

Interim Financial Statements

| STATEMENT OF FINANCIAL POSITIO | | ca operations KR 000 | | p Pakistan KR 000 | STATEMENT OF COMPREHENSIVE INCOM | IE Sri | Lanka operations LKR 000 | | Pakistan R 000 | CASH FL |
|--|------------|-------------------------|---------------|-----------------------|--|---------------------------|-----------------------------|------------------------------|--------------------------------|--------------|
| As at | 30.06.2022 | 31.12.2021 Audited | 30.06.2022 | 31.12.2021 Audited | For the six month ended 30th June | 2022 | 2021 | 2022 | 2021 | For the per |
| Assets | | | | | Interest income | 1,035,562 | 661,972 | 92,315,591 | 62,733,431 | |
| Cash and cash equivalents | 234,249 | 220,254 | 183,788,717 | 175,922,469 | Interest expenses | (377,198) | (296,591) | (50,066,043) | (29,001,691) | Cash Flow |
| Balances with central banks | 770,489 | 866,541 | - | - | Net interest income Fee and commission income | 658,364 | 365,380 | 42,249,548 | 33,731,740 | Interest and |
| Placements with banks / Financial Institutions | 5,088,530 | 2,674,180 | 133,972,239 | 63,171,439 | Fee and commission expenses | 24,226 (9,044) | 74,878 (10,238) | 7,373,534 - | 6,611,051 - | Interest pay |
| Derivative financial instruments | - | - | - | - | Net fee and commission income | 15,182 | 64,640 | 7,373,534 | 6,611,051 | Receipts/(o |
| Financial assets recognized through profit or loss | - | - | - | - | Net gains/(losses) from trading | - | - | - | - | |
| measured at fair value | | - | 8,148,677 | 1,255,085 | Net fair value gains/(losses) on: | - | - | - | - | Cash payn |
| designated at fair value | - | - | - | - | financial assets at fair value through profit or loss | - | - | 377,997 | - | Operating |
| Financial assets at amortised cost | - | - | | | financial liabilities at fair value through profit or loss | - | - | - | - | Assets a |
| Loans and Advances to customers | 11,150,501 | 12,385,467 | 703,914,379 | 686,388,652 | Net gains/(losses) on derecognition of financial | | | | | |
| Debt and other financial instrument | - | 815,028 | 23,854,962 | 24,426,134 | assets: | - | - | - | 543,084 | |
| Financial Assets measured at FVTOCI | 7,873,255 | 8,637,800 | 989,041,164 | 1,031,604,010 | at fair value through profit or loss at amortised cost | - | - | - | - | Increase ir |
| Investments in associates and joint ventures | - | - | 5,165,253 | 5,283,282 | | _ | _ | _ | _ | Deposits h |
| Property, plant and equipment | 397,890 | 428,704 | 62,863,435 | 62,351,545 | at fair value through other comprehensive income | - | - | - | - | Financial a |
| Goodwill and Intangible assets | 24,447 | 31,945 | 1,698,672 | 1,838,136 | Other operating income (net) | 74,802 | 81,426 | 5,477,825 | 2,946,456 | Other Asse |
| Deferred tax assets | 13,490 | 21,812 | 4,235,115 | - | Total operating income | 748,348 | 511,447 | 55,478,904 | 43,832,331 | Increase/(|
| Current tax assets | · - | 50,332.00 | - | - | Impairment charges for loans and other losses Net operating income | (3,726) 744,621 | (69,410) 442,037 | 921,170 56,400,074 | 1,999,908 45,832,239 | |
| Other assets | 136,499 | 90,521 | 90,429,639 | 69,880,727 | Personnel expenses | (182,344) | (177,209) | (10,753,987) | (9,759,911) | Deposits fr |
| Total assets | 25,689,349 | 26,222,585 | 2,207,112,252 | 2,122,121,479 | Depreciation and amortisation | (42,512) | (49,948) | (1,386,967) | (2,384,408) | Other Liabi |
| | | | _,, | _,,,,, | Other expenses | (163,609) | (154,123) | (11,173,296) | (8,473,520) | Net Cash |
| Liabilities | | | | | Operating profit before VAT on financial | 050.457 | 00.757 | 00 005 004 | 05 044 400 | |
| Due to banks | 47,690 | 1,497,685 | 168,067,087 | 270,453,627 | Services Value Addedd Tax(VAT) on Financial Services | 356,157 (85,110) | 60,757 (30,434) | 33,085,824 | 25,214,400 | Income Ta |
| Derivative financial instruments | -1,000 | 6,152 | 100,007,007 | 210,400,021 | Operating profit after value added tax (VAT) | 271,046 | 30,323 | 33,085,824 | 25,214,400 | |
| | • | 0,132 | - | • | Share of profits of associates and joint ventures | | - | 362,387 | 431,851 | Not Cook |
| Financial liabilities recognized through profit or | | | | | Profit before tax | 271,046 | 30,323 | 33,448,211 | 25,646,251 | Net Cash |
