



**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL  
STATEMENTS**

**For the three months ended March 31, 2024**

**Habib Bank Limited**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at March 31, 2024**

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	507,555,506	547,528,581
Balances with other banks	6	62,366,148	56,603,548
Lendings to financial institutions	7	71,569,018	88,598,160
Investments	8	2,622,887,959	2,562,299,087
Advances	9	1,749,903,269	1,861,344,592
Property and equipment	10	117,793,374	117,239,722
Right-of-use assets	11	24,561,908	24,654,745
Intangible assets	12	23,040,261	22,720,543
Deferred tax assets	13	6,349,272	480,874
Other assets	14	287,162,849	252,878,451
		<u>5,473,189,564</u>	<u>5,534,348,303</u>
<b>LIABILITIES</b>			
Bills payable	15	45,321,857	51,700,823
Borrowings	16	337,435,221	665,042,679
Deposits and other accounts	17	4,375,917,445	4,142,351,836
Lease liabilities	18	31,855,763	30,489,986
Subordinated debt	19	20,374,000	19,699,000
Deferred tax liabilities		-	-
Other liabilities	20	292,458,992	259,043,326
		<u>5,103,363,278</u>	<u>5,168,327,650</u>
<b>NET ASSETS</b>		<u>369,826,286</u>	<u>366,020,653</u>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		102,454,846	100,805,157
Surplus on revaluation of assets - net of tax	21	30,274,979	25,857,323
Unappropriated profit		220,248,558	221,883,756
Total equity attributable to the equity holders of the Bank		367,646,908	363,214,761
Non-controlling interest		2,179,378	2,805,892
		<u>369,826,286</u>	<u>366,020,653</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Consolidated Profit and Loss Account (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	January 01 to March 31, 2024	January 01 to March 31, 2023
(Rupees in '000)			
Mark-up / return / profit / interest earned	24	198,314,445	148,550,841
Mark-up / return / profit / interest expensed	25	<u>137,777,272</u>	<u>92,707,815</u>
Net mark-up / return / profit / interest income		60,537,173	55,843,026
<b>Non mark-up / interest income</b>			
Fee and commission income	26	11,891,918	9,343,721
Dividend income		1,007,077	851,300
Share of profit of associates and joint venture		896,406	809,741
Foreign exchange income		4,087,696	758,696
Income / (loss) from derivatives		2,417,841	(6,160,416)
Loss on securities - net	27	(283,097)	(1,081,291)
Other income	28	148,885	4,054,415
Total non mark-up / interest income		<u>20,166,726</u>	<u>8,576,166</u>
Total income		80,703,899	64,419,192
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	46,194,749	39,195,727
Workers' Welfare Fund		588,286	528,186
Other charges	30	158,496	15,765
Total non mark-up / interest expenses		<u>46,941,531</u>	<u>39,739,678</u>
<b>Profit before credit loss allowance and taxation</b>		<u>33,762,368</u>	<u>24,679,514</u>
Credit loss allowance and write offs - net	31	3,649,085	3,177,377
<b>Profit before taxation</b>		<u>30,113,283</u>	<u>21,502,137</u>
<b>Taxation</b>	32	15,069,700	8,245,438
<b>Profit after taxation</b>		<u>15,043,583</u>	<u>13,256,699</u>
<b>Attributable to:</b>			
Equity holders of the Bank		15,217,216	13,201,051
Non-controlling interest		(173,633)	55,648
		<u>15,043,583</u>	<u>13,256,699</u>
-----Rupees-----			
<b>Basic and diluted earnings per share</b>	33	<u>10.37</u>	<u>9.00</u>

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**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**

**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)**

For the three months ended March 31, 2024

	January 01 to March 31, 2024	January 01 to March 31, 2023
	(Rupees in '000)	
<b>Profit after taxation for the period attributable to:</b>		
Equity holders of the Bank	15,217,216	13,201,051
Non-controlling interest	(173,633)	55,648
	15,043,583	13,256,699
<b>Other comprehensive income / (loss)</b>		
<b><i>Items that may be reclassified to the profit and loss account in subsequent periods:</i></b>		
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	(269,190)	15,760,961
Increase in share of exchange translation reserve of associates - net of tax	394,092	95,134
Movement in surplus / deficit on revaluation of debt investments designated at Fair value through other comprehensive income (FVOCI) - net of tax, attributable to:		
Equity holders of the Bank	3,210,228	-
Non-controlling interest	3,326	-
	3,213,554	-
Movement in surplus / deficit on revaluation of available for sale investments - net of tax, attributable to:		
Equity holders of the Bank	-	(15,090,097)
Non-controlling interest	-	(18,885)
	-	(15,108,982)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(295,310)	(294,677)
<b><i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i></b>		
Movement in share of surplus / deficit on revaluation of property and equipment of associates - net of tax	-	17,853
Movement in surplus / deficit on revaluation of equity investments - net of tax	66,175	-
Share of remeasurement gain on defined benefit obligations of associates - net of tax	5,262	8,720
<b>Total comprehensive income</b>	<u>18,158,166</u>	<u>13,735,708</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	15,052,070	13,698,945
Non-controlling interest	(173,633)	36,763
	<u>18,158,166</u>	<u>13,735,708</u>

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

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Consolidated Statement of Changes In Equity (Unaudited)**  
**For the three months ended March 31, 2024**

	Attributable to shareholders of the Bank										Non-controlling interest	Total
	Share capital	Statutory		Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total		
		Joint venture and subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity	Investments	Property & Equipment / Non Banking Assets				
	(Rupees in '000)											
<b>Balance as at December 31, 2022</b>	14,668,525	2,523,824	43,130,076	41,727,023	547,115	(156,706)	(26,064,591)	27,299,960	178,467,639	282,142,865	2,878,949	285,021,814
<b>Comprehensive income for the three months ended March 31, 2023</b>												
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	13,201,051	13,201,051	55,648	13,256,699
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	15,760,961	-	-	-	-	-	15,760,961	-	15,760,961
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	95,134	-	-	-	-	-	95,134	-	95,134
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	8,720	8,720	-	8,720
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(15,090,097)	-	-	(15,090,097)	(18,885)	(15,108,982)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(294,677)	17,853	-	(276,824)	-	(276,824)
Transferred to statutory reserves	-	123,564	1,529,989	-	-	-	(15,384,774)	17,853	13,209,771	13,698,945	36,763	13,735,708
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(82,744)	82,744	-	-	-
Derecognition of joint venture	-	(1,444,256)	-	(2,181,162)	-	-	2,993	-	1,441,263	(2,181,162)	-	(2,181,162)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	(7,097)	2,395	234,425	229,723	(229,723)	-
<b>Transactions with owners, recorded directly in equity</b>												
Final cash dividend - Rs 1.50 per share declared subsequent to the year ended December 31, 2022	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
<b>Balance as at March 31, 2023</b>	14,668,525	1,203,132	44,660,065	55,401,956	547,115	(156,706)	(41,453,469)	27,237,464	189,582,010	291,690,092	2,685,989	294,376,081
<b>Comprehensive income for the nine months ended December 31, 2023</b>												
Profit after taxation for the nine months ended December 31, 2023	-	-	-	-	-	-	-	-	44,474,989	44,474,989	25,728	44,500,717
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	(5,715,858)	-	-	-	-	-	(5,715,858)	-	(5,715,858)
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	389,457	-	-	-	-	-	389,457	-	389,457
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	434,966	434,966	(4,021)	430,945
Share of remeasurement loss on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	(1,028)	(1,028)	-	(1,028)
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	24,134,897	16,000,023	-	40,134,920	98,196	40,233,116
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	36,611	(24,581)	-	12,030	-	12,030
Transferred to statutory reserves	-	90,790	4,155,611	-	-	-	24,171,508	15,975,442	44,908,927	79,729,476	119,903	79,849,379
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(73,622)	73,622	-	-	-
Derecognition of joint venture	-	-	-	229,595	-	-	-	-	-	229,595	-	229,595
<b>Transactions with owners, recorded directly in equity</b>												
1st interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
2nd interim cash dividend - Rs 2.00 per share	-	-	-	-	-	-	-	-	(2,933,705)	(2,933,705)	-	(2,933,705)
3rd interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
Change in accounting policy as at January 01, 2024 - note 3.4	-	-	-	-	-	-	-	-	(8,434,402)	(8,434,402)	-	(8,434,402)
<b>Balance as at December 31, 2023 - as reported</b>	14,668,525	1,293,922	48,815,676	50,305,150	547,115	(156,706)	(17,281,961)	43,139,284	221,883,756	363,214,761	2,805,892	366,020,653
Change in accounting policy as at January 01, 2024 - note 3.4	-	-	-	-	-	-	1,562,236	-	(9,591,152)	(8,028,916)	(456,207)	(8,485,123)
<b>Balance as at January 01, 2024 - as restated</b>	14,668,525	1,293,922	48,815,676	50,305,150	547,115	(156,706)	(15,719,725)	43,139,284	212,292,604	355,185,845	2,349,685	357,535,530
<b>Comprehensive income for the three months ended March 31, 2024</b>												
Profit after taxation for the three months ended March 31, 2024	-	-	-	-	-	-	-	-	15,217,216	15,217,216	(173,633)	15,043,583
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	(269,190)	-	-	-	-	-	(269,190)	-	(269,190)
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	394,092	-	-	-	-	-	394,092	-	394,092
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	5,262	5,262	-	5,262
Movement in surplus / deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	-	66,175	-	66,175	-	66,175
Movement in surplus / deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	-	3,210,228	-	3,210,228	3,326	3,213,554
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(295,310)	-	-	(295,310)	-	(295,310)
Transferred to statutory reserves	-	65,289	1,459,498	-	-	-	2,961,093	-	15,222,478	18,328,473	(170,307)	18,158,166
Net realised gain on investments in equity instruments designated at FVOCI - net of tax	-	-	-	-	-	-	(99,174)	-	(1,524,787)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(26,499)	26,499	-	-	-
<b>Transactions with owners, recorded directly in equity</b>												
Final cash dividend - Rs 4.00 per share declared subsequent to the year ended December 31, 2023	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
<b>Balance as at March 31, 2024</b>	14,668,525	1,359,211	50,275,174	50,430,052	547,115	(156,706)	(12,837,806)	43,112,785	220,248,558	367,646,908	2,179,378	369,826,286

