# Half Yearly Report June 2022



Where the Nation Banks



# **CORPORATE INFORMATION**

Chairman & President (A)	Mr. Rehmat Ali Hasnie
Directors	Mr. Farid Malik, CFA
Directors	Mr. Asif Jooma
	Mr. Ahsan Ali Chughtai
	Wil. / Wisuit / Wil Chagned
Audit Committee	
Chairman	Mr. Ahsan Ali Chughtai
	Mr. Farid Malik, CFA
	Mr. Asif Jooma
Chief Financial Officer	
	Mr. Abdul Wahid Sethi
Company Secretary	
	Syed Muhammad Ali Zamin
Auditors	
	A.F. Ferguson & Co.
	Chartered Accountants
	Yousuf Adil
	Chartered Accountants
Legal Advisors	
	Mandviwalla & Zafar
	Advocates & Legal Consultants
Registered & Head Office	
	NBP Building
	I.I. Chundrigar Road, Karachi, Pakistan
	Phone: 92-21-99220100 (30 lines),
	92-21-99062000 (60 lines),
	Phone Banking: 111-627-627
Registrar & Share Registration Office	
	CDC Share Registrar Services Limited
	CDC House, 99-B, Block-B,
	S.M.C.H.S., Main Shara-e-Faisal
	Karachi-74400, Pakistan.
	111-111-500
Website	
	www.nbp.com.pk

# NATIONAL BANK OF PAKISTAN UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2022

# Directors' Report to the Shareholders Standalone Financial Statements

# Dear Shareholders,

On behalf of the Board of Directors "the Board", we have the pleasure of presenting to you, the condensed interim standalone financial statements of the Bank for the six months period ended June 30, 2022. These financial statements have been reviewed by the Bank's independent external auditors.

# Economic Environment

The global economy is confronted with slowing economic growth and high inflationary pressures due to the geo-political conflict and subsequent supply chain disruptions. In most countries the central banks are responding aggressively, leading to exchange rate depreciation pressure on most emerging market currencies.

After a V-shaped recovery in the Fiscal Year 'FY' 2022, Pakistan's economy is faced with challenges like inflation, twin deficits and currency devaluation. Despite the fiscal and monetary measures, the headline inflation remains high. Pak Rupee that depreciated by ~30% since the start of 2022, has started showing signs of recovery in the last few weeks. In response to the prevailing economic environment, the State Bank of Pakistan has raised interest rates by a cumulative 525 bps since Dec'21, taking the benchmark rate to 15.0%.

FX reserves have also come under pressure as the country's current account deficit swelled to \$17.4 Bn in FY'22, against a gap of \$2.8 Bn in FY'21. Positively, the exports have picked up well in FY'22 to reach USD 31.8 Bn, growing by a strong 26%. Home remittances also increased by 6% with total inflows of USD 31.2 Bn for FY'22. However, due to rising import bill, the country's balance of trade recorded a deficit of USD 48.4 Bn for FY'22, with an increase of 56%. With the recently secured staff-level agreement on the next IMF review and arrangements with other friendly countries, the central bank is of the view that gross external financing needs over the next 12 months would be met comfortably. In the prevailing macro indicators, while the Pakistan Stock Exchange has also witnessed higher volatility in the recent months, the banking industry has reported healthy pre-tax profits.

For FY'23, Pakistan's economy is expected to ace a slowdown with the consumption impact of rising domestic prices. These will be elevated in the medium term and are likely to exert pressures on the country's ability to meet its external financing obligations.

# Financial Performance - H1'2022

Despite the challenging environment, your Bank has delivered strong financial results for the six months period ended June 30, 2022. This demonstrates the resilience of the Bank's business model, effectiveness of management's strategies and the efforts of our staff during these challenging times.

No.	Ney Rene.	Jan'22	Jun 21	Fietler Amount	/ (Warse)
1	NIE	53.1	47.4	5.7	12.000
2	NEL	18.4	18.0	0.3	2.754
3	Total income	71.5	65.4	6.0	-9.254
A	Admin Exp.	35.8	30.6	(5,2)	(27.0%)
5.	Pre-Prov. Profit	35.6	34.8	0.8	
6	Provision Charge	1.7	5.8	5.0	74.8% Y
7	Pre-tax profit	33.9	28.0	5,9	20.5%
8	Tax	21.7	11.1	110.7	(98.7%)
9	After-tax profit	12:1	17.0	(4.8)	(28.4%) %
10	EPS (Rs.)	5.7	8.0	(3.3)	(28:0u) ¥

# Mark-up/Interest Income

For the six months period under review, your Bank recorded Gross Interest Income 'GII' of PKR 179.4 Bn as against PKR 108.0 Bn for the corresponding six months period of 2021. The PKR 71.4 Bn increase in GII was achieved through volumetric growth in average interests bearing assets coupled with the impact of higher average policy rate during H1'22 that stood at 11.23 % as compared to

7.00 % during H1'21. The Bank's investments during H1'22 averaged PKR 2,070.0 Bn (H1'21:PKR 1,566.4 Bn) and generated mark-up/interest income of PKR 114.3 Bn being PKR 50.2 Bn or 78.4% up against PKR 64.1 Bn for H1'21. This translates into average yield at 11.14% (H1'21:8.25%). In the hiking policy rate environment, the maturity profile of the Bank's investment book is skewed towards the shorter duration securities. Similarly, placements, that averaged PKR 109.3 Bn (H1'21:PKR 49.6 Bn) generated a mark-up income of PKR 5.9 Bn (H1'21: PKR 1.8 Bn) at an improved yield of 10.9% as compared to 7.1% for H1'21.

The Bank's loan book generated a mark-up income of PKR 59.2 Bn i.e. PKR 17.0 Bn or 40.4% higher than PKR 42.1 Bn of H1'21. This was achieved through both, a volumetric growth, as well as the favourable rate variance with particular growth observed in commercial and retail loan portfolios. Pertinent to mention, this performance was achieved despite the Bank carrying a higher proportion of lower margin and non-performing public-sector lending.

Likewise, on the back of higher average policy rate, the Bank's cost of funds for H1'22 also increased from PKR 60.6 Bn in H1'21 to PKR 126.3 Bn for H1'22. This 108.4% increase of PKR 65.7 Bn is mainly contributed by an increase in cost of Deposits by PKR 41.1 Bn and the borrowings/repo cost by PKR 24.0 Bn. As compared to H1'21, average non-remunerative current deposits increased impressively by PKR 66.5 Bn or 13.5% to PKR 560.7 Bn. This effectively translates into interest/mark-up cost saving of ~PKR 2.4 Bn for the period under review. Consequently, the Net Interest Income 'NII' for the period under review closed at PKR 53.1 Bn, depicting a 12.0% increase against PKR 47.4 Bn of H1'21.

# Non-Fund Income

Non-Fund Income 'NFI' for the H1'22 recorded a slight increase to close at PKR 18.4 Bn which is PKR 0.3 Bn or 1.7% higher than PKR 18.0 Bn of H1'21. While fee & commission income recorded a 16.1% growth YoY to close at PKR 10.2 Bn (H1'21:PKR 8.8Bn), the FX income increased by 61% to close at PKR 4.3 Bn as against PKR 2.7 Bn for H1'21. However, capital gains dropped significantly by PKR 3.1 Bn or 73.8% to close at PKR 1.1 Bn only (H1'21:PKR 4.1 Bn). Going forward, the NFI is expected to rebound as the stock market is expected to show stability following the fading away of Covid-19 and some clarity in the polltical environment.

# Operating Expenses

Operating expenses of the Bank for the period under review amounted to PKR 35.8 Bn which is 17.0% higher YoY as compared to PKR 30.6 Bn of SPLY. HR cost that constitutes around 64% of the total operating expenses, amounted to PKR 23.0 Bn i.e. 11.7% up against PKR 20.5 Bn in H1'21. While property related expenses amounted to PKR 4.3 Bn (H1'21:PKR 4.0 Bn), IT related expenses amounted to PKR 2.7 Bn (H1'21: PKR 1.2 Bn) as the Bank is swiftly upgrading its IT infrastructure through upgradation of core banking system and major software maintenance.

Operating expenses for the period translated into a cost-to-income ratio escalating by 333bps YoY, increasing from 46.8% in H1'21 to 50.1% in H1'22. Overall, the increase observed in the operating expenses incurred during the period are in line with the inflationary pressures and industry norms.

# Loan Losses & Provisions

The Bank prudently identifies impairment in its assets portfolio under the expected credit loss model and maintains a robust level of provisions as per the applicable regulatory requirements. The Bank's financial results, while these show strong increase in capital generation capacity, also demonstrate the Bank's resilience and ability to build necessary cushions against future credit shocks.

During H1'22, gross non-performing loans increased marginally by 2.7% to reach PKR 203.3 Bn from PKR 197.9 Bn on Dec 31, 2021. These translate into loan infection ratio at 14.9% showing some improvement against 15.2% at Dec 31, 2021. NPL ratio stands high as the Bank carries a significant amount of legacy NPLs.

Accordingly, for the six months period under review, net provision charge amounted to PKR 1.7 Bn i.e. significantly lower by 74.4% or PKR 5.0 Bn as compared to PKR 6.8 Bn for the corresponding six months period of 2021. The key contributor towards this drop were the loans & advances that recorded a net reversal of PKR 28 million as against a total charge of PKR 7.1 Bn in H1'21. Specific and General provisions held against NPLs stood at PKR 187.9 Bn (Dec'21:PKR 179.3 Bn) and PKR 9.2 Bn (Dec'21:PKR 12.5 Bn), respectively. Thus, provision coverage at June 30, 2022 stood at 92.4% as against 90.6% at YE'21.

# Taxation and Profit After-tax

Taxation charge for the period amounted to PKR 21.7 Bn as against PKR 11.0 Bn for H1'21. The Finance Act-2022 brought in certain changes, which apart from increase in the statutory and super tax rate, also had a retrospective impact with reference to prior year's earnings and has increased the effective tax rate from 39% to 64%. Consequently, profit after-tax for the six months period ended June 30, 2022 stood at PKR 12.1 Bn i.e. PKR 4.8 Bn or 28.4% lower than PKR 17.0 Bn for H1'21. This translates into Earnings per Share of Rs. 5.71 as compared to Rs. 7.97 for H1'21.

Since ambiguity exists in the taxation law and the Government is considering revisiting the changes having a retrospective impact, it is expected that some relief may be given to the banking industry which will crystallise in the subsequent period.

# Appropriation of Profit

Profit for the six months period ended June 30, 2022 after carry forward of accumulated profit of 2021 is appropriated as follows:

IDVD INA-1

	(PKR Mn)
Profit after tax for six months period ended June 30, 2022	12,140.3
Unappropriated profit brought forward	140,073.8
Other comprehensive income - net of tax	(1,609.2)
Transfer from surplus on revaluation of fixed assets	98.8
Transfer from general loan loss reserve	8,000.0
A RUNAMENT WITH THE PARTY OF TH	146,563.4
Profit available for appropriations	158,703.7
Appropriation:	
Transfer to Statutory Reserve	(1,214.0)
Unappropriated profit carried forward	157,489.7
	157,405.7

# Appropriation for proposed Dividend

As explained in note 48 to the audited unconsolidated annual financial statements for the year ended December 31, 2021, the recommended cash dividend of Rs. 1.0 per share which amounted to PKR 2.1 Bn, was subject to approvals of the Federal Government under section 17 of the Banks (Nationalization) Act, 1974 and the State Bank of Pakistan. These unconsolidated condensed interim financial statements do not reflect this appropriation as the Bank has not yet received the approval.

# Financial Position as at June 30, 2022

Your Bank has achieved the <u>PKR 5 TRILLION</u> milestone in total assets. As of June 30, 2022, total assets of the Bank amounted to PKR 5,119.8 Bn, depicting a 33.1% increase against PKR 3,846.7 Bn level as of December 31, 2021.

# Loans and Advances

As of June 30, 2022, gross loans & advances of the Bank amounted to PKR 1,367.3 Bn depicting a modest increase of 4.8% or PKR 62.1 Bn against PKR 1,305.2 Bn at end of the year 2021. Whereas, net performing advances stood at PKR 1,170.2 Bn i.e. 5.1% up from PKR 1,113.4 Bn level at the end of 2021. Growth in advances was achieved in most of the products including corporate, commodity and Islamic. Given the robust increase in deposits, the Bank's Advance-to-Deposit Ratio (gross) stood at 42.7% at June 30, 2022. However, on YTD average basis, the ADR stood at 51.8% for the six months period.

# Investments

Pursuant to an effective risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted instruments, high dividend yielding equities and other interest-bearing financial instruments. As at June 30, 2022, the Bank's investments (at cost) amounted to PKR 3,251.0 Bn (2021:PKR 1,924.2 Bn) with a carrying value of PKR 3,250.6 Bn (2021:PKR 1,938.2 Bn). During the half year under review, PKR 1,326.9 Bn or 69% increase in the investments (at cost) mostly came in the shorter-term 'available-for-sale' maturity securities to capitalize on price volatility in the currently hiking policy rate environment.

# Deposits & Funding

As of June 30, 2022, total deposits amounted to PKR 3,198.6 Bn which is PKR 179.5 Bn or 5.9% higher than Dec'21 levels of PKR 3,019.2 Bn. The major share of the Bank's funding comes from core customer sticky deposits that contribute PKR 2,707.9 Bn or 84.7% of the Bank's total deposits. With total current accounts at PKR 1,851.0 Bn or 58% of the total deposits at June 30, 2022, the Bank maintains a strong liquidity and funding profile. The Bank's CASA ratio stood high at 83%. Liquidity Coverage Ratio and Net Stable Funding Ratio stood at 146% (Dec'21:164%) and 277% (Dec'21:278%), respectively vis-à-vis regulatory requirement of 100% for each.

# Capital Strength and Adequacy

The Bank has been designated as a Domestic Systemically Important Bank "D-SIB" by the SBP. Accordingly, the Bank seeks to maintain strong levels of capitalization to build resilience and maintain adequate buffers over regulatory requirements.

During H1'22, the Bank's Eligible Tier 1 capital increased by PKR 18.4 Bn or 9.2% to PKR 218.2 Bn at the end of June, 2022 from PKR 199.8 Bn at YE'21. Likewise, Eligible Tier 2 capital also increased by PKR 7.4 Bn or 11.7% to reach PKR 71.7 Bn. Tier 2 capital mainly increased corresponding to the increase in Tier-1 capital. As the Bank is following a risk-prudent asset growth strategy, total RWAs increased marginally by PKR 20.1 Bn or 1.6% from PKR 1,295.2 at YE'21 to PKR 1,315.2 Bn at end of June, 2022. Consequently, the Total Capital Adequacy Ratio (CAR) improved to 22.04% with Tier-1 capital adequacy ratio at 16.59% as compared to 20.39% and 15.42%, respectively, at YE'21. The Tier 1 leverage ratio of 3.0% was introduced in response to the Basel III accord. At June 30, 2022, the Bank's leverage ratio stood at 3.19%. Other financial soundness ratios are well compliant with applicable regulatory requirements.

# Compliance & Risk Matters in the New York Branch

The Bank operates a branch in New York, which is licensed by the New York State Department of Financial Services and is also subject to supervision by the Federal Reserve Bank of New York ("US regulators"). As disclosed in previous periods, the Bank and branch entered into a Written Agreement with its US regulators in 2016, which was superseded by Enforcement Actions issued by them in February 2022. These Actions included payment of fines totalling US\$ 55.4 Mn, equivalent to PKR 9.8 Bn, focused on historical compliance program weaknesses and delays in making compliance related enhancements. These fines were paid shortly following issuance of the Actions.

In the Enforcement Actions, the Bank had agreed to enhance its Anti Money Laundering and, to a lesser extent, its Sanctions Compliance controls and submit status reports at defined frequencies to the US Regulators, which is being followed meticulously per the remedial action plan instituted by the branch and overseen by management at Head Office. There was a management change made in the Branch in May 2020, whose efforts lead to a substantial enhancement of its Compliance Program, as recognized by US regulators. The Bank's management and the Board of Directors continue to closely oversee the branch's remedial actions and remain committed to ensuring compliance with the conditions agreed to in the Enforcement Actions as well as meeting current US regulatory expectations.

# Contingency Regarding the Pension Case

Status of the case is the same as explained in note 25.3.3.1 to the audited unconsolidated financial statements for the year ended December 31, 2021. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favorable outcome on the matter.

# Credit Ratings

NBP is rated as 'AAA' by both the recognised credit rating agencies in Pakistan. In June 2022, M/s VIS Credit Rating Company re-affirmed the Bank's standalone credit rating as "AAA", the highest credit rating awarded by the company for a bank in Pakistan. Similarly, M/s PACRA Credit Rating Company also assigned the Bank long-term entity rating as 'AAA' (Triple AAA) and short-term credit rating as 'A1+' (A-one Plus).

# Future Outlook

GDP growth is expected to moderate in FY23 as the Government undertakes fiscal tightening to manage demand pressures and to contain external and fiscal imbalances. With the fading away of the COVID-19, structural reforms and continuity of social protection programs are key to ensuring inclusive & sustainable growth. Corrective policy responses are expected from the government and the central bank to dampen the blow dealt to businesses by the pandemic outbreak and macro imbalances in the economy.

Despite the challenging environment, your Bank will continue to play its National role towards supporting a robust economic momentum in the country, while also maintaining a strong & resilient balance sheet to create long term value for its shareholders and other stakeholders. In the foreseeable future, the Bank's business strategy will remain focused on financing and supporting underserved sectors including SME, Microfinance, Agriculture Finance as well as Islamic financing on a priority basis.

# Changes in the Board of Directors

The following Directors have retired from the Board of NBP after completing their tenure on April 16, 2022:

- 1. Mr. Zubyr Soomro, Chairman
- 2. Mr. Tawfiq A. Hussain, Director
- 3. Mr. Imam Bakhsh Baloch, Director
- 4. Ms. Sadaffe Abid, Director

Moreover, Mr. Arif Usmani, President/CEO, also completed his tenure on May 11, 2022.

We look forward to an early decision of the Ministry of Finance for appointment of Directors to fill the vacant positions on the Board of the Bank.

# Acknowledgement & Appreciation

We appreciate the continued efforts & dedication of our employees towards provision of uninterrupted service to the Nation in challenging times. We would also like to acknowledge the support of the Government of Pakistan, the State Bank of Pakistan, the SECP and other regulatory bodies for enabling the Bank to achieve its potential and contribute towards the socio-economic development in the country. We also take the opportunity to express our gratitude to the outgoing Directors and Mr. Arif Usmani for his services to the Bank during his three years as CEO of the Bank.

For and on behalf of the Board of Directors

Rehmat Ali Hasnie

President & CEO (A)

Karachi

Dated: August 17, 2022

Asif Jooma

Yousuf Adil

Chartered Accountants Cavish Court, KCHSU Shahrah-e-Faisal Karachi, Pakistan A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road P.O. Box 4716 Karachi - 74000

# Independent auditors' review report to the members of National Bank of Pakistan

# Report on review of unconsolidated condensed interim financial statements

# Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of National Bank of Pakistan (the Bank) as at June 30, 2022 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

# Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

# **Emphasis of Matter**

We draw attention to note 23.3.3.1 to the unconsolidated condensed interim financial statements which explains the contingency in relation to the pension obligations of the Bank. Based on the opinion of the legal counsel, the Bank is confident about a favourable outcome of this matter and hence, no provision against any additional pension obligation has been made in the unconsolidated condensed interim financial statements. Our conclusion is not modified in respect of this matter.

# Other Matter

The figures for the quarters ended June 30, 2022 and June 30, 2021 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been subject to review and therefore, we do not express a conclusion thereon.

The engagement partners on the engagement resulting in this independent auditor's review report are Nadeem Yousuf Adil (Yousuf Adil, Chartered Accountants) and Shahbaz Akbar (A. F. Ferguson & Co.).

Yousuf Adil Chartered Accountants

Place: Karachi

Date: August 19, 2022

UDIN: RR202210091U7fCoI04K

Alfergusontes

A.F. Ferguson & Co. Chartered Accountants Place: Karachi

Date: August 19, 2022

UDIN: RR202210068aBdEur50O

# NATIONAL BANK OF PAKISTAN UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	(Rupees	in '000)
ASSETS			
Cash and balances with treasury banks	6	262,915,020	278,747,059
Balances with other banks	7	15,956,899	17,667,067
Lendings to financial institutions	8	184,977,116	335,466,67
Investments	9	3,250,620,033	1,938,170,64
Advances	10	1,170,224,575	1,113,392,48
Fixed assets	11	53,631,641	54,106,37
Intangible assets	12	888,954	647,97
Right of use assets	13	6,509,586	6,605,40
Deferred tax asset	14	3,872,557	1,625,64
Other assets	15	170,238,447	100,255,14
		5,119,834,828	3,846,684,46
LIABILITIES			
Bills payable	16	30,882,601	21,848,27
Borrowings	17	1,315,600,636	312,925,10
Deposits and other accounts	18	3,198,625,802	3,019,155,04
Lease liability against right of use assets	19	8,109,236	7,893,96
Other liabilities	20	273,638,749	198,659,52
One habines		4,826,857,024	3,560,481,90
NET ASSETS		292,977,804	286,202,56
		-	
REPRESENTED BY			
Share capital		21,275,131	21,275,13
Reserves	21	58,466,165	60,371,49
Surplus on revaluation of assets	22	55,746,777	64,482,12
Unappropriated profit		157,489,731	140,073,81
Section Broad and Section 1		292,977,804	286,202,56
CONTINGENCIES AND COMMITMENTS	23		
The annexed notes 1 to 42 form an integral part of these unco	onsolidated condensed inte	rim financial stateme	

President (A) / Chairman

Chief Financial Officer

ector Director

# NATIONAL BANK OF PAKISTAN UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

		Quarter	ended	Half Year	ended
	100	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	Note		(Rupees	in '000)	
Mark-up / return / interest earned	24	100,186,190	59,523,706 33,722,402	179,389,797 126,285,433	107,995,528 60,600,289
Mark-up / return / interest expensed	25	72,873,118		53,104,364	47,395,239
Net mark-up / return / interest income		27,313,072	25,801,304	53,104,364	47,080,200
NON MARK-UP / INTEREST INCOME					
Fee and commission income Dividend income Foreign exchange income Gain on securities - net	26 27	5,575,658 1,061,317 2,183,839 984,905	5,083,179 692,224 1,750,847 1,528,527	10,240,057 1,944,559 4,278,760 1,085,051 803,468	8,820,756 1,462,408 2,659,249 4,141,735 958,741
Other income	28	453,106 10,258,825	495,775 9,550,552	18,351,895	18,042,889
Total non-mark-up / interest income  Total income		37,571,897	35,351,856	71,456,259	65,438,128
NON MARK-UP / INTEREST EXPENSES					
Operating expenses Other charges	29 30	19,081,942 8,477	16,289,344 21,362	35,814,778 30,155	30,623,671 24,374
Total non-markup / interest expenses		19,090,419	16,310,706	35,844,933	30,648,045
Profit before provisions Provisions and write offs - net	31	18,481,478 664,722	19,041,150 3,660,582	35,611,326 1,733,728	34,790,083 6,772,774
PROFIT BEFORE TAXATION		17,816,756	15,380,568	33,877,598	28,017,309
Taxation	32	15,513,885	6,123,324	21,737,283	11,051,996
PROFIT AFTER TAXATION		2,302,871	9,257,244	12,140,315	16,965,313
			(Rup	oees)	
Earnings per share - basic and diluted	33	1.09	4.35	5.71	7.9

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

MA

President (A) / Chairman

Chief Financial Officer

Director

Director

NATIONAL BANK OF PAKISTAN UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

	Quarter	ended	Half Yea	r ended
	June 30, 2022 (Rupees	June 30, 2021	June 30, 2022 (Rupees	June 30, 2021 in '000)
Profit after taxation for the period	2,302,871	9,257,244	12,140,315	16,965,313
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Exchange gain / (loss) on translation of net assets of foreign branche	3,571,132 (10,124,919)	1,162,903 5,230,861	4,880,638 (8,636,503)	(1,153,764) 1,969,638
Movement in surplus on revaluation of investments - net of tax	(6,553,787)	6,393,764	(3,755,865)	815,874
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(1,121,176)	106,567	(1,609,211)	230,872
Movement in surplus on revaluation of fixed assets - net of tax	-	(27,490)	9	(27,490)
	(1,121,176)	79,077	(1,609,211)	203,382
	The same and the s		6,775,239	17,984,569

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President (A) / Chairman

Chief Financia Officer

Director

Director

NATIONAL BANK OF PAKISTAN UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

				Reserves	S			io snidine	Surpius on revaluation of assets	1	A	
	Share	Exchange	Statutory	Merger	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / non- banking assets	Total	Unappropriated profit	Total
						(Rupees in '000)	(000, u					***************************************
Balance as at January 01, 2021	21,275,131	11,570,091	36,127,702	343,802	8,000,000	521,338	56,562,933	28,501,270	45,198,074	73,699,344	116,021,334	267,558,742
Profit after taxation for the half year ended June 30, 2021 Other comprehensive (loss) / income - net of tax	4.4	(1,153,764)	60		7- X X	1-1-1	(1,153,764)	1,969,638	(27,490)	1,942,148	16,965,313 230,872 (1,696,531)	16,965,313
Transfer to statutory reserve Transfer from surplus on revaluation of assets to unappropriated profit - net of tax					¥.	1		-1	(120,159)	(120,159)	120,159	i .
Transactions with owners, recorded directly in equity												
Cash dividend paid for the year ended	-4	- 9	v	10	1	-1		٧	3		ă.	
Balance as at July 01, 2021	21,275,131	10,416,327	37,824,233	343,802	8,000,000	521,338	57,105,700	30,470,908	45,050,425	75,521,333	131,641,147	285,543,311
S Jethon Special Caramber 3	2					-	4	-1	i	*	11,042,675	
Profit after taxation for the hair year ended December 51, 2021 Other comprehensive income / (loss) - net of tax		2,161,527	1.104.268				2,161,527	(10,582,691)	(368,591)	(10,951,282)	(1,593,666)	(10,383,421)
Transfer to statutory reserve Transfer from surplus on revaluation of					- 4-	Ŷ	T	à	(87,929)	(87,929)	87,929	
assets to unappropriated profit - fiet of tax. Balance as at January 01, 2022	21,275,131	12,577,854	38,928,501	343,802	8,000,000	521,338	60,371,495	19,888,217	44,593,905	64,482,122	140,073,817	286,202,565
Profit after taxation for the half year ended June 30, 2022 Other comprehensive income / (loss) - net of tax	1.4	4,880,638	1 214 032			4.4.9	4,880,638	(8,636,503)	144	(8,636,503)	12,140,315 (1,609,211) (1,214,032)	12,140,315 (5,365,076)
Transfer to statutory reserve Transfer from surplus on revaluation of assets to unappropriated profit - net of tax Transfer to unappropriated profit		×4		1.4	(8,000,000)		(8,000,000)		(98,842)	(98,842)	98,842	4-1
Transactions with owners, recorded directly in equity												
Cash dividend paid for the year ended December 31, 2021 (Rs. Nil per share)		*	3		1	*			*	*	,	
Balance as at June 30, 2022	21,275,131	17,458,492	40,142,533	343,802		521,338	58,466,165	11,251,714	44,495,063	55,746,777	157,489,731	292,977,804
The annexed notes 1 to 42 form an integral part of these unconsolidated	ge unconsolidate		sed interinctinancial statements.	2 ments.	- Herri	0 1	+	26	mid Ma	THE STATE OF THE S	13/	Pirector /

NATIONAL BANK OF PAKISTAN UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

		June 30, 2022 (Rupees in	June 30, 2021
CAN THOMBS FROM OPERATING ACTIVITIES	Note	(Nupees III	000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		33,877,598	28,017,309
Less: dividend income		(1,944,559)	(1,462,408)
		31,933,039	26,554,901
Adjustments:			
Depreciation on fixed assets		1,217,344	1,168,384
Depreciation on right of use assets		986,459	944,632
Amortisation	2.0	127,559	101,303
Provision and write-offs - net	31	1,733,728	6,772,774
Gain on sale of fixed assets		(1,845) 31,260	(22,126 15,810
Financial charges on leased assets		411,580	424,229
Financial charges on right-of-use-assets		63,995	(4,770
Unrealized gain on revaluation of investments classified as held-for-trading Charge for defined benefit plans - net		4,176,775	3,623,709
Charge for defined benefit plans - net		8,746,855	13,023,945
		40,679,894	39,578,846
Decrease / (increase) in operating assets		3314141555	10.540.050.0
Decrease / (morease) in operating associa	3		
Lendings to financial institutions		129,489,559	(54,017,110
Held-for-trading securities		61,959,460	62,590,395
Advances		(62,215,699) (79,618,521)	(24,283,660
Other assets (excluding advance taxation)		49,614,799	(35,746,579
Increase / (decrease) in operating liabilities		19619160	(410.4203.5
Bills payable		9,034,331	5,470,292
Borrowings from financial institutions		1,015,867,988	285,599,258
Deposits		179,470,757	260,772,098
Other liabilities (excluding current taxation)		72,334,262	17,268,898
		1,276,707,338	569,110,546
Financial charges paid		(442,840)	(440,039
Income tax paid		(6,750,000)	(5,529,000
Benefits paid		(1,666,668)	(831,378
Net cash flows generated from operating activities		1,358,142,523	566,142,396
CASH FLOWS FROM INVESTING ACTIVITIES			
N. 15		(1,248,045,807)	(369,033,467
Net investments in available-for-sale securities  Net investments in held-to-maturity securities		(140,683,167)	(76,240,324
Dividends received		1,944,559	1,605,063
Investments in fixed assets		(1,054,155)	(900,010
Proceeds from sale of fixed assets		24,306	37,89
Effect of translation of net investment in foreign branches		4,880,638	(1,153,76
Net cash flows used in investing activities		(1,382,933,626)	(445,684,617
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations		(558,646)	(666,44
Net cash flows used in financing activities		(558,646)	(666,44
(Decrease) / increase in cash and cash equivalents		(25,349,749)	119,791,33
Cash and cash equivalents at beginning of the period		271,386,360	262,243,71
Cash and cash equivalents at end of the period	34	246,036,611	382,035,05

President (A) / Chairman

Chief Financial Officer

Director

Director

NATIONAL BANK OF PAKISTAN NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

# STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,512 (December 31, 2021: 1,513) branches in Pakistan and 19 (December 31, 2021: 19) overseas branches (including the Export Processing Zone branch, Karachi).

