

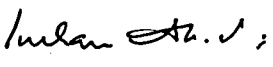
HOUSE BUILDING FINANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

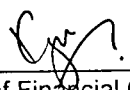
	(Un-Audited) March 31, 2021	(Un-Audited) December 31, 2020
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	6 33,252	34,880
Balances with other banks	7 180,327	130,492
Lendings to financial institutions	8 356,000	1,450,000
Investments	9 11,083,516	10,414,228
Advances	10 11,283,368	11,177,470
Fixed assets	11 379,758	391,630
Intangible assets	12 41,104	41,494
Deferred tax assets	1,761,435	1,761,435
Other assets	13 1,359,420	1,400,694
	26,478,180	26,802,323
LIABILITIES		
Bills payable	-	-
Borrowings	14 2,945,120	2,959,973
Deposits and other accounts	-	-
Liabilities against assets subject to finance lease	15 101,949	114,474
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	16 2,270,364	2,829,960
	5,317,433	5,904,407
NET ASSETS	21,160,747	20,897,916
REPRESENTED BY		
Share capital/ Head office capital account - net	19,365,000	19,365,000
Reserves	2,058,390	2,005,103
(Deficit) / surplus on revaluation of assets	17 (12,192)	(8,585)
Accumulated loss	(250,451)	(463,602)
	21,160,747	20,897,916

CONTINGENCIES AND COMMITMENTS


18

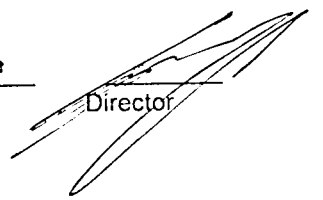
The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.


President/Chief Executive


Chief Financial Officer


Director

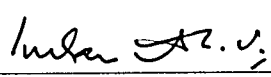
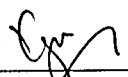
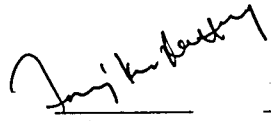
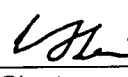
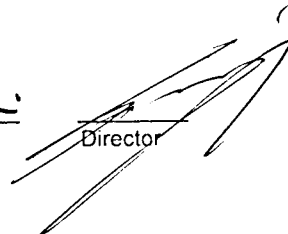

Director


Director

HOUSE BUILDING FINANCE COMPANY LIMITED
 PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2021

	Note	(Un-Audited) (Un-Audited) Quarter Ended	
		March 31, 2021	March 31, 2020
		Rupees in '000	
Mark-up/Return/Interest Earned	19	669,231	840,366
Mark-up/Return/Interest Expensed	20	(49,220)	(49,171)
Net Mark-up / Interest Income		620,011	791,195
NON MARK-UP/INTEREST INCOME			
Fee and Commission Income		-	-
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities	21	-	-
Other Income	22	16,324	22,476
Total non-markup/interest Income		16,324	22,476
Total Income		636,335	813,671
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	23	(394,758)	(418,438)
Workers Welfare Fund		(7,814)	(5,891)
Other charges		-	(695)
Total non-markup/interest expenses		(402,572)	(425,023)
Profit / (Loss) before provisions		233,763	388,648
Reversal of provision and write offs - net	24	144,281	(99,952)
Relief package and reprocessing charges	25	(570)	(57)
PROFIT/(LOSS) BEFORE TAXATION		377,474	288,639
Taxation	26	(111,036)	(83,706)
PROFIT/(LOSS) AFTER TAXATION		266,438	204,933
		Rupees	
Earnings per share - basic & diluted	27	0.14	0.11

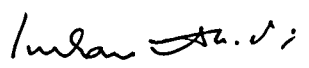
The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

 _____ President/Chief Executive	 _____ Chief Financial Officer	 _____ Director	 _____ Director	 _____ Director
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HOUSE BUILDING FINANCE COMPANY LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED MARCH 31, 2021

