

LDN/CA/23 10th August 2023

The General Manager Pakistan Stock Exchange Limited Stock Exchange Building Stock Exchange Road Karachi

Financial Results for the 2nd Quarter/Half Year ended 30th June 2023 of Bank Alfalah Limited

Dear Sir,

We have to inform you that the Board of Directors of Bank Alfalah Limited ("the Bank") in its meeting held on 10th August 2023 at 11:00 AM (UAE time) at Abu Dhabi, UAE, has recommended the following:

An interim Cash Dividend for the half year ended 30th June 2023 at the rate of (i) CASH DIVIDEND

Rs. 3/- per share i.e. 30%.

(ii) BONUS SHARES Nil (iii) RIGHT SHARES Nil

(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION Nil

(v) ANY OTHER PRICE-SENSITIVE INFORMATION Nil

The unconsolidated and consolidated financial results of the Bank as on 30th June 2023 are enclosed as Annexures "A, B and C".

The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on the close of business on 22nd August 2023. The Share Transfer Books of the Bank will be closed from 23rd August 2023 to 25th August 2023 (both days inclusive). Transfers received at the office of Bank's Share Registrar F.D. Registrar Services (Pvt.) Ltd (1705, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi-74000) at the close of business on 22nd August 2023 will be treated in time for the purpose of above entitlement(s) to the transferees.

The 2nd Quarter/Half Yearly Report of the Bank for the period ended 30th June 2023 will be transmitted through PUCARS separately, within the specified time.

Yours truly,

Muhammad Akram Sawleh Company Secretary

Encl: as above

c.c. Executive Director/HOD,

> Offsite-II Department, Supervision Division, Securities & Exchange Commission of Pakistan,

63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

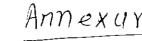
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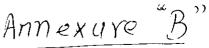
BANK ALFALAH LIMITED UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Quarter ended June 30, 2023	Quarter ended June 30, 2022	Half year ended June 30, 2023 n '000)	Half year ended June 30, 2022
			(Kupees I	n '000)	
Mark-up/return/interest earned	24	100,867,535	46,607,995	176,456,265	82,424,833
Mark-up/return/interest expensed	25	69,613,595	28,754,281	117,265,105	50,282,066
Net Mark-up/return/interest income		31,253,940	17,853,714	59,191,160	32,142,767
NON MARK-UP/RETURN/INTEREST INCOME					
Fee and commission income	26	3,453,351	2,685,763	6,758,354	5,159,288
Dividend income		349,190	441,888	623,140	666,399
Foreign exchange income		1,780,688	3,420,817	5,105,652	4,851,638
Gain from derivatives		789,708	20,626	688,991	101,083
(Loss) / gain on securities	27	(4,919)	(93,175)	(320,468)	(81,670)
Other income	28	68,577	43,297	132,760	204,066
Total non-mark-up / interest income		6,436,595	6,519,216	12,988,429	10,900,804
Total income		37,690,535	24,372,930	72,179,589	43,043,571
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	29	15,778,269	11,428,885	30,362,605	21,711,073
Workers' welfare fund	30	415,477	263,657	813,223	423,819
Other charges	31	125,988	5,367	136,961	7,170
Total non-mark-up / interest expenses		16,319,734	11,697,909	31,312,789	22,142,062
Profit before provisions		21,370,801	12,675,021	40,866,800	20,901,509
Provisions and write offs - net	32	4,480,188	3,654,289	5,001,963	4,041,439
Extra ordinary / unusual Items		-	-	-	-
PROFIT BEFORE TAXATION		16,890,613	9,020,732	35,864,837	16,860,070
Taxation	33	9,013,336	5,336,202	17,244,910	8,156,869
PROFIT AFTER TAXATION		7,877,277	3,684,530	18,619,927	8,703,201
			(Rupe	ees)	
Basic and diluted earnings per share	34	5.00	2.08	11.81	4.90









BANK ALFALAH LIMITED CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Quarter ended June 30, 2023	Quarter ended June 30, 2022	Half year ended June 30, 2023	Half year ended June 30, 2022
			(Rupees	in '000)	
Mark-up/return/interest earned	25	100,876,877	46,621,886	176,477,796	82,448,487
Mark-up/return/interest expensed	26	69,658,030	28,780,273	117,345,164	50,327,904
Net Mark-up/return/interest income		31,218,847	17,841,613	59,132,632	32,120,583
NON MARK-UP/RETURN/INTEREST INCOME					
Fee and commission income	27	3,559,407	2,787,787	6,984,738	5,325,091
Dividend income		259,215	396,888	467,165	591,399
Foreign exchange income		1,780,688	3,420,817	5,105,652	4,851,638
Gain from derivatives		789,708	20,626	688,991	101,083
Gain / (loss) on securities	28	65,192	(95,928)	(247,267)	(84,860)
Share of profit from associates		391,344	327,630	514,502	388,898
Other income	29	68,577	43,442	132,778	204,229
Total non-mark-up / interest income		6,914,131	6,901,262	13,646,559	11,377,478
Total income		38,132,978	24,742,875	72,779,191	43,498,061
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	30	15,879,972	11,513,211	30,566,551	21,854,240
Workers' welfare fund	31	415,477	263,657	813,223	423,819
Other charges	32	125,988	5,367	136,961	7,170
Total non-mark-up / interest expenses		16,421,437	11,782,235	31,516,735	22,285,229
Profit before provisions		21,711,541	12,960,640	41,262,456	21,212,832
Provisions and write offs - net	33	4,480,188	3,654,289	5,001,963	4,040,148
Extra ordinary / unusual items		-	-	-	, . -
PROFIT BEFORE TAXATION		17,231,353	9,306,351	36,260,493	17,172,684
Taxation	34	9,376,532	5,580,753	17,634,982	8,416,927
PROFIT AFTER TAXATION		7,854,821	3,725,598	18,625,511	8,755,757
Profit / (loss) attributable to:					
Equity holders of the Holding Company		7,841,359	3,725,938	18,613,752	8,759,040
Non-controlling interest		13,462	(340)	11,759	(3,283)
		7,854,821	3,725,598	18,625,511	8,755,757
			(Ruj	oees)	
Basic and diluted earnings per share	35	4.97	2.10	11.80	4.93



Annexure "C"



Bank Alfalah Limited Financial Statements Half year ended June 30, 2023



Bank Alfalah Limited
Unconsolidated Condensed Interim
Financial Statements
Half year ended June 30, 2023

BANK ALFALAH LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

ASSETS	Note	(Un-audited) June 30, 2023(Rupees	(Audited) December 31, 2022 in '000)
Cash and balances with treasury banks	7	197.028,848	140,613,348
Balances with other banks	8	16,187,573	9,485,380
Lendings to financial institutions	9	13,716,393	115,353,599
Investments	10	1,437,833,499	1.114,406,758
Advances	11	759,498,420	732,374,851
Fixed assets	12	53,897,225	48.424,722
Intangible assets	13	1,381,777	1,296,297
Deferred tax assets	14	18,176,553	9.012.648
Other assets	15	122,036,853	82,229,125
	· .	2,619,757,141	2,253,196,728
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Subordinated debt Other liabilities	16 17 18 19 20	31,962,648 505,893,633 1,775,954,132 - 14,000,000 178,146,314 2,505,956,727	40,033,806 491,179,531 1,486,845,346 14,000,000 121,123,422 2,153,182,105
NET ASSETS		113,800,414	100,014,623
REPRESENTED BY			
Share capital Reserves		15,771,651 40,579,315	15,771,651 34,283,201
(Deficit) / surplus on revaluation of assets	21	(510,626)	4.858,723
Unappropriated profit		57,960,074	45,101,048
eneggi aprimine the six	- -	113,800,414	100,014,623
	•		
CONTINGENCIES AND COMMITMENTS	22		

BANK AŁFAŁAH LIMITED UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Quarter ended June 30, 2023	Quarter ended June 30, 2022 (Rupees i	June 30, 2023	Half year ended June 30, 2022
Mark-up/return/interest earned Mark-up/return/interest expensed Net Mark-up/return/interest income	24 25	100,867,535 69,613,595 31,253,940	46,607,995 28,754,281 17,853,714	176,456,265 117,265,105 59,191,160	82,424,833 50,282,066 32,142,767
NON MARK-UP/RETURN/INTEREST INCOME					
Fee and commission income Dividend income Foreign exchange income Gain from derivatives (Loss) / gain on securities Other income Total non-mark-up / interest income	26 27 28	3.453.351 349,190 1.780.688 789,708 (4,919) 68,577 6,436,595	2,685,763 441,888 3,420,817 20,626 (93,175), 43,297 6,519,216	6,758,354 623,140 5,105,652 688,991 (320,468) 132,760 12,988,429	5.159.288 666,399 4.851.638 101.083 (81,670) 204,066 10.900,804
Total income		37,690,535	24,372,930	72,179,589	43,043,571
NON MARK-UP/INTEREST EXPENSES					
Operating expenses Workers' welfare fund Other charges Total non-mark-up / interest expenses	29 30 31	15,778,269 415,477 125,988 16,319,734	11,428,885 263,657 5,367 11,697,909	30,362,605 813,223 136,961 31,312,789	21,711,073 423,819 7,170 22,142,062
Profit before provisions Provisions and write offs - net Extra ordinary / unusual items	32	21,370,801 4,480,188 -	12,675,021 3,654,289	40,866,800 5,001,963	20,901,509 4,041,439 -
PROFIT BEFORE TAXATION		16,890,613	9,020,732	35,864,837	16,860,070
Taxation	33	9,013,336	5,336,202	17,244,910	8.156,869
PROFIT AFTER TAXATION		7.877,277	3,684,530	18.619.927	8,703,201
			(Rupe	es)	
Basic and diluted earnings per share	34	5.00	2.08	11.81	4.90

BANK ALFALAH LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

	Quarter ended June 30, 2023	Quarter ended June 30, 2022 (Rupees i	Half year ended June 30, 2023 in '000)	Half year ended June 30, 2022
Profit after taxation for the period	7.877,277	3,684,530	18,619,927	8,703,201
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	110,763	968,456	4,434,121	1,592,001
Movement in surplus / (deficit) on revaluation of investments - net of tax	1,734,598 1,845,361	(1,256,046) (287,590)	(5,255,245) (821,124)	(2,142,969) (550,968)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	25,638	-	25,638	
Movement in surplus / (deficit) on revaluation of operating fixed assets - net of tax	(78,649)	(59,694)	(87.610)	(66,992)
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	(7,729) (60,740)	(6,412) (66,106)	(8.127) (70.099)	11,122 (55,870)
Total comprehensive income	9,661,898	3,330,834	17,728,704	8,096,363

BANK ALFALAH LIMITED UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2023

	_	Capital	Reserves	_	Surplus/(Deficit) on revaluation		Surplus/(Deficit) on revaluation		
	Share capital	Share premium	Exchange translation reserve	Statutory reserve	Investments	Fixed Assets	Non Banking Assets	Unappropriated profit	Total
Balances as at January 01, 2022 (audited)	17,771,651	4.731.049	8.211.089	17,011,825	(Rupees in '00 (1,227,301)	12.580.193	87.688	40.836,487	100,002,681
Changes in equity for the half year ended June 30, 2022									
Profit after taxation		-	-	-		-	-	8.703.201	8.703,201
Other comprehensive income / (loss) - net of tax		•	1,592,001	-	(2.142.969)	(66.992)	11,122	-	(606.838)
Transfer to statutory reserve				870.320	-		•	(870.320)	•
Transfer of revaluation surplus upon change in use net of tax			-	-		36.884	(36.884)		
Transfer from surplus on revaluation of assets to							(6.0)		
unappropriated profit - net of tax		•	•	•	•	(44.051)	(60)	44,111	
Transactions with owners, recorded directly in e	quity								
Final cash dividend for the year unded December 31, 2021 - 20%		•				-	-	(3.554.330)	(3,554,330)
Balance as at June 30, 2022 (un-audited)	17.771,651	4,731.049	9.803.090	17,882,145	(3,370,270)	12.506.034	61.866	45,159,149	104,544,714
Changes in equity for half year ended December 31, 2022									
Profit after taxation	-	•			-			9,503.244	9.503.244
Other comprehensive income / (loss) - net of tax	-	-	916.592	•	(4,174,604)	(15.244)	20.701	(294,012)	(3,546.567)
Transfer to statutory reserve	•	•	-	950.325	•	•	-	(950.325)	•
Transfer from surplus on revaluation of assets to									
unappropriated profit - net of tax	-		-	•	-	(169.698)	(62)	169.760	-
Transactions with owners, recorded directly in e	quity								
Interim cash dividend for the half year ended June 30, 2022 - 25%	-	ē		-		-		(4.442,913)	(4.442.913)
Own shares purchased during the year	(2.000.000)	•		-	-	•	-	(4.043.855)	(6,043.855)
Balance as at December 31, 2022 (audited)	15,771,651	4,731.049	10.719.682	18.832.470	(7.544,874)	12.321.092	82.505	45,101,048	100.014.623
Changes in equity for the half year ended June 30, 2023									
Profit after taxation		-		•	•	-	•	18,619,927	18.619.927
Other comprehensive income / (loss) - net of tax	-	-	4,434,121		(5.229.607)	(87.610)	(8.127)		(891,223)
Transfer to statutory reserve	•	Ē	÷	1.861.993	•	-	-	(1.861,993)	-
Transfer from surplus on revaluation of assets to									
unappropriated profit - net of tax	-		•	÷	•	(44,005)	-	44,005	•
Transactions with owners, recorded directly in e	quity								
Final cash dividend for the year ended December 31, 2022 - 25%			-	-		-	-	(3.942.913)	(3,942.913)
Balance as at June 30, 2023 (un-audited)	15,771,651	4,731,049	15,153.803	20.694.463	(12,774,481)	12,189,477	74,378	57.960.074	113,800,414

President & Chief Executive Officer	Chief Financial Officer	Director	Director	Director

BANK ALFALAH LIMITED UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

TON THE TIME! TEXT ENDED JOINE SO, ESES	Note	Half year	ended
	1,000	June 30, 2023	June 30, 2022
			n '000)
CASH FLOWS FROM OPERATING ACTIVITIES		(Napces)	11 000)
Profit before taxation		35,864,837	16,860,070
Dividend income		(623,140)	(666,399)
UNICOND MICOND	-	35,241,697	16,193,671
Adjustments:			
Depreciation	29	3,230,479	2,484,013
Amortisation	29	156,888	177,053
Provisions and write offs - net	32	5,001,963	4,041,439
Unrealised loss on revaluation of investments classified as held for trading-net	27	451,064	192,253
Gain on sale of operating fixed assets and non banking assets - net	28	(62,930)	(53,591)
Gain on termination of leases (IFRS 16) - net	28	(15,930)	(112,285)
Borrowing cost on lease liability	25	1,214,207	871,269
Workers' Welfare Fund		813,223	423,819
Charge for defined benefit plan	29.1	233,501	166.923
Charge for staff compensated absences	29.1	94,998	90,000
50.0.go . 0. 10.0.		11,117,463	8,280,893
	_	46,359,160	24,474,564
(Increase) / decrease in operating assets			
Lendings to financial institutions		67.491.754	(56,764,736)
Held for trading securities		(68,179,592)	30,951,651
Advances		(32,636,732)	(56,207,074)
Other assets (excluding advance taxation)		(39,482,767)	(15,961,196)
, , , , , , , , , , , , , , , , , , ,	_	(72.807.337)	(97,981,355)
Increase / (decrease) in operating liabilities			
Bills payable		(8,071,158)	5,695,732
Borrowings		18,595,135	80,828,530
Deposits		289,108,786	179,828,984
Other liabilities (excluding current taxation)		44,953,109	22,598,825
·		344,585,872	288,952,071
		318,137,695	215,445,280
Income tax paid	_	(13,811,540)	(5,078,896)
Net cash generated from operating activities		304,326.155	210,366,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available for sale securities	Г	(220,036,338)	(169,736,749)
Net investments in held to maturity securities	}	(47,391,535)	(8,747,832)
Investment in subsidiary	1	-	(5,217)
Dividends received	1	623,140	666,399
Investments in operating fixed assets		(4,513,134)	(4,995,068)
Proceeds from sale of fixed assets and non banking assets		73,012	63,545
Effect of translation of net investment in foreign branches		4,434,121	1,592,001
Net cash used in investing activities	_	(266,810,734)	(181,162,921)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets	Γ	(2,528,762)	(1,776,218)
Dividend paid		(2,133,681)	(1,507,450)
Net cash used in financing activities	L	(4,662,443)	(3,283,668)
Increase in cash and cash equivalents	-	32,852,978	25,919,795
Cash and cash equivalents at the beginning of the period	្រែ	204,968,429	141,558,989
Effects of exchange rate changes on cash and cash equivalents - (gain)		(19.480,299)	(6,965,601)
	-	185,488,130	134,593,388
Cash and cash equivalents at the end of the period		218,341,108	160,513,183
	=		
The appayed potos 1 to 43 form an integral part of these unconsolidated condensed in	ntorim financia	d statements	

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Bank's registered office is located at B. A. Building, I. I. Chundigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 916 branches (December 31, 2022: 877 branches) and 15 sub-branches (December 31, 2022: 17 sub-branches). Out of the 916 branches, 605 (December 31, 2022: 586) are conventional, 300 (December 31, 2022: 280) are Islamic, 10 (December 31, 2022: 10) are overseas and 1 (December 31, 2022: 1) is an offshore banking unit

2 BASIS OF PRESENTATION

2.1 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 for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2022.

2.2 STATEMENT OF COMPLIANCE

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40. 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Further, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement'.

Moreover, the Bank has not adopted IFRS 9 in preparation of these unconsolidated condensed interim financial statements, as allowed by SBP BPRD circular no 7 of 2023 dated April 13, 2023.

Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements; except for overseas branches where such standards are applicable.

2.2.1 These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investment in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.

- 2.2.2 Key financial figures of the Islamic Banking branches are disclosed in note 39 to these unconsolidated condensed interim financial statements.
- 2.2.3 The Bank believes that there is no significant doubt on the **Bank's** ability to continue as a going concern. Therefore, the unconsolidated condensed interim financial statements have been prepared on a going concern basis.
- 2.3 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated financial statements.

2.4 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Effective date (annual periods beginning on or after)

IFRS 9 - 'Financial instruments'

IAS 1 - Non current liabilities with covenants (amendments)

IFRS 16 - Sale and leaseback (amendments)

Effective date (annual periods beginning on or after)

2.4.1

January 01, 2024

January 01, 2024

The management is in the process of assessing the impact of these amendments on the unconsolidated condensed interim financial statements of the Bank.

2.4.1 IFRS 9 - 'Financial Instruments'

As per SBP's BPRD Circular No. 7 dated April 13, 2023, the effective date of IFRS 9 for banks in Pakistan has been extended from January 01, 2023 to January 01, 2024, and accordingly the Standard will be applied on the Bank's financial statements for the accounting periods beginning on or after January 01, 2024. As disclosed in note 2.5.1.5 to the audited unconsolidated annual financial statements of the Bank for the year ended 31 December 2022, the Bank had carried out an impact assessment based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for certain fixed assets and non-banking assets acquired in satisfaction of claims which are stated at revalued amounts, held for trading, available for sale investments and derivative financial instruments which are measured at fair value, defined benefit obligations which are carried at present value and right of use of assets and related lease liability measured at present value.

3.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2022.

 (Un-audited)
 (Audited)

 June 30,
 December 31,

 2023
 2022

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

7 CASH AND BALANCES WITH TREASURY BANKS

	In hand		
	- local currency	39,187,227	34,295,195
	- foreign currency	8,780.375	3,692,104
		47,967,602	37,987,299
	With State Bank of Pakistan in		
	- local currency current accounts	66,614,304	46,845,917
	- foreign currency current accounts	8,513,338	3,528,124
	- foreign currency deposit accounts	12,591,040	687,240
		87.718.682	51,061,281
	With other central banks in		
	- foreign currency current accounts	52,910,850	49,697,265
	- foreign currency deposit accounts	1,623,462	1,679,531
		54,534.312	51,376,796
	With National Bank of Pakistan in local currency current account	6,713,329	92.097
	Prize bonds	94,923	95.875
		197,028,848	140,613.348
8	BALANCES WITH OTHER BANKS		
	In Pakistan in current account	3,000	17,994
	Outside Pakistan		
	- in current accounts	16,149,472	9,438,572
	- in deposit accounts	35,101	28,814
		16,184,573	9,467,386
		16,187,573	9,485,380
9	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call / clean money lendings	6,228,567	40,384,136
	Repurchase agreement lendings (Reverse Repo)	7,487,826	74,969,700
		13,716,393	115,353,836
	Less: expected credit loss - overseas branches	-	(237)
	Lendings to financial institutions - net of provision	13,716,393	115.353,599

	INVESTMENTS Note		June 30, 2023	3 (Un-audited))		December 31.	2022 (Audited	1)
			Provision	70 00	·	 	Provision	2022 (20.00	ř———
1	Investments but type		for			1	for		
1	Investments by type:	Cost /	diminution	Surplus /		Cost /	diminution	Surplus /	
		Amortised cost	/ expected	(Deficit)	Carrying Value	Amortised cost	/ expected	(Deficit)	Carrying Value
			credit loss	•			credit loss		
			(ECL)		,		(ECL)		
	J				·····(Rupees	in '000)			
	Held for trading securities				, .,	,			
	Federal Government Securities								
	- Market Treasury Bills	35.815.918	_	(180.345)	35.635.573	2.074.210		(2.994)	2.071.216
	- Pakistan Investment Bonds	42.004.038	_	(209.927)	41,794,111	4.173.096		33,445	4,206,541
	- Isarah Sukuk	335,930		(1.960)	333,970	3,059,648		7,862	3,067,510
	Shares	333,320	-	(1,500)	333,370	3,033,040		7,002	3,007,310
		1.003.630		(50.890)	952.740	567.811		(49,754)	518,057
	- Ordinary shares / units - Listed	1,003,030	-	(30.050)	932.740	307,611	-	(43,734)	316,037
	Foreign Securities	2.630.032		(7.043)	3.560.031	3 600 451		(4.070)	2 602 672
	- Overseas Bonds - Sovereign	2.576.973	الــــــــــــــــــــــــــــــــــــ	(7,942)	2,569.031	3.698,451	-	(4.878)	3.693.573
		81,736,489	-	(451.064)	81.285.425	13.573.216	•	(16,319)	13,556,897
	Available for sale securities						r -		
	Federal Government Securities								
	- Market Treasury Bills	190,413,665	·	(2,495,950)	187,917.715	2.402		(7)	2,395
	 Pakistan Investment Bonds 	755,527,372	- [(16.370.719)	739,156,653	831,017,092	-	(7,636,247)	823.380.845
	- Ijarah Sukuk	192,076.739		(1.706.607)		104.886.109		(939,360)	103.946.749
	 Government of Pakistan Euro Bonds 	14,971,324	(2.373.398)	(4.460.183)	8.137.743	11.917.603	(2.012.101)	(4.753.348)	5.152.154
	 Naya Pakistan Certificates 	7,550,985		-	7,550,985	4.779.075		-	4,779.075
	Shares		1						
	 Ordinary shares - Listed 	6.409.918	(382.657)	(290,518)	5.736.743	7.205.583	(829.340)	(453,569)	5.922.674
	 Ordinary shares - Unlisted 	1.211.363	(88.038)		1,123,325	1,211,363	(88.038)	,	1.123.325
	- Preference Shares - Listed	108,835	(108.835)	-	-	108.835	(108,835)	-	-
	- Preference Shares - Unlisted	25,000	(25,000)		-	25.000	(25,000)	-	-
	Non Government Debt Securities					1			
	- Term Finance Certificates	2.833.422	(363.744)		2,469.678	2.764.517	(411,218)	(48)	2.353.251
	- Sukuk	16.675.227	(96.511)	58,434	16,637,150	16,898,056	(96,511)	129,707	16.931.252
	REIT Fund - Unlisted	700.000			700.000	700,000		-	700.000
	Foreign Securities								i i
	Overseas Bonds - Sovereign	37.696.617	(92.372)	(2.186.004)	35,418,241	26.861.689	(64.732)	(1.679.122)	25,117,835
	- Overseas Bonds - Others	26.442.797	(8.990)	(2.201,840)	24.231.967	25.310.922	(10.416)	(2.074.381)	23.226.125
	- Redeemable Participating Certificates 10.1.1	I	,		5,507,777	4,338.537			4.338.537
	- Equity security - Listed	272,516		50,270	322,786	-			- 1
	Equity saturity Elstad	1,258,423,557	(3,539.545)	(29.603.117)		1.038.026.783	(3.646.191)	(17,406,375)	1.016.974.217

	Held to maturity securities								
	Federal Government Securities				1				
	- Pakistan Investment Bonds	109,881.650	. 1		109,881,650	68.564.798		-	68.564.798
	- Ijarah Sukuk	3,000.000			3.000.000			-	
	Non Government Debt Securities	3,000.000			3,000,000		!		
	- Term Finance Certificates	831,347	(214,680)		616,667	864,680	(24.680)		840,000
		2,174,341	(78,076)	,	2,096,265	1.895.679	(80,722)		1.814.957
	- Sukuk	2,174,341	(10,010)	,	2,080,203	1,033,073	(00,722)		.,5,4,557
	Foreign Securities - Overseas Bonds - Sovereign	14.232.967	(212)		14.232.755	11,216.215	(168)		11,216,047
	- Overseas Bonos - Sovereign	130,120,305	(292.968)		129.827.337	82,541.372	(105.570)		82.435.802
		130,120,305	(292,908)		125.027.337	02,341,372	(103,370)		300.002
		1177.000			1177 606	1177.606			1.177.606
	Associates	1,177.606		-	1,177.606	1.177.606			1.177.006
		205 2:2	143.000		202.020	201 217	(42.001)		262.236
	Subsidiary	305.217	(42,981)	-	262,236	305.217	(42.981)	-	202.236
	•		/2 G35 46 **	/20.00.110	1 427 022 400	1100 004 101	12 704 740	(17 422 CD 4)	1,114,406,758
	Total Investments	1,471,763,174	(3,875.494)	(30.054.181)	1,437,833,499	1,135,624,194	(3,794,742)	(17,422.694)	1,114,400,758

10 10.