# BASIS OF PRESENTATION

# 2.1 STATEMENT OF COMPLIANCE

- 2.1.1 These unconsolidated 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 Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
  - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Banking Companies Ordinance,1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 2.1.3 The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5, dated March 22, 2019 and IAS 34. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2021.
- 2.1.5 These unconsolidated condensed interim financial statements are the separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

# 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted for presentation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2021.

# 3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

# 3.1.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered not to be relevant or do not have any significant impact on these unconsolidated condensed interim financial statements.

# 3.1.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

As per the SBP's BPRD Circular Letter No. 03 dated July 05, 2022, the SBP has extended the applicability of IFRS 9 on Banks / DFIs to accounting period beginning on or after January 01, 2023. During the transition period, the Financial Institutions are required to carry out the parallel run reporting and submit to SBP, IFRS 9 compatible pro-forma annual financial statements for the year ending 2022, quarterly and half yearly pro-forma financial statements for the year 2022 and 2023 as per timelines provided.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

# 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2021.

# 5. FINANCIAL RISK MANAGEMENT

6

The financial risk management objectives and policies adopted by the Bank are consistent with those as disclosed in the unconsolidated financial statements for the year ended December 31, 2021.

	Note	(Un-audited) June 30, 2022 (Rupees i	(Audited) December 31, 2021 n '000)
CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		64,267,908	55,956,579
Foreign currencies		8,268,264	6,885,815
		72,536,172	62,842,394
With State Bank of Pakistan in			
Local currency current accounts	6.1	117,142,058	133,688,664
Foreign currency current accounts	6.2	13,478,215	11,738,428
Foreign currency deposit accounts	6.2	27,454,678	24,098,591
Foreign currency collection accounts		2,005,804	1,226,824
		160,080,755	170,752,507
With other central banks in			
Foreign currency current accounts	6.3	27,950,930	40,265,103
Foreign currency deposit accounts	6.3	1,418,139	2,920,706
		29,369,069	43,185,809
Prize bonds		929,024	1,966,349
		262,915,020	278,747,059
		262,915,020	278,747,

- This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 6.1 1962. These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed 6.2 by the SBP. These balances pertain to the foreign branches and are held with central banks of respective countries. These include 6.3 balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 0.75% per annum (December 31, 2021: 0% to 6.30% per (Un-audited) (Audited) December 31, June 30, 2021 2022 ---- (Rupees in '000) -----Note -----BALANCES WITH OTHER BANKS 7. In Pakistan 7.1 12,891 12,531 In deposit accounts Outside Pakistan 12,008,146 9,186,999 In current accounts 7.2 6,757,009 5,646,390 In deposit accounts 15,944,008 17,654,536 15,956,899 17,667,067 These include various deposits with banks and carry interest at rates ranging from 3.5% to 10% per annum (December 31, 7.1 2021: 2.5% to 8% per annum). These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 0% to 7.2 0.75% per annum (December 31, 2021; 0% to 1.5% per annum). (Audited) (Un-audited) December 31. June 30, 2021 2022 Note ----- (Rupees in '000) LENDINGS TO FINANCIAL INSTITUTIONS 21,009,723 8.1 9,723 Call / clean money lendings 151,004,020 282,051,308 8.2 Repurchase agreement lendings (reverse repo) 8.3 30,000,000 30,000,000 Musharaka Lending 2,405,644 8.4 3,963,373 Placement with State Bank of Pakistan 174,150 8.5 174,150 Letters of placement 335,640,825 8.6 185,151,266 (174, 150)Less: provision held against lendings to financial institutions 8.7 (174, 150)184,977,116 335,466,675 Lendings to financial institutions - net of provision This includes zero rate lending to a financial institution amounting to Rs.9.7 million (December 31, 2021: Rs. 9.7 million) which 8.1 is guaranteed by the SBP. These carry mark-up at rates ranging from 12.8% to 14.5% per annum (December 31, 2021: 8.75% to 10.70% per annum) 8.2 with maturities ranging from July 04, 2022 to September 15, 2022. This represents Musharaka agreements entered into with Meezan Bank Limited and carrying profit at the rate of 13.7% 8.3 (December 31, 2021: 10.65%) per annum. These represent placements made with the SBP as a result of shortfall in respect of time-based mandatory targets of
- carry no mark-up. These are overdue placements and full provision has been made against these placements as at June 30, 2022.

8.5

disbursements under Government's scheme "Mera Pakistan Mera Ghar". These placements are for a period of one year and

(Audited) December 31, 2021 (Un-audited) June 30, 2022

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

335,640,825 335,640,825 185,151,266 185,151,266

> Movement in provision held against lendings is as follows: 8.7

Particulars of lending

8.6

In foreign currencies In local currency

Opening balance Reversal for the period Closing balance

176,150 (2,000) 174,150 174,150 174,150

> Securities held as collateral against lendings to financial institutions 8.8

Juc	June 30, 2022 (Un-audited)	litea)	nec	ecerriber 31, 2021 (Addited)	(na)
Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total

(Rupees in '000) -

Pakistan Investment Bonds Market Treasury Bills

Total

163,594,180 118,457,128 282,051,308 104,897,539 46,106,481 151,004,020 104,897,539 46,106,481 151,004,020

163,594,180 118,457,128 282,051,308

8.8.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 150,991 million (December 31, 2021: Rs.279,633 million).

Category of classification 8.9

June 30, 2022	June 30, 2022 (Un-audited)	December 31	December 31, 2021 (Audited)
Classified	Provision held	Classified Lending	Provision held

Loss

174,150 174,150

174,150

174,150

Domestic

# 9. INVESTMENTS

9.1 Investments by type:

ding securities
ding securities
ding securities
ding securities
dina securit
Jina securi
Jina secu
Jing sec
as puic
pulc
pulc
'n
÷
÷
C
1
2
a
1
1

Market Treasury Bills
Pakistan Investment Bonds
Ordinary shares of listed companies

# Available-for-sale securities

Pakistan Investment Bonds
Market Treasury Bills
Ijarah Sukuks
Ordinary shares of listed companies
Ordinary shares of unlisted companies
Preference shares
Investments in mutual funds
Ordinary shares of a bank outside Pakistan
Term Finance Certificates / Musharika
Participation Term Certificate and Sukuk Bonds

# Held-to-maturity securities

Foreign Government Securities

GoP Foreign Currency Bonds

Pakistan Investment Bonds

Market Treasury Bills
Debentures, Bonds, Ijarah Sukuks, Participation
Term Certificates and Term Finance Certificates
Bai muajjal with Government of Pakistan
GoP Foreign Currency Bonds
Foreign Government Securities
Foreign Currency Debt Securities

Associates Joint Venture Subsidiaries

Total investments

June 30, 2022 (Un-audited)			December 31, 2021 (Audited)	ZUZ1 (Audited)	
Cost / Provision for Surplus / Carrying amortized cost diminution (deficit) value	a	Cost / mortized cost	Provision for diminution	Surplus / (deficit)	Carry

90,688,622			119,737,626
(82,659)	(65,016)		(120,675)
	í		•
90,744,281		•	119,858,301
48,436,060	9,471,131	57,913	57,965,104
(15.781)	(11,425)	•	(27,206)
	r		,
18 451 841	9.482.556	57 913	57,992,310

1,443,406,471	32,603,638	(12,302,887)	1,423,105,720	2,676,750,005	19,739,851	(14,141,373)	2,671,151,527
51,224,167 20,804,963 907,304	961,220 26,435 26,372	(5,200,180)	55,463,127 20,778,528 880,932	49,517,953 21,144,724 907,011	1,775,604 (8,226,878) (13,407)	(5,249,620)	52,991,969 29,371,602 920,418
721,205,271 13,969,700 39,784,637 1,471,305 1,265,729 1,868,184 27,524,206	(430,492) (431,279) (11,749,467 - 98,614 1,289,705 27,060,912	(6,110,939) (410,893) (539,708) (41,167)	721,635,763 14,000,979 34,146,109 1,882,198 1,706,823 619,646	20,295,050 20,295,050 39,940,536 1,471,305 1,275,969 1,916,834 36,930,013	(16,684,619) (2,526,920) (225,530) 7,921,585 - 114,944 1,138,354 36,466,718	(7,899,986) (410,893) (539,708) (41,166)	843,504,207 1,679,057,942 20,520,580 39,918,937 1,882,198 1,700,733 819,646

1,938,170,642	32,482,963	(18,486,879)	1,924,174,558	3,250,620,033	19,712,645	(20,130,153)	3,251,037,541
2,068,487		(1,838,263)	3,906,750	2,068,487		(1,838,263)	3,906,750
707 000 0							2
2,362,433		ï	2,362,433	2,362,433		٠	2 362 433
1,032,256	•	(3,938,595)	4,970,863	1,227,480	ì	(3,743,383)	4,970,863
369,563,357		(407,134)	369,970,491	510,246,524	·	(407,134)	510,653,658
000			089	784	100		784
34,091,600	9	i.	34,091,600	36,802,341			36,802,341
1 000 10			1	1,829,416			1,829,416
10,814,100	15	,	10,914,185		e)		,
100000				00111110		(401,134)	13,554,837
30		(407,134)	407,164	13.147.703		(407 134)	837
ř			E.	47,364,119	1		47,364,119
324,556,862		L	324,556,862	411,102,161		1	411,102,161

	(Un-audited)	(Audited)	
	June 30,	December 31,	
	2022	2021	
Note	(Rupees	(Rupees in '000)	
	214.834.393	30 682 290	

96,128,050

964,418,677

1,179,253,070

17

Pakistan Investment Bonds Market Treasury Bills

9.1.1 Investments given as collateral

9.2 Provision for diminution in value of investments

9.2.1 Opening balance

Charge for the period Reversals for the period

1,382,192 (718,973)

(445,715)

1,643,275

2,088,990

663,219

December 31, 2021 (Audited)

Provision

NPL

Provision

NPL

June 30, 2022 (Un-audited)

17,823,660

18,486,878

Closing balance

9.2.2 Particulars of provision against debt securities

Category of classification

# Domestic

Substandard Loss

299,760 74,940 - - 5,581,814 5,607,314 5,607,314 5,607,314 5,607,314

The market value of securities classified as held-to-maturity as at June 30, 2022 amounted to Rs. 443,131 million (December 31, 2021: Rs. 366,869 million). 9.3

10. ADVANCES

		Performing	rming	Non performing	forming	Tota	tal
		(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note			Rupee	(Rupees in '000)		
Loans, cash credits, running finances, etc. Islamic financing and related assets Net Investment in finance lease	10.1	1,094,862,802 46,630,665 39,972 22,426,824	1,045,675,022 42,316,269 47,548	188,541,171 683,871 - 14.070,455	183,077,586 712,762 14,147,881	1,283,403,973 47,314,536 39,972 36,497,279	1,228,752,608 43,029,031 47,548 33,347,611
bills discounted and purchased Advances - gross	10.2	1,163,960,263	1,107,238,569	203,295,497	197,938,229	1,367,255,760	1,305,176,798
Provision against advances Specific		a 152 076	10 470 591	187,879,109	179,311,722	187,879,109	179,311,722
- General	10.4	9,152,076	12,472,591	187,879,109	179,311,722	197,031,185	191,784,313
Advances and of provision		1,154,808,187	1,094,765,978	15,416,388	18,626,507	1,170,224,575	1,113,392,485

10.1 Net investment in finance lease

Later than one one year one years one years one years one years years  Lease rentals receivable 899  Residual value 39,238	and up to five years years years	Total (Rupees	Not later than one year in '000)	Later than one and up to five years	Over five years	
899 39,238		(Rupees	in '000' ni			Total
899 39 39,238 39					(Kupees in '000)	
39,238 -		668	956	64	ı	1,019
		39,238	46,536	185		46,721
Minimum lease payments 40,137 40,137	1	40,137	47,491	249	ı	47,740
Less: financial charges for future periods 165 - 165		165	191	-	1	192
Present value of minimum 39,972 - 39,972 - 39,972		39,972	47,300	248	ı	47,548

10.1.1 The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% (2021: 10.19% to 14.85%) per annum.

(Audited)	December 31,	2021	(000, ui
(Un-audited)	June 30,	2022	(Rupees in '000)

1,178,151,941 127,024,857 1,305,176,798

1,222,574,944 144,680,816 1,367,255,760

ross)	
9	
f advances	
iculars of	
Parti	
10.2	

10.3 Advances includes Rs. 203,295 million (December 31, 2021: Rs.197,938 million) which have been placed under non-performing status as detailed below:

	June 3 (Un-au		December (Aud	
Category of Classification	Non performing loans	Provision	Non performing loans	Provision
		(Rupee	s in '000)	
Domestic				
Other assets especially mentioned	2,113,649	68,390	1,941,221	94,550
Substandard	6,392,442	1,560,569	5,245,094	1,230,458
Doubtful	9,308,805	4,882,617	16,998,929	8,453,057
Loss	134,356,160	132,037,585	127,459,837	124,795,990
	152,171,056	138,549,161	151,645,081	134,574,055
Overseas				
Overdue by:				
Upto 90 days		-	10-1	-
91 to 180 days	•		3(=)	-
181 to 365 days	311,438	155,719	286,746	143,373
> 365 days	50,813,003	49,174,229	46,006,402	44,594,294
	51,124,441	49,329,948	46,293,148	44,737,667
Total	203,295,497	187,879,109	197,938,229	179,311,722

# 10.4 Particulars of provision against advances

		June 30	), 2022 (Un-aud	ited)	Decemb	per 31, 2021 (Aud	lited)
	_	Specific	General	Total	Specific	General	Total
	Note -			(Rupees	in '000)		
Opening balance		179,311,722	12,472,591	191,784,313	154,145,472	22,473,748	176,619,220
Exchange adjustments		5,347,479	64,351	5,411,830	4,277,260	50,984	4,328,244
Charge for the period / year	Γ	2,730,312	542,773	3,273,085	15,655,578	513,602	16,169,180
Reversals		(2,401,667)	(899,639)	(3,301,306)	(4,097,388)	(952,785)	(5,050,173)
		328,645	(356,866)	(28,221)	11,558,190	(439,183)	11,119,007
Amounts written off		(124,072)		(124,072)	(171,425)	50	(171,425)
Amounts charged off - agriculture financing	10.4.4	(12,665)	-	(12,665)	(110,733)	<del>-</del> -	(110,733)
Transfer from general to specific provision	_	3,028,000	(3,028,000)	(*)	9,612,958	(9,612,958)	-
Closing balance		187,879,109	9,152,076	197,031,185	179,311,722	12,472,591	191,784,313

# 10.4.1 Particulars of provision against advances

	June 3	0, 2022 (Un-aud	lited)	Decem	ber 31, 2021 (Au	dited)
	Specific	General	Total	Specific	General	Total
			(Rupees	in '000)		
In local currency	138,549,161	8,821,684	147,370,845	134,574,055	12,220,748	146,794,803
In foreign currencies	49,329,948	330,392	49,660,340	44,737,667	251,843	44,989,510
37/	187,879,109	9,152,076	197,031,185	179,311,722	12,472,591	191,784,313
	0					

General provision includes provision amounting to Rs. 5,388 million (2021: Rs. finance portfolio as required by the Prudential Regulations issued by the SBP. Gen (2021: Rs. 252 million) pertaining to overseas advances to meet the requirements countries in which the Bank operates.	eral prov	rision also includes	Rs. 330 million
The bank has also maintained general provision of Rs. 3,434 million (December 3 underperforming portfolio on prudent basis.	1, 2021:	Rs. 6,603 million)	in respect of its
(PSEs) which are guaranteed by Government of Pakistan as non-performing loans	up till De	ecember 31, 2022.	No provision is
more than 3 years. These non-performing advances have been charged off by ex-	inguishin	ig them against the	e provision held
	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
FIXED ASSETS	Note	(Rupees	in 000)
Capital work-in-progress Property and equipment	11.1	1,535,856 52,095,785	1,405,161 52,701,215
		53,631,641	54,106,376
Capital work-in-progress  Civil works Equipment		1,466,298	1,335,603 10,825
Advances to suppliers and contractors		58,733	58,733
		1,535,856	1,405,161
		(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
Additions to fixed assets		(Rupees	in 000)
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		215,149	219,092
Property and equipment			
Building on freehold land Building on leasehold land Furniture and fixtures Computer and peripheral equipment Electrical, office equipment Vehicles		26,460 - 250,921 72,177 158,619	29,966 331,216 150,929 209,551 17,090
	finance portfolio as required by the Prudential Regulations issued by the SBP. Gen (2021: Rs. 252 million) pertaining to overseas advances to meet the requirements countries in which the Bank operates.  The bank has also maintained general provision of Rs. 3,434 million (December 3 underperforming portfolio on prudent basis.  The SBP has allowed specific relaxation to the Bank for non-classification of over (PSEs) which are guaranteed by Government of Pakistan as non-performing loans required against these loans; however, mark-up is being suspended as required by  These represent non-performing advances for agriculture finance which have been more than 3 years. These non-performing advances have been charged off by ext in accordance with Prudential Regulations for Agriculture Financing issued by the sprejudice the Bank's right of recovery from these customers.  FIXED ASSETS  Capital work-in-progress  Civil works  Equipment  Additions to fixed assets  The following additions have been made to fixed assets during the period:  Capital work-in-progress  Property and equipment  Building on freehold land  Building on freehold land  Building on freehold land  Building on freehold land  Furniture and fixtures  Computer and peripheral equipment	finance portfolio as required by the Prudential Regulations issued by the SBP. General prov (2021: Rs. 252 million) pertaining to overseas advances to meet the requirements of regu countries in which the Bank operates.  The bank has also maintained general provision of Rs. 3,434 million (December 31, 2021: underperforming portfolio on prudent basis.  The SBP has allowed specific relaxation to the Bank for non-classification of overdue loan (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till Durequired against these loans; however, mark-up is being suspended as required by the Prudential against these loans; however, mark-up is being suspended as required by the Prudentian Service of the suspended as required by the Prudentian Service of the suspended off by extinguishir in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This prejudice the Bank's right of recovery from these customers.  Note  FIXED ASSETS  Capital work-in-progress  Crapital work-in-progress  Crapital work-in-progress  Crapital work-in-progress  Property and equipment  Additions to fixed assets  The following additions have been made to fixed assets during the period:  Capital work-in-progress  Property and equipment  Building on freehold land Building on leasehold land Electrical, office equipment	finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes (2021: Rs. 252 million) pertaining to overseas advances to meet the requirements of regulatory authorities of countries in which the Bank operates.  The bank has also maintained general provision of Rs. 3,434 million (December 31, 2021: Rs. 6,603 million) underperforming portfolio on prudent basis.  The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public (PSEs) which are guaranteed by Government of Pakistian as non-performing loans up till December 31, 2022. required against these loans, however, mark-up is being suspended as required by the Prudential Regulations.  These represent non-performing advances for agriculture finance which have been classified as loss and funore than 3 years. These non-performing advances have been charged off by extinguishing them against the in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does in prejudice the Bank's right of recovery from these customers.  FIXED ASSETS  Capital work-in-progress  Capital work-in-progress  Civil works  Equipment  Advances to suppliers and contractors  Advances to suppliers and contractors  The following additions have been made to fixed assets during the period:  Capital work-in-progress  The following additions have been made to fixed assets during the period:  Capital work-in-progress  The following additions have been made to fixed assets during the period:  Capital work-in-progress  215,149  Property and equipment  Building on feenbold land  Building on feenbold land  Furniture and fixtures  Computer and peripheral equipment  Edictrical, office equipment  Edictrical, office equipment

609,095

824,244

738,752

957,844

		(Un-audited) June 30, 2022 (Rupee	(Un-audited) June 30, 2021
11.3	Disposal of fixed assets	(napoc.	5 III 000)
	The net book value of fixed assets disposed off during the period is as follows:		
	Furniture and fixture		1,264
-	Vehicles	22,461	14,501
		22,461	15,765
		(Un-audited) June 30, 2022 (Rupees	(Audited) December 31 2021
12.	INTANGIBLE ASSETS	(Rupees	s in 000)
	Capital work-in-progress - Software Implementation Computer Software	411,328 477,626	145,179 502,791
		888,954	647,970
12.1	Additions to intangible assets	(Un-audited) June 30, 2022 (Rupees	(Un-audited) June 30, 2021 s in '000)
12.1			
	The following additions have been made to intangible assets during the period:		
	Capital Work in Progress - net additions	250,816	60,502
80	Directly purchased	48,215	43,539
	Directly purchased	48,215 299,031	43,539 104,041
**	Directly purchased	(Un-audited) June 30, 2022	(Audited) December 31 2021
13.	RIGHT OF USE ASSETS	(Un-audited) June 30,	(Audited) December 31 2021
13.		(Un-audited) June 30, 2022	(Audited) December 31, 2021

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
DEFERRED TAX	Note	(Rupees	in '000)
DEI ENNED TAX			
Deductible temporary differences on			
- Tax losses carried forward		10,705	10,705
- Post retirement employee benefits		6,206,116	4,992,150
- Provision for diminution in the value of investments		236,751	236,75
- Provision against loans and advances		6,525,410	10,457,938
- Provision against off-balance sheet obligations		115,222	115,222
- Accelerated tax depreciation		1,584,074	1,190,36
- Other provisions		105,414	105,41
- Right of use assets		783,829	502,53
		15,567,521	17,611,089
Taxable temporary differences on			
- Surplus on revaluation of fixed assets		(2,474,507)	(2,537,701
- Exchange translation reserve		(679,589)	(679,589
- Surplus on revaluation of investments		(8,488,136)	(12,715,420
- Surplus on revaluation of non-banking assets		(52,732)	(52,732
		(11,694,964)	(15,985,442
		3,872,557	1,625,647
OTHER ASSETS			
Income / return / mark-up accrued in local currency		62,280,212	41,779,183
ncome / return / mark-up accrued in foreign currency		4,037,691	2,842,699
Advances, deposits, advance rent and other prepayments		4,254,752	
Income tax refunds receivable & Advance taxation (payments less provisions)	15.1		3 8 / (1 35)
recome tax retuinds receivable a Advance taxation (payments less provisions)		1,049,054	
	10.1	1,049,054 19,933,793	12,824,850
Compensation for delayed tax refunds	10.1	19,933,793	12,824,850 19,221,43
Compensation for delayed tax refunds  Non-banking assets acquired in satisfaction of claims  Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	10.1		12,824,850 19,221,431 1,195,660
Compensation for delayed tax refunds  Non-banking assets acquired in satisfaction of claims  Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)  Unrealized gain on forward foreign exchange contracts	10.1	19,933,793 1,187,801	12,824,850 19,221,43 1,195,660 208,423
Compensation for delayed tax refunds  Non-banking assets acquired in satisfaction of claims  Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)  Unrealized gain on forward foreign exchange contracts  Commission receivable on Government treasury transactions	10.1	19,933,793 1,187,801 208,423	12,824,850 19,221,431 1,195,660 208,423 3,058,206
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671	12,824,850 19,221,43° 1,195,660 208,420 3,058,200 5,006,010 470,402
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399	12,824,850 19,221,43° 1,195,660 208,420 3,058,200 5,006,010 470,402 195,390
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares Acceptances		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694 62,052,254	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083 10,311,259
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares Acceptances		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694 62,052,254 8,199,074	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083 10,311,259 7,355,244
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares Acceptances Others	15.2	19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694 62,052,254	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083 10,311,259 7,355,244
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares Acceptances Others  Less: Provision held against other assets		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694 62,052,254 8,199,074	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083 10,311,259 7,355,244 109,092,218 11,700,956
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares Acceptances Others  Less: Provision held against other assets Other assets (net of provision) Surplus on revaluation of non-banking assets acquired in		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694 62,052,254 8,199,074 179,139,531 11,764,970 167,374,561	12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083 10,311,259 7,355,244 109,092,218 11,700,956 97,391,262
Compensation for delayed tax refunds Non-banking assets acquired in satisfaction of claims Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) Unrealized gain on forward foreign exchange contracts Commission receivable on Government treasury transactions Stationery and stamps on hand Barter trade balances Receivable on account of Government transactions Receivable from Government under VHS scheme Receivable against sale of shares Acceptances Others  Less: Provision held against other assets Other assets (net of provision)		19,933,793 1,187,801 208,423 4,168,125 10,257,582 493,671 195,399 323,172 418,834 79,694 62,052,254 8,199,074 179,139,531 11,764,970	3,870,355 12,824,850 19,221,431 1,195,660 208,423 3,058,205 5,006,019 470,402 195,399 323,172 418,834 11,083 10,311,259 7,355,244  109,092,218 11,700,956 97,391,262 2,863,886 100,255,148

During the period Rs. 7,534 million were adjusted against income tax refunds towards payment of advance tax liability.

