

NATIONAL BANK OF PAKISTAN

# THE BANK YOU TRUST

HALF YEARLY REPORT  
JUNE 2023

شاہد باہو  
پاک سروسز بینک

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# CORPORATE INFORMATION

## Board of Directors

Chairman  
Directors

Mr. Ashraf Mahmood Wathra  
Mr. Farid Malik, CFA  
Mr. Ahsan Ali Chughtai  
Mr. Ali Syed  
Mr. Amjad Mahmood  
Mr. Nasim Ahmad  
Mr. Rehmat Ali Hasnie

President & CEO (A)

## Audit Committee

Chairman

Mr. Ahsan Ali Chughtai  
Mr. Farid Malik, CFA  
Mr. Ali Syed  
Mr. Amjad Mahmood  
Mr. Nasim Ahmad

## Chief Financial Officer

Mr. Abdul Wahid Sethi

## Company Secretary

Syed Muhammad Ali Zamin

## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

BDO Ebrahim & Co.  
Chartered Accountants

## Legal Advisor

Khalid Anwer & Co.  
Advocates and Legal Consultants

## Registered & Head Office

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

## Registrar & Share Registration Office

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

## Website

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

## Directors' Report to the Shareholders

### Standalone Financial Statements

#### Dear Shareholders,

On behalf of the Board of Directors "the Board", we have the pleasure of presenting to you, the condensed interim standalone financial statements of the Bank for the half-year ended June 30, 2023. These financial statements have been reviewed by the Bank's independent external auditors.

#### Economic Environment

On the global front, the economic activity in major advanced economies is still showing signs of weakness, mainly due to the continuation of monetary tightening measures. Inflation has fallen in some economies due to lower commodity prices, but food and services prices continue to rise, contributing to persistent high inflation. Monetary tightening measures are still in place.

During the six-months period under review, Pakistan's economy also remained confronted with broad based challenges. While PKR depreciated by ~25%, the State Bank of Pakistan raised the policy rate by a cumulative 600 bps since Dec'22 before keeping the same unchanged at 22% in July. This uncertainty has lately started showing some signs of improvement as several important developments have influenced the short term macroeconomic outlook. Pakistan has secured a nine-month Stand-By Arrangement 'SBA' with the IMF that has helped address immediate external sector stability concerns by supporting the foreign exchange reserves. With disbursement of the first tranche under the SBA and \$3 Bn in bilateral support, the SBP's FX reserves increased from \$4.5 Bn at end June 2023 to \$8.2 Bn as of July 21, 2023. CPI inflation has started moderating from its peak of 38 percent YoY in May 2023 to 29.4 percent in June. The central bank expects YoY inflation to remain generally on a downward trajectory due to subdued domestic demand amid tight monetary policy stance, and favourable outlook for global commodity prices. This outlook, nevertheless, is subject to risks arising from domestic and external shocks. Overall, the latest high-frequency indicators continue to show a weak GDP growth estimates of 0.3 percent in FY23; a sharp decline from around 6 percent growth in the previous two years. Improved business confidence and withdrawal of priority guidance on imports have improved the outlook for manufacturing, construction and allied services. Notwithstanding this improvement, the unfolding impact of accumulated monetary tightening, rupee depreciation, increasing POL prices and expected fiscal consolidation would continue to keep growth range bound.

On the back of improving investors' confidence, the KSE-100 index that remained impacted by the current economic environment during the year but remained relatively resilient, has gained significantly to cross 48,000 points (15% above Dec'22 levels). Pakistan's banking sector has performed well and remained resilient. Deposits for the banking sector stood at PKR 25.5 Trillion at Jun'23, up 13% since Dec'22, while banking sector advances closed at PKR 12.2 Trillion at end of Jun'23, up 2.4% over Dec'22. Spreads have improved on the back of higher average policy rate, albeit with some concerns on asset quality and credit aggravation.

## Financial Performance - H1'2023

Amidst the challenges of the prevailing business environment, your Bank has delivered strong financial results for the six-month period ended June 30, 2023. These results demonstrate the resilience inherent in the Bank's business model, effectiveness of the strategic efforts by management, and the commitment demonstrated by our field personnel in these demanding circumstances.

### • Summary (PKR 'Bn)

No.	Key Items	June'23	June'22	Better / (Worse) Amount	%
1	NII	73.1	53.1	20.0	37.7%▲
2	NFI	19.0	18.4	0.7	3.7%▲
<b>3</b>	<b>Total income</b>	<b>92.2</b>	<b>71.5</b>	<b>20.7</b>	<b>29.0%▲</b>
4	Admin Exp.	44.1	35.8	(8.3)	(23.0%)▲
5	Pre-Prov. Profit	48.1	35.6	12.5	35.0%▲
6	Provision Charge	0.4	1.7	1.3	76.2%▼
<b>7</b>	<b>Pre-tax profit</b>	<b>47.7</b>	<b>33.9</b>	<b>13.8</b>	<b>40.7%▲</b>
8	Tax	21.6	21.7	0.1	0.4%▼
<b>9</b>	<b>After-tax profit</b>	<b>26.0</b>	<b>12.1</b>	<b>13.9</b>	<b>114.3%▲</b>
10	EPS (Rs.)	12.2	5.7	6.5	114.3%▲

### • Mark-up/Interest Income

For the half-year period under review, your Bank earned Gross Interest Income 'GII' of PKR 432.3 Bn as against PKR 179.4 Bn for the corresponding half-year period of 2022. The PKR 252.9 Bn increase in GI was achieved through a volumetric growth in average interests bearing assets coupled with the favourable impact of average policy rate during H1'23 that stood higher by 814bps at 19.36% as compared to 11.23% during H1'22. During this period, the Bank's investments averaged PKR 3,623 Bn (H1'22:PKR 2070.0 Bn) and generated a mark-up/interest income of PKR 327.0 Bn being PKR 212.7 Bn or 186% up against PKR 114.3 Bn for H1'22. This translates into average yield at 18.2% (H1'22:11.14%). In the rising policy rate environment, maturity profile of the Bank's investment book is skewed as a strategy towards the shorter duration securities. Similarly, placements, that averaged PKR 82.6 Bn (H1'22:PKR 109.3 Bn) generated a mark-up income of PKR 7.2 Bn (H1'22: PKR 5.9 Bn) at an improved yield of 17.65% as compared to 10.9% for H1'22.

The Bank's loan book generated a mark-up income of PKR 98.1 Bn i.e. PKR 38.9 Bn or 65.7% higher than PKR 59.2 Bn of H1'22. This too was achieved through both, a volumetric growth by PKR 120.1 Bn, as well as the favourable rate variance with particular growth observed in SME/Commercial and retail loan portfolios. Pertinent to mention, this growth in income was achieved despite the Bank carrying a higher proportion of lower-margin and non-performing loans of certain state-owned entities.

Likewise, on the back of higher average policy rate, the Bank's cost of funds for H1'23 also stood higher at PKR 359.2 Bn as compared to PKR 126.3 Bn in H1'22. This increase of PKR 232.9 Bn or 184.4% was

mainly contributed by an increase in cost of Deposits by PKR 73.9 Bn and the borrowings/repo cost by PKR 159.4 Bn. While average cost of deposits stood higher from 6.36% in H1'22 to 11.19% in H1'23, total cost of funds increased from 7.8% to 14.8%. Consequently, the Net Interest Income 'NII' for the period under review closed at PKR 73.1 Bn, depicting an increase of 37.7% against PKR 53.1 Bn of H1'22.

#### • Non-Fund Income

Non-Fund Income 'NFI' for the H1'23 also recorded a YoY increase to close at PKR 19.0 Bn which is PKR 0.67 Bn or 3.7% higher than PKR 18.4 Bn of H1'22. However, it remained lower than expectations due to prevailing market conditions. While fee & commission income recorded a YoY increase of 2.6% to close at PKR 10.5 Bn (H1'22:PKR 10.2Bn), the dividend income increased by PKR 0.4 Bn or 21.8% to close at PKR 2.4 Bn. On the other hand, while FX income decreased by 4.9% to close at PKR 4.1 Bn as against PKR 4.3 Bn for H1'22, capital gains also recorded a drop by PKR 0.16 Bn or 15.1% to close at PKR 0.9 Bn (H1'22:PKR 1.1 Bn). This drop was partially off-set through higher compensation booked for delayed tax refunds. Going forward, the NFI is expected to rebound as the stock market is showing stability following the recent developments with bolstering forex reserves.

#### • Operating Expenses

Amidst the high inflationary pressures, operating expenses of the Bank for the half-year period under review amounted to PKR 43.9 Bn which is 22.6% higher YoY as compared to PKR 35.8 Bn for the similar period last year. HR cost that constitutes around 64.3% of the total operating expenses, amounted to PKR 28.2 Bn depicting a YoY increase of PKR 5.3 Bn or 23%. While property related expenses amounted to PKR 5.1 Bn (H1'22:PKR 4.3 Bn), IT related expenses amounted to PKR 3.5 Bn (H1 '22: PKR 2.7 Bn) as the Bank is diligently upgrading its IT infrastructure through core banking system and major software maintenance.

Positively, despite an increase in the operating costs, the Bank's cost-to-income ratio for the half-year ended June 30, 2023 stood improved to 47.6% as against 50.1% for the similar period last year under a prudent cost control strategy. Therefore, the increase observed in the operating expenses incurred during the period are in line with the inflationary pressures and industry norms.

#### • Loan Losses & Provisions

The Bank prudently identifies impairments in its assets portfolio under the expected credit loss model and maintains a robust level of provisions as per the applicable regulatory requirements. During H1'23, the Bank's gross non-performing loans increased by 7.0% to reach PKR 219.7 Bn from PKR 205.3 Bn on Dec 31, 2022 mainly due to PKR depreciation on overseas NPLs. These translate into loan infection ratio at 14.5% (Dec'22:14.3%). Gross NPL ratio stands high as the Bank carries a significant amount of legacy NPLs.

Accordingly, for the half-year period under review, net provision charge amounted to PKR 0.4 Bn i.e. significantly lower by 76.2% or PKR 1.3 Bn as compared to PKR 1.7 Bn for the corresponding half-year period of 2022. The key contributor towards this reduction was the loans & advances that recorded a net reversal of PKR 0.95 Billion. Specific and General provisions held against NPLs stood at PKR 204.1 Bn (Dec'22:PKR 190.7 Bn) and PKR 16.7 Bn (Dec'22:PKR 17.3 Bn), respectively. Thus, provision coverage at June 30, 2023 stood high at 92.9%.

## • Taxation and Profit After-tax

Taxation charge for the period amounted to PKR 21.6 Bn as against PKR 21.7 Bn for H1'22. Effective tax rate for the period is 45.4% as compared to 64.2% of the similar period last year. For H1'22, effective tax rate was higher due to ADR related taxation which has been done away with for the current tax year and booking of prior year provision due to retrospective impact of changes in taxation law. Consequently, profit after-tax for the half-year period ended June 30, 2023 stood at PKR 26.0 Bn i.e. PKR 13.9 Bn or 114.3% higher than PKR 12.1 Bn for H1'22. This translates into Earnings per Share of Rs. 12.23 as compared to Rs. 5.71 for H1'22.

## • Appropriation of Profit

	(PKR 'Mn)
Profit after tax for the half year ended June 30, 2023	26,022.26
Unappropriated profit brought forward	172,511.68
Other comprehensive income - net of tax	(120.17)
Transfer from surplus on revaluation of fixed assets-net of tax	90.77
Profit available for appropriation	198,504.54
<b>Appropriation:</b>	
Transfer to Statutory Reserve	(2,602.23)
<b>Unappropriated profit carried forward</b>	<b>195,902.31</b>

## Financial Position as at June 30, 2023

Your Bank has achieved the PKR 6 TRILLION milestone in total assets. As of June 30, 2023, total assets of the Bank amounted to PKR 6,211.8 Bn, depicting a 18.5% increase against PKR 5,240.4 Bn level as of December 31, 2022.

## • Loans & Advances

As of June 30, 2023, gross loans & advances of the Bank amounted to PKR 1,519.8 Bn depicting an increase of 5.6% or PKR 81.2 Bn against PKR 1,438.6 Bn at end of the year 2022. Net performing advances stood at PKR 1,299.0 Bn i.e. 5.6% up from PKR 1,230.5 Bn level at the end of 2022. Growth in advances was achieved in products including corporate and Islamic.

## • Investments

Pursuant to an effective risk/liquidity management strategy, the Bank is maintaining a well-diversified investment portfolio across zero risk weighted instruments, high dividend yielding equities and other interest-bearing financial instruments. As at June 30, 2023, the Bank's investments (at cost) amounted to PKR 4,156.9 Bn (2022:PKR 3,509.0 Bn) with a carrying value of PKR 4,099.3 Bn (2022:PKR 3,477.4 Bn). During the half-year period under review, PKR 647.9 Bn or 18.5% growth in the investments (at cost) mostly came in the short-term maturity 'available-for-sale' securities to capitalize on price volatility in the prevailing policy rate environment.

## • Deposits & Funding

As of June 30, 2023, total deposits amounted to PKR 3,451.7 Bn which is PKR 785.5 Bn or 29.5% higher than the Dec'22 levels of PKR 2,666.2 Bn. The major share of the Bank's funding comes from core

customer sticky deposits that contribute PKR 3,012.3 Bn or 87.3% of the Bank's total deposits. With total current account deposits at PKR 1,880.4 Bn or 54.5% of the total deposits at June 30, 2023, the Bank maintains a strong liquidity and funding profile. The Bank's CASA ratio stood high at 79.6%. Liquidity Coverage Ratio and Net Stable Funding Ratio stood at 158% (Dec'22:147%) and 267% (Dec'22:251%), respectively vis- à-vis regulatory requirement of 100% for each.

#### • Capital Strength and Adequacy

The Bank has been designated as a Domestic Systemically Important Bank "D-SIB" by the SBP. Accordingly, the Bank seeks to maintain strong levels of capitalization to build resilience and maintain adequate buffers over regulatory requirements.

The Bank's Eligible Tier 1 capital increased by PKR 21.6 Bn or 9.3% to PKR 252.8 Bn at the end of June, 2023 from PKR 231.2 Bn at YE'22. Whereas, the eligible Tier 2 capital decreased by PKR 3.0 Bn or 4.0% to close at PKR 72.0 Bn corresponding to increase in D-SIB buffer from 1.5% to 2.5%. As the Bank is following a risk-prudent asset growth strategy, total RWAs increased by PKR 25.4 Bn or 1.8% from PKR 1,418.5 at YE'22 to PKR 1,443.8 Bn at end of June, 2023. Consequently, the Total Capital Adequacy Ratio (CAR) improved to 22.50% with Tier-1 capital adequacy ratio at 17.51% as compared to 21.59% and 16.30%, respectively, at YE'2022. At June 30, 2023, the Bank's leverage ratio stood at 2.94% which has been relaxed up to 2.5% by the central bank till March 31, 2024. Other financial soundness ratios are well compliant with applicable regulatory requirements.

#### • Compliance & Risk Matters in the New York Branch

As widely reported and disclosed in previous reporting periods, in February 2022, the Bank entered into consent orders with The Federal Reserve Bank of New York, and the New York State Department of Financial Services (NYDFS), the US regulators of NBP's New York branch. Since then, substantial improvements have been made to comply with the regulator's consent order and to the branch's operating controls. Going forward, the Board and the management of the Bank remain fully committed to satisfying the regulators' expectations.

#### • Contingency Regarding the Pension Case

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

#### • Changes in the Board of Directors

During the period under review, following changes occurred in the Board of Directors:

1. Mr. Rehmat Ali Hasnie has been appointed as President/CEO of NBP by the Federal Government vide Notification # F.1 (9) Bkg-III/2022-1119 dated August 07, 2023, subject to clearance of fit & proper test from the State Bank of Pakistan.
2. Mr. Farid Malik, Director NBP, completed his tenure on July 26, 2023. He was re-elected by private shareholders through the election in the EOGM held on July 25, 2023.



- **Credit Ratings**

NBP is rated as 'AAA' by both the recognised credit rating agencies in Pakistan. In June 2023, M/s VIS Credit Rating Company re-affirmed the Bank's standalone credit rating as "AAA", the highest credit rating awarded by the company for a bank in Pakistan. Similarly, M/s PACRA Credit Rating Company also assigned the Bank long-term entity rating as 'AAA' (Triple AAA) and short-term credit rating as 'A1+' (A-one Plus).

- **Future Outlook**

As Pakistan's leading commercial bank, your Bank will continue to play its National role towards supporting a robust economic momentum in the country, while also maintaining a strong & resilient balance sheet to create long term sustainable value for its shareholders and other stakeholders. In the foreseeable future, the Bank's business strategy will remain focused on digitising and extended financial solutions across all business and retail sector with particular focus on financial inclusion of the underserved sectors including SME, Microfinance, Agriculture Finance as well as Islamic financing on a priority basis. We are following a strategy of de-risking in the overseas footprint where necessary.

- **Acknowledgement & Appreciation**

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

For and on behalf of the Board of Directors

**Rehmat Ali Hasnie**

President & CEO (A)

Karachi

Dated: August 29, 2023

**Ahsan Ali Chughtai**

Director

## اعتراف اور تعریف

ہم مشکل وقت میں قوم کے لیے بلا تعطل خدمات کی فراہمی کے لیے اپنے ملازمین کی مسلسل کوششوں اور لگن کو سراہتے ہیں۔ ہم حکومت پاکستان، سٹیٹ بینک آف پاکستان، ایس ای سی پی اور دیگر ریگولیٹری اداروں کو پاکستان کی سماجی و اقتصادی ترقی کے لیے بینک کو اپنی استعداد کے مطابق فعال کرنے میں ان کی مسلسل معاونت کا اعتراف کرنا چاہیں گے۔ ہم سبکدوش ہونے والے ڈائریکٹرز اور جناب عارف عثمانی کا بھی شکریہ ادا کرتے ہیں جنہوں نے تین سال کے لیے سی ای او کی حیثیت سے بینک کے لیے خدمات انجام دیں۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے

احسن علی چغتائی  
ڈائریکٹر

رحمت علی حسنی  
صدر اور سی ای او (اے)

کراچی  
بتاریخ: 29 اگست 2023

## بورڈ آف ڈائریکٹرز میں تبدیلیاں

زیر نظر مدت کے دوران، بورڈ آف ڈائریکٹرز میں درج ذیل تبدیلیاں ہوئیں:

1. جناب رحمت علی حسنی کو وفاقی حکومت نے نوٹیفکیشن Bkg-III/2022-1119 (9) F.1 # مورخہ 07 اگست 2023 کے ذریعے NBP کا صدر/CEO مقرر کیا ہے، جو کہ اسٹیٹ بینک آف پاکستان سے فٹ اور مناسبت ٹیسٹ کی منظوری سے مشروط ہے۔

2. جناب فرید ملک، ڈائریکٹر NBP نے 26 جولائی 2023 کو اپنی مدت ملازمت مکمل کی۔ وہ 25 جولائی 2023 کو منعقد EOGM میں انتخابات کے ذریعے پرائیویٹ شیئر ہولڈرز کے ذریعے دوبارہ منتخب ہوئے۔

## کریڈٹ ریٹنگ

این بی پی کو پاکستان کی دونوں تسلیم شدہ کریڈٹ ریٹنگ ایجنسیوں نے 'AAA' کے طور پر درجہ دیا ہے۔ جون 2023 میں، M/s. VIS کریڈٹ ریٹنگ کمپنی نے بینک کی اسٹینڈ اسٹون کریڈٹ ریٹنگ کو 'AAA' کے طور پر دوبارہ تصدیق کی ہے، یہ کمپنی کی جانب سے پاکستان میں کسی بینک کے لیے سب سے زیادہ کریڈٹ ریٹنگ ہے۔ اسی طرح M/s. PACRA کریڈٹ ریٹنگ کمپنی نے بینک کو طویل مدتی ادارے کی درجہ بندی 'AAA' اور قلیل مدتی کریڈٹ ریٹنگ کو 'A1+' (One Plus-A) کے طور پر تلافیض کیا ہے۔

## مستقبل کی توقعات

پاکستان کے سرکردہ کمرشل بینک کے طور پر آپ کا بینک ملک میں ایک مضبوط اقتصادی رفتار کو سہارا دینے کے لیے اپنا قومی کردار ادا کرتا رہے گا، جبکہ اپنے شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کے لیے طویل مدتی پائیدار قدر پیدا کرنے کے لیے ایک مضبوط اور لچکدار بیلنس شیٹ کو بھی برقرار رکھے گا۔ مستقبل قریب میں، بینک کی کاروباری حکمت عملی تمام کاروباری اور خوردہ شعبے میں مالیاتی حل کو ڈیجیٹائز کرنے پر مرکوز رہے گی اور خاص طور پر ترجیحی بنیادوں پر ایس ایم ای، مائیکرو فنانس، ایگریکلچر فنانس کے ساتھ ساتھ اسلامی فنانسنگ سمیت غیر محفوظ شعبوں کی مالی شمولیت پر توجہ مرکوز کرے گی۔ جہاں ضروری ہو ہم عالمی پیش قدمیوں کو مد نظر رکھتے ہوئے خطرات سے بچاؤ کی حکمت عملی پر عمل پیرا ہیں۔

### سرمائے کی طاقت اور مناسبت

بینک کو اسٹیٹ بینک آف پاکستان نے ایک مقامی نظامی طور پر اہم بینک "D-SIB" کے طور پر نامزد کیا ہے۔ اس کے مطابق، بینک چلک پیدا کرنے اور ریگولیٹری تقاضوں پر مناسب بفرز کو برقرار رکھنے کے لیے سرمایہ کاری کی مضبوط سطح کو برقرار رکھنے کی کوشش کرتا ہے۔

جون 2023 کے آخر تک بینک کا اہل درجہ -1 کا سرمایہ YE'22 کے 231.2 بلین روپے سے 21.6 بلین روپے یا 9.3% بڑھ کر 252.8 بلین روپے ہو گیا۔ جبکہ، اہل ٹائر 2 کیپٹل 3.0 بلین روپے یا 4.0% کم ہو کر 72.0 بلین روپے پر بند ہوا جو کہ SIB-D بفر میں 1.5% سے 2.5% تک بڑھ گیا ہے۔ جیسا کہ بینک خطرے سے متعلق اثاثہ کی ترقی کی حکمت عملی پر عمل پیرا ہے، کل RWAs میں 25.4 بلین روپے یا 1.8% کا اضافہ ہوا ہے جو YE'22 میں 1,418.5 سے جون 2023 کے آخر میں 1,443.8 بلین روپے ہو گیا ہے۔ نتیجتاً کل کیپٹل ایڈیکولسی ریشو اور Tier 1 کیپٹل ایڈیکولسی ریشو سال 2022 کے بالترتیب 21.59% اور 16.30% کے مقابلے میں 22.50% اور 17.51% ہو گیا۔ 30 جون 2023 کو، بینک کا لیوریج ریشو 2.94% تھا جسے 31 مارچ 2024 تک مرکزی بینک نے 2.5% تک نرم کر دیا ہے۔

