

ANNUAL REPORT 2017

PASSION FOR PROGRESS, POWERING
GROWTH



Empowering the Nation Together



First Women Bank Ltd.





FWBL CHARTER

Undertaking the conduct of all forms of business of a Banking Company in a manner designed to meet the special needs of women, and to encourage and assist them in promotion and running of trade and industry, and practice of profession.



VISION

To create value for our stakeholders, and contribute towards country's economic development through mainstreaming woman by creating enabling environment as the dynamic agent of change and prosperity.

MISSION

To be a Sustainable Bank offering efficient, cost-effective and need-based financial products and services with special focus to address women's banking needs through strategic alliances. Improve governance through capacity building and restructuring of the Bank.

CORE VALUES

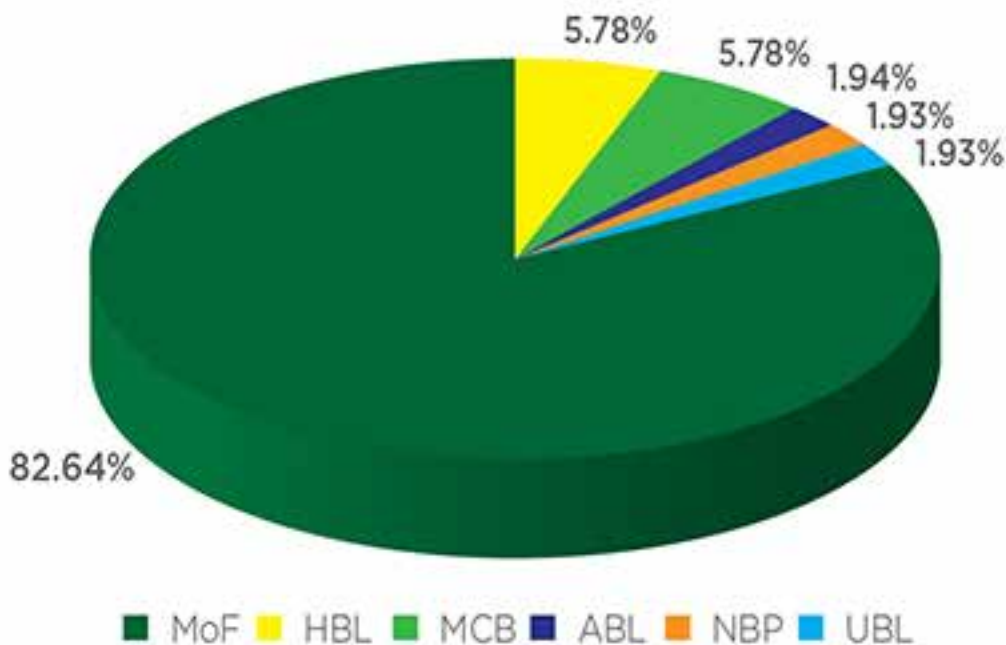
- Customer Centric
- Performance Oriented
- Honesty, Trust, Integrity
- Liberating People Potential



FWBL

A Public Sector Bank

GOVERNMENT OF PAKISTAN'S STAKE IN FWBL ROSE TO OVER 80%.



PATTERN OF SHAREHOLDING

*During the year 2017, MOF injected Rs. 500 million towards the paid-up capital of the Bank; thus the paid-up share capital of the Bank stands at Rs. 3.994 billion at the close of the year. The GoP, through MoF, now owns 82.64% shareholding of the Bank.



CONTENTS

6-7	Corporate Information
8-9	Board of Directors
10	Board Audit Committee
11	Awards & Achievements
12-13	CSR Towards Society
14-24	Directors' Report
25-28	Financial Performance (Graph, Financial Ratios)
29	Credit Model
40-46	Statement of Compliance
47-48	Explanation for Non-Compliance
49-50	Review Report to Members
51-52	Statement of Internal Controls
53	Auditors' Report to the Members
54-120	Financial Statements and Notes Thereon
128-135	Products & Services
137	Branches in Pakistan
138-140	Head Office, Regional / Area Offices & Branches
141-142	ATM Network



**CORPORATE
OFFICE**



First Women Bank Ltd.

Corporate Information

A. BOARD OF DIRECTORS

- Ms. Tahira Raza
President & CEO,
First Women Bank Limited
- Ms. Sumaira K. Aslam
Director
Financial Analyst/Joint Secretary/
Deputy Chief Cost Accounts Officer
Ministry of Finance
Government of Pakistan
- Ms. Nausheen Ahmad
Director
Company Secretary & Head Legal,
Habib Bank Limited (HBL)
- Mr. Muhtashim Ahmed Ashai
Director
Group Head Corporate Finance &
International Banking
MCB Bank Limited
- Mr. Gholam Kazim Hosein
Independent Director
- Ms. Huma Baqai
Independent Director
- Ms. Rukhsana Shah
Independent Director

B. BOARD AUDIT COMMITTEE (BAC)

- Mr. Gholam Kazim Hosein
Chairman
- Ms. Huma Baqai
Member
- Ms. Sumaira K. Aslam
Member
- Ms. Nausheen Ahmad
Member

C. BOARD RISK MANAGEMENT COMMITTEE (BRMC)

- Mr. Muhtashim Ahmed Ashai
Chairman
- Mr. Gholam Kazim Hosein
Member

- Ms. Nausheen Ahmad
Member
- Ms. Tahira Raza
Member
- Ms. Sumaira K. Aslam
Member

D. BOARD HR RECRUITMENT & COMPENSATION COMMITTEE (BHRCC)

- Ms. Huma Baqai
Chairperson
- Mr. Muhtashim Ahmed Ashai
Member
- Ms. Nausheen Ahmad
Member
- Ms. Rukhsana Shah
Member
- Ms. Sumaira K. Aslam
Member

E. BOARD BUSINESS STRATEGY COMMITTEE (BBSC)

- Ms. Rukhsana Shah
Chairperson
- Ms. Huma Baqai
Member
- Ms. Sumaira K. Aslam
Member
- Ms. Tahira Raza
Member

F. BOARD PERFORMANCE EVALUATION COMMITTEE (BPEC)

- Ms. Huma Baqai
Chairperson
- Ms. Rukhsana Shah
Member
- Mr. Gholam Kazim Hosein
Member

Corporate Information

G. EXECUTIVE COMMITTEE

- Ms. Tahira Raza - Chairperson
President & CEO,
First Women Bank Limited
- Ms. Naushaba Shahzad - Member
Head Risk Management
- Mr. Muzaffar Khan - Member
Treasurer
- Ms. Mehwish Khan - Member
Officiating CFO
- Mr. Saleem Shaffi - Member
Head Operations
- Ms. Yasmin Rizvi - Member
Head Credit Administration
- Mr. Kashif Karimi - Member
Head IT
- Ms. Farhana Shakeel - Member
Head of Business
- Mr. Riaz Esmail - Member
Officiating Head Human Resources
- Ms. Sana Enait Hashmi
Secretary Executive Committee &
Officiating Company Secretary

H. ASSETS & LIABILITIES MANAGEMENT COMMITTEE (ALCO)

- Ms. Tahira Raza - Chairperson
President & CEO,
First Women Bank Limited
- Ms. Naushaba Shahzad - Member
Head Risk Management
- Mr. Muzaffar Khan - Member
Treasurer
- Ms. Mehwish Khan - Member
Officiating CFO
- Ms. Farhana Shakeel - Member
Head Business
- Ms. Laila Masood - ALCO Secretary
Dy. Head Treasury

CHIEF FINANCIAL OFFICER (OFFICIATING)

Ms. Mehwish Khan

COMPANY SECRETARY (OFFICIATING)

Ms. Sana Enait Hashmi

LEGAL ADVISORS

Mr. Amir Javed
Amir Javed & Associates

Mr. Abdul Hameed Chohan
M/s. Malik & Malik Law Office

Ms. Shahina Akbar

M/s. Ahmed & Qazi

M/s. Shahid Anwar Bajwa & Co.

AUDITORS

KPMG Taseer Hadi & Co. Chartered
Accountants

TAX CONSULTANT

KPMG Taseer Hadi & Co.

BRANCHES IN PAKISTAN*

- | | | | |
|--------------|----|------------------|--------------|
| • Karachi | 10 | • Gujrat | • Sialkot |
| • Lahore | 4 | • Hyderabad | • Shikarpur |
| • Islamabad | 4 | • Jhelum | • Sukkur |
| • Peshawar | 2 | • Khairpur | • Wah Cantt. |
| • Rawalpindi | 3 | • Larkana | |
| • Abbottabad | | • Mardan | |
| • Bahawalpur | | • Multan | |
| • Faisalabad | | • Quetta | |
| • Gilgit | | • Rahim Yar Khan | |
| • Gujranwala | | • Sargodha | |

*For details, please refer to pages 138 to 140

Head Office and Registered Office

S.T.S.M. Foundation Building, CL-10/20/2,
Beaumont Road, Off Dr. Ziauddin Ahmed Road,
Civil Lines, Karachi,

Ph.: 021-35657684-9, 35212182-4,

UAN: 111-676-767, Fax: 021-35657756

Website: www.fwbl.com.pk

Facebook: www.facebook.com/FirstWomenBank

BOARD OF DIRECTORS



**Mr. Gholam Kazim
Hosein**
Independent Director

Ms. Nausheen Ahmad
Director
Company Secretary & Head Legal,
Habib Bank Ltd. (HBL)

Ms. Tahira Raza
President & CEO,
First Women Bank Ltd.



Ms. Rukhsana Shah
Independent Director

Ms. Sumaira K. Aslam
Nominee
Director from MoF
Government of Pakistan

Mr. Muhtashim Ahmed Ashai
Director
Group Head Corporate Finance &
International Banking
MCB Bank Limited

Ms. Huma Baqai
Independent Director

Board Audit Committee (BAC)



Mr. Gholam Kazim Hosein
Chairman
Independent Director



Ms. Huma Baqai
Member
Independent Director



Ms. Sumaira K. Aslam
Member
Nominee Director
from MoF
Government of Pakistan



Ms. Nausheen Ahmad
Member
Company Secretary &
Head Legal,
Habib Bank Ltd. (HBL)

Awards & Achievements

1992

ILO Geneva Study

Three major innovations in Management in Pakistan:

- First Women Bank Ltd.
- Edhi Trust
- Lahore University of Management Sciences

1994

Euromoney Excellence Award

2001

First Women Bank Ltd. was awarded "Leader in Micro-Finance" due to its recognition in Micro-Finance Products & Services by Women World Banking

2005

Asian Banking Award

Runners-up Award for FWBL/ILO/IPEC, Micro-Credit Program for combating Child Labor



Global Micro-Entrepreneurship Award

Runners-up Award for a client of FWBL/ILO/IPEC Micro-Credit Program

Ms. Naseem Bibi receiving the award from Country Director, United Nations Development Program, Mr. Haoliang Xu



2008

Citi PPAF Micro-Entrepreneurship Award

Two awards for Client of Jafakash Aurat Project

Ms. Kubra Asghar receiving an award from the then Advisor to Prime Minister on Finance, Mr. Shaukat Tarin



2010 - 2013



Category

Women Banking

(Consecutive Years)

2012

- 8th Consumer Choice Award for being the best bank in the category of 'Women Banking'
- FPCCI Achievement Award 2012 in the field of Banking and Financial Services

2016

EFP Award for Excellence in Women Empowerment

Ranked first in the banking sector category, organized by Employers' Federation of Pakistan in collaboration with the ILO, ADB, UN Women and the Global Compact Network Pakistan

2017

'THE BEST CSR BANK PAKISTAN'



Euromoney declared FWBL the Best CSR Bank for the year 2017.

CSR TOWARDS SOCIETY

FWBL is a socially responsible organization that believes in providing services and products that are beneficial to the society at large, and women in particular. Being a Commercial Bank with a mandate to serve women who still struggle for equal rights to health, education, security, decision-making, asset ownership, etc. To serve this segment, the Bank has to go an extra mile to develop products and services which are costly and at the same time offer these products at the minimum margin to ensure sustainability of women-owned businesses, who many at times do not get a level playing field. To remain sustainable under these circumstances, the Bank has to work on volumes which is another challenge while dealing with FWBL's target market. Despite this, the Bank is committed to serve society in an ethically and socially responsible manner, and contribute towards the national economy:

- FWBL aims towards addressing the financial inclusion, providing financial services to unbanked and untapped areas of the society and to focus on the socio-economic development of the country by launching environmentally-friendly business products.
- FWBL strongly believes in a Day Care Financial Facility, but due to the absence of a regulatory framework that makes this service safer for children and comfortable for parents, the Bank has therefore not yet launched this product. The Bank is looking at options to build in such protection before this product is launched.
- FWBL believes in a safe and sustainable environment, and encourages extending credit to borrowers compliant to safety, health and environment rules, producing environmentally-friendly products and do not get involved in environmentally hazardous activities or violation of human rights.
- FWBL ensures best quality services to all genders, i.e. Men, Women and Transgender.
- FWBL believes in financial innovation, i.e. since individual and corporate financial interests are constantly changing, FWBL creates new opportunities for risk management and the effective mediation of resources. This involves developing new products, redesigning the existing ones and creating new channels for the customers.
- FWBL is a unique employer in Pakistan with 90% of its employees being females. The institution promotes talent which helps in healthy growth and employee satisfaction as well.
- FWBL believes in business ethics and anti-corruption measures, requiring all staff members to comply with the Bank's 'Code of Ethics'.
- FWBL Consumer Protection measures / requires the disclosure of the Schedule of Charges and terms and conditions that apply to the Bank's products and services; to ensure a culture of 'Quality Customer Service', the Bank has a dedicated Service Quality Division with the objective of strengthening the Bank's service culture by managing close customer relationships.
- FWBL ensures fair and transparent financial services, handling of complaints on priority and combating money laundering, corruption and terrorism.
- FWBL ensures energy conservation, environmental protection, occupational safety and health by restricting unnecessary lighting and providing a safe and healthy work environment.
- Besides the commercial avenues open to all, FWBL's development avenue focuses on women with respect to:
 - a) Financial Inclusion
 - b) Socio-Economic Empowerment

CSR TOWARDS SOCIETY

FWBL also provides non-traditional banking services to develop entrepreneurial skills for women. These services include: (i) identification, advice and consultation services on investment in valuable projects for potential women entrepreneurs. These particular services help with aspects of: (i) credit management, trade services, legal counseling, tax consultancy and marketing, (ii) trainings for development of managerial and technical skills for women entrepreneurs, and (iii) identifying and developing markets for products from women entrepreneurs.

- First Women Bank Limited is a firm believer of women empowerment. We have and are willingly playing a significant role in the economic development of the country. In the past, we have successfully completed a number of projects in collaboration with a number of funding agencies like Shelter Project of World Bank, under said project long-term concessional loans were provided to women of rural areas for construction of one-room houses. Jafakash Aurat, in collaboration with Ministry of Women Development, works to enable the poorest of the poor women in rural areas to supplement their livelihood by supporting micro-enterprise development: FWBL-ILO-IPEC partnership, FWBL-CIDA partnership, FWBL-UNDP partnership, FWBL-GEP partnership, etc. Focus of the Bank in all above collaborations is the mainstreaming of women, particularly in rural areas.
- Priority lending areas of FWBL:
 - Housing Loans
 - Education Loans
 - Small Enterprise
 - Agriculture
 - Finance to weaker section of the society



DIRECTORS' REPORT



Tahira Raza
President & CEO

Directors' Report

For the year ended 31 December 2017

On behalf of the Board of Directors, I am pleased to present the 28th Annual Report of First Women Bank Limited (the Bank) for the year ended 31 December 2017.

Economic Review:

Comprehensive economic reform agenda as well as the continuity and consistency in economic policies aimed at achieving a higher growth momentum, ongoing structural reforms, lower commodity prices and improved law & order conditions are the key contributors towards growth. The Gross Domestic Product (GDP) growth is expected to strengthen to 6% over the medium term on the back of stepped-up China Pakistan Economic Corridor investments, improved availability of energy, and growth-supporting structural reforms. The industry grew mainly on a rebound growth in large-scale manufacturing. Improvement was particularly observed in sectors like Automobile, Cement, Fertilizer and Steel.

Headline CPI inflation was recorded at 4.6% on a year-on-year basis in December 2017. Devaluation of Rupee during recent months and the rising international oil prices are likely to increase inflation in the coming months, which is expected to be in the range of 4.5% to 5.5%; end of fiscal year YoY inflation is likely to inch towards the annual target of 6%.

Pakistan's economy has performed well during FY17. While GDP growth is estimated at 5.3%, LSM achieved a 5.7% growth; per capita income increased to \$1,629 and remittances rose to \$19.3 billion, however, fiscal deficit rose to 5.8% of the GDP (against the target of 3.8% and 4.6% in FY16). Pakistan's economy has now become the 42nd largest in terms of the GDP while being the 25th largest in the world in terms of purchasing power parity.

The country's trade deficit deteriorated during H1 FY18 to around USD 18.0 billion, up 24.5% on a year-on-year basis. During H1 FY18, exports picked up by 11.2% year-on-year while imports were up by 19.1%. Thus, the current account deficit for H1 FY18 increased substantially to USD 7.4 billion as compared to USD 4.7 billion for the same period last year. Despite weaker current account performance, the financial account supported the country's reserves position during H1 FY18.

Given the inflation upsurge during recent months, the State Bank of Pakistan seems to have started taking control measures by increasing the discount rate by 25 bps for the first time since 2013. This, in return, is also expected to result in some growth in net interest margin of the Banking industry. Given the increased liquidity and stable discount rates, opportunities exist for the Banking industry to secure further growth in the near future. Operating environment seems stable as economic growth will accelerate driven by infrastructure investment as CPEC projects gain momentum, attracting foreign direct investment as well as local demand for credit.

Four key factors of Pakistan's economy have witnessed important changes since November 2017 impinging upon the policy rate decision. Firstly, PKR has depreciated by around 5%. Secondly, oil prices are hovering near USD 70 per barrel. Thirdly, a number of central banks have started to adjust their policy rates upwards, adversely affecting PKR interest rate differentials vis-à-vis their currencies. Fourthly, multiple indicators show that the output gap has significantly narrowed indicating a build-up of demand pressures.

These positive developments also supported FWBL, but due to low volumes and execution capacity, the positivity is overshadowed due to absorption of deferred tax asset, additional provisioning and loss of mark-up income on bad debts. FWBL is deprived of agility to respond to the market dynamics and benefiting out of the available opportunities, due to low levels of capital and human resource constraints despite the increase in deposit base and overall investment portfolio.

Directors' Report

For the year ended 31 December 2017

Financial Highlights:

Profit & Loss Account For the Year Ended,

	December 2017	December 2016	Change
	-----Rupees in '000 -----		(%)
Mark-up / return / interest earned	1,276,336	1,161,864	9.85%
Mark-up / return / interest expensed	(601,824)	(522,492)	15.18%
Net mark-up / interest income	674,512	639,372	5.50%
Non Mark-up Income	121,978	244,555	-50.12%
Total income	796,490	883,927	-9.89%
Administrative expenses	(893,021)	(879,190)	1.57%
Other Provisions and Charges	(7,050)	(18,351)	-61.58%
(Loss) Profit before Reversal / Provisions	(103,581)	(13,614)	660.84%
Provisions / Reversals	(12,354)	17,667	169.93%
Loss before Taxation	(115,935)	4,053	(2.96 times)
Taxation	(122,103)	7,269	(1.78 times)
(Loss) / Profit after Taxation	(238,038)	11,322	(2.20 times)
Earnings per Share (Rupees)	(0.61)	0.03	(2.13 times)

Statement of Financial Position as at,

	December 31, 2017	December 31, 2016	Change
	-----Rupees in '000 -----		(%)
Advances - Net	8,875,631	8,213,247	8.06%
Investments - Net	13,587,722	8,032,819	69.15%
Deposits	16,259,737	13,708,791	18.61%
Total Assets	24,828,931	18,520,564	34.06%
Total Liabilities	21,096,220	15,040,042	40.27%
Borrowings	3,903,832	743,909	424.77%
Share Capital	3,994,113	3,494,113	14.31%
Reserves	307,717	307,717	0.00%
Accumulated loss	(695,455)	(463,975)	49.89%

Financial Performance

On the gross mark-up income side, the Bank reported an increase of Rs. 114.47 million (9.85%) whereas on the interest expense side, the Bank registered an increase of Rs. 79.33 million over the last year. To supplement its net interest margins, the Bank remained focused on increasing its low-cost deposit base and venture in higher-yielding assets. On the non-markup income front, the Bank reported a base of Rs. 121.98 million with the decrease of 50.12% over the last year, mainly due to significant capital market volatility in the later half of the year. During 2017, as the spreads further squeezed, business margins were challenged, hence, the Bank booked loss before tax for the year of Rs. 115.94 million. The Bank has registered a slight growth in volumes – yet the revenue remained subdued due to continuously reduced margins lead by low interest rates & increasing cost of compliance. The limited branch network has resulted in high operational costs despite significant control over expenses. The Bank's high cost operational structure – though controlled on YoY basis – and provision expense on non-performing loans continued to drag the performance. Owing to the cost-efficient measures of the management, administrative expenses increased only by 1.57% during the year 2017.

Directors' Report

For the year ended 31 December 2017

The management is focusing on reducing its funding costs further, thereby improving its spreads. Meanwhile, given recent capital compliance with reduced MCR, the Bank still needs higher levels of Capital to compete in the market with rising compliance standards & technology innovations.

The asset base of the Bank has reached to Rs. 24.829 billion from Rs. 18.52 billion, reflecting a healthy increase of 34.06% over December 2016. Analysis of asset mix highlights that net investments increased by 69.15%, net advances have shown an increase of 8.06% while deposit portfolio registered an increase of 18.61% over December 31, 2016.

The Bank has always encouraged providing financial support to women for promoting this important component of the economy. During the year 2017, the Bank has disbursed Rs. 137.565 million to female individuals and entities run by female entrepreneurs.

Key Business Developments

FWBL is constantly striving to keep pace with the changing market dynamics and customer needs. In the year 2017, the main focus of the management remained on improvement and facilitation of the SME and consumer sector. Three SBP SME concessional schemes, namely Prime Minister National Health Program (PMNHP), Refinance and Credit Guarantee Scheme for Women Entrepreneurs (WERS), and Corporate Guarantee Scheme (CGS) have been launched. The number of SME loans and consumer loans have also increased considerably, as compared to 2016.

In an attempt to expand outreach in Balochistan under SBP Balochistan Action Point, to serve the people of the under-served province, the opening of two booths in two girls' colleges in Quetta are underway. Another milestone achieved last year was enabling SMS alert services across the board for customers, although it's a very small step, but for the management it's a big achievement keeping in view a number of constraints the Bank has been facing since a long time.

In the year 2017, the main focus of the management remained on strategy formulation, improving regulatory compliance, governance, enhancement of core banking platforms to newer versions and improving policies, processes & internal controls. Its business focus remained on low cost, deposit mobilization and recovery of bad loans. Cash recoveries worth Rs. 190 million from classified borrowers were managed during the year.

Alternate Delivery Channels (ADCs) are effective mediums for providing banking services directly to customers. The ADCs have proven their ability to meet customers' expectations by ensuring accuracy, convenience and timeliness in service 24/7. FWBL signed agreements with iLink, Mastercard, and Avanza to offer debits cards and internet banking services to its customers. These initiatives will take FWBL a step forward in providing Fintech services to their existing and future customer base.

Gender Equity Program Grant

First Women Bank Limited has been awarded a grant of Rs. 27.5 million for developing three new financial products for the Gender Equity Program (GEP), Home-Based Workers and Small-Scale Women Entrepreneurs and the Capacity Building of FWBL, including senior management and the core banking staff on the new financial products, leadership development and service quality under GEP of Aurat Foundation (AF) by the support of the American people through United States Agency for International Development (USAID).

The overall Project objective is to enhance the Financial Inclusion of Women, thus leading to poverty alleviation, access to much needed finance, increasing the habit of saving, and provision of other bank services. These asset-based/liability-oriented/risk mitigation and insurance covered financial products will be targeted to women clusters, 17 AF affiliated universities, beneficiaries of GEP and small-scale female entrepreneurs.

Directors' Report

For the year ended 31 December 2017

FWBL will organize a market survey to find out which financial products Home-Based Workers and Small-Scale Entrepreneurs want. The sample of this survey, based on Research and Development of products, will be taken from previous trainees (640) and GEP implementing partners of grant cycle 7A and 12 districts of Pakistan consisting of approximately 1750 direct beneficiaries. FWBL will develop at least three (3) new banking products / services that will pretest, pilot and launch through a marketing campaign and three road shows. FWBL will conduct trainings for its senior management as well as its core banking staff on the new developed products as well as impart soft skills' trainings on Team Building, Leadership, Customer Service and Sales Management.

FWBL will also utilize GEP's 'Pakistan Gender Coalition' (PGC) platform for marketing its products to GEP sub-guarantees so that NGOs and CSOs working on women's empowerment and development can access FWBL's services.

FWBL will also engage and develop interventions with 17 GEP-affiliated Universities in the close proximity of its branch network to introduce banking services to young women.

It is envisioned that through these campaigns and three road shows, financial inclusion of women will be increased and improved, leading to women's economic empowerment and emancipation.

National Financial Inclusion Strategy

FWBL aims to support women's financial inclusion by taking a holistic and integrated approach and undertaking research and developing products & services based on needs of un-served women markets.

Further, it is also planned to participate in schemes of the Government aimed at the Economic Empowerment of Women at all three MACRO, MEZZO and MICRO levels. We aim to build tie ups with organization that are providing financial assistance to low-income groups to facilitate and promote the SME sector by focusing particularly on the 'S' of SME. Management is also planning to develop a variety of affordable products for the end users that enhance economic activity & financial inclusion and identify women target markets and clusters which are financially excluded. Even if we aim to target 1% of the total Financial Inclusion target for Pakistan, we would be undertaking a paradigm shift in our existing product mix structures and services mix for the end user. We aim to utilize the GEP project as the cornerstone in the foundation to achieve the National Financial Inclusion target.

Key IT Developments

Subsequent to the strengthening of the Information Technology infrastructure in prior years, FWBL management took initiatives to roll out customer-centric solutions via alternate delivery channels. During the year 2017, the FWBL team began working on the PayPak Debit Card, Mastercard Debit Card, 24/7 Call Center with IVR, and Internet Banking.

Cyber Security was one of the major discussion points during the year. FWBL's Information Security department conducted sessions with human resources across the nation to inform them about the basic tools to prevent cyber attacks. In addition to these sessions, Information Security department coordinated with the IT network and systems engineering teams to implement controls within the existing network to minimize the chances of cyber attack.

During the year, FWBL conducted BCP and IT Disaster Recovery drills to ensure business continuity and availability of business applications to manage customer needs. These drills included drills for Core Banking Solutions, ATM services, RTGS and CDC applications.

Minimum Capital Requirement

The Minimum Capital Requirement (MCR) has been reset for the Bank by SBP, upon recommendation from the Government of Pakistan (GoP), as disclosed in Note 1.2 to the Financial Statements. Under the revised requirements, the Bank is required to maintain paid-up capital (net of losses) of Rs. 3 billion and Capital Adequacy Ratio (CAR) of 18% at all times. However, till the year ended December 31, 2017, the paid-up capital net of accumulated losses stood at Rs. 3.299 billion. Whereas the Bank's risk profile remained quite satisfactory as reflected through its CAR of 53.86%.

Additional Equity Injection by GoP

During the year 2017, MoF injected Rs. 500 million towards the paid-up capital of the Bank; thus the paid-up share capital of the Bank stands at Rs. 3.994 billion at the close of the year. The GoP, through MoF, now owns 82.64% of the shareholding of the Bank.

Directors' Report

For the year ended 31 December 2017

Credit Rating

The Bank has a long-term entity rating of "A-" while the short-term entity rating is "A2". The Bank's rating denotes that there is currently a low expectation of credit risk and the capacity for timely payment of financial commitments is considered strong.

Statement under clause xvii of the Public Sector Companies Code of Corporate Governance

The Board of Directors is committed to ensure that the relevant principles of Corporate Governance are complied with. However, the non-compliances, if any (as mentioned in the Statement of Compliance) have been identified and have been recorded along with the reasons. The Directors are pleased to report that:

- The financial statements present fairly the state of affairs of the Bank, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, & accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting standards, as applicable to Banks in Pakistan, have been followed in the preparation of financial statements and departure(s), (if any) therefrom have been adequately disclosed in the Annual Financial Statements.
- The system of internal control in the Bank is sound in design, and has been effectively implemented and monitored.
- The appointment of Chairman Board & other Members, the terms of their appointment & the Remuneration Policy (Director's fee) adopted are in the best interest of the Bank as well as in line with the best practices.
- The disclosure of the remuneration of the Chief Executive and the Directors is covered under Note 35 of the attached Financial Statements.
- There are no significant doubts regarding the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.
- The Board has formed the following four committees with defined terms of reference.
 - Board Risk Management Committee (BRMC); met 3 times during the year
 - Board Human Resource & Compensation Committee (BHRCC); met 4 times during the year
 - Board Audit Committee (BAC); met 4 times during the year and
 - Board Business Strategy Committee (BBSC); met 3 times during the year

Further, the Board has also formed a Board Nomination Committee in 2017.

Board & Sub Committee Meetings

Total of 7 Board Meetings, 4 BAC meetings, 4 BHRCC meetings, 3 BRMC meetings and 3 BBSC meetings were held in 2017. The number of meetings attended by each of the Directors during his / her tenure is as follows:

Name of Directors	Org.	Board Meeting		BAC		BHRCC		BRMC		BBSC	
		Meetings Held During Tenure	Attendance	Meetings Held During Tenure	Attendance	Meetings Held During Tenure	Attendance	Meetings Held During Tenure	Attendance	Meetings Held During Tenure	Attendance
Ms. Tahira Raza	FWBL	7	7	N/A	N/A	2	2	3	3	3	3
Mr. Mudassar H. Khan*	NBP	4	4	N/A	N/A	N/A	N/A	N/A	N/A	2	2
Ms. Naheed Ishaq**	MoF	4	4	2	2	1	-	N/A	N/A	N/A	N/A
Ms. Nausheen Ahmad	HBL	7	3	3	1	4	4	1	-	N/A	N/A
Mr. Muhtashim Ahmed Adhar	MCB	7	6	N/A	N/A	4	3	3	3	N/A	N/A
Ms. Rukhsana Shah	ID	7	5	N/A	N/A	2	1	2	1	3	2
Ms. Humna Baqal	ID	7	6	4	4	3	2	N/A	N/A	3	2
Mr. Ghulam Kazim Hosen	ID	7	7	4	4	N/A	N/A	3	3	N/A	N/A
Ms. Sumaira K. Aslam**	MoF	3	3	1	1	1	1	N/A	N/A	1	1

* Nominee Director from NBP resigned from the Board on August 11, 2017.

** Nominee Director from MoF retired from the Board on July 26, 2017. Ms. Sumaira K. Aslam joined the Board on 18th September, 2017 in her place after FPT clearance from SBP.

Directors' Report

For the year ended 31 December 2017

Change in the Directors

There have been the following changes in the Board:

- Mr. Mudassar H. Khan (Nominee – NBP) resigned on August 11, 2017.
- Ms. Naheed Ishaq (Nominee - MoF) retired from the Board on July 26, 2017. Ms. Sumaira K. Aslam joined the Board on 18th September, 2017 (in place of retiring Director from MoF) after FPT clearance from SBP.

Directors' Training Program

In compliance with clause 11(2) of Public Sector Companies Code of Corporate Governance 2013, three Directors completed certification in the Director Training Program during 2017 from the certified training institution. Out of seven Directors, 5 Directors are now certified. Whereas, Certification for one Director will also be completed in February 2018. The nomination process of the remaining Director is in finalization.

Directors' Remuneration

With changes in the corporate governance norms, the role of the Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. Therefore, considering the enhanced roles of the Non-Executive Directors and to attract, retain and motivate them, the Board of Directors at their 151st Board of Directors meeting held on 27th October, 2017, recommended an increase in Director's fee (for Non-Executive and Independent Directors) from 25,000 per Board & Sub Committee meeting to Rs. 90,000 per meeting. The same would be submitted to shareholders for consideration and approval in the upcoming AGM in March 2018.

Moreover, travelling and accommodation is also allowed to outstationed Non-Executive Directors as per the criteria approved by the Shareholders, in their 27th Annual General Meeting held on 30th March, 2016.

Performance Evaluation of the Directors

The purpose of the performance evaluation of the Directors is to identify the factors that would act as a change agent and to help the Board (as an entity) to be more successful in assessing its areas of strength and weakness and also to provide a yardstick by which the Board can identify and prioritize its goals for the future in the interest of the Organization. The performance evaluation takes into account the international broad corporate governance norms as well as the responsibilities of the Board as approved by the Board under the FWBL Board Charter (BC) and Board-approved Policy on Self Evaluation (BE). Furthermore, the Guidelines on the performance evaluation of the Board of Directors issued by SBP vide BPRD Circular No. 11 of 2016 dated 22nd August, 2016, were also taken into account and the questionnaires for performance evaluation were developed in-line with the said guidelines. Currently the in-house approach for performance evaluation has been adopted, however, as required under the guidelines, the performance evaluation from third party would be undertaken once in three years.

Pattern of Shareholding

The pattern of shareholding as required under section 226 of the Companies Act, 2017 and Article 17(4) (i) of the Public Sector Companies Code of Corporate Governance 2013 as follows:

Shareholders	Number of Shares	% of Holding
Federal Government of Pakistan (through Ministry of Finance)	330,088,793	82.64%
MCB Bank Limited	23,095,324	5.78%
Habib Bank Limited	23,095,324	5.78%
Allied Bank Limited	7,734,927	1.94%
National Bank Limited	7,698,441	1.93%
United Bank Limited	7,698,441	1.93%
	399,411,250	100.00%

During the year 2017, Ministry of Finance (MoF) injected equity of Rs. 500 million. Shareholding of MoF increased from 80.16% to 82.64% during the year.

Directors' Report

For the year ended 31 December 2017

Risk Management Framework

The Board of Directors, through its Board Risk Management Committee (BRMC) ensures that decision-making is aligned with the Bank's strategies and risk appetite. The Board Risk Committee (BRMC), Management Risk Committee (MRC) (responsible for day-to-day risk management under the oversight of the Board) are updated by the Risk Management Division (RMD) on key risks of the Bank through a comprehensive portfolio risk analysis / review presented on a quarterly basis, which summarizes the Bank's risk profile against its defined risk appetite.

