

Soneri Bank

Roshan Har Qadam

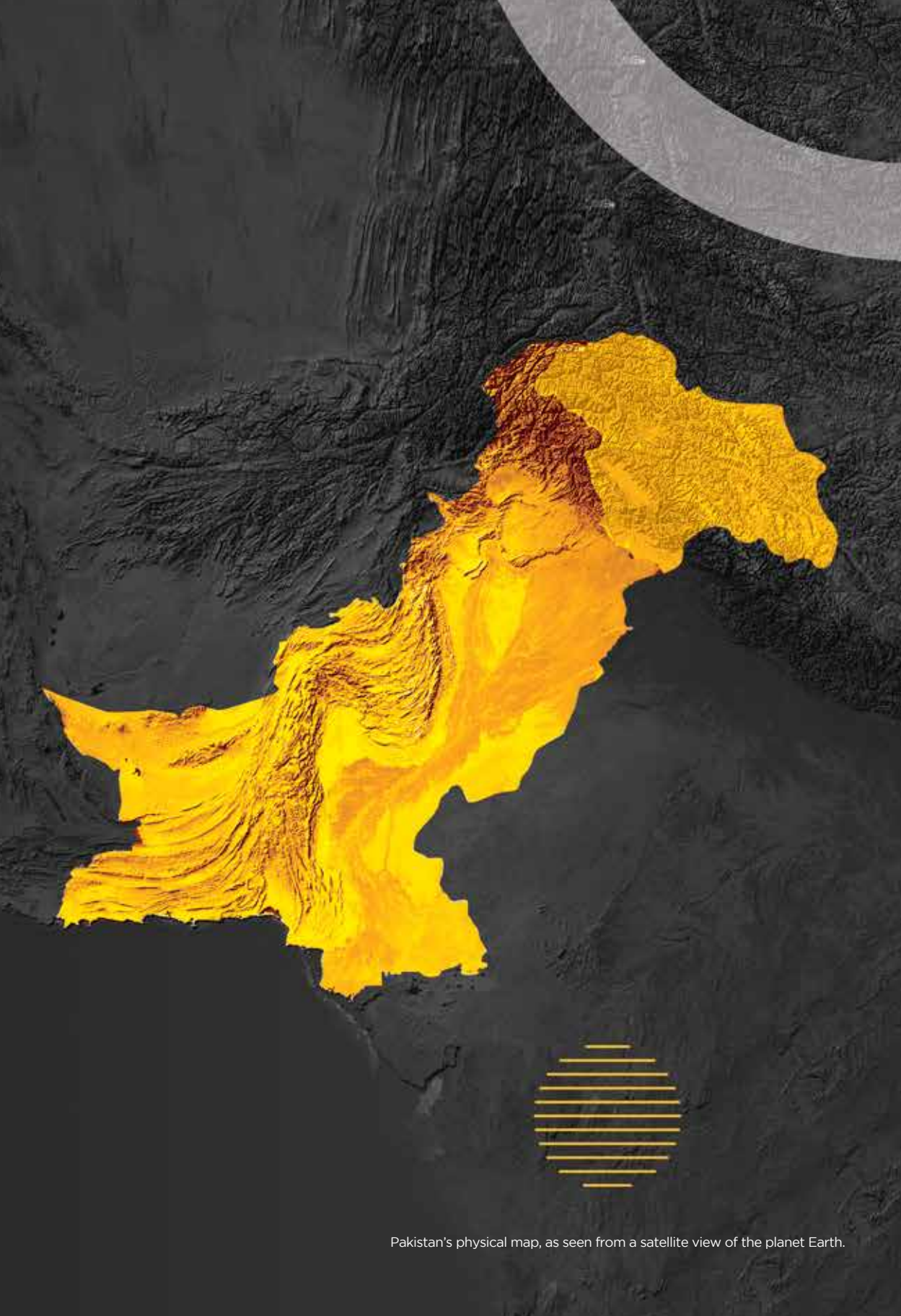


QUARTERLY REPORT
MARCH 2022 (UN-AUDITED)



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Pakistan's physical map, as seen from a satellite view of the planet Earth.

TABLE OF CONTENTS

Corporate Information	3
Directors' Review	4
Condensed Interim Statement of Financial Position	12
Condensed Interim Profit and Loss Account	13
Condensed Interim Statement of Comprehensive Income	14
Condensed Interim Cash Flow Statement	15
Condensed Interim Statement of Changes in Equity	16
Notes to the Condensed Interim Financial Statements	17
List of Branches	50



The sun shines through the leaves of a Beech Tree, commonly known as Sukh Chain.

CORPORATE INFORMATION

CHAIRMAN

MR. ALAUDDIN FEERASTA

PRESIDENT & CHIEF EXECUTIVE OFFICER

MR. MUHTASHIM AHMAD ASHAI

DIRECTORS

MR. NOORUDDIN FEERASTA

MR. AHMED A. FEERASTA

MR. MUHAMMAD RASHID ZAHIR

MR. MANZOOR AHMED (NIT NOMINEE)

MR. JAMIL HASSAN HAMDANI

MS. NAVIN SALIM MERCHANT

CHIEF FINANCIAL OFFICER

MR. MIRZA ZAFAR BAIG

COMPANY SECRETARY

MR. MUHAMMAD ALTAF BUTT

AUDITORS

KPMG TASEER HADI & CO.

CHARTERED ACCOUNTANTS

SHARIAH BOARD

MUFTI EHSAN WAQUAR AHMAD - CHAIRMAN

MUFTI MUHAMMAD ZAHID - RSBM

MUFTI BILAL AHMED QAZI

MUFTI SYED ABID SHAH

MUFTI SAMI ULLAH

LEGAL ADVISORS

M/S MANNAN LAW ASSOCIATES

REGISTERED OFFICE

2ND FLOOR, 307 - UPPER MALL SCHEME,
LAHORE, PUNJAB - 54000

CENTRAL OFFICE

10TH FLOOR, PNSC BUILDING,
M.T. KHAN ROAD, KARACHI-74000

REGISTRAR AND SHARE TRANSFER AGENT

THK ASSOCIATES (PRIVATE) LTD.,
PLOT NO. 32-C, JAMI COMMERCIAL
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DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of Soneri Bank Limited ('the Bank') along with the un-audited condensed interim financial statements for the quarter ended 31 March 2022.

Economic Review:

The year 2022 started on a positive note for Pakistan's economy, as the growth momentum that had picked up in FY 2020-21 appeared to continue. The country's measures in response to the COVID-19 waves, such as the use of effective localized lockdowns to curb the infection spread, whilst allowing activity to largely continue bode well for the overall economy. However, the robust recovery in domestic demand amidst the backdrop of rising international commodity prices post opening up of global economies, kept the external account under pressure. Furthermore, long-standing structural weaknesses of the economy and low productivity growth continue to pose risks to sustained recovery.

The strong aggregate demand pressures, in part due to previously accommodative fiscal and monetary policies, paired with the continued less conducive external environment for exports have contributed to a record-high trade deficit, weighing on the Rupee and the country's limited external buffers.

With continued improvement in official remittance inflows, private consumption seems to have strengthened. Similarly, investment also increased with strong growth of machinery imports and government development expenditure. On the production side, agricultural output, mainly rice and sugarcane increased, reflecting better weather conditions. Similarly, large-scale manufacturing growth rose to 7.5 percent y-o-y in H1 FY22, higher than the 1.5 percent for H1 FY21. In contrast, business and consumer confidence have fallen since June 2021, partly due to concerns about higher inflation and interest rates.

The recent conflict between Russia and Ukraine is a major blow to the global economy that has hurt growth and fueled global inflation as both the countries are major commodities producers and disruptions have caused global prices to soar, especially for oil and natural gas. For Pakistan's economy, the main impact will be on Current Account Deficit (CAD) and inflation. These geopolitical tensions along with domestic political conditions can hamper the positive outlook for Pakistan's economy and may also aggravate the macroeconomic imbalances.

The current account deficit (CAD), spiked to over US\$12 billion cumulatively in the first eight months (Jul-Feb) of the current fiscal year 2022 compared to the current account balance in surplus at slightly below US\$1 billion in the same period of the last year, according to the central bank's data. Imports values surged by more than 50 percent, doubling the growth in exports values. The Double-digit growth in remittances have helped to finance the record-high trade deficit. The financial account recorded net inflows of US\$10.1 billion, supported by the new IMF SDR allocation, short-term Government deposits from Saudi Arabia, and a Eurobond issuance in July 2021. In January-February, the Government obtained US\$2.1 billion from International Sukuk and the IMF Extended Fund Facility (EFF). Despite these inflows, foreign exchange reserves had fallen to US\$13.5 billion by March 25, 2022, equivalent to 2.0 months of imports of goods and services. Meanwhile, the Rupee depreciated by 14.3 percent against the U.S. dollar from July 2021 to end of March 2022.

The fiscal deficit during the first half of FY22 was recorded around 2 percent of GDP as there was significant pressure on fiscal accounts due to rising expenditures under grants and subsidies.

Headline inflation rose to an average of 9.8 percent year on year in H1 FY22 from 8.6 percent in H1 FY21, driven by surging global commodity prices and a weaker exchange rate. Similarly, core inflation has been increasing since September 2021. CPI for March 2022 was recorded at 12.7 percent on a YoY basis against 8.7 percent during the same month last year. The government announced relief package of reduction in the price of petrol and diesel by Rs 10/Ltr as well as Rs 5/unit cut in the electricity tariff is expected to ease the inflationary pressures. Accordingly, the State Bank of Pakistan has been unwinding its expansionary monetary stance since September 2021, raising the policy rate by a cumulative 275 basis points (bps) and banks' cash reserve requirement by 100 bps.

On the back of high base effect, recent macroeconomic adjustment measures and stronger inflation, real GDP growth is expected to slow to 4.3 percent in FY22 and to 4.0 percent in FY23. However, thereafter, economic growth is projected to recover to 4.2 percent in FY24, supported by the implementation of structural reforms to support macroeconomic stability and dissipating global inflationary pressures.



Inflation is estimated to rise to 10.7 percent in FY22 but moderate over the forecast horizon. Largely reflecting the imports surge in H1 FY22, the CAD is expected to widen to 4.4 percent of GDP in FY22. Macroeconomic adjustment measures and the weaker currency are expected to tame imports mostly in FY23. The CAD is expected to narrow to 3.0 percent of GDP in FY24, as reforms to reduce import tariffs and the anti-export bias of trade policy gain traction. The fiscal deficit (including grants) is projected to widen slightly to 6.2 percent of GDP in FY22, and gradually narrow over the medium term as revenue mobilization measures, particularly GST harmonization and personal income tax reforms, take hold. Public debt as a share of GDP is projected to stay high, but to gradually decline over the medium term.

The KSE-100 remained flat during the quarter, beginning at 44,596 index points and ending at 44,929 index points. Overall Macroeconomic risks are tilted to the downside. They include faster-than-expected tightening of global financing conditions, further increases in world energy prices, and the low risk of a return of stringent COVID-19 related mobility restrictions. Domestically, political tensions and policy slippages can also lead to protracted macroeconomic imbalances.

With the recent political change at the helm of the country's affairs, and the political noise emulating from the regime change, it remains to be seen what policies the new government would come up with to tackle the challenges that the economy faces.

The Bank's Financial Position and Operating Results:

The summarized financial position and operating results of the Bank for the quarter ended 31 March 2022 are as follows:

	As at 31 Mar 2022	As at 31 Dec 2021
------(Rupees in 000s)-----		
FINANCIAL POSITION		
Advances	160,827,391	165,494,796
Investments	361,066,722	327,425,187
Total Assets	616,001,691	579,488,549
Total Deposits	360,033,832	403,036,554
Shareholders' Equity	20,337,400	21,635,541
	Quarter ended 31 Mar 2022	Quarter ended 31 Mar 2021
------(Rupees in 000s)-----		
FINANCIAL PERFORMANCE		
Net Interest Income	2,878,582	2,719,862
Non Markup Income	841,111	960,971
Total Revenue	3,719,693	3,680,833
Non-Markup Expenses	2,790,987	2,527,903
Profit before provisions and taxation	928,706	1,152,930
Provisions /(reversals) and impairment	11,394	(123,299)
Profit before tax	917,312	1,276,229
Profit after tax	542,529	781,910
Earnings per share (Rupee)	0.4921	0.7092

The Bank posted Profit before tax (PBT) of Rs. 917.312 million and Profit after tax (PAT) of Rs. 542.529 million for the quarter ended 31 March 2022, as compared to Rs. 1,276.229 million and Rs. 781.910 million respectively for the comparative period last year. Earnings per share (EPS) was recorded at Re. 0.4921 per share for the current reporting period, as compared to Re. 0.7092 per share for the comparative prior period.

The Bank's net interest income for the quarter ended 31 March 2022 improved to Rs. 2,878.582 million from Rs. 2,719.862 million for the comparative prior period, indicating a growth of 5.84 percent. Non-interest income for the period ended was reported at Rs. 841.111 million as against Rs. 960.971 million against the comparative prior period. With the exception of gains on securities, all the non-fund based income lines indicate positive year on year variances. The absence of the opportunity to tap capital gains in the current quarter led to income from securities ending lower than the prior period levels. Nonetheless, overall revenue of the Bank indicated an improvement of Rs. 38.860 million, or 1.06 percent, year on year.



Amidst stiff competition for deposit mobilization due to uncertainty prevailing over rates being offered, the Bank continued to prudently manage its liquidity, as the observable shift reflected in the Bank's asset mix in the prior periods continued. The Bank's average net investments improved to Rs. 322.293 billion for the quarter ended 31 March 2022 as against Rs. 263.181 billion maintained in the comparative prior period. Through this volumetric increase, the Bank's income from investments increased to Rs. 7,982.103 million for the current quarter, as against Rs. 5,359.760 million for the comparative prior period, while investment yields improved to 10.05 percent for the quarter ended 31 March 2022 as against 8.26 percent for the comparative prior period.

On a year on year comparison, net yields on advances also improved, ending at 9.76 percent as against 7.33 percent for the comparative prior period, reflecting the repricing effect of the gradual increase in policy rates by the State Bank of Pakistan over the course of the last few months. The Bank's average net advances book reduced to Rs. 161.316 billion for the quarter ended 31 March 2022, as against Rs. 184.602 billion for the prior comparative quarter, while income from advances ended marginally higher at Rs. 3,885.899 million for the current quarter as against Rs. 3,340.752 million for the comparative prior period.

Period end deposits amounted to Rs. 360.034 billion as at 31 March 2022. In terms of averages, the portfolio grew by Rs. 35.186 billion, or 10.0 percent against December 2021. The Bank's cost of deposits increased to 6.84 percent for the quarter ended 31 March 2022 as against 4.68 percent for the corresponding period last year. As at 31 March 2022, the Bank's CASA percentage stood at 73.73 percent (December 2021: 69.80 percent). For Current Accounts, the mix improved to 33.07 percent at 31 March 2022 from 27.17 percent in December 2021, and volumes grew by Rs. 9.566 billion or 8.74 percent from the year end levels. While there was stiff competition for rates, the Bank's focus remained on CASA mix improvement and retention of current accounts, by ensuring service levels of the highest quality. The Bank continues to aim for rationalizing the funding costs, thereby improving overall margins.

At the same time, in order to fund the investment book, the Bank's period end borrowings indicate an increase of Rs. 81.419 billion when compared to December 2021, with overall costs increasing to 7.94 percent for the current quarter as against 6.18 percent for the comparative prior period. As a result, the Bank's IDR increased to 100.29 percent as against 81.24 percent at the year end. The Bank's overall Cost of funds increased to 7.20 percent for the quarter ended 31 March 2022 as against 5.17 percent for the comparative prior period. Going forward, the Bank aims to rationalize its borrowing position whilst remaining cognizant of its overall funding costs and focus on bottom line profitability.

Non-Markup expenses were reported at Rs. 2,790.987 million for the quarter ended 31 March 2022 as against Rs. 2,527.903 million in the comparative period of 2021, indicating a growth of 10.41 percent. As always, the management remains committed on pursuing stringent cost discipline measures over the remaining course of the year.

There was no significant charge or reversal under the head of provisions for the quarter, whilst a net reversal of Rs. 123.299 million was booked in the comparative prior quarter. The Bank continues to target a strong recovery pipeline in the remainder of the year so as to further augment profitability. At the same time, we continue to carefully and prudently monitor our portfolio, so as to avoid infection and maintain coverage at reasonable levels. As at 31 March 2022, the Bank's Non-performing loans to total Advances ratio stands at 5.94 percent (December 2021: 5.95 percent), with specific coverage at 78.17 percent (December 2021: 76.51 percent).

The Bank has met the targets for housing and construction finance as mandated by the SBP for the quarter, including those for Mera Pakistan Mera Ghar scheme. With an effective risk management framework in place, the Bank remains committed to facilitating the rebound of the economy, whilst maintaining regulatory compliance with all applicable laws and best practices.

The Bank remains adequately capitalized, with a Capital Adequacy Ratio of 12.98 percent at 31 March 2022. The Bank's Liquidity Coverage Ratio and Net Stable Funding Ratios currently stand at 182.15 percent and 175.73 percent respectively, which are comfortably above the regulatory requirements. Due to enhanced borrowing levels, the Bank's Leverage ratio appears stressed and the management is monitoring the position so as to rationalize the same and maintain an adequate buffer over the minimum prescribed benchmark.



Credit Rating:

The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 25 June 2021 [2020: long term 'AA-' (Double A Minus): short term 'A1+' (A One Plus)]. The rating reflects the Bank's sustained and stable positions in the market with strong risk profiling and lending capacity.

PACRA has also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC - 2) issue of Rs 3,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 15 December 2021.

Furthermore, the Bank's unsecured, subordinated, rated, listed perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned the rating of 'A' with Stable Outlook by PACRA through their notification dated 25 June 2021.

Acknowledgment:

On behalf of the Board, we thank the State Bank of Pakistan, the Ministry of Finance, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their continued guidance. We remain indebted to our valued customers for their patronage, and express our gratitude to our shareholders for their unwavering trust and support.

While there are challenging times ahead, we remain optimistic and confident about the future, and assure our stakeholders that the Bank shall continue with its efforts aimed at ceaselessly serving the growing needs of our society.