^{10.1.1} The adoption of IFRS 9 at Bahrain Operations of the Bank has resulted in investments in Redeemable Participating Certificates held abroad, being mandatorily measured at "Fair Value through Profit and Loss Account". However, based on the clarification received from the State Bank of Pakistan (SBP) vide their letter No. BPRD/RPD/2018-16203 dated July 26, 2018, such investments have been reported and measured under "Available for Sale" investments in these unconsolidated condensed interim financial statements.

(Un-audited) (Audited)

June 30. December 31,

2023 2022
-----(Rupees in '000)----
13.930.507
304,725,000
9,995,701

6,270,262

334,921,470

4,981,480

312,030,687

10.2 Investments given as collateral

Market Treasury Bills Pakistan Investment Bonds Ijarah Sukuk Overseas Bonds

10.2.1 The market value of securities given as collateral is Rs. 327,088.031 million (December 31, 2022; Rs. 308,263.867 million).

		(Un-audited) June 30, 2023 (Rupees i	(Audited) December 31, 2022 in '000)
10.3	Provision for diminution in value of investments		
10.3.1	Opening balance	3,794,742	1,228,991
	Exchange and other adjustments	547,834	66.733
	Charge / (reversals)		
	Charge for the period / year	317.674	2,668,843
	Reversals for the period / year	(193,000)	(9,397)
	Reversal on disposals	(591,756)	(160,428)
		(467,082)	2,499,018
	Closing balance	3,875,494	3,794,742

10.3.2 Particulars of provision against debt securities

Category of classification

t	D, 2023 udited)	December 31, 2022 (Audited)						
Non Performing Investment	Provision	Non Performing Investment	Provision					
	(Rupees in '000)							

Domestic

Loss 753,011 753,011 613,131 613,131

10.3.2.1 The overseas branches hold a provision of Rs. 2,474.972 million (December 31, 2022; Rs. 2,087.417 million) against investments in accordance with ECL requirements of IFRS 9.

The market value of securities classified as held-to-maturity as at June 30, 2023 amounted to Rs. 116,476.973 million (December 31, 2022; Rs. 73,518.445 million).

11 ADVANCES

Note	Performing		Non Performing		Total	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
			(Rupees	in '000)		
Loans, cash credits, running finances, etc.	583.143,888	570,301.605	30.927.195	22,797,118	614,071,083	593,098,723
Islamic financing and related assets 39.3	164.126.291	149,839,163	5.006.719	4.893.861	169,133,010	154.733,024
Bills discounted and purchased	13.056,140	14.580.885	1,835,510	3,280,234	14,891,650	17,861,119
Advances - gross	760,326.319	734.721,653	37,769,424	30,971,213	798,095,743	765,692,866
Provision against advances						
- Specific 11.4		-	(30,201,584)	(25.396,608)	(30.201.584)	(25,396,608)
- General / expected credit loss 11.4	(8.395,739)	(7,921,407)	-		(8,395,739)	(7,921,407)
	(8,395.739)	(7.921.407)	(30.201.584)	(25,396,608)	(38.597.323)	(33.318.015)
Advances - net of provision	751,930,580	726,800,246	7,567,840	5,574,605	759.498.420	732,374,851

11.1 Advances include an amount of Rs. 336.996 million (December 31, 2022; Rs. 339.983 million), being Employee Loan facilities allowed to Citibank, N.A. **Pakistan's** employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A. Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 17.17% to 32.54% (December 31, 2022: 13.37% to 27.25%) with maturities up to February 2043 (December 31, 2022: October 2042).

(Un-audited) (Audited)
June 30, December 31.
2023 2022
-----(Rupees in '000)------

11.2 Particulars of advances (Gross)

In local currency In foreign currencies 702.670,734 713,973.693 95.425,009 51,719,173 798,095,743 765,692,866

11.3 Advances include Rs. 37.769.424 million (December 31, 2022; Rs. 30,971.213 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30), 2023	December	· 31, 2022
5 3	(Un-au	(Un-audited)		ited)
	Non-		Non-	
	Performing	Provision	Performing	Provision
	_ Loans		Loans	
		(Rupees	in '000)	
Domestic				
Other Assets Especially Mentioned	553,415	18,620	178,723	15,814
Substandard	3,782,600	917,948	2,352,882	683,787
Doubtful	7,481,938	3,698,559	6,885,829	3,407,905
Loss	25,136,537	24,980,158	20,896,541	20.794.387
	36.954.490	29,615,285	30,313,975	24,901,893
Overseas				
Overdue by:				
91 to 180 days	75,944	27,343	35,903	21,952
181 to 365 days	-	-	139,472	119,706
Above 365 days	738,990	558,956_	481,863	353,057
•	814,934	586,299	657,238	494,715
Total	37,769,424	30,201,584	30.971,213	25,396,608

11.4 Particulars of provision against advances

	June 30, 2023 (Un-audited)			Decer	nber 31, 2022 (Aud	ited)
	Specific	General / expected credit loss	Total	Specific	General / expected credit loss	Total
			····(Rupees	in '000)		
Opening balance	25,396,608	7,921,407	33,318,015	21,125,068	4,067,236	25,192.304
Exchange and other adjustments	100,003	70,890	170,893	32,240	22,887	55,127
Charge for the period / year	6.748.700	403.442	7.152,142	7,544,341	3,831.284	11,375,625
Reversals for the period / year	(1,638,979)	- 1	(1,638.979)	(2,431,826)		(2,431,826)
, ,	5,109,721	403,442	5.513.163	5,112,515	3.831.284	8,943,799
Amounts written off Amounts charged off - agriculture	(404.748)	-	(404,748)	(497.192)		(497.192)
financing Amounts charged off - balance		-		(69.791)	-	(69,791)
sheet cleaning	-	<u>. </u>		(306,232)		(306,232)
·	(404.748)	-	(404.748)	(873,215)	-	(873,215)
Closing balance	30,201,584	8.395.739	38,597.323	25,396,608	7.921,407	33,318,015

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2023 which is not available for distribution as either cash or stock dividend to shareholders/ bonus to employees amounted to Rs. 99.719 million (December 31, 2022; Rs. 94.554 million).

11.4.2 General provision includes:

- (i) Provision held in accordance with SBP's prudential regulations against:
 - Conventional consumer loans being maintained at an amount equal to 1% of the secured auto loans, 0.5% of secured house loans performing portfolio and 4% of the unsecured (personal loans and credit cards) performing portfolio;
 - Islamic auto loans being maintained at an amount equal to 1% of the secured performing portfolio and for Islamic house loans, at an amount equal to 0.5% of the secured performing portfolio;
 - Small Enterprises (SE) portfolio being maintained at an amount equal to 1% against unsecured performing SE portfolio;
- (ii) Provision held at overseas branches to meet the requirements of regulatory authorities of the respective countries in which overseas branches operates, and
- (iii) Provision of Rs. 6,345.000 million (December 31, 2022: Rs. 4,595.000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposures, staff loans and loans secured against liquid collaterals. Provision against flood impacted portfolio of Rs. 1,376.000 million held as at December 31, 2022 was reversed during the period.
- 11.4.3 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loan, the Bank holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

12	FIXED ASSETS	Note	(Un-audited) June 30, 2023 (Rupees	(Audited) December 31, 2022 s in '000)
	Capital work-in-progress	12.1	2,125,541	944,206
	Property and equipment	12.2	33,528,114	32,090,993
	Right-of-use assets		18,243,570	15,389,523
			53,897,225	48,424,722
12.1	Capital work-in-progress Civil works		1,670,380 431,165	706,019 214,126
	Equipment		23,996	24,061
	Others		2,125,541	944,206

12.2 It includes land and buildings carried at revalued amount of Rs. 22,255.308 million (December 31, 2022; Rs. 21,661.195 million).

		(Un-au For the half	
		June 30, 2023 (Rupees	June 30, 2022
12.3	Additions to fixed assets		·
	The following additions were made to fixed assets during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	1,181,335	509,901
	Property and equipment		
	Freehold land	74,994	912,286
	Leasehold land	116,000	-
	Buildings on freehold land	201,220	510,647
	Buildings on leasehold land	312,679	20,110
	Leasehold improvement	593,077	382,967
	Furniture and fixtures	119,748	87,623
	Office equipment	1,605,766	1,963,465
	Vehicles	46,225	34,086
		3,069,709	3.911,184
	Total additions to fixed assets	4,251,044	4,421,085
12.4	Disposals of fixed assets		
	The net book values of fixed assets disposed off during the period are as follows:		
	Leasehold improvements	7,003	1,864
	Furniture and fixtures	439	300
	Office equipment	2,640	7,790
	Total disposal of fixed assets	10,082	9,954
		(Un-audited)	(Audited)
		June 30,	December 31,
		2023	2022
		(Rupees	in '000)
13	INTANGIBLE ASSETS		
	Capital work-in-progress / advance payment to suppliers	641,030	455,945
	Software	740,747	840,352
		1,381,777	1,296,297
		(Un-au	
		For the half	
		June 30,	June 30.
13.1	Additions to intangible assets	2023 (Rupees	2022 in '000)
, 5	The following additions were made to intangible assets during the period:	•	
		105.005	174 671
	Capital work-in-progress - net of transferred out for capitalisation	185,085	174,671
	Directly purchased	<u>56,045</u> 241,130	187,965 362,636
	Total additions to intangible assets	241,130	302,030

13.2 There were no disposal of intangible assets during the periods ended June 30, 2023 and June 30, 2022.

Note	(Un-audited)	(Audited)
	June 30.	December 31
	2023	2022
	(Rupees	in '000)

14 DEFERRED TAX ASSETS

Provision against advances - Unrealised loss on revaluation of held for trading investments - Unrealised loss on revaluation of available for sale investments - net of derivatives - Deficit on revaluation of available for sale investments - net of derivatives - Provision against tother assets - Provision against lending to financial institutions - Workers' Welfare Fund - 1.086.873 - Workers' Welfare Fund - 1.086.873 - Surplus on revaluation of fixed assets - Surplus on revaluation of fixed assets - Surplus on revaluation of non banking assets - Surplus on revaluation of non banking assets - Accelerated tax depreciation - Accelerated tax depreciation - Accelerated tax depreciation - Tile Tile Tile Tile Tile Tile Tile Tile		Deductible Temporary Differences on:			
- Provision against advances - Unrealised loss on revaluation of held for trading investments - 221.021 7.0 - Deficit on revaluation of available for sale investments - net of derivatives 12.273,520 5.691,7.0 - Provision against lending to financial institutions - Workers' Welfare Fund 1.086,873 12.102.9 - Provision against lending to financial institutions - Workers' Welfare Fund 1.086,873 12.102.9 - Taxable Temporary Differences on: - Surplus on revaluation of fixed assets - Surplus on revaluation of non banking assets (574,499) (486,8 5.5 - Accelerated tax depreciation (2.918,861) (2.540,3 - Accelerated tax depreciation (3.565,792) (3.090, - Taxable Temporary Differences on: - 18.176,553 9.012,6 - Accelerated tax depreciation (2.918,861) (2.540,3 - Accelerated tax depreciation (3.565,792) (3.090, - Taxable Temporary Differences on: - 18.176,553 9.012,6 - Taxable Temporary Differences on: - 18.176,553 9.012,6 - Accelerated tax depreciation of non banking assets (72,432) (3.586,792) (3.090, - Taxable Temporary Differences on: - 18.176,553 9.012,6 - Taxable Temporary Differences on: - 18.176,553 9.012,6 - Taxable Temporary Differences on: - 18.176,553 9.012,6 - Taxable Temporary Differences on: - 18.176,753 9.012,6 - Taxable Temporary Differences on: - 18.176,76 9.012,6 - Taxable Temporary Dif		, ,		2,095,389	1,702,211
- Unrealised loss on revaluation of held for trading investments		•		4,839,892	3,096,128
. Deficit on revaluation of available for sale investments - net of derivatives . Provision against other assets . Provision against ending to financial institutions . Workers' Welfare Fund . 1.086.873 . 1.099.00 .		· ·		221,021	7.017
- Provision against other assets - Provision against lending to financial institutions - Workers' Welfare Fund - Z1,742,345 - Surplus on revaluation of fixed assets - Surplus on revaluation of non banking assets - Surplus on revaluation of non banking assets - Accelerated tax depreciation - Accelerated tax depreciation - Accelerated tax depreciation - Accelerated tax depreciation - R1,76,553 - R1,76,553 - R1,76,792 - R1,76,792 - R1,76,793		·		12,273,520	5.691,747
- Provision against lending to financial institutions - Workers' Welfare Fund Taxable Temporary Differences on: - Surplus on revaluation of fixed assets - Surplus on revaluation of non banking assets - Accelerated tax depreciation OTHER ASSETS Income / mark-up accrued in local currency - net of provision locame / mark-up accrued in foreign currency - net of provision - Advances, deposits, advance rent and other prepayments - Advance against subscription of share - Non-banking assets acquired in satisfaction of claims - Mark to market gain on forward foreign exchange contracts - Mark to market gain on derivatives - Stationery and stamps on hand - Due from card issuing banks - Account receivable - Claims against fraud and forgeries - Mon-banking assets fraud and forgeries - Claims against foxed and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities - Mon-banking against DSC / SSC and overseas government securities				1,225,650	1,001,744
Norkers' Welfare Fund 1,086.873 604,1 21,742,345 12,102,9 12,102,				-	32
Taxable Temporary Differences on:		· · · · · · · · · · · · · · · · · · ·		1,086,873	604,100
- Surplus on revaluation of fixed assets - Surplus on revaluation of non banking assets - Surplus on revaluation of non banking assets - Accelerated tax depreciation - Title (2.948.861) - (2.540.3) - (3.565.792) - (3.090.3) - (3.090.3) - (3.565.792) - (3.090.3) - (3.090.3) - (3.565.792) - (3.090.3) -					12,102,979
- Surplus on revaluation of fixed assets - Surplus on revaluation of non banking assets - Surplus on revaluation of non banking assets - Accelerated tax depreciation - Title (2.948.861) - (2.540.3) - (3.565.792) - (3.090.3) - (3.090.3) - (3.565.792) - (3.090.3) - (3.090.3) - (3.565.792) - (3.090.3) -		Taxable Temporary Differences on:			
- Surplus on revaluation of non banking assets (72,432) (63.1 (2.918.861) (2.918.861) (2.540.3 (3.565.792) (3.090.3 (3.090.3 (•	-	(574,499)	(486,889)
- Accelerated tax depreciation (2.918.861) (2.540.3 (3.565.792) (3.090.3 (3.090.3 (3.565.792) (3.090.3 (3.090.3 (3.565.792) (3.090.3 (3.090.3 (3.090.3 (3.565.792) (3.090.3 (3.09		•			(63.108)
18.176.553 3,090.26				(2,918,861)	(2,540,334)
Income / mark-up accrued in local currency - net of provision 63,221,430 42,710.3 Income / mark-up accrued in foreign currency - net of provision 2,315,885 2,011,3 Advances, deposits, advance rent and other prepayments 8,321,122 3,542,0 Advance against subscription of share 140,000 - 140		'			(3,090,331)
Income / mark-up accrued in local currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in foreign currency - net of provision Income / mark-up accrued in satisfaction of claims Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign currency - net of provision Income / market gain on forward foreign carriers Income / market gain on forward foreign c				18,176,553	9.012.648
Income / mark-up accrued in foreign currency - net of provision Advances, deposits, advance rent and other prepayments Advance against subscription of share Non-banking assets acquired in satisfaction of claims Mark to market gain on forward foreign exchange contracts Mark to market gain on derivatives Stationery and stamps on hand Defined benefit plan Branch adjustment account Due from card issuing banks Account receivable Claims against fraud and forgeries Acceptances Receivable against OSC / SSC and overseas government securities 2.315.885 2.011.3 2.316.28 2.317.29 1.439.69 2.318.90	15	OTHER ASSETS			
Advances, deposits, advance rent and other prepayments Advance against subscription of share Non-banking assets acquired in satisfaction of claims 15.1 14.37,129 1,439,6 Mark to market gain on forward foreign exchange contracts 489,004 922.5 Mark to market gain on derivatives 23.1 5,313,628 4,795,5 Stationery and stamps on hand 30,003 23.2 Defined benefit plan - 153,7 Branch adjustment account - Due from card issuing banks Account receivable Claims against fraud and forgeries Acceptances Receivable against DSC / SSC and overseas government securities 131,40000 - 3,542,000 - 4,0000 - 4,400,000 - 4,400,000 - 4,544,60 - 4,		Income / mark-up accrued in local currency - net of provision		63,221,430	42,710,321
Advance against subscription of share 140,000 - Non-banking assets acquired in satisfaction of claims 15.1 1,437,129 1,439,6 Mark to market gain on forward foreign exchange contracts 489,004 922,5 Mark to market gain on derivatives 23,1 5,313,628 4,795,5 Stationery and stamps on hand 30,003 23,2 Defined benefit plan - 153,7 Branch adjustment account - 24,4 Due from card issuing banks 2,078,069 4,544,6 Account receivable 3,649,202 5,180,4 Claims against fraud and forgeries 119,311 119,4 Acceptances 37,385,634 19,090, Receivable against OSC / SSC and overseas government securities 157,768 131,3		Income / mark-up accrued in foreign currency - net of provision		2,315.885	2,011.398
Non-banking assets acquired in satisfaction of claims 15.1 1,437,129 1,439,6 Mark to market gain on forward foreign exchange contracts 489,004 922,5 Mark to market gain on derivatives 23.1 5,313,628 4,795,5 Stationery and stamps on hand 30,003 23,2 Defined benefit plan - 153,7 Branch adjustment account - 24,4 Due from card issuing banks 2,078,069 4,544,6 Account receivable 3,649,202 5,180,4 Claims against fraud and forgeries 119,311 119,4 Acceptances 37,385,634 19,090, Receivable against OSC / SSC and overseas government securities 157,768 131,3		Advances, deposits, advance rent and other prepayments		8,321,122	3.542.062
Mark to market gain on forward foreign exchange contracts 489,004 922.5 Mark to market gain on derivatives 23.1 5,313,628 4,795.5 Stationery and stamps on hand 30,003 23.2 Defined benefit plan - 153.7 Branch adjustment account - 24.4 Due from card issuing banks 2,078,069 4,544.6 Account receivable 3,649,202 5,180.4 Claims against fraud and forgeries 119,311 119.4 Acceptances 37,385,634 19,090, Receivable against OSC / SSC and overseas government securities 157,768 131.		Advance against subscription of share		140,000	-
Mark to market gain on derivatives 23.1 5.313,628 4.795,5 Stationery and stamps on hand 30,003 23,2 Defined benefit plan - 153,7 Branch adjustment account - 24,4 Due from card issuing banks 2,078,069 4,544,6 Account receivable 3,649,202 5,180,4 Claims against fraud and forgeries 119,311 119,4 Acceptances 37,385,634 19,090, Receivable against OSC / SSC and overseas government securities 157,768 131,3		Non-banking assets acquired in satisfaction of claims	15.1	1,437,129	1,439,606
Stationery and stamps on hand 30,003 23,2 Defined benefit plan - 153,7 Branch adjustment account - 24,4 Due from card issuing banks 2,078,069 4,544,6 Account receivable 3,649,202 5,180,4 Claims against fraud and forgeries 119,311 119,4 Acceptances 37,385,634 19,090, Receivable against DSC / SSC and overseas government securities 157,768 131,		Mark to market gain on forward foreign exchange contracts		489,004	922.573
Defined benefit plan - 153.7 Branch adjustment account - 24.4 Due from card issuing banks 2,078.069 4,544.6 Account receivable 3,649,202 5,180.4 Claims against fraud and forgeries 119.311 119.4 Acceptances 37,385.634 19,090. Receivable against OSC / SSC and overseas government securities 157,768 131.		Mark to market gain on derivatives	23.1	5,313,628	4,795,545
Branch adjustment account - 24.4 Due from card issuing banks 2.078.069 4.544.6 Account receivable 3.649.202 5.180.4 Claims against fraud and forgeries 119.311 119.4 Acceptances 37.385.634 19.090. Receivable against OSC / SSC and overseas government securities 157.768 131.		Stationery and stamps on hand		30,003	23.253
Due from card issuing banks 2.078,069 4.544,6 Account receivable 3.649,202 5.180,4 Claims against fraud and forgeries 119,311 119,4 Acceptances 37,385,634 19,090, Receivable against OSC / SSC and overseas government securities 157,768 131,300,000,		Defined benefit plan		-	153,707
Account receivable 3.649.202 5.180.4 Claims against fraud and forgeries 119.311 119.4 Acceptances 37,385.634 19.090, Receivable against OSC / SSC and overseas government securities 157.768 131.		Branch adjustment account		-	24,430
Claims against fraud and forgeries 119.311 119.4 Acceptances 37,385.634 19.090, Receivable against DSC / SSC and overseas government securities 157.68 131,		Due from card issuing banks		2,078,069	4,544,609
Acceptances 37,385.634 19.090, Receivable against OSC / SSC and overseas government securities 157,768 131,		Account receivable		3.649.202	5,180,427
Acceptances 37,385.634 19,090, Receivable against DSC / SSC and overseas government securities 157,768 131,		Claims against fraud and forgeries		119,311	119,455
The second secon				37,385.634	19,090,181
Others 69.705 66.3		Receivable against DSC / SSC and overseas government securities		157,768	131,517
Others		Others		69,705	66,212
124,727,890 84,755,2				124,727,890	84,755,296
Less: Provision held against other assets 15.2 (2.837.847) (2.671.7		Less: Provision held against other assets	15.2	(2,837,847)	(2,671,784)
Other assets (net of provision) 121,890,043 82.083.		Other assets (net of provision)		121,890,043	82,083,512
Surplus on revaluation of non-banking assets acquired in		Surplus on revaluation of non-banking assets acquired in			
		satisfaction of claims - net	15.1		145,613
Other assets - total 122,036,853 82,229.		Other assets - total		122,036,853	82,229,125

The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 1,583.939 million (December 31, 2022; Rs. 1,585.219 million).

		(Un-audited) June 30, 2023 (Rupees	(Audited) December 31, 2022
15.2	Provision held against other assets	(Napoes	000,
	Impairment against overseas operations Expected credit loss (overseas operations) Fraud and forgeries Account receivable Others	2.148,583 73,873 119,311 66,369 429,711 2.837,847	2,114,963 10,397 119,455 38,349 388,620 2,671,784
15.2.1	Movement in provision held against other assets		
	Opening balance Exchange and other adjustments	2,671,784 2,865	1,309,288 35.684
	Charge for the period / year Reversals for the period / year	164,250 (1,052) 163,198	1.493,475 (164,308) 1.329,167
	Amount written off Closing balance	2,837,847	(2,355) 2,671,784
16	BIŁLS PAYABLE		
	In Pakistan Outside Pakistan	30,276,258 1,686,390 31,962,648	37,705,524 2,328,282 40,033,806
17	BORROWINGS		
	Secured Borrowings from State Bank of Pakistan under: Export Refinance Scheme Long-Term Finance Facility Financing Facility for Renewable Energy Projects Financing Facility for Storage of Agriculture Produce (FFSAP) Refinance for Wages & Salaries Temporary Economic Refinance Facility (TERF) Export Refinance under Bill Discounting SME Asaan Finance (SAAF) Refinance Facility for Combating COVID (RFCC) Refinance and Credit Guarantee Scheme for Women Entrepreneurs Modernization of Small and Medium Entities (MSMES) Other refinance schemes Repurchase agreement borrowings	47,572,149 26,633,330 11,778,745 641,960 50,005,601 9,669,958 2,022,727 846,082 136,982 1,090,642 721 264,825,331 415,224,228	53,477,830 28,643,178 11,917,647 738,979 300,821 49,721,502 10,633,712 949,413 692,957 279,374 871,659 890 256,900,000 415,127,962
	Repurchase agreement borrowings Bai Muajjal Medium Term Note Total secured	13,330,539 43,100,991 11,000,000 482,655,758	4.830,897 42,113,040 11,000,000 473,071,899
	Unsecured Call borrowings Overdrawn nostro accounts Others - Pakistan Mortgage Refinance Company	16,965,550 1,003,880 2,970,965	5,766,732 4,884,913 2,180,208
	 Karandaaz Risk Participation Other financial institutions Total unsecured	2,297,480	2,331,958 2,943,821 18,107,632
		505,893,633	491.179.531

18 DEPOSITS AND OTHER ACCOUNTS

	June	June 30, 2023 (Un-audited)			mber 31, 2022 (Aud	ited)
	In Local	In Foreign	Total	In Local	In Foreign	Total
	Currency	Currencies	l	Currency	Currencies	TOCAL
	**	· · · · · · · · · · · · · · · · ·	(Rupees	in '000)		
Customers						
- Current deposits	595,479,896	160,927,102	756,406,998	523,834,695	131.267,950	655,102.645
 Savings deposits 	366,832,691	40.437.768	407.270.459	294,762,649	37.937.222	332.699.871
- Term deposits	333,075,108	61.331.525	394.406.633	287,557,414	49.767.276	337.324.690
- Others	36,780,436	11,339.720	48,120,156	35,941,042	8.943.974	44,885,016
	1.332.168.131	274,036,115	1.606.204.246	1,142,095.800	227.916.422	1.370.012.222
Financial Institutions						
- Current deposits	2.317,534	883.409	3.200.943	3,196.183	3.065.704	6,261,887
- Savings deposits	96.207.710	3,672,397	99,880.107	68,751,793	2.911.307	71.663.100
- Term deposits	65,673,191	439,026	66.112.217	38,073,100	354.319	38,427,419
- Others	475.708	80,911	556,619	404,457	76,261	480.718
	164,674,143	5,075,743	169,749,886	110,425,533	6.407.591	116,833,124
	1,496,842,274	279.111.858	1.775,954,132	1,252,521,333	234,324,013	1,486,845,346

Current deposits include remunerative current deposits of Rs. 18,842.276 million (December 31, 2022: Rs. 14,325.601 million).

