

NATIONAL BANK OF PAKISTAN

THE BANK YOU TRUST

QUARTERLY REPORT
MARCH 2023

شاہد باو
پاک سروسز مین

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CORPORATE INFORMATION

Board of Directors

Chairman	Mr. Ashraf Mahmood Wathra
Directors	Mr. Farid Malik, CFA
	Mr. Ahsan Ali Chughtai
	Mr. Ali Syed
	Mr. Amjad Mahmood
	Mr. Nasim Ahmad
President & CEO (A)	Mr. Rehmat Ali Hasnie

Audit Committee

Chairman	Mr. Ahsan Ali Chughtai
	Mr. Ali Syed
	Mr. Amjad Mahmood
	Mr. Nasim Ahmad

Chief Financial Officer

Mr. Abdul Wahid Sethi

Company Secretary

Syed Muhammad Ali Zamin

Auditors

A.F. Ferguson & Co.
Chartered Accountants

BDO Ebrahim & Co.
Chartered Accountants

Registered & Head Office

NBP Building
I.I. Chundrigar Road, Karachi, Pakistan.
Phone: 92-21-99220100 (30 lines),
92-21-99062000 (60 lines)
NBP Call Center: 111-627-627

Registrar & Share Registration Office

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B,
S.M.C.H.S., Main Shara-e-Faisal
Karachi-74400, Pakistan.
111-111-500

Website

www.nbp.com.pk

Directors' Report to the Shareholders Standalone Financial Statements

Dear Shareholders,

The Board of Directors are pleased to present the un-audited condensed interim standalone financial statements of the Bank for the three months period ended March 31, 2023.

Economic Environment

As the global economy continues to face slowing growth, high inflationary pressures and geo-political tensions, the central banks are responding through tightening monetary stance. The recent strains in the global banking system added to the difficulties of the emerging market economies like Pakistan. The Pakistan's economy also continues to face challenges macro imbalances e.g. reducing forex reserves, broad-based high inflation and twin deficit. Although inflation levels remain high, there are early indications of inflation expectations plateauing. While overall balance of payments position continues to remain under stress, the current account deficit has narrowed, more than previously anticipated, mainly on the back of sizable import containment. Visible progress has been made towards completion of the 9th review under the IMF's EFF program and the workers' remittances have also slightly recovered during last couple of months and the central bank expects the momentum to continue. Positively, fiscal deficit during Jul-Jan FY23 was contained to 2.3 percent of GDP compared to 2.8 percent in the same period last year, while the primary balance posted a surplus of 1.1 percent of GDP against a deficit of 0.3 percent last year. This improvement in the primary balance was achieved on the back of lower subsidies, grants and development spending. The Government is taking effective policy measures to address domestic and external imbalances. Key priorities include strengthening the fiscal position, continuing social protection to the poor by shifting from general to targeted subsidies (especially in terms of fuel/energy pricing).

Pakistan's banking sector has performed well and remained resilient. Spreads have improved on the back of increasing average policy rate, albeit some concerns on asset quality and credit aggravation. Considering the industry feedback, the State Bank of Pakistan has deferred implementation of IFRS 9 and financial reporting formats till January 01, 2024.

Financial Performance – Q1'2023

Financial Performance for the 3M period ended March 31, 2023

Amidst the continued challenging economic environment, your Bank has delivered strong financial performance for the three months period ended March 31, 2023. These results depict the resilience of the Bank's business model, effectiveness of the management's strategies and the efforts of our staff.

- **Profitability (PKR 'Bn)**

No.	Key Items	Mar'23	Mar'22	Better / (Worse) Amount	%
1	NII	32.5	25.8	6.7	26.1%▲
2	NFI	7.5	8.1	(0.6)	(7.3%)▼
3	Total income	40.0	33.9	6.1	18.1%▲
4	Admin Exp.	21.2	16.8	(4.4)	26.3%▲
5	Pre-Prov. Profit	18.9	17.1	1.7	10.1%▲
6	Provision Charge	0.7	1.1	0.4	36.0%▼
7	Pre-tax profit	18.2	16.1	2.1	13.2%▲
8	Tax	7.5	6.2	(1.3)	20.3%▲
9	After-tax profit	10.7	9.8	0.9	8.7%▲
10	EPS (Rs.)	5.02	4.62	0.4	8.7%▲

For the three months period under review, your Bank generated a Gross Interest Income 'GII' of PKR 192.4 Bn as against PKR 79.2 Bn for the similar three months period of 2022. The PKR 113.2 Bn increase in GII is achieved through a robust volumetric growth in average interests earning assets coupled with the impact of higher average policy rate during this period that stood at 17.7% as compared to 9.75% during the same period last year.

During Q1'23, the Bank's investments portfolio averaged PKR 3,519.2 Bn (Mar'22:PKR 1,984.6 Bn) and generated mark-up/interest income of PKR 146.2 Bn being PKR 95.8 Bn or 190.2% up against PKR 50.4 Bn for the corresponding Mar'22. This translates into average yield at 16.85% (Mar'22:10.29%). In the higher policy rate environment, the maturity profile of the Bank's investment book is skewed towards the shorter duration securities under available-for-sale category. Similarly, placements, that averaged PKR 66.2 Bn (Mar'22:PKR 110.6 Bn) generated a mark-up income of PKR 2.7 Bn (Mar'22: PKR 2.7 Bn) at a higher yield of 16.6% as compared to 9.77% for Mar'22.

For the three-months period, the Bank's loan book averaged PKR 1,411.4 Bn and generated a mark-up income of PKR 43.5 Bn i.e. PKR 17.3 Bn or 66.2% higher than PKR 26.2 Bn for the similar period last year. This significant growth was achieved through both, a volumetric growth, as well as the favourable YoY rate variance. Pertinent to mention this high performance was achieved despite the fact that the Bank carries a significant proportion of lower yielding or non-performing public-sector loans.

Likewise, on the back of higher average policy rate, the Bank's cost of funds for Mar'23 recorded a significant YoY increase and amounted to PKR 159.9 Bn as against PKR 53.4 Bn for corresponding period of 2022. The PKR 106.5 Bn or 199.3% YoY increase is mainly recorded in cost of Deposits that amounted to PKR 69.7 Bn (Mar22:PKR 36.3 Bn) and the borrowings/repo costs by PKR 73.8 Bn to close at PKR 88.6 Bn.

Consequently, the Net Interest Income 'NII' for the period under review closed at PKR 32.5 Bn, depicting a 26.1% increase against PKR 25.8 Bn of Mar'22.

- **Non-Fund Income**

Non-Fund Income 'NFI' for the Mar'23 recorded a slight decrease to close at PKR 7.5 Bn which is PKR 0.6 Bn or 7.3% lower than PKR 8.1 Bn of Mar'22. This was mainly due to drop in the FX income. While fee & commission income recorded a 3.0% decrease YoY to close at PKR 4.5 Bn (Mar'22:PKR 4.7Bn), the FX income closed lower by 49.8% to close at PKR 1.1 Bn as against PKR 2.1 Bn for Mar'22 as the forex market remained more stabilised during the period under review. The Bank's equity investment portfolio yielded dividend income of PKR 1.0 Bn, which is PKR 0.12 Bn or 13.1% higher YoY. Whereas, capital gains increased significantly by PKR 0.26 Bn or 264.1% to close at PKR 0.36 Bn (Mar'22:PKR 0.1 Bn). Going forward, the NFI is expected to rebound as the stock market is expected to show stability.

- **Operating Expenses**

Operating expenses of the Bank for the period under review amounted to PKR 21.2 Bn which is 26.3% higher YoY as compared to PKR 16.8 Bn of SPLY. HR cost that constitutes around 67.7% of the total operating expenses, amounted to PKR 14.3 Bn against PKR 11.6 Bn in Mar'22. This increase reflects the impact of annual pay increase, charge for defined benefit plans and other HR related provisions. While property related expenses amounted to PKR 2.4 Bn (Mar'22:PKR 2.0 Bn), IT related expenses stood at PKR 1.2 Bn (Mar'22: PKR 0.6 Bn). The Bank is currently investing significantly to improve & strengthen its core banking applications and related IT infrastructure. Other operating expenses amounted to PKR 3.2 Bn depicting a 26.1% increase YoY responding to the general inflationary hike in costs. Overall, operating costs translate into a cost-to-income ratio at 52.9% which is in line with the inflationary pressures and industry norms.

- **Provision Charge**

For the three months period under review, provision charge amounted to PKR 0.68 Bn i.e. significantly lower by 36.0% or PKR 0.38 Bn as compared to PKR 1.1 Bn for the corresponding three months period of 2022. Key contributor towards this drop were the loans & advances that recorded a net reversal of PKR 68.4 Mn as against a charge of PKR 1.0 Bn for the corresponding 3M period of 2022. However, provision against diminution in value of investments recorded a YoY increase of PKR 710.0 Mn and amounted to PKR 724.5 Mn as against PKR 14.5 Mn in the comparative period. Specific and General provisions held against NPLs stood at PKR 204.5 Bn (Dec'22:PKR 190.7 Bn) and PKR 16.9 Bn (Dec'22:PKR 17.3 Bn), respectively. Thus, provision coverage at March 31, 2023 stood at 81.2%. However, excluding certain NPL that is secured through a sovereign guarantee issued by the Government of Pakistan, the NPL coverage stands at 93%.

- **Taxation & After-tax Profit**

Taxation charge for the period amounted to PKR 7.5 Bn as against PKR 6.2 Bn for Mar'22. Consequently, profit after-tax for the three months period ended March 31, 2023 stood at PKR 10.7 Bn i.e. PKR 0.85 Bn or 8.7% higher than PKR 9.8 Bn for Mar'22. This translates into Earnings per Share of Rs. 5.02 as compared to Rs. 4.62 for Mar'22.

- **Appropriation of Profit**

Profit for the three months period ended March 31, 2023 after carry forward of accumulated profit of 2022 is appropriated as follows:

	(PKR 'Mn)
Profit after tax for the Quarter ended March 31, 2023	10,688.8
Unappropriated profit brought forward	172,511.7
Other comprehensive income - net of tax	(288.0)
Transfer from surplus on revaluation of fixed assets-net of tax	50.7
Profit available for appropriation	<u>182,963.2</u>
Appropriation:	
Transfer to Statutory Reserve	<u>(1,068.9)</u>
Unappropriated profit carried forward	<u>181,894.3</u>

Financial Position as at March 31, 2023

At March 31, 2023, total assets of the Bank amounted to PKR 6,055.6 Bn, depicting a 15.6% increase against PKR 5,240.4 Bn levels of December 31, 2022.

- **Loans and Advances**

Gross loans & advances of the Bank amounted to PKR 1,452.9 Bn depicting a slight increase of 1.0% or PKR 14.4 Bn against PKR 1,438.6 Bn at end of the year 2022. Whereas, net advances stood at PKR 1,231.5 Bn i.e. similar to PKR 1,230.5 Bn level at the end of 2022. In the prevailing high interest rate scenario, the Bank is pursuing a prudent loan growth for better credit risk management.

- **Investments**

Pursuant to an effective risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted GoP instruments, high dividend yielding equities and other interest-bearing financial instruments. As at March 31, 2023, the Bank's investments (at cost) amounted to

PKR 3,799.7 Bn (2022:PKR 3,509.0 Bn) with a carrying value of PKR 3,741.4 Bn (2022:PKR 3,477.4 Bn). During the three months under review, PKR 290.7 Bn or 8.3% increase in the investments (at cost) mostly came in the available-for-sale securities that stood at PKR 3,158.5 Bn (2022:PKR 2,956.9 Bn) as of Mar'31, 2023. Given the limited quality loan growth demand, and a steady growth in customer deposits, excess liquidity with the Bank is mostly placed in shorter-term GoP securities to capitalize on price volatility in the currently hiking policy rate environment.

• Deposits & Funding

At March 31, 2023, total deposits with the Bank amounted to PKR 2,976.2 Bn as compared to PKR 2,666.2 Bn of December 31, 2022. Major share of the Bank's funding comes from customer sticky deposits that contribute PKR 2,706.5 Bn or 90.9% of the total deposits. Non-remunerative current deposits increased by 19.0% during the 3M period under review to close at PKR 675.7 Bn making 25.0% of the total customer deposits; whereas remunerative but low cost current accounts deposits were reduced by 12.8% to close at PKR 639.4 Bn, making 23.6% of the customer deposits.

With current deposits at PKR 1,543.7 Bn or 51.9% of the total deposits at March 31, 2023, the Bank maintains a strong liquidity profile. In addition, the CASA ratio stood high at 79.4%. Liquidity Coverage Ratio and Net Stable Funding Ratio remained over the regulatory requirements as the same stood at 166% (Dec'22:147%) and 273% (Dec'22:251%), respectively vis-à-vis regulatory requirement of 100% for each.

• Capital Strength and Adequacy

Net Assets amount to PKR 304.95 Bn i.e.1.4% higher than PKR 300.8 Bn at the end of 2022. These translate into a break-up value of PKR 143.3 per share (YE'22: PKR 141.4). During 3M'23, the Bank's Eligible Tier 1 capital decreased by PKR 3.1 Bn or 1.3% to PKR 228.1 Bn from PKR 231.2 Bn at YE'22. Likewise, Eligible Tier 2 capital also decreased by PKR 5.5 Bn or 7.4% to close at PKR 69.5 Bn. Tier 2 capital mainly decreased corresponding to the decrease in Tier-1 capital. As the Bank is following a risk-prudent asset growth strategy, total RWAs increased by PKR 65.4 Bn or 4.6% from PKR 1,418.5 Bn at YE'22 to PKR 1,483.9 Bn at March 31, 2023.

Consequently, the Total Capital Adequacy Ratio (CAR) stood at 20.06% with Tier-1 capital adequacy ratio at 15.37%; as compared to 21.59% and 16.30%, respectively, at YE'22. At March'31, 2023, the Bank's leverage ratio stood at 2.80% which has been relaxed up to 2.5% by the central bank till March 31, 2024. Other financial soundness ratios are well compliant with applicable regulatory requirements.

Changes in the Board of Directors during the period under review

Subsequent to the year ended December 31, 2022, the Federal Government vide Notification No. F.1 (11) Bkg-III/2017-90 dated January 18, 2023, has appointed Mr. Ashraf Mahmood Wathra as Chairman of the Board, Mr. Amjad Mahmood as Non-Executive Director, Mr. Ali Syed and Mr. Nasim Ahmad as Independent Directors of the Board with immediate effect.

Contingency Regarding the Pension Case

Status of the case is the same as explained in note 25.3.4.1 to the audited unconsolidated financial statements for the year ended December 31, 2022. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements, as the Bank is confident about a favorable outcome on the matter.

Credit Ratings

NBP has been rated as 'AAA' by both the recognised credit rating agencies in Pakistan. In June 2022, M/s VIS Credit Rating Company re-affirmed the Bank's standalone credit rating as "AAA", the highest credit rating awarded by the company for a bank in Pakistan. Similarly, M/s PACRA Credit Rating Company also assigned the Bank long-term entity rating as 'AAA' (Triple AAA) and short-term credit rating as 'A1+' (A-one Plus).

Outlook

Going forward, the economic outlook will be shaped largely by the restoration of political stability and the continued implementation of reforms under the revived International Monetary Fund program to stabilize the economy and restore fiscal and external buffers. Despite the prevailing challenges, your Bank will continue to play its role towards supporting economic momentum in the country, while also maintaining a strong & resilient balance sheet to create long-term value for its stakeholders. Our strategic focus on investing into IT Systems & Infrastructure is aimed at creating synergies in business processes, rationalising operating costs and achieving higher efficiency. In the near future, the Bank's business strategy will remain focused on financing and supporting underserved sectors including SME, Microfinance, Agriculture Finance as well as Islamic financing on a priority basis.

Acknowledgement & Appreciation

We appreciate the continued efforts & dedication of our employees towards provision of service to the Nation and delivering commendable financial results. We would also like to acknowledge the support of the Government of Pakistan, the State Bank of Pakistan, the SECP and other regulatory bodies for enabling the Bank to achieve its potential and contribute towards the socio-economic development in the country.

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO (A)

Ali Syed
Director

Karachi

Dated: April 27, 2023

اعتراف اور تعریف

ہم قوم کی خدمت کی فراہمی اور قابل ستائش مالیاتی نتائج کی فراہمی کے لیے بینک کو اپنی صلاحیتوں کو حاصل کرنے اور ملک میں سماجی و اقتصادی ترقی میں اپنا حصہ ڈالنے کے قابل بنانے پر اپنے ملازمین کی مسلسل کوششوں اور لگن کو سراہتے ہیں۔ ہم حکومت پاکستان، اسٹیٹ بینک آف پاکستان، ایس ای سی پی اور دیگر ریگولیٹری اداروں کی طرف سے بینک کو اپنی حقیقی صلاحیت کو حاصل کرنے اور پاکستان کی سماجی و اقتصادی ترقی میں اپنا حصہ ڈالنے کے قابل بنانے کے لیے ان کی مسلسل مدد کو بھی تسلیم کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے

علی سید
ڈائریکٹر

رحمت علی حسنی
صدر اور سی ای او (اے)

کراچی

بتاریخ: 27 اپریل 2023

پنشن کیس سے متعلق ہنگامی صورتحال

کیس کی حیثیت وہی ہے جو 31 دسمبر 2022 کو ختم ہونے والے سال کے آڈٹ شدہ غیر مربوط مالیاتی بیانات کے نوٹ 1.4.3.25 میں بیان کی گئی ہے۔ قانونی مشیر کی رائے کی بنیاد پر، ان غیر مربوط کنڈینسڈ عبوری مالیاتی گوشوارے میں کسی اضافی پنشن کی ذمہ داری کی کوئی پروویژن ریکارڈ نہیں کی گئی، کیونکہ بینک کو اس معاملے پر ایک سازگار نتیجہ پر یقین ہے۔

کریڈٹ ریٹنگ

پاکستان میں دونوں تسلیم شدہ کریڈٹ ریٹنگ ایجنسیوں کے ذریعہ آپ کی بینک کو 'AAA' کا درجہ دیا گیا ہے۔ جون 2022 میں، میسرز VIS کریڈٹ ریٹنگ کمپنی نے بینک کی اسٹینڈالون کریڈٹ ریٹنگ کو "AAA" کی حیثیت سے دوبارہ تصدیق کی، جو پاکستان میں کسی بینک کے لیے کمپنی کی طرف سے دی جانے والی سب سے زیادہ کریڈٹ ریٹنگ ہے۔ اسی طرح، میسرز پیکرا کریڈٹ ریٹنگ کمپنی نے بھی بینک کو طویل مدتی ہستی کی درجہ بندی بطور 'AAA' (ٹرپل AAA) اور مختصر مدت کے کریڈٹ ریٹنگ کو 'A1+' (One Plus-A) کے طور پر تفویض کیا ہے۔

مستقبل

آگے بڑھتے ہوئے، اقتصادی نقطہ نظر بڑی حد تک سیاسی استحکام کی بحالی اور معیشت کو مستحکم کرنے اور مالیاتی اور بیرونی بفرز کو بحال کرنے کے لیے بین الاقوامی مالیاتی فنڈ کے پروگرام کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائے گا۔ موجودہ چیلنجوں کے باوجود بینک اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے لیے ایک مضبوط اور پگھلا رہی بنیاد رکھنے کے ساتھ ساتھ ملک میں اقتصادی رفتار کو سہارا دینے کے لیے اپنا کردار ادا کرنا جاری رکھے گا۔ آئی ٹی سسٹمز اور انفراسٹرکچر میں سرمایہ کاری پر ہماری سٹرٹیجک توجہ کا مقصد کاروباری عمل میں، ہم آہنگی پیدا کرنا، آپریٹنگ لاگت کو معقول بنانا اور اعلیٰ کارکردگی کا حصول ہے۔ مستقبل قریب میں، بینک کی کاروباری حکمت عملی SME، مائیکرو فنانس، ایگریکلچر فنانس سمیت غیر محفوظ شعبوں کی مالی اعانت اور معاونت کے ساتھ ساتھ ترجیحی بنیادوں پر اسلامی فنانسنگ پر مرکوز رہے گی۔

ڈپازٹس میں تین ماہ کی مدت کے دوران 19.0% کا اضافہ ہو کر 675.7 بلین روپے ہو گیا جو کل کسٹمر ڈپازٹس کا 25.0% بنتا ہے۔ جبکہ منافع بخش لیکن کم لاگت والے کرنٹ اکاؤنٹس ڈپازٹس 12.8% سے کم ہو کر 639.4 بلین روپے رہے، جو صارفین کے ذخائر کا 23.6% بنتا ہے۔

31 مارچ 2023 کو 1,543.7 بلین روپے یا کل ڈپازٹس کا 51.9% موجودہ ڈپازٹس کے ساتھ، بینک ایک مضبوط لیکویڈیٹی پروفائل کو برقرار رکھتا ہے۔ اس کے علاوہ، CASA کا تناسب 79.4% پر بلند رہا۔ لیکویڈیٹی کوریج ریشو اور نیٹ اسٹیبل فنڈنگ ریشو بالترتیب 166% (دسمبر 2022: 147%) اور 273% (دسمبر 2022: 251%) رہا جو کہ کی ریگولیٹری ضروریات کے 100% کے مقابلے میں ہے۔

سرمائے کی طاقت اور قابلیت

خالص اثاثوں کی رقم 304.95 بلین روپے ہے جو 2022 کے آخر کے 300.8 بلین روپے سے 1.4% زیادہ ہے۔ یہ 143.3 فی شیئر (سال 2022: 141.4) کی بریک اپ ویلیو میں ترجمہ کرتے ہیں۔ سال 2023 کی پہلی سہ ماہی کے دوران، بینک کا اہل درجے کا سرمایہ 3.1 بلین روپے یا 1.3% کم ہو کر 228.1 بلین روپے ہو گیا جو سال 2022 کے اختتام پر 231.2 بلین روپے تھا۔ اسی طرح، اہل ٹائر 2 کیپٹل بھی 5.5 بلین روپے یا 7.4% کم ہو کر 69.5 بلین روپے پر بند ہوا۔ ٹائر 2 کیپٹل بنیادی طور پر ٹائر 1 کیپٹل میں کمی کے مطابق کم ہوا۔ چونکہ بینک خطرے سے متعلق اثاثہ کی ترقی کی حکمت عملی پر عمل پیرا ہے، جس کی وجہ سے کل RWAs میں 65.4 بلین روپے یا 4.6% اضافہ ہوا جو سال 2022 کے اختتام پر 1,418.5 بلین روپے سے بڑھ کر 31 مارچ 2023 کو 1,483.9 بلین روپے ہو گیا۔

