



A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of U Microfinance Bank Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim balance sheet of U Microfinance Bank Limited as at June 30, 2023 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement, and notes to the financial statements for the six month period then ended (here in after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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 interim 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The financial statements of the U Microfinance Bank Limited for the year ended December 31, 2022 were audited by another auditor, whose report dated March 15, 2023 expressed an unmodified opinion thereon.

The condensed interim financial statements of the U Microfinance Bank for the half year ended June 30, 2022, were reviewed by another auditor who expressed an unmodified conclusion on those statements on August 2, 2022.

A.F.F.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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A.F. FERGUSON & Co

-2-

The engagement partner on the review resulting in this independent auditor's review report is Mr. JehanZeb Amin.

A handwritten signature in dark ink, appearing to read 'JehanZeb Amin'.

Chartered Accountants
Islamabad

Date: November 30, 2023

UDIN: RR202310083pPghSsWeO

U MICROFINANCE BANK LIMITED

**REVIEW OF CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED
JUNE 30, 2023**

U MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT JUNE 30, 2023

		June 30, 2023 (Unaudited)	December 31, 2022 (Audited) (Restated)
	Note	Rupees	Rupees
ASSETS			
Cash and balances with SBP and NBP	9	7,998,949,674	7,452,332,589
Balances with other Banks/ NBFIs /MFBs	10	573,120,882	1,276,155,860
Lending to financial institutions	11	961,152,574	6,581,567,250
Investments - net of provisions	12	83,624,491,821	137,330,941,405
Advances - net of provision	13	69,322,830,526	55,029,764,560
Operating fixed assets	14	5,564,467,212	4,763,987,510
Other assets	15	5,678,127,428	2,456,876,898
Deferred tax asset - net	16	4,592,972,663	3,634,192,585
Total Assets		178,316,112,780	218,525,818,657
LIABILITIES			
Deposits and other accounts	17	99,461,684,619	92,200,411,122
Borrowings	18	66,762,241,313	115,122,588,563
Subordinated debt	19	2,631,006,097	2,834,717,861
Other liabilities	20	4,114,663,694	3,972,751,661
Deferred tax liability - net	16	-	-
Total liabilities		172,969,595,723	214,130,469,207
Net assets		5,346,517,057	4,395,349,450
REPRESENTED BY			
Share capital		5,085,714,290	5,085,714,290
Discount on issue of share capital		(25,714,290)	(25,714,290)
Advance against issue of shares		-	-
Statutory and general reserve		922,103,284	633,083,649
Depositors' protection fund		269,927,347	182,619,010
Unappropriated profit		(852,600,863)	(1,492,706,756)
		5,399,429,768	4,382,995,903
Surplus/ (deficit) on revaluation of assets		(141,610,154)	(2,014,787)
Deferred grants		88,697,443	14,366,334
Total capital		5,346,517,057	4,395,349,450

MEMORANDUM/ OFF-BALANCE SHEET ITEMS

21

The annexed notes from 1 to 30 form an integral part of these financial statements.

President/ Chief Executive

Chairman

Director

Director

U MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

		Half Year Ended	
		June 30, 2023	June 30, 2022 (Restated)
	Note	Rupees	Rupees
Mark-up/ return/ interest earned	22	19,753,453,406	8,430,515,680
Mark-up/ return/ interest expensed	23	(15,953,210,109)	(5,179,753,748)
Net mark-up/ interest income		3,800,243,297	3,250,761,932
Credit loss allowance and write off - net	13	(623,307,011)	(1,698,598,124)
Provision for diminution in the value of investments		15,479,039	-
Bad debts written off directly - net of insurance recoveries		(95,405,492)	-
		(703,233,464)	(1,698,598,124)
Net mark-up/ interest income after provisions		3,097,009,833	1,552,163,808
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income	24	843,784,128	606,866,152
Dividend income		-	-
Other income - net		946,037,449	193,264,419
Total non mark-up/ non interest income		1,789,821,577	800,130,571
		4,886,831,410	2,352,294,379
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	25	(4,432,387,335)	(3,020,824,868)
Other charges		(260,000)	(5,280,850)
Total non mark-up/ non interest expenses		(4,432,647,335)	(3,026,105,718)
		454,184,075	(673,811,339)
Extra ordinary/ unusual items		-	-
PROFIT BEFORE TAXATION		454,184,075	(673,811,339)
Workers welfare fund (WWF)		(9,083,682)	-
		445,100,393	(673,811,339)
Taxation - Current		(353,975,402)	(232,965,202)
Prior year		484,738,391	(82,357,813)
Deferred		869,234,795	813,960,543
		999,997,784	498,637,528
PROFIT AFTER TAXATION		1,445,098,177	(175,173,811)
Unappropriated profit/ (loss) brought forward		(1,492,706,756)	(736,123,431)
Less: Other comprehensive income		-	3,005,270
Profit available for appropriation		(47,608,579)	(908,291,972)
APPROPRIATIONS			
Transfer to:			
Statutory reserve		(289,019,635)	-
Depositors' protection fund		(72,254,909)	-
Issue of dividend @ Re 0.71 per ordinary share and Rs. 1.57 per preference share		(443,717,740)	(195,286,000)
		(804,992,284)	(195,286,000)
Unappropriated profit carried forward		(852,600,863)	(1,103,577,972)
Earnings per share		3.16	(0.57)

The annexed notes from 1 to 30 form an integral part of these financial statements.

