

CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021

Habib Bank Limited Condensed Interim Consolidated Statement of Financial Position As at March 31, 2021

	Note	(Unaudited) March 31, 2021 (Ruped	(Audited) December 31, 2020 es in '000)
ASSETS			
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments Advances Fixed assets Intangible assets Deferred tax assets Other assets	5 6 7 8 9 10 11	288,718,468 45,993,373 58,475,805 1,717,360,433 1,212,472,231 90,730,056 10,630,919 - 114,739,208 3,539,120,493	375,280,120 56,533,829 30,154,193 1,948,576,822 1,223,510,222 89,190,210 10,412,880 - 115,404,542 3,849,062,818
LIABILITIES			
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Subordinated debt Deferred tax liabilities Other liabilities	13 14 15 16 17 18	44,419,335 284,066,936 2,781,565,743 - 12,374,000 6,086,213 148,999,259 3,277,511,486	46,434,199 544,107,826 2,830,371,390 - 22,356,000 10,387,859 129,910,297 3,583,567,571
NET ASSETS	;	261,609,007	265,495,247
REPRESENTED BY			
Shareholders' equity Share capital Reserves Surplus on revaluation of assets - net of tax Unappropriated profit Total equity attributable to the equity holders of the Bank Non-controlling interest	19	14,668,525 68,763,362 32,190,685 141,255,024 256,877,596 4,731,411	14,668,525 72,062,025 36,004,914 138,208,223 260,943,687 4,551,560
Non-controlling interest			
CONTINUE NOISE AND COMMITMENTS		261,609,007	265,495,247
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

President and	Chief Financial Officer	Director	Director	Director
Chief Executive Officer				

Habib Bank Limited Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the three months ended March 31, 2021

	Note	January 01 to March 31, 2021 (Rupees	January 01 to March 31, 2020 in '000)
Mark-up / return / profit / interest earned	22	63,462,902	72,645,814
Mark-up / return / profit / interest expensed Net mark-up / return / profit / interest income	23	30,993,628 32,469,274	<u>44,632,354</u> <u>28,013,460</u>
Net mark-up / return / pront / interest income		32,469,274	20,013,460
Non mark-up / interest income			
Fee and commission income	24	5,904,361	4,730,547
Dividend income		117,602	79,519
Share of profit of associates and joint venture		259,320	255,349
Foreign exchange income / (loss)		895,801	(1,193,768)
Income / (loss) from derivatives		1,179,287	(280,304)
(Loss) / gain on securities - net	25	(206,350)	2,279,970
Other income / (loss)	26	72,179	(93,812)
Total non mark-up / interest income	<u>L</u>	8,222,200	5,777,501
Total income	-	40,691,474	33,790,961
Non mark-up / interest expenses			
Operating expenses	27	23,901,977	25,639,193
Workers' Welfare Fund - charge		319,146	161,519
Other charges	28	42,233	232,198
Total non mark-up / interest expenses		24,263,356	26,032,910
Profit before provisions and taxation	-	16,428,118	7,758,051
Provisions / (reversals) and write offs - net	29	1,919,910	625,273
Profit before taxation	-	14,508,208	7,132,778
Taxation	30	5,948,351	3,024,676
Profit after taxation	=	8,559,857	4,108,102
Attributable to:			
Equity holders of the Bank		8,335,851	4 006 14E
Equity holders of the Bank Non-controlling interest		224,006	4,096,145 11,957
Non-controlling interest	=	8,559,857	4,108,102
	=	Rup	
Decis and diluted comings was shows	24	•	
Basic and diluted earnings per share	31 =	5.68	2.79

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Habib Bank Limited Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the three months ended March 31, 2021

Profit after taxation for the period attributable to:		January 01 to March 31, 2021 (Rupees	January 01 to March 31, 2020 in '000)
Equity holders of the Bank Non-controlling interest 8,335,851 (224,006) 11,957 (8,559,857 4,108,102) Other comprehensive income / (loss) Items that may be reclassified to the profit and loss account in subsequent periods: Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to: Equity holders of the Bank (4,390,728) (37,779) 11,777 (4,428,507) 3,182,825 Increase / (decrease) in share of exchange translation reserve of associates - net of tax (84,930) Movement in surplus / deficit on revaluation of investments - net of tax, attributable to: Equity holders of the Bank (3,749,308) (84,930) Movement in surplus / deficit on revaluation of investments - net of tax, attributable to: Equity holders of the Bank (3,749,308) (21,101) (3,755,169) 5,728,206 Movement in share of surplus / deficit on revaluation of investments of associates - net of tax (44,324) (93,583) Items that are not to be reclassified to the profit and loss account in subsequent periods: Share of remeasurement gain on defined benefit obligations of associates - net of tax Total comprehensive income 3,343 2,644 Total comprehensive income attributable to: Equity holders of the Bank 335,319 12,840,631 Non-controlling interest 180,366 2,633	Profit after taxation for the period attributable to:	` •	,
Non-controlling interest 224,006 11,957 8,559,857 4,108,102	<u>-</u>	8,335,851	4,096,145
Other comprehensive income / (loss) Items that may be reclassified to the profit and loss account in subsequent periods: Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to:			
Items that may be reclassified to the profit and loss account in subsequent periods: Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to: Equity holders of the Bank Non-controlling interest (4,428,507) 3,171,048 (37,779) 111,777 (4,428,507) 3,182,825 Increase / (decrease) in share of exchange translation reserve of associates - net of tax attributable to: Equity holders of the Bank (3,749,308) (4,49308) (4,390,728) (4,428,507) (4,428,50			
Subsequent periods: Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to: Equity holders of the Bank Non-controlling interest	Other comprehensive income / (loss)		, ,
joint venture and associates - net of tax, attributable to:	· · · · · · · · · · · · · · · · · · ·		
Equity holders of the Bank (4,390,728) (3,7779) 11,777 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,428,507) 3,182,825 (4,430) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,428,507) (4,430) (4,43	-		
Non-controlling interest		(4,390,728)	3,171,048
Increase / (decrease) in share of exchange translation reserve of associates- net of tax Movement in surplus / deficit on revaluation of investments - net of tax, attributable to: Equity holders of the Bank Non-controlling interest Movement in share of surplus / deficit on revaluation of investments of associates - net of tax Items that are not to be reclassified to the profit and loss account in subsequent periods: Share of remeasurement gain on defined benefit obligations of associates - net of tax Total comprehensive income Total comprehensive income attributable to: Equity holders of the Bank Non-controlling interest A, 325, 319 12,840,631 Non-controlling interest 180,366 2,633	· ·	, ,	
Increase / (decrease) in share of exchange translation reserve of associates- net of tax Movement in surplus / deficit on revaluation of investments - net of tax, attributable to: Equity holders of the Bank Non-controlling interest Movement in share of surplus / deficit on revaluation of investments of associates - net of tax Items that are not to be reclassified to the profit and loss account in subsequent periods: Share of remeasurement gain on defined benefit obligations of associates - net of tax Total comprehensive income Total comprehensive income attributable to: Equity holders of the Bank Non-controlling interest 180,485 (84,930) 180,485 (93,749,308) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,758,100) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,758,100) (93,755,169) (93,755,169) (93,755,169) (93,755,169) (93,758,100) (93,758,100) (93,758,100) (93,758,100) (93,758,100) (93	•		
Associates	Increase / (decrease) in share of exchange translation reserve of	,	
attributable to: Equity holders of the Bank (3,749,308) 5,749,307 Non-controlling interest (5,861) (21,101) Movement in share of surplus / deficit on revaluation of investments of associates - net of tax (44,324) (93,583) Items that are not to be reclassified to the profit and loss account in subsequent periods: (44,324) (93,583) Share of remeasurement gain on defined benefit obligations of associates - net of tax 3,343 2,644 Total comprehensive income 515,685 12,843,264 Total comprehensive income attributable to: Equity holders of the Bank 335,319 12,840,631 Non-controlling interest 180,366 2,633	, , ,	180,485	(84,930)
Non-controlling interest (5,861) (21,101) Movement in share of surplus / deficit on revaluation of investments of associates - net of tax (3,755,169) 5,728,206 Items that are not to be reclassified to the profit and loss account in subsequent periods: (44,324) (93,583) Share of remeasurement gain on defined benefit obligations of associates - net of tax 3,343 2,644 Total comprehensive income 515,685 12,843,264 Total comprehensive income attributable to: Equity holders of the Bank	•		
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	Equity holders of the Bank	(3,749,308)	5,749,307
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	Non-controlling interest	(5,861)	(21,101)
of associates - net of tax (44,324) (93,583) Items that are not to be reclassified to the profit and loss account in subsequent periods: Share of remeasurement gain on defined benefit obligations of associates - net of tax 3,343 2,644 Total comprehensive income 515,685 12,843,264 Total comprehensive income attributable to: Equity holders of the Bank 335,319 12,840,631 Non-controlling interest 180,366 2,633		(3,755,169)	5,728,206
Items that are not to be reclassified to the profit and loss account in subsequent periods:Share of remeasurement gain on defined benefit obligations of associates - net of tax3,3432,644Total comprehensive income515,68512,843,264Total comprehensive income attributable to: Equity holders of the Bank Non-controlling interest335,31912,840,631	Movement in share of surplus / deficit on revaluation of investments		
in subsequent periods: Share of remeasurement gain on defined benefit obligations of associates - net of tax 3,343 2,644 Total comprehensive income 515,685 12,843,264 Total comprehensive income attributable to: Equity holders of the Bank Non-controlling interest 180,366 2,633	of associates - net of tax	(44,324)	(93,583)
- net of tax 3,343 2,644 Total comprehensive income 515,685 12,843,264 Total comprehensive income attributable to: Equity holders of the Bank	•		
Total comprehensive income attributable to: Equity holders of the Bank Non-controlling interest Non-controlling interest Total comprehensive income attributable to: 12,840,631 180,366 2,633	· · · · · · · · · · · · · · · · · · ·	3,343	2,644
Equity holders of the Bank 335,319 12,840,631 Non-controlling interest 180,366 2,633	Total comprehensive income	515,685	12,843,264
Equity holders of the Bank 335,319 12,840,631 Non-controlling interest 180,366 2,633	Total assumption to the same attalling to be a		
Non-controlling interest 180,366 2,633		225 240	10.040.604
	· ·		
<u> </u>	Non-controlling interest		
		313,065	12,043,204

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

President and Chief Financial Officer Director Director Director Chief Executive Officer

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Habib Bank Limited Condensed Interim Consolidated Statement of Changes In Equity (Unaudited) For the three months ended March 31, 2021

	Attributable to shareholders of the Bank											
		Reserves		Surplus/(Deficit) on revaluation								
		Statu	tory		Capital				of			
	Share capital	Joint venture and subsidiary	Bank	Exchange translation	Non- distribu- table capital	Capital reserve on acquisition of common control entity	Unappro- priated profit	Investments	Fixed / Non Banking Assets	Sub Total	Non- controlling interest	Total
						(Rupe	es in '000)					
Balance as at December 31, 2019 Comprehensive income for the three months ended March 31, 2020	14,668,525	1,239,213	33,463,859	31,167,030	547,115	(156,706)	114,550,097	3,530,150	21,345,233	220,354,516	4,396,996	224,751,512
Profit after taxation for the three months ended March 31, 2020	-	-	-	-	-	-	4,096,145	-	-	4,096,145	11,957	4,108,102
Other comprehensive income / (loss) Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax		_	_	3,171,048		-	_	_	_	3,171,048	11,777	3,182,825
Decrease in share of exchange translation reserve of associates - net of tax	-	-		(84,930)			-	-		(84,930)		(84,930)
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	2,644	-	-	2,644	-	2,644
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	-	5,749,307	-	5,749,307	(21,101)	5,728,206
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax								(93.583)		(93,583)		(93,583)
Of associates - Het Of tax	-	-	-	3,086,118		-	4,098,789	5,655,724	-	12,840,631	2,633	12,843,264
Transferred to statutory reserves	-	61,254	399,778	-		-	(461,032)	-	-	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	12,429	-	(12,288)	141	(141)	-
Exchange gain realised on capital reduction in subsidiary under liquidation - net of tax	-	-	-	(1,084,380)	-	-	-	-	-	(1,084,380)	-	(1,084,380)
Reversal of deferred tax asset recognised on subsidiary under liquidation	_	-	_	_		_	(108,817)		_	(108,817)	-	(108,817)
Exchange loss realised on closure of Bank branch - net of tax	_	-	-	1,151,197	-	-	-	-	-	1,151,197	-	1,151,197
Transactions with owners, recorded directly in equity Final cash dividend - Rs 1.25 per share declared subsequent												
to the year ended December 31, 2019	-	-	-	-	-	-	(1,833,565)	-	-	(1,833,565)	-	(1,833,565)
Balance as at March 31, 2020	14,668,525	1,300,467	33,863,637	34,319,965	547,115	(156,706)	116,257,901	9,185,874	21,332,945	231,319,723	4,399,488	235,719,211
Comprehensive income for the nine months ended December 31, 2020												
Profit after taxation for the nine months ended December 31, 2020	-	-	-	-	-	-	26,796,126	-	-	26,796,126	9,121	26,805,247
Other comprehensive income / (loss) Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-		-	(853,552)	-		-		-	(853,552)	64,943	(788,609)
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	139,796	-	-	-	-	-	139,796	-	139,796
Remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-	-	-	-	-	(157,138)	-	-	(157,138)	486	(156,652)
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	5,168	-	-	5,168	-	5,168
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	-	(771,101)	6,167,217	5,396,116	77,945	5,474,061
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	_							128,560		128,560		128,560
of associates - fiet of tax		-	-	(713,756)		-	26,644,156	(642,541)	6,167,217	31,455,076	152,495	31,607,571
Transferred to statutory reserves	-	146,683	2,752,590	-	-	-	(2,899,273)	-	-	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	39,004	-	(38,581)	423	(423)	-
Reversal of exchange gain realised on capital reduction in subsidiary under liquidation - net of tax	-	-	-	2,030	-	-	-	-	-	2,030	-	2,030
Transactions with owners, recorded directly in equity												
1st interim cash dividend - Rs 1.25 per share	14,668,525	1 447 450	36,616,227		- 5/7/1/F	- (4EC 700)	(1,833,565)	9 E40 000	27 464 504	(1,833,565)	- 4 554 500	(1,833,565)
Balance as at December 31, 2020	14,008,525	1,447,150	36,616,227	33,608,239	547,115	(156,706)	138,208,223	8,543,333	27,461,581	260,943,687	4,551,560	265,495,247
Comprehensive income for the three months ended March 31, 2021							0.005.5-			0.005.5-	001000	0.550.5
Profit after taxation for the three months ended March 31, 2021 Other comprehensive income / (loss) Effect of translation of net investment in foreign branches,	-	-	-	-	-	-	8,335,851	-	-	8,335,851	224,006	8,559,857
subsidiaries, joint venture and associates - net of tax	-	-	-	(4,390,728)	-	-	-	-	-	(4,390,728)	(37,779)	(4,428,507)
Increase in share of exchange translation reserve of associates - net of tax Share of remeasurement gain on defined benefit	-	-	-	180,485	-	-	-	-	-	180,485	-	180,485
obligations of associates - net	-	-	-	-	-	-	3,343	-	-	3,343	- (5.004)	3,343
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	-	(3,749,308)	-	(3,749,308)	(5,861)	(3,755,169)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax								(44.204)		(44.204)		(44.204)
of associates - net of tax				(4,210,243)			8,339,194	(44,324)		(44,324) 335,319	180,366	(44,324) 515,685
Transferred to statutory reserves		83,157	829,792	-	-		(912,949)	-		-		
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	21,112	-	(20,597)	515	(515)	-
Exchange gain realised on capital reduction in subsidiary under liquidation - net of tax	-	-	-	(1,369)	-	-	-	-	-	(1,369)	-	(1,369)
Transactions with owners, recorded directly in equity												
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020		_		_	_	_	(4,400,556)		-	(4,400,556)	_	(4,400,556)
Balance as at March 31, 2021	14,668,525	1,530,307	37,446,019	29,396,627	547,115	(156 706)	141,255,024	4,749,701	27 <u>44</u> 0 QR/	256,877,596	4 731 /11	261,609,007
Datation as at material, 2021	14,000,025	1,000,007	31,440,019	23,380,027	J+1,110	(130,700)	141,233,024	4,148,101	21,440,304	230,011,030	+,101,411	201,003,007

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

Habib Bank Limited

Condensed Interim Consolidated Cash Flow Statement (Unaudited) For the three months ended March 31, 2021

	January 01 to March 31, 2021	January 01 to March 31, 2020
	(Rupees i	n '000)
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation	14,508,208	7,132,778
Dividend income	(117,602)	(79,519)
Share of profit of associates and joint venture	(259,320)	(255,349)
	(376,922) 14,131,286	(334,868)
Adjustments:	14,131,200	6,797,910
Depreciation	1,622,528	1,458,898
Amortisation	229,036	174,541
Depreciation on right-of-use assets Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	989,969 582,502	859,401 485,313
(Reversal of) / provision for diminution in value of investments	(738,656)	281,990
Provision against loans and advances	3,043,369	434,913
(Reversal of) / provision against other assets	(235,590)	32,186
Provision against off-balance sheet obligations Unrealised gain on held-for-trading securities	82,222 (798)	15,629 (794,615)
Exchange loss / (gain) on goodwill	99,373	(24,262)
Exchange gain realised on reduction in capital of subsidiary - net of tax	(1,369)	(1,084,380)
Exchange loss realised on closure of overseas branch - net of tax	-	1,151,197
Loss / (gain) on sale of fixed assets - net Workers' Welfare Fund	2,334 319,146	(16,293)
Workers Wellale Fullu	5,994,066	161,519 3,136,037
	20,125,352	9,933,947
(Increase) / decrease in operating assets	(00.004.040)	(4.000.000)
Lendings to financial institutions Held-for-trading securities	(28,321,612) (25,469,913)	(4,629,699) (37,914,961)
Advances	7,994,622	(12,827,267)
Other assets (excluding advance taxation)	(370,090)	5,889,455
	(46,166,993)	(49,482,472)
Increase / (decrease) in operating liabilities Bills payable	(2,014,864)	578,422
Borrowings from financial institutions	(260,040,890)	(6,893,443)
Deposits and other accounts	(48,805,647)	(59,965,098)
Other liabilities	12,978,035	16,567,911
	(297,883,366) (323,925,007)	(49,712,208) (89,260,733)
Income tax paid	(4,963,555)	(1,169,659)
Net cash flows used in operating activities	(328,888,562)	(90,430,392)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	267,077,033	(16,861,489)
Net investment in held-to-maturity securities Net investment in associates	(17,816,784)	7,211,511 (229,810)
Dividend received	2,198,314 72,733	(229,610) 57,666
Investments in fixed assets	(3,690,831)	(1,745,519)
Investments in intangible assets	(546,448)	(285,647)
Proceeds from sale of fixed assets Effect of translation of net investment in foreign branches, subsidiaries,	12,208	26,944
joint venture and associates - net of tax	(4,210,243)	3,086,118
Net cash flows generated from / (used in) investing activities	243,095,982	(8,740,226)
CASH FLOWS FROM FINANCING ACTIVITIES		
Effect of translation of net investment by non-controlling interest in subsidiary	(37,779)	11,777
Repayment of subordinated debt	(9,982,000)	(2,000)
Payment of lease liability against right-of-use assets	(1,288,346)	(1,342,556)
Dividend paid Net cash flows used in financing activities	(1,403)	(447,969) (1,780,748)
Decrease in cash and cash equivalents during the period	(97,102,108)	(100,951,366)
Cash and cash equivalents at the beginning of the period	437,053,719	404,505,633
Effect of exchange rate changes on cash and cash equivalents	(5,239,770)	4,336,638
	431,813,949	408,842,271
Cash and cash equivalents at the end of the period	334,711,841	307,890,905
The annexed notes 1 to 39 form an integral part of these condensed interim conso	lidated financial state	ements.

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) For the three months ended March 31, 2021

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding company

- Habib Bank Limited, Pakistan

Subsidiaries

- Habib Allied Holding Limited 90.50% shareholding
- HBL Bank UK Limited 90.50% effective shareholding
- Habib Finance International Limited 100% shareholding
- Habib Currency Exchange (Private) Limited 100% shareholding
- HBL Asset Management Limited 100% shareholding
- The First MicrofinanceBank Limited 50.51% shareholding
- Habib Bank Financial Services (Private) Limited 100% shareholding

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Islamabad and its principal office is at HBL Tower, Plot no. G-4, KDA Scheme 5, Block 7 Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,648 (2020: 1,659) branches inside Pakistan including 101 (2020: 62) Islamic Banking Branches and 39 (2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. The entire capital has been repatriated to Pakistan. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and relevant documents were filed with the Hong Kong Companies Registry. HFIL shall be deemed to be formally dissolved during 2021.
- 1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.3 The Bank has decided to exit its operations in Mauritius and is at an advanced stage of discussions with a potential buyer.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprises of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRSs or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

- 2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.
- 2.3 Standards, interpretations of and amendments to existing accounting and reporting standards that have become effective in the current year.

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or not to have any significant impact on the Group's financial statements.

2.4 Standards and amendments to existing accounting and reporting standards that are not yet effective.

IFRS 9 has been applicable in several overseas jurisdictions from January 1, 2018 and is progressively being adopted in others. The requirements of this standard are incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan was deferred to accounting periods beginning on or after January 1, 2021 and detailed guidelines are awaited regarding the same.

2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2020.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2020.

(Unaudited)

(Audited)

		(Unaudited)	(Audited)
		March 31,	December 31,
5	CASH AND BALANCES WITH TREASURY BANKS	2021	2020
Ū			es in '000)
	In hone	(Rupe	es III 000)
	In hand	44 200 262	44 000 000
	Local currency	41,299,362	41,262,666
	Foreign currencies	7,335,463	16,341,859
		48,634,825	57,604,525
	With State Bank of Pakistan in		
	Local currency current accounts	92,926,329	130,745,447
	Foreign currency current accounts	6,870,028	6,788,327
	Foreign currency deposit accounts	13,797,571	13,768,677
	. oronger carrons, aspessa accounts	113.593.928	151,302,451
		110,000,020	101,002,101
	With other Central Banks in		
	Foreign currency current accounts	32,353,939	47,941,657
	Foreign currency deposit accounts	11,751,045	11,120,595
		44,104,984	59,062,252
	With National Bank of Pakistan in		
	Local currency current accounts	81,192,487	104,866,634
	Local currency deposit accounts	390,073	697,247
	Local currency deposit account	81,582,560	
		61,562,560	105,563,881
	National Prize Bonds	802,171	1,747,011
		000 740 400	275 000 400
		288,718,468	375,280,120
•	DAL ANGEO WITH OTHER DANKS		
6	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	256,009	2,284,347
	In deposit accounts	6,110,217	7,060,497
	in deposit accounts	6,366,226	9,344,844
		0,300,220	9,344,044
	Outside Pakistan		
	In current accounts	21,683,652	30,271,581
	In deposit accounts	17,943,495	16,917,404
		39,627,147	47,188,985
		45 000 272	EC E22 020
		45,993,373	56,533,829
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	14,406,722	-
	Repurchase agreement lendings (reverse repo)	36,025,919	24,896,835
	Bai Muajjal receivable with State Bank of Pakistan	-	5,257,358
	Bai Muajjal receivable with other Financial Institutions	8,043,164	-
	-	58,475,805	30,154,193

INVESTMENTS	Note		March 31, 202	1 (Unaudited)		December 3	1, 2020 (Audited)		
		Cost / amortised cost	Provision for	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for	Surplus / (deficit)	Carrying value
Investments by type			diminution	. ,	(Rui	oees in '000)	diminution	, ,	
Held-for-trading (HFT) securities					(Ku	Jees III 000)			
Federal Government securities									
- Market Treasury Bills		136,406,259	-	(16,008)	136,390,251	105,568,935	-	(13,658)	105,555,277
- Pakistan Investment Bonds		20,227,577	-	10,519	20,238,096	25,655,331	-	19,066	25,674,397
Shares		040.0==		(15.440)	005 400	407.000		0.540	
- Listed companies		240,277	- 1	(15,144)	225,133	137,682	-	8,542	146,22
Foreign securities - Government debt securities		98,160	_	21,431	119,591	102,884	_	23,578	106.46
- Government debt securities		156,972,273	النسا	798	156,973,071	131,464,832	النسا	37.528	126,465 131,502,36
Available-for-sale (AFS) securities		100,012,210			.00,0.0,0.1	101,101,002		0.,020	101,002,000
Federal Government securities									
- Market Treasury Bills		221,462,028	-	(189,192)	221,272,836	525,077,889	-	1,445,950	526,523,839
- Pakistan Investment Bonds		803,602,946	-	5,510,841	809,113,787	784,493,994	-	10,689,727	795,183,72
- Ijarah Sukuks		82,674,191	-	(28,766)	82,645,425	67,678,595	-	(322,645)	67,355,95
- Government of Pakistan US Dollar Bonds		11,531,844	(365,058)	677,316	11,844,102	11,116,445	(413,330)	694,690	11,397,80
- Other Federal Government securities		942,908	-	-	942,908	530,538	-	-	530,538
Shares									
- Listed companies		7,290,135	(2,268,982)	736,891	5,758,044	7,975,054	(2,983,143)	846,869	5,838,78
- Unlisted companies		4,899,328	(87,125)	-	4,812,203	4,899,328	(87,125)	-	4,812,20
Non-Government debt securities		40.040.545		000 000	47,000,545	40.040.545		204 200	47.005.40
- Listed		46,943,545	(050 077)	383,000	47,326,545	46,943,545	(070 077)	321,860	47,265,40
- Unlisted Foreign securities		1,651,878	(250,877)	22,500	1,423,501	1,671,878	(270,877)	22,500	1,423,50
- Government debt securities		49,608,041	(588,557)	440,920	49,460,404	45,617,541	(565,331)	(10,504)	45,041,70
Non-Government debt securities		49,000,041	(300,337)	440,320	43,400,404	45,017,541	(303,331)	(10,304)	43,041,70
- Listed		12,839,765	(867,080)	138,258	12,110,943	14,601,331	(927,366)	76,457	13,750,42
- Equity securities - Unlisted		5,583	(301)	100,200	5,282	5,913	(321)	-	5,59
National Investment Unit Trust		11,113	- (001)	36,211	47,324	11,113	(021)	35,726	46,83
Real Estate Investment Trust units		55,000	_	(4,800)	50,200	55,000	_	(2,000)	53,00
Preference shares		744,400	_	77,000	821,400	744,400	_	155,400	899,80
		1,244,262,705	(4,427,980)	7,800,179	1,247,634,904	1,511,422,564	(5,247,493)	13,954,030	1,520,129,10
Held-to-maturity (HTM) securities	8.2								
Federal Government securities		000 007			000 007	000 040			000 244
Market Treasury Bills Pakistan Investment Bonds		296,237 235,171,456	l - I	-	296,237 235,171,456	292,316 216,844,554	-	-	292,31 216,844,55
Other Federal Government securities		10,794,000	[-	10,794,000	10,794,000		-	10,794,00
Non-Government debt securities		10,7 34,000		-	10,7 54,000	10,734,000		-	10,734,00
- Listed		5,462,080	_	_	5,462,080	4,277,922	_	_	4,277,92
- Unlisted		18,235,710	[]	_	18,235,710	17,826,657	_		17,826,65
Foreign Securities		10,200,7 10			10,200,7 10	11,020,001			17,020,00
- Government debt securities		12,412,218	_	_	12,412,218	13,617,545	(13)	_	13,617,53
- Non-Government debt securities		,,			,,	,,	()		,
- Listed		345,906	(12,840)	-	333,066	1,197,341	(14,650)	-	1,182,69
- Unlisted		262,354	(1,370)	-	260,984	312,842	(1,516)	-	311,32
		282,979,961	(14,210)	-	282,965,751	265,163,177	(16,179)	-	265,146,998
Investments in associates and joint venture		29,803,090	-	(16,383)	29,786,707	31,742,084	-	56,279	31,798,36
Total Investments		1,714,018,029	(4,442,190)	7,784,594	1,717,360,433	1,939,792,657	(5,263,672)	14,047,837	1,948,576,82
								(Unaudited) March 31, 2021	(Audited) December 31 2020

The market value of investments given as collateral against borrowings is as follows:

Federal Government securities

- Market Treasury Bills

- Pakistan Investment Bonds

10,379,771	113,807,278
63,884,650	207,400,499
74,264,421	321,207,777

8.2 The market value of investments classified as held-to-maturity amounted to Rs 280,851.261 million as at March 31, 2021 (December 31, 2020: Rs 267,655.188 million).

