



AL BARAKA BANK (PAKISTAN) LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	30 September 2021	31 December 2020
Note	----- (Rupees in '000) -----	
	(Un-Audited)	(Audited)
ASSETS		
Cash and balances with treasury banks	6 18,670,680	15,773,612
Balances with other banks	7 2,228,576	10,177,095
Due from financial institutions	8 -	2,748,221
Investments	9 61,219,064	57,117,232
Islamic financing and related assets-net	10 108,259,349	90,279,044
Fixed assets	11 4,195,791	4,396,282
Intangible assets	12 1,331,061	1,329,654
Deferred tax assets	13 2,177,808	2,640,784
Other assets	14 11,210,039	8,351,698
	209,292,368	192,813,622
LIABILITIES		
Bills payable	15 4,028,670	3,696,482
Due to financial institutions	16 11,289,668	5,722,336
Deposits and other accounts	17 168,268,765	159,363,727
Subordinated debt	18 2,889,241	3,174,945
Deferred tax liabilities	19 -	-
Other liabilities	9,330,040	7,826,680
	195,806,384	179,784,170
NET ASSETS	13,485,984	13,029,452
REPRESENTED BY		
Share capital-net	14,500,490	14,500,490
Reserves	419,405	332,231
Surplus on revaluation of assets	20 742,810	723,509
Accumulated losses	(2,176,721)	(2,526,778)
	13,485,984	13,029,452
CONTINGENCIES AND COMMITMENTS	21	

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

Ahmed Shuja Kidwai
Chief Executive Officer

Tamim Shabbir
Chief Financial Officer

Dr. Jehad El Nakla
Chairman

Tareq Sadeq
Director

Zahid Rahim
Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED 30 SEPTEMBER 2021

	Note	Nine months ended		Quarter ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		------(Rupees '000)-----			
Profit / return earned on Islamic financing and related assets, investments and placements	22	9,932,724	10,804,140	3,521,373	3,077,577
Return on deposits and other dues expensed	23	(5,133,434)	(6,184,020)	(1,892,871)	(1,462,391)
Net spread earned		4,799,290	4,620,120	1,628,502	1,615,186
Other income					
Fee and commission income	24	762,189	508,885	290,454	170,668
Dividend income		18,603	6,259	10,034	1,665
Foreign exchange income		570,745	688,449	156,018	212,754
Gain on securities	25	167,335	166,116	15,542	24,153
Other income	26	10,397	28,783	4,619	1,564
Total other income		1,529,269	1,398,492	476,667	410,804
Total Income		6,328,559	6,018,612	2,105,169	2,025,990
Other expenses					
Operating expenses	27	(4,114,762)	(4,009,466)	(1,387,004)	(1,317,978)
Workers' Welfare Fund		(24,951)	(25,254)	(8,924)	(9,298)
Other charges	28	(39)	(105,690)	(4)	(86,349)
Total other expenses		(4,139,752)	(4,140,410)	(1,395,932)	(1,413,625)
Profit before provisions		2,188,807	1,878,202	709,237	612,365
Provisions and write offs - net	29	(966,223)	(640,775)	(271,980)	(156,787)
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		1,222,584	1,237,427	437,257	455,578
Taxation	30	(786,712)	(571,280)	(212,413)	(233,122)
Profit after taxation		435,872	666,147	224,844	222,456
		------(Rupees '000)-----			
Basic / diluted - Profit per share	31	0.32	0.48	0.16	0.16

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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED 30 SEPTEMBER 2021

	Nine months ended		Quarter ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	------(Rupees '000)-----			
Profit after taxation for the period	435,872	666,147	224,844	222,456
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	20,660	(452,151)	(42,979)	126,738
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of non-banking asset - net of tax	(1,359)	-	-	-
Total comprehensive income	455,173	213,996	181,865	349,194

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Director

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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Share capital	Capital support fund	Discount on issue of shares	*Statutory reserve	Surplus / (deficit) on revaluation of		Accumulated loss	Total
					Investments	Non banking assets		
----- (Rupees in '000) -----								
Balance as at 1 January 2020	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	-	-	-	-	-	-	666,147	666,147
Other comprehensive loss - net of tax	-	-	-	-	(452,151)	-	-	(452,151)
Transfer to statutory reserve	-	-	-	133,229	-	-	(133,229)	-
Balance as at 30 September 2020	13,739,628	1,393,628	(632,766)	312,613	493,028	241,315	(2,601,886)	12,945,560
Profit after taxation for the period	-	-	-	-	-	-	98,086	98,086
Other comprehensive income - net of tax	-	-	-	-	(72,134)	67,943	(10,003)	(14,194)
Transfer to statutory reserve	-	-	-	19,618	-	-	(19,618)	-
Transfer of surplus on revaluation of assets on disposal of non banking asset	-	-	-	-	-	(6,643)	6,643	-
Balance as at 31 December 2020	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	-	-	-	-	-	-	435,872	435,872
Other comprehensive income - net of tax	-	-	-	-	20,660	-	-	20,660
Transfer to statutory reserve	-	-	-	87,174	-	-	(87,174)	-
Transfer of surplus on revaluation of assets on disposal of non banking asset	-	-	-	-	-	(1,359)	1,359	-
Balance as at 30 September 2021	13,739,628	1,393,628	(632,766)	419,405	441,554	301,256	(2,176,721)	13,485,984

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 prudential regulations for Bank as issued by the State Bank of Pakistan.

