



**Un-Consolidated
Condensed Interim
Financial Statements
For The Half Year Ended
June 30, 2020**

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INDEPENDENT AUDITORS' REVIEW REPORT
To the members of Sindh Bank Limited
Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sindh Bank Limited (the Bank) as at June 30, 2020, and the related condensed interim statement of profit or loss for the half year then ended, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and the relevant notes for the half year then ended (here-in-after referred to as 'condensed interim financial statements'). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity". A review of condensed interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The engagement partner on the audit resulting in this independent auditors' report is **Shah Saeed Naveed**.

Place: Islamabad

Date: _____


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants


SINDH BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

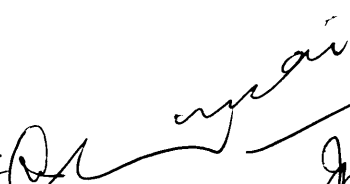
		June 30, 2020	December 31, 2019
		Un-audited	Audited
	Note	----- Rupees in '000' -----	
ASSETS			
Cash and balances with treasury banks	7	16,044,253	13,552,972
Balances with other banks	8	547,672	838,364
Lendings to financial institutions	9	9,482,292	3,645,392
Investments-net	10	115,142,453	65,143,452
Advances-net	11	62,962,371	61,131,052
Fixed assets	12	3,361,995	3,788,000
Intangible assets	13	78,894	39,964
Deferred tax assets-net	14	7,686,563	8,606,608
Other assets	15	4,541,873	3,853,130
		219,848,366	160,598,934
LIABILITIES			
Bills payable	16	617,001	495,010
Borrowings	17	39,862,290	4,192,284
Deposits and other accounts	18	155,272,312	134,049,662
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	19	5,511,850	4,784,777
		201,263,453	143,521,733
NET ASSETS		18,584,913	17,077,201
REPRESENTED BY			
Share capital - net	20	19,710,130	19,710,130
Reserves		1,451,979	1,451,979
Shares deposit money	21	2,000,000	2,000,000
Surplus / (Deficit) on revaluation of assets	22	73,140	(1,780,577)
Accumulated Loss		(4,650,336)	(4,304,331)
		18,584,913	17,077,201
CONTINGENCIES AND COMMITMENTS			
	23		


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

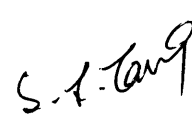
12/30/20


 Chairman


 President and
 Chief Executive Officer


 Director


 Director


 Chief Financial
 Officer

SINDH BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2020

Note	Half year ended		Quarter ended		
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	
----- Rupees in '000' -----					
Mark-up / Return / Interest Earned	24	7,423,727	5,723,454	3,727,975	2,982,286
Mark-up / Return / Interest Expensed	25	5,853,359	4,570,918	2,940,434	2,567,355
Net Mark-up / Interest Income		1,570,368	1,152,536	787,541	414,931
Non Mark-up / Interest Income					
Fee and Commission Income	26	139,823	165,620	70,909	77,576
Dividend Income		45,127	75,190	21,803	42,305
Foreign Exchange Income		68,821	42,322	61,255	45,400
Income / (loss) from derivatives		-	-	-	-
Gain / (Loss) on securities	27	(184,377)	(1,258,286)	(184,542)	(618,781)
Other Income	28	6,679	3,697	2,569	2,009
Total non-markup/interest Income		76,073	(971,457)	(28,006)	(451,491)
Total Income		1,646,441	181,079	759,535	(36,560)
Non Mark-up / Interest Expenses					
Operating expenses	29	2,385,544	2,339,929	1,186,580	1,214,071
Other charges	30	5	4,663	5	4,332
Total non-markup/interest expenses		2,385,549	2,344,592	1,186,585	1,218,403
Loss before provisions		(739,108)	(2,163,513)	(427,050)	(1,254,963)
Provisions and write offs - net Extra ordinary / unusual items	31	(242,471)	2,723,539	502,981	748,552
Loss before Taxation		(496,637)	(4,887,052)	(930,031)	(2,003,515)
Taxation	32	(150,632)	(2,011,017)	(419,300)	(719,601)
Loss after Taxation		(346,005)	(2,876,035)	(510,731)	(1,283,914)
----- Rupees in '000' -----					
Basic Earnings / (Loss) per share	33	(0.18)	(2.87)	(0.26)	(1.28)
Diluted Earnings / (Loss) per share	34	(0.18)	(2.87)	(0.26)	(1.28)

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

M. J. Khan


 Chairman	 President and Chief Executive Officer	 Director	 Director	 Chief Financial Officer
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SINDH BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2020

