


# **ZARAI TARAQIATI BANK LIMITED**

## **UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022**

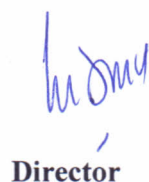
**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	..... Rupees in '000 .....	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	2,349,779	5,026,023
Balances with other banks	7	25,614,302	26,815,652
Lendings to financial institutions	8	10,644,045	16,879,487
Investments - net	9	80,871,477	82,407,245
Advances - net	10	89,691,007	91,822,307
Fixed assets	11	2,458,264	2,477,865
Intangible assets	12	31,876	35,817
Deferred tax assets - net	13	13,262,687	13,230,217
Other assets - net	14	16,177,967	16,146,129
		241,101,404	254,840,742
<b>LIABILITIES</b>			
Bills payable	16	190,549	442,401
Borrowings	17	130,493,666	132,357,035
Deposits and other accounts	18	32,220,546	43,598,565
Liabilities against assets subject to finance lease		-	-
Sub-ordinated loan		-	-
Deferred tax liabilities - net		-	-
Other liabilities	19	24,055,547	24,512,149
		186,960,308	200,910,150
<b>NET ASSETS</b>		<u>54,141,096</u>	<u>53,930,592</u>
<b>REPRESENTED BY</b>			
Share capital		52,678,433	52,678,433
Reserves		6,299,526	6,299,526
Surplus on revaluation of assets - net of tax	20	1,030,767	989,649
Unappropriated loss		(5,867,630)	(6,037,016)
		<u>54,141,096</u>	<u>53,930,592</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

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

  
**President**

  
**Chief Financial Officer**

  
**Director**

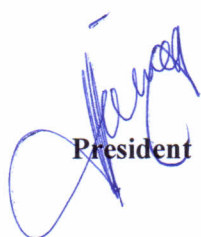
  
**Director**

  
**Director**

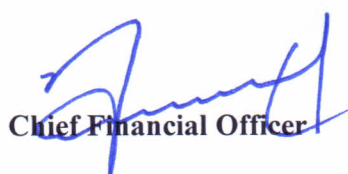
**ZARAI TARAQIATI BANK LIMITED****UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2022**

Note	Period ended	
	March 31,	March 31,
	2022	2021
	..... Rupees in '000 .....	
22	6,700,401	5,100,741
23	3,581,549	2,098,155
	3,118,852	3,002,586
24	259,543	260,399
	-	-
	-	-
	-	-
25	4,537	1,654
26	55,582	54,590
	319,662	316,643
	3,438,514	3,319,229
27	3,020,132	2,652,436
	-	-
	-	-
	3,020,132	2,652,436
	418,382	666,793
28	(391,474)	4,670,978
	-	-
	809,856	(4,004,185)
29	640,470	(1,530,011)
	169,386	(2,474,174)
	..... Rupees in '000 .....	
30	0.03	(0.47)
30	0.03	(0.47)

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



President



Chief Financial Officer



Director



Director



Director



**ZARAI TARAQIATI BANK LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

**FOR THE PERIOD ENDED MARCH 31, 2022**

**Profit / (loss) after taxation for the period**

**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

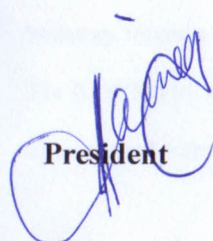
**Items that will not be reclassified to profit and loss account in subsequent periods:**

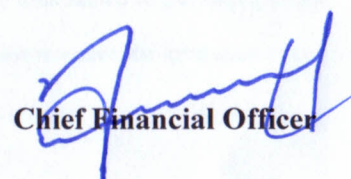
Remeasurement loss on defined benefit obligations - net of tax

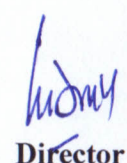
**Total comprehensive income / (loss)**

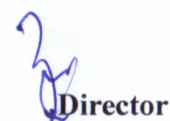
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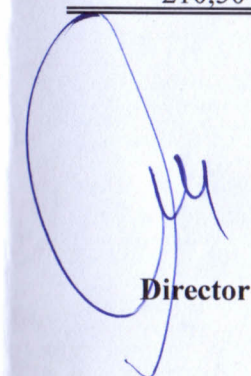
Period ended	
March 31, 2022	March 31, 2021
... Rupees in '000 ...	
169,386	(2,474,174)
41,118	(389,782)
-	-
210,504	(2,863,956)

