



**ALBARAKA BANK (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	31 March 2021	31 December 2020
Note	----- (Rupees in '000) ----- (Un-Audited)	----- (Audited)
<b>ASSETS</b>		
Cash and balances with treasury banks	6 13,433,249	15,773,612
Balances with other banks	7 3,016,120	10,177,095
Due from financial institutions	8 3,100,000	2,748,221
Investments	9 59,771,854	57,117,232
Islamic financing and related assets-net	10 99,418,405	90,279,044
Fixed assets	11 4,288,519	4,396,282
Intangible assets	12 1,326,613	1,329,654
Deferred tax assets	13 2,491,217	2,640,784
Other assets	14 10,044,584	8,351,698
	<b>196,890,561</b>	<b>192,813,622</b>
<b>LIABILITIES</b>		
Bills payable	15 4,078,125	3,696,482
Due to financial institutions	16 13,135,089	5,722,336
Deposits and other accounts	17 154,685,266	159,363,727
Subordinated debt	18 3,032,087	3,174,945
Deferred tax liabilities	-	-
Other liabilities	19 8,622,559	7,826,680
	<b>183,553,126</b>	<b>179,784,170</b>
<b>NET ASSETS</b>		
	<b>13,337,435</b>	<b>13,029,452</b>
<b>REPRESENTED BY</b>		
Share capital-net	14,500,490	14,500,490
Reserves	406,861	332,231
Surplus on revaluation of assets	20 658,340	723,509
Accumulated loss	(2,228,256)	(2,526,778)
	<b>13,337,435</b>	<b>13,029,452</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	21	

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Chairman (Acting)

  
 Director


  
 Director

**ALBARAKA BANK (PAKISTAN) LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2021**


	Note	Quarter ended	
		31 March 2021	31 March 2020
----- (Rupees in '000) -----			
Profit / return earned on Islamic financing and related assets, investments and placements	22	3,155,252	4,050,422
Return on deposits and other dues expensed	23	(1,553,435)	(2,775,517)
<b>Net spread earned</b>		<u>1,601,817</u>	<u>1,274,905</u>
<b>Other income</b>			
Fee and commission income	24	256,431	187,725
Dividend income		5,196	3,800
Foreign exchange income		163,686	328,246
Gain on securities	25	134,230	136,541
Other income	26	4,996	27,006
<b>Total other income</b>		<u>564,539</u>	<u>683,318</u>
<b>Total income</b>		<u>2,166,356</u>	<u>1,958,223</u>
<b>Other expenses</b>			
Operating expenses	27	(1,357,007)	(1,366,266)
Workers' Welfare Fund		(12,613)	(7,594)
Other charges	28	-	(19,341)
<b>Total other expenses</b>		<u>(1,369,620)</u>	<u>(1,393,201)</u>
<b>Profit before provisions</b>		<u>796,736</u>	<u>565,022</u>
Provisions and write offs - net	29	(178,705)	(192,935)
Extra ordinary / unusual items		-	-
<b>Profit before taxation</b>		<u>618,031</u>	<u>372,087</u>
Taxation	30	(244,879)	(148,834)
<b>Profit after taxation</b>		<u>373,152</u>	<u>223,253</u>
		----- Rupee -----	
<b>Basic / diluted earnings per share</b>	31	<u>0.27</u>	<u>0.16</u>

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Chairman (Acting)

  
 Director

  
 Director

**ALBARAKA BANK (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2021**

	Quarter ended	
	31 March 2021	31 March 2020
	---- (Rupees in '000) ----	
Profit after taxation for the period	373,152	223,253
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(65,169)	(297,796)
<b>Total comprehensive loss</b>	<b>307,983</b>	<b>(74,543)</b>

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

 _____ Chief Executive Officer	 _____ Chief Financial Officer	 _____ Chairman (Acting)	 _____ Director	 _____ Director
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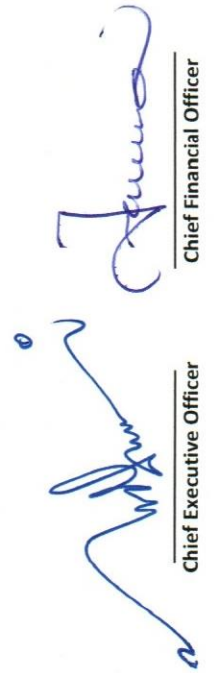


**ALBARAKA BANK (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2021**

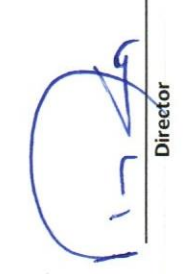
	Surplus / (Deficit) on revaluation of						Total	
	Share capital	Capital support fund	Discount on issue of shares	Statutory reserve*	Investments	Non Banking Assets		Accumulated loss
	(Rupees in '000)							
<b>Balance as at 31 December 2019</b>	13,739,628	1,393,628	(632,766)	179,384	945,179	241,315	(3,134,804)	12,731,564
Profit after taxation for the period	-	-	-	-	-	-	223,253	223,253
Other comprehensive loss - net of tax	-	-	-	-	(297,796)	-	-	(297,796)
Transfer to statutory reserve	-	-	-	44,651	-	-	(44,651)	-
<b>Balance as at 31 March 2020</b>	13,739,628	1,393,628	(632,766)	224,035	647,383	241,315	(2,956,202)	12,657,021
Profit after taxation for the period	-	-	-	-	-	-	540,980	540,980
Other comprehensive income - net of tax	-	-	-	-	(226,489)	67,943	(10,003)	(168,549)
Transfer to statutory reserve	-	-	-	108,196	-	-	(108,196)	-
Transfer of surplus on revaluation of asset on disposal of non banking asset	-	-	-	-	-	(6,643)	6,643	-
<b>Balance as at 31 December 2020</b>	13,739,628	1,393,628	(632,766)	332,231	420,894	302,615	(2,526,778)	13,029,452
Profit after taxation for the period	-	-	-	-	-	-	373,152	373,152
Other comprehensive loss - net of tax	-	-	-	-	(65,169)	-	-	(65,169)
Transfer to statutory reserve	-	-	-	74,630	-	-	(74,630)	-
<b>Balance as at 31 March 2021</b>	<b>13,739,628</b>	<b>1,393,628</b>	<b>(632,766)</b>	<b>406,861</b>	<b>355,725</b>	<b>302,615</b>	<b>(2,228,256)</b>	<b>13,337,435</b>

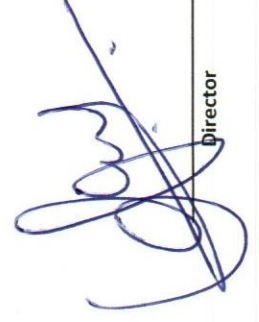
The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