19 SUBORDINATED DEBT

Term Finance Certificates (VI) - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Bank issued listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013. Summary of terms and conditions of the issue are:

(Audited)
December 31,
2022
in '000)

Issue amount

Rs. 7.000.000.000

7.000,000

7,000,000

Issue date

March 2018

Maturity date

Perpetual

Rating

"AA-" (double A minus) by The Pakistan Credit Rating Agency

Limited.

Security

Unsecured

Ranking

Subordinated to all other indebtedness of the Bank including

deposits but superior to equity.

Profit payment frequency Payable semi-annually in arrears.

Redemption

Perpetual

Mark-up

For the period at end of which the Bank is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate +

1.50% with no step up feature.

(Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit payment date.

Lock-in-clause

Mark-up will only be paid from the Bank's current year's earning and if the Bank is in compliance of regulatory MCR and CAR

requirements set by the SBP from time to time.

Loss absorbency clause In conformity with the SBP Basel III Guidelines, the TFCs shall, if

directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of

non-viability Trigger Event.

Call Option The Bank may, at its sole discretion, exercise call option any time

after five years from the Issue Date, subject to prior approval of the SBP and instrument is replaced with capital of same and better

quality

Term Finance Certificates VIII - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Bank issued Rs. 7,000 million of privately placed, listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by State Bank of Pakistan (SBP) under BPRD circular No. 06 dated August 15, 2013. Summary of terms and conditions of the issue are:

(Un-audited) (Audited)
June 30, December 31,
2023 2022
------(Rupees in '000)------

Rs. 7.000,000,000 7.000,000 7.000,000

Issue date December 2022

Maturity date Perpetual

Issue amount

Rating "AA-" (double A minus) by The Pakistan Credit Rating Agency

Limited.

Security Unsecured

Ranking Subordinated to all other indebtedness of the Bank including

deposits but superior to equity

Profit payment frequency Payable semi-annually in arrears

Redemption Perpetual

Mark-up For the period at end of which the Bank is in compliance with

Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate +

2.00% with no step up feature.

(Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit payment date.

Lock-in-clause Mark-up will only be paid from the Bank's current year's earning and

if the Bank is in compliance of regulatory MCR and CAR

requirements set by the SBP from time to time.

Loss absorbency clause
In conformity with the SBP Basel III Guidelines, the TFCs shall, if

directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of

non-viability Trigger Event.

Call Option The Bank may, at its sole discretion, exercise call option any time

after five years from the Issue Date, subject to prior approval of the SBP and instrument is replaced with capital of same and better

quality.

14,000.000 14,000.000

		Note	(Un-audited) June 30, 2023(Rupees	(Audited) December 31, 2022 in '000)
20	OTHER LIABILITIES		·	
	Mark-up / return / interest payable in local currency		24,785,736	16.617.807
	Mark-up / return / interest payable in foreign currency		1,614,091	1,443,987
	Unearned fee commission and income on bills discounted and guarantees		3,054,465	2,591,163
	Accrued expenses		11,593,244	12,576,602
	Current taxation		19,002,591	12,890,155
	Acceptances		37,385,634	19,090,181
	Dividends payable		6,576,442	4,767,210
	Mark to market loss on forward foreign exchange contracts		306.299	455,164
	Mark to market loss on derivatives	23.1	103,180	-
	Branch adjustment account		241,175	-
	Payable to defined benefit plan		79,794	-
	Alternative Delivery Channel (ADC) settlement accounts		11,190,972	2,035.378
	Provision for compensated absences		796,490	701.492
	Payable against redemption of customer loyalty / reward points		721,386	607,208
	Charity payable		78,376	65,998
	Provision against off-balance sheet obligations	20.1	119,578	62,948
	Security deposits against leases, lockers and others		13,800,754	13.300.923
	Workers' Welfare Fund		4,192,121	3,378,897
	Payable to vendors and suppliers		485,931	556,205
	Margin deposits on derivatives		4,271,184	4,077,091
	Payable to merchants (card acquiring)		1,318.978	16,536
	Indirect taxes payable		3,084,286	2,360,341
	Lease liabilities against right-of-use assets		20,605.083	17,495,747
	Payable against marketable securities		53,103	339,679
	Trading liability		8,212,214	2,638,773
	Others		4,473,207	3,053,937
			178.146.314	121,123,422
20.1	Provision against off-balance sheet obligations			
	Opening balance		62,948	137,639
	Exchange and other adjustments		5,866	12,348
	Charge / (reversal) for the period / year		50,764	(87.039)
	Closing balance		119,578	62,948

		Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
21	(DEFICIT) / SURPLUS ON REVALUATION OF ASSETS		(Rupees	
	(Deficit) / surplus on revaluation of: - Available for sale securities - Fixed assets - Non-banking assets acquired in satisfaction of claims	10.1	(29.603.117) 12.763.976 146.810	(17.406.375) 12.807.981 145.613
	Less: Deferred tax asset / (liability) on surplus / (deficit) on revaluation of: - Available for sale securities - Fixed assets - Non-banking assets acquired in satisfaction of claims		(16,692,331) 14,505,527 (574,499) (72,432) 13,858,596	7,484,741 (486,889) (63,108) 6,934,744
	Derivatives (deficit) / surplus Less: Deferred tax asset / (liability) on derivative		(4,555,116) 2,232,007 (2,323,109) (510,626)	(4,169,754) 1,792,994 (2,376,760) 4,858,723
22	CONTINGENCIES AND COMMITMENTS			
	- Guarantees - Commitments - Other contingent liabilities	22.1 22.2 22.3.1	173,502,068 488,560,728 24,568,360 686,631,156	140,370,087 438,780,552 6,903,292 586,053,931
22.1	Guarantees:			
	Performance guarantees Other guarantees		57,433,697 116,068,371 173,502,068	53,798,209 86,571,878 140,370,087
22.2	Commitments:			
	Documentary credits and short-term trade-related transactions - Letters of credit		202,550,815	171,719.857
	Commitments in respect of: - forward foreign exchange contracts - forward government securities transactions - derivatives - forward lending	22.2.1 22.2.2 22.2.3 22.2.4	123,147,353 87,287,144 54,782,479 16,189,295	170,721,451 17,438,813 46,734,911 26,798,555
	Commitments for acquisition of: - operating fixed assets - intangible assets		3,247,106 482,036	3,004,717 465,248
	Commitments in respect of donations		874,500 488,560,728	1,897,000 438,780,552
22.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		77,771,008 45,376,345 123,147,353	120,494,702 50,226,749 170,721,451
22.2.2	Commitments in respect of forward government securities transactions			
	Purchase Sale		75,009,503 12,277,641 87,287,144	12.990.116 4,448.697 17,438,813

		Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
22.2.3	Commitments in respect of derivatives		(Rupees	in '000)
	Interest Rate Swaps			
	Purchase	23.1	42,891,940	46,160,838
	Sale			
	C C C		42,891,940	46,160,838
	Cross Currency Swaps Purchase			
	Sale	23.1	11.890.539	574,073
	53.5		11,890,539	574,073
	Total commitments in respect of derivatives		54,782,479	46,734,911
22.2.4	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.4.1	11,343,160	21,639,590
	Commitments in respect of investments		4,846,135	5,158.965
			16,189,295	26,798,555
22.2.4.7	These represent commitments that are irrevocable because they cannot be wit risk of incurring significant penalty or expense.	hdrawn at the	discretion of the l	Bank without the
		Note	(Un-audited)	(Audited)

June 30, December 31, 2023 2022 ----(Rupees in '000)-----

24.568,360

Other contingent liabilities 22.3

22.3.1 Claims against the Bank not acknowledged as debts

> These mainly represents counter claims filed by the borrowers for restricting the Bank from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by ex-employees of the Bank for damages. Based on legal advices and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

- 22.4 Contingency for tax payable
- 22.4.1 There were no tax related contingencies other than as disclosed in note 33.1.

23 DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

23.1	Product Analysis	June 30, 2023 (Un-audited)							
	,		Interest Rate Swaps		Cross Currency Swap				
	Counterparties	No of contracts	Notional Principal	Mark to market gain - net		Notional Principal	Mark to market gain - net		
	With Banks for Hedging	43	42,891.940	4,586,737	in '000)	-	-		
	With other entities Market making	43	42,891,940	4,586,737	<u>5</u>	11.890.539 11.890.539	623,711 623,711		
				December 31,	2022 (Audited)				
			Interest Rate Swaps			Cross Currency Swar)		
		No of contracts	Notional Principal	Mark to market gain - net		Notional Principal	Mark to market gain - net		
	With Banks for Hedging	51	46,160,838	4,761,605	s in '000)	-			
	With other entities Market making	51	46,160.838	4,761.605	1	574,073 574,073	33,940 33,940		

Note (Un-audited) For the half year ended June 30, 2022 June 30, 2023 -----(Rupees in '000)-----24 MARK-UP/RETURN/INTEREST EARNED On: 56,262,442 33,107,836 a) Loans and advances 113,513,982 46,678,381 b) Investments 1,859,331 589.149 Lendings to financial institutions / Bai Muajjal c) 46,076 17,150 d) Balances with banks 2,032,317 4,774,434 On securities purchased under resale agreements 176,456,265 82,424,833 25 MARK-UP/RETURN/INTEREST EXPENSED On: Deposits 67,132,776 28,769,779 a) 8.163.774 4,350,199 b) Borrowings 37,344,216 14,213,507 c) Securities sold under repurchase agreements 1,376,405 411,199 d) Subordinated debt 1,553,948 1,846,565 e) Cost of foreign currency swaps against foreign currency deposits / borrowings 1,214,207 871,269 f) Borrowing cost on leased properties 187,162 112,165 Reward points / customer loyalty 117,265,105 50,282,066 FEE & COMMISSION INCOME 26 526,363 Branch banking customer fees 592,731 248.204 290.370 Consumer finance related fees Card related fees (debit and credit cards) 1,210,985 796,728 119,381 Credit related fees 284,042 168.888 62,816 Investment banking fees 1,156,445 1,063,561 Commission on trade 256,887 404,127 Commission on quarantees 41.606 25,648 Commission on cash management 553,080 Commission on remittances including home remittances 661,655 281,978 332,988 Commission on bancassurance 704,235 412,648 Card acquiring business 48,809 82,835 Wealth Management Fee Commission on Employees' Old-Age Benefit Institution (EOBI) 20,812 Commission on Benazir Income Support Programme (BISP) 257,007 164,517 321,614 628,550 Alternate Delivery Channels (ADC) Others 98,972 99,160 6,758,354 5,159,288 27 (LOSS) / GAIN ON SECURITIES 27.1 105,705 Realised 6,398 10.1 (451,064)(192, 253)Unrealised - held for trading Unrealised gain on trading liabilities - net 4,878 124,198 (81,670) (320,468)Realised gain / (loss) on: 27.1 298.592 (33.593)Federal Government Securities (668,021)(66,580)Shares 12,737 Non Government Debt Securities 375.827 193,141 Foreign Securities

105,705

6,398

		Note	(Un-audited)		
			For the half	year ended	
			June 30, 2023	June 30, 2022	
			(Rupees	in '000)	
28	OTHER INCOME				
	Rent on property		14,075	16,444	
	Gain on sale of fixed assets-net		62,930	44,391	
	Gain on sale of non banking assets	28.1		9.200	
	Profit on termination of leased contracts (ljarah)		39,825	21,746	
	Gain on termination of leases (IFRS 16)		15,930	112,285	
			132,760	204,066	
28.1	In 2022, the Bank earned an income of Rs. 9.200 million against sale of meml	hershin cards			
20.1	an 2022, the bank earlied an income of its. 5.200 million against said of monit	persing cares.			
		Note	(Un-au	dited)	
			For the half		
			June 30, 2023	June 30, 2022	
			(Rupees	in '000)	
29	OPERATING EXPENSES				
	Tatal as manageting overses	20.1	12 546 120	9.925.190	
	Total compensation expense	29.1	13,546,120	3,323,130	
	Property expense				
	Rates and taxes		72,786	53,177	
	Utilities cost		1,077,090	758,368	
	Security (including guards)		551,035	452,721	
	Repair and maintenance (including janitorial charges)		563,722	478,265	
	Depreciation on right-of-use assets		1,585,774	1,277,725	
	Depreciation on non-banking assets acquired in satisfaction of claims		2,477	2,160	
	Depreciation on owned assets		418,505 4,271,389	309,695	
	Information technology expenses		4,271,309	3,332,111	
	Information technology expenses Software maintenance		1,100.708	937,589	
	Hardware maintenance		497,240	327,141	
	Depreciation		509,435	337,787	
	Amortisation		156,888	177,053	
	Network charges		304,002	270,415	
	Consultancy and support services		67,817	170,204	
	••••••••••••••••••••••••••••••••••••••		2,636,090	2,220,189	
	Other operating expenses				
	Directors' fees and allowances		74,857	103,277	
	Fees and allowances to Shariah Board		7,561	6,691	
	Legal and professional charges		200,459	439,957	
	Outsourced services costs		478.916	374,661	
	Travelling and conveyance		582,202	371,267	
	Clearing and custodian charges		78,706	51,993	
	Depreciation		714,288	556,646	
	Training and development		65,727	56.744	
	Postage and courier charges		225,473	248.273	
	Communication		733,979	414,523	
	Stationery and printing		589,713 2,388,384	451,256	
	Marketing, advertisement and publicity			716,469 15,350	
	Donations Auditors' comparation		1,021,500 35,965	28,562	
	Auditors' remuneration		185,096	139,798	
	Brokerage and commission Entertainment		280,339	183,947	
			365,941	314,265	
	Repairs and maintenance Insurance		705,239	619.276	
	Cash handling charges		675,590	513,524	
	CNIC verification		128,915	88,542	
	Others		370,156	538,562	
	QUIO 3		9,909,006	6,233,583	
			30,362,605	21,711,073	

For the half	year ended
June 30, 2023	June 30, 2022
(Rupees	in '000)

29.1 Total compensation expense

Managerial remuneration		
i) Fixed	9,373,019	7,187,969
ii) Variable:		
a) Cash Bonus / Awards etc.	2,268,295	1,342,348
b) Bonus and Awards in Shares etc.	162,498	120,000
Charge for defined benefit plan	233,501	166,923
Contribution to defined contribution plan	361,194	300,969
Medical	649,352	403,771
Conveyance	255,931	177.054
Staff compensated absences	94,998	90,000
Others	132,568	112,685
Sub-total	13,531,356	9,901,719
Sign-on bonus	14,764	18.471
Severance allowance		5,000
Grand Total	13,546,120	9,925,190

30 WORKERS' WELFARE FUND

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by Federal Government through the Finance Act, 2008 for the levy of Workers' Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petitions is decided. Accordingly, the amount charged for Workers' Welfare Fund since 2008 has not been reversed.

		Note	(Un-aud For the half y	•
31	OTHER CHARGES	_	June 30, 2023 (Rupees in	June 30, 2022
	Penalties imposed by the State Bank of Pakistan Penalties imposed by other regulatory bodies	_ =	136,961 - 136,961	5,173 1,997 7,170
32	PROVISIONS & WRITE OFFS - NÉT			
	Reversal against lending to financial institutions (IFRS 9 - ECL) (Reversal) / provision for diminution in value of investments / IFRS 9 - ECL Provision against loans & advances / IFRS 9 - ECL Provision against other assets / IFRS 9 - ECL Provision against off-balance sheet obligations / IFRS 9 - ECL Other provisions / write off - net Recovery of written off / charged off bad debts	10.3.1 11.4 15.2.1 20.1	(296) (467,082) 5,513,163 163,198 50,764 7,997 (265,781) 5,001,963	803 380,121 3,786,759 21,084 29,401 9,942 (186,671) 4,041,439
33	TAXATION			
	Charge / (reversal) : Current Prior years Deferred	<u>-</u>	19,923,976 - (2,679,066) 17,244,910	10,383,573 (1,566,235) (660,469) 8,156,869

^{33.1} a) The income tax assessments of the Bank have been finalized upto and including tax year 2022. Certain addbacks made by the tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.

In respect of tax years 2008, 2014, 2017 and 2019 to 2022, the tax authority had raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of Leasehold improvements. These matters have been decided in favour of the Bank (December 31, 2022; Rs. 639.939 million). The related appeal effect orders are pending before the tax authority. Accordingly, the Bank has not made any provision in respect of these amounts.

- b) The Bank has received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and a penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. The appeals against these orders are pending before the Commissioner Appeals. The Bank has not made any provision against these orders and the management is of the view that these matters will be settled in the Bank's favour through appealate process.
- During the period, the Bank has received an order from a tax authority wherein sales tax and penalty amounting to Rs. 5.191 million (excluding default surcharge) is demanded allegedly for non-payment of sales tax on certain transactions relating to accounting year 2016. This is in addition to an order previously received for the same accounting year wherein sales tax and further tax amounting to Rs. 8.601 million (excluding default surcharge and penalty) was demanded allegedly for non-payment of sales tax on certain transactions. The Bank appeals are pending before the Commissioner Appeals. The Bank has not made any provision against these orders and the management is of the view that this matter will be favourably settled through appellate process.

		(Un-audited)	
		For the half year en	ded
		June 30, Jur	e 30,
		2023 2	022
34	BASIC AND DILUTED EARNINGS PER SHARE	(Rupees in '000)	
	Profit for the period	18,619,927	,703,201
		(Number of shares in	'000)
	Weighted average number of ordinary shares	1,577,165	1,777,165
		(Rupees)	
	Basic and diluted earnings per share	11.81	4.90

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

35 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, 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. In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

35.1 Fair value of financial instruments

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

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

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

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

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

	June 30, 2023 (Un-audited)			
_	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		(Rupees i	n '000)	
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	1,210,896,882	-	1,210,896,882
- Non-Government Debt Securities	14,939,400	4.167.428	-	19,106,828
- Shares - listed companies	6,689,483	-	-	6.689,483
- Foreign Government Securities	-	37,987,272	-	37,987,272
- Foreign Non-Government Debt Securities	-	29,739,744	-	29,739,744
- Foreign Equity Securities	322,786	-	ē	322.786
Financial assets - disclosed but not measured at fair value				
Investments - held to maturity securities	-	116,476.973	٠	116,476,973
Off-balance sheet financial instruments - measured at fair	value			
	Value	489,004	_	489.004
 Forward purchase of foreign exchange Forward sale of foreign exchange 	•	(306,299)	•	(306,299)
•	•	(172.843)	•	(172.843)
- Forward purchase of government securities	-	158,382	•	158.382
- Forward sale government securities	•		•	4,586,737
- Derivatives purchases	•	4,586,737	•	
- Derivatives sales	-	623,711	=	623,711
_		December 31, 2		
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		(Rupees i	in '000)	
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	946,606,485	÷	946,606,485
- Non-Government Debt Securities	14,937,000	4,347,503	-	19,284,503
- Shares - listed companies	6,440,731	-	-	6,440,731
- Foreign Government Securities		28,811,408	-	28,811,408
- Foreign Non-Government Debt Securities	÷	27,564,662	-	27,564,662
Financial assets - disclosed but not measured at fair value				
Investments - held to maturity securities	_	73,518,446	_	73,518,446
	-	73,310,440	_	73,310,440
Off-balance sheet financial instruments - measured at fair	value			
- Forward purchase of foreign exchange	-	922,573	-	922,573
- Forward sale of foreign exchange	-	(455,164)	-	(455,164)
- Forward purchase of government securities	-	4,432	•	4,432
- Forward sale government securities transactions	-	(7.946)	•	(7,946)
- Derivatives purchases	_	4,761,605	-	4,761,605
= - · · · · · · · · · · · · · · · · · ·		1,7 5 1,5 5 5		33,940

- 35.2 The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1 and 2 during the current period.
- 35.3 Valuation techniques used in determination of fair values:

35.3.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies and listed non government debt securities.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Ijarah Sukuk, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuk, forward foreign exchange contracts, forward government securities contracts, cross currency swaps and interest rate swaps.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3 except as disclosed in note 35.3.2

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.

35.3.2 Fair value of non-financial assets

Certain categories of fixed assets (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

35.3.3 Valuation techniques

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan Investment Bonds (PIB), and GoP Ijarah Sukuk (GIS) including their forward contracts	The fair value of MTBs and PIBs are derived using PKRV rates. GIS are revalued using PKISRV rates. Floating rate PIBs are revalued using PKFRV rates.
Overseas Sukuk, Overseas Bonds and GoP Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in WAPDA Sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates announced by the State Bank of Pakistan.
Derivative Instruments	Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Fixed assets and non banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach uses prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

36 SEGMENT INFORMATION

36.1 Segment details with respect to Business Activities

		<u></u>	For the pe	eriod ended June	30, 2023 (Un-auc	dited)		
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others *	Total
				(Rupees in	,000)			
Profit and loss	(07.070.050)	10.200.010	1, 606 060 I	62.762.454	7 117	2.451.250	(1.246.604)	50 101 100
Net mark-up / return / profit	(27,676,350)	10,366,819		62,763,454	7,117	3,451,356	(1,346,604)	59,191,160
Inter segment revenue - net	63,271,161	(2,714,243)		(62,825,117)	920,806	357,534	969,206	10.000.400
Non mark-up / return / interest income	3,910,098	1,742.238		4,919,554	409.029	683,793	377,398	12,988,429
Total Income / (loss)	39,504,909	9,394,814	12.592,340	4,857,891	1,336,952	4,492,683	•	72.179,589
Segment direct expenses	11,815,858	2,379,043	4,442,437	391,353	1,217,427	1,728,445	9,338,226	31,312,789
Inter segment expense allocation	5,835,540	734,241	1,683,221	375,558	501,136	208,530	(9.338,226)	-
Total expenses	17,651,398	3,113.284	6.125,658	766,911	1,718,563	1,936,975	-	31,312,789
Provisions / (reversals)	2,495,592	2,130,916	319,207	(256,827)	15,023	(75,948)	374,000	5,001,963
Profit / (loss) before tax	19,357,919	4,150,614	6,147,475	4,347,807	(396,634)	2,631,656	(374,000)	35,864,837
			Δ.	s at June 30, 202	3 (Un-audited)			
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital Digital	Overseas	Others *	Total
			Tisianne (Bonnescie)					10001
Statement of financial position				(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	400,			
Cash and bank balances	102,515,015	18,794,424	31,463,006	-	1,001.013	59,442,963	-	213,216,421
Investments	- !	3,148,344	200,737,865	1,142,409,880	-	90,026,223	1.511.187	1,437,833,499
Net inter segment lending	786,906,969	-	-	-	14,521,511	- 1	142,522,499	943,950,979
Lendings to financial institutions	- 1	-	-	10,227,661	-	3,488,732	-	13,716,393
Advances - performing	193,031,259	338,218,478	163,989,023	-	123,836	42,918,125	13.649.859	751,930,580
- non-performing	2,095.639	4,663,830	507,790	-	5,147	228.635	66,799	7,567.840
Others	32,514,652	41,995.985	41,225,420	55,550,324	1,284,323	21,117,694	1,804,010	195,492,408
Total assets	1,117,063,534	406,821,061	437,923,104	1,208,187.865	16,935,830	217,222,372	159,554,354	3,563,708,120
Borrowings	23,989,546	93,219,013	60.647.366 I	319,076,312	- 1	8,961,396		505.893.633
Subordinated debt	25,550,6 (6			-	_	-	14,000,000	14,000,000
Deposits and other accounts	1,055,498,099	245,514,411	308.014.863	-	16,077,968	150,848,791	-	1,775,954,132
Net inter segment borrowing	- 1	8,690,519	18,413,646	875,666,245	_	41,180,569	_	943,950,979
Others	37,575,889	59,397,118	49,121,351	22,797,102	857,862	18,941,724	21,417,916	210,108,962
Total liabilities	1,117,063,534	406,821,061	436,197.226	1,217,539,659	16,935,830	219,932,480	35,417,916	3,449,907,706
Net assets	-		1,725,878	(9,351,794)		(2,710,108)	124,136,438	113,800,414
Equity								113,800,414
Contingencies and commitments	116,188,577	225,035,318	71,410,991	211,111,918	5,084	58,186,945	4,692,323	686.631.156

^{*} Others include head office related activities.

Profit and loss
Net mark-up / return / profit
Inter segment revenue - net
Non mark-up / return / interest income
Total income

Segment direct expenses Inter segment expense allocation Total expenses Provisions / (reversals) Profit before tax

Statement of financial position Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing Others Total assets

Borrowings
Subordinated debt
Deposits and other accounts
Net inter segment borrowing
Others
Total liabilities

Net Assets

Equity

Contingencies and commitments

Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others *	Total
****			(Rupees in '	000)	*		
(4.848.524)	5.666.306	5.496.691	24,409,312	(57,653)	1,774,619	(297,984)	32,142
22,567,595	(2,002.538)		(21,026,771)	391,657	316,249	(162,033)	
2,943,928	1,384,945	928,203	4,250,368	265,025	668,318	460,017	10,900
20,662,999	5,048,713	6,340,735	7,632,909	599,029	2,759,186	-	43,04
8,845,522	780,697	2.990.263	275,208	938.021	1,104,977	7.207.374	22,142
4,256,999	610,716	1,212,724	270,556	733,458	122,921	(7,207,374)	
13,102,521	1,391,413	4,202,987	545,764	1,671,479	1,227,898	-	22,142
1.127,816	(327,035)	80,817	383,601	7,292	18,948	2,750,000	4,04
6,432,662	3,984,335	2,056,931	6,703,544	(1,079,742)	1,512.340	(2,750,000)	16,860

		As	at December 31,	ZOZZ (Audited)			
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others *	Total
			(Rupees in	. <u>0</u> 000)			
54,369,186	13,662,612	22,294,976	-	1,380,127	58,391,827	-	150,098,
. }	3.065,299	123,324,033	913,838,262	-	72,564,199	1,614,965	1,114,406,
609.918.002	-	-	-	20,415,823	-	108,578,156	738,911,
	-	30,000,061	81,309,765	-	4,043.773	-	115,353,
221,934,495	307,817,003	149,691,195	-	73.590	36,726,043	10,557.920	726,800.
2,942,331	1,660,287	726,449	-	3,985	162,523	79,030	5,574.
21,320,626	28,322,398	27,309,005	28,284,908	1,483,080	15.012,516	19,230,259	140,962.
910,484,640	354,527,599	353,345,719	1,023,432,935	23,356,605	186,900,881	140,060.330	2,992,108,
26,937,622	95,851,939	39,964,773	314.660,326	- 1	13,764,871	-	491,179
-	-		-	- 1	-	14,000,000	14,000,0
860,878,106	210,843,465	255,671,950	_	23,002,118	136,392,013	57.694	1,486.845,
-	(1,059,219)	15,379,744	698,037,054	-	26,554,402	-	738,911,
27,112,775	48,891,414	40,321,510	15,282,535	354,487	12.816,381	16,378,126	161,157,
914,928,503	354,527,599	351,337,977	1,027.979.915	23,356,605	189,527.667	30,435,820	2,892,094,
					· · ·		
(4,443,863)	-	2,007,742	(4,546,980)	-	(2,626,786)	109,624,510	100,014,
							100,014,
94,420,516	188,433,780	63,199,284	158,500,073	5.014	76,880,088	4,615,176	586,053
5 7,720,010	.00, 700,700	05,100,204	.00,000,070	0,017		.,,,,,	555,500

^{*} Others include head office related activities.

