



[Subsidiary of Habib Bank AG Zurich]

Habib Metropolitan Bank Ltd.

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts for the quarter
ended 31 March 2023
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	80,935,157	54,747,439
Balances with other banks	7	26,268,459	22,867,486
Lendings to financial institutions	8	3,902,811	76,331,607
Investments	9	784,590,961	719,303,291
Advances	10	457,844,227	451,471,275
Fixed assets	11	21,517,826	21,710,775
Intangible assets	12	124,068	140,407
Deferred tax assets	13	7,802,835	5,131,055
Other assets	14	62,927,019	60,180,778
		<u>1,445,913,363</u>	<u>1,411,884,113</u>
LIABILITIES			
Bills payable	15	27,292,914	19,538,428
Borrowings	16	318,840,230	354,018,407
Deposits and other accounts	17	935,448,750	879,652,325
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities		-	-
Other liabilities	18	86,756,593	79,947,447
		<u>1,368,338,487</u>	<u>1,333,156,607</u>
NET ASSETS		<u>77,574,876</u>	<u>78,727,506</u>
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		27,099,851	25,949,624
Surplus / (deficit) on revaluation of assets - net of tax	19	(1,523,313)	2,029,417
Unappropriated profit		37,726,218	36,584,942
		<u>73,781,071</u>	<u>75,042,298</u>
Non-controlling interest		3,793,805	3,685,208
		<u>77,574,876</u>	<u>78,727,506</u>
CONTINGENCIES AND COMMITMENTS			
	20		

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

MOHOMED BASHIR
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2023

	Note	31 March 2023	31 March 2022
		Rupees in '000	
Mark-up / return / interest earned	22	44,847,935	23,744,171
Mark-up / return / interest expensed	23	(30,803,625)	(15,806,948)
Net mark-up / interest income		14,044,310	7,937,223
Non mark-up / interest income			
Fee and commission income	24	2,159,099	1,899,555
Dividend income		131,230	69,090
Foreign exchange income		1,813,692	1,332,040
Income / (loss) from derivatives		-	-
Gain / (loss) on securities - net	25	(142,402)	49,705
Other income	26	19,624	14,605
Total non mark-up / interest income		3,981,243	3,364,995
Total income		18,025,553	11,302,218
Non mark-up / interest expenses			
Operating expenses	27	6,539,852	4,734,879
Workers' welfare fund		178,410	116,378
Other charges	28	5	20,242
Total non-mark-up / interest expenses		(6,718,267)	(4,871,499)
Profit before provisions		11,307,286	6,430,719
Provisions and write offs - net	29	(1,050,252)	(408,299)
Extra ordinary / unusual items		-	-
Profit before taxation		10,257,034	6,022,420
Taxation	30	(4,400,565)	(2,339,809)
Profit after taxation		5,856,469	3,682,611
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the holding company		5,749,929	3,602,372
Non-controlling interest		106,540	80,239
		5,856,469	3,682,611
		Rupees	
Basic and diluted earnings per share	31	5.49	3.44

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

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Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2023

	31 March 2023	31 March 2022
	Rupees in '000	
Profit after taxation for the period	5,856,469	3,682,611
Other comprehensive income		
Items that may be reclassified to profit and loss in subsequent periods		
Effect of translation of net investment in an offshore branch - net of tax	5,265	328
Movement in surplus on revaluation of investments - net of tax	(3,505,911)	(507,432)
	(3,500,646)	(507,104)
Items that will not be reclassified to profit and loss in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(103,001)	(38,146)
Total comprehensive income	2,252,822	3,137,361
Equity shareholders of the holding company	2,144,225	3,058,327
Non-controlling interest	108,597	79,034
	2,252,822	3,137,361

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Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2023

	Reserves						Surplus / (deficit) on revaluation			Sub total	Non-controlling interest	Total	
	Share capital	Share premium	Special reserve	Revenue reserve	Merger reserve	Statutory reserve	Exchange translation reserve	Investments	Fixed / non-banking assets				Un-appropriated profit
	Rupees in '000												
Balance as at 1 January 2022	10,478,315	2,550,985	240,361	1,500,000	-	18,605,653	1,761	(1,729,152)	1,372,089	30,370,219	63,390,231	3,499,032	66,889,263
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	3,602,372	3,602,372	80,239	3,682,611
Other comprehensive income - net of tax	-	-	-	-	-	-	328	(506,227)	-	(38,146)	(544,045)	(1,205)	(545,250)
Total comprehensive income	-	-	-	-	-	-	328	(506,227)	-	3,564,226	3,058,327	79,034	3,137,361
Transfer to statutory reserve	-	-	-	-	-	716,828	-	-	-	(716,828)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(4,466)	4,466	-	-	-
Transactions with owners, recorded directly in equity													
Cash dividend (Rs. 3.00 per share) for the year ended 31 December 2021	-	-	-	-	-	-	-	-	-	(3,143,494)	(3,143,494)	-	(3,143,494)
Balance as at 31 March 2022	10,478,315	2,550,985	240,361	1,500,000	-	19,322,481	2,089	(2,235,379)	1,367,623	30,078,589	63,305,064	3,578,066	66,883,130
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	10,771,187	10,771,187	470,378	11,241,565
Other comprehensive income - net of tax	-	-	-	-	-	-	2,840	(2,555,258)	5,539,482	43,644	3,030,708	(146,744)	2,883,964
Total comprehensive income	-	-	-	-	-	-	2,840	(2,555,258)	5,539,482	10,814,831	13,801,895	323,634	14,125,529
Transfer to statutory reserve	-	-	100,000	-	-	2,199,866	-	-	-	(2,299,866)	-	-	-
Transfer on amalgamation	-	-	-	-	31,002	-	-	-	-	-	31,002	(31,002)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(87,051)	87,051	-	-	-
Transactions with owners, recorded directly in equity													
Interim dividend (Rs. 2.00 per share) for the year ended 31 December 2022	-	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)	-	(2,095,663)
Profit distribution by First Habib Modaraba (Rs. 1.00 per certificate) for the period ended 30 June 2022	-	-	-	-	-	-	-	-	-	-	-	(181,440)	(181,440)
Profit distribution by Habib Metropolitan Modaraba (Rs. 0.45 per certificate) for the period ended 30 June 2022	-	-	-	-	-	-	-	-	-	-	-	(4,050)	(4,050)
Balance as at 31 December 2022	10,478,315	2,550,985	340,361	1,500,000	31,002	21,522,347	4,929	(4,790,637)	6,820,054	36,584,942	75,042,298	3,885,208	78,727,506
Profit after taxation	-	-	-	-	-	-	-	-	-	5,749,929	5,749,929	106,540	5,856,469
- net of tax	-	-	-	-	-	-	5,265	(3,507,968)	-	(103,001)	(3,605,704)	2,057	(3,603,647)
Total comprehensive income	-	-	-	-	-	-	5,265	(3,507,968)	-	5,646,928	2,144,225	108,597	2,252,822
Transfer to statutory reserve	-	-	-	-	-	1,144,962	-	-	-	(1,144,962)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(44,762)	44,762	-	-	-
Transactions with owners, recorded directly in equity													
Cash dividend (Rs. 3.25 per share) for the year ended 31 December 2022	-	-	-	-	-	-	-	-	-	(3,405,452)	(3,405,452)	-	(3,405,452)
Balance as at 31 March 2023	10,478,315	2,550,985	340,361	1,500,000	31,002	22,667,309	10,194	(8,298,605)	6,775,292	37,726,218	73,781,071	3,793,805	77,574,876

