



CONDENSED INTERIM  
FINANCIAL STATEMENTS  
OF  
FIRST WOMEN BANK LIMITED  
FOR THE HALF YEAR ENDED  
JUNE 30, 2023

**First Women Bank Limited**  
**Draft Condensed Interim Statement of Financial Position**  
**As at June 30, 2023**

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	-----Rupees in '000-----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	2,587,205	2,209,218
Balances with other banks	7	2,134	824
Lendings to financial institutions	8	3,475,080	6,634,107
Investments	9	55,055,957	28,980,969
Advances	10	11,241,021	11,062,156
Fixed assets	11	576,260	610,472
Intangible assets	12	58,719	46,254
Deferred tax assets	13	81,098	-
Other assets	14	2,110,870	1,129,659
		75,188,344	50,673,659
<b>LIABILITIES</b>			
Bills payable	16	145,077	141,970
Borrowings	17	35,193,827	13,653,728
Deposits and other accounts	18	33,980,370	32,164,330
Deferred tax liabilities		-	54,234
Other liabilities	19	3,081,770	2,154,863
		72,401,044	48,169,125
<b>NET ASSETS</b>		<u>2,787,300</u>	<u>2,504,534</u>
<b>REPRESENTED BY</b>			
Share capital		3,994,113	3,994,113
Reserves		557,422	431,313
Surplus/ (Deficit) on revaluation of assets	20	149,019	160,747
Unappropriated/ Unremitted profit		(1,913,254)	(2,081,639)
		<u>2,787,300</u>	<u>2,504,534</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

  
**Chief Financial  
Officer**

  
**President /  
Chief Executive**

  
**Director**

  
**Director**

  
**Director**

**First Women Bank Limited**  
**Draft Condensed Interim Profit and Loss Account (Un-audited)**  
**For the half year and quarter ended June 30, 2023**

	Quarter ended		Half year ended		
	June 2023	June 2022	June 2023	June 2022	
Note	-----Rupees in '000-----				
Mark-up/Return/Interest Earned	22	2,998,650	1,360,776	4,809,040	2,406,253
Mark-up/Return/Interest Expensed	23	(2,490,925)	(1,150,780)	(3,906,198)	(1,867,693)
Net Mark-up / Interest Income		507,725	209,996	902,842	538,560
<b>NON MARK-UP/INTEREST INCOME</b>					
Fee and Commission Income	24	16,578	19,097	42,207	35,083
Dividend Income		4,959	-	5,026	-
Foreign Exchange Income		(122)	3,508	4,298	4,946
Gain on securities	25	8	-	268	151
Other Income	26	397	866	752	1,271
Total non-markup/interest Income		21,820	23,471	52,551	41,451
Total Income		529,545	233,467	955,393	580,011
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	27	(398,160)	(307,884)	(713,007)	(594,210)
Other charges	28	(512)	(447)	(714)	(451)
Total non-markup/interest expenses		(398,672)	(308,331)	(713,721)	(594,661)
Profit / (Loss) before provisions		130,873	(74,864)	241,672	(14,650)
Provisions and write offs - net	29	112,575	38,139	95,907	37,637
Extra ordinary / unusual items (to be specified)		-	-	-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		243,448	(36,725)	337,579	22,987
Taxation	30	(23,301)	(16,549)	(45,612)	(29,082)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		220,147	(53,274)	291,967	(6,095)
<b>Basic Earnings / (Loss) per share</b>	31.1	0.551	(0.133)	0.731	(0.015)
<b>Diluted Earnings / (Loss) per share</b>	31.2	0.551	(0.133)	0.731	(0.015)

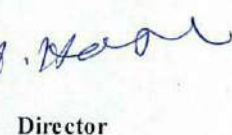
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**First Women Bank Limited**  
**Draft Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the half year and quarter ended June 30, 2023**

	Quarter ended		Half year ended	
	June 2023	June 2022	June 2023	June 2022
-----Rupées in '000-----				
Profit / (Loss) after taxation for the period	220,147	(53,274)	291,967	(6,095)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Net change in fair value of available for sale securities - net of tax	(37,445)	(15,601)	(9,201)	(32,782)
Others	-	-	-	-
	(37,445)	(15,601)	(9,201)	(32,782)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
Others (to be specified)	-	-	-	-
	-	-	-	-
<b>Total comprehensive income</b>	<u>182,702</u>	<u>(68,875)</u>	<u>282,766</u>	<u>(38,877)</u>

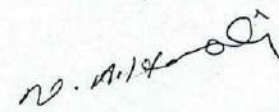
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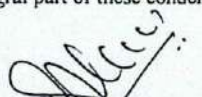
  
**Director**

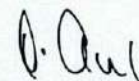
**First Women Bank Limited**  
**Draft Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the half year ended June 30, 2023**

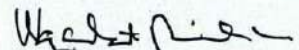
	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation of			Accumulated Loss	Total
			Investments	Property & Equipment	Total		
-----Rupees in '000-----							
Opening Balance as at January 01, 2022	3,994,113	419,036	(21,052)	236,550	215,498	(2,149,394)	2,479,253
Loss after taxation for the nine months ended June 30, 2022	-	-	-	-	-	(6,073)	(6,073)
Other comprehensive income - net of tax	-	-	(70,783)	-	(70,783)	-	(70,783)
- remeasurement gain on defined benefit obligations	-	-	-	-	-	-	-
Transfer to statutory reserves	-	9,440	-	-	-	(9,440)	-
Impact of rate change in revaluation of fixed assets	-	-	-	-	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	(2,584)	(2,584)	2,584	-
<b>Balance as at June 30, 2022</b>	<b>3,994,113</b>	<b>428,476</b>	<b>(91,835)</b>	<b>233,966</b>	<b>142,131</b>	<b>(2,162,323)</b>	<b>2,402,397</b>
Loss after tax for the six months ended December 31, 2022	-	-	-	-	-	67,457	67,457
Other comprehensive income - net of tax	-	-	25,358	-	25,358	-	25,358
- remeasurement gain on defined benefit obligations	-	-	-	-	-	10,900	10,900
Transfer to statutory reserve	-	2,837	-	-	-	(2,837)	-
Impact of rate change in revaluation of fixed assets	-	-	-	(1,578)	(1,578)	-	(1,578)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax (Incremental Depreciation)	-	-	-	(5,164)	(5,164)	5,164	-
<b>Balance as at December 31, 2022</b>	<b>3,994,113</b>	<b>431,313</b>	<b>(66,477)</b>	<b>227,224</b>	<b>160,747</b>	<b>(2,081,639)</b>	<b>2,504,534</b>
Profit after taxation for the six months ended June 30, 2023	-	-	-	-	-	291,967	291,967
Other comprehensive income - net of tax	-	-	(9,201)	-	(9,201)	-	(9,201)
- remeasurement gain on defined benefit obligations	-	-	-	-	-	-	-
Transfer to statutory reserve	-	126,109	-	-	-	(126,109)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax (incremental depreciation)	-	-	-	(2,527)	(2,527)	2,527	-
<b>Balance as at June 30, 2023</b>	<b>3,994,113</b>	<b>557,422</b>	<b>(75,678)</b>	<b>224,697</b>	<b>149,019</b>	<b>(1,913,254)</b>	<b>2,787,300</b>