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

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**Habib Bank Limited**  
**Condensed Interim Consolidated Cash Flow Statement (Unaudited)**  
**For the three months ended March 31, 2024**

	January 01 to March 31, 2024	January 01 to March 31, 2023
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	30,113,283	21,502,137
Dividend income	(1,007,077)	(851,300)
Share of profit of associates and joint venture	(896,406)	(809,741)
Mark-up / return / profit / interest expensed on subordinated debt	1,088,714	885,926
	(814,769)	(775,115)
	29,298,514	20,727,022
<b>Adjustments:</b>		
Depreciation	2,640,650	2,313,052
Amortisation	680,315	504,592
Depreciation on right-of-use assets	1,089,301	1,118,813
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	956,534	879,808
Credit loss allowance against investments	226,644	1,579,290
Credit loss allowance against loans and advances	3,400,795	1,218,993
Credit loss allowance against other assets	405	796,200
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	231,936	(255,051)
Unrealised loss on securities designated at fair value through profit and loss (FVTPL)	126,350	-
Unrealised loss on held-for-trading securities	-	372,523
Gain on derecognition of joint venture	-	(3,731,399)
Gain on sale of property and equipment - net	(15,704)	(78,595)
Workers' Welfare Fund	588,286	528,186
	9,925,512	5,246,412
	39,224,026	25,973,434
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	17,029,142	85,851,403
FVTPL securities	(622,504)	-
Held-for-trading securities	-	(73,426,685)
Advances	84,056,195	180,506
Other assets (excluding advance taxation)	(31,244,676)	(62,257,961)
	69,218,157	(49,652,737)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(6,378,966)	(5,779,672)
Borrowings from financial institutions	(327,607,458)	105,292,501
Deposits and other accounts	233,565,609	144,881,225
Other liabilities	25,428,794	61,319,726
	(74,992,021)	305,713,780
	33,450,162	282,034,477
Income tax paid	(16,373,300)	(6,309,160)
<b>Net cash flows generated from operating activities</b>	17,076,862	275,725,317
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in FVOCI securities	(32,250,336)	-
Net investment in securities carried at Amortised Cost	(10,353,111)	-
Net investment in available-for-sale securities	-	(146,580,833)
Net investment in held-to-maturity securities	-	36,378,178
Net investment in associates	(3,931,734)	(3,947,384)
Dividend received	690,815	585,958
Investments in property and equipment	(3,267,514)	(3,932,714)
Investments in intangible assets	(1,112,449)	(536,957)
Proceeds from sale of property and equipment	32,125	181,497
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	124,902	15,856,095
<b>Net cash flows used in investing activities</b>	(50,067,302)	(101,996,160)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of subordinated debt	675,000	-
Payment of mark-up on subordinated debt	(1,087,352)	(891,174)
Payment of lease liability against right-of-use assets	(803,962)	(1,170,601)
Dividend paid	(3,721)	(4,425)
<b>Net cash flows used in financing activities</b>	(1,220,035)	(2,066,200)
<b>Decrease in cash and cash equivalents during the period</b>	(34,210,475)	171,662,957
Cash and cash equivalents at the beginning of the period	601,189,179	322,350,781
Effect of exchange rate changes on cash and cash equivalents	2,942,950	15,177,627
	604,132,129	337,528,408
<b>Cash and cash equivalents at the end of the period</b>	569,921,654	509,191,365

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

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

## **1 THE GROUP AND ITS OPERATIONS**

The Group consists of:

### **Holding company**

- Habib Bank Limited, Pakistan

### **Subsidiaries**

- Habib Allied Holding Limited (HAHL) – 100% shareholding
- HBL Bank UK Limited – 100% effective shareholding
- HBL Currency Exchange (Private) Limited – 100% shareholding
- HBL Asset Management Limited – 100% shareholding
- HBL Microfinance Bank Limited – 79.92% shareholding
- Habib Bank Financial Services (Private) Limited – 100% shareholding
- HBL Zarai Services Limited (HZSL) – 100% shareholding

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,728 (December 31, 2023: 1,728) branches inside Pakistan including 408 (December 31, 2023: 408) Islamic Banking Branches and 30 (December 31, 2023: 30) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.2 The Bank has entered into an agreement to sell its operations in Mauritius, and will be transferring the business to its new owners in due course, subject to requisite regulatory approvals.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the Central Bank of Oman for the deregistration of its Oman operations, the Bank had commenced an orderly and phase wise exit. Banking operations were ceased on August 02, 2023 and the remaining formalities required for closure are in progress.
- 1.5 HZSL is an unlisted public limited company, incorporated in Pakistan with its registered office at 4th floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan. The objective of the company is to promote economic development by supporting the agricultural sector through establishing hubs for providing agricultural services. The company commenced operations on March 14, 2024.

During the year, the Bank has subscribed to 200 million shares issued by HZSL amounting to Rs 2 billion.

## **2 BASIS OF PRESENTATION**

### **2.1 STATEMENT OF COMPLIANCE**

These condensed interim consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These 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 (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under 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, 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.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

**2.3 New standards and amendments to existing accounting and reporting standards that have become effective in the current year**

As directed by SBP via BPRD Circular letter no. 7 of 2023, IFRS 9, Financial Instruments is effective for periods beginning on or after January 1, 2024. IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 1, 2018. The requirements of this standard are already incorporated in the Group's financial statements for the jurisdictions where IFRS 9 has been adopted. The results of those overseas operations where IFRS 9 is not applicable will be directly incorporated in the Group's financial statements as per the respective host country's regulations, for the year ending December 31, 2024.

Except for the implementation of IFRS 9 in Pakistan, as discussed in note 3.1, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

**2.4 Amendments to existing accounting and reporting standards that are not yet effective**

There are various 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 Group's financial statements.

**2.5 Critical accounting estimates and judgements**

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2023, except for changes as discussed in note 3.2 and 3.3.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

Except as disclosed in note 3.1, the material accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2023. The key changes to the Bank's accounting policies resulting from its adoption of IFRS 9 are summarized below:

**3.1 IFRS 9 Financial Instruments**

**3.1.1 Classification of Financial Assets**

The Group classifies its financial assets, other than its investments in subsidiaries and associates, into the following categories

- at Fair Value through Profit and Loss (FVTPL)
- at Fair Value through Other Comprehensive Income (FVOCI)
- at Amortised Cost

**Classification of Equity instruments**

Equity securities that are traded in an active market and are held for trading purposes will be classified as FVTPL. Equity securities that are not held for trading purposes will be classified as FVOCI; however, gains and losses on disposal of securities classified as FVOCI will not be recycled through the profit and loss account. The classification decision is made on a case by case basis at the time of purchase, is documented, and is irrevocable.

**Classification of other Financial Assets**

Financial Assets other than equity will be classified based on their cash flow characteristics and business model assessment:

- **Amortised Cost:** These will be classified as amortised cost if the objective is to hold the asset only for collecting contractual cash flows (principal and interest).
- **FVOCI:** These will be classified at FVOCI when the objective is to collect contractual cash flows (principal and interest) and also to potentially sell the same depending on market conditions. Any unrealized profit or loss on debt instruments classified as FVOCI is reflected in other comprehensive income and is recycled through the profit and loss account when the investment is sold.
- **FVTPL:** This includes financial assets:
  - a. which are not classified as either at amortised cost or FVOCI
  - b. which do not have a fixed maturity



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In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Subsequent Measurement**

**Equity and debt securities classified as FVTPL**

These securities are subsequently measured at fair value. Changes in the fair value of these securities are taken through the profit and loss account.

**Equity and debt securities classified as FVOCI**

These securities are subsequently measured at fair value. Changes in the fair value of these securities are recorded in OCI. When a debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit and loss account. When an equity security is derecognised, gains and losses previously recognised in OCI are not recycled through the profit and loss account but are transferred directly to retained earnings.

**Other financial assets classified at amortised cost**

Other financial assets initially classified at amortised cost continue to be subsequently measured at amortised cost.

**3.1.2 Classification of Financial Liabilities**

Financial liabilities are either classified at FVTPL, when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value.

Financial liabilities classified at amortised cost are initially recorded at fair value and subsequently measured using the effective interest rate method.

**3.1.3 Impairment**

An ECL provision will be calculated on financial assets designated at FVOCI or at Amortised cost in accordance with the requirements of IFRS 9 and the guidelines issued by the SBP. Credit exposures (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL Framework.

Equity securities are not subject to impairment.

**3.1.4 Transitional Impact**

The Bank has elected to follow the modified retrospective approach for restatement i.e. comparative figures have not been restated on the initial application of IFRS 9. Instead, the cumulative impact has been recorded as an adjustment to equity as of January 01, 2024. Accordingly, the information presented as of December 31, 2023 and for the period ended March 31, 2023 does not reflect the requirements of IFRS 9.

