BERI GHALA MANDIOLD CHOWK JUNDAR BAZARHAJI PURA ROAD, K | 34603-9382539-1 | HAJI ZIR AHMED | 419,250 | 186,346 | - | 605,596 | 405,287 | 243,702 | - | 648,988 |
| 158 | NASIR MANZOOR | H # 163ST # 63SECTOR G-7/2-4ISLAMABAD H # 589LABOUR COLONYIBN E SINA ROADG 9/3ISLAMABAD | 61101-2892226-9 | MANZOOR AHMED | 499,395 | 68,963 | - | 568,359 | 499,395 | 84,232 | - | 583,628 |
| 159 | KHALID IQBAL | 210 PAK BLOCK ALLAMA IQBAL TOWN LAHORE | 35202-8309522-5 | CH MUHAMMAD IQBAL | 494,807 | 15,138 | - | 509,945 | 494,807 | 91,349 | - | 586,156 |
| 160 | ARSHAD MEER | FLAT NO 402, 4TH FLOORCHAPPAL BEACH ARCADE 2BLOCK H NO 4, SHOP NO 2 AREA 5/D, BLOCK 91LANDHI NO 6 KARACHI | 42301-9789752-3 | MIR GHULAM MUHAMMAD | 491,642 | - | - | 491,642 | 499,972 | 92,724 | - | 592,696 |
| 161 | SHAKAIB BAQIR | 384-FF DHA LHCDEFENCE HOUSING SOCIETYLAHORE 384-FF DHA LHCDEFENCE HOUSING SOCIETYLAHORE | 35200-1453915-9 | QAISAR HUSSAIN | 473,684 | 63,830 | - | 537,514 | 473,684 | 90,382 | - | 564,066 |
| 162 | ASAD ALI KHAN | H # ZB-317/27ST # 1GULISTAN FATIMA COLONY MOHALLA A MAIN MURREE ROAD RAWALPINDI GENERAL HOSPITAL | 37105-0278187-3 | SHAIR MUHAMMAD | 480,872 | 89,278 | - | 570,150 | 480,872 | 104,422 | - | 585,295 |
| 163 | ARSHAD ALI | H NO.135 SHAHID TOWNMAIN ST NO.1GHAZI ROADCANTT M 14-J COMMERCIAL AREA MUGHAL MKTDHA LAHORE | 35201-1632805-7 | WALI MUHAMMAD | 376,513 | - | - | 376,513 | 499,670 | 89,650 | - | 589,319 |
| 164 | MUHAMMAD ABRAIZ ABBASI | BASEMENT NO 4 FEROCZE CENTRE 14-D BLUE AREA ISLAMABAD | 37405-9146604-1 | ABDUL HAMID KHAN | 409,648 | 124,827 | - | 534,475 | 396,655 | 134,323 | - | 530,978 |
| 165 | MUSHTAQ ALI JIVANI | FLAT NO 106, ML PARADISEBURGARI BAZAR NISHTAR PARK ROOM NO 701, 7TH FLOORMUSTAFA CLOTH MARKET MONTANDA | 42301-0847957-1 | HUSSAIN ALI | 498,036 | 27,342 | - | 525,378 | 490,565 | 80,481 | - | 571,046 |
| 166 | ADAM MUHAMMAD | A182 GULSHAN-E-RABIA, BLOCK 13D2, GULSHAN-E-IQBAL KARACHI, | 42000-0364832-3 | MOHAMMAD BUDHANI | 486,433 | 12,468 | - | 498,901 | 500,931 | 81,838 | - | 582,769 |
| 167 | SHAN ALI CHAUDHRY | 35-SHADMAN COLONY #1, SHADMAN LAHORE | 35202-1262093-5 | CHAUDHARY GHULAM RASOOL | 499,849 | 77,005 | - | 576,853 | 485,169 | 106,623 | - | 591,792 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|-------------------------|--|------------------|--------|---------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 168 | MUHAMMAD ARSHAD | MAUZA RAIWIND KHURD MAIN ROAD CHOWKRAILWAY ROAD RAIWIND | 35202-2770335-7 | MUHAMMAD SHAFIH | 443,837 | 41,317 | - | 485,155 | 443,837 | 96,086 | - | 539,923 |
| 169 | SHAHZAD IQBAL KHAN | HOUSE NO 1853 C-4, SECTOR 16 ORANGI TOWN KARACHI | 42401-2265854-1 | AYUB KHAN | 489,701 | 40,702 | - | 530,403 | 493,416 | 82,041 | - | 575,458 |
| 170 | ZAFAR MEHMOOD ABBASI | OFF.Å 5, 1ST FLOOR, KALA KHAN SHOPPING CENTER SHAMASABAD | 37404-4623469-9 | MOHD ARIF KHAN | 393,306 | 93,084 | - | 486,390 | 387,317 | 116,402 | - | 503,718 |
| 171 | MR CHAUDHRY G QUMAIS | 731,ST NO 74 G-10/4 ISLAMABAD. 256131 | 61101-3216595-5 | CHAUDRY NIZAMUDDIN | 489,086 | 15,280 | - | 504,366 | 478,258 | 142,608 | - | 620,867 |
| 172 | MR WASEEM P TAJAMMAL | HOUSE NO 107, ST 11 WESTRIDGE 1, RAWALPINDI. | 37405-6350019-1 | TAJMUL HASSAN MALIK | 364,974 | 13,662 | - | 378,636 | 400,433 | 129,249 | - | 529,682 |
| 173 | MR KHAWAJA IZHAR ULHAQ | 292 M BLOCK MODEL TOWN EXTENTION LAHORE | 35202-2812360-5 | KHAWAJA CHIRAG UL HAQ | 406,685 | 13,130 | - | 419,815 | 424,970 | 118,019 | - | 542,989 |
| 174 | MALIK HADI HUSSAIN | 152-F,MODEL TOWN LAHORE. 5830991 | 35202-2087176-9 | MALIK FAZAL U DIN | 473,124 | 114,079 | - | 587,203 | 475,212 | 129,006 | - | 604,218 |
| 175 | MR ISMAIL DOSSA | RELIANCE INDUS.(PVT)LTD PLOT 23, SECTOR 23 KORANGI ND.AREA, KARACHI | 42301-3186357-9 | MOHAMMAD FAROOQ DOSA | 434,146 | - | - | 434,146 | 435,345 | 140,511 | - | 575,856 |