8.3	Particulars of provision held against diminution in the value of investments	(Unaudited) March 31, 2021 (Rupee	(Audited) December 31, 2020 s in '000)
	Opening balance	5,263,672	5,504,910
	Exchange adjustments	(82,826)	68,085
	Charge / (reversal)		
	Charge for the period / year	56,534	1,400,035
	Reversal for the period / year	(15,910)	(15,065)
	Reversal on disposal during the period / year	(779,280)	(1,694,293)
	Net reversal	(738,656)	(309,323)
	Closing balance	4,442,190	5,263,672

8.4 Particulars of provision against debt securities

	March 31, 202	December 31, 2020 (Audited)			
	Non		Non		
Category of classification	Performing	Provision	Performing	Provision	
	Investments		Investments		
Domestic		(Rupe	es in '000)		
Loss	250,877	250,877	270,877	270,877	
Overseas					
Overdue by:					
181 to 365 days	-	-	878,616	878,616	
>365	843,393	843,393	, -	-	
	1,094,270	1,094,270	1,149,493	1,149,493	

Non - performing

8.4.1 In addition to the above, overseas branches hold a general provision of Rs 991.512 million (December 31, 2020: Rs 1,043.590 million) against investments in accordance with the ECL requirements of IFRS 9.

Performing

		•	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
•		Note	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	
9	ADVANCES		2021	2020	2021	2020	2021	2020	
					(Ru	upees in '000)			
	Loans, cash credits, running finances, etc.		1,010,175,006	1,002,683,523	75,347,393	76,761,340	1,085,522,399	1,079,444,863	
	Islamic financing and related assets	36.3	126,451,313	154,081,348	408,746	337,107	126,860,059	154,418,455	
	Bills discounted and purchased		75,986,311	66,540,022	5,623,685	5,005,929	81,609,996	71,545,951	
	Advances - gross	•	1,212,612,630	1,223,304,893	81,379,824	82,104,376	1,293,992,454	1,305,409,269	
	Provision against advances								
	- Specific	0.0	-	-	(69,973,896)	(70,835,763)	(69,973,896)	(70,835,763)	
	- General	9.3	(11,546,327)	(11,063,284)	- 1	- 1	(11,546,327)	(11,063,284)	
			(11,546,327)	(11,063,284)	(69,973,896)	(70,835,763)	(81,520,223)	(81,899,047)	
	Advances - net of provision		1,201,066,303	1,212,241,609	11,405,928	11,268,613	1,212,472,231	1,223,510,222	
		•							

(Unaudited) (Audited)
March 31, December 31,
2021 2020
(Rupees in '000)

Total

9.1 Particulars of advances (Gross)

 In local currency
 1,033,501,778
 1,054,929,659

 In foreign currencies
 260,490,676
 250,479,610

 1,293,992,454
 1,305,409,269

9.2 Advances include Rs 81,379.824 million (December 31, 2020: Rs 82,104.376 million) which have been placed under non-performing status as detailed below:

	(Unau	(Unaudited) March 31, 2021		ted)
Category of classification	March 3			31, 2020
	Non-		Non-	
	performing	Provision	performing	Provision
	advances		advances	
Domestic		(Rupe	es in '000)	
Other assets especially mentioned	1,679,545	-	1,228,797	-
Substandard	3,484,414	838,060	5,541,896	1,355,443
Doubtful	6,315,985	3,156,141	1,383,002	690,474
Loss	39,746,921	39,145,669	42,291,448	41,073,885
	51,226,865	43,139,870	50,445,143	43,119,802
Overseas				
Not past due but impaired	194,527	137,651	592,400	355,535
Overdue by:				
Upto 90 days	622,189	547,858	105,684	36,925
91 to 180 days	192,125	49,179	225,844	51,457
181 to 365 days	2,740,500	2,717,511	2,849,284	2,846,499
> 365 days	26,403,618	23,381,827	27,886,021	24,425,545
	30,152,959	26,834,026	31,659,233	27,715,961
Total	81,379,824	69,973,896	82,104,376	70,835,763

9.3 Particulars of provision against advances

	Note	March	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		
		Specific	General	Total	Specific	General	Total	
				(Rupe	es in '000)			
Opening balance		70,835,763	11,063,284	81,899,047	72,634,967	3,730,991	76,365,958	
Exchange adjustment		(1,308,021)	(109,131)	(1,417,152)	974,252	47,701	1,021,953	
Charge for the period / year		4,161,932	782,906	4,944,838	9,301,182	7,636,845	16,938,027	
Reversal for the period / year		(1,710,737)	(190,732)	(1,901,469)	(4,525,945)	(352,253)	(4,878,198)	
Net charge against advances		2,451,195	592,174	3,043,369	4,775,237	7,284,592	12,059,829	
Charged off during the period / year -								
agriculture financing	9.5	(124,617)	-	(124,617)	(750,824)	-	(750,824)	
Written off during the period / year		(1,880,424)	-	(1,880,424)	(6,797,869)	-	(6,797,869)	
Closing balance		69,973,896	11,546,327	81,520,223	70,835,763	11,063,284	81,899,047	

- 9.4 General provision includes provision amounting to Rs 2,382.174 million (December 31, 2020: Rs 2,237.187 million) against consumer finance portfolio and Rs 457.175 million (December 31, 2020: Rs 421.751 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 2,287.926 million (December 31, 2020: Rs 1,985.294 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates. General provision also includes Rs 6,419.052 million (December 31,2020: Rs 6,419.052 million) carried as a matter of prudence on account of COVID-19.
- 9.5 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

		Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020
10	FIXED ASSETS		(Rupees in '000)	
	Capital work-in-progress	10.1	3,716,551	2,639,430
	Property and equipment		87,013,505	86,550,780
			90,730,056	89,190,210

10.1	Capital work-in-progress	(Unaudited) March 31, 2021 (Rupe	(Audited) December 31, 2020 es in '000)
	Civil works	2.054.506	760 100
	Civil works	2,954,506	762,188
	Equipment Advances to suppliers and contractors	545,058 216,987	1,243,270 633,972
	Advances to suppliers and contractors	3,716,551	2,639,430
		0,110,001	2,000,100
10.2	Additions to fixed assets		udited) months ended
		March 31,	March 31,
		2021	2020
		(Rupe	es in '000)
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress	1,077,121	389,263
	Property and equipment		
	Leasehold land	400,000	464,070
	Building on leasehold land	115,460	292
	Machinery	64,202	17,089
	Leasehold improvements	178,991	282,635
	Furniture and fixtures Electrical, office and computer equipment	199,784 1,609,954	148,196 447,206
	Vehicles	50,498	13,057
		2,618,889	1,372,545
	Right-of-use assets - net	690,850	103,225
		4,386,860	1,865,033
10.3	Disposal of fixed assets		
	The net book value of fixed assets disposed off during the period is as follows:		
	Property and equipment	4.000	
	Leasehold improvements Furniture and fixtures	1,239 118	174 963
	Electrical, office and computer equipment	572	9,482
	Vehicles	12,613	32
		14,542	10,651
	Derecognition of right-of-use assets on closure of a foreign branch	-	398,169
		14,542	408,820
		(Unaudited)	(Audited)
		(Unaudited) March 31,	(Audited) December 31,
		2021	2020
11	INTANGIBLE ASSETS	(Rupe	es in '000)
	Capital work-in-progress - computer software	1,907,880	1,620,539
	Intangible assets	8,723,039	8,792,341
		10,630,919	10,412,880
			udited)
			months ended
		March 31,	March 31,
11.1	Additions to intangible assets	2021 (Rupe	2020 es in '000)
	The following additions have been made to intangible assets during the period:		•
	Capital work-in-progress	287,341	55,880
	Computer software	283,173	227,709
	·	570,514	283,589

12	OTHER ASSETS	Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 s in '000)
	Mark-up / return / profit / interest accrued in local currency		43,072,421	49,348,579
	Mark-up / return / profit / interest accrued in foreign currency		2,897,322	2,878,167
	Advances, deposits, advance rent and other prepayments Advance taxation		3,651,974	2,645,730
	Advances against subscription of securities		19,004,464 346,000	21,124,536 1,096,000
	Stationery and stamps on hand		159,307	154,121
	Accrued fees and commissions		655,381	476,113
	Due from Government of Pakistan / SBP		1,769,920	1,532,223
	Mark to market gain on forward foreign exchange contracts		4,459,910	4,101,950
	Mark to market gain on derivative instruments		482,648	182,917
	Non-banking assets acquired in satisfaction of claims		464,422	432,937
	Acceptances		26,274,112	27,539,046
	Clearing and settlement accounts		10,598,540	3,220,084
	Dividend receivable		59,895	15,026
	Claims against fraud and forgeries		432,955	553,356
	Others		1,072,269	1,022,072
			115,401,540	116,322,857
	Provision held against other assets	12.1	(871,926)	(1,127,909)
	Other assets - net of provision		114,529,614	115,194,948
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	209,594	209,594
	Other assets - total		114,739,208	115,404,542
12.1	Provision held against other assets			
	Acceptances		133,721	419,923
	Non-banking assets acquired in satisfaction of claims		3,137	3,152
	Claims receivable against fraud and forgeries		432,955	553,356
	Suit filed cases		4,898	4,998
	Others		297,215	146,480
	Outors		871,926	1,127,909
			071,020	1,121,000
12.1.1	Movement in provision against other assets			
	Opening balance		1,127,909	821,996
	Exchange adjustment		(10,913)	19,735
	Charge for the period / year		177,120	691,987
	Reversal for the period / year		(412,710)	(33,899)
	Net (reversal) / charge		(235,590)	658,088
	Written off during the period / year		(9,480)	(49,042)
	Transferred out		-	(322,868)
	Closing balance		871,926	1,127,909
				1,121,000
13	BILLS PAYABLE			
	In Pakistan		43,106,662	44,875,620
	Outside Pakistan		1,312,673	1,558,579
			44,419,335	46,434,199

	Note	(Unaudited) March 31,	December 31,
BORROWINGS		2021 (Rupee	2020 s in '000)
Secured		(
Borrowings from the SBP under			
- Export refinance scheme		61,726,285	60,068,212
- Long term financing facility		26,287,363	25,922,575
- Financing facility for renewable energy power plants		2,182,744	1,716,425
- Refinance facility for modernization of Small and Medium Enterprises (SME	Ēs)	188,087	152,893
- Refinance and Credit Guarantee Scheme for Women Entrepreneurs		122,033	163,416
- Financing facility for storage of agricultural produce		310,811	292,211
- Refinance facility for working capital of SMEs		164,464	135,625
- Refinance scheme for payment of wages and salaries		27,189,455	30,928,363
- Refinance facility for combating COVID-19		1,283,333	1,300,000
- Temporary economic refinance facility		8,735,597	4,917,263
		128,190,172	125,596,983
Repurchase agreement borrowings		74,278,059	321,070,809
		202,468,231	446,667,792
Unsecured			
- Call money borrowings		-	13,450,000
- Overdrawn nostro accounts		758,568	194,244
- Borrowings of overseas branches and subsidiaries		30,195,298	30,376,372
- Other long-term borrowings	14.1	50,644,839	53,419,418
		81,598,705	97,440,034
		284,066,936	544,107,826

(Unaudited)

(Audited)

14.1 This includes the following:

14

- 14.1.1 A loan from the International Finance Corporation amounting to US\$ 150 million (December 31, 2020: US\$ 150 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.
- 14.1.2 HBL has entered into a long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 165.975 million (December 31, 2020: US\$ 165.975 million) has been utilized by the Bank with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to 4 years from the date of initial drawdown. The entire drawn amount is payable in semi-annual installments over a period of 10 years starting from January 31, 2023. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 14.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 188.339 million (December 31, 2020: Rs 194.309 million) for on-lending to customers. The amount is payable semi-annually from August 2020 to February 2023. Profit at 11.21% per annum is payable semi-annually from August 2020.
- 14.1.4 A loan from Allied Bank Limited to HBL Asset Management Limited amounting to Rs 1.4 billion (December 31, 2020: Rs 1.6 billion). The principal amount is payable in ten equal semi-annual installments from June 2020 to December 2024. Interest at KIBOR + 0.75% is payable semi-annually.
- 14.1.5 Mortgage refinancing facilities amounting to Rs 788.601 million (December 31, 2020:Rs 821.434 million) from PMRC, utilised by First MicrofinanceBank Limited to extend mortgage finance to low income groups. The principal amount is payable in twenty quarterly installments on dates ranging from June 2020 to June 2025. Interest at 7.14% on these facilities is payable quarterly.

15 **DEPOSITS AND OTHER ACCOUNTS**

		March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
				(Rupe	s in '000)		
	Customers						
	Current deposits	816,248,958	149,200,535	965,449,493	823,057,044	157,417,183	980,474,227
	Savings deposits	1,014,741,010	84,691,019	1,099,432,029	995,229,006	94,756,615	1,089,985,621
	Term deposits	309,314,738	139,138,493	448,453,231	315,226,455	141,767,942	456,994,397
		2,140,304,706	373,030,047	2,513,334,753	2,133,512,505	393,941,740	2,527,454,245
	Financial institutions						
	Current deposits	8,271,148	1,559,676	9,830,824	13,072,383	1,408,220	14,480,603
	Savings deposits	235,175,307	660,996	235,836,303	267,728,866	657,250	268,386,116
	Term deposits	12,207,747	10,356,116	22,563,863	13,163,008	6,887,418	20,050,426
		255,654,202	12,576,788	268,230,990	293,964,257	8,952,888	302,917,145
		2,395,958,908	385,606,835	2,781,565,743	2,427,476,762	402,894,628	2,830,371,390
					NI. C	(Unaudited)	(Audited)
					Note	March 31,	December 31,
						2021	2020
16	SUBORDINATED DEB	ST .				(Rupees	s in '000)
	Tier II Term Finance Ce	ertificates			16.1	-	9,982,000
	Additional Tier I Term F	inance Certificate	s		16.2	12,374,000	12,374,000
						12,374,000	22,356,000

- In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date, (the "Call Option Exercise Date"), the entire principal outstanding amount has been redeemed along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.
- The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

Issue Date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2020: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors, general
	creditors and holders of the Tier II TFCs. However, they shall rank superior to the claims of ordinary
	shareholders.
Profit payment	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side"
	rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date
	subject to the following:
	(a) Prior approval of the SBP having been obtained; and
	(b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of
	the Bank being above the minimum capital requirement after the Call Option is exercised.
	If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and Investors not
	less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall
	specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with
	regulatory capital and liquidity requirements.
Loss absorbency	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions
clause	for Basel III Implementation in Pakistan".

			(Unaudited)	(Audited)
17	DEFERRED TAX ASSETS / (LIABILITIES)	Note	March 31,	December 31,
	,		2021	2020
	Dodustible temperatu differences en			
	Deductible temporary differences on		(Rupees	
	- Tax losses of subsidiary		440,140	469,486
	- Provision against investments		862,707	1,141,429
	- Provision against doubtful debts and off-balance sheet obligations		5,181,938	4,480,082
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO)	2001	2,586,156	1,940,800
	- Provision against other assets	_001		
	<u>~</u>		41,365	45,062
	- Deficit on revaluation of fixed assets		72,832	72,832
	- Ijarah financing		210,925	199,225
			9,396,063	8,348,916
	Taxable temporary differences on			
	- Accelerated tax depreciation		(1,617,684)	(1,667,333)
		40	,	, ,
	- Surplus on revaluation of fixed assets	19	(1,814,427)	(1,827,924)
	- Surplus on revaluation of fixed assets of associates	19	(56,392)	(56,392)
	- Surplus on revaluation of investments	19	(3,031,836)	(5,430,518)
	- Deficit / (surplus) on revaluation of investments of associates	19	6,389	(21,949)
	- Management rights and goodwill		(294,865)	(237,741)
	- Share of profit of associates		(6,727,535)	(6,728,003)
				, ,
	- Exchange translation reserve		(1,973,934)	(2,740,997)
	- Others		28,008	(25,918)
			(15,482,276)	(18,736,775)
	Net deferred tax liabilities		(6,086,213)	(10,387,859)
18	OTHER LIABILITIES			
	Mark-up / return / profit / interest payable in local currency		16,518,181	11,846,712
	Mark-up / return / profit / interest payable in foreign currency		2,480,667	2,362,314
	Security deposits		985,284	974,790
	Accrued expenses		19,431,805	19,271,148
	•			
	Mark to market loss on forward foreign exchange contracts		6,970,619	6,359,622
	Mark to market loss on derivative instruments		874,054	1,449,800
	Unclaimed dividends		706,308	693,700
	Dividends payable		4,502,171	115,626
	Provision for post retirement medical benefits		3,813,697	3,763,654
	Provision for employees' compensated absences		2,454,301	2,492,992
	Provision against off-balance sheet obligations	18.1	1,182,667	1,138,648
	· · · · · · · · · · · · · · · · · · ·	10.1		
	Acceptances		26,274,112	27,539,046
	Branch adjustment account		4,916,652	816,307
	Provision for staff retirement benefits		1,240,534	1,239,418
	Payable to defined benefit plans		1,069,349	1,182,639
	Provision for Workers' Welfare Fund		6,698,573	6,379,456
	Unearned income		4,492,107	4,229,811
	Qarza-e-Hasna Fund		338,542	338,542
	Levies and taxes payable		3,983,582	7,073,633
	Insurance payable		968,575	887,519
	Provision for rewards program expenses		1,545,693	1,391,392
	Liability against trading of securities		6,286,227	902,755
	Clearing and settlement accounts		8,067,325	4,538,525
	Payable to HBL Foundation		409,513	315,431
	Contingent consideration payable		500,000	500,000
	· ·			
	Charity fund		4,843	4,234
	Lease liability against right-of-use asset		18,106,089	18,213,249
	Unclaimed deposits		398,800	91,752
	Others		3,778,989	3,797,582
			148,999,259	129,910,297

(Unaudited)

(Audited)

18.1	Provision against off-balance sheet obligations					(Unaudited) March 31, 2021	(Audited) December 31, 2020
	Opening balance Exchange adjustment					(Rupees 1,138,648 (38,203)	437,795 (25,452)
	Charge for the period / year Reversal for the period / year Net charge					87,737 (5,515) 82,222	480,696 (95,905) 384,791
	Written off during the year Transferred in Closing balance					- - 1,182,667	(4,053) 345,567 1,138,648
19	SURPLUS ON REVALUATION OF ASSETS - NET OF TA	ΑX					
	Note ₋	March Attribut	า 31, 2021 (Unau able to	ıdited)		mber 31, 2020 (Autable to	udited)
	· · · · · · · · · · · · · · · · · · ·	Equity holders	Non- controlling interest	Total	Equity holders	Non- controlling interest	Total
	Surplus / (deficit) arising on			(Rupee	s in '000)		
	revaluation of assets, on						
	- Fixed assets - Fixed assets of associates	28,954,193 144,596	42,652	28,996,845 144,596	28,987,958 144,596	43,496	29,031,454 144,596
	 Available-for-sale securities Available-for-sale securities held by associates 8.1 	7,787,592 (16,383)	12,587 -	7,800,179 (16,383)	13,932,014 56,279	22,016 -	13,954,030 56,279
	- Non-banking assets acquired in satisfaction of claims	209,594 37,079,592	- 55,239	209,594 37,134,831	209,594 43,330,441	- 65,512	209,594 43,395,953
	Deferred tax on surplus / (deficit) on revaluation of:						
	- Fixed assets - Fixed assets of associates	1,811,007	3,420	1,814,427	1,824,175	3,749	1,827,924
	Available-for-sale securities Available-for-sale securities held by associates	56,392 3,027,897 (6,389)	3,939	56,392 3,031,836 (6,389)	56,392 5,423,011 21,949	7,507 -	56,392 5,430,518 21,949
	- Non-banking assets acquired in satisfaction of claims	4,888,907	7,359	4,896,266	- 7,325,527	11,256	7,336,783
	Surplus on revaluation of assets - net of tax	32,190,685	47,880	32,238,565	36,004,914	54,256	36,059,170
20	CONTINGENCIES AND COMMITMENTS				Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 s in '000)
	- Guarantees				20.1	202,627,656	202,220,786
	- Commitments - Other contingent liabilities				20.2 20.3	642,494,078 24,007,717	795,974,261 23,966,530
20.1	Guarantees:					869,129,451	1,022,161,577
	Financial guarantees Performance guarantees					63,778,320 128,098,324	64,395,790 126,593,020
	Other guarantees					10,751,012	11,231,976
20.2	Commitments:					202,627,656	202,220,786
	Trade-related contingent liabilities Commitments in respect of:					190,239,827	153,394,723
	 forward foreign exchange contracts forward Government securities transactions 				20.2.1 20.2.2	338,350,542 72,738,854	436,716,313 150,757,178
	derivativesforward lending				20.2.3 20.2.4	35,557,392 2,661,187	38,504,637 11,085,983
	Commitments for acquisition of:					449,307,975	637,064,111
	fixed assetsintangible assets					1,734,214 1,212,062 2,946,276	4,389,650 1,125,777 5,515,427
						642,494,078	795,974,261

		(Unaudited) March 31, 2021	(Audited) December 31, 2020
20 2 1	Commitments in respect of forward foreign exchange contracts	(Rupee	s in '000)
20.2.1	Communicates in respect of forward foreign exchange contracts		
	Purchase	208,094,805	261,220,544
	Sale	130,255,737	175,495,769
		338,350,542	436,716,313
20.2.2	Commitments in respect of forward Government securities transactions		
	Purchase	37,654,501	96,427,590
	Sale	35,084,353	54,329,588
		72,738,854	150,757,178
20.2.3	Commitments in respect of derivatives		
	Cross Currency swaps		
	Purchase	13,783,305	14,662,810
	Sale	14,246,600	16,007,336
		28,029,905	30,670,146
	Interest rate swaps		
	Purchase	-	-
	Sale	7,527,487	7,834,491
		7,527,487	7,834,491
20.2.4	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to extend credit	2,661,187	11,085,983

These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Group without the risk of incurring a significant penalty or expense.

