

ZARAI TARAQIATI BANK LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

30 JUNE 2022

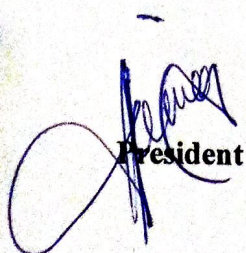
ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2022

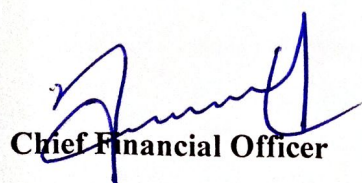
	Note	June 30, 2022 Rupees in '000	December 31, 2021
ASSETS			
Cash and balances with treasury banks	6	3,518,828	5,026,023
Balances with other banks	7	29,227,067	26,815,701
Lendings to financial institutions	8	20,045,447	16,879,487
Investments - net	9	270,835,574	82,307,245
Advances - net	10	88,312,584	91,822,307
Fixed assets	11	2,419,424	2,487,256
Intangible assets	12	81,736	35,817
Deferred tax assets - net	13	13,781,104	13,355,560
Other assets - net	14	14,419,787	16,202,582
		442,641,551	254,931,978
LIABILITIES			
Bills payable	16	441,441	442,401
Borrowings	17	324,599,967	132,357,035
Deposits and other accounts	18	36,016,686	42,495,389
Liabilities against assets subject to finance lease		-	-
Sub-ordinated loan		-	-
Deferred tax liabilities - net		-	-
Other liabilities	19	26,132,361	24,846,715
		387,190,455	200,141,540
NET ASSETS		55,451,096	54,790,438
REPRESENTED BY			
Share capital		52,678,433	52,678,433
Reserves		6,402,407	6,299,526
Surplus on revaluation of assets - net of tax	20	1,110,768	989,649
Accumulated loss		(4,740,512)	(5,177,170)
		55,451,096	54,790,438

CONTINGENCIES AND COMMITMENTS

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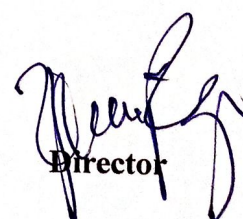
The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements (un-audited).


President


Chief Financial Officer


Director

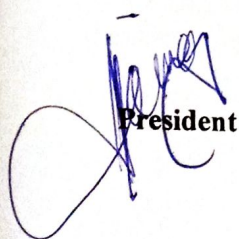

Director


Director

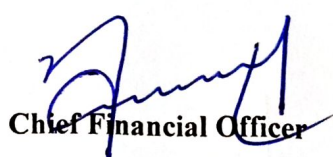
ZARAI TARAQIATI BANK LIMITED**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)****FOR THE SIX MONTHS ENDED JUNE 30, 2022**

FOR THE SIX MONTHS ENDED JUNE 30, 2022					
		Quarter ended		Period ended	
	Note	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		..... Rupees in '000			
Mark-up / return / interest earned	22	6,954,974	5,697,046	13,655,375	10,797,787
Mark-up / return / interest expensed	23	4,015,763	2,664,586	7,573,537	4,738,122
Net mark-up / interest income		2,939,211	3,032,460	6,081,838	6,059,665
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	318,889	309,863	578,432	570,262
Dividend income		38,750	26,264	38,750	26,264
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain on securities	25	4,241	4,524	8,778	6,178
Other income	26	22,803	32,048	73,736	70,816
Total non-mark-up / interest income		384,683	372,699	699,696	673,520
Total income		3,323,894	3,405,159	6,781,534	6,733,185
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	27	2,567,279	2,675,739	5,611,444	5,294,938
Workers welfare fund		-	-	-	-
Other charges	28	-	75,709	-	75,709
Total non mark-up / interest expenses		2,567,279	2,751,448	5,611,444	5,370,647
Profit before provisions		756,615	653,711	1,170,090	1,362,538
(Reversal) / provisions and write offs - net	29	(1,425,199)	(2,201,461)	(1,816,673)	2,469,517
Extra ordinary / unusual items		-	-	-	-
PROFIT / (LOSS) BEFORE TAXATION		2,181,814	2,855,172	2,986,763	(1,106,979)
Taxation	30	1,807,770	2,322,757	2,447,224	804,905
PROFIT / (LOSS) AFTER TAXATION		374,044	532,415	539,539	(1,911,884)
Basic earning / (loss) per share (Rupees)	31	0.07	0.10	0.10	(0.36)
Diluted earning / (loss) per share (Rupees)	31	0.07	0.10	0.10	(0.36)

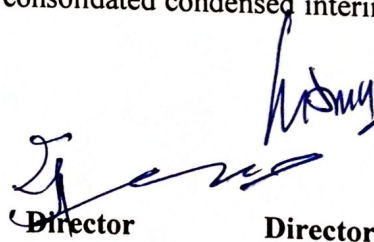
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President



Chief Financial Officer



Director

Director

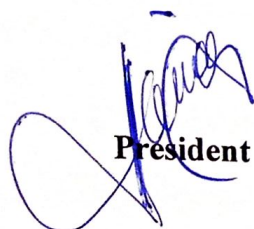


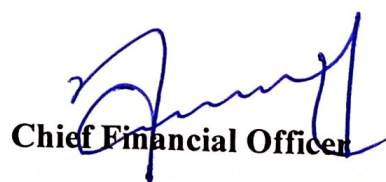
Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2022