  
President

  
Chief Financial Officer

  
Director

  
Director

  
Director



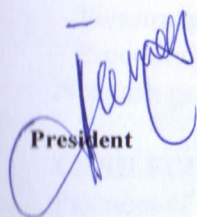
**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit	Total
..... Rupees in '000 .....						
<b>Balance as at January 1, 2021</b>	52,678,433	6,239,526	60,000	1,679,047	(3,969,851)	56,687,155
Loss after taxation for quarter ended March 31, 2021	-	-	-	-	(2,474,174)	(2,474,174)
Other comprehensive loss for quarter ended March 31, 2021	-	-	-	(389,782)	-	(389,782)
Total comprehensive loss for quarter ended March 31, 2021	-	-	-	(389,782)	(2,474,174)	(2,863,956)
Transferred to statutory reserve	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	52,678,433	6,239,526	60,000	1,289,265	(6,444,025)	53,823,199
Profit after taxation for nine months period ended December 31, 2021	-	-	-	-	738,934	738,934
Other comprehensive loss for nine months period ended December 31, 2021	-	-	-	(299,616)	(331,925)	(631,541)
Total comprehensive income / (loss) for nine months period ended December 31, 2021	-	-	-	(299,616)	407,009	107,393
<b>Balance as at December 31, 2021</b>	52,678,433	6,239,526	60,000	989,649	(6,037,016)	53,930,592
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	169,386	169,386
Other comprehensive income for the quarter ended March 31, 2021	-	-	-	41,118	-	41,118
Total comprehensive income for the quarter ended March 31, 2021	-	-	-	41,118	169,386	210,504
<b>Balance as at March 31, 2021</b>	52,678,433	6,239,526	60,000	1,030,767	(5,867,630)	54,141,096

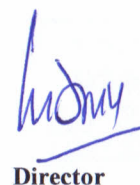
Statutory reserves represent reserve maintained as per requirement of Section 21 of the Banking Companies Ordinance, 1962.

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

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

  
President

  
Chief Financial Officer

  
Director

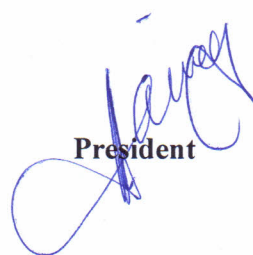
  
Director

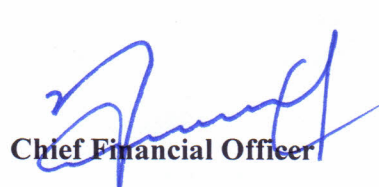
  
Director

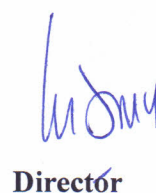
**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

		Period ended	
		March 31,	March 31,
	Note	2022	2021
		..... Rupees in '000 .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating profit before working capital changes	31	2,780,407	2,536,629
Decrease / (increase) in operating assets:			
Lendings to financial institutions		6,235,442	(6,655,226)
Advances - net		1,034,409	1,676,536
Other assets - net (excluding advance taxation)		(576,391)	601,167
		6,693,460	(4,377,523)
(Decrease) / increase in operating liabilities:			
Bills payable		(251,852)	(64,355)
Borrowings from financial institutions		(1,863,369)	13,970,182
Deposits and other accounts		(11,378,019)	730,955
Other liabilities		(1,074,644)	(2,009,049)
		(14,567,884)	12,627,733
Employees' benefits paid		(170,518)	(219,143)
Income tax paid		(125,529)	(82,257)
Net cash flow (used in) / generated from operating activities		(5,390,064)	10,485,439
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		1,603,564	(13,832,175)
Investments in operating fixed assets		(15,648)	(30,686)
Proceeds from sale of fixed assets		14,932	6,201
Net cash generated from / (used in) investing activities		1,602,848	(13,856,660)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability against right-of-use assets		(90,378)	(73,586)
Decrease in cash and cash equivalents		(3,877,594)	(3,444,807)
Cash and cash equivalents at beginning of the period		31,841,675	22,106,431
Cash and cash equivalents at end of the period	32	27,964,081	18,661,624

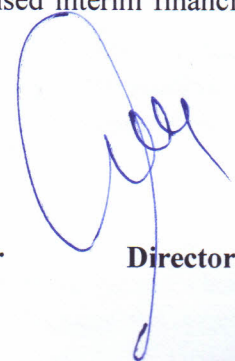
The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

  
President

  
Chief Financial Officer

  
Director

  
Director

  
Director



# **ZARAI TARAQIATI BANK LIMITED**

## **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2022**

### **1 STATUS AND NATURE OF BUSINESS**

#### **1.1 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.

#### **1.2 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 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.

#### **1.3 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.

### **2 BASIS OF PRESENTATION**

2.1 These unconsolidated condensed interim financial statements represents the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary company is presented separately.

2.2 The financial results of the Islamic banking branches have been consolidated in these unconsolidated 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 unconsolidated condensed interim financial statements.

### **3 STATEMENT OF COMPLIANCE**

3.1 These unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2021.

#### **4 STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS**

During the period, certain amendments to standards, interpretations and improvements to accounting standards became effective, however, these do not either relevant to the Bank's operations or are not expected to have significant impact on the financial statements 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 standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

	<b>Effective date (annual periods ending on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

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. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. According to SBP BPRD circular no. 4 dated October 23, 2019, the Banks / DFIs are required to have a parallel run of IFRS 9 from January 01, 2020 and are also required to prepare pro-forma financial statements which include the impact of IFRS 9 from the year ended December 31, 2019.

