

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	86,314,880	54,694,603
Balances with other banks	7	4,346,549	1,990,862
Lendings to financial institutions	8	4,000,000	1,000,000
Investments	9	655,512,342	584,531,633
Advances	10	350,059,384	312,166,805
Fixed assets	11	9,967,973	9,033,002
Intangible assets	12	126,813	89,690
Deferred tax assets	13	1,980,733	1,156,509
Other assets	14	45,361,893	52,909,079
		1,157,670,567	1,017,572,183
LIABILITIES			
Bills payable	15	21,794,558	15,421,002
Borrowings	16	260,441,011	201,722,849
Deposits and other accounts	17	764,073,584	680,955,712
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities		-	-
Other liabilities	18	51,100,004	61,824,409
		1,097,409,157	959,923,972
NET ASSETS		60,261,410	57,648,211
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		21,231,914	19,986,241
Surplus on revaluation of assets - net of tax	19	2,089,725	3,164,807
Unappropriated profit		26,461,456	24,018,848
		60,261,410	57,648,211
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

TAHIRA RAZA
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

**UNCONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2021**

	Note	30 June 2021		30 June 2020	
		Quarter ended	Half year ended	Quarter ended	Half year ended
Rupees in '000					
Mark-up / return / interest earned	22	17,761,208	35,104,359	19,849,642	40,457,400
Mark-up / return / interest expensed	23	(10,730,650)	(20,701,196)	(13,455,554)	(29,739,731)
Net mark-up / interest income		<u>7,030,558</u>	<u>14,403,163</u>	<u>6,394,088</u>	<u>10,717,669</u>
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	1,681,740	3,320,773	1,129,111	2,471,875
Dividend income		23,930	59,299	71,697	104,444
Foreign exchange income		784,000	1,263,646	1,224,531	2,006,532
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	25	43,603	45,134	44,417	149,122
Other income	26	170,208	177,006	8,308	17,195
Total non mark-up / interest income		<u>2,703,481</u>	<u>4,865,858</u>	<u>2,478,064</u>	<u>4,749,168</u>
Total Income		<u>9,734,039</u>	<u>19,269,021</u>	<u>8,872,152</u>	<u>15,466,837</u>
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	27	3,919,397	7,580,537	3,336,309	6,840,916
Workers' welfare fund		105,000	212,000	82,000	148,000
Other charges	28	6,075	14,556	22,836	29,240
Total non-mark-up / interest expenses		<u>(4,030,472)</u>	<u>(7,807,093)</u>	<u>(3,441,145)</u>	<u>(7,018,156)</u>
Profit before provisions		<u>5,703,567</u>	<u>11,461,928</u>	<u>5,431,007</u>	<u>8,448,681</u>
Provisions and write offs - net	29	(778,074)	(1,776,935)	(1,116,221)	(1,600,347)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		<u>4,925,493</u>	<u>9,684,993</u>	<u>4,314,786</u>	<u>6,848,334</u>
Taxation	30	(1,923,305)	(3,456,911)	(1,722,354)	(2,729,395)
PROFIT AFTER TAXATION		<u><u>3,002,188</u></u>	<u><u>6,228,082</u></u>	<u><u>2,592,432</u></u>	<u><u>4,118,939</u></u>
Rupees					
Basic and diluted earnings per share	31	<u>2.87</u>	<u>5.94</u>	<u>2.47</u>	<u>3.93</u>

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

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Chairman

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2021**

	30 June 2021		30 June 2020	
	Quarter ended	Half year ended	Quarter ended	Half year ended
	Rupees in '000			
Profit after taxation for the period	3,002,188	6,228,082	2,592,432	4,118,939
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in an offshore branch	173	57	136	(67)
Movement in surplus / (deficit) on revaluation of investments - net of tax	690,302	(940,524)	4,995,054	11,875,230
Movement in surplus / (deficit) on non-banking asset due to change in tax rate	-	(13,661)	-	-
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	(1,970)	(41,176)	5,142	(20,475)
Total comprehensive income	3,690,693	5,232,778	7,592,764	15,973,627

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2021

	Reserves					Surplus / (deficit) on revaluation			Total	
	Share capital	Share premium	Special reserve	Revenue reserve	Statutory reserve	Exchange translation reserve	Investments	Non-banking assets		Un-appropriated profit
	Rupees in '000									
Balance as at 1 January 2020	10,478,315	2,550,985	240,361	1,500,000	13,293,143	28	(3,110,491)	225,431	19,059,758	44,237,530
Profit after taxation	-	-	-	-	-	-	-	-	4,118,939	4,118,939
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	(67)	11,875,230	-	(20,475)	11,854,688
Total comprehensive income for the period	-	-	-	-	-	(67)	11,875,230	-	4,098,464	15,973,627
Transfer to statutory reserve	-	-	-	-	823,788	-	-	-	(823,788)	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(1,722)	1,722	-
Transactions with owners, recorded directly in equity										
Cash dividend (Rs. 2.50 per share) for the year ended 31 December 2019	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2020	10,478,315	2,550,985	240,361	1,500,000	14,116,931	(39)	8,764,739	223,709	19,716,577	57,591,578
Profit after taxation	-	-	-	-	-	-	-	-	7,889,257	7,889,257
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	152	(5,821,902)	-	84,789	(5,736,961)
Total comprehensive income for the period	-	-	-	-	-	152	(5,821,902)	-	7,974,046	2,152,296
Transfer to statutory reserve	-	-	-	-	1,577,851	-	-	-	(1,577,851)	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(1,739)	1,739	-
Transactions with owners, recorded directly in equity										
Interim dividend (Rs. 2.00 per share) for the year ended 31 December 2020	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)
Balance as at 31 December 2020	10,478,315	2,550,985	240,361	1,500,000	15,694,782	113	2,942,837	221,970	24,018,848	57,648,211
Profit after taxation	-	-	-	-	-	-	-	-	6,228,082	6,228,082
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	57	(940,524)	(13,661)	(41,176)	(995,304)
Total comprehensive income for the period	-	-	-	-	-	57	(940,524)	(13,661)	6,186,906	5,232,778
Transfer to statutory reserve	-	-	-	-	1,245,616	-	-	-	(1,245,616)	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(120,897)	120,897	-
Transactions with owners, recorded directly in equity										
Cash dividend (Rs. 2.50 per share) for the year ended 31 December 2020	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2021	10,478,315	2,550,985	240,361	1,500,000	16,940,398	170	2,002,313	87,412	26,461,456	60,261,410

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Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