On behalf of the Board of Directors,

MUHTASHIM AHMAD ASHAI
President & Chief Executive Officer

ALAUDDIN FEERASTA
Chairman

Lahore: 26 April 2022

ساکھ کی درجہ بندی (کریڈٹ ریٹنگ):

پاکستان کریڈٹ ریٹنگ ایجنسی (پاکرا) نے اپنے نوٹیفکیشن بتاریخ 25 جون 2021 کے ذریعے بینک کی طویل المیعاد کریڈٹ ریٹنگ کو 'AA' (ڈبل اے مائنس) اور قلیل المیعاد ریٹنگ 'A1+' (اے ون پلس) پر مستحکم اندازے کے ساتھ برقرار رکھا ہے۔ [2020: طویل المیعاد 'AA' (ڈبل اے مائنس); قلیل المیعاد 'A1+' (اے ون پلس)]۔

پاکرا نے 15 دسمبر 2021 کے نوٹیفکیشن کے ذریعے بینک کے غیر محفوظ، ذیلی اور لسٹڈ ٹرم فنانس سرٹیفکیٹ (TFC-2) کے 3,000 ملین روپے مالیت کے اجراء کی کریڈٹ ریٹنگ بھی 'A+' (سنگل اے پلس) مستحکم منظر نامے کے ساتھ برقرار رکھی ہے۔

مزید برآں پاکرا نے بذریعہ نوٹیفکیشن 25 جون 2021 بینک کے 4,000 ملین روپے کے غیر محفوظ، ذیلی، ریہڈ، لسٹڈ پرنسپل اور غیر مجموعی ٹرم فنانس سرٹیفکیٹ کے اجراء کو مستحکم منظر نامے کے ساتھ 'A' ریٹنگ تفویض کی ہے۔

ستائشی کلمات:

بینک کی جانب سے ہم اسٹیٹ بینک آف پاکستان، وزارت خزانہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی مسلسل رہنمائی کیلئے ان کے شکرگزار ہیں۔ اپنے صارفین کی سرپرستی کیلئے ہم ان کے مقروض ہیں اور اپنے شیئرز ہولڈرز کے غیر متزلزل اعتماد اور تعاون کیلئے ان کا شکریہ ادا کرتے ہیں۔

اگرچہ آگے مشکل وقت ہے، ہم مستقبل کے بارے میں پرامید اور پر اعتماد ہیں اور اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ بینک ہمارے معاشرے کی بڑھتی ہوئی ضروریات کو پورا کرنے کیلئے انتہک کوششیں جاری رکھے گا۔

منجانب بورڈ آف ڈائریکٹرز

علاؤ الدین فیراستہ
چیئرمین

محمد شمیم احمد شامی
صدر اور چیف ایگزیکٹو آفیسر

لاہور: 26 اپریل 2022

بینک کی خالص سودی آمدنی 31 مارچ 2022 کو ختم ہونے والی سہ ماہی میں گزشتہ مدت کے 2,719.862 ملین روپے کے مقابلے میں بڑھ کر 2,878.582 ملین روپے ریکارڈ کی گئی جو 5.84 فیصد کا اضافہ ظاہر کرتا ہے۔ ختم ہونے والی مدت کے لئے غیر سودی آمدنی گزشتہ تقابلی مدت کے 960.971 ملین روپے کے مقابلے میں 841.111 ملین روپے بتائی گئی۔ سیکورٹیز سے ہونے والی آمدنی کے علاوہ، تمام نان فنڈڈ انکم لائسنز مثبت سال بسال تغیرات ظاہر کرتی ہیں۔ سیکورٹیز کی فروخت پر ٹیکسٹائل اینڈ کیمسٹری کے مواقعوں کی عدم دستیابی کی وجہ سے اس سہ ماہی میں آمدنی ہچکچلی مدت سے کم ہوئی۔ تاہم، بینک کی مجموعی آمدنی میں 38.860 ملین روپے یا 1.06 سال بسال بہتری آئی۔

پیش کئے جانے والے نرخوں پر پائی جانے والی غیر یقینی صورتحال کی وجہ سے ڈپازٹ مو بلانڈیشن کیلئے سخت مقابلے کے درمیان، بینک نے سجدہ کی سہ ماہی اپنی لیکویڈیٹی کا انتظام جاری رکھا، جیسے گزشتہ ادوار میں بینک کے اثاثہ جات میں نمایاں تبدیلی جاری رہی۔ بینک کی اوسط خالص سرمایہ کاری 31 مارچ 2022 کو ختم ہونے والی سہ ماہی میں 322.293 بلین روپے رہی جو گزشتہ تقابلی مدت میں 263.181 بلین روپے پر برقرار رہی تھی۔ حجم میں اس اضافے سے، بینک کی سرمایہ کاری سے آمدنی میں گزشتہ تقابلی مدت کے 5,359.760 بلین روپے کے مقابلے میں موجودہ مدت میں شاندار اضافے کے ساتھ 7,982.103 بلین روپے ہو گئی۔ جبکہ انویسٹمنٹ ہیڈز میں 31 مارچ 2022 کو ختم ہونے والی سہ ماہی میں گزشتہ مدت کے 8.26 فیصد کے مقابلے میں 10.05 فیصد بہتری آئی۔

سال بسال موازنے پر، ایڈوانسز پر خالص آمدنی میں بھی اضافہ ہوا اور گزشتہ تقابلی مدت کے 7.33 فیصد کے مقابلے میں 9.76 فیصد، کیونکہ اسٹیٹ بینک آف پاکستان کی جانب سے گزشتہ چند ماہ کے دوران پالیسی کی شرح میں بتدریج اضافے نے پورا اثر اٹھا ڈالا۔ 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کیلئے بینک کے اوسط خالص ایڈوانسز گزشتہ تقابلی مدت کے 184.602 بلین روپے کے مقابلے میں 161.316 بلین روپے رہے، جبکہ موجودہ سہ ماہی کیلئے ایڈوانسز پر آمدنی میں گزشتہ تقابلی مدت کے 3,340.752 بلین روپے کے مقابلے میں 3,885.899 بلین روپے کا نمایاں اضافہ ہوا۔

اختتامی مدت کے ذخائر 31 مارچ 2022 کو 360.034 بلین روپے تھے۔ اوسط کے لحاظ سے، پورٹ فولیو میں دسمبر 2021 کے مقابلے میں 35.186 بلین روپے تک یا 10.0 فیصد اضافہ ہوا۔ 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کیلئے بینک کی ڈپازٹس کی لاگت بڑھ کر 6.84 فیصد ہو گئی جو گزشتہ سال کی اسی مدت کیلئے 4.68 فیصد تھی۔ 31 مارچ 2022 کو بینک CASA 73.73 فیصد تھا (دسمبر 2021: 69.80 فیصد)۔ کرنٹ اکاؤنٹس کیلئے دسمبر 2021 کے 27.17 فیصد سے 31 مارچ 2022 کو 33.07 فیصد ہو گیا، اور حجم میں سال کے آخر کی سطحوں سے 9,566 بلین روپے تک یا 8.74 کا اضافہ ہوا۔ ریش کیلئے سخت مسابقت کے باوجود اعلیٰ ترین معیار کی خدمت کو یقینی بنانے کیلئے بینک کی توجہ CASA کس، بہتری اور کرنٹ اکاؤنٹس پر برقرار رکھنے پر مرکوز رہی۔ بینک کی توجہ فنڈنگ کے اخراجات کو معقول بنانے پر مرکوز ہے اس سے مجموعی مارجن میں بہتری آئی کی امید ہے۔

اسی طرح، سرمایہ کاری کے پورٹ فولیو کی مالی اعانت کیلئے بینک کے مدت کے اختتامی قرضے دسمبر 2021 کے مقابلے میں 81.419 بلین روپے کے اضافے کی نشاندہی کرتے ہیں اور مجموعی لاگت میں گزشتہ تقابلی مدت کے 6.18 فیصد کے مقابلے میں موجودہ سہ ماہی میں 7.94 فیصد اضافہ ہوا ہے۔ اس کے نتیجے میں، بینک کا IDR سال کے آخر میں 81.24 فیصد کے مقابلے میں 100.29 فیصد تک بڑھ گیا۔ 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کیلئے بینک کے فنڈز کی مجموعی لاگت بڑھ کر 7.20 فیصد ہو گئی جو گزشتہ تقابلی مدت میں 5.17 فیصد تھی۔ آگے بڑھتے ہوئے، بینک اپنے مجموعی مالیاتی اخراجات کو ذہن میں رکھتے ہوئے اور نچلے درجے کے منافع پر توجہ مرکوز کر کے اپنی قرض دینے کی پوزیشن کو معقول بنانا چاہتا ہے۔

نان مارک اپ اخراجات 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کیلئے تقابلی مدت کے 2,527.903 بلین روپے کے مقابلے میں 2,790.98 بلین روپے رپورٹ ہوئے جو 10.41 فیصد اضافے کی نشاندہی کرتا ہے۔ ہمیشہ کی طرح انتظامیہ سال کے بقیہ عرصے میں سخت لاگتی تدابیر پر عمل کرنے پر کاربند ہے۔ سہ ماہی میں پروڈکشنز کے تحت کوئی خاص چارج یا ریورسل نہیں تھا جبکہ تقابلی سہ ماہی میں 123.299 بلین روپے کا خالص ریورسل بک کیا گیا تھا۔ منافع کو مزید بڑھانے کیلئے بینک کا ہدف سال کے بقیہ حصے میں مضبوط ریکوری ہے۔ اس کے ساتھ ساتھ، ہم انفلیشن سے بچنے اور کوریج کو مناسب سطح پر رکھنے کیلئے اپنے پورٹ فولیو کی احتیاط اور تدبیر سے نگرانی کر رہے ہیں۔ 31 مارچ 2022 کو، بینک کے نان پرفارمنگ لونڈ ٹوٹل ایڈوانسز ریٹو 5.94 فیصد (دسمبر 2021: 5.95 فیصد) رہا، جبکہ مخصوص کوریج 78.17 فیصد (دسمبر 2021: 76.51 فیصد) تھی۔

بینک نے SBP کی ہدایات کے مطابق، سہ ماہی کا باؤسنگ اور کنٹریشن فنڈس کا ہدف بشمول میرا پاکستان میرا گھر اسکیم پورا کر لیا ہے۔ مؤثر رسک مینجمنٹ فریم ورک کے ساتھ، بینک تمام قابل اطلاق قوانین اور بہترین انداز سے ریگولیٹری تعمیل کر رہا ہے اور معیشت کی بحالی کو آسان بنانے کیلئے پرعزم ہے۔

31 مارچ 2022 کو بینک 12.98 فیصد کے کسٹپل ایڈیوکیسی ریٹو (CAR) کے ساتھ کافی سرمائے کا حامل رہا۔ بینک کا لیکویڈیٹی کوریج ریٹو اور نیٹ اسٹیبل فنڈنگ کا تناسب فی الحال بالترتیب 182.15 اور 175.73 ہے جو کہ ریگولیٹری ضروریات کی حد سے اوپر ہے۔ قرض لینے کی بڑھتی ہوئی سطحوں کی وجہ سے، بینک کا لیوریج تناسب دباؤ کا شکار نظر آتا ہے اور انتظامیہ اس پوزیشن کی نگرانی کر رہی ہے تاکہ اسے معقول بنایا جاسکے اور کم از کم مقررہ بیج مارک پر مناسب بفر برقرار رکھا جاسکے۔

مالی سال 22 میں افراط زر 10.7 فیصد تک لیکن پیشین گوئی کی مدت میں اعتدال سے بڑھنے کا امکان ہے۔ مالی سال 22 کی پہلی ششماہی میں بڑے پیمانے پر درآمدات میں اضافے کے نتیجے میں مالی سال 22 میں کرنٹ اکاؤنٹ کا خسارہ جی ڈی پی کے 4.4 فیصد تک بڑھنے کی توقع ہے۔ میکرو اکنامک ایڈجسٹمنٹ کے اقدامات اور کمزور کرنسی کی وجہ سے بنیادی طور پر مالی سال 23 میں درآمدات میں کمی متوقع ہے۔ توقع ہے کہ کرنٹ اکاؤنٹ کا خسارہ مالی سال 24 میں جی ڈی پی کے 3.0 فیصد تک محدود ہو جائے گا، کیونکہ درآمدی محصولات کو کم کرنے کیلئے اصلاحات اور تجارتی پالیسی میں برآمد مخالف رجحان مزاحم ہوگا۔ مالیاتی خسارہ (بشمول گرانٹس) مالی سال 22 میں جی ڈی پی کے 6.2 فیصد تک بڑھنے کا اندازہ ہے، اور آمدنی کو متحرک کرنے کے اقدامات، خاص طور پر جی ایس ٹی کی مطابقت اور ذاتی انکم ٹیکس میں اصلاحات کی وجہ سے درمیانی مدت میں بتدریج کم ہو جائے گا۔ جی ڈی پی کے جز کے طور پر عوامی قرض بلند رہنے کا امکان ہے، لیکن درمیانی مدت میں بتدریج کم ہوگا۔

KSE-100 سہ ماہی کے دوران ہموار ہاؤر 44,596 انڈیکس پوائنٹس سے شروع ہو کر 44,929 انڈیکس پوائنٹس پر ختم ہوا۔ مجموعی طور پر بینکر و اکنامک خطرات کا جھکاؤ نیچے کی جانب ہے۔ ان میں عالمی مالیاتی حالات کی توقع سے زیادہ تیز رفتاری، عالمی توانائی کی قیمتوں میں مزید اضافہ، اور کووڈ-19 سے وابستہ سخت نقل و حرکت کی پابندیوں میں واپسی کا خطرہ شامل ہے۔ اندرونی طور پر، سیاسی تناؤ اور پالیسیوں کی خرابی بھی طویل معاشی عدم توازن کا باعث بن سکتی ہے۔

ملک میں حالیہ سیاسی اور حکومتی تبدیلی سے ہونے والے سیاسی شور کے بعد، یہ دیکھنا باقی ہے کہ نئی حکومت معیشت کو درپیش چیلنجز سے نمٹنے کیلئے کیا پالیسیاں بنائے گی۔

بینک کی مالی کارکردگی اور کاروبار کا عملی جائزہ:

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کیلئے بینک کی مالی پوزیشن اور آپریٹنگ نتائج کا خلاصہ مندرجہ ذیل ہے

مالیاتی کیفیت	بمطابق 31 مارچ 2022	بمطابق 31 دسمبر 2021
نیٹ ایڈوانسز	160,827,391	165,494,796
خالص سرمایہ کاری	361,066,722	327,425,187
مجموعی اثاثے	616,001,691	579,488,549
مجموعی ڈپازٹس	360,033,832	403,036,554
حصص یافتگان کی ایکویٹی	22,337,400	21,635,541
مالیاتی کارکردگی	31 مارچ 2022 کو ختم شدہ سہ ماہی	31 مارچ 2021 کو ختم شدہ سہ ماہی
	(روپے 000 میں)	(روپے 000 میں)
خالص مارک اپ آمدنی	2,878,582	2,719,862
نان مارک اپ آمدنی	841,111	960,971
مجموعی آمدنی	3,719,693	3,680,833
نان مارک اپ اخراجات	2,790,987	2,527,903
پروویژن اور پروفیشن سے قبل منافع	928,706	1,152,930
پروویژن (ریورسلز) اور ایمپائر منٹ	11,394	(123,299)
منافع قبل از ٹیکس	917,312	1,276,229
منافع بعد از ٹیکس	542,529	781,910
فی حصص آمدنی - روپے میں	0.4921	0.7092

بینک نے 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کیلئے منافع قبل از ٹیکس (PBT) 917,312 ملین روپے اور منافع بعد از ٹیکس (PAT) 542,529 ملین روپے حاصل کیا جو کہ گذشتہ سال اسی مدت میں بالترتیب 1,276,229 ملین روپے اور 781,910 ملین روپے تھا۔ موجودہ مدت میں بینک کی فی حصص آمدنی مقابلہ مدت کے 0.7092 روپے فی حصص کے مقابلے میں 0.4921 روپے فی حصص ریکارڈ کی گئی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
----- (Rupees in '000) -----		
ASSETS		
Cash and balances with treasury banks	6 31,104,922	35,196,898
Balances with other banks	7 1,269,663	2,427,478
Lendings to financial institutions	8 32,099,649	22,113,121
Investments	9 361,066,722	327,425,187
Advances	10 160,827,391	165,494,796
Fixed assets	11 11,535,205	11,145,057
Intangible assets	12 400,113	432,894
Deferred tax assets - net	13 325,007	178,221
Other assets	14 17,373,019	15,074,897
	616,001,691	579,488,549
LIABILITIES		
Bills payable	16 7,302,808	6,900,897
Borrowings	17 205,666,216	124,584,868
Deposits and other accounts	18 360,033,832	403,036,554
Liabilities against assets subject to finance lease	-	-
Subordinated debt	19 6,992,200	6,992,800
Deferred tax liabilities - net	-	-
Other liabilities	20 15,669,235	16,337,889
	595,664,291	557,853,008
NET ASSETS	<u>20,337,400</u>	<u>21,635,541</u>
REPRESENTED BY		
Share capital	11,024,636	11,024,636
Reserves	3,649,821	3,541,315
Surplus on revaluation of assets	21 (221,640)	(12,164)
Unappropriated profit	5,884,583	7,081,754
	<u>20,337,400</u>	<u>21,635,541</u>
CONTINGENCIES AND COMMITMENTS	22	

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

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Nooruddin Feerasta
Director

Manzoor Ahmed
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

	Note	2022	2021
------(Rupees in '000)-----			
Mark-up / return / interest earned	23	12,370,907	8,838,428
Mark-up / return / interest expensed	24	9,492,325	6,118,566
Net mark-up / interest income		2,878,582	2,719,862
Non mark-up / interest income			
Fee and commission income	25	549,942	492,531
Dividend income		70,489	47,667
Foreign exchange income		275,451	231,084
(Loss) / gain on securities - net	26	(70,993)	177,565
Other income	27	16,222	12,124
Total non-mark-up / interest Income		841,111	960,971
Total income		3,719,693	3,680,833
Non mark-up / interest expenses			
Operating expenses	28	2,768,067	2,498,714
Workers' Welfare Fund	29	20,258	28,709
Other charges	30	2,662	480
Total non mark-up / interest expenses		2,790,987	2,527,903
Profit before provisions		928,706	1,152,930
Provision / (reversals) and write offs - net Extraordinary / unusual items	31	11,394	(123,299)
		-	-
Profit before taxation		917,312	1,276,229
Taxation	32	374,783	494,319
Profit after taxation		542,529	781,910
------(Rupee)-----			
Basic / Diluted earnings per share	33	0.4921	0.7092

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

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Muhtashim Ahmad Ashai
President & Chief Executive Officer

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Chief Financial Officer

Nooruddin Feerasta
Director

Manzoor Ahmed
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

	2022	2021
	----- (Rupees in '000) -----	
Profit after taxation for the period	542,529	781,910
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(186,974)	(737,910)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-
Total comprehensive income	<u>355,555</u>	<u>44,000</u>

