


INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	45,028,791	37,703,444
Balances with other banks	8	6,505,093	23,331,975
Lendings to financial institutions	9	-	44,289,040
Investments	10	474,283,672	445,777,512
Advances	11	50,851,029	49,212,164
Fixed assets	12	633,886	602,096
Intangible assets	13	9,330	9,455
Deferred tax assets - net	14	551,483	867,391
Other assets	15	17,077,158	8,754,924
		594,940,442	610,548,001
LIABILITIES			
Bills payable	16	1,881,127	1,458,127
Borrowings	17	386,963,847	390,977,403
Deposits and other accounts	18	139,334,853	155,302,046
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities - net	14	-	-
Other liabilities	19	8,756,804	8,849,150
		536,936,631	556,586,726
NET ASSETS		58,003,811	53,961,275
REPRESENTED BY			
Head office capital account		27,521,730	26,477,025
Deficit on revaluation of assets - net of tax	20	(1,062,683)	(1,651,302)
Unremitted profit		31,544,764	29,135,552
		58,003,811	53,961,275
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

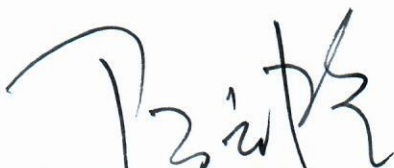

Chief Executive Officer


Head of Finance

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		Quarter ended	
		January 2022 - March 2022	January 2021 - March 2021
Note	-----	(Rupees in '000)	-----
Mark-up / return / interest earned	22	12,559,315	8,649,766
Mark-up / return / interest expensed	23	9,762,960	7,314,142
Net mark-up / interest income		2,796,355	1,335,624
NON MARK-UP / INTEREST INCOME			
Fee and commission income	24	439,388	437,922
Foreign exchange income		1,166,758	308,119
Gain / (Loss) on securities	25	44,243	(115)
Other income	26	632	1,698
Total non-markup / interest income		1,651,021	747,624
Total income		4,447,376	2,083,248
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	348,467	352,606
Workers welfare fund		80,074	33,738
Other charges	28	-	-
Total non-markup / interest expenses		428,541	386,344
Profit before provisions and taxation		4,018,835	1,696,904
Provisions / (Reversals) and write offs - net	29	18,090	18,753
PROFIT BEFORE TAXATION		4,000,745	1,678,151
Taxation	30	1,591,533	663,263
PROFIT AFTER TAXATION		2,409,212	1,014,888

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.



 Chief Executive Officer



 Head of Finance

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Quarter ended	
	January 2022 - March 2022	January 2021 - March 2021
	----- (Rupees in '000) -----	
Profit after taxation for the period	2,409,212	1,014,888
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods		
Movement in surplus / deficit on revaluation of investments - net of tax	588,619	(239,166)
Total comprehensive income	2,997,831	775,722

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Head of Finance

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Head office capital account	Surplus / (deficit) on revaluation of investments	Unremitted profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2021	23,975,160	(603,210)	24,941,897	48,313,847
Profit after taxation for the three months period ended March 31, 2021	-	-	1,014,888	1,014,888
Other comprehensive loss- net of tax	-	(239,166)	-	(239,166)
	-	(239,166)	1,014,888	775,722
Transactions with owners, recorded directly in equity				
Translation loss on revaluation of capital	(1,061,370)	-	-	(1,061,370)
Balance as at March 31, 2021 (un-audited)	22,913,790	(842,376)	25,956,785	48,028,199
Profit after taxation for the nine months period ended December 31, 2021	-	-	3,179,225	3,179,225
Other comprehensive loss - net of tax	-	(808,926)	(458)	(809,384)
	-	(808,926)	3,178,767	2,369,841
Transactions with owners, recorded directly in equity				
Translation gain on revaluation of capital	3,563,235	-	-	3,563,235
Balance as at December 31, 2021 (audited)	26,477,025	(1,651,302)	29,135,552	53,961,275
Total comprehensive income for the three months period ended March 31, 2022				
Profit after taxation for the three months period ended March 31, 2022	-	-	2,409,212	2,409,212
Other comprehensive income - net of tax	-	588,619	-	588,619
	-	588,619	2,409,212	2,997,831
Transactions with owners, recorded directly in equity				
Translation gain on revaluation of capital	1,044,705	-	-	1,044,705
Balance as at March 31, 2022 (un-audited)	27,521,730	(1,062,683)	31,544,764	58,003,811

