

United Bank Limited

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2021
(UN-AUDITED)**



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021**

Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
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----- (Rupees in '000) -----

ASSETS

Cash and balances with treasury banks	6	254,633,806	258,139,459
Balances with other banks	7	27,823,406	29,583,028
Lendings to financial institutions	8	24,841,054	22,212,442
Investments	9	1,483,817,074	1,167,803,512
Advances	10	655,963,045	611,851,676
Fixed assets	11	57,494,619	57,467,580
Intangible assets	12	1,929,970	2,034,551
Deferred tax assets	13	4,589,903	4,682,494
Other assets	15	37,015,321	48,101,456
		2,548,108,198	2,201,876,198

LIABILITIES

Bills payable	17	31,820,615	29,741,206
Borrowings	18	271,806,301	131,827,185
Deposits and other accounts	19	1,966,747,082	1,764,392,286
Liabilities against assets subject to finance lease	20	13,041	15,957
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities	13	-	-
Other liabilities	22	62,899,704	58,267,678
		2,343,286,743	1,994,244,312

NET ASSETS

	204,821,455	207,631,886
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REPRESENTED BY:

Share capital		12,241,797	12,241,797
Reserves		71,513,938	71,020,586
Surplus on revaluation of assets	23	29,021,641	29,334,212
Unappropriated profit		84,508,037	87,527,909
Total equity attributable to the equity holders of the Bank		197,285,413	200,124,504

Non-controlling interest		7,536,042	7,507,382
		204,821,455	207,631,886

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla
Chief Financial Officer

Shazad G. Dada
President &
Chief Executive Officer

Shazia Syed
Director

Arshad Ahmad Mir
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	April - June 2021	April - June 2020	January - June 2021	January - June 2020
----- (Rupees in '000) -----					
Mark-up / return / interest earned	26	36,873,518	44,068,763	69,804,068	88,442,946
Mark-up / return / interest expensed	27	18,044,127	21,789,072	33,469,771	48,373,814
Net mark-up / interest income		<u>18,829,391</u>	<u>22,279,691</u>	<u>36,334,297</u>	<u>40,069,132</u>
Non mark-up / interest income					
Fee and commission income	28	3,651,729	2,642,479	7,121,063	6,152,592
Dividend income		182,866	218,133	435,072	395,832
Foreign exchange income		736,225	1,050,376	1,260,733	1,821,352
Income / (loss) from derivatives		1,504	(2,234)	8,758	(13,508)
Gain on securities - net	29	709,535	400,209	2,583,607	858,261
Other income	30	58,722	314,350	186,607	488,949
Total non mark-up / interest income		<u>5,340,581</u>	<u>4,623,313</u>	<u>11,595,840</u>	<u>9,703,478</u>
Total income		<u>24,169,972</u>	<u>26,903,004</u>	<u>47,930,137</u>	<u>49,772,610</u>
Non mark-up / interest expenses					
Operating expenses	31	11,008,395	10,631,755	21,793,028	20,946,569
Workers' Welfare Fund		273,358	283,511	521,852	502,933
Other charges	32	14,947	(28,706)	39,494	152,333
Total non mark-up / interest expenses		<u>11,296,700</u>	<u>10,886,560</u>	<u>22,354,374</u>	<u>21,601,835</u>
Share of profit of associates		72,784	191,665	224,786	44,129
Profit before provisions		<u>12,946,056</u>	<u>16,208,109</u>	<u>25,800,549</u>	<u>28,214,904</u>
(Reversals) / provisions and write-offs - net	33	(534,265)	6,251,277	(157,933)	9,952,594
Profit before taxation from continuing operations		<u>13,480,321</u>	<u>9,956,832</u>	<u>25,958,482</u>	<u>18,262,310</u>
Taxation	34	6,127,353	4,125,432	11,019,580	7,525,752
Profit after taxation from continuing operations		<u>7,352,968</u>	<u>5,831,400</u>	<u>14,938,902</u>	<u>10,736,558</u>
Discontinued operations					
Profit / (loss) from discontinued operations - net of tax	14	106,507	(16,776)	106,474	(10,271)
Profit after taxation		<u>7,459,475</u>	<u>5,814,624</u>	<u>15,045,376</u>	<u>10,726,287</u>
Attributable to:					
Equity holders of the Bank					
from continuing operations		7,282,454	6,085,264	14,881,184	10,956,381
from discontinued operations		106,507	(16,776)	106,474	(10,271)
		<u>7,388,961</u>	<u>6,068,488</u>	<u>14,987,658</u>	<u>10,946,110</u>
Non-controlling interest		70,514	(253,864)	57,718	(219,823)
		<u>7,459,475</u>	<u>5,814,624</u>	<u>15,045,376</u>	<u>10,726,287</u>
----- (Rupees) -----					
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Bank					
Basic and diluted		<u>5.95</u>	<u>4.97</u>	<u>12.16</u>	<u>8.95</u>
Earnings per share for profit attributable to the ordinary equity holders of the Bank					
Basic and diluted	35	<u>6.04</u>	<u>4.96</u>	<u>12.24</u>	<u>8.94</u>

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla
Chief Financial Officer

Shazad G. Dada
President &
Chief Executive Officer

Shazia Syed
Director

Arshad Ahmad Mir
Director

Sir Mohammed Anwar Pervez, OBE, HPK
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	April - June 2021	April - June 2020	January - June 2021	January - June 2020
	----- (Rupees in '000) -----			
Profit after tax for the period attributable to:				
Equity holders of the Bank				
from continuing operations	7,282,454	6,085,264	14,881,184	10,956,381
from discontinued operations	106,507	(16,776)	106,474	(10,271)
	<u>7,388,961</u>	<u>6,068,488</u>	<u>14,987,658</u>	<u>10,946,110</u>
Non-controlling interest	70,514	(253,864)	57,718	(219,823)
	<u>7,459,475</u>	<u>5,814,624</u>	<u>15,045,376</u>	<u>10,726,287</u>
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods				
Effect of translation of net investment in foreign branches and subsidiaries				
Equity holders of the Bank	1,732,696	331,151	(1,014,132)	3,551,806
Non-controlling interest	200,456	(748,363)	98,623	83,099
	<u>1,933,152</u>	<u>(417,212)</u>	<u>(915,509)</u>	<u>3,634,905</u>
Movement in deficit on revaluation of investments - net of tax				
Equity holders of the Bank	1,345,037	8,666,397	(203,998)	1,833,004
Non-controlling interest	5,983	698,613	(55,601)	(65,869)
	<u>1,351,020</u>	<u>9,365,010</u>	<u>(259,599)</u>	<u>1,767,135</u>
	<u>3,284,172</u>	<u>8,947,798</u>	<u>(1,175,108)</u>	<u>5,402,040</u>
Items that will not be reclassified to profit and loss account in subsequent periods				
Remeasurement loss of defined benefit obligations - net of tax	-	(835,581)	-	(1,355,438)
Movement in surplus on revaluation of fixed assets - net of tax				
Equity holders of the Bank	(18,271)	(60,788)	(82,412)	(70,034)
Non-controlling interest	(16,119)	(49,697)	(68,229)	(58,631)
	<u>(34,390)</u>	<u>(110,485)</u>	<u>(150,641)</u>	<u>(128,665)</u>
Movement in surplus / (deficit) on revaluation of non-banking asset	219	(920)	219	(921)
	<u>(34,171)</u>	<u>(946,986)</u>	<u>(150,422)</u>	<u>(1,485,024)</u>
Total comprehensive income for the period	<u>10,709,476</u>	<u>13,815,436</u>	<u>13,719,846</u>	<u>14,643,303</u>
Attributable to:				
Equity holders of the Bank				
from continuing operations	10,342,135	14,185,523	13,580,861	14,914,798
from discontinued operations	106,507	(16,776)	106,474	(10,271)
	<u>10,448,642</u>	<u>14,168,747</u>	<u>13,687,335</u>	<u>14,904,527</u>
Non-controlling interest	260,834	(353,311)	32,511	(261,224)
	<u>10,709,476</u>	<u>13,815,436</u>	<u>13,719,846</u>	<u>14,643,303</u>

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**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Attributable to equity shareholders of the Bank								Non-controlling Interest	Total	
	Share Capital	General reserve	Statutory reserve	Capital reserve - Exchange translation	Surplus / (Deficit) on revaluation of			Unappropriated profit			Sub total
					Investments	Fixed Assets	Non Banking Assets				
(Rupees in '000)											
Balance as at December 31, 2019 (Audited)	12,241,797	3,000	33,288,783	33,384,629	189,482	27,184,005	31,071	77,335,249	183,658,016	7,213,855	190,871,871
Total comprehensive income for the six months ended June 30, 2020											
Profit after taxation for the six months ended June 30, 2020	-	-	-	-	-	-	-	10,946,110	10,946,110	(219,823)	10,726,287
Other comprehensive income - net of tax	-	-	-	3,551,806	1,833,004	(70,034)	(921)	(1,355,438)	3,958,417	(41,401)	3,917,016
Total comprehensive income for the six months ended June 30, 2020	-	-	-	3,551,806	1,833,004	(70,034)	(921)	9,590,672	14,904,527	(261,224)	14,643,303
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(2,260)	(2,260)
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	-	(110,838)	(13,897)	124,735	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(26,274)	-	26,274	-	-	-
Transfer to statutory reserve	-	-	1,159,938	-	-	-	-	(1,159,938)	-	-	-
Transactions with owners for the six months ended June 30, 2020											
Final cash dividend - December 31, 2019 declared subsequent to the year end at Rs. 4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Interim cash dividend - March 31, 2020 declared at Rs. 2.5 per share	-	-	-	-	-	-	-	(3,060,449)	(3,060,449)	-	(3,060,449)
Balance as at June 30, 2020 (Un-audited)	12,241,797	3,000	34,448,721	36,936,435	2,022,486	26,976,859	16,253	77,959,824	190,605,375	6,950,371	197,555,746
Total comprehensive income for the six months ended December 31, 2020											
Profit after taxation for the six months ended December 31, 2020	-	-	-	-	-	-	-	9,991,808	9,991,808	70,439	10,062,247
Other comprehensive income - net of tax	-	-	-	(1,318,227)	288,190	77,951	-	479,407	(472,679)	486,572	13,893
Total comprehensive income for the six months ended December 31, 2020	-	-	-	(1,318,227)	288,190	77,951	-	10,471,215	9,519,129	557,011	10,076,140
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	-	(5,508)	(15,340)	20,848	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(26,679)	-	26,679	-	-	-
Transfer to statutory reserve	-	-	950,657	-	-	-	-	(950,657)	-	-	-
Transactions with owners for the six months ended December 31, 2020											
Balance as at December 31, 2020 (Audited)	12,241,797	3,000	35,399,378	35,618,208	2,310,676	27,022,623	913	87,527,909	200,124,504	7,507,382	207,631,886
Total comprehensive income for the six months ended June 30, 2021											
Profit after taxation for the six months ended June 30, 2021	-	-	-	-	-	-	-	14,987,658	14,987,658	57,718	15,045,376
Other comprehensive income - net of tax	-	-	-	(1,014,132)	(203,998)	(82,412)	219	-	(1,300,323)	(25,207)	(1,325,530)
Total comprehensive income for the six months ended June 30, 2021	-	-	-	(1,014,132)	(203,998)	(82,412)	219	14,987,658	13,687,335	32,511	13,719,846
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(3,851)	(3,851)
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	-	(2,641)	-	2,641	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(23,739)	-	23,739	-	-	-
Transfer to statutory reserve	-	-	1,507,484	-	-	-	-	(1,507,484)	-	-	-
Transactions with owners for the six months ended June 30, 2021											
Final cash dividend - December 31, 2020 declared subsequent to the year end at Rs. 9.5 per share	-	-	-	-	-	-	-	(11,629,707)	(11,629,707)	-	(11,629,707)
Interim cash dividend - March 31, 2021 declared at Rs. 4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Balance as at June 30, 2021 (Un-audited)	12,241,797	3,000	36,906,862	34,604,076	2,106,678	26,913,831	1,132	84,508,037	197,285,413	7,536,042	204,821,455