\*The statutory reserve represents profit set aside as required under the Prudential Regulation for Bank as issued by the State Bank of Pakistan

  
 \_\_\_\_\_  
 Chief Executive Officer

  
 \_\_\_\_\_  
 Chairman (Acting)

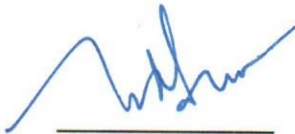
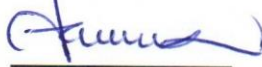


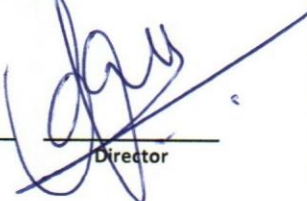
  
 \_\_\_\_\_  
 Director

  
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 Director

**ALBARAKA BANK (PAKISTAN) LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2021**

	Note	Quarter ended	
		31 March 2021	31 March 2020
---- (Rupees in '000) ----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		618,031	372,087
Less: Dividend income		(5,196)	(3,800)
		<u>612,835</u>	<u>368,287</u>
Adjustments:			
Depreciation on fixed assets	27	48,627	44,334
Depreciation on right-of-use assets	27	154,251	165,746
Amortization	27	36,777	46,270
Depreciation - non banking assets	27	7,971	6,417
Provision and write-offs - net	29	178,705	192,935
Gain on sale of fixed assets - net	26	(3,657)	(25,957)
Finance charges on lease liability against right-of-use assets	23	39,426	57,696
Unrealized loss on revaluation of investments classified as held for trading	25	4,781	7,548
Workers' Welfare Fund		12,613	7,594
		<u>479,494</u>	<u>502,583</u>
		<u>1,092,329</u>	<u>870,870</u>
<b>(Increase) / decrease in operating assets</b>			
Due from financial institutions		(351,779)	(13,132,611)
Held-for-trading securities - net		475,812	(349)
Islamic financing and related assets - net		(9,339,631)	(908,598)
Others assets (excluding advance taxation)		(1,709,696)	191,080
		<u>(10,925,294)</u>	<u>(13,850,478)</u>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		381,643	444,093
Due to financial institutions		7,412,753	(67,184)
Deposits and other accounts		(4,678,461)	3,192,753
Other liabilities		842,622	(74,597)
		<u>3,958,557</u>	<u>3,495,065</u>
Income tax paid		(53,901)	(65,490)
Net cash used in operating activities		<u>(5,928,309)</u>	<u>(9,550,033)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		(3,203,450)	322,311
Dividends received		7,246	400
Investments in fixed assets		(139,810)	(76,166)
Proceeds from sale of fixed assets		4,627	32,406
Net cash flow from / (used in) investing activities		<u>(3,331,387)</u>	<u>278,951</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Tier II mudaraba sukuk - first issue		(142,858)	(142,858)
Payment of lease liability against right-of-use assets		(98,784)	(135,973)
Net cash used in financing activities		<u>(241,642)</u>	<u>(278,831)</u>
<b>Decrease in cash and cash equivalents</b>			
		<u>(9,501,338)</u>	<u>(9,549,913)</u>
Cash and cash equivalents at beginning of the period		<u>25,950,707</u>	<u>29,170,487</u>
Cash and cash equivalents at end of the period		<u>16,449,369</u>	<u>19,620,574</u>

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

 _____ Chief Executive Officer	 _____ Chief Financial Officer	 _____ Chairman (Acting)	 _____ Director	 _____ Director
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**ALBARAKA BANK (PAKISTAN) LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2021**

**1. STATUS AND NATURE OF BUSINESS**

1.1 AlBaraka Bank (Pakistan) Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company. The Bank was granted an Islamic Banking License BL(I)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) on 18 January 2007. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007. Upon merger of the Pakistan branches of AlBaraka Islamic Bank B.S.C. (c) with and into the Bank, fresh license no. BL(i)-01(2011) was issued by SBP on 12 March 2011, effective from close of business on 29 October 2010. The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah.

The Bank is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) {parent bank} incorporated and domiciled in Bahrain and a member of AlBaraka Banking Group.

1.2 During the year 2016, the shareholders of the Bank in their extra ordinary general meeting held on 22 August 2016 have approved the merger of the Bank with Burj Bank Limited under a "Scheme of Amalgamation" (the Scheme). Further, SBP through its letter no. BPRD (R&P-02)/2016/24373 dated 14 October 2016, has also approved the scheme of amalgamation and granted sanction order for the amalgamation of Ex Burj Bank Limited with and into the Bank. As of the effective date of amalgamation, the entire undertaking of Ex Burj Bank Limited including all the properties, assets and liabilities and all the rights and obligations shall, without any further act, action or deed and notwithstanding the terms of any contract or other document or any rule of law, stands amalgamated with and vest in the Bank and as a consequence, Ex Burj Bank Limited stands amalgamated with and into the Bank.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank has 178 branches including 6 sub-branches (31 December 2020: 188 branches including 8 sub-branches) in Pakistan.

1.3 Based on the financial statements of the Bank for the year ended 31 December 2019, VIS credit rating company limited has maintained the long-term rating at 'A+' and short-term rating at 'A1'. Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long-term rating at 'A' and short term rating at 'A1'.

1.4 As at 31 March 2021, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.12.27 billion and 12.71% respectively.

**2. BASIS OF PRESENTATION**

These financial statements have been prepared in conformity with the format of financial statements prescribed by the SBP vide BSD Circular No. 05 dated 22 March 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting".

**2.1 STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are 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 Exchange Commission of Pakistan (SECP).

Whenever 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 IFRS or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

2.1.2 These condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended 31 December 2020.



### 3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year.

The Bank has adopted the following standards and amendments to IFRSs which became effective for the current year:

#### Standard or Interpretation

- IFRS 3 - Definition of a business (Amendments)
- IAS 1/ IAS 8 - Definition of Material (Amendments)
- International Accounting Standard Board (IASB) revised Conceptual Framework
- IFRS 16 - Rent concessions on leased assets on account of Covid-19
- IFRS 14 - Regulatory Deferral Accounts

The adoption of the above Standards / amendments and improvements to accounting standards did not have any effect on the Bank's condensed interim financial statements.

### 3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after 01 January 2021:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 16 - Interest Rate Benchmark Reform Phase 2 (Amendments)	01 January 2021
- IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2021
- IFRS 3 - Revised Conceptual Framework (Amendments)	01 January 2022
- IAS 16 – Property, Plant and Equipments: proceeds before intended use	01 January 2022
- IAS 37 - Onerous Contracts: cost of fulfilling a contract	01 January 2022
- IAS 1 - Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023

The above amendments are not likely to have an impact on Bank's condensed interim financial statements except for IFRS 9 Financial Instruments. In addition to above Standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after 01 January 2021 but are considered not to be relevant to the Bank's operations and therefore, are not detailed in these financial statements.