The following table reconciles the original measurement and carrying amounts of financial instruments in accordance with the previous financial reporting framework with the new measurement categories for the Group.

Financial Assets / Liabilities	Previous classification	Classification under IFRS 9	Carrying	Change in classification	Fair valuation of unlisted securities	ECL	Carrying amount as of January 01, 2024
			amount as of December 31, 2023				
----- (Rupees in '000) -----							
Cash and balances with treasury banks	Cost	Amortised Cost	547,528,581	-	-	-	547,528,581
Balances with other banks	Cost	Amortised Cost	56,603,548	-	-	(991)	56,602,557
Lendings to financial institutions	Cost	Amortised Cost	88,598,160	-	-	(8)	88,598,152
Investments							
Held for Trading	HFT	FVTPL	240,643,944	15,911,835	5,437,373	-	261,993,152
Available for Sale	AFS	FVOCI	1,825,859,417	(15,911,835)	4,935,570	(458,275)	1,814,424,877
Held to Maturity	HTM	Amortised Cost	459,663,103	-	-	(11,312)	459,651,791
Associates	Associates	Associates	36,132,623	-	-	-	36,132,623
Advances	Cost	Amortised Cost	1,861,344,592	-	-	(23,984,333)	1,837,360,259
Other assets	Cost	Amortised Cost	240,082,274	-	-	(53,536)	240,028,738
Derivatives and forward foreign exchange contracts	Fair value	FVTPL	2,653,977	-	-	-	2,653,977
<b>Total Financial Assets</b>			<b>5,359,110,219</b>	<b>-</b>	<b>10,372,943</b>	<b>(24,508,455)</b>	<b>5,344,974,707</b>
Bills payable	Cost	Amortised Cost	51,700,823	-	-	-	51,700,823
Borrowings	Cost	Amortised Cost	665,042,679	-	-	-	665,042,679
Deposits and other accounts	Cost	Amortised Cost	4,142,351,836	-	-	-	4,142,351,836
Subordinated debt	Cost	Amortised Cost	19,699,000	-	-	-	19,699,000
Other liabilities	Cost	Amortised Cost	232,559,401	-	-	1,691,810	234,251,211
Derivatives, forward foreign exchange contracts and liabilities against trading of securities	Fair value	FVTPL	30,820,387	-	-	-	30,820,387
<b>Total Financial Liabilities</b>			<b>5,142,174,126</b>	<b>-</b>	<b>-</b>	<b>1,691,810</b>	<b>5,143,865,936</b>
<b>Net Financial Assets</b>			<b>216,936,093</b>	<b>-</b>	<b>10,372,943</b>	<b>(26,200,265)</b>	<b>201,108,771</b>
Net Non Financial Assets			149,084,560	-	-	-	149,084,560
<b>Total Net Assets</b>			<b>366,020,653</b>	<b>-</b>	<b>10,372,943</b>	<b>(26,200,265)</b>	<b>350,193,331</b>

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**3.2 Measurement of the expected credit loss allowance and fair valuation of unlisted equity securities**

The measurement of the ECL allowance for financial assets measured at amortised cost and at FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purpose of measuring ECL;
- Establishing the number and relative weightages of forward-looking macroeconomic scenarios for each segment and the associated ECL; and
- Determining whether an asset shows a significant increase in credit risk

**3.3 Fair valuation of unlisted equity securities**

The measurement of the fair value of investments in unquoted equity securities involves the use of different methodologies and assumptions. The Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate all the factors that market participants would consider in pricing a transaction.

When observable inputs are not readily available, the fair value is determined using valuation techniques that include the use of mathematical models.

**3.4 Reconciliation of retained earnings and surplus on revaluation of investments**

The impact of the transition to IFRS 9 on the retained earnings and the surplus on revaluation of investments as at January 01, 2024 is as follows:

<b>Retained earnings</b>	<b>(Rupees in '000)</b>
Closing balance as at December 31, 2023 - as reported	221,883,756
IFRS 9 ECL attributable to equity holders of the Bank	(25,452,385)
Adjustments in relation to fair valuation of unlisted equity securities	5,437,373
Transfer out - Other impacts on adoption of IFRS 9	1,872,360
Deferred tax in relation to the above	8,551,500
	<u>(9,591,152)</u>
Closing balance as at January 01, 2024 under IFRS 9 - as restated	<u>212,292,604</u>
 <b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2023 - as reported	(17,281,961)
Adjustments in relation to fair valuation of unlisted equity securities	4,935,570
Transfer in - Other impacts on adoption of IFRS 9	(1,872,360)
Deferred tax in relation to the above	(1,500,974)
	<u>1,562,236</u>
Closing balance as at January 01, 2024 under IFRS 9 - as restated	<u>(15,719,725)</u>

**4 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023.

**HABIB BANK LIMITED**

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**

**For the three months ended March 31, 2024**

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
		(Rupees in '000)	
In hand			
Local currency		64,468,324	63,349,493
Foreign currencies		8,229,446	11,447,241
		<u>72,697,770</u>	<u>74,796,734</u>
With State Bank of Pakistan in			
Local currency current accounts		180,563,282	181,431,231
Foreign currency current accounts		12,563,158	12,284,194
Foreign currency deposit accounts		25,578,867	25,275,511
		<u>218,705,307</u>	<u>218,990,936</u>
With other central banks in			
Foreign currency current accounts		67,836,526	72,585,029
Foreign currency deposit accounts		49,597,259	32,466,191
		<u>117,433,785</u>	<u>105,051,220</u>
With National Bank of Pakistan in			
Local currency current accounts		96,802,203	147,163,939
Local currency deposit account		1,660,673	1,207,332
		<u>98,462,876</u>	<u>148,371,271</u>
National Prize Bonds		255,768	318,420
		<u>507,555,506</u>	<u>547,528,581</u>
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		176,845	275,804
In deposit accounts		450,406	3,299,072
		<u>627,251</u>	<u>3,574,876</u>
Outside Pakistan			
In current accounts		31,049,331	31,783,584
In deposit accounts		30,690,558	21,245,088
		<u>61,739,889</u>	<u>53,028,672</u>
Less: credit loss allowance		(992)	-
Balances with other banks - net of credit loss allowance		<u>62,366,148</u>	<u>56,603,548</u>
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		31,300,000	17,000,000
Repurchase agreement lendings (reverse repo)		40,269,026	71,598,160
		<u>71,569,026</u>	<u>88,598,160</u>
Less: credit loss allowance	7.1	(8)	-
Lendings to financial institutions - net of credit loss allowance		<u>71,569,018</u>	<u>88,598,160</u>

7.1 Lendings to financial institutions are all classified as Stage 1

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8 INVESTMENTS	Note	March 31, 2024 (Unaudited)				December 31, 2023 (Audited)			
		Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----									
8.1	<b>Investments by type</b>								
	<b>Fair value through profit and loss (FVTPL)</b>								
	<b>Federal Government securities</b>								
	- Market Treasury Bills	70,045,239	-	(130,051)	69,915,188	-	-	-	-
	- Pakistan Investment Bonds	139,185,230	-	(42,240)	139,142,990	-	-	-	-
	- Ijarah Sukuk	13,018,917	-	134,665	13,153,582	-	-	-	-
	- Other Federal Government securities	3,727,205	-	-	3,727,205	-	-	-	-
	<b>Shares</b>								
	- Listed companies	860,942	-	(20,194)	840,748	-	-	-	-
	- Unlisted companies	8,791,178	-	-	8,791,178	-	-	-	-
	<b>Non-Government debt securities</b>								
	- Listed	1,891,233	-	6,157	1,897,390	-	-	-	-
	- Unlisted	1,632,625	-	(19)	1,632,606	-	-	-	-
	<b>Foreign securities</b>								
	- Government debt securities	2,852,214	-	(34,768)	2,817,446	-	-	-	-
	<b>Preference shares</b>								
	- Listed	877,400	-	(39,900)	837,500	-	-	-	-
	- Unlisted	30,151	-	-	30,151	-	-	-	-
	<b>Real Estate Investment Trust units - Unlisted</b>	3,258,464	-	-	3,258,464	-	-	-	-
		246,170,798	-	(126,350)	246,044,448	-	-	-	-
	<b>Held for trading (HFT) securities</b>								
	<b>Federal Government securities</b>								
	- Market Treasury Bills	-	-	-	-	88,950,384	-	(34,842)	88,915,542
	- Pakistan Investment Bonds	-	-	-	-	140,840,320	-	100,654	140,940,974
	- Ijarah Sukuk	-	-	-	-	7,497,896	-	296,498	7,794,394
	<b>Shares</b>								
	- Listed companies	-	-	-	-	109,681	-	(1,994)	107,687
	<b>Foreign securities</b>								
	- Government debt securities	-	-	-	-	2,965,340	-	(79,993)	2,885,347
		-	-	-	-	240,363,621	-	280,323	240,643,944
	<b>Fair value through other comprehensive income (FVOCI)</b>								
	<b>Federal Government securities</b>								
	- Market Treasury Bills	195,839,354	-	(163,185)	195,676,169	-	-	-	-
	- Pakistan Investment Bonds	1,176,928,347	-	(25,746,810)	1,151,181,537	-	-	-	-
	- Ijarah Sukuk	243,917,629	-	(848,220)	243,069,409	-	-	-	-
	- Government of Pakistan US Dollar Bonds	20,330,887	(2,880,724)	1,778,800	19,228,963	-	-	-	-
	<b>Shares</b>								
	- Listed companies	18,373,675	-	(2,316,079)	16,057,596	-	-	-	-
	- Unlisted companies	1,018,949	-	4,753,333	5,772,282	-	-	-	-
	<b>Non-Government debt securities</b>								
	- Listed	50,009,431	(1,533,092)	147,452	48,623,791	-	-	-	-
	- Unlisted	995,383	(404,365)	12,655	603,673	-	-	-	-
	<b>Foreign securities</b>								
	- Government debt securities	185,360,086	(1,928,167)	(290,255)	183,141,664	-	-	-	-
	- Non-Government debt securities - Listed	4,803,831	(1,333,143)	(18,092)	3,452,596	-	-	-	-
	- Equity securities - Unlisted	9,437	-	44,874	54,311	-	-	-	-
	<b>National Investment Unit Trust units</b>	11,113	-	41,424	52,537	-	-	-	-
	<b>Real Estate Investment Trust units - Listed</b>	55,000	-	16,700	71,700	-	-	-	-
		1,897,653,122	(8,079,491)	(22,587,403)	1,866,986,228	-	-	-	-

