

# BUILDING RESILIENCE CREATING OPPORTUNITIES



| QUARTERLY REPORT SEPTEMBER 2021 |



National Bank of Pakistan  
نیشنل بینک آف پاکستان

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## CORPORATE INFORMATION

### Board of Directors

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Chairman	Mr. Zubyr Soomro
Directors	Mr. Farid Malik, CFA Mr. Tawfiq Asghar Hussain Mr. Imam Bakhsh Baloch Ms. Sadaffe Abid Mr. Asif Jooma Mr. Ahsan Ali Chughtai Mr. Arif Usmani
President & CEO	

### Audit Committee

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Chairman	Mr. Tawfiq Asghar Hussain Mr. Imam Bakhsh Baloch Mr. Asif Jooma
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### Chief Financial Officer

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Mr. Abdul Wahid Sethi

### Company Secretary

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Syed Muhammad Ali Zamin

### Auditors

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A.F. Ferguson & Co.  
Chartered Accountants  
  
Yousuf Adil  
Chartered Accountants

### Legal Advisors

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Mandviwalla & Zafar  
Advocates & Legal Consultants

### Registered & Head Office

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

### Registrar & Share Registration Office

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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

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[www.nbp.com.pk](http://www.nbp.com.pk)

## Directors' Report to the Shareholders Standalone Financial Statements

### Dear Shareholders,

We have pleasure in presenting to you, on behalf of the Board of Directors "the Board", standalone financial statements of the Bank for the nine-month period ended September 30, 2021.

### Macroeconomic Environment

The global economy rebounded driven by strong growth from a few major economies. In Pakistan, the economy is on a path supported by better performance by the industry and services sectors. For FY22, more inclusive and sustainable economic growth of > 4% is expected as consumer confidence and business activity has improved amid the ongoing vaccination rollout and various economic stimulus measures announced by the Government. However, there are clear downside pressures to the economic outlook e.g. rising international commodity prices, particularly oil, and regional political dynamics.

Most domestic demand indicators e.g. automobiles, POL, cement and power continue to show robust growth reflected by the growth in LSM imports and also in tax revenues. Due to rising international commodity prices, unusual growth in imports impacted the current account deficit which was \$1.5 Bn in August. While remittances remained strong, growing by 10.4% YoY during July-August, and exports have also performed reasonably well (averaging \$2.3 Bn per month), these were outstripped by the growth in the import bill. With the recent widening of the current account deficit, the Rupee has recorded a depreciation by around 9% in Q1-FY22. Average inflation during the period stood within the projected range of 8-9%.

With these trends in view, the SBP has recently begun to tighten monetary policy with a 25bps increase in the policy rate that was kept accommodative at 7% since July 2020. Also certain macro-financial measures introduced in 2020 (e.g. loan deferrals, some credit subsidies and delayed recognition of impairments in investments) have expired. With inflows of \$2.7 Bn in September, workers' remittances continued their strong momentum and remained above \$2 Bn since Jun'20. Overseas Pakistanis sent the highest-ever \$8 Bn remittances during the first quarter of the current fiscal year, registering a 12.5% growth, YoY. Consequently, at the end Sep'21 the country's FX reserves stood high at USD 26.0 Bn (Sep'20: USD 19.4 Bn). FX reserves are expected to strengthen further as and when talks between the IMF and the Pakistan government on the sixth review of the \$6 Bn Extended Fund Facility are satisfactorily concluded.

### Financial Performance for the period ended September 30, 2021

Despite the continued challenging environment, the Bank has delivered strong financial results for the nine-months period ended September 30, 2021. This demonstrates the resilience of the Bank's business model and the efforts of its staff during this period.

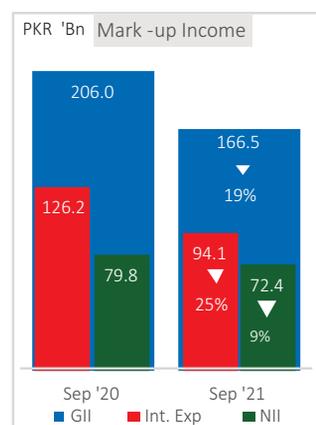
• **Profitability (PKR 'Bn)**

KPI	Sep'21	Sep'20	Better / (Worse)	
NII	72.4	79.8	(7.5)	(9.3%)
NFI	27.1	27.7	(0.6)	(2.2%)
Total Income	99.5	107.6	(8.1)	(7.5%)
Admin Expenses	47.0	45.0	(2.0)	(4.5%)
Profit Before Provisions	52.5	62.6	(10.1)	(16.1%)
Provisions and write offs – net	12.2	23.3	11.1	47.5%
Profit Before Tax	40.2	39.3	1.0	2.5%
Profit After Tax	24.1	26.1	(2.0)	(7.6%)
Earnings Per Share (Rs.)	11.35	12.28	(0.9)	(7.6%)

• **Mark-up/Interest Income**

During the period under review, the Bank earned gross mark-up/interest income of PKR 166.5 Bn (-19.2%, YoY). Performing interest-bearing assets averaged PKR 2,656.4 Bn, being marginally higher by 9.9%, YoY. On the back of sharp cut in the policy rates to dampen the impact of Covid-19, average rate for 9M'21 remained around 7.0% i.e. 2.6ppt below 9.6% in 9M'20. Consequent repricing of the interest bearing assets at much lower KIBOR resulted in a reduction in mark-up/interest income in the recent quarters. This reduction triggered a significant YoY drop in both interest/mark-up earnings and expense.

The Bank's investment portfolio averaged PKR 1,633.8 Bn (Sep'20: PKR 1,393.9 Bn) and generated interest/mark-up income of PKR 100.3 Bn. Whereas, loans and advances portfolio averaged at PKR 968.7 Bn (Sep'20: PKR 972.3 Bn) and generated a mark-up/interest income of PKR 63.4 Bn. Average interest-bearing liabilities increased by 6.2% to PKR 2,609.9 Bn (Sep'20: PKR 2,458.5 Bn). Whereas, cost of funds closed at PKR 94.1 Bn (Sep'20: PKR 126.2 Bn (-25.4%, YoY), of which 65.5% i.e. PKR 61.7 Bn (Sep'20: PKR 82.3 Bn) was on account of profit to the depositors. Average deposits of the Bank grew by PKR 150.1 Bn or 7.6% YoY to PKR 2,124.3 Bn. However, given our efficient deposit-mix strategy, average non-interest bearing deposits increased by PKR 51.5 Bn contributing towards a drop in overall cost of deposits that reduced by 170 bps at 3.88% compared to 5.58% of the same period last year. Mark-up/interest expense incurred during the period under review on Repo transactions amounted to PKR 20.5 Bn as compared to PKR 30.7 Bn of the corresponding 9M'20.



Consequently, the Bank's net mark-up/interest income closed at PKR 72.4 Bn, 9.3% lower than PKR 79.8 Bn earned during the corresponding nine-month period of 2020 but as the gains in 2020 were recognised to be non recurring, this was still better than budget.

SBP has stipulated that, starting December 31, 2020, financing for housing & construction (residential and non-residential) should be at least 5% of the Bank's total domestic private sector credit for each calendar quarter. Whereas, the banks falling short of their quarterly financing target will have to maintain

a higher cash reserve ratio, in the next quarter, by the amount equivalent to the deficit in achieving the financing target, as of the relevant quarter end. This punitive additional CRR has inflicted a drag on the Bank's interest income.

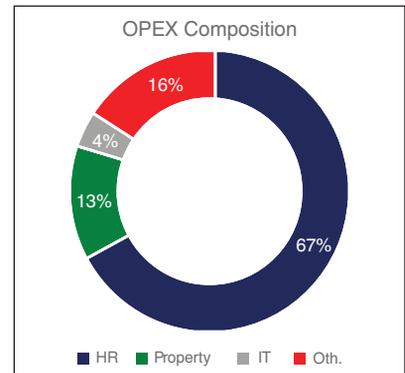
- **Non mark-up/interest income**

The Bank generated non mark-up income of PKR 27.1 Bn, marginally 2.2% lower YoY. Fee & Commission income that constitutes a major 47% share of the total NFI, amounted to PKR 12.7 Bn similar to PKR 12.8 Bn of 9M'20. As corporates have recently resumed dividend pay-outs (which wasn't the case in 9M'20 as companies had resorted to retain the profits to address the risk emerging due to the onset of Covid-19), dividend income for the period increased by a 114.0% to PKR 2.8 Bn compared to PKR 1.3 Bn of 9M'20. Forex income of the Bank also recorded a significant YoY growth as it closed at PKR 4.8 Bn as compared to PKR 3.4Bn of SPLY. Growth in FE income was mostly observed during Q3'21. The Bank realised equity gains on securities to the tune of PKR 5.4 Bn (9M'20: PKR 6.9 Bn).

Accordingly, the non-mark-up/interest income of the Bank totalled at PKR 27.1 Bn, being 2.2% lower than PKR 27.7 Bn of the corresponding nine-month period of prior year.

- **Expense Management**

Non mark-up / interest expense of the Bank for the period under review amounted to PKR 47.0 Bn, being 4.5% up, YoY. Given the lower total income, the Bank's cost-to-income ratio for the period weakened to 47.3% as against 41.7% for the corresponding nine-month period of 2020. However, expenses incurred during the period are in line with the industry norms. HR compensation that accounts for around 66.8% of the total operating expenses, amounted to PKR 31.39 Bn compared to PKR 29.73 Bn for the corresponding nine-month period of 2020, reflecting, among other things, the impact of promotions which were last implemented in 2017. While Property related expenses amounted to PKR 6.22 Bn (9M'20: PKR 5.66 Bn), IT related expenses were PKR 1.85 Bn (9M'20: PKR 1.67 Bn). Other operating expenses declined by 1.4%.



- **Loan Losses and Provisions**

Reflecting the economic environment triggered by the Covid-19 pandemic and earlier portfolio weaknesses, the asset quality of the Bank has come under considerable pressure in the recent months. As of September 30, 2021, NPLs of the Bank totalled PKR 201.66 Bn, being PKR 30.37 Bn or 17.7% higher than PKR 171.29 Bn at YE20.

The Bank prudently identifies loan impairments under the expected credit loss model to strengthen its balance sheet by maintaining a robust level of provisions. The Bank's financial results, which show strong increase in earnings, also demonstrate its resilience and ability to build the necessary cushion to absorb credit losses. Accordingly, a net provision charge of PKR 12.2 Bn (Sep'20: PKR 23.3 Bn) has been created. Consequently, the specific and general provisions held stood at PKR 178.6 Bn (Dec'20: PKR 154.2 Bn) and PKR 12.4 Bn (Dec '20: PKR 22.5 Bn), respectively. Gross NPL Ratio, Net NPL Ratio and provision coverage stood at 16.7%, 2.3% and 88.6% at the end of period under review as

compared to 14.8%, 1.7% and 90.0% as of Dec 31, 2020, respectively. Inclusive of general provisions, the NPL coverage is at 95% in September 2021.

- **Profit After-Taxation**

Profit after-tax for the nine-months period ended September 30, 2021 amounted to PKR 24.1 Bn i.e. 7.6% lower than PKR 26.1 Bn of 9M'20 and has been impacted by the effective tax rate rising to 40.0% vs. 33.4% for the corresponding period last year.

The government, in the Federal Budget-2022, has imposed a 2.5% additional tax on banks if their Advances to Deposit Ratio falls below 50%; and 5% if the ADR goes below 40%. While the banking industry is already subject to a super tax charge of 4%, this additional tax has adversely affected the after-tax profitability of the banks.

- **Appropriation of Profit**

Profit for the nine-month period ended September 30, 2021 after carry forward of accumulated profit of 2020 is proposed to be appropriated as follows:

	(PKR 'Bn)
Profit after tax for the nine-month period ended September 30, 2021	24.14
Un-appropriated profit brought forward	116.02
Other comprehensive income - net of tax	(0.38)
Transfer from surplus on revaluation of fixed assets	0.18
Profit available for appropriations	139.96
<b>Appropriation:</b>	
Transfer to Statutory Reserve	(2.41)
<b>Un-appropriated profit carried forward</b>	<b>137.55</b>

## Financial Position as at September 30, 2021

As of September 30, 2021 total assets of the Bank amounted to PKR 3,823.5 Bn which is 27.1% above the year-end 2020 level of PKR 3,008.5 Bn. On the liability side, the Bank's balance sheet is driven by its wide market outreach and branch banking network where the focus remains on low-cost deposit mobilization.

- **Loans and Advances**

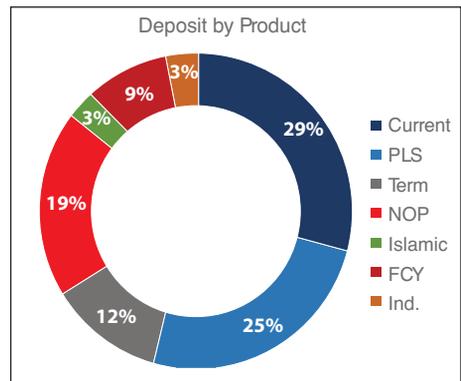
Given the sluggish loan demand in the private sector, gross advances of the Bank grew marginally by 4.1% to PKR 1,207.7 Bn from PKR 1,159.9 Bn as at December 31, 2020. The Bank's net advances recorded a marginal growth of 3.4% to PKR 1,016.7 Bn from PKR 983.3 Bn at YE'20. The Bank is pursuing a more conservative and risk-prudent strategy for loan growth focused on reducing concentrations of exposure in line with learnings from recent NPL situations and ensuring these are not repeated.

● **Investments**

Pursuant to an effective risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted instruments, high dividend yielding equities and other interest-bearing financial instruments. As of September 30, 2021, investments at cost amounted to PKR 2,109.3 Bn (Dec’20: PKR 1,437.4 Bn), whereas the carrying value amounted to PKR 2,130.7 Bn (Dec’20:PKR 1,463.4 Bn). This portfolio-mix gives the Bank flexibility to capitalise on short-term price movement by frequently churning the short-term portfolio.

● **Deposits & Funding**

As of September 30, 2021, total deposits of the Bank were PKR 2,551.6 Bn being 5.5% higher against year-end, 2020 level of PKR 2,419.0 Bn. The vast majority of the Bank’s funding comes from its core customer deposit base which has continued to grow during 9M’2021. Customer deposits pool-in 87.2% (PKR 2,224.6 Bn) of the Bank’s total deposits. Compared to Dec 31, 2020 level, customer deposits have increased by PKR 204.0 Bn or 10.1%. Non-remunerative current deposits are significant at 26.2% of the total customer deposits; whereas remunerative, but low cost, current accounts deposits comprised 22.5%. On a positive note, the Bank’s CASA ratio also improved to 84.2% (2020: 83.8%).



Liquidity profile of the Bank is supported by the presence of sizeable liquid assets in relation to deposits and borrowings. Furthermore, adequate liquidity is available through Liquidity Coverage Ratio and Net Stable Funding Ratio over the regulatory requirements as the same amounted to 170% and 270% at Sep’21, respectively vis-à-vis regulatory requirements of 100% for each.

Going forward, the Bank is exposed to the implementation of the Treasury Single Account, where the deposits of the federal government and certain agencies will be required to be held at the SBP instead of various commercial banks. This will lead to some deposit outflows from banks. While this measure is meant to strengthen the fiscal position of the Government, it brings with it strong implications for the banking sector. Clearly a deposit migration of this size from commercial banks can have a major implication for commercial banks in terms of liquidity and profitability, as these deposits act as a significant funding source for their assets. For NBP, in particular, being saddled with government guaranteed PSE debt that is not being serviced, this development is unfortunate.

● **Capital Strength and Adequacy**

The Bank is currently required to maintain CET-1 Ratio at 9.5% and Total Capital Adequacy Ratio at 13.5%. At September 30, 2021 the Bank’s eligible common equity Tier-1 amounted to PKR 197.3 Bn, 14.1% up against PKR 172.9 Bn at the year-end 2020. At end September 2021, the total Risk Weighted Assets “RWAs” amounted to PKR 1,181.6 Bn (Dec ‘20: PKR 1,153.1 Bn). Higher profitability, coupled with reduction in the capital conservation buffer and the total RWAs has improved the Bank’s tier-1 capital ratio to 16.70% (Dec ‘20: 14.99%) and total capital adequacy ratio to 22.20% (Dec ‘20:19.78%). Both the ratios are thus fully compliant with regulatory requirements. Net Assets at end September’21

stood at PKR 290.0 Bn i.e. 8.4% or PKR 22.4 Bn. This translates into a break-up value per share at PKR 136.3, depicting a 40% growth from PKR 97.2 at the beginning of the year 2019.

## **Closure of foreign Subsidiaries and Branches**

Necessary steps are underway to consolidate the Bank's international footprint and decisions on the closure of two (02) overseas subsidiaries along with three (03) overseas branches. Further the Bank's operations in Afghanistan have been limited only to its Kabul branch and In Bangladesh, plans are to restrict operations to the capital city Dhaka after necessary regulatory approvals.

## **Internal Control & Compliance**

The Bank remains committed to ensuring compliance with all the applicable laws, rules, regulations, and codes in the spirit of good governance. To this end, we have given strategic directions to invest in new technological platforms for effective AML/CFT/CPF controls, data accuracy and authenticity, internal controls over the financial reporting, etc.

The international franchise of the Bank is being strategically streamlined to facilitate an enhanced level of compliance. In 2016, the Bank and its New York branch entered into a written agreement with the Federal Reserve Bank of New York and New York State Department of Financial Services (US regulators). This agreement, as well as observations from subsequent Reports of Examination by US regulators, required the Bank to address certain compliance and risk management matters relating to anti-money laundering and the US Bank Secrecy Act requirements. The requirements also required enhancement and implementation of requisite systems and controls, as well as the allocation of adequate resources to ensure full compliance. The Bank continues to undertake necessary remedial actions to address the regulatory weaknesses highlighted in the 2016 Agreement and in subsequent examinations. However, the Bank remains vulnerable due to the weak corporate culture and processes for at least the prior decade and the perceptions this built up in the minds of overseas regulators.

## **Contingency Regarding the Pension Case**

Status of the case is the same as disclosed in Note # 25.3.3.1 to the Annual Financial Statements for the year ended December 31, 2020. The management's estimate of the overall increase in pension liabilities, based on the independent actuarial firm's report amounted to PKR 74.6 Bn, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for the year 2021 onward will also increase by PKR 7.8 Bn due to any such adverse 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 remains confident about a favourable outcome on the matter. However, external auditors of the Bank have inserted an emphasis of matter para in their review report on Financial Statements.

## **Changes in the Board of Directors**

In exercise of powers conferred under Section 11(3) (a) of the Banks (Nationalization) Act, 1974, the Federal Government is pleased to appoint Mr. Ahsan Ali Chughtai as Independent Director on National Bank of Pakistan (NBP)'s Board for a term of three (03) years effective June 21, 2021. Mr. Muhammad Suhail Rajput resigned from the NBP Board on May 27, 2021 and one seat continues to be vacant on the board for which NBP has been seeking a director with expertise in I.T.

## Credit Ratings

NBP is rated as 'AAA' by both the recognised credit rating agencies in Pakistan. In June 2021, 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).

## Future Outlook

The continued rollout of the COVID-19 vaccination program, structural reforms, and the expansion of social protection programs are all key to ensuring inclusive and sustainable growth towards achieving the forecast growth of up to 4.8%. Fiscal incentives and policies to boost export competitiveness, bolster the performance of the manufacturing sector and augment private investment will continue to play an instrumental role in strengthening the economic outlook. However, some volatility may be expected amidst the recent geo-political changes in the region. While policy responses are expected to remain accommodative and soften the blow dealt to businesses by the pandemic outbreak, these may not fully offset the effects.

Your Bank will continue to play its National role towards supporting a robust economic recovery in the country, while also maintaining a strong & resilient balance sheet to deliver performance for its shareholders. The Bank's business strategy will be focused on financing and supporting underserved sectors including SME, Microfinance, Agriculture Finance and the PM's Low-Cost Housing initiative as well as Islamic financing on a priority basis.

## Acknowledgement & Appreciation

We appreciate the continued efforts & dedication of our employees towards ensuring continuity of uninterrupted service to the Nation amidst the pandemic. We pay special respect and tribute to all those NBP staff members who lost their lives in the line of duty during the Covid-19. May Allah grant them the highest place in Jannah.

We would like to acknowledge the Government of Pakistan, the State Bank of Pakistan, the SECP and other regulatory bodies for their continued support in enabling the Bank to achieve its potential and contribute towards the socio-economic development of Pakistan.

For and on behalf of the Board of Directors

**Arif Usmani**  
President & CEO

**Zubyr Soomro**  
Chairman

**Karachi**

**Dated:** October 27, 2021

آپ کا بینک ملک میں معاشی بحالی کے لیے اپنا کردار ادا کرتا رہے گا، جبکہ اپنے حصص یافتگان کو کارکردگی فراہم کرنے کے لیے ایک مضبوط اور پکدار بیلنس شیٹ کو برقرار رکھے گا۔ بینک کی کاروباری حکمت عملی غیر محفوظ شعبوں بشمول ایس ایم ای، مائیکروفنانس، ایگریکلچر فنانس اور پی ایم کے کم لاگت ہاؤسنگ اقدام کے ساتھ ساتھ اسلامی فنانسنگ کو ترجیحی بنیادوں پر فنانس اور سپورٹ کرنے پر مرکوز رہے گی۔

## اعتراف و تحسین

ہم اپنے ملازمین کی مسلسل کاوشوں اور لگن کو سراہتے ہیں تاکہ ان مشکل وقتوں میں قوم کے لیے بلا تعلق سروس کو جاری رکھا جاسکے۔ ہم این بی پی کے ان تمام عملے کے ارکان کو خصوصی احترام اور خراج تحسین پیش کرتے ہیں جنہوں نے کوویڈ 19 کے دوران ڈیوٹی کے دوران اپنی جانیں گنوائیں۔ اللہ ان کو جنت الفردوس میں اعلیٰ مقام عطا فرمائے۔

ہم حکومت پاکستان، سٹیٹ بینک آف پاکستان، ایس ای سی پی اور دیگر ریگولیٹری اداروں کو پاکستان کی سماجی و اقتصادی ترقی کے لئے بینک کو اپنی استعداد کے مطابق فعال کرنے میں ان کی مسلسل معاونت کا اعتراف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے۔

زبیر سومرو  
چیئرمین

عارف عثمانی  
صدر اور چیف ایگزیکٹو آفیسر

کراچی  
تاریخ: 27 اکتوبر، 2021

## پنشن کیس کے حوالے سے صورتحال

کیس کی صورتحال وہی ہے جو 31 دسمبر 2020 کو ختم ہونے والے سالانہ مالی بیانات کے نوٹ نمبر 25.3.3.1 میں ظاہر کی گئی ہے۔ 30 ستمبر 2021 کو ختم ہونے والی نو ماہی کے لیے غیر جانبدار ایکچو ریل فرم کی رپورٹ کی بنیاد پر پنشن کی ذمہ داری میں مجموعی طور پر اضافے کا انتظام کا تخمینہ تاخیر سے ادائیگی کی وجہ سے کسی بھی تعزیراتی سود/منافع کی ادائیگی (اگر کوئی ہے) کو چھوڑ کر 74.6 بلین روپے ہے۔ مزید یہ کہ اس فیصلے کی وجہ سے سال 2021 کے لیے پنشن کے اخراجات میں بھی 7.8 بلین روپے کا اضافہ ہوگا۔ قانونی وکیل کی رائے کی بنیاد پر، مذکورہ رقم کے لیے ان غیر مجمع عبوری مالیاتی بیانات میں پنشن کی کوئی اضافی ذمہ داری کی کوئی فراہمی نہیں کی گئی ہے کیونکہ بینک کو اس معاملے پر اپنی پوزیشن پر اعتماد ہے۔ تاہم، بینک کے بیرونی آڈیٹروں نے مالیاتی بیانات پر اپنی جائزہ رپورٹ میں اس معاملے کی جانب زور دیتے ہوئے توجہ دلائی ہے۔

## بورڈ آف ڈائریکٹرز میں تبدیلیاں

وفاقی حکومت بینک (نیشنلائزیشن) ایکٹ، 1974 کے سیکشن 11(3)(a) کے تحت دیئے گئے اختیارات کا استعمال کرتے ہوئے، 21 جون 2021 کو مسٹر احسن علی چغتائی کو نیشنل بینک آف پاکستان (این بی پی) کے بورڈ میں بطور آزاد ڈائریکٹر تین (03) سال کی مدت کے لیے مقرر کرنے پر خوش ہے۔ مسٹر محمد سہیل راجپوت نے 27 مئی 2021 کو این بی پی بورڈ سے استعفیٰ دے دیا۔ 2021 اور بورڈ میں ایک نشست بدستور خالی ہے جس کے لیے بینک I.T میں مہارت رکھنے والے ڈائریکٹر کی تلاش کر رہا ہے۔

## کریڈٹ کی درجہ بندی

این بی پی کو پاکستان کی دونوں تسلیم شدہ کریڈٹ ریٹنگ ایجنسیوں نے 'AAA' کے طور پر درجہ دیا ہے۔ جون 2021 میں، میسرز VIS کریڈٹ ریٹنگ کمپنی نے بینک کی اسٹیٹڈ لون کریڈٹ ریٹنگ کو 'AAA' کے طور پر دوبارہ تصدیق کی ہے، یہ کمپنی کی جانب سے پاکستان میں کسی بینک کے لیے سب سے زیادہ کریڈٹ ریٹنگ ہے۔ اسی طرح میسرز PACRA کریڈٹ ریٹنگ کمپنی نے بینک کو طویل مدتی ادارے کی درجہ بندی 'AAA' اور قلیل مدتی کریڈٹ ریٹنگ کو 'A1+' (One Plus-A) کے طور پر ترقی دیا۔

