

FIRST WOMEN BANK LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021



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Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Women Bank Limited

Report on review of the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of First Women Bank Limited ("the Bank") as at 30 June 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Material uncertainty related to going concern

We draw attention to Notes 1.2 and 1.3 of the condensed interim financial statements which indicate that the Bank incurred a net loss of Rs. 1.31 billion during the six months period ended 30 June 2021 and, as of that date, the Bank's paid-up capital (net of losses) stood below the Minimum Capital Requirement of Rs. 3 billion prescribed by the State Bank of Pakistan (SBP) by Rs. 1.04 billion. Further, as per audited accounts as of 31 December 2021 and management accounts of 31 December 2022 and 30 June 2023, Minimum Capital Requirement of the Bank is also not met. As stated in note 1.3, these events or conditions, along with other matters as set forth in Note 1.2, indicate that a material uncertainty exists relating to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



KPMG Taseer Hadi & Co.

Other Matters

- i. The figures for the quarter ended 30 June 2021 and 30 June 2020 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.
- ii. The figures for the half year ended 30 June 2020 in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and notes to and forming part of the condensed interim financial statements have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is M. Rehan Chughtai.

Lahore

Date: 03 May 2024

KPMG Taseer Hadi & Co.
Chartered Accountants

First Women Bank Limited

Condensed Interim Statement of Financial Position

As at June 30, 2021


		(Un-audited) June 30, 2021	Audited December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	2,401,407	2,337,454
Balances with other banks	7	186,870	196,224
Lendings to financial institutions	8	2,167,850	1,960,972
Investments	9	18,166,885	21,094,415
Advances	10	12,557,548	11,087,975
Fixed assets	11	584,062	639,710
Intangible assets	12	49,541	51,135
Deferred tax assets		-	-
Other assets	14	458,968	645,900
		36,573,131	38,013,785
LIABILITIES			
Bills payable	16	504,326	517,258
Borrowings	17	9,390,913	6,979,684
Deposits and other accounts	18	22,148,390	25,189,064
Deferred tax liabilities	13	50,487	60,148
Other liabilities	19	1,948,089	1,410,724
		34,042,205	34,156,878
NET ASSETS		2,530,926	3,856,907
REPRESENTED BY			
Share capital		3,994,113	3,994,113
Statutory reserve		419,036	419,036
Surplus on revaluation of assets	20	154,552	165,460
Accumulated loss		(2,036,775)	(721,702)
		2,530,926	3,856,907
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


Chief Financial
Officer


President /
Chief Executive


Director


Director


Director

First Women Bank Limited

Condensed Interim Profit and Loss Account (Un-audited)

For the half year ended June 30, 2021


	Note	For the quarter ended		For the half year ended	
		June 30, 2021 (Rupees in '000)	June 30, 2020 (Rupees in '000)	June 30, 2021 (Rupees in '000)	June 30, 2020 (Rupees in '000)
Mark-up / return / interest earned	22	693,367	774,175	1,307,970	1,528,392
Mark-up / return / interest expensed	23	(442,066)	(451,487)	(816,256)	(853,492)
Net mark-up / interest income		251,301	322,688	491,714	674,900
Non mark-up / Interest Income					
Fee and commission income	24	20,600	18,465	38,748	46,981
Dividend income		17,712	-	17,712	4,959
Foreign exchange income		1,421	4,670	1,116	14,254
Income / (loss) from derivatives		-	-	-	-
Gain on securities	25	577	44,995	2,415	44,995
Other income	26	10,360	33	11,356	137
Total non-markup / interest income		50,670	68,163	71,347	111,326
Total income		301,971	390,851	563,061	786,226
Non mark-up / interest expenses					
Operating expenses	27	(242,049)	(251,431)	(495,761)	(493,227)
Other charges	28	(447)	-	(447)	(13)
Total non-markup / interest expenses		(242,496)	(251,431)	(496,208)	(493,240)
Profit before provisions		59,475	139,420	66,853	292,986
Provisions and write offs - net	29	(1,371,246)	(53,963)	(1,361,705)	(85,736)
Extraordinary / unusual items		-	-	-	-
(Loss) / profit before taxation		(1,311,771)	85,457	(1,294,852)	207,250
Taxation	30	(5,822)	(11,950)	(15,872)	(23,226)
(Loss) / profit after taxation		(1,317,593)	73,507	(1,310,724)	184,024
Rupees					
Basic (loss) / earnings per share	31	(3.30)	0.18	(3.28)	0.46

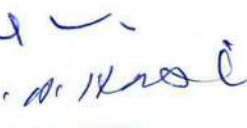
The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


Chief Financial
Officer


President /
Chief Executive


Director


Director


Director

First Women Bank Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended June 30, 2021

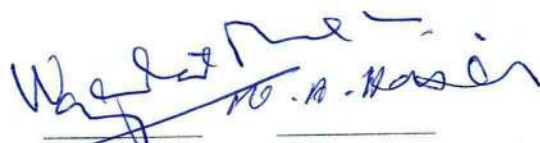
	Note	Quarter ended		Half year ended	
		June 30, 2021 (Rupees in '000)	June 30, 2020	June 30, 2021 (Rupees in '000)	June 30, 2020 (Rupees in '000)
(Loss) / profit after taxation for the period		(1,317,593)	73,507	(1,310,724)	184,024
Other comprehensive income					
Items that may be reclassified to profit and loss in subsequent periods:					
Surplus / (deficit) on revaluation of investments - net of tax	9.1 & 20	55,657	83,508	(8,314)	167,746
Items that will not be reclassified to profit and loss in subsequent periods:					
Remeasurement loss on defined benefit obligations		-	-	(6,721)	1,930
Total comprehensive (loss) / income for the period		<u>(1,261,936)</u>	<u>157,015</u>	<u>(1,325,759)</u>	<u>353,700</u>

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


Chief Financial
Officer


President /
Chief Executive


Director


Director

Director

First Women Bank Limited

Condensed Interim Statement of Changes in Equity (Un-audited)