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**8 INVESTMENTS - continued**

	March 31, 2024 (Unaudited)				December 31, 2023 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
<b>Available for sale (AFS) securities</b>								
<b>Federal Government securities</b>								
- Market Treasury Bills	-	-	-	-	223,051,810	-	133,734	223,185,544
- Pakistan Investment Bonds	-	-	-	-	1,142,589,290	-	(28,598,476)	1,113,990,814
- Ijarah Sukuk	-	-	-	-	214,469,251	-	(992,900)	213,476,351
- Government of Pakistan US Dollar Bonds	-	-	-	-	20,607,015	(3,015,329)	(307,522)	17,284,164
- Other Federal Government securities	-	-	-	-	5,543,158	-	-	5,543,158
<b>Shares</b>								
- Listed companies	-	-	-	-	18,346,143	(1,355,890)	(573,899)	16,416,354
- Unlisted companies	-	-	-	-	5,372,888	(137,414)	-	5,235,474
<b>Non-Government debt securities</b>								
- Listed	-	-	-	-	52,313,888	(1,288,294)	(1,410,827)	49,614,767
- Unlisted	-	-	-	-	2,654,051	(403,050)	(16,875)	2,234,126
<b>Foreign securities</b>								
- Government debt securities	-	-	-	-	172,850,072	(1,920,274)	(271,538)	170,658,260
- Non-Government debt securities - Listed	-	-	-	-	7,059,589	(1,423,946)	(35,025)	5,600,618
- Equity securities - Unlisted	-	-	-	-	9,701	(239)	-	9,462
<b>National Investment Unit Trust units</b>	-	-	-	-	11,113	-	39,632	50,745
<b>Real Estate Investment Trust units</b>								
- Listed	-	-	-	-	55,000	-	13,700	68,700
- Unlisted	-	-	-	-	1,575,000	-	-	1,575,000
<b>Preference shares</b>								
- Listed	-	-	-	-	744,400	-	133,000	877,400
- Unlisted	-	-	-	-	354,985	(316,505)	-	38,480
	-	-	-	-	1,867,607,354	(9,860,941)	(31,886,996)	1,825,859,417
<b>Amortised cost</b>								
<b>Federal Government securities</b>								
- Market Treasury Bills	117,087,724	-	-	117,087,724	-	-	-	-
- Pakistan Investment Bonds	302,285,557	-	-	302,285,557	-	-	-	-
- Ijarah Sukuk	5,000,000	-	-	5,000,000	-	-	-	-
- Government of Pakistan US Dollar Bonds	6,371,641	(402,551)	-	5,969,090	-	-	-	-
<b>Non-Government debt securities</b>								
- Listed	899,380	(4,294)	-	895,086	-	-	-	-
- Unlisted	23,581,601	(541,102)	-	23,040,499	-	-	-	-
<b>Foreign Securities</b>								
- Government debt securities	15,166,875	(15,536)	-	15,151,339	-	-	-	-
- Non-Government debt securities - Unlisted	46,265	-	-	46,265	-	-	-	-
	470,439,043	(963,483)	-	469,475,560	-	-	-	-
<b>Held to maturity (HTM) securities</b>								
<b>Federal Government securities</b>								
- Market Treasury Bills	-	-	-	-	111,663,463	-	-	111,663,463
- Pakistan Investment Bonds	-	-	-	-	301,830,350	-	-	301,830,350
- Government of Pakistan US Dollar Bonds	-	-	-	-	6,435,791	(408,218)	-	6,027,573
<b>Non-Government debt securities</b>								
- Listed	-	-	-	-	1,899,450	-	-	1,899,450
- Unlisted	-	-	-	-	23,419,101	-	-	23,419,101
<b>Foreign Securities</b>								
- Government debt securities	-	-	-	-	14,663,737	-	-	14,663,737
- Non-Government debt securities - Unlisted	-	-	-	-	174,040	(14,611)	-	159,429
	-	-	-	-	460,085,932	(422,829)	-	459,663,103
<b>Investments in associates</b>	42,586,166	-	(2,204,443)	40,381,723	37,758,026	-	(1,625,403)	36,132,623
<b>Total Investments</b>	<u>2,656,849,129</u>	<u>(9,042,974)</u>	<u>(24,918,196)</u>	<u>2,622,887,959</u>	<u>2,605,814,933</u>	<u>(10,283,770)</u>	<u>(33,232,076)</u>	<u>2,562,299,087</u>

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	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>8.1.1 Investments given as collateral</b>		
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	19,522,558	30,947,292
- Pakistan Investment Bonds	37,943,253	336,459,407
<b>Foreign securities</b>		
- Government debt securities	208,193	-
	<u>57,674,004</u>	<u>367,406,699</u>

8.2 The market value of investments classified as amortised cost amounted to Rs 440,134.766 million.

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>8.3 Credit loss allowance for diminution in value of investments</b>		
Opening balance	10,283,770	8,924,913
Impact of adoption of IFRS 9	(1,340,461)	-
Exchange adjustment	(126,979)	1,542,961
Charge / (reversal)		
Charge for the period / year	272,596	2,424,752
Reversal for the period / year	(45,952)	(1,658,491)
Reversal on disposal during the period / year	-	(950,365)
Net charge / (reversal)	226,644	(184,104)
Closing balance	<u>9,042,974</u>	<u>10,283,770</u>

8.4 **Particulars of credit loss allowance against debt securities**

	(Unaudited) March 31, 2024	
Category of classification	Outstanding amount	Credit loss allowance held
	----- (Rupees in '000) -----	
<b>Domestic</b>		
Performing	2,303,823,682	422,562
Underperforming	2,662,500	200,024
Non-performing		
Loss	395,383	395,383
	2,306,881,565	1,017,969
<b>Overseas</b>		
Performing	199,322,910	138,520
Under performing	46,864,416	5,172,633
Non-performing		
Loss	2,713,852	2,713,852
	248,901,178	8,025,005
Total	<u>2,555,782,743</u>	<u>9,042,974</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,423,057,095	1,494,700,962	85,966,651	80,835,932	1,509,023,746	1,575,536,894
	Islamic financing and related assets	38.3	200,599,969	208,404,435	10,095,674	11,309,850	210,695,643	219,714,285
	Bills discounted and purchased		148,797,418	159,652,327	9,678,974	9,753,378	158,476,392	169,405,705
	Advances - gross		<u>1,772,454,482</u>	<u>1,862,757,724</u>	<u>105,741,299</u>	<u>101,899,160</u>	<u>1,878,195,781</u>	<u>1,964,656,884</u>
	Credit loss allowance against advances							
	- Stage 1		(12,248,241)	-	-	-	(12,248,241)	-
	- Stage 2		(19,155,214)	-	-	-	(19,155,214)	-
	- Stage 3	9.3	-	-	(84,327,386)	-	(84,327,386)	-
	Specific		-	-	(4,305,851)	(84,920,073)	(4,305,851)	(84,920,073)
	General		(8,255,820)	(18,392,219)	-	-	(8,255,820)	(18,392,219)
			<u>(39,659,275)</u>	<u>(18,392,219)</u>	<u>(88,633,237)</u>	<u>(84,920,073)</u>	<u>(128,292,512)</u>	<u>(103,312,292)</u>
	Advances - net of credit loss allowance		<u>1,732,795,207</u>	<u>1,844,365,505</u>	<u>17,108,062</u>	<u>16,979,087</u>	<u>1,749,903,269</u>	<u>1,861,344,592</u>

		(Unaudited)	(Audited)
		March 31, 2024	December 31, 2023
		(Rupees in '000)	
9.1	Particulars of advances (gross)		
	In local currency	1,405,374,680	1,449,318,068
	In foreign currencies	472,821,101	515,338,816
		<u>1,878,195,781</u>	<u>1,964,656,884</u>

9.2 Advances include Rs 105,741.299 million (December 31, 2023: Rs 101,899.160 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited)		(Audited)	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	Non-performing advances	Credit loss allowance / Provision	Non-performing advances	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	685,136	28,840	1,385,321	28,840
Substandard	12,589,254	3,173,116	7,023,482	1,622,140
Doubtful	10,215,087	5,654,211	11,508,302	5,749,844
Loss	47,280,262	47,451,885	43,820,506	43,110,623
	70,769,739	56,308,052	63,737,611	50,511,447
<b>Overseas</b>				
Substandard	339,384	102,048	352,121	104,190
Doubtful	1,252,418	631,107	21,889	11,155
Loss	33,379,758	31,592,030	37,787,539	34,293,281
	34,971,560	32,325,185	38,161,549	34,408,626
	<u>105,741,299</u>	<u>88,633,237</u>	<u>101,899,160</u>	<u>84,920,073</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**9.3 Particulars of credit loss allowance against advances**