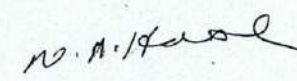
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**President / Chief Executive**

  
**Director**

  
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**Director**

First Women Bank Limited  
 Draft Condensed Interim Cash Flow Statement (Un-audited)  
 For the half year ended June 30, 2023

	Note	June 2023	June 2022
		-----Rupees in '000-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		337,579	22,987
Less: Dividend income		(5,026)	-
		<u>332,553</u>	<u>22,987</u>
Adjustments:			
Depreciation	27	86,822	73,824
Amortization		9,919	10,546
Provision and write-offs	29	(95,907)	(37,637)
Gain on sale of fixed assets	26	(75)	(53)
Interest exp on lease liability against right of use assets	23	26,963	18,417
Gain on sale of securities	25	(268)	(151)
		<u>27,454</u>	<u>64,946</u>
		<u>360,007</u>	<u>87,933</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		3,159,027	1,258,864
Advances		(82,958)	(2,844,813)
Others assets (excluding advance taxation)		(1,062,309)	(316,112)
		<u>2,013,761</u>	<u>(1,902,061)</u>
Increase in operating liabilities			
Bills Payable		3,107	54,596
Borrowings from financial institutions		21,540,099	7,443,391
Deposits		1,816,040	(671,023)
Other liabilities (excluding current taxation)		851,630	369,874
		<u>24,210,876</u>	<u>7,196,838</u>
Income tax paid		(22,996)	(30,452)
Net cash flow generated from operating activities		<u>26,561,647</u>	<u>5,352,259</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments purchased		(26,074,721)	(5,442,924)
Dividends received		5,026	-
Proceeds from sale of fixed assets		(75)	53
Investments in intangible assets		-	(1,581)
Purchase of operating fixed assets		(74,994)	(38,721)
Net cash flow used in investing activities		<u>(26,144,764)</u>	<u>(5,483,173)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payments of lease liability against right of use assets		(37,587)	(37,587)
Dividend paid		-	-
Net cash flow used in financing activities		<u>(37,587)</u>	<u>(37,587)</u>
Increase in cash and cash equivalents		379,297	(168,501)
Cash and cash equivalents at beginning of the period		<u>2,210,042</u>	<u>2,818,555</u>
Cash and cash equivalents at end of the period		<u>2,589,339</u>	<u>2,650,054</u>

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 Chief Financial  
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 Director

  
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**First Women Bank Limited**

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

**For the half year ended June 30, 2023**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1 First Women Bank Limited (the Bank) was incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) on November 21, 1989 in Pakistan as an unquoted public limited company and commenced operations on December 02, 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 December 31, 2023 (2022: forty two branches). The short term and long term credit ratings of the Bank rated by PACRA in June 2023 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 (SBP), prescribed minimum capital requirements vide its letter reference BPRD/BA&CP/627/32/2014 dated January 01, 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 earned net profit of Rs. 0.292 billion for the period ended June 30, 2023 and as of this date, the Bank's MCR (representing paid up capital net of accumulated losses) was Rs. 2.10 billion which is less than the minimum required amount.

Under BSD Circular No. 19 of 2008 dated September 05, 2008 of the SBP any bank that fails to meet the MCR 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 lending 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.

### 1.3 Privatization status of the Bank

The Ministry of Privatization stated that the Cabinet Committee on Privatization (CCoP), in its meeting held on October 31, 2018, had placed the First Women Bank Limited (FWBL) on the Active Privatization Program, duly ratified by the Federal Cabinet on November 1, 2018. Accordingly, the Privatization Commission issued a Request for Proposals (RFP) on October 18, 2019, inviting Technical and Financial Proposals. After completing the technical and financial evaluation of the bids, the consortium comprising M/s Bridge Factor & National Bank of Pakistan was appointed as the Financial Advisor for the privatization of FWBL with the approval of Board of the Privatization Commission Board on December 27, 2019. Accordingly, Financial Advisory Services Agreement (FASA) was signed on January 27, 2020.

The Ministry of Privatization further noted that the due diligence report of the Bank was finalized in June 2020 and the Cabinet Committee on Privatization approved the Transaction Structure on August 21, 2020. However, owing to the non-availability of latest audited accounts, further steps including the issuance of EoI/RSOQ, could not take place which would resume after the financial statements will be approved by the Board.

### 1.4 Going concern basis of accounting

The Bank's MCR (representing paid up capital net of accumulated losses) was Rs. 2.10 billion (December 31, 2022: Rs. 1.91 billion) which is less than the minimum required amount by Rs. 0.89 billion (December 31, 2022: 1.09 billion).

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 adverse regulatory actions by SBP as mentioned in note 1.2 of the financial statements.

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 SBP 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 GoP, 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 the losses the Bank is compliant with minimum required Capital Adequacy Ratio of 18% and is expected to maintain this adequacy in periods subsequent to December 31, 2023, which is an indicator of strong asset base of the Bank.
- The GoP via the 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 GoP 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.

## **2 BASIS OF PREPARATION**

- 2.1 These 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 March 22, 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 statement of the bank for the financial year ended December 31, 2022.

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 are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. No. 411 (1) / 2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

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

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

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

## **2.4 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective**

- As per the SBP's BPRD Circular no. 07 dated April 23, 2023. The applicability of IFRS 9 - Financial Instruments has been made applicable to banks in Pakistan for accounting periods beginning or after January 01, 2024 (for banks having assets size below Rs. 500 billion). 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.

