

NAVIGATING OUR WAY TO SUCCESS

QUARTERLY REPORT MARCH 2021 (UN-AUDITED)















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CORPORATE INFORMATION

CHAIRMAN

MR. ALAUDDIN FEERASTA

CHIEF EXECUTIVE OFFICER

MR. MUHTASHIM AHMAD ASHAI

DIRECTORS

MR. NOORUDDIN FEERASTA
MR. AHMED A. FEERASTA
MR. MUHAMMAD RASHID ZAHIR
MR. MANZOOR AHMED (NIT NOMINEE)
MR. JAMIL HASSAN HAMDANI
MS. NAVIN SALIM MERCHANT

CHIEF FINANCIAL OFFICER

MR. MIRZA ZAFAR BAIG

COMPANY SECRETARY

MR. MUHAMMAD ALTAF BUTT

AUDITORS

KPMG TASEER HADI & CO. CHARTERED ACCOUNTANTS

SHARIAH BOARD

MUFTI EHSAN WAQUAR AHMAD (CHAIRMAN) MUFTI MUHAMMAD ZAHID (RESIDENT MEMBER) MUFTI BILAL AHMED QAZI (MEMBER)

LEGAL ADVISORS

MANAN ASSOCIATES, ADVOCATES

REGISTERED OFFICE

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DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of Soneri Bank Limited ('the Bank') along with the un-audited condensed interim financial statements for the quarter ended 31 March 2021.

Economic Review:

FY21 started on a positive note for Pakistan's economy, as growth and employment trends continued to recover and business sentiment further improved. The trend has continued at the beginning of the current calendar year as well. While still modest at around 3 percent, growth in FY21 is now projected to be higher than previously anticipated due to improved prospects for manufacturing, and benefit of monetary and fiscal stimuluses provided during COVID-19. However, uncertainty around growth prospects still exists, due to the emergence of a third, more virulent wave of COVID-19 in Pakistan just as the vaccine has been rolled-out

The Real sector of the economy continued to propel on the back of targeted fiscal support, SBPs temporary refinancing facilities and supportive monetary policy. Large-scale Manufacturing clocked in a growth of 7.9 percent through the first seven months of FY21, compared to a contraction of 3.2 percent during the same period last year. A wide range of other high-frequency indicators signal robust growth, including sales of fast moving consumer goods, automobiles, cement, POL and electricity. In services, transportation is benefiting from the pick-up in manufacturing, while business sentiment indicators foresee further improvements in both activity and employment in coming months.

The positive trend also follows on the Current Account front which remained in a surplus of \$0.9 billion through the first seven months of FY21 on the back of record remittances, relatively subdued domestic demand and a promising recovery in exports. As the economy recovers, the trade deficit is widening somewhat owing to higher imports of capital goods and industrial materials as well as food, together with rising international commodity prices. Nevertheless, the current account deficit in FY21 is still expected to remain below 1 percent of GDP given the out-turn to date, continued strong prospects for remittances—which have remained above \$2 billion for the last 9 months—and the ongoing pickup in exports, especially high value-added textiles. These favorable developments and improving sentiment contributed to the appreciation in the Rupee Dollar Parity and helped to keep SBP's foreign exchange reserves at around \$13 billion, levels last seen three years ago.

Fiscal developments continue to evolve largely in line with the consolidation envisaged in this year's budget. During H1 FY21, the fiscal deficit stood at 2.5 percent of GDP, broadly unchanged from the same period last year despite higher interest and COVID-19 related payments. This mainly reflects healthy growth in revenues, with FBR net tax revenue provisionally growing by 6.0 percent year on year, through February to surpass target levels despite higher refunds. Despite higher non-interest current expenditures, the primary balance posted a surplus of 0.7 percent of GDP during H1 FY21.

The SBP has maintained that the recent increase in inflation is primarily due to supply-side factors, while core inflation continues to be relatively subdued, and inflation expectations are still well anchored. Looking ahead, as the temporary increase in inflation from administered prices wanes, inflation should fall to the 5-7 percent target range over the medium-term. Looking further ahead, this year's upcoming round of wage negotiations, next year's budget, and the path of domestic energy prices and international commodity prices may have an important bearing on the inflation trajectory.

In complete contrast to what was witnessed at the beginning of the pandemic last year, the PSX-100 index emerged as the second best performing regional market, as it hit a three-year high of 46,933 points on 3 February 2021. Trade volume (regular and futures) hit 16-year high of 1.12 billion shares turnover, while trade value (regular and futures) spiked to 13-year high at Rs. 49.9 billion (\$311 million) on 29 January 2021.

The SBP's policy rate over the course of the last twelve months has seen a cumulative reduction of 625 basis points – i.e. from mid-March 2020 till date. Over the course of their last few meetings, the SBP's Monetary Policy Committee has decided to keep the policy rate unchanged at the level of 7 percent, as the Committee expects that any adjustments in the policy rate would be measured and gradual to achieve mildly positive real interest rates in the future as the recovery becomes more durable and the economy returns to full capacity.

The Bank's Financial Position and Operating Results:

The summarized financial position and operating results of the Bank for the quarter ended 31 March 2021 are as follows:

Ac at

Ac at

	31 Mar 2021	31 Dec 2020
FINANCIAL POSITON	(Rupees	in 000s)
Advances – net	199,786,803	164,544,519
Investments - net	275,772,865	249,955,671
Total Assets	544,477,726	485,345,223
Deposits and other accounts	337,569,432	345,498,768
Shareholders' Equity	21,822,958	23,157,038
	Quarter ended	Quarter ended
FINANCIAL PERFORMANCE	31 Mar 2021	31 Mar 2020
FINANCIAL PERFORMANCE	(Rupees	in 000s)
Net Interest Income	2,719,862	2,108,676
Non Markup Income	960,971	1,168,306
Total Revenue	3,680,833	3,276,982
Non-Markup Expenses	2,527,903	2,259,534
Profit before provisions and taxation	1,152,930	1,017,448
Provisions / (reversals) and impairment	(123,299)	333,114
Profit before taxation	1,276,229	684,334
Profit after taxation	781,910	407,461
Earnings per share (Rupee)	0.7092	0.3696

The Bank posted Profit before tax (PBT) of Rs. 1,276.229 million and Profit after tax (PAT) of Rs. 781.910 million for the quarter ended 31 March 2021, as compared to Rs. 684.334 million and Rs. 407.461 million respectively for the comparative period last year, indicating an impressive improvement of 86.49 percent and 91.90 percent respectively. As a result, earnings per share (EPS) was recorded at Re. 0.7092 per share for the current reporting period, as compared to Re. 0.3696 for the comparative prior period.

The Bank's net interest income for the quarter ended 31 March 2021 improved to Rs. 2,719.862 million from Rs. 2,108.676 million for the comparative prior period, indicating a growth of 28.98 percent. Non-interest income for the period was reported at Rs. 960.971 million as against Rs. 1,168.306 million against the comparative prior period, primarily on account of lower foreign exchange income and lower gains on securities. The overall income of the Bank indicates an improvement of Rs. 403.851 million, or 12.32 percent, year on year.

The effect of the gradual reduction in policy rates on Banks' overall revenue streams started to take effect towards the latter half of the year 2020. Operating amidst a low policy rate regime, the Bank was able to prudently manage its liquidity, with an observable shift reflected in the Bank's asset mix as average investment volumes notably increased while average advances volumes only marginally declined. The Bank's average net investments improved to Rs. 263,181.590 million for the quarter ended 31 March 2021 as against Rs. 184,566.343 million maintained in the comparative prior period. Through this volumetric increase, the Bank's income from investments remained intact at Rs. 5,359.760 million for the current quarter, as against Rs. 5,418.755 million for the comparative prior period, while investment yields declined to 8.26 percent for the quarter ended 31 March 2021 as against 11.81 percent for the comparative prior period.

On a year on year comparison, yields on advances remained lower, at 7.34 percent as against 12.87 percent for the comparative prior period, reflecting the full repricing effect of the gradual reduction in policy rates by the State Bank of Pakistan over the course of the last year. With the Bank's average net advances book reduced to Rs. 184,602.364 million for the quarter ended 31 March 2021, as against Rs. 197,941.512 million for the comparative prior period, income from advances ended lower at Rs. 3,340.752 million for the current quarter as against Rs. 6,333.616 million for the prior comparative period.

Period end deposits amounted to Rs. 337,569.432 million as at 31 March 2021. In terms of averages, the portfolio grew by Rs. 28,412.765 million, or 10.0 percent year on year. The Bank's cost of deposits decreased to 4.68 percent for the quarter ended 31 March 2021 as against 9.25 percent for the corresponding period last year. As at 31 March 2021, the Bank's CASA percentage stood at 71.93 percent (December 2019: 68.65 percent). For Current Accounts, the mix improved to 29.72 percent at 31 March 2021 from 26.56 percent in December 2020, and volumes grew by Rs. 8,550.829 billion or 9.32 percent from the year end levels. This focus on CASA mix improvement and retention of current accounts, by ensuring service levels of the highest quality, has helped the Bank in rationalizing our funding costs, thereby improving overall margins.

On the borrowings side, the Bank's average borrowings increased by Rs. 42,596.781 million, with costs decreasing to 6.19 percent for the current quarter as against 10.21 percent for the comparative prior period. The Bank's overall Cost of funds decreased to 5.07 percent for the quarter ended 31 March 2021 as against 9.35 percent for the comparative prior period.

Non-Markup expenses were reported at Rs. 2,527.903 million for the quarter ended 31 March 2021 as against Rs. 2,259.534 million in the comparative period of 2020, indicating a growth of 11.88 percent. The management remains committed on pursuing stringent cost discipline measures over the remaining course of the year.

Under the head of provisions, the absence of the one off additional impairment charge of Rs. 178.790 million booked in the prior comparative quarter, coupled with recent recoveries against classified advances being in excess of the charge considered, led to a positive variance year on year. The Bank booked provision recoveries of Rs. 275.515 million for the current period, while a fresh charge of Rs. 143.827 million was considered. For the quarter ended 31 March 2020, a higher charge of Rs. 226.471 million had been considered while recoveries had also been lower at Rs. 75.994 million.

Nonetheless, the Bank continues to carefully and prudently monitor its portfolio. Various relief measures were advised by the State Bank of Pakistan to facilitate Banks and Borrowers to restructure and reschedule their commitments over the course of the year 2020. Furthermore, as per SBP and GOP directives, all Banks have been assigned with targets for housing and construction finance to be met over the course of the year. With an effective risk management framework in place, the Bank remains committed to facilitating the rebound of the economy, whilst maintaining regulatory compliance with all applicable laws and best practices. As at 31 March 2021, the Bank's Non-performing loans to total Advances ratio improved to 5.15 percent (December 2020: 6.25 percent), with specific coverage at 74.52 percent (December 2020: 75.16 percent).

The Bank remains adequately capitalized, with a Capital Adequacy Ratio of 15.37 percent at 31 March 2021. The Bank's Liquidity Coverage Ratio and Net Stable Funding Ratio currently stands at 135.49 percent and 137.72 percent respectively, which are comfortably above the regulatory requirements.

Credit Rating:

The Pakistan Credit Rating Agency (PACRA) maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank in June 2020 [2019: long term 'AA-' (Double A Minus): short term 'A1+' (A One Plus)].

PACRA also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC-2) issue of Rs 3,000 million at 'A+' (Single A plus) with Stable Outlook in December 2020, while the Bank's unsecured, subordinated, rated, listed, perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million were assigned a rating of 'A' (Single A) with Stable Outlook in June 2020.

The ratings reflect the Bank's sustained and stable position in the market with strong risk profiling and lending capacity.

Acknowledgment:

On behalf of the Board, we would like to thank the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued guidance and support. We also remain indebted to our valued customers for their continued patronage amidst challenging times, and appreciate our employees for their exemplary hard work, passion and relentless dedication, even in times of hardship.

We continue to remain optimistic and confident that the economy would be on the track to recovery, and the Bank shall continue to play its role amidst challenging times ahead, meeting the expectations of our customers as well as stakeholders.

On behalf of the Board of Directors,

MUHTASHIM AHMAD ASHAI

President & Chief Executive Officer

ALAUDDIN FEERASTA Chairman

Lahore: 28 April 2021

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سا کھی درجہ بندی (کریڈٹ ریٹنگ)

یا کتان کر پڑٹ ریٹنگ ایجنسی (یاکرا) نے جون 2020 کے اپنے نوٹیفیکیشن کے ذریعے طویل المیعاد حوالے سے بینک کی کریٹرٹ ریٹنگ کو'-۸۸' (ڈبل اے مائنس)اور قلیل المیعادریڈنگ'+A1'(اےون پلس) پر شخکم اندازے کے ساتھ برقرار رکھاہے۔[2019:طویل المیعاد'-AA'(ڈبل اے مائنس) بلیل المیعاد'+A1'(اےون پلس)]۔

یا کرانے دسمبر 2020 کے نوٹیٹنکیشن کے ذریعے بینک کے غیرمحفوظ ، ذیلی اوراسٹڈٹرم فٹانس سرٹیٹنکیٹ (TFC-2) کے 3,000 ملین روپے مالیت کے اجراء کی کریڈٹ ریٹینگ بھی . '+A'(سنگلااےپلس) منتخکم منظرنامے کےساتھ برقرارر کئی ہے، جبکہ جون 2020 کے نوٹیفکیشن کے ذریعے بینک کے 4,000 ملین روپے کے غیرمحفوظ، ذیلی، درجہ بند، دائکی اورغیر مجموعی ٹرم فنانس سرٹیفکیٹ کے اجراء کو شکھ منظرنا ہے کے ساتھ 'A' ریٹنگ تفویفن کی ہے۔

بیدرجہ بندی خطرات کی مضبوط پروفائل اورقرض دینے کی مشحکم صلاحیت کے ساتھ مارکیٹ میں بینک کی عمدہ اور مشحکم حیثیتوں کو فعاہر کرتی ہے۔

ستائشي كلمات

بورڈ کی جانب سے ہم اسٹیٹ بیٹک آف یا کستان اور سکیو رشیز اینڈا بجیجنج کمیشن آف یا کستان کی مسلسل رہنمائی اور سریرس کیلئے ان کےشکر گزار ہیں۔ساتھ ہی ان مشکل حالات میں ہم اپنے شیئر ہولڈرز ،معززصارفین ، برنس پارٹنرز کی مسلسل سریریتی کیلئے اظہارتشکر کرتے ہیں اور بدینک کے عملے کی محنت ،گئن اور بھر پورتعاون کے معترف ہیں۔

ہم پراعتاداور پُرامید ہیں کمعیشت بحالی کی راہ پرگامزن ہوگی اور بینک ان مشکل حالات میں اپئے کشمرزاور اسٹیک ہولڈرز کی تو قعات پر پورااترتے ہوئے، اپنا کردارادا کرتارہے گا۔

منجانب بوردٌ آف دُ ايرَ يكمُ ز

مختشم احمداشائي علاؤالدين فيراسته چیر ملن

صدراور جف الگزيکٹوآ فيسر

لا ہور:28 اپریل 2021

بینک کی خالص سودی آمدنی 31 مارچ 2021 کوختم ہونے والی سہ ماہی میں %28.98 کے ساتھ 2,719.862 ملین روپے رہی جو کہ سابقہ تقابلی مدت میں 201.676 ملین روپے تھی۔ غیر سودی آمدنی 1,168.306 ملین روپے کے مقابلے میں 960,971 ملین روپے رہی جو کہ بنیادی طور پر غیر ملکی زرمبادلہ کی کی اور سیکیو رٹیز پر کم شرح منافع کے باعث ہے۔ بینک کی مجموعی آمدنی سالانہ کی بنیاد پر 403.851 ملین روپے یا 22.32 زیادہ ہوری۔

مجموعی طور پر پالیسی ریٹ کی بتدریج کمی کا اثر بینک کے مصولات پر 2020 کے آخر میں آنا شروع ہوا۔ پالیسی کی کم شرح پر کام کرتے ہوئے، بینک اپنی کو گوظم وضبط سے چلانے میں کامیاب رہا، جس میں ایک قابل مشاہدہ تبدیلی میں میں خلاج ہوتی ہے کیونکہ اوسط سرمایہ کاری کے تجم میں نمایاں اضافہ ہوا ہے جبکہ اوسط ایڈوانس تجم میں صرف معمولی کی واقع ہوئی ہے۔ 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کیلئے بینک کی اوسطا خالص سرمایہ کاری 263,181.590 ملین روپے ہوئی جو کہ سابقہ تقابلی مدت میں 34,566.34 ملین روپے ہوئی ہو کہ سابقہ تقابلی مدت میں مقابلی روپے تھی۔ اس تجم میں اضافے کے ذریعے، بینک کی سرمایہ کاری سے حاصل ہونے والی آمدنی موجودہ سہ ماہی کے لئے 7,359.4 ملین روپے رہی، جبکہ اس کے مقابلے میں تقابلی سابقہ مدت کے لئے یہ سابقہ مدت کے لئے سے سابقہ مدت کے لئے سے سابقہ مدت کے لئے سے 181.755 ملین روپے تھی، جبکہ الان میں 2021 کو ختم ہونے والی سہ ماہی میں سرمایہ کاری کی پیداوار کم ہوکر × 8.26 ملین روپے تھی، جبکہ الان میں 2021 کو ختم ہونے والی سہ ماہی میں سرمایہ کاری کی پیداوار کم ہوکر × 8.26 ملین روپے تھی، جبکہ اللہ مدت کے لئے 181.75 ملین کی جبکہ تقابلی سابقہ مدت کے لئے 181.65 میں میں سرمایہ کاری کی پیداوار کم ہوکر × 8.26 میں میں سرمایہ کاری کی جبکہ تقابلی سابقہ مدت کے لئے 181.65 میں میں سرمایہ کاری کی چیداوار کم ہوکر × 8.26 میں میں سرمایہ کاری کی جبکہ کی سرمایہ کی سابقہ مولیہ کی جبکہ کی سرمایہ کی میں سرمایہ کی سے مقابلی میں سرمایہ کی سرمایہ کو سے تھیں سرمایہ کی سرمایہ کی سیکٹر کی سے سابقہ کی سرمایہ کی سرمایہ کی سے سابقہ کی سرمایہ کی سرمایہ کو سابقہ کی سے سابقہ کی سرمایہ کی سے سابقہ کی سرمایہ کی سرمایہ کی سے سابقہ کی سے سابقہ کی سے سابقہ کی سرمایہ کی سرمایہ کی سرمایہ کی سرمایہ کی سے سابقہ کی سرمایہ کی سرمایہ کے سابقہ کی سرمایہ کی سرمایہ کی سرمایہ کی سے سرمایہ کی سرمایہ کی سرمایہ کے سرمایہ کی سرمایہ کی سے سرمایہ کی سرمایہ ک