### نیویارک برانچ میں تعمیل اور خطرے کے معاملات

جیسا کہ پچھلے رپورٹنگ ادوار میں وسیع پیمانے پر رپورٹ کیا گیا اور انکشاف کیا گیا، فروری 2022 میں، بینک نے نیویارک کے فیڈرل ریزرو بینک، اور نیویارک اسٹیٹ ڈیپارٹمنٹ آف فنانشل سروسز جو بینک کی نیویارک برانچ کے امریکی ریگولیٹرز ہیں، کے ساتھ رضامندی کے احکامات داخل کیے۔ اس کے بعد سے ریگولیٹرز کے رضامندانہ احکامات کی تعمیل کرنے اور برانچ کے انتظامی کنٹرول میں خاطر خواہ بہتری لائی گئی ہے۔ آگے بڑھتے ہوئے، بورڈ اور بینک کی انتظامیہ ریگولیٹرز کی توقعات کو پورا کرنے کے لیے پوری طرح پرعزم ہے۔

### پنشن کیس کے حوالے سے ہنگامی صورتحال

کیس کی حیثیت میں، جیسا کہ 31 دسمبر 2022 کو ختم ہونے والے سال کے آڈٹ شدہ غیر متفقہ مالیاتی گوشواروں کے نوٹ 25.3.4.1 میں بیان کی گیا ہے، کوئی تبدیلی نہیں ہے۔ قانونی مشیر کی رائے کی بنیاد پر، مذکورہ رقم کے لیے ان غیر مجمع عبوری مالیاتی بیانات میں پنشن کی کوئی اضافی ذمہ داری کی کوئی فراہمی نہیں کی گئی ہے کیونکہ بینک کو اس معاملے پر اپنی پوزیشن پر اعتماد ہے۔

### 30 جون 2023 تک کی مالی پوزیشن

آپ کے بینک نے کل اثاثوں میں 6 ٹریلین روپے کا سنگ میل حاصل کر لیا ہے۔ 30 جون 2023 تک، بینک کے کل اثاثوں کی رقم 6,211.8 بلین روپے تھی، جو کہ 31 دسمبر 2022 تک 5,240.4 بلین روپے کی سطح کے مقابلے میں 18.5 فیصد اضافہ کو ظاہر کرتی ہے۔

### قرضے اور ایڈوانسز

30 جون 2023 تک، بینک کے مجموعی قرضوں اور ایڈوانسز کی رقم 1,519.8 بلین روپے تھی جو سال 2022 کے آخر میں 1,438.6 بلین روپے کے مقابلے میں 5.6% یا 81.2 بلین روپے کا اضافہ ظاہر کرتی ہے۔ نیٹ فعال قرضے 2022 کے آخر میں 1,230.5 بلین روپے کے مقابلے میں 5.6% اضافے کے ساتھ 1,299.0 بلین روپے رہے۔ کارپوریٹ اور اسلامی پروڈکٹس سمیت ایڈوانسز کی پیشرفت میں اضافہ ہوا۔

### سرمایہ کاری

مؤثر رسک/لیکویڈیٹی مینجمنٹ حکمت عملی کے تحت، بینک صفر خطرے والے آلات، زیادہ منافع بخش ایکویٹیز اور دیگر سود برداشت کرنے والے مالیاتی آلات میں ایک متنوع سرمایہ کاری کے پورٹ فولیو کو برقرار رکھے ہوئے ہے۔ 30 جون 2023 تک، بینک کی سرمایہ کاری (قیمت پر 4,156.9 بلین روپے (2022: 3,509.0 بلین روپے) تھی جس کی کیریج ویلیو 4,099.3 بلین روپے (2022: 3,477.4 بلین روپے) تھی۔ زیر جائزہ ششماہی کی مدت کے دوران، 647.9 بلین روپے یا سرمایہ کاری میں 18.5 فیصد اضافہ (قیمت پر) زیادہ تر قلیل مدتی میچورٹی دستیاب برائے فروخت ایکویٹی میں آیا تاکہ پالیسی کی شرح کے موجودہ ماحول میں قیمتوں کے اتار چڑھاؤ سے فائدہ اٹھایا جاسکے۔

### ڈپازٹس اور فنڈنگ

30 جون 2023 تک کل ڈپازٹس کی رقم 3,451.7 بلین روپے ہی جو دسمبر 2022 کی 2,666.2 بلین روپے کی سطح سے 785.5 بلین روپے (29.5%) زیادہ ہے۔ بینک کی فنڈنگ کا بڑا حصہ بنیادی کسٹمر کے شکی ڈپازٹس سے آتا ہے جو 3,012.3 بلین روپے یا بینک کے کل ڈپازٹس کا 87.3% حصہ ڈالتے ہیں۔ 30 جون 2023 کے کل کرنٹ اکاؤنٹس ڈپازٹس، کل ڈپازٹس کے 1,880.4 بلین روپے یا 54.5% کے ساتھ، بینک ایک مضبوط لیکویڈیٹی اور فنڈنگ پروفائل کو برقرار رکھتا ہے۔ بینک کا CASA تناسب 79.6% پر بلند رہا۔ لیکویڈیٹی کوریج ریشو اور نیٹ اسٹیل فنڈنگ ریشو ہر ایک کے لیے 100% کی ریگولیٹری ضرورت کے مطابق بالترتیب 158% (دسمبر 2022: 147%) اور 267% (دسمبر 2022: 251%) رہا۔

اسی طرح زیر جائزہ ششماہی مدت کے لیے، خالص پروویژن چارج 2022 کی اسی ششماہی کی مدت کے 1.7 بلین روپے کے مقابلے میں 76.2% یا 1.3 بلین روپے سے 0.4 بلین روپے تک نمایاں طور پر کم رہے۔ اس کی میں کلیدی وجہ شرائط دار قرضوں اور ایڈوانسز کی تھی جنہوں نے 0.95 بلین روپے کا خالص ریورسل ریکارڈ کیا۔ غیر فعال قرضوں کے لیے مخصوص اور عمومی تصرفات بالترتیب 204.1 بلین روپے (دسمبر 2022: 190.7 بلین روپے) اور 16.7 بلین روپے (دسمبر 2022: 17.3 بلین روپے) رہے۔ اس طرح، 30 جون 2023 کو پروویژن کوریج 92.9 فیصد زیادہ رہی۔

### ٹیکس اور بعد از ٹیکس منافع

اس مدت کے لیے ٹیکسیشن چارج کی رقم 21.6 بلین روپے رہی جو کہ پہلی ششماہی 2022 کے لیے 21.7 بلین روپے تھا۔ اس مدت کے لیے ٹیکس کی موثر شرح 45.4 فیصد ہے جو گزشتہ سال اسی مدت کے 64.2 فیصد تھی۔ پہلی ششماہی 2022 کے لیے ADR سے متعلق ٹیکسیشن کی وجہ سے ٹیکس کی موثر شرح زیادہ تھی جسے ٹیکسیشن قانون میں تبدیلیوں کے سابقہ اثر کی وجہ سے موجودہ ٹیکس سال کے لیے اور پچھلے سال سے متعلق تصرف کی فراہمی کے لیے ختم کر دیا گیا ہے۔ نتیجتاً، 30 جون 2023 کو ختم ہونے والی ششماہی مدت کے لیے بعد از ٹیکس منافع پہلی ششماہی 2022 کے 12.1 بلین روپے سے 114.3% یا 13.9 بلین روپے زائد سے 26.0 بلین روپے رہا۔ یہ پہلی ششماہی 2022 کے 5.71 روپے کے مقابلے میں 12.23 روپے فی شیئر آمدنی کی ترجمانی کرتا ہے۔

### منافع کی تخصیص

(بلین روپے)	
26,022.26	30 جون 2023 کو ختم ہونے والے چھ ماہ میں ٹیکس کے بعد منافع
172,511.68	غیر تصرف شدہ آگے لایا جانے والا منافع
(120.17)	دیگر جامع آمدنی۔ بعد از ٹیکس
90.77	جامد اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی۔ بعد از ٹیکس
198,504.54	تصرف کے لیے دستیاب منافع

### تصرف:

(2,602.23)	قانونی ذخائر میں منتقلی
195,902.31	غیر تصرف شدہ منافع آگے بڑھانے کے لیے:

## غیر مارک اپ/ سود کی آمدنی

پہلی ششماہی 2023 کے لیے غیر فنڈ اکم 'NFI' نے بھی سالانہ اضافہ ریکارڈ کیا جو 19.0 بلین روپے پر بند ہوا جو پہلی ششماہی 2022 کے 18.4 بلین روپے کے مقابلے میں %3.7 یا 0.67 بلین روپے زیادہ ہے، یہ اقتصادی حالات کے باعث امید سے کم رہا۔ جبکہ فیس اور کمیشن کی آمدنی میں %2.6 کا سالانہ اضافہ ریکارڈ کیا گیا جو 10.5 بلین روپے (پہلی ششماہی 2022 10.2 بلین روپے) پر بند ہوا، ڈیویڈنڈ آمدنی 0.4 بلین روپے یا %21.8 بڑھ کر 2.4 بلین روپے پر بند ہوئی۔ دوسری طرف، جہاں غیر زرمبادلہ آمدنی پہلی ششماہی 2022 کے 4.3 بلین روپے کے مقابلے میں %4.9 کی کمی سے 4.1 بلین روپے پر بند ہوئی، کمپنل گینز میں بھی 0.16 بلین روپے یا %15.1 کی کمی ریکارڈ کی گئی جو 0.9 بلین روپے (پہلی ششماہی 2022 1.1 بلین روپے) پر بند ہوئی۔ تاخیر سے ٹیکس کی واپسی کے لیے بک کیے گئے زیادہ معاوضے کے ذریعے یہ کمی جزوی طور پر ختم ہو گئی تھی۔ آگے بڑھتے ہوئے، غیر مارک اپ/ سود کی آمدنی کی بحالی کی توقع ہے کیونکہ سٹاک مارکیٹ غیر ملکی زرمبادلہ کے ذخائر کو بڑھانے کے ساتھ حالیہ پیش رفت کے بعد استحکام کا مظاہرہ کر رہی ہے۔

## آپریٹنگ اخراجات

افراط زر کے بلند دباؤ کے ساتھ زیر جائزہ ششماہی مدت کے لیے بینک کے آپریٹنگ اخراجات 43.9 بلین روپے رہے جو گزشتہ سال کی اسی مدت کے 35.8 بلین روپے کے مقابلے میں 22.6 فیصد زیادہ ہیں۔ انسانی وسائل سے متعلق اخراجات لاگت جوکل آپریٹنگ اخراجات کا تقریباً %64.3 بنتے ہیں، 28.2 بلین روپے رہے جو کہ 5.3 بلین روپے یا %23 کا سالانہ اضافہ ظاہر کرتا ہے۔ جبکہ جائیداد سے متعلق اخراجات 5.1 بلین روپے (پہلی ششماہی 2022 4.3 بلین روپے) رہے، انفارمیشن ٹیکنالوجی سے متعلق اخراجات 3.5 بلین روپے (پہلی ششماہی 2022 2.7 بلین روپے) رہے کیونکہ بینک تذبذب سے اپنے انفارمیشن ٹیکنالوجی انفراسٹرکچر کو اپنے مخصوص سافٹ ویئر کی تجدید اور دیکھ بھال کے ذریعے اپ گریڈ کر رہا ہے۔

ثابت طور پر، آپریٹنگ اخراجات میں اضافے کے باوجود لاگت پر قابو پانے کی حکمت عملی کے تحت 30 جون 2023 کو ختم ہونے والی ششماہی کے لیے بینک کا آمدنی سے لاگت کا تناسب بہتر ہو کر 47.6 فیصد ہو گیا جو گزشتہ سال اسی مدت کے لیے 50.1 فیصد تھا۔ مجموعی طور پر، اس مدت کے دوران کیے گئے آپریٹنگ اخراجات میں دیکھا گیا اضافہ افراط زر کے دباؤ اور صنعت کے اصولوں کے مطابق ہے۔

## قرض کے نقصانات اور انتظامات

بینک اپنے اثاثہ جات کے پورٹ فولیو میں متوقع کریڈٹ نقصان کے ماڈل کے تحت دانشمندی سے نشاندہی کرتا ہے اور قابل اطلاق ریگولیٹری تقاضوں کے مطابق ایک مضبوط سطح کی فراہمی کو برقرار رکھتا ہے۔ پہلی ششماہی 2023 کے دوران، بینک کے مجموعی غیر فعال قرضے 31 دسمبر 2022 کے 205.3 بلین روپے سے 7.0 فیصد بڑھ کر 219.7 بلین روپے تک پہنچ گئے جو کہ بنیادی طور پر ملکی غیر فعال قرضوں پر روپے کی قدر میں کمی کی وجہ سے تھے۔ یہ %14.5 (دسمبر 2022 %14.3) قرض کے انفیکشن تناسب کی ترجمانی کرتے ہیں۔ مجموعی این پی ایل کا تناسب بہت زیادہ ہے کیونکہ بینک کافی مقدار میں موروثی غیر فعال قرضے رکھتا ہے۔

## مارک اپ/ سود کی آمدنی

زیر جائزہ چھ ماہ کی مدت کے دوران بینک نے 2022 کی اسی چھ ماہ کی مدت کے 179.4 بلین روپے کے مقابلے میں 432.3 بلین روپے کی مجموعی سودی آمدنی ریکارڈ کی۔ مجموعی سودی آمدنی میں 252.9 بلین روپے کا اضافہ اوسط مفادات والے اثاثوں میں جچی نمو کے ساتھ ساتھ اوسط پالیسی کی شرح کے سازگار اثرات کے باعث حاصل ہوا جو پہلی ششماہی 2022 کے 11.23 فیصد کے مقابلے میں 19.36 فیصد اضافہ سے 814 بیسیک پوائنٹس زائد رہا۔ اس مدت کے دوران، بینک کی سرمایہ کاری کا اوسط 3,623 بلین روپے (پہلی ششماہی 2022 2070.02 بلین روپے) رہا اور اس نے 327.0 بلین روپے کی مارک اپ/ سود کی آمدنی حاصل کی جو پہلی ششماہی 2022 کے 212.7 بلین روپے کے مقابلے میں 186% زیادہ ہے۔ یہ اوسط پیداوار میں 18.2% (پہلی ششماہی 2022 11.14%) کی ترقیاتی کرتا ہے۔ بلند ہوتے پالیسی ریٹ کے ماحول میں بینک کی سرمایہ کاری کی کتاب کی مچھوڑی پروفائل بطور حکمت عملی مختصر مدت کی سیکورٹیز کی طرف مائل ہوتی ہے۔ اسی طرح، پلینمنٹ، جس کی اوسط 82.6 بلین روپے (پہلی ششماہی 2022 109.32 بلین روپے) رہی، نے پہلی ششماہی 2022 کے 10.9 فیصد کے مقابلے میں 17.65 فیصد تک بہتری کے ساتھ 7.2 بلین روپے (پہلی ششماہی 2022 5.9 بلین روپے) کی مارک اپ آمدنی کی۔

بینک کی لون بک نے پہلی ششماہی 2022 کے 59.2 بلین روپے کے مقابلے میں 98.1 بلین روپے پیدا کیے جو 38.9 بلین روپے یا 65.7% زیادہ ہیں۔ یہ اضافہ بھی 120.1 بلین روپے کی والیو میٹرک نمو، نیز ایس ایم ای/ کمرشل اور ریٹیل لون پورٹ فولیو میں مشاہدہ کردہ خاص نمو کے ساتھ سازگار شرح میں فرق، دونوں کے ذریعے حاصل کیا گیا۔ قابل ذکر بات یہ ہے کہ آمدنی میں یہ اضافہ بینک کے کم مارجن اور غیر فعال قرضوں کا زیادہ تناسب بعض سرکاری اداروں کو دیئے جانے کے باوجود حاصل ہوا۔

اسی طرح بلند اوسط پالیسی ریٹ کے باعث پہلی ششماہی 2023 کے لیے بینک کے فنڈز کی لاگت بھی پہلی ششماہی 2022 کے 126.3 بلین روپے کے مقابلے میں 359.2 بلین روپے تک زیادہ رہی۔ 232.9 بلین روپے یا 184.4% کا یہ اضافہ بنیادی طور پر ڈپازٹس کی لاگت میں 73.9 بلین روپے اور قرض لینے/ رہنے پر لاگت میں 159.4 بلین روپے کے اضافے سے ہوا۔ جبکہ ڈپازٹس کی اوسط لاگت پہلی ششماہی 2022 میں 6.36% سے پہلی ششماہی 2023 میں 11.19% تک زیادہ رہی، فنڈز کی کل لاگت 7.8% سے بڑھ کر 14.8% ہو گئی۔ نتیجتاً، زیر جائزہ مدت کے لیے خالص سودی آمدنی 'Nil' 73.1 بلین روپے پر بند ہوئی، جو پہلی ششماہی 2022 کے 53.1 بلین روپے کے مقابلے میں 37.7 فیصد اضافے کو ظاہر کرتی ہے۔



سرمایہ کاروں کے اعتماد کو بہتر بنانے کی وجہ سے، KSE-100 انڈیکس جو سال کے دوران موجودہ معاشی ماحول سے متاثر رہا لیکن نسبتاً چکدار رہا، نمایاں طور پر (2022 دسمبر کی سطح سے 15 فیصد زیادہ 48,000 پوائنٹس کو عبور کر گیا۔ پاکستان کے بینکنگ سیکٹر نے اچھی کارکردگی کا مظاہرہ کیا ہے اور چکدار ہے۔ بینکنگ سیکٹر کے ڈپازٹس جون 2023 میں 25.5 ٹریلین روپے رہے جو دسمبر 2022 کے بعد سے 13 فیصد زیادہ ہیں، جبکہ بینکنگ سیکٹر کے ایڈوائسز جون 2023 کے آخر میں 12.2 ٹریلین روپے پر بند ہوئے جو دسمبر 2022 کے مقابلے میں 2.4 فیصد زیادہ ہیں۔ اثاثوں کے معیار اور کریڈٹ میں اضافے پر کچھ خدشات کے باوجود اعلیٰ اوسط پالیسی کی شرح کی پشت پر پھیلاؤ میں بہتری آئی ہے۔

### 30 جون 2023 کو ختم ہونے والی مدت کے لیے مالی کارکردگی

چینجنگ ماحول کے باوجود بینک نے 30 جون 2023 کو ختم ہونے والی چھ ماہ کی مدت کے لیے مستحکم مالیاتی نتائج پیش کیے ہیں۔ یہ بینک کے کاروباری ماڈل کی چمک، انتظامیہ کی حکمت عملیوں کے نتائج اور اس مشکل وقت میں ہمارے عملے کی کوششوں کو ظاہر کرتا ہے۔

### خلاصہ

(بلین روپے)

نمبر	اہم اشارہ جات	جون 23	جون 22	بہتری / (اہتری) رقم فیصد
1	خالص سودی آمدنی	73.1	53.1	20.0 37.7% ▲
2	غیر فنڈڈ آمدنی	19.0	18.4	0.7 3.7% ▲
3	کل آمدنی	92.2	71.5	20.7 29.0% ▲
4	آپریٹنگ اور دیگر اخراجات	44.1	35.8	(8.3) (23.0)% ▲
5	قبل از تصرف منافع	48.1	35.6	12.5 35.0% ▲
6	تصرفات	0.4	1.7	1.3 76.2% ▼
7	قبل از ٹیکس منافع	47.7	33.9	13.8 40.7% ▲
8	ٹیکس	21.6	21.7	0.1 0.4% ▼
9	بعد از ٹیکس منافع	26.0	12.1	13.9 114.3% ▲
10	فی حصص آمدنی (روپے)	12.2	5.7	6.5 114.3% ▲

# ڈائریکٹرز کی شیر ہولڈرز کو رپورٹ

## انفرادی مالیاتی گوشوارے

محترم حصص داران،

ہم بورڈ کی جانب سے 30 جون 2023 کو ختم ہونے والی مدت کے لئے بینک کے انفرادی سہ ماہی مالی گوشوارے آپ کے سامنے پیش کرنے میں خوشی محسوس کر رہے ہیں۔ بینک کے آزاد بیرونی آڈیٹرز ان مالیاتی بیانات کا جائزہ لے چکے ہیں۔

### اقتصادی ماحول

عالمی سطح پر، بڑی ترقی یافتہ معیشتوں میں اقتصادی سرگرمی اب بھی کمزوری کے آثار دکھا رہی ہے، جس کی بنیادی وجہ مالیاتی سختی کے اقدامات کا تسلسل ہے۔ اشیاء کی کم قیمتوں کی وجہ سے کچھ معیشتوں میں افراط زر میں کمی آئی ہے، لیکن خوراک اور خدمات کی قیمتوں میں مسلسل اضافہ ہو رہا ہے، جو مسلسل بلند افراط زر میں معاون ہے۔ مالیاتی سختی کے اقدامات اب بھی موجود ہیں۔

زیر جائزہ چھ ماہ کی مدت کے دوران، پاکستان کی معیشت کو بھی وسیع بنیادوں پر چیلنجوں کا سامنا رہا جبکہ روپے کی قدر میں 25% کی کمی ہوئی، اسٹیٹ بینک آف پاکستان نے دسمبر 2022 سے اب تک پالیسی ریٹ کو جولائی سے پہلے کے 22 فیصد کو برقرار رکھتے ہوئے مجموعی طور پر 600 بیسک پوائنٹس تک بڑھا دیا۔ اس غیر یقینی صورتحال نے حال ہی میں بہتری کے کچھ آثار دکھانا شروع کر دیے ہیں کیونکہ کئی اہم پیش رفتوں نے مختصر مدت کے میکرو اکنامک آؤٹ لک کو متاثر کیا ہے۔ پاکستان نے IMF کے ساتھ نومبر 2022 کا اسٹینڈ بائی از منجمنٹ 'SBA' حاصل کیا ہے جس نے زرمبادلہ کے ذخائر کو سپورٹ کرتے ہوئے فوری طور پر بیرونی شعبے کے استحکام کے خدشات کو دور کرنے میں مدد کی ہے۔ SBA کے تحت پہلی قسط اور دوطرفہ تعاون میں 3 بلین ڈالر کی تقسیم کے ساتھ، SBP کے زرمبادلہ کے ذخائر جون 2023 کے آخر کے 4.5 بلین ڈالر سے بڑھ کر 21 جولائی 2023 تک 8.2 بلین ڈالر ہو گئے۔ CPI افراط زر مئی 2023 کے 38 فیصد سالانہ کی بلندی سے جون 2023 میں 29.4 فیصد تک معتدل ہونا شروع ہو گیا ہے۔ مرکزی بینک کو توقع ہے کہ مالیاتی پالیسی کے سخت اقدامات کے باعث مقامی مانگ میں کمی اور عالمی اجناس کی سازگار قیمتوں کے پیش نظر سالانہ افراط زر عام طور پر نیچے کی طرف رہے گا۔ اس کے باوجود یہ نقطہ نظر ملکی اور بیرونی جھکوں سے پیدا ہونے والے خطرات سے مشروط ہے۔ مجموعی طور پر، تازہ ترین اعلیٰ تعدد کے اشارے پچھلے دو سالوں کے تقریباً 6 فیصد نمو میں تیزی سے کمی کے ساتھ مالی سال 2023 میں 0.3 فیصد کے کمزوری ڈی پی ٹی کی نمو کا تخمینہ ظاہر کرتے رہتے ہیں۔ بہتر کاروباری اعتماد اور درآمدات پر ترجیحی رہنمائی سے دسمبر داری نے مینوفیکچرنگ، تعمیرات اور متعلقہ خدمات کے نقطہ نظر کو بہتر بنایا ہے۔ اس بہتری کے باوجود، جمع شدہ مالیاتی سختی، روپے کی قدر میں کمی، پی او ایل کی قیمتوں میں اضافہ اور متوقع مالیاتی استحکام کے اثرات ترقی کی حد کو پابند بنائے رکھیں گے۔

## INDEPENDENT AUDITORS' REVIEW REPORT

**To the members of National Bank of Pakistan**

**Report on review of Interim Financial Statements**

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of National Bank of Pakistan (the Bank) as at June 30, 2023 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of Matter

We draw attention to note 22.3.3.1 to the unconsolidated condensed interim financial statements which explains the contingency in relation to the pension obligations of the Bank. Based on the opinion of the legal counsel, the Bank is confident about a favourable outcome on this matter and hence, no provision against any additional pension obligation has been made in the unconsolidated condensed interim financial statements. Our conclusion is not modified in respect of this matter.