## **3 BASIS OF MEASUREMENT**

### **3.1 Accounting convention**

These financial statements have been prepared under the historical cost convention except that lease hold land and buildings are stated at revalued amounts (if any) less accumulated depreciation, 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.

### **3.3 Critical accounting judgments and key sources of estimation of uncertainty**

The preparation of these financial statements is in conformity with approved accounting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant accounting estimates and areas where judgements were made by management in the application of accounting policies are as follows :

**a) Classification of investments**

- In classifying investments as 'held-for-trading', the Bank determines the securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements.
- These are investments with fixed or determinable payments and fixed maturities and the Bank has the positive intent and ability to hold them till maturity.
- The investments which are not classified as 'held-for-trading' or 'held-to-maturity' are classified as 'available-for-sale'.

**b) Valuation and impairment of available-for-sale equity investments**

The Bank determines that 'available-for-sale' equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, the impairment may be appropriate when there is an evidence of deterioration in the financial health of investee, industry and sector performance, changes in technology and operational and financing cash flows.

**c) Provision against non-performing loans and advances and debt securities classified as investments**

The Bank reviews its loan portfolio and debt securities classified as investments to assess amount of non-performing loans and advances and debt securities and provision required there against on a regular basis. While assessing this requirement various factors including the delinquency in the account, financial position of the borrower, and the requirements of the Prudential Regulations are considered. The Bank also maintains general provision against consumer and small and medium enterprises advances in accordance with the requirements set out in Prudential Regulations of the SBP. These provisions change due to changes in requirements.

**d) Income taxes**

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.

The Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers and such valuations are carried out with sufficient regulatory so that the valuation at the year end is close to their fair values. In making estimates of the depreciation / amortisation method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The estimates made are reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the estimates are changed to reflect the changed pattern. Such a change is accounted for as change in accounting estimates in accordance with International Accounting Standard -8'Accounting Policies, Changes in Accounting Estimates and Errors'.

**f) Staff retirement benefits**

Liability is determined on the basis of actuarial advice using the Projected Unit Credit Method performed at every financial year end. Actuarial assumptions are entity's best estimates of the variables that will determine the ultimate cost of providing post employment benefits. Changes in these assumptions in future years may effect the liability / asset under these plans in those years.

**g) Fair value hierarchy of assets and liabilities**

The fair value of the assets and liabilities is the amount at which these could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale. The Bank categorizes fair value measurements within the following fair value hierarchy.

**i) Level 1**

These are quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.

**ii) Level 2**

These are inputs other than quoted prices included within Level 1 inputs that are observable for asset or liability, either directly or indirectly.

**iii) Level 3**

These are unobservable inputs for the asset or liability.

**h) Impairment of non-financial assets (excluding deferred tax asset)**

Non-financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Bank estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an intangible or tangible asset is less than its carrying value, an impairment loss is recognised immediately in the profit and loss account and the carrying value of the asset is reduced by the amount of the loss. A reversal of an impairment loss on intangible assets is recognised as it arises provided the increased carrying value does not exceed which it would have been had no impairment loss been recognised.

**i) Compensated Absences**

The bank uses actuarial valuation for the determination of its compensated absences liability. This method makes certain assumptions, which may change, there by effecting the profit and loss account of future period.

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

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

**5 FINANCIAL RISK MANAGEMENT**

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

**6 CASH AND BALANCES WITH TREASURY BANKS**

In hand  
Local currency  
Foreign currency

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

566,885	647,883
99,665	107,827
666,550	755,710

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
-----Rupees in '000-----		
With State Bank of Pakistan in		
Local currency current account	1,302,872	1,079,189
Foreign currency current account	271,054	229,065
Foreign currency deposit accounts		
- cash reserve account	60,344	47,777
- special cash reserve account	116,210	90,345
	1,750,480	1,446,376
With National Bank of Pakistan in		
Local currency current accounts	168,959	5,323
Prize bonds	1,216	1,809
	<u>2,587,205</u>	<u>2,209,218</u>
<b>7 BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current accounts	279	279
	<u>279</u>	<u>279</u>
<b>Outside Pakistan</b>		
In current accounts	1,855	544
	<u>2,134</u>	<u>824</u>
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call / clean money lendings	139,089	1,434,089
Repurchase agreement lendings (Reverse Repo)	3,475,080	5,339,107
	3,614,169	6,773,196
Less: Provision held against Lending to Financial Institutions	(139,089)	(139,089)
Lendings to Financial Institutions - net of provision	<u>3,475,080</u>	<u>6,634,107</u>

	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	Classified Lending	Provision held	Classified Lending	Provision held
-----Rupees in '000-----				
<b>8.1 Category of classification</b>				
<b>Domestic</b>				
Loss	139,089	(139,089)	139,089	139,089
	139,089	(139,089)	139,089	139,089

9 INVESTMENTS

9.1 Investments by type:

	(Un-audited) June 30, 2023				(Audited) December 31, 2022			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>Available-for-sale securities</b>								
Market Treasury Bills	24,278,693	-	(51,407)	24,227,286	1,880,517	-	(17,829)	1,862,689
Pakistan Investment Bonds	31,001,387	-	(173,670)	30,827,717	27,190,269	-	(72,943)	27,117,326
Term Finance Certificates (TFCs)	-	-	-	-	-	-	-	-
Preference shares of a listed company	10,000	(10,000)	-	954	10,000	(10,000)	-	954
Ordinary shares of an unlisted company	954	-	-	954	954	-	-	954
<b>Total Investments</b>	<b>55,291,034</b>	<b>(10,000)</b>	<b>(225,077)</b>	<b>55,055,957</b>	<b>29,081,740</b>	<b>(10,000)</b>	<b>(90,772)</b>	<b>28,980,969</b>

9.1.1 Investments given as collateral

Pakistan Investment Bonds  
Market Treasury Bills

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
----- Rupees in '000 -----		
	31,300,000	12,000,000
	2,450,000	-
	<u>33,750,000</u>	<u>12,000,000</u>

9.2 Provision for diminution in value of investments

9.2.1 Opening balance  
Charge / reversals  
Charge for the period / year  
Reversals for the period / year  
Reversal on disposals  
  