	(Un-Audited) (Un-Audited) Quarter Ended	
	March 31, 2021	March 31, 2020
	------(Rupees in '000)-----	
Profit / (Loss) after taxation for the period	266,438	204,933
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments	(3,607)	30,528
Total comprehensive income	<u>262,831</u>	<u>235,461</u>

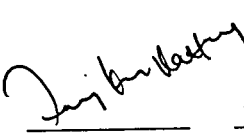
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 President/Chief Executive



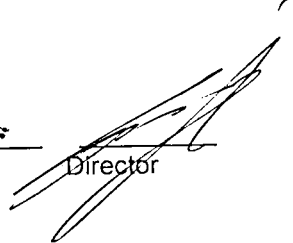
 Chief Financial Officer



 Director



 Director



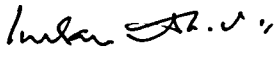
 Director

HOUSE BUILDING FINANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020

	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation Rupees in '000	Unappropriated losses	Total
Opening Balance as at January 1, 2020	19,365,000	1,799,383	(7,756)	(1,048,564)	20,108,063
Profit / (loss) after taxation (March 31 2020)	-	-	-	204,933	204,933
Other comprehensive income - net of tax	-	-	30,528	-	30,528
Transfer to statutory reserve *	-	40,987	-	(40,987)	-
Opening Balance as at April 01, 2020	19,365,000	1,840,370	22,772	(884,617)	20,343,524
Profit / (loss) after taxation (December 31, 2020)	-	-	-	823,666	823,666
Other comprehensive income - net of tax	-	-	(31,357)	(237,917)	(269,274)
Transfer to statutory reserve *	-	164,733	-	(164,733)	-
Opening Balance as at January 1, 2021	19,365,000	2,005,103	(8,585)	(463,602)	20,897,916
Profit / (loss) after taxation (March 31 2021)	-	-	-	266,438	266,438
Other comprehensive income - net of tax	-	-	(3,607)	-	(3,607)
Transfer to statutory reserve *	-	53,288	-	(53,288)	-
Closing Balance as on March 31, 2021	19,365,000	2,058,390	(12,192)	(250,451)	21,160,747

* This represents reserve created under BPD circular No. 15 of 2004 which requires the Company to credit to its reserve an amount not less than 20% of its after tax profit till such time the reserve equals the amount of paid-up capital. Thereafter, a sum not less than 5% of its after tax profit shall be credited to the said reserve.

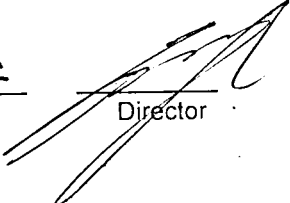
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President/Chief Executive


Chief Financial Officer


Director


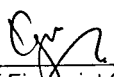
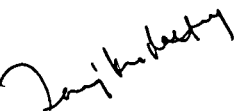

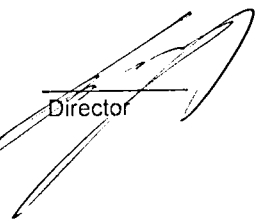

Director


Director

HOUSE BUILDING FINANCE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2020

Note	(Un-Audited) March 31, Rupees in '000	(Un-Audited) March 31, Rupees in '000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	377,474	288,639
Adjustments:		
Depreciation	11,913	14,267
Depreciation right of use asset	11,705	
Amortization	390	394
Reversal of provision / provisions and write-offs	(144,281)	99,952
Gain on sale of fixed assets	(33)	(139)
Reconciliation & GAS incentive adjustments	570	(57)
Provision for SWWF	7,814	5,891
	<u>(111,922)</u>	<u>120,307</u>
	265,552	408,946
(Increase)/ Decrease in operating assets		
Lendings to financial institutions	1,094,000	(1,355,497)
Advances	13,390	259,986
Others assets (excluding advance taxation)	(33,987)	198,230
	<u>1,073,403</u>	<u>(897,281)</u>
Increase/ (Decrease) in operating liabilities		
Borrowings from financial institutions	(14,853)	1,000,000
Other liabilities (excluding current taxation)	(574,903)	(731,018)
	<u>(589,756)</u>	<u>268,982</u>
Income tax paid	(35,775)	(32,129)
<i>Net cash flow generated from / (used in) operating activities</i>	<u>713,424</u>	<u>(251,483)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(650,056)	172,105
Investments in operating fixed assets	(16,638)	(22,680)
Proceeds from sale of fixed assets	1,477	266
<i>Net cash flow generated from / (used in) investing activities</i>	<u>(665,217)</u>	<u>149,690</u>
Increase / (Decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	48,207	(101,793)
Cash and cash equivalents at end of the period	<u>165,372</u>	<u>410,337</u>
	<u>213,579</u>	<u>308,544</u>