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President & Chief Executive Officer

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Chief Financial Officer

Nooruddin Feerasta
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Manzoor Ahmed
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

	Note	2022	2021
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		917,312	1,276,229
Less: dividend income		70,489	47,667
		846,823	1,228,562
Adjustments:			
Depreciation on fixed assets		178,967	169,242
Depreciation on right-of-use assets	11.2	179,553	172,450
Amortisation		58,506	46,227
Depreciation on non-banking assets		949	882
Finance charge on lease liability against right-of-use assets	20.2	101,760	99,248
Provisions / (reversals) and write offs - net	31	11,394	(123,299)
Gain on sale of fixed assets - net	27	(2,152)	(4,958)
Provision of Workers' Welfare Fund	29	20,258	28,709
Unrealised (gain) / loss on revaluation of held-for-trading / forward securities		621	(5,886)
		549,856	382,615
		1,396,679	1,611,177
(Increase) / decrease in operating assets			
Lendings to financial institutions		(9,986,528)	(11,081,775)
Held-for-trading securities		(4,323,826)	(13,507,242)
Advances		4,656,011	(35,112,417)
Others assets (excluding advance taxation)		(2,042,172)	978,252
		(11,696,515)	(58,723,182)
Increase / (decrease) in operating liabilities			
Bills payable		401,911	(1,036,418)
Borrowings from financial institutions		81,488,332	69,619,666
Deposits		(43,002,722)	(7,929,336)
Other liabilities		(790,673)	(346,289)
		38,096,848	60,307,623
Income taxes paid		(755,947)	(312,112)
Net cash flow generated from operating activities		27,041,065	2,883,506
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(29,597,955)	(12,029,528)
Net investments in held-to-maturity securities		(23,333)	(1,409,237)
Dividends received		163,953	34,817
Investments in fixed assets		(775,148)	(407,523)
Proceeds from sale of fixed assets		2,907	9,533
Net cash flow used in investing activities		(30,229,576)	(13,801,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of subordinated debt		(600)	(600)
Dividend paid		(1,653,696)	(1,378,079)
Net cash flow used in financing activities		(1,654,296)	(1,378,679)
Decrease in cash and cash equivalents		(4,842,807)	(12,297,111)
Cash and cash equivalents at beginning of the period		36,941,161	34,183,169
Cash and cash equivalents at end of the period		32,098,354	21,886,058
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
Cash and balances with treasury banks	6	31,104,922	21,243,953
Balances with other banks	7	1,269,663	1,177,304
Overdrawn nostro accounts	17	(276,231)	(535,199)
		32,098,354	21,886,058

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

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Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Nooruddin Feerasta
Director

Manzoor Ahmed
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

	Share capital	Statutory reserve (a)	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Fixed assets / Non Banking assets		
----- (Rupees in '000) -----						
Balance as at 31 December 2020	11,024,636	2,970,486	526,127	2,944,876	5,690,913	23,157,038
Comprehensive income for the period						
- Profit after taxation for the quarter ended 31 March 2021	-	-	-	-	781,910	781,910
Other comprehensive income / (loss)						
- Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	(737,910)	-	-	(737,910)
	-	-	(737,910)	-	781,910	44,000
Transfer to statutory reserve	-	156,382	-	-	(156,382)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(24,003)	24,003	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2021 at Rs 1.00 per share	-	-	-	-	(1,378,079)	(1,378,079)
Balance as at 31 March 2021	11,024,636	3,126,868	(211,783)	2,920,873	4,962,365	21,822,959
Comprehensive income for the period						
- Profit after taxation for the nine months ended 31 December 2021	-	-	-	-	2,072,237	2,072,237
Other comprehensive income / (loss)						
- Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	(2,117,454)	-	-	(2,117,454)
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	(2,828)	(2,828)
- Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	(106,492)	-	(106,492)
- Movement in surplus on revaluation of non banking assets	-	-	-	(32,881)	-	(32,881)
	-	-	(2,117,454)	(139,373)	2,069,409	(187,418)
Transfer to statutory reserve	-	414,447	-	-	(414,447)	-
Transfer from surplus on revaluation of assets to unappropriated profit on disposal	-	-	-	(398,500)	398,500	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(65,927)	65,927	-
Balance as at 31 December 2021	11,024,636	3,541,315	(2,329,237)	2,317,073	7,081,754	21,635,541
Comprehensive income for the period						
- Profit after taxation for the quarter ended 31 March 2022	-	-	-	-	542,529	542,529
Other comprehensive income / (loss)						
- Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	(186,974)	-	-	(186,974)
- Movement in surplus on revaluation of non banking assets	-	-	-	-	-	-
- Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-
	-	-	(186,974)	-	542,529	355,555
Transfer to statutory reserve	-	108,506	-	-	(108,506)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(22,502)	22,502	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2021 at Rs. 1.50 per share	-	-	-	-	(1,653,696)	(1,653,696)
Balance as at 31 March 2022	11,024,636	3,649,821	(2,516,211)	2,294,571	5,884,583	20,337,400

(a) This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

(b) As explained in note 10.3.3 to these condensed interim financial statements, unappropriated profit includes an amount of Rs. 968.744 million - net of tax as at 31 March 2022 (31 December 2021: Rs. 1,101.221 million) representing additional profit arising from availing forced sales value benefit for determining provisioning requirement which is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

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

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Nooruddin Feerasta
Director

Manzoor Ahmed
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

1 STATUS AND NATURE OF BUSINESS

Soneri Bank Limited ("the Bank") was incorporated in Pakistan on 28 September 1991 as a public limited bank under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Its registered office and central office are situated at 2nd Floor, 307- Upper Mall Scheme, Lahore, Punjab and at 10th Floor, PNSC Building, M.T. Khan Road, Karachi respectively. The shares of the Bank are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and operates with 367 branches including 35 Islamic banking branches, 15 Islamic banking windows. and 01 sub branch (2021: 367 branches including 35 Islamic banking branches , 15 Islamic banking windows. and 01 sub branch) in Pakistan. The credit rating of the Bank is disclosed in note 34 to these condensed financial statements.

2 BASIS OF PRESENTATION

2.1 These condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 5 dated 22 March 2019. The SBP is also in process of issuing revised reporting formats for interim financial reporting following the implementation of IFRS-9, Financial Instruments. These are currently in draft form and are yet to be notified. The Bank also awaits final implementation instructions to the said standard, as referred to in note 3.4 to these condensed interim financial statements.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and 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.

2.3 The financial results of all Islamic banking branches and windows of the Bank have been consolidated in these condensed interim financial statements for reporting purposes, after eliminating material intra branch transactions / balances. The financial results of all Islamic banking branches are disclosed in note 39 to these condensed interim financial statements.


3 STATEMENT OF COMPLIANCE

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

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

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

3.2 The SBP, vide its BSD Circular Letter no. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 40, Investment Property, for banking companies till further instructions. Moreover, SBP vide BPRD circular no. 4, dated 25 February 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O 411(1) / 2008 dated 28 April 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Further, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement, and has directed all Banks to implement IFRS 9, Financial Instruments, with effect from 01 January 2022 vide BPRD Circular No. 24 of 2021 dated 05 July 2021. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars. The Bank awaits further instructions from the SBP on applicability of IFRS 9, as also detailed in note 3.4 to these condensed interim financial statements.



3.3 The disclosures made in these condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2021.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period:

IFRS 9 'Financial Instruments' – the effective date of the standard was extended by SBP to annual periods beginning on or after 1 January 2022 vide SBP BPRD Circular Letter No.24 of 2021 dated 05 July 2021. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The instructions and guidelines for uniformity in adoption and implementation of the said standard are currently awaited. In the absence of the same, no adjustments have been considered as part of these condensed interim financial statements as Banks expect the instructions and further clarity over the date of initial application.

In addition, there are certain new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after 1 January 2022. These are considered either to not be relevant or do not have any significant impact on the Bank's financial statements and are therefore, not disclosed in these condensed interim financial statements.

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

3.5.1 There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 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 condensed interim financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The significant accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2021.

5 BASIS OF MEASUREMENT AND FINANCIAL RISK MANAGEMENT

5.1 These condensed interim financial statements have been prepared under the historical cost convention except that certain 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 and lease liability under IFRS 16 are carried at their present values.

5.2 Critical Accounting Estimates And Judgements

The preparation of these condensed interim financial statements in conformity with 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 recognized 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 financial statements of the Bank for the year ended 31 December 2021.

5.3 Financial risk management

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended 31 December 2021.



(Un-audited) **(Audited)**
31 March **31 December**
2022 **2020**

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

6 CASH AND BALANCES WITH TREASURY BANKS

In hand		
Local currency	7,035,173	6,767,308
Foreign currencies	1,351,998	618,813
	8,387,171	7,386,121
With State Bank of Pakistan in		
Local currency current accounts	19,145,649	22,894,073
Foreign currency current accounts	968,768	924,051
Foreign currency deposit accounts against foreign currency deposits mobilised	1,760,164	1,717,847
	21,874,581	25,535,971
With National Bank of Pakistan in		
Local currency current accounts	757,609	2,150,059
Prize bonds	85,561	124,747
	31,104,922	35,196,898

7 BALANCES WITH OTHER BANKS

In Pakistan		
In current accounts	11,646	11,846
In deposit accounts	32	32
	11,678	11,878
Outside Pakistan		
In current accounts	1,257,985	2,415,600
	1,269,663	2,427,478

8 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	11,000,000	6,000,000
Repurchase agreement lendings (reverse repo)	19,373,442	11,020,612
Bai Muajjal receivable		
- with other financial institutions	-	1,892,509
Letters of placements	1,700,000	3,200,000
Lending under margin trading system	26,207	-
	32,099,649	22,113,121

9 INVESTMENTS

9.1 Investments by type:

	(Un-audited)				(Audited)			
	31 March 2022				31 December 2021			
	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								
Federal Government securities	23,951,380	-	2,935	23,954,315	19,617,943	-	9,611	19,627,554
	23,951,380	-	2,935	23,954,315	19,617,943	-	9,611	19,627,554
Available-for-sale securities								
Federal Government securities	321,171,715	-	(3,870,893)	317,300,822	291,090,171	-	(3,467,242)	287,622,929
Shares	3,032,963	(33,537)	(290,667)	2,708,759	3,239,896	(33,537)	(426,972)	2,779,387
Non-Government debt securities	3,290,397	-	28,598	3,318,995	3,317,480	-	65,865	3,383,345
Units of mutual funds	139,299	-	8,026	147,325	239,298	-	9,927	249,225
Commercial Papers	-	-	-	-	149,574	-	-	149,574
	327,634,374	(33,537)	(4,124,936)	323,475,901	298,036,419	(33,537)	(3,818,422)	294,184,460
Held-to-maturity securities								
Federal Government securities	13,636,506	-	-	13,636,506	13,613,173	-	-	13,613,173
Non Government debt securities	59,075	(59,075)	-	-	59,075	(59,075)	-	-
	13,695,581	(59,075)	-	13,636,506	13,672,248	(59,075)	-	13,613,173
Total investments	365,281,335	(92,612)	(4,122,001)	361,066,722	331,326,610	(92,612)	(3,808,811)	327,425,187

9.2 Investments by segments:

	(Un-audited)				(Audited)			
	31 March 2022				31 December 2021			
	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								
Market Treasury Bills	111,137,975	-	(157,181)	110,980,794	133,978,413	-	22,895	134,001,308
Pakistan Investment Bonds	230,574,806	-	(3,664,558)	226,910,248	175,342,874	-	(3,423,326)	171,919,548
Ijarah sukuks	17,046,819	-	(46,219)	17,000,600	15,000,000	-	(57,200)	14,942,800
	358,759,600	-	(3,867,958)	354,891,642	324,321,287	-	(3,457,631)	320,863,656
Units of mutual funds	139,299	-	8,026	147,325	239,298	-	9,927	249,225
Shares								
Listed companies	2,966,164	(27,837)	(290,667)	2,647,660	3,173,096	(27,837)	(426,972)	2,718,287
Unlisted companies	66,800	(5,700)	-	61,100	66,800	(5,700)	-	61,100
	3,032,964	(33,537)	(290,667)	2,708,760	3,239,896	(33,537)	(426,972)	2,779,387
Non-Government debt securities								
Listed	1,415,230	-	(13,945)	1,401,285	1,440,230	-	40,056	1,480,286
Unlisted	1,934,242	(59,075)	42,543	1,917,710	2,085,899	(59,075)	25,809	2,052,633
	3,349,472	(59,075)	28,598	3,318,995	3,526,129	(59,075)	65,865	3,532,919
Total investments	365,281,335	(92,612)	(4,122,001)	361,066,722	331,326,610	(92,612)	(3,808,811)	327,425,187



	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	----- (Rupees in '000) -----	
9.2.1 Investments given as collateral - market value		
Market Treasury Bills	21,448,083	42,574,802
Pakistan Investment Bonds	159,220,979	45,908,049
	<u>180,669,062</u>	<u>88,482,851</u>
9.3 Provision for diminution in the value of investments		
Opening balance	92,612	208,425
Reversal recognised in capital gains for the period / year	-	(88,794)
Reversal during the period / year	-	(3,515)
Amounts written off	-	(23,504)
Closing balance	<u>92,612</u>	<u>92,612</u>

9.4 Particulars of provision against debt securities

Category of classification	(Un-audited)		(Audited)	
	31 March 2022		31 December 2021	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	----- (Rupees in '000) -----			
Loss	59,075	59,075	59,075	59,075

9.5 The market value of securities classified as held-to-maturity as at 31 March 2022 amounted to Rs. 12,465.774 million (31 December 2021 : Rs. 12,628.519 million).

9.6 Federal Government Securities include Pakistan Investment Bonds having book value of Rs. 18.400 million (31 December 2021: Rs. 18.400 million) pledged with the State Bank of Pakistan and National Bank of Pakistan to facilitate T. T. discounting facility for the branches of the Bank. Market Treasury Bills and Pakistan Investment Bonds under Federal Government Securities, are eligible for discounting with the State Bank of Pakistan.

10 ADVANCES

Category of classification	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	139,698,086	146,318,507	8,542,138	8,867,739	148,240,224	155,186,246
Islamic financing and related assets	11,544,123	10,178,861	1,488,242	1,446,285	13,032,365	11,625,146
Bills discounted and purchased	7,453,287	6,631,050	-	-	7,453,287	6,631,050
Advances - gross	<u>158,695,496</u>	<u>163,128,418</u>	<u>10,030,380</u>	<u>10,314,024</u>	<u>168,725,876</u>	<u>173,442,442</u>
Provision against advances						
- Specific	-	-	(7,840,504)	(7,891,691)	(7,840,504)	(7,891,691)
- General	(57,981)	(55,955)	-	-	(57,981)	(55,955)
	<u>(57,981)</u>	<u>(55,955)</u>	<u>(7,840,504)</u>	<u>(7,891,691)</u>	<u>(7,898,485)</u>	<u>(7,947,646)</u>
Advances - net of provision	<u>158,637,515</u>	<u>163,072,463</u>	<u>2,189,876</u>	<u>2,422,333</u>	<u>160,827,391</u>	<u>165,494,796</u>

10.1 Particulars of advances (Gross)

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	----- (Rupees in '000) -----	
In local currency	161,271,805	165,517,244
In foreign currencies	7,454,071	7,925,198
	<u>168,725,876</u>	<u>173,442,442</u>

- 10.2** Advances include Rs.10,030.380 million (31 December 2021 Rs. 10,314.024 million) which have been placed under non-performing status as detailed below:

Note	(Un-audited)		(Audited)		
	31 March 2022		31 December 2021		
	Non-performing loans	Provision	Non-performing loans	Provision	
----- (Rupees in '000) -----					
Category of Classification					
Other Assets Especially Mentioned	10.2.1	44,092	451	51,810	591
Substandard		71,874	15,425	188,029	19,741
Doubtful		917,737	249,749	759,452	234,797
Loss		8,996,677	7,574,879	9,314,733	7,636,562
		<u>10,030,380</u>	<u>7,840,504</u>	<u>10,314,024</u>	<u>7,891,691</u>

- 10.2.1** The 'Other Assets Especially Mentioned' category pertains to agriculture finance, small enterprise finance and consumer finance amounting to Rs. 5.608 million (31 December 2021: Rs. 15.887 million), Rs.4.509 million (31 December 2021: Rs. 7.632 million) and Rs. 33.975 million (31 December 2021: Rs. 28.291 million) respectively.

10.3 Particulars of provision against advances

	(Un-audited)			(Audited)		
	31 March 2022			31 December 2021		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	7,891,691	55,955	7,947,646	8,106,586	41,538	8,148,124
Charge for the period / year	104,464	2,026	106,490	716,019	14,417	730,436
Reversals for the period / year	(95,096)	-	(95,096)	(860,410)	-	(860,410)
	9,368	2,026	11,394	(144,391)	14,417	(129,974)
Amounts written off	(60,555)	-	(60,555)	(70,504)	-	(70,504)
Transfers	-	-	-	-	-	-
Closing balance	<u>7,840,504</u>	<u>57,981</u>	<u>7,898,485</u>	<u>7,891,691</u>	<u>55,955</u>	<u>7,947,646</u>

- 10.3.1** The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages are 1% for secured and 7% for unsecured portfolio.
- 10.3.2** The Bank has maintained general provision against housing finance portfolio at the rate of 0.50% of the performing portfolio. The State Bank of Pakistan vide its circular no. 9 of 2017 dated 22 December 2017 abolished the requirement of maintaining general reserve of 1% against secured Small Enterprise (SE) portfolio, while general reserve to be maintained against unsecured SE portfolio has been reduced from 2% to 1%. Currently, the Bank does not have any unsecured SE portfolio.
- 10.3.3** The Bank has availed the benefit of forced sale value of pledged stocks, mortgaged residential and commercial properties held as collateral against non-performing advances as allowed under the Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 1,588.105 million (31 December 2021: Rs. 1,805.281 million). The additional profit arising from availing this benefit - net of the tax amounts to Rs.968.744 million (31 December 2021: Rs. 1,101.221 million). The FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.
- 10.3.4** The SBP has granted relaxation in provisioning requirements in respect of exposures in Dewan Mushtaq Group (DMG). Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 44.930 million (31 December 2020: Rs. 44.930 million).
- 10.3.5** The Bank has made provision against its non-performing portfolio as per the category of classification of the loans. However, the Bank still holds enforceable collateral realisable through litigation. This enforceable collateral includes mortgage charge etc. against various tangible assets of the borrower including land, building and machinery, stock in trade, etc.