The Bank has taken numerous strategic steps to further strengthen the overall risk management framework, salient features of which are summarized below:

- Revised Credit Risk Rating Policy of the Bank was approved by the Board of Directors during the year, which aims to establish a robust credit control environment for loans. This is in-line with the management's determination to constantly strengthen the Bank's Credit culture and processes in order to improve Credit evaluation, approval and sanctioning processes with enhanced focus on the accountability / responsibility to alleviate future risk of NPLs and related losses to ultimately achieve earning targets with a high degree of reliability.
- SBP had extended special relaxation to FWBL for Minimum Capital Requirement in December 2013, wherein the Bank is required to maintain a minimum paid-up capital (net of losses) of Rs. 3 billion instead of Rs. 10 billion as applicable to other banks. As on date, the Bank complies with the special MCR criteria.
- The Bank also successfully meets the Capital Adequacy Ratio (CAR) & Leverage Ratio requirements as per Basel-III standards. The Bank has been able to maintain its CAR much above the approved threshold of 18% as set by SBP, which is over and above the required benchmark for other banks.
- The Market Risk and Treasury Middle Office, under the umbrella of Risk Management Division are responsible to monitor the Bank's market risk exposures, remains within the approved policy parameters (i.e risk appetite and tolerance levels). During the year, continuous efforts were made to further enhance/strengthen risk management techniques and tools for effective monitoring of the Bank's Market Risk exposure.
- During the year, FWBL consistently remained above the regulatory requirement for Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). This is an evidence of the Bank's comfortable liquidity position.
- Adequate mechanisms are in place for regular monitoring of liquidity indicators and escalation of early warning signals (if any) well in time to senior management along with defined Management Action Plans (MAP).
- Operational Risk is the risk of direct or indirect losses resulting from inadequate or failed internal processes or systems, human factors or from external events. The Bank's businesses are dependent on the ability to process a large number of transactions efficiently and accurately. Operational risks and losses originate from business / operational process failure, IT security failure, natural disasters, dependence on key suppliers, fraud, service quality compromises, regulatory non-compliance, loss of key staff and social and environmental impacts. The Operational Risk Management function is primarily responsible for the oversight of operational risk management across the Bank. The operational risk management framework of the Bank is governed by the Operational Risk Management Policy and Procedures. The framework is in-line with international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.
- The Bank has implemented an effective Operational Risk Management (ORM) framework for managing operational risk. Operational loss data is collected through a well-defined program implemented across the Bank. Periodic workshops are conducted for Risk & Control Self-Assessment (RCSA) and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key Risk Indicators (KRIs) are also defined for monitoring of risk exposures. New products, systems, activities and processes are comprehensively assessed by operational risk before implementation. Regular updates on the operational risk status is presented to the Management Risk Committee (MRC) and the Board of Directors through the Board Risk Management Committee (BRMC).

Directors' Report

For the year ended 31 December 2017

The Bank's management is committed to allocate considerable efforts and resources in managing the material risks to which it is exposed. The momentum attained so far will be continued in identifying, controlling and managing risk through significant investments in experienced human resource, innovative technology and required trainings.

Key Financial Indicators of FWBL 2012-2017

The significant highlights of the Bank's financial performance during the last 6 years are enclosed as under:

Key Financial Indicators	(Rs. in Millions)					
	2012	2013	2014	2015	2016	2017
Total Assets	22,506	20,761	18,787	21,347	18,521	24,829
Shareholders' Equity	1,997	1,635	2,212	2,833	3,481	3,733
Advances (Gross)	8,573	9,669	9,401	9,253	9,479	10,129
NPLs	613	763	1,411	1,895	1,963	1,670
Deposits	19,193	18,338	13,449	15,163	13,709	16,260
Investments & Lendings to FIs	11,484	8,497	7,301	11,067	8,133	13,588
Profit / (loss) before tax	95	(222)	(666)	34	4	(116)
NAV - Rs. / Share	13	11	12	11.15	10.09	9.64
Profit / (Loss) - Rs. / Share	0.37	(1.38)	(2.75)	0.21	0.03	(0.61)
Capital Adequacy Ratio - %	24.7%	20.1%	29.1%	41.2%	46.56%	53.86%

Staff Retirement Benefit Funds

During the year, with effect from July 1, 2017, the approved non-contributory provident fund has been dissolved and the outstanding balance as of June 30, 2017 in the books of the fund have been paid to the employees. Now, the Bank operates only one post-retirement fund i.e. Pension Fund. The carrying value of investments of the approved Pension Fund based on the last un-audited financial statements of the fund were:

Value of the Investments and Bank Balances	Pension Fund
(PKR '000).....
2017	739,560
2016	708,978

The Bank also operates an un-funded scheme in the form of Compensated Absences.

Events After the Date of Statement of Financial Position

There are no material / significant reportable event after the date of Statement of Financial Position.

Appointment of External Auditors

The present auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting. On the suggestion of the Audit Committee, the Board of Directors recommends to reappoint the same as Statutory Auditors of the Bank for the financial year ending December 31, 2018.

Corporate Social Responsibility

We aim to conduct our business that creates value for our customers, clients, partners, shareholders and most importantly, our society. We understand that being a good corporate citizen starts with serving responsibly. We have engrained this philosophy in our business operations, in our culture and in our business decisions.

Directors' Report

For the year ended 31 December 2017

Looking Ahead

Our long-term strategy is to evolve our leading segments, resulting in deeper market access and creating opportunities through new product development. We believe in further expanding the scope of banking services in Pakistan in the future. It is our objective to actively contribute to the development of the economy that is seeking its true potential. With an ever-changing industry and customer outlook, the Bank is focusing on the development of new research-based products to address the needs of different market segments, branch network transformation, branding and reshaping its processes. Focus on women empowerment through alliances and linkages with different women-oriented forums is also the main pillar of the long-term strategy of the Bank.

For the Bank, asset quality will remain a focus area while revitalizing its lending within the selected segments. Further, the management will continue to pursue the major shareholder for an equity injection that addresses the issue of the minimum paid-up capital in line with the regulatory directives strengthening the financial base of the Bank.

Appreciation and Acknowledgement

On behalf of the Board, I wish to place on record their sincere gratitude to the Government of Pakistan, Ministry of Finance, State Bank of Pakistan and Securities & Exchange Commission of Pakistan for their support and continued guidance. We would also like to thank our outgoing Directors for the support and insights they had shared to allow us to move ahead and improve the overall governance structure of the Bank.

The Directors also thank and appreciate the support and confidence of our valued customers and business partners for their continued trust and patronage. We also have high expectations from the Bank's management and staff to turn this Bank around as quickly as possible.

For and on behalf of the Board of Directors,



Tahira Raza
President & CEO

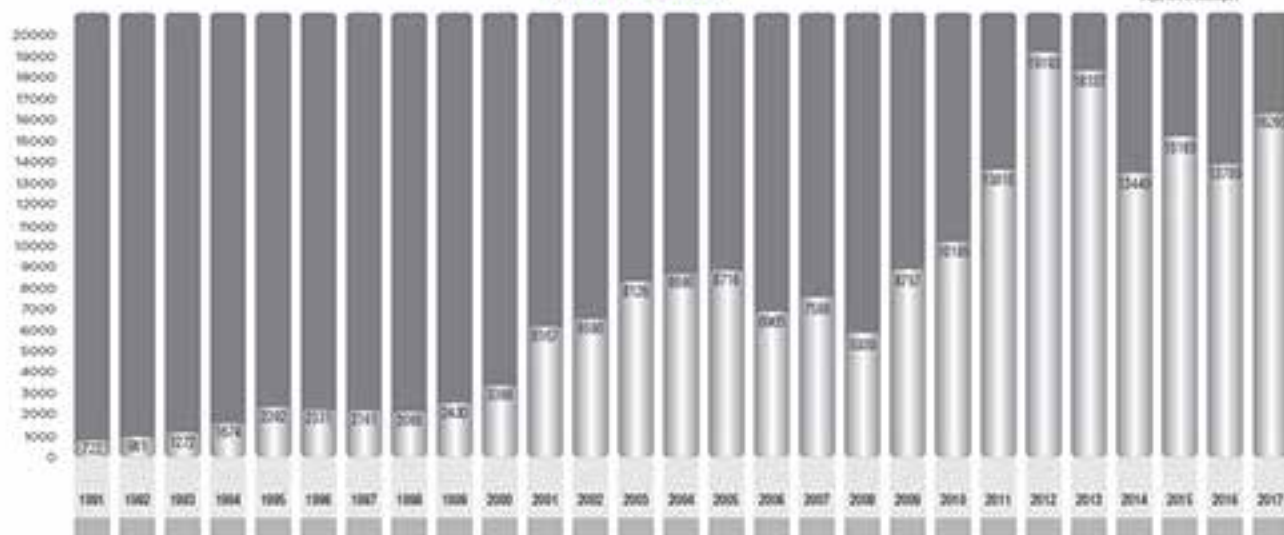
Karachi
Date: March 21, 2018

Financial Performance

1991 - 2017

Financial Performance 1991 - 2017

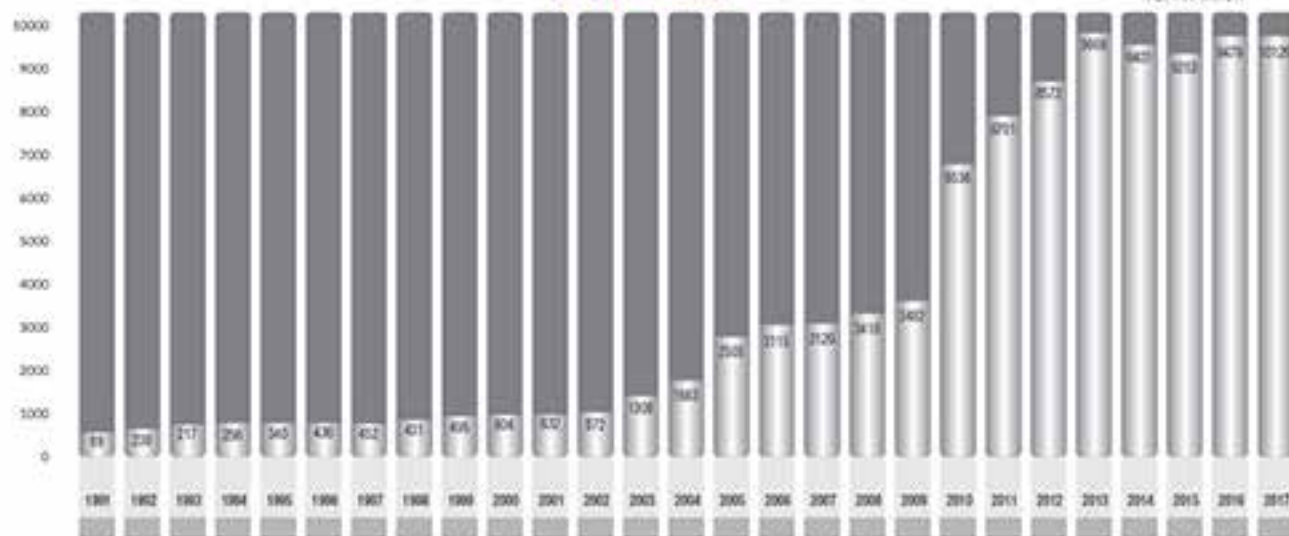
Rs. in Million



Deposits

Financial Performance 1991 - 2017

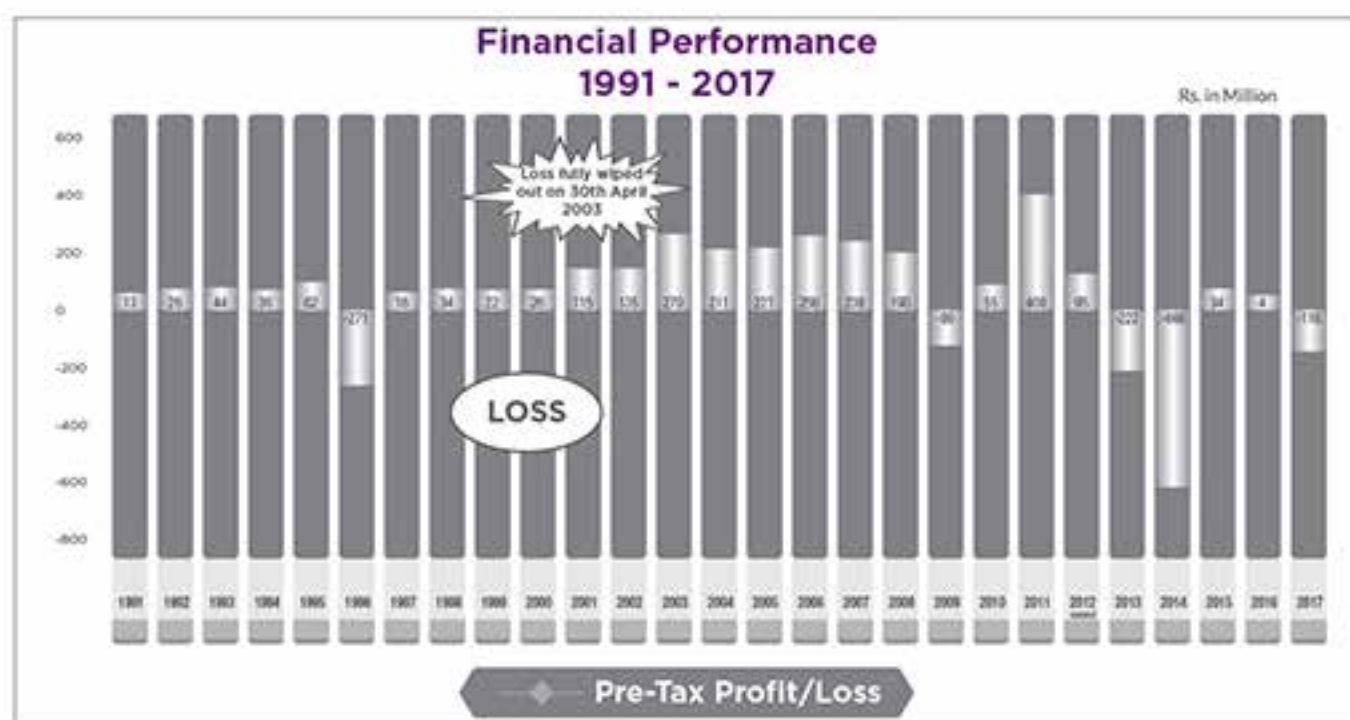
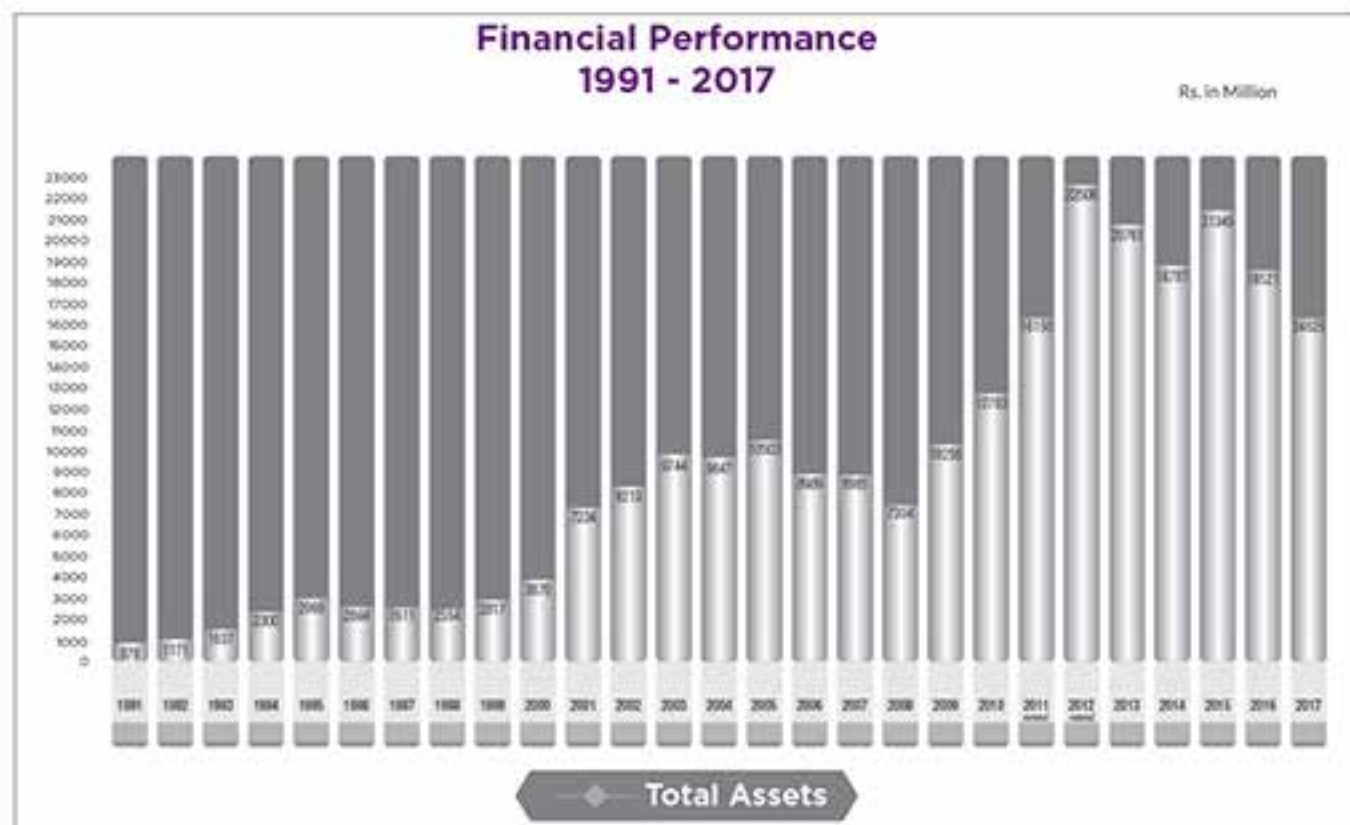
Rs. in Million



Advances

Financial Performance

1991 - 2017

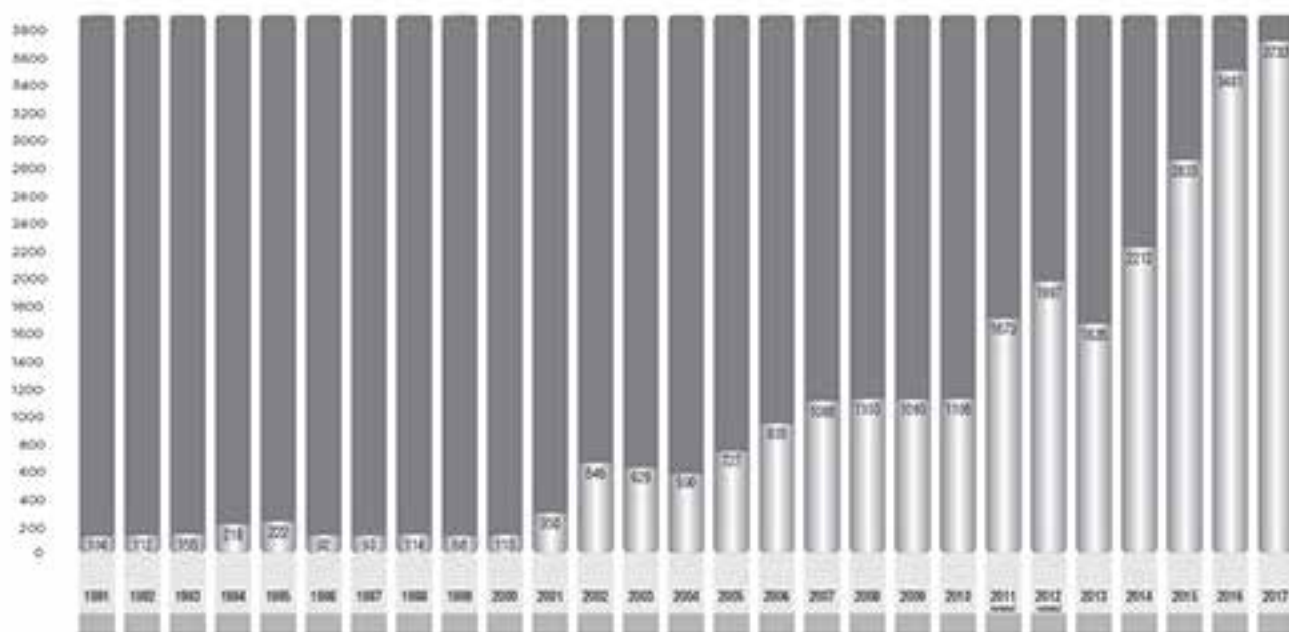


Financial Performance

1991 - 2017

Financial Performance 1991 - 2017

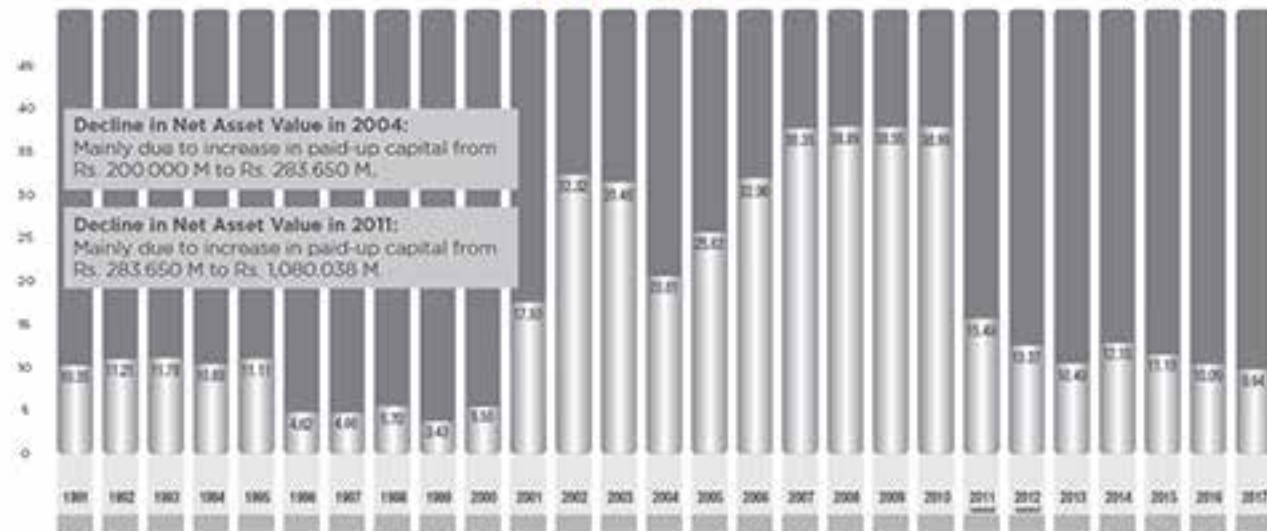
Rs. in Million



Shareholders' Equity

Financial Performance 1991 - 2017

Rs. in Million



Net Asset Value Per Share

Financial Performance

2001 - 2017

Ratios

	2001	2002	2003	2004	2005	2006	2007	2008
Return on Equity (ROE) %	28.86%	6.97%	25.44%	21.02%	18.38%	17.75%	15.65%	9.68%
Advances / Deposits Ratio %	13.49%	13.25%	16.10%	19.37%	28.74%	44.72%	41.35%	57.40%
Income / Expenses Ratio-Times	1.86	1.82	2.30	1.97	1.87	1.90	1.78	1.77
Expenses / Income Ratio - %	54.00%	55.00%	43.00%	51.00%	53.00%	53.00%	56.00%	61.00%
Return on Advances - %	13.20%	12.70%	9.22%	7.05%	8.80%	10.54%	11.26%	14.76%
Cost of Deposits - %	6.50%	5.80%	2.29%	1.26%	2.46%	3.00%	2.38%	3.01%
Cost of Borrowing - %	9.60%	6.10%	3.26%	4.35%	7.78%	8.16%	8.20%	6.50%
Net Asset Value - Rs. Per Share	17.50	32.32	31.46	20.81	25.62	32.95	38.35	38.89
Return on Average Assets (%)-(ROA)	1.82%	0.58%	1.78%	1.28%	1.33%	1.70%	1.93%	1.30%
M.C.R - (CAR) - December %	24.94%	29.04%	20.15 %	20.27%	15.18%	24.51%	29.52%	22.12%

Ratios

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Return on Equity (ROE) %	-7.33%	2.14%	15.04%	2.10% restated	-12.61%	-22.60%	1.89%	0.33%	-6.38%
Advances / Deposits Ratio %	39.76%	64.11%	57.19%	44.67%	52.73%	60.90%	61.02%	69.14%	62.30%
Income / Expenses Ratio - Times	0.92	1.04	1.22	1.05	0.89	0.97	1.16	0.99	0.93
Expenses / Income Ratio - %	108.95%	96.18%	81.58%	95.32%	111.12%	102.93%	86.52%	100.97%	107.41%
Return on Advances - %	14.60%	15.46%	15.31%	13.62%	11.48%	11.50%	10.73%	8.63%	8.21%
Cost of Deposits - %	5.68%	7.00%	7.01%	7.36%	6.81%	6.60%	4.41%	3.11%	3.05%
Cost of Borrowing - %	6.50%	8.50%	11.09%	12.05%	9.00%	10.48%	6.92%	5.67%	5.71%
Net Asset Value - Rs. Per Share	38.55	38.99	15.92	13.37	10.94	12.15	11.15	10.09	9.64%
Return on Average Assets (%)-(ROA)	0.94%	1.25%	12.20%	0.50%	-1.03%	-3.55%	0.16%	0.02%	-0.59%
M.C.R - (CAR) - December %	32.39%	27.24%	35.45%	24.70%	20.05%	29.12%	41.23%	46.56%	53.86%

Credit Model

FWBL Model of Micro-Credit, SME and Corporate Portfolio as at 31 December 2017

Portfolio	No. of Borrowers	% of Borrowers	Amount Rs. in Million	Amount %
Micro	97	6.91%	3,779	0.04%
SME	281	91.24%	2,510,185	24.78%
Corp	26	1.85%	7,615,198	75.18%
TOTAL	1,404	100.00%	10,129.162	100.00%

Note: The above break-up is based on size of loan, Micro up to 0.100 M, SME up to 75M & Corp. above 75 M

FWBL Model of Micro-Credit, SME and Corporate Cumulative 1989 - 2017

Portfolio	No. of Borrowers	% of Borrowers	Amount Rs. in Million	Amount %
Micro	35,728	68.46%	8,305,017	11.89%
SME	16,325	31.28%	26,977,029	38.62%
Syndicate + Corp	137	0.26%	34,562,998	49.49%
TOTAL	52,190	100.00%	69,845,044	100.00%

Note: The above break-up is based on size of loan. Micro up to 0.100 M, SME up to 75M & Corp. above 75 M

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The background is a solid purple color. At the top, there are several hexagonal shapes: one is a white outline, and another is a solid purple shape. At the bottom, there are more hexagonal shapes, including a solid purple one and several white outlines. On the right side, there is a large, light purple geometric shape that looks like a stylized arrow or a triangle pointing towards the center.

FINANCIAL STATEMENTS

Statement of Compliance

For the year ended 31 December 2017

Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

Name of Bank : First Women Bank Limited

Name of Ministry : Ministry of Finance

For the Year Ended : December 31, 2017

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "The Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The Company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N	N/A																		
1	The Independent Directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																				
2	The Board has at least one-third of its total members as Independent Directors.	3(2)	✓																				
2.1	The composition of Board of Directors as at 31st December, 2017 was as follows:																						
	<table border="1"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Independent Directors</td> <td>Mr. Gholam Kazim Hosein</td> <td rowspan="3">7 January, 2016</td> </tr> <tr> <td>Ms. Rukhsana Shah</td> </tr> <tr> <td>Ms. Huma Baqai</td> </tr> <tr> <td>Executive Director</td> <td>Ms. Tahira Raza</td> <td>4 April, 2017</td> </tr> <tr> <td rowspan="3">Non-Executive Directors</td> <td>Mr. Muhtashim Ahmed Ashai</td> <td>10 May, 2016</td> </tr> <tr> <td>Ms. Sumaira K Aslam</td> <td>26 July, 2017</td> </tr> <tr> <td>Ms. Nausheen Ahmad</td> <td>5 August, 2014</td> </tr> </tbody> </table>	Category				Names	Date of Appointment	Independent Directors	Mr. Gholam Kazim Hosein	7 January, 2016	Ms. Rukhsana Shah	Ms. Huma Baqai	Executive Director	Ms. Tahira Raza	4 April, 2017	Non-Executive Directors	Mr. Muhtashim Ahmed Ashai	10 May, 2016	Ms. Sumaira K Aslam	26 July, 2017	Ms. Nausheen Ahmad	5 August, 2014	
Category	Names	Date of Appointment																					
Independent Directors	Mr. Gholam Kazim Hosein	7 January, 2016																					
	Ms. Rukhsana Shah																						
	Ms. Huma Baqai																						
Executive Director	Ms. Tahira Raza	4 April, 2017																					
Non-Executive Directors	Mr. Muhtashim Ahmed Ashai	10 May, 2016																					
	Ms. Sumaira K Aslam	26 July, 2017																					
	Ms. Nausheen Ahmad	5 August, 2014																					
2.2	Regarding the number of Directors of the Bank and their composition as per a letter from the Finance Division, please see Explanations.																						
3	The Directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																				
4	The appointing authorities have applied the fit and proper criteria given in the Annexure (the Public Sector Companies Corporate Governance Rules, 2013) in making nominations of the persons for election as board members under the provisions of the Act.	3(7)	✓																				
5	The Chairman of the Board is working separately from the Chief Executive of the Bank.	4(1)			(a)✓																		

Statement of Compliance

For the year ended 31 December 2017

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
6	The Chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	(b)✓		
7	The Board has evaluated the candidates for the position of the Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	(c)✓		
8	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website. (www.fw-bl.com.pk). (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓		
9	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety, objectivity, integrity and honesty and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓		
10	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest.	5(5)(b) (ii)		✓	
11	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)		✓	
12	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓		
13	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards when dealing with suppliers of goods and services, in accordance with the PPRA Rules.	5(5)(c) (iii)	✓		
14	The Board has developed a vision or mission statement, corporate strategy and significant policies of the Company.	5(6)	✓		
15	The Board has developed significant policies of the Company. A complete record of particulars of significant policies, along with the dates on which they were approved or amended, has been maintained.	5(7)	✓		

Statement of Compliance

For the year ended 31 December 2017

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
16	The Board has quantified the outlay of any action in respect of any service delivered or a goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)			✓(d)
17	The Board has ensured compliance with policy directions' requirements received from the Government.	5(11)	✓		
18	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓		✓
19	The Board has carried out performance evaluations of its members, including the Chairman and the Chief Executive, on the basis of a process, based on specified criteria, developed by it.	8	✓		
20	The Board has monitored and assessed the performance of senior management on an annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓		
21	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party-wise record of transactions entered into with the related parties during the year has been maintained. The definition of 'related party' used is in accordance with the repealed Companies Ordinance, 1984 and applicable financial reporting framework as per the regulations under Section 208 of the Companies Act, 2017 have not yet been issued.	9	✓		
22	The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the Company's website. Monthly accounts were also prepared and circulated amongst the Board members.	10	✓ ✓		

Statement of Compliance

For the year ended 31 December 2017

S. No.	Provision of the Rules	Rule No.	Y	N	N/A																					
23	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓																							
24	<p>(a) The Board has formed the requisite committees (except as mentioned below), as specified in the Rules.</p> <p>(b) The committees were provided with written terms of reference defining their duties, authority and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated to all the Board members (except in cases where not formed).</p> <p>(d) The committees were chaired by the following Non-Executive Directors:</p> <table border="1"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>Four</td> <td>Mr. Gholam Kazim Hosein</td> </tr> <tr> <td>Risk Management Committee</td> <td>Five</td> <td>Mr. Muhtashim Ahmed Ashai</td> </tr> <tr> <td>Human Resources Committee</td> <td>Five</td> <td>Ms. Huma Baqai</td> </tr> <tr> <td>Business Strategy Committee</td> <td>Four</td> <td>Ms. Rukhsana Shah</td> </tr> <tr> <td>Procurement Committee</td> <td>No Committee formed</td> <td>-</td> </tr> <tr> <td>Nomination Committee</td> <td>Three</td> <td>Not Appointed</td> </tr> </tbody> </table>	Committee	Number of Members	Name of Chair	Audit Committee	Four	Mr. Gholam Kazim Hosein	Risk Management Committee	Five	Mr. Muhtashim Ahmed Ashai	Human Resources Committee	Five	Ms. Huma Baqai	Business Strategy Committee	Four	Ms. Rukhsana Shah	Procurement Committee	No Committee formed	-	Nomination Committee	Three	Not Appointed	12	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	✓(e) ✓
Committee	Number of Members	Name of Chair																								
Audit Committee	Four	Mr. Gholam Kazim Hosein																								
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Business Strategy Committee	Four	Ms. Rukhsana Shah																								
Procurement Committee	No Committee formed	-																								
Nomination Committee	Three	Not Appointed																								
25	The Board has approved the appointment of Chief Financial Officer (Officiating), Company Secretary (officiating) and Chief Internal Auditor, with their remuneration and terms and conditions of employment (however, during the year, only the officiating Company Secretary's remuneration was revised).	13	✓																							
26	The Chief Financial Officer (Officiating) and the Company Secretary have requisite qualifications prescribed in the Rules.	14	✓(C) OF CFO		✓(C) OF C. Sec																					
27	The Company has adopted International Financial Reporting Standards notified by the Commission under Clause (i) of Subsection (3) of Section 234 of the repealed Ordinance, 1984 (refer note 3.1 of the financial statements of the Bank).	16	✓																							

Statement of Compliance

For the year ended 31 December 2017

S. No.	Provision of the Rules	Rule No.	Y	N	N/A															
28	The Directors' Report for this year has been prepared in compliance with the requirements of the Companies Act, 2017 and the Rules and fully describes the salient matters required to be disclosed.	17	✓																	
29	The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.	18	✓(g)																	
30	(a) A formal and transparent procedure for fixing the remuneration packages of individual Directors has been set in place and no Director is involved in deciding his own remuneration. (b) The annual report of the Company contains criteria and details of remuneration of each Director.	19	✓ ✓																	
31	The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer (Officiating), before approval of the Board.	20	✓																	
32	The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members:	21(1) & 21(2)	✓																	
	<table border="1"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Mr. Gholam Kazim Hosein</td> <td>Independent Director</td> <td>MSC, LLB & Diploma Project Management through Distance Learning</td> </tr> <tr> <td>Ms. Huma Baqai</td> <td>Independent Director</td> <td>PhD in International Relations</td> </tr> <tr> <td>Ms. Sumaira K Aslam</td> <td>Non-Executive Director</td> <td>Master's of Business Administration - American International College (AIC), Springfield</td> </tr> <tr> <td>Ms. Nausheen Ahmad</td> <td>Non-Executive Director</td> <td>L.L.M University of London Bar-at-Law; Member of Gray's Inn, London A.K.C; King's College London L.L.B.</td> </tr> </tbody> </table>	Name of Member	Category	Professional Background	Mr. Gholam Kazim Hosein	Independent Director	MSC, LLB & Diploma Project Management through Distance Learning	Ms. Huma Baqai	Independent Director	PhD in International Relations	Ms. Sumaira K Aslam	Non-Executive Director	Master's of Business Administration - American International College (AIC), Springfield	Ms. Nausheen Ahmad	Non-Executive Director	L.L.M University of London Bar-at-Law; Member of Gray's Inn, London A.K.C; King's College London L.L.B.				
Name of Member	Category	Professional Background																		
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Ms. Nausheen Ahmad	Non-Executive Director	L.L.M University of London Bar-at-Law; Member of Gray's Inn, London A.K.C; King's College London L.L.B.																		
	The Chief Executive and Chairman of the Board are not members of the Audit Committee.		✓																	

Statement of Compliance

For the year ended 31 December 2017

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
33	<p>(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed.</p> <p>(b) The Audit Committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives.</p> <p>(c) The Audit Committee met the Chief Internal Auditor and other members of the Internal Audit Function at least once a year, without the presence of the Chief Financial Officer and the external auditors.</p>	21(3)	✓ ✓ ✓		
34	<p>(a) The Board has set up an effective Internal Audit Function, which has an Audit Charter, duly approved by the Audit Committee.</p> <p>(b) The Chief Internal Auditor has requisite qualifications and experience prescribed in the Rules.</p> <p>(c) The Internal Audit Reports have been provided to the external auditors for their review.</p>	22	✓ ✓ ✓		
35	The external auditors of the Company have confirmed that the Firm and all its partners are in compliance with the international Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓		
36	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regards to the provision of non-audit services.	23(5)	✓		

Statement of Compliance

For the year ended 31 December 2017

*Reasons for Non-Applicability:

The Public Sector Companies (Corporate Governance) Rules 2013, promulgated by the Securities and Exchange Commission of Pakistan (SECP), has laid down certain provisions which are not considered applicable to the extent of overriding provisions of The Banks (Nationalization) Act, 1974 and Regulation G-1 of Prudential Regulations issued by State Bank of Pakistan.