Except for the implementation of IFRS 9, the 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 unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2021.

- 5.1 The financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2021.

### **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 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) had also responded to the crisis with following regulatory measures to provide an impetus to economic activity:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;

- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year and / or restructure / reschedule loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up with no reflection on credit history; and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 has impacted the banks in Pakistan from various facets which include muted credit risk increase, reduced fee income due to slowdown in economic activity, branch closures and cyber security threat management.

The potential impact of the economic stress posed by the COVID-19 outbreak is difficult to predict, as many of the Bank's borrowers have availed the SBP enabled deferment/restructuring & rescheduling relief. However, the Bank had General Provision of Rs. 3.0 billion therefore no further provision is made during the period.

#### **5.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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



	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	462,449	572,019
With State Bank of Pakistan in:		
Local currency current account	1,694,552	2,919,203
With National Bank of Pakistan in:		
Local currency current account	86,764	1,198,284
Local currency deposit account	104,229	333,762
	190,993	1,532,046
Prize bonds	1,785	2,755
	<u>2,349,779</u>	<u>5,026,023</u>
<b>7 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In current accounts	101,636	124,434
In deposit accounts	25,512,666	26,691,218
	<u>25,614,302</u>	<u>26,815,652</u>
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	2,000,000	3,050,000
Repurchase agreement lendings (reverse repo)	8,592,770	13,778,212
Bai Muajjal receivable		
With State Bank of Pakistan	51,275	51,275
	<u>10,644,045</u>	<u>16,879,487</u>

## 9 INVESTMENTS - NET

### 9.1 Investments by types

	March 31, 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 .....							
<b>Available-for-sale securities</b>								
Federal Government securities	76,427,565	-	(860,819)	75,566,746	78,001,592	-	(873,024)	77,128,568
Shares	99,819	(10,523)	2,417,643	2,506,939	99,819	(10,523)	2,375,819	2,465,115
Corporate sukuk	594,575	-	(451)	594,124	594,575	-	3,412	597,987
Term Finance Certificates	2,074,245	-	29,423	2,103,668	2,099,245	-	16,330	2,115,575
	79,196,204	(10,523)	1,585,796	80,771,477	80,795,231	(10,523)	1,522,537	82,307,245
<b>Subsidiary</b>	100,000	-	-	100,000	100,000	-	-	100,000
<b>Total investments</b>	<u>79,296,204</u>	<u>(10,523)</u>	<u>1,585,796</u>	<u>80,871,477</u>	<u>80,895,231</u>	<u>(10,523)</u>	<u>1,522,537</u>	<u>82,407,245</u>

(Un-audited)      (Audited)  
**March 31,      December 31,**  
**2022              2021**  
**Rupees in '000**

### 9.2 Investments given as collateral

Market Treasury bills	37,493,756	33,453,279
Pakistan Investment Bonds	37,538,374	43,392,220
	<u>75,032,130</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)
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2022	2021	2022	2021	2022	2021
	..... Rupees in '000 .....					
Loans, cash credits, running finance, etc.	76,374,096	74,456,385	31,556,921	40,799,600	107,931,017	115,255,985
Advances - gross	76,374,096	74,456,385	31,556,921	40,799,600	107,931,017	115,255,985
Provision for advances:						
- against agriculture advance	-	-	15,199,558	20,392,883	15,199,558	20,392,883
- against staff advances	-	-	40,452	40,795	40,452	40,795
- general	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	3,000,000	3,000,000	15,240,010	20,433,678	18,240,010	23,433,678
Advances - net of provision	73,374,096	71,456,385	16,316,911	20,365,922	89,691,007	91,822,307

### 10.1 Particulars of advances (gross)

In local currency	107,931,017	115,255,985
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**10.2** Advances include Rs. 31,504.374 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	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
	..... Rupees in '000 .....			
<b>Domestic</b>				
Other assets especially mentioned	7,144,130	-	10,716,466	-
Substandard	7,804,684	1,560,937	8,464,335	1,692,867
Doubtful	5,833,880	2,916,943	5,731,879	2,865,942
Loss	10,721,680	10,721,679	15,834,074	15,834,074
	31,504,374	15,199,559	40,746,754	20,392,883



### 10.3 Particulars of provision against advances

	March 31, 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	3,460,361	-	3,460,361	14,875,636	-	14,875,636
Reversals	(2,363,127)	-	(2,363,127)	(7,687,659)	-	(7,687,659)
	1,097,234	-	1,097,234	7,187,977	-	7,187,977
Amounts charged off	(6,290,558)	-	(6,290,558)	(11,000,912)	-	(11,000,912)
Closing balance	15,199,559	3,000,000	18,199,559	20,392,883	3,000,000	23,392,883