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

 <hr/> President/Chief Executive	 <hr/> Chief Financial Officer	 <hr/> Director	 <hr/> Director	 <hr/> Director
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HOUSE BUILDING FINANCE COMPANY LIMITED
NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2020

1. STATUS AND NATURE OF BUSINESS

House Building Finance Company Limited (the Company) is an unlisted public limited company incorporated in Pakistan on June 13, 2006 under the Companies Ordinance, 1984 (now the Companies Act 2017). The registered office of the Company is situated at Finance and Trade Centre Building, Sharah-e-Faisal, Karachi, in the province of Sindh. Pursuant to a vesting order SRO.I/2007 dated July 25, 2007 issued by Finance Division - Government of Pakistan effective from January 1, 2007, the Company had taken over all assets, running business, contracts, liabilities and proceedings of the House Building Finance Corporation established in 1952 under the House Building Finance Corporation Act, 1952 (XVIII of 1952) by the Government of Pakistan from closing of the business on December 31, 2006 and has also changed its name from House Building Finance Corporation Limited to House Building Finance Company Limited in 2010.

The Federal Government has directed the State Bank of Pakistan (SBP) to divest its entire shareholding in the Company, which will pave the way for the Company's privatisation. The Company is expected to be privatised by end of 2021.

The Company is designated as a financial institution by the Federal Government and is providing financing facilities for the purchase and construction of houses/ apartments including balance transfer facility (BTF) through a network of 51 branch offices, 7 area offices and 3 regional offices throughout Pakistan including Azad Jammu and Kashmir and Gilgit Baltistan. According to credit rating report dated June 12, 2020 of JCR-VIS Credit Rating Company Limited, the long term and short term ratings of the Company are "A" and "A-1" respectively.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB) and 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, the Companies Act, 2017 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank/DFI for the year ended December 31, 2020.

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 unconsolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS

		(Un-Audited) March 31, 2021	(Un-Audited) December 31, 2020
		Rupees in '000	
With State Bank of Pakistan in Local currency current account	6.1	33,192	34,821
With National Bank of Pakistan in Local currency current accounts	6.2	60	59
		33,252	34,880

6.1 This represents the amount required to be maintained by the Company in accordance with the SBP's regulations.

6.2 The bank account carries mark-up at rate 5.50% to 5.85% (2020: 5.50% to 11.25%) per annum.

(Un-Audited) (Un-Audited)
March 31, December
2021 31, 2020
Rupees in '000

7 BALANCES WITH OTHER BANKS

In Pakistan			
In deposit accounts	7.1	127,211	5,021
Transitory district bank accounts - net		53,116	125,471
		<u>180,327</u>	<u>130,492</u>

7.1 These bank accounts carry mark-up at rates ranging from 5.50% to 5.85% (2020: 5.50% to 12.00%) per annum.

8 LENDINGS TO FINANCIAL INSTITUTIONS

Letters of placement	8.1	55,683	55,683
Repurchase agreement lending (reverse repo)	8.2	356,000	1,450,000
		411,683	1,505,683
Less: Provision held against Lending to Financial Institutions		(55,683)	(55,683)
lendings to Financial Institutions - net of provision		<u>356,000</u>	<u>1,450,000</u>