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**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	January - June 2021	January - June 2020
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including discontinued operations	26,101,479	18,251,089
Less: Dividend income	(435,072)	(395,832)
Share of profit of associates	(224,786)	(44,129)
	<u>25,441,621</u>	<u>17,811,128</u>
Adjustments:		
Depreciation on fixed assets	1,443,566	1,410,119
Depreciation on Islamic financing against leased assets (Ijarah)	84,917	124,174
Depreciation on right-of-use assets	924,501	977,682
Amortisation	420,674	418,805
Workers' Welfare Fund	521,852	502,933
Provision for retirement benefits	363,183	587,684
Provision for compensated absences	86,226	99,118
Provision against loans and advances - net	458,384	9,329,874
(Reversal) / provision for diminution in value of investments - net	(833,915)	86,153
(Reversal) / provision against off balance sheet items	(330,661)	214,965
Interest expense on lease liability against right-of-use assets	474,784	584,330
Gain on sale of fixed assets - net	(4,298)	(47,109)
Gain on sale of ijarah assets - net	(3,222)	(548)
Gain on sale of non-banking asset	-	(223,054)
Bad debts written off directly	62,944	39,487
Unrealised gain on revaluation of investments classified as held for trading	(5,006)	(14,504)
Other provisions / write-offs	485,315	282,115
	<u>4,149,244</u>	<u>14,372,224</u>
	29,590,865	32,183,352
(Increase) / decrease in operating assets		
Lendings to financial institutions	(2,628,612)	8,856,822
Held for trading securities	(62,052,548)	62,512,826
Advances	(44,735,979)	37,100,744
Other assets (excluding advance taxation)	4,772,253	2,984,398
	(104,644,886)	111,454,790
Increase in operating liabilities		
Bills payable	2,079,409	4,298,168
Borrowings	139,979,116	(6,803,391)
Deposits and other accounts	202,354,796	134,869,427
Other liabilities (excluding current taxation)	2,567,152	(12,299,630)
	<u>346,980,473</u>	<u>120,064,574</u>
	271,926,452	263,702,716
Payments on account of staff retirement benefits	(1,625,581)	(1,437,990)
Income taxes paid	(4,994,029)	(1,312,720)
Net cash flow generated from operating activities	<u>265,306,842</u>	<u>260,952,006</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(196,220,533)	(268,965,808)
Net investments in held to maturity securities	(56,726,000)	28,091,919
Net investments in associates	(216,560)	502,479
Dividend income received	545,593	433,287
Investment in fixed assets and intangible assets	(2,115,852)	(1,700,152)
Sale proceeds from disposal of fixed assets	105,319	163,871
Sale proceeds from disposal of ijarah assets	21,587	952
Exchange differences on translation of net investment in foreign branches and subsidiaries attributable to:		
- Equity holders of the Bank	(1,014,132)	3,551,806
- Non-controlling interest	98,623	83,099
Net cash flow used in investing activities	<u>(255,521,955)</u>	<u>(237,838,547)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Lease obligations	2,916	(239)
Payment of lease liability against right-of-use assets	(1,195,507)	(1,006,745)
Dividends paid to:		
- Equity holders of the Bank	(13,853,720)	(6,494,483)
- Non-controlling interest	(3,851)	(2,260)
Net cash flow used in financing activities	<u>(15,050,162)</u>	<u>(7,503,727)</u>
Decrease in cash and cash equivalents during the period	<u>(5,265,275)</u>	<u>15,609,732</u>
Cash and cash equivalents at the beginning of the period	287,722,487	286,329,378
Cash and cash equivalents at the end of the period	<u><u>282,457,212</u></u>	<u><u>301,939,110</u></u>

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla
Chief Financial Officer

Shazad G. Dada
President &
Chief Executive Officer

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Director

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Director

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Chairman

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

1. STATUS AND NATURE OF BUSINESS

The Group consists of:

Holding Company

- United Bank Limited ("the Bank")

Subsidiary Companies

- United National Bank Limited, United Kingdom ("UBL UK") - 55% holding
- UBL (Switzerland) AG, Switzerland ("USAG") - 100% holding
- UBL Bank (Tanzania) Limited, Tanzania ("UBTL") - 100% holding
- United Executors and Trustees Company Limited, Pakistan ("UET") - 100% holding
- UBL Fund Managers Limited, Pakistan ("UBL FM") - 98.87% holding
- Al Ameen Financial Services (Private) Limited ("AFSL") - 98.87% effective holding

The Group is engaged in commercial banking, asset management, investment advisory and investments business. United Bank Limited ("the Bank") is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,348 (December 31, 2020: 1,356) branches inside Pakistan including 100 (December 31, 2020: 100) Islamic Banking branches and 2 (December 31, 2020: 2) branches in Export Processing Zones. The Bank also operates 13 (December 31, 2020: 14) branches outside Pakistan.

The Bank was a subsidiary of Bestway (Holdings) Limited which is a wholly owned subsidiary of Bestway Group Limited incorporated in United Kingdom.

During the period, an internal reorganization exercise was undertaken by the Bestway Group by virtue of which Bestway (Holdings) Limited has transferred its entire shareholding of 51.6 percent in the Bank to a new Company "Bestway International Holdings Limited" (BIHL) on March 19, 2021. BIHL is a wholly owned subsidiary of the newly incorporated Bestway Group Limited (BGL). Both BIHL and BGL have been incorporated in Guernsey.

The aforementioned transfer of shareholding did not have any effect on the ultimate beneficial ownership of the Bank.

The Bank's ordinary shares are listed on Pakistan Stock Exchange. Its Global Depository Receipts (GDRs) are on the list of the UK Listing Authority and the London Stock Exchange Professional Securities Market. These GDRs are also eligible for trading on the International Order Book System of the London Stock Exchange. Further, the GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the US Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

Non-controlling interest represents National Bank of Pakistan's 45% share in the net asset value of UBL UK and 1.13% shares held by past and present employees of UBL FM in the net asset value of UBL FM.

The shareholders of the Bank, in their annual general meeting held on March 27, 2020, resolved to wind up "United Executors and Trustees Company Limited", a wholly owned subsidiary of the Bank. Accordingly, a special resolution was passed on March 19, 2021 by the shareholders of "United Executors and Trustees Company Limited" to appoint liquidators and voluntarily wind up the company. The liquidators will conclude the process of voluntary winding-up as per the requirements of applicable laws and regulations.

The shareholders of the Bank have approved the decision to voluntarily and orderly wind up UBL (Switzerland) AG, a wholly owned subsidiary of the Bank in the Extra Ordinary General Meeting (EOGM) of shareholders held on August 06, 2021. This decision is in line with the Bank's strategy to exit from non-core markets. The winding up is subject to fulfilment of relevant legal and regulatory requirements both in Pakistan and Switzerland.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 5 dated March 22, 2019.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these consolidated financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.

Key financial figures of the Islamic Banking branches are disclosed in note 40 to these consolidated condensed interim financial statements.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021****3. STATEMENT OF COMPLIANCE**

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

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

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

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

3.3 SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from 30 June 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

3.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019, and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2020.

3.5 Standards, interpretations and amendments to approved accounting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2021. These are either considered to not be relevant or do not have any significant impact on these unconsolidated financial statements.

3.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

IFRS 9 has been applicable in several overseas jurisdictions from January 1, 2018. Accordingly, the requirements of this standard are incorporated in the Group's consolidated financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the implementation of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 1, 2022. Meanwhile, the banks are required to submit IFRS 9 compatible pro forma financial statements for year ending December 31, 2021 and perform parallel run of IFRS 9 on quarterly basis. Further, the SBP will provide a timeline by December 2021 for absorption of "Expected Credit Loss" (ECL), for Capital Adequacy Ratio (CAR) purposes, after assessment / evaluation of pro forma financial statements.

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

4. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

4.1 The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2020.

4.2 The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2020.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

5. BASIS OF MEASUREMENT

5.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets / non-banking assets acquired in satisfaction of claims have been stated at revalued amounts, certain investments and derivative financial instruments have been stated at fair value and net obligations in respect of defined benefit schemes are carried at their present values.

5.2 Critical accounting estimates and judgements

The preparation of these consolidated condensed interim financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group for the year ended December 31, 2020.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	17,617,717	20,776,101
Foreign currencies	7,666,726	12,160,057
	25,284,443	32,936,158
With State Bank of Pakistan in		
Local currency current accounts	72,133,793	75,604,954
Foreign currency current accounts	4,531,712	4,420,727
Foreign currency deposit account	8,123,863	7,767,517
	84,789,368	87,793,198
With other central banks in		
Foreign currency current accounts	36,470,411	36,040,406
Foreign currency deposit accounts	8,085,347	6,869,307
	44,555,758	42,909,713
With National Bank of Pakistan in local currency current accounts	96,326,585	92,628,531
Prize Bonds	3,677,652	1,871,859
	<u>254,633,806</u>	<u>258,139,459</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	17	-
In deposit accounts	3,001,068	2,015,383
	3,001,085	2,015,383
Outside Pakistan		
In current accounts	14,024,173	19,102,946
In deposit accounts	10,798,148	8,464,699
	24,822,321	27,567,645
	<u>27,823,406</u>	<u>29,583,028</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lending	97,854	10,624,519
Repurchase agreement lendings (Reverse Repo)	21,734,325	-
Bai Muajjal receivable		
- with State Bank of Pakistan	-	6,433,114
- with other financial institutions	-	3,026,018
Other lendings to financial institutions	3,008,875	2,128,791
	<u>24,841,054</u>	<u>22,212,442</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
9. INVESTMENTS