نتیجتاً، کل کیپٹل ایڈیو لسی ریشو (CAR) سال 2022 کے اختتام کے 21.59% کے مقابلے میں سال 2023 کے اختتام پر 20.06% رہا جبکہ ٹائر 1 کیپٹل ایڈیو لسی ریشو سال 2022 کے اختتام کے 16.30% کے مقابلے میں سال 2023 کے اختتام پر 15.37% رہا۔ 31 مارچ 2023 کو بینک کا لیوریج ریشو 2.80% رہا جسے مرکزی بینک نے 31 مارچ 2024 تک کے لیے 2.5% تک نرم کر دیا ہے۔

زیر نظر مدت کے دوران بورڈ آف ڈائریکٹرز میں تبدیلیاں

31 دسمبر 2022 کو ختم ہونے والے سال کے بعد، وفاقی حکومت نے نوٹیفکیشن نمبر F.1(11)/III-Bkg/2017-90 مورخہ 18 جنوری 2023 کے ذریعے، مسٹر اشرف محمود وٹھرا کو بورڈ کا چیئر مین امجد محمود بطور نان ایگزیکٹو ڈائریکٹر، مسٹر علی سید اور مسٹر نسیم احمد کو بورڈ کے آزاد ڈائریکٹرز کے طور پر فوری طور پر مقرر کیا ہے۔

31 مارچ 2023 تک کی مالی پوزیشن

31 مارچ 2023 کو، بینک کے کل اثاثوں کی رقم 6,055.6 بلین روپے تھی، جو کہ 31 دسمبر 2022 کی 5,240.4 بلین روپے کی سطح کے مقابلے میں 15.6 فیصد اضافہ کو ظاہر کرتی ہے۔

قرضہ جات

بینک کے مجموعی قرضوں اور ایڈوانسز کی رقم 1,452.9 بلین روپے تھی جو سال 2022 کے آخر میں 1,438.6 بلین روپے کے مقابلے میں 1.0% یا 14.4 بلین روپے کا معمولی اضافہ ظاہر کرتی ہے۔ جبکہ، خالص ایڈوانسز 2022 کے آخر کے 1,230.5 روپے کے مقابلے میں 1,231.5 بلین روپے رہے۔ موجودہ بلند شرح سود کے منظر نامے میں، بینک بہتر کریڈٹ رسک منیجمنٹ کے لیے ایک prudent قرض کی ترقی کی پیروی کر رہا ہے۔

سرمایہ کاری

مؤثر رسک اور لیکویڈیٹی مینجمنٹ حکمت عملی کے تحت، بینک صفر خطرے والے جی او پی انسٹرومنٹس، زیادہ ڈیویڈنڈ حاصل کرنے والی ایکویٹیز اور دیگر سود والے مالیاتی آلات میں ایک متنوع سرمایہ کاری پورٹ فولیو کو برقرار رکھے ہوئے ہے۔ 31 مارچ 2023 تک، بینک کی سرمایہ کاری (قیمت پر) 3,799.7 بلین روپے (2022: 3,509.0 بلین روپے) تھی جس کی مالیت 3,741.4 بلین روپے (2022: 3,477.4 بلین روپے) تھی۔ زیر جائزہ تین مہینوں کے دوران، 290.7 بلین روپے یا سرمایہ کاری میں 8.3% اضافہ (قیمت پر) زیادہ تر دستیاب برائے فروخت سیکورٹیز میں آیا جو 31 مارچ، 2023 تک 3,158.5 بلین روپے (2022: 2,956.9 بلین روپے) تھا۔ محدود معیار کے قرض کی ترقی کی طلب، اور صارفین کے ذخائر میں مسلسل نمو کے پیش نظر، بینک کے ساتھ اضافی لیکویڈیٹی زیادہ تر قلیل مدتی GoP سیکورٹیز میں رکھی جاتی ہے تاکہ موجودہ پالیسی کی شرح میں اضافے کے ماحول میں قیمتوں کے اتار چڑھاؤ سے فائدہ اٹھایا جاسکے۔

ذخائر اور فنڈنگ

31 مارچ 2023 کو، بینک کے پاس کل ڈپازٹس 2,976.2 بلین روپے تھے جب کہ 31 دسمبر 2022 کے 2,666.2 بلین روپے تھے۔ بینک کی فنڈنگ کا بڑا حصہ صارفین کے سٹکی ڈپازٹس سے آتا ہے جو 2,706.5 بلین روپے یا 90.9% کا کل حصہ ڈالتے ہیں۔ غیر منافع بخش کرنٹ

تقابلی مدت کے 14.5 بلین روپے کے مقابلے میں 710.0 بلین روپے کا سالانہ اضافہ ریکارڈ کر کے 724 بلین روپے ہو گئے۔ NPLs کے خلاف مخصوص اور عمومی دفعات بالترتیب 204.5 بلین روپے (دسمبر 2022: 190.7 بلین روپے) اور 16.9 بلین روپے (دسمبر 2022: 17.3 بلین روپے) رہیں۔ اس طرح 31 مارچ 2023 کو پروویژن کوریج %81.2 رہی۔ تاہم، علاوہ بعض این پی ایل جو حکومت پاکستان کی طرف سے جاری کردہ خود مختار گارنٹی کے ذریعے محفوظ ہے، این پی ایل کی کوریج %93 ہے۔

ٹیکس کے بعد منافع

اس مدت کے لیے ٹیکسیشن چارج 7.5 بلین روپے تھا جبکہ مارچ 2022 کے لیے 6.2 بلین روپے تھا۔ نتیجتاً، 31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے بعد از ٹیکس منافع مارچ 2022 کے 9.8 بلین روپے کے مقابلے میں 0.85 بلین روپے یا %8.7 زیادہ سے 10.7 بلین روپے رہا۔ یہ مارچ 2022 کے 4.62 روپے کے مقابلے میں 5.02 روپے کی فی شیئر آمدنی کی ترجیحی کرتا ہے۔

منافع کی تخصیص

2022 کے جمع شدہ منافع کو آگے بڑھانے کے بعد 31 مارچ 2023 کو ختم ہونے والے تین ماہ کے منافع کو مختص کرنے کی تجویز مندرجہ ذیل ہے:

(بلین روپے)	
10,688.8	31 مارچ 2022 کو ختم ہونے والے تین ماہ کے لیے بعد از ٹیکس منافع
172,511.7	غیر تصرف شدہ آگے لایا جانے والا منافع
(288.0)	دیگر جامع آمدنی۔ بعد از ٹیکس
50.7	جامد اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی۔ بعد از ٹیکس
182,963.2	تصرف کے لیے دستیاب منافع

تصرف:

(1,068.9)	قانونی ذخائر میں منتقلی
181,894.3	غیر تصرف شدہ منافع آگے بڑھانے کے لیے:

غیر مارک اپ/ سود کی آمدنی

مارچ 2023 کے لیے غیر فنڈڈ انکم 'NFI' میں معمولی کمی ریکارڈ کی گئی جو 7.5 بلین روپے پر بند ہوئی جو مارچ 2022 کے 8.1 بلین روپے سے 0.6 بلین روپے یا 7.3% کم ہے۔ یہ بنیادی طور پر غیر ملکی زرمبادلہ آمدنی میں کمی کی وجہ سے تھا۔ جبکہ فیس اور کمیشن کی آمدنی جس میں سالانہ 3.0% کمی ریکارڈ کی گئی 4.5 بلین روپے (مارچ 2022: 4.7 بلین روپے) پر بند ہوئی، غیر ملکی زرمبادلہ آمدنی مارچ 2022 کے 2.1 بلین روپے کے مقابلے میں 49.8% کم ہو کر 1.1 بلین روپے پر بند ہوئی جبکہ زیر جائزہ مدت کے دوران فاریکس مارکیٹ زیادہ مستحکم رہی۔ بینک کے ایکویٹی انویسٹمنٹ پورٹ فولیو نے 1.0 بلین روپے کی ڈیویڈنڈ آمدنی حاصل کی، جو 0.12 بلین روپے یا سالانہ 13.1% زیادہ ہے۔ جبکہ، کمپنیل گین 0.26 بلین روپے یا 264.1% سے نمایاں طور پر بڑھ کر 0.36 بلین روپے (مارچ 2022: 0.1 بلین روپے) پر بند ہوا۔ آگے بڑھتے ہوئے NFI کی بحالی کی توقع ہے کیونکہ اسٹاک مارکیٹ میں استحکام کی توقع ہے۔

انتظامی اخراجات

زیر جائزہ مدت کے لیے بینک کے آپریٹنگ اخراجات 21.2 بلین روپے تھے جو پچھلے سال اسی سہ ماہی کے 16.8 بلین روپے کے مقابلے میں 26.3% زیادہ ہے۔ انسانی وسائل کی لاگت جو کل آپریٹنگ اخراجات کا تقریباً 67.7 فیصد بنتی ہے مارچ 2022 میں 11.6 بلین روپے کے مقابلے میں 14.3 بلین روپے تھی۔ یہ اضافہ سالانہ تنخواہ میں اضافے، متعین بینیفٹ پلانز کے لیے چارج اور انسانی وسائل سے متعلق دیگر دفعات کے اثرات کو ظاہر کرتا ہے۔ جبکہ جائیداد سے متعلق اخراجات 2.4 بلین روپے (مارچ 2022: 2.0 بلین روپے) تھے، IT سے متعلق اخراجات 1.2 بلین روپے (مارچ 2022: 0.6 بلین روپے) تھے۔ بینک فی الحال اپنی بنیادی بینکنگ اپیلی کیشنز اور متعلقہ IT انفراسٹرکچر کو بہتر اور مضبوط بنانے کے لیے نمایاں سرمایہ کاری کر رہا ہے۔ دیگر آپریٹنگ اخراجات 3.2 بلین روپے تھے جو لاگت میں عام افراط زر کے اضافے کے جواب میں سالانہ 26.1% اضافہ کو ظاہر کرتے ہیں۔ مجموعی طور پر، آپریٹنگ لاگت آمدنی کے تناسب میں 52.9% کی ترجمانی کرتی ہے جو افراط زر کے دباؤ اور صنعت کے اصولوں کے مطابق ہے۔

قرضوں کے تصرفات

زیر جائزہ تین ماہ کی مدت کے لیے تصرفات کی رقم 0.68 بلین روپے تھی جو کہ 2022 کے اسی تین ماہ کی مدت کے لیے 1.1 بلین روپے کے مقابلے میں 36.0% یا 0.38 بلین روپے نمایاں طور پر کم ہے۔ اس کی میں کلیدی معاون قرضے اور ڈوائنسز تھے۔ جس نے 2022 کی اسی تین ماہ کی مدت کے 1.0 بلین روپے کے چارج کے مقابلے میں 68.4 بلین روپے کا خالص ریورسل ریکارڈ کیا۔ تاہم، سرمایہ کاری کی قدر میں کمی سے متعلق تصرف

زیر جائزہ تین ماہ کی مدت میں آپ کے بینک نے 2022 کی اسی تین ماہ کی مدت کے 79.2 بلین روپے کے مقابلے میں 192.4 بلین روپے کی مجموعی سودی آمدنی پیدا کی ہے۔ مجموعی سودی آمدنی میں 113.2 بلین روپے کا اضافہ اس مدت کے دوران اعلیٰ اوسط پالیسی کی شرح کے اثرات کے ساتھ اوسط سود کمانے والے اثاثوں میں ایک مضبوط حجمی نمو کے ذریعے حاصل کیا گیا ہے جو گزشتہ سال کی اسی مدت کے 9.75% کے مقابلے میں 17.7% رہا ہے۔

پہلی سہ ماہی 2023 کے دوران بینک کے سرمایہ کاری کے پورٹ فولیو کی اوسط 3,519.2 بلین روپے (مارچ 2022: 1,984.6 بلین روپے) تھی اور مارک اپ/سودی آمدنی 146.2 بلین روپے تھی جو گزشتہ سال اسی مدت کے 50.4 بلین روپے کے مقابلے میں 95.8 بلین روپے یا 190.2% بڑھ گئی۔ یہ اوسط پیداوار کے 16.85% (مارچ 2022: 10.29%) کی ترجمانی کرتا ہے۔ اعلیٰ پالیسی کی شرح کے ماحول میں، بینک کی سرمایہ کاری کی کتاب کی میچورٹی پروفائل دستیاب برائے فروخت کے زمرے کے تحت مختصر مدت کی سیکیورٹیز کی طرف متوجہ ہوتی ہے۔ اسی طرح، پلیسمنٹ، جس کی اوسط 66.2 بلین روپے (مارچ 2022: 110.6 بلین روپے) رہی، نے مارچ 2022 کی 9.77% کی پیداواری شرح کے مقابلے میں 16.6% کی اونچی شرح سے 2.7 بلین روپے (مارچ 2022: 2.7 بلین روپے) کی مارک اپ آمدنی حاصل کی۔

تین ماہ کی مدت کے لیے، بینک کی قرض کی کتاب کی اوسط 1,411.4 بلین روپے رہی اور اس نے گزشتہ سال اسی مدت کے 26.2 بلین روپے کے مقابلے میں 17.3 بلین روپے یا 66.2% زیادہ سے 43.5 بلین روپے کی مارک اپ آمدنی حاصل کی۔ یہ نمایاں نمو والیو میٹرک نمو اور سازگار YoY شرح تغیر دونوں کے ذریعے حاصل کی گئی۔ باوجود اس حقیقت کے کہ بینک کے پاس کم پیداواری یا غیر فعال سرکاری شعبے کے قرضوں کا نمایاں تناسب ہے، یہ اعلیٰ کارکردگی قابل ذکر ہے۔

اسی طرح، اعلیٰ اوسط پالیسی کی شرح کی وجہ سے مارچ 2023 کے لیے بینک کے فنڈز کی لاگت میں سال 2022 کی اسی مدت کے لیے 53.4 بلین روپے کے مقابلے میں 159.9 بلین روپے کا نمایاں گہرا ریکارڈ کیا گیا۔ 106.5 بلین روپے یا 199.3% سالانہ اضافہ بنیادی طور پر ڈپازٹس کی لاگت جو کہ 69.7 بلین روپے (مارچ 2022: 36.3 بلین روپے) اور قرضے/ریپو لاگت جو کہ 73.8 بلین روپے سے 88.6 بلین روپے پر بند ہوئے، میں ریکارڈ کیا گیا ہے۔

نتیجتاً، زیر جائزہ مدت کے لیے خالص سودی آمدنی 'NII' 32.5 بلین روپے پر بند ہوئی، جو مارچ 2022 کے 25.8 بلین روپے کے مقابلے میں 26.1% اضافے کو ظاہر کرتی ہے۔

کے باوجود، بڑھتی ہوئی اوسط پالیسی کی شرح کی بنیاد پر اسپریڈز میں بہتری آئی ہے۔ انڈسٹری کے تاثرات کو مد نظر رکھتے ہوئے، اسٹیٹ بینک آف پاکستان نے IFRS-9 اور مالیاتی رپورٹنگ فارمیٹس کے نفاذ کو 01 جنوری 2024 تک موخر کر دیا ہے۔

پہلی سہ ماہی 2023 کی مالیاتی کارکردگی

31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مالیاتی کارکردگی

مسلسل چیلنجنگ اقتصادی ماحول کے باوجود بینک نے 31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے مضبوط مالیاتی نتائج پیش کیے ہیں۔ یہ نتائج بینک کے کاروباری ماڈل کی چک، انتظامیہ کی حکمت عملیوں کی تاثیر اور ہمارے عملے کی کوششوں کو ظاہر کرتا ہے۔

نمبر	اہم اشارہ جات	مارچ 23	مارچ 22	بہتری / (اہتری) رقم	(بلین روپے)	منافع
1	خالص سودی آمدنی	32.5	25.8	6.7	26.1%	▲
2	غیر فنڈڈ آمدنی	7.5	8.1	(0.6)	(7.3%)	▼
3	کل آمدنی	40	33.9	6.1	18.1%	▲
4	آپریٹنگ اور دیگر اخراجات	21.2	16.8	(4.4)	26.3%	▲
5	قبل از تصرف منافع	18.9	17.1	1.7	10.1%	▲
6	تصرفات	0.7	1.1	0.4	36.0%	▼
7	قبل از ٹیکس منافع	18.2	16.1	2.1	13.2%	▲
8	ٹیکس	7.5	6.2	(1.3)	20.3%	▲
9	بعد از ٹیکس منافع	10.7	9.8	0.9	8.7%	▲
10	فی حصص آمدنی (روپے)	5.02	4.62	0.4	8.7%	▲

ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ

انفرادی مالیاتی گوشوارے

محترم حصص داران،

ہم بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2023 کو ختم ہونے والی مدت کے لئے بینک غیر آڈٹ شدہ انفرادی سہ ماہی مالی گوشوارے آپ کے سامنے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

معاشی ماحول

چونکہ عالمی معیشت کو مسلسل سست ترقی، افراط زر کے بلند دباؤ اور جغرافیائی سیاسی تناؤ کا سامنا ہے، مرکزی بینک سخت مالیاتی اقدامات اپنا رہے ہیں۔ عالمی بینکنگ نظام میں حالیہ تناؤ نے پاکستان جیسی ابھرتی ہوئی مارکیٹ کی معیشتوں کی مشکلات میں اضافہ کیا ہے۔ پاکستان کی معیشت کو مسلسل چیلنجز کا سامنا ہے جیسے کہ میکرو عدم توازن، غیر ملکی زرمبادلہ کے ذخائر میں کمی، وسیع البیاد بلند افراط زر اور جڑواں خسارہ۔ اگرچہ افراط زر کی سطح بلند رہی ہے، مہنگائی کی توقعات کی سطح کم ہونے کے ابتدائی اشارے مل رہے ہیں۔ جبکہ ادائیگیوں کے مجموعی توازن کی پوزیشن بدستور دباؤ میں ہے، بنیادی طور پر بڑے پیمانے پر درآمدی روک تھام کی وجہ سے کرنٹ اکاؤنٹ خسارہ پہلے کی توقع سے کم ہو گیا ہے۔ IMF کے EFF پروگرام کے تحت 9 واں جائزہ تکمیل کی طرف پیش رفت ہوئی ہے اور گزشتہ چند مہینوں کے دوران مزدوروں کی ترسیلات زر میں بھی قدرے بہتری آئی ہے اور مرکزی بینک کو توقع ہے کہ یہ رفتار برقرار رہے گی۔ مثبت طور پر، جولائی تا جنوری مالیاتی سال 2023 کے دوران مالیاتی خسارہ گزشتہ سال کی اسی مدت کے 2.8 فیصد کے مقابلے GDP کے 2.3 فیصد پر مشتمل تھا، جبکہ بنیادی توازن نے گزشتہ سال کے 0.3 فیصد کے خسارے کے مقابلے میں GDP کا 1.1 فیصد فاضل ظاہر کیا تھا۔ بنیادی توازن میں یہ بہتری کم سبسڈیز، گرانٹس اور ترقیاتی اخراجات کی وجہ سے حاصل کی گئی۔ حکومت ملکی اور بیرونی عدم توازن کو دور کرنے کے لیے موثر پالیسی اقدامات کر رہی ہے۔ کلیدی ترجیحات میں مالیاتی پوزیشن کو مضبوط بنانا، عام سے ٹارگٹڈ سبسڈیز (خاص طور پر ایندھن/ توانائی کی قیمتوں کے لحاظ سے) کی طرف منتقل کر کے غریبوں کو سماجی تحفظ جاری رکھنا شامل ہے۔

پاکستان کے بینکنگ سیکٹر نے اچھی کارکردگی کا مظاہرہ کیا ہے اور لچکدار رہا ہے۔ اثاثہ کے معیار اور کریڈٹ میں اضافے کے بارے میں کچھ خدشات

Unconsolidated Condensed Interim Statement of Financial Position As at March 31, 2023

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks	6	254,592,196	229,910,949
Balances with other banks	7	34,429,118	18,593,800
Lendings to financial institutions	8	479,050,253	31,272,467
Investments	9	3,741,390,058	3,477,353,874
Advances	10	1,231,516,556	1,230,521,804
Fixed assets	11	57,311,641	57,105,842
Intangible assets	12	1,426,220	1,388,947
Right of use assets	13	6,783,862	6,708,404
Deferred tax asset	14	34,471,201	22,299,403
Other assets	15	214,654,857	165,269,056
		6,055,625,962	5,240,424,546
LIABILITIES			
Bills payable	16	7,906,901	55,268,019
Borrowings	17	2,503,004,236	1,940,485,787
Deposits and other accounts	18	2,976,228,368	2,666,184,360
Lease liability against right of use assets	19	9,059,413	8,267,949
Other liabilities	20	254,477,573	269,370,672
		5,750,676,491	4,939,576,787
NET ASSETS		304,949,471	300,847,759
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves		74,168,980	64,144,050
Surplus on revaluation of assets	21	27,611,057	42,916,902
Unappropriated profit		181,894,303	172,511,676
		304,949,471	300,847,759
CONTINGENCIES AND COMMITMENTS			
	22		