20.3 Other contingent liabilities

20.3.1 Claims against the Group not acknowledged as debts

24,007,717 23,966,530

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim consolidated financial statements.

20.3.2 In Q1 2020, by agreement with the New York State Department of Financial Services (NYSDFS) and the U.S. Federal Reserve, HBL surrendered its New York State license to operate HBL's New York branch office (HBLNY) and completed the voluntary liquidation of HBLNY under the New York Banking Law.

The successful closure and liquidation of HBLNY satisfied or suspended all remaining terms of the September 7, 2017 Consent Order between NYSDFS, HBL, and HBLNY, which Consent Order was disclosed in Note 21.3.2 to the Financial Statements for the year ended December 31, 2020 and in similar notes for the 2019, 2018, and 2017 financial statements. Similarly, on September 29, 2020, the Federal Reserve formally announced the termination of all Federal Reserve enforcement actions with HBL and HBLNY. Accordingly, HBL does not expect any further actions or proceedings from NYSDFS or the Federal Reserve.

In 2017, the U.S. Department of Justice (DOJ) requested documents relating to the NYSDFS Consent Order. It is not known whether DOJ will have any further questions about those documents.

21 **DERIVATIVE INSTRUMENTS**

DENIVATIVE INCTROMERTO	March 31, 2021 (Unaudited)				
Product Analysis	Cross currency swaps			ate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain	
Hedging Market Making	- 28,029,905	- (401,013)	- 7,527,487	- 9,607	
		December 31, 20	020 (Audited)		
	Cross curre	ncy swaps	Interest rate Swaps		
	Notional principal	Mark to market loss	Notional principal	Mark to market gain	
Hedging Market Making	- 30,670,146	- (1,340,265)	- 7,834,491	- 73,382	

			(Unaud	aitea)
22	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note	For the three n March 31, 2021	nonths ended March 31, 2020
			(Rupees	
	On:		(555,
	Loans and advances		25,538,246	35,008,922
	Investments		36,704,006	35,543,090
	Lendings to financial institutions		1,144,378	1,838,724
	Balances with banks		76,272	255,078
			63,462,902	72,645,814
23	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED			
	On:			
	Deposits		22,300,112	34,831,775
	Securities sold under repurchase agreement borrowings		5,027,239	4,498,463
	Borrowings		1,301,684	1,792,293
	Subordinated debt		375,458	818,656
	Cost of foreign currency swaps against foreign currency deposits / borrowing	3	1,406,633	2,205,854
	Lease liability against right-of-use assets		582,502	485,313
			30,993,628	44,632,354
24	FEE AND COMMISSION INCOME			
	Branch banking customer fees		1,094,372	1,158,520
	Consumer finance related fees		368,757	320,413
	Card related fees (debit and credit cards)		1,773,726	1,039,978
	Credit related fees		427,242	325,945
	Investment banking fees		387,618	320,572
	Commission on trade related products and guarantees		990,786	768,964
	Commission on cash management		168,496	181,899
	Commission on remittances (including home remittances)		114,648	122,293
	Commission on bancassurance		185,403	123,936
	Commission on G2P payments		22,501	78,325
	Management fee		154,853	154,261
	Merchant discount and interchange fees		785,102	537,624
	Others		211,577	203,297
			6,685,081	5,336,027
	Less: Sales tax / Federal Excise Duty on fee and commission income		(780,720)	(605,480)
			5,904,361	4,730,547
25	(LOSS) / GAIN ON SECURITIES - NET			
		05 1	(007 115)	4 40= 0==
	Realised	25.1	(207,148)	1,485,355
	Unrealised - held-for-trading	8.1	798	794,615
			(206,350)	2,279,970

(Unaudited)

For	the three months ended March 31, 2021		
		(Unau	•
OE 4	(Local / main on accomition, realized	For the three n	
25.1	(Loss) / gain on securities - realised	March 31, 2021	March 31, 2020
	On:	(Rupees	
	Federal Government securities	(555,
	- Market Treasury Bills	168,803	301,717
	- Pakistan Investment Bonds	9,467	1,344,330
	- Ijarah Sukuks	520	(148,619)
	Shares	(422,796)	35,891
	Non-Government debt securities	64,924	-
	Foreign securities	(28,066)	(47,964)
		(207,148)	1,485,355
26	OTHER INCOME / (LOSS)		
	In additional observa-	00.040	FF F60
	Incidental charges Exchange gain realised on capital reduction in subsidiary under liquidation	66,913 1,919	55,560 1,702,954
	Exchange loss realised on closure of overseas branch	1,919	(1,887,208)
	(Loss) / gain on sale of fixed assets - net	(2,334)	16,293
	Rent on properties	5,681	18,589
		72,179	(93,812)
27	OPERATING EXPENSES		
	Total compensation expense	9,801,757	10,151,544
	Property expense		
	Rent and taxes	58,083	588,096
	Insurance	35,017	24,396
	Utilities cost	485,069	439,665
	Security (including guards)	513,903	504,061
	Repair and maintenance (including janitorial charges)	577,907	461,404
	Depreciation on owned fixed assets	832,590	776,536
	Depreciation on right-of-use assets	989,969	859,401
		3,492,538	3,653,559
	Information technology expenses	057.700	700.005
	Software maintenance	957,790	788,235
	Hardware maintenance	196,331	174,760
	Depreciation Americation	572,676 229,036	466,985
	Amortisation	342,514	174,541 324,904
	Network charges Consultancy charges	147,738	168,639
	Outsultancy charges	2,446,085	2,098,064
	Other operating expenses	2,110,000	2,000,001
	Legal and professional charges	168,342	986,267
	Outsourced services costs	519,305	415,600
	Travelling and conveyance	228,518	241,702
	Insurance	225,859	193,085
	Remittance charges	137,688	151,943
	Security charges	453,392	391,354
	Repairs and maintenance	338,371	304,683
	Depreciation	217,262	215,377
	Training and development	37,075	102,919
	Postage and courier charges	163,897	194,503
	Communication	196,303	194,896
	Stationery and printing	487,049	455,388
	Marketing, advertisement and publicity	2,079,763	1,697,407
	Donations	173,497	128,450
	Auditors' remuneration	78,516	61,838
	Brokerage and commission	113,418	134,035
	Subscription	64,490	60,774
	Documentation and processing charges	765,653	684,145
	Entertainment	90,938	88,289
	Consultancy charges	261,094	1,931,930
	Deposit insurance premium expense	626,121	559,191
	Product feature cost	256,653	261,387
	COVID-19 related expenses	285,100	66,522
	Others	193,293	214,341
		8,161,597	9,736,026
		23,901,977	25,639,193

		(Unaud For the three n	nonths ended
28 OTHER CHARGES	Note	March 31, 2021 (Rupees	March 31, 2020 in '000)
		(,
Penalties imposed by the State Bank of Pakistan		42,202	231,633
Penalties imposed by other regulatory bodies		31	565
		42,233	232,198
29 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
(Reversal of) / provision for diminution in value of investments	8.3	(738,656)	281,990
Provision against loans and advances	9.3	3,043,369	434,913
(Reversal of) / provision against other assets	12.1.1	(235,590)	32,186
Provision against off-balance sheet obligations	18.1	82,222	15,629
Recoveries against written off / charged off bad debts		(237,211)	(96,832)
Recoveries against other assets written off		(7,421)	(42,613)
Bad debts written off directly		13,197	-
		1,919,910	625,273
30 TAXATION			
30 TAXATION			
- Current		7,083,627	3,631,254
- Deferred		(1,135,276)	(606,578)
		5,948,351	3,024,676
31 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period attributable to equity holders of the Bank		8,335,851	4,096,145
		(Num	ber)
Weighted average number of ordinary shares		1,466,852,508	1,466,852,508
		(Rup	ees)
Basic and diluted earnings per share		5.68	2.79

31.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

All assets and liabilities for which fair value is measured or disclosed in these condensed interim consolidated financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

- 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 asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Fair value measurements using inputs that are not based on observable market data.

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Investment in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim consolidated financial statements.

32.1 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these condensed interim consolidated financial statements:

	As at March 31, 2021 (Unaudited)						
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total		
			- (Rupees in '000) -				
Financial assets - measured at fair value			, ,				
Investments							
- Federal Government securities	1,281,504,497	-	1,281,504,497	-	1,281,504,497		
- Shares - listed companies	5,983,177	5,983,177	-	-	5,983,177		
- Non-Government debt securities							
- Listed	47,326,545	40,320,000	7,006,545	-	47,326,545		
- Unlisted	622,500	-	622,500	-	622,500		
- Foreign securities							
Government debt securities	49,579,995	-	49,579,995	-	49,579,995		
Non-Government debt securities- listed	12,110,943	-	12,110,943	-	12,110,943		
- National Investment Unit Trust	47,324	-	47,324	-	47,324		
- Real Estate Investment Trust units	50,200	50,200	-	-	50,200		
- Preference Shares	777,000	777,000	-	-	777,000		
	1,398,002,181	47,130,377	1,350,871,804	-	1,398,002,181		
Financial assets - disclosed but not measured at fair	value						
Investments	_	_	_	_	_		
- Federal Government securities	246,261,693	-	243,488,214	-	243,488,214		
- Non-Government debt securities							
- Listed	5,462,080	-	5,484,620	-	5,484,620		
- Unlisted	18,235,710	-	18,235,710	-	18,235,710		
- Foreign securities							
Government debt securities	12,412,218	-	13,003,646	-	13,003,646		
Non-Government debt securities							
- Listed	333,066	-	378,087	-	378,087		
- Unlisted	260,984	_	260,984		260,984		
	282,965,751		280,851,261	-	280,851,261		
	1,680,967,932	47,130,377	1,631,723,065	-	1,678,853,442		

32.2

		As at M	March 31, 2021 (Un	audited)_	
	Notional value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured	at fair value		(Rupees in '000)		
	at fair value				
Commitments - Forward foreign exchange contracts	338,350,542	_	(2,510,709)	_	(2,510,709
- Forward Government securities transactions	72,738,854		10.549		10,549
- Derivative instruments	35,557,392		(391,406)		(391,406
- Derivative institutions	33,337,392				(391,400
	Carrying value	Level 1	ecember 31, 2020 (Level 2	Level 3	Total
	Carrying value		(Rupees in '000)		
On balance sheet financial instruments			(Nupees III 000)		
Financial assets - measured at fair value Investments					
- Federal Government securities	1,531,690,989	-	1,531,690,989	-	1,531,690,989
- Shares - listed companies - Non-Government debt securities	5,985,004	5,985,004	-	-	5,985,004
- Non-Government debt securities - Listed	47.005.405	40 040 000	7 005 405		47.005.405
- Listea - Unlisted	47,265,405	40,240,000	7,025,405	-	47,265,405
	622,501	-	622,501	-	622,501
- Foreign securities	45 400 400		45 400 400		45 400 400
Government debt securities	45,168,168	-	45,168,168	-	45,168,168
Non-Government debt securities- listed	13,750,422	-	13,750,422	-	13,750,422
- National Investment Unit Trust	46,839		46,839	-	46,839
- Real Estate Investment Trust units	53,000	53,000	-	-	53,000
- Preference Shares	855,400	855,400	-	-	855,400
Planarial accepts allered and but and accept at fair	1,645,437,728	47,133,404	1,598,304,324	-	1,645,437,728
Financial assets - disclosed but not measured at fair Investments	value				
- Federal Government securities	227,930,870		228,022,102		228,022,102
- Non-Government debt securities	221,930,010	_	220,022,102	_	220,022,102
- Listed	4,277,922	_	4,304,568		4,304,568
- Unlisted	17,826,657	_	17,826,657	-	17,826,657
- Foreign securities	17,020,037	- 1	17,020,037	-	17,020,037
Government debt securities	40.047.500		45 050 404		45 050 404
Non-Government debt securities	13,617,532	-	15,850,104	-	15,850,104
	4 400 004		4 220 045		4 220 045
- Listed	1,182,691	-	1,338,915	-	1,338,915
- Unlisted	311,326		312,842	-	312,842
	265,146,998	47 122 404	267,655,188		267,655,188
	1,910,584,726	47,133,404	1,865,959,512		1,913,092,916
	Notional	As at De	ecember 31, 2020 ((Audited)	
	value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured			(Rupees in '000)		
	at iaii value				
Commitments - Forward foreign exchange contracts	436,716,313	_	(2,257,672)	_	(2,257,672)
- Forward Government securities transactions	150,757,178		(52,974)		(52,974)
- Derivative instruments	38,504,637		(1,266,883)		(1,266,883)
Fair value of non-financial assets	00,001,001	As at N	March 31, 2021 (Un	audited)	(1,200,000)
Tan value of non-imanolal access	Carrying value	Level 1	Level 2	Level 3	Total
			(Rupees in '000)		
			(Rupees III 000)		
- Fixed assets	53,197,178	-	-	53,197,178	53,197,178
- Non-banking assets acquired in satisfaction of claims	670,879	-	-	670,879	670,879
	53,868,057		-	53,868,057	53,868,057
		As at De	ecember 31, 2020 ((Audited)	
	Carrying value	Level 1	Level 2	Level 3	Total
			(Rupees in '000)		
			, ,		
- Fixed assets	52,856,178	-	-	52,856,178	52,856,178
- Non-banking assets acquired in satisfaction of claims	639,379			639,379	639,379
	53,495,557			53,495,557	53,495,557

33 **SEGMENT INFORMATION**

33.1 Segment details with respect to Business Activities

				For the three	months end	led March 31, 202	21 (Unaudited)			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account					(Rupee	es in million)				
Net mark-up / return / profit / interest income	(13,932)	6,499	2,992	7,381	26,998	1,221	(35)	2,013	(668)	32,469
Inter segment revenue / (expense) - net	24,103	(3,197)	· -	(3,572)	(20,317)	1,004	- 1	-	1,979	· -
Non mark-up / interest income Total Income	967 11,138	2,305 5,607	183 3,175	974 4,783	911 7,592	1,106 3,331	158 123	290 2,303	1,328 2,639	8,222 40.691
Total moonie										-,
Segment direct expenses	6,168 4,245	2,119 571	541 170	854 567	321 82	3,581 2,234	90	1,383	9,206	24,263
Inter segment expense allocation Total expenses	10,413	2,690	711	1,421	403	5,815	90	1,383	(7,869) 1,337	24,263
Provisions - charge / (reversal)	-	361	114	840	(714)	1,029	-	198	92	1,920
Profit / (loss) before tax	725	2,556	2,350	2,522	7,903	(3,513)	33	722	1,210	14,508
1 Tolit / (1033) before tax	123	2,550	2,000	2,022	7,303	(0,010)		122	1,210	14,000
				A	s at March 3	1, 2021 (Unaudite	ed)			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position					(Rupee	es in million)				
Cash and bank balances	149,140									
		-	16.084	337	74.337	84.235	2	10.167	410	334.712
Lendings to financial institutions	-	-	16,084 13,898	337	74,337 44,578	84,235	2 -	10,167 -	-	334,712 58,476
Inter segment lending	1,445,402	-	13,898 2,717	-	44,578	158,694	-	-	147,980	58,476 1,754,793
•	-	- - - - 163,285	13,898	-		-	2 - - 315 -	10,167 - - 15,292 44,193	-	58,476
Inter segment lending Investments Advances - performing Advances - non-performing	1,445,402 - - - -	- 163,285 2,434	13,898 2,717 155,459 125,512 179	- 8,675 622,647 4,457	44,578 - 1,413,141 - -	158,694 89,828 226,090 3,319	- 315 - -	15,292 44,193 1,017	147,980 34,650 19,339	58,476 1,754,793 1,717,360 1,201,066 11,406
Inter segment lending Investments Advances - performing Advances - non-performing Others	1,445,402 - - - - 17,817	- 163,285 2,434 4,329	13,898 2,717 155,459 125,512 179 8,933	- 8,675 622,647 4,457 29,998	44,578 - 1,413,141 - - 46,588	158,694 89,828 226,090 3,319 14,107	- 315 - - 2,951	15,292 44,193 1,017 8,898	147,980 34,650 19,339 - 82,480	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101
Inter segment lending Investments Advances - performing Advances - non-performing	1,445,402 - - - -	- 163,285 2,434	13,898 2,717 155,459 125,512 179	- 8,675 622,647 4,457	44,578 - 1,413,141 - -	158,694 89,828 226,090 3,319	- 315 - -	15,292 44,193 1,017	147,980 34,650 19,339	58,476 1,754,793 1,717,360 1,201,066 11,406
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings	1,445,402 - - - - 17,817	- 163,285 2,434 4,329	13,898 2,717 155,459 125,512 179 8,933	- 8,675 622,647 4,457 29,998	44,578 - 1,413,141 - - 46,588	158,694 89,828 226,090 3,319 14,107	- 315 - - 2,951	15,292 44,193 1,017 8,898	147,980 34,650 19,339 - 82,480 284,859	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt	1,445,402 	163,285 2,434 4,329 170,048	13,898 2,717 155,459 125,512 179 8,933 322,782 21,965	8,675 622,647 4,457 29,998 666,114	44,578 - 1,413,141 - - 46,588 1,578,644 74,953	158,694 89,828 226,090 3,319 14,107 576,273	315 - - 2,951 3,268	15,292 44,193 1,017 8,898 79,567	147,980 34,650 19,339 - 82,480 284,859	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067 12,374
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt Deposits and other accounts	1,445,402 - - - - 17,817	163,285 2,434 4,329 170,048 3,312 - 456	13,898 2,717 155,459 125,512 179 8,933 322,782	8,675 622,647 4,457 29,998 666,114 103,102 - 426,968	44,578 - 1,413,141 - - 46,588 1,578,644 74,953 - 9	158,694 89,828 226,090 3,319 14,107 576,273	- 315 - - 2,951 3,268	15,292 44,193 1,017 8,898 79,567	147,980 34,650 19,339 - 82,480 284,859	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067 12,374 2,781,566
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt	1,445,402 	163,285 2,434 4,329 170,048	13,898 2,717 155,459 125,512 179 8,933 322,782 21,965	8,675 622,647 4,457 29,998 666,114	44,578 - 1,413,141 - - 46,588 1,578,644 74,953	158,694 89,828 226,090 3,319 14,107 576,273	315 - - 2,951 3,268	15,292 44,193 1,017 8,898 79,567	147,980 34,650 19,339 - 82,480 284,859	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067 12,374
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing	1,445,402 - - - 17,817 1,612,359	163,285 2,434 4,329 170,048 3,312 - 456 158,964	13,898 2,717 155,459 125,512 179 8,933 322,782 21,965 - 269,739	8,675 622,647 4,457 29,998 666,114 103,102 - 426,968 109,080	44,578 - 1,413,141 - 46,588 1,578,644 74,953 - 9 1,486,749	158,694 89,828 226,090 3,319 14,107 576,273 77,747 - 426,188	315 - - 2,951 3,268 1,400 - - -	15,292 44,193 1,017 8,898 79,567 1,588	147,980 34,650 19,339 - 82,480 284,859	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067 12,374 2,781,566 1,754,793
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others	1,445,402 	163,285 2,434 4,329 170,048 3,312 - 456 158,964 7,316	13,898 2,717 155,459 125,512 179 8,933 322,782 21,965 - 269,739 - 6,662	8,675 622,647 4,457 29,998 666,114 103,102 - 426,968 109,080 26,964	44,578 - 1,413,141 - 46,588 1,578,644 74,953 - 9 1,486,749 14,308	158,694 89,828 226,090 3,319 14,107 576,273 77,747 - 426,188 - 30,085	315 - 2,951 3,268 1,400 - - - 422	15,292 44,193 1,017 8,898 79,567 1,588 - 64,480 - 6,318	147,980 34,650 19,339 - 82,480 284,859 - 12,374 4,237 - 84,560	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067 12,374 2,781,566 1,754,793 199,505
Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others Total liabilities	1,445,402 	163,285 2,434 4,329 170,048 3,312 - 456 158,964 7,316 170,048	13,898 2,717 155,459 125,512 179 8,933 322,782 21,965 - 269,739 - 6,662 298,366	8,675 622,647 4,457 29,998 666,114 103,102 - 426,968 109,080 26,964 666,114	44,578 - 1,413,141 - 46,588 1,578,644 74,953 - 9 1,486,749 14,308 1,576,019	158,694 89,828 226,090 3,319 14,107 576,273 77,747 - 426,188 - 30,085 534,020	315 - 2,951 3,268 1,400 - - - 422 1,822	15,292 44,193 1,017 8,898 79,567 1,588 - 64,480 - 6,318 72,386	147,980 34,650 19,339 - 82,480 284,859 - 12,374 4,237 - 84,560 101,171	58,476 1,754,793 1,717,360 1,201,066 11,406 216,101 5,293,914 284,067 12,374 2,781,566 1,754,793 199,505 5,032,305

				For the three	months end	ed March 31, 202	0 (Unaudited)			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account					(Rupee	es in million)				
Net mark-up / return / profit / interest income Inter segment revenue / (expense) - net Non mark-up / interest income Total Income	(23,875) 40,628 1,021 17,774	6,889 (4,160) 1,764 4,493	2,733 - (45) 2,688	13,120 (9,629) 836 4,327	27,169 (30,304) 3,310 175	2,147 575 1,421 4,143	(76) - 126 50	1,375 - 205 1,580	(1,469) 2,890 (2,860) (1,439)	28,013 - 5,778 33,791
Segment direct expenses Inter segment expense allocation Total expenses	6,244 3,178 9,422	1,966 468 2,434	476 161 637	859 420 1,279	176 72 248	7,895 1,639 9,534	79 - 79	1,134 - 1,134	7,204 (5,938) 1,266	26,033 - 26,033
Provisions - charge / (reversal)	(8)	182	77	(801)	142	659	-	396	(22)	625
Profit / (loss) before tax	8,360	1,877	1,974	3,849	(215)	(6,050)	(29)	50	(2,683)	7,133
				A	s at Decembe	er 31, 2020 (Audit	ed)			
	Branch	Consumer,	lala!	Corporate, Commercial	_	International and	Asset		Head office	Total
	banking	SME & Rural Banking	Islamic	and Investment Banking	Treasury	correspondent banking	management	Microfinance	/ others	Total
Statement of financial position			ISIAMIC	Investment	•		management	Microfinance	/ others	ı otal
Statement of financial position Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets			12,771 5,257 91 139,619 153,152 211 7,295 318,396	Investment	•	banking	3 - - 461 - - 2,987 3,451	11,425 - - 14,542 40,784 844 8,635 76,230	439 - 145,705 31,888 17,021 3 95,534 290,590	431,814 30,154 1,760,201 1,948,577 1,212,242 11,269 215,007 5,609,264
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others	179,590 - 1,430,513 - - - 15,636	- - - - 163,801 1,960 3,946	12,771 5,257 91 139,619 153,152 211 7,295	293 - - - - 8,675 618,911 4,308 25,006	125,940 24,897 - 1,660,147 - - 30,760	banking es in million) 101,353 183,892 93,245 218,573 3,943 25,208	3 - - 461 - - - 2,987	11,425 - - - 14,542 40,784 844 8,635	439 - 145,705 31,888 17,021 3 95,534	431,814 30,154 1,760,201 1,948,577 1,212,242 11,269 215,007
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others	179,590 - 1,430,513 - - 15,636 1,625,739 - 1,607,921 - 17,818	- 163,801 1,960 3,946 169,707 4,011 - 348 159,043 6,305	12,771 5,257 91 139,619 153,152 211 7,295 318,396 32,183 - 257,414 - 6,032	293	125,940 24,897 - 1,660,147 - 30,760 1,841,744 324,181 - 9 1,502,288 8,804	banking es in million) 101,353 - 183,892 93,245 218,573 3,943 25,208 626,214 79,714 - 465,866 - 39,165	3 - 461 - - 2,987 3,451 1,600 - - - - 390	11,425 - 14,542 40,784 844 8,635 76,230 2,022 - 61,726 - 5,817	439 - 145,705 31,888 17,021 3 95,534 290,590 - 22,356 6,884 - 74,679	431,814 30,154 1,760,201 1,948,577 1,212,242 11,269 215,007 5,609,264 544,108 22,356 2,830,371 1,760,201 186,733
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others Total liabilities	179,590 - 1,430,513 - - 15,636 1,625,739 - 1,607,921 - 17,818	- 163,801 1,960 3,946 169,707 4,011 - 348 159,043 6,305	12,771 5,257 91 139,619 153,152 211 7,295 318,396 32,183 - 257,414 - 6,032 295,629	293	125,940 24,897 - 1,660,147 - 30,760 1,841,744 324,181 - 9 1,502,288 8,804 1,835,282	banking es in million) 101,353 - 183,892 93,245 218,573 3,943 25,208 626,214 79,714 - 465,866 - 39,165 584,745	3 - 461 - - 2,987 3,451 1,600 - - - 390 1,990	11,425 	439 - 145,705 31,888 17,021 3 95,534 290,590 - 22,356 6,884 - 74,679 103,919	431,814 30,154 1,760,201 1,948,577 1,212,242 11,269 215,007 5,609,264 544,108 22,356 2,830,371 1,760,201 186,733 5,343,769