President/ Chief Executive

Chairman

Director

Director

U MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	Half Year Ended	
		June 30, 2023	June 30, 2022 (Restated)
		Rupees	Rupees
Profit after taxation		1,445,098,177	(175,173,811)
Other comprehensive income for the period		-	-
Comprehensive income transferred to equity		<u>1,445,098,177</u>	<u>(175,173,811)</u>
Components of comprehensive income/ (loss) not reflected in equity			
Items that will be subsequently reclassified through profit and loss account :			
Surplus on revaluation of FVOCI investments - net		-	65,484,459
(Deficit) / Surplus on revaluation of assets transferred to profit and loss		(229,140,650)	300,490,409
Related tax impact		89,545,283	(106,132,712)
Total comprehensive income for the period		<u>1,305,502,810</u>	<u>84,668,345</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

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President/ Chief Executive



Chairman



Director

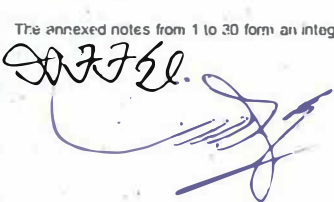


Director

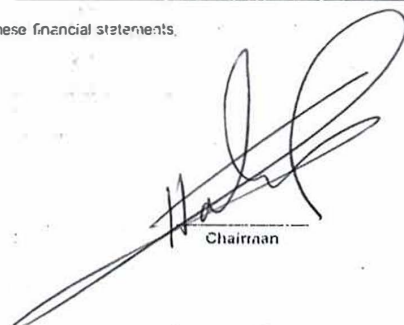
U MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

	Share capital	Advance against issue of shares	Discount on issue of share capital	Capital reserves		Revenue reserve	Total
				Statutory reserve	Depositors' protection fund	Unappropriated profit	
				Rupees			
Balance as at December 31, 2021 - as previously reported	4,085,714,290	1,000,000,000	(25,714,290)	633,083,649	158,270,912	(816,062,377)	5,035,291,184
Effect of change due to prior year adjustments - Note 28	-	-	-	-	4,178,090	79,939,946	84,118,036
Balance as at January 01, 2022 - restated	4,085,714,290	1,000,000,000	(25,714,290)	633,083,649	162,449,002	(736,123,431)	5,119,409,220
Profit for the period - restated - Note 28	-	-	-	-	-	(175,173,811)	(175,173,811)
Other comprehensive income/(loss) for the period	-	-	-	-	-	3,005,270	3,005,270
Total comprehensive income for the period	-	-	-	-	-	(172,168,541)	(172,168,541)
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to depositors' protection fund	-	-	-	-	-	-	-
- 5% of the profit after tax for the period	-	-	-	-	-	-	-
- Return on investments - net of tax	-	-	-	-	7,476,839	(7,476,839)	-
Transactions with owners, recorded directly in equity contributions and distributions	-	-	-	-	7,476,839	(7,476,839)	-
Issue of dividend @ Re 0.32 per ordinary share and Re 0.95 per preference share	-	-	-	-	-	(195,286,000)	(195,286,000)
Balance as at June 30, 2022 - restated	4,085,714,290	1,000,000,000	(25,714,290)	633,083,649	169,925,841	(1,111,054,811)	4,751,954,679
Balance as at July 01, 2022 - restated	4,085,714,290	1,000,000,000	(25,714,290)	633,083,649	169,925,841	(1,111,054,811)	4,751,954,679
Profit for the period - restated - Note 28	-	-	-	-	-	(363,791,361)	(363,791,361)
Other comprehensive income/(loss) for the period	-	-	-	-	-	(5,167,415)	(5,167,415)
Total comprehensive income for the period	-	-	-	-	-	(368,958,776)	(368,958,776)
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to depositors' protection fund - restated	-	-	-	-	-	-	-
- 5% of the profit after tax for the period	-	-	-	-	-	-	-
- Return on investments - net of tax	-	-	-	-	12,693,169	(12,693,169)	-
Transactions with owners, recorded directly in equity contributions and distributions	-	-	-	-	12,693,169	(12,693,169)	-
Issuance of shares	1,000,000,000	(1,000,000,000)	-	-	-	-	-
Balance as at December 31, 2022 - restated	5,085,714,290	-	(25,714,290)	633,083,649	182,619,010	(1,492,706,756)	4,382,995,903
Balance as at January 01, 2023 - restated	5,085,714,290	-	(25,714,290)	633,083,649	182,619,010	(1,492,706,756)	4,382,995,903
Profit for the period	-	-	-	-	-	1,445,098,177	1,445,098,177
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,445,098,177	1,445,098,177
Transfer to statutory reserve	-	-	-	289,019,635	-	(289,019,635)	-
Transfer to depositors' protection fund	-	-	-	-	-	-	-
- 5% of the profit after tax for the period	-	-	-	-	72,254,909	(72,254,909)	-
- Return on investments - net of tax	-	-	-	-	15,053,428	-	15,053,428
Transactions with owners, recorded directly in equity contributions and distributions	-	-	-	-	87,309,337	(72,254,909)	15,053,428
Issue of dividend @ Re 0.71 per ordinary share and Rs 1.57 per preference share	-	-	-	-	-	(443,717,740)	(443,717,740)
Balance as at June 30, 2023	5,085,714,290	-	(25,714,290)	922,103,284	269,927,347	(852,600,855)	5,399,429,768

The annexed notes from 1 to 30 form an integral part of these financial statements.