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended March 31, 2023

		Quarter ended	
		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	-----
Mark-up / return / interest earned	23	192,391,767	79,203,607
Mark-up / return / interest expensed	24	159,868,773	53,412,315
Net mark-up / return / interest income		32,522,994	25,791,292
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	4,522,645	4,664,399
Dividend income		998,791	883,242
Foreign exchange income		1,050,667	2,094,921
Gain on securities - net	26	364,631	100,146
Other income	27	562,882	350,362
Total non-mark-up / interest income		7,499,616	8,093,070
Total income		40,022,610	33,884,362
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	28	21,145,782	16,732,836
Other charges	29	15,699	21,678
Total non-markup / interest expenses		21,161,481	16,754,514
Profit before provisions		18,861,129	17,129,848
Provisions and write offs - net	30	684,359	1,069,006
PROFIT BEFORE TAXATION		18,176,770	16,060,842
Taxation	31	7,487,991	6,223,398
PROFIT AFTER TAXATION		10,688,779	9,837,444
----- (Rupees) -----			
Earnings per share - basic and diluted	32	5.02	4.62

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director



Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the three months period ended March 31, 2023

	Quarter ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
Profit after taxation for the period	10,688,779	9,837,444
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Exchange gain / (loss) on translation of net assets of foreign branches	8,956,052	1,309,506
Movement in surplus on revaluation of investments - net of tax	(15,255,120)	1,488,416
	(6,299,068)	2,797,922
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(288,000)	(488,035)
Movement in surplus on revaluation of fixed assets - net of tax	-	-
	(288,000)	(488,035)
Total comprehensive (loss) / income	4,101,711	12,147,331

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

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Chairman

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President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director

Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the three months period ended March 31, 2023

	Share capital	Reserves					Surplus on revaluation of assets			Unappropriated profit	Total
		Exchange translation	Statutory reserve	Merger reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / non-banking assets		
(Rupees in '000)											
Balance as at January 01, 2022											
	21,275,131	12,577,854	38,928,501	343,802	8,000,000	521,338	60,371,495	19,888,217	44,593,905	64,482,122	286,202,565
Profit after taxation for the three months period ended March 31, 2022											
	-	-	-	-	-	-	-	-	-	-	9,837,444
	-	1,309,506	-	-	-	-	1,309,506	1,488,416	-	1,488,416	(489,035)
	-	-	983,744	-	-	-	983,744	-	-	-	2,309,887
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax											
	-	-	-	-	-	-	-	-	(49,615)	(49,615)	-
Transfer to unappropriated profit											
	-	-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	8,000,000
Transactions with owners, recorded directly in equity											
Cash dividend paid for the year ended December 31, 2021 (Rs. Nil per share)											
	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 1, 2022											
	21,275,131	13,887,360	39,912,245	343,802	-	521,338	54,664,745	21,376,633	44,544,290	65,920,923	298,349,896
Profit after taxation for the nine months period ended December 31, 2022											
	-	-	-	-	-	-	-	-	-	-	20,572,856
	-	7,402,215	-	-	-	-	7,402,215	(25,630,315)	2,774,363	(22,855,952)	(2,641,060)
	-	-	2,057,286	-	-	-	2,057,286	-	-	-	(2,057,286)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax											
	-	-	-	-	-	-	-	-	(148,069)	(148,069)	-
Adjustment of Merger Reserve											
	-	-	-	19,804	-	-	19,804	-	-	-	19,804
Balance as at January 01, 2023											
	21,275,131	21,289,575	41,969,531	363,606	-	521,338	64,144,050	(4,253,682)	47,170,584	42,916,902	300,847,759
Profit after taxation For Quarter ended March 31, 2023											
	-	-	-	-	-	-	-	-	-	-	10,688,779
	-	8,956,052	-	-	-	-	8,956,052	(15,255,120)	-	(15,255,120)	(288,000)
	-	-	1,068,878	-	-	-	1,068,878	-	-	-	(6,587,068)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax											
	-	-	-	-	-	-	-	-	(50,726)	(50,726)	50,726
Transactions with owners, recorded directly in equity											
Cash dividend paid for the year ended December 31, 2022 (Rs. Nil per Share)											
	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023											
	21,275,131	30,245,627	43,038,409	363,606	-	521,338	74,168,980	(19,508,802)	47,119,658	27,611,057	304,949,471

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

Ashraf Mahmood Wathra
Chairman

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director

Rehmat Ali Hasnle
President & CEO (A)

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		18,176,770	16,060,842
Less: dividend income		(998,791)	(883,242)
		17,177,979	15,177,600
Adjustments:			
Depreciation on fixed assets		612,193	628,560
Depreciation on right of use assets		511,620	515,631
Amortisation		105,523	67,213
Provision and write-offs - net	30	684,359	1,069,006
Gain on sale of fixed assets		(286)	(6)
Financial charges on leased assets		22,896	13,529
Financial charges on right-of-use-assets		311,622	203,786
Unrealized gain on revaluation of investments classified as held-for-trading		225,892	245,037
Charge for defined benefit plans - net		3,250,637	2,262,039
		5,724,456	5,004,795
		22,902,435	20,182,395
Decrease / (increase) in operating assets			
Lendings to financial institutions		(447,777,786)	194,333,725
Held-for-trading securities		51,693,253	19,553,676
Advances		(14,393,808)	(77,618,231)
Other assets (excluding advance taxation)		(47,430,077)	(12,207,289)
		(457,908,417)	124,061,882
Increase / (decrease) in operating liabilities			
Bills payable		(47,361,118)	(2,813,389)
Borrowings from financial institutions		565,791,391	292,888,785
Deposits		310,044,008	(384,609,191)
Other liabilities (excluding current taxation)		(9,851,193)	(27,000,705)
		818,623,088	(121,534,500)
Financial charges paid		(334,518)	(217,315)
Income tax paid		(5,800,000)	(1,700,000)
Benefits paid		(866,916)	(655,580)
		376,615,672	20,136,882
Net cash flows generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(201,545,684)	145,885,132
Net investments in held-to-maturity securities		(140,013,764)	(222,425,845)
Dividends received		998,791	1,605,063
Investments in fixed assets		(532,378)	(496,611)
Proceeds from sale of fixed assets		3,230	8,065
Effect of translation of net investment in foreign branches		8,956,052	1,309,506
		(332,133,753)	(74,114,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations		(692,175)	(558,646)
Dividend paid		(237)	-
		(692,412)	(558,646)
Net cash flows used in financing activities			
(Decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		43,789,507	(54,536,454)
Cash and cash equivalents at end of the period	33	222,704,327	271,386,360
		266,493,834	216,849,906

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2023

1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,512 (December 31, 2022: 1,512) branches in Pakistan and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

2.1.3 The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

2.1.4 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. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2022.

2.1.5 These unconsolidated condensed interim financial statements are the separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted for presentation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2022.

3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered not to be relevant or do not have any significant impact on these unconsolidated condensed interim financial statements.

3.1.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

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, interpretations and amendments are either not relevant to the unconsolidated condensed interim financial statements. or are not expected to have significant impact on the unconsolidated condensed interim financial statements other than certain additional disclosures:

Effective from accounting period beginning on or after

Amendments to IFRS 16 - Leases on sale and leaseback

January 1, 2024

Amendments to IAS 1 - Non current liabilities with covenants

January 1, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

3.1.3 As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2022.

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
In hand			
Local currency		50,493,645	52,704,335
Foreign currencies		9,086,792	7,192,805
		59,580,437	59,897,140
With State Bank of Pakistan in			
Local currency current accounts	6.1	106,590,761	106,909,308
Foreign currency current accounts	6.2	18,139,011	15,661,453
Foreign currency deposit accounts	6.2	36,287,297	15,623,732
Foreign currency collection accounts		5,891,821	1,135,059
		166,908,890	139,329,552
With other central banks in			
Foreign currency current accounts	6.3	21,098,828	26,631,693
Foreign currency deposit accounts	6.3	6,632,052	3,725,602
		27,730,880	30,357,295
Prize bonds		371,989	326,962
		254,592,196	229,910,949

- 6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5% per annum (December 31, 2022: 0% to 4.5% per annum).

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In deposit accounts	7.1	14,041	13,766
Outside Pakistan			
In current accounts		28,628,921	12,391,006
In deposit accounts	7.2	5,786,156	6,189,028
		34,415,077	18,580,034
		34,429,118	18,593,800

- 7.1** These include various deposits with banks and carry interest at the rates ranging from 6.7% to 9.9% per annum (December 31, 2022: 3.5% to 9.5% per annum).
- 7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 1.75 % to 4.4% per annum (December 31, 2022: 0% to 4% per annum).

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	9,723	9,723
Repurchase agreement lendings (reverse repo)	8.2	479,040,530	31,262,744
Letters of placement	8.3	174,150	174,150
	8.4	479,224,403	31,446,617
Less: provision held against lendings to financial institutions	8.5	(174,150)	(174,150)
Lendings to financial institutions - net of provision		479,050,253	31,272,467

- 8.1** This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.
- 8.2** These carry mark-up at rates ranging from 19% to 20.5% per annum (December 31, 2022: 16.0% to 16.5% per annum) with maturities ranging from April 3, 2023 to April 4, 2023.
- 8.3** These are overdue placements and full provision has been made against these placements as at March 31, 2023

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
8.4 Particulars of lending		
In local currency	479,224,403	31,446,617
In foreign currencies	-	-
	<u>479,224,403</u>	<u>31,446,617</u>

8.5 Movement in provision held against lendings is as follows:

Opening balance	174,150	174,150
Reversal for the period	-	-
Closing balance	<u>174,150</u>	<u>174,150</u>

8.6 Securities held as collateral against lendings to financial institutions

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	14,919,030	-	14,919,030	18,699,589	-	18,699,589
Pakistan Investment Bonds	464,121,500	-	464,121,500	12,563,155	-	12,563,155
Total	<u>479,040,530</u>	<u>-</u>	<u>479,040,530</u>	<u>31,262,744</u>	<u>-</u>	<u>31,262,744</u>

8.6.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 479,041 million (December 31, 2022: Rs. 31,263 million).

8.7 Category of classification

	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	------(Rupees in '000)-----			
Domestic				
Loss	174,150	174,150	174,150	174,150

9. INVESTMENTS

9.1 Investments by type:

March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value

------(Rupees in '000)-----

Held-for-trading securities

Market Treasury Bills	9,475,347	-	(7,979)	9,467,368	22,269,343	-	(2,665)	22,266,678
Pakistan Investment Bonds	23,785,111	-	(209,194)	23,575,917	61,942,656	-	(1,031,197)	60,911,459
Ordinary shares of listed companies	511,905	-	(8,719)	503,188	424,708	-	(20,939)	403,769
	33,772,363	-	(225,892)	33,546,473	84,636,707	-	(1,054,801)	83,581,906

Available-for-sale securities

Pakistan Investment Bonds	2,556,339,683	-	(51,027,395)	2,505,312,288	1,972,276,787	-	(27,509,276)	1,944,767,511
Market Treasury Bills	435,928,381	-	(3,713,701)	432,214,680	828,851,708	-	(2,354,400)	826,497,308
Ijarah Sukuks	20,519,415	-	(674,287)	19,845,128	20,518,238	-	(339,589)	20,178,649
Ordinary shares of listed companies	44,910,247	(11,012,552)	3,143,569	37,041,264	41,601,347	(10,159,936)	4,813,864	36,255,275
Ordinary shares of unlisted companies	1,882,198	(427,951)	-	1,454,247	1,882,198	(427,951)	-	1,454,247
Preference shares	2,006,756	(845,730)	168,582	1,329,608	2,006,756	(845,730)	209,451	1,370,477
Investments in mutual funds	2,219,646	(41,167)	915,607	3,094,086	2,219,646	(41,167)	941,952	3,120,431
Ordinary shares of a bank outside Pakistan	463,295	-	41,228,294	41,691,589	463,294	-	34,380,951	34,844,245
Term Finance Certificates / Musharika								
Participation Term Certificate and Sukuk Bonds	51,463,284	(5,928,396)	678,172	46,213,060	52,125,171	(5,990,161)	1,047,326	47,182,336
GoP Foreign Currency Bonds	41,441,434	-	(24,913,080)	16,528,354	33,045,353	-	(18,622,514)	14,422,839
Foreign Government Securities	1,276,155	-	(31,728)	1,244,427	1,914,312	-	(30,359)	1,883,953
	3,158,450,494	(18,255,796)	(34,225,965)	3,105,968,731	2,956,904,810	(17,464,945)	(7,462,594)	2,931,977,271

Held-to-maturity securities

Pakistan Investment Bonds	376,217,458	-	-	376,217,458	375,236,903	-	-	375,236,903
Market Treasury Bills	160,095,077	-	-	160,095,077	29,376,461	-	-	29,376,461
Ijarah Sukuks	13,122,409	-	-	13,122,409	13,130,709	-	-	13,130,709
Debentures, Bonds, Ijarah Sukuks, Participation Term Certificates and Term Finance Certificates	404,585	(404,585)	-	-	404,585	(404,585)	-	-
GoP Foreign Currency Bonds	3,887,784	-	-	3,887,784	2,992,408	-	-	2,992,408
Foreign Government Securities	43,523,811	-	-	43,523,811	36,096,507	-	-	36,096,507
Foreign Currency Debt Securities	1,084	-	-	1,084	871	-	-	871
	597,252,208	(404,585)	-	596,847,623	457,238,444	(404,585)	-	456,833,859
Associates	4,926,048	(3,876,104)	-	1,049,944	4,926,048	(3,942,498)	-	983,550
Joint Venture	2,362,433	-	-	2,362,433	2,362,433	-	-	2,362,433
Subsidiaries	2,952,967	(1,338,112)	-	1,614,855	2,952,967	(1,338,112)	-	1,614,855
Total investments	3,799,716,513	(23,874,598)	(34,451,857)	3,741,390,058	3,509,021,409	(23,150,140)	(8,517,397)	3,477,353,874

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
9.1.1 Investments given as collateral			
Pakistan Investment Bonds		2,185,950,376	1,136,497,472
Market Treasury Bills		213,243,001	689,709,291
	17	<u>2,399,193,376</u>	<u>1,826,206,763</u>

9.2 Provision for diminution in value of investments

9.2.1	Opening balance	23,150,140	18,486,879
	Charge for the period	852,860	4,662,589
	Reversals for the period	(128,400)	(850,070)
		724,459	3,812,519
	Transfers - net	-	850,742
	Closing balance	<u>23,874,598</u>	<u>23,150,140</u>

9.2.2 Particulars of provision against debt securities

Category of classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	NPI	Provision	NPI	Provision
	----- (Rupees in '000) -----			
Domestic				
Loss	6,332,982	6,332,982	6,525,731	6,394,746
	<u>6,332,982</u>	<u>6,332,982</u>	<u>6,525,731</u>	<u>6,394,746</u>

9.3 The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 595,328 million (December 31, 2022: Rs. 436,150 million).

10. ADVANCES

		Performing		Non performing		Total	
		(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.		1,112,518,893	1,168,258,464	237,577,241	190,545,941	1,350,096,134	1,358,804,405
Islamic financing and related assets		61,527,954	46,381,315	640,559	654,980	62,168,513	47,036,295
Net Investment in finance lease	10.1	29,160	35,384	-	-	29,160	35,384
Bills discounted and purchased		26,984,067	18,598,616	13,659,608	14,106,504	40,643,675	32,705,120
Advances - gross	10.2	<u>1,201,060,074</u>	<u>1,233,273,779</u>	<u>251,877,408</u>	<u>205,307,425</u>	<u>1,452,937,482</u>	<u>1,438,581,204</u>
Provision against advances							
- Specific		-	-	204,512,147	190,710,861	204,512,147	190,710,861
- General		16,908,779	17,348,539	-	-	16,908,779	17,348,539
	10.4	<u>16,908,779</u>	<u>17,348,539</u>	<u>204,512,147</u>	<u>190,710,861</u>	<u>221,420,926</u>	<u>208,059,400</u>
Advances - net of provision		<u>1,184,151,295</u>	<u>1,215,925,240</u>	<u>47,365,261</u>	<u>14,596,564</u>	<u>1,231,516,556</u>	<u>1,230,521,804</u>

10.1 Net investment in finance lease

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
------(Rupees in '000)-----								
Lease rentals receivable	1,447	-	-	1,447	1,312	-	-	1,312
Residual value	27,874	-	-	27,874	34,237	-	-	34,237
Minimum lease payments	29,321	-	-	29,321	35,549	-	-	35,549
Less: financial charges for future periods	161	-	-	161	165	-	-	165
Present value of minimum lease payments	29,160	-	-	29,160	35,384	-	-	35,384

- 10.1.1 The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% (2022: 10.19% to 14.85%) per annum.

10.2 Particulars of advances (Gross)	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
In local currency	1,313,511,498	1,315,938,249
In foreign currencies	139,425,984	122,642,955
	1,452,937,482	1,438,581,204

- 10.3 Advances include Rs. 251,877 million (December 31, 2022: Rs. 205,307 million) which have been placed under non-performing status as detailed below.

Category of Classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
------(Rupees in '000)-----				
Domestic				
Other assets especially mentioned	3,770,958	131,826	1,780,995	73,114
Substandard	36,963,852	1,685,294	5,888,114	1,439,916
Doubtful	8,145,280	3,701,446	8,834,066	4,645,364
Loss	136,924,410	135,395,097	135,077,580	132,802,811
	185,804,501	140,913,664	151,580,755	138,961,205
Overseas				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	408,774	204,387	331,133	165,566
> 365 days	65,664,133	63,394,099	53,395,537	51,584,090
	66,072,907	63,598,486	53,726,670	51,749,656
Total	251,877,408	204,512,147	205,307,425	190,710,861

10.4 Particulars of provision against advances

		March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
		Specific	General	Total	Specific	General	Total
Note		----- (Rupees in '000) -----					
	Opening balance	190,710,861	17,348,539	208,059,400	179,311,722	12,472,591	191,784,313
	Exchange adjustments	13,314,397	153,090	13,467,487	8,339,198	107,952	8,447,150
	Charge for the period / year	1,445,324	528,563	1,973,886	5,227,343	9,553,101	14,780,444
	Reversals	(1,684,691)	(357,626)	(2,042,317)	(4,963,631)	(1,757,105)	(6,720,736)
		(239,367)	170,936	(68,432)	263,712	7,795,996	8,059,708
	Amounts written off	(18,542)		(18,542)	(175,513)	-	(175,513)
	Amounts charged off - agriculture financing	(18,988)		(18,988)	(56,258)	-	(56,258)
10.4.4	Transfer from general to specific provision	763,786	(763,786)	-	3,028,000	(3,028,000)	-
	Closing balance	204,512,147	16,908,779	221,420,926	190,710,861	17,348,539	208,059,400

10.4.1 Particulars of provision against advances

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	140,913,661	16,285,901	157,199,562	138,961,205	16,741,242	155,702,447
In foreign currencies	63,598,486	622,878	64,221,364	51,749,656	607,297	52,356,953
	204,512,147	16,908,779	221,420,926	190,710,861	17,348,539	208,059,400

- 10.4.2** General provision includes provision amounting to Rs. 5,007 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 623 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates.

The bank has also maintained general provision of Rs.11,279 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

- 10.4.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.

- 10.4.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,173,434	1,080,087
Property and equipment		56,138,207	56,025,755
		<u>57,311,641</u>	<u>57,105,842</u>

11.1 Capital work-in-progress

Civil works	1,103,876	1,010,529
Equipment	10,825	10,825
Advances to suppliers and contractors	58,733	58,733
	<u>1,173,434</u>	<u>1,080,087</u>

11.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Capital work-in-progress	132,951	125,908
---------------------------------	----------------	----------------

Property and equipment

Building on freehold land	11,113	14,866
Building on leasehold land	16,050	80
Furniture and fixtures	86,810	161,219
Computer and peripheral equipment	51,010	31,046
Electrical, office equipment	122,407	119,134
Vehicles	174,126	24,064
	<u>461,516</u>	<u>350,409</u>
	<u>594,467</u>	<u>476,317</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Vehicles	2,944	8,059
	<u>2,944</u>	<u>8,059</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
12. INTANGIBLE ASSETS		
Capital work-in-progress - Software Implementation	803,219	841,289
Computer Software	623,001	547,658
	<u>1,426,220</u>	<u>1,388,947</u>
	(Un-audited) March 31, 2023	(Audited) March 31, 2022
	------(Rupees in '000)-----	
12.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Capital Work in Progress - net additions	29,848	-
Directly purchased	15,586	-
	<u>45,434</u>	<u>-</u>
	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
13. RIGHT OF USE ASSETS		
Balance as at January 01	6,708,404	6,605,400
Additions during the period / year	587,078	2,244,669
Derecognition during the period / year	-	(6,618)
Depreciation charged for the period / year	(511,620)	(2,135,047)
Balance as at	<u>6,783,862</u>	<u>6,708,404</u>
14. DEFERRED TAX		
Deductible temporary differences on		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,569,958	7,352,695
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	12,925,197	12,925,197
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,606,419	1,506,288
- Other provisions	105,416	105,416
- Right of use assets	978,487	670,604
	<u>23,548,154</u>	<u>22,922,878</u>
Taxable temporary differences on		
- Surplus on revaluation of fixed assets	(3,023,080)	(3,061,347)
- Exchange translation reserve	(749,289)	(749,289)
- Surplus on revaluation of investments	14,717,165	3,208,913
- Surplus on revaluation of non-banking assets	(21,752)	(21,752)
	<u>10,923,044</u>	<u>(623,475)</u>
	<u>34,471,201</u>	<u>22,299,403</u>

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
15. OTHER ASSETS			
Income / return / mark-up accrued in local currency		132,775,900	99,433,212
Income / return / mark-up accrued in foreign currency		5,692,040	3,866,901
Advances, deposits, advance rent and other prepayments		5,266,039	2,987,346
Income tax refunds receivable & advance taxation (payments less provisions)		4,983,412	10,952,064
Compensation for delayed tax refunds		21,280,934	20,809,580
Non-banking assets acquired in satisfaction of claims		1,177,432	1,179,943
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
Mark to market gain on forward foreign exchange contracts		23,487,351	-
Acceptances		9,249,996	20,644,122
Commission receivable on Government treasury transactions		7,393,980	5,253,389
Stationery and stamps on hand		461,506	437,900
Barter trade balances		195,399	195,399
Receivable on account of Government transactions		323,172	323,172
Receivable from Government under VHS scheme		418,834	418,834
Receivable against sale of shares		7,143	156,755
Others		11,467,234	8,126,059
		224,388,795	174,993,099
Less: Provision held against other assets	15.1	12,253,938	12,244,043
Other assets (net of provision)		212,134,857	162,749,056
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,520,000	2,520,000
Other assets - total		214,654,857	165,269,056
15.1 Provision held against other assets			
Income / mark-up accrued in local currency		152,607	152,607
Advances, deposits, advance rent and other prepayments		837,949	837,949
Stationery and stamps on hand		96,542	96,542
Barter trade balances		195,399	195,399
Receivable on account of Government transactions		323,172	323,172
Receivable from Government under VHS scheme		418,834	418,834
Protested bills		4,306,922	4,297,516
Ex-MBL / NDFC - other assets		770,398	770,398
Assets acquired from corporate and industrial restructuring corporation asset (CIRC)		208,423	208,423
Others		4,943,692	4,943,203
		12,253,938	12,244,043
15.1.1 Movement in provision held against other assets			
Opening balance		12,244,043	11,700,956
Charge for the period / year		9,895	562,955
Adjustment against provision		-	(19,868)
Closing balance		12,253,938	12,244,043

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
16. BILLS PAYABLE			
In Pakistan		7,555,566	54,969,587
Outside Pakistan		351,335	298,432
		7,906,901	55,268,019
17. BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		36,004,726	38,217,784
Financing Scheme for Renewable Energy		785,785	1,019,611
Refinance Facility for Modernization of SMEs		58,698	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)		619,835	667,327
Under Long-Term Financing Facility (LTFF)		19,536,985	20,254,808
Refinance Scheme for Payment of Wages and Salaries		-	35,950
Temporary Economic Refinance Facility		24,210,085	24,126,421
Refinance Facility for Combating Covid-19		57,543	66,159
		81,273,657	84,431,884
Repurchase agreement borrowings	9.1.1	2,399,193,376	1,826,206,763
		2,480,467,033	1,910,638,647
Unsecured			
Call borrowings		22,537,203	25,810,145
Bai Muajjal		-	4,036,995
		22,537,203	29,847,140
		2,503,004,236	1,940,485,787
17.1 Particulars of borrowings with respect to currencies			
In local currency		2,487,831,693	1,923,848,931
In foreign currencies		15,172,543	16,636,856
		2,503,004,236	1,940,485,787
17.2	Mark-up / interest rates and other terms are as follows:		
-	Repurchase agreement borrowings carry mark-up ranging from 17.16% to 20.16% per annum (December 31, 2022: 15.2% to 17% per annum) having maturities ranging from April 3, 2023 to April 9, 2023.		
-	Call borrowings carry interest ranging from 5.27% to 20.05% per annum (December 31, 2022: 3% to 16.5% per annum).		
17.3	Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.		
17.4	Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,399,193 million (December 31, 2022: Rs.1,826,206 million).		