31 مارچ 2021 کوختم ہونے والی مدت کے آخریل ڈپازٹس 337,569.432 ملین روپے رہے۔ اوسط کے لحاظ ہے، پورٹ فولیو میں 2041,2765 ملین روپ یا سالانہ کی بنیاد پر 2021 کوختم ہونے والی سدماہی کے لئے کم ہوکر × 4.68 مراہ گئی ہے جبکہ پچھلے سال کے ای عرصے میں یہ × 9.25 تھی۔ 10.00 کا اضافہ ہوا۔ بینک کا کاسا × 71.93 (وسمبر 2021 × 68.65) رہا۔ موجودہ کھا توں کے لئے ، یمکس 31 مارچ 2021 کو× 29.72 بہتر ہوا جو دمبر 2020 میں 31 مارچ 2021 تھا، اور تجم میں سال کے اختتام کی سطے 28,550.829 ارب روپ یا پر 9.32 کا اضافہ ہوا۔ کا ساکس میں بہتری اور موجودہ کھا توں کو برقر ادر کھنے کی حکمت عملی (اعلیٰ ترین معنی بہتری اور موجودہ کھا توں کو برقر ادر کھنے کی حکمت عملی (اعلیٰ ترین معنی بہتری اور موجودہ کھا توں کو برقر ادر کھنے کی حکمت عملی (اعلیٰ ترین میں بہتری آئی ہے۔

بینک کے اوسط قرض میں 42,596.781 ملین روپے کا اضافیہ وا بموجودہ سہ ماہی کے اخراجات کم ہوکر ٪ 6.19 رہ گئے ہیں جبکہ تقابلی سابقہ مدت کے لئے ٪ 10.21 تھے۔ بینک کی جموعی لاگت 31 مارچ 2021 کوختم ہونے والی سہ ماہی میں کم ہوکر ٪ 5.07 ہوگئ جبکہ تقابلی سابقہ مدت میں بیر × 9.35 تھی۔

نان مارک اپ اخراجات 31 مارچ 2021 کوختم ہونے والی سہ ماہی کے لئے %11.88 اضافے کے ساتھ 2,527.903 ملین روپے رپورٹ ہوئے جو کہ نقابلی دوراہیے میں 2,259.534 ملین روپے تھے۔انظامیرسال کے بقیہ حصوں میں تخت لاگئ تدامیر پڑمل کرنے پرکار ہند ہے۔

اس سہ ماہی میں پروویژن کی صور خال ریکوریز کی وجہ ہے کافی بہتر رہی ، جبکہ پچھلے سال نقابلی سہ ماہی میں 178.790 ملین روپے کی امپیئر منٹ بک کی گئی۔ بینک نے موجودہ مدت کے لئے 275.515 ملین روپے کی پروویژن ریکوریز بک کیں جبکہ 143.827 ملین روپے کے نئے چارج پر نئور کیا گیا۔اس کے برعکس 31 مارچ 2020 کوئتم ہونے والی سہ ماہی میں 226.471 ملین روپے)۔

بینک اپنے پورٹ فولیو کی احتیاط اور تدبیر ہے گرانی کر رہا ہے۔ اسٹیٹ بینک آف پاکستان نے کووڈ – 19 کے بعد وقفے وقفے سے مختلف امدادی اقد امات تجویز کئے ہیں تا کہ بینکس کے ساتھ ساتھ قرض دہندگان کوان کے عہدول کی تشکیل نواور بحالی کے لئے سہولیا ہے فراہم کی جاسکیس۔ مزید برآل اسٹیٹ بینک اور گورنمنٹ کی جانب سے تمام بینکول کوایک سال کیلئے رہائٹی اور تعمیراتی فنانس کے اہداف دیے گئے ہیں۔ مؤثر رسک پینجمنٹ فریم ورک کے ساتھ ، بینک معیشت کی بحالی کے لئے پرعزم ہے ، جب کہ تمام قابل اطلاق توانین اور بہترین طریقہ کار کے ساتھ انتخباطی تقبل کو بھی برقر اررکھے گا۔ 31 مارچ 2021 تک ، بینک کے نان پر فارمنگ لونزٹوٹوٹل ایڈوانسز ریشو بہتر ہوکر %5.15 (دیمبر 2020: %6.25) رہا ، جبکہ مخصوص کوریج کہ 74.52 ورکمبر 2020: %75.16 ورکمبر 2020 ہے گئے۔

31 مارچ 2021 کو بینک 15.37 کے کیٹل ایڈ یکولی ریشو (CAR) کے ساتھ کافی سرمائے کا حامل رہا۔ بینک کا کیکویڈ بیٹی کوریج ریشو اور نیٹ اشلیل فنڈنگ کا تناسب فی الحال بالتر تیب 135.49% اور 137.72 ہے جو کہ ریگو لیٹری ضروریات کی حدہ بالاتر ہے۔

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پچھے بارہ مہینوں کے دوران اسٹیٹ بینک کی پالیسی شرح میں 625 بنیادی پوائنٹس کی مجموع کی دیکھی گئی ہے؛ لیعنی مارچ 2020 کے وسط سے اب تک _ آخری چند ملا قاتوں کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹر نے پالیسی کی شرح کو بنائسی تبدیلی کے 77 کی سطح پررکھنے کا فیصلہ کیا ہے، کیونکہ کمیٹی کوقو قع ہے کہ پالیسی کی شرح میں کسی بھی قتم کی ایڈجسٹمنٹ کی جانچ کی جائے گی اور ہیت تنائج کو حاصل کرنے کے لئے بندر تج تذہبی جائے گی دور گئے تاریخ جب تک سود کی شرح میں زیادہ مشحکام نہ ہوجا کیں اور معیشت پوری طرح سے فعال نہ ہوجائے ۔

بینک کی کار کردگی اور کاروبار کاعملی جائزه:

31 مار ﴿2021 كُونتم مونے والى سمائى كے مالى نتائج كى جھلكياں مندرجد ذيل مين:

بمطابق 31دسمبر 2020	بمطابق 31 مارچ 2021	الياتي كيفيت
00 میں)۔۔۔۔۔	۔۔۔۔۔(روپے00	
164,544,519	199,786,803	میٹ انڈ وانسر
249,955,671	275,772,865	خالص سر ما بيكا رى
485,345,223	544,477,726	مجموعي ا ثاثي
345,498,768	337,569,432	ڈ پازٹس اور د گیر کھاتے
23,157,038	21,822,958	حصص يافتهًان كي اليكونيُّ
31مارچ2020 کو	31مارچ2021 کو	مالياتي كاركردكي
ختم شده سه ما هی		
00میں)۔۔۔۔۔	۔۔۔۔۔(روپے00	
2,108,676	2,719,862	خالص مارک اپ آمدنی
1,168,306	960,971	نان مارک اپ آمدنی
3,276,982	3,680,833	مجموعً مآ مدني
2,259,534	2,527,903	نان مارک اپ اخراجات
1,017,448	1,152,930	پروویژن اورئیکسیشن ہے قبل منافع
333,114	(123,299)	پروویز نزار اپورسلز اورامپیئر منث
684,334	1,276,229	منافع قبل ازئيكس
407,461	781,910	منافع بعدازتيكس
0.3696	0.7092	فی حصص آمد نی _ روپے میں

كاروبارى جائزه:

بینک نے 31 ماریخ 2021 کوختم ہونے والی سہ ماہی کیلئے منافع قبل از ٹیکس (PBT) 1,276.229 ملین روپے اور منافع بعد از ٹیکس (PAT) 781.910 ملین روپے حاصل کیا یعنی بالتر تیب %86.49 اور %91.90 کا اضافہ ہوا جو کہ 2020 میں بالتر تیب 684.334 ملین روپے اور 407.461 ملین روپے تھا۔ان بتائج نے بالآخر بینک کے فی حصص آ مدنی کو 2020 کے نقابلی مدت کے 2070، 0 وپے کے مقابلے میں 3696، 0 روپے پر پہنچادیا۔

ڈائزیکٹرز کی جائزہ رپورٹ

ہم نہایت مسرت کے ساتھ بورڈ آف ڈائر یکٹرز کی جانب سے 31 مارچ 2021 کو تنم شدہ سہ ماہی کیلئے ڈائر یکٹرز کی جائزہ رپورٹ بمعہ غیر پڑتال شدہ مختصر عبوری مالیاتی گوشوارے پیش کررہے ہیں۔

اقتصادی جائزه:

مالی سال 2021 کی شروعات پاکستان کی معیشت کے لئے ایک ثبت نوٹ پر ہوئی، کیونکہ نمواور روز گار کے رجحانات میں تسلسل برقر ارر ہااور کا روباری ربحان میں مزید بہتری آئی۔ موجودہ سال کے آغاز پر بھی پیر بھان جاری ہے۔ اگر چنمواب بھی تقریبا ×3 کی معمولی شخر پر ہے، مالی سال 2021 میں مینوفینکچرنگ کے بہتر امکانات، اور کووڈ-19 کے دوران فراہم کی جانے والی مالیاتی اور مالی محرکات کے باعث نمومیں پہلے سے زیادہ اضافیہ متوقع ہے۔ تاہم ، نمو کے امکانات کے بارے میں غیر نقینی کی صورتحال ابھی بھی برقر ارہے، جو کہ پاکستان میں و کسینیشن کا ممل شروع ہوتے ہی کووڈ-19 کی تیسری اور زیادہ شدید ابر سامنے آنے کی وجہ ہے۔

معیشت کا حقیقی شعبہ مالی اعانت ، اسٹیٹ بینک کی جانب سے عارضی ربی فنانسگ کی سہولیات اور معاون مانیٹری پالیس کے باعث آگے بڑھتار ہا۔ مالی سال 2021 کے پہلے سات مہینوں کے دوران اس میں بڑے یے پرہونے والی مینوفینچر مگ میں بڑ 7.9 کا اضافہ ہوا ہے جبکہ پیچھلے سال کے اس عرصے کے دوران اس میں بڑے 3.2 کی کی واقع ہوئی تھی۔ دیگراہم اشاروں کی ایک وسیح ریخ معنبو طانشو ونما ظاہر کرتی ہے ، جس میں اشیاعے صرف ، آٹو موبائل ، سیمنٹ ، نی اوایل اور بچلی کی فروخت بھی شامل ہے۔خدمات میں ، تیار ہونے والے سامان کی نقل وسمل سے ٹر انسپورٹ انڈسٹری کوفائدہ ہور ہا ہے ، جبکہ کاروباری ربحانات آنے والے مہینوں میں سرگری اور ملازمت دونوں میں مزید بہتری ظاہر کررہے ہیں۔

مالیاتی پیشرفت اس سال کے بیٹ کے مطابق متوقع اسٹیکام کے مطابق ہے۔ مالی سال 2021 کی پہلی ششماہی کے دوران مالی خسارہ بی ڈی پی کا بر2.5 رہااور گزشتہ سال کے اس عرصے کے مقابلے میں زیادہ سوداور کووڈ – 19 مے متعلق ادائیکیوں کے باوجوداس میں کوئی خاطر خواہ تبدیلی نہیں دیکھی گئی۔ یہ بنیادی طور پر محصولات میں شبت نموکی عکاسی کرتا ہے، ایف بی آر کے خالص ٹیکس محصول میں سالانہ کی بنیاد پر بر 6.0 کا اضافہ موااورزیادہ رقم کی والہی کے باوجود فروری میں ہدف کی سطح عبور کر گئی۔ غیر سودی موجودہ اخراجات کے باوجود، بنیادی توازن نے مالی سال کے کہنی ششماہی کے دوران بی ڈی پی کا بر 7.0 زاکد حاصل کیا۔

اسٹیٹ بینک کےمطابق افراط زرمیں حالیہ اضافہ بنیا دی طور پرسپلائی کےعوال کی وجہ ہے ، جبکہ بنیا دی افراط زر نسبتاً دباؤ کا شکار ہے اورافراط زر کی تو قعات اب بھی اچھی طرح ہے موجود ہیں۔ قیمتوں کی نگرانی سے افراط زرمیں عارضی اضافے کے خاتمے کے بعد، درمیانی مدت کے دوران افراط زر کو ×5 ہے ×7 کے ہدف کی حد پر آجانا چاہئے ۔مزید بیک اس سال اجرت سے متعلقہ بات چیت ، انگلے سال کا بجٹ ، اور گھریلوتو انائی کی قیمتوں اور بین الاقوامی اجناس کی قیمتوں کا مہنگائی کے ربحان پر اہم اثر پڑسکتا ہے۔

پچھے سال وباء کے آغاز میں جس چیز کامشاہدہ کیا گیا تھااس کے بالکل برعکس PSX-100انڈ کیس نے علاقائی منڈی میں دوسری بہترین کارکردگی کا مظاہرہ کیا اور 3 فروری 2021 کو 46,933 پوئٹٹس کی تین سالہ بلندترین سطح پہنچ گیا۔29 جنوری 2021 کوٹریڈنگ کے دوران تجارتی تجم 16 سال کی بلندترین سطح پر پہنچااور 1.12 ارب حصص کا کاروبار ہوا، جیکہ تجارتی قدر 13 سال کی بلندترین سطح 19.99ارب (311 ملین ڈالر) پر آئئی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
ASSETS		(Rupees	s in '000)
Cash and balances with treasury banks	6	21,243,953	29,963,954
Balances with other banks	7	1,177,304	4,268,063
Lendings to financial institutions	8	20,037,861	8,956,086
Investments	9	275,772,865	249,955,671
Advances	10	199,786,803	164,544,519
Fixed assets	11	11,941,871	11,910,925
Intangible assets	12	385,789	408,274
Deferred tax assets		-	-
Other assets	13	14,131,280	15,337,731
		544,477,726	485,345,223
LIABILITIES			
Bills payable	15	5,671,163	6,707,581
Borrowings	16	157,126,556	87,020,539
Deposits and other accounts	17	337,569,432	345,498,768
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	6,993,400	6,994,000
Deferred tax liabilities - net	19	1,078,516	1,533,265
Other liabilities	20	14,215,701	14,434,032
		522,654,768	462,188,185
NET ASSETS		21,822,958	23,157,038
		, ,	
REPRESENTED BY			
Share capital		11,024,636	11,024,636
Reserves		3,126,868	2,970,486
Surplus on revaluation of assets	21	2,709,090	3,471,003
Unappropriated profit		4,962,364	5,690,913
		21,822,958	23,157,038

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai President & Chief Executive Officer Mirza Zafar Baig Chief Financial Officer Ahmed A. Feerasta
Director

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Muhammad Rashid Zahir
Director

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2021

	Note	2021	2020	
		(Rupees in '000)		
Mark-up / return / interest earned	23	8,838,428	11,825,266	
Mark-up / return / interest expensed	24	6,118,566	9,716,590	
Net mark-up / interest income		2,719,862	2,108,676	
Non mark-up / interest income				
Fee and commission income	25	492,531	458,583	
Dividend income		47,667	50,631	
Foreign exchange income		231,084	402,055	
Gain / (loss) on securities - net	26	177,565	242,365	
Other income	27	12,124	14,672	
Total non-markup / interest Income		960,971	1,168,306	
Total income		3,680,833	3,276,982	
Non mark-up / interest expenses				
Operating expenses	28	2,498,714	2,228,803	
Workers' Welfare Fund	29	28,709	15,153	
Other charges	30	480	15,578	
Total non mark-up / interest expenses		2,527,903	2,259,534	
Profit before provisions		1,152,930	1,017,448	
(Reversals) / Provision and write offs - net	31	(123,299)	333,114	
Extraordinary / unusual items		-	-	
Profit before taxation		1,276,229	684,334	
Taxation	32	494,319	276,873	
Profit after taxation		781,910	407,461	
		(Rupee)		
Basic earnings per share	33	0.7092	0.3696	
Diluted earnings per share	34	0.7092	0.3696	
	_		_	

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Alauddin Feerasta Chairman Muhtashim Ahmad Ashai President & Chief Executive Officer Mirza Zafar Baig Chief Financial Officer

Ahmed A. Feerasta
Director

Muhammad Rashid Zahir
Director

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MPREHENSIVE INCOME (UN-AUDITED)

(Rupe	es in '000)
781,910	407,461
(737,910)	931,312
-	-

2020

2021

Profit after taxation for the period	781,910	407,461
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods: Movement in surplus on revaluation of investments - net of tax	(737,910)	931,312
Items that will not be reclassified to profit and loss account in subsequent periods: Remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-
Total comprehensive income	44,000	1,338,773

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Alauddin Feerasta Chairman

Muhtashim Ahmad Ashai President & Chief Executive Officer Mirza Zafar Baig Chief Financial Officer

Ahmed A. Feerasta Director

Muhammad Rashid Zahir Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2021

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		(Rupees	in '000)
Profit before taxation Less: dividend income		1,276,229 47,667	684,334 50,631
Adjustments: Depreciation on fixed assets Depreciation on right-of-use assets Amortisation Depreciation on non-banking assets Finance charge on lease liability against right-of-use assets (Reversals) / provisions and write offs - net Gain on sale of fixed assets - net Provision of Workers' Welfare Fund Unrealised gain on revaluation of held-for-trading / forward securities	11.2 20.2 31 27 29	1,228,562 169,242 172,450 46,227 882 99,248 (123,299) (4,958) 28,709 (5,886) 382,615	633,703 142,069 73,399 38,709 554 66,540 333,114 (5,898) 15,153 (77,038) 586,602
(Increase) / decrease in operating assets Lendings to financial institutions Held-for-trading securities Advances Others assets (excluding advance taxation)		1,611,177 (11,081,775) (13,507,242) (35,112,417) 978,252	1,220,305 (811,736) 692,115 7,966,133 (1,018)
Increase / (decrease) in operating liabilities Bills payable Borrowings from financial institutions Deposits Other liabilities		(58,723,182) (1,036,418) 69,619,666 (7,929,336) (346,288) 60,307,624	7,845,494 700,809 (10,241,981) (439,875) 2,956,045 (7,025,002)
Income taxes paid Net cash flow generated from operating activities		(312,112) 2,883,507	(215,752) 1,825,045
CASH FLOWS FROM INVESTING ACTIVITIES Net investments in available-for-sale securities Net investments in held-to-maturity securities Dividends received Investments in fixed assets Proceeds from sale of fixed assets Net cash flow used in investing activities		(12,029,528) (1,409,237) 34,817 (407,523) 9,533 (13,801,938)	(7,634,209) 594,325 30,493 (184,974) 6,743 (7,187,622)
CASH FLOWS FROM FINANCING ACTIVITIES Payments of subordinated debt Dividend paid Net cash flow used in financing activities		(600) (1,378,080) (1,378,680)	(600) (1,102,463) (1,103,063)
Decrease in cash and cash equivalents Cash and cash equivalents at beginning of the period Cash and cash equivalents at end of the period		(12,297,111) 34,183,169 21,886,058	(6,465,640) 35,946,694 29,481,054
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD Cash and balances with treasury banks Balances with other banks Overdrawn nostro accounts	6 7 16	21,243,953 1,177,304 (535,199) 21,886,058	28,010,791 1,959,503 (489,240) 29,481,054
The annexed notes 1 to 43 form an integral part of these condensed interim financial states	nents.		