## مستقبل کی توقعات

2021 میں عالمی معاشی بحالی کی پیش گوئی کے ساتھ، پاکستان میں معاشی رفتار بھی وبا سے پہلے کی سطح سے کم ہونے کی توقع ہے۔ اگرچہ توقع کی جاتی ہے کہ وہ بانی امراض کی وجہ سے کاروباری اداروں کو چونچنے والے دھچکے میں پالیسی کے رد عمل نرم ہوں گے، لیکن یہ اثرات کو مکمل طور پر ختم نہیں کر سکتے ہیں۔ اسٹیٹ بینک آف پاکستان نے حال ہی میں پاکستان کی معاشی نمو کے لیے اپنے تخمینے کو نظر ثانی کرتے ہوئے تقریباً %4.8 کر دیا ہے۔ برآمدی مسابقت کو بڑھانے، مینوفیکچرنگ سیکٹر کی کارکردگی کو تقویت دینے اور نجی سرمایہ کاری کو بڑھانے کے لیے مالی مراعات اور پالیسیاں اقتصادی نقطہ نظر کو مضبوط بنانے میں اہم کردار ادا کرتی رہیں گی۔ تاہم، خطے میں حالیہ جغرافیائی سیاسی تبدیلیوں کے درمیان کچھ اتار چڑھاؤ کی توقع کی جاسکتی ہے۔ اگرچہ پالیسی کے نتائج سے توقع کی جاتی ہے کہ وہ موافق رہیں گے اور وہ بانی امراض کی وجہ سے کاروباروں کو لگنے والے دھچکے کو نرم کریں گے، لیکن یہ اثرات کو پوری طرح سے دور نہیں کر سکتے ہیں۔

## سرمائے کی طاقت اور مناسبت

بینک کوئی الحال CET-1 کا تناسب 9.5% اور کل سرمایہ کفایتی تناسب 13.5% پر برقرار رکھنا ضروری ہے۔ 30 ستمبر 2021 کو بینک کا اہل مشترکہ ایکویٹی ٹیئر 1 کپیٹل سال 2020 کے اختتام کے 172.9 بلین روپے سے 14.1% بڑھ کر 197.3 بلین روپے رہا۔ ستمبر 2021 کے اختتام پر، مجموعی رسک ویٹڈ اثاثوں "RWAs" کی مالیت 1,181.6 بلین روپے (دسمبر '20، 1,153.1 بلین روپے) تھی۔ زیادہ منافع، کپیٹل کنزرویٹیشن بفر اور کل RWAs میں کمی کے ساتھ ساتھ بینک کا ٹیئر-1 کپیٹل ریشو 16.7% (دسمبر '20: 14.99%) اور کل کپیٹل ایڈیکوسی ریشو 22.20% (دسمبر '20: 19.78%) دونوں تناسب ریگولیٹری ضروریات کے مطابق ہیں۔ ستمبر 21 کے آخر میں خالص اثاثے 290.0 بلین روپے یعنی 8.4% یا 22.4 بلین روپے تھے۔ اس کی ترجمانی 2019 کے شروع کے 97.2 روپے سے 40% سے بڑھ کر ہونے والی 136.3 روپے کی فی حصص بریک اپ مالیت سے ہوتی ہے۔

## غیر ملکی ذیلی اداروں اور شاخوں کی بندش

بینک کے بین الاقوامی نیٹ ورک کو مستحکم کرتے ہوئے دو (02) بیرون ملک ماتحت اداروں اور تین (3) بیرون ملک شاخوں کے بند کرنے کے فیصلے پر عمل کے لئے ضروری اقدامات جاری ہیں۔ مزید یہ کہ افغانستان اور بنگلہ دیش میں بینک کی سرگرمیاں متعلقہ حکام کی اجازت کے بعد صرف بالترتیب دارالحکومت کابل اور ڈھاکہ کی شاخوں تک محدود کی جارہی ہیں۔

## اندرونی کنٹرول اور تعمیل

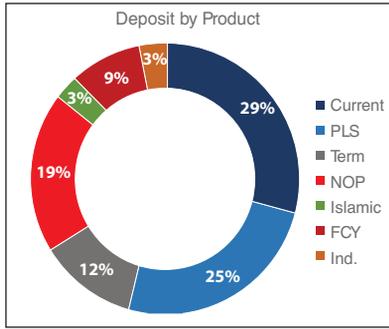
بینک گڈ گورننس کے جذبے سے تمام قابل اطلاق قوانین، قواعد و ضوابط اور ضابطوں کی تعمیل کو یقینی بنانے کے لیے پرعزم ہے۔ اس مقصد کے لیے، بینک نے مؤثر CPT/CFT/AML شمول کنٹرول، ڈیٹا کی درستگی و صداقت اور مالیاتی رپورٹنگ پر اندرونی کنٹرول کے لیے نئے ٹیکنیکی پلیٹ فارمز میں سرمایہ کاری کی حمایت کی ہے۔

بینک کی بین الاقوامی فریجنگ کو بہتر طریقے سے تعمیل کی سہولت کے لیے حکمت عملی سے ہموار کیا جا رہا ہے۔ 2016 میں بینک اور اس کی نیویارک برانچ نے فیڈرل ریزرو بینک آف نیویارک اور نیویارک اسٹیٹ ڈیپارٹمنٹ آف فنانشل سروسز (یو ایس ریگولیٹرز) کے ساتھ ایک تحریری معاہدہ کیا۔ اس معاہدے کے تحت باہمی طور پر، بینک سے منشی لائڈنگ اور امریکی بینک رازداری کے قانون کی ضروریات سے متعلق کچھ تعمیل اور رسک مینجمنٹ کے معاملات کو حل کرنے کی ضرورت ہے۔ اس معاہدے میں مطلوبہ نظام اور کنٹرول کے نفاذ کی بھی ضرورت ہے اور اس طرح کی ضروریات کی مکمل تعمیل کو یقینی بنانے کے لیے مناسب وسائل کی تقسیم بھی ضروری ہے۔ بینک 2016 کے تحریری معاہدے میں نمایاں کردہ ریگولیٹری کمزوریوں اور امریکی ریگولیٹرز کی جانچ پڑتال میں نشاندہی کرائے گئے نقاط کے لیے ضروری اصلاحی اقدامات جاری رکھے ہوئے ہے۔ تاہم، بینک کمزور کارپوریٹ گورننس اور کم از کم پچھلی دہائی کے عمل اور بیرون ملک مقیم ریگولیٹرز کے ذہنوں میں پیدا ہونے والے تاثرات کی وجہ سے کمزور رہتا ہے۔

## سرمایہ کاری

ایک موثر رسک اور لیکویڈیٹی مینجمنٹ کی حکمت عملی کے مطابق، بینک ایک متنوع سرمایہ کاری پورٹ فولیو کو زیر رسک ویڈیو تمسکات، اعلیٰ ڈیویڈنڈ حاصل کرنے والی ایکویٹی اور دیگر سودی مالیاتی تمسکات پر برقرار رکھے ہوئے ہے۔ 30 ستمبر، 2021 کو لاگت پر سرمایہ کاری، 2,109.3 بلین روپے (دسمبر 20: 1,437.4 بلین روپے) رہی، جبکہ کتابی مالیت 2,130.7 بلین روپے (دسمبر 20: 1,463.4 بلین روپے) تھی۔ یہ پورٹ فولیو رسک بینک کو مختصر مدت کے پورٹ فولیو کو بار بار بہتر استعمال کر کے مختصر مدتی قیمت میں تغیر پر فائدہ اٹھانے کی سہولت فراہم کرتا ہے۔

## ڈپازٹس اور فنڈنگ



30 ستمبر 2021 کو بینک کے کل ذخائر 2,551.6 بلین روپے تھے جو سال 2020 کے آخری 2,419.0 بلین روپے کی سطح کے مقابلے میں 5.5% زیادہ ہیں۔ بینک کی فنڈنگ کی کثرت اس کے بنیادی کسٹمر ڈپازٹس سے آتی ہے جو پہلے نو ماہ 2021 کے دوران بڑھتی رہی ہے۔ صارفین بینک کے کلڈ ڈپازٹس میں سے 87.2% (2,224.6 بلین روپے) جمع کرتے ہیں۔ 31 دسمبر 2020 کی سطح کے مقابلے میں، صارفین کے ڈپازٹس میں 204.0 بلین روپے یا 10.1% اضافہ ہوا ہے۔ غیر معاوض موجودہ ڈپازٹس کل کسٹمر ڈپازٹس کے 26.2% پر نمایاں ہیں۔ جبکہ معاوض، لیکن لم لاگت، کرنٹ اکاؤنٹس ڈپازٹس 22.5% تک مشتمل ہیں۔ مثبت نوٹ پر، بینک کا CASA تناسب بھی بہتر ہو کر 84.2% (2020: 83.8%) ہو گیا۔

بینک کے لیکویڈیٹی پروفائل کو ڈپازٹس اور ادھار کے حوالے سے قابل ذکر مائع اثاثوں کی موجودگی کی تقویت حاصل ہے۔ مزید برآں، ریگولیٹری ضروریات پر لیکویڈیٹی کوریج تناسب اور نیٹ سٹیبل فنڈنگ تناسب کے ذریعے مناسب لیکویڈیٹی دستیاب ہے جیسا کہ ستمبر 21 کو بالترتیب 170% اور 270% ہے، جو کہ ہر ایک کے لیے بالترتیب 100% ریگولیٹری ضرورت کے مطابق ہے۔

آگے بڑھتے ہوئے، بینک کونسلنگ اکاؤنٹ ٹریڈری کا نفاذ کرنا ہے، جہاں وفاقی حکومت اور بعض اداروں کے ڈپازٹس کو مختلف کمرشل بینکوں کے بجائے اسٹیٹ بینک میں رکھا جائے گا۔ یہ بینکوں سے کچھ ڈپازٹ کے اخراج کا باعث بنے گا۔ اگرچہ اس اقدام کا مقصد حکومت کی مالی پوزیشن کو مضبوط کرنا ہے، لیکن اس کے ساتھ بینکنگ سیکٹر پر سخت اثرات مرتب ہوں گے۔ واضح طور پر کمرشل بینکوں سے اس سائز کے ڈپازٹ کی منتقلی تجارتی بینکوں کے لیے لیکویڈیٹی اور اس طرح منافع کے لحاظ سے بڑا اثر ڈال سکتی ہے، کیونکہ یہ ڈپازٹس ان کے اثاثوں کے لیے فنڈنگ کے ایک اہم ذریعے کے طور پر کام کرتے ہیں۔ NBP کے لیے، خاص طور پر، حکومت کی ضمانت شدہ PSE کے قرضوں میں جکڑا جانا، جس کی ادائیگی نہیں کی جا رہی ہے، یہ بینک کے لیے تشویشناک ہے۔

حکومت نے وفاقی بجٹ 2022 میں بینکوں پر ایڈوانس ٹوڈ پاؤٹ تناسب %50 سے نیچے آنے کی صورت میں %2.5 اضافی ٹیکس جبکہ ADR تناسب %40 سے نیچے آنے کی صورت میں %5 اضافی ٹیکس عائد کیا ہے۔ جبکہ بینکنگ انڈسٹری پہلے ہی %4 کے سپر ٹیکس چارج کے تابع ہے، اس اضافی ٹیکس نے بینکوں کے بعد از ٹیکس منافع کو بری طرح متاثر کیا ہے۔

## منافع کی تخصیص

30 ستمبر 2021 کو ختم ہونے والے نو ماہ کا منافع 2020 کے جمع شدہ منافع کو آگے بڑھانے کے بعد مندرجہ ذیل طور پر مختص کرنے کی تجویز ہے۔

(ارب روپے)
24.14
116.02
(0.38)
0.18
139.96
(2.41)
137.55

30 ستمبر 2021 کو ختم ہونے والے نو ماہ میں ٹیکس کے بعد منافع

غیر تصرف شدہ آگے لایا جانے والا منافع

دیگر جامع آمدنی۔ بعد از ٹیکس

جامدا اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی

تصرف کے لیے دستیاب منافع

تصرف:

قانونی ذخائر میں منتقلی

غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:

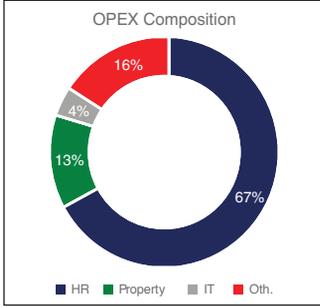
## 30 ستمبر 2021 کو مالی حیثیت

30 ستمبر 2021 کو بینک کے کل اثاثوں کی رقم 3,823.5 بلین روپے ہے جو کہ سال 2020 کے اختتام 3,008.5 بلین روپے سے %27.1 زیادہ ہے۔ قرضوں کی طرف، بینک کی بیلنس شیٹ اس کے وسیع مارکیٹ آؤٹ ریچ اور برانچ بینکنگ نیٹ ورک کے ذریعہ کارفرما ہے جہاں توجہ کم لاگت ڈپازٹ مو بلانزیشن پر مرکوز ہے۔

## قرضہ جات

نئی شعبے میں محدود قرض کی مانگ کو دیکھتے ہوئے، بینک کی مجموعی پیش قدمی 31 دسمبر 2020 کے 1,159.9 بلین روپے سے %4.1 کے اضافہ سے بڑھ کر 1,207.7 بلین روپے تک ہو گئی ہے۔ نیٹ ایڈوانسز 2020 کے اختتام پر 983.25 بلین روپے یا %3.4 کے اضافے کے ساتھ 1,016.7 بلین روپے تک اضافہ ریکارڈ کیا۔

## اخراجات کا انتظام



زیر جائزہ مدت کے لیے بینک کے غیر مارک اپ/ سودی اخراجات 47.0 بلین روپے ہیں جو کہ سالانہ 4.5% زیادہ ہیں۔ کم کل آمدنی کو دیکھتے ہوئے، اس مدت کے لیے بینک کی لاگت سے آمدنی کا تناسب خراب ہو کر 47.3% رہا جو کہ 2020 کی اسی نو ماہ کی مدت کے لیے 41.7% تھا۔ تاہم، اس عرصے کے دوران ہونے والے اخراجات انڈسٹری کے اصولوں کے مطابق ہیں۔ انسانی وسائل معاوضہ جو کل آپریٹنگ اخراجات کا 66.8% ہے جو 2020 کی اسی نو ماہ کی مدت کے 29.73 بلین روپے کے مقابلے میں 31.39 بلین روپے ہے، جو بشمول دیگر پروموشنز کے اثرات کی عکاسی بھی کرتا ہے جو آخری بار 2017 میں نافذ کیے گئے تھے۔ جبکہ پراپرٹی سے متعلقہ اخراجات 6.22 بلین روپے (9M:20' 5.66 بلین روپے) رہے، انفارمیشن ٹیکنالوجی سے متعلقہ اخراجات 1.85 بلین روپے (9M:20' 1.67 بلین روپے) تھے۔ دیگر آپریٹنگ اخراجات 1.4% کے تناسب سے کم ہوئے۔

## قرض کے نقصانات اور تصرفات

کوویڈ 19 وبائی امراض اور اس سے پہلے کے پورٹ فولیو کی کمزوریوں کی وجہ سے پیدا ہونے والے معاشی ماحول کی عکاسی کرتے ہوئے، حالیہ مہینوں میں بینک کے اثاثوں کا معیار کافی دباؤ میں آیا ہے۔ 30 ستمبر، 2021 تک، بینک کے NPLs مجموعی طور پر 201.66 بلین روپے تھے، جو کہ 2020 کے آخر میں 171.29 بلین روپے سے 30.37 بلین روپے یا 17.7% زیادہ ہیں۔

بینک نے متوقع کریڈٹ خسارہ ماڈل کے تحت قرضوں کی خرابیوں کی نشاندہی کی تاکہ ریگولیشنری تقاضوں کے مطابق اپنی بیلنس شیٹ کو سہارا دیا اور تصرفات کی مضبوط سطح کو برقرار رکھے۔ بینک کے مالی نتائج اور آمدنی میں زبردست اضافہ ظاہر کرتے ہیں اور بینک کی لچک اور ضروری گنجائش رکھنے کی صلاحیت کو بھی ظاہر کرتے ہیں۔ اس کے مطابق، 12.2 بلین روپے (ستمبر 20: 23.3 بلین روپے) کییکل خالص تصرفات رکھے گئے ہیں۔ اس کے مطابق مخصوص اور عام تصرفات بالترتیب 178.6 بلین روپے (دسمبر 20: 154.2 بلین روپے) اور 12.4 بلین روپے (دسمبر 20: 22.5 بلین روپے) تھے۔ مجموعی این پی ایل تناسب، خالص این پی ایل تناسب اور تصرفات کو رتن 31 دسمبر 2020 کو بالترتیب 14.8%، 1.7% اور 90.0% کے مقابلے میں زیر نظر مدت کے اختتام پر 16.7%، 2.3% اور 88.6% رہے۔ عام تصرفات کے ساتھ NPL کو رتن ستمبر 2021 میں 95% ہے۔

## بعد از ٹیکس منافع

بینک نے 30 ستمبر کو ختم ہونے والی نو ماہ کی مدت میں ٹیکس کے بعد کا منافع 24.1 بلین روپے کمایا جو کہ 2020 کی اسی نو ماہ کی مدت کے 26.1 بلین روپے کے مقابلے میں 7.6% کم بھجوا کہ گزشتہ سال کی اسی مدت کے لیے 33.4% سے بڑھ کر 40.0% ہونے والی ٹیکس کی موثر شرح سے متاثر ہوئی ہے۔

2,458.5 بلین روپے)، فنڈز کی لاگت 94.1 بلین روپے (ستمبر 20: 126.2 بلین روپے) (-25.4% YoY) جو کہ 65.5% یعنی 61.7 بلین روپے (ستمبر 20: 82.3 بلین روپے) جمع کنندگان کے منافع کی وجہ سے تھا۔ بینک کے اوسط ڈپازٹس 150.1 بلین روپے یا (7.6 % YoY) سے بڑھ کر 2,124.3 بلین روپے ہو گئے۔ عمدہ ڈپازٹس کس حکمت عملی کی وجہ سے اوسط غیر سودی ڈپازٹس میں 51.5 بلین روپے کا اضافہ ہوا جو ڈپازٹس کی مجموعی لاگت میں کمی کا باعث بنتا ہے جو 170 بی بی ایس کی کمی سے 3.88% رہی جو پچھلے سال کی اسی مدت کے 5.58 کے مقابلے میں پالیسی کی شرح میں کمی کی وجہ سے ہے۔ ریپوٹرانزیکیشنز پر اٹھائے گئے/سود کے اخراجات 2020 کے پہلے نو ماہ کے 30.7 بلین روپے کے مقابلے میں 20.5 بلین روپے ہیں۔

نتیجتاً بینک کی خالص مارک اپ/سود کی آمدنی 72.4 بلین روپے پر منتج ہوئی، جو کہ 2020 کی اسی نو ماہ کی مدت کے دوران کمائی گئی 79.8 بلین روپے کے مقابلے میں 9.3% کم ہے۔ لیکن اگرچہ 2020 میں حاصل ہونے والے فوائد غیر مکرر تھے، یہ اب بھی بجٹ سے بہتر تھا۔

اسٹیٹ بینک نے یہ شرط رکھی ہے کہ 31 دسمبر 2020 سے ہاؤسنگ اور تعمیرات (رہائشی و غیر رہائشی) کے لیے فنانسنگ ہر کیلنڈر سہ ماہی کے لیے بینک کے کل مقامی نجی شعبے کی قرض کا کم از کم 5% ہونا چاہیے۔ جبکہ، اپنے سہ ماہی مالیاتی ہدف سے کم کارکردگی والے بینکوں کو متعلقہ سہ ماہی کے اختتام پر مالیاتی ہدف کو حاصل کرنے میں خسارے کے مساوی رقم کے تناسب سے اگلی سہ ماہی کے لیے زیادہ کیش ریزرو برقرار رکھنا پڑے گا۔ اس اضافی تعزیری CRR نے بینک کی سودی آمدنی کو قدرے گھٹا دیا ہے۔

### غیر مارک اپ/سود کی آمدنی (NFI)

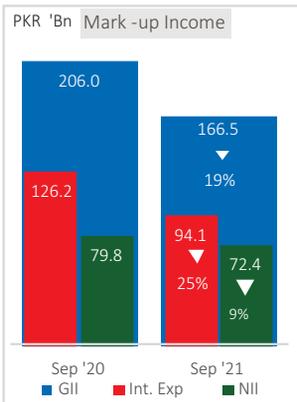
بینک نے 27.1 بلین روپے کی غیر مارک اپ آمدنی پیدا کی، جو کہ مارکیٹ کے سخت حالات کی بنا پر 2.2% YoY کم ہے۔ فیس اور کمیشن کی آمدنی جو کل NFI کا 47% فیصد حصہ بناتی ہے، 12.7 بلین روپے ہے جو کہ 2020 کے پہلے نو ماہ کے 12.8 بلین روپے کے برابر ہے۔ چونکہ کارپوریٹس نے حال ہی میں ڈیویڈنڈ کی ادائیگی دوبارہ شروع کی ہے (جبکہ 2020 کے پہلے نو ماہ میں ایسا نہیں تھا کیونکہ کمپنیوں نے کوویڈ 19 کے آغاز سے پیدا ہونے والے خطرے سے نمٹنے کے لیے منافع کو برقرار رکھنے کا سہارا لیا تھا)، اس مدت کے لیے منافع کی آمدنی 2020 کے پہلے نو ماہ کے 1.3 بلین روپے کے مقابلے میں 114.0% کے اضافے کے ساتھ 2.8 بلین روپے رہی۔ مقامی اور غیر ملکی دونوں معیشتوں میں کم تجارتی کاروباری سرگرمیوں کو دیکھتے ہوئے، پہلے نو ماہ 2021 کے لیے بینک کی زرمبادلہ آمدنی 2020 کے پہلے نو ماہ کے 3.4 بلین روپے کے مقابلے میں 4.8 بلین روپے رہی۔ زرمبادلہ آمدنی میں زیادہ تر نموسال 2021 کی تیسری سہ ماہی کے دوران دیکھی گئی۔ بینک نے سیکورٹیز پر 5.4 بلین روپے (20: 6.9: 9M) ایکویٹی نفع کمایا۔

اس کے مطابق، بینک کی غیر مارک اپ/سود کی آمدنی مجموعی طور پر 27.1 بلین روپے رہی، جو پچھلے سال کے اسی نو ماہ کے عرصے کے 27.7 بلین روپے سے 2.2% کم ہے۔

**30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے مالی کارکردگی**  
مسلسل چیلنجنگ ماحول کے باوجود، بینک نے 30 ستمبر 2021 کو ختم ہونے والی نو ماہ کی مدت کے لیے مستحکم مالی نتائج فراہم کیے ہیں۔ یہ اس عرصے کے دوران بینک کے کاروباری ماڈل اور اس کے عملے کی کاوشوں کو ظاہر کرتا ہے۔

(ارب روپے)

مالیاتی کارکردگی	ستمبر 2021	ستمبر 2020	بہتری	ا	(امتری)
خالص سودی آمدنی	72.4	79.8	(7.5)		(9.3%)
غیر فنڈڈ آمدنی	27.1	27.7	(0.6)		(2.2%)
کل آمدنی	99.5	107.6	(8.1)		(7.5%)
آپریٹنگ اور دیگر اخراجات	47.0	45.0	(2.0)		(4.5%)
قبل از تصرف منافع	52.5	62.6	(10.1)		(16.1%)
خالص تصرف	12.2	23.3	11.1		47.5%
قبل از ٹیکس منافع	40.2	39.3	1.0		2.5%
بعد از ٹیکس منافع	24.1	26.1	(2.0)		(7.6%)
فی حصص آمدنی	11.35	12.28	(0.9)		(7.6%)



## مارک اپ/سودی آمدنی

زیر نظر مدت کے دوران بینک نے مجموعی مارک اپ/سودی سے 166.5 بلین روپے (YoY 19.2% -) حاصل کیے۔ سودی اثاثوں کی مالیت اوسط 2,656.4 بلین روپے ہے، جو کہ 9.9% YOY زیادہ ہے۔ کووڈ-19 کے اثرات کو کم کرنے کے لیے پالیسی شرحوں میں نمایاں کٹوتی کے نتیجے میں نو ماہ 2021 کے لیے اوسط شرح 7.0% کے آس پاس رہی یعنی نو ماہ 2021 کے 9.6% سے 2.6ppt کم۔ سودی اثاثوں کی نتیجتاً بہت کم KIBOR پر نئی قیمتوں کی وجہ سے حالیہ سہ ماہیوں میں مارک اپ/سودی آمدنی میں کمی واقع ہوئی ہے۔ اس کمی نے سالانہ سود/مارک اپ آمدنی اور اخراجات دونوں میں واضح کمی کو متحرک کیا ہے۔

بینک کے انویسٹمنٹ پورٹ فولیو 1,633.8 بلین روپے (ستمبر 20: 1,393.9 بلین روپے) ہے اور اس نے 100.3 بلین روپے کی سود/مارک اپ آمدنی پیدا کی۔ جبکہ فعال قرضوں اور ایڈوانس پورٹ فولیو کی اوسط 968.7 بلین روپے (ستمبر 20: 972.3 بلین روپے) ہے اور اس نے 63.4 بلین روپے کی مارک اپ/سودی آمدنی پیدا کی ہے۔ جبکہ اوسط سودی قرضہ بھی 6.20% بڑھ کر 2,609.9 بلین روپے (ستمبر 20: 2,609.9 بلین روپے) ہے۔

## ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ انفرادی مالیاتی گوشوارے

محترم حصص داران،

ہم بورڈ کی جانب سے 30 ستمبر 2021 کو ختم ہونے والی مدت کے لئے بینک کے انفرادی ششماہی مالی گوشوارے آپ کے سامنے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