The Bank has complied with the requirement of BPRD Circular Letter No. 15 of 2020 regarding quarterly parallel run of IFRS 9 from 01 July 2020. The Bank has calculated the impact of adoption of IFRS 9 on the financial statement of the Bank on the date of initial application, which will be finalized post issuance of IFRS 9 guidelines from SBP. The Bank awaits further instructions and guidelines from SBP for applicability of some aspect of IFRS 9.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	Effective date (annual periods beginning on or after)
- IFRS 1 – First time adoption of IFRSs	01 January 2004
- IFRS 17 – Insurance Contracts	01 January 2023

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

## 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2020.

		31 March 2021	31 December 2020
	Note	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		2,924,008	3,278,211
Foreign currencies		708,255	1,572,873
		3,632,263	4,851,084
With State Bank of Pakistan in			
Local currency current account	6.1	7,409,799	8,054,209
Foreign currency current account	6.1	4,880	7,452
Foreign currency deposit account	6.1	1,336,693	1,350,659
		8,751,372	9,412,320
With National Bank of Pakistan in			
Local currency current account		1,049,606	1,510,200
Local currency deposit account		8	8
		1,049,614	1,510,208
		13,433,249	15,773,612

6.1 These include local and foreign currency amount required to be maintained by the Bank with SBP. These accounts are non-remunerative in nature.

		31 March 2021	31 December 2020
	Note	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
<b>7. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current account		29,386	57,105
In deposit account	7.1	1,018,048	695,286
		1,047,434	752,391
<b>Outside Pakistan</b>			
In current account		1,484,384	5,829,554
In deposit account	7.1	484,302	3,595,150
		1,968,686	9,424,704
		3,016,120	10,177,095

7.1 The expected return on remunerative deposits ranges from 0.08% to 6.70% (31 December 2020: 0.08% to 6.6%) per annum.

		31 March 2021	31 December 2020
	Note	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
<b>8. DUE FROM FINANCIAL INSTITUTIONS</b>			
<b>Bai Muajjal receivable</b>			
- from Scheduled banks		-	2,748,221
<b>Call money lendings</b>	8.1	3,100,000	-
		3,100,000	2,748,221
<b>8.1 Particulars of due from financial institution</b>			
In local currency		3,100,000	2,748,221
In foreign currency		-	-
		3,100,000	2,748,221

8.2 The expected return on these placements ranges from 6.90% to 7.75% (31 December 2020: Nil) per annum. These will mature by April 2021.



9. INVESTMENTS

Note	31 March 2021 (Un-Audited)				31 December 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>9.1 Investments by type</b>									
<b>Held-for-trading securities</b>									
Shares	9.2	74,852	-	(14,017)	60,835	14,992	-	(9,557)	5,435
Federal Government Securities	9.2	-	-	-	-	535,672	-	320	535,992
<b>Available-for-sale securities</b>									
Federal Government securities		51,132,652	-	405,561	51,538,213	47,554,778	-	424,280	47,979,058
Shares		1,025,992	(489,193)	107,383	644,182	967,571	(521,217)	184,697	631,051
Non Government debt securities	9.2	987,930	(111,455)	8,151	884,626	1,322,105	(111,455)	10,886	1,221,536
Foreign securities	9.2	1,986,449	-	26,174	2,012,623	2,085,119	-	27,666	2,112,785
		55,133,023	(600,648)	547,269	55,079,644	51,929,573	(632,672)	647,529	51,944,430
<b>Held-to-maturity securities</b>									
Federal Government securities	9.2	4,631,375	-	-	4,631,375	4,631,375	-	-	4,631,375
<b>Total investments</b>		59,839,250	(600,648)	533,252	59,771,854	57,111,612	(632,672)	638,292	57,117,232

Note	31 March 2021 (Un-Audited)				31 December 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>9.2 Investments by segments</b>									
<b>Federal Government Securities:</b>									
Ijarah sukuk		28,237,499	-	(85,778)	28,151,721	25,974,598	-	(170,364)	25,804,234
Bai muajjal		4,631,375	-	-	4,631,375	4,631,375	-	-	4,631,375
Other sukuk		22,895,153	-	491,339	23,386,492	22,115,852	-	594,964	22,710,816
		55,764,027	-	405,561	56,169,588	52,721,825	-	424,600	53,146,425
<b>Shares:</b>									
Listed companies		1,013,373	(463,040)	93,366	643,699	925,733	(495,063)	175,140	605,810
Unlisted companies		87,471	(26,153)	-	61,318	56,830	(26,154)	-	30,676
		1,100,844	(489,193)	93,366	705,017	982,563	(521,217)	175,140	636,486
<b>Non Government Debt Securities</b>									
Unlisted		987,930	(111,455)	8,151	884,626	1,322,105	(111,455)	10,886	1,221,536
<b>Foreign Securities</b>									
Government securities		458,790	-	15,363	474,153	480,083	-	14,359	494,442
Non Government debt securities		1,527,659	-	10,811	1,538,470	1,605,036	-	13,307	1,618,343
		1,986,449	-	26,174	2,012,623	2,085,119	-	27,666	2,112,785
<b>Total investments</b>		59,839,250	(600,648)	533,252	59,771,854	57,111,612	(632,672)	638,292	57,117,232

9.3 Provision for diminution in value of investments

9.3.1 Opening balance

Charge / reversals

Charge for the quarter / year

Reversal on disposals

Closing balance

	31 March 2021	31 December 2020
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
	(Un-Audited)	(Audited)
	632,672	675,529
	2,415	118,475
	(34,439)	(161,332)
	(32,024)	(42,857)
	600,648	632,672

	31 March 2021		31 December 2020	
	Non-performing investment	Provision	Non-performing investment	Provision
	----- (Rupees in '000) -----			
	(Un-Audited)		(Audited)	
<b>9.3.2 Particulars of provision against debt securities</b>				
<b>Category of classification</b>				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	111,455	(111,455)	111,455	(111,455)
	<b>111,455</b>	<b>(111,455)</b>	<b>111,455</b>	<b>(111,455)</b>