Transfers - net  
Amounts written off  
Closing Balance

	10,000	10,000
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	10,000	10,000



9.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited)		(Audited)			
	June 30, 2023		December 31, 2022			
	Non performing investment	Provision	Non performing investment	Provision		
Domestic Loss	10,000	(10,000)	10,000	10,000		
	<u>10,000</u>	<u>(10,000)</u>	<u>10,000</u>	<u>10,000</u>		
----- (Rupees in '000) -----						
10 ADVANCES	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	11,363,576	11,045,937	2,499,969	2,734,650	13,863,545	13,780,587
Advances - gross	11,363,576	11,045,937	2,499,969	2,734,650	13,863,545	13,780,587
Provision against advances						
- Specific	-	-	(2,496,487)	(2,590,424)	(2,496,487)	(2,590,424)
- General	(126,037)	(128,007)	-	-	(126,037)	(128,007)
	<u>(126,037)</u>	<u>(128,007)</u>	<u>(2,496,487)</u>	<u>(2,590,424)</u>	<u>(2,622,524)</u>	<u>(2,718,431)</u>
Advances - net of provision	<u>11,237,539</u>	<u>10,917,930</u>	<u>3,482</u>	<u>144,226</u>	<u>11,241,021</u>	<u>11,062,156</u>

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note -----Rupees in '000-----	
10.1 Particulars of advances (Gross)		
In local currency	13,863,545	13,780,587
	<u>13,863,545</u>	<u>13,780,587</u>

10.2 Advances include Rs.2,496.4 Million (December 2022 Rs. 2,734.6 Million) which have been placed under non-performing status as detailed below:-

Category of Classification	June 30, 2023		December 31, 2022	
	Non performing loans	Provision	Non performing loans	Provision
Domestic				
Other Assets Especially Mentioned	61,643	1,545	42,472	1,383
Substandard	53,596	4,156	13,298	1,556
Doubtful	8,011	2,865	101,345	9,950
Loss	2,376,718	2,487,920	2,577,535	2,577,535
	<u>2,499,969</u>	<u>2,496,487</u>	<u>2,734,650</u>	<u>2,590,424</u>

10.3 Particulars of provision against advances	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	2,590,424	128,007	2,718,431	2,681,152	30,560	2,711,712
Charge for the period / year	64,461	-	64,461	92,884	100,000	192,884
Reversals	(158,398)	(1,970)	(160,368)	(183,612)	(2,553)	(186,165)
	(93,937)	(1,970)	(95,907)	(90,728)	97,447	6,719
Amount written off	-	-	-	-	-	-
Closing balance	<u>2,496,487</u>	<u>126,037</u>	<u>2,622,523</u>	<u>2,590,424</u>	<u>128,007</u>	<u>2,718,431</u>

10.3.1 General provision represents provision against consumer financing maintained at an amount equal to 1% of the fully secured performing portfolio and 4% of the unsecured performing portfolio and against housing finance maintained an amount equal to 0.5% of the performing portfolio and against Small Enterprises financing maintained at an amount equal to 1% of the unsecured performing portfolio as required by the Prudential Regulations issued by the SBP from time to time.

## 11 FIXED ASSETS

Capital work-in-progress	11.1	26,946	-
Property and equipment		406,024	423,524
Right-of use assets		143,290	186,948
		<u>576,260</u>	<u>610,472</u>
11.1 Capital work-in-progress			
Advance to Suppliers		26,946	-
		<u>26,946</u>	<u>-</u>

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	-----Rupees in '000-----	
<b>12 INTANGIBLE ASSETS</b>		
Capital work-in-progress	39,473	20,160
Computer Software	19,246	26,094
	<u>58,719</u>	<u>46,254</u>
<b>13 DEFERRED TAX (ASSETS) / LIABILITIES</b>		
Deductible Temporary Differences on		
- Unabsorbed depreciation/amortisation	(83,834)	(30,277)
- Deficit on revaluation of Investments	(73,715)	6,969
	(157,549)	(23,308)
Taxable Temporary Differences on		
- Surplus on revaluation of Investments	100,746	101,837
- Surplus on revaluation of fixed assets	(24,295)	(24,295)
	76,451	77,542
	<u>(81,098)</u>	<u>54,234</u>
<b>14 OTHER ASSETS</b>		
Income/ Mark-up accrued in local currency	1,865,849	981,877
Advances, deposits, advance rent and other prepayments	177,643	145,088
Suspense account (fully provided)	12,383	-
ATM Settlement Account	48,755	30,936
Receivable against encashment of instruments	34,895	484
Stationary & stamps on hand	8,113	6,403
Acceptances	8,126	6,434
Others	3,274	6,606
	2,159,038	1,177,828
Less: Provision held against other assets	(48,168)	(48,169)
Other Assets (Net of Provision)	<u>2,110,870</u>	<u>1,129,659</u>
<b>15 CONTINGENT ASSETS</b>		

There were no contingent assets of the Bank as at June 30, 2023 and December 31, 2022.

(Un-audited)      (Audited)  
**June 30,**      **December 31,**  
**2023**      **2022**

-----Rupees in '000-----

**16      BILLS PAYABLE**

In Pakistan	141,474	135,654
Outside Pakistan	3,603	6,316
	<u>145,077</u>	<u>141,970</u>

**17      BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan

Under export refinance scheme	965,000	24,203
Under revised SBP Financing Scheme for Renewable Energy	32,186	24,910
Under Refinance & Credit Guarantee Scheme for Women		
Entrepreneurs in underserved areas	44,896	54,305
Under Refinance & Credit Guarantee Scheme for Solar Energy	-	13,514
Under Refinance & Credit Guarantee Scheme for Special Persons	914	1,077
Under Refinance scheme for payment of wages and salaries	-	965,000
Under Temporary Economic Refinance Facility	564,316	570,719
Repurchase Agreement Borrowing	33,586,515	12,000,000
	<u>35,193,827</u>	<u>13,653,728</u>