37 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiary, associates, joint ventures, employee benefit plans, its directors, key management personnel and other related parties.

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 actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	Directors/ CEO	Key management personnel	Subsidiary	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiary	Associates	Other related parties
	As at June 30, 2023 (Un-audited)					As at December 31, 2022 (Audited)				
	(Rupees in '000)					(Rupees in '000)				
Lendings to financial institutions										
Opening balance	-	-	-	•	-	-	-	-	-	2.330.078
Addition during the period / year	-	-	-	-	4,626,021	-	-	-	-	25,964,631
Repaid during the period / year		-		-	(4,626,021)		-		•	(28,294,709)
Closing balance		-	-	-				-		-
Investments										
Opening balance	-		305,217	1,177,606	1,552,048	•	-	300,000	1,177,606	1,119,230
Investment made during the period / year	-	=	=	-	269,392	-	-	5,217	-	274.246
Investment redeemed / disposed off during the period / year	-	-	-	-	(63.574)	-	-	-	-	(190,468)
Revaluation of investment during the period / year	-	-	-	-	(4,535)	-	-	•	-	(17,511)
Transfer in / (out) - net		-	-	-	-		÷			366,551
Closing balance			305,217	1,177,606	1,753,331			305,217	1,177,606	1.552,048
Provision for diminution in value of investments	-		42,981					42,981	•	-
Advances										
Opening balance	18,062	672,608	-	-	2.367.924	77	1.184.057	-	-	1,997,552
Addition during the period / year	-	364,748	-	-	33,248,434	20,498	605,570	-	-	37.536.790
Repaid during the period / year	(2,141)	(257,890)	-	-	(33,901,941)	(2,513)	(173,521)	-	-	(38.264.097)
Transfer in / (out) - net	-	(14.109)	-	-	-		(943,498)	-		1,097,679
Closing balance	15,921	765,357		-	1,714,417	18,062	672,608			2.367.924
Provision held against advances	-	-	-	-	1,045.459		.	-	<u> </u>	1,097,028
Other assets										
Interest / mark-up accrued	1,820	52,135	-	-	66,424	944	54,009	-	-	30,381
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	153,707
Prepayment / rent receivable	-	-	-	2.925	-	-	•	-	975	-
Advance against shares	-	-	-	-	140,000	-	-	-	÷	*

		Key		·	Other related		Key	_		Other related	
	Directors/ CEO	management	Subsidiary	Associates	parties	Directors/ CEO	management	Subsidiary	Associates	parties	
		personnel	20, 2022 ((-4:5-70	processor.	<u> </u>	personnel As at Ou	-nanhor 21, 2022 (Auditad)		
		As at June 30, 2023 (Un-audited) (Rupees in '000)					As at December 31, 2022 (Audited)(Rupees in '000)				
Borrowings			,								
Opening balance				-	2.180.207			-	-	2,280,921	
Borrowings, during the period / year		-		-	845.000			-	-	21,218,496	
Settled during the period / year	<u> </u>	•	•	-	(54,242)		-			(21,319,210)	
Closing balance		-		· · · · · · · · · · · · · · · · · · ·	2.970.965				-	2.180,207	
0											
Deposits and other accounts Opening balance	38.466	184,994	9.086	3.078.699	12.308.778	59.026	371.960	34.986	13,465,080	6.410.266	
Received during the period / year	488.692	1.994.870	1,117.679	293,206,428	123.119,335	517,842	4.736,925	3,347.215	255,922,837	92,145,150	
Withdrawn during the period / year	(418.360)	(1,777.395)	(1.109,761)	(274,447,071)	(122.659.148)	(538.402)	(4.728.582)	(3.373.115)	(266.309.219)	(87.581,596)	
Transfer in 7 (out) - net	(410.300)	(10.008)	(1.100,701)	(274.447.071)	(122.0.70.140)	(550.402)	(195.309)	(3.51 3.11 3)	(200.303.273)	1,334,959	
Closing balance	108,798	392,461	17.004	21.838.056	12,768,965	38,466	184.994	9.086	3,078,698	12.308.779	
closing balance	100,100										
Other liabilities											
Interest / mark-up payable	498	6,411	-	60.952	105,462	253	158	-	-	13,231	
Dividend payable	1,866.416	-	•	-	2.709.395	1,146,264	39	=	-	2,201.513	
Payable to defined benefit plan	-	-	•	-	79,794		•	-		-	
Others	•	•	4 504	-	74,771	•	-	4.701	•	70,267	
Contingencies and commitments											
Other contingencies				-	766.269		•	-	_	463,191	
•				· · · · · · · · · · · · · · · · · · ·							
			inded June 30, 202					nded June 30, 20			
beause			nded June 30, 202 -(Rupees in 1000)-			*******		nded June 30, 20 -(Rupees in '000)		**********	
Income Mark up / rature / interest except											
Mark-up / return / interest earned	858			-	104,100	156			-	91,203	
Mark-up / return / interest earned Fee and commission income				77.494	104,100				44,687	91,203	
Mark-up / return / interest earned Fee and commission income Dividend income	858	10.704	-(Rupees in 1000)- - - -	-	104,100 113,746			-(Rupees in '000) - -	-	91.203 - 320.729	
Mark-up / return / interest earned Fee and commission income	858	10,704	-(Rupees in 1000)- - - -	77.494 155,995	104,100	156	16,026	-(Rupees in '000) - -	44,687 74,995	91,203	
Mark-up / return / interest earned fiee and commission income Dividend more Gain / (loss) on sale of securities Other income	858	10.704	-(Rupees in 1000)- - - -	77.494 155.995	104,100 113,746	156	16,026	-(Rupees in '000) - -	44,687 74,995	91.203 - 320.729	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (toss) on sale of securities Other income Expenses	858	10.704 : 1 36	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094)	156 - - -	16,026 - - 4 9	-(Rupees in '000) - - - - - - -	44,687 74,995 - 24,211	91.203 - 320.729 3.201	
Mark-up / return / interest earned Fee and commission income Dividend income Gain / (loss) on sale of securities Other income Expenses Mark-up / return / interest paid	858	10.704	-(Rupees in 1000)- - - -	77.494 155.995	104,100 113,746	156	16,026	-(Rupees in '000) - -	44,687 74,995	91.203 - 320.729	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (loss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses	858 - - - - - - - - - -	10,704	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094) 1,001,096	156 - - - - -	16,026 - - 4 9	-(Rupees in '000) - - - - - - -	44,687 74,995 24,211 273,613	91.203 320.729 3.201 387.204	
Mark-up / return / interest earned fee and commission income Dividend income Dividend income Gain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094)	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in '000) - - - - - - -	44,687 74,995 - 24,211	91.203 - 320.729 3.201	
Mark-up / return / interest earned fee and commission income Dividend income Qain / (tows) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration	858 - - - - - - - - - -	10,704	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094) 1.001,036	156 - - - - -	16,026 - - 4 9	-(Rupees in '000) - - - - - - -	44,687 74,995 24,211 273,613	91.203 320.729 3.201 387.204	
Mark-up / return / interest earned Fee and commission income Dividend income Gain / (loss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094) 1,001,036	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in '000) - - - - - - -	44,687 74,995 24,211 273,613	91,203 320,729 3,201 387,204 - 59,304	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (loss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094) 1,001,086	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in '000) - - - - - - -	44,687 74,995 24,211 273,613	91.203 320.729 3.201 387.204 	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in 'OOO)-	77.494 155,995 21,842	104,100 113,746 (2,094) 1,001,086 - 89,980 - 114,239	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in '000) - - - - - - - - - - -	44,687 74,995 24,211 273,613	91,203 320,729 3,201 387,204 - 59,304	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in "000)- - - - - -	77.494 155,995 21,842	104,100 113,746 (2.094) 1.001,086 	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in 600) - - - - - - - - - - - - - - - - - -	44,687 74,995 24,211 273,613	91.203 320.729 3.201 387.204 - 59.304 1.695 23.988	
Mark-up / return / interest earned Fee and commission income Dividend income Gain / (loss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in 'OOO)-	77.494 155,995 21,842	104,100 113,746 (2.094) 1,001,036 - 89,980 114,239	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in '000) - - - - - - - - - - -	44,687 74,995 24,211 273,613	91,203 - 320,729 3,201 - 387,204 - 59,304 1,695 23,988	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (foss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges Charge for defined benefit plan	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in 'OOO)-	77,494 155,995 21,842 369,287	104,100 113,746 (2,094) 1,001,086 - 89,980 - 114,239 - 233,501	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in 600)	24.687 74.995 24.211 273.613	91.203 320,729 3.201 387.204 	
Mark-up / return / interest earned fee and commission income Dividend income Qain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges Charge for defined benefit plan Contribution to defined contribution plan	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in 'OOO)-	77.494 155,995 21,842	104,100 113,746 (2,094) 1,001,036 89,980 114,239 233,501 361,194	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in 600) - - - - - - - - - - - - - - - - - -	44,687 74,995 24,211 273,613	91.203 320.729 3.201 387.204 - 59.304 1.695 23.988 - 134.408 286,257	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (foss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges Charge for defined benefit plan	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in 'OOO)-	77,494 155,995 21,842 369,287	104,100 113,746 (2,094) 1,001,086 - 89,980 - 114,239 - 233,501	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in 600)	24.687 74.995 24.211 273.613	91.203 320,729 3.201 387.204 	
Mark-up / return / interest earned fee and commission income Dividend income Qain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges Charge for defined benefit plan Contribution to defined contribution plan	858 	10.704 - - 1 36 13.236 - 795.587 - - -	-(Rupees in 'OOO)-	77.494 155.995 21.842 369.287 - - - - - - -	104,100 113,746 (2.094) 1,001,036 89,980 114,239 233,501 361,194 2,816	156 - - - 728 103,277 163,895 - - - -	16.026 - - 4 9 10.042 - 605.888 - - -	-(Rupees in 600)	24.687 74.995 24.211 273.613	91.203 320.729 3.201 387.204 - 59.304 1.695 23.988 - 134.408 286.257 10.488	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges Charge for defined benefit plan Contribution to defined contribution plan Others	858 - - - - 5.035 74.857	10,704 - - 1 36 13,236	-(Rupees in 'OOO)-	77.494 155.995 21.842 369.287 - - - - - - - - - - -	104,100 113,746 (2,094) 1,001,036 89,980 114,239 233,501 361,194	156 - - - - 728 103,277	16.026 - - 4 9	-(Rupees in 600)	24.687 74.995 24.211 273.613 - - - - - - - - - -	91.203 320.729 3.201 387.204 - 59.304 1.695 23.988 - 134.408 286,257	
Mark-up / return / interest earned fee and commission income Dividend income Gain / (toss) on sale of securities Other income Expenses Mark-up / return / interest paid Other operating expenses Directors fee Managerial remuneration Software maintenance Travelling and accommodation Communication cost Brokerage and commission Legal and professional charges Charge for defined benefit plan Contribution to defined contribution plan Others Other Information	858 	10.704 - - 1 36 13.236 - 795.587 - - -	-(Rupees in 'OOO)-	77.494 155.995 21.842 369.287 - - - - - - -	104,100 113,746 (2.094) 1,001,036 89,980 114,239 233,501 361,194 2,816	156 - - - 728 103,277 163,895 - - - -	16.026 - - 4 9 10.042 - 605.888 - - -	-(Rupees in 600)	24.687 74.995 24.211 273.613	91.203 320.729 3.201 387.204 - 59.304 1.695 23.988 - 134.408 286.257 10.488	

	June 30,	December 31,
CARITAL ADEQUACY LEVERACE DATIO & LIQUIDITY DECLUREMENTS	2023 (Rupees i	2022
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Rupees	11 000)
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	15,771,651	15,771,651
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	87.782.295	81,419,248
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13.550.000
Total Eligible Tier 1 Capital	101,332,295	94,969,248
Eligible Tier 2 Capital	24,254,465	23,447,310
Total Eligible Capital (Tier 1 + Tier 2)	125,586,760	118,416,558
Risk Weighted Assets (RWAs):		
Credit risk	728,053,172	727,196,837
Market risk	13.885.250	8,784,588
Operational risk	120,042,363	120.042.363
Total	861,980,785	856,023,788
Common Equity Tier 1 Capital Adequacy ratio	10.18%	9.51%
Tier 1 Capital Adequacy Ratio	11.76%	11.09%
Total Capital Adequacy Ratio	14.57%	13.83%
In line with Basel III Capital Adequacy guidelines, following capital requirements are app	licable to the Bank:	
Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%
For Capital adequacy calculation, the Bank has adopted Standardized Approach for C Alternate Standardized Approach (ASA) for operational risk.	redit & Market Risk rela	ited exposures and
Leverage Ratio (LR):	101,332,295	95,911,585
Eligible Tier-1 Capital	3,000,603,087	2,706,795,649
Total exposures Leverage ratio	3.38%	3.54%
Leverage ratio		
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	946,242,028	688,048,074
Total Net Cash Outflow	445,906,567	371,947,384
Liquidity coverage ratio	212%	185%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,448,192,750	1,275,978,211
Total Required Stable Funding	953,983,255	849,343,576
Net Stable Funding Ratio	152%	150%

38

(Un-audited)

(Audited)

39 ISLAMIC BANKING BUSINESS

The Bank operates 300 Islamic banking branches (December 31, 2022; 280 branches) and 5 sub branches (December 31, 2022; 5 sub branch) as at June 30, 2023.

STATEMENT OF FINANCIAL POSITION

ASSETS Cash and balances with treasury banks	Note	(Un-audited) June 30, 2023(Rupees i	(Audited) December 31, 2022 n '000)
Balances with other banks		1,713,975	1,773,265
Due from financial institutions	39.1	-	30,000,061
Investments	39.2	200,737.865	123,324,033
Islamic financing and related assets - net	39.3	164,496,813	150,417.644
Fixed assets		14,137,741	12,336,223
Intangible assets		31,063	32,914
Deferred tax assets		47,422	
Other assets		27,009,194	14,939,868
Total Assets	-	437,923,104	353,345,719
LIABILITIES Bills payable Due to financial institutions Deposits and other accounts Deferred tax liabilities Other liabilities NET ASSETS	39.4	5,890,459 60,647,366 308,014,863 - 43,230,892 417,783,580 20,139,524	4.673.534 39,964,773 255,671,950 158,892 35,489,084 335,958,233 17,387,486
REPRESENTED BY			
Islamic Banking Fund		3,950,000	3,950,000
Surplus on revaluation of assets		1,725,878	2,007,741
Unappropriated/ Unremitted profit	39.5	14,463,646	11,429,745
	=	20,139,524	17,387,486
CONTINGENCIES AND COMMITMENTS	39.6		

	_	(Un-aud For the half y	
		June 30,	June 30,
	Note	2023	2022
		(Rupees in	.000)
Profit / return earned on Islamic financing and related assets.			
investments and placements	39.7	24,066,167	11,422,486
Profit / return expensed on deposits and other dues expensed	39.8 -	12,440,799	5,925,795
Net Profit / return		11,625,368	5,496,691
Fee and commission income		663,721	571,750
Foreign exchange income		245.912	309,577
(Loss) / gain on securities		(11,237)	16,943
Other income		47.923	29,933
Total other income	_	946,319	928,203
Total income	-	12,571,687	6,424,894
OTHER EXPENSES			
Operating expenses		5,988.785	4,159,177
Workers' welfare fund		125.037	43,696
Other charges		11,836	114
Total other expenses	_	6,125,658	4,202,987
Profit before provisions	-	6,446.029	2,221,907
Provisions and write offs - net		319,207	80,817
PROFIT BEFORE TAXATION	-	6,126,822	2,141,090
Taxation		3,093,605	991,993
PROFIT AFTER TAXATION	_	3,033,217	1,149,097

June 30, 2023 (Un-audited) December 31, 2022 (Audite			Audited)			
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
(Rupees in '000)						

39.1 Due from Financial Institutions

Musharaka Placements

30.000.061

30.000.061

39.2 Investments

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
By segment & type:				(Rup	ees in '000)			
Federal Government Securities Available for sale securities								
ljarah Sukuk	173,131,112	·	(1,455,647)	171,675,465	100,945,854	-	(925,105)	100,020,749
Naya Pakistan Certificates	7,550,985	- 1	- 1	7.550.985	4,779,075	-		4,779,075
	180,682,097	•	(1.455,647)	179.226.450	105,724,929	•	(925.105)	104.799.824
Non Government Debt Securities Available for sale securities Sukuk - Unlisted Held to maturity securities	16,356,716	-	58,434	16,415,150	16,579,545	-	129,707	16,709,252
Ijarah Sukuk	3,000,000		-	3,000,000	-			-
Sukuk - Unlisted	2,174,341	(78,076)	-	2.096.265_	1,895,679	(80,722)		1,814,957
	5,174,341	(78,076)		5,096,265	1,895,679	(80.722)	-	1,814,957
Total investments	202,213,154	(78.076)	(1,397,213)	200,737,865	124,200,153	(80.722)	(795.398)	123,324,033

(Un-audited) (Audited)
June 30, December 31,
2023 2022
------(Rupees in '000)------

39.3 Islamic financing and related assets liarah

Ijaran
Murabaha
Musharaka
Diminishing Musharaka
Salam
Bai Muajjal Financing
Musawama Financing
Tijarah Financing
Islamic Staff financing
SBP Islamic Export Refinance
SBP Refinance Scheme For Wages & Salaries
Islamic Long Term Finance Facility Plant & Machinery
Islamic Refinance Renewable Energy
Islamic Temporary Economic Refinance Facility (ITERF)
Naya Pakistan Home Financing
Islamic Refinance Facility for Combating COVID
Refinance Facility under Bills discounting
Advances against Islamic assets
Inventory related to Islamic financing
Other Islamic modes

Less: provision against	Islamic	financings
- Specific		

- General

Islamic financing and related assets - net of provision

20,298,083	21,842,453
4,166,309	4,427,417
34,910,041	42,074,849
4,227,382	3,747,820
2,038,416	3,561,970
24,999,967	-
5.608,727	6,215,478
5,002,105	
4,222,709	3,494,484
11,655,329	11,638,939
1,803	306,658
4,081,691	1,484,760
151,793	127,342
12,478,625	10,119,342
3,447,291	3,548,291
699,040	605,195
3,567,208	3,476,879
16,763,071	29,243,089
9,270,577	6,597,230
1,542,843	2,220,828
169,133,010	154,733,024

(4,498,929)	(4,167,412)
(137,268)	(147.968)
(4,636,197)	(4,315,380)
164.496.813	150.417.644

39.4	Deposits	lune 3	O, 2023 (Un-au	dited)		mber 31, 2022 (Au	dited)
39.4	pehosics	In Local	In Foreign		In Local	In Foreign	
		Currency	Currencies	Total	Currency		Total
	i	Currencies					
	Customers (Rupees in '000)						
	- Current deposits	124,064,487	8,715,678	132.780.165	107,113,838	6,825,030	113,938,868
	- Savings deposits	62,546,249	3,768,916	66,315,165	64,899,308	3,174,282	68,073,590
	- Term deposits	42,074,283	261,338	42,335,621	45,821,709	212,069	46,033,778
	- Other deposits	3,270,950	1,470,594	4,741,544	2,290,176	465,542	2,755,718
	- Other deposits	231,955,969	14.216.526	246,172,495	220,125,031	10,676,923	230,801,954
	Financial Institutions	231,900,909	14,210,320	240,172,493	220,123,031	10,070,323	250,001,354
	- Current deposits	617,619	_ [617,619	244,430	-	244,430
	- Savings deposits	13,639,749	_	13,639,749	270,566	_	270,566
	- Term deposits	47,585.000	,	47.585.000	24,355,000		24,355,000
	· remi dehosits	61,842,368		61,842,368	24,869,996		24,869,996
		293,798,337	14,216,526	308.014.863	244,995,027	10,676,923	255,671,950
	:	293,190,331	14,210,320	300,014,003	244,993,021	10,070,923	233,071,330
39.4.1	Current deposits include	e remunerative cur	rrent deposits of	Rs. 18,842.276 m	illion (December 3	1, 2022 : Rs. 14.325	
						(Un-audited)	(Audited)
						June 30,	December 31,
						2023	2022
						(Rupees i	n '000)
39.5	Islamic Banking Busine	ess Unappropriate	ed Profit			11 420 745	0.024.121
	Opening balance			,		11,429,745	8,924,121
	Add: Islamic Banking pr			/ year		6,126,822	4,945,055
		the period / year				(3,093,605)	(2,440,810)
		m surplus on reval	uation of assets	to unappropriated	d profit - net	684	1,379
	Closing balance				:	14,463,646	11,429,745
39.6	Contingencies and Con	nmitments				4 202 027	4 200 277
	- Guarantees					4,202,937	4,306,277
	- Commitments					67,208,054	58,893,007 63,199,284
						71,410,991	03,199,204
						(Un-au-	a:+=al\
						•	•
						For the half June 30,	June 30.
						2023	2022
						(Rupees i	
20.7	D - C - /D	1-1(- 6)			to and alconon	, ,	11 000/
39.7	Profit Perped on:	on Islamic financi	ng and related a	assets, investmer	its and placemen	ts	
	Profit earned on: - Islamic financing an	nd related assets				12,153,187	5,825,502
	•	in Leigren gasers				11,412,374	5,273,098
	- Investments					500,606	323,886
	- Placements				•	24,066,167	11,422,486
					:	24,000,101	11,422,400
39.8	Profit on deposits and	other dues expe	nsed				
33.0	Deposits and other acco					10,049,049	4,455,451
	Due to financial institut					1,394,366	684,210
	Securities sold under re			398,851	377,966		
	Cost of foreign currence			lenosits / horrowii	nas	113,943	97,238
	Borrowing cost on lease		a digit contently t	opposits / DOLLOWII	-9-	468,541	303,132
	Reward points / custom					16,049	7.798
	neward points / custon	ιοι ισγαιτή				12,440,799	5,925,795
					:	12,440,739	5,523,153

39.9.1 The pools, their key features and risk and reward characteristics.

The profit and loss sharing between the Rabbul Maal (depositor) and Mudarib (Bank - IBG) is based upon the underlying principles of Mudaraba, where Bank also contributes its equity to general pool of funds, and becomes the capital provider

Currently IBG is managing following pools:

- 1) General Pool for LCY Depositors
- 2) FCY Pool for Foreign Currency (USD, GBP, EURO, AED, SAR and CAD) depositors
- 3) Fls Pool for Treasury Purposes
- 4) IERS Pool for Islamic Export Refinance Scheme facilities
- 5) Special pool
- 6) PMRC Musharikah Pool

All the Mudaraba based remunerative deposits shall be considered as an investment from Rabbul Maal in the pool, along with IBG's own share of equity, which is also commingled in the pool. The applications of these funds are on Islamic financing and related assets, investments, and placements for generating profits to be shared among the depositors as per the weightage system.

The IERS pool is maintained as per the guideline under the SBP IERS Scheme.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

39.9.2 Avenues/sectors where Mudaraba based deposits have been deployed.	(Un-audited) June 30. 2023 (Rupees	(Audited) December 31, 2022 in '000)
		75 / 5 00
Agriculture, Forestry, Hunting and Fishing	25.732,787	784,589
Automobile and transportation equipment	5,858,126	7,595,658
Cement	3.098.790	4,622,222
Chemical and Pharmaceuticals	7,964,075	9,349,258
Construction	2,674.230	2,877,944
Electronics and electrical appliances	1,300,622	1,553,152
Exports / Imports	587	556
Financial	95,833	220,000
Food & Allied Products	6,377.942	9,398,453
Footwear and Leather garments	853,021	871,411
Glass and Ceramics	50,451	127,652
Individuals	33,540,006	33,543,245
Insurance	=	783
Metal & Allied industries	3,282,013	2.445,184
Mining and Quarrying	506,517	507,314
Oil and Allied	3,080,436	4,427,967
Paper and Board	487.731	957,214
Plastic and Allied Industries	3,391,114	2,979,808
Power (electricity), Gas, Water, Sanitary	9,364,796	7,923,231
Services	2,614,091	2,657,917
Sugar	3,480,986	2,778,838
Technology and Related services	48,447	56,530
Textile	42,493,505	46,702,510
Transport, Storage and Communication	7,514.140	6,289,478
Wholesale and Retail Trade	3,889,312	4,226,059
Others	1,433,452	1.836,051
Total Gross Islamic Financing and Related Assets	169,133,010	154.733,024
Total gross investments (at cost)	202,213,154	124,200,153
Total Islamic placements	-	30,000,061
Total Invested Funds	371,346,164	308,933,238

39.9.3 The major components of Profit distribution and charging of the expenses.

Profit is distributed among the Mudaraba deposits on the basis of underlying principles of weightage mechanism which are announced before the beginning of the relevant period. Only direct attributable expenses such as depreciation on ijarah assets, brokerage, CIB Charges, bad debts write off on advances and loss on sale of investments etc are charged to the pool. Expenses of pool(s) do not include general and specific provisioning created against non-performing financings and diminution in the value of investments.