#### 10.3.1 Particulars of provision against non-performing advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	..... Rupees in '000 .....					
In local currency	15,199,559	3,000,000	18,199,559	20,392,883	3,000,000	23,392,883

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. 4,800.752 million (December 31, 2021: 7,019.920 million) and further de-graded the category of classified loans and advances amounting to Rs. 5,947.196 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	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
<b>11</b>	<b>FIXED ASSETS</b>		
Capital work-in-progress	11.1	43,888	43,888
Property and equipment	11.2	1,561,201	1,616,214
Right of use assets		853,175	817,763
		<u>2,458,264</u>	<u>2,477,865</u>
<b>11.1</b>	<b>Capital work-in-progress</b>		
Civil works		35,728	35,858
Consultancy charges		6,892	6,762
Others	11.1.1	1,268	1,268
		<u>43,888</u>	<u>43,888</u>
11.1.1 This includes soil testing and other charges incurred at sites.			
		... (Un-audited) ...	
		March 31,	March 31,
		2022	2021
		... Rupees in '000 ...	
<b>11.2</b>	<b>Additions to fixed assets</b>		
The following additions have been made during the period:			
Furniture and fixture		226	527
Electrical, office and computer equipment		213	-
Right of use assets		111,583	47,332
Vehicles		1,780	30,388
Total		<u>113,802</u>	<u>78,247</u>
<b>11.3</b>	<b>Disposal of fixed assets</b>		
The net book value of fixed assets disposed off is as follows:			
Furniture and fixture		-	164
Electrical, office and computer equipment		69	430
Right of use assets		12,988	-
Vehicles		1,074	3,671
Total		<u>14,131</u>	<u>4,265</u>
		(Un-audited)	(Audited)
		March 31,	December 31,
		2022	2021
		Rupees in '000	
<b>12</b>	<b>INTANGIBLE ASSETS</b>		
Computer Software		<u>31,876</u>	<u>35,817</u>

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
<b>Rupees in '000</b>			
<b>13 DEFERRED TAX ASSETS - NET</b>			
<b>Deductible temporary differences on:</b>			
Defined benefit plans		687,669	687,669
Tax losses carried forward		-	-
Provision against non-performing loans and advances		13,142,630	13,136,477
		13,830,299	13,824,146
<b>Taxable temporary differences on:</b>			
Accelerated tax depreciation		(12,582)	(61,041)
Surplus on revaluation of investments	20	(555,029)	(532,888)
		(567,611)	(593,929)
		<u>13,262,688</u>	<u>13,230,217</u>
<b>14 OTHER ASSETS - NET</b>			
Income / mark-up accrued in local currency on :			
- advances - net of provision		6,217,461	5,416,354
- securities		1,434,039	1,330,560
- deposits		143,760	163,507
Amount recoverable from Federal Government		3,041,382	2,691,252
Tax recoverable		422,652	422,652
Branch adjustment account		1,170,341	1,726,559
Taxation (payments less provision)		3,167,208	3,736,760
Receivable from gratuity scheme - SSR 1961		119,181	115,744
Receivable from gratuity scheme - SR 2005		507,869	479,794
Non banking assets acquired in satisfaction of claims		427,785	427,721
Stationery and stamps in hand		127,280	127,657
Stock of farm machinery		11,237	11,237
Advances against salary and expenses		56,770	53,509
Security deposits		6,199	6,198
Advances and other prepayments		186,744	170,104
Others		80,762	230,786
		<u>17,120,670</u>	<u>17,110,394</u>
Provision held against other assets	14.1	(942,703)	(964,265)
Other assets - net of provisions		<u>16,177,967</u>	<u>16,146,129</u>
<b>14.1 Provision held against other assets</b>			
Tax recoverable		422,652	422,652
Non banking assets acquired in satisfaction of claims		427,785	427,721
Stock of farm machinery		11,237	11,237
Accrued interest on advances of ex-employees		15,327	15,183
Amount deposited with courts / legal charges recoverable		65,702	87,472
		<u>942,703</u>	<u>964,265</u>



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

#### 14.1.1 Movement in provision held against other assets

Opening balance	964,265	1,022,306
Charge for the period / year	7,009	38,586
Reversals	(28,571)	(96,627)
	(21,562)	(58,041)
Closing balance	942,703	964,265

### 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) March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
<b>16</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	<u>190,549</u>	<u>442,401</u>
<b>17</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	Borrowing from State Bank of Pakistan (SBP):		
	Redeemable preference shares	54,461,536	54,461,536
	Repurchase agreement borrowings	72,105,670	74,934,577
	Repurchase agreement borrowings - others	<u>2,926,460</u>	<u>1,910,922</u>
	<b>Total secured</b>	<u>129,493,666</u>	<u>131,307,035</u>
	<b>Unsecured</b>		
	Call borrowings	<u>1,000,000</u>	<u>1,050,000</u>
		<u>130,493,666</u>	<u>132,357,035</u>