Explanations:

- (a) Currently the Bank does not have a Chairman of the Board. Under Sections 11(2) & (3) of the Banking Nationalization Act, 1974 (BNA), the Federal Government may, if it deems necessary, appoint a Chairman of the Board in respect of a Bank. Further, the Chairman shall be appointed by the Federal Government in consultation with SBP. Under Section 11(8) of the BNA, in case the Federal Government has appointed a Chairman, he shall preside over the meetings of the Board, and in case a Chairman has not been appointed, then the President shall preside over the meetings of the Board. In the absence of the Chairman or the President, as the case may be, the Directors may elect one of its members to preside over the meetings. However, the Bank has written to the Government of Pakistan.
- (b) Since the Chairman Board has not been appointed by the Board, therefore in compliance with Section 11(8) of BNA (as mentioned above), the President was elected to chair the meetings.
- (c) In compliance of Section 11(3) of BNA, the President has been appointed by the Federal Government.
- (d) However, the Bank provides subsidized Prime Minister Youth Business Loans for which quarterly repayments of the subsidized interest are being claimed from the Government (State Bank of Pakistan).
- (e) The Code is for all Public Sector Companies, be it a Bank or otherwise; however, some clauses, including the formation of the Procurement Committee, could not be as such applicable on the Bank because, as per the SBP regulations, the Board could not be involved in the day-to-day operations of the Bank. The Procurement Committee's function is to approve the regular procurements of the Bank. We have a Procurement Committee at the management level which oversees the procurement at the Bank level in line with the PPRA Rules. Hence the formation of the Committee could not be applicable on the Bank.
- (f) The earlier Chief Financial Officer (CFO) had resigned with effect 15 December 2017. The Board has appointed an officiating Chief Financial Officer with effect from 1 January 2018 for a period of six months. State Bank of Pakistan, vide its letter dated 05 March 2018, has given its approval for the appointment up to 30 June 2018. Regarding the Company Secretary, since she did not meet the qualification criteria for the position of the Company Secretary, the Bank had requested for an exemption from the Securities and Exchange Commission of Pakistan, who, vide its letter dated 23 June 2017, has given a relaxation from compliance for one year with effect from 01 July 2017. State Bank of Pakistan, vide its letter dated 11 August 2017, has also allowed to assign the acting charge of Company Secretary up to 30 June 2018 with a condition to complete her qualification of Chartered Secretary within the allowed time period.
- (g) None of the Directors (whose appointment has been approved by the State Bank of Pakistan) holds any interest in the shares of the Bank. However, by virtue of the position of CEO, the President holds 2 shares of the Bank.



Ms. Tahira Raza
President & CEO

Explanation for Non-Compliance

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

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

S. No.	Rule/Sub-Rule No.	Reasons for Non-Compliance	Future Course of Action
1	3(2)	<p>As per a letter dated 20 July 2017 from the Finance Division, Government of Pakistan (GoP), the number of Directors required to be appointed as per the present shareholding shall be six from the GoP/Ministry of Finance (MoF) (excluding the President) and one from the other shareholders.</p> <p>At 31 December 2017, the Government had nominated only 4 Directors (excluding the President) and two Directors had been nominated by the minority shareholders as against the limit of 1 Director. However, subsequent to the year-end, a Director nominated by the other shareholders had resigned and as such, currently the Bank still has 4 Directors (excluding the President) nominated by the GoP and one Director nominated by the other shareholders. In addition, although the term of a Director nominated by the other shareholders had expired in September 2017, the Bank has obtained a legal opinion, as per which under the Companies Act, 2017, the said Director can continue to perform as a Director till a successor has been elected.</p>	<p>The Bank has already requested the Government of Pakistan for the appointment of two more Directors on its Board in order to address the requirement of the letter mentioned above. Furthermore, the Bank has also initiated the process of getting the nomination of a Director from the minority shareholders.</p>
2	5(5)(b)(ii)	<p>During the year, the Bank did not have the conflict of interest policy to lay down the circumstances or considerations when a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest.</p>	<p>However, subsequent to the year ended this policy has been approved by the Board of Directors.</p>
3	5(5)(b)(vi)	<p>The Bank does not have an anti-corruption policy. However, the Bank has developed many policies to minimize perceived and potential conflicts of interest and also to minimize perceived corruption, e.g. Expenditure Policy, Acquisition and Disposal of Fixed Assets Policy, Related Party Policy, Fraud & Forgery Policy. The Bank has also obtained a declaration from its Directors related to conflict of interest.</p>	<p>The same would be complied in accounting year 2018.</p>

Explanation for Non-Compliance

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

S. No.	Rule/Sub-Rule No.	Reasons for Non-Compliance	Future Course of Action
4	6(3)	Minutes were shared on timely basis, except in the case of three Board meetings held on 10 March 2017, 28 April 2017, and 9 June 2017, where the minutes were delayed.	Measures shall be taken in the future to address this requirement
5	12	<p>Although the Bank has a Nomination Committee for the appointment of the Board of Directors, its terms of reference has not been drafted of the Committee and its Chairperson has not been appointed.</p> <p>The Nominee Directors are appointed by the respective Shareholder Banks and the MoF directly. However, to facilitate the Ministry, we usually share the names of potential candidates. The nominations, if any, wherever any vacancy arises, are sent to the MoF with the consent of the full Board. The Nomination Committee members just share their feedback, if any, through email and we do not have to convene the Committee meetings, therefore no such Chairman Committee is needed to chair the meeting.</p>	However, the same would be complied in accounting year 2018.

Review Report to the Members

Review Report to the Members on the Statements of Compliance with the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (herein referred to as 'the Code') prepared by the Board of Directors of First Women Bank Limited ("the Bank") for the year ended 31 December 2017 to comply with the provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Bank for the year ended 31 December 2017.

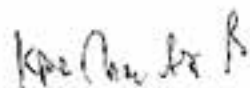
Review Report to the Members

Review Report to the Members on the Statements of Compliance with the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the notes / paragraph references where these are stated in the Statement of Compliance:

Note / Paragraph

S. No.	Statement of Compliance Reference	Description
1	S. No. 2.2	A letter dated 21 July 2017, from the Finance Division, Government of Pakistan (GoP) requires at least 6 Directors from the Government of Pakistan (excluding the President) and one from other shareholders. However, at 31 December 2017, the Government had only 4 such Directors from the Government of Pakistan on the Bank's Board (excluding the President), thereby resulting in two less Directors and two Directors had been nominated by other Shareholder Banks.
2	S. No. 10	During the year, the Bank did not have the conflict of interest policy. However, subsequent to the year end, this policy was approved by the Board of Directors.
3	S. No. 11	The Bank does not have a separate anti-corruption policy.
4	S. No. 17 (c)	Minutes of the meetings of the Board of Directors held on 10 March 2017, 28 April 2017, and 9 June 2017 were not circulated within the timeframe as required by the Code.
5	S. No. 24(b) and S. No. 24(d)	Although the Bank has a Nomination Committee for the appointment of the Board of Directors, terms of reference of the Committee have not been drafted and its Chairperson has not been appointed.



KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Pirani

Karachi,
Date: 21 March, 2018

Statement of Internal Controls

For the year ended 31 December 2017

REPORTING OF INTERNAL CONTROL SYSTEM

The Bank's management is primarily responsible for the establishment and maintenance of an adequate and effective system of internal control that could help in the Bank's endeavor to attain a professional and efficient working environment throughout the Bank. The Internal Control System comprises of control procedures, practices and control environment.

The management ensures the efficiency and effectiveness of the Internal Control System by identifying control objectives, reviewing pertinent policies / procedures and establishing relevant control procedures. The Board has approved significant policies / manuals of the Bank, while some policies and procedures are being compared with existing practices and necessary amendments / updates and preparation of additional new policies / manuals are in progress. On the overall basis twenty six new policies are developed, fifteen are updated, seven new procedure manuals are developed and four existing manuals are updated.

Further, the management is conscious of appropriate authentication of transactions, strengthening of control environment, identifying areas requiring improvement in Internal Control System and ensuring relevant appropriate follow-ups / corrective actions, on a timely basis. Internal Control System in the Bank is designed to manage, rather than eliminating, the risk of failure to achieve the business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

In compliance with the SBP's directives, the Bank is striving to complete the implementation of Roadmap regarding Internal Controls over Financial Reporting ("ICFR"). In this regard, Bank has completed detailed documentation of the existing processes, comprehensive evaluation of controls, development of detailed remedial action plans for the gaps identified as a result of such evaluation and devising comprehensive testing plans of the controls of all processes. Whole documentation is currently under review by the external auditors and Long Form Report ("LFR") shall be issued for the year ended 31 December 2017.

The Bank is actively working towards completing the remaining stages of the ICFR program. The management is under process of appointing a consultant to provide end to end services to the Bank to comply with the regulatory requirements of State Bank of Pakistan for completion of ICFR roadmap. The tender notice of the same has been published and the proposal submission deadline is 26th March 2018.

EVALUATION OF THE EXISTING INTERNAL CONTROL SYSTEM

The Bank strived during the year 2017 to ensure that an effective and efficient internal control system is implemented, any material compromise is not made in implementing the desired control procedures and a suitable environment is maintained in general. However, it is an ongoing process that includes identification, evaluation and management of significant risks being faced by the Bank.

The significant observations and weaknesses found/identified, both internal and external, have been taken care of largely and necessary steps were taken by the management to minimize recurrence of those exceptions and elimination of such weaknesses, as far as possible. For the first time in the history of First Women Bank, SBP Observations Compliance status reached to 87% which is the highest. In addition to this, management testing has been initiated for assessing levels of understanding of users in various areas of responsibility. Improvement in the Internal Control System can also be witnessed from upgradation in management audit ratings of branches over the years.

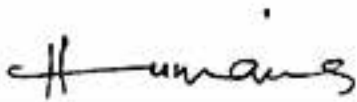
Audit Rating	2013	2014	2015	2016	2017
B	13	13	15	15	23
C	26	26	23	21	19
D	2	2	3	6	0

Statement of Internal Controls

For the year ended 31 December 2017

Efforts are underway to further strengthen the Internal Controls. The Board, with assistance of its Sub-Committees including the Audit Committee, provides supervision and overall guidance in improving the effectiveness of the Internal Control System. Due attention and focus is being given to improve controls and enhance competence level and knowledge of the staff.

For and on behalf of the Board



Humaira Siddique
Chief Financial Officer - Officiating



Tahira Raza
President & CEO



Gholam Kazim Hoslen
Chairman Board Audit Committee

Date: 21 March, 2018

Auditors' Report to the Members

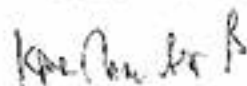
For the year ended 31 December 2017

We have audited the annexed statement of financial position of First Women Bank Limited ("the Bank") as at 31 December 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended, in which are incorporated the unaudited certified returns from the branches except for 16 branches which have been audited by us and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, which in case of loans and advances, covered more than sixty percent of the total 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 repealed Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- b) in our opinion:
 - i) the statement of financial position and the 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 repealed Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of accounts 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 statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement and 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 repealed 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 2017 and its true balance of profit, its comprehensive income, 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.



KPMG Taseer Hadl & Co.
Chartered Accountants
Aryn Pirani

Karachi,
Date: 21 March, 2018

Statement of Financial Position

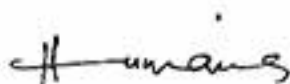
As at 31 December 2017

	Note	2017 (Rupees in '000)	2016
ASSETS			
Cash and balances with treasury banks	6	1,438,429	1,081,532
Balances with other banks	7	62,606	112,042
Lendings to financial institutions	8	-	100,000
Investments - net	9	13,587,722	8,032,819
Advances - net	10	8,875,631	8,213,247
Operating fixed assets	11	323,546	337,077
Deferred tax assets - net	12	151,769	249,635
Other assets - net	13	389,228	394,212
		<u>24,828,931</u>	<u>18,520,564</u>
LIABILITIES			
Bills payable	15	530,291	214,155
Borrowings	16	3,903,832	743,909
Deposits and other accounts	17	16,259,737	13,708,791
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities	18	402,360	373,187
		<u>21,096,220</u>	<u>15,040,042</u>
NET ASSETS		<u><u>3,732,711</u></u>	<u><u>3,480,522</u></u>
REPRESENTED BY			
Share Capital	19	3,994,113	3,494,113
Reserves		307,717	307,717
Accumulated loss		(695,455)	(463,975)
		<u>3,606,375</u>	<u>3,337,855</u>
Surplus on revaluation of assets - net of tax	20	126,336	142,667
		<u><u>3,732,711</u></u>	<u><u>3,480,522</u></u>


CONTINGENCIES AND COMMITMENTS

21

The annexed notes 1 to 43 and Annexure I form an integral part of these financial statements.



Humaira Siddique
Chief Financial Officer (Officiating)



Tahira Raza
President and
Chief Executive



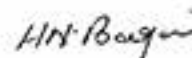
Tahira Raza
President and
Chief Executive



Gholam Kazim Hosein
Director



Sumaira K. Aslam
Director



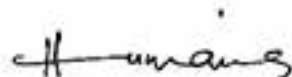
Huma Baqai
Director

Statement of Profit and Loss Account

For the year ended 31 December 2017

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Mark-up/return/interest earned	23	1,276,336	1,161,864
Mark-up/return/interest expensed	24	601,824	522,492
Net mark-up/interest income		<u>674,512</u>	<u>639,372</u>
Provision/(reversal of provision) against non-performing loans and advances - net	10.3.2	12,354	(17,667)
Provision for diminution in the value of investments		-	-
Bad debts written-off directly		-	-
		<u>12,354</u>	<u>(17,667)</u>
Net mark-up/interest income after provisions		<u>662,158</u>	<u>657,039</u>
NON-MARK-UP/INTEREST INCOME			
Fee, commission and brokerage income		66,218	81,419
Dividend income		8,640	24,812
Income from dealing in foreign currencies		20,375	13,757
Gain on sale of securities - net	25	6,193	94,086
Unrealized loss on revaluation of investments classified as held-for-trading		-	-
Other income - net	26	20,552	30,481
Total non-mark-up/interest income		<u>121,978</u>	<u>244,555</u>
		<u>784,136</u>	<u>901,594</u>
NON-MARK-UP/INTEREST EXPENSES			
Administrative expenses	27	893,021	879,190
Other provisions		3,212	6,767
Other charges	28	3,838	11,584
Total non-mark-up/interest expenses		<u>900,071</u>	<u>897,541</u>
Extraordinary/unusual items		-	-
(Loss)/profit before taxation		<u>(115,935)</u>	<u>4,053</u>
Taxation - current year		17,478	13,927
- prior year		-	-
- deferred		104,625	(21,196)
	29	<u>122,103</u>	<u>(7,269)</u>
(Loss)/profit after taxation		<u>(238,038)</u>	<u>11,322</u>
			(Rupees)
Basic and diluted earnings per share	30	<u>(0.61)</u>	<u>0.03</u>

The annexed notes 1 to 43 and Annexure I form an integral part of these financial statements.



Humaira Siddique
Chief Financial Officer (Officiating)



Tahira Raza
President and
Chief Executive



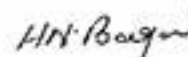
Tahira Raza
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Gholam Kazim Hosein
Director



Sumaira K. Aslam
Director



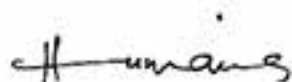
Huma Baqai
Director

Statement of Comprehensive Income

For the year ended 31 December 2017

	Note	2017 (Rupees in '000)	2016
(Loss)/Profit after taxation for the year		(238,038)	11,322
Other comprehensive income			
<i>Items not to be reclassified to profit and loss account in subsequent periods</i>			
Remeasurement of post retirement benefits obligations	33.1.7.2	2,780	52,924
Related deferred tax	12.2	-	(28,669)
		2,780	24,255
Comprehensive income transferred to equity		(235,258)	35,577
Components of comprehensive income not reflected in equity			
<i>Items to be reclassified to profit and loss account in subsequent periods</i>			
Net change in fair value of available-for-sale securities		(19,312)	(14,173)
Related deferred tax	12.2	6,759	4,961
		(12,553)	(9,212)
Total comprehensive income for the year		(247,811)	26,365

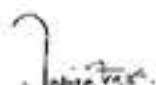
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Humaira Siddique
Chief Financial Officer (Officiating)



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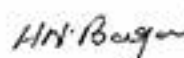
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Director



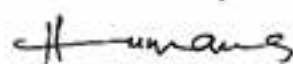
Huma Baqai
Director

Cash Flow Statement

For the year ended 31 December 2017

	Note	2017 (Rupees in '000)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(115,935)	4,053
Dividend income		(8,640)	(24,812)
		<u>(124,575)</u>	<u>(20,759)</u>
<i>Adjustments for non-cash charges:</i>			
Depreciation	11.2	45,049	63,162
Amortisation of intangible assets	11.3	6,746	6,769
Operating fixed asset written-off		-	170
Gain on sale/redemption of securities - net		(6,194)	(94,086)
Provision/(Reversal) against non-performing loans and advances - net	10.3.2	12,354	(17,667)
Charge for defined pension fund		26,864	28,335
(Gain)/Loss on sale of operating fixed assets	26	(2,151)	(9,434)
		<u>82,668</u>	<u>(22,751)</u>
		<u>(41,907)</u>	<u>(43,510)</u>
<i>(Increase)/decrease in operating assets</i>			
Lendings to financial institutions		100,000	(100,000)
Advances		(674,738)	(227,532)
Others assets (excluding advance taxation)		(39,441)	112,076
		<u>(614,179)</u>	<u>(215,456)</u>
<i>Increase/(decrease) in operating liabilities</i>			
Bills payable		316,136	110,989
Borrowings		3,159,923	(2,088,448)
Deposits and other accounts		2,550,946	(1,454,649)
Other liabilities		29,173	(41,308)
		<u>6,056,178</u>	<u>(3,473,416)</u>
		<u>5,400,092</u>	<u>(3,732,382)</u>
Income tax paid		(8,201)	-
<i>Net cash flows from operating activities</i>		<u>5,391,892</u>	<u>(3,732,382)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities		(5,568,021)	3,114,495
Dividend income received		19,704	13,748
Purchase of operating fixed assets		(39,792)	(49,049)
Proceeds from disposal of operating fixed assets		3,679	9,457
<i>Net cash flows from investing activities</i>		<u>(5,584,431)</u>	<u>3,088,651</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of share capital		500,000	600,000
<i>Net cash flows from financing activities</i>		<u>500,000</u>	<u>600,000</u>
Decrease in cash and cash equivalents during the year		<u>307,461</u>	<u>(43,731)</u>
Cash and cash equivalents at the beginning of the year		1,193,574	1,237,305
Cash and cash equivalents at the end of the year	31	<u>1,501,035</u>	<u>1,193,574</u>

The annexed notes 1 to 43 and Annexure I form an integral part of these financial statements.



Humaira Siddique
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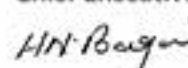
Gholam Kazim Hosein
Director



Sumaira K. Aslam
Director



Tahira Raza
President and
Chief Executive



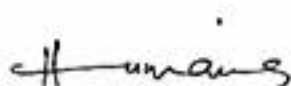
Huma Baqai
Director

Statement of Changes in Equity

For the year ended 31 December 2017

		Share capital	Statutory reserve	Accumulated loss	Total
Note		(Rupees in '000)			
	Balance as at 1 January 2016	2,894,113	294,768	(489,622)	2,699,259
	Changes in equity for the year ended 31 December 2016				
	<i>Total comprehensive income for the year ended 31 December 2016</i>				
	Profit after tax for the year ended 31 December 2016	-	-	11,322	11,322
	Other comprehensive income	-	-	24,255	24,255
		-	-	35,577	35,577
	Transferred to statutory reserves		12,949	(12,949)	-
	Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of tax	20.1	-	3,019	3,019
	Transaction with owners				
	Issuance of shares against cash	600,000	-	-	600,000
	Balance as at 31 December 2016	3,494,113	307,717	(463,975)	3,337,855
	Changes in equity for the year ended 31 December 2017				
	<i>Total comprehensive income for the year ended 31 December 2017</i>				
	Loss after tax for the year ended 31 December 2017	-	-	(238,038)	(238,038)
	Other comprehensive income	-	-	2,780	2,780
		-	-	(235,258)	(235,258)
	Transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of tax	20.1	-	3,778	3,778
	Transaction with owners				
	Issuance of shares against cash	19.2	500,000	-	500,000
	Balance as at 31 December 2017	3,994,113	307,717	(695,455)	3,606,375

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Humaira Siddique
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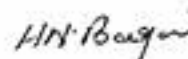
Tahira Raza
President and
Chief Executive



Gholam Kazim Hosein
Director



Sumaira K. Aslam
Director



Huma Baqai
Director

Notes to the Financial Statements

For the year ended 31 December 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1 First Women Bank Limited (the Bank) was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 21 November 1989 in Pakistan as an unquoted public limited company and commenced operations on 02 December 1989. The Bank is engaged in commercial banking and related services. The registered office of the Bank is situated at the Ground Floor, S.T.S.M. Foundation Building, Civil Lines, Karachi. The Bank operates a network of forty two branches as at 31 December 2017 (2016: forty two branches). The short-term and long-term credit ratings of the Bank rated by PACRA in June 2017 are 'A2' and 'A-' respectively. The Bank is controlled by the Government of Pakistan through the Ministry of Finance.
- 1.2 Being a public sector Bank, and in terms of the State Bank of Pakistan prescribed minimum capital requirements vide its letter reference BPRD/BA&CP/627/32/2014 dated 01 January 2014, the Bank is required to have a minimum paid-up capital (net of losses) (MCR) of Rs. 3 billion and capital adequacy ratio of 18% at all times, subject to the condition that MCR level shall remain enforced until the Bank remains a public sector entity, the Bank will not be allowed to pay dividends until its paid-up capital and reserves reach Rs. 6 billion and the per party exposure limit of the Bank will be 50% of the prudential regulations limits until the Bank's paid-up capital and reserves reach Rs. 6 billion.

As of 31 December 2017, the Bank's MCR (representing paid-up capital net of accumulated losses) was Rs. 3,299 billion.

2. BASIS OF PRESENTATION

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan.

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

3. STATEMENT OF COMPLIANCE

- 3.1 These financial statements of the Bank have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS's) as are notified under the repealed Companies Ordinance, 1984, the requirement of the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the requirement under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its Circular No. 23/2017 dated 04 October 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 (so far applicable).

- 3.2 The SBP, vide BSD Circular Letter No. 10, dated 26 August 2002, has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Furthermore, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) through S.R.O No. 411(1)/2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP. Furthermore, segment information has been disclosed in accordance with SBP's prescribed format as per BSD Circular No. 04 dated 17 February 2006.
- 3.3 The SBP vide BPRD Circular No. 2 dated 25 January 2018, has specified the new reporting format for the financial statements of banking companies. The new format has revised the disclosure requirement and will become applicable for the financial statement of the Bank for the year ending 31 December 2018.

Notes to the Financial Statements

For the year ended 31 December 2017

3.4 Standards, interpretations and amendments to published Approved Accounting Standards that are not yet effective

The following standards, amendments and interpretations of Approved Accounting Standards will be effective for accounting periods on or after 1 January 2018:

- Classification and measurement of Share-Based Payment transactions' amendments to IFRS 2 - Share-Based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the Bank's financial statements.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Bank's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the Bank's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Bank's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programs'. The Bank is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Bank is currently awaiting instructions from SBP as applicability of IAS 39 was deferred by SBP till further instructions.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long-term interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019). An amendment to IAS 28 Investments in Associates and Joint Ventures will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment is not likely to have an impact on the Bank's financial statements.

Notes to the Financial Statements

For the year ended 31 December 2017

- Annual Improvements to IFRS Standards 2015-2017 Cycle. The improvements address amendments to the following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are not likely to have an impact on the Bank's financial statements.

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and according to the Circular referred to in note 3.1, for financial statements purposes would be applicable to financial statements for periods after 1 January 2018. Furthermore, SBP has also notified a new format of financial statements which would be effective from the accounting year ending 31 December 2018. The Companies Act 2017 and the revised format would result in additional disclosures and certain changes in the financial statements presentation.

3.5 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after 1 January 2017 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

4. BASIS OF MEASUREMENT

4.1 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain operating fixed assets are stated at revalued amounts less accumulated depreciation, available-for-sale and held-for-trading investments and derivative financial instruments are measured at fair values.

4.2 Functional and Presentation Currency

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

4.3 Critical accounting judgments and key sources of estimation of uncertainty

The preparation of these financial statements is in conformity with approved accounting standards as applicable in Pakistan. These require management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant accounting estimates and areas where judgements were made by management in the application of accounting policies are as follows:

a) Classification of investments

- In classifying investments as 'held-for-trading', the Bank determines the securities which are acquired with the intention to trade by taking advantage of short-term market/interest rate movements.

Notes to the Financial Statements

For the year ended 31 December 2017

- These are investments with fixed or determinable payments and fixed maturities and the Bank has the positive intent and ability to hold them till maturity.
 - The investments which are not classified as 'held-for-trading' or 'held-to-maturity' are classified as 'available-for-sale'.
- b) Valuation and impairment of available-for-sale equity investments**
- The Bank determines that 'available-for-sale' equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, the impairment may be appropriate when there is an evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.
- c) Provision against non-performing loans and advances and debt securities classified as investments**
- The Bank reviews its loan portfolio and debt securities classified as investments to assess the amount of non-performing loans, advances, debt securities and provisions required there against on a regular basis. While assessing this requirement, various factors, including the delinquency in the account, financial position of the borrower, and the requirements of the Prudential Regulations are considered. The Bank also maintains general provision against consumer and small and medium enterprises advances in accordance with the requirements set out in Prudential Regulations of the SBP. These provisions change due to changes in requirements.
- d) Income taxes**
- In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.
- e) Operating fixed assets, depreciation, amortization and revaluation**
- The Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers and such valuations are carried out with sufficient regulatory so that the valuation at the year end is close to their fair values. In making estimates of the depreciation/amortization method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The estimates made are reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the estimates are changed to reflect the changed pattern. Such a change is accounted for as change in accounting estimates in accordance with International Accounting Standard - 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- f) Staff retirement benefits**
- Liability is determined on the basis of actuarial advice using the Projected Unit Credit Method. The actuarial assumptions used to determine the liability and related expense are disclosed in note 33.1.2. Actuarial assumptions are entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Changes in these assumptions in future years may effect the liability/asset under these plans in those years.
- g) Fair value hierarchy of assets and liabilities**
- The fair value of the assets and liabilities is the amount at which these could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Bank categorizes fair value measurements within the following fair value hierarchy;
- i) Level 1**

These are quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.
 - ii) Level 2**

These are inputs other than quoted prices included within Level 1 inputs that are observable for asset or liability, either directly or indirectly.

Notes to the Financial Statements

For the year ended 31 December 2017

iii) Level 3

These are unobservable inputs for the asset or liability.

h) Impairment of non-financial assets (excluding deferred tax asset)

Non-financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Bank estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an intangible or tangible asset is less than its carrying value, an impairment loss is recognised immediately in the profit and loss account and the carrying value of the asset is reduced by the amount of the loss. A reversal of an impairment loss on intangible assets is recognised as it arises provided the increased carrying value does not exceed which it would have been had no impairment loss been recognised.

i) Compensated Absences

The Bank uses actuarial valuation for the determination of its compensated absences liability. This method makes certain assumptions, which may change, thereby affecting the profit and loss account of future period.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand, balances with treasury banks, balances with other banks in current and deposit accounts, national prize bonds, any overdrawn nostro accounts and call lendings having a maturity of three months or less.

5.2 Investments

The Bank classifies its investment portfolio into the following categories:

a) Held-for-trading

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

b) Held-to-maturity

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

c) Available-for-sale

These are securities that do not fall under the 'held-for-trading' and 'held-to-maturity' categories.

5.2.1 Regular way contracts

All purchases and sales of investments that require delivery within the timeframe established by regulation or market convention are recognised at trade date, which is the date at which the Bank commits to purchase or sell the investments except for money market contracts which are recognized on the settlement date.

5.2.2 Initial recognition and measurement

Investments other than those classified as 'held-for-trading' are initially recognized at cost. Transaction costs associated with these investments are included in cost of investments. Investments classified as 'held-for-trading' are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

Notes to the Financial Statements

For the year ended 31 December 2017

5.2.3 Subsequent measurement

In accordance with the requirements of the State Bank of Pakistan, quoted securities other than those classified as 'held-to-maturity', are subsequently remeasured to market value. Surplus/(deficit) arising on revaluation of securities classified as 'available-for-sale' is included in the statement of comprehensive income but is taken to a separate account shown in the statement of financial position below equity. Surplus/(deficit) arising on revaluation of investments classified as 'held-for-trading' is taken to the profit and loss account. Investments classified as 'held-to-maturity' are carried at an amortised cost.

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

5.2.4 Impairment

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

Gains or losses on disposal of investments during the year are taken to the profit and loss account.

5.3 Lendings to/borrowings from financial institutions

The Bank enters into transactions of borrowing (repurchase) from and lending (reverse repurchase) to financial institutions, at contracted rates for a specified period of time. These are recorded as under:

Sale under repurchase obligation

Securities sold with a simultaneous commitment to repurchase at a specified future date (repo) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments and counter party liability is included in borrowing from financial institutions. The difference between sale and repurchase price is accrued for a time-proportionate basis over the period of the contract and recorded as an expense.

Purchase under resale obligation

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognized in the balance sheet and instead amounts paid under these arrangements are included in lendings to financial institutions. The difference between purchase and resale price is accrued on a time proportionate basis over the period of the contract and recorded as income.

Other obligations

Other borrowings, including borrowings from SBP, are recorded at the proceeds received. Mark-up on such borrowing is charged to the profit and loss account on a time proportion basis.

5.4 Advances

Advances are stated net of specific and general provisions. Specific and general provision is determined on the basis of the Prudential Regulations and other directives issued by the SBP. The net provision made/reversed during the year is charged to profit and loss account and accumulated provision is netted off against advances. Advances are written-off when there is no realistic prospect of recovery.

5.5 Operating fixed assets

5.5.1 Tangible assets

Except for land and buildings, other items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amounts whereas the buildings are stated at revalued amounts less subsequent accumulated depreciation and impairment losses, if any.

Notes to the Financial Statements

For the year ended 31 December 2017

Depreciation is charged to the profit and loss account applying the straight line method. The rates of depreciation are given in note 11.2 to these financial statements. The residual values, useful lives and depreciation methods are reviewed and the changes, if any, are treated as change in accounting estimates, at each balance sheet date [also refer note 4.3(e)]. Depreciation on additions is charged from the month the assets are available for use, while no depreciation is charged in the month in which the assets are disposed off.

Surplus arising on revaluation of land and buildings is credited to the surplus on revaluation of fixed assets account. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account as allowed under the provisions of the repealed Companies Ordinance, 1984. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets, is transferred directly to accumulated loss.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on sale of property and equipment are included in the profit and loss account in the year the asset is de-recognized, except that the related surplus on revaluation of land and buildings (net of deferred tax) is transferred directly to accumulated loss.

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

5.5.2 Intangible assets

Intangible assets comprise of cost of computer software and are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets are amortized over their estimated useful lives using the straight line method at the rates stated in note 11.3. Costs associated with maintaining the computer software are recognized as expenses in the profit and loss account as and when incurred. The useful lives of intangible assets are reviewed and adjusted, if appropriate, at each balance sheet date.

5.5.3 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any.

5.6 Grants

Grants are assistances in the form of transfer of resources to the Bank in return for past or future compliance with certain conditions relating to the operating activities of the Bank. They exclude those forms of assistances which cannot reasonably have a value placed upon them.

Grants are recognized in the profit and loss account on a systematic basis over the periods in which the Bank recognizes as expenses the related costs for which the grants are intended to compensate.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income.

5.7 Impairment - non-financial assets

At each balance sheet date, the Bank reviews the carrying amount of its assets (other than deferred tax assets) to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of net selling price and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The resulting impairment loss is recognized as an expense immediately, except that the impairment loss on revalued fixed assets is first adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of those assets.

5.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in other comprehensive income/surplus on revaluation of assets, in which case it is recognized in the statement of comprehensive income/surplus on revaluation of assets.