34 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies, joint venture and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at March 31, 2021 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties	
Statement of financial position			(Rupe	es in '000)			
·							
Balances with other banks In current accounts			3,808		5,921		
Investments							
Opening balance	-	-	-	26,751,320	5,047,043	4,843,724	
Investment made during the period Share of profit - net of tax	-	-	-	224,975 180.870	(269,812) 78,450	-	
Equity method related adjustments	-	-	-	(1,408,839)	-	-	
Investment redeemed / disposed off during the period	-	-	-	(497,723)	-	-	
Dividend received during the period	-	-	-	(222,262)	-	- (00 774)	
Revaluation of investment during the period Closing balance				(100,094) 24,928,247	2,779 4,858,460	(99,774) 4,743,950	
Closing Balance				21,020,211	1,000,100	1,7 10,000	
Advances							
Opening balance	249	305,836	4,504,529	1,125,000	-	7,748,994	
Addition during the period Repaid during the period	7,760 (7,222)	72,971 (72,651)	2,919,527 (3,007,071)	2,208,039 (11,250)	-	434,184 (953,594)	
Transfer in / (out) - net	73	(375)	(3,007,071)	(11,230)	- -	319,375	
Other movements	-	-	(124,970)	(59,266)	-	-	
Closing balance	860	305,781	4,292,015	3,262,523	-	7,548,959	
Other assets							
Interest / mark-up accrued	_	377	28,547	32,143	_	224,132	
Advance to contractor	_	-	10,214	-	-	-	
Other receivable / prepayments	-	-	3,488	237,057	-	7,121	
	-	377	42,249	269,200		231,253	
Borrowings							
Opening balance	-	=	3,638,498	959,006	1,598,344	1,315,743	
Borrowings during the period	-	-	1,028,305	951,192	1,585,321	(222,022)	
Settled during the period Other movements	-	-	(2,079,630) (140,243)	(951,192) (42,454)	(1,585,321) (70,758)	(338,803)	
Closing balance			2,446,930	916,552	1,527,586	976,940	
· ·							
Deposits and other accounts	400.000	405.004	40.004.400	00 040 740		4 044 004	
Opening balance Received during the period	122,063 150,580	495,061 1,330,122	12,981,422 112,552,657	36,318,748 219,093,439	-	1,814,234 23,592,239	
Withdrawn during the period	(144,662)	(1,238,793)	(111,452,025)	(221,767,634)	-	(22,448,368)	
Transfer in / (out) - net	(13,238)	(53,480)	-	-	-	-	
Other movements	(84)	(3,422)	(260,148)	(524)		(12,417)	
Closing balance	114,659	529,488	13,821,906	33,644,029		2,945,688	
Other liabilities							
Interest / mark-up payable	2,625	1,684	231,512	17,708	5,474	16,294	
Payable to staff retirement fund	, -	-	-	-	· -	1,069,349	
Other payables			2,998	49,739		426,389	
	2,625	1,684	234,510	67,447	5,474	1,512,032	
Contingencies and commitments Letter of credit			474 E00			2 117 720	
Letter of guarantee	-	-	474,503 124,005	-	-	2,117,728 3,684,498	
Forward purchase of Government securities	-	-	1,328,242	-	-	278,512	
Commitments in respect of forward lending	-	-	,020,212	=	-	2,524,426	
Interest rate swaps			785,820	1,125,000	<u> </u>	-	
		-	2,712,570	1,125,000	-	8,605,164	
Others Securities held as custodian	_	14,925	5,894,670	41,070,390	_	8,721,690	
Courting Hold as custodiall		14,323	0,034,070	71,070,080		0,721,090	

		For the th	ree months end	ed March 31, 20	21 (Unaudited)	
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Due fit and lane and one			(Rupe	es in '000)		
Profit and loss account						
Income Mark up / return / profit / interest corned		2 722	63,991	E0 749		269,547
Mark-up / return / profit / interest earned Fee and commission income	-	3,723	41,046	50,748 253,541	- 89	1,702
Share of profit	_	-	41,040	180,870	78,450	1,702
Dividend income	=	=	-	-		31,680
Gain from derivatives	-	-	463	3,005	-	-
Expenses						
Mark-up / return / profit / interest expensed	1,756	1,741	171,422	277,774	5,963	39,801
Operating expenses Total compensation expense	_	399,977	-	_	_	302,458
Non-Executive Directors' fees	18,600	-	_	_	-	-
Insurance premium expense	-	-	-	417,808	-	-
Advertisement and publicity	-	=	28,556	=	=	-
Travelling	-	-	6,073	-	-	-
Subscription	-	-	-	-	-	40,610
Donations	-	-	77,230	-	-	94,082
Brokerage and Commission	-	=	- 0.440	=	=	51,900
Other Expenses	-	-	2,410	-	-	11,601
Others						
Purchase of Government securities	-	-	86,165,287	8,190,943	-	2,426,181
Sale of Government securities	-	12,002	88,295,947 376,716	11,616,067	-	4,067,867
Purchase of foreign currencies Sale of foreign currencies	- 2,416	31 118,141	754,178	93,300	-	2,027,049
Insurance claims settled	-	-	754,176	18,095	-	2,021,040
	i.		As at Decembe	r 31, 2020 (Aud	itea)	
		Kev				
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	Directors	Management Personnel	Entities		Joint venture	parties
Statement of financial position	Directors	Management Personnel	Entities			parties
•	Directors	Management Personnel	Entities			parties
Statement of financial position Balances with other banks In current accounts	Directors	Management Personnel	Entities			parties
Balances with other banks In current accounts	Directors	Management Personnel	Entities (Rupe			parties
Balances with other banks In current accounts Investments	Directors	Management Personnel	Entities (Rupe	es in '000) -	4,177	parties
Balances with other banks In current accounts Investments Opening balance	Directors	Management Personnel	Entities (Rupe	es in '000) - 25,464,030		parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year	Directors	Management Personnel	Entities (Rupe	es in '000) - 25,464,030 2,218,672	4,177 4,897,973	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax	Directors	Management Personnel	Entities (Rupe	25,464,030 2,218,672 2,355,545	4,177 4,897,973 - 607,545	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments		Management Personnel	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642)	4,177 4,897,973	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year		Management Personnel	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758)	4,177 4,897,973 - 607,545 60,492	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments		Management Personnel	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642)	4,177 4,897,973 - 607,545	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year		Management Personnel	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758)	4,177 4,897,973 - 607,545 60,492	4,775,603 - - - - - - - - - - - - - - - - - -
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance		Management Personnel	Entities (Rupe 25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527)	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances		Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance	- - - - - - - - - - - - - - - - - - -	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527)	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year	- - - - - - - - - - - - - - - - - - -	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year	- - - - - - - - - - - - - - - - - - -	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net	- - - - - - - - - - - - - - - - - - -	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movements	1,144 10,157 (11,062)	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000)	4,177 4,897,973 - 607,545 60,492 - (518,967) - 5,047,043	7,924,895 7,668,197 (6,242,581 (1,601,517
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Repaid during the year Transfer in / (out) - net	- - - - - - - - - - - - - - - - - - -	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581 (1,601,517
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movements	1,144 10,157 (11,062)	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000)	4,177 4,897,973 - 607,545 60,492 - (518,967) - 5,047,043	7,924,895 7,668,197 (6,242,581 (1,601,517
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movements Closing balance	1,144 10,157 (11,062)	Management Personnel	Entities	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000)	4,177 4,897,973 - 607,545 60,492 - (518,967) - 5,047,043	7,924,895 7,668,197 (6,242,581 (1,601,517
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movements Closing balance Other assets	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000) - 1,125,000	4,177 4,897,973 - 607,545 60,492 - (518,967) - 5,047,043	7,924,895 7,668,197 (6,242,581 (1,601,517
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movements Closing balance Other assets Interest / mark-up accrued	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000) - 1,125,000	4,177 4,897,973 - 607,545 60,492 - (518,967) - 5,047,043	

			As at Decembe	r 31, 2020 (Audi	ted)	
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Borrowings			(Rupe	es in '000)		
Opening balance	_	_	2,787,405	929,086	1,548,476	-
Borrowings during the year	-	-	9,160,032	2,913,226	4,855,377	1,400,000
Settled during the year	-	-	(8,543,252)	(2,913,226)	(4,855,377)	(84,257)
Other movements			234,313	29,920	49,868	4 045 740
Closing balance			3,638,498	959,006	1,598,344	1,315,743
Deposits and other accounts						
Opening balance	97,816	193,679	10,999,321	11,245,398	-	3,183,114
Received during the year	687,076	2,384,726	258,689,238	652,057,799	-	60,738,998
Withdrawn during the year Transfer in / (out) - net	(667,490)	(2,123,156)	(257,004,084)	(626,978,755)	=	(62,159,850)
Other movements	4,619 42	35,680 4,132	296,947	(5,694)	-	(3,237) 55,209
Closing balance	122,063	495,061	12,981,422	36,318,748		1,814,234
-						
Other liabilities	4.004	4 704	004.474	400.000	0.054	40.004
Interest / mark-up payable	1,384	1,734	231,174	129,999	6,251	13,334
Payable to staff retirement fund Other payables	_	-	- 8,711	37,931	-	1,182,639 347,986
Curer payables	1,384	1,734	239,885	167,930	6,251	1,543,959
Contingencies and Commitments						
Letter of credit	-	-	145,085	-	-	1,576,326
Letter of guarantee	-	-	134,121	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	316,416
Commitments in respect of forward lending Interest rate swaps	-	-	- 859,491	1,125,000	-	2,524,426
interest rate swaps			2,000,329	1,125,000		7,836,215
Others				, ,,,,,,,,		, , , , , , , , ,
Securities held as custodian		17,745	5,457,675	30,978,500		13,662,385
		For the th	ree months end	od March 31, 20	20 (Upauditod)	
		Key		ed March 51, 20	20 (Onaddited)	041
Profit and loss account	Directors	Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Income			(Rupe	es in '000)		
Income Mark-up / return / profit / interest earned	_	6,011	86,016	82,624	_	248,241
Fee and commission income	_	-	30,934	220,298	85	26,821
Share of (loss) / profit	-	-	-	(29,955)	285,304	-
Dividend income	-	-	-	-	-	35,653
Loss from derivatives	-	=	(16,233)	(17,457)	-	-
Expense						
Mark-up / return / profit / interest expensed	1,611	2,246	239,180	173,924	12,955	27,667
Operating expenses						
Total compensation expense	-	358,557	-	-	-	267,328
Non-Executive Directors' fees Insurance premium expense	19,800	-	-	307,378	-	-
Advertisement and publicity		- -	87,750	-	- -	- -
Travelling	-	-	6,486	-	-	-
Subscription	-	=	=	-	=	16,117
Donations	-	-	76,950	-	-	41,500
Other Expenses	-	-	424	-	-	54,588
Others						
Purchase of Government securities	-	-	32,169,380	6,813,099	-	886,411
Sale of Government securities Purchase of foreign currencies	-	14,895	35,050,146 390,182	11,139,353 3,728	-	1,729,810
i aronese er rereidi bullelibles	-	-	JJU, 10Z	J,120	-	-
	4 864	70 278		17 100	-	2.533 949
Sale of foreign currencies Insurance claims settled	4,864	70,278 -	877,862	17,100 37,799	- -	2,533,949 -

35	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 in '000)
55	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	14,668,525	14,668,525
	Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital Total Eligible Tier 1 Capital Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2) Risk Weighted Assets (RWAs): Credit Risk	179,331,254 12,548,585 191,879,839 54,630,700 246,510,539	172,930,425 12,533,284 185,463,709 51,969,228 237,432,937
	Market Risk	121,511,088	131,554,475
	Operational Risk	203,276,223	203,276,223
	Total	1,377,644,998	1,377,265,061
	Common Equity Tier 1 Capital Adequacy ratio	13.02%	12.56%
	Tier 1 Capital Adequacy Ratio	13.93%	13.47%
	Total Capital Adequacy Ratio	17.89%	17.24%
	Bank specific buffer requirement (minimum CET1 requirement plus		
	capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
	of which: capital conservation buffer requirement of which: countercyclical buffer requirement of which: D-SIB or G-SIB buffer requirement	1.50% - 2.00%	1.50% - 2.00%
	CET1 available to meet buffers (as a percentage of risk weighted assets)	7.02%	6.56%
	Other information:	7.0270	0.0070
	National minimum capital requirements prescribed by the SBP		
	CET1 minimum ratio (%) Tier 1 minimum ratio (%) Total capital minimum ratio (%)	9.50% 11.00% 13.50%	9.50% 11.00% 13.50%
	Leverage Ratio (LR)		
	Eligible Tier-1 Capital Total Exposures Leverage Ratio (%)	191,879,839 4,032,914,347 4.76%	185,463,709 4,364,466,103 4.25%
	Minimum Requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio (LCR)	Total Adju (Rupees	
	Average High Quality Liquid Assets Average Net Cash Outflow Liquidity Coverage Ratio (%)	1,419,182,562 579,370,233 244.95%	1,343,833,391 525,626,841 255.66%
	Minimum Requirement (%)	100.00%	100.00%
	Not Stoble Funding Retic (NSER)	Total Weig (Rupees	
	Net Stable Funding Ratio (NSFR) Total Available Stable Funding	2,606,156,837	2,637,965,349
	Total Required Stable Funding	1,531,171,617	1,448,252,363
	Net Stable Funding Ratio (%)	170.21%	182.15%
	Minimum Requirement (%)	100.00%	100.00%

36 ISLAMIC BANKING BUSINESS

The Bank operates 101 (December 31, 2020: 62) Islamic Banking branches and 813 (December 31, 2020: 853) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION ASSETS	Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 in '000)
Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments Islamic financing and related assets - net Fixed assets Intangible assets Due from Head Office Deferred tax assets Other assets	36.1 36.2 36.3	15,969,167 115,140 13,898,164 155,458,871 125,690,878 1,429,473 - 2,465,683 - 7,754,543	12,685,357 85,710 5,257,358 139,619,025 153,363,009 1,163,176 - 90,320 - 6,132,151
LIABILITIES Bills payable Due to financial institutions Deposits and other accounts Due to Head Office Subordinated debt Deferred tax liabilities Other liabilities	36.4 36.5	9,774 21,964,783 269,739,014 34,167 - 147,872 6,470,120 298,365,730	9,451 32,183,448 257,414,395 12,444 - 8,718 6,000,269 295,628,725
NET ASSETS		24,416,189	22,767,381
REPRESENTED BY Islamic Banking Fund Reserves Surplus on revaluation of investments - net of tax Unappropriated profit	36.6	500,000 - 231,287 23,684,902 24,416,189	500,000 - 13,637 22,253,744 22,767,381
Contingencies and commitments	36.7	, ,	, ,
	00	(Unaud For the three m	
	33	For the three m	March 31,
PROFIT AND LOSS ACCOUNT		For the three m	March 31, 2020
		For the three m March 31, 2021	March 31, 2020
	36.8 36.9	For the three m March 31, 2021	March 31, 2020
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed	36.8	March 31, 2021 (Rupees 5 5,540,275 2,548,522	March 31, 2020 in '000) 5,829,677 3,096,352
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income	36.8	March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	March 31, 2020 in '000) 5,829,677 3,096,352 2,733,325
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss)	36.8	For the three m March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	March 31, 2020 in '000) 5,829,677 3,096,352 2,733,325
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others	36.8	For the three m March 31, 2021 (Rupees 1 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051	March 31, 2020 in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss)	36.8	For the three m March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068	March 31, 2020 in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935)

Call money lendings Ball Mugliar receivable with other Financial Institutions 1,227,378,378,381,381,381,381,381,381,381,381,381,38	36.1	Due from Financial Instituti	ions						March 31, 2021 (Rupees	December 31, 2020 in '000)
Investments by segments		Bai Muajjal receivable with S							-	- 5,257,358
Investments by segments		Bai Muajjal receivable with of	ther Financial Ir	nstitutions						-
Provision acoust									13,898,164	5,257,358
Cost amortised Cost amortised Cost diminution Cost diminution Cost amortised Cost Cost Cost amortised Cost Cos	36.2	Investments by segments								
Cost amortised Cost amortised Cost diminution Cost diminution Cost amortised Cost Cost Cost amortised Cost Cos			Ma	arch 31, 202	1 (Unaudite	ed)		December 3	31, 2020 (Audited)
Federal Government Federal Government Sacurities				· · · · · · · · · · · · · · · · · · ·	`	,	Cost		,	<u> </u>
Federal Government Securities Graph Gr					•					
Federal Government securities			cost	diminution	/ (deficit)	value	cost		(deficit)	value
Securities - -						(Rupees	s in '000)			
-ijarah Sukuks										
-Other Federal Government securities 11,736,908			82,674,191	-	(28,766)	82,645,425	67,678,595	- 1	(322,645)	67,355,950
Non-Government debt Securities -		,			, , ,					, ,
Non-Government debt Securities - Listed 47,475,785 - 385,425 47,861,210 47,291,628 - 322,500 47,614,128 13,192,828 - 22,500 13,215,328 13,301,909 - 22,500 13,324,409 60,668,613 - 407,925 61,076,538 60,593,537 - 345,000 60,938,537 - 3		Government securities		-	- (22 - 22)			-	- (222.247)	
Securities		Non Government debt	94,411,099	-	(28,766)	94,382,333	79,003,133	-	(322,645)	78,680,488
-Listed										
Total Investments			47,475,785	-	385,425	47,861,210	47,291,628	- 1	322,500	47,614,128
Total Investments 155,079,712 - 379,159 155,458,871 139,596,670 - 22,355 139,619,025		-Unlisted		-	22,500	13,215,328		-		
Cunaudited March 31, March 31, December 2021 31, 2020			60,668,613	-	407,925	61,076,538	60,593,537	-	345,000	60,938,537
Stamic financing and related assets - net Diminishing Musharakah R7,425,152 T1,127,412 Running Musharakah 18,041,248 45,034,254 Wakalah 10,000,000 10,000,		Total Investments	155,079,712		379,159	155,458,871	139,596,670		22,355	139,619,025
36.3 Islamic financing and related assets - net (Rupees in '000) Diminishing Musharakah 67,425,152 71,127,412 Running Musharakah 18,041,248 45,034,254 Wakalah 10,000,000 10,000,000 Ijarah 2,198,349 2,341,651 Currency Salam 5,882 589,706 Tijarah 1,589,788 422,168 Istisna 1,089,788 221,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Murabaha 4,372,525 1,203,371 Advance for Salam 499,998 1,027,180 Advance for Istisna 334,850 2,204,687 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Istisna 385,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,486,455 Provision against Islamic financing and related assets (229,792) (126,457)									March 31,	December
Diminishing Musharakah 67,425,152 71,127,412 Running Musharakah 18,041,248 45,034,254 Wakalah 10,000,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000 10,000,000,000 10,000,000 10,000,000 10,000,000,000 10,000,000,000,000 10,000,000,000 10,000,000,000,000,000,000,000,000,000,	26.2	lalamia financina and valete	. d							•
Running Musharakah 18,041,248 45,034,254 Wakalah 10,000,000 10,000,000 Ijarah 2,198,349 2,341,651 Murabaha 1,446,402 1,577,711 Currency Salam 5,882 589,706 Tijarah 1,589,788 422,168 Istisna 1,069,788 271,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Murabaha 4,372,525 1,203,371 Advance for Salam 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Istisna 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) - General (1,169,181) (1,055,446)	30.3	isiamic imancing and relate	ea assets - net						(Rupees	III 000)
Wakalah 10,000,000 10,000,000 Ijarah 2,198,349 2,341,651 Murabaha 1,446,402 1,517,711 Currency Salam 5,882 589,706 Tijarah 1,589,788 422,168 Istisna 1,069,788 271,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Ijarah 239,333 312,748 Advance for Murabaha 4,372,525 1,203,371 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Istisna 980,000 - Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets -		Diminishing Musharakah							67,425,152	71,127,412
Ijarah 2,198,349 2,341,651 Murabaha 1,446,402 1,517,711 Currency Salam 5,882 589,706 Tijarah 1,589,788 422,168 Istisna 1,069,788 271,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Murabaha 239,333 312,748 Advance for Salam 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Istisna 980,000 - Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -Specific (297,92) (126,457) -General (1,169,181) (1,055,446)										
Murabaha 1,446,402 1,517,711 Currency Salam 5,882 589,706 Tijarah 1,589,788 422,168 Istisna 1,069,788 271,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Murabaha 239,333 312,748 Advance for Murabaha 4,372,525 1,203,371 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Stisna 980,000 - Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets -Specific (229,792) (126,457) -General (1,169,181) (1,055,446)										
Currency Salam 5,882 589,706 Tijarah 1,589,788 422,168 Istisna 1,069,788 271,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Ijarah 239,333 312,748 Advance for Salam 493,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Ijjarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) - General (1,169,181) (1,055,446)		,								
Tijarah 1,589,788 422,168 Istisna 1,069,788 271,460 Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Ijarah 239,333 312,748 Advance for Murabaha 4,372,525 1,203,371 Advance for Istisna 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Ijjarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -Specific (939,389) (928,989) -General (1,169,181) (1,055,446)										
Home Financing 2,527,592 2,060,742 Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Ijarah 239,333 312,748 Advance for Murabaha 4,372,525 1,203,371 Advance for Istisna 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Tijarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -Specific (939,389) (928,989) -General (1,169,181) (1,055,446)		•								
Advance for Diminishing Musharakah 2,916,765 2,320,561 Advance for Ijarah 239,333 312,748 Advance for Murabaha 4,372,525 1,203,371 Advance for Salam 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Istisna 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -General (939,389) (928,989) (1,169,181) (1,055,446)										
Advance for Ijarah 239,333 312,748 Advance for Murabaha 4,372,525 1,203,371 Advance for Salam 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Istisna 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -General (939,389) (928,989) (1,169,181) (1,055,446)		<u>-</u>								
Advance for Murabaha 4,372,525 1,203,371 Advance for Salam 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Tijarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -General (939,389) (928,989) (1,169,181) (1,055,446)		_	sharakah							
Advance for Salam 499,998 1,027,180 Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Tijarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -General (939,389) (928,989) (1,169,181) (1,055,446)		•								
Advance for Istisna 8,346,718 11,874,971 Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Tijarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) - General (939,389) (928,989) (1,169,181) (1,055,446)										
Inventories against Murabaha 364,850 2,204,687 Inventories against Salam 980,000 - Inventories against Tijarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) - General (939,389) (928,989) (1,169,181) (1,055,446)										
Inventories against Tijarah 940,421 824,156 Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets (229,792) (126,457) -General (939,389) (928,989) (1,169,181) (1,055,446)		Inventories against Murabaha	а						364,850	
Inventories against Istisna 3,895,248 1,285,677 Islamic financing and related assets - gross 126,860,059 154,418,455 154,418,418,455 154,418,418,455 154,418,418,418,418,418,418,418,418,418,41		Inventories against Salam							980,000	-
Islamic financing and related assets - gross 126,860,059 154,418,455 Provision against Islamic financing and related assets - Specific (229,792) (126,457) General (939,389) (928,989) (1,169,181) (1,055,446)									·	
Provision against Islamic financing and related assets -Specific -General (229,792) (126,457) (939,389) (928,989) (1,169,181) (1,055,446)									3,895,248	1,285,677
-Specific (229,792) (126,457) -General (939,389) (928,989) (1,169,181) (1,055,446)		ğ ,	•	ed assets					126,860,059	154,418,455
-General (939,389) (928,989) (1,169,181) (1,055,446)		•		.53 400010					(229,792)	(126,457)
		•								
Islamic financing and related assets - net of provision 125,690,878 153,363,009										
		isiamic financing and related	assets - net of	provision					125,690,878	153,363,009

(Unaudited)

(Audited)

36.4	Due to financial institutions	Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 in '000)
	Unsecured acceptances of funds Acceptances from the SBP under Islamic Export Refinance Scheme Acceptances from the SBP under Islamic Long Term Financing Facility Acceptances from the SBP under Islamic Refinance and Credit Guarantee Scheme for Women Entr Acceptances from the SBP under Islamic Refinance Scheme for Payment of Wages and Salaries Acceptances from the SBP under Islamic Financing Facility For Renewable Energy Acceptances from the SBP under Islamic Temporary Economic Refinance Facility Acceptances from Pakistan Mortgage Refinance Company	epreneurs	12,471,342 4,883,146 6,789 2,204,314 302,394 1,908,459 188,339 21,964,783	10,500,000 12,185,727 4,774,050 - 2,456,473 96,152 1,676,737 494,309 32,183,448
36.5	Deposits and other accounts			
	Customers			
	Current deposits Savings deposits Term deposits Financial Institutions Current deposits Savings deposits Term deposits		63,435,081 113,719,839 22,964,085 200,119,005 809,224 66,466,639 2,344,146 69,620,009 269,739,014	64,402,537 105,290,516 24,221,318 193,914,371 405,136 61,847,142 1,247,746 63,500,024 257,414,395
36.6	Islamic Banking business unappropriated profit Opening Balance Add: Islamic Banking profit for the period / year Less: Taxation Less: Transferred / Remitted to Head Office Closing Balance		22,253,744 2,349,669 (917,459) (1,052) 23,684,902	16,486,211 9,464,811 (3,696,779) (499) 22,253,744
36.7	Contingencies and commitments			
	- Guarantees - Commitments	36.7.1 36.7.2	1,151,312 24,443,422 25,594,734	1,498,665 7,917,674 9,416,339
36.7.1	Guarantees			
	Performance guarantees Other guarantees		1,123,378 27,934 1,151,312	1,435,850 62,815 1,498,665
36.7.2	Commitments			
36 7 2 1	Trade-related contingent liabilities Commitments in respect of forward foreign exchange contracts Commitments in respect of forward foreign exchange contracts	36.7.2.1	22,140,403 2,303,019 24,443,422	6,208,476 1,709,198 7,917,674
JU.1.Z. I	Purchase		1,111,371	740,199
	Sale		1,191,648 2,303,019	968,999 1,709,198

		•	(Unaudited) For the three months ended			
36.8 Profit / 1	Profit / return earned	March 31, 2021	March 31, 2020			
		(Rupees	in '000)			
	On:					
	Financing	2,669,653	3,737,797			
	Investments	2,760,973	1,252,191			
	Placements	109,649	839,689			
		5,540,275	5,829,677			
36.9	Profit / return expensed					
	On:					
	Deposits and other accounts	2,240,073	2,989,295			
	Amounts due to financial institutions	261,284	60,540			
	Foreign currency deposits for Wa'ad based transactions	102	21,534			
	Lease liability against right-of-use assets	47,063	24,983			
		2,548,522	3,096,352			

37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

37.1 The Board of Directors, in its meeting held on April 20, 2021, has declared a cash dividend of Rs 1.75 per share in respect of the quarter ended March 31, 2021 (March 31, 2020: Rs 1.25 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

38 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on April 20, 2021.

