

ZARAI TARAQIATI BANK LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS 31 March 2021

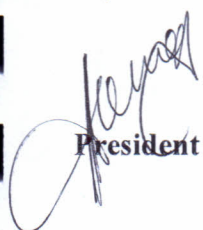
ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(UN-AUDITED) AS AT MARCH 31, 2021

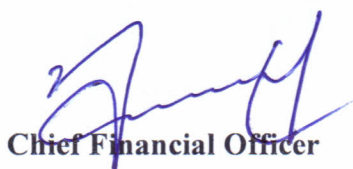
		(Un-audited) March 31, 2021 Rupees in '000	(Audited) December 31, 2020
Note			
ASSETS			
	Cash and balances with treasury banks	6 1,777,887	2,677,147
	Balances with other banks	7 16,884,478	19,429,322
	Lendings to financial institutions	8 17,693,201	11,037,975
	Investments - net	9 52,959,125	39,724,960
	Advances - net	10 95,173,703	102,656,270
	Fixed assets	11 2,747,387	2,804,808
	Intangible assets	12 11,368	19,396
	Deferred tax assets - net	13 15,216,072	13,386,025
	Other assets - net	14 18,417,643	18,970,348
		220,880,864	210,706,251
LIABILITIES			
	Bills payable	16 337,756	402,111
	Borrowings	17 95,133,414	81,163,232
	Deposits and other accounts	18 48,874,918	48,200,890
	Liabilities against assets subject to finance lease	-	-
	Sub-ordinated loan	-	-
	Deferred tax liabilities - net	-	-
	Other liabilities	19 21,781,005	23,352,166
		166,127,093	153,118,399
NET ASSETS		<u>54,753,771</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 1,289,265	1,679,047
	Unappropriated loss	(5,513,453)	(3,069,154)
		<u>54,753,771</u>	<u>57,587,852</u>

CONTINGENCIES AND COMMITMENTS

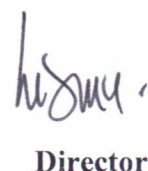
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The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.


President


Chief Financial Officer


Director


Director


Director

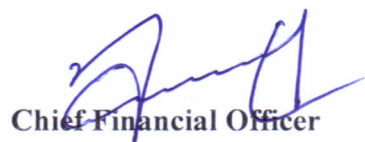
ZARAI TARAQIATI BANK LIMITED
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021**

	Note	Period ended	
		March 31,	March 31,
		2021	2020
		..... Rupees in '000	
Mark-up / return / interest earned	22	5,100,741	4,945,446
Mark-up / return / interest expensed	23	2,073,536	2,745,503
Net mark-up / interest income		3,027,205	2,199,943
NON MARK-UP / INTEREST INCOME			
Fee and commission income	24	260,399	153,843
Dividend income		-	-
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain on securities	25	1,654	-
Other income	26	38,768	87,302
Total non-mark-up / interest income		300,821	241,145
Total income		3,328,026	2,441,088
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	2,619,199	2,938,009
Workers welfare fund		-	-
Other charges		-	-
Total non mark-up / interest expenses		2,619,199	2,938,009
(Loss) / profit before provisions		708,827	(496,921)
Provisions and write offs - net	28	4,670,978	6,056,093
Extra ordinary / unusual items		-	-
LOSS BEFORE TAXATION		(3,962,151)	(6,553,014)
Taxation	29	(1,517,852)	(1,685,844)
LOSS AFTER TAXATION		(2,444,299)	(4,867,170)
Basic loss per share (Rupees)	30	(0.46)	(0.92)
Diluted loss per share (Rupees)	30	(0.46)	(0.92)

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.



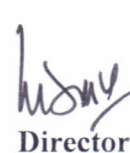
President



Chief Financial Officer



Director



Director

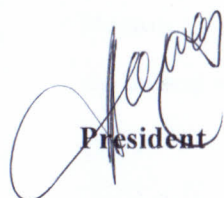


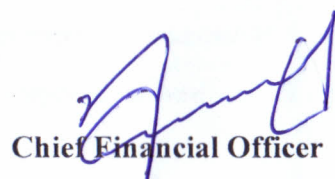
Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

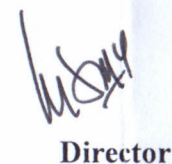
	<u>Period ended</u>	
	March 31, 2021	March 31, 2020
	... Rupees in '000 ...	
Loss after taxation for the period	(2,444,299)	(4,867,170)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(389,782)	(296,364)
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	<u>(2,834,081)</u>	<u>(5,163,534)</u>

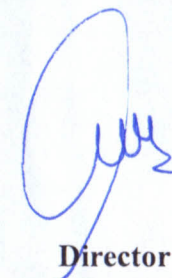
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President