| 176 | MR AMER SAEED | LAIBA LOOK INTERNATIONAL YAZDANI ROAD RIAZABAD HARBANS PURA NEAR PEPSI WARE HOUSE | 35201-6110862-9 | SAEED AHMED | 247,542 | - | - | 247,542 | 371,673 | 196,432 | - | 568,106 |
| 177 | MS KRIS STRATE | BEST BRANDS INC 181-CCA PHASE IV DHA | 84035-2466001-2 | DONN STRATE | 501,644 | 85,417 | - | 587,061 | 508,140 | 133,626 | - | 641,766 |
| 178 | MR AAMIR HUSSAIN CHAUDHRY. | C 5 SHADAB COLONY TEMPLE ROAD LAHORE | 35202-0883188-5 | CHAUDHRY GHULAM HUSSAIN | 493,803 | - | - | 493,803 | 494,358 | 161,690 | - | 656,048 |
| 179 | MALIK RAB NAWAZ NOON | MALIK RUB NAWAZ NOON H NO 27-C, CIVIL LINES | 37405-0490370-3 | MALIK MOHAMMAD SADIQ | - | - | - | - | 515,569 | 49,065 | - | 564,634 |
| 180 | MR. TAHIR IQBAL CHEEMA | 135-SADAR BAZAR AREA | 34104-9850879-1 | SAJJAD ALI CHEEMA | 498,728 | - | - | 498,728 | 497,355 | 170,314 | - | 667,669 |
| 181 | MR SHEIKH ABDUL HAFEEZ | PUNJAB ENGINEERING SERVICES PV 6 -R B-12 OPPOSITE SAEED MANZIL M. A. JINNAH ROAD | 42301-7311703-1 | SHEIKH ABDUL HAMEED | 462,794 | 14,710 | - | 477,505 | 444,704 | 112,864 | - | 557,568 |
| 182 | MR RAJA HAMDAD ARSHAD | PIONEER ELECTRONICS OFFICE#31-A AZHAR SHAHEED MARKET KASHMIR ROAD SADDAR RAWALPINDI | 37405-7897890-5 | RAJA ARSHAD KAMAN | 459,191 | - | - | 459,191 | 483,646 | 125,910 | - | 609,556 |
| 183 | SUALEHA BHATTI | WINNING EGDE C-16 HABIB CENTER B LOCK-5 CLIFTON | 516-62-075883 | BHATTI | 491,199 | 32,724 | - | 523,924 | 481,993 | 83,785 | - | 565,779 |
| 184 | MR ASIM EJAZ MALIK | 369-AA PHASE-4 D.H.A LAHORE CANTT. | 273-88-92227 | MOHAMMAD IBRAHIM MALIK | - | - | - | - | 565,487 | 288 | - | 565,775 |
| 185 | MR AAMIR MANZOOR CHAUDHRY | NEW 601 CERAMICS AND GELASS IN Q UATABPUR OLD SHUJABAD ROAD | 36302-0371505-7 | CH MANZOOR AHMED | 438,011 | 50,320 | - | 488,332 | 448,528 | 118,938 | - | 567,465 |
| 186 | SHAHBAZ ALI | FUTURE MOBILE FUTURE MOBILES, 12 -G HAFEEZ CENTER MAIN BOULEVARD GULBERG LAHORE | 35202-7637509-5 | CHAUDHRY MUHAMMAD RAFI | - | - | - | - | 387,950 | 119,936 | - | 507,886 |
| 187 | MR NAYYER IQBAL KHAN | A-101 PRIME RESIDENCY CL-10 CIVIL LINES KARACHI | 42201-3251081-5 | IQBAL ZAHIR KHAN | 434,629 | 69,689 | - | 504,317 | 442,886 | 111,237 | - | 554,123 |
| 188 | MR M WAQAS SANDAL | LOYAL SPORTS PVT LTD INDUSTRIAL ESTATE SIALKOT | 34603-2150488-5 | SHEIKH MOHAMMAD SARWAR | 595,100 | - | - | 595,100 | 609,861 | - | - | 609,861 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|----------------------------|---|---|-------------------------|--|------------------|--------|---------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 189 | MUHAMMAD ARSHAD | HOUSE NO 632 GALI NO 3 AYUB COLONY | 33100-8743938-5 | MOHAMMAD SHARIF | 480,018 | 32,975 | - | 512,993 | 491,891 | 126,895 | - | 618,786 |
| 190 | IJAZ AHMAD | C/O DREAM CAR PARK PLAZA SHOP NO .1,2,3, & 4 FAZAL-E-HA ROAD BLUE AREA OPP POLYCLINIC HOSP. | 37405-3103828-7 | TAJ MUHD | 480,159 | 15,644 | - | 495,803 | 488,548 | 54,166 | - | 542,714 |
| 191 | MR USMAN MASOUD | MURU GROUP INTERNATIONAL 177-A, AHMED BLOCK NEW GARDEN TOWN | 35202-5483047-7 | MOHAMMAD MASOOD | 493,142 | 90,820 | - | 583,961 | 497,318 | 121,867 | - | 619,184 |
| 192 | MR RIZWAN ARSHAD | H NO 12, BLOCK C MODEL TOWN, FAISALABAD | 33100-5554834-9 | MOHAMMAD IRSHAD ANWER | 533,468 | 41,934 | - | 575,402 | 545,816 | 136,773 | - | 682,589 |
| 193 | NOUMAN ANWER | 51-A NISAR ROAD ST.4 CANTT | 274-87-331357 | | 474,786 | 64,800 | - | 539,586 | 481,282 | 107,363 | - | 588,645 |
| 194 | MR SYED KHAWAR ALI | APEX COMMUNICATION 32-1, C/1 BLOCK 6 PECHS APEX HOUSE | 42201-4032116-5 | SYED ASHIQ HUSSAIN | 493,993 | 79,073 | - | 573,066 | 496,081 | 94,437 | - | 590,519 |
| 195 | TARIQ SOHAIL | TARIQ SOHAIL HOUSE NO 1001 STREET NO 105 I-10/4 | 61101-1802394-9 | MUHAMMAD SHARIF | 498,935 | 123,924 | - | 622,860 | 501,023 | 139,595 | - | 640,618 |