**18      DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited)			(Audited)		
	June 30, 2023			December 31, 2022		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
-----Rupees in '000-----						
<b>Customers</b>						
Fixed deposits	10,801,065	-	10,801,065	8,695,225	-	8,695,225
Savings deposits	8,425,479	468,016	8,893,495	17,696,485	406,925	18,103,410
Current accounts - remunerative	8,227,534	-	8,227,534	-	-	-
Current accounts - non-remunerative	5,361,966	62,889	5,424,855	4,468,395	49,122	4,517,517
Call deposits	331,639	-	331,639	738,743	-	738,743
Sundry Deposits	222,770	871	223,641	-	-	-
	<u>33,370,453</u>	<u>531,776</u>	<u>33,902,229</u>	<u>31,598,848</u>	<u>456,047</u>	<u>32,054,895</u>
<b>Financial Institutions</b>						
Fixed deposits	11,000	-	11,000	61,000	-	61,000
Savings deposits	42,421	-	42,421	36,790	-	36,790
Current accounts - remunerative	3,142	-	3,142	-	-	-
Current accounts - non-remunerative	21,578	-	21,578	11,645	-	11,645
	<u>78,141</u>	<u>-</u>	<u>78,141</u>	<u>109,435</u>	<u>-</u>	<u>109,435</u>
	<u>33,448,594</u>	<u>531,776</u>	<u>33,980,370</u>	<u>31,708,283</u>	<u>456,047</u>	<u>32,164,330</u>

**19      OTHER LIABILITIES**

Mark-up/ Return/ Interest payable in local currency	2,302,834	1,330,455
Mark-up/ Return/ Interest payable in foreign currency	193	80
Unearned commission and income	6,482	8,086
Accrued expenses	76,826	125,433
Current taxation (provisions less payments)	46,399	13,554

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	-----Rupees in '000-----	
Payable against purchase of fixed assets	13,890	6,434
Acceptances	8,126	93,474
Branch adjustment account	11,714	36,060
Payable under a defined benefit scheme	7,140	7,140
Payable to staff retirement defined benefit plans	40,075	66,377
Provision for employees' compensated absences	72,092	48,246
Provident fund payable to the members	-	5,669
Staff Welfare Fund	-	782
Benevolent fund balance (being refunded to the employees)	1,958	1,958
Provision against off-balance sheet obligations	106,087	106,087
Clearing proceeds awaiting clearance	85	-
Lease liability against right-of-use assets	253,958	264,582
Payable against collection and withholding tax	-	7,394
Others	133,911	33,051
	<u>3,081,770</u>	<u>2,154,863</u>
<b>20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS</b>		
Surplus / (deficit) on revaluation of		
- Available for sale securities	9.1 (225,076)	(90,772)
- Fixed Assets	332,825	329,062
	107,749	238,290
Less: Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	(149,398)	(24,295)
- Fixed Assets	108,129	101,837
	(41,269)	77,542
	<u>66,480</u>	<u>160,747</u>
<b>21 CONTINGENCIES AND COMMITMENTS</b>		
-Guarantees	21.1 1,005,779	1,314,829
-Commitments	21.2 434,223	467,714
Other Contingent Liabilities	2,839,473	2,739,473
	<u>4,279,475</u>	<u>4,522,016</u>
<b>21.1 Guarantees:</b>		
Performance Guarantee	1,005,779	1,314,829
	<u>1,005,779</u>	<u>1,314,829</u>
<b>21.2 Commitments:</b>		
Documentary credits and short-term trade-related transactions		
- letters of credit	419,800	467,714
Commitments for acquisition of:		
- Fixed Assets	8,378	-
- Intangible assets	6,045	-
	<u>434,223</u>	<u>467,714</u>

(Un-audited)  
Half year ended

	June 30, 2023	June 30, 2022
	-----Rupees in '000-----	
<b>22 MARK-UP/RETURN/INTEREST EARNED</b>		
Loans and advances	1,002,022	620,195
Investments	3,743,696	1,702,354
Lendings to financial institutions	61,340	82,594
Balance with Other Banks	1,982	1,110
	<u>4,809,040</u>	<u>2,406,253</u>
<b>23 MARK-UP/RETURN/INTEREST EXPENSED</b>		
Deposits	1,946,957	803,700
Borrowings	1,932,278	1,045,576
Finance cost on lease liability against right-of-use assets	26,963	18,417
	<u>3,906,198</u>	<u>1,867,693</u>
<b>24 FEE &amp; COMMISSION INCOME</b>		
Branch banking customer fees	15,640	14,356
Credit related fees	299	3,685
Consumer Finance and credit related fees	1,820	2,755
Card related fees	4,486	3,301
Commission on trade	10,642	947
Commission on guarantees	7,661	8,399
Commission on bancassurance	466	1,073
Others	1,193	567
	<u>42,207</u>	<u>35,083</u>
<b>25 GAIN / (LOSS) ON SECURITIES</b>		
<b>Realised</b>		
Federal government securities	268	151
Shares	-	-
	<u>268</u>	<u>151</u>
<b>26 OTHER INCOME</b>		
Gain on sale of fixed assets-net	75	53
Tender fee received	88	790
Income on unserved notice period from employees	589	428
	<u>752</u>	<u>1,271</u>

		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2023	2022
		-----Rupees in '000-----	
<b>27 OPERATING EXPENSES</b>			
Total compensation expense		357,349	286,925
<b>Property expense</b>			
Rent & taxes		24,703	17,474
Insurance (including deposit protection)		20,772	17,616
Utilities cost		32,026	24,994
Security (including guards)		27,824	23,431
Repair & maintenance		17,321	13,062
Depreciation on owned fixed assets		10,198	9,267
Depreciation on right-of-use assets		62,230	49,691
Impairment loss		-	-
		195,074	155,535
<b>Information technology expenses</b>			
Software maintenance		23,619	12,350
Hardware maintenance		29,825	22,412
Depreciation ( IT related)		5,284	7,684
Amortisation		9,919	10,546
		68,647	52,992
<b>Other operating expenses</b>			
Directors' fees and allowances		-	-
Directors' fees and allowances		380	830
Legal & professional charges		9,200	7,109
Outsourced services costs		2,532	17,922
Travelling & conveyance		4,958	4,141
NIFT clearing charges		10,614	9,409
Depreciation		9,110	7,182
Training & development		515	22
Postage & courier charges		4,269	5,395
Communication		18,883	16,712
Stationery & printing		10,367	7,809
Marketing, advertisement & publicity		2,981	2,144
Entertainment		4,313	3,114
Membership and subscriptions		2	180
Auditors Remuneration		10,333	9,165
Others		3,480	7,624
		91,937	98,758
		713,007	594,210