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

## 18 DEPOSITS AND OTHER ACCOUNTS

### Customers - local currency

Current deposits	4,987,656	6,473,368
Saving deposits	5,038,871	4,890,037
Term deposits	21,204,756	30,643,597
Others	33,004	41,064
	31,264,287	42,048,066

### Financial Institutions - local currency

Current deposits	146,337	104,110
Saving deposits	809,922	1,446,389
Term deposits	-	-
	956,259	1,550,499
	<u>32,220,546</u>	<u>43,598,565</u>

## 19 OTHER LIABILITIES

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

- borrowings	317,084	1,465,844
- deposits and other accounts	766,206	804,150
Accrued expenses	564,139	697,294
Net liabilities relating to Bangladesh	190	190
Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
Provision for:		
- pension scheme	9,394,761	9,099,720
- employees' post retirement medical benefits	8,215,875	7,964,423
- employees' compensated absences	2,267,758	2,229,620
Payable to subsidiary company	138,260	103,193
Due to Islamic Banking	1,070	496
Security deposits	42,180	32,780
Deferred income	10,566	10,566
Lease liability against right-of-use assets	926,210	892,799
Others	1,243,248	1,043,074
	<u>24,055,547</u>	<u>24,512,149</u>

## 20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

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

Quoted investments	2,417,643	2,375,819
Other securities	(831,847)	(853,282)
Surplus on revaluation of available-for-sale securities	<u>1,585,796</u>	<u>1,522,537</u>
Deferred tax on surplus on revaluation of available-for-sale securities	(555,029)	(532,888)
	<u>1,030,767</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; 485 (December 31, 2021: 624) cases	337,845	458,926
21.1.2	by employees; 445 (December 31, 2020: 461) cases	252,004	267,591

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.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
<b>21.3</b>	<b>Commitments against</b>		
	Capital expenditure	183,030	154,229
	Consultancy Expenditure	5,628	5,628
		(Un-audited) March 31, 2022	March 31, 2021
		Rupees in '000	
<b>22</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	Loans and advances	3,659,816	3,802,229
	Investments	2,048,446	814,361
	Securities purchased under resale agreement	353,982	236,231
	Call money lendings	263,660	81,431
	Balances with banks	374,497	166,489
		6,700,401	5,100,741
<b>23</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	Deposits	720,715	598,975
	Redeemable preference shares - SBP	1,021,154	1,021,154
	Securities sold under repurchased agreement	1,780,252	451,834
	Call borrowings	31,044	-
	Bank commission and other charges	2,236	2,214
	On lease liability against right-of-use assets	26,148	23,978
		3,581,549	2,098,155

		(Un-audited)		
	Note	March 31, 2022	March 31, 2021	
		Rupees in '000		
24	<b>FEE &amp; COMMISSION INCOME</b>			
	Branch banking customer fees	7,812	9,602	
	Credit related fees	235,130	248,782	
	Commission on remittances including home remittances	16,601	2,015	
		<u>259,543</u>	<u>260,399</u>	
25	<b>GAIN ON SECURITIES</b>			
	Realised	25.1	<u>4,537</u>	<u>1,654</u>
25.1	Realised gain on: Federal Government Securities		<u>4,537</u>	<u>1,654</u>
26	<b>OTHER INCOME</b>			
	Rent on property - KSSL - subsidiary company	1,347	1,096	
	Rent on property - others	6,591	27,075	
		<u>7,938</u>	<u>28,171</u>	
	Gain on sale of fixed assets - net	801	1,936	
	Gain on sale of non banking assets - net	44	4,945	
	Others	26.1	<u>46,799</u>	<u>19,538</u>
		<u>55,582</u>	<u>54,590</u>	
26.1	Other includes sale of scrap, sale of tender forms, recoveries against penalties imposed by SBP and private use of vehicles etc.			