TAHIRA RAZA
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2021

	Note	30 June 2021	(Un-Audited)	30 June 2020
		Rupees in '000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		9,684,993		6,848,334
Less: Dividend income		(59,299)		(104,444)
		9,625,694		6,743,890
Adjustments:				
Depreciation on operating fixed assets		547,257		531,309
Depreciation on right-of-use assets		460,333		382,749
Depreciation on non-banking assets		18,004		5,731
Amortization		33,941		35,847
Mark-up / return / interest expensed on lease liability against right-of-use assets		301,489		264,457
Provisions and write offs excluding recovery of written off bad debts	29	1,775,435		1,611,098
Unrealised gain on securities-held-for-trading		(4,604)		(40,038)
Gain on sale of fixed assets - net		(7,543)		(9,046)
Gain on sale of non-banking assets - net		(163,220)		-
Provision against workers' welfare fund		212,000		148,000
Provision against compensated absences		17,350		23,757
Provision against defined benefit plan		88,430		86,655
		3,278,872		3,040,519
		12,904,566		9,784,409
(Increase) / decrease in operating assets				
Lendings to financial institutions		(3,000,000)		20,497,303
Held-for-trading securities		(30,944,373)		(7,187,303)
Advances		(39,974,377)		(29,906,513)
Other assets (excluding dividend and non-banking asset)		(862,835)		(2,316,601)
		(74,781,585)		(18,913,114)
Increase / (decrease) in operating liabilities				
Bills payable		6,373,556		5,249,588
Borrowings from financial institutions		60,189,218		39,758,934
Deposits and other accounts		83,117,872		(13,393,684)
Other liabilities (excluding current taxation)		(4,116,043)		(1,985,401)
		145,564,603		29,629,437
		83,687,584		20,500,732
Payment against compensated absences		(6,828)		(7,218)
Income tax paid		(3,469,273)		(1,889,310)
Net cash flows generated from operating activities		80,211,483		18,604,204
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investments in available-for-sale securities		(41,933,477)		(21,719,803)
Net investments in held-to-maturity securities		658,015		3,282,479
Dividend received		58,955		103,466
Investments in fixed assets		(829,223)		(716,209)
Proceeds from sale of non-banking assets		597,723		-
Investments in intangible assets		(71,064)		(60,391)
Proceeds from sale of fixed assets		7,924		11,861
Effect of translation of net investment in an offshore branch		57		(67)
Net cash flows used in investing activities		(41,511,090)		(19,098,664)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid		(2,602,356)		(2,605,130)
Payment of lease against right-of-use assets		(651,017)		(357,476)
Net cash flows used in financing activities		(3,253,373)		(2,962,606)
Increase / (decrease) in cash and cash equivalents		35,447,020		(3,457,066)
Cash and cash equivalents at beginning of the period		52,367,519		68,472,282
Cash and cash equivalents at end of the period		87,814,539		65,015,216

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FUZAIL ABBAS	MOHSIN A. NATHANI	TAHIRA RAZA	RASHID AHMED JAFER	MOHAMEDALI R. HABIB
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

1. STATUS AND NATURE OF BUSINESS

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 447 (31 December 2020: 406) branches, including 34 (31 December 2020: 32) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) (31 December 2020: 1) and 30 (31 December 2020: 30) sub branches in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

The registered office of the Bank is situated at HabibMetro Head Office, II Chundrigar Road, Karachi.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

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).

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

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. No. 411 (1) / 2008 dated 28 April 2008, 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.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning on or after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in the financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 2 of 2018, as amended from time to time.

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

- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon.
- 2.3 The financial results of all Islamic banking branches of the Bank have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating material intra branch transactions / balances. The financial results of all Islamic banking branches are disclosed in note 36 to these unconsolidated condensed interim financial statements.
- 2.4 These unconsolidated condensed interim financial statements represent separate financial statements of the Bank. The consolidated financial statements of the Bank and its subsidiary companies are being separately issued.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited unconsolidated financial statements of the Bank for the year ended 31 December 2020.

3.1 Standards, interpretations and amendments to accounting and reporting standards that are effective in current period

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting period beginning on or after 1 January 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

3.2 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Bank's financial statements except for the following:

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – the effective date of the standard had been extended to annual periods beginning on or after 1 January 2022 vide SBP BPRD Circular Letter no. 5 dated 5 July 2021. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Bank has estimated the impact of adoption of IFRS 9 on the financial statements of the Bank on the date of initial application, which shall be finalized post issuance of the guidelines by the State Bank of Pakistan.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. RISK MANAGEMENT

The risk management policies adopted by the bank are consistent with those disclosed in the audited unconsolidated financial statements for the year ended 31 December 2020.

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		7,848,722	7,695,676
Foreign currencies		690,891	1,039,893
		<u>8,539,613</u>	<u>8,735,569</u>
With State Bank of Pakistan in			
Local currency current accounts		55,837,045	27,378,376
Foreign currency current accounts		971,852	83,730
Foreign currency deposit accounts			
- cash reserve account		5,164,215	5,306,457
- special cash reserve account		9,529,748	10,176,561
		<u>71,502,860</u>	<u>42,945,124</u>
With National Bank of Pakistan in			
Local currency current accounts		5,775,319	2,613,310
Prize Bonds		497,088	400,600
		<u>86,314,880</u>	<u>54,694,603</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		368,127	171,108
In deposit accounts		37,672	4,696
		<u>405,799</u>	<u>175,804</u>
Outside Pakistan			
In current accounts		3,940,750	1,815,058
		<u>4,346,549</u>	<u>1,990,862</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Musharaka placements	8.1	1,500,000	1,000,000
Modaraba placements	8.2	2,500,000	-
		<u>4,000,000</u>	<u>1,000,000</u>

8.1 These carry profit / return rate ranging from 7% to 7.10% (31 December 2020: 7.50%) per annum with maturity upto 6 July 2021 (31 December 2020: 5 January 2021).

8.2 These carry profit / return rate ranging from 6.70% to 7% (31 December 2020: Nil) per annum with maturity upto 9 July 2021.

9. INVESTMENTS

9.1 Investments by types

	30 June 2021 (Un-Audited)				31 December 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus/ (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees in '000								
Held-for-trading securities								
Federal government securities	30,944,373	-	4,604	30,948,977	-	-	-	-
Available-for-sale securities								
Federal government securities	572,555,490	-	3,354,918	575,910,408	529,525,794	-	4,726,542	534,252,336
Shares	1,110,559	(378,463)	292,951	1,025,047	1,049,902	(377,389)	245,600	918,113
Non-government debt securities	9,299,360	(118,247)	(378,408)	8,802,705	10,654,678	(120,551)	(438,347)	10,095,780
Mutual funds	30,140	(9,647)	7,370	27,863	30,140	(9,647)	6,086	26,579
Real estate investment trust	586,311	-	5,650	591,961	387,869	-	(12,440)	375,429
	583,581,860	(506,357)	3,282,481	586,357,984	541,648,383	(507,587)	4,527,441	545,668,237
Held-to-maturity securities								
Federal government securities	35,150,381	-	-	35,150,381	34,358,396	-	-	34,358,396
Non-government debt securities	2,225,000	-	-	2,225,000	3,675,000	-	-	3,675,000
	37,375,381	-	-	37,375,381	38,033,396	-	-	38,033,396
Subsidiaries	830,000	-	-	830,000	830,000	-	-	830,000
Total investments	652,731,614	(506,357)	3,282,085	655,512,342	580,511,779	(507,587)	4,527,441	584,531,633

30 June
2021
(Un-Audited)

31 December
2020
(Audited)

————— Rupees in '000 —————

9.1.1 Investments given as collateral

Federal government securities

Market treasury bills	1,764,934	9,217,825
Pakistan investment bonds	134,194,183	82,695,225
	<u>135,959,117</u>	<u>91,913,050</u>

9.2 Provision for diminution in value of investments

9.2.1 Opening balance	507,587	473,990
Charge for the period / year	1,074	183,314
Reversal for the period / year	(2,304)	(10,008)
(Reversal) / charge for the period / year - net	(1,230)	173,306
Reversal on disposals for the period / year	-	(139,709)
Closing balance	<u>506,357</u>	<u>507,587</u>

9.2.2 Particulars of provision against debt securities

Category of classification	30 June 2021 (Un-Audited)		31 December 2020 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
Domestic				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	118,247	118,247	120,551	120,551
	<u>118,247</u>	<u>118,247</u>	<u>120,551</u>	<u>120,551</u>

9.3 The market value of securities classified as held-to-maturity as at 30 June 2021 amounted to Rs. 36.940 billion (31 December 2020: Rs. 37.981 billion).

