



IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



شہید محترمہ بینظیر بھٹو کی یاد میں

**SINDH BANK**  
**سندھ بینک**  
POWER TO THE PEOPLE

بالاختیار عوام

First  
Quarterly  
Financial  
Statements  
March 31, 2022

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## VISION

Our vision is to be a leading bank which would play a positive role to generate economic activities for empowering the people by meeting their financial needs for running a successful business and create employment opportunities.

## MISSION

To develop as a leading Commercial Bank in the country by meeting its stated objectives of promoting economic development of the country in general and in the Province of Sindh in particular.

## Corporate Information

### Board of Directors

Mr. Anis A. Khan*	Chairman/Non-Executive Director
Mr. Sajid Jamal Abro Finance Secretary (GoS)	Non Executive Director/Nominee of GoS
Mr. Asif Jahangir*	Non Executive Director/Nominee of GoS
Mrs. Masooma Hussain*	Non Executive Director
Mr. Javaid Bashir Sheikh*	Independent Director
Mr. Muhammad Naeem Sahgal*	Independent Director
Mr. Mohammad Aftab Alam*	Non Executive Director
Mr. Imran Samad	President & CEO

### Chief Financial Officer

Dilshad Hussain Khan

### Company Secretary

Muhammad Irfan Zafar

### Auditors'

Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

### Legal Advisors

Mohsin Tayebaly & Co

### Share Registrar

CDC Share Registrar Services Ltd.

### Registered/Head Office

3rd, Floor Federation House  
Abdullah Shah Ghazi Road  
Clifton, Karachi-75600  
UAN : +92-21-111-333-225  
Fax : +92-21-35870543

### Registration Number

0073917

### NTN Number

3654008-7

### Website

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

\* All Directors have been elected / re-elected in 10th AGM held on April 2, 2021, subject to the approval of SBP, which is awaited.



## Directors' Report

On behalf of the Board of Directors of Sindh Bank, I am presenting herewith the financial results for the first quarter ended March 31, 2022. Review of performance is presented below:

(Rs. in '000)

Balance Sheet	As on Mar 31, 2022	As on Dec 31, 2021	% age Change
Paid up Capital	25,524,428	25,524,428	-
Shares Deposit Money	4,000,000	4,000,000	
Reserves & Accumulated loss	(9,531,487)	(9,775,499)	2.50%
<b>Paid up Capital &amp; Reserves</b>	<b>19,992,941</b>	<b>19,748,929</b>	<b>1.24%</b>
Deficit on Revaluation of Investment	(1,350,165)	(1,121,647)	
<b>Equity</b>	<b>18,642,776</b>	<b>18,627,282</b>	<b>0.08%</b>
<b>Borrowings</b>	<b>96,423,942</b>	<b>26,785,738</b>	<b>259.98%</b>
<b>Deposits</b>	<b>218,856,800</b>	<b>217,608,406</b>	<b>0.57%</b>
<b>Investment (carrying value)</b>	<b>252,672,393</b>	<b>175,703,381</b>	<b>43.80%</b>
<b>Gross Advances</b>	<b>71,021,970</b>	<b>73,023,451</b>	<b>(2.74)%</b>
Profit & Loss Account	Three Months Ended		
	March 31, 2022	March 31, 2021	%age Change
Markup/return/interest income	6,708,351	4,938,741	
Markup/return/interest expenses	4,940,117	3,982,296	
<b>Net markup/return/interest income</b>	<b>1,768,234</b>	<b>956,445</b>	<b>84.88%</b>
(Loss)/gain on sale of Investments	(33,165)	9,133	
Dividend Income	53,240	41,087	
Fee, Commission & Other Income	174,831	129,910	
<b>Non-mark-up/non-interest income</b>	<b>194,906</b>	<b>180,130</b>	<b>8.20%</b>
<b>Non mark-up/interest expenses</b>	<b>1,483,621</b>	<b>1,308,613</b>	<b>13.37%</b>
Provision/Diminution in value of investments	-	11,894	
Provision-specific & general against advances	81,992	4,889	
<b>Total Provisions</b>	<b>81,992</b>	<b>16,783</b>	<b>388.54%</b>
<b>Profit /(Loss) before Tax &amp; provisions</b>	<b>479,519</b>	<b>(172,038)</b>	<b>378.72%</b>
<b>Profit /(Loss) before Tax</b>	<b>397,527</b>	<b>(188,821)</b>	
<b>Profit /(Loss) After Tax</b>	<b>244,012</b>	<b>(116,124)</b>	<b>310.13%</b>
<b>Earnings / (Loss) per share (Rupees)</b>	<b>0.10</b>	<b>(0.05)</b>	<b>300%</b>
Other Information	As on Mar 31, 2022	As on Dec 31, 2021	%age Change
<b>No. of Accounts</b>	<b>545,083</b>	<b>533,169</b>	<b>2.23%</b>
<b>Number of Branches</b>	<b>330</b>	<b>330</b>	<b>-</b>

Significant improvement in the Bank's performance indicators was witnessed as pre-tax profit for the quarter ended March 31, 2022 amounted to Rs. 397.53 mn compared to pre-tax loss of Rs.188.82 mn in the same quarter last year. After tax profit for the quarter ended March 31, 2022 amounted to Rs. 244.01 mn compared to after tax loss of Rs.116.12 mn in the same quarter last year.

Major reason for the improvement was increase in Net Interest Income of Rs. 811.79 mn i.e 84.88%, mainly due to higher base effect and increase in policy rate (i.e. 2.75%) due to which repricing of earning assets (i.e Floating PIB's and performing Advances) was carried out.

Total Assets stood at Rs.341.08 bn compared to Rs.270.19 bn as at December 31, 2021, thereby registering an increase of 26.2%. Carrying value of Investments as at March 31, 2022 amounted to Rs. 252.67 bn, increasing by Rs. 43.8% over Rs.175.70 bn as at December 31, 2021. Increase was pre-dominantly in short term Treasury bills. Gross Advances decreased by 2.7% to Rs.71.02 bn from Rs.73.023 bn as at December 31, 2021, mainly due to regulatory restrictions on corporate advances

Total Deposits increased by 0.57% to Rs. 218.86 bn from Rs. 217.61 bn as on December 31, 2021. Number of customer accounts stood at 545,083 after increase of 11,914 accounts (i.e. 2.23%) during the quarter which depicts new customer preferences and branches motivation to introduce new customers (NTBs).

Hectic efforts to reduce NPLs continue with the Bank managing to reduce its older NPL by Rs.232.44 mn, where new loans transitioning into NPLs amounted to Rs.10.37 mn during the quarter.

The Bank continued its momentum in the area of Home Remittances Unit, after it was strengthened in 2021, quarterly results, as given below:

2021 (March 31)		2022 (March 31)		% age Increase	
Transactions	Amount in USD	Transactions	Amount in USD	Transactions	Amount in USD
24,647	13,902,946	24,881	11,521,491	1%	(17.1%)

17.1% down due to suspension of MoneyGram system for a month during the quarter 2022 which has been amicably resolved. The Bank is destined to take on-board wide range of exchange companies for better growth of Home Remittance business.

#### **Credit Rating**

VIS Credit Rating Company Limited reaffirmed the Bank's long term entity rating of A+ (Single A Plus) and short term rating of A-1 (A-one) in its report dated June 30, 2021.

#### **Economic Review**

The March quarter was marred by the uncertainty on the domestic and international front. Oil and commodity prices touched a record high due to the war between Russia and Ukraine, which kept the inflation number across the world on historical highs. Country's inflation touched a 2-year high of 13% during the month of January, 22 however, a comparatively lower number in the following months limited the inflation for the quarter at 12.60%. Inflation caused by higher commodity prices and supply constraints did not just affect Pakistan but developed countries around the world have been equally affected by the higher inflationary number and likes of USA & UK has witnessed a 40 year high number.

External account also deteriorated during the quarter due to significant jump in imports and lower than desired growth in exports. Country Imports jumped by 49.12% for 8 months of FY22 due to higher oil, automobiles and food, whereas exports increased by merely 28.11% which put pressure on PKR-USD parity; rupee lost 4% of value during the quarter and 16.22% for the fiscal year. Economic pressures are expected to only aggravate in coming months due to fast depleting FX reserves and deteriorating economic numbers.

### **KSE100 Review**

The index closed at 45,152, which is a positive close of 0.75% for 1QCY22 (+0.75%). The market performance was dictated by volatile news on domestic politics and international front. War between Russia and Ukraine kept commodity prices on historical highs, which converted into inflationary pressures in the domestic economy. The evolving situation and uncertain political future also kept the market hijacked. The clarity on the political front and sign of stability can initiate a relief rally in KSE100.

### **Sindh Microfinance Bank Limited (wholly owned subsidiary)**

Sindh Microfinance Bank Limited ('SMFB') started its operations as a province level microfinance bank in May 2016 with an equity of Rs. 750 million and an aim to improve access to finance for the underprivileged segment of the Sindh Province.

SMFB has been profitable since inception and the Net Equity as of March 31, 2022 stood at PKR 980.5 million. During the past six years SMFB has expanded to 80 locations in Sindh and employs more than 350 personnel. SMFB plans to seek a national level license from the State Bank of Pakistan once the minimum capital requirements for a national level license are met.

SMFB continues to play its role of empowering women by enabling access to finance to the economically active women in rural and semi urban areas of Sindh and to date SMFB has disbursed more than 180,000 loans to women amounting to more than PKR 5 Billion which is an impact in excess of 6.5 times the paid up capital of the Bank.

The Pakistan Credit Rating Agency (PACRA) has maintained the ratings of A- for the long term and A2 for the short term which in PACRA's is reflective of SMFB's sanguine liquidity position, adequate profitability and low investment in non-earning assets.

### **Future Outlook**


With encouraging results achieved so far, the management is determined to maintain its focus on the following major goals in the coming period:

- (i) Recovery and reduction of Non-Performing Loans;
- (ii) Increase of Consumer, SME and Commercial business;
- (iii) Alternate delivery and service channels based on technology platforms to facilitate our customers;
- (iv) Training and development of Staff; and
- (v) Strengthening the risk and control environment.

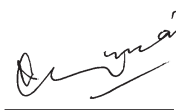
### **Acknowledgements**

On behalf of the Board of Directors, I would like to sincerely thank the regulators, shareholders and customers for their continued guidance, support and confidence reposed in the Bank and its Management.

On behalf of the Board of Directors



**Imran Samad**  
President/CEO



**Masooma Hussain**  
Non Executive Director

Karachi, April 27, 2022

## ڈائریکٹرز رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2022 کو اختتام پذیر پہلی سرمایہ کے لیے بینک کے مالیاتی نتائج پیش کر رہا ہوں۔ کارکردگی کا جائزہ نیچے پیش کیا جاتا ہے:

(روپے 000 میں)

بیلنس شیٹ	31 مارچ 2022 پر	31 دسمبر 2021 پر	فیصد تبدیلی
اداشدہ سرمایہ	25,524,428	25,524,428	-
حصص کی جمع شدہ رقم	4,000,000	4,000,000	
ذخائر اور جمع شدہ نقصان	(9,531,487)	(9,775,499)	2.50%
اداشدہ سرمایہ اور ذخائر	19,992,941	19,748,929	1.24%
سرمایہ کی دوبارہ قدر پذیری پر خسارہ	(1,350,165)	(1,121,647)	
ملکیتی سرمایہ	18,642,776	18,627,282	0.08%
ادھار	96,423,942	26,785,738	259.98%
ڈپازٹس	218,856,800	217,608,406	0.57%
سرمایہ کاری (Carrying value)	252,672,393	175,703,381	43.80%
مجموعی ایڈوانسز	71,021,970	73,023,451	(2.74)%
نفع نقصان کا کھاتہ	31 مارچ 2022 کو اختتام پذیر تین ماہ پر	31 مارچ 2021 کو اختتام پذیر تین ماہ پر	فیصد تبدیلی
مارک اپ/ریورز/سودی آمدنی	6,708,351	4,938,741	
مارک اپ/ریورز/سودی اخراجات	4,940,117	3,982,296	
خالص مارک اپ/ریورز/سودی آمدنی	1,768,234	956,445	84.88%
سرمایہ کی فروخت سے آمدنی/(نقصان)	(33,165)	9,133	
منقسمہ آمدنی (Dividend Income)	53,240	41,087	



نفع نقصان کا کھاتہ	31 مارچ 2022 کو اختتام پذیر تین ماہ پر	31 مارچ 2021 کو اختتام پذیر تین ماہ پر	فیصد تبدیلی
فیس، کمیشن اور دیگر آمدنی	174,831	129,910	
بٹا مارک اپ/غیر سودی آمدنی	194,906	180,130	8.20%
بٹا مارک اپ/غیر سودی اخراجات	1,483,621	1,308,613	13.37%
مختصات/سرمایہ کی گھٹی ہوئی قدر	-	11,894	
مختصات-ایڈوانسز کے لیے مخصوص اور عام	81,992	4,889	
کل مختصات	81,992	16,783	388.54%
منافع/(نقصان) قبل از ٹیکس اور مختصات	479,519	(172,038)	378.72%
منافع/(نقصان) قبل از ٹیکس	397,527	(188,821)	
منافع/(نقصان) بعد از ٹیکس	244,012	(116,124)	310.13%
آمدنی/(نقصان) فی حصص (روپے)	0.10	(0.05)	300%
دیگر معلومات	31 مارچ 2022 پر	31 دسمبر 2021 پر	فیصد تبدیلی
کھاتوں کی تعداد	545,083	533,169	2.23%
شاخوں کی تعداد	330	330	

بینک کی کارکردگی کے اشاروں میں خاصی بہتری دیکھی گئی، 31 مارچ 2022 کو اختتام پذیر سہ ماہی میں قبل از محصول منافع 397.53 ملین روپے رہا جبکہ گزشتہ سال کی پہلی سہ ماہی میں قبل از محصول نقصان کی مالیت 188.82 ملین روپے تھی۔ 31 مارچ 2022 کو اختتام پذیر سہ ماہی پر بعد از محصول منافع کی مالیت 244.01 ملین روپے رہی اس کے مقابلے میں گزشتہ سال پہلی سہ ماہی میں بعد از محصول نقصان کی مالیت 116.12 ملین روپے تھی۔

اس بہتری کی بڑی وجہ خالص سودی آمدن میں 811.79 ملین روپے یعنی 84.88 فیصد کا اضافہ ہے، جو بلند تر (base) کے اثر اور پالیسی نرخ میں (یعنی 2.75 فیصد) اضافے کے باعث ہوا۔ جس کی وجہ سے کمانے والے اثاثہ جات (یعنی فلوئنگ PIBs اور فعال ایڈوانسز) کی قیمتوں کا دوبارہ تعین کیا گیا۔

پہلی سہ ماہی کے اختتام پر مجموعی اثاثہ جات کی مالیت 26.2 فیصد اضافے کے ساتھ 341.08 ارب روپے رہی جبکہ اس کے مقابلے میں 31 دسمبر 2021 کو ان کی مالیت 270.19 ارب روپے تھی۔ 31 مارچ 2022 کو سرمایہ کاری کی کیرنگ ویلیو (Carrying

(value) کی مالیت 43.8 فیصد اضافے کے ساتھ 252.67 ارب روپے رہی، جبکہ 31 دسمبر 2021 پر اس کی مالیت 175.70 ارب روپے تھی۔ یہ اضافہ زیادہ تر قلیل المدت ٹریزری بلز (Treasury bills) میں تھا۔ مجموعی ایڈوانسز 2.7 فیصد کی کے ساتھ 71.02 ارب روپے ہو گئے جبکہ 31 دسمبر 2021 پر اس کی مالیت 73.023 ارب روپے تھی۔ اس کی بنیادی وجہ اداراتی ایڈوانسز پر ریگولیٹری پابندیاں تھیں۔

31 دسمبر 2021 پر کل ڈپازٹس کی مالیت 217.61 ارب روپے میں 0.57 فیصد اضافے سے ان کی مالیت 218.86 ارب روپے ہو گئی۔ کھاتے داروں کی تعداد 545,083 رہی جس میں سہ ماہی کے دوران 11,914 کھاتوں کا اضافہ ہوا (یعنی 2.23 فیصد) جوگا بلوں کی ترجیح اور برانچوں کی نئے گا بلوں کو متعارف کرنے کی ترغیب کو ظاہر کرتا ہے۔ غیر فعال قرضہ جات کو کم کرنے کے لیے مستعدی سے کوششیں جاری ہیں، بینک پرانے 232.44 ملین روپے کے غیر فعال قرضہ جات کو کم کرنا چاہتا ہے، سہ ماہی کے دوران 10.37 ملین روپے کے مزید نئے غیر فعال قرضہ جات بھی اس میں شامل ہو گئے ہیں۔ بینک نے ملکی ترسیل زر کے شعبے کو 2021 میں مستحکم کرنے کے بعد اس کی رفتار کو جاری رکھا، سہ ماہی کے تقابلی نتائج درج ذیل ہیں:

فیصد اضافہ		2022 (31 مارچ)		2021 (31 مارچ)	
امریکی ڈالر میں مالیت	سودے	امریکی ڈالر میں مالیت	سودے	امریکی ڈالر میں مالیت	سودے
-17.1%	1%	11,521,491	24,881	13,902,946	24,647

17.1 فیصد کی کمی کی وجہ 2022 کی سہ ماہی میں "منی گرام سسٹم" کا ایک ماہ کے لیے معطل ہو جانا تھا اور اسے باہمی رضامندی سے حل کیا جا چکا ہے۔ بینک کا ارادہ ہے کہ بہت ساری مبادلہ کمپنیز کو اپنے ساتھ ملائے تاکہ ملکی ترسیل زر میں بہتر نمو حاصل کرے۔

### کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی نے اپنی 30 جون 2021 کی رپورٹ میں بینک کی طویل المدت درجہ بندی کے لیے 'A+' (مثبت A) اور قلیل المدت درجہ بندی کے لیے 'A-1' (A-ون) کی توثیق کی ہے۔

### معاشی جائزہ

مارچ کی سہ ماہی، ملکی اور بین الاقوامی محاذ پر غیر یقینی صورتحال کی وجہ سے انتشار کی کیفیت میں رہی۔ روس اور یوکرین کی جنگ کی وجہ سے تیل اور اجناس کی قیمتیں تاریخی بلند سطح پر پہنچیں، جس نے دنیا بھر میں افراط زر کو تاریخ کی بلند سطح پر پہنچا دیا۔ جنوری کے مہینے کے دوران

ملک میں افراط زر 2 سالوں کی بلند 13 فیصد رہی، تاہم، اگلے مہینوں میں مقابلتاً کم رہی اور سہ ماہی کی افراط زر کو 12.60 فیصد تک محدود رکھا۔ بلند تر اجناس کی قیمتوں اور اس کی فراہمی میں درپیش مشکلات نے نہ صرف پاکستان کو متاثر کیا بلکہ دنیا بھر میں ترقی یافتہ اقوام کو بھی بلند تر افراط زر سے متعلق اعداد نے متاثر کیا اور امریکہ اور برطانیہ جیسے ملکوں نے 40 سال کے بعد افراط زر کے بلند اعداد دیکھے۔

پہلی سہ ماہی میں بیرونی کھاتے میں بگاڑ پیدا ہوا جس کی وجہ درآمدات میں اضافہ اور برآمدات مطلوبہ اضافے سے کم رہیں۔ ملک کی درآمدات میں مالی سال 2022 کے 8 ماہ میں 49.12 فیصد اضافہ ہوا جس کی وجہ تیل، گاڑیوں اور خوراک کی بلند تر قیمتیں رہیں جبکہ برآمدات صرف 28.11 فیصد بڑھیں جس نے پاک روپے/ڈالر کی مساوات مبادلہ پر دباؤ ڈالا؛ اس سہ ماہی میں روپے کی قدر میں 4 فیصد کمی ہوئی اور مالی سال میں 16.22 فیصد کمی ہوئی۔ تیزی سے غیر ملکی زرمبادلہ کے ذخائر کے استعمال اور بگڑتے ہوئے معاشی اعداد و شمار کی وجہ سے آنے والے مہینوں میں معاشی دباؤ بڑھے گا۔

### KSE100 انڈیکس کا جائزہ

انڈیکس 45,152 پوائنٹس پر بند ہوا جو مالی سال کی پہلی سہ ماہی کے لیے 0.75 فیصد ایک مثبت سطح ہے۔ منڈی کی کارکردگی کا تعین ملکی سیاست اور غیر مستحکم بین الاقوامی خبروں نے کیا۔ روس اور یوکرین کی جنگ کی وجہ سے اجناس کی قیمتیں تاریخی بلند سطح پر پہنچی، جس نے ملک میں افراط زر سے متعلق دباؤ میں اضافہ کر دیا جس نے ملکی معیشت پر بھی دباؤ ڈالا۔ ابھرتی ہوئی صورتحال اور سیاست کے غیر یقینی مستقبل نے بھی منڈی کی کیفیت کو گھیرے رکھا۔ سیاسی محاذ کی واضح صورتحال اور استحکام کے اشارے KSE100 کی ریلیف ریلی کا آغاز کر سکتے ہیں۔

### مائیکرو فنانس بینک لمیٹڈ (مکمل طور پر ذیلی ادارہ)

سندھ مائیکرو فنانس بینک لمیٹڈ (SMFB)، نے صوبے کی سطح پر مائیکرو فنانس آپریشن کا آغاز صوبہ سندھ میں مئی 2016 میں 750 ملین روپے کے ملکیتی سرمایہ سے کیا اور اس کا مقصد ہے کہ صوبہ سندھ میں غیر مراعات یافتہ طبقہ تک فنانس کی رسائی میں بہتری لائی جائے۔

سندھ مائیکرو فنانس بینک لمیٹڈ (SMFB) اپنے آغاز سے منافع میں ہے اور 31 مارچ 2022 پر اس کا خالص ملکیتی سرمایہ 980.5 ملین روپے رہا۔ گزشتہ چھ سالوں کے دوران سندھ مائیکرو فنانس بینک لمیٹڈ (SMFB) نے صوبہ سندھ میں 80 مقامات تک توسیع کی ہے اور اس کے عمل کی تعداد 350 سے زیادہ ہے۔ اس کا ارادہ ہے، کہ جیسے ہی قومی سطح کے لائسنس کی کم سے کم کپیٹل کی ضرورت پوری ہوتی ہے تو وہ بینک دولت پاکستان سے قومی سطح کا لائسنس حاصل کرے۔

سندھ مائیکروفنانس بینک لمیٹڈ (SMFB) سندھ میں دیہی اور نیم شہروں میں معاشی طور پر متحرک خواتین کو خود مختار بنانے کے لیے اپنا کردار ادا کرتا رہے گا اور اب تک سندھ مائیکروفنانس بینک لمیٹڈ نے 180,000 سے زیادہ قرضہ جات عورتوں کو فراہم کیے ہیں جن کی مالیت 15 روپے سے زیادہ ہے جو بینک کے ادا شدہ سرمایہ سے 6.5 گنا سے زیادہ کا اثر (impact) ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے طویل المدت درجہ بندی A- اور قلیل المدت درجہ بندی A2 تفویض کی ہیں جو PACRA کی نظر میں سندھ مائیکروفنانس بینک لمیٹڈ کی سیالیت کی صورتحال، منافع بخشی اور غیر آمدنی دینے والے اثاثہ جات پر کم انویسٹمنٹ کی نشان دہی کرتی ہے۔

### مستقبل کا منظر نامہ

اب تک کے حاصل کردہ نتائج کی بنا پر، انتظامیہ پر عزم ہے کہ آنے والی مدت میں، وہ مندرجہ ذیل بڑے مقاصد پر توجہ جاری رکھے گی:

- (i) غیر فعال قرضوں کی بحالی اور کمی؛
- (ii) گاہکوں، SME، تجارتی کاروبار میں اضافہ؛
- (iii) متبادل فراہمی اور خدمات کے ذرائع جس کی بنیاد ٹیکنالوجی پلیٹ فارم پر ہو تاکہ گاہکوں کو سہولت فراہم کی جاسکے۔
- (iv) عملے کی تربیت (Training) اور ترقی
- (v) خطرے اور نگرانی کے ماحول کی مضبوطی

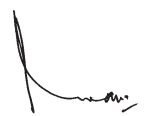
### اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، میں خلوص دل سے ریگولیٹرز، حصص کشندگان اور گاہکوں کا ان کی بینک انتظامیہ کی مسلسل رہنمائی اور حمایت کرنے پر شکریہ ادا کرنا چاہتا ہوں۔

بورڈ آف ڈائریکٹرز کی جانب سے



معصومہ حسین  
نان ایگزیکٹو ڈائریکٹر



صدر / CEO

کراچی: 27 اپریل 2022



**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
PERIOD ENDED  
MARCH 31, 2022**

## Unconsolidated Condensed Interim Statement of Financial Position As At March 31, 2022

As At March 31, 2022		March 31, 2022 Un-audited	December 31, 2021 Audited
Note		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	7	17,866,950	19,341,933
Balances with other banks	8	2,175,653	1,092,559
Lendings to financial institutions	9	1,300,000	6,081,208
Investments	10	252,672,393	175,703,381
Advances	11	45,700,688	47,784,162
Fixed assets	12	2,960,716	3,147,597
Intangible assets	13	105,033	114,274
Deferred tax assets-net	14	13,331,116	13,252,533
Other assets	15	4,965,397	3,670,762
		<b>341,077,946</b>	<b>270,188,409</b>
<b>LIABILITIES</b>			
Bills payable	16	950,442	624,726
Borrowings	17	96,423,942	26,785,738
Deposits and other accounts	18	218,856,800	217,608,406
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	19	6,203,986	6,542,257
		<b>322,435,170</b>	<b>251,561,127</b>
<b>NET ASSETS</b>		<b>18,642,776</b>	<b>18,627,282</b>
<b>REPRESENTED BY</b>			
Share capital - net	20	25,524,428	25,524,428
Reserves		1,510,214	1,461,412
Shares deposit money	21	4,000,000	4,000,000
Deficit on revaluation of assets	22	(1,350,165)	(1,121,647)
Accumulated Loss		(11,041,701)	(11,236,911)
		<b>18,642,776</b>	<b>18,627,282</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		23	

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






Chairman      President and  
Chief Executive Officer      Director      Director      Chief Financial Officer

## Unconsolidated Condensed Interim Profit and Loss Account (Un-audited) For The Quarter Ended March 31, 2022

		March 31, 2022	March 31, 2021
	Note	----- (Rupees in '000) -----	
Mark-up / Return / Interest Earned	24	6,708,351	4,938,741
Mark-up / Return / Interest Expensed	25	4,940,117	3,982,296
<b>Net Mark-up / Interest Income</b>		<b>1,768,234</b>	<b>956,445</b>
<b>Non Mark-up / Interest Income</b>			
Fee and Commission Income	26	89,555	70,763
Dividend Income		53,240	41,087
Foreign Exchange Income		81,956	58,444
Income / (loss) from derivatives		-	-
Gain / (Loss) on securities	27	(33,165)	9,133
Other Income	28	3,320	703
<b>Total non-markup/interest income</b>		<b>194,906</b>	<b>180,130</b>
<b>Total Income</b>		<b>1,963,140</b>	<b>1,136,575</b>
<b>Non Mark-up / Interest Expenses</b>			
Operating expenses	29	1,483,593	1,308,613
Other charges	30	28	-
<b>Total non-markup/interest expenses</b>		<b>1,483,621</b>	<b>1,308,613</b>
<b>Profit / (Loss) before provisions</b>		<b>479,519</b>	<b>(172,038)</b>
Provisions and write offs - net	31	81,992	16,783
Extra ordinary / unusual items		-	-
<b>Profit / (Loss) before Taxation</b>		<b>397,527</b>	<b>(188,821)</b>
Taxation	32	153,515	(72,697)
<b>Profit / (Loss) after Taxation</b>		<b>244,012</b>	<b>(116,124)</b>
		----- Rupees -----	
<b>Basic Earning / (Loss) per share</b>	33	<b>0.10</b>	<b>(0.05)</b>
<b>Diluted Earning / (Loss) per share</b>	34	<b>0.10</b>	<b>(0.05)</b>

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

  
 Chairman

  
 President and  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chief Financial Officer

## Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For The Quarter Ended March 31, 2022

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	----- (Rupees in '000) -----	
<b>Profit / (Loss) after taxation for the period</b>	<b>244,012</b>	<b>(116,124)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in Deficit surplus on revaluation of investments - net of tax	<u>(228,518)</u>	<u>(341,359)</u>
	<b>15,494</b>	<b>(457,483)</b>
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement gain / (loss) on defined benefit obligations - net of deferred tax	-	-
<b>Total comprehensive income / (loss)</b>	<u><b>15,494</b></u>	<u><b>(457,483)</b></u>

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

  
 Chairman

  
 President and  
Chief Executive Officer

  
 Director

  
 Director

  
 Chief Financial Officer



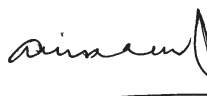
## Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited) For The Quarter Ended March 31, 2022

	Share Capital	Proposed Ordinary shares to be issued on amalgamation	Shares Deposit Money	Capital Reserves		Surplus / (Deficit) on revaluation of Investments	Accumulated Loss **	Total
				Reserves on amalgamation	Share Premium	Statutory Reserve *		
Rupees in '000								
Balance as at January 01, 2021	19,710,130	3,814,298	2,000,000	19,443	51	1,451,928	(408,505)	19,077,121
Loss after tax for the quarter ended March 31, 2021	-	-	-	-	-	-	(116,124)	(116,124)
Other comprehensive income - net of tax	-	-	-	-	-	-	(341,359)	(341,359)
Issue of Shares during the period	5,814,298	(3,814,298)	(2,000,000)	-	-	-	-	-
Balance as at March 31, 2021	25,524,428	-	-	19,443	51	1,451,928	(749,864)	18,619,638
Loss after tax for the nine months ended December 31, 2021	-	-	-	-	-	-	(3,611,360)	(3,611,360)
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	797	(370,986)
Share deposit money	-	-	4,000,000	-	-	-	-	4,000,000
Fair valuation adjustment of net assets of Sindh Leasing Company Limited	-	-	-	(10,010)	-	-	-	(10,010)
Balance as at December 31, 2021	25,524,428	-	4,000,000	9,433	51	1,451,928	(11,216,647)	18,627,282
Profit after tax for the quarter ended March 31, 2022	-	-	-	-	-	-	244,012	244,012
Other comprehensive income - net of tax	-	-	-	-	-	-	(228,518)	(228,518)
Transfer to statutory reserve	-	-	-	-	-	48,802	(48,802)	-
Balance as at March 31, 2022	25,524,428	-	4,000,000	9,433	51	1,500,730	(11,041,701)	18,642,776

\* Statutory reserve represents amount set aside as per the requirements of Section 21 of the Banking Companies Ordinance, 1962.

\*\* As more fully explained in note 11.2.2 of these unconsolidated condensed interim financial statements, unappropriated profit includes an amount of Rs.7,034.10 million net of tax as at March 31, 2022 (December 31, 2021: Rs. 7,184.65 million) representing additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders.

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



Chairman



President and  
Chief Executive Officer



Director



Director



Chief Financial Officer

## Unconsolidated Condensed Interim Cash Flow Statement (Un-audited) For The Quarter Ended March 31, 2022

		March 31, 2022	March 31, 2021
	Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		397,527	(188,821)
Less: Dividend income		(53,240)	(41,087)
		344,287	(229,908)
<b>Adjustments:</b>			
Depreciation	29	269,788	237,919
Amortisation	29	9,241	6,325
Provision and write offs -net	31	81,992	16,783
Gain on sale of operating fixed assets	28	(2,632)	(107)
		358,389	260,920
		702,676	31,012
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		4,781,208	482,901
Advances		2,001,482	(1,019,570)
Other assets (excluding advance taxation)		(1,300,474)	926,730
		5,482,216	390,061
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		325,716	137,314
Borrowings from financial institutions		69,638,204	52,589,440
Deposits and other accounts		1,248,394	7,318,543
Other liabilities (excluding current taxation)		(338,270)	(716,456)
		70,874,044	59,328,841
		77,058,936	59,749,914
Income tax paid		(70,422)	(2,336)
<b>Net cash flows from / (used in) operating activities</b>		<b>76,988,514</b>	<b>59,747,578</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investment in available-for-sale securities		(77,350,515)	(62,543,982)
Net investment in held-to-maturity securities		6,884	6,556
Dividends received		43,503	33,621
Investments in operating fixed assets		(80,547)	(18,604)
Sale proceeds from sale of fixed assets		272	107
<b>Net cash flows from / (used in) investing activities</b>		<b>(77,380,403)</b>	<b>(62,522,302)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		-	-
Decrease in cash and cash equivalents		(391,889)	(2,774,724)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>20,434,492</b>	<b>18,671,970</b>
<b>Cash and cash equivalents at the end of the period</b>	35	<b>20,042,603</b>	<b>15,897,246</b>

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






Chairman      President and  
Chief Executive Officer      Director      Director      Chief Financial Officer

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Quarter Ended March 31, 2022

### 1. STATUS AND NATURE OF BUSINESS

- 1.1** Sindh Bank Limited (the Bank) was incorporated in Pakistan on October 29, 2010 as a public unlisted company and is engaged in Commercial Banking, Corporate and Investment related activities. The Bank operates 330 (2021: 330) branches including 8 (2021: 8) sub-branches and 14 (2021: 14) Islamic banking branches in Pakistan. The Bank's registered office is located at 3rd floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi, Pakistan.
- 1.2** The Government of Sindh, through its Finance Department owns 99.96% ordinary shares of the Bank.
- 1.3** VIS Credit Rating Company Limited has reaffirmed the long term entity rating of A+ (Single A Plus) and short term rating of A-1 (A-one) in its report dated June 30, 2021.

