

NATIONAL BANK OF PAKISTAN

THE BANK YOU  
TRUST

QUARTERLY REPORT  
MARCH 2023

شاہد باہو  
پاکستان کے سب سے زیادہ  
مستند بینکر

# CORPORATE INFORMATION

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## Board of Directors

Chairman	Mr. Ashraf Mahmood Wathra
Directors	Mr. Farid Malik, CFA Mr. Ahsan Ali Chughtai Mr. Ali Syed Mr. Amjad Mahmood Mr. Nasim Ahmad
President & CEO (A)	Mr. Rehmat Ali Hasnie

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## Audit Committee

Chairman	Mr. Ahsan Ali Chughtai Mr. Ali Syed Mr. Amjad Mahmood Mr. Nasim Ahmad
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## Chief Financial Officer

Mr. Abdul Wahid Sethi

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## Company Secretary

Syed Muhammad Ali Zamin

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## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

BDO Ebrahim & Co  
Chartered Accountants

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## Legal Advisors

Mandviwalla & Zafar  
Advocates & Legal Consultants

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## Registered & Head Office

NBP Building  
I.I. Chundrigar Road, Karachi, Pakistan.  
Phone: 92-21-99220100 (30 lines),  
92-21-99062000 (60 lines)  
NBP Call Center: 111-627-627

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## Registrar & Share Registration Office

CDC Share Registrar Services Limited  
CDC House, 99-B, Block-B,  
S.M.C.H.S., Main Shara-e-Faisal  
Karachi-74400, Pakistan.  
111-111-500

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## Website

[www.nbp.com.pk](http://www.nbp.com.pk)

**Unconsolidated Condensed Interim Financial Statements (Un-audited)  
For the three months period ended March 31, 2023**

## Directors' Report to the Shareholders Standalone Financial Statements

### Dear Shareholders,

The Board of Directors are pleased to present the un-audited condensed interim standalone financial statements of the Bank for the three months period ended March 31, 2023.

### Economic Environment

As the global economy continues to face slowing growth, high inflationary pressures and geo-political tensions, the central banks are responding through tightening monetary stance. The recent strains in the global banking system added to the difficulties of the emerging market economies like Pakistan. The Pakistan's economy also continues to face challenges macro imbalances e.g. reducing forex reserves, broad-based high inflation and twin deficit. Although inflation levels remain high, there are early indications of inflation expectations plateauing. While overall balance of payments position continues to remain under stress, the current account deficit has narrowed, more than previously anticipated, mainly on the back of sizable import containment. Visible progress has been made towards completion of the 9th review under the IMF's EFF program and the workers' remittances have also slightly recovered during last couple of months and the central bank expects the momentum to continue. Positively, fiscal deficit during Jul-Jan FY23 was contained to 2.3 percent of GDP compared to 2.8 percent in the same period last year, while the primary balance posted a surplus of 1.1 percent of GDP against a deficit of 0.3 percent last year. This improvement in the primary balance was achieved on the back of lower subsidies, grants and development spending. The Government is taking effective policy measures to address domestic and external imbalances. Key priorities include strengthening the fiscal position, continuing social protection to the poor by shifting from general to targeted subsidies (especially in terms of fuel/energy pricing).

Pakistan's banking sector has performed well and remained resilient. Spreads have improved on the back of increasing average policy rate, albeit some concerns on asset quality and credit aggravation. Considering the industry feedback, the State Bank of Pakistan has deferred implementation of IFRS 9 and financial reporting formats till January 01, 2024.

## Financial Performance – Q1'2023

### Financial Performance for the 3M period ended March 31, 2023

Amidst the continued challenging economic environment, your Bank has delivered strong financial performance for the three months period ended March 31, 2023. These results depict the resilience of the Bank's business model, effectiveness of the management's strategies and the efforts of our staff.

#### ▪ Profitability (PKR 'Bn)

No.	Key Items	Mar'23	Mar'22	Better / (Worse)	
				Amount	%
1	NII	32.5	25.8	6.7	26.1%▲
2	NFI	7.5	8.1	(0.6)	(7.3%)▼
<b>3</b>	<b>Total income</b>	<b>40.0</b>	<b>33.9</b>	<b>6.1</b>	<b>18.1%▲</b>
4	Admin Exp.	21.2	16.8	(4.4)	26.3%▲
5	Pre-Prov. Profit	18.9	17.1	1.7	10.1%▲
6	Provision Charge	0.7	1.1	0.4	36.0%▼
<b>7</b>	<b>Pre-tax profit</b>	<b>18.2</b>	<b>16.1</b>	<b>2.1</b>	<b>13.2%▲</b>
8	Tax	7.5	6.2	(1.3)	20.3%▲
<b>9</b>	<b>After-tax profit</b>	<b>10.7</b>	<b>9.8</b>	<b>0.9</b>	<b>8.7%▲</b>
10	EPS (Rs.)	5.02	4.62	0.4	8.7%▲

For the three months period under review, your Bank generated a Gross Interest Income 'GII' of PKR 192.4 Bn as against PKR 79.2 Bn for the similar three months period of 2022. The PKR 113.2 Bn increase in GII is achieved through a robust volumetric growth in average interests earning assets coupled with the impact of higher average policy rate during this period that stood at 17.7% as compared to 9.75% during the same period last year.

During Q1'23, the Bank's investments portfolio averaged PKR 3,519.2 Bn (Mar'22:PKR 1,984.6 Bn) and generated mark-up/interest income of PKR 146.2 Bn being PKR 95.8 Bn or 190.2% up against PKR 50.4 Bn for the corresponding Mar'22. This translates into average yield at 16.85% (Mar'22:10.29%). In the higher policy rate environment, the maturity profile of the Bank's investment book is skewed towards the shorter duration securities under available-for-sale category. Similarly, placements, that averaged PKR 66.2 Bn (Mar'22:PKR 110.6 Bn) generated a mark-up income of PKR 2.7 Bn (Mar'22: PKR 2.7 Bn) at a higher yield of 16.6% as compared to 9.77% for Mar'22.

For the three-months period, the Bank's loan book averaged PKR 1,411.4 Bn and generated a mark-up income of PKR 43.5 Bn i.e. PKR 17.3 Bn or 66.2% higher than PKR 26.2 Bn for the similar period last year. This significant growth was achieved through both, a volumetric growth, as well as the favourable YoY rate variance. Pertinent to mention this high performance was achieved despite the fact that the Bank carries a significant proportion of lower yielding or non-performing public-sector loans.

Likewise, on the back of higher average policy rate, the Bank's cost of funds for Mar'23 recorded a significant YoY increase and amounted to PKR 159.9 Bn as against PKR 53.4 Bn for corresponding period of 2022. The PKR 106.5 Bn or 199.3% YoY increase is mainly recorded in cost of Deposits that amounted to PKR 69.7 Bn (Mar22:PKR 36.3 Bn) and the borrowings/repo costs by PKR 73.8 Bn to close at PKR 88.6 Bn.

Consequently, the Net Interest Income 'NII' for the period under review closed at PKR 32.5 Bn, depicting a 26.1% increase against PKR 25.8 Bn of Mar'22.

#### ▪ Non-Fund Income

Non-Fund Income 'NFI' for the Mar'23 recorded a slight decrease to close at PKR 7.5 Bn which is PKR 0.6 Bn or 7.3% lower than PKR 8.1 Bn of Mar'22. This was mainly due to drop in the FX income. While fee & commission income recorded a 3.0% decrease YoY to close at PKR 4.5 Bn (Mar'22:PKR 4.7Bn), the FX income closed lower by 49.8% to close at PKR 1.1 Bn as against PKR 2.1 Bn for Mar'22 as the forex market remained more stabilised during the period under review. The Bank's equity investment portfolio yielded dividend income of PKR 1.0 Bn, which is PKR 0.12 Bn or 13.1% higher YoY. Whereas, capital gains increased significantly by PKR 0.26 Bn or 264.1% to close at PKR 0.36 Bn (Mar'22:PKR 0.1 Bn). Going forward, the NFI is expected to rebound as the stock market is expected to show stability.

#### ▪ Operating Expenses

Operating expenses of the Bank for the period under review amounted to PKR 21.2 Bn which is 26.3% higher YoY as compared to PKR 16.8 Bn of SPLY. HR cost that constitutes around 67.7% of the total operating expenses, amounted to PKR 14.3 Bn against PKR 11.6 Bn in Mar'22. This increase reflects the impact of annual pay increase, charge for defined benefit plans and other HR related provisions. While property related expenses amounted to PKR 2.4 Bn (Mar'22:PKR 2.0 Bn), IT related expenses stood at PKR 1.2 Bn (Mar'22: PKR 0.6 Bn). The Bank is currently investing significantly to improve & strengthen its core banking applications and related IT infrastructure. Other operating expenses amounted to PKR 3.2 Bn depicting a 26.1% increase YoY responding to the general inflationary hike in costs. Overall, operating costs translate into a cost-to-income ratio at 52.9% which is in line with the inflationary pressures and industry norms.

#### ▪ Provision Charge

For the three months period under review, provision charge amounted to PKR 0.68 Bn i.e. significantly lower by 36.0% or PKR 0.38 Bn as compared to PKR 1.1 Bn for the corresponding three months period of 2022. Key contributor towards this drop were the loans & advances that recorded a net reversal of PKR 68.4 Mn as against a charge of PKR 1.0 Bn for the corresponding 3M period of 2022. However, provision against diminution in value of investments recorded a YoY increase of PKR 710.0 Mn and amounted to PKR 724.5 Mn as against PKR 14.5 Mn in the comparative period. Specific and General provisions held against NPLs stood at PKR 204.5 Bn (Dec'22:PKR 190.7 Bn) and PKR 16.9 Bn (Dec'22:PKR 17.3 Bn), respectively. Thus, provision coverage at March 31, 2023 stood at 81.2%. However, excluding certain NPL that is secured through a sovereign guarantee issued by the Government of Pakistan, the NPL coverage stands at 93%.

### ■ Taxation & After-tax Profit

Taxation charge for the period amounted to PKR 7.5 Bn as against PKR 6.2 Bn for Mar'22. Consequently, profit after-tax for the three months period ended March 31, 2023 stood at PKR 10.7 Bn i.e. PKR 0.85 Bn or 8.7% higher than PKR 9.8 Bn for Mar'22. This translates into Earnings per Share of Rs. 5.02 as compared to Rs. 4.62 for Mar'22.

### ■ Appropriation of Profit

Profit for the three months period ended March 31, 2023 after carry forward of accumulated profit of 2022 is appropriated as follows:

	(PKR 'Mn)
Profit after tax for the Quarter ended March 31, 2023	10,688.8
Unappropriated profit brought forward	172,511.7
Other comprehensive income - net of tax	(288.0)
Transfer from surplus on revaluation of fixed assets-net of tax	50.7
	<hr/>
Profit available for appropriation	182,963.2
	<hr/>
<b>Appropriation:</b>	
Transfer to Statutory Reserve	(1,068.9)
	<hr/>
<b>Unappropriated profit carried forward</b>	<b>181,894.3</b>
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## Financial Position as at March 31, 2023

At March 31, 2023, total assets of the Bank amounted to PKR 6,055.6 Bn, depicting a 15.6% increase against PKR 5,240.4 Bn levels of December 31, 2022.

### ■ Loans and Advances

Gross loans & advances of the Bank amounted to PKR 1,452.9 Bn depicting a slight increase of 1.0% or PKR 14.4 Bn against PKR 1,438.6 Bn at end of the year 2022. Whereas, net advances stood at PKR 1,231.5 Bn i.e. similar to PKR 1,230.5 Bn level at the end of 2022. In the prevailing high interest rate scenario, the Bank is pursuing a prudent loan growth for better credit risk management.

### ■ Investments

Pursuant to an effective risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted GoP instruments, high dividend yielding equities and other interest-bearing financial instruments. As at March 31, 2023, the Bank's investments (at cost) amounted to PKR 3,799.7 Bn (2022:PKR 3,509.0 Bn) with a carrying value of PKR 3,741.4 Bn (2022:PKR 3,477.4 Bn). During the three months under review, PKR 290.7 Bn or 8.3% increase in the investments (at cost) mostly came in the available-for-sale securities that stood at PKR 3,158.5 Bn (2022:PKR 2,956.9 Bn) as of Mar'31, 2023. Given the limited quality loan growth demand, and a steady growth in customer deposits, excess liquidity with the Bank is mostly placed in shorter-term GoP securities to capitalize on price volatility in the currently hiking policy rate environment.

### ■ Deposits & Funding

At March 31, 2023, total deposits with the Bank amounted to PKR 2,976.2 Bn as compared to PKR 2,666.2 Bn of December 31, 2022. Major share of the Bank's funding comes from customer sticky deposits that contribute PKR 2,706.5 Bn or 90.9% of the total deposits. Non-remunerative current deposits increased by 19.0% during the 3M period under review to close at PKR 675.7 Bn making 25.0% of the total customer deposits; whereas remunerative but low cost current accounts deposits were reduced by 12.8% to close at PKR 639.4 Bn, making 23.6% of the customer deposits.

With current deposits at PKR 1,543.7 Bn or 51.9% of the total deposits at March 31, 2023, the Bank maintains a strong liquidity profile. In addition, the CASA ratio stood high at 79.4%. Liquidity Coverage Ratio and Net Stable Funding Ratio remained over the regulatory requirements as the same stood at 166% (Dec'22:147%) and 273% (Dec'22:251%), respectively vis-à-vis regulatory requirement of 100% for each.

### ■ Capital Strength and Adequacy

Net Assets amount to PKR 304.95 Bn i.e.1.4% higher than PKR 300.8 Bn at the end of 2022. These translate into a break-up value of PKR 143.3 per share (YE'22: PKR 141.4). During 3M'23, the Bank's Eligible Tier 1 capital decreased

by PKR 3.1 Bn or 1.3% to PKR 228.1 Bn from PKR 231.2 Bn at YE'22. Likewise, Eligible Tier 2 capital also decreased by PKR 5.5 Bn or 7.4% to close at PKR 69.5 Bn. Tier 2 capital mainly decreased corresponding to the decrease in Tier-1 capital. As the Bank is following a risk-prudent asset growth strategy, total RWAs increased by PKR 65.4 Bn or 4.6% from PKR 1,418.5 Bn at YE'22 to PKR 1,483.9.4 Bn at March 31, 2023.

Consequently, the Total Capital Adequacy Ratio (CAR) stood at 20.06% with Tier-1 capital adequacy ratio at 15.37%; as compared to 21.59% and 16.30%, respectively, at YE'22. At March'31, 2023, the Bank's leverage ratio stood at 2.80% which has been relaxed up to 2.5% by the central bank till March 31, 2024. Other financial soundness ratios are well compliant with applicable regulatory requirements.

### Changes in the Board of Directors during the period under review

Subsequent to the year ended December 31, 2022, the Federal Government vide Notification No. F.1 (11) Bkg-III/2017-90 dated January 18, 2023, has appointed Mr. Ashraf Mahmood Wathra as Chairman of the Board, Mr. Amjad Mahmood as Non-Executive Director, Mr. Ali Syed and Mr. Nasim Ahmad as Independent Directors of the Board with immediate effect.

### Contingency Regarding the Pension Case

Status of the case is the same as explained in note 25.3.4.1 to the audited unconsolidated financial statements for the year ended December 31, 2022. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements, as the Bank is confident about a favorable outcome on the matter.

### Credit Ratings

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

### Outlook

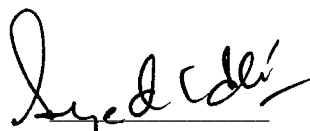
Going forward, the economic outlook will be shaped largely by the restoration of political stability and the continued implementation of reforms under the revived International Monetary Fund program to stabilize the economy and restore fiscal and external buffers. Despite the prevailing challenges, your Bank will continue to play its role towards supporting economic momentum in the country, while also maintaining a strong & resilient balance sheet to create long-term value for its stakeholders. Our strategic focus on investing into IT Systems & Infrastructure is aimed at creating synergies in business processes, rationalising operating costs and achieving higher efficiency. In the near future, the Bank's business strategy will remain focused on financing and supporting underserved sectors including SME, Microfinance, Agriculture Finance as well as Islamic financing on a priority basis.

### Acknowledgement & Appreciation

We appreciate the continued efforts & dedication of our employees towards provision of service to the Nation and delivering commendable financial results. We would also like to acknowledge the support of the Government of Pakistan, the State Bank of Pakistan, the SECP and other regulatory bodies for enabling the Bank to achieve its potential and contribute towards the socio-economic development in the country.

For and on behalf of the Board of Directors

  
Behmat Ali Hasnie  
President & CEO (A)

  
Director


Karachi


**Dated:** April 27, 2023

**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	<b>254,592,196</b>	229,910,949
Balances with other banks	7	<b>34,429,118</b>	18,593,800
Lendings to financial institutions	8	<b>479,050,253</b>	31,272,467
Investments	9	<b>3,741,390,058</b>	3,477,353,874
Advances	10	<b>1,231,516,556</b>	1,230,521,804
Fixed assets	11	<b>57,311,641</b>	57,105,842
Intangible assets	12	<b>1,426,220</b>	1,388,947
Right of use assets	13	<b>6,783,862</b>	6,708,404
Deferred tax asset	14	<b>34,471,201</b>	22,299,403
Other assets	15	<b>214,654,857</b>	165,269,056
		<b>6,055,625,962</b>	5,240,424,546
<b>LIABILITIES</b>			
Bills payable	16	<b>7,906,901</b>	55,268,019
Borrowings	17	<b>2,503,004,236</b>	1,940,485,787
Deposits and other accounts	18	<b>2,976,228,368</b>	2,666,184,360
Lease liability against right of use assets	19	<b>9,059,413</b>	8,267,949
Other liabilities	20	<b>254,477,573</b>	269,370,672
		<b>5,750,676,491</b>	4,939,576,787
<b>NET ASSETS</b>			
		<b>304,949,471</b>	300,847,759
<b>REPRESENTED BY</b>			
Share capital		<b>21,275,131</b>	21,275,131
Reserves		<b>74,168,980</b>	64,144,050
Surplus on revaluation of assets	21	<b>27,611,057</b>	42,916,902
Unappropriated profit		<b>181,894,303</b>	172,511,676
		<b>304,949,471</b>	300,847,759
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

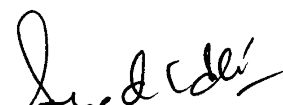
The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 President / CEO (A)

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director


  
 \_\_\_\_\_  
 Director

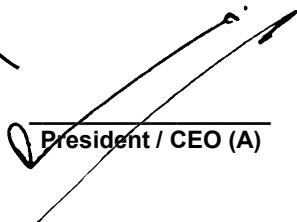


**NATIONAL BANK OF PAKISTAN  
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	Note	Quarter ended	
		March 31, 2023	March 31, 2022
----- (Rupees in '000) -----			
Mark-up / return / interest earned	23	<b>192,391,767</b>	79,203,607
Mark-up / return / interest expensed	24	<b>159,868,773</b>	53,412,315
Net mark-up / return / interest income		<b>32,522,994</b>	25,791,292
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	25	<b>4,522,645</b>	4,664,399
Dividend income		<b>998,791</b>	883,242
Foreign exchange income		<b>1,050,667</b>	2,094,921
Gain on securities - net	26	<b>364,631</b>	100,146
Other income	27	<b>562,882</b>	350,362
Total non-mark-up / interest income		<b>7,499,616</b>	8,093,070
Total income		<b>40,022,610</b>	33,884,362
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	28	<b>21,145,782</b>	16,732,836
Other charges	29	<b>15,699</b>	21,678
Total non-markup / interest expenses		<b>21,161,481</b>	16,754,514
Profit before provisions		<b>18,861,129</b>	17,129,848
Provisions and write offs - net	30	<b>684,359</b>	1,069,006
<b>PROFIT BEFORE TAXATION</b>		<b>18,176,770</b>	16,060,842
Taxation	31	<b>7,487,991</b>	6,223,398
<b>PROFIT AFTER TAXATION</b>		<b>10,688,779</b>	9,837,444
----- (Rupees) -----			
<b>Earnings per share - basic and diluted</b>	32	<b>5.02</b>	4.62

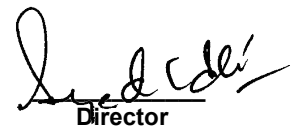
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Chairman

  
President / CEO (A)

  
Chief Financial Officer


  
Director

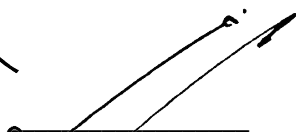
  
Director


**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	Quarter ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
Profit after taxation for the period	10,688,779	9,837,444
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Exchange gain / (loss) on translation of net assets of foreign branches	8,956,052	1,309,506
Movement in surplus on revaluation of investments - net of tax	(15,255,120)	1,488,416
	(6,299,068)	2,797,922
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(288,000)	(488,035)
Movement in surplus on revaluation of fixed assets - net of tax	-	-
	(288,000)	(488,035)
<b>Total comprehensive (loss) / income</b>	<b>4,101,711</b>	<b>12,147,331</b>

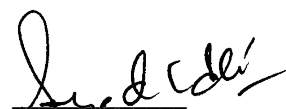
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 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 President / CEO (A)