| 196 | MR SETH NISAR AHMED | HON. CONSUL OF THE REP. OF KAZHAKHSTAN 196-L-MODEL TOWN EXTN | 35202-2792709-9 | MOHAMMAD LATIF | - | - | - | - | 662,171 | 82 | - | 662,254 |
| 197 | HAROON BASHIR | PLOT NO 90, STREET NO 7 SECTOR# I-10/3 | 61101-1991102-7 | BASHIR HUSSAIN | 397,902 | 12,932 | - | 410,834 | 432,307 | 123,457 | - | 555,764 |
| 198 | MR FAIZ UL HASAN | W S FORMS QURESHI STREET RORAS ROAD NEAR MAKKI MASJID NEW MUBARA K PURA | 34603-7209250-9 | CHUDHARY MUHAMMAD ISHAQ | 392,833 | 25,080 | - | 417,913 | 419,016 | 100,506 | - | 519,522 |
| 199 | MR MUHAMMED ISMAIL F DOSSA | RELIANCE INDUSTRIES PVT LTD PLT 23 SECTOR-23 K.I.A MAIN ROAD NEA R TOYOTA SHOW ROOM | 42301-3186357-9 | MOHAMMAD FAROOQ DOSA | 888,576 | - | - | 888,576 | 889,434 | - | - | 889,434 |
| 200 | TARIQ MEHMOOD | TARIQ TRADERS 26-ALLAMA IQBAL ROAD LAHORE | 35201-4698183-9 | CHAUDHARY GUFTAR AHMAD | 478,665 | 14,975 | - | 493,640 | 483,268 | 214,236 | - | 697,504 |
| 201 | WAQAS SHAHID | 496-F JOHAR TOWN | 35202-1718192-9 | SHAHID FAROOQ | 501,488 | 131,100 | - | 632,588 | 503,576 | 146,135 | - | 649,711 |
| 202 | MR SHAHZAD IQBAL KHAN | HOUSE NO 1853 SECTOR 16 C-4 STREET 9 OPPOSITE ASIA GROUND ORANGI TOWN GULSHAN-E-BIHARE | 42401-2265854-1 | AYUB KHAN | 504,627 | 87,608 | - | 592,235 | 513,443 | 119,372 | - | 632,814 |
| 203 | KASHIF ALI | 721 D FAISAL TOWN | 35202-2685153-5 | SH MUHAMMAD ASHRAF | 397,182 | - | - | 397,182 | 399,532 | 138,976 | - | 538,508 |
| 204 | MUHAMMAD ALMANI | FLAT NO 374 BLOCK ""G"" SULTANABAD COLONY PLOT NO 61 GULBAR NO 1 | 42101-0730230-9 | SIKANDAR ILWANI | 473,598 | 37,897 | - | 511,495 | 485,647 | 131,583 | - | 617,230 |
| 205 | WAQAS RASHEED | SHOP NO.28 GROUND FLOOR IBRAR BUSINESS CENTRE WAHDAT ROAD LAHORE | 35202-6513190-5 | ABDUR RASHEED | 423,883 | 80,502 | - | 504,385 | 428,059 | 107,525 | - | 535,585 |
| 206 | ANWAR MANJI | F-16 EVERSHERE SQUARE BLOCK 10 GULSHAN E IQBAL NEAR SINDBAD NEAR SINDBAD | 42101-7570468-7 | HYDER ALI | 462,357 | 28,994 | - | 491,351 | 456,784 | 125,583 | - | 582,367 |
| 207 | MR ZEESHAN AHMED ZAFAR | HATF REAL ESTATE SERVICES OFFICE NO 1, 2ND FLOOR LORDS TRADE CEN TER SECTOR F-11 MARKAZ | 61101-5465682-5 | IKRAM ZAFAR | 493,469 | 97,547 | - | 591,016 | 497,645 | 108,794 | - | 606,439 |
| 208 | MIAN MOHAMMAD IQBAL | 101B GULBERG II | 35202-4847431-7 | MUHAMMAD SHARIF | 408,316 | 13,478 | - | 421,794 | 479,686 | 127,088 | - | 606,774 |
| 209 | GOHAR ALI | I-G TRADERS 11/15 CANTONMENT PLA ZA THE MALL | 90403-0150038-7 | WAHEEDULLAH | 503,930 | 72,733 | - | 576,663 | 519,043 | 44,727 | - | 563,771 |
| 210 | ALI KAZIM | RAINBOW JEWELLERY HOUSE SH NO 12 3 PAK MARKET SHAH ALAM MARKET | 35202-3042612-1 | ASIF ALI | 490,101 | 21,854 | - | 511,955 | 487,141 | 164,120 | - | 651,261 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-----------------------------|---|---|----------------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 211 | YASMIN MAJID | H-6- STREET NO 19 F-6/2 | 61101-8190819-6 | KHAWAJA FAROOQ MAJID | 459,949 | - | - | 459,949 | 470,246 | 151,644 | - | 621,891 |
| 212 | MR AHMED EL RHAIDI | EMBASSY OF THE KINGDOM OF MOR 6 GOMAL ROAD E/7 | A002895 | | 518,038 | 32,695 | - | 550,733 | 502,734 | 64,596 | - | 567,331 |
| 213 | MS UZMA ASAD | 96-E MODEL TOWN | 35202-7940382-4 | MIAN ASAD MUNIR | 503,292 | 23,651 | - | 526,943 | 497,393 | 172,284 | - | 669,678 |
| 214 | IFTIKHAR AHMAD | RAWAL ENTERPRISES F 2712 MOTI BA ZAR INSIDE MASTI GATE | 35202-2935494-1 | MUHAMMAD HUSSAIN | 474,997 | 47,062 | - | 522,059 | 484,403 | 117,803 | - | 602,206 |
| 215 | S FARHAT ABBAS JAFARI | BANGLOW 9 CRYSTLE BANGLOW GAZI ABBASD BEHIND EID GHAIH MULTAN MULTAN | 270-88-434045 | S SAJID HUSSAIN JAFRI | 352,232 | - | - | 352,232 | 540,619 | 79,503 | - | 620,122 |
| 216 | SYED SABAHAT ALI SHAH | FIRST FLOOR SOFTWARE TECHNOLOGY PARK 1 AWAMI MARKAZ, CONSTITUTION AVENUE F-5/1 ISLAMABAD ISLAMABAD | 42501-2070278-5 | SYED FARASAT ALI SHAH | 553,663 | 18,007 | - | 571,670 | 588,292 | - | - | 588,292 |