**10. ISLAMIC FINANCING AND RELATED ASSETS**

	Performing		Non Performing		Total	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Note	----- (Rupees in '000) -----					
- Murabaha financing	1,991,585	3,362,130	2,772,855	2,782,161	4,764,440	6,144,291
- Advance against murabaha financing	137,195	164,741	206,997	203,337	344,192	368,078
- Murabaha inventory	5,002	-	-	-	5,002	-
- Export refinance under Islamic scheme	247,000	247,000	87,505	87,505	334,505	334,505
- Advance against export refinance under Islamic scheme	4,542,199	4,470,566	-	-	4,542,199	4,470,566
- Diminishing musharaka and Ijarah financing	45,335,798	41,606,252	2,350,137	2,267,830	47,685,935	43,874,082
- Advance against diminishing musharaka finance	2,696,974	1,350,224	-	-	2,696,974	1,350,224
- Running musharaka	13,430,713	11,930,644	-	-	13,430,713	11,930,644
- Tijarah finance	1,557,362	1,759,385	-	-	1,557,362	1,759,385
- Over due acceptances	30,533	38,400	504,413	505,913	534,946	544,313
- Payment against guarantee	3,776	15,081	51,595	40,291	55,371	55,372
- Payment against documents	759,902	429,669	-	-	759,902	429,669
- Advance against salam	9,832,187	6,630,662	2,408,734	2,302,703	12,240,921	8,933,365
- Salam inventory	2,673	193	-	-	2,673	193
- Financing against bills	116,627	8,391	13,735	13,735	130,362	22,126
- Istasna finance	-	-	576,271	576,271	576,271	576,271
- Advance against istasna	16,164,346	15,557,217	684,549	698,106	16,848,895	16,255,323
- Istasna inventory	68,373	179,536	-	13,256	68,373	192,792
- Qarz-e-Hasna	55,862	93,268	60,100	20,900	115,962	114,168
Islamic financing and related assets - gross	<b>96,978,107</b>	<b>87,843,359</b>	<b>9,716,891</b>	<b>9,512,008</b>	<b>106,694,998</b>	<b>97,355,367</b>
Provisions for non-performing financing						
- Specific	10.3	-	(6,665,808)	(6,557,682)	(6,665,808)	(6,557,682)
- General	10.3	(610,785)	-	-	(610,785)	(518,641)
		(610,785)	(6,665,808)	(6,557,682)	(7,276,593)	(7,076,323)
Islamic financing and related assets - net of provisions		<b>96,367,322</b>	<b>3,051,083</b>	<b>2,954,326</b>	<b>99,418,405</b>	<b>90,279,044</b>

	31 March 2021	31 December 2020
	----- (Rupees in '000) -----	
	(Un-Audited)	(Audited)
<b>10 Particulars of Islamic financing and related assets (Gross)</b>		
In local currency	106,407,465	97,300,991
In foreign currency	287,533	54,376
	<b>106,694,998</b>	<b>97,355,367</b>



10.2 Islamic financing and related assets include Rs.9,716.891 (31 December 2020: Rs.9,512.008) million which have been placed under non-performing status as detailed below:

Category of Classification	31 March 2021 (Un-Audited)		31 December 2020 (Audited)	
	Classified Islamic financing and related assets	Provision	Classified Islamic financing and related assets	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other assets especially mentioned	136,776	-	29,208	-
Substandard	623,251	121,330	607,176	100,664
Doubtful	407,306	63,240	366,796	75,159
Loss	8,549,558	6,481,238	8,508,828	6,381,859
	<b>9,716,891</b>	<b>6,665,808</b>	<b>9,512,008</b>	<b>6,557,682</b>

10.3 Particulars of provisions against non-performing Islamic financing and related assets

	31 March 2021 (Un-Audited)			31 December 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	6,557,682	518,641	7,076,323	5,676,672	169,940	5,846,612
Charge for the quarter / year	162,199	92,144	254,343	1,002,384	348,701	1,351,085
Reversals for the quarter / year	(55,106)	-	(55,106)	(113,215)	-	(113,215)
	107,093	92,144	199,237	889,169	348,701	1,237,870
Amounts written off against provision	-	-	-	(11,626)	-	(11,626)
Amounts charged for the period - agriculture financing	1,033	-	1,033	3,467	-	3,467
Closing balance	<b>6,665,808</b>	<b>610,785</b>	<b>7,276,593</b>	<b>6,557,682</b>	<b>518,641</b>	<b>7,076,323</b>

- 10.3.1 The above provision against non-performing financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 2,565.520 (31 December 2020: Rs. 2,532.521) million. The FSV benefit recognized is not allowed for distribution of cash or stock dividend to shareholders and bonus to employees.
- 10.3.2 The Bank maintains general reserve (provisions) in accordance with the applicable requirements of Prudential Regulations for consumer financing.
- 10.3.3 In addition, the Bank has also maintained a general provision of Rs. 375 (31 December 2020: Rs. 300) million against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of Prudential Regulations.
- 10.3.4 SBP vide its letter BPRD/BLRD-3/DMG/2011-1035 has allowed relaxation from further provisioning requirement against a financing exposure having a provisioning impact of Rs. 40.581 (31 December 2020: Rs. 40.581) million.
- 10.3.5 The SBP vide BPRD circular letter 13 of 2020 dated 26 March 2020, has relaxed certain classification criteria of SBP Prudential Regulation R-8 (Classification and Provisioning of Assets). These include deferment of principal and profit in case customer falls in the eligibility criteria prescribed for this purpose; and revision in criteria of classifying customer as non-performing in case of delayed repayment. These relaxations are mainly applicable for one year from the date of circular.

	Note	31 March 2021	31 December 2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	373,836	348,311
Property and equipment		2,037,913	2,075,061
Right-of-use asset		1,876,770	1,972,910
		<b>4,288,519</b>	<b>4,396,282</b>
<b>11.1 Capital work-in-progress</b>			
Civil works		312,098	296,275
Advance to suppliers		61,738	52,036
Advance for purchase of property - related party		251,680	251,680
Provisions for impairment against advance for purchase of property		(251,680)	(251,680)
		-	-
Total capital work-in-progress		<b>373,836</b>	<b>348,311</b>

	31 March 2021	31 March 2020
	----- (Rupees in '000) ----- (Un-Audited)	
<b>11.2 Additions to fixed assets</b>		
The following additions have been made to fixed assets during the quarter:		
Capital work-in-progress	33,943	3,679
<b>Property and equipment</b>		
Buidling on leasehold land	1,191	4,562
Furniture and fixture	-	447
Electrical office and computer equipment	15,611	11,346
Vehicles	5,625	22,998
	<b>22,427</b>	<b>39,353</b>
Total	<b>56,370</b>	<b>43,032</b>

### 11.3 Disposal of fixed assets

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

Leasehold improvements	271	2,102
Furniture and fixture	-	335
Electrical office and computer equipment	699	780
Vehicles	-	3,231
Total	<b>970</b>	<b>6,448</b>

## 12 INTANGIBLE ASSETS

	31 March 2021	31 December 2020
	----- (Rupees in '000) ----- (Un-Audited) (Audited)	
Computer software	70,645	69,668
Advance to suppliers against computer software	40,249	20,036
Core deposits	436,457	460,688
Brand	383,145	383,145
Goodwill	396,117	396,117
	<b>1,326,613</b>	<b>1,329,654</b>