### 1.4 Going Concern

Due to significant losses suffered by the Bank since the years 2018 and to address any material uncertainties, the management has been working on a Business Viability Plan approved by its Board of Directors in 73rd meeting held on September 13, 2019. The Plan aims to make the Bank a viable, self-sustaining institution. Important areas of focus where efforts are continuing and significant progress has been made are:

- Strengthening Bank's Capital -As planned, cash injection, of Rs. 11.7 billion was made in 2019 and Rs. 3.814 billion added during 2020 from amalgamation of Sindh Leasing Company Limited in Bank's Tier 1 Common Equity. A further amount of Rs. 4 billion has been received from GoS in the last quarter of 2021.
- Improving Business Volumes and Profitability-This involves the Bank taking pro-active measures to:
  - i. Increase fee-based income from mainly trade-related business;
  - ii) Improve Net Interest margin;
  - a) Mobilize cost effective (CASA) deposits;
  - b) Launch new asset products in the Consumer and SME segments;
  - iii. make concerted efforts for recovery and reduction of Non-Performing Loans.
  - iv. Take cost rationalization measures;
- Strengthening the Bank's Governance, Risk and Control environment.
- The management is confident that barring any unforeseen contingencies, the Bank will be able to stage a turn-around. The Government of Sindh, Bank's major shareholder holding 99.96 percent of the Bank's equity is fully committed to supporting the Bank, whenever required.

- 1.5** Listing of the Bank will be undertaken in future after improvement in Bank's financial position and Regulator's guidance on the matter.

### 2. BASIS OF PRESENTATION

- 2.1** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 5 dated 22 March 2019 and the requirements of the International Accounting Standard 34, "Interim Financial Reporting". These do not include all of the information required for the full set of annual financial statements and should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2021.

**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 unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. 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) and notified under the provisions of the Companies Act, 2017.

**2.3** The financial results of the Islamic Banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in note 40 to these unconsolidated condensed interim financial statements.

### **3. STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) 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 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).

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

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, the IFRS - 7 Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information is the same as that applied in the preparation of the audited unconsolidated financial statements for the year ended December 31, 2021.

#### 5 SIGNIFICANT ACCOUNTING POLICIES

5.1 The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2021.

#### 5.2 Standards, interpretations and amendments to published accounting and reporting standards that are relevant but not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard amendments, or interpretation and are not early adopted by the Bank:

Standard or Interpretation or Amendments	Effective date (annual periods beginning on or after)
IAS 1 - Classification of Financial Statements	January 01, 2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2023
IAS 12 - Income Taxes (Amendments)	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - The amendment amends accounting treatment on loss of control of business or assets.	date under review

IFRS 9 - Financial Instruments : has been made applicable in several overseas jurisdictions from January 01, 2018 and is progressively being adopted in others. The requirements of IFRS 9 are incorporated in the banks financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter No. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan was deferred to accounting periods beginning on or after January 01, 2022 and detailed guidelines are awaited regarding the same.

#### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Bank for the year ended December 31, 2021.

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
Local currency		3,589,949	4,293,826
Foreign currency		148,102	175,646
		3,738,051	4,469,472
<b>With State Bank of Pakistan (SBP) in</b>			
Local currency current accounts	7.1	12,672,220	11,738,058
Foreign currency current accounts	7.2	155,655	144,789
Foreign currency deposit accounts			
- Non Remunerative	7.3	100,089	96,290
- Remunerative	7.4	185,449	178,410
		13,113,413	12,157,547
<b>With National Bank of Pakistan in</b>			
Local currency current accounts		987,313	2,657,534
Local currency deposit accounts	7.5	14,118	15,866
		1,001,431	2,673,400
<b>Prize bonds</b>		14,055	41,514
		17,866,950	19,341,933

- 7.1 This represents cash reserve required to be maintained with SBP as per the requirement of Section 22 of the Banking Companies Ordinance, 1962.
- 7.2 This represents US Dollar Settlement Account maintained with SBP.
- 7.3 This represents foreign currency (FCY) cash reserve maintained with SBP to comply with statutory reserve requirement applicable on Bank's FCY deposits.
- 7.4 This represents foreign currency special cash reserve maintained with SBP. The Bank is entitled to earn profit which is declared by SBP on a monthly basis. During the period, the SBP has declared Nil profits (2021 : nil) per annum.
- 7.5 This includes savings account with National Bank of Pakistan carrying mark-up at 8.25% (2021: 7.25%) per annum.

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>8 BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current accounts		30	30
In savings accounts	8.1	1,313	1,288
		1,343	1,318
<b>Outside Pakistan</b>			
In current accounts		2,174,310	1,091,241
		2,175,653	1,092,559
<b>8.1</b>	This includes savings account with a commercial bank carrying profit at the rate of 8.25% (2021: 7.25%) per annum.		
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (Reverse Repo)	9.3	-	5,381,208
Musharaka arrangements	9.2	1,300,000	700,000
		1,300,000	6,081,208
<b>9.1 Particulars of lending</b>			
In local currency		1,300,000	6,081,208
In foreign currencies		-	-
		1,300,000	6,081,208
<b>9.2</b>	This represents arrangement with an Islamic bank carrying mark-up at the rate of 10.50% (2021: 10.00%) per annum maturing up to April 01, 2022 (2021: January 06, 2022).		
<b>9.3 Securities held as collateral against Lendings to financial institutions</b>			

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees '000) -----					
Market Treasury Bills	-	-	-	992,564	-	992,564
Pakistan Investment Bonds	-	-	-	4,398,648	-	4,398,648
Total	-	-	-	5,391,212	-	5,391,212



## 10 INVESTMENTS

### 10.1 Investments by type

	March 31, 2022 (Un-audited)				December 31, 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 -----							
<b>Available-for-sale securities</b>								
Federal Government Securities								
Market Treasury Bills	120,249,122	-	(419,091)	119,830,031	42,881,078	-	(64,239)	42,816,839
Pakistan Investment Bonds	111,037,976	-	(1,747,703)	109,290,273	111,067,351	-	(1,699,558)	109,367,793
Government of Pakistan - Ijarah Sukuk	3,000,015	-	(1,975)	2,998,040	3,000,017	-	(10,927)	2,989,090
Shares								
Listed	2,608,352	(344,000)	(93,439)	2,170,913	2,596,504	(344,000)	(93,489)	2,159,015
Non-government debt securities								
Mutual funds	215,049	(35,063)	48,826	228,812	215,049	(35,063)	29,450	209,436
	237,110,514	(379,063)	(2,213,382)	234,518,069	159,759,999	(379,063)	(1,838,763)	157,542,173
<b>Held-to-maturity securities</b>								
Federal Government Securities								
Pakistan Investment Bonds	16,737,537	-	-	16,737,537	16,744,421	-	-	16,744,421
Preference Shares - Unlisted	77,708	(77,708)	-	-	77,708	(77,708)	-	-
Non-government debt securities								
Term finance certificates - Listed	224,235	-	-	224,235	224,235	-	-	224,235
Term finance certificates - Unlisted	858,997	(416,445)	-	442,552	858,997	(416,445)	-	442,552
	17,898,477	(494,153)	-	17,404,324	17,905,361	(494,153)	-	17,411,208
<b>Investment in Subsidiary</b>								
Fully paid ordinary shares	750,000	-	-	750,000	750,000	-	-	750,000
<b>Total Investments</b>	<u>255,758,991</u>	<u>(873,216)</u>	<u>(2,213,382)</u>	<u>252,672,393</u>	<u>178,415,360</u>	<u>(873,216)</u>	<u>(1,838,763)</u>	<u>175,703,381</u>

### 10.2 Investments given as collateral

#### Federal government securities

Pakistan Investment Bonds	75,884,600	24,987,500
Market Treasury Bills	18,703,931	-
	<u>94,588,531</u>	<u>24,987,500</u>

March 31,  
2022  
Un-audited

December 31,  
2021  
Audited

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



	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
11.1 Particulars of advances (Gross)		
In local currency	71,021,969	73,023,451
In foreign currencies	-	-
	<u>71,021,969</u>	<u>73,023,451</u>

11.2 Advances include Rs.37,187.36 (2021: Rs.37,403.70) million which have been placed under non-performing status as detailed below:

status as detailed below:		<b>March 31, 2022</b> <b>(Un-audited)</b>		<b>December 31, 2021</b> <b>(Audited)</b>	
<b>Category of Classification</b>	<b>Note</b>	<b>Non performing Loans</b>	<b>Provision</b>	<b>Non performing Loans</b>	<b>Provision</b>
----- Rupees in '000 -----					
<b>Domestic</b>					
Other Assets Especially Mentioned	11.2.1	18,984	-	27,270	-
Substandard		11,169	196	20,125	1,625
Doubtful		817,427	266,796	888,099	296,028
Loss		36,339,775	25,050,352	36,468,208	24,938,733
<b>Total</b>		<b>37,187,355</b>	<b>25,317,344</b>	<b>37,403,702</b>	<b>25,236,386</b>

11.2.1 This represents non-performing portfolio of agricultural and small and medium enterprise financing classified as OAEM as per the requirements of the Prudential Regulations for Agricultural, Infrastructure Project Financing and Small and Medium Enterprise Financing issued by the State Bank of Pakistan.

11.2.2 The Bank has availed the benefit of forced sale value on plant and machinery under charge and mortgaged residential and commercial property (land and building only) held as collateral against non-performing advances on the basis of the instructions of the State Bank of Pakistan. Had the benefit not been taken by the Bank, specific provision against non-performing advances would have been higher by Rs. 11,433.42 (2021: Rs.11,680.22) million. The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

#### 11.2.3 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	25,236,386	2,903	25,239,289	19,500,410	2,208	19,502,618
Exchange adjustments	-	-	-	-	-	-
Charge for the period	95,224	-	95,224	5,976,561	695	5,977,256
Reversals	(9,294)	1,034	(8,260)	(334,983)	-	(334,983)
	85,930	1,034	86,964	5,641,578	695	5,642,273
Amounts charged off - Agriculture loans	(4,972)	-	(4,972)	93,301	-	93,301
Net charge / (reversal) during the period	80,958	1,034	81,992	5,734,879	695	5,735,574
Fair value adjustment on net assets of Sindh Leasing Co. Ltd	-	-	-	1,097	-	1,097
Amounts written off	-	-	-	-	-	-
Closing balance	<u>25,317,344</u>	<u>3,937</u>	<u>25,321,281</u>	<u>25,236,386</u>	<u>2,903</u>	<u>25,239,289</u>

11.2.3.1 General provision against consumer loans represents provision maintained at an amount equal to 1% (2021: 1%) of the fully secured performing portfolio and 4% (2021: 4%) of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP. General provision against Small Enterprises financing represents provision maintained at an amount equal to 0% (2021: 0%) of the fully secured performing portfolio and 1% of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP.

		March 31, 2022 Un-audited	December 31, 2021 Audited
		----- (Rupees '000) -----	
<b>12 FIXED ASSETS</b>	<b>Note</b>		
Capital work-in-progress	12.1	118,147	73,166
Property and equipment		1,234,523	1,264,760
Right of use assets		1,608,046	1,809,671
		<u>2,960,716</u>	<u>3,147,597</u>
<b>12.1 Capital work-in-progress</b>			
Civil works		15,552	4,396
Equipment		4,294	1,541
Advances to suppliers		98,301	67,229
		<u>118,147</u>	<u>73,166</u>
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>Un-audited</b>	
		----- Rupees in '000 -----	
<b>12.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Property and equipment :</b>			
Leasehold improvements		3,329	-
Furniture and fixture		1,181	724
Computer and office equipment		13,979	3,635
Vehicles		19,545	5,881
<b>Total</b>		<u>38,034</u>	<u>10,240</u>
<b>Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Lease hold improvements		86	-
Computer and office equipment		24	-
Vehicles		-	-
<b>Total</b>		<u>110</u>	<u>-</u>
		<b>March 31, 2022</b>	<b>December 31, 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		----- (Rupees '000) -----	
<b>13 INTANGIBLE ASSETS</b>			
Computer Software		105,033	114,274
Others		-	-
		<u>105,033</u>	<u>114,274</u>

	March 31, 2022	March 31, 2021
	<b>Un-audited</b>	
	----- Rupees in '000 -----	
<b>Additions to intangible assets</b>		
The additions to intangible assets during the period:		
Computer Software	-	-
<b>Disposals of intangible assets</b>		
The net book value of intangible assets disposed off during the period.	-	-
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>Un-audited</b>	<b>Audited</b>
	----- (Rupees '000) -----	
<b>14 DEFERRED TAX ASSETS - NET</b>		
<b>Deductible Temporary Differences on</b>		
- Provision against advances - general	8,176,999	8,420,982
- Tax losses carried forward	3,403,324	3,319,583
- Provision for diminution in the value of investments	247,735	247,735
- Deficit on revaluation of investments	863,219	717,118
- Others	791,528	705,534
	<b>13,482,805</b>	<b>13,410,952</b>
<b>Taxable Temporary Differences on</b>		
- Accelerated tax depreciation - tangible fixed assets	(12,624)	(20,465)
- Net investment in Lease Finance	(131,859)	(131,859)
- Accelerated tax amortization - intangible assets	(7,206)	(6,095)
	<b>(151,689)</b>	<b>(158,419)</b>
	<b>13,331,116</b>	<b>13,252,533</b>
<b>15 OTHER ASSETS</b>		
Income/ Mark-up accrued in local currency	4,452,090	3,045,472
Accrued commission income	7,234	7,234
Advances, deposits, advance rent and other prepayments	122,397	87,898
Receivable against sale of shares	95,383	268,770
Unrealised gain on forward forex revaluation - net	-	130,799
Insurance premium receivable against agriculture loans	12,938	12,565
Stationery and stamps on hand	25,094	7,984
Dividends receivable	9,737	-
Receivable against 1 Link ATM settlement account	136,195	-
Advance Taxation - net	24,478	40,054
Acceptances	-	-
Insurance claims receivable	17,386	16,252
Other receivables	62,465	53,734
	<b>4,965,397</b>	<b>3,670,762</b>
<b>16 BILLS PAYABLE</b>		
In Pakistan	950,442	624,726
Outside Pakistan	-	-
	<b>950,442</b>	<b>624,726</b>

	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>17 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
- Under export refinance scheme	1,682,153	1,695,919
- Under long term finance facility	74,849	89,819
<b>Repurchase agreement borrowings</b>		
- State Bank of Pakistan	93,686,818	25,000,000
- Other commercial bank	980,122	-
	94,666,940	25,000,000
	96,423,942	26,785,738
<b>17.1 Particulars of borrowings</b>		
In local currency	96,423,942	26,785,738
In foreign currencies	-	-
	96,423,942	26,785,738

**18 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- Rupees in '000 -----					
<b>Customers</b>						
Current deposits	56,655,804	406,513	57,062,317	61,100,359	393,151	61,493,510
Savings deposits	93,783,151	975,473	94,758,624	92,336,919	946,331	93,283,250
Term deposits	63,087,280	450,824	63,538,104	58,533,628	411,867	58,945,495
Margin and other deposits	494,271	-	494,271	563,852	-	563,852
	214,020,506	1,832,810	215,853,316	212,534,758	1,751,349	214,286,107
<b>Financial Institutions</b>						
Current deposits	56,642	20	56,662	47,372	19	47,391
Savings deposits	1,142,778	-	1,142,778	1,443,864	-	1,443,864
Term deposits	1,684,000	-	1,684,000	1,711,000	-	1,711,000
Margin and other deposits	120,044	-	120,044	120,044	-	120,044
	3,003,464	20	3,003,484	3,322,280	19	3,322,299
	217,023,970	1,832,830	218,856,800	215,857,038	1,751,368	217,608,406

	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>19 OTHER LIABILITIES</b>		
Mark-up / return / interest payable in local currency	2,662,879	3,032,140
Mark-up / return / interest payable in foreign currency	2,447	2,947
Accrued expenses	247,162	124,448
Net defined benefit liability	27,947	93,779
Provision for compensated absences	219,366	224,032
Unrealised loss on forward forex revaluation - net	292,259	-
Payable against 1 Link ATM settlement account	-	47,032
Payable against purchase of operating fixed assets	13,660	13,660
Payable against purchase of shares	-	205,890
Retention money	63,585	60,701
Federal excise duty / sales tax on services payable	3,856	6,185
Lease liability	1,859,644	2,073,301
Withholding tax payable	172,682	36,542
Acceptances	-	-
Security deposit against lease contracts	19.1 300,218	362,368
Others	338,281	259,232
	<u>6,203,986</u>	<u>6,542,257</u>

19.1 These represent interest free security deposits received from lessees against lease contracts of Sindh Leasing Company Limited was amalgamated into the Bank, and are adjustable against residual value of leased assets at the expiry of the respective lease terms.

