

**ZARAI TARAQIATI BANK LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM**

**FINANCIAL STATEMENTS**

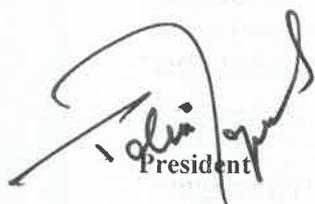
**FOR THE THREE MONTHS PERIOD ENDED**

**31 MARCH 2024**

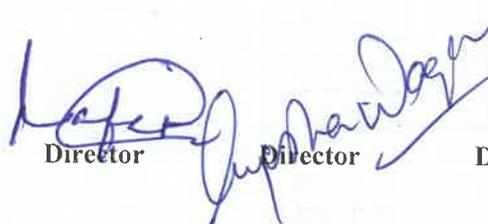
**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**

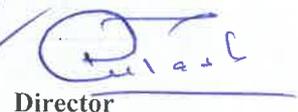
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	..... Rupees in '000 .....	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	2,759,628	3,661,179
Balances with other banks	7	5,690,491	31,925,573
Lendings to financial institutions	8	3,178,400	6,560,700
Investments	9	464,125,278	372,212,120
Advances	10	101,032,419	105,507,660
Property and equipment	11	1,499,449	1,538,612
Right-of-use assets	12	844,697	856,939
Intangible assets	13	225,670	255,925
Deferred tax assets	14	15,898,978	12,730,814
Other assets	15	53,103,063	27,126,949
<b>Total Assets</b>		<b>648,358,073</b>	<b>562,376,471</b>
<b>LIABILITIES</b>			
Bills payable	17	508,421	2,605,372
Borrowings	18	496,433,562	399,877,699
Deposits and other accounts	19	49,253,257	57,169,073
Lease liabilities	20	981,596	983,391
Sub-ordinated loan		-	-
Deferred tax liabilities		-	-
Other liabilities	21	28,876,649	27,576,255
<b>Total Liabilities</b>		<b>576,053,485</b>	<b>488,211,790</b>
<b>NET ASSETS</b>		<b>72,304,588</b>	<b>74,164,681</b>
<b>REPRESENTED BY</b>			
Share capital		52,678,432	52,678,432
Reserves		9,722,543	9,520,922
Surplus on revaluation of assets	22	706,763	1,622,051
Unappropriated profit		9,196,850	10,343,276
		<b>72,304,588</b>	<b>74,164,681</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	23		

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

  
**President**

  
**Chief Financial Officer**

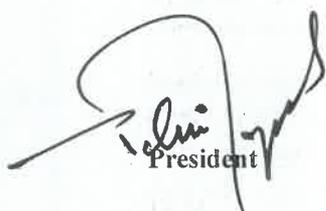
  
**Director**

  
**Director**

**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2024**

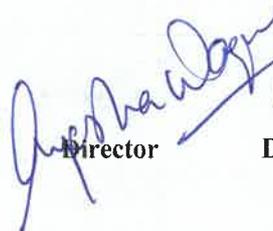
	Note	Period ended	
		March 31, 2024	March 31, 2023
..... Rupees in '000 .....			
Mark-up / return / interest earned	24	25,547,046	27,030,093
Mark-up / return / interest expensed	25	20,999,898	22,282,384
Net mark-up / interest income		4,547,148	4,747,709
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	26	145,155	262,091
Dividend income		-	-
Foreign exchange income / (loss)		-	-
Income / (loss) from derivatives		-	-
Gain on securities	27	225,570	6,737
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	28	316,730	110,742
Total non-mark-up / interest income		687,455	379,570
Total income		5,234,603	5,127,279
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	29	3,315,675	3,153,823
Workers welfare fund		-	-
Other charges		1,291	38,193
Total non mark-up / interest expenses		3,316,966	3,192,016
Profit before credit loss allowance		1,917,637	1,935,263
Credit loss allowance and write offs - net	30	539,659	(1,017,704)
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		1,377,978	2,952,967
Taxation	31	369,872	1,594,841
<b>PROFIT AFTER TAXATION</b>		1,008,106	1,358,126
..... Rupees in '000 .....			
Basic earnings per share (Rupees)	32	0.19	0.26
Diluted earnings per share (Rupees)	32	0.19	0.26

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

  
President

  
Chief Financial Officer

  
Director

  
Director

  
Director

**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2024**

	Period ended	
	March 31, 2024	March 31, 2023
	... Rupees in '000 ...	
<b>Profit after taxation for the period</b>	1,008,106	1,358,126
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of investments - net of tax	(915,288)	(981,347)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>	-	-
<b>Total comprehensive income</b>	<u>92,818</u>	<u>376,779</u>

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

  
 President

  
 Chief Financial Officer

  
 Director

  
 Director

  
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**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2024**

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit	Total
..... Rupees in '000 .....						
<b>Balance as at January 1, 2023</b>	52,678,432	7,264,095	60,000	913,828	(1,203,782)	59,712,573
Profit after taxation for quarter ended March 31, 2022	-	-	-	-	1,358,126	1,358,126
Other comprehensive loss for quarter ended March 31, 2022	-	-	-	(981,347)	-	(981,347)
Total comprehensive income / (loss) for quarter ended March 31, 2022	-	-	-	(981,347)	1,358,126	376,779
Transferred to statutory reserve	-	271,625	-	-	(271,625)	-
<b>Balance as at March 31, 2023</b>	52,678,432	7,535,720	60,000	(67,519)	(117,281)	60,089,352
Profit after taxation for nine months period ended December 31, 2023	-	-	-	-	9,626,008	9,626,008
Other comprehensive profit for nine months period ended December 31, 2023	-	-	-	1,689,570	2,759,751	4,449,321
Total comprehensive income for nine months period ended December 31, 2023	-	-	-	1,689,570	12,385,759	14,075,329
Transferred to statutory reserve	-	1,925,202	-	-	(1,925,202)	-
<b>Balance as at December 31, 2023</b>	52,678,432	9,460,922	60,000	1,622,051	10,343,276	74,164,681
Impact of adoption of IFRS 9 - net of tax (Note 3.3.2)	-	-	-	-	(1,952,911)	(1,952,911)
Profit after taxation for the quarter ended March 31, 2024	-	-	-	-	1,008,106	1,008,106
Other comprehensive loss for the quarter ended March 31, 2024	-	-	-	(915,288)	-	(915,288)
Total comprehensive income / (loss) for the quarter ended March 31, 2024	-	-	-	(915,288)	1,008,106	92,818
Transferred to statutory reserve	-	201,621	-	-	(201,621)	-
<b>Balance as at March 31, 2024</b>	52,678,432	9,662,543	60,000	706,763	9,196,850	72,304,588

Statutory reserves represent reserve maintained as per requirement of Section 21 of the Banking Companies Ordinance, 1962.

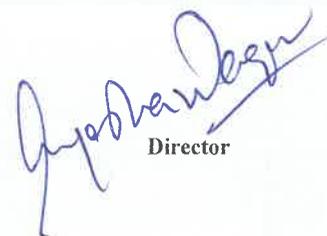
The Bank has set aside contingencies reserve for insurance of cash, building and vehicles.