	(Un-audited)				(Audited)			
	June 30, 2021				December 31, 2020			
Note	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
Held for trading securities								
Market Treasury Bills	65,066,792	-	5,006	65,071,798	3,009,238	-	228	3,009,466
Available for sale securities								
Market Treasury Bills	568,391,131	-	245,214	568,636,345	341,885,979	-	238,363	342,124,342
Pakistan Investment Bonds - fixed	43,914,994	-	(77,655)	43,837,339	76,334,054	-	333,950	76,668,004
Pakistan Investment Bonds - floaters	365,457,101	-	(1,286,525)	364,170,576	340,678,646	-	(2,569,332)	338,109,314
Government of Pakistan Eurobonds	25,325,313	(290,271)	969,230	26,004,272	25,519,619	(105,010)	1,226,132	26,640,741
Government of Pakistan Sukuk	25,602,301	(2,332)	91,324	25,691,293	24,873,538	(8,713)	(48,193)	24,816,632
Government of Pakistan Mudarabah Pool	1,138,873	-	-	1,138,873	466,435	-	-	466,435
Corporate Sukuks	1,220,000	-	-	1,220,000	1,220,000	-	-	1,220,000
Ordinary shares of listed companies	13,918,677	(4,887,512)	3,294,757	12,325,922	13,345,156	(5,479,476)	2,517,580	10,383,260
Preference shares	36,667	-	-	36,667	36,667	-	-	36,667
Ordinary shares of unlisted companies	790,495	(52,989)	16	737,522	808,294	(134,392)	36	673,938
Investment in REIT	458,590	-	834	459,424	458,590	-	(16,676)	441,914
Investment in Mutual Fund	250,000	-	(28,115)	221,885	250,000	-	(21,482)	228,518
Term Finance Certificates	782,335	(161,996)	-	620,339	662,335	(162,033)	-	500,302
Foreign bonds - sovereign	60,403,670	(942,560)	128,876	59,589,986	81,369,066	(1,401,942)	1,742,758	81,709,882
Foreign bonds - others	3,569,379	(18,307)	65,968	3,617,040	7,256,300	(24,002)	271,352	7,503,650
	1,111,259,526	(6,355,967)	3,403,924	1,108,307,483	915,164,679	(7,315,568)	3,674,488	911,523,599
Held to maturity securities								
Market Treasury Bills	2,302,818	-	-	2,302,818	2,696,727	-	-	2,696,727
Pakistan Investment Bonds - fixed	164,631,960	-	-	164,631,960	160,738,122	-	-	160,738,122
Pakistan Investment Bonds - floaters	42,574,919	-	-	42,574,919	-	-	-	-
Government of Pakistan Eurobonds	10,634,132	(127,403)	-	10,506,729	10,706,182	(45,483)	-	10,660,699
Government of Pakistan Sukuk	1,277,907	(3,823)	-	1,274,084	1,296,245	(3,374)	-	1,292,871
Bai Muajjal with Government of Pakistan	31,115,551	-	-	31,115,551	29,569,648	-	-	29,569,648
Term Finance Certificates	7,084,206	(69,951)	-	7,014,255	4,516,483	(69,951)	-	4,446,532
Corporate Sukuks	11,429,759	(50,934)	-	11,378,825	12,022,820	(57,846)	-	11,964,974
Participation Term Certificates	437	(437)	-	-	437	(437)	-	-
Debentures	2,266	(2,266)	-	-	2,266	(2,266)	-	-
Corporate bonds	1,059,404	(14,421)	-	1,044,983	-	-	-	-
Foreign bonds - sovereign	30,555,468	(577,390)	-	29,978,078	25,058,739	(646,731)	-	24,412,008
Foreign bonds - others	1,941,765	(17,816)	-	1,923,949	1,261,784	(23,219)	-	1,238,565
CDC SAARC Fund	342	-	-	342	347	-	-	347
	304,610,934	(864,441)	-	303,746,493	247,869,800	(849,307)	-	247,020,493
Associates								
UBL Liquidity Plus Fund	947,881	-	-	947,881	1,837,605	-	-	1,837,605
United Growth and Income Fund	100,284	-	-	100,284	-	-	-	-
UBL Stock Advantage Fund	110,626	-	-	110,626	107,282	-	-	107,282
UBL Financial Sector Fund	321,823	-	-	321,823	225,640	-	-	225,640
UBL Cash Fund	800,528	-	-	800,528	-	-	-	-
UBL Exchange Traded Fund	24,099	-	-	24,099	21,374	-	-	21,374
UBL Special Savings Fund II	100,266	-	-	100,266	101,850	-	-	101,850
Al Ameen Islamic Energy Fund	124,005	-	-	124,005	92,471	-	-	92,471
Al Ameen Shariah Stock Fund	161,775	-	-	161,775	-	-	-	-
UBL Insurers Limited	515,476	-	-	515,476	499,948	-	-	499,948
Khushhali Bank Limited	3,484,537	-	-	3,484,537	3,363,784	-	-	3,363,784
	6,691,300	-	-	6,691,300	6,249,954	-	-	6,249,954
Total Investments	1,487,628,552	(7,220,408)	3,408,930	1,483,817,074	1,172,293,671	(8,164,875)	3,674,716	1,167,803,512

9.2 This represents the Bank's subscription towards the paid-up capital of Khushhali Bank Limited. Pursuant to section 10 of the Khushhali Bank Ordinance, 2000 strategic investors including the Bank cannot sell or transfer their investment before a period of five years that has expired on October 10, 2005. Thereafter, such sale / transfer would be subject to the prior approval of the SBP. However these shares are still appearing as frozen as no approval has been obtained by the Bank to unfreeze these shares.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
9.3 Investments given as collateral - at market value			
Market Treasury Bills		43,952,534	59,846,168
Pakistan Investment Bonds - Fixed		2,081,906	-
Pakistan Investment Bonds - Floaters		120,696,000	-
		<u>166,730,440</u>	<u>59,846,168</u>
9.4 Provision for diminution in value of investments			
9.4.1 Opening balance		8,164,875	7,429,256
Exchange adjustments		(29,168)	58,788
Charge / (reversals)			
Charge for the period / year		282,804	1,389,189
Reversals for the period / year		(1,116,719)	(562,394)
		(833,915)	826,795
Amount written off		(81,384)	(149,964)
Closing balance	9.6	<u>7,220,408</u>	<u>8,164,875</u>

9.4.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	285,584	285,584	292,496	292,496
Overseas				
Not past due but impaired	1,973,690	388,248	2,004,405	510,210
Total	<u>2,259,274</u>	<u>673,832</u>	<u>2,296,901</u>	<u>802,706</u>

9.5 The market value of securities classified as held-to-maturity as at June 30, 2021 amounted to Rs. 307,431.757 million (December 31, 2020: Rs. 252,280.321 million).

9.6 Provision against investments includes expected credit loss (ECL) under IFRS 9 amounting to Rs. 1,606.092 million (December 31, 2020: Rs. 1,748.301 million).

10. ADVANCES

	Note	Performing		Non-performing		Total	
		(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		560,896,674	549,179,452	82,688,898	82,324,861	643,585,572	631,504,313
Islamic financings and related assets		43,489,775	20,542,257	95,273	107,478	43,585,048	20,649,735
Bills discounted and purchased		44,391,296	36,223,975	2,574,662	2,824,527	46,965,958	39,048,502
Advances - gross		<u>648,777,745</u>	<u>605,945,684</u>	<u>85,358,833</u>	<u>85,256,866</u>	<u>734,136,578</u>	<u>691,202,550</u>
Provision against advances	10.3						
- Specific		-	-	(71,452,980)	(72,036,997)	(71,452,980)	(72,036,997)
- General		(6,720,553)	(7,313,877)	-	-	(6,720,553)	(7,313,877)
		<u>(6,720,553)</u>	<u>(7,313,877)</u>	<u>(71,452,980)</u>	<u>(72,036,997)</u>	<u>(78,173,533)</u>	<u>(79,350,874)</u>
Advances - net of provision		<u>642,057,192</u>	<u>598,631,807</u>	<u>13,905,853</u>	<u>13,219,869</u>	<u>655,963,045</u>	<u>611,851,676</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

10.1 Particulars of advances - gross	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
	----- (Rupees in '000) -----	
10.1.1 In local currency	472,628,812	453,024,198
In foreign currencies	261,507,766	238,178,352
	<u>734,136,578</u>	<u>691,202,550</u>

10.2 Advances include Rs. 85,358.833 million (December 31, 2020: Rs. 85,256.866 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned*	153,143	527	189,538	497
Substandard	2,525,259	624,336	2,690,171	662,589
Doubtful	685,672	341,615	1,599,695	798,209
Loss	24,398,551	23,318,137	24,259,582	23,164,558
	<u>27,762,625</u>	<u>24,284,615</u>	<u>28,738,986</u>	<u>24,625,853</u>
Overseas				
Not past due but impaired**	4,090,173	1,993,065	5,820,717	2,681,378
Overdue by:				
Upto 90 days	3,250,055	1,670,741	1,064,806	135,443
91 to 180 days	1,806,307	819,681	784,383	718,039
181 to 365 days	3,570,715	555,958	10,824,869	8,539,542
> 365 days	44,878,958	42,128,920	38,023,105	35,336,742
	<u>57,596,208</u>	<u>47,168,365</u>	<u>56,517,880</u>	<u>47,411,144</u>
Total	<u>85,358,833</u>	<u>71,452,980</u>	<u>85,256,866</u>	<u>72,036,997</u>

* The Other Assets Especially Mentioned category pertains to agricultural finance and advances to small enterprises.

** Not past due but impaired category mainly represents restructured exposure.

10.3 Particulars of provision against advances

Note	(Un-audited) June 30, 2021			(Audited) December 31, 2020		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	72,036,997	7,313,877	79,350,874	63,887,915	3,618,520	67,506,435
Exchange adjustments	(582,098)	(293,789)	(875,887)	937,162	160,201	1,097,363
Charge / (reversals)						
Charge for the period / year	2,839,856	185,587	3,025,443	14,338,496	3,623,212	17,961,708
Reversals for the period / year	(1,847,543)	(485,122)	(2,332,665)	(1,734,374)	(88,056)	(1,822,430)
33	992,313	(299,535)	692,778	12,604,122	3,535,156	16,139,278
Amounts written off	(994,232)	-	(994,232)	(5,282,212)	-	(5,282,212)
Amounts charged off - agriculture financing	-	-	-	(80,974)	-	(80,974)
Transfers out - net	-	-	-	(29,016)	-	(29,016)
Closing balance	<u>71,452,980</u>	<u>6,720,553</u>	<u>78,173,533</u>	<u>72,036,997</u>	<u>7,313,877</u>	<u>79,350,874</u>

10.3.1 General provision represents provision amounting to Rs. 344.124 million (December 31, 2020: Rs. 319.955 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 6,376.429 million (December 31, 2020: Rs. 6,993.922 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches and subsidiaries operate.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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10.3.2 The Bank has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular No. 1 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 4.758 million (December 31, 2020: Rs. 18.337 million). The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulation in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would had been higher by Rs. 3,338.496 million (December 31, 2020: Rs. 3,951.861 million) for the overseas branches.

10.3.3 As a result of COVID-19, the SBP has allowed certain relaxations including deferment of principal payment, rescheduling / restructuring of principal and mark-up, extension and timeline of provisioning against trade bills while maintaining the customer status as "regular". These have been considered while determining the provisioning requirements on a time based criteria.

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
11. FIXED ASSETS			
Capital work-in-progress	11.1	748,125	447,893
Property and equipments		50,015,552	50,155,993
Right-of-use assets		6,730,942	6,863,694
		<u>57,494,619</u>	<u>57,467,580</u>
11.1 Capital work-in-progress			
Civil works		360,692	270,445
Equipment		387,433	177,448
		<u>748,125</u>	<u>447,893</u>
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress - net additions		311,977	60,650
Property and equipments			
Leasehold Improvement		203,685	182,986
Furniture and fixture		50,039	40,266
Electrical, office and computer equipments		917,539	490,618
Vehicles		110,016	-
		<u>1,281,279</u>	<u>713,870</u>
Total		<u>1,593,256</u>	<u>774,520</u>
11.3 Disposals of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Leasehold Land & Building on leasehold land		4,726	110,838
Leasehold Improvement		91,808	1,352
Furniture and fixture		565	755
Electrical, office and computer equipments		976	1,713
Vehicles		2,946	422
		<u>101,021</u>	<u>115,080</u>
11.4 Additions to right-of-use assets		<u>1,355,664</u>	<u>888,093</u>
11.5 Derecognition of right-of-use assets		<u>522,246</u>	<u>477,022</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS		
Capital work-in-progress	417,910	232,545
Intangible assets	1,512,060	1,802,006
	<u>1,929,970</u>	<u>2,034,551</u>

	(Un-audited) January - June 2021		January - June 2020	
	----- (Rupees in '000) -----			
12.1 Additions to intangible assets				

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

Capital work-in-progress - net additions	<u>181,725</u>	<u>(92,743)</u>
Directly purchased intangibles	<u>114,368</u>	<u>571,545</u>

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
13. DEFERRED TAX ASSETS			
Deferred tax assets	13.1	<u>4,589,903</u>	<u>4,682,494</u>