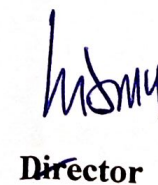
	<u>Quarter ended</u>		<u>Period ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	... Rupees in '000 ...			
Profit / (loss) after taxation for the period	374,044	532,415	539,539	(1,911,884)
Other Comprehensive Income / (Loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax	80,001	109,502	121,119	(280,280)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-
Total Comprehensive Income / (Loss)	<u>454,045</u>	<u>641,917</u>	<u>660,658</u>	<u>(2,192,164)</u>

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President


Chief Financial Officer


Director


Director


Director

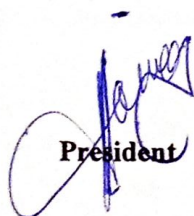
ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2022

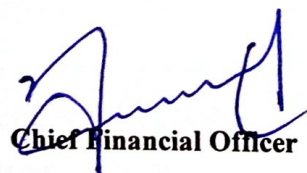
	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit / (loss)	Total
	Rupees in '000					
Balance as at January 1, 2021	52,678,433	6,239,526	60,000	1,679,047	(3,069,154)	57,587,852
Loss after taxation for the half year ended June 30, 2021	-	-	-	-	(1,911,884)	(1,911,884)
Other comprehensive loss for the half year ended June 30, 2021	-	-	-	(280,280)	-	(280,280)
Total comprehensive loss for the half year ended June 30, 2021	-	-	-	(280,280)	(1,911,884)	(2,192,164)
Transferred to statutory reserve	-	-	-	-	-	-
Balance as at June 30, 2021	52,678,433	6,239,526	60,000	1,398,767	(4,981,038)	55,395,688
Profit after taxation for six months period ended December 31, 2021	-	-	-	-	111,724	111,724
Other comprehensive loss for the half year ended December 31, 2021	-	-	-	(409,118)	(307,856)	(716,974)
Total comprehensive loss for the half year ended December 31, 2021	-	-	-	(409,118)	(196,132)	(605,250)
Transferred to statutory reserve	-	-	-	-	-	-
Balance as at December 31, 2021	52,678,433	6,239,526	60,000	989,649	(5,177,170)	54,790,438
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	539,539	539,539
Other comprehensive income for the half year ended June 30, 2022	-	-	-	121,119	-	121,119
Total comprehensive income the half year ended June 30, 2022	-	-	-	121,119	539,539	660,658
Transferred to statutory reserve	-	102,881	-	-	(102,881)	-
Balance as at June 30, 2022	52,678,433	6,342,407	60,000	1,110,768	(4,740,512)	55,451,096

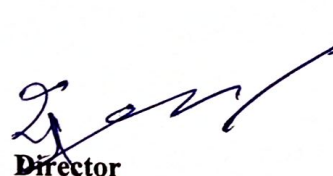
Statutory reserves represent reserve maintained as per requirement of Section 21 of the Banking Companies Ordinance, 1962.

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

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


President


Chief Financial Officer


Director

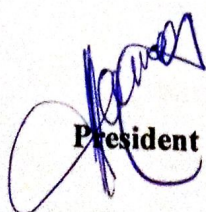

Director

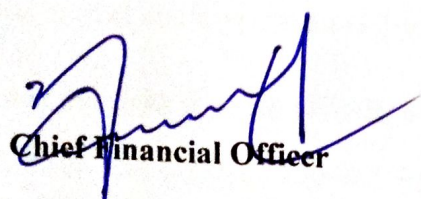

Director

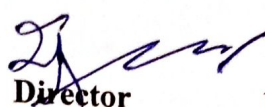
ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2022

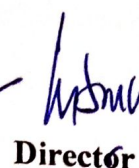
		Period ended	
	Note	June 30, 2022	June 30, 2021
		..... Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income before working capital changes	32	7,067,523	5,846,471
Decrease / (increase) in operating assets:			
Lendings to financial institutions		(3,165,960)	1,182,890
Advances - net		1,189,295	2,882,158
Other assets - net (excluding advance taxation)		(785,212)	2,770,760
		(2,761,877)	6,835,808
Increase / (decrease) in operating liabilities:			
Bills payable		(960)	(24,788)
Borrowings from financial institutions		192,242,932	28,607,279
Deposits and other accounts		(6,478,703)	1,534,470
Other liabilities		174,343	(452,470)
		185,937,612	29,664,491
Employees' benefits paid		(503,507)	(532,928)
Income tax paid		(277,889)	(217,679)
Net cash generated from operating activities		189,461,862	41,596,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(188,341,992)	(31,119,221)
Gain on sales of securities		8,778	6,178
Dividend received		38,750	26,264
Investments in operating fixed assets		(115,473)	(46,338)
Proceeds from sale of fixed assets		21,398	20,402
Net cash used in investing activities		(188,388,539)	(31,112,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(169,152)	(152,841)
Increase in cash and cash equivalents		904,171	10,330,608
Cash and cash equivalents at beginning of the period		31,841,724	22,106,469
Cash and cash equivalents at end of the period	33	32,745,895	32,437,077

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 SIX MONTHS ENDED JUNE 30, 2022

1 THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding company

- Zarai Taraqati Bank Limited

Subsidiary company

- Kissan Support Services (Private) Limited

1.1 Zarai Taraqati 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 Taraqati 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 Taraqati 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, 2021: 501) branches including 5 (December 31, 2021: 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 Taraqati 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 Statement of compliance

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.

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, 2021.

- 2.2** These consolidated condensed interim financial statements include the condensed interim financial statements of the Bank and its subsidiary company.
- 2.3** 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 SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

During the period, there are certain new and amended standards, interpretations and improvements to accounting standards that became effective. However, these are considered either not to be relevant or not to have any material effect on the financial statements of the Group and, therefore, are not disclosed.