CHANGES IN EQUITY (UN-AUDITED)

	Share Statutory		oriare - revalue		Unappro-	
	capital	reserve (a)	Investments	Fixed assets / Non Banking assets	priated profit	Total
			(Rupees	s in '000)		
Balance as at 31 December 2019	11,024,636	2,490,432	(632)	1,894,087	4,805,072	20,213,595
Comprehensive income for the period - Profit after taxation for the quarter ended 31 March 2020	-	-	-	-	407,461	407,461
Other comprehensive income / (loss) - Movement in surplus / (deflicit) on revaluation of investments - net of tax	-	=	931,312	=	-	931,312
	=	=	931,312	-	407,461	1,338,773
Transfer to statutory reserve	-	81,492	-	-	(81,492)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	≘	=	-	(15,840)	15,840	Ē
Transactions with owners recorded directly in equity Final cash dividend for the year ended 31 December 2018 at Re 1.00 per share	-	-	=	-	(1,102,463)	(1,102,463)
Balance as at 31 March 2020	11,024,636	2,571,924	930,680	1,878,247	4,044,418	20,449,905
Comprehensive income for the period - Profit after taxation for the nine months ended 31 December 2020	-	-	-	-	1,992,811	1,992,811
Other comprehensive income / (loss) - Movement in surplus / (deficit) on revaluation of investments - net of tax - Remeasurement gain on defined benefit obligations - net of tax - Movement in surplus on revaluation of fixed assets - net of tax - Movement in surplus on revaluation of non banking assets	- - - -	- - - -	(404,553) - - - (404,553)	1,090,493 23,648 1,114,141	4,734 - - 1,997,545	(404,553) 4,734 1,090,493 23,648 2,707,133
Transfer to statutory reserve	-	398,562	-	-	(398,562)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(47,512)	47,512	-
Balance as at 31 December 2020	11,024,636	2,970,486	526,127	2,944,876	5,690,913	23,157,038
Comprehensive income for the period - Profit after taxation for the quarter ended 31 March 2021	-	-	-	-	781,910	781,910
Other comprehensive income / (loss) - Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	(737,910) (737,910)	-	781,910	(737,910) 44,000
Transfer to statutory reserve	-	156,382	-	-	(156,382)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(24,003)	24,003	-
Transactions with owners recorded directly in equity Final cash dividend for the year ended 31 December 2020 at Rs 1.25 per share	-	-	-	-	(1,378,080)	(1,378,080)
Balance as at 31 March 2021	11,024,636	3,126,868	(211,783)	2,920,873	4,962,364	21,822,958

- (a) This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.
- (b) As explained in note 10.3.3 to these condensed interim financial statements, unappropriated profit includes an amount of Rs.1,423.356 million - net of tax as at 31 March 2021 (31 December 2020: Rs.1,275.492 million) representing additional profit arising from availing forced sales value benefit for determining provisioning requirement which is not available for distribution either as cash or stock dividend to shareholders and bonus

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Alauddin Feerasta Chairman

Muhtashim Ahmad Ashai President & Chief Executive Officer Mirza Zafar Baig Chief Financial Officer

Ahmed A. Feerasta Director

Muhammad Rashid Zahir

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2021

1 STATUS AND NATURE OF BUSINESS

Soneri Bank Limited ("the Bank") was incorporated in Pakistan on 28 September 1991 as a public limited Bank under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Its registered office and central office are situated at Rupali House 241-242, Upper Mall Scheme, Anand Road, Lahore, Punjab and at 10th Floor, PNSC Building, M.T. Khan Road, Karachi respectively. The shares of the Bank are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and operates with 339 branches including 30 Islamic banking branches and 01 sub branch (31 December 2020: 340 branches including 30 Islamic banking branches and 01 sub branch) in Pakistan. The credit rating of the Bank is disclosed in note 35 of these condensed interim financial statements

2 BASIS OF PRESENTATION

- 2.1 These condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 5 dated 22 March 2019.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.
- 2.3 The financial results of all Islamic banking branches of the Bank have been consolidated in these condensed interim financial statements for reporting purposes, after eliminating material intra branch transactions / balances. The financial results of all Islamic banking branches are disclosed in note 40 to these condensed interim financial statements.

3 STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise 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 and 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 SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

3.2 The SBP, vide its BSD Circular Letter no. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 40, Investment Property, for banking companies till further instructions. Moreover, SBP vide BPRD circular no. 4, dated 25 February 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O 411(1) / 2008 dated 28 April 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Further, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement, and has directed all Banks to implement IFRS 9, Financial Instruments, with effect from 01 January 2021 vide BPRD Circular No. 04 of 2019 dated 23 October 2019. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars. The Bank awaits further instructions from the SBP on applicability of IFRS 9 as also detailed in note 3.4 to these condensed interim financial statements.

3.3 The disclosures made in these condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2020.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period:

IFRS 9 'Financial Instruments' – the effective date of the standard was extended by SBP to annual periods beginning on or after 1 January 2021 vide SBP's BPRD Circular Letter No. 15 of 2020. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. In accordance with the SBP's instructions, all Banks conducted a parallel run of IFRS 9 for period beginning on 01 July 2020, which included preparation and submission of IFRS 9 statements to the State Bank of Pakistan.

The instructions and guidelines for uniformity in adoption and implementation of the Banks said standard are currently awaited. In the absence of the same, no adjustments have been considered as part of these condensed interim financial statements as Banks expect the instructions and further clarity over the date of initial application.

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

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

3.5.1 There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 2022 but are considered not to be relevant or will not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

3.6 Effects of COVID-19 on the Financial Statements:

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. The State Bank of Pakistan (SBP) responded to the crisis by cutting the policy rate by 625 basis points to 7 percent in 2020, and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent; (ii) increasing the regulatory limit on extension of credit to SMEs by 44 percent to Rs 180 million; (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent; (iv) allowing banks to defer clients' payment of principal on loan obligations by one year and or restructure / reschedule loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up with no reflection on credit history; and (v) introduction of refinancing schemes for payments of wages and salaries.

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

3.6.1 Credit Risk and Asset Quality:

Given the nature of the pandemic, it can be expected that most businesses in general, would be impacted. However, since many such borrowers have availed the SBP enabled deferment / restructuring & rescheduling relief, the full potential effect of the economic stress is difficult to predict given the uncertain economic environment. Given that the SBP has relaxed the classification and provisioning requirements for such burrowers, no additional provisioning has been made by the management at March 2021.

3.6.2 Liquidity risk:

In view of the relaxation granted by SBP for deferral of principal and markup and rescheduling of loans there will be an impact on the maturity profile of the Bank. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

3.6.3 Operational risk:

The management of the Bank has invoked all required actions to ensure the safety and security of Bank's staff and provision of uninterrupted service to its customers. The management is continuously monitoring the evolving situation and is taking timely decisions to resolve any concerns as they arise.

Business Continuity Plans (BCP) for respective areas are in place and tested. Remote work capabilities were enabled for critical staff, where required, and related risk and control measures were assessed to ensure that the Bank's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Bank is communicating with its customers on how they can connect with the Bank through its full suits of channels including digital and online channels as well as enhancing customer awareness pertaining to online fraud risks. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turnaround times are monitored and the Bank continues to meet the expectations of its employees and customers.

3.6.4 Capital adequacy ratio (CAR)

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers. The Bank has sufficient buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The significant accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2020.

5 BASIS OF MEASUREMENT AND FINANCIAL RISK MANAGEMENT

5.1 These condensed interim financial statements have been prepared under the historical cost convention except that certain fixed assets / non-banking assets acquired in satisfaction of claims have been stated at revalued amounts, certain investments and derivative financial instruments have been stated at fair value and net obligations in respect of defined benefit schemes and lease liability under IFRS 16 are carried at their present values.

5.2 Judgments and estimates

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements of the Bank for the year ended 31 December 2020.

5.3 Financial risk management

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

(Un-audited)	(Audited)
31 March	31 December
2021	2020

-----(Rupees in '000)------

6 CASH AND BALANCES WITH TREASURY BANKS

In hand Local currency Foreign currencies

With State Bank of Pakistan in Local currency current accounts Foreign currency current accounts Foreign currency deposit accounts against foreign currency deposits mobilised

With National Bank of Pakistan in Local currency current accounts

Prize bonds

7 BALANCES WITH OTHER BANKS

In Pakistan
In current accounts
In deposit accounts

Outside Pakistan In current accounts

8 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings
Repurchase agreement lendings (reverse repo)
Bai Muajjal receivable
- with other financial institutions
Letters of placements
Lending under margin trading system
Foreign Currency Placement

5,760,355	6,393,784
870,141	1,788,180
6,630,496	8,181,964
11,204,280	17,083,273
821,844	871,899
1,516,717	1,585,852
13,542,841	19,541,024
867,422	1,669,585
203,194	571,381
21,243,953	29,963,954

12,043	12,041
26	450
12,069	12,491
1,165,235	4,255,572
1,177,304	4,268,063
12,069 1,165,235	12,491 4,255,572

6,000,000 8,939,620	6,974,800
989,015 2,300,000 6,675 1,802,551	1,981,286 - - -
20,037,861	8,956,086

9 INVESTMENTS

Investments by type: 9.1

		(Un-au 31 Marc				(Audited) 31 December 2020		
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
				(Rupees	s in '000)			
Held-for-trading securities								
Federal Government securities	15,439,379	-	6,557	15,445,936	1,925,742	-	8,125	1,933,867
Shares	1,730	-	(124)	1,606	-	-	-	-
	15,441,109	-	6,433	15,447,542	1,925,742	-	8,125	1,933,867
Available-for-sale securities								
Federal Government securities	238,334,962	-	(248,144)	238,086,818	226,129,343	-	701,977	226,831,320
Shares	3,080,823	(122,331)	(157,117)	2,801,375	3,189,295	(122,331)	37,866	3,104,830
Non-Government debt securities	4,128,015	- 1	52,812	4,180,827	3,910,455	- 1	43,851	3,954,306
Units of mutual funds	139,299	-	26,629	165,928	390,284	-	25,732	416,016
Commercial Papers	-	-	-	-	34,194	-	-	34,194
	245,683,099	(122,331)	(325,820)	245,234,948	233,653,571	(122,331)	809,426	234,340,666
Held-to-maturity securities								
Federal Government securities	15,083,232	-	-	15,083,232	13,666,853	-	-	13,666,853
Non Government debt securities	93,237	(86,094)	-	7,143	100,379	(86,094)	-	14,285
	15,176,469	(86,094)	-	15,090,375	13,767,232	(86,094)	-	13,681,138
Total investments	276,300,677	(208,425)	(319,387)	275,772,865	249,346,545	(208,425)	817,551	249,955,671

(Un-audited) 31 March 2021

9.2 Investments by segments:

Total investments

	01 Mai 01 2021				OT BECERIBET 2020			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
				(Rupees	s in '000)			
Federal Government securities								
Market Treasury Bills	122,610,485	-	(82,668)	122,527,817	103,316,207	-	27,005	103,343,212
Pakistan Investment Bonds	138,078,094	-	(175,369)	137,902,725	130,301,875	-	682,297	130,984,172
Bai Muajjal with Government								
of Pakistan (GoP)	2,668,994	-	-	2,668,994	2,603,856	-	-	2,603,856
ljarah sukuks	5,500,000	-	16,450	5,516,450	5,500,000	-	800	5,500,800
	268,857,573	-	(241,587)	268,615,986	241,721,938	-	710,102	242,432,040
Units of mutual funds	139,299	-	26,629	165,928	390,284	-	25,732	416,016
Shares								
Listed companies	3,015,753	(116,631)	(157,241)	2,741,881	3,122,495	(116,631)	37,866	3,043,730
Unlisted companies	66,800	(5,700)		61,100	66,800	(5,700)	-	61,100
	3,082,553	(122,331)	(157,241)	2,802,981	3,189,295	(122,331)	37,866	3,104,830
Non-Government debt securities	3							
Listed	1,342,188	(16,269)	7,842	1,333,761	1,346,499	(16,269)	1,373	1,331,603
Unlisted	2,879,064	(69,825)	44,970	2,854,209	2,698,529	(69,825)	42,478	2,671,182
	4,221,252	(86,094)	52,812	4,187,970	4,045,028	(86,094)	43,851	4,002,785

249,346,545

(319,387) 275,772,865

(Audited) 31 December 2020

(208,425)

817,551 249,955,671

ANNUAL REPORT 2020.

9.2.1	Investments given as collateral - market value			31 March 2021 (Rupee	31 December 2020 s in '000)
	Market Treasury Bills Pakistan Investment Bonds			71,624,369 61,939,347	25,533,895 39,434,851
9.3	Bai Muajjal with Government of Pakistan			133,563,716	64,968,746
	Bai Muajjal investment Less: deferred income Bai Muajjal investment - net			2,855,000 (186,006) 2,668,994	2,855,000 (251,144) 2,603,856
9.4	Provision for diminution in the value of investments	;			
	Opening balance Charge for the period / year Reversal recognised in capital gains for the period / year Closing balance			208,425	119,631 717,214 (628,420) 208,425
9.5	Particulars of provision against debt securities				
		(Un-au	dited)	(Au	dited)
		31 Marc	h 2021	31 Dece	mber 2020
		Non- Performing Investments	Provision	Non- Performing Investments	Provision
	Category of classification		(Rupees	s in '000)	
	Loss	86,094	86,094	86,094	86,094

- 9.6 The market value of securities classified as held-to-maturity as at 31 March 2021 amounted to Rs. 15,131.045 million (31 December 2020: Rs. 13,901.468 million).
- 9.7 Federal Government Securities include Pakistan Investment Bonds having book value of Rs. 18.400 million (31 December 2020: Rs. 18.400 million) pledged with the State Bank of Pakistan and National Bank of Pakistan to facilitate T. T. discounting facility for the branches of the Bank. Market Treasury Bills and Pakistan Investment Bonds under Federal Government Securities, are eligible for discounting with the State Bank of Pakistan.