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director


  
 \_\_\_\_\_  
 Director

**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

Share capital	Reserves						Surplus on revaluation of assets			Unappropriated profit	Total	
	Exchange translation	Statutory reserve	Merger reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / non-banking assets	Total			
(Rupees in '000)												
<b>Balance as at January 01, 2022</b>	21,275,131	12,577,854	38,928,501	343,802	8,000,000	521,338	60,371,495	19,888,217	44,593,905	64,482,122	140,073,817	286,202,565
Profit after taxation for the three months period ended March 31, 2022	-	-	-	-	-	-	-	-	-	-	9,837,444	9,837,444
Other comprehensive (loss) / income - net of tax	-	1,309,506	-	-	-	-	1,309,506	1,488,416	-	1,488,416	(488,035)	2,309,887
Transfer to statutory reserve	-	-	983,744	-	-	-	983,744	-	-	-	(983,744)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(49,615)	(49,615)	49,615	-
Transfer to unappropriated profit	-	-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	8,000,000	-
<b>Transactions with owners, recorded directly in equity</b>												
Cash dividend paid for the year ended December 31, 2021 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at April 1, 2022</b>	<b>21,275,131</b>	<b>13,887,360</b>	<b>39,912,245</b>	<b>343,802</b>	<b>-</b>	<b>521,338</b>	<b>54,664,745</b>	<b>21,376,633</b>	<b>44,544,290</b>	<b>65,920,923</b>	<b>156,489,097</b>	<b>298,349,896</b>
Profit after taxation for the nine months period ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	20,572,856	20,572,856
Other comprehensive income - net of tax	-	7,402,215	-	-	-	-	7,402,215	(25,630,315)	2,774,363	(22,855,952)	(2,641,060)	(18,094,797)
Transfer to statutory reserve	-	-	2,057,286	-	-	-	2,057,286	-	-	-	(2,057,286)	-
Transfer from loss loan reserve to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(148,069)	(148,069)	148,069	-
Transfer to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of Merger Reserve	-	-	-	19,804	-	-	19,804	-	-	-	-	19,804
<b>Balance as at January 01, 2023</b>	<b>21,275,131</b>	<b>21,289,575</b>	<b>41,969,531</b>	<b>363,606</b>	<b>-</b>	<b>521,338</b>	<b>64,144,050</b>	<b>(4,253,682)</b>	<b>47,170,584</b>	<b>42,916,902</b>	<b>172,511,676</b>	<b>300,847,759</b>
Profit after taxation For Quarter ended March 31, 2023	-	-	-	-	-	-	-	-	-	-	10,688,779	10,688,779
Other comprehensive income / (loss) - net of tax	-	8,956,052	-	-	-	-	8,956,052	(15,255,120)	-	(15,255,120)	(288,000)	(6,587,068)
Transfer to statutory reserve	-	-	1,068,878	-	-	-	1,068,878	-	-	-	(1,068,878)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(50,726)	(50,726)	50,726	-
Transfer to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>												
Cash dividend paid for the year ended December 31, 2022 (Rs. Nil per Share)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>21,275,131</b>	<b>30,245,627</b>	<b>43,038,409</b>	<b>363,606</b>	<b>-</b>	<b>521,338</b>	<b>74,168,980</b>	<b>(19,508,802)</b>	<b>47,119,858</b>	<b>27,611,057</b>	<b>181,894,303</b>	<b>304,949,471</b>

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

  
Chairman

  
President / CEO (A)

  
Chief Financial Officer


  
Director


  
Director


**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	March 31, 2023	March 31, 2022
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,176,770	16,060,842
Less: dividend income	<u>(998,791)</u>	<u>(883,242)</u>
	17,177,979	15,177,600
Adjustments:		
Depreciation on fixed assets	612,193	628,560
Depreciation on right of use assets	511,620	515,631
Amortisation	105,523	67,213
Provision and write-offs - net	684,359	1,069,006
Gain on sale of fixed assets	(286)	(6)
Financial charges on leased assets	22,896	13,529
Financial charges on right-of-use-assets	311,622	203,786
Unrealized gain on revaluation of investments classified as held-for-trading	225,892	245,037
Charge for defined benefit plans - net	<u>3,250,637</u>	<u>2,262,039</u>
	5,724,456	5,004,795
	<u>22,902,435</u>	<u>20,182,395</u>
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	<u>(447,777,786)</u>	194,333,725
Held-for-trading securities	51,693,253	19,553,676
Advances	<u>(14,393,808)</u>	(77,618,231)
Other assets (excluding advance taxation)	<u>(47,430,077)</u>	(12,207,289)
	<u>(457,908,417)</u>	124,061,882
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	<u>(47,361,118)</u>	(2,813,389)
Borrowings from financial institutions	565,791,391	292,888,785
Deposits	310,044,008	(384,609,191)
Other liabilities (excluding current taxation)	<u>(9,851,193)</u>	(27,000,705)
	818,623,088	(121,534,500)
Financial charges paid	<u>(334,518)</u>	(217,315)
Income tax paid	<u>(5,800,000)</u>	(1,700,000)
Benefits paid	<u>(866,916)</u>	(655,580)
<b>Net cash flows generated from operating activities</b>	<u>376,615,672</u>	<u>20,136,882</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	<u>(201,545,684)</u>	145,885,132
Net investments in held-to-maturity securities	<u>(140,013,764)</u>	(222,425,845)
Dividends received	998,791	1,605,063
Investments in fixed assets	<u>(532,378)</u>	(496,611)
Proceeds from sale of fixed assets	3,230	8,065
Effect of translation of net investment in foreign branches	<u>8,956,052</u>	1,309,506
<b>Net cash flows used in investing activities</b>	<u>(332,133,753)</u>	<u>(74,114,690)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations	<u>(692,175)</u>	(558,646)
Dividend paid	<u>(237)</u>	-
<b>Net cash flows used in financing activities</b>	<u>(692,412)</u>	<u>(558,646)</u>
<b>(Decrease) / increase in cash and cash equivalents</b>	<u>43,789,507</u>	<u>(54,536,454)</u>
Cash and cash equivalents at beginning of the period	<u>222,704,327</u>	<u>271,386,360</u>
Cash and cash equivalents at end of the period	<u>266,493,834</u>	<u>216,849,906</u>

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

  
Chairman

  
President / CEO (A)

  
Chief Financial Officer

  
Director

  
Director

**NATIONAL BANK OF PAKISTAN**  
**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**1. STATUS AND NATURE OF BUSINESS**

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,512 (December 31, 2022: 1,512 ) branches in Pakistan and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

**2. BASIS OF PRESENTATION**

**2.1 STATEMENT OF COMPLIANCE**

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

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

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

**2.1.2** The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

**2.1.3** The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

**2.1.4** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5, dated March 22, 2019 and IAS 34. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2022.

**2.1.5** These unconsolidated condensed interim financial statements are the separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted for presentation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2022.

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

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered not to be relevant or do not have any significant impact on these unconsolidated condensed interim financial statements.

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the unconsolidated condensed interim financial statements. or are not expected to have significant impact on the unconsolidated condensed interim financial statements other than certain additional disclosures:

	<b>Effective from accounting period beginning on or after</b>
Amendments to IFRS 16 - Leases on sale and leaseback	January 1, 2024
Amendments to IAS 1 - Non current liabilities with covenants	January 1, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

##### **3.1.3 As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.**

### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2022.

### **5. FINANCIAL RISK MANAGEMENT**

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

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		50,493,645	52,704,335
Foreign currencies		<u>9,086,792</u>	<u>7,192,805</u>
		59,580,437	59,897,140
With State Bank of Pakistan in			
Local currency current accounts	6.1	<b>106,590,761</b>	106,909,308
Foreign currency current accounts	6.2	<b>18,139,011</b>	15,661,453
Foreign currency deposit accounts	6.2	<b>36,287,297</b>	15,623,732
Foreign currency collection accounts		<b>5,891,821</b>	1,135,059
		<b>166,908,890</b>	139,329,552
With other central banks in			
Foreign currency current accounts	6.3	<b>21,098,828</b>	26,631,693
Foreign currency deposit accounts	6.3	<b>6,632,052</b>	3,725,602
		<b>27,730,880</b>	30,357,295
Prize bonds		<b>371,989</b>	326,962
		<b>254,592,196</b>	229,910,949

**6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

**6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

**6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5% per annum (December 31, 2022: 0% to 4.5% per annum).

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In deposit accounts	7.1	14,041	13,766
Outside Pakistan			
In current accounts		<b>28,628,921</b>	12,391,006
In deposit accounts	7.2	<b>5,786,156</b>	6,189,028
		<b>34,415,077</b>	18,580,034
		<b>34,429,118</b>	18,593,800

- 7.1** These include various deposits with banks and carry interest at the rates ranging from 6.7% to 9.9% per annum (December 31, 2022: 3.5% to 9.5% per annum).
- 7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 1.75 % to 4.4% per annum (December 31, 2022: 0% to 4% per annum).

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	8.1	9,723	9,723
Repurchase agreement lendings (reverse repo)	8.2	479,040,530	31,262,744
Letters of placement	8.3	174,150	174,150
	8.4	<u>479,224,403</u>	<u>31,446,617</u>
Less: provision held against lendings to financial institutions	8.5	<u>(174,150)</u>	<u>(174,150)</u>
Lendings to financial institutions - net of provision		<u><u>479,050,253</u></u>	<u><u>31,272,467</u></u>

- 8.1** This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.
- 8.2** These carry mark-up at rates ranging from 19% to 20.5% per annum (December 31, 2022: 16.0% to 16.5% per annum) with maturities ranging from April 3, 2023 to April 4, 2023.
- 8.3** These are overdue placements and full provision has been made against these placements as at March 31, 2023



	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>8.4 Particulars of lending</b>		
In local currency	479,224,403	31,446,617
In foreign currencies	-	-
	<u>479,224,403</u>	<u>31,446,617</u>

**8.5 Movement in provision held against lendings is as follows:**

Opening balance	174,150	174,150
Reversal for the period	-	-
Closing balance	<u>174,150</u>	<u>174,150</u>

**8.6 Securities held as collateral against lendings to financial institutions**

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	14,919,030	-	14,919,030	18,699,589	-	18,699,589
Pakistan Investment Bonds	464,121,500	-	464,121,500	12,563,155	-	12,563,155
<b>Total</b>	<u>479,040,530</u>	-	<u>479,040,530</u>	31,262,744	-	<u>31,262,744</u>

**8.6.1** Market value of the securities under repurchase agreement lendings amounts to Rs. 479,041 million (December 31, 2022: Rs.31,263 million).

**8.7 Category of classification**

	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Loss	<u>174,150</u>	<u>174,150</u>	174,150	174,150

## 9. INVESTMENTS

### 9.1 Investments by type:

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
<b>Held-for-trading securities</b>								
Market Treasury Bills	9,475,347	-	(7,979)	9,467,368	22,269,343	-	(2,665)	22,266,678
Pakistan Investment Bonds	23,785,111	-	(209,194)	23,575,917	61,942,656	-	(1,031,197)	60,911,459
Ordinary shares of listed companies	511,905	-	(8,719)	503,188	424,708	-	(20,939)	403,769
	<b>33,772,363</b>	<b>-</b>	<b>(225,892)</b>	<b>33,546,473</b>	<b>84,636,707</b>	<b>-</b>	<b>(1,054,801)</b>	<b>83,581,906</b>
<b>Available-for-sale securities</b>								
Pakistan Investment Bonds	2,556,339,683		(51,027,395)	2,505,312,288	1,972,276,787	-	(27,509,276)	1,944,767,511
Market Treasury Bills	435,928,381		(3,713,701)	432,214,680	828,851,708	-	(2,354,400)	826,497,308
Ijarah Sukuks	20,519,415		(674,287)	19,845,128	20,518,238	-	(339,589)	20,178,649
Ordinary shares of listed companies	44,910,247	(11,012,552)	3,143,569	37,041,264	41,601,347	(10,159,936)	4,813,864	36,255,275
Ordinary shares of unlisted companies	1,882,198	(427,951)	-	1,454,247	1,882,198	(427,951)	-	1,454,247
Preference shares	2,006,756	(845,730)	168,582	1,329,608	2,006,756	(845,730)	209,451	1,370,477
Investments in mutual funds	2,219,646	(41,167)	915,607	3,094,086	2,219,646	(41,167)	941,952	3,120,431
Ordinary shares of a bank outside Pakistan	463,295		41,228,294	41,691,589	463,294	-	34,380,951	34,844,245
Term Finance Certificates / Musharika								
Participation Term Certificate and Sukuk Bonds	51,463,284	(5,928,396)	678,172	46,213,060	52,125,171	(5,990,161)	1,047,326	47,182,336
GoP Foreign Currency Bonds	41,441,434		(24,913,080)	16,528,354	33,045,353	-	(18,622,514)	14,422,839
Foreign Government Securities	1,276,155		(31,728)	1,244,427	1,914,312	-	(30,359)	1,883,953
	<b>3,158,450,494</b>	<b>(18,255,796)</b>	<b>(34,225,965)</b>	<b>3,105,968,731</b>	<b>2,956,904,810</b>	<b>(17,464,945)</b>	<b>(7,462,594)</b>	<b>2,931,977,271</b>
<b>Held-to-maturity securities</b>								
Pakistan Investment Bonds	376,217,458	-	-	376,217,458	375,236,903	-	-	375,236,903
Market Treasury Bills	160,095,077	-	-	160,095,077	29,376,461	-	-	29,376,461
Ijarah Sukuks	13,122,409			13,122,409	13,130,709			13,130,709
Debentures, Bonds, Ijarah Sukuks, Participation Term Certificates and Term Finance Certificates	404,585	(404,585)	-	-	404,585	(404,585)	-	-
Bai muajjal with Government of Pakistan	-	-	-	-	-	-	-	-
GoP Foreign Currency Bonds	3,887,784	-	-	3,887,784	2,992,408	-	-	2,992,408
Foreign Government Securities	43,523,811	-	-	43,523,811	36,096,507	-	-	36,096,507
Foreign Currency Debt Securities	1,084	-	-	1,084	871	-	-	871
	<b>597,252,208</b>	<b>(404,585)</b>	<b>-</b>	<b>596,847,623</b>	<b>457,238,444</b>	<b>(404,585)</b>	<b>-</b>	<b>456,833,859</b>
<b>Associates</b>	<b>4,926,048</b>	<b>(3,876,104)</b>	<b>-</b>	<b>1,049,944</b>	<b>4,926,048</b>	<b>(3,942,498)</b>	<b>-</b>	<b>983,550</b>
<b>Joint Venture</b>	<b>2,362,433</b>	<b>-</b>	<b>-</b>	<b>2,362,433</b>	<b>2,362,433</b>	<b>-</b>	<b>-</b>	<b>2,362,433</b>
<b>Subsidiaries</b>	<b>2,952,967</b>	<b>(1,338,112)</b>	<b>-</b>	<b>1,614,855</b>	<b>2,952,967</b>	<b>(1,338,112)</b>	<b>-</b>	<b>1,614,855</b>
<b>Total investments</b>	<b>3,799,716,513</b>	<b>(23,874,598)</b>	<b>(34,451,857)</b>	<b>3,741,390,058</b>	<b>3,509,021,409</b>	<b>(23,150,140)</b>	<b>(8,517,397)</b>	<b>3,477,353,874</b>

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
<b>9.1.1 Investments given as collateral</b>			
Pakistan Investment Bonds		2,185,950,376	1,136,497,472
Market Treasury Bills		213,243,001	689,709,291
	17	<u>2,399,193,376</u>	<u>1,826,206,763</u>
<b>9.2 Provision for diminution in value of investments</b>			
<b>9.2.1 Opening balance</b>		23,150,140	18,486,879
Charge for the period		852,860	4,662,589
Reversals for the period		(128,400)	(850,070)
		724,459	3,812,519
Transfers - net		-	850,742
Amounts written off		-	-
Closing balance		<u>23,874,598</u>	<u>23,150,140</u>

**9.2.2 Particulars of provision against debt securities**

**Category of classification**

**Domestic**

	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	NPL	Provision	NPL	Provision
Doubtful	-	-	-	-
Loss	6,332,982	6,332,982	6,525,731	6,394,746
	<u>6,332,982</u>	<u>6,332,982</u>	<u>6,525,731</u>	<u>6,394,746</u>

**9.3** The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 595,328 million (December 31, 2022: Rs. 436,150 million).

**10. ADVANCES**

	Note	Performing		Non performing		Total	
		(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		<b>1,112,518,893</b>	1,168,258,464	<b>237,577,241</b>	190,545,941	<b>1,350,096,134</b>	1,358,804,405
Islamic financing and related assets		<b>61,527,954</b>	46,381,315	<b>640,559</b>	654,980	<b>62,168,513</b>	47,036,295
Net Investment in finance lease	10.1	<b>29,160</b>	35,384	-	-	<b>29,160</b>	35,384
Bills discounted and purchased		<b>26,984,067</b>	18,598,616	<b>13,659,608</b>	14,106,504	<b>40,643,675</b>	32,705,120
Advances - gross	10.2	<b>1,201,060,074</b>	1,233,273,779	<b>251,877,408</b>	205,307,425	<b>1,452,937,482</b>	1,438,581,204
Provision against advances							
- Specific		-	-	<b>204,512,147</b>	190,710,861	<b>204,512,147</b>	190,710,861
- General		<b>16,908,779</b>	17,348,539	-	-	<b>16,908,779</b>	17,348,539
	10.4	<b>16,908,779</b>	17,348,539	<b>204,512,147</b>	190,710,861	<b>221,420,926</b>	208,059,400
Advances - net of provision		<b>1,184,151,295</b>	1,215,925,240	<b>47,365,261</b>	14,596,564	<b>1,231,516,556</b>	1,230,521,804

**10.1 Net investment in finance lease**

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
----- (Rupees in '000) -----								
Lease rentals receivable	<b>1,447</b>	-	-	<b>1,447</b>	1,312	-	-	1,312
Residual value	<b>27,874</b>	-	-	<b>27,874</b>	34,237	-	-	34,237
Minimum lease payments	<b>29,321</b>	-	-	<b>29,321</b>	35,549	-	-	35,549
Less: financial charges for future periods	<b>161</b>	-	-	<b>161</b>	165	-	-	165
Present value of minimum lease payments	<b>29,160</b>	-	-	<b>29,160</b>	35,384	-	-	35,384

**10.1.1** The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% (2022: 10.19% to 14.85%) per annum.

**10.2 Particulars of advances (Gross)**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
In local currency	<b>1,313,511,498</b>	1,315,938,249
In foreign currencies	<b>139,425,984</b>	122,642,955
	<b>1,452,937,482</b>	1,438,581,204

- 10.3** Advances include Rs. 251,877 million (December 31, 2022: Rs.205,307 million) which have been placed under non-performing status as detailed below.

Category of Classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	3,770,958	131,826	1,780,995	73,114
Substandard	36,963,852	1,685,294	5,888,114	1,439,916
Doubtful	8,145,280	3,701,446	8,834,066	4,645,364
Loss	136,924,410	135,395,097	135,077,580	132,802,811
	<b>185,804,501</b>	<b>140,913,664</b>	151,580,755	138,961,205
<b>Overseas</b>				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	408,774	204,387	331,133	165,566
> 365 days	65,664,133	63,394,099	53,395,537	51,584,090
	<b>66,072,907</b>	<b>63,598,486</b>	53,726,670	51,749,656
<b>Total</b>	<b>251,877,408</b>	<b>204,512,147</b>	205,307,425	190,710,861

**10.4 Particulars of provision against advances**

Note	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	190,710,861	17,348,539	208,059,400	179,311,722	12,472,591	191,784,313
Exchange adjustments	13,314,397	153,090	13,467,487	8,339,198	107,952	8,447,150
Charge for the period / year	1,445,324	528,563	1,973,886	5,227,343	9,553,101	14,780,444
Reversals	(1,684,691)	(357,626)	(2,042,317)	(4,963,631)	(1,757,105)	(6,720,736)
	(239,367)	170,936	(68,432)	263,712	7,795,996	8,059,708
Amounts written off	(18,542)		(18,542)	(175,513)	-	(175,513)
Amounts charged off - agriculture financing	(18,988)		(18,988)	(56,258)	-	(56,258)
10.4.4 Transfer from general to specific provision	763,786	(763,786)	-	3,028,000	(3,028,000)	-
Closing balance	204,512,147	16,908,779	221,420,926	190,710,861	17,348,539	208,059,400

**10.4.1 Particulars of provision against advances**

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	140,913,661	16,285,901	157,199,562	138,961,205	16,741,242	155,702,447
In foreign currencies	63,598,486	622,878	64,221,364	51,749,656	607,297	52,356,953
	<b>204,512,147</b>	<b>16,908,779</b>	<b>221,420,926</b>	190,710,861	17,348,539	208,059,400

**10.4.2** General provision includes provision amounting to Rs. 5,007 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 623 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates.