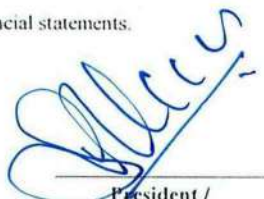
For the half year ended June 30, 2021

	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation of			Accumulated Loss	Total
			Investments	Fixed assets	Total		
	(Rupees in '000)						
Balance as at January 01, 2020	3,994,113	372,469	17,502	164,830	182,332	(916,572)	3,632,342
Total comprehensive income for the half year ended June 30, 2020							
Net profit for the half year ended June 30, 2020	-	-	-	-	-	184,024	184,024
Other comprehensive income related to equity	-	-	167,746	-	167,746	1,930	169,676
	-	-	167,746	-	167,746	185,954	353,700
Transfer to statutory reserve	-	36,804	-	-	-	(36,804)	-
Transfer of incremental depreciation from surplus on revaluation - net of tax	-	-	-	(2,371)	(2,371)	2,371	-
Balance as at June 30, 2020	3,994,113	409,273	185,248	162,459	347,707	(765,051)	3,986,042
Total comprehensive income for the six months ended December 31, 2020							
Net profit for the six months ended December 31, 2020	-	-	-	-	-	48,809	48,809
Other comprehensive (loss) / income related to equity	-	-	(179,875)	-	(179,875)	1,931	(177,944)
	-	-	(179,875)	-	(179,875)	50,740	(129,135)
Transfer to statutory reserve	-	9,763	-	-	-	(9,763)	-
Transfer of incremental depreciation from surplus on revaluation - net of tax	-	-	-	(2,372)	(2,372)	2,372	-
Balance as at December 31, 2020	3,994,113	419,036	5,373	160,087	165,460	(721,702)	3,856,907
Total comprehensive loss for the half year ended June 30, 2021							
Net loss for the half year ended June 30, 2021	-	-	-	-	-	(1,310,724)	(1,310,724)
Other comprehensive loss related to equity	-	-	(8,314)	-	(8,314)	(6,721)	(15,035)
	-	-	(8,314)	-	(8,314)	(1,317,445)	(1,325,759)
Transfer of incremental depreciation from surplus on revaluation - net of tax	-	-	-	(2,372)	(2,372)	2,372	-
Impact of change in tax rate	-	-	-	(222)	(222)	-	(222)
Balance as at June 30, 2021	3,994,113	419,036	(2,941)	157,493	154,552	(2,036,775)	2,530,926

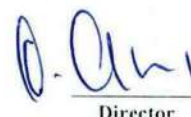
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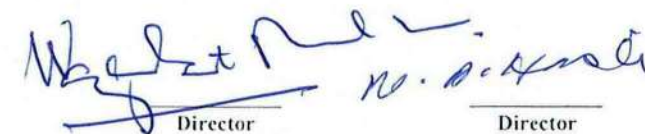
Chief Financial Officer



President / Chief Executive



Director



Director

Director

First Women Bank Limited
Condensed Interim Cash flow Statement (Un-audited)
For the half year ended June 30, 2021

		For the half year ended	
		June 30, 2021	June 30, 2020
		(Rupees in '000)	
Cash flow from operating activities			
(Loss) / profit before taxation		(1,294,852)	207,250
Less: dividend income		(17,712)	(4,959)
		<u>(1,312,564)</u>	<u>202,291</u>
Adjustments:			
Depreciation on operating fixed assets and right of use assets	27	70,670	70,429
Amortization	27	12,796	8,505
Provisions and write offs - net	29	1,361,705	85,736
Gain on sale of fixed assets	26	(8,066)	-
Charge for employee benefit plans		14,000	10,325
Gain on securities	25	(2,415)	(44,995)
Markup expense on lease liability against ROU assets	23	20,844	22,928
		<u>1,469,534</u>	<u>152,928</u>
		156,970	355,219
(Increase) / decrease in operating assets			
Lendings to financial institutions		(206,878)	2,189,889
Advances		(2,038,749)	(2,604,144)
Others assets		186,967	600,840
		<u>(2,058,660)</u>	<u>186,585</u>
Increase/ (decrease) in operating liabilities			
Bills payable		(12,932)	142,599
Borrowings from financial institutions		2,411,229	3,633,351
Deposits and other accounts		(3,040,674)	9,997,329
Other liabilities		(212,977)	(665,802)
		<u>(855,354)</u>	<u>13,107,477</u>
Income tax paid		(12,910)	(259)
Payment made to employee benefit plans		(45,616)	(14,972)
		<u>(2,815,570)</u>	<u>13,634,050</u>
Net cash (used in) / generated from operating activities			
Cash flow from investing activities			
Net investments proceeds / (purchased)		2,923,515	(12,945,876)
Dividends received		17,712	4,959
Investments in operating fixed assets		(15,023)	(11,930)
Investments in intangible assets		(11,202)	(19,898)
Proceeds from sale of fixed assets		8,066	-
Net cash generated from / (used in) investing activities		<u>2,923,068</u>	<u>(12,972,745)</u>
Cash flow from financing activities			
Payments against lease liabilities		(52,899)	(47,945)
Net cash used in financing activities		<u>(52,899)</u>	<u>(47,945)</u>
Increase in cash and cash equivalents		54,599	613,360
Cash and cash equivalents at beginning of the period		<u>2,533,678</u>	<u>1,927,744</u>
Cash and cash equivalents at end of the period		<u>2,588,277</u>	<u>2,541,104</u>

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


Chief Financial
Officer


President /
Chief Executive


Director


Director


Director

M. Prasad

First Women Bank Limited

Notes to the Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2021

1. STATUS AND NATURE OF BUSINESS

1.1 First Women Bank Limited (the Bank) was incorporated under the Companies Act, 2017 on 21 November 1989 in Pakistan as an unquoted public limited company and commenced operations on 02 December 1989. The Bank is engaged in commercial banking and related services. The registered office of the Bank is situated at ground floor, S.T.S.M. Foundation Building, Civil Lines, Karachi. The Bank operates a network of forty two branches as at 30 June 2021 (31 December 2020: forty two branches). The short term and long term credit ratings of the Bank rated by PACRA in June 2021 are 'A2' and 'A-' respectively. The Bank is controlled by Government of Pakistan through Ministry of Finance (which holds 82.64 % of the Bank's share capital).