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President

  
Chief Financial Officer

  
Director

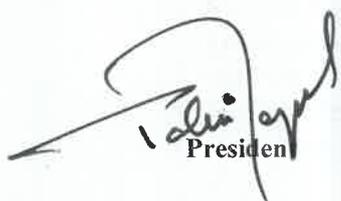
  
Director

  
Director

**ZARAI TARAQIATI BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2024**

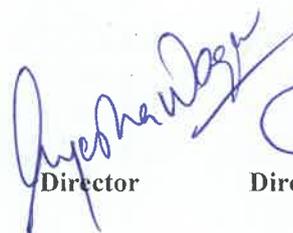
	Note	Period ended	
		March 31, 2024	March 31, 2023
..... Rupees in '000 .....			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating profit before working capital changes	33	4,309,151	4,553,490
(Increase) / decrease in operating assets:			
Lendings to financial institutions		3,382,300	30,860,867
Securities classified as FVPL		(594,337)	-
Advances		177,599	(536,404)
Other assets (excluding advance taxation)		(25,073,090)	(3,308,423)
		(22,107,528)	27,016,040
Increase / (decrease) in operating liabilities:			
Bills payable		(2,096,951)	(170,281)
Borrowings from financial institutions		96,555,863	164,567,453
Deposits and other accounts		(7,915,816)	(9,399,752)
Other liabilities		(979,697)	(417,120)
		85,563,399	154,580,300
Employees' benefits paid		(244,954)	(189,062)
Income tax paid		(1,682,521)	(903,590)
Net cash flow generated from operating activities		65,837,547	185,057,178
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Investments in securities classified as FVOCI		(93,115,380)	(180,803,184)
Realised gain on sales of securities		227,446	6,737
Investments in property and equipment		(10,326)	(53,193)
Proceeds from sale of property and equipment		6,852	66,969
Net cash generated used in investing activities		(92,891,408)	(180,782,671)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability against right-of-use assets		(82,772)	(81,449)
Increase / (decrease) in cash and cash equivalents		(27,136,633)	4,193,058
Cash and cash equivalents at beginning of the period		35,586,752	15,195,778
Cash and cash equivalents at end of the period	34	8,450,119	19,388,836

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

  
 President

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Director

## ZARAI TARAQIATI BANK LIMITED

### NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2024

#### 1 STATUS AND NATURE OF BUSINESS

##### 1.1 Reorganization and conversion

The Federal Government in its cabinet meeting held on August 28, 2002 decided for the reorganization and conversion of Agricultural Development Bank of Pakistan (ADBP) into a public limited Company for the purposes of ensuring good governance, autonomy, delivering high quality and viable financial services to a greater number of rural clientele and adequate returns to stakeholders. Accordingly, the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002 was promulgated for taking over the entire undertaking of ADBP and for matters connected therewith or incidental thereto.

##### 1.2 Status

As required under section 3 of the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002, Zarai Taraqiati Bank Limited ("the Bank") was incorporated as a public limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on October 23, 2002. Consequently, under SRO 823(1)/2002 dated November 18, 2002, all the assets, contracts, liabilities, proceedings and undertakings of ADBP were transferred to, and vested in Zarai Taraqiati Bank Limited on December 14, 2002, the effective date specified by the Federal Government, on the basis of net worth determined at Rs. 8.7 billion. The Bank is domiciled in Pakistan and its registered office is situated at 1-Faisal Avenue (Zero Point), Islamabad. The Bank operates 501 (December 31, 2023: 501) branches including 25 (December 31, 2023: 25) Islamic banking branches in Pakistan as at the close of the period.

##### 1.3 Nature of business

The main purpose of the Bank is to provide sustainable rural finance and services particularly to small farmers and low-income households to strengthen the rural and agricultural sector, mitigate poverty, capital market and investment activities and other banking business.

#### 2 BASIS OF PRESENTATION

##### 2.1 Statement of compliance

These unconsolidated condensed interim financial statements (un-audited) have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. These comprise of:

- International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

In case requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962, or the provisions of and directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Companies Act, 2017, Banking Companies Ordinance, 1962, and the said directives shall prevail.

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 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 Standard (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 (un-audited).

The disclosures made in these unconsolidated condensed interim financial statements (un-audited) have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 9, 2023 and IAS34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of annual financial statements, and should be read in conjunction with the annual unconsolidated financial statements (audited) of the Bank for the year ended December 31, 2023, except for IFRS 9 Financial Instruments adopted w.e.f January 1, 2024.

- 2.2 These unconsolidated condensed interim financial statements (un-audited) represents the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary company is presented separately.
- 2.3 The financial results of the Islamic banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating interbranch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 37 to these unconsolidated condensed interim financial statements.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements (un-audited) are consistent with those applied in the preparation of the unconsolidated annual financial statements (audited) of the Bank for the year ended December 31, 2023 except for the adoption of IFRS 9 Financial Instruments w.e.f January 1, 2024.

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

During the period, there are certain new and amended standards, interpretations and improvements to accounting standards that became effective. However, these are considered either not to be relevant or not to have any material effect on the financial statements of the Bank and, therefore, are not disclosed.

### 3.2 Standards, Interpretations and amendments to approved accounting standards that are not yet effective

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. The Bank expects that adoption of the same will not affect its financial statements in the period of initial application.

### 3.3 Changes in accounting policies and transition disclosures

#### 3.3.1 Impact of IFRS 9 - Financial Instruments

As permitted by the transitional provisions of IFRS9, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings at the beginning of the current year without restating the comparative figures.

The adoption of IFRS9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

#### 3.3.2 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024;

	Carrying amount as per current accounting policy as at Jan 1, 2024	Classification under IFRS 9				IFRS 9 carrying amount as at Jan 1, 2024
		At FVOCI - without recycling	At FVOCI - with recycling	At Amortised Cost	Remeasurement under IFRS 9	
Rupees in '000						
Cash and cash equivalents	35,586,752	-	-	35,586,752	-	35,586,752
Lendings to financial institutions	6,560,700	-	-	6,560,700	-	6,560,700
Advances	105,507,660	-	-	105,507,660	(2,057,526)	103,450,134
Investments in financial assets						
Available for sale	372,112,120	3,531,810	368,580,310	-	-	372,112,120
Other assets	27,126,949	-	-	27,126,949	-	27,126,949
Other liabilities	27,576,255	-	-	27,576,255	1,771,710	29,347,965

#### 3.3.3 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

##### (A) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate strategic investments of Rs. 10.523 million in unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

The Bank has elected to irrevocably designate Rs. 3,531.810 million in listed securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

**(B) Reclassification from retired categories with no change in measurement**

In addition to the above, the debt instruments previously classified as available for sale and now classified as measured at FVOCI under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements (un-audited) are the same as that applied in the preparation of the unconsolidated annual financial statements (audited) for the year ended December 31, 2023.

**5 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual financial statements (audited) of the Bank for the year ended December 31, 2023.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	758,699	911,540
With State Bank of Pakistan in:		
Local currency current account	1,682,414	1,834,020
With National Bank of Pakistan in:		
Local currency current account	142,921	393,638
Local currency deposit account	173,864	520,283
	316,785	913,921
Prize bonds	1,730	1,698
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
	<u>2,759,628</u>	<u>3,661,179</u>
<b>7 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In current accounts	82,641	99,618
In deposit accounts	5,607,850	31,825,955
	5,690,491	31,925,573
Less: Credit loss allowance held against balances with other banks	-	-
	<u>5,690,491</u>	<u>31,925,573</u>
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	1,700,000	3,600,000
Repurchase agreement lendings (reverse repo)	1,478,400	2,960,700
	3,178,400	6,560,700
Less: Credit loss allowance held against lending to financial institutions	-	-
Lendings to financial institutions - net of credit loss allowance	<u>3,178,400</u>	<u>6,560,700</u>
<b>8.1 Lending to financial institutions - Particulars of credit loss allowance</b>		
	<b>March 31, 2024 (Un-audited)</b>	
	<b>Lending</b>	<b>Credit loss allowance held</b>
	Rupees in '000	
<b>Domestic</b>		
Performing                      Stage 1	3,178,400	-
Under performing            Stage 2	-	-
Non-performing              Stage 3		
Substandard	-	-
Doubtful	-	-
Loss	-	-
	-	-
Total	<u>3,178,400</u>	<u>-</u>

9 INVESTMENTS

9.1 Investments by types

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortised cost	Credit Loss Allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
..... Rupees in '000 .....								
<b>FVTPL</b>								
Federal Government securities	594,337	-	(1,876)	592,461	-	-	-	-
	594,337	-	(1,876)	592,461	-	-	-	-
<b>FVOCI</b>								
Federal Government securities	459,526,833	-	(1,792,024)	457,734,809	-	-	-	-
Shares	99,819	(10,523)	3,183,033	3,272,329	-	-	-	-
Corporate sukuk	431,903	-	1,971	433,874	-	-	-	-
Term Finance Certificates	1,998,975	-	(7,170)	1,991,805	-	-	-	-
	462,057,530	(10,523)	1,385,810	463,432,817	-	-	-	-
<b>Available-for-sale securities</b>								
Federal Government securities	-	-	-	-	366,386,675	-	(255,564)	366,131,111
Shares	-	-	-	-	99,819	(10,523)	3,442,514	3,531,810
Corporate sukuk	-	-	-	-	456,681	-	1,919	458,600
Term Finance Certificates	-	-	-	-	1,998,975	-	(8,376)	1,990,599
	-	-	-	-	368,942,150	(10,523)	3,180,493	372,112,120
<b>Subsidiary</b>	100,000	-	-	100,000	100,000	-	-	100,000
<b>Total investments</b>	<u>462,751,867</u>	<u>(10,523)</u>	<u>1,383,934</u>	<u>464,125,278</u>	<u>369,042,150</u>	<u>(10,523)</u>	<u>3,180,493</u>	<u>372,212,120</u>

(Un-audited)      (Audited)  
**March 31,      December 31,**  
**2024              2023**  
... Rupees in '000 ...