8.1 Particulars of letters of placement

In local currency			
Trust Investment Bank Limited (TIBL)		5,909	5,909
First Dawood Investment Bank Limited (FDIBL)		49,774	49,774
		<u>55,683</u>	<u>55,683</u>

8.2 Repurchase agreement lendings (Reverse Repo)

In local currency			
Pak Libya Holding Company Limited		356,000	450,000
Saudi Pak Industrial and Agricultural Investment Company Limited		-	1,000,000
		<u>356,000</u>	<u>1,450,000</u>

8.3 Category of classification

(Un-Audited) March 31, 2021		(Un-Audited) December 31, 2020	
Classified Lending	Provision held	Classified Lending	Provision held

Rupees in '000

Domestic	55,683	55,683	55,683	55,683
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9 INVESTMENTS

9.1 Investments by type:

	(Un-Audited) March 31, 2021				(Un-Audited) December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
Available-for-sale securities								
Market Treasury Bills	6,877,836	-	(3,261)	6,874,575	6,241,981	-	(1,294)	6,240,687
Pakistan Investment Bonds	500,000	-	(6,550)	493,450	500,000	-	(5,800)	494,200
Unlisted Ordinary Shares	63,785	(500)	-	63,285	63,785	(500)	-	63,285
Listed Ordinary Shares	9,603	-	(2,381)	7,222	9,603	-	(1,830)	7,773
	<u>7,451,224</u>	<u>(500)</u>	<u>(12,192)</u>	<u>7,438,532</u>	<u>6,815,369</u>	<u>(500)</u>	<u>(8,924)</u>	<u>6,805,945</u>
Held-to-maturity securities								
Pakistan Investment Bonds	3,644,984	-	-	3,644,984	3,608,283	-	-	3,608,283
Unlisted Sukuk Bonds	26,240	(26,240)	-	-	26,240	(26,240)	-	-
Certificate of Investments	22,500	(22,500)	-	-	45,000	(45,000)	-	-
	<u>3,693,724</u>	<u>(48,740)</u>	<u>-</u>	<u>3,644,984</u>	<u>3,679,523</u>	<u>(71,240)</u>	<u>-</u>	<u>3,608,283</u>
Total Investments	<u>11,144,948</u>	<u>(49,240)</u>	<u>(12,192)</u>	<u>11,083,516</u>	<u>10,494,892</u>	<u>(71,740)</u>	<u>(8,924)</u>	<u>10,414,228</u>

	(Un-Audited) March 31, 2021	(Un-Audited) December 31, 2020
	Rupees in '000	
9.2 Provision for diminution in value of investments		
9.2.1 Opening balance	71,740	71,740
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	(22,500)	-
Reversal on disposals	-	-
	(22,500)	-
Closing Balance	49,240	71,740

9.2.2 Particulars of provision against debt securities

Category of classification	(Un-Audited) March 31, 2021		(Un-Audited) December 31, 2020	
	NPI	Provision	NPI	Provision
Domestic				
Loss	48,740	48,740	71,240	71,240