1.2 Being a public sector bank, in terms of the State Bank of Pakistan prescribed minimum capital requirements (MCR) vide its letter reference BPRD/BA&CP/627/32/2014 dated 01 January 2014, the Bank is required to have a minimum paid up capital (net of losses) (MCR) of Rs. 3 billion and capital adequacy ratio (CAR) of 18% at all times, subject to the condition that MCR level shall remain enforced until the Bank remains a public sector entity, the Bank will not be allowed to pay dividend until its paid-up capital and reserves reach Rs. 6 billion and the per party exposure limit of the Bank will be 50% of the prudential regulation's limits until the Bank's paid-up capital and reserves reach Rs. 6 billion.

The Bank has incurred net loss of Rs. 1.31 billion for the period ended 30 June 2021 and as of this date, the Bank's MCR (representing paid up capital - net of accumulated losses) was Rs. 1.96 billion i.e. less than the minimum required amount. Similarly, MCR as at 31 December 2021 as per the audited accounts was Rs. 1.84 billion and as at 31 December 2022 and 30 June 2023, as per the unaudited management accounts was Rs. 1.99 billion and 2.18 billion respectively which is less than the minimum required amount. MCR for the year 31 December 2022 and 30 June 2023 is based on management accounts and these amounts may vary on the basis of adjustments consequent to audits, if required.

Under BSD Circular No. 19 of 2008 dated 05 September 2008 of the State Bank of Pakistan (SBP) any bank that fails to meet the minimum paid-up capital requirement within the stipulated period shall render itself liable to the following actions:

- i) Imposition of such restrictions on its business including restrictions on acceptance of deposits and lendings as may be deemed fit by the State Bank.
- ii) Descheduling of the bank, thereby converting it into a non-scheduled bank.
- iii) Cancellation of the banking license if the State Bank believes that the bank is not in a position to meet the minimum paid up capital requirement or CAR.

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1.3 Going concern basis of accounting

The Bank has incurred net loss of Rs. 1.31 billion for the period ended 30 June 2021 primarily due to increase in provision against loans/facilities provided to certain borrowers, and as of this date, the Bank's MCR (representing paid up capital net of accumulated losses) was Rs. 1.96 billion (December 31, 2020: Rs. 3.27 billion) i.e. less than the minimum required amount by Rs. 1.04 billion (December 31, 2020: nil).

Similarly, Bank's management is aware of the fact that based on the audited accounts of 31 December 2021 and un-audited management accounts as of 31 December 2022 and 30 June 2023, the Bank's paid-up capital (net of losses) stood below the MCR of Rs 3 billion prescribed by the SBP (specifically for the Bank) which non-compliance may result in punitive actions by State Bank of Pakistan (SBP) including restrictions on its business, de-scheduling or cancellation of Bank's license.

These financial statements have been prepared on a going concern basis based on the following facts:

- Above fact has already been reported by the Bank to the State Bank of Pakistan and also to the Ministry of Finance (MoF), Government of Pakistan (GoP) as a major shareholder for an arrangement to fill-up the shortage of Bank's MCR and in order to avoid any punitive action, the Bank's management is in continuous liaison with SBP and MoF GoP. Further, to date, the regulator has not taken any adverse action or imposed any restriction that could impact the normal operations of the Bank. Moreover, the Bank is in the privatization list of the Government of Pakistan, and is being actively pursued for this purpose by the Privatization Commission which also adds positively to the above.
- Bank's management and the Board is fully confident that the regulator and the major shareholder (MoF GoP) will extend the due support for meeting the capital requirements, which is also evident from the fact that historically the shareholder has numerously injected capital in the bank whenever there was a shortfall. Despite of losses the Bank is compliant with minimum required Capital Adequacy Ratio of 18% and is expected to maintain this adequacy in subsequent periods, which is an indicator of strong asset base of the Bank.
- The Government of Pakistan via the Ministry of Finance (MoF) i.e. bank's major shareholder holding 82.64 % of the Bank's equity is fully committed to supporting the Bank, whenever required, to enable it to continue as going concern, through policy and other intervention. Based on the historical available support and central bank's action and also the fact that Government of Pakistan has assured necessary interventions when required to enable the Bank to continue as a going concern, Management believes that the Bank shall remain a going concern in foreseeable future, however, it may not do so in an adverse eventuality or unexpected events.

These events or conditions along with other matters as set forth in Note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern and, therefore, the Bank may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on a going concern basis which assumes that the Bank shall operate its business, realize its assets, discharge its liabilities and obtain refinancing (if necessary), in the normal course of business. Accordingly, the financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

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2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements ("the financial statements") have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 5, dated 22 March 2019 and International Accounting Standard 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited financial statements and should be read in conjunction with the audited annual financial statements of the bank for the financial year ended December 31, 2020.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (the SBP) has issued various circulars from time to time. Permissible forms of trade related mode of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate profit 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 utilised and the appropriate portion of profit thereon.

2.2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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 and the Securities and Exchange Commission of Pakistan.

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 IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

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2.3 Critical accounting judgments and key sources of estimation of uncertainty

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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except that leasehold land and buildings are stated at revalued amounts (if any) less accumulated depreciation and impairment losses, if any, available-for-sale and held-for-trading investments and derivative financial instruments are measured at fair values.

3.2 Functional and Presentation Currency

The financial statements are presented in Pakistan Rupees, which is also the Bank's functional currency. Except as indicated, financial information presented in Pakistan Rupees has been rounded to nearest thousand.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2020.