Chief Financial Officer


Director


Director


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ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit	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 quarter ended March 31, 2020	-	-	-	-	(4,867,170)	(4,867,170)
Other comprehensive loss for quarter ended March 31, 2020	-	-	-	(296,364)	-	(296,364)
Total comprehensive loss for quarter ended March 31, 2020	-	-	-	(296,364)	(4,867,170)	(5,163,534)
Transferred to statutory reserve	-	-	-	-	-	-
Balance as at March 31, 2020	52,678,433	6,239,526	60,000	1,797,226	(7,554,191)	53,220,994
Loss after taxation for nine months period ended December 31, 2020	-	-	-	-	2,522,997	2,522,997
Other comprehensive income for nine months period ended December 31, 2020	-	-	-	(118,179)	1,962,040	1,843,861
Total comprehensive income/(loss) for nine months period ended December 31, 2020	-	-	-	(118,179)	4,485,037	4,366,858
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 quarter ended March 31, 2020	-	-	-	-	(2,444,299)	(2,444,299)
Other comprehensive loss for the quarter ended March 31, 2020	-	-	-	(389,782)	-	(389,782)
Total comprehensive loss for the quarter ended March 31, 2020	-	-	-	(389,782)	(2,444,299)	(2,834,081)
Balance as at March 31, 2021	52,678,433	6,239,526	60,000	1,289,265	(5,513,453)	54,753,771

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

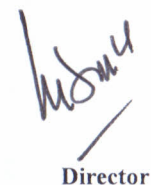
The Bank has set aside contingencies reserve for insurance of cash, building and vehicles.

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.


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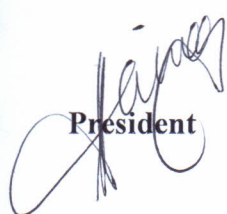

Director

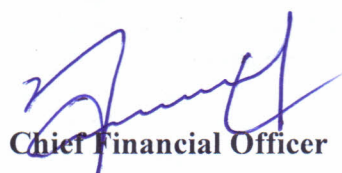

Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

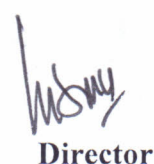
		Period ended	
	Note	March 31, 2021	March 31, 2020
		..... Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	31	2,579,382	734,168
Decrease / (increase) in operating assets:			
Lendings to financial institutions		(6,655,226)	(289,847)
Advances - net		1,676,536	2,006,917
Other assets - net (excluding advance taxation)		605,176	(586,012)
		(4,373,514)	1,131,058
Increase / (decrease) in operating liabilities:			
Bills payable		(64,355)	(215,204)
Borrowings from financial institutions		13,970,182	(14,354,749)
Deposits and other accounts		674,028	747,451
Other liabilities		(1,967,378)	147,496
		12,612,477	(13,675,006)
Employees' benefits paid		(219,143)	(352,738)
Income tax paid		(112,782)	(106,841)
Net cash flow generated from / (used in) operating activities		10,486,420	(12,269,359)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(13,832,175)	1,519,023
Investments in operating fixed assets		(30,964)	(859)
Proceeds from sale of fixed assets		6,201	36,669
Net cash generated from investing activities		(13,856,938)	1,554,833
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(73,586)	(55,885)
Decrease in cash and cash equivalents		(3,444,104)	(10,770,411)
Cash and cash equivalents at beginning of the period		22,106,469	32,857,179
Cash and cash equivalents at end of the period	32	18,662,365	22,086,768

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.


President


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Director


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ZARAI TARAQIATI BANK LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 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 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.

(c) 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 37 to these consolidated condensed interim financial statements.

3 STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements 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 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 Financial Reporting Standard (IFRS) 9, 'Financial Instruments: Recognition and Measurement' through BPRD Circular No. 4 dated October 23, 2019 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 consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.
- 3.3 The disclosures made in these consolidated condensed interim financial statements 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 of the Bank 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, 2021
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 Bank which are exposed to credit risk.

IFRS 9 is effective from January 1, 2021 as per BPRD Circular No. 4 dated October 23, 2019 of SBP. However, Implementation guidelines from SBP for consistent application of IFRS 9 across the banking industry are awaited. Therefore these consolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime.

