

ZARAI TARAQIATI BANK LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021

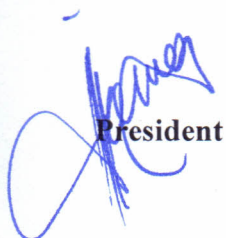
ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2021

	Note	September 30, 2021	December 31, 2020
..... Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	2,055,439	2,677,147
Balances with other banks	7	28,767,985	19,429,322
Lendings to financial institutions	8	14,761,286	11,037,975
Investments - net	9	72,008,770	39,724,960
Advances - net	10	91,643,188	102,656,270
Fixed assets	11	2,478,387	2,804,808
Intangible assets	12	1,459	19,396
Deferred tax assets - net	13	14,262,094	13,386,025
Other assets - net	14	16,414,492	18,970,348
		242,393,100	210,706,251
LIABILITIES			
Bills payable	16	363,064	402,111
Borrowings	17	120,290,307	81,163,232
Deposits and other accounts	18	44,285,747	48,200,890
Liabilities against assets subject to finance lease		-	-
Sub-ordinated loan		-	-
Deferred tax liabilities - net		-	-
Other liabilities	19	23,210,604	23,352,166
		188,149,722	153,118,399
NET ASSETS		<u>54,243,378</u>	<u>57,587,852</u>
REPRESENTED BY			
Share capital		52,678,433	52,678,433
Reserves		6,299,526	6,299,526
Surplus on revaluation of assets - net of tax	20	1,362,226	1,679,047
Accumulated loss		(6,096,807)	(3,069,154)
		<u>54,243,378</u>	<u>57,587,852</u>

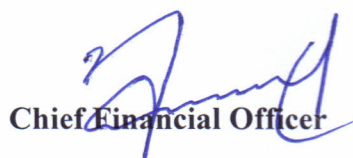
CONTINGENCIES AND COMMITMENTS

21

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements (un-audited).



President



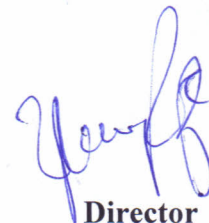
Chief Financial Officer



Director



Director

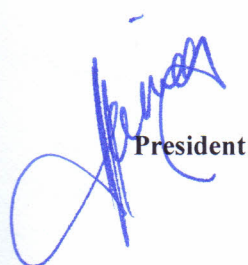


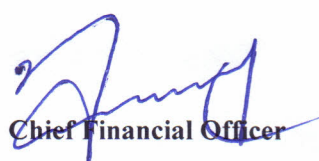
Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

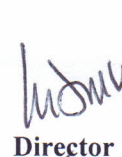
		Quarter ended		Period ended	
		September 30,	September 30,	September 30,	September 30,
Note		2021	2020	2021	2020
..... Rupees in '000					
Mark-up / return / interest earned	22	5,539,514	4,670,396	16,337,301	12,011,989
Mark-up / return / interest expensed	23	2,684,221	2,236,776	7,422,343	7,328,462
Net mark-up / interest income		2,855,293	2,433,620	8,914,958	4,683,527
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	143,073	214,903	713,335	464,167
Dividend income		49,513	35,736	75,777	53,819
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain on securities	25	5,493	5,566	11,671	7,645
Other income	26	22,644	42,051	93,460	131,963
Total non-mark-up / interest income		220,723	298,256	894,243	657,594
Total income		3,076,016	2,731,876	9,809,201	5,341,121
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	27	3,008,449	2,820,307	8,303,420	8,607,537
Workers welfare fund		-	-	-	-
Other charges	28	-	-	75,709	147,620
Total non mark-up / interest expenses		3,008,449	2,820,307	8,379,129	8,755,157
Profit / (loss) before provisions		67,567	(88,431)	1,430,072	(3,414,036)
Provisions and write offs - net	29	1,091,488	3,888,580	3,560,972	9,002,655
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(1,023,921)	(3,977,011)	(2,130,900)	(12,416,691)
Taxation	30	91,848	87,170	896,753	207,435
LOSS AFTER TAXATION		(1,115,769)	(4,064,181)	(3,027,653)	(12,624,126)
Basic loss per share (Rupees)	31	(0.21)	(0.78)	(0.57)	(2.40)
Diluted loss per share (Rupees)	31	(0.21)	(0.78)	(0.57)	(2.40)

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President


Chief Financial Officer


Director

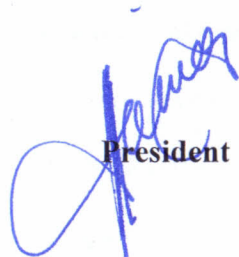

Director


Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

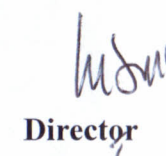
	Quarter ended		Period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	... Rupees in '000 ...			
Loss after taxation for the period	(1,115,769)	(4,064,181)	(3,027,653)	(12,624,126)
Other Comprehensive Income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax	(36,541)	(305,582)	(316,821)	(580,068)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-
Total Comprehensive Loss	(1,152,310)	(4,369,763)	(3,344,474)	(13,204,194)

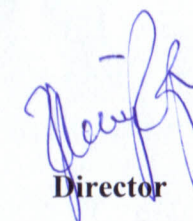
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President


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Director


Director


Director

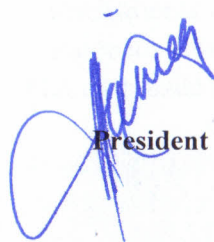
ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit / (loss)	Total
	Rupees in '000					
Balance as at January 1, 2020	52,678,433	6,239,526	60,000	2,093,590	(2,687,021)	58,384,528
Loss after taxation for the nine months ended September 30, 2020	-	-	-	-	(12,624,126)	(12,624,126)
Other comprehensive loss for the nine months ended September 30, 2020	-	-	-	(580,068)	-	(580,068)
Total comprehensive loss for the nine months ended September 30, 2020	-	-	-	(580,068)	(12,624,126)	(13,204,194)
Transferred to statutory reserve	-	-	-	-	-	-
Balance as at September 30, 2020	52,678,433	6,239,526	60,000	1,513,522	(15,311,147)	45,180,334
Profit after taxation for three months period ended December 31, 2020	-	-	-	-	10,279,953	10,279,953
Other comprehensive income for three months ended December 31, 2020	-	-	-	165,525	1,962,040	2,127,565
Total comprehensive income for three months ended December 31, 2020	-	-	-	165,525	12,241,993	12,407,518
Balance as at December 31, 2020	52,678,433	6,239,526	60,000	1,679,047	(3,069,154)	57,587,852
Loss after taxation for the nine months ended September 30, 2021	-	-	-	-	(3,027,653)	(3,027,653)
Other comprehensive loss for the nine months ended September 30, 2021	-	-	-	(316,821)	-	(316,821)
Total comprehensive loss for the nine months ended September 30, 2021	-	-	-	(316,821)	(3,027,653)	(3,344,474)
Balance as at September 30, 2021	52,678,433	6,239,526	60,000	1,362,226	(6,096,807)	54,243,378

Statutory reserves represent reserve maintained as per requirement of Section 21 of the Banking Companies Ordinance, 1962.

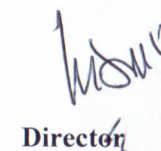
The Bank has set aside contingencies reserve for insurance of cash, building and vehicles.