4.1 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are effective in current year

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

4.2 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

- As per the SBP's BPRD Circular no. 07 of 2023, the applicability of IFRS 9 - Financial Instruments has been made applicable to banks in Pakistan for accounting periods beginning or after January 1, 2024. The Bank is currently in process of setting up a mechanism for adoption of the standard and to assess the impact of such adoption on the financial statements..

There are various other 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.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

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	(Un-audited) June 30, 2021	(Audited) December 31, 2020
(Rupees in '000)		
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	1,086,905	802,907
Foreign currency	132,743	149,575
	<u>1,219,648</u>	<u>952,482</u>
With State Bank of Pakistan in		
Local currency current account	831,529	951,672
Foreign currency current account	35,394	46,193
Foreign currency deposit account		
- Cash reserve account	33,242	33,725
- Special cash reserve account	62,395	63,302
	<u>962,560</u>	<u>1,094,892</u>
With National Bank of Pakistan in		
Local currency current accounts	166,660	266,505
National Prize Bonds	52,539	23,575
	<u>2,401,407</u>	<u>2,337,454</u>

7 BALANCES WITH OTHER BANKS

In Pakistan		
In current accounts	279	279
	<u>279</u>	<u>279</u>
Outside Pakistan		
In current accounts	186,591	195,945
	<u>186,870</u>	<u>196,224</u>

8 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	339,089	139,089
Repurchase agreement lendings (Reverse Repo)	1,967,850	1,960,972
	<u>2,306,939</u>	<u>2,100,061</u>
Less: Provision held against Lendings to Financial Institutions	(139,089)	(139,089)
Lendings to Financial Institutions - net of provision	<u>2,167,850</u>	<u>1,960,972</u>

8.1 Category of classification

	(Un-audited)		Audited	
	June 30, 2021		December 31, 2020	
	Classified Lending	Provision held	Classified Lending	Provision held
	(Rupees in '000)			
Domestic				
Loss	<u>139,089</u>	<u>139,089</u>	<u>139,089</u>	<u>139,089</u>

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9 INVESTMENTS

9.1 Investments by type:	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus	Carrying Value
(Rupees in '000)								
Available-for-sale securities								
Federal Government Securities	18,171,334	-	(5,403)	18,165,931	21,084,653	-	8,808	21,093,461
Non Government Debt Securities	-	-	-	-	7,781	(7,781)	-	-
Preference shares of a listed company	10,000	(10,000)	-	-	10,000	(10,000)	-	-
Ordinary shares of an unlisted company	954	-	-	954	954	-	-	954
Total Investments	18,182,288	(10,000)	(5,403)	18,166,885	21,103,388	(17,781)	8,808	21,094,415

9.1.1 Investments given as collateral	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
(Rupees in '000)		
Pakistan Investment Bonds	4,766,623	6,244,136
Market Treasury Bills	2,395,290	-
	7,161,913	6,244,136
9.2 Provision for diminution in value of investments		
9.2.1 Opening balance	17,781	17,781
Reversal during the period / year	(7,781)	-
Closing Balance	10,000	17,781

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9.2.2 Particulars of provision against debt securities

Category of classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPI	Provision	NPI	Provision
Domestic				
Loss	10,000	10,000	17,781	17,781

(Rupees in '000)

10 ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	12,553,014	10,607,766	2,014,362	1,920,861	14,567,376	12,528,627
Advances - gross	12,553,014	10,607,766	2,014,362	1,920,861	14,567,376	12,528,627
Provision against advances						
- Specific	-	-	(1,986,072)	(1,420,423)	(1,986,072)	(1,420,423)
- General	(23,756)	(20,229)	-	-	(23,756)	(20,229)
	(23,756)	(20,229)	(1,986,072)	(1,420,423)	(2,009,828)	(1,440,652)
Advances - net of provision	12,529,258	10,587,537	28,290	500,438	12,557,548	11,087,975

10.1 Particulars of advances - gross

	(Un-audited)	(Audited)
	June 30,	December 31,
	2021	2020
	(Rupees in '000)	
In local currency	14,567,376	12,528,627
In foreign currencies	-	-
	14,567,376	12,528,627

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10.2 Advances include Rs. 2,014,362 million (December 31, 2020: Rs. 1,920,861 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	2,724	273	3,177	318
Substandard	6,985	1,745	25,551	885
Doubtful	7,257	3,629	61,477	20,421
Loss	1,997,396	1,980,425	1,830,656	1,398,799
	<u>2,014,362</u>	<u>1,986,072</u>	<u>1,920,861</u>	<u>1,420,423</u>

10.3 Particulars of provision against advances

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	1,420,423	20,229	1,440,652	1,347,060	18,092	1,365,152
Charge for the period / year	667,662	3,527	671,189	158,600	2,137	160,737
Reversals for the period / year	(101,957)	-	(101,957)	(85,237)	-	(85,237)
Net charge for the period / year	565,705	3,527	569,232	73,363	2,137	75,500
Amount written off	(56)	-	(56)	-	-	-
Closing balance	<u>1,986,072</u>	<u>23,756</u>	<u>2,009,828</u>	<u>1,420,423</u>	<u>20,229</u>	<u>1,440,652</u>

10.3.1 The net FSV benefit already availed has been reduced by Rs. 432,803 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced before tax loss for the period would have been lower by 432,803 thousand (June 30,2020: profit lower by Rs. 41,069 thousand). Further, at June 30, 2021, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs.9,073 thousand (December 31, 2020: Rs.273,083 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

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	(Un-audited)	Audited
	June 30, 2021	December 31, 2020
11	(Rupees in '000)	
FIXED ASSETS		
Property and equipment	300,902	305,640
Right of use assets - IFRS 16	283,160	334,070
	<u>584,062</u>	<u>639,710</u>

	(Un-audited)	
	June 30, 2021	June 30, 2020
11.1	(Rupees in '000)	
Additions to fixed assets		