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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	Nine months ended	
		30 September 2021	30 September 2020
		---- (Rupees in '000) ----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,222,584	1,237,427
Less: Dividend income		(18,603)	(6,259)
		<u>1,203,981</u>	<u>1,231,168</u>
Adjustments:			
Depreciation on fixed assets	27	147,475	135,283
Depreciation on right-of-use assets	27	511,290	486,894
Amortization	27	110,408	138,154
Depreciation - non banking assets	27	24,010	19,251
Provision and write-offs - net	29	966,223	640,775
Gain on sale of fixed assets - net	26	(3,832)	(26,997)
Loss on sale of non banking assets	26	1,987	-
Finance charges on lease liability against right-of-use assets	23	127,969	163,806
Unrealized gain on revaluation of investments classified as held for trading	25	(9,236)	(8,598)
Workers' Welfare Fund		24,951	25,254
		<u>1,901,245</u>	<u>1,573,822</u>
		<u>3,105,226</u>	<u>2,804,990</u>
(Increase)/ decrease in operating assets			
Due from financial institutions		2,748,221	1,341,117
Held-for-trading securities - net		(354,003)	(3,166)
Islamic financing and related assets - net		(19,009,512)	(6,425,341)
Others assets (excluding advance taxation)		(2,985,546)	579,670
		<u>(19,600,840)</u>	<u>(4,507,720)</u>
Increase/ (decrease) in operating liabilities			
Bills payable		332,188	1,018,973
Due to financial institutions		5,567,332	749,587
Deposits and other accounts		8,905,038	16,574,133
Other liabilities (excluding current taxation)		1,510,357	(1,028,487)
		<u>16,314,915</u>	<u>17,314,206</u>
Income tax paid		(156,558)	(175,370)
Net cash (used in) / generated from operating activities		<u>(337,257)</u>	<u>15,436,106</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(3,623,308)	(18,365,025)
Net investments in held-to-maturities securities		-	(512,849)
Dividends received		12,404	5,059
Investments in fixed assets		(592,674)	(301,074)
Proceeds from sale of fixed assets		6,660	39,236
Net cash used in investing activities		<u>(4,196,918)</u>	<u>(19,134,653)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Tier II mudaraba sukuk - first issue		(285,704)	(285,716)
Payment of lease liability against right-of-use assets		(231,572)	(407,059)
Net cash used in financing activities		<u>(517,276)</u>	<u>(692,775)</u>
Decrease in cash and cash equivalents		<u>(5,051,451)</u>	<u>(4,391,322)</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>20,899,256</u>	<u>24,779,165</u>

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

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ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 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 of Pakistan, 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 2020, 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** In order to support the CAR requirements, Al Baraka Islamic Bank, B.S.C (c) (Parent Bank) has injected the temporary Capital Support Fund amounting to Rs 1.389 billion (USD 9 million) which is an allowable capital for the purposes of CAR, MCR and Leverage ratio. These funds can only be remitted back after prior approval of SBP. In case capital of the Bank is not increased through alternate plans, the said capital support fund will be converted into Share Capital of the Bank. Presently, SBP has allowed the Bank, timeline extension for the commencement of conversion process of Capital Support Fund into Share Capital till 30 June 2022.

As at 30 September 2021, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.12.324 billion and 12.10% (un-audited) respectively.

2. BASIS OF PRESENTATION

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 as applicable in Pakistan for financial reporting comprise of:

- International Financial Reporting Standards (IAS) 34, interim Financial Reporting issued by the International Accounting Standards Board (IASB) as for interim Financial Reporting 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 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** 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 period.

The Bank has adopted the following amendments to IFRSs which became effective for the current period:

Standard or Interpretation

- IFRS 16 and IAS 39 - Interest Rate Benchmark Reform Phase 2 (Amendments)
- Covid-19 related rent concessions beyond 30 June 2021 (Amendment to IFRS 16)

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 2022:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 3 - Revised Conceptual Framework (Amendments)	01 January 2022
- IFRS 9 - Financial Instruments: Classification and Measurement	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
- IAS 1 - Disclosure of Accounting Policies (Amendments)	01 January 2023
- IAS 8 - Definition of Accounting Estimates (Amendments)	01 January 2023
- IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (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 2022 but are considered not to be relevant to the Bank's operations and therefore, are not detailed in these condensed interim financial statements.

The Bank has complied with the requirement of BPRD Circular Letter No. 24 of 2021 regarding quarterly parallel run of IFRS 9 from period ending 31 March 2021. 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 final IFRS 9 guidelines from SBP.

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

- IFRS 1 – First time adoption of IFRSs
- IFRS 17 – Insurance Contracts
- IFRS 14 – Regulatory Deferral Accounts

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 31 December 2020.

		30 September 2021	31 December 2020
	Note	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		3,271,220	3,278,211
Foreign currencies		593,720	1,572,873
		3,864,940	4,851,084
With State Bank of Pakistan in			
Local currency current account	6.1	12,197,777	8,054,209
Foreign currency current account	6.1	18,725	7,452
Foreign currency deposit account	6.1	1,646,908	1,350,659
		13,863,410	9,412,320
With National Bank of Pakistan in			
Local currency current account		942,322	1,510,200
Local currency deposit account		8	8
		942,330	1,510,208
		18,670,680	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.

7. BALANCES WITH OTHER BANKS

In Pakistan

In current account		55,211	57,105
In deposit account	7.1	1,003,213	695,286
		1,058,424	752,391

Outside Pakistan

In current account		761,842	5,829,554
In deposit account	7.1	408,310	3,595,150
		1,170,152	9,424,704
		2,228,576	10,177,095

7.1 The expected return on remunerative deposits ranges from 0.08% to 6.80% (31 December 2020: 0.08% to 6.6%) per annum.

8. DUE FROM FINANCIAL INSTITUTIONS

Bai Muajjal receivable

- from financial institutions	8.1	-	2,748,221
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8.1 The return on bai muajjal is Nil (31 December 2020: 6.5% to 7.4%) per annum.