27		Note	(Un-audited)	
			March 31,	March 31,
			2022	2021
			Rupees in '000	
<b>27</b>	<b>OPERATING EXPENSES</b>			
	<b>Total compensation expense</b>		2,282,772	1,959,798
	<b>Property expense</b>			
	Rent & taxes		1,014	10,197
	Insurance		17,918	15,133
	Utilities cost		42,485	33,330
	Repair and maintenance (including janitorial charges)		20,717	17,721
	Depreciation		9,355	9,862
	Depreciation - right of use assets		62,228	56,563
			153,717	142,806
	<b>Information technology expenses</b>			
	Software maintenance		2,759	1,551
	Hardware maintenance		3,713	2,472
	Depreciation		11,490	18,136
	Amortisation		3,941	8,028
	Network charges		2,393	14,397
			24,296	44,584
	<b>Other operating expenses</b>			
	Legal & professional charges		67,415	53,122
	Outsourced services costs		301,737	292,982
	Travelling & conveyance		26,215	14,238
	NIFT clearing charges		3,316	3,806
	Depreciation		35,245	46,173
	Training & development		2,608	631
	Postage & courier charges		6,863	6,683
	Communication		7,599	7,102
	Stationery & printing		11,912	12,616
	Motor vehicle expenses		83,474	58,002
	Others		11,994	9,893
			<u>3,020,132</u>	<u>2,652,436</u>
<b>28</b>	<b>PROVISIONS AND WRITE-OFFS - NET</b>			
	Provisions against loans & advances	10.3	1,096,891	5,806,031
	(Reversal) / charge of provision against other assets	14.1.1	(21,562)	(42,000)
	Bad debts written off directly		-	-
	Recovery of written off / charged off bad debts		(1,467,245)	(1,093,053)
			<u>(391,474)</u>	<u>4,670,978</u>
<b>29</b>	<b>TAXATION</b>			
	Current		695,081	88,134
	Deferred		(54,611)	(1,618,145)
			<u>640,470</u>	<u>(1,530,011)</u>

		(Un-audited)	
		March 31, 2022	March 31, 2021
<b>30</b>	<b>PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED</b>		
	Profit / (loss) after tax for the period - Rupees in '000	169,386	(2,474,174)
	Weighted average number of ordinary	<u>5,267,843,241</u>	<u>5,267,843,241</u>
	Profit / (loss) per share - basic and diluted (Rupees)	<u>0.03</u>	<u>(0.47)</u>

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

		(Un-audited)	
		March 31, 2022	March 31, 2021
		Rupees in '000	
<b>31</b>	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
	Profit / (loss) before taxation	809,856	(4,004,185)
	Adjustments:		
	Depreciation	56,089	74,170
	Depreciaton on right-of-use assets	62,228	56,563
	Amortization	3,941	8,028
	Markup on lease liability on right-of-use assets	26,148	23,978
	Provisions and write-offs	1,075,771	5,764,031
	Provision for employees post retirement medical benefits	307,586	211,661
	Charge for defined benefit plans - net	444,126	405,973
	Gain on securities	(4,537)	(1,654)
	Gain on sale of operating fixed assets	(801)	(1,936)
		<u>1,970,551</u>	<u>6,540,814</u>
		<u>2,780,407</u>	<u>2,536,629</u>
<b>32</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	2,349,779	1,777,887
	Balances with other banks	25,614,302	16,883,737
		<u>27,964,081</u>	<u>18,661,624</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, 2022 (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					
Investmments					
- Federal Government Securities	75,566,746	-	75,566,746	-	75,566,746
- Shares	2,506,939	2,506,939	-	-	2,506,939
Corporate sukuk	594,124	594,124	-	-	594,124
- Debt securities (TFCs, Sukuk)	2,103,668	2,103,668	-	-	2,103,668
	80,771,477	5,204,731	75,566,746	-	80,771,477
Financial assets not measured at fair value					
- Subsidiary company	100,000	-	100,000	-	100,000
	80,871,477	5,204,731	75,666,746	-	80,871,477
December 31, 2021 (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					
Investmments					
- 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
	82,307,245	5,178,677	77,128,568	-	82,307,245
Financial assets not measured at fair value					
- Subsidiary company	100,000	-	100,000	-	100,000
	82,407,245	5,178,677	77,228,568	-	82,407,245

## 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, 2022 (Un-audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000 .....			
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	1,964,498	1,149,281	5,073	3,118,852
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	315,063	4,537	62	319,662
Total Income	2,279,561	1,153,818	5,135	3,438,514
Segment direct expenses	2,996,709	8,847	14,576	3,020,132
Inter segment expense allocation	-	-	-	-
Total expenses	2,996,709	8,847	14,576	3,020,132
Provisions	(391,474)	-	-	(391,474)
(Loss) / profit before tax	(325,674)	1,144,971	(9,441)	809,856
<b>Balance Sheet</b>				
Cash & Bank balances	1,320,343	25,596,047	1,047,691	27,964,081
Investments	-	79,510,822	1,360,655	80,871,477
Net inter segment lendings	30,864,964	-	-	30,864,964
Lendings to financial institutions	-	10,592,770	51,275	10,644,045
Advances - performing	76,374,096	-	-	76,374,096
- non-performing (net of provision)	13,316,911	-	-	13,316,911
Others	30,291,859	1,582,809	56,126	31,930,794
<b>Total Assets</b>	152,168,173	117,282,448	2,515,747	271,966,368
Borrowings	54,461,536	75,032,130	1,000,000	130,493,666
Subordinated debt	-	-	-	-
Deposits & other accounts	31,358,961	-	861,585	32,220,546
Net inter segment borrowing	-	30,364,964	500,000	30,864,964
Others	24,035,426	22,878	187,792	24,246,096
<b>Total Liabilities</b>	109,855,923	105,419,972	2,549,377	217,825,272
Equity	53,143,959	1,030,767	(33,630)	54,141,096
<b>Total Equity &amp; Liabilities</b>	162,999,882	106,450,739	2,515,747	271,966,368
<b>Contingencies &amp; Commitments</b>	38,270,964	-	-	38,270,964