	(Unaudited)					
	March 31, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	-	-	-	84,920,073	18,392,219	103,312,292
Impact of adoption of IFRS 9	13,712,611	18,523,428	82,946,700	(80,578,490)	(10,619,916)	23,984,333
Opening balance - as restated	13,712,611	18,523,428	82,946,700	4,341,583	7,772,303	127,296,625
Transfer to stage 1	178,527	(126,522)	(52,005)	-	-	-
Transfer to stage 2	(525,093)	601,915	(76,822)	-	-	-
Transfer to stage 3	(54,726)	(2,652,212)	2,706,938	-	-	-
Exchange adjustment	(64,858)	(5,009)	(445,479)	(108,398)	(7,818)	(631,562)
Charge for the period	1,168,900	3,815,416	3,037,143	72,666	491,335	8,585,460
Reversal for the period	(2,167,120)	(1,001,802)	(2,015,743)	-	-	(5,184,665)
Net (reversal) / charge against advances	(998,220)	2,813,614	1,021,400	72,666	491,335	3,400,795
Charged off during the period -						
agriculture financing	-	-	(46,890)	-	-	(46,890)
Written off during the period	-	-	(1,726,456)	-	-	(1,726,456)
Closing balance	12,248,241	19,155,214	84,327,386	4,305,851	8,255,820	128,292,512

	(Audited)					
	December 31, 2023					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	-	-	-	78,259,477	13,911,505	92,170,982
Exchange adjustment	-	-	-	8,019,828	831,237	8,851,065
Charge for the year	-	-	-	16,462,892	4,857,453	21,320,345
Reversal for the year	-	-	-	(6,643,168)	(1,207,976)	(7,851,144)
Net charge against advances	-	-	-	9,819,724	3,649,477	16,363,111
Charged off during the year -						
agriculture financing	-	-	-	(503,799)	-	(503,799)
Written off during the year	-	-	-	(10,675,157)	-	(10,675,157)
Closing balance	-	-	-	84,920,073	18,392,219	106,206,202

9.4 General provision also includes Rs 420.937 million pertaining to overseas advances to meet the requirements of the regulatory authorities of those countries in which the Group operates where IFRS9 is not applicable. General provision also includes Rs 7,834.883 million carried as a matter of prudence, on account of borrowers impacted by the currently stressed economic conditions.

**9.5 Advances - Category of classification**

	(Unaudited)	
	March 31, 2024	
	Outstanding amount	Credit loss allowance / provision held
	(Rupees in '000)	
<b>Domestic</b>		
Performing	1,164,378,344	17,197,277
Underperforming	264,631,734	17,339,746
Non-Performing	70,769,739	56,308,052
Total	1,499,779,817	90,845,075
<b>Overseas</b>		
Performing	305,586,609	3,306,784
Underperforming	37,857,795	1,815,468
Non-Performing	34,971,560	32,325,185
Total	378,415,964	37,447,437
	1,878,195,781	128,292,512



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

10 PROPERTY AND EQUIPMENT	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
Capital work-in-progress	10.1	8,020,722	7,039,669
Property and equipment		109,772,652	110,200,053
		<u>117,793,374</u>	<u>117,239,722</u>
<b>10.1 Capital work-in-progress</b>			
Civil works		1,046,612	919,737
Equipment		1,093,166	930,756
Advances to suppliers and contractors		5,880,944	5,189,176
		<u>8,020,722</u>	<u>7,039,669</u>
<b>10.2 Additions to property and equipment</b>			
		(Unaudited)	
		For the three months ended	
		March 31, 2024	March 31, 2023
		(Rupees in '000)	
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		981,053	1,788,810
<b>Property and equipment</b>			
Leasehold land		-	2,500
Building on leasehold land		99,982	44,685
Machinery		-	24,252
Leasehold improvements		388,226	280,601
Furniture and fixtures		263,341	438,584
Electrical, office and computer equipment		1,492,239	1,323,233
Vehicles		42,673	30,049
		<u>2,286,461</u>	<u>2,143,904</u>
		<u>3,267,514</u>	<u>3,932,714</u>
<b>10.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
<b>Property and equipment</b>			
Building on freehold land		-	102,515
Building on leasehold land		13,512	-
Leasehold improvements		1,594	-
Furniture and fixtures		572	220
Electrical, office and computer equipment		743	167
		<u>16,421</u>	<u>102,902</u>
<b>11 RIGHT-OF-USE ASSETS</b>			
		(Unaudited) March 31, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
At January 1,			
Cost		41,826,150	35,321,191
Accumulated depreciation		(17,171,405)	(12,502,961)
Net carrying amount at January 1,		<u>24,654,745</u>	<u>22,818,230</u>
Exchange adjustment		(102,053)	712,874
Additions during the period / year		1,094,791	5,994,979
Deletions during the period / year		-	(128,537)
Depreciation charge for the period / year		(1,089,301)	(4,426,688)
Other adjustments		3,726	(316,113)
Net carrying amount at the end of the period / year		<u>24,561,908</u>	<u>24,654,745</u>
<b>12 INTANGIBLE ASSETS</b>			
Capital work-in-progress - computer software		7,596,597	6,632,627
Computer software		8,390,183	8,939,025
Other intangibles		7,053,481	7,148,891
		<u>23,040,261</u>	<u>22,720,543</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2024	March 31, 2023
<b>(Rupees in '000)</b>			
<b>12.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		963,970	276,796
Computer software		148,479	260,161
		<u>1,112,449</u>	<u>536,957</u>
<b>13 DEFERRED TAX ASSETS / (LIABILITIES)</b>		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>(Rupees in '000)</b>			
<b>Deductible temporary differences on</b>			
- Tax losses of subsidiary		1,918,815	1,705,743
- Credit loss allowance against investments		7,606	694,365
- Credit loss allowance against doubtful debts and off-balance sheet obligations		20,274,252	6,855,146
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,721,611	2,854,101
- Deficit on revaluation of investments	21	10,857,284	15,414,086
- Deficit on revaluation of investments of associates	21	1,080,177	796,447
- Ijarah financing		397,371	332,429
- Others		(139,036)	5,000
		<u>37,118,080</u>	<u>28,657,317</u>
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		(2,455,247)	(2,635,250)
- Surplus on revaluation of property and equipment	21	(3,940,871)	(3,965,450)
- Surplus on revaluation of property and equipment of associates	21	(198,534)	(198,534)
- Management rights and goodwill		(425,204)	(417,812)
- Share of profit of associates		(9,312,673)	(9,203,196)
- Exchange translation reserve		(14,436,279)	(11,756,201)
		<u>(30,768,808)</u>	<u>(28,176,443)</u>
<b>Net deferred tax assets</b>		<u>6,349,272</u>	<u>480,874</u>
<b>14 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		162,356,209	127,899,044
Mark-up / return / profit / interest accrued in foreign currency - net of provision		8,589,561	9,693,481
Advances, deposits, advance rent and other prepayments		7,497,639	4,588,818
Advance taxation		2,724,469	4,886,206
Advance against subscription of securities		228,514	903,514
Stationery and stamps on hand		269,622	233,268
Accrued fees and commissions		354,678	430,308
Due from Government of Pakistan / SBP		8,741,386	8,009,124
Mark to market gain on forward foreign exchange contracts		3,616,450	2,580,581
Mark to market gain on derivative instruments		-	73,396
Non-banking assets acquired in satisfaction of claims		239,457	242,317
Receivable from defined benefit plan		845,404	845,404
Acceptances		61,445,546	55,561,467
Clearing and settlement accounts		29,858,407	37,268,393
Dividend receivable		325,355	9,093
Claims receivable against fraud and forgeries		570,233	634,106
Inventory		67,943	-
Others		1,830,309	1,405,981
		<u>289,561,182</u>	<u>255,264,501</u>
Credit loss allowance held against other assets		(2,589,924)	(2,577,641)
Other assets - net of credit loss allowance		<u>286,971,258</u>	<u>252,686,860</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		191,591	191,591
Other assets - total		<u>287,162,849</u>	<u>252,878,451</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**14.1 Credit loss allowance held against other assets**

**(Unaudited)**                      **(Audited)**  
**March 31,**                      **December 31,**  
**2024**                              **2023**  
**(Rupees in '000)**

Claims receivable against fraud and forgeries	570,233	634,106
Suit filed cases	4,979	4,979
Others	2,014,712	1,938,556
	<u>2,589,924</u>	<u>2,577,641</u>

**14.1.1 Movement in credit loss allowance against other assets**

Opening balance	2,577,641	1,791,891
Impact of adoption of IFRS 9	53,536	-
Exchange adjustment	(3,909)	10,045
Charge for the period / year	38,247	1,240,885
Reversal for the period / year	(37,842)	(100,168)
Net charge	405	1,140,717
Written off during the period / year	(37,749)	(243,072)
Other movement	-	(121,940)
Closing balance	<u>2,589,924</u>	<u>2,577,641</u>

**15 BILLS PAYABLE**

In Pakistan	43,118,905	49,538,342
Outside Pakistan	2,202,952	2,162,481
	<u>45,321,857</u>	<u>51,700,823</u>