13.1 Movement in temporary differences during the period

	June 30, 2021 (Un-audited)			
	At January 1, 2021	Recognised in profit and loss account	Recognised in OCI	At June 30, 2021
	----- (Rupees in '000) -----			
Deductible temporary differences on				
- Post-retirement employee benefits	1,386,150	(951)	-	1,385,199
- Provision against advances, off-balance sheet etc.	6,390,263	(408,450)	-	5,981,813
- Workers' Welfare Fund	1,833,191	201,699	-	2,034,890
	9,609,604	(207,702)	-	9,401,902
Taxable temporary differences on				
- Surplus on revaluation of fixed assets / non-banking assets	(1,286,111)	16,393	1,268	(1,268,450)
- Surplus on revaluation of investments	(1,697,416)	-	153,707	(1,543,709)
- Share of profit from Associates	(1,083,460)	(47,287)	-	(1,130,747)
- Accelerated tax depreciation	(286,178)	159,891	-	(126,287)
- Others	(573,945)	-	(168,861)	(742,806)
	(4,927,110)	128,997	(13,886)	(4,811,999)
	<u>4,682,494</u>	<u>(78,705)</u>	<u>(13,886)</u>	<u>4,589,903</u>

	December 31, 2020 (Audited)			
	At January 1, 2020	Recognised in profit and loss account	Recognised in OCI	At December 31, 2020
	----- (Rupees in '000) -----			
Deductible temporary differences on				
- Post-retirement employee benefits	837,426	30,335	518,389	1,386,150
- Provision against advances, off-balance sheet etc.	3,291,876	3,098,387	-	6,390,263
- Workers' Welfare Fund	1,495,858	337,333	-	1,833,191
	5,625,160	3,466,055	518,389	9,609,604
Taxable temporary differences on				
- Surplus on revaluation of fixed assets / non-banking assets	(1,339,305)	32,790	20,404	(1,286,111)
- Surplus on revaluation of investments	(375,338)	-	(1,322,078)	(1,697,416)
- Share of profit from Associates	(922,114)	(161,346)	-	(1,083,460)
- Accelerated tax depreciation	(744,233)	458,055	-	(286,178)
- Others	(520,617)	289	(53,617)	(573,945)
	(3,901,607)	329,788	(1,355,291)	(4,927,110)
	<u>1,723,553</u>	<u>3,795,843</u>	<u>(836,902)</u>	<u>4,682,494</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
14. DISCONTINUED OPERATIONS

UBL Bank (Tanzania) Limited ("UBTL") is a wholly owned subsidiary of United Bank Limited. UBTL sold materially all of its assets and liabilities held as at October 31, 2019, including the loans and advances and deposit book to EXIM Bank Tanzania Limited ("Exim"), in line with the Asset and Liabilities Purchase Agreement signed on May 22, 2019. The control of these assets and liabilities was transferred to Exim effective from November 1, 2019. The Banking operations of the subsidiary ceased on November 1, 2019. UBTL is in process of winding up and voluntary liquidation.

The shareholders of the Bank have approved the decision to voluntarily and orderly wind up UBL (Switzerland) AG, a wholly owned subsidiary of the Bank in the Extra Ordinary General Meeting (EOGM) of shareholders held on August 06, 2021. This decision is in line with the Bank's strategy to exit from non-core markets. The winding up is subject to fulfilment of relevant legal and regulatory requirements both in Pakistan and Switzerland.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
14.1 Assets and liabilities under discontinued operations	----- (Rupees in '000) -----	
Assets		
Cash and balances with treasury banks	9,264,946	-
Balances with other banks	7,442,884	219,488
Lendings to financial institutions	3,008,875	-
Investments	5,373,938	-
Advances	207,654	-
Fixed assets	26,692	-
Other assets	131,243	-
	<u>25,456,232</u>	<u>219,488</u>
Liabilities		
Borrowings	8,260,089	-
Deposits and other accounts	10,617,641	-
Other liabilities	170,990	11,575
	<u>19,048,720</u>	<u>11,575</u>
14.2 Discontinued operations	(Un-audited) January - June 2021 January - June 2020 ----- (Rupees in '000) -----	
Mark-up / return / interest earned	208,242	-
Mark-up / return / interest expensed	73,896	-
Net mark-up / interest income	<u>134,346</u>	-
Non mark-up / interest income		
Fee, commission and brokerage income	333,675	-
Foreign exchange income	198	-
Other income	-	124
Total non mark-up / interest income	<u>333,872</u>	<u>124</u>
Total income	468,219	124
Non mark-up / interest expenses		
Operating expenses	325,222	11,345
Total non mark-up / interest expenses	<u>325,222</u>	<u>11,345</u>
(Loss) / profit before taxation	<u>142,997</u>	<u>(11,221)</u>
Taxation	36,523	(950)
(Loss) / profit after taxation	<u>106,474</u>	<u>(10,271)</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
15. OTHER ASSETS			
Income / mark-up accrued in local currency - net of provision		21,186,730	21,075,329
Income / mark-up accrued in foreign currencies - net of provision	15.1	2,061,954	2,211,759
Advance taxation - net of provision for taxation	15.2	45,731	5,992,577
Receivable from staff retirement fund		74,054	24,160
Receivable from other banks against telegraphic transfers and demand drafts		22,359	110,689
Unrealised gain on forward foreign exchange contracts		1,206,838	3,347,603
Rebate receivable - net		307,859	631,410
Suspense accounts		-	240,002
Stationery and stamps on hand		197,125	169,311
Non-banking assets acquired in satisfaction of claims		241,683	274,451
Advances, deposits, advance rent and other prepayments		2,927,651	1,475,598
Acceptances		5,708,132	10,505,651
Dividend receivable		107,453	217,974
Receivable against IBFT, ATM and other settlements - net		853,694	-
Commission receivable - Branchless Banking		653,017	658,524
Receivable against fraud & forgery and looted notes		583,132	586,929
Others		2,089,986	2,010,832
		<u>38,267,398</u>	<u>49,532,799</u>
Provision held against other assets	15.3	<u>(1,214,070)</u>	<u>(1,392,976)</u>
Other assets - net of provision		<u>37,053,328</u>	<u>48,139,823</u>
Deficit on revaluation of non-banking assets acquired in satisfaction of claims		<u>(38,007)</u>	<u>(38,367)</u>
Other assets - total		<u><u>37,015,321</u></u>	<u><u>48,101,456</u></u>

15.1 This includes unrealised mark-up held in suspense amounting to Rs. 14,852.074 million (December 31, 2020: Rs. 13,639.898 million) kept against non-performing overseas advances / investment as per the requirements of the regulatory authorities of the respective countries in which the overseas branches operate.

15.2 The Income Tax returns of the Bank have been filed up to the tax year 2020 (accounting year ended December 31, 2019) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2020, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs. 13,752 million (December 31, 2020: Rs.11,610 million), which have been fully paid as required under the law. The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) Branches have been filed upto the tax year 2020 (accounting year 2019) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently, various addbacks and demands were raised creating a total demand of Rs. 2,467 million (December 31, 2020: Rs. 1,274 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

The tax return for Yemen branch has been filed upto the year ended December 31, 2019 and and for the UAE and Qatar branches upto the year ended December 31, 2020, under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

The Bank has received corrective tax assessment of Qatari Riyal (QAR) 1.0 million (Rs: 41.955 million) from the General Tax Authority (GTA) in respect of tax year 2004 with no supporting calculations from GTA. Management has requested details for 2004 assessment from GTA, however, to date no response has been received. Management is confident that the matters will be decided in favour of the Bank and the possibility of any outcome against it is remote.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

The tax returns of USAG has been filed upto the accounting year ended December 31, 2020 and for UBL UK, UBL FM and UET upto the accounting year ended December 31, 2019, under the provisions of the laws prevailing in the respective countries and are deemed as assessed unless opened for reassessment by the tax authorities. Additionally, tax clearance has been issued for USAG till accounting year ended December 31, 2020, for UBL UK till the accounting year ended December 31, 2019 and for UBTL till October 31, 2019. There are no material tax contingencies in any of the subsidiaries.

Tax Contingencies - Khushali Bank Limited (KBL) - Associate

For the period from January 2015 to December 2016, KBL received two orders from Additional Commissioner Inland Revenue dated November 22, 2017, and December 6, 2017, for chargeability of super tax on total income instead of business income of KBL as defined under section 18 (2) of the Income Tax Ordinance, 2001. KBL preferred an appeal against the alleged demand of Rs. 200.58 million which is pending adjudication before the Appellate Tribunal Inland Revenue.

Moreover, there are certain other contingencies in respect of non-payment / short payment of Federal Excise Duty (FED), sales tax and withholding tax which are being contested by KBL at various appellate forums. The management believes that the outcome of the cases will be ultimately decided in the favour of KBL and hence, no provision has been recognised in respect of these contingencies in the consolidated financial statements.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
15.3 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	54,108	84,272
Fraud & forgery and looted notes	604,364	626,435
Others	555,598	682,269
	<u>1,214,070</u>	<u>1,392,976</u>
15.3.1 Movement of provision held against other assets		
Opening balance	1,392,976	1,271,877
Exchange adjustments	(11,571)	655
Charge / (reversals)		
Charge for the period / year	26,768	249,664
Reversals for the period / year	(125,306)	(94,809)
	33	154,855
Transfer (out) / in - net	(38,613)	3,245
Amounts written off	(30,184)	(37,656)
Closing balance	<u>1,214,070</u>	<u>1,392,976</u>

16. CONTINGENT ASSETS

There were no contingent assets as at the statement of financial position date.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
17. BILLS PAYABLE		
In Pakistan	30,886,817	28,820,012
Outside Pakistan	933,798	921,194
	<u>31,820,615</u>	<u>29,741,206</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
18. BORROWINGS		
Details of borrowings		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	33,443,583	30,724,174
Long term financing facility	21,272,946	22,243,644
Refinance scheme for payment of wages and salaries	4,611,535	5,587,037
Renewable energy scheme	239,851	146,985
Temporary economic refinance scheme	3,996,989	307,540
Other borrowings	1,227,577	863,235
	64,792,481	59,872,615
Repurchase agreement borrowings	176,345,450	59,835,819
	<u>241,137,931</u>	<u>119,708,434</u>
Unsecured		
Call borrowings	25,290,923	2,397,485
Overdrawn nostro accounts	842,601	379,564
Money market deals	4,534,846	9,341,702
	<u>30,668,370</u>	<u>12,118,751</u>
	<u>271,806,301</u>	<u>131,827,185</u>

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Fixed deposits	165,704,035	206,749,785	372,453,820	171,340,589	214,773,170	386,113,759
Saving deposits	612,040,337	50,484,493	662,524,830	509,563,742	53,146,711	562,710,453
Sundry deposits	24,630,724	1,623,559	26,254,283	5,022,037	2,173,583	7,195,620
Margin deposits	3,891,316	1,915,409	5,806,725	3,833,926	3,194,969	7,028,895
Current accounts - remunerative	1,978,906	4,635,461	6,614,367	1,387,144	6,911,630	8,298,774
Current accounts - non-remunerative	629,793,467	131,495,307	761,288,774	549,038,483	134,295,247	683,333,730
	<u>1,438,038,785</u>	<u>396,904,014</u>	<u>1,834,942,799</u>	<u>1,240,185,921</u>	<u>414,495,310</u>	<u>1,654,681,231</u>
Financial Institutions						
Current deposits	22,475,062	2,377,554	24,852,616	20,978,533	4,646,484	25,625,017
Saving deposits	59,944,811	5,908,335	65,853,146	56,409,524	2,373,413	58,782,937
Term deposits	40,850,400	248,121	41,098,521	25,207,956	95,145	25,303,101
	<u>123,270,273</u>	<u>8,534,010</u>	<u>131,804,283</u>	<u>102,596,013</u>	<u>7,115,042</u>	<u>109,711,055</u>
	<u>1,561,309,058</u>	<u>405,438,024</u>	<u>1,966,747,082</u>	<u>1,342,781,934</u>	<u>421,610,352</u>	<u>1,764,392,286</u>

19.1 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018, amounting to Rs. 1,048,412.550 million (December 31, 2020: Rs. 991,687.959 million).

20. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Minimum lease payments	Finance charges for future periods	Principal Outstanding	Minimum lease payments	Finance charges for future periods	Principal Outstanding
	----- (Rupees in '000) -----					
Not later than one year	5,550	452	5,098	5,562	452	5,110
Later than one year and not later than five years	8,058	115	7,943	11,132	285	10,847
	<u>13,608</u>	<u>567</u>	<u>13,041</u>	<u>16,694</u>	<u>737</u>	<u>15,957</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

21. SUBORDINATED DEBT

The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

Salient features of the ADT 1 issue are as follows:

Issue Size	Rs. 10,000 million
Issue Date	January 29, 2019
Tenor	Perpetual (i.e. no fixed or final redemption date)
Rating	"AA+" (Double A Plus) by VIS Credit Rating Company Limited
Security	Unsecured
Mark-up rate	The TFCs shall carry mark-up at the rate of 3 Month KIBOR + 1.55%.
Mark-up payment frequency	Profit / Mark-up shall be payable quarterly in arrears, on a non-cumulative basis
Call option	The Bank may, at its sole discretion, call the TFCs, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	Mark-up on the TFCs shall only be paid from the current year's earnings and if the Bank is fully compliant with SBP's Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Liquidity Ratio (LR) requirements.
Loss absorbency clause	The TFCs shall, at the discretion of the SBP, be either permanently converted into ordinary shares or permanently written off (partially or in full) pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		13,135,582	11,630,286
Mark-up / return / interest payable in foreign currencies		598,599	1,327,591
Accrued expenses		3,367,036	4,332,657
Branch adjustment account		134,380	105,228
Payable against purchase of securities		142,027	-
Deferred income		930,685	882,954
Unearned commission and income on bills discounted		319,131	453,296
Provision against off-balance sheet obligations	22.1	727,320	1,076,530
Unrealised loss on forward foreign exchange contracts		1,586,365	3,376,994
Trading liabilities		9,603,973	-
Payable to staff retirement fund		143,887	1,142,926
Deferred liabilities		3,842,158	3,969,397
Workers' Welfare Fund payable		5,074,250	4,752,294
Liabilities against IBFT, ATM and other settlements - net		-	1,199,242
Insurance payable against consumer assets		657,347	615,405
Dividend payable		3,030,284	357,578
Acceptances		5,708,132	10,505,651
Suspense accounts		139,352	-
Lease Liability under IFRS 16		7,996,545	7,950,494
Levies and taxes payable		3,486,318	2,671,007
Others		2,276,333	1,918,148
		<u>62,899,704</u>	<u>58,267,678</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
22.1 Provision against off-balance sheet obligations			
Opening balance		1,076,530	632,785
Exchange adjustments		(18,550)	11,996
Charge for the period / year		5,266	431,749
Reversals for the period / year		(335,927)	-
		(330,661)	431,749
		727,319	1,076,530
23. SURPLUS ON REVALUATION OF ASSETS			
Surplus arising on revaluation of assets - net of tax			
Fixed assets	23.1	26,913,831	27,022,623
Available for sale securities	23.2	2,109,652	2,282,110
Non-banking assets acquired in satisfaction of claims		1,132	913
Surplus arising on revaluation of assets of associates		(2,974)	28,566
		29,021,641	29,334,212
23.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets as at January 1		29,975,515	30,165,526
Revaluation against fixed assets during the period		(7,276)	(250,405)
Realised on disposal during the period / year		(4,330)	(162,824)
Exchange adjustments		(11,453)	310,216
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax		(23,739)	(53,821)
Related deferred tax liability on incremental depreciation charged during the period / year		(14,401)	(33,177)
		(61,199)	(190,011)
		29,914,316	29,975,515
Less: Related deferred tax liability			
Revaluation as on January 1		1,285,528	1,319,440
Surplus realised on disposal of fixed assets during the period / year		(1,689)	(46,478)
Surplus / (deficit) on revaluation against fixed assets during the period / year		134,411	(4,506)
Exchange adjustments		(2,499)	50,249
Incremental depreciation charged on related assets		(14,401)	(33,177)
		115,822	(33,912)
		1,401,350	1,285,528
		28,512,966	28,689,987
Share of non-controlling interest		(1,599,135)	(1,667,364)
Group's share		26,913,831	27,022,623
23.2 Surplus on revaluation of available for sale securities			
Market Treasury Bills		245,214	238,363
Pakistan Investment Bonds - fixed		(77,655)	333,950
Pakistan Investment Bonds - floaters		(1,286,525)	(2,569,332)
Ordinary shares and mutual fund		3,266,658	2,496,134
REIT Investment		834	(16,676)
Term Finance Certificates, Sukuks, other bonds etc.		91,324	(48,193)
Foreign bonds		1,164,074	3,240,242
		3,403,924	3,674,488
Related deferred tax liability		(1,543,709)	(1,697,416)
		1,860,215	1,977,072
Share of non-controlling interest		249,437	305,038
Group's share		2,109,652	2,282,110

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
24. CONTINGENCIES AND COMMITMENTS			
- Guarantees	24.1	144,384,313	147,961,658
- Commitments	24.2	987,123,236	970,991,372
- Other contingent liabilities	24.3	15,872,320	15,554,510
		<u>1,147,379,869</u>	<u>1,134,507,540</u>
24.1 Guarantees			
Financial guarantees		43,402,845	43,053,322
Performance guarantees		100,959,670	104,908,336
Other guarantees		21,798	-
		<u>144,384,313</u>	<u>147,961,658</u>
24.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		212,411,922	160,344,833
Commitments in respect of:			
- forward foreign exchange contracts	24.2.2	645,580,045	683,065,647
- forward Government securities transactions	24.2.3	707,328	-
- derivatives - FX options	24.2.4	2,338,968	-
- forward lending	24.2.5	122,591,515	124,510,935
- operating leases	24.2.6	219,990	126,093
Commitments for acquisition of:			
- operating fixed assets	24.2.7	2,230,323	2,876,499
- intangible assets	24.2.7	902,016	-
Others		141,129	67,365
		<u>987,123,236</u>	<u>970,991,372</u>
24.2.1 Commitments to extend credit			
The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
24.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		352,235,472	366,797,666
Sale		293,344,574	316,267,981
		<u>352,235,472</u>	<u>366,797,666</u>
24.2.3 Commitments in respect of forward Government securities transactions			
Forward purchase of Government securities		707,328	-
Forward sale of Government securities		-	-
		<u>707,328</u>	<u>-</u>
24.2.4 Commitments in respect of derivatives			
FX options - purchased		1,169,484	-
FX options - sold		1,169,484	-
		<u>1,169,484</u>	<u>-</u>
24.2.5 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.5.1	73,417,460	66,651,116
Others		49,174,055	57,859,819
		<u>122,591,515</u>	<u>124,510,935</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

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

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
24.2.6 Commitments in respect of operating leases			
Not later than one year		158,617	58,443
Later than one year and not later than five years		33,373	37,620
Later than five years		28,000	30,030
		219,990	126,093
24.2.7 Commitments in respect of capital expenditure		3,132,339	2,876,499

24.3 Other contingent liabilities

Claims against the Group not acknowledged as debts	24.3.1	11,783,017	11,465,207
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24.3.1 These mainly represent counter claims filed by the borrowers for restricting the Group from disposal of assets (such as mortgaged / pledged assets kept as security).

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in favour of the Group and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these consolidated financial statements.

24.3.2 During 2016, penalties amounting to Rs. 4.089 billion were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.

24.3.3 Punjab Revenue Authority issued show cause notice to UBL Fund Managers Limited requiring them to pay sales tax under Punjab sales tax on Service Act 2012 on management fee earned in Punjab from May 22, 2013. The Company has filed a petition on July 8, 2015 in the High Court of Sindh. A favorable outcome of this petition is expected.

24.4 For contingencies relating to taxation, refer note 15.2.

25. DERIVATIVE INSTRUMENTS
25.1 Product analysis

Counterparties	June 30, 2021 (Un-audited)							
	FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market gain / (loss)	Notional principal	Mark to Market gain / (loss)	Notional principal	Mark to Market gain / (loss)	Notional principal	Mark to Market gain / (loss)
----- (Rupees in 000) -----								
Total								
Hedging	1,169,484	-	707,328	(183)	-	-	1,876,812	(183)
Market making	1,169,484	-	-	-	-	-	1,169,484	-
	2,338,968	-	707,328	(183)	-	-	3,046,296	(183)
Counterparties	December 31, 2020 (Audited)							
	FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market gain / (loss)	Notional principal	Mark to Market gain / (loss)	Notional principal	Mark to Market gain / (loss)	Notional principal	Mark to Market gain / (loss)
----- (Rupees in 000) -----								
Total								
Hedging	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	Note	(Un-audited)	
		January - June 2021	January - June 2020
26. MARK-UP / RETURN / INTEREST EARNED		----- (Rupees in '000) -----	
On:			
Loans and advances		20,369,132	33,779,193
Investments		48,462,089	52,914,161
Lendings to financial institutions		722,797	1,412,262
Balances with banks		250,050	337,330
		<u>69,804,068</u>	<u>88,442,946</u>
27. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		26,569,996	35,983,195
Borrowings		4,382,104	9,064,368
Subordinated debt		441,847	652,061
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,601,040	2,089,860
Lease liability against right-of-use assets		474,784	584,330
		<u>33,469,771</u>	<u>48,373,814</u>
28. FEE AND COMMISSION INCOME			
Branch banking customer fee		834,635	874,158
Consumer finance related fee		544,098	477,722
Card related fees (debit and credit cards)		1,138,268	1,058,037
Investment banking fee		343,216	85,319
Financial Institution rebate / commission		156,835	143,105
Corporate service charges / facility fee		376,681	193,585
Commission on trade		320,522	349,318
Commission on guarantees		275,578	357,132
Commission on cash management		461,703	373,443
Commission on remittances including home remittances - net		1,116,302	1,139,659
Commission on bancassurance		882,534	478,967
Commission on Benazir Income Support Program		-	38,359
Management fee		388,188	345,344
Rent on lockers		95,652	93,817
Others		186,851	144,627
		<u>7,121,063</u>	<u>6,152,592</u>
29. GAIN ON SECURITIES - NET			
Realised	29.1	2,578,601	843,757
Unrealised - held for trading		5,006	14,504
		<u>2,583,607</u>	<u>858,261</u>
29.1 Realised gain on:			
Federal Government securities		808,119	350,660
Shares		298,863	(164,582)
Foreign securities		1,471,185	661,293
Other securities		434	(3,614)
		<u>2,578,601</u>	<u>843,757</u>
30. OTHER INCOME			
Charges recovered		123,463	116,012
Rent on properties		38,958	26,158
Gain on sale of operating fixed assets - net		4,298	47,109
Gain on sale of Ijarah assets		3,222	548
Gain on sale of non banking assets - net		-	223,054
Gain on trading liabilities - net		16,666	76,068
		<u>186,607</u>	<u>488,949</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