Except for the implementation of IFRS 9, the Bank 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 audited 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 are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2020.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	379,154	562,751
With State Bank of Pakistan in:		
Local currency current account	1,150,601	1,552,407
With National Bank of Pakistan in:		
Local currency current account	80,791	121,289
Local currency deposit account	161,060	426,957
	241,851	548,246
Prize bonds	6,281	13,743
	<u>1,777,887</u>	<u>2,677,147</u>
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	117,062	128,027
In deposit accounts	16,767,416	19,301,295
	<u>16,884,478</u>	<u>19,429,322</u>
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	4,000,000	1,000,000
Repurchase agreement lendings (reverse repo)	13,641,926	9,986,700
Bai Muajjal receivable		
With State Bank of Pakistan	51,275	51,275
	<u>17,693,201</u>	<u>11,037,975</u>

9 INVESTMENTS - NET

9.1 Investments by types

	March 31, 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							
Available-for-sale securities								
Federal Government securities	48,546,394	-	(447,297)	48,099,097	34,161,061	-	(195,459)	33,965,602
Shares	99,819	(10,523)	2,429,384	2,518,680	99,819	(10,523)	2,780,330	2,869,626
Corporate sukuk	170,575	-	1,876	172,451	518,938	-	7,081	526,019
Term Finance Certificates	2,169,375	-	(478)	2,168,897	2,372,516	-	(8,803)	2,363,713
	50,986,163	(10,523)	1,983,485	52,959,125	37,152,334	(10,523)	2,583,149	39,724,960
Subsidiary	-	-	-	-	-	-	-	-
Total investments	<u>50,986,163</u>	<u>(10,523)</u>	<u>1,983,485</u>	<u>52,959,125</u>	<u>37,152,334</u>	<u>(10,523)</u>	<u>2,583,149</u>	<u>39,724,960</u>

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

9.2 Investments given as collateral

Market Treasury bills	19,693,156	6,562,552
Pakistan Investment Bonds	20,978,722	20,139,144
	<u>40,671,878</u>	<u>26,701,696</u>

9.3 Provision for diminution in value of investments

<u>10,523</u>	<u>10,523</u>
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10 ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2021	2020	2021	2020	2021	2020
	..... Rupees in '000					
Loans, cash credits, running finance, etc.	72,688,984	70,669,573	48,673,746	59,225,005	121,362,730	129,894,578
Advances - gross	72,688,984	70,669,573	48,673,746	59,225,005	121,362,730	129,894,578
Provision for advances:						
- against agriculture advance	-	-	23,161,829	24,205,819	23,161,829	24,205,819
- against staff advances	-	-	27,198	32,489	27,198	32,489
- general	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	3,000,000	3,000,000	23,189,027	24,238,308	26,189,027	27,238,308
Advances - net of provision	69,688,984	67,669,573	25,484,719	34,986,697	95,173,703	102,656,270

10.1 Particulars of advances (gross)

In local currency	121,362,730	129,894,578
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10.2 Advances include Rs. 48,638.700 million (December 31, 2020: Rs. 59,183.675 million) relating to agricultural financing which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
	..... Rupees in '000			
Domestic				
Other assets especially mentioned	12,145,285	-	22,101,594	-
Substandard	12,679,832	2,535,971	8,647,408	1,729,486
Doubtful	6,375,467	3,187,742	11,916,701	5,958,360
Loss	17,438,116	17,438,116	16,517,972	16,517,972
	48,638,700	23,161,829	59,183,675	24,205,818

10.3 Particulars of provision against advances

	March 31, 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	7,176,697	-	7,176,697	15,359,077	-	15,359,077
Reversals	(1,365,374)	-	(1,365,374)	(11,805,940)	-	(11,805,940)
	5,811,323	-	5,811,323	3,553,137	-	3,553,137
Amounts charged off	(6,855,312)	-	(6,855,312)	(6,815,570)	-	(6,815,570)
Closing balance	23,161,829	3,000,000	26,161,829	24,205,818	3,000,000	27,205,818

10.3.1 Particulars of provision against non-performing advances

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	..... Rupees in '000					
In local currency	23,161,829	3,000,000	26,161,829	24,205,818	3,000,000	27,205,818

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, as a matter of prudence the Bank has 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. 5,949.138 million (December 31, 2020: 9,283.983 million) and further de-graded the category of classified loans and advances amounting to Rs. 11,803.62 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) March 31, 2021	(Audited) December 31, 2020
		Rupees in '000	
11	FIXED ASSETS		
Capital work-in-progress	11.1	42,943	42,943
Property and equipment	11.2	1,802,469	1,850,660
Right of use assets		901,975	911,205
		<u>2,747,387</u>	<u>2,804,808</u>
11.1	Capital work-in-progress		
Civil works		35,858	35,858
Consultancy charges		6,762	6,762
Others	11.1.1	323	323
		<u>42,943</u>	<u>42,943</u>
11.1.1 This includes soil testing and other charges incurred at sites.			
		... (Un-audited) ...	
		March 31,	March 31,
		2021	2020
		... Rupees in '000 ...	
11.2	Additions to fixed assets		
The following additions have been made during the period:			
Property and equipment:			
Buidling on freehold land		-	-
Furniture and fixture		563	-
Electrical, office and computer equipment		242	865
Vehicles		30,388	-
Total		<u>31,193</u>	<u>865</u>
11.3	Disposal of fixed assets		
The net book value of fixed assets disposed off is as follows:			
Furniture and fixture		164	8
Electrical, office and computer equipment		430	1
Vehicles		3,671	1,177
Total		<u>4,265</u>	<u>1,186</u>
		(Un-audited)	(Audited)
		March 31,	December 31,
		2021	2020
		Rupees in '000	
12	INTANGIBLE ASSETS		
Computer Software		<u>11,368</u>	<u>19,396</u>