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

Property and equipment		
Electrical, office and computer equipment	9,481	8,268
Furniture and fixtures	858	2,166
Leasehold improvements	1,786	1,496
Vehicle	2,898	-
Total	<u>15,023</u>	<u>11,930</u>

11.2 The net book value of fixed assets disposed during the period is nil.

	(Un-audited)	Audited
	June 30, 2021	December 31, 2020
12	(Rupees in '000)	
INTANGIBLE ASSETS		
Capital work-in-progress	7,393	3,210
Intangible assets	42,148	47,925
	<u>49,541</u>	<u>51,135</u>

	(Un-audited)	
	June 30, 2021	June 30, 2020
12.1	(Rupees in '000)	
Additions to intangible assets		

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

Capital work-in-progress	7,393	310
Directly purchased	3,809	19,588
	<u>11,202</u>	<u>19,898</u>

	(Un-audited)	Audited
	June 30, 2021	December 31, 2020
13	(Rupees in '000)	
DEFERRED TAX LIABILITIES		
(Deductible) / taxable temporary differences on		
- (Deficit) / surplus on revaluation of Investments	(2,241)	3,435
- Post retirement employment benefits	-	2,468
- Surplus on revaluation of fixed assets	52,728	54,245
	<u>50,487</u>	<u>60,148</u>

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	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
14 OTHER ASSETS	('Rupees in '000)	
Income / mark-up accrued in local currency	282,113	474,308
Advances, deposits, advance rent and other prepayments	153,996	142,841
Branch adjustment account	-	117
ATM settlement account	15,787	41,836
Receivable against encashment of		
Government Securities	1,929	1,621
Stationary and stamps on hand	4,420	3,965
Acceptances	4,477	7,516
Non-banking assets acquired in satisfaction of claims	29,686	15,852
Others	14,930	6,249
	<u>507,338</u>	<u>694,305</u>
Less: Provision held against other assets - note 14.1	(48,370)	(48,370)
Other assets (net of provision)	<u>458,968</u>	<u>645,935</u>
Deficit on revaluation of non-banking assets acquired in satisfaction of claims	-	(35)
Other assets - total	<u><u>458,968</u></u>	<u><u>645,900</u></u>

14.1 Provision held against other assets

ATM settlement account	-	41,836
Others	48,370	6,534
	<u>48,370</u>	<u>48,370</u>

14.1.1 Movement in provision held against other assets

Opening balance	48,370	13,664
Charge for the period / year	-	34,706
Closing balance	<u>48,370</u>	<u>48,370</u>

15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at 30 June 2021 and 31 December 2020. However several recovery suits have been filed by the bank.

	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
16 BILLS PAYABLE	('Rupees in '000)	
In Pakistan	500,674	513,606
Outside Pakistan	3,652	3,652
	<u>504,326</u>	<u>517,258</u>

17 BORROWINGS

Secured

Borrowings from State Bank of Pakistan:

- Under export refinance scheme	542,900	500,700
- Under revised SBP Financing Scheme for Renewable Energy	46,032	49,548
- Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs in underserved areas	79,886	82,380
- Under Refinance scheme for payment of wages and salaries	558,742	647,056
- Under Temporary Economic Refinance Facility	50,000	-
	<u>1,277,560</u>	<u>1,279,684</u>

Repurchase agreement borrowing
Pakistan Mortgage Refinance Company

	7,813,353	5,400,000
	300,000	300,000
	<u>8,113,353</u>	<u>5,700,000</u>
	<u>9,390,913</u>	<u>6,979,684</u>

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18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
	(Rupees in '000)					
<i>Customers</i>						
Term deposits	6,064,895	6,459	6,071,354	6,600,843	14,545	6,615,388
Savings deposits	9,507,662	377,997	9,885,659	13,476,505	425,376	13,901,881
Current accounts - non-remunerative	5,532,851	40,374	5,573,225	4,055,536	47,212	4,102,748
Others	540,011	-	540,011	538,295	-	538,295
	21,645,419	424,830	22,070,249	24,671,179	487,133	25,158,312
<i>Financial Institutions</i>						
Term deposits	11,000	-	11,000	11,000	-	11,000
Savings deposits	45,563	-	45,563	10,801	-	10,801
Current accounts - non-remunerative	21,578	-	21,578	8,951	-	8,951
	78,141	-	78,141	30,752	-	30,752
	21,723,560	424,830	22,148,390	24,701,931	487,133	25,189,064

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	(Un-audited) June 30, 2021	Audited December 31, 2020
	(Rupees in '000)	
19 OTHER LIABILITIES		
Mark-up/ return/ interest payable in local currency	464,064	669,223
Mark-up/ return/ interest payable in foreign currency	33	95
Unearned commission and income	6,192	7,313
Accrued expenses	59,528	61,344
Taxation payment less provision	124,161	91,375
Payable against purchase of fixed assets	6,417	7,603
Acceptances	4,477	7,516
Branch adjustment account	12,636	-
Payable under a defined benefit scheme	7,140	7,140
Payable to staff retirement defined benefit plans	35,180	58,681
Provision for employees compensated absences	62,033	60,797
Provident fund payable to the members	5,669	5,742
Staff Welfare Fund	782	782
Benevolent fund balance (being refunded to the employees)	1,958	2,048
Provision against off-balance sheet obligations - note 19.1	771,947	-
Lease liability against right-of-use assets	329,163	361,216
Payable against collection and withholding tax	8,697	41,279
Others	48,012	28,570
	<u>1,948,089</u>	<u>1,410,724</u>
19.1 Provision against off-balance sheet obligations		
Opening balance	-	-
Charge for the period / year	771,947	-
Closing balance	<u>771,947</u>	<u>-</u>
20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) on revaluation of		
- Available for sale securities	(5,403)	8,808
- Fixed Assets	210,442	214,332
	205,039	223,140
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	(2,241)	3,435
- Fixed assets	52,728	54,245
	50,487	57,680
	<u>154,552</u>	<u>165,460</u>
21 CONTINGENCIES AND COMMITMENTS		
- Guarantees - note 21.1	1,496,794	2,552,264
- Commitments - note 21.2	1,011,867	715,394
- Other contingent liabilities - note 21.3	2,647,273	2,284,473
	<u>5,155,934</u>	<u>5,552,131</u>

