





Report for the quarter ended March 31, 2023

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## Corporate Information

Board Of Directors	Mr. Waqar Ahmed Malik - Chairman Mr. Sarfaraz Ahmed Rehman Mr. Arif Ur Rehman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi Mr. Manzoor Ahmed Mr. Kamran Yousuf Mirza Ms. Zoya Mohsin Nathani Ms. Samina Rizwan Raja Muhammad Abbas Mr. Atif R. Bokhari - President & Chief Executive <i>(Subject to Directors' Fit and Proper test clearance by the State Bank of Pakistan)</i>
Board Audit Committee	Mr. Kamran Yousuf Mirza - Chairman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi Mr. Manzoor Ahmed Raja Muhammad Abbas
Shariah Board	Mufti Muhammad Zahid - Chairman Mufti Zakir Hassan Naumani - Member Dr. Lutfullah Saqib - Member Dr. Muhammad Tahir Mansoori - Resident Shariah Board Member
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors	M/s RIAA, Barker Gillette Advocates & Corporate Counselors
Company Secretary	Syed Ali Safdar Naqvi, FCA
Registered Office	AWT Plaza, The Mall, P. O. Box No. 1084 Rawalpindi - 46000, Pakistan Tel: (92 51) 8092624, UAN: (92 51) 111 000 787 Fax: (92 51) 2857448 Email: <a href="mailto:ir@askaribank.com.pk">ir@askaribank.com.pk</a>
Registrar & Share Transfer Office	CDC Share Registrar Services Limited (CDCSRSL) Mezzanine Floor, South Tower, LSE Plaza 19-Khayaban-e-Aiwan-e-Iqbal, Lahore Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Tel: (92 42) 36362061-66 Fax: (92 42) 36300072 Email: <a href="mailto:info@cdcsrsl.com">info@cdcsrsl.com</a> Website: <a href="http://www.cdcsrsl.com">www.cdcsrsl.com</a>
Entity Ratings	Long Term: AA+ Short Term: A1+ By PACRA
Website	<a href="http://www.askaribank.com">www.askaribank.com</a>
Social Media	 <a href="https://www.facebook.com/askaribankpakistan">askaribankpakistan</a>  <a href="https://twitter.com/Askari_Bank">Askari_Bank</a>  <a href="https://www.instagram.com/askaribankpk">askaribankpk</a>  <a href="https://www.linkedin.com/company/askaribanklimited">askaribanklimited</a>  <a href="https://www.youtube.com/AskariBankOfficial">AskariBankOfficial</a>

## **DIRECTORS' REVIEW**

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial statements for the quarter ended March 31, 2023.

### Economy:

Pakistan's economy is facing significant challenges; external front continues to be impacted by commodity prices, debt repayments, strain in global financial conditions and delays in IMF program, while on the domestic front, the economic activity has been subjected to severe stresses, further compounded by continued political uncertainty. These factors are reflecting in the downward revision of GDP forecast that is now estimated to grow by less than one percent during the current fiscal year.

Inflation is maintaining a rising trend surging to 35.4 percent on account of higher energy prices, food inflation and currency depreciation. Current account is showing improvement mainly on the back of import curtailment, however foreign exchange reserves remained under pressure due to higher loan repayments. Slowdown in economic activity is also impacting fiscal deficit as tax collection is falling short of targets. The State Bank of Pakistan has announced a cumulative 500 bps increase in policy rate during the year to address higher inflation outcome and to target price stability. Due to the lagged effect of last year's floods, the production losses of major crops have not yet been fully recovered. Consequently, the shortage of essential items and bulk buying during the month of Ramadan may cause demand supply gap and result in prices to escalate further. The intensity of internal and external risks has not been fully realized yet and may adversely affect domestic economic activity in the near term warranting hard monetary and fiscal actions for bringing stability to the macroeconomic outlook. The resumption of IMF program remains vital along with the continuity of sustainable economic policy by building consensus.

### Financial Performance:

The financial results of Askari Bank for the quarter ended March 31, 2023. are summarized as under:

	<u>(Rupees in million)</u>	
	March 31, 2023	March 31, 2022
Net mark-up and non fund income	15,076	10,981
Administrative and other expenses	(6,783)	(5,056)
Operating profit	8,294	5,925
Provisions and write offs - net	58	172
Profit before taxation	8,352	6,097
Taxation	(3,648)	(2,492)
Profit after taxation	4,704	3,605
Basic earning per share - Rupees	3.25	2.49

The Bank posted profit before tax of Rs.8.35 billion, a year-on-year (yoy) growth of 37 percent. Profit after taxation increased by 30 percent yoy to Rs.4.70 billion translating into earnings per share of Rs 3.25 for the current period compared to Rs 2.49 for the corresponding period last year.

Revenues increased to Rs.15.1 billion, a growth of 37 percent yoy, compared to Rs.11.0 billion last year. Net mark-up income grew by 41 percent yoy reflecting improved interest margins enabled by asset liability positions aligned with rapid monetary tightening, and a 33 percent increase in average balance sheet volumes. Aggregate non-fund income increased by 24 percent on the back of a 43 percent increase in fee and commission income. Foreign exchange income increased by 25 percent on back of better trade flows and higher market volatility. Dividend income increased by 77 percent yoy due to better corporate earnings and positioning in high yielding dividend stocks. Operating expenses for the current period increased by 34 percent yoy mainly due to the effects of inflation, Pak Rupee depreciation and investment in new branches; 41 new branches were added to the network for customer acquisition and deposit mobilization. The Bank continues to keep a check on operating expenses and manage costs prudently while focusing on building revenue momentum.

Customer deposits are reported at Rs 1.193 trillion; current and saving accounts constituted 80 percent of the total deposit as at March 31, 2023. Gross advances stood at Rs 612 billion, a marginal decrease during the quarter due to seasonal retirement. The rising trend of market rates driven by inflation, economic stresses and eroding values of GoP Euro bonds, continue to adversely impact mark-to-market revaluation deficit on investments and capital ratios. The Bank has been allowed a temporary relaxation by the SBP to stagger the unrealized revaluation deficit on certain investments.

The Bank's entity rating was reaffirmed at 'AA+' (Double A Plus) for the long-term by Pakistan Credit Rating Agency Limited (PACRA), with outlook assigned as 'Stable'. The Bank's strong brand and affiliation with Fauji Foundation are recognized as the key rating drivers, supported by strengths in terms of market penetration, customer confidence, sustainable funding sources and avenues for generating mark-up and non-mark-up based income stream. The short-term rating was maintained at 'A1+' (A One Plus).

Looking ahead, the Bank will continue to drive business growth supported by enhanced governance, compliance, credit and effective risk management. The Bank plans to grow market share in retail segment, particularly low-cost and saving deposits which aligns well with the branch network expansion. Emphasis will remain on supporting trade volumes with primary focus on middle market segment while pursuing digital transformation and process improvements. The Bank is creating a caring culture and as a socially conscious organization taking steps to support the needs for persons with disabilities. The Bank will continue to invest in human capital fostering a service culture that encourages collaboration and innovation.

Acknowledgment:

On behalf of the Board, we would like to place on record our gratitude to our valued customers and shareholders for their continued patronage to the Askari brand; our profound thanks to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance and assistance. We would also like to place on record our appreciation for the efforts of the Sharia Board for strengthening sharia compliance and governance framework for Askari Ikhlas Islamic Banking. Lastly, we express our deepest appreciation and gratitude to our staff for the hard work and dedication.

-sd-  
Atif R. Bokhari  
President & Chief Executive

-sd-  
Waqar Ahmed Malik  
Chairman, Board of Directors

Rawalpindi  
April 20, 2023

## ڈائریکٹرز کی جائزہ رپورٹ

عزیزہ حصص داران

ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لئے غیر آڈٹ شدہ عبوری غیر مدغم شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### معیشت:

پاکستان کی معیشت کو بڑے چیلنجز کا سامنا ہے۔ اجناس کی قیمتوں، قرضوں کی ادائیگی، عالمی مالیاتی حالات میں تناؤ اور آئی ایم ایف پروگرام میں تاخیر سے بیرونی مالی معاملات پر مسلسل اثر پڑ رہا ہے جبکہ داخلی منظر نامے پر معاشی سرگرمی شدید تناؤ کا شکار ہے جو کہ مسلسل غیر یقینی سیاسی صورتحال کی وجہ سے مزید پیچیدہ ہوئی ہے۔ یہ عوامل جی ڈی پی کی پیش گوئی میں کمی کی عکاسی کر رہے ہیں جس میں اب رواں مالی سال کے دوران ایک فیصد سے بھی کم اضافے کا تخمینہ لگایا گیا ہے۔

توانائی کی قیمتوں میں اضافے، غذائی افراط زر اور کرنسی کی قدر میں کمی نے افراط زر میں بڑھنے کے رجحان کو جاری رکھتے ہوئے 35.4 فیصد تک پہنچا دیا ہے۔ کرنٹ اکاؤنٹ میں بہتری کی بنیادی وجہ درآمدات میں کمی ہے تاہم قرضوں کی اضافی ادائیگیوں کی وجہ سے زرمبادلہ کے ذخائر دباؤ میں رہے۔ معاشی سرگرمیوں میں سست روی مالی خسارے کو بھی متاثر کر رہی ہے کیونکہ ٹیکس وصولی اہداف سے کم ہو رہی ہے۔ اسٹیٹ بینک آف پاکستان نے سال کے دوران پالیسی ریٹ میں مجموعی طور پر 500 بی پی ایس اضافے کا اعلان کیا ہے تاکہ بلند افراط زر کے نتائج سے نمٹا جاسکے اور قیمتوں میں استحکام کو مدد بنایا جاسکے۔ گزشتہ سال کے سیلاب کے منفی اثرات کی وجہ سے قابل ذکر فصلوں کے پیداواری نقصانات ابھی تک مکمل طور پر بحال نہیں ہو سکے ہیں۔ نتیجتاً اشیائے ضروریہ کی قلت اور رمضان کے مہینے میں بڑے پیمانے پر خریداری، طلب اور رسد میں خلا کا سبب بن سکتی ہے اور اس کے نتیجے میں قیمتوں میں مزید اضافہ ہو سکتا ہے۔ اندرونی اور بیرونی چیلنجز کی شدت ابھی تک مکمل طور پر محسوس نہیں کی گئی ہے اور مستقبل قریب میں اتفاق رائے پیدا کر کے پائیدار اقتصادی پالیسی کے تسلسل کے ساتھ ساتھ آئی ایم ایف پروگرام کی بحالی بھی اہم ہے۔

### مالیاتی کارکردگی:

31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے عسکری بینک کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

(روپے بلین میں)		
31 مارچ	31 مارچ	
2022	2023	
10,981	15,076	خالص مارک اپ اور نان فنڈ آمدن
(5,056)	(6,783)	انتظامی اور دیگر اخراجات
5,925	8,294	آپریٹنگ منافع
172	58	خالص پروویژن اور رائٹ آف - نیٹ
6,097	8,352	قبل از ٹیکس منافع
(2,492)	(3,648)	ٹیکس
3,605	4,704	بعد از ٹیکس منافع
2.49	3.25	بنیادی فی حصص آمدن - روپے

بینک نے 8.35 روپے کا قبل از ٹیکس منافع حاصل کیا جو کہ سال بہ سال 37 فیصد زیادہ ہے۔ بعد از ٹیکس منافع 30 فیصد اضافے سے 4.70 روپے تک پہنچ گیا جس سے رواں سال کے اسی عرصے میں فی حصص آمدنی 3.25 روپے رہی جو گزشتہ سال کے اسی عرصے میں 2.49 روپے تھی۔

گزشتہ سال کے 11 ارب روپے کے مقابلے میں سال بہ سال آمدنی 37 فیصد اضافے کے ساتھ 15.1 ارب روپے تک پہنچ گئی۔ خالص مارک اپ آمدنی میں سال بہ سال 41 فیصد اضافہ ہوا ہے جو تیزی سے مالیاتی سختی کے ساتھ منسلک اثاثوں اور واجبات کی پوزیشنوں اور اوسط بیلنس شیٹ حجم میں 33 فیصد اضافے کی وجہ سے مارک اپ کے مارجن میں بہتری کی عکاسی کرتا ہے۔ فیس اور کمیشن آمدنی میں 43 فیصد اضافے کی وجہ سے مجموعی نان فنڈ آمدنی میں 24 فیصد اضافہ ہوا۔ بہتر تجارتی حجم اور مارکیٹ میں اتار چڑھاؤ کی وجہ سے زرمبادلہ کی آمدنی میں 25 فیصد اضافہ دیکھنے میں آیا۔ بہتر کارپوریٹ آمدنی اور اعلیٰ پیداوار والے ڈیویڈنڈ اسٹاک میں پوزیشننگ کی وجہ سے ڈیویڈنڈ آمدنی میں پچھلے سال کی نسبت 77 فیصد اضافہ ہوا۔ رواں عرصے کے دوران آپریٹنگ اخراجات میں سال بہ سال 34 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر، پاکستانی روپے کی قدر میں کمی اور نئی برانچوں میں سرمایہ کاری ہے۔ صارفین کے حصول اور ڈپازٹ مولیو بلینیشن کے لئے نیٹ ورک میں 41 نئی برانچز شامل کی گئیں۔ بینک آپریٹنگ اخراجات پر نظر رکھے ہوئے ہے اور آمدنی کی رفتار بڑھانے پر توجہ مرکوز کرتے ہوئے دانشمندانہ طریقے سے اخراجات کا انتظام کرتا ہے۔

صارفین کے ڈپازٹس 1.193 ٹریلین روپے رہے۔ 31 مارچ 2023 تک کل ڈپازٹ میں کرنٹ اور سیونگ اکاؤنٹس کا حصہ 80 فیصد تھا۔ سیزل ریٹائرمنٹ کی وجہ سے سہ ماہی کے دوران مجموعی قرضے 612 ارب روپے رہے۔ افراط زر، معاشی دباؤ اور جی او پی یورو بانڈز کی گرتی ہوئی قدروں کی وجہ سے مارکیٹ ریٹس کا بڑھتا ہوا رجحان سرمایہ کاری اور سرمائے کے تناسب پر مارک ٹو مارکیٹ ری ویلیویشن خسارے پر منفی اثر ڈال رہا ہے۔ اسٹیٹ بینک کی جانب سے بینک کو عارضی اجازت دی گئی ہے تاکہ بعض سرمایہ کاریوں پر غیر حاصل شدہ خسارے کو کم کیا جاسکے۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آے) کی جانب سے بینک کی طویل مدتی ادارہ جاتی درجہ بندی 'AA+' (ڈبل اے پلس) کی توثیق کی گئی ہے، جس کے آؤٹ لک کو "مشکم" قرار دیا گیا ہے۔ بینک کے مضبوط برانڈ اور فوجی فاؤنڈیشن کے ساتھ وابستگی کو کلیدی ریٹنگ کے طور پر تسلیم کیا جاتا ہے، جو مارکیٹ تک رسائی، صارفین کے اعتماد، پائیدار فنڈنگ کے ذرائع اور مارک اپ اور نان مارک اپ پر مبنی آمدنی کے ذرائع پیدا کرنے کے مواقع کے لحاظ سے بہتر کارکردگی کی حمایت کرتے ہیں۔ قلیل مدتی درجہ بندی کو 'A1+' (اے ون پلس) پر برقرار رکھا گیا ہے۔

مستقبل کو دیکھتے ہوئے، بینک بہتر گورننس، کمپلائنس، کریڈٹ اور موثر رسک مینجمنٹ کی مدد سے کاروباری ترقی کو آگے بڑھانا جاری رکھے گا۔ بینک ریٹیل سیگمنٹ میں مارکیٹ شیئر بڑھانے کا ارادہ رکھتا ہے، خاص طور پر کم لاگت اور سیونگ ڈپازٹس جو برانچ نیٹ ورک کی توسیع کے ساتھ اچھی طرح ہم آہنگ ہیں۔ ڈیجیٹل اصلاحات اور عملدرآمد اور عمل میں بہتری کو آگے بڑھاتے ہوئے ڈل مارکیٹ کے شعبے پر بنیادی توجہ کے ساتھ تجارتی حجم کی حمایت پر زور دیا جائے گا۔ بینک ذمہ دار ادارے کے طور پر ہمدردی کا کلچر تشکیل دے رہا ہے اور سماجی طور پر معذور افراد کی ضروریات کو پورا کرنے کے لئے اقدامات کر رہا ہے۔ بینک ہیومن کپچل میں سرمایہ کاری جاری رکھے گا جس سے سروس کلچر کو فروغ ملے گا جو تعاون اور جدت طرازی کی حوصلہ افزائی کرتا ہے۔