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Head of Finance

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		January 2022 - March 2022	January 2021 - March 2021
	Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		4,000,745	1,678,151
Adjustments:			
Depreciation	27	33,516	31,843
Amortisation	27	125	93
Provision / (reversal) and write-offs - net	29	18,090	18,753
Gain on disposal of fixed assets	26	-	(72)
Finance cost against lease liability	23	2,650	2,038
Workers' Welfare Fund		80,074	33,738
		134,455	87,231
		4,135,200	1,765,382
<i>Decrease / (increase) in operating assets</i>			
Lendings to financial institutions		44,289,040	125,634,629
Advances		(1,656,955)	(1,875,263)
Others assets		(8,322,234)	2,096,987
		34,309,851	125,856,353
<i>Increase / (decrease) in operating liabilities</i>			
Bills payable		423,000	11,335,623
Borrowings from financial institutions		(4,013,556)	(14,427,976)
Deposits		(15,967,193)	1,890,674
Other liabilities		(1,127,662)	6,706,766
		(20,685,411)	5,505,087
		17,759,640	133,126,822
Income tax paid		(692,761)	(766,511)
Net cash flow generated from operating activities		17,066,879	132,360,311
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(27,569,072)	(127,875,156)
Net investments in held to maturity securities		(31,520)	(305,385)
Investments in fixed assets	12.1	(5,874)	(3,219)
Investment in intangible assets		-	(8,934)
Proceeds from disposal of fixed assets		-	72
Net cash flow used in investing activities		(27,606,466)	(128,192,622)
CASH FLOW FROM FINANCING ACTIVITIES			
Translation gain / (loss) on revaluation of capital		1,044,705	(1,061,370)
Lease rental payments		(6,653)	(5,117)
Net cash flow generated from / (used in) financing activities		1,038,052	(1,066,487)
(Decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		61,035,419	33,723,195
Cash and cash equivalents at end of the period	31	51,533,884	36,824,397

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

1 STATUS AND NATURE OF BUSINESS

Industrial and Commercial Bank of China Limited – Pakistan Branches operates as branches of Industrial and Commercial Bank of China Limited (Head office), which is a foreign banking company incorporated in People's Republic of China.

The Branch is engaged in banking business as permissible under the Banking Companies Ordinance, 1962. The registered office of the Branches is located at 16th Floor, Ocean Tower, Block 9, Clifton, Karachi. The Bank presently operates through 3 branches (December 31, 2021: 3 branches) in Pakistan.

Moody's Investor Services Inc. has assigned a long term credit rating of A1 and a short term credit rating of P-1 to the head office of the Branches as at November 24, 2020 (June 28, 2018: A2 for long term and P-1 for short term).

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Approved 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 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 State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 2.2** The disclosures made in these 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 March 22, 2019 and the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and do not include all of the information and disclosures required for annual financial statements. Accordingly these interim financial statements should be read in conjunction with the audited financial statements of the Bank for the year ended December 31, 2021.

3 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9, Financial Instruments has been made applicable to banks in Pakistan from January 01, 2022. The impact on the Branches' financial statements is being assessed as final implementation guidelines are awaited.

There are certain amendments to existing accounting and reporting standards that have become applicable to the Branches for accounting periods beginning on or after January 01, 2022. These are considered either to not be relevant or not to have any significant impact on these condensed interim financial statements.

Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

There are various standards and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Branches' financial statements.

4 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 Branches for the year ended December 31, 2021.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgements adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2021.