March 31, 2021 (Un-audited)				
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000 .....			
<b>Profit &amp; Loss</b>				
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
<b>Total Income</b>	<b>2,756,801</b>	<b>546,710</b>	<b>15,718</b>	<b>3,319,229</b>
Segment direct expenses	2,628,037	10,664	13,735	2,652,436
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>2,628,037</b>	<b>10,664</b>	<b>13,735</b>	<b>2,652,436</b>
Provisions	4,670,978	-	-	4,670,978
<b>(Loss) / profit before tax</b>	<b>(4,542,214)</b>	<b>536,046</b>	<b>1,983</b>	<b>(4,004,185)</b>
<b>December 31, 2021 (Un-audited)</b>				
	Branch banking & agri financing	Treasury	Islamic banking	Total
	..... Rupees in '000 .....			
<b>Balance Sheet</b>				
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
<b>Total Assets</b>	<b>164,611,394</b>	<b>127,214,025</b>	<b>3,072,934</b>	<b>294,898,353</b>
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
<b>Total Liabilities</b>	<b>121,410,313</b>	<b>116,550,534</b>	<b>3,006,914</b>	<b>240,967,761</b>
Equity	52,968,290	989,649	(27,347)	53,930,592
<b>Total Equity &amp; Liabilities</b>	<b>174,378,603</b>	<b>117,540,183</b>	<b>2,979,567</b>	<b>294,898,353</b>
<b>Contingencies &amp; Commitments</b>	<b>38,378,832</b>	<b>-</b>	<b>-</b>	<b>38,378,832</b>

### 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, 2021. 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:

	Subsidiary company		Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	..... Rupees in '000 .....							
<b>Investments</b>	100,000	100,000	-	-	-	-	-	-
<b>Advances</b>								
Opening balance	-	-	65,889	49,892	-	-	-	-
Addition	-	-	7,950	31,175	-	-	-	-
Repaid	-	-	(3,683)	(15,178)	-	-	-	-
Closing balance	-	-	70,156	65,889	-	-	-	-
<b>Other assets</b>								
Interest / mark-up accrued	-	-	5,256	9,099	-	-	-	-
Receivable at the end of the period	-	-	-	-	627,050	595,538	-	-
<b>Deposits and other accounts</b>								
Opening balance	11,620	988	5,762	5,927	10,239,704	9,695,509	219,488	205,600
Received during the period / year	1,268,887	25,271	58,866	96,265	4,046,367	22,770,608	457	383,884
Withdrawn during the period / year	(1,271,269)	(14,639)	(47,792)	(96,430)	(3,966,947)	(22,226,413)	(68)	(369,996)
Closing balance	9,238	11,620	16,836	5,762	10,319,123	10,239,704	219,877	219,488
<b>Other liabilities</b>								
Interest / mark-up payable	18,921	61,095	5,256	9,099	154,873	131,530	8,166	4,305
Payable at the end of the period	138,260	103,193	-	-	19,878,394	19,293,763	-	-

	Subsidiary company		Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	(Un-audited) Period ended March 31, .....							
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees in '000 .....							
Income								
Mark-up / interest earned	-	-	350	442	-	-	-	-
Rental income	1,347	1,096	-	-	-	-	-	-
Expense								
Mark-up / interest paid	23,741	49,304	-	-	96,884	33,070	457	383
Compensation	-	-	33,398	25,205	-	-	-	-
Post retirement benefit	-	-	1,226	1,328	-	-	-	-
Contribution to defined benefit plan	-	-	239	244	-	-	-	-
Cost of services rendered	301,737	292,982	-	-	-	-	-	-

### 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, 2022 ... Rupees in '000 ...	(Audited) December 31, 2021
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	52,678,433	46,641,417
<b>Capital Adequacy Ratio:</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	45,123,611	44,965,422
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	45,123,611	44,965,422
Eligible Tier 2 Capital	2,471,301	2,498,563
Total Eligible Capital (Tier 1 + Tier 2)	47,594,912	47,463,985
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	115,242,712	120,713,094
Market Risk	5,013,875	4,930,225
Operational Risk	20,987,838	20,987,838
Total	141,244,425	146,631,157
Common Equity Tier 1 Capital Adequacy Ratio	31.95%	30.67%
Tier 1 Capital Adequacy Ratio	31.95%	30.67%
Total Capital Adequacy Ratio	33.70%	32.37%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	45,123,611	44,965,422
Total exposures	316,290,316	331,810,281
Leverage ratio	14.27%	13.55%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	26,037,309	19,761,909
Total Net Cash Outflow	3,592,961	2,714,031
Liquidity Coverage Ratio	725%	728%
<b>Net Stable Funding</b>		
Total Available Stable Funding	139,607,867	143,009,369
Total Required Stable Funding	109,946,056	112,581,390
Net Stable Funding Ratio	127%	127%