## اعترافات:

بورڈ کی جانب سے ہم عسکری برانڈ کی مسلسل سرپرستی پر اپنے معزز صارفین اور شیئر ہولڈرز کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی جانب سے رہنمائی اور معاونت پر ان کا تہ دل سے شکریہ ادا کرتے ہیں۔ ہم عسکری اخلاص اسلامی بینکاری کے لئے شریعہ کی تعمیل اور گورننس فریم ورک کو مضبوط بنانے کے لئے شریعہ بورڈ کی کوششوں کو بھی ریکارڈ پر رکھنا چاہیں گے۔ آخر میں، ہم سخت محنت اور لگن کے لئے اپنے عملے کو تہ دل سے سراہتے ہیں اور ان کا بھی شکریہ ادا کرتے ہیں۔

دستخط  
دقار احمد ملک  
چیئر مین، بورڈ آف ڈائریکٹرز

دستخط  
عاطف ریاض بخاری  
صدر چیف ایگزیکٹو

راولپنڈی

20 اپریل 2023

**ASKARI BANK LIMITED**

## Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2023

		(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	90,951,759	70,950,067
Balances with other banks	7	27,657,395	9,677,123
Lendings to financial institutions	8	99,999	406,934
Investments	9	842,619,796	762,531,019
Advances	10	581,018,989	583,810,931
Fixed assets	11	24,745,230	24,484,412
Intangible assets	12	1,498,499	1,375,625
Deferred tax assets	13	12,807,639	7,545,677
Other assets	14	80,682,150	65,351,946
		<u>1,662,081,456</u>	<u>1,526,133,734</u>
<b>LIABILITIES</b>			
Bills payable	15	11,878,086	11,878,563
Borrowings	16	323,113,304	233,432,089
Deposits and other accounts	17	1,192,676,383	1,142,574,606
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	50,617,162	52,926,223
		<u>1,590,284,935</u>	<u>1,452,811,481</u>
<b>NET ASSETS</b>		<u><u>71,796,521</u></u>	<u><u>73,322,253</u></u>
<b>REPRESENTED BY</b>			
Share capital		14,492,992	12,602,602
Reserves		56,217,949	43,385,854
(Deficit) / surplus on revaluation of assets - net of tax	20	(3,147,499)	3,952,356
Unappropriated profit		4,233,079	13,381,441
		<u><u>71,796,521</u></u>	<u><u>73,322,253</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman



**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2023

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	(Rupees in '000)	
<b>Profit after taxation</b>	4,703,421	3,605,394
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in Wholesale Bank Branch	870,702	127,733
Movement in deficit on revaluation of investments - net of tax	(7,099,855)	(1,329,941)
	(6,229,153)	(1,202,208)
<b>Total comprehensive income</b>	(1,525,732)	2,403,186

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman



**ASKARI BANK LIMITED**

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)  
For the quarter ended March 31, 2023

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	(Rupees in '000)	
<b>Cash flow from operating activities</b>		
Profit before taxation	8,351,702	6,096,901
Less: dividend income	(185,522)	(105,064)
	8,166,180	5,991,837
Adjustments:		
Depreciation	235,085	226,899
Amortization	40,604	34,390
Depreciation on ROU assets	406,357	384,181
Markup expense on lease liability against ROU assets	248,619	223,331
Termination of lease contracts under IFRS - 16 Leases	(198)	(13,700)
Charge for defined benefit plan	-	109,059
Provisions and write offs - net	(46,717)	(158,535)
Gain on sale of fixed assets	(699)	(36,040)
	883,051	769,585
	9,049,231	6,761,422
(Increase) / decrease in operating assets		
Lendings to financial institutions	314,365	(6,524,817)
Held for trading securities	249,262	(150,329)
Advances	2,844,489	11,639,057
Other assets (excluding advance taxation)	(16,193,541)	(2,952,086)
	(12,785,425)	2,011,825
Increase / (decrease) in operating liabilities		
Bills payable	(477)	2,877,558
Borrowings from financial institutions	89,681,215	11,452,100
Deposits	50,101,777	(17,890,642)
Other liabilities (excluding current taxation)	(2,614,657)	4,974,093
	137,167,858	1,413,109
Net cash flow generated from / (used in) operations	133,431,664	10,186,356
Payment made to defined benefit plan	(85,075)	(370,131)
Income tax paid	(2,393,290)	(2,135,212)
Net cash flow generated / (used in) from operating activities	130,953,299	7,681,013
<b>Cash flow from investing activities</b>		
Net investments in available for sale securities	(92,052,848)	(6,727,750)
Net investments in held to maturity securities	(1,006,687)	5,580,662
Dividend received	113,797	92,810
Investments in operating fixed assets - net of adjustments	(309,799)	(181,298)
Investments in intangible assets	(162,880)	(105,191)
Proceeds from sale of fixed assets	1,848	46,889
Effect of translation of net investment in Wholesale Bank Branch	870,702	127,733
Net cash used in investing activities	(92,545,867)	(1,166,145)
<b>Cash flow from financing activities</b>		
Payments against lease liabilities	(424,639)	(424,639)
Dividend paid	(829)	(1,855)
Net cash flow used in financing activities	(425,468)	(426,494)
<b>Increase / (decrease) in cash and cash equivalents</b>	37,981,964	6,088,374
Cash and cash equivalents at beginning of the period	80,627,190	92,887,082
Cash and cash equivalents at end of the period	118,609,154	98,975,456

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

## **ASKARI BANK LIMITED**

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2023

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

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2023. The ultimate parent of the Bank is Fauji Foundation. The Bank has 601 branches (2022: 600 branches); 600 in Pakistan and Azad Jammu and Kashmir including 120 (2022: 120) Islamic Banking branches and 58 (2022: 57) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

### **2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

#### **2.1 BASIS OF PREPARATION**

2.1.1 These unconsolidated condensed interim financial statements represent separate financial statements of Askari Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.

2.1.2 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.

2.1.3 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

#### **2.2 STATEMENT OF COMPLIANCE**

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

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

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.

2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39,"Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property , vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 was made applicable to banks for accounting periods beginning on or after January 01, 2022 however SBP through BPRD Circular Letter No. 7 of 2023 dated April 13, 2023 has further deferred the application till January 01, 2024. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirement prescribed by the SBP through various circulars.

2.2.3 IFRS10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) /2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.2.4 These unconsolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements of the Bank for the financial year ended December 31, 2022.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2022.

3.1 **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements.

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

There are various other standards, interpretations and amendments to accounting standards as applicable in Pakistan that are not yet effective in the current period. These are not likely to have material effect on the Bank's financial statements.

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

5. **FINANCIAL RISK MANAGEMENT**

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

	<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> December 31, 2022
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>	Rupees in '000	
<b><i>In hand:</i></b>		
Local currency	29,340,297	22,700,376
Foreign currencies	4,399,286	3,407,920
	<u>33,739,583</u>	<u>26,108,296</u>
<b><i>With the State Bank of Pakistan in:</i></b>		
Local currency current accounts	47,706,529	43,901,951
Foreign currency current account	514,689	647,093
Foreign currency deposit account	7,353,361	-
	<u>55,574,579</u>	<u>44,549,044</u>
<b><i>With National Bank of Pakistan in:</i></b>		
Local currency current accounts	1,596,647	260,731
Prize Bonds	40,950	31,996
	<u>90,951,759</u>	<u>70,950,067</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
<b><i>In Pakistan</i></b>		
In current accounts	102,377	32,629
<b><i>Outside Pakistan</i></b>		
In current accounts	3,461,988	3,383,544
In deposit accounts	24,093,049	6,260,952
	<u>27,555,037</u>	<u>9,644,496</u>
Provision held against balances with other banks	(19)	(2)
	<u>27,657,395</u>	<u>9,677,123</u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (reverse repo)	211,455	525,820
Provision held against lending to financial institutions	(111,456)	(118,886)
Lending to financial institutions - net of provision	<u>99,999</u>	<u>406,934</u>

9. **INVESTMENTS**

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

(Rupees in '000)

9.1 **Investments by type:**

**Held for trading securities**

Fully paid ordinary shares	215,456	-	(6,649)	208,807	464,718	-	(60,647)	404,071
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**Available for sale securities**

Federal Government Securities	736,358,893	(624,153)	(25,795,469)	709,939,271	646,356,442	(526,353)	(13,520,293)	632,309,796
Shares	6,124,793	(809,452)	38,943	5,354,284	5,109,394	(809,454)	126,617	4,426,557
Units of open end mutual funds	750,000	(144,205)	(2,717)	603,078	750,000	(144,205)	37,490	643,285
Fully paid preference shares	27,314	(11,914)	12,750	28,150	27,314	(11,914)	12,750	28,150
Non Government Debt Securities	14,120,793	(1,319,740)	46,476	12,847,529	13,085,795	(1,319,740)	99,304	11,865,359
	757,381,793	(2,909,464)	(25,700,017)	728,772,312	665,328,945	(2,811,666)	(13,244,132)	649,273,147

**Held to maturity securities**

Federal Government Securities	114,450,999	(812,322)	-	113,638,677	111,642,002	(585,365)	-	111,056,637
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	-	-	-	-	1,802,310	(5,146)	-	1,797,164
	114,560,999	(922,322)	-	113,638,677	113,554,312	(700,511)	-	112,853,801

Total investments

	<u>872,158,248</u>	<u>(3,831,786)</u>	<u>(25,706,666)</u>	<u>842,619,796</u>	<u>779,347,975</u>	<u>(3,512,177)</u>	<u>(13,304,779)</u>	<u>762,531,019</u>
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(Un-audited) (Audited)  
March 31, December 31,  
2023 2022

9.1.1 **Investments given as collateral**

(Rupees in '000)

The market value of investment given as collateral is as follows

Market Treasury Bills	33,332,087	14,650,739
Pakistan Investment Bonds	237,348,587	163,347,300
Turkish Euro Bonds	-	1,797,861
Shares	80,500	177,855
	<u>270,761,174</u>	<u>179,973,755</u>

	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022
<b>9.2 Provision for diminution in value of investments</b>	(Rupees in '000)	
9.2.1 Opening balance	3,512,177	2,304,644
Exchange adjustments	284,575	134,098
Charge / (reversals)		
Charge for the period / year	-	560,165
Charge under IFRS 9 related to WBB for the period / year	35,034	760,372
Reversals for the period / year	-	(67,045)
Net charge	35,034	1,253,492
Reversal on disposals	-	(180,057)
Closing balance	<u>3,831,786</u>	<u>3,512,177</u>

**9.2.2 Particulars of provision against debt securities**

	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	NPI	Provision	NPI	Provision
<b>Category of classification</b>	(Rupees in '000)			
<b>Domestic</b>				
Loss	<u>1,429,740</u>	<u>1,429,740</u>	<u>1,429,740</u>	<u>1,429,740</u>

9.2.3 In addition to the above, Bank's Bahrain branch holds general provision of Rs. 1,436,475 thousand (December 31, 2022: Rs. 1,116,864 thousand) against investments in accordance with ECL requirement of IFRS 9.

9.3 The market value of securities classified as held to maturity is Rs. 99,410,225 thousand (2022: Rs. 101,813,767 thousand).

10. ADVANCES	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	458,613,429	473,649,618	26,494,478	26,450,298	485,107,907	500,099,916
Islamic financing and related assets	95,691,990	82,206,609	2,887,828	2,894,335	98,579,818	85,100,944
Bills discounted and purchased	26,567,769	27,931,036	1,834,062	1,802,149	28,401,831	29,733,185
Advances - gross	580,873,188	583,787,263	31,216,368	31,146,782	612,089,556	614,934,045
Provision against advances						
- Specific	-	-	(29,247,426)	(29,297,528)	(29,247,426)	(29,297,528)
- General	(1,823,141)	(1,825,586)	-	-	(1,823,141)	(1,825,586)
	(1,823,141)	(1,825,586)	(29,247,426)	(29,297,528)	(31,070,567)	(31,123,114)
Advances - net of provision	579,050,047	581,961,677	1,968,942	1,849,254	581,018,989	583,810,931
					(Un-audited)	(Audited)
					March 31, 2023	December 31, 2022
					(Rupees in '000)	
10.1 Particulars of advances (Gross)					567,570,718	573,258,877
In local currency					44,518,838	41,675,168
In foreign currencies					612,089,556	614,934,045

10.2 Advances include Rs. 31,216,368 thousand (2022: Rs. 31,146,782 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing	Provision	Non Performing	Provision
	Loans			
Domestic	(Rupees in '000)			
Other Assets Especially Mentioned	121,990	-	122,279	1,437
Substandard	1,938,710	475,746	1,596,854	394,848
Doubtful	592,230	292,253	844,347	413,258
Loss	28,563,438	28,479,427	28,583,302	28,487,985
	31,216,368	29,247,426	31,146,782	29,297,528

10.3 Particulars of provision against advances

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Specific	General (note 10.3.1)	Consumer financing-General	Total	Specific	General	Consumer financing-General	Total
	(Rupees in '000)							
Opening balance	29,297,528	1,010,000	815,586	31,123,114	28,518,930	974,026	735,260	30,228,216
Exchange adjustment	-	21,145	-	21,145	4,041	36,465	-	40,506
Charge for the period / year	383,646	13,626	19,350	416,622	2,675,775	133,850	113,551	2,923,176
Provision under IFRS 9 related to WBB	-	(34,467)	-	(34,467)	(27,403)	(112,950)	-	(140,353)
Reversal for the period / year	(433,748)	(12,958)	(9,141)	(455,847)	(1,821,378)	(21,391)	(33,225)	(1,875,994)
	(50,102)	(33,799)	10,209	(73,692)	826,994	(491)	80,326	906,829
Amounts written off	-	-	-	-	(198)	-	-	(198)
Amounts charged off- agriculture financing	-	-	-	-	(52,239)	-	-	(52,239)
Closing balance	29,247,426	997,346	825,795	31,070,567	29,297,528	1,010,000	815,586	31,123,114

10.3.1 General provision includes Rs 374,851 thousand (December 31, 2021: Rs 374,851 thousand) due to deferment / restructuring & rescheduling relief allowed by SBP.