Notes to the Financial Statements

For the year ended 31 December 2017

5.8.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned. The charge for current tax is calculated using the prevailing tax rates or tax rates expected to apply to the profits for the year. The charge for current tax also includes adjustments where considered necessary, relating to prior years which arise from assessments finalized during the year for such years.

5.8.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences as at the statement of financial position date between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The Bank records deferred tax assets/liabilities using tax rates, enacted or substantially enacted at the statement of financial position date, that are expected to be applicable at the time of their reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank recognizes a deferred tax asset/liability on deficit/surplus on revaluation of assets in accordance with the requirements of IAS 12 "Income Taxes". The related deferred tax asset/liability is adjusted against the related deficit/surplus.

The Bank recognizes a deferred tax asset for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized in accordance with the requirements of IAS 12 "Income Taxes".

5.9 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision against identified non-funded losses is recognized when intimated and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the profit and loss account net of expected recovery and is classified under other liabilities.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5.10 Staff retirement benefits

Approved funded pension scheme (defined benefit plan)

The Bank operates a funded pension scheme for its employees. The fund was granted approval by the Commissioner of Income Tax on 6 March 2000 to take effect from 1 October 1999. Provision is made in these financial statements based on the actuarial valuation (conducted at the balance sheet date - 31 December 2017) using the projected unit credit method. The above benefits are payable to staff at the time of separation/retirement from the Bank's services subject to the completion of qualifying period of service. Remeasurement component, which is the net of actuarial gains and losses is recognized immediately in other comprehensive income whereas service cost and net interest income/expense are charged to the profit and loss account.

The above benefit is available to the employees who had joined the Bank by September 2013.

Approved non-contributory provident fund (defined contribution plan)

Upto 30 June 2017, the Bank operated a non-contributory provident fund in which monthly contributions were made by employees at a rate of 12% of basic salary. However, this scheme since then has been discontinued and the dues have been fully settled.

Unfunded gratuity scheme

The Bank operates an unfunded gratuity scheme for its President only. Liability and expense are recorded in accordance with the terms of the scheme.

Notes to the Financial Statements

For the year ended 31 December 2017

5.11 Employees' compensated absences

The Bank recognizes liability in respect of compensated absences of its employees in the period in which these are earned on the basis of actuarial valuation (conducted at the balance sheet date - 31 December 2017) carried out using the Projected Unit Credit Method. Actuarial gains/losses are immediately recognised in the profit and loss account.

5.12 Revenue recognition

- Mark-up/return/interest on regular advances and investments is recognized on a time proportion basis using effective interest method. Where debt securities are purchased at premium or discount, the same is amortized through the profit and loss account over the remaining maturity using the effective interest method. Mark-up income due on non-performing advances is suspended as per the requirements of the Prudential Regulations.
- Mark-up/return/interest recoverable on classified advances and investments is recognized on receipt basis. Mark-up/return/interest on classified rescheduled/restructured advances and investments is recognized as permitted by the regulations of the SBP.
- Dividend income is recognized when the Bank's right to receive the dividend is established.
- Gain/loss on sale of investments is recognized to the profit and loss account currently.
- Fees, brokerage and commission on letters of credit/guarantee are recognized at the time of the performance of services. Account maintenance and service charges are recognized when realized.

5.13 Foreign currencies

5.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevalent on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the balance sheet date.

5.13.2 Translation gains and losses

Translation gains and losses are included in the profit and loss account.

5.13.3 Commitments

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

5.14 Financial instruments

5.14.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognized at the time when the Bank becomes a party to the contractual provision of the instrument. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when an obligation specific in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is recognized in the profit and loss account of the current period. The particular recognition and subsequent measurement methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.14.2 Derivative financial instruments

Derivative financial instruments are initially recognized at cost value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair values. All derivative financial instruments are carried as assets when the fair value is positive and as liability when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account currently.

5.15 Off-setting

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

Notes to the Financial Statements

For the year ended 31 December 2017

5.16 Borrowing/Deposits and their cost

Borrowing/deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the profit and loss account on a time proportion basis.

5.17 Dividend distribution and appropriations

Bonus dividend, cash dividend and other appropriations (except for the appropriations required by law), declared/approved subsequent to balance sheet date are considered as non-adjusting event and are not recorded in financial statements of the current year. These are recognized in the period in which these are declared/approved.

5.18 Earnings per share

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

5.19 Segment reporting

A segment is a distinguishable component of the Bank that is engaged 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. Segment information is presented as per the Bank's functional structure and guidance of the SBP. The Bank comprises of following main segments:

5.19.1 Business segments

a) Corporate finance

Corporate finance includes syndications and advances to corporate enterprises.

b) Treasury

It includes fixed income, equity, foreign exchange commodities, lendings to financial institutions and borrowings.

c) Retail and consumer banking

It includes retail lending and deposits, banking services, private lending and deposits, retail offered to its retail customers and small and medium enterprises.

d) Commercial banking

It includes project finance, export finance, trade finance, other lendings, guarantees and bills of exchange.

5.19.2 Geographical segment

The Bank operates in Pakistan only.

5.20 Impairment of assets (other than loans and advances and investments)

At each statement of financial position date, the Bank reviews the carrying amount of its assets (other than deferred tax asset) to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of relevant asset is estimated. The recoverable amount is the greater of the net selling price and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The resulting impairment loss is recognized as an expense immediately. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

Notes to the Financial Statements

For the year ended 31 December 2017

6. CASH AND BALANCES WITH TREASURY BANKS	Note	2017 (Rupees in '000)	2016
In hand			
Local currency	6.1	334,215	263,944
Foreign currencies		77,045	45,691
With State Bank of Pakistan in			
Local currency current accounts	6.2	837,050	591,268
Foreign currency deposit accounts	6.3	109,831	89,589
US Dollar collection account	6.4	5,414	2,333
With National Bank of Pakistan in local currency current accounts - a related party		74,874	88,707
		<u>1,438,429</u>	<u>1,081,532</u>

6.1 This includes National Prize Bonds of Rs. Nil (2016: Rs. 0.666 million).

6.2 These accounts are maintained with the SBP to comply with the statutory cash reserve requirements of Section 22 of the Banking Companies Ordinance, 1962.

6.3 The balance held in foreign currency deposit accounts with the SBP represents the 5% cash reserve requirement and 15% special cash reserve for holding FE-25 deposits. The SBP has not remunerated these deposit accounts during the year.

6.4 This represents US Dollar collection account maintained with SBP.

7. BALANCES WITH OTHER BANKS

In Pakistan - Current accounts	7.1	2,760	71,621
Outside Pakistan - Current accounts	7.2	59,846	40,421
		<u>62,606</u>	<u>112,042</u>

7.1 These represent balances with related parties.

7.2 These include related party balances amounting to Rs. 58.590 million (2016: Rs. 35.896 million).

8. LENDINGS TO FINANCIAL INSTITUTIONS

Call lending - related party		-	100,000
Term lendings	8.1	139,089	139,089
		<u>139,089</u>	<u>239,089</u>
Provision against term lendings		(139,089)	(139,089)
		<u>-</u>	<u>100,000</u>

8.1 This represents financing to two financial institutions that matured on 31 December 2012. Due to default in repayments, full provision has been made against these amounts.

Notes to the Financial Statements

For the year ended 31 December 2017

9. INVESTMENTS - Net

	Note	2017			2016		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
(Rupees in '000)							
9.1 Investments by types							
Available-for-sale							
- Market Treasury Bills	9.3 & 9.4	9,803,039	3,780,147	13,583,186	7,248,144	598,280	7,846,424
- Pakistan Investment Bonds	9.5	118	-	118	126	-	126
- Term Finance Certificates (TFCs)	9.8	11,319	-	11,319	12,380	-	12,380
- Preference shares of a listed company	9.9	10,000	-	10,000	10,000	-	10,000
- Ordinary shares of listed companies	9.7.7	-	-	-	161,478	-	161,478
- Ordinary shares of an unlisted company	9.10	954	-	954	954	-	954
Investments at cost		9,825,430	3,780,147	13,605,577	7,433,082	598,280	8,031,362
Provision for diminution in value of investments	9.6	(17,781)	-	(17,781)	(17,781)	-	(17,781)
Investments (net of provisions)		9,807,649	3,780,147	13,587,796	7,415,301	598,280	8,013,581
(Deficit)/Surplus on revaluation of available-for-sale securities - net of tax	20.2	(11)	37	(74)	19,255	(17)	19,238
Investments at revalued amount - net of provision		9,807,538	3,780,184	13,587,722	7,434,556	598,263	8,032,819

9.2 Investments by segments

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Federal Government Securities			
- Market Treasury Bills	9.4	13,583,186	7,846,424
- Pakistan Investment Bonds	9.5	118	126
Fully paid-up ordinary shares/units			
- Listed companies	9.7.6	-	161,478
- Unlisted company	9.10	954	954
Fully paid-up preference shares			
- Listed company	9.9	10,000	10,000
Term Finance Certificates			
- Listed Term Finance Certificates	9.8	7,781	7,781
- Unlisted Term Finance Certificates	9.8	3,538	4,599
		11,319	12,380
Investments at cost		13,605,577	8,031,362
Provision for diminution in value of investments	9.6	(17,781)	(17,781)
Investments (net of provisions)		13,587,796	8,013,581
Surplus on revaluation of available-for-sale securities - net	20.2	(74)	19,238
Investments at revalued amount		13,587,722	8,032,819

Notes to the Financial Statements

For the year ended 31 December 2017

9.3 Investments in government securities include securities which are held by the Bank to comply with the statutory liquidity requirements determined as set out under section 29 of the Banking Companies Ordinance, 1962.

9.4 Market Treasury Bills are for the periods of three months and one year. The effective rate of profit on Market Treasury Bills range between 5.91% to 5.94% per annum (2016: 5.8% to 6.3% per annum) with maturities up to March 2018 (2016: March 2017). Repurchase agreement borrowings of Rs. 3,778.948 million (2016: Rs. 598.07 million) are secured against Market Treasury Bills of carrying value Rs. 3,780.147 million (2016: Rs. 598.26 million).

9.5 Pakistan Investment Bonds (PIBs) are for the period of ten years. The rates of profit are 11.1% and 13.2% per annum (2016: 11.1% and 13.2% per annum) with maturities in August 2021 and August 2022 (2016: August 2021 and August 2022).

9.6	Particulars of provision	Note	2017 (Rupees in '000)	2016
9.6.1	Provision for diminution in value of investment by type - available-for-sale securities			
	- Term Finance Certificates (TFCs)	9.8	7,781	7,781
	- Preference shares of a listed company	9.9	10,000	10,000
			<u>17,781</u>	<u>17,781</u>
9.6.2	Provision for diminution in value of investment by segment - available-for-sale securities			
	Equity securities			
	- Preference shares of a listed company	9.9	10,000	10,000
	Debt securities			
	- Term Finance Certificates (TFCs)	9.8	7,781	7,781
			<u>17,781</u>	<u>17,781</u>
9.7	Quality of available-for-sale securities			

	2017			2016			
	Market value/ carrying value of investments (Rupees in '000)	Credit rating		Market value/ carrying value of investments (Rupees in '000)	Credit rating		
		Long term	Short term		Long term	Short term	
9.7.1	Market Treasury Bills	13,583,094	(Unrated - Government Securities)		7,847,063	(Unrated - Government Securities)	
9.7.2	Pakistan Investment Bonds	136	(Unrated - Government Securities)		148	(Unrated - Government Securities)	
9.7.3	Listed Term Finance Certificates						
	Telecard Limited - I	-	(Unrated)	(Unrated)	-	(Unrated)	(Unrated)
9.7.4	Un-listed Term Finance Certificates						
	Pakistan International Airlines Corporation	3,538	(Unrated)	(Unrated)	4,599	(Unrated)	(Unrated)
9.7.5	Preference shares of a listed company						
	Chenab Limited - preference shares	-	(Unrated)	(Unrated)	-	(Unrated)	(Unrated)

Notes to the Financial Statements

For the year ended 31 December 2017

9.76 Ordinary shares of listed companies - at market value

	2017			2016		
	Market value/ carrying value of investments (Rupees in '000)	Credit rating		Market value/ carrying value of investments (Rupees in '000)	Credit rating	
		Long term	Short term		Long term	Short term
Allied Bank Limited	-	-	-	2,980	AA-	A1+
Attock Petroleum Limited	-	-	-	9,379	(Unrated)	(Unrated)
Bank Al-Habib Limited	-	-	-	885	AA+	A1+
D.G. Khan Cement Company Limited	-	-	-	1,109	(Unrated)	(Unrated)
Engro Corporation Limited	-	-	-	2,529	AA	A1+
Engro Fertilizer Limited	-	-	-	4,759	AA-	A1+
Fauji Cement Company Limited	-	-	-	902	(Unrated)	(Unrated)
Fauji Fertilizer Bin Qasim Limited	-	-	-	1,997	(Unrated)	(Unrated)
Fauji Fertilizer Company Limited	-	-	-	13,746	AA	A1+
Habib Bank Limited	-	-	-	12,296	AAA	A1+
The Hub Power Company Limited	-	-	-	9,508	AA+	A1+
Indus Motor Company Limited	-	-	-	21,150	(Unrated)	(Unrated)
Kot Addu Power Company Limited	-	-	-	9,023	AA+	A1+
Lucky Cement Limited	-	-	-	3,465	(Unrated)	(Unrated)
MCB Bank Limited	-	-	-	14,127	AAA	A1+
National Bank of Pakistan	-	-	-	7,526	AAA	A1+
Nishat Chunian Power Limited	-	-	-	2,497	(Unrated)	(Unrated)
Nishat Power Limited	-	-	-	1,827	A+	A1
Oil & Gas Development Company Limited	-	-	-	9,094	AAA	A1+
Pakistan Oilfields Limited	-	-	-	35,016	(Unrated)	(Unrated)
Pakistan Petroleum Limited	-	-	-	2,448	(Unrated)	(Unrated)
Pakistan State Oil Company Limited	-	-	-	3,041	AA	A1+
United Bank Limited	-	-	-	10,751	AAA	A1+
Investments at revalued amount	-	-	-	180,055		

9.77 Shares of unlisted company

National Institutional Facilitation Technologies (Private) Limited	954	(Unrated)	(Unrated)	954	(Unrated)	(Unrated)
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Available-for-sale investments at revalued amount

13,587,722

8,032,819

9.77.1 Investments at cost Surplus/(deficit) on revaluation of available-for-sale securities - net Investments at revalued amount

-

-

-

161,478

18,577

180,055

9.78 Available-for-sale Market Treasury Bills and Pakistan Investment Bonds are eligible for rediscounting with the State Bank of Pakistan.

Notes to the Financial Statements

For the year ended 31 December 2017

9.8 Term Finance Certificates (TFCs) - available-for-sale

Investee	Number of certificates held	Paid up value per certificate (Rupees)	Total paid up value (before redemption) (Rupees in '000)	Profit rate	Principal redemption terms	Carrying Value as at 31 December 2017 (Rupees in '000)	Name of the Chief Executive Officer
Listed TFCs							
Telecard Limited	5,000	5,000	25,000	3 months KIBOR p.a.	This represents the listed Term Finance Certificates (TFCs) issued by the Company, effective from 31 December 2015. These TFCs have been restructured for the period of five years carrying mark-up payable on quarterly basis and principal amount redeemable in 12 unequal quarterly instalments starting from 31 March 2018. These TFCs carry mark-up at the rate of three months KIBOR (2016: three months KIBOR). These are secured against a first specific charge over the fixed assets of the Company and specific charge over the intangible assets (frequently spectrum) procured from the PTA. The balance has been fully provided.	7,781	Syed Aamir Hussain
Unlisted TFCs							
Pakistan International Airlines Corporation Limited *	1,133	5,000	5,665	6 months KIBOR + 125% p.a.	6.25% of total issue in 16 equal quarterly instalments starting from May 2016	3,538	Mr. Musharaf Rasool
Total (at cost)						<u>11,319</u>	
Provision for diminution (against Telecard Limited)						(7,781)	
Total (net of provision) - carrying value as at 31 December 2017						<u><u>3,538</u></u>	

* Secured against the guarantee of Government of Pakistan (GOP)

Notes to the Financial Statements

For the year ended 31 December 2017

9.9 Preference shares of a listed company

This represents 1 million cumulative redeemable preference shares of a listed company (Chenab Limited) having face value of Rs. 10 each, carrying dividend entitlement at 9.25% per annum on the face value.

Market values of these shares at 31 December 2017 were not available as these shares are not being currently traded. Given the financial position and market price of the Company's shares, the Bank has made full provision against these preference shares.

9.10 Ordinary shares of an unlisted company - a related party

This represents investment in 1,416,985 ordinary shares (2016: 1,416,985 ordinary shares) of Rs. 10 each of National Institutional Facilitation Technologies (Private) Limited (NIFT). The Bank's investment in NIFT is carried at cost and is not accounted under the equity method of accounting, as the Bank does not have significant influence over the entity. However, one employee of the Bank is a Director of NIFT. The Bank has 5.67% (2016: 5.67%) stake in the above company.

The details of assets, liabilities, net assets, revenue and profit of the above company as at 30 June 2017 (latest available audited financial statements) are as follows:

		30 June 2017	30 June 2016
		(Rupees in '000)	
Assets		849,873	1,148,971
Liabilities		234,496	322,489
Net assets		615,377	826,482
Revenue		1,425,192	1,725,900
Profit		8,895	12,860
		2017	2016
		(Rupees in '000)	
10. ADVANCES - net	Note		
Loans, cash credits, running finances, etc. in Pakistan		10,129,162	9,478,671
Foreign bills discounted and purchased (excluding treasury bills) payable in Pakistan		-	-
Advances - gross	10.1	10,129,162	9,478,671
Provision against non-performing loans and advances			
Specific provision	10.3	(1,246,569)	(1,256,793)
General provision	10.3	(6,962)	(8,631)
		(1,253,531)	(1,265,424)
Advances - net		8,875,631	8,213,247
10.1 Particulars of advances (gross)			
10.1.1 In local currency		10,129,162	9,478,671
10.1.1 In foreign currency		-	-
		10,129,162	9,478,671
10.1.2 Short-term (for up to one year)		7,553,232	6,914,775
10.1.2 Long-term (for over one year)		2,575,930	2,563,896
		10,129,162	9,478,671

Notes to the Financial Statements

For the year ended 31 December 2017

- 10.2 Advances include Rs. 1,670,104 million (2016: Rs. 1,963,210 million) which have been placed under the non-performing status as detailed below:

Category of classification	2017								
	Classified advances			Specific provision required			Specific provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Other Assets									
Especially Mentioned	1,261	-	1,261	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Doubtful	100,253	-	100,253	8,489	-	8,489	8,489	-	8,489
Loss	1,568,590	-	1,568,590	1,238,080	-	1,238,080	1,238,080	-	1,238,080
	1,670,104	-	1,670,104	1,246,569	-	1,246,569	1,246,569	-	1,246,569

Category of classification	2016								
	Classified advances			Specific provision required			Specific provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Other Assets									
Especially Mentioned	58	-	58	-	-	-	-	-	-
Substandard	10,642	-	10,642	1,359	-	1,359	1,359	-	1,359
Doubtful	103,031	-	103,031	749	-	749	749	-	749
Loss	1,849,479	-	1,849,479	1,254,685	-	1,254,685	1,254,685	-	1,254,685
	1,963,210	-	1,963,210	1,256,793	-	1,256,793	1,256,793	-	1,256,793

- 10.2.1 In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, the Bank has availed the benefit of Forced Sale Value (FSV) against the non-performing advances. During the year ended 31 December 2017, erosion in FSV benefit has resulted in increase in loss before tax of Rs. 274,594 million (31 December 2016: FSV benefit taken by the Bank resulted in increase in profit of Rs. 475,592 million). Had the benefit under the said circular not been taken by the Bank, specific provision against non-performing advances as of the year end would have been higher by Rs. 372,274 million (31 December 2016: Rs. 646,868 million). The FSV benefit recognized will not be available for the distribution of cash and stock dividend to shareholders.
- 10.2.2 As per the revised Prudential Regulations issued for the Corporate/Commercial Banking vide BPRD Circular No. 06 of 2014 dated 26 June 2014, the cumulative FSV benefit recognized in respect of customers under Corporate/Commercial Banking is Rs. 192,847 million (31 December 2016: Rs. 459.5 million) and is not available for distribution of cash or stock dividend/bonus to employees.
- 10.3 Particulars of provision against non-performing loans and advances

	Note	2017			2016		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		1,256,793	8,631	1,265,424	1,277,954	5,152	1,283,106
Charge for the year		127,479	3,490	130,969	225,810	5,581	231,391
Reversals		(113,456)	(5,159)	(118,615)	(246,956)	(2,102)	(249,058)
	10.3.2	14,023	(1,669)	12,354	(21,146)	3,479	(17,667)
Amounts written-off against provision	10.4	(24,136)	-	(24,136)	(15)	-	(15)
Reversal against provision as per court order		(111)	-	(111)	-	-	-
Closing balance		1,246,569	6,962	1,253,531	1,256,793	8,631	1,265,424

- 10.3.1 Particulars of provision against non-performing loans and advances

	2017			2016		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
In local currency	1,246,569	6,962	1,253,531	1,256,793	8,631	1,265,424
In foreign currencies	-	-	-	-	-	-
	1,246,569	6,962	1,253,531	1,256,793	8,631	1,265,424

Notes to the Financial Statements

For the year ended 31 December 2017

10.3.2 The following amounts have been (credited)/charged to the profit and loss account (net of recoveries):

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Specific provision		14,023	(21,146)
General provision	10.3.3	(1,669)	3,479
		<u>12,354</u>	<u>(17,667)</u>

10.3.3 General provision represents provision against consumer loans maintained at an amount equal to 1% of the fully secured performing portfolio and 4% of the unsecured performing portfolio as required by the Prudential Regulations issued by the SBP. No general provision against the secured Small Enterprise Financing has been maintained as allowed by SBP vide IH & SMEFD Circular No. 09 dated 22 December 2017.

10.3.4 At 31 December 2017, Rs. 169.056 million (2016: Rs. 151.022 million) was outstanding against Prime Minister's Youth Business Loans. These loans carry mark-up at KIBOR + 500bps per annum. No General provision against Prime Minister's Youth Business Loans has been maintained as allowed by SBP vide its IH & SMEFD Circular No. 1 of 2016 dated 25 February 2016.

		2017 (Rupees in '000)	2016 (Rupees in '000)
10.4	Particulars of write-offs		
10.4.1	Against provisions	24,136	15
	Directly charged to the profit and loss account	-	-
		<u>24,136</u>	<u>15</u>
10.4.2	Write-offs of Rs. 500,000 and above	24,136	-
	Write-offs of below Rs. 500,000	-	15
		<u>24,136</u>	<u>15</u>

10.5 Details of loans write-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 Rupees Five Hundred Thousand or above, allowed to a person(s) during the year ended 31 December 2017, is enclosed as Annexure I.

10.6 Particulars of advances to Directors, associated companies, etc.

10.6.1 Debts due from executives or officers of the Bank or any of them either separately or jointly with any other persons:

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Balance at beginning of the year		199,156	173,805
Loans granted during the year		53,655	65,359
Repayments / adjustments during the year		(56,121)	(40,008)
Balance at end of the year		<u>196,690</u>	<u>199,156</u>

11. OPERATING FIXED ASSETS

Capital work-in-progress	11.1	4,993	21,305
Property and equipment	11.2	279,260	283,755
Intangible assets	11.3	39,293	32,017
		<u>323,546</u>	<u>337,077</u>

11.1 Capital work-in-progress

Software upgradation (advance to the consultant)		2,515	7,585
Civil works		49	-
Payments to consultant for upgradation of IT set-up		2,429	1,903
Equipment		-	11,817
		<u>4,993</u>	<u>21,305</u>

Notes to the Financial Statements

For the year ended 31 December 2017

11.2 Property and equipment

Description	2017				2017				Net book value at 31 December 2017	Annual rate of depreciation
	Cost/revalued amount			At 31 January 2017	Accumulated depreciation					
	At 1 January 2017	Additions/(disposals)/(written off*)	Surplus on revaluation/(reversal*)		At 1 January 2017	Charge for the year/(depreciation on disposals)/(written off*)	Adjustment due to revaluation	At 31 December 2017		
	(Rupees in '000)								%	
Leasehold lands (note 11.2.3)	57,787	-	-	57,787	-	-	-	57,787	-	
Buildings (note 11.2.3)	172,462	-	-	172,462	2,427	8,502	-	10,929	161,533	5
Building improvement (rented premises)	45,884	1,959	-	47,843	29,446	6,614	-	36,060	11,783	20
Furniture and fixtures (note 11.2.7)	69,786	2,623	-	69,199	54,147	6,361	-	57,881	11,318	20
		(3,210)				(2,627)				
Electrical, office and computer equipment (note 11.2.7)	225,086	36,766	-	260,959	204,455	22,675	-	226,235	34,724	33.33
		(893)				(893)				
Vehicles	18,234	735	-	18,275	15,009	899	-	11,360	2,175	20
		(5,694)				(4,748)				
	589,239	42,083	-	621,525	305,484	45,049	-	342,265	279,260	
		(9,797)				(8,268)				
	2016				2016					
	Cost/revalued amount			At 31 January 2016	Accumulated depreciation			At 31 December 2015	Net book value at 31 December 2015	Annual rate of depreciation
	At 1 January 2016	Additions/(disposals)/(written off*)	Surplus on revaluation		At 1 January 2016	Charge for the year/(depreciation on disposals)/(written off*)	Adjustment due to revaluation			
	(Rupees in '000)								%	
Leasehold lands	58,025	-	2,080	57,787	-	-	-	57,787	-	
			(2,318)							
Buildings	155,739	-	16,723	172,462	10,701	7,666	(15,940)	2,427	170,035	5
Building improvement (rented premises)	38,361	7,859	-	45,884	23,041	6,490	-	29,446	16,438	20
		(136)				(85)				
Furniture and fixtures (note 11.2.7)	66,229	5,768	-	69,786	50,232	8,013	-	54,147	15,639	20
		(1,045)				(1,042)				
		(1,366)				(1,056)				
Electrical, office and computer equipment (note 11.2.7)	227,744	6,235	-	225,086	172,319	41,019	-	204,455	20,631	33.33
		(1,494)				(1,493)				
		(7,399)				(7,390)				
Vehicles	33,425	-	-	18,234	28,207	1,974	-	15,009	3,225	20
		(15,391)				(15,172)				
	579,323	19,862	18,803	589,239	284,500	63,362	(15,940)	305,484	281,755	
		(17,750)	(2,318)			(17,707)				
		(8,700)				(8,531)				

11.2.1 The land and buildings of the Bank were revalued on 31 December 2016 by an independent valuer KG Traders (Private) Limited on market value basis after making independent market inquires from local estate agents/realtors in the vicinity to establish the present market value. The revaluations of the above assets were last carried out in 2016, 2014, 2011, 2008 and 2006. The resulting surplus has been credited to the revaluation surplus account, net of related tax effect. The details of revalued amounts (gross) as at 31 December 2017 are as follows:

	Note	Net of depreciation based on revaluation as of 31 December 2016	
		2017 (Rupees in '000)	2016
Total revalued amount of land	11.2.3	57,787	57,787
Total revalued amount of buildings	11.2.3	161,533	170,035
		<u>219,320</u>	<u>227,822</u>

Notes to the Financial Statements

For the year ended 31 December 2017

Had the land and buildings not been revalued, total carrying amounts as at 31 December 2017 would have been as follows (at cost less accumulated depreciation):

Land	3,287
Buildings	50,993
	<u>54,280</u>

11.2.2 The cost of fully depreciated assets that are still in use are as follows:

Building improvement	18,558
Furniture and fixtures	43,671
Electrical, office and computer equipment	203,973
Vehicle	9,061
Computer softwares	22,579
	<u>297,842</u>

11.2.3 Summarized details of the valuation of properties across the country:

Location of properties	Note	Original cost			Revalued amount (net of depreciation)/cost*		
		Land	Buildings	Total	Land	Buildings	Total
		(Rupees in '000)			(Rupees in '000)		
Mehdi Tower, Karachi		-	5,167	5,167	-	19,169	19,169
New Town, Karachi		-	1,348	1,348	-	14,578	14,578
Sukkur		-	1,017	1,017	-	15,518	15,518
Faisalabad		-	4,873	4,873	-	17,442	17,442
F.B. Area, Karachi		-	815	815	-	12,084	12,084
Gulshan-e-Iqbal, Karachi		-	1,322	1,322	-	5,848	5,848
P.E.C.H.S., Karachi		3,000	6,760	9,760	57,500	9,178	66,678
Mirpurkhas (Idle Property)*	11.2.4	162	-	162	• 162	-	162
Kohat (Idle Property)	11.2.4	-	708	708	-	-	-
Nawabshah (Idle Property)*	11.2.4 & 11.2.5	125	-	125	• 125	-	125
Regional Office Lahore		-	60,000	60,000	-	67,716	67,716
		<u>3,287</u>	<u>82,010</u>	<u>85,297</u>	<u>57,787</u>	<u>161,533</u>	<u>219,320</u>

* At cost due to the reasons given below. Amounts are not considered to be material.

11.2.4 Represents temporarily idle properties for which extension in time specified in Section 10 of the Banking Companies Ordinance, 1962 has been obtained by the Bank from State Bank of Pakistan. The Bank is allowed to retain the property at Mirpurkhas till the order in suo moto case remains effective. Kohat property has been written down to book value of Rs. 1 owing to difficulties faced by the Bank in disposing off the said property.

11.2.5 The land in Nawabshah is under litigation. Sindh High Court has issued an injunction in favour of the Bank under which the sale of land (by a party who illegally transferred the title in his own name) has stayed. SBP has granted the extension to retain this property till the Court orders are executed by the Revenue Officials, Nawabshah.

11.2.6 Disposals of fixed assets during the year

	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Mode of disposal	Particulars of buyers
(Rupees in '000)						
Furniture and fixtures <i>Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000:</i>						
Miscellaneous items	2,467	2,182	285	439	Auction/ quotation/ As per policy	Various
Electrical, office and computer equipment <i>Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000:</i>						
Miscellaneous items	893	893	-	85	Auction/ quotation/ As per policy	Various
Vehicles <i>Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000:</i>						
	3,331	3,331	-	1,912	Bank's policy	Employees
Total	<u>6,691</u>	<u>6,406</u>	<u>285</u>	<u>2,436</u>		
Total	<u>17,730</u>	<u>17,707</u>	<u>23</u>	<u>9,457</u>		

Notes to the Financial Statements

For the year ended 31 December 2017

- 11.2.7 Net book value of furniture and fixtures and office equipment include Rs. 0.315 million and Rs. 0.225 million (2016: Rs. 0.504 million and Rs. 0.707 million) respectively received as grant from non-Government organization. Depreciation charged during the year on these assets aggregated to Rs. 0.717 million (2016: Rs. 0.813 million) and same amount is charged in other income as per the accounting policy stated in note 5.6.

11.3 Intangible assets

	2017							Rate of amortization
	Cost			Accumulated amortization			Net book value at 31 December 2017	
	At 1 January 2017	Additions	At 31 December 2017	At 1 January 2017	Amortization for the year	At 31 December 2017		
----- (Rupees in '000) -----								%
Computer softwares	71,743	14,022	85,765	39,726	6,746	46,472	39,293	10 and 20

	2016							Rate of amortization
	Cost			Accumulated amortization			Net book value at 31 December 2016	
	At 1 January 2016	Additions	At 31 December 2016	At 1 January 2016	Amortization for the year	At 31 December 2016		
----- (Rupees in '000) -----								%
Computer softwares	70,946	797	71,743	32,957	6,769	39,726	32,017	10 and 20

12. DEFERRED TAX ASSETS - net

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

Taxable temporary differences on:

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Surplus on revaluation of operating fixed assets	20.1	(38,656)	(40,691)
Surplus on revaluation of investments		-	(6,733)
		<u>(38,656)</u>	<u>(47,424)</u>

Deductible temporary differences on:

	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
Provision against non-performing loans and advances		97,265	157,104
Deficit on revaluation of investments	20.2	26	-
Accelerated tax depreciation		27,684	31,246
Unabsorbed depreciation/Amortization		65,450	108,709
		<u>190,425</u>	<u>297,059</u>

Net deferred tax asset recognized by the Bank (at 35%)

151,769 249,635

Notes to the Financial Statements

For the year ended 31 December 2017

12.2 Reconciliation of deferred tax

	Balance at 1 January 2016	Recognized in the profit and loss	Recognized in surplus/ (deficit) on revaluation of assets	Recognized in other comprehensive income	Balance at 31 December 2016	Recognized in the profit and loss	Recognized in surplus/ (deficit) on revaluation of assets	Recognized in other comprehensive income	Balance at 31 December 2017
(Rupees in '000)									
Taxable temporary differences on:									
Surplus on revaluation of operating fixed assets	(30,884)	1,625	(11,432)	-	(40,691)	2,035	-	-	(38,656)
Surplus on revaluation of investment	(11,694)	-	-	4,961	(6,733)	-	-	6,733	-
	(42,578)	1,625	(11,432)	4,961	(47,424)	2,035	-	6,733	(38,656)
Deductible temporary differences on:									
Provision against non-performing loans and advances	250,817	(93,713)	-	-	157,104	(59,839)	-	-	97,265
Reassessment of post-retirement benefits obligations	28,669	-	-	(28,669)	-	-	-	-	-
Accelerated tax depreciation	26,671	4,575	-	-	31,246	(3,562)	-	-	27,684
Compensated leave absences	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investment	-	-	-	-	-	-	-	26	26
Losses brought forward	-	43,199	-	-	43,199	(43,199)	-	-	-
Unabsorbed depreciation/ amortization	-	65,510	-	-	65,510	(60)	-	-	65,450
	306,157	19,571	-	(28,669)	297,059	(106,660)	-	26	190,425
	263,579	21,196	(11,432)	(23,708)	249,635	(104,625)	-	6,759	151,769

12.2.1 In recording the deferred tax asset, estimates of the Bank's future taxable profits are taken into account, which are on the basis of the projections prepared by the Bank. The management has recorded deferred tax asset based on the financial projections indicating absorption of deferred tax assets over a number of future years through reversals as a result of recoveries from borrowers and absorption of remaining deferred tax assets against future taxable profits. The financial projections involve certain key assumptions such as deposits composition, interest rates, growth of deposits and advances, investment returns and potential provision/reversals against assets. Any significant change in the key assumptions may have an effect on the absorption of the deferred tax asset.

12.2.2 As a matter of abundant caution, the Bank has not recorded deferred tax assets of Rs. 152 million, Rs. 31 million and Rs. 20 million on deductible temporary differences representing taxable business losses of Rs. 433 million, loan losses of Rs. 88 million and unabsorbed tax depreciation of Rs. 56 million pertaining to the year ended 31 December 2017 respectively.