Comparison of the image Comparison of th			Performing		Non-pe	rforming	To	tal
10 ADVANCES 2021 2020 2021 2020 2021 2020 2021 2020			(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Coans, cash credits, running finances, etc. 182,526,236 148,810,537 9,252,096 9,342,768 191,778,332 158,153,305			31 March	31 December	31 March	31 December	31 March	31 December
Loans, cash credits, running finances, etc. Islamic financing and related assets Bills discounted and purchased Advances - gross Provision against advances - Specific - General Loans, cash credits, running finances, etc. 182,526,236 148,810,537 148,810,537 148,810,537 1447,910 1,442,638 10,714,551 9,045,191 1,447,910 1,442,638 10,714,551 9,045,191 10,700,006 10,785,406 207,803,239 172,692,643 (42,867) (42,867) (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,106,436) (8,116,436) (8,148,124)	10	ADVANCES	2021	2020			2021	2020
finances, etc. Islamic financing and related assets Bills discounted and purchased Advances - gross Provision against advances - Specific - General 182,526,236 148,810,537 9,252,096 144,810,537 9,252,096 9,342,768 191,778,332 158,153,305 1,447,910 1,442,638 10,714,551 9,045,191 1,442,638 10,714,551 9,045,191 10,700,006 10,785,406 207,803,239 172,692,643 (42,867) (42,867) (42,867) (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,16,436) (8,148,124)					· (Rupees	s in '000)		
Islamic financing and related assets 9,266,641 7,602,553 1,447,910 1,442,638 10,714,551 9,045,191 Bills discounted and purchased 5,310,356 5,494,147 - - 5,310,356 5,494,147 Advances - gross 197,103,233 161,907,237 10,700,006 10,785,406 207,803,239 172,692,643 Provision against advances - - - (7,973,569) (8,106,586) (7,973,569) (8,106,586) (42,867) (41,538) - - - (42,867) (41,538) - - (42,867) (41,538) - - - (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		Loans, cash credits, running						
Bills discounted and purchased 5,310,356 5,494,147 5,310,356 5,494,147 Advances - gross 197,103,233 161,907,237 10,700,006 10,785,406 207,803,239 172,692,643 Provision against advances - Specific - (7,973,569) (8,106,586) (7,973,569) (8,106,586) (42,867) (41,538) - (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		finances, etc.	182,526,236	148,810,537	9,252,096	9,342,768	191,778,332	158,153,305
Advances - gross 197,103,233 161,907,237 10,700,006 10,785,406 207,803,239 172,692,643 Provision against advances - Specific - (7,973,569) (8,106,586) (7,973,569) (8,106,586) (42,867) (41,538) - (42,867) (41,538) (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		Islamic financing and related assets	9,266,641	7,602,553	1,447,910	1,442,638	10,714,551	9,045,191
Provision against advances - Specific - General (42,867) (42,867) (42,867) (41,538) (41,538) (41,538) (7,973,569) (8,106,586) (7,973,569) (8,106,586) (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		Bills discounted and purchased	5,310,356	5,494,147	-		5,310,356	5,494,147
- Specific - (7,973,569) (8,106,586) (7,973,569) (8,106,586) (42,867) (41,538) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		Advances - gross	197,103,233	161,907,237	10,700,006	10,785,406	207,803,239	172,692,643
- Specific - (7,973,569) (8,106,586) (7,973,569) (8,106,586) (42,867) (41,538) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)								
- General (42,867) (41,538) (42,867) (41,538) (42,867) (42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		Provision against advances						
(42,867) (41,538) (7,973,569) (8,106,586) (8,016,436) (8,148,124)		- Specific	-	-	(7,973,569)	(8,106,586)	(7,973,569)	(8,106,586)
		- General	(42,867)	(41,538)	-	-	(42,867)	(41,538)
Advances - net of provision 197,060,366 161,865,699 2,726,437 2,678,820 199,786,803 164,544,519			(42,867)	(41,538)	(7,973,569)	(8,106,586)	(8,016,436)	(8,148,124)
		Advances - net of provision	197,060,366	161,865,699	2,726,437	2,678,820	199,786,803	164,544,519

(Un-audited)

(Audited)

10.1 Particulars of advances (Gross)

In local currency In foreign currencies

10.2 Advances include Rs. 10,700.006 million (31 December 2020 Rs. 10,785.406 million) which have been placed under non-performing status as detailed below:

	Note	(Un-audited)		(Un-audited) (Audit	
	11010	Non- performing loans	Provision	Non- performing loans	Provision
Category of Classification			(Rupees	in '000)	
Other Assets Especially Mentioned Substandard Doubtful Loss	10.2.1	48,967 85,886 757,589 9,807,564 10,700,006	628 13,181 203,779 7,755,981 7,973,569	28,219 763,631 141,849 9,851,707 10,785,406	99,243 28,580 7,978,763 8,106,586

10.2.1 The 'Other Assets Especially Mentioned' category pertains to agriculture finance, small enterprise finance and consumer finance amounting to Rs. 11.675 million (31 December 2020: Rs. 4.513 million), Rs.17.258 million (31 December 2020: Rs. 5.706 million) and Rs. 20.034 million (31 December 2020: Rs. 18.000 million) respectively.

10.3 Particulars of provision against advances

		Un-audited) March 202		31	(Audited) December 2	020
	Specific	General	Total	Specific in '000)	General	Total
Opening balance	8,106,586	41,538	8,148,124	7,573,063	41,538	7,614,601
Charge for the period / year Reversals for the period / year	142,498 (275,515) (133,017)	1,329 - 1,329	143,827 (275,515) (131,688)	1,352,331 (678,845) 673,486		1,352,331 (678,845) 673,486
Amounts written off Transfers Closing balance	7,973,569	42,867	8,016,436	(139,963)	- - 41,538	(139,963) - 8,148,124

- **10.3.1** The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages range from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.
- 10.3.2 The Bank has maintained general provision against housing finance portfolio at the rate of 0.50% of the performing portfolio. The State Bank of Pakistan vide its circular no. 9 of 2017 dated 22 December 2017 abolished the requirement of maintaining general reserve of 1% against secured Small Enterprise (SE) portfolio, while general reserve to be maintained against unsecured SE portfolio has been reduced from 2% to 1%. Currently, the Bank does not have any unsecured SE portfolio.
- 10.3.3 The Bank has availed the benefit of forced sale value of pledged stocks, mortgaged residential and commercial properties held as collateral against non-performing advances as allowed under the Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by 31 March 2021 Rs. 2,189.778 million (31 December 2020: Rs. 1,962.296 million. The additional profit arising from availing this benefit net of the tax amounts to Rs.1,423.356 million (31 December 2020: Rs. 1,275.492 million). The FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.
- **10.3.4** The SBP has granted relaxation in provisioning requirements in respect of exposures in Dewan Mushtaq Group (DMG). Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 44.930 million (31 December 2020: Rs. 44.930 million).

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10.3.5 The Bank has made provision against its non-performing portfolio as per the category of classification of the loans. However, the Bank still holds enforceable collateral realisable through litigation. This enforceable collateral includes mortgage charge etc. against various tangible assets of the borrower including land, building and machinery, stock in trade, etc.

		Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
11	FIXED ASSETS		(Rupees	s in '000)
	Capital work-in-progress Right-of-use assets Property and equipment	11.1 11.2	315,376 2,922,167 8,704,328 11,941,871	253,914 3,094,617 8,562,394 11,910,925
11.1	Capital work-in-progress			
	Civil works Advances to suppliers and contractors Consultant's fee and other charges		48,246 254,334 12,796 315,376	122,408 118,411 13,095 253,914
11.2	Right-of-use assets		010,010	200,014
	Opening balance Additions during the period / year Depreciation for the period / year Closing balance		3,094,617 - (172,450) 2,922,167	1,943,868 1,700,929 (550,180) 3,094,617
11.3	Additions to Fixed Assets		(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
	The following additions have been made to fixed assets during the period:		(Rupees	s in '000)
	Capital work-in-progress		61,462	34,396
	Buidling on freehold land Buidling on leasehold land Leasehold improvements Furniture and fixture Electrical office and computer equipment Vehicles		5,051 23,133 98,369 24,185 168,021 3,560 322,319	2,363 515 57,912 12,758 56,103 - 129,651
	Total		383,781	164,047
11.4	Disposal of Fixed Assets			
	The net book value of fixed assets disposed off during the period is as follows:			
	Leasehold land Improvement Furniture and fixture Electrical office and computer equipment Total		9,992 421 730 11,143	103 742 845
12	INTANGIBLE ASSETS		(Un-audited) 31 March 2021	(Audited) 31 December 2020
				s in '000)
	Computer Software Trademark		385,725 64 385,789	408,190 84 408,274

12.1	Additions to intangible assets		(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
	The following additions have been made to intangible assets during the period:		(Rupees	in '000)
			00.740	00.007
	Directly purchased		23,742	20,927
12.1.1	There were no disposals in intangible assets during the current and prior period.	Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
13	OTHER ASSETS		(Rupees	s in '000)
	Income / mark-up accrued in local currency Income / mark-up accrued in foreign currencies Dividend receivable Advances, deposits, advance rent and other prepayments Advance taxation (payments less provisions) Non-banking assets acquired in satisfaction of claims Branch adjustment account Mark to market gain on forward foreign exchange contracts Cash margin against future trading Stationery and stamps on hand Due from the State Bank of Pakistan Advance against subscription of term finance certificates Acceptances Claims against fraud and forgeries Others Other assets Less: provision held against other assets Other assets - net of provision Surplus on revaluation of non-banking assets acquired in satisfaction of claims Other assets - total	13.1.2 13.2 13.3	5,555,154 9,215 19,073 431,873 1,044,061 1,114,873 6,243 222,882 15,792 47,502 21,992 - 5,341,927 143,443 360,938 14,334,968 (227,311) 14,107,657 23,623 14,131,280	6,571,289 12,390 6,223 291,067 1,283,681 1,115,729 5,870 - 41,810 8,678 250,000 5,471,061 143,443 340,153 15,541,394 (227,311) 15,314,083 23,648 15,337,731
13.1	Market value of non-banking assets acquired in satisfaction of claims	13.1.1	1,139,377	1,139,377
13.1.1	The non-banking assets acquired in satisfaction of claims by the Bank were revaluers in August 2020 and December 2020. The valuations were carried out Arch-e-Decon, M/s. K.G. Traders, M/s. Oceanic Surveyors, M/s Indus Surve Financial and Legal Consultants and M/s Asrem (Private) Limited on the basis of values and the revalued amount is disclosed in note 13.1.2 to these financial states.	by M/s F yors, M/s orofession	oy independent a Harvester Service s. Amir Evaluato nal assessment o (Un-audited) 31 March	and professional es (Pvt) Ltd, M/s rs, M/s Al Hadi f present market (Audited) 31 December
40.4.0	Non-handing accepts consigned in action-time of allien-		2021 (Dune)	2020
13.1.2	Non-banking assets acquired in satisfaction of claims		(Rupe	es in '000)
	Opening balance Acquired during the period / year Revaluation		1,139,377	919,880 198,220 23,648

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This represents amount in respect of fraud and forgery claims relating to cash embezzlement made in the Bank. The Bank has initiated legal proceedings against the alleged and has also taken necessary steps to further strengthen its internal

Depreciation Closing balance

control system.

13.2

(2,371) 1,139,377

13.3	Provision held against other assets	(Un-audited) 31 March 2021	(Audited) 31 December 2020
	·	(Rupees	s in '000)
	Provision held against receivable against fraud and forgeries Others	143,443 83,868	143,443 83,868
		227,311	227,311
13.3.1	Movement in provision held against other assets		
	Opening balance	227,311	237,160
	Charge during the period / year	-	-
	Amount written-off Closing balance	227,311	(9,849) 227,311
		227,011	
14	CONTINGENT ASSETS		
	There were no contingent assets as at the balance sheet date.		
15	BILLS PAYABLE		
	In Pakistan	5,671,163	6,707,581
	Outside Pakistan	· · · · · ·	
		5,671,163	6,707,581
16	BORROWINGS		
	Secured Borrowings from State Bank of Pakistan Under export refinance scheme Long term financing facility for plant and machinery Refinance scheme for payment of wages and salaries Modernisation of SME-Rice Husking Financing facility for storage of agriculture produce Financing facitity for Renewable Energy Repurchase agreement borrowings	16,789,360 1,800,604 2,768,728 5,396 143,124 180,386 83,624,905 105,312,503	17,307,129 1,807,212 2,711,913 5,886 150,281 79,562 22,061,983
	Repurchase agreement borrowings - other banks Borrowings from other financial institutions - local Refinance from Pakistan Mortgage Refinance Company Limited Total secured	21,364,390 26,945,628 1,000,000 154,622,521	22,521,876 41,379,320 - 85,963,179
	Unsecured Call borrowings Overdrawn nostro accounts Total unsecured	1,968,836 535,199 2,504,035 157,126,556	1,008,512 48,848 1,057,360 87,020,539
16.1	Particulars of borrowings with respect to currencies		
	In local currency	156,591,357	86,971,691
	In foreign currencies	535,199 157,126,556	48,848 87,020,539
		10.,120,000	0.,020,000

17 DEPOSITS AND OTHER ACCOUNTS

		(Un-audited)		(Audited))
		31 March 202	21	- 3	31 December	2020
	In local currency	In foreign currencies	Total	In local currency	In foreigr currencie	Intal
			(Rupee	s in '000)		
Customers						
Current deposits	85,842,600	6,711,514	92,554,114	78,044,230	7,372,950	85,417,180
Savings deposits	97,758,289	6,476,281	104,234,570	97,777,707	6,339,080	104,116,787
Term deposits	87,460,280	1,235,746	88,696,026	98,963,570	1,754,341	100,717,911
Others*	5,943,076	-	5,943,076	4,921,675	-	4,921,675
	277,004,245	14,423,541	291,427,786	279,707,182	15,466,371	295,173,553
Financial Institutions						
Current deposits	1,211,133	612,899	1,824,032	1,010,867	420,671	1,431,538
Savings deposits	38,252,661	-	38,252,661	41,310,831	-	41,310,831
Term deposits	6,064,953	-	6,064,953	7,582,846	-	7,582,846
	45,528,747	612,899	46,141,646	49,904,544	420,671	50,325,215
	322,532,992	15,036,440	337,569,432	329,611,726	15,887,042	345,498,768

^{*} This includes deposits in respect of import margin, guarantee margin and security deposits

17.1 Deposits eligible under Insurance arrangements

This includes deposits eligible to be covered under the State Bank of Pakistan's Depositor Protection Scheme. The amount of eligible deposits worked out based on the audited financial position of the Bank as at 31 December 2020 amounts to Rs. 142.792 million.

(Un-audited)

(Audited)

		Note	31 March 2021	31 December 2020
18	SUBORDINATED DEBT		(Rupees	s in '000)
	Listed Term Finance Certificates - Additional Tier I Listed Term Finance Certificates - Tier II	18.1 18.2	4,000,000 2,993,400	4,000,000 2.994.000
			6,993,400	6,994,000

18.1 Listed Term Finance Certificates - Additional Tier I

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital of Rs. 4,000 million issue under Section 66 of the Companies Act, 2017. The funds raised by the Bank through the issuance of these TFCs have contributed towards the Bank's Additional Tier 1 Capital for meeting its capital adequacy requirements as per Basel III Guidelines set by SBP under BPRD Circular Number 6 dated 15 August 2013. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank (including the listed term finance certificates - Tier II previously issued by the Bank) and is not redeemable before maturity without prior approval of SBP. Furthermore, these funds are intended to be utilized for the Bank's ongoing business operations in accordance with the Bank's Memorandum and Articles of Association. The key features of the issue are as follows:

Issue amount Rs. 4,000 million

Issue date

Maturity date

Rating (Note 35) "A" by PACRA on 25 June 2020

Perpetual

06 December 2018

Security Unsecured

Profit payment frequency Semi-annually

Redemption No fixed or final redemption date

Mark-up 6 Months KIBOR + 2.00% per annum

Call option

The Bank may call the TFCs (either partially or in full), after five (5) years from the date of issuance with the prior approval of SBP. Moreover, and as per Clause iv(b) of Annexure 2 of the Basel III Circular, the Issuer shall not exercise a call option unless the called instrument is replaced with capital of same or better quality. The Call must be subject to a prior notice of not less than 60 days given by the Bank to the investors. The Call Option once announced will not be revocable.

Lock-in-clause (if any) The TFCs contain a lock-in clause which stipulates that no profit payments would be made if such payments result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfalls in MCR and / or CAR.

Loss absorbency clause The TFCs are also subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 360,000,000 shares

18.2 Listed Term Finance Certificates - Tier II

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital with a tenor of 8 years. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank, except Listed Term Finance Certificates - Additional Tier I as recently issued; and is not redeemable before maturity without prior approval of SBP. The key features of the issue are as follows:

Issue amount Rs. 3.000 million

Issue date 07 July 2015 07 July 2023 Maturity date

Rating (Note 35) "A+" by PACRA on 18 December 2020

Security Unsecured Profit payment frequency Semi-annually

Redemption Principal is redeemable semi-annually in such a way that 0.30% of the principal will be redeemed

in the first 90 months and the remaining principal of 99.70% at maturity at the end of the 96th

month in July 2023.

Mark-up 6 Months KIBOR + 1.35% per annum

Call option (if any) The Bank may call the TFCs, in part or full, on any profit payment date from the 60th month from

last day of public subscription and on all subsequent profit payment dates, subject to SBP's

approval and not less than 45 days prior notice being given to the Trustee.

Lock-in-clause (if any) The TFCs contain a lock-in clause which stipulates that neither interest nor principal may be paid

(even at maturity) if such payments will result in shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfall in

MCR and CAR.

Loss absorbency clause The instrument will be subject to loss absorbency and / or any other requirements under SBP's

Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to the cap of 225,000,000

shares.

19 DEFERRED TAX LIABILITIES

Deductible temporary differences on	At 01 January 2021	Recognised in the profit and loss account (Rupee	Recognised in Other Comprehensive Income es in '000)	At 31 March 2021
Post retirement employee benefits Deficit on revaluation of investments Provision against advances, off balance sheet etc. Taxable temporary differences on	(11,922) - (75,939) (87,861)	(31,418) (31,418)	(114,037) - (114,037)	(11,922) (114,037) (107,357) (233,316)
- Surplus on revaluation of fixed assets - Surplus on revaluation of investments - Accelerated tax depreciation	931,805 283,299 406,022 1,621,126	(12,911) - (13,084) (25,995)	(283,299) - (283,299)	918,894 - 392,938 1,311,832

1,533,265

Deductible temporary differences on

- Post retirement employee benefits
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.