		(Un-audited) 31 March 2022	(Audited) 31 December 2021
11	FIXED ASSETS	------(Rupees in '000)-----	
	Capital work-in-progress	570,963	314,133
	Right-of-use assets	3,102,272	2,957,843
	Property and equipment	7,861,970	7,873,081
		<u>11,535,205</u>	<u>11,145,057</u>
11.1	Capital work-in-progress		
	Civil works	204,477	93,416
	Advances to suppliers and contractors	294,873	200,664
	Advances against purchase of premises	49,626	-
	Consultant's fee and other charges	21,987	20,053
		<u>570,963</u>	<u>314,133</u>
11.2	Right-of-use assets		
	Opening balance	2,957,843	3,094,617
	Additions during the period / year	323,982	535,258
	Depreciation for the period / year	(179,553)	(672,032)
	Closing balance	<u>3,102,272</u>	<u>2,957,843</u>
11.3	Additions to Fixed Assets	(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
	The following additions have been made to fixed assets during the period:	------(Rupees in '000)-----	
	Capital work-in-progress	256,830	61,462
	Buildling on freehold land	12,160	5,051
	Buildling on leasehold land	1,585	23,133
	Leasehold improvements	62,194	98,369
	Furniture and fixture	19,739	24,185
	Electrical office and computer equipment	72,931	168,021
	Right-of-use assets	323,982	-
	Vehicles	-	3,560
		<u>492,591</u>	<u>322,319</u>
	Total	<u>749,421</u>	<u>383,781</u>
11.4	Disposal of Fixed Assets		
	The net book value of operating fixed assets disposed off during the period is as follows:		
	Leasehold land Improvement	-	9,992
	Furniture and fixture	4	421
	Electrical office and computer equipment	751	730
	Total	<u>755</u>	<u>11,143</u>
		(Un-audited) 31 March 2022	(Audited) 31 December 2021
12	INTANGIBLE ASSETS	------(Rupees in '000)-----	
	Computer Software	400,113	432,894
	Trademark	-	-
		<u>400,113</u>	<u>432,894</u>



(Un-audited) (Un-audited)
31 March **31 March**
2022 **2021**
 -----(Rupees in '000)-----

12.1 Additions to intangible assets

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

Directly purchased	25,727	23,742
--------------------	--------	--------

12.1.1 There were no disposals in intangible assets during the current and prior period.

13 DEFERRED TAX ASSETS- NET

Deductible temporary differences on
 - Post retirement employee benefits
 - Deficit on revaluation of investments
 - Provision against advances, off balance sheet etc.

Taxable temporary differences on
 - Surplus on revaluation of fixed assets
 - Surplus on revaluation of non banking assets
 - Surplus on revaluation of investments
 - Accelerated tax depreciation

(Un-audited)			
31 March 2022			
At 01 January 2022	Recognised in the profit and loss account	Recognised in Other Comprehensive Income	At 31 March 2022
----- (Rupees in '000) -----			
15,962	-	-	15,962
1,489,185	-	119,540	1,608,725
134,268	4,093	-	138,361
1,639,415	4,093	119,540	1,763,048
(980,895)	14,359	-	(966,536)
(42,568)	26	-	(42,542)
-	-	-	-
(437,731)	8,768	-	(428,963)
(1,461,194)	23,153	-	(1,438,041)
178,221	27,246	119,540	325,007

Deductible temporary differences on
 - Post retirement employee benefits
 - Deficit on revaluation of investments
 - Provision against advances, off balance sheet etc.

Taxable temporary differences on
 - Surplus on revaluation of fixed assets
 - Surplus on revaluation of non banking assets
 - Surplus on revaluation of investments
 - Accelerated tax depreciation

(Audited)			
31 December 2021			
At 01 January 2021	Recognised in the profit and loss account	Recognised in Other Comprehensive Income	At 31 December 2021
----- (Rupees in '000) -----			
11,922	-	4,040	15,962
-	-	1,489,185	1,489,185
75,939	58,329	-	134,268
87,861	58,329	1,493,225	1,639,415
(931,805)	57,402	(106,492)	(980,895)
-	-	(42,568)	(42,568)
(283,299)	-	283,299	-
(406,022)	(31,709)	-	(437,731)
(1,621,126)	25,693	134,239	(1,461,194)
(1,533,265)	84,022	1,627,464	178,221



14	OTHER ASSETS	Note	(Un-audited)	(Audited)
			31 March 2022	31 December 2021
------(Rupees in '000)-----				
	Income / mark-up accrued in local currency		6,997,157	6,084,195
	Income / mark-up accrued in foreign currencies		8,127	10,703
	Dividend receivable		13,549	107,013
	Advances, deposits, advance rent and other prepayments		480,104	381,608
	Advance taxation (payments less provisions)		1,522,768	1,168,850
	Non-banking assets acquired in satisfaction of claims	14.1.2	1,035,280	1,036,162
	Mark to market gain on forward foreign exchange contracts- net		51,199	-
	Cash margin against margin trading		11,000	-
	Cash margin against future trading		-	333
	Stationery and stamps on hand		48,053	44,320
	Due from the State Bank of Pakistan		170,072	142,382
	Acceptances		5,594,230	5,605,872
	Receivable from 1Link (Private) Limited		849,075	136,346
	Claims against fraud and forgeries	14.2	143,443	143,443
	Others		578,693	343,333
	Other assets		17,502,750	15,204,560
	Less: provision held against other assets	14.3	(238,811)	(238,811)
	Other assets - net of provision		17,263,939	14,965,749
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		109,080	109,148
	Other assets - total		<u>17,373,019</u>	<u>15,074,897</u>

14.1 Market value of non-banking assets acquired in satisfaction of claims 14.1.1 1,145,310 1,145,310

14.1.1 The non-banking assets acquired in satisfaction of claims by the Bank were revalued by independent and professional valuers in October 2021 and December 2021. The valuations were carried out by M/s Harvester Services (Pvt) Ltd, M/s Arch-e-Decon, M/s. K.G. Traders, M/s. Oceanic Surveyors, M/s Indus Surveyors, M/s. Amir Evaluators and M/s Al Hadi Financial and Legal Consultants on the basis of professional assessment of present market values and the revalued amount is disclosed in note 14.1.2 to these financial statements.

14.1.2	Non-banking assets acquired in satisfaction of claims	(Un-audited)	(Audited)
		31 March 2022	31 December 2021
------(Rupees in '000)-----			
	Opening balance	1,145,310	1,139,377
	Acquired during the period / year	-	-
	Revaluation	-	9,687
	Depreciation	(950)	(3,754)
	Closing balance	<u>1,144,360</u>	<u>1,145,310</u>

14.2 This represents amount in respect of fraud and forgery claims relating to cash embezzlement made in the Bank. The Bank has initiated legal proceedings against the alleged and has also taken necessary steps to further strengthen its internal control system.

14.3	Provision held against other assets	(Un-audited)	(Audited)
		31 March 2022	31 December 2021
------(Rupees in '000)-----			
	Provision held against receivable against fraud and forgeries	143,443	143,443
	Others	95,368	95,368
		<u>238,811</u>	<u>238,811</u>



	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	------(Rupees in '000)-----	
14.3.1 Movement in provision held against other assets		
Opening balance	238,811	227,311
Charge for the period / year	-	11,500
Amount written-off	-	-
Closing balance	<u>238,811</u>	<u>238,811</u>
15 CONTINGENT ASSETS		
There were no contingent assets as at the balance sheet date.		
16 BILLS PAYABLE		
In Pakistan	7,302,808	6,900,897
Outside Pakistan	-	-
	<u>7,302,808</u>	<u>6,900,897</u>
17 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	17,459,448	17,994,560
Long term financing facility for plant and machinery	2,500,377	1,908,405
Refinance scheme for payment of wages and salaries	1,263,577	1,604,953
Temporary economic refinance scheme	1,750,944	1,375,723
Modernisation of SME-Rice Husking	3,434	3,924
Financing facility for storage of agriculture produce	150,998	161,472
Financing facility for Renewable Energy	805,411	808,519
Repurchase agreement borrowings	173,366,545	47,980,825
	<u>197,300,734</u>	<u>71,838,381</u>
Repurchase agreement borrowings - other banks	4,595,635	15,418,248
Borrowings from other financial institutions - local	2,520,247	24,910,909
Refinance from Pakistan Mortgage Refinance Company Limited	973,369	980,560
Total secured	<u>205,389,985</u>	<u>113,148,098</u>
Unsecured		
Call borrowings	-	2,993,580
Borrowings from other financial institutions - foreign	-	7,759,975
Overdrawn nostro accounts	276,231	683,215
Total unsecured	<u>276,231</u>	<u>11,436,770</u>
	<u>205,666,216</u>	<u>124,584,868</u>
17.1 Particulars of borrowings with respect to currencies		
In local currency	205,389,985	116,141,678
In foreign currencies	276,231	8,443,190
	<u>205,666,216</u>	<u>124,584,868</u>



18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	31 March 2022			31 December 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits	96,560,345	9,104,653	105,664,998	92,089,254	8,465,917	100,555,171
Savings deposits	102,894,344	6,619,985	109,514,329	111,279,683	6,287,664	117,567,347
Term deposits	86,602,245	1,313,805	87,916,050	106,879,226	1,361,179	108,240,405
Others*	10,152,693	-	10,152,693	7,095,761	-	7,095,761
	296,209,627	17,038,443	313,248,070	317,343,924	16,114,760	333,458,684
Financial Institutions						
Current deposits	1,911,176	330,690	2,241,866	965,374	877,367	1,842,741
Savings deposits	36,875,686	-	36,875,686	54,250,091	-	54,250,091
Term deposits	6,668,210	-	6,668,210	13,485,038	-	13,485,038
Others*	1,000,000	-	1,000,000	-	-	-
	46,455,072	330,690	46,785,762	68,700,503	877,367	69,577,870
	342,664,699	17,369,133	360,033,832	386,044,427	16,992,127	403,036,554

* This includes deposits in respect of import margin, guarantee margin and security deposits

18.1 Deposits eligible under Insurance arrangements

This includes deposits eligible to be covered under the State Bank of Pakistan's Depositor Protection Scheme. The amount of eligible deposits worked out based on the audited financial position of the Bank as at 31 December 2021 amounts to Rs. 167,114 million.

	Note	(Un-audited)	(Audited)
		31 March 2022	31 December 2021
------(Rupees in '000)-----			
19 SUBORDINATED DEBT			
Listed Term Finance Certificates - Additional Tier I	19.1	4,000,000	4,000,000
Listed Term Finance Certificates - Tier II	19.2	2,992,200	2,992,800
		6,992,200	6,992,800

19.1 Listed Term Finance Certificates - Additional Tier I

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital of Rs. 4,000 million issued under Section 66 of the Companies Act, 2017. The funds raised by the Bank through the issuance of these TFCs have contributed towards the Bank's Additional Tier 1 Capital for meeting its capital adequacy requirements as per Basel III Guidelines set by SBP under BPRD Circular Number 6 dated 15 August 2013. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank (including the listed term finance certificates - Tier II previously issued by the Bank) and is not redeemable before maturity without prior approval of SBP. Furthermore, these funds are intended to be utilized for the Bank's ongoing business operations in accordance with the Bank's Memorandum and Articles of Association. The key features of the issue are as follows:

Issue amount	Rs. 4,000 million
Issue date	06 December 2018
Maturity date	Perpetual
Rating (Note 34)	"A" by PACRA on 25 June 2021
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	No fixed or final redemption date
Mark-up	6 Months KIBOR + 2.00% per annum

Call option	The Bank may call the TFCs (either partially or in full), after five (5) years from the date of issuance with the prior approval of SBP. Moreover, and as per Clause iv(b) of Annexure 2 of the Basel III Circular, the Issuer shall not exercise a call option unless the called instrument is replaced with capital of same or better quality. The Call must be subject to a prior notice of not less than 60 days given by the Bank to the investors. The Call Option once announced will not be revocable.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that no profit payments would be made if such payments result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfalls in MCR and / or CAR.
Loss absorbency clause	The TFCs are also subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 360,000,000 shares.

19.2 Listed Term Finance Certificates - Tier II

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital with a tenor of 8 years. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank, except Listed Term Finance Certificates - Additional Tier I as recently issued; and is not redeemable before maturity without prior approval of SBP. The key features of the issue are as follows:

Issue amount	Rs. 3,000 million
Issue date	07 July 2015
Maturity date	07 July 2023
Rating (Note 34)	"A+" by PACRA on 15 December 2021
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	Principal is redeemable semi-annually in such a way that 0.30% of the principal will be redeemed in the first 90 months and the remaining principal of 99.70% at maturity at the end of the 96th month in July 2023.
Mark-up	6 Months KIBOR + 1.35% per annum
Call option (if any)	The Bank may call the TFCs, in part or full, on any profit payment date from the 60th month from last day of public subscription and on all subsequent profit payment dates, subject to SBP's approval and not less than 45 days prior notice being given to the Trustee.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that neither interest nor principal may be paid (even at maturity) if such payments will result in shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfall in MCR and CAR.
Loss absorbency clause	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to the cap of 225,000,000 shares.




		(Un-audited) 31 March 2022	(Audited) 31 December 2021
----- (Rupees in '000) -----			
20	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency	3,490,442	4,738,903
	Mark-up / return / interest payable in foreign currencies	9,073	42,906
	Unearned commission and income on bills discounted	144,354	129,423
	Accrued expenses	389,076	458,167
	Acceptances	5,594,230	5,605,872
	Unclaimed dividends	92,951	93,903
	Dividend payable	272,800	-
	Mark to market loss on forward foreign exchange contracts - net	-	8,422
	Payable to defined benefit plan	30,692	-
	Charity fund balance	114	-
	Payable to workers' welfare fund	486,354	466,096
	Provision against off-balance sheet obligations	27,475	27,475
	Lease liability against right-of-use assets	3,598,989	3,419,465
	Sundry deposits	607,192	583,335
	Others	925,493	763,922
		<u>15,669,235</u>	<u>16,337,889</u>
20.1	Movement in provision held against off-balance sheet obligations		
	Opening balance	27,475	27,475
	Charge for the period / year	-	-
	Amount written-off	-	-
	Closing balance	<u>27,475</u>	<u>27,475</u>
20.2	Movement in lease liability against right-of-use assets		
	Opening balance	3,419,465	3,350,017
	Additions during the period / year	323,982	539,568
	Finance charge on lease liability	101,760	401,580
	Repayments	(246,218)	(871,700)
	Closing balance	<u>3,598,989</u>	<u>3,419,465</u>
21	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS		
	Surplus / (deficit) on revaluation of:		
	- Available-for-sale securities	9.1 (4,124,936)	(3,818,422)
	- Fixed assets	21.1 3,194,569	3,231,388
	- Non-banking assets acquired in satisfaction of claims	21.2 109,080	109,148
		<u>(821,287)</u>	<u>(477,886)</u>
	Deferred tax on surplus / (deficit) on revaluation of:		
	- Available-for-sale securities	1,608,725	1,489,185
	- Fixed assets	21.1 (966,536)	(980,895)
	- Non-banking assets acquired in satisfaction of claims	21.2 (42,542)	(42,568)
		<u>599,647</u>	<u>465,722</u>
		<u>(221,640)</u>	<u>(12,164)</u>



	(Un-audited) 31 March 2022	(Audited) 31 December 2021
Note	----- (Rupees in '000) -----	
21.1 Surplus on revaluation of fixed assets		
Surplus on revaluation of fixed assets as at 01 January	3,231,388	3,777,073
Recognised during the period / year	-	-
Realised on disposal of land during the year	-	(398,500)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(22,460)	(89,783)
Related deferred tax liability on incremental depreciation charged during the period / year	(14,359)	(57,402)
Surplus on revaluation of fixed assets	<u>3,194,569</u>	<u>3,231,388</u>
Less: related deferred tax liability on:		
- revaluation as at 01 January	(980,895)	(931,805)
- revaluation recognised during the period / year	-	-
- effect of rate change	-	(106,492)
- incremental depreciation charged during the period / year	14,359	57,402
	<u>(966,536)</u>	<u>(980,895)</u>
	<u>2,228,033</u>	<u>2,250,493</u>
21.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims		
Surplus on revaluation of non-banking assets as at 01 January	109,148	99,608
Recognised during the period / year	-	9,687
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(42)	(147)
Related deferred tax liability on incremental depreciation charged during the period / year	(26)	-
Surplus on revaluation of non-banking assets	<u>109,080</u>	<u>109,148</u>
Less: related deferred tax liability on:		
- revaluation as at 01 January	(42,568)	-
- revaluation recognised during the period / year	-	(42,568)
- effect of rate change	-	-
- incremental depreciation charged during the period / year	26	-
	<u>(42,542)</u>	<u>(42,568)</u>
	<u>66,538</u>	<u>66,580</u>
22 CONTINGENCIES AND COMMITMENTS		
-Guarantees	22.1 24,908,223	22,154,817
-Commitments	22.2 211,026,275	203,599,487
-Other contingent liabilities	22.3 8,443,952	2,390,628
	<u>244,378,450</u>	<u>228,144,932</u>
22.1 Guarantees:		
-Financial guarantees	5,912,387	5,664,947
-Performance guarantees	17,788,097	15,410,184
-Other guarantees	1,207,739	1,079,686
	<u>24,908,223</u>	<u>22,154,817</u>



	(Un-audited) 31 March 2022	(Audited) 31 December 2021
Note	------(Rupees in '000)-----	
22.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	45,039,502	38,680,125
Commitments in respect of:		
- forward foreign exchange contracts	22.2.1 130,491,605	161,787,971
- forward lending	22.2.2 2,187,840	2,675,230
- forward government securities	22.2.3 32,959,380	249,104
- forward equity securities	22.2.4 6,965	1,903
Commitments for acquisition of:		
- fixed assets	266,556	117,194
- intangible assets	2,427	15,960
Other commitments	22.2.5 72,000	72,000
	<u>211,026,275</u>	<u>203,599,487</u>
22.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	67,889,716	86,975,369
Sale	<u>62,601,889</u>	<u>74,812,602</u>
The maturities of the above contracts are spread over a period of one year.		
22.2.2 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1 2,187,840	2,675,230
22.2.2.1 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. The Bank has certain other commitments to extend credit that represent revocable commitments and do not attract any significant penalty or expense in case the facility is withdrawn unilaterally.		
	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	------(Rupees in '000)-----	
22.2.3 Commitment in respect of forward government securities transactions		
Purchase	13,221,643	249,104
Sale	<u>19,737,737</u>	<u>-</u>
22.2.4 Commitments in respect of equity future contracts		
Sale	6,965	1,903
22.2.5 Other commitments		
Donation	72,000	72,000
22.3 Other contingent liabilities	<u>8,443,952</u>	<u>2,390,628</u>