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MOHSIN A. NATHANI
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MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2023

	Note	31 March 2023	31 March 2022
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		10,257,034	6,022,420
Less: Dividend income		(131,230)	(69,090)
		<u>10,125,804</u>	<u>5,953,330</u>
Adjustments			
Depreciation on operating fixed assets		443,835	331,026
Depreciation on right-of-use assets		321,246	299,462
Depreciation on non-banking assets		-	14,413
Amortization		18,041	18,991
Lease liability against right-of-use assets		211,136	199,208
Provisions and write offs excluding recovery of written off bad debts	29	1,085,252	434,647
Net gain on sale of fixed assets		(9,157)	(3,118)
Provision against workers welfare fund		178,410	116,378
Provision against compensated absences		12,450	13,422
Provision against defined benefit plan		75,366	56,912
		<u>2,336,579</u>	<u>1,481,341</u>
		<u>12,462,383</u>	<u>7,434,671</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		72,428,796	(26,022,854)
Advances		(7,428,601)	(32,150,628)
Other assets (excluding dividend and non-banking assets)		(5,904,028)	(2,286,570)
		<u>59,096,167</u>	<u>(60,460,052)</u>
Increase / (decrease) in operating liabilities			
Bills payable		7,754,486	15,337,461
Borrowings from financial institutions		(35,054,782)	19,016,387
Deposits and other accounts		55,796,425	1,365,271
Other liabilities (excluding current taxation)		7,903,335	1,792,369
		<u>36,399,464</u>	<u>37,511,488</u>
		<u>107,958,014</u>	<u>(15,513,893)</u>
Payment against compensated absences		(7,950)	(8,296)
Income tax paid		(2,641,484)	(2,337,227)
		<u>(2,649,434)</u>	<u>(2,345,523)</u>
Net cash flow generated from / (used in) operating activities		<u>105,308,580</u>	<u>(17,859,416)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in held-for-trading securities		-	-
Net investments in available-for-sale securities		(80,114,077)	2,015,096
Net investments in held-to-maturity securities		8,645,400	2,006,425
Dividend received		133,708	22,044
Investments in fixed assets		(429,692)	(771,826)
Investments in intangible assets		(1,700)	(13,318)
Proceeds from sale of fixed assets		14,496	6,369
Effect of translation of net investment in an offshore branch		9,260	538
		<u>9,260</u>	<u>538</u>
Net cash flow generated from / (used in) investing activities		<u>(71,742,605)</u>	<u>3,265,328</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3,406,313)	(3,168,669)
Payment of lease liability against right-of-use assets		(447,576)	(350,049)
		<u>(3,853,889)</u>	<u>(3,518,718)</u>
Net cash used in financing activities		<u>(3,853,889)</u>	<u>(3,518,718)</u>
Increase / (decrease) in cash and cash equivalents		<u>29,712,086</u>	<u>(18,112,806)</u>
Cash and cash equivalents at beginning of the period		76,276,054	86,560,259
Cash and cash equivalents at end of the period		<u>105,988,140</u>	<u>68,447,453</u>

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

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH 2023

1. STATUS AND NATURE OF BUSINESS

The Group comprises of Habib Metropolitan Bank Limited (the holding company), Habib Metropolitan Financial Services Limited and Habib Metropolitan Modaraba Management Company (Private) Limited (wholly owned subsidiary companies) and First Habib Modaraba (managed by Habib Metropolitan Modaraba Management Company (Private) Limited).

Holding Company

Habib Metropolitan Bank Limited (the holding company) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the Companies Ordinance, 1984 (now the Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 500 (31 December 2022: 500) branches, including 61 (31 December 2022: 61) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2022: 1) sub branch in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich (the holding company with 51% shares in the Bank) which is incorporated in Switzerland. The registered office of the holding company is situated at HABIBMETRO Head Office, II Chundrigar Road, Karachi.

Subsidiary Companies

Habib Metropolitan Financial Services Limited - 100% holding

Habib Metropolitan Financial Services Limited was incorporated in Pakistan on 28 September 2007 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the subsidiary company is located at 1st Floor, GPC 2, Block 5, Khekashan Clifton, Karachi. The subsidiary company is a corporate member of the Pakistan Stock Exchange Limited and engaged in equity brokerage services.

Habib Metropolitan Modaraba Management Company (Private) Limited - 100% holding

Habib Metropolitan Modaraba Management Company (Private) Limited (Modaraba management company) was incorporated in Pakistan on 01 June 2015 as a private limited under the Companies Ordinance, 1984 (now Companies Act, 2017) and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the subsidiary company is located at 6th Floor, HBZ Plaza, II Chundrigar Road, Karachi.

First Habib Modaraba - 15.43% holding

First Habib Modaraba (FHM) is a perpetual, multi-purpose modaraba having its registered office at 6th Floor, HBZ Plaza, II Chundrigar Road, Karachi. It is listed on the Pakistan Stock Exchange and engaged in the business of leasing (Ijarah), Musharaka, Murabaha financing and other related business.

2. BASIS OF PREPARATION

- 2.1 These consolidated condensed interim financial statements comprise the financial statements of the holding company and its subsidiary companies. The financial statements of the subsidiary companies have been prepared for the same reporting period as the holding company using consistent accounting policies.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic mode, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and

sales arising under these arrangements are not reflected in these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches of the holding company are disclosed in note 36 to these consolidated financial statements.

2.2 Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan 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;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by 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 26 August 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 consolidated 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 holding company. 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 02 of 2018, as amended from time to time.

The disclosures and presentation made in these consolidated condensed interim financial statements have been 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 consolidated condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2022.

3. SIGNIFICANT ACCOUNTING POLICY

The significant accounting policies and method of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2022.

3.1 Amendments to existing accounting and reporting standards that have become effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group's for accounting periods beginning on or after 1 January 2023. These are considered either not to be relevant or not to have any significant impact on these condensed interim consolidated financial statements.

3.2 New standards and amendments to existing accounting and reporting standards that are not yet effective

As per the SBP's BPRD Circular Letter no. 07 dated 13 April 2023, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after 1 January 2024.

There are various amendments to existing accounting and reporting standards that are not yet effective. These are not likely to have a material effect on the Group's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5. RISK MANAGEMENT

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

	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	14,492,220	11,785,541
Foreign currencies	1,858,183	1,955,812
	<u>16,350,403</u>	<u>13,741,353</u>
With State Bank of Pakistan in		
Local currency current accounts	37,166,402	31,843,402
Foreign currencies		
- current accounts	4,361,882	2,843,777
- cash reserve account	7,150,867	5,631,918
- deposit account - special cash reserve	13,134,419	564,907
	<u>61,813,570</u>	<u>40,884,004</u>
With National Bank of Pakistan in		
Local currency current accounts	2,695,381	84,330
National Prize Bonds	75,803	37,752
	<u>80,935,157</u>	<u>54,747,439</u>

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
		Rupees in '000	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		127,936	50,914
In deposit accounts		285,021	414,091
		<u>412,957</u>	<u>465,005</u>
Outside Pakistan			
In current accounts		25,855,502	22,402,481
		<u>26,268,459</u>	<u>22,867,486</u>

8. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	8.2	3,802,811	1,902,020
Repurchase agreement lendings (Reverse Repo)	8.3	100,000	74,429,587
		<u>3,902,811</u>	<u>76,331,607</u>
8.1 Particulars of lendings			
In local currency - secured		100,000	74,429,587
In foreign currency - unsecured		3,802,811	1,902,020
		<u>3,902,811</u>	<u>76,331,607</u>

8.2 These foreign currency lendings carry mark-up rate ranging from 8% to 12.00% (31 December 2022: 11.00%) per annum with maturity upto 27 June 2023 (31 December 2022: 27 March 2023).