39 **GENERAL**

39.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Director



UNCONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021

Habib Bank Limited Condensed Interim Unconsolidated Statement of Financial Position As at March 31, 2021

	Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 in '000)
ASSETS			
Cash and balances with treasury banks	5	270,996,526	347,988,749
Balances with other banks	6	28,776,670	38,422,719
Lendings to financial institutions	7	58,475,805	30,154,193
Investments	8	1,686,133,876	1,912,237,993
Advances	9	1,102,013,745	1,117,320,960
Fixed assets	10	86,072,120	84,350,518
Intangible assets	11	4,927,036	4,596,807
Deferred tax assets	12	658,860	-
Other assets	13 _	106,887,763	108,639,781
	_	3,344,942,401	3,643,711,720
LIABILITIES			
Bills payable	14	43,611,742	46,122,344
Borrowings	15	280,613,929	540,095,253
Deposits and other accounts	16	2,630,210,884	2,669,490,716
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	12,374,000	22,356,000
Deferred tax liabilities	12	-	2,968,857
Other liabilities	18	138,108,347	119,953,785
	_	3,104,918,902	3,400,986,955
NET ASSETS		240,023,499	242,724,765
REPRESENTED BY	_		
Sharahaldara' aquity			
Shareholders' equity Share capital		14 660 505	14 669 505
		14,668,525	14,668,525
Reserves Surplus on revaluation of assets - net of tax	19	61,012,298 31,996,660	63,040,638 35,752,856
Unappropriated profit	19	132,346,016	129,262,746
опаррторнатей ртош	_		
	=	240,023,499	242,724,765
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

President and	
Chief Executive	Officer

Habib Bank Limited Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the three months ended March 31, 2021

Mark-up / return / profit / interest earned 22 59,610,482 69,822,447 Mark-up / return / profit / interest expensed 23 29,548,094 43,620,056 Net mark-up / return / profit / interest income 30,062,388 26,202,391 Non mark-up / return / profit / interest income 24 5,114,018 336,364 628,361 628,361 Foreign exchange income / (loss) 1,79,287 (280,304) Loss / (gain) on securities - net 25 (166,887) 2,245,639 Cotal non mark-up / interest income 25 (166,887) 2,245,639 Cotal non mark-up / interest income 25 (166,871) (422,060) Total non mark-up / interest income 37,437,123 30,830,102 Non mark-up / interest expenses 27 21,350,144 23,253,870 (280,304)		Note	January 01 to March 31, 2021	January 01 to March 31, 2020	
Mark-up / return / profit / interest expensed Net mark-up / return / profit / interest income 23 29,548,094 26,202,391 43,620,056 26,202,391 Non mark-up / interest income Fee and commission income 24 5,114,018 336,364 628,361 628					
Mark-up / return / profit / interest expensed Net mark-up / return / profit / interest income 23 29,548,094 26,202,391 43,620,056 26,202,391 Non mark-up / interest income Fee and commission income 24 5,114,018 336,364 628,361 628					
Net mark-up / interest income 30,062,388 26,202,391 Non mark-up / interest income 24 5,114,018 336,364 628,361	Mark-up / return / profit / interest earned		59,610,482	69,822,447	
Non mark-up / interest income 24 5,114,018 (336,364) (628,361) (6	· · · · · · · · · · · · · · · · · · ·	23			
Fee and commission income 24 5,114,018 336,364 628,361 4,134,800 628,361 Foreign exchange income / (loss) Income / (loss) from derivatives 1,179,287 (280,304) (280,304) Loss / (gain) on securities - net 25 (166,887) (22,245,639 (422,060) 2,245,639 (422,060) Other income / (loss) 26 87,107 (422,060) 37,347,735 (4,627,711 Total non mark-up / interest income 37,437,123 30,830,102 Non mark-up / interest expenses 27 21,350,144 317,218 (160,170) 160,170 (160,170) Other charges 28 42,233 (232,198) 232,253,870 (160,170) Other charges 28 42,233 (232,198) 23,646,238 Profit before provisions and taxation 15,727,528 (7,183,864) Provisions / (reversals) and write offs - net 29 1,727,467 (141,329) Profit before taxation 14,000,061 (7,042,535) Taxation 30 5,702,139 (3,044,756) Profit after taxation 8,297,922 (3,997,779)	Net mark-up / return / profit / interest income		30,062,388	26,202,391	
Dividend income 336,364 628,361 Foreign exchange income / (loss) 824,846 (1,678,725) Income / (loss) from derivatives 1,179,287 (280,304) Loss / (gain) on securities - net 25 (166,887) 2,245,639 Other income / (loss) 26 87,107 (422,060) Total non mark-up / interest income 7,374,735 4,627,711 Total income 37,437,123 30,830,102 Non mark-up / interest expenses 27 21,350,144 23,253,870 Workers' Welfare Fund - charge 317,218 160,170 160,170 Other charges 28 42,233 232,198 Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779	Non mark-up / interest income				
Receipment	Fee and commission income	24	5,114,018	4,134,800	
Income / (loss) from derivatives 1,179,287 (280,304) Loss / (gain) on securities - net 25 (166,887) 2,245,639 (422,060) Total non mark-up / interest income 7,374,735 4,627,711 Total income 37,437,123 30,830,102	Dividend income		336,364	628,361	
Loss / (gain) on securities - net Other income / (loss) 25 (loss, 87,107) 2,245,639 (422,060) Total non mark-up / interest income 7,374,735 4,627,711 Total income 37,437,123 30,830,102 Non mark-up / interest expenses Operating expenses 27 (21,350,144) 23,253,870 Workers' Welfare Fund - charge 317,218 (160,170) 160,170 Other charges 28 (42,233) 232,198 Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 (1,727,467) 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 (5,702,139) 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Foreign exchange income / (loss)		824,846	(1,678,725)	
Other income / (loss) 26 87,107 (422,060) Total non mark-up / interest income 7,374,735 4,627,711 Total income 37,437,123 30,830,102 Non mark-up / interest expenses 27 21,350,144 23,253,870 Workers' Welfare Fund - charge 317,218 160,170 160,170 Other charges 28 42,233 232,198 Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779	Income / (loss) from derivatives		1,179,287	,	
Total non mark-up / interest income 7,374,735 4,627,711 Total income 37,437,123 30,830,102 Non mark-up / interest expenses Operating expenses 27 21,350,144 23,253,870 Workers' Welfare Fund - charge 317,218 160,170 Other charges 28 42,233 232,198 Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779			` '		
Total income 37,437,123 30,830,102 Non mark-up / interest expenses Operating expenses Workers' Welfare Fund - charge Workers' Welfare Fund - charge 28 27 21,350,144 317,218 160,170 232,198 2	` ,	26		(422,060)	
Non mark-up / interest expenses Operating expenses 27 21,350,144 317,218 23,253,870 317,218 160,170 317,218 232,198 232,198 232,198 232,198 232,198 232,198 232,198 232,198 232,198 232,646,238 Other charges Total non mark-up / interest expenses 28 42,233 232,198 23,646,238 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Total non mark-up / interest income		7,374,735	4,627,711	
Operating expenses 27 21,350,144 317,218 317,218 160,170 317,218 160,170 232,198 Other charges Total non mark-up / interest expenses 28 42,233 23,198 232,198 232,198 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Total income		37,437,123	30,830,102	
Workers' Welfare Fund - charge 317,218 160,170 Other charges 28 42,233 232,198 Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Non mark-up / interest expenses				
Other charges 28 42,233 232,198 Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Operating expenses	27	21,350,144	23,253,870	
Total non mark-up / interest expenses 21,709,595 23,646,238 Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Workers' Welfare Fund - charge		317,218	160,170	
Profit before provisions and taxation 15,727,528 7,183,864 Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Other charges	28	42,233	232,198	
Provisions / (reversals) and write offs - net 29 1,727,467 141,329 Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Total non mark-up / interest expenses		21,709,595	23,646,238	
Profit before taxation 14,000,061 7,042,535 Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Profit before provisions and taxation		15,727,528	7,183,864	
Taxation 30 5,702,139 3,044,756 Profit after taxation 8,297,922 3,997,779 Rupees	Provisions / (reversals) and write offs - net	29	1,727,467	141,329	
Profit after taxation 8,297,922 3,997,779 Rupees	Profit before taxation		14,000,061	7,042,535	
Rupees	Taxation	30	5,702,139	3,044,756	
·	Profit after taxation		8,297,922	3,997,779	
Basic and diluted earnings per share 31 5.66 2.73			Rupees		
	Basic and diluted earnings per share	31	5.66	2.73	

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Habib Bank Limited Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited) For the three months ended March 31, 2021

	January 01 to March 31, 2021 (Rupees	March 31, 2020
Profit after taxation for the period	8,297,922	3,997,779
Other comprehensive income / (loss)		
Items that may be reclassified to the profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branches - net of tax	(2,858,132)	2,434,567
Movement in surplus / deficit on revaluation of investments - net of tax	(3,740,500)	6,037,777
Total comprehensive income	1,699,290	12,470,123

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

President and Chief Financial Officer Director Director Director Chief Executive Officer

Habib Bank Limited Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited) For the three months ended March 31, 2021

	Reserves			Sumbuo /	(deficit) on			
			Ca	pital	Unappropria-		ation of	
	Share capital	Statutory	Exchange Translation	Non - distributable capital	ted profit	Investments	Fixed / Non- banking assets	Total
				(Rupees in	'000)			
Balance as at December 31, 2019	14,668,525	33,463,859	23,263,185	547,115	104,668,407	3,573,355	21,237,500	201,421,946
Comprehensive income for the three months ended March 31, 2020 Profit after taxation for the three months ended March 31, 2020	-	-	-	-	3,997,779	-	-	3,997,779
Other comprehensive income / (loss)								
Effect of translation of net investment in foreign branches - net of tax	-	-	2,434,567	-	-	-	-	2,434,567
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	6,037,777	-	6,037,777
	-	-	2,434,567	-	3,997,779	6,037,777	-	12,470,123
Transferred to statutory reserve Transferred from surplus on revaluation of assets - net of tax	-	399,778	_	-	(399,778)	-	- (10.042)	-
Exchange loss realised on closure of Bank branch - net of tax	-	-	1,151,197	-	10,943	-	(10,943)	- 1,151,197
Transactions with owners, recorded directly in equity Final cash dividend - Rs 1.25 per share declared subsequent								
to the year ended December 31, 2019	-	-	-	-	(1,833,565)	-	-	(1,833,565)
Balance as at March 31, 2020	14,668,525	33,863,637	26,848,949	547,115	106,443,786	9,611,132	21,226,557	213,209,701
Comprehensive income for the nine months ended December 31, 2020)							
Profit after taxation for the nine months ended December 31, 2020	-	-	-	-	27,525,903	-	-	27,525,903
Other comprehensive income / (loss)								
Effect of translation of net investment in foreign branches - net of tax	-	-	(971,653)	-	-	-	-	(971,653)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(154,770)	-	-	(154,770)
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	- (074 050)	-	-	(1,141,090)	6,090,239	4,949,149
T ()	-	- 0.750.500	(971,653)	-	27,371,133	(1,141,090)	6,090,239	31,348,629
Transferred to statutory reserve Transferred from surplus on revaluation of assets - net of tax	-	2,752,590	-	-	(2,752,590) 33,982	-	(33,982)	-
·	_	-	_	_	33,302	_	(55,502)	-
Transactions with owners, recorded directly in equity					(1,833,565)			(1,833,565)
1st interim cash dividend - Rs 1.25 per share Balance as at December 31, 2020	14,668,525	36,616,227	25,877,296	547,115	129,262,746	8,470,042	27,282,814	242,724,765
Community in common fact that there are not the condend March 24, 2024								
Comprehensive income for the three months ended March 31, 2021 Profit after taxation for the three months ended March 31, 2021	-	-	-	-	8,297,922	-	-	8,297,922
Other comprehensive income								
Effect of translation of net investment in foreign branches - net of tax	-	-	(2,858,132)	-	-	-	-	(2,858,132)
Movement in surplus / deficit on revaluation of assets - net of tax	_	-	-	-	-	(3,740,500)	-	(3,740,500)
•	_	-	(2,858,132)	-	8,297,922	(3,740,500)	_	1,699,290
Transferred to statutory reserve	-	829,792	, ,	-	(829,792)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	15,696	-	(15,696)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020	-	-	-	-	(4,400,556)	-	-	(4,400,556)
Balance as at March 31, 2021	14,668,525	37,446,019	23,019,164	547,115	132,346,016	4,729,542	27,267,118	240,023,499
	,,	- ,,-,-	-,,	,	. ,,	,,2	,,	-,,

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

President and	Chief Financial Officer	Director	Director	Director
Chief Executive Officer				

Habib Bank Limited

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited) For the three months ended March 31, 2021

For the three months ended March 31, 2021		
	January 01 to	January 01 to
	March 31,	March 31,
	2021	2020
	(Rupees	in '000)
CASH FLOWS FROM OPERATING ACTIVITIES	44.000.004	7.040.505
Profit before taxation	14,000,061	7,042,535
Dividend income	(336,364)	(628,361)
Advisor	13,663,697	6,414,174
Adjustments:	1,483,320	1 220 416
Depreciation Amortisation	213,532	1,339,416 162,047
Depreciation on right-of-use assets	838,251	722,428
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	527,127	429,406
(Reversal of) / provision for diminution in value of investments	(735,707)	152,648
Provision against loans and advances	2,829,070	80,311
(Reversal of) / provision against other assets	(235,590)	32,186
Provision against off-balance sheet obligations	82,222	15,629
Unrealised gain on held-for-trading securities	(1,038)	(794,615)
Exchange loss realised on closure of Bank's overseas branch - net of tax	(1,555)	1,151,197
Exchange gain realised on reduction in capital of subsidiary	(13,354)	(1,372,357)
Loss / (gain) on sale of fixed assets - net	1,149	(15,444)
Workers' Welfare Fund	317,218	160,170
	5,306,200	2,063,022
	18,969,897	8,477,196
(Increase) / decrease in operating assets	-,,	-, ,
Lendings to financial institutions	(28,321,612)	(4,629,699)
Held-for-trading securities	(23,992,678)	(38,454,857)
Advances	12,478,145	(10,352,740)
Other assets (excluding advance taxation)	35,680	7,459,412
,	(39,800,465)	(45,977,884)
Increase / (decrease) in operating liabilities	, , ,	, , ,
Bills payable	(2,510,602)	574,641
Borrowings from financial institutions	(259,481,324)	(10,736,784)
Deposits and other accounts	(39,279,832)	(51,526,558)
Other liabilities	13,767,160	15,073,848
	(287,504,598)	(46,614,853)
	(308,335,166)	(84,115,541)
Income tax paid	(4,712,538)	(1,210,800)
Net cash flows used in operating activities	(313,047,704)	(85,326,341)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	262,235,614	(15,824,693)
Net investment in held-to-maturity securities	(18,070,221)	7,317,965
Net investment in subsidiaries	212,273	(378,918)
Net investment in associates	88,398	-
Dividend received	73,353	300,993
Investments in fixed assets	(3,600,371)	(1,187,642)
Investments in intangible assets	(561,480)	(275,883)
Proceeds realised on reduction in capital of subsidiary	36,590	3,021,200
Proceeds from sale of fixed assets	12,001	25,967
Effect of translation of net investment in foreign branches - net of tax	(2,858,132)	2,434,567
Net cash flows generated from / (used in) investing activities	237,568,025	(4,566,444)
CASH FLOWS FROM FINANCING ACTIVITIES	()	(5.55)
Repayment of subordinated debt	(9,982,000)	(2,000)
Payment of lease liability against right-of-use assets	(1,175,190)	(1,085,949)
Dividend paid	(1,403)	(447,969)
Net cash flows used in financing activities	(11,158,593)	(1,535,918)
Decrease in cash and cash equivalents during the period	(86,638,272)	(91,428,703)
Decrease in cash and cash equivalents during the period	(00,030,272)	(91,420,703)
Cash and cash equivalents at the haginning of the period	390,217,855	363,985,741
Cash and cash equivalents at the beginning of the period Effect of exchange rate changes on cash and cash equivalents	(3,806,387)	5,395,615
Entote of oxonarige rate originges on easil and easil equivalents	386,411,468	369,381,356
	550,711,700	000,001,000
Cash and cash equivalents at the end of the period	299,773,196	277,952,653
Sast and sast squitaions at the one of the period		, , ,

President and

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Director

Director

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Islamabad and its principal office is at HBL Tower, Plot number G-4, KDA Scheme 5, Block 7 Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,648 (2020: 1,659) branches inside Pakistan including 101 (2020: 62) Islamic Banking Branches and 39 (2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. The entire capital has been repatriated to Pakistan. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and relevant documents were filed with the Hong Kong Companies Registry. HFIL shall be deemed to be formally dissolved during 2021.
- 1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.3 The Bank has decided to exit its operations in Mauritius and is at an advanced stage of discussions with a potential buyer.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim unconsolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprises of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRSs or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2020.
- 2.3 Standards, interpretations of and amendments to existing accounting and reporting standards that have become effective in the current year.

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or not to have any significant impact on the Bank's financial statements.

2.4 Standards and amendments to existing accounting and reporting standards that are not yet effective.

IFRS 9 has been applicable in several overseas jurisdictions from January 1, 2018 and is progressively being adopted in others. The requirements of this standard are incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan was deferred to accounting periods beginning on or after January 1, 2021 and detailed guidelines are awaited regarding the same.

2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2020.

5	CASH AND BALANCES WITH TREASURY BANKS	(Unaudited) March 31, 2021	(Audited) December 31, 2020
		(Rupees	s in '000)
	In hand	20 002 115	20 940 559
	Local currency Foreign currencies	39,903,115 6,974,333	39,840,558 15,979,300
		46,877,448	55,819,858
	With State Bank of Pakistan in		
	Local currency current accounts	90,555,814	128,439,933
	Foreign currency current accounts	6,870,028	6,788,327
	Foreign currency deposit accounts	13,797,571	13,768,677
		111,223,413	148,996,937
	With other Central Banks in		
	Foreign currency current accounts Foreign currency deposit accounts	19,149,962 11,751,045	25,437,714 11,120,595
	Foreign currency deposit accounts	30,901,007	36,558,309
	With National Dank of Dekister in lead aurenau aurent accounts		
	With National Bank of Pakistan in local currency current accounts	81,192,487	104,866,634
	National Prize Bonds	802,171	1,747,011
		270,996,526	347,988,749
6	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	90,164	1,977,022
	Outside Pakistan		
	In current accounts	14,198,270	25,349,080
	In deposit accounts	14,488,236	11,096,617
		28,686,506	36,445,697
		28,776,670	38,422,719
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	14,406,723	-
	Repurchase agreement lendings (reverse repo)	36,025,919	24,896,835
	Bai Muajjal receivable with State Bank of Pakistan	-	5,257,358
	Bai Muajjal receivable with other Financial Institutions	8,043,163	-
		58,475,805	30,154,193

INVESTMENTS	Note	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)				
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Investments by type					(R	upees in '000)			
Held-for-trading (HFT) securities									
Federal Government securities									
- Market Treasury Bills		134,432,969	-	(15,768)	134,417,201	105,072,858	-	(13,636)	105,059,222
- Pakistan Investment Bonds		20,227,577	-	10,519	20,238,096	25,655,331	-	19,066	25,674,397
Shares									
- Listed companies		240,277	-	(15,144)	225,133	137,682	-	8,542	146,224
Foreign securities									
- Government debt securities		98,160	-	21,431	119,591	102,884	-	23,578	126,462
Available for cale (AES) cogurities		154,998,983	-	1,038	155,000,021	130,968,755	-	37,550	131,006,305
Available-for-sale (AFS) securities			ī	1				ı	
Federal Government securities		240 620 674		(200 544)	040 444 400	E44 EE4 0E0		4 445 007	E40 000 000
Market Treasury Bills Pakistan Investment Bonds		210,620,674	-	(209,541)	210,411,133	514,554,259	-	1,445,967	516,000,226
- Fakistan investment bonds - Ijarah Sukuks		803,602,946	-	5,510,841	809,113,787	782,920,795 67,678,595	-	10,650,864	793,571,659
- ijarari Sukuks - Government of Pakistan		82,674,191	-	(28,766)	82,645,425	07,070,595	-	(322,645)	67,355,950
US Dollar Bonds		10 705 255	(265.050)	660,124	11,090,321	10 249 511	(413,330)	673,381	10 600 663
- Other Federal Government securities		10,795,255	(365,058)	000,124		10,348,511	(413,330)	073,301	10,608,562
Shares		942,908	-	-	942,908	530,538	-	-	530,538
- Listed companies		7,290,135	(2,268,982)	736,891	5,758,044	7,975,054	(2,983,143)	846,869	5,838,780
- Unlisted companies		4,899,328	(87,125)	7 30,09 1	4,812,203	4,899,328	(87,125)	040,009	4,812,203
Non-Government debt securities		4,055,320	(67,123)	-	4,012,203	4,033,320	(07,123)	-	4,012,200
- Listed		46,943,545		383.000	47,326,545	46,943,545		321,860	47,265,405
- Unlisted		1,651,878	- (250 977)	22,500	1,423,501	1,671,878	(270,877)	22,500	1,423,501
		1,001,070	(250,877)	22,500	1,423,301	1,071,070	(270,077)	22,500	1,423,50
Foreign securities - Government debt securities		46 022 500	(E00 EE7)	120 711	AE 07E 660	40,682,649	(EGE 224)	(24.225)	40,092,993
Non-Government debt securities		46,033,508	(588,557)	430,711	45,875,662	40,002,049	(565,331)	(24,325)	40,092,993
- Non-Government debt securities - Listed		3,773,410	(23,686)	139,176	3,888,900	3,520,736	(48,750)	81,717	3,553,703
- Listed - Unlisted		3,773,410	(23,000)	139,170	3,000,900	3,520,736	(40,730)	01,717	3,353,703
- Equity securities - Unlisted		5,583	(301)	-	5,282	5,913	(321)	-	5,592
National Investment Unit Trust		11,113	(301)	36,211	47,324	11,113	(321)	35,726	46,839
Real Estate Investment Trust units		55,000	_		50,200	55,000	-	-	53,000
Preference shares		744,400	-	(4,800) 77,000	821,400	744,400	-	(2,000) 155,400	899,800
Freierence Snares		1,220,043,874	(3,584,586)	7,753,347	1,224,212,635	1,482,542,314	(4,368,877)	13,885,314	1,492,058,751
Held-to-maturity (HTM) securities	8.2	1,220,043,074	(3,304,300)	1,133,341	1,224,212,033	1,402,342,314	(4,300,077)	13,003,314	1,432,030,731
Federal Government securities									
- Pakistan Investment Bonds		234.996.406	_	_	234,996,406	216.669.214	_	_	216,669,214
- Government of Pakistan		,,,,,,,,			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_::,:::,=::			,,
US Dollar Bonds		_	_	_	_	_	_	_	_
- Other Federal Government securities		10,794,000	_	_	10,794,000	10,794,000	_	_	10,794,000
Non-Government debt securities		10,101,000			10,101,000	.0,.01,000			10,101,000
- Listed		5,462,080	_	_	5,462,080	4,277,922	_	_	4,277,922
- Unlisted		16,074,968	_	_	16,074,968	16,209,049	_	_	16,209,049
Foreign securities		10,011,000			10,01 1,000	10,200,010			10,200,010
- Government debt securities		12,412,218	_	_	12,412,218	13,617,545	(13)	_	13,617,532
- Non-Government debt securities		,,			,,		()		,,
- Listed		345,906	(12,840)	_	333,066	397,139	(14,650)	_	382,489
- Unlisted		262,354	(1,370)	_	260,984	312,842	(1,516)	_	311,326
		280,347,932	(14,210)		280,333,722	262,277,711	(16,179)	-	262,261,532
Investment in associates and		-,,	, ,=.2/		.,,.	, .,	\ ., .		. , ,
investinent in associates and		9,208,381	-	-	9,208,381	9,296,779	-	-	9,296,779
joint venture	8.2								
joint venture	8.2		_	_	17,379 117	17,614,626	_	-	17 614 626
	8.2	17,379,117			17,379,117 1,686,133,876	17,614,626			17,614,626 1,912,237,993
joint venture Investment in subsidiary companies	8.2		(3,598,796)	7,754,385	17,379,117 1,686,133,876	17,614,626 1,902,700,185	(4,385,056)	13,922,864	17,614,626 1,912,237,993
joint venture Investment in subsidiary companies	8.2	17,379,117							
joint venture Investment in subsidiary companies	8.2	17,379,117						13,922,864	1,912,237,993

8.1.1 Investments given as collateral

The market value of investments given as collateral against borrowings is as follows:

Federal Government securities

- Market Treasury Bills

- Pakistan Investment Bonds

10,379,771	113,807,278
63,884,650	207,400,499
74,264,421	321,207,777

(Rupees in '000)

8.2 The market value of investment classified as held-to-maturity and investment in listed associates and joint venture is as follows:

		Book value	21 (Unaudited) Market value (Rupees	December 31, Book value in '000)	2020 (Audited) Market value
	Investment classified as held-to-maturityInvestment in listed associates and joint venture	280,333,722 8,952,150	278,219,286 26,975,764	262,261,532 9,040,549	264,661,267 31,042,377
8.3	Particulars of provision held against diminution in the value of	investments		(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 s in '000)
	Opening balance Exchange adjustment Charge / (reversal) Charge for the period / year Reversal for the period / year Reversal on disposal during the period / year Net reversal Closing balance			4,385,056 (50,553) 56,534 (12,961) (779,280) (735,707) 3,598,796	4,905,784 12,357 1,176,274 (15,066) (1,694,293) (533,085) 4,385,056

8.4 Particulars of provision against debt securities

	March 31, 202	1 (Unaudited)	December 31, 2020 (Audite		
Category of classification	Non- Performing Investments	Provision	Non- Performing Investments	Provision	
•		(Rupee:	s in '000)		
Domestic Loss	250,877	250,877	270,877	270,877	

8.4.1 In addition to the above, certain overseas branches hold a general provision of Rs 991.512 million (December 31, 2020: Rs 1,043.590 million) against investments in accordance with the ECL requirements of IFRS 9.