- 
- 22.3.1**
- (a) The income tax returns of the Bank have been filed up to tax year 2021 (accounting year ended 31 December 2020). The income tax authorities have issued amended assessment orders against different tax years, thereby creating additional tax demands against which payments have been made as required under the law. The Bank has filed appeals before various appellate forums against these amendments. Assessments from tax year 2001 up to tax year 2010 have been decided at the level of Appellate Tribunal Inland Revenue. The department has filed tax references in respect of certain matters with the Honourable Lahore High Court which are currently pending. In case of any adverse decision, an additional tax liability of Rs. 617.120 million (which includes impact of certain timing differences as well) may arise. Further, assessments for tax years 2013 to 2020 have been decided at the level of Commissioner Inland Revenue (Appeals). The department has filed appeal for tax year 2013 and 2020 with Appellate Tribunal Inland Revenue which is currently pending and in case of any adverse decision, an additional tax liability of Rs. 3,325.61 million (which include impact of certain timing differences as well) may arise. The Bank has decided to file appeal for tax years 2014, 2015, 2016, 2018 and 2019 with Appellate Tribunal Inland Revenue, which in case of any adverse decision may create an additional tax liability of Rs. 131.11 million. The Bank has decided to file appeal for tax year 2021 with Commissioner Appeals, which in case of any adverse decision may create an additional tax liability of Rs. 3,168.07 million. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
 - (b) Tax authorities have passed orders for tax years 2008 to 2012, levying Federal Excise Duty on certain items. The Bank filed appeals against these assessments before Appellate Tribunal Inland Revenue, which have been decided in favor of Bank and tax demand has been deleted in full. The department has filed tax reference with Honourable High Court Lahore against the order issued by Appellate Tribunal Inland Revenue, which is still pending. Provision to the extent of Rs. 81.083 million, created on the recommendation of the State Bank of Pakistan, is still being maintained in the accounts. Management is confident that SBP will allow reversal of this provision based on orders passed by Appellate Tribunal Inland Revenue. Management is also confident that Honourable High Court Lahore will decide the case in favor of the Bank and the Bank may not be exposed to any additional tax liability in these matters.
 - (c) Tax authorities have passed order for fiscal years 2016 and 2017, levying sales tax and penalty amounting to Rs. 17.18 million on disposal of fixed assets. The Bank filed appeal against the assessment order before Appellate Tribunal Inland Revenue, which is currently pending. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in this matter.
 - (d) The department has filed appeals against orders passed under section 161/205 of the Income Tax Ordinance, 2001 for tax years 2014, 2016 and 2017 with Appellate Tribunal Inland Revenue. These are currently pending and in case of any adverse decision an additional tax liability of Rs. 152.900 million may arise. However, the management is confident that the matter will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in these matters.
 - (e) Punjab Revenue Authority has passed orders for years 2015, 2016 and 2017 under section 14 and 19 of the Punjab Sales Tax on Services Act, 2012, creating demands of Rs. 144.688 million, 46.900 million and 24.790 million respectively, on non-deduction of withholding tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
 - (f) Sindh Revenue Board has passed orders for years 2012 and 2014 under section 23 of the Sindh Sales Tax on Services Act, 2011, creating demands of Rs. 213.43 million and Rs. 142.18 million respectively, on non-deduction of Sindh Sales Tax. The Bank has filed appeals before Commissioner Inland Revenue (Appeals) against these orders, which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.
 - (g) The income tax authorities in Azad Jammu & Kashmir region have issued amended assessment orders for tax years 2013 to tax year 2019, thereby creating additional tax demands which have been paid by the Bank as required under the law. The Bank had filed appeals before Commissioner Inland Revenue (Appeals) against these orders which were decided in favour of the Bank except for tax year 2016. The Bank has decided to file an appeal against order for tax year 2016 in Appellate Tribunal. In case of any adverse decision, an additional tax liability of Rs. 41.565 million may arise. Department has filed appeals against orders for tax year 2014 to 2019 in Appellate Tribunal, which are still pending. However, the management is confident that these matters will ultimately be decided in favor of the Bank and the Bank may not be exposed to any additional tax liability in such matters.

22.3.2 Claims against the Bank which are not acknowledged as debts amounted to Rs. 3.740 million (31 December 2021: Rs. 3.665 million).



22.3.3 The Assistant Commissioner, Inland Revenue vide orders under section 182/140 of the Income Tax Ordinance, 2001 has levied penalties against staff of the Bank amounting to Rs. 30 million and Rs. 0.06 million. Currently, these matters are pending before Commissioner Inland Revenue (Appeals) subsequent to appeal filed by the staff. In case of any adverse decision in appeals, the Bank reserves the right of recourse on customers for re-imbursalment. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability on these accounts.

22.3.4 A penalty of Rs. 50 million had been imposed by the Competition Commission of Pakistan ("the Commission") on the Bank on account of uncompetitive behaviour and imposing uniform cost on cash withdrawal from ATM transactions. The Bank along with other Banks had filed a constitutional petition before the Competition Appellate Tribunal which has set aside the order of the Commission. Against the said order of the Competition Appellate Tribunal, the Commission has filed an appeal before the Supreme Court of Pakistan, the hearing of which is currently pending. The management of the Bank is confident that the appeal will be decided in the favor of the Bank.

22.3.5 Through the Finance Act, 2008 an amendment was made in the Employees Old Age Benefits Act, 1976 whereby the exemption available to banks and their employees was withdrawn by omission of clause (e) of Section 47 of the said Act and banks and their employees were made liable for contribution to Employee Old Age Benefit Institution. The Lahore High Court, subsequently, nullified the amendments made through the Finance Act, 2008.

Subsequently, several other banks also filed the Constitutional Petition before the Sindh High Court which decided the matter in favor of the banks. As a result of the decision of the Lahore High Court and Sindh High Court, the Bank stopped EOBI contribution w.e.f. February 2012. An appeal was filed by the EOBI in the Supreme Court of Pakistan which has been disposed of by the Honorable Court vide its order dated 10 November 2016 in favor of the Banks. However, EOBI has filed review Petition on 07 March 2019 before the Supreme Court of Pakistan which is currently pending.

In case of any adverse decision by the Supreme Court of Pakistan, a contribution of Rs. 253.525 million (upto 31 December 2021: Rs. 245.290 million) will become payable by the Bank to the EOBI. The said amount of Rs. 253.525 million has not been provided in these financial statements as the Bank is confident that the case will be decided in the Bank's favour.

	(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
23	MARK-UP / RETURN / INTEREST EARNED	
	------(Rupees in '000)-----	
Loans and advances	3,885,899	3,340,752
Investments	7,982,103	5,359,760
Lendings to financial institutions	284,444	92,799
Balances with banks	141	33
Placement and call lendings	205,187	13,521
Income on bai muajjal placements	13,133	31,563
	<u>12,370,907</u>	<u>8,838,428</u>
24	MARK-UP / RETURN / INTEREST EXPENSED	
Deposits	6,394,821	3,761,052
Borrowings	2,570,313	2,001,803
Subordinated debt	225,836	158,337
Cost of foreign currency swaps against foreign currency deposits / borrowings	24.1 199,595	98,126
Finance cost lease liability	101,760	99,248
	<u>9,492,325</u>	<u>6,118,566</u>

24.1 A corresponding income of the same amount is recognised in foreign exchange income.



		(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
----- (Rupees in '000) -----			
25	FEE & COMMISSION INCOME		
	Branch banking customer fees	121,598	102,231
	Consumer finance related fees	15,011	14,176
	Debit card related fees	9,538	13,905
	Investment banking / arrangement fees	14,610	14,888
	Credit related fees	24,481	32,978
	Commission on trade	215,044	181,810
	Commission on guarantees	39,343	26,233
	Commission on cash management	4,117	3,751
	Commission on remittances including home remittances	5,238	6,118
	Commission on bancassurance	33,604	23,989
	Rebate income	63,652	67,015
	Others	3,706	5,437
		<u>549,942</u>	<u>492,531</u>
26	(LOSS) / GAIN ON SECURITIES		
	Realised	26.1 (70,372)	171,679
	Unrealised - held for trading	9.1 2,935	6,433
	Unrealised - forward of government securities	(3,465)	(680)
	Unrealised - forward of equity securities	(91)	133
		<u>(70,993)</u>	<u>177,565</u>
26.1	Realised (loss) / gain on		
	Federal Government securities	6,210	(2,771)
	Shares	(76,909)	173,279
	Mutual funds	327	1,171
		<u>(70,372)</u>	<u>171,679</u>
27	OTHER INCOME		
	Gain on sale of fixed assets-net	2,152	4,958
	Rent on property	2,325	1,400
	Insurance claim recovered	1,660	940
	Staff notice period and other recoveries	10,085	4,826
		<u>16,222</u>	<u>12,124</u>



28	OPERATING EXPENSES	Note	(Un-audited)	(Un-audited)
			31 March 2022	31 March 2021
------(Rupees in '000)-----				
	Total compensation expense		1,151,509	1,022,145
	Property expense			
	Rent & taxes		43,816	40,400
	Insurance		10,082	8,447
	Utilities cost		82,648	67,038
	Security (including guards)	28.1	115,189	90,861
	Repair & maintenance (including janitorial charges)	28.1	72,682	73,535
	Depreciation on non-banking assets		949	882
	Depreciation on right-of-use assets		179,553	172,450
	Depreciation - Property		68,544	65,211
			573,463	518,824
	Information technology expenses			
	Software maintenance		113,029	120,875
	Hardware maintenance		40,182	30,888
	Depreciation on computer equipments		55,345	50,523
	Amortisation of intangibles		58,506	46,227
	Network charges		57,527	60,031
	Others		57,942	37,746
			382,531	346,290
	Other operating expenses			
	Directors' fees and allowances		4,400	2,850
	Fees and allowances to Shariah Board		1,540	1,275
	Legal & professional charges		10,955	18,064
	Outsourced services costs	28.1	32,188	33,657
	Travelling & conveyance		2,382	3,112
	NIFT clearing charges		12,542	11,395
	Depreciation		55,078	53,508
	Training & development		5,039	2,400
	Postage & courier charges		14,988	16,568
	Communication		18,102	14,567
	Stationery & printing		84,627	59,406
	Marketing, advertisement & publicity		30,414	33,359
	Donations		-	1,350
	Auditors' Remuneration		2,917	3,556
	Brokerage and commission		7,147	12,887
	Entertainment		60,763	51,850
	Fees and subscription		17,039	16,305
	Motor vehicles running expenses		81,336	58,699
	Service charges		36,261	36,005
	Insurance		13,771	18,000
	Repair & maintenance		51,701	48,990
	Deposit protection insurance premium	28.2	57,117	57,117
	Others		60,257	56,535
			660,564	611,455
			2,768,067	2,498,714

28.1 Total Cost for the period relating to outsourcing activities included in other operating activities and property expenses is Rs. 209.684 million (2021: Rs. 173.844 million) being paid to companies incorporated in Pakistan.

Name of company	Nature of Service	(Un-audited)	(Un-audited)
		31 March 2022	31 March 2021
------(Rupees in '000)-----			
Prime Human Resource services	Business Development Services	32,188	33,657

28.2 This represents the insurance premium paid to the State Bank of Pakistan's Depositors Protection Corporation (DPC) during the quarter. The premium amount was worked out in accordance with the mechanism specified by DPC, based on eligible deposits position of the Bank as at 31 December 2021.

		(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
----- (Rupees in '000) -----			
29	WORKERS' WELFARE FUND		
	Workers' Welfare Fund	20,258	28,709
30	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan (SBP)	2,662	480
31	PROVISIONS / (REVERSALS) & WRITE OFFS - NET		
	Provision for diminution in the value of investments	9.3	-
	Provision / (reversal) against loans & advances	10.3	11,394
	Provision against off-balance sheet obligations	20.1	(131,688)
	Fixed assets written off	-	6,568
	Bad debts written off directly	-	1,821
		11,394	(123,299)
32	TAXATION		
	Current	402,029	551,732
	Prior years	-	-
	Deferred	(27,246)	(57,413)
		374,783	494,319
33	BASIC / DILUTED EARNINGS PER SHARE		
	Profit for the period	542,529	781,910
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	1,102,463,483	1,102,463,483
		----- (Rupee) -----	
	Basic / Diluted earnings per share	0.4921	0.7092

33.1 There were no convertible / dilutive potential ordinary shares as at 31 March 2022 and 31 March 2021.

34 CREDIT RATING

The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 25 June 2021 [2020: long term 'AA-' (Double A Minus): short term 'A1+' (A One Plus)].

PACRA has also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC – 2) issue of Rs 3,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 15 December 2021.

Furthermore the Bank's unsecured, subordinated, rated, listed perpetual and non-cumulative Term Finance Certificates of Rs 4,000 million have been assigned a rating of 'A' (Single A) with Stable Outlook by PACRA through their notification dated 25 June 2021

35 FAIR VALUE MEASUREMENTS

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

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



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

35.1 Fair value of financial assets

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

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

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

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

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:

	31 March 2022 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	341,255,137	-	341,255,137
Shares	2,647,660	-	61,100	2,708,760
Non-Government debt securities	-	3,318,995	-	3,318,995
Units of mutual fund	147,325	-	-	147,325
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	12,465,774	-	12,465,774
Non-Government debt securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	69,437,751	-	69,437,751
Forward sale of foreign exchange	-	64,098,725	-	64,098,725
Forward purchase of government securities	-	13,222,873	-	13,222,873
Forward sale of government securities	-	19,742,432	-	19,742,432
Forward sale of equity securities	-	7,056	-	7,056
Non - Financial Assets				
Land and Building (operating fixed assets & non-banking assets)*	-	-	7,268,752	7,268,752
	<u>2,794,985</u>	<u>523,548,743</u>	<u>7,329,852</u>	<u>533,673,580</u>

31 December 2021 (Audited)

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	307,250,483	-	307,250,483
Shares	2,718,287	-	61,100	2,779,387
Non-Government debt securities	-	3,383,345	-	3,383,345
Units of mutual fund	249,225	-	-	249,225
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	12,628,519	-	12,628,519
Non-Government debt securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	86,975,369	-	86,975,369
Forward sale of foreign exchange	-	74,812,602	-	74,812,602
Forward purchase of government securities	-	246,091	-	246,091
Forward sale of equity securities	-	1,858	-	1,858
Non - Financial Assets				
Land and Building (operating fixed assets & non-banking assets)*	-	-	6,303,288	6,303,288
	<u>2,967,512</u>	<u>485,298,267</u>	<u>6,364,388</u>	<u>494,630,167</u>

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah Sukuks, Pakistan Investment bonds, Market Treasury bills, Corporate bonds, Term Finance, Sukuk certificates and units of mutual funds.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of Land and Building (operating fixed assets & non-banking assets) and unlisted securities

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are determined on the basis of rates / prices sourced from Reuters.
Government of Pakistan - Ijarah Sukuks	Fair values of GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.



Item	Valuation techniques and input used
Land and Buildings (fixed assets & non-banking assets)	Land and buildings 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 reasonable certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these financial statements.

36 SEGMENT INFORMATION

36.1 Segment details with respect to business activities

31 March 2022 (Un-audited)

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
	----- (Rupees in '000) -----					
Profit and loss						
Net mark-up / return / profit	(4,092,969)	1,703,284	132,202	5,394,984	(258,919)	2,878,582
Inter segment revenue - net	6,513,133	(1,363,519)	-	(5,507,707)	358,093	-
Non mark-up / return / interest income	561,855	187,095	34,625	331,629	(274,093)	841,111
Total income	2,982,019	526,860	166,827	218,906	(174,919)	3,719,693
Segment direct expenses	1,803,355	56,496	164,331	44,374	722,431	2,790,987
Inter segment expense allocation	68,446	914	5,120	234	(74,714)	-
Total expenses	1,871,801	57,410	169,451	44,608	647,717	2,790,987
Provision / (Reversal)	13,974	(3,000)	(6,367)	-	6,787	11,394
Profit before tax	1,096,244	472,450	3,743	174,298	(829,423)	917,312
Balance sheet						
Cash & bank balances	28,018,169	1,303,544	2,130,968	921,904	-	32,374,585
Investments	-	396,000	18,209,294	342,461,428	-	361,066,722
Net inter segment lending	251,099,438	-	-	(266,195,051)	15,095,613	-
Lendings to financial institutions	-	-	-	32,099,649	-	32,099,649
Advances - performing	53,471,710	88,953,809	11,491,736	-	4,720,260	158,637,515
- non-performing	940,831	119,577	1,061,983	-	67,485	2,189,876
Others	6,192,664	5,063,442	2,130,528	3,180,615	13,066,095	29,633,344
Total assets	339,722,812	95,836,372	35,024,509	112,468,545	32,949,453	616,001,691
Borrowings	11,361,790	11,674,514	897,904	180,758,639	973,369	205,666,216
Subordinated debt	-	-	-	-	6,992,200	6,992,200
Deposits & other accounts	315,757,412	19,851,429	24,424,991	-	-	360,033,832
Net inter segment borrowing	-	60,111,638	8,409,916	(68,521,554)	-	-
Others	12,603,610	4,198,791	1,291,698	231,460	4,646,484	22,972,043
Total liabilities	339,722,812	95,836,372	35,024,509	112,468,545	12,612,053	595,664,291
Equity	-	-	-	-	20,337,400	20,337,400
Total equity & liabilities	339,722,812	95,836,372	35,024,509	112,468,545	32,949,453	616,001,691
Contingencies & commitments						
In respect of letter of credit / guarantees	39,346,109	28,119,768	2,481,848	-	-	69,947,725
In respect of forward foreign exchange contracts	-	-	-	130,491,605	-	130,491,605
In respect of forward lendings	-	2,187,840	-	-	-	2,187,840
In respect of fixed assets	-	-	-	-	268,983	268,983
In respect of government securities	-	-	-	32,959,380	-	32,959,380
In respect of equity securities	-	-	-	6,965	-	6,965
In respect of other Commitments	-	-	-	-	72,000	72,000
In respect of other contingencies	-	-	-	-	8,443,952	8,443,952
Total	39,346,109	30,307,608	2,481,848	163,457,950	8,784,935	244,378,450