### Other Matters

The figures for the quarters ended June 30, 2023 and June 30, 2022 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed Interim statement of comprehensive income have not been subject to review and therefore, we do not express a conclusion thereon.

The financial statements of the Bank for the year ended December 31, 2022 and half year ended June 30, 2022 were audited and reviewed by Yousuf Adil, Chartered Accountants and A. F. Ferguson and Co., Chartered Accountants, who had expressed an unmodified opinion / conclusion on those statements vide their reports dated March 06, 2023 and August 19, 2022, respectively.

The engagement partners on the review resulting in this independent auditors' review report are **Shahbaz Akbar (A. F. Ferguson & Co.)** and **Zulfikar Ali Causer (BDO Ebrahim & Co.)**.

## Unconsolidated Condensed Interim Statement of Financial Position

### As at June 30, 2023

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks	6	337,541,626	229,910,949
Balances with other banks	7	25,475,541	18,593,800
Lendings to financial institutions	8	135,025,029	31,272,467
Investments	9	4,099,257,736	3,477,353,874
Advances	10	1,298,997,924	1,230,521,804
Fixed assets	11	57,153,277	57,105,842
Intangible assets	12	1,367,467	1,388,947
Right of use assets	13	6,634,044	6,708,404
Deferred tax asset	14	30,054,445	22,299,403
Other assets	15	220,255,691	165,269,056
		6,211,762,780	5,240,424,546
LIABILITIES			
Bills payable	16	20,092,875	55,268,019
Borrowings	17	2,102,404,121	1,940,485,787
Deposits and other accounts	18	3,451,689,200	2,666,184,360
Lease liability against right of use assets	19	7,966,619	8,267,949
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	20	306,009,470	269,370,672
		5,888,162,285	4,939,576,787
NET ASSETS		323,600,495	300,847,759
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves		76,690,444	64,144,050
Surplus on revaluation of assets	21	29,732,611	42,916,902
Unappropriated profit		195,902,309	172,511,676
		323,600,495	300,847,759
CONTINGENCIES AND COMMITMENTS			
	22		

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

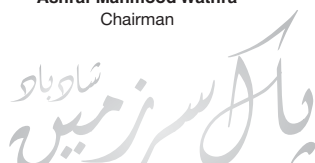
**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director



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

For the quarter and half year ended June 30, 2023

		Quarter ended		Half year ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Note		----- (Rupees in '000) -----			
Mark-up / return / interest earned	23	239,940,685	100,186,190	432,332,452	179,389,797
Mark-up / return / interest expensed	24	199,317,912	72,873,118	359,186,685	126,285,433
Net mark-up / return / interest income		40,622,773	27,313,072	73,145,767	53,104,364
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	25	5,987,999	5,575,658	10,510,644	10,240,057
Dividend income		1,370,564	1,061,317	2,369,355	1,944,559
Foreign exchange income		3,017,802	2,183,839	4,068,469	4,278,760
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	26	556,451	984,905	921,082	1,085,051
Other income	27	593,053	453,106	1,155,935	803,468
Total non-mark-up / interest income		11,525,869	10,258,825	19,025,485	18,351,895
Total income		52,148,642	37,571,897	92,171,252	71,456,259
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	28	22,753,019	19,081,942	43,898,801	35,814,778
Other charges	29	181,214	8,477	196,913	30,155
Total non-markup / interest expenses		22,934,233	19,090,419	44,095,714	35,844,933
Profit before provisions		29,214,409	18,481,478	48,075,538	35,611,326
(Reversal) / Provisions and write offs - net	30	(272,498)	664,722	411,861	1,733,728
<b>PROFIT BEFORE TAXATION</b>		29,486,907	17,816,756	47,663,677	33,877,598
Taxation	31	14,153,423	15,513,885	21,641,414	21,737,283
<b>PROFIT AFTER TAXATION</b>		15,333,484	2,302,871	26,022,263	12,140,315
----- (Rupees) -----					
Earnings per share - basic and diluted	32	7.21	1.09	12.23	5.71

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

## Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the quarter and half year ended June 30, 2023

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
------(Rupees in '000)-----				
Profit after taxation for the period	15,333,484	2,302,871	26,022,263	12,140,315
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Exchange gain / (loss) on translation of net assets of foreign branches - net of tax	988,116	3,571,132	9,944,168	4,880,638
Movement in surplus on revaluation of investments - net of tax	2,579,664	(10,124,919)	(12,675,456)	(8,636,503)
	3,567,780	(6,553,787)	(2,731,288)	(3,755,865)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	167,826	(1,121,176)	(120,174)	(1,609,211)
Movement in surplus on revaluation of fixed assets - net of tax	(415,031)	-	(415,031)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(3,034)	-	(3,034)	-
	(250,239)	(1,121,176)	(538,239)	(1,609,211)
<b>Total comprehensive income / (loss)</b>	<b>18,651,025</b>	<b>(5,372,092)</b>	<b>22,752,736</b>	<b>6,775,239</b>

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

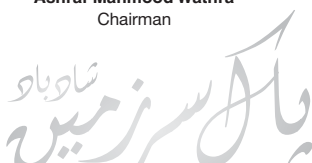
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**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director



## Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited) For the half year ended June 30, 2023

Share capital	Reserves						Surplus / (Deficit) on revaluation of assets			Unappropriated profit	Total
	Exchange translation	Statutory reserve	Merger reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / Non-banking assets	Total		

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

### Balance as at January 01, 2022

21,275,131	12,577,854	38,928,501	343,802	8,000,000	521,338	60,371,495	19,888,217	44,593,905	64,482,122	140,073,817	286,202,565
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### Profit after taxation for the half year ended June 30, 2022

Other comprehensive income / (loss) - net of tax

Total Comprehensive income

Transfer to statutory reserve

Transfer from surplus on revaluation of assets to

unappropriated profit - net of tax

Transfer to unappropriated profit

-	-	-	-	-	-	-	-	-	-	12,140,315	12,140,315
-	4,880,638	-	-	-	-	4,880,638	(8,636,503)	-	(8,636,503)	(1,609,211)	(5,365,076)
-	4,880,638	-	-	-	-	4,880,638	(8,636,503)	-	(8,636,503)	10,531,104	6,775,239
-	-	1,214,032	-	-	-	1,214,032	-	-	-	(1,214,032)	-
-	-	-	-	-	-	-	-	(98,842)	(98,842)	98,842	-
-	-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	8,000,000	-
-	-	-	-	-	-	-	-	-	-	-	-

### Balance as at July 1, 2022

21,275,131	17,458,492	40,142,533	343,802	-	521,338	58,466,165	11,251,714	44,495,063	55,746,777	157,489,731	292,977,804
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### Profit after taxation for the half year ended December 31, 2022

Other comprehensive income / (loss) - net of tax

Total Comprehensive income

Transfer to statutory reserve

Transfer from surplus on revaluation of assets to

unappropriated profit - net of tax

Adjustment of Merger Reserve

-	-	-	-	-	-	-	-	-	-	18,269,985	18,269,985
-	3,831,083	-	-	-	-	3,831,083	(15,505,396)	2,774,363	(12,731,033)	(1,519,884)	(10,419,834)
-	3,831,083	-	-	-	-	3,831,083	(15,505,396)	2,774,363	(12,731,033)	16,750,101	7,850,151
-	-	1,826,998	-	-	-	1,826,998	-	-	-	(1,826,998)	-
-	-	-	-	-	-	-	-	(98,842)	(98,842)	98,842	-
-	-	-	19,804	-	-	19,804	-	-	-	-	19,804

### Balance as at January 01, 2023

21,275,131	21,289,575	41,969,531	363,606	-	521,338	64,144,050	(4,253,682)	47,170,584	42,916,902	172,511,676	300,847,759
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### Profit after taxation for the half year ended June 30, 2023

Other comprehensive income / (loss) - net of tax

Total Comprehensive income

Transfer to statutory reserve

Transfer from surplus on revaluation of assets to

unappropriated profit - net of tax

-	-	-	-	-	-	-	-	-	-	26,022,263	26,022,263
-	9,944,168	-	-	-	-	9,944,168	(12,675,456)	(418,065)	(13,093,521)	(120,174)	(3,269,527)
-	9,944,168	-	-	-	-	9,944,168	(12,675,456)	(418,065)	(13,093,521)	25,902,089	22,752,736
-	-	2,602,226	-	-	-	2,602,226	-	-	-	(2,602,226)	-
-	-	-	-	-	-	-	-	(90,770)	(90,770)	90,770	-

### Balance as at June 30, 2023

21,275,131	31,233,743	44,571,757	363,606	-	521,338	76,690,444	(16,929,138)	46,661,749	29,732,611	195,902,309	323,600,495
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The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director





# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2023

## 1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,511 (December 31, 2022: 1,512) branches in Pakistan including 188 (December 31, 2022: 188) Islamic Banking branches and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

## 2. BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, interpretation or amendment	Effective from accounting period beginning on or after
- IFRS 9 - Financial instruments (note 3.1.3)	January 1, 2024
- IAS 1 - Non current liabilities with covenants (amendments)	January 1, 2024
- IFRS 16 - Sale and leaseback (amendments)	January 1, 2024

The management is in the process of assessing the impact of these amendments on the unconsolidated condensed interim financial statements of the Bank.

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

As disclosed in note 3.4.6 to the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022, the Bank had performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

## 5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
In hand			
Local currency		54,206,000	52,704,335
Foreign currencies		9,310,952	7,192,805
		<b>63,516,952</b>	<b>59,897,140</b>
With State Bank of Pakistan in			
Local currency current accounts	6.1	168,481,152	106,909,308
Foreign currency current accounts	6.2	20,620,370	15,661,453
Foreign currency deposit accounts	6.2	41,182,632	15,623,732
Foreign currency collection accounts		2,483,587	1,135,059
		<b>232,767,741</b>	<b>139,329,552</b>
With other central banks in			
Foreign currency current accounts	6.3	31,848,365	26,631,693
Foreign currency deposit accounts	6.3	9,042,783	3,725,602
		<b>40,891,148</b>	<b>30,357,295</b>
Prize bonds		365,785	326,962
		<b>337,541,626</b>	<b>229,910,949</b>

- 6.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5.25% per annum (December 31, 2022: 0% to 4.50% per annum).

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
7.	7.1	----- (Rupees in '000) -----	
In Pakistan			
In deposit accounts	7.1	14,347	13,766
Outside Pakistan			
In current accounts		11,303,671	12,391,006
In deposit accounts	7.2	14,157,523	6,189,028
		25,461,194	18,580,034
		25,475,541	18,593,800

- 7.1 These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.00% per annum (December 31, 2022: 3.50% to 9.50% per annum).
- 7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 2.20% to 4.88% per annum (December 31, 2022: 0% to 4.00% per annum).

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
8.	8.1	----- (Rupees in '000) -----	
Call / clean money lendings	8.1	5,009,723	9,723
Repurchase agreement lendings (reverse repo)	8.2	105,015,306	31,262,744
Musharaka Lending	8.3	25,000,000	-
Letters of placement	8.4	174,150	174,150
	8.5	135,199,179	31,446,617
Less: provision held against lendings to financial institutions	8.6	(174,150)	(174,150)
Lendings to financial institutions - net of provision		135,025,029	31,272,467

- 8.1 These carry mark-up at the rate of 22.95% per annum (December 31, 2022: Nil) with maturity upto July 04, 2023 (December 31, 2022: Nil). These also include zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.
- 8.2 These carry mark-up at rates ranging from 20.95% to 22.95% per annum (December 31, 2022: 16.05% to 16.50% per annum) with maturities ranging from July 04, 2023 to July 24, 2023.
- 8.3 This represents Musharaka agreements entered into with Meezan Bank Limited and carrying profit at the rate of 22.95% per annum (December 31, 2022: Nil) with maturity upto July 04, 2023 (December 31, 2022: Nil).
- 8.4 These are overdue placements and full provision has been made against these placements as at June 30, 2023.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>8.5 Particulars of lending</b>		
In local currency	135,199,179	31,446,617
In foreign currencies	-	-
	<b>135,199,179</b>	<b>31,446,617</b>

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

Opening balance	174,150	174,150
Charge / (reversal) for the period	-	-
Closing balance	<b>174,150</b>	<b>174,150</b>

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

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	27,354,706	-	27,354,706	18,699,589	-	18,699,589
Pakistan Investment Bonds	77,660,600	-	77,660,600	12,563,155	-	12,563,155
<b>Total</b>	<b>105,015,306</b>	<b>-</b>	<b>105,015,306</b>	<b>31,262,744</b>	<b>-</b>	<b>31,262,744</b>

**8.7.1** Market value of the securities under repurchase agreement lendings amounts to Rs. 103,613 million (December 31, 2022: Rs. 31,027 million).

	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	------(Rupees in '000)-----			
<b>8.8 Category of classification</b>				
<b>Domestic</b>				
Loss	174,150	174,150	174,150	174,150

## 9. INVESTMENTS

### 9.1 Investments by type:

	June 30, 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) -----								
<b>Held-for-trading securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	8,454,182	-	(9,880)	8,444,302	22,269,343	-	(2,665)	22,266,678
- Pakistan Investment Bonds	20,542,948	-	(65,165)	20,477,783	61,942,656	-	(1,031,197)	60,911,459
<b>Ordinary Shares</b>								
- Listed Companies	537,783	-	12,403	550,186	424,708	-	(20,939)	403,769
	29,534,913	-	(62,642)	29,472,271	84,636,707	-	(1,054,801)	83,581,906
<b>Available-for-sale securities</b>								
<b>Federal Government Securities</b>								
- Pakistan Investment Bonds	2,476,253,843	-	(52,849,428)	2,423,404,415	1,972,276,787	-	(27,509,276)	1,944,767,511
- Market Treasury Bills	1,031,992,285	-	(2,771,490)	1,029,220,795	828,851,708	-	(2,354,400)	826,497,308
- Ijarah Sukuks	20,515,948	-	(697,785)	19,818,163	20,518,238	-	(339,589)	20,178,649
- Foreign Currency Debt securities	41,956,194	-	(23,862,406)	18,093,788	33,045,353	-	(18,622,514)	14,422,839
<b>Ordinary Shares</b>								
- Listed Companies	46,803,619	(11,478,394)	3,776,063	39,101,288	41,601,347	(10,159,936)	4,813,864	36,255,275
- Unlisted Companies	1,882,198	(427,951)	-	1,454,247	1,882,198	(427,951)	-	1,454,247
<b>Preference shares</b>								
- Listed	1,448,472	(566,446)	170,285	1,052,311	1,448,472	(566,446)	209,451	1,091,477
- Unlisted	558,284	(279,284)	-	279,000	558,284	(279,284)	-	279,000
<b>Non-Government debt securities</b>								
- Term Finance Certificates and Sukuk Bonds	51,861,330	(5,925,666)	426,559	46,362,223	52,125,171	(5,990,161)	1,047,326	47,182,336
<b>Mutual Fund units</b>	2,219,646	(41,167)	829,367	3,007,846	2,219,646	(41,167)	941,952	3,120,431
<b>Foreign Securities</b>								
- Equity Securities - Listed	463,294	-	41,819,040	42,282,334	463,294	-	34,380,951	34,844,245
- Government debt securities	2,978,760	-	(34,590)	2,944,170	1,914,312	-	(30,359)	1,883,953
	3,678,933,873	(18,718,908)	(33,194,385)	3,627,020,580	2,956,904,810	(17,464,945)	(7,462,594)	2,931,977,271
<b>Held-to-maturity securities</b>								
<b>Federal Government Securities</b>								
- Pakistan Investment Bonds	377,207,642	-	-	377,207,642	375,236,903	-	-	375,236,903
- Market Treasury Bills	-	-	-	-	29,376,461	-	-	29,376,461
- Ijarah Sukuks	13,114,020	-	-	13,114,020	13,130,709	-	-	13,130,709
- Foreign Currency Debt securities	4,055,507	-	-	4,055,507	2,992,408	-	-	2,992,408
<b>Non-Government debt securities</b>								
- Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuk Bonds	404,585	(404,585)	-	-	404,585	(404,585)	-	-
<b>Foreign Securities</b>								
- Government debt securities	43,426,150	-	-	43,426,150	36,096,507	-	-	36,096,507
- Non-Government debt securities	1,096	-	-	1,096	871	-	-	871
	438,209,000	(404,585)	-	437,804,415	457,238,444	(404,585)	-	456,833,859
<b>Associates</b>	4,926,048	(3,942,866)	-	983,182	4,926,048	(3,942,498)	-	983,550
<b>Joint Venture</b>	2,362,433	-	-	2,362,433	2,362,433	-	-	2,362,433
<b>Subsidiaries</b>	2,952,967	(1,338,112)	-	1,614,855	2,952,967	(1,338,112)	-	1,614,855
<b>Total investments</b>	<u>4,156,919,234</u>	<u>(24,404,471)</u>	<u>(33,257,027)</u>	<u>4,099,257,736</u>	<u>3,509,021,409</u>	<u>(23,150,140)</u>	<u>(8,517,397)</u>	<u>3,477,353,874</u>

(Un-audited) (Audited)  
June 30, December 31,  
2023 2022  
Note -----(Rupees in '000)-----

### 9.1.1 Investments given as collateral

The book value of investments given as collateral against borrowings is as follows:

Pakistan Investment Bonds	1,993,771,401	1,136,497,472
Market Treasury Bills	10,223,748	689,709,291
	<u>17</u> <u>2,003,995,149</u>	<u>1,826,206,763</u>

### 9.2 Provision for diminution in value of investments

9.2.1 Opening balance	23,150,140	18,486,879
Charge / reversals		
Charge for the period / year	1,334,686	4,662,589
Reversals for the period / year	(80,355)	(850,070)
	<u>1,254,331</u>	<u>3,812,519</u>
Transfers - net	-	850,742
Closing balance	<u>24,404,471</u>	<u>23,150,140</u>

### 9.2.2 Particulars of provision against debt securities

Category of classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Investment	Provision	Non Performing Investment	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	6,330,251	6,330,251	6,525,731	6,394,746
	<u>6,330,251</u>	<u>6,330,251</u>	<u>6,525,731</u>	<u>6,394,746</u>

9.3 The market value of securities classified as held-to-maturity as at June 30, 2023 amounted to Rs. 409,268 million (December 31, 2022: Rs. 435,745 million).

## 10. ADVANCES

	Performing		Non performing		Total	
	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	1,212,358,238	1,168,258,464	205,118,913	190,545,941	1,417,477,151	1,358,804,405
Islamic financing and related assets	64,921,071	46,381,315	925,817	654,980	65,846,888	47,036,295
Net Investment in finance lease	16,207	35,384	-	-	16,207	35,384
Bills discounted and purchased	22,845,452	18,598,616	13,640,209	14,106,504	36,485,661	32,705,120
Advances - gross	1,300,140,968	1,233,273,779	219,684,939	205,307,425	1,519,825,907	1,438,581,204
Provision against advances						
- Specific	-	-	204,096,378	190,710,861	204,096,378	190,710,861
- General	16,731,605	17,348,539	-	-	16,731,605	17,348,539
	<u>16,731,605</u>	<u>17,348,539</u>	<u>204,096,378</u>	<u>190,710,861</u>	<u>220,827,983</u>	<u>208,059,400</u>
Advances - net of provision	<u>1,283,409,363</u>	<u>1,215,925,240</u>	<u>15,588,561</u>	<u>14,596,564</u>	<u>1,298,997,924</u>	<u>1,230,521,804</u>

## 10.1 Net investment in finance lease

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
------(Rupees in '000)-----								
Lease rentals receivable	2,304	-	-	2,304	1,312	-	-	1,312
Residual value	14,064	-	-	14,064	34,237	-	-	34,237
Minimum lease payments	16,368	-	-	16,368	35,549	-	-	35,549
Less: financial charges for future periods	161	-	-	161	165	-	-	165
Present value of minimum lease payments	16,207	-	-	16,207	35,384	-	-	35,384

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

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----		
10.2 Particulars of advances (Gross)		
In local currency	1,382,765,683	1,315,938,249
In foreign currencies	137,060,224	122,642,955
	<u>1,519,825,907</u>	<u>1,438,581,204</u>

- 10.3** Advances include Rs. 219,685 million (December 31, 2022: Rs. 205,307 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
------(Rupees in '000)-----				
<b>Domestic</b>				
Other Assets Especially Mentioned	2,424,538	94,283	1,780,995	73,114
Substandard	5,157,160	1,255,276	5,888,114	1,439,916
Doubtful	9,353,509	4,930,426	8,834,066	4,645,364
Loss	136,450,333	134,008,726	135,077,580	132,802,811
	<u>153,385,540</u>	<u>140,288,711</u>	<u>151,580,755</u>	<u>138,961,205</u>
<b>Overseas</b>				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	408,225	204,113	331,133	165,566
> 365 days	65,891,174	63,603,554	53,395,537	51,584,090
	<u>66,299,399</u>	<u>63,807,667</u>	<u>53,726,670</u>	<u>51,749,656</u>
<b>Total</b>	<u>219,684,939</u>	<u>204,096,378</u>	<u>205,307,425</u>	<u>190,710,861</u>

**10.4 Particulars of provision against advances**

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Note ----- (Rupees in '000) -----						
Opening balance	190,710,861	17,348,539	208,059,400	179,311,722	12,472,591	191,784,313
Exchange adjustments	13,596,628	161,439	13,758,067	8,339,198	107,952	8,447,150
Charge for the period / year	1,916,921	631,202	2,548,123	5,227,343	9,553,101	14,780,444
Reversals	(2,849,200)	(645,789)	(3,494,989)	(4,963,631)	(1,757,105)	(6,720,736)
	(932,279)	(14,587)	(946,866)	263,712	7,795,996	8,059,708
Amounts written off	(23,630)		(23,630)	(175,513)	-	(175,513)
Amounts charged off - agriculture financing	(18,988)		(18,988)	(56,258)	-	(56,258)
Transfer from general to specific provision	763,786	(763,786)	-	3,028,000	(3,028,000)	-
Closing balance	204,096,378	16,731,605	220,827,983	190,710,861	17,348,539	208,059,400

**10.4.1 Particulars of provision against advances**

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	140,288,711	16,197,868	156,486,580	138,961,205	16,741,242	155,702,447
In foreign currencies	63,807,667	533,737	64,341,403	51,749,656	607,297	52,356,953
	204,096,378	16,731,605	220,827,983	190,710,861	17,348,539	208,059,400

- 10.4.2** General provision includes provision amounting to Rs. 4,896 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 534 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates.