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

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. SBP vide its BPRD Circular Letter No. 03 dated July 5, 2022 has extended the implementation date of IFRS 9 to January 1, 2023 for banks having asset size of PKR 500 billion or above as per their annual financial statements of December 31, 2021 and to January 1, 2024 for all other banks, therefore, financial impact is not considered in these consolidated condensed interim financial statements.

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. The Group expects that adoption of the same will not affect its financial statements in the period of initial application.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2021.

5 FINANCIAL RISK MANAGEMENT

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, 2021.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	776,112	572,019
With State Bank of Pakistan in:		
Local currency current account	2,309,370	2,919,203
With National Bank of Pakistan in:		
Local currency current account	184,580	1,198,284
Local currency deposit account	247,085	333,762
	431,665	1,532,046
Prize bonds	1,681	2,755
	<u>3,518,828</u>	<u>5,026,023</u>
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	85,652	124,434
In deposit accounts	29,141,415	26,691,267
	<u>29,227,067</u>	<u>26,815,701</u>
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	3,700,000	3,050,000
Bai Muajjal	51,275	51,275
Repurchase agreement lendings (Reverse Repo)	16,294,172	13,778,212
	<u>20,045,447</u>	<u>16,879,487</u>

9 INVESTMENTS - NET

9.1 Investments by types

	June 30, 2022 (Un-audited)				December 31, 2021 (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	266,368,674	-	(713,042)	265,655,632	78,001,592	-	(873,024)	77,128,568
Shares	99,819	(10,523)	2,407,900	2,497,196	99,819	(10,523)	2,375,819	2,465,115
Corporate sukuk	594,575	-	-	594,575	594,575	-	3,412	597,987
Term Finance Certificates	2,074,155	-	14,016	2,088,171	2,099,245	-	16,330	2,115,575
	269,137,223	(10,523)	1,708,874	270,835,574	80,795,231	(10,523)	1,522,537	82,307,245
Total investments	<u>269,137,223</u>	<u>(10,523)</u>	<u>1,708,874</u>	<u>270,835,574</u>	<u>80,795,231</u>	<u>(10,523)</u>	<u>1,522,537</u>	<u>82,307,245</u>

(Un-audited) (Audited)
June 30, December 31,
2022 2021
Rupees in '000

9.2 Investments given as collateral

Market Treasury bills	228,630,183	33,453,279
Pakistan Investment Bonds	33,370,862	43,392,220
	<u>262,001,045</u>	<u>76,845,499</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)
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2022	2021	2022	2021	2022	2021
	..... Rupees in '000					
Loans, cash credits, running finance, etc.	69,657,305	74,456,385	37,282,097	40,799,600	106,939,402	115,255,985
Advances - gross	69,657,305	74,456,385	37,282,097	40,799,600	106,939,402	115,255,985
Provision for advances:						
- against agriculture advance	-	-	15,580,397	20,392,883	15,580,397	20,392,883
- against staff advances	-	-	46,421	40,795	46,421	40,795
- general	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	3,000,000	3,000,000	15,626,818	20,433,678	18,626,818	23,433,678
Advances - net of provision	66,657,305	71,456,385	21,655,279	20,365,922	88,312,584	91,822,307

10.1 Particulars of advances (gross)

In local currency	106,939,402	115,255,985
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10.2 Advances include Rs. 37,221.108 million (December 31, 2021: Rs. 40,746.754 million) relating to agricultural financing which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
	..... Rupees in '000			
Domestic				
Other assets especially mentioned	15,425,550	-	10,716,466	-
Substandard	4,281,209	856,232	8,464,335	1,692,867
Doubtful	5,580,371	2,790,187	5,731,879	2,865,942
Loss	11,933,978	11,933,978	15,834,074	15,834,074
	37,221,108	15,580,397	40,746,754	20,392,883

10.3 Particulars of provision against advances

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	..... Rupees in '000					
Opening balance	20,392,883	3,000,000	23,392,883	24,205,818	3,000,000	27,205,818
Charge for the period	5,188,120	-	5,188,120	14,875,636	-	14,875,636
Reversals	(2,873,317)	-	(2,873,317)	(7,687,659)	-	(7,687,659)
	2,314,803	-	2,314,803	7,187,977	-	7,187,977
Amounts charged off	(7,127,288)	-	(7,127,288)	(11,000,912)	-	(11,000,912)
Closing balance	15,580,398	3,000,000	18,580,397	20,392,883	3,000,000	23,392,883

10.3.1 General provision amounts to Rs. 3,000 million (December 31, 2021: 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. 7,354.87 million (December 31, 2021: 7,019.92 million) and further de-graded the category of classified loans and advances amounting to Rs. 7,685.89 million (December 31, 2021: Rs. 8,182.97 million) on the basis of credit worthiness of the borrowers in accordance with the subjective criteria of the Prudential Regulations for Agriculture Financing.