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	(Un-audited)	Audited
	June 30, 2021	December 31, 2020
21.1 Guarantees:	(Rupees in '000)	
Performance guarantee	1,475,979	2,552,264
Other guarantees	20,815	-
	<u>1,496,794</u>	<u>2,552,264</u>
21.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	997,444	710,782
Commitments for acquisition of:		
- Fixed assets	8,378	-
- Intangible assets	6,045	4,612
	<u>1,011,867</u>	<u>715,394</u>

21.3 Other Contingent Liabilities

These mainly represent counter claims by borrowers for damages due to the legal action and reputational damages they face while proceedings of recovery and related criminal suits on them and other claims against the Bank. Management is confident that the matters will be decided in the Bank's favour. Accordingly, no provision has been made in these financial statements.

	(Un-audited)	
	Period ended June 30, 2021	Period ended June 30, 2020
22 MARK-UP / RETURN / INTEREST EARNED	(Rupees in '000)	
On:		
Loans and advances	497,882	787,406
Investments	790,336	707,175
Lendings to financial institutions	19,752	33,595
Balance with other banks	-	216
	<u>1,307,970</u>	<u>1,528,392</u>
23 MARK-UP / RETURN / INTEREST EXPENSED		
On:		
Deposits	569,812	760,198
Borrowings	225,600	70,366
Markup expense on lease liability against ROU assets	20,844	22,928
	<u>816,256</u>	<u>853,492</u>
24 FEE AND COMMISSION INCOME		
Branch banking customer fees	14,068	13,222
Credit related fees	332	286
Consumer finance and credit related fees	1,881	5,615
Card related fees	1,510	949
Commission on trade	3,922	9,798
Commission on guarantees	13,986	14,876
Commission on bancassurance	2,047	582
Others	1,002	1,653
	<u>38,748</u>	<u>46,981</u>
25 GAIN ON SECURITIES		
Realized		
Federal government securities	2,415	44,995
	<u>2,415</u>	<u>44,995</u>

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		(Un-audited)	
		Period ended June 30, 2021	Period ended June 30, 2020
		(Rupees in '000)	
26	OTHER INCOME		
	Gain on sale of fixed assets - net	8,066	-
	Tender fee received	112	132
	Recovered from employees against unserved notice period	336	-
	Others	2,842	5
		<u>11,356</u>	<u>137</u>
27	OPERATING EXPENSES		
	Total compensation expenses - note 27.1	222,087	253,081
	Property expense		
	Rent and taxes	25,335	12,191
	Insurance (including deposit protection)	16,809	14,622
	Utilities cost	18,817	14,724
	Security (including guards)	20,890	18,543
	Repair and maintenance	9,673	13,893
	Depreciation on owned fixed assets	6,305	6,310
	Depreciation on ROU assets	50,909	50,909
		148,738	131,192
	Information technology expenses		
	Software maintenance	10,448	9,151
	Hardware maintenance	16,786	9,737
	Depreciation	7,261	6,909
	Amortization	12,796	8,505
		47,291	34,302
	Other operating expenses		
	Directors' fees and allowances	-	-
	Legal and professional charges	7,437	2,937
	Outsourced services costs	13,779	11,128
	Travelling and conveyance	2,473	5,070
	NIFT clearing charges	7,564	7,284
	Depreciation	6,195	6,301
	Training and development	246	134
	Postage and courier charges	5,052	4,742
	Communication	16,769	17,574
	Stationery and printing	7,411	6,543
	Marketing, advertisement and publicity	1,827	4,643
	Entertainment	3,179	2,864
	Membership and subscriptions	381	514
	Auditors Remuneration	1,296	2,387
	Others	4,036	2,531
		77,645	74,652
		<u>495,761</u>	<u>493,227</u>
27.1	Total compensation expense		
	Managerial remuneration	201,529	225,483
	Charge for defined benefit contribution plan	14,000	16,660
	Other staff costs - note 27.1.1	6,558	10,938
		<u>222,087</u>	<u>253,081</u>

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27.1.1 Other staff cost includes incentive to staff, washing allowance, conveyance allowance etc.

		(Un-audited)	
		Period ended June 30, 2021	Period ended June 30, 2020
		(Rupees in '000)	
28	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	92	13
	Other penalties	355	-
		<u>447</u>	<u>13</u>
29	PROVISIONS & WRITE OFFS - NET		
	Provision against loan and advances	569,232	85,736
	Reversal of provision for diminution in value of investments	(7,781)	-
	Provision against off-balance sheet obligations	771,947	-
	Provision against tax cases	28,307	-
		<u>1,361,705</u>	<u>85,736</u>
30	TAXATION		
	Current	17,389	24,596
	Deferred	(1,517)	(1,370)
		<u>15,872</u>	<u>23,226</u>
30.1	While finalizing the assessments for tax years from 1997 to 2000 and from 2004 to 2008 (financial years ended from 31 December 1996 to 31 December 1999 and from 31 December 2003 to 31 December 2007 respectively), the tax authorities, from time to time, made certain disallowances of nostro account balances written off, apportionment of expenses, interest suspended etc., against which appeals were filed by the Bank at the Appellate Tribunal Inland Revenue (ATIR). The ATIR vide its order dated 31 May 2012 decided all the matters (except disallowance of written off of nostro balances, interest suspended and apportionment of expenses) for tax years from 2004 to 2008 in favor of the Bank against which CIR had filed an appeal in the Sindh High Court (SHC) which is pending for hearing. Further, the matter of nostro balances written off was remanded back by ATIR to the CIR whereas the matter of apportionment of expenses and interest suspension have been disallowed against which the Bank has filed an appeal in SHC, which is pending adjudication. Tax amount involved is Rs. 10.797 million. The management is confident that the decision in appeals (including those filed by CIR as explained above) would be in its favour. However, for abundant caution, provision of aforesaid amount is being maintained by the Bank.		
30.2	The Income Tax department has issued orders under sections 161 and 205, raising demands due to the non-deduction of tax on profit payments on certain deposits for the tax years 2014, 2015, 2016, and 2017, respectively. In accordance with prudent accounting practices, provisions have been established for the tax years for which decisions are pending.		
31	BASIC (LOSS) / EARNINGS PER SHARE	<u>2021</u>	<u>2020</u>
	(Loss) / profit for the period - Rupees in '000	<u>(1,310,724)</u>	<u>184,024</u>
	Weighted average number of ordinary shares	<u>399,411</u>	<u>399,411</u>
	Basic (loss) / earnings per share	<u>(3.28)</u>	<u>0.46</u>