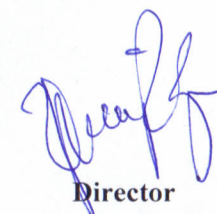
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President


Chief Financial Officer


Director

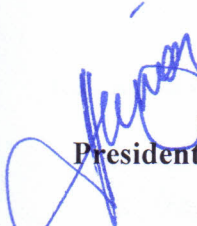

Director

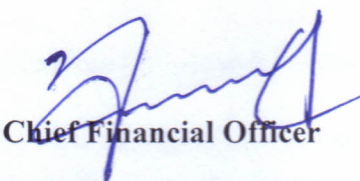

Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

		Period ended	
	Note	September 30, 2021	September 30, 2020
		..... Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	32	7,685,102	465,497
Decrease / (increase) in operating assets:			
Lendings to financial institutions		(3,723,311)	(7,545,089)
Advances - net		3,426,907	4,956,265
Other assets - net (excluding advance taxation)		1,344,407	(1,482,703)
		1,048,003	(4,071,527)
Increase / (decrease) in operating liabilities:			
Bills payable		(39,047)	(217,893)
Borrowings from financial institutions		39,127,075	7,546,526
Deposits and other accounts		(3,915,143)	3,600,228
Other liabilities		(1,175,974)	2,377,174
		33,996,911	13,306,035
Employees' benefits paid		(774,442)	(714,319)
Income tax paid		(305,657)	(329,726)
Net cash generated from operating activities		41,649,917	8,655,960
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(32,771,227)	(31,248,653)
Gain on sales of securities		11,671	7,645
Dividend received		75,777	53,819
Investments in operating fixed assets		(52,561)	(33,594)
Proceeds from sale of fixed assets		29,702	54,727
Net cash used in investing activities		(32,706,638)	(31,166,056)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(226,324)	(204,194)
Increase / (decrease) in cash and cash equivalents		8,716,955	(22,714,290)
Cash and cash equivalents at beginning of the year		22,106,469	32,857,179
Cash and cash equivalents at end of the period	33	30,823,424	10,142,889

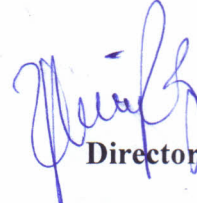
The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements (un-audited).


President


Chief Financial Officer


Director


Director


Director

ZARAI TARAQIATI BANK LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

1 THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding company

- Zarai Taraqiati Bank Limited

Subsidiary company

- Kissan Support Services (Private) Limited

1.1 Zarai Taraqiati Bank Limited ("the Bank")

(a) Reorganization and conversion

The Federal Government in its cabinet meeting held on August 28, 2002 decided for the reorganization and conversion of Agricultural Development Bank of Pakistan (ADBP) into a public limited company for the purposes of ensuring good governance, autonomy, delivering high quality and viable financial services to a greater number of rural clientele and adequate returns to stakeholders. Accordingly, the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002 was promulgated for taking over the entire undertaking of ADBP and for matters connected therewith or incidental thereto.

(b) Status

As required under section 3 of the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002, Zarai Taraqiati Bank Limited ("the Bank") was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on October 23, 2002. Consequently, under SRO 823(1)/2002 dated November 18, 2002, all the assets, contracts, liabilities, proceedings and undertakings of ADBP were transferred to, and vested in Zarai Taraqiati Bank Limited on December 14, 2002, the effective date specified by the Federal Government, on the basis of net worth determined at Rs. 8.7 billion. The Bank is domiciled in Pakistan and its registered office is situated at 1-Faisal Avenue (Zero Point), Islamabad. The Bank operates 501 (December 31, 2020: 501) branches including 5 (December 31, 2020: 5) Islamic banking branches in Pakistan as at the close of the period.

Nature of business

The main purpose of the Bank is to provide sustainable rural finance and services particularly to small farmers and low-income households to strengthen the rural and agricultural sector, mitigate poverty, capital market and investment activities and other banking business.

1.2 Kissan Support Services (Private) Limited ("the Company")

Kissan Support Services (Private) Limited was incorporated in Pakistan as a private limited company on September 19, 2005 under the Companies Ordinance, 1984. It is a fully owned subsidiary of Zarai Taraqiati Bank Limited (ZTBL). The registered office of the Company is situated at 1-Faisal Avenue (Zero Point), Islamabad. The Company's principal business is the provision of consultancy, advisory, agency and other support services on contractual basis or otherwise to the Bank.

2 BASIS OF PRESENTATION

- 2.1 These consolidated financial statements include the financial statements of the Bank and its subsidiary company.
- 2.2 The financial results of the Islamic banking branches have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating interbranch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 38 to these consolidated condensed interim financial statements.

3 STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements (un-audited) have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. These comprise of:

International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board as are notified under the Companies Act, 2017;

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

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

- 3.2 SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Moreover, SBP vide BPRD circular no. 4, dated February 25, 2015 has deferred the applicability of IFAS 3, 'Profit and Loss Sharing on Deposits. Furthermore, SECP has deferred applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through SRO 411(1)/2008 dated April 28, 2008. 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.

The disclosures made in these consolidated condensed interim financial statements (un-audited) have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements (un-audited) of the Group for the year ended December 31, 2020.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

During the period, certain amendments to standards, interpretations and improvements to accounting standards became effective, however, these do not have any material effect on the financial statements of the Group and, therefore, are not disclosed.

4.1 Standards, Interpretations and amendments to approved accounting standards that are not yet effective

- 4.1.1 The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

	Effective date (annual periods ending on or after)
IFRS 9, Financial Instruments: Classification and Measurement	January 01, 2022
IAS 1, Presentation of Financial Statements (Amendments)	January 01, 2022
IAS 16, Property, plant and equipment (Amendments)	January 01, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022

IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Group which are exposed to credit risk.

IFRS 9 is effective from January 1, 2022 as per BPRD Circular No. 24 dated July 5, 2021 of SBP. However, the Banks / DFIs are required to have a parallel run implementation of IFRS 9 for the period ending March 31, June 30 and September 30, 2021 and are also required to prepare pro-forma financial statements which include the impact of IFRS 9 from the year ended December 31, 2019.

Except for the implementation of IFRS 9, the Group expects that adoption of the amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

5 SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2020.

- 5.1** The financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group for the year ended December 31, 2020.

5.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except that certain investments have been marked to market and are carried at fair value and post employment benefits that are recorded at present value using actuarial valuation.

5.3 Critical Accounting Estimates and Judgments

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements (un-audited) are the same as that applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2020.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	456,141	562,751
With State Bank of Pakistan in:		
Local currency current account	1,335,578	1,552,407
With National Bank of Pakistan in:		
Local currency current account	96,501	121,289
Local currency deposit account	165,405	426,957
	261,906	548,246
Prize bonds	1,814	13,743
	<u>2,055,439</u>	<u>2,677,147</u>
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	108,759	128,027
In deposit accounts	28,659,226	19,301,295
	<u>28,767,985</u>	<u>19,429,322</u>
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	-	1,000,000
Bai Muajjal	51,275	51,275
Repurchase agreement lendings (reverse repo)	14,710,011	9,986,700
	<u>14,761,286</u>	<u>11,037,975</u>

9.1 Investments by types

..... Rupees in '000

Federal Government securities
Shares
Corporate sukuk
Term Finance Certificates

(Un-audited)	(Audited)
September 30,	December 31,
2021	2020
Rupees in '000	

Market Treasury bills
Pakistan Investment Bonds

9.3 Provision for diminution in value of investments

10,523	10,523
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10 ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020
..... Rupees in '000						
Loans, cash credits, running finance, etc.	74,386,766	70,669,573	41,080,406	59,225,005	115,467,172	129,894,578
Advances - gross	74,386,766	70,669,573	41,080,406	59,225,005	115,467,172	129,894,578
Provision for advances:						
- against agriculture advance	-	-	20,789,583	24,205,819	20,789,583	24,205,819
- against staff advances	-	-	34,401	32,489	34,401	32,489
- general	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	3,000,000	3,000,000	20,823,984	24,238,308	23,823,984	27,238,308
Advances - net of provision	71,386,766	67,669,573	20,256,422	34,986,697	91,643,188	102,656,270

10.1 Particulars of advances (gross)

In local currency	115,467,172	129,894,578
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10.2 Advances include Rs. 41,036.554 million (December 31, 2020: Rs. 59,183.67 million) relating to agricultural financing which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
..... Rupees in '000				
Domestic				
Other assets especially mentioned	7,214,368	-	22,101,594	-
Substandard	12,919,249	2,583,850	8,647,408	1,729,486
Doubtful	5,394,412	2,697,209	11,916,701	5,958,360
Loss	15,508,525	15,508,524	16,517,972	16,517,972
	41,036,554	20,789,583	59,183,675	24,205,818

10.3 Particulars of provision against advances

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	..... Rupees in '000					
Opening balance	24,205,818	3,000,000	27,205,818	27,468,251	3,000,000	30,468,251
Charge for the period	12,946,822	-	12,946,822	15,359,077	-	15,359,077
Reversals	(5,362,524)	-	(5,362,524)	(11,805,940)	-	(11,805,940)
	7,584,298	-	7,584,298	3,553,137	-	3,553,137
Amounts charged off	(11,000,533)	-	(11,000,533)	(6,815,570)	-	(6,815,570)
Closing balance	20,789,583	3,000,000	23,789,583	24,205,818	3,000,000	27,205,818

10.3.1 General provision amounts to Rs. 3,000 million (December 31, 2020: Rs. 3,000 million).

10.3.2 Regulations R-11, R-12, R-13 and R-15 of the Prudential Regulations for Agriculture Financing prescribe minimum standards for classification and provisioning of non-performing loans. As per the time based criteria given in the aforesaid Regulations, provision against non-performing loans is to be made at a given percentage of the difference resulting from the outstanding balance of principal less the amount of realizable liquid assets and a given percentage of the value of mortgaged lands and buildings at the time of sanction of the loans. However, the Bank has yet not availed the benefit of allowed value of mortgaged lands and buildings while computing the provision against non-performing loans.