31 March 2021 (Un-audited)

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
	----- (Rupees in '000) -----					
Profit and loss						
Net mark-up / return / profit	(2,290,894)	1,827,147	138,592	3,243,821	(198,804)	2,719,862
Inter segment revenue - net	3,907,805	(1,568,387)	-	(2,628,464)	289,046	-
Non mark-up / return / interest income	462,142	103,509	15,731	529,693	(150,104)	960,971
Total income	2,079,053	362,269	154,323	1,145,050	(59,862)	3,680,833
Segment direct expenses	1,550,205	46,967	124,271	49,756	756,704	2,527,903
Inter segment expense allocation	52,639	886	3,441	198	(57,164)	-
Total expenses	1,602,844	47,853	127,712	49,954	699,540	2,527,903
(Reversal) / Provision	(131,898)	(84,882)	96,662	-	(3,181)	(123,299)
Profit before tax	608,107	399,298	(70,051)	1,095,096	(756,221)	1,276,229

31 December 2021 (Audited)

	Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
	----- (Rupees in '000) -----					
Balance sheet						
Cash & bank balances	31,265,061	1,962,300	2,207,198	2,189,817	-	37,624,376
Investments	-	396,000	17,220,848	309,808,339	-	327,425,187
Net inter segment lending	265,598,191	-	-	(280,374,441)	14,776,250	-
Landings to financial institutions	-	-	4,592,509	17,520,612	-	22,113,121
Advances - performing	58,890,757	89,352,989	10,162,675	-	4,666,042	163,072,463
- non-performing	1,235,085	119,577	1,013,659	-	54,012	2,422,333
Others	5,092,646	2,107,327	1,659,357	3,359,002	14,612,737	26,831,069
Total assets	362,081,740	93,938,193	36,856,246	52,503,329	34,109,041	579,488,549
Borrowings	11,585,729	11,566,486	705,360	99,746,733	980,560	124,584,868
Subordinated debt	-	-	-	-	6,992,800	6,992,800
Deposits & other accounts	337,761,115	33,350,233	31,925,206	-	-	403,036,554
Net inter segment borrowing	-	46,060,906	2,804,319	(48,865,225)	-	-
Others	12,734,896	2,960,568	1,421,361	1,621,821	4,500,140	23,238,786
Total liabilities	362,081,740	93,938,193	36,856,246	52,503,329	12,473,500	557,853,008
Equity	-	-	-	-	21,635,541	21,635,541
Total equity & liabilities	362,081,740	93,938,193	36,856,246	52,503,329	34,109,041	579,488,549
Contingencies & commitments						
In respect of letter of credit / guarantees	35,882,154	23,174,145	1,778,643	-	-	60,834,942
In respect of forward foreign exchange contracts	-	-	-	161,787,971	-	161,787,971
In respect of forward landings	-	2,675,230	-	-	-	2,675,230
In respect of fixed assets	-	-	-	-	133,154	133,154
In respect of government securities	-	-	-	249,104	-	249,104
In respect of equity securities	-	-	-	1,903	-	1,903
In respect of other Commitments	-	-	-	-	72,000	72,000
In respect of other contingencies	-	-	-	-	2,390,628	2,390,628
Total	35,882,154	25,849,375	1,778,643	162,038,978	2,595,782	228,144,932

36.1.1 The operations of the Bank are currently based only in Pakistan, therefore, geographical segment is not relevant.

37 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its related group companies, major shareholders, Staff retirement funds, directors and their close family members (including their associates) employee benefit plans and key management personnel.

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

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



Particulars	31 March 2022 (Un-audited)			31 December 2021 (Audited)		
	Directors (a)	Key* management personnel (a)	Other related parties	Directors (a)	Key* management personnel (a)	Other related parties
----- (Rupees in '000) -----						
Statement of financial position						
Investments						
Opening balance	-	-	289,298	-	-	440,284
Investment made during the period / year	-	-	-	-	-	100,000
Investment redeemed / disposed during the period / year	-	-	(100,000)	-	-	(250,986)
Closing balance	-	-	189,298	-	-	289,298
Advances						
Opening balance	134,000	206,883	-	149,000	141,353	-
Addition during the period / year	2,949	188,495	-	150,175	313,174	-
Repaid during the period / year	(225)	(33,223)	-	(165,175)	(285,697)	-
Transfer in / (out) - net	-	-	-	-	38,053	-
Closing balance	136,724	362,155	-	134,000	206,883	-
Other assets						
Interest / mark-up accrued	7,632	2,717	-	3,981	192	-
Other receivable	-	-	849,075	-	-	136,346
- E-banking settlement	-	-	1,650	-	-	-
- Rent receivable	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	562,700	99,630	4,346,458	533,284	88,656	5,229,818
Received during the period / year	543,267	706,205	22,550,998	1,484,976	1,656,304	112,144,205
Withdrawn during the period / year	(512,355)	(461,158)	(24,000,038)	(1,455,560)	(1,647,653)	(113,027,565)
Transfer in / (out) - net	-	(19)	56	-	2,323	-
Closing balance	593,612	344,658	2,897,474	562,700	99,630	4,346,458
Other liabilities						
Interest / mark-up payable	2,848	1,496	19,904	4,322	1,925	28,711
Payable to staff retirement fund	-	-	30,692	-	-	-

Particulars	31 March 2022 (Un-audited)			31 March 2021 (Un-audited)		
	Directors (a)	Key* management personnel (a)	Other related parties	Directors (a)	Key* management personnel (a)	Other related parties
----- (Rupees in '000) -----						
Profit and loss account						
Income						
Mark-up / return / interest earned	3,650	6,094	-	2,862	4,773	-
Fee and commission income	6	40	190	29	41	136
Rental Income	-	-	1,650	-	-	-
Net gain on sale of securities	-	-	327	-	-	-
Expense						
Mark-up / return / interest paid	6,946	2,231	67,140	4,570	1,457	83,296
Directors' fee and allowance	4,400	-	-	2,850	-	-
Compensation Expense	-	148,798	-	-	64,036	-
Rent expense	-	-	4,514	-	-	4,033
ATM and ADC charges	-	-	4,599	-	-	4,902
Charge for defined benefit plan	-	-	30,692	-	-	29,358
Contribution to defined contribution plan	-	-	41,310	-	-	35,673

* including President and CEO
(a) including their relatives

** Actual rent expense is disclosed as part of related party transactions. While accounting for branches / locations on lease for the purpose of condensed interim financial statements, the Bank applies the requirements of IFRS 16 - Leases.

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

(Un-audited) (Audited)
31 March 31 December
2022 2021
-----**(Rupees in '000)**-----

	11,024,636	11,024,636
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	17,526,829	18,749,210
Eligible Additional Tier 1 (ADT 1) Capital	3,684,770	3,684,770
Total Eligible Tier 1 Capital	21,211,599	22,433,980
Eligible Tier 2 Capital	2,884,454	2,905,008
Total Eligible Capital (Tier 1 + Tier 2)	24,096,053	25,338,988
Risk Weighted Assets (RWAs):		
Credit Risk	154,554,924	154,826,990
Market Risk	6,126,959	6,607,437
Operational Risk	25,022,369	21,964,183
Total	185,704,252	183,398,610

-----**(Percentage)**-----

Common Equity Tier 1 Capital Adequacy ratio

9.44%

10.22%

Tier 1 Capital Adequacy Ratio

11.42%

12.23%

Total Capital Adequacy Ratio

12.98%

13.82%

National minimum capital requirements prescribed by SBP

CET1 minimum ratio

6.00%

6.00%

Tier 1 minimum ratio

7.50%

7.50%

Total capital minimum ratio

11.50%

11.50%

(Un-audited) (Audited)
31 March 31 December
2022 2021
-----**(Rupees in '000)**-----

Leverage Ratio (LR):

Eligible Tier-1 Capital

21,211,599

22,433,980

Total Exposures

873,558,918

713,553,593

Leverage Ratio - percentage

2.43%

3.14%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

234,018,841

198,521,926

Total Net Cash Outflow

128,473,249

118,370,009

Liquidity Coverage Ratio - percentage

182.15%

167.71%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

248,535,966

261,913,644

Total Required Stable Funding

141,427,068

150,992,810

Net Stable Funding Ratio - percentage

175.73%

173.46%

38.1

The Bank follows the below mentioned approach for determining credit risk, market risk and operational risk exposures in the capital adequacy calculation:

Risk Type	Approach adopted by Bank
Credit Risk	Standardized Approach
Market Risk	Standardized Approach
Operational Risk	Basic Indicator Approach



39 ISLAMIC BANKING BUSINESS

The Bank is operating with 35 Islamic Banking Branches (31 December 2021: 35) and 15 Islamic Banking Windows (31 December 2021: 15). The statement of financial position and profit and loss account of these branches and windows (including Islamic Banking Division) are as follows:

	Note	(Un-audited) 31 March 2022	(Audited) 31 December 2021
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks		1,783,209	1,969,622
Balances with other banks		347,759	237,576
Due from financial institutions	39.1	-	4,592,509
Investments	39.2	18,209,294	17,220,848
Islamic financing and related assets- net	39.3	12,579,911	11,184,427
Fixed assets		652,354	624,710
Intangible assets		-	-
Due from head office		-	-
Other assets		1,478,174	1,034,647
Total assets		35,050,701	36,864,339
LIABILITIES			
Bills payable		236,617	399,583
Due to financial institutions		897,904	705,360
Deposits and other accounts	39.4	24,424,991	31,925,206
Due to head office		6,355,064	815,280
Other liabilities		1,081,273	1,029,871
Total liabilities		32,995,849	34,875,300
NET ASSETS		2,054,852	1,989,039
REPRESENTED BY:			
Islamic banking fund		2,000,000	2,000,000
Accumulated profit / (loss) *	39.6	3,743	(72,277)
Surplus on revaluation of assets - net of tax		51,109	61,316
		2,054,852	1,989,039
CONTINGENCIES AND COMMITMENTS	39.7		

* This represents profit for the period, as last year's profit is remitted back to the head office at the start of the period.

	Note	(Un-audited)	(Un-audited)
		31 March 2022	31 March 2021
----- (Rupees in '000) -----			
Profit / return earned	39.8	715,118	434,652
Profit / return expensed	39.9	582,916	296,060
Net profit / return		132,202	138,592
Other income			
Fee and commission Income		21,645	17,524
Foreign exchange income		12,881	(1,898)
Other income		99	105
Total other income		34,625	15,731
		166,827	154,323
Other expenses			
Operating expenses		169,099	127,704
Other charges		352	8
Total other expenses		169,451	127,712
(Loss) / profit before provisions		(2,624)	26,611
Reversal / (provision) and write offs - net		6,367	(96,662)
Profit / (loss) before tax		3,743	(70,051)

39.1 Due from Financial Institutions

	31 March 2022 (Un -audited)			31 December 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Bai Muajjal receivable from other financial institutions	-	-	-	1,892,509	-	1,892,509
Musharaka placement	-	-	-	2,700,000	-	2,700,000
	-	-	-	4,592,509	-	4,592,509

39.2 Investments by segments:

	31 March 2022 (Un -audited)				31 December 2021 (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 sukuk	16,023,653	-	(27,753)	15,995,900	15,000,000	-	(57,200)	14,942,800
-Bai muajjal from Government of Pakistan (GoP)	-	-	-	-	-	-	-	-
	16,023,653	-	(27,753)	15,995,900	15,000,000	-	(57,200)	14,942,800
Non-Government debt securities								
-Listed	900,000	-	4,185	904,185	925,000	-	57,825	982,825
-Unlisted	1,292,666	(19,860)	36,403	1,309,209	1,292,666	(19,860)	22,417	1,295,223
	2,192,666	(19,860)	40,588	2,213,394	2,217,666	(19,860)	80,242	2,278,048
Total Investments	18,216,319	(19,860)	12,835	18,209,294	17,217,666	(19,860)	23,042	17,220,848



	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	-----Rupees in '000-----	
39.3 Islamic financing and related assets		
Ijarah	517,380	519,339
Murabaha	1,200,156	565,514
Musharaka	2,043,189	1,797,708
Diminishing Musharaka	4,215,103	4,103,748
Istisna	70,110	568,838
Salam	3,038,391	124,515
Other islamic modes	-	45,374
Advances against islamic assets		
Murabaha	82,281	323,510
Ijarah	57,208	79,624
Diminishing musharakah	185,649	149,971
Salam	827,644	3,068,804
Istisna	769,062	270,110
Gross Islamic financing and related assets	13,006,173	11,617,055
Less: Provision against Islamic financing		
- Specific	426,262	432,628
- General	-	-
Islamic financing and related assets - net of provision	12,579,911	11,184,427
39.4 Deposits and other accounts		
Customers		
Current deposits	2,198,619	2,561,711
Savings deposits	9,104,630	10,199,614
Other	823,510	462,789
Term deposits	1,892,487	4,761,117
	14,019,246	17,985,231
Financial Institutions		
Current deposits	111,334	105,771
Savings deposits	8,790,311	10,180,504
Term deposits	1,504,100	3,653,700
	10,405,745	13,939,975
	24,424,991	31,925,206
39.5 Charity Fund		
Opening balance	-	-
Additions during the period / year		
Received from customers on account of delayed payment	114	720
	114	720
Payments / utilization during the period / year		
Health	-	720
	-	720
Closing balance	114	-
39.6 Islamic Banking Business - Unappropriated Profit / (loss)		
Opening balance	(72,277)	(147,121)
Add: Islamic Banking profit / (loss) for the period / year	3,743	(72,277)
Less: Transferred / remitted to Head Office	72,277	147,121
Closing balance	3,743	(72,277)



	(Un-audited) 31 March 2022		(Audited) 31 December 2021			
	------(Rupees in '000)-----					
39.7 CONTINGENCIES AND COMMITMENTS						
-Guarantees	876,619		802,184			
-Other contingent liabilities	1,605,229		976,459			
	<u>2,481,848</u>		<u>1,778,643</u>			
	(Un-audited) 31 March 2022		(Un-audited) 31 March 2021			
	------(Rupees in '000)-----					
39.8 Profit / Return Earned of Financing, Investments and Placement						
Financing	269,662		181,552			
Investments	415,558		219,757			
Placements	29,898		33,343			
	<u>715,118</u>		<u>434,652</u>			
39.9 Profit on Deposits and Other Dues Expensed						
Deposits and other accounts	547,562		272,361			
Due to financial institutions	1,859		2,378			
Others	33,495		21,321			
	<u>582,916</u>		<u>296,060</u>			
39.10	Deposits and other accounts include redeemable capital of Rs. 21,291.528 million (31 December 2021: Rs.28,794.935 million) and deposits on Qard basis of Rs. 3,133.463 million (31 December 2021: Rs. 3,130.271 million). Remunerative deposits which are on Mudaraba basis are considered as Redeemable capital and non-remunerative deposits are classified as being on Qard basis.					
39.11 Pool Management	31 March 2022 (Un -audited)			31 December 2021 (Audited)		
	Normal Pool	Special Pool	Total	Normal Pool	Special Pool	Total
	----- (Rupees in '000) -----					
Chemical and Pharmaceuticals	1,168,851	463,255	1,632,107	834,751	731,471	1,566,222
Textile	995,087	162,789	1,157,877	-	995,697	995,697
Cement	-	-	-	-	-	-
Sugar	3,045,880	60,000	3,105,880	2,482,026	60,000	2,542,026
GOP Bai Muajjal / Ijarah Sukuk	10,701,332	7,514,987	18,216,319	5,876,693	15,933,482	21,810,175
Automobile and transportation equipment	-	143,002	143,002	-	153,408	153,408
Financial	24,601	89,460	114,061	2,753	-	2,753
Electronics and electrical appliances	210,541	408,878	619,419	80,414	284,235	364,649
Production and transmission of energy	809,252	1,989,486	2,798,738	813,431	1,977,418	2,790,849
Exports Imports	79,658	-	79,658	-	-	-
Wholesale & Retail Trade	424,791	76,260	501,051	-	-	-
Construction	514,434	200,095	714,529	7,999	22,736	30,735
Food and allied	749,925	29,827	779,752	781,429	-	781,429
Services	84,699	43,605	128,304	581,030	645,562	1,226,592
Iron & Steel	400,000	-	400,000	-	-	-
Individual	145,905	-	145,905	-	-	-
Others	205,311	506,772	712,083	530,552	632,142	1,162,694
	<u>19,560,269</u>	<u>11,688,415</u>	<u>31,248,684</u>	<u>11,991,078</u>	<u>21,436,151</u>	<u>33,427,229</u>

Musharaka investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy and other financings as per SBP guidelines.

39.12 Key features and risk and reward characteristics of all pools

The 'Mudaraba Pool' for Local Currency caters to all Soneri Bank Limited - Islamic Banking depositors and provides profit / loss based on Mudaraba.



The IERS Pool caters to the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool.

Jointly financed by the Bank and unrestricted investments / PLS deposit account holders

This represents all earning assets of the Bank except those tagged to the Islamic Export Refinance Scheme. Major categories include:

	Funded Income	Expenses	Gains / (loss) on sale of securities	Total
----- (Rupees in '000) -----				
Islamic financing and related assets	268,732	-	-	268,732
Investments	415,558	-	-	415,558
Due from financial institutions	16,765	-	-	16,765
Others	13,133	(1,074)	-	12,059
	<u>714,188</u>	<u>(1,074)</u>	<u>-</u>	<u>713,114</u>

39.13 Incentive profits (Hiba)

The Bank paid an aggregate amount of Rs. 25.409 million as incentive profits (Hiba), which includes Rs. 11.925 million for normal pool and Rs. 13.484 million for special pool during the period ended 31 March 2022. The following guidelines are approved by the Bank's Sharia Advisor for determination of incentive profits (Hiba):

- Special weightage deposits in designated tiers / slabs in Mudaraba Pool shall be offered extra weightages outside the Mudaraba Pool, provided the specified parameters are met ;
- The deposit deal shall be at least of Rs 25 thousands ;
- In case a Term Deposit is pre-maturely encased, profit shall be paid at the expected rate of completed tenor;
- The payment of Hiba on deposits will be at the sole discretion of the Bank and could be decreased or / and removed any time during the tenure of the deposit, under intimation to the customer, if the customer fails to meet the prerequisites at any time during the tenure of the deposit and / or the profit rate no longer remains sustainable from Bank's share; and
- The Bank shall ensure that all the operational procedures and controls to the satisfaction of Shariah are in place.