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32 FAIR VALUE MEASUREMENTS

The fair value of traded investments are based on quoted market prices. The fair value of unquoted equity securities is determined on the basis of the break-up value of the investee company. The fair value of unquoted debt securities, fixed term loans, other assets and fixed term deposits and borrowings and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are short term in nature or in case of customer advances and deposits are repriced frequently.

All assets for which fair value is measured or disclosed in these financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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 (Pakistan Stock Exchange) 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) available at MUFAP and Reuters page. The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.

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

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

On balance sheet financial instruments

Carrying / notional value	June 30, 2021 (Un-audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets measured at fair value				
Investments				
- Federal Government Securities	18,165,931	-	18,165,931	-
Financial assets not measured at fair value				
Investments				
- Shares of an unlisted company	954	-	-	-
Cash and balances with treasury banks	2,401,407	-	-	-
Balances with other banks	186,870	-	-	-
Lending to financial instruments	2,167,850	-	-	-
Advances	12,557,548	-	-	-
Other assets	429,282	-	-	-
	17,743,911	-	-	-
Off-balance sheet financial instruments	-	-	-	-

On balance sheet financial instruments

Carrying / notional value	December 31, 2020 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets measured at fair value				
Investments				
- Federal Government Securities	21,093,461	-	21,093,461	-
Financial assets not measured at fair value				
Investments				
- Shares of an unlisted company	954	-	-	-
Cash and balances with treasury banks	2,337,454	-	-	-
Balances with other banks	196,224	-	-	-
Lending to financial instruments	1,960,972	-	-	-
Advances	11,087,975	-	-	-
Other assets	630,083	-	-	-
	16,213,662	-	-	-
Off-balance sheet financial instruments	-	-	-	-

32.3 Non Financial assets carried at revalued amounts

	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
	(Rupees in '000)	
	Level 3	Level 3
Fixed assets		
Property and equipments (Leasehold land and building)	247,220	252,477
Other assets		
Non-banking assets acquired in satisfaction of claims	29,686	15,817

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33 SEGMENT INFORMATION

33.1 Segment details with respect to business activities

Profit and Loss

Net mark-up / return / profit

Inter segment (expense) / revenue - net

Non mark-up / return / interest income

Total Income

Segment direct expenses

Inter segment expense allocation

Total non-markup / interest expenses

(Provisions) / reversals

Profit / (loss) before tax

Statement of financial position

Cash and bank balances

Investments

Net inter segment receivable / (payable)

Lendings to financial institutions

Advances - performing - net of provision

Advances - non-performing - net of provision

Others

Total Assets

Borrowings

Deposits and other accounts

Others

Total Liabilities

Equity

Total Equity & liabilities

Contingencies and Commitments

June 30, 2021 (Un-audited)

Corporate financing	Treasury	Retail and consumer banking	Commercial banking	Total
(Rupees in '000)				
1,852	615,156	(201,130)	75,836	491,714
460,067	(543,539)	31,678	51,794	-
22,553	28,788	19,038	968	71,347
484,472	100,406	(150,414)	128,598	563,061
358,663	10,326	25,642	101,578	496,208
135,186	(60,062)	(29,655)	(45,468)	-
493,849	(49,736)	(4,013)	56,110	496,208
(1,139,770)	(9,751)	(2,792)	(209,392)	(1,361,705)
(1,149,147)	140,390	(149,193)	(136,904)	(1,294,852)

June 30, 2021 (Un-audited)

Corporate financing	Treasury	Retail and consumer banking	Commercial banking	Total
(Rupees in '000)				
953,105	1,635,172	-	-	2,588,277
-	18,166,885	-	-	18,166,885
18,789,716	(18,724,041)	(51,320)	(14,355)	-
-	2,167,850	-	-	2,167,850
9,448,770	-	745,749	2,334,739	12,529,258
15,282	-	1,247	11,761	28,290
757,506	70,164	63,912	200,989	1,092,571
29,964,379	3,316,030	759,588	2,533,134	36,573,131
943,643	8,113,353	333,917	-	9,390,913
10,434,661	-	8,664,742	3,048,988	22,148,390
1,861,422	105,676	233,237	302,568	2,502,902
13,239,726	8,219,029	9,231,896	3,351,556	34,042,205
16,724,653	(4,902,998)	(8,472,308)	(818,422)	2,530,926
29,964,379	3,316,030	759,588	2,533,134	36,573,131
5,155,934	-	-	-	5,155,934

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Profit and Loss

Net mark-up / return / profit
Inter segment (expense) / revenue - net
Non mark-up / return / interest income
Total Income
Segment direct expenses
Inter segment expense allocation
Total non-markup / interest expenses
Reversals / (Provisions)
Profit / (loss) before tax