کلیاتی معاشی ماحول

چند بڑی معیشتوں کے استحکام کی طرف لوٹنے تک عالمی معیشت بڑی حد تک بحال ہوئی۔ پاکستان میں صنعت اور خدمات کے شعبوں کی بہتر کارکردگی سے معیشت ترقی کی راہ پر گامزن ہے۔ مالی سال 2022 کے لیے، مزید جامع اور پائیدار اقتصادی نمو 4% متوقع ہے کیونکہ جاری ویکسینیشن اور حکومت کی جانب سے اعلان کردہ مختلف معاشی محرک اقدامات کے دوران صارفین کے اعتماد اور کاروباری سرگرمیوں میں بہتری آئی ہے۔ تاہم، اقتصادی نقطہ نظر پر واضح منفی دباؤ ہیں جیسے کہ بین الاقوامی اجناس کی بڑھتی ہوئی قیمتیں خاص طور پر تیل، اور علاقائی سیاسی محرکات۔

گھریلو طلب کے زیادہ تر اشارے جیسے آٹوموبائلز، پی او ایل، سیمنٹ اور پاور مضبوط نمود کھا رہے ہیں جس کی عکاسی درآمدات ایل ایس ایم اور ٹیکس ریونیو میں بھی ہوتی ہے۔ اشیاء کی بین الاقوامی قیمتوں میں اضافے اور درآمدات میں غیر معمولی اضافے نے کرنٹ اکاؤنٹ خسارے کو متاثر کیا جو اگست میں 1.5 بلین ڈالر رہا۔ جب کہ ترسیلات زرمضبوط رہیں، جولائی-اگست کے دوران سالانہ 10.4% اضافہ ہوا اور درآمدات نے بھی معقول کارکردگی کا مظاہرہ کیا (اوسط \$2.3 بلین ماہانہ)، یہ درآمدی بل میں اضافے سے پیچھے رہ گئے۔ کرنٹ اکاؤنٹ خسارے کے حالیہ پھیلاؤ کے ساتھ، مالی سال 22 کی پہلی سہ ماہی میں روپے نے تقریباً 9 فیصد کی قدر میں کمی ریکارڈ کی ہے۔ اس مدت کے دوران اوسط افراط زر 8% سے 9% کی متوقع حد کے اندر رہا۔

ان رجحانات کو مدنظر رکھتے ہوئے اسٹیٹ بینک نے حال ہی میں پالیسی ریٹ میں 25bps کے اضافے کے ساتھ مانیٹری پالیسی کو سخت کرنا شروع کیا ہے جسے جولائی 2020 سے 7% پر موافق رکھا گیا تھا۔ اس کے علاوہ 2020 میں متعارف کرائے گئے کچھ میکرو مالیاتی اقدامات (مثلاً قرض کی التواء، کچھ کریڈٹ سبسڈیز) اور سرمایہ کاری میں خرابیوں کی تاخیر سے شناخت کی مبعاد ختم ہو چکی ہے۔ ستمبر میں 2.7 بلین ڈالر کی آمد کے ساتھ، کارکنوں کی ترسیلات زرنے اپنی مضبوط رفتار کو جاری رکھا اور جون 20 سے اب تک \$2 بلین سے اوپر رہا۔ بیرون ملک مقیم پاکستانیوں نے رواں مالی سال کی پہلی سہ ماہی کے دوران اب تک کی سب سے زیادہ 8 بلین ڈالر کی ترسیلات بھیجیں، جو کہ 12.5% اضافہ ریکارڈ کرتی ہے۔ نتیجتاً، ستمبر 21 کے آخر میں ملک کے زرمبادلہ کے ذخائر 26.0 بلین امریکی ڈالر (ستمبر 20: 19.4 USD بلین) پر بلند ہو گئے۔ IMF اور پاکستان حکومت کے درمیان 6 بلین ڈالر کی توسیعی فنڈسہولت کے چھٹے جائزے پر بات چیت اطمینان بخش طور پر منتج ہونے کی صورت میں زرمبادلہ کے ذخائر مزید مضبوط ہونے کی توقع ہے۔

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2021**

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	220,170,555	249,259,590
Balances with other banks	7	16,302,597	14,227,355
Lendings to financial institutions	8	267,932,513	126,804,675
Investments	9	2,130,706,547	1,463,398,076
Advances	10	1,016,728,885	983,254,527
Fixed assets	11	54,819,295	54,413,493
Intangible assets	12	199,324	303,813
Right of use assets	13	6,933,270	6,669,684
Deferred tax Assets	14	107,849	-
Other assets	15	109,643,689	110,195,768
		<b>3,823,544,524</b>	<b>3,008,526,981</b>
<b>LIABILITIES</b>			
Bills payable	16	20,753,630	16,795,186
Borrowings	17	780,886,343	138,539,005
Deposits and other accounts	18	2,551,602,302	2,418,966,479
Lease liability against right of use assets	19	8,170,478	7,533,691
Deferred tax liabilities	14	-	2,978,364
Other liabilities	20	172,131,056	156,155,514
		<b>3,533,543,809</b>	<b>2,740,968,239</b>
<b>NET ASSETS</b>		<b>290,000,715</b>	<b>267,558,742</b>
<b>REPRESENTED BY</b>			
Share capital		21,275,131	21,275,131
Reserves		60,432,104	56,562,933
Surplus on revaluation of assets	21	70,740,592	73,699,344
Unappropriated profit		137,552,888	116,021,334
		<b>290,000,715</b>	<b>267,558,742</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		

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

**Zubyr Soomro**  
Chairman

**Arif Usmani**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Farid Malik**  
Director

**Ahsan Ali Chughtai**  
Director

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Quarter ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- (Rupees in '000) -----					
Mark-up / return / interest earned	23	58,489,692	60,771,188	166,485,220	206,029,824
Mark-up / return / interest expensed	24	33,492,144	29,366,140	94,092,433	126,181,247
Net mark-up / return / interest income		24,997,548	31,405,048	72,392,787	79,848,577
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	25	3,869,806	4,124,102	12,690,562	12,848,025
Dividend income		1,315,147	265,696	2,777,555	1,298,024
Foreign exchange income		2,129,372	652,439	4,788,621	3,351,403
Gain on securities - net	26	1,298,308	3,597,642	5,440,043	6,932,804
Other income	27	454,074	742,582	1,412,815	3,293,130
Total non-mark-up / interest income		9,066,707	9,382,461	27,109,596	27,723,386
Total income		34,064,255	40,787,509	99,502,383	107,571,963
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	28	16,367,472	15,451,029	46,991,143	44,701,386
Workers welfare fund		-	-	-	-
Other charges	29	10,029	4,251	34,403	297,489
Total non-markup / interest expenses		16,377,501	15,455,280	47,025,546	44,998,875
Profit before provisions		17,686,754	25,332,229	52,476,837	62,573,088
Provisions and write offs - net	30	5,458,284	7,668,269	12,231,058	23,306,701
<b>PROFIT BEFORE TAXATION</b>		12,228,470	17,663,960	40,245,779	39,266,387
Taxation	31	5,049,193	6,720,141	16,101,189	13,132,199
<b>PROFIT AFTER TAXATION</b>		7,179,277	10,943,819	24,144,590	26,134,188
----- (Rupees) -----					
<b>Earnings per share - basic and diluted</b>	32	3.38	5.14	11.35	12.28

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

Zubyr Soomro  
Chairman

Arif Usmani  
President & CEO

Abdul Wahid Sethi  
Chief Financial Officer

Farid Malik  
Director

Ahsan Ali Chughtai  
Director

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----			
Profit after taxation for the period	7,179,277	10,943,819	24,144,590	26,134,188
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Exchange gain / (loss) on translation of net assets of foreign branches	2,608,476	2,535,365	1,454,712	2,541,476
Movement in surplus on revaluation of investments - net of tax	(4,720,662)	(5,493,686)	(2,751,024)	5,809,702
	(2,112,186)	(2,958,321)	(1,296,312)	8,351,178
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	(609,688)	186,107	(378,816)	(471,505)
Movement in surplus on revaluation of fixed assets - net of tax	-	-	(27,490)	575,051
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
	(609,688)	186,107	(406,306)	103,546
<b>Total comprehensive income</b>	<b>4,457,403</b>	<b>8,171,605</b>	<b>22,441,972</b>	<b>34,588,912</b>

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

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Chairman

Arif Usmani  
President & CEO

Abdul Wahid Sethi  
Chief Financial Officer

Farid Malik  
Director

Ahsan Ali Chughtai  
Director

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Reserves					Surplus on revaluation of assets			Unappropriated profit	Total		
	Share capital	Exchange translation	Statutory reserve	Merger reserve	General loan loss reserve	Revenue general reserve	Total	Investments			Fixed / non-banking assets	Total
<b>Balance as at January 01, 2020</b>	21,275,131	10,371,792	33,071,810	343,802	8,000,000	521,338	52,308,742	25,659,252	44,584,808	70,244,061	88,785,900	232,613,834
Profit after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	-	-	-	-	-	26,134,188	26,134,188
Other comprehensive income / (loss) - net of tax	-	2,541,476	-	-	-	2,541,476	5,809,702	575,051	6,384,753	(471,505)	(2,613,419)	8,454,724
Transfer to statutory reserve	-	2,613,419	-	-	-	2,613,419	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(172,784)	(172,784)	172,784	-
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year ended December 31, 2019 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at October 01, 2020</b>	21,275,131	12,913,268	35,685,229	343,802	8,000,000	521,338	57,463,637	31,468,954	44,987,075	76,456,030	112,007,948	267,202,746
Profit after taxation for the three months period ended December 31, 2020	-	-	-	-	-	-	-	-	-	-	4,424,731	4,424,731
Other comprehensive income / (loss) - net of tax	-	(1,343,177)	-	-	-	(1,343,177)	(2,967,684)	268,594	(2,699,090)	(26,467)	(4,068,734)	(4,068,734)
Transfer to statutory reserve	-	-	442,473	-	-	-	442,473	-	-	-	(442,473)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(57,595)	(57,595)	57,595	-
<b>Balance as at January 01, 2021</b>	21,275,131	11,570,091	36,127,702	343,802	8,000,000	521,338	56,562,933	28,501,270	45,198,074	73,699,344	116,021,334	267,558,743
Profit after taxation for the nine months period ended September 30, 2021	-	-	-	-	-	-	-	-	-	-	24,144,590	24,144,590
Other comprehensive income / (loss) - net of tax	-	1,454,712	-	-	-	1,454,712	(2,778,514)	(27,490)	(2,778,514)	(378,816)	(378,816)	(1,702,617)
Transfer to statutory reserve	-	-	2,414,459	-	-	-	2,414,459	-	-	-	(2,414,459)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(180,239)	(180,239)	180,239	-
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year ended December 31, 2020 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at September 30, 2021</b>	21,275,131	13,024,803	38,542,161	343,802	8,000,000	521,338	60,432,104	25,750,246	44,990,345	70,740,592	137,552,888	290,000,715

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

**Zubyr Soomro**  
 Chairman

**Arif Usmani**  
 President & CEO

**Abdul Wahid Sethi**  
 Chief Financial Officer

**Farid Malik**  
 Director

**Ahsan Ali Chughtai**  
 Director

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	40,245,779	39,266,387
Less: dividend income	<u>(2,777,555)</u>	<u>(1,298,024)</u>
	37,468,224	37,968,363
Adjustments:		
Depreciation on fixed assets	1,784,083	1,877,814
Depreciation on right of use assets	1,416,151	1,389,383
Amortization	154,526	113,753
Provision and write-offs - net	12,231,058	23,306,701
Gain on sale of fixed assets	(22,176)	(886)
Financial charges on leased assets	90,493	22,342
Financial charges on right-of-use-assets	570,206	569,621
Unrealized gain on revaluation of investments classified as held-for-trading	56,200	23,539
Charge for defined benefit plans - net	5,551,176	5,549,228
	<u>21,831,717</u>	<u>32,851,495</u>
	59,299,941	70,819,858
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(141,158,915)	93,459,166
Held-for-trading securities	(32,406,338)	(16,893,371)
Advances	(48,011,939)	90,785,929
Other assets (excluding advance taxation)	(5,160,746)	22,678,882
	(226,737,938)	190,030,606
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	3,958,444	21,614,068
Borrowings from financial institutions	612,795,336	(291,459,286)
Deposits	132,635,823	(23,123,448)
Other liabilities (excluding current taxation)	11,860,391	(44,845,384)
	761,249,994	(337,814,050)
Financial charges paid	(660,699)	(591,963)
Income tax paid / adjusted	(8,337,000)	-
Benefits paid	(1,240,225)	(1,331,960)
	<u>583,574,073</u>	<u>(78,887,509)</u>
	583,574,073	(78,887,509)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(670,612,523)	(36,202,346)
Net investments in held-to-maturity securities	31,022,352	132,368,686
Dividends received	1,605,063	894,024
Investments in fixed assets	(2,191,501)	(1,629,634)
Proceeds from sale of fixed assets	48,535	27,359
Effect of translation of net investment in foreign branches	1,454,712	2,541,476
	<u>(638,673,363)</u>	<u>97,999,565</u>
	(638,673,363)	97,999,565
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations	(1,494,970)	(1,378,580)
Dividend paid	(2,613)	(1,085)
	<u>(1,497,583)</u>	<u>(1,379,665)</u>
	(1,497,583)	(1,379,665)
<b>Increase in cash and cash equivalents</b>		
	<u>(56,596,873)</u>	<u>17,732,391</u>
Cash and cash equivalents at beginning of the period	<u>262,243,717</u>	<u>263,754,250</u>
Cash and cash equivalents at end of the period	<u>205,646,844</u>	<u>281,486,641</u>
	205,646,844	281,486,641

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

Zubyr Soomro  
Chairman

Arif Usmani  
President & CEO

Abdul Wahid Sethi  
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Farid Malik  
Director

Ahsan Ali Chughtai  
Director

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

### 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 1,514 (December 31, 2020: 1,514) branches in Pakistan and 19 (December 31, 2020: 21) overseas branches (including the Export Processing Zone branch, Karachi).

### 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 No. 5, dated March 22, 2019 and International Accounting Standard IAS 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2020.

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

#### 3.1 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, 2021. These are either considered to be not relevant or do not have any significant impact on these unconsolidated condensed interim financial statements.

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

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the implementation of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. Meanwhile, banks are required to submit IFRS 9 compatible pro forma financial statements for the year ending December 31, 2021 and perform parallel run of IFRS 9 on quarterly basis. Further, the SBP will provide a timeline by December 2021 for absorption of "Expected Credit Loss" (ECL), for Capital Adequacy Ratio (CAR) purposes, after assessment / evaluation of pro forma financial statements. Currently, the Bank is in the process of assessing the impact of application of IFRS 9 on the Bank's financial statements on the basis of draft guidelines issued by the State Bank of Pakistan.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2022, 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 unconsolidated condensed interim financial statements.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for presentation of these unconsolidated condensed interim financial statements are same as those followed in presentation of the unconsolidated financial statements of the Bank for the year ended December 31, 2020.

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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, 2020.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>	<b>Note</b>		
In hand			
Local currency		50,229,781	48,290,809
Foreign currencies		<u>8,803,665</u>	<u>6,425,017</u>
		<b>59,033,446</b>	<b>54,715,826</b>
With State Bank of Pakistan in			
Local currency current accounts	6.1	<u>95,201,537</u>	125,017,240
Foreign currency current accounts	6.2	<u>11,135,680</u>	10,209,399
Foreign currency deposit accounts	6.2	<u>22,872,468</u>	21,022,297
Foreign currency collection accounts		<u>1,334,661</u>	1,618,084
		<b>130,544,346</b>	<b>157,867,020</b>
With other central banks in			
Foreign currency current accounts	6.3	<u>23,425,818</u>	29,581,326
Foreign currency deposit accounts	6.3	<u>3,561,364</u>	4,789,170
		<b>26,987,182</b>	<b>34,370,496</b>
Prize bonds		<u>3,605,581</u>	2,306,248
		<b>220,170,555</b>	<b>249,259,590</b>

- 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 6.30% per annum (December 31, 2020: 0.00% to 3.5% per annum).

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
(Rupees in '000)			
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In deposit accounts	7.1	12,199	11,948
Outside Pakistan			
In current accounts		10,134,435	8,336,597
In deposit accounts	7.2	6,155,963	5,878,810
		16,290,398	14,215,407
		16,302,597	14,227,355

- 7.1 These include various deposits with banks and carry interest at rates ranging from 2% to 7% per annum (December 31, 2020: 2% to 8% per annum).
- 7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 0% to 1.5% per annum (December 31, 2020: 0.00% to 2.5% per annum).

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
(Rupees in '000)			
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	8.1	2,009,723	2,040,800
Repurchase agreement lendings (reverse repo)	8.2	265,922,790	124,763,875
Letters of placement	8.3	174,150	176,150
	8.4	268,106,663	126,980,825
Less: provision held against lendings to financial institutions	8.5	(174,150)	(176,150)
Lendings to financial institutions - net of provision		267,932,513	126,804,675

- 8.1 This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2020: Rs. 40.8 million) which is guaranteed by the SBP.
- 8.2 These carry mark-up at rates ranging from 6.25% to 8.0% per annum (December 31, 2020: 6% to 7.29% per annum) with maturities ranging from October 1, 2021 to October 25, 2021.
- 8.3 These are overdue placements and full provision has been made against these placements as at September 30, 2021.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
<b>8.4 Particulars of lending</b>		
In local currency	268,106,663	126,980,825
In foreign currencies	-	-
	<u>268,106,663</u>	<u>126,980,825</u>

**8.5 Movement in provision held against lendings is as follows:**

Opening balance	176,150	176,150
Reversal for the period	<u>(2,000)</u>	-
Closing balance	<u>174,150</u>	<u>176,150</u>

**8.6 Securities held as collateral against lendings to financial institutions**

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
----- (Rupees in '000) -----						
Market Treasury Bills	7,633,010	-	7,633,010	91,230,121	-	91,230,121
Pakistan Investment Bonds	258,289,780	-	258,289,780	33,533,754	-	33,533,754
<b>Total</b>	<u>265,922,790</u>	<u>-</u>	<u>265,922,790</u>	124,763,875	-	124,763,875

**8.6.1** Market value of the securities under repurchase agreement lendings amounts to Rs. 264,251 million (December 31, 2020: Rs.125,094 million).

**8.7 Category of classification**

	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
----- Rupees in '000 -----				
<b>Domestic</b>				
Loss	<u>174,150</u>	<u>174,150</u>	176,150	176,150

## 9. INVESTMENTS

### 9.1 Investments by type:

September 30, 2021 (Un-audited)				December 31, 2020 (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	122,895,390	-	(22,714)	122,872,676	96,157,306	-	3,529	96,160,835
Pakistan Investment Bonds	6,106,785	-	(33,487)	6,073,298	496,805	-	(1,455)	495,350
	129,002,175	-	(56,200)	128,945,974	96,654,111	-	2,074	96,656,185

#### Available-for-sale securities

Pakistan Investment Bonds	482,443,032	-	(1,211,162)	481,231,870	470,136,168	-	2,776,564	472,912,732
Market Treasury Bills	1,181,250,105	-	(75,705)	1,181,174,400	529,397,138	-	690,816	530,087,954
Ijarah Sukuks	8,001,043	-	48,771	8,049,814	6,000,000	-	15,600	6,015,600
Ordinary shares of listed companies	33,251,379	(5,863,753)	13,451,783	40,839,410	33,237,574	(5,568,236)	20,238,444	47,907,782
Ordinary shares of unlisted companies	1,886,982	(410,893)	-	1,476,089	1,865,982	(410,893)	-	1,455,089
Preference shares	1,712,813	(539,708)	99,303	1,272,408	1,445,308	(539,708)	194,250	1,099,850
Investments in mutual funds	619,646	(41,167)	1,287,449	1,865,928	619,646	(41,167)	1,421,691	2,000,170
Ordinary shares of a bank outside Pakistan	463,294	-	24,959,487	25,422,781	463,295	-	17,189,483	17,652,778
Term Finance Certificates / Musharika								
Participation Term Certificate and Sukuk Bonds	55,764,996	(5,210,000)	895,419	51,450,415	60,199,753	(5,196,406)	856,659	55,860,006
GoP Foreign Currency Bonds	21,036,700	-	122,459	21,159,159	10,429,632	-	411,243	10,840,875
Foreign Government Securities	851,484	-	37,959	889,443	2,795,017	-	52,159	2,847,176
Foreign Currency Debt Securities	-	-	-	-	79,438	-	1,202	80,640
	1,787,281,474	(12,065,522)	39,615,765	1,814,831,717	1,116,668,951	(11,756,410)	43,848,111	1,148,760,652

#### Held-to-maturity securities

Pakistan Investment Bonds	132,797,604	-	-	132,797,604	168,422,981	-	-	168,422,981
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	415,931	(407,135)	-	8,796	414,973	(407,135)	-	7,838
Bai muajjal with Government of Pakistan	12,469,562	-	-	12,469,562	11,641,133	-	-	11,641,133
GoP Foreign Currency Bonds	2,960,619	-	-	2,960,619	-	-	-	-
Foreign Government Securities	33,141,717	-	-	33,141,717	32,328,738	-	-	32,328,738
Foreign Currency Debt Securities	658	-	-	658	618	-	-	618
	181,786,091	(407,135)	-	181,378,956	212,808,443	(407,135)	-	212,401,308
Associates	4,970,863	(3,851,885)	-	1,118,978	4,970,863	(3,821,853)	-	1,149,010
Joint Venture	2,362,433	-	-	2,362,433	2,362,433	-	-	2,362,433
Subsidiaries	3,906,750	(1,838,262)	-	2,068,488	3,906,750	(1,838,262)	-	2,068,488
<b>Total investments</b>	<b>2,109,309,786</b>	<b>(18,162,803)</b>	<b>39,559,565</b>	<b>2,130,706,547</b>	<b>1,437,371,550</b>	<b>(17,823,660)</b>	<b>43,850,185</b>	<b>1,463,398,076</b>

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>9.1.1 Investments given as collateral</b>			
Pakistan Investment Bonds		34,500,000	2,300,000
Market Treasury Bills		583,435,527	3,000,000
	17.4	<u>617,935,527</u>	<u>5,300,000</u>
<b>9.2 Provision for diminution in value of investments</b>			
9.2.1 Opening balance		17,823,660	17,950,047
Charge for the period		1,113,177	1,164,846
Reversals for the period		(774,034)	(1,291,233)
		339,143	(126,387)
Closing balance		<u>18,162,803</u>	<u>17,823,660</u>

**9.2.2 Particulars of provision against debt securities**

Category of classification	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPL	Provision	NPL	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Doubtful	-	-	119,133	59,567
Loss	5,625,899	5,617,134	5,552,738	5,543,973
	<u>5,625,899</u>	<u>5,617,134</u>	5,671,871	<u>5,603,540</u>

9.3 The market value of securities classified as held-to-maturity as at September 30, 2021 amounted to Rs. 171,977 million (December 31, 2020: Rs. 218,678 million).

**10. ADVANCES**

	Performing		Non performing		Total	
	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	947,272,498	931,976,385	188,114,374	160,045,212	1,135,386,872	1,092,021,597
Islamic financing and related assets	37,895,142	37,546,863	602,837	602,913	38,497,979	38,149,776
Net Investment in finance lease	50,387	58,239	-	-	50,387	58,239
Bills discounted and purchased	20,797,035	18,998,127	12,945,291	10,646,008	33,742,326	29,644,135
Advances - gross	1,006,015,062	988,579,614	201,662,502	171,294,133	1,207,677,564	1,159,873,747
Provision against advances						
- Specific	-	-	178,576,335	154,145,472	178,576,335	154,145,472
- General	12,372,344	22,473,748	-	-	12,372,344	22,473,748
	12,372,344	22,473,748	178,576,335	154,145,472	190,948,679	176,619,220
Advances - net of provision	<u>993,642,718</u>	<u>966,105,866</u>	<u>23,086,167</u>	<u>17,148,661</u>	<u>1,016,728,885</u>	<u>983,254,527</u>

**10.1 Net investment in finance lease**

	September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	(Rupees in '000)							
Lease rentals receivable	3,112	152	-	3,264	10,911	556	-	11,467
Residual value	47,166	185	-	47,351	46,535	815	-	47,350
Minimum lease payments	50,278	337	-	50,615	57,446	1,371	-	58,817
Financial charges for future periods	226	1	-	227	546	32	-	578
Present value of minimum lease payments	50,053	336	-	50,387	56,900	1,339	-	58,239

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% (2020: 10.19% to 17.30%) per annum.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
<b>10.2 Particulars of advances (Gross)</b>		
In local currency	1,094,904,005	1,071,844,946
In foreign currencies	112,773,559	88,028,801
	<b>1,207,677,564</b>	<b>1,159,873,747</b>

**10.3** Advances includes Rs. 201,663 million (December 31, 2020: Rs.171,294 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	Non performing loans	Provision	Non performing loans	Provision
	(Rupees in '000)			
<b>Domestic</b>				
Other assets especially mentioned	4,544,149	104,346	1,617,988	45,392
Substandard	12,934,155	3,097,328	5,418,693	1,336,002
Doubtful	9,247,822	4,579,598	15,767,573	7,881,223
Loss	130,012,722	127,377,641	106,144,785	103,816,435
	<b>156,738,848</b>	<b>135,158,913</b>	128,949,039	113,079,052
<b>Overseas</b>				
Overdue by:				
181 to 365 days	281,945	140,973	-	-
> 365 days	44,641,709	43,276,449	42,345,094	41,066,420
	<b>44,923,654</b>	<b>43,417,422</b>	42,345,094	41,066,420
<b>Total</b>	<b>201,662,502</b>	<b>178,576,335</b>	171,294,133	154,145,472

**10.4 Particulars of provision against advances**

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
Note	----- (Rupees in '000) -----					
Opening balance	154,145,472	22,473,748	176,619,220	134,170,016	9,005,950	143,175,966
Exchange adjustments	2,705,639	19,774	2,725,413	1,468,169	15,535	1,483,704
Charge for the period / year	16,671,445	759,732	17,431,177	18,982,569	13,707,207	32,689,776
Reversals	(2,398,057)	(3,220,952)	(5,619,009)	(3,047,958)	(321,795)	(3,369,753)
	14,273,388	(2,461,220)	11,812,168	15,934,611	13,385,412	29,320,023
Amounts written off	(149,546)	-	(149,546)	(89,494)	-	(89,494)
Amounts charged off - agriculture financing	(58,576)	-	(58,576)	(193,807)	-	(193,807)
Transfer from other Assets				2,855,977	66,851	2,922,828
Transfer	7,659,958	(7,659,958)	-	-	-	-
Closing balance	178,576,335	12,372,344	190,948,679	154,145,472	22,473,748	176,619,220

**10.4.1 Particulars of provision against advances**

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	135,158,913	12,122,197	147,281,110	113,079,052	22,274,089	135,353,141
In foreign currencies	43,417,422	250,147	43,667,569	41,066,420	199,659	41,266,079
	178,576,335	12,372,344	190,948,679	154,145,472	22,473,748	176,619,220

**10.4.2** The Bank maintains general reserve in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP

The bank has also maintained general provision of Rs. 6,521 million (December 31, 2020: Rs. 17,078 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, 2021.**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.**10.4.5** State Bank of Pakistan ("SBP"), vide its BPRD circular letter No. 13 of 2020, has provided regulatory relief to dampen the effects of Covid-19 and allowed banks to offer deferral of principal component of installments to its borrowers for one year, provided that the borrower will continue to service the mark-up amount as per agreed terms & conditions.