**9.1.1 Information related to subsidiary company**

Country of incorporation	Pakistan	
Percentage of Holding (%)	100	100
Assets	1,794,649	1,727,771
Liabilities	527,031	519,214
Revenue	52,651	196,868
Profit after tax	59,062	166,714
Total comprehensive income	59,062	196,336

**9.1.2 Investments given as collateral**

Market Treasury Bills	168,850,956	213,753,317
Pakistan Investment Bonds	273,121,070	130,584,346
	441,972,026	344,337,663

**9.2 Credit loss allowance for diminution in value of investments**

Opening balance	10,523	10,523
Exchange adjustments	-	-
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	-	-
Reversal on disposals	-	-
	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	10,523	10,523

**9.3 Particulars of credit loss allowance against debt securities**

		<b>March 31, 2024 (Un-audited)</b>	
		<b>Outstanding amount</b>	<b>Credit loss allowance held</b>
		<b>Rupees in '000</b>	
<b>Domestic</b>			
Stage 1		464,014,755	-
Stage 2		-	-
Stage 3			
Substandard		-	-
Doubtful		-	-
Loss		10,523	10,523
		10,523	10,523
		464,025,278	10,523

10 ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	..... Rupees in '000 .....					
Loans, cash credits, running finance, etc.	87,843,971	85,398,098	30,984,953	34,584,173	118,828,924	119,982,271
Advances - gross	87,843,971	85,398,098	30,984,953	34,584,173	118,828,924	119,982,271
Credit loss allowance against advances:						
-Stage 1	542,342	-	-	-	542,342	-
-Stage 2	2,644,666	-	-	-	2,644,666	-
-Stage 3	-	-	-	-	-	-
-Specific against agriculture advance	-	-	11,569,440	11,434,335	11,569,440	11,434,335
-Specific against staff advances	-	-	40,057	40,276	40,057	40,276
-General	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	6,187,008	3,000,000	11,609,497	11,474,611	17,796,505	14,474,611
Advances - net of credit loss allowance	81,656,963	82,398,098	19,375,456	23,109,562	101,032,419	105,507,660

10.1 Particulars of advances (gross)

In local currency

118,828,924      119,982,271

10.2 Advances include Rs. 30,940.694 million (December 31, 2023: Rs. 34,539.382 million) relating to agricultural financing which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Non performing loans	Credit loss allowance / provision	Non performing loans	Credit loss allowance / provision
	..... Rupees in '000 .....			
Domestic				
Other assets especially mentioned	9,372,051	-	15,801,372	-
Substandard	10,206,367	2,041,274	6,965,643	1,393,129
Doubtful	3,668,222	1,834,113	3,462,327	1,731,165
Loss	7,694,053	7,694,053	8,310,040	8,310,040
	30,940,693	11,569,440	34,539,382	11,434,334

**10.3 Particulars of credit loss allowance against advances**

	March 31, 2024 (Un-audited)					December 31, 2023 (Audited)			
	Stage 3	Stage 2	Stage 1	Specific	General	Total	Specific	General	Total
	..... Rupees in '000 .....								
Opening balance	-	-	-	11,434,334	3,000,000	14,434,334	14,126,561	3,000,000	17,126,561
Impact on adoption of IFRS 9	11,434,334	1,713,434	344,092	(11,434,334)	-	2,057,526			
Charge for the period	2,776,252	1,802,046	393,179	-	-	4,971,477	7,586,093	-	7,586,093
Reversals	(1,665,398)	(870,814)	(194,929)	-	-	(2,731,141)	(3,154,764)	-	(3,154,764)
	1,110,854	931,232	198,250	-	-	2,240,336	4,431,329	-	4,431,329
Amounts charged off	(975,748)	-	-	-	-	(975,748)	(7,123,556)	-	(7,123,556)
Closing balance	11,569,440	2,644,666	542,342	-	3,000,000	17,756,448	11,434,334	3,000,000	14,434,334

**10.3.1** The credit loss allowance as per PR's requirements is Rs. 11,569.439 million (December 31, 2023: Rs. 11,434.334 million), higher than the IFRS-9, ECL i-e Rs. 10,973.410 million (December 31, 2023: Rs. 6,922.290 million) therefore stage 3 is taken as per the PR's requirements.

**10.3.2** Regulations R-11, R-12, R-13 and R-15 of the Prudential Regulations for Agriculture Financing prescribe minimum standards for classification and provisioning of non-performing loans. As per the time based criteria given in the aforesaid Regulations, provision against non-performing loans is to be made at a given percentage of the difference resulting from the outstanding balance of principal less the amount of realizable liquid assets and a given percentage of the value of mortgaged lands and buildings at the time of sanction of the loans. However, as a matter of prudence the Bank has not availed the benefit of allowed value of mortgaged lands and buildings while computing the provision against non-performing loans.

**10.3.3** In addition to the time based criteria, the Bank has further classified loans and advances amounting to Rs. 3,634.843 million (December 31, 2023: 4,603.142 million) and further de-graded the category of classified loans and advances amounting to Rs. 5,049.079 million (December 31, 2023: Rs. 5,366.175 million) on the basis of credit worthiness of the borrowers in accordance with the subjective criteria of the Prudential Regulations for Agriculture Financing.

**10.4 Advances - Particulars of credit loss allowance**

	March 31, 2024 (Un-audited)		
	Stage 1	Stage 2	Stage 3
	..... Rupees in '000 .....		
<b>10.4.1</b> Opening Balances	344,092	1,713,434	6,944,290
New advances	75,354	2,192	244,802
Advances derecognised or repaid	(63,665)	(157,688)	(382,833)
Transfer to stage 1	(86,131)	86,131	608,933
Transfer to stage 2	69,896	(678,829)	(33,507)
Transfer to stage 3	33,507	26,772	(26,772)
	28,961	(721,422)	410,623
Amounts written off / charged off	-	-	(443,920)
Changes in risk parameters (PDs/LGDs/EADs)	169,289	1,652,654	4,062,417
Closing balance	542,342	2,644,666	10,973,410

10.4.2 Advances - Category of classification

Domestic

Performing Stage 1  
 Under performing Stage 2  
 Non-Performing Stage 3  
     Substandard  
     Doubtful  
     Loss

**Total**

March 31, 2024 (Un-audited)	
Outstanding amount	Credit loss allowance held
..... Rupees in '000 .....	
74,927,766	542,342
25,642,912	2,644,666
11,392,666	7,015,024
3,674,140	2,378,332
1,750,202	1,580,054
16,817,008	10,973,410
<u>117,387,686</u>	<u>14,160,418</u>
117,387,686	14,160,418

	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
Rupees in '000			
<b>11 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	11.1	53,788	69,326
Property and equipment	11.2	1,445,661	1,469,286
		<u>1,499,449</u>	<u>1,538,612</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		39,405	61,385
Consultancy charges		7,368	7,618
Others	11.1.1	7,015	323
		<u>53,788</u>	<u>69,326</u>

11.1.1 This includes soil testing and other charges incurred at sites.

	... (Un-audited) ...	
	March 31, 2024	March 31, 2023
Rupees in '000		
<b>11.2 Additions to property and equipment</b>		
The following additions have been made during the period:		
Capital work-in-progress	1,355	6,206
Property and equipment:		
Building on leasehold land	7,826	995
Building on freehold land	9,067	1,907
Furniture and fixture	1,163	894
Electrical, office and computer equipment	882	6,749
Vehicles	8,276	3,760
	<u>27,214</u>	<u>14,305</u>
Total	<u>28,569</u>	<u>20,511</u>

<b>11.3 Disposal of property and equipment</b>		
The net book value of fixed assets disposed off is as follows:		
Furniture and fixture	14	-
Vehicles	3,757	17,929
Total	<u>3,771</u>	<u>17,929</u>