| loss measured at fair value | | | | | Tax expense | (81,314) | (7,884) | (22,061,683) | (10,682,617) | |
| | | | | | Profit for the period | 189,732 | 22,439 | 11,386,528 | 14,963,634 | |
| designated at fair value | | | | | Profit attributable to: | | | | | Cash Flow |
| Financial liabilities at amortised cost | 45 070 000 | 46 044 044 | 4 700 007 007 | 4 504 506 674 | Owners of the parent | 189,732 | 22,439 | 11,369,337 | 14,882,830 | |
| due to depositors | 15,278,003 | 16,344,311 | 1,733,087,907 | 1,534,586,671 | Non-controlling interests | - | - | 17,191 | 80,804 | Net procee |
| due to debt securities holders | 4 445 700 | 400.040 | 4 0 4 0 4 0 0 | 40 445 055 | _ | 189,732 | 22,439 | 11,386,528 | 14,963,634 | Proceed from |
| due to other borrowers | 1,115,700 | 162,812 | 4,248,498 | 12,445,255 | Items that will be reclassified to income | | | | | Purchase |
| Debt securities issued | 01 //21 | 70.400 | 0 | ^ | statement | | | | | ruicilase |
| Retirement benefit obligations | 81,431 | 72,128 | 0 | 0 | Foreign currency translation reserve - Gain / | | | | | Proceeds 1 |
| Current tax liabilities | 78,114 | - | - | - | (Loss) on translation of Foreign Operation Net gains/(losses) on cash flow hedges | 782,429 | 99,843 | (552,953) | (470,804) | |
| Deferred tax liabilities | - | - | - | - | Net gains/(losses) on investments in Financial | | - | - | - | Net Cash I |
| Other provisions | 12,532 | 7,930 | - | - | Assets measured at fair value through other | - | - | - | - | |
| Other liabilities | 1,072,461 | 1,150,960 | 133,919,888 | 127,067,266 | comprehensive income | 34,674 | (29,285) | - | - | |
| Total liabilities | 17,685,930 | 19,241,978 | 2,039,323,380 | 1,944,552,819 | Share of profits of associates and joint ventures | - | - | 33,925 | - | Cash flow |
| | | | | | Debt instruments at fair value through other comprehensive income | _ | - | - | - | Capital Infu |
| Equity | | | | | Movement in share of surplus / deficit on | - | - | - | - | Profit trans |
| Stated capital/Assigned capital | 3,969,508 | 3,969,508 | 11,850,600 | 11,850,600 | revaluation of associated undertaking- net of tax | - | - | (8,525,734) | (2,345,186) | |
| Statutory reserve fund | 254,392 | 244,905 | 38,914,851 | 37,729,718 | Less: Tax expense relating to items that will be reclassified to income statement | (0.000) | 7.000 | | | Increase/(I |
| Retained earnings | 2,499,717 | 2,319,471 | 63,242,295 | 64,697,360 | Items that will not be reclassified to income | (8,322) | 7,029 | • | - | Decrease of |
| Other reserves | 1,279,802 | 446,723 | 53,082,550 | 62,539,563 | statement | - | - | | - | Net cash o |
| Total shareholders' equity | 8,003,419 | 6,980,608 | 167,090,296 | 176,817,241 | Change in fair value on investments in equity | _ | - | - | - | |
| Non-controlling interests | • | • | 698,576 | 751,419 | instruments designated at fair value through other comprehensive income | | | | | Net Increa |
| Total equity | 8,003,419 | 6,980,608 | 167,788,872 | 177,568,660 | Change in fair value attributable to change in the | - | - | - | - | Cash and |
| Total equity and liabilities | 25,689,349 | 26,222,585 | 2,207,112,252 | 2,122,121,479 | Bank's own credit risk on financial liabilities | - | - | - | - | Cash and |
| _ | | | | | designated at fair value through profit or loss | - | - | - | - | ouon unu |
| Contingent liabilities and commitments | 9,059,264 | 7,731,208 | 749,495,239 | 643,516,382 | Re-measurement of post-employment benefit | | | 164 070 | (166 101) | D" |
| _ | . , | | | | obligations Changes in revaluation surplus | - | - | 164,273 (173,085) | (166,181) (186,368) | Reconcilia |
| | | | | | Share of profits of associates and joint ventures | - | - | (173,065) | (49,786) | Cash and o |
| Number of Employees | 114 | 140 | 14,075 | 15,961 | Less: Tax expense relating to items that will not be | | | , , , | , , , | |
| Number of Branches | 6 | 8 | 3,322 | 1,437 | reclassified to income statement | - | - | - | - | |
| | | | | | Other comprehensive income for the period, net of taxes | 808,781 | 77,587 | (9,245,629) | (3,218,325) | Figures in |
| Note: Amount stated are net of impairement and dep | preciation | | | | Total comprehensive income for the period | 998,513 | 100,026 | 2,140,899 | 11,745,309 | |
| , | • | | | | | -, | , | . , | ,, | |