President/ Chief Executive



Chairman



Director

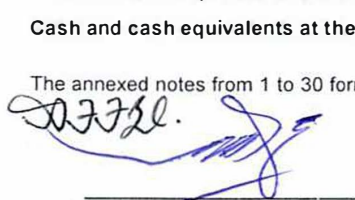


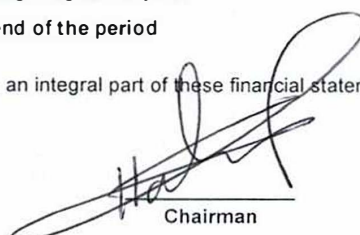
Director

U MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023

		Half Year Ended	
		June 30, 2023	June 30, 2022 (Restated)
	Note	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before taxation		454,184,075	(673,811,339)
Less : Transfer to depositors protection fund		(87,308,337)	(7,476,839)
		366,875,738	(681,288,178)
Adjustments for non-cash changes			
Depreciation	25	271,753,261	216,344,399
Amortization	25	46,475,037	29,637,272
Provision against non-performing advances		623,307,011	1,698,598,124
Advances directly written-off - net of insurance recoveries		95,405,492	(755,761,261)
Advances written off against credit loss allowance		77,752,872	-
Credit loss allowance against investments		(15,479,039)	-
(Gain) / Loss on sale of fixed assets		(235,788)	(290,614)
Finance charges on leased assets		20,586,266	4,158,724
Loss on interest free loans		204,386,660	-
Remeasurement of Advances		(123,263,758)	-
Capital loss on investments		53,471,877	-
Depreciation of ROU Asset	25	243,653,991	184,077,181
Interest expense on lease liability		116,551,128	-
Amortization of deferred Grant		(86,519,188)	-
Provision for Workers welfare fund		9,083,682	-
Provision for gratuity and leave encashment		44,637,364	30,608,682
		1,581,566,868	1,407,372,507
(Increase)/ decrease in operating assets			
Lending to financial institutions		5,620,414,676	-
Advances		(14,966,267,583)	(16,265,015,482)
Other assets (excluding advance taxation)		(2,189,843,091)	8,400,313,292
		(11,535,695,998)	(7,864,702,190)
Increase/ (decrease) in operating liabilities			
Deposits		7,261,273,497	10,917,484,290
Other liabilities (excluding current taxation, gratuity and finance lease)		596,072,300	(145,416,900)
		7,857,345,797	10,772,067,390
Changes in margin accounts held against performance guarantee contracts		(5,200,000)	-
Income tax paid		(1,300,256,424)	(191,399,647)
Gratuity and leave ensachment paid (including contributions)		(17,958,122)	(31,071,482)
Net cash flow from/ (used in) operating activities		(3,053,322,142)	3,410,978,400
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		53,439,316,096	(6,889,831,261)
Net investment in Term deposit receipts		-	2,750,000,000
Investment in operating fixed assets		(1,366,611,375)	(606,297,064)
Sale proceeds from property and equipment disposed-off		4,485,172	392,022
Net cash flow from/ (used in) investing activities		52,077,189,893	(4,745,736,303)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of subordinated loan		(203,711,764)	(120,000)
Borrowings - net		(48,187,076,851)	(2,315,631,519)
Payments of lease obligations		(438,287,627)	(119,857,904)
Issue of Additional Tier-1 Capital TFCs		-	1,000,000,000
Dividend paid		(443,717,740)	(195,286,000)
Net cash flow (used in) financing activities		(49,272,793,982)	(1,630,895,423)
(Decrease) in cash and cash equivalents		(248,926,230)	(2,965,653,326)
Cash and cash equivalents at the beginnig of the year		8,533,069,439	9,848,586,260
Cash and cash equivalents at the end of the period	26	8,284,143,209	6,882,932,934

The annexed notes from 1 to 30 form an integral part of these financial statements.


President/ Chief Executive


Chairman


Director


Director

U MICROFINANCE BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

On August 30, 2012, Pakistan Telecommunication Company Limited (PTCL) acquired 100% shareholding of Rozgar Microfinance Bank Limited, incorporated in Karachi on October 29, 2003 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), and its name was changed to U Microfinance Bank Limited (the Bank) with effect from December 07, 2012. On February 01, 2013, the Bank was granted license by State Bank of Pakistan (SBP) for commencement of nationwide microfinance banking operations.

On July 11, 2013, approval for the nationwide commercial launch of Branchless Banking Services (BBS) was received from SBP. The Bank commenced commercial operations of BBS on July 23, 2013.

The Bank's principal business is to assist in stimulating progress, prosperity and social peace in society through creation of income generating opportunities for the small entrepreneur under the Microfinance Institutions Ordinance, 2001. The Bank also provides branchless banking services. The Bank's head office and the principal place of business is located at F-7 Markaz, Islamabad, Pakistan.

The bank is a 100% subsidiary of PTCL which holds 508,571,429 (December 31, 2022: 508,571,429) fully paid shares of Rs. 10 each.

2 BASIS OF PRESENTATION

- 2.1 These condensed interim financial statements of the Bank have been prepared, in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Act, 2017, the Microfinance Institution Ordinance, 2001 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Where, the requirements of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001 or directives issued by the SECP and the SBP differ with the requirements of IFRS, the requirements of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001, or the requirements of the said directives have been followed.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2022, which have been presented in accordance with the requirements of Banking Supervision Department (BSD) Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan (SBP).
- 2.3 SBP vide its letter No. BSD- 2/MFB/UMBL/572381/2023 has granted one time exemption in preparation and publication of the interim financial statements in accordance with the BPRD circular No. 03 of 2023. Therefore, these financial statements are being prepared without following this circular.

3 STATEMENT OF COMPLIANCE

These 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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

Signature

- 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 Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and
- Directives issued by the SBP and the SECP.

Wherever the requirements of the Microfinance Institutions Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of the IFRSs or IFASs, the requirements of the Microfinance Institutions Ordinance, 2001, the Companies Act, 2017, and said directives shall prevail.

- 3.1 There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2024. These are considered either not to be relevant or not to have any significant effect on the Bank's condensed interim financial statements.

4 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for certain investments carried at fair value and recognition of certain staff retirement benefits, liabilities against assets subject to finance lease which are stated at present value.

5 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupee (PKR), which is the Bank's functional currency. All financial information presented in PKR has been rounded to the nearest of PKR, unless otherwise stated.

6 SIGNIFICANT ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2022.

7 FINANCIAL RISK MANAGEMENT

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

8 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2022.