13. OTHER ASSETS - net

	Note	2017 (Rupees in '000)	2016
Mark-up/return/interest accrued in local currency		152,611	126,862
Mark-up/return/interest accrued in foreign currency (fully provided)		757	757
Advances, deposits, prepayments and other receivables		66,636	32,404
Advance taxation (net of provisions)		133,090	142,367
Dividend receivable		-	11,064
Receivable from defined benefit plan	33	33,748	57,832
Stationery and stamps on hand		925	3,648
Suspense account (fully provided)		3,250	3,253
Branch adjustment account		-	4,733
ATM settlement account		4,091	5,893
Unrealized gain on foreign exchange contracts		560	-
Receivable from the Government of Pakistan against the encashment of Government instruments		3,190	12,294
Others		791	3,526
		399,649	404,633
Provision against other assets	13.7	(10,421)	(10,421)
		389,228	394,212

Notes to the Financial Statements

For the year ended 31 December 2017

	Note	2017 (Rupees in '000)	2016
13.1 Provision against other assets			
Opening balance		10,421	5,179
Provision made during the year		-	6,129
Written off during the year		-	(887)
Closing balance		<u>10,421</u>	<u>10,421</u>
14. CONTINGENT ASSETS			
There were no contingent assets of the Bank as at 31 December 2017 and 31 December 2016.			
15. BILLS PAYABLE			
In Pakistan		530,291	214,155
Outside Pakistan		-	-
		<u>530,291</u>	<u>214,155</u>
16. BORROWINGS			
In Pakistan - in local currency	16.1	<u>3,903,832</u>	<u>743,909</u>
16.1 Details of borrowings (secured)			
Secured			
Borrowings from State Bank of Pakistan under:			
- Export refinance scheme	16.2	37,700	46,200
- Revised SBP Financing Scheme for Renewable Energy	16.3	87,184	99,639
Repurchase agreement borrowings	16.4	<u>3,778,948</u>	<u>598,070</u>
		<u>3,903,832</u>	<u>743,909</u>
16.2	The Bank has entered into an arrangement for financing with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the arrangement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. This carries mark-up rate of 1% per annum (2016: 1% per annum). These borrowings are repayable upto June 2018.		
16.3	The Bank has entered into arrangement for financing with the State Bank of Pakistan (SBP) under Revised SBP Financing Scheme for Renewable Energy. As per the arrangement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. This carries mark-up rate of 3% per annum (2016: 3% per annum). These borrowings are repayable upto September 2024.		
16.4	This carries mark-up rate of 5.83% per annum (2016: ranging from 5.9 % per annum) and are secured against government securities of carrying a value Rs. 3,780.799 million (2016: Rs. 598.26 million).		
17. DEPOSITS AND OTHER ACCOUNTS			
	Note	2017 (Rupees in '000)	2016
Customers			
Fixed deposits		1,130,596	1,990,482
Savings deposits		5,737,051	5,488,724
Current accounts - remunerative		5,867,524	2,651,561
Current accounts - non-remunerative		3,229,346	3,391,291
Call deposits		53,852	93,069
Sundry deposits	17.1	<u>241,336</u>	<u>91,974</u>
		<u>16,259,705</u>	<u>13,707,101</u>
Financial institutions			
Remunerative deposits		-	1,500
Non-remunerative deposits		<u>32</u>	<u>190</u>
		<u>32</u>	<u>1,690</u>
		<u>16,259,737</u>	<u>13,708,791</u>

Notes to the Financial Statements

For the year ended 31 December 2017

17.1 Sundry deposits represent margin account balance of Rs. 241,336 million (2016: Rs. 86,562 million).

17.2	Particulars of deposits	Note	2017 (Rupees in '000)	2016
	In local currency		15,709,565	13,262,694
	In foreign currencies		550,172	446,097
			<u>16,259,737</u>	<u>13,708,791</u>

18. OTHER LIABILITIES

	Mark-up/return/interest payable in local currency		232,778	233,900
	Mark-up/return/interest payable in foreign currency		137	250
	Accrued expenses		44,691	51,771
	Payable against purchase of fixed assets		3,132	3,989
	Payable against employees' gratuity scheme	33.2	7,028	5,153
	Provision for employees' compensated absences	34	74,763	60,989
	Branch adjustment account		15,216	-
	Unrealized loss on forward foreign exchange contracts		-	6,472
	Cheque proceeds awaiting clearance		3,095	935
	Benevolent fund balance		5,151	4,910
	Others	18.1	16,369	4,818
			<u>402,360</u>	<u>373,187</u>

18.1 This includes unearned income of Rs. 4,948 million (2016: Rs. 1,404 million) under Gender Equality Program and unearned commission income of Rs. 3.2 million (2016: Rs. 3.6 million) on Letter of Guarantee facility (LG).

19. SHARE CAPITAL AND STATUTORY RESERVE

19.1 Authorized capital

2017 (Number of shares)	2016		2017 (Rupees in '000)	2016
<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>

19.2 Issued, subscribed and paid-up capital

This comprises of fully paid-up ordinary shares of Rs. 10 each as follows:

<u>334,365,000</u>	<u>284,365,000</u>	Issued for cash	<u>3,343,650</u>	<u>2,843,650</u>
<u>65,046,250</u>	<u>65,046,250</u>	Issued as bonus shares	<u>650,463</u>	<u>650,463</u>
<u>399,411,250</u>	<u>349,411,250</u>		<u>3,994,113</u>	<u>3,494,113</u>

During the year, the Government of Pakistan, through the Ministry of Finance, injected share capital of Rs. 500 million. Furthermore, issue of capital was under Section 86 of the repealed Companies Ordinance, 1984. The said right shares were offered for subscription to all the shareholders in proportion to their shareholding outstanding as at 30 March 2017. However, since none of the right shares were subscribed by other shareholders, the entire 50 million right shares were offered for subscription to the Government of Pakistan (GoP), which were duly subscribed by the GoP, and as a result Rs. 500 million (comprising of 50 million ordinary shares of Rs. 10 each) were injected by the GoP. The revised shareholding structure after the said issue of ordinary right shares as mentioned above is mentioned in note 19.3.

Notes to the Financial Statements

For the year ended 31 December 2017

19.3 Shareholders (associated undertakings)

Federal Government of Pakistan through Ministry of Finance
 MCB Bank Limited
 Habib Bank Limited
 Allied Bank Limited
 National Bank of Pakistan
 United Bank Limited

2017	
Number of shares held	Percentage of shareholding %
330,088,793	82.64
23,095,324	5.78
23,095,324	5.78
7,734,927	1.94
7,698,441	1.93
7,698,441	1.93
399,411,250	100.00

Federal Government of Pakistan through Ministry of Finance
 MCB Bank Limited
 Habib Bank Limited
 Allied Bank Limited
 National Bank of Pakistan
 United Bank Limited

2016	
Number of shares held	Percentage of shareholding %
280,088,793	80.16
23,095,324	6.61
23,095,324	6.61
7,734,927	2.21
7,698,441	2.20
7,698,441	2.20
349,411,250	100.00

		2017	2016
		(Rupees in '000)	
20.	SURPLUS ON REVALUATION OF ASSETS - net of tax	<i>Note</i>	
	Surplus arising on revaluation (net of tax) of:		
	- operating fixed assets	20.1	126,384
	- available-for-sale securities	20.2	(48)
			142,667
20.1	Surplus on revaluation of fixed assets - net of tax		
	Surplus on revaluation of fixed assets as at 1 January		170,853
	Transferred to accumulated profit representing incremental depreciation charged during the year - net of tax		(3,778)
	Related deferred tax liability		(2,035)
			(5,813)
	Revaluation surplus during the year - net		-
			165,040
	Less:		
	Deferred tax liability on:		
	Revaluation surplus as at 1 January		40,691
	Incremental depreciation charged during the year		(2,035)
	Revaluation surplus during the year		-
			38,656
			126,384
20.2	Surplus/(deficit) on revaluation of available-for-sale securities - net of tax		
	Federal Government Securities		(74)
	Listed Securities		661
	- Ordinary shares of listed companies		-
			18,577
			(74)
	Related deferred tax liability - net		26
			(48)
			12,505

Notes to the Financial Statements

For the year ended 31 December 2017

	2017	2016
	(Rupees in '000)	
21. CONTINGENCIES AND COMMITMENTS		
21.1 Transaction-related contingent liabilities		
Guarantees in favour of		
Government	686,665	581,934
Others	67,119	496,262
	<u>753,784</u>	<u>1,078,196</u>
21.2 Trade-related contingent liabilities		
Letters of credit and acceptances on behalf of		
Government	-	-
Others	148,000	338,471
	<u>148,000</u>	<u>338,471</u>
21.3 Commitments in respect of lending		
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.		
21.4 Commitments in respect of forward foreign exchange contracts		
Purchase	<u>309,781</u>	<u>-</u>
Sale	<u>-</u>	<u>157,542</u>
21.5 Commitments in respect of forward swaps		
Purchase	<u>17,895</u>	<u>567,134</u>
Sale	<u>17,606</u>	<u>124,206</u>
21.6 Commitment for the acquisition of operating fixed assets		
Capital commitments for tangible assets	<u>8,897</u>	<u>7,617</u>
22. DERIVATIVE INSTRUMENTS		
The Bank, as a policy, does not enter into derivatives except for forward foreign exchange contracts and foreign exchange currency swaps, which are primarily backed by trade finance related business of customers.		
23. MARK-UP/RETURN/INTEREST EARNED		
On loans and advances to:		
Customers	658,384	638,273
Financial institutions	-	3,205
	<u>658,384</u>	<u>641,478</u>
On investments in:		
Available-for-sale securities	612,389	513,671
On deposits with financial institutions (including lendings)	599	581
On securities purchased under resale agreements	4,964	6,134
	<u>1,276,336</u>	<u>1,161,864</u>
24. MARK-UP/RETURN/INTEREST EXPENSED		
On deposits	436,627	424,190
On securities sold under repurchase agreements	165,098	98,290
On other short-term borrowings	99	12
	<u>601,824</u>	<u>522,492</u>

Notes to the Financial Statements

For the year ended 31 December 2017

25. GAIN ON SALE OF SECURITIES - net	Note	2017 (Rupees in '000)	2016
Government securities		36	32,373
Shares of listed companies/units of mutual funds		6,157	61,713
		<u>6,193</u>	<u>94,086</u>
26. OTHER INCOME - net			
Gain on sale of operating fixed assets - net		2,151	9,434
Grant income	26.1	16,500	4,440
Reversal of provision of Worker's Welfare Fund liability		-	16,607
Tender fee received		940	-
Others		961	-
		<u>20,552</u>	<u>30,481</u>
26.1	The amount of Rs. 16.5 million is grant awarded to the Bank, under the Gender Equity Program (GEP) sponsored by United States Agency for International Development (USAID), which is being implemented by the Aurat Foundation.		
27. ADMINISTRATIVE EXPENSES			
Salaries and allowances		473,195	443,681
Charge of employees' compensated absences	34	14,006	13,140
Charge for defined benefit plans:			
Approved pension fund	33.1.7.1	26,864	28,335
Unfunded gratuity scheme	33.2	1,874	1,874
		<u>28,738</u>	<u>30,209</u>
Non-Executive Directors' Fees		1,865	1,215
Rent, taxes, insurance, electricity		145,811	140,997
Legal and professional charges		15,766	12,518
Communications		36,362	34,004
Repairs and maintenance		37,642	38,481
Stationery and printing		13,135	12,955
Advertisement and publicity		6,384	15,041
Auditors' remuneration	27.1	5,267	3,562
Depreciation	11.2	45,049	63,162
Operating fixed assets written-off		-	170
Amortization of intangible asset	11.3	6,746	6,769
Remittances, cash handling service charges		11,364	9,889
Conveyance, travelling, etc.		8,018	7,750
Outsourced security services		30,695	29,312
Entertainment		6,089	6,341
Brokerage and commission		879	2,276
Others		6,010	7,718
		<u>893,021</u>	<u>879,190</u>
27.1 Auditors' remuneration			
Audit fee		1,300	1,300
Fee for half yearly review of financial statements		475	475
Fee for special certifications, report on the review of controls over financial reporting, etc.		2,375	625
Taxation services		420	420
Out-of-pocket expenses		697	742
		<u>5,267</u>	<u>3,562</u>

Notes to the Financial Statements

For the year ended 31 December 2017

28. OTHER CHARGES		2017	2016
		(Rupees in '000)	
Penalties imposed by State Bank of Pakistan		3,838	11,584
29. TAXATION			
For the year			
Current	29.1	17,478	13,927
Deferred	12.2	104,625	(21,196)
		<u>122,103</u>	<u>(7,269)</u>
29.1	The current tax represents minimum tax under Section 113 of the Income Tax Ordinance, 2001, therefore reconciliation between accounting profit and taxable loss has not been given in these financial statements.		
29.2	Returns up to tax year 2017 (financial year ended 31 December 2016) have been filed which is deemed to have been assessed under Section 120 of the Income Tax Ordinance, 2001 (unless selected for audit).		
29.3	While finalizing the assessments for tax years from 1997 to 2000 and from 2004 to 2008 (financial years ended from 31 December 1996 to 31 December 1998 and from 31 December 2003 to 31 December 2007 respectively), the tax authorities, from time to time, made certain disallowances against nostro account balances, apportionment of expenses, interest suspended, etc., against which appeals were filed by the Bank at the Appellate Tribunal Inland Revenue (ATIR). The ATIR vide its order dated 31 May 2012 decided all the matters (except disallowance of nostro balances, interest suspended and apportionment of expenses) for tax years from 2004 to 2008 in favour of the Bank against which CIR had filed an appeal in the Sindh High Court (SHC) which is pending for hearing. Furthermore, the matter of nostro balances written-off was remanded back by ATIR to the CIR whereas the matter of apportionment of expenses have been disallowed against which the Bank has filed an appeal in SHC, which is pending adjudication. In case of adverse decisions, additional charge to the Bank would be Rs. 14,174 million. However, the management is confident that the decision in appeals would be in its favour and as such no provision is required to be made against the above amount in these financial statements.		
29.4	The Additional Commissioner Inland Revenue (ACIR) has amended the assessment orders for the tax years 2010, 2011 and 2012 and Deputy Commissioner Inland Revenue (DCIR) has amended the assessment order for tax year 2013 (financial years ended 31 December 2009 to 31 December 2012) respectively from time to time under Sections 122 (4) and 122 (5A) of the Income Tax Ordinance, 2001. Demands aggregated to Rs. 40,195 million on account of certain disallowances have been made relating to these tax years. The Bank filed appeal before the Commissioner Inland Revenue (Appeals) who has decided all matters in favour of the Bank except for the matter of Workers Welfare Fund against which the Bank is in the process of filing appeals at higher forums. The management believes that the matter will ultimately be decided in the favour of the Bank. Accordingly, no provision has been made against the said claims of Rs. 7.5 million in these financial statements.		
29.5	In 2012, the Deputy Commissioner Inland Revenue (DCIR) has raised demands aggregating to Rs. 13,477 million on account of Federal Excise Duty (FED) on fee, commission and brokerage income of the Bank for the period from 01 January 2009 to 31 December 2011. The Bank has filed appeals against the said orders before the Commissioner Inland Revenue (Appeals), who has remanded the case back to the DCIR for proper scrutiny of the facts. In 2014, the Deputy Commissioner Inland Revenue (DCIR) issued Order-In-Original for the recovery of short payment of Rs. 12,304 million on account of FED on fee, commission and brokerage income, income from dealing in foreign currencies and other income of the Bank for the year ended 31 December 2012. The Bank filed an appeal against the said order before Commissioner Inland Revenue (Appeals) who maintained the said demand of DCIR against which the Bank has filed appeal before the Appellate Tribunal. Appellate Tribunal has remanded back the case for de-novo proceedings. Provision against the above claims have not been made as the Bank is confident of the decisions in its favour.		
29.6	Deputy Commissioner Inland Revenue (DCIR) issued orders under Sections 161 and 205 of the Income Tax Ordinance, 2001 raising the total demand of Rs. 39,847 million on account of the non-deduction of tax on certain payments for the tax years 2014 and 2016. The Bank has filed appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication. Management is confident that this matter will ultimately be decided in the favour of the Bank as the management is of the view that profit payments on such deposits are exempt from withholding of taxes. Accordingly, no provision is required to be made in this regard in these financial statements.		

Notes to the Financial Statements

For the year ended 31 December 2017

30.	BASIC AND DILUTED EARNINGS PER SHARE	Note	2017 (Rupees in '000)	2016 (Rupees in '000)
	Profit after taxation		<u>(238,038)</u>	<u>11,322</u>
			(Number of shares)	
	Weighted average number of ordinary shares outstanding during the year		<u>387,356,455</u>	<u>344,985,020</u>
			(Rupees)	
	Basic and diluted earnings per share		<u>(0.61)</u>	<u>0.03</u>
31.	CASH AND CASH EQUIVALENTS		(Rupees in '000)	
	Cash and balances with treasury banks	6	1,438,429	1,081,532
	Balances with other banks	7	<u>62,606</u>	<u>112,042</u>
			<u>1,501,035</u>	<u>1,193,574</u>

31.1 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Liabilities				Equity			Total
	Bills payable	Borrowings	Deposits and other accounts	Other liabilities	Share capital	Reserves	Accumulated losses	
	(Rupees in '000)							
Balance as at 1 January 2017	214,155	743,909	13,708,791	373,187	3,494,113	307,717	(463,975)	18,377,897
Changes from financing cash flows								
Issuance of share capital	-	-	-	-	500,000	-	-	500,000
Total changes from financing cash flows	-	-	-	-	500,000	-	-	500,000
Other changes								
Liability-related								
Changes in bills payable	316,136	-	-	-	-	-	-	316,136
Changes in borrowing	-	3,159,923	-	-	-	-	-	3,159,923
Changes in deposits and other accounts	-	-	2,550,946	-	-	-	-	2,550,946
Changes in other liabilities	-	-	-	29,173	-	-	-	29,173
- Cash based	-	-	-	29,173	-	-	-	29,173
- Non-cash based - actuarial loss on remeasurements of defined benefit plan	-	-	-	-	-	-	6,558	6,558
Transfer of loss for the year	-	-	-	-	-	-	(238,038)	(238,038)
	316,136	3,159,923	2,550,946	29,173	-	-	(231,480)	5,824,698
Balance as at 31 December 2017	530,291	3,903,832	16,259,737	402,360	3,994,113	307,717	(695,455)	24,702,595

32.	STAFF STRENGTH	Note	2017 (Number of employees)	2016 (Number of employees)
	Permanent		454	478
	Temporary/On contractual basis		20	22
	Bank's own staff strength at the end of the year		<u>474</u>	<u>500</u>
	Outsourced		<u>57</u>	<u>56</u>
			<u>531</u>	<u>564</u>

33. STAFF RETIREMENT AND OTHER BENEFITS

Receivable from approved pension fund	33.7	<u>33,748</u>	<u>57,832</u>
		<u>33,748</u>	<u>57,832</u>

In addition, the Bank also makes provisions for employees compensated absences, details of which are given in note 34.

Notes to the Financial Statements

For the year ended 31 December 2017

33.1 Approved pension fund

33.1.1 General description

The Bank operates an approved pension fund for its employees as explained in detail in note 5.10 to these financial statements.

33.1.2 Principal Actuarial Assumptions

The latest actuarial valuations of the approved pension fund and employees' compensated absences were carried out as at 31 December 2017 under the Projected Unit Credit Method. The principal actuarial assumptions used are as follows:

	Approved pension fund	
	2017	2016
	(Percentage)	
Discount rate per annum	9.50%	9.50%
Salary increase rate per annum for first year	5.00%	5.00%
Long-term salary increase rate	8.50%	8.50%
Pension increase rate	1.50%	1.50%
Mortality rate	SLIC (2001-05)-1	SLIC (2001-05)-1
Rates of employee turnover	Light	Light

33.1.3 The amounts recognized in the Statement of Financial Position

	Note	Approved pension fund	
		2017	2016
		(Rupees in '000)	
Present value of defined benefit obligations	33.1.4	710,256	643,180
Fair value of plan assets	33.1.5	(744,004)	(701,012)
Surplus		(33,748)	(57,832)

33.1.4 Movement in present value of defined benefit obligations

	Approved pension fund	
	2017	2016
	(Rupees in '000)	
Present value of obligations as at 01 January	643,180	609,226
Current service cost	32,095	31,426
Interest cost	62,245	61,658
Actual benefits paid during the year	(11,973)	(17,089)
Benefit payable for the year	-	(6,880)
Remeasurement: actuarial gains on obligation	(15,291)	(35,161)
Present value of obligation as at 31 December	710,256	643,180

33.1.5 Movement in fair value of plan assets

Fair value of plan assets as at 01 January	701,012	642,469
Interest income on assets	67,476	64,749
Benefits paid	(11,973)	(17,089)
Benefit payable for the year	-	(6,880)
Remeasurement: actuarial (losses)/gains on plan assets	(12,511)	17,763
Fair value of plan assets as at 31 December	744,004	701,012

33.1.6 Movements in net asset recognized in the Statement of Financial Position

Opening balance		(57,832)	(33,243)
Charge for the year	33.1.7.1	26,864	28,335
Remeasurement recognized in OCI during the year	33.1.7.2	(2,780)	(52,924)
Closing balance		(33,748)	(57,832)

Notes to the Financial Statements

For the year ended 31 December 2017

33.1.7 Defined benefit cost for the year

	2017	2016
	(Rupees in '000)	
33.1.7.1 Cost recognized in profit and loss account		
Current service cost	32,095	31,426
Net interest cost	(5,231)	(3,091)
Cost for the year ended	<u>26,864</u>	<u>28,335</u>
33.1.7.2 Re-measurement recognized in OCI		
Actuarial gain on obligation	(15,291)	(35,161)
Return on plan assets over interest income loss/(gain)	12,511	(17,763)
Re-measurement recognized in OCI	<u>(2,780)</u>	<u>(52,924)</u>
33.1.8 Actual return on plan assets	<u>54,965</u>	<u>82,512</u>
33.1.9 Components of plan assets as percentage of total assets		
Government securities	73.92%	99.78%
Cash at bank - First Women Bank Limited	26.08%	0.22%
	<u>100.00%</u>	<u>100.00%</u>

33.1.10 Other relevant details of above funds are as follows:

33.1.10.1 The expected charge in respect of pension fund for the year ending 31 December 2018 is Rs. 2.120 million.

33.1.10.2 Sensitivity analysis on significant actuarial assumptions: Pension Fund

	2017	2016
	(Rupees in '000)	
Discount rate: +1%	629,107	566,693
Discount rate: -1%	807,393	735,128
Long-term salary increase: +1%	773,788	704,465
Long-term salary increase: -1%	653,312	588,557
Long-term pension increase: +1%	740,350	670,580
Long-term pension increase: -1%	683,943	619,223

33.1.10.3 Maturity profile of the defined benefit obligation

	2017	2016
Weighted average duration of obligation in years	<u>10.34</u>	<u>10.61</u>
Distribution of timing of benefit payments (time in years)		
1	12,196	7,486
2	12,061	15,807
3	26,841	15,048
4	17,753	29,274
5	47,715	16,761
6-10	484,647	348,297
11-15	892,380	945,336
16-20	-	853,817
20+	-	4,405,763
	<u>1,493,593</u>	<u>6,637,589</u>

Notes to the Financial Statements

For the year ended 31 December 2017

33.1.10.4 Total staff covered under the scheme at 31 December 2017 were 344 (2016: 371).

33.2 Unfunded gratuity scheme

The Company operates an unfunded gratuity scheme for its President. The liability determined in accordance with the terms of the Scheme as at 31 December 2017 was Rs. 7,028 million (2016: Rs 5,153 million). As the amount is not material in relation to the size of financial statements taken as a whole, actuarial valuation has not been carried out.

34. EMPLOYEE COMPENSATED ABSENCES

The liability of the Bank in respect of employees compensated absences is determined based on actuarial valuation carried out using Projected Unit Credit Method. The liability of the Bank as per the latest actuarial valuation carried out as at 31 December 2017 amounted to Rs. 74,763 million (2016: Rs. 60,989 million) which has been fully provided by the Bank. The charge for the year in respect of these absences is Rs. 14,006 million (2016: Rs. 13,140 million) which is included in note 27 to these financial statements. Discount rate of 9.5% (2016: 9.5%) and salary increase of 5% (2016: 5%) per annum have been used for the above valuation.

35. DEFINED CONTRIBUTION PLAN

During the year, with effect from 1 July 2017, the approved non-contributory provident fund has been dissolved and the balances outstanding as of 30 June 2017 in the books of the fund have been re-paid to the employees.

36. COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for compensation, including all benefits, to the Chief Executive, Directors and Executives of the Bank, was as follows:

	President/ Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
	------(Rupees in '000)-----					
Fees	-	-	1,865	1,215	-	-
Managerial remuneration	12,000	12,000	-	-	111,882	97,267
Charge for approved employees						
Pension fund	-	-	-	-	-	7,707
Charge for employees' gratuity scheme	1,874	1,874	-	-	-	-
Rent and house maintenance	6,600	6,600	-	-	44,753	37,978
Utilities	1,800	1,800	-	-	11,188	10,191
Medical	535	206	-	-	14,028	12,042
Conveyance	610	553	-	-	33,412	31,528
Others (special allowance, expense reimbursement, etc.)	3,296	3,154	1,335	627	16,516	20,044
	<u>26,715</u>	<u>26,187</u>	<u>3,200</u>	<u>1,842</u>	<u>231,779</u>	<u>216,757</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>8</u>	<u>117</u>	<u>101</u>

The Chief Executive is provided with free use of the Bank's maintained car and household equipment in accordance with the terms of employment. In addition to the above accrual of Rs. 10,495 million (2016: Rs. 4,882 million) for the increment to the President has also been accrued in these financial statements, which, however, has not been paid pending the approval from Ministry of Finance (pending shareholders approval). This amount of accrual pertaining to years from 2015 to 2017.

Notes to the Financial Statements

For the year ended 31 December 2017

37. FAIR VALUE MEASUREMENT

The table below analyzes financial and non-financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

On-balance sheet financial instruments

2017

	Held for trading	Available for sale	Loans and receivables	Financial liabilities	Total	Fair value		
						Level 1	Level 2	Total
(Rupees in '000)								
Financial assets measured at fair value								
Investments								
- Market Treasury Bills	-	13,583,094	-	-	13,583,094	-	13,583,094	13,583,094
- Pakistan Investment Bonds	-	136	-	-	136	-	136	136
Financial assets not measured at fair value								
Investments								
- Term Finance Certificates	-	3,538	-	-	3,538	-	-	-
- Shares of an unlisted company	-	954	-	-	954	-	-	-
Cash and balances with treasury banks	-	-	1,438,429	-	1,438,429	-	-	-
Balances with other banks	-	-	62,606	-	62,606	-	-	-
Advances	-	-	8,875,631	-	8,875,631	-	-	-
Other assets	-	-	161,377	-	161,377	-	-	-
	-	13,587,722	10,538,043	-	24,125,765	-	-	-
Financial liabilities not measured at fair value								
Bills payable	-	-	-	530,291	530,291	-	-	-
Borrowings	-	-	-	3,903,832	3,903,832	-	-	-
Deposits and other accounts	-	-	-	16,259,737	16,259,737	-	-	-
Other liabilities	-	-	-	299,049	299,049	-	-	-
	-	-	-	20,992,909	20,992,909	-	-	-

Off-balance sheet financial instruments

Contract Price Fair Value

Forward purchase of foreign exchange	327,107	327,676
Forward sale of foreign exchange	17,597	17,606

On-balance sheet financial instruments

2016

	Held for trading	Available for sale	Loans and receivables	Financial liabilities	Total	Fair value			
						Level 1	Level 2	Total	
(Rupees in '000)									
Financial assets measured at fair value									
Investments									
- Market Treasury Bills	-	7,847,063	-	-	7,847,063	-	7,847,063	7,847,063	
- Pakistan Investment Bonds	-	148	-	-	148	-	148	148	
- Shares of listed companies	-	180,055	-	-	180,055	180,055	-	180,055	
Financial assets not measured at fair value									
Investments									
- Term Finance Certificates	-	4,599	-	-	4,599	-	-	-	
- Shares of an unlisted company	-	954	-	-	954	-	-	-	
Cash and balances with treasury banks	-	-	1,081,532	-	1,081,532	-	-	-	
Balances with other banks	-	-	112,042	-	112,042	-	-	-	
Lending to Financial Institution	-	-	100,000	-	100,000	-	-	-	
Advances	-	-	8,213,247	-	8,213,247	-	-	-	
Other assets	-	-	152,889	-	152,889	-	-	-	
	-	8,032,819	9,659,790	-	17,692,609	-	-	-	
Financial liabilities measured at fair value									
Other liabilities	6,472	-	-	-	6,472	-	6,472	6,472	
Financial liabilities not measured at fair value									
Bills payable	-	-	-	214,355	214,355	-	-	-	
Borrowings	-	-	-	743,909	743,909	-	-	-	
Deposits and other accounts	-	-	-	13,708,791	13,708,791	-	-	-	
Other liabilities	-	-	-	290,844	290,844	-	-	-	
	6,472	-	-	14,957,899	14,964,371	-	-	-	
Off-balance sheet financial instruments									
						Contract Price	Fair Value		
Forward purchase of foreign exchange						573,663	567,134		
Forward sale of foreign exchange						281,805	281,748		

Notes to the Financial Statements

For the year ended 31 December 2017

The Bank measures fair values using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of unquoted equity securities have been stated at the lower of cost and Net Assets Value as per the latest available audited financial statements.

Except for the above investment in unquoted equity securities and debt securities of which fair values are not available, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair values of others 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.

38. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	2017					Total
	Corporate finance	Treasury	Retail & consumer banking	Commercial banking	Inter-segment elimination	
	(Rupees in '000)					
Total income	453,557	646,869	203,513	530,838	(436,463)	1,398,314
Total expenses	421,929	1,017,537	449,480	61,766	(436,463)	1,514,249
Income tax	-	-	-	-	-	122,103
Net loss	31,628	(370,668)	(245,967)	469,072	-	(238,038)
Segment assets - (gross of non-performing loans provision)	7,293,679	14,562,759	3,286,665	11,385,855	(10,738,319)	25,790,639
Advance tax	-	-	-	-	-	133,090
Deferred tax assets	-	-	-	-	-	151,769
Total assets	7,293,679	14,562,759	3,286,665	11,385,855	(10,738,319)	26,075,498
Segment non-performing loans	969,244	-	700,860	-	-	1,670,104
Segment specific provision required	776,397	-	470,172	-	-	1,246,569
Segment liabilities	4,438,689	14,518,661	12,052,159	825,028	(10,738,317)	21,096,220
Segment Return On Assets (ROA)	6.50%	4.76%	6.47%	4.66%	-	5.72%
Segment cost of funds	2.69%	7.01%	3.73%	7.49%	-	7.18%
	2016					
	(Rupees in '000)					
Total income	490,665	644,007	149,457	495,358	(372,867)	1,406,420
Total expenses	309,210	880,714	504,409	80,898	(372,867)	1,402,364
Income tax	-	-	-	-	-	(7,269)
Net income/(loss)	181,455	(236,707)	(354,952)	414,260	-	11,325
Segment assets - (gross of non-performing loans provision)	7,590,761	8,826,608	2,324,207	8,677,888	(8,034,107)	19,385,357
Advance tax	-	-	-	-	-	142,367
Deferred tax assets	-	-	-	-	-	249,635
Total assets	7,590,761	8,826,608	2,324,207	8,677,888	(8,034,107)	19,777,359
Segment non-performing loans	1,181,649	-	781,561	-	-	1,963,210
Segment specific provision required	787,714	-	469,078	-	-	1,256,792
Segment liabilities	1,334,959	8,638,921	12,607,787	492,480	(8,034,107)	15,040,040
Segment Return On Assets (ROA)	6.77%	7.92%	6.73%	5.71%	-	7.89%
Segment cost of funds	3.09%	10.19%	4.00%	16.43%	-	9.32%

39. TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, the Bank is holding investments of other entities in its IPS account maintained with the State Bank of Pakistan.

Notes to the Financial Statements

For the year ended 31 December 2017

40. RELATED PARTY TRANSACTIONS AND BALANCES

The Bank has related party relationships with associated undertakings, employee benefits, directors and key management personnel and companies with common directors.

There are no transactions with key management personnel other than under their terms of employment. Contributions to and accruals in respect of staff retirement benefit plans are made in accordance with the actuarial valuation/terms of the contribution plan as disclosed in notes 33 and 35. Other transactions are at agreed terms. Remuneration to the executives and disposals of vehicles are disclosed in notes 36 and 11.2.6 to these financial statements. Details of transactions and balances with related parties, except as disclosed elsewhere in the financial statements, are as follows:

A. Balances as at year end	President and Directors		Associated undertakings		Key management personnel		Other related parties	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in '000)							
Deposits								
Balance at the beginning of the year	5,643	6,607	-	-	3,313	2,679	5,312	9,518
Deposited during the year	33,177	41,385	-	-	77,411	50,477	1,466,546	874,315
Withdrawn/adjustments during the year	(32,411)	(42,349)	-	-	(70,483)	(49,843)	(906,810)	(878,521)
Balance at the end of the year	6,409	5,643	-	-	10,241	3,313	565,048	5,312
Advances (secured)								
Balance at the beginning of the year	-	-	-	-	30,722	31,869	-	-
Loans granted during the year	-	-	-	-	12,062	5,348	-	-
Repayments/adjustments during the year	-	-	-	-	(12,418)	(6,495)	-	-
Balance at the end of the year	-	-	-	-	30,366	30,722	-	-
Mark-up payable in local currency	27	34	-	-	104	31	295	138
Mark-up receivable in local currency	-	-	-	-	562	416	-	-
Bank balance	-	-	136,224	196,223	-	-	-	-
Investment in listed shares of related parties - Available-for-sale	-	-	-	47,680	-	-	-	-
Investment in National Institutional Facilitation Technologies (Private) Limited	-	-	954	954	-	-	-	-
Lendings to financial institutions	-	-	-	100,000	-	-	-	-
Salary payable (increment)	10,495	4,852	-	-	-	-	-	-
Net receivable from approved pension fund (note 33)	-	-	-	-	-	-	33,748	57,832
Payable against employee's gratuity scheme	7,185	5,153	-	-	-	-	-	-
Contingencies & Commitments - Foreign exchange contracts								
- Purchase	-	-	309,781	389,602	-	-	-	-
- Sell	-	-	-	262,488	-	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2017

B. Transactions during the period	For the Year							
	President and Directors		Associated undertakings		Key management personnel		Other related parties	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in '000)							
Mark-up/return/interest expensed	54	72	-	-	164	62	655	302
Deposits carry mark-up rate ranging from 0% to 3.75% per annum (31 December 2016: 0% to 3.75% per annum).								
Mark-up/return/interest earned	-	-	-	-	1,172	1,157	-	-
Advances carry profit rates ranging from 0% to 18.5% per annum (2016: 0% to 18.5% per annum).								
Lendings to financial institutions during the year	-	-	5,123,017	14,751,799	-	-	-	-
Borrowing from financial institutions during the year	-	-	6,894,844	9,742,916	-	-	-	-
Investments purchased - (Ordinary shares of listed companies)								
- Available-for-sale	-	-	42,024	75,578	-	-	-	-
- Held-for-trading	-	-	5,494	31,072	-	-	-	-
Investments sold - (Ordinary shares of listed companies)								
- Available-for-sale	-	-	84,237	37,264	-	-	-	-
- Held-for-trading	-	-	5,494	34,232	-	-	-	-
Interest income on lendings to financial institutions	-	-	905	3,106	-	-	-	-
Interest expense on borrowings	-	-	1,283	1,158	-	-	-	-
Dividend income	-	-	4,994	14,321	-	-	-	-
Contribution to approved pension fund	-	-	-	-	-	-	-	-
Charges paid to National Institutional Facilitation Technologies (Private) Limited	-	-	3,686	3,524	-	-	-	-
Issue of shares to Federal Government of Pakistan through Ministry of Finance	-	-	-	-	-	-	500,000	600,000
Remuneration of key management personnel	26,715	26,187	-	-	54,991	55,425	-	-
Director's meeting fee	1,865	1,842	-	-	-	-	-	-
Reimbursement of expenses to the Directors (excluding the President)	1,335	627	-	-	-	-	-	-

Related parties by virtue of common directorship and GoP holdings

The Federal Government of Pakistan directly holds 82.64% of the Bank's issued share capital and is entitled to appoint members of the Board. The Bank, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of the disclosures in respect of related parties.