9. INVESTMENTS

	30 September 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
9.1 Investments by type	----- (Rupees in '000) -----							
Held-for-trading securities								
Shares	-	-	-	-	14,992	-	(9,557)	5,435
Federal Government securities	904,667	-	(1)	904,666	535,672	-	320	535,992
	904,667	-	(1)	904,666	550,664	-	(9,237)	541,427
Available-for-sale securities								
Federal Government securities	52,299,457	-	603,720	52,903,177	47,554,778	-	424,280	47,979,058
Shares	776,967	(437,717)	47,532	386,782	967,571	(521,217)	184,697	631,051
Non Government debt securities	1,119,580	(111,455)	7,827	1,015,952	1,322,105	(111,455)	10,886	1,221,536
Foreign securities	1,356,877	-	20,235	1,377,112	2,085,119	-	27,666	2,112,785
	55,552,881	(549,172)	679,314	55,683,023	51,929,573	(632,672)	647,529	51,944,430
Held-to-maturity securities								
Federal Government securities	4,631,375	-	-	4,631,375	4,631,375	-	-	4,631,375
Total investments	61,088,923	(549,172)	679,313	61,219,064	57,111,612	(632,672)	638,292	57,117,232

	30 September 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
9.2 Investments by segments	----- (Rupees in '000) -----							
Federal Government Securities:								
Ijarah Sukuk	30,250,440	-	94,019	30,344,459	25,974,598	-	(170,364)	25,804,234
Bai Muajjal	4,631,375	-	-	4,631,375	4,631,375	-	-	4,631,375
Other Sukuk	22,953,684	-	509,700	23,463,384	22,115,852	-	594,964	22,710,816
	57,835,499	-	603,719	58,439,218	52,721,825	-	424,600	53,146,425
Shares:								
Listed companies	688,978	(411,563)	47,532	324,947	925,733	(495,063)	175,140	605,810
Unlisted companies	87,989	(26,154)	-	61,835	56,830	(26,154)	-	30,676
	776,967	(437,717)	47,532	386,782	982,563	(521,217)	175,140	636,486
Non Government Debt Securities								
Unlisted	1,119,580	(111,455)	7,827	1,015,952	1,322,105	(111,455)	10,886	1,221,536
Foreign Securities								
Government securities	512,457	-	16,501	528,958	480,083	-	14,359	494,442
Non Government Debt securities	844,420	-	3,734	848,154	1,605,036	-	13,307	1,618,343
	1,356,877	-	20,235	1,377,112	2,085,119	-	27,666	2,112,785
Total investments	61,088,923	(549,172)	679,313	61,219,064	57,111,612	(632,672)	638,292	57,117,232

	30 September 2021 (Un-Audited)	31 December 2020 (Audited)
9.3 Provision for diminution in value of investments		
9.3.1 Opening balance		632,672
Charge / reversals		
Charge for the period / year	12,844	118,475
Reversal on disposals	(96,343)	(161,332)
	(83,500)	(42,857)
Closing balance	549,172	632,672

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

9.4 The market value of securities classified as held to maturity as at 30 September 2021 amounted to Rs 4,631 (31 December 2020: Rs 4,631) million respectively.

10. ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total	
	30 September 2021 (Un-Audited)	31 December 2020 (Audited)	September 2021 (Un-Audited)	31 December 2020 (Audited)	30 September 2021 (Un-Audited)	31 December 2020 (Audited)
	----- (Rupees in '000) -----					
- Murabaha financing	2,134,628	3,362,130	2,698,881	2,782,161	4,833,509	6,144,291
- Advance against murabaha financing	729,701	164,741	203,337	203,337	933,038	368,078
- Export refinance under Islamic scheme	-	247,000	62,750	62,750	62,750	309,750
- Advance against export refinance under Islamic scheme	5,805,739	4,470,566	24,755	24,755	5,830,494	4,495,321
- Inventory against export refinance under Islamic scheme	50,500	-	-	-	50,500	-
- Diminishing musharaka and Ijarah financing	50,105,128	41,606,252	2,512,812	2,267,830	52,617,940	43,874,082
- Advance against diminishing musharaka finance	2,970,195	1,350,224	-	-	2,970,195	1,350,224
- Running musharaka	12,378,395	11,930,644	-	-	12,378,395	11,930,644
- Tijarah finance	2,545,886	1,759,385	-	-	2,545,886	1,759,385
- Tijarah Inventory	371,957	-	-	-	371,957	-
- Over due acceptances	152,759	38,400	494,670	505,913	647,429	544,313
- Payment against guarantee	9,726	15,081	50,112	40,291	59,838	55,372
- Payment against documents	1,389,262	429,669	-	-	1,389,262	429,669
- Advance against salam	7,770,538	6,630,662	2,787,747	2,302,703	10,558,285	8,933,365
- Salam inventory	446,534	193	-	-	446,534	193
- Financing against bills	636,323	8,391	13,735	13,735	650,058	22,126
- Istasna finance	-	-	576,271	576,271	576,271	576,271
- Advance against istasna	15,724,915	15,557,217	2,706,381	698,106	18,431,296	16,255,323
- Istasna inventory	886,032	179,536	-	13,256	886,032	192,792
- Qarz-e-Hasna	60,895	93,268	60,078	20,900	120,973	114,168
Islamic financing and related assets - gross	104,169,113	87,843,359	12,191,529	9,512,008	116,360,642	97,355,367
Provisions for non-performing financing						
- Specific	10.3	-	(7,823,394)	(6,557,682)	(7,823,394)	(6,557,682)
- General	10.3	(277,899)	-	-	(277,899)	(518,641)
		(277,899)	(7,823,394)	(6,557,682)	(8,101,293)	(7,076,323)
Islamic financing and related assets - net of provisions		103,891,214	4,368,135	2,954,326	108,259,349	90,279,044