10 ADVANCES

	Performing		Non Performing		Total	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	Rupees in '000					
In Pakistan - local currency						
Rental Sharing Schemes	8,003	8,515	1,207,013	1,211,005	1,215,016	1,219,520
Interest Bearing Schemes	-	-	99,904	99,941	99,904	99,941
Ghar Aasan Scheme	459,022	530,130	981,471	971,955	1,440,493	1,502,085
Shandar Ghar Scheme	-	-	91,801	98,221	91,801	98,221
Financing facility for Small Builders	858	5,826	4,968	-	5,826	5,826
Ghar Aasan Flexi Scheme	6,018,426	6,123,429	1,575,592	1,572,582	7,594,018	7,696,011
Bisma & Saima Projects	11,060	11,367	3,273	3,617	14,333	14,984
New Small Builders	7,082	18,453	11,371	-	18,453	18,453
Ghar Pakistan Scheme	2,600,509	2,544,532	78,335	62,412	2,678,844	2,606,944
Ghar Pakistan Plus Scheme	1,230,645	1,174,360	34,959	30,201	1,265,604	1,204,561
HIFC Khas	1,660	980	-	-	1,660	980
Mera Pakistan Mera Ghar (Naya Pakistan Housing Scheme)	39,506	12,920	-	-	39,506	12,920
	10,376,770	10,430,512	4,088,689	4,049,934	14,465,458	14,480,446
Employee portfolio						
Housing finance to employees	473,036	468,886	5,550	5,550	478,586	474,436
Car advance to employees	66,278	61,028	-	-	66,278	61,028
Staff Personal Loan	10,498	13,540	-	-	10,498	13,540
P/C advance to employees	-	-	19	19	19	19
	549,812	543,454	5,569	5,569	555,381	549,023
Partners' death claims	(29,292)	(23,962)	-	-	(29,292)	(23,962)
Advances - gross	10,897,290	10,950,004	4,094,258	4,055,503	14,991,547	15,005,507
Provision for non-performing advances						
- Specific						
Rental Sharing Schemes	7,998	2,779	1,207,013	1,211,005	1,215,011	1,213,784
Interest Bearing Schemes	-	-	99,904	99,941	99,904	99,941
Ghar Aasan Scheme	-	-	817,995	855,087	817,995	855,087
Shandar Ghar Scheme	-	-	90,551	98,221	90,551	98,221
Financing facility for Small Builders	-	4,968	4,968	-	4,968	4,968
Ghar Aasan Flexi Scheme	-	-	1,241,779	1,253,196	1,241,779	1,253,196
Bisma & Saima Projects	3,492	4,775	3,273	3,617	6,765	8,392
New Small Builders Scheme	17,597	18,453	11,371	-	28,968	18,453
Ghar Pakistan Scheme	-	-	19,367	15,532	19,367	15,532
Ghar Pakistan Scheme Plus	-	-	6,225	5,553	6,225	5,553
Housing finance to employees	-	-	5,550	5,550	5,550	5,550
P/C advance to employees	-	-	19	19	19	19
	29,087	30,975	3,508,016	3,547,721	3,537,102	3,578,696
- General	171,077	249,341	-	-	171,077	249,341
Advances - net of provision	10,697,126	10,669,688	586,242	507,782	11,283,368	11,177,470

10.1 Advances include Rs. 4,094 million (December 31, 2020: Rs. 4,056 million) which have been placed under non-performing status as detailed below:-

Category of Classification	(Un-Audited) March 31, 2021		(Un-Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	368,026	31,268	263,503	39,146
Substandard	203,315	43,557	252,892	57,264
Doubtful	314,862	225,137	314,503	216,190
Loss	3,208,054	3,208,054	3,224,605	3,235,121
Total	4,094,258	3,508,016	4,055,503	3,547,721

10.2 Particulars of provision against advances	(Un-Audited) March 31, 2021			(Un-Audited) December 31, 2020		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	3,578,696	249,341	3,828,037	3,337,319	166,162	3,503,481
Charge / (Reversal) for the period / year	(41,594)	(78,264)	(119,858)	241,377	83,179	324,556
Amounts written off	-	-	-	-	-	-
Closing balance	3,537,102	171,077	3,708,179	3,578,696	249,341	3,828,037

10.3.1 General provision against advances has been determined in accordance with the requirements of Prudential Regulations (HF-9) issued by the State Bank of Pakistan on regular portfolio of consumer financing.