The bank has also maintained general provision of Rs.11,279 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

**10.4.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.

**10.4.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	1,173,434	1,080,087
Property and equipment		56,138,207	56,025,755
		<b>57,311,641</b>	<b>57,105,842</b>

**11.1 Capital work-in-progress**

Civil works	1,103,876	1,010,529
Equipment	10,825	10,825
Advances to suppliers and contractors	58,733	58,733
	<b>1,173,434</b>	<b>1,080,087</b>

**11.2 Additions to fixed assets**

The following additions have been made to fixed assets during the period:

**Capital work-in-progress** 132,951 125,908

**Property and equipment**

Building on freehold land	11,113	14,866
Building on leasehold land	16,050	80
Furniture and fixtures	86,810	161,219
Computer and peripheral equipment	51,010	31,046
Electrical, office equipment	122,407	119,134
Vehicles	174,126	24,064
	<b>461,516</b>	<b>350,409</b>
	<b>594,467</b>	<b>476,317</b>

	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Un-audited) March 31, 2022
<b>11.3 Disposal of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Vehicles	2,944	8,059
	<u>2,944</u>	<u>8,059</u>
	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022
<b>12. INTANGIBLE ASSETS</b>		
Capital work-in-progress - Software Implementation	803,219	841,289
Computer Software	623,001	547,658
	<u>1,426,220</u>	<u>1,388,947</u>
	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Un-audited) March 31, 2022
<b>12.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Capital Work in Progress - net additions	29,848	-
Directly purchased	15,586	-
	<u>45,434</u>	<u>-</u>
	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022
<b>13. RIGHT OF USE ASSETS</b>		
Balance as at January 01	6,708,404	6,605,400
Additions during the period / year	587,078	2,244,669
Derecognition during the period / year	-	(6,618)
Depreciation charged for the period / year	(511,620)	(2,135,047)
Balance as at	<u>6,783,862</u>	<u>6,708,404</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
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Note ----- (Rupees in '000) -----

#### 14. DEFERRED TAX

##### Deductible temporary differences on

- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,569,958	7,352,695
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	12,925,196	12,925,197
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,606,419	1,506,288
- Other provisions	105,416	105,416
- Right of use assets	978,487	670,604
	<b>23,548,154</b>	<b>22,922,878</b>

##### Taxable temporary differences on

- Surplus on revaluation of fixed assets	(3,023,080)	(3,061,347)
- Exchange translation reserve	(749,289)	(749,289)
- Surplus on revaluation of investments	14,717,165	3,208,913
- Surplus on revaluation of non-banking assets	(21,752)	(21,752)
	<b>10,923,044</b>	<b>(623,475)</b>
	<b>34,471,201</b>	<b>22,299,403</b>

#### 15. OTHER ASSETS

Income / return / mark-up accrued in local currency	132,775,900	99,433,212
Income / return / mark-up accrued in foreign currency	5,692,040	3,866,901
Advances, deposits, advance rent and other prepayments	5,266,039	2,987,346
Income tax refunds receivable & advance taxation (payments less provisions)	4,983,412	10,952,064
Compensation for delayed tax refunds	21,280,934	20,809,580
Non-banking assets acquired in satisfaction of claims	1,177,432	1,179,943
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Mark to market gain on forward foreign exchange contracts	23,487,351	-
Acceptances	9,249,996	20,644,122
Commission receivable on Government treasury transactions	7,393,980	5,253,389
Stationery and stamps on hand	461,506	437,900
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Receivable against sale of shares	7,143	156,755
Others	11,467,234	8,126,059
	<b>224,388,795</b>	<b>174,993,099</b>
Less: Provision held against other assets	15.1 12,253,938	12,244,043
Other assets (net of provision)	<b>212,134,857</b>	<b>162,749,056</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<b>2,520,000</b>	<b>2,520,000</b>
<b>Other assets - total</b>	<b>214,654,857</b>	<b>165,269,056</b>



	(Un-audited) March 31, 2022	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	
<b>15.1 Provision held against other assets</b>		
Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	837,949	837,949
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,306,922	4,297,516
Ex-MBL / NDFC - other assets	770,398	770,398
Assets acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
Others	4,943,692	4,943,203
	<b>12,253,938</b>	<b>12,244,043</b>
<b>15.1.1 Movement in provision held against other assets</b>		
Opening balance	12,244,043	11,700,956
Charge for the period / year	9,895	562,955
Adjustment against provision	-	(19,868)
Closing balance	<b>12,253,938</b>	<b>12,244,043</b>
<b>16. BILLS PAYABLE</b>		
In Pakistan	7,555,566	54,969,587
Outside Pakistan	351,335	298,432
	<b>7,906,901</b>	<b>55,268,019</b>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	36,004,726	38,217,784
Financing Scheme for Renewable Energy	785,785	1,019,611
Refinance Facility for Modernization of SMEs	58,698	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)	619,835	667,327
Under Long-Term Financing Facility (LTFF)	19,536,985	20,254,808
Refinance Scheme for Payment of Wages and Salaries	-	35,950
Temporary Economic Refinance Facility	24,210,085	24,126,421
Refinance Facility for Combating Covid-19	57,543	66,159
	<b>81,273,657</b>	<b>84,431,884</b>
Repurchase agreement borrowings	2,399,193,376	1,826,206,763
Bai Muajjal	-	-
	<b>2,480,467,033</b>	<b>1,910,638,647</b>
<b>Unsecured</b>		
Call borrowings	22,537,203	25,810,145
Overdrawn nostro accounts	-	-
Bai Muajjal	-	4,036,995
	<b>22,537,203</b>	<b>29,847,140</b>
	<b>2,503,004,236</b>	<b>1,940,485,787</b>

(Un-audited)                      (Audited)  
**March 31,**                      December 31,  
**2023**                                      2022  
----- (Rupees in '000) -----

**17.1 Particulars of borrowings with respect to currencies**

In local currency	<b>2,487,831,693</b>	1,923,848,931
In foreign currencies	<b>15,172,543</b>	16,636,856
	<b>2,503,004,236</b>	1,940,485,787

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

- Repurchase agreement borrowings carry mark-up ranging from 17.16% to 20.16% per annum (December 31, 2022: 15.2% to 17% per annum) having maturities ranging from April 3, 2023 to April 9, 2023.
- Call borrowings carry interest ranging from 5.27% to 20.05% per annum (December 31, 2022: 3% to 16.5% per annum).

**17.3** Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.

**17.4** Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,399,193 million (December 31, 2022: Rs.1,826,206 million).

**18. DEPOSITS AND OTHER ACCOUNTS**

March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

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

**Customers**

Current deposits - remunerative	<b>639,400,481</b>	-	<b>639,400,481</b>	733,037,562	-	733,037,562
Current deposits - non-remunerative	<b>484,108,607</b>	<b>191,635,182</b>	<b>675,743,789</b>	408,169,670	159,575,493	567,745,163
Savings deposits	<b>664,134,147</b>	<b>131,928,933</b>	<b>796,063,080</b>	681,287,543	108,029,851	789,317,394
Term deposits	<b>412,382,274</b>	<b>139,063,497</b>	<b>551,445,771</b>	400,618,865	116,541,863	517,160,728
Others	<b>43,873,430</b>	<b>6,748</b>	<b>43,880,178</b>	9,563,715	7,855	9,571,570
	<b>2,243,898,939</b>	<b>462,634,360</b>	<b>2,706,533,299</b>	2,232,677,355	384,155,062	2,616,832,417

**Financial Institutions**

Current deposits	<b>226,886,629</b>	<b>1,632,743</b>	<b>228,519,372</b>	5,964,408	3,479,121	9,443,529
Savings deposits	<b>23,685,418</b>	-	<b>23,685,418</b>	15,190,328	2,924,782	18,115,110
Term deposits	<b>7,955,284</b>	<b>8,618,963</b>	<b>16,574,247</b>	10,472,787	6,442,283	16,915,070
Others	<b>915,763</b>	<b>269</b>	<b>916,032</b>	4,878,234	-	4,878,234
	<b>259,443,094</b>	<b>10,251,975</b>	<b>269,695,069</b>	36,505,757	12,846,186	49,351,943
	<b>2,503,342,033</b>	<b>472,886,335</b>	<b>2,976,228,368</b>	2,269,183,112	397,001,248	2,666,184,360

**18.1** Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 101,860 (December 31, 2022: Rs. 75,917)

(Un-audited)                      (Audited)  
**March 31,**                      December 31,  
**2023**                                      2022  
----- (Rupees in '000) -----

**19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS**

Lease liabilities included in the statement of financial position	<u><b>9,059,413</b></u>	<u>8,267,949</u>
Of which are:		
Current lease liability	1,693,638	1,590,849
Non-current lease liability	<u>7,365,775</u>	<u>6,677,100</u>
	<u><b>9,059,413</b></u>	<u>8,267,949</u>

**Maturity analysis - contractual undiscounted cash flows**

Less than one year	2,507,804	2,356,198
One to five years	6,974,261	6,557,449
More than five years	<u>8,718,653</u>	<u>7,967,022</u>
Total undiscounted lease liabilities	<u><b>18,200,718</b></u>	<u>16,880,669</u>

**20. OTHER LIABILITIES**

Mark-up / return / interest payable in local currency	112,893,668	126,228,969
Mark-up / return / interest payable in foreign currencies	878,313	655,802
Unearned commission and income on bills discounted	230,061	252,539
Accrued expenses	12,725,317	13,865,133
Advance payments	334,823	350,895
Acceptances	9,249,996	20,644,122
Unclaimed dividends	181,614	181,851
Mark to market loss on forward foreign exchange contracts	-	125,371
Branch adjustment account	1,415,315	1,916,850
Payable to defined benefit plan:		
Pension fund	24,225,085	23,063,894
Post retirement medical benefits	30,149,118	29,176,898
Benevolent fund	1,554,830	1,697,838
Gratuity scheme	3,898,898	3,767,858
Compensated absences	9,197,800	8,734,235
Provision against off-balance sheet obligations	627,494	627,494
Provision against contingencies	4,239,235	4,170,799
Staff welfare fund	371,257	371,257
Liabilities relating to Barter trade agreements	4,914,946	3,629,389
Payable to brokers	9,183	350,446
PIBs short selling	14,529,517	11,043,029
Others	<u>22,851,103</u>	<u>18,516,003</u>
	<u><b>254,477,573</b></u>	<u>269,370,672</u>

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- Rupees in '000 -----	
<b>21. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of:			
- Available-for-sale securities	9.1	(34,225,966)	(7,462,594)
- Fixed assets		47,644,690	47,733,683
- Non-banking assets		2,520,000	2,520,000
		<u>15,938,724</u>	<u>42,791,089</u>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		14,717,165	3,208,913
- Fixed assets		(3,023,080)	(3,061,347)
- Non-banking assets		(21,752)	(21,752)
		<u>11,672,333</u>	<u>125,814</u>
		<u>27,611,057</u>	<u>42,916,902</u>
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	22.1	444,435,538	377,561,372
Commitments	22.2	2,741,398,927	2,373,285,184
Other contingent liabilities	22.3	25,126,954	26,619,691
		<u>3,210,961,420</u>	<u>2,777,466,247</u>
<b>22.1 Guarantees</b>			
Financial guarantees		359,377,088	287,741,990
Performance guarantees		85,058,450	89,819,382
		<u>444,435,538</u>	<u>377,561,372</u>
<b>22.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,004,859,721	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	624,953,823	570,881,591
- forward government securities transactions	22.2.2	39,431,586	54,568,834
- forward lending	22.2.3	70,956,551	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,131,896	798,234
Other commitments	22.2.4	65,350	36,850
		<u>2,741,398,927</u>	<u>2,373,285,184</u>

	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	403,678,910	368,380,755
Sale	<u>221,274,913</u>	<u>202,500,836</u>
	<u>624,953,823</u>	<u>570,881,591</u>

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

	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022
<b>22.2.2 Commitments in respect of forward government securities transactions</b>		
Purchase	20,046,126	10,988,627
Sale	<u>19,385,460</u>	<u>43,580,207</u>
	<u>39,431,586</u>	<u>54,568,834</u>

### 22.2.3 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitment to lend	<u>70,956,551</u>	<u>50,363,949</u>
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Commitments for outstanding forward government securities transactions are disclosed in these unconsolidated condensed interim financial statements at contracted rates.

	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022
<b>22.2.4 Other commitments</b>		
Professional services to be received	<u>65,350</u>	<u>36,850</u>

### 22.3 Other contingent liabilities

<b>22.3.1</b> Claims against the Bank not acknowledged as debt	<u>25,126,954</u>	<u>26,619,691</u>
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Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2022: Rs. 1,597 million).

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

### 22.3.2 Taxation

As at March 31, 2023, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation officer has passed Appeal Effect Order for tax year 2020 during the year. The Bank has filed appeal before CIR(A) which is pending for adjudication. The demand created in the Appeal Effect order is Rs. 4,244.2 million. The tax advisors are confident that the ultimate outcome of the proceeding will be decided in the Bank's favor
- Honourable CIR(A) through recent judgement dated February 1, 2023 has decided the appeal filed by the Bank for tax year 2016 against monitoring order in favour of the Bank deleting the demand of Rs 442.7 million.

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

As at March 31, 2023, the status of contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

#### 22.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 25.3.4.1 to the unconsolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended March 31, 2023 amounted to Rs. 93.0 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for March 2023 onward will also increase by Rs. 12.0 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favourable outcome on the matter.

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

The New York Branch of NBP has made significant progress to comply with the provisions of the enforcement actions received in February 2022 from the Federal Reserve Bank of New York and the New York State Department of Financial Services. The Branch has complied with the quarterly and half-yearly progress reporting requirements of its regulators. Management and the Board of Directors continue to provide close oversight of the New York branch and are committed to ensure compliance with all the conditions agreed in the enforcement actions. The management actions implemented by the Bank and Branch and their associated validation by Internal Audit are subject to review by the Branch's regulators.

	(Un-audited) Quarter ended March 31, 2023	(Un-audited) March 31, 2022
	----- (Rupees in '000) -----	
<b>23. MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	<b>43,477,490</b>	26,166,785
Investments	<b>146,206,491</b>	50,373,307
Lendings to financial institutions	<b>2,492,382</b>	2,039,916
Balances with banks	<b>215,404</b>	623,599
	<b>192,391,767</b>	79,203,607
<b>24. MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	<b>69,738,609</b>	36,253,250
Borrowings	<b>1,153,608</b>	1,757,665
Cost of foreign currency swaps against foreign currency deposits	<b>1,218,975</b>	2,131,382
Finance charge on lease liability against right of use assets	<b>311,622</b>	203,786
Securities sold under repurchase agreements	<b>87,445,959</b>	13,066,232
	<b>159,868,773</b>	53,412,315

		(Un-audited) Quarter ended March 31, 2023	(Un-audited) March 31, 2022
	Note	----- (Rupees in '000) -----	
<b>25. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		464,670	381,000
Consumer finance related fees		135,309	116,200
Card related fees		579,688	506,466
Credit related fees		55,281	73,640
Investment banking fees		85,646	438,028
Commission on trade		406,448	392,717
Commission on guarantees		277,157	176,957
Commission on cash management		9,551	9,719
Commission on remittances including home remittances		363,544	263,372
Commission on bancassurance		75,044	86,471
Commission on government transactions		2,052,698	2,160,609
Others		17,609	59,220
		<u>4,522,645</u>	<u>4,664,399</u>
<b>26. GAIN/(LOSS) ON SECURITIES - NET</b>			
Realized	26.1	751,428	(91,509)
Unrealized - held-for-trading		(225,892)	(245,037)
Unrealized - Short selling		(160,904)	436,692
		<u>364,631</u>	<u>100,146</u>
<b>26.1 Realized gain / (loss) on</b>			
Federal Government Securities		738,747	(172,814)
Shares		12,681	81,301
Foreign Securities		-	4
		<u>751,428</u>	<u>(91,509)</u>
<b>27. OTHER INCOME</b>			
Rent on property		6,802	10,799
Gain on sale of fixed assets - net		286	6
Postal, SWIFT and other charges recovered		-	1,644
Compensation for delayed tax refunds	27.1	471,354	333,902
Others		84,440	4,011
		<u>562,882</u>	<u>350,362</u>

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

(Un-audited)                      (Un-audited)  
**Quarter ended**  
**March 31, 2023**              March 31, 2022  
----- (Rupees in '000) -----

**28. OPERATING EXPENSES**

**Total compensation expenses** **14,308,116**              11,641,453

**Property expenses**

Rent and taxes	<b>269,191</b>	181,718
Insurance	<b>9,532</b>	9,709
Utilities cost	<b>423,125</b>	295,610
Security (including guards)	<b>783,445</b>	633,322
Repair and maintenance (including janitorial charges)	<b>298,713</b>	189,246
Depreciation	<b>130,214</b>	135,302
Depreciation on non banking assets	<b>2,511</b>	3,929
Depreciation on Ijarah assets	<b>15,861</b>	16,841
Depreciation on right of use assets	<b>511,620</b>	515,631
	<b>2,444,212</b>	1,981,308

**Information technology expenses**

Software maintenance	<b>692,817</b>	172,519
Hardware maintenance	<b>63,191</b>	40,614
Depreciation	<b>91,016</b>	81,687
Amortisation	<b>105,523</b>	67,213
Network charges	<b>155,853</b>	158,417
IT Manage Services	<b>134,328</b>	91,788
	<b>1,242,728</b>	612,238

**Other operating expenses**

Directors' fees and reimbursement of other expenses	<b>11,023</b>	9,884
Fees and allowances to Shariah Board	<b>4,502</b>	4,179
Legal and professional charges	<b>391,600</b>	224,283
Outsourced services costs	<b>147,241</b>	132,840
Travelling and conveyance	<b>298,596</b>	217,741
NIFT clearing charges	<b>53,977</b>	44,070
Depreciation	<b>372,591</b>	390,801
Training and development	<b>21,784</b>	13,126
Postage and courier charges	<b>27,008</b>	26,430
Communication	<b>143,307</b>	81,664
Stationery and printing	<b>261,267</b>	383,712
Marketing, advertisement and publicity	<b>102,225</b>	29,143
Donations	<b>-</b>	8
Auditors' remuneration	<b>63,218</b>	47,249
Entertainment	<b>64,046</b>	57,633
Clearing, verification, license fee charges	<b>115,047</b>	87,036
Brokerage	<b>6,682</b>	4,568
Financial charges on leased assets	<b>22,896</b>	13,529
Insurance	<b>122,791</b>	108,278
Vehicle expenses	<b>61,970</b>	54,424
Repairs and maintenance	<b>256,739</b>	90,230
Deposit premium expense	<b>452,894</b>	392,777
Others	<b>149,322</b>	84,232
	<b>3,150,726</b>	2,497,837
	<b>21,145,782</b>	16,732,836

**29. OTHER CHARGES**

Penalties imposed by State Bank of Pakistan	<b>14,614</b>	21,678
Penalties imposed by other regulatory bodies (Central bank of international branches)	<b>1,085</b>	-
	<b>15,699</b>	21,678



		(Un-audited) Quarter ended March 31, 2023	(Un-audited) March 31, 2022
	Note	----- (Rupees in '000) -----	
<b>30. PROVISIONS AND WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	9.2	724,459	14,497
Provisions against loans and advances	10.4	(68,431)	1,005,179
Provision against other assets	15.1.1	9,895	19,368
Provision against contingencies		18,436	29,962
		<u>684,359</u>	<u>1,069,006</u>
<b>31. TAXATION</b>			
Current		7,934,271	6,391,082
Prior years		-	-
Deferred		(446,280)	(167,684)
		<u>7,487,991</u>	<u>6,223,398</u>
		(Un-audited) Quarter ended March 31, 2023	(Un-audited) March 31, 2022
<b>32. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit for the period (Rupees in 000's)		<u>10,688,779</u>	<u>9,837,444</u>
Weighted average number of ordinary shares (in 000's)		<u>2,127,513</u>	<u>2,127,513</u>
Earnings per share - basic and diluted (Rupees)		<u>5.02</u>	<u>4.62</u>
<b>32.1</b>	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		
		(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
	Note	----- (Rupees in '000) -----	
<b>33. CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	6	254,592,196	241,010,092
Balances with other banks	7	34,429,118	18,733,262
Call money lendings	8	9,723	5,009,723
Call money borrowings	17	(22,537,203)	(46,760,608)
Overdrawn nostro	17	-	(1,142,563)
		<u>266,493,834</u>	<u>216,849,906</u>
<b>34. FAIR VALUE MEASUREMENTS</b>			

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

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

### 34.1 Fair value of financial assets

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

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

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

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

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

	<b>March 31, 2023 (Un-audited)</b>				<b>Total</b>
	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Market Treasury Bills	441,682,048	-	441,682,048	-	441,682,048
Pakistan Investment Bonds	2,528,888,205	-	2,528,888,205	-	2,528,888,205
Ijarah Sukuks	19,845,128	-	19,845,128	-	19,845,128
Ordinary shares of listed companies	37,544,452	37,544,452	-	-	37,544,452
Preference shares	1,329,608	1,329,608	-	-	1,329,608
Investments in mutual funds	3,094,086	-	3,094,086	-	3,094,086
Term Finance Certificates / Musharika and Sukuk Bonds	46,213,060	14,577,536	31,635,524	-	46,213,060
GoP Foreign Currency Bonds	16,528,354	-	16,528,354	-	16,528,354
Foreign Government Securities	1,244,427	-	1,244,427	-	1,244,427
Foreign Currency Debt Securities	-	-	-	-	-
Ordinary shares of a bank outside Pakistan	41,691,589	41,691,589	-	-	41,691,589
	<b>3,138,060,957</b>	<b>95,143,185</b>	<b>3,042,917,772</b>	<b>-</b>	<b>3,138,060,957</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Market Treasury Bills	160,095,077	-	160,095,077	-	160,095,077
Pakistan Investment Bonds	376,217,458	-	376,217,458	-	376,217,458
Ijarah Sukuks	13,122,409	-	13,122,409	-	13,122,409
Ordinary shares of unlisted companies	1,454,247	-	1,454,247	-	1,454,247
Bai muajjal with Government of Pakistan	-	-	-	-	-
GoP Foreign Currency Bonds	3,887,784	-	3,887,784	-	3,887,784
Foreign Government Securities	43,523,811	-	43,523,811	-	43,523,811
Foreign Currency Debt Securities	1,084	-	1,084	-	1,084
	<b>598,301,870</b>	<b>-</b>	<b>598,301,870</b>	<b>-</b>	<b>598,301,870</b>
	<b>3,736,362,827</b>	<b>95,143,185</b>	<b>3,641,219,642</b>	<b>-</b>	<b>3,736,362,827</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
<b>Commitments</b>					
Foreign exchange contracts purchase and sale	624,953,823	-	23,487,351	-	23,487,351
Forward government securities transactions	39,431,586	-	(26,688)	-	(26,688)