		(Un-audited)	
		Half year ended	
		June 30, 2023	June 30, 2022
		-----Rupees in '000-----	
<b>28</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	714	451
		<u>714</u>	<u>451</u>
<b>29</b>	<b>PROVISIONS &amp; WRITE OFFS - NET</b>		
	Provision / (reversal) of provision against loan & advances - net	(95,907)	(37,637)
		<u>(95,907)</u>	<u>(37,637)</u>
<b>30</b>	<b>TAXATION</b>		
	Current	55,841	30,452
	Prior periods	-	-
	Deferred	(10,229)	(1,370)
		<u>45,612</u>	<u>29,082</u>
<b>31</b>	<b>BASIC AND DILUTED EARNINGS/ (LOSS) PER SHARE</b>		
<b>31.1</b>	<b>Basic earnings per share</b>		
	Profit/(Loss) for the period	<u>291,967</u>	<u>(6,095)</u>
		------(Number)-----	
	Weighted average number of ordinary shares	<u>399,411</u>	<u>399,411</u>
		------(Rupees)-----	
	Basic earnings / (loss) per share	<u>0.731</u>	<u>(0.015)</u>
<b>31.2</b>	<b>Diluted earnings per share</b>		
	Profit/(Loss) for the period	<u>291,967</u>	<u>(6,095)</u>
		------(Number)-----	
	Weighted average number of ordinary shares	<u>399,411</u>	<u>399,411</u>
		------(Rupees)-----	
	Diluted earnings / (loss) per share	<u>0.731</u>	<u>(0.015)</u>



32 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment in subsidiaries and those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost.

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

32.1 Fair value of financial assets

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

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

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 categorised:

On balance sheet financial instruments

Note	As At June 2023 (Un-audited)					Fair value			
	Available for sale	Loans and receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
Investments									
-Federal Government Securities (Tbills + PIBs)	55,055,003	-	-	-	55,055,003	-	55,055,003	-	55,055,003
<b>Financial assets not measured at fair value</b>									
Investments									
- Shares of an unlisted company	32.2.2	954	-	-	954	-	-	-	-
Cash and balances with treasury banks	32.2.1	-	2,587,205	-	2,587,205	-	-	-	-
Balances with other banks	32.2.1	-	2,134	-	2,134	-	-	-	-
Lending to financial instruments	32.2.1	-	3,475,080	-	3,475,080	-	-	-	-
Advances	32.2.1	-	11,241,021	-	11,241,021	-	-	-	-
Deferred tax asset	-	-	81,098	-	81,098	-	-	-	-
Other assets	32.2.1	-	2,110,870	-	2,110,870	-	-	-	-
		954	11,241,021	8,256,386	19,498,361	-	-	-	-
<b>Financial liabilities measured at fair value</b>									
Other liabilities -Unrealized loss on Forward foreign exchange contracts									
		-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Bills payable	32.2.1	-	-	145,077	145,077	-	-	-	-
Borrowings	32.2.1	-	-	35,193,827	35,193,827	-	-	-	-
Deposits and other accounts	32.2.1	-	-	33,980,370	33,980,370	-	-	-	-
Other liabilities	32.2.1	-	-	3,081,770	3,081,770	-	-	-	-
		-	-	72,401,044	72,401,044	-	-	-	-
		954	11,241,021	8,256,386	(72,401,044)	(52,902,682)	-	-	-

Off-balance sheet financial instruments

	Contract Price (other financial assets / liabilities)
Forward purchase of foreign exchange	-
Forward sale of foreign exchange	-

On balance sheet financial instruments

	Note	As At December 2022 (Audited)					Fair value			
		Available for sale	Loans and receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investments										
-Federal Government Securities (Tbills + PIBs)		28,980,015	-	-	-	28,980,015	-	28,980,015	-	28,980,015
<b>Financial assets not measured at fair value</b>										
Investments										
- Shares of an unlisted company	32.2.2	954	-	-	-	954	-	-	-	-
Cash and balances with treasury banks	32.2.1	-	-	2,209,218	-	2,209,218	-	-	-	-
Balances with other banks	32.2.1	-	-	824	-	824	-	-	-	-
Lending to financial instruments	32.2.1	-	-	6,634,107	-	6,634,107	-	-	-	-
Advances	32.2.1	-	11,062,156	-	-	11,062,156	-	-	-	-
Other assets	32.2.1	-	-	1,129,659	-	1,129,659	-	-	-	-
		954	11,062,156	9,973,808	-	21,036,918	-	-	-	-
<b>Financial liabilities not measured at fair value</b>										
Bills payable	32.2.1	-	-	-	141,970	-	-	-	-	-
Borrowings	32.2.1	-	-	-	13,653,728	-	-	-	-	-
Deposits and other accounts	32.2.1	-	-	-	32,164,330	-	-	-	-	-
Deferred tax liability		-	-	-	54,234	-	-	-	-	-
Other liabilities	32.2.1	-	-	-	2,154,863	-	-	-	-	-
		-	-	-	48,169,126	-	-	-	-	-
		954	11,062,156	9,973,808	(48,169,126)	(26,990,238)	-	-	-	-
<b>Off-balance sheet financial instruments</b>										
						Contract Price (other financial assets / liabilities)				
Forward purchase of foreign exchange						-	-	-	-	-
Forward sale of foreign exchange						-	-	-	-	-

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

Debt Securities The Fair value is determined using the prices/rates available on Mutual Funds Association of Pakistan (MUFAP)/Reuters webpage.

Forward Contracts The Fair value are derived using forward exchange rates applicable to their respective remaining maturities.

32.2.1 These financial assets and liabilities are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair values.

32.2.2 The Fair Value of Term Finance Certificate (issued by PIA) and of the shares of an unlisted company (NIFT) has not been disclosed as the details thereof are not available.