10.3.2 The net FSV benefit already availed has been reduced by Rs. 10,298 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced before and after tax profit for the period would have been higher by 10,298 thousand (2022: Rs. 268,941 thousand) and Rs. 5,870 thousand (2022: Rs. 164,054 thousand) respectively. Further, at March 31, 2023, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs. 24,147 thousand (December 31, 2022: Rs.26,865 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>11. FIXED ASSETS</b>	(Rupees in '000)	
Capital work-in-progress - note 11.1	253,136	220,511
Property and equipment	17,376,120	17,372,333
Right of use asset - IFRS 16	7,115,974	6,891,568
	<u>24,745,230</u>	<u>24,484,412</u>

11.1 This represents advances to suppliers and contractors.

	(Un-audited) Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>11.2 Additions to fixed assets</b>	(Rupees in '000)	

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

Capital work-in-progress	43,785	50,220
<b>Property and equipment</b>		
Renovation of premises	36,787	24,437
Furniture, fixtures and office equipment	41,267	26,649
Carpets	3,775	1,096
Machine and equipments	69,968	32,859
Computer equipments	106,501	32,589
Vehicles	7,716	13,448
	266,014	131,078
Right of use assets under IFRS 16	660,458	257,455
<b>Total</b>	<u>970,257</u>	<u>438,753</u>

**11.3 Disposal of fixed assets**

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

Renovation of premises	-	59
Furniture, fixtures and office equipment	231	1,677
Carpets	667	2,196
Machine and equipments	251	1,793
Vehicles	-	5,124
<b>Total</b>	<u>1,149</u>	<u>10,849</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>12. INTANGIBLE ASSETS</b>	(Rupees in '000)	
Computer software	1,109,485	1,130,815
Capital work in progress	389,014	244,810
	<u>1,498,499</u>	<u>1,375,625</u>

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
		(Rupees in '000)	
<b>12.1</b>	<b>Additions to intangible assets</b>		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	144,204	81,927
	Directly purchased	18,676	23,264
		<u>162,880</u>	<u>105,191</u>
		(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
		(Rupees in '000)	
<b>13.</b>	<b>DEFERRED TAX ASSETS</b>		
	Deductible temporary differences on		
	- Post retirement employee benefits	(65,004)	(65,004)
	- Accelerated tax depreciation	58,320	36,767
	- Deficit on revaluation of investments	11,051,007	5,694,977
	- Provision against advances, off balance sheet	1,763,316	1,878,936
		<u>12,807,639</u>	<u>7,545,677</u>
<b>14.</b>	<b>OTHER ASSETS</b>		
	Income / mark-up accrued in local currency - net of provision	44,481,582	37,216,850
	Income / mark-up accrued in foreign currencies	2,249,260	1,241,333
	Advances, deposits, advance rent and other prepayments	757,652	1,627,272
	Advance taxation (payments less provisions)	4,822,960	5,983,883
	Non-banking assets acquired in satisfaction of claims	951,297	847,462
	Assets held for sale	1,915,619	1,915,619
	Branch adjustment account	-	40,219
	Mark to market gain on forward foreign exchange contracts - net	9,674,490	-
	Stationary and stamps in hand	143,395	68,093
	Dividend receivable	76,711	4,986
	Acceptances	13,617,824	14,925,859
	Switch settlement accounts	260,800	-
	Others	777,331	527,204
		<u>79,728,921</u>	<u>64,398,780</u>
	Provision held against other assets - note 14.1	(182,545)	(182,608)
	Other assets - net of provision	79,546,376	64,216,172
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,135,774	1,135,774
	Other assets - total	<u>80,682,150</u>	<u>65,351,946</u>
<b>14.1</b>	<b>Provision held against other assets</b>		
	Advances, deposits, advance rent and other prepayments	4,838	4,838
	Others	177,707	177,770
		<u>182,545</u>	<u>182,608</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
(Rupees in '000)		
<b>14.1.1 Movement in provision held against other assets</b>		
Opening balance	182,608	175,845
Charge for the period / year	-	9,315
Reversals for the period / year	(63)	(2,552)
Net charge for the period / year	(63)	6,763
Closing balance	<u>182,545</u>	<u>182,608</u>
<b>15. BILLS PAYABLE</b>		
In Pakistan	<u>11,878,086</u>	<u>11,878,563</u>
<b>16. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	20,690,275	22,741,967
Long term financing facility	9,457,058	9,904,417
Financing facility for storage of agricultural produce	36,926	44,311
Renewable energy financing facility	3,917,858	3,944,124
Refinance from SBP		
Credit guarantee scheme for women entrepreneurs	-	67
Payment of wages and salaries	103,880	454,197
Temporary Economic Relief	12,701,036	9,680,778
Modernization of SME	11,333	12,215
Combating COVID-19	489,753	563,711
Askari Ujala	5,365	3,117
Rupee based discounting of bills / receivable	1,103,718	1,891,099
	48,517,202	49,240,003
Repurchase agreement borrowings		
State Bank of Pakistan	166,000,000	100,000,000
Financial institutions	106,229,435	80,826,007
	272,229,435	180,826,007
Refinance from Pakistan Mortgage Refinance Company	2,366,667	3,366,079
Total secured	<u>323,113,304</u>	<u>233,432,089</u>

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
<b>17. DEPOSITS AND OTHER ACCOUNTS</b>						
<b>Customers</b>						
Current accounts	287,705,778	30,871,997	318,577,775	323,359,037	25,268,830	348,627,867
Savings deposits	546,844,299	75,795,707	622,640,006	500,472,663	60,092,675	560,565,338
Fixed deposits	209,608,871	33,265,496	242,874,367	195,530,848	26,160,189	221,691,037
	1,044,158,948	139,933,200	1,184,092,148	1,019,362,548	111,521,694	1,130,884,242
<b>Financial institutions</b>						
Current accounts	1,116,137	85,742	1,201,879	1,047,450	32,749	1,080,199
Savings deposits	1,909,181	-	1,909,181	4,517,990	-	4,517,990
Fixed deposits	5,473,175	-	5,473,175	6,092,175	-	6,092,175
	8,498,493	85,742	8,584,235	11,657,615	32,749	11,690,364
	<u>1,052,657,441</u>	<u>140,018,942</u>	<u>1,192,676,383</u>	<u>1,031,020,163</u>	<u>111,554,443</u>	<u>1,142,574,606</u>

	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022
<b>18. SUBORDINATED DEBTS</b>	(Rupees in '000)	
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	12,000,000	12,000,000

18.1 The Bank has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Bank's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Bank including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109-120th month: 100%
Profit Rate	Base Rate plus 1.50% Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate plus 1.20% Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

	<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> December 31, 2022
<b>19. OTHER LIABILITIES</b>	(Rupees in '000)	
Mark-up / return / interest payable in local currency	10,938,745	11,177,244
Mark-up / return / interest payable in foreign currencies	551,178	523,791
Unearned commission and income on bills discounted	2,501,813	2,485,237
Accrued expenses	1,468,957	2,141,323
Advance payments	482,385	446,546
Acceptances	13,617,824	14,925,859
Dividend payable	194,890	195,719
Advance against sale of non-banking assets	870,060	494,255
Mark to market loss on forward foreign exchange contracts	-	110,688
Branch adjustment account	1,777,582	-
Payable to defined benefit plan	100,019	194,714
Provision for employees' compensated absences	645,533	635,913
Security deposit against lease / Ijarah financing	4,052,156	4,145,427
Levies and taxes payable	1,283,587	1,156,266
Workers' Welfare Fund	886,706	768,486
Liability against trading of securities	1,527	462,925
Switch settlement accounts	-	2,747,463
Provision against off-balance sheet obligations - note 19.1	134,291	134,767
Lease liability against ROU assets as per IFRS - 16 Leases	8,485,669	8,084,073
Others	2,624,240	2,095,527
	<u>50,617,162</u>	<u>52,926,223</u>

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

**19.1 Provision against off-balance sheet obligations**

Opening balance	134,767	1,143,768
Exchange adjustment	107	404
Charge for the period / year	-	-
Reversal for the period / year	(583)	(1,009,405)
Net (reversal) / charge	(583)	(1,009,405)
Closing balance	<u>134,291</u>	<u>134,767</u>

**20. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (deficit) on revaluation of:

- Available for sale securities	(25,700,017)	(13,244,132)
- Fixed Assets	10,365,737	10,365,737
- Non-banking assets acquired in satisfaction of claims	1,135,774	1,135,774
	(14,198,506)	(1,742,621)

Deferred tax on deficit on revaluation of:

- Available for sale securities	11,051,007	5,694,977
	<u>(3,147,499)</u>	<u>3,952,356</u>

20.1 Pursuant to relaxation provided by the SBP, the Bank has availed the benefit of staggering the unrealized loss on PIBs having aggregate face value of Rs 85,168 million at March 31, 2023. Accordingly, the Bank has reversed an amount of revaluation loss of Rs. 3,939 million upto March 31, 2023 on such PIBs and will recognize the same in accordance with the criteria prescribed by SBP. Had the revaluation loss not been reversed in these unconsolidated financial statements the carrying value of investments as at March 31, 2023 would have been lower by Rs. 3,939 million, other comprehensive income for the period ended March 31, 2023 and surplus on revaluation of assets - net of tax would have been lower by Rs. 2,245 million and deferred tax asset at December 31, 2022 would have been higher by Rs. 1,693 million.

Pursuant to relaxation, the Bank is required to adjust the outstanding staggered amount of revaluation deficit from distributable profits, for declaring cash dividend (if any), during the relaxation period.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>21. CONTINGENCIES AND COMMITMENTS</b>	(Rupees in '000)	
- Guarantees - note 21.1	356,954,048	313,699,274
- Commitments - note 21.2	574,538,344	473,577,812
- Other contingent liabilities - note 21.3	1,439,886	1,254,927
	<u>932,932,278</u>	<u>788,532,013</u>
<b>21.1 Guarantees</b>		
Financial guarantees	8,110,033	9,494,557
Performance guarantees	201,631,801	180,122,513
Other guarantees	147,212,214	124,082,204
	<u>356,954,048</u>	<u>313,699,274</u>
<b>21.2 Commitments</b>		
Documentary credits and short-term trade-related transactions - letters of credit	204,331,168	187,240,002
Commitments in respect of:		
- forward foreign exchange contracts - note 21.2.1	369,145,283	269,232,712
- forward government securities transactions	-	15,400,000
- non government securities transactions - note 21.2.2	550,000	1,366,896
Commitments for acquisition of:		
- operating fixed assets	115,659	82,807
- intangible assets	396,234	255,395
	<u>574,538,344</u>	<u>473,577,812</u>
<b>21.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	198,713,359	150,899,164
Sale	170,431,924	118,333,548
	<u>369,145,283</u>	<u>269,232,712</u>
The above commitments have maturities falling within one year.		
<b>21.2.2 Commitments in respect of non government securities transactions</b>		
Purchase	550,000	1,035,290
Sale	-	331,606
	<u>550,000</u>	<u>1,366,896</u>
<b>21.3 Other contingent liabilities</b>		
These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these condensed interim unconsolidated financial statements.		
	<u>1,439,886</u>	<u>1,254,927</u>

22. **DERIVATIVE INSTRUMENTS**

The Bank at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
23.	<b>MARK-UP / RETURN / INTEREST EARNED</b>	(Rupees in '000)	
	On:		
	Loans and advances	23,112,622	10,995,585
	Investments	33,844,267	15,681,166
	Lendings to financial institutions	15,274	30,272
	Balances with banks	52,969	-
	Securities purchased under resale agreements	122,352	37,264
		<u>57,147,484</u>	<u>26,744,287</u>

24. **MARK-UP / RETURN / INTEREST EXPENSED**

	On:		
	Deposits	30,078,378	13,752,738
	Borrowings	14,062,141	3,193,856
	Subordinated debts	552,735	369,579
	Cost of foreign currency swaps against foreign currency deposits / borrowings	269,734	751,606
	Interest expense on lease liability against ROU assets	248,619	223,331
		<u>45,211,607</u>	<u>18,291,110</u>

25. **FEE AND COMMISSION INCOME**

	Branch banking customer fees	199,842	202,472
	Consumer finance related fees	24,183	28,391
	Card related fees (debit and credit cards)	349,955	269,769
	Credit related fees	236,104	71,893
	Investment banking fees	78,298	74,481
	Commission on trade	373,992	237,964
	Commission on guarantees	337,389	215,940
	Commission on remittances including home remittances	49,779	52,474
	Commission on bancassurance	7,174	12,665
	Others	18,296	7,385
		<u>1,675,012</u>	<u>1,173,434</u>

26. **(LOSS) / GAIN ON SECURITIES**

	Realised - note 26.1	(84,672)	90,187
	Unrealised - note 9.1	(6,649)	-
		<u>(91,321)</u>	<u>90,187</u>

26.1 **Realised (loss) / gain on:**

	Federal Government Securities	(162,925)	5,364
	Shares	58,719	71,665
	Non Government Debt Securities	14,800	300
	Mutual Funds	4,734	12,858
		<u>(84,672)</u>	<u>90,187</u>

	(Un-audited)	
	Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>27. OTHER INCOME</b>	(Rupees in '000)	
Gain on sale of fixed assets	699	36,040
Rent of lockers	12,704	12,506
Recovery of expenses from customers	77,751	73,505
Termination of lease contracts under IFRS - 16 Leases	198	13,700
	<u>91,352</u>	<u>135,751</u>
<b>28. OPERATING EXPENSES</b>		
Total compensation expenses - note 28.1	3,538,497	2,748,215
<b>Property expense</b>		
Rent and taxes	26,795	43,058
Insurance	21,081	20,975
Utilities cost	286,602	134,615
Security (including guards)	168,226	141,462
Repair & maintenance (including janitorial charges)	99,407	75,715
Depreciation on ROU assets	406,357	384,181
Depreciation	59,963	71,598
	1,068,431	871,604
<b>Information technology expenses</b>		
Software maintenance	166,273	105,087
Hardware maintenance	33,292	16,177
Depreciation	56,162	42,758
Amortisation	40,604	34,390
Network charges	137,326	50,488
	433,657	248,900
<b>Other operating expenses</b>		
Directors' fees, allowances	10,200	10,800
Fees and allowances to shariah board	2,361	2,257
Rates, taxes, insurance etc.	46,626	54,382
Legal and professional charges	19,781	24,456
Brokerage and commission	57,824	33,351
NIFT clearing charges	21,199	24,128
Repair and maintenance	167,956	77,483
Communications	215,240	128,785
Stationery and printing	136,257	68,042
Marketing, advertisement and publicity	14,304	21,445
Donations	109,435	-
Auditors' remuneration	12,614	9,233
Travelling, conveyance and entertainment	89,112	65,154
Depreciation	118,960	112,543
Security service charges	192,845	92,566
Training and development	5,026	6,874
Deposit premium expense	161,858	177,043
Outsourced service cost	50,962	14,256
Other expenditure	83,837	96,106
	1,516,397	1,018,904
	<u>6,556,982</u>	<u>4,887,623</u>
<b>28.1 Total compensation expense</b>		
Managerial remuneration	2,992,609	2,162,937
Charge for defined benefit / contribution plan	206,797	181,939
Other staff cost - note 28.1.1	339,091	403,339
	<u>3,538,497</u>	<u>2,748,215</u>
28.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance, provision for severance etc.		

29. This represents penalties imposed by the State Bank of Pakistan.

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>30. PROVISIONS AND WRITE OFFS - NET</b>		(Rupees in '000)	
Provision for diminution in value of investments		35,034	78,409
(Reversal of provision) / provision against loans and advances		(73,692)	167,809
Reversal of provision against other assets		(63)	(51)
Reversal of provision against repurchase agreement lendings		(7,430)	
Reversal of provision against off-balance sheet obligations		(583)	(403,526)
Provision against cash and bank balances		17	49
Reversal of provision against intangible assets		-	(1,225)
Recovery of written off / charged off bad debts		(11,092)	(13,483)
		<u>(57,809)</u>	<u>(172,018)</u>
<b>31. TAXATION</b>			
Current		3,554,213	2,509,114
Deferred		94,068	(17,607)
		<u>3,648,281</u>	<u>2,491,507</u>

31.1 There are no changes to tax related contingencies from those disclosed in note 32.2 of the audited annual unconsolidated financial statements for the year ended December 31, 2022.

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>32. BASIC EARNINGS PER SHARE</b>			
Profit for the period - Rupees in '000		<u>4,703,421</u>	<u>3,605,394</u>
Weighted average number of Ordinary Shares - numbers		<u>1,449,299,207</u>	<u>1,449,299,207</u>
Basic earnings per share - Rupees		<u>3.25</u>	<u>2.49</u>

There is no dilutive effect on the basic earnings per share of the Bank, therefore dilutive earnings per share have not been presented separately.

### 33. FAIR VALUE MEASUREMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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

#### 33.1 Fair value of financial assets

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) 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) available at MUFAP and Reuters page.
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

The following table provides the fair values of those of the Bank's financial assets and liabilities that are recognized or disclosed at fair value in these unconsolidated condensed interim financial statements:

	March 31, 2023 (Un-audited)				
	Carrying /	Level 1	Level 2	Level 3	Total
	Notional Value				
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	709,939,271	4,255,761	705,683,510	-	709,939,271
Shares	4,652,070	4,652,070	-	-	4,652,070
Units of open end mutual funds	603,079	603,079	-	-	603,079
Fully paid preference shares	28,150	28,150	-	-	28,150
Non Government Debt Securities	12,847,529	-	12,847,529	-	12,847,529
	<u>728,070,099</u>	<u>9,539,060</u>	<u>718,531,039</u>	<u>-</u>	<u>728,070,099</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Federal Government Securities	113,638,677	5,066,253	94,343,972	-	99,410,225
Unlisted shares	702,214	-	-	-	-
Foreign Securities	-	-	-	-	-
Cash and balances with treasury banks	90,951,759	-	-	-	-
Balances with other banks	27,657,395	-	-	-	-
Advances	581,018,987	-	-	-	-
Other assets	71,921,089	-	-	-	-
	<u>885,890,121</u>	<u>5,066,253</u>	<u>94,343,972</u>	<u>-</u>	<u>99,410,225</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	<u>198,713,359</u>	<u>-</u>	<u>16,104,921</u>	<u>-</u>	<u>16,104,921</u>
Forward sale of foreign exchange	<u>170,431,924</u>	<u>-</u>	<u>(5,805,537)</u>	<u>-</u>	<u>(5,805,537)</u>

	December 31, 2022 (Un-audited)				
	Carrying /	Level 1	Level 2	Level 3	Total
	Notional Value				
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	632,309,796	3,896,424	628,413,372	-	632,309,796
Shares	4,184,699	4,184,699	-	-	4,184,699
Units of open end mutual funds	643,285	643,285	-	-	643,285
Fully paid preference shares	28,150	28,150	-	-	28,150
Non Government Debt Securities	11,865,359	-	11,865,359	-	11,865,359
Foreign securities	-	-	-	-	-
	<u>649,031,289</u>	<u>8,752,558</u>	<u>640,278,731</u>	<u>-</u>	<u>649,031,289</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Unlisted shares	21,050,000	-	-	-	-
Subsidiary	-	-	-	-	-
Federal Government Securities	111,056,637	8,644,666	102,411,971	-	111,056,637
Foreign Securities	1,797,164	1,797,164	-	-	1,797,164
Cash and balances with treasury banks	70,950,067	-	-	-	-
Balances with other banks	9,677,123	-	-	-	-
Lendings to financial institute	406,934	-	-	-	-
Advances	583,810,931	-	-	-	-
Other assets	53,738,462	-	-	-	-
	<u>852,487,318</u>	<u>10,441,830</u>	<u>102,411,971</u>	<u>-</u>	<u>112,853,801</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	<u>150,899,164</u>	<u>-</u>	<u>419,729</u>	<u>-</u>	<u>419,729</u>
Forward sale of foreign exchange	<u>118,333,548</u>	<u>-</u>	<u>(530,417)</u>	<u>-</u>	<u>(530,417)</u>

The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer to takes place. There were no transfers between levels 1 and 2 during the year.