December 31, 2022 (Audited)

Carrying value	Level 1	Level 2	Level 3	Total
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----- (Rupees in '000) -----

**On balance sheet financial instruments**

**Financial assets - measured at fair value**

Investments

Market Treasury Bills	848,763,986	-	848,763,986	-	848,763,986
Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
Ordinary shares of listed companies	36,659,044	36,659,044	-	-	36,659,044
Preference shares	1,370,477	1,370,477	-	-	1,370,477
Investments in mutual funds	3,120,431	-	3,120,431	-	3,120,431
Term Finance Certificates / Musharika and Sukuk Bonds	47,182,336	15,145,954	32,036,382	-	47,182,336
GoP Foreign Currency Bonds	14,422,839	-	14,422,839	-	14,422,839
Foreign Government Securities	1,883,953	-	1,883,953	-	1,883,953
Foreign Currency Debt Securities	-	-	-	-	-
Ordinary shares of a bank outside Pakistan	34,844,245	34,844,245	-	-	34,844,245
	3,014,104,930	88,019,720	2,926,085,210	-	3,014,104,930

**Financial assets - disclosed but not measured at fair value**

Investments

Market Treasury Bills	29,376,461	-	29,137,260	-	29,137,260
Pakistan Investment Bonds	375,236,903	-	355,231,276	-	355,231,276
Ijarah Sukuks	13,130,709	-	12,383,300	-	12,383,300
GoP Foreign Currency Bonds	2,992,408	-	1,665,559	-	1,665,559
Foreign Government Securities	36,096,507	-	37,327,167	-	37,327,167
Foreign Currency Debt Securities	871	-	871	-	871
	456,833,859	-	435,745,433	-	435,745,433
	3,470,938,789	88,019,720	3,361,830,643	-	3,449,850,363

**Off-balance sheet financial instruments - measured at fair value**

Foreign exchange contracts purchase and sale

	570,881,591	-	(125,371)	-	(125,371)
Forward government securities transactions	54,568,834	-	(14,626)	-	(14,626)

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

Item	Valuation approach and input used
Market Treasury Bills	PKRV (MUFAP)
Pakistan Investment Bonds	PKRV & PKFRV (MUFAP)
Ijarah Sukuks	PKISRV (MUFAP)
Ordinary shares of unlisted companies	Breakup value as per latest available audited financial statements
Term Finance Certificates / Musharika and Sukuk Bonds	MUFAP & Pakistan Stock Exchange
GoP Foreign Currency Bonds	Reuter page
Foreign Government Securities	Reuter page
Foreign Currency Debt Securities	Reuter page
Investments in mutual funds	MUFAP
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial

### 34.2 Fair value of non-financial assets

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

	March 31, 2023 (Un-audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Land and building (property and equipment)	48,567,549	-	-	48,567,549	48,567,549
Non-banking assets acquired in satisfaction of claims	3,697,432	-	-	3,697,432	3,697,432
	<b>52,264,981</b>	-	-	<b>52,264,981</b>	<b>52,264,981</b>
----- (Rupees in '000) -----					
	December 31, 2022 (Audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Land & building (property and equipment)	52,417,088	-	-	52,417,088	52,417,088
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943	3,699,943
	<b>56,117,031</b>	-	-	<b>56,117,031</b>	<b>56,117,031</b>

35. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Three months period ended March 31, 2023 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
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(Rupees in '000)

Profit and loss account

Net mark-up / return / interest income / (expense)	(53,669,740)	8,033,052	7,608,880	67,668,646	633,285	2,248,869	32,522,993	-	32,522,993
Inter segment revenue - net	79,351,581	(9,351,852)	(6,273,468)	(69,125,293)	-	5,399,033	0	-	0
Non mark-up / return / interest income	3,526,399	88,993	877,456	2,691,183	339,218	(23,633)	7,499,616	-	7,499,616
Total income	29,208,240	(1,229,807)	2,212,868	1,234,536	972,503	7,624,269	40,022,609	-	40,022,609
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	893,461	13,277,224	-	13,277,224
Inter segment expense allocation	-	-	-	-	-	7,884,256	7,884,255	-	7,884,255
Total expenses	8,887,705	906,289	349,136	62,208	2,178,426	8,777,719	21,161,481	-	21,161,481
Provisions and write offs - net	(57,529)	489,453	234,381	852,624	(185,860)	(648,711)	684,359	-	684,359
Profit / (loss) before taxation	20,378,064	(2,625,550)	1,629,351	319,705	(1,020,063)	(504,739)	18,176,770	-	18,176,770

March 31, 2023 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
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(Rupees in '000)

Statement of financial position

Cash and balances with treasury and other banks	204,147,642	15,253,267	323,736	12,981,371	51,380,149	4,935,149	289,021,314	-	289,021,314
Investments	(0)	-	26,003,109	3,594,352,003	65,185,472	55,849,474	3,741,390,058	-	3,741,390,058
Net inter segment lending	2,007,466,423	-	-	-	-	171,903,440	2,179,369,863	(2,179,369,863)	-
Lendings to financial institutions	-	-	-	479,050,253	-	-	479,050,253	-	479,050,253
Advances - performing	217,985,801	170,803,914	630,520,185	-	69,297,455	112,452,720	1,201,060,074	-	1,201,060,074
Advances - non-performing	4,698,929	24,696,054	52,383,896	-	66,072,907	104,025,621	251,877,408	-	251,877,408
Provision against Advances	(8,895,212)	(20,261,194)	(21,645,578)	-	(64,221,486)	(106,397,456)	(221,420,926)	-	(221,420,926)
Advances - Net	213,789,519	175,238,774	661,258,502	-	71,148,876	110,080,885	1,231,516,556	-	1,231,516,556
Others	39,504,523	2,988,435	28,924,175	23,808,409	10,351,596	209,070,643	314,647,781	-	314,647,781
<b>Total assets</b>	<b>2,464,908,107</b>	<b>193,480,477</b>	<b>716,509,523</b>	<b>4,110,192,036</b>	<b>198,066,092</b>	<b>551,839,592</b>	<b>8,234,995,825</b>	<b>(2,179,369,863)</b>	<b>6,055,625,962</b>
Borrowings	-	5,738,002	75,780,215	2,406,313,476	15,172,543	-	2,503,004,236	-	2,503,004,236
Deposits and other accounts	2,393,858,920	-	385,056,393	-	101,860,489	95,452,566	2,976,228,368	-	2,976,228,368
Net inter segment borrowing	-	182,497,439	235,417,954	1,628,383,748	99,987,260	33,083,461	2,179,369,863	(2,179,369,863)	-
Others	71,049,187	5,245,035	20,104,520	65,219,387	5,920,239	103,905,518	271,443,887	-	271,443,887
<b>Total liabilities</b>	<b>2,464,908,106</b>	<b>193,480,477</b>	<b>716,359,082</b>	<b>4,099,916,612</b>	<b>222,940,533</b>	<b>232,441,546</b>	<b>7,930,046,354</b>	<b>(2,179,369,863)</b>	<b>5,750,676,491</b>
Equity	-	-	150,442	10,275,424	(24,874,439)	319,398,045	304,949,471	-	304,949,471
<b>Total equity and liabilities</b>	<b>2,464,908,107</b>	<b>193,480,477</b>	<b>716,509,523</b>	<b>4,110,192,036</b>	<b>198,066,093</b>	<b>551,839,591</b>	<b>8,234,995,825</b>	<b>(2,179,369,863)</b>	<b>6,055,625,962</b>
Contingencies and commitments	-	69,557,155	2,362,499,642	735,341,960	17,238,463	26,324,200	3,210,961,420	-	3,210,961,420

Three months period ended March 31, 2022 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
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----- (Rupees in '000) -----

**Profit and loss account**

Net mark-up / return / interest income / (expense)	(28,632,718)	5,530,773	7,399,849	39,099,816	1,019,489	1,374,083	25,791,292	-	25,791,292
Inter segment revenue - net	43,486,100	(5,344,337)	(6,770,243)	(36,647,744)	-	5,276,225	-	-	-
Non mark-up / return / interest income	3,387,541	126,398	1,349,787	2,615,260	242,529	371,556	8,093,070	-	8,093,070
<b>Total income</b>	<b>18,240,922</b>	<b>312,834</b>	<b>1,979,393</b>	<b>5,067,332</b>	<b>1,262,018</b>	<b>7,021,863</b>	<b>33,884,362</b>	<b>-</b>	<b>33,884,362</b>
Segment direct expenses	7,757,833	793,328	301,691	57,606	1,642,299	788,846	11,341,603	-	11,341,603
Inter segment expense allocation	-	-	-	-	-	5,412,911	5,412,911	-	5,412,911
<b>Total expenses</b>	<b>7,757,833</b>	<b>793,328</b>	<b>301,691</b>	<b>57,606</b>	<b>1,642,299</b>	<b>6,201,757</b>	<b>16,754,514</b>	<b>-</b>	<b>16,754,514</b>
Provisions and write offs - net	(45,960)	964,356	1,804,618	395,144	86,237	(2,135,390)	1,069,006	-	1,069,006
<b>Profit / (loss) before taxation</b>	<b>10,529,049</b>	<b>(1,444,850)</b>	<b>(126,916)</b>	<b>4,614,582</b>	<b>(466,518)</b>	<b>2,955,496</b>	<b>16,060,842</b>	<b>-</b>	<b>16,060,842</b>

December 31, 2022 (Audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
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----- (Rupees in '000) -----

**Statement of financial position**

Cash and balances with treasury and other banks	76,022,158	8,471,928	272,335	116,207,653	41,420,355	6,110,320	248,504,749	-	248,504,749
Investments	-	-	26,566,790	3,338,860,011	55,396,579	56,530,494	3,477,353,874	-	3,477,353,874
Net inter segment lending	1,913,764,601	-	-	-	-	161,978,230	2,075,742,831	(2,075,742,831)	-
Lendings to financial institutions	-	-	-	31,272,467	-	-	31,272,467	-	31,272,467
Advances - performing	221,901,091	236,174,990	608,422,187	-	68,916,285	97,859,226	1,233,273,779	-	1,233,273,779
Advances - non-performing	4,107,960	21,853,219	24,119,377	-	53,726,670	101,500,199	205,307,425	-	205,307,425
Provision against advances	(8,972,018)	(19,791,641)	(23,100,384)	-	(52,356,953)	(103,838,404)	(208,059,400)	-	(208,059,400)
Advances - net	217,037,033	238,236,569	609,441,180	-	70,286,002	95,521,021	1,230,521,804	-	1,230,521,804
Others	31,988,215	3,619,415	41,795,925	381,562	6,402,399	168,584,136	252,771,652	-	252,771,652
<b>Total assets</b>	<b>2,238,812,007</b>	<b>250,327,912</b>	<b>678,076,230</b>	<b>3,486,721,692</b>	<b>173,505,335</b>	<b>488,724,201</b>	<b>7,316,167,377</b>	<b>(2,075,742,831)</b>	<b>5,240,424,546</b>
Borrowings	-	6,032,537	78,399,346	1,839,417,048	16,636,856	-	1,940,485,787	-	1,940,485,787
Deposits and other accounts	2,089,383,447	-	406,454,898	-	75,916,594	94,429,421	2,666,184,360	-	2,666,184,360
Net inter segment borrowing	-	227,691,242	157,769,526	1,581,730,692	96,687,516	11,863,855	2,075,742,831	(2,075,742,831)	-
Others	149,428,560	16,604,132	35,169,167	44,395,276	2,896,990	84,412,515	332,906,640	-	332,906,640
<b>Total liabilities</b>	<b>2,238,812,007</b>	<b>250,327,911</b>	<b>677,792,937</b>	<b>3,465,543,017</b>	<b>192,137,956</b>	<b>190,705,790</b>	<b>7,015,319,618</b>	<b>(2,075,742,831)</b>	<b>4,939,576,787</b>
Equity	-	-	283,293	21,178,677	(18,632,621)	298,018,410	300,847,758	-	300,847,759
<b>Total equity and liabilities</b>	<b>2,238,812,007</b>	<b>250,327,911</b>	<b>678,076,230</b>	<b>3,486,721,694</b>	<b>173,505,335</b>	<b>488,724,201</b>	<b>7,316,167,376</b>	<b>(2,075,742,831)</b>	<b>5,240,424,546</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>183,082,386</b>	<b>1,907,266,393</b>	<b>625,450,425</b>	<b>28,425,095</b>	<b>33,241,948</b>	<b>2,777,466,247</b>	<b>-</b>	<b>2,777,466,247</b>

36. RELATED PARTY TRANSACTIONS

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

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the 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 unconsolidated condensed interim financial statements are as follows:

	March 31, 2023 (Un-audited)										December 31, 2022 (Audited)									
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties
(Rupees in '000)																				
<b>Balances with other banks</b>																				
In current accounts	-	-	-	-	466,064	-	-	-	-	-	-	-	-	-	395,137	-	-	-	-	-
	-	-	-	-	466,064	-	-	-	-	-	-	-	-	-	395,137	-	-	-	-	-
<b>Investments</b>																				
Opening balance	-	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	-	-	4,465,809
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,825
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(1,260,792)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	5,251,842	-	-	-	-	-	-	-	-	-	6,512,634
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	164,875	-	-	-	-	-	-	-	-	-	461,354
<b>Advances</b>																				
Opening balance	-	339,734	227,063	2,665,220	-	-	-	-	-	2,085,795	-	347,592	426,565	2,934,162	-	-	-	-	-	641,462
Addition during the period / year	-	-	-	-	-	-	-	-	-	-	-	86,147	-	-	-	-	-	-	-	2,229,175
Repaid during the period / year	-	(13,636)	(10,000)	-	-	-	-	-	-	(6,589)	-	(52,240)	(199,502)	(268,942)	-	-	-	-	-	(1,435,378)
Transfer in / (out) - net*	-	(28,200)	-	-	-	-	-	-	-	(1,888,145)	-	(41,765)	-	-	-	-	-	-	-	650,516
Closing balance	-	297,897	217,063	2,665,220	-	-	-	-	-	191,061	-	339,734	227,063	2,665,220	-	-	-	-	-	2,085,795
Provisions against loans	-	-	217,063	2,665,220	-	-	-	-	-	-	-	-	217,063	2,665,220	-	-	-	-	-	-
<b>Other Assets</b>																				
Interest / mark-up accrued	-	-	95,344	1,717,167	-	-	-	-	-	-	-	-	82,502	1,717,167	-	-	-	-	-	-
Other receivable	-	-	73,280	-	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-
	-	-	168,624	1,717,167	-	-	-	-	-	-	-	-	155,782	1,717,167	-	-	-	-	-	-
Provision against other assets	-	-	73,280	-	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-
<b>Borrowings</b>																				
Opening balance	-	-	-	-	52,245	-	-	-	-	-	-	-	-	-	35,741	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	3,028	-	-	-	-	-	-	-	-	-	16,504	-	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	55,273	-	-	-	-	-	-	-	-	-	52,245	-	-	-	-	-
<b>Deposits and other accounts</b>																				
Opening balance	-	98,488	911,103	3,000	-	27,222	-	257,252	13,263,170	515,559	1,760	131,454	1,007,337	-	-	86,264	10,100,000	46,769	12,854,755	43,336,142
Received during the period / year	-	289,470	5,436	-	-	9,477,577	-	845,111	1,245,981	67,980	-	885,658	14,507	3,000	-	41,951,279	-	8,370,003	5,025,151	5,647,309
Withdrawn during the period / year	-	(227,233)	(70,706)	-	-	(9,499,800)	-	(715,255)	(1,603,514)	(114,312)	(14)	(894,821)	(110,741)	-	(42,010,321)	(10,100,000)	(8,159,520)	(4,616,736)	(5,669,604)	
Transfer in / (out) - net*	-	2,696	-	-	-	-	-	-	-	199,949	(1,746)	(23,803)	-	-	-	-	-	-	-	(42,798,288)
Closing balance	-	163,421	845,833	3,000	-	5,000	-	387,108	12,905,637	669,176	-	98,488	911,103	3,000	-	27,222	-	257,252	13,263,170	515,559
<b>Other Liabilities</b>																				
Other payables to subsidiaries	-	-	15,541	155	-	-	-	-	-	-	-	-	30,676	-	-	-	-	-	-	-
	-	-	15,541	155	-	-	-	-	-	-	-	-	30,676	-	-	-	-	-	-	-
<b>Contingencies and commitments</b>																				

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

March 31, 2023 (Un-audited)								March 31, 2022 (Un-audited)							
Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others

(Rupees in '000)

#### Income

Mark-up / return / interest earned	-	-	9,796	-	2,637	-	-	-	-	-	6,995	1,297	-	-	-
Debts due by Companies in which Directors of the Bank is interested as Directors	-	-	-	-	-	-	-	107,209	-	-	-	-	-	-	29,523
Commission received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent income / lighting and power and bank charges	-	-	4,305	1,361	-	-	-	-	-	3,112	1,392	-	-	-	-

#### Expense

Mark-up / return / interest paid	-	4,572	12,110	98	7,739	13,833	-	14,116	22	2,029	1,093	-	2,143	10,037	350,542	417,467
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	-	-	8,061	-	-	-	-	-	-	-	1,333
Remuneration to key management executives including charge for defined benefit plan	-	264,049	-	-	-	-	-	-	-	159,907	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	1,748	-	-	-	-	-	-	-	338	-	-	-	-	
Directors fee & other allowances	11,023	-	-	-	-	-	-	-	9,884	-	-	-	-	-	-	
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	522	-	-	-	-	-	-	

### 36.1 Transactions with Government-related entities

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

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

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,053 million (March 31, 2022: Rs. 2,161 million) for the quarter ended March 31, 2023. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs.581,806 million (December 31, 2022: Rs. 593,486 million), Rs.1,311,311 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,112,715 million (December 31, 2022: Rs.1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs.40,225 million (March 31, 2022: Rs. 7,962 million) and Rs.35,433 million (March 31, 2022 Rs. 12,778 million) respectively.