39.14 Contractual maturities of mudaraba based deposit accounts

Particulars	31 March 2022 (Un-audited)							
	Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years
----- (Rupees in '000) -----								
Fixed Deposits	3,396,587	1,710,000	278,000	229,418	1,042,657	101,699	34,813	-
Savings Deposits	14,644,228	14,644,228	-	-	-	-	-	-
Current Account - Remunerative	3,250,713	3,250,713	-	-	-	-	-	-
	<u>21,291,528</u>	<u>19,604,941</u>	<u>278,000</u>	<u>229,418</u>	<u>1,042,657</u>	<u>101,699</u>	<u>34,813</u>	<u>-</u>

Profit / (loss) distribution to depositor's pool

General Remunerative Depositor's Pools	Profit Sharing Ratio (Depositor: Mudarib)	Profit rate return earned	Mudarib Share transferred to the Depositors through Hiba (Rs. in '000)	Mudarib Share transferred to the Depositors through Hiba (Percentage)	Mudarib share Net of Hiba (Rs. in '000)	Mudarib share Net of Hiba Percent	Profit rate and weightage announcement period	Profit rate return distributed
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Mudaraba Pool

Normal Pool	75.25%	5.88%	11,925	35.73%	21,449	16.07%	Monthly	4.93%
Special Pool	95.05%	10.54%	13,484	59.40%	9,216	2.03%	Monthly	10.26%
Total	90.10%	9.00%	25,409	45.31%	30,665	5.22%	Monthly	8.43%

IERS Musharaka Pool	Ratio of weightage of Bank to SBP	Share of profit to SBP (Rupees in '000)	HIBA (Rupees in '000)	Profit rate and weightage announcement period	Profit rate return earned by SBP
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Musharaka Pool SBP's Islamic Export Refinance Scheme 0.3015 4,472 - Quarterly 1.84%

Parameters used for allocation of profit, charging expenses and provisions, etc. along with a brief description of their major components:

Income generated from relevant assets, calculated at the end of each month is first set aside for the Musharaka pool arrangement between the Bank and the State Bank of Pakistan. It is then allocated between the participants of the pool as per the agreed weightages and rates.

The Mudaraba Pool profit is divided between the Bank and depositors in the ratio of Bank's average equity (pertaining to Islamic banking branches) and average depositors balances commingled in each pool on a pro-rata basis. The depositors' share of profit is allocated amongst them on the basis of weightages declared before start of each month, after deduction of a mudarib fee. During the period ended 31 March 2022, the Bank charged 9.54% (2021: 30.25%) of the profit as Mudarib fee. These weightages are declared by the Bank in compliance with the requirements of the SBP and Shariah.

The allocation (of income and expenses to different pools) is made on a pre-defined basis and accounting principles / standards. Provisions against any non-performing assets of the pool are not passed on to the pool.

39.15 Allocation of Income and Expenses to Depositors' Pools

a) Following are material items of revenues, expenses, gains and losses

	(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
	----- (Rupees in '000) -----	
Profit / return earned on financings, investments and placements	621,038	359,114
Directly related costs attributable to pool	(22,087)	(11,220)
	<u>598,951</u>	<u>347,894</u>

b) Following weightages have been assigned to different products under the Mudaraba Pool during the period:

	Percentage of total Mudaraba based deposits	Minimum weightage	Maximum weightage
Savings - Soneri Munafa Account	68%	0.4348	1.0966
Savings - Soneri Bachat Account	1%	0.4348	0.4348
Savings - Assan Account	0%	0.4348	0.4348
Current Account - Remunerative	15%	0.0048	0.0048
Time Deposits - Soneri Meadi	16%	0.5314	1.1546



40 GENERAL

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

41 COMPARATIVES

Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and better presentation. There were no significant reclassifications during the current period.

42 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26 April 2022 by the Board of Directors of the Bank.

Alauddin Feerasta
Chairman

Muhtashim Ahmad Ashai
President & Chief Executive Officer

Mirza Zafar Baig
Chief Financial Officer

Nooruddin Feerasta
Director

Manzoor Ahmed
Director

LIST OF BRANCHES

AS AT 31 MARCH 2022

REGISTERED OFFICE

2nd Floor, 307-Upper Mall Scheme,
Lahore-54000 - Pakistan
Tel. No.: (021) 32444401-05 & 111-567-890

CENTRAL OFFICE

10th Floor, PNSC Building,
M.T. Khan Road Karachi
Tel. No.: (021) 32444401-5 & 111-567-890
Swift: SONEPKAXXX

CENTRAL REGION

1. Main Branch, Lahore

Tel. No.: (042) 36368141-8 &
111-567-890

2. Defence Branch, Lahore

Tel. No.: (042) 35730760-1, 3574616 &
35691037-9

3. Gulberg Branch, Lahore

Tel. No.: (042) 35713445-8, 35759273
& 35772294-5

4. Circular Road Branch, Lahore

Tel. No.: (042) 37670483, 86, 89 &
37379319

5. Model Town Branch, Lahore

Tel. No.: (042) 35889311-2 & 35915666

6. PECO Road Branch, Lahore

Tel. No.: (042) 35222306-7,
35203050-1,
35177804 & 35173392

7. Cavalry Ground Branch, Lahore

Tel. No.: (042) 36653728-30 &
36619702

Islamic Banking

8. Temple Road Branch, Lahore

Tel. No.: (042) 36376341, 2 & 6

9. Allama Iqbal Town Branch, Lahore

Tel. No.: (042) 37812395-7

10. Baghbanpura Branch, Lahore

Tel. No.: (042) 36832811-3

11. Thokar Niaz Baig Branch, Lahore

Tel. No.: (042) 35313651, 3 & 4
0317-4484542-3

12. Ghazi Chowk Branch, Lahore

Tel. No.: (042) 35188505-7 &
35185661-3

Islamic Banking

13. New Garden Town Branch, Lahore

Tel. No.: (042) 35940611-616

14. DHA Phase-III Branch, Lahore

Tel. No.: (042) 35734081, 2, 3 & 5

15. Chungi Amer Sadhu Branch, Lahore

Tel. No.: (042) 35922182,184 & 186

16. Johar Town Branch, Lahore

Tel. No.: (042) 35204191-3

17. Wahdat Road Branch, Lahore

Tel. No.: (042) 37424821-7 & 37420591

18. Gunpat Road Branch, Lahore

Tel. No.: (042) 37361607-9

19. Airport Road Branch, Lahore

Tel. No.: (042) 35700115-8

20. Timber Market Branch, Lahore

Tel. No.: (042) 37725353-8

21. Shahdara Branch, Lahore

Tel. No.: (042) 37920085, 37941741-3
& 37921743-8

22. Manga Mandi Branch, Lahore

Tel. No.: (042) 35383516-9

23. Badian Road Branch, Lahore

Tel. No.: (042) 37165390-2

24. Mughalpura Branch, Lahore

Tel. No.: (042) 36880892-4

25. Upper Mall (Corporate) Branch, Lahore

Tel. No.: (042) 35789346, 49, 51 & 55

26. Islampura Branch, Lahore

Tel. No.: (042) 37214394-7

27. Garhi Shahu Branch, Lahore

Tel. No.: (042) 36294201-3 &
36376096

28. Zarrar Shaheed Road Branch, Lahore

Tel. No.: (042) 36635167-8

29. Hamdard Chowk Kot Lakhpat Branch, Lahore

Tel. No.: (042) 35140261-3

30. Kana Kacha Branch, Lahore

Tel. No.: (042) 35472222 &
0316-8226316-8

31. Sabzazar Branch, Lahore

Tel. No.: (042) 37830881-6

32. DHA Phase-IV Branch, Lahore

Tel. No.: (042) 35694156-7

33. Azam Cloth Market Branch, Lahore

Tel. No.: (042) 37662203-7

34. Jail Road Branch, Lahore

Tel. No.: (042) 35408936-8

35. Badami Bagh Branch, Lahore

Tel. No.: (042) 37731601, 2 & 4

36. Montgomery Road Branch, Lahore

Tel. No.: (042) 36291013-4

Islamic Banking

37. DHA Phase: VI Branch, Lahore

Tel. No.: (042) 37180535-7

38. Bahria Town Branch, Lahore

Tel. No.: (042) 35976354 &
0316-8226346-9

39. Expo Centre Branch, Lahore

Tel. No.: (042) 35314087, 88, 90 & 91

40. WAPDA Town Branch, Lahore

Tel. No.: (042) 35187611-2

41. Shah Alam Market Branch, Lahore

Tel. No.: (042) 37376213-4 &
0316-8226277-8

42. DHA Phase-V Branch, Lahore

Tel. No.: (042) 35695678 &
0316-8226322-3

43. Block-L Gulberg-III Branch, Lahore

Tel. No.: (042) 35861052-4 &
0316-8226326-7

44. Walton Road Branch, Lahore

Tel. No.: (042) 36672305 &
0316-8226339, 40 & 41



45. **Faisal Town Branch, Lahore**
Tel. No.: (042) 35170540 & 0316-8226335, 7 & 8
46. **Karim Block Branch, Lahore**
Tel. No.: (042) 35417757 & 0316-8226412, 3 & 4
47. **Defence Road Branch, Lahore**
Tel. No.: 0316-8226415-8
48. **Safari Garden Branch, District Lahore**
Tel. No.: 0317-4484537-9
49. **Raiwind Branch, District Lahore**
Tel. No.: (042) 35398661-2 & 0317-4484562-4
50. **Main Boulevard Branch, Gulberg, Lahore**
Tel. No.: (042) 35759924-5 & 0316-8226086-9
- Islamic Banking**
51. **Township Branch, Lahore**
Tel. No.: (042) 35113105
52. **EME Housing Society Branch, Lahore**
Tel. No.: 0318-4178733-4
53. **Lake City Branch, Lahore**
Tel. No.: 0318-4178739
54. **Sundar Industrial Estate Branch, Lahore**
Tel. No.: 0315-4980731 & 0315-4980742
- Islamic Banking**
55. **Allama Iqbal Town Branch, Lahore**
Tel. No.: 0310-4031793 & 0310-4031781
56. **Canal View Co-Operative Housing Society Branch, Lahore**
Tel. No.: 0315-4304582-5
57. **'K' Block Model Town Branch, Lahore**
Tel. No.: (042) 35880241-5
58. **Lalikh Chowk Branch, Lahore**
Tel. No.: (042) 35749534-5 & 35707640-1
59. **Valencia Town Branch, Lahore**
Tel. No.: (042) 35210593-5
60. **Shadbagh Branch, Lahore**
Tel. No.: (042) 37608161-2
61. **DHA Phase-VIII Branch, Lahore**
Tel. No.: (042) 37139050-3
62. **Park Avenue Branch, Lahore**
Tel. No.: -
- Islamic Banking**
63. **Johar Town Branch, Lahore**
Tel. No.: (042) 35136006 & 35136009
64. **State Life Housing Society Branch, Lahore**
Tel. No.: (042) 35800492 & 35800983
65. **Muridke Branch**
Tel. No.: (042) 37166511-4 & 37981100
66. **Main Branch, Gujranwala**
Tel. No.: (055) 3843560-2 & 111-567-890
- Islamic Banking**
67. **Gujranwala Cantt. Branch, Gujranwala**
Tel. No.: (055) 3861931-3 & 5
68. **WAPDA Town Branch, Gujranwala**
Tel. No.: (055) 4291136-7
69. **Kamokee Branch, District Gujranwala**
Tel. No.: (055) 6813501-6
70. **Sheikhupura Road Branch, Gujranwala**
Tel. No.: (055) 4219661-5
71. **Wazirabad Branch**
Tel. No.: (055) 6603703-4 & 6608555
72. **Ghakkar Mandi Branch**
Tel. No.: (055) 3832611-2
73. **Main Branch, Faisalabad**
Tel. No.: (041) 2639873, 7-8 & 111-567-890
74. **Peoples Colony Branch, Faisalabad**
Tel. No.: (041) 8555714 & 8555720
75. **Ghulam Muhammadabad Branch, Faisalabad**
Tel. No.: (041) 2680114, 110 & 117
- Islamic Banking**
76. **East Canal Road Branch, Faisalabad**
Tel. No.: (041) 2421381-2
77. **Civil Lines Branch, Faisalabad**
Tel. No.: (041) 2648105, 8 & 11
78. **Madina Town Branch, Faisalabad**
Tel. No.: (041) 8735551-2 & 0316-8226451-3
79. **Jaranwala Branch, District Faisalabad**
Tel. No.: (041) 4312201-6
80. **Samundri Branch, District Faisalabad**
Tel. No.: (041) 3423983-4
81. **Painsera Branch, District Faisalabad**
Tel. No.: (041) 2557100-11 & 2574300
82. **Killianwala Branch, District Faisalabad**
Tel. No.: (041) 3214151, 2 & 3
83. **Adda Zafar Chowk Branch, District Faisalabad**
Tel. No.: (041) 3529051-4
84. **Khurrianwala Branch**
Tel. No.: (041) 4360701-2
85. **Chiniot Branch**
Tel. No.: (047) 6333840-4
86. **Jhang Branch**
Tel. No.: (047) 7651601-2
87. **Shorkot City Branch, District Jhang**
Tel. No.: 0316-8226093, 95, 97 & 98
88. **Small Industrial Estate Branch, Sialkot**
Tel. No.: (052) 3242607-9
89. **Pasrur Road Branch, Sialkot**
Tel. No.: (052) 3521655, 755 & 855 & 3611655 & 755
- Islamic Banking**
90. **Sialkot Cantt Branch, Sialkot**
Tel. No.: (052) 4560023-7



91. **Godhpur Branch, Sialkot**
Tel. No.: (052) 4563932-3
92. **Daska Branch, District Sialkot**
Tel. No.: (052) 6617847-8
93. **Daska Road Branch, Addah, District Sialkot**
Tel. No.: (052) 3525337 & 9
94. **Wazirabad Road Branch, Harrar Sialkot**
Tel. No.: (052) 3253752-4
95. **Sheikhupura Branch**
Tel. No.: (056) 3810933 & 3813133
96. **Sharaqpur Sharif Branch, District Sheikhupura**
Tel. No.: (056) 3542963-6
97. **Nankana Sahib Branch**
Tel. No.: (056) 2876342-3
98. **Main Branch, Multan**
Tel. No.: (061) 4504018, 4504118, 4519927 & 4512884
- Islamic Banking**
99. **Shah Rukn-e-Alam Branch, Multan**
Tel. No.: (061) 6784051-4 & 6782081
100. **Bosan Road Branch, Multan**
Tel. No.: (061) 6210690-2
101. **Mumtazabad Branch, Multan**
Tel. No.: (061) 6760212-4
102. **Gulgasht Colony Branch, Multan**
Tel. No.: (061)-6222701 & 0316-8226393-5
103. **WAPDA Town Branch, Multan**
Tel. No.: (061) 6213011 & 0316-8226441-2
104. **Azmat Road Branch, Dera Ghazi Khan**
Tel. No.: (064) 2471630-6
105. **Lodhran Branch**
Tel. No.: (0608) 364766-7
106. **Rahim Yar Khan Branch**
Tel. No.: (068) 5886042-4
107. **Factory Area Branch, Rahim Yar Khan**
Tel. No.: (068) 5906032, 4 & 5
108. **Liaqatpur Branch, District Rahim Yar Khan**
Tel. No.: (068) 5792041-4
109. **Sadiqabad Branch**
Tel. No.: (068) 5702162, 5800161, 5800661 & 5801161
110. **Bahawalpur Branch**
Tel. No.: (062) 2731703-1
111. **Satellite Town Branch, Bahawalpur**
Tel. No.: (062) 2280602-3
112. **Ahmedpur Sharqia Branch District Bahawalpur**
Tel. No.: (062) 2271345 & 0316-8226404, 6 & 8
113. **Hasilpur Branch**
Tel. No.: (062) 2441481-7 & 2441478
114. **Club Road Branch, Sargodha**
Tel. No.: (048) 3726021-3
115. **Pull-111 Branch, District Sargodha**
Tel. No.: (048) 3791403-4 & 0316-8226449 & 50
116. **Sillanwali Branch, District Sargodha**
Tel. No.: 048-6532292-3
117. **Jauharabad Branch, District Khushab**
Tel. No.: (0454) 723011-2
118. **Khushab Branch, District Khushab**
Tel. No.: (0454) 710294, 5 & 6
119. **Bhalwal Branch**
Tel. No.: (048) 6642224 & 0316-8226331-2
120. **Khanewal Branch**
Tel. No.: (065) 2551560-3
121. **Kabirwala Branch, District Khanewal**
Tel. No.: (065) 2400910-3
122. **Abdul Hakeem Branch, District Khanewal**
Tel. No.: (065) 2441888 & 0316-8226310-2
123. **Mian Channu Branch**
Tel. No.: (065) 2662201-2
124. **Depalpur Branch**
Tel. No.: (044) 4541341-2
125. **Okara Branch**
Tel. No.: (044) 2553012-4 & 2552200
126. **Hujra Shah Muqem Branch, District Okara**
Tel. No.: (044) 4860401-3 & 0316-8226419-21
127. **Haveli Lakha Branch, District Okara**
Tel. No.: (044) 4775412-3
128. **Renala Khurd Branch, District Okara**
Tel. No.: 044-2621501, 2 & 3
129. **Sahiwal Branch**
Tel. No.: (040) 4467742-3
130. **Farid Town Branch, Sahiwal**
Tel. No.: (040) 4272173, 4 & 5
131. **Chichawatni Branch, District Sahiwal**
Tel. No.: (040) 5484852-3
132. **Layyah Branch**
Tel. No.: (060) 6414205-7
133. **Jampur Branch, District Rajanpur**
Tel. No.: (060) 4567787 & 4567325
134. **Kharoor Pacca Branch**
Tel. No.: (0608) 341041-2
135. **Muzaffargarh Branch**
Tel. No.: (066) 2422901, 3 & 5
136. **Fazal Garh Sanawan Branch, District Muzaffargarh**
Tel. No.: (066) 2250214-5
137. **Sheikho Sugar Mills Branch District Muzaffargarh**
Tel. No.: 0345-8530242-4
138. **Kot Addu Branch**
Tel. No.: (066) 2239161-3
139. **Shahbaz Khan Road Branch, Kasur**
Tel. No.: (0492) 764890-3