The bank has also maintained general provision of Rs. 11,302 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

- 10.4.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.
- 10.4.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.



		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	<b>1,314,314</b>	1,080,087
Property and equipment		<b>55,838,963</b>	56,025,755
		<b>57,153,277</b>	<b>57,105,842</b>
<b>11.1 Capital work-in-progress</b>			
Civil works		<b>1,244,756</b>	1,010,529
Equipment		<b>10,825</b>	10,825
Advances to suppliers and contractors		<b>58,733</b>	58,733
		<b>1,314,314</b>	<b>1,080,087</b>
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Capital work-in-progress</b>		<b>363,505</b>	215,149
<b>Property and equipment</b>			
Building on freehold land		<b>50,955</b>	26,460
Building on leasehold land		<b>23,296</b>	-
Furniture and fixtures		<b>384,440</b>	250,921
Computer and peripheral equipment		<b>181,649</b>	72,177
Electrical and office equipment		<b>266,938</b>	158,619
Vehicles		<b>194,592</b>	100,918
		<b>1,101,870</b>	609,095
		<b>1,465,375</b>	<b>824,244</b>
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		<b>711</b>	-
Vehicles		<b>4,767</b>	22,461
		<b>5,478</b>	<b>22,461</b>

**12. INTANGIBLE ASSETS**

Capital work-in-progress - Software Implementation  
Computer Software

(Un-audited) June 30, 2023	(Audited) December 31, 2022
823,436	841,289
544,031	547,658
<b>1,367,467</b>	<b>1,388,947</b>

**12.1 Additions to intangible assets**

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

Capital work-in-progress - net additions  
Directly purchased

(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
48,776	250,816
15,586	48,215
<b>64,362</b>	<b>299,031</b>

**13. RIGHT OF USE ASSETS**

Balance as at January 01  
Additions during the period / year  
Derecognition during the period / year  
Depreciation charged for the period / year  
Balance as at

(Un-audited) June 30, 2023	(Audited) December 31, 2022
6,708,404	6,605,400
930,295	2,244,669
-	(6,618)
<b>(1,004,655)</b>	<b>(2,135,047)</b>
<b>6,634,044</b>	<b>6,708,404</b>

**14. DEFERRED TAX ASSET****Deductible temporary differences on**

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

10,705	10,705
8,113,996	7,352,695
236,751	236,751
7,037,823	12,925,197
115,222	115,222
1,804,990	1,506,288
105,416	105,416
652,965	670,604
<b>18,077,868</b>	<b>22,922,878</b>

**Taxable temporary differences on**

- Surplus on revaluation of fixed assets  
- Exchange translation reserve  
- Deficit on revaluation of investments  
- Surplus on revaluation of non-banking assets

(3,410,042)	(3,061,347)
(853,843)	(749,289)
16,265,248	3,208,913
<b>(24,786)</b>	<b>(21,752)</b>
<b>11,976,577</b>	<b>(623,475)</b>
<b>30,054,445</b>	<b>22,299,403</b>

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
<b>15. OTHER ASSETS</b>			
		<b>138,302,734</b>	99,433,212
		<b>4,492,064</b>	3,866,901
		<b>5,325,317</b>	2,987,346
		<b>15,544,497</b>	10,952,064
		<b>21,811,774</b>	20,809,580
		<b>1,174,920</b>	1,179,943
		<b>208,423</b>	208,423
		<b>9,586,627</b>	-
		<b>11,690,664</b>	20,644,122
		<b>10,533,074</b>	5,253,389
		<b>505,291</b>	437,900
		<b>195,399</b>	195,399
		<b>323,172</b>	323,172
		<b>418,834</b>	418,834
		<b>28,158</b>	156,755
		<b>9,954,352</b>	8,126,059
		<b>230,095,300</b>	174,993,099
	15.1	<b>12,359,609</b>	12,244,043
		<b>217,735,691</b>	162,749,056
		<b>2,520,000</b>	2,520,000
		<b>220,255,691</b>	165,269,056
<b>15.1 Provision held against other assets</b>			
		<b>152,607</b>	152,607
		<b>837,949</b>	837,949
		<b>96,542</b>	96,542
		<b>195,399</b>	195,399
		<b>323,172</b>	323,172
		<b>418,834</b>	418,834
		<b>4,353,436</b>	4,297,516
		<b>770,398</b>	770,398
		<b>208,423</b>	208,423
		<b>5,002,849</b>	4,943,203
		<b>12,359,609</b>	12,244,043
<b>15.1.1 Movement in provision held against other assets</b>			
		<b>12,244,043</b>	11,700,956
		<b>58,048</b>	562,955
		-	(19,868)
		<b>57,518</b>	-
		<b>12,359,609</b>	12,244,043

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
<b>16. BILLS PAYABLE</b>			
In Pakistan		19,743,888	54,969,587
Outside Pakistan		348,987	298,432
		<u>20,092,875</u>	<u>55,268,019</u>
<b>17. BORROWINGS</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		35,859,636	38,217,784
Financing Scheme for Renewable Energy		1,284,961	1,019,611
Refinance Facility for Modernization of SMEs		56,968	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)		609,133	667,327
Under Long-Term Financing Facility (LTFF)		18,795,904	20,254,808
Refinance Scheme for Payment of Wages and Salaries		-	35,950
Temporary Economic Refinance Facility		24,128,222	24,126,421
Refinance Facility for Combating Covid-19		55,755	66,159
		80,790,579	84,431,884
Repurchase agreement borrowings	9.1.1	2,003,995,149	1,826,206,763
		<u>2,084,785,728</u>	<u>1,910,638,647</u>
<b>Unsecured</b>			
Call borrowings		17,575,162	25,810,145
Overdrawn nostro accounts		43,231	-
Bai Muajjal		-	4,036,995
		17,618,393	29,847,140
		<u>2,102,404,121</u>	<u>1,940,485,787</u>
<b>17.1 Particulars of borrowings with respect to currencies</b>			
In local currency		2,085,828,959	1,923,848,931
In foreign currencies		16,575,162	16,636,856
		<u>2,102,404,121</u>	<u>1,940,485,787</u>
<b>17.2 Mark-up / interest rates and other terms are as follows:</b>			
-	The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up at rate ranging from 1.00% to 17.00% per annum (December 31, 2022: from 0% to 12.00% per annum).		
-	Repurchase agreement borrowings carry mark-up ranging from 20.90% to 22.40% per annum (December 31, 2022: 15.22% to 17.00% per annum) having maturities ranging from July 04, 2023 to September 01, 2023.		
-	Call borrowings carry interest at the rate ranging from 5.50% to 20.75% per annum (December 31, 2022: 3.00% to 16.50% per annum).		
<b>17.3</b>	Borrowings from the SBP under export oriented projects and other refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.		
<b>17.4</b>	Pakistan Investment Bonds and Market Treasury Bills having maturities of 2 - 10 years and 3 - 12 months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,003,995 million (December 31, 2022: Rs.1,826,207 million).		

## 18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 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>Customers</b>						
Current deposits - remunerative	780,628,091	-	780,628,091	733,037,562	-	733,037,562
Current deposits - non-remunerative	520,512,904	188,601,253	709,114,157	408,169,670	159,575,493	567,745,163
Savings deposits	692,871,845	145,710,959	838,582,804	681,287,543	108,029,851	789,317,394
Term deposits	426,297,299	180,723,438	607,020,737	400,618,865	116,541,863	517,160,728
Others	76,982,590	6,986	76,989,576	9,563,715	7,855	9,571,570
	<u>2,497,292,729</u>	<u>515,042,636</u>	<u>3,012,335,365</u>	<u>2,232,677,355</u>	<u>384,155,062</u>	<u>2,616,832,417</u>
<b>Financial Institutions</b>						
Current deposits	388,038,899	2,574,961	390,613,860	5,964,408	3,479,121	9,443,529
Savings deposits	27,029,973	-	27,029,973	15,190,328	2,924,782	18,115,110
Term deposits	10,733,278	9,266,617	19,999,895	10,472,787	6,442,283	16,915,070
Others	1,709,834	273	1,710,107	4,878,234	-	4,878,234
	<u>427,511,984</u>	<u>11,841,851</u>	<u>439,353,835</u>	<u>36,505,757</u>	<u>12,846,186</u>	<u>49,351,943</u>
	<u>2,924,804,713</u>	<u>526,884,487</u>	<u>3,451,689,200</u>	<u>2,269,183,112</u>	<u>397,001,248</u>	<u>2,666,184,360</u>

- 18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 102,799 million (December 31, 2022: Rs. 75,917 million).

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

## 19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Lease liabilities included in the statement of financial position	<u>7,966,619</u>	<u>8,267,949</u>
Of which are:		
Current lease liability	1,551,162	1,590,849
Non-current lease liability	6,415,457	6,677,100
	<u>7,966,619</u>	<u>8,267,949</u>

### Maturity analysis - contractual undiscounted cash flows

Less than one year	2,165,706	2,356,198
One to five years	6,208,002	6,557,449
More than five years	2,997,487	7,967,022
Total undiscounted lease liabilities	<u>11,371,195</u>	<u>16,880,669</u>

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
<b>20. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		161,570,503	126,228,969
Mark-up / return / interest payable in foreign currencies		1,640,909	655,802
Unearned commission and income on bills discounted		132,713	252,539
Accrued expenses		11,734,176	13,865,133
Advance payments		330,120	350,895
Acceptances		11,690,664	20,644,122
Unclaimed dividends		181,514	181,851
Mark to market loss on forward foreign exchange contracts		-	125,371
Branch adjustment account		928,496	1,916,850
Payable to defined benefit plan:			
Pension fund		24,719,785	23,063,894
Post retirement medical benefits		31,299,940	29,176,898
Benevolent fund		1,577,162	1,697,838
Gratuity scheme		4,094,229	3,767,858
Compensated absences		9,380,392	8,734,235
Provision against off-balance sheet obligations		627,494	627,494
Provision against contingencies	20.1	4,259,629	4,170,799
Staff welfare fund		371,257	371,257
Liabilities relating to Barter trade agreements		4,373,048	3,629,389
Payable to brokers		143,903	350,446
PIBs short selling		13,294,842	11,043,029
Others		23,658,694	18,516,003
		<u>306,009,470</u>	<u>269,370,672</u>
<b>20.1 Provision against contingencies</b>			
Opening balance		4,170,799	3,805,376
Charge for the period / year		46,348	165,423
Other movement		42,482	200,000
Closing balance		<u>4,259,629</u>	<u>4,170,799</u>
<b>21. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of:			
- Available-for-sale securities	9.1	(33,194,385)	(7,462,594)
- Fixed assets		47,576,576	47,733,682
- Non-banking assets		2,520,000	2,520,000
		<u>16,902,191</u>	<u>42,791,088</u>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		16,265,248	3,208,913
- Fixed assets		(3,410,042)	(3,061,347)
- Non-banking assets		(24,786)	(21,752)
		<u>12,830,420</u>	<u>125,814</u>
		<u>29,732,611</u>	<u>42,916,902</u>
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	22.1	328,900,598	377,561,372
Commitments	22.2	2,680,994,608	2,373,285,184
Other contingent liabilities	22.3	42,132,640	26,619,691
		<u>3,052,027,846</u>	<u>2,777,466,247</u>

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
<b>22.1 Guarantees</b>			
Financial guarantees		247,206,350	287,741,990
Performance guarantees		81,694,248	89,819,382
		<u>328,900,598</u>	<u>377,561,372</u>

## 22.2 Commitments

Documentary credits and short-term trade-related transactions			
- letters of credit		1,967,221,868	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	631,915,466	570,881,591
- forward government securities transactions	22.2.2	18,314,236	54,568,834
- forward lending	22.2.3	62,097,369	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,389,980	798,234
Other commitments	22.2.4	55,689	36,850
		<u>2,680,994,608</u>	<u>2,373,285,184</u>

### 22.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	405,082,028	368,380,755
Sale	226,833,438	202,500,836
	<u>631,915,466</u>	<u>570,881,591</u>

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

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>22.2.2 Commitments in respect of forward government securities transactions</b>		
Purchase	5,610,365	10,988,627
Sale	12,703,871	43,580,207
	<u>18,314,236</u>	<u>54,568,834</u>

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

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>22.2.3 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitment to lend	62,097,369	50,363,949

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

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>22.2.4 Other commitments</b>		
Professional services to be received	<u>55,689</u>	<u>36,850</u>

**22.3 Other contingent liabilities**

<b>22.3.1</b> Claims against the Bank not acknowledged as debt	<u>42,132,640</u>	<u>26,619,691</u>
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Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs.1,597 million (December 31, 2022: Rs. 1,597 million).

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

**22.3.2 Taxation**

As at June 30, 2023, the status of tax contingencies disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation Officer, following the instructions / directions of the learned CIR(Appeals), has passed the appeal effect orders for tax years 2019 and 2020 wherein the tax liability / (refund) has been assessed at Rs. 1,852 million and Rs.1,997 million, respectively.
- Assessment proceeding for tax year 2022 were initiated under section 122(5A) of the Income Tax Ordinance, 2001, reducing tax refund to Rs. 3,853 million which was subsequently increased to Rs. 7,159 million vide the rectified order dated June 08, 2023. The Bank has filed appeal before CIR(Appeals) and the Bank is confident of a favorable outcome.
- Honourable ATIR has passed appellate orders for tax years 2006, 2007 and 2016 against monitoring orders and remanded back the issues to the assessing officer for re-verification following the instructions of ATIR.
- The aggregate effect of contingencies as on June 30, 2023, including amount of Rs. 1,912 million (December 31, 2022: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 29,262 million (December 31, 2022: Rs. 27,159 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expects favorable outcome upon decisions of pending appeals.

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

As at June 30, 2023, the status of contingencies disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

**22.3.3.1 Pensionary benefits to retired employees**

This matter has been explained in note 25.3.4.1 to the annual audited unconsolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended June 30, 2023 amounted to Rs. 96.3 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for June 2023 onward will also increase by Rs. 13.9 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favourable outcome on the matter.

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

With close oversight from the Board of Directors and Head Office Senior Management, the New York Branch completed remedial actions pursuant to the public enforcement actions issued by the New York State Department of Financial Services and the Federal Reserve Bank, Head Office and the Board will continue to maintain close oversight of the Branch, despite having made significant progress in meeting regulatory requirements. The actions implemented by the Branch and their associated validation by Internal Audit continue to remain subject to review by its regulators.



		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
<b>23.</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	Loans and advances	98,085,170	59,176,647
	Investments	327,016,082	114,326,431
	Lendings to financial institutions	6,628,256	5,435,841
	Balances with banks	602,944	450,878
		<u>432,332,452</u>	<u>179,389,797</u>
<b>24.</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	154,048,677	80,180,295
	Borrowings	3,115,368	3,158,176
	Cost of foreign currency swaps against foreign currency deposits	4,777,339	5,131,204
	Lease liability against right of use assets	378,458	411,580
	Securities sold under repurchase agreements	196,866,843	37,404,178
		<u>359,186,685</u>	<u>126,285,433</u>
<b>25.</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	883,198	797,260
	Consumer finance related fees	254,832	248,019
	Card related fees	1,224,549	964,264
	Credit related fees	234,659	215,115
	Investment banking fees	222,226	506,521
	Commission on trade	863,509	1,088,107
	Commission on guarantees	617,136	310,783
	Commission on cash management	23,971	23,540
	Commission on remittances including home remittances	879,340	676,357
	Commission on bancassurance	104,309	168,389
	Commission on government transactions	5,166,306	5,184,873
	Others	36,609	56,829
		<u>10,510,644</u>	<u>10,240,057</u>
<b>26.</b>	<b>GAIN / (LOSS) ON SECURITIES - NET</b>		
	Realized	26.1 1,126,757	1,112,256
	Unrealized - held-for-trading	9.1 (62,642)	(63,995)
	Unrealized - Short selling	(143,033)	36,790
		<u>921,082</u>	<u>1,085,051</u>
<b>26.1</b>	<b>Realized gain / (loss) on</b>		
	Federal Government Securities	1,091,750	286,070
	Shares	35,007	826,021
	Foreign Securities	-	165
		<u>1,126,757</u>	<u>1,112,256</u>
<b>27.</b>	<b>OTHER INCOME</b>		
	Rent on property	44,942	19,622
	Gain on sale of fixed assets - net	766	1,845
	Postal, SWIFT and other charges recovered	101,357	49,176
	Compensation for delayed tax refunds	27.1 1,002,194	712,362
	Others	6,676	20,463
		<u>1,155,935</u>	<u>803,468</u>
<b>27.1</b>	This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.		

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		------(Rupees in '000)-----	
<b>28. OPERATING EXPENSES</b>			
<b>Total compensation expenses</b>		<b>28,225,822</b>	<b>22,939,692</b>
<b>Property expenses</b>			
Rent and taxes	371,694	280,504	
Insurance	18,514	19,027	
Utilities cost	1,031,984	770,872	
Security (including guards)	1,802,611	1,546,419	
Repair and maintenance (including janitorial charges)	632,986	451,564	
Depreciation	251,617	226,305	
Depreciation on non banking assets	5,023	7,859	
Depreciation on Ijarah assets	782	33,544	
Depreciation on right of use assets	1,004,655	986,459	
	<b>5,119,866</b>	<b>4,322,553</b>	
<b>Information technology expenses</b>			
Software maintenance	2,215,213	1,747,256	
Hardware maintenance	75,072	52,320	
Depreciation	244,430	198,479	
Amortisation	157,670	127,559	
Network charges	401,686	357,216	
IT Manage Services	412,180	168,702	
	<b>3,506,251</b>	<b>2,651,532</b>	
<b>Other operating expenses</b>			
Directors' fees and allowances	36,475	16,475	
Fees and allowances to Shariah Board	8,605	8,108	
Legal and professional charges	1,008,385	610,970	
Outsourced services costs	403,201	328,508	
Travelling and conveyance	637,898	417,896	
NIFT clearing charges	119,597	100,435	
Depreciation	752,850	751,157	
Training and development	42,311	25,784	
Postage and courier charges	99,281	121,204	
Communication	341,714	192,440	
Stationery and printing	749,326	795,094	
Marketing, advertisement and publicity	421,411	271,992	
Donations	11,911	32,000	
Auditors' remuneration	132,925	87,307	
Entertainment	131,894	122,802	
Clearing, verification and license fee charges	203,937	161,816	
Brokerage	26,660	38,906	
Financial charges on leased assets	112,925	31,260	
Insurance	248,866	235,149	
Vehicle expenses	110,360	101,940	
Repairs and maintenance	519,852	313,495	
Deposit premium expense	696,430	905,789	
Others	230,048	230,474	
	<b>7,046,862</b>	<b>5,901,001</b>	
	<b>43,898,801</b>	<b>35,814,778</b>	
<b>29. OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan	184,285	30,155	
Penalties imposed by other regulatory bodies of overseas branches	12,628	-	
	<b>196,913</b>	<b>30,155</b>	

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		(Rupees in '000)	
Note			
<b>30. (Reversal) / Provisions and write offs - net</b>			
Provision for diminution in value of investments	9.2	1,254,331	1,643,275
Provision against loans and advances	10.4	(946,866)	(28,221)
Provision against other assets	15.1.1	58,048	83,816
Provision against contingencies	20.1	46,348	34,858
		<b>411,861</b>	<b>1,733,728</b>
<b>31. TAXATION</b>			
Current			
For the year		24,195,541	18,647,440
Prior years		(8,073,227)	3,828,030
		<b>16,122,314</b>	<b>22,475,470</b>
Deferred			
For the year		(2,554,127)	(738,187)
Prior years		8,073,227	-
		<b>5,519,100</b>	<b>(738,187)</b>
		<b>21,641,414</b>	<b>21,737,283</b>
<b>32. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit for the period (Rupees in 000's)		26,022,263	12,140,315
Weighted average number of ordinary shares (in 000's)		2,127,513	2,127,513
Earnings per share - basic and diluted (Rupees)		12.23	5.71
<b>32.1</b>	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		
		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		(Rupees in '000)	
Note			
<b>33. CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	6	337,541,626	262,915,020
Balances with other banks	7	25,475,541	15,956,899
Call / clean money lendings	8	5,009,723	9,723
Call borrowings	17	(17,575,162)	(32,405,584)
Overdrawn nostro accounts	17	(43,231)	(439,447)
		<b>350,408,497</b>	<b>246,036,611</b>
<b>34. FAIR VALUE MEASUREMENTS</b>			

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

### 34.1 Fair value of financial assets

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

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

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

June 30, 2023 (Un-audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,037,665,097	-	1,037,665,097	-	1,037,665,097
- Pakistan Investment Bonds	2,443,882,198	-	2,443,882,198	-	2,443,882,198
- Ijarah Sukuks	19,818,163	-	19,818,163	-	19,818,163
- Foreign Currency Debt securities	18,093,788	-	18,093,788	-	18,093,788
Ordinary Shares					
- Listed Companies	39,651,474	39,651,474	-	-	39,651,474
Preference shares					
- Listed	1,052,311	1,052,311	-	-	1,052,311
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	46,362,223	14,377,533	31,984,690	-	46,362,223
Mutual Fund units	3,007,846	-	3,007,846	-	3,007,846
Foreign Securities					
- Government debt securities	2,944,170	-	2,944,170	-	2,944,170
- Equity Securities - Listed	42,282,334	42,282,334	-	-	42,282,334
	3,654,759,604	97,363,652	3,557,395,952	-	3,654,759,604
Financial assets - disclosed but not measured at fair value					
Federal Government Securities					
- Pakistan Investment Bonds	377,207,642	-	350,798,596	-	350,798,596
- Ijarah Sukuks	13,114,020	-	11,756,497	-	11,756,497
- Foreign Currency Debt securities	4,055,507	-	2,275,197	-	2,275,197
Foreign Securities					
- Government debt securities	43,426,150	-	44,436,386	-	44,436,386
- Non-Government debt securities	1,096	-	1,096	-	1,096
	437,804,415	-	409,267,772	-	409,267,772
	4,092,564,019	97,363,652	3,966,663,724	-	4,064,027,376