			Performing		Non - pe	rforming	Total		
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
9	ADVANCES	Note	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	
					(Rupees	s in '000)			
	Loans, cash credits, running finances, etc.		921,056,701	915,997,978	68,875,581	70,107,569	989,932,282	986,105,547	
	Islamic financing and related assets	36.3	126,451,313	154,081,348	408,746	337,107	126,860,059	154,418,455	
	Bills discounted and purchased		55,950,366	48,357,231	5,623,685	5,005,929	61,574,051	53,363,160	
	Advances - gross		1,103,458,380	1,118,436,557	74,908,012	75,450,605	1,178,366,392	1,193,887,162	
	Provision against advances								
	- Specific	9.3	-	-	(66,401,234)	(67,067,637)	(66,401,234)	(67,067,637)	
	- General	3.0	(9,951,413)	(9,498,565)	-	-	(9,951,413)	(9,498,565)	
			(9,951,413)	(9,498,565)	(66,401,234)	(67,067,637)	(76,352,647)	(76,566,202)	
	Advances - net of provision		1,093,506,967	1,108,937,992	8,506,778	8,382,968	1,102,013,745	1,117,320,960	
							(Unaudited)	(Audited)	
							March 31,	December	
							•		
							2021	31, 2020	
9.1	Particulars of advances (Gross)					(Rupees	s in '000)	
	In local currency						988,438,202	1,013,517,803	
	In foreign currencies						189,928,190	180,369,359	
							1,178,366,392	1,193,887,162	

9.2 Advances include Rs 74,908.012 million (December 31, 2020: Rs 75,450.605 million) which have been placed under nonperforming status as detailed below:

(Unau	dited)	(Audited)		
March 3	31, 2021	December 31, 2020		
Non - performing advances	Provision	Non - performing advances	Provision	
	(Rupees	s in '000)		
1,174,107	-	723,200	-	
3,174,080	760,889	5,298,716	1,294,860	
5,764,062	2,882,031	1,077,034	538,517	
39,701,914	39,101,143	42,141,393	40,925,622	
49,814,163	42,744,063	49,240,343	42,758,999	
194,527	137,651	592,400	355,535	
616,450	547,858	105,684	36,925	
192,125	49,179	225,844	51,457	
2,740,500	2,717,511	2,847,011	2,846,499	
21,350,247	20,204,972	22,439,323	21,018,222	
25,093,849	23,657,171	26,210,262	24,308,638	
74,908,012	66,401,234	75,450,605	67,067,637	
	March 3 Non - performing advances 1,174,107 3,174,080 5,764,062 39,701,914 49,814,163 194,527 616,450 192,125 2,740,500 21,350,247 25,093,849	performing advances (Rupees) 1,174,107 3,174,080 5,764,062 39,701,914 49,814,163 194,527 616,450 192,125 2,740,500 21,350,247 25,093,849 Provision - GRupees 1,174,107 - 760,889 2,882,031 39,101,143 42,744,063 137,651 547,858 49,179 2,740,500 2,717,511 20,204,972 23,657,171	March 31, 2021 Decembe Non - performing advances Provision (Rupees in '000) 1,174,107 3,174,080 5,764,062 3,9701,914 39,701,914 39,101,143 42,141,393 760,889 5,298,716 1,077,034 42,141,393 42,141,393 42,744,063 49,240,343 194,527 137,651 592,400 616,450 192,125 49,179 225,844 2,740,500 2,717,511 2,847,011 22,439,323 25,093,849 23,657,171 26,210,262 23,657,171 26,210,262	

9.3 Particulars of provision against advances

	Note	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)			
		Specific	General	Total	Specific	General	Total	
				(Rupees	in '000)			
Opening balance		67,067,637 (1,170,449)	9,498,565 (103,902)	76,566,202 (1,274,351)	66,459,144 743.861	3,292,615 37.955	69,751,759 781,816	
Exchange adjustment		(1,170,449)	(103,902)	(1,274,331)	743,001	37,933	701,010	
Charge for the period / year		3,848,352	721,901	4,570,253	7,989,721	6,450,039	14,439,760	
Reversal for the period / year		(1,576,032)	(165,151)	(1,741,183)	(3,920,241)	(282,044)	(4,202,285)	
Net charge against advances		2,272,320	556,750	2,829,070	4,069,480	6,167,995	10,237,475	
Charged off during the period / year-								
agriculture financing	9.5	(124,617)	-	(124,617)	(750,824)	-	(750,824)	
Written off during the period / year		(1,643,657)	-	(1,643,657)	(3,454,024)	-	(3,454,024)	
Closing balance		66,401,234	9,951,413	76,352,647	67,067,637	9,498,565	76,566,202	

- 9.4 General provision includes provision amounting to Rs 2,382.174 million (December 31, 2020: Rs 2,237.187 million) against consumer finance portfolio. General provision also includes Rs 2,151.289 (December 31, 2020: Rs 1,843.428 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates. General provision also includes Rs 5,417.950 (December 31,2020: Rs 5,417.950 million) carried as a matter of prudence on account of COVID-19.
- These represent non-performing advances for agriculture financing which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

10	FIXED ASSETS	Note	(Unaudited) March 31, 2021 (Rupee	(Audited) December 31, 2020 s in '000)
. •			(
	Capital work-in-progress	10.1	3,512,205	2,309,644
	Property and equipment		82,559,915	82,040,874
			86,072,120	84,350,518
10.1	Capital work-in-progress			
	Civil works		2,808,532	602,868
	Equipment		529,209	1,182,896
	Advances to suppliers and contractors		174,464	523,880
	The various to supplied and some determinations		3,512,205	2,309,644
10.2	Additions to fixed assets			dited) months ended
			March 31,	March 31,
			2021	2020
			-	3020 s in '000)
	The following additions have been made to fixed assets during the period:		(Nupces	, III 000)
	Capital work-in-progress		1,202,561	384,744
			, ,	,
	Property and equipment		400,000	404.070
	Leasehold land		400,000	464,070
	Building on leasehold land		115,460 64,202	292
	Machinery Leasehold improvements		152,873	17,089 265,211
	Furniture and fixtures		194,339	112,119
	Electrical, office and computer equipment		1,424,203	405,801
	Vehicles		46,733	13,003
	Vollidios		2,397,810	1,277,585
	Right-of-use assets - net		641,461	98,030
			4,241,832	1,760,359
10.3	Disposals of fixed assets		., ,	1,1 00,000
	The net book value of fixed assets disposed off during the period is as follows:			
	Property and equipment			
	Leasehold improvements		-	128
	Furniture and fixtures		-	915
	Electrical, office and computer equipment		537	9,471
	Vehicles		12,613	9
			13,150	10,523
	Derecognition of right-of-use assets on closure of a foreign branch			398,169
	Defectogrification of fight-of-use assets of closure of a foreign branch		13,150	408,692
			13,130	400,092
11	INTANGIBLE ASSETS		(Unaudited) March 31, 2021	(Audited) December 31, 2020
			(Rupee	s in '000)
	Capital work-in-progress - computer software		1,870,375	1,553,039
	Intangible assets		3,056,661	3,043,768
	intallyible assets		4,927,036	4,596,807
44.4	Additions to intensifies assets			
11.1	Additions to intangibles assets			idited)
				months ended
			March 31,	March 31,
	The following additions have been used to intermible seems that a the control of		2021 (Burgos	2020
	The following additions have been made to intangible assets during the period:		(Kupees	s in '000)
	Capital work-in-progress		317,336	50,746
	Computer software		244,145	223,268
	•		561,481	274,014

12	DEFERRED TAX ASSETS / (LIABLITIES)	Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020 s in '000)
	Deductible temporary differences on		(парсс	3 111 000)
	- Provision against investments		864,519	1,143,042
	- Provision against doubtful debts and off-balance sheet obligations		4,293,666	3,591,810
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 20	01	2,583,250	1,938,319
	- Provision against other assets		41,365	45,062
	- Deficit on revaluation of fixed assets		72,832	72,832
	- Ijarah financing		210,925	199,225
	T 1 1. (8,066,557	6,990,290
	Taxable temporary differences on		(4.004.745)	(4.054.704)
	Accelerated tax depreciationSurplus on revaluation of fixed assets	19	(1,801,715) (1,778,427)	(1,851,784) (1,788,461)
	- Surplus / Deficit on revaluation of investments	19	(3,023,806)	(5,415,272)
	- Exchange translation reserve	10	(803,749)	(903,630)
	2.10 taligo taliolation recorto		(7,407,697)	(9,959,147)
	Net deferred to a sector ((light little a)		658,860	(2,968,857)
	Net deferred tax assets / (liabilities)		038,860	(2,900,037)
13	OTHER ASSETS			
	Mark-up / return / profit / interest accrued in local currency		38,211,546	44,804,538
	Mark-up / return / profit / interest accrued in foreign currency		2,520,081	2,448,754
	Advances, deposits, advance rent and other prepayments		3,211,471	2,355,787
	Advance taxation		19,057,205	21,183,176
	Advances against subscription of securities		346,000	1,096,000
	Stationery and stamps on hand		122,433	113,476
	Accrued fees and commissions		647,880	464,201
	Due from Government of Pakistan / SBP Mark to market gain on forward foreign exchange contracts		1,680,339 4,157,012	1,441,901 3,358,985
	Mark to market gain on derivative instruments		482,648	182,917
	Non-banking assets acquired in satisfaction of claims		464,422	432,937
	Branch adjustment account		-	538,852
	Acceptances		24,746,108	26,702,624
	Clearing and settlement accounts		10,598,540	3,220,084
	Dividend receivable		278,037	15,026
	Claims against fraud and forgeries		432,955	553,356
	Others		593,418	645,482
			107,550,095	109,558,096
	Provision held against other assets	13.1	(871,926)	(1,127,909)
	Other assets- net of provision		106,678,169	108,430,187
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	209,594	209,594
	Other assets - total		106,887,763	108,639,781
13.1	Provision held against other assets			
	Acceptances		133,721	419,923
	Non-banking assets acquired in satisfaction of claims		3,137	3,152
	Claims receivable against fraud and forgeries		432,955	553,356
	Suit filed cases		4,898	4,998
	Others		297,215	146,480
			871,926	1,127,909

13.1.1	Movement in provision against other assets	Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020
			-	s in '000)
	Opening balance Exchange adjustment		1,127,909 (10,913)	821,996 19,735
	Charge for the period / year Reversal for the period / year Net (reversal) / charge		177,120 (412,710) (235,590)	691,987 (33,899) 658,088
	Written off during the period / year Transferred out		(9,480)	(49,042) (322,868)
	Closing balance		871,926	1,127,909
14	BILLS PAYABLE			
	In Pakistan Outside Pakistan		42,494,251 1,117,491 43,611,742	44,792,798 1,329,546 46,122,344
15	BORROWINGS			
	Secured			
	Borrowings from the SBP under	-		
	- Export refinance scheme		61,726,285	60,068,212
	- Long term financing facility		26,287,363	25,922,575
	- Financing facility for renewable energy power plants		2,182,744	1,716,425
	- Refinance facility for modernization of Small and Medium Enterprises (SM	Es)	188,087	152,893
	- Refinance and Credit Guarantee Scheme for Women Entrepreneurs		164,464	163,416
	- Financing facility for storage of agricultural produce		310,811	292,211
	- Refinance facility for working capital of SMEs		122,033	135,625
	- Refinance scheme for payment of wages and salaries		27,189,455	30,928,363
	- Refinance facility for combating COVID-19		1,283,333	1,300,000
	- Temporary economic refinance facility	l	8,735,597	4,917,263
			128,190,172	125,596,983
	Repurchase agreement borrowings		74,278,059	321,070,809
	Unaccouncid		202,468,231	446,667,792
	Unsecured - Call money borrowings	ſ		13,450,000
	- Overdrawn nostro accounts		-	
	- Overdrawn hostro accounts - Borrowings of overseas branches		674,820	164,928 28,814,549
	- Other long-term borrowings	15.1	29,014,640 48,456,238	50,997,984
	Outer long-term borrowings	10.1	78,145,698	93,427,461
			280,613,929	540,095,253
		-		

15.1 This includes the following:

- 15.1.1 A loan from the International Finance Corporation amounting to US\$ 150 million (December 31, 2020:US\$ 150 million). The principal amount is payable in six equal half yearly installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi annually.
- 15.1.2 HBL has entered into a long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lendings to projects of the Bank's customers. Under this facility, US\$ 165.975 million (December 31, 2020: US\$ 165.975 million) has been utilized by the Bank with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to 4 years from the date of initial drawdown. The entire drawn amount is payable in semi-annual installments over a period of 10 years starting from January 31, 2023. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 15.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 188.339 (December 2020:Rs 194.309 million) for on-lending to customers. The amount is payable semi-annually from August 2020 to February 2023. Profit at 11.21% per annum is payable semi-annually from August 2020.

16 **DEPOSITS AND OTHER ACCOUNTS**

		March 31, 2021 (Unaudited)		December 31, 2020 (Audited)			
		In local	In foreign	Total	In local	In foreign	Total
		currency	currencies		currency	currencies	TOTAL
				(Rup	ees in '000)		
	Customers						
	Current deposits	811,734,218	91,310,550	903,044,768	818,376,303	95,804,417	914,180,720
	Savings deposits	994,258,653	77,354,631	1,071,613,284	976,981,942	85,041,111	1,062,023,053
	Term deposits	285,366,596	116,787,268	402,153,864	292,861,588	112,812,988	405,674,576
		2,091,359,467	285,452,449	2,376,811,916	2,088,219,833	293,658,516	2,381,878,349
	Financial institutions						
	Current deposits	9,284,680	928,877	10,213,557	14,003,219	1,310,351	15,313,570
	Savings deposits	227,042,759	660,996	227,703,755	259,670,600	657,250	260,327,850
	Term deposits	5,125,540	10,356,116	15,481,656	5,083,529	6,887,418	11,970,947
		241,452,979	11,945,989	253,398,968	278,757,348	8,855,019	287,612,367
		2,332,812,446	297,398,438	2,630,210,884	2,366,977,181	302,513,535	2,669,490,716
					Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020
17	SUBORDINATED DEBT						s in '000)
	OODONDINATED DEDT					(itapood	555,
	Tier II Term Finance Cert	ificates			17.1	-	9,982,000
	Additional Tier I Term Fin	ance Certificates			17.2	12,374,000	12,374,000
					•	12,374,000	22,356,000

- 17.1 In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date, (the "Call Option Exercise Date"), the entire principal outstanding amount has been redeemed along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.
- 17.2 The Bank has issued listed fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

1 1-1-	Contamb or 00, 0040		
Issue date	September 26, 2019		
Issue amount	Rs 12.374 billion		
Rating	AA+ (Double A plus) [December 31, 2020: AA+ (Double A plus)]		
Tenor	Perpetual		
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors, general creditors and holders of the Tier II TFCs. However, they shall rank superior to the claims of ordinary shareholders.		
Profit payment frequency	ofit payment frequency Quarterly in arrears		
Redemption	Perpetual, hence not applicable.		
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).		
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date and subject to the following: (a) Prior approval of the SBP has been obtained; and (b) The Bank replaces the TFCs with capital of the same or better quality and the capital position of the Bank is above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").		
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.		
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".		

18	OTHER LIABILITIES	Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020
			(Rupees	in '000)
	Mark-up / return / profit / interest payable in local currency		14,561,171	9,964,075
	Mark-up / return / profit / interest payable in foreign currency		2,258,043	2,209,403
	Security deposits		985,284	974,790
	Accrued expenses		18,621,864	17,984,739
	Mark to market loss on forward foreign exchange contracts		6,712,372	5,996,571
	Mark to market loss on derivative instruments		874,054	1,449,800
	Unclaimed dividends		706,308	693,700
	Dividends payable		4,502,171	115,626
	Provision for post retirement medical benefits		3,813,697	3,763,654
	Provision for employees' compensated absences		2,454,301	2,492,992
	Provision against off-balance sheet obligations	18.1	1,182,667	1,138,648
	Acceptances		24,746,108	26,702,624
	Branch adjustment account		3,664,756	-
	Provision for staff retirement benefits		1,240,534	1,239,418
	Payable to defined benefit plans		1,069,349	1,182,639
	Provision for Workers' Welfare Fund		6,641,544	6,324,325
	Unearned income		4,492,107	4,229,811
	Qarz-e-Hasna Fund		338,542 3,899,695	338,542 6,977,533
	Levies and taxes payable		948,170	868,971
	Insurance payable		1,545,693	1,391,392
	Provision for rewards program expenses Liability against trading of securities		6,286,227	902,755
	Clearing and settlement accounts		8,067,076	4,538,482
	Payable to HBL Foundation		409,513	315,431
	Contingent consideration payable		500,000	500,000
	Charity fund		4,843	4,234
	Lease liability against right-of-use assets		15,227,415	15,300,909
	Unclaimed deposits		398,800	91,752
	Others		1,956,043	2,260,969
			138,108,347	119,953,785
18.1	Provision against off-balance sheet obligations			
	Opening balance		1,138,648	437,795
	Exchange adjustment		(38,203)	(25,452)
	Charge for the period / year		87,737	480,696
	Reversal for the period / year		(5,515)	(95,905)
	Net charge		82,222	384,791
	Written off during the year		-	(4,053)
	Transferred in		-	345,567
	Closing balance		1,182,667	1,138,648
19	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
	Surplus arising on revaluation of assets, on:			
	- Fixed assets		28,835,952	28,861,681
	- Available-for-sale securities	8.1	7,753,347	13,885,314
	- Non-banking assets acquired in satisfaction of claims		209,594	209,594
	Deferred tax on surplus on revaluation of:		36,798,893	42,956,589
	- Fixed assets		1,778,427	1,788,461
	- Available-for-sale securities		3,023,806	5,415,272
	- Non-banking assets acquired in satisfaction of claims		-	-
	O set a series of sets of the		4,802,233	7,203,733
	Surplus on revaluation of assets - net of tax		31,996,660	35,752,856

20	CONTINGENCIES AND COMMITMENTS	Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 in '000)
	- Guarantees - Commitments - Other contingent liabilities	20.1 20.2 20.3	201,987,333 609,811,497 23,923,767 835,722,597	201,448,496 762,895,459 23,888,069 988,232,024
20.1	Guarantees:		000,122,001	900,202,024
	Financial guarantees Performance guarantees Other guarantees		63,213,026 128,023,295 10,751,012 201,987,333	63,750,853 126,465,667 11,231,976 201,448,496
20.2	Commitments: Trade-related contingent liabilities Commitments in respect of: - forward foreign exchange contracts - forward Government securities transactions - derivatives - forward lending Commitments for acquisition of: - fixed assets - intangible assets	20.2.1 20.2.2 20.2.3 20.2.4	188,520,344 307,524,205 72,738,854 35,557,392 2,524,426 418,344,877 1,734,214 1,212,062 2,946,276 609,811,497	151,147,102 405,885,132 150,757,178 38,504,637 11,085,983 606,232,930 4,389,650 1,125,777 5,515,427 762,895,459
20.2.1	Commitments in respect of forward foreign exchange contracts		009,011,497	702,093,439
	Purchase Sale		192,659,151 114,865,054 307,524,205	245,614,763 160,270,369 405,885,132
20.2.2	Commitments in respect of forward Government securities transactions			
	Purchase Sale		37,654,501 35,084,353 72,738,854	96,427,590 54,329,588 150,757,178
20.2.3	Commitments in respect of derivatives			
	Cross Currency swaps Purchase Sale		13,783,305 14,246,600 28,029,905	14,662,810 16,007,336 30,670,146
	Interest rate swaps Purchase Sale		7,527,487 7,527,487	7,834,491 7,834,491
20.2.4	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to extend of	credit	2,524,426	11,085,983

These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Bank without the risk of incurring a significant penalty or expense.

(Unaudited) (Audited)
March 31, December
2021 31, 2020
(Rupees in '000)

20.3 Other contingent liabilities

20.3.1 Claims against the Bank not acknowledged as debts

23,923,767 23,888,069

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other relief and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim unconsolidated financial statements.

20.3.2 In Q1 2020, by agreement with the New York State Department of Financial Services (NYSDFS) and the U.S. Federal Reserve, HBL surrendered its New York State license to operate HBL's New York branch office (HBLNY) and completed the voluntary liquidation of HBLNY under the New York Banking Law.

The successful closure and liquidation of HBLNY satisfied or suspended all remaining terms of the September 7, 2017 Consent Order between NYSDFS, HBL, and HBLNY, which Consent Order was disclosed in Note 21.3.2 to the Financial Statements for the year ended December 31, 2020 and in similar notes for the 2019, 2018, and 2017 financial statements. Similarly, on September 29, 2020, the Federal Reserve formally announced the termination of all Federal Reserve enforcement actions with HBL and HBLNY. Accordingly, HBL does not expect any further actions or proceedings from NYSDFS or the Federal Reserve.

In 2017, the U.S. Department of Justice (DOJ) requested documents relating to the NYSDFS Consent Order. It is not known whether DOJ will have any further questions about those documents.