15.1

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	(Rupees	in '000)
15.2	Provision held against other assets		
		152,607	152,607
	Income / mark-up accrued in local currency	837,949	837,949
	Advances, deposits, advance rent and other prepayments	96,542	96,542
	Stationery and stamps on hand	195,399	195,399
	Barter trade balances	323,172	323,172
	Receivable on account of Government transactions	418,834	418,834
	Receivable from Government under VHS scheme	4,178,026	4,164,485
	Protested bills	770,398	770,398
	Ex-MBL / NDFC - other assets Assets acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
		4,583,620	4,533,147
	Others	11,764,970	11,700,956
15.2.1	Movement in provision held against other assets		
		11,700,956	11,873,693
	Opening balance	83,816	72,205
	Charge for the period / year	(19,802)	(244,942
	Adjustment against provision	11,764,970	11,700,956
	Closing balance		
16.	BILLS PAYABLE		
	10 Debistor	30,578,066	21,775,348
	In Pakistan	304,535	72,922
	Outside Pakistan		
		30,882,601	21,848,270
17.	BORROWINGS	30,882,601	21,848,270
17.	BORROWINGS Secured	30,882,601	21,848,270
17.		30,882,601	
17.	Secured Borrowings from State Bank of Pakistan	9,418,594	5,057,300
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme		5,057,300 29,193,202
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme)	9,418,594 29,786,676 732,441	5,057,300 29,193,202 740,493
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme  Under Export Refinance Scheme (New Scheme)  Financing Scheme for Renewable Energy	9,418,594 29,786,676 732,441 177,470	5,057,300 29,193,202 740,493 130,288
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme  Under Export Refinance Scheme (New Scheme)  Financing Scheme for Renewable Energy  Refinance Facility for Modernization of SMEs	9,418,594 29,786,676 732,441 177,470 367,184	5,057,300 29,193,202 740,493 130,284 526,475
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme  Under Export Refinance Scheme (New Scheme)  Financing Scheme for Renewable Energy  Refinance Facility for Modernization of SMEs  Financing Facility for storage of Agriculture Produce (FFSAP)	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725	5,057,300 29,193,200 740,499 130,289 526,479 19,465,06
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme  Under Export Refinance Scheme (New Scheme)  Financing Scheme for Renewable Energy  Refinance Facility for Modernization of SMEs  Financing Facility for storage of Agriculture Produce (FFSAP)  Under Long-Term Financing Facility (LTFF)	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998	5,057,300 29,193,200 740,499 130,286 526,479 19,465,066 566,31
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260	5,057,300 29,193,200 740,490 130,280 526,470 19,465,060 566,310
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965	5,057,300 29,193,202 740,493 130,288 526,479 19,465,066 566,313 12,122,944 79,976
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260	5,057,300 29,193,202 740,493 130,288 526,479 19,465,066 566,313 12,122,944 79,976
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility Refinance Facility for Combating Covid-19	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965	5,057,300 29,193,202 740,493 130,288 526,479 19,465,068 566,319 12,122,941 79,976
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility Refinance Facility for Combating Covid-19  Repurchase agreement borrowings	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965 84,829,313	5,057,300 29,193,202 740,493 130,288 526,475 19,465,068 566,318 12,122,94 79,976 67,882,066
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility Refinance Facility for Combating Covid-19	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965 84,829,313 1,179,253,070	5,057,300 29,193,202 740,493 130,288 526,479 19,465,068 566,318 12,122,947 79,976 67,882,068 126,810,340 72,195,200 266,887,617
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility Refinance Facility for Combating Covid-19  Repurchase agreement borrowings 9.1.1  Unsecured	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965 84,829,313 1,179,253,070 18,673,222 1,282,755,605	5,057,300 29,193,202 740,493 130,288 526,478 19,465,068 566,318 12,122,94 79,976 67,882,068 126,810,340 72,195,200 266,887,617
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility Refinance Facility for Combating Covid-19  Repurchase agreement borrowings  9.1.1  Unsecured Call borrowings	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965 84,829,313 1,179,253,070 18,673,222 1,282,755,605	5,057,300 29,193,202 740,493 130,288 526,479 19,465,068 566,318 12,122,947 79,976 67,882,066 126,810,340 72,195,209
17.	Secured  Borrowings from State Bank of Pakistan  Under Export Refinance Scheme Under Export Refinance Scheme (New Scheme) Financing Scheme for Renewable Energy Refinance Facility for Modernization of SMEs Financing Facility for storage of Agriculture Produce (FFSAP) Under Long-Term Financing Facility (LTFF) Refinance Scheme for Payment of Wages and Salaries Temporary Economic Refinance Facility Refinance Facility for Combating Covid-19  Repurchase agreement borrowings 9.1.1  Unsecured	9,418,594 29,786,676 732,441 177,470 367,184 22,467,725 252,998 21,585,260 40,965 84,829,313 1,179,253,070 18,673,222 1,282,755,605	5,057,300 29,193,202 740,493 130,288 526,479 19,465,068 566,313 12,122,94 79,976 67,882,06 126,810,34 72,195,20 266,887,61

П

(Un-audited)	(Audited)
June 30,	December 31,
2022	2021
(Rupee:	s in '000)
1,283,195,052	275,739,772
32,405,584	37,185,334
1,315,600,636	312,925,106

# 17.1 Particulars of borrowings with respect to currencies

In local currency In foreign currencies

17.2 Mark-up / interest rates and other terms are as follows:

- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 3% (December 31, 2021: from 1% to 2%) per annum.
- Repurchase agreement borrowings carry mark-up ranging from 12.8% to 14.3% per annum (December 31, 2021: 9.7% to 10.21% per annum) having maturities ranging from July 8, 2022 to September 15, 2022.
- Call borrowings carry interest ranging from 1.1% to 8.5% per annum (December 31, 2021: 0.63% to 4.15% per annum).
- 17.3 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.
- Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 10 years and 3 12 months respectively, are 17.4 pledged as security under borrowing having carrying amount of Rs.1,179,253 million (December 31, 2021: Rs. 126,810

### 18. **DEPOSITS AND OTHER ACCOUNTS**

In local	(Un-audited) In foreign		In local	(Audited)	
currency	currencies	Total	currency	In foreign currencies	Tota

## Customers

Current deposits remunerative Current deposits - nonremunerative Savings deposits Term deposits Others

2,372,764,575	335,088,103	2,707,852,678	2,201,861,420	296,225,087	2,498,086,507
43,978,108	4,779	43,982,887		6,463	6,463
408,757,717	71,919,717	480,677,434	400,905,240	70,853,064	471,758,30
675,953,891	109,822,296	785,776,187	675,591,525	79,434,496	755,026,02
501,870,249	153,341,311	655,211,560	476,510,388	145,931,064	622,441,45
742,204,610	-	742,204,610	648,854,267	-	648,854,26

# Financial Institutions

Current deposits Savings deposits Term deposits Others

					All States
2,855,195,828	343,429,974	3,198,625,802	2,712,171,247	306,983,798	3,019,155,045
482,431,253	8,341,871	490,773,124	510,309,827	10,758,711	521,068,538
2,527,000	2,296	2,529,296	35,838,540	253	35,838,540
13,182,000	7,073,489	20,255,489	21,613,144	5,760,597	27,373,741
14,373,131	-	14,373,131	7,075,299	3,842,651	10,917,950
452,349,122	1,266,086	453,615,208	445,782,844	1,155,463	446,938,307

Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 72,818 (December 31, 2021: Rs. 75,485 million).

LEASE LIABILITY AGAINST RIGHT OF USE ASSETS	(Rupees	in '000)
LEASE LIABILITY AGAINST RIGHT OF USE ASSETS		
LEASE LIABILITY AGAINST THE ME		
Lease liabilities included in the statement of financial position	8,109,236	7,893,960
Of which are:	1,681,333	1,524,809
Current lease liability	6,427,903	6,369,151
Non-current lease liability	8,109,236	7,893,960
	8,109,236	7,093,900
Maturity analysis - contractual undiscounted cash flows		
	2,296,414	2,199,012
Less than one year	6,153,245	5,981,702
One to five years	7,253,398	6,500,876
More than five years	15,703,057	14,681,590
Total undiscounted lease liabilities		
OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	80,949,970	48,801,768
Mark-up / return / interest payable in foreign currencies	358,366	384,638
Unearned commission and income on bills discounted	393,092	428,443
Accrued expenses	8,260,389	21,027,250
Advance payments	365,553	370,807
Unclaimed dividends	181,997	181,997
Unrealized loss on put option	306,339	306,339
Branch adjustment account	1,501,859	1,342,640
Employee benefits:		47 004 045
Pension fund	20,723,458	17,834,945
Post retirement medical benefits	26,885,143	24,516,717
Benevolent fund	1,697,079	1,778,825
Gratuity scheme	3,354,767	3,168,258
Compensated absences	10,030,776	9,952,554
Staff welfare fund	373,964	371,257
Liabilities relating to Barter trade agreements	3,359,890	3,006,122
Provision against off-balance sheet obligations	627,494	
Provision against contingencies	3,940,233	
Payable to brokers	278,948	
PIBs short selling	32,216,022	
Acceptances	62,052,254 45,781,156	
Others	<u>15,781,156</u> 273,638,749	

# 21. GENERAL LOAN LOSS RESERVE

19.

20.

The Bank is cognizant of the fact that a part of its credit or loan portfolio (funded and non-funded) which is not currently impaired as per the applicable Prudential Regulations is underperforming and therefore the potential for risk of credit losses on this part of portfolio is higher than the usual risk. Therefore, as a matter of abundant caution and in order to protect the equity base of the Bank from future contingencies in respect of the credit portfolio, the Board of Directors in their meeting held on April 29, 2015 decided to transfer an aggregate amount of Rs. 12 billion from the unappropriated profits to a "General loan loss reserve". This appropriation was made on the basis of the management's best estimates and judgement regarding the inherent portfolio risks. Subsequently, Board of Directors in their meeting held on 11 & 12 July, 2019 decided to transfer Rs. 4 billion from general loss reserve to unappropriated profit based on revised estimates. During the period, management revisited the estimates and transferred the remaining Rs. 8 billion from general loan loss reserve to unappropriated profit.

			(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Note	Rupees	AND THE RESERVE OF THE PARTY OF
22.	SURPLUS ON REVALUATION OF ASSETS			
	Surplus on revaluation of			
	- Available-for-sale securities	9.1	19,739,851	32,603,638
	- Fixed assets		44,158,415	44,320,452
	- Non-banking assets		2,863,886	2,863,886
			66,762,152	79,787,976
	Deferred tax on surplus on revaluation of:			
	- Available for sale securities		(8,488,136)	(12,715,420)
	- Fixed assets		(2,474,507)	(2,537,701)
	- Non-banking assets		(52,732)	(52,732)
			(11,015,375)	(15,305,853)
			55,746,777	64,482,122
23.	CONTINGENCIES AND COMMITMENTS			
100		22.4	204 004 400	204 250 000
	Guarantees	23.1 23.2	294,694,162	261,356,068
	Commitments Other contingent liabilities	23.2	2,088,127,401 25,362,018	2,192,951,563 36,196,804
	Other contingent habilities	20.0	2,408,183,581	2,490,504,435
23.1	Guarantees			
	Financial guarantees		227,972,234	197,024,912
	Performance guarantees		66,721,928	64,331,156
			294,694,162	261,356,068
23.2	Commitments			
25.2				
	Documentary credits and short-term trade-related transactions			
	- letters of credit		1,374,001,563	1,582,757,532
	Commitments in respect of:			
	- forward foreign exchange contracts	23.2.1	705,807,773	571,111,340
	- forward government securities transactions	23.2.2	7,530,855	38,255,954
	Commitments for acquisition of:			
	- operating fixed assets		787,210	826,737
			2,088,127,401	2,192,951,563

		ound ou,	Decelliber 51,
		2022	2021
		(Rupee:	s in '000)
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	407,246,637	337,970,120
	Sale	298,561,136	233,141,220
		705,807,773	571,111,340
	Commitments for outstanding forward foreign exchange contracts are di	sclosed in these unconsc	lidated condensed

vard foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.

(Un-audited)

June 30

(Audited)

December 31

23.2.2	Commitments in respect of forward government securities transactions	(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
	Purchase Sale	5,000,000 2,530,855	30,218,032 8,037,922
		7,530,855	38,255,954
23.3	Other contingent liabilities		
23.3.1	Claims against the Bank not acknowledged as debt	25,362,018	36,196,804

Claims against the Bank not acknowledged as debts including claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2021: Rs.1,597 million).

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

### 23.3.2 Taxation

As at June 30, 2022, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2021 is same, other than the following:

- Taxation officer has passed assessment order for tax year 2021 during the year. The Bank has filed appeal before CIR(A) which is pending for order. The demand created in the assessment order of Rs. 4,016.75 million. Based on rectification request, the tax authorities issued rectified order showing tax refund of Rs. 2,296.35 million. The Tax Advisor is confident that the ultimate outcome of the proceeding will be decided in the Bank's favour.
- Honourable Tribunal through recent judgement dated February 7, 2022 has decided the appeals filed by the Bank for Tax Year 2009, 2010 and 2016 for which appeal effect orders have been issued determining tax refund of Rs. 948.44 million and Rs. 814.54 million in 2009 and 2010 respectively. Whereby for Tax Year 2016, the department has created demand of Rs. 118.11 million which has been adjusted against tax refunds of Tax Year 2018.
- Honourable CIR(A) through recent judgement dated December 31, 2021 has decided the appeal filed by the Bank for Tax Year 2018 partially in favour of the Bank for which appeal effect order has been issued determining refund of Rs. 1,199.29 million.
- The aggregate effect of contingencies as on June 30, 2022, including amount of Rs. 1,912.24 million (December 31, 2021: Rs. 1,982.32 million) in respect of indirect tax issues, amounts to Rs. 25,259.26 million (December 31, 2021: Rs. 19,964.93 million). No provision has been made against these contingencies, based on the opinion of tax consultants of the Bank, who expect favourable outcome upon decisions of pending appeals.

# 23.3.3 Contingencies in respect of employees benefits and related matters

As at June 30, 2022, the status of contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2021 is same, other than the following:

# 23.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 25.3.3.1 to the unconsolidated financial statements for the year ended December 31, 2021. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended June 30, 2022 amounted to Rs. 83.9 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for June 2022 onward will also increase by Rs. 10.9 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favourable outcome on the matter.

# 23.3.4 Compliance and risk matters relating to anti-money laundering at the New York Branch

The Bank operates a branch in New York, which is licensed by the New York State Department of Financial Services (NYSDFS) and is also subject to supervision by the Federal Reserve Bank of New York (FRBNY) (hereinafter referred to as "US regulators"). As reported previously, the bank and the branch entered into a Written Agreement with its US regulators in 2016, which was superseded by Enforcement Actions issued by US regulators in February 2022. These Actions included payment of fines totaling US \$ 55.4 million, equivalent to Rs. 9,778 million, focused on historical compliance program weaknesses and delays in making compliance related enhancements. These fines were paid shortly following issuance of the Actions.

Under these Actions, the Bank is required to enhance its Anti Money Laundering and, to a lesser extent, its Sanctions Compliance controls and submit status reports at defined frequencies to the US Regulators, which is being done as per the remedial plan instituted by the branch and overseen by the management at Head Office. The branch has been under new management since May 2020 and has substantially enhanced its compliance program, as recognized by its US regulators. Bank's management and the Board of Directors continue to provide close oversight of the branch's remedial actions and are committed to ensure compliance with the conditions agreed to in the Actions.

		(Un-audited) For the half y	(Un-audited)
		June 30, 2022 (Rupees i	June 30, 2021
24. MAF	RK-UP / RETURN / INTEREST EARNED		
Inve On s	ns and advances estments securities purchased under resale agreements ances with other banks	59,176,647 114,326,431 5,435,841 	42,147,757 64,095,157 1,088,405 664,209 107,995,528
		=======================================	107,000,000
25. MAF	RK-UP / RETURN / INTEREST EXPENSED		
Borr Cos Fina	posits rowings st of foreign currency swaps against foreign currency deposits ance charge on lease liability against right of use assets curities sold under repurchase agreements	80,180,295 3,158,176 5,131,204 411,580 37,404,178 126,285,433	39,100,848 3,346,442 4,243,818 424,229 13,484,952 60,600,289

(Un-audited) (Un-audited) For the half year ended

June 30, 2022

June 30, 2021 (Rupees in '000) --

		Note	(Rupees in '	000)
26.	FEE AND COMMISSION INCOME			
	Branch banking customer fees		797,260	543,566
	Consumer finance related fees		248,019	425,873
	Card related fees		964,264	919,901
	Credit related fees		215,115	100,647
	Investment banking fees		506,521	542,212
	Commission on trade		1,088,107	1,064,024
	Commission on guarantees		310,783	239,835
	Commission on cash management		23,540	40,809
	Commission on remittances including home remittances		676,357	793,729
	Commission on bancassurance		168,389	141,825
			5,184,873	3,981,415
	Commission on government transactions		56,829	26,920
	Others		10,240,057	8,820,756
				0,020,700
27.	GAIN ON SECURITIES - NET			
	Realized	27.1	1,112,256	4,136,965
	Unrealized - held-for-trading		(63,995)	.4,770
	Unrealized - Short selling		36,790	12
			1,085,051	4,141,735
27.1	Realized gain / (loss) on			
	5 1 10 0		296 070	225 702
	Federal Government Securities		286,070	335,792
	Shares		826,021	3,667,389
	Ijarah Sukuks		405	10,809
	Foreign Securities		165 1,112,256	122,975 4,136,965
				4,130,903
28.	OTHER INCOME			
28.			19,622	26,560
28.	Rent on property		19,622 1,845	26,560 22,126
28.	Rent on property Gain on sale of fixed assets - net	28.1	1,845	22,126
28.	Rent on property	28.1		

This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001. 28.1

		June 30, 2022	For the half year ended	
29.	OPERATING EXPENSES			
	Total compensation expenses	22,939,692	20,536,243	
	Property expenses			
	Rent and taxes	280,504	388,909	
	Insurance	19,027   770,872	17,066 562,805	
	Utilities cost	1,546,419	1,343,068	
	Security (including guards) Repair and maintenance (including janitorial charges)	451,564	419,562	
	Depreciation	226,305	241,229	
	Depreciation on non banking assets	7,859	7,731	
	Depreciation on Ijarah assets	33,544	38,356	
	Depreciation on right of use assets	986,459	944,632	
		4,322,553	3,963,358	
	Information technology expenses			
	Software maintenance	1,747,256	605,683	
	Hardware maintenance	52,320	13,949	
	Depreciation	198,479	136,773	
	Amortisation	127,559	101,303	
	Network charges	357,216   168,702	231,151 118,244	
	IT Manage Services	2,651,532	1,207,103	
	Other operating expenses			
	Directors' fees and reimbursement of other expenses	16,475	11,497	
	Fees and allowances to Shariah Board	8,108	4,990	
	Legal and professional charges	610,970	430,100	
	Outsourced services costs	328,508   417,896	347,179 281,474	
	Travelling and conveyance	100,435	82,707	
	NIFT clearing charges Depreciation	751,157	744,295	
	Training and development	25,784	20,672	
	Postage and courier charges	121,204	106,902	
	Communication	174,284	148,388	
	Stationery and printing	857,642	680,107	
	Marketing, advertisement and publicity	209,444	97,343	
	Contributions for other Corporate and Social Responsibility	32,000   87,307	6,201 101,402	
	Auditors' remuneration	122,802	110,836	
	Entertainment Clearing, verification, license fee charges	161,816	155,375	
	Brokerage	38,906	74,934	
	Financial charges on leased assets	31,260	15,810	
	Insurance	235,149	187,944	
	Vehicle expenses	101,940	109,188	
	Repairs and maintenance	313,495	227,965	
	Deposit premium expense	905,789 248,630	785,553 186,105	
	Others	5,901,001	4,916,967	
		35,814,778	30,623,671	
30.	OTHER CHARGES			
		20.455	24,374	
	Penalties imposed by State Bank of Pakistan	30,155		
		30,155	24,374	

		Note ·	(Un-audited) For the half y June 30, 2022(Rupees i	June 30, 2021
31.	PROVISIONS AND WRITE OFFS - NET	Note	(Napoco i	555)
	Provisions / (reversal) for diminution in value of investments (Reversal) / provisions against loans and advances Provision against other assets Provision against contingencies	9.2 10.4 15.2.1	1,643,275 (28,221) 83,816 34,858	(348,947) 7,078,838 22,189 20,694
	1 Tovision against sommiganeses		1,733,728	6,772,774
32.	TAXATION			
	Current Prior years Deferred		14,714,912 3,828,030 3,194,341	12,300,733 - (1,248,737)
		_	21,737,283	11,051,996
	for the tax year 2022 through Finance Act, 2022. Accordingly, the million during the current period in respect of its income from (accounting year ended December 31, 2021).	Federal Govern	ment Securities for (Un-audited)	the tax year 2022 (Un-audited)
33.	million during the current period in respect of its income from	Federal Govern	ment Securities for	(Un-audited)
33.	million during the current period in respect of its income from (accounting year ended December 31, 2021).	Federal Govern	ment Securities for (Un-audited) For the half	the tax year 2022 (Un-audited) year ended June 30, 2021
33.	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED	Federal Govern	(Un-audited) For the half y June 30, 2022	the tax year 2022 (Un-audited) year ended June 30, 2021 16,965,313
33.	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)	Federal Govern	(Un-audited) For the half y June 30, 2022	the tax year 2022 (Un-audited) year ended
<ul><li>33.</li><li>33.1</li></ul>	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (in 000's)  Earnings per share - basic and diluted (Rupees)  Diluted earnings per share has not been presented separately as	Federal Govern	(Un-audited) For the half y June 30, 2022  12,140,315 2,127,513 5.71	the tax year 2022 (Un-audited) year ended June 30, 2021  16,965,313  2,127,513  7.97
	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (in 000's)  Earnings per share - basic and diluted (Rupees)	Federal Govern	(Un-audited) For the half y June 30, 2022  12,140,315 2,127,513 5.71	the tax year 2022 (Un-audited) year ended June 30, 2021  16,965,313  2,127,513  7.97
33.1	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (in 000's)  Earnings per share - basic and diluted (Rupees)  Diluted earnings per share has not been presented separately as	Federal Govern	(Un-audited) For the half y June 30, 2022  12,140,315 2,127,513 5.71  ot have any convertit  (Un-audited) June 30, 2022	the tax year 2022 (Un-audited) year ended June 30, 2021  16,965,313  2,127,513  7.97  ole instruments in  (Audited) December 31, 2021
	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (in 000's)  Earnings per share - basic and diluted (Rupees)  Diluted earnings per share has not been presented separately as issue.	Federal Govern	(Un-audited) For the half y June 30, 2022  12,140,315 2,127,513 5.71  ot have any convertit  (Un-audited) June 30, 2022	(Un-audited) year ended June 30, 2021  16,965,313  2,127,513  7.97  Die instruments in  (Audited) December 31, 2021 in '000)  383,275,919 18,151,691 2,009,723 (18,865,920
33.1	million during the current period in respect of its income from (accounting year ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (in 000's)  Earnings per share - basic and diluted (Rupees)  Diluted earnings per share has not been presented separately as issue.  CASH AND CASH EQUIVALENTS  Cash and balances with treasury banks Balances with other banks Call money lendings Call money borrowings	Federal Govern	(Un-audited) For the half y June 30, 2022  12,140,315 2,127,513 5.71  ot have any convertibe (Un-audited) June 30, 2022	the tax year 2022 (Un-audited) year ended June 30, 2021  16,965,313 2,127,513 7.97  ple instruments in (Audited) December 31,

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted instruments classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, 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.

# 35.1 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 categorized:

	June 30, 2022 (Un-audited)					
	Carrying value	Level 1	Level 2	Level 3	Total	
			(Rupees in '000)			
On balance sheet financial instruments						
Financial assets - measured at fair value						
Investments					2/-	
Market Treasury Bills	1,724,967,082	(e)	1,724,967,082		1,724,967,082	
Pakistan Investment Bonds	836,290,719		836,290,719	-	836,290,719	
ljarah Sukuks	20,295,050	7.	20,295,050		20,295,050	
Ordinary shares of listed companies	39,998,449	39,998,449			39,998,449	
Preference shares	1,275,969	1,275,969		_	1,275,969	
Investments in mutual funds	1,916,834	-,	1,916,834		1,916,834	
Term Finance Certificates / Musharika	1,010,001		1,010,004		1,510,00	
and Sukuk Bonds	49,517,953	17,223,823	32,294,130		49,517,953	
GoP Foreign Currency Bonds	21,144,724	17,220,020	21,144,724	727	21,144,724	
Foreign Government Securities	907,011		907,011	3	907,011	
Foreign Currency Debt Securities	307,011		307,011		507,011	
Ordinary shares of a bank outside						
Pakistan	36,930,013	36,930,013		224	36,930,013	
_	2,733,243,804	95,428,254	2,637,815,550	-	2,733,243,804	
	, , , , , , , , , , , , , , , , , , , ,		3,3,3		-4:4:4:	
Financial assets - disclosed but not measured at fair value						
Cash and balances with treasury banks	262,915,020	-		(#0		
Balances with other banks	15,956,899		2		-	
Lending to financial instruments	184,977,116			-	340	
Investments	444 400 404				1/7/3	
Pakistan Investment Bonds	411,102,161	-		987	お書く	
Market Treasury Bills	47,364,119	3.5		100	· .	
Ordinary shares of unlisted companies Debentures, Bonds, Sukuks,	1,471,305	-		•	-	
Participation Term Certificates and	42 447 702					
Term Finance Certificates	13,147,703				•	
Bai muajjal with Government of Pakistan	20 000 044			-	-	
Foreign Government Securities	36,802,341	33 <del>-</del> 6		•		
Foreign Currency Debt Securities	784	5.50		2.		
GoP Foreign Currency Bonds	1,829,416			•		
Advances	1,170,224,575			(5)	127	
Other assets	143,406,003 2,289,197,442					
		05 400 054	0.007.045.550		0.700.040.004	
Off-balance sheet financial instruments -	5,022,441,246	95,428,254	2,637,815,550		2,733,243,80	
measured at fair value  Commitments						
Foreign exchange contracts purchase and sale	705,807,773	- Va	4,168,125		4,168,125	
	7,530,855		2,022			