10.1 Particulars of Islamic financing and related assets (Gross)

	30 September 2021 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2020 (Audited)
In local currency	115,309,451	97,300,991
In foreign currencies	1,051,191	54,376
	116,360,642	97,355,367

10.2 Islamic financing and related assets include Rs.12,191.529 (31 December 2020: Rs.9,512.008) million which have been placed under non-performing status as detailed below:

Category of Classification	30 September 2021 (Un-Audited)		31 December 2020 (Audited)	
	Classified Islamic financing and related assets	Provision	Classified Islamic financing and related assets	Provision
----- (Rupees in '000) -----				
Domestic				
Other assets especially mentioned	48,445	-	29,208	-
Substandard	1,509,729	187,964	607,176	100,664
Doubtful	2,140,928	1,034,661	366,796	75,159
Loss	8,492,427	6,600,769	8,508,828	6,381,859
	12,191,529	7,823,394	9,512,008	6,557,682

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

	30 September 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 period / year	1,232,976	59,258	1,292,234	1,002,384	348,701	1,351,085
Reversals for the period / year	(262,920)	-	(262,920)	(113,215)	-	(113,215)
	970,056	59,258	1,029,314	889,169	348,701	1,237,870
Amounts reversed / charged off - agriculture financing	(107)	-	(107)	3,467	-	3,467
	969,949	59,258	1,029,207	892,636	348,701	1,241,337
Amounts written off against provision	(4,237)	-	(4,237)	(11,626)	-	(11,626)
Transfer for the period / year	300,000	(300,000)	-	-	-	-
Closing balance	7,823,394	277,899	8,101,293	6,557,682	518,641	7,076,323

10.3.1 The above provision against non-performing Islamic financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 2,727.528 (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 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.

	Note	30 September 2021	31 December 2020
		(Un-Audited)	(Audited)
----- (Rupees in '000) -----			
11. FIXED ASSETS			
Capital work-in-progress	11.1	315,007	348,311
Property and equipment		2,076,498	2,075,061
Right-of-use assets		1,804,286	1,972,910
		4,195,791	4,396,282
11.1 Capital work-in-progress			
Civil works		287,355	296,275
Advances to suppliers		27,652	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		315,007	348,311

Nine Months Ended	
30 September 2021	30 September 2020
----- (Rupees in '000) ----- (Un-Audited)	

11.2 Additions to fixed assets

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

Capital work-in-progress	41,969	40,516
Property and equipment		
Building on leasehold land	70,583	77,204
Furniture and fixture	9,325	4,514
Electrical office and computer equipment	85,946	48,088
Vehicles	5,625	52,826
	171,479	182,632
Total	213,448	223,148

11.3 Disposal of fixed assets

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

Building on leasehold land	1,561	2,102
Furniture and fixture	329	335
Electrical office and computer equipment	939	895
Vehicles	-	8,907
Total	2,829	12,239

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

12 INTANGIBLE ASSETS

Computer software	108,375	69,668
Advance to supplier against computer software	56,239	20,036
Core deposits	387,185	460,688
Brand	383,145	383,145
Goodwill	396,117	396,117
	1,331,061	1,329,654

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

12.1 Additions to intangible assets

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

Capital work-in-progress	40,953	17,496
Directly purchased	75,611	15,393
Total	116,564	32,889

		30 September 2021 ---- (Rupees in '000) ---- (Un-Audited)	31 December 2020 ---- (Rupees in '000) ---- (Audited)
13. DEFERRED TAX ASSETS			
Deductible Temporary Differences on:			
- Tax losses carried forward		972,835	1,244,800
- Minimum tax		539,858	539,858
- Post retirement employee benefits		19,281	19,281
- Provision against assets		1,157,011	1,367,430
- Other deductible temporary differences		22,704	-
		<u>2,711,689</u>	<u>3,171,369</u>
Taxable Temporary Differences on:			
- Surplus on revaluation of investments		(237,760)	(223,404)
- Surplus on revaluation of non-banking assets		(162,215)	(162,947)
- Accelerated tax depreciation		(133,906)	(144,234)
		<u>(533,881)</u>	<u>(530,585)</u>
		<u>2,177,808</u>	<u>2,640,784</u>
14. OTHER ASSETS			
Profit / return accrued in local currency		4,774,596	3,910,987
Profit / return accrued in foreign currency		11,520	15,160
Advances, deposits, advance rent and other prepayments		573,916	441,236
Advance taxation (payments less provision)		-	106,647
Receivable against sale of shares		-	9,798
Non-banking assets acquired in satisfaction of claims		1,352,776	1,382,794
Unrealised gain on re-measurement of forward exchange contracts		480,353	80,190
Stamps and stationery		4,326	6,422
Acceptances		3,469,662	1,808,125
Others		228,631	273,990
		<u>10,895,780</u>	<u>8,035,349</u>
Less: Provision held against other assets	14.1	(149,212)	(149,212)
Other assets (net of provision)		<u>10,746,568</u>	<u>7,886,137</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		463,471	465,561
Other assets - total		<u>11,210,039</u>	<u>8,351,698</u>
14.1 Provision held against other assets			
Non-performing receivables		148,966	148,966
Others		246	246
		<u>149,212</u>	<u>149,212</u>
15. BILLS PAYABLE			
In Pakistan		4,028,670	3,696,482
Outside Pakistan		-	-
		<u>4,028,670</u>	<u>3,696,482</u>
16. DUE TO FINANCIAL INSTITUTIONS			
Secured			
Borrowings from State Bank of Pakistan			
- Under Islamic export refinance scheme	16.1	4,442,138	3,363,810
- Under Islamic refinance scheme for payment of salaries and wages	16.2	1,508,872	2,336,366
- Under Islamic temporary economic refinance facility for plant and machinery	16.3	575,111	4,859
- Under Islamic refinance facility for combating Covid-19	16.4	13,547	15,052
Unsecured			
- Borrowing	16.5	4,750,000	-
- Overdrawn nostro accounts		-	2,249
		<u>11,289,668</u>	<u>5,722,336</u>
16.1	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. These contracts will mature in March 2022.		
16.2	SBP vide its Circular no.07 of 2020 has introduced a Islamic 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. These contracts will mature in December 2022.		
16.3	SBP vide its Circular no.02 of 2020 has introduced a Islamic temporary economic refinance facility to support sustainable economic growth. The facility aims to provide concessionary finance for setting up of new industrial units through purchase of new imported and locally manufactured plant and machinery. The profit rate on these borrowings is 1% (31 December 2020: 1%) per annum. The maximum limit approved by SBP to the Bank under this scheme is Rs.2 billion. These contracts will mature in September 2031.		