June 30, 2023 (Un-audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
------(Rupees in '000)-----					
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	631,915,466	-	9,586,627	-	9,586,627
Forward government securities transactions	18,314,236	-	93,816	-	93,816
December 31, 2022 (Audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
------(Rupees in '000)-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	848,763,986	-	848,763,986	-	848,763,986
- Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
- Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
- Foreign Currency Debt securities	14,422,839	-	14,422,839	-	14,422,839
Ordinary Shares					
- Listed Companies	36,659,044	36,659,044	-	-	36,659,044
Preference shares					
- Listed	1,091,477	1,091,477	-	-	1,091,477
Mutual Fund units	3,120,431	-	3,120,431	-	3,120,431
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	47,182,336	15,145,954	32,036,382	-	47,182,336
Foreign Securities					
- Government debt securities	1,883,953	-	1,883,953	-	1,883,953
- Equity Securities - Listed	34,844,245	34,844,245	-	-	34,844,245
	3,013,825,929	87,740,720	2,926,085,210	-	3,013,825,929
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	29,376,461	-	29,137,260	-	29,137,260
- Pakistan Investment Bonds	375,236,903	-	355,231,276	-	355,231,276
- Ijarah Sukuks	13,130,709	-	12,383,300	-	12,383,300
- Foreign Currency Debt securities	2,992,408	-	1,665,559	-	1,665,559
Foreign Securities					
- Government debt securities	36,096,507	-	37,327,167	-	37,327,167
- Non-Government debt securities	871	-	871	-	871
	456,833,859	-	435,745,433	-	435,745,433
	3,470,659,788	87,740,720	3,361,830,643	-	3,449,571,363
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts purchase and sale	570,881,591	-	(125,371)	-	(125,371)
Forward government securities transactions	54,568,834	-	(14,626)	-	(14,626)

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

## 34.2 Fair value of non-financial assets

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

June 30, 2023 (Un-audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Land and building	52,253,932	-	-	52,253,932
Non-banking assets acquired in satisfaction of claims	3,694,920	-	-	3,694,920
	55,948,852	-	-	55,948,852
December 31, 2022 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Land and building	52,417,088	-	-	52,417,088
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943
	56,117,031	-	-	56,117,031

For the half year ended June 30, 2023 (Un-audited)							(Rupees in '000)						
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total				
<b>Profit and loss account</b>													
Net mark-up / return / interest	(122,610,118)	18,257,990	17,841,883	153,727,525	12,613	5,915,874	73,145,767	-	73,145,767				
Inter segment revenue - net	184,143,227	(19,324,640)	(12,864,010)	(162,993,123)	-	11,038,546	-	-	-				
Non mark-up / return / interest income	8,135,210	210,920	2,415,012	6,427,030	632,399	1,204,914	19,025,485	-	19,025,485				
Total income	69,668,319	(855,730)	7,392,885	(2,838,568)	645,012	18,159,334	92,171,252	-	92,171,252				
Segment direct expenses	18,444,264	1,496,666	673,713	158,228	4,689,358	16,802,074	27,293,640	-	27,293,640				
Inter segment expense allocation	-	-	-	-	-	-	16,802,074	-	16,802,074				
Total expenses	18,444,264	1,496,666	673,713	158,228	4,689,358	18,633,485	44,095,714	-	44,095,714				
Provisions and write offs - net	(334,251)	755,839	(181,730)	1,318,458	(302,018)	(844,437)	411,861	-	411,861				
Profit / (loss) before taxation	51,558,306	(3,108,255)	6,900,902	(4,315,254)	(3,742,328)	370,286	47,663,677	-	47,663,677				
As at June 30, 2023 (Un-audited)													
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total				
<b>Statement of financial position</b>													
Cash and balances with treasury	167,099,343	11,480,114	318,142	116,158,181	60,286,944	7,674,443	363,017,167	-	363,017,167				
Investments	-	-	27,478,444	3,948,837,384	68,520,725	54,421,183	4,099,257,736	-	4,099,257,736				
Net inter segment lending	2,437,035,863	-	-	-	-	183,148,789	2,620,184,652	(2,620,184,652)	-				
Lendings to financial institutions	-	-	-	135,025,029	-	-	135,025,029	-	135,025,029				
Advances - performing	219,639,869	179,813,556	716,080,256	-	69,316,255	115,291,032	1,300,140,968	-	1,300,140,968				
Advances - non-performing	4,393,064	23,341,163	21,382,504	-	66,239,399	104,268,809	219,684,939	-	219,684,939				
Provision against Advances	(8,672,779)	(20,468,644)	(20,946,283)	-	(64,341,404)	(106,396,873)	(220,827,983)	-	(220,827,983)				
Advances - Net	215,360,154	182,686,075	716,514,477	-	71,274,250	113,162,968	1,298,997,924	-	1,298,997,924				
Others	41,594,611	2,890,993	38,922,253	10,495,395	8,605,670	212,956,002	315,464,924	-	315,464,924				
<b>Total assets</b>	2,861,089,971	197,057,182	783,233,316	4,210,515,989	208,687,589	571,363,385	8,831,947,432	(2,620,184,652)	6,211,762,780				
<b>Borrowings</b>	-	5,398,598	75,391,981	2,005,038,380	16,575,162	-	2,102,404,121	-	2,102,404,121				
Deposits and other accounts	2,732,993,502	-	509,460,655	-	102,798,624	106,436,419	3,451,689,200	-	3,451,689,200				
Net inter segment borrowing	-	182,866,269	169,456,158	2,136,392,787	107,665,662	23,801,776	2,620,184,652	(2,620,184,652)	-				
Others	127,705,357	8,790,315	28,868,829	58,258,013	5,471,232	104,975,218	334,088,964	-	334,088,964				
<b>Total liabilities</b>	2,860,698,859	197,057,182	783,177,623	4,199,689,180	232,510,680	235,213,413	8,508,346,937	(2,620,184,652)	5,888,162,285				
Equity	391,112	-	55,693	10,826,809	(23,823,091)	323,149,972	323,600,495	-	323,600,495				
<b>Total equity and liabilities</b>	2,861,089,971	197,057,182	783,233,316	4,210,515,989	208,687,589	571,363,385	8,831,947,432	(2,620,184,652)	6,211,762,780				
Contingencies and commitments	-	85,880,242	2,184,809,411	712,327,072	27,029,814	41,981,307	3,052,027,846	-	3,052,027,846				

For the half year ended June 30, 2022 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
(63,655,338)	12,550,865	17,087,543	81,530,590	2,445,785	3,144,919	53,104,364
99,463,298	(12,077,484)	(16,900,363)	(82,987,887)		12,502,436	-
7,651,021	234,629	2,605,151	6,493,542	626,652	740,900	18,351,895
43,458,981	708,010	2,792,331	5,036,245	3,072,437	16,388,255	71,456,259
(Rupees in '000)						
16,440,286	1,429,638	603,004	146,689	3,344,236	1,640,890	23,604,743
-	-	-	-	-	12,240,190	12,240,190
16,440,286	1,429,638	603,004	146,689	3,344,236	13,881,080	35,844,933
(32,645)	893,255	1,809,409	1,789,047	(41,411)	(2,683,929)	1,733,728
27,051,340	(1,614,883)	379,918	3,100,509	(230,388)	5,191,104	33,877,598
As at December 31, 2022 (Audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
76,022,158	8,471,928	272,335	116,207,853	41,420,355	6,110,320	248,504,749
-	-	26,566,790	3,338,860,011	55,396,579	56,530,494	3,477,353,874
1,913,764,601	-	-	-	-	161,978,230	2,075,742,831
221,901,091	236,174,990	608,422,187	31,272,467	-	97,859,226	31,272,467
4,107,960	21,853,219	24,119,377	-	68,916,285	1,233,273,779	1,233,273,779
(8,972,018)	(19,791,641)	(23,100,384)	-	53,726,670	101,500,199	205,307,425
217,037,033	238,236,588	609,441,180	-	(52,356,953)	(103,838,404)	(208,059,400)
31,988,215	3,619,415	41,795,925	381,562	70,286,002	95,521,021	1,230,521,804
2,238,812,007	250,327,911	678,076,230	3,486,721,693	173,505,335	488,724,200	5,240,424,546
-	6,032,537	1,839,417,048	-	16,636,856	-	252,771,652
2,089,383,447	-	406,454,898	-	75,916,594	94,429,421	1,940,485,787
-	227,691,242	157,769,526	1,581,730,692	96,687,516	11,863,855	2,075,742,831
149,428,560	16,804,132	35,169,167	44,395,276	2,896,990	84,412,515	332,906,640
2,238,812,007	250,327,911	677,792,937	3,465,543,016	192,137,966	190,705,790	7,015,319,618
-	-	283,293	21,178,677	(18,632,621)	298,018,409	300,847,759
2,238,812,007	250,327,911	678,076,230	3,486,721,693	173,505,335	488,724,200	7,316,167,377
-	183,082,386	1,907,266,393	625,450,425	28,425,095	33,241,948	2,777,466,247

**Profit and loss account**

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

**Statement of financial position**

Cash and balances with treasury	
Investments	
Net inter segment lending	
Lendings to financial institutions	
Advances - performing	
Advances - non-performing	
Provision against advances	
Advances - net	
Others	
Total assets	
Borrowings	
Deposits and other accounts	
Net inter segment borrowing	
Others	
Total liabilities	
Equity	
Total equity and liabilities	
Contingencies and commitments	



**RELATED PARTY TRANSACTIONS**

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

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 with the terms of their appointment.

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

	As at June 30, 2023 (Un-audited)								As at December 31, 2022 (Audited)											
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.D.A.A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.D.A.A/c)	Provident Fund	Other related parties
(Rupees in '000)																				
Balances with other banks																				
In current accounts	-	-	-	-	74,081	-	-	-	-	-	-	-	-	-	-	395,137	-	-	-	-
	-	-	-	-	74,081	-	-	-	-	-	-	-	-	-	-	395,137	-	-	-	-
Investments																				
Opening balance	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	-	-	-	4,465,809
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,825
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	(110,255)	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	1,211,996	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	7,614,375	-	-	-	-	-	-	-	-	-	-	6,512,634
	-	-	-	-	-	-	-	-	7,614,375	-	-	-	-	-	-	-	-	-	-	6,512,634
Provision for diminution in value of investments																				
	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	-	-	461,354
	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	-	-	461,354
Advances																				
Opening balance	-	339,734	227,063	2,665,220	-	-	-	-	2,085,795	-	-	347,592	426,565	2,934,162	-	-	-	-	-	641,482
Addition during the period / year	-	24,135	-	-	-	-	-	-	8,639	-	-	86,147	-	-	-	-	-	-	-	2,229,175
Repaid during the period / year	-	(29,867)	(10,000)	-	-	-	-	-	(526,765)	-	-	(52,240)	(199,502)	(268,942)	-	-	-	-	-	(1,435,378)
Transfer in / (out) - net	-	(27,907)	-	-	-	-	-	-	(1,367,969)	-	-	(41,765)	-	-	-	-	-	-	-	650,516
Closing balance	-	306,095	217,063	2,665,220	-	-	-	-	199,700	-	-	339,734	227,063	2,665,220	-	-	-	-	-	2,085,795
Provisions against loans	-	-	217,063	2,665,220	-	-	-	-	-	-	-	-	217,063	2,665,220	-	-	-	-	-	-
	-	-	217,063	2,665,220	-	-	-	-	-	-	-	-	217,063	2,665,220	-	-	-	-	-	-

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

	As at June 30, 2023 (Un-audited)										As at December 31, 2022 (Audited)									
Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.D.A.A.C)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.D.A.A.C)	Provident Fund	Other related parties	
(Rupees in '000)																				
<b>Other Assets</b>																				
-	-	107,243	1,313,344	-	-	-	-	-	-	-	-	82,502	1,717,167	-	-	-	-	-	-	
-	-	73,280	-	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-	
-	-	180,523	1,313,344	-	-	-	-	-	-	-	-	155,782	1,717,167	-	-	-	-	-	-	
-	-	73,280	-	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-	
<b>Borrowings</b>																				
-	-	-	-	52,245	-	-	-	-	-	-	-	-	-	35,741	-	-	-	-	-	
-	-	-	-	1,335	-	-	-	-	-	-	-	-	-	16,504	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	53,580	-	-	-	-	-	-	-	-	-	52,245	-	-	-	-	-	
<b>Deposits and other accounts</b>																				
-	98,488	911,103	3,000	-	27,222	-	257,252	13,263,170	515,559	1,760	131,454	1,007,337	-	-	86,264	10,100,000	46,769	12,854,755	43,336,142	
4,595	574,072	143,168	-	-	27,942,287	-	2,507,047	3,125,050	9,661,984	-	886,638	14,507	3,000	-	41,951,279	-	8,370,003	5,025,151	5,647,309	
-	(569,264)	(33,820)	(3,000)	-	(27,803,580)	-	(2,188,652)	(2,483,191)	(9,076,335)	(14)	(894,821)	(110,741)	-	-	(42,010,321)	(10,100,000)	(8,159,520)	(4,616,736)	(5,669,604)	
-	(4,734)	-	-	-	-	-	-	-	73,307	(1,746)	(23,803)	-	-	-	-	-	-	-	(42,798,288)	
4,595	98,562	1,020,451	-	-	165,929	-	575,647	13,905,029	1,174,515	-	98,488	911,103	3,000	-	27,222	-	257,252	13,263,170	515,559	
<b>Other Liabilities</b>																				
-	-	46,218	-	-	-	-	-	-	-	-	-	30,676	-	-	-	-	-	-	-	
-	-	46,218	-	-	-	-	-	-	-	-	-	30,676	-	-	-	-	-	-	-	
<b>Contingencies and commitments</b>																				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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

For the half year ended June 30, 2023 (Un-audited)										For the half year ended June 30, 2022 (Un-audited)						
Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others	(Rupees in '000)								
<b>Income</b>																
Mark-up / return / interest earned	-	-	12	-	-	-	217,418	-	-	1,703	3,392	1	-	-	-	136,382
Dividend income	-	-	186,300	-	-	-	95,220	-	-	-	-	114,405	-	-	-	-
Rent income / lighting and power and bank charges	-	-	9,225	2,980	-	-	10,207	-	-	6,638	2,788	-	-	-	-	-
<b>Expense</b>																
Mark-up / return / interest paid	140	6,771	45,870	198	15,715	13,833	-	39,924	-	180	3,272	-	7,853	10,037	760,099	485,711
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	-	-	35,488	-	-	-	-	-	-	-	36,346
Remuneration to key management executives including charge for defined benefit plan	-	427,934	-	-	-	-	-	-	-	420,851	-	-	-	-	-	-
Donation paid to company in which Directors of the bank is interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Commission paid to subsidiaries	-	-	2,476	-	-	-	-	-	-	-	3,141	-	-	-	-	-
Directors fee & other allowances	36,475	-	-	-	-	-	-	-	-	16,475	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

36.1

**Transactions with Government-related entities**

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 5,166 million (June 30, 2022: Rs. 5,185 million) for the half year ended June 30, 2023. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 639,560 million (December 31, 2022: Rs. 593,486 million), Rs. 1,501,219 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,050,311 million (December 31, 2022: Rs. 1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 28,007 million (June 30 2022: Rs. 31,172 million) and Rs. 109,616 million (June 30, 2022: Rs. 25,556 million) respectively.

## 37. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

21,275,131	21,275,131
------------	------------

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

252,793,462	231,190,928
-	-
252,793,462	231,190,928
72,044,718	75,036,139
324,838,180	306,227,067

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

1,086,129,182	1,066,232,569
99,025,974	93,557,759
258,686,736	258,686,736
1,443,841,892	1,418,477,064

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

17.51%	16.30%
17.51%	16.30%
22.50%	21.59%

**Leverage Ratio (LR):**

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

252,793,462	231,190,928
8,612,649,089	7,502,352,873
2.94%	3.08%

The Bank has leverage ratio of 2.94% as of June 30, 2023, which has been relaxed upto 2.5% till March 31, 2024 by SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023.

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

1,428,265,596	1,418,328,644
906,360,229	963,197,902
158%	147%

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

3,116,487,654	2,684,457,394
1,167,531,326	1,069,401,835
267%	251%

### 38. ISLAMIC BANKING BUSINESS

The Bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 81 (December 31, 2022: 50) Islamic banking windows as at June 30, 2023.

The statement of financial position of the Bank's Islamic banking branches as at June 30, 2023 is as follows:

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
<b>ASSETS</b>			
		7,660,095	6,096,555
		14,347	13,766
	38.1	51,822,072	53,920,119
	38.2	65,145,786	46,380,996
		79,132	87,489
		498,324	508,977
		4,429,627	2,294,054
<b>Total Assets</b>		<b>129,649,383</b>	<b>109,301,956</b>
<b>LIABILITIES</b>			
		315,187	1,210,608
	38.3	103,974,005	93,591,714
		15,033,161	4,005,715
		707,385	721,152
		1,384,770	1,490,182
		<b>121,414,508</b>	<b>101,019,371</b>
<b>NET ASSETS</b>		<b>8,234,875</b>	<b>8,282,585</b>
<b>REPRESENTED BY</b>			
		6,731,000	5,561,000
		(326,919)	424,444
	38.4	1,830,794	2,297,141
		<b>8,234,875</b>	<b>8,282,585</b>

The profit and loss account of the Bank's Islamic banking operations for the half year ended June 30, 2023 is as follows:

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
	Note	------(Rupees in '000)-----	
Profit / return earned	38.5	9,591,276	5,228,503
Profit / return expensed	38.6	6,217,148	3,133,263
Net profit / return		3,374,128	2,095,240
<b>Other income</b>			
Fee and commission income		140,872	130,460
Foreign exchange income		7,052	18,116
Other income		45	1,861
Total other income		147,969	150,437
Total income		3,522,097	2,245,677
<b>Other expenses</b>			
Operating expenses		1,645,380	1,412,820
Other charges		120	-
Total other expenses		1,645,500	1,412,820
Profit before provisions		1,876,597	832,857
Provisions charge / (reversal) and write offs - net		45,803	(25,824)
Profit before taxation		1,830,794	858,681
Taxation		-	-
Profit after taxation		1,830,794	858,681

### 38.1 Investments by segments:

June 30, 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

33,629,968	-	(697,785)	32,932,183	33,648,948	-	(339,589)	33,309,359
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#### Non Government Debt Securities:

- Listed

- Unlisted

8,000,000	-	303,563	8,303,563	8,200,000	-	303,132	8,503,132
10,649,830	(130,807)	67,303	10,586,326	11,777,533	(130,807)	460,901	12,107,628
18,649,830	(130,807)	370,866	18,889,889	19,977,533	(130,807)	764,033	20,610,760
52,279,798	(130,807)	(326,919)	51,822,072	53,626,481	(130,807)	424,444	53,920,119

#### Total Investments

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

### 38.2 Islamic financing and related assets - net

Ijarah	14,182	38,208
Murabaha	1,528,136	1,713,901
Running Musharaka	20,000,000	-
Diminishing Musharaka	21,629,624	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	1,000,000	2,127,000
Advance for Diminishing Musharaka	144,937	100,894
Advance for Istisna	10,055,662	9,396,236
Inventories against Istisna	2,974,347	3,097,800
Gross Islamic financing and related assets	65,846,888	47,036,295
Less: provision against Islamic financings		
- Specific	(700,818)	(654,980)
- General	(284)	(319)
	(701,102)	(655,299)
Islamic financing and related assets - net of provision	65,145,786	46,380,996

### 38.3 Deposits and other accounts

#### Customers

Current deposits	23,371,760	20,659,185
Savings deposits	44,030,023	41,254,385
Term deposits	13,843,997	15,137,438
	81,245,780	77,051,008

#### Financial Institutions

Current deposits	1,031,876	354,951
Savings deposits	18,395,849	14,114,989
Term deposits	3,300,500	2,070,766
	22,728,225	16,540,706
	103,974,005	93,591,714

### 38.4 Unappropriated / unremitted profit

Opening balance	2,297,141	1,502,668
Add: Islamic banking profit for the period / year	1,830,794	2,297,141
Less: Transferred / remitted to Head office	(2,297,141)	(1,502,668)
Closing balance	1,830,794	2,297,141

(Un-audited)	
For the half year ended	
June 30, 2023	June 30, 2022
------(Rupees in '000)-----	
5,424,651	2,178,680
4,166,044	2,832,181
581	360
-	217,282
<u>9,591,276</u>	<u>5,228,503</u>

### 38.5 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:		
Financing	5,424,651	2,178,680
Investments	4,166,044	2,832,181
Placements	581	360
Others (Bai Muajjal)	-	217,282
	<u>9,591,276</u>	<u>5,228,503</u>

### 38.6 Profit on Deposits and other Dues Expensed

Deposits and other accounts	3,913,770	1,976,290
Amortisation of lease liability against ROUA	30,075	36,858
Others (General Account)	2,273,303	1,120,115
	<u>6,217,148</u>	<u>3,133,263</u>

## 39. GENERAL

**39.1** Figures have been rounded off to the nearest thousand rupees.

40. DATE OF AUTHORIZATION FOR ISSUE

The unconsolidated condensed interim financial statements were authorized for issue on August 29, 2023 by the Board of Directors of the Bank.

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director



# Consolidated Financial Statements of NBP and its Subsidiary Companies

## Directors' Report to the Shareholders

### Consolidated Financial Statements

#### Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the six-months period ended June 30, 2023.

Consolidated after-tax profit for the six months' period ended June 30, 2023 amounted to PKR 27.1 Bn, being 121.7% higher than PKR 12.2 Bn of the same period last year (SPLY). During the period ended, the subsidiary companies contributed PKR 0.658 Bn (June 30, 2022: PKR 0.337 Bn) in Group profitability, whereas the associates contributed a net profit of PKR 0.018 Bn (June 30, 2022: Share of loss PKR 0.061 Bn). A share of profit of PKR 0.623 Bn (June 30, 2022: PKR 0.247 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP has 45% shareholding. Accordingly, consolidated EPS improved to PKR 12.71 for H1-2023 as compared to PKR 5.74 of SPLY.

As of June 30, 2023, consolidated assets of the Group amounted to PKR 6,227.0 Bn being PKR 975.2 Bn or 18.6% higher than PKR 5,251.8 Bn of December 31, 2022.