| CASH FLOW STATEMENT | Sri Lanka operati | ons LKR 000 |
|---|-------------------|-------------|
| For the period ended 30th June | 2022 | 2021 |
| Cash Flows From Operating Activities | | |
| Interest and commission receipts | 1,059,787 | 736,850 |
| Interest payments | (377,198) | (296,591) |
| Receipts/(outgoings) from other operating activities | 74,802 | 81,426 |
| Cash payments to employees and suppliers | (490,908) | (421,952) |
| Operating profit before changes in Operating Assets and Liabilities | 266,483 | 99,734 |
| Increase in Operating Accets | | |
| Increase in Operating Assets Deposits held for Regulatory or Monetary Control Purposes | 96,052 | (269,294) |
| Financial assets at amortised cost - loans & advances | 1,231,240 | 1,632,022 |
| Other Assets | (45,978) | 15,687 |
| Increase/(Decrease) in Operating Liabilities | (1-1-1-2) | |
| Deposits from customers | (1,066,308) | (5,002,515) |
| Other Liabilities | 880,236 | 68,708 |
| Net Cash Generated from Operations | 1,361,726 | (3,455,659) |
| Income Tax Paid | (88,834) | (64,870) |
| Net Cash Flows Generated from Operating Activities | 1,272,892 | (3,520,529) |
| A 1 - 1 4 1 4 1 4 1 4 1 1 1 | | |
| Cash Flows from Investing Activities | | |
| Net proceeds from maturity and purchase of Financial Investments | 1,614,247 | 2,974,227 |
| Proceed from maturity of other Placements with Banks | (2,414,350) | 1,981,169 |
| Purchase of Property, Plant and Equipments | 38,312 | 39,380 |
| Proceeds from Sale of Property, Plant and Equipment | | |
| Net Cash Flows generated from Investing Activities | (761,791) | 4,994,776 |
| Cash flow from Financing Activities | | |
| Capital Infusion from Head Office | - | - |
| Profit transferred to head office | - | - |
| Increase/(Decrease) of borrowings | (497,107) | (1,525,953) |
| Decrease of Securities Sold Under Repurchase Agreement | | (4 505 050) |
| Net cash generated from/(used in) financing Activities | (497,107) | (1,525,953) |
| Net Increase in Cash and Cash Equivalents | 13,994 | (51,705) |
| Cash and Cash Equivalents at the Beginning of the year | 220,254 | 289,328 |
| Cash and Cash Equivalents at the End of the year | 234,249 | 237,623 |
| Reconciliation of cash and cash equivalents | | |
| Cash and cash equivalents | 234,249 | 237,623 |
| | <u>234,249</u> | 237,623 |
| Figures in brackets indicate deductions. | | |
| | | |
| | | |

Available for

Sale Reserve

for FVTOCI

(3,215)

26,352

Sri Lanka operations LKR 000

6,980,609

24,298

189,732

808,781

998,513

Exchange

Reserves

377,021

24,298

782,429

Equilization

Retained

2,319,471

189,732

189,732

(9,487)