December 3	1, 2021	(Audited)
------------	---------	-----------

93,893 30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304	27,524,206 85,634,308	Level 2 (Rupees in '000)  811,893,893 592,430,009 13,969,700 - 1,868,184 34,164,431 20,804,963 907,304 -  1,476,038,484	Level 3	Total  811,893,89 592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30 - 27,524,20 1,561,672,79
93,893 30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8	- - 39,784,637 1,265,729 17,059,736 - - - 27,524,206	811,893,893 592,430,009 13,969,700 - - 1,868,184 34,164,431 20,804,963 907,304		811,893,89 592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	39,784,637 1,265,729 17,059,736 - - - 27,524,206	592,430,009 13,969,700 - 1,868,184 34,164,431 20,804,963 907,304		592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	39,784,637 1,265,729 17,059,736 - - - 27,524,206	592,430,009 13,969,700 - 1,868,184 34,164,431 20,804,963 907,304		592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	39,784,637 1,265,729 17,059,736 - - - 27,524,206	592,430,009 13,969,700 - 1,868,184 34,164,431 20,804,963 907,304		592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	39,784,637 1,265,729 17,059,736 - - - 27,524,206	592,430,009 13,969,700 - 1,868,184 34,164,431 20,804,963 907,304		592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
30,009 69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	39,784,637 1,265,729 17,059,736 - - - 27,524,206	592,430,009 13,969,700 - 1,868,184 34,164,431 20,804,963 907,304		592,430,00 13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
69,700 84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	1,265,729 17,059,736 - - - - 27,524,206	13,969,700 - - 1,868,184 34,164,431 20,804,963 907,304 -		13,969,70 39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
84,637 65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	1,265,729 17,059,736 - - - - 27,524,206	1,868,184 34,164,431 20,804,963 907,304		39,784,63 1,265,72 1,868,18 51,224,16 20,804,96 907,30
65,729 68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	1,265,729 17,059,736 - - - - 27,524,206	34,164,431 20,804,963 907,304 -		1,265,72 1,868,18 51,224,16 20,804,96 907,30
68,184 24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	17,059,736 - - - - 27,524,206	34,164,431 20,804,963 907,304 -		1,868,18 51,224,16 20,804,96 907,30 -
24,167 04,963 07,304 - 24,206 72,792 8 47,059 67,067	- - - 27,524,206	34,164,431 20,804,963 907,304 -		51,224,16 20,804,96 907,30 - 27,524,20
04,963 07,304 - 24,206 72,792 8 47,059 67,067	- - - 27,524,206	20,804,963 907,304 - -		20,804,96 907,30 - 27,524,20
04,963 07,304 - 24,206 72,792 8 47,059 67,067	- - - 27,524,206	20,804,963 907,304 - -		20,804,96 907,30 - 27,524,20
07,304 - 24,206 72,792 8 47,059 67,067		907,304		907,30 - 27,524,20
- 24,206 2 72,792 8 47,059 67,067		¥		27,524,20
72,792 { 47,059 67,067		1,476,038,484		The second secon
72,792 { 47,059 67,067		- 1,476,038,484		The second secon
72,792 { 47,059 67,067		1,476,038,484	-	The second secon
47,059 67,067	85,634,308 - -	1,476,038,484		1,561,672,79
67,067				
67,067		15		
	-			
36 675	-			
30,073				
_				
56,862		•	*	
71,305		-	2	-
1,500	-			
30	-	-		
14,185				
91,600	-			
680	2		-	
-		726	5-5	7
92,485				
34,600			-	
2,548	-	-		
55,340 8	85,634,308	1,476,038,484	140	1,561,672,79
1,340		3,058,205	·	3,058,205
6	65,340	65,340 85,634,308	65,340 85,634,308 1,476,038,484	65,340 85,634,308 1,476,038,484 -

## Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item Valuation approach and input used

Market Treasury Bills PKRV (MUFAP)
Pakistan Investment Bonds PKRV (MUFAP)

Ijarah Sukuks MUFAP

Ordinary shares of unlisted companies Breakup value as per latest available audited financial statements

Mutual Funds MUFAP

Term Finance Certificates / Musharika and Sukuk Bonds MUFAP

GoP Foreign Currency Bonds Reuter page

Foreign Government Securities Reuter page
Foreign Currency Debt Securities Reuter page

## 35.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

June 30, 2022 (Un-audited)

	Carrying value	Level 1	Level 2	Level 3	Total
			(Rupees in '000) -		
Land and building (property and equipment)	48,567,549			48,567,549	48,567,549
Non-banking assets acquired in satisfaction of claims	4,051,687		¥3	4,051,687	4,051,687
	52,619,236			52,619,236	52,619,236
		Decen	nber 31, 2021 (Aud	dited)	
	Carrying value	Decer Level 1	nber 31, 2021 (Aud Level 2	lited) Level 3	Total
	TO STATE OF COURT OF COURSE AND	Level 1	Level 2		
Land & building (property and equipment)	TO STATE OF COURT OF COURSE AND	Level 1	Level 2	Level 3	
Land & building (property and equipment)  Non-banking assets acquired in satisfaction of claims		Level 1	Level 2	Level 3	

				The same of the sa					
	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
Profit and loss account					(Rupees in '000)				
Net mark-up / return / interest					201 277	2 144 010	53 104 364	- 30	53,104,364
income / (expense)	(63,655,338)	12,550,865		81,530,590	2,445,785	12 502 436			•
Inter segment revenue - net	99,463,298	(12,077,484)	(16,900,363)	(82,987,887)	626.652	740,900	18,351,895	,	18,351,895
Non mark-up / return / interest income	43.458.981	708,010	2,792,331	5,036,245	3,072,437	16,388,255	71,456,259		71,456,259
Total Income	16,440.286	1,429,638	603,004	146,689	3,344,236	1,640,890	23,604,743	10	23,604,743
begine in contact expenses allocation						12,240,190	12,240,190		25 844 933
Total expenses	16,440,286	1,429,638	603,004	146,689	3,344,236 (41,411)	13,881,080 (2,683,929)	35,844,933 1,733,728		1,733,728
Provisions and write ons - her Profit / (loss) before taxation	27,051,340	(1,614,883)	379,918	3,100,509	(230,388)	5,191,104	33,877,598		33,877,598
				June	June 30, 2022 (Un-audited)	ited)			
	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
Statement of financial position					- (Rupees in '000)				
Cash and balances with treasury and other banks	88,658,262	6,557,542	307,283	132,151,978	42,475,030	8,721,825	278,871,919		278,871,919
Investments	2,405,586,350		27,060,435	3,103,6/1,915		277,663,659	2,683,250,009	(2,683,250,009)	- 184 977 116
Net illies segment remains	3,963,373	,		181,013,743			184,977,116		4 462 960 263
Advances - performing Advances - non-performing	192,595,039 4,322,670	190,607,143 21,794,016	632,361,595		51,124,441	56,010,716 64,613,674	1,163,960,263 203,295,497 (197,031,185)		203,295,497 203,295,497 (197,031,185)
Provision against Advances	(8,945,008)	(19,107,063)	(57,391,588)		93.849.870	58,697,205	1,170,224,575		1,170,224,575
Advances - Net	101,312,101	4 378 365	48 273.272	4.307.811	6,729,026	112,746,991	235,141,185	•	235,141,185
Others	2 744 886 405	204.230.003	712.051.694	3,421,145,449	203,738,215	517,033,074	7,803,084,837	(2,683,250,009)	5,119,834,828
lotal assets Borrowings		4,541,838	80,287,478	1,198,365,737	32,405,584		1,315,600,636	1. 1	1,315,600,636
Deposits and other accounts	2,674,752,768	194 514 801	354,361,225	2.175,269,773	72,817,772	15,350,219	2,683,250,008	(2,683,250,008)	- 000 070
Net inter segment borrowing	70,133,637	5,173,364	82,945,149	13,245,661		138,719,607	312,630,586	(2 683 250 008)	4 826 857.024
Total liabilities	2,744,886,404	204,230,003	711,387,344	3,386,881,171	'n		7,510,101,035	(2,000,200,000)	292 977 804
Equity			664,350	34,264,277			100,116,262	(000 030 000 07	E 110 834 878
Total equity and liabilities	2,744,886,405	204,230,003	712,051,694	3,421,145,449	203,738,215	517,033,074	7,803,084,837	(2,003,230,003)	0,100,011,0
				000 000	20 042 423	26 551 431	2 408 183.581		2,408,183,581

s account  return / interest revenue - net revenue - net 6,561,353  revenue - net 6,561,353  revenue - net 6,561,353  strevenue - net 6,561,44  strevenue - net 6,	Inclusive Development Group 7,988,828 (6,551,100) 179,407 1,617,135 1,424,979 702,332 (510,176) Inclusive Development Group	Corporate & Investment Banking  13,837,714 (12,215,518) 2,202,382 3,824,578 530,334 5,613,241 (2,318,997)	Treasury 47,451,761 (38,882) 7.380,652	Institution and Remittance (Rupees in '000)	Head Office / Others	Sub total	Eliminations	Total
rest (25,713,630)  het (26,713,630)  het (26,713,630)  het (26,713,630)  het (26,713,630)  het (26,713,630)  het (26,61,353  30,702,315  hetail Banking (2,339,268  hetail Banking (2,339,268  hetail Banking (2,339,268  hetail Banking (2,339,268  hetail Banking (3,024,982)  hetail Ba	7,988,828 (6,551,100) 179,407 1,617,135 1,424,979 702,332 (510,176)	13,837,714 (12,215,518) 2,202,382 3,824,578 530,334 530,334 5,613,241 (2,318,997)	1	(Rupees in '000)				
rest (25,713,630)  het (9,854,592  erest income (5,561,353  30,702,315  14,849,594  14,849,594  15,339,268  ion (15,339,268  ion (16,024,982)  ing (1792,982)  ing (1792,982)  ing (1793,15,317  ing (1793,15,317  ion (1793,	7,988,828 (6,551,100) 179,407 1,617,135 1,424,979 702,332 (510,176) Inclusive evelopment Group	13,837,714 (12,215,518) 2,202,382 3,824,578 530,334 - 530,334 5,613,241 (2,318,997)	47,451,761 (38,828,882) 7.380,652					
rest (25,713,630)  het (9,854,592  erest income (5,561,353  30,702,315  14,849,594  14,849,594  15,339,268  ion 14,849,594  513,453  ion 15,339,268  ion 2,319,442,077  g 3,310,442,077  g 3,310,442,077  g 3,310,442,077  g 3,310,	7,988,828 (6,551,100) 179,407 1,617,135 1,424,979 702,332 (510,176) Inclusive evelopment Group	13,837,714 (12,215,518) 2,202,382 3,824,578 530,334 - 530,334 5,613,241 (2,318,997)	47,451,761 (38,828,882) 7.380,652					
(25,713,630) 49,854,592 6,561,353 30,702,315 14,849,594 14,849,594 15,339,268 15,339,268 15,339,268 15,339,268 14,842,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	7,988,828 (6,551,100) 179,407 1,617,135 1,424,979 702,332 (510,176) [610,176]	13,837,714 (12,215,518) 2,202,382 3,824,578 530,334 530,334 5,613,241 (2,318,997)	47,451,761 (38,828,882) 7.380,652					
49,854,592 6,561,353 30,702,315 14,849,594 14,849,594 513,453 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 17,92,092 2,319,442,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	(6,551,100) 179,407 1,617,135 1,424,979 702,332 (510,176) Inclusive evelopment Group	(12,215,518) 2,202,382 3,824,578 530,334 530,334 5,613,241 (2,318,997)	(38,828,882)	1,530,097	2,300,470	47,395,239	t:	47,395,239
6,561,353 30,702,315 14,849,594 14,849,594 513,453 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 15,339,268 17,792,092 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	179,407 1,617,135 1,424,979 702,332 (510,176)	2,202,382 3,824,578 530,334 530,334 5,613,241 (2,318,997)	7.380,652	i	7,740,907	Č.		
30,702,315 14,849,594 14,849,594 513,453 15,339,268 15,339,268 15,339,268 15,339,268 2,319,442,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	1,617,135 1,424,979 1,424,979 702,332 (510,176) Inclusive evelopment Group	3,824,578 530,334 530,334 5,613,241 (2,318,997)	The same of the sa	656,787	1,062,308	18,042,889		18,042,889
14,849,594  14,849,594  513,453  15,339,268  15,339,268  15,339,268  91,792,092  2,319,442,077  2,405,644  184,159,822  4,180,477  2,5052  179,315,317  2,5176,052	1,424,979 1,424,979 702,332 (510,176) (510,176) Inclusive evelopment Group	530,334 530,334 5,613,241 (2,318,997)	16,003,531	2,186,884	11,103,685	65,438,128	• )	65,438,128
14,849,594 513,453 15,339,268 15,339,268 Group Group 91,792,092 2,319,442,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	1,424,979 702,332 (510,176) Inclusive evelopment Group	530,334 5,613,241 (2,318,997)	189,565	2,677,435	1,562,333	21,234,239 9,413,806		21,234,239 9,413,806
15,339,268  Retail Banking De Group  Ury 91,792,092  2,319,442,077  2,405,644  184,159,822  4,180,477  (9,024,982)  179,315,317  25,275,052	(510,176) Inclusive evelopment Group	(2,318,997)	189,565 (142,019)	2,677,435 (64,910)	10,976,138 150,678	30,648,045 6,772,774	1 1	30,648,045 6,772,774
ttion Group Group Group Group Group 91,792,092 2,319,442,077 2,405,644 4,180,477 (9,024,982) 179,315,317 25,276,052 2	Inclusive evelopment Group		15,955,985	(425,641)	(23,131)	28,017,309	1	28,017,309
Retail Banking De Group 91,792,092 2,319,442,077 2,405,644 184,159,822 4,180,427 (9,024,982) 179,315,317 25,276,052	Inclusive evelopment Group		Decem	December 31, 2021 (Audited)	ited)			
91,792,092 2,319,442,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052		Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
91,792,092 2,319,442,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052				(Rupees in '000)				
2,319,442,077 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	8,185,926	248,408	131,293,182	58,290,758	6,603,760	296,414,126	4 1	296,414,126
ions 2,405,644 184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052	6 3		1,000,100,000,1	1	274,915,854	2,594,357,931	(2,594,357,931)	370 000 000
184,159,822 4,180,477 (9,024,982) 179,315,317 25,276,052			333,061,031	,		335,466,675		333,400,073
4,180,477 (9,024,982) 179,315,317 25,276,052	224,303,465	566,367,602	1	80,731,709	51,675,972	1,107,238,569		1,107,238,369
25,276,052 25,276,052	21,115,711	61,624,712	1 1	(44.989.510)	(63,509,731)	(191,784,313)		(191,784,313)
25,276,052	227.192.705	571,958,695		82,035,347	52,890,422	1,113,392,485		1,113,392,485
007 700 070 0	2,297,783	18,315,585	3,581,004	4,964,806	108,805,312	163,240,541	<b>1</b>	163,240,541
Total assets 2,618,231,162 23	237,676,414	617,066,386	2,271,085,309	201,095,470	495,887,640	6,441,042,399	(2,594,357,931)	3,846,684,469
Davisani	4.148.727	63,733,341	207,857,704	37,185,334		312,925,106	t	312,925,106
Denocite and other accounts		286,586,523	•	75,485,252	93,439,145	3,019,155,045	(1)	3,019,155,045
	228,687,313	249,365,896	2,016,684,060	85,836,008	13,784,654	2,594,357,930	(2,594,357,931)	
54,587,057	4,840,374	17,044,690	11,549,538	2,536,069	137,844,025	228,401,753	1,000 000 000 000	2 550 401 004
abilities 2,618,231,182	237,676,414	616,730,450	2,236,091,302	201,042,663 52,807	245,067,824 250,819,816	6,154,839,835	(2,594,357,931)	286,202,565
Total equity and liabilities 2,618,231,182 23	237,676,414	617,066,386	2,271,085,309	201,095,470	495,887,640	6,441,042,400	(2,594,357,931)	3,846,684,469
	81 061 634	1.740.040.766	609,367,294	22,910,804	37,123,935	2,490,504,435	ì	2,490,504,435

# The Bank has related party transactions with its parent, subsidiaries, associates, joint ventures, employee benefit plans and its directors and key management personnel. The details of investment in subsidiary companies, joint venture and associated undertaking and their provisions are stated in note 9 of the unconsolidated condensed interim financial statements of the Bank.

The Banks 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 terms of their appointment.

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

				June	June 30, 2022 (Un-audited)	(d)							Decemi	December 31, 2021 (Audited)	(pa			
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties
Balances with other banks									(Rupees in '000)	(00								
In current accounts					060'9					,	•		•	295,951				
		ı			060°9		•	0		-		ı	-	295,951	,		-	
Advances																		
Opening balance		347,592	426,565	2,934,162		•			641,483	t	233,267	359,565	2,981,029		٠		,	305,117
Addition during the period / year Repaid during the period / year Transfer in / (out) - net*		78,453 (52,032) (41,766)	(170,000)	(81,250)					2,967,940 (1,339,423) 2,300,560		254,860 (36,216) (104,319)	100,000 (33,000)	(46,867)					35,589,939 (35,253,573)
Closing balance	,	332,247	256,565	2,852,912	٠	0		,	4,570,560		347,592	426,565	2,934,162		,		4	641,483
Provisions against loans			231,565	2,837,287							1	251,565	2,837,287	t	·	,		
Other Assets																		
Interest / mark-up accrued Other receivable	a e		263,945 73,280	1,719,317							, ,	251,316	1,719,049		, ,			
	•	•	337,225	1,719,317							-	324,596	1,719,049				,	
Provision against other assets	¢		73,280				•	-			•	73,280		,	-	-		1
Borrowings																		
Opening balance Borrowings during the period / year					35,741									9,111			1 1	. ,
Settled during the period / year									,					1				
Closing balance					81,295	٠	:			-				35,741				,
Deposits and other accounts																		
Opening balance	1,760	131,454	1,007,337			86,264	46,769	12,854,755	43,336,142	1,320	177,236	1,553,709			58,871	1,369,644	13,282,016	227,967
Received during the period / year Withdrawn during the period / year		448,552 (446,649)	3,450 (297,286)			15,573,710 (15,648,330)	653,499 (549,748)	1,610,117 (758,335)	133,207,265 (142,809,019)	9,334 (8,984)	777,224 (763,659)	693,981 (1,240,353)			27,393	(1,322,875)	(427,261)	235,269,981 (196,497,842)
Transfer in / (out) - net*	(1,745)	(25,352)						•	(21,867,550)	06	(59,347)	,	•	•	•			4,336,036
Closing balance	15	108,005	713,501			11,644	150,520	13,706,537	11,866,838	1,760	131,454	1,007,337		-	86,264	46,769	12,854,755	43,336,142
Other Liabilities																		
Other payables to subsidiaries			6,110									4,041						
			6,110			a						4,041		٠		,		,
Contingencies and commitments		,		1		-				,	1	,			1	1	,	

<sup>\*</sup> Transfer in / (out) - net due to retirement / appointment of directors and changes in key management executives.

Key         Subsidiaries         Associates         Joint venture         Pension Fund         Provident Fund         Provident Fund         Provident Pund         Pund	
diaries Associates	
Key management Subsid	personnel
Provident	Fund
Pension	Fund
	ollit vernure
	Associates
	Subsidiaries
	Subsic
	personnel

4,979				ř.	5.109		18,668		¢		11,497
4		•			724 844				,	X.	ř.
		in .	1	9	38 037	20,00	5	•		r	
ú	•		9		ç	3	eve	Egy ()		×	x
2	200		P2	2,554			***	ř.	(*)	,	
000	6,083	234		12,326		3,526	*		ev.	3,490	
				,		6,152	(4.	347,228	*	130	
	i.		×			. 82			٠		ě
	136,382		4			485,711	36,346	•	5,000	٠	16,475
		7/80	(5 <b>5</b> )			760,099		•	a	*	٠
	•	٠		5365		10,037	E	•/	585		3
	-		114,405			7,853	•				
	3,392		٠	2,788						3.	
	14,826		,	6,638		3,272				3,141	*
		3		1		180	7	420,851			•
		3				068	<b>9</b> %	•		,	·
Income	Mark-up / return / interest earned	Commission received from subsidiaries	Dividend income	Rent income / lighting and power and bank charges	Expense	Mark-up / return / interest paid	Expenses paid to company in which Directors of the bank is interested as CEO and director	Remuneration to key management executives including charge for defined benefit plan	Donation paid to company in which Directors of the bank is interested as director	Commission paid to subsidiaries	Directors fee & other allowances

## Transactions with Government-related entities 37.1

Post Retirement Benefit paid to Director cum Ex-employee The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entitles which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

1,044

522

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

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 5,185 million (June 30, 2021 Rs. 3,981 million) for the half year ended June 30, 2022. As at the Statement of Financial Position date the loans and advances and contingencies relating to Government-related entities amounted to Rs.444,028 million (December 31, 2021; Rs. 15,794 million) and Rs.25,556 million (June 30, 2021 Rs. 27,401 million) respectively.

. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUI	(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021
	(Rupees	III 000)
Minimum Capital Requirement		
Paid-up capital (net of losses)	21,275,131	21,275,131
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 (CET 1) Capital	218,192,379	199,752,308
Eligible Additional Tier 1 (ADT 1) Capital		-
Total Eligible Tier 1 Capital	218,192,379	199,752,308
Eligible Tier 2 Capital	71,733,500	64,343,019
Total Eligible Capital (Tier 1 + Tier 2)	289,925,879	264,095,327
Risk Weighted Assets (RWAs):		
Credit Risk	1,003,411,953	983,659,218
Market Risk	81,712,305	82,342,372
Operational Risk	230,075,135	229,114,480
Total	1,315,199,393	1,295,116,070
Company Time 4 Consists Adams and the	16.59%	15.42%
Common Equity Tier 1 Capital Adequacy ratio		
Tier 1 Capital Adequacy Ratio	16.59%	15.42%
Total Capital Adequacy Ratio	22.04%	20.39%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	218,192,379	199,752,308
Total Exposures	6,847,956,776	5,758,095,315
Leverage Ratio	3.19%	3.47%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,322,129,432	1,362,545,096
Total Net Cash Outflow	907,451,528	828,459,514
Liquidity Coverage Ratio	146%	164%

2,875,184,527

1,039,027,478

277%

2,753,443,506

990,042,101

278%

38.

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

## 39. ISLAMIC BANKING BUSINESS

The bank is operating 188 (2021: 189) Islamic banking branches and 15 (2021: Nil) Islamic banking windows at the end of the half year June 30, 2022.

The extrement of financial position of the Bank's Islamic banking branches as at June 30, 2022 is as follows:

	anches as at June 30, 2022	(Un-audited)	(Audited)
		June 30,	December 31, 2021
	Note -	2022 (Rupees in	
ASSETS	Note	(Kapeco II	
		9,984,711	6,591,139
Cash and balances with treasury banks		12,891	12,531
Balances with other banks	39.1	55,884,646	49,548,760
Investments	39.2	46,630,469	42,316,209
Islamic financing and related assets - net		96,274	100,620
Fixed assets		583,548	641,973
Right of use assets		2,149,878	1,686,568
Other assets Total Assets		115,342,417	100,897,800
LIABILITIES			
		330,925	388,351
Bills payable	39.3	95,950,440	84,849,520
Deposits and other accounts	33.0	10,165,623	7,635,926
Due to head office		789,036	826,081
Lease liability against right of use assets		800,988	455,249
Other liabilities		108,037,012	94,155,127
NET ASSETS		7,305,405	6,742,673
REPRESENTED BY			
REPRESENTED 51		5,561,000	4,646,000
Islamic Banking Fund		885,724	594,005
Surplus on revaluation of assets	39.4	858,681	1,502,668
Unappropriated / unremitted profit	39.4	7,305,405	6,742,673
Time the second of the Bank's Islamic hanking operation	ons for the half year ended	June 30, 2022 is as f	ollows:
The profit and loss account of the Bank's Islamic banking operation	ons for the half year ended		
The profit and loss account of the Bank's Islamic banking operation	ons for the half year ended	(Un-audited)	(Un-audited)
The profit and loss account of the Bank's Islamic banking operation		(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
The profit and loss account of the Bank's Islamic banking operation	ons for the half year ended	(Un-audited)	(Un-audited) June 30, 2021 in '000)
		(Un-audited) June 30, 2022(Rupees 5,228,503	(Un-audited) June 30, 2021 in '000)
Profit / return earned	Note	(Un-audited) June 30, 2022 (Rupees 5,228,503 3,133,263	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113
	<b>Note</b> 39.5	(Un-audited) June 30, 2022(Rupees 5,228,503	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113
Profit / return earned Profit / return expensed	<b>Note</b> 39.5	(Un-audited) June 30, 2022 (Rupees 5,228,503 3,133,263 2,095,240	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275
Profit / return earned Profit / return expensed Net profit / return Other income	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275
Profit / return earned Profit / return expensed Net profit / return Other income Fee and commission income	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275
Profit / return earned Profit / return expensed Net profit / return Other income Fee and commission income Foreign exchange income	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275  109,890 19,573 258 129,728
Profit / return earned Profit / return expensed Net profit / return Other income Fee and commission income Foreign exchange income	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275  109,890 19,579 259 129,728
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income Total other income	<b>Note</b> 39.5	(Un-audited) June 30, 2022(Rupees 5,228,503 3,133,263 2,095,240  130,460 18,116 1,861 150,437	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275  109,896 19,575 256 129,72 1,988,00
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income Total other income Total income	<b>Note</b> 39.5	(Un-audited) June 30, 2022(Rupees 5,228,503 3,133,263 2,095,240  130,460 18,116 1,861 150,437	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275  109,890 19,573 258 129,728 1,988,003
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income Total other income Total income Other expenses	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000) 3,270,388 1,412,113 1,858,275  109,890 19,579 259 129,728 1,988,003
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income Total other income Total income Other expenses Operating expenses Other charges	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000)  3,270,388 1,412,113 1,858,275  109,890 19,573 258 129,728 1,988,003  1,331,400 47 1,331,88
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income Total other income Total income  Other expenses Operating expenses Other charges  Profit before provisions	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000)  3,270,388 1,412,113 1,858,275  109,890 19,579 259 129,728 1,988,003  1,331,40 479 1,331,888
Profit / return earned Profit / return expensed Net profit / return  Other income  Fee and commission income Foreign exchange income Other income Total other income Total income Other expenses Operating expenses Other charges	<b>Note</b> 39.5	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021

Pederal Government Securities:  - ljarah Sukuks - Others (Bai Muajjal with GOP @ 13.30%)  Non Government Debt Securities:  - Listed - Unlisted - Unlisted  Total Investments  Total Investments  Total Samic financing and related assets - net ljarah Murabaha Diminishing Musharaka Other Islamic Modes (Wakala tul Istismar) Advances against Islamic assets (DM, Istisna) Inventory related to Islamic financing (Istisna) Gross Islamic financing and related assets Less: provision against Islamic financings - Specific - General			June 30, 2022 (Un-audited)	Un-audited)			December 31, 2021 (Audited)	2021 (Audited)	
	segments;	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	ment Securities				(Rupees in '000)	(000, ui			
	S	33,668,265		(225,530)	33,442,735	14,000,979	100	(31,279)	13,969,700
	- Others (Bai Muajjal with GOP @ 13.30%)				•	10,914,185		•	10,914,185
	t Debt Securities:	33,668,265	3	(225,530)	33,442,735	24,915,164		(31,279)	24,883,885
		8,200,000		328,400	8,528,400	8,200,000		340.000	8 540 000
		13,261,464	(130,807)	782,854	13,913,511	15,970,398	(130,807)	285,284	16,124,875
		21,461,464	(130,807)	1,111,254	22,441,911	24,170,398	(130,807)	625,284	24,664,875
	ıts	55,129,729	(130,807)	885,724	55,884,646	49,085,562	(130,807)	594,005	49,548,760
ljarah Murabaha Diminishing Musha Other Islamic Mod- Advances against Inventory related tt Gross Islamic finar Less: provision ag- - Specific - General	Islamic financing and related assets - net							(Un-audited) (Auc June 30, Decem 2022 20	(Audited) December 31, 2021 in '000)
Murabaha Diminishing Mushe Other Islamic Mod- Advances against Inventory related tt Gross Islamic finar Gross Islamic finar - Specific - General								61,381	95.075
Other Islamic Mod- Advances against Advances against Inventory related tt Gross Islamic finar Less: provision ag Specific - General								2,362,918	903,901
Other Islamic Mode Advances against Inventory related to Gross Islamic finar Less: provision ag: - Specific - General	naraka							22,539,080	21,834,074
Inventory related to Gross Islamic finar Less: provision ag: - Specific - General	des (Wakala tul Istismar)							8,500,000	8,500,000
Gross Islamic finar Gross Islamic finar Less: provision ag: - Specific - General	t Islamic assets (DM, Istisna)							11,755,109	11,226,981
Less: provision agr - Specific - General	Inventory related to Islamic financing (Istisna)							2,096,048	469,000
Less: provision agr - Specific - General	anding and related assets							47,314,536	43,029,031
- Specific - General	Less: provision against Islamic financings								
- General			75					(683.871)	(712 763)
								(196)	(69)
CONTROL OF STREET STREET		201,000						(684,067)	(712,822)
Islamic Tinancing a	Islamic financing and related assets - net of provision	vision	4					46,630,469	42,316,209

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
00.0	Democite and other accounts	(Rupees in	1 000)
39.3	Deposits and other accounts		
	Customers	*	
	Current deposits	23,554,100	21,784,727
	Savings deposits	41,860,369	42,730,234
	Term deposits	17,572,007	8,148,745
		82,986,476	72,663,706
	Financial Institutions		
	Current deposits	900,075	700,103
	Savings deposits	6,922,123	6,064,983
	Term deposits	5,141,766	5,420,728
	Tom doposite	12,963,964	12,185,814
		95,950,440	84,849,520
39.4	Unappropriated / unremitted profit		
		1,502,668	2,108,388
	Opening balance	858,681	1,502,668
	Add: Islamic banking profit for the period  Less: Transferred / remitted to head office	(1,502,668)	(2,108,388)
		858,681	1,502,668
	Closing balance	=======================================	
		(Un-audited) Half year	(Un-audited) ended
		June 30, 2022	June 30, 2021
		(Rupees	in '000)
39.5	Profit / Return Earned of Financing, Investments and Placement		
	Profit earned on:	2,178,680	1,366,254
	Financing	2,832,181	1,286,787
	Investments	360	295
	Placements Others (Bai Muajjal)	217,282	617,052
	Others (Bar Muajjar)	5,228,503	3,270,388
39.6	Profit on Deposits and other Dues Expensed		
	Deposits and other aggrupts	1,976,290	1,158,711
	Deposits and other accounts	36,858	41,669
		00,000	11,000
	Amortisation of lease liability against - ROUA	1.120.115	211.733
	Others (General Account)	1,120,115 3,133,263	211,733 1,412,113

## APPROPRIATION OF DIVIDEND 40.

As explained in note 48 of annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2021, the recommended cash dividend of Re.1 per share which amounted to Rs. 2,128 million, was subject to approvals of Federal Government under section 17 of the Banks (Nationalization) Act, 1974 and the State Bank of Pakistan. The Bank has applied for requisite approvals that are under process. Hence, dividend could not be declared in the annual general meeting of the Bank held on March 30, 2022. Therefore, these unconsolidated condensed interim financial statements do not reflect this appropriation.