10. ADVANCES

Note	Performing		Non-Performing		Total		
	30 June 2021 (Un-Audited)	31 December 2020 (Audited)	30 June 2021 (Un-Audited)	31 December 2020 (Audited)	30 June 2021 (Un-Audited)	31 December 2020 (Audited)	
	Rupees in '000						
Loans, cash credits, running finances, etc.	227,305,432	215,387,833	12,937,309	13,444,761	240,242,741	228,832,594	
Islamic financing and related assets	81,209,925	56,661,899	776,440	822,665	81,986,365	57,484,564	
Bills discounted and purchased	43,883,604	40,130,792	5,270,377	5,034,630	49,153,981	45,165,422	
Advances - gross	10.1 & 10.2	352,398,961	312,180,524	18,984,126	19,302,056	371,383,087	331,482,580
Provision against advances							
- Specific	-	-	(18,149,435)	(16,417,607)	(18,149,435)	(16,417,607)	
- General	(3,174,268)	(2,898,168)	-	-	(3,174,268)	(2,898,168)	
			(18,149,435)	(16,417,607)	(21,323,703)	(19,315,775)	
Advances - net of provision	<u>349,224,693</u>	<u>309,282,356</u>	<u>834,691</u>	<u>2,884,449</u>	<u>350,059,384</u>	<u>312,166,805</u>	

10.1 Particulars of advances - gross

	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
In local currency	333,351,886	296,313,201
In foreign currencies	38,031,201	35,169,379
	<u>371,383,087</u>	<u>331,482,580</u>

10.2 Advances include Rs. 18,984 billion (31 December 2020: Rs. 19,302 billion) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2021 (Un-Audited)		31 December 2020 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
	Rupees in '000			
Domestic				
Substandard	62,785	-	14,200	-
Doubtful	1,042,179	521,089	5,386,811	2,539,062
Loss	17,879,162	17,628,346	13,901,045	13,878,545
	<u>18,984,126</u>	<u>18,149,435</u>	<u>19,302,056</u>	<u>16,417,607</u>

10.3 Particulars of provision against advances

	30 June 2021 (Un-Audited)			31 December 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	16,417,607	2,898,168	19,315,775	15,294,415	1,621,537	16,915,952
Charge for the period / year	2,347,697	276,100	2,623,797	4,413,921	1,276,631	5,690,552
Reversals for the period / year	(541,999)	-	(541,999)	(2,594,580)	-	(2,594,580)
Net charge for the period / year	1,805,698	276,100	2,081,798	1,819,341	1,276,631	3,095,972
Amounts written off	(73,870)	-	(73,870)	(696,149)	-	(696,149)
Closing balance	<u>18,149,435</u>	<u>3,174,268</u>	<u>21,323,703</u>	<u>16,417,607</u>	<u>2,898,168</u>	<u>19,315,775</u>

10.3.1 General provision includes provision of Rs. 3,022 million (31 December 2020: Rs. 2,915 million) made against consumer portfolio and Rs. 7 thousand (31 December 2020: Rs. 17 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulation issued by the SBP.

10.3.2 Particulars of provision against advances

	30 June 2021 (Un-Audited)			31 December 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	17,709,966	3,174,268	20,884,234	15,968,899	2,898,168	18,867,067
In foreign currencies	439,469	-	439,469	448,708	-	448,708
	<u>18,149,435</u>	<u>3,174,268</u>	<u>21,323,703</u>	<u>16,417,607</u>	<u>2,898,168</u>	<u>19,315,775</u>

10.3.3 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

The Bank has availed forced sale value (FSV) benefit under BSD Circular No. 1 of 21 October 2011. Had the benefit of FSVs (including those availed in prior years) not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 242.012 million (31 December 2020: Rs. 156.904 million) and accumulated profit would have been lower by Rs. 147.627 million (31 December 2020: Rs. 101.988 million). This amount of Rs. 147.627 million (31 December 2020: Rs. 101.988 million) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
11. FIXED ASSETS			
Capital work-in-progress	11.1	337,689	684,335
Property and equipment - book value		9,630,284	8,348,667
		<u>9,967,973</u>	<u>9,033,002</u>
11.1 Capital work-in-progress			
Civil works		288,731	481,194
Advance to suppliers		48,958	203,141
		<u>337,689</u>	<u>684,335</u>
Half year ended			
		30 June 2021 (Un-Audited)	30 June 2020
Rupees in '000			
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress additions / (transfer to fixed assets) - net		(346,646)	70,969
Property and equipment			
Furniture and fixtures		133,592	61,941
Electrical, office and computer equipments		393,670	354,035
Vehicles		41,566	17,812
Lease hold improvement		607,041	211,452
Right-of-use assets		1,113,722	528,975
		<u>2,289,591</u>	<u>1,174,215</u>
		<u>1,942,945</u>	<u>1,245,184</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixtures		170	35
Electrical, office and computer equipments		164	519
Vehicles		47	2,261
		<u>381</u>	<u>2,815</u>

	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
12. INTANGIBLE ASSETS		
Computer software	<u>126,813</u>	<u>89,690</u>
	Half year ended	
	30 June 2021 (Un-Audited)	30 June 2020
	Rupees in '000	
12.1 The following additions have been made to intangible assets during the period:		
Directly purchased	<u>71,064</u>	<u>60,391</u>
	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
13. DEFERRED TAX ASSETS		
Deductible temporary differences		
Provision for diminution in value of investments	197,479	177,655
Provision for non-performing loans and off-balance sheet items	2,965,741	2,555,455
Provision against other assets	-	87,150
Accelerated tax depreciation and amortisation	120,376	34,593
Deferred liability on defined benefit plan	<u>33,191</u>	<u>5,781</u>
	<u>3,316,787</u>	<u>2,860,634</u>
Taxable temporary differences		
Surplus on revaluation of investments	<u>(1,280,168)</u>	<u>(1,584,604)</u>
Surplus on revaluation of non-banking assets	<u>(55,886)</u>	<u>(119,521)</u>
	<u>(1,336,054)</u>	<u>(1,704,125)</u>
Deferred tax asset - net	<u>1,980,733</u>	<u>1,156,509</u>