Earnings

| GROUP CASH FLOW STATEMENT | Group Pai | kistan PKR 0 |
|--|--------------------------------|----------------------------------|
| For the period ended 30th June 2022 Cash Flows From Operating Activities | 2022 | 202 |
| Profit before taxation | 33,448,211 | 25,646,251 |
| Less: Dividend income and share of profit of associates | (1,467,189) 31,981,022 | (1,284,929 24,361,32 2 |
| Adjsutments: | 31,901,022 | 24,301,322 |
| Depreciation of fixed assets | 1,355,437 | 1,252,930 |
| Depreciation on right of use assets | 884,288 | 868,30 |
| Depreciation on non-banking assets acquired in satisfaction of claims | 11,973 | 18,72 |
| Amortisation | 303,396 | 244,45 |
| Provisions / (reversals) and write offs - net | (921,170) | (1,999,90 |
| Fixed assets written off | • | _ |
| Worker welfare fund | 667,307 | 510,19 |
| Gain on sale of non-banking assets acuired in satisfaction of claims | - | (536,46 |
| Gain on sale of fixed assets | (31,720) | 26,41 |
| Gain on conversion of Ijarah agreements | (7,224) | (10,76 |
| (Reversal)/ charge for defined benefit plans | 90,813 | 290,43 |
| unrealised loss on revaluation of investments classified as held for trading | 43,457 | (109,47 |
| nterest expensed on lease liability against right-of-use assets | 697,099 | 710,92 |
| Gain on termination of lease liability against right of use assets | (42,593) | (106,53 |
| | 35,032,085 | 25,520,54 |
| Decrease / (increase) in operating assets | | |
| Lending to financial institutions | (56,555,705) | (15,525,97 |
| Held-for-trading securities | (6,937,049) | (71,358,39 |
| Advances | (15,869,890) | 4,195,39 |
| Others assets (excluding advance taxation) | (16,199,227) | (1,314,84 |
| | (95,561,871) | (84,003,81 |
| ncrease in operating liabilities | (10.912.400) | (11 042 02 |
| Bills payable | (10,812,400) | (11,943,03 |
| Borrowings from financial institutions | (111,326,365) | (37,515,09 |
| Deposits Others liabilities (evaluding ourrent toyotien) | 198,501,236 | 167,428,77 |
| Others liabilities (excluding current taxation) | 5,664,715 82,027,186 | (2,341,86 / |
| Defind benefits paid | (128,794) | (135,30 |
| Income tax paid | (12,646,515) | (8,274,30 |
| Net cash flow from operating activities | 8,722,091 | 48,735,91 |
| Cash flow from investing activities | 00.445.070 | 4 400 00 |
| Net investments in available-for-sale securities | 26,415,976 | 1,199,08 |
| Net investments in held-to-maturity securities | 554,370 | (14,692,65 |
| Net cash inflow on amalgamation Proceeds from divestment in a subsidiary | | - |
| Dividends received | 1,189,814 | 939,34 |
| Investments in fixed assets | (2,040,034) | (1,370,87 |
| Investments in intangible assets | (120,491) | (205,20 |
| Proceeds from sale of fixed assets | 50,851 | 28,17 |
| Proceeds from sale of non-banking assets acquired insatisfaction of claims | 87,800 | 1,518,88 |
| Proceeds from divestment in a subsidiary | - | 1,010,00 |
| Effect of translation of net investment in foreign branches and subsidiaries | (519,081) | (470,80 |
| Net cash flow used in investing activities | 25,619,205 | (13,054,04 |
| | | |
| Cash flow from financing activities Payments of subordinated debt | | |
| Payment of lease liability against right-of-use-assets | (1,147,420) | (1,170,29 |
| Dividend paid | (11,825,601) | (22,963,84 |
| Net cashflow used in financing activities | (12,973,021) | (24,134,14 |
| Effects of evaluation rate abandon on each and each activistants | 4.650.400 | 000 44 |
| Effects of exchange rate changes on cash and cash equivalents | 4,653,192 | 889,44 |
| ncrease in cash and cash equivalents | 26,021,467 | 12,437,17 |
| Cash and Cash equivalents at beginning of the period | 192,140,943 | 159,806,19 |
| Cash and Cash equivalents at end of the period | 218,162,410_ | 172,243,36 |