### 12.1 Additions to intangible assets

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

	31 March 2021	31 March 2020
	----- (Rupees in '000) ----- (Un-Audited)	
Capital work-in-progress	23,017	6,967
Directly purchased	13,523	-
	<b>36,540</b>	<b>6,967</b>



	Note	31 March 2020 (Un-Audited)	31 December 2020 (Audited)
---- (Rupees in '000) ----			
<b>13. DEFERRED TAX ASSETS</b>			
Deductible Temporary Differences on:			
- Tax losses carried forward		1,225,771	1,244,800
- Minimum tax		576,700	539,858
- Post retirement employee benefits		19,281	19,281
- Provision against assets		1,133,649	1,367,430
- Other deductible temporary differences		18,386	-
		<b>2,973,787</b>	<b>3,171,369</b>
Taxable Temporary Differences on:			
- Surplus on revaluation of investments		(186,638)	(223,404)
- Surplus on revaluation of non-banking assets		(162,947)	(162,947)
- Accelerated tax depreciation		(132,985)	(144,234)
		<b>(482,570)</b>	<b>(530,585)</b>
		<b>2,491,217</b>	<b>2,640,784</b>
<b>14. OTHER ASSETS</b>			
Profit / return accrued in local currency		4,516,091	3,910,987
Profit / return accrued in foreign currency		19,422	15,160
Advances, deposits, advance rent and other prepayments		556,158	441,236
Advance taxation (payments less provisions)		100,328	106,647
Receivable against sale of shares		-	9,798
Non-banking assets acquired in satisfaction of claims		1,374,822	1,382,794
Unrealised gain on re-measurement of forward exchange contracts		174,828	80,190
Stamps and stationery		4,158	6,422
Acceptances		2,694,877	1,808,125
Others		287,551	273,990
		<b>9,728,235</b>	<b>8,035,349</b>
Less: Provision held against other assets	14.2	(149,212)	(149,212)
Other assets (net of provision)		9,579,023	7,886,137
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		465,561	465,561
Other assets - total		<b>10,044,584</b>	<b>8,351,698</b>
<b>14.2 Provision held against other assets</b>			
Non-performing receivables		148,966	148,966
Others		246	246
		<b>149,212</b>	<b>149,212</b>
<b>15. BILLS PAYABLE</b>			
In Pakistan		4,078,125	3,696,482
Outside Pakistan		-	-
		<b>4,078,125</b>	<b>3,696,482</b>
<b>16. DUE TO FINANCIAL INSTITUTIONS</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan			
- Under export refinance scheme	16.1	4,718,639	3,363,810
- Under refinance scheme for payment of salaries and wages	16.2	2,086,450	2,356,277
<b>Unsecured</b>			
Overdrawn nostro accounts		-	2,249
Wakala acceptance	16.3	3,230,000	-
Musharakah acceptance	16.3	3,100,000	-
		<b>13,135,089</b>	<b>5,722,336</b>
<b>16.1</b>	The range of profit rates on these borrowings is 1% to 2% (31 December 2020: 1% to 2%) per annum. The maximum limit approved by SBP to the Bank under Islamic Export Refinance Scheme is Rs.6.609 (31 December 2020: Rs.6.609) billion. The above contracts will mature by January 2029.		
<b>16.2</b>	SBP vide its Circular no.06 of 2020 has introduced a refinance scheme for businesses for payment of wages and salaries to combat the impact of Covid-19. The scheme aims to finance wages and salaries of permanent, contractual, daily wagers and outsourced employees. The maximum limit approved by SBP to the Bank under this scheme is Rs.3 billion.		
<b>16.3</b>	The range of profit rates on these borrowings is 6.1% to 7.25% per annum and are due to mature latest by 16 April 2021.		



17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2021 (Un-Audited)			31 December 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	28,554,101	5,666,131	34,220,232	32,089,357	6,414,325	38,503,682
Savings deposits	56,550,135	5,369,909	61,920,044	53,918,588	5,063,563	58,982,151
Term deposits	46,206,602	1,498,102	47,704,704	47,062,823	2,090,886	49,153,709
Others	1,550,455	-	1,550,455	1,716,866	-	1,716,866
	<b>132,861,293</b>	<b>12,534,142</b>	<b>145,395,435</b>	<b>134,787,634</b>	<b>13,568,774</b>	<b>148,356,408</b>
<b>Financial Institutions</b>						
Current deposits	28,769	1,388	30,157	195,242	2,722	197,964
Savings deposits	8,256,302	622	8,256,924	9,483,154	651	9,483,805
Term deposits	1,002,750	-	1,002,750	1,325,550	-	1,325,550
	<b>9,287,821</b>	<b>2,010</b>	<b>9,289,831</b>	<b>11,003,946</b>	<b>3,373</b>	<b>11,007,319</b>
	<b>142,149,114</b>	<b>12,536,152</b>	<b>154,685,266</b>	<b>145,791,580</b>	<b>13,572,147</b>	<b>159,363,727</b>

	Note	31 March 2021	31 December 2020
		----- (Rupees in '000) -----	
		(Un-Audited)	(Audited)
18. SUBORDINATED DEBT			
Tier II mudaraba sukuk - first issue	18.1	142,846	285,704
Tier II mudaraba sukuk - second issue	18.2	1,500,000	1,500,000
Additional Tier I capital	18.3	1,389,241	1,389,241
		<b>3,032,087</b>	<b>3,174,945</b>

- 18 In September 2014, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (first issue) based on mudaraba of Rs.2 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (first issue) is as follows:

Credit rating	A- by PACRA (The Pakistan Credit Rating Agency Limited)
Issue date	26 September 2014
Tenor	7 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Semi-annually
Expected periodic profit amount (mudaraba profit amount)	Mudaraba Profit is computed under the General Depositors' Pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 Month KIBOR + 1.25% per annum.
Call option	The Bank may call Tier-II Sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

- 18 In August 2017; the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (second issue) based on mudaraba of Rs.1.5 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (second issue) is as follows:

Credit rating	A by JCR-VIS Credit Rating Company Limited.
Issue date	22 August 2017
Tenor	7 years from the issue date.
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the seventh year.
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the General Depositors' Pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 Months KIBOR + 0.75% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.