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
14. OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net of provision		11,733,486	10,049,786
Income / mark-up / profit accrued in foreign currencies - net of provision		15,928	11,630
Advances, deposits and other prepayments		313,350	207,175
Non-banking assets acquired in satisfaction of claims		2,386,828	2,641,141
Branch adjustment account		-	41
Mark-to-market gain on forward foreign exchange contracts		3,318,616	4,718,094
Acceptances		26,816,913	34,998,772
Receivable from the SBP against encashment of government securities		76,420	11,990
Stationery and stamps on hand		89,009	101,678
Dividend receivable		2,950	2,606
Others		700,095	283,675
		<u>45,453,595</u>	<u>53,026,588</u>
Provision held against other assets	14.1 & 14.2	(235,000)	(459,000)
Other assets (net of provision)		45,218,595	52,567,588
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	143,298	341,491
		<u>45,361,893</u>	<u>52,909,079</u>
14.1 Provision held against other assets			
Acceptances		-	249,000
Others		235,000	210,000
		<u>235,000</u>	<u>459,000</u>
14.2 Movement in provision held against other assets			
Opening balance		459,000	210,000
Charge for the period / year		25,000	249,000
Reversal for the period / year		(249,000)	-
		<u>(224,000)</u>	<u>249,000</u>
Closing balance		<u>235,000</u>	<u>459,000</u>

	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
15. BILLS PAYABLE		
In Pakistan	21,715,390	15,337,849
Outside Pakistan	79,168	83,153
	<u>21,794,558</u>	<u>15,421,002</u>
16. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	67,703,917	64,704,959
Under long term financing facility - renewable energy scheme	1,046,614	982,960
Under long term financing facility - locally manufactured plant and machinery scheme	16,455,721	14,832,149
Under refinance for payment of wages and salaries	17,929,909	20,810,171
Under temporary economic refinance facility	18,634,412	4,173,416
Under refinance facility for combating COVID-19	50,000	-
Under refinance facility for modernization of SME	23,586	-
Under long term financing facility for storage of agricultural produce scheme	542,405	256,481
	<u>122,386,564</u>	<u>105,760,136</u>
Repurchase agreement borrowings (Repo)	135,207,557	91,644,767
	<u>257,594,121</u>	<u>197,404,903</u>
Unsecured		
Overdrawn nostro accounts	2,846,890	4,317,946
	<u>260,441,011</u>	<u>201,722,849</u>

17. DEPOSITS AND OTHER ACCOUNTS

	30 June 2021 (Un-Audited)			31 December 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	228,571,644	33,092,500	261,664,144	185,076,754	32,854,065	217,930,819
Savings deposits	182,816,641	19,365,429	202,182,070	158,741,477	23,866,671	182,608,148
Term deposits	203,043,793	46,935,617	249,979,410	211,496,123	41,495,660	252,991,783
Others - margin deposits	21,801,315	4,886	21,806,201	13,702,059	1,791	13,703,850
	<u>636,233,393</u>	<u>99,398,432</u>	<u>735,631,825</u>	<u>569,016,413</u>	<u>98,218,187</u>	<u>667,234,600</u>
Financial institutions						
Current deposits	1,181,640	1,325,986	2,507,626	1,631,604	1,058,671	2,690,275
Savings deposits	24,623,693	-	24,623,693	7,271,627	-	7,271,627
Term deposits	1,310,440	-	1,310,440	3,754,307	4,903	3,759,210
	<u>27,115,773</u>	<u>1,325,986</u>	<u>28,441,759</u>	<u>12,657,538</u>	<u>1,063,574</u>	<u>13,721,112</u>
	<u>663,349,166</u>	<u>100,724,418</u>	<u>764,073,584</u>	<u>581,673,951</u>	<u>99,281,761</u>	<u>680,955,712</u>

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
18. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		6,518,393	7,786,278
Mark-up / return / interest payable in foreign currencies		233,427	348,217
Unearned commission and income on bills discounted		297,729	307,572
Accrued expenses		999,492	1,146,965
Current taxation (provision less payments)		2,722,815	2,229,140
Acceptances		26,816,913	34,998,772
Unclaimed dividend		108,178	90,955
Branch adjustment account		71	-
Mark-to-market loss on forward foreign exchange contracts		2,988,245	5,949,494
Provision for compensated absences		258,121	247,599
Deferred liability on defined benefit plan		170,584	13,568
Provision against off-balance sheet obligations	18.1	32,583	113,716
Workers' welfare fund	18.2	1,828,689	1,616,689
Charity fund		118	-
Excise duty payable		1,624	1,575
Locker deposits		905,857	875,074
Advance against diminishing musharakah		110,564	2,541
Advance rental for ijarah		1,636	1,610
Security deposits against leases / ijarah		184,128	202,596
Sundry creditors		1,113,596	951,415
Lease liability against right-of-use assets		5,358,095	4,593,901
Withholding tax / duties		378,012	290,044
Others		71,134	56,688
		<u>51,100,004</u>	<u>61,824,409</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		113,716	113,716
Reversal for the period / year		(81,133)	-
Closing balance		<u>32,583</u>	<u>113,716</u>

The above represents provision against certain letters of credit and guarantees.

- 18.2** Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) at 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly the Bank maintains its provision in respect of WWF.

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
19. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of			
- Non-banking assets	14	143,298	341,491
- Available-for-sale securities	9.1	3,282,481	4,527,441
		3,425,779	4,868,932
Defered tax on surplus on revaluation of			
- Non-banking assets		55,886	119,521
- Available-for-sale securities		1,280,168	1,584,604
		(1,336,054)	(1,704,125)
		2,089,725	3,164,807
20. CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	102,078,114	89,902,458
Commitments	20.2	611,932,433	598,093,837
Other contingent liabilities	20.3	16,905,462	2,733,563
		730,916,009	690,729,858
20.1 Guarantees			
Financial guarantees		49,116,800	42,197,620
Performance guarantees		29,420,729	27,904,956
Other guarantees		23,540,585	19,799,882
		102,078,114	89,902,458
20.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		213,568,051	160,321,521
Commitments in respect of:			
Forward foreign exchange contracts	20.2.1	398,214,859	435,798,001
Forward lendings	20.2.2	-	1,681,802
Acquisition of operating fixed assets		149,523	292,513
		398,364,382	437,772,316
		611,932,433	598,093,837
20.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		222,987,206	245,157,873
Sale		175,227,653	190,640,128
		398,214,859	435,798,001

20.2.2 Commitments in respect of forward lendings

The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		—	1,681,802

20.3 Other contingent liabilities

Claims against bank not acknowledged as debt		16,799,406	2,627,507
Foreign exchange repatriation case	20.3.1	106,056	106,056
		<u>16,905,462</u>	<u>2,733,563</u>

20.3.1 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has adjudicated penalty of Rs. 106.056 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgement. The Honorable High Court has granted relief to Bank by way of interim orders. Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

21. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the Bank's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "income from dealing in foreign currencies". Unrealised mark-to-market gains and losses due on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the Bank's customers to protect from unfavourable movements in foreign currencies. The Bank hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the Bank's Asset and Liability Committee (ALCO).