As at September 30, 2021, 77 (December 31, 2020: 77) corporate borrowers, having aggregate outstanding exposure of Rs. 131,360 million (December 31, 2020: 145,851), have availed regulatory relief extended by SBP amounted to Rs. 27,357 million (December 31, 2020: Rs. 27,357 million).

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	2,378,170	2,154,184
Property and equipment		<u>52,441,125</u>	<u>52,259,309</u>
		<u>54,819,295</u>	<u>54,413,493</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		2,241,459	2,040,456
Equipment		10,825	10,825
Advances to suppliers and contractors		58,733	58,733
Software implementation in progress		<u>67,153</u>	<u>44,170</u>
		<u>2,378,170</u>	<u>2,154,184</u>
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		----- (Rupees in '000) -----	
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Capital work-in-progress</b>		444,941	107,974
<b>Property and equipment</b>			
Building on freehold land		-	3,622
Building on leasehold land		30,452	59,728
Furniture and fixture		475,344	628,703
Computer and peripheral equipment		370,318	110,001
Electrical, office equipment		284,539	429,120
Vehicles		<u>762,869</u>	<u>195,700</u>
		<u>1,923,522</u>	<u>1,426,874</u>
		<u>2,368,463</u>	<u>1,534,848</u>
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		1,264	1,519
Vehicles		<u>25,095</u>	<u>24,898</u>
		<u>26,359</u>	<u>26,417</u>
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
<b>12. INTANGIBLE ASSETS</b>			
Computer Software		<u>199,324</u>	<u>303,813</u>

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	----- (Rupees in '000) -----	
<b>12.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Directly purchased	<u>43,993</u>	<u>94,788</u>
	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
<b>13. RIGHT OF USE ASSETS</b>		
Balance as at January 01	6,669,684	7,221,266
Additions during the period / year	1,707,123	1,331,535
Derecognition during the period / year	(27,387)	-
Depreciation charged for the period / year	<u>(1,416,151)</u>	<u>(1,883,117)</u>
<b>Balance as at</b>	<u>6,933,270</u>	<u>6,669,684</u>
<b>14. DEFERRED TAX ASSETS / (LIABILITIES)</b>		
<b>Deductible temporary differences on</b>		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	4,324,833	4,120,855
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	10,067,592	9,084,601
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,024,305	1,136,458
- Other provisions	105,416	105,416
- Right of use assets	433,023	-
	<u>16,317,847</u>	<u>14,810,008</u>
<b>Taxable temporary differences on</b>		
- Surplus on revaluation of fixed assets	(2,299,767)	(2,396,819)
- Surplus on revaluation of investments	(13,865,518)	(15,346,840)
- Surplus on revaluation of non-banking assets	(44,713)	(44,713)
	<u>(16,209,998)</u>	<u>(17,788,372)</u>
	<u>107,849</u>	<u>(2,978,364)</u>

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>15 OTHER ASSETS</b>			
Income / return / mark-up accrued in local currency		34,648,889	39,642,348
Income / return / mark-up accrued in foreign currency		3,007,939	2,274,912
Advances, deposits, advance rent and other prepayments		4,956,224	2,918,231
Income tax refunds receivable & Advance taxation (payments less provisions)	15.1	14,913,820	27,183,199
Compensation for delayed tax refunds		18,849,000	17,556,551
Non-banking assets acquired in satisfaction of claims		1,244,237	1,255,834
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
Unrealized gain on forward foreign exchange contracts		6,447,805	-
Commission receivable on Government treasury transactions		10,467,077	4,612,174
Stationery and stamps on hand		473,413	499,511
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		719,971	88,996
Acceptances		15,528,345	15,741,754
Others		6,335,488	6,437,628
		<u>118,738,036</u>	<u>119,356,966</u>
Less: Provision held against other assets	15.2	<u>11,806,842</u>	<u>11,873,693</u>
Other assets (net of provision)		<u>106,931,194</u>	<u>107,483,273</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		<u>2,712,495</u>	<u>2,712,495</u>
<b>Other assets - total</b>		<u><u>109,643,689</u></u>	<u><u>110,195,768</u></u>
<b>15.1</b>	During the period Rs. 3,987 million were adjusted against income tax refunds towards payment of advance tax liability.		
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
<b>15.2 Provision held against other assets</b>			
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		4,131,447	4,092,280
Ex-MBL / NDFC - other assets		770,398	770,398
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)		208,423	208,423
Others		4,672,071	4,778,089
		<u>11,806,842</u>	<u>11,873,693</u>
<b>15.2.1 Movement in provision held against other assets</b>			
Opening balance		11,873,693	10,853,587
Charge for the year		39,167	1,517,709
Transfer in		-	(484,393)
Adjustment against provision		<u>(106,018)</u>	<u>(13,210)</u>
Closing balance		<u><u>11,806,842</u></u>	<u><u>11,873,693</u></u>

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
<b>16. BILLS PAYABLE</b>		
In Pakistan	20,637,449	16,718,064
Outside Pakistan	116,181	77,122
	<u>20,753,630</u>	<u>16,795,186</u>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	5,734,770	2,451,874
Under Export Refinance Scheme (New Scheme)	22,580,991	28,686,149
Financing Scheme for Renewable Energy	779,611	481,261
Refinance Facility for Modernization of SMEs	-	177,976
Financing Facility for storage of Agriculture Produce (FFSAP)	591,354	256,184
Under Long-Term Financing Facility (LTF)	20,185,027	16,380,117
Refinance Scheme for Payment of Wages and Salaries	1,437,369	1,167,527
Temporary Economic Refinance Facility	6,559,249	537,912
Refinance Facility for Combating Covid-19	51,206	61,448
	<u>57,919,577</u>	<u>50,200,448</u>
Repurchase agreement borrowings	617,935,527	5,266,007
Bai Muajjal	72,195,209	79,788,522
	<u>748,050,313</u>	<u>135,254,977</u>
<b>Unsecured</b>		
Call borrowings	27,068,235	2,047,588
Overdrawn nostro accounts	5,767,795	1,236,440
	<u>32,836,030</u>	<u>3,284,028</u>
	<u>780,886,343</u>	<u>138,539,005</u>
<b>17.1 Particulars of borrowings with respect to currencies</b>		
In local currency	753,818,108	136,491,430
In foreign currencies	27,068,235	2,047,575
	<u>780,886,343</u>	<u>138,539,005</u>
<b>17.2</b> Mark-up / interest rates and other terms are as follows:		
-	The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 3.0% per annum (December 31, 2020: of 3.00%).	
-	Repurchase agreement borrowings carry mark-up ranging from 7.1% to 7.4% per annum (December 31, 2020: 7% to 7.05% per annum) having maturities ranging from October 1, 2021 to October 25, 2021.	
-	Call borrowings carry interest ranging from 0% to 3% per annum (December 31, 2020: 0% to 2% 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 5 -10 years and 3 months respectively, are pledged as security under borrowing having carrying amount of Rs. 617,936 million (December 31, 2020: Rs. 5,300 million).

## 18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits - remunerative	500,895,747	-	500,895,747	405,738,851	-	405,738,851
Current deposits - non-remunerative	449,313,574	134,085,050	583,398,624	433,284,063	115,191,412	548,475,475
Savings deposits	673,398,379	77,274,736	750,673,115	637,694,450	66,126,336	703,820,786
Term deposits	300,218,185	80,543,397	380,761,582	276,454,916	81,153,488	357,608,404
Others	8,904,404	4,404	8,908,808	4,683,735	316,040	4,999,775
	<b>1,932,730,289</b>	<b>291,907,587</b>	<b>2,224,637,876</b>	<b>1,757,856,015</b>	<b>262,787,276</b>	<b>2,020,643,291</b>
<b>Financial Institutions</b>						
Current deposits	295,758,453	1,379,101	297,137,554	360,581,882	1,634,466	362,216,348
Savings deposits	16,605,784	-	16,605,784	4,253,051	3,246,855	7,499,906
Term deposits	6,982,726	5,557,244	12,539,970	12,613,687	8,883,345	21,497,032
Others	679,253	1,865	681,118	7,109,902	-	7,109,902
	<b>320,026,216</b>	<b>6,938,210</b>	<b>326,964,426</b>	<b>384,558,522</b>	<b>13,764,666</b>	<b>398,323,188</b>
	<b>2,252,756,505</b>	<b>298,845,797</b>	<b>2,551,602,302</b>	<b>2,142,414,537</b>	<b>276,551,942</b>	<b>2,418,966,479</b>

- 18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 77,355 million (December 31, 2020: Rs.73,145 million).

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
<b>19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS</b>		
Lease liabilities included in the statement of financial position	<b>8,170,478</b>	7,533,691
Of which are:		
Current lease liability	<b>1,516,635</b>	1,367,840
Non-current lease liability	<b>6,653,843</b>	6,165,851
	<b>8,170,478</b>	7,533,691

### Maturity analysis - contractual undiscounted cash flows

Less than one year	<b>2,197,020</b>	2,315,989
One to five years	<b>6,279,947</b>	5,869,956
More than five years	<b>6,320,186</b>	5,839,515
Total undiscounted lease liabilities	<b>14,797,153</b>	14,025,460

20. OTHER LIABILITIES	Note	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency		28,916,203	37,808,884
Mark-up / return / interest payable in foreign currencies		460,136	844,452
Unearned commission and income on bills discounted		774,775	1,574,563
Accrued expenses	20.1	16,912,619	18,183,815
Advance payments		373,782	362,466
Unclaimed dividends		182,903	185,516
Unrealized loss on forward foreign exchange contracts		-	2,918,017
Unrealized loss on put option		306,339	306,339
Branch adjustment account		493,272	917,487
Employee benefits:			
Pension fund		16,419,950	15,704,077
Post retirement medical benefits		23,706,223	22,282,747
Benevolent fund		1,944,579	2,054,218
Gratuity scheme		3,077,244	2,711,914
Compensated absences		9,775,996	9,251,755
Staff welfare fund		371,257	371,257
Liabilities relating to Barter trade agreements		2,267,128	2,142,033
Provision against off-balance sheet obligations		627,494	627,494
Provision against contingencies		4,365,700	4,180,071
Payable to brokers		62,234	65,137
PIBs short selling		29,137,274	3,237,676
Acceptances		15,528,345	15,741,754
Others		16,427,603	14,683,842
		<b>172,131,056</b>	<b>156,155,514</b>

#### 20.1 Litigation related to management trainee program

This has been explained in note 25.3.3.3 to the unconsolidated financial statement for the year ended December 31, 2020. Subsequently, the Bank has entered into out of court settlements with many Non-MTO employees ('petitioners') and accordingly compromise agreements ('the agreement'), offering waiver of loans, increase in basic salaries and provision of other allowances, were signed with those petitioners who have withdrawn their cases against the Bank. Such out of court settlements were undertaken with the vast majority of the non petitioners in addition to the petitioners. The Bank is now in the process of complying with court orders of the various High Courts where the cases have attained finality and is undertaking payments to the petitioners (who did not avail the out of court settlement) as per the court orders. The management expects that the issue of Non MTOs will be resolved to a large extent, by the end of 2021.

21. SURPLUS ON REVALUATION OF ASSETS	Note	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Surplus on revaluation of			
- Available-for-sale securities	9.1	39,615,765	43,848,111
- Fixed assets		44,577,617	44,882,399
- Non-banking assets		2,757,207	2,757,207
		<b>86,950,589</b>	<b>91,487,717</b>
Deferred tax on surplus on revaluation of:			
- Available for sale securities		(13,865,518)	(15,346,840)
- Fixed assets		(2,299,767)	(2,396,820)
- Non-banking assets		(44,713)	(44,713)
		<b>(16,209,998)</b>	<b>(17,788,373)</b>
		<b>70,740,592</b>	<b>73,699,344</b>

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	22.1	243,194,955	206,831,672
Commitments	22.2	2,045,120,333	1,417,860,011
Other contingent liabilities	22.3	35,073,187	34,820,672
		<u>2,323,388,474</u>	<u>1,659,512,355</u>
<b>22.1 Guarantees</b>			
Financial guarantees		192,788,436	137,366,954
Performance guarantees		50,406,519	69,464,718
		<u>243,194,955</u>	<u>206,831,672</u>
<b>22.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,400,909,944	970,274,317
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	548,059,169	419,327,735
- forward government securities transactions	22.2.2	95,295,017	27,625,340
Commitments for acquisition of:			
- operating fixed assets		856,203	632,619
		<u>2,045,120,333</u>	<u>1,417,860,011</u>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		342,313,584	272,245,550
Sale		205,745,585	147,082,185
		<u>548,059,169</u>	<u>419,327,735</u>
<p>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.</p>			
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
<b>22.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		18,702,062	496,331
Sale		76,592,955	27,129,009
		<u>95,295,017</u>	<u>27,625,340</u>
<b>22.3 Other contingent liabilities</b>			
22.3.1 Claim against the Bank not acknowledged as debt		<u>35,073,187</u>	<u>34,820,672</u>

Claims against the Bank not acknowledged as debts including claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2020: Rs.1,597 million).

### 22.3.2 Taxation

As at September 30, 2021, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2020 is same, other than the following significant developments and additions:

- a) Taxation officer has passed assessment order for tax year 2020 on May 31, 2021. The Bank has filed appeal before CIR(A) which is fixed for hearing on October 26, 2021. Stay has been granted against tax demand arising out of the assessment order. The Bank has not made any provision in respect of the additional tax liability of Rs. 4.29 billion arising out of the impugned order and the amount is instead shown as contingency, as management based on tax consultants advice is of the view that the issues are likely to be decided in Bank's favour.
- b) Taxation officer has passed assessment order for tax year 2019 on August 26, 2021. The Bank has filed appeal before CIR(A) which is fixed for hearing on October 26, 2021. Stay has been granted against tax demand arising out of the assessment order. The Bank has not made any provision in respect of the additional tax liability of Rs. 2.46 billion arising out of the impugned order and the amount is instead shown as contingency, as management based on tax consultants advice is of the view that the issues are likely to be decided in Bank's favour.
- c) PRA through their Order in the appeal Ref: 90/2019 dated 6th February, 2021 re-initiated the proceeding and passed an Order bearing No. NBP/2016/IV/2021 dated 08-01-2021 u/s 52 of the Punjab Sales Tax on Services Act, 2012 (the Act) wherein the demand was reduced to Rs. 330,942,466/- along with penalty amounting to Rs. 16,547,124/- under section 48 and default surcharge (to be calculated at the time of payment) under section 49 of the Act was raised. Against this Order, the Bank has filed an Appeal before the Commissioner (Appeals), PRA on various legal and factual grounds, including alleged levy of Punjab Sales Taxes on Consolidated Pan Pakistan figure. The Bank's tax advisor is confident that the ultimate outcome is expected to be in the Bank's favour.
- d) The Additional Commissioner, PRA has passed an Order bearing No. NBP/WH/2017-2018/ADC-IV/2021 dated 22-01-2021 u/s 52 of the Act regarding Non withholding of Punjab Sales Tax on Services of certain expenses confronted for the Tax Periods from January-2017 to December-2018 wherein the demand of Rs. 1,263,372,788/- along with penalty amounting to Rs. 1,263,372,788/- under section 48 and default surcharge (to be calculated at the time of payment) under section 49 of the Act was raised. Against this Order, the Bank has filed an Appeal before the Commissioner (Appeals), PRA on various legal and factual grounds, including alleged levy of Punjab Sales Taxes on Consolidated Pan Pakistan figure. The Bank's tax advisor is confident that the ultimate outcome is expected to be in the Bank's favour.
- e) The Additional Commissioner, PRA has passed an order bearing No. NBP/WH/INSURANCE/ADC-IV/2021 dated 08-01-2021 creating the Punjab sales tax liability on the non-withholding of Punjab Sales Tax on the insurance services received by the Bank for the tax periods January 2016-December 2016 and January 2017-December 2017 amounting to Rs. 254,734,973/- and Rs. 281,774,950/- respectively. The rectification application has been submitted under section 79 of the Punjab Sales Tax on Services Act, 2012 for the apparent mistake of facts amounting to Rs. 198,113,458/- and Rs. 231,089,190/- respectively. The net exposure after rectification would result in Rs. 56,621,515/- and Rs. 50,685,760/- respectively. The Bank is contesting the aforesaid order passed by Additional Commissioner, before the Commissioner (Appeals), PRA wherein apart from other Grounds, the main plea has been raised that Punjab Sales Tax should not be pressed from the Bank when the applicable Sindh Sales Tax on the insurance services has duly been paid in to Sindh Government Treasury and any claim of Punjab Sales Tax on the same transaction can only be recouped from Sindh Revenue Board as inter-provincial adjustment. Based on the legal and factual position, the Bank's tax advisor is confident that the ultimate outcome of the proceeding will be decided in the Bank's favor.
- f) The Additional Commissioner, PRA passed an Order bearing No. NBP/2012-2016/IV/2021 dated 27-01-2021 u/s 52 of the Act regarding Non withholding of Punjab Sales Tax on Services of certain registered vendors for the Tax Periods from January-2012 to December-2016 wherein the demand of Rs. 20,520,783/- along with penalty amounting to Rs. 20,520,783/- under section 48 and default surcharge (to be calculated at the time of payment) under section 49 of the Act was raised. Against this Order, the Bank filed an Appeal before the Commissioner (Appeals), PRA wherein apart from the time limitation matter pertaining to tax periods from January-2012 to June-2015, certain factual aspect including non-applicability of withholding sales tax on Punjab is being contested. The ultimate outcome is expected to be in the Bank's favour.

### 22.3.3 Contingencies in respect of employees benefits and related matters

As at September 30, 2021, the status of contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2020 is same, other than the following significant developments:

#### 22.3.3.1 Pensionary benefits to retired employees

This has been explained in note 25.3.3.1 to the unconsolidated financial statements for the year ended December 31, 2020. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended September 30, 2021 amounted to Rs. 74.6 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for year 2021 onward will also increase by Rs. 7.8 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 favorable outcome on the matter.

#### 22.3.3.2 Regularizing the temporary hires / workers deployed by Service provider companies under outsourcing arrangements

The current status of these contingencies is same as disclosed in the annual unconsolidated financial statements of the Bank for the year ended December 31, 2020.

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

In 2016, the Bank and its New York branch entered into a written agreement with the Federal Reserve Bank of New York and New York State Department of Financial Services (US regulators). This agreement, as well as observations from subsequent Reports of Examination by US regulators, requires the Bank to address certain compliance and risk management matters relating to anti-money laundering and the US Bank Secrecy Act requirements. The requirements also required enhancement and implementation of requisite systems and controls, as well as the allocation of adequate resources to ensure full compliance with such requirements. The Bank continues to undertake necessary remedial actions to address the regulatory weaknesses highlighted in the 2016 Agreement and in subsequent examinations. However, the Bank remains vulnerable until it completes the required remedial actions and the same are endorsed by the US Regulators.

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	----- (Rupees in '000) -----	
<b>23. MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	63,353,280	77,998,330
Investments	100,272,524	124,877,180
On securities purchased under resale agreements	1,859,224	1,900,668
Balances with other banks	1,000,192	1,253,646
	<u>166,485,220</u>	<u>206,029,824</u>
<b>24. MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	61,670,517	82,348,030
Borrowings	5,210,215	6,090,877
Cost of foreign currency swaps against foreign currency deposits	6,154,076	6,454,405
Finance charge on lease liability against right of use assets	570,206	569,621
Securities sold under repurchase agreements	20,487,419	30,718,314
	<u>94,092,433</u>	<u>126,181,247</u>

		(Un-audited) Nine months ended September 30, 2021	(Un-audited) Nine months ended September 30, 2020
	Note	----- (Rupees in '000) -----	
<b>25. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		1,215,975	1,354,149
Consumer finance related fees		633,082	496,207
Card related fees		1,311,090	774,605
Credit related fees		139,805	132,162
Investment banking fees		650,559	539,997
Commission on trade		1,504,620	1,451,176
Commission on guarantees		299,972	330,923
Commission on cash management		47,959	6,173
Commission on remittances including home remittances		1,066,508	829,723
Commission on bancassurance		222,671	190,917
Commission on government transactions		5,537,317	6,626,429
Others		61,003	115,562
		<u>12,690,562</u>	<u>12,848,025</u>
<b>26. GAIN ON SECURITIES - NET</b>			
Realized	26.1	5,496,243	6,956,343
Unrealized - held-for-trading	9.1	(56,200)	(23,539)
		<u>5,440,043</u>	<u>6,932,804</u>
<b>26.1 Realized gain on</b>			
Federal Government Securities		465,768	5,258,905
Shares		4,894,127	1,018,758
Ijarah Sukuks		10,809	8
Foreign Securities		125,539	678,672
		<u>5,496,243</u>	<u>6,956,343</u>
<b>27. OTHER INCOME</b>			
Rent on property		48,870	30,827
Gain on sale of fixed assets - net		22,176	886
Compensation for delayed tax refunds	27.1	1,292,449	3,097,448
Remittances expense reimbursed by SBP		-	112,861
Others		49,320	51,108
		<u>1,412,815</u>	<u>3,293,130</u>
<b>27.1</b>	This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.		

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	----- (Rupees in '000) -----	
<b>28. OPERATING EXPENSES</b>		
<b>Total compensation expenses</b>	<b>31,388,419</b>	29,734,883
<b>Property expenses</b>		
Rent and taxes	718,480	360,692
Insurance	25,593	25,593
Utilities cost	1,038,530	860,876
Security (including guards)	1,978,120	1,908,345
Repair and maintenance (including janitorial charges)	615,376	700,028
Depreciation	366,698	332,939
Depreciation on non banking assets	11,597	11,838
Depreciation on Ijarah assets	49,730	67,393
Depreciation on right of use assets	1,416,151	1,389,383
	<b>6,220,275</b>	5,657,087
<b>Information technology expenses</b>		
Software maintenance	877,706	803,777
Hardware maintenance	21,556	8,897
Depreciation	205,863	196,642
Amortization	154,526	113,753
Network charges	404,851	362,919
IT Manage Services	186,857	187,228
	<b>1,851,359</b>	1,673,216
<b>Other operating expenses</b>		
Directors' fees and reimbursement of other expenses	16,799	27,839
Fees and allowances to Shariah Board	8,409	6,974
Legal and professional charges	701,494	927,447
Outsourced services costs	456,319	598,230
Travelling and conveyance	461,534	353,786
NIFT clearing charges	123,711	118,074
Depreciation	1,150,195	1,269,002
Training and development	25,859	40,865
Postage and courier charges	158,461	150,982
Communication	229,758	216,787
Stationery and printing	1,034,518	928,339
Marketing, advertisement and publicity	96,270	118,971
Contributions for other Corporate and Social Responsibility	6,216	85,447
Auditors' remuneration	127,140	134,727
Entertainment	171,794	158,996
Clearing, verification, license fee charges	239,407	166,153
Brokerage	91,282	82,246
Financial charges on leased assets	90,493	22,342
Insurance	274,637	351,168
Vehicle expenses	142,686	105,073
Repairs and maintenance	469,711	408,707
Deposit premium expense	1,178,330	1,030,977
Others	276,067	333,068
	<b>7,531,090</b>	7,636,200
	<b>46,991,143</b>	44,701,386

		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Note	(Rupees in '000)	
<b>29. OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		34,044	297,404
Penalties imposed by other regulatory bodies (Central bank of international branches)		359	85
		<u>34,403</u>	<u>297,489</u>
<b>30. PROVISIONS AND WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	9.2	339,142	411,266
Provisions against loans and advances	10.4	11,812,168	21,813,486
Provision against other assets		79,748	1,081,949
		<u>12,231,058</u>	<u>23,306,701</u>
<b>31. TAXATION</b>			
Current		17,502,102	20,135,237
Deferred		(1,400,913)	(7,003,038)
		<u>16,101,189</u>	<u>13,132,199</u>
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
<b>32. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit for the period (Rupees in 000's)		<u>24,144,590</u>	<u>26,134,188</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>11.35</u>	<u>12.28</u>
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
<b>33. CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks		220,170,555	271,566,562
Balances with other banks		16,302,597	14,597,584
Call money lendings		2,009,723	140,800
Call money borrowings		(27,068,235)	(2,538,424)
Overdrawn nostro		(5,767,795)	(2,279,881)
		<u>205,646,844</u>	<u>281,486,641</u>
<b>34. FAIR VALUE MEASUREMENTS</b>			

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:

	September 30, 2021 (Un-audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Market Treasury Bills	1,304,047,076	-	1,304,047,076	-	1,304,047,076
Pakistan Investment Bonds	487,305,168	-	487,305,168	-	487,305,168
Ijarah Sukuks	8,049,814	-	8,049,814	-	8,049,814
Ordinary shares of listed companies	40,839,410	40,839,410	-	-	40,839,410
Preference shares	1,272,408	1,272,408	-	-	1,272,408
Investments in mutual funds	1,865,928	-	1,865,928	-	1,865,928
Term Finance Certificates / Musharika and Sukuk Bonds	51,450,415	5,058,199	46,392,216	-	51,450,415
GoP Foreign Currency Bonds	21,159,159	-	21,159,159	-	21,159,159
Foreign Government Securities	889,443	-	889,443	-	889,443
Ordinary shares of a bank outside Pakistan	25,422,781	25,422,781	-	-	25,422,781
	<b>1,942,301,602</b>	<b>72,592,798</b>	<b>1,869,708,804</b>	<b>-</b>	<b>1,942,301,602</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Pakistan Investment Bonds	132,797,604	-	131,479,651	-	131,479,651
GoP Foreign Currency Bonds	2,960,619	-	2,971,235	-	2,971,235
Foreign Government Securities	33,141,717	-	37,512,387	-	37,512,387
Foreign Currency Debt Securities	658	-	657	-	657
Associates	1,118,978	1,120,549	240,524	-	1,361,073
	<b>170,019,576</b>	<b>1,120,549</b>	<b>172,204,454</b>	<b>-</b>	<b>173,325,003</b>
	<b>2,112,321,178</b>	<b>73,713,347</b>	<b>2,041,913,258</b>	<b>-</b>	<b>2,115,626,605</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase and sale	548,059,169	-	6,447,805	-	6,447,805
Forward government securities transactions	95,295,017	-	(378,633)	-	(378,633)

December 31, 2020 (Audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Market Treasury Bills	626,248,789	-	626,248,789	-	626,248,789
Pakistan Investment Bonds	473,408,082	-	473,408,082	-	473,408,082
Ijarah Sukuks	6,015,600	-	6,015,600	-	6,015,600
Ordinary shares of listed companies	47,907,782	47,907,782	-	-	47,907,782
Preference shares	1,099,850	1,099,850	-	-	1,099,850
Investments in mutual funds	2,000,170	-	2,000,170	-	2,000,170
Term Finance Certificates / Musharika and Sukuk Bonds	55,860,007	4,280,000	51,580,007	-	55,860,007
GoP Foreign Currency Bonds	10,840,875	-	10,840,875	-	10,840,875
Foreign Government Securities	2,847,176	-	2,847,176	-	2,847,176
Foreign Currency Debt Securities	80,640	-	80,640	-	80,640
Ordinary shares of a bank outside Pakistan	17,652,778	17,652,778	-	-	17,652,778
	1,243,961,749	70,940,410	1,173,021,339	-	1,243,961,749
<b>Financial assets - disclosed but not measured at fair value</b>					
Pakistan Investment Bonds	168,422,981	-	171,507,188	-	171,507,188
Foreign Government Securities	32,328,738	-	37,064,275	-	37,064,275
Foreign Currency Debt Securities	618	-	618	-	618
Associates	1,149,010	670,335	478,688	-	1,149,023
	201,901,347	670,335	209,050,769	-	209,721,104
	1,445,863,096	71,610,745	1,382,072,108	-	1,453,682,853
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase and sale	419,327,735	-	(2,918,017)	-	(2,918,017)
Forward government securities transactions	27,625,340	-	52,885	-	52,885

**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 (MUFAP)
Ijarah Sukuks	MUFAP
Ordinary shares of unlisted companies	Breakup value as per latest available audited financial statements
Mutual Funds	MUFAP
Term Finance Certificates / Musharika and Sukuk Bonds	MUFAP
GoP Foreign Currency Bonds	Reuter page
Foreign Government Securities	Reuter page
Foreign Currency Debt Securities	Reuter page

**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:

	September 30, 2021 (Un-audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----				
Land and building (property and equipment)	48,449,006	-	-	48,449,006	48,449,006
Non-banking assets acquired in satisfaction of claims	3,956,732	-	-	3,956,732	3,956,732
	<b>52,405,738</b>	-	-	<b>52,405,738</b>	<b>52,405,738</b>

	December 31, 2020 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----				
Land & building (property and equipment)	48,764,139	-	-	48,764,139	48,764,139
Non-banking assets acquired in satisfaction of claims	3,968,329	-	-	3,968,329	3,968,329
	<b>52,732,468</b>	-	-	<b>52,732,468</b>	<b>52,732,468</b>

35. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Nine months period ended September 30, 2021 (Un-audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
<b>Profit and loss account</b>									
Net mark-up / return / interest income / (expense)	(40,188,310)	11,903,351	19,821,237	75,279,819	2,566,617	3,010,073	72,392,787	-	72,392,787
Inter segment revenue - net	77,547,204	(9,993,223)	(16,656,498)	(62,383,691)	-	11,486,208	-	-	-
Non mark-up / return / interest income	9,527,628	266,941	3,145,886	11,577,359	945,767	1,646,014	27,109,596	-	27,109,596
Total income	46,886,522	2,177,069	6,310,625	24,473,487	3,512,384	16,142,296	99,502,383	-	99,502,383
Segment direct expenses	22,703,844	2,137,794	828,956	330,963	4,189,823	2,380,020	32,571,400	-	32,571,400
Inter segment expense allocation	-	-	-	-	-	14,454,146	-	-	14,454,146
Total expenses	22,703,844	2,137,794	828,956	330,963	4,189,823	16,834,166	47,025,546	-	47,025,546
Provisions and write offs - net	702,188	1,294,089	9,763,024	295,517	21,955	154,285	12,231,058	-	12,231,058
Profit / (loss) before taxation	23,480,490	(1,254,814)	(4,281,354)	23,847,007	(699,394)	(846,156)	40,245,779	-	40,245,779

September 30, 2021 (Un-audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
<b>Statement of financial position</b>									
Cash and balances with treasury and other banks	66,592,988	5,671,396	266,632	114,465,990	42,133,147	7,342,999	236,473,152	-	236,473,152
Investments	-	-	25,698,744	1,997,390,511	58,151,596	49,465,696	2,130,706,547	-	2,130,706,547
Net inter segment lending	1,893,063,451	-	-	-	-	264,265,625	2,157,329,075	(2,157,329,075)	-
Lendings to financial institutions	-	-	-	267,932,513	-	-	267,932,513	-	267,932,513
Advances - performing	183,010,406	175,292,765	540,897,575	-	64,490,158	42,324,159	1,006,015,062	-	1,006,015,062
Advances - non-performing	4,777,609	22,402,901	64,416,263	-	44,923,654	65,142,075	201,662,502	-	201,662,502
Provision against Advances	(9,014,885)	(17,851,136)	(56,076,635)	-	(43,667,569)	(64,338,465)	(190,948,679)	-	(190,948,679)
Advances - Net	178,773,130	179,844,530	549,237,203	-	65,746,244	43,127,779	1,016,728,885	-	1,016,728,885
Others	31,964,948	2,764,438	21,946,014	6,892,107	5,415,335	102,720,584	171,703,427	-	171,703,427
<b>Total assets</b>	2,170,394,516	188,280,364	597,148,593	2,386,681,121	171,446,321	466,922,683	5,980,873,599	(2,157,329,075)	3,823,544,524
Borrowings	-	3,294,408	54,625,171	695,898,529	27,068,235	-	780,886,343	-	780,886,343
Deposits and other accounts	2,133,532,393	-	262,280,731	-	77,355,032	78,434,147	2,551,602,302	-	2,551,602,302
Net inter segment borrowing	-	181,895,260	259,217,617	1,638,331,838	64,518,075	13,366,285	2,157,329,075	(2,157,329,075)	-
Others	36,862,123	3,090,695	20,748,759	11,004,984	2,364,660	126,983,943	201,055,164	-	201,055,164
<b>Total liabilities</b>	2,170,394,516	188,280,364	596,872,278	2,345,235,351	171,306,002	218,784,374	5,690,872,884	(2,157,329,075)	3,533,543,809
Equity	-	-	276,315	41,445,770	140,319	248,138,309	290,000,715	-	290,000,715
<b>Total equity and liabilities</b>	2,170,394,516	188,280,364	597,148,593	2,386,681,121	171,446,321	466,922,683	5,980,873,599	(2,157,329,075)	3,823,544,524
Contingencies and commitments	-	28,541,799	1,607,912,161	627,455,300	23,549,825	35,929,389	3,223,388,474	-	3,223,388,474

Nine months period ended September 30, 2020 (Un-audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International Fin. Institution & Remittance	Head Office / Others	Sub total	Eliminations	Total
<b>Profit and loss account</b>									
Net mark-up / return / interest income / (expense)	(68,529,869)	14,215,935	39,469,109	88,981,491	2,050,516	3,661,396	79,848,577	-	79,848,577
Inter segment revenue - net	107,069,275	(12,269,562)	(34,697,413)	(64,047,478)	-	3,945,178	-	-	-
Non mark-up / return / interest income	9,338,986	817,406	2,098,861	10,344,723	1,618,315	3,505,094	27,723,386	-	27,723,386
Total income	47,878,392	2,763,779	6,870,558	35,278,736	3,668,830	11,111,668	107,571,963	-	107,571,963
Segment direct expenses	20,397,588	1,669,220	619,277	264,335	4,171,262	2,054,303	29,175,985	-	29,175,985
Inter segment expense allocation	-	-	-	-	-	15,822,890	-	-	15,822,890
Total expenses	20,397,588	1,669,220	619,277	264,335	4,171,262	17,877,193	44,998,875	-	44,998,875
Provisions and write offs - net	397,221	6,049,232	16,179,725	113,869	(369,305)	935,959	23,306,701	-	23,306,701
Profit / (loss) before taxation	27,083,583	(4,954,673)	(9,928,444)	34,900,592	(133,127)	(7,701,484)	39,266,387	-	39,266,387

December 31, 2020 (Audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International Fin. Institution & Remittance	Head Office / Others	Sub total	Eliminations	Total
<b>Statement of financial position</b>									
Cash and balances with treasury and other banks	150,000,222	9,809,667	281,210	49,710,033	47,960,766	5,725,047	263,486,945	-	263,486,945
Investments	-	-	31,393,587	1,340,556,530	46,098,046	45,349,914	1,463,398,076	-	1,463,398,076
Net inter segment lending	1,716,041,623	-	-	-	-	192,585,019	1,908,626,642	(1,908,626,642)	-
Lendings to financial institutions	-	-	-	126,802,025	-	2,650	126,804,675	-	126,804,675
Advances - performing	232,021,162	128,340,996	538,861,528	-	43,633,881	45,722,047	988,579,614	-	988,579,614
- non-performing	4,007,870	22,497,098	47,548,441	-	42,345,094	54,895,629	171,294,133	-	171,294,133
Provision against Advances	(8,383,514)	(19,538,451)	(62,114,538)	-	(41,266,079)	(55,316,638)	(176,619,220)	-	(176,619,220)
Advances - net	227,645,519	131,299,642	534,295,432	-	44,712,896	45,301,038	983,254,527	-	983,254,527
Others	24,462,197	1,626,569	22,588,501	366,297	3,972,925	118,566,269	171,582,758	-	171,582,758
<b>Total assets</b>	2,118,149,561	142,735,878	588,558,730	1,517,434,885	142,744,633	407,529,936	4,917,153,623	(1,908,626,642)	3,008,526,981
Borrowings	-	3,511,852	46,688,596	86,290,983	2,047,575	-	138,539,005	-	138,539,005
Deposits and other accounts	2,070,445,603	-	200,011,969	-	73,225,543	75,283,364	2,418,966,479	-	2,418,966,479
Net inter segment borrowing	-	136,108,152	323,798,034	1,375,268,749	63,868,561	9,593,146	1,908,626,642	(1,908,626,642)	-
Others	47,703,958	3,115,875	17,857,441	12,387,953	3,138,332	99,259,176	183,462,755	-	183,462,755
<b>Total liabilities</b>	2,118,149,561	142,735,878	588,346,040	1,473,947,685	142,280,030	184,135,685	4,649,594,881	(1,908,626,642)	2,740,968,239
Equity	-	-	212,690	43,487,200	464,603	223,394,251	267,558,742	-	267,558,742
<b>Total equity and liabilities</b>	2,118,149,561	142,735,878	588,558,730	1,517,434,885	142,744,633	407,529,936	4,917,153,623	(1,908,626,642)	3,008,526,981
Contingencies and commitments	557,277,573	-	1,046,103,666	-	20,577,429	35,553,685	1,659,512,355	-	1,659,512,355

36.

**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 statement 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 financial statements are as follows:

	September 30, 2021 (Un-audited)											December 31, 2020 (Audited)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A.Ac)	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A.Ac)	Other related parties																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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<b>Balances with other banks</b>																	In current accounts	-	-	-	-	190,670	-	-	-	-	-	-	-	2,951	-	-	-		-	-	-	-	190,670	-	-	-	-	-	-	-	2,951	-	-	-	<b>Advances</b>																	Opening balance	-	233,267	359,565	2,981,029	-	-	-	305,117	-	228,805	414,565	3,046,662	-	-	-	23,386,325	Addition during the year	-	262,170	-	-	-	-	-	37,208,563	-	64,850	-	-	-	-	-	115,824,347	Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-
In current accounts	-	-	-	-	190,670	-	-	-	-	-	-	-	2,951	-	-	-		-	-	-	-	190,670	-	-	-	-	-	-	-	2,951	-	-	-	<b>Advances</b>																	Opening balance	-	233,267	359,565	2,981,029	-	-	-	305,117	-	228,805	414,565	3,046,662	-	-	-	23,386,325	Addition during the year	-	262,170	-	-	-	-	-	37,208,563	-	64,850	-	-	-	-	-	115,824,347	Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																	
	-	-	-	-	190,670	-	-	-	-	-	-	-	2,951	-	-	-	<b>Advances</b>																	Opening balance	-	233,267	359,565	2,981,029	-	-	-	305,117	-	228,805	414,565	3,046,662	-	-	-	23,386,325	Addition during the year	-	262,170	-	-	-	-	-	37,208,563	-	64,850	-	-	-	-	-	115,824,347	Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																		
<b>Advances</b>																	Opening balance	-	233,267	359,565	2,981,029	-	-	-	305,117	-	228,805	414,565	3,046,662	-	-	-	23,386,325	Addition during the year	-	262,170	-	-	-	-	-	37,208,563	-	64,850	-	-	-	-	-	115,824,347	Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																			
Opening balance	-	233,267	359,565	2,981,029	-	-	-	305,117	-	228,805	414,565	3,046,662	-	-	-	23,386,325	Addition during the year	-	262,170	-	-	-	-	-	37,208,563	-	64,850	-	-	-	-	-	115,824,347	Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																				
Addition during the year	-	262,170	-	-	-	-	-	37,208,563	-	64,850	-	-	-	-	-	115,824,347	Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																					
Repaid during the year	-	(28,264)	(78,000)	(31,250)	-	-	-	(37,072,594)	-	(31,840)	(55,000)	(65,633)	-	-	-	(115,673,059)	Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																						
Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	(26,548)	-	-	-	-	-	(23,232,497)	Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																							
Closing balance	-	346,838	281,565	2,949,779	-	-	-	441,086	-	233,267	359,565	2,981,029	-	-	-	305,117	Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																								
Provisions against loans	-	251,565	2,837,287	-	-	-	-	-	-	284,565	2,837,287	-	-	-	-	-	<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																									
<b>Other Assets</b>																	Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																										
Interest / mark-up accrued	-	247,135	1,719,572	-	-	-	-	-	-	233,641	1,720,157	-	-	-	-	-	Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																											
Other receivable	-	76,019	-	-	-	-	-	-	-	74,785	-	-	-	-	-	-		-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																												
	-	323,154	1,719,572	-	-	-	-	-	-	308,426	1,720,157	-	-	-	-	-	<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																													
<b>Borrowings</b>																	Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																														
Opening balance	-	-	-	-	9,111	-	-	-	-	-	-	-	27,9814	-	-	-	Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																															
Borrowing during the year	-	-	-	-	66,630	-	-	-	-	-	-	-	(270,703)	-	-	-	Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																	
Closing balance	-	-	-	-	95,741	-	-	-	-	-	-	-	9,111	-	-	-	<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																		
<b>Deposits and other accounts</b>																	Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																			
Opening balance	1,320	177,236	1,553,709	-	56,871	-	1,369,644	13,282,016	227,967	3,835	94,715	1,522,792	-	73	1,235,120	13,296,883	40,416,093	Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																				
Received during the year	7,522	522,526	116,957	-	22,276,706	-	3,061,878	1,069,357	144,177,450	8,672	713,917	261,901	-	47,037,983	3,054,527	1,941,908	708,790	Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																						
Withdrawn during the year	(7,503)	(539,486)	(1,239,930)	-	(22,330,577)	-	(3,640,817)	(1,266,869)	(130,801,925)	(11,228)	(620,573)	(230,984)	-	(46,979,185)	(2,920,003)	(1,956,775)	(630,132)	Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																								
Transfer in / (out) - net*	58	(57,825)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	(40,266,774)	Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																										
Closing balance	1,397	102,451	430,736	-	5,000	-	790,705	13,084,504	17,793,657	1,320	177,236	1,553,709	-	56,871	1,369,644	13,282,016	227,967	<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																												
<b>Other Liabilities</b>																	Other payable to subsidiaries	-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-		-	-	2,509	-	-	-	-	-	-	-	-	4,308	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																														
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\* Transfer in / (out) - net due to retirement / appointment of directors and changes in key management executives.

	September 30, 2021 (Un-audited)					September 30, 2020 (Un-audited)								
	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others
<b>Income</b>														
Mark-up / return / interest earned	-	14,654	8,019	5	-	-	8,776	-	16,261	13,894	9	-	-	15,212
Commission received from subsidiaries	-	297	-	-	-	-	-	683	-	-	-	-	-	-
Dividend income	-	12,695	-	-	-	-	-	27,418	-	-	-	-	-	-
Rent income / lighting and power and bank charges	-	18,017	3,831	-	-	-	-	22,182	-	3,479	-	-	-	14,585
<b>Expense</b>														
Mark-up / return / interest paid	-	5,639	-	18	55,888	1,064,969	1,614,408	-	26,908	-	300	106,346	865,880	3,141
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	-	20,668	-	-	-	-	-	-	10,712
Remuneration to key management executives including charge for defined benefit plan	505,341	-	-	-	-	-	-	375,861	-	-	-	-	-	-
Commission paid to subsidiaries	-	4,697	-	-	-	-	-	-	3,441	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	1,565	-	-	-	-	-	-	1,565

**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 service to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 5,537 million (Sep 30, 2020 Rs. 6,626 million) for the nine months period ended September 30, 2021. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 383,308 million (Dec 31, 2020: Rs. 337,572 million), Rs. 1,098,461 million (Dec 31, 2020: Rs. 932,317 million) and Rs. 1,366,718 million (Dec 31, 2020: Rs. 948,335 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 15,403 million (Sep 30, 2020: Rs. 28,810 million) and Rs. 44,615 million (Sep 30, 2020: Rs. 54,252 million) respectively.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
<b>37. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement</b>		
Paid-up capital (net of losses)	<u><u>21,275,131</u></u>	<u><u>21,275,131</u></u>
<b>Capital Adequacy Ratio</b>		
Eligible Common Equity Tier 1 Capital	<u>197,317,675</u>	172,896,361
Eligible Additional Tier 1 Capital	<u>-</u>	-
Total Eligible Tier 1 Capital	<u>197,317,675</u>	172,896,361
Eligible Tier 2 Capital	<u>64,983,369</u>	55,224,098
Total Eligible Capital (Tier 1 + Tier 2)	<u><u>262,301,044</u></u>	<u><u>228,120,459</u></u>
Risk Weighted Assets		
Credit Risk	<u>897,368,010</u>	858,263,350
Market Risk	<u>77,205,799</u>	87,765,828
Operational Risk	<u>207,071,580</u>	207,071,580
Total	<u><u>1,181,645,390</u></u>	<u><u>1,153,100,758</u></u>
Common Equity Tier 1 Capital Adequacy ratio	<u><u>16.70%</u></u>	14.99%
Tier 1 Capital Adequacy Ratio	<u><u>16.70%</u></u>	14.99%
Total Capital Adequacy Ratio	<u><u>22.20%</u></u>	19.78%
<b>Leverage Ratio</b>		
Eligible Tier-1 Capital	<u>197,317,675</u>	172,896,361
Total Exposures	<u>5,534,469,634</u>	4,256,253,296
Leverage Ratio	<u><u>3.57%</u></u>	4.06%
<b>Liquidity Coverage Ratio</b>		
Total High Quality Liquid Assets	<u>1,448,735,799</u>	1,200,257,790
Total Net Cash Outflow	<u>852,416,215</u>	666,722,922
Liquidity Coverage Ratio	<u><u>170%</u></u>	180%
<b>Net Stable Funding Ratio</b>		
Total Available Stable Funding	<u>2,435,931,245</u>	2,309,310,465
Total Required Stable Funding	<u>903,355,909</u>	901,126,786
Net Stable Funding Ratio	<u><u>270%</u></u>	256%

### 38. ISLAMIC BANKING BUSINESS

The Bank is operating 189 (December 31, 2020: 191) Islamic banking branches and no Islamic banking windows at the nine months period ended September 30, 2021.

The statement of financial position of the Bank's Islamic banking branches as at September 30, 2021 is as follows:

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		7,330,799	5,713,009
Balances with other banks		12,199	11,948
Investments	38.1	46,255,454	42,109,641
Islamic financing and related assets - net	38.2	37,770,691	37,546,704
Fixed assets		111,663	148,884
Right of use assets		660,120	755,116
Other assets		2,645,859	2,676,118
<b>Total Assets</b>		<b>94,786,785</b>	<b>88,961,420</b>
<b>LIABILITIES</b>			
Bills payable		589,251	339,103
Deposits and other accounts	38.3	78,428,921	75,268,262
Lease liability against right of use assets		835,643	903,196
Due to head office		7,599,736	4,124,758
Other liabilities		1,072,172	2,198,144
		<b>88,525,723</b>	<b>82,833,463</b>
<b>NET ASSETS</b>		<b>6,261,062</b>	<b>6,127,957</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		4,646,000	3,360,000
Surplus on revaluation of assets		667,875	659,569
Unappropriated / unremitted profit	38.4	947,187	2,108,388
		<b>6,261,062</b>	<b>6,127,957</b>

The profit and loss account of the Bank's Islamic banking branches for the nine months period ended September 30, 2021 is as follows:

	Note	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
----- (Rupees in '000) -----			
Profit / return earned	38.5	5,095,381	6,180,566
Profit / return expensed	38.6	2,197,726	2,748,247
Net profit / return		2,897,655	3,432,319
<b>Other income</b>			
Fee and commission income		160,965	265,220
Foreign exchange income		42,976	49,943
Other income		756	796
Total other income		204,697	315,959
Total income		3,102,352	3,748,278
<b>Other expenses</b>			
Operating expenses		2,029,591	1,724,149
Other charges		1,358	2,053
		2,030,949	1,726,202
Profit before provisions		1,071,403	2,022,076
Provisions charge / (reversal) and write offs - net		124,216	399,583
Profit before taxation		947,187	1,622,493
Taxation		-	-
Profit after taxation		947,187	1,622,493

	September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
<b>38.1 Investments by segments:</b>	----- (Rupees in '000) -----							
<b>Federal Government Securities:</b>								
- Ijarah Sukuks	8,001,043	-	48,771	8,049,814	6,000,000	-	15,600	6,015,600
- Others (Bai Muajjal with GOP @ 13.30%)	12,469,562	-	-	12,469,562	11,641,133	-	-	11,641,133
	20,470,605	-	48,771	20,519,376	17,641,133	-	15,600	17,656,733
<b>Non Government Debt Securities:</b>								
- Listed	8,300,000	-	295,676	8,595,676	8,400,000	-	311,740	8,711,740
- Unlisted	16,947,781	(130,807)	323,428	17,140,402	15,539,747	(130,807)	332,228	15,741,168
	25,247,781	(130,807)	619,104	25,736,078	23,939,747	(130,807)	643,968	24,452,908
<b>Total Investments</b>	45,718,386	(130,807)	667,875	46,255,454	41,580,880	(130,807)	659,568	42,109,641

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

**38.2 Islamic financing and related assets - net**

Ijarah	118,807	168,788
Murabaha	1,963,901	3,464,401
Diminishing Musharaka	20,599,770	17,614,309
Istisna	-	50,000
Other Islamic Modes (Wakala tul Istismar, Tijarat)	8,898,000	8,500,000
Advances against Islamic assets (Murabaha, DM, Istisna)	3,788,501	8,076,678
Inventory related to Islamic financing (Istisna)	3,129,000	275,600
Gross Islamic financing and related assets	<b>38,497,979</b>	38,149,776
Less: provision against Islamic financings		
- Specific	(727,208)	(602,913)
- General	(80)	(159)
	<b>(727,288)</b>	(603,072)
Islamic financing and related assets - net of provision	<b>37,770,691</b>	37,546,704

**38.3 Deposits and other accounts**

**Customers**

Current deposits	19,038,591	26,474,979
Savings deposits	42,289,748	33,051,442
Term deposits	8,296,441	10,129,005
	<b>69,624,780</b>	69,655,426

**Financial Institutions**

Current deposits	427,143	778,039
Savings deposits	8,165,270	3,633,797
Term deposits	211,728	1,201,000
	<b>8,804,141</b>	5,612,836
	<b>78,428,921</b>	75,268,262

**38.4 Unappropriated / unremitted profit**

Opening balance	2,108,388	2,039,140
Add: Islamic banking profit for the period	947,187	2,108,388
Less: Transferred / remitted to head office	(2,108,388)	(2,039,140)
Closing balance	<b>947,187</b>	2,108,388

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

**38.5 Profit / return earned**

Profit earned on:

Financing	2,185,339	3,136,237
Investments	1,979,045	2,075,074
Placements	295	23,470
Others (Bai Muajjal)	930,702	945,785
	<u>5,095,381</u>	<u>6,180,566</u>

**38.6 Profit / return expensed**

Deposits and other accounts	1,812,678	2,339,136
Finance charge on right of use assets	61,945	69,081
Others (General Account)	323,103	340,030
	<u>2,197,726</u>	<u>2,748,247</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 October 27, 2021 by the Board of Directors of the Bank.

**Zubyr Soomro**  
Chairman

**Arif Usmani**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Farid Malik**  
Director

**Ahsan Ali Chughtai**  
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 subsidiaries for the nine-month period ended September 30, 2021.