8.3 Securities held as collateral against lending to financial institutions (reverse repo)

	31 March 2023			31 December 2022		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	Rupees in '000					
Market treasury bills	—	—	—	33,169,690	—	33,169,690
Pakistan investment bonds	100,000	—	100,000	38,644,648	—	38,644,648
	<u>100,000</u>	<u>—</u>	<u>100,000</u>	<u>71,814,338</u>	<u>—</u>	<u>71,814,338</u>

8.3.1 Face value in respect of Market treasury bills is Nil (31 December 2022: Rs. 33,950,000 thousand) and Pakistan investment bonds is Rs. 100,000 thousand (31 December 2022: Rs. 41,400,000 thousand).

8.3.2 These carry profit / return of 18.15% (31 December 2022: 15.00% to 16.25%) per annum with maturity upto 09 August 2023 (31 December 2022: 06 January 2023).

9. INVESTMENTS

9.1 Investments by types

	31 March 2023 (Un-Audited)				31 December 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							
Available-for-sale securities								
Federal government securities	570,163,781	–	(14,354,088)	555,809,693	490,685,998	–	(8,275,074)	482,410,924
Shares	3,657,664	(483,580)	(101,917)	3,072,167	2,995,509	(474,761)	(24,018)	2,496,730
Non-government debt securities	12,095,439	(90,496)	(248,942)	11,756,001	12,144,982	(90,496)	(255,266)	11,799,220
Mutual funds	120,824	(12,763)	–	108,061	117,531	(12,276)	–	105,255
Real estate investment trust	1,531,779	–	152,899	1,684,678	1,531,780	–	153,621	1,685,401
	587,569,487	(586,839)	(14,552,048)	572,430,600	507,475,800	(577,533)	(8,400,737)	498,497,530
Held-to-maturity securities								
Federal government securities	212,160,361	–	–	212,160,361	220,805,761	–	–	220,805,761
Non-government debt securities	–	–	–	–	–	–	–	–
	212,160,361	–	–	212,160,361	220,805,761	–	–	220,805,761
Total Investments	<u>799,729,848</u>	<u>(586,839)</u>	<u>(14,552,048)</u>	<u>784,590,961</u>	<u>728,281,561</u>	<u>(577,533)</u>	<u>(8,400,737)</u>	<u>719,303,291</u>

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

9.1.1 Investments given as collateral against repo borrowing

The market value of investments given as collateral against repo borrowings is as follows:

Federal government securities

Market treasury bills	54,180,921	105,872,299
Pakistan investment bonds	124,116,576	90,133,387
	<u>178,297,497</u>	<u>196,005,686</u>

9.2 Provision for diminution in value of investments

Opening balance	577,533	506,474
Charge for the period / year	29,696	240,145
Reversal for the period / year	–	(3,920)
Net charge / (reversal)	29,696	236,225
Reversal on disposal for the period / year	(20,390)	(144,028)
Amount written off	–	(21,138)
Closing balance	<u>586,839</u>	<u>577,533</u>

9.3 Particulars of provision against debt securities

Category of classification	31 March 2023 (Un-Audited)		31 December 2022 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
Domestic				
Loss	90,496	90,496	90,496	90,496

9.4 The market value of federal government securities classified as held-to-maturity is Rs. 201,863,590 thousand (31 December 2022: 214,459,867 thousand).

10. ADVANCES

Note	Performing		Non-Performing		Total	
	31 March 2023 (Un-Audited)	31 December 2022 (Audited)	31 March 2023 (Un-Audited)	31 December 2022 (Audited)	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	288,089,985	282,270,838	12,327,124	11,882,972	300,417,109	294,153,810
Islamic financing and related assets	122,220,567	124,553,446	693,835	737,013	122,914,402	125,290,459
Bills discounted and purchased	47,116,423	44,866,490	10,721,585	9,430,159	57,838,008	54,296,649
Advances - gross	457,426,975	451,690,774	23,742,544	22,050,144	481,169,519	473,740,918
Provision against non-performing advances						
- specific	-	-	(19,002,926)	(17,650,138)	(19,002,926)	(17,650,138)
- general	(4,322,366)	(4,619,505)	-	-	(4,322,366)	(4,619,505)
	(4,322,366)	(4,619,505)	(19,002,926)	(17,650,138)	(23,325,292)	(22,269,643)
	453,104,609	447,071,269	4,739,618	4,400,006	457,844,227	451,471,275

10.1 It includes loans and advances of First Habib Modaraba amounting to Rs.18,550,597 thousand (31 December 2022: Rs. 18,368,749 thousand). Furthermore, it includes the Islamic banking operations of the holding company amounting to Rs. 104,363,805 thousand (31 December 2022: Rs. 106,921,710 thousand) as disclosed in note 36.2 to these consolidated financial statements.

10.2 Particulars of advances - gross

	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
In local currency	416,499,171	417,332,276
In foreign currencies	64,670,348	56,408,642
	481,169,519	473,740,918

10.3 Advances include Rs. 23,742,544 thousand (31 December 2022 : Rs. 22,050,144 thousand) which have been placed under non-performing status as detailed below:

Category of classification	31 March 2023 (Un-Audited)		31 December 2022 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
	Rupees in '000			
Domestic				
Other asset especially mentioned	17,522	–	12,640	–
Substandard	477,750	101,060	533,656	36,601
Doubtful	3,021,596	116,434	2,663,649	103,101
Loss	20,225,676	18,785,432	18,840,199	17,510,436
	<u>23,742,544</u>	<u>19,002,926</u>	<u>22,050,144</u>	<u>17,650,138</u>

10.4 Particulars of provision against advances

	31 March 2023 (Un-Audited)			31 December 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	17,650,138	4,619,505	22,269,643	15,986,650	5,182,927	21,169,577
Charge for the period / year	1,499,767	–	1,499,767	5,476,903	–	5,476,903
Reversals for the period / year	(146,979)	(297,139)	(444,118)	(1,307,136)	(563,422)	(1,870,558)
Net charge / (reversal)	1,352,788	(297,139)	1,055,649	4,169,767	(563,422)	3,606,345
Amount written off	–	–	–	(2,506,279)	–	(2,506,279)
Closing balance	<u>19,002,926</u>	<u>4,322,366</u>	<u>23,325,292</u>	<u>17,650,138</u>	<u>4,619,505</u>	<u>22,269,643</u>

10.4.1 The Group maintains general provision, as a matter of prudence, on account of the management's assessment of credit risk and general banking risk particularly in the current stressed economic condition amounting to Rs. 4,259,328 thousand (31 December 2022: Rs. 4,560,235 thousand). General provision also includes provision of Rs. 63,031 thousand (31 December 2022: Rs. 59,265 thousand) made against consumer portfolio and Rs. 7 thousand (31 December 2022: Rs. 5 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulations issued by the SBP.