**16 BORROWINGS**

**Secured**

Borrowings from the SBP under

- Export refinance scheme	54,470,851	64,648,651
- Export refinance scheme for bill discounting	21,665,342	22,637,751
- Long term financing facility	35,662,280	37,066,139
- Financing facility for renewable energy power plants	7,236,852	7,216,949
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	700,525	607,955
- Refinance and credit guarantee scheme for women entrepreneurs	31,761	38,046
- Financing facility for storage of agricultural produce	543,466	597,743
- Refinance facility for combating COVID-19	1,648,779	1,567,557
- Temporary economic refinance facility	31,692,986	32,214,444
- Refinance facility for SME Asaan Finance (SAAF)	6,954,151	3,884,689
	160,606,993	170,479,924
Repurchase agreement borrowings	57,835,975	379,043,704
	<u>218,442,968</u>	<u>549,523,628</u>

**Unsecured**

- Call money borrowings	6,970,120	320,000
- Overdrawn nostro accounts	2,412,968	500,700
- Borrowings of overseas branches and subsidiaries	44,161,357	46,183,741
- Other long-term borrowings	65,447,808	68,514,610
	118,992,253	115,519,051
	<u>337,435,221</u>	<u>665,042,679</u>

16.1

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

16.1 This includes the following:

- 16.1.1 A loan from the International Finance Corporation amounting to US\$ 49.980 million (December 31, 2023: US\$ 49.980 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.
- 16.1.2 A long-term financing facility arrangement from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 174.059 million (December 31, 2023: US\$ 181.640 million). The principal amount is payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over LIBOR is payable semi-annually.
- 16.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 2 billion (December 31, 2023: Rs 2 billion) for on-lending to customers. The principal amount is payable in semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2023: 16.61% per annum) is payable semi-annually.
- 16.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 1,176.795 million (December 31, 2023: Rs 1,230.034 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount of one facility, amounting to Rs 500 million (December 31, 2023: Rs 500 million), is payable at maturity on December 30, 2024. The principal amount of the other facilities is payable in quarterly installments from June 2020 to June 2031. Mark-up on all facilities is payable quarterly at rates ranging from 7.14% to 15.19% per annum (December 31, 2023: 6.50% to 15.19% per annum).

**17 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	1,158,631,335	281,225,593	1,439,856,928	1,088,865,434	285,394,936	1,374,260,370
Savings deposits	1,711,855,494	158,211,182	1,870,066,676	1,585,284,462	161,853,706	1,747,138,168
Term deposits	423,296,098	388,691,656	811,987,754	459,615,841	366,737,732	826,353,573
	<u>3,293,782,927</u>	<u>828,128,431</u>	<u>4,121,911,358</u>	<u>3,133,765,737</u>	<u>813,986,374</u>	<u>3,947,752,111</u>
<b>Financial institutions</b>						
Current deposits	14,579,821	1,799,377	16,379,198	7,845,417	2,594,297	10,439,714
Savings deposits	218,659,202	27,081	218,686,283	164,505,304	711,626	165,216,930
Term deposits	9,574,324	9,366,282	18,940,606	9,413,843	9,529,238	18,943,081
	<u>242,813,347</u>	<u>11,192,740</u>	<u>254,006,087</u>	<u>181,764,564</u>	<u>12,835,161</u>	<u>194,599,725</u>
	<u>3,536,596,274</u>	<u>839,321,171</u>	<u>4,375,917,445</u>	<u>3,315,530,301</u>	<u>826,821,535</u>	<u>4,142,351,836</u>

	(Unaudited)	(Audited)
	March 31, 2024	December 31, 2023
(Rupees in '000)		
<b>18 LEASE LIABILITIES</b>		
Opening balance	30,489,986	27,079,479
Exchange adjustment	(110,755)	625,586
Additions during the period / year	1,323,910	4,804,564
Interest expense	956,584	3,346,432
Lease payments including interest	(803,962)	(5,684,422)
Others / deletion	-	318,347
Closing balance	<u>31,855,763</u>	<u>30,489,986</u>
<b>18.1 Liabilities Outstanding at the end of the period / year</b>		
Not later than one year	2,498,979	1,801,062
Later than one year and up to five years	10,000,201	6,984,974
Over five years	19,356,583	21,703,950
Total	<u>31,855,763</u>	<u>30,489,986</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
<b>19 SUBORDINATED DEBT</b>			(Rupees in '000)
Additional Tier I Term Finance Certificates	19.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	19.1.2	6,500,000	6,500,000
Tier II Term Finance Certificates	19.2	1,500,000	825,000
		<u>20,374,000</u>	<u>19,699,000</u>

19.1 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of these issues are as follows:

19.1.1	<b>Issue Date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2023: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
	<b>Profit payment</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

19.1.2	<b>Issue Date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2023: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
	<b>Profit payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

19.2 HBL MfB has received advance subscription money amounting to Rs 1.500 billion for the issuance of fully paid up, rated, privately placed, unsecured, and subordinated debt instruments in the nature of TFCs issued as instruments of redeemable capital under Section 66(1) of the Companies Act, 2017, which qualify as Tier II Capital as outlined by the SBP under BPRD Circular No. 6, dated August 15, 2013.

The key features of the issue are as follows:

<b>Total issue amount</b>	Rs 1.500 billion (including a greenshoe option of Rs 500 million)
<b>Rating</b>	A
<b>Original Tenor</b>	10 years from the first disbursement date.
<b>Security</b>	Unsecured and subordinated as to payment of principal and profit to all other indebtedness of HBL MfB, including deposits, but will rank pari passu with other Tier II instruments and superior to the claims of ordinary shareholders.
<b>Profit payment frequency</b>	Semi-annually in arrears on the outstanding Issue Amount. The first such profit payment will fall due six months from the first disbursement date and subsequently every six months thereafter.
<b>Redemption</b>	The instrument will not be redeemable before maturity without prior approval of the SBP. Principal: Bullet at Maturity Markup: Semi-annual from the drawdown date
<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate (KIBOR).
<b>Call option</b>	HBL MfB may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) HBL MfB is compliant with the minimum capital requirement (MCR) and Capital Adequacy Ratio (CAR) after the Call Option is exercised. If HBL MfB decides to exercise the Call Option, it shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
<b>Lock-in clause</b>	Neither profit nor principal can be paid (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's MCR or CAR or result in an increase in any existing shortfall in MCR and CAR.
<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
<b>20 OTHER LIABILITIES</b>			
<b>(Rupees in '000)</b>			
Mark-up / return / profit / interest payable in local currency		73,328,566	43,728,872
Mark-up / return / profit / interest payable in foreign currency		9,602,762	10,057,593
Security deposits		1,566,040	1,597,855
Accrued expenses		32,545,667	34,680,771
Mark to market loss on forward foreign exchange contracts		5,437,951	4,536,179
Mark to market loss on derivative instruments		8,313,860	10,321,082
Unclaimed dividends		787,827	764,376
Dividends payable		7,915,917	2,075,679
Provision for post retirement medical benefits		4,068,388	3,966,429
Provision for employees' compensated absences		718,666	746,630
Credit loss allowance against off-balance sheet obligations	20.1	3,818,736	1,927,866
Acceptances		61,445,546	55,561,467
Branch adjustment account		6,146,788	7,089,493
Provision for staff retirement benefits		1,675,432	1,646,076
Payable to defined benefit plans		822,532	885,622
Provision for Workers' Welfare Fund		12,020,546	11,431,861
Unearned income		5,852,981	5,680,169
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		8,173,636	14,721,663
Insurance payable		752,509	686,026
Provision for rewards program expenses		3,107,456	2,699,951
Liability against trading of securities		10,863,422	15,963,126
Clearing and settlement accounts		22,552,169	18,094,230
Payable to HBL Foundation		233,906	866,494
Contingent consideration payable		500,000	500,000
Charity fund		24,980	10,578
Unclaimed deposits		2,234,789	2,030,722
Others		7,609,511	6,434,107
		<u>292,458,992</u>	<u>259,043,326</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

20.1 Credit loss allowance against off-balance sheet obligations	(Unaudited)	(Audited)
	March 31, 2024	December 31, 2023
	(Rupees in '000)	
Opening balance	1,927,866	1,633,326
Impact of adoption of IFRS 9	1,691,809	-
Exchange adjustment	(32,875)	388,430
Charge for the period / year	247,496	191,387
Reversal for the period / year	(15,560)	(285,277)
Net charge / (reversal)	231,936	(93,890)
Closing balance	3,818,736	1,927,866