- 18 In December 2018, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed additional Tier-I (ADT-1) capital based on modaraba of Rs.1.389 Billion. A brief description of additional Tier-I (ADT-1) Capital is as follows:

Credit rating	Not rated
Issue date	26 December 2018
Tenor	Perpetual
Profit payment frequency	Monthly
Redemption	Perpetual
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the General Depositors' Pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 1 Year KIBOR + 2.50% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The ADT-1 capital, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the ADT-1 capital, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

#### 19. OTHER LIABILITIES

Return on deposits and borrowings:

	31 March 2021 ---- (Rupees in '000) ---- (Un-Audited)	31 December 2020 (Audited)
- payable in local currency	794,838	1,070,591
- payable in foreign currencies	1,529	1,308
Accrued expenses	374,323	435,346
Advance payments	738,039	709,536
Charity fund balance	98,753	77,238
Security deposits against ijarah	258,058	302,103
Payable against purchase of listed shares	3,584	3,310
Payable in respect of defined benefit plan	7,899	7,899
Takaful payable against ijarah and diminishing musharakah assets	337,735	319,259
Branch adjustment account	642,846	396,685
Acceptances	2,694,877	1,808,125
Lease liability against right-of-use assets	1,906,809	1,966,167
Others	763,269	729,113
	<u>8,622,559</u>	<u>7,826,680</u>

	31 March 2021	31 December 2020
Note	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
<b>20. SURPLUS ON REVALUATION OF ASSETS</b>		
Surplus on revaluation of:		
- Available for sale securities	9.1 <u>547,269</u>	647,529
- Non-banking assets acquired in satisfaction of claims	14 <u>465,561</u>	465,561
	<u>1,012,830</u>	1,113,090
Deferred tax on surplus on revaluation of:		
- Available for sale securities	<u>(191,544)</u>	(226,635)
- Non-banking assets acquired in satisfaction of claims	<u>(162,946)</u>	(162,946)
	<u>(354,490)</u>	(389,581)
	<u>658,340</u>	<u>723,509</u>
<b>21 CONTINGENCIES AND COMMITMENTS</b>		
- Guarantees	21.1 <u>8,446,685</u>	8,052,300
- Commitments	21.2 <u>46,764,534</u>	43,468,442
	<u>55,211,219</u>	<u>51,520,742</u>
<b>21 Guarantees:</b>		
Financial guarantees	7,524	9,017
Performance guarantees	5,673,545	4,919,029
Other guarantees	2,765,616	3,124,254
	<u>8,446,685</u>	<u>8,052,300</u>
<b>21 Commitments:</b>		
Documentary credits and short-term trade-related transactions - letters of credit	11,658,802	10,638,401
Commitments in respect of forward foreign exchange contracts	21.2.1 <u>35,092,265</u>	32,815,873
Commitments for acquisition of operating fixed assets	13,467	14,168
	<u>46,764,534</u>	<u>43,468,442</u>



	31 March 2021 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2020 ----- (Rupees in '000) ----- (Audited)
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**21.2.1 Commitments in respect of forward foreign exchange contracts**

Purchase	20,631,565	16,049,914
Sale	14,460,700	16,765,959
	<u>35,092,265</u>	<u>32,815,873</u>

**21.3 Other Contingencies**

21.3.1 There is no change in the status of contingencies disclosed in note 21.3 to the financial statements for the year ended 31 December 2020.

	Quarter ended	
	31 March 2021 ----- (Rupees in '000) ----- (Un-Audited)	31 March 2020

**22 PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS**

On:

- Islamic financing and related assets	2,096,652	2,601,394
- Investments	1,030,887	653,807
- Due from financial institutions	26,193	794,190
- Balances with banks	1,520	1,031
	<u>3,155,252</u>	<u>4,050,422</u>

**23 RETURN ON DEPOSITS AND OTHER DUES EXPENSED**

On:

-Deposits	1,330,691	2,530,912
-Borrowings	36,779	5,806
-Conversion cost against foreign currency deposits / borrowings	54,890	28,971
-Subordinated debt	70,563	130,718
-Finance charge on lease liability against right-of-use assets	39,426	57,696
-Export refinance under Islamic scheme	21,086	21,414
	<u>1,553,435</u>	<u>2,775,517</u>

**24 FEE & COMMISSION INCOME**

Branch banking customer fees	24,234	26,812
Consumer finance related fees	29,688	24,720
Debit card related fees and income	26,331	17,539
Investment banking fees	57,940	26,582
Commission on trade	76,594	62,955
Commission on guarantees	22,347	12,041
Commission on cash management	4,391	1,229
Commission on remittances including home remittances	8,172	5,965
Commission on bancatakaful	547	3,738
Others	6,187	6,144
	<u>256,431</u>	<u>187,725</u>

**25 GAIN ON SECURITIES**

Realised gain on sale of securities	25	139,011	144,089
Unrealised - held for trading		(4,781)	(7,548)
		<u>134,230</u>	<u>136,541</u>

		Quarter ended	
		31 March 2021	31 March 2020
Note		----- (Rupees in '000) ----- (Un-Audited)	
<b>25.1</b>	<b>Realised gain / (loss) on:</b>		
	Federal Government securities	112,248	148,645
	Shares	26,763	(4,556)
		<u>139,011</u>	<u>144,089</u>
<b>26</b>	<b>OTHER INCOME</b>		
	Rent on property	1,339	1,049
	Gain on sale of fixed assets-net	3,657	25,957
		<u>4,996</u>	<u>27,006</u>
<b>27</b>	<b>OPERATING EXPENSES</b>		
	<b>Compensation expense</b>		
	Salaries, allowances, etc.	576,544	547,378
	Charge for defined benefit / contribution plan and other benefits	45,875	38,715
		<u>622,419</u>	<u>586,093</u>
	<b>Property expense</b>		
	Rent and taxes	14,828	17,753
	Takaful expense	11,210	14,355
	Utilities cost	40,951	40,203
	Security (including guards)	67,082	59,553
	Repair and maintenance (including janitorial charges)	19,770	20,869
	Depreciation on fixed assets	15,510	15,267
	Depreciation on right-of-use assets	154,251	165,746
	Depreciation - non banking assets	7,971	6,417
	Others	2,000	1,900
		<u>333,573</u>	<u>342,063</u>
	<b>Information technology expenses</b>		
	Software maintenance	44,567	43,826
	Hardware maintenance	13,655	15,250
	Depreciation on fixed assets	9,748	6,811
	Amortisation	12,546	13,271
	Network charges	20,651	18,909
	Others	12,799	12,747
		<u>113,966</u>	<u>110,814</u>
	<b>Other operating expenses</b>		
	Directors' fees and allowances	13,750	12,500
	Fees and allowances to Shariah Board	750	1,333
	Legal and professional charges	17,165	21,383
	Outsourced services costs	41,007	43,557
	Travelling and conveyance	7,032	8,230
	NIFT clearing charges	3,982	4,171
	Depreciation on fixed assets	23,369	22,256
	Amortization	24,231	32,999
	Takaful and registration expenses	3,890	9,525
	Training and development	1,087	2,216
	Postage and courier charges	5,682	5,606
	Communication	12,684	13,295
	Stationery and printing	23,423	23,619
	Marketing, advertisement and publicity	5,597	12,119
	Repair and maintenance	11,411	10,101
	Auditors' remuneration	3,841	3,195
	Depositor's protection	34,218	26,438
	Brokerage and commission	34,185	59,598
	Bank charges	5,379	4,894
	Others	14,366	10,261
		<u>287,049</u>	<u>327,296</u>
		<u>1,357,007</u>	<u>1,366,266</u>