Signature

		June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
9 CASH AND BALANCES WITH SBP AND NBP	Note		
Cash in hand - Local currency		1,683,419,025	1,640,403,221
Local currency current accounts			
Balances with State Bank of Pakistan (SBP)	9.1	6,314,754,463	5,811,153,187
Balances with National Bank of Pakistan (NBP)		776,186	776,181
		<u>7,998,949,674</u>	<u>7,452,332,569</u>
<p>9.1 This includes balance maintained with SBP to comply with the requirement of Prudential Regulations for Microfinance Banks to maintain minimum cash reserve not less than 5% (2022: 5%) of the Bank's time and demand deposits liabilities with tenure of less than one year.</p>			
		June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
10 BALANCES WITH OTHER BANKS/ NBFIs/ MFBs			
In Pakistan - Local currency			
Current accounts		160,201,907	682,281,712
Deposit accounts		412,918,975	593,874,148
		<u>573,120,882</u>	<u>1,276,155,860</u>
<p>10.1 This includes Rs. 18,000,000 (2022: Rs. 12,800,000) held as deposit under lien in respect of standby letter of guarantee issued to China Union Pay International.</p> <p>10.2 Deposit accounts carried interest at rates ranging from 16% to 23.5% (2022: 7% to 18.25%) per annum.</p> <p>10.3 This also includes Rs. 269,927,347 (2022: Rs. 182,619,010) maintained with SBP under Depositors' Protection Fund.</p>			
		June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
11 LENDING TO FINANCIAL INSTITUTIONS	Note		
Repurchase agreement lending's (Reverse repo)	11.1 & 11.2	961,152,574	6,581,567,250
		<u>961,152,574</u>	<u>6,581,567,250</u>
<p>11.1 These are secured against underlying Market Treasury Bills. The differential between the contracted rate and resale price is amortised over the period of related contracts and recorded under mark-up / return / interest earned. These carried mark-up at the rate of 22.85% (2022: 16.10% to 16.90%) and maturity date of July 04, 2023.</p>			

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11.2 Securities held as collateral against lending to financial institutions

	Held by Bank	Further given as collateral	Total
As at June 30, 2023			
Market treasury bills (MTBs)	1,000,000,000	-	1,000,000,000
As at December 31, 2022			
Market treasury bills (MTBs)	6,593,173,250	-	6,593,173,250

	Note	June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
12 INVESTMENTS - NET OF PROVISIONS			
Held at amortised cost			
Pakistan Investment Bonds (PIBs)	12.1	5,677,566,737	5,690,878,066
		5,677,566,737	5,690,878,066
Fair Value Through Profit and Loss (FVTPL)			
Treasury bills (T-bills)		-	20,326,564,569
Pakistan Investment Bonds (PIBs)	12.1	-	51,120,967,624
		-	71,447,532,193
Mutual Funds	12.2	17,832,588,680	21,971,006,621
Term Finance Certificates	12.5	2,683,791,980	2,268,756,526
		20,516,380,660	24,239,763,147
		20,516,380,660	95,687,295,340
Fair Value Through Other Comprehensive Income (FVOCI)			
T-bills	12.3	-	34,467,224,935
Pakistan Investment Bonds (PIBs)	12.1	55,462,220,499	-
Ijarah Sukuks	12.4	1,017,939,358	993,894,737
Term Finance Certificates	12.5	250,522,126	-
Private sukuks	12.5	933,484,232	511,608,507
Deficit on revaluation of FVTOCI Investment	12.6	(232,147,795)	(3,007,145)
		57,432,018,420	35,969,721,034
Less: Credit loss allowance (Stage 1)		(1,473,996)	(16,953,035)
		83,624,491,821	137,330,941,405

12.1 The Pakistan Investment Bonds (PIBs) carry mark up at the rate of 9% to 21.99% (2022: 9% to 17.67%) per annum and are due to mature in December 2023 to November 2027.

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- 12.2 This represents investments in open ended mutual funds and are measured at fair value through profit or loss. Fair value of these investments is determined using quoted repurchase price.
- 12.3 The T-Bills carry mark up at the rate of 15.55% to 17.90% (2022: 15.55% to 16.95%) per annum and have matured during the year.
- 12.4 Ijarah Sukuk carries mark up at the rate of 21.84% (2022: 16.45% to 19.30%) per annum and is due to mature in June 22, 2027.
- 12.5 This represents investment in Term finance Certificates (TFCs) which carries mark up at the rate of 16.66% to 24.68% (2022: 22.49% to 26.12%). Included therein is an amount of Rs. 250 million representing the bank's subscription of TFCs issued by Khushali Bank limited (KBL) which carry markup at the rate of 6 months KIBOR + 4%. The board of KBL has approved to convert the aforesaid TFCs into common equity shares of KBL. The management of bank is not in agreement with the contention of KBL and is evaluating legal options to this effect.

	June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
12.6 Revaluation of FVTOCI investments - net of deferred tax		
Market Treasury Bills (T-Bills)	-	(8,776,826)
Ijarah Sukuk	(7,691,795)	15,653,939
Private sukuk - TFCs	-	(9,884,258)
Pakistan Investment Bonds (PIBs)	(224,456,000)	-
	(232,147,795)	(3,007,145)
Related deferred tax effect	90,537,641	992,358
	<u>(141,610,154)</u>	<u>(2,014,787)</u>

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13 ADVANCES - NET OF PROVISION

Loan type	Performing				Non performing		Total	
	Stage 1		Stage 2		Stage 3		June 30, 2023	December 31, 2022 (Restated)
	June 30, 2023	December 31, 2022 (Restated)	June 30, 2023	December 31, 2022 (Restated)	June 30, 2023	December 31, 2022 (Restated)		
	-----Rupees-----							
Micro credit								
Secured	40,063,115,835	32,264,501,067	57,728,484	63,717,048	146,829,920	148,046,090	40,267,674,239	32,476,264,205
Unsecured	19,160,825,143	14,130,746,035	13,334,030,263	13,364,166,192	2,481,853,520	1,034,054,336	34,976,708,926	28,528,966,563
Islamic financing	1,997,169,279	614,078,037	17,749,941	1,724,821	16,109,946	-	2,031,029,166	615,802,858
Advances - gross	61,221,110,257	47,009,325,139	13,409,508,688	13,429,608,061	2,644,793,386	1,182,100,426	77,275,412,331	61,621,033,626
Credit loss allowance against advances								
- Stage 1	(2,008,285,967)	(819,302,320)	-	-	-	-	(2,008,285,967)	(819,302,320)
- Stage 2	-	-	(4,805,817,538)	(5,260,947,426)	-	-	(4,805,817,538)	(5,260,947,426)
- Stage 3	-	-	-	-	(1,138,478,300)	(511,019,320)	(1,138,478,300)	(511,019,320)
	(2,008,285,967)	(819,302,320)	(4,805,817,538)	(5,260,947,426)	(1,138,478,300)	(511,019,320)	(7,952,581,805)	(6,591,269,066)
Advances - net of credit loss allowance	59,212,824,290	46,190,022,819	8,603,691,150	8,168,660,635	1,506,315,086	671,081,106	69,322,830,526	55,029,764,560