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits - remunerative	639,400,481	-	639,400,481	733,037,562	-	733,037,562
Current deposits - non-remunerative	484,108,607	191,635,182	675,743,789	408,169,670	159,575,493	567,745,163
Savings deposits	664,134,147	131,928,933	796,063,080	681,287,543	108,029,851	789,317,394
Term deposits	412,382,274	139,063,497	551,445,771	400,618,865	116,541,863	517,160,728
Others	43,873,430	6,748	43,880,178	9,563,715	7,855	9,571,570
	2,243,898,939	462,634,360	2,706,533,299	2,232,677,355	384,155,062	2,616,832,417
Financial Institutions						
Current deposits	226,886,629	1,632,743	228,519,372	5,964,408	3,479,121	9,443,529
Savings deposits	23,685,418	-	23,685,418	15,190,328	2,924,782	18,115,110
Term deposits	7,955,284	8,618,963	16,574,247	10,472,787	6,442,283	16,915,070
Others	915,763	269	916,032	4,878,234	-	4,878,234
	259,443,094	10,251,975	269,695,069	36,505,757	12,846,186	49,351,943
	2,503,342,033	472,886,335	2,976,228,368	2,269,183,112	397,001,248	2,666,184,360

- 18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 101,860 (December 31, 2022: Rs. 75,917 million).

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

19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Lease liabilities included in the statement of financial position	9,059,413	8,267,949
Of which are:		
Current lease liability	1,693,638	1,590,849
Non-current lease liability	7,365,775	6,677,100
	9,059,413	8,267,949

Maturity analysis - contractual undiscounted cash flows

Less than one year	2,507,804	2,356,198
One to five years	6,974,261	6,557,449
More than five years	8,718,653	7,967,022
Total undiscounted lease liabilities	18,200,718	16,880,669

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
20. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		112,893,668	126,228,969
Mark-up / return / interest payable in foreign currencies		878,313	655,802
Unearned commission and income on bills discounted		230,061	252,539
Accrued expenses		12,725,317	13,865,133
Advance payments		334,823	350,895
Acceptances		9,249,996	20,644,122
Unclaimed dividends		181,614	181,851
Mark to market loss on forward foreign exchange contracts		-	125,371
Branch adjustment account		1,415,315	1,916,850
Payable to defined benefit plan:			
Pension fund		24,225,085	23,063,894
Post retirement medical benefits		30,149,118	29,176,898
Benevolent fund		1,554,830	1,697,838
Gratuity scheme		3,898,898	3,767,858
Compensated absences		9,197,800	8,734,235
Provision against off-balance sheet obligations		627,494	627,494
Provision against contingencies		4,239,235	4,170,799
Staff welfare fund		371,257	371,257
Liabilities relating to Barter trade agreements		4,914,946	3,629,389
Payable to brokers		9,183	350,446
PIBs short selling		14,529,517	11,043,029
Others		22,851,103	18,516,003
		<u>254,477,573</u>	<u>269,370,672</u>
21. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Available-for-sale securities	9.1	(34,225,966)	(7,462,594)
- Fixed assets		47,644,690	47,733,683
- Non-banking assets		2,520,000	2,520,000
		<u>15,938,724</u>	<u>42,791,089</u>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		14,717,165	3,208,913
- Fixed assets		(3,023,080)	(3,061,347)
- Non-banking assets		(21,752)	(21,752)
		<u>11,672,333</u>	<u>125,814</u>
		<u>27,611,057</u>	<u>42,916,902</u>
22. CONTINGENCIES AND COMMITMENTS			
Guarantees	22.1	444,435,538	377,561,372
Commitments	22.2	2,741,398,927	2,373,285,184
Other contingent liabilities	22.3	25,126,954	26,619,691
		<u>3,210,961,420</u>	<u>2,777,466,247</u>
22.1 Guarantees			
Financial guarantees		359,377,088	287,741,990
Performance guarantees		85,058,450	89,819,382
		<u>444,435,538</u>	<u>377,561,372</u>

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
22.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,004,859,721	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	624,953,823	570,881,591
- forward government securities transactions	22.2.2	39,431,586	54,568,834
- forward lending	22.2.3	70,956,551	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,131,896	798,234
Other commitments	22.2.4	65,350	36,850
		<u>2,741,398,927</u>	<u>2,373,285,184</u>

22.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	403,678,910	368,380,755
Sale	<u>221,274,913</u>	<u>202,500,836</u>
	<u>624,953,823</u>	<u>570,881,591</u>

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
22.2.2 Commitments in respect of forward government securities transactions		
Purchase	20,046,126	10,988,627
Sale	<u>19,385,460</u>	<u>43,580,207</u>
	<u>39,431,586</u>	<u>54,568,834</u>

Commitments for outstanding forward government securities transactions are disclosed in these unconsolidated condensed interim financial statements at contracted rates.

22.2.3 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitment to lend	<u>70,956,551</u>	<u>50,363,949</u>
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These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
22.2.4 Other commitments		
Professional services to be received	<u>65,350</u>	<u>36,850</u>
22.3 Other contingent liabilities		
22.3.1 Claims against the Bank not acknowledged as debt	<u>25,126,954</u>	<u>26,619,691</u>

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2022: Rs. 1,597 million).

Moreover, these claims also represent counter claims by the borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, the management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

22.3.2 Taxation

As at March 31, 2023, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation officer has passed Appeal Effect Order for tax year 2020 during the year. The Bank has filed appeal before CIR(A) which is pending for adjudication. The demand created in the Appeal Effect order is Rs. 4,244.2 million. The tax advisors are confident that the ultimate outcome of the proceeding will be decided in the Bank's favor
- Honourable CIR(A) through recent judgement dated February 1, 2023 has decided the appeal filed by the Bank for tax year 2016 against monitoring order in favour of the Bank deleting the demand of Rs 442.7 million.

22.3.3 Contingencies in respect of employees benefits and related matters

As at March 31, 2023, the status of contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

22.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 25.3.4.1 to the unconsolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended March 31, 2023 amounted to Rs. 93.0 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for March 2023 onward will also increase by Rs. 12.0 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favourable outcome on the matter.

22.3.4 Compliance and risk matters relating to anti-money laundering at the New York Branch

The New York Branch of NBP has made significant progress to comply with the provisions of the enforcement actions received in February 2022 from the Federal Reserve Bank of New York and the New York State Department of Financial Services. The Branch has complied with the quarterly and half-yearly progress reporting requirements of its regulators. Management and the Board of Directors continue to provide close oversight of the New York branch and are committed to ensure compliance with all the conditions agreed in the enforcement actions. The management actions implemented by the Bank and Branch and their associated validation by Internal Audit are subject to review by the Branch's regulators.

	(Un-audited) Quarter ended March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
23. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	<u>43,477,490</u>	<u>26,166,785</u>
Investments	<u>146,206,491</u>	<u>50,373,307</u>
Lendings to financial institutions	<u>2,492,382</u>	<u>2,039,916</u>
Balances with banks	<u>215,404</u>	<u>623,599</u>
	<u>192,391,767</u>	<u>79,203,607</u>

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
		----- (Rupees in '000) -----	
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	69,738,609	36,253,250
	Borrowings	1,153,608	1,757,665
	Cost of foreign currency swaps against foreign currency deposits	1,218,975	2,131,382
	Finance charge on lease liability against right of use assets	311,622	203,786
	Securities sold under repurchase agreements	87,445,959	13,066,232
		<u>159,868,773</u>	<u>53,412,315</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	464,670	381,000
	Consumer finance related fees	135,309	116,200
	Card related fees	579,688	506,466
	Credit related fees	55,281	73,640
	Investment banking fees	85,646	438,028
	Commission on trade	406,448	392,717
	Commission on guarantees	277,157	176,957
	Commission on cash management	9,551	9,719
	Commission on remittances including home remittances	363,544	263,372
	Commission on bancassurance	75,044	86,471
	Commission on government transactions	2,052,698	2,160,609
	Others	17,609	59,220
		<u>4,522,645</u>	<u>4,664,399</u>
26.	GAIN/(LOSS) ON SECURITIES - NET		
	Realized	751,428	(91,509)
	Unrealized - held-for-trading	(225,892)	(245,037)
	Unrealized - Short selling	(160,904)	436,692
		<u>364,631</u>	<u>100,146</u>
26.1	Realized gain / (loss) on		
	Federal Government Securities	738,747	(172,814)
	Shares	12,681	81,301
	Foreign Securities	-	4
		<u>751,428</u>	<u>(91,509)</u>
27.	OTHER INCOME		
	Rent on property	6,802	10,799
	Gain on sale of fixed assets - net	286	6
	Postal, SWIFT and other charges recovered	-	1,644
	Compensation for delayed tax refunds	471,354	333,902
	Reversal of provisions	79,431	-
	Others	5,009	4,011
		<u>562,882</u>	<u>350,362</u>

27.1 This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
		------(Rupees in '000)-----	
28.	OPERATING EXPENSES		
	Total compensation expenses	14,308,116	11,641,453
	Property expenses		
	Rent and taxes	269,191	181,718
	Insurance	9,532	9,709
	Utilities cost	423,125	295,610
	Security (including guards)	783,445	633,322
	Repair and maintenance (including janitorial charges)	298,713	189,246
	Depreciation	130,214	135,302
	Depreciation on non banking assets	2,511	3,929
	Depreciation on Ijarah assets	15,861	16,841
	Depreciation on right of use assets	511,620	515,631
		2,444,212	1,981,308
	Information technology expenses		
	Software maintenance	692,817	172,519
	Hardware maintenance	63,191	40,614
	Depreciation	91,016	81,687
	Amortisation	105,523	67,213
	Network charges	155,853	158,417
	IT Manage Services	134,328	91,788
		1,242,728	612,238
	Other operating expenses		
	Directors' fees and reimbursement of other expenses	11,023	9,884
	Fees and allowances to Shariah Board	4,502	4,179
	Legal and professional charges	391,600	224,283
	Outsourced services costs	147,241	132,840
	Travelling and conveyance	298,596	217,741
	NIFT clearing charges	53,977	44,070
	Depreciation	372,591	390,801
	Training and development	21,784	13,126
	Postage and courier charges	27,008	26,430
	Communication	143,307	81,664
	Stationery and printing	261,267	383,712
	Marketing, advertisement and publicity	102,225	29,143
	Donations	-	8
	Auditors' remuneration	63,218	47,249
	Entertainment	64,046	57,633
	Clearing, verification, license fee charges	115,047	87,036
	Brokerage	6,682	4,568
	Financial charges on leased assets	22,896	13,529
	Insurance	122,791	108,278
	Vehicle expenses	61,970	54,424
	Repairs and maintenance	256,739	90,230
	Deposit premium expense	452,894	392,777
	Others	149,322	84,232
		3,150,726	2,497,837
		21,145,782	16,732,836
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	14,614	21,678
	Penalties imposed by other regulatory bodies (Central bank of international branches)	1,085	-
		15,699	21,678

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	
30. PROVISIONS AND WRITE OFFS - NET			
	9.2	724,459	14,497
Provisions for diminution in value of investments			
Provisions against loans and advances	10.4	(68,432)	1,005,179
Provision against other assets	15.1.1	9,895	19,368
Provision against contingencies		18,436	29,962
		<u>684,359</u>	<u>1,069,006</u>
31. TAXATION			
Current		7,934,271	6,391,082
Prior years		-	-
Deferred		(446,280)	(167,684)
		<u>7,487,991</u>	<u>6,223,398</u>

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
32. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the period (Rupees in 000's)		<u>10,688,779</u>	<u>9,837,444</u>
Weighted average number of ordinary shares (in 000's)		<u>2,127,513</u>	<u>2,127,513</u>
Earnings per share - basic and diluted (Rupees)		<u>5.02</u>	<u>4.62</u>

32.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	
33. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	254,592,196	241,010,092
Balances with other banks	7	34,429,118	18,733,262
Call money lendings	8	9,723	5,009,723
Call money borrowings	17	(22,537,203)	(46,760,608)
Overdrawn nostro	17	-	(1,142,563)
		<u>266,493,834</u>	<u>216,849,906</u>

34. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted instruments 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.

34.1 Fair value of financial assets

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

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

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

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

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 categorized:

	March 31, 2023 (Un-audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Market Treasury Bills	441,682,048	-	441,682,048	-	441,682,048
Pakistan Investment Bonds	2,528,888,205	-	2,528,888,205	-	2,528,888,205
Ijarah Sukuks	19,845,128	-	19,845,128	-	19,845,128
Ordinary shares of listed companies	37,544,452	37,544,452	-	-	37,544,452
Preference shares	1,329,608	1,329,608	-	-	1,329,608
Investments in mutual funds	3,094,086	-	3,094,086	-	3,094,086
Term Finance Certificates / Musharika and Sukuk Bonds	46,213,060	14,577,536	31,635,524	-	46,213,060
GoP Foreign Currency Bonds	16,528,354	-	16,528,354	-	16,528,354
Foreign Government Securities	1,244,427	-	1,244,427	-	1,244,427
Ordinary shares of a bank outside Pakistan	41,691,589	41,691,589	-	-	41,691,589
	3,138,060,957	95,143,185	3,042,917,772	-	3,138,060,957
Financial assets - disclosed but not measured at fair value					
Investments					
Market Treasury Bills	160,095,077	-	160,095,077	-	160,095,077
Pakistan Investment Bonds	376,217,458	-	376,217,458	-	376,217,458
Ijarah Sukuks	13,122,409	-	13,122,409	-	13,122,409
Ordinary shares of unlisted companies	1,454,247	-	1,454,247	-	1,454,247
GoP Foreign Currency Bonds	3,887,784	-	3,887,784	-	3,887,784
Foreign Government Securities	43,523,811	-	43,523,811	-	43,523,811
Foreign Currency Debt Securities	1,084	-	1,084	-	1,084
	598,301,870	-	598,301,870	-	598,301,870
	3,736,362,827	95,143,185	3,641,219,642	-	3,736,362,827
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	624,953,823	-	23,487,351	-	23,487,351
Forward government securities transactions	39,431,586	-	(26,688)	-	(26,688)

December 31, 2022 (Audited)

Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

On balance sheet financial instruments**Financial assets - measured at fair value**

Investments

Market Treasury Bills	848,763,986	-	848,763,986	-	848,763,986
Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
Ordinary shares of listed companies	36,659,044	36,659,044	-	-	36,659,044
Preference shares	1,370,477	1,370,477	-	-	1,370,477
Investments in mutual funds	3,120,431	-	3,120,431	-	3,120,431
Term Finance Certificates / Musharika and Sukuk Bonds	47,182,336	15,145,954	32,036,382	-	47,182,336
GoP Foreign Currency Bonds	14,422,839	-	14,422,839	-	14,422,839
Foreign Government Securities	1,883,953	-	1,883,953	-	1,883,953
Ordinary shares of a bank outside Pakistan	34,844,245	34,844,245	-	-	34,844,245
	3,014,104,930	88,019,720	2,926,085,210	-	3,014,104,930

Financial assets - disclosed but not measured at fair value

Investments

Market Treasury Bills	29,376,461	-	29,137,260	-	29,137,260
Pakistan Investment Bonds	375,236,903	-	355,231,276	-	355,231,276
Ijarah Sukuks	13,130,709	-	12,383,300	-	12,383,300
GoP Foreign Currency Bonds	2,992,408	-	1,665,559	-	1,665,559
Foreign Government Securities	36,096,507	-	37,327,167	-	37,327,167
Foreign Currency Debt Securities	871	-	871	-	871
	456,833,859	-	435,745,433	-	435,745,433
	3,470,938,789	88,019,720	3,361,830,643	-	3,449,850,363

Off-balance sheet financial instruments - measured at fair value

Foreign exchange contracts purchase and sale

570,881,591	-	(125,371)	-	(125,371)
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Forward government securities transactions

54,568,834	-	(14,626)	-	(14,626)
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Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Market Treasury Bills	PKRV (MUFAP)
Pakistan Investment Bonds	PKRV & PKFRV (MUFAP)
Ijarah Sukuks	PKISRV (MUFAP)
Ordinary shares of unlisted companies	Breakup value as per latest available audited financial statements
Term Finance Certificates / Musharika and Sukuk Bonds	MUFAP & Pakistan Stock Exchange
GoP Foreign Currency Bonds	Reuter page
Foreign Government Securities	Reuter page
Foreign Currency Debt Securities	Reuter page
Investments in mutual funds	MUFAP
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements

34.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

March 31, 2023 (Un-audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----				
Land and building (property and equipment)	48,567,549	-	-	48,567,549	48,567,549
Non-banking assets acquired in satisfaction of claims	3,697,432	-	-	3,697,432	3,697,432
	52,264,981	-	-	52,264,981	52,264,981
December 31, 2022 (Audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----				
Land & building (property and equipment)	52,417,088	-	-	52,417,088	52,417,088
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943	3,699,943
	56,117,031	-	-	56,117,031	56,117,031

35. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Three months period ended March 31, 2023 (Un-audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)									
Profit and loss account									
Net mark-up / return / interest income / (expense)	(53,669,740)	8,033,052	7,608,880	67,668,646	633,285	2,248,869	32,522,993	-	32,522,994
Inter segment revenue - net	79,351,581	(9,351,852)	(6,273,468)	(69,125,293)	-	5,399,033	-	-	-
Net mark-up / return / interest income	3,526,399	88,993	877,456	2,691,183	339,218	(23,633)	7,499,616	-	7,499,616
Total income	29,208,240	(1,229,807)	2,212,868	1,234,536	972,503	7,624,269	40,022,609	-	40,022,610
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	893,461	13,277,224	-	13,277,224
Inter segment expense allocation	-	-	-	-	-	-	-	-	-
Segment expenses	8,887,705	906,289	349,136	62,208	2,178,426	893,461	13,277,224	-	13,277,224
Provisions and write offs - net	(57,529)	489,453	234,381	852,624	(185,860)	7,884,256	7,884,255	-	7,884,255
Profit / (loss) before taxation	20,378,064	(2,625,550)	1,629,351	319,705	(1,020,063)	(504,739)	18,176,770	-	18,176,770