6 FINANCIAL RISK MANAGEMENT

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

	March 31, 2022 (Un-audited) ----- (Rupees in '000) -----	December 31, 2021 (Audited)
	<i>Note</i>	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	234,351	246,775
Foreign currency	62,973	86,116
	297,324	332,891
With State Bank of Pakistan in		
Local currency current account	16,497,141	10,207,981
Foreign currency current account	133,022	127,972
Foreign currency deposit account	28,101,304	27,034,600
	44,731,467	37,370,553
	45,028,791	37,703,444
8 BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	4	3
Outside Pakistan		
In current accounts	1,099,841	596,653
In deposit accounts	5,405,248	22,735,319
	6,505,089	23,331,972
	6,505,093	23,331,975
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	-	44,289,040

INVESTMENTS

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)-----							
Available for sale securities								
Federal Government Securities	471,981,768	-	(1,634,897)	470,346,871	444,412,696	-	(2,540,465)	441,872,231
Held to maturity securities								
Federal Government Securities	3,936,801	-	-	3,936,801	3,905,281	-	-	3,905,281
Total Investments	475,918,569	-	(1,634,897)	474,283,672	448,317,977	-	(2,540,465)	445,777,512

There is no provision for diminution in value of investments as at March 31, 2022.

The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs.3,940million (December 31, 2021: Rs.3,936 million).

Investments include certain approved / government securities which are held by the Branches to comply with the Statutory Liquidity Requirement determined on the basis of the Branches' demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

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, running finances, etc.	46,559,362	45,410,138	-	-	46,559,362	45,410,138
Bills discounted and purchased	4,805,314	4,297,583	-	-	4,805,314	4,297,583
Advances - gross	51,364,676	49,707,721	-	-	51,364,676	49,707,721
Provision against advances						
- Specific	-	-	-	-	-	-
- General	(513,647)	(495,557)	-	-	(513,647)	(495,557)
	(513,647)	(495,557)	-	-	(513,647)	(495,557)
Advances - net of provision	50,851,029	49,212,164	-	-	50,851,029	49,212,164

Particulars of advances (Gross)						
In local currency					March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
In foreign currency					----- (Rupees in '000) -----	
					51,364,676	49,707,721
					-	-
					51,364,676	49,707,721
					-----	-----

No advances have been placed under non-performing status (December 31, 2021: Nil).

Particulars of provision against advances

	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Specific	General	Specific	General
----- (Rupees in '000) -----				
Opening balance	-	495,557	-	337,607
Charge for the period	-	18,090	-	157,950
Closing balance	-	513,647	-	495,557
		-----		-----
		513,647		495,557
		-----		-----

In line with prudent policies, general provision against advances represents provision maintained at an amount up to 1% of the performing portfolio.

	March 31, 2022 (Un-audited) ----- (Rupees in '000) -----	December 31, 2021 (Audited)
12	FIXED ASSETS	
	Property and equipment	479,774
	Right-of-use asset	154,112
		490,439
		111,657
		602,096
		633,886

12.1 Additions to fixed assets

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

Furniture and fixture	3,490	661
Electrical office and computer equipment	2,384	2,558
Total	5,874	3,219

12.2 Disposal of fixed assets

13 INTANGIBLE ASSETS

Computer Software	9,330	9,455
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13.1 Additions to intangible assets

The following addition has been made to intangible assets during the period:

computer software

13.2 There were no disposals of intangible assets during the period ended March 31, 2022 (March 31, 2021 : Nil)

14 Deferred Tax Assets / (Liabilities)

572,214	889,163
1,022	1,022
573,236	890,185

(21,753)	(22,794)
<u>551,482</u>	<u>567,894</u>

	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	----- (Rupees in '000) -----	
15 OTHER ASSETS		
Income / mark-up accrued in local currency	1,687,124	2,971,778
Advances, deposits, advance rent and other prepayments	88,459	74,672
Mark to market gain on forward foreign exchange contracts	10,367,620	5,251,268
Acceptances	286,468	446,674
Local clearing account	4,631,782	341
Receivable from defined benefit plan	2,468	4,971
Others	13,237	5,220
	<u>17,077,158</u>	<u>8,754,924</u>

16 BILLS PAYABLE		
In Pakistan	1,881,127	1,458,127
Outside Pakistan	-	-
	<u>1,881,127</u>	<u>1,458,127</u>

17 BORROWINGS		
Secured		
Repurchase agreement borrowings	11,750,928	-
Unsecured		
Call borrowings	375,212,919	390,977,403
	<u>386,963,847</u>	<u>390,977,403</u>