Taxable temporary differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of investments
- Accelerated tax depreciation

At 01 January 2020	Recognised in the profit and loss account	Recognised in Other Comprehensive Income es in '000)	At 31 December 2020
(14,471)	(20,632)	2,549	(11,922)
(340)		340	-
(55,307)		-	(75,939)
(70,118)		2,889	(87,861)
645,401	(34,069)	320,473	931,805
-	-	283,299	283,299
376,176	29,846	-	406,022
1,021,577	(4,223)	603,772	1,621,126
951,459	(24,855)	606,661	1,533,265

Note

(Un-audited)

31 March

2021

(Audited) 31 December 2020

(397,336)

1,078,516

(Audited)

31 December

-----(Rupees in '000)-----

2020

(57,413)

(Un-audited) 31 March 2021

20 OTHER LIABILITIES

Mark-up / return / interest payable in local currency	2,717,469	3,302,012
Mark-up / return / interest payable in foreign currencies	8,420	28,461
Unearned commission and income on bills discounted	124,701	113,390
Accrued expenses	719,700	492,676
Acceptances	5,341,927	5,471,061
Unclaimed dividends	74,572	75,613
Dividend payable	330,211	-
Mark to market loss on forward foreign exchange contracts	-	201,321
Payable to defined benefit plan	29,358	-
Charity fund balance	65	18
Payable to workers' welfare fund	374,473	345,763
Provision against off-balance sheet obligations 20.1	27,475	27,475
Lease liability against right-of-use assets 20.2	3,260,019	3,350,017
Sundry deposits	578,731	516,018
Others	628,580	510,207
	14,215,701	14,434,032

20.1	Movement in provision held against off-balance sheet obligations	Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020 s in '000)
	, , , , , , , , , , , , , , , , , , ,		(riupoc	o 000,
	Opening balance		27,475	-
	Charge for the period / year		-	27,475
	Closing balance		27,475	27,475
20.2	Movement in lease liability against right-of-use assets			
	Opening balance		3,350,017	2,023,516
	Additions during the period / year		- 00.040	1,674,538
	Finance charge on lease liability Repayments		99,248 (189,246)	373,470 (721,507)
	Closing balance		3,260,019	3,350,017
04				
21	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
	Surplus / (deficit) on revaluation of			
		9.1	(325,820)	809,426
		21.1	3,740,184	3,777,073
	- Non-banking assets acquired in satisfaction of claims	21.2	99,583	99,608
	Deferred toy on a walve / (deficit) on revelue tion of		3,513,947	4,686,107
	Deferred tax on surplus / (deficit) on revaluation of - Available-for-sale securities		114,037	(283,299)
		21.1	(918,894)	(931,805)
			(804,857)	(1,215,104)
			2,709,090	3,471,003
21.1	Surplus on revaluation of fixed assets			
	Surplus on revaluation of fixed assets as at 01 January		3,777,073	2,463,447
	Recognised during the period / year		-	1,410,966
	Transferred to unappropriated profit in respect of incremental		(00.070)	(00.074)
	depreciation charged during the period / year - net of deferred tax Related deferred tax liability on incremental		(23,978)	(63,271)
	depreciation charged during the period / year		(12,911)	(34,069)
	Surplus on revaluation of fixed assets		3,740,184	3,777,073
	Less: related deferred tax liability on		(22 - 22 - 22 - 22 - 22 - 22 - 22 - 22	(2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.
	- revaluation as at 01 January		(931,805)	(645,401)
	 revaluation recognised during the period / year incremental depreciation charged during the period / year 		12,911	(320,473)
	- incremental depreciation charged during the period 7 year		(918,894)	(931,805)
			2,821,290	2,845,268
21.2	Surplus on revaluation of non-banking assets acquired in satisfaction of cla	aims		
	Surplus on revaluation as at 01 January		99,608	76,041
	Recognised during the period / year		-	23,648
	Transferred to unappropriated profit in respect of incremental			
	depreciation charged during the period / year		(25)	(81)
	Surplus on revaluation		99,583	99,608
22	CONTINGENCIES AND COMMITMENTS			
	-Guarantees	22.1	18,190,518	17,677,531
		22.2	120,621,744	154,084,937
	-Other contingent liabilities	22.3	3,074,362	3,041,804
			141,886,624	174,804,272

		Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
22.1	Guarantees:		(Rupee	s in '000)
	-Financial guarantees -Performance guarantees -Other guarantees		4,366,259 12,259,473 1,564,786 18,190,518	4,671,493 12,121,177 884,861 17,677,531
22.2	Commitments:			
	Documentary credits and short-term trade-related transactions - letters of credit Commitments in respect of - forward foreign exchange contracts	22.2.1	31,630,254 69,928,566	31,755,753 114,269,483
	- forward lending	22.2.2	2,956,528	2,549,990
	- forward government securities - forward equity securities	22.2.3 22.2.4	15,832,187 1.750	4,996,920
	Commitments for acquisition of - fixed assets - intangible assets Other commitments	22.2.5	160,499 15,960 96,000 120,621,744	399,466 17,325 96,000 154,084,937
22.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		36,567,270 33,361,296	57,715,311 56,554,172
	The maturities of the above contracts are spread over a period of one year.			
22.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	2,956,528	2,549,990

22.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. The Bank has certain other commitments to extend credit that represent revocable commitments and do not attract any significant penalty or expense in case the facility is withdrawn unilaterally.

		(Un-audited) 31 March 2021	(Audited) 31 December 2020
22.2.3	Commitment in respect of forward government securities transactions	(Rupee	s in '000)
	Purchase Sale	8,742,230 7,089,957	4,996,920
22.2.4	Commitments in respect of equity future contracts		
	Sale	1,750	-
22.2.5	Other commitments		
	Donation	96,000	96,000
22.3	Other contingent liabilities	3,074,362	3,041,804

22.3.1 (a) The income tax returns of the Bank have been filed up to tax year 2020 (accounting year ended 31 December 2019). The income tax authorities have issued amended assessment orders for tax years 2011, 2015 and 2016, thereby creating additional tax demands of Rs. 210.72 million against which payments have been made as required under the law. The Bank has filed appeals before various appellate forums against these amendments. Assessments from tax year 2001 up to tax year 2010 have been decided at the level of Appellate Tribunal Inland Revenue. The department has filed tax references in respect of certain matters with the Honourable Lahore High Court which are currently pending. In case of any adverse decision, an additional tax liability of Rs. 617.120 million (which includes impact of certain timing differences as well) may arise. Further, assessments for tax years 2012, 2013, 2014, 2017, 2018 and 2019 have been decided at the level of Commissioner Inland Revenue (Appeals). The department has filed appeals for tax years 2012 and 2013 with Appellate Tribunal Inland Revenue which are currently pending and in case of any adverse decision, an additional tax liability of Rs. 866.384 million (which include impact of certain timing differences as well) may arise. The Bank has decided to file appeal for tax years 2014, 2018 and 2019 with Appellate Tribunal Inland Revenue, which in case of any adverse decision may create an additional tax liability of Rs. 73.78 million. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any

additional tax liability in such matters.

- (b) Tax authorities have passed orders for tax years 2008 to 2012, levying Federal Excise Duty on certain items. The Bank filed appeals against these assessments before Appellate Tribunal Inland Revenue, which have been decided in favor of Bank and tax demand has been deleted in full. However, provision to the extent of Rs. 81.083 million, created on the recommendation of the State Bank of Pakistan, is still being maintained in the accounts. Management is confident that SBP will allow reversal of this provision based on orders passed by Appellate Tribunal Inland Revenue.
- (c) Tax authorities have passed order for fiscal years 2016 and 2017, levying sales tax and penalty amounting to Rs. 17.18 million on disposal of fixed assets. The Bank filed appeal against the assessment order before Appellate Tribunal Inland Revenue, which is currently pending. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in this matter.
- (d) Tax authorities have passed order for tax year 2016 under section 161/205 of the Income Tax Ordinance, 2001, creating demands of Rs. 43.52 million, for non-deduction of tax at source. Against the said demand, the Bank has already filed appeal before the Commissioner Inland Revenue (Appeals), which is currently pending. The department has filed appeals for tax years 2014, 2015 and 2017 with Appellate Tribunal Inland Revenue, which are currently pending and in case of any adverse decision an additional tax liability of Rs. 216.49 million may arise. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in this matter.
- (e) Punjab Revenue Authority has passed orders for years 2015, 2016 and 2017 under section 14 and 19 of the Punjab Sales Tax on Services Act, 2012, creating demands of Rs. 144.688 million, 46.9 million and 24.79 million respectively, on non-deduction of withholding tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (f) Sindh Revenue Board has passed orders for years 2012 and 2014 under section 23 of the Sindh Sales Tax on Services Act, 2011, creating demands of Rs. 213.43 million and Rs. 142.18 million respectively, on non-deduction of Sindh Sales Tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. Further, Commissioner Appeals has passed order for year 2013 creating a demand of Rs. 19.89 million. Appeal against this order has been filed in Appellate Tribunal, which is still pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- (g) The income tax authorities in Azad Jammu & Kashmir region have issued amended assessment orders for tax years 2013 to tax year 2019, thereby creating additional tax demands which have been paid by the Bank as required under the law. The Bank had filed appeals before Commissioner Inland Revenue (Appeals) against these orders which were decided in favour of the Bank except for tax years 2013 and 2016. The Bank will file appeal against orders for tax year 2013 & 2016 in Appellate Tribunal. In case of any adverse decision, an additional tax liability of Rs. 43.75 million may arise. Department has filed appeals against orders for tax year 2014 to 2019 in Appellate Tribunal, which are still pending. However, the management is confident that these matters will ultimately be decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
- 22.3.2 Claims against the Bank which are not acknowledged as debts amounted to Rs. 10.906 million (31 December 2020: Rs. 10.832 million).

- 22.3.3 The Assistant Commissioner, Inland Revenue vide orders under section 182/140 of the Income Tax Ordinance, 2001 has levied penalties against staff of the Bank amounting to Rs. 30 million. The action taken by the Bank in this case was backed by legal opinion of the customers' lawyer / stay order of the Islamabad High Court. Currently, the matter is pending before Commissioner Inland Revenue (Appeals) subsequent to appeal filed by the staff. In case of any adverse decision in appeals, the Bank reserves the right of recourse on customers for re-imbursement. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability on this account.
- 22.3.4 A penalty of Rs. 50 million had been imposed by the Competition Commission of Pakistan ("the Commission") on the Bank on account of uncompetitive behaviour and imposing uniform cost on cash withdrawal from ATM transactions. The Bank along with other Banks had filed a constitutional petition before the Competition Appellate Tribunal which has set aside the order of the Commission. Against the said order of the Competition Appellate Tribunal, the Commission has filed an appeal before the Supreme Court of Pakistan, the hearing of which is currently pending. The management of the Bank is confident that the appeal will be decided in the favor of the Bank.
- 22.3.5 Through the Finance Act, 2008 an amendment was made in the Employees Old Age Benefits Act, 1976 whereby the exemption available to banks and their employees was withdrawn by omission of clause (e) of Section 47 of the said Act and banks and their employees were made liable for contribution to Employee Old Age Benefit Institution. The Lahore High Court, subsequently, nullified the amendments made through the Finance Act, 2008.

Subsequently, several other banks also filed the Constitutional Petition before the Sindh High Court which decided the matter in favor of the banks. As a result of the decision of the Lahore High Court and Sindh High Court, the Bank stopped EOBI contribution w.e.f. February 2012. An appeal was filed by the EOBI in the Supreme Court of Pakistan which has been disposed of by the Honorable Court vide its order dated 10 November 2016 in favor of the Banks. However, EOBI has filed review Petition on 07 March 2019 before the Supreme Court of Pakistan which is currently pending.

In case of any adverse decision by the Supreme Court of Pakistan, a contribution of Rs. 221.551 million (upto 31 December 2019: Rs.183.788 million) will become payable by the Bank to the EOBI. The said amount of Rs. 221.551 million has not been provided in these financial statements as the Bank is confident that the case may be decided in the Bank's favour.

(Un-audited) (Un-audited)

		Note	31 March 2021	31 March 2020
23	MARK-UP / RETURN / INTEREST EARNED		(Rupees in '000)	
			0.040.750	0.000.010
	Loans and advances		3,340,752	6,333,616
	Investments Lendings to financial institutions		5,359,760 92,799	5,418,755 16,828
	Balances with banks		33	8,275
	Placement and call lendings		13.521	11,250
	Income on bai muajjal placements		31,563	36,542
			8,838,428	11,825,266
24	MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits		3,761,052	6,840,333
	Borrowings		2,001,803	2,249,188
	Subordinated debt		158,337	265,303
	Cost of foreign currency swaps against			
	foreign currency deposits / borrowings	24.1	98,126	295,226
	Finance cost lease liability		99,248	66,540
			6,118,566	9,716,590

24.1 A corresponding income of the same amount is recognised in foreign exchange income.

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		Note	(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
25	FEE & COMMISSION INCOME		(Rupees	in '000)
	Branch banking customer fees Consumer finance related fees Debit card related fees Investment banking / arrangement fees Credit related fees Commission on trade Commission on guarantees Commission on cash management Commission on remittances including home remittances Commission on bancassurance Rebate income Others		105,937 14,140 14,080 14,888 26,617 177,646 26,233 3,751 6,118 23,989 67,031 12,101 492,531	106,902 11,546 16,832 13,209 15,321 166,290 19,334 1,499 5,758 31,980 58,559 11,353 458,583
26	GAIN / (LOSS) ON SECURITIES			
	Realised Unrealised - held for trading Unrealised - forward of government securities Unrealised - forward of equity securities	26.1 9.1	171,679 6,433 (680) 133 177,565	165,327 73,891 3,147 - 242,365
26.1	Realised gain / (loss) on			
	Federal Government securities Shares Mutual funds		(2,771) 173,279 1,171 171,679	186,624 (8,879) (12,418) 165,327
27	OTHER INCOME			
	Gain on sale of fixed assets-net Rent on property Insurance claim recovered Staff notice period and other recoveries		4,958 1,400 940 4,826 12,124	5,898 375 3,943 4,456 14,672

Total compensation expense 1,022,145 934,697		Note	(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
Property expense Rent & taxes	OPERATING EXPENSES		(Rupees	in '000)
Rent & taxes	Total compensation expense		1,022,145	934,697
Resurance Resurance Resurance Children Resurance Resur	Property expense			
Utilities cost			- ,	
Security (including guards)			- /	- ,
Repair & maintenance (including janitorial charges)			- ,	- /-
Begreciation on non-banking assets Begreciation on right-of-use assets 172,450 73,399 65,211 48,489 518,824 455,123 172,450 73,399 65,211 48,489 518,824 455,123 18,824 12,825 18,824 18,224 1			,	
Depreciation on right-of-use assets 172,450 73,399 65,211 48,489 518,824 455,123		28.1		
Depreciation - property				
Information technology expenses Software maintenance 120,875 69,445 30,888 29,326 29,226 20,522 48,687 46,227 38,709 269,524 269,526 269,526 269,526 269,526 269,527 269,5			,	
Information technology expenses Software maintenance 30,845 69,445 Hardware maintenance 30,888 29,326 Depreciation on computer equipments 50,523 48,687 Amortisation of intangibles 46,227 38,709 Network charges 60,031 49,647 33,710 Metwork charges 60,031 49,647 33,710 Metwork charges 346,290 269,524 Metwork charges 346,290 Metwork charges	Depreciation - property			
Software maintenance 120,875 69,445 Hardware maintenance 30,888 29,326 Depreciation on computer equipments 50,523 48,687 Amortisation of intangibles 46,227 38,709 Network charges 60,031 49,647 Others 37,746 33,710 Other operating expenses 269,524 Directors' fees and allowances 2,850 1,275 Fees and allowances to Shariah Board 1,275 1,275 Legal & professional charges 18,064 11,799 Outsourced services costs 28.1 36,67 32,146 Travelling & conveyance 11,395 11,791 NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 <td>Information tachnology expanses</td> <td></td> <td>310,024</td> <td>455,123</td>	Information tachnology expanses		310,024	455,123
Hardware maintenance			120 975	60.445
Depreciation on computer equipments				
Amortisation of intangibles 46,227 (0.031 (0.0				
Network charges 60,031 d37,746 49,647 d33,710 Other operating expenses 346,290 269,524 Directors' fees and allowances 2,850 d1,275 3,941 d1,275 Fees and allowances to Shariah Board 1,275 d1,275 1,275 d1,275 Legal & professional charges 28.1 d3,657 d2,146 32,146 d1,799 Outsourced services costs 28.1 d6,695 d2,146 33,112 d6,695 d2,146 Travelling & conveyance 3,112 d6,695 d2,146 6,695 d2,146 d				
Other operating expenses 37,746 33,710 Directors' fees and allowances 2,850 3,941 Fees and allowances to Shariah Board 1,275 1,275 Legal & professional charges 18,064 11,799 Outsourced services costs 28.1 33,657 32,146 Travelling & conveyance 3,112 6,695 NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 59,406 65,613 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 <td></td> <td></td> <td></td> <td></td>				
Other operating expenses 346,290 269,524 Directors' fees and allowances 2,850 3,941 Fees and allowances to Shariah Board 1,275 1,275 Legal & professional charges 18,064 11,799 Outsourced services costs 28.1 33,657 32,146 Travelling & conveyance 3,112 6,695 NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 36,005 33,251<				
Other operating expenses Z,850 3,941 Fees and allowances to Shariah Board 1,275 1,275 Legal & professional charges 18,064 11,779 Outsourced services costs 28.1 33,657 32,146 Travelling & conveyance 3,112 6,695 NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251				
Tees and allowances to Shariah Board	Other operating expenses			
Legal & professional charges 18,064 11,799 Outsourced services costs 28.1 33,657 32,146 Travelling & conveyance 3,112 6,695 NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 65,613 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 47,906 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194	Directors' fees and allowances		2,850	3,941
Outsourced services costs 28.1 33,657 32,146 Travelling & conveyance 3,112 6,695 NIFT clearing charges 11,395 11,795 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 47,906 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981	Fees and allowances to Shariah Board		1,275	1,275
Travelling & conveyance 3,112 6,695 NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 M7,906 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981			18,064	11,799
NIFT clearing charges 11,395 11,791 Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 611,455 569,459		28.1		
Depreciation 53,508 44,893 Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 611,455 569,459	o ,		- /	
Training & development 2,400 2,290 Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 6611,455 569,459			,	
Postage & courier charges 16,568 16,133 Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 47,906 Motor vehicles running expenses 58,899 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459				
Communication 14,567 13,648 Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459				
Stationery & printing 59,406 65,613 Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 611,455 569,459				
Marketing, advertisement & publicity 33,359 34,160 Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459				
Donations 1,350 - Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459				
Auditors' Remuneration 3,556 3,782 Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459	0,			34,100
Brokerage and commission 12,887 14,369 Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459			,	2 722
Entertainment 51,850 47,906 Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459			,	
Fees and subscription 16,305 12,825 Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459			,	
Motor vehicles running expenses 58,699 56,266 Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459				
Service charges 36,005 33,251 Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459				
Insurance 18,000 17,711 Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459	0 1		,	
Repair & maintenance 48,990 45,790 Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459	Ŭ			
Deposit protection insurance premium 28.2 57,117 49,194 Others 56,535 43,981 611,455 569,459	Repair & maintenance			
Others 56,535 43,981 611,455 569,459	·	28.2	57,117	
	Others			43,981
2,498,714 2,228,803				
			2,498,714	2,228,803

28

28.1 Total Cost for the period relating to outsourcing activities included in other operating activities and property expenses is Rs. 173.844 million (2020: Rs. 165.475 million) being paid to companies incorporated in Pakistan.