10.3.3 In addition to the time based criteria, the Bank has further classified loans and advances amounting to Rs. 5,102.57 million (December 31, 2020: Rs. 9,283.98 million) and further de-graded the category of classified loans and advances amounting to Rs. 9,835.86 million (December 31, 2020: Rs. 11,472.26 million) on the basis of credit worthiness of the borrowers in accordance with the subjective criteria of the Prudential Regulations for Agriculture Financing.

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000	
11 FIXED ASSETS			
Capital work-in-progress	11.1	43,888	42,943
Property and equipment	11.2	1,664,303	1,850,660
Right of use assets		770,196	911,205
		<u>2,478,387</u>	<u>2,804,808</u>
11.1 Capital work-in-progress			
Civil works		35,728	35,858
Consultancy charges		6,892	6,762
Others	11.1.1	1,268	323
		<u>43,888</u>	<u>42,943</u>
11.1.1 This includes soil testing and other charges incurred at sites.			
		... (Un-audited) ...	... (Audited) ...
		September 30, 2021	September 30, 2020
		... Rupees in '000 ...	
11.2 Additions to fixed assets			
The following additions have been made during the period:			
Capital work-in-progress		945	-
Property and equipment:			
Building on leasehold land		334	-
Furniture and fixture		1,263	3,291
Electrical, office and computer equipment		2,752	14,120
Vehicles		47,304	12,918
Total		<u>52,598</u>	<u>30,329</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off is as follows:			
Furniture and fixture		164	609
Electrical, office and computer equipment		28	2
Vehicles		21,683	14,367
Total		<u>21,875</u>	<u>14,978</u>
		(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
		Rupees in '000	
12 INTANGIBLE ASSETS			
Computer Software		<u>1,459</u>	<u>19,396</u>

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
13 DEFERRED TAX ASSETS - NET			
Deductible temporary differences on:			
Defined benefit plans		633,403	628,249
Tax losses carried forward		1,160,014	2,759,984
Provision against non-performing loans and advances		13,272,212	11,021,173
		15,065,629	14,409,406
Taxable temporary differences on:			
Accelerated tax depreciation		(70,029)	(119,278)
Surplus on revaluation of investments		(733,506)	(904,103)
		(803,535)	(1,023,381)
		14,262,094	13,386,025
14 OTHER ASSETS - NET			
Income / mark-up accrued in local currency on :			
- advances - net of provision		4,754,734	5,133,329
- securities		1,240,758	826,622
- deposits		139,142	73,286
Amount recoverable from Federal Government		2,954,330	3,050,627
Tax recoverable		422,652	422,652
Branch adjustment account		1,398,721	1,538,738
Taxation (payments less provision)		4,985,344	6,281,912
Receivable from gratuity scheme - SSR 1961		119,412	119,412
Receivable from gratuity scheme - SR 2005		329,250	299,944
Non banking assets acquired in satisfaction of claims		433,556	438,665
Stationery and stamps in hand		136,734	141,720
Stock of farm machinery		11,237	11,237
Advances against salary and expenses		51,849	36,418
Security deposits		6,193	6,192
Advances and other prepayments		149,169	189,087
Others		247,904	1,422,813
		17,380,985	19,992,654
Provision held against other assets	14.1	(966,493)	(1,022,306)
Other assets - net of provisions		16,414,492	18,970,348
14.1 Provision held against other assets			
Tax recoverable		422,652	422,652
Non banking assets acquired in satisfaction of claims		433,556	438,665
Stock of farm machinery		11,237	11,237
Accrued interest on advances of ex-employees		14,138	16,387
Amount deposited with courts / legal charges recoverable		84,910	133,365
		966,493	1,022,306

(Un-audited)	(Audited)
September 30,	December 31,
2021	2020
Rupees in '000	

14.1.1 Movement in provision held against other assets

Opening balance	1,022,306	722,525
Charge for the period / year	25,450	328,591
Reversals	(81,263)	(28,810)
	(55,813)	299,781
Closing balance	966,493	1,022,306

15 CONTINGENT ASSETS

- 15.1 There is a contingency of an amount of Rs. 297.149 million and Rs. 54.828 million on account of minimum income tax levied by the Income Tax authorities under section 80-D of the Income Tax Ordinance, 1979, and various tax refunds pertaining to assessment years 1991-92 to 1998-99 and assessment year 1999-2000 respectively despite the income of the Bank being exempt from tax up to income year ended 30 June 1999. The Bank paid, under protest, these disputed tax demands and also filed writ petition in this respect in the Honorable Lahore High Court, Rawalpindi Bench, Rawalpindi. Later on, the Bank withdrew the said petition on the directions of the Federal Government and the case was referred to the Law and Justice Division of the Government of Pakistan (GoP) which decided the reference in the Bank's favour. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision and further took up the matter with Federal Cabinet for its review. Federal Cabinet referred the case to the Attorney General of Pakistan (AGP) for its final decision which was received on March 12, 2011 whereby the AGP decided that Section 27-A of the ADBP Ordinance should prevail over section 80-D of the Income Tax Ordinance, 1979.
- 15.2 Assistant Commissioner, Sindh Revenue Board (SRB) passed an order on May 11, 2019 for the period January 2012 to December 2012 creating a demand of Rs 6.42 million (principle + penalty). On June 03, 2019, payment of impugned tax amounting to Rs.6.6 million (principle + 10% surcharge) was made, under protest, to avail the SRB amnesty scheme. The Bank, however, filed appeal before Commissioner (Appeals), SRB and is expecting a favourable decision.
- 15.3 Assistant Commissioner, SRB passed an order on July 11, 2019 for the period January 2013 to December 2013 creating a demand of Rs 2.75 million. On June 03, 2019, payment of impugned tax amounting to Rs. 2.75 million was made, under protest, to avail the SRB amnesty scheme. The Bank, however, filed appeal before Commissioner (Appeals), SRB and is expecting a favourable decision.
- 15.4 Assistant Commissioner, SRB has passed an order on January 24, 2020 for the period of January 2014 to December 2014 which has created a demand of Rs. 54.6 million. On June 03, 2019 payment of impugned tax was made for Rs. 2.86 million, under protest, to avail the SRB amnesty scheme. The Bank, however, filed appeal before Commissioner (Appeals), SRB and is expecting a favourable decision.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000	
16	BILLS PAYABLE		
	In Pakistan	<u>363,064</u>	<u>402,111</u>
17	BORROWINGS		
	Secured		
	Borrowing from State Bank of Pakistan (SBP):		
	Redeemable preference shares	54,461,536	54,461,536
	Repurchase agreement borrowings	57,506,552	25,082,414
	Repurchase agreement borrowings - others	8,322,219	1,619,282
	Total secured	<u>120,290,307</u>	<u>81,163,232</u>
	Unsecured		
	Call borrowings	<u>-</u>	<u>-</u>
		<u>120,290,307</u>	<u>81,163,232</u>
18	DEPOSITS AND OTHER ACCOUNTS		
	Customers - local currency		
	Current deposits	5,617,933	7,622,606
	Saving deposits	4,880,578	5,165,026
	Term deposits	30,884,901	33,450,713
	Others	40,294	68,998
		41,423,706	46,307,343
	Financial Institutions - local currency		
	Current deposits	57,032	71,385
	Saving deposits	2,805,009	1,822,162
	Term deposits	-	-
		2,862,041	1,893,547
		<u>44,285,747</u>	<u>48,200,890</u>
19	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency on:		
	- borrowings	376,694	1,334,763
	- deposits and other accounts	1,443,553	858,421
	Accrued expenses	75,598	154,040
	Net liabilities relating to Bangladesh	189	189
	Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
	Provision for:		
	- pension scheme	9,193,240	8,504,505
	- employees' post retirement medical benefits	6,960,888	6,606,148
	- employees' compensated absences	2,698,022	2,651,667
	- gratuity scheme of the Company	303,858	290,550
	Due to Islamic Banking	555	14,995
	Security deposits	79,422	87,186
	Deferred income	10,703	11,122
	Lease liability against right-of-use assets	837,515	892,513
	Others	1,062,367	1,778,067
		<u>23,210,604</u>	<u>23,352,166</u>