10.4.2 Particulars of provision against advances

	31 March 2023 (Un-Audited)			31 December 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	13,790,744	4,322,366	18,113,110	13,421,488	4,619,505	18,040,993
In foreign currencies	<u>5,212,182</u>	<u>–</u>	<u>5,212,182</u>	<u>4,228,650</u>	<u>–</u>	<u>4,228,650</u>
	<u>19,002,926</u>	<u>4,322,366</u>	<u>23,325,292</u>	<u>17,650,138</u>	<u>4,619,505</u>	<u>22,269,643</u>

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

In accordance with BSD Circular No. 1 of 21 October 2011 issued by the SBP, the holding company has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing loans and advances. Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 2,814,390 thousand (31 December 2022: Rs. 2,617,170 thousand) and profit after tax would have been lower by Rs. 1,604,202 thousand (31 December 2022: Rs. 1,334,757 thousand). This amount of Rs. 1,604,202 thousand (31 December 2022: Rs. 1,334,757 thousand) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
		Rupees in '000	
11. FIXED ASSETS			
Capital work-in-progress	11.1	497,769	342,467
Property and equipment		21,020,057	21,368,308
		<u>21,517,826</u>	<u>21,710,775</u>
11.1 Capital work-in-progress			
Civil works		205,648	100,669
Advance to suppliers		292,121	241,798
		<u>497,769</u>	<u>342,467</u>
		31 March 2023 (Un-Audited)	31 March 2022
		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		155,302	221,476
Property and equipment			
Freehold land		–	243,278
Furniture and fixtures		43,755	36,217
Electrical, office and computer equipment		175,139	209,288
Vehicles		14,839	36,638
Lease hold improvements		34,485	24,122
Right-of-use assets		147,777	301,171
		<u>415,995</u>	<u>850,714</u>
		<u>571,297</u>	<u>1,072,190</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		349	310
Electrical office and computer equipment		60	50
Vehicles		4,930	2,891
		<u>5,339</u>	<u>3,251</u>

	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
12. INTANGIBLE ASSETS		
Computer software	82,468	98,807
Management rights	41,600	41,600
	<u>124,068</u>	<u>140,407</u>
	31 March 2023 (Un-Audited)	31 March 2022
	Rupees in '000	
12.1 Additions to intangible assets		
Directly purchased - Computer software	<u>1,700</u>	<u>13,318</u>
	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
13. DEFERRED TAX ASSETS		
Deductible temporary differences on		
- Provision for diminution in value of investments	252,341	248,338
- Provision for non performing loans and off - balance sheet obligation	2,908,268	2,990,927
- Accelerated tax depreciation	385,806	336,703
- Deferred liability on defined benefit plan	35,212	5,829
- Deficit on revaluation of investments	6,258,621	3,613,222
- Others	1,214	4,435
	<u>9,841,462</u>	<u>7,199,454</u>
Taxable temporary differences on		
- Surplus on revaluation of non-banking assets	(675,664)	(675,664)
- Surplus on revaluation of fixed assets	(1,355,250)	(1,389,016)
- Exchange translation reserve	(7,713)	(3,719)
	<u>(2,038,627)</u>	<u>(2,068,399)</u>
Net deferred tax assets	<u>7,802,835</u>	<u>5,131,055</u>

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
		Rupees in '000	
14 OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net of provision		26,382,277	21,074,867
Income / mark-up / profit accrued in foreign currencies - net of provision		153,555	99,685
Advances, deposits and other prepayments		583,815	485,332
Non-banking assets acquired in satisfaction of claims		2,204,729	2,204,729
Mark to market gain on forward foreign exchange contracts		5,364,691	2,702,151
Acceptances		22,219,852	25,377,732
Receivable from the SBP against encashment of government securities		270,227	16,850
Stationery and stamps on hand		149,313	115,334
Others		3,881,158	6,386,789
		61,209,617	58,463,469
Provision against other assets	14.1	(377,709)	(377,802)
Other assets (net of provision)		60,831,908	58,085,667
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	2,095,111	2,095,111
		62,927,019	60,180,778
14.1 Movement in provision held against other assets			
Opening balance		377,802	377,076
Charge for the period / year		-	726
Reversal for the period / year		(93)	-
		(93)	726
Amount written off		-	-
		377,709	377,802

	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
15. BILLS PAYABLE		
In Pakistan	27,173,466	19,445,038
Outside Pakistan	119,448	93,390
	<u>27,292,914</u>	<u>19,538,428</u>
16. BORROWINGS		
Secured		
Borrowings from the SBP under		
- Export refinance scheme	66,994,161	80,119,841
- Long term financing facility - renewable energy scheme	2,506,924	2,454,119
- Long term financing facility	21,387,800	21,471,497
- Refinance for payment of wages and salaries	-	2,398,979
- Temporary economic refinance facility	30,878,297	31,169,597
- Long term financing facility - for storage of agricultural produce scheme	686,243	532,962
- Refinance facility for modernization of SME	129,029	123,608
- Refinance facility for combating COVID-19	48,685	51,463
- Refinance and credit guarantee scheme for women entrepreneurs	4,833	-
	<u>122,635,972</u>	<u>138,322,066</u>
Repurchase agreement borrowings (Repo)	179,284,340	197,452,237
Due against bills rediscounting	6,812,962	4,254,594
	<u>308,733,274</u>	<u>340,028,897</u>
Unsecured		
Certificates of investment	8,142,724	9,619,699
Call borrowing	-	2,600,000
Musharika borrowing	748,756	430,940
Overdrawn nostro accounts	1,215,476	1,323,711
Overdrawn local bank accounts	-	15,160
	<u>10,106,956</u>	<u>13,989,510</u>
	<u>318,840,230</u>	<u>354,018,407</u>

17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2023 (Un-Audited)			31 December 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	290,527,432	55,662,920	346,190,352	261,734,505	42,738,681	304,473,186
Savings deposits	240,526,308	22,978,832	263,505,140	216,746,274	19,820,695	236,566,969
Term deposits	187,112,274	53,328,312	240,440,586	211,585,932	52,733,398	264,319,330
Others	61,679,762	7,546	61,687,308	48,007,631	18,692	48,026,323
	<u>779,845,776</u>	<u>131,977,610</u>	<u>911,823,386</u>	<u>738,074,342</u>	<u>115,311,466</u>	<u>853,385,808</u>
Financial institutions						
Current deposits	4,931,914	841,793	5,773,707	1,298,132	882,797	2,180,929
Savings deposits	17,444,203	-	17,444,203	19,215,914	-	19,215,914
Term deposits	382,403	22,895	405,298	4,862,729	6,945	4,869,674
Others	2,156	-	2,156	-	-	-
	<u>22,760,676</u>	<u>864,688</u>	<u>23,625,364</u>	<u>25,376,775</u>	<u>889,742</u>	<u>26,266,517</u>
	<u>802,606,452</u>	<u>132,842,298</u>	<u>935,448,750</u>	<u>763,451,117</u>	<u>116,201,208</u>	<u>879,652,325</u>

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
		Rupees in '000	
18. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		13,612,765	14,447,408
Mark-up / return / interest payable in foreign currencies		1,270,505	985,955
Unearned commission and income on bills discounted		666,001	529,602
Accrued expenses		3,093,914	2,457,947
Current taxation (provision less payments)		6,610,708	4,806,885
Acceptances		22,219,852	25,377,732
Unclaimed dividend		137,936	138,797
Dividend payable		1,032,890	1,032,890
Branch adjustment account		4,016	2,233
Mark-to-market loss on forward foreign exchange contracts		5,229,618	2,180,854
Provision for compensated absences		273,845	269,345
Payable to defined benefit plan		242,146	35,074
Provision against off-balance sheet obligations	18.1	32,583	32,583
Workers' welfare fund	18.2	2,788,024	2,650,204
Charity fund balance		264	3,666
Excise duty payable		2,688	3,081
Locker deposits		996,116	980,238
Advance against diminishing musharaka		282,203	288,675
Advance rental for ijarah		21,361	15,872
Security deposits against leases / ijarah		252,745	256,562
Sundry creditors		3,145,971	2,219,944
Lease liability against right-of-use assets		7,722,007	7,810,670
Withholding tax / duties		575,457	450,494
Others	18.3	16,542,978	12,970,736
		<u>86,756,593</u>	<u>79,947,447</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		32,583	32,583
Reversal for the period / year		-	-
Closing balance		<u>32,583</u>	<u>32,583</u>

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

- 18.2** Under the Workers' Welfare Ordinance 1971, the holding company is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The holding company 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 judgement may not currently be treated as conclusive. Accordingly, the holding company maintains its provision in respect of WWF.