		(Un-audited)	
		January - June 2021	January - June 2020
		----- (Rupees in '000) -----	
31. OPERATING EXPENSES	Total compensation expense	9,082,490	9,006,037
	Property expense		
	Rent and taxes	603,367	579,307
	Insurance	108,822	98,837
	Utilities cost	661,737	603,289
	Security	502,727	509,719
	Repair and maintenance	92,233	84,470
	Depreciation	414,571	407,180
	Depreciation - Right-of-use assets	924,501	977,682
	Others	37,625	33,412
		3,345,583	3,293,896
	Information technology expenses		
	Software maintenance	794,888	677,916
	Hardware maintenance	319,470	242,914
	Depreciation	416,379	401,344
	Amortisation	420,674	418,805
	Network charges	382,669	374,453
		2,334,080	2,115,432
	Other operating expenses		
	Directors' fees and allowances	54,168	49,749
	Fees and allowances to Shariah Board	4,818	4,560
	Legal and professional charges	292,382	346,664
	Outsourced service costs	207,616	705,043
	Commission paid to branchless banking agents	624,849	186,004
	Commission paid to Sales force	674,189	482,679
	Travelling and conveyance	48,117	51,564
	Clearing charges	89,830	121,421
	Depreciation others	612,616	601,595
	Depreciation on Islamic financing against leased assets	84,917	124,174
	Training and development	11,212	21,408
	Postage and courier charges	163,482	127,991
	Communication	253,431	254,355
	Stationery and printing	379,292	267,196
	Marketing, advertisement and publicity	308,504	209,329
	Donations	71,096	240,980
	Auditors' remuneration	56,286	58,744
	Insurance	51,956	102,936
	Deposit Protection Premium	793,350	683,778
	Cash transportation and sorting charges	414,374	376,023
	Entertainment	75,896	67,794
	Vehicle expenses	46,818	46,365
	Subscription	95,697	48,359
	Office running expenses	75,862	83,908
	Banking service charges	955,209	835,347
	Repairs and maintenance	358,271	232,927
	Cartage, freight and conveyance	27,252	19,336
	Zakat paid by overseas branch	6,406	7,369
	Brokerage expenses	9,794	13,296
	Miscellaneous expenses	183,185	160,310
		7,030,875	6,531,204
		21,793,028	20,946,569
32. OTHER CHARGES			
	Penalties imposed by the SBP	28,179	152,252
	Other penalties	11,315	81
		39,494	152,333

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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	Note	(Un-audited)	
		January - June 2021	January - June 2020
		----- (Rupees in '000) -----	
33. (REVERSALS) / PROVISIONS AND WRITE-OFFS - NET			
Provision against loans and advances - net	10.3	692,778	9,607,327
(Reversals) / provision for diminution in value of investments - net	9.4	(833,915)	86,153
Bad debts written-off directly		62,944	39,487
(Reversals) / provision against other assets - net	15.3.1	(98,538)	(65,845)
(Reversals) / provision against off-balance sheet obligations	22.1	(330,661)	214,965
Recovery of written-off / charged-off bad debts		(234,394)	(277,453)
Other provisions / write-offs		583,853	347,960
		<u>(157,933)</u>	<u>9,952,594</u>
34. TAXATION			
Current		11,129,891	10,276,888
Prior years		(189,016)	(5,968)
Deferred		78,705	(2,745,168)
		<u>11,019,580</u>	<u>7,525,752</u>
35. EARNINGS PER SHARE			
Profit after tax attributable to equity shareholders of the Bank		<u>14,987,658</u>	<u>10,946,110</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>1,224,179,687</u>	<u>1,224,179,687</u>
		----- (Rupees) -----	
Earnings per share - basic and diluted		<u>12.24</u>	<u>8.94</u>

35.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2021 and 2020.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

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, 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.

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

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

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

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

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

	June 30, 2021 (Un-audited)				
	Carrying / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
------(Rupees in '000)-----					
On-balance sheet financial instruments					
Financial assets measured at fair value					
- Investments					
Federal Government Securities (T-bills, PIBs, GoP Sukuks, Eurobonds, Modaraba Pool)	1,094,550,496	-	1,094,550,496	-	1,094,550,496
Foreign Bonds - sovereign	59,589,986	-	59,589,986	-	59,589,986
Foreign Bonds - others	3,617,040	-	3,617,040	-	3,617,040
Ordinary shares of listed companies	12,325,922	12,325,922	-	-	12,325,922
Mutual Fund	221,885	-	221,885	-	221,885
Debt securities (TFCs, Corporate Sukuks)	1,840,339	-	1,840,339	-	1,840,339
Investment in REIT	459,424	-	459,424	-	459,424
	<u>1,172,605,092</u>	<u>12,325,922</u>	<u>1,160,279,170</u>	<u>-</u>	<u>1,172,605,092</u>
Financial assets not measured at fair value					
- Investments					
Federal Government Securities (PIBs, GoP Sukuks Eurobonds, Bai Muajjal)	250,103,243	-	252,292,272	-	252,292,272
Foreign Bonds - sovereign	32,280,896	-	33,456,448	-	33,456,448
Foreign Bonds - others	1,923,949	-	1,999,967	-	1,999,967
Debt securities (TFCs, Corporate Sukuks and others)	19,438,405	-	19,683,070	-	19,683,070
	<u>303,746,493</u>	<u>-</u>	<u>307,431,757</u>	<u>-</u>	<u>307,431,757</u>
	<u>1,476,351,585</u>	<u>12,325,922</u>	<u>1,467,710,927</u>	<u>-</u>	<u>1,480,036,849</u>
Off-balance sheet financial instruments					
Forward purchase and sale of foreign exchange contracts	645,580,046	-	(379,527)	-	(379,527)
FX options - purchased and sold (net)	2,338,968	-	-	-	-
Forward purchase of Government Securities	707,328	-	(183)	-	(183)
Forward sale of Government Securities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(379,527)</u>	<u>-</u>	<u>(379,527)</u>
Fair value of non-financial assets					
Fixed Assets	59,424,589	-	-	59,424,589	59,424,589
Non-banking assets acquired in satisfaction of claims	203,676	-	-	203,676	203,676
	<u>59,628,265</u>	<u>-</u>	<u>-</u>	<u>59,628,265</u>	<u>59,628,265</u>
December 31, 2020 (Audited)					
	Carrying / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
------(Rupees in '000)-----					
On-balance sheet financial instruments					
Financial assets measured at fair value					
- Investments					
Government Securities (T-bills, PIBs, GoP Sukuks Eurobonds, Modaraba Pool)	811,834,934	-	811,834,934	-	811,834,934
Foreign Bonds - sovereign	81,709,882	-	81,709,882	-	81,709,882
Foreign Bonds - others	7,503,650	-	7,503,650	-	7,503,650
Ordinary shares of listed companies	10,383,260	10,383,260	-	-	10,383,260
Mutual Fund	228,518	-	228,518	-	228,518
Debt securities (TFCs, Corporate Sukuks)	1,720,302	-	1,720,302	-	1,720,302
Investment in REIT	441,914	441,914	-	-	441,914
	<u>913,822,460</u>	<u>10,825,174</u>	<u>902,997,286</u>	<u>-</u>	<u>913,822,460</u>
Financial assets not measured at fair value					
- Investments					
Government Securities (T-bills, PIBs, GoP Sukuks Eurobonds, Bai Muajjal)	202,261,340	-	208,585,861	-	208,585,861
Foreign Bonds - sovereign	27,108,735	-	25,838,959	-	25,838,959
Foreign Bonds - others	1,238,565	-	1,285,465	-	1,285,465
Debt securities (TFCs, Corporate Sukuks and others)	16,411,853	-	16,570,036	-	16,570,036
	<u>247,020,493</u>	<u>-</u>	<u>252,280,321</u>	<u>-</u>	<u>252,280,321</u>
	<u>1,160,842,953</u>	<u>10,825,174</u>	<u>1,155,277,607</u>	<u>-</u>	<u>1,166,102,781</u>
Off-balance sheet financial instruments					
Forward purchase and sale of foreign exchange contracts	683,065,647	-	(29,391)	-	(29,391)
FX options - purchased and sold (net)	-	-	-	-	-
Forward purchase of Government Securities	-	-	-	-	-
Forward sale of Government Securities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(29,391)</u>	<u>-</u>	<u>(29,391)</u>
Fair value of non-financial assets					
Fixed Assets	42,299,453	-	-	42,299,453	42,299,453
Non-banking assets acquired in satisfaction of claims	236,084	-	-	236,084	236,084
	<u>42,535,537</u>	<u>-</u>	<u>-</u>	<u>42,535,537</u>	<u>42,535,537</u>

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36.2 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 11 and note 15.

36.3 Valuation techniques used in determination of fair values within level 2 and level 3 are as follows.

Debt Securities

The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) and the fair value of other corporate and foreign Government securities is determined using the rates from Reuters / Bloomberg.

Derivatives

The fair valuation techniques include forward pricing and swap models using present value calculations.

Fixed assets and non-banking assets acquired in satisfaction of claims

Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

37. SEGMENT INFORMATION
37.1 Segment details with respect to business activities

For the six months ended June 30, 2021 (Un-audited)								
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)								
Profit and Loss								
Net mark-up / return / profit	11,746,753	36,866,641	(18,942,711)	1,917,490	3,794,060	1,245,391	(293,327)	36,334,297
Inter segment (expense) / revenue - net	(9,699,132)	(33,307,860)	39,935,709	-	-	-	3,071,283	-
Non mark-up / return / interest income	1,582,025	1,705,321	4,521,379	169,940	2,871,976	601,348	368,637	11,820,626
Total income	3,629,646	5,264,102	25,514,377	2,087,430	6,666,036	1,846,739	3,146,593	48,154,923
Segment direct expenses	599,967	314,245	13,045,262	897,707	2,332,203	1,598,879	3,566,111	22,354,374
Inter segment expense allocation	252,943	40,337	3,048,057	-	307,437	-	(3,648,774)	-
Total expenses	852,910	354,582	16,093,319	897,707	2,639,640	1,598,879	(82,663)	22,354,374
(Reversals) / provisions and write-offs - net	(132,311)	(591,454)	(407,642)	(2,966)	1,031,493	(70,537)	15,484	(157,933)
Profit before tax from continuing operations	2,909,047	5,500,974	9,828,700	1,192,689	2,994,903	318,397	3,213,772	25,958,482
For the six months ended June 30, 2020 (Un-audited)								
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)								
Profit and Loss								
Net mark-up / return / profit	23,018,771	36,409,262	(26,043,876)	2,007,256	4,050,078	948,676	(321,035)	40,069,132
Inter segment (expense) / revenue - net	(18,418,839)	(34,105,391)	48,931,336	-	-	-	3,592,894	-
Non mark-up / return / interest income	1,023,820	1,800,720	3,565,942	105,713	1,181,587	1,156,537	913,288	9,747,607
Total income / (loss)	5,623,752	4,104,591	26,453,402	2,112,969	5,231,665	2,105,213	4,185,147	49,816,739
Segment direct expenses	579,258	243,183	11,993,902	882,422	2,754,969	1,788,171	3,359,930	21,601,835
Inter segment expense allocation	190,466	34,880	2,307,653	-	255,361	-	(2,788,360)	-
Total expenses	769,724	278,063	14,301,555	882,422	3,010,330	1,788,171	571,570	21,601,835
(Reversals) / provisions and write-offs - net	88,065	155,374	856,191	4,939	8,310,916	522,773	14,336	9,952,594
Profit / (loss) before tax from continuing operations	4,765,963	3,671,154	11,295,656	1,225,608	(6,089,581)	(205,731)	3,599,241	18,262,310