27.1	These amounts include outsourcing services with regards to janitorial services, security services, contractual employees over third party contracts and printing activities.			
			<b>Quarter ended</b>	
			<b>31 March</b>	<b>31 March</b>
			<b>2021</b>	<b>2020</b>
		<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
			<b>(Un-Audited)</b>	
<b>28</b>	<b>OTHER CHARGES</b>			
	Penalties imposed by State Bank of Pakistan		-	19,341
<b>29</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>			
	(Reversal) / provision for diminution in value of investments	9.3.1	(32,024)	15,179
	Provision against non-performing Islamic financing and related assets	10	200,270	176,864
	Write off against other assets		470	35
	Write off against fixed assets		9,989	857
			<u>178,705</u>	<u>192,935</u>
<b>30</b>	<b>TAXATION</b>			
	Current		(60,220)	(71,119)
	Deferred		(184,659)	(77,715)
			<u>(244,879)</u>	<u>(148,834)</u>
<b>31</b>	<b>BASIC / DILUTED PROFIT PER SHARE</b>			
	Profit after taxation for the quarter		<u>373,152</u>	<u>223,253</u>
			<b>--- Number of shares ---</b>	
	Weighted average number of ordinary shares		<u>1,373,962,760</u>	<u>1,373,962,760</u>
	Basic / diluted earnings per share - Rupee		<u>0.27</u>	<u>0.16</u>

**32 FAIR VALUE MEASUREMENTS**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'held to maturity'. These securities are carried at amortized cost in order to comply with the requirements of BSD Circular No. 14 dated 24 September 2004. As of 31 March 2021, the Bank does not have any investment as 'held to maturity'.

Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available financial statements.

Fair value of Islamic financing and related assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing has been calculated in accordance with the Bank's accounting policy.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer Islamic financing and deposits are frequently repriced.

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

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

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

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







33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

	31 March 2021 (Un-Audited)					Total
	Corporate & investment Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	
	(Rupees in '000)					
<b>Profit and Loss</b>						
Net profit / return earned	981,975	269,129	(477,028)	888,084	(60,343)	1,601,817
Inter segment revenue - net	-	-	1,866,097	-	195,375	2,061,472
Other income	131,795	51,760	84,704	292,621	3,659	564,539
Total Income	1,113,770	320,889	1,473,773	1,180,705	138,691	4,227,828
Segment direct expenses	(53,669)	(58,206)	(1,242,962)	(14,783)	-	(1,369,620)
Inter segment expense allocation	(855,090)	(251,148)	-	(955,234)	-	(2,061,472)
Total expenses	(908,759)	(309,354)	(1,242,962)	(970,017)	-	(3,431,092)
Provisions	(40,683)	(43,076)	(39,533)	32,025	(87,438)	(178,705)
Profit / (loss) before tax	164,328	(31,541)	191,278	242,713	51,253	618,031

	31 March 2021 (Un-Audited)					Total
	Corporate & investment Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	
	(Rupees in '000)					
<b>Statement of Financial Position</b>						
Cash and balances with treasury banks	66,579	-	11,846,539	-	1,520,131	13,433,249
Balances with other banks	-	-	-	3,016,120	-	3,016,120
Due from financial institutions	-	-	-	3,100,000	-	3,100,000
Investments	3,516,292	-	-	56,255,562	-	59,771,854
Net inter segment lending	-	-	131,807,577	-	11,239,403	143,046,980
Islamic financing and related assets - performing	61,580,911	12,039,312	21,086,337	-	1,660,762	96,367,322
- non-performing	1,270,849	734,465	1,016,591	-	29,178	3,051,083
Others	2,427,842	819,424	6,847,436	2,459,577	5,596,654	18,150,933
<b>Total assets</b>	68,862,473	13,593,201	172,604,480	64,831,259	20,046,128	339,937,541
Bills payable	-	-	4,078,125	-	-	4,078,125
Due to financial institutions	5,670,032	1,135,057	-	6,330,000	-	13,135,089
Subordinated debt	-	-	-	-	3,032,087	3,032,087
Deposits and other accounts	12,761,265	-	141,924,001	-	-	154,685,266
Net inter segment borrowing	50,093,243	12,442,055	22,922,701	57,588,981	-	143,046,980
Others	173,605	47,630	3,488,375	11,225	4,901,724	8,622,559
<b>Total liabilities</b>	68,698,145	13,624,742	172,413,202	63,930,206	7,933,811	326,600,106
Equity	164,328	(31,541)	191,278	901,053	12,112,317	13,337,435
<b>Total equity and liabilities</b>	68,862,473	13,593,201	172,604,480	64,831,259	20,046,128	339,937,541
Contingencies and commitments	13,929,964	6,175,523	13,467	35,092,265	347,068	55,558,287

	31 March 2020 (Un-Audited)					Total
	Corporate & investment Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	
	(Rupees in '000)					
<b>Profit and Loss</b>						
Net profit / return earned	1,406,747	(31,510)	(1,144,592)	1,251,975	(207,715)	1,274,905
Inter segment revenue - net	-	-	2,383,828	-	404,050	2,787,878
Other income	71,428	30,584	81,565	471,235	28,506	683,318
Total Income	1,478,175	(926)	1,320,801	1,723,210	224,841	4,746,101
Segment direct expenses	(54,812)	(236,878)	(1,055,071)	(19,500)	(26,940)	(1,393,201)
Inter segment expense allocation	(1,454,076)	410,283	-	(1,744,085)	-	(2,787,878)
Total expenses	(1,508,888)	173,405	(1,055,071)	(1,763,585)	(26,940)	(4,181,079)
Provisions	(34,921)	(117,667)	(24,053)	(15,179)	(1,115)	(192,935)
Profit / (loss) before tax	(65,634)	54,812	241,677	(55,554)	196,786	372,087