33.2 Fair value of non-financial assets	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
	(Rupees in '000)	
	Level 3	Level 3
Fixed assets		
Property and equipment (freehold and leasehold land)	13,238,392	13,238,392
Other assets		
Non-banking assets acquired in satisfaction of claims	2,087,071	1,983,236

### 34. Segment Information

#### 34.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	March 31, 2023 (Un-audited)							Total
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
	(Rupees in '000)							
<b>Profit and loss</b>								
Net mark-up / return / profit	(19,341,128)	9,358,459	19,362,394	1,103,248	1,559,143	572,353	(678,592)	11,935,877
Inter segment revenue - net	28,838,124	(9,375,111)	(21,004,976)	(805,785)	(97,740)	(471,949)	2,917,437	-
Non mark-up / return / interest income	210,801	1,194,323	1,316,750	225,807	143,315	14,940	34,634	3,140,570
<b>Total income</b>	<b>9,707,797</b>	<b>1,177,671</b>	<b>(325,832)</b>	<b>523,270</b>	<b>1,604,718</b>	<b>115,344</b>	<b>2,273,479</b>	<b>15,076,447</b>
Segment direct expenses	3,542,049	245,360	115,820	379,852	777,023	66,315	1,656,135	6,782,554
Inter segment expense allocation	316,288	241,185	4,072	13,021	-	-	(574,566)	-
<b>Total expenses</b>	<b>3,858,337</b>	<b>486,545</b>	<b>119,892</b>	<b>392,873</b>	<b>777,023</b>	<b>66,315</b>	<b>1,081,569</b>	<b>6,782,554</b>
Provisions	(54,970)	(5,242)	(7,997)	24,850	(15,686)	567	669	(57,809)
<b>Profit before tax</b>	<b>5,904,430</b>	<b>696,368</b>	<b>(437,727)</b>	<b>105,547</b>	<b>843,381</b>	<b>48,462</b>	<b>1,191,241</b>	<b>8,351,702</b>
	March 31, 2023 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
<b>Statement of financial position</b>								
Cash and bank balances	32,914,786	-	76,912,727	-	8,042,512	325,452	413,677	118,609,154
Investments	-	8,740,404	774,006,487	-	40,547,378	14,975,487	4,350,040	842,619,796
Lendings to financial institutions	-	-	99,999	-	-	-	-	99,999
Advances - performing - net of provision	10,966,914	437,369,380	-	20,732,714	95,651,764	6,827,279	7,501,993	579,050,044
Advances - non-performing - net of provision	274,493	603,625	-	98,398	992,429	-	-	1,968,945
Others	858,114	27,840,312	31,944,132	657,578	9,538,106	841,549	48,053,727	119,733,518
<b>Total Assets</b>	<b>45,014,307</b>	<b>474,553,721</b>	<b>882,963,345</b>	<b>21,488,690</b>	<b>154,772,189</b>	<b>22,969,767</b>	<b>60,319,437</b>	<b>1,662,081,456</b>
Borrowings	1,583,777	41,221,820	272,229,436	2,366,667	5,711,604	-	-	323,113,304
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	854,846,545	238,442,105	-	3,494	97,193,210	2,081,987	109,042	1,192,676,383
Net inter segment balances - net	(827,184,557)	172,350,079	609,943,575	18,549,423	33,080,460	21,227,634	(27,966,614)	0
Others	15,768,542	22,539,717	790,334	569,106	8,418,405	(339,854)	14,748,998	62,495,248
<b>Total liabilities</b>	<b>45,014,307</b>	<b>474,553,721</b>	<b>882,963,345</b>	<b>21,488,690</b>	<b>144,403,679</b>	<b>22,969,767</b>	<b>(1,108,574)</b>	<b>1,590,284,935</b>
Equity	-	-	-	-	10,368,510	-	61,428,011	71,796,521
<b>Total Equity and liabilities</b>	<b>45,014,307</b>	<b>474,553,721</b>	<b>882,963,345</b>	<b>21,488,690</b>	<b>154,772,189</b>	<b>22,969,767</b>	<b>60,319,437</b>	<b>1,662,081,456</b>
<b>Contingencies and commitments</b>	<b>5,516,775</b>	<b>541,371,892</b>	<b>367,206,927</b>	<b>-</b>	<b>16,921,743</b>	<b>-</b>	<b>1,914,941</b>	<b>932,932,278</b>
	March 31, 2022 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
<b>Profit and loss</b>								
Net mark-up / return / profit	(9,094,347)	4,348,273	11,431,725	865,785	941,605	382,506	(422,370)	8,453,177
Inter segment revenue - net	14,966,950	(3,578,414)	(12,199,402)	(566,325)	-	(27,343)	1,404,534	-
Non mark-up / return / interest income	493,218	682,574	1,053,425	125,189	102,642	4,856	65,825	2,527,729
<b>Total income</b>	<b>6,365,821</b>	<b>1,452,433</b>	<b>285,748</b>	<b>424,649</b>	<b>1,044,247</b>	<b>360,019</b>	<b>1,047,989</b>	<b>10,980,906</b>
Segment direct expenses	2,902,745	218,387	73,822	266,746	601,705	28,558	964,060	5,056,023
Inter segment expense allocation	205,172	230,995	2,743	35,956	-	-	(474,866)	-
<b>Total expenses</b>	<b>3,107,917</b>	<b>449,382</b>	<b>76,565</b>	<b>302,702</b>	<b>601,705</b>	<b>28,558</b>	<b>489,194</b>	<b>5,056,023</b>
Provisions	15,418	(259,337)	142,085	(961)	(6,080)	(50,482)	(12,661)	(172,018)
<b>Profit before tax</b>	<b>3,242,486</b>	<b>1,262,388</b>	<b>67,098</b>	<b>122,908</b>	<b>448,622</b>	<b>381,943</b>	<b>571,456</b>	<b>6,096,901</b>
	December 31, 2022 (Audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
<b>Statement of financial position</b>								
Cash and bank balances	24,540,132	-	49,189,748	-	6,862,101	35,209	-	80,627,190
Investments	-	8,125,443	699,774,652	-	39,942,674	14,338,254	349,996	762,531,019
Advances - performing - net of provision	13,644,831	447,812,623	-	21,143,917	82,166,386	9,999,101	7,194,819	581,961,677
Advances - non-performing - net of provision	281,669	453,499	-	130,836	983,250	-	-	1,849,254
Others	1,003,140	27,107,590	19,094,660	594,298	7,097,474	418,422	43,442,076	98,757,660
<b>Total Assets</b>	<b>39,469,772</b>	<b>483,499,155</b>	<b>768,465,994</b>	<b>21,869,051</b>	<b>137,051,885</b>	<b>24,790,986</b>	<b>50,986,891</b>	<b>1,526,133,734</b>
Borrowings	1,744,212	42,909,471	179,432,046	3,366,079	4,586,320	1,393,961	-	233,432,089
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	751,762,235	293,324,608	-	3,686	96,297,085	1,094,507	92,485	1,142,574,606
Net inter segment balances - net	(731,928,308)	122,512,889	586,421,413	17,862,227	19,475,830	22,068,820	(36,412,871)	-
Others	17,891,633	24,752,187	2,612,535	637,059	6,684,620	233,698	11,993,054	64,804,786
<b>Total liabilities</b>	<b>39,469,772</b>	<b>483,499,155</b>	<b>768,465,994</b>	<b>21,869,051</b>	<b>127,043,855</b>	<b>24,790,986</b>	<b>(12,327,332)</b>	<b>1,452,811,481</b>
Equity	-	-	-	-	10,008,030	-	63,314,223	73,322,254
<b>Total Equity and liabilities</b>	<b>39,469,772</b>	<b>483,499,155</b>	<b>768,465,994</b>	<b>21,869,051</b>	<b>137,051,885</b>	<b>24,790,986</b>	<b>50,986,891</b>	<b>1,526,133,734</b>
<b>Contingencies and commitments</b>	<b>6,295,329</b>	<b>480,881,779</b>	<b>280,146,274</b>	<b>18,089</b>	<b>19,620,329</b>	<b>-</b>	<b>1,570,213</b>	<b>788,532,013</b>

35. **RELATED PARTY TRANSACTIONS**

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

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

Details of transactions with related parties and balances are as follows:

	As at March 31, 2023 (Un-audited)					As at December 31, 2022 (Audited)				
	Parent	Directors	Key management personnel	Subsidiary	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Other related parties
	Rupees in '000									
<b>Investments</b>										
Opening balance	-	-	-	-	1,165,448	-	-	-	165,619	1,189,341
Investment made during the period / year	-	-	-	-	-	-	-	-	-	44,195
Revaluation adjustment	-	-	-	-	15,984	-	-	-	-	(81,568)
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	(2,665)	-	-	-	(165,619)	13,480
Closing balance	-	-	-	-	1,178,767	-	-	-	-	1,165,448
Provision for diminution in value of investments					82,112					87,248
<b>Advances</b>										
Opening balance	29,986,315	60	507,549	-	16,983,652	4,523,915	43	441,248	-	10,521,710
Addition during the period / year	106,762,902	888	60,776	-	61,097,383	352,713,101	20,581	469,897	-	10,892,307
Repaid during the period / year	(135,992,164)	(891)	(56,971)	-	(59,936,167)	(327,250,701)	(20,564)	(419,988)	-	(4,430,365)
Transfer in / (out) - net	-	-	(24,654)	-	-	-	-	16,392	-	-
Closing balance	757,053	57	486,700	-	18,144,868	29,986,315	60	507,549	-	16,983,652
<b>Other Assets</b>										
Interest / mark-up receivable	201,417	-	86,235	-	664,896	369,907	-	71,132	-	790,833
Investments- note 13.5.2	-	-	-	165,619	-	-	-	-	165,619	-
Advance rent	740	-	-	-	-	1,254	-	-	-	-
<b>Borrowings</b>										
Opening balance	-	-	-	-	3,366,079	-	-	-	-	2,372,387
Borrowings during the period	-	-	-	-	-	-	-	-	-	1,200,000
Settled during the period	-	-	-	-	(999,412)	-	-	-	-	(206,308)
Closing balance	-	-	-	-	2,366,667	-	-	-	-	3,366,079
<b>Deposits and other accounts</b>										
Opening balance	38,816,364	34,615	193,106	200,843	38,867,218	56,224,390	24,009	211,259	268,208	42,288,557
Received during the period / year	231,187,462	150,670	782,736	157,676	250,008,433	988,405,154	79,294	2,726,090	1,012,631	992,693,856
Withdrawn during the period / year	(225,552,091)	(124,975)	(720,020)	(230,673)	(257,318,177)	(1,005,813,179)	(68,689)	(2,683,283)	(1,079,996)	(996,115,195)
Transfer in / (out) - net	-	(5)	(332)	-	-	-	-	(60,959)	-	-
Closing balance	44,451,735	60,305	255,490	127,846	31,557,474	38,816,364	34,615	193,106	200,843	38,867,218
<b>Other Liabilities</b>										
Interest / mark-up payable	944,405	-	3,566	-	759,926	625,832	-	3,299	-	361,829
Payable to staff retirement fund	-	-	-	-	100,019	-	-	-	-	194,714
Security deposits payable	-	-	-	-	470,314	-	-	-	-	470,698
Others	-	-	35,359	-	-	-	-	18,607	-	-
<b>Contingencies and Commitments</b>										
Contingencies and Commitments	1,165,652	-	-	40,000	3,807,606	1,183,172	-	-	40,000	2,447,138
<b>Others</b>										
Securities held as custodian	3,462,500	-	36,500	100,000	7,105,000	3,462,500	-	36,500	100,000	7,105,000
Securities given as collateral	-	-	-	-	80,500	-	-	-	-	177,855
Bonus shares - Nos.	135,942,288	-	-	-	2,117,475	-	-	-	-	-

For the quarter ended March 31, 2023 (Un-Audited)					For the quarter ended March 31, 2022 (Un-Audited)				
Parent	Directors	Key management personnel	Subsidiary	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Other related parties

----- Rupees in '000 -----

**Income**

Mark-up / return / interest earned	200,067	-	5,283	-	562,608	64,332	-	6,805	-	173,367
Fee and commission received	205	-	-	40	36,957	147	-	-	39	41,098
Dividend income	-	-	-	-	27,994	-	-	-	-	27,517
Gain on sale of fixed assets	-	-	-	-	-	-	-	7,250	-	-

**Expense**

Mark-up / return / interest expensed	2,464,368	211	3,443	1,503	2,982,784	807,057	96	2,863	826	811,209
Charge to defined benefit plan	-	-	-	-	100,019	-	-	5,734	-	79,325
Contribution to defined contribution plan	-	-	-	-	82,778	-	-	4,934	-	67,946
Remuneration and allowances	-	-	342,792	-	2,361	-	-	196,041	-	2,257
Rent	514	-	-	-	-	419	-	-	-	-
Communications	-	-	-	-	31,944	-	-	-	-	15,243
Brokerage and Commission	-	-	-	15	24,702	-	-	-	-	18,895
Directors' Fee, Allowances	-	10,200	-	-	-	3,100	7,700	-	-	-
Donations	109,435	-	-	-	-	110,128	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and Atm).

The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

36. **CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
(Rupees in '000)		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,492,992	12,602,602
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	60,299,058	65,303,243
Eligible Additional Tier 1 (ADT 1) Capital	6,000,000	6,000,000
Total Eligible Tier 1 Capital	66,299,058	71,303,243
Eligible Tier 2 Capital	9,886,785	11,835,110
Total Eligible Capital (Tier 1 + Tier 2)	76,185,843	83,138,353
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	421,977,236	412,323,250
Market Risk	17,608,377	27,675,542
Operational Risk	81,324,765	81,324,765
Total	520,910,379	521,323,556
Common Equity Tier 1 Capital Adequacy ratio	11.58%	12.53%
Tier 1 Capital Adequacy Ratio	12.73%	13.68%
Total Capital Adequacy Ratio	14.63%	15.95%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	66,299,058	71,303,243
Total Exposures	2,209,581,344	2,243,512,648
Leverage Ratio	3.00%	3.18%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	558,925,371	520,361,460
Total Net Cash Outflow	307,025,343	281,841,107
Liquidity Coverage Ratio	182.05%	184.63%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	1,165,066,016	1,113,842,290
Total Required Stable Funding	609,260,001	561,351,354
Net Stable Funding Ratio	191.23%	198.42%

As explained in note 20.1, had the relaxation not been availed CAR and leverage ratio of the Bank would have been 13.86% and 2.81% respectively.

### 37. Islamic Banking Business

The Bank is operating 120 Islamic banking branches including 3 sub-branches at quarter ended March 31, 2023 as compared to 120 Islamic banking branches including 3 sub-branches at year ended December 31, 2022.