10.3.2 The SBP vide BSD Circular no. 10 of 2009 dated October 20, 2009 had allowed banks/DFIs to avail benefit of forced sales value of collaterals mortgaged with them while determining provisioning requirement against non-performing financing. Further, SBP vide BSD Circular no.1 of 2011 dated October 21, 2011 made certain amendments in the Prudential Regulations for Consumer Financing with respect to allowing additional benefit of forced sales value (FSV) of mortgage properties held as collateral against housing finances. According to the said circular, the impact on profitability due to availing FSV benefit shall not be available for payment of cash dividend or stock dividend. As at March 31, 2021, had FSV benefit of IH&SMEFD Circular no. 03 of 2017 not been taken, profit before taxation would have been decreased by Rs. 7.2 million.

11 FIXED ASSETS	(Un-Audited) March 31, 2021	(Un-Audited) December 31, 2020
	Rupees in '000	
Capital work-in-progress	11.1	12,860
Property and equipment		290,355
Right of use-of-assets		76,543
		<u>379,758</u>
11.1 Capital work-in-progress		
Civil works		12,860
		<u>12,860</u>
12 INTANGIBLE ASSETS		
Computer Software		1,601
Capital work-in-progress		39,503
		<u>41,104</u>
13 OTHER ASSETS		
Income/ mark-up accrued in local currency - net of provision		
Advances	776,619	687,459
Investments	308,231	336,415
Lending to financial institutions	70	5,845
Advances, deposits, advance rent and other prepayments	49,737	55,163
Advance taxation (payments less provisions)	206,665	280,995
Advance for purchase of land - housing projects	53,815	53,815
Other receivables against advances	18,098	34,817
Assets acquired from Pakistan Refugees Rehabilitation Finance Corporation (P ² RRFC)	-	-
	1,413,235	1,454,509
Less: Provision held against other assets	(53,815)	(53,815)
Other Assets (Net of Provision)	<u>1,359,420</u>	<u>1,400,694</u>
13.1 Provision held against other assets		
Advance for purchase of land - housing projects	53,815	53,815
	<u>53,815</u>	<u>53,815</u>

		(Un-Audited) March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
14	BORROWINGS		
	<i>Secured</i>		
	Pakistan Mortgage Refinance Company Limited	2,945,120	2,959,973
		<u>2,945,120</u>	<u>2,959,973</u>
15	LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE		
	Lease liability - right-of-use asset	101,949	114,474
		<u>101,949</u>	<u>114,474</u>
16	OTHER LIABILITIES		
	Markup payable on borrowing	16,799	17,501
	Retirement and other service benefits	1,657,556	2,184,899
	Demand charges	22,089	22,104
	Accrued expenses	102,657	135,196
	Advance payment from customers	312,801	318,743
	Insurance premium payable	55,342	15,662
	Advance rent received	40,733	51,842
	Refundable to customers against advances	3,951	29,468
	Sindh Workers' Welfare Fund	42,329	34,515
	Others	16,107	20,030
		<u>2,270,364</u>	<u>2,829,960</u>
17	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS		
	Surplus / (deficit) on revaluation of		
	- Available for sale securities	9.1	(12,192) (8,924)
18	CONTINGENCIES AND COMMITMENTS		
	-Commitments	18.1	730,536 728,803
	-Other contingent liabilities	18.2	47,990 47,990
			<u>778,526 776,793</u>
18.1	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- Loans sanctioned but not disbursed	311,773	310,040
	Equity investment to be made in		
	- Pakistan Mortgage Refinance Company Limited	193,325	193,325
	Land to be purchased for Gwadar Housing Projects	149,725	149,725
	Land to be purchased for Gwadar Office	9,750	9,750
	Model Town Lahore Project	27,840	27,840
	Hyderabad Project	5,305	5,305
	Peshawar Office Building Project	10,485	10,485
	Software being developed to replace Loan Management System	21,497	21,497
	Other commitments	836	836
		730,536	728,803

18.2 Other contingent liabilities

Claims not acknowledged as debt

SMS Courier (Pvt) Limited (SMSCPL)	17.2.1	39,890	39,890
Liaquat National Hospital	17.2.2	8,100	8,100
		<u>47,990</u>	<u>47,990</u>

18.2.1 In the year 1995, the Company entered into an agreement with SMS Courier (Pvt) Limited (SMSCPL), a courier service company. Subsequently, due to unsatisfactory service, the Company terminated the agreement with SMSCPL. SMSCPL claimed indemnity of loss for Rs. 39.89 million and filed a suit for recovery from the Company which is pending for adjudication in Honorable Sindh High Court. The legal advisor of the Company is of the opinion that no economic outflow is expected in this respect.