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

As at the Statement of Financial Position date, the significant loans and advances, deposits and contingencies relating to Government-related entities amount to Rs. 4,995 million, Rs. 6,979 million and Rs. 696,446 million respectively and income earned on advances and profit paid on deposits (domestic only) amounted to Rs. 236 million and Rs. 89 million only.

Notes to the Financial Statements

For the year ended 31 December 2017

41. CAPITAL ASSESSMENT AND ADEQUACY

41.1 Scope of Applications

The Basel-III Framework is applicable to the Bank on a stand-alone basis and the Bank has adopted the Standardized approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk while using the simple approach for Credit Risk Mitigation.

41.2 Capital management

Objective of capital management:

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

- To comply with statutory capital requirements set by regulators;
- Ensuring sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- Maintaining healthy liquidity reserves and access to capital;
- To mitigate all expected and unexpected losses to keep the institution a going concern so it can continue to provide adequate return to shareholders; and
- To extend credit to support growth even in an adverse and stressed economic environment.

Statutory minimum capital requirement and management of capital

As stated in Note 1.2, the Bank is required to comply with MCR of Rs. 3 billion (free of losses) and CAR of 18% at all times. As at 31 December 2017, the paid-up capital (free of losses) of the Bank is Rs. 3,299 billion, which is more than the SBP revised requirement applicable to the Bank. The CAR of the Bank as at 31 December 2017 is 53.86%.

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

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

Ratio	Year						As on Dec 31
	2013	2014	2015	2016	2017	2018	2019
CET1	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
ADT I	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Tier 1	6.50%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%
Total Capital	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
*CCB	-	-	0.25%	0.65%	1.28%	1.90%	2.50%
Total Capital plus CCB	10.00%	10.00%	10.25%	10.65%	11.28%	11.90%	12.50%

*(Consisting of CET1 only)

Bank's regulatory capital is analyzed into the following tiers.

Common Equity Tier 1 capital (CET1), which includes fully paid-up capital, reserves as per the financial statements and accumulated loss after all the regulatory adjustments applicable on CET1 (refer to note 41.3).

Tier 2 capital, which includes general provisions for loan losses (up to a maximum of 1.25% of credit risk weighted assets) and surplus/deficit on revaluation of fixed assets and equity investments up to a maximum of 45% of the balance after all regulatory adjustments applicable on Tier-2 (refer to note 41.3). The Bank has also implemented transitional standards of Basel III up to the extent of 80% as at 31 December 2017 as per the road map laid down by SBP through BPRD Circular No. 6 dated 15 August 2013.

Notes to the Financial Statements

For the year ended 31 December 2017

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

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

The Bank's risk weighted amount for market risk comprises of equity price risk and foreign exchange rate risk, which includes net spot positions. Trading book consists of positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book. To be eligible for the trading book, financial instruments must be held with the intent of trading and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively managed.

All investments excluding the trading book are considered as part of the banking book, which includes:

- i) Available-for-sale securities.
- ii) Held-for-trading securities.
- iii) Other strategic investments, if any.

Treasury investments parked in the banking book include:

- i) Government securities.
- ii) Capital market investments (except for investments in closed-end mutual funds, considered as part of trading book).
- iii) Strategic investments, if any.
- iv) Investments in bonds, certificates, etc.

Due to the diversified nature of investments in the banking book, it is subject to interest rate and equity price risk.

The Bank uses reputable and SBP-approved rating agencies for deriving risk-weight to specific credit exposures. These are applied consistently across the Bank credit portfolio for both on-balance sheet and off-balance sheet exposures.

For domestic claims, External Credit Assessment Institutions (ECAIs) recommended by the State Bank of Pakistan (SBP), namely Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS) are used. Exposures not rated by any of the aforementioned rating agencies were categorized as unrated.

Exposures

	31 December 2017	
	JCR-VIS	PACRA
Corporate	√	√
Banks	√	√
Others	√	√

SBP's indicative mapping process as instructed in the SBP Circular "Minimum Capital Requirements for Banks and DFIs" (indicated in table below) was used to map alphanumeric ratings of PACRA and JCR-VIS and numeric scores of ECAs, to SBP rating grades.

Notes to the Financial Statements

For the year ended 31 December 2017

Mapping to SBP Rating Grades

Long-term rating grade mapping

SBP Rating Grade	PACRA	JCR-VIS	ECA Scores
1	AAA AA+ AA AA-	AAA AA+ AA AA-	0,1
2	A+ A A-	A+ A A-	2
3	BBB+ BBB BBB-	BBB+ BBB BBB-	3
4	BB+ BB BB-	BB+ BB BB-	4
5	B+ B B-	B+ B B-	5,6
6	CCC+ and Below	CCC+ and Below	7

Short-term rating grade mapping

SBP Rating Grade	PACRA	JCR-VIS
S1	A-1	A-1
S2	A-2	A-2
S3	A-3	A-3
S4	Others	Others

41.2.1 Leverage Ratio

The State Bank of Pakistan (SBP) through its BPRD Circular No. 06 of 2013 has issued instructions regarding implementation of a parallel run of leverage ratio reporting and its components from 31 December 2013 to 31 December 2017. During this period the final calibration, and any further adjustments to the definition, will be completed, with a view to set the leverage ratio as a separate capital standard on 31 December 2018. Banks are required to disclose the leverage ratio from 31 December 2015.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage:

$$\text{Leverage Ratio} = \frac{\text{Tier 1 capital (after related deductions)}}{\text{Total Exposure}}$$

As at 31 December 2017, the Bank's leverage ratio stood at 12.72% which is above the minimum requirement of 3.0%.

Notes to the Financial Statements

For the year ended 31 December 2017

	2017	2016
	(Rupees in '000)	
On-Balance Sheet Assets		
Cash and balances with treasury banks	1,438,429	1,081,532
Balances with other banks	62,606	112,042
Lendings to financial institutions	-	100,000
Investments (including assets held-for-sale)	13,587,722	8,032,819
Advances	8,875,631	8,213,247
Operating fixed assets	323,546	337,077
Deferred tax assets	151,769	249,635
Other assets	389,228	394,212
Total Assets (A)	24,828,931	18,520,564
Derivatives (On-Balance Sheet)		
Interest Rate	-	-
Equity	-	-
Foreign Exchange & Gold	-	-
Precious Metals (except Gold)	-	-
Commodities	-	-
Credit Derivatives (protection brought & sold)	-	-
Any other derivatives	-	-
Total Derivatives (A.1)	-	-
Off-Balance Sheet Items excluding derivatives		
Direct Credit Substitutes (i.e. Acceptances, general guarantees for indebtedness, etc.)	-	23,634
Performance-related Contingent Liabilities (i.e. Guarantees)	753,784	1,078,196
Trade-related Contingent Liabilities (i.e. Letters of Credit)	448,000	314,837
Lending of securities or posting of securities as collaterals	-	598,070
Undrawn committed facilities (which are not cancellable)	1,378,476	972,348
Unconditionally cancellable commitments	-	-
Commitments in respect of operating leases	-	-
Commitments for the acquisition of operating fixed assets	8,897	7,617
Other commitments	-	-
Total Off-Balance Sheet Items excluding Derivatives (B)	2,589,157	2,994,702
Commitments in respect of Derivatives - Off-Balance Sheet Items (Derivatives having negative fair value are also included)		
Interest Rate	-	-
Equity	-	-
Foreign Exchange & Gold	3,271	8,306
Precious Metals (except Gold)	-	-
Commodities	-	-
Credit Derivatives (protection sold and bought)	-	-
Other derivatives	-	-
Total Derivatives (C)	3,271	8,306
Tier-1 Capital	3,487,724	3,158,233
Total Exposures (sum of A,B and C)	27,421,359	21,523,571
Leverage Ratio	12.72%	14.67%

Notes to the Financial Statements

For the year ended 31 December 2017

41.3 Capital Structure

	31 December 2017	31 December 2016
	(Rupees in '000)	
Common Equity Tier-1 Capital (CET1): Instruments and Reserves		
1 Fully Paid-up Capital/Capital deposited with SBP	3,994,115	3,494,115
2 Balance in Share Premium Account	-	-
3 Reserve for issue of Bonus Shares	-	-
4 General/Statutory Reserves	307,717	307,717
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
6 Unappropriated/Unremitted Profits/(Losses)	(695,455)	(463,975)
7 Minority interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
8 CET1 before Regulatory Adjustments	3,606,375	3,337,855
9 Total regulatory adjustments applied to CET1 (Note 41.3.1)	118,651	179,622
10 Common Equity Tier-1	3,487,724	3,158,233
Additional Tier-1 (AT1) Capital		
11 Qualifying Additional Tier-1 instruments plus any related share premium	-	-
12 of which: Classified as equity	-	-
13 of which: Classified as liabilities	-	-
14 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	-
15 of which: instrument issued by subsidiaries subject to phase out	-	-
16 AT1 before regulatory adjustments	-	-
17 Total of Regulatory Adjustment applied to AT1 capital (Note 41.3.2)	-	-
18 Additional Tier-1 capital after regulatory adjustment	-	-
19 Additional Tier-1 capital recognized for capital adequacy	-	-
20 Tier-1 Capital (CET1 + admissible AT1) (11 + 20)	3,487,724	3,158,233
Tier-2 Capital		
21 Qualifying Tier-2 capital instruments under Basel III	-	-
22 Capital instruments subject to phase out arrangement from Tier-2 (Pre-Basel III instrument)	-	-
23 Tier-2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group Tier-2)	-	-
24 of which: instruments issued by subsidiaries subject to phase out	-	-
25 General Provisions or general reserves for loan losses-up to maximum of 125% of Credit Risk Weighted Assets	6,962	8,631
26 Revaluation Reserves	-	-
27 of which: Revaluation reserves on Property	112,482	101,526
28 of which: Unrealized Gains/Losses on AFS	(43)	9,754
29 Foreign Exchange Translation Reserves	-	-
30 Undisclosed/Other Reserves (if any)	-	-
31 T2 before regulatory adjustments	119,401	119,911
32 Amount of Regulatory Adjustment applied to T2 Capital (Note 41.3.3)	-	-
33 Tier-2 capital (T2) after regulatory adjustments	119,401	119,911
34 Tier-2 capital recognized for capital adequacy	119,401	119,911
35 Excess Additional Tier-1 Capital recognized in Tier-2 Capital	-	-
36 Total Tier-2 Capital admissible for Capital adequacy	119,401	119,911
37 TOTAL CAPITAL (T1 + admissible T2) (21 + 37)	3,607,125	3,278,144
38 Total Risk Weighted Assets (Note 41.6)	6,697,346	7,040,365
Capital Ratios and Buffers (in percentage of risk weighted assets)		
39 CET1 to total RWA	52.08%	44.86%
40 Tier-1 capital to total RWA	52.08%	44.86%
41 Total capital to RWA	53.86%	46.56%
42 Bank-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	-	-
43 of which: capital conservation buffer requirement	-	-
44 of which: counter-cyclical buffer requirement	-	-
45 of which: D-SiB or G-SiB buffer requirement	-	-
46 CET1 available to meet buffers (as a percentage of risk weighted assets)	-	-
National minimum capital requirements prescribed by SBP		
47 CET1 minimum ratio	6.00%	6.00%
48 Tier-1 minimum ratio	7.50%	7.50%
49 Total capital minimum ratio	11.28%	10.65%

* Being a Public Sector Bank, and in terms of the State Bank of Pakistan prescribed Minimum Capital Requirements vide its letter reference BPRD/BA&CP/627/32/2014 dated 01 January 2014, the Bank is required to have a minimum paid-up capital (net of losses) (MCR) of Rs. 3 billion and Capital Adequacy Ratio of 18% at all times, subject to the condition that MCR level shall remain enforced until the Bank remains a public sector entity, the Bank will not be allowed to pay dividend until its paid-up capital and reserves reach Rs. 6 billion and the per party exposure limit of the Bank will be 50% of the prudential regulations limits until the Bank's paid-up capital and reserves reach Rs. 6 billion.

Notes to the Financial Statements

For the year ended 31 December 2017

	31 December 2017		31 December 2016	
	Amount	Pre-Basel III Treatment	Amount	Pre-Basel III Treatment
----- (Rupees in '000) -----				
41.3.1 Common Equity Tier-1 Capital: Regulatory Adjustments				
1 Goodwill (net of related deferred tax liability)	-	-	-	-
2 All other intangibles (net of any associated deferred tax liability)	39,293	-	32,017	-
3 Shortfall of provisions against classified assets	-	-	-	-
4 Deferred tax assets that rely on future profitability excluding arising from temporary differences (net of related tax liability)	52,360	13,090	65,225	43,484
5 Defined-benefit pension fund net assets	26,998	6,750	34,699	23,133
6 Reciprocal cross holdings in CET1 capital instruments	-	-	47,680	19,946
7 Cash flow hedge reserve	-	-	-	-
8 Investment in own shares/CET1 instruments	-	-	-	-
9 Securitization gain on sale	-	-	-	-
10 Capital shortfall of regulated subsidiaries	-	-	-	-
11 Deficit on account of revaluation from Bank's holdings of property/AFS	-	-	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
13 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-	-
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-	-
15 Amount exceeding 15% threshold	-	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-	-
17 of which: deferred tax assets arising from temporary differences	-	-	-	-
18 National specific regulatory adjustments applied to CET1 capital	-	-	-	-
19 Investment in TFCs of other banks exceeding the prescribed limit	-	-	-	-
20 Any other deduction specified by SBP (mention details)	-	-	-	-
21 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier-2 to cover deductions	-	-	-	-
22 Total regulatory adjustments applied to CET1	118,651	19,840	179,622	86,563
41.3.2 Additional Tier-1 Capital: regulatory adjustments				
23 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	-	-	-
24 Investment in own AT1 capital instruments	-	-	-	-
25 Reciprocal cross holdings in additional Tier-1 capital instruments	-	-	-	-
26 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-	-
27 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
28 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier-1	-	-	-	-
29 Regulatory adjustments applied to Additional Tier-1 due to insufficient Tier-2 to cover deductions	-	-	-	-
30 Total of Regulatory Adjustment applied to AT1 capital	-	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2017

41.3.3 Tier-2 Capital: regulatory adjustments

31	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Base I treatment which, during transitional period, remain subject to deduction from Tier-2 capital
32	Reciprocal cross holdings in Tier-2 instruments
33	Investment in own Tier-2 capital instrument
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation
36	Amount of Regulatory Adjustment applied to T2 capital

31 December 2017		31 December 2016	
Amount	Pre-Base I Treatment	Amount	Pre-Base I Treatment
----- (Rupees in '000) -----			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

41.3.4 Additional information

Risk Weighted Assets subject to pre-Base I treatment

37	Risk weighted assets in respect of amounts subject to Pre-Base I Treatment
(i)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of issued common share capital of entity
(ii)	of which: Deferred tax assets
(iii)	of which: Defined-benefit pension fund net assets
(iv)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of issued common share capital of entity

Amounts below the thresholds for deduction (before risk weighting)

38	Non-significant investments in the capital of other financial entities
39	Significant investments in the common stock of financial entities
40	Deferred tax assets arising from temporary differences (net of related tax liability)
Applicable caps on the inclusion of provisions in Tier-2	
41	Provisions eligible for inclusion in Tier-2 in respect of exposures subject to standardized approach (prior to application of cap)
42	Cap on inclusion of provisions in Tier-2 under standardized approach
43	Provisions eligible for inclusion in Tier-2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)
44	Cap for inclusion of provisions in Tier-2 under internal ratings-based approach

31 December 2017 31 December 2016
----- (Rupees in '000) -----

-	-
-	-
13,090	43,484
6,750	23,133
-	-
-	-
-	-
-	-
6,962	8,631
-	-
-	-
-	-

41.4 Capital Structure Reconciliation

Table: 41.4.1	Balance sheet as in Published Financial Statements	Under regulatory scope of consolidation
	As at 31 December 2017	As at 31 December 2017
	----- (Rupees in '000) -----	
Assets		
Cash and balances with treasury banks	1,438,429	1,438,429
Balanced with other banks	62,606	62,606
Lending to financial institutions	-	-
Investments	13,587,722	13,587,722
Advances	8,875,631	8,875,631
Operating fixed assets	323,546	323,546
Deferred tax assets	151,769	151,769
Other assets	389,228	389,228
Total assets	24,828,931	24,828,931
Liabilities & Equity		
Bills payable	530,291	530,291
Borrowings	3,903,832	3,903,832
Deposits and other accounts	16,259,737	16,259,737
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	402,360	402,360
Total liabilities	21,096,220	21,096,220
Share Capital/Head office capital account	3,994,113	3,994,113
Reserves	307,717	307,717
Accumulated losses	(695,455)	(695,455)
Minority Interest	-	-
Total equity	3,606,375	3,606,375
Surplus on revaluation of assets	126,336	126,336
Total liabilities & equity	24,828,931	24,828,931

Notes to the Financial Statements

For the year ended 31 December 2017

Table: 41.4.2 Balance sheet as in Published Financial Statements Under regulatory Scope of Consolidation Ref
As at 31 December 2017 As at 31 December 2017

	---(Rupees in '000)--		
Assets			
Cash and balances with treasury banks	1,438,429	1,438,429	
Balances with other banks	62,606	62,606	
Lending to financial institutions	-	-	
Investments	13,587,722	13,587,722	
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	-	-	a
of which: significant capital investments in financial sector entities exceeding regulatory threshold	-	-	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument	-	-	d
of which: others (CAP 2 deductions under Basel II (50%))	-	-	e
Advances	8,875,631	8,875,631	
shortfall in provisions/excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier-2 capital	6,962	6,962	g
Fixed Assets	323,546	323,546	
of which: Goodwill	-	-	j
of which: Intangibles	39,293	39,293	k
Deferred Tax Assets	151,769	151,769	
of which: DTAs excluding those arising from temporary differences	65,450	65,450	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-	i
Other assets	389,228	389,228	
of which: Goodwill	-	-	j
of which: Intangibles	-	-	k
of which: Defined-benefit pension fund net assets	33,748	33,748	l
Total assets	24,828,931	24,828,931	

Liabilities & Equity			
Bills payable	530,291	530,291	
Borrowings	3,903,832	3,903,832	
Deposits and other accounts	16,259,737	16,259,737	
Sub-ordinated loans	-	-	
of which: eligible for inclusion in AT1	-	-	m
of which: eligible for inclusion in Tier-2	-	-	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	-	-	
of which: DTLs related to goodwill	-	-	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	-	-	q
of which: other deferred tax liabilities	-	-	r
Other liabilities	402,360	402,360	
Total liabilities	21,096,220	21,096,220	

As at 31 December 2017 As at 31 December 2017
---(Rupees in '000)--

Share capital	3,994,113	3,994,113	
of which: amount eligible for CET1	3,994,113	3,994,113	s
of which: amount eligible for AT1	-	-	t
Discount on issue of right shares	-	-	
Reserves	307,717	307,717	
of which: portion eligible for inclusion in CET1: Statutory Reserves	307,717	307,717	u
of which: portion eligible for inclusion in Tier-2	-	-	v
Convertible preference shares	-	-	
Accumulated loss	(695,455)	(695,455)	w
Minority interest	-	-	
of which: portion eligible for inclusion in CET1	-	-	x
of which: portion eligible for inclusion in AT1	-	-	y
of which: portion eligible for inclusion in Tier-2	-	-	z
Surplus on revaluation of assets	126,336	126,336	
of which: Revaluation reserves on Property	126,384	126,384	aa
of which: Unrealized Gains/Losses on AFS	(48)	(48)	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
Total Equity	3,732,711	3,732,711	
Total Liabilities & Equity	24,828,931	24,828,931	

Notes to the Financial Statements

For the year ended 31 December 2017

Basel III Disclosure Template (with added column)		
Table: 41.4.3	Component of regulatory capital reported by Bank	Source based on reference No. from 41.4.2
As at 31 December 2017 (Rupees in '000)		
Common Equity Tier-1 Capital (CET1): Instruments and Reserves		
1 Fully Paid-up Capital/Capital deposited with SBP	3,994,113	(s)
2 Balance in Share Premium Account	-	
3 Reserve for issue of Bonus Shares	-	
4 General/Statutory Reserves	307,717	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6 Unappropriated/unremitted profits/(losses)	(695,455)	(w)
7 Minority interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
8 CET1 before Regulatory Adjustments	3,606,375	
Common Equity Tier-1 Capital: Regulatory Adjustments		
9 Goodwill (net of related deferred tax liability)	-	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	39,293	(k) - (p)
11 Shortfall of provisions against classified assets	-	(f)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	52,360	((h) - (r)) * 80%
13 Defined-benefit pension fund net assets	(26,998)	((l) - (q)) * 80%
14 Reciprocal cross holdings in CET1 capital instruments	-	(d)
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	
19 Deficit on account of revaluation from Bank's holdings of property/ AFS	-	(ab)
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments applied to CET1 Capital	-	
27 Investment in TFCs of other banks exceeding the prescribed limit	-	
28 Any other deduction specified by SBP (mention details)	-	
29 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier-2 to cover deductions	-	
30 Total regulatory adjustments applied to CET1 (sum of 9 to 25)	64,655	
Common Equity Tier-1	3,541,720	
Additional Tier-1 (AT1) Capital		
31 Qualifying Additional Tier-1 instruments plus any related share premium	-	
32 of which: Classified as equity	-	(t)
33 of which: Classified as liabilities	-	(m)
34 Additional Tier-1 capital instruments issued by consolidated subsidiaries subject to phase (amount above 10% AT1)	-	(y)
35 of which: instrument issued by subsidiaries subject to phase	-	
36 AT1 before regulatory adjustments	-	

Notes to the Financial Statements

For the year ended 31 December 2017

Basel III Disclosure Template (with added column)		
Table: 41.4.4	Component of regulatory capital reported by Bank	Source based on reference No. from 41.4.2

As at 31 December 2017
(Rupees in '000)

Additional Tier-1 Capital: Regulatory Adjustments		
37 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
38 Investment in own AT1 capital instruments	-	
39 Reciprocal cross holdings in Additional Tier-1 capital instruments	-	
40 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
41 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
42 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier-1 capital	-	
43 Regulatory adjustments applied to Additional Tier-1 due to insufficient Tier-2 to cover deductions	-	
44 Total of Regulatory Adjustment applied to AT1 capital	-	
45 Additional Tier-1 capital	-	
46 Additional Tier-1 capital recognized for capital adequacy	-	
Tier-1 Capital (CET1 + admissible AT1)	3,541,720	
Tier-2 Capital		
47 Qualifying Tier-2 capital instruments under Basel III	-	(n)
48 Capital instruments subject to phase out arrangement from Tier-2 (Pre-Basel III instruments)	-	
49 Tier-2 capital instruments issued to tied party by consolidated subsidiaries (amount allowed in group Tier-2)	-	(z)
50 of which: instruments issued by subsidiaries subject to phase out	-	
51 General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	6,962	(g)
52 Revaluation Reserves eligible for Tier-2	112,482	portion of (aa)
53 of which: portion pertaining to Property	(43)	
54 of which: portion pertaining to AFS Securities	-	
55 Foreign Exchange Translation Reserves	-	(v)
56 Undisclosed/Other Reserves (if any)	-	
57 T2 before Regulatory Adjustments	119,401	
Tier-2 Capital: Regulatory Adjustments		
58 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remains subject to deduction from Tier-2 capital	-	
59 Reciprocal cross holdings in Tier-2 instruments	-	
60 Investment in own Tier-2 capital instrument	-	
61 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
62 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
63 Amount of Regulatory Adjustment applied to T2 capital	-	
64 Tier-2 capital (T2)	-	
65 Tier-2 capital recognized for capital adequacy	-	
66 Excess additional Tier-1 capital recognized in Tier-2 capital	-	
67 Total Tier-2 capital admissible for capital adequacy	119,401	
TOTAL CAPITAL (T1 + admissible T2)	3,661,121	

Notes to the Financial Statements

For the year ended 31 December 2017

415 Main Features-Template of Regulatory Capital Instruments

Main Features	Common Shares
1 Issuer	First Women Bank Limited
2 Unique identifier (e.g. PSX Symbol or Bloomberg identifier, etc.)	FWBL
3 Governing law(s) of the instrument	SECP
Regulatory treatment	-
4 Transitional Basel III rules	Common Equity Tier-I
5 Post-transitional Basel III rules	Common Equity Tier-I
6 Eligible at solo/group/group & solo	Solo
7 Instrument type	Ordinary Shares
8 Amount recognized in regulatory capital (currency in PKR thousands as of reporting date)	Rs. (Thousand) 3,494,113
9 Par value of instrument	PKR 10
10 Accounting classification	Shareholders' Equity
11 Original date of issuance	1989
12 Perpetual or dated	-
13 Original maturity date	-
14 Issuer call subject to prior supervisory approval	-
15 Optional call date, contingent call dates and redemption	-
16 Subsequent call dates, if applicable	-
Coupons/dividends	
17 Fixed or floating dividend/coupon	-
18 Coupon rate and any related index/benchmark	-
19 Existence of a dividend stopper	-
20 Fully discretionary, partially discretionary or mandatory	-
21 Existence of step-up or other incentive to redeem	-
22 Non-cumulative or cumulative	-
23 Convertible or non-convertible	-
24 If convertible, conversion trigger(s)	-
25 If convertible, fully or partially	-
26 If convertible, conversion rate	-
27 If convertible, mandatory or optional conversion	-
28 If convertible, specify instrument type convertible into	-
29 If convertible, specify issuer of instrument it converts into	-
30 Write-down feature	-
31 If write-down, write-down trigger(s)	-
32 If write-down, full or partial	-
33 If write-down, permanent or temporary	-
34 If temporary write-down, description of write-up mechanism	-
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	-
36 Non-compliant transitioned features	-
37 If yes, specify non-compliant features	-

Notes to the Financial Statements

For the year ended 31 December 2017

41.6 Capital Adequacy

The risk weighted assets to capital ratio, calculated in accordance with the prescribed revised MCR limit for the Bank as stated in note 1.2 was as follows:

	Capital Requirements		Risk Weighted Assets	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	(Rupees in '000)			
Credit Risk				
<u>Portfolios subject to standardized approach (Simple or Comprehensive)</u>				
Cash and Cash Equivalents	-	-	-	-
Claims on Government of Pakistan	-	-	-	-
Foreign Currency claims on SBP arising out of statutory obligations of banks in Pakistan	-	-	-	-
Claims on other sovereigns and on Government of Pakistan or provincial governments	975	420	5,414	2,333
Claims on Bank for International Settlements, International Monetary Fund,	-	-	-	-
Claims on Multilateral Development Banks	-	-	-	-
Claims on Public Sector Entities in Pakistan	338	442	1,878	2,453
Claims on Banks	2,795	5,772	15,527	32,066
Claims, denominated in foreign currency, on banks with original maturity of 3 months or less	2,354	1,455	11,969	8,084
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	-	3,600	-	20,000
Claims on Corporates (excluding equity exposures)	521,053	481,025	2,894,741	2,672,361
Claims categorized as retail portfolio	70,144	52,622	389,687	292,344
Claims fully secured by residential property (Residential Mortgage Finance)	9,351	9,149	51,952	50,825
Past Due loans:	86,983	172,001	483,237	955,562
Significant investment and DTA above threshold	38,844	63,417	215,798	352,336
Listed Equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in the banking book	-	-	-	-
Unlisted equity investments (other than that deducted from capital) held in banking book	258	258	1,431	1,431
Significant investment and DTAs above 15% threshold	-	-	-	-
Claims on all fixed assets under operating lease	-	-	-	-
Fixed Assets	51,166	-	284,255	305,060
All other assets (excluding mark-up receivables)	16,219	24,171	90,099	134,285
	800,278	814,331	4,445,988	4,829,120
Off-Balance Sheet - Non-Market related Exposures				
Direct Credit Substitutes/Lending of securities as collateral	1,601	5,200	8,897	28,888
Performance related contingencies	43,083	38,895	239,350	216,081
Trade Related contingencies	54,014	35,782	300,077	198,791
Off-Balance Sheet - Non-market related	-	-	-	-
	98,698	79,877	548,323	443,760
Off-Balance Sheet - Market related Exposures	138	545	766	3,025
Total Credit Risk (A)	899,114	894,752	4,995,078	5,275,905
Market Risk				
<u>Capital Requirement for portfolios subject to Standardized Approach</u>				
Interest rate risk	35,288	2,104	196,043	11,688
Equity position risk	-	47,655	-	264,750
Foreign Exchange risk	2,095	2,617	11,638	14,538
Operational Risk	269,026	265,227	1,494,588	1,473,484
TOTAL	1,205,522	1,212,355	6,697,346	7,040,365
Capital Adequacy Ratio	Current Year	Prior Year		
Total eligible regulatory capital held	3,607,125	3,278,144		
Total Risk Weighted Assets	6,697,346	7,040,365		
Capital Adequacy Ratio	53.86%	46.56%		

Notes to the Financial Statements

For the year ended 31 December 2017

42. RISK MANAGEMENT

The Bank's activities expose it to a variety of financial risks. The management's aim is to achieve an appropriate balance between risk and return, and minimize potential adverse effects on its financial performance. The Bank's risk management policies are designed to identify and analyze financial and non-financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to set limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Bank under policies approved by the Board of Directors. The principal risks associated with the banking business are credit risk, market risk, liquidity risk and operational risk. The Bank is focused on further refining its risk management processes in line with the changing economic scenario and Bank's business expansions. The Bank's management intends to review and assess its risk management methodology on a continuous basis and is determined to improve it on a regular basis. The Bank has established a specialized division for risk management.

42.1 Credit risk

Credit risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. The Bank's credit policy and manual contains detailed procedures and guidelines and define credit risk methodology for identifying, assessing, monitoring and mitigating risk factors.

The Bank has established an appropriate credit risk environment which is operating under a sound credit-granting process; maintaining an appropriate credit administration, measurement and monitoring process and ensuring adequate controls. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposures.

Credit Risk Management Policy

A sound credit risk management framework is fundamental for the overall business strategy and credit operations of the Bank. The Bank has recently developed its credit risk policy. The principles for credit risk management have been laid down in detail in the Bank's credit policy. The policy has been developed in accordance with the requirements of the State Bank of Pakistan and will be reviewed and updated (where required) on a periodic basis. After approval of the credit risk policy, the credit manual of the Bank will also be revised accordingly.

Credit Risk Assessment

The Bank has a well established process of credit risk embedded in each credit transaction executed by the business units. The entire process broadly encompasses gathering relevant information on the borrower, detailed credit appraisal, and credit risk assessment and measurement. There is a proper credit delegation matrix for reviewing and approving credit applications.

Credit Risk Rating

The credit risk rating system provides support for the assessment and measurement of credit risk against each obligor. The Bank has a BoD approved Obligor Risk Rating (ORR) systems for corporate, small and medium enterprises and consumer finance obligors and also has BoD approved facility risk rating system (FRR) for its borrowers.

Credit Portfolio Management

Besides managing credit risk at transaction level, the Bank regularly monitors credit risk at the portfolio level and ensures that no undue concentration of risk is present in the overall credit exposure at Bank level. In addition to monitoring credit limits specified in the Prudential Regulations of the State Bank of Pakistan, the credit limit structure of the Bank includes internal limits as established by the senior management and the BoD. All these limits are monitored on a regular basis and any exceptions are reported to the relevant authorities for timely action where necessary. Post-disbursement maintenance of accounts is done through Credit Administration Department ("CAD"). The CAD has a direct reporting line to the President.

Impaired Financial Assets

Impaired financial assets including loans and debt instruments are those which the Bank determines that it is probable that it will not be able to collect all principal and interest due according to the contractual terms of the agreement(s) underlying the financial assets.

Notes to the Financial Statements

For the year ended 31 December 2017

42.2 Concentration of credit and deposit

Concentrations of credit risk exist if clients are engaged in similar activities, or are located in the same geographical region, or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. Currently, the Bank faces concentration of credit and deposit risks which are managed through prudent credit and liquidity risk management policies.

The following financial assets are guaranteed by the Federal/Provincial Government or the State Bank of Pakistan.