## 41. GENERAL

Figures have been rounded off to the nearest thousand rupees. 41.1

## DATE OF AUTHORIZATION FOR ISSUE 42.

August 17,2022 The unconsolidated condensed interim financial statements were authorized for issue on \_ Directors of the Bank.

by the Board of

44

President (A) / Chairman

Chief Fina officer

Lorid Makit

## NATIONAL BANK OF PAKISTAN CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2022

## Directors' Report to the Shareholders Consolidated Financial Statements

## Dear Shareholders,

On behalf of the Board of Directors "the Board", we have the pleasure of presenting to you, the condensed interim consolidated financial statements of the Bank and its group companies for the six months period ended June 30, 2022.

Consolidated after-tax profit for the six months period ended June 30, 2022 amounted to PKR 12.2 Bn, being 28.2% lower than PKR 17.0 Bn for the corresponding six months period of 2021. During the six months period under review, the subsidiary companies contributed PKR 337.3 Mn (H1'21:PKR 163.4 Mn) in Group profitability, whereas the associates contributed a net loss of PKR 61.2 Mn as against a profit of PKR 30.9 Mn in H1'21. Also, the UNBL (a UK based Joint Venture in which NBP owns 45% shareholding) contributed a profit of PKR 246.7 Mn. Accordingly, consolidated EPS dropped from Rs. 7.98 for H1'21 to PKR 5.74 for H1'22.

As of June 30, 2022, total consolidated assets amounted to PKR 5,129.9 Bn being PKR 1,272.9 Bn or 33.0% higher than PKR 3,857.0 Bn as at December 31, 2021.

Profit for the six months period ended June 30, 2022 after carry forward of accumulated profit of 2021 is proposed to be appropriated as follows:

After-tax consolidated profit for six months period ended June 30, 2022	(PKR 'Mn) 12,242.1
Unappropriated profit brought forward	145,312.5
Other comprehensive income - net of tax	(1,609.2)
Non-controlling interest	(36.6)
Transfer from surplus on revaluation of fixed assets	98.8
Transfer from general loan loss reserve	8,000.0
	151,765.5
Profit available for appropriations	164,007.6
Appropriation:	
Transfer to statutory reserve	(1,214.0)
Unappropriated profit carried forward	162,793.6
A STATE OF THE STA	

For and on behalf of the Board of Directors

Rehmat Ali Hasnie President & CEO (A)

Karachi Date: August 17, 2022 Asif Jooma

## NATIONAL BANK OF PAKISTAN CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021
ASSETS	Note	(Kupees	s III 000)
Cash and balances with treasury banks	6	263,156,645	278,868,736
Balances with other banks	7	17,518,835	19,211,237
Lendings to financial institutions	8	184,977,116	335,466,675
Investments	9	3,254,766,415	1,942,741,191
Advances	10	1,170,285,703	1,113,314,128
Fixed assets	11	54,139,027	54,610,404
Intangible assets	12	1,616,986	1,394,843
Right of use assets	13	7,001,692	7,090,980
Deferred tax asset	14	4,052,964	1,902,81
Other assets	15	172,408,269	102,433,942
. 2000 822200		5,129,923,652	3,857,034,94
LIABILITIES			
Bills payable	16	30,882,601	21,848,27
	10	30,002,001	21,040,27
AND			
Borrowings	17 18	1,315,600,636	312,925,10
Borrowings Deposits and other accounts	17	1,315,600,636 3,197,912,302	312,925,100 3,018,147,709
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease	17 18	1,315,600,636	312,925,10 3,018,147,70 133,59
Borrowings Deposits and other accounts	17 18 19	1,315,600,636 3,197,912,302 127,709	312,925,100 3,018,147,700 133,590 8,360,75
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets	17 18 19 20	1,315,600,636 3,197,912,302 127,709 8,617,209	312,925,100 3,018,147,709 133,590 8,360,755 200,596,120
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets	17 18 19 20	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102	312,925,106 3,018,147,709 133,598 8,360,758 200,596,128 3,562,011,566 295,023,38
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities	17 18 19 20	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559	312,925,106 3,018,147,709 133,598 8,360,759 200,596,120 3,562,011,566
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities  NET ASSETS	17 18 19 20	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559	312,925,106 3,018,147,709 133,599 8,360,759 200,596,120 3,562,011,566 295,023,38
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities  NET ASSETS  REPRESENTED BY	17 18 19 20	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559 301,573,094	312,925,106 3,018,147,709 133,598 8,360,759 200,596,128 3,562,011,566
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities  NET ASSETS  REPRESENTED BY Share capital	17 18 19 20 21	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559 301,573,094	312,925,106 3,018,147,709 133,598 8,360,759 200,596,120 3,562,011,566 295,023,38 21,275,13 62,427,269
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities  NET ASSETS  REPRESENTED BY  Share capital Reserves	17 18 19 20 21	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559 301,573,094 21,275,131 60,973,109	312,925,106 3,018,147,709 133,596 8,360,755 200,596,126 3,562,011,566 295,023,38 21,275,13 62,427,266 64,994,98
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities  NET ASSETS  REPRESENTED BY  Share capital Reserves Surplus on revaluation of assets	17 18 19 20 21	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559 301,573,094 21,275,131 60,973,109 55,481,126	312,925,106 3,018,147,709 133,596 8,360,756 200,596,126 3,562,011,566 295,023,38 21,275,13 62,427,26 64,994,98 145,312,54
Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Lease liability against right of use assets Other liabilities  NET ASSETS  REPRESENTED BY  Share capital Reserves Surplus on revaluation of assets Unappropriated profit	17 18 19 20 21	1,315,600,636 3,197,912,302 127,709 8,617,209 275,210,102 4,828,350,559 301,573,094 21,275,131 60,973,109 55,481,126 162,793,634	312,925,106 3,018,147,709 133,598 8,360,759 200,596,120 3,562,011,566 295,023,38

## CONTINGENCIES AND COMMITMENTS

24

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

President (A) / Chairman

Chief Financial Officer

Director

Director

Director

## NATIONAL BANK OF PAKISTAN CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

		Quarter	ended	Half Year	rended
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	Note		(Rupees	in '000)	
Mark-up / return / interest earned Mark-up / return / interest expensed	25 26	100,247,476 72,885,097	59,566,827 33,718,391	179,495,567 126,310,596	108,089,589 60,606,162
Net mark-up / return / interest income		27,362,379	25,848,436	53,184,971	47,483,427
NON MARK-UP / INTEREST INCOME					
Fee and commission income Dividend income Foreign exchange income	27	5,897,731 955,243 2,420,118	5,437,874 699,482 1,822,208	10,857,375 1,841,914 4,690,759	9,536,612 1,469,666 2,775,020
Gain on securities - net Share of profit from joint venture - net of tax Share of (loss) /profit from associates - net of tax	28	953,686 145,964 (62,635)	1,540,202 69,261 24,060	1,055,371 246,663 (61,244)	4,156,340 56,209 30,939
Other income	29	458,915 10,769,022	493,322 10,086,409	815,392 19,446,230	955,223 18,980,009
Total non-mark-up / interest income  Total income		38,131,401	35,934,845	72,631,201	66,463,436
Operating expenses Other charges	30 31	19,408,905 8,585	16,646,686 21,355	36,460,211 30,263	
					24,872
Total non-markup / interest expenses		19,417,490	16,668,041	36,490,474	31,351,480
Profit before provisions		18,713,911	19,266,804	36,140,727	35,111,956
Provisions and write offs - net PROFIT BEFORE TAXATION	32	589,037 18,124,874	3,900,569 15,366,235	2,024,778 34,115,949	6,937,884 28,174,072
Taxation	33	15,596,369	6,163,316	21,873,821	11,126,699
PROFIT AFTER TAXATION		2,528,505	9,202,919	12,242,128	17,047,373
Attributable to: Equity holders of the Bank Non-controlling interest		2,509,677 18,828 2,528,505	9,165,467 37,452 9,202,919	12,205,488 36,640 12,242,128	16,980,180 67,193 17,047,373
		2,526,505	9,202,919	12,242,120	17,047,373
		-2	(Ru	pees)	·····
Earnings per share - basic and diluted	34	1.18	4.31	5.74	7.98

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

President (A) / Chairman

Chief Financial Officer

Director

Directo

Director

## NATIONAL BANK OF PAKISTAN CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

	Quarter	ended	Half Yea	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Rupees	in '000)	
Profit after taxation for the period	2,528,505	9,202,919	12,242,128	17,047,373
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	4,031,168	1,375,375	5,331,808	(1,213,417
Movement in surplus on revaluation of investments - net of tax	(10,217,341)	5,252,792	(9,415,010)	2,029,945
Het of tax		0.000.107	(4 000 000)	046 530
Items that will not be reclassified to profit and	(6,186,173)	6,628,167	(4,083,202)	810,320
Items that will not be reclassified to profit and loss account in subsequent periods:  Remeasurement gain / (loss) on defined benefit obligations - net of tax  Movement in surplus on revaluation of fixed assets - net of tax	(1,121,176)	106,567 (27,489)	(1,609,211)	230,872 (27,489
Ioss account in subsequent periods:  Remeasurement gain / (loss) on defined benefit obligations - net of tax  Movement in surplus on revaluation of fixed assets - net of tax	(1,121,176) (128) (1,121,303)	106,567 (27,489) 79,078	(1,609,211) - (1,609,211)	230,872 (27,489 203,383
Ioss account in subsequent periods:  Remeasurement gain / (loss) on defined benefit obligations - net of tax  Movement in surplus on revaluation of fixed assets -	(1,121,176)	106,567 (27,489)	(1,609,211)	230,872
loss account in subsequent periods:  Remeasurement gain / (loss) on defined benefit obligations - net of tax  Movement in surplus on revaluation of fixed assets - net of tax	(1,121,176) (128) (1,121,303)	106,567 (27,489) 79,078	(1,609,211) - (1,609,211)	230,872 (27,489 203,383
Ioss account in subsequent periods:  Remeasurement gain / (loss) on defined benefit obligations - net of tax  Movement in surplus on revaluation of fixed assets - net of tax  Total comprehensive (loss) / income	(1,121,176) (128) (1,121,303)	106,567 (27,489) 79,078 15,910,164	(1,609,211) - (1,609,211)	230,872 (27,489 203,383

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

President (A) / Chairman

Chief Financia Officer

Director

Director

Director

NATIONAL BANK OF PAKISTAN CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

				Reserves			Surplus on	Surplus on revaluation of assets		Inappropriated	-	Non-	Total
	Share	Exchange	Statutory	General loan loss reserve	Revenue	Total	Investments	Fixed / non- banking assets	Total	profit	Sub Total	Controlling	0.00
							(Rupees in '000)			1	ACA 905 070	946 148	274 402 282
Balance as at January 01, 2021	21,275,131	12,845,332	36,224,747	8,000,000	521,338	57,591,417	28,250,884	45,736,918	73,987,802		273,460,134	2	
Datance as at January of the Prof. Prof. 2021 Profit after taxation for the half year ended June 30, 2021 Other commontensive (Icss) / income - net of fax	-1 4	(1,213,417)	r 1	¥-1	b b	(1,213,417)	2,029,945	(27,489)	2,002,456	16,980,180 230,872 (1,696,531)	16,980,180	67,193	1,019,911
Transfer to statutory reserve Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	ý	i v	1,696,52		- 1		- 14	(120,159)	(120,159)	120,159	X	9	b.
Transactions with owners, recorded directly in equity													
Cash dividend paid for the year ended		,	G	16	11		į.	o	Ţ.		ī		
December 31, 2020 (rs. ini per share) Cash divided paid / profit distribution	٠		7	ų.		í	ø	4	X				
by substitutes	21,275,131	11,631,915	37,921,278	8,000,000	521,338	58,074,531	30,280,828	45,589,268	75,870,096	136,266,464	N	983,341	292,469,563
Balance as at July ut, coz : Profit after taxation for the half year ended December 31, 2021 Other comprehensive incoms / (loss) - net of tax	11.11.4	3,248,470	1,104,268			3,248,470	(10,728,097)	(960'69)	(10,787,187)	11,620,281 (1,557,859) (1,104,268)	(9,096,576)	92,727	(9,096,576)
Transfer to statutory reserve Transfer from surplus on revaluation of assets to unappropriated profit - net of tax				-(				(87,929)	(87,929)	87,929		i.	1
Transactions with owners, recorded directly in equity													
Cash dividend paid / profit distribution					X	-	î	de.				(62,614)	
by subsidiaries	21 275.131	14,880,385	39,025,546	8,000,000	521,338	62,427,269	19,552,731	45,442,249	64,994,980	145,312,547	294,009,927	1,013,454	295,023,381
Balance as at January U1, 2012. Profit after taxation for the half year ended June 30, 2022. Other comprehensive income / (loss) - net of fax	1 9 1		1,214,032		* * * *	5,331,808	(9,415,010)	443	(9,415,010)	12,205,488 (1,609,211) (1,214,032)	12,205,488 (5,692,413)	36,640	12,242,128 (5,692,413)
Transfer to statutory reserve Transfer from surplus on revaluation of assets to unappropriated profit - net of tax Transfer to unappropriated profit				(8,000,000)	13	(8,000,000)	6	(98,842)	(98,842)	98,842	2.30	3	
Transactions with owners, recorded directly in equity													
Cash dividend paid for the year ended December 31, 2021 (Rs. Nil per share)	•	# £	bel	tal.	***	•	4.	à	6	١.			,
Cash dividend paid / profit distribution by subsidiaries	1	H.	4		,			2	£	- 1			1
2002 30 2003	21,275,131	1 20,212,193	40,239,578		521,338	60,973,109	10,137,719	45,343,407	55,481,126	162,793,634	300,523,000	1,050,094	301,573,034

President (A) / Chairman

## NATIONAL BANK OF PAKISTAN CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

		June 30, 2022	June 30, 2021
	Note	(Rupees in	000)
CASH FLOW FROM OPERATING ACTIVITIES			Canal Treedo
Profit before taxation		34,115,949	28,174,072
Less: dividend income	-	(1,841,914) 32,274,035	(1,469,666) 26,704,406
Adjustments:			
Depreciation on fixed assets		1,290,355	1,238,966
Depreciation on right of use assets		1,071,905	1,022,961
Amortisation	20	149,401	122,626 6,937,884
Provision and write-offs - net	32	2,024,778	(22,068)
Gain on sale of fixed assets		38,117	22,384
Financial charges on leased assets		440,015	433,628
Financial charges on right-of-use-assets		76,456	(632)
Unrealized gain on revaluation of investments classified as held-for-trading		4,176,775	3,623,709
Charge for defined benefit plans - net		(246,663)	(56,209)
Share of (profit) from joint venture - net of tax		61,244	(30,939)
Share of loss / (profit) from associates - net of tax	,	9,073,664	13,292,310
		41,347,699	39,996,716
(Increase) / decrease in operating assets	Ī	129,489,559	(54,015,110)
Lendings to financial institutions		61,645,096	62,392,518
Held-for-trading securities		(62,343,877)	(19,477,825)
Advances		(79,715,553)	(24,305,148)
Other assets (excluding advance taxation)		49,075,225	(35,405,565)
Increase/ (decrease) in operating liabilities		9,034,331	5,470,292
Bills payable		1,015,867,988	285,599,258
Borrowings from financial institutions		179,764,593	260,115,693
Deposits		71,969,010	17,329,689
Other liabilities (excluding current taxation)		1,276,635,922	568,514,932
Financial charges paid		(478,132)	(456,012)
Income tax paid / adjusted		(6,891,873)	(5,571,808)
Benefits paid		(1,666,668)	(831,378)
Net cash flows generated from operating activities		1,358,022,173	566,246,885
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(1,248,033,196)	(369,130,772)
Net investments in held-to-maturity securities		(140,700,291)	(76,454,632)
Dividends received		1,944,559	1,612,321
Investments in fixed assets		(1,138,210)	(967,289)
Proceeds from sale of fixed assets		48,252	44,923
Effect of translation of net investment in foreign branches		5,331,808	(1,213,417)
Net cash flows (used in) / generated from investing activities		(1,382,547,078)	(446,108,866)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations		(687,131)	(706,470)
Net cash flows used in financing activities		(687,131)	(706,470)
and the second and th		(25,212,036)	119,431,550
(Decrease) / increase in cash and cash equivalents		273,052,207	263,741,704
Cash and cash equivalents at beginning of the period  Cash and cash equivalents at end of the period	35	247,840,172	383,173,254
	(3.0)	241,040,112	000,110,204

President (A) / Chairman

Chief Financia Officer

rector

Director

Yarid Habit

NATIONAL BANK OF PAKISTAN NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

## 1. THE GROUP AND ITS OPERATIONS

## 1.1 The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

## Subsidiary Companies

- CJSC Subsidiary Bank of NBP in Kazakhstan
- CJSC Subsidiary Bank of NBP in Tajikistan
- NBP Exchange Company Limited, Pakistan
- National Bank Modaraba Management Company Limited, Pakistan
- First National Bank Modaraba, Pakistan
- Taurus Securities Limited, Pakistan
- NBP Fund Management Limited, Pakistan
- Cast-N-Link Products Limited

The subsidiary company of the Group, National Bank Modaraba Management Company Limited, Pakistan exercises control over First National Bank Modaraba, Pakistan as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the Ultimate Holding Company.

The Group is principally engaged in commercial banking, modaraba management, brokerage, leasing, foreign currency remittances, asset management, exchange transactions and investment advisory asset.

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,512 (December 31, 2021: 1,513) branches in Pakistan and 19 (December 31, 2021: 19) overseas branches (including the Export Processing Zone branch, Karachi).

CJSC Subsidiary Bank of NBP in Kazakhstan, CJSC Subsidiary Bank of NBP in Tajikistan, NBP Exchange Company Limited, National Bank Modaraba Management Company Limited are wholly owned subsidiaries of the holding company while the controlling interest in Taurus Securities Limited is 58.32%, NBP Fund Management Limited is 54%, First National Bank Modarba 30% and Cast-N-Link Products Limited 76.51%.

## 1.2 BASIS OF CONSOLIDATION

- The consolidated financial statements include the financial statements of the Bank (Holding Company) and its subsidiary companies together "the Group".
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group
  or power to control the company is established and excluded from consolidation from the date of disposal or when the control is
  lost.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of the comprehensive income from the effective date of acquisition.
- Non-Controlling interest / (minority interest) in equity of the subsidiary companies are measured at fair value for all the subsidiaries acquired from period beginning on or after January 1, 2010 whereas minority interest of previously acquired subsidiaries are measured at the proportionate net assets of subsidiary companies attributable to interest which is not owned by holding company.
- Material intra-group balances and transactions have been eliminated.

## BASIS OF PRESENTATION

## 2.1 STATEMENT OF COMPLIANCE

- 2.1.1 These consolidated 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 Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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).

Wherever the requirements of the Banking Companies Ordinance,1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 2.1.3 The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5, dated March 22, 2019 and IAS 34. These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2021.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted for presentation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements of the Bank for the year ended December 31, 2021.

- 3.1 Application of new and revised International Financial Reporting Standards (IFRSs)
- 3.1.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered to be not relevant or do not have any significant impact on these consolidated condensed interim financial statements.

## 3.1.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

As per the SBP's BPRD Circular Letter No. 03 dated July 05, 2022, the SBP has extended the applicability of IFRS 9 on Banks / DFIs to accounting period beginning on or after January 01, 2023. During the transition period, the Financial Institutions are required to carry out the parallel run reporting and submit to SBP, IFRS 9 compatible pro-forma annual financial statements for the year ending 2022, quarterly and half yearly pro-forma financial statements for the year 2022 and 2023 as per timelines provided.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2021.

## 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those as disclosed in the consolidated financial statements for the year ended December 31, 2021.

(Un-audited) (Audited)
June 30, December 31,
2022 2021

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

## 6. CASH AND BALANCES WITH TREASURY BANKS

In hand			
Local currency		64,460,047	56,039,638
Foreign currencies		8,312,068	6,924,389
		72,772,115	62,964,027
With State Bank of Pakistan in			
Local currency current accounts	6.1	117,147,740	133,688,708
Foreign currency current accounts	6.2	13,478,215	11,738,428
Foreign currency deposit accounts	6.2	27,454,678	24,098,591
Foreign currency collection accounts		2,005,804	1,226,824
The Problem Program and the Least to see a second to the Control of the Control		160,086,437	170,752,551
With other central banks in			
Foreign currency current accounts	6.3	27,950,930	40,265,103
Foreign currency deposit accounts	6.3	1,418,139	2,920,706
		29,369,069	43,185,809
Prize bonds		929,024	1,966,349
		263,156,645	278,868,736

- 6.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 0.75% per annum (December 31, 2021: 0.00% to 6.30% per annum).

	(Un-audited)	(Audited)
	June 30,	December 31,
	2022	2021
Note	(Rupees	s in '000)

## 7. BALANCES WITH OTHER BANKS

In Pakistan			
In current accounts		115,869	171,930
In deposit accounts	7.1	536,484	595,236
		652,353	767,166
Outside Pakistan			***************************************
In current accounts		10,109,473	12,797,681
In deposit accounts	7.2	6,757,009	5,646,390
		16,866,482	18,444,071
		17.518.835	19.211.237

- These include various deposits with banks and carry interest at rates ranging from 3.5% to 10.0% per annum (December 31, 7.1 2021: 2.5% to 8.0% per annum).
- These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 0.00% to 7.2 0.75% per annum (December 31, 2021: 0.0% to 1.5% per annum).

(Un-audited)

(Audited)

			Access to the second second second	V
			June 30,	December 31,
			2022	2021
		Note	(Rupees	in '000)
8.	LENDINGS TO FINANCIAL INSTITUTIONS			
	Call / clean money lendings	8.1	9,723	21,009,723
	Repurchase agreement lendings (Reverse Repo)	8.2	151,004,020	282,051,308
	Musharaka Lending	8.3	30,000,000	30,000,000
	Placement with State Bank of Pakistan	8.4	3,963,373	2,405,644
	Letters of placement	8.5	174,150	174,150
		8.6	185,151,266	335,640,825
	Less: provision held against lendings to financial institutions	8.7	(174,150)	(174,150)
	Lendings to financial institutions - net of provision		184,977,116	335,466,675

- This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2021: Rs. 9.7 million) 8.1 which is guaranteed by the SBP.
- These carry mark-up at rates ranging from 12.80% to 14.50% per annum (December 31, 2021: 8.75% to 10.70% per annum) 8.2 with maturities ranging from July 04, 2022 to September 15, 2022.
- 8.3 This represents Musharaka agreements entered into with Meezan Bank Limited and carrying profit at the rate of 13.70% (December 31, 2021: 10.65%) per annum.
- These represent placements made with the SBP as a result of shortfall in respect of time-based mandatory targets of 8.4 disbursements under Government's scheme "Mera Pakistan Mera Ghar". These placements are for a period of one year and carry no mark-up.
- These are overdue placements and full provision has been made against these placements as at June 30, 2022. 8.5

		(Un-audited) June 30, 2022(Rupees	(Audited) December 31, 2021 s in '000)
8.6	Particulars of lending	, .	Manny British K
	In local currency In foreign currencies	185,151,266 - 185,151,266	335,640,825 - 335,640,825
8.7	Movement in provision held against lendings is as follows:		
	Opening balance Reversal for the period	174,150	176,150 (2,000)
	Closing balance	174,150	174,150

Securities held as collateral against lendings to financial institutions 8.8

Π

Julie 30, 204	June 30, 2022 (Un-audited)	(ted)	nece	December 31, 2021 (Audited)	nea)
Held by Bank as co	Further given as collateral	Total	Held by Bank	Further given as collateral	Total

163,594,180 118,457,128 282,051,308

1 1

Pakistan Investment Bonds Total

Market Treasury Bills

163,594,180 118,457,128 282,051,308 104,897,539 46,106,481 151,004,020 104,897,539 46,106,481 151,004,020

8.7.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 150,991 million (December 31, 2021: Rs. 279,633 million).