	31 December 2020 (Audited)					Total
	Corporate & investment Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	
	(Rupees in '000)					
<b>Statement of Financial Position</b>						
Cash and balances with treasury banks	-	-	4,851,084	10,922,528	-	15,773,612
Balances with other banks	-	-	-	10,177,095	-	10,177,095
Due from financial institutions	-	-	-	2,748,221	-	2,748,221
Investments	4,094,768	-	-	53,022,464	-	57,117,232
Net inter segment lending	-	25,523,155	107,779,875	-	9,112,163	142,415,193
Islamic financing and related assets - performing	53,995,510	12,216,562	19,477,902	-	1,634,744	87,324,718
- non-performing	1,235,379	658,658	1,033,346	-	26,943	2,954,326
Others	3,152,991	1,325,801	2,755,502	1,918,198	7,565,926	16,718,418
<b>Total assets</b>	62,478,648	39,724,176	135,897,709	78,788,506	18,339,776	335,228,815
Bills payable	-	-	3,696,482	-	-	3,696,482
Due to financial institutions	4,439,972	1,280,115	-	2,249	-	5,722,336
Subordinated debt	-	-	-	-	3,174,945	3,174,945
Deposits and other accounts	17,199,482	33,137,752	109,026,493	-	-	159,363,727
Net inter segment borrowing	40,734,080	4,195,014	19,692,894	77,793,205	-	142,415,193
Others	147,931	770,769	2,919,902	9,011	3,979,067	7,826,680
<b>Total liabilities</b>	62,521,465	39,383,650	135,335,771	77,804,465	7,154,012	322,199,363
Equity	(42,817)	340,526	561,938	984,041	11,185,764	13,029,452
<b>Total equity and liabilities</b>	62,478,648	39,724,176	135,897,709	78,788,506	18,339,776	335,228,815
Contingencies and commitments	11,766,363	6,904,318	14,168	32,815,873	347,068	51,867,810



### 34 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

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 employee 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 condensed interim financial statements are as follows:

	31 March 2021 (Un-Audited)					31 December 2020 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
(Rupees in '000)										
<b>Islamic financing and related assets</b>										
Opening balance	-	-	277,015	-	277,015	-	-	260,522	-	260,522
Addition during the quarter / year	-	-	4,617	-	4,617	-	-	91,380	-	91,380
Repaid during the quarter / year	-	-	(8,881)	-	(8,881)	-	-	(45,928)	-	(45,928)
Transfer in/(out)	-	-	(23,923)	-	(23,923)	-	-	(28,959)	-	(28,959)
Closing balance	-	-	248,828	-	248,828	-	-	277,015	-	277,015
<b>Fixed assets</b>										
Fixed assets	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Provision for impairment	-	-	-	251,680	251,680	-	-	-	251,680	251,680
<b>Other assets</b>										
Profit receivable on Islamic financing and related assets	-	-	176	-	176	-	-	430	-	430

	31 March 2021 (Un-Audited)					31 December 2020 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
(Rupees in '000)										
<b>Subordinated debt</b>										
Opening balance	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
<b>Deposits and other accounts</b>										
Opening balance	4,414	249,380	54,832	999,524	1,308,150	4,413	241,699	67,187	1,020,924	1,334,223
Received during the quarter / year	-	49,757	102,014	791,214	942,985	1	411,368	263,013	1,629,698	2,304,080
Withdrawn during the quarter / year	-	(6,302)	(82,942)	(731,163)	(820,407)	-	(403,687)	(299,053)	(1,563,853)	(2,266,593)
Transfer in/(out)	-	-	(165)	-	(165)	-	-	23,685	(87,245)	(63,560)
Closing balance	4,414	292,835	73,739	1,059,575	1,430,563	4,414	249,380	54,832	999,524	1,308,150
<b>Other Liabilities</b>										
Return payable on deposits	-	1,139	125	2,459	3,723	-	1,270	102	2,395	3,767
Return payable on Sub-ordinated debt	44,757	-	-	-	44,757	223,914	-	-	-	223,914
Payable in respect of defined benefit plan	-	-	-	7,899	7,899	-	-	-	7,899	7,899
Other liabilities	-	-	-	657	657	-	-	-	657	657
<b>Non-funded exposure</b>	-	-	-	58,012	58,012	-	-	-	60,869	60,869

	Quarter ended 31 March 2021 (Un-Audited)					Quarter ended 31 March 2020 (Un-Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
(Rupees in '000)										
<b>Related party transactions</b>										
<b>Income</b>										
Profit earned on Islamic financing and related assets	-	-	1,417	-	1,417	-	-	1,456	-	1,456
Revenue earned from non funded exposure	-	-	-	327	327	-	-	-	-	-
<b>Expense</b>										
Return on deposits expenses	-	2,943	305	3,715	6,963	-	4,824	809	15,848	21,481
Salaries, allowances and benefits	-	-	84,752	-	84,752	-	-	59,281	-	59,281
Director fee and other allowances	-	13,750	-	-	13,750	-	12,500	-	-	12,500
Shariah Board fee	-	-	-	750	750	-	-	-	1,333	1,333
Rent expense	-	-	-	-	-	-	-	-	5,590	5,590
Contribution - defined contribution plan	-	-	-	25,481	25,481	-	-	-	21,268	21,268
Contribution - defined benefit plan	-	-	-	20,394	20,394	-	-	-	17,447	17,447
Return on Sub-ordinated loan	34,803	-	-	-	34,803	37,536	-	-	-	37,536



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

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	<u>12,272,234</u>	<u>11,973,712</u>
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	<u>9,492,769</u>	8,874,080
Eligible Additional Tier 1 (ADT 1) Capital	<u>1,389,241</u>	1,389,241
Total Eligible Tier 1 Capital	<u>10,882,010</u>	10,263,321
Eligible Tier 2 Capital	<u>1,566,509</u>	1,539,536
Total Eligible Capital (Tier 1 + Tier 2)	<u>12,448,519</u>	11,802,857

Risk Weighted Assets (RWAs):

Credit Risk	<u>83,547,584</u>	77,349,830
Market Risk	<u>1,922,599</u>	1,702,497
Operational Risk	<u>12,459,666</u>	12,459,666
Total	<u>97,929,848</u>	91,511,993

Common Equity Tier 1 Capital Adequacy ratio

	<u>9.69%</u>	<u>9.70%</u>
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Tier 1 Capital Adequacy Ratio

	<u>11.11%</u>	<u>11.22%</u>
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Total Capital Adequacy Ratio

	<u>12.71%</u>	<u>12.90%</u>
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Leverage Ratio (LR):

Eligible Tier-1 Capital	<u>10,882,010</u>	10,263,321
Total Exposures	<u>255,622,961</u>	249,237,843
Leverage Ratio	<u>4.26%</u>	<u>4.12%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u>66,266</u>	65,751
Total Net Cash Outflow	<u>41,080</u>	35,490
Liquidity Coverage Ratio	<u>161.31%</u>	<u>185.27%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u>131,053</u>	134,272
Total Required Stable Funding	<u>79,756</u>	76,869
Net Stable Funding Ratio	<u>164.32%</u>	<u>174.68%</u>

36. GENERAL

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate the comparison. No significant reclassification were made during the current period.

Figures have been rounded off to the nearest thousand rupees.

37. DATE OF AUTHORISATION

22 APR

These condensed interim financial statements were authorized for issue on \_\_\_\_\_ 2021 by the Board of Directors of the Bank.

 Chief Executive Officer	 Chief Financial Officer	 Chairman (Acting)	 Director	 Director
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