## 20 SHARE CAPITAL - NET

### 20.1 Authorised capital

March 31, 2022 Un-audited	December 31, 2021 Audited		March 31, 2022 Un-audited	December 31, 2021 Audited
Number of Shares			----- Rupees in '000 -----	
<u>2,800,000,000</u>	<u>2,800,000,000</u>	Ordinary shares of Rs.10 each	<u>28,000,000</u>	<u>28,000,000</u>

### 20.2 Issued, subscribed and paid-up share capital

Fully paid in cash				
March 31, 2022 Un-audited	December 31, 2021 Audited		March 31, 2022 Un-audited	December 31, 2021 Audited
<u>2,171,013,000</u>	<u>2,171,013,000</u>	Ordinary shares of Rs.10 each	<u>21,710,130</u>	<u>21,710,130</u>
<u>381,429,817</u>	<u>381,429,817</u>	Ordinary shares of Rs. 10 issued as consideration of amalgamation	<u>3,814,298</u>	<u>3,814,298</u>
<u>2,552,442,817</u>	<u>2,552,442,817</u>		<u>25,524,428</u>	<u>25,524,428</u>

20.3 The Government of Sindh, through its Finance Department, owns 99.96% ordinary shares of the Bank.

## 21 SHARES DEPOSIT MONEY

Opening balance	4,000,000	2,000,000
Received during the period / year	-	4,000,000
Right shares issued during the period / year	-	(2,000,000)
	<u>4,000,000</u>	<u>4,000,000</u>



		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>22 DEFICIT ON REVALUATION OF ASSETS</b>			
<b>Available-for-sale securities</b>			
Federal government securities		(2,168,769)	(1,774,724)
Fully paid ordinary shares - listed		(93,439)	(93,489)
Units of mutual funds (units / certificates)		48,826	29,450
		<u>(2,213,382)</u>	<u>(1,838,763)</u>
Related deferred taxation		863,217	717,116
		<u>(1,350,165)</u>	<u>(1,121,647)</u>
<b>23 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	4,792,148	4,635,678
Commitments	23.2	131,732,069	52,600,081
Other contingent liabilities		-	-
		<u>136,524,217</u>	<u>57,235,759</u>
<b>23.1 Guarantees:</b>			
Financial guarantees		1,015,667	1,059,301
Performance guarantees		1,700,154	151,016
Other guarantees		2,076,327	3,425,361
		<u>4,792,148</u>	<u>4,635,678</u>
<b>23.2 Commitments:</b>			
<b>Documentary credits and short-term trade-related transactions</b>			
- letters of credit		310,809	536,689
<b>Commitments in respect of:</b>			
- forward foreign exchange contracts	23.2.1	26,668,215	12,941,129
- forward lending	23.2.2	104,753,045	39,122,263
<b>Other commitments</b>		-	-
		<u>131,732,069</u>	<u>52,600,081</u>
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		12,955,982	6,740,279
Sale		13,712,233	6,200,850
		<u>26,668,215</u>	<u>12,941,129</u>
<b>23.2.2 Commitments in respect of forward lending</b>			
Forward repurchase agreement lending		94,726,387	25,103,970
Forward resale agreement borrowings		-	5,382,772
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	10,026,658	8,635,521
		<u>104,753,045</u>	<u>39,122,263</u>
<b>23.2.2.1 Commitments to extend credit</b>			

The Bank enters into commitments to extend credit in the normal course of its business but these are revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		March 31, 2022	March 31, 2021
		----- Un-audited -----	
		----- Rupees in '000 -----	
<b>24</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	Loans and advances	1,128,442	1,018,717
	Investments	5,308,398	3,745,158
	Lendings to financial institutions	268,846	170,718
	Balances with banks	2,665	4,148
		<u>6,708,351</u>	<u>4,938,741</u>
<b>25</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	Deposits	3,208,446	2,373,064
	Borrowings	1,655,772	1,533,932
	Cost of swaps against foreign currency deposits / borrowings	28,144	16,279
	Lease liability against right of use assets	47,755	59,021
		<u>4,940,117</u>	<u>3,982,296</u>
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	13,546	10,090
	Consumer finance related fees	554	410
	Card related fees (debit cards)	48,069	32,876
	Commission on trade	13,137	15,347
	Commission on guarantees	8,398	6,939
	Credit related fees	1,269	828
	Commission on remittances including home remittances	4,234	3,954
	Others	348	319
		<u>89,555</u>	<u>70,763</u>
<b>27</b>	<b>GAIN / (LOSS) ON SECURITIES</b>		
	Realised	27.1 (33,165)	9,133
	Unrealised - held for trading	-	-
		<u>(33,165)</u>	<u>9,133</u>
<b>27.1</b>	<b>Realised gain/(loss) on:</b>		
	Federal Government Securities	(27,060)	8,101
	Shares of listed companies	(6,105)	1,032
	Others investments	-	-
		<u>(33,165)</u>	<u>9,133</u>
<b>28</b>	<b>OTHER INCOME</b>		
	Gain on sale of operating fixed assets	2,632	107
	Rent on premises shared	285	285
	Incidental charges	343	226
	Others	60	85
		<u>3,320</u>	<u>703</u>

		March 31, 2022	March 31, 2021
	Note	----- Un-audited -----	----- Rupees in '000 -----
<b>29 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	29.1	<b>746,849</b>	653,936
<b>Property expenses</b>			
Rent & taxes		5,589	6,043
Insurance		19,041	8,353
Utilities cost		58,497	46,185
Security (including guards)		85,908	85,096
Repairs & maintenance		5,354	5,330
Depreciation		16,490	16,394
Depreciation on right of use assets		201,626	166,237
		<b>392,505</b>	333,638
<b>Information technology expenses</b>			
Software maintenance		24,401	18,491
Hardware maintenance		16,694	20,558
Depreciation		5,026	5,852
Amortisation		9,241	6,325
Network charges		2,978	2,665
Others		7,496	3,775
		<b>65,836</b>	57,666
<b>Other operating expenses</b>			
Directors' fees and allowances		1,950	4,800
Fees and allowances to Shariah Board		1,043	1,178
Legal & professional charges		8,313	8,970
Outsourced services costs		27,767	29,981
Travelling & conveyance		10,483	6,418
NIFT clearing charges		7,403	6,216
Depreciation		46,646	49,436
Training & development		323	128
Postage & courier charges		6,461	6,862
Communication		30,451	28,455
Stationery & printing		25,328	22,819
Marketing, advertisement & publicity		16,060	4,553
Donations		-	-
Auditors' Remuneration	29.2	3,492	3,447
Repairs & maintenance		31,349	21,871
Brokerage and commission		2,740	2,593
Entertainment		14,840	13,375
Fees and subscription		30,767	39,479
Insurance expenses		2,578	2,496
Others		10,409	10,296
		<b>278,403</b>	263,373
		<b>1,483,593</b>	<b>1,308,613</b>

	March 31, 2022	March 31, 2021
	----- Un-audited -----	
	----- Rupees in '000 -----	
<b>Note</b>		
<b>29.1 Total compensation expense</b>		
Managerial Remuneration		
- Fixed	454,106	395,802
- Variable Cash Bonus / Awards etc.	140	-
Charge for defined benefit plan	27,946	19,816
Contribution to defined contribution plan	25,638	22,765
Rent & house maintenance	131,984	122,042
Utilities	26,824	24,673
Medical	26,824	24,671
Conveyance	24,431	22,105
Employees old age benefits contribution	3,751	3,693
Leave Fare Assistance	6,349	2,164
Staff Insurances	16,866	14,061
Others	1,990	2,144
	<u>746,849</u>	<u>653,936</u>
<b>29.2 Auditors' remuneration</b>		
Audit fee	2,624	3,038
Fee for other statutory certifications	292	278
Special certifications and sundry advisory services	137	131
Out-of-pocket expenses	439	-
	<u>3,492</u>	<u>3,447</u>
<b>30 OTHER CHARGES</b>		
Penalties imposed by the State Bank of Pakistan	28	-
Others	-	-
	<u>28</u>	<u>-</u>
<b>31 PROVISIONS &amp; WRITE OFFS - NET</b>		
Provisions for diminution in value of investments	10.3.1	-
Reversal of Provisions against loans & advances - specific		11,894
Provisions against loans & advances - specific		(68,653)
Provisions against loans & advances - general		73,279
Net provision during the period		263
Bad debts written off directly	11.2.3	81,992
		4,889
		-
		<u>81,992</u>
		<u>16,783</u>

	March 31, 2022	March 31, 2021
	----- Un-audited -----	
	----- Rupees in '000 -----	
<b>32 TAXATION</b>		
Current	85,998	76,019
Deferred	67,517	(148,716)
	<u>153,515</u>	<u>(72,697)</u>
<b>33 BASIC EARNING / (LOSS) PER SHARE</b>		
Profit / (Loss) for the period	<u>244,012</u>	<u>(116,124)</u>
Weighted average number of ordinary shares	<u>2,552,442,817</u>	<u>2,379,363,286</u>
Basic Earning / (Loss) per share	<u>0.10</u>	<u>(0.05)</u>
<b>34 DILUTED EARNING / (LOSS) PER SHARE</b>		
Profit / (Loss) for the period	<u>244,012</u>	<u>(116,124)</u>
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>2,552,442,817</u>	<u>2,379,363,286</u>
Diluted Earning / (Loss) per share	<u>0.10</u>	<u>(0.05)</u>
<b>35 CASH AND CASH EQUIVALENTS</b>		
Cash and Balances with Treasury Banks	17,866,950	14,911,383
Balances with other banks	2,175,653	985,863
	<u>20,042,603</u>	<u>15,897,246</u>

#### 36 FAIR VALUE MEASUREMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy.

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 assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

##### 36.1 Fair value of financial assets

IFRS 13 requires the Bank to carry out fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- 36.2 The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP.

March 31, 2022 (Un-audited)				
Fair Value				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets measured at fair value				
Available-for-sale securities				
Pakistan Investment Bonds	-	109,290,273	-	109,290,273
Market Treasury Bills	-	119,830,031	-	119,830,031
Shares of listed companies	2,170,913	-	-	2,170,913
Units of mutual funds	94,352	134,460	-	228,812
Ijarah Sukuk - GoP	-	2,998,040	-	2,998,040
Sukuk bonds	-	-	-	-
	<u>2,265,265</u>	<u>232,252,804</u>	<u>-</u>	<u>234,518,069</u>
Off balance sheet financial instruments				
Foreign exchange contracts (purchase)	-	12,955,982	-	12,955,982
Foreign exchange contracts (sale)	-	13,712,233	-	13,712,233
December 31, 2021 (Audited)				
Fair Value				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets measured at fair value				
Available-for-sale securities				
Pakistan Investment Bonds	-	109,367,793	-	109,367,793
Market Treasury Bills	-	42,816,839	-	42,816,839
Shares of listed companies	2,159,015	-	-	2,159,015
Term finance certificates - Listed	-	-	-	-
Units of mutual funds	99,996	109,440	-	209,436
Ijarah Sukuk - GoP	-	2,989,090	-	2,989,090
	<u>2,259,011</u>	<u>155,283,162</u>	<u>-</u>	<u>157,542,173</u>
Off balance sheet financial instruments				
Foreign exchange contracts (purchase)	-	6,740,279	-	6,740,279
Foreign exchange contracts (sale)	-	6,200,850	-	6,200,850

The valuation techniques used for the above assets are the same as disclosed below.

Item	Valuation techniques and input used
Fully paid-up ordinary shares /close end mutual funds	Fair value is determined on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Open ended mutual funds	Fair value is based on redemption prices as at the close of the business day.
Pakistan Investment Bonds / Market Treasury Bills	Fair values are derived using the PKRV rates (Reuters page).
Government of Pakistan (GoP) - Ijarah Sukuks	Fair values are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters.
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.

### 37 SEGMENT INFORMATION

#### 37.1 Segment Details with respect to Business Activities

	March 31, 2022 (Un-audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	----- Rupees in '000 -----				
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit income	3,902,785	8,882	-	(2,143,433)	1,768,234
Inter segment revenue - net	(4,321,467)	-	-	4,321,467	-
Non mark-up / return / interest income	94,228	244	-	100,434	194,906
Total Income	(324,454)	9,126	-	2,278,468	1,963,140
Segment direct expenses	(20,188)	(1,391)	-	(1,206,206)	(1,227,785)
Inter segment expense allocation	(25,583)	(6,662)	-	(223,591)	(255,836)
Total expenses	(45,771)	(8,053)	-	(1,429,797)	(1,483,621)
Provisions	-	-	-	81,992	81,992
<b>Profit / (Loss) before tax</b>	<b>(370,225)</b>	<b>1,073</b>	<b>-</b>	<b>766,679</b>	<b>397,527</b>
<b>Balance Sheet</b>					
Cash & Bank balances	13,114,049	-	-	6,928,554	20,042,603
Investments	252,672,393	-	-	-	252,672,393
Net inter segment lending	-	-	-	177,204,092	177,204,092
Lendings to financial institutions	1,300,000	-	-	-	1,300,000
Advances - performing	51,231	201,308	-	33,578,138	33,830,677
- non-performing (net)	-	4,978	-	11,865,033	11,870,011
Others	5,662,480	8,412	-	15,691,370	21,362,262
<b>Total Assets</b>	<b>272,800,153</b>	<b>214,698</b>	<b>-</b>	<b>245,267,187</b>	<b>518,282,038</b>



	March 31, 2022 (Un-audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	Rupees in 000'				
Borrowings	94,741,789	-	-	1,682,153	96,423,942
Subordinated debt	-	-	-	-	-
Deposits & other accounts	-	-	-	218,856,800	218,856,800
Net inter segment borrowing	176,996,946	207,146	-	-	177,204,092
Others	412,153	7,552	-	6,734,723	7,154,428
<b>Total liabilities</b>	<b>272,150,888</b>	<b>214,698</b>	<b>-</b>	<b>227,273,676</b>	<b>499,639,262</b>
Equity	649,265	-	-	17,993,511	18,642,776
<b>Total Equity &amp; liabilities</b>	<b>272,800,153</b>	<b>214,698</b>	<b>-</b>	<b>245,267,187</b>	<b>518,282,038</b>
<b>Contingencies &amp; Commitments</b>	<b>121,394,602</b>	<b>-</b>	<b>-</b>	<b>15,129,615</b>	<b>136,524,217</b>

	March 31, 2021 (Un-audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	----- Rupees in 000' -----				
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit income	2,375,411	5,832	-	(1,424,798)	956,445
Inter segment revenue - net	(3,310,539)	-	-	3,310,539	-
Non mark-up / return / interest income	106,215	155	-	73,760	180,130
Total Income	(828,913)	5,987	-	1,959,501	1,136,575
Segment direct expenses	(32,583)	(3,130)	-	(873,218)	(908,931)
Inter segment expense allocation	(39,937)	(4,374)	-	(355,371)	(399,682)
Total expenses	(72,520)	(7,504)	-	(1,228,589)	(1,308,613)
Provisions	11,894	-	-	4,889	16,783
<b>Profit / (Loss) before tax</b>	<b>(913,327)</b>	<b>(1,517)</b>	<b>-</b>	<b>726,023</b>	<b>(188,821)</b>

	December 31, 2021 (Audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	----- Rupees in 000' -----				
<b>Balance Sheet</b>					
Cash & Bank balances	12,158,168	-	-	8,276,324	20,434,492
Investments	175,703,381	-	-	-	175,703,381
Net inter segment lending	-	-	-	172,676,536	172,676,536
Lendings to financial institutions	6,081,208	-	-	-	6,081,208
Advances - performing	48,256	194,447	-	35,374,143	35,616,846
- non-performing (net)	-	4,978	-	12,162,338	12,167,316
Others	4,778,330	8,060	-	15,398,776	20,185,166
<b>Total Assets</b>	<b>198,769,343</b>	<b>207,485</b>	<b>-</b>	<b>243,888,117</b>	<b>442,864,945</b>

	December 31, 2021 (Audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	Rupees in 000'				
Borrowings	25,089,819	-	-	1,695,919	26,785,738
Subordinated debt	-	-	-	-	-
Deposits & other accounts	-	-	-	217,608,406	217,608,406
Net inter segment borrowing	172,476,511	200,025	-	-	172,676,536
Others	349,767	7,460	-	6,809,756	7,166,983
<b>Total liabilities</b>	<b>197,916,097</b>	<b>207,485</b>	<b>-</b>	<b>226,114,081</b>	<b>424,237,663</b>
Equity	853,246	-	-	17,774,036	18,627,282
<b>Total Equity &amp; liabilities</b>	<b>198,769,343</b>	<b>207,485</b>	<b>-</b>	<b>243,888,117</b>	<b>442,864,945</b>
<b>Contingencies &amp; Commitments</b>	<b>43,427,871</b>	<b>-</b>	<b>-</b>	<b>13,807,888</b>	<b>57,235,759</b>

### 38 RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise associated undertakings, directors, staff retirement funds and key management personnel (including their associates).

Transactions with related parties includes deposits, advances and other banking services which are carried out on an arm's length basis. Transactions with executives are undertaken at terms in accordance with employment agreements and service rules. Contributions to and accruals in respect of staff retirement benefit plans are made in accordance with the terms of the benefit plan. Remuneration of the President & Chief Executive Officer and directors are determined in accordance with the terms of their appointment.

The Government of Sindh (GoS) through its Finance Department holds 99.96% shareholding in the Bank and therefore entities which are owned and / or controlled by the GoS, or where the GoS may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transactions with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to such entities. However, it is impracticable to disclose transactions with all other entities owned or controlled by the GoS.