16.4 SBP vide its Circular no.04 of 2020 has introduced a Islamic refinance facility to combat the impact of Covid-19. The facility aims to provide long term finance for purchase of new imported and locally manufactured medical equipments to be used for combating Covid-19 by hospitals and medical centers registered with provincials / federal agencies. The maximum limit approved by SBP to the Bank under this scheme is Rs.75 million. These contracts will mature in November 2025.

16.5 The range of profit rates on these borrowing is 7% to 8.1% (31 December 2020:Nil). These contracts will mature in October 2021.

17. DEPOSITS AND OTHER ACCOUNTS

	30 September 2021 (Un-Audited)			31 December 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	29,587,794	7,857,395	37,445,189	32,089,357	6,414,325	38,503,682
Savings deposits	56,013,771	6,426,491	62,440,262	53,918,588	5,063,563	58,982,151
Term deposits	49,393,288	1,161,809	50,555,097	47,062,823	2,090,886	49,153,709
Others	1,754,144	-	1,754,144	1,716,866	-	1,716,866
	136,748,997	15,445,695	152,194,692	134,787,634	13,568,774	148,356,408
Financial Institutions						
Current deposits	117,279	27,331	144,610	195,242	2,722	197,964
Savings deposits	14,865,517	696	14,866,213	9,483,154	651	9,483,805
Term deposits	1,063,250	-	1,063,250	1,325,550	-	1,325,550
	16,046,046	28,027	16,074,073	11,003,946	3,373	11,007,319
	152,795,043	15,473,722	168,268,765	145,791,580	13,572,147	159,363,727

	Note	30 September 2021	31 December 2020
		(Un-Audited)	(Audited)
----- (Rupees in '000) -----			
18. SUBORDINATED DEBT			
Tier II mudaraba sukuk - first issue		-	285,704
Tier II mudaraba sukuk - second issue	18.1	1,500,000	1,500,000
Additional Tier I capital	18.2	1,389,241	1,389,241
		2,889,241	3,174,945

18.1 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 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.

18.2 In December 2018, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Additional Tier-I (ADT-1) Capital based on Mudaraba of Rs.1.4 Billion as instrument of redeemable capital under section 66 of the Companies Act, 2017. 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 ADT-1 capital 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.

	30 September 2021 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2020 ----- (Rupees in '000) ----- (Audited)
19. OTHER LIABILITIES		
Return on deposits and borrowings:		
- payable in local currency	894,699	1,070,591
- payable in foreign currencies	1,882	1,308
Accrued expenses	354,763	435,346
Current taxation (provision less payments)	71,656	-
Advance payments	960,932	709,536
Charity fund balance	88,863	77,238
Security deposits against ijarah	170,715	302,103
Payable against purchase of listed shares	2,009	3,310
Payable in respect of defined benefit plan	7,899	7,899
Takaful payable against ijarah and diminishing musharakah assets	422,250	363,302
Branch adjustment account	323,542	396,685
Acceptances	3,469,662	1,808,125
Lease liability against right-of-use assets	1,862,564	1,966,167
Others	698,604	685,070
	<u>9,330,040</u>	<u>7,826,680</u>

	30 September 2021	31 December 2020
Note	----- (Rupees in '000) ----- (Un-Audited) (Audited)	
20. SURPLUS ON REVALUATION OF ASSETS		
Surplus on revaluation of:		
- Available for sale securities	9.1 679,314	647,529
- Non-banking assets acquired in satisfaction of claims	14 463,471	465,561
	1,142,785	1,113,090
Deferred tax on surplus on revaluation of:		
- Available for sale securities	(237,760)	(226,635)
- Non-banking assets acquired in satisfaction of claims	(162,215)	(162,946)
	(399,975)	(389,581)
	742,810	723,509
21 CONTINGENCIES AND COMMITMENTS		
- Guarantees	21.1 14,242,696	8,052,300
- Commitments	21.2 69,238,702	43,468,442
	83,481,398	51,520,742
21.1 Guarantees		
Financial guarantees	18,851	9,017
Performance guarantees	7,264,064	4,919,029
Other guarantees	6,959,781	3,124,254
	14,242,696	8,052,300
21.2 Commitments		
Documentary credits and short-term trade-related transactions - letters of credit	16,490,265	10,638,401
Commitments in respect of forward foreign exchange contracts	21.2.1 52,740,031	32,815,873
Commitments for acquisition of fixed assets	8,406	14,168
	69,238,702	43,468,442
21.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	31,342,280	16,049,914
Sale	21,397,751	16,765,959
	52,740,031	32,815,873

21.2.2 The maturities of above contracts are spread over the periods upto one year.

21.3 Other Contingencies

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

21.3.2 During the year 2021, Additional Commissioner Inland Revenue (ACIR) passed the order under Section 122(5A) of the Income Tax Ordinance disallowing certain refunds adjustment in the tax return filed for the tax year 2017. The Bank has filed an appeal against the said decision Commissioner Inland Revenue (Appeals). The management and the Bank's tax consultant is confident that the appeal is likely to be decided in favor of the Bank and hence no provision has been made in these condensed interim financial statements for the income tax claims amounting to Rs. 8.4 million.