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	As at June 30, 2021 (Un-audited)							Total
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	
(Rupees in '000)								
Balance Sheet								
Cash and bank balances	9,515	79,563,460	119,688,958	12,368,881	50,358,112	19,680,568	787,718	282,457,212
Investments	7,503,061	1,262,799,248	-	68,539,121	113,080,763	27,152,206	4,742,675	1,483,817,074
Net inter segment lending	-	-	1,325,910,472	30,847,176	-	-	85,877,346	1,442,634,994
Lendings to financial institutions	-	21,734,325	-	-	-	3,106,729	-	24,841,054
Advances - performing	357,454,663	16,939	43,424,603	43,456,874	95,822,270	95,707,935	6,173,908	642,057,192
Advances - non-performing	2,907,797	-	547,032	8,832	7,413,073	3,014,770	14,349	13,905,853
Others	9,497,782	16,100,463	15,152,668	2,580,305	11,385,322	6,416,920	39,896,353	101,029,813
Total assets	377,372,818	1,380,214,435	1,504,723,733	157,801,189	278,059,540	155,079,128	137,492,349	3,990,743,192
Borrowings	55,761,710	179,699,106	4,559,481	3,696,805	19,049,768	9,039,431	-	271,806,301
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	48,779,096	134,986	1,450,188,109	143,200,166	206,909,896	117,221,324	313,505	1,966,747,082
Net inter segment borrowing	257,031,378	1,184,593,196	-	-	1,010,420	-	-	1,442,634,994
Others	13,969,542	11,201,953	45,315,747	4,942,051	4,693,096	1,818,164	12,792,807	94,733,360
Total liabilities	375,541,726	1,375,629,241	1,500,063,337	151,839,022	231,663,180	128,078,919	23,106,312	3,785,921,737
Equity	1,831,092	4,585,194	4,660,396	5,962,167	46,396,360	27,000,209	114,386,037	204,821,455
Total equity and liabilities	377,372,818	1,380,214,435	1,504,723,733	157,801,189	278,059,540	155,079,128	137,492,349	3,990,743,192
Contingencies and Commitments	365,216,743	198,404,512	29,959,047	30,665,208	464,452,076	56,219,050	2,463,233	1,147,379,869
As at December 31, 2020 (Audited)								
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)								
Balance Sheet								
Cash and bank balances	5,833	81,844,130	121,154,769	12,061,714	47,378,919	24,477,950	799,172	287,722,487
Investments	4,803,162	932,393,450	-	62,729,601	123,251,328	40,068,180	4,557,791	1,167,803,512
Net inter segment lending	-	-	1,139,940,361	7,997,409	-	-	77,017,055	1,224,954,825
Lendings to financial institutions	-	-	-	19,959,132	-	2,253,310	-	22,212,442
Advances - performing	360,426,353	-	41,532,652	20,521,606	89,119,069	80,220,386	6,811,741	598,631,807
Advances - non-performing	3,287,884	-	802,173	16,551	7,754,943	1,351,794	6,524	13,219,869
Others	14,416,544	16,648,272	14,968,909	1,705,673	13,301,659	7,426,167	43,818,857	112,286,081
Total assets	382,939,776	1,030,885,852	1,318,398,864	124,991,686	280,805,918	155,797,787	133,011,140	3,426,831,023
Borrowings	51,240,762	58,593,525	4,600,487	3,632,752	9,321,566	4,438,093	-	131,827,185
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	50,351,838	132,797	1,257,558,195	111,478,161	220,015,338	124,607,281	248,676	1,764,392,286
Net inter segment borrowing	263,282,545	960,917,205	-	-	755,075	-	-	1,224,954,825
Others	13,412,717	3,328,909	47,513,400	4,811,546	6,305,922	1,728,707	10,923,640	88,024,841
Total liabilities	378,287,862	1,022,972,436	1,309,672,082	119,922,459	236,397,901	130,774,081	21,172,316	3,219,199,137
Equity	4,651,914	7,913,416	8,726,782	5,069,227	44,408,017	25,023,706	111,838,824	207,631,886
Total equity and liabilities	382,939,776	1,030,885,852	1,318,398,864	124,991,686	280,805,918	155,797,787	133,011,140	3,426,831,023
Contingencies and Commitments	354,762,782	278,633,736	13,182,354	377,425	398,498,687	86,347,176	2,705,380	1,134,507,540

38. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, employee benefit plans and its Directors and Key Management Personnel (including their associates).

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

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
38.1 RELATED PARTY TRANSACTIONS

	As at June 30, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	-	6,609,954	3,997,489	-	-	-	6,113,434	3,943,202
Investment made during the period / year	-	-	-	29,273,563	2,563,634	-	-	-	15,928,370	54,287
Investment redeemed / disposed off during the period / year	-	-	-	(28,969,733)	(150,820)	-	-	-	(15,868,601)	-
Equity method adjustments	-	-	-	137,516	-	-	-	-	436,751	-
Closing balance	-	-	-	7,051,300	6,410,303	-	-	-	6,609,954	3,997,489
Provision for diminution in value of investments	-	-	-	-	1,434,287	-	-	-	-	1,544,596
Provision written off	-	-	-	-	77,606	-	-	-	-	1,544,596
Advances										
Opening balance	-	10	299,395	-	9,365,687	-	4,624	287,618	2,155,149	12,715,998
Addition during the period / year	-	191	25,377	-	17,381,345	-	838	73,339	-	16,398,899
Repaid during the period / year	-	(156)	(22,584)	-	(23,384,746)	-	(5,452)	(75,431)	(152,755)	(19,749,210)
Transfers in / (out) - net	-	-	(12,295)	-	-	-	-	13,869	(2,002,394)	-
Closing balance	-	45	289,893	-	3,362,286	-	10	299,395	-	9,365,687
Other Assets										
Interest mark-up accrued	-	-	-	31,617	38,294	-	-	-	4,282	232,471
Receivable from staff retirement funds	-	-	-	-	74,054	-	-	-	-	24,160
Advances, deposits & prepayments	-	-	-	-	-	-	-	-	-	63,634
Prepaid insurance	-	-	-	283,322	-	-	-	-	1,002	-
Remuneration receivable from management of funds	-	-	-	77,278	-	-	-	-	77,194	-
Sales load receivable	-	-	-	39,802	-	-	-	-	37,396	-
Formation cost receivable	-	-	-	6,000	-	-	-	-	6,000	-
Other receivable	-	-	-	-	-	-	-	-	1,750	30,164
Provision against other assets	-	-	-	-	-	-	-	-	-	(30,164)
Provision written off	-	-	-	-	30,164	-	-	-	-	-
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	944,583	-	-	-	-	1,538,000
Settled during the period / year	-	-	-	-	(288,300)	-	-	-	-	(1,538,000)
Closing balance	-	-	-	-	656,283	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	6,431,790	157,712	2,478,432	16,659,269	-	8,679,450	71,109	6,502,931	11,347,096
Received during the period / year	100,712	52,791,437	445,016	72,092,144	187,067,887	-	29,415,769	1,338,885	144,141,551	177,775,235
Withdrawn during the period / year	(79,496)	(52,378,802)	(494,903)	(72,660,874)	(187,263,422)	-	(31,659,519)	(1,192,342)	(148,166,050)	(172,469,603)
Transfers (out) / in - net	-	-	(8,062)	-	-	-	(3,910)	(59,940)	-	6,541
Closing balance	21,216	6,844,425	99,763	1,909,702	16,463,734	-	6,431,790	157,712	2,478,432	16,659,269
Other Liabilities										
Interest / mark-up payable on deposits and borrowings and borrowings	-	82,400	-	5,480	284,590	-	39,335	210	7,651	115,024
Payable to staff retirement fund	-	-	-	-	131,457	-	-	-	-	1,142,926
Deferred performance bonus – MRTs / MRCs	-	-	115,963	-	-	-	-	-	-	-
Dividend payable	2,526,916	80,633	862	21,844	389,261	-	-	-	-	-
Unearned income	-	-	-	-	7,145	-	-	-	-	-
Other payable	-	-	-	23,107	-	-	3,900	-	22,353	-
Contingencies and Commitments										
Forward foreign exchange contracts purchase	-	-	-	-	-	-	-	-	-	4,360
	For the six months ended June 30, 2021 (Un-audited)					For the six months ended June 30, 2020 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Income										
Mark-up / return / interest earned	-	-	7,978	18,352	383,939	-	-	-	-	-
Commission / charges recovered	22	224	1,064	15,515	12,607	-	46	1,687	11,170	10,137
Dividend income	-	-	-	11,841	71,079	-	-	-	62,952	139,868
Net gain on sale of securities	-	78	-	-	-	-	-	-	41,269	-
Other income	-	-	2,374	-	10,718	-	-	-	4,582	-
Reserval of provision	-	-	-	-	32,703	-	-	-	152,755	-
Switch revenue	-	-	-	-	119,796	-	-	-	-	104,302
Remuneration from management of fund	-	-	-	378,319	-	-	-	-	375,803	-
Sales load	-	-	-	19,910	-	-	-	-	22,443	-
Expenses										
Mark-up / return / interest paid	269	185,727	575	48,666	438,711	-	99,948	757	277,728	192,264
Remuneration paid	-	-	857,215	-	-	-	-	607,884	-	-
Post employment benefits	-	-	13,163	-	-	-	-	18,413	-	-
Non-executive directors' fee	-	34,050	17,089	-	-	-	49,749	-	-	-
Net charge for defined contribution plans	-	-	14,129	-	197,059	-	-	-	-	272,431
Net charge for defined benefit plans	-	-	-	-	159,695	-	-	-	-	176,191
Other expenses	-	-	22,605	-	64,497	-	-	-	-	21,942
Clearing charges	-	-	-	-	67,645	-	-	-	-	64,874
Seminar and membership fees	-	-	-	-	6,541	-	-	-	-	1,298
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	39,827	-	-	-	-	400
Custody charges	-	-	-	-	1,485	-	-	-	-	2,189
Insurance premium paid	-	-	999	463,586	-	-	-	-	515,078	-
Insurance claims settled	-	-	-	244,459	-	-	-	-	183,804	-

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,797	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	136,189,095	137,040,359
Eligible Additional Tier 1 (ADT 1) Capital	10,731,032	10,735,774
Total Eligible Tier 1 Capital	146,920,127	147,776,133
Eligible Tier 2 Capital	47,173,383	47,926,723
Total Eligible Capital (Tier 1 + Tier 2)	194,093,510	195,702,856
Risk Weighted Assets (RWAs):		
Credit Risk	665,263,845	642,342,717
Market Risk	88,999,057	73,650,146
Operational Risk	164,656,143	164,656,143
Total	918,919,045	880,649,006
Common Equity Tier 1 Capital Adequacy Ratio	14.82%	15.56%
Tier 1 Capital Adequacy Ratio	15.99%	16.78%
Total Capital Adequacy Ratio	21.12%	22.22%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs. 10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the period ended June 30, 2021, stood at Rs.12,241.797 million (December 31, 2020: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus Capital Conservation Buffer (CCB) of 2.5%. and High Loss Absorbency Requirement of 1.0% of the risk weighted exposures of the Bank.

In order to dampen the effects of COVID-19, SBP via BPRD Circular Letter No. 12 of 2020 has given a regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013, for the time being, from its existing level of 2.5% to 1.5%, till further instructions.

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at June 30, 2021. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 21.12% whereas the CET 1 and Tier 1 ratios stand at 14.82% and 15.99% respectively.

Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardised Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are also applied against the Bank's exposures based on eligible collateral under comprehensive approach.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
Leverage Ratio (LR):		
Eligible Tier-1 Capital	146,920,127	147,776,133
Total Exposures	3,157,950,540	2,639,232,164
Leverage Ratio	4.65%	5.60%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,055,220,404	1,035,616,032
Total Net Cash Outflow	317,503,108	324,975,005
Liquidity Coverage Ratio	332.35%	318.68%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,968,023,129	1,714,566,321
Total Required Stable Funding	864,803,727	770,865,635
Net Stable Funding Ratio	227.57%	222.42%

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
40. ISLAMIC BANKING BUSINESS

The Bank operates 100 (December 31, 2020: 100) Islamic Banking branches and 187 (December 31, 2020: 187) Islamic Banking windows.