The details of balances and transactions with related parties, other than those disclosed under respective notes, during the period / year are as follows:

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
	Rupees in '000'							
<b>Investments</b>								
Opening balance	-	-	750,000	-	-	-	750,000	-
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Closing balance	-	-	750,000	-	-	-	750,000	-
<b>Advances</b>								
Opening balance	-	184,296	-	-	-	172,054	-	-
Addition during the period / year	-	4,000	-	-	-	20,834	-	-
Repaid during the period / year	-	7,676	-	-	-	29,496	-	-
Transfer in / (out) - net	-	-	-	-	-	20,904	-	-
Closing balance	-	180,620	-	-	-	184,296	-	-
<b>Other Assets</b>								
Interest / mark-up accrued	-	195	-	-	-	158	-	-
Other receivables	-	-	3	335	-	-	3	50
	-	195	3	335	-	158	3	50
<b>Deposits and other accounts</b>								
Opening balance	767	40,590	39,300	2,138,735	22,930	68,200	77,313	2,079,063
Received during the period / year	7,561	100,570	715,560	4,233,353	162,069	433,809	1,320,699	20,942,544
Withdrawn during the period / year	5,450	92,722	722,048	4,412,544	184,201	412,641	1,358,712	20,882,872
Transfer in / (out) - net	3,518	-	-	-	(31)	(48,778)	-	-
Closing balance	6,396	48,438	32,812	1,959,544	767	40,590	39,300	2,138,735
<b>Other Liabilities</b>								
Interest / mark-up payable	9	322	311	13,041	22	321	234	16,013

	March 31, 2022 (Un-audited)				March 31, 2021 (Un-audited)			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
	Rupees in '000'							
<b>Income:</b>								
Mark-up / return / interest earned	-	2,122	-	-	-	1,832	-	-
Fee and commission income	-	1	69	8	-	5	16	6
Net gain on sale of securities	-	-	-	200	-	-	-	208
Other income	-	-	-	285	-	-	-	285
<b>Expenses:</b>								
Mark-up / return / interest paid	17	641	725	38,406	80	752	338	35,072
Remuneration paid	-	46,408	-	-	-	47,302	-	-
Contribution to provident fund	-	2,227	-	-	-	2,101	-	-
Provision for gratuity	-	1,831	-	-	-	1,725	-	-
Other staff benefits	-	809	-	-	-	824	-	-
Directors' meetings fee	1,950	-	-	-	4,800	-	-	-
Other expenses	200	-	-	-	392	-	-	-
Insurance premium paid	-	-	-	13,932	-	-	-	80
<b>Others:</b>								
Sale of Government Securities	-	-	-	910,000	-	-	-	1,333,500
Purchase of Government Securities	-	-	-	-	-	-	-	150,000
Gratuity paid	-	6,042	-	-	-	4,647	-	-
Leave encashment	-	1,994	-	-	-	1,807	-	-
Expenses recovered under								
agency arrangement	-	-	-	14	-	-	-	28
Insurance claims settled	-	-	-	606	-	-	-	621

As at the date of unconsolidated statement of financial position, loans/advances and deposits related to government related entities and its related entities amounted to Rs.5,976.3 million (note 11) and Rs.106,096.06 million (note 18). The above includes deposits amounting to Rs.29,323.31 (2021: Rs.30,744.37) million received through the Finance Department, Government of Sindh.

	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>39 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,482,727	14,287,517
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	5,651,126	5,689,232
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	5,651,126	5,689,232
Eligible Tier 2 Capital	3,937	-
<b>Total Eligible Capital (Tier 1 + Tier 2)</b>	<b>5,655,063</b>	<b>5,689,232</b>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	28,320,394	29,004,835
Market Risk	12,885,975	11,647,751
Operational Risk	7,165,969	7,165,969
<b>Total Risk Weighted Assets</b>	<b>48,372,338</b>	<b>47,818,555</b>
<b>Common Equity Tier 1 Capital Adequacy ratio</b>	<b>11.68%</b>	<b>11.90%</b>
<b>Tier 1 Capital Adequacy Ratio</b>	<b>11.68%</b>	<b>11.90%</b>
<b>Total Capital Adequacy Ratio</b>	<b>11.69%</b>	<b>11.90%</b>
<b>Notional minimum capital requirements prescribed by SBP</b>		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Total capital minimum ratio plus CCB	11.50%	11.50%
<b>Approach followed for determining Risk Weighted Assets</b>	<b>Comprehensive Maturity method Basic Indicator</b>	<b>Comprehensive Maturity method Basic Indicator</b>
Credit Risk		
Market Risk		
Operational Risk		
	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	5,651,126	5,689,232
Total Exposures	299,909,660	267,438,712
<b>Leverage Ratio (%)</b>	<b>1.88%</b>	<b>2.13%</b>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	139,987,415	126,415,608
Total Net Cash Outflow	35,801,905	28,640,693
<b>Liquidity Coverage Ratio (%)</b>	<b>391%</b>	<b>441%</b>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	201,670,509	167,053,194
Total Required Stable Funding	71,129,770	65,172,730
<b>Net Stable Funding Ratio</b>	<b>284%</b>	<b>256%</b>

#### 40 ISLAMIC BANKING BUSINESS

The bank is operating with 14 Islamic Banking branches and 13 Islamic Banking Windows in Conventional branches (December 31, 2021 : 14 Islamic Banking branches and 13 Islamic Banking Windows).

The statement of financial position of the business is as follows:

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>Assets</b>			
Cash and balances with treasury banks		224,927	319,466
Balances with other banks		84,655	83,994
Due from financial institutions	40.1	1,300,000	700,000
Investments	40.2	3,132,500	3,098,530
Islamic financing and related assets	40.3	1,170,790	1,214,895
Fixed assets		169,625	178,015
Intangible assets		4,083	4,333
Deferred tax assets		-	190
Due from head office		80,526	20,457
Other assets		144,459	79,145
		6,311,565	5,699,025
<b>Liabilities</b>			
Bills payable		18,198	12,600
Due to financial institutions		-	250,000
Deposits and other accounts	40.4	5,471,599	4,623,856
Deferred tax liability		13,059	-
Due to head office		-	-
Other liabilities		212,187	226,815
		5,715,043	5,113,271
<b>Net Assets</b>			
		596,522	585,754
<b>Represented By</b>			
Islamic banking fund		1,100,000	1,100,000
Reserves		-	-
Surplus / (deficit) on revaluation of investments		20,426	(297)
Accumulated loss	40.8	(523,904)	(513,949)
		596,522	585,754
<b>CONTINGENCIES AND COMMITMENTS</b>			
	40.5		

The profit and loss account of the business is as follows:

		March 31, 2022	March 31, 2021
		----- Un-audited -----	
	Note	----- Rupees in '000 -----	
Profit / return on financing, investments and placements earned	40.6	116,902	111,413
Return on deposits and other dues expensed	40.7	85,704	80,750
<b>Net income earned before provisions</b>		<b>31,198</b>	<b>30,663</b>
<b>Other income</b>			
Fee, commission and brokerage income		1,537	1,173
Income from dealing in foreign currencies		28	(41)
Dividend income		3,330	2,970
Gain on sale / redemption of securities		-	-
Other income		(79)	16
		<b>4,816</b>	<b>4,118</b>
<b>Total Income</b>		<b>36,014</b>	<b>34,781</b>
<b>Other expenses</b>			
Administrative expenses		46,620	44,885
Other charges		-	-
Total Other Expenses		<b>46,620</b>	<b>44,885</b>
<b>Loss Before Provision</b>		<b>(10,606)</b>	<b>(10,104)</b>
Provisions and write offs - net		(651)	7,105
<b>Loss before taxation</b>		<b>(9,955)</b>	<b>(17,209)</b>
Taxation		-	-
<b>Loss after taxation</b>		<b>(9,955)</b>	<b>(17,209)</b>



The cash flow statement of the business is as follows

	March 31, 2022	March 31, 2021
	----- Un-audited -----	
	----- Rupees in '000 -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(9,955)	(17,209)
Less: Dividend income	(3,330)	(2,970)
	(13,285)	(20,179)
<b>Adjustments</b>		
Depreciation	9,705	10,435
Amortisation	250	7,105
Provision against non-performing loans and advances	(651)	-
	9,304	17,540
	(3,981)	(2,639)
<b>(Increase) / decrease in operating assets</b>		
Balances with and due from financial institutions	(600,000)	(256,755)
Islamic financing and related assets	44,756	561,730
Due from head office	(60,069)	54,018
Other assets	(65,314)	(4,323)
	(680,627)	354,670
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	5,598	14,517
Due to financial institutions	(250,000)	500,000
Deposits and other accounts	847,743	(834,280)
Due to head office	-	20,334
Other liabilities	(14,628)	(33,833)
	588,713	(333,262)
	(95,895)	18,769
Income tax paid	-	-
<b>Net cash flow from / (used in) operating activities</b>	(95,895)	18,769
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in securities	2	17,884
Dividend received	3,330	2,970
Investment in operating fixed assets	(1,315)	-
<b>Net cash flow from / (used in) investing activities</b>	2,017	20,854
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>Increase in cash and cash equivalents</b>	(93,878)	39,623
Cash and cash equivalents at beginning of the year	403,460	400,984
<b>Cash and cash equivalents at end of the period</b>	309,582	440,607

40.1 Due from financial institutions	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- Rupees in '000 -----					
Musharaka arrangements	1,300,000	-	1,300,000	700,000	-	700,000
Bai Muajjal	-	-	-	-	-	-
	1,300,000	-	1,300,000	700,000	-	700,000

#### 40.2 Investments

	March 31, 2022 (Un-audited)				December 31, 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 -----								
<b>Federal Government Securities:</b>								
- Ijarah Sukuks	3,000,015	-	(1,975)	2,998,040	3,000,017	-	(10,927)	2,989,090
<b>Islamic Fund:</b>								
- Listed Companies	99,000	-	35,460	134,460	99,000	-	10,440	109,440
<b>Total Investments</b>	<u>3,099,015</u>	<u>-</u>	<u>33,485</u>	<u>3,132,500</u>	<u>3,099,017</u>	<u>-</u>	<u>(487)</u>	<u>3,098,530</u>

#### 40.3 Islamic financing and related assets

	March 31, 2022 Un-audited	December 31, 2021 Audited
----- (Rupees '000) -----		
Ijarah financing under IFAS 2	16,423	23,159
Diminishing musharakah financing	1,167,333	1,205,353
	<u>1,183,756</u>	<u>1,228,512</u>
Less: provision against Islamic financing		
- Specific	12,966	13,617
- General	-	-
	<u>12,966</u>	<u>13,617</u>
<b>Islamic financing and related assets - net of provisions</b>	<u>1,170,790</u>	<u>1,214,895</u>

#### 40.4 Deposits and other accounts

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
<b>Customers</b>						
Current deposits	569,793	1,168	570,961	516,991	1,135	518,126
Savings deposits	2,474,046	101,225	2,575,271	1,417,331	99,465	1,516,796
Term deposits	1,558,323	-	1,558,323	1,453,523	-	1,453,523
Margin and other deposits	2,215	-	2,215	5,015	-	5,015
	<u>4,604,377</u>	<u>102,393</u>	<u>4,706,770</u>	<u>3,392,860</u>	<u>100,600</u>	<u>3,493,460</u>
<b>Financial Institutions</b>						
Current deposits	1,268	-	1,268	1,917	-	1,917
Savings deposits	763,531	-	763,531	673,449	-	673,449
Term deposits	-	-	-	455,000	-	455,000
Margin and other deposits	30	-	30	30	-	30
	<u>764,829</u>	<u>-</u>	<u>764,829</u>	<u>1,130,396</u>	<u>-</u>	<u>1,130,396</u>
	<u>5,369,206</u>	<u>102,393</u>	<u>5,471,599</u>	<u>4,523,256</u>	<u>100,600</u>	<u>4,623,856</u>

	March 31, 2022 Un-audited	December 31, 2021 Audited
<b>40.5 Contingencies and Commitments</b>	<b>----- (Rupees '000) -----</b>	
Guarantees	143,016	151,016
Letters of Credit	-	-
Commitments	-	-
	<u>143,016</u>	<u>151,016</u>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>----- Un-audited -----</b>	<b>----- Rupees in '000 -----</b>
<b>40.6 Profit / Return on Financing, Investments and Placements earned</b>		
Financing	36,699	55,664
Investments	67,957	28,010
On deposits with financial institutions	12,246	27,739
	<u>116,902</u>	<u>111,413</u>
<b>40.7 Return on Deposits and other Dues Expensed</b>		
Deposits and other accounts	77,889	70,463
Due to Financial Institutions	3,875	6,097
Amortisation of lease liability against right-of-use assets	3,940	4,190
Others	-	-
	<u>85,704</u>	<u>80,750</u>
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>Un-audited</b>	<b>Audited</b>
<b>40.8 Islamic Banking Business Accumulated Losses</b>	<b>----- (Rupees '000) -----</b>	
Opening Balance	(513,949)	(454,909)
Add: Islamic Banking loss for the period/year	(9,955)	(59,040)
<b>Less: Taxation</b>	-	-
<b>Less: Reserves</b>	-	-
<b>Less: Transferred / Remitted to Head Office</b>	-	-
	<u>-</u>	<u>-</u>
<b>Closing Balance</b>	<u>(523,904)</u>	<u>(513,949)</u>

**41 GENERAL**

Figures have been rounded off to the nearest thousand Rupees.

**42 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated financial statements were authorised for issue by the Board of Directors on April 27, 2022.

  
 Chairman

  
 President and  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
PERIOD ENDED  
MARCH 31, 2022**

## Consolidated Condensed Interim Statement of Financial Position As At March 31, 2022

		March 31, 2022 Un-audited	December 31, 2021 Audited
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	17,886,965	19,364,832
Balances with other banks	8	2,830,924	1,508,412
Lendings to financial institutions	9	1,300,000	6,081,208
Investments	10	251,948,686	175,428,966
Advances	11	46,766,584	48,728,627
Fixed assets	12	3,045,270	3,233,545
Intangible assets	13	107,101	116,671
Deferred tax assets-net	14	13,332,883	13,253,786
Other assets	15	5,065,280	3,770,967
		342,283,693	271,487,014
LIABILITIES			
Bills payable	16	950,442	624,726
Borrowings	17	97,064,727	27,535,738
Deposits and other accounts	18	219,098,872	217,842,678
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	19	6,296,313	6,637,242
		323,410,354	252,640,384
NET ASSETS		18,873,339	18,846,630
REPRESENTED BY			
Share capital - net	20	25,524,428	25,524,428
Reserves		1,568,058	1,516,452
Shares deposit money	21	4,000,000	4,000,000
Deficit on revaluation of assets	22	(1,350,165)	(1,121,647)
Accumulated Loss		(10,868,982)	(11,072,603)
		18,873,339	18,846,630
CONTINGENCIES AND COMMITMENTS		23	

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

  
 Chairman

  
 President and  
Chief Executive Officer

  
 Director

  
 Director

  
 Chief Financial Officer

## Consolidated Condensed Interim Profit And Loss Account (Un-audited) For The Quarter Ended March 31, 2022

		March 31, 2022	March 31, 2021
	Note	----- (Rupees in '000) -----	
Mark-up / Return / Interest Earned	24	6,815,431	5,018,320
Mark-up / Return / Interest Expensed	25	4,967,542	3,996,566
<b>Net Mark-up / Interest Income</b>		<b>1,847,889</b>	<b>1,021,754</b>
<b>Non Mark-up / Interest Income</b>			
Fee and Commission Income	26	89,555	70,763
Dividend Income		53,240	41,087
Foreign Exchange Income		81,956	58,444
Income / (loss) from derivatives		-	-
Gain / (Loss) on securities	27	(33,165)	9,133
Other Income	28	3,320	703
<b>Total non-markup/interest Income</b>		<b>194,906</b>	<b>180,130</b>
<b>Total Income</b>		<b>2,042,795</b>	<b>1,201,884</b>
<b>Non Mark-up / Interest Expenses</b>			
Operating expenses	29	1,544,344	1,360,817
Other charges	30	69	-
<b>Total non-markup/interest expenses</b>		<b>1,544,413</b>	<b>1,360,817</b>
<b>Profit / (Loss) before provisions</b>		<b>498,382</b>	<b>(158,933)</b>
Provisions and write offs - net	31	85,004	22,572
Extra ordinary / unusual items		-	-
<b>Profit / (Loss) before Taxation</b>		<b>413,378</b>	<b>(181,505)</b>
Taxation	32	158,151	(70,804)
<b>Profit / (Loss) after Taxation</b>		<b>255,227</b>	<b>(110,701)</b>
		----- Rupees -----	
<b>Basic Earning / (Loss) per share</b>	33	<b>0.10</b>	<b>(0.05)</b>
<b>Diluted Earning / (Loss) per share</b>	34	<b>0.10</b>	<b>(0.05)</b>

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






Chairman      President and  
Chief Executive Officer      Director      Director      Chief Financial Officer

## Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For The Quarter Ended March 31, 2022