| 217 | MUHAMMAD ARIF | H NO 77-K, BLOCK NO 02 GHAZALI ROAD, P.E.C.H.S PLOT NO 57, SECTOR NO 24 KORANGI INDUSTRIAL AREA | 42201-1296802-9 | ABDUL HAMEED | 636,518 | - | - | 636,518 | 619,435 | 37,933 | - | 657,367 |
| 218 | SYED KASHIF SAGHEER ZAIDI | H # 106-R, PARADISE HOMES, ABUL HASSAN ASPAHANI ROAD, KARACHI | 42201-3643060-5 | SYED SAGHIR HUSSAIN ZAIDI | 546,518 | 7,222 | - | 553,740 | 475,459 | 77,896 | - | 553,356 |
| 219 | SYED JOHAR ABBAS ALI SHAH | R-294,RAFI BANGLOW MALIR NEW BABAL MARKET KARACHI | 42201-7228380-9 | SYED SIR ABBAS ALI SHAH | 515,364 | 5,867 | - | 521,231 | 497,885 | 50,245 | - | 548,131 |
| 220 | MUHAMMAD PERVAIZ HAYAT | WORLD STYLE SKIN TREATMENT SHOP# 1 REHMAT PLAZA COMMERCIAL MARKET NEAR N B P RAWALPINDI | 37405-9731825-3 | MUHAMMAD HAYAT | 909,997 | 47,107 | - | 957,104 | 959,996 | - | - | 959,996 |
| 221 | RAJA RIAZ AHMED | 49 BABAR BLOCK NEW GARDEN TOWN HAROON STREET LAHORE | 210-65-856041 | RAJA MHD HUSSAIN | - | - | - | - | 642,000 | - | - | 642,000 |
| 222 | SARDAR KHAN | SARDAR COOL CORNER SHOP# 15 STATION ROAD NEAR OPPT HABIB HOTEL HYDERABAD | 41303-7483159-9 | ZAR MOHD URF TALIB | 528,682 | 20,797 | - | 549,479 | 556,183 | - | - | 556,183 |
| 223 | ZUBI ARSHAD | HOUSE# 430 BLOCK-M MODEL TOWN LAHORE | 37405-0229152-4 | MALIK ZIA MAHMOOD | 796,279 | 9,401 | - | 805,680 | 766,662 | 68,485 | - | 835,147 |
| 224 | SHAHID RAZA | 30-ICI TOWN SHIP BUTT CHOWK | 35202-0855588-3 | RAZA HUSSAN | 497,771 | 10,974 | - | 508,745 | 1,008,673 | 18,540 | - | 1,027,214 |
| 225 | MUHAMMAD JAVAID IQBAL | H # 10/A, ST # MOHALLA SIDDIQUE GUNJ SHER SHA WASON PURA LAHORE | 35202-9496484-9 | SHEIKH MUHAMMAD SHAREEF | 502,907 | 13,173 | - | 516,080 | 469,412 | 35,851 | - | 505,263 |
| 226 | WAJID MEHMOOD | HAZRAT KARMAN WALA UNITY CORNER SHOP# A-4 ABUL HASSAN ISPHANI ROAD BLK-4A KARACHI | 42201-5095551-1 | IRAHAD MEHMOOD | 477,132 | 12,290 | - | 489,422 | 507,036 | - | - | 507,036 |
| 227 | MUHAMMAD AJMAL | H # 31 ST # 24/A MUHALLAH FAZAL STREET BANK COLONY LAHORE | 35202-2680859-3 | MUHAMMAD ASHRAF | - | - | - | - | 626,626 | - | - | 626,626 |
| 228 | MUZAFFAR ALI | 3-A AKBER WALI STREE NA NA LAHORE | 35302-4020038-3 | SHAH MOHAMMAD | 510,058 | - | - | 510,058 | 458,616 | 43,153 | - | 501,769 |
| 229 | AYUB DURRANI | 1-3/A 100 HABIB PLAZA FAZAL E HAQ ROAD BLUE AREA ISLAMABAD | 61101-3789412-9 | MUHAMMAD ASLAM KHAN DURANI | 14,939,248 | 5,228,274 | - | 20,167,522 | 12,013,194 | - | - | 12,013,194 |
| 230 | SYED ATHER ALI SHAH | HOUSE NO 170-BB PHASEIV D.H.A LAHORE | 35201-1587734-3 | SAEED AZHAR ALI SHAH | 6,422,227 | 192,168 | - | 6,614,395 | 1,386,904 | - | - | 1,386,904 |
| 231 | MUHAMMAD ASHIQ | 177 KHYBER BLOCK ALLAMA IQBAL TOWN LAHORE | 35202-2524810-9 | CH M BOTA | 2,247,586 | 628,241 | - | 2,875,827 | 1,350,706 | - | - | 1,350,706 |
| 232 | SHEIKH MUHAMMAD KHALID RAFI | AHMED PLAZA OFFICE # 1 2ND FLOOR TIKA GALI # 1 FAISALABAD | 33100-4129492-5 | SH MOHAMMAD RAFI | 4,801,529 | 1,832,891 | - | 6,634,419 | 3,401,805 | - | - | 3,401,805 |
| 233 | EJAZ KHALID | MAHRIA CLEARIUN & FORWARDING AGENCY ROOM NO 2-E, 2RD FLOOR MUHAMMAD BAKSH & SONS BUILDING, 23-WEST WHARF ROAD KARACHI | 35202-2745477-9 | BOOTAY KHAN | 2,679,480 | - | - | 2,679,480 | 1,740,485 | - | - | 1,740,485 |
| 234 | AMIR MAJEED | FLAT 10, 101 WEST WIND ESTATES FL-11, CLIFTON, KARACHI. 5879099/5861323/0333-2103313 CLIFTON | 42301-6831572-5 | ABDUL MAJEED | 6,568,072 | - | - | 6,568,072 | 4,274,751 | - | - | 4,274,751 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|-------------------------|--|---|-----------------------|--|------------------|--------|------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 235 | ISHTIAQ AHMED KHAN | HOUSE # 109/2 SANA SYE CLINIC E BLOCK SATELLITE TOWN RAWALPINDI | 37405-4051344-5 | MUHD ASLAM KHAN | 6,381,631 | 414,225 | - | 6,795,856 | 1,456,581 | - | - | 1,456,581 |