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) -----					
Customers						
Current deposits	17,901,699	9,056,017	26,957,716	12,159,395	20,753,643	32,913,038
Savings deposits	91,338,412	1,398,733	92,737,145	82,331,536	1,035,215	83,366,751
Term deposits	16,486,383	-	16,486,383	36,056,208	-	36,056,208
	<u>125,726,494</u>	<u>10,454,750</u>	<u>136,181,244</u>	<u>130,547,139</u>	<u>21,788,858</u>	<u>152,335,997</u>
Financial Institutions						
Current deposits	22,623	3,128,938	3,151,561	20,745	2,942,322	2,963,067
Savings deposits	2,048	-	2,048	2,982	-	2,982
	<u>24,671</u>	<u>3,128,938</u>	<u>3,153,609</u>	<u>23,727</u>	<u>2,942,322</u>	<u>2,966,049</u>
	<u>125,751,165</u>	<u>13,583,688</u>	<u>139,334,853</u>	<u>130,570,866</u>	<u>24,731,180</u>	<u>155,302,046</u>

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

19 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	2,124,866	2,423,744
Mark-up / return / interest payable in foreign currency	403,606	250,292
Performance bonus payable	477,918	743,125
Commission received in advance against unfunded exposure	191,211	238,807
Current taxation (provisions less payments)	1,775,558	908,345
Acceptances	286,468	446,674
Mark to market loss on forward foreign exchange contracts	731,700	1,060,316
Lease liability against right-of-use assets	111,816	56,387
Workers' Welfare fund payable	1,233,467	1,153,393
Withholding tax payable	50,822	18,222
Clearing and settlement account	1,339,788	1,515,571
Others	29,584	34,274

		March 31, 2022	December 31, 2021
		(Un-audited)	(Audited)
Note		----- (Rupees in '000) -----	
20	DEFICIT ON REVALUATION OF ASSETS		
	Deficit on revaluation of available for sale securities	10.1 (1,634,897)	(2,540,465)
	Deferred tax on deficit on revaluation of available for sale securities	572,214	889,163
		<u>(1,062,683)</u>	<u>(1,651,302)</u>
21	CONTINGENCIES AND COMMITMENTS		
	Guarantees	21.1 372,060,195	360,092,095
	Commitments	902,552,381	1,003,342,210
		<u>1,274,612,576</u>	<u>1,363,434,305</u>
21.1	Guarantees		
	Financial guarantees	563,251	563,251
	Performance guarantees	199,702,541	193,257,173
	Other guarantees	171,794,403	166,271,671
		372,060,195	360,092,095
21.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- Letters of credit	23,832,287	21,776,130
	Commitments in respect of:		
	- Forward foreign exchange contracts	21.2.1 878,720,094	937,216,516
	- Forward government securities transactions - sale	21.2.2 -	44,349,564
		902,552,381	1,003,342,210
21.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	439,160,415	466,244,897
	Sale	439,559,679	470,971,619
		<u>878,720,094</u>	<u>937,216,516</u>
21.2.2	Commitment in respect of forward government securities transactions - sale	-	44,349,564
21.3	For contingencies related to taxation, refer note 30.1		
22	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	1,308,764	652,820
	Investments	10,423,975	5,996,775
	Lendings to financial institutions	815,350	1,996,096
	Balances with other banks	11,226	4,075
		<u>12,559,315</u>	<u>8,649,766</u>

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

23 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	2,655,848	1,293,295
Borrowings	492,998	611,072
Cost of foreign currency swaps against foreign currency deposits / borrowings	6,611,464	5,407,737
Finance cost against lease liability	2,650	2,038
	<u>9,762,960</u>	<u>7,314,142</u>

24 FEE AND COMMISSION INCOME

Branch banking customer fees	2,434	2,180
Card related fees	9	14
Investment banking fees	167,966	183,939
Commission on trade	56,539	41,795
Commission on guarantees	204,506	182,469
Commission on remittances including home remittances	7,261	24,913
Others	673	2,612
	<u>439,388</u>	<u>437,922</u>

25 GAIN / (LOSS) ON SECURITIES

Realised	25.1	<u>44,243</u>	<u>(115)</u>
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25.1 Gain / (Loss) on securities - realised

On:			
Federal Government securities			
- Market Treasury Bills		<u>44,243</u>	<u>(115)</u>