March 31, 2023 (Un-audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)									
Statement of financial position									
Cash and balances with treasury and other banks	204,147,642	15,253,267	323,736	12,981,371	51,380,149	4,935,149	289,021,314	-	289,021,314
Investments	-	-	26,003,109	3,594,352,003	65,185,472	55,849,474	3,741,390,058	-	3,741,390,058
Net inter segment lending	2,007,466,423	-	-	-	-	171,903,440	2,179,369,863	(2,179,369,863)	-
Lendings to financial institutions	-	-	-	479,050,253	-	-	479,050,253	-	479,050,253
Advances - performing	217,985,801	170,803,914	630,520,185	-	69,297,455	112,452,720	1,201,060,074	-	1,201,060,074
Advances - non-performing	4,698,929	24,696,054	52,383,896	-	66,072,907	104,025,621	251,877,408	-	251,877,408
Provision against Advances	(8,895,212)	(20,261,194)	(21,645,578)	-	(64,221,486)	(106,397,456)	(221,420,926)	-	(221,420,926)
Advances - Net	213,789,519	175,238,774	661,258,502	-	71,148,876	1,201,080,885	1,231,516,556	-	1,231,516,556
Others	39,504,523	2,988,435	28,924,175	23,808,409	10,351,596	209,070,643	314,647,781	-	314,647,781
Total assets	2,464,908,107	193,480,477	716,509,523	4,110,192,036	198,066,093	551,839,591	8,234,995,825	(2,179,369,863)	6,055,625,962
Borrowings	-	5,738,002	75,780,215	2,406,313,476	15,172,543	-	2,503,004,236	-	2,503,004,236
Deposits and other accounts	2,393,858,920	-	385,056,393	-	101,860,489	95,452,566	2,976,228,368	-	2,976,228,368
Net inter segment borrowing	-	182,497,439	235,417,954	1,628,383,748	99,987,260	33,083,461	2,179,369,863	(2,179,369,863)	-
Others	71,049,187	5,245,035	20,104,520	65,219,387	5,920,239	103,905,518	271,443,887	-	271,443,887
Total liabilities	2,464,908,106	193,480,477	716,359,082	4,099,916,612	222,940,533	232,441,546	7,930,046,354	(2,179,369,863)	5,750,676,491
Equity	-	-	150,442	10,275,424	(24,874,439)	319,998,045	304,949,471	-	304,949,471
Total equity and liabilities	2,464,908,107	193,480,477	716,509,523	4,110,192,036	198,066,093	551,839,591	8,234,995,825	(2,179,369,863)	6,055,625,962
Contingencies and commitments	-	69,557,155	2,362,499,642	735,341,960	17,238,463	26,324,200	3,210,961,420	-	3,210,961,420

Three months period ended March 31, 2022 (Un-audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)									
Profit and loss account									
Net mark-up / return / interest income / (expense)	(28,632,718)	5,530,773	7,399,849	39,099,816	1,019,489	1,374,083	25,791,292	-	25,791,292
Inter segment revenue - net	43,486,100	(5,344,337)	(6,770,243)	(36,647,744)	-	5,276,225	-	-	-
Non mark-up / return / interest income	3,387,541	126,398	1,349,787	2,615,260	242,529	371,556	8,093,070	-	8,093,070
Total income	18,240,922	312,834	1,979,393	5,067,332	1,262,018	7,021,863	33,884,362	-	33,884,362
Segment direct expenses	7,757,833	793,328	301,691	57,606	1,642,299	788,846	11,341,603	-	11,341,603
Inter segment expense allocation	-	-	-	-	-	5,412,911	5,412,911	-	5,412,911
Total expenses	7,757,833	793,328	301,691	57,606	1,642,299	6,201,757	16,754,514	-	16,754,514
Provisions and write offs - net	(45,960)	964,356	1,804,618	395,144	86,237	(2,135,390)	1,069,006	-	1,069,006
Profit / (loss) before taxation	10,529,049	(1,444,850)	(126,916)	4,614,582	(466,518)	2,955,496	16,060,842	-	16,060,842

December 31, 2022 (Audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)									
Statement of financial position									
Cash and balances with treasury and other banks	76,022,158	8,471,928	272,335	116,207,653	41,420,355	6,110,320	248,504,749	-	248,504,749
Investments	-	-	26,566,790	3,338,860,011	55,396,579	56,530,494	3,477,353,874	-	3,477,353,874
Net inter segment lending	1,913,764,601	-	-	-	-	161,978,230	2,075,742,831	(2,075,742,831)	-
Lendings to financial institutions	-	-	-	31,272,467	-	-	31,272,467	-	31,272,467
Advances - performing	221,901,091	236,174,990	608,422,187	-	88,916,285	97,859,226	1,233,273,779	-	1,233,273,779
Advances - non-performing	4,107,960	21,853,219	24,119,377	-	53,726,670	101,500,199	205,307,425	-	205,307,425
Provision against advances	(8,972,018)	(19,791,641)	(23,100,384)	-	(52,356,953)	(103,838,404)	(208,059,400)	-	(208,059,400)
Advances - net	217,037,033	238,236,569	609,441,180	-	70,286,002	95,521,021	1,230,521,804	-	1,230,521,804
Others	31,988,215	3,619,415	41,795,925	381,562	6,402,399	168,584,136	252,771,652	-	252,771,652
Total assets	2,238,812,007	250,327,911	678,076,230	3,486,721,693	173,505,335	488,724,201	7,316,167,376	(2,075,742,831)	5,240,424,546
Borrowings	-	6,032,537	78,399,346	1,839,417,048	16,636,856	-	1,940,485,787	-	1,940,485,787
Deposits and other accounts	2,089,383,447	-	406,454,898	-	75,916,594	94,429,421	2,666,184,360	-	2,666,184,360
Net inter segment borrowing	-	227,891,242	157,789,526	1,581,730,692	96,687,516	11,863,855	2,075,742,831	(2,075,742,831)	-
Others	149,428,560	16,604,132	35,169,167	44,395,276	2,896,990	84,412,515	332,906,640	-	332,906,640
Total liabilities	2,238,812,007	250,327,911	677,792,937	3,465,543,016	192,137,956	190,705,790	7,015,319,618	(2,075,742,831)	4,939,576,787
Equity	-	-	288,293	21,178,677	(18,632,621)	298,018,410	300,847,758	-	300,847,758
Total equity and liabilities	2,238,812,007	250,327,911	678,076,230	3,486,721,693	173,505,335	488,724,201	7,316,167,376	(2,075,742,831)	5,240,424,546
Contingencies and commitments	-	183,082,386	1,907,266,393	625,450,425	28,425,095	33,241,948	2,777,466,247	-	2,777,466,247

RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, joint ventures, employee benefit plans and its directors and key management personnel. The details of investment in subsidiary companies, joint venture and associated undertaking and their provisions are stated in note 9 of the unconsolidated condensed interim financial statements of the Bank.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	March 31, 2023 (Rupees in Lakhs)										December 31, 2022 (Rupees in Lakhs)									
	Directors	Key management personnel	Subsidiaries	Associates	Joint ventures	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (MUDRA Act)	Provision Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint ventures	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (MUDRA Act)	Provision Fund	Other related parties
Balances with other banks																				
In current accounts	-	-	-	-	455,064	-	-	-	-	-	-	-	-	-	335,137	-	-	-	-	-
	-	-	-	-	455,064	-	-	-	-	-	-	-	-	-	335,137	-	-	-	-	-
Investments																				
Opening balance	-	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	-	-	4,455,309
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,633
Transfer to / from other parties during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to / from - net	-	-	-	-	-	-	-	-	-	(1,280,732)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	5,231,902	-	-	-	-	-	-	-	-	-	6,512,634
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	184,875	-	-	-	-	-	-	-	-	-	461,354
Advances																				
Opening balance	-	339,734	227,063	2,665,220	-	-	-	-	-	2,085,795	-	347,532	426,565	2,934,162	-	-	-	-	-	641,482
Addition during the period / year	-	(18,036)	-	-	-	-	-	-	-	8,147	-	86,147	-	-	-	-	-	-	-	2,229,175
Repaid during the period / year	-	(23,000)	(10,000)	-	-	-	-	-	-	(6,559)	-	(41,765)	(199,502)	(268,942)	-	-	-	-	-	(1,453,019)
Transfer to / from - net	-	-	-	-	-	-	-	-	-	(1,883,453)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	297,887	217,063	2,665,220	-	-	-	-	-	191,981	-	329,734	227,063	2,665,220	-	-	-	-	-	2,085,795
Provisions against loans	-	-	-	217,063	2,665,220	-	-	-	-	-	-	-	217,063	2,665,220	-	-	-	-	-	-
Other Assets																				
Interest / mark-up accrued	-	95,344	1,717,167	-	-	-	-	-	-	-	-	-	99,939	1,717,167	-	-	-	-	-	-
Other receivables	-	73,689	-	-	-	-	-	-	-	-	-	-	73,689	-	-	-	-	-	-	-
	-	169,034	1,717,167	-	-	-	-	-	-	-	-	-	153,628	1,717,167	-	-	-	-	-	-
Provision against other assets	-	-	73,689	-	-	-	-	-	-	-	-	-	73,689	-	-	-	-	-	-	-
Borrowings																				
Opening balance	-	-	-	-	52,245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	3,028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	55,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts																				
Opening balance	-	98,488	911,103	3,000	-	27,222	-	257,252	13,263,170	515,559	1,760	131,454	1,007,337	-	-	86,264	10,100,000	46,789	12,854,755	43,336,142
Received during the period / year	-	288,470	5,438	-	-	9,477,577	-	845,111	1,245,981	67,980	4	885,658	14,507	3,000	-	41,851,279	8,370,003	5,025,151	5,647,209	-
Withdrawal during the period / year	-	(227,280)	(70,106)	-	-	(6,499,500)	-	(715,265)	(1,503,514)	(14,312)	(1,749)	(238,307)	(110,411)	-	-	(42,010,521)	(10,100,000)	(4,616,326)	(4,616,326)	(42,758,598)
Transfer to / from - net	-	-	-	-	-	-	-	-	-	11,539,492	-	-	-	-	-	-	-	-	-	-
Closing balance	-	158,421	845,833	3,000	-	5,000	-	387,108	12,995,637	668,176	-	88,468	911,103	3,000	-	27,222	-	257,252	12,854,755	515,559
Other Liabilities																				
Other payables to subsidiaries	-	-	15,541	155	-	-	-	-	-	-	-	-	30,076	-	-	-	-	-	-	-
	-	-	15,541	155	-	-	-	-	-	-	-	-	30,076	-	-	-	-	-	-	-
Contingencies and commitments																				

* Transfer to / from - net due to retirement / appointment of directors and changes in key management executives.

	March 31, 2023 (Un-audited)						March 31, 2022 (Un-audited)									
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others
(Rupees in '000)																
Income																
Mark-up / return / interest earned	-	-	9,796	-	2,637	-	-	-	-	-	6,995	1,297	-	-	-	-
Debts due by Companies in which Directors of the Bank is interested as Directors	-	-	-	-	-	-	-	107,209	-	-	-	-	-	-	-	29,523
Rent income / lighting and power and bank charges	-	-	4,305	1,361	-	-	-	-	-	-	3,112	1,382	-	-	-	-
Expense																
Mark-up / return / interest paid	-	4,572	12,110	98	7,739	13,833	-	14,116	22	2,029	1,093	-	2,143	10,037	350,542	417,467
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	-	-	8,061	-	-	-	-	-	-	-	1,333
Remuneration to key management executives including charge for defined benefit plan	-	264,049	-	-	-	-	-	-	-	159,907	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	1,748	-	-	-	-	-	-	-	338	-	-	-	-	-
Directors fee & other allowances	11,023	-	-	-	-	-	-	-	9,884	-	-	-	-	-	-	-
Post Retirement benefit paid to Director cum ex-employee	-	-	-	-	-	-	-	-	522	-	-	-	-	-	-	-

36.1

Transactions with Government-related entities

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) 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 ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,053 million (March 31, 2022: Rs. 2,161 million) for the quarter ended March 31, 2023. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 581,806 million (December 31, 2022: Rs. 593,486 million), Rs. 1,311,311 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,112,715 million (December 31, 2022: Rs. 1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs.40,225 million (March 31, 2022: Rs. 7,962 million) and Rs.35,433 million (March 31, 2022 Rs. 12,778 million) respectively.

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

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement

Paid-up capital (net of losses)	<u>21,275,131</u>	<u>21,275,131</u>
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Capital Adequacy Ratio

Eligible Common Equity Tier 1 (CET 1) Capital	228,128,648	231,190,928
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	228,128,648	231,190,928
Eligible Tier 2 Capital	69,488,755	75,036,139
Total Eligible Capital (Tier 1 + Tier 2)	<u>297,617,403</u>	<u>306,227,067</u>

Risk Weighted Assets (RWAs):

Credit Risk	1,130,425,507	1,066,232,569
Market Risk	94,760,857	93,557,759
Operational Risk	258,686,736	258,686,736
Total	<u>1,483,873,100</u>	<u>1,418,477,064</u>

Common Equity Tier 1 Capital Adequacy ratio	<u>15.37%</u>	<u>16.30%</u>
Tier 1 Capital Adequacy Ratio	<u>15.37%</u>	<u>16.30%</u>
Total Capital Adequacy Ratio	<u>20.06%</u>	<u>21.59%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	228,128,648	231,190,928
Total Exposures	8,134,609,004	7,502,352,873
Leverage Ratio	<u>2.80%</u>	<u>3.08%</u>

The Bank has leverage ratio of 2.80% as of March 31, 2023, which has been relaxed upto 2.5% till March 31, 2024 by SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023.

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	1,218,515,965	1,418,328,644
Total Net Cash Outflow	732,293,204	963,197,902
Liquidity Coverage Ratio	<u>166%</u>	<u>147%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	2,745,821,186	2,684,457,394
Total Required Stable Funding	1,006,517,990	1,069,401,835
Net Stable Funding Ratio	<u>273%</u>	<u>251%</u>

38. ISLAMIC BANKING BUSINESS

The bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 54 (December 31, 2022: 50) Islamic banking windows at March 31, 2023.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2023 is as follows:

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		----- (Rupees in '000) -----	
ASSETS			
		6,915,633	6,096,555
		14,041	13,766
Investments	38.1	53,172,704	53,920,119
Islamic financing and related assets - net	38.2	61,527,642	46,380,996
Fixed assets		77,830	87,489
Right of use assets		472,298	508,977
Other assets		4,249,644	2,294,054
Total Assets		126,429,792	109,301,956
LIABILITIES			
		262,950	1,210,608
Deposits and other accounts	38.3	89,329,544	93,591,714
Due to head office		27,613,120	4,005,715
Lease liability against right of use assets		683,883	721,152
Other liabilities		1,431,330	1,490,182
		119,320,827	101,019,371
NET ASSETS		7,108,965	8,282,585
REPRESENTED BY			
		6,731,000	5,561,000
Surplus on revaluation of assets		(146,557)	424,444
Unappropriated / unremitted profit	38.4	524,522	2,297,141
		7,108,965	8,282,585

The profit and loss account of the Bank's Islamic banking operations for three months period ended March 31, 2023 is as follows:

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	
Profit / return earned	38.5	3,813,044	2,330,803
Profit / return expensed	38.6	2,580,916	1,398,602
Net profit / return		1,232,128	932,201
Other income			
Fee and commission income		56,861	50,237
Foreign exchange income		9,144	29,548
Other income		5	1,764
Total other income		66,010	81,549
Total income		1,298,138	1,013,750
Other expenses			
Operating expenses		787,924	683,433
Other charges		120	-
		788,044	683,433
Profit before provisions		510,094	330,317
Provisions charge / (reversal) and write offs - net		(14,428)	(9,135)
Profit before taxation		524,522	339,452
Taxation		-	-
Profit after taxation		524,522	339,452

38.1 Investments by segments:

Federal Government Securities:

- Ijarah Sukuks

March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value

----- (Rupees in '000) -----

33,639,499	-	(674,287)	32,965,212	33,648,948	-	(339,589)	33,309,359
33,639,499	-	(674,287)	32,965,212	33,648,948	-	(339,589)	33,309,359

Non Government Debt Securities:

- Listed

- Unlisted

8,100,000	-	304,222	8,404,222	8,200,000	-	303,132	8,503,132
11,710,569	(130,807)	223,508	11,803,270	11,777,533	(130,807)	460,901	12,107,628
19,810,569	(130,807)	527,730	20,207,492	19,977,533	(130,807)	764,033	20,610,760

Total Investments

53,450,068	(130,807)	(146,557)	53,172,704	53,626,481	(130,807)	424,444	53,920,119
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(Un-audited) March 31, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

38.2 Islamic financing and related assets - net

Ijarah	14,398	38,208
Murabaha	1,583,901	1,713,901
Musharaka	15,000,000	-
Diminishing Musharaka	22,274,968	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advances for Murabaha	1,030,000	2,127,000
Advances for Diminishing Musharaka	96,563	100,894
Advance for Istisna	11,455,451	9,396,236
Inventories against Istisna	2,213,232	3,097,800
Gross Islamic financing and related assets	62,168,513	47,036,295
Less: provision against Islamic financings		
- Specific	(640,559)	(654,980)
- General	(312)	(319)
	(640,871)	(655,299)
Islamic financing and related assets - net of provision	61,527,642	46,380,996

38.3 Deposits and other accounts

Customers

Current deposits	21,822,517	20,659,185
Savings deposits	39,865,156	41,254,385
Term deposits	12,084,506	15,137,438
	73,772,179	77,051,008

Financial Institutions

Current deposits	796,499	354,951
Savings deposits	14,738,100	14,114,989
Term deposits	22,766	2,070,766
	15,557,365	16,540,706
	89,329,544	93,591,714

38.4 Unappropriated / unremitted profit

Opening balance	2,297,141	1,502,668
Add: Islamic banking profit for the period	524,522	2,297,141
Less: Transferred / remitted to head office	(2,297,141)	(1,502,668)
Closing balance	524,522	2,297,141

(Un-audited) Quarter ended	
March 31, 2023	March 31, 2022
------(Rupees in '000)-----	

38.5 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:

Financing	1,833,712	948,749
Investments	1,979,056	1,164,772
Placements	276	-
Others (Bai Muajjal)	-	217,282
	<u>3,813,044</u>	<u>2,330,803</u>

38.6 Profit on Deposits and other Dues Expensed

Deposits and other accounts	1,735,736	896,570
Amortisation of lease liability against - ROUA	16,845	18,703
Others (General Account)	828,335	483,329
	<u>2,580,916</u>	<u>1,398,602</u>

39. GENERAL**39.1** Figures have been rounded off to the nearest thousand rupees.**40. DATE OF AUTHORIZATION FOR ISSUE**

The unconsolidated condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Bank.

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director



Consolidated Financial Statements of NBP and its Subsidiary Companies

Directors' Report to the Shareholders

Consolidated Financial Statements

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the three months period ended March 31, 2023.

Consolidated after-tax profit for the three months period ended March 31, 2023 amounted to PKR 11.3 Bn, being 16.3% higher than PKR 9.7 Bn for the three months period ended March 31, 2022. During the period ended, the subsidiary companies contributed PKR 0.377 Bn (March 31, 2022: PKR 0.145 Bn) in Group profitability, whereas the associates contributed a net loss of PKR 0.009 Bn (March 31, 2022: Share of profit PKR 0.001 Bn). A share of profit of PKR 0.287 Bn (March 31, 2022: PKR 0.101 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP has 45% shareholding. Accordingly, consolidated EPS improved to PKR 5.29 for the three months period ended March 31, 2023 as compared to PKR 4.56 for the three months period ended March 31, 2022.

As of March 31, 2023, consolidated assets of the Bank amounted to PKR 6,070.0 Bn being PKR 818.3 Bn or 15.6% higher than PKR 5,251.8 Bn of December 31, 2022.