21 **DERIVATIVE INSTRUMENTS**

Product Analysis

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•		March 31, 202	1 (Unaudited)		
	Cross curr	ency swaps	Interest ra	est rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain	
		(Rupees	in '000)		
Hedging	_	_	_	_	
Market Making	28,029,905	(401,013)	7,527,487	9,607	
		December 31, 2	2020 (Audited)		
	Cross curr	ency swaps	Interest ra	ate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain	
		(Rupees	in '000)		
Hedging	_	_	_	_	
Market Making	30,670,146	(1,340,265)	7,834,491	73,382	
			(Unau	dited)	
				months ended	
		•	March 31,	March 31,	
			2021	2020	
MARK-UP / RETURN / PROFIT / INTEREST EARNED			(Rupees	in '000)	
On:					
Loans and advances			21,988,916	32,050,300	
Investments			36,415,558	35,359,176	
Lendings to financial institutions			1,143,379	1,829,213	
Balances with banks		_	62,629	583,758	
		_	59,610,482	69,822,447	

		Note	(Unaud	•
			March 31,	March 31,
			2021	2020
23	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		(Rupees	
23			(Rupees	in 000)
	On: Deposits		20,961,180	33,488,130
	Securities sold under repurchase agreement borrowings		5,026,946	4,498,463
	Borrowings		1,245,431	2,176,562
	Subordinated debt		375,458	818,656
	Cost of foreign currency swaps against foreign currency deposits / borrowings		1,411,952	2,208,839
	Lease liability against right-of-use assets		<u>527,127</u> 29,548,094	429,406 43,620,056
			(Unaud	
			For the three m	
			March 31,	March 31,
			2021	2020
24	FEE AND COMMISSION INCOME		(Rupees	
	Branch banking customer fees		1,025,220	1,114,063
	Consumer finance related fees		368,757	320,413
	Card related fees (debit and credit cards)		1,709,155	1,005,841
	Credit related fees		181,342	132,417
	Investment banking fees		387,618	320,572
	Commission on trade related products and guarantees		932,736	716,476
	Commission on cash management Commission on remittances (including home remittances)		168,496 114,648	181,899 122,293
	Commission on bancassurance		185,403	123,808
	Commission on G2P payments		22,501	78,325
	Merchant discount and interchange fees		785,102	537,624
	Others		13,760	86,549
			5,894,738	4,740,280
	Less: Sales tax / Federal Excise Duty on fee and commission income		(780,720)	(605,480)
			5,114,018	4,134,800
25	(LOSS) / GAIN ON SECURITIES - NET			
	Realised	25.1	(167,925)	1,451,024
	Unrealised - held-for-trading	8.1	1,038	794,615
			(166,887)	2,245,639
25.1	(Loss) / Gain on securities - realised			
	On:			
	Federal Government securities			
	- Market Treasury Bills		168,803	301,717
	- Pakistan Investment Bonds		9,467	1,344,329
	- Ijarah Sukuks Shares		520 (422,796)	(148,619) 58,185
	Non-Government debt securities		64,924	30,103
	Foreign securities		(28,066)	(14,905)
	Associates		39,223	(89,683)
			(167,925)	1,451,024
26	OTHER INCOME / (LOSS)			
	Incidental charges		59,117	49,457
	Exchange gain realised on reduction in capital of subsidiary		13,354	1,372,357
	Exchange loss realised on closure of overseas branch		-	(1,887,208)
	(Loss) / gain on sale of fixed assets - net		(1,149)	15,444
	Rent on properties		15,785	27,890
			87,107	(422,060)

	(Unaud For the three n	,
	March 31,	March 31,
OPERATING EXPENSES	2021	2020
	(Rupees	in '000)
Total compensation expense	8,249,364	8,764,262
Property expense		
Rent and taxes	49,779	559,888
Insurance	22,557	15,730
Utilities cost	446,235	395,928
Security (including guards)	445,757	444,582
Repair and maintenance (including janitorial charges)	551,984	436,941
Depreciation on owned fixed assets	771,722	722,553
Depreciation on right-of-use assets	838,251	722,428
Information technology expenses	3,126,285	3,298,050
Software maintenance	848,040	722,156
Hardware maintenance	188,418	163,526
Depreciation	538,031	436,367
Amortisation	213,532	162,047
Network charges	316,320	296,575
Consultancy charges	147,738	168,639
	2,252,079	1,949,310
Other operating expenses	400,000	0.45.000
Legal and professional charges	136,026	945,288
Outsourced services costs	519,305	415,600
Travelling and conveyance	175,543	172,183
Insurance	147,180	128,785
Remittance charges	106,008	120,072
Security charges	496,715	379,947
Repairs and maintenance	330,046	301,527
Depreciation	173,567	180,496
Training and development	30,529	86,832
Postage and courier charges	141,792	175,886
Communication	183,576	180,055
Stationery and printing	440,529	419,535
Marketing, advertisement and publicity	2,125,598	1,741,563
Donations	171,312	128,450
Auditors' remuneration	46,756	34,095
Brokerage and commission	113,418	134,035
Subscription	29,840	37,099
Documentation and processing charges	736,819	659,908
Entertainment	73,769	68,986
Consultancy charges	231,286	1,881,505
Deposits insurance premium expense	626,121	559,191
Product feature cost	256,653	261,387
COVID-19 related expenses	285,100	66,522
Others	144,928	163,301
	7,722,416	9,242,248
	21,350,144	23,253,870

28 OTHER CHARGES For the three-bits and March 31, 2021 2020 (Rupes in 9000) March 31, 2021 2020 (Rupes in 9000) March 31, 2020 (Rupes in 9000) September 1900 (Rupes in 9000) 31, 255 31, 255 32, 323,198 23, 323,198				(Unau	dited)
28 OTHER CHARGES 2021 (Rupestable Incomposed by the State Bank of Pakistan Penalties imposed by other regulatory bodies 42,202 (331,633) (355) (31 (555) (32,33) (323,198) (32,198)				For the three r	months ended
Repeat ties imposed by the State Bank of Pakistan Penalties imposed by other regulatory bodies 42,202 31,633 565 31 5			Note	March 31,	March 31,
Penalties imposed by the State Bank of Pakistan Penalties imposed by other regulatory bodies 42,202 31,635 231,655 565 42,233 232,198 <th>28</th> <th>OTHER CHARGES</th> <th></th> <th>2021</th> <th>2020</th>	28	OTHER CHARGES		2021	2020
Penalties imposed by other regulatory bodies 31 (42,233) (232,198) 29 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET (Reversal of) / provision for diminution in value of investments Provision against loans and advances 9,3 (2,829,070) (80,311) (Reversal of) / provision against other assets 13.1.1 (235,590) (32,186) (218,305) (32,186) (218,305) (32,186) (218,305) (32,186) (32				(Rupees	in '000)
Penalties imposed by other regulatory bodies 31 (42,233) (232,198) 29 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET (Reversal of) / provision for diminution in value of investments Provision against loans and advances 9,3 (2,829,070) (80,311) (Reversal of) / provision against other assets 13.1.1 (235,590) (32,186) (218,305) (32,186) (218,305) (32,186) (218,305) (32,186) (32		Penalties imposed by the State Bank of Pakistan		42,202	231,633
PROVISIONS / (REVERSALS) AND WRITE OFFS - NET (Reversal of) / provision for diminution in value of investments Provision against loans and advances 8.3 (735,707) 152,648 Provision against loans and advances 9.3 2,829,070 80,311 (Reversal of) / provision against other assets 13.1.1 (235,590) 32,186 Provision against off-balance sheet obligations 18.1 82,222 215,629 Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off (7,420) (42,613) Bad debts written off directly 13,197 - 1,727,467 141,329 30 TAXATION 6,838,509 3,470,308 - Deferred 6,838,509 3,470,308 - Deferred 1,136,370 (425,552) 5,702,139 3,044,756 Interpretation of the period 8,297,922 3,997,779 Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rumber) (Rumber) 1,466,852,508 1,466,852,508				31	565
(Reversal of) / provision for diminution in value of investments 8.3 (735,707) 152,648 Provision against loans and advances 9.3 2,829,070 80,311 (Reversal of) / provision against other assets 13.1.1 (235,590) 32,186 Provision against off-balance sheet obligations 18.1 82,222 15,629 Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off (7,420) (42,613) Bad debts written off directly 13,197 - 1,727,467 141,329 30 TAXATION 6,838,509 3,470,308 - Deferred 6,838,509 3,470,308 - Deferred (1,136,370) (425,552) 5,702,139 3,044,756 Interpretation of the period 8,297,922 3,997,779 Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rurber)				42,233	232,198
Provision against loans and advances 9.3 2,829,070 80,311 (Reversal of) / provision against other assets 13.1.1 (235,590) 32,186 Provision against off-balance sheet obligations 18.1 82,222 15,629 Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off (7,420) (42,613) Bad debts written off directly 13,197 - 1,727,467 141,329 30 TAXATION 6,838,509 3,470,308 - Current 6,838,509 3,470,308 - Deferred (1,136,370) (425,552) 5,702,139 3,044,756 31 BASIC AND DILUTED EARNINGS PER SHARE (Number) Profit for the period 8,297,922 3,997,779 Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rupees)	29	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
Provision against loans and advances 9.3 2,829,070 80,311 (Reversal of) / provision against other assets 13.1.1 (235,590) 32,186 Provision against off-balance sheet obligations 18.1 82,222 15,629 Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off (7,420) (42,613) Bad debts written off directly 13,197 - 1,727,467 141,329 30 TAXATION 6,838,509 3,470,308 - Current 6,838,509 3,470,308 - Deferred (1,136,370) (425,552) 5,702,139 3,044,756 31 BASIC AND DILUTED EARNINGS PER SHARE (Number) Profit for the period 8,297,922 3,997,779 Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rupees)		(Reversal of) / provision for diminution in value of investments	8.3	(735,707)	152,648
(Reversal of) / provision against other assets 13.1.1 (235,590) 32,186 Provision against off-balance sheet obligations 18.1 82,222 15,629 Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off (7,420) (42,613) Bad debts written off directly 13,197 - - Deferred 6,838,509 3,470,308 - Deferred (1,136,370) (425,552) 5,702,139 3,044,756 Salar AND DILUTED EARNINGS PER SHARE Profit for the period Recoveries against written off bad debts (Rupees) Recoveries against written off charged off bad debts (218,305) 1,466,852,508 1,466,852,508 1,466,852,508			9.3	• • •	80,311
Provision against off-balance sheet obligations 18.1 82,222 15,629 Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off (7,420) (42,613) Bad debts written off directly 13,197 - 1,727,467 141,329 30 TAXATION 6,838,509 3,470,308 - Current 6,838,509 3,470,308 - Deferred (1,136,370) (425,552) 5,702,139 3,044,756 31 BASIC AND DILUTED EARNINGS PER SHARE (Number) Profit for the period 8,297,922 3,997,779 Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rupees)			13.1.1	(235,590)	32,186
Recoveries against written off / charged off bad debts (218,305) (96,832) Recoveries against other assets written off Bad debts written off directly (7,420) (42,613) Bad debts written off directly 13,197 - 1,727,467 141,329 30 TAXATION 6,838,509 3,470,308 - Deferred (1,136,370) (425,552) 5,702,139 3,044,756 Interpretation of the period 8,297,922 3,997,779 Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rupees)		· · · · · · · · · · · · · · · · · · ·	18.1	82,222	15,629
Bad debts written off directly				(218,305)	
1,727,467		Recoveries against other assets written off		(7,420)	(42,613)
30 TAXATION - Current - Deferred - Deferred BASIC AND DILUTED EARNINGS PER SHARE Profit for the period Register of ordinary shares Weighted average number of ordinary shares TAXATION - Current 6,838,509 (1,136,370) (425,552) 5,702,139 3,044,756 - Suppose the period (Number) (Rupees)		Bad debts written off directly		13,197	<u> </u>
- Current - Deferred 6,838,509 (1,136,370) (425,552) 5,702,139 3,044,756 31 BASIC AND DILUTED EARNINGS PER SHARE Profit for the period 8,297,922 3,997,779 (Number) Weighted average number of ordinary shares 1,466,852,508 (Rupees)				1,727,467	141,329
- Current - Deferred 6,838,509 (1,136,370) (425,552) 5,702,139 3,044,756 31 BASIC AND DILUTED EARNINGS PER SHARE Profit for the period 8,297,922 3,997,779 (Number) Weighted average number of ordinary shares 1,466,852,508 (Rupees)	30	TAXATION			
- Deferred (1,136,370) (425,552) (5,702,139) 3,044,756 (5,702,139) 3,044,756 (1,136,370) (00	TAATION			
S,702,139 3,044,756		- Current		6,838,509	3,470,308
31 BASIC AND DILUTED EARNINGS PER SHARE Profit for the period 8,297,922 3,997,779 (Number) Weighted average number of ordinary shares 1,466,852,508 (Rupees)		- Deferred		(1,136,370)	(425,552)
Profit for the period 8,297,922 3,997,779 (Number) Weighted average number of ordinary shares 1,466,852,508 1,466,852,508 (Rupees)				5,702,139	3,044,756
(Number) Weighted average number of ordinary shares 1,466,852,508 (Rupees)	31	BASIC AND DILUTED EARNINGS PER SHARE			
Weighted average number of ordinary shares <u>1,466,852,508</u> <u>1,466,852,508</u> (Rupees)		Profit for the period		8,297,922	3,997,779
(Rupees)				(Num	nber)
		Weighted average number of ordinary shares		1,466,852,508	1,466,852,508
Basic and diluted earnings per share				(Rup	ees)
		Basic and diluted earnings per share		5.66	2.73

31.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments, are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

All assets and liabilities for which fair value is measured or disclosed in these unconsolidated financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

- 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Fair value measurements using inputs that are not based on observable market data.

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Investment in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government securities are determined on the basis of rates taken from Bloomberg / Reuters.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps, cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
S S	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

32.1 Fair value of financial assets

The following table provides the fair value measurement hierarchy of those of the Bank's financial assets that are recognised or disclosed at fair value in these condensed interim unconsolidated financial statements:

		As at M	arch 31, 2021 (Una	udited)	
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			(Rupees in '000)		
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,267,915,963	-	1,267,915,963	-	1,267,915,963
- Shares - listed companies	5,983,177	5,983,177	-	-	5,983,177
-Non-Government debt securities				-	
- Listed	47,326,545	40,320,000	7,006,545	-	47,326,545
- Unlisted	622,500	-	622,500	-	622,500
- Foreign securities					
Government debt securities	45,995,253	-	45,995,253	-	45,995,253
Non-Government debt securities - Listed	3,888,900	-	3,888,900	-	3,888,900
- National Investment Unit Trust	47,324	-	47,324	-	47,324
- Real Estate Investment Trust units	50,200	50,200	-	-	50,200
- Preference shares	777,000	777,000	-	-	777,000
	1,372,606,862	47,130,377	1,325,476,485	-	1,372,606,862
Financial assets - disclosed but not measured at fair val Investments - Federal Government securities - Non-Government debt securities - Listed - Unlisted - Foreign securities Government debt securities Non-Government debt securities - Listed	245,790,406 5,462,080 16,074,968 12,412,218		243,016,981 5,484,620 16,074,968 13,003,646		243,016,981 5,484,620 16,074,968 - 13,003,646
	333,066	-	378,087	-	378,087
- Unlisted	260,984	-	260,984	-	260,984
- Associates and Joint venture	8,952,150 289,285,872	23,989,324	2,986,440 281,205,726	-	26,975,764 305,195,050
				-	
	1,661,892,734	71,119,701	1,606,682,211		1,677,801,912
		As at M	arch 31, 2021 (Una	udited)	
	Notional Value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fa			(Rupees in '000)		
Commitments	iii valdo				
- Forward foreign exchange contracts	307,524,205	_	(2,555,360)	_	(2,555,360)
- Forward Government securities transactions	72,738,854		10.549		10.549
- Derivative instruments	35,557,392		(391,406)		(391,406)

		Carrying value	Level 1	Level 2	Level 3	Tatal
		Value				Total
	palance sheet financial instruments		(F	Rupees in '000)		
	ncial assets - measured at fair value					
	stments	1,518,270,016		1 510 270 016		1 510 270 01
	deral Government securities	5,985,004	5,985,004	1,518,270,016	-	1,518,270,01 5,985,00
	ares - listed companies lon-Government debt securities	5,965,004	5,965,004	-	-	5,965,00
IN	- Listed	47,265,405	40,240,000	7,025,405		47,265,40
	- Unlisted	622,500	10,210,000	622,500		622,50
- For	reign securities	322,300		022,000		022,00
	Sovernment debt securities	40,219,455	-	40,219,455	-	40,219,45
- No	n-Government debt securities- listed	3,553,703		3,553,703		3,553,70
- Nat	tional Investment Unit Trust	46,839	-	46,839	-	46,83
- Rea	al Estate Investment Trust units	53,000	53,000	-	-	53,00
- Pre	eference shares	855,400	855,400			855,40
	and the second of the second of the second of	1,616,871,322	47,133,404	1,569,737,918	-	1,616,871,32
	ncial assets - disclosed but not measured at fair value					
	stments	227 462 244	 1	227 462 244		227 462 24
	deral Government securities	227,463,214	-	227,463,214	-	227,463,21
- INOI	n-Government debt securities	4 077 000	J	4 204 502		4 004 5
	- Listed	4,277,922	-	4,304,568	-	4,304,56
. Ec.	- Unlisted reign securities	16,209,049	-	16,209,049	-	16,209,04
	eign securities overnment debt securities	13,617,532	_	15,850,104	_	15,850,1
	lon-Government debt securities	13,017,532	·]	15,650,104	·	15,050,10
IN	- Listed	382,489		430,226		430,2
			-		-	
۸۵۰	- Unlisted sociates and Joint venture	311,326	- 27 004 672	312,842	-	312,8
- ASS	sociates and Joint Venture	9,040,549 271,302,081	27,994,673 27,994,673	3,047,704 267,617,707		31,042,37 295,612,38
		1,888,173,403	75,128,077	1,837,355,625		1,912,483,70
		1,000,173,403	73,120,077	1,037,333,023		1,912,403,70
		Notional Value	Level 1	Level 2	Level 3	Total
Off-I	palance sheet financial instruments - measured at fair value		(F	Rupees in '000)		
	mitments		•	,		
- For	ward foreign exchange contracts	405,885,132	_	(2,637,586)	_	(2,637,58
	ward Government securities transactions	150,757,178		(52,974)		(52,97
	rivative instruments	38,504,637		(1,266,883)	<u>_</u>	(1,266,8
DCI	TVALIVE HISHAMONIS	30,304,007		(1,200,000)		(1,200,00
Fai	r value of non-financial assets		As at Mar	ch 31, 2021 (una	udited)	
Faii		Carrying				
		value	Level 1	Level 2	Level 3	Total
			(F	Rupees in '000) -		
Eivo	d assets	52,908,710			52,908,710	52,908,71
	banking assets acquired in satisfaction of claims	670,880	-	-	670,880	670,88
INOII	banking assets acquired in satisfaction of claims	53,579,590			53,579,590	53,579,59
		00,010,000			00,070,000	00,010,00
			As at Dece	ember 31, 2020 (a	audited)	
		Carrying value	Level 1	Level 2	Level 3	Total
			(F	Rupees in '000)		
Fixe	d assets	52,560,430	- '	-	52,560,430	52,560,43
	banking assets acquired in satisfaction of claims	639,379	_	-	639,379	639,37
	2	53,199,809	_		53,199,809	53,199,80
		33,133,000			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,.00,00

33.1 Segment Details with respect to Business Activities

_			For the three	e months ended	March 31, 202	1 (Unaudited)		
	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
Profit and loss account				(Rupees i	in million)			
Net mark-up / return / profit / interest income	(13,932)	6,499	2,992	7,381	26,998	795	(671)	30,062
Inter segment revenue / (expense) - net	24,103	(3,197)	-	(3,572)	(20,317)	1,004	1,979	-
Non mark-up / interest income	967	2,305	183	974	911	785	1,250	7,375
Total income	11,138	5,607	3,175	4,783	7,592	2,584	2,558	37,437
Segment direct expenses	6,168	2,119	541	854	321	2,513	9,194	21,710
Inter segment expense allocation	4,245	571	170	567	82	2,234	(7,869)	
Total expenses	10,413	2,690	711	1,421	403	4,747	1,325	21,710
Provisions - charge / (reversal)	-	361	114	840	(714)	1,035	91	1,727
Profit / (loss) before tax	725	2,556	2,350	2,522	7,903	(3,198)	1,142	14,000

				As at March 31,	2021 (Unaudite	ed)		
	Branch banking	Consumer ,SME & Rural banking	Islamic	Corporate ,Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
Statement of financial position				(Rupees	in million)			
Cash and bank balances Lendings to financial institutions	149,140 -	- -	16,084 13,898	337 -	74,337 44,578	59,875 -	-	299,773 58,476
Inter segment lending Investments	1,445,402		2,717 155,459	8,675	- 1,413,141	158,694 87,353	147,980 21,506	1,754,793 1,686,134
Advances - performing Advances - non-performing Others	- - 17,817	163,285 2,434 4,329	125,512 179 8,933	622,647 4,457 29,998	- - 46,588	162,723 1,437 13,700	19,340 - 77,180	1,093,507 8,507 198,545
Total assets	1,612,359	170,048	322,782	666,114	1,578,644	483,782	266,006	5,099,735
Borrowings		3,312	21,965	103,102	74,953	77,281		280,613
Subordinated debt	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,589,489	456	269,739	426,968	9	337,968	5,582	2,630,211
Inter segment borrowing Others	- 22,870	158,964 7,316	- 6,662	109,080 26,964	1,486,749 14,308	- 36,644	- 66,957	1,754,793 181,721
Total liabilities	1,612,359	170,048	298,366	666,114	1,576,019	451,893	84,913	4,859,712
Equity			24,416		2,625	31,889	181,093	240,023
Total equity and liabilities	1,612,359	170,048	322,782	666,114	1,578,644	483,782	266,006	5,099,735
Contingencies and commitments	41,521		25,595	305,984	362,204	74,061	26,358	835,723
			For the thre	e months ended Corporate,	l March 31, 202	0 (Unaudited)		
	Branch banking	Consumer,SME & Rural banking	Islamic	Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				(Rupees	in million)			
Profit and loss account Net mark-up / return / profit / interest income	(23,875)	6,889	2,733	13,120	27,169	1,644	(1,478)	26,202
Inter segment revenue / (expense) - net	40,628	(4,160)	-	(9,629)	(30,304)	575	2,890	-
Non mark-up / interest income Total income	1,021 17,774	1,764 4,493	(45) 2,688	836 4,327	3,310 175	790 3,009	(3,048) (1,636)	4,628 30,830
Segment direct expenses	6,244	1,966	476	859	176	6,787	7,139	23,647
Inter segment expense allocation Total expenses	3,178 9,422	2,434	161 637	420 1,279	72 248	1,639 8,426	(5,939) 1,200	(1) 23,646
Provisions - charge / (reversal)	(8)	182	77	(801)	142	571	(22)	141
Profit / (loss) before tax	8,360	1,877	1,974	3,849	(215)	(5,988)	(2,814)	7,043
			A	s at December 3	31, 2020 (Audit	ed)		
	Branch banking	Consumer ,SME & Rural banking	Islamic	mmercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
Output of Co. 11 11				(Rupees	in million)			
Statement of financial position Cash and bank balances	179,590		12,771	293	125,940	67,818		386,412
Lendings to financial institutions	-	-	5,257	-	24,897	-	-	30,154
Inter segment lending	1,430,513	-	91			183,892	145,705	1,760,201
Investments Advances - performing	-	- 163,801	139,619 153,152	8,675 618,911	1,660,147	81,305 156,054	22,492 17,020	1,912,238 1,108,938
Advances - performing Advances - non-performing	-	1,960	211	4,308	-	1,902	2	8,383
Others	15,636	3,946	7,295	25,006	30,760	24,639	90,305	197,587
Total assets	1,625,739	169,707	318,396	657,193	1,841,744	515,610	275,524	5,403,913
Borrowings Subordinated debt	-	4,011	32,183	100,397	324,181	79,323	- 22,356	540,095 22,356
Deposits and other accounts	1,607,921	348	257,414	430,203	9	365,484	8,112	2,669,491
Inter segment borrowing	-	159,043	-	98,870	1,502,288	-	-	1,760,201
Others	17,818	6,305	6,032	27,723	8,804	44,329	58,034	169,045
Total liabilities Equity	1,625,739 -	169,707 -	295,629 22,767	657,193 -	1,835,282 6,462	489,136 26,474	88,502 187,022	5,161,188 242,725
Total equity and liabilities	1,625,739	169,707	318,396	657,193	1,841,744	515,610	275,524	5,403,913
Contingencies and commitments	13,108		9,416	321,938	551,311	63,568	28,891	988,232

34 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities subsidiaries, associated companies, joint venture, and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

Details of transactions and balances with related parties as at the period / year end are as follows:

			As at Ma	rch 31, 2021 (Un	audited)		
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position			(F	Rupees in '000) -			
Balances with other banks In current accounts			3,808	531,814		5,829	
Investments							
Opening balance	-	-	-	17,614,626	9,161,114	135,665	4,843,724
Investment made during the period	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period	-	-	-	(23,236)	(88,398)	-	-
Revaluation of investment during the period				(212,273)	- 0.070.740	405.005	(99,774)
Closing balance				17,379,117	9,072,716	135,665	4,743,950
Advances							
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Addition during the period	7,760	72,971	2,919,527	104,647	871,891	-	434,184
Repaid during the period	(7,222)	(72,651)	(3,007,071)	(85,091)	-	-	(953,594)
Transfer in / (out) - net	73	(375)	-			-	319,375
Other movement	-	-	(124,970)	(4,275)	(31,753)	-	-
Closing balance	860	305,781	4,292,014	2,089,166	1,965,138	-	7,548,959
Other Assets							
Interest / mark-up accrued	-	377	28,547	99,168	29,624	-	224,132
Receivable from staff retirement fund	-	-	-	-	-	-	-
Other receivable				-	179,710		3,110
	-	377	28,547	99,168	209,334		227,242
Borrowings							
Opening balance	-	-	3,200,856	468,382	959,006	1,598,344	494,309
Borrowings during the period	-	-	1,028,305	74,827	951,192	1,585,321	-
Settled during the period	-	-	(1,585,321)	(134,818)	(951,192)	(1,585,321)	(305,970)
Other movement	-		(196,909)	(18,551)	(42,454)	(70,758)	
Closing balance	-		2,446,931	389,840	916,552	1,527,586	188,339
Deposits and other accounts	<u>.</u>						
Opening balance	20,794	447,740	7,288,452	1,087,262	36,293,203	_	1,684,143
Received during the period	94,756	1,343,441	106,160,237	72,693,848	219,066,689	-	23,385,531
Withdrawn during the period	(77,073)	(1,238,793)	(106,094,981)	(72,537,871)	(221,767,621)	-	(22,313,063)
Transfer in / (out) - net	(13,238)	(53,480)	-	-	-	-	-
Other movement	(84)	(3,422)	(260,148)	(52,156)	(524)		(11,036)
Closing balance	25,155	495,486	7,093,560	1,191,083	33,591,747	-	2,745,575
Other liabilities	<u>.</u>						
Interest / mark-up payable	13	1,684	43,569	1,974	15,593	5,474	9,765
Payable to staff retirement fund	-	-	-	,	-	-	1,069,349
Other payables	-	-	298	18,907	45,451	-	409,513
	13	1,684	43,867	20,881	61,044	5,474	1,488,627
Contingencies and Commitments							
Letter of credit	-	-	474,503	-	-	-	2,117,728
Letter of guarantee	-	-	124,005	50,597	-	-	3,684,498
Forward purchase of Government securities	-	-	1,328,242	-	-	-	278,512
Forward sale of Government securities	-	-	-	-	-	-	-
Commitments in respect of forward lending	-	-	-	-	-	-	2,524,426
Interest rate swaps	-		785,820	-	1,125,000		-
			2,712,570	50,597	1,125,000		8,605,164
Others		44.005	E 00 4 070		44.070.000		0.704.000
Securities held as custodians		14,925	5,894,670		41,070,390		8,721,690