	Note	2022	2021
		Rupees in '000	
10.3.4 Provision against non-performing loans and advances - net			
Provision against non-performing loans and advances	10.3	2,314,803	7,187,977
Provision against staff advances		5,626	8,307
		<u>2,320,428</u>	<u>7,196,284</u>

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
11 FIXED ASSETS			
Capital work-in-progress	11.1	45,510	43,888
Property and equipment	11.2	1,532,552	1,625,605
Right of use assets		841,362	817,763
		<u>2,419,424</u>	<u>2,487,256</u>
11.1 Capital work-in-progress			
Civil works		37,350	35,858
Consultancy charges		6,892	6,762
Others	11.1.1	1,268	1,268
		<u>45,510</u>	<u>43,888</u>
11.1.1 This includes soil testing and other charges incurred at sites.			
		(Un-audited) June 30, 2022	June 30, 2021
		... Rupees in '000 ...	
11.2 Additions to fixed assets			
The following additions have been made during the period:			
Capital work-in-progress		1,622	945
Property and equipment:			
Building on leasehold land		-	334
Furniture and fixture		793	761
Electrical, office and computer equipment		4,313	1,360
Vehicles		20,491	42,939
Total		<u>27,219</u>	<u>46,339</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off is as follows:			
Furniture and fixture		-	164
Electrical, office and computer equipment		2,826	28
Vehicles		17,518	13,138
Total		<u>20,344</u>	<u>13,330</u>
		(Un-audited) June 30, 2022	(Un-audited) December 31, 2021
		Rupees in '000	
12 INTANGIBLE ASSETS			
Computer Software		<u>81,736</u>	<u>35,817</u>

		(Un-audited)	
		June 30, 2022	June 30, 2021
		Rupees in '000	
12.1	Additions to intangible assets		
	Additions made during the period:		
	Directly purchased	72,476	-
		(Un-audited)	(Audited)
	Note	June 30, 2022	December 31, 2021
		Rupees in '000	
13	DEFERRED TAX ASSETS - NET		
	Deductible temporary differences on:		
	Defined benefit plans	811,136	812,708
	Provision against non-performing loans and advances	13,574,339	13,136,477
		14,385,475	13,949,185
	Taxable temporary differences on:		
	Accelerated tax depreciation	(6,264)	(60,737)
	Surplus on revaluation of investments	(598,107)	(532,888)
		(604,371)	(593,625)
		13,781,104	13,355,560
14	OTHER ASSETS - NET		
	Income / mark-up accrued in local currency on :		
	- advances - net of provision	5,617,683	5,416,354
	- securities	1,622,615	1,330,560
	- deposits	348,450	163,507
	Amount recoverable from Federal Government	2,776,933	2,691,252
	Tax recoverable	422,652	422,652
	Branch adjustment account	1,050,164	1,726,559
	Taxation (payments less provision)	1,120,161	3,780,258
	Receivable from gratuity scheme - SSR 1961	122,603	115,744
	Receivable from gratuity scheme - SR 2005	541,894	479,794
	Non banking assets acquired in satisfaction of claims	425,506	427,721
	Stationery and stamps in hand	124,894	127,657
	Stock of farm machinery	11,237	11,237
	Advances against salary and expenses	72,862	53,509
	Security deposits	6,199	6,198
	Advances and other prepayments	328,262	183,059
	Others	768,806	230,786
		15,360,921	17,166,847
	Provision held against other assets	(941,134)	(964,265)
	Other assets - net of provisions	14,419,787	16,202,582

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
14.1 Provision held against other assets		
Tax recoverable	422,652	422,652
Non banking assets acquired in satisfaction of claims	425,506	427,721
Stock of farm machinery	11,237	11,237
Accrued interest on advances of ex-employees	17,424	15,183
Amount deposited with courts / legal charges recoverable	64,315	87,472
	<u>941,134</u>	<u>964,265</u>

14.1.1 Movement in provision held against other assets

Opening balance	964,265	1,022,306
Charge for the period / year	17,302	38,586
Reversals	(40,433)	(96,627)
	<u>(23,131)</u>	<u>(58,041)</u>
Closing balance	<u>941,134</u>	<u>964,265</u>

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) June 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
16	BILLS PAYABLE		
	In Pakistan	441,441	442,401
17	BORROWINGS		
	Secured		
	Borrowing from State Bank of Pakistan (SBP):		
	Redeemable preference shares	54,461,536	54,461,536
	Repurchase agreement borrowings	252,538,690	74,934,577
	Repurchase agreement borrowings - others	16,899,741	1,910,922
	Total secured	323,899,967	131,307,035
	Unsecured		
	Call borrowings	700,000	1,050,000
		324,599,967	132,357,035
18	DEPOSITS AND OTHER ACCOUNTS		
	Customers - local currency		
	Current deposits	5,692,584	6,473,368
	Saving deposits	4,684,050	4,885,062
	Term deposits	24,685,948	29,545,396
	Others	25,939	41,064
		35,088,521	40,944,890
	Financial Institutions - local currency		
	Current deposits	103,654	104,110
	Saving deposits	824,511	1,446,389
	Term deposits	-	-
		928,165	1,550,499
		36,016,686	42,495,389
19	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency on:		
	- borrowings	2,215,862	1,465,844
	- deposits and other accounts	745,650	803,416
	Accrued expenses	44,664	697,294
	Net liabilities relating to Bangladesh	189	190
	Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
	Provision for:		
	- pension scheme	9,692,321	9,099,720
	- employees' post retirement medical benefits	8,418,467	7,964,423
	- employees' compensated absences	2,266,724	2,229,620
	- gratuity scheme of the company	298,826	303,966
	Due to Islamic Banking	67	496
	Security deposits	22,044	33,661
	Deferred income	10,302	10,566
	Lease liability against right-of-use assets	920,617	892,799
	Others	1,328,628	1,176,720
		26,132,361	24,846,715

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) on revaluation available-for-sale securities:		
Quoted investments	2,407,900	2,375,819
Other securities	(699,026)	(853,282)
Surplus on revaluation of available-for-sale securities	1,708,874	1,522,537
Deferred tax on surplus on revaluation of available-for-sale securities	(598,106)	(532,888)
	<u>1,110,768</u>	<u>989,649</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingent liabilities