		Nine Months ended	
		30 September 2021	30 September 2020
		----- (Rupees in '000) -----	
		----- (Un-Audited) -----	
22	PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS		
	On:		
	- Islamic financing and related assets	6,498,202	6,916,952
	- Investments	3,260,170	2,311,576
	- Due from financial institutions	169,562	1,569,613
	- Balances with banks	4,790	5,999
		<u>9,932,724</u>	<u>10,804,140</u>
23	RETURN ON DEPOSITS AND OTHER DUES EXPENSED		
	On:		
	-Deposits	4,369,312	5,465,614
	-Borrowings	101,508	26,230
	-Conversion cost against foreign currency deposits / borrowings	254,238	98,264
	-Subordinated debt	210,112	364,264
	-Finance charge on lease liability against right-of-use assets	127,969	163,806
	-Export refinance under Islamic scheme	70,295	65,842
		<u>5,133,434</u>	<u>6,184,020</u>
24	FEE AND COMMISSION INCOME		
	Branch banking customer fees	69,474	75,212
	Consumer finance related fees	82,720	70,084
	Debit card related fees and income	79,916	47,217
	Investment banking fees	163,474	43,543
	Commission on trade	249,235	191,634
	Commission on guarantees	65,235	33,822
	Commission on cash management	7,413	3,289
	Commission on remittances including home remittances	23,469	19,935
	Commission on bancatakaful	3,196	5,698
	Export rebates	4,475	7,380
	Others	13,582	11,071
		<u>762,189</u>	<u>508,885</u>
25	GAIN / (LOSS) ON SECURITIES		
	Realised	158,099	157,518
	Unrealised - held for trading	9,236	8,598
		<u>167,335</u>	<u>166,116</u>
25.1	Realised gain / (loss) on:		
	Federal Government securities	110,039	199,351
	Shares	48,060	(41,833)
		<u>158,099</u>	<u>157,518</u>

		Nine Months ended	
		30 September 2021	30 September 2020
		----- (Rupees in '000) -----	
		----- (Un-Audited) -----	
26	OTHER INCOME		
	Rent on property	8,552	1,786
	Gain on sale of fixed assets-net	3,832	26,997
	Loss on sale of non banking assets	(1,987)	-
		<u>10,397</u>	<u>28,783</u>
27	OPERATING EXPENSES		
	Compensation expense		
	Salaries, allowances, etc.	1,742,340	1,627,998
	Charge for defined benefit / contribution plan and other benefits	137,182	118,165
		<u>1,879,522</u>	<u>1,746,163</u>
	Property expense		
	Rent and taxes	7,088	46,544
	Takaful expense	34,496	41,366
	Utilities	167,871	153,493
	Security (including guards)	197,962	173,252
	Repair and maintenance (including janitorial charges)	62,233	65,838
	Depreciation	49,016	46,353
	Depreciation - Right-of-use assets	511,290	486,894
	Depreciation - non banking assets	24,010	19,251
	Others	5,975	5,675
		<u>1,059,941</u>	<u>1,038,666</u>
	Information technology expenses		
	Software maintenance	138,438	124,492
	Hardware maintenance	37,225	44,396
	Depreciation on fixed assets	28,118	21,255
	Amortisation	36,905	38,793
	Network charges	61,440	59,915
	Others	37,415	38,026
		<u>339,541</u>	<u>326,877</u>
	Other operating expenses		
	Directors' fees and allowances	42,833	36,500
	Fees and allowances to Shariah Board	2,250	3,555
	Legal and professional charges	45,984	55,640
	Outsourced services costs	122,252	130,590
	Travelling and conveyance	16,061	17,570
	NIFT clearing charges	12,479	13,331
	Depreciation	70,341	67,675
	Amortization	73,503	99,361
	Takaful and registration expenses	7,898	22,397
	Training and development	1,855	4,400
	Postage and courier charges	18,789	21,339
	Communication	34,545	35,848
	Stationery and printing	65,747	67,376
	Marketing, advertisement and publicity	17,276	20,144
	Repair and maintenance	34,082	30,211
	Auditors' remuneration	12,321	10,849
	Depositor's protection premium	102,654	85,375
	Brokerage, commission and bank charges	118,534	142,903
	Others	36,354	32,696
		<u>835,758</u>	<u>897,760</u>
		<u>4,114,762</u>	<u>4,009,466</u>
27.1	These amounts include outsourcing services with regards to janitorial services, security services, contractual employees over third party contracts and printing activities.		
28	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	39	105,690

	Note	Nine Months ended	
		2021	2020
		---- (Rupees in '000) ---- ----- (Un-Audited) -----	
29 PROVISIONS AND WRITE OFFS - NET			
Reversal for diminution in value of investments	9.3.1	(83,500)	(33,257)
Provision against non-performing Islamic financing and related assets	10.3	1,029,207	663,580
Provision against other assets		-	8,948
Write off against other assets		760	647
Write off against fixed assets		19,756	857
		<u>966,223</u>	<u>640,775</u>
30 TAXATION			
Current		334,129	233,339
Deferred		452,583	337,941
		<u>786,712</u>	<u>571,280</u>
31 BASIC AND DILUTED PROFIT PER SHARE			
Profit after taxation for the period		<u>435,872</u>	<u>666,147</u>
		--- Number of shares ---	
Weighted average number of ordinary shares		<u>1,373,962,760</u>	<u>1,373,962,760</u>
Basic / diluted profit per share - Rupee		<u>0.32</u>	<u>0.48</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.