39.9.4 The Bank manages the following general and specific pools:

	,	,						
Remunerative Depositor's Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (Savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
		%	Mudarib Share/Fee	Rabbul Maal Share	(Rupees in	%	%	(Rupees in '000)
General Pools			0.10.0.100	0.0.0	333,			333,
PKR Pool	Monthly	15.28%	50.00%	50.00%	4,475,561	9.56%	0.70%	28,011
USD Pool	Monthly	4.35%	85.00%	15.00%	59,012	0.79%	18 00%	7.907
GBP Pool	Monthly	3.37%	85.00%	15.00%	5,464	0 47%	0.00%	-
EUR Pool	Monthly	2.66%	85.00%	15.00%	4.248	0.55%	2.53%	96
AED Pool	Monthly	2.23%	85.00%	15.00%	206	0.13%	0.00%	-
SAR Pool	Monthly	2 85%	85.00%	15 00%	346	0.17%	0.00%	-
CAD Pool	Monthly	6.13%	85.00%	15.00%	170	0.25%	0.00%	-
Specific Pools								
Special Pool (Saving & TDRs)	Monthly	16.77%	2.29%	97.71%	71,112	17.05%	32.50%	14,530
SBP Refinance Borrowing Pool	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (Savings and flixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
		%	Bank Share	SBP Share	(Rupees in '000)	%	%	(Rupees in '000)
Islamic Export Refinance (IERS) Pool	Monthly	12.83%	69.84%	30.16%	1,364.772	Nii	2.56%	35,000

40 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two-branch presence in Afghanistan. The board and management of the Bank continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The Bank has taken impairment against assets where there is an indication that carrying amount may be higher than its recoverable amount. The Bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

41 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on August 10, 2023 has declared an interim cash dividend of 30% i.e. Rs. 3.0 per share (June 30, 2022: Rs. 2.5 per share). These unconsolidated condensed interim financial statements do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on August 10, 2023 by the Board of Directors of the Bank.

43 GENERAL

- 43.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements, wherever necessary to facilitate comparison.
- 43.2 The effect of reclassification, rearrangement, restatement in the comparative information presented in these unconsolidated condensed interim financial statements is as follows:

Description of item	Nature	(Rupees in '000)	From	То
Net interest on Interest Rate Swap	Income	205,856	Mark-Up/Return/Interest Expensed - Borrowings	Mark-Up/Return/Interest Earned - Investments
Sukuk	Asset	222,000	Available for sale securities Investment - Term Finance Certificates	Available for sale securities Investment - Sukuk



Bank Alfalah Limited Consolidated Condensed Interim Financial Statements Half Year Ended June 30, 2023

BANK ALFALAH LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

ASSETS	Note	(Un-audited) June 30, 2023(Rupees	(Audited) December 31, 2022 in '000)
ASSETS			
Cash and balances with treasury banks	7	197,028,964	140.613.751
Balances with other banks	8	16,367,795	10.105,449
Lendings to financial institutions	9	13,716,393	115,353,599
Investments	10	1,441,842,334	1,117,616,363
Advances	11	759,525.985	732.385,815
Fixed assets	12	53.958.674	48,493,284
Intangible assets	13	1,392,195	1,304,181
Deferred tax assets	14	16,330,000	7,550,773
Other assets	15	122,686,820	83,296,493
		2,622,849,160	2.256,719.708
LIABILITIES			
Bills payable	16	31,962,648	40,033,806
Borrowings	17	506,668,509	491,649,941
Deposits and other accounts	18	1.775.937.128	1.486.836.260
Liabilities against assets subject to finance lease		1,773,337,120	1,100,030,200
Subordinated debt	19	14,000,000	14,000,000
Other liabilities	20	178,423,221	122,136,332
Other Industries		2,506,991,506	2,154,656,339
NET ASSETS		115,857,654	102,063,369
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		40,579,315	34,283,201
(Deficit) / surplus on revaluation of assets	21	(519,338)	4,847,101
Unappropriated profit		59,886,467	47,033,616
Total equity attributable to the equity holders of the Holding Company		115,718,095	101,935,569
Non-controlling interest	22	139,559	127,800
		115,857,654	102,063,369
CONTINGENCIES AND COMMITMENTS	23		

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

President & Chief Executive Officer Chief Financial Officer Director Director Director

BANK ALFALAH LIMITED CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Quarter ended June 30, 2023	Quarter ended June 30, 2022	Half year ended June 30, 2023 in '000)	Half year ended June 30, 2022
			•		
Mark-up/return/interest earned	25	100,876,877	46,621,886	176,477,796	82,448,487
Mark-up/return/interest expensed	26	69,658,030	28,780,273	117,345,164	50,327,904
Net Mark-up/return/interest income		31,218,847	17,841,613	59,132,632	32,120,583
NON MARK-UP/RETURN/INTEREST INCOME					
Fee and commission income	27	3,559,407	2,787.787	6,984,738	5,325,091
Dividend income		259,215	396,888	467,165	591,399
Foreign exchange income		1,780,688	3,420,817	5,105,652	4,851,638
Gain from derivatives		789.708	20,626	688,991	101,083
Gain / (loss) on securities	28	65,192	(95,928)	(247,267)	(84,860)
Share of profit from associates		391,344	327,630	514,502	388,898
Other income	29	68.577	43,442	132,778	204,229
Total non-mark-up / interest income		6,914,131	6,901,262	13.646,559	11,377,478
Total income		38,132,978	24,742,875	72,779,191	43,498,061
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	30	15,879,972	11,513,211	30.566,551	21,854,240
Workers' welfare fund	31	415,477	263,657	813,223	423.819
Other charges	32	125,988	5,367	136,961	7,170
Total non-mark-up / interest expenses		16,421,437	11,782,235	31,516,735	22.285,229
Profit before provisions		21,711,541	12,960,640	41,262,456	21,212,832
Provisions and write offs - net	33	4,480,188	3,654,289	5,001,963	4,040,148
Extra ordinary / unusual items		-	-		-
PROFIT BEFORE TAXATION		17,231,353	9,306,351	36,260,493	17,172,684
Taxation	34	9,376,532	5,580,753	17,634,982	8,416,927
PROFIT AFTER TAXATION		7,854,821	3,725,598	18,625,511	8,755,757
Profit / (loss) attributable to:					
Equity holders of the Holding Company		7,841.359	3,725,938	18,613,752	8,759,040
Non-controlling interest		13,462	(340)	11,759	(3,283)
		7,854,821	3,725,598	18,625,511	8,755,757
			(Ru	oees)	
Basic and diluted earnings per share	35	4.97	2.10	11.80	4.93

BANK ALFALAH LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

	Quarter ended June 30, 2023	Quarter ended Half year ended June 30, June 30, 2022 2023 (Rupees in '000)		Half year ended June 30, 2022
Profit after taxation for the period	7,854,821	3,725,598	18,625,511	8,755,757
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	110.763	968.456	4,434,121	1,592,001
Movement in surplus / (deficit) on revaluation of investments - net of tax	1,734,598	(1,256,044)	(5.255.245)	(2,142,967)
Movement in surplus / (deficit) on revaluation of investments - net of tax (share of associates)	3,349 1,848,710	(5,154) (292,742)	2,910 (818,214)	(7,337) (558,303)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	25,638	-	25.638	
Movement in surplus / (deficit) on revaluation of operating fixed assets - net of tax	(78,649)	(59,694)	(87.610)	(66,992)
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	(7,729) (60,740)	(6,412) (66,106)	(8.127) (70.099)	11.122 (55,870)
Total comprehensive income	9,642,791	3,366,750	17,737,198	8,141,584
Total comprehensive income / (loss) attributable to: Equity holders of the Holding Company Non-controlling interest	9,629,329 13,462 9,642,791	3,367,090 (340) 3,366,750	17,725,439 11,759 17,737,198	8,144,867 (3,283) 8,141,584

BANK ALFALAH LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2023

		Capital Reserves		Surplus/(Deficit) on revaluation							
	Share capital	Share premium	Exchange translation reserve	Statutory reserve	Investments	Fixed Assets	Non Banking Assets	Unappropriated profit	Sub-total	Non Controlling Interest	Total
Balances as at January 01, 2022 (audited)	17 771 651	4 /31 049	8 211.089	17.011 825	n.227.635)		87,688	42.578 350	101,744.210	129.889	101.874 099
Changes in equity for the half year ended kine 30, 2022											
Profit / Iloss] after taxation				•	-			8 /59.040	8.759 040	(3.283)	B 755 757
Other comprehensive income / (loss) - net of tax	-		1 592 001		(2.150.304)	(66 992)	11,122	٠	(614,173)		(614,173)
Transfer to statutory reserve				870,320				(870,320)			
Transfer of revaluation surplus upon change in use - not of tax						36.884	(35.884)		-	-	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax				•	(4.024)	(44.051)	(60)	48,135			
Transactions with owners, recorded directly in equ	nty										
Sale of shares by Non-controlling interest				•					-	(5.217)	(5,217)
Movement in reserve due to capital injection	•	-		-	-	-		(961)	(961)	961	
Final cash dividend for the year ended December 31, 2021 - 20%								(3 554 330)	(3 554 330)		(3,554,330)
Balance as at lune 30 2022 (un-audited)	17.771.653	4 /31,049	9.803 090	17,882,145	(3.381.963)	12.506.034	61.866	46 959.914	106.333.786	122.350	106.456.136
Changes in equity for the half year ended December 31 2022											
Profit after taxation	-	-		-			-	9.635 /26	9.635.726	5.981	9.641.707
Other comprehensive income / (loss) - net of tax			916.592		(4,174,533)	(15.244)	20.701	(294.691)	(3.547.175)	(531)	(3.547,706)
Transfer to statutory reserve	-	-		950,325	•	-		(950.325)	-		٠
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax		-		÷	-	(169.698)	(62)	169.760	-	-	
Transactions with owners, recorded directly in equ	nty										
Interim cash dividend for the half year ended June 30, 2022 - 25%								(4,442,913)	(4.442.913)		(4.442,913)
Own shares purchased during the year	(2.000.000)	-		-	-			(4.043,855)	(6.043.855)		(6 043 855)
Balance as at December 31 2022 (audited)	15.771.651	4 /31 049	10 719,682	18.832 470	(7,556,496)	12.321.092	82.505	47,033,616	101.935,569	127.800	102.063.369
Changes in equity for the half year ended June 30, 2023											
Profit after taxation		-		-	=		÷	18,613,752	18 613 752	11 759	18 625.511
Other comprehensive income / (loss) - net of tax	•		4 434 121		15 226.697)	(87 610)	(B 127)	· ·	(888 313)		IBBB 313)
Transfer to statutory reserve		-	•	1,861.993	•	-	-	(1,861,993)	-	-	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-				-	(44,005)	·	44,005	-	-	-
Transactions with owners, recorded directly in equ	ııty										
Final cash dividend for the year ended December 31, 2022 - 25%						-	-	(3,942,913)	(3.942,913)	-	(3.942.913)
Balance as at June 30, 2023 (un-audited)	15,771,651	4,731.049	15.153,803	20,694,463	(12,783,193)	12,189,477	74.378	59,886,467	115.718.095	139.559	115,657,654

President & Chief Executive Officer	Chief Financial Officer	Director	Director	Director

BANK ALFALAH LIMITED CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE HALF YEAR ENDED JUNE 30, 2023

FOR THE HALF YEAR ENDED JUNE 30, 2023			
	Note	Half yea	
		June 30, 2023	June 30, 2022
		(Rupees	in '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		36,260,493	17.172.684
Dividend income		(467,165)	(591,399)
Share of profit from associates		(514,502)	(388,898)
		35,278,826	16,192,387
Adjustments:			
Depreciation	30	3,244,581	2,496,288
Amortisation	30	157,240	177,321
Provisions and write offs - net	33	5,001,963	4,040,148
Unrealised loss on revaluation of investments classified as held for trading - net	28	380,844	198,951
Gain on sale of operating fixed assets and non banking assets - net	29	(62,948)	(53,754)
Gain on termination of leases (IFRS 16) - net	29	(15,930)	(112,285)
• • •	29 26	1,215,566	873,257
Borrowing cost on lease liability	20		
Workers' Welfare Fund	20.1	813,223	423,819
Charge for defined benefit plan	30.1	233,501	166,923
Charge for staff compensated absences	30.1	94,998	90,000
		11,063,038	8,300,668
		46,341,864	24,493,055
(Increase) / decrease in operating assets			
Lendings to financial institutions		67,491,754	(56,764,736)
Held for trading securities		(68,546,788)	30,551,651
Advances		(32,653,333)	(56,225,588)
Other assets (excluding advance taxation)		(39,065,366)	(16.117.855)
		(72,773,733)	(98,556,528)
Increase/ (decrease) in operating liabilities			
Bills payable		(8,071,158)	5,695,732
Borrowings		18,899,601	81,402,177
Deposits		289,100,868	179,848,861
Other liabilities (excluding current taxation)		44,222,579	22,757,982
Other Replices (exceeding editions condition)		344,151,890	289,704,752
		317,720,021	215,641,279
Income tax paid		(13,822,934)	(5,084,893)
!		303,897,087	210,556,386
Net cash generated from operating activities		303,037,007	210,330,380
CACLL CLOUNC EDONALING/ESTING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES		(220,026,220)	(100 720 740)
Net investments in available-for-sale securities		(220,036,338)	(169,736,749)
Net investments in held-to-maturity securities		(47,391,535)	(8,747,832)
Dividends received from associates		155,995	75,000
Dividends received		467,165	591,399
Investments in operating fixed assets		(4,521,225)	(5,018,768)
Proceed from sale proceeds of fixed assets		73,030	63,708
Effect of translation of net investment in foreign branches		4,434,121	1,592,001
Net cash used in investing activities		(266,818,787)	(181,181,241)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of leased obligations		(2,531,775)	(1,778,363)
Dividend paid		(2,133,681)	(1,507,450)
Net cash used in financing activities		(4,665,456)	(3,285,813)
Increase in cash and cash equivalents		32,412,844	26,089,332
Cash and cash equivalents at beginning of the period		205,588,901	141,758,323
Effects of exchange rate changes on cash and cash equivalents - (gain)		(19,480,299)	(6,965,601)
		186,108,602	134,792,722
Cash and cash equivalents at end of the period		218,521,446	160,882,054
·			

President & Chief Executive Officer	Chief Financiał Officer	Director	Director	Director
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1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company: Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Bank's registered office is located at B. A. Building, I. I. Chundigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 916 branches (December 31, 2022: 877 branches) and 15 sub-branches (December 31, 2022: 17 sub-branches). Out of the 916 branches, 605 (December 31, 2022: 586) are conventional, 300 (December 31, 2022: 280) are Islamic, 10 (December 31, 2022: 10) are overseas and 1 (December 31, 2022: 1) is an offshore banking unit.

		Percentage of Holding		
		June 2023	December 2022	
	Subsidiary			
	Alfalah CLSA Securities (Private) Limited, Pakistan	62.50%	62.50%	
1.2	In addition, the Group maintains investments in the following:			
	Associates			
	Alfalah Insurance Company Limited	30.00%	30.00%	
	Sapphire Wind Power Company Limited	30.00%	30.00%	
	Alfalah Asset Management Limited (Formerly: Alfalah GHP Investment Management Limited)	40.22%	40.22%	

2 BASIS OF PRESENTATION

2.1 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 for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

2.2 STATEMENT OF COMPLIANCE

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). Further, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement'.

Moreover, the Holding Company has not adopted IFRS 9 in preparation of these consolidated condensed interim financial statements, as allowed by SBP BPRD circular no 7 of 2023 dated April 13, 2023.

Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements; except for overseas branches where such standards are applicable.

2.2.1 Basis of consolidation

A subsidiary is an entity controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those return through its power over the investee.

These consolidated condensed interim financial statements incorporate the financial statements of subsidiary from the date that control commences until the date that control ceases.

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating polices. Associates as well as investment in mutual funds established under trust structure are accounted for using the equity method.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary which are not owned by the Holding Company. Material intra-group balances and transactions are eliminated.

- 2.2.2 Key financial figures of the Islamic Banking branches are disclosed in note 39 to the unconsolidated condensed interim financial statements.
- 2.2.3 The Holding company believes that there is no significant doubt on the Group company's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.
- 2.3 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

2.4 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not vet effective:

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment

Effective date (annual periods beginning on or after)

IFRS 9 - 'Financial instruments'	2.4.1	January 01, 2024
IAS 1 - Non current liabilities with covenants (amendments)		January 01, 2024
IFRS 16 - Sale and leaseback (amendments)		January 01, 2024

The management is in the process of assessing the impact of these amendments on the consolidated condensed interim financial statements of the Group.

2.4.1 IFRS 9 - 'Financial Instruments'

As per SBP's BPRD Circular No. 7 dated April 13, 2023, the effective date of IFRS 9 for banks in Pakistan has been extended from January 01, 2023 to January 01, 2024, and accordingly the Standard will be applied on the Holding Company's financial statements for the accounting periods beginning on or after January 01, 2024. As disclosed in note 2.5.1.5 to the audited consolidated annual financial statements of the Group for the year ended 31 December 2022, the Holding Company had carried out an impact assessment based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Holding Company will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for certain fixed assets and non banking assets acquired in satisfaction of claims which are stated at revalued amounts, held for trading, available for sale investments and derivative financial instruments which are measured at fair value, defined benefit obligations which are carried at present value and right of use of assets and related lease liability measured at present value.

3.2 Functional and Presentation Currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2022

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 annual audited consolidated financial statements for the year ended December 31, 2022.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022.

		(Un-audited)	(Audited)
		June 30,	December 31,
7	CASH AND BALANCES WITH TREASURY BANKS	2023 (Rupees i	2022
′	CASH AND BALANCES WITH TREASURE BANKS	(Nupees)	11 000)
	In hand		
	- local currency	39,187,343	34,295,288
	- foreign currency	8,780,375	3,692,104
		47,967,718	37.987.392
	With State Bank of Pakistan in		
	- local currency current accounts	66,614,304	46,845,917
	foreign currency current accounts	8,513,338	3,528,124
	- foreign currency deposit accounts	12,591,040	687.240
	With other central banks in	87,718,682	51,061,281
	- foreign currency current accounts	52,910,850	49,697,265
	foreign currency deposit accounts	1,623,462	1,679,531
		54,534,312	51,376,796
	With National Bank of Pakistan in local currency current account	6,713,329	92,407
	, , , , , , , , , , , , , , , , , , ,		
	Prize bonds	94,923	95,875
		197.028.964	140,613,751
8	BALANCES WITH OTHER BANKS		
	In Pakistan		
	- in current accounts	172,045	625,050
	- in deposit accounts	11,177	13,013
	'	183,222	638,063
	Outside Pakistan		
	- in current accounts	16,149,472	9,438,572
	- in deposit accounts	35,101	28,814
		16.184.573	9,467,386
		16,367,795	10,105,449
		2.	
9	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call / clean money lendings	6,228,567	40,384,136
	Repurchase agreement lendings (Reverse Repo)	7,487,826	74,969,700
	,	13,716,393	115,353,836
	Less: expected credit loss - overseas branches		(237)
	Lending to financial institutions - net of provision	13,716,393	115,353,599
	conding to minimal indications — not or providen	.0,: 10,000	

10	INVESTMENTS Note		ven 20, 2022	(Un-audited	7		December 31	2022 (Audited	1
10	INVESTMENTS Note		Provision	(OIT-BUOITED			Provision		
10.1	In anterior by types		for		ì	ì	for		
10.1	Investments by type:	Cost /	diminution	Surplus /	Carrying Value	Cost /	diminution	Surplus /	Carrying Value
		Amortised cost		(Deficit)	55yg	Amortised cost		(Deficit)	, , ,
			credit loss				credit loss (ECL)		
			(ECL)		(Quana	s in '000)			1
	Links For any discountries		***************************************		(Rupee	5 111 000)		•••	
	Held-for-trading securities								
	Federal Government Securities	35.815.918	. !	(180.345)	35.635.573	2.074.210		(2.994)	2,071,216
	- Market Treasury Bills	42,004,038		(209,927)	41,794,111	4.173.096		33,445	4.206.541
	- Pakistan Investment Bonds	335.930		(1.960)	333,970	3.059,648	1 . i	7,862	3.067.510
	- Ijarah Sukuk	335.930	•	(1.900)	333,510	3.035.048		7,002	5.567.516
	Shares	1 206 202		19.330	1.405,532	593,977		(60.544)	533,433
	- Ordinary shares / units - Listed	1.386.202		19.330	1.400,002	393,977		(00.044)	535,455
	Foreign Securities	2 570 072		(7.043)	2.569,031	3,698,451	 	(4.878)	3,693,573
	- Overseas Bonds - Sovereign	2.576.973		(7,942) (380,844)	81,738,217	13,599,382	1 1	(27,109)	13,572.273
	Available for cale cognities	82.119,061	•	(360,644)	01,130,211	13,389,302		(27,103)	15,572.275
	Available-for-sale securities Federal Government Securities		-				<u> </u>		
		190,413,665	_	(2.495.950)	187,917,715	2,402		(7)	2,395
	- Market Treasury Bills	755,527,372		(16,370,719)	739.156.653	831.017.092		(7.636.247)	823,380,845
	- Pakistan Investment Bonds	192.076.739		(1,706.607)	190,370,132	104,886,109		(939,360)	103,946,749
	- Ijarah Sukuk	14,971,324	(2.373.398)	(4,460,183)	8.137.743	11.917,603	(2,012,101)	(4.753.348)	5.152,154
	- Government of Pakistan Euro Bonds	7.550.985	(2.373.390)	(4,400,100)	7,550,985	4.779,075	(2,012,101)		4,179,075
	- Naya Pakistan Certificates	7.050.965	,		7,350,903	4.770,070	1		111101010
	Shares	6,409,918	(382.657)	(290,518)	5.736.743	7.205.583	(829.340)	(453.569)	5,922,674
	- Ordinary shares - Listed	1,211,363	(88,038)	(290,316)	1,123,325	1,211,363	(88,038)	(400.000)	1,123,325
	- Ordinary shares - Unlisted			•	1,123,323	108,835	(108,835)		1.120.525
	- Preference Shares - Listed	108.835	(108,835)	-		25.000	(25.000)		
	- Preference Shares - Unlisted	25.000	(25.000)	•	,	23.000	(23,000)		
	Non Government Debt Securities		(000 7.4)		2 400 670	2,764,517	(411.010)	(40)	2,353,251
	- Term Finance Certificates	2.833.422	(363,744)		2.469.678		(411,218)	(48) 129.707	16,931,252
	- Şukuk	16.675.227	(96,511)	58,434	16,637,150	16.898.056	(96,511)	129.707	700,000
	REIT Fund - Unlisted	700,000	-	*	700.000	700,000	-	•	700,000
	Foreign Securities			(2.22.00.0	DC 440 044	20 001 000	(0.4.300)	(1.630.100)	26 117 025
	- Overseas Bonds - Sovereign	37,696,617	(92,372)		35,418.241	26.861.689	(64.732)	(1.679.122)	25,117,835
	- Overseas Bonds - Others	26.442.797	(8.990)	(2.201,840)		25.310.922	(10.416)	(2,074,381)	23.226.125
	 Redeemable Participating Certificates 10.1.1 	L.		,	5.507.777	4,338,537			4.338.537
	- Equity security - Listed	272.516	(2.500.545)	50.270	322,786		(3.646.101)	(17.400.375)	1,016,974,217
	Unidan makadika assarikian	1,258,423,557	(3.539.545)	(29.603.117)	1,225,280.895	1.038,026,783	(3,646,191)	(17.406.375)	1,010,974,217
	Held-to-maturity securities Federal Government Securities		ſ				T		Γ
		100 001 010			109.881.650	68,564,798			68,564,798
	- Pakistan Investment Bonds	109.881.650		-	3,000,000	66,304.786		·	05,304.730
	- Ijarah Sukuk	3,000,000	-	-	3,000,000		,	_	
	Non Government Debt Securities	221.247	(214 000)		616,667	864.680	(24,680)		840,000
	- Term Finance Certificates	831,347	(214,680) (78,076)		2.096.265	1,895.679	(80,722)		1,814.957
	- Sukuk	2,174.341	(16,010)	-	2.096,203	1,695.079	(00.722)	•	1,014.937
	Foreign Securities	14 222 007	(212)		14 222 755	11,216,215	(168)		11,216,047
	Overseas Bonds - Sovereign	14,232.967	(212)		14,232,755	82.541,372	(105.570)		82.435.802
		130.120.305	(292,968)	-	129,827,337	02.341,372	(D) C,CO()	-	02,433,002
	Accordates (valued at aquity mathod)								
	Associates (valued at equity method)	657.878	T	1 .	657,878	601.034	T .		601,034
	- Alfalah Insurance Company Limited	3,703,322		l .	3,703.322	3,436,726	l .	ļ ,	3,436.726
	- Sapphire Wind Power Company Limited			·	5,703.322 634.685	596,311		l :	596,311
	- Alfalah Asset Management Limited	634.685 4.995.885	1,	<u> </u>	4,995,885	4,634,071		<u> </u>	4.634,071
		4,393,000	-	•	-,200,000	-,034,071	-		
	Total Investments	1,475,658,808	(3.832.513)	(29,983,961)	1,441,842,334	1.138.801.608	(3.751.761)	(17,433,484)	1,117.616.363
	rogal histophones	.,.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(5.505,010)	,					

^{10.1.1} The adoption of IFRS 9 at Bahrain Operations of the Holding Company has resulted in investments in Redeemable Participating Certificates held abroad, being mandatorily measured at "Fair Value through Profit and Loss Account". However, based on the clarification received from the State Bank of Pakistan (SBP) vide their letter No. BPRD/RPD/2018-16203 dated July 26, 2018, such investments have been reported and measured under "Available for Sale" investments in these consolidated condensed interim financial statements.