13.1 Advances - Credit loss allowance details

	Unaudited June 30, 2023			Audited December 31, 2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	-----Rupees-----			-----Rupees-----		
Outstanding gross exposure						
Performing - note 13.1.1	61,221,110,257	12,576,089,619	989,370,696	47,009,325,139	13,004,092,895	-
Under Performing						
Other assets especially mentioned	-	833,419,069	-	-	425,515,166	-
Non - Performing						
Substandard	-	-	550,886,025	-	-	630,267,680
Doubtful	-	-	615,024,510	-	-	353,133,758
Loss	-	-	489,512,155	-	-	198,698,988
	-	-	1,655,422,690	-	-	1,182,100,426
Total	61,221,110,257	13,409,508,688	2,644,793,386	47,009,325,139	13,429,608,061	1,182,100,426
Corresponding credit loss allowance						
Stage 1	(2,008,285,967)	-	-	(819,302,320)	-	-
Stage 2	-	(4,805,817,538)	-	-	(5,260,947,426)	-
Stage 3	-	-	(1,138,478,300)	-	-	(511,019,320)
	(2,008,285,967)	(4,805,817,538)	(1,138,478,300)	(819,302,320)	(5,260,947,426)	(511,019,320)

13.1.1 This portfolio is classified into different stages based on SBP implementation guidance for IFRS-9 and specific communication by the bank with the SBP.

13.2 Particulars of write offs / charge offs

Against credit loss allowance
Directly charged to profit & loss account

	Unaudited June 30, 2023	Audited December 31, 2022
	Rupees	Restated Rupees
	(77,752,872)	(335,282,962)
	(95,405,492)	(453,495,303)
	(173,158,364)	(788,778,265)

13.3 Movement in impairment allowance for credit losses is as follows:

Balance at beginning of the period/ year
Impact of Re-measurement due to adoption of IFRS - 9
Impairment charge for the period/ (year - restated)
Write off reversals
Reversals
Advances written off
Balance at end of the period/ year

	Unaudited June 30, 2023	Audited December 31, 2022
	6,591,269,065	2,035,615,253
	-	2,329,902,420
	623,307,011	3,916,143,135
	815,758,500	-
	-	(1,355,108,781)
	(77,752,872)	(335,282,962)
	7,952,581,804	6,591,269,065

At 27/0

		June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
14 OPERATING FIXED ASSETS	Note		
Capital work-in-progress		1,249,422,484	651,796,724
Property and equipment		1,712,295,312	1,524,280,420
Right-of-use assets	14.3	2,282,373,390	2,328,563,728
Intangible assets		320,376,026	259,346,638
		<u>5,564,467,212</u>	<u>4,763,987,510</u>
14.1 Carrying value at the beginning of the period		4,763,987,510	2,886,170,228
Additions during the period	14.2	1,366,611,375	2,884,959,945
Disposals / deletion during the period at carrying value		(4,249,385)	(45,610,159)
		<u>6,126,349,500</u>	<u>5,725,520,014</u>
Depreciation and amortization for the period		(561,882,288)	(961,532,504)
Carrying value at the end of the period		<u>5,564,467,212</u>	<u>4,763,987,510</u>
14.2 Additions during the period / year			
Additions :			
Office improvement		190,332,441	183,551,933
Furniture and fixtures		53,506,974	74,769,696
Computer equipment		44,796,666	154,673,214
Electrical equipment		171,450,488	312,826,044
Intangible assets		107,504,424	53,643,210
Right-of-use assets		201,394,622	1,625,117,674
Capital work-in-progress		844,730,864	480,378,174
		<u>1,613,716,479</u>	<u>2,884,959,945</u>
Transfer from capital work in progress		(247,105,104)	-
		<u>1,366,611,375</u>	<u>2,884,959,945</u>
14.3 Right-of-use assets			
Opening balance		2,328,563,728	1,158,333,270
Additions during the period		201,394,622	1,623,119,353
Disposals / deletion during the period at carrying value		(3,930,969)	(23,385,178)
Modification of lease		-	1,998,321
Depreciation charged during the period		(243,653,991)	(431,502,038)
Net book value at the end		<u>2,282,373,390</u>	<u>2,328,563,728</u>

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	(Un-audited) June 30, 2023 Rupees	(Audited) December 31, 2022 Restated Rupees
15 OTHER ASSETS		
Advances, deposits, advance rent and other prepayments	1,084,608,449	411,741,156
Taxes Receivable	1,238,170,124	-
Inventory of ATM cards and stationery	127,191,511	78,608,546
Advance to employees	380,518,674	138,243,944
Receivable from SBP	1,914,894,119	1,369,199,898
Insurance claims receivable	188,521,135	138,164,141
Receivable from gratuity fund	-	2,376,025
Receivable from provident fund	-	16,733,389
Receivable from RAAST	404,322,477	155,538,890
Others	339,900,939	146,270,909
	5,678,127,428	2,456,876,898
16 DEFERRED TAX ASSET - NET		
Deferred tax asset arising on account of deductible temporary differences on:		
Provision against advances	3,101,506,904	2,175,118,791
Deficit on revaluation of available for sale securities	90,537,641	992,358
Remeasurements of employees' retirement benefits	3,984,711	3,984,711
Accelerated tax depreciation / amortization allowance	129,470,296	80,564,840
Lease finance facilities	65,134,196	76,258,506
Minimum Tax over Normal tax / Taxable losses	846,290,641	1,103,980,578
Impact of remeasurement of financial assets	484,008,379	507,139,130
	4,720,932,768	3,948,038,914
Deferred tax liability arising on account of taxable temporary differences on:		
Treasury bills	-	(189,338,287)
Pakistan Investment Bonds (PIBs)	-	-
Mutual funds	(127,960,105)	(124,508,042)
	(127,960,105)	(313,846,329)
	4,592,972,663	3,634,192,585