- 18.3** This includes Rs. 15,273,435 thousand (31 December 2022: Rs. 12,186,315 thousand) received by the Bank from a correspondent bank against standby letter of credit claimed by the customer. The honorable High Court of Sindh has passed interim order restraining the Bank to transfer amount pending arbitration.

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
Rupees in '000			
19. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(14,552,048)	(8,400,737)
- Fixed Assets		6,711,095	6,789,623
- Non-banking assets		2,095,111	2,095,111
		(5,745,842)	483,997
Less: Deferred tax on surplus / (deficit) on revaluation of			
- Available for sale securities		(6,258,621)	(3,613,221)
- Fixed Assets		1,355,250	1,389,016
- Non-banking assets		675,664	675,664
		4,227,707	(1,548,541)
		(1,518,135)	2,032,538
Less : Surplus pertaining to non-controlling interest		(5,178)	(3,121)
		(1,523,313)	2,029,417
20. CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	125,555,928	131,519,154
Commitments	20.2	481,336,025	396,023,125
Other contingent liabilities	20.3	3,280,386	2,980,386
		610,172,339	530,522,665
20.1 Guarantees			
Financial guarantees		26,441,645	26,172,591
Performance guarantees		53,009,874	62,206,335
Other guarantees		46,104,409	43,140,228
		125,555,928	131,519,154
20.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		188,061,763	157,455,041
Commitments in respect of:			
Forward foreign exchange contracts	20.2.1	290,554,016	236,024,551
Forward lendings	20.2.2	2,007,955	2,077,327
Acquisition of operating fixed assets		712,291	466,206
		293,274,262	238,568,084
		481,336,025	396,023,125
20.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		157,127,444	128,349,072
Sale		133,426,572	107,675,479
		290,554,016	236,024,551

20.2.2 Commitments in respect of forward lendings

The Group 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	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
Commitments in respect of syndicate financing	674,000	1,165,004
Commitments in respect of other financing transactions	1,333,955	912,323
	<u>2,007,955</u>	<u>2,077,327</u>

20.3 Other contingent liabilities

Claims against holding company not acknowledged as debt	20.3.1	3,174,330	2,874,330
Foreign exchange repatriation case	20.3.2	106,056	106,056
		<u>3,280,386</u>	<u>2,980,386</u>

20.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated financial statements.

20.3.2 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 thousand, 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 judgment. 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 holding company 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 holding company'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 "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

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

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

22. MARK-UP / RETURN / INTEREST EARNED

	31 March 2023	31 March 2022
	(Un-Audited)	
	Rupees in '000	
Loans and advances	14,536,864	7,389,898
Investments	29,689,569	16,187,479
Lending with financial institutions	611,110	162,615
Balances with banks	10,392	4,179
	<u>44,847,935</u>	<u>23,744,171</u>

23. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	18,839,748	9,367,225
Borrowings	10,640,776	4,986,438
Foreign currency swap cost	1,111,965	1,254,077
Lease liability against right-of-use assets	211,136	199,208
	<u>30,803,625</u>	<u>15,806,948</u>

24. FEE & COMMISSION INCOME

Branch banking customer fees	280,499	190,047
Credit related fees	7,227	5,830
Card related fees	277,073	169,296
Commission on trade	1,237,651	1,273,352
Commission on guarantees	203,128	158,101
Commission on remittances including home remittances	10,557	8,989
Commission on bancassurance	44,015	41,475
Commission on cash management	35,941	25,941
Investment Banking Fee	40,914	4,770
Others	22,094	21,754
	<u>2,159,099</u>	<u>1,899,555</u>

25. GAIN / (LOSS) ON SECURITIES - NET

Realised		
Federal government securities	(172,210)	18,098
Shares	29,808	21,887
Mutual funds	-	9,720
	<u>(142,402)</u>	<u>49,705</u>

26. OTHER INCOME

Rent on properties	4,537	8,785
Gain on sale of fixed assets - net	9,157	3,118
Gain on sale of ijarah assets - net	5,663	2,507
Staff notice period and other recoveries	267	195
	<u>19,624</u>	<u>14,605</u>

	31 March 2023	31 March 2022
	(Un-Audited)	
	Rupees in '000	
27. OPERATING EXPENSES		
Total compensation expense	2,752,934	2,131,173
Property expense		
Rent & taxes	89,924	30,626
Insurance	1,720	1,171
Utilities cost	258,258	136,853
Security	190,101	156,676
Repair & maintenance	262,895	113,652
Depreciation on owned fixed assets	216,888	135,637
Depreciation on right-of-use assets	321,246	299,462
	1,341,032	874,077
Information technology expenses		
Software maintenance	96,196	60,235
Hardware maintenance	93,696	56,749
Depreciation	73,153	58,601
Amortisation	18,041	18,991
Network charges	132,857	76,619
	413,943	271,195
Other operating expenses		
Directors' fees and allowances	3,288	3,730
Fees and allowances to Shariah Board	9,634	5,480
Legal & professional charges	58,900	57,196
Outsourced services costs	84,765	75,528
Travelling & conveyance	138,149	90,082
NIFT clearing charges	26,381	18,831
Depreciation	153,794	136,788
Depreciation - non-banking assets	-	14,413
Training & development	8,497	6,042
Postage & courier charges	38,679	33,411
Communication	38,514	33,350
Subscription	179,741	84,809
Repair & maintenance	33,373	30,707
Brokerage & commission	44,096	45,864
Stationery & printing	120,805	75,115
Marketing, advertisement & publicity	110,431	77,106
Management fee	407,662	156,719
Insurance	246,466	204,040
Donations	69,043	53,850
Auditors' Remuneration	10,701	4,034
Security	68,571	49,708
Others	180,453	201,631
	2,031,943	1,458,434
	<u>6,539,852</u>	<u>4,734,879</u>

	Note	31 March 2023 (Un-Audited)	31 March 2022 (Un-Audited)
		Rupees in '000	
28. OTHER CHARGES			
Penalties imposed by the SBP		5	20,242
29. PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments - net	9.2	29,696	13,592
Provision against loan & advances - net	10.4	1,055,649	420,230
Provision against other assets / off-balance sheet obligations		(93)	825
Recovery of written off bad debts		(35,000)	(26,348)
		<u>1,050,252</u>	<u>408,299</u>
30. TAXATION			
Current		4,404,717	1,995,725
Deferred		(4,152)	344,084
		<u>4,400,565</u>	<u>2,339,809</u>
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit attributable to equity shareholders of the holding company		5,749,929	3,602,372
		Number in '000	
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		Rupees	
Basic and diluted earnings per share		<u>5.49</u>	<u>3.44</u>

32. FAIR VALUE MEASUREMENTS

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

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

The fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings are frequently repriced.