Category of classification 8.9

Loss

Domestic

Classified Provision held Lending	Julie 30, 2022 (Oil-audited)

174,150

174,150

174,150

174,150

Investments by type:   August   Augus	Provision for	Surplus /		The state of the s	Charles and Charles and Charles		
48,451,841 - 9,482,556 - 57,913 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,700,733 (539,708)	diminution	(Delicit)	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
es 1,536,1841 - 1,538,071 - 1,538,071 - 1,538,071 - 1,538,071 - 1,538,071 - 1,538,071 - 1,538,071 - 1,538,071 - 1,700,733 (539,708)			(Rupees in '000)	(000, ui			
es 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,535,071 - 1,205,937 - 1,2		100000	000 000 00	190 117 00		(55 659)	90.688.622
es 1,679,158,942 - 1,535,071 - 1,679,158,942 - 1,535,071 - 1,679,158,942 - 1,535,071 - 1,679,158,942 - 1,82,463 - 1,882,463 - 1,882,463 - 1,700,733 - 1,882,463 - 1,700,733 - 1,829,1969 - 1,205,937 - 1,205,937 - 1,205,937 - 1,205,937 - 1,205,937 - 1,205,937 - 1,205,937 - 1,205,937 - 1,245 - 1,245	•	(15,781)	48,436,060	30,744,201		(65,036)	29.049,004
es 1,635,071 - 1,635,071 - 1,635,071 - 1,635,071 - 1,635,071 - 1,635,071 - 1,635,071 - 1,635,071 - 1,635,071 - 1,700,733 (539,986)   1,882,463 (410,893)   1,700,733 (539,708)   1,700,733 (539,708)   1,700,733 (539,708)   1,205,937 (407,134)   1,205,937 (782,775)   1,205,937 (1,245)   1,245 (1,245)	•	(11,425)	9,471,131	130,230		(0.0.00)	139,329
Fig. 28,451 - 1,635,071 - 60,260,832 - 60,260,832 - 70,249,760 - 20,549,760 - 39,923,815 (410,893)    Rea Sukuk Bonds			20,000	461 400		(1 160)	450,332
sharika s and Sukuk Bonds 29,23,815 (7,899,986) (7,899		(12,460)	1 535 071	1 374 638	1	( - 1	1,374,638
1,679,158,942 - (1 843,504,207 - (1 20,549,760 - (1 39,923,815 (7,899,986) 1,700,733 (539,708) 1,700,733 (539,708) 1,700,733 (539,708) 1,700,733 (539,708) 1,700,733 (539,708) 1,700,733 (539,620) 29,371,602 - (41,166) 29,371,602 - (41,166) 2,671,286,849 (14,141,373) 2,671,286,849 (14,141,373) 1,829,416 - (14,141,373) 1,829,416 - (14,141,373) 1,205,937 (782,775) 6,793,104 - (1,245)		(39,666)	60,221,166	121,823,760		(121,834)	121,701,925
stan Term 1,679,158,942 - (12679,158,942)  Likuk Bonds 52,991,969 (5,249,620)  29,371,602 - (29,371,602)  819,646 (41,166)  29,371,602 - (34,166)  819,646 (41,146)  2,671,286,849 (14,141,373)  47,364,119 - (14,141,373)  1,829,416 - (407,134)  1,205,937 (782,775)  6,793,104 - (1,245)				000		1000 000	724 306 274
stan Services (7,889,986) 1,882,463 (7,889,986) 1,882,463 (7,889,986) 1,700,733 (539,708) 1,700,733 (539,708) 1,700,733 (539,708) 1,700,733 (529,620) 29,371,602 29,371,602 29,371,602 29,371,602 29,371,602 29,371,602 29,371,286,849 (14,141,373) 1,265,937 (407,134) 1,205,937 (782,775) 1,205,937 (1,245)	•	(2,526,920)	1,676,632,022	721,736,763		(430,492)	121,300,27
20,549,760 - 39,923,815 (7,899,986)   1,882,463 (410,893)   1,700,733 (539,708)   29,371,602	10	(16,684,619)	826,819,588	571,528,321	a ·	(8,147,316)	13 969 700
Jkuk Bonds 52,991,969 (5,249,620) (52,991,969 (5,249,620) (29,371,602 - 920,418 - 819,646 (41,166) (41,1286,849 (14,141,373) (417,288,608 - 1,829,416 - 1,205,937 (782,775) (41,245)		(225,530)	20,324,230	14,000,979	- 000	(31,279)	20 805 517
Incates 1,882,463 (410,893) (410,893) (1,700,733 (539,708) (5,249,620) (29,371,602 - 920,418 - 920,418 (41,166) (41,1286,849 (14,141,373) (411,288,608 - 13,554,837 (407,134) (1,205,937 (782,775) (1,205,937 (1,245) (1,245)	(986,668,7)	7,932,269	39,956,098	34,150,987	(6,110,939)	11,705,409	1 471 305
Interest (1,205,937) (539,708) (5,299,620) (5,299,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,620) (5,249,637) (407,134) (411,288,608) (441,1288,608) (441,1288,608) (407,134) (412,29,416) (407,134) (41205,937) (782,775) (5,793,104) (1,205,937) (1,205,937) (1,245)	(410,893)	1	1,471,570	1,882,198	(410,893)	98 614	1 265 729
ificates / Musharika  The Certificate and Sukuk Bonds  The Securities  The Bonds  The Bo	(802,629)	114,944	1,275,969	1,700,043	(001,866)	2000	
nd Sukuk Bonds 52,991,969 (5,249,620) 29,371,602	1000	100	40 547 062	55 505 182	(5 200 180)	959.516	51,264,518
Pakistan 29,371,602 - 920,418 - 920,418 - 2671,286,849 (14,141,373) - 32671,286,849 (14,141,373) - 32671,286,608 - 32671,286,608 - 326,837 (407,134) - 36,802,341	(5,249,620)	1,775,604	45,017,555	20,303,102	(0)-(0)-(0)	26,435	20,804,963
819,646 (41,166) 1,784 (41,166) 1,786,3294 (14,141,373) 19,736,4119	•	(8,226,878)	44,124	020,0110,02	10	26.372	907.304
819,646 (41,166) 463,294 (41,166) 2,671,286,849 (14,141,373) 47,364,119 - 411,288,608 - Certificates 13,554,837 (407,134) Akistan 1,829,416 - 36,802,341 - 510,840,105 (407,134) 1,205,937 (782,775) 6,793,104 - 1,245 (1,245)	•	(13,407)	110,708	200,000		1	•
819,646 (41,106) 819,646 (41,106) 2,671,286,849 (14,141,373) 47,364,119 - 411,288,608 13,554,837 (407,134) 1,829,416 - 36,802,341 510,840,105 (407,134) 1,205,937 (782,775) 6,793,104 - 1,245		. 400 001	1 046 024	810 848	(41 167)	1 289 705	1.868,184
463,294 2,671,286,849 (14,141,373) 47,364,119 - 411,288,608 13,554,837 (407,134) 1,829,416 - 58,802,341 510,840,105 (407,134) 1,205,937 (782,775) 6,793,104 - 1,245	(41,166)	1,130,334	1,910,034	463,246	()	27,060,912	27.524,206
2,671,286,849 (14,141,373)  47,364,119  411,288,608  13,554,837  1,829,416  36,802,341  784  510,840,105  1,205,937  1,205,937  1,245  (1,245)		36,466,718	30,330,013	4 400 050 650	(42 202 887)	32 617 936	1 443 568,702
47,364,119 411,288,608 13,554,837 1,829,416 36,802,341 784 510,840,105 1,205,937 6,793,104 1,245	(14,141,373)	19,750,535	2,676,896,012	1,423,253,053	(12,302,007)	000,110,20	100000000000000000000000000000000000000
13,554,837 (41 13,554,837 (41 1,829,416 36,802,341 784 510,840,105 1,205,937 (7) 6,793,104	-		47.364.119	1		i	•
13,554,837 (40 13,554,837 (40 1,829,416 36,802,341 784 510,840,105 1,205,937 (7) 6,793,104	•		411,288,608	324,726,185	at.		324,726,185
13,554,837 (41,829,416 36,802,341 784 510,840,105 1,205,937 (77,1245							
1,829,416 36,802,341 784 510,840,105 1,205,937 (7) 6,793,104	(407.134)		13,147,703	407,164	(407,134)		30
1,829,416 36,802,341 784 510,840,105 1,205,937 6,793,104 1,245			•	10,914,185	0 <b>4</b> 5	34	10,914,185
36,802,341 784 510,840,105 (4) 1,205,937 (7) 6,793,104	•	1	1,829,416	1		£.	1 (
1,205,937 (7) 6,793,104	•	•	36,802,341	34,091,600			34,091,600
6,793,104	•		784	089			089
1,205,937 (7) 6,793,104 1,245	(407,134)		510,432,971	370,139,814	(407,134)	i	369,732,680
6,793,104	(782,775)	5.00	423,162	1,271,766	(674,785)	i/	596,981
1,245	•	. 9	6,793,104	7,140,903	ï	-1	7,140,903
1,245							
	(1,245)		٠	1,245	(1,245)	9	,
3 250 388 072 (15.332.528) 19.710,869	(15.332.528)	19,710,869	3,254,766,415	1,923,631,141	(13,386,051)	32,496,101	1,942,741,191

9.1

(Audited) December 31, 2021 n '000)	30,682,290 96,128,050 126,810,340
(Un-audited) (Audited June 30, December 2022 2021 (Rupees in '000)	214,834,393 964,418,677 1,179,253,070
Note	71

1,242,251 (718,973)

2,392,192 (445,715)

1,946,477

523,278

15,332,528

December 31, 2021 (Audited)

June 30, 2022 (Un-audited)

Provision

----- (Rupees in '000)

Provision

NPI

12,862,773

13,386,051

9.2 Provision for diminution in value of investments

9.1.1 Investments given as collateral

Pakistan Investment Bonds

Market Treasury Bills

9.2.1 Opening balance

Charge for the period Reversals for the period

Closing Balance

9.2.2 Particulars of provision against debt securities

Category of classification

Domestic

Substandard Loss

299,760 74,940 5,607,314 5,607,314 5,607,314 5,881,574 5,656,754 5,607,314 5,607,314

The market value of securities classified as held-to-maturity as at June 30, 2022 amounted to Rs. 443,131 million (December 31, 2021: Rs. 366,869 million). 9.3

		Perfo	Performing	Non Per	Non Performing	ř	Total
		(Un-andited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
		2022	2021	2022	2021	2022	2021
	Note		(Rupees in '000)	(Rupee	(000, ui s		
Loans, cash credits, running finances, etc.		1,094,859,358	1,045,532,093	188,906,883	183,456,102	1,283,766,241	1,228,988,195
Islamic financing and related assets		46,630,665	42,316,269	683,871	712,762	47,314,536	43,029,031
Net Investment in finance lease	10.1	39,972	47,548	28,944	28,944	68,916	76,492
Bills discounted and purchased		22,426,824	19,199,730	14,070,455	14,147,881	36,497,279	33,347,611
Advances - gross	10.2	1,163,956,819	1,107,095,640	203,690,153	198,345,689	1,367,646,972	1,305,441,329
Provision against advances							
- Specific			i	188,209,193	179,654,610	188,209,193	179,654,610
- General		9,152,076	12,472,591		•	9,152,076	12,472,591
	10.4	9,152,076	12,472,591	188,209,193	179,654,610	197,361,269	192,127,201
Advances - net of provision		1,154,804,743	1,154,804,743 1,094,623,049	15,480,960	18,691,079	18,691,079 1,170,285,703	1,113,314,128

# 10.1 Net Investment in Finance Lease

		June 30, 202;	June 30, 2022 (Un-audited)			December 31	December 31, 2021 (Audited)	
	Not later than one year	Late and fiv	r than one less than Over five years e years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
				(Rupe	(Rupees in '000)			
Lease rentals receivable	51,739			51,739	51,796	64	7	51,860
Residual value	41,506			41,506	48,804	185	3	48,989
Minimum lease payments	93,245	•2		93,245	100,599	249		100,849
Less: financial charges for future periods	24,329	•		24,329	24,356	-	1	24,356
Present value of minimum lease payments	68,916	150	5.40	68,916	76,244	248		76,492

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Group requires the lessee to insure the leased assets in favour of the Group. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% (December 31, 2021: 10.19% to 14.85%) per annum.

(Audited)	December 31,	2021	(000, ui s
(Un-audited)	June 30,	2022	(Rupees in '000)

1,222,705,014 1,178,144,911 144,941,958 127,296,418 1,367,646,972 1,305,441,329

# 10.2 Particulars of advances (Gross)

In local currency In foreign currencies 10.3 Advances include Rs. 203,690 million (December 31, 2021: Rs. 198,346 million) which have been placed under non-performing status as detailed below:

	June 30, 2022	(Un-audited)	December 31, 2	021 (Audited)
Category of Classification	Non Performing Loans	Provision	Non Performing Loans	Provision
		(Rupe	es in '000)	
Domestic				
Other Assets Especially Mentioned	2,122,611	68,390	1,950,183	94,550
Substandard	6,392,442	1,560,569	5,245,094	1,230,458
Doubtful	9,358,093	4,885,558	17,048,217	8,455,999
Loss	134,431,424	132,103,586	127,537,486	124,864,376
	152,304,569	138,618,103	151,780,980	134,645,383
Overseas				
Overdue by:				
Upto 90 days	•	~		
91 to 180 days	•	-		2
181 to 365 days	311,438	155,719		143,373
> 365 days	51,074,145	49,435,371	46,277,963	44,865,854
	51,385,583	49,591,090	46,564,709	45,009,227
Total	203,690,153	188,209,193	198,345,689	179,654,610

## 10.4 Particulars of provision against advances

		June 30	), 2022 (Un-audi	ted)	Decemb	per 31, 2021 (Auc	dited)
	1	Specific	General	Total	Specific	General	Total
	Note			(Rupees	in '000)		
Opening balance		179,654,610	12,472,591	192,127,202	154,587,769	22,473,748	177,061,517
Exchange adjustments		5,348,325	64,351	5,412,676	4,293,544	50,984	4,344,528
Charge for the period / year	Г	2,733,613	542,773	3,276,386	15,680,535	513,602	16,194,137
Reversals		(2,417,120)	(899,639)	(3,316,759)	(4,238,039)	(952,785)	(5,190,824)
		316,493	(356,866)	(40,373)	11,442,496	(439,183)	11,003,313
Amounts written off		(125,569)		(125,569)	(171,425)	-	(171,425)
Amounts charged off - agriculture financing	10.4.4	(12,665)		(12,665)	(110,733)	10	(110,733)
Transfer from general to specific provision		3,028,000	(3,028,000)	7.50	9,612,958	(9,612,958)	-
Closing balance		188,209,193	9,152,076	197,361,269	179,654,610	12,472,591	192,127,201

## 10.4.1 Particulars of provision against advances

	June 3	0, 2022 (Un-aud	ited)	Decem	ber 31, 2021 (Aud	dited)
	Specific	General	Total	Specific	General	Total
			(Rupees	s in '000)		
In local currency In foreign currencies	138,618,103 49,591,090	8,821,684 330,392	147,439,787 49,921,483	134,645,383 45,009,227	12,220,748 251,843	146,866,131 45,261,070

- 10.4.2 General provision includes provision amounting to Rs. 5,388 million (2021: Rs. 5,618 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 330 million (2021: Rs. 252 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Group
  - The Group has also maintained general provision of Rs. 3,434 million (December 31, 2021: Rs. 6,603 million) in respect of its underperforming portfolio on prudent basis.
- 10.4.3 The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2022. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.
- 10.4.4 These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Group's right of recovery from these customers.

		Note	(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
11.	FIXED ASSETS			
	Capital work-in-progress Property and equipment	11.1	1,540,126 52,598,901	1,405,413 53,204,991
			54,139,027	54,610,404
11.1	Capital work-in-progress			
	Civil works		1,466,298	1,335,603
	Equipment		10,825	10,825
	Advances to suppliers and contractors		63,003	58,985
			1,540,126	1,405,413
			(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 in '000)
11.2	Additions to fixed assets		(Nupees	iii 000)
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress		215,149	219,092
	Property and equipment			
	Building on freehold land		26,460	
	Building on leasehold land		513	30,327
	Furniture and fixture		259,286	342,217
	Computer and peripheral equipment		102,949	168,513
	Electrical, office equipment		163,232	211,425
	Vehicles		100,993	21,405
	Assets held under finance lease - Vehicles		44,999 698,432	18,795 792,682
	Total		913,582	1,011,774
11.3	Disposal of fixed assets			
	The net book value of fixed assets disposed off during the period is as follows:			
	Furniture and fixture		78	3,155
	Computer and peripheral equipment		468	45
	Electrical, office equipment		28	1,071
	Vehicles		23,773	16,738
	Assets held under finance lease - Vehicle		15,186	1,847
	Total		39,533	22,856

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
12.	INTANGIBLE ASSETS	(Rupees	in '000)
	Capital work-in-progress - Software Implementation Computer Software Goodwill on NBP Fund Acquisition	480,246 574,187 562,553	223,397 608,893 562,553
	properties and the second of t	1,616,986	1,394,843
		(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
12.1	Additions to intangible assets	· (Rupees	ın '000)
	The following additions have been made to intangible assets during the period:		
	The following additions have been made to intangible assets during the period.		
	Capital Work in Progress - net additions Directly purchased	263,116 48,215	73,445 43,939
	Total	311,331	117,384
		(Un-audited) June 30, 2022	(Audited) December 31, 2021
13.	RIGHT-OF-USE ASSETS	(Rupees	in '000)
13.	RIGHT-OF-03E ASSETS		
	Balance as at January 01 Additions during the period / year Derecognition during the period / year Depreciation charged for the period / year	7,090,980 989,236 (6,618) (1,071,905)	7,017,020 2,201,551 (37,767) (2,089,824)
	Balance as at	7,001,692	7,090,980
14.	DEFERRED TAX		
1.34			
	Deductible temporary differences on		
	- Tax losses carried forward	10,705	10,705
	Post retirement employee benefits     Provision for diminution in the value of investments	6,300,583	5,072,768
	- Provision for diffinduor in the value of investments - Provision against loans and advances	236,751 6,525,410	236,751 10,457,938
	- Provision against off-balance sheet obligations	115,222	115,222
	- Accelerated tax depreciation	1,563,359	1,079,805
	- Right of use assets	783,829	502,538
	- Other provisions	107,839 15,643,698	107,841 17,583,568
	Taxable temporary differences on		
	- Surplus on revaluation of fixed assets	(2,474,507)	(2,446,324)
	- Surplus on revaluation of investments	(8,488,218)	(12,715,501)
	Surplus on revolution of non-hanking assets		(52,732)
	- Surplus on revaluation of non-banking assets - Excess of accounting book value of leased assets over lease liabilities	(52,732)	
	- Excess of accounting book value of leased assets over lease liabilities	(5,397)	796

Π

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	(Rupees	in '000)
OTHER ASSETS			
Income / return / mark-up accrued in local currency		62,292,811	41,787,103
Income / return / mark-up accrued in foreign currency		4,037,691	2,842,699
Advances, deposits, advance rent and other prepayments		4,417,281	4,047,973
Income tax refunds receivable & advance taxation (payments less provisions)	15.1	1,180,420	12,983,211
Compensation for delayed tax refunds		19,933,793	19,221,431
Non-banking assets acquired in satisfaction of claims		1,187,801	1,195,660
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
Unrealized gain on forward foreign exchange contracts		4,168,125	3,058,205
Commission receivable on Government treasury transactions		10,257,582	5,006,019
Stationery and stamps on hand		493,671	470,402
Barter trade balances		195,399	195,399
Receivable on account of Government transactions		323,172	323,172
Receivable from Government under VHS scheme		418,834	418,834
Receivable against sale / purchase of shares		97,717	435,422
Receivable from Pakistan Stock Exchange		198,116	159,949
Receivable from mutual funds		891,155	896,162
Acceptances		62,052,254	10,311,259
Others		8,955,108	7,718,051
		181,309,353	111,279,374
Less: Provision held against other assets	15.2	11,764,970	11,709,318
Other assets (net of provision)		169,544,383	99,570,056
Surplus on revaluation of non-banking assets acquired in		7272000000000	naments armenana.
satisfaction of claims		2,863,886	2,863,886
Other assets - total		172,408,269	102,433,942
During the period Rs. 7,534 million were adjusted against income tax refunds towards	ırds payn	nent of advance ta	x liability.
		(Un-audited)	(Audited)
		June 30, 2022	December 31, 2021

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

152,607

837,949

96,542

195,399

323,172

418,834

770,398

208,423

4,541,509

11,709,318

4,164,485

152,607

837,949

96,542

195,399

323,172

418,834 4,178,026

770,398

208,423

4,583,620

11,764,970

15.

15.1

15.2 Provision held against other assets

Stationery and stamps on hand

Ex-MBL / NDFC - other assets

Barter trade balances

Protested bills

Others

Income / mark-up accrued in local currency

Advances, deposits, advance rent and other prepayments

Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)

Receivable on account of Government transactions

Receivable from Government under VHS scheme

			(Un-audited) June 30, 2022	(Audited) December 31, 2021
			(Rupees	
15.2.1	Movement in provision held against other assets			
	Opening balance		11,709,318	11,882,118
	Charge for the period / year		83,816	70,781
	Adjustment against provision		(28,164)	(243,582)
	Closing balance		11,764,970	11,709,318
16.	BILLS PAYABLE			
	In Pakistan		30,578,066	21,775,348
	Outside Pakistan		304,535	72,922
			30,882,601	21,848,270
17.	BORROWINGS			
	Secured			
	Borrowings from State Bank of Pakistan			
	Under Export Refinance Scheme		9,418,594	5,057,300
	Under Export Refinance Scheme (New Scheme)		29,786,676	29,193,202
	Financing Scheme for Renewable Energy		732,441	740,493
	Refinance Facility for Modernization of SMEs		177,470	130,288
	Financing Facility for storage of Agriculture Produce (FFSAP)		367,184	526,479
	Under Long-Term Financing Facility (LTFF)		22,467,725	19,465,068
	Refinance Scheme for Payment of Wages and Salaries		252,998	566,315
	Temporary Economic Refinance Facility		21,585,260	12,122,947
	Refinance Facility for Combating Covid-19		40,965	79,976
			84,829,313	67,882,068
		9.1.1	1,179,253,070	126,810,340
	Bai Muajjal		18,673,222	72,195,209
			1,282,755,605	266,887,617
	Unsecured			
	Call borrowings		32,405,584	46,011,009
	Overdrawn nostro accounts		439,447	26,480
			32,845,031	46,037,489
			1,315,600,636	312,925,106
17.1	Particulars of borrowings with respect to currencies			
				075 700 770
	In local currency		1,283,195,052	275,739,772
	In local currency In foreign currencies		1,283,195,052	37,185,334

## 17.2 Mark-up / interest rates and other terms are as follows:

- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 3% (December 31, 2021: from 1% to 2%) per annum.
- Repurchase agreement borrowings carry mark-up ranging from 12.8% to 14.3% per annum (December 31, 2021: 9.7% to 10.21% per annum) having maturities ranging from July 8, 2022 to September 15, 2022.
- Call borrowings carry interest ranging from 1.1% to 8.5% per annum (December 31, 2021: 0.63% to 4.15% per annum).
- 17.3 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.
- 17.4 Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 10 years and 3 12 months respectively, are pledged as security under borrowing having carrying amount of Rs.1,179,253 million (December 31, 2021: Rs. 126,810 million).

## 18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2022 (Un-audited)			Decer	nber 31, 2021 (Au	udited)
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	*******		(Rupe	es in '000)	****************	
Customers			200			
Current deposits - remunerative	742,204,610	4	742,204,610	648,854,267	-	648,854,267
Current deposits - non- remunerative	501,870,249	153,341,311	655,211,560	476,510,388	145,931,064	622,441,452
Savings deposits	675,953,891	109,822,296	785,776,187	675,591,525	79,434,496	755,026,021
Term deposits	408,757,717	71,919,717	480,677,434	400,905,240	70,853,064	471,758,304
Others	43,978,108	4,779	43,982,887		6,463	6,463
	2,372,764,575	335,088,103	2,707,852,678	2,201,861,420	296,225,087	2,498,086,507
Financial Institutions						
Current deposits	451,692,779	1,266,086	452,958,865	444,904,430	1,169,235	446,073,665
Savings deposits	14,315,974		14,315,974	7,075,299	3,842,651	10,917,950
Term deposits	13,182,000	7,073,489	20,255,489	21,470,450	5,760,597	27,231,047
Others	2,527,000	2,296	2,529,296	35,838,540		35,838,540
	481,717,753	8,341,871	490,059,624	509,288,719	10,772,483	520,061,202
	2,854,482,328	343,429,974	3,197,912,302	2,711,150,139	306,997,570	3,018,147,709
	-					

<sup>18.1</sup> Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 72,818 million (December 31, 2021; Rs. 75,485 million).

## 19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2022 (Un-audited)		December 31, 2021 (Audit		ited)	
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
			(Rupe	es in '000)		
Not later than one year Later than one year and	72,123	6,992	65,131	83,418	5,302	78,116
upto five years	66,850	4,272	62,578	57,804	2,322	55,482
Over five years						
	138,973	11,264	127,709	141,222	7,624	133,598

The Group has entered into lease agreements with various financial institutions for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 6M KIBOR + 1.50% per annum (December 31, 2021: 6M KIBOR + 1.50% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
20.	LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS	(Rupees	in '000)
	Lease liabilities included in the statement of financial position	8,617,209	8,360,755
	Of which are:		
	Current lease liability	1,821,388	1,646,939
	Non-current lease liability	6,795,821	6,713,816
		8,617,209	8,360,755
	Maturity analysis - contractual undiscounted cash flows		
	Less than one year	2,487,217	2,379,333
	One to five years	6,569,444	6,387,263
	More than five years	7,256,007	6,504,031
	Total undiscounted lease liabilities	16,312,668	15,270,627
		-	

	June 30, 2022	December 31, 2021
	(Rupee:	s in '000)
OTHER LIABILITIES		
Mark-up / Return / Interest payable in local currency	80,949,970	48,801,768
Mark-up / Return / Interest payable in foreign currencies	358,366	384,638
Unearned commission and income on bills discounted	408,340	440,231
Accrued expenses	8,384,871	21,168,039
Advance payments	404,146	387,576
Acceptances	62,052,254	10,311,259
Unclaimed dividends	181,997	181,997
Unrealized loss on put option	306,339	306,339
Branch adjustment account	1,501,859	1,342,640
Employee benefits:		Chavoratacary
Pension fund	20,723,458	17,834,945
Post retirement medical benefits	26,885,143	24,516,717
Benevolent fund	1,697,079	1,778,825
Gratuity scheme	3,655,033	3,467,939
Compensated absences	10,030,776	9,952,554
Staff welfare fund	373,964	371,257
Liabilities relating to Barter trade agreements	3,359,890	3,006,122
Provision against off-balance sheet obligations	627,494	627,494
Provision against contingencies	3,940,233	3,805,376
Payable to brokers	278,948	155,001
Payable to customers	363,694	781,522
PIBs short selling	32,216,022	34,144,415
Others		

(Un-audited)

16,510,226

275,210,102

16,829,474

200,596,128

(Audited)

## 22. GENERAL LOAN LOSS RESERVE

Others

21.

The Bank is cognizant of the fact that a part of its credit or loan portfolio (funded and non-funded) which is not currently impaired as per the applicable Prudential Regulations is underperforming and therefore the potential for risk of credit losses on this part of portfolio is higher than the usual risk. Therefore, as a matter of abundant caution and in order to protect the equity base of the Bank from future contingencies in respect of the credit portfolio, the Board of Directors in their meeting held on April 29, 2015 decided to transfer an aggregate amount of Rs. 12 billion from the unappropriated profits to a "General loan loss reserve". This appropriation was made on the basis of the management's best estimates and judgement regarding the inherent portfolio risks. Subsequently, Board of Directors in their meeting held on 11 & 12 July, 2019 decided to transfer Rs. 4 billion from general loss reserve to unappropriated profit based on revised estimates. During the period, management revisited the estimates and transferred the remaining Rs. 8 billion from general loan loss reserve to unappropriated profit.

		Note	(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
23.	SURPLUS ON REVALUATION OF ASSETS			
	Surplus / (deficit) on revaluation of - Available for sale securities	9.1	19,750,535	32,617,936
	<ul><li>Fixed Assets</li><li>Non-banking assets</li><li>On securities of associates and joint venture</li></ul>	0.1	45,006,760 2,863,886 (1,124,680)	45,168,797 2,863,886 (349,787)
	Deferred tax on surplus / (deficit) on revaluation of: - Available for sale securities		(8,488,136)	80,300,832
	- Fixed Assets - Non-banking assets		(2,474,507) (52,732)	(2,537,701) (52,732)
			(11,015,375) 55,481,126	(15,305,852) 64,994,980
24.	CONTINGENCIES AND COMMITMENTS			
	Guarantees Commitments Other contingent liabilities	24.1 24.2 24.3	294,694,162 2,088,127,401 25,362,018	261,356,068 2,192,951,563 36,196,804
			2,408,183,581	2,490,504,435
24.1	Guarantees:			
	Financial guarantees Performance guarantees		227,972,234 66,721,928	197,024,912 64,331,156
			294,694,162	261,356,068
24.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- letters of credit  Commitments in respect of:		1,374,001,563	1,582,757,532
	- forward foreign exchange contracts - forward government securities transactions	24.2.1 24.2.2	705,807,773 7,530,855	571,111,340 38,255,954
	Commitments for acquisition of:			
	- operating fixed assets		787,210	826,737
			2,088,127,401	2,192,951,563
24.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		407,246,637 298,561,136	337,970,120 233,141,220
			705,807,773	571,111,340

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

	(Un-audited)	(Audited)
	June 30,	December 31,
	2022	2021
V VV V	(Rupees	s in '000)

## 24.2.2 Commitments in respect of forward government securities transactions

Purchase	5,000,000	30,218,032
Sale	2,530,855	8,037,922
	7,530,855	38,255,954

Commitments for outstanding forward government securities transactions are disclosed in these consolidated condensed interim financial statements at contracted rates.