In respect of cases filed against the Bank:

21.1.1	by borrowers; 491 (December 31, 2021: 624) cases	329,951	458,926
21.1.2	by employees; 454 (December 31, 2021: 461) cases	252,649	267,591

- Zarai Taraqiati Bank Limited

- 21.2.1 Income Tax Department under section 161/205 of the Income Tax Ordinance (ITO), 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 (AO). AO 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 ITO, 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 AO 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 AO, 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 ITO, 2001 and raised demand of Rs. 1,056.324 million for tax years 2008 and of Rs. 2,250.813 million 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 AO. 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 ITO, 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 AO 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 AO 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 AO on remanded back case who deleted various issues and also confirmed the action of AO 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 AO 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 AO. 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 ITO, 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 ACIR 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 AO with the direction to keep pending of reassessment in accordance to the provisions of Section 124(A) of the ITO, 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 AO 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 AO orders, the Bank filed an appeal before ATIR after exhausting CIR-A forum who upheld the AO 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 ITO, 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 ITO, 2001 and raised demand of Rs. 829.428 million. Being aggrieved the Bank filed appeals before CIR-A against the Orders of ACIR 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 AO In appeal effect order the AO 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 ITO, 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 AO passed order u/s 124 read with 161 of the ITO, 2001 and raised demand of Rs. 20.435 million on remanded back issue. The Bank has filed appeal before CIR-A. The AO 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 ITO, 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 AO. 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 ITO, 2001 and raised demand of Rs. 3,059 million for the Tax Year 2014. Further, on a rectification application filed by the Bank, AO 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 AO for reassessment. Appeal effect order has been received with reduction of earlier demand to Rs. 889 million. CIR-A remanded back the case to AO for reassessment. Being aggrieved the Bank filed appeal before 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 ITO, 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. AO 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 AO for reassessment. Assessment proceedings were completed and AO 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 AO 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 ITO, 2001 and raised demand of Rs. 1,511.521 million for the Tax Year 2016. On the directions of ATIR, except property income AO allowed partial relief in his order. In appeal effect order AO 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 AO passed two other assessment orders u/s 161 / 205 of the ITO, 2001 and raised demand of Rs. 161.180 million and of Rs. 63.243 million respectively. CIR-A remanded back to the AO of Rs. 63.243 million for issuance of speaking order. After reassessment AO 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. However, Bank filed a second appeal against demand of Rs. 60.377 million. Hence, no provision has been made as a favourable decision is expected.
- 21.2.12 AO passed four assessment orders u/s 161 / 205 of the ITO, 2001 for Tax Year 2015 and raised demands 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 AO. CIR-A remanded back to the AO of Rs. 26.628 million for denovo consideration and AO 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 AO. 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 AO of Rs. 63.469 million for issuance of speaking order. After reassessment AO 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 AO passed orders u/s 161 of the ITO, 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 AO for re-examination. The AO 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 AO for speaking order. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 21.2.14 AO passed order u/s 122(5A) of the ITO, 2001 and raised the demand of Rs. 361.752 million for the Tax Year 2017. However, this order rectified under section 221(1) vide order dated December 27, 2021 and created tax refundable of Rs.679.294 million for the Tax Year 2017. Being aggrieved the Bank filed an appeal to CIR-A against the impugned order. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.15 AO passed orders u/s 122(5A) of the ITO, 2001 and raised the demands of Rs. 983.653 million for the Tax Year 2019, Rs. 4,085.176 million for the Tax Year 2020 and Rs. 6,425.014 million for the Tax Year 2021. Being aggrieved the Bank filed appeals & stay applications before CIR-A against the impugned orders. The Bank has not accounted for the demands as tax payable, as a favorable decision is expected.
- 21.2.16 The cases relating to Federal Excise Duties (FED) / 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 AO for denovo consideration. On remanded back cases by ATIR the AO upheld its initial orders. The Bank filed appeal before CIR-A who upheld the orders of AO. 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 AO. 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 AO. The Learned DC(PRA) created demand of Rs.10.06 million. 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.

- 21.2.20 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 (AC), 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 AC (SRB). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.22 AC (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 AC (SRB). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 21.2.23 DCIR passed an order on June 9, 2020 for the Tax Year 2015/16 creating a demand of Rs. 712 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. ATIR decided the case in favor of the Bank. However, department (FBR) has filed reference application before IHC. The 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 financial statements 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 (2021: same as mentioned).

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
21.3	Commitments against		
	Capital expenditure	149,287	154,229
	Consultancy Expenditure	5,628	5,628
		(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
		Rupees in '000	
22	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	7,079,742	7,804,454
	Investments:		
	- In held to maturity securities	2,020	8,246
	- In held for trading securities	2,855	1,173
	- In available for sale securities	4,430,233	1,947,692
	Investments	4,435,108	1,957,111
	Securities purchased under resale agreement	879,723	436,899
	Call money lendings	373,078	158,895
	Balances with banks	887,724	440,428
		13,655,375	10,797,787
23	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	1,417,861	1,379,295
	Redeemable preference shares - SBP	2,042,308	2,042,308
	Securities sold under repurchased agreement	4,001,787	1,262,550
	Call borrowings	54,064	266
	Bank commission and other charges	4,663	4,475
	On lease liability against right-of-use assets	52,854	49,228
		7,573,537	4,738,122
24	FEE & COMMISSION INCOME		
	Branch banking customer fees	18,146	18,767
	Credit related fees	543,655	547,067
	Commission on remittances including home remittances	16,631	4,428
		578,432	570,262
25	GAIN ON SECURITIES		
	Realised	8,778	6,178
25.1	Realised gain on:		
	Federal Government Securities	8,778	6,178

		(Un-audited)	
	Note	June 30, 2022	June 30, 2021
		Rupees in '000	
26	OTHER INCOME		
	Rent on property	14,085	33,832
	Gain on sale of fixed assets - net	1,054	7,072
	Gain on sale of non banking assets - net	852	6,210
	Deferred income amortization	264	278
	Discount income	46,884	6,355
	Others	10,597	17,069
		73,736	70,816

26.1 Other includes sale of scrap, sale of tender forms, recoveries against penalties imposed by SBP and private use of vehicles etc.