32.1 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 liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the assets or liabilities 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:

On balance sheet financial instruments

		31 March 2023 (Un-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	555,809,693	–	555,809,693	–	555,809,693
Sukuk certificates and bonds	7,138,166	–	7,138,166	–	7,138,166
Ordinary shares of listed companies	3,019,509	3,019,509	–	–	3,019,509
Mutual funds - open end	103,875	–	103,875	–	103,875
- close end	4,186	4,186	–	–	4,186
Real estate investment trust	1,684,678	1,684,678	–	–	1,684,678
Listed term finance certificates	692,835	–	692,835	–	692,835
Unlisted term finance certificates	3,925,000	–	3,925,000	–	3,925,000

Financial assets - disclosed but not measured at fair value

- Investments					
- Held-to-maturity securities					
Federal government securities	212,160,361	-	201,863,590	-	201,863,590
- Available-for-sale securities					
Ordinary shares of unlisted companies	52,658	-	-	-	-
	<u>784,590,961</u>	<u>4,708,373</u>	<u>769,533,159</u>	<u>-</u>	<u>774,241,532</u>

Off-balance sheet financial instruments measured at fair value

- Forward purchase of foreign exchange contracts	157,127,444	-	161,185,001	-	161,185,001
- Forward sale of foreign exchange contracts	133,426,572	-	129,504,088	-	129,504,088

On balance sheet financial instruments

		31 December 2022 (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	482,410,924	-	482,410,924	-	482,410,924	
Sukuk certificates and bonds	7,181,385	-	7,181,385	-	7,181,385	
Ordinary shares of listed companies	2,444,072	2,444,072	-	-	2,444,072	
Mutual funds - open end	100,582	-	100,582	-	100,582	
- close end	4,673	4,673	-	-	4,673	
Real estate investment trust	1,685,401	1,685,401	-	-	1,685,401	
Listed term finance certificates	692,835	-	692,835	-	692,835	
Unlisted term finance certificates	3,925,000	-	3,925,000	-	3,925,000	
Financial assets - disclosed but not measured at fair value						
- Investments						
- Held-to-maturity securities						
Federal government securities	220,805,761	-	214,459,867	-	214,459,867	
Certificates of investment	-	-	-	-	-	
- Available-for-sale securities						
Ordinary shares of unlisted companies	52,658	-	-	-	-	
	<u>719,303,291</u>	<u>4,134,146</u>	<u>708,770,593</u>	<u>-</u>	<u>712,904,739</u>	
Off-balance sheet financial instruments measured at fair value						
- Forward purchase of foreign exchange contracts						
	<u>128,349,072</u>	<u>-</u>	<u>129,060,889</u>	<u>-</u>	<u>129,060,889</u>	
- Forward sale of foreign exchange contracts						
	<u>107,675,479</u>	<u>-</u>	<u>107,865,999</u>	<u>-</u>	<u>107,865,999</u>	

32.2 Fair value of non-financial assets

32.2 Fair value of non-financial assets		31 March 2023 (Un-Audited)			
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Non-financial assets measured at fair value					
- Fixed assets	10,652,741	-	-	10,652,741	10,652,741
- Non-banking assets acquired in satisfaction of claim	4,299,840	-	-	4,299,840	4,299,840
	14,952,581	-	-	14,952,581	14,952,581
31 December 2022 (Audited)					
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Non-financial assets measured at fair value					
- Fixed assets	10,735,947	-	-	10,735,947	10,735,947
- Non-banking assets acquired in satisfaction of claim	4,299,840	-	-	4,299,840	4,299,840
	15,035,787	-	-	15,035,787	15,035,787

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 (MUFAF) / Reuters.
Forward foreign exchange 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.

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

Fixed assets and non-banking assets acquired in satisfaction of claim	Fixed assets and non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets. The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.
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33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	31 March 2023 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit and Loss				
Net mark-up / return / interest / profit	21,904,537	(7,831,758)	(28,469)	14,044,310
Inter segment revenue - net	(19,177,041)	12,169,544	7,007,497	-
Non mark-up / return / interest income	1,814,449	305,325	1,861,469	3,981,243
Total income	4,541,945	4,643,111	8,840,497	18,025,553
Segment direct expenses	(121,608)	-	(92,457)	(214,065)
Inter segment expense allocation	-	(2,023,620)	(4,480,582)	(6,504,202)
Total expenses	(121,608)	(2,023,620)	(4,573,039)	(6,718,267)
Provisions and write offs -net	(29,603)	(5,635)	(1,015,014)	(1,050,252)
Profit before tax	4,390,734	2,613,856	3,252,444	10,257,034
Balance Sheet				
Cash and bank balances	25,856,731	35,691,837	45,655,048	107,203,616
Investments - net	784,590,961	-	-	784,590,961
Net inter segment lending	-	389,006,864	224,611,804	613,618,668
Lendings to financial institutions	3,902,811	-	-	3,902,811
Advances - performing	-	15,795,086	441,631,889	457,426,975
Advances - non-performing	-	173,381	23,569,163	23,742,544
Provision against advances	-	(196,969)	(23,128,323)	(23,325,292)
Others	26,973,045	9,054,868	56,343,835	92,371,748
Total Assets	841,323,548	449,525,067	768,683,416	2,059,532,031
Borrowings	187,312,778	-	131,527,452	318,840,230
Deposits and other accounts	-	412,821,538	522,627,212	935,448,750
Net inter segment borrowing	613,618,668	-	-	613,618,668
Others	6,623,921	14,874,172	92,551,414	114,049,507
Total liabilities	807,555,367	427,695,710	746,706,078	1,981,957,155
Net Assets	33,768,181	21,829,357	21,977,338	77,574,876
Equity				
Contingencies and Commitments	290,554,016	20,920	319,597,403	610,172,339

31 March 2022 (Un-Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit and Loss				
Net mark-up / return / interest / profit	12,060,820	(4,239,500)	115,903	7,937,223
Inter segment revenue - net	(11,304,952)	7,559,419	3,745,533	-
Non mark-up / return / interest income	1,457,940	165,740	1,741,315	3,364,995
Total income	2,213,808	3,485,659	5,602,751	11,302,218
Segment direct expenses	(78,392)	-	(69,668)	(148,060)
Inter segment expense allocation	-	(1,302,636)	(3,420,803)	(4,723,439)
Total expenses	(78,392)	(1,302,636)	(3,490,471)	(4,871,499)
Provisions and write offs -net	(14,417)	(35,861)	(358,021)	(408,299)
Profit before tax	2,120,999	2,147,162	1,754,259	6,022,420

31 December 2022 (Audited)

Balance Sheet				
Cash and bank balances	22,397,677	24,181,637	31,035,611	77,614,925
Investments - net	719,303,291	-	-	719,303,291
Net inter segment lending	-	375,829,199	215,798,021	591,627,220
Lendings to financial institutions	76,331,607	-	-	76,331,607
Advances - performing	-	14,993,766	436,697,008	451,690,774
Advances - non-performing	-	150,844	21,899,300	22,050,144
Provision against advances	-	(191,334)	(22,078,309)	(22,269,643)
Others	17,618,354	9,167,187	60,377,474	87,163,015
Total Assets	835,650,929	424,131,299	743,729,105	2,003,511,333
Borrowings	205,645,702	-	148,372,705	354,018,407
Subordinated debt	-	-	-	-
Deposits and other accounts	-	389,001,497	490,650,828	879,652,325
Net inter segment borrowing	591,627,220	-	-	591,627,220
Others	2,988,993	12,950,323	83,546,559	99,485,875
Total liabilities	800,261,915	401,951,820	722,570,092	1,924,783,827
Net Assets	35,389,014	22,179,479	21,159,013	78,727,506
Equity				78,727,506
Contingencies and commitments	236,024,551	128,334	294,369,780	530,522,665

34. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its ultimate parent company, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

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 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.