(Un-audited)	(Audited)
June 30,	December 31,
2022	2021
(Rupees	s in '000)

## 24.3 Other contingent liabilities

## 24.3.1 Claim against the Group not acknowledged as debt

**25,362,018** 36,196,804

Claims against the Bank not acknowledged as debts including claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2021; Rs.1,597 million).

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

## 24.3.2 Taxation

The status of Tax contingencies is same as disclosed in annual financial statements of the Group for the year ended December 31, 2021, except for the following:

- Taxation officer has passed assessment order for tax year 2021 during the year. The Bank has filed appeal before CIR(A) which is pending for order. The demand created in the assessment order of Rs. 4,016.75 million. Based on rectification request, the tax authorities issued rectified order showing tax refund of Rs. 2,296.35 million. The Tax Advisor is confident that the ultimate outcome of the proceeding will be decided in the Bank's favour.
- Honourable Tribunal through recent judgement dated February 7, 2022 has decided the appeals filed by the Bank for Tax Year 2009, 2010 and 2016 for which appeal effect orders have been issued determining tax refund of Rs. 948.44 million and Rs. 814.54 million in 2009 and 2010 respectively. Whereby for Tax Year 2016, the department has created demand of Rs. 118.11 million which has been adjusted against tax refunds of Tax Year 2018.
- Honourable CIR(A) through recent judgement dated December 31, 2021 has decided the appeal filed by the Bank for Tax Year 2018 partially in favour of the Bank for which appeal effect order has been issued determining refund of Rs. 1,199.29 million.
- The aggregate effect of contingencies as on June 30, 2022, including amount of Rs. 1,912.24 million (December 31, 2021: Rs. 1,982.32 million) in respect of indirect tax issues, amounts to Rs. 25,259.26 million (December 31, 2021: Rs. 19,964.93 million). No provision has been made against these contingencies, based on the opinion of tax consultants of the Bank, who expect favourable outcome upon decisions of pending appeals.

## 24.3.3 Contingencies in respect of employees benefits and related matters

As at June 30, 2022, the status of contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2021 is same, other than the following:

## 24.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 26.3.3.1 to the consolidated financial statements for the year ended December 31, 2021. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended June 30, 2022 amounted to Rs. 83.9 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for June 2022 onward will also increase by Rs. 10.9 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these consolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favorable outcome on the matter.

## 24.3.4 Compliance and risk matters relating to anti-money laundering at the New York Branch

The Bank operates a branch in New York, which is licensed by the New York State Department of Financial Services (NYSDFS) and is also subject to supervision by the Federal Reserve Bank of New York (FRBNY) (hereinafter referred to as "US regulators"). As reported previously, the bank and the branch entered into a Written Agreement with its US regulators in 2016, which was superseded by Enforcement Actions issued by US regulators in February 2022. These Actions included payment of fines totaling US \$ 55.4 million, equivalent to Rs. 9,778 million, focused on historical compliance program weaknesses and delays in making compliance related enhancements. These fines were paid shortly following issuance of the Actions.

Under these Actions, the Bank is required to enhance its Anti Money Laundering and, to a lesser extent, its Sanctions Compliance controls and submit status reports at defined frequencies to the US Regulators, which is being done as per the remedial plan instituted by the branch and overseen by the management at Head Office. The branch has been under new management since May 2020 and has substantially enhanced its compliance program, as recognized by its US regulators. Bank's management and the Board of Directors continue to provide close oversight of the branch's remedial actions and are committed to ensure compliance with the conditions agreed to in the Actions.

		Note	(Un-audited) For the half ye June 30, 2022(Rupees in	June 30, 2021
25.	MARK-UP / RETURN / INTEREST EARNED	11010	,	
	Loans and advances Investments On securities purchased under resale agreements Balances with other banks		59,166,855 114,344,073 5,511,835 472,804	42,162,492 64,120,035 1,134,324 672,738
			179,495,567	108,089,589
26.	MARK-UP / RETURN / INTEREST EXPENSED			
			80,177,023	39,097,322
	Deposits Borrowings		3,158,176	3,346,442
	Cost of foreign currency swaps against foreign currency deposits		5,131,204	4,243,818
	Finance charge on lease liability against right of use assets		440,015	433,628
	Securities sold under repurchase agreements		37,404,178	13,484,952
			126,310,596	60,606,162
27.	FEE AND COMMISSION INCOME			
	O all backing and an afone		797,260	543,566
	Branch banking customer fees Consumer finance related fees		248,019	425,873
	Card related fees		964,264	919,901
	Credit related fees		215,115	100,647
	Investment banking fees		506,521	542,212
	Commission on trade		1,088,107	1,064,047
	Commission on guarantees		310,783	239,835
	Commission on cash management		23,540	40,818
	Commission on remittances including home remittances		688,759 168,389	810,104 141,825
	Commission on bancassurance Commission on government transactions		5,184,873	3,981,415
	Management fee and sale load		541,281	627,046
	Brokerage income		37,623	70,687
	Others		82,841	28,635
			10,857,375	9,536,612
28.	GAIN ON SECURITIES - NET			
	Realised	28.1	1,095,037	4,155,708
	Unrealized - held-for-trading Unrealized - Shortselling		(76,456) 36,790	632
	On our part of the country		1,055,371	4,156,340
28.1	Realized gain / (loss) on			
	Federal Government Securities		286,070	335,792
	Shares and mutual funds		808,802	3,686,132
	ljarah Sukuks		•	10,809
	Foreign Securities		165	122,975
			1,095,037	4,155,708
29.	OTHER INCOME			
	Rent on property		18,876	22,053
	Gain on sale of fixed assets - net		8,719	22,068
	Compensation for delayed tax refunds	29.1		881,752
	Others		75,435	29,350
			815,392	955,223
			Al-	With the second

30.

	(Un-audited) For the half y June 30, 2022(Rupees i	June 30, 2021
OPERATING EXPENSES		
Total compensation expense	23,229,700	20,894,526
Property expense		
Rent and taxes	286,651	401,052
Insurance	20,093	23,515
Utilities cost	782,945	570,393
Security (including guards)	1,594,021	1,376,240
Repair and maintenance (including janitorial charges)	455,686	423,550
Depreciation	226,809	241,721
Depreciation on non banking assets	7,859	7,731
Depreciation on Ijarah assets	33,544	38,356
Depreciation on right of use assets	1,071,905	1,022,961
Information technology expenses	4,479,513	4,105,519
Software maintenance	1,749,452	607,354
Hardware maintenance	52,433	16,059
Depreciation	216,944	153,247
Amortisation	149,401	122,626
Network charges	357,216	231,151
IT Manage Services	168,702 L 2,694,148	118,244 1,248,681
Other operating expenses		1,210,001
Directors' fees and reimbursement of other expenses	16,475	11,497
Directors' fees and allowances - subsidiaries	5,150	5,945
Fees and allowances to Shariah Board	8,233	5,140
Legal and professional charges	633,612	454,528
Outsourced services costs	328,508	347,179
Travelling and conveyance	424,706	287,168
NIFT clearing charges Depreciation	100,435	82,707
Training and development	805,199 27,746	797,911 21,643
Postage and courier charges	126,279	112,139
Communication	183,177	161,958
Stationery and printing	863,853	686,372
Marketing, advertisement and publicity	212,684	99,063
Contributions for other Corporate and Social Responsibility	32,000	6,201
Auditors' Remuneration	88,867	103,793
Financial charges on leased assets	38,117	22,384
Insurance	244,021	191,128
Entertainment	126,492	114,372
Clearing, verification, license fee charges	165,835	162,307
Vehicle Expenses	101,940	109,188
Repairs and maintenance	318,316	233,709
Brokerage Denosit promium evenes	35,765	71,495
Deposit premium expense Others	905,789	785,553
Official	263,651 6,056,850	204,503 5,077,882
		and the second of the second o
	36,460,211	31,326,608

		Note	For the half June 30, 2022 (Rupees	year ended June 30, 2021 s in '000)
31.	OTHER CHARGES			
	Penalties imposed by State Bank of Pakistan Penalties imposed by other regulatory bodies (Regulators of subsidiaries)		30,155 108	24,374 498
			30,263	24,872
32.	PROVISIONS & WRITE OFFS - NET			
	Provisions / (reversal) for diminution in value of investments (Reversal) / provisions against loans and advances Provision against other assets	9.2 10.4 15.2.1	1,946,477 (40,373) 83,816	(167,663) 7,064,006 20,847
	Provision against contingencies		34,858 2,024,778	20,694 6,937,884
33.	TAXATION		,	
	Current Prior years		14,856,785 3,828,030	12,385,115
	Deferred		3,189,006	(1,258,416)
			21,873,821	11,126,699
33.1	Through Finance Act 2022, the tax rate on banking companies has been from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income	recognized so e income for t e arising from	uper tax charge of he period.	Rs. 2,710 million
33.1	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has	recognized so e income for the e arising from cognised prior	uper tax charge of he period. Federal Governm vear tax charge of	Rs. 2,710 million ent securities for
	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has recduring the current period in respect of its income from Federal Government ended December 31, 2021).	recognized so e income for the e arising from cognised prior	uper tax charge of he period. Federal Governm vear tax charge of	Rs. 2,710 million ent securities for Rs 3,828 million (accounting year (Un-audited)
33.1	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has recduring the current period in respect of its income from Federal Government	recognized so e income for the e arising from cognised prior	uper tax charge of he period.  Federal Governm year tax charge of the tax year 2022  (Un-audited) For the half	Rs. 2,710 million ent securities for Rs 3,828 million (accounting year (Un-audited) year ended
	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has recduring the current period in respect of its income from Federal Government ended December 31, 2021).	recognized so e income for the e arising from cognised prior	uper tax charge of he period.  Federal Governm year tax charge of the tax year 2022  (Un-audited) For the half	Rs. 2,710 million ent securities for Rs 3,828 million (accounting year (Un-audited) year ended
	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has recduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED	recognized so e income for the e arising from cognised prior	uper tax charge of he period.  Federal Governm year tax charge of the tax year 2022  (Un-audited) For the half June 30, 2022	Rs. 2,710 million ent securities for Rs 3,828 million (accounting year (Un-audited) year ended June 30, 2021
	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has reduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)	recognized so e income for the e arising from cognised prior	uper tax charge of he period.  Federal Governm year tax charge of the tax year 2022  (Un-audited) For the half June 30, 2022	Rs. 2,710 million  ent securities for Rs 3,828 million (accounting year  (Un-audited)  year ended  June 30, 2021  16,980,180
	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has reduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (000's)	recognized si e income for t e arising from cognised prior Securities for	uper tax charge of he period.  Federal Governme year tax charge of the tax year 2022  (Un-audited) For the half June 30, 2022  12,205,488  2,127,513  5.74	Rs. 2,710 million  ent securities for Rs 3,828 million (accounting year  (Un-audited) year ended  June 30, 2021  16,980,180  2,127,513  7.98
34.	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has redduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (000's)  Earnings per share - basic and diluted (Rupees)	recognized significant for the common for the common from the cognised prior securities for the cognised pri	pper tax charge of he period.  Federal Governme year tax charge of the tax year 2022  (Un-audited) For the half June 30, 2022  12,205,488  2,127,513  5.74  e any convertible in (Un-audited) June 30, 2022	Rs. 2,710 million  ent securities for Rs 3,828 million (accounting year  (Un-audited)  year ended  June 30, 2021  16,980,180  2,127,513  7.98  struments in  (Un-audited)  June 30, 2021
34.	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has redduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (000's)  Earnings per share - basic and diluted (Rupees)	recognized significant for the common for the common from the cognised prior securities for the cognised pri	pper tax charge of the period.  Federal Governme year tax charge of the tax year 2022  (Un-audited) For the half June 30, 2022  12,205,488  2,127,513  5.74  e any convertible in (Un-audited)	Rs. 2,710 million  ent securities for Rs 3,828 million (accounting year  (Un-audited)  year ended  June 30, 2021  16,980,180  2,127,513  7.98  struments in  (Un-audited)  June 30, 2021
34. 34.1	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has recoduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (000's)  Earnings per share - basic and diluted (Rupees)  Diluted earnings per share has not been presented separately as the Bank of the share of the same taxable and the current period based on the taxable taxable and the current period based on the taxable taxable and the current period based on the taxable taxable and the current period based on the taxable taxable and the current period based on the taxable taxa	recognized size income for the arising from cognised prior Securities for the securities	content of the period.  The per	Rs. 2,710 million  ent securities for Rs 3,828 million (accounting year  (Un-audited) year ended June 30, 2021  16,980,180  2,127,513  7.98  struments in  (Un-audited) June 30, 2021 in '000)
34. 34.1	from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has (June 30, 2021: Rs. 1,146 million) in the current period based on the taxable Moreover, the Federal Government has amended the rate of tax on income the tax year 2022 through Finance Act, 2022. Accordingly, the Bank has recoduring the current period in respect of its income from Federal Government ended December 31, 2021).  EARNINGS PER SHARE - BASIC AND DILUTED  Profit for the period (Rupees in 000's)  Weighted average number of ordinary shares (000's)  Earnings per share - basic and diluted (Rupees)  Diluted earnings per share has not been presented separately as the Bank of CASH AND CASH EQUIVALENT  Cash and balances with treasury banks Balances with other banks Call money lendings	recognized significant for the entire arising from cognised prior Securities for the secu	content of the period.  The per	Rs. 2,710 million  ent securities for Rs 3,828 million (accounting year  (Un-audited) year ended June 30, 2021  16,980,180  2,127,513  7.98  struments in  (Un-audited) June 30, 2021  in '000)

(Un-audited)

(Un-audited)

## 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 instruments classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, 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.

## 36.1 Fair value of financial assets

The Group 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:

	Carrying Value	Level 1	Level 2	Level 3	Total
			upees in '000)		10tai
On balance sheet financial instruments					
Financial assets - measured at fair value					
nvestments	With the second control of the second				
Market Treasury Bills	1,725,068,082	3#6	1,725,068,082	040	1,725,068,08
Pakistan Investment Bonds	836,290,719	2	836,290,719		836,290,71
ljarah Sukuks	20,324,230	1 T	20,324,230		20,324,23
Ordinary shares of listed companies	40,014,011	40,014,011	-		40,014,01
Investment In mutual funds	2,637,825	-	2,637,825	84	2,637,83
Preference shares	1,275,969	1,275,969	-		1,275,96
Term Finance Certificates / Musharika and Sukuk Bonds	49,517,953	17,223,823	32,294,130	3(€)	49,517,9
GoP Foreign Currency Bonds	21,144,724		21,144,724	( <del>)</del>	21,144,7
Foreign Government Securities	2,442,082	(-1)	2,442,082		2,442,08
Ordinary shares of a bank outside Pakistan	36,930,013	36,930,013	HEX.		36,930,0
	2,735,645,608	95,443,816	2,640,201,792	(*)	2,735,645,60
inancial assets - disclosed but not measured at fair valu	ie				
Cash and balances with treasury banks	263,156,645	-	3-2		
Balances with other banks	17,518,835		243	121	2
endings to financial institutions	184,977,116	*	7	0.70	
nvestments	4 474 570				
Ordinary shares of unlisted companies	1,471,570	***	-		-
Market Treasury Bills	47,364,119	-	•		
Pakistan Investment Bonds	411,288,608	**			
Debentures, Bonds, Sukuks, Participation Term					-
Certificates and Term Finance Certificates	13,147,703	-	•		
Bai Muajjal with Government of Pakistan	and the second second	2. <del>1</del> 52			
GoP Foreign Currency Bonds	1,829,416	S#32		-	
Foreign Government Securities	36,802,341	923		-	
Foreign Currency Debt Securities	784	170			
Advances	1,170,285,703	•	:•:		-
Other assets	145,444,459	-	5#0	3. <del>4</del> 7	
	2,293,287,299 5,028,932,907	95,443,816	2,640,201,792	-	2,735,645,6
		7.577.1.575.1.5	-1		=,, 00,010,0
Off-balance sheet financial instruments - measured at fair	r value				
			4.168.125		4 168 13
Foreign exchange contracts purchase and sale	705,807,773	(*)	4,168,125		1000
Foreign exchange contracts purchase and sale			4,168,125 2,022		19780
Foreign exchange contracts purchase and sale	705,807,773	- Decembe	A to Date Series Trans	- - d)	4,168,12 2,02
Foreign exchange contracts purchase and sale	705,807,773 7,530,855 Carrying Value	Level 1	2,022 er 31, 2021 (Audite- Level 2	Level 3	2,02
Foreign exchange contracts purchase and sale  Forward government securities transactions	705,807,773 7,530,855 Carrying Value	Level 1	<b>2,022</b> er 31, 2021 (Audite	Level 3	2,02
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments	705,807,773 7,530,855 Carrying Value	Level 1	2,022 er 31, 2021 (Audite- Level 2	Level 3	2,02
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value	705,807,773 7,530,855 Carrying Value	Level 1	2,022 er 31, 2021 (Audite- Level 2	Level 3	2,0
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value	705,807,773 7,530,855 Carrying Value	Level 1	2,022 er 31, 2021 (Audite Level 2 upees in '000)	Level 3	Z,0
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments	705,807,773 7,530,855 Carrying Value	Level 1	2,022 er 31, 2021 (Audite- Level 2	Level 3	2,0 Total 811,994,8
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments  Market Treasury Bills	705,807,773 7,530,855  Carrying Value 811,994,893	Level 1	2,022 er 31, 2021 (Audite Level 2 upees in '000)	Level 3	2,0 Total 811,994,8 592,430,0
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments  Market Treasury Bills  Pakistan Investment Bonds	705,807,773 7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700	Level 1	2,022 er 31, 2021 (Audite Level 2 upees in '000) 811,994,893 592,430,009	Level 3	2,0 Total 811,994,8 592,430,0 13,969,7
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments  Market Treasury Bills  Pakistan Investment Bonds  Ijarah Sukuks	705,807,773 7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846	Level 1 (R	2,022 er 31, 2021 (Audite Level 2 upees in '000) 811,994,893 592,430,009 13,969,700	Level 3	7,00 Total 811,994,8 592,430,0 13,969,7 39,944,8
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments  Market Treasury Bills  Pakistan Investment Bonds  Ijarah Sukuks  Ordinary shares of listed companies	705,807,773 7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846 2,318,516	Level 1 (R	2,022 er 31, 2021 (Audite Level 2 upees in '000) 811,994,893 592,430,009	Level 3	7,00 Total 811,994,8 592,430,0 13,969,7 39,944,8 2,318,5
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments  Market Treasury Bills  Pakistan Investment Bonds  Ijarah Sukuks  Ordinary shares of listed companies  Investments in mutual funds	705,807,773 7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846	Level 1 (R (R 39,944,846 1,265,729	2,022 er 31, 2021 (Audite Level 2 upees in '000) 811,994,893 592,430,009 13,969,700 - 2,318,516	Level 3	7,00 Total 811,994,8 592,430,0 13,969,7 39,944,8 2,318,5 1,265,7
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  Investments  Market Treasury Bills  Pakistan Investment Bonds  Ijarah Sukuks  Ordinary shares of listed companies  Investments in mutual funds  Preference shares	705,807,773  7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846 2,318,516 1,265,729 51,264,518	Level 1 (R	2,022 er 31, 2021 (Audite Level 2 upees in '000) 811,994,893 592,430,009 13,969,700  2,318,516  34,204,782	Level 3	2,0  Total  811,994,8 592,430,0 13,964,8 2,318,5 1,265,7 51,264,5
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  nvestments  Market Treasury Bills  Pakistan Investment Bonds  Ijarah Sukuks  Ordinary shares of listed companies  Investments in mutual funds  Preference shares  Term Finance Certificates / Musharika and Sukuk Bonds  GoP Foreign Currency Bonds	705,807,773  7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846 2,318,516 1,265,729 51,264,518 20,804,963	Level 1 (R (R 39,944,846 1,265,729	2,022 er 31, 2021 (Audite-Level 2 upees in '000)  811,994,893 592,430,009 13,969,700 - 2,318,516 - 34,204,782 20,804,963	Level 3	7,00 Total 811,994,8 592,430,0 13,969,7 39,944,8 2,318,5 1,265,7 51,264,5 20,804,9
Foreign exchange contracts purchase and sale  Forward government securities transactions  On balance sheet financial instruments  Financial assets - measured at fair value  nvestments  Market Treasury Bills  Pakistan Investment Bonds  Ijarah Sukuks  Ordinary shares of listed companies  Investments in mutual funds  Preference shares  Term Finance Certificates / Musharika and Sukuk Bonds  GoP Foreign Currency Bonds  Foreign Government Securities	705,807,773  7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846 2,318,516 1,265,729 51,264,518	Level 1 (R 39,944,846 1,265,729 17,059,736	2,022 er 31, 2021 (Audite Level 2 upees in '000) 811,994,893 592,430,009 13,969,700  2,318,516  34,204,782	Level 3	7,00 Total 811,994,8 592,430,0 13,969,7 39,944,8 2,318,5 1,265,7 51,264,5 20,804,9
Pakistan Investment Bonds Ijarah Sukuks Ordinary shares of listed companies Investments in mutual funds Preference shares Term Finance Certificates / Musharika and Sukuk Bonds GoP Foreign Currency Bonds	705,807,773  7,530,855  Carrying Value  811,994,893 592,430,009 13,969,700 39,944,846 2,318,516 1,265,729 51,264,518 20,804,963	Level 1 (R 39,944,846 1,265,729 17,059,736	2,022 er 31, 2021 (Audite-Level 2 upees in '000)  811,994,893 592,430,009 13,969,700 - 2,318,516 - 34,204,782 20,804,963	Level 3	2,02

		Decemb	er 31, 2021 (Audite	d)	
	Carrying Value	Level 1	Level 2	Level 3	Total
700 1010 0 00 to 0		(R	Rupees in '000)		
Financial assets - disclosed but not measured at fair	value				
Cash and balances with treasury banks	278,868,736	4	2		
Balances with other banks	19,211,237	2			
Lending to financial instruments	335,466,675		_		
Investments					-
Market Treasury Bills	2	20			
Pakistan Investment Bonds	324,726,185				
Ordinary shares of unlisted companies	1,471,305			- 3	
Debentures, Bonds, Sukuks, Participation Term				_	-
Certificates and Term Finance Certificates	30				
Bai Muajjal with Government of Pakistan	10,914,185				
GoP Foreign Currency Bonds	,	2			-
Foreign Government Securities	34,091,600	12		ē	
Foreign Currency Debt Securities	680				
Advances	1,113,314,128			-	-
Other assets	65,505,033	12	2		
	2,183,569,794	-			
	3,747,369,116	85,794,517	1,478,004,805	-	1,563,799,322
Off-balance sheet financial instruments - measured at	t fair value				
Foreign exchange contracts purchase and sale	571,111,340	9 <b>0</b>	3,058,205		3,058,205
Forward government securities transactions	38,255,954	74	(308,328)		(308,328)

## Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Valuation approach and input used
PKRV (MUFAP)
PKRV (MUFAP)
MUFAP
Breakup value as per latest available audited financial statements
MUFAP
MUFAP
Reuter page
Reuter page
Reuter page

## 36.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

		June 30,	, 2022 (Un-audite	d)	
	Carrying Value	Level 1	Level 2	Level 3	Total
		(Rı	upees in '000)		
Land & building (property and equipment)	48,573,650	( <u>*</u> )	·	48,573,650	48,573,650
Non-banking assets acquired in satisfaction of claims	4,051,687			4,051,687	4,051,687
	52,625,337			52,625,337	52,625,337
	Carrying Value		er 31, 2021 (Audite		
	Carrying value	Level 1	Level 2 upees in '000)	Level 3	Total
		<i>(. t.</i>	apaco III 000)		
Land & building (property and equipment)	48,745,835			48,745,835	48,745,835
Non-banking assets acquired in satisfaction of claims	4,059,546	-		4,059,546	4,059,546
	52.805.381				4,009,040

				Half year en	Half year ended June 30, 2022 (Un-audited)	(Un-audited)			
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and	Head Office / Others	Sub total	Eliminations	Total
					Remittance				
Profit and loss account					(Rupees in '000)				
Net mark-up / return / interest income / (expense)	(63,655,338)	12,550,865	17,087,543	81,530,590	2.445.785	3 225 529	53 184 071		20000
Inter segment revenue - net	99,463,298	(12,077,484)	_	(82,987,887)		12.502.436	10,401,00		176,4971
Non mark-up / return / interest income	7,651,021	234,629	2,490,745	6,493,542	626,652	1,949,640	19,446,230		19 446 230
Otal III Collie	43,458,981	708,010	2,677,925	5,036,245	3,072,437	17,677,605	72,631,201	· P	72,631,201
Segment direct expenses Inter segment expense allocation	16,440,286	1,429,638	603,004	146,689	3,344,236	2,286,432	24,250,285		24,250,285
Total expenses	16 440 286	1 479 639	. 000 000			12,240,190	12,240,190	*	12,240,190
Provisions and write offs - net	(32,645)	893 255	1 809 409	146,689	3,344,236	14,526,621	36,490,474	9.5%	36,490,474
Profit / (loss) before taxation	27,051,339	(1,614,884)	265,512	3,100,509	(230,389)	5,543,862	34,115,949		34,115,949
				June	June 30, 2022 (Hn-audited)	ited			
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and	Head Office / Others	Sub total	Eliminations	Total
Statement of financial position			9		Remittance - (Rupees in '000)				
Cash and balances with treasury and									
other banks Investments	87,944,762	6,557,542	307,283	132,151,978	42,475,030	11,238,886	280,675,480	86	280,675,480
Net inter seament lending	2 405 586 350	<b>i</b> 3	27,060,435	3,103,671,915	60,684,289	63,349,776	3,254,766,415		3,254,766,415
Lendings to financial institutions	3,963,373			181.013.743		277,663,659	2,683,250,009	(2,683,250,009)	1040404
Advances - performing	192,595,039	190,607,143	632,361,595		92,385,770	56.007.272	1.163,956,819		1 163 956 819
Provision against advances	4,322,670	21,794,016	61,440,696		51,124,441	65,008,330	203,690,153		203,690,153
Advances - Net	187 972 701	193 294 096	(57,391,588)		(49,660,341)	(62,257,269)	(197,361,269)		(197,361,269)
Others	58,705,719	4,378,365	48,273,272	4.307.811	93,849,870 6 729 026	116 824 757	1,170,285,703	•	1,170,285,703
Total Assets	2,744,172,904	204,230,003	712,051,694	3,421,145,448	203,738,214	527,835,410	7,813,173,661	(2,683,250,009)	5.129.923.652
Borrowings	,	4,541,838	80,287,478	1,198,365,737	32,405,584		1,315,600,636		1315 600 636
Not inter segment horrowing	2,674,039,268		354,361,225		72,817,772	96,694,036	3,197,912,302	•	3,197,912,302
Others	70 133 637	194,514,801	193,793,492	2,175,269,773	104,321,723	15,350,219	2,683,250,009	(2,683,250,009)	
Total liabilities	2.744.172.904		744 387 344	13,243,001	2,413,168	140,926,643	314,837,621		314,837,621
Equity			664,350	34,264,277	(8.220.034)	252,970,898	7,511,600,569	(2,683,250,009)	4,828,350,559
lotal equity and liabilities	2,744,172,904	204,230,003	712,051,694	3,421,145,448	203,738,214	527,835,410	7,813,173,661	(2,683,250,009)	5,129,923,652
Contingencies and commitments		58,903,678	1,580,347,721	713,338,628	29,042,123	26.551.432	2.408 183 581		2 408 403 E04
									2,400,100,001