Profit for the six-months period ended June 30, 2023 after carry forward of accumulated profit of 2022 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the six months period ended June 30, 2023	27,139.9
Unappropriated profit brought forward	178,189.6
Other comprehensive income - net of tax	(120.2)
Non-controlling interest	(105.0)
Transfer from surplus on revaluation of fixed assets – net of tax	90.8
	178,055.2
Profit available for appropriations	205,195.1
<b>Appropriation:</b>	
Transfer to statutory reserve	(2,602.2)
<b>Unappropriated profit carried forward</b>	<b>202,592.9</b>

For and on behalf of the Board of Directors

**Rehmat Ali Hasnie**  
President & CEO (A)

Karachi  
Date: August 29, 2023

**Ahsan Ali Chughtai**  
Director



## ڈائریکٹرز کی شیر ہولڈرز کو رپورٹ مجموعی مالیاتی گوشوارے

محترم شیر ہولڈرز،

ہم بورڈ آف ڈائریکٹرز کی طرف سے 30 جون 2023 کو ختم ہونے والی چھ ماہ کی مدت کے لیے نیشنل بینک آف پاکستان "دی بینک" اور اس کے ذیلی اداروں کے لیے ڈائریکٹرز کا جائزہ اور عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

30 جون 2023 کو ختم ہونے والی چھ ماہ کی مدت کے لیے ٹیکس کے بعد ہونے والا مجموعی منافع 27.1 بلین روپے رہا جو کہ پچھلے سال کے انہی چھ ماہ کے عرصے میں ہونے والے 12.2 بلین روپے کے منافع سے 121.7% زیادہ ہے۔ زیر جائزہ عرصے کے لیے بینک کے ذیلی اداروں نے گروپ کے منافع میں 0.658 بلین روپے کے خالص منافع کا حصہ ڈالا (30 جون 2022: 0.337 بلین روپے) جبکہ شریک اداروں کی جانب سے خالص منافع میں حصہ 0.018 بلین روپے (30 جون 2022: نقصان کا حصہ 0.061 بلین روپے منافع) تھا۔ تاہم برطانیہ میں واقع مشترکہ منصوبے UNBL، جس میں بینک کا 45% حصص ہے، کی وجہ سے 0.623 بلین روپے (30 جون 2022: 0.247 بلین روپے) کا منافع ریکارڈ کیا گیا اس طرح 30 جون 2022 کو ختم ہونے والے چھ ماہ کے لیے مجموعی فی حصص آمدنی (EPS) گزشتہ سال کے انہی چھ ماہ کے 5.74 روپے فی حصص سے بڑھ کر 12.71 روپے فی حصص ہو گئی۔

30 جون 2023 کو بینک کے مجموعی اثاثوں کی مالیت 6,227.0 بلین روپے تھی جو کہ 31 دسمبر 2022 کے بینک کے مجموعی اثاثوں کی مالیت 5,251.8 بلین روپے سے 975.2 بلین روپے یا 18.6% زیادہ ہے۔

30 جون 2023 کو ختم ہونے والے چھ ماہ کا منافع 2022 کے جمع شدہ منافع کو آگے بڑھانے کے بعد تخصیص کے لیے تجویز کیا گیا ہے:

(بلین روپے)

27,139.9

178,189.6

(120.2)

(105.0)

90.8

178,055.2

205,195.1

(2,602.2)

202,592.9

30 جون 2023 کو ختم ہونے والے تین ماہ کے لیے بعد از ٹیکس منافع

غیر تصرف شدہ آگے لایا جانے والا منافع

دیگر جامع آمدنی۔ بعد از ٹیکس

نان کنٹرولنگ انٹرسٹ

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

تصرف کے لیے دستیاب منافع

تصرف:

قانونی ذخائر میں منتقلی

غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے

احسن علی چغتائی

ڈائریکٹر

رحمت علی حسنی

صدر اور سی ای او (اے)

کراچی

تاریخ: 29 اگست 2023

## Consolidated Condensed Interim Statement of Financial Position

### As at June 30, 2023

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks	6	338,089,727	230,226,311
Balances with other banks	7	26,320,834	19,623,124
Lendings to financial institutions	8	135,025,029	31,272,467
Investments	9	4,109,303,381	3,482,935,847
Advances	10	1,299,178,942	1,230,669,118
Fixed assets	11	57,692,288	57,604,343
Intangible assets	12	2,065,516	2,101,322
Right of use assets	13	7,066,951	7,186,067
Deferred tax asset	14	29,962,726	22,406,230
Other assets	15	222,304,335	167,741,065
		6,227,009,730	5,251,765,894
LIABILITIES			
Bills payable	16	20,092,875	55,268,019
Borrowings	17	2,102,404,121	1,940,485,787
Deposits and other accounts	18	3,450,668,749	2,665,273,257
Liabilities against assets subject to finance lease	19	213,875	121,453
Lease liability against right of use assets	20	8,416,598	8,761,015
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	21	307,809,414	271,556,131
		5,889,605,632	4,941,465,662
NET ASSETS		337,404,098	310,300,232
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves		82,962,454	67,488,847
Surplus on revaluation of assets	22	29,554,195	42,273,537
Unappropriated profit		202,592,873	178,189,579
Total Equity attributable to the equity holders of the Bank		336,384,653	309,227,094
Non-controlling interest		1,019,445	1,073,138
		337,404,098	310,300,232

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director



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

### For the quarter and half year ended June 30, 2023

		Quarter ended		Half year ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Note		(Rupees in '000)			
Mark-up / return / interest earned	24	240,047,422	100,247,476	432,546,000	179,495,567
Mark-up / return / interest expensed	25	199,299,487	72,885,097	359,173,467	126,310,596
Net mark-up / return / interest income		40,747,935	27,362,379	73,372,533	53,184,971
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	6,462,749	5,897,731	11,418,695	10,857,375
Dividend income		1,218,639	955,243	2,239,336	1,841,914
Foreign exchange income		3,135,694	2,420,118	4,487,811	4,690,759
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	27	563,881	953,686	933,180	1,055,371
Share of profit from joint venture - net of tax		336,907	145,964	623,395	246,663
Share of profit / (loss) from associates - net of tax		27,173	(62,635)	17,786	(61,244)
Other income	28	602,140	458,915	1,207,537	815,392
Total non-mark-up / interest income		12,347,183	10,769,022	20,927,740	19,446,230
Total income		53,095,118	38,131,401	94,300,273	72,631,201
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	23,120,927	19,408,905	44,661,140	36,460,211
Other charges	30	181,214	8,585	196,913	30,263
Total non-markup / interest expenses		23,302,141	19,417,490	44,858,053	36,490,474
Profit before provisions		29,792,977	18,713,911	49,442,220	36,140,727
(Reversal) / Provisions and write offs - net	31	(328,855)	589,037	405,331	2,024,778
PROFIT BEFORE TAXATION		30,121,832	18,124,874	49,036,889	34,115,949
Taxation	32	14,275,214	15,596,369	21,896,959	21,873,821
PROFIT AFTER TAXATION		15,846,618	2,528,505	27,139,930	12,242,128
Attributable to:					
Equity holders of the Bank		15,785,657	2,509,677	27,034,923	12,205,488
Non-controlling interest		60,961	18,828	105,007	36,640
		15,846,618	2,528,505	27,139,930	12,242,128
(Rupees)					
Earnings per share - basic and diluted	33	7.42	1.18	12.71	5.74

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

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

### For the quarter and half year ended June 30, 2023

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)			
Profit after taxation for the period	15,846,618	2,528,505	27,139,930	12,242,128
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	1,383,007	4,031,168	12,871,381	5,331,808
Movement in surplus on revaluation of investments - net of tax	3,095,444	(10,217,341)	(12,210,505)	(9,415,010)
	4,478,451	(6,186,173)	660,876	(4,083,202)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	167,826	(1,121,176)	(120,174)	(1,609,211)
Movement in surplus on revaluation of fixed assets - net of tax	(415,031)	(128)	(415,031)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(3,034)	-	(3,034)	-
	(250,239)	(1,121,303)	(538,239)	(1,609,211)
<b>Total comprehensive income / (loss)</b>	<b>20,074,830</b>	<b>(4,778,971)</b>	<b>27,262,567</b>	<b>6,549,715</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	20,013,869	(4,797,799)	27,157,560	6,513,075
Non-controlling interest	60,961	18,828	105,007	36,640
	<b>20,074,830</b>	<b>(4,778,971)</b>	<b>27,262,567</b>	<b>6,549,715</b>

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

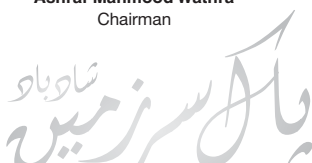
**Ashraf Mahmood Wathra**  
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Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director



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

### For the half year ended June 30, 2023

Share capital	Reserves					Surplus / (Deficit) on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling Interest	Total
	Exchange translation	Statutory reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / Non-banking assets	Total				
----- (Rupees in '000) -----												
21,275,131	14,880,385	39,025,546	8,000,000	521,338	62,427,269	19,552,731	45,442,249	64,994,980	145,312,547	294,009,927	1,013,454	295,023,381
-	-	-	-	-	-	-	-	-	12,205,488	12,205,488	36,640	12,242,128
-	5,331,808	-	-	-	5,331,808	(9,415,010)	-	(9,415,010)	(1,609,211)	(5,692,413)	-	(5,692,413)
-	5,331,808	-	-	-	5,331,808	(9,415,010)	-	(9,415,010)	10,596,277	6,513,075	36,640	6,549,715
-	-	1,214,032	-	-	1,214,032	-	-	-	(1,214,032)	-	-	-
-	-	-	-	-	-	-	(98,842)	(98,842)	98,842	-	-	-
-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	8,000,000	-	-	-
21,275,131	20,212,193	40,239,578	-	521,338	60,973,109	10,137,719	45,343,407	55,481,126	162,793,634	300,523,000	1,050,094	301,573,094
2	-	-	-	-	-	-	-	-	18,629,099	18,629,099	77,784	18,706,883
-	4,688,740	-	-	-	4,688,740	(15,891,554)	2,782,807	(13,108,747)	(1,504,998)	(9,925,005)	-	(9,925,005)
-	4,688,740	-	-	-	4,688,740	(15,891,554)	2,782,807	(13,108,747)	17,124,101	8,704,094	77,784	8,781,878
-	-	1,826,998	-	-	1,826,998	-	-	-	(1,826,998)	-	-	-
-	-	-	-	-	-	-	(98,842)	(98,842)	98,842	-	-	-
-	-	-	-	-	-	-	-	-	-	-	(54,740)	(54,740)
21,275,131	24,900,933	42,066,576	-	521,338	67,488,847	(5,753,835)	48,027,372	42,273,537	178,189,579	309,227,094	1,073,138	310,300,232
-	-	-	-	-	-	-	-	-	27,034,923	27,034,923	105,007	27,139,930
-	12,871,381	-	-	-	12,871,381	(12,210,505)	(418,066)	(12,628,571)	(120,174)	122,637	-	122,637
-	12,871,381	-	-	-	12,871,381	(12,210,505)	(418,066)	(12,628,571)	26,914,750	27,157,560	105,007	27,262,567
-	-	2,602,226	-	-	2,602,226	-	-	-	(2,602,226)	-	-	-
-	-	-	-	-	-	-	(90,770)	(90,770)	90,770	-	-	-
-	-	-	-	-	-	-	-	-	-	-	(158,700)	(158,700)
21,275,131	37,772,314	44,668,802	-	521,338	82,962,454	(17,964,341)	47,518,537	29,554,195	202,592,873	336,384,653	1,019,445	337,404,098

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

## Consolidated Condensed Interim Cash Flow Statement (Un-audited)

### For the half year ended June 30, 2023

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	49,036,889	34,115,949
Less: dividend income	(2,239,336)	(1,841,914)
	<u>46,797,553</u>	<u>32,274,035</u>
Adjustments:		
Depreciation	1,325,123	1,290,355
Depreciation on right of use assets	1,092,726	1,071,905
Amortisation	181,828	149,401
Provision and write-offs - net	405,331	2,024,778
Gain on sale of fixed assets - net	(6,064)	(8,719)
Financial charges on leased assets	127,908	38,117
Finance charges on lease liability against right of use assets	411,110	440,015
Unrealized gain on revaluation of investments classified as held-for-trading	59,584	76,456
Charge for defined benefit plans - net	6,196,896	4,176,775
Share of (profit) from joint venture - net of tax	(623,395)	(246,663)
Share of (profit) / loss from associates - net of tax	(17,786)	61,244
	<u>9,153,261</u>	<u>9,073,664</u>
	55,950,814	41,347,699
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(98,752,562)	129,489,559
Held-for-trading securities	55,216,216	61,645,096
Advances	(81,341,926)	(62,343,877)
Other assets (excluding advance taxation)	(44,507,854)	(79,715,553)
	<u>(169,386,126)</u>	<u>49,075,225</u>
<b>Increase/ (decrease) in operating liabilities</b>		
Bills payable	(35,175,144)	9,034,331
Borrowings from financial institutions	170,110,086	1,015,867,988
Deposits	785,395,492	179,764,593
Other liabilities (excluding current taxation)	41,606,775	71,969,010
	<u>961,937,209</u>	<u>1,276,635,922</u>
Financial charges paid	(539,018)	(478,132)
Income tax paid	(27,098,980)	(6,891,873)
Benefits paid	(2,484,956)	(1,666,668)
<b>Net cash flows generated from operating activities</b>	<b>818,378,942</b>	<b>1,358,022,173</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(721,918,570)	(1,248,033,196)
Net investments in held-to-maturity securities	19,013,119	(140,700,291)
Dividends received	2,239,336	1,944,559
Investments in fixed assets	(1,511,991)	(1,138,210)
Proceeds from sale of fixed assets	30,469	48,252
Effect of translation of net investment in foreign branches	12,871,381	5,331,808
<b>Net cash flows (used in) / generated from investing activities</b>	<b>(689,276,256)</b>	<b>(1,382,547,078)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations	(1,349,471)	(687,131)
Dividend paid	(337)	-
<b>Net cash flows used in financing activities</b>	<b>(1,349,808)</b>	<b>(687,131)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>		
	<b>127,752,878</b>	<b>(25,212,036)</b>
Cash and cash equivalents at beginning of the period	213,011,414	271,001,413
Effects of exchange rate changes on cash and cash equivalents	11,037,599	2,050,794
	<u>224,049,013</u>	<u>273,052,207</u>
Cash and cash equivalents at end of the period	351,801,891	247,840,172

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director





# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2023

## 1. THE GROUP AND ITS OPERATIONS

### 1.1 The "Group" consists of:

#### Holding Company

- National Bank of Pakistan (the Bank)

#### Subsidiary Companies

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

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

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

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,511 (December 31, 2022: 1,512) branches in Pakistan and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

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

### 1.2 BASIS OF CONSOLIDATION

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

## 2. BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

**Standard, interpretation or amendment****Effective from accounting period  
beginning on or after**

- IFRS 9 - Financial instruments (note 3.1.3)
- IAS 1 - Non current liabilities with covenants (amendments)
- IFRS 16 - Sale and leaseback (amendments)

January 1, 2024

January 1, 2024

January 1, 2024

The management is in the process of assessing the impact of these amendments on the consolidated condensed interim financial statements of the Group.

- 3.1.3** As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.
- 3.1.4** As disclosed in note 3.4.6 to the annual audited consolidated financial statements of the Bank for the year ended 31 December 2022, the Bank had performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**5. FINANCIAL RISK MANAGEMENT**

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

**6. CASH AND BALANCES WITH TREASURY BANKS**

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	

In hand

Local currency  
Foreign currencies

54,316,129	52,750,990
9,740,652	7,436,911
64,056,781	60,187,901

With State Bank of Pakistan in

Local currency current accounts  
Foreign currency current accounts  
Foreign currency deposit accounts  
Foreign currency collection accounts

6.1	168,489,424	106,933,909
6.2	20,620,370	15,661,453
6.2	41,182,632	15,623,732
	2,483,587	1,135,059
	232,776,013	139,354,153

With other central banks in

Foreign currency current accounts  
Foreign currency deposit accounts

6.3	31,848,365	26,631,693
6.3	9,042,783	3,725,602
	40,891,148	30,357,295

Prize bonds

365,785	326,962
338,089,727	230,226,311

**6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

**6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5.25% per annum (December 31, 2022: 0% to 4.50% per annum).

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		501,295	537,182
In deposit accounts	7.1	354,809	501,303
		<b>856,104</b>	1,038,485
Outside Pakistan			
In current accounts		11,307,207	12,395,611
In deposit accounts	7.2	14,157,523	6,189,028
		<b>25,464,730</b>	18,584,639
		<b>26,320,834</b>	19,623,124

- 7.1** These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.00% per annum (December 31, 2022: 3.50% to 9.50% per annum).

- 7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 2.20% to 4.88% per annum (December 31, 2022: 0% to 4.00% per annum).

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	8.1	5,009,723	9,723
Repurchase agreement lendings (Reverse Repo)	8.2	105,015,306	31,262,744
Musharaka Lending	8.3	25,000,000	-
Letters of placement	8.4	174,150	174,150
	8.5	<b>135,199,179</b>	31,446,617
Less: provision held against lendings to financial institutions	8.6	(174,150)	(174,150)
Lendings to financial institutions - net of provision		<b>135,025,029</b>	31,272,467

- 8.1** These carry mark-up at the rate of 22.95% per annum (December 31, 2022: Nil) with maturity upto July 04, 2023 (December 31, 2022: Nil). These also include zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.

- 8.2** These carry mark-up at rates ranging from 20.95% to 22.95% per annum (December 31, 2022: 16.05% to 16.50% per annum) with maturities ranging from from July 04, 2023 to July 24, 2023.

- 8.3** This represents Musharaka agreements entered into with Meezan Bank Limited and carrying profit at the rate of 22.95% per annum (December 31, 2022: Nil) with maturity upto July 04, 2023 (December 31, 2022: Nil).

- 8.4** These are overdue placements and full provision has been made against these placements as at June 30, 2023.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>8.5 Particulars of lending</b>		
In local currency	135,199,179	31,446,617
In foreign currencies	-	-
	<u>135,199,179</u>	<u>31,446,617</u>

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

Opening balance	174,150	174,150
Charge / (reversal) for the period	-	-
Closing balance	<u>174,150</u>	<u>174,150</u>

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

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	27,354,706	-	27,354,706	18,699,589	-	18,699,589
Pakistan Investment Bonds	77,660,600	-	77,660,600	12,563,155	-	12,563,155
Total	<u>105,015,306</u>	<u>-</u>	<u>105,015,306</u>	<u>31,262,744</u>	<u>-</u>	<u>31,262,744</u>

**8.7.1** Market value of the securities under repurchase agreement lendings amounts to Rs. 103,613 million (December 31, 2022: Rs. 31,027 million).

	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	------(Rupees in '000)-----			
<b>8.8 Category of classification</b>				
Domestic				
Loss	<u>174,150</u>	<u>174,150</u>	<u>174,150</u>	<u>174,150</u>

## 9. INVESTMENTS

## 9.1 Investments by type:

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
<b>Held-for-trading securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	8,454,182	-	(9,880)	8,444,302	22,269,343	-	(2,665)	22,266,678
- Pakistan Investment Bonds	20,542,948	-	(65,165)	20,477,783	61,942,656	-	(1,031,197)	60,911,459
<b>Ordinary Shares</b>								
- Listed Companies	548,637	-	12,401	561,038	424,708	-	(20,939)	403,769
<b>Mutual Fund units</b>	798,243	-	3,059	801,302	623,941	-	(10,996)	612,945
<b>Foreign Securities</b>								
- Government debt securities	2,478,447	-	-	2,478,447	1,771,813	-	-	1,771,813
	32,822,457	-	(59,585)	32,762,872	87,032,461	-	(1,065,797)	85,966,664
<b>Available-for-sale securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	1,031,992,285	-	(2,771,490)	1,029,220,795	828,957,708	-	(2,354,400)	826,603,308
- Pakistan Investment Bonds	2,476,253,843	-	(52,849,428)	2,423,404,415	1,972,276,787	-	(27,509,276)	1,944,767,511
- Ijarah Sukuks	20,533,273	-	(697,785)	19,835,488	20,518,238	-	(339,589)	20,178,649
- Foreign Currency Debt securities	41,956,194	-	(23,862,406)	18,093,788	33,045,353	-	(18,622,514)	14,422,839
<b>Ordinary Shares</b>								
- Listed Companies	46,808,497	(11,478,394)	3,784,258	39,114,361	41,606,225	(10,159,936)	4,821,267	36,267,556
- Unlisted Companies	1,882,463	(427,951)	-	1,454,512	1,882,463	(427,951)	-	1,454,512
<b>Preference shares</b>								
- Listed	1,448,472	(566,446)	170,285	1,052,311	1,448,472	(566,446)	209,451	1,091,477
- Unlisted	558,284	(279,284)	-	279,000	558,284	(279,284)	-	279,000
<b>Non-Government debt securities</b>								
- Term Finance Certificates and Sukuk Bonds	51,861,330	(5,925,666)	426,559	46,362,223	52,146,989	(5,990,161)	1,047,326	47,204,154
<b>Mutual Fund units</b>	2,219,646	(41,167)	829,367	3,007,846	2,219,646	(41,167)	941,952	3,120,431
<b>Foreign Securities</b>								
- Equity Securities - Listed	463,294	-	41,819,040	42,282,335	463,294	-	34,380,951	34,844,245
- Government debt securities	2,978,760	-	(34,590)	2,944,170	1,914,312	-	(30,359)	1,883,953
	3,678,956,341	(18,718,908)	(33,186,190)	3,627,051,244	2,957,037,771	(17,464,945)	(7,455,191)	2,932,117,635
<b>Held-to-maturity securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	157,490	-	-	157,490	29,519,190	-	-	29,519,190
- Pakistan Investment Bonds	377,257,547	-	-	377,257,547	375,285,244	-	-	375,285,244
- Ijarah Sukuks	13,114,020	-	-	13,114,020	13,130,709	-	-	13,130,709
- Foreign Currency Debt securities	4,055,507	-	-	4,055,507	2,992,408	-	-	2,992,408
<b>Non-Government debt securities</b>								
- Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuk Bonds	404,585	(404,585)	-	-	404,585	(404,585)	-	-
<b>Foreign Securities</b>								
- Government debt securities	43,426,150	-	-	43,426,150	36,096,507	-	-	36,096,507
- Non-Government debt securities	1,096	-	-	1,096	871	-	-	871
	438,416,395	(404,585)	-	438,011,810	457,429,514	(404,585)	-	457,024,929
<b>Associates</b>	1,142,116	(737,365)	-	404,751	1,127,609	(742,298)	-	385,311
<b>Joint Venture</b>	11,072,704	-	-	11,072,704	7,441,308	-	-	7,441,308
<b>Subsidiaries</b>	1,245	(1,245)	-	-	1,245	(1,245)	-	-
<b>Total Investments</b>	<b>4,162,411,258</b>	<b>(19,862,104)</b>	<b>(33,245,775)</b>	<b>4,109,303,381</b>	<b>3,510,069,908</b>	<b>(18,613,073)</b>	<b>(8,520,988)</b>	<b>3,482,935,847</b>

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	------(Rupees in '000)-----	

#### 9.1.1 Investments given as collateral

The book value of investments given as collateral against borrowings is as follows:

Pakistan Investment Bonds	1,993,771,401	1,136,497,472
Market Treasury Bills	10,223,748	689,709,291
	<u>2,003,995,149</u>	<u>1,826,206,763</u>

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#### 9.2 Provision for diminution in value of investments

9.2.1 Opening balance	18,613,073	13,386,051
Charge / reversals		
Charge for the period / year	1,329,386	5,226,348
Reversals for the period / year	(80,355)	(850,070)
	1,249,031	4,376,278
Transfers - net	-	850,744
Closing Balance	<u>19,862,104</u>	<u>18,613,073</u>

#### 9.2.2 Particulars of provision against debt securities

Category of classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Investment	Provision	Non Performing Investment	Provision
------(Rupees in '000)-----				
Domestic				
Loss	6,330,251	6,330,251	6,525,731	6,394,746
	<u>6,330,251</u>	<u>6,330,251</u>	<u>6,525,731</u>	<u>6,394,746</u>

9.3 The market value of securities classified as held-to-maturity as at June 30, 2023 amounted to Rs. 409,475 million (December 31, 2022: Rs. 435,937 million).