		(Un-audited) (Un-audited) 31 March 31 March 2021 2020
Name of company	Nature of Service	(Rupees in '000)
Prime HR services	Business Development Services	33,657 32,146

28.2 This represents the insurance premium paid to the State Bank of Pakistan's Depositors Protection Corporation (DPC) during the quarter. The premium amount was worked out in accordance with the mechanism specified by DPC, based on eligible deposits position of the Bank as at 31 December 2020.

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		Note	(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
29	WORKERS' WELFARE FUND		(Rupees	s in '000)
	Workers' Welfare Fund		28,709	15,153
30	OTHER CHARGES			
	Penalties imposed by State Bank of Pakistan (SBP)		480	15,578
31	(REVERSALS) / PROVISIONS & WRITE OFFS - NET			
	Provision for diminution in the value of investments (Reversal) / provision against loans & advances Provision against off-balance sheet obligations Fixed assets written off Bad debts written off directly	9.4 10.3 20.1	- (131,688) - 6,568 1,821 (123,299)	178,790 150,477 3,847 - - 333,114
32	TAXATION			
	Current Prior years Deferred		551,732 - (57,413) 494,319	291,627 - (14,754) 276,873
33	BASIC EARNINGS PER SHARE			
	Profit for the period		781,910	407,461
			(Number	of shares)
	Weighted average number of ordinary shares		1,102,463,483	1,102,463,483
			(Ru	pee)
	Basic earnings per share		0.7092	0.3696
34	DILUTED EARNINGS PER SHARE		(Rupees	in '000)
	Profit for the period		781,910	407,461
	We have a consequence of anything and a supply of the standard		(Number	of shares)
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)		1,102,463,483	1,102,463,483
			(Ru	pee)
	Diluted earnings per share		0.7092	0.3696

35 CREDIT RATING

The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 25 June 2020 [2019: long term 'AA-' (Double A Minus): short term 'A1+' (A One Plus)].

PACRA has also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC - 2) issue of Rs 3,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 18 December 2020.

Furthermore the Bank's unsecured, subordinated, rated, listed perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned a rating of 'A' (Single A) with Stable Outlook by PACRA through their notification dated 25 June 2020.

36 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these 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 these are either short term in nature or, in the case of customer loans and deposits, are frequently repriced.

36.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		31 March 20	021 (Un-aud	ited)
	Level 1	Level 2	Leve	I 3 Total
On balance sheet financial instruments		(Rupe	es in '000)	
Financial assets - measured at fair value Investments				
Federal Government securities	-	253,532,754	-	253,532,754
Shares	_, ,			2,802,981
Non-Government debt securities	-	4,180,827	-	4,180,827
Units of mutual fund	165,928	-	-	-
Financial assets - disclosed but not measured at fair value Investments				
Federal Government securities	-	15,123,896	-	15,123,896
Non-Government debt securities	-	-	7,149	7,149
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	35,097,301	-	35,097,301
Forward sale of foreign exchange	-	31,668,445	-	31,668,445
Forward purchase of government securities		8,743,443	-	8,743,443
Forward sale of government securities	-	7,091,850	-	7,091,850
Forward sale of equity securities	-	1,617	-	1,617
Non - Financial Assets				
Land and Building (fixed assets & non-banking assets)*	-	-	7,268,752	7,268,752
	2,907,809	355,440,133	7,337,001	365,519,015

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		31 Decembe	r 2020 (Audit	ed)
On balance sheet financial instruments	Level 1	Level 2 (Rupe	Level es in '000)	
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	228,765,187	-	228,765,187
Shares	3,043,730	-	61.100	3.104.830
Non-Government debt securities		3,954,306		
Units of mutual fund	416.016	, ,		416.016
Financial assets - disclosed but not measured at fair value Investments Federal Government securities Non-Government debt securities	-	13,887,187		13,887,187 14,281
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	56,457,444	-	56,457,444
Forward sale of foreign exchange	-	55,497,626	-	55,497,626
Forward purchase of government securities	-	4,996,695		4,996,695
Non - Financial Assets				
Land and Building (fixed assets & non-banking assets)*	-	-	7,285,684	7,285,684
	3,459,746	363,558,445	7,361,065	374,379,256

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the period.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah Sukuks, Pakistan Investment bonds, Market Treasury bills, Corporate bonds, Term Finance, Sukuk certificates and units of mutual funds.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of Land and Building (fixed assets & non-banking assets) and unlisted securities.

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are determined on the basis of rates / prices sourced from Reuters.
Government of Pakistan - Ijarah Sukuks	Fair values of GoP ljarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.
Units of mutual funds	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.

Item	Valuation techniques and input used
Land and Buildings (fixed assets & non-banking assets)	Land and buildings 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 reasonable certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these financial statements.

37 SEGMENT INFORMATION

37.1 Segment details with respect to business activities

31 March 2021 (Un-audited)

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
Profit and loss			(Rupee	s in '000)		
Net mark-up / return / profit	(2,290,894)	1,827,147	138,592	3,243,821	(198,804)	2,719,862
Inter segment revenue - net	3,907,805	(1,568,387)	-	(2,628,464)	289,046	-
Non mark-up / return / interest income	462,142	103,509	15.731	529,693	(150,104)	960.971
Total income	2,079,053	362,269	154,323	1,145,050	(59,862)	3,680,833
Segment direct expenses	1,550,205	46,967	124,271	49,756	756,704	2,527,903
Inter segment expense allocation	52,639	886	3,441	198	(57,164)	-
Total expenses	1,602,844	47,853	127,712	49,954	699,540	2,527,903
(Reversal) / Provision	(131,898)	(84,882)	96,662	-	(3,181)	(123,299)
Profit before tax	608,107	399,298	(70,051)	1,095,096	(756,221)	1,276,229
Balance sheet						
Cash & bank balances	18,676,952	875,109	1,920,650	948,546	-	22,421,257
Investments	-	-	11,147,441	264,625,424	-	275,772,865
Net inter segment lending	235,736,928	-	-	(253,980,580)	18,243,652	-
Lendings to financial institutions	-	-	3,289,015	16,748,846	-	20,037,861
Advances - performing	48,481,373	135,066,085	9,266,641	-	4,246,267	197,060,366
- non-performing	1,255,507	254,173	1,171,068	-	45,689	2,726,437
Others	6,851,930	1,469,836	1,866,514	2,335,324	13,935,336	26,458,940
Total assets	311,002,690	137,665,203	28,661,329	30,677,560	36,470,944	544,477,726
Borrowings	12,313,501	8,811,810	562,288	134,438,957	1,000,000	157,126,556
Subordinated debt	-	-	-	-	6,993,400	6,993,400
Deposits & other accounts	288,195,856	23,839,432	25,534,144	-	-	337,569,432
Net inter segment borrowing	_	102,499,766	1,787,476	(104,287,242)	-	-
Others	10,493,333	2,514,195	777,421	525,845	6,654,586	20,965,380
Total liabilities	311,002,690	137,665,203	28,661,329	30,677,560	14,647,986	522,654,768
Equity		<u> </u>	<u>-</u> _		21,822,958	21,822,958
Total equity & liabilities	311,002,690	137,665,203	28,661,329	30,677,560	36,470944	544,477,726
Contingencies & commitments						
In respect of letter of credit / guarantees	31,849,131	16,541,739	1,429,902			49,820,772
In respect of forward foreign exchange contracts		10,541,755	1,429,502	69,928,566	_	69,928,566
In respect of forward lendings		2,956,528		-	-	2,956,528
In respect of fixed assets	_	-	_	_	176,459	176,459
In respect of government securities	_	_	_	15,832,187		15,832,187
In respect of equity securities	_	-	_	1,750	_	1,750
In respect of other Commitments	-	-	-	-	96,000	96,000
In respect of other contingencies	-	-	-	-	3,074,362	3,074,362
Total	31,849,131	19,498,267	1,429,902	85,762,503	3,346,821	141,886,624

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31 March 2020 (Un-audited)

		-		- (
	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
			(Rupee:	s in '000)		
Profit and loss						
Net mark-up / return / profit	(4,237,843)	3,718,152	83,580	2,819,458	(274,671)	2,108,676
Inter segment revenue - net	6,002,470	(3,178,828)	-	(3,450,845)	627,203	-
Non mark-up / return / interest income	457,225	90,934	23,840	758,814	(162,507)	1,168,306
Total income	2,221,852	630,258	107,420	127,427	190,025	3,276,982
Segment direct expenses	1,369,846	46,351	101,023	43,791	698,523	2,259,534
Inter segment expense allocation	43,209	674	2,645	48	(46,576)	-
Total expenses	1,413,055	47,025	103,668	43,839	651,947	2,259,534
Provision / (Reversal)	160,945	(10,380)	(380)	178,790	4,139	333,114
Profit before tax	647,852	593,613	4,132	(95,202)	(466,061)	684,334

31 December 2020 (Audited)

		<u> </u>	i December	ZUZU (Auditeu)		
	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
Balance sheet			(Rupee:	s in '000)		
Cash & bank balances	27,133,734	1,420,947	1,822,076	3,855,260	_	34,232,017
Investments	-	163	11,098,217	238,857,291	-	249,955,671
Net inter segment lending	239,785,881	-	-	(255,683,508)	15,897,627	-
Lendings to financial institutions	-	-	1,981,286	6,974,800	-	8,956,086
Advances - performing	49,843,017	100,297,671	7,602,553	-	4,122,458	161,865,699
- non-performing	1,168,528	213,386	1,262,458	-	34,448	2,678,820
Others	5,217,854	4,744,848	994,374	3,291,112	13,408,742	27,656,930
Total assets	323,149,014	106,677,015	24,760,964	(2,705,045)	33,463,275	485,345,223
Borrowings	13,289,403	8,228,957	543,623	64,958,556	_	87,020,539
Subordinated debt	-	-	-	-	6,994,000	6,994,000
Deposits & other accounts	293,849,764	29,535,523	22,113,481	_	-	345,498,768
Net inter segment borrowing	,,	67,328,379	1,261,824	(68,590,203)	_	-
Others	16,009,847	1,584,156	842.034	926,602	3,312,237	22,674,878
Total liabilities	323,149,014	106,677,015	24,760,964	(2,705,045)	10,306,237	462,188,185
Equity	=	-	-	-	23,157,038	23,157,038
Total equity & liabilities	323,149,014	106,677,015	24,760,964	(2,705,045)	33,463,275	485,345,223
Contingencies & commitments						
In respect of letter of credit / guarantees	31,586,598	16,833,762	1,012,924	-	-	49,433,284
In respect of forward foreign exchange contract	cts -	-	-	114,269,483	-	114,269,483
In respect of forward lendings	=	2,549,990	=	-	-	2,549,990
In respect of fixed assets	=	=	=	-	416,791	416,791
In respect of government securities	=	-	=	4,996,920	-	4,996,920
In respect of other Commitments	=	-	=	-	96,000	96,000
In respect of other contingencies	=	-	=	-	3,041,804	3,041,804
Total	31,586,598	19,383,752	1,012,924	119,266,403	3,554,595	174,804,272

37.1.1 The operations of the Bank are currently based only in Pakistan, therefore, geographical segment is not relevant.

38 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its related group companies, major shareholders, Staff retirement funds, directors and their close family members (including their associates) employee benefit plans and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	31 Ma	rch 2021 (Un	-audited)	31 Dec	cember 2020	Audited)
Particulars	Directors (a)	Key* management personnel (a)	Other related parties	Directors (a)	Key* management personnel (a)	Other related parties
			(Rupee	s in '000)		
Statement of financial position						
Investments						
Opening balance	-	-	440,284	-	-	215,213
Investment made during the period / year	-	-	-	-	-	573,185
Investment redeemed / disposed during						
the period / year	-	-	(224,356)		-	(348,114)
Closing balance	-	-	215,928	-	-	440,284
Advances						
	140,000	1/1 050		65.000	176,995	
Opening balance Addition during the period / year	149,000	141,353 191,409	-	244,570	59,543	-
Repaid during the period / year	_	(21,992)	-	(160,570)	(65,968)	-
Transfer in / (out) - net		13,744		(100,570)	(29,217)	_
Closing balance	149.000	324,514		149.000	141,353	
	,				,	
Other assets						
Interest / mark-up accrued	7,325	2,470	-	4,464	56	-
Other receivable						
- against E-banking settlement	-	-	250,448	-	-	656,418
Deposits and other accounts	500.004	00.050	E 000 010	000 004	10.010	E 40E E 40
Opening balance	533,284		5,229,818	602,994		5,425,540
Received during the period / year	92,883		24,710,229	1,804,933	,	37,591,751
Withdrawn during the period / year Transfer in / (out) - net	(99,429)	(293,267)	(24,225,441)	(1,831,907)	(70,310)	(87,787,473)
Closing balance	526.738		5,714,606	(42,736)		5,229,818
Ologing balance	020,700	201,001	0,7 14,000		00,000	0,220,010
Other liabilities						
Interest / mark-up payable	1,910	977	30,899	1,981	752	29,424
Payable to staff retirement fund			29,358			,

31	March	2021	(Un-audited)

31 March 2020 (Un-audited)

Particulars	Directors (a)	Key* management personnel (a)	Other related parties	Directors (a)	Key* management personnel (a)	Other related parties
			(Rupees	in '000)		
Profit and loss account						
Income						
Mark-up / return / interest earned	2,862	4,773	-	2,956	2,795	-
Fee and commission income	29	41	136	19	29	143
Expense						
Mark-up / return / interest paid	4,570	1,457	83,296	12,184	65	166,933
Directors' fee and allowance	2,850	· -	· -	3,941	-	-
Compensation Expense	-	64,036	-	-	60,790	-
Rent expense	-	-	4,033	-	_	3,666
ATM and ADC charges	-	-	4,902	-	-	3,997
Charge for defined benefit plan	-	-	29,358	-	-	27,489
Contribution to defined contribution plan	-	-	35,673	-	-	32,202

^{*} including President and CEO (a) including their relatives

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	(Un-audited) 31 March 2021	(Audited) 31 December 2020
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Rupee	s in '000)
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,024,636	11,024,636
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	18,489,599	19,260,436
Eligible Additional Tier 1 (ADT 1) Capital	3,674,080	3,584,770
Total Eligible Tier 1 Capital	22,163,679	22,845,206
Eligible Tier 2 Capital	3,950,194	4,610,533
Total Eligible Capital (Tier 1 + Tier 2)	26,113,873	27,455,739
Risk Weighted Assets (RWAs):		
Credit Risk	140,873,708	134,385,533
Market Risk	7,051,303	8,610,225
Operational Risk	21,964,961	18,789,518
Total	169,889,972	161,785,276
	(Perc	entage)
Common Equity Tier 1 Capital Adequacy ratio	10.88%	11.90%
Tier 1 Capital Adequacy Ratio	13.05%	14.12%
Total Capital Adequacy Ratio	15.37%	16.97%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	11.50%	11.50%
	(Un-audited) 31 March 2021	(Audited) 31 December 2020
Leverage Ratio (LR):	(Rupees	s in '000)
Eligible Tier-1 Capital	22,163,679	22,845,206
Total Exposures	709,719,194	566,685,566
Leverage Ratio - percentage	3.12%	4.03%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	163,272,169	155,353,599
Total Net Cash Outflow	120,501,608	125,268,638
Liquidity Coverage Ratio - percentage	135.49%	124.02%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	236,168,876	235,312,708
Total Required Stable Funding	171,486,631	161,201,255
Net Stable Funding Ratio - percentage	137.72%	145.97%

39.1 The Bank follows the below mentioned approach for determining credit risk, market risk and operational risk exposures in the capital adequacy calculation:

Risk Type	Approach adopted by Bank
Credit Risk	Standardized Approach
Market Risk	Standardized Approach
Operational Risk	Basic Indicator Approach

40 ISLAMIC BANKING BUSINESS

CONTINGENCIES AND COMMITMENTS

The Bank is operating with 25 Islamic Banking branches (31 December 2019: 25). The statement of financial position and profit and loss account of these branches (including Islamic Banking Division) are as follows:

BSD circular letter No. 03 dated 22 January 2013 requires all Islamic Banks and Banks with Islamic Banking Branches to present all financing, advances for assets under Islamic modes of financing and any other related items pertaining to Islamic mode of financing under the caption Islamic Financing and Related Assets in the Statement of Financial Position.