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		Rupees in '000	
13 DEFERRED TAX ASSETS - NET			
Deductible temporary differences on:			
Defined benefit plans		630,167	628,249
Tax losses carried forward		2,759,984	2,759,984
Provision against non-performing loans and advances		12,628,515	11,021,173
		16,018,666	14,409,406
Taxable temporary differences on:			
Accelerated tax depreciation		(108,374)	(119,278)
Surplus on revaluation of investments	20	(694,219)	(904,103)
		(802,593)	(1,023,381)
		<u>15,216,072</u>	<u>13,386,025</u>
14 OTHER ASSETS - NET			
Income / mark-up accrued in local currency on :			
- advances - net of provision		6,148,449	5,133,329
- securities		633,042	826,622
- deposits		41,630	73,286
Amount recoverable from Federal Government		3,187,654	3,050,627
Tax recoverable		422,652	422,652
Branch adjustment account		883,931	1,538,738
Taxation (payments less provision)		6,292,383	6,281,912
Receivable from gratuity scheme - SSR 1961		119,412	119,412
Receivable from gratuity scheme - SR 2005		311,529	299,944
Non banking assets acquired in satisfaction of claims		435,505	438,665
Stationery and stamps in hand		135,456	141,720
Stock of farm machinery		11,237	11,237
Advances against salary and expenses		45,547	36,418
Security deposits		6,192	6,192
Advances and other prepayments		145,128	189,087
Others		578,202	1,422,813
		<u>19,397,949</u>	<u>19,992,654</u>
Provision held against other assets	14.1	(980,306)	(1,022,306)
Other assets - net of provisions		<u>18,417,643</u>	<u>18,970,348</u>
14.1 Provision held against other assets			
Tax recoverable		422,652	422,652
Non banking assets acquired in satisfaction of claims		435,505	438,665
Stock of farm machinery		11,237	11,237
Accrued interest on advances of ex-employees		14,391	16,387
Amount deposited with courts / legal charges recoverable		96,521	133,365
		<u>980,306</u>	<u>1,022,306</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 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	10,326	328,591
Reversals	(52,326)	(28,810)
	(42,000)	299,781
Closing balance	980,306	1,022,306

15 CONTINGENT ASSETS

- 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 Bank's favour. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision, 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.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
16 BILLS PAYABLE		
In Pakistan	337,756	402,111
17 BORROWINGS		
Secured		
Borrowing from State Bank of Pakistan (SBP):		
Redeemable preference shares	54,461,536	54,461,536
Repurchase agreement borrowings	36,045,436	25,082,414
Repurchase agreement borrowings - others	4,626,442	1,619,282
Total secured	95,133,414	81,163,232
Unsecured		
Call borrowings	-	-
	95,133,414	81,163,232

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

18 DEPOSITS AND OTHER ACCOUNTS

Customers - local currency

Current deposits	5,878,724	7,622,606
Saving deposits	4,648,260	5,165,026
Term deposits	36,001,165	33,450,713
Others	36,159	68,998
	46,564,308	46,307,343

Financial Institutions - local currency

Current deposits	70,631	71,385
Saving deposits	2,239,979	1,822,162
Term deposits	-	-
	2,310,610	1,893,547
	48,874,918	48,200,890

19 OTHER LIABILITIES

Mark-up / return / interest payable in local currency on:

- borrowings	339,482	1,334,763
- deposits and other accounts	921,378	858,421
Accrued expenses	48,300	154,040
Net liabilities relating to Bangladesh	189	189
Payable to Ministry of Food Agriculture & Livestock	161,609	168,000
Provision for:		
- pension scheme	8,732,986	8,504,505
- employees' post retirement medical benefits	6,755,675	6,606,148
- employees' compensated absences	2,672,150	2,651,667
- gratuity scheme of the Company	295,189	290,550
Due to Islamic Banking	1,388	14,995
Security deposits	92,209	87,186
Deferred income	11,122	11,122
Lease liability against right-of-use assets	890,239	892,513
Others	859,089	1,778,067
	21,781,005	23,352,166

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation available-for-sale securities:

Quoted investments	2,429,384	2,780,330
Other securities	(445,899)	(197,181)
Surplus on revaluation of available-for-sale securities	1,983,485	2,583,149
Deferred tax on surplus on revaluation of available-for-sale securities	(694,220)	(904,102)
	1,289,265	1,679,047

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingent liabilities

In respect of cases filed against the Bank:

21.1.1	by borrowers; 640 (December 31, 2020: 529) cases	1,277,566	1,204,553
21.1.2	by employees; 434 (December 31, 2020: 417) cases	695,575	616,683

(a) 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 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 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 decided most of the issues involved in favour of the Bank. Final appeal effects order received by the Bank as per the decisions of ATIR resulting in net refunds of Rs. 4,640.154 million. However, Commissioner Inland Revenue (CIR) 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 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. as a favourable decision is expected. 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 has filed the appeal before the ATIR. 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. Tax department 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 4,266.194 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. The Bank filed appeals before CIR(A) against the assessment orders. 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. The Bank filed an appeal before CIR(A) against assessment order of Rs. 63.469 million, hearing is pending. 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. Being aggrieved the Bank filed appeal before CIR(A) against appeal effects orders against which CIR(A) remand back the case to A.O. for speaking order. Accordingly no provision has been made because the bank is expecting a favourable decision.
- 21.2.14 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 The cases relating to Federal Excise Duties / Sales tax matters of the Bank for the 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.

- 21.2.16 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.
- 21.2.17 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.
- 21.2.18 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. The Learned DC(PRA) created demand of Rs.10.06 million on 08.09.2020. The bank has filed Appeal before Commissioner, PRA .The Bank has not accounted for the demand as tax payable, as a favourable decision is expected
- 21.2.19 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.
- 21.2.20 Assistant Commissioner (A.C.), Sindh Revenue Board 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.
- 21.2.21 Assistant Commissioner, Sindh Revenue Board (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.

21.2.22 The order was passed by the 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 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 25.11.2020 for 60 days. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

(b) Kissan Support Services (Private) Limited

21.2.23 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.

21.2.24 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.

21.2.25 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 (2020: same as mentioned).

21.2.26 The Assistant Collector (Grade-I), Employees' Old age Benefits Institution (EOBI), Islamabad Region, has issued Show Cause Notice u/s 79 of the Land Revenue Act, 1967 (W.P. Act XVII of 1967) dated March 21, 2018 and May 28, 2018 in response to EOBI, Islamabad Region, Demand Notice dated March 07, 2018 issued u/s 12(3) of EOB Act, 1976. The Assistant Collector EOBI has created a demand of Rs. 69.804 million being dues of contributions under section 9, 9B and increase levied under section 13(1) of the Employees' Old-Age Benefits Act, 1976 for recovery as arrears of land revenue. The Company filed writ petition before the Honorable Islamabad High Court against the said orders and the Court decided the petition on dated 6.10.2020 in the light of apex court orders (PLD 2017 SC 28) and the petitioner is advised to raise its all factual and legal questions before the respective adjudicating authority (EOBI). After the decision of the court, EOBI issued a notice # EOBI/IDR/B/2021/3 dated 19 Feb 2021, u/s 9 of EOBI Act, demanding Rs.161.361 million covering period Jan 2007 to Feb 2021 by presuming 1000 employees through out the period. The Co. has taken up the case with the EOBI authority. No provision has been made in these accounts as the actual amount with reasonable accuracy is yet to be computed during proceeding with the EOBI.

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		Rupees in '000	
21.3	Commitments against		
	Capital expenditure	39,411	39,411
	ERP implementation	9,671	9,671
		(Un-audited) March 31, 2021	March 31, 2020
		Rupees in '000	
22	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	3,802,229	3,573,200
	Investments	814,361	604,703
	Securities purchased under resale agreement	236,231	8,700
	Call money lendings	81,431	359
	Balances with banks	166,489	758,484
		5,100,741	4,945,446
23	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	574,356	1,482,306
	Redeemable preference shares - SBP	1,021,154	1,021,154
	Securities sold under repurchased agreement	451,834	120,040
	Call borrowings	-	100,193
	Bank commission and other charges	2,214	2,579
	On lease liability against right-of-use assets	23,978	19,231
		2,073,536	2,745,503
		(Un-audited) March 31, 2021	March 31, 2020
		Rupees in '000	
24	FEE & COMMISSION INCOME		
	Branch banking customer fees	9,602	6,744
	Credit related fees	248,782	145,003
	Commission on remittances including home remittances	2,015	2,096
		260,399	153,843
25	GAIN ON SECURITIES		
	Realised	1,654	-
25.1	Realised gain on:		
	Federal Government Securities	1,654	-