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of available-for-sale securities	2,095,732	2,583,149
Deferred tax on surplus on revaluation of available-for-sale securities	(733,506)	(904,102)
	<u>1,362,226</u>	<u>1,679,047</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingent liabilities

In respect of cases filed against the Bank:

21.1.1 by borrowers; 631 (December 31, 2020: 529) cases	<u>1,368,042</u>	<u>1,204,553</u>
21.1.2 by employees; 471 (December 31, 2020: 417) cases	<u>356,316</u>	<u>616,683</u>

- Zarai Taraqiati Bank Limited

21.2.1 Income Tax Department under section 161/205 of the Income Tax Ordinance, 2001 levied income tax amounting to Rs. 7.714 million for the tax year 2004. The Bank filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) who decided the case in favour of the Bank. However, being aggrieved, the FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), hearing was fixed in this case against which the bank sought adjournment but ATIR heard the case and upheld the decision of the Assessing Officer (A.O.). A.O. on the direction of ATIR Order reassessed the earlier demand to Rs. 10.105 million by adding default surcharge. Subsequently, the ATIR decided the case in the favour of the Bank and appeal effects order is pending. However, the department has filed reference application before Islamabad High Court, Islamabad against the Order of ATIR. The Bank has not accounted for the demand as tax payable and no provision has been recognized in these financial statements as the Bank is confident for a favourable outcome.

21.2.2 The cases relating to taxation matters of the Bank for the assessment years 2002-2003 and tax years 2003 to 2009 were contested by the Bank at various forums. ATIR vide its orders dated June 09, 2010, March 1, 2011, July 22, 2011 and April 16, 2012 has decided most of the issues involved in favour of the Bank. Final appeal effects order has also been received by the Bank as per the decisions of ATIR resulting in net refunds of Rs. 4,640.154 million. However, the Commissioner Inland Revenue (CIR) has filed reference applications under section 133 of the Income Tax Ordinance, 2001 against the aforementioned ATIR orders dated June 9, 2010, March 1, 2011, July 22, 2011 and April 16, 2012 before the Honorable Lahore High Court, Rawalpindi Bench for tax years 2003, 2004, 2006 and 2007 and Honorable Islamabad High Court, Islamabad for assessment year 2002-03 and tax years 2004, 2005, 2006, 2007, 2008 and 2009. The Honouable Islamabad High Court, Islamabad decided the cases for which appeal effects from department are pending except 2007. In Tax Year 2007, the A.O. issued an order on the basis of High Court directives by creating a demand of Rs. 24.875 million, being aggrieved the Bank filed appeal before CIR(A), who remanded back the issues to A.O., appeal effects on the basis of CIR(A) Oder are pending. Provision for the cases of income tax, approximately amounting to Rs. 9,917.854 million, has not been recognized in these financial statements as the Bank is confident for a favourable outcome based on the strong ground of appeal and opinion of legal counsel of the Bank.

- 21.2.3 The Deputy Commissioner Inland Revenue (DCIR) passed orders under section 122(4) of the Income Tax Ordinance, 2001 and raised demand of Rs. 1,056.324 million for tax years 2008 and of Rs. 2,250.813 millions for Tax Year 2009 respectively aggregating to Rs. 3,307.138 million. The Bank filed appeals before CIR(A) who maintained the order. The Bank filed an appeal against the said order before ATIR which has been decided and cases have been remanded back to A.O. No order, in this regard, has been received so far. The Bank has not accounted for the demand as tax payable, as a favourable outcome is expected.
- 21.2.4 DCIR passed order under section 161 / 205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 208.337 million for tax year 2011. The Bank filed appeal before CIR(A) against the orders of DCIR who remanded back the case to A.O. for verification. The Bank filed appeal before ATIR against the orders of the CIR(A). ATIR decided the case in favour of Bank on the issue of default surcharge. However, the department has filed reference application before Honourable Islamabad High Court, Islamabad. Further, the A.O. on remanded back case, after verification on various issues, reduced the demand to Rs. 14.366 million. Being aggrieved the Bank filed appeal before CIR(A) against the order of A.O. on remanded back case who deleted various issues and also confirmed the action of A.O. on certain issues. Being aggrieved both the Bank and the department have filed appeal before ATIR against the orders of the CIR(A). ATIR against the appeals of the Bank and Department decided the case in favour of the Bank. Further, on remanded back issues, the A.O. further created a demand of Rs. 7.527 million. Being aggrieved, the Bank filed appeal before CIR(A) who remanded back the case to the department for denovo consideration with the direction that while giving appeal effects, the order of ATIR may be kept in mind. Being aggrieved the Bank as well Tax Department filed the appeals to ATIR against the orders of CIR(A). The ATIR cancelled the impugned order in favour of Bank for which appeal effect is pending with A.O. The Bank has not accounted for the demand as tax payable because favourable decision is expected.
- 21.2.5 ACIR passed orders under section 122(5A) and raised demand of Rs. 3,287.662 million for Tax Year 2010, Rs. 2,922.830 million for Tax Year 2011 and Rs. 2,037.114 million for Tax Year 2012. The Bank filed appeal before CIR(A) who remanded back the cases to ACIR. The Bank filed appeals with ATIR against the orders of the CIR(A) which were decided by the ATIR in favour of the Bank in most of the issues. However, the department has filed reference application before Honorable Islamabad High Court against the issues favouring the Bank. On the directions of ATIR Orders the department passed appeal effects Orders u/s 124 / 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 616.611 million for Tax Year 2010, Rs. 844.800 million for Tax Year 2011 and Rs. 321.531 million for Tax Year 2012. Being aggrieved the Bank filed appeals before CIR(A) against the Orders of Additional Commissioner (IR) who in its Order deleted the additions in most of the issues. ACIR on the directions of CIR(A) further issued orders u/s 124 / 122(5A) for Tax Year 2010 converting the earlier demand of Rs. 616.611 million to refund of Rs. 164.934 million, for Tax Year 2011 reducing the tax liability from Rs. 844.800 million to Rs. 619.849 million and for Tax Year 2012 reducing the tax liability from Rs. 321.531 million to Rs. 5.180 million respectively. Being aggrieved the Bank as well as Tax Department filed appeals before ATIR against the order of CIR(A). ATIR against the appeal filed by the Department for Tax Year 2011 and 2012 on the issues of substandard loans and reversal of provisions against compensated absences were disposed off by upholding the decision of CIR(A) about deletion of the same and also remanded back the similar addition in 2013 to A.O. with the direction to keep pending of reassessment in accordance to the provisions of Section 124A of the Income Tax Ordinance, 2001 as the matter is subjudiced before High Court against reference application filed by the Department against the Orders of ATIR which is decided in favour of the Bank. Further, by disposing off the appeals filed by the Bank in Tax Years 2010, 2011 and 2012 and remanded back the issue of property income and arithmetic error in Assessment Order to A.O. for reassessment.