	Half year ended	
	30 June 2021	30 June 2020
	(Un-Audited)	
	Rupees in '000	
22. MARK-UP / RETURN / INTEREST EARNED		
On:		
Loans and advances	9,804,434	13,865,485
Investments	24,706,206	25,194,409
Lending to financial institutions	592,536	1,377,947
Balance with other banks	1,183	19,559
	<u>35,104,359</u>	<u>40,457,400</u>
23. MARK-UP / RETURN / INTEREST EXPENSED		
On:		
Deposits	13,148,453	19,795,493
Borrowings	5,342,339	6,818,060
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,908,915	2,861,721
Lease liability against right-of-use assets	301,489	264,457
	<u>20,701,196</u>	<u>29,739,731</u>
24. FEE & COMMISSION INCOME		
Branch banking customer fees	266,266	258,880
Credit related fees	20,366	19,276
Card related fees	265,556	108,141
Commission on trade	2,276,865	1,745,303
Commission on guarantees	339,859	225,497
Commission on remittances including home remittances	20,232	20,932
Commission on bancassurance	85,291	56,854
Others	46,338	36,992
	<u>3,320,773</u>	<u>2,471,875</u>
25. GAIN / (LOSS) ON SECURITIES		
Realised		
Federal government securities	9,050	(71,090)
Mutual funds	27,633	167,734
Shares	3,847	7,488
Non-government debt securities	-	4,952
Unrealised - held-for-trading		
Federal government securities	9.1 4,604	40,038
	<u>45,134</u>	<u>149,122</u>
26. OTHER INCOME		
Rent on properties	5,577	7,141
Gain on sale of fixed assets - net	7,543	9,046
Gain on sale of non-banking assets	163,220	-
Gain on sale of ijarah assets - net	219	185
Staff notice period and other recoveries	447	823
	<u>177,006</u>	<u>17,195</u>

	Half year ended	
	30 June 2021	30 June 2020
	(Un-Audited)	
	Rupees in '000	
27. OPERATING EXPENSES		
Total compensation expense	3,549,958	3,168,000
Property expense		
Rent and taxes	112,584	201,495
Insurance	2,032	2,640
Utilities cost	209,166	184,344
Security	227,242	226,644
Repair and maintenance	190,401	161,037
Depreciation	212,213	208,330
Depreciation on right-of-use assets	460,333	382,749
	1,413,971	1,367,239
Information technology expenses		
Software maintenance	106,086	67,256
Hardware maintenance	80,718	82,023
Depreciation	104,183	94,320
Amortisation	33,941	35,847
Network charges	121,263	112,770
	446,191	392,216
Other operating expenses		
Directors' fees and allowances	6,903	5,443
Fees and allowances to Shariah Board	5,626	5,264
Legal and professional charges	62,039	49,173
Outsourced services costs	144,964	148,438
Travelling and conveyance	120,702	99,344
NIFT clearing charges	35,226	30,424
Depreciation	230,861	228,659
Depreciation - non-banking assets	18,004	5,731
Training and development	18,176	7,865
Postage and courier charges	56,183	41,325
Communication	63,276	51,187
Subscription	101,041	97,458
Repair and maintenance	48,502	55,005
Brokerage and commission	100,719	98,742
Stationery and printing	119,714	111,624
Marketing advertisement and publicity	56,662	51,122
Management fee	242,127	247,272
Insurance	361,151	279,846
Donations	100,200	64,376
Auditors' Remuneration	4,800	6,043
Others	273,541	229,120
	2,170,417	1,913,461
	<u>7,580,537</u>	<u>6,840,916</u>

	Note	Half year ended	
		30 June 2021	30 June 2020
		(Un-Audited)	
		Rupees in '000	
28. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		14,556	29,240
29. PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments - net	9.2.1	(1,230)	180,074
Provision against loan and advances - net	10.3	2,081,798	1,431,024
Provision against other assets / off-balance sheet obligations	14.2 & 18.1	(305,133)	-
Recovery of written off bad debts		1,500	(10,751)
		1,776,935	1,600,347
30. TAXATION			
Current		3,962,948	2,822,618
Prior year		-	-
Deferred		(506,037)	(93,223)
		3,456,911	2,729,395
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		6,228,082	4,118,939
		Number in '000	
Weighted average number of ordinary shares		1,047,831	1,047,831
		Rupees	
Basic and diluted earnings per share		5.94	3.93

32. FAIR VALUE MEASUREMENTS

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

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

32.1 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 by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments

	30 June 2021 (Un-Audited)				
	Carrying / notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000					
Financial assets measured at fair value					
- Investments					
- Held-for-trading securities	30,948,977	-	30,948,977	-	30,948,977
Federal government securities					
- Available-for-sale securities					
Federal government securities	575,910,408	-	575,910,408	-	575,910,408
Sukuk certificates and bonds	7,215,420	-	7,215,420	-	7,215,420
Ordinary shares of listed companies	972,390	972,390	-	-	972,390
Mutual funds - open end	19,782	-	19,782	-	19,782
- close end	8,081	8,081	-	-	8,081
Real estate investment trust	591,961	591,961	-	-	591,961
Listed term finance certificates	1,587,285	-	1,587,285	-	1,587,285
Financial assets disclosed but not measured at fair value					
- Investments					
- Held-to-maturity securities					
Federal government securities	35,150,381	-	-	-	-
Certificates of investments	2,225,000	-	-	-	-
- Subsidiaries					
Ordinary shares of listed companies	180,000	-	-	-	-
Ordinary shares of unlisted companies	650,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	52,657	-	-	-	-
	<u>655,512,342</u>	<u>1,572,432</u>	<u>615,681,872</u>	<u>-</u>	<u>617,254,304</u>
Off-balance sheet financial instruments - measured at fair value					
- Forward purchase of foreign exchange contracts	222,987,206	-	224,211,393	-	224,211,393
- Forward sale of foreign exchange contracts	175,227,653	-	174,333,836	-	174,333,836
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	2,530,126	-	-	2,804,142	2,804,142

On balance sheet financial instruments

	31 December 2020 (Audited)				
	Carrying / notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000					
Financial assets measured at fair value					
- Investments					
- Available-for-sale securities					
Federal government securities	534,252,336	-	534,252,336	-	534,252,336
Sukuk certificates and bonds	7,269,073	-	7,269,073	-	7,269,073
Ordinary shares of listed companies	862,669	862,669	-	-	862,669
Mutual funds - open end	18,304	-	18,304	-	18,304
- close end	8,275	8,275	-	-	8,275
Real estate investment trust	375,429	375,429	-	-	375,429
Listed term finance certificates	2,826,707	-	2,826,707	-	2,826,707
Financial assets disclosed but not measured at fair value					
- Investments					
- Held-to-maturity securities					
Federal government securities	34,358,396	-	-	-	-
Certificates of investments	3,675,000	-	-	-	-
- Subsidiaries					
Ordinary shares of listed companies	180,000	-	-	-	-
Ordinary shares of unlisted companies	650,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	55,444	-	-	-	-
	<u>584,531,633</u>	<u>1,246,373</u>	<u>544,366,420</u>	<u>-</u>	<u>545,612,793</u>
Off-balance sheet financial instruments - measured at fair value					
- Forward purchase of foreign exchange contracts	<u>245,157,873</u>	<u>-</u>	<u>241,170,544</u>	<u>-</u>	<u>241,170,544</u>
- Forward sale of foreign exchange contracts	<u>190,640,128</u>	<u>-</u>	<u>187,884,199</u>	<u>-</u>	<u>187,884,199</u>
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	<u>2,982,632</u>	<u>-</u>	<u>-</u>	<u>3,249,798</u>	<u>3,249,798</u>

32.2 Valuation techniques used in determination of fair valuation of financial instruments within level 2.

Federal government debt securities	The fair value of government securities are valued using PKRV rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