Profit for the three months period ended March 31, 2023 after carry forward of accumulated profit of 2022 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the period ended March 31, 2023	11,293.3
Unappropriated profit brought forward	178,189.6
Other comprehensive income - net of tax	(288.0)
Non-controlling interest	(44.0)
Transfer from surplus on revaluation of fixed assets – net of tax	50.7
	177,908.3
Profit available for appropriations	189,201.6
Appropriation:	
Transfer to statutory reserve	(1,068.9)
Unappropriated profit carried forward	188,132.7

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO (A)

Ali Syed
Director

Karachi
Date: April 27, 2023



ڈائریکٹرز کی شیر ہولڈرز کو رپورٹ مجموعی مالیاتی گوشوارے

محترم حصص داران

ہم بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے نیشنل بینک آف پاکستان "دی بینک" اور اس کے ذیلی اداروں کے لیے ڈائریکٹرز کا جائزہ اور مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے ٹیکس کے بعد ہونے والا مجموعی منافع 11.3 بلین روپے رہا جو کہ 31 مارچ 2022 کو ختم ہونے والی تین ماہ کی مدت کے 9.7 بلین روپے کے منافع سے 16.3% زیادہ ہے۔ ختم ہونے والی کے دوران بینک کے ذیلی اداروں نے گروپ منافع میں 0.377 بلین روپے (31 مارچ 2022: 0.145 بلین روپے) کے منافع کا حصہ ڈالا جبکہ شریک اداروں کی جانب سے خالص نقصان میں حصہ 0.009 بلین روپے (31 مارچ 2022: منافع میں حصہ 0.001 بلین روپے) تھا۔ برطانیہ میں واقع مشترکہ منصوبے UNBL، جس میں بینک کا 45% حصص ہے، کی وجہ سے 0.286 بلین روپے (31 مارچ 2022: 0.101 بلین روپے) کے منافع کا حصہ ریکارڈ کیا گیا اس طرح 31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے لیے مجموعی فی حصص آمدنی (EPS) 31 مارچ 2022 کو ختم ہونے والی تین ماہ کی مدت کے 4.56 روپے کے مقابلے میں بہتر ہو کر 5.29 روپے ہو گئی۔

31 مارچ 2023 کو بینک کے مجموعی اثاثوں کی مالیت 6,070.0 بلین روپے تھی جو کہ 31 دسمبر 2022 کے بینک کے مجموعی اثاثوں کی مالیت 5,251.8 بلین روپے سے 15.6% یعنی 818.3 بلین روپے زیادہ ہے۔

31 مارچ 2023 کو ختم ہونے والے تین ماہ کا منافع 2022 کے جمع شدہ منافع کو آگے بڑھانے کے بعد تخصیص کے لیے تجویز مندرجہ ذیل ہے:

(بلین روپے)
11,293.3
178,189.6
(288.0)
(44.0)
50.7
177,908.3
189,201.6
(1,068.9)
188,132.7

31 مارچ 2023 کو ختم ہونے والے تین ماہ کے لیے بعد از ٹیکس منافع

غیر تصرف شدہ آگے لایا جانے والا منافع

دیگر جامع آمدنی۔ بعد از ٹیکس

نان کنٹرولنگ انٹرسٹ

جاء اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی۔ بعد از ٹیکس

تصرف کے لیے دستیاب منافع

تصرف:

قانونی ذخائر میں منتقلی

غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے

رحمت علی حسنی

صدر اور سی ای او (اے)

کراچی

بتاریخ: 27 اپریل 2023

علی سید
ڈائریکٹر

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2023

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks	6	255,097,607	230,226,311
Balances with other banks	7	35,526,174	19,623,124
Lendings to financial institutions	8	479,050,253	31,272,467
Investments	9	3,750,089,842	3,482,935,847
Advances	10	1,231,713,631	1,230,669,118
Fixed assets	11	57,815,685	57,604,343
Intangible assets	12	2,135,356	2,101,322
Right of use assets	13	7,260,276	7,186,067
Deferred tax asset	14	34,343,774	22,406,230
Other assets	15	216,989,066	167,741,065
		6,070,021,664	5,251,765,894
LIABILITIES			
Bills payable	16	7,906,901	55,268,019
Borrowings	17	2,503,004,236	1,940,485,787
Deposits and other accounts	18	2,975,382,535	2,665,273,257
Liabilities against assets subject to finance lease	19	169,312	121,453
Lease liability against right of use assets	20	9,552,209	8,761,015
Other liabilities	21	256,518,503	271,556,131
		5,752,533,696	4,941,465,662
NET ASSETS		317,487,968	310,300,232
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves	22	80,046,099	67,488,847
Surplus on revaluation of assets		26,916,861	42,273,537
Unappropriated profit		188,132,693	178,189,579
Total Equity attributable to the equity holders of the Bank		316,370,784	309,227,094
Non-controlling interest		1,117,184	1,073,138
		317,487,968	310,300,232
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director



Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended March 31, 2023

		Quarter ended	
		March 31, 2023	March 31, 2022
Note		------(Rupees in '000)-----	
Mark-up / return / interest earned	24	192,498,578	79,248,091
Mark-up / return / interest expensed	25	159,873,980	53,425,499
Net mark-up / return / interest income		32,624,598	25,822,592
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	4,955,946	4,959,644
Dividend income		1,020,697	886,671
Foreign exchange income		1,352,117	2,270,641
Gain on securities - net	27	369,299	101,685
Share of profit from joint venture - net of tax		286,488	100,699
Share of (loss) /profit from associates - net of tax		(9,387)	1,391
Other income	28	605,397	356,477
Total non-mark-up / interest income		8,580,557	8,677,208
Total income		41,205,155	34,499,800
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	21,540,213	17,051,306
Other charges	30	15,699	21,678
Total non-markup / interest expenses		21,555,912	17,072,984
Profit before provisions		19,649,243	17,426,816
Provisions and write offs - net	31	734,186	1,435,741
PROFIT BEFORE TAXATION		18,915,057	15,991,075
Taxation	32	7,621,745	6,277,452
PROFIT AFTER TAXATION		11,293,312	9,713,623
Attributable to:			
Equity holders of the Bank		11,249,266	9,695,811
Non-controlling interest		44,046	17,812
		11,293,312	9,713,623
------(Rupees)-----			
Earnings per share - basic and diluted	33	5.29	4.56

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended March 31, 2023

	Quarter ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
Profit after taxation for the period	11,293,312	9,713,623
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	11,488,374	1,300,640
Movement in surplus on revaluation of investments - net of tax	(15,305,949)	802,331
	(3,817,575)	2,102,971
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / (loss) on defined benefit obligations - net of tax	(288,000)	(488,035)
Movement in surplus on revaluation of fixed assets - net of tax	-	128
	(288,000)	(487,908)
Total comprehensive (loss) / income	7,187,737	11,328,686
Total comprehensive income attributable to:		
Equity holders of the Bank	7,143,691	11,310,874
Non-controlling interest	44,046	17,812
	7,187,737	11,328,686

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

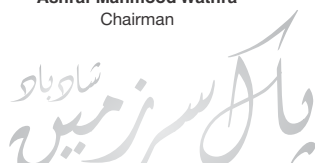
Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director



Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)
For the three months period ended March 31, 2023

	Share capital	Reserves			Surplus on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling Interest	Total		
		Exchange translation	Statutory reserve	General loan loss reserve	Revenue general reserve	Total	Investments					Fixed / non-banking assets	Total
Balance as at January 01, 2022													
Profit after taxation for the three months period ended March 31, 2022	21,275,131	14,890,395	39,025,546	8,000,000	521,338	62,427,269	19,552,731	45,442,249	64,994,990	145,312,547	294,000,927	1,013,454	295,023,381
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	-	-	-	-	9,695,811	9,695,811	17,812	9,713,623
Transfer to statutory reserve	-	1,300,640	-	-	-	1,300,640	802,331	128	802,459	(168,035)	1,615,063	-	1,615,063
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	983,744	-	-	983,744	-	-	(983,744)	-	-	-	-
Transfer to unappropriated profit	-	-	-	(8,000,000)	-	(8,000,000)	-	-	(49,615)	49,615	-	-	-
Transactions with owners, recorded directly in equity													
Cash dividend paid for the year ended December 31, 2021 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 01, 2022													
Profit after taxation for the nine months period ended December 31, 2022	21,275,131	16,181,025	40,009,290	-	521,338	56,711,653	20,355,061	45,392,763	65,747,824	161,586,194	305,320,802	1,031,266	306,352,068
Other comprehensive income / (loss) - net of tax	-	8,719,908	-	-	-	8,719,908	(26,106,896)	2,782,678	(23,326,218)	21,138,776	21,138,776	96,612	21,235,388
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	(2,626,174)	(17,232,453)	-	(17,232,453)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	2,057,286	-	-	2,057,286	-	-	-	(2,057,286)	-	-	-
Transfer to unappropriated profit	-	-	-	-	-	-	-	(148,069)	(148,069)	148,069	-	-	-
Transactions with owners, recorded directly in equity													
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(54,740)	(54,740)
Balance as at January 01, 2023													
Profit after taxation for the three months period ended March 31, 2023	21,275,131	24,900,933	42,066,576	-	521,338	67,488,847	(57,53,839)	48,027,972	42,273,637	178,189,579	309,227,094	1,073,138	310,300,232
Other comprehensive income / (loss) - net of tax	-	11,488,374	-	-	-	11,488,374	(15,305,949)	-	-	11,249,266	11,249,266	44,046	11,293,312
Transfer to statutory reserve	-	-	-	-	-	-	-	-	(15,305,949)	(288,000)	(4,105,575)	-	(4,105,575)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	1,068,878	-	-	1,068,878	-	-	-	(1,068,878)	-	-	-
Transfer to unappropriated profit	-	-	-	-	-	-	-	(50,726)	(50,726)	50,726	-	-	-
Transactions with owners, recorded directly in equity													
Cash dividend paid for the year ended December 31, 2022 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023													
	21,275,131	36,389,307	43,135,454	-	521,338	80,046,099	(21,059,789)	47,976,647	26,916,861	188,132,693	16,370,784	1,117,184	317,457,969

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

Ashraf Mahmood Wathra
Chairman

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the three months period ended March 31, 2023

		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		18,915,057	15,991,075
Less: dividend income		(1,020,697)	(886,671)
		<u>17,894,360</u>	<u>15,104,404</u>
Adjustments:			
Depreciation on fixed assets		648,440	664,050
Depreciation on right of use assets		556,890	557,857
Amortisation		118,595	78,408
Provision and write-offs - net	31	734,186	1,435,741
Gain on sale of fixed assets		(1,819)	(5,280)
Financial charges on leased assets		29,309	16,656
Financial charges on right-of-use-assets		328,939	218,063
Unrealized gain on revaluation of investments classified as held-for-trading		226,190	248,130
Charge for defined benefit plans - net		3,250,637	2,262,039
Share of (profit) from joint venture - net of tax		(286,488)	(100,699)
Share of loss / (profit) from associates - net of tax		9,387	(1,391)
		<u>5,614,266</u>	<u>5,373,574</u>
		<u>23,508,626</u>	<u>20,477,978</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		(447,777,786)	194,333,725
Held-for-trading securities		50,933,519	19,409,482
Advances		(14,465,153)	(77,608,203)
Other assets (excluding advance taxation)		(47,278,344)	(12,119,071)
		<u>(458,587,764)</u>	<u>124,015,933</u>
Increase/ (decrease) in operating liabilities			
Bills payable		(47,361,118)	(2,813,389)
Borrowings from financial institutions		565,791,391	292,888,785
Deposits		310,109,278	(383,896,807)
Other liabilities (excluding current taxation)		(11,867,386)	(27,326,975)
		<u>816,672,165</u>	<u>(121,148,386)</u>
Financial charges paid		(358,248)	(234,719)
Income tax paid		(5,927,822)	(2,244,144)
Benefits paid		(866,916)	(655,580)
Net cash flows generated from operating activities		<u>374,440,042</u>	<u>20,211,083</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(201,544,016)	145,888,527
Net investments in held-to-maturity securities		(140,019,862)	(22,443,379)
Dividends received		1,020,697	1,613,593
Investments in fixed assets		(605,350)	(548,498)
Proceeds from sale of fixed assets		14,287	25,057
Effect of translation of net investment in foreign branches		11,488,374	1,300,640
Net cash flows (used in) / generated from investing activities		<u>(329,645,870)</u>	<u>(74,164,060)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations		(746,647)	(625,557)
Dividend paid		(237)	-
Net cash flows used in financing activities		<u>(746,884)</u>	<u>(625,557)</u>
(Decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		44,047,288	(54,578,534)
		<u>224,049,013</u>	<u>273,052,207</u>
Cash and cash equivalents at end of the period	34	<u>268,096,301</u>	<u>218,473,673</u>

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

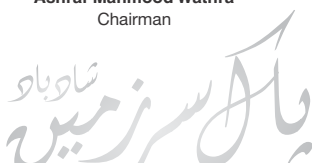
Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director



Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2023

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies

- CJSC Subsidiary Bank of NBP in Kazakhstan
- NBP Exchange Company Limited, Pakistan
- National Bank Modaraba Management Company Limited, Pakistan
- First National Bank Modaraba, Pakistan
- Taurus Securities Limited, Pakistan
- NBP Fund Management Limited, Pakistan
- Cast-N-Link Products Limited, Pakistan

The subsidiary company of the Group, National Bank Modaraba Management Company Limited, Pakistan exercises control over First National Bank Modaraba, Pakistan as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the Ultimate Holding Company.

The Group is principally engaged in commercial banking, modaraba management, brokerage, leasing, foreign currency remittances, asset management, exchange transactions and investment advisory asset.

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,512 (December 31, 2022: 1,512) branches in Pakistan and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

CJSC Subsidiary Bank of NBP in Kazakhstan, NBP Exchange Company Limited, National Bank Modaraba Management Company Limited are wholly owned subsidiaries of the holding company while the controlling interest in Taurus Securities Limited is 58.32%, NBP Fund Management Limited is 54%, First National Bank Modaraba 30% and Cast-N-Link Products Limited 76.51%.

1.2 BASIS OF CONSOLIDATION

- The consolidated financial statements include the financial statements of the Bank (Holding Company) and its subsidiary companies together - the Group.
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of the comprehensive income from the effective date of acquisition.
- Non-Controlling interest / (minority interest) in equity of the subsidiary companies are measured at fair value for all the subsidiaries acquired from period beginning on or after January 1, 2010 whereas minority interest of previously acquired subsidiaries are measured at the proportionate net assets of subsidiary companies attributable to interest which is not owned by holding company.
- Material intra-group balances and transactions have been eliminated.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

2.1.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

2.1.3 The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

2.1.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5, dated March 22, 2019 and IAS 34. These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted for presentation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2022.

3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered to be not relevant or do not have any significant impact on these consolidated condensed interim financial statements.

3.1.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

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, interpretations and amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures:

**Effective from accounting period
beginning on or after**

Amendment to IFRS 16 - Leases on sale and leaseback

January 1, 2024

Amendment to IAS 1 - Non-current liabilities with covenants

January 1, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

- 3.1.3** As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

5. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
6. CASH AND BALANCES WITH TREASURY BANKS	Note	------(Rupees in '000)-----	
In hand			
Local currency		50,628,525	52,750,990
Foreign currencies		9,452,722	7,436,911
		60,081,247	60,187,901
With State Bank of Pakistan in			
Local currency current accounts	6.1	106,595,362	106,933,909
Foreign currency current accounts	6.2	18,139,011	15,661,453
Foreign currency deposit accounts	6.2	36,287,297	15,623,732
Foreign currency collection accounts		5,891,821	1,135,059
		166,913,491	139,354,153
With other central banks in			
Foreign currency current accounts	6.3	21,098,828	26,631,693
Foreign currency deposit accounts	6.3	6,632,052	3,725,602
		27,730,880	30,357,295
Prize bonds		371,989	326,962
		255,097,607	230,226,311

- 6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5% per annum (December 31, 2022: 0% to 4.5% per annum).

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		----- (Rupees in '000) -----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		511,100	537,182
In deposit accounts	7.1	591,123	501,303
		1,102,223	1,038,485
Outside Pakistan			
In current accounts		28,637,795	12,395,611
In deposit accounts	7.2	5,786,156	6,189,028
		34,423,951	18,584,639
		35,526,174	19,623,124

7.1 These include various deposits with banks and carry interest at the rates ranging from 6.7% to 9.9% per annum (December 31, 2022: 3.5% to 9.5% per annum).

7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 1.75 % to 4.4% per annum (December 31, 2022: 0% to 4% per annum).

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		----- (Rupees in '000) -----	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	9,723	9,723
Repurchase agreement lendings (Reverse Repo)	8.2	479,040,530	31,262,744
Letters of placement	8.3	174,150	174,150
	8.4	479,224,403	31,446,617
Less: provision held against lendings to financial institutions	8.5	(174,150)	(174,150)
Lendings to financial institutions - net of provision		479,050,253	31,272,467

8.1 This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.

8.2 These carry mark-up at rates ranging from 19.0% to 20.5% per annum (December 31, 2022: 16.0% to 16.5% per annum) with maturities ranging from April 03, 2023 to April 04, 2023.

8.3 These are overdue placements and full provision has been made against these placements as at March 31, 2023.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
8.4 Particulars of lending		
In local currency	479,224,403	31,446,617
In foreign currencies	-	-
	479,224,403	31,446,617

8.5 Movement in provision held against lendings is as follows:

Opening balance	174,150	174,150
Reversal for the period	-	-
Closing balance	174,150	174,150

8.6 Securities held as collateral against lendings to financial institutions

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	14,919,030	-	14,919,030	18,699,589	-	18,699,589
Pakistan Investment Bonds	464,121,500	-	464,121,500	12,563,155	-	12,563,155
Total	479,040,530	-	479,040,530	31,262,744	-	31,262,744

8.6.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 479,041 million (December 31, 2022: Rs. 31,027 million).

8.7 Category of classification

	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	------(Rupees in '000)-----			
Domestic				
Loss	174,150	174,150	174,150	174,150

9. INVESTMENTS

9.1 Investments by type:

Held-for-trading securities

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Market Treasury Bills	9,475,347	-	(7,979)	9,467,368	22,269,343	-	(2,665)	22,266,678
Pakistan Investment Bonds	23,785,111	-	(209,194)	23,575,917	61,942,666	-	(1,031,197)	60,911,459
Ordinary shares of listed companies	511,905	-	(8,719)	503,186	424,708	-	(20,939)	403,769
Investment in mutual funds	770,788	-	(298)	770,490	623,941	-	(10,996)	612,945
Foreign Government Securities	2,395,397	-	-	2,395,397	1,771,813	-	-	1,771,813
	36,938,548	-	(226,190)	36,712,358	87,032,461	-	(1,065,797)	85,966,664

Available-for-sale securities

Market Treasury Bills	436,034,381	-	(3,713,701)	432,320,680	828,957,708	-	(2,354,400)	826,603,308
Pakistan Investment Bonds	2,556,339,683	-	(51,027,395)	2,505,312,288	1,972,276,787	-	(27,509,276)	1,944,767,511
Ijarah Sukuks	20,539,566	-	(674,287)	19,865,279	20,518,238	-	(339,589)	20,178,649
Ordinary shares of listed companies	44,915,125	(11,012,552)	3,151,467	37,054,040	41,606,225	(10,159,936)	4,821,267	36,267,556
Ordinary shares of unlisted companies	1,882,463	(427,951)	-	1,454,512	1,882,463	(427,951)	-	1,454,512
Preference shares	2,006,756	(845,730)	168,582	1,329,608	2,006,756	(845,730)	209,451	1,370,477
Term Finance Certificates / Musharika								
Participation Term Certificate and Sukuk Bonds	51,463,284	(5,928,396)	678,172	46,213,060	52,146,989	(5,990,161)	1,047,326	47,204,154
GoP Foreign Currency Bonds	41,441,434	-	(24,913,080)	16,528,354	33,045,353	-	(18,622,514)	14,422,839
Foreign Government Securities	1,276,155	-	(31,728)	1,244,427	1,914,312	-	(30,359)	1,883,953
Investments in mutual funds	2,219,646	(41,167)	915,607	3,094,086	2,219,646	(41,167)	941,952	3,120,431
Ordinary shares of a bank outside Pakistan	463,294	-	41,228,294	41,691,589	463,294	-	34,380,951	34,844,245
	3,158,581,787	(18,255,796)	(34,218,069)	3,106,107,923	2,957,037,771	(17,464,945)	(7,455,191)	2,932,117,635

Held-to-maturity securities

Market Treasury Bills	160,243,126	-	-	160,243,126	29,519,190	-	-	29,519,190
Pakistan Investment Bonds	376,266,577	-	-	376,266,577	375,285,244	-	-	375,285,244
Ijarah Sukuks	13,122,409	-	-	13,122,409	13,130,709	-	-	13,130,709
Debentures, Bonds, Ijarah Sukuks, Participation								
Term Certificates and Term Finance Certificates	404,585	(404,585)	-	-	404,585	(404,585)	-	-
GoP Foreign Currency Bonds	3,887,784	-	-	3,887,784	2,992,408	-	-	2,992,408
Foreign Government Securities	43,523,811	-	-	43,523,811	36,096,507	-	-	36,096,507
Foreign Currency Debt Securities	1,084	-	-	1,084	871	-	-	871
	597,449,376	(404,585)	-	597,044,791	457,429,514	(404,585)	-	457,024,929

Associates	1,099,092	(725,730)	-	373,362	1,127,609	(742,298)	-	385,311
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Joint Venture	9,851,408	-	-	9,851,408	7,441,308	-	-	7,441,308
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Subsidiaries	1,245	(1,245)	-	-	1,245	(1,245)	-	-
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Total Investments	3,803,921,456	(19,387,359)	(34,444,259)	3,750,089,842	3,510,069,908	(18,613,073)	(8,520,988)	3,482,935,847
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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
9.1.1	Investments given as collateral	----- (Rupees in '000) -----	
	Pakistan Investment Bonds	2,185,950,376	1,136,497,472
	Market Treasury Bills	213,243,001	689,709,291
		17	2,399,193,376
			1,826,206,763

9.2 Provision for diminution in value of investments

9.2.1	Opening balance	18,613,073	13,386,051
	Charge for the period	902,686	5,226,348
	Reversals for the period	(128,400)	(850,070)
		774,286	4,376,278
	Transfers - net	-	850,744
	Closing Balance	19,387,359	18,613,073

9.2.2 Particulars of provision against debt securities

Category of classification

March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
NPI	Provision	NPI	Provision

Domestic

Loss	6,332,981	6,332,981	6,525,731	6,394,746
	6,332,981	6,332,981	6,525,731	6,394,746

9.3 The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 595,328 million (December 31, 2022: Rs. 436,150 million).

10. ADVANCES

Performing		Non Performing		Total	
(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022

Note ----- (Rupees in '000) -----

Loans, cash credits, running finances, etc.	1,112,556,444	1,168,292,452	238,033,290	190,934,209	1,350,589,734	1,359,226,661
Islamic financing and related assets	61,527,954	46,381,315	640,559	654,980	62,168,513	47,036,295
Net Investment in finance lease	29,160	35,384	28,944	28,944	58,104	64,328
Bills discounted and purchased	26,984,067	18,598,616	13,659,608	14,106,504	40,643,675	32,705,120
Advances - gross	1,201,097,625	1,233,307,767	252,362,401	205,724,637	1,453,460,026	1,439,032,404

Provision against advances

- Specific	-	-	204,837,616	191,014,747	204,837,616	191,014,747
- General	16,908,779	17,348,539	-	-	16,908,779	17,348,539

Advances - net of provision	1,184,188,846	1,215,959,228	47,524,785	14,709,890	1,231,713,631	1,230,669,118
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10.1 Net Investment in Finance Lease

March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total

----- (Rupees in '000) -----

Lease rentals receivable	52,287	-	-	52,287	52,152	-	-	52,152
Residual value	30,142	-	-	30,142	36,505	-	-	36,505
Minimum lease payments	82,429	-	-	82,429	88,657	-	-	88,657
Less: financial charges for future periods	24,325	-	-	24,325	24,329	-	-	24,329
Present value of minimum lease payments	58,104	-	-	58,104	64,328	-	-	64,328

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Group requires the lessee to insure the leased assets in favour of the Group. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% (December 31, 2022: 10.19% to 14.85%) per annum.