		(Un-audited)	
		June 30, 2022	June 30, 2021
		Rupees in '000	
27	OPERATING EXPENSES		
	Total compensation expense	4,610,931	4,496,285
	Property expense		
	Rent & taxes	3,459	8,263
	Insurance	18,141	15,904
	Utilities cost	100,728	74,315
	Repair and maintenance (including janitorial charges)	46,253	38,253
	Depreciation	18,711	16,997
	Depreciation - right of use assets	120,517	102,305
		307,809	256,037
	Information technology expenses		
	Software maintenance	3,250	1,902
	Hardware maintenance	17,937	4,298
	Depreciation	23,122	35,405
	Amortisation	26,557	15,631
	Network charges	44,767	16,279
		115,633	73,515
	Other operating expenses		
	Directors' fees and allowances	4,223	1,991
	Legal & professional charges	103,529	75,968
	Travelling & conveyance	56,600	33,172
	NIFT clearing charges	8,485	7,473
	Depreciation	71,809	96,646
	Training & development	5,483	2,385
	Postage & courier charges	11,816	11,869
	Communication	16,697	16,335
	Stationery & printing	24,830	26,832
	Marketing, advertisement & publicity	5,034	424
	Motor vehicle expenses	150,717	95,255
	Auditors Remuneration	648	500
	Others	117,200	100,251
		5,611,444	5,294,938

		(Un-audited)	
		June 30, 2022	June 30, 2021
		Rupees in '000	
28	OTHER CHARGES		
	Penalties imposed by SBP	-	75,709
29	PROVISIONS AND WRITE-OFFS - NET		
	Provisions against loans & advances	2,320,428	5,477,679
	Fixed assets charged-off	442	-
	(Reversal) / charge of provision against other assets	(23,131)	(43,227)
	Recovery of written off / charged off bad debts	(4,114,412)	(2,964,935)
		(1,816,673)	2,469,517
30	TAXATION		
	Current	2,937,986	1,168,463
	Deferred	(490,762)	(363,558)
		2,447,224	804,905
31	EARNING / (LOSS) PER SHARE - BASIC AND DILUTED		
	Profit / (loss) after tax for the period	539,539	(1,911,884)
	Weighted average number of ordinary shares	5,267,843,241	5,267,843,241
	Earning / (loss) per share - basic and diluted (Rupees)	0.10	(0.36)
31.1	There is no dilutive effect on the basic earning / loss per share of the Bank.		
32	OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		
	Loss before taxation	2,986,763	(1,106,979)
	Less: Dividend income	(38,750)	(26,264)
		2,948,013	(1,133,243)
	Adjustments:		
	Depreciation	113,642	149,048
	Depreciation on right-of-use assets	120,517	102,305
	Amortization	26,557	15,631
	Amortization of deferred income	(264)	(278)
	Markup on lease liability on right-of-use assets	52,854	49,228
	Provisions and write-offs	2,297,739	5,434,419
	Provision for employees post retirement medical benefits	615,145	414,545
	Charge for defined benefit plans - net	903,152	828,066
	Gain on securities	(8,778)	(6,178)
	Gain on sale of operating fixed assets	(1,054)	(7,072)
		4,119,510	6,979,714
		7,067,523	5,846,471
33	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	3,518,828	3,158,033
	Balances with other banks	29,227,067	29,279,044
		32,745,895	32,437,077

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

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

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or 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:

June 30, 2022 (Un-audited)					
Carrying value					
/	Level 1	Level 2	Level 3	Total	
Notional value					
..... Rupees in '000					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government Securities	265,655,632	-	265,655,632	-	265,655,632
- Shares	2,497,196	2,497,196	-	-	2,497,196
- Debt securities (TFCs, Sukuk)	2,088,171	2,088,171	-	-	2,088,171
	<u>270,240,999</u>	<u>4,585,367</u>	<u>265,655,632</u>	<u>-</u>	<u>270,240,999</u>
December 31, 2021 (Audited)					
Carrying value					
/	Level 1	Level 2	Level 3	Total	
Notional value					
..... Rupees in '000					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government Securities	77,128,568	-	77,128,568	-	77,128,568
- Shares	2,465,115	2,465,115	-	-	2,465,115
- Debt securities (TFCs, Sukuk)	2,713,562	2,713,562	-	-	2,713,562
	<u>82,307,245</u>	<u>5,178,677</u>	<u>77,128,568</u>	<u>-</u>	<u>82,307,245</u>