## 37 ISLAMIC BANKING BUSINESS

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

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks		149,386	153,794
Balances with other banks		898,305	1,466,287
Due from financial institutions	37.1	51,275	51,275
Investments	37.2	1,360,655	1,355,880
Islamic financing and related assets - net		-	-
Fixed assets		7,185	7,595
Intangible assets		-	-
Due from Head Office		-	-
Other assets		48,941	38,103
<b>Total Assets</b>		<b>2,515,747</b>	<b>3,072,934</b>
<b>LIABILITIES</b>			
Bills payable		1,575	1,572
Due to financial institutions		1,000,000	1,050,000
Deposits and other accounts	37.3	861,585	1,430,811
Due to Head Office		152,628	93,367
Subordinated debt		-	-
Other liabilities		33,589	24,531
		2,049,377	2,600,281
<b>NET ASSETS</b>		<b>466,370</b>	<b>472,653</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus / (deficit) on revaluation of assets		(9,275)	(14,049)
Unappropriated loss	37.4	(24,355)	(13,298)
		<b>466,370</b>	<b>472,653</b>

## CONTINGENCIES AND COMMITMENTS

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

		(Un-audited) March 31, 2022	March 31, 2021
	Note	Rupees in '000	
Profit / return earned	37.5	107,641	45,362
Profit / return expensed	37.6	102,568	29,722
Net Profit / return		5,073	15,640
<b>Other income</b>			
Fee and Commission Income		62	78
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other Income		-	-
Total other income		62	78
Total Income		5,135	15,718
<b>Other expenses</b>			
Operating expenses		14,576	13,735
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		14,576	13,735
Profit / (loss) before provisions		(9,441)	1,983
Provisions and write offs - net		-	-
Profit / (loss) before taxation		(9,441)	1,983
Taxation		1,616	682
Profit / (loss) after taxation		(11,057)	1,301

### 37.1 Due from Financial Institutions

March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
..... Rupees in '000 .....					

Secured :

Bai Muajjal Receivable 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, 2022 (Un-audited)				December 31, 2021 (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

775,354	-	(8,823)	766,531	775,354	-	(17,461)	757,893
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#### Non Government Debt Securities

Listed securities

594,575	-	(451)	594,124	594,575	-	3,412	597,987
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#### Total investments

1,369,929	-	(9,274)	1,360,655	1,369,929	-	(14,049)	1,355,880
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(Un-audited)	(Audited)
March 31,	December 31,
2022	2021
Rupees in '000	

### 37.3 Deposits

#### Customers - local currency

Current deposits	59,590	72,701
Savings deposits	662,084	1,168,788
Term deposits receipts	139,899	189,310
Others	12	12
	<u>861,585</u>	<u>1,430,811</u>

#### Financial Institutions

	-	-
	<u>861,585</u>	<u>1,430,811</u>

### 37.4 Islamic Banking Business Unappropriated Profit

Opening Balance	(13,298)	(21,608)
Add: Islamic Banking profit for the period	(9,441)	12,946
Less: Taxation	1,616	4,636
Closing Balance	<u>(24,355)</u>	<u>(13,298)</u>

(Un-audited)	
March 31,	March 31,
2022	2021
Rupees in '000	

### 37.5 Profit / return earned of financing, investments and placement

#### Profit earned on:

Financing	-	-
Investments	35,612	15,775
Placements	72,029	29,587
	<u>107,641</u>	<u>45,362</u>

### 37.6 Profit on deposits and other dues expensed

Call borrowings/ Funds acceptances	31,044	-
Commission and other charges	66	-
Deposits and other accounts	71,458	29,722
	<u>102,568</u>	<u>29,722</u>

### 38 CORRESPONDING FIGURES

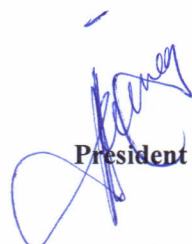
Corresponding figures have been rearranged, reclassified or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

### 39 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 19 MAY 2022 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.



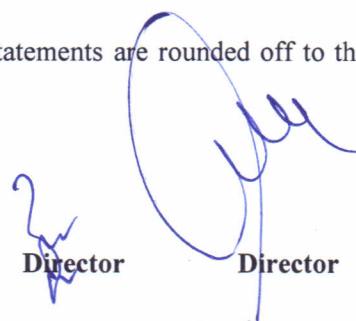
President



Chief Financial Officer



Director



Director

Director