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

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>Minimum Capital Requirement</b>		
Paid-up capital (net of losses)	<u>21,275,131</u>	<u>21,275,131</u>
<b>Capital Adequacy Ratio</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>228,128,648</u>	231,190,928
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>228,128,648</u>	231,190,928
Eligible Tier 2 Capital	<u>69,488,755</u>	75,036,139
Total Eligible Capital (Tier 1 + Tier 2)	<u>297,617,403</u>	<u>306,227,067</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>1,130,425,507</u>	1,066,232,569
Market Risk	<u>94,760,857</u>	93,557,759
Operational Risk	<u>258,686,736</u>	258,686,736
Total	<u>1,483,873,100</u>	<u>1,418,477,063</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>15.37%</u>	16.30%
Tier 1 Capital Adequacy Ratio	<u>15.37%</u>	16.30%
Total Capital Adequacy Ratio	<u>20.06%</u>	21.59%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>228,128,648</u>	231,190,928
Total Exposures	<u>8,134,609,004</u>	7,502,352,873
Leverage Ratio	<u>2.80%</u>	3.08%
The Bank has leverage ratio of 2.80% as of March 31, 2023, which has been relaxed upto 2.5% till March 31, 2024 by SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023.		
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>1,218,515,965</u>	1,418,328,644
Total Net Cash Outflow	<u>732,293,204</u>	963,197,902
Liquidity Coverage Ratio	<u>166%</u>	147%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>2,745,821,186</u>	2,684,457,394
Total Required Stable Funding	<u>1,006,517,990</u>	1,069,401,835
Net Stable Funding Ratio	<u>273%</u>	251%

### 38. ISLAMIC BANKING BUSINESS

The bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 54 (December 31, 2022: 50) Islamic banking windows at March 31, 2023.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2023 is as follows:

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		6,915,633	6,096,555
Balances with other banks		14,041	13,766
Investments	38.1	53,172,704	53,920,119
Islamic financing and related assets - net	38.2	61,527,642	46,380,996
Fixed assets		77,830	87,489
Right of use assets		472,298	508,977
Other assets		4,249,644	2,294,054
<b>Total Assets</b>		<b>126,429,792</b>	<b>109,301,956</b>
<b>LIABILITIES</b>			
Bills payable		262,950	1,210,608
Deposits and other accounts	38.3	89,329,544	93,591,714
Due to head office		27,613,120	4,005,715
Lease liability against right of use assets		683,883	721,152
Other liabilities		1,431,330	1,490,182
		<b>119,320,827</b>	<b>101,019,371</b>
<b>NET ASSETS</b>		<b>7,108,965</b>	<b>8,282,585</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		6,731,000	5,561,000
Surplus on revaluation of assets		(146,557)	424,444
Unappropriated / unremitted profit	38.4	524,522	2,297,141
		<b>7,108,965</b>	<b>8,282,585</b>

The profit and loss account of the Bank's Islamic banking operations for three months period ended March 31, 2023 is as follows:

		(Un-audited) Quarter ended March 31, 2023	(Un-audited) Quarter ended March 31, 2022
	Note	----- (Rupees in '000) -----	
Profit / return earned	38.5	3,813,044	2,330,803
Profit / return expensed	38.6	2,580,916	1,398,602
Net profit / return		<b>1,232,128</b>	<b>932,201</b>
<b>Other income</b>			
Fee and commission income		56,861	50,237
Foreign exchange income		9,144	29,548
Other income		5	1,764
Total other income		<b>66,010</b>	<b>81,549</b>
Total income		<b>1,298,138</b>	<b>1,013,750</b>
<b>Other expenses</b>			
Operating expenses		787,924	683,433
Other charges		120	-
		<b>788,044</b>	<b>683,433</b>
Profit before provisions		<b>510,094</b>	<b>330,317</b>
Provisions charge / (reversal) and write offs - net		<b>(14,428)</b>	<b>(9,135)</b>
Profit before taxation		<b>524,522</b>	<b>339,452</b>
Taxation		-	-
Profit after taxation		<b>524,522</b>	<b>339,452</b>

38.1 Investments by segments:	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
<b>Federal Government Securities:</b>								
- Ijarah Sukuks	33,639,499	-	(674,287)	32,965,212	33,648,948	-	(339,589)	33,309,359
- Others (Bai Muajjal with GOP @ 13.30%)	-	-	-	-	-	-	-	-
	<b>33,639,499</b>	<b>-</b>	<b>(674,287)</b>	<b>32,965,212</b>	<b>33,648,948</b>	<b>-</b>	<b>(339,589)</b>	<b>33,309,359</b>
<b>Non Government Debt Securities:</b>								
- Listed	8,100,000	-	304,222	8,404,222	8,200,000	-	303,132	8,503,132
- Unlisted	11,710,569	(130,807)	223,508	11,803,270	11,777,533	(130,807)	460,901	12,107,628
	<b>19,810,569</b>	<b>(130,807)</b>	<b>527,730</b>	<b>20,207,492</b>	<b>19,977,533</b>	<b>(130,807)</b>	<b>764,033</b>	<b>20,610,760</b>
<b>Total Investments</b>	<b>53,450,068</b>	<b>(130,807)</b>	<b>(146,557)</b>	<b>53,172,704</b>	<b>53,626,481</b>	<b>(130,807)</b>	<b>424,444</b>	<b>53,920,119</b>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		
<b>38.2 Islamic financing and related assets - net</b>		
Ijarah	14,398	38,208
Murabaha	1,583,901	1,713,901
Musharaka	15,000,000	-
Diminishing Musharaka	22,274,968	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advances for Murabaha	1,030,000	2,127,000
Advances for Diminishing Musharaka	96,563	100,894
Advance for Istisna	11,455,451	9,396,236
Inventories against Istisna	2,213,232	3,097,800
Gross Islamic financing and related assets	<b>62,168,513</b>	<b>47,036,295</b>
Less: provision against Islamic financings		
- Specific	(640,559)	(654,980)
- General	(312)	(319)
	<b>(640,871)</b>	<b>(655,299)</b>
<b>Islamic financing and related assets - net of provision</b>	<b>61,527,642</b>	<b>46,380,996</b>


	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>38.3 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	21,822,517	20,659,185
Savings deposits	39,865,156	41,254,385
Term deposits	12,084,506	15,137,438
	<u>73,772,179</u>	<u>77,051,008</u>
<b>Financial Institutions</b>		
Current deposits	796,499	354,951
Savings deposits	14,738,100	14,114,989
Term deposits	22,766	2,070,766
	<u>15,557,365</u>	<u>16,540,706</u>
	<u>89,329,544</u>	<u>93,591,714</u>
<b>38.4 Unappropriated / unremitted profit</b>		
Opening balance	2,297,141	1,502,668
Add: Islamic banking profit for the period	524,522	2,297,141
Less: Transferred / remitted to head office	(2,297,141)	(1,502,668)
Closing balance	<u>524,522</u>	<u>2,297,141</u>
	(Un-audited)	(Un-audited)
	Quarter ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
<b>38.5 Profit / Return Earned of Financing, Investments and Placement</b>		
Profit earned on:		
Financing	1,833,712	948,749
Investments	1,979,056	1,164,772
Placements	276	-
Others (Bai Muajjal)	-	217,282
	<u>3,813,044</u>	<u>2,330,803</u>
<b>38.6 Profit on Deposits and other Dues Expensed</b>		
Deposits and other accounts	1,735,736	896,570
Amortisation of lease liability against - ROUA	16,845	18,703
Others (General Account)	828,335	483,329
	<u>2,580,916</u>	<u>1,398,602</u>

39. GENERAL

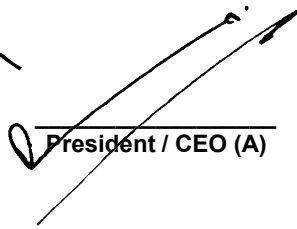
39.1 Figures have been rounded off to the nearest thousand rupees.

40. DATE OF AUTHORIZATION FOR ISSUE

The unconsolidated condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Bank.



Chairman



President / CEO (A)



Chief Financial Officer



Director



Director

**Consolidated Condensed Interim Financial Statements (Un-audited)  
For the three months period ended March 31, 2023**

## Directors' Report to the Shareholders Consolidated Financial Statements

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the three months period ended March 31, 2023.

Consolidated after-tax profit for the three months period ended March 31, 2023 amounted to PKR 11.3 Bn, being 16.3% higher than PKR 9.7 Bn for the three months period ended March 31, 2022. During the period ended, the subsidiary companies contributed PKR 0.377 Bn (March 31, 2022: PKR 0.145 Bn) in Group profitability, whereas the associates contributed a net loss of PKR 0.009 Bn (March 31, 2022: Share of profit PKR 0.001 Bn). A share of profit of PKR 0.287 Bn (March 31, 2022: PKR 0.101 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP has 45% shareholding. Accordingly, consolidated EPS improved to PKR 5.29 for the three month period ended March 31, 2023 as compared to PKR 4.56 for the three months period ended March 31, 2022.

As of March 31, 2023, consolidated assets of the Bank amounted to PKR 6,070.0 Bn being PKR 818.3 Bn or 15.6% higher than PKR 5,251.8 Bn of December 31, 2022.

Profit for the three months period ended March 31, 2023 after carry forward of accumulated profit of 2022 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the period ended March 31, 2023	11,293.3
Unappropriated profit brought forward	178,189.6
Other comprehensive income - net of tax	(288.0)
Non-controlling interest	(44.0)
Transfer from surplus on revaluation of fixed assets – net of tax	50.7
	<u>177,908.3</u>
Profit available for appropriations	189,201.6
<b>Appropriation:</b>	
Transfer to statutory reserve	<u>(1,068.9)</u>
<b>Unappropriated profit carried forward</b>	<u><u>188,132.7</u></u>

For and on behalf of the Board of Directors

  
Rehmat Ali Hasnie  
President & CEO (A)

Karachi

Date: April 27, 2023

  
Director


**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

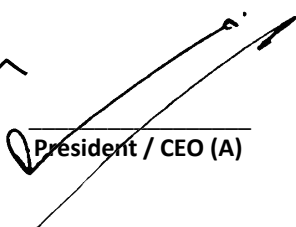
	(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 <b>255,097,607</b>	230,226,311
Balances with other banks	7 <b>35,526,174</b>	19,623,124
Lendings to financial institutions	8 <b>479,050,253</b>	31,272,467
Investments	9 <b>3,750,089,842</b>	3,482,935,847
Advances	10 <b>1,231,713,631</b>	1,230,669,118
Fixed assets	11 <b>57,815,685</b>	57,604,343
Intangible assets	12 <b>2,135,356</b>	2,101,322
Right of use assets	13 <b>7,260,276</b>	7,186,067
Deferred tax asset	14 <b>34,343,774</b>	22,406,230
Other assets	15 <b>216,989,066</b>	167,741,065
	<b>6,070,021,664</b>	5,251,765,894
<b>LIABILITIES</b>		
Bills payable	16 <b>7,906,901</b>	55,268,019
Borrowings	17 <b>2,503,004,236</b>	1,940,485,787
Deposits and other accounts	18 <b>2,975,382,535</b>	2,665,273,257
Liabilities against assets subject to finance lease	19 <b>169,312</b>	121,453
Lease liability against right of use assets	20 <b>9,552,209</b>	8,761,015
Other liabilities	21 <b>256,518,503</b>	271,556,131
	<b>5,752,533,696</b>	4,941,465,662
<b>NET ASSETS</b>	<b>317,487,968</b>	<b>310,300,232</b>
<b>REPRESENTED BY</b>		
Share capital	<b>21,275,131</b>	21,275,131
Reserves	22 <b>80,046,099</b>	67,488,847
Surplus on revaluation of assets	<b>26,916,861</b>	42,273,537
Unappropriated profit	<b>188,132,693</b>	178,189,579
Total Equity attributable to the equity holders of the Bank	<b>316,370,784</b>	309,227,094
Non-controlling interest	<b>1,117,184</b>	1,073,138
	<b>317,487,968</b>	<b>310,300,232</b>

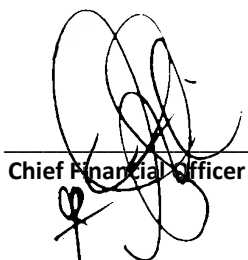
**CONTINGENCIES AND COMMITMENTS**

23

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 President / CEO (A)

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director


  
 \_\_\_\_\_  
 Director

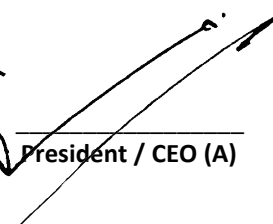


**NATIONAL BANK OF PAKISTAN  
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	<u>Quarter ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	24 <b>192,498,578</b>	79,248,091
Mark-up / return / interest expensed	25 <b>159,873,980</b>	53,425,499
Net mark-up / return / interest income	<b>32,624,598</b>	25,822,592
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee and commission income	26 <b>4,955,946</b>	4,959,644
Dividend income	<b>1,020,697</b>	886,671
Foreign exchange income	<b>1,352,117</b>	2,270,641
Gain on securities - net	27 <b>369,299</b>	101,685
Share of profit from joint venture - net of tax	<b>286,488</b>	100,699
Share of (loss) /profit from associates - net of tax	<b>(9,387)</b>	1,391
Other income	28 <b>605,397</b>	356,477
Total non-mark-up / interest income	<b>8,580,557</b>	8,677,208
Total income	<b>41,205,155</b>	34,499,800
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Operating expenses	29 <b>21,540,213</b>	17,051,306
Other charges	30 <b>15,699</b>	21,678
Total non-markup / interest expenses	<b>21,555,912</b>	17,072,984
Profit before provisions	<b>19,649,243</b>	17,426,816
Provisions and write offs - net	31 <b>734,186</b>	1,435,741
<b>PROFIT BEFORE TAXATION</b>	<b>18,915,057</b>	15,991,075
Taxation	32 <b>7,621,745</b>	6,277,452
<b>PROFIT AFTER TAXATION</b>	<b>11,293,312</b>	9,713,623
<b>Attributable to:</b>		
Equity holders of the Bank	<b>11,249,266</b>	9,695,811
Non-controlling interest	<b>44,046</b>	17,812
	<b>11,293,312</b>	9,713,623
	----- (Rupees) -----	
<b>Earnings per share - basic and diluted</b>	33 <b>5.29</b>	<b>4.56</b>

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

  
Chairman

  
President / CEO (A)

  
Chief Financial Officer


  
Director

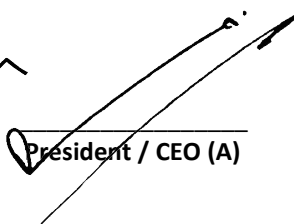
  
Director

**NATIONAL BANK OF PAKISTAN  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	<u>Quarter ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	----- (Rupees in '000) -----	
Profit after taxation for the period	11,293,312	9,713,623
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	11,488,374	1,300,640
Movement in surplus on revaluation of investments - net of tax	(15,305,949)	802,331
	(3,817,575)	2,102,971
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement gain / (loss) on defined benefit obligations - net of tax	(288,000)	(488,035)
Movement in surplus on revaluation of fixed assets - net of tax	-	128
	(288,000)	(487,908)
<b>Total comprehensive (loss) / income</b>	<u>7,187,737</u>	<u>11,328,686</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	7,143,691	11,310,874
Non-controlling interest	44,046	17,812
	<u>7,187,737</u>	<u>11,328,686</u>

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

  
Chairman

  
President / CEO (A)

  
Chief Financial Officer

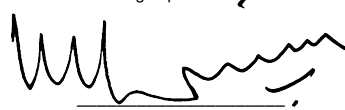
  
Director

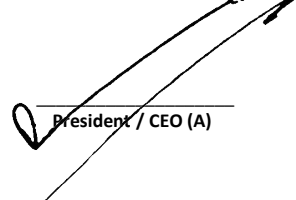
  
Director

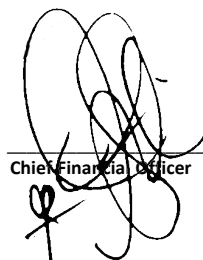
**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

	Share capital	Reserves				Surplus on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling Interest	Total	
		Exchange translation	Statutory reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / non-banking assets					Total
(Rupees in '000)													
<b>Balance as at January 01, 2022</b>	21,275,131	14,880,385	39,025,546	8,000,000	521,338	62,427,269	19,552,731	45,442,249	64,994,980	145,312,547	294,009,927	1,013,454	295,023,381
Profit after taxation for the three months period ended March 31, 2022	-	-	-	-	-	-	-	-	-	9,695,811	9,695,811	17,812	9,713,623
Other comprehensive (loss) / income - net of tax	-	1,300,640	-	-	-	1,300,640	802,331	128	802,459	(488,035)	1,615,063	-	1,615,063
Transfer to statutory reserve	-	-	983,744	-	-	983,744	-	-	-	(983,744)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(49,615)	(49,615)	49,615	-	-	-
Transfer to unappropriated profit	-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	8,000,000	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
Cash dividend paid for the year ended December 31, 2021 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at April 01, 2022</b>	21,275,131	16,181,025	40,009,290	-	521,338	56,711,653	20,355,061	45,392,763	65,747,824	161,586,194	305,320,802	1,031,266	306,352,068
Profit after taxation for the nine months period ended December 31, 2022	-	-	-	-	-	-	-	-	-	21,138,776	21,138,776	96,612	21,235,388
Other comprehensive income / (loss) - net of tax	-	8,719,908	-	-	-	8,719,908	(26,108,896)	2,782,678	(23,326,218)	(2,626,174)	(17,232,483)	-	(17,232,483)
Transfer to statutory reserve	-	-	2,057,286	-	-	2,057,286	-	-	-	(2,057,286)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(148,069)	(148,069)	148,069	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(54,740)	(54,740)
<b>Balance as at January 01, 2023</b>	21,275,131	24,900,933	42,066,576	-	521,338	67,488,847	(5,753,835)	48,027,372	42,273,537	178,189,579	309,227,094	1,073,138	310,300,232
Profit after taxation for the three months period ended March 31, 2023	-	-	-	-	-	-	-	-	-	11,249,266	11,249,266	44,046	11,293,312
Other comprehensive income / (loss) - net of tax	-	11,488,374	-	-	-	11,488,374	(15,305,949)	-	(15,305,949)	(288,000)	(4,105,575)	-	(4,105,575)
Transfer to statutory reserve	-	-	1,068,878	-	-	1,068,878	-	-	-	(1,068,878)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(50,726)	(50,726)	50,726	-	-	-
Transfer to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
Cash dividend paid for the year ended December 31, 2022 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	21,275,131	36,389,307	43,135,454	-	521,338	80,046,099	(21,059,785)	47,976,647	26,916,861	188,132,693	316,370,784	1,117,184	317,487,968

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

  
Chairman

  
President / CEO (A)

  
Chief Financial Officer

  
Director

  
Director

**NATIONAL BANK OF PAKISTAN  
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

March 31, 2023      March 31, 2022  
Note ----- (Rupees in '000) -----

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit before taxation	18,915,057	15,991,075
Less: dividend income	(1,020,697)	(886,671)
	<u>17,894,360</u>	<u>15,104,404</u>

Adjustments:

Depreciation on fixed assets	648,440	664,050
Depreciation on right of use assets	556,890	557,857
Amortisation	118,595	78,408
Provision and write-offs - net	734,186	1,435,741
Gain on sale of fixed assets	(1,819)	(5,280)
Financial charges on leased assets	29,309	16,656
Financial charges on right-of-use-assets	328,939	218,063
Unrealized gain on revaluation of investments classified as held-for-trading	226,190	248,130
Charge for defined benefit plans - net	3,250,637	2,262,039
Share of (profit) from joint venture - net of tax	(286,488)	(100,699)
Share of loss / (profit) from associates - net of tax	9,387	(1,391)
	<u>5,614,266</u>	<u>5,373,574</u>
	<u>23,508,626</u>	<u>20,477,978</u>

**(Increase) / decrease in operating assets**

Lendings to financial institutions	(447,777,786)	194,333,725
Held-for-trading securities	50,933,519	19,409,482
Advances	(14,465,153)	(77,608,203)
Other assets (excluding advance taxation)	(47,278,344)	(12,119,071)
	<u>(458,587,764)</u>	<u>124,015,933</u>

**Increase/ (decrease) in operating liabilities**

Bills payable	(47,361,118)	(2,813,389)
Borrowings from financial institutions	565,791,391	292,888,785
Deposits	310,109,278	(383,896,807)
Other liabilities (excluding current taxation)	(11,867,386)	(27,326,975)
	<u>816,672,165</u>	<u>(121,148,386)</u>

Financial charges paid	(358,248)	(234,719)
Income tax paid	(5,927,822)	(2,244,144)
Benefits paid	(866,916)	(655,580)
<b>Net cash flows generated from operating activities</b>	<u>374,440,042</u>	<u>20,211,083</u>

**CASH FLOW FROM INVESTING ACTIVITIES**

Net investments in available-for-sale securities	(201,544,016)	145,888,527
Net investments in held-to-maturity securities	(140,019,862)	(222,443,379)
Dividends received	1,020,697	1,613,593
Investments in fixed assets	(605,350)	(548,498)
Proceeds from sale of fixed assets	14,287	25,057
Effect of translation of net investment in foreign branches	11,488,374	1,300,640
<b>Net cash flows (used in) / generated from investing activities</b>	<u>(329,645,870)</u>	<u>(74,164,060)</u>

**CASH FLOW FROM FINANCING ACTIVITIES**

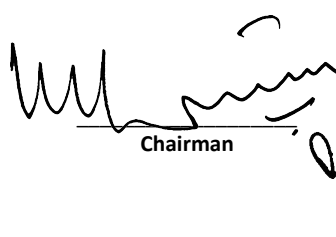
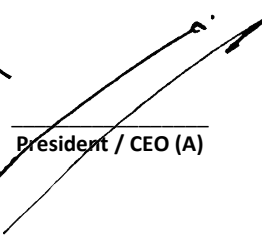
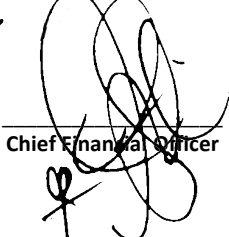
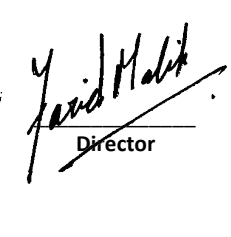

Payments of lease obligations	(746,647)	(625,557)
Dividend paid	(237)	-
<b>Net cash flows used in financing activities</b>	<u>(746,884)</u>	<u>(625,557)</u>

**(Decrease) / increase in cash and cash equivalents**

Cash and cash equivalents at beginning of the period	44,047,288	(54,578,534)
Cash and cash equivalents at end of the period	<u>224,049,013</u>	<u>273,052,207</u>

34 268,096,301      218,473,673

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

 Chairman  
 President / CEO (A)  
 Chief Financial Officer  
 Director  
 Director

**NATIONAL BANK OF PAKISTAN**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023**

**1. THE GROUP AND ITS OPERATIONS**

**1.1** The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies

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

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

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

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,512 (December 31, 2022: 1,512) branches in Pakistan and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

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

**1.2 BASIS OF CONSOLIDATION**

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

## **2. BASIS OF PRESENTATION**

### **2.1 STATEMENT OF COMPLIANCE**

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

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

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

**2.1.2** The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

**2.1.3** The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

**2.1.4** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5, dated March 22, 2019 and IAS 34. These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2022.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted for presentation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2022.

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

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered to be not relevant or do not have any significant impact on these consolidated condensed interim financial statements.