June 30, 2020 (Un-audited)				
Corporate financing	Treasury	Retail and consumer banking	Commercial banking	Total
(Rupees in '000)				
2,542	844,330	(276,060)	104,088	674,900
560,067	(643,539)	31,978	51,494	-
36,064	44,405	29,364	1,493	111,326
598,673	245,196	(214,718)	157,075	786,226
356,754	10,246	25,444	100,796	493,240
212,740	(139,679)	(56,545)	(16,517)	-
569,494	(129,433)	(31,101)	84,279	493,240
(71,762)	(614)	(176)	(13,184)	(85,736)
(42,584)	374,015	(183,793)	59,612	207,250

Statement of financial position

Cash and bank balances
Investments
Net intersegment receivable/(payable)
Lendings to financial institutions
Advances - performing - net of provision
Advances - non-performing - net of provision
Others
Total Assets
Borrowings
Deposits and other accounts
Others
Total Liabilities
Equity
Total Equity & liabilities
Contingencies and Commitments

December 31, 2020 (Audited)				
Corporate financing	Treasury	Retail and consumer banking	Commercial banking	Total
(Rupees in '000)				
932,999	1,600,679	-	-	2,533,678
-	21,094,415	-	-	21,094,415
18,439,953	(18,194,304)	(44,217)	(201,432)	-
-	1,960,972	-	-	1,960,972
8,172,491	-	1,936,098	478,948	10,587,537
173,985	-	188	326,265	500,438
1,105,324	91,192	82,552	57,677	1,336,745
28,824,752	6,552,954	1,974,621	661,458	38,013,785
1,197,304	5,700,000	-	82,380	6,979,684
11,819,780	-	10,116,719	3,252,565	25,189,064
1,328,321	77,153	390,060	192,596	1,988,130
14,345,405	5,777,153	10,506,779	3,527,541	34,156,878
14,479,347	775,801	(8,532,158)	(2,866,083)	3,856,907
28,824,752	6,552,954	1,974,621	661,458	38,013,785
5,552,131	-	-	-	5,552,131

34 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, associated companies, and employee benefit schemes of the Bank.

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 staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties and balances are as follows:

	As at June 30, 2021 (Un-audited)				As at December 31, 2020 (Audited)			
	Directors	Other Key management personnel	Other related parties	Total	Directors	Other Key management personnel	Other related parties	Total
(Rupees in '000)								
Investments								
Unlisted shares	-	-	954	954	-	-	954	954
Advances								
Opening balance	735	24,941	-	25,676	3,688	10,751	-	14,439
Addition during the period / year	-	7,030	-	7,030	-	12,919	-	12,919
Repaid during the period / year	(195)	(5,059)	-	(5,254)	(1,373)	(5,262)	-	(6,635)
Transfer in / (out) - net	-	(107)	-	(107)	(1,580)	6,533	-	4,953
Closing balance	540	26,805	-	27,345	735	24,941	-	25,676
Provision held against advances	-	-	-	-	-	-	-	-
Other Assets								
Interest / mark-up accrued	-	279	-	-	-	172	-	172
Deposits and other accounts								
Opening balance	165	12,987	9,059	22,211	1,753	6,049	3,061	10,863
Received during the period / year	36,909	43,376	168,163	248,448	40,150	58,420	476,952	575,522
Withdrawn during the period / year	(20,721)	(45,339)	(168,079)	(234,139)	(42,139)	(57,884)	(470,954)	(570,977)
Transfer in / (out) - net	-	(612)	34	(578)	401	6,402	-	6,803
Closing balance	16,353	10,412	9,178	35,943	165	12,987	9,059	22,211
Other Liabilities								
Interest / mark-up payable	97	196	83	376	13	201	136	350
Payable to staff retirement fund	-	-	35,180	35,180	-	-	58,682	58,682
Retirement benefit payable	7,779	4,069	-	11,847	7,395	3,733	-	11,128
	7,876	4,265	35,263	47,403	7,408	3,934	58,818	70,160

RELATED PARTY TRANSACTIONS

	As at June 30, 2021 (Un-audited)				As at June 30, 2020 (Un-audited)			
	Directors	Other Key management personnel	Other related parties	Total	Directors	Other Key management personnel	Other related parties	Total
(Rupees in '000)								
Income								
Mark-up / return / interest earned	-	496	-	496	58	436	-	494
Dividend income	-	-	17,712	17,712	-	-	4,959	4,959
Expense								
Mark-up / return / interest paid	150	206	290	646	34	302	488	823
Operating expenses	-	-	1,831	1,831	-	-	2,344	2,344
Charged to defined benefit plan	-	-	11,000	11,000	-	-	10,660	10,660
Remuneration and allowances	1,929	29,294	-	31,223	2,939	29,345	-	32,284

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35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

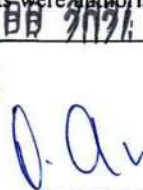
	(Un-audited) June 30, 2021	Audited December 31, 2020
(Rupees in '000)		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	1,957,338	3,829,211
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	2,323,671	3,643,522
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	2,323,671	3,643,522
Eligible Tier 2 Capital	181,470	185,689
Total Eligible Capital (Tier 1 + Tier 2)	2,505,141	3,829,211
Risk Weighted Assets (RWAs):		
Credit Risk	5,815,612	6,783,659
Market Risk	2,022,201	1,719,860
Operational Risk	2,073,931	2,073,931
Total	9,911,744	10,577,450
Common Equity Tier 1 Capital Adequacy Ratio	23.44%	34.45%
Tier 1 Capital Adequacy Ratio	23.44%	34.45%
Total Capital Adequacy Ratio	25.27%	36.20%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	2,323,671	3,643,522
Total Exposure	44,192,704	41,230,307
Leverage Ratio	5.26%	8.84%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	17,056,904	19,359,060
Total Net Cash Outflow	5,935,107	8,755,741
Liquidity Coverage Ratio	287.39%	221.10%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	22,102,522	35,756,666
Total Required Stable Funding	15,734,347	15,632,203
Net Stable Funding Ratio	140.47%	228.74%

36 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on 31.08.2021.


Chief Financial
Officer


President /
Chief Executive


Director


Director


Director