Note

26 OTHER INCOME

Rent on property - others		27,075	27,263
Gain on sale of fixed assets - net		1,936	35,483
Gain on sale of non banking assets - net		4,945	7,496
Others	26.1	4,812	17,060
		<u>38,768</u>	<u>87,302</u>

26.1 Other includes sale of scrap, sale of tender forms, etc.

(Un-audited)
Note **March 31,** **March 31,**
2021 **2020**
Rupees in '000

27 OPERATING EXPENSES

Total compensation expense 2,201,614 2,480,588

Property expense

Rent & taxes	11,278	3,901
Insurance	15,181	14,673
Utilities cost	33,330	37,520
Repair and maintenance (including janitorial charges)	18,319	16,414
Depreciation	9,862	2,453
Depreciation - right of use assets	56,563	52,175
	<u>144,533</u>	<u>127,136</u>

Information technology expenses

Software maintenance	1,551	1,359
Hardware maintenance	2,472	1,775
Depreciation	18,136	15,714
Amortisation	8,028	8,033
Network charges	14,397	402
	<u>44,584</u>	<u>27,283</u>

Other operating expenses

Legal & professional charges	53,259	51,884
Outsourced services costs	-	-
Travelling & conveyance	14,254	18,063
NIFT clearing charges	3,806	3,449
Depreciation	46,892	77,138
Training & development	631	4,944
Postage & courier charges	6,761	7,793
Communication	7,102	7,096
Stationery & printing	12,730	19,020
Marketing, advertisement & publicity	(421)	218
Motor vehicle expenses	42,840	93,650
Others	41,286	19,747
	<u>2,619,199</u>	<u>2,938,009</u>

28 PROVISIONS AND WRITE-OFFS - NET

Provisions against loans & advances	10.3	5,806,031	6,384,462
(Reversal) / charge of provision against other assets	14.1.1	(42,000)	(24,709)
Bad debts written off directly		-	9,726
Recovery of written off / charged off bad debts		(1,093,053)	(313,386)
		<u>4,670,978</u>	<u>6,056,093</u>

29 TAXATION

Current	102,311	99,961
Deferred	(1,620,163)	(1,785,805)
	<u>(1,517,852)</u>	<u>(1,685,844)</u>

(Un-audited)

March 31, March 31,
2021 2020

30 LOSS PER SHARE - BASIC AND DILUTED

Loss after tax for the period - Rupees in '000	(2,444,299)	(4,867,170)
Weighted average number of ordinary	<u>5,267,843,241</u>	<u>5,267,843,241</u>
Loss per share - basic and diluted (Rupees)	<u>(0.46)</u>	<u>(0.92)</u>

30.1 There is no dilutive effect on the basic loss per share of the Bank.

(Un-audited)

March 31, March 31,
2021 2020

Rupees in '000

31 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

Loss before taxation		(3,962,151)	(6,553,014)
Adjustments:			
Depreciation		74,889	95,304
Depreciaton on right-of-use assets		56,563	52,175
Amortization		8,028	8,033
Markup on lease liability on right-of-use assets		23,978	19,231
Provisions and write-offs	28	5,764,031	6,369,479
Provision for employees post retirement medical benefits		211,661	254,934
Charge for defined benefit plans - net		405,973	523,509
Gain on securities		(1,654)	-
Gain on sale of operating fixed assets	26	(1,936)	(35,483)
		<u>6,541,533</u>	<u>7,287,182</u>
		<u>2,579,382</u>	<u>734,168</u>

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

32 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	6	1,777,887	2,677,147
Balances with other banks	7	16,884,478	19,429,322
		<u>18,662,365</u>	<u>22,106,469</u>

33 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.

33.1 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).

33.2 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.

33.3 Fair value of financial assets

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:

March 31, 2021 (Un-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					
Investments					
- Federal Government Securities	48,099,097	-	48,099,097	-	48,099,097
- Shares	2,518,680	2,518,680	-	-	2,518,680
Corporate sukuk	172,451	172,451	-	-	172,451
- Debt securities (TFCs, Sukuk)	2,168,897	2,168,897	-	-	2,168,897
	52,959,125	4,860,028	48,099,097	-	52,959,125
Financial assets not measured at fair value					
- Subsidiary company	-	-	-	-	-
	52,959,125	4,860,028	48,099,097	-	52,959,125
..... Rupees in '000					
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					
Investments					
- 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
Financial assets not measured at fair value					
- Subsidiary company	-	-	-	-	-
	39,724,960	5,759,358	33,965,602	-	39,724,960