(Un-audited) (Audited) June 30, December 31, 2022 2023 -----(Rupees in 000)------10.2 Investments given as collateral 13,930,507 Market Treasury Bills 304,725,000 307,049,207 Pakistan Investment Bonds 9,995,701 ljarah Sukuk 6,270,262 4.981.480 Overseas Bonds 334,921,470 312,030,687 10.2.1 The market value of securities given as collateral is Rs. 327,088.031 million (December 31, 2022; Rs. 308,263.867 million). (Un-audited) (Audited) June 30, December 31, 2023 2022 -----(Rupees in 000)------10.3 Provision for diminution in value of investments 10.3.1 Opening balance 3.751,761 1.186.010 Exchange and other adjustments 547,834 66,733 Charge / (reversals) Charge for the period / year 317,674 2,668,843 Reversals for the period / year (193,000) (9.397)Reversal on disposals (591,756)(160, 428)(467,082)2,499,018 3,832,513 Closing Balance 3,751,761 10.3.2 Particulars of provision against debt securities June 30, 2023 December 31, 2022 Category of classification (Un-audited) (Audited) Non Performing Non Performing Provision Provision Investment Investment -----(Rupees in '000)-----Domestic 753,011 753,011 613,131 613,131 Loss

- 10.3.2.1 The overseas branches hold a provision of Rs. 2,474.972 million (December 31, 2022; Rs. 2,087.417 million) against investments in accordance with ECL requirements of IFRS 9.
- 10.4 The market value of securities classified as held-to-maturity as at June 30, 2023 amounted to Rs. 116,476.973 million (December 31, 2022; Rs. 73,518.445 million).

11 ADVANCES

	Note	Performing		Non Perl	orming	Total		
		June 30, 2023 (Un-audited)	December 31 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	
				·····(Rupees i	n '000)			
Loans, cash credits, running finances,	. etc	583,171,454	570,312,570	30,928.464	22,798.387	614,099,918	593,110,957	
Islamic financing and related assets		164.126,291	149,839,163	5.006.719	4,893.861	169,133,010	154,733,024	
Bills discounted and purchased		13,056,140	14,580,885	1.835.510	3,280,234	14,891,650	17,861,119	
Advances - gross		760,353,885	734,732,618	37.770,693	30,972.482	798,124.578	765.705.100	
Provision against advances								
- Specific	11.4		-	(30,202,854)	(25,397.878)	(30.202,854)	(25,397,878)	
 General / expected credit loss 	11.4	(8,395,739)	(7,921,407)	-	-	(8.395,739)	(7,921,407)	
		(8.395,739)	(7.921.407)	(30.202.854)	(25.397.878)	(38.598,593)	(33.319.285)	
Advances - net of provision	,	751,958,146	726,811,211	7,567,839	5,574.604	759.525.985	732.385,815	

11.1 Advances include an amount of Rs. 336.996 million (December 31, 2022; Rs. 339.983 million), being Employee Loan facilities allowed to Citibank, N.A. **Pakistan's** employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A. Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A. Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 17.17% to 32.54% (December 31, 2022: 13.37% to 27.25%) with maturities up to February 2043 (December 31, 2022: October 2042).

(Un-audited) (Audited) June 30, December 31, 2023 2022 -----(Rupees in '000)------11.2 Particulars of advances (Gross) In local currency 702,699,569 713,985,927 95,425,009 51,719,173 In foreign currencies 798,124,578 765,705,100

11.3 Advances include Rs. 37.770.693 million (December 31, 2022; Rs. 30.972.482 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2023	(Un-audited)	December 31, 2	O22 (Audited)
	Non-		Non-	
	Performing	Provision	Performing	Provision
	Loans	L	Loans	1
		(Rupees	in '000)	
Domestic				
Other Assets Especially Mentioned	553,415	18,620	178,723	15,814
Substandard	3.782,600	917,948	2,352,882	683.787
Doubtful	7,481,938	3.698.559	6,885,829	3,407,905
Loss	25,137,806	24.981.428	20,897,810	20,795,657
	36.955.759	29,616.555	30,315,244	24,903.163
Overseas				
Overdue by:				
91 to 180 days	75,944	27,343	35.903	21.952
181 to 365 days	-	- 1	139,472	119.706
Above 365 days	738,990	558,956	481,863	353.057
	814,934	586,299	657,238	494,715
Total	37,770.693	30,202,854	30.972,482	25,397,878

11.4 Particulars of provision against advances

	June	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General / expected credit loss	Total	Specific	General / expected credit loss	Total	
	***************************************		(Rupees in	1 '000)			
Opening balance	25,397,878	7,921,407	33,319,285	21.126.338	4.067.236	25.193.574	
Exchange and other adjustments	100,003	70,890	170,893	32,240	22.887	55.127	
Charge for the period / year	6,748,700	403,442	7,152,142	7,544,341	3.831.284	11,375,625	
Reversals for the period / year	(1,638,979)		(1,638,979)	(2,431,826)	-	(2,431,826)	
	5,109,721	403,442	5.513,163	5.112.515	3.831,284	8,943,799	
Amounts written off	(404.748)	-	(404.748)	(497,192)		(497.192)	
Amounts charged off - agriculture financing				(69,791)		(69,791)	
Amounts charged off - balance sheet cleaning		-		(306,232)	-	(306.232)	
	(404.748)	-	(404.748)	(873.215)	-	(873,215)	
Closing balance	30,202,854	8.395.739	38.598.593	25,397,878	7,921,407	33,319,285	

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2023 which is not available for distribution as either cash or stock dividend to shareholders/ bonus to employees amounted to Rs. 99.719 million (December 31, 2022; Rs. 94.554 million).

11.4.2 General provision includes:

- (i) Provision held in accordance with SBP's prudential regulations against:
- Conventional consumer loans being maintained at an amount equal to 1% of the secured auto loans, 0.5% of secured house loans performing portfolio and 4% of the unsecured (personal loans and credit cards) performing portfolio;
- Islamic auto loans being maintained at an amount equal to 1% of the secured performing portfolio and for Islamic house loans, at an amount equal to 0.5% of the secured performing portfolio;
- Small Enterprises (SE) portfolio being maintained at an amount equal to 1% against unsecured performing SE portfolio;
- (ii) Provision held at overseas branches to meet the requirements of regulatory authorities of the respective countries in which overseas branches operates; and
- (iii) Provision of Rs. 6,345,000 million (December 31, 2022; Rs. 4,595,000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposures, staff loans and loans secured against liquid collaterals. Provision against flood impacted portfolio of Rs. 1,376,000 million held as at December 31, 2022 was reversed during the period.
- 11.4.3 Although the Holding Company made provision against its non-performing portfolio as per the category of classification of the loan, the Holding Company holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

		Note	(Un-audited)	(Audited)
			June 30.	December 31,
			2023	2022
12	FIXED ASSETS		(Rupees	in '000)
	Capital work-in-progress	12.1	2,126,454	944,206
	Property and equipment	12.2	33,568,659	32,132,604
	Right-of-use assets		18,263,561	15,416,474
	•		53,958,674	48,493,284
12.1	Capital work-in-progress			
	Civit works		1,670,380	706,019
	Equipment		431,165	214,126
	Others		24,909	24.061
			2,126,454	944,206

12.2 It includes land and buildings carried at revalued amount of Rs. 22,255.308 million (December 31, 2022: Rs. 21,661.195 million).

		(Un-audited) For the half year ended	
		June 30, 2023	June 30, 2022 in 000)
12.3	Additions to fixed assets	(Nupees	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	The following additions were made to fixed assets during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	1,182,248	509.901
	Property and equipment Freehold land Leasehold land Buildings on freehold land Buildings on leasehold land Leasehold improvement Furniture and fixtures Office equipment Vehicles	74,994 116,000 201,220 312,679 593,077 121,721 1,608,085 46,225 3,074,001	912,286 510,647 20,110 382,967 98,048 1,974,767 34,086 3,932,911
	Total additions to fixed assets	4,256,249	4,442,812
12.4	Disposals of fixed assets		
	The net book values of fixed assets disposed off during the period are as follows:		
	Leasehold improvements Furniture and fixtures Office equipments Total disposal of fixed assets	7,003 439 2,640 10,082 (Un-audited) June 30, 2023 (Rupees	1,864 300 7,790 9,954 (Audited) December 31, 2022
13	INTANGIBLE ASSETS	(Nupees	III 000j
	Capital work-in-progress / advance payment to suppliers Software Membership Card	643,607 742,588 6,000 1,392,195	455,945 842,236 6,000 1,304,181
		(Un-au <u>For the half</u> June 30. 2023	
13.1	Additions to intangible assets	(Rupees	in '000)
	The following additions were made to intangible assets during the period:		
	Capital work-in-progress - net of transferred out for capitalisation Directly purchased Total additions to intangible assets	187,662 56,354 244,016	174.671 189,938 364.609

There were no disposals of intangible assets during the periods ended June 30, 2023 and June 30, 2022.

13.2

		Note	(Un-audited)	(Audited)
			June 30,	December 31,
14	DEFERRED TAX ASSETS		2023 (Rupees	2022 in 1000)
	D. (1971)		(Kupees	111 000)
	Deductible temporary differences on:		2,095,389	1,702,211
	- Provision against investments		4,839,892	3,096,128
	- Provision against advances		221,021	7,472
	- Unrealised loss on revaluation of held for trading investments		12,273,520	5,690,672
	- Deficit on revaluation of available for sale investments - net of derivatives		1,225,650	1,002,851
	 Provision against other assets Provision against lending to financial institutions 		1,223,030	32
	- Workers' Welfare Fund		1.086.873	604,100
	- Others		24,404	24,404
	- Others		21,766,749	12,127,870
	Taxable temporary differences on:		21,700,743	12,127,070
	- Surplus on revaluation of fixed assets		(574,499)	(486,889)
	- Surplus on revaluation of non banking assets		(72,432)	(63,108)
	- Share of profit and other comprehensive income from associates		(1,870,957)	(1,486,280)
	- Accelerated tax depreciation		(2,918,861)	(2,540,820)
			(5,436,749)	(4.577,097)
			16,330,000	7,550,773
15	OTHER ASSETS			
	Income / mark-up accrued in local currency - net of provision		63,221,430	42,711,601
	Income / mark-up accrued in foreign currency - net of provision		2,315,885	2,011,398
	Advances, deposits, advance rent and other prepayments		8,399,668	3,748,465
	Advance against subscription of share		140,000	-
	Non-banking assets acquired in satisfaction of claims	15.1	1,437,129	1,439,606
	Mark to market gain on forward foreign exchange contracts		489,004	922,573
	Mark to market gain on derivatives	24.1	5,313,628	4,795,545
	Stationery and stamps on hand		30,003	23,253
	Defined benefit plan		-	153,707
	Branch adjustment account		-	24,430
	Due from card issuing banks		2,078,069	4,544,609
	Accounts receivable		4,158,962	5,690,187
	Claims against fraud and forgeries		119,311	119,455
	Acceptances		37,385,634	19,090,181
	Receivable against DSC / SSC and overseas government securities		157,768	131,517
	Receivable against marketable securities		576.781	860,261
	Others		64,345	65,636
			125,887,617	86,332,424
	Less: Provision held against other assets	15.2	(3,347,607)	(3,181,544)
	Other assets (net of provision)		122,540,010	83,150,880
	Surplus on revaluation of non-banking assets acquired in			
	satisfaction of claims - net	15.1	146,810	145,613
	Other assets - total		122,686,820	83,296,493

^{15.1} The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 1,583.939 million (December 31, 2022: Rs. 1,585.219 million).

15.2	Provision held against other assets	(Un-audited)	(Audited)
		June 30,	December 31,
		2023	2022
		(Rupees	in '000)
	Impairment against overseas operations	2,148,583	2,114,963
	Expected credit loss (overseas operations)	73,873	10,397
	Fraud and forgeries	119,311	119,455
	Accounts receivable	576.129	548,109
	Others	429,711	388,620
		3,347,607	3,181,544
15 2 1	May amount in provision hold against ather pagets		
15.2.1	Movement in provision held against other assets	2.02.5.4	1040407
	Opening balance Exchange and other adjustments	3,181,544 2,865	1,848,407 35,684
	Charge for the period / year	164,250	1,493,475
	Reversals for the period / year	(1,052) 163,198	(165,599)
	Amount written off	103,190	
	Closing balance	3,347,607	(30,423)
16	BILLS PAYABLE		
	In Pakistan	30,276,258	37,705,524
	Outside Pakistan	1,686,390	2,328,282
		31,962,648	40,033,806
17	BORROWINGS		<u></u>
1,	BONNOWINGS		
	Secured		
	Borrowings from State Bank of Pakistan under:		
	Export Refinance Scheme	47,572,149	53,477,830
	Long-Term Finance Facility	26,633,330	28.643,178
	Financing Facility for Renewable Energy Projects Financing Facility for Storage of Agriculture Produce (FFSAP)	11,778,745	11,917,647
	Refinance for Wages & Salaries	641,960	738,979 300,821
	Temporary Economic Refinance Facility (TERF)	50,005.601	49,721,502
	Export Refinance under Bill Discounting	9.669.958	10,633,712
	SME Asaan Finance (SAAF)	2.022.727	949,413
	Refinance Facility for Combating COVID (RFCC)	846,082	692,957
	Refinance and Credit Guarantee Scheme for Women Entrepreneurs	136.982	279,374
	Modernization of Small and Medium Entities (MSMES)	1,090.642	871,659
	Other refinance schemes	721	890
	Repurchase agreement borrowings	264,825,331 415,224,228	256,900,000 415,127,962
		413,224,228	410,127,902
	Repurchase agreement borrowings	13,330,539	4,830,897
	Bai Muajjal	43,100,991	42,113,040
	Medium Term Note	11,000,000	11.000,000
	Others	774,876	470,410
	Total secured Messeyred	483,430,634	473.542,309
	Unsecured Coll berrougings	10,000,000	F 700 700
	Call borrowings	16,965,550	5,766,732
	Overdrawn nostro accounts	1,003,880	4.884.913
	Others	3,070,005	2 100 200
	- Pakistan Mortgage Refinance Company	2,970,965	2,180.208
	- Karandaaz Risk Participation	2,297,480	2,331,958
	- Other financial institutions		2,943,821
	Total unsecured	23,237,875	18,107,632
		506.668,509	491,649,941

June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
In Local	In Foreign	Total	In Local	In Foreign	Total
Currency	Currencies	Total	Currency	Currencies	Total
************		(Rupe	es in '000)		
595.479.896	160.927.102	756.406,998	523.834.695	131,267,950	655.102.645
366.832.691	40.437.768	407,270,459	294.762.649	37.937 222	332.699.871
333,075,108	61,331,525	394.406.633	287,557,414	49,767.276	337,324,690
36.780,436	11.339.720	48,120,156	35,941,042	8,943,974	44,885.016
1,332,168,131	274.036.115	1,606,204,246	1,142,095,800	227.916.422	1,370,012,222
2.304.340	883,409	3.187,749	3.192.672	3,065,704	6,258.376
96.203.900	3.672.397	99,876,297	68.746,218	2.911.307	71.657.525
65.673.191	439,026	66,112,217	38.073.100	354,319	38.427,419
475,708	80,911	556,619_	404,457	76,261	480,718
164,657,139	5.075,743	169,732,882	110,416,447	6,407,591	116,824,038
1,496,825,270	279,111,858	1,775,937,128	1,252,512,247	234,324,013	1,486,836,260
	In Local Currency 595,479,896 366,832,691 333,075,108 36,780,436 1,332,168,131 2,304,340 96,203,900 65,673,191 475,708 164,657,139	In Local Currency In Foreign Currency Currencies 595,479,896 Currencies 160,927,102 40,437,768 33,075,108 61,331,525 11,339,720 1332,168,131 274,036,115 2,304,340 883,409 96,203,900 3,672,397 65,673,191 439,026 475,708 80,911 164,657,139 5,075,743	In Local Currency Currencies Total Currency Currencies Total (Rupectors) 595,479,896 366,832,691 40,437,768 407,270,459 33,075,108 61,331,525 394,406,633 36,780,436 11,339,720 48,120,156 1,332,168,131 274,036,115 1,606,204,246 2,304,340 883,409 96,203,900 3,672,397 99,876,297 65,673,191 439,026 65,112,217 475,708 80,911 556,619 164,657,139 5,075,743 169,732,882	In Local Currency	In Local Currency Currencies

18.1 Current deposits include remunerative current deposits of Rs. 18,842.276 million (December 31, 2022: Rs. 14,325.601 million).

19 SUBORDINATED DEBT

Term Finance Certificates (VI) - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Holding Company issued listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013. Summary of terms and conditions of the issue are:

(Un-audited)	(Audited)
June 30.	December 31.
2023	2022
(Rupees	in '000)
7 000 000	7 000 000

Issue amount

Rs. 7,000,000,000

issue date

March 2018

Maturity date

Perpetual

Rating

"AA-" (double A minus) by The Pakistan Credit Rating Agency

Limited

Security

Unsecured

Ranking

Subordinated to all other indebtedness of the Holding Company

including deposits but superior to equity.

Profit payment frequency

Payable semi-annually in arrears

Redemption

Perpetual

Mark-up

For the period at end of which the Holding Company is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will

be Base Rate + 1.50% with no step up feature.

(Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit

payment date.

Lock-in-clause

Mark-up will only be paid from the Holding Company's current year's earning and if the Bank is in compliance of regulatory MCR

and CAR requirements set by the SBP from time to time.

Loss absorbency clause In conformity with the SBP Basel III Guidelines, the TFCs shall, if

directed by the SBP, be permanently converted into ordinary shares upon. (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring

the point of non-viability Trigger Event.

Call Option The Holding Company may, at its sole discretion, exercise call

option any time after five years from the Issue Date, subject to prior approval of the SBP and instrument is replaced with capital

of same and better quality.

Term Finance Certificates VIII - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Holding Company issued Rs. 7,000 million of privately placed, listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by State Bank of Pakistan (SBP) under BPRD circular No. 06 dated August 15, 2013. Summary of terms and conditions of the issue are:

(Un-audited) (Audited)
June 30, December 31,
2023 2022
-----(Rupees in '000)----7.000,000 7.000,000

Issue amount

Rs. 7.000,000,000

Issue date

December 2022

Maturity date

Perpetual

Rating

"AA-" (double A minus) by The Pakistan Credit Rating Agency

Limited

Security

Unsecured

Ranking

Subordinated to all other indebtedness of the Holding Company

including deposits but superior to equity.

Profit payment frequency

Payable semi-annually in arrears

Redemption

Perpetual

Mark-up

For the period at end of which the Holding Company is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will

be Base Rate + 2.00% with no step up feature.

(Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit

payment date.

Lock-in-clause

Mark-up will only be paid from the Holding **Company's** current **year's** earning and if the Holding Company is in compliance of regulatory MCR and CAR requirements set by the SBP from time

to time.

Loss absorbency clause

In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring

the point of non-viability Trigger Event.

Call Option

The Holding Company may, at its sole discretion, exercise call option any time after five years from the Issue Date, subject to prior approval of the SBP and instrument is replaced with capital

of same and better quality.

14,000,000

14,000,000

		Note	(Un-audited)	(Audited)
			June 30,	December 31,
20	OTHER LIABILITIES		2023	2022
			(Rupees	in '000)
	Mark-up / return / interest payable in local currency		24,785,736	16,650,129
	Mark-up / return / interest payable in foreign currency		1,614,091	1,443.987
	Unearned fee commission and income on bills discounted and guarantees		3.054,465	2,591,163
	Accrued expenses		11,670,287	12,610,353
	Current taxation		18,950,399	12,843,565
	Acceptances		37,385,634	19,090,181
	Dividends payable		6,576,442	4,767,210
	Mark to market loss on forward foreign exchange contracts		306,299	455,164
	Mark to market loss on derivatives	24.1	103,180	-
	Branch adjustment account		241,175	•
	Payable to defined benefit plan		79,794	-
	Alternative Delivery Channel (ADC) settlement accounts		11,190,972	2,035,378
	Provision for compensated absences		796,490	701,492
	Payable against redemption of customer loyalty / reward points		721,386	607,208
	Charity payable		78,376	65,998
	Provision against off-balance sheet obligations	20.1	119.578	62.948
	Security deposits against leases, lockers and others		13,800,754	13,300,923
	Workers' Welfare Fund		4,192,121	3.378,897
	Payable to vendors and suppliers		485,931	556,205
	Margin deposits on derivatives		4.271,184	4.077.091
	Payable to merchants (card acquiring)		1,318,978	16.536
	Indirect Taxes Payable		3,084,286	2,360,341
	Lease liabilities against right-of-use assets		20,623,667	17,514,201
	Payable against marketable securities		240,929	1,277,915
	Trading Liability		8.212,214	2,638,773
	Others		4,518,853	3,090,674
		:	178,423,221	122,136,332
20.1	Provision against off-balance sheet obligations			
	Opening balance		62,948	137,639
	Exchange and other adjustments		5,866	12,348
	Charge / (reversal) for the period / year		50,764	(87,039)
	Closing balance		119,578	62,948

			Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
21	(DEFICIT) / SURPLUS ON REVALUATION OF ASSET	rs .		(Rupees i	
	(Deficit) / surplus on revaluation of: - Available for sale securities - Available for sale securities of associates - Fixed assets - Non-banking assets acquired in satisfaction of c	laims	10.1	(29,603,117) (17,082) 12,763,976 146,810 (16,709,413)	(17,406,375) (20,389) 12,807,981 145,613 (4,473,170)
	Less: Deferred tax asset / (liability) on surplus / (di - Available for sale securities - Available for sale securities of associates - Fixed assets - Non-banking assets acquired in satisfaction of c			14.505,527 8.370 (574,499) (72,432) 13,866,966	7,484,741 8,767 (486,889) (63,108) 6,943,511
	Derivatives (deficit) / surplus Less: Deferred tax asset / (liability) on derivative			(4,555,116) 2,232,007 (2,323,109)	(4.169.754) 1,792,994 (2.376.760)
				(519,338)	4,847,101
22	NON-CONTROLLING INTEREST			(Un-audited) June 30,	(Audited) December 31,
	Name	Principal activity	Principal place of Business	2023 Ownership inter	2022 est held by NCI
	Alfalah CLSA Securities (Private) Limited, Pakistan	Stock Brokerage	Pakistan	37.50%	37.50%
	Key financial information of the subsidiary			(Un-audited) June 30, 2023 (Rupees	(Audited) December 31, 2022 in '000)
	Assets Liabilities Net Assets Non-Controlling Interest (NCI)			1,480,633 1,108,479 372,154 139,559	1.875,409 1,534,610 340,799 127,800
	(Not) Conditioning interest (Not)			(Un-au	
				For the half June 30, 2023 (Rupees	year ended June 30, 2022
	Revenue Expenses and provision Profit / (loss) before tax			246,700 209,551 37,149	143,151 144,436 (1,285)
	Profit / (loss) after tax			31,357	(8,461)
	Total comprehensive income / (loss) for the period			31,357	(8,461)
	Cash Flows: Cash flows used in operating activities Cash flows used in investing activities Cash flows used in Financing Activities Net decrease in cash and cash equivalent			(733.870) (6.367) (1,228) (741,465)	(348.023) (23,602) (2,081) (373,706)

		Note	(Un-audited) June 30. 2023	(Audited) December 31, 2022 in '000)
23	CONTINGENCIES AND COMMITMENTS		(000,
	- Guarantees - Commitments - Other contingent liabilities	23.1 23.2 23.3.1	173,502,068 489,010,728 24,568,360 687,081,156	140.370,087 439,230,552 6.903,292 586,503,931
23.1	Guarantees:			
	Performance guarantees Other guarantees		57,433,697 116,068,371 173,502,068	53,798,209 86,571,878 140,370,087
23.2	Commitments:			
	Documentary credits and short-term trade-related transactions - Letters of credit		202,550,815	171,719,857
	Commitments in respect of: - forward foreign exchange contracts - forward government securities transactions - derivatives - forward lending	23.2.1 23.2.2 23.2.3 23.2.4	123,147,353 87,287,144 54,782,479 16,189,295	170,721,451 17,438,813 46,734,911 26,798,555
	Commitments for acquisition of: - operating fixed assets - intangible assets		3,247,106 482,036	3,004,717 465,248
	Commitments in respect of donations Other commitments	23.2.5	874,500 450,000 489,010,728	1,897,000 450,000 439,230,552
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		77,771,008 45,376,345 123,147,353	120,494,702 50,226,749 170,721,451
23.2.2	Commitments in respect of forward government securities transactions		120,147,000	170,721,431
	Purchase Sale		75,009,503 12,277,641 87,287,144	12,990,116 4,448,697 17,438,813
23.2.3	Commitments in respect of derivatives			
	Interest rate swap Purchase Sale	24.1	42,891,940 - 42,891,940	46,160,838 - 46,160,838
	Cross Currency Swaps Purchase Sale	24.1	11,890,539 11,890,539	- 574,073 574,073
	Total commitments in respect of derivatives		54,782,479	46,734,911
23.2.4	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend Commitments in respect of investments	23.2.4.1	11,343,160 4,846,135 16,189,295	21,639,590 5,158,965 26,798,555

23.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Holding Company without the risk of incurring significant penalty or expense.

23.2.5 Other Commitments

A commercial bank on behalf of Alfalah CLSA Securities (Private) Limited, Pakistan has given a guarantee of Rs. 450 million (December 31, 2022: Rs. 450 million) to National Clearing Company of Pakistan Limited (NCCPL) in respect of margin eligible securities. The guarantee facility is for one year and is secured by 1st Pari Passu charge on current assets of the subsidiary.

(Un-audited)	(Audited)
June 30,	December 31,
2023	2022
(Rupees	in '000)

6,903,292

24,568,360

23.3 Other contingent liabilities

23.3.1 Claims against the Bank not acknowledged as debts

> These mainly represents counter claims filed by the borrowers for restricting the Holding Company from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by exemployees of the Holding Company for damages. Based on legal advices and / or internal assessments, management is confident that the matters will be decided in the Holding Company's favour and the possibility of any outcome against the Holding Company is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

23.4 Contingency for tax payable

There were no tax related contingencies other than as disclosed in note 34.1.