32.3 Valuation techniques used in determination of fair values of non-financial assets within level 3.

Non-banking assets acquired in satisfaction of claim	These are valued by professionally valuers. The valuation is based on their assessment of the market value. The effect of changes in the unobservable inputs used cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented.
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33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	30 June 2021 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	20,798,591	(5,791,058)	(604,370)	14,403,163
Inter segment revenue - net	(15,404,058)	10,368,721	5,035,337	-
Non mark-up / return / interest income	(207,109)	247,064	4,825,903	4,865,858
Total Income	5,187,424	4,824,727	9,256,870	19,269,021
Segment direct expenses	(133,923)	-	-	(133,923)
Inter segment expense allocation	-	(2,108,625)	(5,564,545)	(7,673,170)
Total expenses	(133,923)	(2,108,625)	(5,564,545)	(7,807,093)
Provisions	1,230	3,059	(1,781,224)	(1,776,935)
Profit before tax	5,054,731	2,719,161	1,911,101	9,684,993
Balance Sheet				
Cash and bank balances	4,068,133	34,576,034	52,017,262	90,661,429
Investments	655,512,342	-	-	655,512,342
Lendings to financial institutions	4,000,000	-	-	4,000,000
Advances - performing	-	4,667,184	347,731,777	352,398,961
Advances - non-performing	-	28,947	18,955,179	18,984,126
Provision against advances	-	(34,921)	(21,288,782)	(21,323,703)
Net inter segment lending	-	291,713,982	208,381,553	500,095,535
Others	9,659,046	2,851,563	44,926,803	57,437,412
Total Assets	673,239,521	333,802,789	650,723,792	1,657,766,102
Borrowings	138,054,447	-	122,386,564	260,441,011
Subordinated debt	-	-	-	-
Deposits and other accounts	-	306,072,770	458,000,814	764,073,584
Net inter segment borrowing	500,095,535	-	-	500,095,535
Others	3,150,004	11,209,402	58,535,156	72,894,562
Total liabilities	641,299,986	317,282,172	638,922,534	1,597,504,692
Equity	31,939,535	16,520,617	11,801,258	60,261,410
Total Equity & liabilities	673,239,521	333,802,789	650,723,792	1,657,766,102
Contingencies & Commitments	398,214,859	6,649,883	326,051,267	730,916,009

30 June 2020 (Un-Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit & Loss				
Net mark-up / return / profit	17,612,818	(8,730,404)	1,835,255	10,717,669
Inter segment revenue - net	(14,547,128)	11,002,759	3,544,369	-
Non mark-up / return / interest income	(5,965)	111,962	4,643,171	4,749,168
Total income	3,059,725	2,384,317	10,022,795	15,466,837
Segment direct expenses	(171,246)	-	-	(171,246)
Inter segment expense allocation	-	(2,025,193)	(4,821,717)	(6,846,910)
Total expenses	(171,246)	(2,025,193)	(4,821,717)	(7,018,156)
Provisions	(180,074)	3,868	(1,424,141)	(1,600,347)
Profit before tax	2,708,405	362,992	3,776,937	6,848,334

31 December 2020 (Audited)

Balance Sheet				
Cash and bank balances	1,815,058	23,136,227	31,734,180	56,685,465
Investments	584,531,633	-	-	584,531,633
Lendings to financial institutions	1,000,000	-	-	1,000,000
Advances - performing	-	3,625,775	308,554,749	312,180,524
Advances - non-performing	-	27,203	19,274,853	19,302,056
Provision against advances	-	(16,089)	(19,299,686)	(19,315,775)
Net inter segment lending	-	284,961,421	179,393,498	464,354,919
Others	9,743,974	2,650,754	50,793,552	63,188,280
Total assets	597,090,665	314,385,291	570,451,146	1,481,927,102
Borrowings	95,962,712	-	105,760,137	201,722,849
Subordinated debt	-	-	-	-
Deposits & other accounts	-	288,049,370	392,906,342	680,955,712
Net inter segment borrowing	464,354,919	-	-	464,354,919
Others	6,170,146	9,742,895	61,332,370	77,245,411
Total liabilities	566,487,777	297,792,265	559,998,849	1,424,278,891
Equity	30,602,888	16,593,026	10,452,297	57,648,211
Total equity & liabilities	597,090,665	314,385,291	570,451,146	1,481,927,102
Contingencies & commitments	435,798,001	-	254,931,857	690,729,858

34. RELATED PARTIES TRANSACTIONS

The Bank has related party transactions with its holding company, subsidiaries, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of charge for employees' retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

The details of transactions with related parties during the year are as follows:

	30 June 2021 (Un-Audited)						
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	100,365	-	117,681	-	-	-	218,046
Investments							
Opening balance	-	2,505,000	-	-	-	-	2,505,000
Investment made during the period	-	5,300,000	-	-	-	-	5,300,000
Investment redeemed / disposed off during the period	-	(4,750,000)	-	-	-	-	(4,750,000)
Closing balance	-	3,055,000	-	-	-	-	3,055,000
Advances							
Opening balance	-	-	4,636,346	195,938	-	-	4,832,284
Addition during the period	-	-	34,899,995	15,158	-	-	34,915,153
Repaid during the period	-	-	(35,707,266)	(13,722)	-	-	(35,720,988)
Closing balance	-	-	3,829,075	197,374	-	-	4,026,449
Other Assets							
Mark-up / return / interest accrued	-	25,010	5,961	-	-	-	30,971
Dividend Receivable	-	-	-	-	-	-	-
Prepayments / advance deposits / other receivable	468	1,783	6,988	-	-	-	9,239
	468	26,793	12,949	-	-	-	40,210
Deposits and other accounts							
Opening balance	213,306	761,695	9,659,120	282,595	661,230	1,583,951	13,161,897
Received during the period	12,198,470	60,699,183	1,163,904,541	1,245,310	2,173,299	5,460,991	1,245,681,794
Withdrawn during the period	(12,239,954)	(60,695,693)	(1,147,745,930)	(1,276,018)	(2,220,335)	(5,281,210)	(1,229,459,140)
Closing balance	171,822	765,185	25,817,731	251,887	614,194	1,763,732	29,384,551
Other Liabilities							
Mark-up / return / interest payable	-	4,087	132,892	484	2,479	12,162	152,104
Management fee payable for technical and consultancy services*	73,143	-	-	-	-	-	73,143
Other liabilities	-	171	8,174	-	670	170,584	179,599
	73,143	4,258	141,066	484	3,149	182,746	404,846
Contingencies & commitments							
Guarantees	-	-	7,636,880	-	-	-	7,636,880
Letter of credit	-	-	5,296,644	-	-	-	5,296,644
	-	-	12,933,524	-	-	-	12,933,524

* Management fee is as per the agreement with the holding company .