| 236 | MIAN IRFAN AKMAL | SHOP # 1 REHMAN STREET NO 16 BRANDRATH ROAD LAHORE | 35202-8483741-1 | MUHAMMAD ISMAIL | 4,276,155 | 1,150,537 | - | 5,426,692 | 1,922,512 | - | - | 1,922,512 |
| 237 | NASIR GHAFAR | D-6,BLOCK-7, JASON VIP APARTMENT CLIFTON,KARACHI PECHS | 42201-6414806-3 | ABDUL GHAFAR | 3,859,082 | 478,667 | - | 4,337,749 | 661,132 | - | - | 661,132 |
| 238 | RIAZ AHMED | H NO 2 AS, QADRI ST 16 MUHAMMAD ALI ROAD ICHRA LAHORE 5452491108754758 LAHORE | 35201-6208090-5 | CHAN DIN | 1,240,722 | 408,960 | - | 1,649,682 | 836,772 | - | - | 836,772 |
| 239 | ALI ZAHID | 50-A-11 LAWRANCE ROAD LAHORE LAHORE | 35202-2467252-3 | AKHTAR ALI | 2,660,037 | 1,112,253 | - | 3,772,290 | 2,175,403 | - | - | 2,175,403 |
| 240 | MUHAMMAD RIZWAN | 573-B, MODEL TOWN GUJRANWALA | 34101-4255215-1 | HAJI MUHAMMAD | 2,436,761 | 81,374 | - | 2,518,135 | 620,418 | - | - | 620,418 |
| 241 | MUHAMMAD YAMEEN MUGHAL | HOUSE # B-1,310STREET # 2,MUSLIM TOWN NEARMASJID F SHOP # B-1,438KURI ROAD NEARATTA CHAKKISADIQABADRA | 37405-8925326-1 | ABDUL RAHI MUGHAL | 2,396,918 | 685,408 | - | 3,082,326 | 1,315,163 | - | - | 1,315,163 |
| 242 | ASIF | HOUSE A-28 SECTOR-V SUB SECTOR-II GULSHAN-E-MAYMAR KDA SCHEME-45 KARACHI. 2474255/0300-2796344/0304-2963922 GULSHAN -E- MAYMAR | 42101-1750500-7 | CHARAGH UD DIN | 3,727,703 | 1,107,688 | - | 4,835,391 | 2,085,537 | - | - | 2,085,537 |
| 243 | MOHAMMAD IBRAHIM SHEIKH | HOUSE C-58 OWN HOMES F-B-AREA BLOCK 21 ,BEHIND CENTRUM SHOPPING MALL KHL KARACHI | 42201-4506647-1 | M YOUSUF | 2,568,759 | 530,429 | - | 3,099,188 | 1,044,238 | - | - | 1,044,238 |
| 244 | MUHAMMAD AZHAR ALI | 48/2, BANK COLONY INDR NAGAR BASTAMI ROAD SAMANABAD LAHORE. 7595760/0300-4475663/7637426 SAMANABAD | 35202-6310730-9 | MUHAMMAD ASLAM ALI | 1,465,649 | 510,720 | - | 1,976,369 | 858,092 | - | - | 858,092 |
| 245 | EJAZ HAIDER | PLOT 28/A/4, V-1-2, 33RD ST PH-5, DHA, KARACHI. 5347876/0300-2305142/5343521 CLIFTON | 42301-8230895-9 | SHAFQAT HUSSAIN | 12,118,063 | 5,425,308 | - | 17,543,371 | 6,142,237 | - | - | 6,142,237 |
| 246 | SHAHID ABBAS | HOUSE 338 NARGIS BLOCK ALLAMA IQBAL TOWN LAHORE. 7840024/0300-4841449/7724661 IQBAL TOWN | 35202-6066278-5 | MUHAMMAD ABBAS | 5,578,112 | 978,282 | - | 6,556,394 | 3,368,431 | - | - | 3,368,431 |
| 247 | JAVED IQBAL KHAN | 37 / II, MAIN KHY-E-BAHARIA PHASE V, D.H.A. 3008203222 DHA KARACHI | 42301-5661982-7 | IQBAL AHMED KHAN | 18,016,123 | 2,312,928 | - | 20,329,051 | 5,849,957 | - | - | 5,849,957 |
| 248 | NAEEM HAMEED | 1466 H MIAN CIRCULAR ROAD OUTSIDE AKBARI GATE LAHORE | 35202-2826783-9 | ABDUL HAMEED | 996,471 | 702,713 | - | 1,699,183 | 898,715 | - | - | 898,715 |
| 249 | EJAZ HAIDER | H NO.1990 ST NO.2MAIN BAZARMANSOORABADFAISALABAD SHOP NO.35/34 1ST FLOOR3RD GALLERYREX CITY SATIANA | 33105-0198588-1 | MIRZA GHULAM HAIDAR | 3,220,680 | 869,101 | - | 4,089,781 | 1,131,976 | - | - | 1,131,976 |
| 250 | AZRA | APARTMENT # 1,FIRST FLOOR,PLOT # C-26TH BADAR COMM.STREET,PHASE V EXT,D H A DHA KARACHI | 42301-0981148-8 | NADEEM LIAQUAT | 798,090 | 323,025 | - | 1,121,114 | 571,921 | - | - | 571,921 |
| 251 | ASGHAR ALI | SHOP NO 48, MEMON PLAZA ABIGAL OFF NISHTAR ROAD KARACHI KARACHI | 42301-1014173-9 | SULEMAN | 1,954,402 | 520,605 | - | 2,475,007 | 1,072,466 | - | - | 1,072,466 |
| 252 | IMRAN SABIR | HOUSE # 55-S BLOCK 6 PECHS PAKISTAN EMPLOYEES CO-OPERATIVE HOUSING SOCIETY | 42201-4154606-7 | MOHAMMAD SABIR | 5,945,271 | 686,630 | - | 6,631,901 | 1,727,345 | - | - | 1,727,345 |
| 253 | RIAZ AHMAD KHAN | FLAT # 401, CLIFTON VIEW APT FRERE TOWN, NEAR TEEN TALWAR CLIFTON GULSHAN -E- IQBAL | 41304-9693644-5 | WAHID ALI KHAN | 2,136,327 | 561,260 | - | 2,697,587 | 1,262,605 | - | - | 1,262,605 |
| 254 | MUHAMMAD IQBAL | HOUSE# 75, BLOCK-1SHEES MEHAL KRS, CAPTAIN ROAD, JAMSHED QUARTERS | 42301-1116504-9 | ABDUL GHAFAR | 2,400,950 | 155,607 | - | 2,556,557 | 591,190 | - | - | 591,190 |