Details of transactions with related parties during the period are as follows:

	31 March 2023 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	75,337	581,463	-	-	-	656,800
Advances						
Opening balance	-	4,923,312	247,128	-	-	5,170,440
Addition during the period	-	19,541,125	44,495	-	-	19,585,620
Repaid during the period	-	(19,380,643)	(81,150)	-	-	(19,461,793)
Closing balance	-	5,083,794	210,473	-	-	5,294,267
Other Assets						
Mark-up / return / interest accrued	-	161,843	-	-	-	161,843
Prepayments / advance deposits / other receivable	936	61,145	-	-	-	62,081
	936	222,988	-	-	-	223,924
Deposits and other accounts						
Opening balance	186,031	21,811,626	395,587	703,394	1,267,570	24,364,208
Received during the period	2,240,917	783,880,664	571,365	388,333	14,411,856	801,493,135
Withdrawn during the period	(2,178,432)	(773,728,920)	(632,227)	(346,774)	(13,723,520)	(790,609,873)
Closing balance	248,516	31,963,370	334,725	744,953	1,955,906	35,247,470
Other liabilities						
Mark-up / return / interest payable	-	169,510	1,502	4,116	40,267	215,395
Management fee payable for technical and consultancy services *	809,483	-	-	-	-	809,483
Other payables	-	654	-	745	237,982	239,381
	809,483	170,164	1,502	4,861	278,249	1,264,259
Contingencies and commitments						
Transaction-related contingent liabilities	-	12,172,069	-	-	-	12,172,069
Trade-related contingent liabilities	-	13,791,828	-	-	-	13,791,828
	-	25,963,897	-	-	-	25,963,897

* Management fee is as per the agreement with the ultimate parent company.

	31 December 2022 (Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	466,178	486,624	–	–	–	952,802
Advances						
Opening balance	–	5,288,310	195,796	–	–	5,484,106
Addition during the year	–	90,501,046	134,557	–	–	90,635,603
Repaid during the year	–	(90,866,044)	(83,225)	–	–	(90,949,269)
Closing balance	–	4,923,312	247,128	–	–	5,170,440
Other Assets						
Mark-up / return / interest accrued	–	70,410	–	–	–	70,410
Prepayments / advance deposits / Other receivables	468	54,848	–	–	–	55,316
	468	125,258	–	–	–	125,726
Deposits and other accounts						
Opening balance	174,007	25,154,287	313,576	813,302	1,810,988	28,266,160
Received during the year	8,400,291	2,316,846,344	2,682,881	3,304,632	5,504,545	2,336,738,693
Withdrawn during the year	(8,388,267)	(2,320,189,005)	(2,600,870)	(3,414,540)	(6,047,963)	(2,340,640,645)
Closing balance	186,031	21,811,626	395,587	703,394	1,267,570	24,364,208
Other liabilities						
Mark-up / return / interest payable	–	131,037	5,911	5,245	14,524	156,717
Management fee payable for technical and consultancy services *	504,927	–	–	–	–	504,927
Other payables	–	611	–	745	32,309	33,665
	504,927	131,648	5,911	5,990	46,833	695,309
Contingencies and commitments						
Transaction-related contingent liabilities	–	16,461,354	–	–	–	16,461,354
Trade-related contingent liabilities	–	7,564,523	–	–	–	7,564,523
	–	24,025,877	–	–	–	24,025,877

* Management fee is as per the agreement with the ultimate parent company.

Transactions during the period

	For the period ended 31 March 2023 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	<u>–</u>	<u>140,828</u>	<u>3,536</u>	<u>–</u>	<u>–</u>
Fee and commission income	<u>29</u>	<u>53,682</u>	<u>–</u>	<u>40</u>	<u>–</u>
Rent income	<u>1,404</u>	<u>2,585</u>	<u>–</u>	<u>–</u>	<u>–</u>
Expense					
Mark-up / return / interest expensed	<u>–</u>	<u>523,227</u>	<u>13,119</u>	<u>11,674</u>	<u>84,400</u>
Commission / brokerage / bank charges paid	<u>35</u>	<u>4,215</u>	<u>–</u>	<u>–</u>	<u>–</u>
Salaries and allowances	<u>–</u>	<u>–</u>	<u>231,753</u>	<u>–</u>	<u>–</u>
Directors' fees and allowances	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,288</u>	<u>–</u>
Charge to defined benefit plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>75,366</u>
Contribution to defined contribution plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>82,353</u>
Insurance premium expenses	<u>–</u>	<u>5,945</u>	<u>–</u>	<u>–</u>	<u>–</u>
Management fee expense for technical and consultancy services *	<u>407,662</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Donation	<u>–</u>	<u>480</u>	<u>–</u>	<u>–</u>	<u>–</u>

* Management fee is as per the agreement with the ultimate parent company.

Transactions during the period

	For the period ended 31 March 2022 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Income						
Mark-up / return / interest earned	–	43,295	3,129	–	–	46,424
Fee and commission income	407	67,143	–	39	–	67,589
Rent income	1,404	2,128	–	–	–	3,532
Expenses						
Mark-up / return / interest expensed	–	268,601	4,745	8,163	18,328	299,837
Commission / brokerage / bank charges paid	111	131	–	–	–	242
Salaries and allowances	–	–	243,618	–	–	243,618
Directors' fees and allowances	–	–	–	3,730	–	3,730
Charge to defined benefit plan	–	–	–	–	56,826	56,826
Contribution to defined contribution plan	–	–	–	–	70,673	70,673
Insurance premium expenses	–	5,879	–	–	–	5,879
Management fee expense for technical and consultancy services *	156,719	–	–	–	–	156,719
Donation	–	480	–	–	–	480

* Management fee is as per the agreement with the ultimate parent company.

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	31 March 2023 (Un-Audited)	31 December 2022 (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	70,926,700	73,656,954
Eligible additional tier 1 (ADT 1) Capital	33,572	187,075
Total eligible tier 1 capital	70,960,272	73,844,029
Eligible tier 2 capital	4,388,789	5,546,196
Total eligible capital (tier 1 + tier 2)	75,349,061	79,390,225
Risk Weighted Assets (RWAs):		
Credit risk	458,625,690	453,494,099
Market risk	1,573,443	4,610,137
Operational risk	84,852,996	84,852,996
Total	545,052,129	542,957,232
CET 1 capital adequacy ratio	13.01%	13.57%
Tier 1 capital adequacy ratio	13.02%	13.60%
Total capital adequacy ratio	13.82%	14.62%
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 Group use 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	70,960,272	73,844,029
Total exposures	1,782,934,909	1,782,075,424
Leverage ratio	3.98%	4.14%

36. ISLAMIC BANKING BUSINESS

The holding company is operating 61 (31 December 2022: 61) Islamic banking branches and 242 (31 December 2022: 242) Islamic banking windows at the end of the period.