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures:

	<b>Effective from accounting period beginning on or after</b>
Amendment to IFRS 16 - Leases on sale and leaseback	January 1, 2024
Amendment to IAS 1 - Non-current liabilities with covenants	January 1, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

**3.1.3** As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

## 5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
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Note ----- (Rupees in '000) -----

## 6. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	<b>50,628,525</b>	52,750,990
Foreign currencies	<b>9,452,722</b>	7,436,911
	<b>60,081,247</b>	60,187,901

With State Bank of Pakistan in

Local currency current accounts	6.1	<b>106,595,362</b>	106,933,909
Foreign currency current accounts	6.2	<b>18,139,011</b>	15,661,453
Foreign currency deposit accounts	6.2	<b>36,287,297</b>	15,623,732
Foreign currency collection accounts		<b>5,891,821</b>	1,135,059
		<b>166,913,491</b>	139,354,153

With other central banks in

Foreign currency current accounts	6.3	<b>21,098,828</b>	26,631,693
Foreign currency deposit accounts	6.3	<b>6,632,052</b>	3,725,602
		<b>27,730,880</b>	30,357,295

Prize bonds

	<b>371,989</b>	326,962
	<b>255,097,607</b>	230,226,311

- 6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5% per annum (December 31, 2022: 0% to 4.5% per annum).

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
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Note ----- (Rupees in '000) -----

## 7. BALANCES WITH OTHER BANKS

In Pakistan

In current accounts		<b>511,100</b>	537,182
In deposit accounts	7.1	<b>591,123</b>	501,303
		<b>1,102,223</b>	1,038,485

Outside Pakistan

In current accounts		<b>28,637,795</b>	12,395,611
In deposit accounts	7.2	<b>5,786,156</b>	6,189,028
		<b>34,423,951</b>	18,584,639
		<b>35,526,174</b>	19,623,124



7.1 These include various deposits with banks and carry interest at the rates ranging from 6.7% to 9.9% per annum (December 31, 2022: 3.5% to 9.5% per annum).

7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 1.75 % to 4.4% per annum (December 31, 2022: 0% to 4% per annum).

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	

## 8. LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	8.1	9,723	9,723
Repurchase agreement lendings (Reverse Repo)	8.2	479,040,530	31,262,744
Letters of placement	8.3	174,150	174,150
	8.4	<u>479,224,403</u>	<u>31,446,617</u>
Less: provision held against lendings to financial institutions	8.5	<u>(174,150)</u>	<u>(174,150)</u>
Lendings to financial institutions - net of provision		<u><u>479,050,253</u></u>	<u><u>31,272,467</u></u>

8.1 This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.

8.2 These carry mark-up at rates ranging from 19.0% to 20.5% per annum (December 31, 2022: 16.0% to 16.5% per annum) with maturities ranging from from April 03, 2023 to April 04, 2023.

8.3 These are overdue placements and full provision has been made against these placements as at March 31, 2023.

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

### 8.4 Particulars of lending

In local currency	479,224,403	31,446,617
In foreign currencies	-	-
	<u>479,224,403</u>	<u>31,446,617</u>

### 8.5 Movement in provision held against lendings is as follows:

Opening balance	174,150	174,150
Reversal for the period	-	-
Closing balance	<u>174,150</u>	<u>174,150</u>

**8.6 Securities held as collateral against lendings to financial institutions**

March 31, 2023 (Un-audited)			December 31, 2022 (Audited)			
Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total	
----- (Rupees in '000) -----						
Market Treasury Bills	14,919,030	-	14,919,030	18,699,589	-	18,699,589
Pakistan Investment Bonds	464,121,500	-	464,121,500	12,563,155	-	12,563,155
<b>Total</b>	<b>479,040,530</b>	<b>-</b>	<b>479,040,530</b>	<b>31,262,744</b>	<b>-</b>	<b>31,262,744</b>

**8.7.1** Market value of the securities under repurchase agreement lendings amounts to Rs. 479,041 million (December 31, 2022: Rs. 31,027 million).

**8.7 Category of classification**

(Un-audited) March 31, 2023		(Audited) December 31, 2022	
Classified Lending	Provision held	Classified Lending	Provision held
----- (Rupees in '000) -----			
	174,150	174,150	174,150
	174,150	174,150	174,150

**Domestic**

Loss

**9. INVESTMENTS**

**9.1 Investments by type:**

	March 31, 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
----- (Rupees in '000) -----								
<b>Held-for-trading securities</b>								
Market Treasury Bills	9,475,347	-	(7,979)	9,467,368	22,269,343	-	(2,665)	22,266,678
Pakistan Investment Bonds	23,785,111	-	(209,194)	23,575,917	61,942,656	-	(1,031,197)	60,911,459
Ordinary shares of listed companies	511,905	-	(8,719)	503,186	424,708	-	(20,939)	403,769
Investment In mutual funds	770,788	-	(298)	770,490	623,941	-	(10,996)	612,945
Foreign Government Securities	2,395,397	-	-	2,395,397	1,771,813	-	-	1,771,813
	<b>36,938,548</b>	<b>-</b>	<b>(226,190)</b>	<b>36,712,358</b>	<b>87,032,461</b>	<b>-</b>	<b>(1,065,797)</b>	<b>85,966,664</b>
<b>Available-for-sale securities</b>								
Market Treasury Bills	436,034,381	-	(3,713,701)	432,320,680	828,957,708	-	(2,354,400)	826,603,308
Pakistan Investment Bonds	2,556,339,683	-	(51,027,395)	2,505,312,288	1,972,276,787	-	(27,509,276)	1,944,767,511
Ijarah Sukuks	20,539,566	-	(674,287)	19,865,279	20,518,238	-	(339,589)	20,178,649
Ordinary shares of listed companies	44,915,125	(11,012,552)	3,151,467	37,054,040	41,606,225	(10,159,936)	4,821,267	36,267,556
Ordinary shares of unlisted companies	1,882,463	(427,951)	-	1,454,512	1,882,463	(427,951)	-	1,454,512
Preference shares	2,006,756	(845,730)	168,582	1,329,608	2,006,756	(845,730)	209,451	1,370,477
Term Finance Certificates / Musharika								
Participation Term Certificate and Sukuk Bonds	51,463,284	(5,928,396)	678,172	46,213,060	52,146,989	(5,990,161)	1,047,326	47,204,154
GoP Foreign Currency Bonds	41,441,434	-	(24,913,080)	16,528,354	33,045,353	-	(18,622,514)	14,422,839
Foreign Government Securities	1,276,155	-	(31,728)	1,244,427	1,914,312	-	(30,359)	1,883,953
Investments in mutual funds	2,219,646	(41,167)	915,607	3,094,086	2,219,646	(41,167)	941,952	3,120,431
Ordinary shares of a bank outside Pakistan	463,294	-	41,228,294	41,691,589	463,294	-	34,380,951	34,844,245
	<b>3,158,581,787</b>	<b>(18,255,796)</b>	<b>(34,218,069)</b>	<b>3,106,107,923</b>	<b>2,957,037,771</b>	<b>(17,464,945)</b>	<b>(7,455,191)</b>	<b>2,932,117,635</b>
<b>Held-to-maturity securities</b>								
Market Treasury Bills	160,243,126	-	-	160,243,126	29,519,190	-	-	29,519,190
Pakistan Investment Bonds	376,266,577	-	-	376,266,577	375,285,244	-	-	375,285,244
Ijarah Sukuks	13,122,409	-	-	13,122,409	13,130,709	-	-	13,130,709
Debentures, Bonds, Ijarah Sukuks, Participation								
Term Certificates and Term Finance Certificates	404,585	(404,585)	-	-	404,585	(404,585)	-	-
GoP Foreign Currency Bonds	3,887,784	-	-	3,887,784	2,992,408	-	-	2,992,408
Foreign Government Securities	43,523,811	-	-	43,523,811	36,096,507	-	-	36,096,507
Foreign Currency Debt Securities	1,084	-	-	1,084	871	-	-	871
	<b>597,449,376</b>	<b>(404,585)</b>	<b>-</b>	<b>597,044,791</b>	<b>457,429,514</b>	<b>(404,585)</b>	<b>-</b>	<b>457,024,929</b>
<b>Associates</b>	<b>1,099,092</b>	<b>(725,730)</b>	<b>-</b>	<b>373,362</b>	<b>1,127,609</b>	<b>(742,298)</b>	<b>-</b>	<b>385,311</b>
<b>Joint Venture</b>	<b>9,851,408</b>	<b>-</b>	<b>-</b>	<b>9,851,408</b>	<b>7,441,308</b>	<b>-</b>	<b>-</b>	<b>7,441,308</b>
<b>Subsidiaries</b>	<b>1,245</b>	<b>(1,245)</b>	<b>-</b>	<b>-</b>	<b>1,245</b>	<b>(1,245)</b>	<b>-</b>	<b>-</b>
<b>Total Investments</b>	<b>3,803,921,456</b>	<b>(19,387,359)</b>	<b>(34,444,259)</b>	<b>3,750,089,842</b>	<b>3,510,069,908</b>	<b>(18,613,073)</b>	<b>(8,520,988)</b>	<b>3,482,935,847</b>

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
<b>9.1.1 Investments given as collateral</b>			
Pakistan Investment Bonds		2,185,950,376	1,136,497,472
Market Treasury Bills		213,243,001	689,709,291
	17	<u>2,399,193,376</u>	<u>1,826,206,763</u>

**9.2 Provision for diminution in value of investments**

<b>9.2.1</b> Opening balance		18,613,073	13,386,051
Charge for the period		902,686	5,226,348
Reversals for the period		(128,400)	(850,070)
		774,286	4,376,278
Transfers - net		-	850,744
Closing Balance		<u>19,387,359</u>	<u>18,613,073</u>

**9.2.2 Particulars of provision against debt securities**

Category of classification	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Doubtful	-	-	-	-
Loss	6,332,981	6,332,981	6,525,731	6,394,746
	<u>6,332,981</u>	<u>6,332,981</u>	<u>6,525,731</u>	<u>6,394,746</u>

**9.3** The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 595,328 million (December 31, 2022: Rs. 436,150 million).

## 10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022

Note

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

Loans, cash credits, running finances, etc.		1,112,556,444	1,168,292,452	238,033,290	190,934,209	1,350,589,734	1,359,226,661
Islamic financing and related assets		61,527,954	46,381,315	640,559	654,980	62,168,513	47,036,295
Net Investment in finance lease	10.1	29,160	35,384	28,944	28,944	58,104	64,328
Bills discounted and purchased		26,984,067	18,598,616	13,659,608	14,106,504	40,643,675	32,705,120
Advances - gross	10.2	1,201,097,625	1,233,307,767	252,362,401	205,724,637	1,453,460,026	1,439,032,404
Provision against advances							
- Specific		-	-	204,837,616	191,014,747	204,837,616	191,014,747
- General		16,908,779	17,348,539	-	-	16,908,779	17,348,539
	10.4	16,908,779	17,348,539	204,837,616	191,014,747	221,746,395	208,363,286
Advances - net of provision		1,184,188,846	1,215,959,228	47,524,785	14,709,890	1,231,713,631	1,230,669,118

### 10.1 Net Investment in Finance Lease

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	----- (Rupees in '000) -----							
Lease rentals receivable	52,287	-	-	52,287	52,152	-	-	52,152
Residual value	30,142	-	-	30,142	36,505	-	-	36,505
Minimum lease payments	82,429	-	-	82,429	88,657	-	-	88,657
Less: financial charges for future periods	24,325	-	-	24,325	24,329	-	-	24,329
Present value of minimum lease payments	58,104	-	-	58,104	64,328	-	-	64,328

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Group requires the lessee to insure the leased assets in favour of the Group. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% (December 31, 2022: 10.19% to 14.85%) per annum.

### 10.2 Particulars of advances (Gross)

In local currency	1,313,643,170	1,316,066,358
In foreign currencies	139,816,856	122,966,046
	1,453,460,026	1,439,032,404

- 10.3 Advances include Rs. 252,362 million (December 31, 2022: Rs. 205,725 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other Assets Especially Mentioned	3,779,920	131,826	1,789,957	73,114
Substandard	36,963,852	1,685,294	5,888,114	1,439,917
Doubtful	8,194,568	3,704,387	8,883,354	4,648,305
Loss	136,960,282	135,429,821	135,113,451	132,837,538
	<b>185,898,622</b>	<b>140,951,329</b>	151,674,876	138,998,874
<b>Overseas</b>				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	408,774	204,387	331,133	165,567
> 365 days	66,055,005	63,681,900	53,718,628	51,850,306
	<b>66,463,779</b>	<b>63,886,287</b>	54,049,761	52,015,873
Total	<b>252,362,401</b>	<b>204,837,616</b>	205,724,637	191,014,747

10.4 Particulars of provision against advances

Note	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	191,014,747	17,348,539	208,363,286	179,654,610	12,472,591	192,127,201
Exchange adjustments	13,335,980	153,090	13,489,070	8,349,754	107,952	8,457,706
Charge for the period / year	1,445,324	528,563	1,973,887	5,227,345	9,553,101	14,780,446
Reversals	(1,684,691)	(357,626)	(2,042,317)	(5,011,542)	(1,757,105)	(6,768,647)
	(239,367)	170,937	(68,430)	215,803	7,795,996	8,011,799
Amounts written off	(18,542)	-	(18,542)	(177,162)	-	(177,162)
Amounts charged off - agriculture financing	(18,988)	-	(18,988)	(56,258)	-	(56,258)
Transfer from general to specific provision	763,786	(763,786)	-	3,028,000	(3,028,000)	-
Closing balance	<b>204,837,616</b>	<b>16,908,779</b>	<b>221,746,395</b>	191,014,747	17,348,539	208,363,286

10.4.1 Particulars of provision against advances

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	140,951,329	16,285,901	157,237,230	138,998,874	16,741,242	155,740,116
In foreign currencies	63,886,287	622,878	64,509,165	52,015,873	607,297	52,623,170
	<b>204,837,616</b>	<b>16,908,779</b>	<b>221,746,395</b>	191,014,747	17,348,539	208,363,286

**10.4.2** General provision includes provision amounting to Rs. 5,007 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 623 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in

The Group has also maintained general provision of Rs. 11,279 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

**10.4.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.

**10.4.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Group's right of recovery from these customers.

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	1,182,451	1,086,001
Property and equipment		56,633,234	56,518,342
		<u>57,815,685</u>	<u>57,604,343</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		1,103,876	1,010,529
Equipment		10,825	10,825
Advances to suppliers and contractors		67,750	64,647
		<u>1,182,451</u>	<u>1,086,001</u>
		(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
----- (Rupees in '000) -----			
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Capital work-in-progress</b>		132,951	125,908
<b>Property and equipment</b>			
Building on freehold land		11,113	14,866
Building on leasehold land		16,050	80
Furniture and fixture		87,227	166,455
Computer and peripheral equipment		54,991	43,920
Electrical, office equipment		123,673	120,159
Vehicles		174,126	24,064
Assets held under finance lease - Vehicles		64,204	29,056
		<u>531,384</u>	<u>398,600</u>
Total		<u>664,335</u>	<u>524,508</u>
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		-	36
Computer and peripheral equipment		1	196
Electrical, office equipment		-	2
Vehicles		3,127	9,119
Assets held under finance lease - Vehicle		9,340	10,424
Total		<u>12,468</u>	<u>19,777</u>

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

## 12. INTANGIBLE ASSETS

Capital work-in-progress - Software Implementation	831,838	869,907
Computer Software	740,965	668,862
Goodwill on NBP Fund Acquisition	<u>562,553</u>	<u>562,553</u>
	<u>2,135,356</u>	<u>2,101,322</u>

(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
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----- (Rupees in '000) -----

### 12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Capital Work in Progress - net additions	69,679	-
Directly purchased	<u>15,586</u>	<u>12,300</u>
Total	<u>85,265</u>	<u>12,300</u>

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

## 13. RIGHT-OF-USE ASSETS

Balance as at January 01	7,186,067	7,090,980
Additions during the period / year	631,099	2,421,546
Derecognition during the period / year	-	(19,860)
Depreciation charged for the period / year	<u>(556,890)</u>	<u>(2,306,599)</u>
Balance as at	<u>7,260,276</u>	<u>7,186,067</u>

## 14. DEFERRED TAX

### Deductible temporary differences on

- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,687,876	7,467,549
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	12,925,196	12,925,197
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,591,224	1,395,724
- Excess of accounting book value of leased assets over lease liabilities	2,165	-
- Right of use assets	978,487	670,604
- Other provisions	<u>98,789</u>	<u>107,841</u>
	<u>23,646,415</u>	<u>22,929,593</u>

### Taxable temporary differences on

- Surplus on revaluation of fixed assets	(3,023,080)	(2,968,387)
- Excess of accounting book value of leased assets over lease liabilities	-	(7,890)
- Surplus on revaluation of investments	14,717,165	3,208,916
- Surplus on revaluation of non-banking assets	(21,752)	(21,752)
- Exchange translation reserve	<u>(974,974)</u>	<u>(734,250)</u>
	<u>10,697,359</u>	<u>(523,363)</u>
	<u>34,343,774</u>	<u>22,406,230</u>



	(Un-audited) March 31, 2023	(Audited) December 31, 2022
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Note ----- (Rupees in '000) -----

## 15. OTHER ASSETS

Income / return / mark-up accrued in local currency	132,783,849	99,446,324
Income / return / mark-up accrued in foreign currency	5,692,040	4,012,820
Advances, deposits, advance rent and other prepayments	5,492,887	3,176,299
Income tax refunds receivable & advance taxation (payments less provisions)	5,108,995	11,063,715
Compensation for delayed tax refunds	21,280,934	20,809,580
Non-banking assets acquired in satisfaction of claims	1,177,432	1,179,943
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Mark to market gain on forward foreign exchange contracts	23,487,351	-
Acceptances	9,249,996	20,644,122
Commission receivable on Government treasury transactions	7,393,980	5,253,389
Stationery and stamps on hand	461,506	437,900
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Receivable against sale / purchase of shares	270,606	823,140
Receivable from Pakistan Stock Exchange	157,336	173,941
Receivable from mutual funds	1,058,470	985,894
Others	11,961,793	8,312,213
	<b>226,723,003</b>	177,465,108
Less: Provision held against other assets	15.1 12,253,937	12,244,043
Other assets (net of provision)	<b>214,469,066</b>	165,221,065
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<b>2,520,000</b>	2,520,000
Other assets - total	<b>216,989,066</b>	167,741,065

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

### 15.1 Provision held against other assets

Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	837,949	837,949
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,306,922	4,297,516
Ex-MBL / NDFC - other assets	770,398	770,398
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
Others	4,943,691	4,943,203
	<b>12,253,937</b>	12,244,043

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>15.2.1 Movement in provision held against other assets</b>		
Opening balance	12,244,043	11,709,318
Charge for the period / year	9,895	562,955
Adjustment against provision	-	(28,230)
Closing balance	<u>12,253,937</u>	<u>12,244,043</u>
<b>16. BILLS PAYABLE</b>		
In Pakistan	7,555,566	54,969,587
Outside Pakistan	<u>351,335</u>	<u>298,432</u>
	<u>7,906,901</u>	<u>55,268,019</u>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	36,004,726	38,217,784
Financing Scheme for Renewable Energy	785,785	1,019,611
Refinance Facility for Modernization of SMEs	58,698	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)	619,835	667,327
Under Long-Term Financing Facility (LTFF)	19,536,985	20,254,808
Refinance Scheme for Payment of Wages and Salaries	-	35,950
Temporary Economic Refinance Facility	24,210,085	24,126,421
Refinance Facility for Combating Covid-19	57,543	66,159
	81,273,657	84,431,884
Repurchase agreement borrowings	9.1.1 2,399,193,376	1,826,206,763
Bai Muajjal	-	-
	<u>2,480,467,033</u>	<u>1,910,638,647</u>
<b>Unsecured</b>		
Call borrowings	22,537,203	25,810,145
Bai Muajjal	-	4,036,995
	<u>22,537,203</u>	<u>29,847,140</u>
	<u>2,503,004,236</u>	<u>1,940,485,787</u>
<b>17.1 Particulars of borrowings with respect to currencies</b>		
In local currency	2,487,831,693	1,923,848,931
In foreign currencies	<u>15,172,543</u>	<u>16,636,856</u>
	<u>2,503,004,236</u>	<u>1,940,485,787</u>
<b>17.2</b> Mark-up / interest rates and other terms are as follows:		
-	Repurchase agreement borrowings carry mark-up ranging from 17.16% to 20.16% per annum (December 31, 2022: 15.2% to 17.0% per annum) having maturities ranging from April 03, 2023 to April 09, 2023.	
-	Call borrowings carry interest ranging from 5.27% to 20.05% per annum (December 31, 2022: 3.0% to 16.5% per annum).	
<b>17.3</b>	Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.	
<b>17.4</b>	Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 years and 3 - 12 months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,399,193 million (December 31, 2022: Rs.1,826,206 million).	