	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
Profit / (Loss) after taxation for the period	255,227	(110,701)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in Deficit on revaluation of investments - net of tax	(228,518)	(341,359)
	26,709	(452,060)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / (loss) on defined benefit obligations - net of deferred tax	-	-
Total comprehensive income / (loss)	26,709	(452,060)

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

  
 Chairman

  
 President and Chief Executive Officer

  
 Director

  
 Director

  
 Chief Financial Officer

## Consolidated Condensed Interim Statement Of Changes In Equity (Un-audited) For The Quarter Ended March 31, 2022

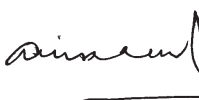

	Share Capital	Proposed Ordinary shares to be issued on amalgamation	Shares Deposit Money	Capital Reserves			Depositors protection fund reserve**	Surplus / (Deficit) on revaluation of Investments	Accumulated Loss ***	Total
				Reserves on amalgamation	Share Premium	Statutory Reserve *				
	Rupees in '000									
Balance as at January 01, 2021	19,710,130	3,814,298	2,000,000	19,443	51	1,490,492	9,640	(408,505)	(7,365,678)	19,269,871
Loss after tax for the quarter ended March 31, 2021	-	-	-	-	-	-	-	-	(110,701)	(110,701)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	(341,359)	-	(341,359)
Transfer to statutory reserve	-	-	-	-	-	1,085	-	-	(1,085)	-
Transfer to depositors' protection fund - 5% of the profit after tax for the year	-	-	-	-	-	-	271	-	(271)	-
Issue of Shares during the period	5,814,298	(3,814,298)	(2,000,000)	-	-	-	-	-	-	-
Balance as at March 31, 2021	25,524,428	-	-	19,443	51	1,491,577	9,911	(749,864)	(7,477,735)	18,817,811
Loss after tax for the nine months ended December 31, 2021	-	-	-	-	-	-	-	-	(3,589,435)	(3,589,435)
Other comprehensive income /(loss) - net of tax	-	-	-	-	-	-	-	(371,783)	47	(371,736)
Transfer to statutory reserve	-	-	-	-	-	4,384	-	-	(4,384)	-
Transfer to depositors' protection fund - 5% of the profit after tax for the year	-	-	-	-	-	-	1,096	-	(1,096)	-
Share deposit money	-	-	4,000,000	-	-	-	-	-	-	4,000,000
Fair valuation adjustment of net assets of Sindh Leasing Company Limited	-	-	-	(10,010)	-	-	-	-	-	(10,010)
<b>Balance as at December 31, 2021</b>	<b>25,524,428</b>	<b>-</b>	<b>4,000,000</b>	<b>9,433</b>	<b>51</b>	<b>1,495,961</b>	<b>11,007</b>	<b>(1,121,647)</b>	<b>(11,072,603)</b>	<b>18,846,630</b>
Profit after tax for the quarter ended March 31, 2022	-	-	-	-	-	-	-	-	255,227	255,227
Other comprehensive income - net of tax	-	-	-	-	-	-	-	(228,518)	-	(228,518)
Transfer to statutory reserve	-	-	-	-	-	51,045	-	-	(51,045)	-
Transfer to depositors' protection fund - 5% of the profit after tax for the year	-	-	-	-	-	-	561	-	(561)	-
<b>Balance as at March 31, 2022</b>	<b>25,524,428</b>	<b>-</b>	<b>4,000,000</b>	<b>9,433</b>	<b>51</b>	<b>1,547,006</b>	<b>11,568</b>	<b>(1,350,165)</b>	<b>(10,868,982)</b>	<b>18,873,339</b>

\* Statutory reserve represents amount set aside as per the requirements of Section 21 of the Banking Companies Ordinance, 1962.

\*\* The Sindh Microfinance Bank Limited is required under Microfinance Institutions Ordinance, 2001 to contribute 5% of its annual after tax profit to the Depositors' Protection Fund and profit earned on investments of the fund shall also be credited to the fund.

\*\*\* As more fully explained in note 11.2.2 of these consolidated condensed interim financial statements, unappropriated profit includes an amount of Rs.7,034.10 million net of tax as at March 31, 2022 (December 31, 2021: Rs. 7,184.65 million) representing additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders.

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

  
**Chairman**
  
**President and  
Chief Executive Officer**
  
**Director**
  
**Director**
  
**Chief Financial Officer**



## Consolidated Condensed Interim Cash Flow Statement (Un-audited) For The Quarter Ended March 31, 2022

		March 31, 2022	March 31, 2021
	Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		413,378	(181,505)
Less: Dividend income		(53,240)	(41,087)
		360,138	(222,592)
<b>Adjustments:</b>			
Depreciation	29	274,598	242,985
Amortisation	29	9,570	6,599
Provision and write offs -net	31	84,486	22,572
Gain on sale of operating fixed assets	28	(2,632)	(107)
		366,022	272,049
		726,160	49,457
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		4,781,208	482,901
Advances		1,877,557	(1,126,694)
Other assets (excluding advance taxation)		(1,301,837)	922,492
		5,356,928	278,699
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		325,716	137,314
Borrowings from financial institutions		69,528,989	52,589,440
Deposits and other accounts		1,256,194	7,267,073
Other liabilities (excluding current taxation)		(340,927)	(749,101)
		70,769,972	59,244,726
		76,853,060	59,572,882
Income tax paid		(73,888)	(7,873)
<b>Net cash flows from / (used in) operating activities</b>		<b>76,779,172</b>	<b>59,565,009</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investment in available-for-sale securities		(77,350,515)	(62,543,982)
Net investment in held-to-maturity securities		456,176	269,489
Dividends received		43,503	33,621
Investments in operating fixed assets		(83,963)	(18,999)
Sale proceeds from sale of fixed assets		272	107
<b>Net cash flows from / (used in) investing activities</b>		<b>(76,934,527)</b>	<b>(62,259,764)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		-	-
<b>Decrease in cash and cash equivalents</b>		<b>(155,355)</b>	<b>(2,694,755)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>20,873,244</b>	<b>19,094,477</b>
<b>Cash and cash equivalents at the end of the period</b>	35	<b>20,717,889</b>	<b>16,399,722</b>

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

  
 Chairman

  
 President and  
Chief Executive Officer

  
 Director

  
 Director

  
 Chief Financial Officer

## Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Quarter Ended March 31, 2022

### 1. STATUS AND NATURE OF BUSINESS

The "Group" consists of:

#### 1.1 Holding Company

**1.1.1** Sindh Bank Limited (the Bank) was incorporated in Pakistan on October 29, 2010 as a public unlisted company and is engaged in Commercial Banking, Corporate and Investment related activities. The Bank operates 330 (2021: 330) branches including 8 (2021: 8) sub-branches and 14 (2021: 14) Islamic banking branches in Pakistan. The Bank's registered office is located at 3rd floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi, Pakistan.

**1.1.2** The Government of Sindh, through its Finance Department owns 99.96% ordinary shares of the Bank.

**1.1.3** VIS Credit Rating Company Limited has reaffirmed the long term entity rating of A+ (Single A Plus) and short term rating of A-1 (A-one) in its report dated June 30, 2021.

#### 1.2 Subsidiary company

Sindh Microfinance Bank Limited (the Microfinance Bank) was incorporated on March 27, 2015 as a public company limited by shares under the provision of the company's Act, 2017 (previously Companies Ordinance, 1984). The Microfinance Bank obtained Microfinance banking license from State Bank of Pakistan (SBP) on October 16th, 2015, to operate in Sindh Province. Subsequently the Microfinance Bank has received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on November 30, 2015. The Microfinance Bank's registered office is situated at 39/F, 2nd Floor, Muhammad Ali Cooperative Housing Society, Karachi. The Microfinance Bank's principal business will be to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Microfinance Bank operates with a network of 18 (2021: 18) branches and 62 (2021: 62) services centers. The Bank holds 99.99% shares of the Microfinance Bank and remaining shares are held by the nominees of the Bank.

The credit rating companies PACRA has maintained the long term rating of the Microfinance Bank at "A-" and short term rating at "A2" as of April 30, 2021.

#### 1.3 Going Concern

Due to significant losses suffered by the Bank since the years 2018 and to address any material uncertainties, the management has been working on a Business Viability Plan approved by its Board of Directors in 73rd meeting held on September 13, 2019. The Plan aims to make the Bank a viable, self-sustaining institution. Important areas of focus where efforts are continuing and significant progress has been made are:

- Strengthening Bank's Capital -As planned, cash injection, of Rs. 11.7 billion was made in 2019 and Rs. 3.814 billion added during 2020 from amalgamation of Sindh Leasing Company Limited in Bank's Tier 1 Common Equity. A further amount of Rs. 4 billion has been received from GoS in the last quarter of 2021.

- Improving Business Volumes and Profitability-This involves the Bank taking pro-active measures to:
  - i. Increase fee-based income from mainly trade-related business;
  - ii) Improve Net Interest margin;
    - a) Mobilize cost effective (CASA) deposits;
    - b) Launch new asset products in the Consumer and SME segments;
  - iii. make concerted efforts for recovery and reduction of Non-Performing Loans.
  - iv. Take cost rationalization measures;
- Strengthening the Bank's Governance, Risk and Control environment.
- The management is confident that barring any unforeseen contingencies, the Bank will be able to stage a turn-around. The Government of Sindh, Bank's major shareholder holding 99.96 percent of the Bank's equity is fully committed to supporting the Bank, whenever required.

1.4 Listing of the Bank will be undertaken in future after improvement in Bank's financial position and Regulator's guidance on the matter.

## 2. BASIS OF PRESENTATION

2.1 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 5 dated 22 March 2019 and the requirements of the International Accounting Standard 34, "Interim Financial Reporting". These do not include all of the information required for the full set of annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2021.

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 consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Group have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.

## 3. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) 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 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).

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

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, the IFRS - 7 Financial Instruments: Disclosures has not been made applicable for group. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information is the same as that applied in the preparation of the audited consolidated financial statements for the year ended December 31, 2021.

#### 5 SIGNIFICANT ACCOUNTING POLICIES

5.1 The accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2021.

#### 5.2 Standards, interpretations and amendments to published accounting and reporting standards that are relevant but not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard amendments, or interpretation and are not early adopted by the Group:

Standard or Interpretation or Amendments	Effective date (annual periods beginning on or after)
IAS 1 - Classification of Financial Statements	January 01, 2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2023
IAS 12 - Income Taxes (Amendments)	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - The amendment amends accounting treatment on loss of control of business or assets.	date under review

IFRS 9 - Financial Instruments : has been made applicable in several overseas jurisdictions from January 01, 2018 and is progressively being adopted in others. The requirements of IFRS 9 are incorporated in the group financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter No. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan was deferred to accounting periods beginning on or after January 01, 2022 and detailed guidelines are awaited regarding the same.

## 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Group for the year ended December 31, 2021.

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
Local currency		3,590,723	4,294,590
Foreign currency		148,102	175,646
		<b>3,738,825</b>	<b>4,470,236</b>
<b>With State Bank of Pakistan (SBP) in</b>			
Local currency current accounts	7.1	12,689,679	11,755,480
Foreign currency current accounts	7.2	155,655	144,789
Foreign currency deposit accounts			
- Non Remunerative	7.3	100,089	96,290
- Remunerative	7.4	185,449	178,410
		<b>13,130,872</b>	<b>12,174,969</b>
<b>With National Bank of Pakistan in</b>			
Local currency current accounts		987,313	2,657,534
Local currency deposit accounts	7.5	15,900	20,579
		<b>1,003,213</b>	<b>2,678,113</b>
<b>Prize bonds</b>		<b>14,055</b>	<b>41,514</b>
		<b>17,886,965</b>	<b>19,364,832</b>

7.1 This represents cash reserve required to be maintained with SBP as per the requirement of Section 22 of the Banking Companies Ordinance, 1962.

7.2 This represents US Dollar Settlement Account maintained with SBP.

7.3 This represents foreign currency (FCY) cash reserve maintained with SBP to comply with statutory reserve requirement applicable on Group's FCY deposits.

7.4 This represents foreign currency special cash reserve maintained with SBP. The Bank is entitled to earn profit which is declared by SBP on a monthly basis. During the period, the SBP has declared Nil profits (2021 : nil) per annum.

7.5 This includes savings account with National Bank of Pakistan carrying mark-up at 8.25% (2021: 7.25%) per annum.

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>8</b>	<b>BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>			
In current accounts		30	13,069
In savings accounts	8.1	656,584	404,102
		656,614	417,171
<b>Outside Pakistan</b>			
In current accounts		2,174,310	1,091,241
		<u>2,830,924</u>	<u>1,508,412</u>

8.1 This includes savings account with commercial banks and microfinance banks carrying mark-up ranging from 8.25% to 12.60% (2021: 7.25% to 11.75%) per annum.

#### 9 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	9.3	-	5,381,208
Musharaka arrangements	9.2	1,300,000	700,000
		<u>1,300,000</u>	<u>6,081,208</u>

#### 9.1 Particulars of lending

In local currency	1,300,000	6,081,208
In foreign currencies	-	-
	<u>1,300,000</u>	<u>6,081,208</u>

9.2 This represents arrangement with an Islamic bank carrying mark-up at the rate of 10.50% (2021: 10.00%) per annum maturing up to April 01, 2022 (2021: January 06, 2022).

### 9.3 Securities held as collateral against Lendings to financial institutions

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
----- (Rupees '000) -----						
Market Treasury Bills	-	-	-	992,564	-	992,564
Pakistan Investment Bonds	-	-	-	4,398,648	-	4,398,648
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,391,212</b>	<b>-</b>	<b>5,391,212</b>

## 10 INVESTMENTS

### 10.1 Investments by type

	March 31, 2022 (Un-audited)				December 31, 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 -----								
<b>Available-for-sale securities</b>								
Federal Government Securities								
Market Treasury Bills	120,249,122	-	(419,091)	119,830,031	42,881,078	-	(64,239)	42,816,839
Pakistan Investment Bonds	111,037,976	-	(1,747,703)	109,290,273	111,067,351	-	(1,699,558)	109,367,793
Government of Pakistan - Ijarah Sukuk	3,000,015	-	(1,975)	2,998,040	3,000,017	-	(10,927)	2,989,090
Shares								
Listed	2,608,352	(344,000)	(93,439)	2,170,913	2,596,504	(344,000)	(93,489)	2,159,015
Non-government debt securities								
Mutual funds	215,049	(35,063)	48,826	228,812	215,049	(35,063)	29,450	209,436
	<b>237,110,514</b>	<b>(379,063)</b>	<b>(2,213,382)</b>	<b>234,518,069</b>	<b>159,759,999</b>	<b>(379,063)</b>	<b>(1,838,763)</b>	<b>157,542,173</b>
<b>Held-to-maturity securities</b>								
Federal Government Securities								
Pakistan Investment Bonds	16,737,537	-	-	16,737,537	16,744,421	-	-	16,744,421
Market Treasury Bills	26,293	-	-	26,293	25,585	-	-	25,585
Preference Shares - Unlisted	77,708	(77,708)	-	-	77,708	(77,708)	-	-
Term Deposits Accounts	-	-	-	-	450,000	-	-	450,000
Non-government debt securities								
Term finance certificates- Listed	224,235	-	-	224,235	224,235	-	-	224,235
Term finance certificates- Unlisted	858,997	(416,445)	-	442,552	858,997	(416,445)	-	442,552
	<b>17,924,770</b>	<b>(494,153)</b>	<b>-</b>	<b>17,430,617</b>	<b>18,380,946</b>	<b>(494,153)</b>	<b>-</b>	<b>17,886,793</b>
<b>Total Investments</b>	<b>255,035,284</b>	<b>(873,216)</b>	<b>(2,213,382)</b>	<b>251,948,686</b>	<b>178,140,945</b>	<b>(873,216)</b>	<b>(1,838,763)</b>	<b>175,428,966</b>

	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>10.2 Investments given as collateral</b>		
<b>Federal government securities</b>		
Pakistan Investment Bonds	75,884,600	24,987,500
Market Treasury Bills	18,703,931	-
	<u>94,588,531</u>	<u>24,987,500</u>
<b>10.3 Provision for diminution in value of investments</b>		
<b>10.3.1 Opening balance</b>	873,216	811,727
<b>Charge / reversals</b>		
Charge for the period / year	-	87,342
Reversals for the period / year	-	-
Reversal on disposals for the period / year	-	(25,853)
Transfers - net	-	61,489
<b>Closing Balance</b>	<u>873,216</u>	<u>873,216</u>

	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non performing investments	Provision	Non performing investments	Provision
	----- Rupees in '000 -----			
<b>10.3.2 Particulars of provision against equity / debt investments</b>				
<b>Category of classification</b>				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	971,115	873,216	971,115	873,216
<b>Total</b>	<u>971,115</u>	<u>873,216</u>	<u>971,115</u>	<u>873,216</u>

**10.3.3** The Group have availed the benefit of forced sale value of collateral against non-performing investment on the basis of the instructions of the State Bank of Pakistan. Had the benefit not been taken by the Group, provision against non-performing investment would have been higher by Rs. 97.90 million (2021: Rs.97.90 million). The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

**10.4** The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs. 16,817.63 million (December 31, 2021: Rs. 18,251.87 million).