### 33 SEGMENT INFORMATION

#### 33.1 Segment details with respect to business activities

	For the half year ended June 30, 2023 (Un-audited)				
	Corporate Financing	Treasury	Retail and Consumer banking	Commercial Banking	Total
	(Rupees in '000)				
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit	(827,237)	1,937,024	(78,537)	(128,408)	902,842
Inter segment (expense) / revenue - net	1,548,986	(1,881,303)	126,117	206,201	-
Non mark-up / return / interest income	42,448	8,302	1,801	-	52,551
<b>Total Income</b>	764,197	64,023	49,381	77,793	955,393
Segment direct expenses	(632,494)	(8,821)	(28,115)	(44,291)	(713,721)
Inter segment expense allocation	496,890	(166,386)	(128,332)	(202,171)	-
<b>Total expenses</b>	(135,604)	(175,207)	(156,448)	(246,464)	(713,721)
Reversals / (Provisions)	95,907	-	-	-	95,907
<b>Profit / (loss) before tax</b>	<b>724,500</b>	<b>(111,184)</b>	<b>(107,067)</b>	<b>(168,671)</b>	<b>337,579</b>
<b>Balance Sheet</b>					
Cash & Bank balances	845,327	1,744,012	-	-	2,589,339
Investments	-	55,055,958	-	-	55,055,958
Net inter segment lending	28,374,046	(28,157,539)	(98,977)	(117,530)	-
Lendings to financial institutions	-	3,475,080	-	-	3,475,080
Advances - performing	9,578,030	-	776,493	883,016	11,237,539
Advances - non-performing net of provision	(92,360)	-	5,450	90,391	3,482
Others	1,370,085	1,302,715	58,433	95,714	2,826,947
<b>Total Assets</b>	<b>40,075,128</b>	<b>33,420,226</b>	<b>741,399</b>	<b>951,591</b>	<b>75,188,344</b>
Borrowings	1,562,416	33,586,515	-	44,896	35,193,827
Deposits & other accounts	33,980,370	-	-	-	33,980,370
Others	7,858,987	94	(1,798,665)	(2,833,569)	3,226,847
<b>Total Liabilities</b>	<b>43,401,773</b>	<b>33,586,609</b>	<b>(1,798,665)</b>	<b>(2,788,673)</b>	<b>72,401,044</b>
Equity	(3,326,643)	(166,385)	2,540,063	3,740,265	2,787,300
<b>Total Equity &amp; liabilities</b>	<b>40,075,129</b>	<b>33,420,224</b>	<b>741,398</b>	<b>951,592</b>	<b>75,188,344</b>
<b>Contingencies and Commitments</b>	<b>4,279,475</b>	-	-	-	<b>4,279,475</b>

For the half year ended June 30, 2022 (Un-audited)

	Corporate Financing	Treasury	Retail and Consumer banking	Commercial Banking	Total
----- (Rupees in '000) -----					
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit-	(167,564)	748,042	(15,908)	(26,010)	538,560
Inter segment (expense) / revenue - net	650,874	(779,089)	48,658	79,557	-
Non mark-up / return / interest income	35,771	2,530	3,150	-	41,451
<b>Total Income</b>	<b>519,081</b>	<b>(28,517)</b>	<b>35,900</b>	<b>53,547</b>	<b>580,011</b>
Segment direct expenses	(525,255)	(9,887)	(23,888)	(35,631)	(594,661)
Inter segment expense allocation	110,001	51,486	(64,814)	(96,673)	-
<b>Total expenses</b>	<b>(415,254)</b>	<b>41,599</b>	<b>(88,702)</b>	<b>(132,304)</b>	<b>(594,661)</b>
Reversals / (Provisions)	37,637	-	-	-	37,637
<b>Profit / (loss) before tax</b>	<b>141,464</b>	<b>13,082</b>	<b>(52,802)</b>	<b>(78,757)</b>	<b>22,987</b>

As at December 31, 2022 (Audited)

	Corporate Financing	Treasury	Retail and Consumer banking	Commercial Banking	Total
----- (Rupees in '000) -----					
<b>Balance Sheet</b>					
Cash & Bank balances	769,158	1,440,884	-	-	2,210,042
Investments	-	28,980,969	-	-	28,980,969
Net inter segment lending	25,603,181	(25,449,539)	(69,574)	(84,068)	-
Lendings to financial institutions	-	6,634,107	-	-	6,634,107
Advances - performing	9,304,808	-	754,788	858,334	10,917,930
Advances - non-performing net of provision	39,386	-	5,962	98,878	144,226
Others	1,118,333	395,764	103,619	168,669	1,786,385
<b>Total Assets</b>	<b>36,834,866</b>	<b>12,002,184</b>	<b>794,795</b>	<b>1,041,813</b>	<b>50,673,659</b>
Borrowings	1,585,909	12,000,000	13,514	54,305	13,653,728
Deposits & other accounts	32,164,330	-	-	-	32,164,330
Others	6,563,380	72,199	(1,635,710)	(2,648,802)	2,351,068
<b>Total Liabilities</b>	<b>40,313,619</b>	<b>12,072,199</b>	<b>(1,622,196)</b>	<b>(2,594,497)</b>	<b>48,169,125</b>
Equity	(3,476,135)	(70,014)	2,415,805	3,634,877	2,504,533
<b>Total Equity &amp; liabilities</b>	<b>36,837,484</b>	<b>12,002,185</b>	<b>793,610</b>	<b>1,040,380</b>	<b>50,673,659</b>
Contingencies and Commitments	4,522,016	-	-	-	4,522,016

## 34 RELATED PARTY TRANSACTIONS

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

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

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

As at June 30, 2023 (Un-audited)				
	Director (President)	Other Key management personnel	Other related parties	Total
Note	-----Rupees in '000-----			
<b>A - BALANCES</b>				
<b>Balances with other banks</b>				
In current accounts	-	-	268	268
In deposit accounts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>268</u>	<u>268</u>
<b>Lending to financial institutions</b>				
Opening balance	1,530	-	-	1,530
Additions during the year	-	-	6,239,133	6,239,133
Repaid during the year	-	-	(6,239,133)	(6,239,133)
Transfer in / (out) - net	-	-	-	-
Closing balance	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>1,530</u>
<b>Investments</b>				
Un-listed shares	-	-	954	954
<b>Advances</b>				
Opening balance	37,831	57,706	-	95,537
Addition during the year	154	-	-	154
Repaid during the year	(2,204)	(5,550)	-	(7,753)
Transfer in / (out)	3,400	425	-	3,825
Closing balance	<u>39,181</u>	<u>52,582</u>	<u>-</u>	<u>91,763</u>
Provision held against advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Assets</b>				
Interest / mark-up accrued	305	521	-	826
ATM settlement account	-	-	-	-
	<u>305</u>	<u>521</u>	<u>-</u>	<u>826</u>
Provision against other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Half year ended June 2023 (Un-audited)