34 SEGMENT INFORMATION

34.1 Segment Details with respect to Business Activities:

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

	March 31, 2021 (Un-audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	2,220,935	766,011	15,640	3,002,586
Inter segment revenue - net	220,955	(220,955)	-	-
Non mark-up / return / interest income	314,911	1,654	78	316,643
Total Income	2,756,801	546,710	15,718	3,319,229
Segment direct expenses	2,628,070	10,664	13,735	2,652,469
Inter segment expense allocation	-	-	-	-
Total expenses	2,628,070	10,664	13,735	2,652,469
Provisions	4,670,945	-	-	4,670,945
(Loss) / profit before tax	(4,542,214)	536,046	1,983	(4,004,185)
Balance Sheet				
Cash & Bank balances	1,746,466	14,944,395	1,970,763	18,661,624
Investments	-	52,338,870	720,255	53,059,125
Net inter segment lendings	500,000	-	-	500,000
Lendings to financial institutions	-	17,641,926	51,275	17,693,201
Advances - performing	72,688,984	-	-	72,688,984
- non-performing (net of provision)	22,484,719	-	-	22,484,719
Others	35,271,849	929,584	56,953	36,258,386
Total Assets	132,692,018	85,854,775	2,799,246	221,346,039
Borrowings	54,461,536	40,671,878	-	95,133,414
Subordinated debt	-	-	-	-
Deposits & other accounts	47,610,975	-	2,305,497	49,916,472
Net inter segment borrowing	-	-	500,000	500,000
Others	21,912,192	46,032	14,730	21,972,954
Total Liabilities	123,984,703	40,717,910	2,820,227	167,522,840
Equity	52,533,934	1,289,265	-	53,823,199
Total Equity & Liabilities	176,518,637	42,007,175	2,820,227	221,346,039
Contingencies & Commitments	27,799,955	-	-	27,799,955

March 31, 2020 (Un-audited)				
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	1,120,445	1,040,085	17,774	2,178,304
Inter segment revenue - net	272,491	(272,491)	-	-
Non mark-up / return / interest income	245,502	-	168	245,670
Total Income	1,638,438	767,594	17,942	2,423,974
Segment direct expenses	2,940,257	6,844	16,458	2,963,559
Inter segment expense allocation	-	-	-	-
Total expenses	2,940,257	6,844	16,458	2,963,559
Provisions	6,056,093	-	-	6,056,093
(Loss) / profit before tax	(7,357,912)	760,750	1,484	(6,595,678)
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

35 RELATED PARTY TRANSACTIONS AND BALANCES

The Bank has related party relationship with its subsidiary company, employee benefit plans, agriculture technology development fund and the Bank's key management personnel.

The transactions between the Bank and its subsidiary, Kissan Support Services (Private) Limited, are carried out on "cost plus" method. There are no transactions with key management personnel other than under their terms of employment. Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan as at December 31, 2020. Remuneration to the executives are determined in accordance with the terms of their appointment. Details of transactions with related parties and balances with them are as under:

	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	..... Rupees in '000					
Investments	-	-	-	-	-	-
Advances						
Opening balance	49,892	26,483	-	-	-	-
Addition	32,683	32,683	-	-	-	-
Repaid	(10,088)	(9,274)	-	-	-	-
Closing balance	72,487	49,892	-	-	-	-
Other assets						
Interest / mark-up accrued	8,111	9,472	-	-	-	-
Receivable at the end of the period	-	-	119,412	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	25,248	83,758	3,098,003	22,428,079	383	362,222
Withdrawn during the period / year	(25,461)	(83,397)	(3,175,634)	(26,074,913)	(115)	(339,005)
Closing balance	5,714	5,927	9,617,878	9,695,509	205,868	205,600
Other liabilities						
Interest / mark-up payable	-	-	135,774	102,786	6,991	3,890
Payable at the end of the period	-	-	18,160,811	17,762,320	-	-

	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	(Un-audited) Period ended March 31,					
	2021	2020	2021	2020	2021	2020
	Rupees in '000					
Income						
Mark-up / interest earned	442	269	-	-	-	-
Rental income	-	-	-	-	-	-
Expense						
Mark-up / interest paid	-	-	33,070	247,528	383	5,348
Compensation	1,950	27,702	-	-	-	-
Post retirement benefit	88	1,623	-	-	-	-
Contribution to defined benefit plan	-	341	-	-	-	-
Cost of services rendered	-	-	-	-	-	-

35.1 Transactions with Government related entities

The Federal Government through SBP holds controlling interest in the Bank 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 Bank.

The Bank 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.