**21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

Note	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Attributable to		Total	Attributable to		Total
Equity holders	Non-controlling interest	Equity holders		Non-controlling interest		
(Rupees in '000)						
Surplus / (deficit) arising on revaluation of:						
- Property and equipment	46,620,094	107,104	46,727,198	46,670,279	108,466	46,778,745
- Property and equipment of associates	405,171	-	405,171	405,171	-	405,171
- FVOCI securities - debt	(25,044,045)	(25,486)	(25,069,531)	-	-	-
- FVOCI securities - equity	2,482,128	-	2,482,128	-	-	-
- FVOCI securities held by associates	(2,204,443)	-	(2,204,443)	-	-	-
- Available-for-sale securities	-	-	-	(31,854,365)	(32,631)	(31,886,996)
- Available-for-sale securities held by associates	-	-	-	(1,625,403)	-	(1,625,403)
- Non-banking assets acquired in satisfaction of claim: 14	191,591	-	191,591	191,591	-	191,591
	22,450,496	81,618	22,532,114	13,787,273	75,835	13,863,108
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:						
- Property and equipment	3,905,537	35,334	3,940,871	3,929,223	36,227	3,965,450
- Property and equipment of associates	198,534	-	198,534	198,534	-	198,534
- FVOCI securities - debt	(12,064,620)	(8,907)	(12,073,527)	-	-	-
- FVOCI securities - equity	1,216,243	-	1,216,243	-	-	-
- FVOCI securities held by associates	(1,080,177)	-	(1,080,177)	-	-	-
- Available-for-sale securities	-	-	-	(15,401,360)	(12,726)	(15,414,086)
- Available-for-sale securities held by associates	-	-	-	(796,447)	-	(796,447)
- Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	-
	(7,824,483)	26,427	(7,798,056)	(12,070,050)	23,501	(12,046,549)
Surplus on revaluation of assets - net of tax	30,274,979	55,191	30,330,170	25,857,323	52,334	25,909,657

22 CONTINGENCIES AND COMMITMENTS	Note	(Unaudited)	(Audited)
		March 31, 2024	December 31, 2023
(Rupees in '000)			
- Guarantees	22.1	345,858,242	287,792,267
- Commitments	22.2	1,160,643,309	942,629,409
- Other contingent liabilities	22.3	22,973,726	23,112,726
		1,529,475,277	1,253,534,402
<b>22.1 Guarantees:</b>			
Financial guarantees		70,369,145	49,168,948
Performance guarantees		265,459,895	227,207,668
Other guarantees		10,029,202	11,415,651
		345,858,242	287,792,267
<b>22.2 Commitments:</b>			
Trade-related contingent liabilities		347,536,866	332,525,700
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	640,423,884	500,720,574
- forward Government securities transactions	22.2.2	92,221,860	24,383,498
- derivatives	22.2.3	45,033,358	53,095,033
- forward lending	22.2.4	24,156,546	19,813,834
		801,835,648	598,012,939
Commitments for acquisition of:			
- property and equipment		6,241,698	4,675,879
- intangible assets		5,029,097	7,414,891
		11,270,795	12,090,770
		1,160,643,309	942,629,409

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	386,924,703	302,797,932
Sale	253,499,181	197,922,642
	<u>640,423,884</u>	<u>500,720,574</u>
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	47,635,778	21,450,842
Sale	44,586,082	2,932,656
	<u>92,221,860</u>	<u>24,383,498</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	-	2,289,956
Sale	-	2,289,956
	<u>-</u>	<u>4,579,912</u>
<b>Cross Currency swaps</b>		
Purchase	17,370,109	18,112,623
Sale	26,338,249	28,827,498
	<u>43,708,358</u>	<u>46,940,121</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	1,325,000	1,575,000
	<u>1,325,000</u>	<u>1,575,000</u>
<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>24,156,546</u>	<u>19,813,834</u>

These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Group without the risk of incurring a significant penalty or expense.

**22.3 Other contingent liabilities**

22.3.1 Claims against the Group not acknowledged as debts	<u>22,973,726</u>	<u>23,112,726</u>
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These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim consolidated financial statements.

22.3.2 There were no tax related contingencies as at the period end.

**23 DERIVATIVE INSTRUMENTS**

Product Analysis	March 31, 2024 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
Hedging	-	-	-	-	-	-
Market Making	-	-	43,708,358	(8,224,966)	1,325,000	(88,894)
Product Analysis	December 31, 2023 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
Hedging	2,289,956	(73,396)	-	-	-	-
Market Making	2,289,956	73,396	46,940,121	(10,109,288)	1,575,000	(138,398)



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024**

		(Unaudited)		
		For the three months ended		
24	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note	March 31, 2024	March 31, 2023
		(Rupees in '000)		
	On:			
	Loans and advances		78,635,600	65,478,714
	Investments		110,984,083	73,066,711
	Lendings to financial institutions		5,411,780	8,904,093
	Balances with banks		3,282,982	1,101,323
			<u>198,314,445</u>	<u>148,550,841</u>
24.1	<b>INTEREST INCOME RECOGNISED</b>			
	On:			
	Financial assets measured at amortised cost		102,779,211	-
	Financial assets measured at FVOCI		86,699,280	-
	Financial assets measured at FVTPL		8,835,954	-
			<u>198,314,445</u>	<u>-</u>
25	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>			
	On:			
	Deposits		110,678,374	67,009,280
	Securities sold under repurchase agreement borrowings		14,929,661	18,804,245
	Borrowings		7,686,034	5,403,285
	Subordinated debt		1,088,714	885,926
	Cost of foreign currency swaps against foreign currency deposits / borrowings		2,437,955	(274,729)
	Lease liability against right-of-use assets		956,534	879,808
			<u>137,777,272</u>	<u>92,707,815</u>
26	<b>FEE AND COMMISSION INCOME</b>			
	Branch banking customer fees		1,488,447	1,108,909
	Branchless banking customer fees		102,656	156,339
	Consumer finance related fees		677,674	595,587
	Card related fees (debit and credit cards)		3,586,170	2,988,205
	Credit related fees		613,260	657,213
	Investment banking fees		181,854	239,380
	Commission on trade related products and guarantees		2,406,369	1,769,752
	Commission on cash management		399,202	412,084
	Commission on remittances (including home remittances)		571,963	152,563
	Commission on bancassurance		287,873	88,656
	Commission on Government to Person (G2P) payments		396,617	371,552
	Management fee		461,923	268,222
	Merchant discount and interchange fees		1,908,908	1,623,213
	Wealth management fee		175,665	91,919
	Others		99,328	60,215
			<u>13,357,909</u>	<u>10,583,809</u>
	Less: Sales tax / Federal Excise Duty on fee and commission income		(1,465,991)	(1,240,088)
			<u>11,891,918</u>	<u>9,343,721</u>
27	<b>LOSS ON SECURITIES - NET</b>			
	Realised	27.1	(156,747)	(708,768)
	Unrealised - measured at FVTPL	8.1	(126,350)	-
	Unrealised - held-for-trading		-	(372,523)
			<u>(283,097)</u>	<u>(1,081,291)</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited)	
	<b>For the three months ended</b>	
	March 31, 2024	March 31, 2023
	(Rupees in '000)	
<b>27.1 Gain / (loss) on securities - realised</b>		
On:		
Federal Government securities		
- Market Treasury Bills	115,828	104,000
- Pakistan Investment Bonds	(409,880)	(679,188)
- Ijarah Sukuk	23,431	4,485
Shares	175,843	(544,329)
Non-Government debt securities	(61,969)	406,264
	<u>(156,747)</u>	<u>(708,768)</u>
<b>27.1.1 Composition of loss on securities - realised</b>		
Net loss on securities measured at FVTPL	(325,057)	-
Net loss on debt securities measured at FVOCI	168,310	-
	<u>(156,747)</u>	<u>-</u>
<b>28 OTHER INCOME / (LOSS)</b>		
Incidental charges	128,865	239,300
Gain on derecognition of joint venture	-	3,731,399
Gain on sale of property and equipment - net	15,704	78,595
Rent on properties	4,316	5,121
	<u>148,885</u>	<u>4,054,415</u>
<b>29 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	16,347,916	14,266,124
<b>Property expense</b>		
Rent and taxes	327,319	343,258
Insurance	81,956	77,074
Utilities cost	1,493,128	1,223,547
Security (including guards)	860,546	713,605
Repair and maintenance (including janitorial charges)	1,264,246	1,023,171
Depreciation on owned property and equipment	1,368,293	1,299,574
Depreciation on right-of-use assets	1,089,301	1,118,813
	6,484,789	5,799,042
<b>Information technology expenses</b>		
Software maintenance	2,999,254	2,015,601
Hardware maintenance	730,159	437,666
Depreciation	1,059,673	790,103
Amortisation	680,315	504,592
Network charges	548,727	491,768
Consultancy charges	257,407	206,496
	6,275,535	4,446,226
<b>Other operating expenses</b>		
Legal and professional charges	1,157,674	2,246,762
Outsourced services costs	660,503	738,393
Travelling and conveyance	632,718	525,493
Insurance	368,105	442,870
Remittance charges	190,249	199,407
Cash transportation and sorting charges	892,379	751,837
Repairs and maintenance	657,333	501,364
Depreciation	212,684	223,375
Training and development	174,293	146,104
Postage and courier charges	244,254	210,245
Communication	1,119,429	577,527
Stationery and printing	927,298	661,005
Marketing, advertisement and publicity	2,308,301	2,296,076
Donations	234,261	273,263
Auditors' remuneration	144,429	118,674
Brokerage and commission	230,716	222,598
Subscription	219,127	157,608
Documentation and processing charges	2,852,052	2,131,067
Entertainment	225,670	207,064
Consultancy charges	584,439	365,563
Deposit insurance premium expense	909,381	777,350
Product feature cost	1,586,137	611,599
Others	555,077	299,091
	17,086,509	14,684,335
	<u>46,194,749</u>	<u>39,195,727</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

		(Unaudited)	
		For the three months ended	
	Note	March 31, 2024	March 31, 2023
		(Rupees in '000)	
30	<b>OTHER CHARGES</b>		
	Penalties imposed by the State Bank of Pakistan	145,939	15,369
	Penalties imposed by other regulatory bodies	12,557	396
		<u>158,496</u>	<u>15,765</u>
31	<b>CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>		
	Credit loss allowance against investments	8.3 226,644	1,579,290
	Credit loss allowance against loans and advances	9.3 3,400,795	1,218,993
	Credit loss allowance against other assets	14.1.1 405	796,200
	Charge / (reversal) of credit loss allowance against off-balance sheet obligations	20.1 231,936	(255,051)
	Recoveries against written off / charged off bad debts	(241,699)	(228,372)
	Recoveries against other assets written off	(250)	-
	Other write offs	31,254	66,317
		<u>3,649,085</u>	<u>3,177,377</u>
32	<b>TAXATION</b>		
	- Current	15,774,906	10,420,272
	- Deferred	(705,206)	(2,174,834)
		<u>15,069,700</u>	<u>8,245,438</u>
33	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit for the period attributable to equity holders of the Bank	<u>15,217,216</u>	<u>13,201,051</u>
		(Number)	
	Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
	Basic and diluted earnings per share	<u>10.37</u>	<u>9.00</u>
33.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		

**34 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair values of traded investments are based on quoted market prices.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.