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	June 30, 2023 (Unaudited)		December 31, 2022 (Audited)	
	No of accounts	Rupees	No of accounts	Rupees
17 DEPOSITS AND OTHER ACCOUNTS				
Conventional				
Fixed deposits	3,838	35,069,021,665	1,644	26,708,855,451
Saving deposits	20,000	54,741,116,797	17,476	55,999,875,503
Current deposits	4,264,833	7,734,459,275	3,639,509	5,678,273,914
	4,288,671	97,544,597,737	3,658,629	88,387,004,868
Islamic				
Fixed deposits	146	354,177,500	37	76,902,500
Saving deposits	818	1,108,587,750	423	3,222,331,560
Current deposits	8,263	454,321,632	3,675	514,172,194
	9,227	1,917,086,882	4,135	3,813,406,254
	4,297,898	99,461,684,619	3,662,764	92,200,411,122
17.1 Particulars of Deposits by ownership				
Individual depositors	4,289,334	28,284,081,304	3,654,807	15,287,817,803
Institutional depositors				
Corporation / firms etc.	8,429	34,422,163,751	7,822	33,609,932,644
Banks & financial institutions	135	36,755,439,564	135	43,302,660,675
	8,564	71,177,603,315	7,957	76,912,593,319
Total	4,297,898	99,461,684,619	3,662,764	92,200,411,122
17.2	Deposits include related parties balances amounting to Rs 8,659.7 million (2022: Rs 6,373 million) as disclosed in note 27.			
18 BORROWINGS	Note	June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees	
Borrowings from Banks / Financial Institutions				
Secured	18.1	66,762,241,313	114,122,588,563	
Unsecured	18.2	-	1,000,000,000	
		66,762,241,313	115,122,588,563	
18.1 Secured				
Faysal Bank Limited - I - Term Finance		-	128,400	
Faysal Bank Limited - II - Term Finance		-	133	
Allied Bank Limited - II - Term Finance		-	505,947	
Allied Bank Limited - III - Term Finance		1,917,347,426	2,480,884,187	
Allied Bank Limited - IV (Housing)		392,500,807	432,359,183	
Allied Bank Limited - Running Finance Facility		528,581,861	520,945,753	
Allied Bank Limited - Running Finance - II		5,055,534,251	5,023,383,565	
Allied Bank Limited - Running Finance		20,904,405,480	20,100,136,986	
National Bank of Pakistan - Running Finance		1,056,669,314	1,041,639,451	
National Bank of Pakistan - Term Finance		1,541,942,462	1,525,644,213	
State Bank of Pakistan - Term Finance		1,509,994,800	1,056,302,092	
State Bank of Pakistan - Term Finance - II	18.3	983,810,710	-	
Bank Al - Falah Limited - Cash Management		527,833,937	520,237,309	
Bank of Punjab - Term Finance (Housing)		76,415,529	509,013,950	
Pakistan Kuwait Investment Company (Private) Limited -Running Finance		190,966,590	402,842,238	
Pakistan Mortgage Refinance Company - II (Housing)		458,281,594	437,515,028	
United Bank Limited (Housing)		334,787,657	339,528,731	
MCB Bank Limited (Housing)		484,612,587	351,356,304	
MCB Bank - Short Term Finance for Working Capital		-	20,231,346,739	
MCB - Short Term Finance for Working Capital		-	10,086,400,184	
Askari bank Limited - Running Finance/ Money Market Facility		10,536,534,855	10,013,561,644	
Bank Al Falah Limited - Term Finance		2,611,614,164	3,300,820,710	
Meezan Bank - Bi Maujjal		-	1,080,318,360	
Meezan Bimuajjal - 2		-	2,005,058,418	
Meezan Bimuajjal-3		3,263,137,022	3,002,727,063	
		52,374,971,046	84,462,656,588	
Repo Borrowing		14,387,270,267	29,659,931,975	
		66,762,241,313	114,122,588,563	
18.2 Unsecured				
Call Borrowing - ZTBL		-	1,000,000,000	
		66,762,241,313	115,122,588,563	

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18.3 During the year, a new term finance facility of Rs 1,000 million has been obtained from State Bank of Pakistan. The loan is repayable in one installment after 5 years. Markup is chargeable at the rate of 6-month KIBOR - 1% per annum payable on six monthly basis. This is secured against First pari passu hypothecation charge over all present and future assets (excluding land and building) of the Bank including but no limited to advances, microcredit receivables, and investments beyond CRR and SLR requirements of the company with 25% margin.

18.4 All the borrowings carried forward from prior year were serviced during the period ended June 30, 2023 as per their contracted repayment terms.

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
19 SUBORDINATED DEBT		
Term Finance Certificates	1,303,044,015	1,450,226,577
Subordinated debt from PTCL	1,327,962,082	1,384,491,284
	<u>2,631,006,097</u>	<u>2,834,717,861</u>

19.1 During the period, no new subordinated debt was obtained. All the debts carried forward from prior year were serviced during the period June 30, 2023 as per their contracted repayment terms.

	June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
20 OTHER LIABILITIES		
Accrued expenses	302,887,917	516,764,563
Payable to utility companies for utility bills collection	73,328,271	14,397,781
Taxes payable	-	175,301,424
Payable to PTCL, the Parent Company	576,795,820	576,795,820
Payable to PTML, an associated company	571,183,141	22,224,150
Uncollected remittances	241,870,097	118,589,968
Lease liability	1,791,915,404	2,093,065,634
Payable to 1-Link	138,610,182	46,521,776
Payable to staff retirement benefit - gratuity	14,992,451	-
Payable to defined contribution plan - provident fund	12,564,260	-
Bills payable	280,003,961	188,229,422
Workers' Welfare Fund	66,489,620	57,405,938
Others	44,022,570	163,455,185
	<u>4,114,663,694</u>	<u>3,972,751,661</u>

21 MEMORANDUM / OFF BALANCE SHEET ITEMS

21.1 Contingencies

21.1.1 There is no significant/ material changes in the status of contingencies and commitments of the bank from the status outlined in the preceding audited annual financial statements for the year ended December 31, 2022.