## 11 ADVANCES

	Performing		Non Performing		Total	
	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----						
Loans, cash credits, agriculture, running finances etc.	26,423,070	25,697,729	36,884,461	37,075,254	63,307,531	62,772,983
Commodity finance	5,976,361	8,195,361	-	-	5,976,361	8,195,361
Net investment in finance lease	937,336	1,084,150	311,330	321,528	1,248,666	1,405,678
Islamic financing and related assets						
Diminishing musharakah financing	1,153,856	1,191,226	13,476	14,127	1,167,332	1,205,353
Ijarah financing under IFAS 2	16,423	23,159	-	-	16,423	23,159
	34,507,046	36,191,625	37,209,267	37,410,909	71,716,313	73,602,534
<b>Bills discounted and purchased</b> (excluding market treasury bills)						
Payable in Pakistan	379,843	375,343	-	-	379,843	375,343
Payable outside Pakistan	4,164	-	3,405	3,405	7,569	3,405
	384,007	375,343	3,405	3,405	387,412	378,748
<b>Advances - gross</b>	34,891,053	36,566,968	37,212,672	37,414,314	72,103,725	73,981,282
<b>Provision for non-performing advances</b>						
- Specific Provision	-	-	24,400,324	24,343,891	24,400,324	24,343,891
- Specific provision on Leasing Portfolio	-	-	922,443	896,640	922,443	896,640
- General provision against consumer and small enterprise advances	14,374	12,124	-	-	14,374	12,124
	14,374	12,124	25,322,767	25,240,531	25,337,141	25,252,655
<b>Total Advances - Net</b>	34,876,679	36,554,844	11,889,905	12,173,783	46,766,584	48,728,627

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

### 11.1 Particulars of advances (Gross)

In local currency	72,103,725	73,981,282
In foreign currencies	-	-
	72,103,725	73,981,282

11.2 Advances include Rs.37,212.67 (2021: Rs.37,414.31) million which have been placed under non-performing status as detailed below:

Category of Classification	Note	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
		Non performing loans	Provision	Non performing loans	Provision
		----- Rupees in '000 -----			
<b>Domestic</b>					
Other Assets Especially Mentioned	11.2.1	32,457	-	29,037	-
Substandard		14,807	1,105	21,655	2,007
Doubtful		824,811	270,488	895,204	299,581
Loss		36,340,597	25,051,174	36,468,418	24,938,943
<b>Total</b>		<b>37,212,672</b>	<b>25,322,767</b>	<b>37,414,314</b>	<b>25,240,531</b>

11.2.1 This represents non-performing portfolio of agricultural and small and medium enterprise financing classified as OAEM as per the requirements of the Prudential Regulations for Agricultural, Infrastructure Project Financing and Small and Medium Enterprise Financing issued by the State Bank of Pakistan.

11.2.2 The Group have availed the benefit of forced sale value on plant and machinery under charge and mortgaged residential and commercial property (land and building only) held as collateral against non-performing advances on the basis of the instructions of the State Bank of Pakistan. Had the benefit not been taken by the Group, specific provision against non-performing advances would have been higher by Rs. 11,433.42 (2021: Rs.11,680.22) million. The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

#### 11.2.3 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	25,240,531	12,124	25,252,655	19,501,319	7,488	19,508,807
Exchange adjustments	-	-	-	-	-	-
Charge for the period	96,502	-	96,502	5,985,775	4,636	5,990,411
Reversals	(9,294)	2,250	(7,044)	(334,983)	-	(334,983)
	87,208	2,250	89,458	5,650,792	4,636	5,655,428
Amounts charged off - Agriculture loans	(4,972)	-	(4,972)	93,301	-	93,301
Net charge / (reversal) during the period	82,236	2,250	84,486	5,744,093	4,636	5,748,729
Fair value adjustment on net assets of Sindh Leasing Co. Ltd	-	-	-	1,097	-	1,097
Amounts written off	-	-	-	(5,978)	-	(5,978)
Closing balance	<b>25,322,767</b>	<b>14,374</b>	<b>25,337,141</b>	<b>25,240,531</b>	<b>12,124</b>	<b>25,252,655</b>

11.2.3.1 General provision against consumer loans represents provision maintained at an amount equal to 1% (2021: 1%) of the fully secured performing portfolio and 4% (2021: 4%) of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP. General provision against Small Enterprises financing represents provision maintained at an amount equal to 0% (2021: 0%) of the fully secured performing portfolio and 1% of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP.

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>12 FIXED ASSETS</b>			
Capital work-in-progress	12.1	118,147	73,166
Property and equipment		1,250,564	1,282,018
Right of use assets		1,676,559	1,878,361
		<u>3,045,270</u>	<u>3,233,545</u>
<b>12.1 Capital work-in-progress</b>			
Civil works		15,552	4,396
Equipment		4,294	1,541
Advances to suppliers		98,301	67,229
		<u>118,147</u>	<u>73,166</u>

		March 31, 2022 Un-audited	March 31, 2021 Audited
		----- Rupees in '000 -----	
<b>12.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Property and equipment :</b>			
Leasehold improvements		3,329	-
Furniture and fixture		1,181	724
Computer and office equipment		14,156	3,930
Vehicles		19,545	5,881
<b>Total</b>		<u>38,211</u>	<u>10,535</u>

**Disposal of fixed assets**

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

Lease hold improvements	86	-
Computer and office equipment	24	-
Vehicles	-	-
<b>Total</b>	<u>110</u>	<u>-</u>

		March 31, 2022 Un-audited	December 31, 2021 Audited
		----- (Rupees '000) -----	
<b>13 INTANGIBLE ASSETS</b>			
Computer Software		107,101	116,671
Others		-	-
		<u>107,101</u>	<u>116,671</u>

	March 31, 2022	March 31, 2021
	<b>Un-audited</b>	
	----- Rupees in '000 -----	
<b>Additions to intangible assets</b>		
The additions to intangible assets during the period:		
Computer Software	-	100
<b>Disposals of intangible assets</b>		
The net book value of intangible assets disposed off during the period.	-	-
	March 31, 2022	December 31, 2021
	<b>Un-audited</b>	<b>Audited</b>
	----- (Rupees '000) -----	
<b>14 DEFERRED TAX ASSETS - NET</b>		
<b>Deductible Temporary Differences on</b>		
- Provision against advances - general	8,181,598	8,424,857
- Tax losses carried forward	3,403,324	3,319,583
- Provision for diminution in the value of investments	247,735	247,735
- Deficit on revaluation of investments	863,219	717,118
- Accelerated tax depreciation - right to use assets	86	(11,049)
- Others	793,354	714,855
	<b>13,489,316</b>	<b>13,413,099</b>
<b>Taxable Temporary Differences on</b>		
- Accelerated tax depreciation - tangible fixed assets	(33,160)	(21,330)
- Others	-	(197)
- Net investment in Lease Finance	(116,067)	(131,859)
- Accelerated tax amortization - intangible assets	(7,206)	(5,927)
	<b>(156,433)</b>	<b>(159,313)</b>
	<b>13,332,883</b>	<b>13,253,786</b>
<b>15 OTHER ASSETS</b>		
Income/ Mark-up accrued in local currency	4,517,377	3,107,249
Accrued commission income	7,234	7,234
Advances, deposits, advance rent and other prepayments	133,831	101,478
Receivable against sale of shares	95,383	268,770
Unrealised gain on forward forex revaluation - net	-	130,799
Insurance premium receivable against agriculture loans	12,938	12,565
Stationery and stamps on hand	25,094	7,984
Dividends receivable	9,737	-
Receivable against 1 Link ATM settlement account	136,195	-
Advance Taxation - net	47,640	64,901
Acceptances	-	-
Insurance claims receivable	17,386	16,252
Other receivables	62,465	53,735
	<b>5,065,280</b>	<b>3,770,967</b>
<b>16 BILLS PAYABLE</b>		
In Pakistan	950,442	624,726
Outside Pakistan	-	-
	<b>950,442</b>	<b>624,726</b>

	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>17 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
- Under export refinance scheme	1,682,153	1,695,919
- Under long term finance facility	74,849	89,819
<b>Repurchase agreement borrowings</b>		
- State Bank of Pakistan	93,686,818	25,000,000
- Other commercial bank	980,122	-
	94,666,940	25,000,000
<b>Unsecured</b>		
- State Bank of Pakistan (SBP)	640,785	750,000
- Other microfinance bank	-	-
	97,064,727	27,535,738
<b>17.1 Particulars of borrowings</b>		
In local currency	97,064,727	27,535,738
In foreign currencies	-	-
	97,064,727	27,535,738

**18 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- Rupees in '000 -----					
<b>Customers</b>						
Current deposits	56,655,928	406,513	57,062,441	61,100,484	393,151	61,493,635
Savings deposits	93,792,697	975,473	94,768,170	92,107,801	946,331	93,054,132
Term deposits	63,094,688	450,824	63,545,512	58,783,628	411,867	59,195,495
Margin and other deposits	494,271	-	494,271	563,852	-	563,852
	214,037,584	1,832,810	215,870,394	212,555,765	1,751,349	214,307,114
<b>Financial Institutions</b>						
Current deposits	56,642	20	56,662	47,372	19	47,391
Savings deposits	1,117,772	-	1,117,772	1,657,129	-	1,657,129
Term deposits	1,934,000	-	1,934,000	1,711,000	-	1,711,000
Margin and other deposits	120,044	-	120,044	120,044	-	120,044
	3,228,458	20	3,228,478	3,535,545	19	3,535,564
	217,266,042	1,832,830	219,098,872	216,091,310	1,751,368	217,842,678

		March 31, 2022 Un-audited	December 31, 2021 Audited
19	OTHER LIABILITIES		
	Note	----- (Rupees '000) -----	
		2,688,108	3,059,322
	Mark-up / return / interest payable in local currency	2,447	2,947
	Mark-up / return / interest payable in foreign currency	252,730	125,093
	Accrued expenses	34,242	98,875
	Net defined benefit liability	219,366	224,033
	Provision for compensated absences	292,259	-
	Unrealised loss on forward forex revaluation - net	-	47,032
	Payable against 1 Link ATM settlement account	780	929
	Payable to employees' provident fund	13,660	13,660
	Payable against purchase of operating fixed assets	-	205,890
	Payable against purchase of shares	63,585	60,701
	Retention money	3,856	4,599
	Federal excise duty / sales tax on services payable	1,914,100	2,129,702
	Lease liability	172,682	37,116
	Withholding tax payable	-	-
	Acceptances	-	-
	Security deposit against lease contracts	300,218	362,368
	Others	338,280	264,975
		<u>6,296,313</u>	<u>6,637,242</u>

19.1 These represent interest free security deposits received from lessees against lease contracts of Sindh Leasing Company Limited was amalgamated into the Group, and are adjustable against residual value of leased assets at the expiry of the respective lease terms.

## 20 SHARE CAPITAL - NET

20.1	Authorised capital	March 31, 2022 Un-audited	December 31, 2021 Audited		March 31, 2022 Un-audited	December 31, 2021 Audited
					----- Rupees in '000 -----	
	Number of Shares					
	2,800,000,000	2,800,000,000	Ordinary shares of Rs.10 each		28,000,000	28,000,000
20.2	Issued, subscribed and paid-up share capital					
	Fully paid in cash					
	2,171,013,000	2,171,013,000	Ordinary shares of Rs.10 each		21,710,130	21,710,130
	381,429,817	381,429,817	Ordinary shares of Rs. 10 issued as consideration of amalgamation		3,814,298	3,814,298
	<u>2,552,442,817</u>	<u>2,552,442,817</u>			<u>25,524,428</u>	<u>25,524,428</u>

20.3 The Government of Sindh, through its Finance Department, owns 99.96% ordinary shares of the Bank.

## 21 SHARES DEPOSIT MONEY

Opening balance	4,000,000	2,000,000
Received during the period / year	-	4,000,000
Right shares issued during the period / year	-	(2,000,000)
	<u>4,000,000</u>	<u>4,000,000</u>

		March 31, 2022 Un-audited	December 31, 2021 Audited
	Note	----- (Rupees '000) -----	
<b>22 DEFICIT ON REVALUATION OF ASSETS</b>			
<b>Available-for-sale securities</b>			
Federal government securities		(2,168,769)	(1,774,724)
Fully paid ordinary shares - listed		(93,439)	(93,489)
Units of mutual funds (units / certificates)		48,826	29,450
		(2,213,382)	(1,838,763)
Related deferred taxation		863,217	717,116
		(1,350,165)	(1,121,647)
<b>23 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	4,792,148	4,635,678
Commitments	23.2	131,732,069	52,600,081
Other contingent liabilities		-	-
		136,524,217	57,235,759
<b>23.1 Guarantees:</b>			
Financial guarantees		1,015,667	1,059,301
Performance guarantees		1,700,154	151,016
Other guarantees		2,076,327	3,425,361
		4,792,148	4,635,678
<b>23.2 Commitments:</b>			
<b>Documentary credits and short-term trade-related transactions</b>			
- letters of credit		310,809	536,689
<b>Commitments in respect of:</b>			
- forward foreign exchange contracts	23.2.1	26,668,215	12,941,129
- forward lending	23.2.2	104,753,045	39,122,263
<b>Other commitments</b>		-	-
		131,732,069	52,600,081
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		12,955,982	6,740,279
Sale		13,712,233	6,200,850
		26,668,215	12,941,129
<b>23.2.2 Commitments in respect of forward lending</b>			
Forward repurchase agreement lending		94,726,387	25,103,970
Forward resale agreement borrowings		-	5,382,772
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	10,026,658	8,635,521
		104,753,045	39,122,263

### 23.2.2.1 Commitments to extend credit

The Group enters into commitments to extend credit in the normal course of its business but these are revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		March 31, 2022	March 31, 2021
		----- Un-audited -----	
		----- Rupees in '000 -----	
<b>24</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	Loans and advances	1,212,596	1,070,022
	Investments	5,322,418	3,760,175
	Lendings to financial institutions	268,846	170,718
	Balances with banks	11,571	17,405
		<u>6,815,431</u>	<u>5,018,320</u>
<b>25</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	Deposits	3,216,892	2,374,371
	Borrowings	1,672,731	1,546,384
	Cost of swaps against foreign currency deposits / borrowings	28,144	16,279
	Lease liability against right of use assets	49,775	59,532
		<u>4,967,542</u>	<u>3,996,566</u>
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	13,546	10,090
	Consumer finance related fees	554	410
	Card related fees (debit cards)	48,069	32,876
	Commission on trade	13,137	15,347
	Commission on guarantees	8,398	6,939
	Credit related fees	1,269	828
	Commission on remittances including home remittances	4,234	3,954
	Others	348	319
		<u>89,555</u>	<u>70,763</u>
<b>27</b>	<b>GAIN / (LOSS) ON SECURITIES</b>		
	Realised	27.1 (33,165)	9,133
	Unrealised - held for trading	-	-
		<u>(33,165)</u>	<u>9,133</u>
<b>27.1</b>	<b>Realised gain/(loss) on:</b>		
	Federal Government Securities	(27,060)	8,101
	Shares of listed companies	(6,105)	1,032
	Others investments	-	-
		<u>(33,165)</u>	<u>9,133</u>
<b>28</b>	<b>OTHER INCOME</b>		
	Gain on sale of operating fixed assets	2,632	107
	Rent on premises shared	285	285
	Incidental charges	343	245
	Others	60	66
		<u>3,320</u>	<u>703</u>



		March 31, 2022	March 31, 2021
	Note	----- Un-audited -----	----- Rupees in '000 -----
<b>29 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	29.1	<b>792,070</b>	691,410
<b>Property expenses</b>			
Rent & taxes		5,589	6,083
Insurance		19,772	9,370
Utilities cost		59,180	46,973
Security (including guards)		85,908	85,096
Repairs & maintenance		5,856	5,978
Depreciation		16,490	16,437
Depreciation on right of use assets		201,626	169,999
		<b>394,421</b>	339,936
<b>Information technology expenses</b>			
Software maintenance		25,212	19,602
Hardware maintenance		16,694	20,558
Depreciation		5,026	6,762
Amortisation		9,570	6,599
Network charges		2,978	2,665
Others		7,496	3,775
		<b>66,976</b>	59,961
<b>Other operating expenses</b>			
Directors' fees and allowances		2,180	4,860
Fees and allowances to Shariah Board		1,043	1,178
Legal & professional charges		8,349	9,006
Outsourced services costs		27,767	29,981
Travelling & conveyance		12,217	7,826
NIFT clearing charges		7,403	6,216
Depreciation		51,456	49,787
Training & development		568	172
Postage & courier charges		6,461	6,862
Communication		31,579	29,428
Stationery & printing		25,760	23,232
Marketing, advertisement & publicity		16,148	4,631
Donations		-	-
Auditors' Remuneration	29.2	3,636	3,447
Repairs & maintenance		31,385	21,897
Brokerage and commission		2,740	2,593
Entertainment		15,396	13,866
Fees and subscription		32,980	41,074
Insurance expenses		2,578	2,496
Others		11,231	10,958
		<b>290,877</b>	269,510
		<b>1,544,344</b>	<b>1,360,817</b>