#### 10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022

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

Loans, cash credits, running finances, etc.	1,212,378,296	1,168,292,452	205,575,714	190,934,209	1,417,954,010	1,359,226,661
Islamic financing and related assets	64,921,071	46,381,315	925,817	654,980	65,846,888	47,036,295
Net Investment in finance lease	16,207	35,384	28,944	28,944	45,151	64,328
Bills discounted and purchased	22,845,452	18,598,616	13,640,209	14,106,504	36,485,661	32,705,120
Advances - gross	1,300,161,026	1,233,307,767	220,170,684	205,724,637	1,520,331,710	1,439,032,404

Provision against advances

- Specific	-	-	204,421,163	191,014,747	204,421,163	191,014,747
- General	16,731,604	17,348,539	-	-	16,731,604	17,348,539
	16,731,604	17,348,539	204,421,163	191,014,747	221,152,768	208,363,286
Advances - net of provision	<u>1,283,429,422</u>	<u>1,215,959,228</u>	<u>15,749,521</u>	<u>14,709,890</u>	<u>1,299,178,942</u>	<u>1,230,669,118</u>

## 10.1 Net Investment in Finance Lease

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
----- (Rupees in '000) -----								
Lease rentals receivable	53,144	-	-	53,144	52,152	-	-	52,152
Residual value	16,332	-	-	16,332	36,505	-	-	36,505
Minimum lease payments	69,476	-	-	69,476	88,657	-	-	88,657
Less: financial charges for future periods	24,325	-	-	24,325	24,329	-	-	24,329
Present value of minimum lease payments	45,151	-	-	45,151	64,328	-	-	64,328

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

(Un-audited) June 30, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----	

## 10.2 Particulars of advances (Gross)

In local currency	1,382,879,862	1,316,066,358
In foreign currencies	137,451,848	122,966,046
	<u>1,520,331,710</u>	<u>1,439,032,404</u>

- 10.3 Advances include Rs. 220,171 million (December 31, 2022: Rs. 205,725 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other Assets Especially Mentioned	2,433,500	94,283	1,789,957	73,114
Substandard	5,157,160	1,255,276	5,888,114	1,439,917
Doubtful	9,402,797	4,933,367	8,883,354	4,648,305
Loss	136,486,205	134,043,450	135,113,451	132,837,538
	<u>153,479,662</u>	<u>140,326,378</u>	<u>151,674,876</u>	<u>138,998,874</u>
<b>Overseas</b>				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	408,225	204,113	331,133	165,567
>365 days	66,282,797	63,890,673	53,718,628	51,850,306
	<u>66,691,022</u>	<u>64,094,786</u>	<u>54,049,761</u>	<u>52,015,873</u>
<b>Total</b>	<u>220,170,684</u>	<u>204,421,163</u>	<u>205,724,637</u>	<u>191,014,747</u>



#### 10.4 Particulars of provision against advances

Note	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	191,014,747	17,348,539	208,363,286	179,654,610	12,472,591	192,127,201
Exchange adjustments	13,618,760	161,439	13,780,198	8,349,754	107,952	8,457,706
Charge for the period / year	1,916,921	631,202	2,548,123	5,227,345	9,553,101	14,780,446
Reversals	(2,850,431)	(645,789)	(3,496,219)	(5,011,542)	(1,757,105)	(6,768,647)
	(933,509)	(14,587)	(948,096)	215,803	7,795,996	8,011,799
Amounts written off	(23,630)	-	(23,630)	(177,162)	-	(177,162)
Amounts charged off - agriculture financing	(18,988)	-	(18,988)	(56,258)	-	(56,258)
Transfer from general to specific provision	763,786	(763,786)	-	3,028,000	(3,028,000)	-
Closing balance	204,421,163	16,731,604	221,152,768	191,014,747	17,348,539	208,363,286

#### 10.4.1 Particulars of provision against advances

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	140,326,378	16,197,868	156,524,244	138,998,874	16,741,242	155,740,116
In foreign currencies	64,094,786	533,737	64,628,522	52,015,873	607,297	52,623,170
	204,421,163	16,731,604	221,152,768	191,014,747	17,348,539	208,363,286

**10.4.2** General provision includes provision amounting to Rs. 4,896 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 534 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Group operates.

The Group has also maintained general provision of Rs. 11,302 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

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

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

11. FIXED ASSETS	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
Capital work-in-progress	11.1	1,333,469	1,086,001
Property and equipment		56,358,819	56,518,342
		57,692,288	57,604,343

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>11.1 Capital work-in-progress</b>		
Civil works	1,244,756	1,010,529
Equipment	10,825	10,825
Advances to suppliers and contractors	77,888	64,647
	<u>1,333,469</u>	<u>1,086,001</u>

	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	------(Rupees in '000)-----	

**11.2 Additions to fixed assets**

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

<b>Capital work-in-progress</b>	363,505	215,149
<b>Property and equipment</b>		
Building on freehold land	50,955	26,460
Building on leasehold land	23,296	513
Furniture and fixtures	385,168	259,286
Computer and peripheral equipment	193,060	102,949
Electrical and office equipment	268,843	163,232
Vehicles	194,714	100,993
Assets held under finance lease - Vehicles	124,165	44,999
	<u>1,240,200</u>	<u>698,432</u>
<b>Total</b>	<u>1,603,705</u>	<u>913,582</u>

**11.3 Disposal of fixed assets**

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

Furniture and fixture	1,727	78
Computer and peripheral equipment	151	468
Electrical and office equipment	45	28
Vehicles	5,010	23,773
Assets held under finance lease - Vehicle	17,472	15,186
<b>Total</b>	<u>24,405</u>	<u>39,534</u>

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	

**12. INTANGIBLE ASSETS**

Capital work-in-progress - Software Implementation	852,055	869,907
Computer Software	650,908	668,862
Goodwill on NBP Fund Acquisition	562,553	562,553
	<u>2,065,516</u>	<u>2,101,322</u>

	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	------(Rupees in '000)-----	
<b>12.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Capital work-in-progress - net additions	78,776	250,816
Directly purchased	25,417	60,515
Total	<u>104,193</u>	<u>311,331</u>
	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>13. RIGHT-OF-USE ASSETS</b>		
Balance as at January 01	7,186,067	7,090,980
Additions during the period / year	982,409	2,421,546
Derecognition during the period / year	(8,799)	(19,860)
Depreciation charged for the period / year	<u>(1,092,726)</u>	<u>(2,306,599)</u>
Balance as at	<u>7,066,951</u>	<u>7,186,067</u>
<b>14. DEFERRED TAX ASSET</b>		
<b>Deductible temporary differences on</b>		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	8,264,241	7,467,549
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	7,037,823	12,925,197
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,790,236	1,395,724
- Right of use assets	652,965	670,604
- Other provisions	98,321	107,841
	<u>18,206,264</u>	<u>22,929,593</u>
<b>Taxable temporary differences on</b>		
- Surplus on revaluation of fixed assets	(3,410,042)	(2,968,387)
- Excess of accounting book value of leased assets over lease liabilities	12,049	(7,890)
- Deficit on revaluation of investments	16,265,248	3,208,916
- Surplus on revaluation of non-banking assets	(24,786)	(21,752)
- Exchange translation reserve	<u>(1,086,007)</u>	<u>(734,250)</u>
	<u>11,756,462</u>	<u>(523,363)</u>
	<u>29,962,726</u>	<u>22,406,230</u>

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
<b>15. OTHER ASSETS</b>			
		<b>138,345,364</b>	99,446,324
		<b>4,492,064</b>	4,012,820
		<b>5,520,424</b>	3,176,299
		<b>15,626,651</b>	11,063,715
		<b>21,811,774</b>	20,809,580
		<b>1,174,920</b>	1,179,943
		<b>208,423</b>	208,423
		<b>9,586,627</b>	-
		<b>11,690,664</b>	20,644,122
		<b>10,533,074</b>	5,253,389
		<b>505,291</b>	437,900
		<b>195,399</b>	195,399
		<b>323,172</b>	323,172
		<b>418,834</b>	418,834
		<b>75,648</b>	823,140
		<b>167,800</b>	173,941
		<b>1,116,328</b>	985,894
		<b>10,351,486</b>	8,312,213
		<b>232,143,943</b>	177,465,108
	15.1	<b>12,359,609</b>	12,244,043
		<b>219,784,334</b>	165,221,065
		<b>2,520,000</b>	2,520,000
		<b>222,304,335</b>	167,741,065

**15.1 Provision held against other assets**

Income / mark-up accrued in local currency	<b>152,607</b>	152,607
Advances, deposits, advance rent and other prepayments	<b>837,949</b>	837,949
Stationery and stamps on hand	<b>96,542</b>	96,542
Barter trade balances	<b>195,399</b>	195,399
Receivable on account of Government transactions	<b>323,172</b>	323,172
Receivable from Government under VHS scheme	<b>418,834</b>	418,834
Protested bills	<b>4,353,436</b>	4,297,516
Ex-MBL / NDFC - other assets	<b>770,398</b>	770,398
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)	<b>208,423</b>	208,423
Others	<b>5,002,849</b>	4,943,203
	<b>12,359,609</b>	12,244,043

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>15.1.1 Movement in provision held against other assets</b>			
Opening balance		12,244,043	11,709,318
Charge for the period / year		58,048	562,955
Adjustment against provision		-	(28,230)
Other movement		57,518	-
Closing balance		<u>12,359,609</u>	<u>12,244,043</u>
<b>16. BILLS PAYABLE</b>			
In Pakistan		19,743,888	54,969,587
Outside Pakistan		<u>348,987</u>	<u>298,432</u>
		<u>20,092,875</u>	<u>55,268,019</u>
<b>17. BORROWINGS</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		35,859,636	38,217,784
Financing Scheme for Renewable Energy		1,284,961	1,019,611
Refinance Facility for Modernization of SMEs		56,968	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)		609,133	667,327
Under Long-Term Financing Facility (LTFF)		18,795,904	20,254,808
Refinance Scheme for Payment of Wages and Salaries		-	35,950
Temporary Economic Refinance Facility		24,128,222	24,126,421
Refinance Facility for Combating Covid-19		55,755	66,159
		<u>80,790,579</u>	<u>84,431,884</u>
Repurchase agreement borrowings	9.1.1	<u>2,003,995,149</u>	<u>1,826,206,763</u>
		<u>2,084,785,728</u>	<u>1,910,638,647</u>
<b>Unsecured</b>			
Call borrowings		17,575,162	25,810,145
Overdrawn nostro accounts		43,231	-
Bai Muajjal		-	4,036,995
		<u>17,618,393</u>	<u>29,847,140</u>
		<u>2,102,404,121</u>	<u>1,940,485,787</u>
<b>17.1 Particulars of borrowings with respect to currencies</b>			
In local currency		2,085,828,959	1,923,848,931
In foreign currencies		<u>16,575,162</u>	<u>16,636,856</u>
		<u>2,102,404,121</u>	<u>1,940,485,787</u>
<b>17.2 Mark-up / interest rates and other terms are as follows:</b>			
-	The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up at rate ranging from 1.00% to 17.00% per annum (December 31, 2022: from 0% to 12.00% per annum).		
-	Repurchase agreement borrowings carry mark-up ranging from 20.90% to 22.40% per annum (December 31, 2022: 15.22% to 17.00% per annum) having maturities ranging from July 04, 2023 to September 01, 2023.		
-	Call borrowings carry interest at the rate ranging from 5.50% to 20.75% per annum (December 31, 2022: 3.00% to 16.50% per annum).		

- 17.3** Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.
- 17.4** Pakistan Investment Bonds and Market Treasury Bills having maturities of 2 - 10 years and 3 - 12 months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,003,995 million (December 31, 2022: Rs.1,826,207 million).

## 18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 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>Customers</b>						
Current deposits - remunerative	780,628,091	-	780,628,091	733,037,562	-	733,037,562
Current deposits - non-remunerative	520,512,904	188,601,253	709,114,157	408,169,670	159,575,493	567,745,163
Savings deposits	692,871,845	145,710,959	838,582,804	681,287,543	108,029,851	789,317,394
Term deposits	426,297,299	180,723,438	607,020,737	400,618,865	116,541,863	517,160,728
Others	76,982,590	6,986	76,989,576	9,563,715	7,855	9,571,570
	2,497,292,729	515,042,636	3,012,335,365	2,232,677,355	384,155,062	2,616,832,417
<b>Financial Institutions</b>						
Current deposits	387,551,417	2,574,961	390,126,378	5,795,356	3,492,893	9,288,249
Savings deposits	26,497,004	-	26,497,004	15,190,328	2,924,782	18,115,110
Term deposits	10,733,278	9,266,617	19,999,895	9,716,964	6,442,283	16,159,247
Others	1,709,834	273	1,710,107	4,878,234	-	4,878,234
	426,491,533	11,841,851	438,333,384	35,580,882	12,859,958	48,440,840
	<u>2,923,784,262</u>	<u>526,884,487</u>	<u>3,450,668,749</u>	<u>2,268,258,237</u>	<u>397,015,020</u>	<u>2,665,273,257</u>

- 18.1** Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 102,799 million (December 31, 2022: Rs. 75,917 million).

## 19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
------(Rupees in '000)-----						
Not later than one year	93,724	26,386	67,338	55,683	10,935	44,748
Later than one year and upto five years	173,340	26,803	146,537	85,093	8,388	76,705
Over five years	-	-	-	-	-	-
	<u>267,064</u>	<u>53,189</u>	<u>213,875</u>	<u>140,776</u>	<u>19,323</u>	<u>121,453</u>

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

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	------(Rupees in '000)-----	
<b>20. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS</b>		
Lease liabilities included in the statement of financial position	<b>8,416,598</b>	8,761,015
Of which are:		
Current lease liability	<b>1,698,470</b>	1,734,848
Non-current lease liability	<b>6,718,128</b>	7,026,167
	<b>8,416,598</b>	8,761,015
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Less than one year	<b>2,372,329</b>	2,557,743
One to five years	<b>6,548,922</b>	6,963,768
More than five years	<b>3,002,530</b>	7,969,041
Total undiscounted lease liabilities	<b>11,923,781</b>	17,490,552
<b>21. OTHER LIABILITIES</b>		
Mark-up / Return / Interest payable in local currency	<b>161,570,503</b>	126,228,969
Mark-up / Return / Interest payable in foreign currencies	<b>1,640,909</b>	655,802
Unearned commission and income on bills discounted	<b>152,946</b>	271,126
Accrued expenses	<b>11,934,067</b>	13,955,633
Advance payments	<b>378,425</b>	372,406
Acceptances	<b>11,690,664</b>	20,644,122
Unclaimed dividends	<b>181,514</b>	181,851
Mark to market loss on forward foreign exchange contracts	-	125,371
Branch adjustment account	<b>928,496</b>	1,916,850
Payable to defined benefit plan:		
Pension fund	<b>24,719,785</b>	23,063,894
Post retirement medical benefits	<b>31,299,940</b>	29,176,898
Benevolent fund	<b>1,577,162</b>	1,697,838
Gratuity scheme	<b>4,456,964</b>	4,100,617
Compensated absences	<b>9,380,392</b>	8,734,235
Provision against off-balance sheet obligations	<b>627,494</b>	627,494
Provision against contingencies	<b>4,259,629</b>	4,170,799
Staff welfare fund	<b>371,257</b>	371,257
Liabilities relating to Barter trade agreements	<b>4,373,048</b>	3,629,389
Payable to brokers	<b>143,903</b>	350,446
Payable to customers	<b>178,645</b>	940,854
PIBs short selling	<b>13,294,842</b>	11,043,029
Others	<b>24,648,829</b>	19,297,251
	<b>307,809,414</b>	271,556,131
<b>21.1 Provision against contingencies</b>		
Opening balance	<b>4,170,799</b>	3,805,376
Charge for the period / year	<b>46,348</b>	165,423
Other movement	<b>42,482</b>	200,000
Closing balance	<b>4,259,629</b>	4,170,799

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
<b>22. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(33,186,190)	(7,455,191)
- Fixed Assets		48,433,365	48,590,472
- Non-banking assets		2,520,000	2,520,000
- On securities of associates and joint venture		(1,043,399)	(1,507,560)
		<u>16,723,775</u>	<u>42,147,721</u>
Deferred tax on (surplus) / deficit on revaluation of:			
- Available for sale securities		16,265,248	3,208,915
- Fixed Assets		(3,410,042)	(3,061,347)
- Non-banking assets		(24,786)	(21,752)
		<u>12,830,420</u>	<u>125,816</u>
		<u>29,554,195</u>	<u>42,273,537</u>
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	328,900,598	377,561,372
Commitments	23.2	2,680,994,608	2,373,285,184
Other contingent liabilities	23.3	42,132,640	26,619,691
		<u>3,052,027,846</u>	<u>2,777,466,247</u>
<b>23.1 Guarantees:</b>			
Financial guarantees		247,206,350	287,741,990
Performance guarantees		81,694,248	89,819,382
		<u>328,900,598</u>	<u>377,561,372</u>
<b>23.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,967,221,868	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	631,915,466	570,881,591
- forward government securities transactions	23.2.2	18,314,236	54,568,834
- forward lending	23.2.3	62,097,369	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,389,980	798,234
Other commitments	23.2.4	55,689	36,850
		<u>2,680,994,608</u>	<u>2,373,285,184</u>



(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

### 23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	405,082,028	368,380,755
Sale	226,833,438	202,500,836
	<u>631,915,466</u>	<u>570,881,591</u>

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

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

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

Purchase	5,610,365	10,988,627
Sale	12,703,871	43,580,207
	<u>18,314,236</u>	<u>54,568,834</u>

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

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

### 23.2.3 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitment to lend	<u>62,097,369</u>	<u>50,363,949</u>
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These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.

(Un-audited) June 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----	

### 23.2.4 Other commitments

Professional services to be received	<u>55,689</u>	<u>36,850</u>
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### 23.3 Other contingent liabilities

23.3.1 Claims against the Bank not acknowledged as debt	<u>42,132,640</u>	<u>26,619,691</u>
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Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2022: Rs. 1,597 million).

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

### 23.3.2 Taxation

As at June 30, 2023, the status of tax contingencies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation Officer, following the instructions / directions of the learned CIR(Appeals), has passed the appeal effect orders for tax years 2019 and 2020 wherein the tax liability / (refund) has been assessed at Rs. 1,852 million and Rs.1,997 million respectively.
- Assessment proceeding for tax year 2022 were initiated under section 122(5A) of the Income Tax Ordinance, 2001, reducing tax refund to Rs. 3,853 million which was subsequently increased to Rs. 7,159 million vide the rectified order dated June 08, 2023. The Bank has filed appeal before CIR(Appeals) and the Bank is confident of a favorable outcome.
- Honourable ATIR has passed appellate orders for tax years 2006, 2007 and 2016 against monitoring orders and remanded back the issues to the assessing officer for re-verification following the instructions of ATIR.
- The aggregate effect of contingencies as on June 30, 2023, including amount of Rs. 1,912 million (December 31, 2022: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 29,262 million (December 31, 2022: Rs. 27,159 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expects favorable outcome upon decisions of pending appeals.

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

As at June 30, 2023, the status of contingencies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

#### 23.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 26.3.4.1 to the annual audited consolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended June 30, 2023 amounted to Rs. 96.3 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for June 2023 onward will also increase by Rs. 13.9 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these consolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favorable outcome on the matter.

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

With close oversight from the Board of Directors and Head Office Senior Management, the New York Branch completed remedial actions pursuant to the public enforcement actions issued by the New York State Department of Financial Services and the Federal Reserve Bank. Head Office and the Board will continue to maintain close oversight of the Branch, despite having made significant progress in meeting regulatory requirements. The actions implemented by the Branch and their associated validation by Internal Audit continue to remain subject to review by its regulators.

### 24. MARK-UP / RETURN / INTEREST EARNED

Loans and advances

Investments

Lendings to financial institutions

Balances with banks

(Un-audited)	
For the half year ended	
June 30, 2023	June 30, 2022
----- (Rupees in '000) -----	
98,066,975	59,166,855
327,042,175	114,344,073
6,802,185	5,511,835
634,665	472,804
<u>432,546,000</u>	<u>179,495,567</u>

### 25. MARK-UP / RETURN / INTEREST EXPENSED

Deposits

Borrowings

Cost of foreign currency swaps against foreign currency deposits

Lease liability against right of use assets

Securities sold under repurchase agreements

154,002,807	80,177,023
3,115,368	3,158,176
4,777,339	5,131,204
411,110	440,015
<u>196,866,843</u>	<u>37,404,178</u>
<u>359,173,467</u>	<u>126,310,596</u>

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
<b>26.</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	883,198	797,260
	Consumer finance related fees	254,832	248,019
	Card related fees	1,224,549	964,264
	Credit related fees	234,659	215,115
	Investment banking fees	222,226	506,521
	Commission on trade	863,509	1,088,107
	Commission on guarantees	617,136	310,783
	Commission on cash management	23,971	23,540
	Commission on remittances including home remittances	898,220	688,759
	Commission on bancassurance	104,309	168,389
	Commission on government transactions	5,166,306	5,184,873
	Management fee and sale load	854,302	541,281
	Brokerage income	30,408	37,623
	Others	41,070	82,841
		<b>11,418,695</b>	<b>10,857,375</b>
<b>27.</b>	<b>GAIN ON SECURITIES - NET</b>		
	Realised	27.1 1,135,797	1,095,037
	Unrealized - held-for-trading	(59,584)	(76,456)
	Unrealized - Short selling	(143,033)	36,790
		<b>933,180</b>	<b>1,055,371</b>
<b>27.1</b>	<b>Realized gain / (loss) on</b>		
	Federal Government Securities	1,091,750	286,070
	Shares and mutual funds	44,047	808,802
	Foreign Securities	-	165
		<b>1,135,797</b>	<b>1,095,037</b>
<b>28.</b>	<b>OTHER INCOME</b>		
	Rent on property	43,855	18,876
	Gain on sale of fixed assets - net	6,064	8,719
	Postal, SWIFT and other charges recovered	101,357	49,176
	Compensation for delayed tax refunds	28.1 1,002,194	712,362
	Amortization of deferred income	4,615	2,603
	Sale of mortgage property	41,836	-
	Others	7,616	23,655
		<b>1,207,537</b>	<b>815,392</b>
<b>28.1</b>	This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.		