	(Un-audited)			(Audited)		
	March 31, 2024			December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
..... Rupees in '000 .....						
At January 1						
Cost	1,450,311	-	1,450,311	1,321,952	-	1,321,952
Accumulated Depreciation	593,372	-	593,372	510,874	-	510,874
Net opening carrying amount	<u>856,939</u>	<u>-</u>	<u>856,939</u>	<u>811,078</u>	<u>-</u>	<u>811,078</u>
Additions during the period / year	67,045	-	67,045	324,023	-	324,023
Deletions during the period / year	14,917	-	14,917	21,193	-	21,193
Depreciation charge for the period / year	64,370	-	64,370	256,969	-	256,969
Net closing carrying amount	<u>844,697</u>	<u>-</u>	<u>844,697</u>	<u>856,939</u>	<u>-</u>	<u>856,939</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>13 INTANGIBLE ASSETS</b>		
Computer Software	225,670	255,925
<b>14 DEFERRED TAX ASSETS</b>		
<b>Deductible temporary differences on:</b>		
Defined benefit plans	(2,518,298)	(2,518,298)
Unearned loan processing fee	816,110	-
Credit loss allowance against non-performing loans and advances	17,975,565	16,874,015
	16,273,377	14,355,717
<b>Taxable temporary differences on:</b>		
Accelerated tax depreciation	304,648	(66,461)
Surplus on revaluation of investments	(679,047)	(1,558,442)
	(374,399)	(1,624,903)
	15,898,978	12,730,814
<b>15 OTHER ASSETS</b>		
Income / mark-up accrued in local currency on :		
- advances - net of provision	12,943,263	11,235,916
- securities	28,904,290	6,702,050
- deposits	110,906	446,626
Amount recoverable from Federal Government	2,908,982	2,853,635
Tax recoverable	422,652	422,652
Branch adjustment account	3,312,516	1,626,582
Taxation (payments less provision)	2,577,260	1,677,055
Receivable from gratuity scheme - SR 2005	1,181,131	1,140,994
Non banking assets acquired in satisfaction of claims	420,005	420,731
Due from Islamic Banking	10,591	-
Stationery and stamps in hand	149,536	147,042
Stock of farm machinery	11,237	11,237
Advances against salary and expenses	64,947	60,339
Security deposits	7,199	7,199
Advances and other prepayments	902,114	644,944
Clearing and settlement	-	600,352
Others	162,284	118,264
	54,088,913	28,115,618
Credit loss allowance held against other assets	(985,850)	(988,669)
Other assets - net of credit allowance	53,103,063	27,126,949
<b>15.1 Credit loss allowance held against other assets</b>		
Tax recoverable	422,652	422,652
Non banking assets acquired in satisfaction of claims	420,005	420,731
Amount recoverable from Federal Government	66,234	66,234
Stock of farm machinery	11,237	11,237
Accrued interest on advances of ex-employees	15,552	15,595
Amount deposited with courts / legal charges recoverable	50,170	52,220
	985,850	988,669
<b>15.1.1 Movement in credit loss allowance held against other assets</b>		
Opening balance	988,669	939,492
Charge for the period / year	6,420	99,530
Reversals	(9,239)	(50,353)
	(2,819)	49,177
Closing balance	985,850	988,669

**16 CONTINGENT ASSETS**

- 15.1 There is a contingency of an amount of Rs. 297.149 million and Rs. 54.828 million on account of minimum income tax levied by the Income Tax authorities under section 80-D of the Income Tax Ordinance, 1979, and various tax refunds pertaining to assessment years 1991-92 to 1998-99 and assessment year 1999-2000 respectively despite the income of the Bank being exempt from tax up to income year ended 30 June 1999. The Bank paid, under protest, these disputed tax demands and also filed writ petition in this respect in the Honourable Lahore High Court, Rawalpindi Bench, Rawalpindi. Later on, the Bank withdrew the said petition on the directions of the Federal Government and the case was referred to the Law and Justice Division of the Government of Pakistan (GoP) which decided the reference in the Bank's favour. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision, further took up the matter with Federal Cabinet for its review. Federal Cabinet referred the case to the Attorney General of Pakistan (AGP) for final decision which was received on March 12, 2011 whereby the AGP decided that Section 27-A of the ADBP Ordinance should prevail over the said section 80-D of the Income Tax Ordinance, 1979.
- 15.2 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on 11.05.2019 for the period January 2012 to December 2012 creating a demand of Rs 6.42 million (Principle + Penalty). On 03.06.2019, payment of impugned tax Amounting Rs.6.6 million (Principle + 10% Surcharge) has been made, under protest, to avail the SRB Amnesty Scheme. Bank has filed appeal before Commissioner (Appeals), SRB. Main Appeal heard and further adjourned to 12.08.2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on 30.06.2022, being time barred at the Commissioner Appeals. The Bank is expecting a favourable decision.
- 15.3 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on 11.07.2019 for the period January 2013 to December 2013 creating a demand of Rs 2.75 million. On 03.06.2019, payment of impugned tax amounting to Rs. 2.75 million was made, under protest, to avail the SRB Amnesty Scheme. Bank filed appeal before Commissioner (Appeals), SRB. Main Appeal heard and further adjourned to 12.08.2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on 30.06.2022, being time barred at the Commissioner Appeals. The Bank is expecting a favourable decision.
- 15.4 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on 24.01.2020 for the period of January 2014 to December 2014 which created a demand of Rs.54.6 million. On 03.06.2019 payment of impugned tax was made for Rs. 2.86 million, under protest, to avail the SRB Amnesty Scheme. Bank filed appeal before Commissioner (Appeals), SRB. Main Appeal heard and further adjourned to 12.08.2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on 30.06.2022, being time barred at the Commissioner Appeals. The Bank is expecting a favourable decision.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>17 BILLS PAYABLE</b>		
In Pakistan	508,421	2,605,372
<b>18 BORROWINGS</b>		
<b>Secured</b>		
Borrowing from State Bank of Pakistan (SBP):		
Redeemable preference shares	54,461,536	54,461,536
Repurchase agreement borrowings	435,096,208	330,098,427
Repurchase agreement borrowings - others	6,875,818	14,239,236
<b>Total secured</b>	496,433,562	398,799,199
<b>Unsecured</b>		
Call borrowings	-	1,078,500
	<u>496,433,562</u>	<u>399,877,699</u>

**(Un-audited)      (Audited)**  
**March 31,      December 31,**  
**2024              2023**  
**Rupees in '000**

**19 DEPOSITS AND OTHER ACCOUNTS**

**Customers - local currency**

Current deposits	5,376,842	6,104,401
Saving deposits	12,868,187	13,078,871
Term deposits	29,755,334	34,268,326
Others	14,391	37,255
	<b>48,014,754</b>	<b>53,488,853</b>

**Financial Institutions - local currency**

Current deposits	102,496	75,364
Saving deposits	1,136,007	3,604,856
Term deposits	-	-
	<b>1,238,503</b>	<b>3,680,220</b>
	<b>49,253,257</b>	<b>57,169,073</b>

**20 LEASE LIABILITIES**

Outstanding amount at the start of the period / year	983,391	907,653
Additions during the period / year	56,025	296,173
Lease payments including interest	(79,754)	(304,542)
Interest expense	28,849	118,859
Remeasurement	(6,915)	(34,752)
Outstanding amount at the end of the period / year	<b>981,596</b>	<b>983,391</b>

**21 OTHER LIABILITIES**

Mark-up / return / interest payable in local currency on:

- borrowings	2,249,569	5,050,416
- deposits and other accounts	4,066,329	2,446,712
Accrued expenses	258,914	1,162,422
Net liabilities relating to Bangladesh	189	189
Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
Provision for:		
- pension scheme	6,065,231	5,845,680
- employees' post retirement medical benefits	9,681,233	9,409,455
- employees' compensated absences	1,943,305	1,926,253
Payable to subsidiary company	357,217	154,910
Due to Islamic Banking	-	114,491
Security deposits	14,720	38,182
Deferred income	9,535	9,535
Clearing and settlement	581,826	-
Others	3,480,581	1,250,010
	<b>28,876,649</b>	<b>27,576,255</b>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>22 SURPLUS ON REVALUATION OF ASSETS</b>		
Surplus / (deficit) on revaluation available-for-sale securities:		
Quoted investments	3,183,033	3,442,514
Other securities	(1,797,223)	(262,021)
Surplus on revaluation of available-for-sale securities	1,385,810	3,180,493
Deferred tax on surplus on revaluation of available-for-sale securities	(679,047)	(1,558,442)
	<u>706,763</u>	<u>1,622,051</u>
<b>23 CONTINGENCIES AND COMMITMENTS</b>		
<b>23.1 Contingent liabilities</b>		
In respect of cases filed against the Bank:		
23.1.1 by borrowers; 538 (December 31, 2023: 606) cases	324,303	402,962
23.1.2 by employees; 467 (December 31, 2023: 434) cases	275,405	271,387
23.2.1 The Assessment Officer issued an order under sections 161/205, creating an initial demand of Rs. 7.714 million for the Tax Year 2004. However, following appeals and proceedings led to an increase in the demand to Rs. 10.105 million. The matter is currently under litigation at the Supreme Court of Pakistan. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.		
23.2.2 The Bank contested taxation matters for Assessment Years 2002-2003 and Tax Years 2003-2009. Appellate Tribunal Inland Revenue, Islamabad favoured the Bank, resulting in net refunds of Rs. 4,640.154 million. Reference applications filed by CIR were decided by Islamabad High Court, Islamabad. Due to this order only in Tax Year 2007, Assessment Officer created a Rs. 24.876 million demand based on High Court directives. The Bank appealed to CIR(A), who remanded the issues to assessment officer. These all cases are currently under litigation at the Supreme Court of Pakistan. Creating provision for income tax cases, around Rs. 9,917.854 million. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.		
23.2.3 Deputy Commissioner Inland Revenue, u/s 122(5A), initially demanded Rs. 1,798.905 million for Tax Year 2008. However, after appeals and proceedings, the tax demand has now been converted into refund of Rs. 1,775.757 million. The matter is currently under litigation at the Islamabad High Court, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.		
23.2.4 Deputy Commissioner Inland Revenue, u/s 122(5A), initially demanded Rs. 1,057.652 million for Tax Year 2009. However, after appeals and proceedings, the tax demand has now been converted into refund of Rs. 755.824 million. The matter is currently under litigation at the Islamabad High Court, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.		
23.2.5 Deputy Commissioner Inland Revenue, u/s 161/205, initially demanded Rs. 27.792 million for Tax Year 2009. However, after appeals and proceedings, the tax demand has now been converted into refund of Rs. 16.752 million. The matter is currently under litigation at the Islamabad High Court, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.		

- 23.2.6 Additional Commissioner Inland Revenue u/s 122(5A) initially raised demands of Rs. 1,150.617 million for Tax Year 2010. However, following appeals and proceedings, the initial tax demand has now been reduced to Rs. 419.221 million. The matter is currently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.7 Deputy Commissioner Inland Revenue, u/s 161/205, initially raised a demand of Rs. 429.747 million for Tax Year 2010. The matter is currently under litigation at the Islamabad High Court. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.8 Additional Commissioner Inland Revenue, u/s 122(5A), initially demanded Rs. 2,922.881 million for Tax Year 2011. However, following appeals and proceedings, the current tax demand is Rs. 181.617 million. The matter is currently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.9 Deputy Commissioner Inland Revenue, u/s 161/205, initially raised a demand of Rs. 208.337 million for Tax Year 2011. However, following appeals and proceedings, ATIR cancelled the order in favour of the Bank, resulting in a demand reduction to Rs. 7.527 million. The matter is currently under litigation at the Islamabad High Court, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.10 Additional Commissioner Inland Revenue, u/s 122(5A), initially raised demands of Rs. 2,037.114 million for Tax Year 2012. However, following appeals and proceedings, the tax liability has been converted into refund of Rs. 12.320 million. The matter is presently in litigation at both the Appellate Tribunal Inland Revenue, Islamabad and Islamabad High Court, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.11 Deputy Commissioner Inland Revenue, u/s 161/205, initially demanded Rs. 15.943 million for Tax Year 2012. However, following appeals and proceedings, the tax liability has been reduced to Rs. 3.892 million. The matter is currently awaiting appeal effects with the A.O. after the cancellation of the impugned order by the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.12 Additional Commissioner Inland Revenue initially demanded Rs. 4,920.168 million under section 161/205 for Tax Year 2013. However, following appeals and proceedings, the tax liability has been converted to refund Rs. 8.702 million. The matter is presently in litigation at both the Appellate Tribunal Inland Revenue, Islamabad and Islamabad High Court, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.13 Deputy Commissioner Inland Revenue, under section 122(5A), initially demanded Rs. 3,058.732 million for Tax Year 2014. However, following appeals and proceedings, the tax liability has been reduced to Rs. 889.140 million. The matter is remanded back by the CIR(A) to the Assessment Officer. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.14 Assessment Officer, u/s 161/205, initially demanded Rs. 3.076 million for Tax Year 2014. The matter is remanded back by the CIR(A) to the assessment officer. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.15 Deputy Commissioner Inland Revenue, u/s 122(5A), initially demanded Rs. 5,549.706 million for Tax Year 2015. However, following appeals and proceedings, the tax liability has been raised to Rs. Rs. 6,780.480 million. The matter is presently in litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 23.2.16 Assessment Officer, under sections 161/205, initially demanded Rs. 26.628 million for Tax Year 2015 under section 155 of the Income Tax Ordinance (ITO), 2001. After appeals, the reduced tax liability is now Rs. 14.183 million. The Bank has appealed to the Appellate Tribunal Inland Revenue, Islamabad. The second demand of Rs. 2.270 million under section 155. However, on appeal, the Commissioner of Inland Revenue (Appeals) subsequently remanded the case back to the Assessing Officer. The third demand of Rs. 0.412 million was raised under section 153(1)(b) of ITO, 2001. Subsequently, it has been cancelled by the Appellate Tribunal Inland Revenue (ATIR), but the appeal effect is awaited from the Assessing Officer. The fourth demand of Rs. 0.207 million was raised under section 153(1)(b). However, on appeal, the Commissioner of Inland Revenue (Appeals) subsequently remanded the case back to the Assessing Officer. The fifth demand of Rs. 9.495 million under section 149 has been annulled by the Commissioner of Inland Revenue (Appeals), but appeal effects are awaited from the Assessing Officer. The sixth demand of Rs. 63.469 million was raised under section 151. Following appeals and proceedings, the tax liability has been reduced to Rs. 27.155 million. However, the Bank filed a second appeal against this order. The Bank has not accounted for the demands as tax payables, as favourable decisions are expected.
- 23.2.17 The Additional Commissioner of Inland Revenue initially raised a demand u/s 122(5A) of Rs. 1,510,521 million for the Tax Year 2016. However, due to subsequent appeals and proceedings, the demand has been converted into a refund of Rs. 416.325 million. The matter is currently under litigation at the Appellate Tribunal Inland Revenue in Islamabad. The Additional Commissioner of Inland Revenue issued two assessments under sections 161/205 orders: one for Rs. 63.243 million under section 151 and another for Rs. 161.180 million under section 149 for Tax Year 2016. After appeals, the tax demand under section 151 was reduced to Rs. 60.377 million. Meanwhile, for the demand under section 149, the Commissioner annulled the orders, and the appeal effects are still pending. The bank filed a second appeal against the remaining demand of Rs. 60.377 million. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.18 Assessment Officer, under section 122(5A), initially raised a demand of Rs. 361.752 million for Tax Year 2017, but this order was rectified under section 221(1), resulting in a tax refundable of Rs. 679.294 million. The matter is presently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.19 The Assessment Officer, in accordance with section 122(5A), initially issued a demand of Rs. 12,870.191 million for Tax Year 2018. However, this order was subsequently revised due to an audit under section 177(1), resulting in a revised tax demand of Rs. 14,435.571 million. The matter is presently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.20 Assessment Officer, under section 122(5A), initially raised a demand of Rs. 983.653 million for Tax Year 2019. However, following subsequent appeals and proceedings, the demand has been reduced to Rs. 591.975 million. The matter is presently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.21 The Assessment Officer, under section 122(5A), initially raised a demand of Rs. 4,085.176 million for Tax Year 2020. The matter is presently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.22 The Assessment Officer, under section 122(5A), initially raised a demand of Rs. 6,425.014 million for Tax Year 2021. The matter is presently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 23.2.23 The Assessment Officer, on May 4 and May 5, 2023, issued orders under section 4(B) and section 122(5A) of the Income Tax Ordinance, 2001, raising demands of Rs. 1,392.216 million and Rs. 3,384.615 million for the Tax Year 2022, respectively. Subsequently, the Assessment Officer rectified the order under section 221(1)/122(5A), resulting in an increased demand of Rs. 4,175.031 million. The matter is presently under litigation at the Appellate Tribunal Inland Revenue, Islamabad. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.24 The Assessment Officer, under section 122(5A), initially raised a demand of Rs. 6,208.164 million for the Tax Year 2023. The matter is presently under litigation at the Commissioner Appeal Inland Revenue, Islamabad. The Bank has not accounted for the demand as tax payable, as a favorable decision is expected.
- 23.2.25 The cases relating to Federal Excise Duties / Sales tax matters of the Bank for the Tax Years 2008, 2009, 2010, 2011 and 2012, consisting of Contingent Liabilities amounting to Rs.825.121, were contested by the Bank at various forums. No provision has been recognized as the Bank is confident for a favorable outcome. In the latest development, Islamabad High Court(IHC) vide order No.FERA No.03/2014 and FERA No.02/2014 both dated 06.02.2023 decided the case in favor of the Bank for the Tax Year 2011 and 2012 and deleted the alleged tax demand of Rs.343 million. No provision for balance contingent liabilities amounting to Rs. 482.121 million has been recognized as the Bank is confident for a favorable outcome.
- 23.2.26 DCIR passed orders relating to FED for the period January 2013 to December 2013 and January 2014 to December 2014 creating a demand of Rs. 738.892 million and Rs. 681.109 million respectively. The ATIR in its order cancelled the Assessment Orders but the department has filed reference application before Islamabad High Court, Islamabad. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.27 DCIR passed orders relating to Sales Tax for the period January 2013 to December 2013 and January 2014 to December 2014 creating a demand of Rs. 4.470 million (Rs. 1.822 million on advertisement and Rs. 2.647 million on fixed assets) and Rs. 13.295 million (Rs. 2.273 million on advertisement and Rs. 11.122 million on fixed assets) respectively. ATIR deleted the addition on fixed assets on which tax amount of Rs. 13.768 million was involved and remanded back the advertisement expenses on which tax amount of Rs. 4.096 million was involved. However, the department has filed reference application before Islamabad High Court, Islamabad on the issue of fixed asset deletion. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.28 Commissioner, Punjab Revenue Authority (PRA) passed order relating to the period ended December 2016 creating a demand of Rs. 10.06 million. The Appellate Tribunal, PRA, while addressing the Bank's appeal, remanded back the case to the Assessment Officer. The Learned DC (PRA) created demand of Rs.10.3 million. The Appellate Tribunal (PRA) upheld the order passed by the Commissioner Appeals. The Bank has filed reference application before the Honourable Lahore High Court. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.29 ATIR, Sindh Revenue Board (SRB) passed the order for the Sales Tax on Services for the period July 2011 to December 2011 creating demand of Rs 4.69 million. ATIR passed the order in favour of the bank wherein addition to Sales Tax against Postal Charges were deleted. However, SRB filed reference application before SHC, U/S 151 CPC 1908. Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