		March 31, 2022	March 31, 2021
		----- Un-audited -----	
		----- Rupees in '000 -----	
<b>29.1 Total compensation expense</b>	<b>Note</b>		
Managerial Remuneration			
- Fixed		499,327	433,276
- Variable Cash Bonus / Awards etc.		140	747
Charge for defined benefit plan		27,946	19,816
Contribution to defined contribution plan		25,638	22,765
Rent & house maintenance		131,984	122,042
Utilities		26,824	24,673
Medical		26,824	24,671
Conveyance		24,431	22,105
Employees old age benefits contribution		3,751	3,693
Leave Fare Assistance		6,349	2,164
Staff Insurances		16,866	14,061
Others		1,990	1,397
		<b>792,070</b>	<b>691,410</b>
<b>29.2 Auditors' remuneration</b>			
Audit fee		2,768	3,038
Fee for other statutory certifications		292	278
Special certifications and sundry advisory services		137	131
Out-of-pocket expenses		439	-
		<b>3,636</b>	<b>3,447</b>
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		69	-
Others		-	-
		<b>69</b>	<b>-</b>
<b>31 PROVISIONS &amp; WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	10.3.1	-	11,894
Reversal of Provisions against loans & advances - specific		(9,294)	(68,653)
Provisions against loans & advances - specific		91,530	77,503
Provision against IFRS-09		-	74
Provisions against loans & advances - general		2,250	1,243
Net provision during the period	11.2.3	84,486	10,167
Bad debts written off directly		518	511
		<b>85,004</b>	<b>22,572</b>

	March 31, 2022	March 31, 2021
	----- Un-audited -----	
	----- Rupees in '000 -----	
<b>32 TAXATION</b>		
Current	91,149	78,138
Deferred	67,002	(148,942)
	<u>158,151</u>	<u>(70,804)</u>
<b>33 BASIC EARNING / (LOSS) PER SHARE</b>		
Profit / (Loss) for the period	<u>255,227</u>	<u>(110,701)</u>
Weighted average number of ordinary shares	<u>2,552,442,817</u>	<u>2,379,363,286</u>
Basic Earning / (Loss) per share	<u>0.10</u>	<u>(0.05)</u>
<b>34 DILUTED EARNING / (LOSS) PER SHARE</b>		
Profit / (Loss) for the period	<u>255,227</u>	<u>(110,701)</u>
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>2,552,442,817</u>	<u>2,379,363,286</u>
Diluted Earning / (Loss) per share	<u>0.10</u>	<u>(0.05)</u>
<b>35 CASH AND CASH EQUIVALENTS</b>		
Cash and Balances with Treasury Banks	17,886,965	14,920,480
Balances with other banks	<u>2,830,924</u>	<u>1,479,242</u>
	<u>20,717,889</u>	<u>16,399,722</u>

#### 36 FAIR VALUE MEASUREMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy.

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 assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

##### 36.1 Fair value of financial assets

IFRS 13 requires the Group to carry out fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- 36.2 The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Group essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP.

March 31, 2022 (Un-audited)				
Fair Value				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- Rupees in '000 -----			
Financial assets measured at fair value				
Available-for-sale securities				
Pakistan Investment Bonds	-	109,290,273	-	109,290,273
Market Treasury Bills	-	119,830,031	-	119,830,031
Shares of listed companies	2,170,913	-	-	2,170,913
Units of mutual funds	94,352	134,460	-	228,812
Ijarah Sukuk - GoP	-	2,998,040	-	2,998,040
Sukuk bonds	-	-	-	-
	<u>2,265,265</u>	<u>232,252,804</u>	<u>-</u>	<u>234,518,069</u>
Off balance sheet financial instruments				
Foreign exchange contracts (purchase)	-	<u>12,955,982</u>	-	<u>12,955,982</u>
Foreign exchange contracts (sale)	-	<u>13,712,233</u>	-	<u>13,712,233</u>
December 31, 2021 (Audited)				
Fair Value				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- Rupees in '000 -----			
Financial assets measured at fair value				
Available-for-sale securities				
Pakistan Investment Bonds	-	109,367,793	-	109,367,793
Market Treasury Bills	-	42,816,839	-	42,816,839
Shares of listed companies	2,159,015	-	-	2,159,015
Term finance certificates - Listed	-	-	-	-
Units of mutual funds	99,996	109,440	-	209,436
Ijarah Sukuk - GoP	-	2,989,090	-	2,989,090
	<u>2,259,011</u>	<u>155,283,162</u>	<u>-</u>	<u>157,542,173</u>
Off balance sheet financial instruments				
Foreign exchange contracts (purchase)	-	<u>6,740,279</u>	-	<u>6,740,279</u>
Foreign exchange contracts (sale)	-	6,200,850	-	6,200,850

The valuation techniques used for the above assets are the same as disclosed below.

Item	Valuation techniques and input used
Fully paid-up ordinary shares /close end mutual funds	Fair value is determined on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Open ended mutual funds	Fair value is based on redemption prices as at the close of the business day.
Pakistan Investment Bonds / Market Treasury Bills	Fair values are derived using the PKRV rates (Reuters page).
Government of Pakistan (GoP) - Ijarah Sukuks	Fair values are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters.
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.

### 37 SEGMENT INFORMATION

#### 37.1 Segment Details with respect to Business Activities

	March 31, 2022 (Un-audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	Rupees in '000				
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit income	3,982,440	8,882	-	(2,143,433)	1,847,889
Inter segment revenue - net	(4,321,467)	-	-	4,321,467	-
Non mark-up / return / interest income	94,228	244	-	100,434	194,906
Total Income	(244,799)	9,126	-	2,278,468	2,042,795
Segment direct expenses	(20,188)	(1,391)	-	(1,206,206)	(1,227,785)
Inter segment expense allocation	(86,375)	(6,662)	-	(223,591)	(316,628)
Total expenses	(106,563)	(8,053)	-	(1,429,797)	(1,544,413)
Provisions	3,013	-	-	81,991	85,004
<b>Profit / (Loss) before tax</b>	<b>(354,375)</b>	<b>1,073</b>	<b>-</b>	<b>766,680</b>	<b>413,378</b>
<b>Balance Sheet</b>					
Cash & Bank balances	13,789,335	-	-	6,928,554	20,717,889
Investments	251,948,686	-	-	-	251,948,686
Net inter segment lending	-	-	-	177,204,092	177,204,092
Lendings to financial institutions	1,300,000	-	-	-	1,300,000
Advances - performing	1,097,233	201,308	-	33,578,138	34,876,679
- non-performing (net)	19,894	4,978	-	11,865,033	11,889,905
Others	5,850,752	8,412	-	15,691,370	21,550,534
<b>Total Assets</b>	<b>274,005,900</b>	<b>214,698</b>	<b>-</b>	<b>245,267,187</b>	<b>519,487,785</b>

	March 31, 2022 (Un-audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	Rupees in '000				
Borrowings	95,382,574	-	-	1,682,153	97,064,727
Subordinated debt	-	-	-	-	-
Deposits & other accounts	242,072	-	-	218,856,800	219,098,872
Net inter segment borrowing	176,996,946	207,146	-	-	177,204,092
Others	504,481	7,552	-	6,734,722	7,246,755
<b>Total liabilities</b>	<b>273,126,073</b>	<b>214,698</b>	<b>-</b>	<b>227,273,675</b>	<b>500,614,446</b>
Equity	879,827	-	-	17,993,512	18,873,339
<b>Total Equity &amp; liabilities</b>	<b>274,005,900</b>	<b>214,698</b>	<b>-</b>	<b>245,267,187</b>	<b>519,487,785</b>
<b>Contingencies &amp; Commitments</b>	<b>121,394,602</b>	<b>-</b>	<b>-</b>	<b>15,129,615</b>	<b>136,524,217</b>

	March 31, 2021 (Un-audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	----- Rupees in '000 -----				
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit income	2,375,411	71,141	-	(1,424,798)	1,021,754
Inter segment revenue - net	(3,310,539)	-	-	3,310,539	-
Non mark-up / return / interest income	106,215	155	-	73,760	180,130
Total Income	(828,913)	71,296	-	1,959,501	1,201,884
Segment direct expenses	(32,583)	(55,334)	-	(873,218)	(961,135)
Inter segment expense allocation	(39,937)	(4,374)	-	(355,371)	(399,682)
Total expenses	(72,520)	(59,708)	-	(1,228,589)	(1,360,817)
Provisions	11,894	5,789	-	4,889	22,572
<b>Profit / (Loss) before tax</b>	<b>(913,327)</b>	<b>5,799</b>	<b>-</b>	<b>726,023</b>	<b>(181,505)</b>

	December 31, 2021 (Audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	----- Rupees in '000 -----				
<b>Balance Sheet</b>					
Cash & Bank balances	12,158,168	438,752	-	8,276,324	20,873,244
Investments	174,953,381	475,585	-	-	175,428,966
Net inter segment lending	750,000	(750,000)	-	172,676,536	172,676,536
Lendings to financial institutions	6,081,208	-	-	-	6,081,208
Advances - performing	48,256	1,132,445	-	35,374,143	36,554,844
- non-performing (net)	-	11,445	-	12,162,338	12,173,783
Others	4,778,330	197,863	-	15,398,776	20,374,969
<b>Total Assets</b>	<b>198,769,343</b>	<b>1,506,090</b>	<b>-</b>	<b>243,888,117</b>	<b>444,163,550</b>

	December 31, 2021 (Audited)				
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
	Rupees in '000				
Borrowings	25,089,819	750,000	-	1,695,919	27,535,738
Subordinated debt	-	-	-	-	-
Deposits & other accounts	-	234,272	-	217,608,406	217,842,678
Net inter segment borrowing	172,476,511	200,025	-	-	172,676,536
Others	349,767	102,446	-	6,809,755	7,261,968
<b>Total liabilities</b>	<b>197,916,097</b>	<b>1,286,743</b>	<b>-</b>	<b>226,114,080</b>	<b>425,316,920</b>
Equity	853,246	219,347	-	17,774,037	18,846,630
<b>Total Equity &amp; liabilities</b>	<b>198,769,343</b>	<b>1,506,090</b>	<b>-</b>	<b>243,888,117</b>	<b>444,163,550</b>
<b>Contingencies &amp; Commitments</b>	<b>43,427,871</b>	<b>-</b>	<b>-</b>	<b>13,807,888</b>	<b>57,235,759</b>

### 38 RELATED PARTY TRANSACTIONS

The related parties of the Group comprise associated undertakings, directors, staff retirement funds and key management personnel (including their associates).

Transactions with related parties includes deposits, advances and other banking services which are carried out on an arm's length basis. Transactions with executives are undertaken at terms in accordance with employment agreements and service rules. Contributions to and accruals in respect of staff retirement benefit plans are made in accordance with the terms of the benefit plan. Remuneration of the President & Chief Executive Officer and directors are determined in accordance with the terms of their appointment.

The Government of Sindh (GoS) through its Finance Department holds 99.96% shareholding in the Group and therefore entities which are owned and / or controlled by the GoS, or where the GoS may exercise significant influence, are related parties of the Group. The Group in the ordinary course of business enters into transactions with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to such entities. However, it is impracticable to disclose transactions with all other entities owned or controlled by the GoS.

The details of balances and transactions with related parties, other than those disclosed under respective notes, during the period / year are as follows:

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Director	Key Management Personal	Other Related Parties	Director	Key Management Personal	Other Related Parties
	----- Rupees in '000 -----					
<b>Investments</b>						
Opening balance	-	-	-	-	-	-
Investment made during the period / year	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Advances</b>						
Opening balance	-	211,252	-	-	201,487	-
Addition during the period / year	-	4,000	-	-	23,311	-
Repaid during the period / year	-	8,432	-	-	34,450	-
Transfer in / (out) - net	-	-	-	-	20,904	-
Closing balance	-	206,820	-	-	211,252	-
<b>Other Assets</b>						
Interest / mark-up accrued	-	195	-	-	158	-
Other receivables	-	-	335	-	-	50
	-	195	335	-	158	50
<b>Deposits and other accounts</b>						
Opening balance	767	40,596	2,138,735	22,930	68,200	2,079,063
Received during the period / year	7,561	100,570	4,233,353	162,069	433,815	20,942,544
Withdrawn during the period / year	5,450	92,726	4,412,544	184,201	412,641	20,882,872
Transfer in / (out) - net	3,518	-	-	(31)	(48,778)	-
Closing balance	6,396	48,440	1,959,544	767	40,596	2,138,735
<b>Other Liabilities</b>						
Interest / mark-up payable	9	322	13,041	22	321	16,013



	March 31, 2022 (Un-audited)			March 31, 2021 (Un-audited)		
	Director	Key Management Personal	Other Related Parties	Director	Key Management Personal	Other Related Parties
	Rupees in '000					
<b>Income:</b>						
Mark-up / return / interest earned	-	2,122	-	-	2,084	-
Fee and commission income	-	1	8	-	5	6
Net gain on sale of securities	-	-	200	-	-	208
Other income	-	-	285	-	-	285
<b>Expenses:</b>						
Mark-up / return / interest paid	17	641	38,406	80	752	35,072
Remuneration paid	-	46,408	-	-	54,895	-
Contribution to provident fund	-	3,527	-	-	3,373	-
Provision for gratuity	-	3,031	-	-	2,925	-
Other staff benefits	-	809	-	-	824	-
Directors' meetings fee	2,180	-	-	4,860	-	-
Other expenses	200	-	-	392	-	-
Insurance premium paid	-	-	14,854	-	-	1,002
<b>Others:</b>						
Sale of Government Securities	-	-	910,000	-	-	1,333,500
Purchase of Government Securities	-	-	-	-	-	150,000
Gratuity paid	-	6,042	-	-	4,647	-
Leave encashment paid	-	1,994	-	-	1,807	-
Expenses recovered under agency arrangement	-	-	14	-	-	-
Insurance claims settled	-	-	606	-	-	28

As at the date of consolidated statement of financial position, loans/advances and deposits related to government related entities and its related entities amounted to Rs.5,976.3 million (note 11) and Rs.106,096.06 million (note 18). The above includes deposits amounting to Rs.29,323.31 (2021: Rs.30,744.37) million received through the Finance Department, Government of Sindh.

	March 31, 2022 Un-audited	December 31, 2021 Audited
	----- (Rupees '000) -----	
<b>39 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,655,446	14,451,825
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	6,671,897	6,719,213
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	6,671,897	6,719,213
Eligible Tier 2 Capital	14,374	10,967
<b>Total Eligible Capital (Tier 1 + Tier 2)</b>	<b>6,686,271</b>	<b>6,730,180</b>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	29,504,195	30,836,591
Market Risk	12,885,973	12,089,179
Operational Risk	7,692,311	7,692,311
<b>Total Risk Weighted Assets</b>	<b>50,082,479</b>	<b>50,618,081</b>
<b>Common Equity Tier 1 Capital Adequacy ratio</b>	<b>13.32%</b>	<b>13.27%</b>
<b>Tier 1 Capital Adequacy Ratio</b>	<b>13.32%</b>	<b>13.27%</b>
<b>Total Capital Adequacy Ratio</b>	<b>13.35%</b>	<b>13.30%</b>
<b>Notional minimum capital requirements prescribed by SBP</b>		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Total capital minimum ratio plus CCB	11.50%	11.50%
<b>Approach followed for determining Risk Weighted Assets</b>		
Credit Risk	<b>Comprehensive</b>	<b>Comprehensive</b>
Market Risk	<b>Maturity method</b>	<b>Maturity method</b>
Operational Risk	<b>Basic Indicator</b>	<b>Basic Indicator</b>
	<b>March 31, 2022 Un-audited</b>	<b>December 31, 2021 Audited</b>
	----- (Rupees '000) -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	6,671,897	6,719,213
Total Exposures	335,197,584	265,491,048
<b>Leverage Ratio (%)</b>	<b>1.99%</b>	<b>2.53%</b>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	139,987,415	126,415,608
Total Net Cash Outflow	35,801,905	28,640,693
<b>Liquidity Coverage Ratio (%)</b>	<b>391%</b>	<b>441%</b>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	201,670,509	167,053,194
Total Required Stable Funding	71,129,770	65,172,730
<b>Net Stable Funding Ratio</b>	<b>284%</b>	<b>256%</b>

**40 GENERAL**

Figures have been rounded off to the nearest thousand Rupees.

**41 DATE OF AUTHORISATION FOR ISSUE**

These consolidated financial statements were authorised for issue by the Board of Directors on April 27, 2022.

  
Chairman

  
President and  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

## Branch Network



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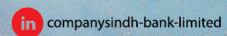
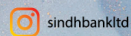
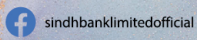
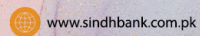
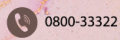
### Number of Branches

S.No.	Regions	No. of Branches
1	South Region - Karachi	93
2	Balochistan Branches	16
3	Sindh Rural Region	97
4	Punjab Central Region	101
5	North Region KPK & Mirpur AJK Area	23
	Total	330





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