| Characters to reserves during the period | - | 9,487 | - | - | (9,487) | - | - |
|--|---------------------|---------|------------------|----------------|-----------|---|------------------|
| Share issue/increase of assigned capital Profit transferred to head office | - | - | - | - | - | - | - |
| Others Total transactions with equity holders | | 9,487 | | - - | (9,487) | | |
| Balance as at 30th June 2022 | 3,969,508 | 254,392 | 72,918 | 23,137 | 2,499,717 | 1,183,748 | 8,003,419 |
| | 3,000,000 | | 12,010 | 20,101 | 2,100,111 | 1,100,110 | 0,000,110 |
| SELECTED PERFORMANCE INDICATOR | RS | | Sri | Lanka Operati | on | G | roup |
| | | | As of 30.06.2022 | As 31.12.20 | | As of 06.2022 | As of 31.12.2021 |
| Regulatory Capital Adequacy (LKR in Mil | llion) | | | | | | |
| Common Equity Tier 1 | • | | 4,890 | 6,68 | 8 | | |
| Core Tier 1 Capital | | | 4,890 | 6,68 | 8 14 | 15,109 | 150,354 |
| Total Capital Base | | | 5,148 | 6,85 | 9 15 | 56,101 | 169,604 |
| Regulatory Capital Ratio (%) | | | 5,1.15 | 0,00 | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | |
| Common Favity Tion 1 Conital Batic (Minim | uum Domuinomont 7.0 | 000/ \ | 31.81 | 45.8 | 33 | | |
| Common Equity Tier 1 Capital Ratio (Minim | • | 10%) | 31.81 | 45.8 | 3 | 14.4 | 15.1 |
| Tier 1 Capital Ratio (Minimum Requirement - Total Capital Ratio (Minimum Requirement - | • | | 33.49 | 47.0 | | 15.5 | 17.0 |
| Total Capital Flatio (Millimani Floquilonioni | 12.00 70) | | 000 | | | | .,,, |
| Assets Quality - Loans Portfolio | | | | | | | |
| Impaired Loans (Stage 3) Ratio (%) | | | 5.43 | 5.0 | 2 | | |
| Impairment (Stage 3) to Stage 3 Loans Rat | tio (%) | | 49.08 | 48.4 | 0 | | |
| Profitability | | | | | | | |
| Interest Margin % | | | 5.0 | 1. | 0 | | |
| Return on Assets % | | | 1.5 | 0. | 2 | | |
| Return on Equity % | | | 5.0 | 0. | 8 | | |
| Leverage Ratio (Minimum Requirement -3 | 3%) | | 18.48 | 24. | 7 | | |
| Net Stable Funding Ratio (Minimum Requ | irement -100%) | | 192.8 | 189. | 7 | | |
| Regulatory Liquidity | | | | | | | |
| Statutory Liquid Assets Rs mn -DBU | | | 10,741 | 11,52 | :1 | | |
| Statutory Liquid Assets Rs mn - OBU | | | 1,436 | 82 | 8 | | |
| Statutory Liquid Assets Ratio % -Minimum | requirement 20% | | | | | | |
| Domestic Banking Unit | | | 66.4 | 70. | 2 | | |
| Off Shore Banking Unit | | | 77.0 | 69. | 5 | | |
| | | | | | | | |

| STATEMENT OF CHANGES IN EC | QUITY | | | | | Group Paki | stan PKR 000 |
|---|------------------|----------------------|------------------------|-------------------|-------------------|----------------------|--------------|
| | Share capital | Statutory Reserve | Revaluation Reserve | Other Reserves | Retained earnings | Minority Interest | Total |
| Balance as at 01 January 2022 | 11,850,600 | 37,729,718 | 18,600,000 | 43,939,563 | 64,697,360 | 751,419 | 177,568,660 |
| otal comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | - | 11,369,337 | 17,191 | 11,386,528 |
| Other comprehensive income (net of tax) | - | - | | (9,457,013) | 211,331 | 53_ | (9,245,629) |
| otal comprehensive income for the year | • | - | • | (9,457,013) | 11,580,668 | 17,244 | 2,140,899 |
| hare Issued | - | - | - | - | | | |
| ransfers to reserves during the period | - | 1,185,133 | - | - | (1,185,133) | - | - |
| rofit transferred to head office | - | - | - | - | - | - | - |
| nal cash dividend | - | - | - | - | (11,850,600) | (70,087) | (11,920,687) |
| terim Cash dividends | | | | | - | | - |
| thers | | - | | | - | - | - |
| otal transactions with equity holders | | 1,185,133 | - | | (13,035,733) | (70,087) | (11,920,687 |

EXPLANATORY NOTES 1. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Financial statements for the year ended December 31,

7,377.8

673.7

963.0

2. Other operating income includes the swap cost incurred from buying and selling two currencies at two different maturities amounting to LKR NIL (Year 2022 gain 0.995 Mn)

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies

- 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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The State Bank of Pakistan has deferred the applicability of International Financial Reporting Standard (IFRS) 9, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) /2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

31st August 2022

Credit Ratings

Total Stock of High-Quality Liquid Assets (LKR in Million)

Liquidity Coverage Ratio (%)- Rupee(Minimum Requirement - 100%)

Liquidity Coverage Ratio (%)- All currencies (Minimum Requirement - 100%)

STATEMENT OF CHANGES IN EQUITY

Balance as at 01 January 2022

Profit for the year

Change in the foreign exchange reserve

Total comprehensive income for the year

Other comprehensive income (net of tax)

Total comprehensive income for the year

Transfers to reserves during the period

Gain on revaluation of property, plant & equipment

Assigned

3,969,508

Capital

Reserve

244,905

9,487

Fund

Revaluation

Reserve

72,918

9,077.0

312.0

258.7

31st August 2022