35 SEGMENT INFORMATION

35.1 Segment Details with respect to Business Activities:

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

	June 30, 2022 (Un-audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	3,648,436	2,371,025	9,228	6,028,689
Inter segment revenue - net	(384,712)	384,712	-	-
Non mark-up / return / interest income	664,224	47,528	170	711,922
Total Income	3,927,948	2,803,265	9,398	6,740,611
Segment direct expenses	5,554,469	21,485	31,344	5,607,298
Inter segment expense allocation	-	-	-	-
Total expenses	5,554,469	21,485	31,344	5,607,298
Provisions	(1,816,673)	-	-	(1,816,673)
(Loss) / profit before tax	190,152	2,781,780	(21,946)	2,949,986
Balance Sheet				
Cash & Bank balances	2,286,572	29,708,003	751,282	32,745,857
Investments	-	269,579,244	1,356,330	270,935,574
Net inter segment lendings	38,228,555	-	-	38,228,555
Lendings to financial institutions	-	19,994,172	51,275	20,045,447
Advances - performing	69,657,305	-	-	69,657,305
- non-performing (net of provision)	18,655,279	-	-	18,655,279
Others	28,450,381	1,995,242	60,473	30,506,096
Total Assets	157,278,092	321,276,661	2,219,360	480,774,113
Borrowings	54,461,536	270,138,431	-	324,599,967
Subordinated debt	-	-	-	-
Deposits & other accounts	36,166,008	-	854,404	37,020,412
Net inter segment borrowing	-	37,728,555	500,000	38,228,555
Others	25,240,445	901,973	216,643	26,359,061
Total Liabilities	115,867,989	308,768,959	1,571,047	426,207,995
Equity	53,455,350	1,124,367	(13,599)	54,566,118
Total Equity & Liabilities	169,323,339	309,893,326	1,557,448	480,774,113
Contingencies & Commitments	38,229,972	-	-	38,229,972

June 30, 2021 (Un-Audited)				
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	4,390,809	1,591,836	32,840	6,015,485
Inter segment revenue - net	474,613	(474,613)	-	-
Non mark-up / return / interest income	654,387	32,442	145	686,974
Total Income	5,519,809	1,149,665	32,985	6,702,459
Segment direct expenses	5,227,885	20,851	30,939	5,279,675
Inter segment expense allocation	-	-	-	-
Total expenses	5,227,885	20,851	30,939	5,279,675
Provisions	2,469,517	-	-	2,469,517
(Loss) / profit before tax	(2,177,593)	1,128,814	2,046	(1,046,733)
December 31, 2021 (Audited)				
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000			
Balance Sheet				
Cash & Bank balances	2,365,049	27,856,545	1,620,081	31,841,675
Investments	-	81,051,365	1,355,880	82,407,245
Net inter segment lending	40,057,611	-	-	40,057,611
Lendings to financial institutions	-	16,828,212	51,275	16,879,487
Advances - performing	74,456,385	-	-	74,456,385
- non-performing (net of provision)	17,365,922	-	-	17,365,922
Others	30,366,427	1,477,903	45,698	31,890,028
Total Assets	164,611,394	127,214,025	3,072,934	294,898,353
Borrowings	54,461,536	76,845,499	1,050,000	132,357,035
Subordinated debt	-	-	-	-
Deposits & other accounts	42,167,754	-	1,430,811	43,598,565
Net inter segment borrowing	-	39,557,611	500,000	40,057,611
Others	24,781,023	147,424	26,103	24,954,550
Total Liabilities	121,410,313	116,550,534	3,006,914	240,967,761
Equity	52,968,290	989,649	(27,347)	53,930,592
Total Equity & Liabilities	174,378,603	117,540,183	2,979,567	294,898,353
Contingencies & Commitments	38,378,832	-	-	38,378,832

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 Group key management personnel.

	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	..... Rupees in '000					
Advances						
Opening balance	65,889	49,892	-	-	-	-
Addition	10,845	31,175	-	-	-	-
Repaid	(7,404)	(15,178)	-	-	-	-
Closing balance	69,330	65,889	-	-	-	-
Other assets						
Interest / mark-up accrued	8,811	9,099	-	-	-	-
Receivable at the end of the period	-	-	664,497	595,538	-	-
Deposits and other accounts						
Opening balance	5,762	5,927	10,239,704	9,695,509	219,488	205,600
Received during the period / year	100,256	96,265	15,033,632	22,770,608	1,101	383,884
Withdrawn during the period / year	(89,218)	(96,430)	(17,037,444)	(22,226,413)	(197)	(369,996)
Closing balance	16,800	5,762	8,235,892	10,239,704	220,392	219,488
Other liabilities						
Interest / mark-up payable	-	-	193,864	131,530	12,023	4,305
Payable at the end of the period	-	-	20,377,512	19,293,763	-	-
	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	..... (Un-audited) Half year ended June 30,					
	2022	2021	2022	2021	2022	2021
	..... Rupees in '000					
Income						
Mark-up / interest earned	855	879	-	-	-	-
Expense						
Mark-up / interest paid	-	-	445,015	38,572	8,840	6,998
Compensation	74,001	3,900	-	-	-	-
Post retirement benefit	3,167	176	-	-	-	-
Contribution to defined benefit plan	524	467	-	-	-	-

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) June 30, 2022 ... Rupees in '000 ...	(Audited) December 31, 2021
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	47,052,943	46,641,417
Capital Adequacy Ratio:		
Eligible Common Equity Tier 1 (CET 1) Capital	45,053,532	44,965,422
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	45,053,532	44,965,422
Eligible Tier 2 Capital	2,608,838	2,498,563
Total Eligible Capital (Tier 1 + Tier 2)	47,662,370	47,463,985
Risk Weighted Assets (RWAs):		
Credit Risk	119,845,602	120,713,094
Market Risk	4,994,400	4,930,225
Operational Risk	20,987,838	20,987,838
Total	145,827,840	146,631,157
Common Equity Tier 1 Capital Adequacy Ratio	30.90%	30.67%
Tier 1 Capital Adequacy Ratio	30.90%	30.67%
Total Capital Adequacy Ratio	32.68%	32.37%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	45,053,532	44,965,422
Total exposures	434,298,655	331,810,281
Leverage ratio	10.37%	13.55%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	24,176,567	19,761,909
Total Net Cash Outflow	2,424,805	2,714,031
Liquidity Coverage Ratio	997%	728%
Net Stable Funding		
Total Available Stable Funding	143,651,886	143,009,369
Total Required Stable Funding	124,776,005	112,581,390
Net Stable Funding Ratio	115%	127%

38 ISLAMIC BANKING BUSINESS

The Group is operating 5 (December 31, 2021: 5) Islamic banking branches at the end of the period.