	Director (President)	Other Key management personnel	Other related parties	Total
-----Rupees in '000-----				
<b>Borrowings</b>				
Opening balance	-	-	-	-
Borrowings during the year	-	-	8,139,354	8,139,354
Settled during the year	-	-	(8,139,354)	(8,139,354)
Transfer in / (out) - net	-	-	-	-
Closing balance	-	-	-	-
<b>Deposits and other accounts</b>				
Opening balance	5,285	4,330	12,135	21,750
Received during the year	34,180	51,566	372,994	458,740
Withdrawn during the year	(34,564)	(51,361)	(369,893)	(455,818)
Transfer in / (out) - net	0.002	425	-	425
Closing balance	<b>4,901</b>	<b>4,960</b>	<b>15,236</b>	<b>25,097</b>
<b>Other Liabilities</b>				
Interest / mark-up payable	282	255	484	1,021
Payable to staff retirement fund	-	-	-	-
Retirement benefit payable	-	8,541	-	8,541
	<b>282</b>	<b>8,796</b>	<b>484</b>	<b>9,562</b>
<b>Contingencies and Commitments</b>	-	-	-	-
<b>B - TRANSACTIONS</b>				
<b>Income</b>				
Mark-up / return / interest earned	922	980	10,877	12,779
Dividend income	-	-	5,026	5,026
<b>Expense</b>				
Mark-up / return / interest expensed	282	255	25,078	25,615
Operating expenses	-	-	2,726	2,726
Remuneration and allowances	19,569	40,700	-	60,269
Director's meeting fee	-	760	-	760
Reimbursement of expenses to directors	10	-	-	10

**As at December 31, 2022 (Audited)**

	Director (President)	Other Key management personnel	Other related parties	Total
Note	-----Rupees in '000-----			
<b>A - BALANCES</b>				
<b>Balances with other banks</b>				
In current accounts	-	-	5,877	5,877
In deposit accounts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,877</u>	<u>5,877</u>
<b>Lending to financial institutions</b>				
Opening balance	-	-	-	-
Additions during the year	1,575	-	3,036,727	3,038,302
Repaid during the year	(45)	-	(3,036,727)	(3,036,772)
Transfer in / (out) - net	-	-	-	-
Closing balance	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>1,530</u>
<b>Investments</b>				
Un-listed shares	9.8	-	954	954
<b>Advances</b>				
Opening balance	360	20,541	-	20,901
Addition during the year	-	2,525	-	2,525
Repaid during the year	(3,529)	(9,861)	-	(13,390)
Transfer in / (out)	41,000	44,502	-	85,502
Closing balance	<u>37,831</u>	<u>57,707</u>	<u>-</u>	<u>95,538</u>
Provision held against advances	-	-	-	-
<b>Other Assets</b>				
Interest / mark-up accrued	315	330	-	645
ATM settlement account	-	-	-	-
	<u>315</u>	<u>330</u>	<u>-</u>	<u>645</u>
Provision against other assets	-	-	-	-

As at December 31, 2022 (Audited)				
	Director (President)	Other Key management personnel	Other related parties	Total
Note	-----Rupees in '000-----			
<b>Borrowings</b>				
Opening balance	-	-	-	-
Borrowings during the year	-	-	9,830,586	9,830,586
Settled during the year	-	-	(9,830,586)	(9,830,586)
Transfer in / (out) - net	-	-	-	-
Closing balance	-	-	-	-
<b>Deposits and other accounts</b>				
Opening balance	2,066	7,500	10,560	20,126
Received during the year	38,588	109,173	381,493	529,255
Withdrawn during the year	(35,369)	(112,343)	(379,919)	(527,631)
Transfer in / (out) - net	0.002	-	-	-
Closing balance	<b>5,285</b>	<b>4,330</b>	<b>12,135</b>	<b>21,750</b>
<b>Other Liabilities</b>				
Interest / mark-up payable	339	753	403	1,495
Payable to staff retirement fund	-	-	-	-
Retirement benefit payable	-	7,392	-	7,392
	<b>339</b>	<b>8,145</b>	<b>403</b>	<b>8,887</b>
<b>Contingencies and Commitments</b>				
	-	-	-	-

Half year ended June 2022 (Un-audited)				
	Director (President)	Other Key management personnel	Other related parties	Total
	-----Rupees in '000-----			
<b>B - TRANSACTIONS</b>				
<b>Income</b>				
Mark-up / return / interest earned	578	644	-	1,222
Dividend income	-	-	-	-
<b>Expense</b>				
Mark-up / return / interest expensed	116	366	20,245	20,726
Operating expenses	-	-	2,636	2,636
Remuneration and allowances	16,397	28,172	-	44,569
Director's meeting fee	-	800	-	800
Reimbursement of expenses to directors	30	-	-	30



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

### 35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)	2,080,859	1,912,474
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**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital	2,498,464	2,297,533
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	2,498,464	2,297,533
Eligible Tier 2 Capital	298,828	326,094
Total Eligible Capital (Tier 1 + Tier 2)	2,797,292	2,623,627

**Risk Weighted Assets (RWAs):**

Credit Risk	5,930,548	7,024,355
Market Risk	5,165,160	488,380
Operational Risk	2,214,238	2,286,413
Total	13,309,946	9,799,148

Common Equity Tier 1 Capital Adequacy Ratio	18.77%	23.45%
Tier 1 Capital Adequacy Ratio	18.77%	23.45%
Total Capital Adequacy Ratio	21.02%	26.77%

**Leverage Ratio (LR):**

Eligible Tier-1 Capital	2,498,464	2,297,533
Total Exposure	76,563,581	52,373,849
Leverage Ratio	3.26%	4.39%

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets	27,305,697	20,022,724
Total Net Cash Outflow	9,665,263	10,830,646
Liquidity Coverage Ratio	283%	185%

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding	31,648,532	30,654,251
Total Required Stable Funding	8,514,158	7,943,081
Net Stable Funding Ratio	372%	386%

36

**DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on 26 JUL 2024

37

**General**

Figures have been rounded off to the nearest thousand rupees.

  
Chief Financial  
Officer

  
President /  
Chief Executive

  
Director

  
Director

  
Director