- 140. Jalalpur Bhattian Branch, District Hafizabad**
Tel. No.: (0547) 500848-50
- 141. Hafizabad Branch**
Tel. No.: (0547) 541641-4
- 142. Pattoki Branch**
Tel. No.: (049) 4422435-6
- 143. Ellahabad Branch**
Tel. No.: (049) 4751130
- 144. Khudian Branch**
Tel. No.: (049) 2791595-6
- 145. Sambrial Branch**
Tel. No.: (052) 6523451-3
- 146. Gagoo Mandi Branch, District Vehari**
Tel. No.: (067) 3500311-2
- 147. Mailsi Branch, District Vehari**
Tel. No.: (067) 3750140-5
- 148. Burewala Branch, District Vehari**
Tel. No.: (067) 3773110 & 20 & 3355779
- 149. Vehari Branch**
Tel. No.: (067) 3361370-2
- 150. Tibba Sultanpur Branch, District Vehari**
Tel. No.: (067) 3692559-60 & 3692714
- 151. Mandi Bahauddin Branch**
Tel. No.: (0546) 507602, 3 & 8
- 152. Bahawalnagar Branch**
Tel. No.: (063) 2274795-6
- 153. Haroonabad Branch, District Bahawalnagar**
Tel. No.: (063) 2251664-5
- 154. Toba Tek Singh Branch**
Tel. No.: (046) 2513203-4
- 155. Gojra Branch, District Toba Tek Singh**
Tel. No.: (046) 3516392 & 3515577
- 156. Kamalia Branch, District Toba Tek Singh**
Tel. No.: (046) 3411405-6
- 157. Pir Mahal Branch**
Tel. No.: (046) 3361690 & 5
- 158. Gujrat Branch**
Tel. No.: (053) 3520591, 2 & 4
- 159. Kotla Arab Ali Khan, District Gujrat**
Tel. No.: (053) 7575501 & 3
- 160. Kharian Branch**
Tel. No.: (053) 7602904, 5 & 7
- 161. Pak Pattan Branch, District Pak Pattan**
Tel. No.: (0457) 371781-5
- 162. Arifwala Branch, District Pak Pattan**
Tel. No.: (0457) 834013, 5 & 6
- 163. Chishtian Branch**
Tel. No.: (063) 2501141-2 & 0316-8226304-6
- 164. Khanpur Branch**
Tel. No.: (068) 5577719-20 & 0316-8226307-9
- 165. Narowal Branch**
Tel. No.: (0542) 411405 & 0316-8226328-30
- 166. Rajanpur Branch**
Tel. No.: (0604) 688108 & 0316-8226396
- 167. Mianwali Branch**
Tel. No.: (0459) 230825, 6 & 7
- SOUTH REGION**
- 168. Main Branch, Karachi**
Tel. No.: (021) 32436990 & 32444401-5 & 111-567-890
- 169. Clifton Branch, Karachi**
Tel. No.: (021) 35877773-4, 35861286 & 35375448 & 0316-8226066-71
- 170. Garden Branch, Karachi**
Tel. No.: (021) 32232877-8 0316-8226125-30
- 171. F. B. Area Branch, Karachi**
Tel. No.: (021) 36373782-3 & 36811646
- 172. Korangi Industrial Area Branch, Karachi**
Tel. No.: (021) 35113898-9, 35113900-1 & 0316-8226189-92
- 173. AKU Branch, Karachi**
Tel. No.: (021) 34852251-3 & 33102498-9
- 174. Haidery Branch, Karachi**
Tel. No.: (021) 36638617, 36630409-410 & 0316-8226231-8
- 175. Jodia Bazar Branch, Karachi**
Tel. No.: (021) 32441786, 32442208, 32463894 & 0316-8226202-10
- 176. Shahrah-e-Faisal Branch, Karachi**
Tel. No.: (021) 34316128, 34316395, 34322150, 34398430 & 34535545-46, 53-54
- 177. DHA Branch, Karachi**
Tel. No.: (021) 35852209, 35845211 & 35340825
- 178. Gulshan-e-Iqbal Branch, Karachi**
Tel. No.: (021) 34811830-33 & 0316-8226239-45
- 179. SITE Branch, Karachi**
Tel. No.: (021) 32568330, 32550997 & 32550903-4
- 180. Zamzama Branch, Karachi**
Tel. No.: (021) 35375835 & 35293435
- 181. Gole Market Branch, Karachi**
Tel. No.: (021) 36618932, 36618925 & 0316-8226154-62
- 182. Gulistan-e-Jauhar Branch, Karachi**
Tel. No.: (021) 34020943-5
- 183. M. A. Jinnah Road Branch, Karachi**
Tel. No.: (021) 32213972 & 32213498
- 184. Gulbahar Branch, Karachi**
Tel. No.: (021) 36607744 & 0316-8226434-5
- 185. North Karachi Branch, Karachi**
Tel. No.: (021) 36920140-5 & 0316-8226171-2

- 186. Block-7 Gulshan-e-Iqbal Branch, Karachi**
Tel. No.: (021) 34815811-2, 34833728 & 777
- Islamic Banking**
- 187. Cloth Market Branch, Karachi**
Tel. No.: (021) 32442961 & 32442977
- 188. Paria Street Kharadar Branch, Karachi**
Tel. No.: (021) 32201059, 60 & 61
- 189. SUPARCO Branch, Karachi**
Tel. No.: (021) 34970560, 34158325-6, 37080810 & 0316-8226457
- 190. Chandni Chowk Branch, Karachi**
Tel. No.: (021) 34937933 & 34141296
- 191. Allama Iqbal Road Branch, Karachi**
Tel. No.: (021) 34387673-4
- 192. Nishtar Road Branch, Karachi**
Tel. No.: (021) 32239711-3 & 32239678
- Islamic Banking**
- 193. Waterpump Branch, Karachi**
Tel. No.: (021) 36312113 & 36312108, 36312349 & 36311908
- 194. APWA Complex Branch, Karachi**
Tel. No.: (021) 32253143 & 32253216
- 195. Clifton Block-2 Branch, Karachi**
Tel. No.: (021) 35361115-7
- 196. Malir Branch, Karachi**
Tel. No.: (021) 34517982-3
- 197. Bahadurabad Branch, Karachi**
Tel. No.: (021) 34135842-3
- 198. New Challi Branch, Karachi**
Tel. No.: (021) 32625246 & 32625279
- 199. Shah Faisal Colony Branch, Karachi**
Tel. No.: (021) 34602446-7
- 200. Zaibunisa Street Saddar Branch, Karachi**
Tel. No.: (021) 35220025-7
- 201. Liaquatabad Branch, Karachi**
Tel. No.: (021) 34860723-25
- 202. Lea Market Branch, Karachi**
Tel. No.: (021) 32526193-4
- 203. Korangi Township No.: 2 Branch, Karachi**
Tel. No.: (021) 35058041 & 35071181
- 204. North Karachi Ind. Area Branch, Karachi**
Tel. No.: (021) 36962851, 52 & 55
- 205. F. B. Industrial Area Branch, Karachi**
Tel. No.: (021) 36829961-4
- 206. Napier Road Branch, Karachi**
Tel. No.: (021) 32713539-40
- 207. Gulshan-e-Hadeed Branch, Karachi**
Tel. No.: (021) 34710252 & 256
- 208. Metroville Branch, Karachi**
Tel. No.: (021) 36752206-7
- 209. Defence Phase-II Extension Branch, Karachi**
Tel. No.: (021) 35386910-12
- 210. North Karachi Township Branch, Karachi**
Tel. No.: (021) 36968604-7
- 211. Stock Exchange Branch, Karachi**
Tel. No.: (021) 32414003-4 & 32415927-8
- 212. Gulshan-e-Jamal Branch, Karachi**
Tel. No.: (021) 34682682-4
- 213. Alyabad Branch, Karachi**
Tel. No.: (021) 36826727 & 36332517
- 214. Saudabad Branch, Malir, Karachi**
Tel. No.: (021) 34111901-5
- 215. Shireen Jinnah Colony Branch, Karachi**
Tel. No.: (021) 34166262-4
- 216. Islamic Banking Al-Tijarah Centre Branch, Karachi**
Tel. No.: (021) 34169251-3
- 217. Barkat-e-Haidery Branch, Karachi**
Tel. No.: (021) 36645688-9
- 218. Shadman Town Branch, Karachi**
Tel. No.: (021) 36903038-9
- 219. Enquiry Office Nazimabad No.: 2 Branch, Karachi**
Tel. No.: (021) 36601502-5
- Islamic Banking**
- 220. Rashid Minhas Road Branch, Karachi**
Tel. No.: (021) 34983878 & 34837443-4
- 221. Timber Market Branch, Karachi**
Tel. No.: (021) 32742491-2
- 222. Khayaban-e-Ittehad Branch, Karachi**
Tel. No.: (021) 35347413-6
- 223. Bahria Complex-III (Corporate) Branch, Karachi**
Tel. No.: (021) 35640731-6 & 35640235-7
- 224. New M. A. Jinnah Road Branch, Karachi**
Tel. No.: (021) 34894941-3
- 225. DHA Phase-IV Branch, Karachi**
Tel. No.: (021) 35314491-2 & 0316-8226285-7
- 226. Gulberg Branch, Karachi**
Tel. No.: (021) 36340553, 549 & 0316-8226291-2
- 227. New Sabzi Mandi Branch, Karachi**
Tel. No.: (021) 36870506-7 & 0316-8226409-11
- 228. Clifton Block-08 Branch, Karachi**
Tel. No.: (021) 35867435-6 & 0316-8226425-7
- 229. Block-02 Gulshan-e-Iqbal Branch, Karachi**
Tel. No.: (021) 34988781-2
- 230. Garden Market Branch, Karachi**
Tel. No.: (021) 32244195-6 & 0316-8226431-3
- 231. Block-N North Nazimabad Branch, Karachi**
Tel. No.: (021) 36641623-4 & 0316-8226436-38



- 232. Marriott Road Branch, Karachi**
Tel. No.: (021) 32461840-42 & 0316-8226428-30
- 233. SITE-II Branch, Karachi**
Tel. No.: (021) 36881235-6 & 0316-8226445-47
- 234. Shershah Branch, Karachi**
Tel. No.: (021) 32583001-3 & 0317-4484534-6
- 235. DHA Phase-VIII Branch, Karachi**
Tel. No.: 0315-4979265, 328 & 445
- 236. Khalid Bin Waleed Road Branch, Karachi**
Tel. No.: (021) 34522044, 5 & 6
- 237. Bokhari Commercial Branch, Karachi**
Tel. No.: (021) 35170651, 2 & 3
- 238. 26th Commercial Street Branch, Karachi**
Tel. No.: (021) 35290094, 5 & 6
- 239. Bahria Town Branch, Karachi**
Tel. No.: 0318-4304576-7
- Islamic Banking**
- 240. Gulistan-e-Jauhar Branch, Karachi**
Tel. No.: 0318-4304615, 7 & 8
- Islamic Banking**
- 241. North Karachi Township Branch, Karachi**
Tel. No.: 021-36948010, 1 & 2
- Islamic Banking**
- 242. Korangi Industrial Area Branch, Karachi**
Tel. No.: 0312-3995436 & 0312-6255436
- Islamic Banking**
- 243. Dhoraji Colony Branch, Karachi**
Tel. No.: (021) 34120053-4
- 244. Main Branch, Hyderabad**
Tel. No.: (022) 2781528-9, 2782347 & 111-567-890, 0316-8226044-5
- 245. F. J. Road Branch, Hyderabad**
Tel. No.: (022) 2728131, 2785997 & 2780205
- 246. Latifabad Branch, Hyderabad**
Tel. No.: (022) 3816309 & 3816625
- 247. Qasimabad Branch, Hyderabad**
Tel. No.: (022) 2651968 & 70
- Islamic Banking**
- 248. Isra University Branch, District Hyderabad**
Tel. No.: (022) 2032322 & 2030161-4
- 249. Prince Ali Road Branch, Hyderabad**
Tel. No.: (022) 2638514 & 2622122
- 250. S.I.T.E. Branch, Hyderabad**
Tel. No.: (022) 3886861-2
- 251. Faqir Jo Pir Branch, Hyderabad**
Tel. No.: (022) 2612685-6 & 0316-8226096
- 252. Auto Bhan Road Branch, Hyderabad**
Tel. No.: (022) 2100062-3 & 0316-8226313-4
- 253. Matyari Branch, District Matyari**
Tel. No.: (022) 2760125-6
- 254. Tando Allah Yar Branch**
Tel. No.: (022) 3890260-4
- 255. Sultanabad Branch, District Tando Allah Yar**
Tel. No.: (022) 3404101-2
- 256. Tando Muhammad Khan Branch**
Tel. No.: (022) 3340371-2 & 0316-8226267-8
- 257. Pano Aqil Branch, District Sukkur**
Tel. No.: (071) 5690081, 2 & 3
- 258. Sukkur Branch**
Tel. No.: (071) 5622382, 5622925 & 0316-8226055-6
- 259. Sanghar Branch, District Sanghar**
Tel. No.: (0235) 543376-7 & 0316-8226246-7
- 260. Tando Adam Branch, District Sanghar**
Tel. No.: (0235) 571640-44
- 261. Shahdadpur Branch, District Sanghar**
Tel. No.: (0235) 841982-4
- 262. Shahpur Chakar Branch, District Sanghar**
Tel. No.: (0235) 846010-12
- 263. Golarchi Branch, District Badin**
Tel. No.: (0297) 853192-4
- 264. Talhar Branch, District Badin**
Tel. No.: (0297) 830387-9
- 265. Deh. Sonhar Branch, District Badin**
Tel. No.: (0297) 870729 & 870781-3
- 266. Mattli Branch**
Tel. No.: (0297) 840171-2
- 267. Tando Bago Branch, District Badin**
Tel. No.: (0297) 854554-6
- 268. Buhara Branch, District Thatta**
Tel. No.: 0316-8226439-40
- 269. Dhabeji Branch, District Thatta**
Tel. No.: (021) 34420030, 31 & 39
- 270. Makli Branch, District Thatta**
Tel. No.: (0298) 581807, 8 & 9
- 271. Hub Branch, District Lasbela**
Tel. No.: (0853) 310225-7
- 272. Umerkot Branch**
Tel. No.: (0238) 571350 & 356
- 273. Nawabshah Branch**
Tel. No.: (0244) 363918-9
- 274. Sakrand Branch, District Nawabshah**
Tel. No.: 0318-4244919 & 0318-4244922 & 3
- 275. Nawab Wali Muhammad Branch District Shaheed Benazirabad**
Tel. No.: (0244) 311069, 70 & 71
- 276. Mirpurkhas Branch**
Tel. No.: (0233) 821221 & 821317-8
- 277. Digri Branch, District Mirpurkhas**
Tel. No.: (0233) 869661, 2 & 3
- 278. Larkana Branch**
Tel. No.: (074) 4058211-13

279. Panjhatti Branch

Tel. No.: (0243) 552183-6

280. Ghotki Branch

Tel. No.: (0723) 680305-6

281. Deharkhi Branch

Tel. No.: (0723) 644156, 158 & 160

282. Thull Branch

Tel. No.: (0722) 610153-4

283. Kandkhot Branch

Tel. No.: (0722) 572883-6

284. Jacobabad Branch

Tel. No.: (0722) 654041-5

**285. Shahdadkot Branch, District Gamber
Shahdadkot**

Tel. No.: (074) 4012401-2

286. Dadu BranchTel. No.: (025) 4711417-8 &
0316-8226294-6**287. Mehar Branch, District Dadu**

Tel. No.: (025) 4731113-4

**288. Bhan Sayedabad Branch, District
Jamshoro**

Tel. No.: 0316-8226296-7

289. Shikarpur BranchTel. No.: (0726) 540381-3 &
0316-8226319-21**290. Moro Branch, District Naushero
Feroze**Tel. No.: (0242) 4102000, 4102001 &
4102002**291. Mithi Branch, District Tharparkar**

Tel. No.: (0232) 261291, 2 & 3

292. Main Branch, Quetta

Tel. No.: (081) 2821610 & 2821641

Islamic Banking**293. Shahrah-e-Iqbal Branch, Quetta**

Tel. No.: (081) 2820227-30 & 37

294. Chamman BranchTel. No.: (0826) 613685 &
0316-8226342-4**295. Khuzdar Branch**Tel. No.: (0848) 412861-3 &
0316-8226466-68**NORTH REGION****296. Main Branch, Peshawar**

Tel. No.: (091) 5277914-8 & 5277394

297. Chowk Yadgar Branch, Peshawar

Tel. No.: (091) 2573335-7 & 2220006

Islamic Banking**298. Khyber Bazar Branch, Peshawar**

Tel. No.: (091) 2566811-3

Islamic Banking**299. G. T. Road Branch, Peshawar**

Tel. No.: 091-2263347-8 & 2263323-53

300. Main Branch, RawalpindiTel. No.: (051) 5123123, 4, 5 & 8 &
5123136-7**301. Chandni Chowk Branch, Rawalpindi**Tel. No.: (051) 4571160, 63, 86 & 87 &
4571301**302. 22 Number Chungi Branch,
Rawalpindi**

Tel. No.: (051) 5563576-7

303. Muslim Town Branch, Rawalpindi

Tel. No.: (051) 5405506 & 4931112-3

304. Pindora Branch, Rawalpindi

Tel. No.: (051) 4419020-22

305. Gulraiz Branch, Rawalpindi

Tel. No.: (051) 5595148-9 & 5974073

Islamic Banking**306. Peshawar Road Branch, Rawalpindi**

Tel. No.: (051) 5460113-7

307. Bahria Town Branch, Rawalpindi

Tel. No.: (051) 5733772-3 & 5733768-9

Islamic Banking**308. Chaklala Scheme-III Branch,
Rawalpindi**

Tel. No.: (051) 5766345-7

309. Adyala Road Branch, Rawalpindi

Tel. No.: (051) 5569091, 96, 97 & 99

**310. Bahria Town Phase-VII Branch,
Rawalpindi**Tel. No.: (051) 5400259-60 &
5400255 & 58**311. Bahria Town Phase-VIII Branch,
Rawalpindi**

Tel. No.: (051) 5195232, 4, 5 & 6

Islamic Banking**312. Faisal Town Branch, Rawalpindi**

Tel. No.: (051) 2720670-5

313. Bewal Branch, District Rawalpindi

Tel. No.: (051) 3360274-5

**314. Wah Cantt. Branch, District
Rawalpindi**Tel. No.: (051) 4511140-1 &
0317-4484551-3**315. Kallar Syedan Branch, District
Rawalpindi**

Tel. No.: (051) 3570903

Islamic Banking**316. Satellite Town Branch, Rawalpindi**

Tel. No.: 0310-8143237 & 0310-8153237

317. Main Branch, IslamabadTel. No.: (051) 2348174 & 78 &
111-567-890**318. G-9 Markaz Branch, Islamabad**

Tel. No.: (051) 2850171-3

Islamic Banking**319. I-10 Markaz Branch, Islamabad**

Tel. No.: (051) 4101733-5

320. I-9 Markaz Branch, Islamabad

Tel. No.: (051) 4858101-3

321. E-11 Branch, Islamabad

Tel. No.: (051) 2228757-8

322. DHA Phase-II Branch, Islamabad

Tel. No.: (051) 5161967-9 & 5161970-72

Islamic Banking**323. F-8 Markaz Branch, Islamabad**

Tel. No.: (051) 2818019-21

324. G-11 Markaz Branch, Islamabad


Tel. No.: (051) 2363366-68



- 325. F-11 Markaz Branch, Islamabad**
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- 334. Bhara Kahu Branch, District Islamabad**
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- 338. Attock Branch**
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