On the directions of ATIR, ACIR issued appeal effect orders u/s 124 / 122(5A) for Tax Year 2010 converting the earlier refund of Rs. 164.934 million into demand of Rs. 419.221 million, for Tax Year 2011 reducing the tax liability from Rs. 619.849 million to Rs. 181.617 million and for Tax Year 2012 converting the tax liability from Rs. 5.180 million to refund of Rs. 12.319 million respectively. Being aggrieved against the A.O. orders, the Bank filed an appeal before ATIR after exhausting CIR(A) forum who upheld the A.O. orders. The Bank has not accounted for the demand as tax payable because favourable decision is expected.

- 21.2.6 ACIR passed order under section 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 4,920.168 million for Tax Year 2013. The Bank filed appeal before CIR(A) against the orders of ACIR who deleted the demand on various issues and also confirmed the action of ACIR on certain issues. The Bank and FBR both filed appeals before ATIR against the orders of CIR(A) which were decided in favour of the Bank except for Rs. 2,830 million which were remanded back to ACIR. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. On the directions of ATIR Orders the department passed appeal effects Orders u/s 124 / 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 829.428 million. Being aggrieved the Bank filed appeals before CIR(A) against the Orders of Additional Commissioner (IR) who decided the case in most of the issues in favour of the Bank, the appeal effects on the basis of CIR(A) is pending. Being aggrieved the Bank as well as Tax Department filed appeals before ATIR against the order of CIR(A). The ATIR disposed off both the appeals by remanding back the issues to A.O. In appeal effect order the A.O. after adjustment of available refund reduced the demand of Rs.829.428 million to refund amount of Rs. 8.702 million. Being aggrieved, the Bank filed appeal to ATIR. Accordingly, no provision has been made because the Bank is expecting a favourable decision.
- 21.2.7 DCIR passed order under section 161 / 205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 27.792 million for Tax Year 2009. To avail the Government amnesty, the Bank paid Rs. 19.183 million under protest with waiver of penalty amount of Rs. 8.609 million under amnesty. The FBR allowed the amnesty to the Bank. The Bank has filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. The Bank has filed appeal before ATIR against the orders of the CIR(A) who decided the case in favour of the Bank except remanded back the issue of profit on debt for verification. However, the department has filed reference application before Honorable Islamabad High Court, Islamabad. The A.O. passed order u/s 124 read with 161 of the Income Tax Ordinance, 2001 and raised demand of Rs. 20.435 million on remanded back issue. The Bank has filed appeal before CIR(A). The A.O. on the directions of CIR(A) further issued order u/s 124 / 161 / 205 converted the earlier demand to refund of Rs. 16.752 million by adding tax of Rs. 2.431 million on profit on debt. Being aggrieved the Bank has filed appeal before ATIR against the orders of the CIR(A) and the same is pending for hearing. Accordingly, no provision has been made because the Bank is expecting a favourable decision.
- 21.2.8 DCIR passed order under section 161 / 205 of Income Tax Ordinance, 2001 and raised demand of Rs. 15.943 million for Tax Year 2012. The Bank filed appeal before CIR(A) against the orders of DCIR. CIR(A) deleted various issues and confirmed certain issues resulting to reduce the tax demand from Rs. 15.943 million to Rs. 3.892 million. Being aggrieved the Bank has filed appeal before ATIR against the orders of CIR(A). ATIR decided the case in favour of the Bank and cancelled the impugned order for which appeal effects are pending with A.O. The Bank has not accounted for the demand as tax payable as a favourable decision is expected.