26 OTHER INCOME

Charges recovered	632	-
Gain on disposal of fixed assets	-	72
Refunds	-	1,626
	<u>632</u>	<u>1,698</u>

	March 31, 2022 (Un-audited) ----- (Rupees in '000) -----	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----
27 OPERATING EXPENSES		
Total compensation expense	264,230	269,993
Property expense		
Rent and taxes	1,408	146
Insurance	1,822	2,119
Utilities cost	5,049	4,722
Security (including guards)	5,154	5,230
Repair and maintenance (including janitorial charges)	374	265
Depreciation	7,313	7,313
Depreciation - Right-of-use assets	15,763	14,020
Property management fee	4,436	4,429
	41,319	38,244
Information technology expenses		
Software maintenance	2,015	858
Hardware maintenance	461	510
Depreciation	4,388	4,079
Amortisation	125	931
Network charges	11,329	11,121
	18,318	17,499
Other operating expenses		
Legal and professional charges	70	718
Outsourced services costs	10,086	9,315
Travelling and conveyance	1,282	1,583
NIFT clearing charges	184	61
Entertainment expense	185	216
Depreciation	4,838	5,064
Depreciation on right-of-use assets	1,214	1,367
Training and development	48	509
Postage and courier charges	697	504
Communication	330	2,031
Stationery and printing	1,839	782
Marketing, advertisement and publicity	610	1,928
Commission expense	1,084	910
Others	2,133	1,882
	24,600	26,870
	348,467	352,606
28 OTHER CHARGES		
Penalty imposed by the State Bank of Pakistan	-	-
29 PROVISIONS / (REVERSALS) and WRITE OFFS - NET		
Provisions against loans and advances	11.3 18,090	18,753

	March 31, 2022 (Un-audited) ----- (Rupees in '000) -----	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----
30 TAXATION		
Current	1,592,574	671,052
Deferred	(1,041)	(7,789)
	<u>1,591,533</u>	<u>663,263</u>

30.1 The returns of income tax have been filed up to and including tax year 2021. Except for tax years mentioned below, all other assessment years are deemed to be assessed under section 120 of Income Tax Ordinance, 2001. The return for the year 2021 (tax year 2022) will be due for filing by September 30, 2022.

30.2 The tax authorities have passed assessment orders for the tax year 2012 to 2014 and raised additional demand of Rs. 45 million on account of minimum tax under section 113 of Income Tax Ordinance, 2001. The Branches have filed appeal before appellate forum against these amendments and has paid full amount under protest to obtain stay on recovery of the receiving demand till the decision of Commissioner Inland Revenue (Appeals). The management is confident that the appeal will be decided in favor of the Branches, therefore, no provision is recognised in these condensed interim financial statements.

	March 31, 2022 (Un-audited) ----- (Rupees in '000) -----	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----
31 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	45,028,791	31,008,504
Balances with other banks	6,505,093	5,815,893
	<u>51,533,884</u>	<u>36,824,397</u>

32 FAIR VALUE MEASUREMENTS

32.1 Fair value of financial assets

The Branches 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).

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

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:

	March 31, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----				
Financial assets - measured at fair value					
Investments					
Federal Government Securities	470,346,871	-	470,346,871	-	470,346,871
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	3,936,801	-	3,940,310	-	3,940,310
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	878,720,094	-	9,635,920	-	9,635,920

	December 31, 2021 (Audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----				
Financial assets - measured at fair value					
Investments					
Federal Government Securities	441,872,231	-	441,872,231	-	441,872,231
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	3,905,281	-	3,936,483	-	3,936,483
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	937,216,516	-	4,190,952	-	4,190,952

There were no transfers between the levels during the period

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

(a) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds and forward foreign exchange contracts.

Item	Valuation technique and input used
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates.
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the FX revaluation rates announced by State Bank of Pakistan.