	Note	June 30, 2023 (Unaudited) Rupees	December 31, 2022 (Audited) Rupees
21.2 Commitments			
Standby letter of guarantee	21.2.1	18,000,000	12,800,000
Property and equipment		11,536,217	31,007,639
		<u>29,536,217</u>	<u>43,807,639</u>

21.2.1 This represents letter of guarantee issued by the Bank to China Union Pay International Company Limited for interbank settlements.

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		Half year ended	
		June 30, 2023	June 30, 2022 (Restated)
	Note	Rupees	Rupees
22 MARK-UP / RETURN / INTEREST EARNED			
Interest / mark-up on			
Advances		9,941,280,321	5,909,160,863
Lending to financial institutions		155,299,448	21,221,865
Investments in government securities		6,868,734,624	1,185,638,371
Deposits accounts, placements with other bank / financial institutions		2,635,305,565	1,304,123,530
Employee Loan		11,762,382	1,873,766
Profit on Islamic financing		141,071,066	8,497,285
		<u>19,753,453,406</u>	<u>8,430,515,680</u>

23 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits	23.1	7,885,969,579	3,131,569,108
Profit Sharing Islamic Deposits		76,135,918	648,037
Borrowings	23.2	7,991,104,612	2,047,536,603
		<u>15,953,210,109</u>	<u>5,179,753,748</u>

23.1 Mark-up expense on deposits includes amount of Rs 26.32 million (2022: Rs 62.88 million) in respect of deposit account balances of related parties as disclosed in note 23.

23.2 It includes an amount of Rs 173.58 million (2022: Rs 284.77 million) in respect of markup expense on subordinated loan from Parent Company and issuance of Term Finance Certificates.

		Half year ended	
		June 30, 2023	June 30, 2022 (Restated)
	Note	Rupees	Rupees
24 FEE, COMMISSION AND BROKERAGE INCOME			
Loan processing fee on advances		761,437,506	553,167,342
Branchless banking fee		40,579,518	31,915,551
Other fee income collected from customers		41,767,104	21,783,259
		<u>843,784,128</u>	<u>606,866,152</u>

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		Half year ended	
		June 30, 2023	June 30, 2022
		Rupees	Rupees
25	ADMINISTRATIVE EXPENSES		
	Staff salaries and benefits	2,048,450,820	1,442,081,525
	Charge for defined benefit plan - gratuity	44,637,364	30,608,682
	Contribution to defined contribution plan - provident fund	38,031,027	27,268,650
	Non-Executive directors' fee	1,650,000	1,950,000
	Financial charges on leased assets	20,586,266	4,158,724
	Insurance	180,512,243	93,368,886
	Rent, rate and taxes	71,870,619	60,897,325
	Marketing expenses	78,539,432	82,500,496
	Travelling and conveyance	102,700,973	55,728,680
	Postage and courier	18,430,745	7,016,856
	Utilities	146,069,850	95,220,498
	Repair and maintenance	301,092,519	139,122,959
	Depreciation on property and equipment	271,753,261	216,344,400
	Amortization of intangible assets	46,475,037	29,637,273
	Depreciation on right of use assets	243,653,991	184,077,181
	Software support and maintenance fee	204,254,680	107,901,318
	Stationery and printing	79,543,488	58,134,581
	Auditors' remuneration	2,644,897	3,640,734
	Legal and professional fee	15,966,172	22,407,679
	Security services	204,140,193	116,445,350
	Interest expense on lease liability	116,551,128	94,074,215
	Office supplies	44,345,397	26,620,878
	Internet and connectivity charges	58,079,312	56,035,683
	NADRA verification charges	49,459,777	22,513,918
	Bank charges	37,890,291	39,078,406
	Other	5,057,853	3,989,991
		<u>4,432,387,335</u>	<u>3,020,824,868</u>
		June 30,	June 30,
		2023	2022
		(Unaudited)	(Audited)
		Rupees	Rupees
26	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the statement of cash flows comprise the following:		
	Cash and balances with SBP and NBP	7,998,949,674	4,449,248,141
	Balances with other Banks/NBFIs/MFBs	573,120,882	2,616,410,634
	Deposits protection Fund	(269,927,347)	(169,925,841)
	Standby letter of guarantee	(18,000,000)	(12,800,000)
		<u>8,284,143,209</u>	<u>6,882,932,934</u>

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27 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Bank is a subsidiary of Pakistan Telecommunication Company limited (PTCL) which holds 100% share capital of the Bank. Therefore, all subsidiaries and associated undertakings of the Parent Company are related parties of the Bank. Other related parties include staff retirement benefits, directors, key management personnel which include CEO and Head of Departments (HOD's) and entities under common directorship. All transactions involving related parties are subject to the approval of the Board of Directors. The significant transactions and balances involving related parties are outlined below:

	(Unaudited) June 30, 2023	(Unaudited) June 30, 2022 (Restated)
Transactions	Rupees	Rupees
Parent Company - Pakistan Telecommunication Company Limited		
Utility Bill collected on behalf of the Parent Company	66,049,478	130,035,598
Payment in regards utility bills collected on behalf of the Parent Company	66,049,478	130,035,598
Utility Bill collection charges	193,864	509,142
Payment for administrative costs and fixed assets	99,112,488	94,989,252
Interest expense on TIER-II subordinated Debt	127,962,083	78,840,000
Interest expense on PTCL employee GP fund	23,213,876	4,739,303
Associated Company - Pak Telecom Mobile Limited (PTML)		
Payment for administrative costs and fixed assets	21,738,724	129,357,186
Amount received against reimbursement of agent's commission	118,170,656	95,158,634
Associated Entity - Pakistan Telecommunication Employees Trust (PTET)		
Interest expense on deposits	26,323,707	62,882,644
Employees' provident fund		
Contribution to provident fund	38,031,027	27,268,650
Employees' gratuity fund		
Payment to gratuity fund	44,637,364	30,608,682
	(Unaudited) June 30, 2023	(Audited) December 31, 2022 (Restated)
	Rupees	Rupees
Balances		
Parent Company - Pakistan Telecommunication Company Limited		
Deposits	560,012,031	580,589,254
Payable against utility bills collected	3,830,000	3,725,882
Utility bills collection charges receivable	643,315	643,315
Sub-ordinated Debt (Tier II)	1,200,000,000	1,200,000,000
Interest Payable on TIER-II subordinated Debt	127,962,081	78,840,000
Balances		
Pakistan Telecommunication Company Limited - Gratuity Fund		
Deposits	2,600,000,000	1,664,946,347
Interest payable on deposits	14,288,327	6,293,340