- 21.2.9 DCIR passed order u/s 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 3,059 million for the Tax Year 2014. Further, on a rectification application filed by the Bank, A.O. passed rectification order by reducing demand to Rs. 1,278 million by adjustment of refund of Rs. 1,776 million and arithmetic error of Rs. 14 million. The Bank filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. Being aggrieved the Bank filed appeal before ATIR against the orders of CIR(A). The case has been remanded back by ATIR to A.O. for reassessment. Appeal effect order has been received with reduction of earlier demand to Rs. 889 million. Being aggrieved the Bank filed appeal before CIR(A) which is pending for hearing. The Bank has not accounted for the demand as tax payable as a favourable decision is expected.
- 21.2.10 ACIR passed order u/s 122(5A) of the Income Tax Ordinance, 2001 and raised demand of Rs. 5,549.705 million for the Tax Year 2015. The Bank filed appeal before CIR(A) against the orders of ACIR who upheld various issues ordered by ACIR. Being aggrieved the Bank filed appeal before ATIR against the orders of CIR(A) and the same is pending for hearing. A.O. on the directions of CIR(A) passed an Order u/s 124 / 122(5A) and reduced the demand from Rs. 5,549.705 million to Rs. 4,266.194 million by allowing partial relief. ATIR while disposing off both appeals and remanded back most of the issues to A.O. for reassessment. Assessment proceedings were completed and A.O. raised the demand from Rs. 4,266.194 million to Rs. 6,780.479 million. Being aggrieved the Bank filed appeal to CIR(A) who remanded back the case to A.O. by allowing partial relief. Being aggrieved against the CIR(A) orders Bank filed an appeal to ATIR. The Bank has not accounted for the demand as tax payable as a favourable decision is expected.
- 21.2.11 ACIR passed order u/s 122(5A) of Income Tax Ordinance, 2001 and raised demand of Rs. 1,511.521 million for the Tax Year 2016. On the directions of ATIR, except property income A.O. allowed partial relief in his order. In appeal effect order A.O. converted the demand of Rs. 1,511.521 million into refund of Rs. 416.324 million. Being aggrieved the Bank filed appeal before ATIR after exhausting the CIR(A) forum who upheld the orders of ACIR. Other than this order the A.O. passed two other assessment orders u/s 161 / 205 of the Income Tax Ordinance, 2001 and raised demand of Rs. 161.180 million and of Rs. 63.243 million respectively. CIR(A) remanded back to the A.O. of Rs. 63.243 million for issuance of speaking order. After reassessment Assessment Officer passed the appeal effect order u/s 124/129 by reducing demand to Rs. 60.377 million. The CIR(A) annulled the assessment order of Rs. 161.180 million and appeal effects are pending. Accordingly, no provision has been made because the Bank is expecting a favourable decision.
- 21.2.12 A.O. passed four assessment orders u/s 161 / 205 of the Income Tax Ordinance, 2001 for Tax Year 2015 and raised demand of Rs. 26.628 million, Rs. 0.412 million, Rs. 9.495 million and Rs. 63.469 million respectively against short deduction of withholding tax. Being aggrieved the Bank filed appeal before CIR(A) against the orders of A.O. CIR(A) remanded back to the A.O. of Rs. 26.628 million for denovo consideration and A.O. passed the order by reducing demand to Rs. 14.183 million. Being aggrieved the Bank filed an appeal to ATIR. The CIR(A) against assessment of Rs. 0.412 million upheld the decision of A.O. Being aggrieved the Bank filed an appeal to ATIR. The CIR(A) against appeal filed by the Bank annulled the assessment order of Rs. 9.495 million, annulled appeal effects are pending. CIR(A) remanded back to the A.O. of Rs. 63.469 million for issuance of speaking order. After reassessment Assessment Officer passed the appeal effect order u/s 124/129 by reducing the demand to Rs. 27.155 million. The Bank has not accounted for the demand as tax payable as a favourable decision is expected.
- 21.2.13 A.O. passed orders u/s 161 of the Income Tax Ordinance, 2001 and raised demands of Rs. 3.076 million for Tax Year 2014, Rs. 0.207 million and Rs. 2.270 million respectively for two cases of tax year 2015 against short deduction of withholding taxes under various heads. Being aggrieved the Bank filed appeals before CIR(A) who remanded back the case against the orders of A.O. for re-examination. The A.O. on the direction of CIR(A) issued appeal effects order by adjusting the earlier demand against tax refund of Tax Year 2010. On appeal, CIR(A) remand back the case to A.O. for speaking order. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 21.2.14 A.O. passed orders u/s 122(5A) of the Income Tax Ordinance, 2001 on dated 14.01.2021 and raised the demand of Rs. 983.653 million for the Tax Year 2019. Being aggrieved Bank filed an appeal & Stay application before Commissioner (Appeals) against the impugned order. Bank has not accounted for the demand as tax payable, as a favorable decision is expected.
- 21.2.15 Assessment officer passed order u/s 122 (5A) of the income tax ordinance.2001 on dated 08.04.2021 and raised the demand of Rs.4085.176 million for the Tax Year 2020. Being aggrieved bank filed an appeal to Commissioner inland revenue Appeals against the impugned order. Bank has not accounted for the demand as tax payable, as a favorable decision is expected.
- 21.2.16 The cases relating to Federal Excise Duties / Sales tax matters of the Bank for the Tax Years 2008, 2009, 2010, 2011 and 2012 were contested by the Bank at various forums. ATIR vide its orders dated May 07, 2012, January 08, 2013, November 26, 2013 and March 13, 2014 has decided most of the issues involved in favour of the Bank. However, Commissioner Inland Revenue (CIR) has filed reference applications under section 47 of the Sales Tax Act, 1990 and under section 34A of the Federal Excise Act, 2005 against the aforementioned ATIR orders before the Honorable Islamabad High Court, Islamabad for the aforementioned years. No provision for such contingent liabilities amounting to Rs. 825.121 million has been recognized as the Bank is confident for a favourable outcome.
- 21.2.17 DCIR passed orders relating to FED for the period January 2013 to December 2013 and January 2014 to December 2014 creating a demand of Rs. 738.892 million and Rs. 681.109 million respectively. The Bank filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. Being aggrieved the Bank filed appeal before ATIR who remanded back the case to A.O. for denovo consideration. On remanded back cases by ATIR the A.O. upheld its initial orders. The Bank filed appeal before CIR(A) who upheld the orders of A.O. Being aggrieved, the Bank filed appeals before ATIR against the orders of CIR(A). The ATIR in its order cancelled the Assessment Orders for the period January 2013 to December 2013 and January 2014 to December 2014, appeal effects are pendings. However the department has filed reference application before Islamabad High Court, Islamabad. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.18 DCIR passed orders relating to Sales Tax for the period January 2013 to December 2013 and January 2014 to December 2014 creating a demand of Rs. 4.470 million (Rs. 1.822 million on advertisement and Rs. 2.647 million on fixed assets) and Rs. 13.295 million (Rs. 2.273 million on advertisement and Rs. 11.122 million on fixed assets) respectively. The Bank filed appeal before CIR(A) against the orders of DCIR who upheld the orders of DCIR. Being aggrieved the Bank filed appeal before ATIR against the orders of CIR(A). ATIR has deleted the addition on fixed assets of Rs. 80.998 million on which tax amount of Rs. 13.768 million was involved and remanded back the advertisement expenses of Rs. 25.598 million on which tax amount of Rs. 4.096 million was involved) to A.O. However the department has filed reference application before Islamabad High Court, Islamabad on the issue of fixed asset deletion. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.19 Commissioner, Punjab Revenue Authority (PRA) passed order relating to Punjab Sales Tax on Services (withholding rules 2015) for the period January 2016 to December 2016 creating a demand of Rs. 10.06 million. The Bank filed appeal before Appellate Tribunal, PRA against the alleged order of Commissioner (PRA). The Appellate Tribunal, PRA has remanded back the case to the A.O. Information / details were provided to A.O. on March 3, 2020 and assessment order is still pending. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.20 ATIR, Sindh Revenue Board (SRB) passed an order for the Sales Tax on Services for the period July 2011 to December 2011 creating demand of Rs 4.69 million. ATIR passed the order in favour of the Bank wherein addition to sales tax against postal charges has been deleted. However, SRB has filed reference application before SHC, u/s 151 CPC, 1908. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 21.2.21 Assistant Commissioner (A.C.), SRB has passed an order on January 21, 2020 for the period of January 2015 to December 2015 creating a demand of Rs. 10.2 million. Bank has filed an appeal before the Commissioner, SRB against the alleged decision of A.C. (SRB). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.22 A.C. (SRB) has passed an order on January 24, 2020 for the period of January 2016 to December 2016 creating a demand of Rs. 6.68 million. The Bank has filed an appeal before the Commissioner, SRB against the alleged decision of A.C. (SRB). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.23 Order was passed by Deputy Commissioner, FBR for Tax Year 2015/16 creating demand of Rs. 712 million, vide Order-in-Original No.306 on 09.06.2020. Appeal & Stay application filed before Commissioner (Appeals) against the impugned order. Hearing for Stay Application was fixed on 14.07.2020 and rejected by the Commissioner (Appeals). However, ATIR directed the department to decide the case within 45 days and not to press for recovery of impugned dues without prior notice of 15 days. Hearing of main Appeal was fixed on 13.10.2020. Further, Stay has been granted for 30 days by the Honorable High Court. Appellate Order dt 30.10.2020 received by the C(IR) confirming the decision of DC(IR). However, Appeal alongwith Stay Application filed before AT(IR). AT(IR) granted the stay of impugned demand on 13.09.2021 for 40 days. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- Kissan Support Services (Private) Limited

- 21.2.24 The Officer Inland Revenue LTU, Islamabad has initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2009 and 2011 and created a demand of Rs.32M. The Company submitted detail reply in Jun 2015 against the show cause with complete documentary evidences, the case is pending for adjudication. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of the Company.
- 21.2.25 The Officer Inland Revenue LTU, Islamabad initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the financial year ended December 31, 2013 i.e. Tax Year 2014 and created a demand of Rs. 1.182 million. The Company filed an appeal before the Commissioner Inland Revenue(Appeals). The Commissioner passed an Order against the Company and maintained the assessment of the Officer Inland Revenue. The Company filed appeal to the Appellate Tribunal Inland Revenue, Islamabad. The Appellate tribunal Inland Revenue, Islamabad through its order dated April 18, 2017 has accepted CPR of tax withheld and deposited by the company in the month of July 2013, which was previously rejected by Officer Inland Revenue LTU, and has directed the officer Inland Revenue to reexamine the remaining issue by only treating any amount paid to ZTBL as services if payment amount is for other than salary, bonuses, overtime etc. Officer Inland Revenue was also directed to pass final order within maximum of 180 days of this order. No provision has been made in these financial statements as the management is confident that the decision of the case will be decided in favour of the Company.
- 21.2.26 The Company is facing claims launched in various Courts filed by the employees, pertaining to service promotion, dismissal from service and entry into company's premises and others. The matters are still pending before the Courts. As no amount is involved in most of the cases, therefore, the liability is not accurately quantifiable.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000	
21.3	Commitments against		
	Capital expenditures	497,094	39,411
	Consultancy expenditures	10,767	9,671
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000	
22	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	11,228,851	8,436,836
	Investments	3,541,760	1,964,895
	Securities purchased under resale agreement	621,462	199,552
	Call money lendings	206,786	38,026
	Balances with banks	738,442	1,372,680
		16,337,301	12,011,989
23	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	2,164,578	3,820,565
	Redeemable preference shares - SBP	3,063,461	3,063,461
	Securities sold under repurchased agreement	2,111,137	235,255
	Call borrowings	428	137,532
	Bank commission and other charges	7,291	7,188
	On lease liability against right-of-use assets	75,448	64,461
		7,422,343	7,328,462
24	FEE & COMMISSION INCOME		
	Branch banking customer fees	26,124	20,469
	Credit related fees	682,515	434,578
	Commission on remittances including home remittances	4,696	9,120
		713,335	464,167
25	GAIN ON SECURITIES		
	Realised	11,671	7,645
25.1	Realised gain on: Federal Government Securities	11,671	7,645
26	OTHER INCOME		
	Rent on property	40,866	70,487
	Gain on sale of fixed assets - net	7,827	39,749
	Gain on sale of non banking assets - net	6,327	15,615
	Deferred income amortization	419	293
	Others	38,021	5,819
		93,460	131,963
26.1	Other includes sale of scrap, sale of tender forms, etc.		