24 **DERIVATIVE INSTRUMENTS**

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

24.1	Product Analysis	June 30, 2023 (Un-audited)								
	•	Int	terest Rate Swa	aps		Cross Currency Swap				
	Counterparties	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net			
				(Rup	ees in '000)					
	With Banks for Hedging	43	42,891,940	4,586,737	-	-				
	With other entities Market making	-	-	-	5	11,890,539	623,711			
		43	42,891,940	4,586,737	5	11,890,539	623,711			
					r 31, 2022 (Audited)					
		No. of	terest Rate Swa	1	Cross Currency Swap					
		contracts	Notional Principal	Mark to market	No. of contracts	Notional Principal	Mark to			
		CONCIDENTS	Trincipal	gain - net	Contracts	Timerpai	market gain - net			
				(Rup	nees in '000)					
	With Banks for									
	Hedging	51	46.160,838	4,761,605	-	-	-			
	With other entities									
	Market making	-	-	-	1	574,073	33,940			
		51	46,160,838	4,761,605	 1	574,073	33,940			

For the half year ended Auna 30				Note	(Un-aud	ited)
### 30					For the half v	ear ended
2023 2022 1025				•		
MARK-UP/RETURN/INTEREST EARNED Section S						
On- all Loans and advances 56,263,401 33,115,917 b) Investments 115,513,992 46,678,381 c) Lendings to financial institutions 66,6648 32,723 d) Bainces with banks / financial institutions 66,6648 32,723 e) On securities purchased under resale agreements 4,774,434 2,032,317 26 MARK-UP/RETURN/INTERST EXPENSED On: all Deposits 67,132,479 28,769,693 b) Biotroungs 8,242,771 4,394,135 c) Securities sold under repurchase agreements 37,344,216 14,213,507 d) Subordinated elect 1,376,405 411,199 e) Cost of frenigh currency swaps against foreign currency deposits / borrowings 1,846,565 1,553,948 f) Borrowing cost on lease properties 1,215,566 817,329 g) Reward points / customer leyalty 1107,162 112,15,566 g) Reward points / customer leyalty 1107,162 112,15,566 g) Reward points / customer leyalty 110,162 112,15,566 g) Reward points / customer leyalty 110,162 112,15,566 g) Reward points / customer leyalty <				-		
A Lans and advances 56,263,40 33,115,97 b Investments 113,513,987 c Lendings to financial institutions / Bai Mugijal 1,859,331 589,149 d Balances with banks / financial institutions 66,648 32,723 e On securities purchased under resisle agreements 4,174,434 2,032,317 c RARK-UP/RETURN/INTEREST EXPENSED	25	MAR	RK-UP/RETURN/INTEREST EARNED			
Designation 13,513,982 46,678,381 13,513,982 14,678,381 12,893,311 12,893,311 12,893,311 12,893,311 12,893,311 12,893,311 12,893,311 12,933,311 12		_			50 202 401	22.115.017
Commission on trader (Financial institutions / Bail Mulgial 1,859,311 599,149 6,6648 32,723 77,647,796 66,648 32,723 77,647,796 62,448,487 77,4434 2,032,317 77,647,796 62,448,487 77,4434 2,032,317 77,647,796 62,448,487 77,4434 2,032,317 77,647,796 78,248,487						
Balances with banks / financial institutions 66.648 3.2.723 2.032.317 176.477.796 82.448.487 2.032.317 176.477.796 82.448.487 2.032.317 176.477.796 82.448.487 2.032.317 2			****			
Board			3			
MARK-UP/RETURN/INTEREST EXPENSED						
ARRX-UP/RETURN/INTEREST EXPENSED		e)	On securities purchased under resale agreements	-		
On: a) Deposits 67.132.479 28.769.693 b) Borrowings 8.242.771 4.394.135 4.215.607 4.394.135 6.202.771 4.394.135 6.202.771 4.394.135 6.202.771 4.394.135 6.202.771 4.394.135 6.202.771 4.394.135 6.202.771	20			=	170,477,790	02,440,407
a) Deposits Borrowings B.242.771 4.394.135 C. Securities sold under repurchase agreements 37.344.216 14.271.507 d. Subordinated debt 1.376.405 411.199 d. Subordinated debt 1.376.405 d. Subordinated debt 1.376.405 d. Subordinated debt 1.376.405 d. Subordinated debt 1.376.405 d. Subordinated debt 1.376.506 d. Subordinated debt 1.376.405 d. Subordinated debt d. S	26	MAR	RK-UP/RETURN/INTEREST EXPENSED			
b) Borrowings c) Securities sold under repurchase agreements d) Subordinated debt l) 1,376,405 d) Subordinated debt l) Cost of foreign currency swaps against foreign currency deposits / borrowings l) Borrowing cost on leased properties l) Borrowing cost on leased load load load load load load load loa			Descrite		67 132 470	28 760 603
c) Securities sold under repurchase agreements 37,344,216 14,213,507 d) Subordinated debt 1,376,405 411,199 e) Cost of foreign currency swaps against foreign currency deposits / borrowings 1,846,565 1,553,948 f) Borrowing cost on leased properties 1,215,566 873,257 g) Reward points / customer leyalty 187,162 112,165 g) Reward points / customer leyalty 187,164 50,327,904 27 FEE & COMMISSION INCOME 592,683 526,363 Consumer finance related fees 290,370 248,204 Card related fees (debit and credit cards) 1,210,985 796,728 Credit related fees (debit and credit cards) 1,210,985 796,728 Credit related fees (debit and credit cards) 1,210,985 796,728 Investment banking fees 63,316 189,708 Commission on trade 1,156,445 1,063,561 Commission on guarantees 404,127 256,887 Commission on remittances including home remittances 661,655 553,080 Commission on re						
A Subordinated debt 1.376.405 411,199 Cost of foreign currency swaps against foreign currency deposits / borrowings 1.846,565 1.553,948 Borrowing cost on leased properties 1.215,566 813,257 Reward points / customer loyalty 117,345,164 50.327,904 FEE & COMMISSION INCOME						
e) Cost of foreign currency swaps against foreign currency deposits / borrowings 1,846,565 1,553,948 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 873,257 1,215,566 1,215,566 873,257 1,215,566						
Currency deposits / borrowings 1,846,565 1,553,948 Proving cost on leased properties 1,215,566 1873,257 Reward points / customer loyalty 1871,62 112,165 Reward points / customer loyalty 1871,62 112,165 Reward points / customer loyalty 1873,64 50,327,904 Proving the company of the consumer loyalty 1873,664 50,327,904 Proving the consumer finance related fees 592,683 526,363 Consumer finance related fees 290,370 248,204 Card related fees (debit and credit cards) 1,210,865 796,728 Credit related fees (debit and credit cards) 1,210,865 796,728 Credit related fees 63,316 189,708 Commission on guarantees 63,316 189,708 Commission on guarantees 404,127 256,887 Commission on guarantees 41,606 25,648 Commission on cash management 41,606 25,648 Commission on bancassurance 281,978 332,988 Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Benazir Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 62,8550 321,614 Brokerage/ Commission Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 62,8550 321,614 Brokerage/ Commission Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 62,8550 321,614 Brokerage/ Commission Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 62,8550 321,614 Brokerage/ Commission Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 62,8550 321,614 Brokerage/ Commission Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 62,8550 321,614 Brokerage/ Commission Income Support Programme (BISP) 257,007 164,517 Alternative Del					1,370,400	711,133
Pacific Paci		٠,			1,846.565	1,553.948
Branch banking customer level Branch banking customer fees 592,683 526,363 Consumer finance related fees 290,370 248,204 Card related fees (bebt and credit cards) 1,210,985 796,728 Credit related fees (bebt and credit cards) 1,210,985 796,728 Credit related fees (bebt and credit cards) 1,1156,445 1,063,561 Commission on trade 1,156,445 1,063,561 Commission on cash management 404,127 256,887 Commission on cash management 41,606 25,648 Commission on cash management 41,606 25,648 Commission on bancassurance 281,978 332,988 Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Employees' Old-Age Benefit Institution (EOBI) 20,812 Commission on Benazir Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 6,28,550 321,614 Brokerage/ Commission Income 225,932 243,951 Unrealised - held for trading 10,1 (380,844) (199,951) Unrealised - held for trading 10,1 (380,844) (199,951) Unrealised gain on trading liabilities - net 224,951 (247,267) (34,860) (247,267) (34,860) (33,593) Shares (665,040) (63,072) Federal Government Debt Securities 298,592 (33,593) Shares (665,040) (63,072) Federal Government Debt Securities 375,827 193,141 193,141 193,141 193,141 193,141 193,141		f)	g ,			
PEE & COMMISSION INCOME						
Branch banking customer fees 592.683 526.363 Consumer finance related fees 290.370 248.204 Card related fees (debit and credit cards) 1,210.985 796.728 Credit related fees 284.042 119.381 Investment banking fees 63.316 189.708 Commission on trade 1,156.445 1,063.561 Commission on guarantees 404.127 256.887 Commission on cash management 41.606 25.648 Commission on bancassurance 661.655 553.080 Commission on bancassurance 281.978 332.988 Card acquiring business 704.235 412.648 Wealth Management Fee 82.835 48.809 Commission on Employees' Old-Age Benefit Institution (EOBI) 20.812 20.812 Commission on Benazir Income Support Programme (BISP) 257.007 164.517 Alternative Delivery Channel (ADC) settlement accounts 628.550 321.614 Brokerage/ Commission Income 225.932 243.951 Others 98.972 192 Realised 281		J,	,	-	117,345,164	
Consumer finance related fees 290,370 248,204 Card related fees (debit and credit cards) 1,210,985 796,728 796,728 796,728 193,81 Investment banking fees 63,316 189,708 Commission on trade 1,156,445 1,063,561 Commission on guarantees 404,127 256,887 Commission on guarantees 41,606 25,648 Commission on remittances including home remittances 661,655 553,080 Commission on bancassurance 281,978 332,988 Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Employees: Old-Age Benefit Institution (EOB) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 628,550 321,614 Brokerage/ Commission Income 225,932 243,951 Others 98,972 192 6,984,738 5,325,091 28	27	FEE	& COMMISSION INCOME			
Card related fees (debit and credit cards) 1,210,985 796,728 Credit related fees 284,042 119,381 Investment banking fees 63,316 189,708 Commission on trade 1,156,445 1,063,561 Commission on guarantees 404,127 256,887 Commission on cash management 41,606 25,648 Commission on remittances including home remittances 661,655 553,080 Commission on bancassurance 281,978 332,988 Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Benazir Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 628,550 321,614 Brokerage/ Commission Income 225,932 243,951 Others 98,972 192 4 6,984,738 5,325,091 28 GAIN / (LOSS) ON SECURITIES 281 9,379 109,213 Unrealised pain on trading liabilities - net 124,198 4,878 Unrealised gain		Bran	nch banking customer fees		592,683	526,363
Credit related fees 284,042 119,381 Investment banking fees 63,316 189,708 Commission on trade 1,156,445 1,063,561 Commission on guarantees 404,127 256,887 Commission on guarantees 41,606 25,648 Commission on cash management 41,606 25,648 Commission on remittances including home remittances 661,655 553,080 Commission on bancassurance 281,978 332,988 Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Employees' Old-Age Benefit Institution (EOBI) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 628,550 321,614 Brokerage/ Commission Income 225,932 243,951 Others 255,932 243,951 Others 281 9,379 109,213 Unrealised - held for trading 10,1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 (247,267) (84,860) Realised gain or trading liabilities - net 298,592 (33,593) Shares 666,040) (63,072) Non Government Debt Securities 298,592 12,2737 Foreign Securities 375,827 193,141		Cons	sumer finance related fees		290,370	248,204
Investment banking fees		Card	related fees (debit and credit cards)		1,210,985	796,728
Commission on trade		Cred	lit related fees		284,042	119,381
Commission on guarantees		Inves	stment banking fees		63.316	189,708
Commission on cash management		Com	mission on trade		1,156,445	1,063,561
Commission on remittances including home remittances S53,080 Commission on bancassurance 281,978 332,988 Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Employees' Old-Age Benefit Institution (EOBI) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 628,550 321,614 Brokerage/ Commission Income 225,932 243,951 Others 98,972 192 6,984,738 5,325,091 Commissed - held for trading 10.1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 (247,267) (84,860) Cearling Shares (665,040) (63,072) Non Government Debt Securities 375,827 193,141 Commission Commission Income 12,737 193,141 Commission Income 12,737 193,141 Commission Income 12,737 193,141 Commission Income 12,737 193,141 Commission Income Commission Income 28,100 Canada		Com	mission on guarantees		404,127	256,887
Commission on bancassurance		Com	mission on cash management		41,606	25,648
Card acquiring business 704,235 412,648 Wealth Management Fee 82,835 48,809 Commission on Employees' Old-Age Benefit Institution (EOBI) - 20,812 Commission on Benazir Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 628,550 321,614 Brokerage/ Commission Income 225,932 243,951 Others 98,972 192 G,984,738 5,325,091 B GAIN / (LOSS) ON SECURITIES 28,1 9,379 109,213 Unrealised - held for trading 10,1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 C,472,667 (84,860) Realised gain / (loss) on: 298,592 (33,593) Shares (665,040) (63,072) Non Government Debt Securities 12,737 Foreign Securities 375,827 193,141		Com	mission on remittances including home remittances		661,655	553,080
Wealth Management Fee 82.835 48,809 Commission on Employees' Old-Age Benefit Institution (EOBI) 20,812 Commission on Benazir Income Support Programme (BISP) 257,007 164,517 Alternative Delivery Channel (ADC) settlement accounts 628,550 321,614 Brokerage/ Commission Income 225,932 243,951 Others 98,972 192 6,984,738 5,325,091 28 GAIN / (LOSS) ON SECURITIES 28.1 9,379 109,213 Unrealised - held for trading 10.1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 28.1 Realised gain / (loss) on: 298,592 (84,860) 28.1 Realised government Securities 298,592 (33,593) Shares (665,040) (63,072) Non Government Debt Securities 12,737 Foreign Securities 375,827 193,141		Com	mission on bancassurance		281.978	332,988
Commission on Employees' Old-Age Benefit Institution (EOBI) 20,812		Card	acquiring business		704,235	412.648
Commission on Benazir Income Support Programme (BISP) 257.007 164.517 Alternative Delivery Channel (ADC) settlement accounts 628.550 321.614 Brokerage/ Commission Income 225.932 243.951 Others 98.972 192 6.984.738 5.325.091 Brokerage/ Commission Income 225.932 243.951 Others 98.972 192 6.984.738 5.325.091 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised Gain on trading 10.1 (380.844) (198.951) Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Unrealised gain on trading liabilities - net 124.198 4.878 Brokerage/ Commission Income 28.1 9.379 109.213 Brokerage/ Commis		Wea	Ith Management Fee		82,835	48,809
Commission on Benazir Income Support Programme (BISP) 257.007 164.517 Alternative Delivery Channel (ADC) settlement accounts 628.550 321.614 Brokerage/ Commission Income 225.932 243.951 Others 98.972 192 6.984.738 5.325.091 Brokerage/ Commission Income 225.932 243.951 Others 98.972 192 6.984.738 5.325.091 Brokerage/ Commission Income 225.932 243.951 Others 98.972 192 6.984.738 5.325.091 Call of trading 10.1 (380.844) (198.951) Unrealised - held for trading liabilities - net 124.198 4.878 Call of trading liabilities - net 124.198 4.878 Call of trading liabilities - net 298.592 (33.593) Shares (665.040) (63.072) Non Government Debt Securities 12.737 Foreign Securities 375.827 193.141					-	
Alternative Delivery Channel (ADC) settlement accounts Brokerage/ Commission Income Others O					257.007	164,517
Brokerage/ Commission Income 225,932 243,951 Others 98,972 192 6,984,738 5,325,091 P.					628.550	321,614
Realised 28.1 9,379 109,213 Unrealised - held for trading 10.1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 Realised gain / (loss) on: Federal Government Securities 298.592 Non Government Debt Securities (665,040) Foreign Securities 375,827 193,141					225,932	243,951
Realised 28.1 9,379 109,213 Unrealised - held for trading 10.1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 Realised gain / (loss) on: Federal Government Securities 298.592 Shares (665,040) Non Government Debt Securities 298.592 Foreign Securities 375,827 193,141		Othe	ers	_	98.972	
Realised 28.1 9,379 109,213 Unrealised - held for trading 10.1 (380,844) (198,951) Unrealised gain on trading liabilities - net 124,198 4,878 Realised gain / (loss) on: Federal Government Securities 298,592 Shares (665,040) Non Government Debt Securities (63,072) Foreign Securities 375,827 193,141	าอ	CAIR	N / (LOSS) ON SECUDITIES	=	6,984,738	5,325,091
Unrealised - held for trading Unrealised gain on trading liabilities - net 124,198 4.878 (247,267) (84,860) 28.1 Realised gain / (loss) on: Federal Government Securities 298,592 (665,040) (63,072) (63,072) (63,072) (73,737) (7	۷0					
Unrealised gain on trading liabilities - net 124,198 (247,267) (84,860) 28.1 Realised gain / (loss) on: Federal Government Securities 298,592 (33,593) Shares (665,040) (63,072) Non Government Debt Securities 12,737 Foreign Securities 375,827 193,141			· · · ·			
Realised gain / (loss) on: (247,267) (84,860)			5	10.1	·	
28.1 Realised gain / (loss) on: 298.592 (33.593) Federal Government Securities 298.592 (665,040) Shares (665,040) (63,072) Non Government Debt Securities 12,737 Foreign Securities 375,827 193,141		Unre	ealised gain on trading liabilities - net	-		
Shares (665,040) (63,072) Non Government Debt Securities - 12,737 Foreign Securities 375,827 193,141	28.1	Real	lised gain / (loss) on:	-	(= ::,20:,7	(5,550)
Shares (665,040) (63,072) Non Government Debt Securities 12,737 Foreign Securities 375,827 193,141		Fed€	eral Government Securities	Г	298.592	(33.593)
Non Government Debt Securities 12.737 Foreign Securities 375,827 193,141					1 1	
Foreign Securities 375,827 193.141					-	
		Fore	ign Securities		375,827	
				•		109,213

Note (Un-audited) For the half year ended June 30, June 30. 2023 2022 -----(Rupees in '000)------14,075 16,444 62,948 44,554 29.1 9.200 39,825 21,746 15,930 112,285

132,778

204,229

OTHER INCOME

29

Rent on property Gain on sale of fixed assets-net Gain on sale of non banking assets Profit on termination of leased contracts (Ijarah) Gain on termination of leases (IFRS 16)

29.1 In 2022, The Holding Company earned an income of Rs. 9.200 million against sale of membership cards.

	Note	(Un-audited)		
	_	For the half y		
		June 30,	June 30,	
		2023	2022	
OPERATING EXPENSES	•	(Rupees in	1 000)	
Total compensation expense	30.1	13.667.175	9,999,50	
Property expense	00.1	10,007,770	0,000,00	
Rates and taxes	Γ	72,786	53,1	
Utilities cost		1,082,430	761,7	
Security (including quards)		551,035	452.7	
Repair and maintenance (including janitorial charges)		563.722	478.2	
Depreciation on right-of-use assets		1,594,518	1,285,7	
Depreciation on non-banking assets acquired in satisfaction of claims		2,477	2,16	
Depreciation on owned assets	Ì	418,505	309.6	
•	۲.	4,285,473	3,343,5	
Information technology expenses Software maintenance	r	1.103.833	939.5	
Hardware maintenance		497,258	327.2	
Depreciation		509,435	337,7	
Amortisation		157,240	177,3	
Network charges		308,037	273,3	
Consultancy and support services		70,583	170,20	
consultancy and support services	Ļ	2,646,386	2,225,40	
Other operating expenses	,			
Directors' fees and allowances	}	74,857	103,2	
Fees and allowances to Shariah Board	Ī	7,561	6.6	
Legal and professional charges	1	202,822	442,1	
Outsourced services costs	I	478,916	374,6	
Travelling and conveyance	l	596,963	381,7	
Clearing and custodian charges]	94,159	66,3	
Depreciation Today and development	1	719,646	560,9	
Training and development	l	65,727	56,7	
Postage and courier charges	j	225,547 743,559	248,4 421,6	
Communication Stationary and griating		590,851	452.0	
Stationery and printing Marketing, advertisement and publicity	ŀ	2,388,386	717,4	
Donations		1,021,500	15,3:	
Auditors' remuneration		36,766	29,2	
Brokerage and commission		185,815	143.1	
Entertainment		281,325	184,7	
Repairs and maintenance		368,249	316,4	
Insurance		706,990	622.1	
Cash Handling charges		675.590	513,5	
CNIC verification		128,915	88,5	
Others		373,373	540,4	
Others .		9.967.517	6,285,7	
	-	30,566,551	21,854,24	

		/	,	
		For the half year ended		
		June 30,	June 30,	
		2023	2022	
30.1	Total compensation expense	·(Rupees in	'000)	
	Managerial Remuneration			
	i) Fixed	9,445,556	7.253,048	
	ii) Variable:		j	
	a) Cash Bonus / Awards etc.	2,311,305	1,351,595	
	b) Bonus and Awards in Shares etc.	162,498	120,000	
	Charge for defined benefit plan	233,501	166,923	
	Contribution to defined contribution Plan	361,194	300,969	
	Medical	649,362	403.794	
	Conveyance	255,931	177.054	
	Staff compensated absences	94,998	90,000	
	Others	138,066	112,685	
	Sub-total	13,652,411	9,976,068	
	Sign-on Bonus	14,764	18.471	
	Severance Allowance	1	5,000	
	Grand Total	13,667,175	9,999,539	

31 WORKERS' WELFARE FUND

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by Federal Government through Finance Act, 2008 for the levy of Workers' Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petitions is decided. Accordingly, the amount charged for Workers' Welfare Fund since 2008 has not been reversed.

		Note —	(Un-audited) For the half year ended June 30, June 30 2023 2022		
32	OTHER CHARGES		(Rupees in	י (000) י ו	
	Penalties imposed by the State Bank of Pakistan Penalties imposed by other regulatory bodies		136,961 136,961	5,173 1,997 7,170	
33	PROVISIONS & WRITE OFFS - NET				
	Reversal against lending to financial institutions (IFRS 9 - ECL) (Reversal) / provision for diminution in value of		(296)	803	
	investments / IFRS 9 - ECL	10.3.1	(467,082)	380,121	
	Provision against Ioans & advances / IFRS 9 - ECL	11.4	5,513,163	3,786,759	
	Provision against other assets / IFRS 9 - ECL	15.2.1	163,198	19,793	
	Provision against off-balance sheet obligations / IFRS 9 - ECL	20.1	50,764	29,401	
	Other provisions / write off - net		7,997	9,942	
	Recovery of written off / charged off bad debts	_	(265,781)	(186,671)	
		=	5,001,963	4,040,148	
34	TAXATION				
	Charge / (reversal)				
	Current		19,929,768	10,390,748	
	Prior years		-	(1,566,235)	
	Deferred	<u></u>	(2,294,786)	(407.586)	
		_	17,634,982	8,416,927	

- 34.1 a) The income tax assessments of the Holding Company have been finalized upto and including tax year 2022. Certain addbacks made by the tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.
 - In respect of tax years 2008, 2014, 2017 and 2019 to 2022, the tax authority had raised certain issues including default in payment of WWF. allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of Leasehold improvements. These matters have been decided in favour of the Holding Company (December 31, 2022; Rs. 639.939 million). The related appeal effect orders are pending before the tax authority. Accordingly, the Holding Company has not made any provision in respect of these amounts.
 - b) The Holding Company has received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and a penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. The appeals against these orders are pending before the Commissioner Appeals. The Holding Company has not made any provision against these orders and the management is of the view that these matters will be settled in the Holding Company's favour through appellate process.
 - c) During the period, the Holding Company has received an order from a tax authority wherein sales tax and penalty amounting to Rs. 5.191 million (excluding default surcharge) is demanded allegedly for non-payment of sales tax on certain transactions relating to accounting year 2016. This is in addition to an order previously received for the same accounting year wherein sales tax and further tax amounting to Rs. 8.601 million (excluding default surcharge and penalty) was demanded allegedly for non-payment of sales tax on certain transactions. The Holding Company appeals are pending before the Commissioner Appeals. The Holding Company has not made any provision against these orders and the management is of the view that this matter will be favourably settled through appellate process.

(Un-audited)

		(On duc	iicou,
		For the half y	ear ended
		June 30,	June 30,
		2023	2022
35	BASIC AND DILUTED EARNINGS PER SHARE	(Rupees in	n '000)
	Profit for the period attributable to equity holders of the Holding Company	18,613,752	8,759,040
		(Number of sha	res in '000)
	Weighted average number of ordinary shares	1,577,165	1,777,165
		(Rupe	es)
	Basic and diluted earnings per share	11.80	4.93

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

36 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, 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. In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

36.1 Fair value of financial instruments

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:

		June 30, 2023 (Un-audited)
_	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		(Rupees in	(000	
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	1,210,896,882	-	1,210,896,882
- Non-Government Debt Securities	14.939,400	4,167,428		19,106.828
- Shares - listed companies	7,142,275	-	-	7,142,275
- Foreign Government Securities	-	37,987,272	-	37.987,272
- Foreign Non-Government Debt Securities	-	29,739,744	-	29,739,744
- Foreign Equity Securities	322,786	-	-	322,786
Financial assets - disclosed but not measured at fair value				
Investments - held to maturity securities	-	116.476.973	-	116,476,973
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	489,004	-	489.004
- Forward sale of foreign exchange	-	(306,299)	-	(306,299)
- Forward purchase of government securities		(172.843)		(172,843)
- Forward sale government securities	-	158,382	+	158,382
- Derivatives purchases	-	4.586.737		4,586,737
- Derivatives sales	-	623,711	٠	623,711
_		December 31, 20	22 (Audite	d)
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		(Rupees in	`000)	
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	946,606,485	-	946,606,485
- Non-Government Debt Securities	14,937,000	4,347,503	-	19,284,503
- Shares - listed companies	6,456,107	-	-	6,456,107
- Foreign Government Securities	-	28,811,408	-	28,811,408
- Foreign Non-Government Debt Securities		27,564,662		27,564,662
Financial assets - disclosed but not measured at fair value				
Investments - held to maturity securities	-	73.518.446	-	73.518,446
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	922,573	-	922,573
- Forward sale of foreign exchange	-	(455,164)	-	(455,164)
- Forward purchase of government securities	-	4,432	-	4,432
- Forward sale government securities transactions	-	(7,946)	-	(7,946)
- Derivatives purchases				
	-	4,761,605	-	4,761,605
- Derivatives sales	-	4,761,605 33,940	-	4,761,605 33,940

- 36.2 The Group's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1 and 2 during the current period.
- 36.3 Valuation techniques used in determination of fair values:

36.3.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies and listed non government debt securities.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Ijarah Sukuk, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuk, forward foreign exchange contracts, forward government securities contracts, cross currency swaps and interest rate swaps.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3 except as disclosed in note 36.3.2.