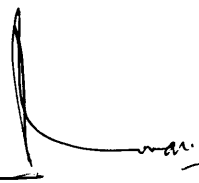
	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
	<u>Rupees in '000'</u>			
Loss after taxation for the period	(346,005)	(2,876,035)	(510,731)	(1,283,914)
Other comprehensive income				
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	<u>-</u> (346,005)	<u>-</u> (2,876,035)	<u>-</u> (510,731)	<u>-</u> (1,283,914)
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	1,853,717	613,997	1,226,288	(161,352)
Total comprehensive income / (loss)	<u>1,507,712</u>	<u>(2,262,038)</u>	<u>715,557</u>	<u>(1,445,266)</u>

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

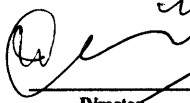
12/3/20




 Chairman




 President and
 Chief Executive Officer



 Director



 Director



 Chief Financial
 Officer

SINDH BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020


	Share Capital	Shares Deposit Money	Capital Reserves		Surplus / (Deficit) on revaluation of Investments	Unappropriated Profit / (Loss) **	Total
			Share Premium	Statutory Reserve *			
Rupees in '000'							
Balance as at January 01, 2019	10,010,130	-	51	1,451,928	(4,181,968)	3,958,289	11,238,430
Loss for the half year ended June 30, 2019	-	-	-	-	-	(2,876,035)	(2,876,035)
Other comprehensive income - net of tax	-	-	-	-	613,997	-	613,997
Shares deposit money	-	3,700,000	-	-	-	-	3,700,000
Balance as at June 30, 2019	10,010,130	3,700,000	51	1,451,928	(3,567,971)	1,082,254	12,676,392
Loss for the half year ended December 31, 2019	-	-	-	-	-	(5,383,825)	(5,383,825)
Other comprehensive income / (loss) - net of tax	-	-	-	-	1,787,394	(2,760)	1,784,634
Transfer to statutory reserve	-	-	-	-	-	-	-
Shares deposit money	-	8,000,000	-	-	-	-	8,000,000
Issue of Shares during the year	9,700,000	(9,700,000)	-	-	-	-	-
Balance as at December 31, 2019	19,710,130	2,000,000	51	1,451,928	(1,780,577)	(4,304,331)	17,077,201
Loss for the half year ended June 30, 2020	-	-	-	-	-	(346,005)	(346,005)
Other comprehensive income - net of tax	-	-	-	-	1,853,717	-	1,853,717
Transfer to statutory reserve	-	-	-	-	-	-	-
Balance as at June 30, 2020	19,710,130	2,000,000	51	1,451,928	73,140	(4,650,336)	18,584,913

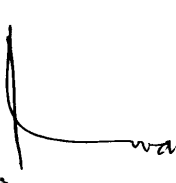
* Statutory reserve represents amount set aside as per the requirements of Section 21 of the Banking Companies Ordinance, 1962.

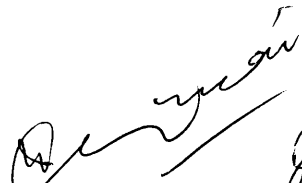
** As more fully explained in note 10.2.2 of these unconsolidated condensed interim financial statements, unappropriated profit includes an amount of Rs.9,840.06 million net of tax as at June 30, 2020 (December 31, 2019: Rs. 9,541.05 million) representing additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders.

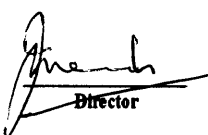
The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.