		(Un-audited)	
		September 30, 2021	September 30, 2020
		Rupees in '000	
27 OPERATING EXPENSES			
Total compensation expense		6,962,395	7,262,335
Property expense			
Rent & taxes		12,194	9,109
Insurance		16,095	46,844
Utilities cost		151,027	119,881
Repair and maintenance (including janitorial charges)		64,395	61,591
Depreciation		26,843	23,212
Depreciation - right of use assets		236,887	169,415
		507,441	430,052
Information technology expenses			
Software maintenance		2,533	4,643
Hardware maintenance		15,440	11,980
Depreciation		48,734	43,348
Amortisation		17,937	24,100
Network charges		30,882	34,725
		115,526	118,796
Other operating expenses			
Directors' fees and allowances		4,141	918
Fees and allowances to Shariah Board		3,227	3,657
Legal & professional charges		124,190	115,109
Travelling & conveyance		48,721	51,825
NIFT clearing charges		12,336	11,221
Depreciation		140,519	197,814
Training & development		4,406	12,442
Postage & courier charges		19,403	16,868
Communication		25,243	25,236
Stationery & printing		39,091	50,492
Marketing, advertisement & publicity		2,313	5,420
Auditors Remuneration		500	765
Motor vehicle expenses		212,073	227,695
Others		81,895	76,892
		8,303,420	8,607,537
28 OTHER CHARGES			
Penalties imposed by SBP		75,709	147,620
29 PROVISIONS AND WRITE-OFFS - NET			
Provisions against loans & advances	10.3	7,586,208	10,112,526
(Reversal) / charge of provision against other assets	14.1.1	(55,813)	(13,675)
Bad debts written off directly		(33)	27,244
Recovery of written off / charged off bad debts		(3,969,390)	(1,123,440)
		3,560,972	9,002,655

		(Un-audited)	
		September 30, 2021	September 30, 2020
		Rupees in '000	
		Note	
30	TAXATION		
	Current		1,602,225
	Deferred		(705,472)
			<u>896,753</u>
			<u>263,767</u>
			<u>(56,332)</u>
			<u>207,435</u>
31	LOSS PER SHARE - BASIC AND DILUTED		
	Loss after tax for the period		(3,027,653)
	Weighted average number of ordinary shares outstanding		5,267,843,241
			<u>5,267,843,241</u>
	Loss per share - basic and diluted (Rupees)		(0.57)
			<u>(2.40)</u>
31.1	There is no dilutive effect on the basic loss per share of the Bank.		
32	OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		
	Loss before taxation		(2,130,900)
	Less: Dividend income		(75,777)
			<u>(2,206,677)</u>
			<u>(12,416,691)</u>
	Less: Dividend income		(53,819)
			<u>(12,470,510)</u>
	Adjustments:		
	Depreciation		216,096
	Depreciaiton on right-of-use assets		236,887
	Amortization		17,937
	Amortization of deferred income		(419)
	Markup on lease liability on right-of-use assets		75,448
	Provisions and write-offs	29	7,530,362
	Provision for employees post retirement medical benefits		617,306
	Charge for defined benefit plans - net		1,217,660
	Gain on securities		(11,671)
	Gain on sale of operating fixed assets	26	(7,827)
			<u>9,891,779</u>
			<u>12,935,542</u>
			<u>7,685,102</u>
			<u>465,032</u>
33	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	6	2,055,439
	Balances with other banks	7	28,767,985
			<u>30,823,424</u>
			<u>10,142,889</u>

34 FAIR VALUE MEASUREMENT

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

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

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

34.1 Fair value of financial assets

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

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

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

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

34.2 Valuation technique used & key inputs

Revaluation rates for Treasury bills and Pakistan Investment Bonds are contributed by money market brokers on daily basis while for listed securities; daily prices announcement by Pakistan Stock Exchange.

Investment in subsidiary and other unlisted securities have not been carried out at fair value in accordance with the SBP guidelines.

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:

September 30, 2021 (Un-audited)

September 30, 2022 (in Rupees)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	..... Rupees in '000				
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government Securities	66,806,893	-	66,806,893	-	66,806,893
- Shares	2,599,107	2,599,107	-	-	2,599,107
- Debt securities (TFCs, Sukuk)	2,602,770	2,602,770	-	-	2,602,770
	72,008,770	5,201,877	66,806,893	-	72,008,770

December 31, 2020 (Audited)

December 31, 2020 (Audited)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	..... Rupees in '000				
On balance sheet financial instruments					
Financial assets measured at fair value					
Investmnnents					
- Federal Government Securities	33,965,602	-	33,965,602	-	33,965,602
- Shares	2,869,626	2,869,626	-	-	2,869,626
- Debt securities (TFCs, Sukuk)	2,889,732	2,889,732	-	-	2,889,732
	39,724,960	5,759,358	33,965,602	-	39,724,960

35 SEGMENT INFORMATION

35.1 Segment Details with respect to Business Activities:

The segment analysis with respect to business activity is as follows:

	September 30, 2021 (Un-audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	6,033,118	2,780,463	38,745	8,852,326
Inter segment revenue - net	723,650	(723,650)	-	-
Non mark-up / return / interest income	817,169	87,448	224	904,841
Total Income	7,573,937	2,144,261	38,969	9,757,167
Segment direct expenses	8,175,769	31,331	45,920	8,253,020
Inter segment expense allocation	-	-	-	-
Total expenses	8,175,769	31,331	45,920	8,253,020
Provisions	3,560,972	-	-	3,560,972
(Loss) / profit before tax	(4,162,804)	2,112,930	(6,951)	(2,056,825)
Balance Sheet				
Cash & Bank balances	1,940,971	26,736,784	2,145,631	30,823,386
Investments	-	70,859,240	1,249,530	72,108,770
Net inter segment lendings	500,000	-	-	500,000
Lendings to financial institutions	-	14,710,011	51,275	14,761,286
Advances - performing	74,386,766	-	-	74,386,766
- non-performing (net of provision)	17,256,422	-	-	17,256,422
Others	31,560,849	1,362,088	42,171	32,965,108
Total Assets	125,645,008	113,668,123	3,488,607	242,801,738
Borrowings	54,461,536	65,828,771	-	120,290,307
Subordinated debt	-	-	-	-
Deposits & other accounts	42,357,880	-	2,880,055	45,237,935
Net inter segment borrowing	-	-	500,000	500,000
Others	23,146,083	83,732	132,510	23,362,325
Total Liabilities	119,965,499	65,912,503	3,512,565	189,390,567
Equity	52,048,945	1,386,184	(23,958)	53,411,171
Total Equity & Liabilities	172,014,444	67,298,687	3,488,607	242,801,738
Contingencies & Commitments	32,937,910	-	-	32,937,910

September 30, 2020 (Un-audited)

	Branch banking & agri financing	Treasury	Islamic banking	Total
..... Rupees in '000				
Profit & Loss				
Net mark-up/return/profit	1,644,873	2,898,370	41,620	4,584,863
Inter segment revenue - net	973,698	(973,698)	-	-
Non mark-up / return / interest income	624,951	61,464	411	686,826
Total Income	3,243,522	1,986,136	42,031	5,271,689
Segment direct expenses	8,765,485	27,431	46,393	8,839,309
Inter segment expense allocation	-	-	-	-
Total expenses	8,765,485	27,431	46,393	8,839,309
Provisions	9,002,655	-	-	9,002,655
(Loss) / profit before tax	(14,524,618)	1,958,705	(4,362)	(12,570,275)

December 31, 2020 (Audited)

	Branch banking & agri financing	Treasury	Islamic banking	Total
..... Rupees in '000				
Balance Sheet				
Cash & Bank balances	1,695,535	18,981,903	1,428,993	22,106,431
Investments	-	39,067,304	757,656	39,824,960
Net inter segment lending	500,000	-	-	500,000
Lendings to financial institutions	-	10,986,700	51,275	11,037,975
Advances - performing	70,669,573	-	-	70,669,573
- non-performing (net of provision)	31,986,697	-	-	31,986,697
Others	33,900,673	1,084,904	74,832	35,060,409
Total Assets	138,752,478	70,120,811	2,312,756	211,186,045
Borrowings	54,461,536	26,701,696	-	81,163,232
Subordinated debt	-	-	-	-
Deposits & other accounts	47,363,910	-	1,821,607	49,185,517
Net inter segment borrowing	-	-	500,000	500,000
Others	23,618,990	20,558	10,593	23,650,141
Total Liabilities	125,444,436	26,722,254	2,332,200	154,498,890
Equity	55,005,944	1,679,047	2,164	56,687,155
Total Equity & Liabilities	180,450,380	28,401,301	2,334,364	211,186,045
Contingencies & Commitments	24,004,823	-	-	24,004,823

36 RELATED PARTY TRANSACTIONS AND BALANCES

The Group has related party relationship with its subsidiary company, employee benefit plans, Agriculture Technology Development fund and the Bank's key management personnel.