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		7,929,220	6,747,452
Balances with other banks		113,292	114,649
Investments	37.1	40,547,378	39,942,674
Islamic financing and related assets - net	37.2	96,644,193	83,149,636
Fixed assets		2,007,908	1,984,521
Intangible assets		-	-
Due from Head Office		-	-
Other assets		8,030,757	5,812,116
<b>Total assets</b>		<b>155,272,748</b>	<b>137,751,048</b>
<b>LIABILITIES</b>			
Bills payable		2,118,954	1,425,734
Due to financial institutions		5,711,604	4,586,320
Deposits and other accounts	37.3	97,193,210	96,297,085
Due to head office		33,500,000	20,175,000
Sub-ordinated debt		-	-
Other liabilities		6,380,473	5,258,880
		<b>144,904,241</b>	<b>127,743,019</b>
<b>NET ASSETS</b>		<b>10,368,507</b>	<b>10,008,029</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		4,600,000	4,600,000
Deficit on revaluation of assets		(1,598,147)	(1,115,247)
Unappropriated profit	37.4	7,366,654	6,523,276
		<b>10,368,507</b>	<b>10,008,029</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	37.5	<b>16,921,743</b>	<b>19,620,329</b>

The profit and loss account of the Bank's Islamic banking branches for the quarter ended March 31, 2023 is as follows:

		(Un-audited) For the nine months ended	
		March 31, 2023	March 31, 2022
	Note	(Rupees in '000)	
Profit / return earned	37.7	4,762,804	2,425,031
Profit / return expensed	37.8	3,301,401	1,483,426
<b>Net Profit / return</b>		<b>1,461,403</b>	<b>941,605</b>
<b>Other income</b>			
Fee and Commission Income		65,090	62,164
Dividend Income		3,833	2,363
Foreign Exchange Income		46,291	20,454
Gain / (loss) on securities		-	-
Other Income		28,100	17,660
<b>Total other income</b>		<b>143,314</b>	<b>102,641</b>
<b>Total Income</b>		<b>1,604,717</b>	<b>1,044,246</b>
<b>Other expenses</b>			
Operating expenses		774,855	601,705
Workers' Welfare Fund		-	-
Other charges		2,168	-
<b>Total other expenses</b>		<b>777,023</b>	<b>601,705</b>
<b>Profit before provisions</b>		<b>827,694</b>	<b>442,541</b>
<b>Provisions and write offs - net</b>		<b>(15,684)</b>	<b>(5,344)</b>
<b>Profit before taxation</b>		<b>843,378</b>	<b>447,885</b>

37.1 **Investments by segments:**

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Federal Government Securities:								
- Ijarah Sukuks	33,934,672	-	(1,599,469)	32,335,203	33,935,928	-	(1,115,711)	32,820,217
- Islamic Naya Pakistan Certificates	4,003,288	-	-	4,003,288	3,282,078	-	-	3,282,078
- GOP Bai Muajjal	-	-	-	-	-	-	-	-
	37,937,960	-	(1,599,469)	36,338,491	37,218,006	-	(1,115,711)	36,102,295
Units of Open end Mutual Fund	100,000	-	1,322	101,322	100,000	-	464	100,464
Non Government Debt Securities:								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	4,651,113	(543,548)	-	4,107,565	4,283,463	(543,548)	-	3,739,915
	4,651,113	(543,548)	-	4,107,565	4,283,463	(543,548)	-	3,739,915
<b>Total investments</b>	<b>42,689,073</b>	<b>(543,548)</b>	<b>(1,598,147)</b>	<b>40,547,378</b>	<b>41,601,469</b>	<b>(543,548)</b>	<b>(1,115,247)</b>	<b>39,942,674</b>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>37.2 ISLAMIC FINANCING AND RELATED ASSETS</b>	(Rupees in '000)	
Ijarah	5,864,577	4,934,290
Murabaha - note 37.2.1	4,115,633	5,033,231
Musharakah	40,463,504	32,639,372
Diminishing Musharakah	21,060,252	17,080,337
Salam	11,490,584	7,948,100
Istisna	4,978,582	5,238,318
Receivable against sale of Istisna / Salam Inventory	2,078,084	585,400
Service Ijarah	2,408,154	2,427,176
Wakalah	200,000	-
Other Islamic Modes (Qard)	2,511,605	2,703,951
Advances against Islamic assets - note 37.2.2	855,128	4,539,685
Inventory related to Islamic financing - note 37.2.3	2,553,715	1,971,084
Gross Islamic financing and related assets	98,579,818	85,100,944
Less: provision against Islamic financings		
- Specific	1,895,400	1,911,083
- General	40,225	40,225
	1,935,625	1,951,308
Islamic financing and related assets - net of provision	<u>96,644,193</u>	<u>83,149,636</u>

37.2.1 Includes advance against Murabaha of Rs.734,158 thousand (December 31, 2022: Rs.954,405 thousand).

**37.2.2 Advance against Islamic assets**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2023 (Un-audited)	<u>136,859</u>	-	<u>718,269</u>	-	-	<u>855,128</u>
December 31, 2022 (Audited)	<u>1,524,153</u>	-	<u>3,015,532</u>	-	-	<u>4,539,685</u>

**37.2.3 Inventory related to Islamic financing**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2023 (Un-audited)	-	-	-	<u>370,630</u>	<u>2,183,085</u>	<u>2,553,715</u>
December 31, 2022 (Audited)	-	-	-	<u>226,020</u>	<u>1,745,064</u>	<u>1,971,084</u>

	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022
<b>37.3 DEPOSITS AND OTHER ACCOUNTS</b>		
	(Rupees in '000)	
<b>Customers</b>		
Current deposits - non remunerative	35,127,078	36,236,795
Current deposits - remunerative	1,434,824	1,353,496
Savings deposits	25,933,968	23,299,225
Term deposits	28,112,727	25,135,675
Others	1,308,408	1,589,333
	<u>91,917,005</u>	<u>87,614,524</u>
<b>Financial Institutions</b>		
Current deposits - non remunerative	88,869	101,309
Current deposits - remunerative	5,051	131,152
Savings deposits	516,370	2,667,925
Term deposits	4,463,175	5,782,175
Other Deposits	202,740	-
	<u>5,276,205</u>	<u>8,682,561</u>
	<u>97,193,210</u>	<u>96,297,085</u>
<b>37.4 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT</b>		
Opening balance	6,523,276	3,652,897
Add: Islamic banking profit for the period	843,378	2,870,379
Closing Balance	<u>7,366,654</u>	<u>6,523,276</u>
<b>37.5 CONTINGENCIES AND COMMITMENTS</b>		
-Guarantees	9,614,469	8,971,118
-Commitments	7,307,274	10,649,211
-Other contingent liabilities	-	-
	<u>16,921,743</u>	<u>19,620,329</u>
<b>37.6 CHARITY FUND</b>		
Opening balance	40,130	24,292
Additions during the period		
- Received from customers on delayed payments	12,134	55,203
- Non Shariah Compliant Income	-	170
- Profit on charity account	6	16
- Others	330	449
	12,470	55,838
Payments / utilization during the period		
- Education	-	-
- Community Welfare	-	-
- Relief and disaster recovery	-	-
- Natural Disaster	-	(40,000)
- Health	-	-
- Orphanage	-	-
	<u>-</u>	<u>(40,000)</u>
Closing balance	<u>52,600</u>	<u>40,130</u>

(Un-audited)	
For the nine months ended	
March 31, 2023	March 31, 2022
(Rupees in '000)	

**37.7 PROFIT / RETURN EARNED ON FINANCING,  
INVESTMENTS AND PLACEMENTS**

Profit earned on:

Financing	3,454,554	1,658,294
Investments	1,300,599	765,920
Placements	7,651	817
	<u>4,762,804</u>	<u>2,425,031</u>

**37.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**

Deposits and other accounts	2,198,779	764,887
Due to financial institutions	168,771	175,566
Due to head office	878,880	496,468
Profit Equalization Reserve	-	-
Lease liability against right-of-use assets	54,971	46,505
	<u>3,301,401</u>	<u>1,483,426</u>

**38 RECLASSIFICATION OF COMPARATIVE FIGURES**

Where necessary, corresponding figures have been regrouped to conform to the presentation of current period amounts. Such regrouping does not have an impact on previously reported condensed interim unconsolidated statement of financial position or profit and loss account.

**39. DATE OF AUTHORIZATION**

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors on April 20, 2023.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman



CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS

FOR THE QUARTER ENDED  
MARCH 31, 2023

(UN-AUDITED)

**ASKARI BANK LIMITED**

## Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2023

		(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	90,951,759	70,950,067
Balances with other banks	7	27,657,395	9,677,123
Lendings to financial institutions	8	99,999	406,934
Investments	9	842,619,796	762,531,019
Advances	10	581,018,989	583,810,931
Fixed assets	11	24,745,230	24,484,412
Intangible assets	12	1,498,499	1,375,625
Deferred tax assets	13	12,807,639	7,545,677
Other assets	14	80,882,817	65,512,059
		<u>1,662,282,123</u>	<u>1,526,293,847</u>
<b>LIABILITIES</b>			
Bills payable	15	11,878,086	11,878,563
Borrowings	16	323,113,304	233,432,089
Deposits and other accounts	17	1,192,548,535	1,142,373,763
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	50,816,760	53,138,956
		<u>1,590,356,685</u>	<u>1,452,823,371</u>
<b>NET ASSETS</b>		<u><u>71,925,438</u></u>	<u><u>73,470,476</u></u>
<b>REPRESENTED BY</b>			
Share capital		14,492,992	12,602,602
Reserves		56,343,035	43,487,608
(Deficit) / surplus on revaluation of assets - net of tax	20	(3,147,501)	3,975,493
Unappropriated profit		4,236,912	13,404,773
		<u><u>71,925,438</u></u>	<u><u>73,470,476</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2023

		Quarter ended March 31, 2023	Quarter ended March 31, 2022
	Note	(Rupees in '000)	
<b>Mark-up / return / interest earned</b>	23	57,149,009	26,748,571
<b>Mark-up / return / interest expensed</b>	24	45,207,859	18,291,124
Net mark-up / interest income		<u>11,941,150</u>	<u>8,457,447</u>
<b>Non mark-up / interest income</b>			
Fee and commission income	25	1,695,665	1,196,262
Dividend income		185,522	105,064
Foreign exchange income		1,280,005	1,023,293
Income / (loss) from derivatives		-	-
(Loss) / gain on securities	26	(91,321)	90,187
Other income	27	91,352	135,751
<b>Total non-markup / interest income</b>		<u>3,161,223</u>	<u>2,550,557</u>
<b>Total income</b>		15,102,373	11,008,004
<b>Non mark-up / interest expenses</b>			
Operating expenses	28	6,577,630	4,911,074
Workers' Welfare Fund		118,220	87,860
Other charges	29	107,352	80,540
<b>Total non-markup / interest expenses</b>		<u>6,803,202</u>	<u>5,079,474</u>
<b>Profit before provisions</b>		8,299,171	5,928,530
Provisions and write offs - net	30	(57,809)	(172,018)
Extraordinary / unusual items		-	-
<b>Profit before taxation</b>		8,356,980	6,100,548
Taxation	31	3,649,726	2,492,117
<b>Profit after taxation</b>		<u>4,707,254</u>	<u>3,608,431</u>
<b>Attributable to:</b>			
Equity holders of the Bank		4,707,254	3,608,431
Non-controlling interest		-	-
		<u>4,707,254</u>	<u>3,608,431</u>
		Rupees	
		Restated	
<b>Basic earnings per share</b>	32	<u>3.25</u>	<u>2.49</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2023

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	(Rupees in '000)	
<b>Profit after taxation</b>	4,707,254	3,608,431
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in Wholesale Bank Branch	870,702	127,733
Movement in deficit on revaluation of investments - net of tax	(7,122,994)	(1,329,941)
	(6,252,292)	(1,202,208)
<b>Total comprehensive income</b>	<u>(1,545,038)</u>	<u>2,406,223</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	(1,545,038)	2,406,223
Non-controlling interest	-	-
	<u>(1,545,038)</u>	<u>2,406,223</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman



**ASKARI BANK LIMITED**

Consolidated Condensed Interim Cash Flow Statement (Un-audited)  
For the quarter ended March 31, 2023

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
Note	(Rupees in '000)	
<b>Cash flow from operating activities</b>		
Profit before taxation	8,356,980	6,100,548
Less: dividend income	<u>(185,522)</u>	<u>(105,064)</u>
	8,171,458	5,995,484
Adjustments:		
Depreciation	235,576	227,445
Amortization	40,722	34,480
Depreciation on ROU assets	406,357	384,181
Markup expense on lease liability against ROU assets	248,619	223,331
Termination of lease contracts under IFRS - 16 Leases	(198)	(13,700)
Charge for defined benefit plan	-	110,059
Provisions and write offs - net	(46,717)	(158,535)
Gain on sale of fixed assets	(699)	(36,040)
	<u>883,660</u>	<u>771,221</u>
	9,055,118	6,766,705
(Increase) / decrease in operating assets		
Lendings to financial institutions	314,365	(6,524,816)
Held for trading securities	249,262	(150,329)
Advances	2,844,489	11,688,387
Other assets (excluding advance taxation)	<u>(16,257,757)</u>	<u>(2,982,739)</u>
	(12,849,641)	2,030,503
Increase / (decrease) in operating liabilities		
Bills payable	(477)	2,877,558
Borrowings from financial institutions	89,681,215	11,452,100
Deposits	50,174,772	(17,837,814)
Other liabilities (excluding current taxation)	<u>(2,627,792)</u>	<u>4,952,137</u>
	137,227,718	1,443,981
Net cash flow generated from / (used in) operations	133,433,195	10,241,189
Payment made to defined benefit plan	(85,075)	(372,776)
Income tax paid	(2,394,821)	(2,135,870)
Net cash flow generated / (used in) from operating activities	<u>130,953,299</u>	<u>7,732,543</u>
<b>Cash flow from investing activities</b>		
Net investments in available for sale securities	(92,052,848)	(6,727,750)
Net investments in held to maturity securities	(1,006,687)	5,580,662
Dividend received	113,797	92,810
Investments in operating fixed assets - net of adjustments	(309,799)	(181,388)
Investments in intangible assets	(162,880)	(106,031)
Proceeds from sale of fixed assets	1,848	46,889
Effect of translation of net investment in Wholesale Bank Branch	870,702	127,733
Net cash used in investing activities	<u>(92,545,867)</u>	<u>(1,167,075)</u>
<b>Cash flow from financing activities</b>		
Payments against lease liabilities	(424,639)	(424,639)
Dividend paid	(829)	(1,855)
Net cash flow used in financing activities	<u>(425,468)</u>	<u>(426,494)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	37,981,964	6,138,974
Cash and cash equivalents at beginning of the period	80,627,190	92,988,460
Cash and cash equivalents at end of the period	<u>118,609,154</u>	<u>99,127,434</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

## **ASKARI BANK LIMITED**

Notes to the consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2023

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

- 1.1 The Group consists of Askari Bank Limited, the holding company and Askari Securities Limited, a wholly owned subsidiary.
- 1.2 Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2023. The ultimate parent of the Bank is Fauji Foundation. The Bank has 601 branches (2022: 600 branches); 600 in Pakistan and Azad Jammu and Kashmir including 120 (2022: 120) Islamic Banking branches and 58 (2022: 57) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.
- 1.3 Askari Securities Limited (ASL) was incorporated in Pakistan on October 1, 1999 under the repealed Companies Ordinance, 1984 as a public limited company. The Group holds 100% Ordinary Shares of ASL. The principal activity includes share brokerage, investment advisory and consultancy services. The registered office of ASL is situated in Islamabad.

### **2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

#### **2.1 BASIS OF PREPARATION**

- 2.1.1 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.1.2 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

#### **2.2 STATEMENT OF COMPLIANCE**

- 2.2.1 These consolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
  - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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.

- 2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39,"Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property , vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 was made applicable to banks for accounting periods beginning on or after January 01, 2022 however SBP through BPRD Circular Letter No. 7 of 2023 dated April 13, 2023 has further deferred the application till January 01, 2024. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirement prescribed by the SBP through various circulars.

2.2.3 IFRS-10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) /2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.2.4 These consolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual Consolidated financial statements, and should be read in conjunction with the audited annual Consolidated financial statements of the Group for the financial year ended December 31, 2022.

### 3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Group for the year ended December 31, 2022.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these consolidated condensed interim financial statements.

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

There are various other standards, interpretations and amendments to accounting standards as applicable in Pakistan that are not yet effective in the current period. These are not likely to have material effect on the Group's financial statements.