- 23.2.30 Assistant Commissioner, Sindh Revenue Board (SRB) passed an order for the period of January 2015 to December 2015 creating a demand of Rs. 10.2 million. The appeal / case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I), being time barred at the Commissioner Appeals. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.31 Assistant Commissioner, Sindh Revenue Board (SRB) passed as order for the period of January 2016 to December 2016 creating a demand of Rs. 6.68 million. The appeal / case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I), being time barred at the Commissioner Appeals. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.32 Order was passed by Deputy Commissioner, FBR for Tax Year 2015/16 creating demand of Rs. 712 million. ATIR decided the case in favour of the bank. The department (FBR) has filed reference application before honourable Islamabad High Court. The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.
- 23.2.33 An order was passed by Deputy Commissioner, IR (FBR) creating a demand of Rs. 29.121 million for Tax Year 2019 (Jan -2019 to Dec-2019). Both the bank and department (FBR) filed appeal before Appellate Tribunal (IR). The Bank has not accounted for the demand as tax payable, as a favourable decision is expected.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>23.3</b>		
<b>Commitments against</b>		
Capital expenditures	471,698	417,926
Consultancy Expenditures	5,628	5,628
	<u>5,628</u>	<u>5,628</u>
	(Un-audited) March 31, 2024	March 31, 2023
	Rupees in '000	
<b>24</b>		
<b>MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	7,223,288	4,852,495
Investments	16,935,872	20,861,476
Securities purchased under resale agreement	59,282	409,151
Call money lendings	803,300	243,473
Balances with banks	525,304	663,498
	<u>25,547,046</u>	<u>27,030,093</u>
<b>25</b>		
<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	2,710,386	1,508,645
Redeemable preference shares - SBP	1,021,154	1,021,154
Securities sold under repurchased agreement	16,033,285	19,354,104
Call borrowings	1,201,031	367,688
Bank commission and other charges	5,193	3,595
On lease liability against right-of-use assets	28,849	27,198
	<u>20,999,898</u>	<u>22,282,384</u>

		(Un-audited)	
		March 31, 2024	March 31, 2023
		Rupees in '000	
<b>26</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	13,980	9,798
	Credit related fees	129,647	252,145
	Commission on remittances including home remittances	1,528	148
		<u>145,155</u>	<u>262,091</u>
<b>27</b>	<b>GAIN ON SECURITIES</b>		
	Realised	227,446	6,737
	Unrealised - Measured at FVPL	(1,876)	-
	Realised	<u>225,570</u>	<u>6,737</u>
27.1	Realised gain on: Federal Government Securities	<u>227,446</u>	<u>6,737</u>
<b>28</b>	<b>OTHER INCOME</b>		
	Rent on property - KSSL - subsidiary company	1,674	1,646
	Rent on property - others	7,781	6,930
		<u>9,455</u>	<u>8,576</u>
	Gain on sale of fixed assets - net	3,081	16,567
	Gain on sale of non banking assets - net	1,796	3,500
	Discount income	291,520	67,423
	Others	10,878	14,676
		<u>316,730</u>	<u>110,742</u>
28.1	Other includes sale of scrap, sale of tender forms and private use of vehicles etc.		

	Note	(Un-audited)	
		March 31, 2024	March 31, 2023
		Rupees in '000	
<b>29 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>		1,946,210	2,098,791
<b>Property expense</b>			
Rent & taxes		1,215	314
Insurance		27,607	20,602
Utilities cost		83,020	49,303
Repair and maintenance (including janitorial charges)		58,689	29,140
Depreciation		8,231	8,996
Depreciation - right of use assets		64,370	63,278
		243,132	171,633
<b>Information technology expenses</b>			
Software maintenance		6,448	2,872
Hardware maintenance		8,014	38
Depreciation		11,412	13,088
Amortisation		30,254	10,345
Network charges		42,298	16,219
		98,426	42,562
<b>Other operating expenses</b>			
Directors' fees and allowances		6,146	3,020
Legal & professional charges		45,158	41,622
Outsourced services costs		695,921	536,354
Travelling & conveyance		17,915	20,620
NIFT clearing charges		5,849	3,814
Depreciation		26,077	30,896
Training & development		9,002	15,250
Postage & courier charges		11,522	6,280
Communication		6,404	6,278
Stationery & printing		16,633	13,979
Motor vehicle expenses		165,876	160,060
Others		21,404	2,664
		3,315,675	3,153,823
<b>30 OTHER CHARGES</b>			
Penalties imposed by SBP		1,291	38,193
<b>30 CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET</b>			
Credit loss allowance against loans & advances	10.3	2,240,116	573,799
Fixed assets charged-off		-	186
Reversal of credit loss allowance against other assets	15.1.1	(2,819)	(2,301)
Recovery of written off / charged off bad debts		(1,697,638)	(1,589,388)
		539,659	(1,017,704)
<b>31 TAXATION</b>			
Current		782,316	957,681
Deferred		(412,444)	637,160
		369,872	1,594,841

		(Un-audited)	
		March 31,	March 31,
		2024	2023
<b>32</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit after tax for the period - Rupees in '000	1,008,106	1,358,126
	Weighted average number of ordinary shares	<u>5,267,843,241</u>	<u>5,267,843,241</u>
	Earnings per share - basic and diluted (Rupees)	<u>0.19</u>	<u>0.26</u>
<b>32.1</b>	There is no dilutive effect on the basic earnings per share of the Bank.		
<b>33</b>	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
	Profit before taxation	1,377,978	2,952,967
	Adjustments:		
	Depreciation	45,719	52,979
	Depreciaiton on right-of-use assets	64,370	63,278
	Amortization	30,254	10,345
	Markup on lease liability on right-of-use assets	28,849	27,198
	Provisions and write-offs	2,237,297	571,684
	Provision for employees post retirement medical benefits	404,029	447,704
	Charge for defined benefit plans - net	349,306	450,639
	Gain on securities	(225,570)	(6,737)
	Gain on sale of operating fixed assets	(3,081)	(16,567)
		<u>2,931,173</u>	<u>1,600,523</u>
		<u>4,309,151</u>	<u>4,553,490</u>
<b>34</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	6 2,759,628	2,627,128
	Balances with other banks	7 5,690,491	16,761,708
		<u>8,450,119</u>	<u>19,388,836</u>

## **35 FAIR VALUE MEASUREMENT**

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.