18.2.2 In the year 2008, the Company entered into an agreement with Liaquat National Hospital (LNH) in Karachi for providing medical facilities/treatments to employees of the Company and their dependents. LNH lodged a claim of Rs. 8.1 million against the Company, which include bills of the individuals who were not referred by the Company to LNH, as these were neither the Company's employees nor their dependents. Currently, the case is pending for adjudication in Honorable Sindh High Court. The legal advisor of the Company is of the opinion that no economic outflow is expected.

	(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020
	Rupees in '000	
19 MARK-UP/RETURN/INTEREST EARNED		
On:		
a) Loans and advances		
Customers	411,831	501,738
Employees	3,393	2,540
b) Investments		
Available-for-sale	138,235	307,814
Held-to-Maturity	103,631	-
c) Lendings		
Letters of placement	56	1,003
Repurchase agreement lending (Reverse repo)	10,017	16,921
d) Balances with banks	2,068	10,351
	<u>669,231</u>	<u>840,366</u>
20 MARK-UP/RETURN/INTEREST EXPENSED		
On:		
a) Borrowing from Pakistan Mortgage Refinance Company	46,514	49,171
b) Finance lease charge	2,706	-
	<u>49,220</u>	<u>49,171</u>
21 GAIN / (LOSS) ON SECURITIES		
Realised	-	-
22 OTHER INCOME		
Refund of premium from insurance company	-	1,088
Rent on property	11,109	6,440
Gain on sale of fixed assets-net	33	139
Inspection and application fee	579	5,352
Advance Unit Purchase Charges	-	6,070
Balloon Payment charges of Flexi Scheme	-	11
Storage documentation	1,091	1,341
Penalty income on conventional schemes	3,128	1,653
Miscellaneous Income	384	381
	<u>16,324</u>	<u>22,476</u>
23 OPERATING EXPENSES		
Total compensation expense	301,563	350,834
Property expense		
Rent and taxes	2,136	-
Insurance	212	225
Utilities cost	3,124	2,554
Security (including guards)	596	605
Repair and maintenance (including janitorial charges)	15,360	7,087
Depreciation	3,740	7,565
Depreciation on right-of-use assets	11,705	-
Others	-	975
	<u>36,873</u>	<u>19,012</u>
Information technology expenses		
Hardware maintenance	146	1,128
Depreciation	4,871	3,701
Amortization	390	394
Network charges	3,016	2,395
	<u>8,423</u>	<u>7,617</u>

(Un-Audited) (Audited)
 March 31, March 31,
 2020 2019
 Rupees in '000

Other operating expenses

Directors' fees and allowances	-	714
Legal and professional charges	12,626	5,137
Consultancy charges	1,392	5,861
Outsourced services costs	11,283	4,043
Travelling and conveyance	2,756	4,743
Depreciation	3,302	3,001
Training and development	1,565	821
Postage and courier charges	747	2,546
Communication	137	1,822
Stationery and printing	1,625	1,558
Marketing, advertisement and publicity	2,123	1,670
Auditors remuneration	975	830
Banking service charges	2,025	136
Entertainment	500	433
Vehicle expense	3,446	3,298
Subscription	275	202
Others	3,122	4,161
	<u>47,899</u>	<u>40,974</u>
	<u>394,758</u>	<u>418,438</u>

24 PROVISIONS & WRITE OFFS - NET

Reversal of provision for diminution in value of investments	8.3	22,500	-
Reversal of provision for lendings	9.2.1	-	-
Reversal / (provision) against loans and advances	10.2	119,858	(103,115)
Reversal / (provision) against doubtful receivable insurance premium from partners		1,923	3,162
Write off against advances		-	-
		<u>144,281</u>	<u>(99,952)</u>