| 255 | ZAFAR IQBAL | B-2, BLOCK# 3,DARUL ISLAM ROAD, TOWNSHIP, TOWNSHIP | 35202-2914926-7 | CH. AMEER ALI | 1,459,674 | 378,833 | - | 1,838,507 | 714,234 | - | - | 714,234 |
| 256 | ALTAH HUSAIN | RAILWAY ROAD WARD -09 CHAH KHOLAY RAILWAY ROAD | 34201-0563615-3 | KHADIM HUSAIN | 778,043 | 391,855 | - | 1,169,898 | 601,750 | - | - | 601,750 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|------------------------------|--|---|---|--|------------------|--------|-------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 257 | ABDUL RASHID | HOUSE # 28-B/1, KHAYABAN-E-BAHRIA, PHASE -7, DHA. | 42201-8240575-5 | ABDUL KARIM LAKHANI | 23,775,433 | 9,118,375 | - | 32,893,808 | 19,875,154 | - | - | 19,875,154 |
| 258 | SHAHAB UD DIN | H # R269 LINES AREA, SECTOR 1-A MA JINNAH ROAD | 42201-2150016-3 | MOIN UDDIN | 2,328,592 | 848,687 | - | 3,177,279 | 1,542,862 | - | - | 1,542,862 |
| 259 | FAYYAZ UL HASSAN | RORAS ROAD NEAR MAKKI MASJID NEW MUBARIK PURA MUBARAK PURA SLK | 34603-7209250-9 | CHUDHARY MUHAMMAD ISHAQ | 2,711,573 | 597,098 | - | 3,308,671 | 1,510,984 | - | - | 1,510,984 |
| 260 | IFTIKHAR SULTAN | 18 2ND FLOOR, NATIONAL BUSINESS CENTRE, SHAMAS ABAD I-8/4 | 61101-3671428-7 | SULTAN AHMED | 13,974,757 | 883,698 | - | 14,858,456 | 3,374,619 | - | - | 3,374,619 |
| 261 | MANSOOB HASSAN DURANI | H # R-645, BLOCK # 19 F.B. AREA DHA KARACHI | 42101-0368659-9 | MASROOR HASAN KHAN | 1,767,569 | 869,550 | - | 2,637,119 | 1,341,951 | - | - | 1,341,951 |
| 262 | NAEEM MUMTAZ | PLAZA SHOES SAID NAGRI MARKET, JOHAR TOWN | 34101-5033210-5 | MUMTAZ AHMED | 4,542,206 | 1,742,632 | - | 6,284,838 | 3,300,714 | - | - | 3,300,714 |
| 263 | SYED IMRAN ALI SHAH | H NO R-195, BLOCK 15-A/4 BUFFER ZONE | 42101-1914830-7 | SYED RIAST ALI SHAH | 2,833,773 | 681,111 | - | 3,514,884 | 1,560,744 | - | - | 1,560,744 |
| 264 | TABISH AHMER | FLAT # A-109, RUFU HEAVEN 13-D/2, GULSHAN-E-IQBAL GULSHAN-E-IQBAL | 42101-9404446-3 | MOHAMMAD SHIBLI | 1,518,555 | 125,303 | - | 1,643,857 | 640,036 | - | - | 640,036 |
| 265 | MOHSIN ABBAS | HEAD OFFICE 6TH FLOOR MADINA CITY MALL SADDAR DHA KARACHI | 42201-7827248-1 | GHULAM ALI | 13,569,591 | 3,815,699 | - | 17,385,290 | 7,754,042 | - | - | 7,754,042 |
| 266 | JAWED | FLAT # 113, BLOCK -B, RUFU HEAVEN, GULSHAN-E-IQBAL.BLOCK -13-D-2. GULISTAN -E- JOHAR | 42201-0797543-9 | MOHAMMAD | 8,544,164 | 2,333,827 | - | 10,877,991 | 5,735,739 | - | - | 5,735,739 |
| 267 | ABDUL RAUF | HOUSE # A-80.BLOCK 9 YASEENABAD FEDERAL B AREA GULSHAN -E- IQBAL | 42104-1717594-7 | MUHAMMAD HAJI DADO | 1,807,775 | 649,859 | - | 2,457,634 | 1,087,499 | - | - | 1,087,499 |
| 268 | MUHAMMAD AYYUB | B-55-12TH STREET GUSHAN-E-FAISAL CO-OPERATIVE SOCIETY, BATH ISLAND BATH ISLAND | 42301-9716522-5 | NOOR MUHAMMAD | 9,504,698 | 1,156,010 | - | 10,660,708 | 4,503,453 | - | - | 4,503,453 |
| 269 | UMER WAHEED KHAN | H NO 11 ST NO 57 JINNAH ROAD ISLAM PURA LAHORE | 35202-6834611-3 | ABDUL WAHEED KHAN | 868,040 | 25,691 | - | 893,731 | 868,040 | 47,527 | - | 915,567 |
| 270 | MOHAMMAD IQBAL | 101B GULBERG II LAHORE | 35202-4847431-7 | MUHAMMAD SHARIF | 708,274 | - | - | 708,274 | 580,052 | 36,920 | - | 616,972 |
| 271 | CABLES AND CONDUCTOR LIMITED | 37-C/1, FAISAL TOWN, LAHORE. FACTORY ADDRESS: 1.6 KM OFF RAIWAND MANGA ROAD, ROSA, MAUZA BHAIL, DIST. KASUR. | (1) Muhammad Ibrahim Khan, R/o. House 18-D-III, Model Town, Lahore. CNIC. 35202-2050323-3 (2) Muhammad Amir Khan, R/o House No. 335, Street 7, Cavalry Ground, Lahore Cantt. Lahore. CNIC. 35201-2473182-5. (3) Naziran Begum, R/o House. 124-D, Model Town, Lahore. CNIC. 35202-7521331-6 (4) Muhammad Imran Khan, R/o House No. 335, Street 7, Cavalry Ground, Lahore Cantt. Lahore. CNIC. 35201-1370877-1 | (1) MUHAMMAD ISMAIL KHAN (2) MUHAMMAD IBRAHIM KHAN (3) W/O MUHAMMAD IBRAHIM KHAN (4) MUHAMMAD IBRAHIM KHAN | 112,399,438 | 145,648,936 | - | 258,048,374 | 112,399,438 | 149,388,111 | - | 261,787,549 |