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		8,965,569	9,784,450
Balances with other banks		3,403,312	2,277,264
Due from financial institutions	40.1	-	19,959,132
Investments	40.2	68,539,121	62,729,601
Islamic financing and related assets - net	40.3	43,465,706	20,538,157
Fixed assets		935,504	984,416
Intangible assets		3,325	4,638
Due from Head Office		30,847,176	7,997,409
Other assets		1,641,476	716,619
Total Assets		157,801,189	124,991,686
LIABILITIES			
Bills payable		1,359,112	2,487,519
Due to financial institutions		3,696,805	3,632,752
Deposits and other accounts	40.4	143,200,166	111,478,161
Due to Head Office		-	-
Other liabilities		3,582,939	2,324,027
		<u>151,839,022</u>	<u>119,922,459</u>
NET ASSETS		<u>5,962,167</u>	<u>5,069,227</u>
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Deficit on revaluation of assets		79,348	(86,052)
Accumulated profit	40.8	<u>3,701,819</u>	<u>2,974,279</u>
		<u>5,962,167</u>	<u>5,069,227</u>

CONTINGENCIES AND COMMITMENTS

40.5

The profit and loss account of the Bank's Islamic Banking branches for the six months ended June 30, is as follows:

		(Un-audited) January - June 2021	January - June 2020
		----- (Rupees in '000) -----	
Profit / return earned	40.6	4,225,371	4,606,068
Profit / return expensed	40.7	(2,307,881)	(2,598,812)
Net profit / return		<u>1,917,490</u>	<u>2,007,256</u>
Other income			
Fee and commission income		138,573	102,446
Foreign exchange income		19,685	1,058
Loss on securities - net		(285)	(5,197)
Other Income		11,967	7,406
Total other income		<u>169,940</u>	<u>105,713</u>
Total income		<u>2,087,430</u>	<u>2,112,969</u>
Other operating expenses		(897,707)	(882,422)
Profit before provisions		<u>1,189,723</u>	<u>1,230,547</u>
(Reversals) / provisions and write-offs - net		(2,966)	4,939
Profit before taxation		<u>1,192,689</u>	<u>1,225,608</u>
Taxation		(465,149)	(477,987)
Profit after taxation		<u>727,540</u>	<u>747,621</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
40.1 Due from Financial Institutions

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Musharakah	-	-	-	6,000,000	-	6,000,000
Mudarabah	-	-	-	4,500,000	-	4,500,000
Bai Muajjal receivable from State Bank of Pakistan	-	-	-	6,433,114	-	6,433,114
from other Financial Institutions	-	-	-	3,026,018	-	3,026,018
	-	-	-	19,959,132	-	19,959,132

40.2 Investments by segments

Note	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	(Rupees in '000)							
Federal Government Securities								
- Ijarah Sukuks	23,995,452	-	79,348	24,074,800	19,992,452	-	(86,052)	19,906,400
- Government of Pakistan Mudarabah Pool	1,138,873	-	-	1,138,873	466,435	-	-	466,435
- Bai Muajjal with Govt. of Pakistan	31,115,551	-	-	31,115,551	29,569,648	-	-	29,569,648
	56,249,876	-	79,348	56,329,224	50,028,535	-	(86,052)	49,942,483
Non Government Debt Securities								
- Listed	700,000	-	-	700,000	450,000	-	-	450,000
- Unlisted	11,509,897	-	-	11,509,897	12,337,118	-	-	12,337,118
	12,209,897	-	-	12,209,897	12,787,118	-	-	12,787,118
Total Investments	68,459,773	-	79,348	68,539,121	62,815,653	-	(86,052)	62,729,601

40.2.1 Bai Muajjal with Government of Pakistan

	(Un-audited) June 30, 2021	(Audited) December 2020
	----- (Rupees in '000) -----	
Bai Muajjal Investment	33,031,000	33,031,000
Less: Deferred Income	(1,915,449)	(3,461,352)
Bai Muajjal Investment - net	<u>31,115,551</u>	<u>29,569,648</u>

40.3 Islamic financing and related assets

Ijarah	442,864	440,754
Murabahah	446,893	272,766
Musharakah	19,996,158	8,392,690
Diminishing Musharakah	14,649,370	6,754,380
Istisna	61,507	39,584
Islamic Export Refinance scheme - Musharakah	2,839,544	2,989,544
Advances against Islamic assets		
Advances against Ijarah	24,271	77,190
Advances for Diminishing Musharakah	2,953,290	410,595
Advances for Murabahah	18,459	33,427
Advances against Mera Pakistan Mera Ghar	77,788	459
Advances against Islamic Temporary Economic Refinance Scheme	345,640	
Advances for Istisna Islamic Export Refiance Scheme	452,749	456,623
Advances for Istisna	477,763	148,586
Inventory related to Islamic financing		
Istisna	329,866	296,918
Profit and other receivables against financings	468,886	336,219
Gross Islamic financing and related assets	43,585,048	20,649,735
Less: Provision against Islamic financing		
- Specific	(86,441)	(90,927)
- General	(32,901)	(20,651)
	(119,342)	(111,578)
Islamic financing and related assets - net of provision	<u>43,465,706</u>	<u>20,538,157</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**
40.4 Deposits and other accounts

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
Customers		
Current deposits	49,971,422	40,360,080
Saving deposits	17,155,240	18,710,264
Term deposits	13,005,500	5,662,065
	80,132,162	64,732,409
Financial Institutions		
Current deposits	7,041,091	2,046,933
Saving deposits	25,720,413	22,697,263
Term deposits	30,306,500	22,001,556
	63,068,004	46,745,752
	<u>143,200,166</u>	<u>111,478,161</u>

40.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 30,742.018 million (December 31, 2020: Rs. 31,125.997 million).

40.5 Contingencies and commitments

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
- Guarantees	52,598	111,454
- Commitments	30,612,610	5,880,112
	<u>30,665,208</u>	<u>5,991,566</u>

40.6 Profit / Return earned on Financing, Investments and Placements

	(Un-audited) January - June 2021	(Audited) January - June 2020
----- (Rupees in '000) -----		
Profit earned on:		
Financing	1,012,634	1,069,129
Investments	2,921,467	2,648,665
Placements	186,654	731,028
Rental Income from Ijarah	104,616	157,246
	<u>4,225,371</u>	<u>4,606,068</u>

40.7 Profit on Deposits and other Dues Expensed

Deposits and other accounts	2,229,517	2,519,427
Due to Financial Institutions	31,075	21,114
Return expense on leases	47,289	58,271
	<u>2,307,881</u>	<u>2,598,812</u>

40.8 Islamic Banking Business Unappropriated Profit

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
Opening balance	2,974,279	1,407,736
Profit for the period / year	1,192,689	2,514,739
Taxation	(465,149)	(948,196)
Closing balance	<u>3,701,819</u>	<u>2,974,279</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021****40.9 Disclosures for profit and loss distribution and pool management**

The Bank operates general and special pools for deposits and inter-bank funds accepted / acquired under Mudarabah, Wakalah and Musharakah modes.

Under the General deposits pools, the Bank accepts funds on Mudarabah basis from depositors (Rab-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Bank prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the Corporate Customers, other banks and State Bank of Pakistan for liquidity management and Islamic Export Refinance to the Bank's customers respectively under the Musharakah/ Mudarabah / Wakalah modes.

General Pool(s)

For General Pools, the Bank allocates PKR financing to Corporate, SMEs and Consumer Finance customers in diversified sectors and avenues of the economy / business and Investments in Sovereign Guarantee Sukuk, Corporate Sukuk, Bai Muajjal with Government of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis.

IERS Pool(s)

The IERS pool assets comprise of Sovereign Guarantee Sukuk, and financing to Corporate Customers and exporters as allowed under the applicable laws and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

Treasury Pool(s)

The Treasury pool assets generally comprise of Sovereign Guarantee Sukuk and financing under diminishing Musharakah, Ijarah facility and the related liability of the Treasury pool comprise of Musharakah / Wakalah / Mudarabah from financial institutions. These pools are created to meet the liquidity requirements of the Holding company.

Special Pool(s)

Separate pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

Equity Pool(s)

All other assets including fixed assets, advance against financing and subsidized financing to Bank's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are done through equity pool. The Holding company as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

During the period, the Bank has given General Hiba to the depositors in General and specific pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP. However, Hiba is given at the sole discretion of the Bank without any contractual commitment with the depositors.

The Mudarib's share on Deposits for the period ended June 30, 2021 is Rs.1,580.106 million (45.14% of distributable profit of Mudarabah Pool). of this, an amount of Rs. 345.504 million (21.87% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 9.12% per annum and the rate of profit paid on average deposits was 5.90% per annum.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

The risk characteristics of pools

The risk characteristics of each pool mainly depends on the assets and liability profile of the pool. As per the Bank 's policy, relatively low risk / secured financing transactions and assets are allocated to the pool. The Bank maintains General Pools, Special Pools, IERS pool and Equity pool. All pools are exposed to general credit risk, asset ownership risk and Profit rate risk of underlying assets involved.

The Parameters used for allocation of profit, expenses and provisions to the Pool

- The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool.
- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on Ijarah assets, takaful premium, amortisation of premium on investment etc.
- No expense of general or administrative nature is charged to the pools.
- No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset.
- The profit of the pool is shared between equity and Rab-ul-Maal of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity.
- The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee.

The Bank managed following pools during the period.

For the six months ended June 30, 2021 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	6	Mudarabah	Monthly	7.17%	48.62%	22,917	6%	52.79%	12,099
Special Pools	60	Mudarabah	Monthly	8.51%	34.91%	391,978	6.73%	38.12%	149,437
IERS Pools	12	Musharakah	Monthly	6.40%	84.19%	166,621	2.00%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	1.75%	50.00%	788	1.06%	0.00%	-
General Pools	6	Mudarabah	Monthly	9.46%	50.00%	1,165,211	5.48%	15.79%	183,968

For the six months ended June 30, 2020 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	6	Mudarabah	Monthly	5.29%	50.00%	3,713	3.08%	16.55%	615
Special Pools	60	Mudarabah	Monthly	12.45%	28.45%	355,547	9.94%	31.50%	112,006
IERS Pools	12	Musharakah	Monthly	4.94%	86.89%	139,090	2.00%	0.00%	-
General Pools	6	Mudarabah	Monthly	11.90%	50.00%	1,087,379	7.71%	29.62%	322,032

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021**

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	-----Rupees in '000-----	
40.10 Deployment of Mudarabah based deposits by class of business		
Chemical and pharmaceuticals	2,484,304	2,230,052
Agri business	20,437,489	8,745,482
Textile	2,380,905	1,991,142
Financial	3,952,240	13,335,120
Food industries	307,494	318,037
Plastic	299,229	299,263
Individuals	6,847,823	1,981,422
Production and transmission of energy	18,742,631	13,496,129
Government of Pakistan securities	56,329,223	59,401,615
Others	3,746,145	3,817,471
	<u>115,527,483</u>	<u>105,615,733</u>

41. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on August 06, 2021, has declared an interim cash dividend in respect of the quarter ended June 30, 2021 of Rs. 4.0 per share (June 30, 2020: Rs. Nil per share). These consolidated condensed interim financial statements for the six months ended June 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42. GENERAL

42.1 Comparatives

Comparative information has been reclassified, rearranged or additionally incorporated in these consolidated condensed interim financial statements for the purposes of better presentation.

42.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

43. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on August 06, 2021, by the Board of Directors of the Bank.