Consolidated after-tax profit for the nine-months period ended September 30, 2021 amounted to PKR 24.64 billion, being 5.9% lower than PKR 26.18 billion earned for the corresponding nine-months period of 2021. During this period, the Bank's subsidiaries contributed a net profit of PKR 237.8 million (Sep '20: PKR 223.8 million) towards the Group's profitability, and the share of profits from associates was PKR 9.6 million (Sep '20: PKR 6.6 million). A profit of PKR 125.6 million (Sep'20: loss of PKR 241.4 million) was however recorded on account of UNBL, a UK based Joint Venture in which NBP has 45% shareholding. Accordingly, consolidated EPS stood at PKR 11.53 as compared to PKR 12.28 for the similar period of 2020. As of September 30, 2021, consolidated assets of the Bank were 27.0% higher at PKR 3,832.8 billion compared to the December 31, 2020 level of PKR 3,017.2 billion.

Profit for the nine-month period ended September 30, 2021 after carry forward of accumulated profit of 2020 is proposed to be appropriated as follows:

	<b>(PKR 'Bn)</b>
After-tax profit for the nine-months ended September 30, 2021	24.64
Unappropriated profit brought forward	120.63
Other comprehensive income- net of tax	(0.38)
Non-controlling interest	(0.11)
Transfer from surplus on revaluation of fixed assets	0.18
Profit available for appropriations	144.97
<b>Appropriation:</b>	
Transfer to Statutory Reserve	(2.41)
<b>Unappropriated profit carried forward</b>	<b>142.55</b>

For and on behalf of the Board of Directors

**Arif Usmani**  
President & CEO

**Zubyr Soomro**  
Chairman

**Karachi**  
**Date:** October 27, 2021

## ڈائریکٹرز کا جائزہ مجموعی مالیاتی گوشوارے

### محترم حصص داران

ہم بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2021 کو ختم ہونے والی نو ماہ کی مدت کے لیے نیشنل بینک آف پاکستان "دی بینک" اور اس کے ذیلی اداروں کے لیے ڈائریکٹرز کا جائزہ اور عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

30 ستمبر 2021 کو ختم ہونے والی نو ماہ کی مدت کے لیے ٹیکس کے بعد ہونے والا مجموعی منافع 24.64 بلین روپے رہا جو کہ 2020 کے انہی نو ماہ کے عرصے میں ہونے والے 26.18 بلین روپے کے منافع سے 5.9% کم ہے۔ زیر جائزہ عرصے کے لیے بینک کے ذیلی اداروں نے گروپ کے منافع میں 237.8 بلین روپے کے خالص منافع کا حصہ ڈالا (ستمبر 2020 میں 223.8 بلین روپے) جبکہ شریک اداروں کی جانب سے منافع / نقصان) میں حصہ 9.6 بلین روپے (ستمبر 2020 میں 6.6 بلین روپے نقصان) تھا۔ تاہم برطانیہ میں واقع مشترکہ منصوبے UNBL، جس میں بینک کا 45% حصص ہے، کی وجہ سے 125.6 بلین روپے (ستمبر 2020 میں 241.4 بلین روپے نقصان) کا منافع ریکارڈ کیا گیا اس طرح 30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے لیے مجموعی فی حصص آمدنی (EPS) گزشتہ سال کے انہی نو ماہ کے 12.28 روپے فی حصص سے بڑھ کر 11.53 روپے فی حصص ہو گئی۔ 30 ستمبر 2021 کو بینک کے مجموعی اثاثوں کی مالیت 3,832.8 بلین روپے تھی جو کہ 31 دسمبر 2020 کے بینک کے مجموعی اثاثوں کی مالیت 3,017.21 بلین روپے سے 27.0% زیادہ ہے۔

30 ستمبر 2021 کو ختم ہونے والے نو ماہ کا منافع 2020 کے جمع شدہ منافع کو آگے بڑھانے کے بعد تخصیص کے لیے تجویز کیا گیا ہے:

(ارب روپے)	30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے لیے بعد از ٹیکس منافع
24.64	غیر تصرف شدہ آگے لایا جانے والا منافع
120.63	دیگر جامع آمدنی۔ بعد از ٹیکس
(0.38)	نان کنٹروولنگ انٹرسٹ
(0.11)	جامدا اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی
0.18	تصرف کے لیے دستیاب منافع
144.97	تصرف:
(2.41)	قانونی ذخائر میں منتقلی
142.55	غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:

بورڈ آف ڈائریکٹرز کے لیے اور انکی جانب سے

ذیہر سومرو  
چیئرمین

عارف عثمانی  
صدر اور چیف ایگزیکٹو آفیسر  
کراچی  
تاریخ: 27 اکتوبر، 2021

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2021**

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	220,625,871	249,969,566
Balances with other banks	7	17,570,319	15,015,366
Lendings to financial institutions	8	267,932,513	126,804,675
Investments	9	2,134,409,942	1,466,405,373
Advances	10	1,016,804,928	983,871,421
Fixed assets	11	55,464,366	55,086,809
Intangible assets	12	858,320	1,022,143
Right of use assets	13	7,342,641	7,017,020
Deferred tax assets	14	172,470	-
Other assets	15	111,649,271	112,017,619
		<b>3,832,830,641</b>	<b>3,017,209,992</b>
<b>LIABILITIES</b>			
Bills payable	16	20,753,630	16,795,186
Borrowings	17	780,886,343	138,539,005
Deposits and other accounts	18	2,551,171,567	2,418,928,469
Liabilities against assets subject to finance lease	19	157,302	197,224
Lease liability against right of use assets	20	8,548,697	7,869,355
Deferred tax liabilities	14	-	2,933,124
Other liabilities	21	173,587,656	157,545,347
		<b>3,535,105,195</b>	<b>2,742,807,710</b>
<b>NET ASSETS</b>			
		<b>297,725,446</b>	<b>274,402,282</b>
<b>REPRESENTED BY</b>			
Share capital		21,275,131	21,275,131
Reserves		61,835,719	57,591,417
Surplus on revaluation of assets	22	71,040,849	73,987,802
Unappropriated profit		142,550,661	120,631,784
		<b>296,702,360</b>	<b>273,486,134</b>
Non-controlling interest		1,023,086	916,148
		<b>297,725,446</b>	<b>274,402,282</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23		

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

**Zubyr Soomro**  
Chairman

**Arif Usmani**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Farid Malik**  
Director

**Ahsan Ali Chughtai**  
Director

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Quarter ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in '000)					
Mark-up / return / interest earned	24	58,531,343	60,812,317	166,620,932	206,205,915
Mark-up / return / interest expensed	25	33,514,072	29,363,265	94,120,234	126,171,151
Net mark-up / return / interest income		25,017,271	31,449,052	72,500,698	80,034,764
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	26	4,227,613	4,394,122	13,764,225	13,707,840
Dividend income		1,303,724	260,850	2,773,390	1,281,163
Foreign exchange income		2,235,620	721,277	5,010,640	3,549,299
Gain on securities - net	27	1,291,336	3,615,189	5,447,676	6,944,056
Share of profit / (loss) from joint venture - net of tax		69,399	(23,732)	125,608	(241,355)
Share of profit / (loss) from associates - net of tax		(21,348)	69,588	9,591	6,622
Other income	28	453,096	746,917	1,408,319	3,291,120
Total non-mark-up / interest income		9,559,440	9,784,211	28,539,449	28,538,745
Total income		34,576,711	41,233,263	101,040,147	108,573,509
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	29	16,740,637	15,761,532	48,067,245	45,635,096
Workers welfare fund		-	-	-	-
Other charges	30	10,042	4,240	34,914	298,692
Total non-markup / interest expenses		16,750,679	15,765,772	48,102,159	45,933,788
Profit before provisions		17,826,032	25,467,491	52,937,988	62,639,721
Provisions and write offs - net	31	5,136,449	7,644,801	12,074,333	23,226,260
<b>PROFIT BEFORE TAXATION</b>		12,689,583	17,822,690	40,863,655	39,413,461
Taxation	32	5,095,291	6,753,384	16,221,990	13,232,740
<b>PROFIT AFTER TAXATION</b>		7,594,292	11,069,306	24,641,665	26,180,721
<b>Attributable to:</b>					
Shareholders of the Bank		7,551,733	11,054,438	24,531,913	26,121,029
Non-controlling interest		42,559	14,868	109,752	59,692
		7,594,292	11,069,306	24,641,665	26,180,721
(Rupees)					
<b>Earnings per share - basic and diluted</b>	33	3.55	5.20	11.53	12.28

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

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Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----			
Profit after taxation for the period	7,594,292	11,069,306	24,641,665	26,180,721
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	3,043,260	2,523,407	1,829,843	2,650,809
Movement in surplus on revaluation of investments - net of tax	(4,769,296)	(5,365,753)	(2,739,351)	5,907,214
	(1,726,036)	(2,842,346)	(909,508)	8,558,023
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	(609,688)	186,107	(378,816)	(471,505)
Movement in surplus on revaluation of fixed assets - net of tax	128	448	(27,361)	590,444
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
	(609,559)	186,554	(406,177)	118,939
<b>Total comprehensive income</b>	<b>5,258,696</b>	<b>8,413,514</b>	<b>23,325,980</b>	<b>34,857,683</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	5,216,137	8,398,646	23,216,228	34,797,991
Non-controlling interest	42,559	14,868	109,752	59,692
	<b>5,258,696</b>	<b>8,413,514</b>	<b>23,325,980</b>	<b>34,857,683</b>

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

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Chief Financial Officer

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Director

Ahsan Ali Chughtai  
Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Share capital	Exchange translation	Reserves		Surplus on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling interest	Total
			Statutory reserve	General loan loss reserve	Revenue general reserve	Total	Investments				
<b>Balance as at January 01, 2020</b>	11,570,596	33,168,855	8,000,000	521,338	53,250,789	25,253,452	45,105,185	70,358,587	238,360,023	862,532	239,222,555
Profit after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	2,650,809	-	-	-	2,650,809	5,907,214	590,444	6,497,658	26,121,029	59,692	26,180,721
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	2,613,419	-	-	2,613,419	-	-	(2,613,419)	8,676,962	-	8,676,962
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	(172,784)	172,784	-	-	-
Cash dividend paid for the year ended December 31, 2019 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at October 01, 2020</b>	14,221,405	35,782,274	8,000,000	521,338	56,525,017	31,160,666	45,522,786	76,683,462	273,158,014	922,224	274,080,238
Profit after taxation for the three months period ended December 31, 2020	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	(1,376,073)	-	-	-	(1,376,073)	(2,909,782)	271,719	(2,638,064)	4,368,725	36,474	4,405,199
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	442,473	-	-	442,473	-	-	(442,473)	(4,040,603)	-	(4,040,603)
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	(57,595)	57,595	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	(42,550)	(42,550)
<b>Balance as at January 01, 2021</b>	12,845,332	36,224,747	8,000,000	521,338	57,591,417	28,250,884	45,736,918	73,987,802	273,486,134	916,148	274,402,282
Profit after taxation for the nine months period ended September 30, 2021	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	1,829,843	-	-	-	1,829,843	(2,739,351)	(27,361)	(2,766,712)	24,531,913	109,752	24,641,665
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	2,414,459	-	-	2,414,459	-	-	(2,414,459)	(1,315,685)	-	(1,315,685)
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	(180,239)	180,239	-	-	-
Cash dividend paid for the year ended December 31, 2020 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	(2,814)	(2,814)
<b>Balance as at September 30, 2021</b>	14,675,175	38,639,206	8,000,000	521,338	61,835,719	25,511,532	45,529,318	71,040,849	296,702,360	1,023,086	297,725,446

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

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Chairman

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Chief Financial Officer

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Director

**Ahsan Ali Chughtai**  
Director

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	September 30, 2021	September 30, 2020
Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	40,863,655	39,413,461
Less: dividend income	(2,773,390)	(1,281,163)
	<u>38,090,265</u>	<u>38,132,298</u>
Adjustments:		
Depreciation on fixed assets	1,890,295	1,976,282
Depreciation on right of use assets	1,532,654	1,520,625
Amortization	233,125	132,972
Provision and write-offs - net	12,074,333	23,226,260
Gain on sale of fixed assets	(21,065)	(6,308)
Financial charges on leased assets	100,216	33,169
Financial charges on right-of-use-assets	603,646	585,008
Unrealized gain on revaluation of investments classified as held-for-trading	71,929	24,911
Charge for defined benefit plans - net	5,551,176	5,549,228
Share of loss / (profit) from joint venture - net of tax	(125,608)	241,355
Share of loss / (profit) from associates - net of tax	(9,591)	(6,622)
	<u>21,901,110</u>	<u>33,276,881</u>
	59,991,375	71,409,179
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(141,156,915)	93,459,166
Held-for-trading securities	(32,818,347)	(16,990,790)
Advances	(47,380,825)	90,496,791
Other assets (excluding advance taxation)	(5,565,946)	22,158,016
	<u>(226,922,033)</u>	<u>189,123,183</u>
<b>Increase/ (decrease) in operating liabilities</b>		
Bills payable	3,958,444	21,614,068
Borrowings from financial institutions	612,795,336	(291,459,286)
Deposits	132,243,098	(23,001,220)
Other liabilities (excluding current taxation)	11,927,158	(44,497,393)
	<u>760,924,036</u>	<u>(337,343,831)</u>
Financial charges paid	(703,862)	(618,177)
Income tax paid / adjusted	(8,420,673)	(173,567)
Benefits paid	(1,240,225)	(1,331,960)
<b>Net cash flows generated from operating activities</b>	<u>583,628,618</u>	<u>(78,935,174)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(670,708,158)	(36,265,062)
Net investments in held-to-maturity securities	31,214,532	132,439,134
Dividends received	1,613,593	877,163
Investments in fixed assets	(2,285,823)	(1,684,097)
Proceeds from sale of fixed assets	62,780	64,868
Effect of translation of net investment in foreign branches	1,829,843	2,650,809
<b>Net cash flows (used in) / generated from investing activities</b>	<u>(638,273,233)</u>	<u>98,082,814</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations	(1,724,592)	(1,431,368)
Dividend paid	(2,613)	(1,085)
<b>Net cash flow used in financing activities</b>	<u>(1,727,205)</u>	<u>(1,432,453)</u>
<b>Increase in cash and cash equivalents</b>	<u>(56,371,821)</u>	<u>17,715,187</u>
Cash and cash equivalents at beginning of the period	<u>263,741,704</u>	<u>264,816,479</u>
Cash and cash equivalents at end of the period	<u>207,369,883</u>	<u>282,531,666</u>

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

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## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

### 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
- CJSC Subsidiary Bank of NBP in Tajikistan
- 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 1,514 (December 31, 2020: 1,514) branches in Pakistan and 19 (December 31, 2020: 21) overseas branches (including the Export Processing Zone branch, Karachi).

CJSC Subsidiary Bank of NBP in Kazakhstan, CJSC Subsidiary Bank of NBP in Tajikistan, 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 No. 5, dated March 22, 2019 and International Accounting Standard IAS 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these consolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2020.

### 3. Application of new and revised International Financial Reporting Standards (IFRSs)

#### 3.1 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, 2021. These are either considered to be not relevant or do not have any significant impact on these consolidated condensed interim financial statements.

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

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the implementation of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. Meanwhile, banks are required to submit IFRS 9 compatible pro forma financial statements for the year ending December 31, 2021 and perform parallel run of IFRS 9 on

quarterly basis. Further, the SBP will provide a timeline by December 2021 for absorption of "Expected Credit Loss" (ECL), for Capital Adequacy Ratio (CAR) purposes, after assessment / evaluation of pro forma financial statements. Currently, the Bank is in the process of assessing the impact of application of IFRS 9 on the Bank's financial statements on the basis of draft guidelines issued by the State Bank of Pakistan.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2022, 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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adapted for presentation of these consolidated condensed interim financial statements are same as those followed in presentation of the consolidated financial statements of the Group for the year ended December 31, 2020.

#### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial information is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2020.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		50,377,508	48,499,942
Foreign currencies		9,111,189	6,925,688
		<b>59,488,697</b>	<b>55,425,630</b>
With State Bank of Pakistan in			
Local currency current accounts	6.1	95,201,602	125,017,412
Foreign currency current accounts	6.2	11,135,680	10,209,399
Foreign currency deposit accounts	6.2	22,872,468	21,022,297
Foreign currency collection accounts		1,334,661	1,618,084
		<b>130,544,411</b>	<b>157,867,192</b>
With other central banks in			
Foreign currency current accounts	6.3	23,425,818	29,581,326
Foreign currency deposit accounts	6.3	3,561,364	4,789,170
		<b>26,987,182</b>	<b>34,370,496</b>
Prize bonds		3,605,581	2,306,248
		<b>220,625,871</b>	<b>249,969,566</b>

- 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 0.00% to 6.30% per annum (December 31, 2020: 0.00% to 3.50% per annum).

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		105,976	33,502
In deposit accounts	7.1	398,227	394,071
		<b>504,203</b>	427,573
Outside Pakistan			
In current accounts		10,910,153	8,708,983
In deposit accounts	7.2	6,155,963	5,878,810
		<b>17,066,116</b>	14,587,793
		<b>17,570,319</b>	15,015,366

- 7.1 These include various deposits with banks and carry interest at rates ranging from 2.0% to 7.0% per annum (December 31, 2020: 2.0% to 8.0% per annum).
- 7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 0.0% to 1.5% per annum (December 31, 2020: 0.0% to 2.5% per annum).

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	8.1	2,009,723	2,040,800
Repurchase agreement lendings (Reverse Repo)	8.2	265,922,790	124,763,875
Letters of placement	8.3	174,150	176,150
	8.4	<b>268,106,663</b>	126,980,825
Less: provision held against lendings to financial institutions	8.5	(174,150)	(176,150)
Lendings to financial institutions - net of provision		<b>267,932,513</b>	126,804,675

- 8.1 This includes zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2020: Rs. 40.8 million) which is guaranteed by the SBP.
- 8.2 These carry mark-up at rates ranging from 6.25% to 8.00% per annum (December 31, 2020: 6.00% to 7.29% per annum) with maturities ranging from October 01, 2021 to October 25, 2021.
- 8.3 These are overdue placements and full provision has been made against these placements as at September 30, 2021.

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

**8.4 Particulars of lending**

In local currency	<b>268,106,663</b>	126,980,825
	<b>268,106,663</b>	126,980,825

**8.5 Movement in provision held against lendings is as follows:**

Opening balance	176,150	176,150
Reversal for the period	(2,000)	-
Closing balance	<b>174,150</b>	176,150

**8.6 Securities held as collateral against lendings to financial institutions**

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	7,633,010	-	7,633,010	91,230,121	-	91,230,121
Pakistan Investment Bonds	258,289,780	-	258,289,780	33,533,754	-	33,533,754
Total	<b>265,922,790</b>	-	<b>265,922,790</b>	124,763,875	-	124,763,875

- 8.7.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 264,251 million (December 31, 2020: Rs. 125,094 million).

**8.7 Category of classification**

	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Loss	<b>174,150</b>	<b>174,150</b>	176,150	176,150

## 9. INVESTMENTS

### 9.1 Investments by type:

	September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
<b>Held-for-trading securities</b>								
Market Treasury Bills	122,895,390	-	(22,714)	122,872,676	96,157,306	-	3,529	96,160,835
Pakistan Investment Bonds	6,106,785	-	(33,487)	6,073,298	496,805	-	(1,455)	495,350
Ordinary shares of listed companies	146,780	-	-	146,780	157,217	-	-	157,217
Investment In mutual funds	459,105	-	(15,728)	443,377	282,361	-	8,482	290,843
Foreign Government Securities	1,327,331	-	-	1,327,331	1,105,840	-	-	1,105,840
	130,935,391	-	(71,929)	130,863,462	98,199,529	-	10,556	98,210,085
<b>Available-for-sale securities</b>								
Market Treasury Bills	1,181,351,105	-	(75,705)	1,181,275,400	529,397,138	-	690,817	530,087,955
Pakistan Investment Bonds	482,443,032	-	(1,211,162)	481,231,870	470,136,168	-	2,776,564	472,912,732
Ijarah Sukuks	8,046,494	-	48,771	8,095,265	6,000,000	-	15,600	6,015,600
Ordinary shares of listed companies	33,256,257	(5,863,753)	13,474,594	40,867,098	33,242,726	(5,568,236)	20,257,485	47,931,975
Ordinary shares of unlisted companies	1,886,982	(410,893)	-	1,476,089	1,865,982	(410,893)	-	1,455,089
Preference shares	1,712,813	(539,708)	99,303	1,272,408	1,445,308	(539,708)	194,250	1,099,850
Term Finance Certificates / Musharika								
Participation Term Certificate and Sukuk Bonds	55,764,996	(5,210,000)	895,419	51,450,415	60,250,294	(5,196,406)	856,659	55,910,547
GoP Foreign Currency Bonds	21,036,700	-	122,459	21,159,159	10,429,632	-	411,243	10,840,875
Foreign Government Securities	851,484	-	37,959	889,443	2,795,017	-	52,159	2,847,176
Foreign Currency Debt Securities	-	-	-	-	79,438	-	1,202	80,640
Investments in mutual funds	619,646	(41,167)	1,287,449	1,865,928	619,646	(41,167)	1,421,691	2,000,170
Ordinary shares of a bank outside Pakistan	463,293	-	24,959,487	25,422,781	463,295	-	17,189,483	17,652,778
	1,787,432,802	(12,065,521)	39,638,574	1,815,005,856	1,116,724,644	(11,756,410)	43,867,153	1,148,835,387
<b>Held-to-maturity securities</b>								
Pakistan Investment Bonds	132,948,928	-	-	132,948,928	168,676,415	-	-	168,676,415
Debentures, Bonds, Sukuks, Participation Term Certificates and Term Finance Certificates	415,931	(407,134)	-	8,797	414,972	(407,134)	-	7,838
Bai Muajjal with Government of Pakistan	12,469,562	-	-	12,469,562	11,641,133	-	-	11,641,133
GoP Foreign Currency Bonds	2,960,619	-	-	2,960,619	-	-	-	-
Foreign Government Securities	33,141,717	-	-	33,141,717	32,418,809	-	-	32,418,809
Foreign Currency Debt Securities	658	-	-	658	618	-	-	618
	181,937,415	(407,134)	-	181,530,281	213,151,947	(407,134)	-	212,744,813
<b>Associates</b>	1,264,246	(667,586)	-	596,660	1,259,067	(697,984)	-	561,083
<b>Joint Venture</b>	6,413,683	-	-	6,413,683	6,054,005	-	-	6,054,005
<b>Subsidiaries</b>	1,245	(1,245)	-	-	1,245	(1,245)	-	-
<b>Total Investments</b>	2,107,984,782	(13,141,489)	39,566,645	2,134,409,942	1,435,390,437	(12,862,773)	43,877,709	1,466,405,373

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

### 9.1.1 Investments given as collateral

Pakistan Investment Bonds	34,500,000	2,300,000
Market Treasury Bills	583,435,527	3,000,000
17.4	617,935,527	5,300,000

### 9.2 Provision for diminution in value of investments

9.2.1 Opening balance	12,862,773	12,895,866
Charge / reversals		
Charge for the period	1,052,750	1,258,140
Reversals for the period	(774,034)	(1,291,233)
	278,716	(33,093)
Closing Balance	13,141,489	12,862,773

### 9.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPI	Provision	NPI	Provision
Domestic ----- (Rupees in '000) -----				
Doubtful	-	-	119,133	59,567
Loss	5,625,899	5,617,134	5,552,738	5,543,973
	5,625,899	5,617,134	5,671,871	5,603,540

9.3 The market value of securities classified as held-to-maturity as at September 30, 2021 amounted to Rs. 171,977 million (December 31, 2020: Rs. 218,678 million).

## 10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	947,290,359	932,517,097	188,495,647	160,534,747	1,135,786,006	1,093,051,844
Islamic financing and related assets	37,895,142	37,546,863	602,837	602,913	38,497,979	38,149,776
Net Investment in finance lease	50,387	58,239	28,944	28,944	79,331	87,183
Bills discounted and purchased	20,797,035	18,998,127	12,945,291	10,646,008	33,742,326	29,644,135
Advances - gross	1,006,032,923	989,120,326	202,072,719	171,812,612	1,208,105,642	1,160,932,938
Provision against advances						
- Specific	-	-	178,928,369	154,587,769	178,928,369	154,587,769
- General	12,372,344	22,473,748	-	-	12,372,344	22,473,748
	12,372,344	22,473,748	178,928,369	154,587,769	191,300,713	177,061,517
Advances - net of provision	993,660,579	966,646,578	23,144,350	17,224,843	1,016,804,928	983,871,421

**10.1 Net Investment in Finance Lease**

	September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	----- (Rupees in '000) -----							
Lease rentals receivable	53,952	152	-	54,104	61,751	556	-	62,307
Residual value	49,434	185	-	49,619	48,804	815	-	49,619
Minimum lease payments	103,386	337	-	103,722	110,555	1,371	-	111,926
Financial charges for future periods	24,390	1	-	24,391	24,710	32	-	24,743
Present value of minimum lease payments	78,996	336	-	79,331	85,845	1,339	-	87,183

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, 2020: 10.19% to 17.30%) per annum.