10.2 Particulars of advances (Gross)

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

In local currency	1,313,643,170	1,316,066,358
In foreign currencies	139,816,856	122,966,046
	1,453,460,026	1,439,032,404

10.3 Advances include Rs. 252,362 million (December 31, 2022: Rs. 205,725 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	3,779,920	131,826	1,789,957	73,114
Substandard	36,963,852	1,685,294	5,888,114	1,439,917
Doubtful	8,194,568	3,704,387	8,883,354	4,648,305
Loss	136,960,282	135,429,821	135,113,451	132,837,538
	185,898,622	140,951,329	151,674,876	138,998,874
Overseas				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	408,774	204,387	331,133	165,567
> 365 days	66,055,005	63,681,900	53,718,628	51,850,306
	66,463,779	63,886,287	54,049,761	52,015,873
Total	252,362,401	204,837,616	205,724,637	191,014,747

10.4 Particulars of provision against advances

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Note	----- (Rupees in '000) -----					
Opening balance	191,014,747	17,348,539	208,363,286	179,654,610	12,472,591	192,127,201
Exchange adjustments	13,335,980	153,090	13,489,070	8,349,754	107,952	8,457,706
Charge for the period / year	1,445,324	528,563	1,973,887	5,227,345	9,553,101	14,780,446
Reversals	(1,684,691)	(357,626)	(2,042,317)	(5,011,542)	(1,757,105)	(6,768,647)
	(239,367)	170,937	(68,430)	215,803	7,795,996	8,011,799
Amounts written off	(18,542)	-	(18,542)	(177,162)	-	(177,162)
Amounts charged off - agriculture financing	(18,988)	-	(18,988)	(56,258)	-	(56,258)
Transfer from general to specific provision	763,786	(763,786)	-	3,028,000	(3,028,000)	-
Closing balance	204,837,616	16,908,779	221,746,395	191,014,747	17,348,539	208,363,286

10.4.1 Particulars of provision against advances

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	140,951,329	16,285,901	157,237,230	138,998,874	16,741,242	155,740,116
In foreign currencies	63,886,287	622,878	64,509,165	52,015,873	607,297	52,623,170
	204,837,616	16,908,779	221,746,395	191,014,747	17,348,539	208,363,286

- 10.4.2** General provision includes provision amounting to Rs. 5,007 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 623 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Group operates.

The Group has also maintained general provision of Rs. 11,279 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

- 10.4.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.

- 10.4.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Group's right of recovery from these customers.

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,182,451	1,086,001
Property and equipment		56,633,234	56,518,342
		57,815,685	57,604,343

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
11.1 Capital work-in-progress		
Civil works	1,103,876	1,010,529
Equipment	10,825	10,825
Advances to suppliers and contractors	67,750	64,647
	1,182,451	1,086,001

	(Un-audited) March 31, 2023	March 31, 2022
	------(Rupees in '000)-----	
11.2 Additions to fixed assets		

The following additions have been made to fixed assets during the period:

Capital work-in-progress	132,951	125,908
Property and equipment		
Building on freehold land	11,113	14,866
Building on leasehold land	16,050	80
Furniture and fixture	87,227	166,455
Computer and peripheral equipment	54,991	43,920
Electrical, office equipment	123,673	120,159
Vehicles	174,126	24,064
Assets held under finance lease - Vehicles	64,204	29,056
	531,384	398,600
Total	664,335	524,508

11.3 Disposal of fixed assets		
The net book value of fixed assets disposed off during the period is as follows:		
Furniture and fixture	-	36
Computer and peripheral equipment	1	196
Electrical, office equipment	-	2
Vehicles	3,127	9,119
Assets held under finance lease - Vehicle	9,340	10,424
Total	12,468	19,777

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
12. INTANGIBLE ASSETS		
Capital work-in-progress - Software Implementation	831,838	869,907
Computer Software	740,965	668,862
Goodwill on NBP Fund Acquisition	562,553	562,553
	2,135,356	2,101,322

(Un-audited)	
March 31, 2023	March 31, 2022
------(Rupees in '000)-----	

12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Capital Work in Progress - net additions	69,679	-
Directly purchased	15,586	12,300
Total	85,265	12,300

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

13. RIGHT-OF-USE ASSETS

Balance as at January 01	7,186,067	7,090,980
Additions during the period / year	631,099	2,421,546
Derecognition during the period / year	-	(19,860)
Depreciation charged for the period / year	(556,890)	(2,306,599)
Balance as at	7,260,276	7,186,067

14. DEFERRED TAX

Deductible temporary differences on

- Tax losses carried forward
- Post retirement employee benefits
- Provision for diminution in the value of investments
- Provision against loans and advances
- Provision against off-balance sheet obligations
- Accelerated tax depreciation
- Excess of accounting book value of leased assets over lease liabilities
- Right of use assets
- Other provisions

10,705	10,705
7,687,876	7,467,549
236,751	236,751
12,925,197	12,925,197
115,222	115,222
1,591,224	1,395,724
2,165	-
978,487	670,604
98,789	107,841
23,646,415	22,929,593

Taxable temporary differences on

- Surplus on revaluation of fixed assets
- Excess of accounting book value of leased assets over lease liabilities
- Surplus on revaluation of investments
- Surplus on revaluation of non-banking assets
- Exchange translation reserve

(3,023,080)	(2,968,387)
-	(7,890)
14,717,165	3,208,916
(21,752)	(21,752)
(974,974)	(734,250)
10,697,359	(523,363)
34,343,774	22,406,230

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
15. OTHER ASSETS			
Income / return / mark-up accrued in local currency		132,783,849	99,446,324
Income / return / mark-up accrued in foreign currency		5,692,040	4,012,820
Advances, deposits, advance rent and other prepayments		5,492,887	3,176,299
Income tax refunds receivable & advance taxation (payments less provisions)		5,108,995	11,063,715
Compensation for delayed tax refunds		21,280,934	20,809,580
Non-banking assets acquired in satisfaction of claims		1,177,432	1,179,943
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
Mark to market gain on forward foreign exchange contracts		23,487,351	-
Acceptances		9,249,996	20,644,122
Commission receivable on Government treasury transactions		7,393,980	5,253,389
Stationery and stamps on hand		461,506	437,900
Barter trade balances		195,399	195,399
Receivable on account of Government transactions		323,172	323,172
Receivable from Government under VHS scheme		418,834	418,834
Receivable against sale / purchase of shares		270,606	823,140
Receivable from Pakistan Stock Exchange		157,336	173,941
Receivable from mutual funds		1,058,470	985,894
Others		11,961,793	8,312,213
		226,723,003	177,465,108
Less: Provision held against other assets	15.1	12,253,937	12,244,043
Other assets (net of provision)		214,469,066	165,221,065
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,520,000	2,520,000
Other assets - total		216,989,066	167,741,065

15.1 Provision held against other assets

Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	837,949	837,949
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,306,922	4,297,516
Ex-MBL / NDFC - other assets	770,398	770,398
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
Others	4,943,691	4,943,203
	12,253,937	12,244,043

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		(Rupees in '000)	
15.2.1 Movement in provision held against other assets			
Opening balance		12,244,043	11,709,318
Charge for the period / year		9,895	562,955
Adjustment against provision		-	(28,230)
Closing balance		12,253,937	12,244,043
16. BILLS PAYABLE			
In Pakistan		7,555,566	54,969,587
Outside Pakistan		351,335	298,432
		7,906,901	55,268,019
17. BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		36,004,726	38,217,784
Financing Scheme for Renewable Energy		785,785	1,019,611
Refinance Facility for Modernization of SMEs		58,698	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)		619,835	667,327
Under Long-Term Financing Facility (LTFF)		19,536,985	20,254,808
Refinance Scheme for Payment of Wages and Salaries		-	35,950
Temporary Economic Refinance Facility		24,210,085	24,126,421
Refinance Facility for Combating Covid-19		57,543	66,159
		81,273,657	84,431,884
Repurchase agreement borrowings	9.1.1	2,399,193,376	1,826,206,763
		2,480,467,033	1,910,638,647
Unsecured			
Call borrowings		22,537,203	25,810,145
Bai Muajjal		-	4,036,995
		22,537,203	29,847,140
		2,503,004,236	1,940,485,787
17.1 Particulars of borrowings with respect to currencies			
In local currency		2,487,831,693	1,923,848,931
In foreign currencies		15,172,543	16,636,856
		2,503,004,236	1,940,485,787
17.2 Mark-up / interest rates and other terms are as follows:			
- Repurchase agreement borrowings carry mark-up ranging from 17.16% to 20.16% per annum (December 31, 2022: 15.2% to 17.0% per annum) having maturities ranging from April 03, 2023 to April 09, 2023.			
- Call borrowings carry interest ranging from 5.27% to 20.05% per annum (December 31, 2022: 3.0% to 16.5% per annum).			
17.3 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.			

- 17.4 Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 years and 3 - 12 months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,399,193 million (December 31, 2022: Rs.1,826,206 million).

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits - remunerative	639,400,481	-	639,400,481	733,037,562	-	733,037,562
Current deposits - non-remunerative	484,108,607	191,635,182	675,743,789	408,169,670	159,575,493	567,745,163
Savings deposits	664,134,147	131,928,933	796,063,080	681,287,543	108,029,851	789,317,394
Term deposits	412,382,274	139,063,497	551,445,771	400,618,865	116,541,863	517,160,728
Others	43,873,430	6,748	43,880,178	9,563,715	7,855	9,571,570
	2,243,898,939	462,634,360	2,706,533,299	2,232,677,355	384,155,062	2,616,832,417
Financial Institutions						
Current deposits	226,273,542	1,632,743	227,906,285	5,795,356	3,492,893	9,288,249
Savings deposits	23,452,672	-	23,452,672	15,190,328	2,924,782	18,115,110
Term deposits	7,955,284	8,618,963	16,574,247	9,716,964	6,442,283	16,159,247
Others	915,763	269	916,032	4,878,234	-	4,878,234
	258,597,261	10,251,975	268,849,236	35,580,882	12,859,958	48,440,840
	2,502,496,200	472,886,335	2,975,382,535	2,268,258,237	397,015,020	2,665,273,257

- 18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 101,860 million (December 31, 2022: Rs. 75,917 million).

19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
------(Rupees in '000)-----						
Not later than one year	70,598	18,061	52,537	55,683	10,935	44,748
Later than one year and upto five years	135,694	18,919	116,775	85,093	8,388	76,705
Over five years	-	-	-	-	-	-
	206,292	36,980	169,312	140,776	19,323	121,453

The Group has entered into lease agreements with various financial institutions for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 6M KIBOR + 1.50% per annum (December 31, 2022: 6M KIBOR + 1.50% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
20. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS		
Lease liabilities included in the statement of financial position	9,552,209	8,761,015
Of which are:		
Current lease liability	1,845,708	1,734,848
Non-current lease liability	7,706,502	7,026,167
	9,552,209	8,761,015
Maturity analysis - contractual undiscounted cash flows		
Less than one year	2,719,212	2,557,743
One to five years	7,368,350	6,963,768
More than five years	8,720,528	7,969,041
Total undiscounted lease liabilities	18,808,090	17,490,552
21. OTHER LIABILITIES		
Mark-up / Return / Interest payable in local currency	112,893,668	126,228,969
Mark-up / Return / Interest payable in foreign currencies	878,313	655,802
Unearned commission and income on bills discounted	244,511	271,126
Accrued expenses	12,863,374	13,955,633
Advance payments	382,933	372,406
Acceptances	9,249,996	20,644,122
Unclaimed dividends	181,614	181,851
Mark to market loss on forward foreign exchange contracts	-	125,371
Branch adjustment account	1,415,315	1,916,850
Payable to defined benefit plan:		
Pension fund	24,225,085	23,063,894
Post retirement medical benefits	30,149,118	29,176,898
Benevolent fund	1,554,830	1,697,838
Gratuity scheme	4,254,472	4,100,617
Compensated absences	9,197,800	8,734,235
Provision against off-balance sheet obligations	627,494	627,494
Provision against contingencies	4,239,235	4,170,799
Staff welfare fund	371,257	371,257
Liabilities relating to Barter trade agreements	4,914,946	3,629,389
Payable to brokers	9,183	350,446
Payable to customers	613,977	940,854
PIBs short selling	14,529,517	11,043,029
Others	23,721,865	19,297,251
	256,518,503	271,556,131

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
22. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(34,218,069)	(7,455,191)
- Fixed Assets		48,501,479	48,590,472
- Non-banking assets		2,520,000	2,520,000
- On securities of associates and joint venture		(1,558,881)	(1,507,560)
		<u>15,244,528</u>	<u>42,147,721</u>
Deferred tax on (surplus) / deficit on revaluation of:			
- Available for sale securities		14,717,165	3,208,915
- Fixed Assets		(3,023,080)	(3,061,347)
- Non-banking assets		(21,752)	(21,752)
		<u>11,672,333</u>	<u>125,816</u>
		<u>26,916,861</u>	<u>42,273,537</u>
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	444,435,538	377,561,372
Commitments	23.2	2,741,398,927	2,373,285,184
Other contingent liabilities	23.3	25,126,954	26,619,691
		<u>3,210,961,420</u>	<u>2,777,466,247</u>
23.1 Guarantees:			
Financial guarantees		359,377,088	287,741,990
Performance guarantees		85,058,450	89,819,382
		<u>444,435,538</u>	<u>377,561,372</u>
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,004,859,721	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	624,953,823	570,881,591
- forward government securities transactions	23.2.2	39,431,586	54,568,834
- forward lending	23.2.3	70,956,551	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,131,896	798,234
Other commitments	23.2.4	65,350	36,850
		<u>2,741,398,927</u>	<u>2,373,285,184</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	403,678,910	368,380,755
Sale	221,274,913	202,500,836
	<u>624,953,823</u>	<u>570,881,591</u>

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	20,046,126	10,988,627
Sale	19,385,460	43,580,207
	<u>39,431,586</u>	<u>54,568,834</u>

Commitments for outstanding forward government securities transactions are disclosed in these consolidated condensed interim financial statements at contracted rates.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.3 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitments to lend	<u>70,956,551</u>	<u>50,363,949</u>

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.4 Other commitments		
Professional services to be received	<u>65,350</u>	<u>36,850</u>
23.3 Other contingent liabilities		
23.3.1 Claim against the Group not acknowledged as debt	<u>25,126,954</u>	<u>26,619,691</u>

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2022: Rs. 1,597 million).

Moreover, these claims also represent counter claims by the borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, the management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome against the Bank is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

23.3.2 Taxation

As at March 31, 2023, the status of tax contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation officer has passed Appeal Effect Order for tax year 2020 during the year. The Bank has filed appeal before CIR(A) which is pending for adjudication. The demand created in the Appeal Effect order is Rs. 4,244.2 million. The tax advisors are confident that the ultimate outcome of the proceeding will be decided in the Bank's favor.
- Honourable CIR(A) through recent judgement dated February 1, 2023 has decided the appeal filed by the Bank for tax year 2016 against monitoring order in favour of the Bank deleting the demand of Rs 442.7 million.

23.3.3 Contingencies in respect of employees benefits and related matters

As at March 31, 2023, the status of contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

23.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 26.3.4.1 to the consolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended March 31, 2023 amounted to Rs. 93.0 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for March 2023 onward will also increase by Rs. 12.0 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these consolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favorable outcome on the matter.

23.3.4 Compliance and risk matters relating to anti-money laundering at the New York Branch

The New York Branch of NBP has made significant progress to comply with the provisions of the enforcement actions received in February 2022 from the Federal Reserve Bank of New York and the New York State Department of Financial Services. The Branch has complied with the quarterly and half-yearly progress reporting requirements of its regulators. Management and the Board of Directors continue to provide close oversight of the New York branch and are committed to ensure compliance with all the conditions agreed in the enforcement actions. The management actions implemented by the Bank and Branch and their associated validation by Internal Audit are subject to review by the Branch's regulators.

	(Un-audited) Quarter ended	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
24. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	43,469,581	26,160,803
Investments	146,218,758	50,380,946
Lendings to financial institutions	2,573,879	2,072,752
Balances with banks	236,360	633,590
	192,498,578	79,248,091
25. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	69,726,499	36,252,157
Borrowings	1,153,608	1,757,665
Cost of foreign currency swaps against foreign currency deposits	1,218,975	2,131,382
Finance charge on lease liability against right of use assets	328,939	218,063
Securities sold under repurchase agreements	87,445,959	13,066,232
	159,873,980	53,425,499

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
Note		------(Rupees in '000)-----	
26.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	464,670	381,000
	Consumer finance related fees	135,309	116,200
	Card related fees	579,688	506,466
	Credit related fees	55,281	73,640
	Investment banking fees	85,646	438,028
	Commission on trade	406,448	392,717
	Commission on guarantees	277,157	176,957
	Commission on cash management	9,551	9,719
	Commission on remittances including home remittances	372,768	269,273
	Commission on bancassurance	75,044	86,471
	Commission on government transactions	2,052,698	2,160,609
	Management fee and sale load	384,955	246,165
	Brokerage income	17,328	20,105
	Others	39,403	82,294
		<u>4,955,946</u>	<u>4,959,644</u>
27.	GAIN ON SECURITIES - NET		
	Realised	27.1 756,394	(86,877)
	Unrealized - held-for-trading	(226,190)	(248,130)
	Unrealized - Short selling	(160,904)	436,692
		<u>369,299</u>	<u>101,685</u>
27.1	Realized gain / (loss) on		
	Federal Government Securities	738,747	(172,814)
	Shares and mutual funds	17,647	85,933
	Foreign Securities	-	4
		<u>756,394</u>	<u>(86,877)</u>
28.	OTHER INCOME		
	Rent on property	6,502	10,426
	Gain on sale of fixed assets - net	1,819	5,280
	Postal, SWIFT and other charges recovered	-	1,644
	Compensation for delayed tax refunds	28.1 471,354	333,902
	Amortization of deferred income	2,096	1,098
	Reversal of provisions	79,431	-
	Sale of mortgage property	39,336	-
	Others	4,859	4,127
		<u>605,397</u>	<u>356,477</u>
28.1	This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.		

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
		------(Rupees in '000)-----	
29.	OPERATING EXPENSES		
	Total compensation expenses	14,457,298	11,779,269
	Property expense		
	Rent and taxes	274,301	183,416
	Insurance	10,654	10,087
	Utilities cost	426,288	298,528
	Security (including guards)	817,676	658,799
	Repair and maintenance (including janitorial charges)	305,378	192,928
	Depreciation	130,454	135,551
	Depreciation on non banking assets	2,511	3,929
	Depreciation on Ijarah assets	15,861	16,841
	Depreciation on right of use assets	556,890	557,857
		2,540,013	2,057,935
	Information technology expenses		
	Software maintenance	694,694	173,647
	Hardware maintenance	63,303	40,642
	Depreciation	99,462	90,719
	Amortisation	118,595	78,408
	Network charges	155,853	158,417
	IT Manage Services	134,328	91,788
		1,266,235	633,621
	Other operating expenses		
	Directors' fees and reimbursement of other expenses	11,023	9,884
	Directors' fees and allowances - subsidiaries	4,840	2,970
	Fees and allowances to Shariah Board	4,577	4,254
	Legal and professional charges	415,575	234,276
	Outsourced services costs	147,241	132,840
	Travelling and conveyance	305,235	221,571
	NIFT clearing charges	53,977	44,070
	Depreciation	400,152	417,010
	Training and development	22,144	13,318
	Postage and courier charges	30,189	29,380
	Communication	156,333	89,190
	Stationery and printing	273,048	389,530
	Marketing, advertisement and publicity	104,096	29,613
	Donations	-	8
	Auditors' Remuneration	64,027	48,160
	Financial charges on leased assets	29,309	16,656
	Insurance	129,210	112,481
	Entertainment	70,135	62,323
	Clearing, verification, license fee charges	117,026	89,195
	Vehicle Expenses	61,970	54,424
	Repairs and maintenance	260,390	92,911
	Brokerage	5,126	4,230
	Deposit premium expense	452,894	392,777
	Others	158,150	89,411
		3,276,667	2,580,481
		21,540,213	17,051,306
30.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	14,614	21,678
	Penalties imposed by other regulatory bodies (Central bank of international branches)	1,085	-
		15,699	21,678

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	
31. PROVISIONS & WRITE OFFS - NET			
	9.2	774,286	399,330
Provisions for diminution in value of investments			
Provisions against loans and advances	10.4	(68,430)	987,082
Provision against other assets	15.2.1	9,895	19,367
Provision against contingencies		18,436	29,962
		<u>734,186</u>	<u>1,435,741</u>

32. TAXATION			
Current		8,076,025	6,443,566
Prior years		-	-
Deferred		(454,280)	(166,114)
		<u>7,621,745</u>	<u>6,277,452</u>

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
33. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the period (Rupees in 000's)		<u>11,249,266</u>	<u>9,695,811</u>
Weighted average number of ordinary shares (000's)		<u>2,127,513</u>	<u>2,127,513</u>
Earnings per share - basic and diluted (Rupees)		<u>5.29</u>	<u>4.56</u>

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
Note		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENT			
Cash and balances with treasury banks	6	255,097,607	241,301,582
Balances with other banks	7	35,526,174	20,065,539
Call money lendings	8	9,723	5,009,723
Call money borrowings	17	(22,537,203)	(46,760,608)
Overdrawn nostro	17	-	(1,142,563)
		<u>268,096,301</u>	<u>218,473,673</u>

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted instruments 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.

35.1 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).