	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	..... Rupees in '000					
Investments	-	-	-	-	-	-
Advances						
Opening balance	49,892	26,483	-	-	-	-
Addition	19,788	32,683	-	-	-	-
Repaid	(8,940)	(9,274)	-	-	-	-
Closing balance	60,740	49,892	-	-	-	-
Other assets						
Interest / mark-up accrued	9,112	9,472	-	-	-	-
Receivable at the end of the period	-	-	448,662	419,356	-	-
Deposits and other accounts						
Opening balance	5,927	5,566	9,695,509	13,342,343	205,600	182,383
Received during the period / year	63,798	83,758	9,352,151	22,428,079	383,490	362,222
Withdrawn during the period / year	(62,233)	(83,397)	(11,240,664)	(26,074,913)	(369,877)	(339,005)
Closing balance	7,492	5,927	7,806,996	9,695,509	219,213	205,600
Other liabilities						
Interest / mark-up payable	-	-	428,201	102,786	433	3,890
Payable at the end of the period	-	-	18,852,150	17,762,320	-	-
	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	..... (Un-audited) Period ended September 30,					
	2021	2020	2021	2020	2021	2020
	..... Rupees in '000					
Income						
Mark-up / interest earned	1,073	1,073	-	-	-	-
Rental income	-	-	-	-	-	-
Expense						
Mark-up / interest paid	-	-	32,974	500,067	10,068	16,940
Compensation	85,202	85,202	-	-	-	-
Post retirement benefit	4,950	4,950	-	-	-	-
Contribution to defined benefit plan	984	984	-	-	-	-
Cost of services rendered	-	-	-	-	-	-

36.1 Transactions with Government related entities

The Federal Government through SBP holds controlling interest in the Group and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Group.

The Group in the normal course of business enters into transaction with Government-related entities. Such transactions include deposits from and provision of other banking services to Government-related entities. However, these transactions have not been treated as related parties transactions for the purpose of this disclosure.

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2021 ... Rupees in '000 ...	(Audited) December 31, 2020
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	45,749,419	48,708,582
Capital Adequacy Ratio:		
Eligible Common Equity Tier 1 (CET 1) Capital	43,001,414	46,944,995
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	43,001,414	46,944,995
Eligible Tier 2 Capital	2,844,398	3,425,490
Total Eligible Capital (Tier 1 + Tier 2)	45,845,812	50,370,485
Risk Weighted Assets (RWAs):		
Credit Risk	118,573,729	139,715,446
Market Risk	5,198,225	5,739,250
Operational Risk	20,215,413	20,215,413
Total	143,987,367	165,670,109
Common Equity Tier 1 Capital Adequacy Ratio	29.86%	28.34%
Tier 1 Capital Adequacy Ratio	29.86%	28.34%
Total Capital Adequacy Ratio	31.84%	30.40%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	43,001,414	46,944,995
Total exposures	300,314,692	237,417,427
Leverage ratio	14.32%	19.77%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	4,080,619	21,665,571
Total Net Cash Outflow	3,540,849	2,763,473
Liquidity Coverage Ratio	115%	784%
Net Stable Funding		
Total Available Stable Funding	143,792,234	153,645,253
Total Required Stable Funding	113,581,107	120,322,430
Net Stable Funding Ratio	127%	128%

38 ISLAMIC BANKING BUSINESS

The bank is operating 5 (December 31, 2020: 5) Islamic banking branches at the end of the period.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks		118,556	55,759
Balances with other banks		2,027,075	1,373,234
Due from financial institutions	38.1	51,275	51,275
Investments	38.2	1,249,530	757,656
Islamic financing and related assets - net		-	-
Fixed assets		8,084	11,459
Intangible assets		-	-
Due from Head Office		-	27,993
Other assets		34,087	35,380
Total Assets		3,488,607	2,312,756
LIABILITIES			
Bills payable		863	1,201
Due to financial institutions		-	-
Deposits and other accounts	38.3	2,880,055	1,821,607
Due to Head Office		104,620	-
Subordinated debt		-	-
Other liabilities		27,027	9,392
		3,012,565	1,832,200
NET ASSETS		476,042	480,556
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus / (deficit) on revaluation of assets		4,601	2,164
Accumulated loss	38.4	(28,559)	(21,608)
		476,042	480,556
CONTINGENCIES AND COMMITMENTS			
The profit and loss account of the Bank's Islamic banking branches is as follows:			
	Note	(Un-audited) September 30, 2021	September 30, 2020
		Rupees in '000	
Profit / return earned	38.5	148,176	58,696
Profit / return expensed	38.6	109,431	17,076
Net Profit / return		38,745	41,620
Other income			
Fee and Commission Income		224	411
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other Income		-	-
Total other income		224	411
Total Income		38,969	42,031
Other expenses			
Operating expenses		45,920	46,393
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		45,920	46,393
Loss before provisions		(6,951)	(4,362)
Provisions and write offs - net		-	-
Loss before taxation		(6,951)	(4,362)
Taxation		-	-
Loss after taxation		(6,951)	(4,362)

(Un-audited) (Audited)
September 30, December 31,
2021 2020
Rupees in '000

38.1 Due from financial institutions
Bai Muajjal Receiveable from State Bank of Pakistan

51,275 51,275.00

38.2 Investments

	September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	..... Rupees in '000							
Federal Government securities								
Ijarah sukuk	800,354	-	1,570	801,924	550,354	-	-	550,354
Non Government Debt Securities								
Listed securities	444,575	-	3,031	447,606	205,138	-	2,164	207,302
Total investments	<u>1,244,929</u>	<u>-</u>	<u>4,601</u>	<u>1,249,530</u>	<u>755,492</u>	<u>-</u>	<u>2,164</u>	<u>757,656</u>

(Un-audited) (Audited)
September 30, December 31,
2021 2020
Rupees in '000

38.3 Deposits

Customers - local currency

Current deposits

Savings deposits

Term deposits

Others

60,631	116,585
2,634,623	777,015
182,910	7,910
10	36,510
2,878,174	938,020

Financial Institutions

Savings deposits

1,881	883,587
2,880,055	1,821,607

38.4 Islamic Banking Business Accumulated Loss

Opening Balance

Add: Islamic Banking loss for the period

Less: Taxation

Closing Balance

(21,608)	(12,417)
(6,951)	(7,866)
-	1,325
(28,559)	(21,608)

(Un-audited)
September 30, September 30,
2021 2020
Rupees in '000

38.5 Profit / return earned of financing, investments and placement

Profit earned on:

Investments

Placements

49,057	14,383
99,119	44,313
148,176	58,696

38.6 Profit on deposits and other dues expensed

Deposits and other accounts

109,431	17,076
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39 CORRESPONDING FIGURES


Corresponding figures have been rearranged, reclassified or additionally incorporated in these consolidated condensed interim financial statements (un-audited) wherever necessary to facilitate comparison and better presentation.

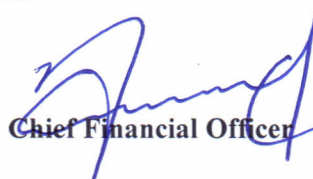
40 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements (un-audited) were authorized for issue on 17 APR 2022 by the Board of Directors of the Bank.

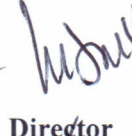
41 GENERAL

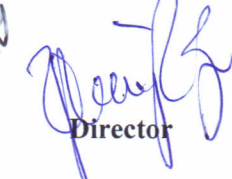
The figures in the consolidated condensed interim financial statements (un-audited) are rounded off to the nearest thousand rupees.


President


Chief Financial Officer


Director


Director


Director