Note and loss account   Note and loss account   Note mark-up / return / interest income   48,45,532   65,713,630   7,988,828   13,837,714   47,451,761   1,530,097   2,288,656     Interestince   48,45,532   65,133   179,407   2,202,332   7,880,656   1,500,652   1,500,6	(Rupees in '000)
st income (25,713,630) 7,988,828 113,837,714 47,451,761 1,530,087 49,684,582 (6,551,743) 2,122,15,181 (38,828,82) 656,787 2,202,382 1738,682 177,435 16,617,135 3,824,578 16,003,531 2,186,884 114,849,584 1,424,979 5,30,334 189,565 2,677,435 1338,288 1782,323 5,613,241 (142,019) 15,339,288 (510,176) (2,318,1996) 15,995,985 (425,641) 16,009,784,756 (510,176) (2,318,1996) 15,995,985 (425,641) 16,339,288 (6,930,784,756 8,185,926 248,408 131,293,182 5,804,599 2,319,442,077 22,319,442,077 22,319,442,077 22,319,420 178,923,284 227,192,704 51,985,986 3,881,885,344 221,192,704 51,985,986 3,881,093 2,185,344 227,192,704 51,986,986 3,881,009 2,813,183,344 227,192,704 51,986,986 3,881,009 2,813,183,344 227,192,704 51,986,986 2,271,085,710 37,185,334 2,818,334 2,918,28 2,819,305 2,818,836 2,219,486 2,219,486 2,219,486 2,219,486 2,211,982,704 2,818,316 2,219,318 3,318 2,310,319 2,219,318 2,318	1,530,097 2,388,656 47,483,427 7,740,907 656,787 1,999,426 18,980,009 2,186,884 12,128,990 66,463,436 2,677,435 2,226,768 21,937,674 9,413,806 9,4
st income	1,530,097 2,388,656 47,483,427 656,767 1,999,426 18,980,009 2,186,884 12,128,990 66,463,436 2,186,884 12,128,990 66,463,436 66,463,436 2,677,435 2,265,768 21,937,674 91,336,29 28,174,072 1,575,641) 133,629 28,174,072 1,014
tincome 6,561,352 (179,47) (17,135) (17,135) (170,05,052) (170,05)	656,787 1,999,426 18,980,009 2,186,884 12,128,990 66,463,436 2,677,435 2,265,768 21,937,674 6,493,436 3,1351,480 2,677,435 11,679,574 31,351,480 (425,641) 133,629 28,174,072  Triancial Institution and Office / Sub total Others in '000)
alion 14,849,594 1,424,979 530,334 189,565 2,677,435 at 18,849,594 1,424,979 530,334 189,565 2,677,435 at 15,339,288 1,144,979 530,334 189,565 2,677,435 at 15,339,288 1,424,979 530,334 189,565 3,290,758 at 15,339,288 1,803,190,90	2,186,884 12,128,990 66,463,436 2,677,435 2,265,768 21,937,674 (425,641) 133,629 28,174,072  ember 31, 2021 (Audited) International, Financial Institution and Financial Others  Remittance
ation 14,849,584 1,424,979 530,334 189,565 2,677,435 (4-4310) (64,910) (64,	2,677,435 2,265,768 21,937,674 (42,910) 2,677,435 11,679,574 31,351,480 (64,910) 315,786 6,937,884 (425,641) 133,629 28,174,072 (64,910) 133,629 28,174,072 (181 menational, Financial Institution and Remittance Remittance (Rupees in '000) 25,804,559 31,55,804,559 31,55,804,559 31,709,640 (63,852,620) (192,127,201) 82,035,347 53,204,128 1,113,314,128 4,964,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 37,485,552 6,348,575 312,925,106 75,485,552 6,348,545,689 312,925,106
titon  Retail Banking	(64,910)   315,786   6,937,884     (425,641)   133,629   28,174,072     ember 31, 2021 (Audited)
tion  Retail Banking  Retail Banking  Banking  Group  Banking  Group  Group  Banking  Group	ember 31, 2021 (Audited) International, Financial Institution and Familiance  Remittance  Remittance  Remittance
Retail Banking	Ember 31, 2021 (Audited) International, Financial Institution and Remittance  (Rupees in '000)
tion  Retail Banking Group Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Group  Banking  90,784,756  8,185,926  2,319,442,077  2,405,644  183,984,822  2,319,442,077  2,405,644  183,984,822  2,319,442,077  183,984,822  2,319,442,077  183,984,822  2,319,442,077  183,984,822  2,405,644  183,984,822  2,405,644  183,984,822  2,502,636,790  2,616,831,783  2,562,636,790  2,616,831,783  2,562,636,790  2,562,636,790  2,562,636,790  2,562,636,790  2,562,636,790  2,562,636,790  2,562,636,790  2,562,636,790  2,566,837,057  2,562,636,790  2,566,837,057  2,566,837,07  2,566,837,07  2,566,837,07  2,566,837,07  2,566,837,07  2,566,837,07  2,566,837,07  2,566,837,07  2,566,837,07  2,5	Financial Others Sub total Institution and Office / Sub total Others Others Others Others Others Institution and Others Others Sel. 290,758 9,276,943 298,079,973 55,804,559 57,242,839 1,942,741,191 274,915,854 2,594,357,931 274,915,854 2,594,357,931 2748,985,510 65,348,704 198,345,689 (44,989,510) 65,348,704 198,345,689 (44,989,510) 63,382,620 167,432,980 201,095,470 507,637,523 6,451,392,878 (75,485,552 93,439,145 3,12,925,106
sury and 90,784,756 8,185,926 248,408 131,293,182 58,290,758 2,319,442,077 - 26,543,698 1,803,150,092 55,804,559 2,405,644 2,047 - 333,061,031 - 46,293,148 (9,024,982) (18,226,471) (56,033,619) - (44,999,510) (178,923,254 227,192,704 571,958,695 2,271,085,310 2,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,473 22,517,093,493,693 22,517,093,493,493,493,693 22,517,093,493,493,593 22,517,093,493,593 22,517,093,493,493,593 22,517,093,493,493,593 22,517,093,493,493,493,493,493,493,493,493,493,4	58,290,758 9,276,943 298,079,973 55,804,559 57,242,839 1,942,741,191 335,466,675 335,466,675 44,989,510) 65,348,704 196,349,65,348 65,348,704 198,345,689 49,64,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 37,185,334 392,062 312,925,106 75,485,552 93,439,145 3,018,147,709
sury and 90,784,756 8,185,926 248,408 131,293,182 58,290,758 2,319,442,077 - 26,543,698 1,803,150,092 55,804,559 2,319,442,077 - 333,061,031 - 333,061,031 - 46,293,148	58,290,758 9,276,943 298,079,973 55,804,559 57,242,839 1,942,741,191 274,915,854 2,594,357,931 395,917,099,973 395,917,099,973 395,917,099,973 395,917,099,973 395,917,099,973 395,917,099,973 395,917,192,917,759 167,432,980 275,485,559 93,439,445 3,018,447,709
26,543,698 1,803,150,092 55,804,559 2,405,644 2,077 26,543,698 1,803,150,092 55,804,559 2,405,644 2,24,303,465 566,387,602 2,33,061,031 2,90,24,982) 224,303,465 566,387,602 2,224,712 61,624,712 46,293,148 25,276,052 2,297,783 18,315,85 3,581,004 4,964,806 17.8,923,254 227,192,704 517,066,386 2,271,085,310 201,095,470 52,576,652 2,297,783 18,315,85 3,581,004 4,964,806 17.8,825,706,331,783 237,676,413 617,066,386 2,217,085,310 201,095,470 52,562,636,790 2286,887,313 249,365,896 2,016,684,060 85,836,008 2,566,631,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,266,681,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,266,681,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,266,681,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,266,681,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,266,091,302 201,042,66	55,804,559 57,242,839 1,942,741,191 274,915,854 2,594,357,931 274,915,854 2,594,357,931 274,915,854 2,594,357,931 274,915,854 2,594,357,931 37,185,334 65,348,704 196,345,689 4964,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 37,185,334 392,062 312,925,106 75,485,552 93,439,145 312,925,106
2,319,442,077  2,405,644  183,984,822  2,405,644  2,115,711  (9,024,982)  178,923,254  25,276,052  2,297,783  (392,063)  4,148,727  2,562,636,790  2,616,831,784  2,616,831,784  2,286,886,523  2,297,783  18,315,886  2,616,841,696  2,562,636,790  2,562,636,790  2,562,636,790  2,562,636,790  2,616,831,784  2,616,831,836  2,616,831,836  2,616,831,836  2,616,831,836  2,616,836  2,616,836  2,616,836  2,616,836  2,616,836  2,616,836  2,616,836	274,915,854 2,594,357,931 80,731,709 51,708,043 1,107,095,640 46,293,148 65,348,704 198,345,689 (44,989,510) (63,852,620) (192,127,201) 82,035,347 53,204,128 1,113,314,128 4,964,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 (37,485,334,334,432,344,334,435,344,334,435,344,334,345,344,334,345,344,344
7.5 (1.6) (2.024.903,465	80,731,709 51,708,043 1,107,095,640 46,293,148 65,348,704 196,345,689 (44,989,510) (63,852,620) (192,127,201) 82,035,347 53,204,128 1,113,314,128 4,964,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 75,485,555 93,439,145 3,018,147,709
178,923,474	46,293,703 46,293,510) (44,989,510) 82,035,347 4,964,806 201,095,470 57,185,334 37,185,334 392,062 37,185,334 392,062 312,925,106 37,885,552 33,435,455 33,435,455 34,485,552 34,485,552 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,455 34,485,485 34,485 34,4
(3) (24,982) (18,226,471) (56,035,19) - (44,989,510) (178,923,254 227,192,704 571,958,695 3,581,004 4,964,806 178,256,76,052 2,297,783 18,315,585 3,581,004 4,964,806 17,066,386 2,271,085,310 201,095,470 5,108,7704 37,185,334 2,562,636,790 228,687,733,341 207,857,704 37,185,334 2,562,636,790 228,687,313 249,365,896 2,016,684,060 85,836,008 54,587,057 4,840,373 17,044,690 11,549,539 2,536,069 12,616,831,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,261,618,31,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,261,618,31,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,261,042,042,063 2,261,0	(44.989,510) (63.852,620) (192,127,201) (63.852,620) (192,127,2201) (63.852,620) (192,127,201) (63.852,620) (102,127,201) (63.852,620) (102,937,759 16,7432,980 201,095,470 507,637,523 6,451,392,878 (37,185,334 392,062 312,925,106 75,485,552 93,439,145 3.018,147,709
178,923,254         227,192,704         571,958,695         -         82,035,347           25,276,052         2,297,783         18,315,885         3,581,004         4,964,806         1           2,616,831,783         237,676,413         617,066,386         2,271,085,310         201,095,470         5           (392,063)         4,148,727         63,733,341         207,857,704         37,185,334           2,562,636,790         228,686,523         2,016,684,060         86,836,008           54,587,057         4,840,373         17,044,690         11,549,539         2,536,069         1           2,616,831,784         237,676,413         616,730,450         2,236,091,302         201,042,663         2           2,616,831,784         237,676,413         616,730,450         2,236,091,302         201,042,663         2           2,616,831,784         237,676,413         616,730,450         2,236,091,302         201,042,663         2           2,616,831,784         237,676,413         616,730,450         2,236,091,302         201,042,663         2	82,035,347 53,204,128 1,113,314,128 4,964,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 37,185,334 392,062 312,925,106 75,485,552 93,439,145,3,018,147,709
25,276,052 2,297,783 18,315,585 3,581,004 4,964,806 2,516,831,783 237,676,413 617,086,386 2,271,085,310 201,095,470 (392,063) 4,148,727 63,733,341 207,857,704 37,185,334 2,562,636,790 228,687,313 249,365,86 2,016,684,060 85,836,008 54,587,057 4,840,373 17,044,690 11,549,539 2,536,099 2,616,831,784 237,676,413 616,730,450 2,236,091 302 201,042,663 2,5616,831,784 237,676,413 616,730,450 334,908 52,807	4,964,806 112,997,759 167,432,980 201,095,470 507,637,523 6,451,392,878 37,185,334 392,062 312,925,106 75,485,553 93,439,145 3,018,147,709
2,616,831,783 237,676,413 617,066,386 2,271,085,310 201,095,470  (392,063) 4,148,727 63,733,341 207,857,704 37,185,334 2,562,636,790 228,687,313 249,365,86 2,016,684,060 85,836,008 54,587,057 4,840,373 17,044,690 11,549,539 2,536,069 2,616,831,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,616,831,784 237,676,413 616,730,450 2,236,091,302 201,042,663 52,807	201,096,470 507,637,523 6,451,392,878 (37,186,334 392,062 312,925,106 75,485,553 93,439,145 3,018,147,709
(392,063) 4,148,727 63,733,341 207,857,704 37,185,334 2,562,636,790 228,687,313 249,365,896 2,016,684,060 85,836,008 54,587,057 4,840,373 17,044,690 11,549,539 2,536,069 1 2,616,831,784 237,676,413 616,730,450 2,236,091,302 201,042,663 2,356,069 1	37,185,334 392,062 75,485,252 93,439,145 3
2,562,636,790 286,586,523 75,485,252 75,52,636,730 249,365,896 2,016,684,060 85,836,008 75,836,009 11,549,537 4,840,373 17,044,690 11,549,539 2,536,069 11,549,539 2,536,069 11,549,539 2,536,069 11,549,539 2,536,041,302 201,042,663 2,546,691,302 201,042,663 2,536,041,045,663 2,536,041,045,041,008 2,536,041,045,041,041,041,041,041,041,041,041,041,041	93 439 145
228,687,057 4,840,373 17,044,690 11,549,539 2,016,684,060 85,836,008 17,044,690 11,549,539 2,536,069 2,616,831,784 237,676,413 616,730,450 2,236,091,302 201,042,663 35,636 34,994,008 52,807	0,400,202 80,409,140 0,010,141,708
abilities 2,616,831,784 237,676,413 616,730,460 2,236,091,302 201,042,663 33,596 33,994,008 52,807	85,836,008 13,784,654 2,
34,994,008 52,807	201,000,009
	52,807 259,640,638 295,023,381
equity and liabilities 2,616,831,783 237,676,413 617,066,386 2,271,085,310 201,095,470	201,095,470 507,637,523 6,

\_

П

# 38. R

# RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, joint venture, employee benefit plans and its directors and key management personnel. The details of investment in joint venture and associated undertaking and their provisions are stated in note 9 of the consolidated condensed interim financial statement of the Group.

The Group 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

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

Point (No.)					
6,090 (Rupees In '000)	Key manage- ment Associates personnel	0.007	Fund Fund Fund (N.I.D.A A/c)	Provident A/c) Fund	Other related parties
6,090 6,090					
347,593 2,934,162		- 295,951			3
178.453 2,934,162 - 2,957,340 (52,032) (81,250) - 2,907,340 (1,339,423) - 2,807,287 (1,339,423) - 2,837,287 (1,320,260 - 2,837,287 (1,719,317 - 3,57,741 (1,560 131,454 86,264 46,769 12,854,755 43,336,142 1,320 (145,6449) - 16,643,330 (142,809,019) (8,934) (15,648,330) (549,748) (758,335) (142,809,019) (8,984) (15,648,330)	- ·	- 295,951	÷		
78,453 (52,032) (81,250)					
(52,032)     (81,250)       (41,766)     2,300,560       2,32,247     2,852,912       2,837,287     4,570,560       1,719,317     35,741       45,554     81,295       1,760     131,454       48,653     16,573,710       653,499     1,610,117       133,207,265     9,334       1446,649)     15,648,330)       15,648,335)     1758,748)       1758,335)     142,809,019)       14,760     13,207,265       14,760     13,207,265       14,760     14,760	233,267 2,981,029	- 620	5 <b>7</b> 10	•	305,117
1,760 131,454		(46,867)			35,589,939
1,760 131,454 - 15,572,710 653,499 1,610,117 133,207,265 9,334 (15,646,649) - (15,648,330) (549,748) (758,335) (142,809,019) (8,984) (					10,004,00)
1,760 131,454	347,593 2,934,162	. 162		ř	641,483
1,760 131,454	- 2,837,287	287			
1,760 131,454 - 86,264 46,769 12,854,755 43,336,142 1,320 15,545,553 - 15,573,710 653,499 1,610,117 133,207,265 9,334 (15,648,53) (142,899,019) (8,984) (15,648,330) (15,648,330) (15,648,335) (142,899,019) (8,984) (15,648,330)	- 1,719,049	049			
1,760 131,454	,	9,111			
1,760 131,454 . 86,264 46,769 12,854,755 43,336,142 1,320 448,553 . 15,573,710 653,499 1,610,117 133,207,265 9,334 (15,648,330) (5,94,748) (7,58,335) (142,809,019) (8,984) (		- 26,630			*
1,760 131,454 - 86,264 46,769 12,854,755 43,336,142 1,320 1,320 1,320 1,320,141 133,207,265 9,334 1,010,117 133,207,265 9,344 1,010,117 133,207,265 1,010,117 133,207,265 1,010,117 133,207,265 1,010,117 133,207,265 1,010,117 133,207,265 1,010,117 133,207,		. 35,741	4 .	x x	
- (46,649) - (15,648,330) (549,748) (758,335) (142,809,019) (8,984) (	. 177,236	,	58,871 1,369,644	13,282,016	227,967
(1,145) (25,352) - (21,867,550) 90	(763,659) - (59,347) -		_		235,269,981
1,760	131,454		86,264 46,769	39 12.854.755	4,330,030

<sup>\*</sup> Transfer in (out) - net due to retirement / appointment of directors and changes in key management executives.

			June 30,	30, 2022 (Un-audited)	udited)					June 30,	June 30, 2021 (Un-audited)	udited)		
	Directors	Key manage- ment personnel	Associates	Joint	Pension Fund	Provident Fund	Others	Directors	Key manage- ment personnel	Associates	Joint	Pension Fund	Provident Fund	Others
							(Rupees in '000)	(000, ui						
Income														
Mark-up / return / interest earned	E.	i	3,392	-	٠	Ÿ	136,382	ï	1	5,613	2	9	303	4,979
Debts due by Companies in which Directors of the Bank is interested as Directors		,		,										
Dividend income	1		٠	114,405		6 (	,		, ,				. ,	7 )
Rent income / lighting and power and bank charges	586	ě	2,788			a	•		3	2,554	30.	- 6		· ·
Expense														
Mark-up / return / interest paid	3.	180	1	7,853	10,037	760,099	485,711	92	6,152		33	38.037	724.844	5.109
Expenses paid to company in which Directors of the bank is interested as CEO and director	8	ì	ē				36,346	ì	,	-			,	18.668
Remuneration to key management executives including charge for defined benefit plan	•	420,851						,	347,228				1	3
Donation paid to company in which Directors of the bank is interested as director			E	r.	ŕ	-	2,000				29		12 <b>9</b> .2	185
Directors fee & other allowances	3	310	t	T.	6	ř,	16,475	ı			,	9.		11,497
Post Retirement Benefit paid to Director cum ex-employee	•	30		18	67	Ķ	522			i.	Y		J	1,044
T														

# 38.1 Transactions with Government-related entities

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking service to Government-related entities The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 5,185 million (June 30, 2021 Rs. 3,981 million) for the half year ended June 30, 2022. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 444,028 million (December 31, 2021: Rs. 405,294 million), Rs.1,321,410 million (December 31, 2021: Rs. 1,247,457 million) and Rs. 1,424,248 million (December 31, 2021: Rs. 1,540,238 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 31,172 million (June 30, 2021: Rs. 25,556 million) (June 30, 2021 Rs. 27,401 million) respectively.

## 39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

THE ADEQUACT, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
	(Un-audited) June 30, 2022 (Rupee	(Audited) December 31, 2021 s in '000)
Minimum Capital Requirement		
Paid-up capital (net of losses)	21,275,131	21,275,131
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital	222,766,878	204,320,445
Total Eligible Tier 1 Capital Eligible Tier 2 Capital	222,766,878	204,320,445
Total Eligible Capital (Tier 1 + Tier 2)	73,530,483	66,135,418
Risk Weighted Assets (RWAs):	296,297,360	270,455,863
Credit Risk	1,007,545,489	987,646,626
Market Risk	81,712,305	82,621,030
Operational Risk Total	233,419,888	232,459,233
Total	1,322,677,682	1,302,726,889
Common Equity Tier 1 Capital Adequacy ratio	16.84%	15.68%
Tier 1 Capital Adequacy Ratio	16.84%	15.68%
Total Capital Adequacy Ratio	22.40%	20.76%
Leverage Ratio (LR):		
Tier-1 Capital	222,766,878	204,320,445
Total Exposures	6,858,045,601	5,768,455,790
Leverage Ratio	3.25%	3.54%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets Total Net Cash Outflow	1,322,129,432	1,362,545,096
Liquidity Coverage Ratio	907,451,528 146%	828,459,514 164%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,875,184,527	2,753,443,506
Total Required Stable Funding	1,039,027,478	990,042,101
Net Stable Funding Ratio	277%	278%

## **40. ISLAMIC BANKING BUSINESS**

The bank is operating 188 (December 31, 2021: 189) Islamic banking branches and 15 (2021: Nil) Islamic banking windows at the end of the half year June 30, 2022.

The statement of financial position of the Bank's Islamic banking branches as at June 30, 2022 is as follows:

ASSETS	Note	(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021 s in '000)
Cash and balances with treasury banks Balances with other banks Investments Islamic financing and related assets - net Fixed assets Right of use assets Other assets Total Assets	40.1 40.2	9,984,711 12,891 55,884,646 46,630,469 96,274 583,548 2,149,878 115,342,417	6,591,139 12,531 49,548,760 42,316,209 100,620 641,973 1,686,568
LIABILITIES Bills payable Deposits and other accounts Due to Head Office Lease liability against right of use assets Other liabilities  NET ASSETS	40.3	330,925 95,950,440 10,165,623 789,036 800,988 108,037,012 7,305,405	388,351 84,849,520 7,635,926 826,081 455,249 94,155,127 6,742,673
REPRESENTED BY Islamic Banking Fund Surplus on revaluation of assets Unappropriated / unremitted profit	40.4	5,561,000 885,724 858,681 7,305,405	4,646,000 594,005 1,502,668 6,742,673

The profit and loss account of the Bank's Islamic banking operations for the half year ended June 30, 2022 is as follows:

		(Un-audited) For the half June 30, 2022	(Un-audited) year ended June 30, 2021
	Note	(Rupees	in '000)
Profit / return earned Profit / return expensed Net Profit / return	40.5 40.6	5,228,503 3,133,263 2,095,240	3,270,388 1,412,113 1,858,275
Other income			A 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
Fee and commission income Foreign exchange income Other income Total other income		130,460 18,116 1,861 150,437	109,890 19,579 259 129,728
Total Income		2,245,677	
Other expenses		2,243,077	1,988,003
Operating expenses Other charges		1,412,820	1,331,407
Other charges			475
		1,412,820	1,331,882
Profit before provisions		832,857	656,121
Provisions charge / (reversal) and write offs - net		(25,824)	(212)
Profit before taxation		858,681	656,333
Taxation			
Profit after taxation		858,681	656,333
		CARCOLINES V	· · · · · · · · · · · · · · · · · · ·

			June 30, 2022	2022 (Un-audited)			December 31,	December 31, 2021 (Audited)	
40.1	Investments by segments:	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Federal Government Securities:				(Rupee	(Rupees in '000)			
	-Ijarah Sukuks -Others (Bai Muajjal with GOP @ 13.30%)	33,668,265	30	(225,530)	33,442,735	14,000,979		(31,279)	13,969,700
		33,668,265		(225,530)	33,442,735	24,915,164		(31,279)	24,883,885
	Non Government Debt Securities								
	-Listed	8,200,000	0	328,400	8,528,400	8,200,000	,	340.000	8 540 000
	-Unlisted	13,261,464	(130,807)	782,854	13,913,511	15,970,398	(130,807)	285,284	16.124.875
		21,461,464	(130,807)	1,111,254	22,441,911	24,170,398	(130,807)	625,284	24.664.875
	Total Investments	55,129,729	(130,807)	885,724	55,884,646	49,085,562	(130.807)	594,005	49 548 760

Islamic financing and related assets - net ljarah Murabaha	Other Islamic Modes (Wakala tul Istismar) Advances against Islamic assets (DM, Istisna) Inventory related to Islamic financing (Istisna) Gross Islamic financing and related assets
40.2	

Less: provision against Islamic financings

- Specific

- General

Islamic financing and related assets - net of provision

92,075	903,901	21,834,074	8,500,000	11,226,981	469,000	43,029,031	(712,763)	(69)	(712,822)	42,316,209
61,381	2,362,918	22,539,080	8,500,000	11,755,109	2,096,048	47,314,536	(683,871)	(196)	(684,067)	46,630,469

(Audited) December 31,

		(Un-audited) June 30, 2022 (Rupees	(Audited) December 31, 2021
40.3	Deposits	(Kupees	s III 000)
	Customers		
	Current deposits		
	Savings deposits	23,554,100	21,784,727
	Term deposits	41,860,369	42,730,234
	Term deposits	17,572,007	8,148,745
	Financial Institutions	82,986,476	72,663,706
	Current deposits		to the settlement
	Savings deposits	900,075	700,103
	Term deposits	6,922,123	6,064,983
	remi deposits	5,141,766	5,420,728
		12,963,964	12,185,814
		95,950,440	84,849,520
40.4	Harris and the second s		
40.4	Unappropriated / unremitted profit		
	Opening Balance		
	Add: Islamic banking profit for the period	1,502,668	2,108,388
	Less: Transferred / remitted to head office	858,681	1,502,668
	Closing balance	(1,502,668)	(2,108,388)
	Steeling Edianoc	858,681	1,502,668
		(Un-audited)	(Un-audited)
		For the half	vear ended
		June 30, 2022	June 30, 2021
		(Runees	in '000)
40.5	Profit / Return Earned of Financing, Investments and Placement	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	000/
	Profit earned on:		
	Financing		
	Investments	2,178,680	1,366,254
	Placements	2,832,181	1,286,787
	Others (Bai Muajjal)	360	295
	(-u. maajjai)	217,282	617,052
		5,228,503	3,270,388
40.6	Profit on Deposits and other Dues Expensed		
	Deposits and other accounts	1,976,290	1 150 744
	Amortisation of lease liability against - ROUA	36,858	1,158,711
	Others (General Account)		41,669
		1,120,115 3,133,263	211,733 1,412,113

## 41. APPROPRIATION OF DIVIDEND

As explained in note 49 of annual audited consolidated financial statements of the Bank for the year ended December 31, 2021, the recommended cash dividend of Re.1 per share which amounted to Rs. 2,128 million, was subject to approvals of Federal Government under section 17 of the Banks (Nationalization) Act, 1974 and the State Bank of Pakistan. The Bank has applied for requisite approvals that are under process. Hence, dividend could not be declared in the annual general meeting of the Bank held on March 30, 2022. Therefore, these consolidated condensed interim financial statements do not reflect this appropriation.

## 42. GENERAL

42.1 Figures have been rounded off to the nearest thousand rupees.

43.	DATE	OF	<b>AUTHORIZAT</b>	TION	FOR	ISSUE
-----	------	----	-------------------	------	-----	-------

The consolidated condensed interim financial statements were authorized for issue on Board of Directors of the Bank.

President (A) / Chairman

Chief/Financial Officer

Director

Director

Director