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks		151,565	153,794
Balances with other banks		599,717	1,466,287
Due from financial institutions	38.1	51,275	51,275
Investments	38.2	1,356,330	1,355,880
Islamic financing and related assets - net		-	-
Fixed assets		6,760	7,595
Intangible assets		-	-
Due from Head Office		-	-
Other assets		53,713	38,103
Total Assets		2,219,360	3,072,934
LIABILITIES			
Bills payable		1,333	1,572
Due to financial institutions		700,000	1,050,000
Deposits and other accounts	38.3	854,404	1,430,811
Due to Head Office		168,303	93,367
Subordinated debt		-	-
Other liabilities		47,007	24,531
		1,771,047	2,600,281
NET ASSETS		448,313	472,653
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus / (deficit) on revaluation of assets		(13,599)	(14,049)
Accumulated loss	38.4	(38,088)	(13,298)
		448,313	472,653
CONTINGENCIES AND COMMITMENTS	38.5		

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

		(Un-audited)	
	Note	June 30, 2022	June 30, 2021
		Rupees in '000	
Profit / return earned	38.6	189,463	95,788
Profit / return expensed	38.7	180,235	62,948
Net Profit / return		<u>9,228</u>	<u>32,840</u>
Other income			
Fee and Commission Income		170	145
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other Income		-	-
Total other income		<u>170</u>	<u>145</u>
Total Income		<u>9,398</u>	<u>32,985</u>
Other expenses			
Operating expenses		31,344	30,939
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		<u>31,344</u>	<u>30,939</u>
Profit before provisions		<u>(21,946)</u>	<u>2,046</u>
Provisions and write offs - net		<u>-</u>	<u>-</u>
Profit before taxation		<u>(21,946)</u>	<u>2,046</u>
Taxation		<u>2,844</u>	<u>720</u>
Profit after taxation		<u><u>(24,790)</u></u>	<u><u>1,326</u></u>

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
38.1 Due from financial institutions			
Bai Muajjal Receiveable from State Bank of Pakistan		<u>51,275</u>	<u>51,275</u>

38.2 Investments

	June 30, 2022 (Un-audited)				December 31, 2021 (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	775,354	-	(13,599)	761,755	775,354	-	(17,461)	757,893
Non Government Debt Securities								
Listed securities	594,575	-	-	594,575	594,575	-	3,412	597,987
Total investments	<u>1,369,929</u>	<u>-</u>	<u>(13,599)</u>	<u>1,356,330</u>	<u>1,369,929</u>	<u>-</u>	<u>(14,049)</u>	<u>1,355,880</u>

(Un-audited)	(Audited)
June 30,	December 31,
2022	2021
Rupees in '000	

38.3 Deposits

Customers - local currency

Current deposits	87,266	72,701
Savings deposits	621,131	1,168,788
Term deposits	141,068	189,310
Others	4,939	12
	854,404	1,430,811

Financial Institutions

Current deposits	-	-
Savings deposits	-	-
Term deposits	-	-
	854,404	1,430,811

38.4 Islamic Banking Business Accumulated Loss

Opening Balance	(13,298)	(21,608)
Add: Islamic Banking loss for the period	(21,946)	12,946
Less: Taxation	2,844	4,636
Closing Balance	(38,088)	(13,298)

38.5 Contingencies and commitments

38.5.1 There are no contingencies outstanding against Islamic banking at the reporting date (2021 : Nil).

38.5.2 There are no commitments made by the Islamic banking at the reporting date (2021 : Nil).

(Un-audited)
Jun 30,
2022
Jun 30,
2021

38.6 Profit / return earned of financing, investments and placement

Profit earned on:

Financing	79,778	31,168
Investments	109,685	64,620
Placements	189,463	95,788

		(Un-audited)	
		Jun 30, 2022	Jun 30, 2021
38.7	Profit on deposits and other dues expensed		
	Deposits and other accounts	126,171	62,948
	Due to Financial Institutions	-	-
	Commission and other charges	54,064	-
	Call borrowings	<u>180,235</u>	<u>62,948</u>

39 CORRESPONDING FIGURES

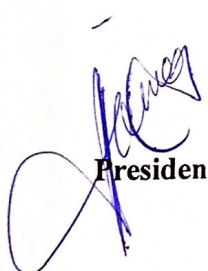
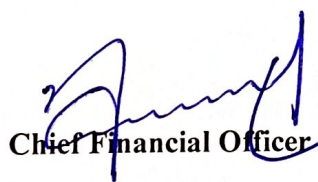
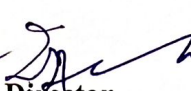


Corresponding figures have been rearranged, reclassified or additionally incorporated in these consolidated condensed interim financial statements (un-audited) wherever necessary to facilitate comparison and better presentation.

40 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements (un-audited) were authorized for issue on 30 SEP 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