(b) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

Segment Details with respect to Business Activities

	March 31, 2022 (Un-audited)			
	Corporate finance	Treasury	Branch Banking (Rupees in '000)	Others
				Total
Profit and loss				
Net mark-up / interest income / (expense)	1,308,764	4,134,863	(2,644,622)	(2,650)
Inter segment revenue - net	-	-	-	-
Non mark-up / interest income / (expense)	261,045	44,243	1,345,101	632
Total income / (loss)	1,569,809	4,179,106	(1,299,521)	(2,018)
Segment direct expenses	37,579	386,476	3,550	936
Inter segment expense allocation	-	-	-	-
Total expenses	37,579	386,476	3,550	936
Provision	18,090	-	-	-
Profit before tax	1,514,140	3,792,630	(1,303,071)	(2,954)
				4,000,745
Balance Sheet				
Cash and bank balances	-	51,236,560	297,324	-
Investments	-	474,283,672	-	-
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	50,851,029	-	-	-
Others	1,319,768	11,021,444	4,631,782	1,298,863
Total Assets	52,170,797	536,541,676	4,929,106	1,298,863
				594,940,442
Borrowings	-	386,963,847	-	-
Deposits and other accounts	-	-	139,334,853	-
Net inter segment borrowing	-	-	-	-
Others	477,679	3,246,093	1,353,867	5,560,292
Total Liabilities	477,679	390,209,940	140,688,720	5,560,292
Equity	51,693,118	146,331,736	(135,759,614)	(4,261,429)
Total equity and Liabilities	52,170,797	536,541,676	4,929,106	1,298,863
				594,940,442
Contingencies and commitments	395,892,482	878,720,094	-	-
				1,274,612,576

	March 31, 2021 (Un-audited)			
	Corporate finance	Treasury	Branch Banking (Rupees in '000)	Others
				Total

Profit & loss

Net mark-up / interest income / (expense)	652,820	1,974,062	(1,289,220)	(2,038)	1,335,624
Inter segment revenue - net	-	-	-	-	-
Non mark-up / interest income	378,389	(115)	367,652	1,698	747,624
Total income / (loss)	1,031,209	1,973,947	(921,568)	(340)	2,083,248
Segment direct expenses	26,902	357,576	983	883	386,344
Inter segment expense allocation	-	-	-	-	-
Total expenses	26,902	357,576	983	883	386,344
Provision	(18,753)	-	-	-	(18,753)
Profit before tax	985,554	1,616,371	(922,551)	(1,223)	1,678,151

	December 31, 2021 (Audited)			
	Corporate finance	Treasury	Branch Banking (Rupees in '000)	Others
				Total

Balance Sheet

Cash and bank balances	-	60,702,528	332,891	-	61,035,419
Investments	-	445,777,512	-	-	445,777,512
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	44,289,040	-	-	44,289,040
Advances - performing	49,212,164	-	-	-	49,212,164
Others	2,836,841	5,832,879	341	1,563,805	10,233,866
Total Assets	52,049,005	556,601,959	333,232	1,563,805	610,548,001

Borrowings

Deposits and other accounts	-	390,977,403	-	-	390,977,403
Net inter segment borrowing	-	-	155,302,046	-	155,302,046
Others	-	-	-	-	-

Total Liabilities

Equity	685,482	3,721,348	2,986,701	2,913,746	10,307,277
Total Liabilities	685,482	394,698,751	158,288,747	2,913,746	556,586,726
Equity	51,363,523	161,903,208	(157,955,515)	(1,349,941)	53,961,275
Total Equity and Liabilities	52,049,005	556,601,959	333,232	1,563,805	610,548,001

Contingencies and Commitments

Contingencies and Commitments	381,868,225	981,566,080	-	-	1,363,434,305
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RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its Head Office, other overseas ICBC branches, employee benefit plans and Key management personnel.

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

Details of the transactions with related parties during the period and balances with them as at period end are as follows:

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Key management personnel	Head office	Overseas branches	Other related parties	Key management personnel	Head office	Overseas branches	Other related parties
----- (Rupees in '000) -----								
Balances with other banks								
In deposit accounts	-	5,349,512	55,736	-	-	19,950,822	2,784,497	-
In current accounts	-	-	492,228	-	-	-	596,653	-
	-	5,349,512	547,964	-	-	19,950,822	3,381,150	-
Advances								
Opening balance	481	-	-	-	768	-	-	-
Addition during the period	-	-	-	-	-	-	-	-
Repaid during the period	(74)	-	-	-	(287)	-	-	-
Closing balance	407	-	-	-	481	-	-	-
Other Assets								
Interest / mark-up receivable	1	-	-	-	1	-	-	-
Receivable from defined benefit plan	-	-	-	4,971	-	-	-	4,971
Forward exchange contract	-	-	721,749	-	-	-	673,251	-
Closing balance	1	-	721,749	4,971	-	-	673,251	4,971
Borrowings								
Opening balance	-	225,937,280	165,040,122	-	-	-	325,902,341	-
Borrowings during the period	-	113,429,976	130,635,362	-	-	817,257,505	1,246,908,246	-
Settled during the period	-	(141,210,800)	(118,619,021)	-	-	(591,320,225)	(1,407,770,465)	-
Closing balance	-	198,156,456	177,056,463	-	-	225,937,280	165,040,122	-