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

### **35.1 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).

### **35.2 Valuation technique used & key inputs**

Revaluation rates for Treasury bills and Pakistan Investment Bonds are contributed by money market brokers on daily basis while for listed securities; daily prices announcement by Pakistan Stock Exchange.

Investment in subsidiary and other unlisted securities have not been carried out at fair value in accordance with the SBP guidelines.

### 35.3 Fair value of financial assets

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:

<b>March 31, 2024 (Un-audited)</b>			
Level 1	Level 2	Level 3	Total
..... Rupees in '000 .....			
<b>On balance sheet financial instruments</b>			
<b>Financial assets measured at fair value</b>			
Investments			
- Federal Government Securities	-	457,734,809	-
- Shares	3,272,329	-	-
- Corporate sukuk	433,874	-	-
- Debt securities (TFCs, Sukuk)	1,991,805	-	-
	<u>5,698,008</u>	<u>457,734,809</u>	<u>-</u>
			<u>463,432,817</u>
<b>Financial assets not measured at fair value</b>			
- Subsidiary company	-	100,000	-
	<u>5,698,008</u>	<u>457,834,809</u>	<u>-</u>
			<u>463,532,817</u>
<b>December 31, 2023 (Audited)</b>			
Level 1	Level 2	Level 3	Total
..... Rupees in '000 .....			
<b>On balance sheet financial instruments</b>			
<b>Financial assets measured at fair value</b>			
Investments			
- Federal Government Securities	-	366,131,111	-
- Shares	3,531,810	-	-
- Debt securities (TFCs, Sukuk)	2,449,199	-	-
	<u>5,981,009</u>	<u>366,131,111</u>	<u>-</u>
			<u>372,112,120</u>
<b>Financial assets not measured at fair value</b>			
- Subsidiary company	-	100,000	-
	<u>5,981,009</u>	<u>366,231,111</u>	<u>-</u>
			<u>372,212,120</u>

## 36 SEGMENT INFORMATION

### 36.1 Segment Details with respect to Business Activities:

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

	<b>March 31, 2024 (Un-audited)</b>			
	<b>Branch banking &amp; agri financing</b>	<b>Treasury</b>	<b>Islamic banking</b>	<b>Total</b>
	..... Rupees in '000 .....			
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	3,576,420	899,659	71,069	4,547,148
Inter segment revenue - net	1,177,481	(1,177,481)	-	-
Non mark-up / return / interest income	460,819	225,570	1,066	687,455
<b>Total Income</b>	<b>5,214,720</b>	<b>(52,252)</b>	<b>72,135</b>	<b>5,234,603</b>
Segment direct expenses	3,242,972	19,086	54,908	3,316,966
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>3,242,972</b>	<b>19,086</b>	<b>54,908</b>	<b>3,316,966</b>
Credit loss allowance	539,659	-	-	539,659
<b>Profit / loss) before tax</b>	<b>1,432,089</b>	<b>(71,338)</b>	<b>17,227</b>	<b>1,377,978</b>
<b>Balance Sheet</b>				
Cash & Bank balances	1,509,572	6,774,934	165,613	8,450,119
Investments	-	462,437,087	1,688,191	464,125,278
Net inter segment lendings	57,777,250	-	-	57,777,250
Lendings to financial institutions	-	2,478,400	700,000	3,178,400
Advances - performing	87,843,971	-	-	87,843,971
- non-performing	13,188,448	-	-	13,188,448
Others	41,426,523	29,711,131	434,203	71,571,857
<b>Total Assets</b>	<b>201,745,764</b>	<b>501,401,552</b>	<b>2,988,007</b>	<b>706,135,323</b>
Borrowings	54,461,536	441,972,026	-	496,433,562
Subordinated debt	-	-	-	-
Deposits & other accounts	47,389,921	-	1,863,336	49,253,257
Net inter segment borrowing	-	56,757,229	1,020,021	57,777,250
Others	28,328,408	1,965,534	72,724	30,366,666
<b>Total Liabilities</b>	<b>130,179,865</b>	<b>500,694,789</b>	<b>2,956,081</b>	<b>633,830,735</b>
Equity	71,565,899	706,763	31,926	72,304,588
<b>Total Equity &amp; Liabilities</b>	<b>201,745,764</b>	<b>501,401,552</b>	<b>2,988,007</b>	<b>706,135,323</b>
<b>Contingencies &amp; Commitments</b>	<b>71,714,901</b>	<b>-</b>	<b>-</b>	<b>71,714,901</b>

**March 31, 2023 (Un-audited)**

	<b>Branch banking &amp; agri financing</b>	<b>Treasury</b>	<b>Islamic banking</b>	<b>Total</b>
	..... Rupees in '000 .....			
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	2,434,022	2,247,707	65,980	4,747,709
Inter segment revenue - net	577,771	(577,771)	-	-
Non mark-up / return / interest income	372,693	6,737	140	379,570
<b>Total Income</b>	<b>3,384,486</b>	<b>1,676,673</b>	<b>66,120</b>	<b>5,127,279</b>
Segment direct expenses	3,160,112	13,379	18,525	3,192,016
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>3,160,112</b>	<b>13,379</b>	<b>18,525</b>	<b>3,192,016</b>
Credit loss allowance	(1,017,704)	-	-	(1,017,704)
<b>Profit / (loss) before tax</b>	<b>1,242,078</b>	<b>1,663,294</b>	<b>47,595</b>	<b>2,952,967</b>

**December 31, 2023 (Audited)**

	<b>Branch banking &amp; agri financing</b>	<b>Treasury</b>	<b>Islamic banking</b>	<b>Total</b>
	..... Rupees in '000 .....			
<b>Balance Sheet</b>				
Cash & Bank balances	3,555,250	27,925,739	4,105,763	35,586,752
Investments	-	370,022,133	2,189,987	372,212,120
Net inter segment lending	62,557,612	-	-	62,557,612
Lendings to financial institutions	-	5,960,700	600,000	6,560,700
Advances - performing	85,398,098	-	-	85,398,098
- non-performing	20,109,562	-	-	20,109,562
Others	34,772,201	7,500,019	237,019	42,509,239
<b>Total Assets</b>	<b>206,392,723</b>	<b>411,408,591</b>	<b>7,132,769</b>	<b>624,934,083</b>
Borrowings	54,461,536	344,337,663	1,078,500	399,877,699
Subordinated debt	-	-	-	-
Deposits & other accounts	52,062,200	-	5,106,873	57,169,073
Net inter segment borrowing	-	61,718,616	838,996	62,557,612
Others	27,351,520	3,730,261	83,237	31,165,018
<b>Total Liabilities</b>	<b>133,875,256</b>	<b>409,786,540</b>	<b>7,107,606</b>	<b>550,769,402</b>
Equity	72,517,467	1,622,051	25,163	74,164,681
<b>Total Equity &amp; Liabilities</b>	<b>206,392,723</b>	<b>411,408,591</b>	<b>7,132,769</b>	<b>624,934,083</b>
<b>Contingencies &amp; Commitments</b>	<b>71,735,770</b>	<b>-</b>	<b>-</b>	<b>71,735,770</b>

37 RELATED PARTY TRANSACTIONS AND BALANCES

The Bank has related party relationship with its subsidiary company, employee benefit plans, agriculture technology development fund and the Bank's key management personnel.