	Note	(Un-audited) 31 March 2021 (Rupees	(Audited) 31 December 2020 in '000)
ASSETS			
Cash and balances with treasury banks		1,692,102	1,420,207
Balances with other banks Due from financial institutions	40.1	228,548 3.289.015	401,869 1.981.286
Investments	40.1	11,147,441	11,098,217
Islamic financing and related assets- net	40.2	10,422,246	8,858,713
Fixed assets	10.0	602,349	577,849
Intangible assets		-	-
Due from head office		789,124	439,592
Other assets		475,041	416,525
Total assets		28,645,866	25,194,258
LIADULITIES			
LIABILITIES Bills payable		256,517	318,544
Due to financial institutions		562.288	543,623
Deposits and other accounts	40.4	25,534,144	22,113,481
Due to head office		-	-
Other liabilities		505,441	529,789
Total liabilities		26,858,390	23,505,437
NET ASSETS		1,787,476	1,688,821
REPRESENTED BY			
Islamic banking fund		1,750,000	1,750,000
Accumulated profit *	40.6	(70,051)	(147,121)
Surplus on revaluation of assets - net of tax		107,527	85,942
		1,787,476	1,688,821

^{*} This represents profit for the period, as last year's profit is remitted back to the head office at the start of the period.

40.7

The profit and loss account of the Bank's Islamic banking branches for the quarter ended 31 March 2021 is as follows:

	Note	(Un-audited) (Un-audited) 31 March 31 March 2021 2020 (Rupees in '000)		
Profit / return earned	40.8	434,652	557,397	
Profit / return expensed	40.9	296,060	473,817	
Net profit / return		138,592	83,580	
Other income				
Fee and commission Income		17,524	14,843	
Foreign exchange income		(1,898)	9,856	
Loss on securities		-	(1,054)	
Other income		105	195	
Total other income		15,731	23,840	
		154,323	107,420	
Other expenses				
Operating expenses		127,704	103,340	
Other charges		8	328	
Total other expenses		127,712	103,668	
Profit before provisions		26,611	3,752	
(Provision) / reversal and write offs - net		(96,662)	3,732	
Profit before tax		(70,051)	4,132	
I TOTAL DOTOTO LUX		(70,001)	+,102	

40.1 Due from Financial Institutions

	31 Marc	h 2021 (Un -	audited)	31 December 2020 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
Bai Muajjal receivable from other			(Rupees	in '000)			
financial institutions	989,015	-	989,015	1,981,286	-	1,981,286	
Musharaka placement	2,300,000	-	2,300,000	-	-	-	
	3,289,015	-	3,289,015	1,981,286	-	1,981,286	

40.2 Investments by segments:

	31 March 2021 (Un -audited)					31 December 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	value	cost	Provision for diminution	Surplus / (deficit)	Carrying value	
				(Rupe	es in '000)				
Federal Government securities									
-ljarah sukuks	5,500,000	-	16,450	5,516,450	5,500,000	-	800	5,500,800	
-Bai muajjal from Government									
of Pakistan (GoP)	2,668,994	-	-	2,668,994	2,603,856	-	-	2,603,856	
	8,168,994	-	16,450	8,185,444	8,103,856	-	800	8,104,656	
Non-Government debt securities									
-Listed	125,000	-	1,187	126,187	150,000	-	1,515	151,515	
-Unlisted	2,804,054	(19,860)	51,616	2,835,810	2,816,553	(19,860)	45,353	2,842,046	
	2,929,054	(19,860)	52,803	2,961,997	2,966,553	(19,860)	46,868	2,993,561	
Total Investments	11,098,048	(19,860)	69,253	11,147,441	11,070,409	(19,860)	47,668	11,098,217	
-Listed -Unlisted	125,000 2,804,054		1,187 51,616 52,803	126,187 2,835,810	150,000 2,816,553		1,515 45,353 46,868	151,518 2,842,046 2,993,56	

40.3	Internity fire a single and related accepts	(Un-audited) 31 March 2021	(Audited) 31 December 2020
40.3	Islamic financing and related assets	(Rupees	s in '000)
	Ijarah Murabaha Musharaka Diminishing Musharaka Istisna Salam	300,987 1,400,338 1,086,788 4,119,478 28,051 1,931,461	309,196 1,120,620 1,127,082 4,245,096 469,622 162,522
	Other islamic modes Advances against islamic assets Murabaha Ijarah Diminishing musharakah Salam Istisna Gross Islamic financing and related assets	55,844 61,616 81,944 169,129 709,246 754,206 10,699,088	149,476 81,707 - 882,321 491,251 9,038,893
	Less: Provision against Islamic financing - Specific - General	276,842	180,180
	Islamic financing and related assets - net of provision	10,422,246	8,858,713
40.4	Deposits and other accounts		
	Customers Current deposits Savings deposits Other Term deposits Financial Institutions Current deposits Savings deposits Term deposits	2,493,799 7,024,467 565,313 2,964,683 13,048,262 105,704 10,519,071 1,861,107 12,485,882 25,534,144	2,648,182 5,225,076 356,889 2,947,308 11,177,455 63,962 9,349,564 1,522,500 10,936,026 22,113,481
40.5	Charity Fund		
	Opening balance Additions during the period / year	-	13
	Received from customers on account of delayed payment	65 65	<u>695</u> 708
	Payments / utilization during the period / year Health		708 708 708
	Closing balance	65	-
40.6	Islamic Banking Business - Unappropriated Profit		
	Opening balance Add: Islamic Banking profit for the period / year Less: Transferred / remitted to Head Office Closing balance	(147,121) (70,051) 147,121 (70,051)	135,645 (147,121) (135,645) (147,121)

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40.7	CONTINGENCIES AND COMMITMENTS	(Un-audited) 31 March 2021 (Rupees	(Audited) 31 December 2020 s in '000)
	-Guarantees -Other contingent liabilities	296,124 1,133,778 1,429,902	306,772 706,152 1,012,924
		(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
40.8	Profit / Return Earned of Financing, Investments and Placement	(Rupees	s in '000)
	Financing Investments Placements	181,552 219,757 33,343 434,652	351,024 161,295 45,078 557,397
40.9	Profit on Deposits and Other Dues Expensed		
	Deposits and other accounts Due to financial institutions Others	272,361 2,378 21,321 296,060	460,484 2,123 11,210 473,817

40.10 Deposits and other accounts include redeemable capital of Rs. 22,369.328 million (31 December 2020: Rs.19,044.448 million) and deposits on Qard basis of Rs. 3,164.817 million (31 December 2020: Rs. 3,069.032 million). Remunerative deposits which are on Mudaraba basis are considered as Redeemable capital and non-remunerative deposits are classified as being on Qard basis.

31 March 2021 (Un -audited)

	•	oo (o.	,	or Booombor Lozo (riaditoa)			
	Normal Pool	Special Pool	Total	Normal Pool	Special Pool	Total	
			(Rupe	es in '000)			
Chemical and Pharmaceuticals	853,090	778,601	1,631,691	488,962	998,060	1,487,022	
Textile	26,710	420,262	446,972	23,525	410,153	433,678	
Cement	-	87,463	87,463	-	87,463	87,463	
Sugar	2,109,744	120,000	2,229,744	588,720	120,000	708,720	
GOP Bai Muajjal / Ijarah Sukuk	5,016,289	9,370,774	14,387,063	4,666,946	8,402,457	13,069,403	
Automobile and transportation equipment	-	2,050	2,050	-	3,800	3,800	
Financial	66,990	137	67,127	79,179	2,055	81,234	
Electronics and electrical appliances	25,257	153,182	178,439	65,143	171,443	236,586	
Production and transmission of energy	1,012,850	2,115,284	3,128,134	827,722	2,190,284	3,018,006	
Exports Imports	-	202,300	202,300	-	205,418	205,418	
Wholesale & Retail Trade	146,791	58,967	205,758	94,165	86,791	180,956	
Construction	-	-	-	63,222	176,583	239,805	
Food and allied	759,703	29,282	788,985	787,492	-	787,492	
Services	154,604	684,659	839,263	-	659,310	659,310	
Iron & Steel	271,000	-	271,000	399,600	-	399,600	
Others	79,065	541,097	620,162	141,139	368,664	509,803	
	10,522,093	14,564,058	25,086,151	8,225,815	13,882,481	22,108,296	

Musharaka investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy and other financings as per SBP guidelines.

31 December 2020 (Audited)

40.11

Pool Management

40.12 Key features and risk and reward characteristics of all pools

The 'Mudaraba Pool' for Local Currency caters to all Soneri Bank Limited - Islamic Banking depositors and provides profit / loss based on Mudaraba.

The IERS Pool caters to the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP. The risk characteristic of each pool mainly depends on the asset and liability profile of each pool.

Jointly financed by the Bank and unrestricted investments / PLS deposit account holders

This represents all earning assets of the Bank except those tagged to the Islamic Export Refinance Scheme. Major categories include:

Expenses	(loss) on sale of securities	Total
(Rupees	in '000)	
-	-	178,025
-	-	219,757
-	-	1,780
(1,915)	-	29,648
(1,915)		429,210
	(Rupees - - - - (1,915)	sale of securities (Rupees in '000)

40.13 Incentive profits (Hiba)

The Bank paid an aggregate amount of Rs 21.880 million as incentive profits (Hiba), which includes Rs 2.908 million for normal pool and Rs. 18.972 million for special pool during the Period ended 31 March 2021. The following guidelines are approved by the Bank's Sharia Advisor for determination of incentive profits (Hiba):

- Special weightage deposits in designated tiers / slabs in Mudaraba Pool shall be offered extra weightages outside the Mudaraba Pool, provided the specified parameters are met;
- The deposit deal shall be at least of Rs 100 thousands;
- In case a Term Deposit is pre-maturely encased, profit shall be paid at the expected rate of completed tenor;
- The payment of Hiba on deposits will be at the sole discretion of the Bank and could be decreased or / and removed any time during the tenure of the deposit, under intimation to the customer, if the customer fails to meet the prerequisites at any time during the tenure of the deposit and / or the profit rate no longer remains sustainable from Bank's share; and
- The Bank shall ensure that all the operational procedures and controls to the satisfaction of Shariah are in place.

40.14 Contractual maturities of mudaraba based deposit accounts

	31 March 2021 (Un-audited)							
Particulars	Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years
				(Rupe	es in '000)			
Fixed Deposits	4,825,790	1,104,607	1,808,400	328,050	1,491,670	77,800	15,263	-
Savings Deposits	15,629,030	15,629,030	-	-	-	-	-	-
Current Account								
- Remunerative	1,914,508	1,914,508	-	-	-	-	-	-
	22,369,328	18,648,145	1,808,400	328,050	1,491,670	77,800	15,263	-

Profit / (loss) distribution to depositor's pool

General Remunerative Depositor's Pools	Profit Sharing Ratio (Depositor: Mudarib)	Profit rate return earned	Mudarib Share transferred to the Depositors through Hiba (Rs. in '000)	Mudarib Share transferred to the Depositors through Hiba (Percentage)	Mudarib share Net of Hiba (Rs. in '000)		Profit rate and weightage announc- ement period	Profit rate return distributed
Mudaraba Pool								
Normal Pool	55.00 :45.00	3.73%	2,908	15.52%	15,830	38.02%	Monthly	2.28%
Special Pool	75.00 :25.00	8.07%	18,971	24.90%	57,223	18.78%	Monthly	6.54%
Total	72.60 :27.40	7.07%	21,879	23.05%	73,053	21.09%	Monthly	5.56%
IERS Musharaka Pool			Ratio of weightage of Bank to SBP		HIBA (Rupees in '000)	Profit rate and weightage announc- ement period	Profit rate return earned by SBP	
Musharaka Pool SBP's Is	lamic Export F	Refinance S	cheme	0.1749	1,930	_	Quarterly	1.65%

Parameters used for allocation of profit, charging expenses and provisions, etc. along with a brief description of their major components:

Income generated from relevant assets, calculated at the end of each month is first set aside for the Musharaka pool arrangement between the Bank and the State Bank of Pakistan. It is then allocated between the participants of the pool as per the agreed weightages and rates.

The Mudaraba Pool profit is divided between the Bank and depositors in the ratio of Bank's average equity (pertaining to Islamic banking branches) and average depositors balances commingled in each pool on a pro-rata basis. The depositors' share of profit is allocated amongst them on the basis of weightages declared before start of each month, after deduction of a mudarib fee. During the period ended 31 March 2021, the Bank charged 45% (December 2020: 25%) of the profit as Mudarib fee. These weightages are declared by the Bank in compliance with the requirements of the SBP and Shariah.

The allocation (of income and expenses to different pools) is made on a pre-defined basis and accounting principles / standards. Provisions against any non-performing assets of the pool are not passed on to the pool.

40.15 Allocation of Income and Expenses to Depositors' Pools

a) Following are material items of revenues, expenses, gains and losses

(Un-audited) (Un-audited) 31 March 31 March 2021 2020 -----(Rupees in '000)-----

Profit / return earned on financings, investments and placements Directly related costs attributable to pool

 359,114
 509,973

 (11,220)
 (19,680)

 347,894
 490,293

b) Following weightages have been assigned to different products under the Mudaraba Pool during the period:

	Percentage of total Mudaraba based deposits	Minimum weightage	Maximum weightage
Savings - Soneri Munafa Account	66%	0.4138	0.9655
Savings - Soneri Bachat Account	1%	0.4138	0.4138
Savings - Assan Account	0%	0.4138	0.4138
Current Account - Remunerative	9%	0.0069	0.0069
Time Deposits - Soneri Meadi	24%	0.4828	1.0069

41 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

42 Comparative

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and better presentation. There were no significant reclassifications during the current period.

43 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 April 2021 by the Board of Directors of the Bank.

Alauddin Feerasta Chairman Muhtashim Ahmad Ashai President & Chief Executive Officer Mirza Zafar Baig Chief Financial Officer Ahmed A. Feerasta Director Muhammad Rashid Zahir
Director

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LIST OF BRANCHES

AS AT 31 MARCH 2021

REGISTERED OFFICE

Rupali House, 241-242 Upper Mall Scheme, Anand Road Lahore-54000 - Pakistan Tel. No.: (042) 35713101-2 & 35792180

CENTRAL REGION

- 1. Main Branch, Lahore Tel. No.: (042) 36368141-8 & (042) 111-567-890
- Defence Branch, Lahore
 Tel. No.: (042) 35730760-1, 3574616 & (042) 35691037-9
- 3. Gulberg Branch, Lahore Tel. No.: (042) 35713445-8, 35759273 & (042) 35772294-5
- 4. Circular Road Branch, Lahore Tel. No.: (042) 37670483, 86, 89 & (042) 37379319
- 5. Model Town Branch, Lahore Tel. No.: (042) 35889311-2 & 35915666
- 6. Peco Road Branch, Lahore Tel. No.: (042) 35222306-7, (042) 35203050-1,35177804 & (042) 35173392
- 7. Cavalry Ground Branch, Lahore Tel. No.: (042) 36653728-30 & (042) 36619702
- Islamic Banking
 8. Temple Road Branch, Lahore
 Tel. No.: (042) 36376341, 2 & 6
- Allama Iqbal Town Branch, Lahore Tel. No.: (042) 37812395-7
- 10. Baghbanpura Branch, Lahore
- 11. Thokar Niaz Baig Branch, Lahore Tel. No.: (042) 35313651, 3 & 4 0317-4484542-3
- 12. Ghazi Chowk Branch, Lahore Tel. No.: (042) 35188505-7 & (042) 35185661-3
- Islamic Banking

 3. New Garden Town Branch, Lahore
 Tel. No.: (042) 35940611-616
- 14. DHA Phase-III Branch, Lahore Tel. No.: (042) 35734081, 2, 3 & 5
- **15.** Chungi Amer Sadhu Branch, Lahore Tel. No.: (042) 35922182,184 & 186
- 16. Johar Town Branch, Lahore Tel. No.: (042) 35204191-3
- 17. Wahdat Road Branch, Lahore Tel. No.: (042) 37424821-7 & (042) 37420591
- Gunpat Road Branch, Lahore Tel. No.: (042) 37361607-9
- 19. Airport Road Branch, Lahore Tel. No.: (042) 35700115-8
- **20.** Timber Market Branch, Lahore Tel. No.: (042) 37725353-8
- 21. Shahdara Branch, Lahore Tel. No.: (042) 37920085, 37941741-3 & (042) 37921743-8
- **22.** Manga Mandi Branch, Lahore Tel. No.: (042) 35383516-9
- 23. Badian Road Branch, Lahore Tel. No.: (042) 37165390-2
- **24.** Mughalpura Branch, Lahore Tel. No.: (042) 36880892-4
- **25.** Upper Mall (Corporate) Branch, Lahore Tel. No.: (042) 35789346, 49, 51 & 55

CENTRAL OFFICE

10th Floor, PNSC Building, M. T. Khan Road Karachi Tel. No.: (021) 32444401-5 & 111-567-890

Swift: SONEPKKAXXX

- SWIIL SOIVEI IN OUCK
- Tel. No.: (042) 37214394-7 51. Township Bi Garhi Shahu Branch, Lahore Tel. No.: (042) 36294201-3 & 52. EME Housin (042) 36376096 Tel. No.: 031
- 28. Zarrar Shaheed Road Branch, Lahore Tel. No.: (042) 36635167-8
- 29. Hamdard Chowk Kot Lakhpat Branch, Lahore Tel. No.: (042) 35140261-3
- **30.** Kana Kacha Branch, Lahore Tel. No.: (042) 35472222 & 0316-8226316-8

26.