## 18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits - remunerative	639,400,481	-	639,400,481	733,037,562	-	733,037,562
Current deposits - non-remunerative	484,108,607	191,635,182	675,743,789	408,169,670	159,575,493	567,745,163
Savings deposits	664,134,147	131,928,933	796,063,080	681,287,543	108,029,851	789,317,394
Term deposits	412,382,274	139,063,497	551,445,771	400,618,865	116,541,863	517,160,728
Others	43,873,430	6,748	43,880,178	9,563,715	7,855	9,571,570
	<b>2,243,898,939</b>	<b>462,634,360</b>	<b>2,706,533,299</b>	<b>2,232,677,355</b>	<b>384,155,062</b>	<b>2,616,832,417</b>
<b>Financial Institutions</b>						
Current deposits	226,273,542	1,632,743	227,906,285	5,795,356	3,492,893	9,288,249
Savings deposits	23,452,672	-	23,452,672	15,190,328	2,924,782	18,115,110
Term deposits	7,955,284	8,618,963	16,574,247	9,716,964	6,442,283	16,159,247
Others	915,763	269	916,032	4,878,234	-	4,878,234
	<b>258,597,261</b>	<b>10,251,975</b>	<b>268,849,236</b>	<b>35,580,882</b>	<b>12,859,958</b>	<b>48,440,840</b>
	<b>2,502,496,200</b>	<b>472,886,335</b>	<b>2,975,382,535</b>	<b>2,268,258,237</b>	<b>397,015,020</b>	<b>2,665,273,257</b>

18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 101,860 million (December 31, 2022: Rs. 75,917 million).

## 19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
----- (Rupees in '000) -----						
Not later than one year	70,598	18,061	52,537	55,683	10,935	44,748
Later than one year and upto five years	135,694	18,919	116,775	85,093	8,388	76,705
Over five years	-	-	-	-	-	-
	<b>206,292</b>	<b>36,980</b>	<b>169,312</b>	<b>140,776</b>	<b>19,323</b>	<b>121,453</b>

The Group has entered into lease agreements with various financial institutions for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 6M KIBOR + 1.50% per annum (December 31, 2022: 6M KIBOR + 1.50% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.

## 20. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		
Lease liabilities included in the statement of financial position	<b>9,552,209</b>	8,761,015
Of which are:		
Current lease liability	1,845,708	1,734,848
Non-current lease liability	7,706,502	7,026,167
	<b>9,552,209</b>	8,761,015
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Less than one year	2,719,212	2,557,743
One to five years	7,368,350	6,963,768
More than five years	8,720,528	7,969,041
Total undiscounted lease liabilities	<b>18,808,090</b>	17,490,552

(Un-audited) March 31, 2023 ----- (Rupees in '000)-----	(Audited) December 31, 2022
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## 21. OTHER LIABILITIES

Mark-up / Return / Interest payable in local currency	112,893,668	126,228,969
Mark-up / Return / Interest payable in foreign currencies	878,313	655,802
Unearned commission and income on bills discounted	244,511	271,126
Accrued expenses	12,863,374	13,955,633
Advance payments	382,933	372,406
Acceptances	9,249,996	20,644,122
Unclaimed dividends	181,614	181,851
Mark to market loss on forward foreign exchange contracts	-	125,371
Branch adjustment account	1,415,315	1,916,850
Payable to defined benefit plan:		
Pension fund	24,225,085	23,063,894
Post retirement medical benefits	30,149,118	29,176,898
Benevolent fund	1,554,830	1,697,838
Gratuity scheme	4,254,472	4,100,617
Compensated absences	9,197,800	8,734,235
Provision against off-balance sheet obligations	627,494	627,494
Provision against contingencies	4,239,235	4,170,799
Staff welfare fund	371,257	371,257
Liabilities relating to Barter trade agreements	4,914,946	3,629,389
Payable to brokers	9,183	350,446
Payable to customers	613,977	940,854
PIBs short selling	14,529,517	11,043,029
Others	23,721,865	19,297,251
	<b>256,518,503</b>	<b>271,556,131</b>

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>22. SURPLUS ON REVALUATION OF ASSETS</b>	Note	----- (Rupees in '000) -----	
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(34,218,069)	(7,455,191)
- Fixed Assets		48,501,479	48,590,472
- Non-banking assets		2,520,000	2,520,000
- On securities of associates and joint venture		(1,558,881)	(1,507,560)
		<u>15,244,528</u>	<u>42,147,721</u>
Deferred tax on (surplus) / deficit on revaluation of:			
- Available for sale securities		14,717,165	3,208,915
- Fixed Assets		(3,023,080)	(3,061,347)
- Non-banking assets		(21,752)	(21,752)
		<u>11,672,333</u>	<u>125,816</u>
		<u>26,916,861</u>	<u>42,273,537</u>
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	444,435,538	377,561,372
Commitments	23.2	2,741,398,927	2,373,285,184
Other contingent liabilities	23.3	25,126,954	26,619,691
		<u>3,210,961,420</u>	<u>2,777,466,247</u>
<b>23.1 Guarantees:</b>			
Financial guarantees		359,377,088	287,741,990
Performance guarantees		85,058,450	89,819,382
		<u>444,435,538</u>	<u>377,561,372</u>
<b>23.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,004,859,721	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	624,953,823	570,881,591
- forward government securities transactions	23.2.2	39,431,586	54,568,834
- forward lending	23.2.3	70,956,551	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,131,896	798,234
Other commitments	23.2.4	65,350	36,850
		<u>2,741,398,927</u>	<u>2,373,285,184</u>
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		403,678,910	368,380,755
Sale		221,274,913	202,500,836
		<u>624,953,823</u>	<u>570,881,591</u>
Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.			
<b>23.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		20,046,126	10,988,627
Sale		19,385,460	43,580,207
		<u>39,431,586</u>	<u>54,568,834</u>

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

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

### 23.2.3 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	70,956,551	50,363,949
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These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.

### 23.2.4 Other commitments

Professional services to be received	65,350	36,850
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### 23.3 Other contingent liabilities

23.3.1 Claim against the Group not acknowledged as debt	25,126,954	26,619,691
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Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2022: Rs. 1,597 million).

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

### 23.3.2 Taxation

As at March 31, 2023, the status of tax contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation officer has passed Appeal Effect Order for tax year 2020 during the year. The Bank has filed appeal before CIR(A) which is pending for adjudication. The demand created in the Appeal Effect order is Rs. 4,244.2 million. The tax advisors are confident that the ultimate outcome of the proceeding will be decided in the Bank's favor.
- Honourable CIR(A) through recent judgement dated February 1, 2023 has decided the appeal filed by the Bank for tax year 2016 against monitoring order in favour of the Bank deleting the demand of Rs 442.7 million.

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

As at March 31, 2023, the status of contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

#### 23.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 26.3.4.1 to the consolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended March 31, 2023 amounted to Rs. 93.0 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for March 2023 onward will also increase by Rs. 12.0 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these consolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favorable outcome on the matter.

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

The New York Branch of NBP has made significant progress to comply with the provisions of the enforcement actions received in February 2022 from the Federal Reserve Bank of New York and the New York State Department of Financial Services. The Branch has complied with the quarterly and half-yearly progress reporting requirements of its regulators. Management and the Board of Directors continue to provide close oversight of the New York branch and are committed to ensure compliance with all the conditions agreed in the enforcement actions. The management actions implemented by the Bank and Branch and their associated validation by Internal Audit are subject to review by the Branch's regulators.

(Un-audited) (Un-audited)  
**Quarter ended**  
**March 31, 2023** March 31, 2022  
**Note ----- (Rupees in '000) -----**

**24. MARK-UP / RETURN / INTEREST EARNED**

Loans and advances	43,469,581	26,160,803
Investments	146,218,758	50,380,946
Lendings to financial institutions	2,573,879	2,072,752
Balances with banks	236,360	633,590
	<b>192,498,578</b>	<b>79,248,091</b>

**25. MARK-UP / RETURN / INTEREST EXPENSED**

Deposits	69,726,499	36,252,157
Borrowings	1,153,608	1,757,665
Cost of foreign currency swaps against foreign currency deposits	1,218,975	2,131,382
Finance charge on lease liability against right of use assets	328,939	218,063
Securities sold under repurchase agreements	87,445,959	13,066,232
	<b>159,873,980</b>	<b>53,425,499</b>

**26. FEE AND COMMISSION INCOME**

Branch banking customer fees	464,670	381,000
Consumer finance related fees	135,309	116,200
Card related fees	579,688	506,466
Credit related fees	55,281	73,640
Investment banking fees	85,646	438,028
Commission on trade	406,448	392,717
Commission on guarantees	277,157	176,957
Commission on cash management	9,551	9,719
Commission on remittances including home remittances	372,768	269,273
Commission on bancassurance	75,044	86,471
Commission on government transactions	2,052,698	2,160,609
Management fee and sale load	384,955	246,165
Brokerage income	17,328	20,105
Others	39,403	82,294
	<b>4,955,946</b>	<b>4,959,644</b>

**27. GAIN ON SECURITIES - NET**

Realised		756,394	(86,877)
Unrealized - held-for-trading	27.1	(226,190)	(248,130)
Unrealized - Short selling		(160,904)	436,692
		<b>369,299</b>	<b>101,685</b>

**27.1 Realized gain / (loss) on**

Federal Government Securities	738,747	(172,814)
Shares and mutual funds	17,647	85,933
Foreign Securities	-	4
	<b>756,394</b>	<b>(86,877)</b>

**28. OTHER INCOME**

Rent on property	6,502	10,426
Gain on sale of fixed assets - net	1,819	5,280
Postal, SWIFT and other charges recovered	-	1,644
Compensation for delayed tax refunds	28.1	471,354
Others	125,722	5,225
	<b>605,397</b>	<b>356,477</b>

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

(Un-audited) (Un-audited)  
**Quarter ended**  
**March 31, 2023** March 31, 2022  
 ----- (Rupees in '000) -----

**29. OPERATING EXPENSES**

**Total compensation expenses** **14,457,298**      11,779,269

**Property expense**

Rent and taxes	<b>274,301</b>	183,416
Insurance	<b>10,654</b>	10,087
Utilities cost	<b>426,288</b>	298,528
Security (including guards)	<b>817,676</b>	658,799
Repair and maintenance (including janitorial charges)	<b>305,378</b>	192,928
Depreciation	<b>130,454</b>	135,551
Depreciation on non banking assets	<b>2,511</b>	3,929
Depreciation on Ijarah assets	<b>15,861</b>	16,841
Depreciation on right of use assets	<b>556,890</b>	557,857
	<b>2,540,013</b>	2,057,935

**Information technology expenses**

Software maintenance	<b>694,694</b>	173,647
Hardware maintenance	<b>63,303</b>	40,642
Depreciation	<b>99,462</b>	90,719
Amortisation	<b>118,595</b>	78,408
Network charges	<b>155,853</b>	158,417
IT Manage Services	<b>134,328</b>	91,788
	<b>1,266,235</b>	633,621

**Other operating expenses**

Directors' fees and reimbursement of other expenses	<b>11,023</b>	9,884
Directors' fees and allowances - subsidiaries	<b>4,840</b>	2,970
Fees and allowances to Shariah Board	<b>4,577</b>	4,254
Legal and professional charges	<b>415,575</b>	234,276
Outsourced services costs	<b>147,241</b>	132,840
Travelling and conveyance	<b>305,235</b>	221,571
NIFT clearing charges	<b>53,977</b>	44,070
Depreciation	<b>400,152</b>	417,010
Training and development	<b>22,144</b>	13,318
Postage and courier charges	<b>30,189</b>	29,380
Communication	<b>156,333</b>	89,190
Stationery and printing	<b>273,048</b>	389,530
Marketing, advertisement and publicity	<b>104,096</b>	29,613
Donations	<b>-</b>	8
Auditors' Remuneration	<b>64,027</b>	48,160
Financial charges on leased assets	<b>29,309</b>	16,656
Insurance	<b>129,210</b>	112,481
Entertainment	<b>70,135</b>	62,323
Clearing, verification, license fee charges	<b>117,026</b>	89,195
Vehicle Expenses	<b>61,970</b>	54,424
Repairs and maintenance	<b>260,390</b>	92,911
Brokerage	<b>5,126</b>	4,230
Deposit premium expense	<b>452,894</b>	392,777
Others	<b>158,150</b>	89,411
	<b>3,276,667</b>	2,580,481
	<b>21,540,213</b>	17,051,306



(Un-audited) (Un-audited)  
**Quarter ended**  
**March 31, 2023** March 31, 2022  
**Note ----- (Rupees in '000) -----**

**30. OTHER CHARGES**

Penalties imposed by State Bank of Pakistan	14,614	21,678
Penalties imposed by other regulatory bodies (Central bank of international branches)	<u>1,085</u>	<u>-</u>
	<u><b>15,699</b></u>	<u><b>21,678</b></u>

**31. PROVISIONS & WRITE OFFS - NET**

Provisions for diminution in value of investments	9.2	774,286	399,330
Provisions against loans and advances	10.4	(68,430)	987,082
Provision against other assets	15.2.1	9,895	19,367
Provision against contingencies		<u>18,436</u>	<u>29,962</u>
		<u><b>734,186</b></u>	<u><b>1,435,741</b></u>

**32. TAXATION**

Current		8,076,025	6,443,566
Prior years		-	-
Deferred		<u>(454,280)</u>	<u>(166,114)</u>
		<u><b>7,621,745</b></u>	<u><b>6,277,452</b></u>

(Un-audited) (Un-audited)  
**Quarter ended**  
**March 31, 2023** March 31, 2022

**33. EARNINGS PER SHARE - BASIC AND DILUTED**

Profit for the period (Rupees in 000's)		<u>11,249,266</u>	<u>9,695,811</u>
Weighted average number of ordinary shares (000's)		<u>2,127,513</u>	<u>2,127,513</u>
Earnings per share - basic and diluted (Rupees)		<u><b>5.29</b></u>	<u><b>4.56</b></u>

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

(Un-audited) (Un-audited)  
**March 31, 2023** March 31, 2022  
**Note ----- (Rupees in '000) -----**

**34. CASH AND CASH EQUIVALENT**

Cash and balances with treasury banks	6	255,097,607	241,301,582
Balances with other banks	7	35,526,174	20,065,539
Call money lendings	8	9,723	5,009,723
Call money borrowings	17	(22,537,203)	(46,760,608)
Overdrawn nostro	17	-	(1,142,563)
		<u>268,096,301</u>	<u>218,473,673</u>

## **35. FAIR VALUE MEASUREMENTS**

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

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

### **35.1 Fair value of financial assets**

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

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

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

	March 31, 2023 (Un-audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Market Treasury Bills	441,788,048	-	441,788,048	-	441,788,048
Pakistan Investment Bonds	2,528,888,205	-	2,528,888,205	-	2,528,888,205
Ijarah Sukuks	19,865,279	-	19,865,279	-	19,865,279
Ordinary shares of listed companies	37,557,226	37,557,226	-	-	37,557,226
Investment In mutual funds	3,864,576	-	3,864,576	-	3,864,576
Preference shares	1,329,608	1,329,608	-	-	1,329,608
Term Finance Certificates / Musharika and Sukuk Bonds	46,213,060	14,577,536	31,635,524	-	46,213,060
GoP Foreign Currency Bonds	16,528,354	-	16,528,354	-	16,528,354
Foreign Government Securities	3,639,824	-	3,639,824	-	3,639,824
Ordinary shares of a bank outside Pakistan	41,691,589	41,691,589	-	-	41,691,589
	<b>3,141,365,769</b>	<b>95,155,959</b>	<b>3,046,209,810</b>	<b>-</b>	<b>3,141,365,769</b>

**Financial assets - disclosed but not measured at fair value**

Investments					
Market Treasury Bills	160,243,126	-	160,243,126	-	160,243,126
Pakistan Investment Bonds	376,266,577	-	376,266,577	-	376,266,577
Ijarah Sukuks	13,122,409	-	13,122,409	-	13,122,409
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	-	-	-
GoP Foreign Currency Bonds	3,887,784	-	3,887,784	-	3,887,784
Foreign Government Securities	43,523,811	-	43,523,811	-	43,523,811
Foreign Currency Debt Securities	1,084	-	1,084	-	1,084
	<b>597,044,791</b>	<b>-</b>	<b>597,044,791</b>	<b>-</b>	<b>597,044,791</b>
	<b>3,738,410,560</b>	<b>95,155,959</b>	<b>3,643,254,601</b>	<b>-</b>	<b>3,738,410,560</b>

**Off-balance sheet financial instruments - measured at fair value**

Foreign exchange contracts purchase and sale	624,953,823	-	23,487,351	-	23,487,351
Forward government securities transactions	39,431,586	-	(26,688)	-	(26,688)

	December 31, 2022 (Audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					

**On balance sheet financial instruments**

**Financial assets - measured at fair value**

Investments					
Market Treasury Bills	848,869,986	-	848,869,986	-	848,869,986
Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
Ordinary shares of listed companies	36,671,325	36,671,325	-	-	36,671,325
Investments in mutual funds	3,733,376	-	3,733,376	-	3,733,376
Preference shares	1,370,477	1,370,477	-	-	1,370,477
Term Finance Certificates / Musharika and Sukuk Bonds	47,204,154	15,167,771	32,036,383	-	47,204,154
GoP Foreign Currency Bonds	14,422,839	-	14,422,839	-	14,422,839
Foreign Government Securities	3,655,766	-	3,655,766	-	3,655,766
Ordinary shares of a bank outside Pakistan	34,844,245	34,844,245	-	-	34,844,245
	<b>3,016,629,787</b>	<b>88,053,818</b>	<b>2,928,575,969</b>	<b>-</b>	<b>3,016,629,787</b>

	December 31, 2022 (Audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Market Treasury Bills	29,519,190	-	29,519,190	-	29,519,190
Pakistan Investment Bonds	375,285,244	-	375,285,244	-	375,285,244
Ijarah Sukuks	13,130,709		13,130,709		13,130,709
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	-	-	-
GoP Foreign Currency Bonds	2,992,408	-	2,992,408	-	2,992,408
Foreign Government Securities	36,096,507	-	36,096,507	-	36,096,507
Foreign Currency Debt Securities	871	-	871	-	871
	<u>457,024,929</u>	<u>-</u>	<u>457,024,929</u>	<u>-</u>	<u>457,024,929</u>
	<u>3,473,654,716</u>	<u>88,053,818</u>	<u>3,385,600,898</u>	<u>-</u>	<u>3,473,654,716</u>

**Off-balance sheet financial instruments - measured at fair value**

Foreign exchange contracts purchase and sale	<u>570,881,591</u>	<u>-</u>	<u>(125,371)</u>	<u>-</u>	<u>(125,371)</u>
Forward government securities transactions	<u>54,568,834</u>	<u>-</u>	<u>(14,626)</u>	<u>-</u>	<u>(14,626)</u>

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

Item	Valuation approach and input used
Market Treasury Bills	PKRV (MUFAP)
Pakistan Investment Bonds	PKRV & PKFRV (MUFAP)
Ijarah Sukuks	PKISRV (MUFAP)
Ordinary shares of unlisted companies	Breakup value as per latest available audited financial statements
Term Finance Certificates / Musharika and Sukuk Bonds	MUFAP & Pakistan Stock Exchange
GoP Foreign Currency Bonds	Reuter page
Foreign Government Securities	Reuter page
Foreign Currency Debt Securities	Reuter page
Mutual Funds	MUFAP
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements

**35.2 Fair value of non-financial assets**

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

	March 31, 2023 (Un-audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Land & building (property and equipment)	<u>48,575,598</u>	<u>-</u>	<u>-</u>	<u>48,575,598</u>	<u>48,575,598</u>
Non-banking assets acquired in satisfaction of claims	<u>3,697,432</u>	<u>-</u>	<u>-</u>	<u>3,697,432</u>	<u>3,697,432</u>
	<u>52,273,030</u>	<u>-</u>	<u>-</u>	<u>52,273,030</u>	<u>52,273,030</u>

	December 31, 2022 (Audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Land & building (property and equipment)	52,425,375	-	-	52,425,375	52,425,375
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943	3,699,943
	<u>56,125,318</u>	<u>-</u>	<u>-</u>	<u>56,125,318</u>	<u>56,125,318</u>

36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Three months period ended March 31, 2023 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total	
(Rupees in '000)									
<b>Profit and loss account</b>									
Net mark-up / return / interest income / (expense)	(53,669,740)	8,033,052	7,608,880	67,668,646	633,285	2,350,473	32,624,598	-	32,624,598
Inter segment revenue - net	79,351,581	(9,351,852)	(6,273,468)	(69,125,293)	-	5,399,033	0	-	-
Non mark-up / return / interest income	3,526,399	88,993	877,456	2,691,183	339,218	1,057,308	8,580,557	-	8,580,557
<b>Total Income</b>	<b>29,208,240</b>	<b>(1,229,807)</b>	<b>2,212,868</b>	<b>1,234,536</b>	<b>972,503</b>	<b>8,806,814</b>	<b>41,205,155</b>	<b>-</b>	<b>41,205,155</b>
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	1,287,892	13,671,656	-	13,671,656
Inter segment expense allocation	-	-	-	-	-	7,884,256	7,884,256	-	7,884,256
<b>Total expenses</b>	<b>8,887,705</b>	<b>906,289</b>	<b>349,136</b>	<b>62,208</b>	<b>2,178,426</b>	<b>9,172,149</b>	<b>21,555,912</b>	<b>-</b>	<b>21,555,912</b>
Provisions and write offs - net	(57,529)	489,453	234,381	852,624	(185,860)	(598,884)	734,186	-	734,186
<b>Profit / (loss) before taxation</b>	<b>20,378,063</b>	<b>(2,625,549)</b>	<b>1,629,351</b>	<b>319,704</b>	<b>(1,020,062)</b>	<b>233,550</b>	<b>18,915,057</b>	<b>-</b>	<b>18,915,057</b>