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Key management personnel	Head office	Overseas branches	Other related parties	Key management personnel	Head office	Overseas branches	Other related parties
	9,116	-	-	-	4,737	-	-	-
	159,346	-	-	-	457,379	-	-	-
	(162,090)	-	-	-	(453,000)	-	-	-
	(733)	-	-	-	-	-	-	-
	5,639	-	-	-	9,116	-	-	-

Deposits and other accounts

Opening balance
Received during the period
Withdrawn during the period
Transfer out - net
Closing balance

Other Liabilities

Mark-up / return / interest payable
Forward exchange contracts
Commission received in advance against unfunded exposure
Closing balance

Contingencies and Commitments

Guarantees
Forward exchange contract sale
Forward exchange contract purchase

RELATED PARTY TRANSACTIONS

	March 31, 2022 (Un-audited)				March 31, 2021 (Un-audited)			
	Key management personnel	Head office	Overseas branches	Other related parties	Key management personnel	Head office	Overseas branches	Other related parties
	5	6,274	4,948	-	8	2,070	2,005	-
	-	77,258	3,016	-	-	111,444	5,352	-
	93	190,708	276,578	-	33	10,651	598,807	-
	106,791	-	-	-	101,279	-	-	-
	-	-	-	2,438	-	-	-	2,158
	-	-	-	967	-	-	-	1,016

Income

Mark-up / return / interest earned
Fee and commission income

Expense

Mark-up / return / interest paid
Compensation expense
Contribution to Gratuity fund
Contribution to Provident fund

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

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

	27,521,730	26,477,025
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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)

57,994,481	53,951,820
-	-
57,994,481	53,951,820
513,647	495,557
58,508,128	54,447,377

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

136,717,472	140,088,044
22,515,767	27,985,947
29,530,784	29,530,784
188,764,023	197,604,775

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

30.72%	27.30%
30.72%	27.30%
31.00%	27.55%

With effect from December 31, 2019 an additional Capital Conversation Buffer of 2.50% was required to be maintained over and above the minimum required level. However, from March 26, 2020 Capital Conservation Buffer requirement has been reduced from its existing level of 2.50% to 1.50% to reduce the effects of COVID-19.

As at June 30, 2021 the SBP requires to maintain a ratio of total regulatory capital to the risk - weighted assets at or above the required minimum level of 11.5% and maintain Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5% respectively.

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

Minimum Requirement (%)

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

57,994,481	53,951,820
1,016,247,442	985,405,095
5.71%	5.48%
3.00%	3.00%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

498,567,437	450,477,354
193,120,632	193,332,867
258%	233%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

177,723,717

181,613,851

Total Required Stable Funding

67,385,923

74,898,370

Net Stable Funding Ratio

264%

242%

Minimum Requirement (%)

100.00%

100.00%

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

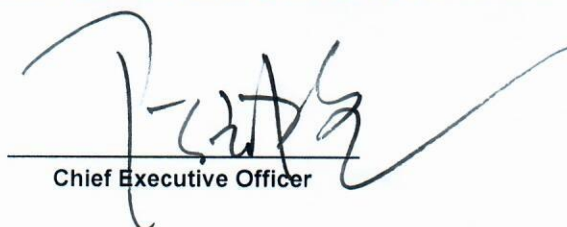
Risk Type	Approach adopted by Bank
Credit Risk	Standardized Approach
Market Risk	Standardized Approach
Operational Risk	Basic Indicator Approach

36 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **28 April 2022** by the Chief Executive Officer and Head of Finance of the Bank.

37 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison.


Chief Executive Officer
Head of Finance