11/30/20


 Chairman


 President and Chief Executive Officer


 Director


 Director

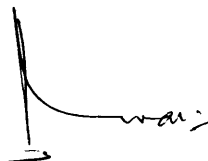

 Chief Financial Officer


SINDH BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

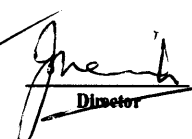
	Note	June 30, 2020	June 30, 2019
----- Rupees in '000' -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(496,637)	(4,887,052)
Less: Dividend income		(45,127)	(75,190)
		(541,764)	(4,962,242)
Adjustments:			
Depreciation	29	474,531	489,147
Amortisation	29	11,383	11,104
Provision against non-performing loans and advances - net	31	(393,136)	2,656,049
Provision for diminution in the value of investments - net		150,665	67,490
Gain on sale of operating fixed assets	28	(4,284)	(48)
		239,159	3,223,742
		(302,605)	(1,738,500)
(Increase) / decrease in operating assets			
Lendings to financial institutions		(5,836,900)	4,583,162
Advances - net		(1,438,183)	(1,913,107)
Other assets (excluding advance taxation)		(777,029)	1,819,527
		(8,052,112)	4,489,582
Increase / (decrease) in operating liabilities			
Bills payable		121,991	(344,450)
Borrowings from financial institutions		35,670,006	(4,777,032)
Deposits and other accounts		21,222,650	(589,140)
Other liabilities (excluding current taxation)		727,073	1,901,148
		57,741,720	(3,809,474)
		49,387,003	(1,058,392)
Income tax paid		(22,535)	(202,160)
Net cash flow (used in) operating activities		49,364,468	(1,260,552)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(47,123,661)	3,627,294
Net investment in held-to-maturity securities		12,875	27,434
Dividends received		41,462	77,789
Investments in operating fixed assets		(100,114)	(2,950,815)
Sale proceeds from sale of fixed assets		5,559	758
Net cash flows from investing activities		(47,163,879)	782,460
CASH FLOW FROM FINANCING ACTIVITIES			
Shares deposit money		-	3,700,000
Net cash flows from financing activities		-	3,700,000
Increase in cash and cash equivalents		2,200,589	3,221,908
Cash and cash equivalents at the beginning of the year		14,391,336	9,610,301
Cash and cash equivalents at the end of the period	35	16,591,925	12,832,209

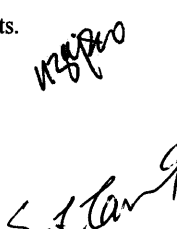
The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.


 Chairman


 President and
 Chief Executive Officer


 Director


 Director


 Chief Financial
 Officer

SINDH BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Bank Limited (the Bank) was incorporated in Pakistan on October 29, 2010 as a public unlisted company and is engaged in Commercial Banking, Corporate and Investment related activities. The Bank operates 330 (2019: 330) branches including 8 (2019: 8) sub-branches and 14 (2019: 14) Islamic banking branches in Pakistan. The Bank's registered office is located at 3rd floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi, Pakistan.
- 1.2 The Government of Sindh, through its Finance Department owns 99.95% ordinary shares of the Bank.
- 1.3 VIS Credit Rating Company Limited has reaffirmed the long term entity rating of A+ (Single A Plus) and short term rating of A-1 (A-one) in its report dated July 06, 2020.

1.4 Going Concern

Due to significant losses suffered by the Bank in 2018 and 2019 and address any material uncertainty posed by rising NPLs and low operating income vis a vis the bank's operating expenses, the management is working on a Business Viability Plan approved by its Board of Directors. The Plan aims to make the Bank a viable, self-sustaining institution going forward by focussing on the following areas:

- Strengthening Bank's Capital-With the injection of Rs. 11.7 billion by the Government of Sindh, in Bank's Common Equity (Tier 1) during the year 2019, the Bank has achieved compliance with regulatory CAR on June 30, 2020. Going forward, the completion of merger of Sindh Leasing Company Limited with and into Sindh Bank will further augment Bank's capital base and adequacy.
- improving Business Volumes and Profitability-This will involve the Bank taking pro-active measures to:
 - i. increase fee-based income from mainly trade-related business;
 - ii. mobilizing cost effective (CASA) deposits;
 - iii. launching new asset products in the Consumer and SME segments;
 - iv. concerted efforts for recovery and reduction of Non-Performing Loans.
 - v. other cost rationalization measures;
- Strengthening the Bank's Governance, Risk and Control environment.

The Government of Sindh, Bank's major shareholder holding 99.95 percent of the Bank's equity is fully committed to supporting the Bank, whenever required.

- 1.5 The State Bank of Pakistan (SBP) granted license to the Bank to conduct banking business subject to certain conditions which inter alia included that the Bank will get listed on stock exchange within three years from the date of commencement of business. The Bank, however, from time to time had obtained extensions in the time limit from SBP. During 2016, the Bank initiated the process of listing of its shares on Pakistan Stock Exchange (PSX). Approval of the draft Prospectus was given by PSX on October 25, 2016 with a deadline to publish the same in the newspapers by October 31, 2016. Publication of the Prospectus was however halted and the listing process was put on hold as the Government of Sindh (sole sponsor of Sindh Bank Limited) and the majority shareholders / sponsors of Summit Bank Limited agreed in principle, to consider a merger of the two institutions, with the Bank being the surviving entity. However the matter suffered significant delays for various reasons, with the first exercise being carried out on the basis of due diligence of 2016 audited financials and the latest being based on due diligence of 2017 condensed interim financial statements, whereafter the Board of Directors and Shareholders of both the Banks approved the merger during August 2018. Approval of Sindh Cabinet, a pre-requisite for sanction by the State Bank of Pakistan, was sought, but was not received. Subsequently, due to financial condition of Summit Bank requiring a much higher capital injection and the Bank's own concerns about meeting the Capital Adequacy Ratio, the Board of Directors of Sindh Bank in their 65th meeting held on April 02, 2019 considered it advisable not to pursue the merger.