March 31, 2023 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total	
(Rupees in '000)									
<b>Statement of financial position</b>									
Cash and balances with treasury and other banks	203,301,809	15,253,267	323,736	12,981,371	51,380,149	7,383,449	290,623,781	-	290,623,781
Investments	(0)	-	26,003,109	3,594,352,003	65,185,472	64,549,259	3,750,089,842	-	3,750,089,842
Net inter segment lending	2,007,466,423	-	-	-	-	171,903,440	2,179,369,863	(2,179,369,863)	-
Lendings to financial institutions	-	-	-	479,050,253	-	-	479,050,253	-	479,050,253
Advances - performing	217,985,801	170,803,914	630,520,185	-	69,297,455	112,490,271	1,201,097,625	-	1,201,097,625
Advances - non-performing	4,698,929	24,696,054	52,383,896	-	66,072,907	104,510,615	252,362,401	-	252,362,401
Provision against advances	(8,895,212)	(20,261,194)	(21,645,578)	-	(64,221,486)	(106,722,925)	(221,746,395)	-	(221,746,395)
Advances - Net	213,789,519	175,238,774	661,258,502	-	71,148,876	110,277,960	1,231,713,631	-	1,231,713,631
Others	39,504,523	2,988,435	28,924,175	23,808,409	10,351,596	212,967,029	318,544,157	-	318,544,157
<b>Total Assets</b>	<b>2,464,062,273</b>	<b>193,480,477</b>	<b>716,509,523</b>	<b>4,110,192,035</b>	<b>198,066,092</b>	<b>567,081,137</b>	<b>8,249,391,527</b>	<b>(2,179,369,863)</b>	<b>6,070,021,664</b>
Borrowings	-	5,738,002	75,780,215	2,406,313,476	15,172,543	-	2,503,004,236	-	2,503,004,236
Deposits and other accounts	2,393,013,087	-	385,056,393	-	101,860,489	95,452,566	2,975,382,535	-	2,975,382,535
Net inter segment borrowing	-	182,497,439	235,417,954	1,628,383,748	99,987,260	33,083,461	2,179,369,863	(2,179,369,863)	-
Others	71,049,187	5,245,035	20,104,520	65,219,387	5,920,239	106,608,558	274,146,925	-	274,146,925
<b>Total liabilities</b>	<b>2,464,062,273</b>	<b>193,480,477</b>	<b>716,359,082</b>	<b>4,099,916,612</b>	<b>222,940,532</b>	<b>235,144,585</b>	<b>7,931,903,559</b>	<b>(2,179,369,863)</b>	<b>5,752,533,696</b>
Equity	-	-	150,442	10,275,424	(24,874,439)	331,936,551	317,487,968	-	317,487,968
<b>Total equity and liabilities</b>	<b>2,464,062,273</b>	<b>193,480,477</b>	<b>716,509,523</b>	<b>4,110,192,035</b>	<b>198,066,092</b>	<b>567,081,137</b>	<b>8,249,391,527</b>	<b>(2,179,369,863)</b>	<b>6,070,021,664</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>69,557,155</b>	<b>2,362,499,642</b>	<b>735,341,960</b>	<b>17,238,463</b>	<b>26,324,200</b>	<b>3,210,961,420</b>	<b>-</b>	<b>3,210,961,420</b>

Three months period ended March 31, 2022 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
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(Rupees in '000)

**Profit and loss account**

Net mark-up / return / interest income /

(expense)	(28,632,718)	5,530,773	7,399,849	39,099,816	1,019,489	1,405,384	25,822,592	-	25,822,592
Inter segment revenue - net	43,486,100	(5,344,337)	(6,770,243)	(36,647,744)	-	5,276,225	-	-	-
Non mark-up / return / interest income	3,387,541	126,398	1,349,787	2,615,260	242,529	955,693	8,677,208	-	8,677,208
<b>Total Income</b>	<b>18,240,922</b>	<b>312,834</b>	<b>1,979,393</b>	<b>5,067,332</b>	<b>1,262,018</b>	<b>7,637,302</b>	<b>34,499,800</b>	<b>-</b>	<b>34,499,800</b>
Segment direct expenses	7,757,833	793,328	301,691	57,606	1,642,299	1,107,316	11,660,073	-	11,660,073
Inter segment expense allocation	-	-	-	-	-	5,412,911	5,412,911	-	5,412,911
<b>Total expenses</b>	<b>7,757,833</b>	<b>793,328</b>	<b>301,691</b>	<b>57,606</b>	<b>1,642,299</b>	<b>6,520,228</b>	<b>17,072,984</b>	<b>-</b>	<b>17,072,984</b>
Provisions and write offs - net	(45,960)	964,356	1,804,618	395,144	86,237	(1,768,653)	1,435,741	-	1,435,741
<b>Profit / (loss) before taxation</b>	<b>10,529,050</b>	<b>(1,444,850)</b>	<b>(126,916)</b>	<b>4,614,582</b>	<b>(466,518)</b>	<b>2,885,728</b>	<b>15,991,075</b>	<b>-</b>	<b>15,991,075</b>

December 31, 2022 (Audited)

Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
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(Rupees in '000)

**Statement of financial position**

Cash and balances with treasury and other banks

Investments	75,111,055	8,471,928	272,335	116,207,653	41,420,355	8,366,109	249,849,435	-	249,849,435
Net inter segment lending	-	-	26,566,790	3,338,860,011	55,396,579	62,112,467	3,482,935,847	-	3,482,935,847
Lendings to financial institutions	1,913,764,601	-	-	-	-	161,978,230	2,075,742,831	(2,075,742,831)	(0)
Advances - performing	-	-	-	31,272,467	-	-	31,272,467	-	31,272,467
Advances - non-performing	221,901,091	236,174,990	608,412,187	-	68,916,285	97,903,214	1,233,307,767	-	1,233,307,767
Provision against advances	4,107,960	21,853,219	23,902,314	-	53,726,670	102,134,474	205,724,637	-	205,724,637
Advances - net	(8,972,018)	(19,791,641)	(23,100,384)	-	(52,356,953)	(104,142,290)	(208,363,286)	-	(208,363,286)
Others	217,037,033	238,236,568	609,214,117	-	70,286,002	95,895,398	1,230,669,118	-	1,230,669,118
<b>Total Assets</b>	<b>31,988,215</b>	<b>3,619,414</b>	<b>41,795,925</b>	<b>381,562</b>	<b>6,402,399</b>	<b>172,851,511</b>	<b>257,039,027</b>	<b>-</b>	<b>257,039,027</b>
<b>Total Assets</b>	<b>2,237,900,904</b>	<b>250,327,910</b>	<b>677,849,167</b>	<b>3,486,721,693</b>	<b>173,505,335</b>	<b>501,203,715</b>	<b>7,327,508,725</b>	<b>(2,075,742,831)</b>	<b>5,251,765,894</b>
Borrowings	-	6,032,537	78,172,283	1,839,417,048	16,636,856	227,063	1,940,485,787	-	1,940,485,787
Deposits and other accounts	2,088,472,344	-	406,454,898	-	75,916,594	94,429,421	2,665,273,257	-	2,665,273,257
Net inter segment borrowing	-	227,691,242	157,769,526	1,581,730,692	96,687,516	11,863,855	2,075,742,831	(2,075,742,831)	(0)
Others	149,428,560	16,604,131	35,169,167	44,395,276	2,896,990	87,212,494	335,706,618	-	335,706,618
<b>Total liabilities</b>	<b>2,237,900,904</b>	<b>250,327,910</b>	<b>677,565,874</b>	<b>3,465,543,016</b>	<b>192,137,956</b>	<b>193,732,833</b>	<b>7,017,208,493</b>	<b>(2,075,742,831)</b>	<b>4,941,465,662</b>
Equity	-	-	283,293	21,178,677	(18,632,621)	307,470,882	310,300,232	-	310,300,232
<b>Total equity and liabilities</b>	<b>2,237,900,904</b>	<b>250,327,910</b>	<b>677,849,167</b>	<b>3,486,721,693</b>	<b>173,505,335</b>	<b>501,203,715</b>	<b>7,327,508,725</b>	<b>(2,075,742,831)</b>	<b>5,251,765,894</b>

**Contingencies and commitments**

	-	183,082,386	1,907,266,393	625,450,425	28,425,093	33,241,950	2,777,466,247	-	2,777,466,247
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### 37. RELATED PARTY TRANSACTIONS

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

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

	March 31, 2023 (Un-audited)								December 31, 2022 (Audited)									
	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties
(Rupees in '000)																		
<b>Balances with other banks</b>																		
In current accounts	-	-	-	466,064	-	-	-	-	-	-	-	-	395,137	-	-	-	-	-
	-	-	-	466,064	-	-	-	-	-	-	-	-	395,137	-	-	-	-	-
<b>Investments</b>																		
Opening balance	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	-	4,465,809
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,825
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	(1,260,792)	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	5,251,842	-	-	-	-	-	-	-	-	6,512,634
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	164,875	-	-	-	-	-	-	-	-	461,354
<b>Advances</b>																		
Opening balance	-	339,734	2,665,220	-	-	-	-	-	2,085,795	-	347,592	2,934,162	-	-	-	-	-	641,482
Addition during the period / year	-	-	-	-	-	-	-	-	-	-	86,147	-	-	-	-	-	-	2,229,175
Repaid during the period / year	-	(13,636)	-	-	-	-	-	-	(6,589)	-	(52,240)	(268,942)	-	-	-	-	-	(1,435,378)
Transfer in / (out) - net*	-	(28,200)	-	-	-	-	-	-	(1,888,145)	-	(41,765)	-	-	-	-	-	-	650,516
Closing balance	-	297,897	2,665,220	-	-	-	-	-	191,060	-	339,734	2,665,220	-	-	-	-	-	2,085,795
Provisions against loans	-	-	2,665,220	-	-	-	-	-	-	-	-	2,665,220	-	-	-	-	-	-
<b>Other Assets</b>																		
Interest / mark-up accrued	-	-	1,717,167	-	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-	-
	-	-	1,717,167	-	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-	-
<b>Borrowings</b>																		
Opening balance	-	-	-	52,245	-	-	-	-	-	-	-	-	35,741	-	-	-	-	-
Borrowings during the period / year	-	-	-	3,028	-	-	-	-	-	-	-	-	16,504	-	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	55,273	-	-	-	-	-	-	-	-	52,245	-	-	-	-	-
<b>Deposits and other accounts</b>																		
Opening balance	-	98,488	3,000	-	27,222	-	257,252	13,263,170	515,559	1,760	131,454	-	-	86,264	10,100,000	46,769	12,854,755	43,336,142
Received during the period / year	-	289,470	-	-	9,477,577	-	845,111	1,245,981	67,980	-	885,658	3,000	-	41,951,279	-	8,370,003	5,025,151	5,647,309
Withdrawn during the period / year	-	(227,233)	-	-	(9,499,800)	-	(715,255)	(1,603,514)	(114,312)	(14)	(894,821)	-	-	(42,010,321)	(10,100,000)	(8,159,520)	(4,616,736)	(5,669,604)
Transfer in / (out) - net*	-	2,696	-	-	-	-	-	-	199,949	(1,746)	(23,803)	-	-	-	-	-	-	(42,798,288)
Closing balance	-	163,421	3,000	-	5,000	-	387,106	12,905,637	669,176	-	98,488	3,000	-	27,222	-	257,252	13,263,170	515,559
<b>Contingencies and commitments</b>																		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

March 31, 2023 (Un-audited)							March 31, 2022 (Un-audited)						
Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others

(Rupees in '000)

#### Income

Mark-up / return / interest earned	-	-	-	2,637	-	-	-	-	-	1,297	-	-	-	-
Debts due by Companies in which Directors of the Bank is interested as Directors	-	-	-	-	-	-	107,209	-	-	-	-	-	-	29,523
Rent income / lighting and power and bank charges	-	-	1,361	-	-	-	-	-	1,392	-	-	-	-	-

#### Expense

Mark-up / return / interest paid	-	4,572	98	7,739	13,833	-	14,116	22	2,029	-	2,143	10,037	350,542	417,467
Expenses paid to company in which Director of the bank was interested as CEO and director	-	-	-	-	-	-	8,061	-	-	-	-	-	-	1,333
Remuneration to key management executives including charge for defined benefit plan	-	264,049	-	-	-	-	-	-	159,907	-	-	-	-	-
Directors' fee & other allowances	11,023	-	-	-	-	-	-	9,884	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum ex-employee	-	-	-	-	-	-	-	522	-	-	-	-	-	-

### 37.1 Transactions with Government-related entities

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

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

The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,053 million (March 31, 2022 Rs. 2,161 million) for the three months period ended March 31, 2022. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 581,806 million (December 31, 2022: Rs. 593,486 million), Rs.1,311,311 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,112,715 million (December 31, 2022: Rs. 1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 40,225 million (March 31, 2022: Rs. 7,962 million) and Rs. 35,433 million (March 31, 2022: Rs. 12,778 million) respectively.



38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>Minimum Capital Requirement</b>		
Paid-up capital (net of losses)	<u>21,275,131</u>	<u>21,275,131</u>
<b>Capital Adequacy Ratio</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>235,044,450</u>	236,742,118
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	-
Total Eligible Tier 1 Capital	<u>235,044,450</u>	236,742,118
Eligible Tier 2 Capital	<u>75,079,196</u>	78,089,129
Total Eligible Capital (Tier 1 + Tier 2)	<u>310,123,646</u>	314,831,247
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>1,141,702,063</u>	1,073,032,570
Market Risk	<u>94,959,691</u>	94,062,413
Operational Risk	<u>262,697,854</u>	262,697,854
Total	<u>1,499,359,608</u>	1,429,792,837
Common Equity Tier 1 Capital Adequacy ratio	<u>15.68%</u>	16.56%
Tier 1 Capital Adequacy Ratio	<u>15.68%</u>	16.56%
Total Capital Adequacy Ratio	<u>20.68%</u>	22.02%
<b>Leverage Ratio (LR):</b>		
Tier-1 Capital	<u>235,044,450</u>	236,742,118
Total Exposures	<u>8,694,989,266</u>	7,511,889,497
Leverage Ratio	<u>2.70%</u>	3.15%
The Group has leverage ratio of 2.70% as of March 31, 2023, which has been relaxed upto 2.5% till March 31, 2024 by SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023.		
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>1,218,515,965</u>	1,418,328,644
Total Net Cash Outflow	<u>732,293,204</u>	963,197,902
Liquidity Coverage Ratio	<u>166%</u>	147%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>2,745,821,186</u>	2,684,457,394
Total Required Stable Funding	<u>1,006,517,990</u>	1,069,401,835
Net Stable Funding Ratio	<u>273%</u>	251%

### 39. ISLAMIC BANKING BUSINESS

The bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 54 (December 31, 2022: 50) Islamic banking windows as at March 31, 2023.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2023 is as follows:

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	6,915,633	6,096,555
Balances with other banks	14,041	13,766
Investments	39.1 53,172,704	53,920,119
Islamic financing and related assets - net	39.2 61,527,642	46,380,996
Fixed assets	77,830	87,489
Right of use assets	472,298	508,977
Other assets	4,249,644	2,294,054
<b>Total Assets</b>	<b>126,429,792</b>	<b>109,301,956</b>
<b>LIABILITIES</b>		
Bills payable	262,950	1,210,608
Deposits and other accounts	39.3 89,329,544	93,591,714
Due to Head Office	27,613,120	4,005,715
Lease liability against right of use assets	683,883	721,152
Other liabilities	1,431,330	1,490,182
	<b>119,320,827</b>	<b>101,019,371</b>
<b>NET ASSETS</b>	<b>7,108,965</b>	<b>8,282,585</b>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	6,731,000	5,561,000
Surplus on revaluation of assets	(146,557)	424,444
Unappropriated / unremitted profit	39.4 524,522	2,297,141
	<b>7,108,965</b>	<b>8,282,585</b>

The profit and loss account of the Bank's Islamic banking operations for the three months period ended March 31, 2023 is as follows:

	(Un-audited) Quarter ended March 31, 2023	(Un-audited) Quarter ended March 31, 2022
Note	----- (Rupees in '000) -----	
Profit / return earned	39.5 3,813,044	2,330,803
Profit / return expensed	39.6 2,580,916	1,398,602
Net Profit / return	<b>1,232,128</b>	<b>932,201</b>
<b>Other income</b>		
Fee and commission income	56,861	50,237
Foreign exchange income	9,144	29,548
Other income	5	1,764
Total other income	<b>66,010</b>	<b>81,549</b>
Total Income	<b>1,298,138</b>	<b>1,013,750</b>
<b>Other expenses</b>		
Operating expenses	787,924	683,433
Other charges	120	-
	<b>788,044</b>	<b>683,433</b>
Profit before provisions	<b>510,094</b>	<b>330,317</b>
Provisions charge / (reversal) and write offs - net	<b>(14,428)</b>	<b>(9,135)</b>
Profit before taxation	<b>524,522</b>	<b>339,452</b>
Taxation	-	-
Profit after taxation	<b>524,522</b>	<b>339,452</b>

	March 31, 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
<b>39.1 Investments by segments:</b>	----- (Rupees in '000) -----							
<b>Federal Government Securities:</b>								
-Ijarah Sukuks	<b>33,639,499</b>	-	<b>(674,287)</b>	<b>32,965,212</b>	33,648,948	-	<b>(339,589)</b>	33,309,359
	<b>33,639,499</b>	-	<b>(674,287)</b>	<b>32,965,212</b>	33,648,948	-	<b>(339,589)</b>	33,309,359
<b>Non Government Debt Securities</b>								
-Listed	<b>8,100,000</b>	-	<b>304,222</b>	<b>8,404,222</b>	8,200,000	-	303,132	8,503,132
-Unlisted	<b>11,710,569</b>	<b>(130,807)</b>	<b>223,508</b>	<b>11,803,270</b>	11,777,533	<b>(130,807)</b>	460,901	12,107,628
	<b>19,810,569</b>	<b>(130,807)</b>	<b>527,730</b>	<b>20,207,492</b>	19,977,533	<b>(130,807)</b>	764,033	20,610,760
<b>Total Investments</b>	<b>53,450,068</b>	<b>(130,807)</b>	<b>(146,557)</b>	<b>53,172,704</b>	53,626,481	<b>(130,807)</b>	424,444	53,920,119

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>39.2 Islamic financing and related assets - net</b>		
Ijarah	<b>14,398</b>	38,208
Murabaha	<b>1,583,901</b>	1,713,901
Musharaka	<b>15,000,000</b>	-
Diminishing Musharaka	<b>22,274,968</b>	22,062,256
Other Islamic Modes (Wakala tul Istismar)	<b>8,500,000</b>	8,500,000
Advances for Murabaha	<b>1,030,000</b>	2,127,000
Advances for Diminishing Musharaka	<b>96,563</b>	100,894
Advance for Istisna	<b>11,455,451</b>	9,396,236
Inventories against Istisna	<b>2,213,232</b>	3,097,800
Gross Islamic financing and related assets	<b>62,168,513</b>	47,036,295
Less: provision against Islamic financings		
- Specific	<b>(640,559)</b>	(654,980)
- General	<b>(312)</b>	(319)
	<b>(640,871)</b>	(655,299)
Islamic financing and related assets - net of provision	<b>61,527,642</b>	46,380,996


	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>39.3 Deposits</b>		
<b>Customers</b>		
Current deposits	21,822,517	20,659,185
Savings deposits	39,865,156	41,254,385
Term deposits	12,084,506	15,137,438
	<u>73,772,179</u>	<u>77,051,008</u>
<b>Financial Institutions</b>		
Current deposits	796,499	354,951
Savings deposits	14,738,100	14,114,989
Term deposits	22,766	2,070,766
	<u>15,557,365</u>	<u>16,540,706</u>
	<u>89,329,544</u>	<u>93,591,714</u>
<b>39.4 Unappropriated / unremitted profit</b>		
Opening Balance	2,297,141	1,502,668
Add: Islamic banking profit for the period	524,522	2,297,141
Less: Transferred / remitted to head office	(2,297,141)	(1,502,668)
Closing balance	<u>524,522</u>	<u>2,297,141</u>
	(Un-audited)	(Un-audited)
	Quarter ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
<b>39.5 Profit / Return Earned of Financing, Investments and Placement</b>		
Profit earned on:		
Financing	1,833,712	948,749
Investments	1,979,056	1,164,772
Placements	276	-
Others (Bai Muajjal)	-	217,282
	<u>3,813,044</u>	<u>2,330,803</u>
<b>39.6 Profit on Deposits and other Dues Expensed</b>		
Deposits and other accounts	1,735,736	896,570
Amortisation of lease liability against - ROUA	16,845	18,703
Others (General Account)	828,335	483,329
	<u>2,580,916</u>	<u>1,398,602</u>

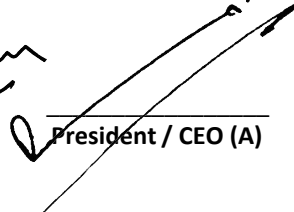
**40. GENERAL**

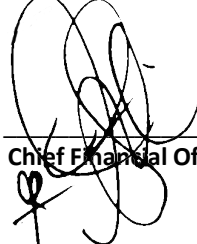
**40.1** Figures have been rounded off to the nearest thousand rupees.


**41. DATE OF AUTHORIZATION FOR ISSUE**

The consolidated condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Bank.

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
President / CEO (A)

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

پاکستان



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