### 4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

### 5. **FINANCIAL RISK MANAGEMENT**

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

	<u>(Un-audited)</u>	<u>(Audited)</u>
	March 31, 2023	December 31, 2022
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
	Rupees in '000	
<b><i>In hand:</i></b>		
Local currency	29,340,297	22,700,376
Foreign currencies	<u>4,399,286</u>	<u>3,407,920</u>
	33,739,583	26,108,296
<b><i>With the State Bank of Pakistan in:</i></b>		
Local currency current accounts	47,706,529	43,901,951
Foreign currency current account	514,689	647,093
Foreign currency deposit account	<u>7,353,361</u>	<u>-</u>
	55,574,579	44,549,044
<b><i>With National Bank of Pakistan in:</i></b>		
Local currency current accounts	1,596,647	260,731
Prize Bonds	40,950	31,996
	<u>90,951,759</u>	<u>70,950,067</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
<b><i>In Pakistan</i></b>		
In current accounts	102,377	32,629
In deposit accounts	<u>-</u>	<u>-</u>
	102,377	32,629
<b><i>Outside Pakistan</i></b>		
In current accounts	3,461,988	3,383,544
In deposit accounts	<u>24,093,049</u>	<u>6,260,952</u>
	27,555,037	9,644,496
Provision held against balances with other banks	(19)	(2)
	<u>27,657,395</u>	<u>9,677,123</u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (reverse repo)	211,455	525,820
Provision held against lending to financial institutions	<u>(111,456)</u>	<u>(118,886)</u>
Lending to financial institutions - net of provision	<u>99,999</u>	<u>406,934</u>

9. INVESTMENTS	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
9.1 Investments by type:								
<b>Held for trading securities</b>								
Fully paid ordinary shares	215,456	-	(6,649)	208,807	464,718	-	(60,647)	404,071
<b>Available for sale securities</b>								
Federal Government Securities	736,358,893	(624,153)	(25,795,469)	709,939,271	646,356,442	(526,353)	(13,520,293)	632,309,796
Shares	6,124,793	(809,452)	38,943	5,354,284	5,109,394	(809,454)	126,617	4,426,557
Units of open end mutual funds	750,000	(144,205)	(2,717)	603,078	750,000	(144,205)	37,490	643,285
Fully paid preference shares	27,314	(11,914)	12,750	28,150	27,314	(11,914)	12,750	28,150
Non Government Debt Securities	14,120,793	(1,319,740)	46,476	12,847,529	13,085,795	(1,319,740)	99,304	11,865,359
	757,381,793	(2,909,464)	(25,700,017)	728,772,312	665,328,945	(2,811,666)	(13,244,132)	649,273,147
<b>Held to maturity securities</b>								
Federal Government Securities	114,450,999	(812,322)	-	113,638,677	111,642,002	(585,365)	-	111,056,637
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	-	-	-	-	1,802,310	(5,146)	-	1,797,164
	114,560,999	(922,322)	-	113,638,677	113,554,312	(700,511)	-	112,853,801
Total investments	<u>872,158,248</u>	<u>(3,831,786)</u>	<u>(25,706,666)</u>	<u>842,619,796</u>	<u>779,347,975</u>	<u>(3,512,177)</u>	<u>(13,304,779)</u>	<u>762,531,019</u>

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

9.1.1 Investments given as collateral

The market value of investment given as collateral is as follows

Market Treasury Bills	33,332,087	14,650,739
Pakistan Investment Bonds	237,348,587	163,347,300
Turkish Euro Bonds	-	1,797,861
Shares	80,500	177,855
	<u>270,761,174</u>	<u>179,973,755</u>

	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022
<b>9.2 Provision for diminution in value of investments</b>	(Rupees in '000)	
9.2.1 Opening balance	3,512,177	2,304,644
Exchange adjustments	284,575	134,098
Charge / (reversals)		
Charge for the period / year	-	560,165
Charge under IFRS 9 related to WBB for the period / year	35,034	760,372
Reversals for the period / year	-	(67,045)
Net charge	35,034	1,253,492
Reversal on disposals	-	(180,057)
Closing balance	<u>3,831,786</u>	<u>3,512,177</u>

**9.2.2 Particulars of provision against debt securities**

	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	NPI	Provision	NPI	Provision
<b>Category of classification</b>	(Rupees in '000)			
<b>Domestic</b>				
Loss	<u>1,429,740</u>	<u>1,429,740</u>	<u>1,429,740</u>	<u>1,429,740</u>

9.2.3 In addition to the above, Bank's Bahrain branch holds general provision of Rs. 1,436,475 thousand (December 31, 2022: Rs. 1,116,864 thousand) against investments in accordance with ECL requirement of IFRS 9.

9.3 The market value of securities classified as held to maturity is Rs. 99,410,225 thousand (2022: Rs. 101,813,767 thousand).

10. ADVANCES	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	458,613,429	473,649,618	26,494,478	26,450,298	485,107,907	500,099,916
Islamic financing and related assets	95,691,990	82,206,609	2,887,828	2,894,335	98,579,818	85,100,944
Bills discounted and purchased	26,567,769	27,931,036	1,834,062	1,802,149	28,401,831	29,733,185
Advances - gross	580,873,188	583,787,263	31,216,368	31,146,782	612,089,556	614,934,045
Provision against advances						
- Specific	-	-	(29,247,426)	(29,297,528)	(29,247,426)	(29,297,528)
- General	(1,823,141)	(1,825,586)	-	-	(1,823,141)	(1,825,586)
	(1,823,141)	(1,825,586)	(29,247,426)	(29,297,528)	(31,070,567)	(31,123,114)
Advances - net of provision	579,050,047	581,961,677	1,968,942	1,849,254	581,018,989	583,810,931
					(Un-audited)	(Audited)
					March 31, 2023	December 31, 2022
10.1 Particulars of advances (Gross)					(Rupees in '000)	
In local currency					567,570,718	573,258,877
In foreign currencies					44,518,838	41,675,168
					612,089,556	614,934,045

10.2 Advances include Rs. 31,216,368 thousand (2022: Rs. 31,146,782 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	121,990	-	122,279	1,437
Substandard	1,938,710	475,746	1,596,854	394,848
Doubtful	592,230	292,253	844,347	413,258
Loss	28,563,438	28,479,427	28,583,302	28,487,985
	31,216,368	29,247,426	31,146,782	29,297,528

10.3 Particulars of provision against advances

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Specific	General (note 10.3.1)	Consumer financing-General	Total	Specific	General	Consumer financing-General	Total
	(Rupees in '000)							
Opening balance	29,297,528	1,010,000	815,586	31,123,114	28,518,930	974,026	735,260	30,228,216
Exchange adjustment	-	21,145	-	21,145	4,041	36,465	-	40,506
Charge for the period / year	383,646	13,626	19,350	416,622	2,675,775	133,850	113,551	2,923,176
Provision under IFRS 9 related to WBB	-	(34,467)	-	(34,467)	(27,403)	(112,950)	-	(140,353)
Reversal for the period / year	(433,748)	(12,958)	(9,141)	(455,847)	(1,821,378)	(21,391)	(33,225)	(1,875,994)
	(50,102)	(33,799)	10,209	(73,692)	826,994	(491)	80,326	906,829
Amounts written off	-	-	-	-	(198)	-	-	(198)
Amounts charged off- agriculture financing	-	-	-	-	(52,239)	-	-	(52,239)
Closing balance	29,247,426	997,346	825,795	31,070,567	29,297,528	1,010,000	815,586	31,123,114

10.3.1 General provision includes Rs 374,851 thousand (December 31, 2021: Rs 374,851 thousand) due to deferment / restructuring & rescheduling relief allowed by SBP.

10.3.2 The net FSV benefit already availed has been reduced by Rs. 10,298 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced before and after tax profit for the period would have been higher by 10,298 thousand (2022: Rs. 268,941 thousand) and Rs. 5,870 thousand (2022: Rs. 164,054 thousand) respectively. Further, at March 31, 2023, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs. 24,147 thousand (December 31, 2022: Rs.26,865 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>11. FIXED ASSETS</b>	(Rupees in '000)	
Capital work-in-progress - note 11.1	253,136	220,511
Property and equipment	17,376,120	17,372,333
Right of use asset - IFRS 16	<u>7,115,974</u>	<u>6,891,568</u>
	<u>24,745,230</u>	<u>24,484,412</u>
<b>11.1</b>	(Un-audited)	
This represents advances to suppliers and contractors.	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	(Rupees in '000)	
<b>11.2 Additions to fixed assets</b>		
The following additions have been made to fixed assets during the period:		
Capital work-in-progress	43,785	50,220
<b>Property and equipment</b>		
Renovation of premises	36,787	24,437
Furniture, fixtures and office equipment	41,267	26,649
Carpets	3,775	1,096
Machine and equipments	69,968	32,859
Computer equipments	106,501	32,589
Vehicles	7,716	13,448
	266,014	131,078
Right of use assets under IFRS 16	660,458	257,455
Total	<u>970,257</u>	<u>438,753</u>
<b>11.3 Disposal of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Renovation of premises	-	59
Furniture, fixtures and office equipment	231	1,677
Carpets	667	2,196
Machine and equipments	251	1,793
Vehicles	-	5,124
Total	<u>1,149</u>	<u>10,849</u>
	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>12. INTANGIBLE ASSETS</b>	(Rupees in '000)	
Computer software	1,109,485	1,130,815
Capital work in progress	389,014	244,810
	<u>1,498,499</u>	<u>1,375,625</u>

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
		(Rupees in '000)	
<b>12.1</b>	<b>Additions to intangible assets</b>		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	144,204	81,927
	Directly purchased	18,676	23,264
		<u>162,880</u>	<u>105,191</u>
		(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
<b>13.</b>	<b>DEFERRED TAX ASSETS</b>	(Rupees in '000)	
	Deductible temporary differences on		
	- Post retirement employee benefits	(65,004)	(65,004)
	- Accelerated tax depreciation	58,320	36,767
	- Deficit on revaluation of investments	11,051,005	5,694,977
	- Provision against advances, off balance sheet	1,763,316	1,878,936
		<u>12,807,639</u>	<u>7,545,677</u>
<b>14.</b>	<b>OTHER ASSETS</b>		
	Income / mark-up accrued in local currency - net of provision	44,481,582	37,216,850
	Income / mark-up accrued in foreign currencies	2,249,260	1,241,333
	Advances, deposits, advance rent and other prepayments	757,652	1,627,272
	Advance taxation (payments less provisions)	4,822,960	5,983,883
	Non-banking assets acquired in satisfaction of claims	951,297	847,462
	Assets held for sale	2,116,286	2,076,683
	Branch adjustment account	-	40,219
	Mark to market gain on forward foreign exchange contracts - net	9,674,490	-
	Stationary and stamps in hand	143,395	68,093
	Dividend receivable	76,711	4,986
	Acceptances	13,617,824	14,925,859
	Switch settlement accounts	260,800	-
	Others	777,331	526,253
		<u>79,929,588</u>	<u>64,558,893</u>
	Provision held against other assets - note 14.1	(182,545)	(182,608)
	Other assets - net of provision	79,747,043	64,376,285
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,135,774	1,135,774
	Other assets - total	<u>80,882,817</u>	<u>65,512,059</u>
<b>14.1</b>	<b>Provision held against other assets</b>		
	Advances, deposits, advance rent and other prepayments	4,838	4,838
	Others	177,707	177,770
		<u>182,545</u>	<u>182,608</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
(Rupees in '000)		
14.1.1 <b>Movement in provision held against other assets</b>		
Opening balance	182,608	175,845
Charge for the period / year	-	9,315
Reversals for the period / year	(63)	(2,552)
Net charge for the period / year	(63)	6,763
Closing balance	<u>182,545</u>	<u>182,608</u>
15. <b>BILLS PAYABLE</b>		
In Pakistan	<u>11,878,086</u>	<u>11,878,563</u>
16. <b>BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	20,690,275	22,741,967
Long term financing facility	9,457,058	9,904,417
Financing facility for storage of agricultural produce	36,926	44,311
Renewable energy financing facility	3,917,858	3,944,124
Refinance from SBP		
Credit guarantee scheme for women entrepreneurs	-	67
Payment of wages and salaries	103,880	454,197
Temporary Economic Relief	12,701,036	9,680,778
Modernization of SME	11,333	12,215
Combating COVID-19	489,753	563,711
Askari Ujala	5,365	3,117
Rupee based discounting of bills / receivable	1,103,718	1,891,099
	48,517,202	49,240,003
Repurchase agreement borrowings		
State Bank of Pakistan	166,000,000	100,000,000
Financial institutions	106,229,435	80,826,007
	272,229,435	180,826,007
Refinance from Pakistan Mortgage Refinance Company	2,366,667	3,366,079
Total secured	<u>323,113,304</u>	<u>233,432,089</u>

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
17. <b>DEPOSITS AND OTHER ACCOUNTS</b>						
<b>Customers</b>						
Current accounts	287,618,569	30,871,997	318,490,566	323,233,968	25,268,830	348,502,798
Savings deposits	546,803,660	75,795,707	622,599,367	500,396,889	60,092,675	560,489,564
Fixed deposits	209,608,871	33,265,496	242,874,367	195,530,848	26,160,189	221,691,037
	1,044,031,100	139,933,200	1,183,964,300	1,019,161,705	111,521,694	1,130,683,399
<b>Financial institutions</b>						
Current accounts	1,116,137	85,742	1,201,879	1,047,450	32,749	1,080,199
Savings deposits	1,909,181	-	1,909,181	4,517,990	-	4,517,990
Fixed deposits	5,473,175	-	5,473,175	6,092,175	-	6,092,175
	8,498,493	85,742	8,584,235	11,657,615	32,749	11,690,364
	<u>1,052,529,593</u>	<u>140,018,942</u>	<u>1,192,548,535</u>	<u>1,030,819,320</u>	<u>111,554,443</u>	<u>1,142,373,763</u>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
18. <b>SUBORDINATED DEBTS</b>		
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	12,000,000	12,000,000

18.1 The Bank has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Bank's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Bank including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109-120th month: 100%
Profit Rate	Base Rate plus 1.50%	Base Rate plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

	<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> December 31, 2022
<b>19. OTHER LIABILITIES</b>	(Rupees in '000)	
Mark-up / return / interest payable in local currency	10,938,745	11,177,244
Mark-up / return / interest payable in foreign currencies	551,178	523,791
Unearned commission and income on bills discounted	2,501,813	2,485,237
Accrued expenses	1,468,957	2,141,323
Advance payments	482,385	446,546
Acceptances	13,617,824	14,925,859
Dividend payable	194,890	195,719
Advance against sale of non-banking assets	870,060	494,255
Mark to market loss on forward foreign exchange contracts	-	110,688
Branch adjustment account	1,777,582	-
Payable to defined benefit plan	100,019	194,714
Provision for employees' compensated absences	645,533	635,913
Security deposit against lease / ljarah financing	4,052,156	4,145,427
Liabilities against asset held for sale	199,598	212,780
Levies and taxes payable	1,283,587	1,156,266
Workers' Welfare Fund	886,706	768,486
Liability against trading of securities	1,527	462,925
Switch settlement accounts	-	2,747,463
Provision against off-balance sheet obligations - note 19.1	134,291	134,767
Lease liability against ROU assets as per IFRS - 16 Leases	8,485,669	8,084,073
Others	2,624,240	2,095,480
	<u>50,816,760</u>	<u>53,138,956</u>

	<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> December 31, 2022
<b>19.1 Provision against off-balance sheet obligations</b>	(Rupees in '000)	
Opening balance	134,767	1,143,768
Exchange adjustment	107	404
Charge for the period / year	-	-
Reversal for the period / year	(583)	(1,009,405)
Net (reversal) / charge	(583)	(1,009,405)
Closing balance	<u>134,291</u>	<u>134,767</u>

**20. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (deficit) on revaluation of:

- Available for sale securities	(25,700,017)	(13,220,995)
- Fixed Assets	10,365,737	10,365,737
- Non-banking assets acquired in satisfaction of claims	1,135,774	1,135,774
	(14,198,506)	(1,719,484)

Deferred tax on deficit on revaluation of:

- Available for sale securities	11,051,005	5,694,977
	<u>(3,147,501)</u>	<u>3,975,493</u>

- 20.1 Pursuant to relaxation provided by the SBP, the Bank has availed the benefit of staggering the unrealized loss on PIBs having aggregate face value of Rs 85,168 million at March 31, 2023. Accordingly, the Bank has reversed an amount of revaluation loss of Rs. 3,939 million upto March 31, 2023 on such PIBs and will recognize the same in accordance with the criteria prescribed by SBP. Had the revaluation loss not been reversed in these consolidated financial statements the carrying value of investments as at March 31, 2023 would have been lower by Rs. 3,939 million, other comprehensive income for the period ended March 31, 2023 and surplus on revaluation of assets - net of tax would have been lower by Rs. 2,245 million and deferred tax asset at December 31, 2022 would have been higher by Rs. 1,693 million.

Pursuant to relaxation, the Bank is required to adjust the outstanding staggered amount of revaluation deficit from distributable profits, for declaring cash dividend (if any), during the relaxation period.