Consolidated Financial Statements

Annexure-1

| Sr. No. | Name | Address | Name of Partners / Directors NIC / CNIC | Father / Husband Name | Outstanding Liabilities at Beginning of Year | | | | Amount Written off / Concession | | | |
|---------|---------------------------|--|---|--|--|------------------|--------|---------------|---------------------------------|------------------|--------|---------------|
| | | | | | Principal | Interest/Mark up | Others | Total | Principal | Interest/Mark up | Others | Total Balance |
| 272 | COTTON ARTS (PVT) LIMITED | REGISTERED OFFICE AT P-18, TIKKA GALI NO. 3, MONTGOMERY BAZAR, FAISALABAD. | (1) Ateeq Ahmad R/o House No. 121-A, Peoples Colony, Faisalabad. 33100-9241325-1 (2) Laeeq Ahmad R/o House No. 121-A, Peoples Colony, Faisalabad. 33100-4364680-7 (3) Razia Sultana R/o House No. 121-A, Peoples Colony, Faisalabad. 33100-7734758-4 (4) Nafeez Ahmed R/o House No. 121-A, Peoples Colony, Faisalabad. 33100-0905950-3 | (1) SHEIKH MUHAMMAD YAQOOB (2) SHEIKH MUHAMMAD YAQOOB (3) W/O SHEIKH MUHAMMAD YAQOOB (4) SHEIKH MUHAMMAD YAQOOB | 41,146,580 | 17,664,173 | - | 58,810,753 | 1,808,028 | - | - | 1,808,028 |
| | | | | | 906,581,313 | 381,662,455 | - | 1,288,243,768 | 465,953,828 | 346,641,012 | - | 812,594,841 |

PATTERN OF SHAREHOLDERS

As on 31 December 2011

| NO. OF SHAREHOLDERS | <-- HAVING SHARES--> | | SHARES HELD | PERCENTAGE |
|------------------------|----------------------|------------|-------------|------------|
| | FROM | TO | | |
| 1253 | 1 | 100 | 53087 | 0.0014 |
| 2156 | 101 | 500 | 686104 | 0.0177 |
| 1335 | 501 | 1000 | 1077383 | 0.0278 |
| 2850 | 1001 | 5000 | 7240614 | 0.1870 |
| 964 | 5001 | 10000 | 6055146 | 0.1564 |
| 142 | 10001 | 15000 | 1771168 | 0.0457 |
| 77 | 15001 | 20000 | 1357845 | 0.0351 |
| 57 | 20001 | 25000 | 1308862 | 0.0338 |
| 25 | 25001 | 30000 | 701657 | 0.0181 |
| 15 | 30001 | 35000 | 482554 | 0.0125 |
| 18 | 35001 | 40000 | 678666 | 0.0175 |
| 8 | 40001 | 45000 | 345599 | 0.0089 |
| 5 | 45001 | 50000 | 246855 | 0.0064 |
| 9 | 50001 | 55000 | 468879 | 0.0121 |
| 7 | 55001 | 60000 | 409474 | 0.0106 |
| 4 | 60001 | 65000 | 246119 | 0.0064 |
| 7 | 65001 | 70000 | 469337 | 0.0121 |
| 1 | 70001 | 75000 | 75000 | 0.0019 |
| 1 | 75001 | 80000 | 75817 | 0.0020 |
| 1 | 80001 | 85000 | 80176 | 0.0021 |
| 1 | 85001 | 90000 | 86975 | 0.0022 |
| 7 | 95001 | 100000 | 694233 | 0.0179 |
| 1 | 100001 | 105000 | 103045 | 0.0027 |
| 3 | 110001 | 115000 | 337350 | 0.0087 |
| 3 | 125001 | 130000 | 385400 | 0.0100 |
| 1 | 130001 | 135000 | 134400 | 0.0035 |
| 2 | 140001 | 145000 | 285000 | 0.0074 |
| 2 | 145001 | 150000 | 295258 | 0.0076 |
| 2 | 155001 | 160000 | 312100 | 0.0081 |
| 1 | 170001 | 175000 | 175000 | 0.0045 |
| 2 | 175001 | 180000 | 353691 | 0.0091 |
| 1 | 180001 | 185000 | 180258 | 0.0047 |
| 1 | 190001 | 195000 | 192522 | 0.0050 |
| 1 | 210001 | 215000 | 215000 | 0.0056 |
| 1 | 235001 | 240000 | 236158 | 0.0061 |
| 2 | 245001 | 250000 | 497232 | 0.0128 |
| 1 | 255001 | 260000 | 258132 | 0.0067 |
| 1 | 295001 | 300000 | 300000 | 0.0077 |
| 1 | 350001 | 355000 | 354048 | 0.0091 |
| 2 | 455001 | 460000 | 917614 | 0.0237 |
| 1 | 495001 | 500000 | 500000 | 0.0129 |
| 2 | 500001 | 505000 | 1001842 | 0.0259 |
| 1 | 525001 | 530000 | 530000 | 0.0137 |
| 1 | 710001 | 715000 | 712208 | 0.0184 |
| 1 | 845001 | 850000 | 850000 | 0.0220 |
| 1 | 910001 | 915000 | 914570 | 0.0236 |
| 1 | 995001 | 1000000 | 998645 | 0.0258 |
| 1 | 1030001 | 1035000 | 1031896 | 0.0267 |
| 1 | 2560001 | 2565000 | 2562940 | 0.0662 |
| 1 | 3832335001 | 3832340000 | 3832339162 | 98.9863 |
| 8982 | | | 3871585021 | 100.0000 |