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.

36.3.2 Fair value of non-financial assets

Certain categories of fixed assets (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Holding Company which are also on the panel of the State Bank of Pakistan.

36.3.3 Valuation techniques

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan	The fair value of MTBs and PIBs are derived using PKRV rates. GIS are revalued
Investment Bonds (PIB), and GoP Ijarah Sukuk	using PKISRV rates. Floating rate PIBs are revalued using PKFRV rates.
(GIS) including their forward contracts	
Overseas Sukuk, Overseas Bonds and GoP Euro	The fair value of Overseas Government Sukuks, and Overseas Bonds are
Bonds	valued on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than	Investment in WAPDA Sukuks, debt securities (comprising term finance
Government)	certificates, bonds and any other security issued by a company or a body
	corporate for the purpose of raising funds in the form of redeemable capital)
	are valued on the basis of the rates announced by the Mutual Funds
	Association of Pakistan (MUFAP) in accordance with the methodology
	prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis
<u> </u>	of closing quoted market price available at the Pakistan Stock Exchange.
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates
	announced by the State Bank of Pakistan.
Derivative Instruments	Derivatives that are valued using valuation techniques based on market
	observable inputs are mainly interest rate swaps and cross currency swaps.
	The most frequently applied valuation techniques include forward pricing and
	swap models using present value calculations.
Fixed assets and non banking assets acquired in	The valuation experts used a market based approach to arrive at the fair value
satisfaction of claims	of the Holding Company's properties. The market approach uses prices and
	other relevant information generated by market transactions involving
	identical, comparable or similar properties. These values are adjusted to reflect
	the current condition of the properties. The effect of changes in the
	unobservable inputs used in the valuations cannot be determined with
	certainty accordingly a qualitative disclosure of sensitivity has not been
	presented in these consolidated condensed interim financial statements.
<u> </u>	<u></u>

37 SEGMENT INFORMATION

37.1 Segment details with respect to Business Activities

Provisions / (reversals) 2.495.592 2.130.916 319.207 (256.827) 15.023 (75.948) - 374.000 5.001.963 19.357.919 4.150.614 6.147.475 4.347.807 (396.634) 2.631.656 37.149 (15.493) 36.260.493 3										
Profit & Loss Net mark-up/return/profit (27,676,350) (0.366,819) (1.625,368) (62,763,454) (7.11) (3.45),356 (59,528) (1.346,604) (59,126) (1.74,243) (2.74,243) (2.065) (62,825,117) (62,82			For the period ended June 30, 2023 (Un-audited)							
Profit & Loss Net mark-up/return/profit Net mark-up/return/profit Net mark-up/return/profit Net mark-up/return/profit Net mark-up/return/profit Net mark-up/return/interest mome (63.271,161) (2.714,243) (2.0653) (62.825,117) (920.806) (357.534) (969.206) (13.66604) (591.326.632) (10.106.632)		Retail	Corporate	(Domestic)	·			Ĵ	Others*	Total
Net mark-up/return/profit (27,676 350) 10,366,819 11,625,368 62,763,454 7,117 3,451,356 159,528) 1,146,604 59,132,632 1,146,604 1					(Rupees in '000)				
Inter-segment revenue - net Non mark-up/return/interest income										
Normark-up/return/interest income 3.910.098	·	` `						(58.528)		59,132,632
Total Incomo / (loss) 39,504,909 9,394,814 12,592,340 4,857,891 1,336,952 4,492,683 246,700 352,902 72,779,191								-		=
Segment direct expenses 11.816.858 2.379.043 4.42.437 391363 1.217.427 1.728.445 209.551 9.332.627 31.516.735 1.728.455 1.728.445 2.729.555 1.728.455 1.728.										
Total expense allocation 5.835.540 734.241 1.683.221 375.558 50.1136 208.530 - (9.338.226) - (7.561.398 7.561.398 3.113.284 6.125.668 3.19.207 (256.827) 15.023 (7.5948) - (7.5948)	Total Income / (loss)	39,504,909	9,394,814	12,592,340	4,857,891	1,336,952	4,492,683	246,700	352,902	72,779,191
Total expense allocation 5.835.540 734.241 1.683.221 375.558 50.1136 208.530 - (9.338.226) - (7.565.1398 1.765.1398 3.113.284 6.125.658 1.765.1398 3.113.284 6.125.658 1.765.1398 3.13.284 6.125.658 1.715.5398 3.13.284 6.125.658 1.715.5398 3.13.284 6.125.658 1.715.5398 3.13.284 6.125.658 1.715.5398 3.13.284 6.147.475 4.347.807 (396.634) 2.631.656 37.149 (15.493) 36.260.493 3.020.493 3.	Seament direct expenses	11.815.858	2.379.043	4.442.437	391,353	1,217,427	1,728,445	209.551	9.332.621	31,516,735
Total expenses 17,651,398 3,113,284 6,125,658 766,911 1,718,563 1,936,975 209,551 (5,605) 31,516,735 70,005		t t						-		-
Provisions / (reversals) Profit / (loss) before tax 19,357,919	• •							209.551		31,516,735
Profit / (loss) before tax 19,357,919 4,150,614 6,147,475 4,347,807 (396,634) 2,631,656 37,149 (15,493) 36,260,493								•	, ,	5,001,963
Retail Corporate Islamic (Domestic) Treasury Digital Overseas Brokerage Others' Total	· ·							37,149		36,260,493
Retail Corporate Islamic (Domestic) Treasury Digital Overseas Brokerage Others* Total	• •									
Retail Corporate (Domestic) Treasury Digital Overseas Brokerage Others' Iotal					As at Jun	e 30, 2023 (Un-a	audited)			
Statement of financial position Cash & Bank balances 102,503,370 18,794,424 31,463,006 - 1,001,013 59,442,963 191,983 - 213,396,7598 Investments -		Retail	Corporate		Treasury	Digital	Overseas	Brokerage	Others*	Total
Cash & Bank balances Investments Investmen					(i	Rupees in '000)				
Investments Net inter segment lending Net inter segment borrowing Net inter segment borrowing Net inter segment borrowing Net inter segment borrowing Net inter segment lending Net inter segment borrowing Net inter se	Statement of financial position									
Net inter segment lending 786,906,969 14,521,511 - 142,522,499 943,950,979 Lendings to financial institutions 193,031,260 338,218,478 163,989,023 - 123,836 42,918,125 27,565 13,649,859 75,1951,836,478 Advances - non-performing 2,095,638 4,663,830 507,790 - 5,147 228,635 - 66,799 7,567,839 Others 1,117,063,534 406,821,061 437,923,104 1,208,187,865 16,935,830 217,222,372 1,480,633 161,165,740 3,566,800,139	Cash & Bank balances	102,503,370	18,794,424		-	1,001,013			-	
Lendings to financial institutions Advances - performing Advances - performing Advances - non-performing Others Ot	Investments	-	3,148.344	200,737,865	1,142,409,880	-	90,026,223	452,792		
Advances - performing 193,031,260 338,218,478 163,989,023 - 123,836 42,918,125 27,565 13,649,859 751,958,146 Advances - non-performing 2,095,638 4,663,830 507,790 - 5,147 228,635 - 66,799 7,567,839 Others 32,526,297 41,995,985 41,225,420 55,550,324 1,284,323 21,117,694 808,293 (140,647) 194,367,689 Total assets 1,117,063,534 406,821,061 437,923,104 1,208,187,865 16,935,830 217,222,372 1,480,633 161,165,740 3,566,800,139 Borrowings 23,989,546 93,219,013 60,647,366 319,076,312 - 8,961,396 774,876 - 506,668,509 Subordinated debt 92,000 14,000,000 14,00		786,906,969	-	-	-	14,521,511	-	-	142,522,499	
Advances - non-performing 2.095.638 4.663.830 507.790 - 5.147 228.635 - 66.799 7.567.839 Others 32,526.297 41.995.985 41.225,420 55.550.324 1.284.323 21,117.694 808.293 (140.647) 194.367.689 Total assets 1.117.063.534 406.821.061 437.923.104 1.208.187.865 16.935.830 217.222.372 1.480.633 161.165.740 3.566.800,139 Subordinated debt 2.23.989,546 93,219.013 60.647.366 319.076,312 - 8.961.396 774.876 - 506.668.509 Subordinated debt 2.25.400 50.000 14.000.000 14.			•	-	10,227,661	-			-	
Others 32,526,297 41,995,985 41,225,420 55,550,324 1,284,323 21,117,694 808,293 (140,647) 194,367,689 Total assets 1,117,063,534 406,821,061 437,923,104 1,208,187,865 16,935,830 217,222,372 1,480,633 161,165,740 3,566,800,139 Borrowings 23,989,546 93,219,013 60,647,366 319,076,312 - 8,961,396 774,876 - 506,668,509 Subordinated debt - - - - - - - 14,000,000 14,000,000 14,000,000 14,000,000 14,000,000 14,000,000 14,000,000 14,000,000 17,004 1,775,937,128 15,0848,791 - (17,004) 1,775,937,128 <td< td=""><td></td><td></td><td></td><td></td><td>-</td><td></td><td></td><td>27,565</td><td></td><td></td></td<>					-			27,565		
Total assets 1,117,063,534 406,821,061 437,923,104 1,208,187,865 16,935,830 217,222,372 1,480,633 161,165,740 3,566,800,139 Borrowings 23,989,546 93,219,013 60,647,366 319,076,312 - 8,961,396 774,876 - 506,668,509 Subordinated debt 1,055,498,099 245,514,411 308,014,863 - 16,077,968 150,848,791 - (17,004) 1,775,937,128 Net inter segment borrowing - 8,690,519 18,413,646 875,666,245 - 41,180,569 943,950,979 Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Equity 1,117,063,534 125,821,524 115,857,6544	Advances - non-performing				-					
Borrowings 23,989,546 93,219,013 60.647,366 319,076,312 - 8.961,396 774,876 - 506,668,509 Subordinated debt - 1,055,498,099 245,514,411 308,014,863 - 16,077,968 150,848,791 - (17,004) 1,775,937,128 Net inter segment borrowing - 8,690,519 18,413,646 875,666,245 - 41,180,569 943,950,979 Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets - 1,725,878 (9,351,794) - (2,710,108) 372,154 125,821,524 115,857,654 Equity	Others									
Subordinated debt 1,055,498,099 245,514,411 308,014,863 - 16,077,968 150,848,791 - 14,000,000 14,000,000 Deposits & other accounts 1,055,498,099 245,514,411 308,014,863 - 16,077,968 150,848,791 - (17,004) 1,775,937,128 Net inter segment borrowing - 8,690,519 18,413,646 875,666,245 - 41,180,569 - - 943,950,979 Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets - 1,725,878 (9,351,794) - (2,710,108) 372,154 125,821,524 115,857,654 Equity - - - - - - - - - - 115,857,654	Total assets	1,117,063.534	406,821,061	437.923.104	1,208,187,865	16,935,830	217,222,372	1,480.633	161,165,740	3,566,800,139
Subordinated debt 1,055,498,099 245,514,411 308,014,863 - 16,077,968 150,848,791 - 14,000,000 14,000,000 Deposits & other accounts 1,055,498,099 245,514,411 308,014,863 - 16,077,968 150,848,791 - (17,004) 1,775,937,128 Net inter segment borrowing - 8,690,519 18,413,646 875,666,245 - 41,180,569 - - 943,950,979 Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets - 1,725,878 (9,351,794) - (2,710,108) 372,154 125,821,524 115,857,654 Equity - - - - - - - - - - 115,857,654	Borrowings	23,989,546	93,219,013	60,647,366	319,076,312	- 1	8,961,396	774,876	-	506,668,509
Net inter segment borrowing Others 8,690,519 18,413,646 875,666,245 - 41,180,569 - - 943,950,979 Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets 1,725,878 (9,351,794) - (2,710,108) 372,154 125,821,524 115,857,654 Equity 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Equity 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3450,942,485 4,108,410 </td <td>•</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>14,000,000</td> <td>14,000,000</td>	•	-	-	-	-	-	-	-	14,000,000	14,000,000
Net inter segment borrowing Others 8,690,519 18,413,646 875,666,245 - 41,180,569 - - 943,950,979 Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets 1,725,878 (9,351,794) (2,710,108) 372,154 125,821,524 115,857,654 Equity	Deposits & other accounts	1.055,498,099	245,514,411	308,014,863	-	16,077,968	150,848,791	-	(17,004)	1,775,937,128
Others 37,575,889 59,397,118 49,121,351 22,797,102 857,862 18,941,724 333,603 21,361,220 210,385,869 Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets 1,725,878 (9,351,794) (2,710,108) 372,154 125,821,524 115,857,654 Equity 115,857,654 115,857,654 115,857,654 115,857,654	•	-	8,690,519	18,413,646	875,666,245	-	41,180,569	-	-	943,950,979
Total liabilities 1,117,063,534 406,821,061 436,197,226 1,217,539,659 16,935,830 219,932,480 1,108,479 35,344,216 3,450,942,485 Net assets 1,725,878 (9,351,794) (2,710,108) 372,154 125,821,524 115,857,654 Equity 115,857,654		37,575,889	59,397,118	49,121,351	22,797,102	857,862	18,941,724	333,603	21,361,220	210,385,869
Net assets - 1,725,878 (9.351,794) - (2,710,108) 372,154 125,821,524 115,857,654 Equity 115,857,654					1,217,539,659		219,932,480		35,344,216	3,450,942,485
Equity		-				-				115.857,654
Contingencies & Commitments 116.188.577 225,035,318 71,410,991 211,111,918 5,084 58,186,945 450,000 4,692,323 687,081,156			•		<u> </u>					115.857,654
	Contingencies & Commitments	116.188,577	225,035,318	71,410.991	211,111,918	5.084	58,186,945	450,000	4.692,323	687.081.156

^{*} Others include head office related activities and share of profit from associates.

	For the period ended June 30, 2022 (Un-audited)								
	Data il	Carrage	Islamic			Overseas		Others*	Total
	Retail	Corporate	(Domestic)	Treasury	Digital	1	Brokerage		TOtal
				(F	Rupees in 1000)				-
Profit & Loss	[5 000 000 I	5 400 001	04 +00 212	(63.060)	1 774 610 1	(22.104)	(207.004)	22 120 502
Net mark-up/return/profit	(4.848.524)	5,666,306	5,496,691	24,409,312	(57,653)	1,774,619	(22.184)	(297.984)	32,120,583
Inter segment revenue - net	22,567,595	(2,002,538)	(84.159)	(21.026,771)	391,657	316.249	105.005	(162,033)	11 277 470
Non mark-up/return/interest income	2,943,928	1,384.945	928,203	4.250,368	265,025	668,318 2,759,186	165,335 143,151	771.356 311.339	11,377,478 43,498,061
Total Income	20,662,999	5.048,713	6,340.735	7,632.909	599,029	2,759,180	(43,15)	311,339	43,498,061
Segment direct expenses	8,845.522	780,697	2,990,263	275,208	938,021	1.104,977	145.727	7,204.814	22,285,229
Inter segment expense allocation	4,256,999	610,716	1,212,724	270,556	733,458	122,921	-	(7,207,374)	-
Total expenses	13,102,521	1,391,413	4,202,987	545,764	1,671,479	1,227.898	145.727	(2.560)	22,285,229
Provisions / (reversals)	1,127,816	(327,035)	80,817	383,601	7,292	18.948	(1,291)	2,750,000	4,040,148
Profit / (loss) before tax	6,432,662	3,984,335	2,056,931	6,703,544	(1,079,742)	1.512.340	(1,285)	(2,436,101)	17,172,684
						(A alia al)	<u>-</u>	·	
		-	lalamia	As at Dece	mber 31, 2022 (Audited)	1		
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Brokerage	Others*	Total
				(F	Rupees in '000)				
Statement of financial position					1 000 103	60 201 007	222 222 1		150 710 200
Cash & Bank balances	54,360,676	13,662,612	22,294,976	-	1,380,127	58,391,827	628,982	4.809.194	150,719,200 1,117,616,363
Investments	-	3,065,299	123,324,033	913,838,262	70.415.022	72,564,199	15.376	108.578,156	738,911,981
Net inter segment lending	609,918,002	-	10,000,001	01 200 765	20,415,823	4,043,773	-	108,578,130	115,353,599
Lendings to financial institutions	101 024 400	307,817,003	30,000,061 149,691,195	81,309,765	73,590	36,726.043	10,965	10,557,920	726,811,211
Advances - performing	221,934,495 2,942,330	1,660,287	726,449		73,3 3 0 3,985	162.523	10,303	79.030	5,574,604
Advances - non-performing	21,320,625	28,322,398	27,309,005	28,284,908	1,483,080	15,012,516	1,220,086	17,692,113	140,644,731
Others Total assets	910.476.128	354.527,599	353,345,719	1,023,432,935	23,356,605	186,900,881	1.875.409	141,716,413	2.995,631,689
LOCAL assers	910,470,128	334.327,333	333,343,713	1,023,432,533	23,330,003	100,300,001	1,073,403	141,710,413	2,555,051,005
Borrowings	26,937,622	95,851,939	39,964,773	314,660,326	-	13,764,871	470,410	•	491,649,941
Subordinated debt	-	-	-	-		-	· i	14,000,000	14,000,000
Deposits & other accounts	860,878,106	210,843,465	255,671,950	-	23,002,118	136,392,013	- 1	48,608	1,486.836,260
Net inter segment borrowing	-	(1,059,219)	15,379,744	698,037,054	-	26,554,402	- j	-	738,911,981
Others	27,112,775	48.891,414	40,321.510	15,282,535	354,487	12,816,381	1,064,200	16,326,836	162,170,138
Total liabilities	914.928,503	354.527.599	351,337,977	1,027,979.915	23,356,605	189.527.667	1,534.610	30,375,444	2,893.568,320
Net assets	(4,452,375)		2,007,742	(4,546,980)	-	(2.626,786)	340,799	111,340,969	102,063,369
Equity						<u> </u>			102,063,369
Contingencies & Commitments	94,420,516	188,433,780	63,199,284	158,500,073	5,014	76,880,088	450,000	4,615,176	586,503,931

^{*} Others include head office related activities and share of profit from associates.

38 RELATED PARTY TRANSACTIONS

The Group has related party transactions with its subsidiary, associates, joint ventures, employee benefit plans, its directors, key management personnel and other related parties.

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 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 financial statements are as follows:

	Directors/ CEO	Key management personnel As at June 30, 20 (Rupees		Other related parties	Directors/ CEO	Key management personnel As at December 3		Other related parties
Lendings to financial institutions Opening balance Addition during the period / year Repaid during the period / year Closing balance		-	- - - -	4,626,021 (4,626,021)		· · · · · · · · · · · · · · · · · · ·	- - -	2.330,078 25,964,631 (28,294,709)
Investments Opening balance Investment made during the period / year Investment redeemed / disposed off during the period / year Revaluation of investment during the period / year Equity method adjustment Transfer in / (out) - net Closing balance	- - - - -	- - - - -	4.634,071 - - 361.814 - 4,995,885	1.552.048 269.392 (63.574) (4.535) - - 1.753.331	-	- - - - -	4,118,122 - - 515,949 4,634,071	1,119,230 274,246 (190,468) (17,511) 366,551 1,552,048
Advances Opening balance Addition during the period / year Repaid during the period / year Transfer in / (out) - net Closing balance	18,062 (2,141) 	672,608 364,748 (257,890) (14,109) 765,357	- - - -	2,367.924 33,248.434 (33,901,941) - 1,714,417	77 20,498 (2,513) - 18,062	1,184,057 605,570 (173,521) (943,498) 672,608	- - - - -	1.997.552 37,536,790 (38,264.097) 1.097,679 2.367,924
Provision held against advances Other Assets Interest / mark-up accrued Receivable from staff retirement fund Prepayment / rent receivable Advance against shares Others	1,820 - - - -	52.135 - - -	3,400 - -	1.045.459 66.424 140.000	944	54,009	- - - 975 - 337	30,381 153,707 -
Borrowings Opening balance Borrowings during the period / year Settled during the period / year Closing balance	· ·		- - - -	2,180,207 845,000 (54,242) 2,970,965			- - -	2,280,921 21,218,496 (21,319,210) 2,180,207

Deposits and other accounts Opening balance Received during the period / year Withdrawn during the period / year Transfer in / (out) - net Closing balance

Other Liabilities Interest / mark-up payable Dividend Payable Payable to defined benefit plan Others

Contingencies and Commitments Other contingencies

Income Mark-up / return / interest earned Fee and commission income Dividend income Gain / (loss) on sale of securities Other income
Expenses
Mark-up / return / interest paid
Operating expenses
Directors fee
Managerial remuneration
Software maintenance
Travelling and accommodation
Communication cost
Brokerage and commission
Charge for defined benefit plan
Contribution to defined contribution plan
Others
Other Information
Dividend paid

Insurance premium paid Insurance claims settled

Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties	
	As at June 30, 2023 (Un-audited)			As at December 31, 2022 (Audited)				
(Rupees in '000)					(Rupees	in '000)		
38,466 488,692 (418,360)	184.994 1,994,870 (1,777,395)	3,078,698 293,206,428 (274,447,071)	12,308,779 123,119,335 (122,659,148)	59.026 517,842 (538,402)	371.859 4,736.925 (4,728,481)	13,465,085 255,922,837 (266,309,224)	6.410.266 92.145,150 (87.581.596)	
108,798	(10,008)	21,838.055	12,768,966	38.466	(195.309) 184.994	3.078.698	1,334,959 12,308,779	
498 1 866,416 - -	6,411 - - -	60.952 - -	105.462 2.709.395 79.794 74.771	253 1,146,264 - -	158 39 -	-	13,231 2,201,513 - 70,267	
		<u></u>	766,269				463,191	

For the pe	For the period ended June 30, 2023 (Un-audited)				For the period ended June 30, 2022 (Un-audited)			
	·(Rupees in	(000)			(Rupees in 1	000)		
858	10,704	-	104,100	156	16.026	-	91,203	
	•	78,854	-	-	-	45,589	-	
-		155,995	113.746	-	-	74,995	320.729	
-	1	-	(2.094)	-	4	-	3,201	
-	36	21,842	•	-	9	24,211	-	
5.035	13.236	369.287	1.001.086	728	10.042	273.613	387.204	
74.857	-	-	-	103.277	-	-	-	
214,831	801.804	-		163,895	606.790	-	-	
-	-	-	89.980	-	•	-	59,304	
-	-	-	-	-		-	1,695	
-	-	-	114,239	-	-	-	23.988	
•	-	-	-	-	34	-		
	-	-	233,501		-	-	134,408	
-	-	=	361,194	-	-	-	286,257	
-	-	-	2,816	-	*	-	10,488	
156,250	5,019	5,903	227,219	2.049	4.773	690	107,362	
130,230	-	1,020,603	221,213	2,049	4,113	678,111	107,302	
•		319,671	-	-		292,007	-	

	June 30, 2023	December 31, 2022
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Rupees i	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	15,771.651	15,771,651
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	91.853.403	84,234,454
Eligible Additional Tier 1 (ADT 1) Capital	13,570,305	13,568,130
Total Eligible Tier 1 Capital	105,423.708	97,802,584
Eligible Tier 2 Capital	24,536,412	23,442,613
Total Eligible Capital (Tier 1 + Tier 2)	129,960,120	121,245,197
Risk Weighted Assets (RWAs):		
Credit risk	750,273,634	755.004.734
Market risk	14,790,838	8,815,338
Operational risk	121,895,800	121,895,800
Total	886,960,272	885.715.872
Common Equity Tier 1 Capital Adequacy ratio	10.36%	9.51%
Tier 1 Capital Adequacy Ratio	11.89%	11.04%
Total Capital Adequacy Ratio	14.65%	13.69%
In line with Basel III Capital Adequacy guidelines, following capital requirements are application. Common Equity Tier 1 Capital Adequacy ratio	able to the Holding (Company: 6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%
For Capital adequacy calculation, the Holding Company has adopted Standardized App exposures and Alternate Standardized Approach (ASA) for operational risk.	roach for Credit & M	larket Risk related
Leverage Ratio (LR):	105 100 700	00 001 401
Eligible Tier-1 Capital	105,423,708	98,201,491
Total exposures	2,785,363,092	2,710,331,582
Leverage ratio	3.78%	3.62%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	946,242,028	688.048.074
Total Net Cash Outflow	445,906,567	371.947.384
Liquidity coverage ratio	212%	185%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,448,192.750	1,275,978,211
Total Required Stable Funding Total Required Stable Funding	953,983,255	849,343,576
Net Stable Funding Ratio	152%	150%

39

(Un-audited)

(Audited)

40 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two-branch presence in Afghanistan. The board and management of the Holding Company continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The Holding Company has taken impairment against assets where there is an indication that carrying amount may be higher than its recoverable amount. The Holding Company remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

41 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on August 10, 2023 has declared an interim cash dividend of 30% i.e. Rs. 3.0 per share (June 30, 2022; Rs. 2.5 per share). These consolidated condensed interim financial statements do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on August 10, 2023 by the Board of Directors of the Holding Company.

43 GENERAL

- 43.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements, wherever necessary to facilitate comparison.
- 43.2 The effect of reclassification, rearrangement, restatement in the comparative information presented in these consolidated condensed interim financial statements is as follows:

Description of item	Nature	(Rupees in '000)	From	То
Net interest on Interest Rate Swap	Income	205.856	Mark-Up/Return/Interest Expensed - Borrowings	Mark-Up/Return/Interest Earned - Investments
Sukuk	Asset	222,000	Available for sale securities Investment - Term Finance Certificates	Available for sale securities Investment - Sukuk