Due to the present negative sentiments for listing and the publicity surrounding the Bank, listing of the Bank will remain on hold until after Regulator's guidance on the matter is sought.

SINDH BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

2. BASIS OF PRESENTATION

- 2.1 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 5 dated 22 March 2019 and the requirements of the International Accounting Standard 34, "Interim Financial Reporting". These do not include all of the information required for the full set of annual condensed interim financial statements and should be read in conjunction with the condensed interim financial statements of the Bank for the year ended 31 December 2019.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by Banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.
- 2.3 The financial results of the Islamic Banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in note 40 to these unconsolidated condensed interim financial statements.

3. STATEMENT OF COMPLIANCE

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

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

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.2 Standards, interpretations and amendments to approved accounting standards that are effective in the current period

The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment.

Standard, Interpretation or Amendments	Effective date
IFRS 3 - Business Combination - (Amendments)	January 01, 2020
IAS 1 - Presentation of condensed interim financial statements (Amendments)	January 01, 2020
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020

In addition, there are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 01, 2020 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements.

5.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment (if any).

Standard, Interpretation or Amendments	Effective date
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2021

IFRS 9: 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach. The ECL has impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting period ending on or after June 30, 2019. However, as per SBP, BPRD Circular No.04 of 2019 dated October 23, 2019 of SBP, effective date of IFRS 9 implementation will be January 01, 2021.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statement for the year ended December 31, 2019. Necessary revisions in the risk management with other control divisions policies have been made to further strengthen the Bank's risk and control environment.

The COVID-19 Pandemic has taken its toll on the businesses and economy, not only in Pakistan, but across the globe forcing the governments and regulators to take various measures to dampen its impact. The State Bank of Pakistan, responding to the situation, has announced several relief measures to provide an impetus to the economy and business activities, which include the following:

- Reducing the policy rate / discount rate by 625 bps since Jan-2020;
- Reduction of Capital Conservation buffer by 100 to 150 bps;
- Increasing the regulatory limit on extension of credit to SMEs to 180 million;
- Relaxing the debt equity ratio for consumer loans from 50% to 60%;

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SINDH BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2020

- Allowing banks to defer borrowers principal loan payments by one year and or restructure/ reschedule loans of borrowers who require relief of principal repayment exceeding one year and/ or markup with no reflection on credit history; and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID -19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, reduction in operating cash flows, and managing cyber security threats as significant number of the employees will opt to work from home and ever increasing number of customers are being encouraged to use digital channels.

6.1 Credit Risk Management:

The Credit Risk Management function of the Banks is regularly monitoring the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Moreover, the applications received under relief package of SBP is being processed with taking proper care and scrutinized as per the guidelines provided by the Pakistan's Banking Association (PBA).

The Credit Risk along with other credit support divisions needs to ensure close monitoring since majority of the borrowers have availed the SBP enabled deferment/ restructuring & rescheduling relief. Periodic monitoring of the borrower's accounts needs to be done in order to ensure borrower's financial stability and mitigate Bank's credit risk.

6.2 Liquidity Risk Management:

In view relaxation granted by SBP for deferral principal and markup and rescheduling of loans there will be an impact on the maturity profile of the Bank. The Asset and Liability Committee (ALCO) along with the Investment Committee (IC) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

6.3 Equity Risk Management:

The carrying value of the Bank's investment in listed equity securities classified as available-for-sale, amount to Rs. 3,005 million as at June30, 2020. During the period, the PSX 100 index has fallen by 15.50%, triggering an impairment of Rs 24.26 million which is fully recorded in the condensed interim unconsolidated financial statement of the current period.

6.4 Operational Risk Management:

The Bank is closely monitoring the situation and has invoked required action to ensure the safety and security of Bank staff and uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business continuity plans (BCP) for respective areas are in place. The bank has enhanced monitoring of cyber security risk during these times. Remote work capabilities were enabled for staff, where required and related risk and control measure were assessed to ensure that the Banks' information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Bank is communicating with its customers on how they can connect with the Bank through digital and online channels. Bank has taken measures to ensure that service level are maintained, customer complaints are resolved and the Bank continues to meet the expectations of its employees, customers and regulators.

6.5 Capital Adequacy Ratio (CAR):

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirement for all Tiers.

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