31 December 2020 (Audited)

	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	98,181	-	112,889	-	-	-	211,070
Investments							
Opening balance	-	5,830,000	-	-	-	-	5,830,000
Investment made during the year	-	5,425,000	-	-	-	-	5,425,000
Investment redeemed / disposed off during the year	-	(8,750,000)	-	-	-	-	(8,750,000)
Closing balance	-	2,505,000	-	-	-	-	2,505,000
Advances							
Opening balance	-	-	4,097,808	222,737	-	-	4,320,545
Addition during the year	-	-	37,290,389	14,326	-	-	37,304,715
Repaid during the year	-	-	(36,751,851)	(41,125)	-	-	(36,792,976)
Closing balance	-	-	4,636,346	195,938	-	-	4,832,284
Other Assets							
Mark-up / return / interest accrued	-	16,386	6,592	-	-	-	22,978
Prepayments / advance deposits / other receivable	468	-	2,872	-	-	-	3,340
	468	16,386	9,464	-	-	-	26,318
Deposits and other accounts							
Opening balance	529,172	577,491	11,263,025	262,708	785,494	911,553	14,329,443
Received during the year	18,649,846	130,889,225	1,656,353,576	1,339,687	2,195,407	3,443,908	1,812,871,649
Withdrawn during the year	(18,965,712)	(130,705,021)	(1,657,957,481)	(1,319,800)	(2,319,671)	(2,771,510)	(1,814,039,195)
Closing balance	213,306	761,695	659,120	282,595	661,230	1,583,951	13,161,897
Other Liabilities							
Mark-up / return / interest payable	-	3,210	140,921	1,241	3,844	18,043	167,259
Management fee payable for technical and consultancy services*	204,497	-	-	-	-	-	204,497
Other liabilities	-	-	11,821	-	730	13,568	26,119
	204,497	3,210	152,742	1,241	4,574	31,611	397,875
Contingencies and commitments							
Guarantees	-	-	8,729,159	-	-	-	8,729,159
Letter of credit	-	-	2,027,205	-	-	-	2,027,205
	-	-	10,756,364	-	-	-	10,756,364

* Management fee is as per the agreement with the holding company .

Transactions during the period

	For the period ended 30 June 2021 (Un-Audited)						Total
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	
	Rupees in '000						
Income							
Mark-up / return / interest earned	-	74,779	24,195	5,263	-	-	104,237
Fee and commission income	1,205	385	124,240	-	52	-	125,882
Rent income	2,808	2,674	-	-	-	-	5,482
Expense							
Mark-up / return / interest expensed	-	20,476	439,287	8,086	16,567	72,429	556,845
Commission / brokerage / bank charges paid	746	150	498	-	-	-	1,394
Salaries and allowances	-	-	-	330,791	-	-	330,791
Directors' fees and allowances	-	-	-	-	6,903	-	6,903
Charge to defined benefit plan	-	-	-	-	-	88,430	88,430
Contribution to defined contribution plan	-	-	-	-	-	122,990	122,990
Rent expenses	-	-	7,613	-	-	-	7,613
Insurance premium expenses	-	-	6,473	-	-	-	6,473
Maintenance, electricity, stationery and entertainment	-	-	44,859	-	-	-	44,859
Management fee expense for technical and consultancy services *	242,127	-	-	-	-	-	242,127
Donation	-	-	10,960	-	-	-	10,960
Professional / other charges	-	-	1,025	-	-	-	1,025

* Management fee is as per the agreement with the holding company .

Transactions during the period

For the period ended 30 June 2020 (Un-Audited)

	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Income							
Mark-up / return / interest earned	<u>-</u>	<u>149,152</u>	<u>68,155</u>	<u>6,489</u>	<u>-</u>	<u>-</u>	<u>223,796</u>
Fee and commission income	<u>1,741</u>	<u>333</u>	<u>162,882</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>164,972</u>
Rent income	<u>2,808</u>	<u>2,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,970</u>
Expenses							
Mark-up / return / interest expensed	<u>-</u>	<u>34,949</u>	<u>474,620</u>	<u>11,127</u>	<u>33,885</u>	<u>62,599</u>	<u>617,180</u>
Commission / brokerage / bank charges paid	<u>425</u>	<u>-</u>	<u>702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,127</u>
Salaries and allowances	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,553</u>	<u>-</u>	<u>-</u>	<u>261,553</u>
Directors' fees and allowances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,443</u>	<u>-</u>	<u>5,443</u>
Charge to defined benefit plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,655</u>	<u>86,655</u>
Contribution to defined contribution plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,798</u>	<u>105,798</u>
Rent expenses	<u>-</u>	<u>-</u>	<u>7,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,344</u>
Insurance premium expenses	<u>-</u>	<u>-</u>	<u>6,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,066</u>
Maintenance, electricity, stationery and entertainment	<u>-</u>	<u>-</u>	<u>50,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,240</u>
Management fee expense for technical and consultancy services *	<u>247,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,272</u>
Donation	<u>-</u>	<u>-</u>	<u>11,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,960</u>
Professional / Other charges	<u>-</u>	<u>-</u>	<u>1,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,842</u>

* Management fee is as per the agreement with the holding company.

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) capital	57,882,927	54,230,203
Eligible Additional Tier 1 (ADT 1) capital	-	-
Total Eligible Tier 1 capital	57,882,927	54,230,203
Eligible Tier 2 capital	5,176,751	5,841,005
Total eligible capital (Tier 1 + Tier 2)	63,059,678	60,071,208
Risk Weighted Assets (RWAs):		
Credit risk	351,962,500	302,514,003
Market risk	3,505,262	1,202,170
Operational risk	54,096,766	54,096,766
Total	409,564,528	357,812,939
CET 1 capital adequacy ratio	14.13%	15.16%
Tier 1 capital adequacy ratio	14.13%	15.16%
Total capital adequacy ratio	15.40%	16.79%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio	6.00%	6.00%
Tier 1 capital adequacy ratio	7.50%	7.50%
Total capital adequacy ratio	11.50%	11.50%
The Bank uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
Leverage Ratio (LR):		
Eligible Tier-1 capital	57,882,927	54,230,203
Total exposures	1,484,997,040	1,300,017,087
Leverage ratio	3.90%	4.17%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	513,729,605	417,225,257
Total net cash outflow	225,264,863	184,000,188
Liquidity coverage ratio	228%	227%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	667,941,999	611,485,655
Total required stable funding	318,804,852	303,443,125
Net stable funding ratio	210%	202%

36. ISLAMIC BANKING BUSINESS

The bank is operating 34 Islamic banking branches (31 December 2020: 32) and 218 Islamic banking windows (31 December 2020: 218) at the end of the period.

	Note	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		8,069,547	4,970,404
Balances with other banks		-	-
Due from financial institutions	36.1	4,000,000	1,000,000
Investments	36.2	28,638,797	27,627,085
Islamic financing and related assets - net	36.3	81,209,773	56,672,907
Fixed assets	36.4	516,214	481,094
Intangible assets		-	-
Due from head office		5,481,017	204,715
Other assets		3,641,936	3,345,634
Total Assets		<u>131,557,284</u>	<u>94,301,839</u>
LIABILITIES			
Bills payable		1,023,823	786,085
Due to financial institutions		29,912,541	16,609,708
Deposits and other accounts	36.5	91,200,227	68,493,450
Due to head office		-	-
Subordinated debt		-	-
Other liabilities	36.4	2,217,809	2,615,582
		<u>124,354,400</u>	<u>88,504,825</u>
NET ASSETS		<u>7,202,884</u>	<u>5,797,014</u>
REPRESENTED BY			
Islamic banking fund		7,003,939	5,503,996
Reserves		-	-
Deficit on revaluation of assets		(817,775)	(1,085,694)
Unappropriated profit	36.9	1,016,720	1,378,712
		<u>7,202,884</u>	<u>5,797,014</u>
CONTINGENCIES AND COMMITMENTS	36.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 30 June 2021 is as follows:

	Note	Half year ended	
		30 June 2021	30 June 2020
		(Un-Audited)	
		Rupees in '000	
Profit / return earned	36.7	3,118,996	2,794,517
Profit / return expensed	36.8	(1,938,462)	(2,078,558)
Net Profit / return		1,180,534	715,959
Other income			
Fee and commission income		159,324	92,458
Dividend income		279	23,400
Foreign exchange income		46,566	46,933
Gain on securities		12,050	166,814
Other income		357	13,848
Total other income		218,576	343,453
Total Income		1,399,110	1,059,412
Other expenses			
Operating expenses		416,847	356,270
Workers' welfare fund		-	-
Other charges		609	-
Total other expenses		417,456	356,270
Profit before provisions		981,654	703,142
Provisions and write offs - net		35,066	(198,766)
Profit before taxation		1,016,720	504,376

36.1 Due from Financial Institutions

	30 June 2021 (Un-Audited)			31 December 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Unsecured						
Musharaka	1,500,000	-	1,500,000	1,000,000	-	1,000,000
Modaraba	2,500,000	-	2,500,000	-	-	-
	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>

36.2 Investments by segments:

	30 June 2021 (Unaudited)				31 December 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government Securities:								
Ijarah Sukuks	15,249,204	-	(439,368)	14,809,836	15,750,214	-	(675,889)	15,074,325
Bai-muajjal	3,608,688	-	-	3,608,688	3,608,688	-	-	3,608,688
INPCCCL modaraba investment pool	779,852	-	-	779,852	-	-	-	-
	<u>19,637,744</u>	<u>-</u>	<u>(439,368)</u>	<u>19,198,376</u>	<u>19,358,902</u>	<u>-</u>	<u>(675,889)</u>	<u>18,683,013</u>
Non-Government Debt Securities								
Listed	7,093,828	-	(369,936)	6,723,892	7,178,877	-	(393,601)	6,785,276
Unlisted	2,725,000	-	(8,471)	2,716,529	2,175,000	-	(16,204)	2,158,796
	9,818,828	-	(378,407)	9,440,421	9,353,877	-	(409,805)	8,944,072
Total investments	<u>29,456,572</u>	<u>-</u>	<u>(817,775)</u>	<u>28,638,797</u>	<u>28,712,779</u>	<u>-</u>	<u>(1,085,694)</u>	<u>27,627,085</u>

36.3 Islamic financing and related assets - net

	30 June 2021 (Un-Audited)				31 December 2020 (Audited)			
	Financing	Advances	Inventory	Total	Financing	Advances	Inventory	Total
	Rupees in '000							
Ijarah	132,609	3,788	-	136,397	189,891	4,772	-	194,663
Ijarah - islamic long term financing facility	74,207	-	-	74,207	74,207	-	-	74,207
Murabaha	6,115,328	111,918	-	6,227,246	5,111,746	207,331	-	5,319,077
Working capital musharaka	29,764,237	-	-	29,764,237	25,581,844	-	-	25,581,844
Diminishing musharaka	6,118,378	1,807,836	-	7,926,214	5,328,366	217,013	-	5,545,379
Salam	86,500	88,079	-	174,579	16,874	128,500	54,000	199,374
Istisna	3,553,935	3,693,274	58,565	7,305,774	1,642,581	2,152,364	8,820	3,803,765
Diminishing musharaka - islamic long term financing facility	823,794	748,957	-	1,572,751	764,708	504,848	-	1,269,556
Diminishing musharaka - islamic refinance scheme for payment of wages and salaries	1,496,965	93,534	-	1,590,499	-	1,683,416	-	1,683,416
Diminishing musharaka - islamic financing facility for storage of agricultural produce	-	544,634	-	544,634	-	267,878	-	267,878
Diminishing musharaka - islamic temporary economic refinance facility	-	11,720,410	-	11,720,410	-	1,931,320	-	1,931,320
Diminishing musharaka - islamic financing facility for renewable energy	-	38,355	-	38,355	-	-	-	-
Export refinance working capital musharaka	9,374,600	-	-	9,374,600	3,191,540	-	-	3,191,540
Export refinance murabaha	533,301	6,692	-	539,993	1,137,138	43,565	-	1,180,703
Export refinance istisna	2,044,331	2,475,000	-	4,519,331	1,149,500	5,748,195	-	6,897,695
Export refinance salam	-	60,000	-	60,000	-	150,000	-	150,000
Al-bai financing	252,444	-	87,489	339,933	136,797	-	25,577	162,374
Al-bai - islamic export refinance facility	4,047	-	73,158	77,205	-	-	31,773	31,773
Gross islamic financing and related assets	60,374,676	21,392,477	219,212	81,986,365	44,325,192	13,039,202	120,170	57,484,564
Provision against non-performing islamic financings	(776,592)	-	-	(776,592)	(811,657)	-	-	(811,657)
Islamic financing and related assets - net of provision	59,598,084	21,392,477	219,212	81,209,773	43,513,535	13,039,202	120,170	56,672,907

36.4 Fixed assets and other liabilities

At 30 June 2021, fixed assets included right-of-use assets of Rs. 465,428 thousand (31 December 2020: 426,383 thousand) and other liabilities included related lease liability of Rs. 506,358 thousand (31 December 2020: 480,505 thousand).

36.5 Deposits and other accounts

	30 June 2021 (Unaudited)			31 December 2020 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	26,608,857	42,530	26,651,387	17,621,062	138,324	17,759,386
Savings deposits	38,169,121	3,965,622	42,134,743	21,397,482	3,104,956	24,502,438
Term deposits	22,414,097	-	22,414,097	26,231,626	-	26,231,626
	<u>87,192,075</u>	<u>4,008,152</u>	<u>91,200,227</u>	<u>65,250,170</u>	<u>3,243,280</u>	<u>68,493,450</u>

36.6 Contingencies and commitments

	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
Guarantees	8,372,560	6,333,142
Commitments	21,261,656	18,237,313
	<u>29,634,216</u>	<u>24,570,455</u>

36.7 Profit / return earned of financing, investments and placement

	30 June 2021 (Un-Audited)	30 June 2020
	Rupees in '000	
Profit earned on:		
Financing	1,971,836	1,169,537
Investments	1,029,517	1,194,691
Placements	117,643	430,289
	<u>3,118,996</u>	<u>2,794,517</u>

36.8 Profit on deposits and other dues expensed

	30 June 2021 (Un-Audited)	30 June 2020
	Rupees in '000	
Deposits and other accounts	1,741,953	1,978,957
Due to financial institutions	169,173	70,384
Discount expense on lease liability against right-of-use assets	27,336	29,217
	<u>1,938,462</u>	<u>2,078,558</u>

	30 June 2021 (Un-Audited)	31 December 2020 (Audited)
	Rupees in '000	
36.9 Islamic banking business unappropriated profits		
Opening balance	1,378,712	1,088,033
Add: Islamic banking profit for the period / year	1,016,720	1,378,712
Less: Transferred to head office	<u>(1,378,712)</u>	<u>(1,088,033)</u>
Closing balance	<u>1,016,720</u>	<u>1,378,712</u>

37. GENERAL

37.1 The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

37.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

38. NON ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION DATE / DATE OF AUTHORISATION FOR ISSUE

38.1 The Board of Directors in its meeting held on 24 August 2021 has approved an interim cash dividend of Rs. 2 per share (2020: interim cash dividend of Rs. 2 per share).

38.2 These unconsolidated condensed interim financial statements were authorised for issue on 24 August 2021 by the Board of Directors of the Bank.

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