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	(Unaudited) June 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
Balances		
Associated Entity - Pakistan Telecommunication Employees Trust		
Deposits	2,292,260,954	2,000,000,000
Interest payable on deposits	65,821,014	8,838,064
Associated Company - Pak Telecom Mobile Limited		
Deposits	9,909,646	1,110,000
Payable against branchless banking and bills collected	571,183,141	22,224,150
Interest payable on deposits	10,720,595	557,211
Associated Company - Pak Telecom Mobile Limited Employees Gratuity fund		
Deposits	589,634,167	594,317,179
U Microfinance Bank Limited Employees' provident fund		
Deposits	164,138,676	115,774,413
Interest payable on deposits	2,917,174	1,291,903
Payable / (Receivable) to provident fund	12,564,260	(2,376,026)
U Microfinance Bank Limited Employees' gratuity fund		
Deposits	151,444,999	124,640,272
Interest payable on deposits	2,756,386	1,433,459
Payable / (Receivable) to gratuity fund	14,992,451	(16,733,389)

28 RESTATEMENTS

The Bank chose to early adopt IFRS 9 "Financial Instruments" during the year 2022 and the impact thereof was disclosed and accounted for in the audited financial statements of the Bank for 2022. During the year, the State Bank of Pakistan (SBP) conducted a review of the Bank and directed the Board of the Bank to take certain corrective measures including aligning the matters relating to implementation of IFRS 9, "Financial Instruments" with the related IFRS 9 implementation instructions issued by the SBP and adjust retrospectively the financial position as at December 31, 2022 and directing further that in case of shortfall in related statutory requirements, capital to be injected by the sponsors of the Bank. Accordingly, the Bank has complied with the directions of SBP, by considering the IFRS-9 implementation instructions issued by SBP and specific communication in this respect of the Bank with SBP and subsequent to the period end, has also received an amount of Rs 1.6 billion on account of advance for issuance of shares from Pakistan Telecommunication Company Limited. The significant impact of the restatements made is summarized below:

	January 01, 2022 As previously reported Rupees	Effect of Restatement Rupees	January 01, 2022 Restated Rupees
Condensed interim balance sheet			
As at January 01, 2022			
Advances	34,375,729,318	373,227,802	34,748,957,120
Deferred tax asset - net	677,447,619	(294,343,664)	383,103,955
Other Assets	10,050,583,152	5,233,898	10,055,817,050
Other Liabilities	3,407,296,747	-	3,407,296,747
Impact on net assets		<u>84,118,036</u>	
Depositors protection fund	158,270,912	4,178,090	162,449,002
Unappropriated profit	(816,063,377)	79,939,946	(736,123,431)
Impact on equity		<u>84,118,036</u>	

Signature

Condensed interim balance sheet

As at December 31, 2022

	December 31, 2022 As previously reported Rupees	Effect of Restatement Rupees	December 31, 2022 Restated Rupees
Advances	59,283,993,959	(4,254,229,397)	55,029,764,562
Deferred tax asset - net	2,609,783,542	1,024,409,043	3,634,192,585
Other Assets	1,997,370,698	459,506,200	2,456,876,898
Other Liabilities	(4,038,262,250)	65,510,589	(3,972,751,661)
Impact on net assets		(2,704,803,565)	

Statutory reserve	1,083,074,935	(449,991,286)	633,083,649
Depositors protection fund	270,768,733	(88,149,723)	182,619,010
Unappropriated profit	673,955,800	(2,166,662,556)	(1,492,706,756)
Impact on equity		(2,704,803,565)	

Condensed interim statement of Profit and Loss

For the Period ended June 30, 2022

	June 30, 2022 As previously reported Rupees	Effect of Restatement Rupees	June 30, 2022 Restated Rupees
Credit loss allowance and write off - net	(247,828,200)	(1,450,769,924)	(1,698,598,124)
Taxation - Deferred	242,239,504	571,721,039	813,960,543
Workers welfare fund (WWF)	(15,599,169)	15,599,169	-
		(863,449,716)	
Profit after taxation	688,275,905	(863,449,716)	(175,173,811)

Statement of Profit and Loss

For the Period ended December 31, 2022

	December 31, 2022 As previously reported Rupees	Effect of Restatement Rupees	December 31, 2022 Restated Rupees
Mark-up/ return/ interest earned	20,742,343,719	(366,569,605)	20,375,774,114
Credit loss allowance and write offs - net	1,338,155,748	(3,916,143,135)	(2,577,987,387)
Fee, commission and brokerage income	1,300,633,449	60,590,659	1,361,224,108
Other income - net	566,683,284	48,937,184	615,620,468
Workers' Welfare Fund (WWF)	(49,099,395)	49,099,335	-
Taxation - Current	(881,843,867)	16,411,134	(865,432,673)
Taxation - Deferred	694,236,077	1,318,752,707	2,012,988,784
		(2,788,921,601)	
Profit after taxation	2,249,956,429	(2,788,921,601)	(538,965,172)

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29 GENERAL

29.1 Reclassifications

Corresponding figures have been reclassified where necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan and the same includes reclassification of additional tier capital classified as borrowings in prior year to subordinated in these financial statements.

29.2 Events after balance sheet date

Subsequent to the period end an amount of Rs 1.6 billion has been advanced by the parent company as advance against issue of share capital.

30 DATE OF APPROVAL

These financial statements were approved by the Board of Directors of the Bank in their meeting held on 30 NOV 2023.



President/ Chief Executive

Chairman


Director


Director