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).

32.1 Fair value of financial assets

The following table provides the fair value measurement hierarchy of the Bank's assets:

	30 September 2021 (Un-Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	21,133,500	32,674,343	-	53,807,843
Other securities	-	715,952	-	715,952
Shares	324,947	-	-	324,947
Foreign Securities	1,377,112	-	-	1,377,112
	<u>22,835,559</u>	<u>33,390,295</u>	<u>-</u>	<u>56,225,854</u>
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	18,670,680
Balances with other banks	-	-	-	2,228,576
Due from financial institutions	-	-	-	-
Investments	-	-	-	4,993,210
Islamic financing and related assets	-	-	-	108,259,349
Other assets	-	-	-	9,333,053
	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,484,868</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	31,342,280	-	31,342,280
Forward sale of foreign exchange	-	21,397,751	-	21,397,751
	<u>-</u>	<u>52,740,031</u>	<u>-</u>	<u>52,740,031</u>
	31 December 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	20,079,599	28,435,451	-	48,515,050
Other securities	-	1,121,536	-	1,121,536
Shares	605,810	-	-	605,810
Foreign Securities	2,112,785	-	-	2,112,785
	<u>22,798,194</u>	<u>29,556,987</u>	<u>-</u>	<u>52,355,181</u>
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	15,773,612
Balances with other banks	-	-	-	10,177,095
Due from financial institutions	-	-	-	2,748,221
Investments	-	-	-	4,762,051
Islamic financing and related assets	-	-	-	90,279,044
Other assets	-	-	-	6,312,268
	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,052,291</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	16,049,914	-	16,049,914
Forward sale of foreign exchange	-	16,765,959	-	16,765,959
	<u>-</u>	<u>32,815,873</u>	<u>-</u>	<u>32,815,873</u>

There were no transfer between level 2 and level 3 during the period.

32.2 Fair value of non-financial assets

	30 September 2021 (Un-Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Non banking assets acquired in satisfaction of claims	-	-	1,872,240	1,872,240
	<u>-</u>	<u>-</u>	<u>1,872,240</u>	<u>1,872,240</u>
	31 December 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Non banking assets acquired in satisfaction of claims	-	-	1,880,440	1,880,440
	<u>-</u>	<u>-</u>	<u>1,880,440</u>	<u>1,880,440</u>

32.3 Valuation techniques used in determination of fair values within level 2 and level 3

Particulars	Valuation approach and input used
Federal government securities	The fair value of federal government securities are determined on the basis of rates / prices sourced from Reuters.
Non-government debt securities	Investment in non-Government debt securities denominated in local currency are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investment in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from bloomberg / Reuters.
Foreign government debt securities	The fair value of overseas Government securities are denominated on the basis of rates taken from Bloomberg / Reuters.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Non banking assets acquired in satisfaction of claims - Gross	Non banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

	30 September 2021 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & Consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net return earned / expensed	2,902,828	783,399	(1,581,417)	2,866,045	(171,565)	4,799,290
Inter segment revenue - net	-	-	5,960,384	-	504,835	6,465,219
Other income	402,923	153,720	248,761	720,597	3,268	1,529,269
Total Income	3,305,751	937,119	4,627,728	3,586,642	336,538	12,793,778
Segment direct expenses	(159,612)	(172,962)	(3,763,015)	(43,951)	(212)	(4,139,752)
Inter segment expense allocation	(2,641,562)	(825,157)	-	(2,998,500)	-	(6,465,219)
Total expenses	(2,801,174)	(998,119)	(3,763,015)	(3,042,451)	(212)	(10,604,971)
Provisions	(637,707)	(292,230)	(95,665)	83,500	(24,121)	(966,223)
Profit / (loss) before tax	(133,130)	(353,230)	769,048	627,691	312,205	1,222,584
	30 September 2021 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & Consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	57,727	-	16,865,001	-	1,747,952	18,670,680
Balances with other banks	-	-	-	2,228,576	-	2,228,576
Due from financial institutions	-	-	-	-	-	-
Investments	3,345,828	-	-	57,873,236	-	61,219,064
Net inter segment lending	-	-	135,257,597	-	6,433,287	141,690,884
Islamic financing and related assets - performing	61,802,920	14,440,906	25,773,837	-	1,873,551	103,891,214
- non-performing	2,378,942	1,643,416	308,238	-	37,539	4,368,135
Others	2,133,284	811,950	6,928,228	3,112,362	5,928,875	18,914,699
Total assets	69,718,701	16,896,272	185,132,901	63,214,174	16,021,204	350,983,252
Bills payable	-	-	4,028,670	-	-	4,028,670
Due to financial institutions	4,977,128	1,562,540	-	4,750,000	-	11,289,668
Subordinated debt	-	-	-	-	2,889,241	2,889,241
Deposits and other accounts	18,557,920	-	149,710,845	-	-	168,268,765
Net inter segment borrowing	42,156,113	15,639,668	26,824,768	57,070,335	-	141,690,884
Others	4,164,905	43,058	3,800,632	23,343	1,298,102	9,330,040
Total liabilities	69,856,066	17,245,266	184,364,915	61,843,678	4,187,343	337,497,268
Equity	(137,365)	(348,994)	767,986	1,370,496	11,833,861	13,485,984
Total equity and liabilities	69,718,701	16,896,272	185,132,901	63,214,174	16,021,204	350,983,252
Contingencies and commitments	20,705,346	10,027,615	8,406	52,740,031	355,453	83,836,851
	30 September 2020 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & Consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net return earned / expensed	3,891,812	140,806	(2,210,761)	3,365,867	(567,604)	4,620,120
Inter segment revenue - net	-	-	5,513,555	-	969,680	6,483,235
Other income	175,237	102,233	217,645	861,065	42,312	1,398,492
Total Income	4,067,049	243,039	3,520,439	4,226,932	444,388	12,501,847
Segment direct expenses	(157,340)	(740,356)	(3,188,446)	(59,333)	5,065	(4,140,410)
Inter segment expense allocation	(3,339,712)	1,017,268	-	(4,160,791)	-	(6,483,235)
Total expenses	(3,497,052)	276,912	(3,188,446)	(4,220,124)	5,065	(10,623,645)
Provisions	(305,291)	(264,670)	(93,397)	33,257	(10,674)	(640,775)
Profit / (loss) before tax	264,706	255,281	238,596	40,065	438,779	1,237,427
	31 December 2020 (Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & Consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
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
Total assets	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
Total liabilities	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
Total equity and liabilities	62,478,648	39,724,176	135,897,709	78,788,506	18,339,776	335,228,815
Contingencies and commitments	11,786,383	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, 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:

	30 September 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) -----									
Islamic financing and related assets										
Opening balance	-	-	260,191	-	260,191	-	-	260,522	-	260,522
Addition during the period	-	-	83,208	-	83,208	-	-	74,556	-	74,556
Repaid during the period	-	-	(47,601)	-	(47,601)	-	-	(45,928)	-	(45,928)
Transfer in/(out)	-	-	(44,887)	-	(44,887)	-	-	(28,959)	-	(28,959)
Closing balance	-	-	250,911	-	250,911	-	-	260,191	-	260,191
Fixed assets										
Fixed assets	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Provision for impairment	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Other assets										
Profit receivable on Islamic financing and related assets	-	-	148	-	148	-	-	430	-	430

	30 September 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) -----									
Subordinated debt	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
Deposits and other accounts										
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 period	5,009	44,165	304,010	6,351,170	6,704,354	1	411,368	263,013	1,629,698	2,304,080
Withdrawn during the period	-	(49,571)	(301,905)	(6,683,593)	(7,035,069)	-	(403,687)	(299,053)	(1,563,853)	(2,266,593)
Transfer in/(out)	-	(195,678)	(4,728)	711,384	510,978	-	-	23,685	(87,245)	(63,560)
Closing balance	9,423	48,296	52,209	1,378,485	1,488,413	4,414	249,380	54,832	999,524	1,308,150
Other Liabilities										
Return payable on deposits	-	43	73	3,350	3,466	-	1,270	102	2,395	3,767
Return payable on Sub-ordinated debt	115,524	-	-	-	115,524	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
Non-funded exposure	-	-	-	64,810	64,810	-	-	-	60,869	60,869
	Nine months ended 30 September 2021 (Un-Audited)					Nine months ended 30 September 2020 (Un-Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
	----- (Rupees in '000) -----									
Related party transactions										
Income										
Profit earned on Islamic financing and related assets	-	-	4,701	-	4,701	-	-	2,027	-	2,027
Fee and commission income	-	-	-	3,528	3,528	-	-	-	65	65
Expense and Transactions										
Return on deposits expenses	-	1,468	765	55,381	57,614	-	11,326	1,114	41,379	53,819
Salaries, allowances and benefits	-	-	207,305	-	207,305	-	-	181,124	-	181,124
Director fee and other allowances	-	42,833	-	-	42,833	-	36,500	-	-	36,500
Shariah Board fee	-	-	-	2,250	2,250	-	-	-	3,555	3,555
Contribution to defined contribution plan	-	-	-	76,141	76,141	-	-	-	69,633	69,633
Contribution to defined benefit plan	-	-	-	61,041	61,041	-	-	-	48,532	48,532
Return on Sub-ordinated loan	105,570	-	-	-	105,570	364,264	-	-	-	364,264
Rent - branch premises	-	-	-	22,353	22,353	-	-	-	28,154	28,154

	30 September 2021	31 December 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>12,323,769</u>	<u>11,973,712</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>9,827,877</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>11,217,118</u>	10,263,321
Eligible Tier 2 Capital	<u>1,156,936</u>	1,539,536
Total Eligible Capital (Tier 1 + Tier 2)	<u>12,374,054</u>	11,802,857
Risk Weighted Assets (RWAs):		
Credit Risk	<u>88,306,217</u>	77,349,830
Market Risk	<u>1,467,308</u>	1,702,497
Operational Risk	<u>12,459,666</u>	12,459,666
Total	<u>102,233,191</u>	91,511,993
Common Equity Tier 1 Capital Adequacy ratio	<u>9.61%</u>	9.70%
Tier 1 Capital Adequacy Ratio	<u>10.97%</u>	11.22%
Total Capital Adequacy Ratio	<u>12.10%</u>	12.90%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>11,217,118</u>	10,263,321
Total Exposures	<u>252,336,320</u>	249,237,843
Leverage Ratio	<u>4.45%</u>	4.12%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>73,755</u>	65,751
Total Net Cash Outflow	<u>55,242</u>	35,490
Liquidity Coverage Ratio	<u>133.51%</u>	185.27%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>138,570</u>	134,272
Total Required Stable Funding	<u>87,246</u>	76,869
Net Stable Funding Ratio	<u>158.83%</u>	174.68%

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

These condensed interim financial statements were authorized for issue on 28 October 2021 by the Board of Directors of the Bank.