**10.2 Particulars of advances (Gross)**

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
In local currency	1,095,065,274	1,071,981,593
In foreign currencies	113,040,368	88,951,345
	<u>1,208,105,642</u>	<u>1,160,932,938</u>

**10.3** Advances include Rs. 202,073 million (2020: Rs. 171,813 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned	4,553,111	104,346	1,626,950	45,392
Substandard	12,934,155	3,097,328	5,418,693	1,336,002
Doubtful	9,297,043	4,579,598	15,816,861	7,881,223
Loss	130,098,364	127,463,283	106,261,071	103,917,273
	<u>156,882,673</u>	<u>135,244,555</u>	129,123,575	113,179,889
<b>Overseas</b>				
Overdue by:				
Upto 90 days	-	-	11,666	9,183
91 to 180 days	-	-	-	-
181 to 365 days	281,945	140,973	-	-
> 365 days	44,908,101	43,542,841	42,677,371	41,398,697
	<u>45,190,046</u>	<u>43,683,814</u>	42,689,037	41,407,880
Total	<u>202,072,719</u>	<u>178,928,369</u>	171,812,612	154,587,769

#### 10.4 Particulars of provision against advances

Note	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	154,587,769	22,473,748	177,061,517	134,688,966	9,005,951	143,694,917
Exchange adjustments	2,710,274	19,774	2,730,048	1,462,567	15,535	1,478,102
Charge for the period / year	16,683,078	759,732	17,442,810	19,001,917	13,707,207	32,709,124
Reversals	(2,504,589)	(3,220,952)	(5,725,541)	(3,138,355)	(321,795)	(3,460,150)
	14,178,490	(2,461,220)	11,717,270	15,863,562	13,385,412	29,248,974
Amounts written off	(149,546)	-	(149,546)	(89,494)	-	(89,494)
Amounts charged off - agriculture financing	10.4.4 (58,576)	-	(58,576)	(193,807)	-	(193,807)
Transfer	7,659,958	(7,659,958)	-	-	-	-
Transfer from other assets	-	-	-	2,855,975	66,850	2,922,825
Closing balance	178,928,369	12,372,344	191,300,713	154,587,769	22,473,748	177,061,517

#### 10.4.1 Particulars of provision against advances

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	135,244,555	12,122,197	147,366,752	113,179,889	22,274,089	135,453,978
In foreign currencies	43,683,814	250,147	43,933,961	41,407,880	199,659	41,607,539
	178,928,369	12,372,344	191,300,713	154,587,769	22,473,748	177,061,517

**10.4.2** The Group maintains general reserve in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP

The Group has also maintained general provision of Rs. 6,521 million (December 31, 2020: Rs. 17,078 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, 2021.

**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.

**10.4.5** State Bank of Pakistan ('SBP'), vide its BPRD circular letter No. 13 of 2020, has provided regulatory relief to dampen the effects of Covid-19 and allowed banks to offer deferral of principal component of installments to its borrowers for one year, provided that the borrower will continue to service the mark-up amount as per agreed terms & conditions.

As at September 30, 2021, 77 (December 31, 2020: 77) corporate borrowers, having aggregate outstanding exposure of Rs. 131,360 million (December 31, 2020: 145,851), have availed regulatory relief extended by SBP amounted to Rs. 27,357 million (December 31, 2020: Rs. 27,357 million).

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	2,475,028	2,232,001
Property and equipment		52,989,338	52,854,808
		<u>55,464,366</u>	<u>55,086,809</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		2,241,459	2,040,456
Equipment		10,825	10,825
Advances to suppliers and contractors		59,879	59,000
Software implementation in progress		162,865	121,720
		<u>2,475,028</u>	<u>2,232,001</u>
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		----- (Rupees in '000) -----	
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Capital work-in-progress</b>		444,941	107,974
<b>Property and equipment</b>			
Building on freehold land		-	3,622
Building on leasehold land		30,813	60,802
Furniture and fixture		491,401	686,127
Computer and peripheral equipment		392,449	139,171
Electrical, office equipment		287,927	442,825
Vehicles		775,176	196,192
Assets held under finance lease - Vehicles		20,428	55,741
		<u>1,998,194</u>	<u>1,584,478</u>
Total		<u>2,443,135</u>	<u>1,692,452</u>
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Building on leasehold land		-	40
Furniture and fixture		4,336	17,396
Computer and peripheral equipment		77	4,618
Electrical, office equipment		1,020	3,322
Vehicles		28,101	26,465
Assets held under finance lease - Vehicle		7,816	6,651
Assets held under Ijarah - Machinery		20	4
Assets held under Ijarah - Vehicle		344	8
Total		<u>41,714</u>	<u>58,505</u>

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

**12. INTANGIBLE ASSETS**

Computer Software	295,767	457,558
Goodwill on NBP Fund Acquisition	562,553	562,553
Others	-	2,032
	<b>858,320</b>	<b>1,022,143</b>

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

**12.1 Additions to intangible assets**

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

Directly purchased	<b>63,643</b>	<b>116,089</b>
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(Un-audited)                      (Audited)  
 September 30,                      December 31,  
 2021                                      2020  
 ----- (Rupees in '000) -----

**13. RIGHT-OF-USE ASSETS**

The recognised right-of-use assets relate to the following types of assets:

Balance as at January 01	7,017,020	7,447,414
Additions during the period / year	1,904,850	1,622,504
Derecognition during the period / year	(46,575)	-
Depreciation charged for the period / year	(1,532,654)	(2,052,898)
<b>Balance as at</b>	<b>7,342,641</b>	<b>7,017,020</b>

**14. DEFERRED TAX ASSETS / (LIABILITIES)**

**Deductible temporary differences on**

- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	4,389,837	4,188,201
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	10,067,592	9,084,601
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,024,305	1,123,974
- Right of use assets	433,023	-
- Other provisions	105,416	105,416
- Others	-	3,058
	<b>16,382,851</b>	<b>14,867,928</b>

**Taxable temporary differences on**

- Surplus on revaluation of fixed assets	(2,299,767)	(2,396,819)
- Surplus on revaluation of investments	(13,865,518)	(15,346,840)
- Surplus on revaluation of non-banking assets	(44,713)	(44,713)
- Excess of accounting book value of leased assets over lease liabilities	(383)	(12,680)
	<b>(16,210,381)</b>	<b>(17,801,052)</b>
	<b>172,470</b>	<b>(2,933,124)</b>

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
<b>15. OTHER ASSETS</b>		
Income / return / mark-up accrued in local currency	34,652,258	39,649,974
Income / return / mark-up accrued in foreign currency	3,007,939	2,353,317
Advances, deposits, advance rent and other prepayments	5,140,582	3,069,977
Income tax refunds receivable & advance taxation (payments less provisions) 15.1	15,070,859	27,392,273
Compensation for delayed tax refunds	18,849,000	17,556,551
Non-banking assets acquired in satisfaction of claims	1,244,237	1,255,834
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Unrealized gain on forward foreign exchange contracts	6,447,805	-
Commission receivable on Government treasury transactions	10,467,077	4,612,174
Stationery and stamps on hand	473,413	499,511
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	817,760	128,290
Receivable from Pakistan Stock Exchange	41,605	128,743
Receivable from mutual funds	950,573	892,552
Acceptances	15,528,345	15,741,754
Others	6,906,338	6,760,465
	<b>120,743,619</b>	<b>121,187,243</b>
Less: Provision held against other assets 15.2	<b>11,806,843</b>	<b>11,882,119</b>
Other assets (net of provision)	<b>108,936,776</b>	<b>109,305,124</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<b>2,712,495</b>	<b>2,712,495</b>
Other assets - total	<b>111,649,271</b>	<b>112,017,619</b>

15.1 During the period Rs. 3,987 million were adjusted against Income tax refunds on account of advance tax liability.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
<b>15.2 Provision held against other assets</b>		
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	4,131,447	4,092,280
Ex-MBL / NDFC - other assets	770,398	770,398
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
Others	4,672,071	4,786,515
	<b>11,806,843</b>	<b>11,882,119</b>

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
<b>15.1.1 Movement in provision held against other assets</b>		
Opening balance	11,882,119	10,853,588
Charge for the year / period	37,766	1,511,502
Transfer (out) / in	-	(484,393)
Adjustment against provision	(113,042)	1,422
Closing balance	<u>11,806,843</u>	<u>11,882,119</u>
<b>16. BILLS PAYABLE</b>		
In Pakistan	20,637,449	16,718,064
Outside Pakistan	116,181	77,122
	<u>20,753,630</u>	<u>16,795,186</u>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	5,734,770	2,451,874
Under Export Refinance Scheme (New Scheme)	22,580,991	28,686,149
Financing Scheme for Renewable Energy	779,611	481,261
Refinance Facility for Modernization of SMEs	-	177,976
Financing Facility for storage of Agriculture Produce (FFSAP)	591,354	256,184
Under Long-Term Financing Facility (LTFF)	20,185,027	16,380,117
Refinance Scheme for Payment of Wages and Salaries	1,437,369	1,167,527
Temporary Economic Refinance Facility	6,559,249	537,912
Refinance Facility for Combating Covid-19	51,206	61,448
	<u>57,919,577</u>	<u>50,200,448</u>
Repurchase agreement borrowings	617,935,527	5,266,007
Bai Muajjal	72,195,209	79,788,522
	<u>748,050,313</u>	<u>135,254,977</u>
<b>Unsecured</b>		
Call borrowings	27,068,235	2,047,588
Overdrawn nostro accounts	5,767,795	1,236,440
	<u>32,836,030</u>	<u>3,284,028</u>
	<u>780,886,343</u>	<u>138,539,005</u>
<b>17.1 Particulars of borrowings with respect to currencies</b>		
In local currency	753,818,108	136,491,430
In foreign currencies	27,068,235	2,047,575
	<u>780,886,343</u>	<u>138,539,005</u>
<b>17.2 Mark-up / interest rates and other terms are as follows:</b>		
- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up 3.00% (December 31, 2020: 3.00%).		
- Repurchase agreement borrowings carry mark-up ranging from 7.10% to 7.40% per annum (December 31, 2020: 7.00% to 7.05% per annum) having maturity on ranging from October 1, 2021 to October 25, 2021.		

- Call borrowings carry interest ranging from 0% to 3.0% per annum (December 31, 2020: 0% to 2.00% 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 5-10 years and 3 months respectively, are pledged as security under borrowing having carrying amount of Rs. 617,936 million (December 31, 2020: Rs. 5,300 million).

## 18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
<b>Customers</b>						
Current deposits - remunerative	500,895,747	-	500,895,747	405,738,851	-	405,738,851
Current deposits - non-remunerative	449,313,574	134,085,050	583,398,624	433,284,063	116,597,781	549,881,844
Savings deposits	673,398,379	77,274,736	750,673,115	637,694,450	66,235,665	703,930,115
Term deposits	300,218,185	80,543,397	380,761,582	276,454,916	81,153,488	357,608,404
Others	8,904,404	4,404	8,908,808	4,683,735	316,040	4,999,775
	1,932,730,289	291,907,587	2,224,637,876	1,757,856,015	264,302,974	2,022,158,989
<b>Financial Institutions</b>						
Current deposits	295,437,657	1,379,101	296,816,758	360,373,331	654,758	361,028,089
Savings deposits	16,495,845	-	16,495,845	4,253,051	3,246,855	7,499,906
Term deposits	6,982,726	5,557,244	12,539,970	12,392,089	8,739,494	21,131,583
Others	679,253	1,865	681,118	7,109,902	-	7,109,902
	319,595,481	6,938,210	326,533,691	384,128,373	12,641,107	396,769,480
	2,252,325,770	298,845,797	2,551,171,567	2,141,984,388	276,944,081	2,418,928,469

18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 77,355 million (December 31, 2020: Rs. 73,145 million).

## 19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	September 30, 2021 (Un-audited)			December 31, 2020 (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	67,778	6,952	60,826	83,677	10,197	73,480
Later than one year and upto five years	100,013	3,537	96,476	129,092	5,348	123,744
	167,791	10,489	157,302	212,769	15,545	197,224

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% to 12M KIBOR + 2.00% per annum (December 31, 2020: 6M KIBOR + 1.75% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
<b>20. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS</b>		
Lease liabilities included in the statement of financial position	<b>8,548,697</b>	7,869,355
Of which are:		
Current lease liability	<b>1,619,822</b>	1,517,181
Non-current lease liability	<b>6,928,875</b>	6,352,174
	<b>8,548,697</b>	7,869,355
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Less than one year	<b>2,342,163</b>	2,473,379
One to five years	<b>6,586,084</b>	6,130,245
More than five years	<b>6,320,874</b>	5,843,702
Total undiscounted lease liabilities	<b>15,249,121</b>	14,447,326
<b>21. OTHER LIABILITIES</b>		
Mark-up / Return / Interest payable in local currency	<b>28,916,203</b>	37,808,884
Mark-up / Return / Interest payable in foreign currencies	<b>460,136</b>	844,452
Unearned commission and income on bills discounted	<b>788,442</b>	1,593,730
Accrued expenses	<b>17,068,053</b>	18,315,863
Advance payments	<b>404,200</b>	398,682
Acceptances	<b>15,528,345</b>	15,741,754
Unclaimed dividends	<b>182,903</b>	185,516
Unrealized loss on forward foreign exchange contracts	-	2,918,017
Unrealized loss on put option	<b>306,339</b>	306,339
Branch adjustment account	<b>493,272</b>	917,487
Employee benefits:		
Pension fund	<b>16,419,950</b>	15,704,077
Post retirement medical benefits	<b>23,706,223</b>	22,282,747
Benevolent scheme	<b>1,944,579</b>	2,054,218
Gratuity scheme	<b>3,370,117</b>	2,956,827
Compensated absences	<b>9,775,996</b>	9,251,755
Staff welfare fund	<b>371,257</b>	371,257
Liabilities relating to Barter trade agreements	<b>2,267,128</b>	2,142,033
Provision against off-balance sheet obligations	<b>627,494</b>	627,494
Provision against contingencies	<b>4,365,700</b>	4,180,071
Payable to brokers	<b>62,234</b>	65,137
Payable to customers	<b>321,553</b>	301,585
PIBs short selling	<b>29,137,274</b>	3,237,676
Others	<b>17,070,258</b>	15,339,746
	<b>173,587,656</b>	157,545,347
<b>21.1 Litigation related to management trainee program</b>		

This has been explained in note 26.3.3.3 to the consolidated financial statement for the year ended December 31, 2020. Subsequently, the Bank has entered into out of court settlements with many Non-MTO employees ('petitioners') and accordingly compromise agreements ('the agreement'), offering waiver of loans, increase in basic salaries and provision of other allowances, were signed with those petitioners who have withdrawn their cases against the Bank. Such out of court settlements were undertaken with the vast majority of the non petitioners in addition to the petitioners. The Bank is now in the process of complying with court orders of the various High Courts where the cases have attained finality and is undertaking payments to the petitioners (who did not avail the out of court settlement) as per the court orders. The management expects that the issue of Non MTOs will be resolved to a large extent, by the end of 2021.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>22. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	39,638,574	43,867,153
- Fixed Assets		45,116,591	45,421,244
- Non-banking assets		2,757,207	2,757,207
- On securities of associates and joint venture		(261,524)	(269,430)
		<u>87,250,847</u>	<u>91,776,174</u>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		(13,865,518)	(15,346,840)
- Fixed Assets		(2,299,767)	(2,396,819)
- Non-banking assets		(44,713)	(44,713)
		<u>(16,209,998)</u>	<u>(17,788,372)</u>
		<u>71,040,849</u>	<u>73,987,802</u>
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	243,194,955	206,831,672
Commitments	23.2	2,045,120,333	1,417,860,011
Other contingent liabilities	23.3	35,073,187	34,820,672
		<u>2,323,388,474</u>	<u>1,659,512,355</u>
<b>23.1 Guarantees:</b>			
Financial guarantees		192,788,436	137,366,954
Performance guarantees		50,406,519	69,464,718
		<u>243,194,955</u>	<u>206,831,672</u>
<b>23.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,400,909,944	970,274,317
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	548,059,169	419,327,735
- forward government securities transactions	23.2.2	95,295,017	27,625,340
Commitments for acquisition of:			
- operating fixed assets		856,203	632,619
		<u>2,045,120,333</u>	<u>1,417,860,011</u>
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		342,313,584	272,245,550
Sale		205,745,585	147,082,185
		<u>548,059,169</u>	<u>419,327,735</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) September 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----	

### 23.2.2 Commitments in respect of forward government securities transactions

Purchase	18,702,062	496,331
Sale	76,592,955	27,129,009
	<u>95,295,017</u>	<u>27,625,340</u>

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

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

### 23.3 Other contingent liabilities

#### 23.3.1 Claim against the Group not acknowledged as debt

<u>35,073,187</u>	<u>34,820,672</u>
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Claims against the Bank not acknowledged as debts including claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2020: Rs. 1,597 million).

#### 23.3.2 Taxation

As at September 30, 2021, the status of tax contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2020 is same, other than the following significant developments and additions:

- a) Taxation officer has passed assessment order for tax year 2020 on May 31, 2021. The Bank has filed appeal before CIR(A) which is fixed for hearing on October 26, 2021. Stay has been granted against tax demand arising out of the assessment order. The Bank has not made any provision in respect of the additional tax liability of Rs. 4.29 billion arising out of the impugned order and the amount is instead shown as contingency, as the management based on tax consultants advice, is of the view that the issues are likely to be decided in Bank's favour.

Taxation officer has passed assessment order for tax year 2019 on August 26, 2021. The Bank has filed appeal before CIR(A) which is fixed for hearing on October 26, 2021. Stay has been granted against tax demand arising out of the assessment order. The Bank has not made any provision in respect of the additional tax liability of Rs. 2.46 billion arising out of the impugned order and the amount is instead shown as contingency, as the management based on tax consultants advice is of the view that the issues are likely to be decided in Bank's favour.

- b) PRA through their Order in the appeal Ref: 90/2019 dated 6th February, 2021 re-initiated the proceeding and passed an Order bearing No. NBP/2016/IV/2021 dated 08-01-2021 u/s 52 of the Punjab Sales Tax on Services Act, 2012 (the Act) wherein the demand was reduced to Rs. 330,942,466/- along with penalty amounting to Rs. 16,547,124/- under section 48 and default surcharge (to be calculated at the time of payment) under section 49 of the Act was raised. Against this Order, the Bank has filed an Appeal before the Commissioner (Appeals), PRA on various legal and factual grounds, including alleged levy of Punjab Sales Taxes on Consolidated Pan Pakistan figure. The Bank's tax advisor is confident that the ultimate outcome is expected to be in the Bank's favour.
- c) The Additional Commissioner, PRA has passed an Order bearing No. NBP/WH/2017-2018/ADC-IV/2021 dated 22-01-2021 u/s 52 of the Act regarding Non withholding of Punjab Sales Tax on Services of certain expenses confronted for the Tax Periods from January-2017 to December-2018 wherein the demand of Rs. 1,263,372,788/- along with penalty

amounting to Rs. 1,263,372,788/- under section 48 and default surcharge (to be calculated at the time of payment) under section 49 of the Act was raised. Against this Order, the Bank has filed an Appeal before the Commissioner (Appeals), PRA on various legal and factual grounds, including alleged levy of Punjab Sales Taxes on Consolidated Pan Pakistan figure. The Bank's tax advisor is confident that the ultimate outcome is expected to be in the Bank's favour.

- d) The Additional Commissioner, PRA has passed an order bearing No. NBP/WH/INSURANCE/ADC-IV/2021 dated 08-01-2021 creating the Punjab sales tax liability on the non-withholding of Punjab Sales Tax on the insurance services received by the Bank for the tax periods January 2016-December 2016 and January 2017-December 2017 amounting to Rs. 254,734,973/- and Rs. 281,774,950/- respectively. The rectification application has been submitted under section 79 of the Punjab Sales Tax on Services Act, 2012 for the apparent mistake of facts amounting to Rs. 198,113,458/- and Rs. 231,089,190/- respectively. The net exposure after rectification would result in Rs. 56,621,515/- and Rs. 50,685,760/- respectively. The Bank is contesting the aforesaid order passed by Additional Commissioner, before the Commissioner (Appeals), PRA wherein apart from other Grounds, the main plea has been raised that Punjab Sales Tax should not be pressed from the Bank when the applicable Sindh Sales Tax on the insurance services has duly been paid in to Sindh Government Treasury and any claim of Punjab Sales Tax on the same transaction can only be recouped from Sindh Revenue Board as inter-provincial adjustment. Based on the legal and factual position, the Bank's tax advisor is confident that the ultimate outcome of the proceeding will be decided in the Bank's favor.
- e) The Additional Commissioner, PRA passed an Order bearing No. NBP/2012-2016/IV/2021 dated 27-01-2021 u/s 52 of the Act regarding Non withholding of Punjab Sales Tax on Services of certain registered vendors for the Tax Periods from January-2012 to December-2016 wherein the demand of Rs. 20,520,783/- along with penalty amounting to Rs. 20,520,783/- under section 48 and default surcharge (to be calculated at the time of payment) under section 49 of the Act was raised. Against this Order, the Bank filed an Appeal before the Commissioner (Appeals), PRA wherein apart from the time limitation matter pertaining to tax periods from January-2012 to June-2015, certain factual aspect including non-applicability of withholding sales tax on Punjab is being contested. The ultimate outcome is expected to be in the Bank's favour.

### 23.3.3 Contingencies in respect of employees benefits and related matters

As at September 30, 2021, the status of contingencies disclosed in the annual consolidated financial statements for the year ended December 31, 2020 is same, other than the following significant developments:

#### 23.3.3.1 Pensionary benefits to retired employees

This has been explained in note 26.3.3.1 to the consolidated financial statements of the year ended December 31, 2020. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended September 30, 2021 amounted to Rs. 74.6 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for year 2021 onward will also increase by Rs. 7.8 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.

#### 23.3.3.2 Regularizing the temporary hires / workers deployed by Service provider companies under outsourcing arrangements

The current status of these contingencies is same as disclosed in the annual consolidated financial statements of the Group for the year ended December 31, 2020.

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

In 2016, the Bank and its New York branch entered into a written agreement with the Federal Reserve Bank of New York and New York State Department of Financial Services (US regulators). This agreement, as well as observations from subsequent Reports of Examination by US regulators, requires the Bank to address certain compliance and risk management matters relating to anti-money laundering and the US Bank Secrecy Act requirements. The requirements also required enhancement and implementation of requisite systems and controls, as well as the allocation of adequate resources to ensure full compliance with such requirements. The Bank continues to undertake necessary remedial actions to address the regulatory weaknesses highlighted in the 2016 Agreement and in subsequent examinations. However, the Bank remains vulnerable until it completes the required remedial actions and the same are endorsed by the US Regulators.

		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		(Rupees in '000)	
<b>24. MARK-UP / RETURN / INTEREST EARNED</b>	Note		
Loans and advances		63,363,392	78,012,117
Investments		100,312,371	124,953,955
On securities purchased under resale agreements		1,931,028	1,975,718
Balances with other banks		1,014,141	1,264,125
		<u>166,620,932</u>	<u>206,205,915</u>
<b>25. MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits		61,664,878	82,322,547
Borrowings		5,210,215	6,090,877
Cost of foreign currency swaps against foreign currency deposits		6,154,076	6,454,405
Finance charge on lease liability against right of use assets		603,646	585,008
Securities sold under repurchase agreements		20,487,419	30,718,314
		<u>94,120,234</u>	<u>126,171,151</u>
<b>26. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		1,215,975	1,354,149
Consumer finance related fees		633,082	496,207
Card related fees		1,311,090	774,605
Credit related fees		139,805	132,162
Investment banking fees		650,559	539,997
Commission on trade		1,504,644	1,451,176
Commission on guarantees		299,972	331,113
Commission on cash management		47,968	6,689
Commission on remittances including home remittances		1,090,874	858,066
Commission on bancassurance		222,671	190,917
Commission on government transactions		5,537,317	6,626,429
Management fee and sale load		946,994	744,774
Brokerage income		100,267	84,646
Others		63,007	116,909
		<u>13,764,225</u>	<u>13,707,840</u>
<b>27. GAIN ON SECURITIES - NET</b>			
Realised	27.1	5,519,605	6,968,967
Unrealized - held-for-trading	9.1	(71,929)	(24,911)
		<u>5,447,676</u>	<u>6,944,056</u>
<b>27.1 Realised gain on:</b>			
Federal Government Securities		465,768	5,258,905
Shares and mutual funds		4,917,489	1,031,382
Ijarah Sukuks		10,809	8
Foreign Securities		125,539	678,672
		<u>5,519,605</u>	<u>6,968,967</u>
<b>28. OTHER INCOME</b>			
Rent on property		42,302	18,581
Gain on sale of fixed assets - net		21,065	6,308
Compensation for delayed tax refunds	28.1	1,292,449	3,097,448
Remittances expense reimbursed by SBP		-	112,861
Others		52,503	55,923
		<u>1,408,319</u>	<u>3,291,120</u>

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

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	(Rupees in '000)	
<b>29. OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	<b>31,883,031</b>	<b>30,203,100</b>
<b>Property expense</b>		
Rent and taxes	736,675	366,844
Insurance	25,593	33,297
Utilities cost	1,051,927	868,371
Security (including guards)	2,033,720	1,944,375
Repair and maintenance (including janitorial charges)	621,870	718,854
Depreciation	367,436	333,779
Depreciation on non banking assets	11,597	11,838
Depreciation on Ijarah assets	49,730	67,393
Depreciation on right of use assets	1,532,654	1,520,625
	<b>6,431,203</b>	<b>5,865,376</b>
<b>Information technology expenses</b>		
Software maintenance	880,258	805,677
Hardware maintenance	24,382	11,891
Depreciation	231,044	219,839
Amortization	233,125	132,972
Network charges	404,851	362,919
IT Manage Services	186,857	187,228
	<b>1,960,516</b>	<b>1,720,526</b>
<b>Other operating expenses</b>		
Directors' fees and reimbursement of other expenses	16,799	27,839
Directors' fees and allowances - subsidiaries	9,695	6,990
Fees and allowances to Shariah Board	8,634	6,974
Legal and professional charges	727,587	940,237
Outsourced services costs	456,961	598,230
Travelling and conveyance	469,706	370,069
NIFT clearing charges	123,711	118,074
Depreciation	1,230,488	1,343,433
Training and development	27,301	46,806
Postage and courier charges	168,683	157,519
Communication	252,117	240,655
Stationery and printing	1,058,679	941,138
Marketing, advertisement and publicity	98,209	120,673
Donations	-	100
Contributions for other Corporate and Social Responsibility	6,216	85,447
Auditors' Remuneration	130,271	140,505
Fixed assets deficit	18,645	-
Financial charges on leased assets	100,216	33,169
Insurance	282,440	354,263
Entertainment	178,264	165,098
Clearing, verification, license fee charges	249,851	174,186
Vehicle Expenses	142,686	105,073
Repairs and maintenance	475,926	408,707
Brokerage	86,591	78,876
Deposit premium expense	1,178,330	1,030,977
Others	294,489	351,058
	<b>7,792,495</b>	<b>7,846,095</b>
	<b>48,067,245</b>	<b>45,635,096</b>
<b>30. OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan	34,044	297,404
Penalties imposed by other regulatory bodies (Central bank of international branches)	359	85
Penalties imposed by other regulatory bodies (Regulators of subsidiaries)	511	1,203
	<b>34,914</b>	<b>298,692</b>