The transactions between the Bank and its subsidiary, Kissan Support Services (Private) Limited, are carried out on "cost plus" method. There are no transactions with key management personnel other than under their terms of employment. Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan as at December 31, 2023. Remuneration to the executives are determined in accordance with the terms of their appointment. Details of transactions with related parties and balances with them are as under:

	Subsidiary company		Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
	..... Rupees in '000 .....							
<b>Investments</b>	100,000	100,000	-	-	-	-	-	-
<b>Advances</b>								
Opening balance	-	-	54,997	34,458	-	-	-	-
Addition	-	-	1,164	78,570	-	-	-	-
Repaid	-	-	(3,773)	(58,031)	-	-	-	-
Closing balance	-	-	52,388	54,997	-	-	-	-
<b>Other assets</b>								
Interest / mark-up accrued	-	-	10,950	10,608	-	-	-	-
Receivable at the end of the period	-	-	-	-	1,181,131	1,140,994	-	-
<b>Deposits and other accounts</b>								
Opening balance	1,305,899	1,117,394	2,085	2,687	12,001,475	9,126,458	274,290	236,986
Received during the period / year	1,254,606	7,287,632	44,729	219,470	348,905	35,825,178	1,894	483,205
Withdrawn during the period / year	(1,449,118)	(7,099,127)	(41,600)	(220,072)	(805,883)	(32,950,161)	-	(445,901)
Closing balance	1,111,387	1,305,899	5,214	2,085	11,544,497	12,001,475	276,184	274,290
<b>Other liabilities</b>								
Interest / mark-up payable	163,573	109,644	-	-	581,460	430,719	28,475	14,979
Payable at the end of the period	357,217	154,910	-	-	17,689,769	17,181,388	-	-
	Subsidiary company		Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	..... (Un-audited) Period ended March 31, .....							

	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees in '000							
<b>Income</b>								
Mark-up / interest earned	-	-	635	352	-	-	-	-
Rental income	1,674	1,646	-	-	-	-	-	-
<b>Expense</b>								
Mark-up / interest paid	70,219	38,700	-	-	25,430	4,943	1,882	1,070
Compensation	-	-	57,051	35,694	-	-	-	-
Post retirement benefit	-	-	1,111	1,239	-	-	-	-
Contribution to defined benefit plan	-	-	220	243	-	-	-	-
Cost of services rendered	695,921	536,354	-	-	-	-	-	-

### 37.1 Transactions with Government related entities

The Federal Government through SBP holds controlling interest 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 normal course of business enters into transaction with Government-related entities. Such transactions include deposits from and provision of other banking services to Government-related entities. However, these transactions have not been treated as related parties transactions for the purpose of this disclosure.

38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	... Rupees in '000 ...	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	52,678,432	63,021,708
<b>Capital Adequacy Ratio:</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	62,610,392	66,784,561
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	62,610,392	66,784,561
Eligible Tier 2 Capital	2,382,963	3,425,817
Total Eligible Capital (Tier 1 + Tier 2)	64,993,355	70,210,378
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	134,095,992	144,301,307
Market Risk	6,559,463	7,063,625
Operational Risk	34,927,413	34,927,413
Total	175,582,868	186,292,345
Common Equity Tier 1 Capital Adequacy Ratio	35.66%	35.85%
Tier 1 Capital Adequacy Ratio	35.66%	35.85%
Total Capital Adequacy Ratio	37.02%	37.69%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	62,610,392	66,784,561
Total exposures	647,765,032	562,544,100
Leverage ratio	9.67%	11.87%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	61,060,497	43,825,505
Total Net Cash Outflow	22,211,951	5,314,602
Liquidity Coverage Ratio	275%	825%
<b>Net Stable Funding</b>		
Total Available Stable Funding	172,506,585	189,685,484
Total Required Stable Funding	155,353,339	156,982,972
Net Stable Funding Ratio	111%	121%

**39 ISLAMIC BANKING BUSINESS**

The bank is operating 25 (2023: 25) Islamic banking branches and nil (2023: 10) Islamic branches windows as at March

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks		152,680	282,787
Balances with other banks		12,933	3,822,976
Due from financial institutions	39.1	700,000	600,000
Investments	39.2	1,688,191	2,189,987
Islamic financing and related assets - net		-	-
Property and equipment		-	-
Intangible assets		119,565	121,463
Due from Head Office		-	-
Other assets		-	-
<b>Total Assets</b>		<b>2,988,007</b>	<b>7,132,769</b>
<b>LIABILITIES</b>			
Bills payable		1,397	1,367
Due to financial institutions		-	1,078,500
Deposits and other accounts	39.3	1,863,336	5,106,873
Due to Head Office		520,021	338,996
Subordinated debt		-	-
Other liabilities		71,327	81,870
		2,456,081	6,607,606
<b>NET ASSETS</b>		<b>531,926</b>	<b>525,163</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Deficit on revaluation of assets		(26,061)	(23,039)
Unappropriated profit	39.4	57,987	48,202
		<b>531,926</b>	<b>525,163</b>

**CONTINGENCIES AND COMMITMENTS**

The profit and loss account of the Bank's Islamic banking branches is as follows:

		(Un-audited)	
	Note	March 31, 2024	March 31, 2023
		Rupees in '000	
Profit / return earned	39.5	649,955	236,010
Profit / return expensed	39.6	578,886	170,030
Net profit / return		71,069	65,980
<b>Other income</b>			
Fee and commission income		1,066	140
Dividend income		-	-
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other income		-	-
Total other income		1,066	140
Total income		72,135	66,120
<b>Other expenses</b>			
Operating expenses		54,908	18,525
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		54,908	18,525
Profit before credit loss allowance		17,227	47,595
Credit loss allowance and write offs - net		-	-
Profit before taxation		17,227	47,595
Taxation		7,442	23,403
Profit after taxation		9,785	24,192

39.1 Due from Financial Institutions

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	..... Rupees in '000 .....					
Unsecured	700,000		700,000	600,000	-	600,000
Less: Credit loss allowance						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>

39.2 Investments

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
	..... Rupees in '000 .....							
<b>Federal Government securities</b>								
Ijarah sukuk	1,282,350	-	(28,033)	1,254,317	1,756,345	-	(24,958)	1,731,387
<b>Non Government Debt Securities</b>								
Listed securities	431,903	-	1,971	433,874	456,681	-	1,919	458,600
<b>Total investments</b>	<u>1,714,253</u>	<u>-</u>	<u>(26,062)</u>	<u>1,688,191</u>	<u>2,213,026</u>	<u>-</u>	<u>(23,039)</u>	<u>2,189,987</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>39.3 Deposits</b>		
<b>Customers - local currency</b>		
Current deposits	133,777	223,294
Savings deposits	1,572,221	4,723,567
Term deposits receipts	153,850	155,397
Others	3,488	4,615
	<u>1,863,336</u>	<u>5,106,873</u>
<b>Financial Institutions</b>	-	-
	<u>1,863,336</u>	<u>5,106,873</u>
<b>39.4 Islamic Banking Business Unappropriated Profit</b>		
Opening Balance	48,202	7,153
Add: Islamic Banking profit for the period	17,227	78,494
Less: Taxation	7,442	37,445
Closing Balance	<u>57,987</u>	<u>48,202</u>
	(Un-audited)	
	March 31, 2024	March 31, 2023
	Rupees in '000	
<b>39.5 Profit / return earned of financing, investments and placement</b>		
Profit earned on:		
Investments	633,576	78,093
Placements	16,379	157,917
	<u>649,955</u>	<u>236,010</u>
<b>39.6 Profit on deposits and other dues expensed</b>		
Call borrowings/ Funds acceptances	454,614	33,832
Commission and other charges	593	28
Deposits and other accounts	123,679	136,170
	<u>578,886</u>	<u>170,030</u>

#### 40 CORRESPONDING FIGURES

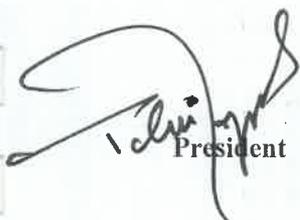
Corresponding figures have been rearranged, reclassified or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

#### 41 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 19 OCT 2024 by the Board of Directors of the Bank.

#### 42 GENERAL

The figures in the unconsolidated condensed interim financial statements are rounded off to the nearest thousand rupees.

  
President

  
Chief Financial Officer

  
Director

  
Director

  
Director