- **31. Sabzazar Branch, Lahore** Tel. No.: (042) 37830881-6
- **32.** DHA Phase-IV Branch, Lahore Tel. No.; (042) 35694156-7
- **33.** Azam Cloth Market Branch, Lahore Tel. No.: (042) 37662203-7
- **34.** Jail Road Branch, Lahore Tel. No.: (042) 35408936-8
- **35.** Badami Bagh Branch, Lahore Tel. No.; (042) 37731601, 2 & 4
- **36.** Montgomery Road Branch, Lahore Tel. No.: (042) 36291013-4
- 37. Islamic Banking
 DHA Phase: VI Branch, Lahore
 Tel. No.: (042) 37180535-7
- **38.** Bahria Town Branch, Lahore Tel. No.: (042) 35976354 & 0316-8226346-9
- **39.** Expo Centre Branch, Lahore Tel. No.: (042) 35314087, 88, 90 & 91
- **40.** Wapda Town Branch, Lahore Tel. No.: (042) 35187611-2
- **41.** Shah Alam Market Branch, Lahore Tel. No.: (042) 37376213-4 & 0316-8226277-8
- **42. DHA Phase-V Branch, Lahore** Tel. No.: (042) 35695678 & 0316-8226322-3
- **43.** Chauburji Branch, Lahore Tel. No.: (042) 37112228 & 0316-8226325-7
- **44. Walton Road Branch, Lahore** Tel. No.: (042) 36672305 & 0316-8226339, 40 & 41
- **45.** Faisal Town Branch, Lahore
 Tel. No.: (042) 35170540 & 0316-8226335,
 7.8.8
- **46.** Karim Block Branch, Lahore
 Tel. No.: (042) 35417757 & 0316-8226412,
 3 & 4
- 47. Defence Road Branch, Lahore Tel. No.: 0316-8226415-8
- 48. Safari Garden Branch, Lahore Tel. No.: 0317-4484537-9
- 49. Raiwind Branch, District Lahore Tel. No.: (042) 35398661-2 & 0317-4484562-4
- 50. Main Boulevard Branch, Gulberg, Lahore Tel. No.: (042) 35759924-5 & 0316-8226086-9

- Islamic Banking

 1. Township Branch, Lahore
 Tel. No.: (042) 35113105
- 52. EME Housing Society Branch, Lahore
- 53. Lake City Branch, Lahore Tel. No.: 0318-4178739
- **54.** Sundar Industrial Estate Branch, Lahore Tel. No.: 0315-4980731 & 0315-4980742
- 55. Islamic Banking
 Allama Iqbal Town Branch, Lahore
 Tel. No.: 0310-4031793 & 0310-4031781
- 56. Canal View Co-Operative Housing Society Branch, Lahore
 Tel. No.: 0315-4304582-5
- **57. 'K' Block Model Town Branch, Lahore** Tel. No.: (042) 35880241-5
- 58. Muridke Branch Tel. No.: (042) 37166511-4 & (042) 37981100
- **Main Branch, Gujranwala**Tel. No.: (055) 3843560-2 8
 (055) 111-567-890
- 60. Islamic Banking Gujranwala Cantt. Branch, Gujranwala Tel. No.: (055) 3861931-3 & 5
- 61. Wapda Town Branch, Gujranwala Tel. No.: (055) 4291136-7
- 62. Kamokee Branch, District Gujranwala
- **63. Wazirabad Branch** Tel. No.: (055) 6603703-4 & 6608555
- **64. Ghakkar Mandi Branch** Tel. No.: (055) 3832611-2
- 65. Main Branch, Faisalabad Tel. No.: (041) 2639873, 7-8 & (041) 111-567-890
- 66. Peoples Colony Branch, Faisalabad Tel. No.: (041) 8555714 & 8555720
- 67. Ghulam Muhammadabad Branch, Faisalabad Tel. No.: (041) 2680114, 110 & 117
- 68. Islamic Banking East Canal Road Branch, Faisalabad Tel. No.: (041) 2421381-2
- 69. Civil Lines Branch, Faisalabad Tel. No.: (041) 2648105. 8 & 11
- 70. Madina Town Branch, Faisalabad Tel. No.: (041) 8735551-2 & 0316-8226451-3
- 71. Jaranwala Branch, District Faisalabad Tel. No.: (041) 4312201-6
- 72. Samundri Branch, District Faisalabad Tel. No.: (041) 3423983-4
- **73.** Painsera Branch, District Faisalabad Tel. No.: (O41) 2557100-11 & 2574300
- **74.** Killianwala Branch, Distt. Faisalabad Tel. No.: (041) 3214151, 2 & 3
- **75.** Khurrianwala Branch Tel. No.: (041) 4360701-2
- **76.** Chiniot Branch Tel. No.: (047) 6333840-4

- 77. Jhang Branch Tel. No.: (047) 7651601-2
- **78.** Shorkot City Branch, Distt. Jhang Tel. No: 0316-8226093, 95, 97 & 98
- 79. Small Industrial Estate Branch, Sialkot
- 80. Pasrur Road Branch, Sialkot Tel. No.: (052) 3521655, 755 & 855 & (052) 3611655 & 755
- Islamic Banking 81. Sialkot Cantt Branch, Sialkot Tel. No.: (052) 4560023-7
- **82.** Godhpur Branch, Sialkot Tel. No.: (052) 4563932-3
- 83. Daska Branch, District Sialkot Tel. No.: (052) 6617847-8
- 84. Daska Road Branch, Addah, District Sialkot
 Tel. No.: (052) 3525337 & 9
- **85. Sheikhupura Branch** Tel. No.: (056) 3810933 & 3813133
- **86.** Nankana Sahib Branch Tel. No.: (056) 2876342-3
- 87. Main Branch, Multan Tel. No.: (061) 4504018, 4504118, (061) 4519927 & 4512884
- Islamic Banking 88. Shah Rukn-e-Alam Branch, Multan Tel. No.: (061) 6784051-4 & 6782081
- 89. Bosan Road Branch, Multan Tel. No.; (061) 6210690-2
- **90.** Mumtazabad Branch, Multan Tel. No.: (061) 6760212-4
- 91. Gulgasht Colony Branch, Multan Tel. No.: (061)-6222701 & 0316-8226393-5
- **92.** Wapda Town Branch, Multan Tel. No.: (061) 6213011 & 0316-8226441-2
- 93. Azmat Road Branch, Dera Ghazi Khan Tel. No.: (064) 2471630-6
- 94. Lodhran Branch Tel. No.: (0608) 364766-7
- 95. Rahim Yar Khan Branch Tel. No.: (068) 5886042-4
- 96. Liaqatpur Branch, District Rahim Yar Khan
 - Tel. No.: (068) 5792041-4
- 97. Sadiqabad Branch Tel. No.: (068) 5702162, 5800161, (068) 5800661 & 5801161
- 98. Bahawalpur Branch Tel. No.: (062) 2731703-1
- 99. Satellite Town Branch, Bahawalpur Tel. No.: (062) 2280602-3
- 100. Ahmedpur Sharqia Branch District Bahawalpur Tel. No.: (062) 2271345 & 0316-8226404, 6 & 8
- **101. Hasilpur Branch** Tel. No.: (062) 2441481-7 & 2441478
- **102.** Club Road Branch, Sargodha Tel. No.: (048) 3726021-3
- **103. Pull-111 Branch, District Sargodha** Tel. No.: (048) 3791403-4 & 0316-8226449 & 50
- **104.** Jauharabad Branch, District Khushab Tel. No.: (0454) 723011-2
- **105.** Khushab Branch, District Khushab Tel. No.: (0454) 710294, 5 & 6

- 106. Bhalwal Branch Tel. No.: (048) 6642224 & 0316-8226331-2
- 107. Khanewal Branch Tel. No.: (065) 2551560-3
- 108. Kabirwala Branch, District Khanewal Tel. No.: (065) 2400910-3
- 109. Abdul Hakeem Branch, District Khanewal Tel. No.: (065) 2441888 & 0316-8226310-2
- 110. Mian Channu Branch Tel. No.: (065) 2662201-2
- 111. **Depalpur Branch** Tel. No.: (044) 4541341-2
- 112. Okara Branch Tel. No.: (044) 2553012-4 & 2552200
- 113. Hujra Shah Muqeem Branch District Okara Tel. No.: (044) 4860401-3 & 0316-8226419-21
- 114. Haveli Lakha Branch Tel. No.: (044) 4775412-3
- 115 Sahiwal Branch
- Tel. No.: (040) 4467742-3
- **116. Farid Town Branch, Sahiwal** Tel. No.: (040) 4272173, 4 & 5
- 117. Chichawatni Branch, District Sahiwal Tel. No.: (040) 5484852-3
- 118. Layyah Branch Tel. No.: (060) 6414205-7
- **119. Jampur Branch, District Rajanpur** Tel. No.: (060) 4567787 & 4567325
- **120.** Kharoor Pacca Branch Tel. No.: (0608) 341041-2
- 121. Muzafargarh Branch Tel. No.: (066) 2422901, 3 & 5
- 122. Fazal Garh Sanawan Branch, District Muzafargarh Tel. No.: (066) 2250214-5
- 123. Sheikho Sugar Mills Branch District Muzafargarh Tel. No.: 0345-8530242-4
- 124. Shahbaz Khan Road Branch, Kasur Tel. No.: (0492) 764890-3
- 125. Jalalpur Bhattian Branch, District Hafizabad Tel. No.: (0547) 500848-50
- **126.** Hafizabad Branch Tel. No.: (0547) 541641-4
- **127. Pattoki Branch** Tel. No.: (049) 4422435-6
- **128.** Ellahabad Branch Tel. No.: (049) 4751130
- 129. Khudian Branch Tel. No.: (049) 2791595-6
- 130. Sambrial Branch Tel. No.: (052) 6523451-3
- 131. Gagoo Mandi Branch, District Vehari Tel. No.: (067) 3500311-2
- 132. Mailsi Branch, District Vehari Tel. No.: (067) 3750140-5
- **133.** Burewala Branch, District Vehari Tel. No.: (067) 3773110 & 20 & (067) 3355779
- **134.** Mandi Bahauddin Branch Tel. No.: (0546) 507602, 3 & 8
- **135.** Bahawalnagar Branch Tel. No.: (063) 2274795-6

- 136. Haroonabad Branch, District Bahawalnagar Tel. No.: (063) 2251664-5
- **Toba Tek Singh Branch** Tel. No.: (046) 2513203-4
- 138. Gojra Branch, District Toba Tek Singh Tel. No.: (046) 3516392 & 3515577
- 139. Kamalia Branch, District Toba Tek Singh Tel. No.: (046) 3411405-6
- **140. Pir Mahal Branch** Tel. No.: (046) 3361690 & 5
- 141. Gujrat Branch Tel. No.: (053) 3520591, 2 & 4
- 142. Kotla Arab Ali Khan, District Gujrat Tel. No.: (053) 7575501 & 3
- **143.** Kharian Branch Tel. No.: (053) 7602904, 5 & 7
- **144.** Pak Pattan Branch, District Pak Pattan Tel. No.: (0457) 371781-5
- 145. Arif wala Branch, District Pak Pattan Tel. No.: (0457) 834013. 5 & 6
- **146. Chishtian Branch** Tel. No.: (063) 2501141-2 & 0316-8226304-6
- **147. Khanpur Branch** Tel. No.: (068) 5577719-20 & 0316-8226307-9
- 148. Narowal Branch Tel. No.: (0542) 411405 & 0316-8226328-30
- **149. Rajanpur Branch** Tel. No.: (0604) 688108 & 0316-8226396
- 150. Mianwali Branch Tel. No.: (0459) 230825, 6 & 7

SOUTH REGION

- **151. Main Branch, Karachi**Tel. No.: (021) 32436990 & 32444401-5
 & (021) 111-567-890
- **152.** Clifton Branch, Karachi Tel. No.: (O21) 35877773-4, 35861286 & (O21) 35375448
- **153. Garden Branch, Karachi** Tel. No.: (021) 32232877-8 & 0316-8226125-33
- **154. F. B. Area Branch, Karachi** Tel. No.: (021) 36373782-3 & (021) 36811646
- 155. Korangi Industrial Area Branch, Karachi Tel. No.: (021) 35113898-9, (021) 35113900-1 & 0316-8226189-92
- 156. AKU Branch, Karachi Tel. No.: (021) 34852251-3 & (021) 33102498-9
- 157. Haidery Branch, Karachi Tel. No.: (021) 36638617, (021) 36630409-410 & 0316-8226231-8
- 158. Jodia Bazar Branch, Karachi Tel. No.: (021) 32441786, 32442208 & (021) 32463894 & 0316-8226202-10
- 159. Shahrah-e-Faisal Branch, Karachi Tel. No.: (O21) 34316128, 34316395, (O21) 34322150, 34398430 & (O21) 34535545-46, 53-54
- 160. DHA Branch, Karachi Tel. No.: (021) 35852209, 35845211 & (021) 35340825
- **161. Gulshan-e-Iqbal Branch, Karachi** Tel. No.: (021) 34811830-33 & 0316-8226239-45

- 162 SITE Branch Karachi Tel. No.: (021) 3256 (021) 32550903-4 32568330, 32550997 &
- Zamzama Branch, Karachi Tel. No.: (021) 35375835 & 35293435
- 164. Gole Market Branch, Karachi Tel. No.: (021) 36618932, 36618925 & 0316-8226154-62
- Gulistan-e-Jauhar Branch, Karachi Tel. No.: (021) 34020943-5
- M. A. Jinnah Road Branch, Karachi Tel. No.: (021) 32213972 & 32213498
- Gulbahar Branch, Karachi Tel. No.: (021) 36607744 & 0316-8226434-5
- **168. North Karachi Branch, Karachi** Tel. No.: (021) 36920140-5 & 0316-8226171-2
- Block-7 Gulshan-e-lqbal Branch, Karachi Tel. No.: (021) 34815811-2, 34833728 & 777
- Islamic Banking Cloth Market Branch, Karachi Tel. No.: (021) 32442961 & 32442977
- Paria Street Kharadar Branch, Karachi Tel. No.: (021) 32201059, 60 & 61
- 172. Suparco Branch, Karachi Tel. No.: (021) 34970560, 34158325-6, (021) 37080810 & 0316-8226457
- Chandni Chowk Branch, Karachi Tel. No.: (021) 34937933 & 34141296
- Allama Igbal Road Branch, Karachi Tel. No.: (021) 34387673-4
- 175 Nishtar Road Branch, Karachi No.: (021) 32239711-3 & 32239678
- Islamic Banking Waterpump Branch, Karachi Tel. No.: (021) 36312113 & 36312108, (021) 36312349 & 36311908
- **Apwa Complex Branch, Karachi** Tel. No.: (021) 32253143 & 32253216
- Clifton Block-2 Branch, Karachi Tel. No.: (021) 35361115-
- Malir Branch, Karachi Tel. No.: (021) 34517982-3
- 180. Bahadurabad Branch, Karachi Tel. No.: (021) 34135842-3
- New Challi Branch, Karachi 121 Tel. No.: (021) 32625246 & 32625279
- Shah Faisal Colony Branch, Karachi Tel. No.: (021) 34602446-7
- Zaibunissa Street Saddar Branch,
- Tel. No.: (021) 35220025-7 **184.** Liaquatabad Branch, Karachi Tel. No.: (021) 34860723-25

Karachi

- Lea Market Branch, Karachi Tel No. (021) 32526193-4
- Korangi Township No: 2 Branch, Karachi 186. Tel. No.: (021) 35058041 & 35071181
- North Karachi Ind. Area Branch, Karachi Tel. No.: (021) 36962851, 52 & 55
- **188. F. B. Industrial Area Branch, Karachi** Tel. No.: (021) 36829961-4
- Napier Road Branch, Karachi Tel. No.: (021) 32713539-40
- 190. Gulshan-e-Hadeed Branch, Karachi Tel. No.: (021) 34710252 & 256

- Metroville Branch, Karachi Tel. No.: (021) 36752206-7 191
- 192 Defence Phase-II Extension Branch, Tel. No.: (021) 35386910-12
- North Karachi Township Branch, Karachi 193 Tel. No.: (021) 36968604-7
- **Stock Exchange Branch, Karachi** Tel. No.: (021) 32414003-4 & (021) 32415927-8
- Gulshan-e-Jamal Branch, Karachi 195 Tel No: (021) 34682682-4
- Alvabad Branch, Karachi Tel. No.: (021) 36826727 & 36332517

196

- Saudabad Branch, Malir, Karachi Tel. No.: (021) 34111901-5 197
- Shireen Jinnah Colony Branch, Karachi Tel. No.: (021) 34166262-4
- Islamic Banking 199 Al-Tijarah Centre Branch, Karachi Tel. No.: (021) 34169251-3
- Barkat-e-Haidery Branch, Karachi Tel. No.: (021) 36645688-9 200.
- Shadman Town Branch, Karachi Tel. No.: (021) 36903038-9
- 202. Enquiry Office Nazimabad No: 2 Branch, Karachi Tel. No.: (021) 36601502-5
- Islamic Banking Rashid Minhas Road Branch, Karachi Tel. No.: (021) 34983878 & 34837443-4 203
- 204 Timber Market Branch, Karachi Tel. No.: (021) 32742491-2
- Khayaban-e-Ittehad Branch, Karachi Tel. No.: (021) 35347413-6 205.
- Karachi Tel. No.: (021) 35640731-6 35640235-7

Bahria Complex-III (Corporate) Branch,

- New M. A. Jinnah Road Branch, Karachi Tel. No.: (021) 34894941-3 207.
- DHA Phase-IV Branch, Karachi 208. Tel. No.: (021) 35311491-2 & 0316-8226285-7
- 209. Gulberg Branch, Karachi Tel. No.: (021) 36340553, 549 & 0316-8226291-2
- New Sabzi Mandi Branch, Karachi Tel. No.: (021) 36870506-7 0316-8226409-11
- Clifton Block-08 Branch, Karachi 0316-8226425-7
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