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>21. CONTINGENCIES AND COMMITMENTS</b>	(Rupees in '000)	
- Guarantees - note 21.1	356,954,048	313,699,274
- Commitments - note 21.2	574,538,344	473,577,812
- Other contingent liabilities - note 21.3	1,439,886	1,254,927
	<u>932,932,278</u>	<u>788,532,013</u>
<b>21.1 Guarantees</b>		
Financial guarantees	8,110,033	9,494,557
Performance guarantees	201,631,801	180,122,513
Other guarantees	147,212,214	124,082,204
	<u>356,954,048</u>	<u>313,699,274</u>
<b>21.2 Commitments</b>		
Documentary credits and short-term trade-related transactions - letters of credit	204,331,168	187,240,002
Commitments in respect of:		
- forward foreign exchange contracts - note 21.2.1	369,145,283	269,232,712
- forward government securities transactions	-	15,400,000
- non government securities transactions - note 21.2.2	550,000	1,366,896
Commitments for acquisition of:		
- operating fixed assets	115,659	82,807
- intangible assets	396,234	255,395
	<u>574,538,344</u>	<u>473,577,812</u>
<b>21.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	198,713,359	150,899,164
Sale	170,431,924	118,333,548
	<u>369,145,283</u>	<u>269,232,712</u>
The above commitments have maturities falling within one year.		
<b>21.2.2 Commitments in respect of non government securities transactions</b>		
Purchase	550,000	1,035,290
Sale	-	331,606
	<u>550,000</u>	<u>1,366,896</u>
<b>21.3 Other contingent liabilities</b>		
These represent certain claims by third parties against the Group, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Group's favour and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these condensed interim consolidated financial statements.		
	<u>1,439,886</u>	<u>1,254,927</u>

22. **DERIVATIVE INSTRUMENTS**

The Group at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Group's Treasury and Investment Grouping Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
23.	<b>MARK-UP / RETURN / INTEREST EARNED</b>	(Rupees in '000)	
	On:		
	Loans and advances	23,112,622	10,997,936
	Investments	33,844,267	15,681,166
	Lendings to financial institutions	15,274	30,272
	Balances with banks	54,494	1,933
	Securities purchased under resale agreements	122,352	37,264
		<u>57,149,009</u>	<u>26,748,571</u>
24.	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	30,074,630	13,752,738
	Borrowings	14,062,141	3,193,870
	Subordinated debts	552,735	369,579
	Cost of foreign currency swaps against foreign currency deposits / borrowings	269,734	751,606
	Interest expense on lease liability against ROU assets	248,619	223,331
		<u>45,207,859</u>	<u>18,291,124</u>
25.	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	199,842	202,472
	Consumer finance related fees	24,183	28,391
	Card related fees (debit and credit cards)	349,955	269,769
	Credit related fees	236,104	71,893
	Investment banking fees	78,298	74,481
	Commission on trade	373,992	237,964
	Commission on guarantees	337,389	215,940
	Commission on remittances including home remittances	49,779	52,474
	Commission on bancassurance	7,174	12,665
	Others	38,949	30,213
		<u>1,695,665</u>	<u>1,196,262</u>
26.	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised - note 26.1	(84,672)	90,187
	Unrealised - note 9.1	(6,649)	-
		<u>(91,321)</u>	<u>90,187</u>
26.1	<b>Realised (loss) / gain on:</b>		
	Federal Government Securities	(162,925)	5,364
	Shares	58,719	71,665
	Non Government Debt Securities	14,800	300
	Mutual Funds	4,734	12,858
		<u>(84,672)</u>	<u>90,187</u>

	(Un-audited)	
	Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>27. OTHER INCOME</b>	(Rupees in '000)	
Gain on sale of fixed assets	699	36,040
Rent of lockers	12,704	12,506
Recovery of expenses from customers	77,751	73,505
Termination of lease contracts under IFRS - 16 Leases	198	13,700
	<u>91,352</u>	<u>135,751</u>
<b>28. OPERATING EXPENSES</b>		
Total compensation expenses - note 28.1	3,551,716	2,764,329
<b>Property expense</b>		
Rent and taxes	28,071	43,945
Insurance	21,081	20,975
Utilities cost	287,206	135,066
Security (including guards)	168,226	141,462
Repair & maintenance (including janitorial charges)	99,407	75,834
Depreciation on ROU assets	406,357	384,181
Depreciation	59,963	71,598
	1,070,311	873,061
<b>Information technology expenses</b>		
Software maintenance	166,273	105,087
Hardware maintenance	33,292	16,177
Depreciation	56,162	42,758
Amortisation	40,722	34,480
Network charges	137,326	50,488
	433,775	248,990
<b>Other operating expenses</b>		
Directors' fees, allowances	10,200	10,800
Fees and allowances to shariah board	2,361	2,257
Rates, taxes, insurance etc.	46,626	54,382
Legal and professional charges	20,553	24,638
Brokerage and commission	57,824	33,351
NIFT clearing charges	21,199	24,128
Repair and maintenance	168,289	77,483
Communications	216,373	129,730
Stationery and printing	136,555	68,465
Marketing, advertisement and publicity	14,304	21,445
Donations	109,435	-
Auditors' remuneration	12,770	9,457
Travelling, conveyance and entertainment	89,830.72	65,892
Depreciation	119,451	113,089
Security service charges	192,845	92,566
Training and development	5,026	6,874
Deposit premium expense	161,858	177,043
Outsourced service cost	50,962	14,256
Other expenditure	85,365	98,838
	1,521,828	1,024,694
	<u>6,577,630</u>	<u>4,911,074</u>
<b>28.1 Total compensation expense</b>		
Managerial remuneration	3,004,639	2,178,004
Charge for defined benefit / contribution plan	207,986	182,986
Other staff cost - note 28.1.1	339,091	403,339
	<u>3,551,716</u>	<u>2,764,329</u>
28.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance, provision for severance etc.		

29. This represents penalties imposed by the State Bank of Pakistan.

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>30. PROVISIONS AND WRITE OFFS - NET</b>		(Rupees in '000)	
Provision for diminution in value of investments		35,034	78,409
(Reversal of provision) / provision against loans and advances		(73,692)	167,809
Reversal of provision against other assets		(63)	(51)
Reversal of provision against repurchase agreement lendings		(7,430)	-
Reversal of provision against off-balance sheet obligations		(583)	(403,526)
Provision against cash and bank balances		17	49
Reversal of provision against intangible assets		-	(1,225)
Recovery of written off / charged off bad debts		(11,092)	(13,483)
		<u>(57,809)</u>	<u>(172,018)</u>
<b>31. TAXATION</b>			
Current		3,555,744	2,509,814
Deferred		93,982	(17,697)
		<u>3,649,726</u>	<u>2,492,117</u>

31.1 There are no changes to tax related contingencies from those disclosed in note 32.2 of the audited annual consolidated financial statements for the year ended December 31, 2022.

		(Un-audited)	
		Quarter ended March 31, 2023	Quarter ended March 31, 2022
<b>32. BASIC EARNINGS PER SHARE</b>			
Profit for the period - Rupees in '000		<u>4,707,254</u>	<u>3,608,431</u>
Weighted average number of Ordinary Shares - numbers		<u>1,449,299,207</u>	<u>1,449,299,207</u>
Basic earnings per share - Rupees		<u>3.25</u>	<u>2.49</u>

There is no dilutive effect on the basic earnings per share of the Bank, therefore dilutive earnings per share have not been presented separately.

### 33. FAIR VALUE MEASUREMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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

#### 33.1 Fair value of financial assets

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) 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) available at MUFAP and Reuters page.
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim consolidated financial statements.

The following table provides the fair values of those of the Group's financial assets and liabilities that are recognized or disclosed at fair value in these consolidated condensed interim financial statements:

	March 31, 2023 (Un-audited)				
	Carrying /	Level 1	Level 2	Level 3	Total
	Notional Value	(Rupees in '000)			
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	709,939,271	4,255,761	705,683,510	-	709,939,271
Shares	4,652,070	4,652,070	-	-	4,652,070
Units of open end mutual funds	603,079	603,079	-	-	603,079
Fully paid preference shares	28,150	28,150	-	-	28,150
Non Government Debt Securities	12,847,529	-	12,847,529	-	12,847,529
	<u>728,070,099</u>	<u>9,539,060</u>	<u>718,531,039</u>	<u>-</u>	<u>728,070,099</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Federal Government Securities	113,638,677	5,066,253	94,343,972	-	99,410,225
Unlisted shares	702,214	-	-	-	-
Foreign Securities	-	-	-	-	-
Cash and balances with treasury banks	90,951,759	-	-	-	-
Balances with other banks	27,657,395	-	-	-	-
Advances	581,018,987	-	-	-	-
Other assets	71,956,897	-	-	-	-
	<u>885,925,929</u>	<u>5,066,253</u>	<u>94,343,972</u>	<u>-</u>	<u>99,410,225</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	<u>198,713,359</u>	<u>-</u>	<u>16,104,921</u>	<u>-</u>	<u>16,104,921</u>
Forward sale of foreign exchange	<u>170,431,924</u>	<u>-</u>	<u>(5,805,537)</u>	<u>-</u>	<u>(5,805,537)</u>

	December 31, 2022 (Un-audited)				
	Carrying /	Level 1	Level 2	Level 3	Total
	Notional Value	(Rupees in '000)			
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	632,309,796	3,896,424	628,413,372	-	632,309,796
Shares	4,184,699	4,184,699	-	-	4,184,699
Units of open end mutual funds	643,285	643,285	-	-	643,285
Fully paid preference shares	28,150	28,150	-	-	28,150
Non Government Debt Securities	11,865,359	-	11,865,359	-	11,865,359
Foreign securities	-	-	-	-	-
	<u>649,031,289</u>	<u>8,752,558</u>	<u>640,278,731</u>	<u>-</u>	<u>649,031,289</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Unlisted shares	21,050,000	-	-	-	-
Subsidiary	-	-	-	-	-
Federal Government Securities	111,056,637	8,644,666	102,411,971	-	111,056,637
Foreign Securities	1,797,164	1,797,164	-	-	1,797,164
Cash and balances with treasury banks	70,950,067	-	-	-	-
Balances with other banks	9,677,123	-	-	-	-
Lendings to financial institute	406,934	-	-	-	-
Advances	583,810,931	-	-	-	-
Other assets	53,738,462	-	-	-	-
	<u>852,487,318</u>	<u>10,441,830</u>	<u>102,411,971</u>	<u>-</u>	<u>112,853,801</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	<u>150,899,164</u>	<u>-</u>	<u>419,729</u>	<u>-</u>	<u>419,729</u>
Forward sale of foreign exchange	<u>118,333,548</u>	<u>-</u>	<u>(530,417)</u>	<u>-</u>	<u>(530,417)</u>

The Group's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer to takes place. There were no transfers between levels 1 and 2 during the year.

33.2 Fair value of non-financial assets	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
	(Rupees in '000)	
	Level 3	Level 3
Fixed assets		
Property and equipment (freehold and leasehold land)	13,238,392	13,238,392
Other assets		
Non-banking assets acquired in satisfaction of claims	2,087,071	1,983,236

34. Segment Information

34.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	March 31, 2023 (Un-audited)							Total
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
	(Rupees in '000)							
<b>Profit and loss</b>								
Net mark-up / return / profit	(19,341,128)	9,358,459	19,362,394	1,103,248	1,559,143	572,353	(673,319)	11,941,150
Inter segment revenue - net	28,838,124	(9,375,111)	(21,004,976)	(805,785)	(97,740)	(471,949)	2,917,437	-
Non mark-up / return / interest income	210,801	1,194,323	1,316,750	225,807	143,315	14,940	55,287	3,161,223
<b>Total income</b>	<b>9,707,797</b>	<b>1,177,671</b>	<b>(325,832)</b>	<b>523,270</b>	<b>1,604,718</b>	<b>115,344</b>	<b>2,299,405</b>	<b>15,102,373</b>
Segment direct expenses	3,542,049	245,360	115,820	379,852	777,023	66,315	1,676,783	6,803,202
Inter segment expense allocation	316,288	241,185	4,072	13,021	-	-	(574,566)	-
<b>Total expenses</b>	<b>3,858,337</b>	<b>486,545</b>	<b>119,892</b>	<b>392,873</b>	<b>777,023</b>	<b>66,315</b>	<b>1,102,217</b>	<b>6,803,202</b>
Provisions	(54,970)	(5,242)	(7,997)	24,850	(15,686)	567	669	(57,809)
<b>Profit before tax</b>	<b>5,904,430</b>	<b>696,368</b>	<b>(437,727)</b>	<b>105,547</b>	<b>843,381</b>	<b>48,462</b>	<b>1,196,519</b>	<b>8,356,980</b>
	March 31, 2023 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
<b>Statement of financial position</b>								
Cash and bank balances	32,914,786	-	76,912,727	-	8,042,512	325,452	413,677	118,609,154
Investments	-	8,740,404	774,006,487	-	40,547,378	14,975,487	4,350,040	842,619,796
Lendings to financial institutions	-	-	99,999	-	-	-	-	99,999
Advances - performing - net of provision	10,966,914	437,369,380	-	20,732,714	95,651,764	6,827,279	7,501,993	579,050,044
Advances - non-performing - net of provision	274,493	603,625	-	98,398	992,429	-	-	1,968,945
Others	858,114	27,840,312	31,944,132	657,578	9,538,106	841,549	48,254,394	119,934,185
<b>Total Assets</b>	<b>45,014,307</b>	<b>474,553,721</b>	<b>882,963,345</b>	<b>21,488,690</b>	<b>154,772,189</b>	<b>22,969,767</b>	<b>60,520,104</b>	<b>1,662,282,123</b>
Borrowings	1,583,777	41,221,820	272,229,436	2,366,667	5,711,604	-	-	323,113,304
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	854,846,545	238,442,105	-	3,494	97,193,210	2,081,987	(18,806)	1,192,548,535
Net inter segment balances - net	(827,184,557)	172,350,079	609,943,575	18,549,423	33,080,460	21,227,634	(27,966,614)	0
Others	15,768,542	22,539,717	790,334	569,106	8,418,405	(339,854)	14,948,596	62,694,846
<b>Total liabilities</b>	<b>45,014,307</b>	<b>474,553,721</b>	<b>882,963,345</b>	<b>21,488,690</b>	<b>144,403,679</b>	<b>22,969,767</b>	<b>(1,036,824)</b>	<b>1,590,356,685</b>
Equity	-	-	-	-	10,368,510	-	61,556,928	71,925,438
<b>Total Equity and liabilities</b>	<b>45,014,307</b>	<b>474,553,721</b>	<b>882,963,345</b>	<b>21,488,690</b>	<b>154,772,189</b>	<b>22,969,767</b>	<b>60,520,104</b>	<b>1,662,282,123</b>
<b>Contingencies and commitments</b>	<b>5,516,775</b>	<b>541,371,892</b>	<b>367,206,927</b>	<b>-</b>	<b>16,921,743</b>	<b>-</b>	<b>1,914,941</b>	<b>932,932,278</b>
	March 31, 2022 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
<b>Profit and loss</b>								
Net mark-up / return / profit	(9,094,347)	4,348,273	11,431,725	865,785	941,605	382,506	(418,100)	8,457,447
Inter segment revenue - net	14,966,950	(3,578,414)	(12,199,402)	(566,325)	-	(27,343)	1,404,534	-
Non mark-up / return / interest income	493,218	682,574	1,053,425	125,189	102,642	4,856	88,653	2,550,557
<b>Total income</b>	<b>6,365,821</b>	<b>1,452,433</b>	<b>285,748</b>	<b>424,649</b>	<b>1,044,247</b>	<b>360,019</b>	<b>1,075,087</b>	<b>11,008,004</b>
Segment direct expenses	2,902,745	218,387	73,822	266,746	601,705	28,558	987,511	5,079,474
Inter segment expense allocation	205,172	230,995	2,743	35,956	-	-	(474,866)	-
<b>Total expenses</b>	<b>3,107,917</b>	<b>449,382</b>	<b>76,565</b>	<b>302,702</b>	<b>601,705</b>	<b>28,558</b>	<b>512,645</b>	<b>5,079,474</b>
Provisions	15,418	(259,337)	142,085	(961)	(6,080)	(50,482)	(12,661)	(172,018)
<b>Profit before tax</b>	<b>3,242,486</b>	<b>1,262,388</b>	<b>67,098</b>	<b>122,908</b>	<b>448,622</b>	<b>381,943</b>	<b>575,103</b>	<b>6,100,548</b>
	December 31, 2022 (Audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
<b>Statement of financial position</b>								
Cash and bank balances	24,540,132	-	49,189,748	-	6,862,101	35,209	-	80,627,190
Investments	-	8,125,443	699,774,652	-	39,942,674	14,338,254	349,996	762,531,019
Advances - performing - net of provision	13,644,831	447,812,623	-	21,143,917	82,166,386	9,999,101	7,194,819	581,961,677
Advances - non-performing - net of provision	281,669	453,499	-	130,836	983,250	-	-	1,849,254
Others	1,003,140	27,107,590	19,094,660	594,298	7,097,474	418,422	43,602,189	98,917,773
<b>Total Assets</b>	<b>39,469,772</b>	<b>483,499,155</b>	<b>768,465,994</b>	<b>21,869,051</b>	<b>137,051,885</b>	<b>24,790,986</b>	<b>51,147,004</b>	<b>1,526,293,847</b>
Borrowings	1,744,212	42,909,471	179,432,046	3,366,079	4,586,320	1,393,961	-	233,432,089
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	751,561,392	293,324,608	-	3,686	96,297,085	1,094,507	92,485	1,142,373,763
Net inter segment balances - net	(731,727,465)	122,512,889	586,421,413	17,862,227	19,475,831	22,068,820	(36,613,715)	-
Others	17,891,633	24,752,187	2,612,535	637,059	6,684,620	233,698	12,205,787	65,017,519
<b>Total liabilities</b>	<b>39,469,772</b>	<b>483,499,155</b>	<b>768,465,994</b>	<b>21,869,051</b>	<b>127,043,856</b>	<b>24,790,986</b>	<b>(12,315,443)</b>	<b>1,452,823,371</b>
Equity	-	-	-	-	10,008,030	-	63,462,447	73,470,477
<b>Total Equity and liabilities</b>	<b>39,469,772</b>	<b>483,499,155</b>	<b>768,465,994</b>	<b>21,869,051</b>	<b>137,051,886</b>	<b>24,790,986</b>	<b>51,147,004</b>	<b>1,526,293,847</b>
<b>Contingencies and commitments</b>	<b>6,295,329</b>	<b>480,881,779</b>	<b>280,146,274</b>	<b>18,089</b>	<b>19,620,329</b>	<b>-</b>	<b>1,570,213</b>	<b>788,532,013</b>