	2017 (Rupees in '000)	2016 (Rupees in '000)
Advances	4,995,983	3,199,693
Investments	13,586,768	7,854,992
Mark-up receivable on Government-guaranteed financial assets	84,478	135,747
Cash and balances with the State Bank of Pakistan	952,295	683,190

42.3 Segmental information

Segmental information is presented in respect of the class of business and geographical distribution of advances (gross), deposits, contingencies and commitments. The details are as follows:

42.3.1 Segments by class of business

	2017					
	Advances (gross)		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
Food and Beverages	4,333,311	42.78	21,908	0.13	227	0.02
Services	1,327,188	13.10	556,701	3.42	42,395	3.38
Individuals	937,848	9.26	5,246,080	32.26	19,283	1.54
Construction	645,793	6.38	584,280	3.59	528,622	42.09
Electronics and Electrical Appliances	12,438	0.12	1,884	0.01	4,186	0.33
Exports/Imports	88,590	0.87	-	-	-	-
Financial	385,750	3.81	-	-	345,282	27.49
Footwear and Leather Garments	39,403	0.39	-	-	-	-
Agriculture, Forestry, Hunting and Fishing	26,890	0.27	95,781	0.59	-	-
Automobile and Transportation Equipment	526,291	5.20	84	0.00	-	-
Chemicals and Pharmaceuticals	290,574	2.87	13,391	0.08	36,242	2.89
Power, Gas, Water, Sanitary	162,968	1.61	-	-	143,155	11.40
Sugar	190,684	1.88	-	-	-	-
Textile	771,046	7.61	59,263	0.36	4,341	0.35
Transport, Storage and Communication	430	-	46,079	0.28	119,148	9.49
Wholesale and Retail Trade	42,218	0.42	97,263	0.60	4,642	0.37
Cement, Glass and Ceramics	50,017	0.49	-	-	-	-
Mining and Quarrying	-	-	3	0.00	-	-
Oil and Gas	-	-	10,337	0.06	6,164	0.49
Paper and Printing	-	-	1,447	0.01	-	-
Others	297,723	2.94	9,525,236	58.58	2,276	0.18
	10,129,162	100.00	16,259,737	100.00	1,255,963	100.00

Notes to the Financial Statements

For the year ended 31 December 2017

	2016					
	Advances (gross)		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
Agriculture, Forestry, Hunting and Fishing	39,310	0.41	70,182	0.51	-	-
Automobile and Transportation Equipment	2,292	0.02	1,327	0.01	-	-
Chemicals and Pharmaceuticals	119,899	1.26	43,687	0.32	66,573	2.86
Construction	1,205,531	12.72	904,232	6.60	70,591	3.03
Electronics and Electrical Appliances	72,035	0.76	17,486	0.13	37,464	1.61
Exports/Imports	131,916	1.39	-	-	-	-
Financial	350	0.00	-	-	848,882	36.47
Food and Beverages	3,661,376	38.63	21,609	0.16	227	0.01
Footwear and Leather Garments	1,195	0.01	-	-	-	-
Individuals	344,692	3.64	4,973,384	36.28	765,830	32.90
Mining and Quarrying	-	-	68,301	0.50	-	-
Oil and Gas	-	-	1	0.00	176,040	7.56
Paper and Printing	-	-	6,440	0.05	-	-
Power, Gas, Water, Sanitary	216,013	2.28	-	-	-	-
Services	1,336,177	14.10	1,723,849	12.57	291,115	12.51
Sugar	222,739	2.35	-	-	-	-
Textile	899,871	9.49	65,568	0.48	1,630	0.07
Transport, Storage and Communication	11,355	0.12	128,947	0.94	-	-
Wholesale and Retail Trade	128,085	1.35	-	-	850	0.04
Cement, Glass and Ceramics	2,000	0.02	17,034	0.12	-	-
Others	1,083,835	11.43	5,666,744	41.34	68,490	2.94
	<u>9,478,671</u>	<u>100.00</u>	<u>13,708,791</u>	<u>100.00</u>	<u>2,327,692</u>	<u>100.00</u>

42.3.2 Segments by sector

	2017					
	Advances (gross)		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
Public/Government	4,995,983	49.32	6,797,000	41.80	996,446	79.34
Private	5,133,179	50.68	9,462,737	58.20	259,517	20.66
	<u>10,129,162</u>	<u>100.00</u>	<u>16,259,737</u>	<u>100.00</u>	<u>1,255,963</u>	<u>100.00</u>

	2016					
	Advances (gross)		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
Public/Government	3,199,693	33.76	4,239,593	30.93	636,460	27.34
Private	6,278,978	66.24	9,469,198	69.07	1,691,232	72.66
	<u>9,478,671</u>	<u>100.00</u>	<u>13,708,791</u>	<u>100.00</u>	<u>2,327,692</u>	<u>100.00</u>

Notes to the Financial Statements

For the year ended 31 December 2017

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

	2017		2016	
	Classified advances	Specific provision held	Classified advances	Specific provision held
----- (Rupees in '000) -----				
Agriculture, Forestry, Hunting and Fishing	131,833	69,193	159	159
Automobile and Transportation Equipment	209	209	258	258
Chemicals and Pharmaceuticals	62,501	22,166	100,000	-
Construction	129,150	77,836	581,393	187,420
Electronics and Electrical Appliances	140,725	96,216	69,543	28,341
Exports/Imports	45,807	40,815	40,815	40,815
Food and Beverages	123,089	94,744	101,326	97,577
Footwear and Leather Garments	39,403	39,403	-	-
Services	153,341	139,353	194,730	153,122
Textile	735,277	656,386	799,013	688,583
Wholesale and Retail Trade	4,862	1,962	67,561	58,561
Others	103,907	8,286	8,412	1,957
	<u>1,670,104</u>	<u>1,246,569</u>	<u>1,963,210</u>	<u>1,256,793</u>

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

Private	<u>1,670,104</u>	<u>1,246,569</u>	<u>1,963,210</u>	<u>1,256,793</u>
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42.3.5 Geographical segment analysis

	2017			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
----- (Rupees in '000) -----				
Pakistan	<u>(115,935)</u>	<u>24,828,931</u>	<u>3,732,711</u>	<u>1,255,963</u>
----- (Rupees in '000) -----				
	2016			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
----- (Rupees in '000) -----				
Pakistan	<u>4,053</u>	<u>18,520,564</u>	<u>3,480,522</u>	<u>2,327,692</u>

Notes to the Financial Statements

For the year ended 31 December 2017

42.4 Market risk management

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them.

The Bank has adopted a market risk management structure that commensurates with its size and the nature of its business activities and facilitates effective management oversight and execution of market risk management and control processes.

Interest rate risk

Interest Rate Risk is the adverse impact on the Bank's shareholder's equity due to changes in the interest rates. It may be further elaborated as changes in the present value of the asset, liabilities and commitments due to changes in the term structure of the interest rates.

42.4.1 Foreign exchange risk

The main objective of foreign exchange risk management is to ensure that foreign exchange exposure of the Bank remains within the defined risk appetite. The Bank uses tools such as Foreign Exchange Exposure Limit (FEEL) to manage such risk. Details of the Bank's currency risk exposure are as follows:

	2017			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	------(Rupees in '000)-----			
Pakistan Rupee	24,576,458	20,545,948	(309,437)	3,721,073
United States Dollar	222,758	511,474	291,583	2,867
Great Britain Pound	22,888	18,691	-	4,197
Japanese Yen	842	-	-	842
Euro	2,637	20,107	17,854	384
Others	3,348	-	-	3,348
	252,473	550,272	309,437	11,638
	<u>24,828,931</u>	<u>21,096,220</u>	<u>-</u>	<u>3,732,711</u>
	2016			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	------(Rupees in '000)-----			
Pakistan Rupee	21,075,765	17,803,504	(641,979)	2,630,282
United States Dollar	220,889	658,007	630,394	193,276
Great Britain Pound	31,364	31,378	(14)	(28)
Japanese Yen	905	-	-	905
Euro	14,297	20,569	11,599	5,327
Others	3,402	-	-	3,402
	270,857	709,954	641,979	202,882
	<u>21,346,622</u>	<u>18,513,458</u>	<u>-</u>	<u>2,833,164</u>

42.4.2 Equity price risk

Equity investment risk arises due to the risk of changes in the prices of individual stocks held by the Bank. The Bank's equity investments are classified as Available-for-Sale (AFS) investments. The Bank maintains an AFS portfolio with a medium term view of capital gains and dividend income. The Bank's Investment Committee is primarily responsible for the oversight of the equity investment risk.

Notes to the Financial Statements

For the year ended 31 December 2017

42.4.3 Mismatch of interest rate sensitive assets and liabilities

Yield/interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on the settlement date.

		2017										
Effective yield/ interest rate	Total	Exposed to yield / interest risk									Not exposed to yield/ interest risk	
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
(Figures in '000)												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	1,438,429	-	-	-	-	-	-	-	-	-	-	1,438,429
Balances with other banks	62,606	-	-	-	-	-	-	-	-	-	-	62,606
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	5.98% - 8.59%	13,587,722	10,371,414	3,269,681	-	3,537	-	136	-	-	-	954
Advances - net	0% - 18.54%	8,675,631	5,854,665	287,818	46,614	72,366	20,638	25,763	257,400	147,213	100,376	1,681,668
Other assets - net		161,377	-	-	-	-	-	-	-	-	-	161,377
		24,125,765	16,888,079	3,557,499	46,614	75,903	20,638	25,763	257,536	147,213	100,376	3,357,034
Liabilities												
Bills payable		530,291	-	-	-	-	-	-	-	-	-	530,291
Borrowings	3% - 5.88%	3,903,633	3,782,063	26,814	17,114	6,227	12,455	12,455	24,910	2,796	-	-
Deposits and other accounts	0% - 4.8%	16,258,735	5,371,236	147,866	6,977,608	172,581	55,345	79,647	9,886	-	-	3,524,566
Other liabilities		299,049	-	-	-	-	-	-	-	-	-	299,049
		20,992,908	9,094,298	174,680	6,974,722	178,808	67,800	92,102	34,796	2,796	-	4,353,906
On-balance sheet gap		3,632,857	7,073,781	3,382,819	(6,558,108)	(102,905)	(46,962)	(66,339)	222,740	125,317	100,376	(996,872)
Non-Financial Net Assets		599,854										
Total Net Assets		3,732,711										
Off-balance sheet financial instruments												
Foreign exchange contracts - purchase		327,676	181,762	143,814	-	-	-	-	-	-	-	-
Foreign exchange contracts - sale		17,606	17,606	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		310,070	166,156	143,814	-	-	-	-	-	-	-	-
Total yield/interest risk sensitivity gap		7,239,937	3,526,733	(6,558,108)	(102,905)	(46,962)	(66,339)	222,740	125,317	100,376	(996,872)	
Cumulative yield/interest risk sensitivity gap		7,239,937	10,766,670	4,207,562	4,104,657	4,057,695	3,991,356	4,214,096	4,339,423	4,439,799	3,442,927	

Notes to the Financial Statements

For the year ended 31 December 2017

2016

Effective yield/interest rate	Total	Exposed to yield/interest risk									Net exposed to yield/interest risk
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	

(Figures in '000)

On-balance sheet financial instruments

Assets

Cash and balances with treasury banks		1,081,532	-	-	-	-	-	-	-	-	-	-	1,081,532
Balances with other banks		12,042	-	-	-	-	-	-	-	-	-	-	12,042
Lendings to financial institutions	55%	-	100,000	-	-	-	-	-	-	-	-	-	-
Investments - net	4.7% - 9.0%	8,032,819	3,290,443	4,596,620	-	4,598	-	-	64	94	-	-	16,009
Advances - net	0% - 18.85%	9,272,957	6,782,462	17,032	12,400	188,671	7,807	12,758	39,897	121,885	198,098	-	721,000
Other assets - net		152,889	-	-	-	-	-	-	-	-	-	-	152,889
		<u>17,582,239</u>	<u>10,172,905</u>	<u>4,573,652</u>	<u>12,400</u>	<u>193,270</u>	<u>7,807</u>	<u>12,758</u>	<u>39,961</u>	<u>121,979</u>	<u>198,098</u>	-	<u>2,248,472</u>

Liabilities

Bills payable	0.0%	24,355	-	-	-	-	-	-	-	-	-	-	24,355
Borrowings	3% - 6.5%	781,910	601,884	54,714	18,314	6,227	12,455	24,910	37,385	9,340	-	-	-
Deposits and other accounts	0% - 5.36%	13,708,790	5,371,006	267,241	3,967,719	33,300	162,143	82,391	11,966	-	-	-	3,576,524
Other liabilities		297,316	-	-	-	-	-	-	-	-	-	-	297,316
		<u>14,864,071</u>	<u>5,980,890</u>	<u>301,955</u>	<u>3,976,033</u>	<u>39,527</u>	<u>174,598</u>	<u>107,301</u>	<u>51,251</u>	<u>9,340</u>	-	-	<u>4,087,995</u>
On-balance sheet gap		<u>2,620,068</u>	<u>4,254,715</u>	<u>4,271,297</u>	<u>(3,854,633)</u>	<u>(144,257)</u>	<u>(66,791)</u>	<u>(95,143)</u>	<u>(11,281)</u>	<u>114,639</u>	<u>198,098</u>	-	<u>(1,839,523)</u>

Non-Financial Net Assets

752,454

Total Net Assets

3,380,522

Off-balance sheet financial instruments

Foreign exchange contracts - purchase		567,134	71,775	283,577	27,782	-	-	-	-	-	-	-	-
Foreign exchange contracts - sale		281,748	14,206	157,542	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		<u>285,386</u>	<u>(57,431)</u>	<u>126,035</u>	<u>27,782</u>	-	-	-	-	-	-	-	-

Total yield/interest risk sensitivity gap

4,212,294 4,396,332 (1,642,857) (144,257) (66,791) (95,143) (11,281) 114,639 198,098 (1,839,523)

Cumulative yield/interest risk sensitivity gap

4,212,294 8,610,696 4,967,765 4,833,508 4,686,717 4,591,574 4,540,298 4,654,896 4,852,977 101,454

42.4.4 Liquidity Risk

Liquidity Risk is the risk that the Bank will not be able to raise funds to meet its commitments.

Governance of Liquidity Risk Management

ALCO manages the liquidity position on a continuous basis.

Liquidity and related risks are managed through standardized processes established in the Bank. The management of liquidity risk within the Bank is undertaken within limits and other parameters set by BoD under the relevant policies. The Bank's treasury function has the primary responsibility for assessing, monitoring and managing the Bank's liquidity and funding strategy while overall compliance is monitored by ALCO. The Board and Senior Management are apprised of Bank's liquidity profile to ensure proactive liquidity management. The Treasury Middle Office, being part of the Risk Management Division, is responsible for the identification, monitoring and analysis of intrinsic risks of the treasury business independently. The Bank has in place the duly approved Treasury investment policy and strategy along with the liquidity risk management policy, along with various defined tolerance/appetite levels that are communicated at various levels so as to ensure effective liquidity management for the Bank.

Notes to the Financial Statements

For the year ended 31 December 2017

Funding Strategy

The Bank's liquidity model is based on core funding sources of retail deposits from the branch network. The Bank aims at diversification of its deposit base. Furthermore, the Bank can also generate liquidity from the Interbank market against Government Securities to fund its short-term liquidity requirement, if any. The Bank as a policy invests significantly in HQLA that can be readily converted into cash to meet unexpected liquidity requirements, besides yielding attractive returns. Long-term loans are very low relative to the Bank's capital base/reserves.

Liquidity Risk Mitigation Techniques

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios which are monitored regularly against approved triggers and communicated to the Senior Management and ALCO. Furthermore, the Bank also prepares the maturity profile of assets and liabilities to monitor the liquidity gaps over different time buckets. The Bank also ensures that statutory cash and liquidity requirements are maintained at all times.

Liquidity Stress Testing

As per SBP BSD Circular No. 1 of 2012, Liquidity Stress Testing is being conducted under well-defined stress scenarios. Results of the same are escalated at the senior level so as to enable the Senior Management to take proactive actions to avoid liquidity crunch for the Bank.

Contingency Funding Plan

Contingency Funding Plan (CFP) is a part of the Liquidity Management Framework of the Bank which defines and identifies the factors that can instigate a liquidity crisis and the actions to be taken to manage the crisis. The Bank has a comprehensive liquidity contingency funding plan in place, which highlights the Liquidity Management Strategy to be followed under a stress scenario. Parameters and responsibilities are also incorporated in CFP in order to tackle the liquidity crisis. Moreover, CFP highlights possible funding sources, in case of a liquidity crisis.

LCR and NSFR Results

The Bank calculates the Liquidity Coverage Ratio (LCR) on a monthly basis as per SBP Basel III Liquidity Standards issued under BPRD Circular No. 08 dated 23 June 2016. The objective of LCR is to ensure the short-term resilience of the liquidity risk profile of the Bank and requires banks to maintain sufficient High Quality Liquid Assets (HQLAs) to meet stressed cash outflows over a prospective 30 calendar-days period. As of 31 December 2017, the Bank's LCR stood at 229% against the SBP's minimum requirement of 90%.

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. Banks are expected to meet the NSFR requirement of at least 100% on an ongoing basis from 31 December 2017. As of 31 December 2017, the Bank's NSFR stood at 253%.

Main Drivers of LCR Results

The main drivers of LCR Results are High Quality Liquid Assets and net cash outflows. Outflows are mainly deposit outflows net of cash inflows which consist of inflows from financing and money market placements of up to 1 month. The inputs for calculation of LCR are as prescribed by the SBP.

Composition of High Quality Liquid Assets (HQLA)

High Quality Liquid Assets are composed of Level-1 Assets, which can be included in the stock of liquid assets at 100% of their market value. The Bank has taken cash & treasury balances and investments in Government Securities classified as 'Available-for-Sale'. Furthermore, the Level 2-B Asset Category includes investments in qualifying corporate bonds and equity investments classified as available-for-sale.

Notes to the Financial Statements

For the year ended 31 December 2017

42.4.4.1 LIQUIDITY COVERAGE RATIO

	Total Unweighted Value (Average)	Total Weighted Value (Average)
HIGH QUALITY LIQUID ASSETS		
Total High Quality Liquid Assets (HQLA)	9,207,065	9,174,645
CASH OUTFLOWS		
Retail deposits and deposits from small business customers of which:		684,713
Stable deposits	-	-
Less stable deposits	6,847,133	684,713
Unsecured wholesale funding of which:		3,408,425
Operational deposits (all counterparties)	-	-
Non-operational deposits (all counterparties)	7,913,797	3,408,425
Unsecured debt	-	-
Secured wholesale funding	3,036,624	-
Additional requirements of which:		92,333
Outflows related to derivative exposures and other collateral requirements	-	-
Outflows related to loss of funding on debt products	-	-
Credit and Liquidity facilities	1,044,044	92,333
Other contractual funding obligations	357,428	357,428
Other contingent funding obligations	1,046,668	52,333
TOTAL CASH OUTFLOWS	20,245,694	4,595,232
CASH INFLOWS		
Secured lending	67,908	-
Inflows from fully performing exposures	1,392,769	696,384
Other cash inflows	76,806	27,257
TOTAL CASH INFLOWS	1,537,553	723,641
TOTAL ADJUSTED VALUE		
TOTAL HQLA		<u>9,174,645</u>
TOTAL NET CASH OUTFLOWS		<u>3,871,042</u>
LIQUIDITY COVERAGE RATIO		<u>2.37</u>

- (a) Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
- (b) Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).
- (c) Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 Assets for HQLA and cap on inflows.)

Notes to the Financial Statements

For the year ended 31 December 2017

42.4.4.2 Net stability funds ratio

ASF Item	Unweighted value by residual maturity				Weighted value
	No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
Capital:					
Regulatory capital	3,698,697	-	-	-	3,698,697
Other capital instruments	124,455	-	-	-	124,455
Retail deposits and deposits from small business customers:					
Stable deposits	-	-	-	-	-
Less stable deposits	-	2,009,729	478,279	4,642,835	6,417,759
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	2,245,729	677,956	5,188,037	4,055,861
Other liabilities:	-	-	-	-	-
NSFR derivative liabilities	-	-	-	-	-
All other liabilities and equity not included in other categories	3,427,099	(485)	-	105,589	105,589
Total ASF					14,402,361
RSF Item					
Total NSFR high-quality liquid assets (HQLA)	1,275,701	11,268,378	3,733	113	156,774
Deposits held at other financial institutions for operational purposes	-	79,164	-	-	39,582
Performing loans and securities:					
Performing loans to financial institutions secured by Level 1 HQLA	-	249,105	-	-	24,911
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:					
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	153,505	99,778
Securities that are not in default and do not qualify as HQLA including exchange-traded equities	-	-	-	-	-
Other assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for derivative contracts	-	-	-	-	-
NSFR derivative assets	-	-	-	-	-
NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	747,090	-	7,646,693	1,074,844	5,483,054
Off-balance sheet items	2,166,632	-	-	-	108,332
Total RSF					5,913,431
Net Stable Funding Ratio (%)					244%

The disclosures for liquidity coverage ratio and net stability funding ratio are applicable from the current year, therefore, comparative information has not been presented.

Notes to the Financial Statements

For the year ended 31 December 2017

42.4.5 Maturities of assets and liabilities

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

	2017									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
(Rp in '000)										
Assets										
Cash and balances with treasury banks	1,034,429	1,034,429	-	-	-	-	-	-	-	-
Balances with other banks	62,804	62,804	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	8,367,712	8,210,413	1,268,881	4,410	-	-	18	-	-	-
Advances - net	8,875,631	1,421,394	4,070,538	21,788	28,304	28,100	84,848	60,586	215,575	801,376
Operating fixed assets	321,548	1,711	5,425	15,311	18,371	32,352	32,158	41,888	40,334	138,353
Deferred tax assets - net	19,788	9	148	640	427	2,812	26,813	15,440	(6,271)	(2,471)
Other assets - net	281,226	293,341	33,288	49,322	39,810	-	-	-	-	-
Liabilities	24,838,829	5,466,981	12,718,171	81,910	144,668	261,424	184,257	104,134	281,761	27,418
Bills payable	531,238	531,238	-	-	-	-	-	-	-	-
Borrowings	1,903,832	1,702,588	26,884	1,034	6,237	12,433	12,433	24,810	2,796	-
Deposits and other accounts	8,228,737	12,124,912	445,818	783,348	542,133	148,265	89,889	1,734,637	-	-
Other liabilities	411,380	364,247	1,576	8,781	847	1,884	1,884	1,884	-	-
Net assets	1,712,719	(1,244,542)	1,891,179	(76,781)	(34,215)	(97,608)	(148,771)	(154,837)	21,792	27,418
Share capital	1,864,113	-	-	-	-	-	-	-	-	-
Reserves	32,779	-	-	-	-	-	-	-	-	-
Accumulated loss	(895,488)	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	261,605	-	-	-	-	-	-	-	-	-
	<u>1,712,719</u>	<u>(1,244,542)</u>	<u>1,891,179</u>	<u>(76,781)</u>	<u>(34,215)</u>	<u>(97,608)</u>	<u>(148,771)</u>	<u>(154,837)</u>	<u>21,792</u>	<u>27,418</u>

	2016									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
(Rp in '000)										
Assets										
Cash and balances with treasury banks	1,081,332	1,081,332	-	-	-	-	-	-	-	-
Balances with other banks	12,540	12,540	-	-	-	-	-	-	-	-
Lendings to financial institutions	70,000	70,000	-	-	-	-	-	-	-	-
Investments - net	8,812,819	1,290,440	4,339,620	-	85,828	-	-	54	54	-
Advances - net	8,712,247	6,712,137	1,887	371	20,718	148,836	140,468	408,076	281,330	91,910
Operating fixed assets	370,777	2,401	4,807	28,375	14,421	28,842	28,844	42,110	42,329	162,885
Deferred tax assets - net	249,625	30,257	42,712	64,046	1,940	639	639	58,771	(8,122)	(7,100)
Other assets - net	34,271	148,529	34,257	41,689	97,365	-	-	-	-	-
Liabilities	8,502,914	1,463,941	4,702,251	68,626	118,532	179,337	388,191	558,781	781,530	254,618
Bills payable	24,115	24,115	-	-	-	-	-	-	-	-
Borrowings	742,909	693,884	14,310	8,314	6,237	12,433	12,433	24,810	5,364	-
Deposits and other accounts	6,706,738	8,453,815	432,688	995,737	486,438	352,214	434,098	628,211	-	-
Other liabilities	371,852	332,145	15,443	20,859	588	1,072	1,072	2,544	-	-
Net assets	1,482,332	(18,746)	4,209,287	(68,240)	22,276	(18,729)	(80,224)	(103,633)	21,262	24,618
Share capital	1,864,113	-	-	-	-	-	-	-	-	-
Reserves	32,779	-	-	-	-	-	-	-	-	-
Accumulated loss	(143,571)	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	149,011	-	-	-	-	-	-	-	-	-
	<u>1,482,332</u>	<u>(18,746)</u>	<u>4,209,287</u>	<u>(68,240)</u>	<u>22,276</u>	<u>(18,729)</u>	<u>(80,224)</u>	<u>(103,633)</u>	<u>21,262</u>	<u>24,618</u>

Notes to the Financial Statements

For the year ended 31 December 2017

The above maturity profile has been prepared in accordance with the International Financial Reporting Standard 7, Financial Instruments: Disclosures, based on contractual maturities. Consequently, all demand assets and liabilities such as running finance, current accounts and saving accounts are shown as having a maturity of up to one month. However, based on historical behaviour, management is of the opinion that the possibility of these inflows/outflows actually occurring entirely within one month is remote, as these flows normally occur over a longer period of time.

42.4.5.2 Maturities of assets and liabilities - Based on workings prepared by the Asset and Liability Management Committee (ALCO) of the Bank

	2017									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
(Figures in '000)										
Assets										
Cash and balances with treasury banks	149,429	149,429	-	-	-	-	-	-	-	-
Balances with other banks	62,606	62,606	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	6,977,722	6,732,421	1,293,689	-	4,482	-	-	128	-	-
Advances - net	6,671,637	1,761,337	4,794,768	1,222,221	21,678	28,101	104,948	651,980	232,571	100,278
Operating fixed assets	21,346	278	5,425	11,071	16,276	21,922	32,108	46,859	41,284	121,533
Deferred tax assets - net	15,789	9	148	640	42	2,852	26,853	15,448	(6,271)	(1,471)
Other assets - net	28,226	28,243	2,288	48,922	91,888	-	-	-	-	-
	<u>34,828,929</u>	<u>33,781,333</u>	<u>6,182,376</u>	<u>1,280,354</u>	<u>28,132</u>	<u>281,424</u>	<u>84,227</u>	<u>808,794</u>	<u>281,748</u>	<u>21,458</u>
Liabilities										
Bills payable	52,228	52,228	-	-	-	-	-	-	-	-
Borrowings	1,845,822	1,782,248	24,874	1,074	6,227	12,453	2,433	24,910	2,756	-
Deposits and other accounts	8,258,737	10,827,794	58,444	976,323	1,096,372	1,428,386	1,668,333	6,488,833	-	-
Other liabilities	402,360	344,247	6,376	6,378	647	1,894	1,894	1,394	-	-
	<u>2,249,227</u>	<u>2,906,517</u>	<u>91,694</u>	<u>1,083,785</u>	<u>1,097,546</u>	<u>1,432,729</u>	<u>1,674,560</u>	<u>6,524,965</u>	<u>2,756</u>	<u>-</u>
Net assets	<u>17,029,702</u>	<u>5,874,816</u>	<u>1,990,682</u>	<u>196,569</u>	<u>(174,414)</u>	<u>(151,305)</u>	<u>(1,847,333)</u>	<u>(1,716,171)</u>	<u>2,962</u>	<u>21,458</u>
Share capital	1,843									
Reserves	32,737									
Accumulated loss	(69,463)									
Surplus on revaluation of assets - net of tax	26,278									
	<u>17,127</u>									

	2016									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
(Figures in '000)										
Assets										
Cash and balances with treasury banks	126,132	126,132	-	-	-	-	-	-	-	-
Balances with other banks	22,542	22,542	-	-	-	-	-	-	-	-
Lendings to financial institutions	10,000	10,000	-	-	-	-	-	-	-	-
Investments - net	6,132,839	1,292,443	4,839,620	-	35,638	-	-	94	94	-
Advances - net	6,272,247	1,771,333	1,388,338	1,770,440	503,894	168,356	340,468	486,276	282,660	18,270
Operating fixed assets	22,077	2,421	4,837	26,35	74,421	25,420	28,944	41,321	42,528	102,625
Deferred tax assets - net	24,635	26,257	42,730	54,058	1,540	639	639	12,772	6,223	(109)
Other assets - net	24,212	18,329	34,227	43,683	81,383	-	-	-	-	-
	<u>8,527,344</u>	<u>6,324,759</u>	<u>6,299,345</u>	<u>1,846,771</u>	<u>662,248</u>	<u>175,327</u>	<u>369,871</u>	<u>568,703</u>	<u>318,220</u>	<u>24,668</u>
Liabilities										
Bills payable	24,351	24,351	-	-	-	-	-	-	-	-
Borrowings	24,206	40,894	24,374	8,374	6,227	12,453	24,910	2,384	3,340	-
Deposits and other accounts	12,748,739	1,992,546	485,287	1,926,323	1,096,443	1,428,386	1,298,333	1,682,433	-	-
Other liabilities	271,817	273,522	6,462	20,889	58	1,796	1,796	1,394	-	-
	<u>5,942,544</u>	<u>2,463,287</u>	<u>528,823</u>	<u>1,955,529</u>	<u>1,113,274</u>	<u>1,432,577</u>	<u>1,323,359</u>	<u>1,685,227</u>	<u>3,340</u>	<u>-</u>
Net assets	<u>1,484,800</u>	<u>1,861,472</u>	<u>1,770,522</u>	<u>(108,758)</u>	<u>(451,026)</u>	<u>(257,250)</u>	<u>(953,488)</u>	<u>(1,116,524)</u>	<u>314,880</u>	<u>24,668</u>
Share capital	1,643									
Reserves	32,737									
Unappropriated profit	(63,370)									
Surplus on revaluation of assets - net of tax	10,987									
	<u>1,623</u>									

Notes to the Financial Statements

For the year ended 31 December 2017

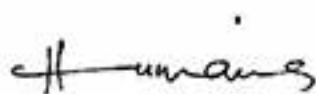
42.4.6 Operational risk

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

The Operational Risk Management Policy of the Bank is duly approved by the Board. The Operational Risk Management Manual covers the processes, structure and functions of Operational Risk Management and provides guidelines to identify, assess, monitor, control and report operational risk in a consistent and transparent manner across the Bank.

43. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on 21 March 2018.



Humaira Siddique
Chief Financial Officer (Officiating)



Tahira Raza
President and
Chief Executive



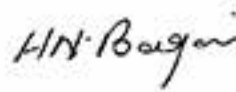
Gholam Kazim Hosein
Director



Sumaira K. Aslam
Director



Tahira Raza
President and
Chief Executive



Huma Baqai
Director

Notes to the Financial Statements

For the year ended 31 December 2017

Annexure 1

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF FIVE HUNDRED THOUSAND OR ABOVE FROM (EG. JANUARY 2017 TO 31st DECEMBER 2017) As referred to in note 10.5 to these Financial Statements

S. No.	NAME AND ADDRESS OF THE BORROWER	NAME OF DIRECTORS	NICs NOS.	FATHERS/ HUSBAND'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE YEAR						TOTAL (00+8+12)	
					PRINCIPAL	INTEREST / MARK-UP	OTHERS	TOTAL (5+6+7)	PRINCIPAL WRITTEN OFF	INTEREST / MARK-UP WRITTEN OFF		OTHER FINANCIAL RELIEFS PROVIDED
1	2	3	4	5	6	7	8	9	10	11	12	
1	City Textile Mills (Pvt) Ltd Address: 405 Century Tower Kalmia Chowk Gulberg III Lahore	1. Muhammad Ashraf Mahmood 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	00300-4447002 203002-0830381	1. Muhammad Ashraf Mahmood s/o Sultan Muhammad 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	42,488	13,863		56,349	2,488	13,863		66,349
2	City Textile Mills (Pvt) Ltd Address: 405 Century Tower Kalmia Chowk Gulberg III Lahore	1. Muhammad Ashraf Mahmood 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	00300-4447002 203002-0830381	1. Muhammad Ashraf Mahmood s/o Sultan Muhammad 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood		1,863		1,863	-	1,863		1,863
3	City Textile Mills (Pvt) Ltd Address: 405 Century Tower Kalmia Chowk Gulberg III Lahore	1. Muhammad Ashraf Mahmood 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	00300-4447002 203002-0830381	1. Muhammad Ashraf Mahmood s/o Sultan Muhammad 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	20,000	1,058		21,058	20,000	1,058		21,058
4	City Textile Mills (Pvt) Ltd Address: 405 Century Tower Kalmia Chowk Gulberg III Lahore	1. Muhammad Ashraf Mahmood 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	00300-4447002 203002-0830381	Muhammad Ashraf Mahmood s/o Sultan Muhammad 2. Zahra Ashraf w/o Muhammad Ashraf Mahmood	1,248			1,248	1,248			1,248
5	Rashida & Shahid Hussain plot # C-5 # 713 & 714 Bunder Rd Lahore	1. Rashida 2. Shahid Hussain	742-86-25908 2407-19-02785	1. Rashida w/o Iqbal Hussain 2. Shahid Hussain S/O Meer Muhammad Abro	600	186		786	400	186		586
6	Unicorn Wood 44 - A FCC Zakoor Ebad Rd, Gulberg IV Lahore	Hena Asim Khan	3500-2542966-2	Hena Asim Khan W/O Muhammad Asim Khan	16,668	1,720	7,565	24,953	-	-	1,800	18,000
					79,324	81,688	7,565	98,002	24,136	16,568	1,800	42,904

The background is a solid purple color. At the top and bottom, there are decorative hexagonal patterns. Some hexagons are solid purple, while others are just white outlines. On the right side, there is a large, light purple geometric shape that looks like a stylized arrow or a large triangle pointing towards the center.

PRESS CLIPPINGS

Pakistan OBSERVER

January 18, 2017

Pakistan OBSERVER

simultaneously published from Karachi, Lahore & Islamabad
Founded by M.A. Zahedi

FWBL signs Avanza Solutions to power internet banking services

Tracy Recostas
KARACHI

First Women Bank Ltd. (FWBL) has signed Avanza Solutions' Avanz 3.0 to run its internet banking services, which will allow FWBL to offer internet banking facilities to its customer base, thereby making its ser-

vice more convenient and accessible. The signing ceremony took place at the FWBL Head Office where Tabira Raza, President & CEO FWBL, and Mahmood Kapurwala, CEO Avanza Solutions, officially kicked-off the project. Speaking at the signing ceremony, Tabira Raza, President & CEO FWBL, said "We are pleased



to have started the new year with this initiative as FWBL has always strived to stay true to its motto and provide superior banking services to its customers. With Avanza's advanced tech, we aim to move further towards our vision," said Mahmood Kapurwala, CEO Avanza Solutions, and FWBL with state-of-the-art technology, ultimately helps them maximize such effectiveness and productivity. I'm delighted to have signed FWBL with the start of the New Year. First Women Bank is an organization that is committed to making a difference in people's lives. I am sure that we will see great things from them in the future," he added.