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2021 ... Rupees in '000 ...	(Audited) December 31, 2020
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	52,678,433	48,708,582
Capital Adequacy Ratio:		
Eligible Common Equity Tier 1 (CET 1) Capital	42,404,205	46,944,995
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	42,404,205	46,944,995
Eligible Tier 2 Capital	2,867,382	3,425,490
Total Eligible Capital (Tier 1 + Tier 2)	45,271,587	50,370,485
Risk Weighted Assets (RWAs):		
Credit Risk	126,249,339	139,715,446
Market Risk	5,037,350	5,739,250
Operational Risk	20,215,413	20,215,413
Total	151,502,102	165,670,109
Common Equity Tier 1 Capital Adequacy Ratio	27.99%	28.34%
Tier 1 Capital Adequacy Ratio	27.99%	28.34%
Total Capital Adequacy Ratio	29.88%	30.40%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	42,404,205	46,944,995
Total exposures	261,555,631	237,417,427
Leverage ratio	16.21%	19.77%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	10,864,000	21,665,571
Total Net Cash Outflow	2,789,000	2,763,473
Liquidity Coverage Ratio	390%	784%
Net Stable Funding		
Total Available Stable Funding	150,468,000	153,645,253
Total Required Stable Funding	113,909,000	120,322,430
Net Stable Funding Ratio	132%	128%

37 ISLAMIC BANKING BUSINESS

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks		92,581	55,759
Balances with other banks		1,878,182	1,373,234
Due from financial institutions	37.1	51,275	51,275
Investments	37.2	720,255	757,656
Islamic financing and related assets - net		-	-
Fixed assets		10,788	11,459
Intangible assets		-	-
Due from Head Office		16,228	27,993
Other assets		29,937	35,380
Total Assets		2,799,246	2,312,756
LIABILITIES			
Bills payable		124	1,201
Due to financial institutions		-	-
Deposits and other accounts	37.3	2,305,497	1,821,607
Due to Head Office		-	-
Subordinated debt		-	-
Other liabilities		14,606	9,392
		2,320,227	1,832,200
NET ASSETS		479,019	480,556
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus / (deficit) on revaluation of assets		(674)	2,164
Unappropriated loss	37.4	(20,307)	(21,608)
		479,019	480,556

CONTINGENCIES AND COMMITMENTS

The profit and loss account of the Bank's Islamic banking branches is as follows:

		(Un-audited) March 31, 2021	March 31, 2020
	Note	Rupees in '000	
Profit / return earned	37.5	45,362	23,898
Profit / return expensed	37.6	29,722	6,124
Net Profit / return		15,640	17,774
Other income			
Fee and Commission Income		78	168
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other Income		-	-
Total other income		78	168
Total Income		15,718	17,942
Other expenses			
Operating expenses		13,735	16,458
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		13,735	16,458
Profit / (loss) before provisions		1,983	1,484
Provisions and write offs - net		-	-
Profit / (loss) before taxation		1,983	1,484
Taxation		682	-
Profit / (loss) after taxation		1,301	1,484

37.1 Due from Financial Institutions

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	..... Rupees in '000					
Secured :						
Bai Muajjal Receiveable from State Bank of Pakistan	51,275	-	51,275	51,275	-	51,275
	51,275	-	51,275	51,275	-	51,275

37.2 Investments

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminutio	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminutio	Surplus / (deficit)	Carrying value
	..... Rupees in '000							
Federal Government securities								
Ijarah sukuk	550,354	-	(2,550)	547,804	550,354	-	-	550,354
Non Government Debt Securities								
Listed securities	170,575	-	1,876	172,451	205,138	-	2,164	207,302
Total investments	720,929	-	(674)	720,255	755,492	-	2,164	757,656

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

37.3 Deposits

Customers - local currency

Current deposits	110,029	116,585
Savings deposits	95,416	777,015
Term deposits receipts	57,910	7,910
Others	4,145	36,510
	267,500	938,020

Financial Institutions

Savings deposits	2,037,997	883,587
	<u>2,305,497</u>	<u>1,821,607</u>

37.4 Islamic Banking Business Unappropriated Profit

Opening Balance	(21,608)	(12,417)
Add: Islamic Banking profit for the period	1,983	(7,866)
Less: Taxation	682	1,325
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	<u>(20,307)</u>	<u>(21,608)</u>

(Un-audited)
March 31, March 31,
2021 2020
Rupees in '000

37.5 Profit / return earned of financing, investments and placement

Profit earned on:

Financing		
Investments	15,775	2,206
Placements	29,587	21,692
	<u>45,362</u>	<u>23,898</u>

37.6 Profit on deposits and other dues expensed

Deposits and other accounts	<u>29,722</u>	<u>6,124</u>
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38 CORRESPONDING FIGURES

Corresponding figures have been rearranged, reclassified or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

39 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 01 DEC 2021 by the Board of Directors of the Bank.

40 GENERAL

The figures in the unconsolidated condensed interim financial statements are rounded off to the nearest thousand rupees.

 President

 Chief Financial Officer

 Director

 Director

 Director