### 35. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Group's share capital at the period end. The Group has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant

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

Details of transactions with related parties and balances are as follows:

	As at March 31, 2023 (Un-audited)				As at December 31, 2022 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
Rupees in '000								
<b>Investments</b>								
Opening balance	-	-	-	1,165,448	-	-	-	1,189,341
Investment made during the period / year	-	-	-	-	-	-	-	44,195
Revaluation adjustment	-	-	-	15,984	-	-	-	(81,568)
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	(2,665)	-	-	-	13,480
Closing balance	-	-	-	1,178,767	-	-	-	1,165,448
Provision for diminution in value of investments	-	-	-	82,112	-	-	-	87,248
<b>Advances</b>								
Opening balance	29,986,315	60	507,549	16,983,652	4,523,915	43	441,248	10,521,710
Addition during the period / year	106,762,902	888	60,776	61,097,383	352,713,101	20,581	469,897	10,892,307
Repaid during the period / year	(135,992,164)	(891)	(56,971)	(59,936,167)	(327,250,701)	(20,564)	(419,988)	(4,430,365)
Transfer in / (out) - net	-	-	(24,654)	-	-	-	16,392	-
Closing balance	757,053	57	486,700	18,144,868	29,986,315	60	507,549	16,983,652
<b>Other Assets</b>								
Interest / mark-up receivable	201,417	-	86,235	664,896	369,907	-	71,132	790,833
Investments- note 13.5.2	-	-	-	-	-	-	-	-
Advance rent	740	-	-	-	1,254	-	-	-
<b>Borrowings</b>								
Opening balance	-	-	-	3,366,079	-	-	-	2,372,387
Borrowings during the period	-	-	-	-	-	-	-	1,200,000
Settled during the period	-	-	-	(999,412)	-	-	-	(206,308)
Closing balance	-	-	-	2,366,667	-	-	-	3,366,079
<b>Deposits and other accounts</b>								
Opening balance	38,816,364	34,615	193,106	38,867,218	56,224,390	24,009	211,259	42,288,557
Received during the period / year	231,187,462	150,670	782,736	250,008,433	988,405,154	79,294	2,726,090	992,693,856
Withdrawn during the period / year	(225,552,091)	(124,975)	(720,020)	(257,318,177)	(1,005,813,179)	(68,689)	(2,683,283)	(996,115,195)
Transfer in / (out) - net	-	(5)	(332)	-	-	-	(60,959)	-
Closing balance	44,451,735	60,305	255,490	31,557,474	38,816,364	34,615	193,106	38,867,218
<b>Other Liabilities</b>								
Interest / mark-up payable	944,405	-	3,566	759,926	625,832	-	3,299	361,829
Payable to staff retirement fund	-	-	-	100,019	-	-	-	194,714
Security deposits payable	-	-	-	470,314	-	-	-	470,698
Others	-	-	35,359	-	-	-	18,607	-
<b>Contingencies and Commitments</b>								
Contingencies and Commitments	1,165,652	-	-	3,807,606	1,183,172	-	-	2,447,138
<b>Others</b>								
Securities held as custodian	3,462,500	-	36,500	7,105,000	3,462,500	-	36,500	7,105,000
Securities given as collateral	-	-	-	80,500	-	-	-	177,855
Bonus shares - Nos.	138,059,763	-	-	2,117,475	-	-	-	-

or the quarter ended March 31, 2023 (Un-Audited)

For the quarter ended March 31, 2022 (Un-Audited)

	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
----- Rupees in '000 -----								
<b>Income</b>								
Mark-up / return / interest earned	200,067	-	5,283	562,608	64,332	-	6,805	173,367
Fee and commission received	205	-	-	36,957	147	-	-	41,098
Dividend income	-	-	-	27,994	-	-	-	27,517
Gain on sale of fixed assets	-	-	-	-	-	-	7,250	-
<b>Expense</b>								
Mark-up / return / interest expensed	2,464,368	211	3,443	2,982,784	807,057	96	2,863	811,209
Charge to defined benefit plan	-	-	-	100,019	-	-	5,734	79,325
Contribution to defined contribution plan	-	-	-	82,778	-	-	4,934	67,946
Remuneration and allowances	-	-	342,792	2,361	-	-	196,041	2,257
Rent	514	-	-	-	419	-	-	-
Communications	-	-	-	31,944	-	-	-	15,243
Brokerage and Commission	-	-	-	24,702	-	-	-	18,895
Directors' Fee, Allowances	-	10,200	-	-	3,100	7,700	-	-
Donations	109,435	-	-	-	110,128	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and Atm).

The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

36. **CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
(Rupees in '000)		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,492,992	12,602,602
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	60,440,869	65,440,838
Eligible Additional Tier 1 (ADT 1) Capital	6,000,000	6,000,000
Total Eligible Tier 1 Capital	66,440,869	71,440,838
Eligible Tier 2 Capital	9,886,785	11,858,247
Total Eligible Capital (Tier 1 + Tier 2)	76,327,654	83,299,085
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	422,210,133	412,266,206
Market Risk	17,608,377	27,675,542
Operational Risk	81,525,216	81,515,216
Total	521,343,727	521,456,964
Common Equity Tier 1 Capital Adequacy ratio	11.59%	12.55%
Tier 1 Capital Adequacy Ratio	12.74%	13.70%
Total Capital Adequacy Ratio	14.64%	15.97%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	66,440,869	71,440,838
Total Exposures	2,209,652,519	2,243,477,307
Leverage Ratio	3.01%	3.18%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	558,925,371	520,361,460
Total Net Cash Outflow	307,025,343	281,841,107
Liquidity Coverage Ratio	182.05%	184.63%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	1,165,174,910	1,113,890,911
Total Required Stable Funding	609,439,597	561,560,640
Net Stable Funding Ratio	191.19%	198.36%

As explained in note 20.1, had the relaxation not been availed CAR and leverage ratio of the Group would have been 13.88% and 2.82% respectively.

### 37. Islamic Banking Business

The Bank is operating 120 Islamic banking branches including 3 sub-branches at quarter ended March 31, 2023 as compared to 120 Islamic banking branches including 3 sub-branches at year ended December 31, 2022.

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		7,929,220	6,747,452
Balances with other banks		113,292	114,649
Investments	37.1	40,547,378	39,942,674
Islamic financing and related assets - net	37.2	96,644,193	83,149,636
Fixed assets		2,007,908	1,984,521
Intangible assets		-	-
Due from Head Office		-	-
Other assets		8,030,757	5,812,116
Total assets		<u>155,272,748</u>	<u>137,751,048</u>
<b>LIABILITIES</b>			
Bills payable		2,118,954	1,425,734
Due to financial institutions		5,711,604	4,586,320
Deposits and other accounts	37.3	97,193,210	96,297,085
Due to head office		33,500,000	20,175,000
Sub-ordinated debt		-	-
Other liabilities		6,380,473	5,258,880
		<u>144,904,241</u>	<u>127,743,019</u>
<b>NET ASSETS</b>		<u>10,368,507</u>	<u>10,008,029</u>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		4,600,000	4,600,000
Deficit on revaluation of assets		(1,598,147)	(1,115,247)
Unappropriated profit	37.4	<u>7,366,654</u>	<u>6,523,276</u>
		<u>10,368,507</u>	<u>10,008,029</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	37.5	<u>16,921,743</u>	<u>19,620,329</u>

The profit and loss account of the Bank's Islamic banking branches for the quarter ended March 31, 2023 is as follows:

		(Un-audited) For the nine months ended	
		March 31, 2023	March 31, 2022
	Note	(Rupees in '000)	
Profit / return earned	37.7	4,762,804	2,425,031
Profit / return expensed	37.8	3,301,401	1,483,426
Net Profit / return		<u>1,461,403</u>	<u>941,605</u>
<b>Other income</b>			
Fee and Commission Income		65,090	62,164
Dividend Income		3,833	2,363
Foreign Exchange Income		46,291	20,454
Gain / (loss) on securities		-	-
Other Income		28,100	17,660
Total other income		<u>143,314</u>	<u>102,641</u>
Total Income		<u>1,604,717</u>	<u>1,044,246</u>
<b>Other expenses</b>			
Operating expenses		774,855	601,705
Workers' Welfare Fund		-	-
Other charges		2,168	-
Total other expenses		<u>777,023</u>	<u>601,705</u>
Profit before provisions		<u>827,694</u>	<u>442,541</u>
Provisions and write offs - net		<u>(15,684)</u>	<u>(5,344)</u>
Profit before taxation		<u>843,378</u>	<u>447,885</u>

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
<b>37.1 Investments by segments:</b>	(Rupees in '000)							
Federal Government Securities:								
- Ijarah Sukuks	33,934,672	-	(1,599,469)	32,335,203	33,935,928	-	(1,115,711)	32,820,217
- Islamic Naya Pakistan Certificates	4,003,288	-	-	4,003,288	3,282,078	-	-	3,282,078
- GOP Bai Muajjal	-	-	-	-	-	-	-	-
	37,937,960	-	(1,599,469)	36,338,491	37,218,006	-	(1,115,711)	36,102,295
Units of Open end Mutual Fund	100,000	-	1,322	101,322	100,000	-	464	100,464
Non Government Debt Securities:								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	4,651,113	(543,548)	-	4,107,565	4,283,463	(543,548)	-	3,739,915
	4,651,113	(543,548)	-	4,107,565	4,283,463	(543,548)	-	3,739,915
<b>Total investments</b>	<b>42,689,073</b>	<b>(543,548)</b>	<b>(1,598,147)</b>	<b>40,547,378</b>	<b>41,601,469</b>	<b>(543,548)</b>	<b>(1,115,247)</b>	<b>39,942,674</b>

	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022
	(Rupees in '000)	
<b>37.2 ISLAMIC FINANCING AND RELATED ASSETS</b>		
Ijarah	5,864,577	4,934,290
Murabaha - note 37.2.1	4,115,633	5,033,231
Musharakah	40,463,504	32,639,372
Diminishing Musharakah	21,060,252	17,080,337
Salam	11,490,584	7,948,100
Istisna	4,978,582	5,238,318
Receivable against sale of Istisna / Salam Inventory	2,078,084	585,400
Service Ijarah	2,408,154	2,427,176
Wakalah	200,000	-
Other Islamic Modes (Qard)	2,511,605	2,703,951
Advances against Islamic assets - note 37.2.2	855,128	4,539,685
Inventory related to Islamic financing - note 37.2.3	2,553,715	1,971,084
Gross Islamic financing and related assets	98,579,818	85,100,944
Less: provision against Islamic financings		
- Specific	1,895,400	1,911,083
- General	40,225	40,225
	1,935,625	1,951,308
Islamic financing and related assets - net of provision	<u>96,644,193</u>	<u>83,149,636</u>

37.2.1 Includes advance against Murabaha of Rs.734,158 thousand (December 31, 2022: Rs.954,405 thousand).

**37.2.2 Advance against Islamic assets**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2023 (Un-audited)	<u>136,859</u>	<u>-</u>	<u>718,269</u>	<u>-</u>	<u>-</u>	<u>855,128</u>
December 31, 2022 (Audited)	<u>1,524,153</u>	<u>-</u>	<u>3,015,532</u>	<u>-</u>	<u>-</u>	<u>4,539,685</u>

**37.2.3 Inventory related to Islamic financing**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2023 (Un-audited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,630</u>	<u>2,183,085</u>	<u>2,553,715</u>
December 31, 2022 (Audited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,020</u>	<u>1,745,064</u>	<u>1,971,084</u>

	(Un-audited)	(Audited)
	March 31,	December 31,
	2023	2022
	(Rupees in '000)	
<b>37.3 DEPOSITS AND OTHER ACCOUNTS</b>		
<b><i>Customers</i></b>		
Current deposits - non remunerative	35,127,078	36,236,795
Current deposits - remunerative	1,434,824	1,353,496
Savings deposits	25,933,968	23,299,225
Term deposits	28,112,727	25,135,675
Others	1,308,408	1,589,333
	<u>91,917,005</u>	<u>87,614,524</u>
<b><i>Financial Institutions</i></b>		
Current deposits - non remunerative	88,869	101,309
Current deposits - remunerative	5,051	131,152
Savings deposits	516,370	2,667,925
Term deposits	4,463,175	5,782,175
Other Deposits	202,740	-
	<u>5,276,205</u>	<u>8,682,561</u>
	<u>97,193,210</u>	<u>96,297,085</u>
<b>37.4 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT</b>		
Opening balance	6,523,276	3,652,897
Add: Islamic banking profit for the period	843,378	2,870,379
Closing Balance	<u>7,366,654</u>	<u>6,523,276</u>
<b>37.5 CONTINGENCIES AND COMMITMENTS</b>		
-Guarantees	9,614,469	8,971,118
-Commitments	7,307,274	10,649,211
-Other contingent liabilities	-	-
	<u>16,921,743</u>	<u>19,620,329</u>
<b>37.6 CHARITY FUND</b>		
Opening balance	40,130	24,292
Additions during the period		
- Received from customers on delayed payments	12,134	55,203
- Non Shariah Compliant Income	-	170
- Profit on charity account	6	16
- Others	330	449
	12,470	55,838
Payments / utilization during the period		
- Education	-	-
- Community Welfare	-	-
- Relief and disaster recovery	-	-
- Natural Disaster	-	(40,000)
- Health	-	-
- Orphanage	-	-
	-	(40,000)
Closing balance	<u>52,600</u>	<u>40,130</u>

(Un-audited)  
For the nine months ended

March 31, 2023	March 31, 2022
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(Rupees in '000)

**37.7 PROFIT / RETURN EARNED ON FINANCING,  
INVESTMENTS AND PLACEMENTS**

Profit earned on:

Financing	3,454,554	1,658,294
Investments	1,300,599	765,920
Placements	7,651	817
	4,762,804	2,425,031

**37.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**

Deposits and other accounts	2,198,779	764,887
Due to financial institutions	168,771	175,566
Due to head office	878,880	496,468
Profit Equalization Reserve	-	-
Lease liability against right-of-use assets	54,971	46,505
	3,301,401	1,483,426

**38 RECLASSIFICATION OF COMPARATIVE FIGURES**

Where necessary, corresponding figures have been regrouped to conform to the presentation of current period amounts. Such regrouping does not have an impact on previously reported condensed interim consolidated statement of financial position or profit and loss account.

**39. DATE OF AUTHORIZATION**

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on April 20, 2023.

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

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