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, 2023 (Un-audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Market Treasury Bills	441,788,048	-	441,788,048	-	441,788,048
Pakistan Investment Bonds	2,528,888,205	-	2,528,888,205	-	2,528,888,205
Ijarah Sukuks	19,865,279	-	19,865,279	-	19,865,279
Ordinary shares of listed companies	37,557,226	37,557,226	-	-	37,557,226
Investment In mutual funds	3,864,576	-	3,864,576	-	3,864,576
Preference shares	1,329,608	1,329,608	-	-	1,329,608
Term Finance Certificates / Musharika and Sukuk Bonds	46,213,060	14,577,536	31,635,524	-	46,213,060
GoP Foreign Currency Bonds	16,528,354	-	16,528,354	-	16,528,354
Foreign Government Securities	3,639,824	-	3,639,824	-	3,639,824
Ordinary shares of a bank outside Pakistan	41,691,589	41,691,589	-	-	41,691,589
	3,141,365,769	95,155,959	3,046,209,810	-	3,141,365,769
Financial assets - disclosed but not measured at fair value					
Investments					
Market Treasury Bills	160,243,126	-	160,243,126	-	160,243,126
Pakistan Investment Bonds	376,266,577	-	376,266,577	-	376,266,577
Ijarah Sukuks	13,122,409	-	13,122,409	-	13,122,409
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	-	-	-
GoP Foreign Currency Bonds	3,887,784	-	3,887,784	-	3,887,784
Foreign Government Securities	43,523,811	-	43,523,811	-	43,523,811
Foreign Currency Debt Securities	1,084	-	1,084	-	1,084
	597,044,791	-	597,044,791	-	597,044,791
	3,738,410,560	95,155,959	3,643,254,601	-	3,738,410,560
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts purchase and sale	624,953,823	-	23,487,351	-	23,487,351
Forward government securities transactions	39,431,586	-	(26,688)	-	(26,688)

	December 31, 2022 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Market Treasury Bills	848,869,986	-	848,869,986	-	848,869,986
Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
Ordinary shares of listed companies	36,671,325	36,671,325	-	-	36,671,325
Investments in mutual funds	3,733,376	-	3,733,376	-	3,733,376
Preference shares	1,370,477	1,370,477	-	-	1,370,477
Term Finance Certificates / Musharika and Sukuk Bonds	47,204,154	15,167,771	32,036,383	-	47,204,154
GoP Foreign Currency Bonds	14,422,839	-	14,422,839	-	14,422,839
Foreign Government Securities	3,655,766	-	3,655,766	-	3,655,766
Ordinary shares of a bank outside Pakistan	34,844,245	34,844,245	-	-	34,844,245
	<u>3,016,629,787</u>	<u>88,053,818</u>	<u>2,928,575,969</u>	<u>-</u>	<u>3,016,629,787</u>

Financial assets - disclosed but not measured at fair value

Investments					
Market Treasury Bills	29,519,190	-	29,519,190	-	29,519,190
Pakistan Investment Bonds	375,285,244	-	375,285,244	-	375,285,244
Ijarah Sukuks	13,130,709	-	13,130,709	-	13,130,709
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	-	-	-	-	-
GoP Foreign Currency Bonds	2,992,408	-	2,992,408	-	2,992,408
Foreign Government Securities	36,096,507	-	36,096,507	-	36,096,507
Foreign Currency Debt Securities	871	-	871	-	871
	<u>457,024,929</u>	<u>-</u>	<u>457,024,929</u>	<u>-</u>	<u>457,024,929</u>
	<u>3,473,654,716</u>	<u>88,053,818</u>	<u>3,385,600,898</u>	<u>-</u>	<u>3,473,654,716</u>

Off-balance sheet financial instruments - measured at fair value

Foreign exchange contracts purchase and sale	<u>570,881,591</u>	<u>-</u>	<u>(125,371)</u>	<u>-</u>	<u>(125,371)</u>
Forward government securities transactions	<u>54,568,834</u>	<u>-</u>	<u>(14,626)</u>	<u>-</u>	<u>(14,626)</u>

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Market Treasury Bills	PKRV (MUFAP)
Pakistan Investment Bonds	PKRV & PKFRV (MUFAP)
Ijarah Sukuks	PKISRV (MUFAP)
Ordinary shares of unlisted companies	Breakup value as per latest available audited financial statements
Term Finance Certificates / Musharika and Sukuk Bonds	MUFAP & Pakistan Stock Exchange
GoP Foreign Currency Bonds	Reuter page
Foreign Government Securities	Reuter page
Foreign Currency Debt Securities	Reuter page
Mutual Funds	MUFAP
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements

35.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

March 31, 2023 (Un-audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Land & building (property and equipment)	48,575,598	-	-	48,575,598
Non-banking assets acquired in satisfaction of claims	3,697,432	-	-	3,697,432
	<u>52,273,030</u>	<u>-</u>	<u>-</u>	<u>52,273,030</u>
December 31, 2022 (Audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Land & building (property and equipment)	52,425,375	-	-	52,425,375
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943
	<u>56,125,318</u>	<u>-</u>	<u>-</u>	<u>56,125,318</u>

SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Three months period ended March 31, 2023 (Un-audited)									
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
----- (Rupees in '000) -----									
Profit and loss account									
Net mark-up / return / interest income / (expense)	(53,669,740)	8,033,052	7,608,880	67,668,646	633,285	2,350,473	32,624,598	-	32,624,598
Inter segment revenue - net	79,351,581	(9,351,852)	(6,273,468)	(69,125,293)	-	5,399,033	-	-	-
Non mark-up / return / interest income	3,526,399	88,993	877,456	2,691,183	339,218	1,057,308	8,580,557	-	8,580,557
Total Income	29,208,240	(1,229,807)	2,212,868	1,234,536	972,503	8,806,814	41,205,155	-	41,205,155
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	1,287,892	13,671,656	-	13,671,656
Inter segment expense allocation	-	-	-	-	-	7,884,256	7,884,256	-	7,884,256
Total expenses	8,887,705	906,289	349,136	62,208	2,178,426	9,172,149	21,555,912	-	21,555,912
Provisions and write offs - net	(57,529)	489,453	234,381	852,624	(185,860)	(598,884)	734,186	-	734,186
Profit / (loss) before taxation	20,378,063	(2,625,549)	1,629,351	319,704	(1,020,062)	233,550	18,915,057	-	18,915,057
=====									
March 31, 2023 (Un-audited)									
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
----- (Rupees in '000) -----									
Statement of financial position									
Cash and balances with treasury and other banks	203,301,809	15,253,267	323,736	12,981,371	51,380,149	7,383,449	290,623,781	-	290,623,781
Investments	-	-	26,003,109	3,594,352,003	65,185,472	64,549,259	3,750,089,842	-	3,750,089,842
Net inter segment lending	2,007,466,423	-	-	-	-	171,903,440	2,179,369,863	(2,179,369,863)	-
Lendings to financial institutions	-	-	-	479,050,253	-	-	479,050,253	-	479,050,253
Advances - performing	217,985,801	170,803,914	630,520,185	-	69,297,455	112,490,271	1,201,097,625	-	1,201,097,625
Advances - non-performing	4,698,929	24,696,054	52,383,896	-	66,072,907	104,510,615	252,362,401	-	252,362,401
Provision against advances	(8,895,212)	(20,261,194)	(21,645,578)	-	(64,221,486)	(106,722,925)	(221,746,395)	-	(221,746,395)
Advances - Net	213,789,519	175,238,774	661,258,502	-	71,148,876	110,277,960	1,231,713,631	-	1,231,713,631
Others	39,504,523	2,988,435	28,924,175	23,808,409	10,351,596	212,967,029	318,544,157	-	318,544,157
Total Assets	2,464,062,273	193,480,477	716,509,523	4,110,192,035	198,066,092	567,081,137	8,249,391,527	(2,179,369,863)	6,070,021,664
Borrowings	-	5,738,002	75,780,215	2,406,313,476	15,172,543	-	2,503,004,236	-	2,503,004,236
Deposits and other accounts	2,393,013,087	-	385,056,393	-	101,860,489	95,452,566	2,975,382,535	-	2,975,382,535
Net inter segment borrowing	-	182,497,439	235,417,954	1,628,383,748	99,987,260	33,083,461	2,179,369,863	(2,179,369,863)	-
Others	71,049,187	5,245,035	20,104,520	65,219,387	5,920,239	106,608,558	274,146,925	-	274,146,925
Total liabilities	2,464,062,273	193,480,477	716,359,082	4,099,916,612	222,940,532	235,144,585	7,931,903,559	(2,179,369,863)	5,752,533,696
Equity	-	-	150,442	10,275,424	(24,874,439)	331,936,551	317,487,968	-	317,487,968
Total equity and liabilities	2,464,062,273	193,480,477	716,509,523	4,110,192,035	198,066,092	567,081,137	8,249,391,527	(2,179,369,863)	6,070,021,664
=====									
Contingencies and commitments	-	69,557,155	2,362,499,642	735,341,960	17,238,463	26,324,200	3,210,961,420	-	3,210,961,420

Three months period ended March 31, 2022 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
(28,632,718)	5,530,773	7,399,849	39,099,816	1,019,499	1,405,384	25,822,592	-	25,822,592
43,486,100	(5,344,337)	(6,770,243)	(36,647,744)	-	5,276,225	-	-	-
3,387,541	126,398	1,349,787	2,615,260	242,529	955,693	8,677,208	-	8,677,208
18,240,922	312,834	1,979,393	5,067,332	1,262,018	7,637,302	34,499,800	-	34,499,800
7,757,833	793,328	301,691	57,606	1,642,299	1,107,316	11,660,073	-	11,660,073
-	-	-	-	-	5,412,911	-	-	5,412,911
7,757,833	793,328	301,691	57,606	1,642,299	6,520,228	17,072,984	-	17,072,984
(45,960)	964,356	1,804,618	395,144	86,237	(1,768,653)	1,435,741	-	1,435,741
10,529,050	(1,444,850)	(126,916)	4,614,582	(466,518)	2,885,728	15,991,075	-	15,991,075

Profit and loss account

Net mark-up / return / interest income (expense)
 Inter segment revenue - net
 Non mark-up / return / interest income
 Total Income
 Segment direct expenses
 Inter segment expense allocation
 Total expenses
 Provisions and write offs - net
 Profit / (loss) before taxation

December 31, 2022 (Audited)

Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
75,111,055	8,471,928	272,335	116,207,653	41,420,355	8,366,109	249,849,435	-	249,849,435
-	-	26,566,790	3,338,860,011	55,396,579	62,112,467	3,482,936,847	-	3,482,936,847
1,913,764,601	-	-	-	-	161,978,230	2,075,742,831	(2,075,742,831)	-
-	-	-	31,272,467	-	-	31,272,467	-	31,272,467
221,901,091	236,174,990	608,412,187	-	66,916,285	97,903,214	1,233,307,767	-	1,233,307,767
4,107,960	21,853,219	23,902,314	-	53,726,670	205,724,637	205,724,637	-	205,724,637
(8,972,018)	(19,791,641)	(23,100,384)	-	(62,356,953)	(104,142,290)	(208,363,286)	-	(208,363,286)
217,037,033	238,236,568	609,214,117	-	70,286,002	95,895,398	1,230,669,118	-	1,230,669,118
31,988,215	3,619,414	41,735,925	381,562	6,402,399	172,851,511	257,039,027	-	257,039,027
2,237,900,904	250,327,910	677,849,167	3,486,721,693	173,505,335	501,203,715	7,327,508,725	(2,075,742,831)	5,251,765,894

Statement of financial position

Cash and balances with treasury and other banks
 Investments
 Net inter segment lending
 Lendings to financial institutions
 Advances - performing
 Advances - non-performing
 Provision against advances
 Advances - net
 Others
Total Assets

Borrowings
 Deposits and other accounts
 Net inter segment borrowing
 Others
Total liabilities
Total equity and liabilities

Contingencies and commitments

RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, joint venture, employee benefit plans and its directors and key management personnel. The details of investment in joint venture and associated undertaking and their provisions are stated in note 9 of the consolidated condensed interim financial statement of the Group.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	March 31, 2023 (Un-audited)						December 31, 2022 (Audited)										
	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.D.A.A.)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Provident Fund	Other related parties
(Rupees in '000)																	
Balances with other banks																	
In current accounts	-	-	-	468,064	-	-	-	-	-	-	-	-	-	385,137	-	-	-
	-	-	-	468,064	-	-	-	-	-	-	-	-	-	385,137	-	-	-
Investments																	
Opening balance	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	-
Investment made during the period / year	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	4,465,879
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,625
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	(1,280,792)	-	-	-	-	-	-	-	6,512,634
	-	-	-	-	-	-	-	-	5,251,842	-	-	-	-	-	-	-	-
Provision for diminution in value of investments																	
Opening balance	-	-	-	-	-	-	-	-	164,675	-	-	-	-	-	-	-	469,354
	-	-	-	-	-	-	-	-	164,675	-	-	-	-	-	-	-	-
Advances																	
Opening balance	-	339,734	2,665,220	-	-	-	-	-	2,065,795	-	347,592	2,934,162	-	-	-	-	641,482
Addition during the period / year	-	-	-	-	-	-	-	-	-	-	86,147	-	-	-	-	-	2,229,175
Repaid during the period / year	-	(13,656)	-	-	-	-	-	-	(6,389)	-	(52,240)	(268,942)	-	-	-	-	(1,433,378)
Transfer in / (out) - net	-	(28,200)	-	-	-	-	-	-	(1,688,145)	-	(47,765)	-	-	-	-	-	630,516
Closing balance	-	287,887	2,665,220	-	-	-	-	-	191,060	-	339,734	2,665,220	-	-	-	-	2,065,795
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions against loans																	
Opening balance	-	-	-	-	-	-	-	-	-	-	-	2,665,220	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	2,665,220	-	-	-	-	-
Other Assets																	
Interest / markup accrued	-	-	-	1,717,167	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-
	-	-	-	1,717,167	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-
Borrowings																	
Opening balance	-	-	-	52,245	-	-	-	-	-	-	-	-	35,741	-	-	-	-
Borrowings during the period / year	-	-	-	3,028	-	-	-	-	-	-	-	-	16,504	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	55,273	-	-	-	-	-	-	-	-	52,245	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts																	
Opening balance	-	98,488	3,000	-	27,222	-	257,252	13,263,170	515,559	1,760	131,454	-	-	86,264	10,100,000	46,769	12,954,765
Received during the period / year	-	289,470	-	-	9,477,577	-	845,111	1,245,981	67,960	-	885,658	3,000	-	41,951,279	-	8,370,003	5,641,339
Withdrawn during the period / year	-	(227,233)	-	-	(6,499,800)	-	(715,255)	(1,603,514)	(114,312)	(14)	(694,321)	-	-	(42,000,321)	(10,100,000)	(4,616,736)	(6,669,604)
Transfer in / (out) - net	-	2,696	-	-	-	-	-	-	198,948	(1,746)	(22,803)	-	-	-	-	-	(42,798,288)
Closing balance	-	183,421	3,000	-	5,000	-	387,106	12,905,637	669,176	-	98,488	3,000	-	27,222	-	13,263,170	515,559
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingencies and commitments																	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Transfer in (out) - net due to retirement / appointment of directors and changes in key management executives.

	March 31, 2023 (Un-audited)					March 31, 2022 (Un-audited)								
	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others
----- (Rupees in '000) -----														
Income														
Mark-up / return / interest earned	-	-	-	2,637	-	-	-	-	-	1,297	-	-	-	-
Debits due by Companies in which Directors of the Bank is interested as Directors	-	-	-	-	-	-	107,209	-	-	-	-	-	-	29,523
Rent income / lighting and power and bank charges	-	-	1,361	-	-	-	-	-	-	1,392	-	-	-	-
Expense														
Mark-up / return / interest paid	-	4,572	98	7,739	13,833	-	14,116	22	2,029	-	2,143	10,037	350,542	417,467
Expenses paid to company in which Director of the bank was interested as CEO and director	-	-	-	-	-	-	8,061	-	-	-	-	-	-	1,333
Remuneration to key management executives including charge for defined benefit plan	-	264,049	-	-	-	-	-	-	159,907	-	-	-	-	-
Directors' fee & other allowances	11,023	-	-	-	-	-	-	9,884	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum ex-employee	-	-	-	-	-	-	-	522	-	-	-	-	-	-
Transactions with Government-related entities														

37.1

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) 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 ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking service to Government-related entities.

The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,053 million (March 31, 2022 Rs. 2,161 million) for the three months period ended March 31, 2022. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 581,806 million (December 31, 2022: Rs. 593,486 million), Rs. 1,311,311 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,112,715 million (December 31, 2022: Rs. 1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 40,225 million (March 31, 2022: Rs. 7,962 million) and Rs. 35,433 million (March 31, 2022: Rs. 12,778 million) respectively.

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

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement

Paid-up capital (net of losses)	21,275,131	21,275,131
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Capital Adequacy Ratio

Eligible Common Equity Tier 1 (CET 1) Capital	235,044,450	236,742,118
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	235,044,450	236,742,118
Eligible Tier 2 Capital	75,079,196	78,089,129
Total Eligible Capital (Tier 1 + Tier 2)	310,123,646	314,831,247

Risk Weighted Assets (RWAs):

Credit Risk	1,141,702,063	1,073,032,570
Market Risk	94,959,691	94,062,413
Operational Risk	262,697,854	262,697,854
Total	1,499,359,608	1,429,792,837

Common Equity Tier 1 Capital Adequacy ratio	15.68%	16.56%
Tier 1 Capital Adequacy Ratio	15.68%	16.56%
Total Capital Adequacy Ratio	20.68%	22.02%

Leverage Ratio (LR):

Tier-1 Capital	235,044,450	236,742,118
Total Exposures	8,694,989,266	7,511,889,497
Leverage Ratio	2.70%	3.15%

The Group has leverage ratio of 2.70% as of March 31, 2023, which has been relaxed upto 2.5% till March 31, 2024 by SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023.

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	1,218,515,965	1,418,328,644
Total Net Cash Outflow	732,293,204	963,197,902
Liquidity Coverage Ratio	166%	147%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	2,745,821,186	2,684,457,394
Total Required Stable Funding	1,006,517,990	1,069,401,835
Net Stable Funding Ratio	273%	251%

39. ISLAMIC BANKING BUSINESS

The bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 54 (December 31, 2022: 50) Islamic banking windows as at March 31, 2023.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2023 is as follows:

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note		----- (Rupees in '000) -----	
ASSETS			
		6,915,633	6,096,555
		14,041	13,766
	39.1	53,172,704	53,920,119
	39.2	61,527,642	46,380,996
		77,830	87,489
		472,298	508,977
		4,249,644	2,294,054
Total Assets		126,429,792	109,301,956
LIABILITIES			
		262,950	1,210,608
	39.3	89,329,544	93,591,714
		27,613,120	4,005,715
		683,883	721,152
		1,431,330	1,490,182
		119,320,827	101,019,371
NET ASSETS		7,108,965	8,282,585
REPRESENTED BY			
		6,731,000	5,561,000
		(146,557)	424,444
	39.4	524,522	2,297,141
		7,108,965	8,282,585

The profit and loss account of the Bank's Islamic banking operations for the three months period ended March 31, 2023 is as follows:

		(Un-audited) Quarter ended	
		March 31, 2023	March 31, 2022
	Note	----- (Rupees in '000) -----	
Profit / return earned	39.5	3,813,044	2,330,803
Profit / return expensed	39.6	2,580,916	1,398,602
Net Profit / return		1,232,128	932,201
Other income			
Fee and commission income		56,861	50,237
Foreign exchange income		9,144	29,548
Other income		5	1,764
Total other income		66,010	81,549
Total Income		1,298,138	1,013,750
Other expenses			
Operating expenses		787,924	683,433
Other charges		120	-
		788,044	683,433
Profit before provisions		510,094	330,317
Provisions charge / (reversal) and write offs - net		(14,428)	(9,135)
Profit before taxation		524,522	339,452
Taxation		-	-
Profit after taxation		524,522	339,452

March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value

39.1 Investments by segments:

Federal Government Securities:

-Ijarah Sukuks	33,639,499	-	(674,287)	32,965,212	33,648,948	-	(339,589)	33,309,359
	33,639,499	-	(674,287)	32,965,212	33,648,948	-	(339,589)	33,309,359

Non Government Debt Securities

-Listed	8,100,000	-	304,222	8,404,222	8,200,000	-	303,132	8,503,132
-Unlisted	11,710,569	(130,807)	223,508	11,803,270	11,777,533	(130,807)	460,901	12,107,628
	19,810,569	(130,807)	527,730	20,207,492	19,977,533	(130,807)	764,033	20,610,760
Total Investments	53,450,068	(130,807)	(146,557)	53,172,704	53,626,481	(130,807)	424,444	53,920,119

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
39.2 Islamic financing and related assets - net		
Ijarah	14,398	38,208
Murabaha	1,583,901	1,713,901
Musharaka	15,000,000	-
Diminishing Musharaka	22,274,968	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advances for Murabaha	1,030,000	2,127,000
Advances for Diminishing Musharaka	96,563	100,894
Advance for Istisna	11,455,451	9,396,236
Inventories against Istisna	2,213,232	3,097,800
Gross Islamic financing and related assets	62,168,513	47,036,295
Less: provision against Islamic financings		
- Specific	(640,559)	(654,980)
- General	(312)	(319)
	(640,871)	(655,299)
Islamic financing and related assets - net of provision	61,527,642	46,380,996
39.3 Deposits		
Customers		
Current deposits	21,822,517	20,659,185
Savings deposits	39,865,156	41,254,385
Term deposits	12,084,506	15,137,438
	73,772,179	77,051,008
Financial Institutions		
Current deposits	796,499	354,951
Savings deposits	14,738,100	14,114,989
Term deposits	22,766	2,070,766
	15,557,365	16,540,706
	89,329,544	93,591,714
39.4 Unappropriated / unremitted profit		
Opening Balance	2,297,141	1,502,668
Add: Islamic banking profit for the period	524,522	2,297,141
Less: Transferred / remitted to head office	(2,297,141)	(1,502,668)
Closing balance	524,522	2,297,141

(Un-audited) Quarter ended	
March 31, 2023	March 31, 2022
------(Rupees in '000)-----	

39.5 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:

Financing	1,833,712	948,749
Investments	1,979,056	1,164,772
Placements	276	-
Others (Bai Muajjal)	-	217,282
	<u>3,813,044</u>	<u>2,330,803</u>

39.6 Profit on Deposits and other Dues Expensed

Deposits and other accounts	1,735,736	896,570
Amortisation of lease liability against - ROUA	16,845	18,703
Others (General Account)	828,335	483,329
	<u>2,580,916</u>	<u>1,398,602</u>

40. GENERAL

40.1 Figures have been rounded off to the nearest thousand rupees.

41. DATE OF AUTHORIZATION FOR ISSUE

The consolidated condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Bank.

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO (A)

Abdul Wahid Sethi
Chief Financial Officer

Farid Malik
Director

Ali Syed
Director



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