	Note	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		7,913,334	7,799,004
Balances with other banks		-	-
Due from financial institutions		-	-
Investments	36.1	44,990,315	35,039,153
Islamic financing and related assets - net	36.2	104,090,024	106,613,906
Fixed Assets		715,176	791,323
Intangible assets		-	-
Due from Head office		5,457,941	7,364,959
Other assets		8,434,111	6,654,527
Total Assets		171,600,901	164,262,872
LIABILITIES			
Bills payable		1,650,990	1,690,942
Due to financial institutions		32,806,232	39,190,234
Deposits and other accounts	36.4	121,948,892	107,237,001
Due to Head office		-	-
Subordinated debt		-	-
Other liabilities		5,799,348	5,162,216
		162,205,462	153,280,393
NET ASSETS		9,395,439	10,982,479
REPRESENTED BY			
Islamic Banking Fund		9,007,095	9,005,661
Reserves		-	-
Surplus / (deficit) on revaluation of assets		(542,224)	(627,868)
Unappropriated profit	36.5	930,568	2,604,686
		9,395,439	10,982,479
CONTINGENCIES AND COMMITMENTS			
	36.6		

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

	Note	31 March 2023 (Un-Audited)	31 March 2022
		Rupees in '000	
Profit / return earned	36.7	4,523,523	2,069,216
Profit / return expensed	36.8	(2,669,014)	(1,173,466)
Net Profit / return		1,854,509	895,750
Other income			
Fee and commission income		148,766	114,132
Dividend income		—	—
Foreign exchange income		25,442	28,827
Income / (loss) from derivatives		—	—
Gain / (loss) on securities - net		—	(11)
Other income		5,360	1,577
Total other income		179,568	144,525
Total Income		2,034,077	1,040,275
Other expenses			
Operating expenses		434,494	296,808
Workers' welfare fund		—	—
Other charges		1,030	—
Total other expenses		435,524	296,808
Profit before provisions		1,598,553	743,467
Provisions and write offs - net		34,023	29,291
Profit before taxation		1,632,576	772,758
Taxation		702,008	301,376
Profit / (loss) after taxation		930,568	471,382

36.1 Investments by segments

	31 March 2023 (Un-Audited)				31 December 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							
Federal Government Securities:								
Ijarah Sukuk	26,272,593	—	(293,282)	25,979,311	19,579,161	—	(372,602)	19,206,559
Islamic naya Pakistan certificate mudaraba investment pool	7,102,838	—	—	7,102,838	4,681,209	—	—	4,681,209
	33,375,431	—	(293,282)	33,082,149	24,260,370	—	(372,602)	23,887,768
Non Government Debt Securities								
Listed	6,833,614	—	(248,942)	6,584,672	6,876,651	—	(255,266)	6,621,385
Unlisted	5,323,494	—	—	5,323,494	4,530,000	—	—	4,530,000
	12,157,108	—	(248,942)	11,908,166	11,406,651	—	(255,266)	11,151,385
Total investments	45,532,539	—	(542,224)	44,990,315	35,667,021	—	(627,868)	35,039,153

36.2 Islamic financing and related assets - net

	31 March 2023 (Un-Audited)				31 December 2022 (Audited)			
	Financing	Advances	Inventory	Total	Financing	Advances	Inventory	Total
	Rupees in '000							
Ijarah	826,443	20,621	-	847,064	875,565	17,577	-	893,142
Ijarah - islamic long term financing facility	33,347	-	-	33,347	37,887	-	-	37,887
Murabaha	5,951,549	851,800	-	6,803,349	5,812,875	124,591	-	5,937,466
Working capital musharaka	32,264,707	-	-	32,264,707	31,411,281	-	-	31,411,281
Diminishing musharaka	17,475,766	1,882,460	-	19,358,226	15,714,076	1,392,381	-	17,106,457
Salam	22,000	-	28,000	50,000	22,000	53,000	-	75,000
Istisna	4,673,688	3,654,611	624,668	8,952,967	6,446,156	4,748,356	65	11,194,577
Al-bai	252,482	-	286,506	538,988	570,156	-	-	570,156
Diminishing musharaka:								
- islamic long term financing facility	3,641,921	631,007	-	4,272,928	3,647,937	487,014	-	4,134,951
- Islamic refinance scheme for payment of wages and salaries	-	93,534	-	93,534	13,980	93,534	-	107,514
- Islamic financing facility for storage of agricultural produce	538,676	187,668	-	726,344	541,619	187,668	-	729,287
- Islamic temporary economic refinance facility	11,725,986	1,859,720	-	13,585,706	11,652,266	2,026,743	-	13,679,009
- Islamic financing facility for renewable energy	283,723	370,554	-	654,277	295,833	370,554	-	666,387
Islamic Export Refinance								
- Murabaha	134,000	-	-	134,000	152,000	32,000	-	184,000
- Working capital musharaka	9,352,106	-	-	9,352,106	12,188,026	-	-	12,188,026
- Salam	75,000	-	-	75,000	-	75,000	-	75,000
- Istisna	723,962	5,489,765	31,519	6,245,246	865,116	6,470,395	-	7,335,511
- Al-bai	-	-	376,016	376,016	36,602	-	559,457	596,059
Gross Islamic financing and related assets	87,975,356	15,041,740	1,346,709	104,363,805	90,283,375	16,078,813	559,522	106,921,710
Provision against non-performing Islamic financings								
- Specific	(260,783)	-	-	(260,783)	(295,151)	-	-	(295,151)
- General	(12,998)	-	-	(12,998)	(12,653)	-	-	(12,653)
	(273,781)	-	-	(273,781)	(307,804)	-	-	(307,804)
Islamic financing and related assets - net of provision	87,701,575	15,041,740	1,346,709	104,090,024	89,975,571	16,078,813	559,522	106,613,906

36.3 Fixed assets and other liabilities

At 31 March 2023, fixed asset include right-of-use assets of Rs. 581,442 thousand (31 December 2022: 615,872 thousand) and other liabilities include related lease liability of Rs. 694,411 thousand (31 December 2022: 710,395 thousand).

36.4 Deposits

	31 March 2023 (Un-Audited)			31 December 2022 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	42,719,443	105,310	42,824,753	34,665,872	118,426	34,784,298
Savings deposits	42,114,109	2,226,587	44,340,696	37,916,080	1,650,927	39,567,007
Term deposits	27,262,579	215,000	27,477,579	28,873,205	1,538,000	30,411,205
Others	7,305,864	–	7,305,864	2,474,491	–	2,474,491
	<u>119,401,995</u>	<u>2,546,897</u>	<u>121,948,892</u>	<u>103,929,648</u>	<u>3,307,353</u>	<u>107,237,001</u>

36.5 Unappropriated profit

	31 March 2023 (Un-Audited)	31 December 2022 (Audited)
	Rupees in '000	
Opening balance	2,604,686	1,481,222
Add: islamic banking profit for the period	930,568	2,604,686
Less: taxation	–	–
Less: reserves	–	–
Less: transferred to head office	(2,604,686)	(1,481,222)
Closing balance	<u>930,568</u>	<u>2,604,686</u>

36.6 Contingencies and commitments

Guarantees	11,363,423	9,539,409
Commitments	<u>24,762,473</u>	<u>18,607,004</u>
	<u>36,125,896</u>	<u>28,146,413</u>

	31 March 2023	31 March 2022
	(Un-Audited)	
	Rupees in '000	
36.7 Profit / return earned of financing, investments and placement		
Financing	3,120,609	1,383,929
Investments	1,325,068	597,459
Placements	77,846	87,828
	<u>4,523,523</u>	<u>2,069,216</u>
36.8 Profit / return on deposits and other dues expensed		
Deposits and other accounts	2,264,701	1,010,166
Due to financial institutions	386,993	146,853
Discount expense on lease liability against right-of-use assets	17,320	16,447
	<u>2,669,014</u>	<u>1,173,466</u>

37. GENERAL

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

37.2 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation. However, no major reclassification have been made.

38. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 19 April 2023 by the Board of Directors of the holding company.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

MOHOMED BASHIR
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman



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