CATEGORIES OF SHAREHOLDERS

AS OF 31 DECEMBER 2011

| PARTICULARS | SHARES HOLDERS | SHAREHOLDING | PERCENTAGE |
|---------------------------|----------------|-------------------|-----------------|
| DIRECTORS, CEO & CHILDREN | 7 | 7 | 0.0000 |
| ASSOCIATED COMPANIES | 1 | 3832339162 | 98.9863 |
| NIT & ICP | 1 | 3250 | 0.0001 |
| BANKS, DFI & NBF | 14 | 3720937 | 0.0961 |
| INSURANCE COMPANIES | 5 | 105745 | 0.0027 |
| MODARABAS & MUTUAL FUNDS | 8 | 253812 | 0.0066 |
| GENERAL PUBLIC (LOCAL) | 7536 | 25094974 | 0.6482 |
| GENERAL PUBLIC (FOREIGN) | 1301 | 4881177 | 0.1261 |
| OTHERS | 96 | 4544179 | 0.1174 |
| FOREIGN COMPANIES | 13 | 641778 | 0.0166 |
| | <u>8982</u> | <u>3871585021</u> | <u>100.0000</u> |

CONSOLIDATED DETAILS**A) Directors, Chief Executive Officer, their spouse and minor children**

| SR. # | Name | Shares Held | % |
|-------|------------------------------|----------------|-------------|
| 1 | Mr. Christos A. Papadopoulos | 1 | 0.00 |
| 2 | Mr. Mohsin Ali Nathani | 530,001 | 0.01 |
| 3 | Mr. Andrew James Hardacre | 1 | 0.00 |
| 4 | Mr. Raheel Ahmed | 1 | 0.00 |
| 5 | Mr. Najam I. Chaudhri | 1 | 0.00 |
| 6 | Mr. Shahid Zaki | 1 | 0.00 |
| 7 | Mr. Parvez Ghias | 1 | 0.00 |
| | Total | <u>530,007</u> | <u>0.01</u> |

B) Associated Companies, Undertakings and Related Parties

| | | | |
|---|------------------------------|----------------------|--------------|
| 1 | Standard Chartered Bank U.K. | <u>3,832,339,162</u> | <u>98.99</u> |
|---|------------------------------|----------------------|--------------|

C) NIT & ICP

| | | | |
|---|--|--------------|-------------|
| 1 | Investment Corporation of Pakistan (Non-CDC) | <u>3,250</u> | <u>0.00</u> |
|---|--|--------------|-------------|

D) Shareholders Holding 10% or More

| | | | |
|---|------------------------------|----------------------|--------------|
| 1 | Standard Chartered Bank U.K. | <u>3,832,339,162</u> | <u>98.99</u> |
|---|------------------------------|----------------------|--------------|

Fold here

Company Secretary
Standard Chartered Bank (Pakistan) Limited
P.O.Box No. 5556,
I.I.Chundrigar Road,
Karachi 74000, Pakistan

Fold here

Fold here

Fold here

Fold here

Fold here

Fold here

Form of Proxy

6TH ANNUAL GENERAL MEETING STANDARD CHARTERED BANK (PAKISTAN) LIMITED

I/We.....
of.....being member(s) of Standard Chartered Bank
(Pakistan) Limited holding.....Ordinary shares hereby appoint
.....of.....or failing
him/her.....of.....who is/are also member(s)
of Standard Chartered Bank (Pakistan) Limited as my/our Proxy in my/our absence to attend and
vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on
March 30, 2012 and/or any adjournment thereof.

Signed this _____ day of _____ 2012.

Folio No.

Signature
on Rs. 5/-
Revenue Stamp

WITNESSES:

- 1. Signature: _____
Name: _____
Address: _____
CNIC No. _____
Passport No. _____

- 2. Signature: _____
Name: _____
Address: _____
CNIC No. _____
Passport No. _____

Note

- 1. The Proxy Form should be deposited at the registered office of the Bank, as soon as possible but not later than 48 hours before the time of holding the meeting, failing which, Proxy Form will not be treated as valid.
- 2. No person shall act as proxy unless he/she is a member of the Bank.



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A simple cataract operation altered his life forever

Seeing is Believing is Standard Chartered's global initiative to tackle avoidable blindness and visual impairment. Under this programme, Standard Chartered Bank (Pakistan) Limited has achieved significant milestones:

- So far 566,000* eye sights have been restored
- Initiating "Pakistan Urban Paediatric Eye Care Programme" which will screen 1.7 million less privileged children for visual impairments by 2015
- Being the first Bank in the country to hire visually impaired staff
- Organised a countrywide programme through which 50,000 lady healthcare workers have been trained to provide primary eye care at the community level

Log on to www.standardchartered.com to find out more about the Bank's Seeing is Believing programme.

*As of December 2010



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Here for good

standardchartered.com