ICC likely to consider RING price

Chief person
MIRAL AHMED
ISLAMABAD - The Comptroller General of Accounts (CGA) has said that the

Press Clipping

INTERNATIONAL THE NEWS

February 19, 2017



Karachi Edition
Also published from
Islamabad / Rawalpindi, Lahore
privately on the World Wide Web at
www.thenews.com.pk
LANG GROUP OF NEWSPAPERS

FWBL, Mastercard to launch 'Innovative Payment Solutions'

KARACHI: First Women Bank Limited and Mastercard, a leading technology company in the global payments market, have signed an agreement that will pave the way for the introduction of Mastercard's innovative payment solutions to provide a safe, simple and secure payment experience for women. The bank, the only women-led bank in Pakistan, will offer the solution through its mobile banking platform. Speaking at the signing ceremony, Ms. Tahira Khan said "We are pleased to have started 2017 with this initiative as FWBL has always strived to stay true to its roots and provide convenient banking services to its customers. With Mastercard's advanced technology, we aim to move further towards that vision with full use of the digital banking platform."

"We are delighted to collaborate with FWBL, to bring Mastercard's innovative services and solutions to women in Pakistan and offer them a safer and more secure payment experience," said Ahsanullah Khan.

duce uniform

USC outlets in
the second propo-

Earlier, Sateh Aziz said that the two countries are seriously con-

(Thursday) to hold talk-

The Financial Daily International

April 14, 2017

www.thefinancialdaily.com
The Financial Daily International
Simultaneously published from Karachi and Lahore

First Women Bank wins first prize in SME Mela

HARAWALPURI First Women Bank (FWBL) won the 1st prize at the SME Mela organized by the State Bank of Pakistan, held at Bahawalpur. Mr. Qudus Chaudhry, Chairman of Bahawalpur Branch of First Women Bank, said a lot of efforts were made to win this prize. He said, "We have achieved first prize in SME Mela organized by the SIBP in Bahawalpur on the occasion of the SME Mela." FWBL has re-defined itself as a niche player with focus on "S" of SME.

duce uniform

The FWBL... (The text is partially obscured and difficult to read due to the angle of the clipping.)

The... (The text is partially obscured and difficult to read due to the angle of the clipping.)

Daily Times

Your right to know

November 2, 2017

Daily Times

YOUR RIGHT TO KNOW

Consultation organised to discuss issues faced by FWBL

Islamabad: A consultation was organised by the National Commission on the Status of Women (NCSW) in collaboration with the Finance Commission and the Finance Commission on Thursday to discuss the issues faced by the Finance Commission. The event was attended by officials of the Ministry of Finance, State Bank of Pakistan and regulatory authorities, as well as representatives from civil society and development organisations. The Government has recently put up the bank for privatisation. The bank was first put up for privatisation in 1989, which was challenged in the court by Women Action Forum (WAF). As a result, the privatisation process was suspended. Speaking at the occasion, NCSW Chairperson Khawar Muhsin said one of the major hurdles in the way of women's empowerment is lack of access and control over financial resources. She said the bank was created in 1989 to address this financial issue. At that time, the bank was given a dual mandate of providing development as well as environmental services like any other bank in the market, she said. The issues mentioned by the bank include its full potential and outreach products and services for women, particularly of low income communities. Low levels of capital, diverse nature of low income borrowers have been identified as major reasons for its underperformance. A bank with dual mandate to serve unbanked and unserved market required higher capital whereas its capital level was set at Rs. 3 Billion which hampered it to compete commercially with the commercial banks and also carry out research and develop innovative products for their target market, she said during the meeting. The need for injection of capital and a sound time bound business plan and strategy was recommended to follow-up and work towards resolution of issues at various policy and decision making levels. It was also recommended that there must be series of such workshops to bring all stakeholders together.

BUSINESS RECORDER

December 5, 2017



BUSINESS RECORDER

Simultaneously published from Karachi, Lahore & Islamabad
Founded by M.A. Zuberi

FWBL introduces PayPak Debit Card

ISLAMABAD: First Women Bank Ltd on its 25th Anniversary launches its first debit card - PayPak Debit Card. The key features of this card are direct payment with higher purchase limits leveraging customers to shop & pay at customers to shop & pay at their favourite retail outlets nationwide to enjoy the cashless experience, along with the acceptance at all nationwide ATMs to withdraw cash.

On this occasion Ms Fahra Plaza President and CEO said, "We are proud to launch a new debit card, opening the doors to a world of payment options. We pride ourselves on being the home of economic empowerment for millions of women and their families. She appreciated the hard work of entire project team and release that FWBL will continue to strengthen its position by introducing new innovative products and fulfilling customer's needs by providing the right solutions. --PR

Oil sector leads rally

The rupee

Govt to int

BUSINESS RECORDER

December 13, 2017



BUSINESS RECORDER

Simultaneously published from Karachi, Lahore & Islamabad
Founded by M.A. Zuberi
Karachi

FWBL president honoured

KARACHI: Tahira Raza, President & CEO First Women Bank Ltd. honoured with the South Asian Business Excellence Award in recognition of her outstanding services for the socio-economic upliftment of women in particular and for exemplary leadership and achievement in the bank's sector in Pakistan by the South Asian Partnership Summit and Business Award. The award was hosted by World HRD Congress and endorsed by Asian Confederation of Business.



The ceremony was held in Shah Faisal Kakar Park, Karachi, Pakistan recently. Deputy High Commissioner on behalf of the Prime Minister of Bangladesh and the award was received by her behalf. — PR

FAST CA

The award was presented to her by the Deputy High Commissioner on behalf of the Prime Minister of Bangladesh. The award was received by her behalf. — PR

The award was presented to her by the Deputy High Commissioner on behalf of the Prime Minister of Bangladesh. The award was received by her behalf. — PR

The award was presented to her by the Deputy High Commissioner on behalf of the Prime Minister of Bangladesh. The award was received by her behalf. — PR

The background is a solid purple color. At the top, there are several hexagonal shapes: one is a solid purple hexagon, and others are white outlines. At the bottom, there are more hexagonal shapes, including a solid purple one and several white outlines. On the right side, there is a large, light purple arrow pointing to the left.

PRODUCTS & SERVICES

Products & Services

SMART ACCOUNT SMART CHOICES, SUCCESSFUL LIVES!

FWBL presents SMART Account*, which not only fulfills personal needs, but also helps meet business requirements for men and women. A combination of convenience, flexibility and financing, the account offers a one-stop solution for customers.



- FREE starter cheque book & SMS alerts
- FREE intracity online transactions
- FREE pay order, TT & MT
- FREE ATM card
- 70% financing facility on deposited amount
- No deduction of Zakat
- Locker facility

*Terms & Conditions apply

ZINDAGI ASAN ACCOUNT Open your personal account by simply showing your CNIC



FWBL Zindagi Asaan Account offers easy access to a bank account without the complex Account Opening procedure.

- Instant Account Opening (Current or Savings Account)
- Start with as little as Rs. 100/-
- 50% concession on issuance of ATM Card

Note: All taxes are applicable as per Government regulations.

IBFT BANKING, BEYOND BANKING HOURS



FWBL has an array of Alternate Delivery Channels that let customers bank with us 24/7. Our countrywide ATM network allows customers to withdraw cash, view statements, transfer funds and pay utility bills at the touch of a button.

FWBL customers can enjoy the following services through their ATM Cards at any FWBL ATM:

- Funds Transfer (Inter-Branch & Inter-Bank)
- Cash Withdrawal
- Utility Bill Payments
- Balance Enquiry
- Mobile (Postpaid), Bill (Payment and Top-up)
- Mini Statement
- ATM PIN Change

*Terms & Conditions apply

BUSINESS LOANS FOR WOMEN



FWBL extends loans to businesswomen for the establishment of new business/development of existing business and for working capital.

Products & Services

Women can get loans up to Rs. 2 million. The Bank assists the applicants of the loan with financial, legal, taxation, marketing and management issues.

*Terms & Conditions apply.

PRIME MINISTER'S YOUTH BUSINESS LOANS



Purpose of Scheme:

To provide small business loans in the shape of Term Loans focused on (but not restricted to) unemployed youth, especially educated youth, looking to establish or extend their business enterprise.

Eligibility Criteria:

Both women and men aged between 21 to 45 years, holding a valid CNIC, with the ability to start their own business or intending to expand their existing business. Applicants should have some experience in the relevant field or hold a business-related diploma/certificate pertaining to the trade of the proposed business set-up.

Pricing/Service Charge:

6% p.a.

Tenor:

Maximum 8 years. The tenor will depend upon the nature of business, pattern of income and repayment capacity.

Finance Limit:

Maximum up to Rs. 2,000,000/-

Processing Time:

Processing time will not exceed 15 working days after the submission of complete basic documents by the applicant.

Borrower's Capital:

10% of the loan amount.

Repayment of Loan:

Service charges on a monthly basis with a grace period of 12 months for principal payment.

Collateral/Security:

- Personal guarantee of high net/credit worthy individuals or
 - Mortgage of immovable property
 - Hypothecation of business stocks
- *Terms & Conditions apply

SOFT LOANS UNDER PRIME MINISTER'S NATIONAL HEALTH PROGRAM



PRIME MINISTER'S NATIONAL HEALTH PROGRAM

Eligibility:

Hospitals/Clinics/Healthcare Units empanelled under PMNHP.

Purpose of Loan:

Term Loan for upgradation of Healthcare Facilities/Purchase of Equipment.

Products & Services

Pricing/Service Charges:

6% flat

Finance Limit:

Maximum up to Rs. 10,000,000/-

Mode of Repayment:

Equal Monthly Instalments

Security:

Mortgage of Property & Charge/Hypothecation of Assets/Equipment

Finance Tenor:

Maximum 8 years, including grace period up to one year for principal installment

*Terms & Conditions apply.

SME LOANS

Equal Opportunity Financing for Women and Men



Purpose of Finance:

Fresh Start-ups/Expansion of Business/Working Capital Requirements

Eligibility:

All Small and Medium Business Concerns capable of starting or running a business on a profitable basis.

Available Facilities:

- **Fund Based:** Demand Finance, Running Finance, Trade Finance
- **Non-Fund Based:** Letter of Guarantee/Letter of Credit

Collateral Mix:

Fixed Deposits / Mortgage of Property / Hypothecation / Charge of Stocks / Receivables / Plant and Machinery

Pricing/Service Charges:

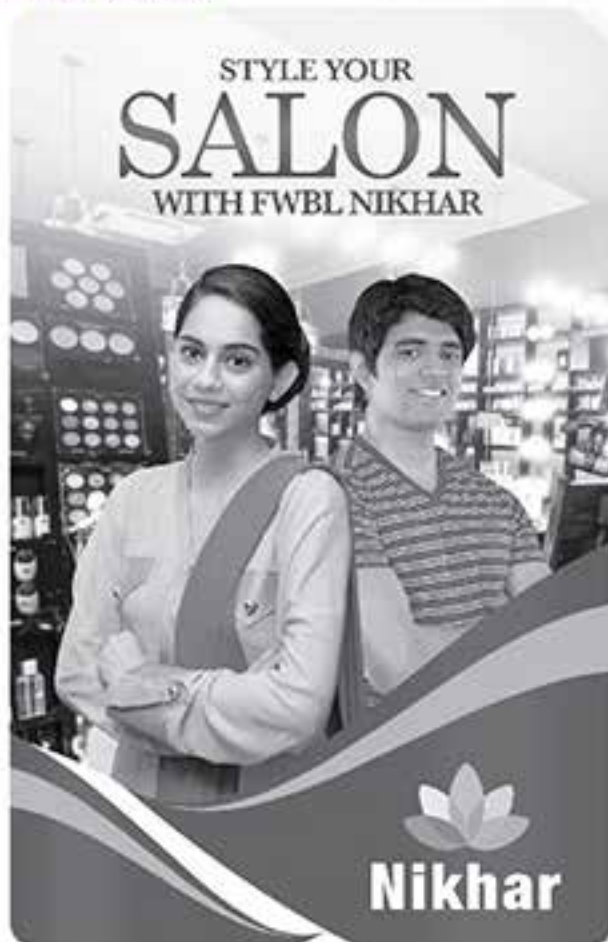
Floating rates, i.e. KIBOR plus Bank's spread

Tenor:

Short and Medium Term

*Terms & Conditions apply.

FWBL NIKHAR



This product is specially designed to encourage and empower professionals, including women, men and transgender associated with the beauty industry by offering hassle-free financing on easy terms.

Purpose of Facility:

Financing will extend to professionals associated with the Beauty Industry for:

- Establishment of beauty salons (start-up),
- Expansion/renovation
- Working capital needs

Eligibility Criteria:

The applicant must be Pakistani National and working or residing in Pakistan includes: Women, Men & Transgender.

Age:

Minimum 21 years – 65 years

- Preferably Certified and experienced professionals (at least 3 years), holders of valid CNIC
- Have a clean credit history with no write-off in ECIB

Products & Services

Loan Amount:

Minimum Rs. 100,000/- to Rs. 15,000,000/-

Tenor:

One year: For working capital needs (R/F)
Up to 5 years: For term loan (start-up and expansion).

Pricing:

KIBOR Rate plus the Bank's spread in accordance with approved terms.

Collateral:

Any suitable security depending on the nature and amount of loan:

- Personal guarantee of high net / credit worthy individuals
- Hypothecation of movable assets / stocks
- Mortgage of immovable property
- Lien / Pledge of cash collateral

Processing Charges:

0.1% of the total loan amount or Rs. 2000/- whichever is higher.

Turn Around Time:

15 working days (subject to completion of all documentation).

Authorized branches:

All FWBL branches

*Terms and conditions apply.

SBP INCENTIVE SCHEMES TO PROMOTE SMES**EXPORT FINANCE SCHEME**

Export Finance Scheme (EFS) is a concessional short-term finance facility provided to exporters through banks for the exports of manufacturing goods and services. Financing is also available for the export of services like Consultancy Services; Software & IT-related services, International Fairs/Exhibitions.

REFINANCING FACILITY FOR MODERNIZATION OF SMES

In order to encourage SMEs to modernize their factories to produce quality products and meet power shortages, SBP has introduced a 'Refinance Facility for Modernization of SMEs.' Financing can be availed by SME borrowers as defined under the SME PRs/SBP guidelines for local purchase/import of new plants & machinery for Balancing, Modernization and Replacement (BMR) of existing units, setting up of new SME units, etc. The facility is available for a maximum period of ten years; including six months grace period at a subsidized mark-up rate of 6% p.a. (may be revised by SBP from time to time).

FINANCING FACILITY FOR THE STORAGE OF AGRICULTURE PRODUCE (FFSAP)

This financing facility is available on a long-term basis for the expansion and balancing, modernization, establishment and replacement of Silos, Warehouses and Cold Storage facilities for storing agricultural produce. Maximum financing for a single project is Rs. 200 million, as allowed under SME PRs, while the repayment period is a maximum of seven years, including a grace period of six months.

FINANCING POWER PLANTS USING RENEWABLE ENERGY

Financing under the scheme shall be available for power generated by using alternative/renewable energy sources (solar, wind, hydro, biogas, biofuels, bagasse cogeneration, and geothermal as fuel).

The scheme is available under two categories: Under Category I - financing shall be available to the prospective sponsors desirous of setting up renewable energy power projects with a capacity ranging from more than 1 MW to 50 MW, having completed the prescribed requirements of the Alternative Energy Development Board (AEDB) and other relevant Government Departments/Authorities (Federal or Provincial), in compliance with the prevalent Renewable Energy Policy of the Government of Pakistan.

In Category II - financing shall be available to consumers (domestic, commercial or industrial) willing to install the facility using renewable energy sources for the generation of electricity ranging from 4 KW to 1000 KW (0.004 MW to 1 MW) for own use or for supplying to the distribution company as per the rules set by NEPRA (Alternate & Renewable Energy), Distributed Generation and Net Metering Regulations, 2015.

LONG-TERM FINANCING FACILITY FOR PLANT AND MACHINERY

Export-oriented SMEs under SBP guidelines are eligible for the facility. Financing can be availed for the local purchase and import of new plants and machinery, equipment and generators/captive power plant.

The sectors/sub-sectors for the import of generators/captive power plant includes Textiles & Garments, Carpets & Wool, Fruits/Vegetables & Processing Cereals, Rice Processing, Surgical Instruments, IT, Software & Services, Leather & Leather Products, Fisheries, Marble & Granite, Sports Goods, Poultry & Meat, Gems & Jewelry, Engineering Goods, Furniture, Pharmaceutical Ethanol, Spinning & Ginning, Glass, and the Dairy sector.

Products & Services

Financing is available at a mark-up rate of 6% per annum, which may be revised by SBP from time to time. The loans availed under the facility shall be repayable within a maximum period of 10 years, including a maximum grace period of 2 years from the availment date. However, where financing facilities have been provided for a period of up to five years, the maximum grace period shall not exceed one year.

*Terms and conditions apply.

REFINANCE AND CREDIT GUARANTEE SCHEME FOR WOMEN ENTREPRENEURS IN UNDERSERVED AREAS

Eligibility:

Women Entrepreneurs in underserved areas

Purpose of Finance:

Business Expansion/Setting up of new business

Pricing/Service Charges:

5% per annum flat

Finance Limit:

Rs.100,000/- to Rs.1,500,000/-

Security:

Personal Guarantee of Borrower herself
Third party guarantee or any acceptable security may also be offered

Nature of Loan:

Term Finance repayable in equal installments

Tenor:

Maximum 5 years including grace period up to 6 months for Principal installments

Mode of Repayment:

Monthly/Quarterly installments

Basic Documentation:

- Loan Application
- Feasibility
- Financials/Cash flow projections
- Stock Report
- Bank Statement

Loan available from all Authorized branches in underserved areas

*Terms and conditions apply.

FWBL PAYPAK DEBIT CARD

FWBL introduces FWBL PayPak Debit Card - a convenient way to make purchases anywhere within Pakistan securely without the need of carrying cash around.

Eligibility:

FWBL PayPak Debit Card is issued to all local currency account holders.

Features and Benefits:

- **Nationwide ATMs**
 - Balance Inquiry
 - Cash Withdrawal
 - Mini Statement
 - FWBL to FWBL Funds Transfer
 - IBFT
 - Bill Payments
 - PIN Change
- **Nationwide Retails Outlets**
 - Direct Purchase via PIN verification

SALARY LOANS



FWBL provides that extra spending power - no matter what customers' needs might be!

A need-based term loan up to Rs. 2,000,000 that the borrowers can avail to meet their immediate financial needs. The employees of multinational companies, government employees, armed forces personnel & employees of local private sector organizations are eligible for loans.

*Terms & Conditions apply.

MERA CASH

Meet your personal needs at your convenience



Products & Services

Eligible Segments:

- Salaried Individual
- Self-Employed Business Person
- Self-Employed Professional

Finance Amount:

Minimum Finance Amount: Rs. 50,000/-

Tenure of Facility (Term Loan):

Minimum: 1 Year
Maximum: 5 Years

Price:

6 Months KIBOR + Spread (Loading Factors)

Mode of Payment:

Monthly installments

Features:

- Quick processing
- Competitive market rate

Collateral:

- FWBL Deposits/TDRs
- Other Bank's Deposits/TDRs
- Defence Saving Certificates (DSCs)
- Special Saving Certificates (SSCs)
- Regular Income Certificates (RICs)
- Funds (Money Market Funds, Equity Fund, etc.)
- Pak Rupee/Foreign Currency Deposits
- Prize Bonds
- PIBs/T-Bills

Authorized Branches:

All FWBL Branches

*Terms & Conditions apply.

BANCASSURANCE



FWBL and State Life Insurance Corporation (SLIC) signed an agreement to sell insurance products under Bancassurance in 2013. Now all FWBL branches sell the insurance plans in partnership with State Life Insurance Corporation. The SLIC products offered through FWBL branches provide FWBL customers an avenue to protect themselves against future uncertainties, i.e. financial protection in case of the Policyholder's demise or disability and will also help FWBL customers in planning for their futures through the Savings Feature available in all these plans.

3 PAYMENT PLAN

Prepare for Life's Important Moments

3 PAYMENT PLAN

A unique insurance plan which allows multiple withdrawals to help you meet any financial need.

STATE LIFE
INSURANCE CORPORATION OF PAKISTAN

Empowering the Nation Together

First Women Bank Ltd.

A unique Insurance Plan that allows customers to plan for their 3 financial needs through ONE PLAN.


3 Payment Plan is a unique Endowment Assurance as it provides an option to avail the benefit of 25% withdrawal of the Sum Assured on the completion of one-third and two-third Term of the Policy.

This Plan also provides an option for pre-determined, periodic withdrawals during the Currency of Policy. In case of death (God forbid) during the Term of Policy, the Plan provides a lump-sum payment to the beneficiaries.

*Terms & Conditions apply.

Products & Services

ENDOWMENT PLAN



**Plan Ahead for
Your Family's Future**

ENDOWMENT PLAN

Enjoy a lump-sum payout at the maturity of your tenor with an insurance plan that lets you save and ensures you and your loved ones are well cared for

STATE LIFE
INSURANCE CORPORATION OF INDIA

Empowering the Nation Together



First Women Bank Ltd.

It is a unique saving and protection method at a specific time speculated on the basis of the Policyholder's future requirements. Endowment Plan is most suitable for people who are farsighted and want to fulfill their future needs. This Plan is suitable for entrepreneurs, businessmen, lawyers, doctors, engineers, service-oriented people and teachers. It is also a viable plan for newly-married couples as well as middle class individuals with limited income.

*Terms & Conditions apply.

SADA BAHAR PLAN



**Secure Your
child's Future**

SADA BAHAR

Offering high value savings with the best returns, this Plan allows partial withdrawals while providing a substantial payout at the end of your policy tenor to provide adequately for your child.

STATE LIFE
INSURANCE CORPORATION OF INDIA

Empowering the Nation Together



First Women Bank Ltd.

Sada Bahar is an anticipated Endowment type With-Profits Plan that provides a lump-sum benefit at certain stages during the premium paying term or on earlier death. In addition, this Plan has a built-in Accidental Death Benefit (ADB) rider, so that the Policyholder gets an additional Sum Assured, in case of death due to an accident. This Plan is a safe instrument for cash provision at the time of need. With this Plan, the Policyholder can secure greater protection and continue prosperity for the family at an affordable cost. This Plan is available to all members of the general public aged 20-60 years, to the nearest birthday. Both males and females may purchase this Plan. Terms offered in this Plan are 12, 15, 18, 21, 24, 27 and 30 years.

*Terms & Conditions apply.

The background is a solid purple color. At the top and bottom, there are faint, light purple hexagonal patterns. A large, solid purple arrow points from the left towards the right, positioned behind the text.

NETWORK

Branches in Pakistan



• Karachi	10	• Gilgit	• Multan
• Lahore	4	• Gujranwala	• Quetta
• Islamabad	4	• Gujrat	• Rahim Yar Khan
• Peshawar	2	• Hyderabad	• Sargodha
• Rawalpindi	3	• Jhelum	• Sialkot
• Abbottabad		• Khairpur	• Shikarpur
• Bahawalpur		• Larkana	• Sukkur
• Faisalabad		• Mardan	• Wah Cantt.

Head Office, Regional / Area Offices & Branches

HEAD OFFICE

S.T.S.M. Foundation Building
CL-10/20/2, Beaumont Road,
Off Dr. Ziauddin Ahmed Road,
Civil Lines,
Karachi.
UAN: 111-676-767
Ph: 021-35657684-9,
35212182-4
Fax: 021-35657756

REGION SOUTH A REGIONAL OFFICE

S.T.S.M. Foundation Building
CL/10/20/2, Beaumont Road
Civil Lines, Off Dr. Ziauddin
Ahmed Road
Karachi.
Ph: 021-35659004

BRANCHES

KARACHI

GURUMANDIR

Shop No. 5 & 6, Adam Plaza,
Opposite Binori Town Masjid,
Gurumandir,
Karachi.
Ph: 021-99231155, 99231158

CLIFTON

Shop No. 05, BC-12 Block # 05,
Kehkashan, Clifton,
Karachi.
Ph: 021-35867596, 35871704
Fax: 021-35871704

F.B. AREA

Shop No. 1 & 2, Star Centre,
Ground Floor, Plot No. CS-18,
Block-7, Near Aisha Manzil,
F.B. Area,
Karachi.

Ph: 021-99246029
Fax: 021-99246039

P.E.C.H.S./

SHAHRAH-E-QUAIDEEN

238-B, Block-2, P.E.C.H.S.,
Karachi.
Ph: 021-34551241, 34549523

MALIR

Shop No. 8, 9, 10, 11,
Salman Towers,
Opp. Raza Residencies,
NADRA Office,
Near Malir Court,
Karachi.
Ph: 021-34508937, 34511786

HYDERABAD

R-C No. 1 Faraz Villas,
Phase-I, Main Road,
Qasimabad,
Hyderabad.
Ph: 022-2654381, 2654380

REGION SOUTH B REGIONAL OFFICE

Imperial Court, Dr. Ziauddin
Ahmed Road,
Karachi.
Ph: 021-35681777

BRANCHES

KARACHI

IMPERIAL COURT

Imperial Court Branch,
Dr. Ziauddin Ahmed Road,
Karachi.
Ph: 021-35684081, 35680240,
35693205

DA COUNTRY & GOLF CLUB

DA Country & Golf Club,
Zulfiqar Street #1,
Phase VIII, D.H.A.,
Karachi.
Ph: 021-35250511
Fax: 021-35250512-4

SHARFABAD

Shop No. 8 & 9,
Abdullah Regency,
Plot # 15/124, B.M.C.H.S.,
Block-3,
Main Jamal-uddin Afghani
Road,
Karachi.
Ph: 021-34122447, 34122448

NAZIMABAD

Shop No. 1, 2, 3 & 4,
Razia Apartments,
Nazimabad # 4, Near Sona
Chandi Wedding Lawn,
Karachi.
Ph: 021-36707922, 36688343

GULSHAN-E-IQBAL

Shop No. 7 & 8,
Saleem Centre, Block-13,
Main University Road,
Gulshan-e-Iqbal,
Karachi.
Ph: 021-34977328, 34828530

QUETTA

Shahrah-e-Iqbal,
Quetta.
Ph: 081-2832411

Head Office, Regional / Area Offices & Branches

BOOTH

Govt. Girls Degree College
Gulistan Road, Quetta Cantt.
Quetta.

REGION SOUTH C REGIONAL OFFICE

Bank Square, Main Bunder
Road,
Larkana.
Ph.: 074-4046005

BRANCHES

SHIKARPUR

HMB Tower, Hathi Gate,
Shikarpur.
Ph.: 0726-520666
Fax: 0726-920160

KHAIRPUR

Court Road, Opposite NBP
Main Branch, Khairpur Miris,
Khairpur.
Ph.: 0243-9280020

SUKKUR

Glamour Centre,
Mohammad Bin Qasim Road,
Sukkur.
Ph.: 071-9310286, 9310888
Fax: 071-9310286

LARKANA

Bank Square, Main Bunder
Road,
Larkana.
Ph.: 074-4046005,
4042100, 9410842

REGION CENTRAL REGIONAL OFFICE

51-C/2, Maisonette Plaza,
Ghalib Road, Gulberg III,

Lahore.

Ph.: 042-35771371-2
Fax: 042-35771373

BRANCHES

LAHORE

DEFENCE

23-G, Commercial Area,
D.H.A., Phase-1,
Lahore.
Ph.: 042-99264326,
99264026

MALL ROAD

S-19, R-34,
Commercial Building,
Mall Road,
Lahore.
Ph.: 042-37123400
Fax: 042-37123401

ALLAMA IQBAL TOWN

14-Hunza Block,
Main Boulevard,
Allama Iqbal Town,
Lahore.
Ph.: 042-37806817
Fax: 042-37805824

MAIN BOULEVARD

78-A, E/1, Gulberg III,
Main Boulevard,
Lahore.
Ph.: 042-35790471-2

FAISALABAD

18-A, Ripple Centre,
Peoples Colony #1,
Faisalabad.
Ph.: 041-8714434, 9220258
Fax: 041-8714435

MULTAN

Abdali Road,
Opp. PIA Cargo Office,
Multan.
Ph.: 061-4586535
Fax: 061-9201406

BAHAWALPUR

Aziz Plaza, Circular Road,
Bahawalpur.
Ph.: 062-2877887, 9255301

SARGODHA

23, University Road Branch,
Sargodha.
Ph.: 048-9230886, 3740314
Fax: 048-9230443

RAHIM YAR KHAN

Plot # 7,
New Officer's Colony,
Near Telenor Office,
Rahim Yar Khan.
Ph.: 068-9230444, 5872728

GUJRANWALA

A.R. Plaza, Main G.T. Road,
General Bus Stand,
Gujranwala.
Ph.: 055-9201260, 9200348
Fax: 055-9200348

SIALKOT

Property No. 1 to 4 & 5 to 8,
Survey No. 261, Aziz Bhatti
Shaheed Road,
Sialkot Cantt.
Sialkot.
Ph.: 052-4296091, 4296090

Head Office, Regional / Area Offices & Branches

JHELUM

G.T.S. Chowk, Jhelum Cantt.
Jhelum.
Ph.: 0544-9270225, 9270201
Fax: 0544-9270201

GUJRAT

Circular Road, Fawara Chowk,
Gujrat.
Ph.: 053-9260226-7
Fax: 053-9260227

REGION NORTH AREA OFFICE NORTH A

Green Trust Tower,
Jinnah Avenue, Blue Area,
Islamabad.
Ph.: 051-9204026, 9203456-7
Fax: 051- 9203458

BRANCHES

ISLAMABAD

BLUE AREA

State Life Building No. 7,
Blue Area,
Islamabad.
Ph.: 051-2822137, 2872056,
2822232
Fax: 051-2873261

G-9 MARKAZ

9-Omar Plaza, G-9 Markaz,
Islamabad.
Ph.: 051-9261700, 2284454
Fax: 051-9261427

AIOU

Block-2, Allama Iqbal Open
University,
Sector H-8,
Islamabad.
Ph.: 051-9250201
Fax: 051-4922118

INTERNATIONAL ISLAMIC UNIVERSITY

International Islamic
University,
Shopping Centre,
Female Campus,
H-10 Sector,
Islamabad.
Ph.: 051-4437276
Fax: 051-9259333

RAWALPINDI

AL-AMIN PLAZA

Al-Amin Plaza, The Mall Road,
Opposite AFIC,
Rawalpindi.
Ph.: 051-5562215, 5701109

MURREE ROAD

B-139, Nazeer Plaza,
Chandni Chowk,
Murree Road,
Rawalpindi.
Ph.: 051-4906115, 4906962
Fax: 051-4906160

FATIMA JINNAH WOMEN UNIVERSITY

Fatima Jinnah Women
University,
The Mall,
Rawalpindi.
Ph.: 051-4252304, 9292927

WAH CANTT.

B-82, Lala Rukh Colony,
Wah Cantt.
Ph.: 051-4541550, 4541578
Fax: 051-4541578

GILGIT

Shop No 3-9, Khasra #
1607-8, Qalandar Plaza,
City Tower, Cinema Bazaar,
Gilgit.
Ph.: 05811-450873-4
Fax: 05811-450872

NORTH B AREA OFFICE

29, The Mall,
Peshawar.
Ph.: 091-5270357
Fax: 091-5254090

BRANCHES

THE MALL

29, The Mall,
Peshawar.
Ph.: 091-5272157, 5273157
Fax: 091-5254090

MARDAN

503/2, The Mall,
Mardan.
Ph.: 0937-874726, 864959

ABBOTTABAD

Sitara Market,
Opp. Army Burn Hall,
College for Boys,
Mansehra Road,
Abbottabad.
Ph.: 0992-863301, 836110
Fax: 0992-380177

JAMRUD ROAD

University Town,
Jamrud Road
Peshawar.
Ph.: 091-5711345, 5851344

ATM Network

KARACHI

IMPERIAL COURT BRANCH

Imperial Court,
Dr. Ziauddin Ahmed Road,
Karachi.
Ph.: 021-35684081,
35680240, 35693205

GURUMANDIR BRANCH

Shop No. 5 & 6, Adam Plaza,
Opp. Binori Town Masjid,
Gurumandir,
Karachi.
Ph.: 021-99231155, 99231158

SHARFABAD BRANCH

Shop No. 8 & 9, Abdullah
Regency,
Plot # 15/124, B.M.C.H.S,
Block-3,
Main Jamal-uddin Afghani
Road,
Karachi.
Ph.: 021-34122447-8

CLIFTON BRANCH

Shop No. 05,
BC-12 Block # 05,
Kehkashan, Clifton,
Karachi.
Ph.: 021-35867596,
35871704
Fax: 021-35871704

MALIR BRANCH

Shop No. 8, 9, 10, 11,
Salman Towers,
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NADRA Office,

Near Malir Court,
Karachi.
Ph.: 021-34508937, 34511786

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Ph.: 021-35250511
Fax: 021-35250512 - 4

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Bank Square,
Main Bunder Road,
Larkana.
Ph.: 074-4046005,
4042100, 9410842

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78-A, E/1, Gulberg III,
Main Boulevard Road,
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Ph.: 042-35790471 - 2

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14-Hunza Block,
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Ph.: 042-99264326,
99264026

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18-A, Ripple Centre,
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Ph.: 041-8714434, 9220258
Fax: 041-8714435

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State Life Building 7,
Blue Area, Islamabad.
Ph.: 051-2822137,
2872056, 2822232
Fax: 051-2873261

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9-Umar Plaza, G-9 Markaz,
Islamabad.
Ph.: 051-9261700, 2284454
Fax: 051-9261427

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Allama Iqbal Open
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Sector H-8,
Islamabad.
Ph.: 051-9250201
Fax: 051-4922118

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Rawalpindi.
Ph.: 051-5562215, 5701109

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Fatima Jinnah Women
University,
The Mall,
Rawalpindi.
Ph.: 051-4252304, 9292927
Fax: 051-5582404

WAH CANTT.

WAH CANTT. BRANCH

B-82, Lala Rukh Colony,
Wah Cantt.
Ph.: 051-4541578
Fax: 051-4541578

OFF-SITE ATM

CREEK VISTA

Creek Vista Apartments,
Phase VIII, D.H.A.,
Karachi.



First Women Bank Ltd.

Head Office:

S. T. S. M. Foundation Building, CL-10/20/2, Beaumont Road,
Off Dr. Ziauddin Ahmed Road, Civil Lines, Karachi.

Phone: 021-35657684-9 | Fax: 021-35657756 | UAN: 111 676 767 | Website: www.fwbl.com.pk