25 RELIEF PACKAGE AND REPROCESSING CHARGES

Reprocessing and closing adjustment		(570)	57
		<u>(570)</u>	<u>57</u>

26 TAXATION

Current		111,036	83,706
Prior periods		-	-
		<u>111,036</u>	<u>83,706</u>

27 EARNING PER SHARE - BASIC & DILUTED

Profit for the period		<u>266,438</u>	<u>204,933</u>
Weighted average number of ordinary shares		<u>1,936,500,006</u>	<u>1,936,500,006</u>
Basic earnings per share		<u>0.14</u>	<u>0.11</u>

28 FAIR VALUE MEASUREMENTS

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

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

28.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	(Un-Audited) March 31, 2021			Total
	Level 1	Level 2	Level 3	
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
<u>Investments</u>				
Federal Government Securities	-	7,368,025	-	7,368,025
Listed Ordinary Shares	7,222	-	-	7,222
(Un-Audited) December 31, 2020				
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
<u>Investments</u>				
Federal Government Securities	-	6,734,887	-	6,734,887
Listed Ordinary Shares	7,773	-	-	7,773

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used	Input Used
Market Treasury Bills & PIBs	Market approach	PKRV Rates

29 RELATED PARTY TRANSACTIONS

Related parties comprise of associates, directors and key management personnel of the Company. There were no transactions with the key management personnel other than those under the terms of their employment. Details of transactions with the related parties other than those which have been disclosed elsewhere in these financial statements, are as follows:

	March 31, 2021			December 31, 2020		
	Key management personnel	Associates	Other related parties	Key management personnel	Associates	Other related parties
Advances						
Opening balance	58,357	-	-	50,771	-	-
Addition during the period / year	7,181	-	-	13,015	-	-
Repaid during the period / year	(1,771)	-	-	(5,462)	-	-
Transfer in / (out) - net	626	-	-	33	-	-
Closing balance	<u>64,393</u>	<u>-</u>	<u>-</u>	<u>58,357</u>	<u>-</u>	<u>-</u>
Income						
Markup / return / interest earned	<u>441</u>	<u>-</u>	<u>-</u>	<u>2,013</u>	<u>-</u>	<u>-</u>

(Un-Audited) (Un-Audited)
 March 31, December 31,
 2021 2020
 Rupees in '000

30 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

21,172,939 20,906,501

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

19,358,208	19,094,987
-	-
19,358,208	19,094,987
85,631	89,442
<u>19,443,839</u>	<u>19,184,429</u>

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

6,850,515	7,155,352
570,128	796,176
5,682,924	5,680,282
<u>13,103,567</u>	<u>13,631,810</u>

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

147.73% 140.08%

147.73% 140.08%

148.39% 140.73%

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

19,358,208 19,113,513

27,208,716 27,531,126

71.15% 69.43%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

7,401,000 6,769,767

3,000 3,876

246700% 174659%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

24,333,000 24,926,945

9,483,000 10,622,025

257% 235%

31 RECLASSIFICATION OF COMPARATIVE FIGURES

Comparative figures have been reclassified and re-arranged where necessary for the purpose of better presentation.

32 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on April 12, 2022 by the Board of Directors of the

33 GENERAL

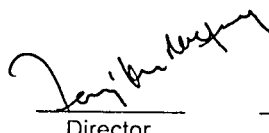
Figures have been rounded-off to the nearest thousand rupees except stated otherwise.



President/Chief Executive



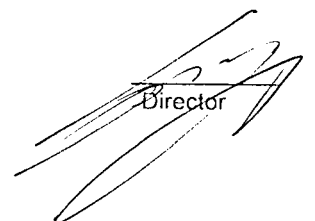
Chief Financial Officer



Director



Director



Director