		FOLI	ne unee monu	is ended March 3	1, 2021 (Unaudi	tea)	
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
5			(I	Rupees in '000)			
Profit and loss account Income							
Mark-up / return / profit / interest earned	-	3,723	63,991	99,961	48,132	-	269,547
Fee and commission income	-	-	41,046	8,094	253,541	89	1,702
Dividend income	-	-	-	-	222,262	-	31,680
Foreign exchange gain Gain from derivatives	-	-	- 463	42,584	3,005	-	-
Net gain on sale of securities	-	-	463	-	39,223	-	-
Rent on properties	_	-	_	10,105	-	_	-
Other income	-	-	-	7,011	-	-	-
Expense							
Mark-up / return / profit / interest expensed	13	1,741	76,186	5,958	277,188	5,963	22,393
Operating expenses	-	-	-	-	-	-	-
Total compensation expense	-	329,251	-	-	-	-	254,449
Non-Executive Directors' fees	18,600	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	386,894	-	-
Advertisement and publicity	-	-	28,556	-	-	-	-
Travelling	-	-	1,139	-	-	-	-
Subscription	-	-	-	-	-	-	40,610
Donation	-	-	77,230	-	-	-	94,082
Brokerage and Commission Other expenses	-	-	-	- 137,382	-	-	51,900 7,025
				137,302			7,025
Others Purchase of Government securities			06 165 007		8,190,943		2 426 484
Sale of Government securities	-	12,002	86,165,287 88,295,947	- 12,484,942	11,616,067	-	2,426,181 4,067,867
Purchase of foreign currencies	_	12,002	376,716	2,573,182	-	_	4,007,007
Sale of foreign currencies	_	-	754,178	6,317,115	93,300	_	2,027,049
Insurance claims settled	-	-	-	-	18,038	-	-
			As at Dec	cember 31, 2020 ((Audited)		
		Key	Al at De	, <u>, , , , , , , , , , , , , , , , , , </u>	riaditod		
	Directors	Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position			(I	Rupees in '000)			
Balances with other banks							
In current accounts	-	-	25,483	362,924	-	4,074	-
Investments				19 500 620	0.076.440	10E 66E	4 77E 602
Opening balance Investment made during the year	-	-	-	18,590,630 500,000	9,276,448	135,665	4,775,603
Investment redeemed / disposed off during the year	_	_	_	(1,625,607)	(115,334)	_	_
Revaluation of investment during the year				-	-	-	68,121
Exchange translation impact		<u> </u>	-	149,603			-
Closing balance			-	17,614,626	9,161,114	135,665	4,843,724
Advances							7,924,895
Advances Opening balance	1,144	302,682	3,853,355	52,035	1,375,000	-	1,324,033
Opening balance Addition during the year	1,144 10,157	302,682 222,404	3,853,355 7,294,502	52,035 2,141,455	1,375,000	-	7,668,197
Opening balance Addition during the year Repaid during the year	10,157 (11,062)	222,404 (162,557)			1,375,000 - (250,000)	- - -	7,668,197 (6,242,581)
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net	10,157	222,404	7,294,502 (6,729,728)	2,141,455 (121,823)	-	- - -	7,668,197 (6,242,581)
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement	10,157 (11,062) 10	222,404 (162,557) (56,693)	7,294,502 (6,729,728) - 86,399	2,141,455 (121,823) - 2,218	- (250,000) - -	- - - -	7,668,197 (6,242,581) (1,601,517)
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance	10,157 (11,062)	222,404 (162,557)	7,294,502 (6,729,728)	2,141,455 (121,823)	-	- - - - -	7,668,197 (6,242,581) (1,601,517)
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets	10,157 (11,062) 10	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528	2,141,455 (121,823) - 2,218 2,073,885	(250,000) - - - 1,125,000	- - - - -	7,668,197 (6,242,581) (1,601,517) - 7,748,994
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets Interest / mark-up accrued	10,157 (11,062) 10	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399	2,141,455 (121,823) - 2,218 2,073,885 92,882	(250,000) - - 1,125,000	- - - - - -	7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets	10,157 (11,062) 10	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528	2,141,455 (121,823) - 2,218 2,073,885	(250,000) - - - 1,125,000		7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets Interest / mark-up accrued Other receivable	10,157 (11,062) 10 - 249	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528 23,444	2,141,455 (121,823) - 2,218 2,073,885 92,882	(250,000) - - - 1,125,000 30,556 305,198		7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets Interest / mark-up accrued Other receivable Borrowings	10,157 (11,062) 10 - 249	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528 23,444 - 23,444	2,141,455 (121,823) - 2,218 2,073,885 92,882 - 92,882	(250,000) - - 1,125,000 30,556 305,198 335,754		7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets Interest / mark-up accrued Other receivable Borrowings Opening balance	10,157 (11,062) 10 - 249	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528 23,444 - 23,444 2,475,576	2,141,455 (121,823) - 2,218 2,073,885 92,882 - 92,882 4,187,854	(250,000) - - 1,125,000 30,556 305,198 335,754	1,548,476	7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets Interest / mark-up accrued Other receivable Borrowings Opening balance Borrowings during the year	10,157 (11,062) 10 - 249	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528 23,444 - 23,444 2,475,576 6,992,840	2,141,455 (121,823) - 2,218 2,073,885 92,882 - 92,882 4,187,854 6,016,905	(250,000) - - 1,125,000 30,556 305,198 335,754 929,086 2,913,226	4,855,377	7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Other movement Closing balance Other Assets Interest / mark-up accrued Other receivable Borrowings Opening balance	10,157 (11,062) 10 - 249	222,404 (162,557) (56,693) - 305,836	7,294,502 (6,729,728) - 86,399 4,504,528 23,444 - 23,444 2,475,576	2,141,455 (121,823) - 2,218 2,073,885 92,882 - 92,882 4,187,854	(250,000) - - 1,125,000 30,556 305,198 335,754		7,668,197 (6,242,581) (1,601,517) - - - - - - - - - - - - - - - - - - -

			As at Dec	ember 31, 2020	(Audited)		
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Deposits and other accounts			(F	Rupees in '000)			
Opening balance	26,259	192,845	7,803,875	1,076,088	11,245,324	_	716,890
Received during the year	223,185	2,338,236	234,970,772	206,571,000	651,783,633	-	60,058,254
Withdrawn during the year	(233,311)	(2,123,153)	(235,783,141)	(206,561,582)	(626,730,063)	-	(59,090,555)
Transfer in / (out) - net	4,619	35,680	-	- 4.750	- (5.004)	-	(3,237)
Other movement Closing balance	20,794	4,132 447,740	296,946 7,288,452	1,756 1,087,262	(5,691)		2,791 1,684,143
Closing Balanco	20,104	417,740	7,200,102	1,007,202	00,200,200		1,004,140
Other liabilities							
Interest / mark-up payable	10	1,734	52,208	1,715	128,470	6,251	8,048
Payable to staff retirement fund Other payables	-	_	- 1,511	- 18	- 33,615	-	1,182,639 315,431
Other payables	10	1,734	53,719	1,733	162,085	6,251	1,506,118
Contingencies and Commitments							
Letter of credit	-	-	145,085	-	-	-	1,576,326
Letter of guarantee	-	-	134,121	4,320	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	-	316,416
Forward sale of Government securities	-	-	-	-	-	-	-
Commitments in respect of forward lending	-	-		-	-	-	2,524,426
Interest rate swaps		-	859,491 2,000,329	4,320	1,125,000 1,125,000		7,836,215
Others			2,000,329	4,320	1,125,000		7,030,215
Others Securities held as custodians	_	17,745	5,457,675	_	30,978,500	_	13,662,385
			3,101,010				
		For	the three month	s ended March 3	1, 2020 (Unaudit	.ed)	
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
		T CISOIIICI	(F	Rupees in '000)			
Profit and loss account				tupees in 600)			
Income							
Mark-up / return / profit / interest earned	-	5,999	86,016	127,079	82,624	-	248,241
Fee and commission income	-	-	30,934	6,648	220,298	85	26,821
Dividend income	-	-	-	-	314,344	236,436	35,653
Foreign exchange gain	-	-	-	-	-	-	-
Loss from derivatives	-	-	(16,233)	(34,201)	(17,457)	-	-
Net gain on sale of securities	-	-	-	-	-	-	-
Rent on properties	-	-	-	9,301	_		
Other income	-			1011		-	-
		-	-	1,214	-	-	-
		-	-	1,214	-	-	-
Expense	E4	-	-		-		
Mark-up / return / profit / interest expensed	51	2,246	135,846	20,860	- 173,207	- - 12,955	13,402
Mark-up / return / profit / interest expensed Operating expenses	-	-	-	20,860	-	-	-
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense	- -			20,860			
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees	-	- 337,751 -	- - -	20,860 - - -	- - -	-	-
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense	- -	-	- - -	20,860	-	-	-
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity	- -	- 337,751 -	- - - - 87,750	20,860 - - -	- - -	-	-
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling	- -	- 337,751 -	- - -	20,860 - - -	- - -	-	228,785 - - - -
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription	- -	- 337,751 -	87,750 6,347	20,860 - - -	- - -	-	228,785 - - - - 11,728
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation	- -	- 337,751 -	- - - - 87,750 6,347	20,860 - - -	- - -	-	228,785 - - - -
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission	- -	- 337,751 -	87,750 6,347 - 76,950	20,860 - - -	- - -	-	228,785 - - - - - 11,728 41,500
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation	- -	- 337,751 -	87,750 6,347 - 76,950	20,860 - - -	- - -	-	228,785 - - - - - - 11,728 41,500
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission Other expenses Reversal of provision against advances	- -	- 337,751 -	87,750 6,347 - 76,950	20,860 - - -	- - -	-	228,785 - - - - - 11,728 41,500
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission Other expenses Reversal of provision against advances Others	- -	337,751 - - - - - - - - -	- - - 87,750 6,347 - 76,950 - -	20,860	- - - 283,442 - - - - - -	-	228,785 - - - - - 11,728 41,500 - 54,588
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission Other expenses Reversal of provision against advances Others Purchase of Government securities	- -	337,751 - - - - - - - - - -	- - - 87,750 6,347 - 76,950 - - - -	20,860	- - 283,442 - - - - - - - - -	- - - - - - - - - -	228,785 - - - - - 11,728 41,500 - 54,588 -
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission Other expenses Reversal of provision against advances Others Purchase of Government securities Sale of Government securities	- -	337,751 - - - - - - - - -	- - - - - - - - - - - - - - - - - - -	20,860 - - - - - - - - - - - - - - -	- - 283,442 - - - - - - - - - - - - 1,139,353	- - - - - - - - - - - - - - - - - - -	228,785 - - - - - 11,728 41,500 - 54,588
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission Other expenses Reversal of provision against advances Others Purchase of Government securities Sale of Government securities Purchase of foreign currencies	- -	- 337,751 - - - - - - - - - - - - - - - - - - -	- - - 87,750 6,347 - - 76,950 - - - - 32,169,380 35,050,146 390,182	20,860 - - - - - - - - - - - - - - - - - - -	- - 283,442 - - - - - - - - - - - - - - 3,813,099 11,139,353 3,728	- - - - - - - - - -	228,785 - - - - - 11,728 41,500 - 54,588 - - 886,411 1,729,810
Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Advertisement and publicity Travelling Subscription Donation Brokerage and Commission Other expenses Reversal of provision against advances Others Purchase of Government securities Sale of Government securities	- -	- 337,751 - - - - - - - - - - - - - - - - - - -	- - - - - - - - - - - - - - - - - - -	20,860 - - - - - - - - - - - - - - -	- - 283,442 - - - - - - - - - - - - 1,139,353	- - - - - - - - - - - - - - - - - - -	228,785 - - - - - 11,728 41,500 - 54,588 -

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS Note	2021	(Audited) December 31, 2020 s in '000)
Minimum Capital Requirement (MCR):	44.000.505	44,000,505
Paid-up capital (net of losses)	14,668,525	14,668,525
Capital Adequacy Ratio (CAR):	477.007.704	170.040.004
Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital	177,067,734	172,940,364
Total Eligible Tier 1 Capital	10,494,299 187,562,033	10,438,063 183,378,427
Eligible Tier 2 Capital	55,730,203	54,025,763
Total Eligible Capital (Tier 1 + Tier 2)	243,292,236	237,404,190
Risk Weighted Assets (RWAs):		
Credit Risk	945,528,144	935,446,560
Market Risk	100,102,186	109,134,799
Operational Risk	191,948,129	191,948,129
Total	1,237,578,459	1,236,529,488
Common Equity Tier 1 Capital Adequacy ratio	14.31%	13.99%
Tier 1 Capital Adequacy Ratio	15.16%	14.83%
Total Capital Adequacy Ratio	19.66%	19.20%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	2.00%	2.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	8.31%	7.99%
Other information:		
National minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	9.50%	9.50%
Tier 1 minimum ratio (%)	11.00%	11.00%
Total capital minimum ratio (%)	13.50%	13.50%
Leverage Ratio (LR)		
Eligible Tier-1 Capital	187,562,033	183,378,427
Total Exposures	3,845,303,459	4,167,230,907
Leverage Ratio (%)	4.88%	4.40%
Minimum Requirement (%)	3.00%	3.00%
	Total Adiu	sted Value
Liquidity Coverage Ratio (LCR)	(Rupees	
Average High Quality Liquid Assets	1,419,182,562	1,343,833,391
Average Net Cash Outflow	579,370,233	525,626,841
Liquidity Coverage Ratio (%)	244.95%	255.66%
Minimum Requirement (%)	100.00%	100.00%
Net Stable Funding Ratio (NSFR)	Total Weig (Rupees	
		•
Total Available Stable Funding	2,606,156,837	2,637,965,349
Total Required Stable Funding	1,531,171,617	1,448,252,363
Net Stable Funding Ratio (%)	<u>170.21%</u>	182.15%
Minimum Requirement (%)	100.00%	100.00%

36 ISLAMIC BANKING BUSINESS

The Bank operates 101 (December 31, 2020: 62) Islamic Banking branches and 813 (December 31, 2020: 853) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION ASSETS	Note	(Unaudited) March 31, 2021 (Rupees	(Audited) December 31, 2020 s in '000)
Cash and balances with treasury banks		15,969,167	12,685,357
Balances with other banks		115,140	85,710
Due from financial institutions	36.1	13,898,164	5,257,358
Investments	36.2	155,458,871	139,619,025
Islamic financing and related assets - net	36.3	125,690,878	153,363,009
Fixed assets		1,429,473	1,163,176
Intangible assets Due from Head Office		2,465,683	90,320
Deferred tax assets		2,400,000	90,320
Other assets		7,754,543	6,132,151
		322,781,919	318,396,106
LIABILITIES			
Bills payable		9,774	9,451
Due to financial institutions	36.4	21,964,783	32,183,448
Deposits and other accounts	36.5	269,739,014	257,414,395
Due to Head Office		34,167	12,444
Subordinated debt Deferred tax liabilities		147,872	8,718
Other liabilities		6,470,120	6,000,269
Other liabilities		298,365,730	295,628,725
NET ASSETS		24,416,189	22,767,381
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		231,287	13,637
Unappropriated profit	36.6	23,684,902	22,253,744
		24,416,189	22,767,381
		24,410,100	22,707,001
Contingencies and commitments	36.7	24,410,100	22,707,007
Contingencies and commitments	36.7	(Unau	
Contingencies and commitments	36.7	(Unau	dited) months ended
Contingencies and commitments	36.7	(Unau For the three I	dited) months ended March 31,
	36.7	(Unau For the three i March 31, 2021	ndited) months ended March 31, 2020
Contingencies and commitments PROFIT AND LOSS ACCOUNT	36.7	(Unau For the three i March 31, 2021	dited) months ended March 31,
PROFIT AND LOSS ACCOUNT		(Unau For the three of March 31, 2021 (Rupees	dited) months ended March 31, 2020 s in '000)
PROFIT AND LOSS ACCOUNT Profit / return earned	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275	dited) months ended March 31, 2020 s in '000) 5,829,677
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed		(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275	dited) months ended March 31, 2020 s in '000) 5,829,677
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss)	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss)	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) -
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906)	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467)
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss)	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935)
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund	36.8	(Unau For the three of March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821	1dited) months ended March 31, 2020 5 in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund Other charges	36.8	(Unau For the three March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301 220
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund Other charges Total other expenses	36.8	(Unau For the three March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821 660,373 47,955 2,682 711,010	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301 220 636,257
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund Other charges	36.8	(Unau For the three March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821 660,373 47,955 2,682 711,010 2,463,811	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301 220
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund Other charges Total other expenses Total other expenses Profit before provisions	36.8	(Unau For the three March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821 660,373 47,955 2,682 711,010	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301 220 636,257 2,052,133
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund Other charges Total other expenses Profit before provisions Provisions and write offs - net	36.8	(Unau For the three in March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821 660,373 47,955 2,682 711,010 2,463,811 114,142 2,349,669 917,459	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301 220 636,257 2,052,133 76,737 1,975,396 770,489
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income / (loss) Total income Other expenses Operating expenses Workers' Welfare Fund Other charges Total other expenses Profit before provisions Provisions and write offs - net Profit before taxation	36.8	(Unau For the three March 31, 2021 (Rupees 5,540,275 2,548,522 2,991,753 170,454 - 10,469 - (906) 3,051 183,068 3,174,821 660,373 47,955 2,682 711,010 2,463,811 114,142 2,349,669	dited) months ended March 31, 2020 s in '000) 5,829,677 3,096,352 2,733,325 146,298 - (24,984) - (168,467) 2,218 (44,935) 2,688,390 595,736 40,301 220 636,257 2,052,133 76,737 1,975,396

36.1	Due from Financial In	etitutione						(Unaudited) March 31, 2021	(Audited) December 31, 2020 s in '000)
50.1		Stitutions						(itapooc	, 000,
	Call money lendings							5,855,000	-
	Bai Muajjal receivable							-	5,257,358
	Bai Muajjal receivable	with other Fin	ancial Insti	tutions				8,043,164	<u> </u>
								13,898,164	5,257,358
36.2	Investments by segm	ents							
00.2	cog		March 31, 202	21 (Unaudited))		December 3	31, 2020 (Audited)	
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
					(Ru	pees in '000)			
	Federal Government								
	securities -ljarah Sukuks	82,674,191	I	(28,766)	82,645,425	67,678,595		(322,645)	67,355,950
	-Other Federal	02,074,131		(20,700)	02,040,420	07,070,000		(022,040)	07,000,000
	Government Securities	11,736,908	-	<u> </u>	11,736,908	11,324,538	-	-	11,324,538
	Non-Government debt	94,411,099	-	(28,766)	94,382,333	79,003,133	-	(322,645)	78,680,488
	securities								
	-Listed	47,475,785	-	385,425	47,861,210	47,291,628	-	322,500	47,614,128
	-Unlisted	13,192,828 60,668,613	-	22,500 407,925	13,215,328 61,076,538	13,301,909 60,593,537	-	22,500 345,000	13,324,409 60,938,537
	Total luccaturants						-		
	Total Investments	155,079,712	-	379,159	155,458,871	139,596,670	-	22,355	139,619,025
								(Unaudited)	(Audited)
								March 31,	December
								2021	31, 2020
36.3	Islamic financing and	related asse	ets - net					(Rupees	s in '000)
	Disciplials in a Marahamala	- l-						07 405 450	74 407 440
	Diminishing Musharaka Running Musharakah	a 11						67,425,152 18,041,248	71,127,412 45,034,254
	Wakalah							10,000,000	10,000,000
	ljarah							2,198,349	2,341,651
	Murabaha							1,446,402	1,517,711
	Currency Salam							5,882	589,706
	Tijarah							1,589,788	422,168
	Istisna							1,069,788	271,460
	Home Financing							2,527,592	2,060,742
	Advance for Diminishin	ig Musharaka	ah					2,916,765	2,320,561
	Advance for Ijarah							239,333	312,748
	Advance for Murabaha	l						4,372,525	1,203,371
	Advance for Salam							499,998	1,027,180
	Advance for Istisna	rababa						8,346,718	11,874,971
	Inventories against Mu Inventories against Sal							364,850 980,000	2,204,687
	Inventories against Tija							940,421	824,156
	Inventories against Isti							3,895,248	1,285,677
	Islamic financing and re		- gross					126,860,059	154,418,455
	Provision against Islam		-	assets				. 20,000,000	.01,110,100
	-Specific							(229,792)	(126,457)
	-General							(939,389)	(928,989)
								(1,169,181)	(1,055,446)
	Islamic financing and re	elated assets	- net of pro	vision				125,690,878	153,363,009

	· .	Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020
36.4	Due to financial institutions		-	s in '000)
	Unacquired acceptances of funds			10 500 000
	Unsecured acceptances of funds Acceptances from the SBP under Islamic Export Refinance Scheme		- 12,471,342	10,500,000 12,185,727
	Acceptances from the SBP under Islamic Long Term Financing Facility		4,883,146	4,774,050
	Acceptances from the SBP under Islamic Refinance and Credit Guarantee Scheme for Women Entr	repreneurs		-
	Acceptances from the SBP under Islamic Refinance Scheme for Payment of Wages and Sa	•	2,204,314	2,456,473
	Acceptances from the SBP under Islamic Financing Facility For Renewable Energy		302,394	96,152
	Acceptances from the SBP under Islamic Temporary Economic Refinance Facility		1,908,459	1,676,737
	Acceptances from Pakistan Mortgage Refinance Company		188,339	494,309
			21,964,783	32,183,448
36.5	Deposits and other accounts			
	Customers			
	Current deposits		63,435,081	64,402,537
	Savings deposits		113,719,839	105,290,516
	Term deposits		22,964,085	24,221,318
	Financial Institutions		200,119,005	193,914,371
	Current deposits		809,224	405,136
	Savings deposits		66,466,639	61,847,142
	Term deposits		2,344,146	1,247,746
			69,620,009 269,739,014	63,500,024 257,414,395
			209,739,014	237,414,393
36.6	Islamic Banking business unappropriated profit			
	Opening Balance		22,253,744	16,486,211
	Add: Islamic Banking profit for the period / year Less: Taxation		2,349,669 (917,459)	9,464,811 (3,696,779)
	Less: Transferred / Remitted to Head Office		(1,052)	(499)
	Closing Balance		23,684,902	22,253,744
36.7	Contingencies and commitments			
00.7	-	00.74	4 454 040	4 400 005
		36.7.1 36.7.2	1,151,312 24,443,422	1,498,665 7,917,674
	Communication	,o	25,594,734	9,416,339
36.7.1	Guarantees			
	Performance guarantees		1,123,378	1,435,850
	Other guarantees		27,934	62,815
			1,151,312	1,498,665
36.7.2	Commitments			
	Trade-related contingent liabilities		22,140,403	6,208,476
	<u> </u>	6.7.2.1	2,303,019	1,709,198
	Communication in receptor of formation foreign exertialing confittation		24,443,422	7,917,674
36.7.2.	1 Commitments in respect of forward foreign exchange contracts		:	, , , -
	Purchase		1,111,371	740,199
	Sale		1,111,371	968,999
	Oal6		2,303,019	1,709,198
			_,000,010	1,. 55,100

	•	idited) months ended
Profit / return earned	March 31,	March 31, 2020
		s in '000)
On:		
Financing	2,669,653	3,737,797
Investments	2,760,973	1,252,191
Placements	109,649	839,689
	5,540,275	5,829,677
Profit / return expensed		
On:		
Deposits and other accounts	2,240,073	2,989,295
Amounts due to financial institutions	261,284	60,540
Foreign currency deposits for Wa'ad based transactions	102	21,534
Lease liability against right-of-use assets	47,063	24,983
	2,548,522	3,096,352
	On: Financing Investments Placements Profit / return expensed On: Deposits and other accounts Amounts due to financial institutions Foreign currency deposits for Wa'ad based transactions	Profit / return earned For the three of March 31, 2021 (Rupees) On: Financing Investments 2,669,653 (19,973) Placements 109,649 (19,649) Profit / return expensed 5,540,275 Progists and other accounts Amounts due to financial institutions Foreign currency deposits for Wa'ad based transactions Lease liability against right-of-use assets 2,240,073 (19,244)

37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

37.1 The Board of Directors, in its meeting held on April 20, 2021, has declared a cash dividend of Rs 1.75 per share in respect of the quarter ended March 31, 2021 (March 31, 2020: Rs 1.25 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

38 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on April 20, 2021.

39 **GENERAL**

39.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Director