		(Un-audited) Nine months ended September 30, 2021	(Un-audited) Nine months ended September 30, 2020
		----- (Rupees in '000) -----	
<b>31. PROVISIONS &amp; WRITE OFFS - NET</b>	<b>Note</b>		
Provisions for diminution in value of investments	9.2	278,716	363,029
Provisions against loans and advances	10.4	11,717,270	21,780,261
Provision against other assets		78,347	1,082,969
		<u>12,074,333</u>	<u>23,226,260</u>
<b>32. TAXATION</b>			
Current		17,637,810	20,235,017
Deferred		(1,415,820)	(7,002,277)
		<u>16,221,990</u>	<u>13,232,740</u>
		(Un-audited) Nine months ended September 30, 2021	(Un-audited) Nine months ended September 30, 2020
<b>33. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit for the period (Rupees in 000's)		<u>24,531,913</u>	<u>26,121,029</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>11.53</u>	<u>12.28</u>
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		----- (Rupees in '000) -----	
<b>34. CASH AND CASH EQUIVALENT</b>			
Cash and balances with treasury banks		220,625,871	272,011,923
Balances with other banks		17,570,319	15,197,248
Call money lendings		2,009,723	140,800
Call money borrowings		(27,068,235)	(2,538,424)
Overdrawn nostro		(5,767,795)	(2,279,881)
		<u>207,369,883</u>	<u>282,531,666</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:

	September 30, 2021 (Un-audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
	(Rupees in '000)				
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
Market Treasury Bills	1,304,148,076	-	1,304,148,076	-	1,304,148,076
Pakistan Investment Bonds	487,305,168	-	487,305,168	-	487,305,168
Ijarah Sukuks	8,095,265	-	8,095,265	-	8,095,265
Ordinary shares of listed companies	41,013,878	41,013,878	-	-	41,013,878
Investment In mutual funds	2,309,305	-	2,309,305	-	2,309,305
Preference shares	1,272,408	1,272,408	-	-	1,272,408
Term Finance Certificates / Musharika and Sukuk Bonds	51,450,415	5,058,199	46,392,216	-	51,450,415
GoP Foreign Currency Bonds	21,159,159	-	21,159,159	-	21,159,159
Foreign Government Securities	2,216,774	-	2,216,774	-	2,216,774
Ordinary shares of a bank outside Pakistan	25,422,781	25,422,781	-	-	25,422,781
	<u>1,944,393,229</u>	<u>72,767,266</u>	<u>1,871,625,963</u>	<u>-</u>	<u>1,944,393,229</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Pakistan Investment Bonds	132,948,928	-	131,630,975	-	131,630,975
GoP Foreign Currency Bonds	2,960,619	-	2,971,235	-	2,971,235
Foreign Government Securities	33,141,717	-	37,512,387	-	37,512,387
Foreign Currency Debt Securities	658	-	657	-	657
Associates	596,660	356,136	240,524	-	596,660
	<u>169,648,582</u>	<u>356,136</u>	<u>172,355,778</u>	<u>-</u>	<u>172,711,914</u>
	<u>2,114,041,811</u>	<u>73,123,402</u>	<u>2,043,981,741</u>	<u>-</u>	<u>2,117,105,143</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase and sale	548,059,169	-	6,447,805	-	6,447,805
Forward government securities transactions	95,295,017	-	(378,633)	-	(378,633)

December 31, 2020 (Audited)					
Carrying Value	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
Market Treasury Bills	626,248,790	-	626,248,790	-	626,248,790
Pakistan Investment Bonds	473,408,082	-	473,408,082	-	473,408,082
Ijarah Sukuks	6,015,600	-	6,015,600	-	6,015,600
Ordinary shares of listed companies	48,089,192	48,089,192	-	-	48,089,192
Investments in mutual funds	2,291,013	-	2,291,013	-	2,291,013
Preference shares	1,099,850	1,099,850	-	-	1,099,850
Term Finance Certificates / Musharika and Sukuk Bonds	55,910,547	4,280,000	51,630,547	-	55,910,547
GoP Foreign Currency Bonds	10,840,875	-	10,840,875	-	10,840,875
Foreign Government Securities	3,953,016	-	3,953,016	-	3,953,016
Foreign Currency Debt Securities	80,640	-	80,640	-	80,640
Ordinary shares of a bank outside Pakistan	17,652,778	17,652,778	-	-	17,652,778
	<u>1,245,590,383</u>	<u>71,121,820</u>	<u>1,174,468,563</u>	<u>-</u>	<u>1,245,590,383</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Pakistan Investment Bonds	168,676,415	-	171,760,622	-	171,760,622
Foreign Government Securities	32,418,809	-	37,154,346	-	37,154,346
Foreign Currency Debt Securities	618	-	618	-	618
Associates	561,083	181,676	379,408	-	561,083
	<u>201,656,925</u>	<u>181,676</u>	<u>209,294,994</u>	<u>-</u>	<u>209,476,669</u>
	<u>1,447,247,308</u>	<u>71,303,496</u>	<u>1,383,763,557</u>	<u>-</u>	<u>1,455,067,052</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase and sale	419,327,735	-	(2,918,017)	-	(2,918,017)
Forward government securities transactions	27,625,340	-	52,885	-	52,885

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

<b>Item</b>	<b>Valuation approach and input used</b>
Market Treasury Bills	PKRV (MUFAP)
Pakistan Investment Bonds	PKRV (MUFAP)
Ijarah Sukuks	MUFAP
Ordinary shares of unlisted companies	Breakup value as per latest available audited financial statements
Mutual Funds	MUFAP
Term Finance Certificates / Musharika and Sukuk Bonds	MUFAP
GoP Foreign Currency Bonds	Reuter page
Foreign Government Securities	Reuter page
Foreign Currency Debt Securities	Reuter page

**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:

	<b>September 30, 2021 (Un-audited)</b>				
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees in '000) -----				
Land & building (property and equipment)	<b>48,454,969</b>	-	-	<b>48,454,969</b>	<b>48,454,969</b>
Non-banking assets acquired in satisfaction of claims	<b>3,956,732</b>	-	-	<b>3,956,732</b>	<b>3,956,732</b>
	<b>52,411,701</b>	-	-	<b>52,411,701</b>	<b>52,411,701</b>

	<b>December 31, 2020 (Audited)</b>				
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees in '000) -----				
Land & building (property and equipment)	48,770,485	-	-	48,770,485	48,770,485
Non-banking assets acquired in satisfaction of claims	3,968,329	-	-	3,968,329	3,968,329
	52,738,814	-	-	52,738,814	52,738,814

36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Nine months period ended September 30, 2021 (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
<b>Profit and loss account</b>									
Net mark-up / return / interest income / (expense)	(40,188,310)	11,903,351	19,821,237	75,279,819	2,566,617	3,117,986	72,500,698	-	72,500,698
Inter segment revenue - net	77,547,204	(9,993,223)	(16,656,498)	(62,383,691)	-	11,486,208	-	-	-
Non mark-up / return / interest income	9,527,628	266,941	3,133,191	11,577,359	945,767	3,088,562	28,539,449	-	28,539,449
Total Income	46,886,522	2,177,069	6,297,930	24,473,487	3,512,384	17,692,756	101,040,147	-	101,040,147
Segment direct expenses	22,703,844	2,137,794	828,956	330,963	4,189,823	3,456,633	33,648,013	-	33,648,013
Inter segment expense allocation	-	-	-	-	-	14,454,146	14,454,146	-	14,454,146
Total expenses	22,703,844	2,137,794	828,956	330,963	4,189,823	17,910,779	48,102,159	-	48,102,159
Provisions and write offs - net	702,188	1,294,089	9,763,024	295,517	21,955	(2,440)	12,074,333	-	12,074,333
Profit / (loss) before taxation	23,480,490	(1,254,814)	(4,294,050)	23,847,007	(699,394)	(215,583)	40,863,655	-	40,863,655

September 30, 2021 (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
<b>Statement of financial position</b>									
Cash and balances with treasury and other banks	66,162,253	5,671,396	266,632	114,465,990	42,133,147	9,496,772	238,196,190	-	238,196,190
Investments	-	-	25,698,744	1,997,390,511	58,151,596	53,169,091	2,134,409,942	-	2,134,409,942
Net inter segment lending	1,893,063,451	-	-	-	-	264,265,626	2,157,329,075	(2,157,329,075)	-
Lendings to financial institutions	-	-	-	267,932,513	-	-	267,932,513	-	267,932,513
Advances - performing	183,010,406	175,292,765	540,897,575	-	64,490,158	42,342,019	1,006,032,923	-	1,006,032,923
- non-performing	4,777,609	22,402,901	64,416,263	-	44,923,654	65,552,292	202,072,719	-	202,072,719
Provision against advances	(9,014,885)	(17,851,136)	(56,076,635)	-	(43,667,569)	(64,690,491)	(191,300,713)	-	(191,300,713)
Advances - Net	178,773,130	179,844,530	549,237,203	-	65,746,244	43,203,820	1,016,804,928	-	1,016,804,928
Others	31,964,948	2,764,438	21,946,014	6,892,107	5,415,335	106,504,238	175,487,068	-	175,487,068
Total Assets	2,169,963,781	188,280,364	597,148,593	2,386,681,121	171,446,321	476,639,549	5,990,159,717	(2,157,329,075)	3,832,830,641
Borrowings	-	3,294,408	54,625,171	695,898,529	27,068,235	-	780,886,343	-	780,886,343
Deposits and other accounts	2,133,101,658	-	262,280,731	-	77,355,032	78,434,147	2,551,171,567	-	2,551,171,567
Net inter segment borrowing	-	181,895,260	259,217,617	1,638,331,838	64,518,075	13,366,285	2,157,329,075	(2,157,329,075)	-
Others	36,862,123	3,090,695	20,748,759	11,004,984	2,364,660	128,976,064	203,047,285	-	203,047,285
Total liabilities	2,169,963,781	188,280,364	596,872,278	2,345,235,351	171,306,002	220,776,495	5,692,434,270	(2,157,329,075)	3,535,105,195
Equity	-	-	276,315	41,445,770	140,319	255,863,054	297,725,446	-	297,725,446
Total equity and liabilities	2,169,963,781	188,280,364	597,148,593	2,386,681,121	171,446,321	476,639,549	5,990,159,717	(2,157,329,075)	3,832,830,641
Contingencies and commitments	-	28,541,799	1,607,912,161	627,455,300	23,549,825	35,929,369	2,323,388,474	-	2,323,388,474

Nine months period ended September 30, 2020 (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
	(68,529,869)	14,215,985	39,469,109	88,981,491	2,050,516	3,847,582	80,034,764	-	80,034,764
	107,069,275	(12,269,582)	(34,697,413)	(64,047,478)	-	3,945,178	-	-	-
	9,338,986	817,406	2,071,443	10,344,723	1,618,315	4,347,871	28,538,745	-	28,538,745
	47,878,392	2,763,779	6,843,139	35,278,736	3,668,830	12,140,630	108,573,509	-	108,573,509
	20,397,588	1,669,220	619,277	264,335	4,171,262	2,989,216	30,110,898	-	30,110,898
	20,397,588	1,669,220	619,277	264,335	4,171,262	15,822,890	15,822,890	-	15,822,890
	397,221	6,049,232	16,179,725	113,869	(369,305)	18,812,106	45,933,788	-	45,933,788
	27,083,583	(4,954,673)	(9,955,862)	34,900,531	(133,126)	(7,526,994)	39,413,461	-	39,413,461

**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, 2020 (Audited)

	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
	148,446,514	9,809,667	281,210	49,710,033	47,960,766	8,776,741	264,984,932	-	264,984,932
	-	-	31,393,587	1,340,556,530	46,098,046	48,357,210	1,466,405,373	-	1,466,405,373
	1,716,041,623	-	-	126,802,025	-	192,585,019	1,908,626,642	(1,908,626,642)	126,804,675
	232,021,162	128,340,996	538,861,528	-	43,633,881	46,262,759	989,120,326	-	989,120,326
	4,007,870	22,497,098	47,548,441	-	42,345,094	55,414,108	171,812,612	-	171,812,612
	(8,383,514)	(19,538,451)	(52,114,538)	-	(41,266,079)	(65,758,937)	(177,061,517)	-	(177,061,517)
	227,645,519	131,299,642	534,295,432	-	44,712,896	45,917,930	983,871,421	-	983,871,421
	24,462,197	1,626,569	22,588,501	366,297	3,972,925	122,127,117	175,143,591	-	175,143,591
	2,116,595,853	142,735,878	588,558,730	1,517,434,885	142,744,633	417,766,667	4,925,836,633	(1,908,626,642)	3,017,209,992

December 31, 2020 (Audited)

	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
	-	3,511,852	46,688,596	86,290,983	2,047,575	-	138,539,005	-	138,539,005
	2,068,891,897	-	200,011,969	-	73,225,543	76,799,062	2,418,928,469	-	2,418,928,469
	47,703,958	136,108,192	323,788,034	1,375,268,749	63,868,561	9,593,146	1,908,626,642	(1,908,626,642)	185,340,236
	2,116,595,854	142,735,878	588,346,040	1,473,947,685	142,280,030	187,528,868	4,651,434,352	(1,908,626,642)	2,742,807,710
	2,116,595,853	142,735,878	588,558,730	1,517,434,885	142,744,633	417,766,667	4,925,836,633	(1,908,626,642)	3,017,209,992

**Contingencies and commitments**

	557,277,573	-	1,046,103,666	-	20,577,429	35,553,685	1,659,512,355	-	1,659,512,355
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**Statement of financial position**

Cash and balances with treasury and other banks  
 Investments  
 Net inter segment lending  
 Advances - performing  
 - 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**

**RELATED PARTY TRANSACTIONS**

The Group 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 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:

	September 30, 2021 (Un-audited)					December 31, 2020 (Audited)													
	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A) A/c	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A) A/c	Provident Fund	Other related parties	
<b>Balances with other banks</b>																			
In current accounts	-	-	190,670	-	-	-	-	-	-	-	-	-	2,951	-	-	-	-	-	-
	-	-	190,670	-	-	-	-	-	-	-	-	-	2,951	-	-	-	-	-	-
<b>Advances</b>																			
Opening balance	-	233,267	2,981,029	-	-	-	-	-	305,117	-	-	-	-	-	-	-	-	-	23,386,325
Addition during the period / year	-	262,170	-	-	-	-	-	-	37,208,563	-	-	-	-	-	-	-	-	-	115,624,347
Repaid during the period / year	-	(28,264)	(31,250)	-	-	-	-	-	(87,072,594)	-	-	-	-	-	-	-	-	-	(115,673,668)
Transfer in / (out) - net*	-	(118,335)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,232,487)
Closing balance	-	348,838	2,949,779	-	-	-	-	-	441,086	-	-	-	-	-	-	-	-	-	305,117
	-	348,838	2,949,779	-	-	-	-	-	441,086	-	-	-	-	-	-	-	-	-	305,117
<b>Provisions against loans</b>																			
	-	-	2,837,287	-	-	-	-	-	-	-	-	-	2,837,287	-	-	-	-	-	-
	-	-	2,837,287	-	-	-	-	-	-	-	-	-	2,837,287	-	-	-	-	-	-
<b>Other Assets</b>																			
Interest / mark-up accrued	-	-	1,719,572	-	-	-	-	-	-	-	-	-	1,720,157	-	-	-	-	-	-
	-	-	1,719,572	-	-	-	-	-	-	-	-	-	1,720,157	-	-	-	-	-	-
<b>Borrowings</b>																			
Opening balance	-	-	-	9,111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	86,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	95,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	95,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>																			
Opening balance	1,320	177,226	-	-	58,871	-	1,369,644	13,282,016	227,967	3,835	94,715	-	-	73	-	1,235,120	13,208,883	40,416,883	
Received during the period / year	7,822	522,626	-	-	22,276,706	-	3,061,978	1,093,937	144,177,450	9,872	713,917	-	-	47,037,988	-	3,054,537	1,941,908	708,700	
Withdrawn during the period / year	(7,593)	(539,466)	-	-	(2,380,577)	-	(3,940,917)	(1,266,069)	(30,361,926)	(11,228)	(620,373)	-	-	(46,379,185)	-	(2,930,003)	(1,565,775)	(630,032)	
Transfer in / (out) - net*	58	(57,625)	-	-	-	-	-	-	4,190,165	41	(10,823)	-	-	-	-	-	-	-	(40,266,174)
Closing balance	1,397	102,461	-	-	5,000	-	790,705	13,064,504	17,793,657	1,320	177,236	-	-	58,871	-	1,369,644	13,282,016	227,967	
	1,397	102,461	-	-	5,000	-	790,705	13,064,504	17,793,657	1,320	177,236	-	-	58,871	-	1,369,644	13,282,016	227,967	
<b>Contingencies and commitments</b>																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

	September 30, 2021 (Un-audited)					September 30, 2020 (Un-audited)						
	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others
<b>Income</b>												
Mark-up / return / interest earned	-	8,019	5	-	-	8,776	-	13,894	9	-	-	15,212
Rent income / lighting and power and bank charges	-	3,831	-	-	-	-	-	3,479	-	-	-	14,585
<b>Expense</b>												
Mark-up / return / interest paid	-	-	18	55,888	1,064,969	1,614,408	-	-	300	108,346	865,880	3,141
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	20,668	-	-	-	-	-	10,712
Remuneration to key management executives including charge for defined benefit plan	505,341	-	-	-	-	-	375,861	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	1,565	-	-	-	-	-	1,565

(Rupees in '000)

### 37.1 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 service to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 5,537 million (September 30, 2020: Rs. 6,626 million) for the nine months period ended September 30, 2021. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 383,308 million (December 31, 2020: Rs. 337,572 million) Rs. 1,098,461 million (December 31, 2020: Rs. 932,317 million) and Rs. 1,366,718 million (December 31, 2020: Rs. 948,335 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 15,403 million (September 30, 2020: Rs. 28,810 million) and Rs. 44,615 million (September 30, 2020: Rs. 54,252 million) respectively.

(Un-audited)                      (Audited)  
 September 30,                      December 31,  
 2021                                      2020  
 ----- (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

#### Capital Adequacy Ratio

Eligible Common Equity Tier 1 Capital

201,606,042                      176,735,007  
 Eligible Additional Tier 1 Capital                      -                      -

Total Eligible Tier 1 Capital

201,606,042                      176,735,007

Eligible Tier 2 Capital

66,641,967                      56,705,915

Total Eligible Capital (Tier 1 + Tier 2)

268,248,009                      233,440,922

Risk Weighted Assets

Credit Risk

902,797,473                      862,944,817

Market Risk

77,499,359                      88,080,262

Operational Risk

210,140,934                      210,140,934

Total

1,190,437,766                      1,161,166,013

Common Equity Tier 1 Capital Adequacy ratio

16.94%                      15.22%

Tier 1 Capital Adequacy Ratio

16.94%                      15.22%

Total Capital Adequacy Ratio

22.53%                      20.10%

#### Leverage Ratio

Tier-1 Capital

201,606,042                      176,735,007

Total Exposures

5,543,755,751                      4,249,194,554

Leverage Ratio

3.64%                      4.16%

#### Liquidity Coverage Ratio

Total High Quality Liquid Assets

1,448,735,799                      1,200,257,790

Total Net Cash Outflow

852,416,215                      666,722,922

Liquidity Coverage Ratio

170%                      180%

#### Net Stable Funding Ratio

Total Available Stable Funding

2,435,931,245                      2,309,310,465

Total Required Stable Funding

903,355,909                      901,126,786

Net Stable Funding Ratio

270%                      256%

**39. ISLAMIC BANKING BUSINESS**

The bank is operating 189 (December 31, 2020: 191) Islamic banking branches and no Islamic banking windows at the nine months period ended September 30, 2021.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		7,330,799	5,713,009
Balances with other banks		12,199	11,948
Investments	39.1	46,255,454	42,109,641
Islamic financing and related assets - net	39.2	37,770,691	37,546,704
Fixed assets		111,663	148,884
Right of use assets		660,120	755,116
Other assets		2,645,859	2,676,118
<b>Total Assets</b>		<b>94,786,785</b>	<b>88,961,420</b>
<b>LIABILITIES</b>			
Bills payable		589,251	339,103
Deposits and other accounts	39.3	78,428,921	75,268,262
Due to Head Office		7,599,736	4,124,758
Lease liability against right of use assets		835,643	903,196
Other liabilities		1,072,172	2,198,144
		<b>88,525,723</b>	<b>82,833,463</b>
<b>NET ASSETS</b>		<b>6,261,062</b>	<b>6,127,957</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		4,646,000	3,360,000
Surplus on revaluation of assets		667,875	659,569
Unappropriated / unremitted profit	39.4	947,187	2,108,388
		<b>6,261,062</b>	<b>6,127,957</b>

The profit and loss account of the Bank's Islamic banking branches for the nine months period ended September 30, 2021 is as follows:

		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Note	(Rupees in '000)	
Profit / return earned	39.5	5,095,381	6,180,566
Profit / return expensed	39.6	2,197,726	2,748,247
Net Profit / return		<u>2,897,655</u>	<u>3,432,319</u>
<b>Other income</b>			
Fee and commission income		160,965	265,220
Foreign exchange income		42,976	49,943
Other income		756	796
Total other income		<u>204,697</u>	<u>315,959</u>
Total Income		<u>3,102,352</u>	<u>3,748,278</u>
<b>Other expenses</b>			
Operating expenses		2,029,591	1,724,149
Other charges		1,358	2,053
		<u>2,030,949</u>	<u>1,726,202</u>
Profit before provisions		<u>1,071,403</u>	<u>2,022,076</u>
Provisions charge / (reversal) and write offs - net		<u>124,216</u>	<u>399,583</u>
Profit before taxation		<u>947,187</u>	<u>1,622,493</u>
Taxation		-	-
Profit after taxation		<u>947,187</u>	<u>1,622,493</u>

		September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
		Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>39.1</b>	<b>Investments by segments:</b>	(Rupees in '000)							
<b>Federal Government Securities:</b>									
	-Ijarah Sukuks	8,001,043		48,771	8,049,814	6,000,000		15,600	6,015,600
	-Others (Bai Muajjal with GOP @ 13.30%)	12,469,562	-	-	12,469,562	11,641,133		-	11,641,133
		<u>20,470,605</u>	-	<u>48,771</u>	<u>20,519,376</u>	<u>17,641,133</u>		<u>15,600</u>	<u>17,656,733</u>
<b>Non Government Debt Securities</b>									
	-Listed	8,300,000	-	295,676	8,595,676	8,400,000		311,740	8,711,740
	-Unlisted	16,947,781	(130,807)	323,428	17,140,402	15,539,747	(130,807)	332,228	15,741,168
		<u>25,247,781</u>	<u>(130,807)</u>	<u>619,104</u>	<u>25,736,078</u>	<u>23,939,747</u>	<u>(130,807)</u>	<u>643,968</u>	<u>24,452,908</u>
	<b>Total Investments</b>	<u>45,718,386</u>	<u>(130,807)</u>	<u>667,875</u>	<u>46,255,454</u>	<u>41,580,880</u>	<u>(130,807)</u>	<u>659,568</u>	<u>42,109,641</u>

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
<b>39.2 Islamic financing and related assets - net</b>		
Ijarah	118,807	168,788
Murabaha	1,963,901	3,464,401
Diminishing Musharaka	20,599,770	17,614,309
Istisna	-	50,000
Other Islamic Modes (Wakala tul Istismar, Tijarat)	8,898,000	8,500,000
Advances against Islamic assets (Murabaha, DM, Istisna)	3,788,501	8,076,678
Inventory related to Islamic financing (Istisna)	3,129,000	275,600
Gross Islamic financing and related assets	38,497,979	38,149,776
Less: provision against Islamic financings		
- Specific	(727,208)	(602,913)
- General	(80)	(159)
	(727,288)	(603,072)
Islamic financing and related assets - net of provision	<u>37,770,691</u>	<u>37,546,704</u>
<b>39.3 Deposits</b>		
<b>Customers</b>		
Current deposits	19,038,591	26,474,979
Savings deposits	42,289,748	33,051,442
Term deposits	8,296,441	10,129,005
	<u>69,624,780</u>	<u>69,655,426</u>
<b>Financial Institutions</b>		
Current deposits	427,143	778,039
Savings deposits	8,165,270	3,633,797
Term deposits	211,728	1,201,000
	<u>8,804,141</u>	<u>5,612,836</u>
	<u>78,428,921</u>	<u>75,268,262</u>
<b>39.4 Unappropriated / unremitted profit</b>		
Opening Balance	2,108,388	2,039,140
Add: Islamic banking profit for the period	947,187	2,108,388
Less: Transferred / remitted to head office	(2,108,388)	(2,039,140)
Closing balance	<u>947,187</u>	<u>2,108,388</u>

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

**39.5 Profit / return earned**

Profit earned on:

Financing	2,185,339	3,136,237
Investments	1,979,045	2,075,074
Placements	295	23,470
Others (Bai Muajjal)	930,702	945,785
	<b>5,095,381</b>	<b>6,180,566</b>

**39.6 Profit / return expensed**

Deposits and other accounts	1,812,678	2,339,136
Finance charge on right of use assets	61,945	69,081
Others (General Account)	323,103	340,030
	<b>2,197,726</b>	<b>2,748,247</b>

**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 October 27, 2021 by the Board of Directors of the Bank.

**Zubyr Soomro**  
Chairman

**Arif Usmani**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Farid Malik**  
Director

**Ahsan Ali Chughtai**  
Director

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