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
<b>29. OPERATING EXPENSES</b>			
Total compensation expenses		28,596,665	23,229,700
Property expense			
Rent and taxes	375,817	286,651	
Insurance	27,648	20,093	
Utilities cost	1,047,096	782,945	
Security (including guards)	1,856,111	1,594,021	
Repair and maintenance (including janitorial charges)	637,326	455,686	
Depreciation	252,096	226,809	
Depreciation on non banking assets	5,023	7,859	
Depreciation on Ijarah assets	782	33,544	
Depreciation on right of use assets	1,092,726	1,071,905	
	5,294,625	4,479,513	
Information technology expenses			
Software maintenance	2,219,054	1,749,452	
Hardware maintenance	75,237	52,433	
Depreciation	261,120	216,944	
Amortisation	181,828	149,401	
Network charges	401,686	357,216	
IT Manage Services	412,180	168,702	
	3,551,105	2,694,148	
Other operating expenses			
Directors' fees and reimbursement of other expenses	36,475	16,475	
Directors' fees and allowances - subsidiaries	12,925	5,150	
Fees and allowances to Shariah Board	8,730	8,233	
Legal and professional charges	1,033,312	633,612	
Outsourced services costs	403,201	328,508	
Travelling and conveyance	644,810	424,706	
NIFT clearing charges	119,597	100,435	
Depreciation	806,102	805,199	
Training and development	44,454	27,746	
Postage and courier charges	104,023	126,279	
Communication	350,830	201,333	
Stationery and printing	757,128	801,305	
Marketing, advertisement and publicity	424,171	275,232	
Donations	11,911	32,000	
Auditors' Remuneration	134,326	88,867	
Financial charges on leased assets	127,908	38,117	
Insurance	249,649	244,021	
Entertainment	135,612	126,492	
Clearing, verification and license fee charges	207,394	165,835	
Vehicle Expenses	110,360	101,940	
Repairs and maintenance	525,103	318,316	
Brokerage	24,697	35,765	
Deposit premium expense	696,430	905,789	
Others	249,598	245,495	
	7,218,745	6,056,850	
	<b>44,661,140</b>	<b>36,460,211</b>	
<b>30. OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan	184,285	30,155	
Penalties imposed by other regulatory bodies of overseas branches and subsidiaries	12,628	108	
	<b>196,913</b>	<b>30,263</b>	

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
31.	PROVISIONS & WRITE OFFS - NET	Note ----- (Rupees in '000) -----	
	Provision for diminution in value of investments	9.2 1,249,031	1,946,477
	Provision against loans and advances	10.4 (948,096)	(40,373)
	Provision against other assets	15.1.1 58,048	83,816
	Provision against contingencies	21.1 46,348	34,858
		<b>405,331</b>	<b>2,024,778</b>

### 32. TAXATION

Current			
For the year		24,501,270	14,856,785
Prior years		(8,073,227)	3,828,030
		<b>16,428,043</b>	<b>18,684,815</b>
Deferred			
For the year		(2,604,311)	3,189,006
Prior years		8,073,227	-
		<b>5,468,916</b>	<b>3,189,006</b>
		<b>21,896,959</b>	<b>21,873,821</b>

### 33. EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period (Rupees in 000's)	27,034,923	12,205,488
Weighted average number of ordinary shares (000's)	2,127,513	2,127,513
Earnings per share - basic and diluted (Rupees)	12.71	5.74

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

		(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
34.	CASH AND CASH EQUIVALENT	Note ----- (Rupees in '000) -----	
	Cash and balances with treasury banks	6 338,089,727	263,156,645
	Balances with other banks	7 26,320,834	17,518,835
	Call / clean money lendings	8 5,009,723	9,723
	Call borrowings	17 (17,575,162)	(32,405,584)
	Overdrawn nostro accounts	17 (43,231)	(439,447)
		<b>351,801,891</b>	<b>247,840,172</b>

### 35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

### 35.1 Fair value of financial assets

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

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

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

June 30, 2023 (Un-audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,037,665,097	-	1,037,665,097	-	1,037,665,097
- Pakistan Investment Bonds	2,443,882,198	-	2,443,882,198	-	2,443,882,198
- Ijarah Sukuks	19,835,488	-	19,835,488	-	19,835,488
- Foreign Currency Debt securities	18,093,788	-	18,093,788	-	18,093,788
Ordinary Shares					
- Listed Companies	39,675,399	39,675,399	-	-	39,675,399
Preference shares					
- Listed	1,052,311	1,052,311	-	-	1,052,311
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	46,362,223	14,377,533	31,984,690	-	46,362,223
Mutual Fund units					
	3,809,148	-	3,809,148	-	3,809,148
Foreign Securities					
- Government debt securities	5,422,617	-	5,422,617	-	5,422,617
- Equity Securities - Listed	42,282,335	42,282,335	-	-	42,282,335
	3,658,080,604	97,387,578	3,560,693,026	-	3,658,080,604
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	157,490	-	157,490	-	157,490
- Pakistan Investment Bonds	377,257,547	-	350,848,501	-	350,848,501
- Ijarah Sukuks	13,114,020	-	11,756,497	-	11,756,497
- Foreign Currency Debt securities	4,055,507	-	2,275,197	-	2,275,197
Foreign Securities					
- Government debt securities	43,426,150	-	44,436,386	-	44,436,386
- Non-Government debt securities	1,096	-	1,096	-	1,096
	438,011,810	-	409,475,167	-	409,475,167
	4,096,092,414	97,387,578	3,970,168,193	-	4,067,555,771
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale					
	631,915,466	-	9,586,627	-	9,586,627
Forward government securities transactions					
	18,314,236	-	93,816	-	93,816

December 31, 2022 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total

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

#### On balance sheet financial instruments

##### Financial assets - measured at fair value

##### Investments

##### Federal Government Securities

- Market Treasury Bills	848,869,986	-	848,869,986	-	848,869,986
- Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
- Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
- Foreign Currency Debt securities	14,422,839	-	14,422,839	-	14,422,839

##### Ordinary Shares

- Listed Companies	36,671,325	36,671,325	-	-	36,671,325
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##### Preference shares

- Listed	1,091,477	1,091,477	-	-	1,091,477
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##### Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds	47,204,154	15,167,771	32,036,383	-	47,204,154
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##### Mutual Fund units

	3,733,376	-	3,733,376	-	3,733,376
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##### Foreign Securities

- Government debt securities	3,655,766	-	3,655,766	-	3,655,766
- Equity Securities - Listed	34,844,245	34,844,245	-	-	34,844,245
	3,016,350,787	87,774,818	2,928,575,969	-	3,016,350,787

##### Financial assets - disclosed but not measured at fair value

##### Investments

##### Federal Government Securities

- Market Treasury Bills	29,519,190	-	29,279,989	-	29,279,989
- Pakistan Investment Bonds	375,285,244	-	355,279,617	-	355,279,617
- Ijarah Sukuks	13,130,709	-	12,383,300	-	12,383,300
- Foreign Currency Debt securities	2,992,408	-	1,665,559	-	1,665,559

##### Foreign Securities

- Government debt securities	36,096,507	-	37,327,167	-	37,327,167
- Non-Government debt securities	871	-	871	-	871
	457,024,929	-	435,936,503	-	435,936,503
	3,473,375,716	87,774,818	3,364,512,472	-	3,452,287,290

##### Off-balance sheet financial instruments - measured at fair value

##### Commitments

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

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

## 35.2 Fair value of non-financial assets

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

June 30, 2023 (Un-audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Land and building	52,261,742	-	-	52,261,742
Non-banking assets acquired in satisfaction of claims	3,694,920	-	-	3,694,920
	55,956,662	-	-	55,956,662

December 31, 2022 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Land and building	52,425,375	-	-	52,425,375
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943
	56,125,318	-	-	56,125,318



## SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

For the half year ended June 30, 2023 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
(Rupees in '000)						
<b>Profit and loss account</b>						
Net mark-up / return / interest income / (expense)	18,257,990	17,841,883	153,727,525	12,613	6,142,639	73,372,533
Inter segment revenue - net	(19,324,640)	(12,864,010)	(162,993,123)	-	11,038,547	-
Non mark-up / return / interest income	8,135,210	2,228,712	6,427,030	632,399	3,293,469	20,927,740
Total Income	69,668,319	(855,731)	(2,838,568)	645,012	20,474,654	94,300,273
Segment direct expenses	18,444,264	1,496,666	158,228	4,689,358	28,055,978	28,055,978
Inter segment expense allocation	-	-	-	-	16,802,075	16,802,075
Total expenses	18,444,264	1,496,666	158,228	4,689,358	44,858,053	44,858,053
Provisions and write offs - net	(334,251)	755,839	1,318,458	(302,018)	(850,968)	405,331
Profit / (loss) before taxation	51,558,306	(3,108,236)	(4,315,254)	(3,742,328)	1,929,798	49,036,889
As at June 30, 2023 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
(Rupees in '000)						
<b>Statement of financial position</b>						
Cash and balances with treasury and other banks	166,078,892	11,480,114	318,142	60,286,944	10,088,287	364,410,561
Investments	-	-	27,478,444	64,466,830	64,466,830	4,109,303,381
Net inter segment lending	2,437,035,863	-	-	68,520,725	183,148,789	2,620,184,652
Lendings to financial institutions	-	-	-	-	-	135,025,029
Advances - performing	219,639,869	179,813,556	716,080,256	69,316,255	115,311,091	1,300,161,026
Advances - non-performing	4,393,064	23,341,163	21,382,504	66,299,399	104,754,553	220,170,684
Provision against advances	(8,672,779)	(20,468,644)	(20,948,283)	(64,341,404)	(106,721,658)	(221,152,768)
Advances - Net	215,360,154	182,686,076	716,514,476	71,274,250	113,343,988	1,299,178,942
Others	41,594,612	2,890,991	38,922,253	8,605,671	216,582,900	319,091,817
<b>Total Assets</b>	<b>2,860,069,521</b>	<b>197,057,181</b>	<b>783,233,316</b>	<b>208,687,590</b>	<b>587,630,792</b>	<b>6,227,009,750</b>
Borrowings	-	5,398,597	75,391,981	16,575,162	-	2,102,404,121
Deposits and other accounts	2,731,973,051	-	509,460,655	102,798,624	106,436,418	3,450,668,749
Net inter segment borrowing	-	182,868,269	169,456,158	107,665,662	23,801,776	2,620,184,652
Others	127,705,357	8,790,315	28,868,929	58,258,013	107,439,016	336,532,762
Total liabilities	2,859,678,409	197,057,181	783,177,623	232,510,681	237,671,210	5,889,605,632
Equity	391,112	-	55,693	10,826,809	349,953,582	337,404,098
<b>Total equity and liabilities</b>	<b>2,860,069,521</b>	<b>197,057,181</b>	<b>783,233,316</b>	<b>208,687,590</b>	<b>587,630,792</b>	<b>6,227,009,750</b>
Contingencies and commitments	-	85,880,242	2,184,809,411	27,029,814	41,981,308	3,052,027,846

For the half year ended June 30, 2022 (Un-audited)							
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Total
(Rupees in '000)							
<b>Profit and loss account</b>							
Net mark-up / return / interest income / (expense)	12,550,865	17,087,543	81,530,590	2,445,785	3,225,529	53,184,971	53,184,971
Inter segment revenue - net	99,463,298	(16,900,363)	(82,987,887)	-	12,502,436	-	-
Non mark-up / return / interest income	7,651,021	234,629	6,493,542	626,652	1,949,640	19,446,230	19,446,230
Total Income	43,458,981	708,010	5,036,245	3,072,437	17,677,605	72,631,201	72,631,201
Segment direct expenses	16,440,286	1,423,638	603,004	3,344,236	2,286,432	24,250,284	24,250,284
Inter segment expense allocation	-	-	-	-	12,240,190	12,240,190	12,240,190
Total expenses	16,440,286	1,423,638	603,004	3,344,236	14,526,621	36,490,474	36,490,474
Provisions and write offs - net	(32,645)	893,255	1,789,047	(41,411)	(2,392,878)	2,024,778	2,024,778
Profit / (loss) before taxation	27,051,339	(1,614,884)	3,100,509	(230,389)	5,543,862	34,115,949	34,115,949
<b>As at December 31, 2022 (Audited)</b>							
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Total
(Rupees in '000)							
<b>Statement of financial position</b>							
Cash and balances with treasury and other banks	75,111,055	272,335	116,207,653	41,420,355	8,366,109	249,849,435	249,849,435
Investments	-	26,566,730	3,338,860,011	55,396,579	62,112,467	3,482,935,847	3,482,935,847
Net inter segment lending	1,913,764,601	-	-	-	161,978,230	2,075,742,831	(2,075,742,831)
Lendings to financial institutions	-	-	31,272,467	-	-	31,272,467	31,272,467
Advances - performing	221,901,091	236,174,990	608,412,187	68,916,285	97,903,214	1,233,307,767	1,233,307,767
Advances - non-performing	4,107,960	21,863,219	23,902,314	53,726,670	102,134,474	205,724,637	205,724,637
Provision against advances	(8,972,018)	(19,791,641)	(23,100,384)	(52,356,953)	(104,142,290)	(208,363,286)	(208,363,286)
Advances - net	217,037,033	238,236,568	609,214,117	70,286,002	95,895,398	1,230,669,118	1,230,669,118
Others	31,988,215	3,619,414	41,795,925	6,402,399	172,851,511	257,039,027	257,039,027
<b>Total Assets</b>	<b>2,237,900,904</b>	<b>250,327,910</b>	<b>677,849,167</b>	<b>173,505,335</b>	<b>501,203,715</b>	<b>7,327,508,725</b>	<b>5,251,765,895</b>
Borrowings	-	6,032,537	78,172,283	16,636,856	227,063	1,940,485,787	1,940,485,787
Deposits and other accounts	2,088,472,344	-	406,454,898	75,916,594	94,429,421	2,665,273,257	2,665,273,257
Net inter segment borrowing	-	227,691,242	157,769,326	96,687,516	11,863,855	2,075,742,831	(2,075,742,831)
Others	149,428,560	16,604,131	35,169,167	2,896,990	87,212,494	336,706,618	336,706,618
<b>Total liabilities</b>	<b>2,237,900,904</b>	<b>250,327,910</b>	<b>677,565,674</b>	<b>192,137,956</b>	<b>701,732,833</b>	<b>7,017,208,493</b>	<b>(2,075,742,831)</b>
Equity	-	-	283,293	(18,632,821)	307,470,882	310,300,232	310,300,232
<b>Total equity and liabilities</b>	<b>2,237,900,904</b>	<b>250,327,910</b>	<b>677,849,167</b>	<b>173,505,335</b>	<b>501,203,715</b>	<b>7,327,508,725</b>	<b>(2,075,742,831)</b>
Contingencies and commitments	-	183,082,386	1,907,266,393	28,425,093	33,241,950	2,771,466,247	2,771,466,247

**RELATED PARTY TRANSACTIONS**

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

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

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

	As at June 30, 2022 (Un-audited)					As at December 31, 2022 (Audited)				
	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund Fixed Deposit)	Pension Fund (N.I.D.A.A/c)	Provident Fund	Other related parties	
(Rupees in '000)										
<b>Balances with other banks</b>										
In current accounts	-	-	-	74,081	-	-	-	-	-	-
	-	-	-	74,081	-	-	-	-	-	-
<b>Investments</b>										
Opening balance	-	-	-	-	-	-	-	-	-	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed of during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
<b>Advances</b>										
Opening balance	-	333,734	2,855,220	-	-	-	-	-	-	-
Addition during the period / year	-	24,135	-	-	-	-	-	-	-	-
Repaid during the period / year	-	(24,867)	-	-	-	-	-	-	-	-
Transfer in / (out) - net*	-	(27,907)	-	-	-	-	-	-	-	-
Closing balance	-	306,095	2,855,220	-	-	-	-	-	-	-
	-	306,095	2,855,220	-	-	-	-	-	-	-
Provisions against loans	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>										
Interest / mark-up accrued	-	-	1,313,344	-	-	-	-	-	-	-
	-	-	1,313,344	-	-	-	-	-	-	-
<b>Borrowings</b>										
Opening balance	-	-	-	52,245	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	1,335	-	-	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	53,580	-	-	-	-	-	-
	-	-	-	53,580	-	-	-	-	-	-
<b>Deposits and other accounts</b>										
Opening balance	-	98,488	3,000	-	27,222	-	257,252	13,263,170	515,559	1,760
Received during the period / year	-	4,595	574,072	-	27,942,267	-	2,507,047	31,25,050	9,661,984	-
Withdrawn during the period / year	(0)	(699,284)	(3,000)	-	(27,893,580)	-	(2,188,652)	(2,483,191)	(9,076,359)	(14)
Transfer in / (out) - net*	-	(4,734)	-	-	-	-	-	-	73,307	(1,749)
Closing balance	4,595	96,562	-	-	165,809	-	575,647	13,90,029	1,174,515	98,488
	4,595	96,562	-	-	165,809	-	575,647	13,90,029	1,174,515	98,488
<b>Contingencies and commitments</b>										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

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

	For the half year ended June 30, 2023 (Un-audited)						For the half year ended June 30, 2022 (Un-audited)							
	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others
(Rupees in '000)														
Income														
Mark-up / return / interest earned	-	-	-	-	-	-	217,418	-	-	3,392	1	-	-	136,392
Dividend income	-	-	-	-	-	-	95,220	-	-	-	114,405	-	-	-
Rent income / lighting and power and bank charges	-	-	2,980	-	-	-	10,207	-	-	2,788	-	-	-	-
Expense														
Mark-up / return / interest paid	140	6,771	198	15,715	13,833	-	39,924	-	180	-	7,853	10,037	760,099	485,711
Expenses paid to company in which Director of the bank was interested as CEO and director	-	-	-	-	-	-	35,488	-	-	-	-	-	-	36,346
Remuneration to key management executives including charge for defined benefit plan	-	427,934	-	-	-	-	-	-	420,851	-	-	-	-	-
Donation paid to company in which Director of the bank was interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Directors' fee & other allowances	36,475	-	-	-	-	-	-	16,475	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	522

37.1

**Transactions with Government-related entities**

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 5,166 million (June 30, 2022 Rs. 5,185 million) for the half year ended June 30, 2023. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 639,560 million (December 31, 2022: Rs. 593,486 million), Rs. 1,501,219 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,050,311 million (December 31, 2022: Rs. 1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 28,007 million (June 30, 2022: Rs. 31,172 million) and Rs. 109,616 million (June 30, 2022: Rs. 25,556 million) respectively.

(Un-audited)	(Audited)
June 30,	December 31,
2023	2022
----- (Rupees in '000) -----	

### 39. ISLAMIC BANKING BUSINESS

The Bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 81 (December 31, 2022: 50) Islamic banking windows as at June 30, 2023.

The statement of financial position of the Bank's Islamic banking branches as at June 30, 2023 is as follows:

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		7,660,095	6,096,555
Balances with other banks		14,347	13,766
Investments	39.1	51,822,072	53,920,119
Islamic financing and related assets - net	39.2	65,145,786	46,380,996
Fixed assets		79,132	87,489
Right of use assets		498,324	508,977
Other assets		4,429,627	2,294,054
<b>Total Assets</b>		<b>129,649,383</b>	<b>109,301,956</b>
<b>LIABILITIES</b>			
Bills payable		315,187	1,210,608
Deposits and other accounts	39.3	103,974,005	93,591,714
Due to Head Office		15,033,161	4,005,715
Lease liability against right of use assets		707,385	721,152
Other liabilities		1,384,770	1,490,182
		<b>121,414,508</b>	<b>101,019,371</b>
<b>NET ASSETS</b>		<b>8,234,875</b>	<b>8,282,585</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		6,731,000	5,561,000
(Deficit) / Surplus on revaluation of assets		(326,919)	424,444
Unappropriated / unremitted profit	39.4	1,830,794	2,297,141
		<b>8,234,875</b>	<b>8,282,585</b>

The profit and loss account of the Bank's Islamic banking operations for the half year ended June 30, 2023 is as follows:

	Note	(Un-audited)	
		For the half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
Profit / return earned	39.5	9,591,276	5,228,503
Profit / return expensed	39.6	6,217,148	3,133,263
Net Profit / return		3,374,128	2,095,240
<b>Other income</b>			
Fee and commission income		140,872	130,460
Foreign exchange income		7,052	18,116
Other income		45	1,861
Total other income		147,969	150,437
Total Income		3,522,097	2,245,677
<b>Other expenses</b>			
Operating expenses		1,645,380	1,412,820
Other charges		120	-
Total other expenses		1,645,500	1,412,820
Profit before provisions		1,876,597	832,857
Provisions charge / (reversal) and write offs - net		45,803	(25,824)
Profit before taxation		1,830,794	858,681
Taxation		-	-
Profit after taxation		1,830,794	858,681

### 39.1 Investments by segments:

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost/ amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost/ amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>Federal Government Securities:</b>								
-Ijarah Sukuks	33,629,968	-	(697,785)	32,932,183	33,648,948	-	(339,589)	33,309,359
	33,629,968	-	(697,785)	32,932,183	33,648,948	-	(339,589)	33,309,359
<b>Non Government Debt Securities</b>								
-Listed	8,000,000	-	303,563	8,303,563	8,200,000	-	303,132	8,503,132
-Unlisted	10,649,830	(130,807)	67,303	10,586,326	11,777,533	(130,807)	460,901	12,107,628
	18,649,830	(130,807)	370,866	18,889,889	19,977,533	(130,807)	764,033	20,610,760
<b>Total Investments</b>	52,279,798	(130,807)	(326,919)	51,822,072	53,626,481	(130,807)	424,444	53,920,119

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
<b>39.2 Islamic financing and related assets - net</b>		
Ijarah	14,182	38,208
Murabaha	1,528,136	1,713,901
Running Musharaka	20,000,000	-
Diminishing Musharaka	21,629,624	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	1,000,000	2,127,000
Advance for Diminishing Musharaka	144,937	100,894
Advance for Istisna	10,055,662	9,396,236
Inventories against Istisna	2,974,347	3,097,800
Gross Islamic financing and related assets	65,846,888	47,036,295
Less: provision against Islamic financings		
- Specific	(700,818)	(654,980)
- General	(284)	(319)
	(701,102)	(655,299)
Islamic financing and related assets - net of provision	65,145,786	46,380,996
<b>39.3 Deposits</b>		
<b>Customers</b>		
Current deposits	23,371,760	20,659,185
Savings deposits	44,030,023	41,254,385
Term deposits	13,843,997	15,137,438
	81,245,780	77,051,008
<b>Financial Institutions</b>		
Current deposits	1,031,876	354,951
Savings deposits	18,395,849	14,114,989
Term deposits	3,300,500	2,070,766
	22,728,225	16,540,706
	103,974,005	93,591,714
<b>39.4 Unappropriated / unremitted profit</b>		
Opening Balance	2,297,141	1,502,668
Add: Islamic banking profit for the period / year	1,830,794	2,297,141
Less: Transferred / remitted to Head office	(2,297,141)	(1,502,668)
Closing balance	1,830,794	2,297,141



(Un-audited)	
For the half year ended	
June 30, 2023	June 30, 2022
----- (Rupees in '000) -----	

**39.5 Profit / Return Earned of Financing, Investments and Placement**

Profit earned on:

Financing	5,424,651	2,178,680
Investments	4,166,044	2,832,181
Placements	581	360
Others (Bai Muajjal)	-	217,282
	<u>9,591,276</u>	<u>5,228,503</u>

**39.6 Profit on Deposits and other Dues Expensed**

Deposits and other accounts	3,913,770	1,976,290
Amortisation of lease liability against ROUA	30,075	36,858
Others (General Account)	2,273,303	1,120,115
	<u>6,217,148</u>	<u>3,133,263</u>

**40. GENERAL**

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

**41. DATE OF AUTHORIZATION FOR ISSUE**

The consolidated condensed interim financial statements were authorized for issue on August 29, 2023 by the Board of Directors of the Bank.

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO (A)

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

پاکستان



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