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 they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

All assets and liabilities for which fair value is measured or disclosed in these condensed interim consolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

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 liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data.

**Valuation techniques used in determination of fair values within Level 2 and Level 3**

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Unquoted equity securities	The fair values of unquoted equity investments are estimated using the adjusted break-up value of the investee company. These are further discounted for marketability concerns. Where the agreed / indicative prices are available the Bank uses the same as an estimate for fair value.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity, required for Level 3 assets, has not been presented in these condensed interim consolidated financial statements.

**34.1 Fair value of financial assets**

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these condensed interim consolidated financial statements:

	<b>As at March 31, 2024 (Unaudited)</b>				
	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	1,831,367,838	-	1,831,367,838	-	1,831,367,838
- Shares - listed companies	16,898,344	10,317,104	6,581,240	-	16,898,344
- Shares - unlisted companies	14,563,460	-	-	14,563,460	14,563,460
- Non-Government debt securities - Listed	50,521,181	40,000,000	10,521,181	-	50,521,181
- Foreign securities					
Government debt securities	185,959,110	-	185,959,110	-	185,959,110
Non-Government debt securities - Listed	3,452,596	-	3,452,596	-	3,452,596
- National Investment Unit Trust units	52,537	-	52,537	-	52,537
- Real Estate Investment Trust units - Listed	71,700	71,700	-	-	71,700
- Preference Shares - Listed	837,500	837,500	-	-	837,500
	<u>2,103,724,266</u>	<u>51,226,304</u>	<u>2,037,934,502</u>	<u>14,563,460</u>	<u>2,103,724,266</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	430,342,371	-	400,873,326	-	400,873,326
- Non-Government debt securities - Listed	895,086	-	895,093	-	895,093
- Foreign securities					
Government debt securities	15,151,339	-	15,279,583	-	15,279,583
	<u>446,388,796</u>	<u>-</u>	<u>417,048,002</u>	<u>-</u>	<u>417,048,002</u>
	<u>2,550,113,062</u>	<u>51,226,304</u>	<u>2,454,982,504</u>	<u>14,563,460</u>	<u>2,520,772,268</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

<b>As at March 31, 2024 (Unaudited)</b>				
Notional value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments				
- Forward foreign exchange contracts	640,423,884	-	(1,821,501)	-
- Forward Government securities transactions	92,221,860	-	(18,379)	-
- Derivative instruments	45,033,358	-	(8,313,860)	-
	<u>640,423,884</u>	<u>-</u>	<u>(1,821,501)</u>	<u>-</u>

<b>As at December 31, 2023 (Audited)</b>				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

**On balance sheet financial instruments**

**Financial assets - measured at fair value**

Investments				
- Federal Government securities	1,805,587,783	-	1,805,587,783	-
- Shares - listed companies	16,524,041	9,057,018	7,467,023	-
- Non-Government debt securities - Listed	49,614,767	40,000,000	9,614,767	-
- Foreign securities				
Government debt securities	173,543,607	-	173,543,607	-
Non-Government debt securities - Listed	5,600,618	-	5,600,618	-
- National Investment Unit Trust units	50,745	-	50,745	-
- Real Estate Investment Trust units - Listed	68,700	68,700	-	-
- Preference Shares - Listed	877,400	877,400	-	-
	<u>2,051,867,661</u>	<u>50,003,118</u>	<u>2,001,864,543</u>	<u>-</u>

**Financial assets - disclosed but not measured at fair value**

Investments				
- Federal Government securities	419,521,386	-	385,681,455	-
- Non-Government debt securities - Listed	1,899,450	-	1,898,829	-
- Foreign securities				
Government debt securities	14,663,737	-	14,720,027	-
	<u>436,084,573</u>	<u>-</u>	<u>402,300,311</u>	<u>-</u>
	<u>2,487,952,234</u>	<u>50,003,118</u>	<u>2,404,164,854</u>	<u>-</u>

<b>As at December 31, 2023 (Audited)</b>				
Notional value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

**Off-balance sheet financial instruments - measured at fair value**

Commitments				
- Forward foreign exchange contracts	500,720,574	-	(1,955,598)	-
- Forward Government securities transactions	24,383,498	-	(46,908)	-
- Derivative instruments	53,095,033	-	(10,247,686)	-
	<u>500,720,574</u>	<u>-</u>	<u>(1,955,598)</u>	<u>-</u>

**34.2 Fair value of non-financial assets**

<b>As at March 31, 2024 (Unaudited)</b>				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

- Land and building	80,812,467	-	80,812,467	80,812,467
- Non-banking assets acquired in satisfaction of claims	431,048	-	431,048	431,048
	<u>81,243,515</u>	<u>-</u>	<u>81,243,515</u>	<u>81,243,515</u>

<b>As at December 31, 2023 (Audited)</b>				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

- Land and building	80,915,520	-	80,915,520	80,915,520
- Non-banking assets acquired in satisfaction of claims	433,908	-	433,908	433,908
	<u>81,349,428</u>	<u>-</u>	<u>81,349,428</u>	<u>81,349,428</u>

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024

35 SEGMENT INFORMATION

35.1 Segment details with respect to Business Activities

For the three months ended March 31, 2024 (Unaudited)

	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Profit and loss account</b>										
Net mark-up / return / profit / interest income	(72,330)	14,437	10,087	19,563	80,956	7,246	(15)	2,409	(1,814)	60,537
Inter segment revenue / (expense) - net	105,528	(10,748)	-	(9,384)	(90,477)	436	-	-	4,644	(0)
Non mark-up / interest income	1,489	4,721	719	1,896	4,367	3,766	513	503	2,192	20,167
<b>Total Income</b>	<b>34,687</b>	<b>8,410</b>	<b>10,806</b>	<b>12,075</b>	<b>(5,154)</b>	<b>11,448</b>	<b>498</b>	<b>2,912</b>	<b>5,022</b>	<b>80,704</b>
Segment direct expenses	8,814	6,039	2,598	1,127	188	6,549	144	2,436	19,047	46,942
Inter segment expense allocation	9,832	2,970	349	3,193	511	439	-	-	(17,294)	-
<b>Total expenses</b>	<b>18,646</b>	<b>9,009</b>	<b>2,947</b>	<b>4,320</b>	<b>699</b>	<b>6,988</b>	<b>144</b>	<b>2,436</b>	<b>1,753</b>	<b>46,942</b>
Credit loss allowance - charge / (reversal)	22	500	222	1,035	-	(200)	-	1,669	401	3,649
<b>Profit / (loss) before tax</b>	<b>16,019</b>	<b>(1,099)</b>	<b>7,637</b>	<b>6,720</b>	<b>(5,853)</b>	<b>4,660</b>	<b>354</b>	<b>(1,193)</b>	<b>2,868</b>	<b>30,113</b>

As at March 31, 2024 (Unaudited)

	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Statement of financial position</b>										
Cash and bank balances	149,452	-	36,305	656	193,537	179,900	1	9,765	306	569,922
Lendings to financial institutions	-	-	36,000	-	35,569	-	-	-	-	71,569
Inter segment lending	2,221,921	-	-	-	-	94,879	-	-	250,180	2,566,980
Investments	-	-	259,282	13,158	2,009,995	240,728	1,089	39,831	58,805	2,622,888
Advances - performing	-	245,504	195,725	786,910	-	386,997	-	89,748	27,910	1,732,795
Advances - non-performing	-	2,917	5,426	6,494	-	2,646	-	2,309	(2,683)	17,108
Others	29,694	8,118	47,229	76,832	131,210	45,293	3,631	18,924	97,978	458,908
<b>Total assets</b>	<b>2,401,067</b>	<b>256,539</b>	<b>579,967</b>	<b>884,049</b>	<b>2,370,311</b>	<b>950,443</b>	<b>4,721</b>	<b>160,578</b>	<b>432,495</b>	<b>8,040,170</b>
Borrowings	-	5,705	23,538	133,364	65,070	101,623	-	8,135	-	337,435
Subordinated debt	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	2,331,168	1,718	484,359	643,732	-	720,295	-	130,612	64,034	4,375,917
Inter segment borrowing	-	223,399	3,023	49,047	2,291,512	-	-	-	-	2,566,980
Others	69,899	25,718	25,311	57,906	25,826	47,013	992	9,480	107,491	369,637
<b>Total liabilities</b>	<b>2,401,067</b>	<b>256,539</b>	<b>536,231</b>	<b>884,049</b>	<b>2,382,408</b>	<b>868,932</b>	<b>992</b>	<b>149,727</b>	<b>190,398</b>	<b>7,670,343</b>
Equity	-	-	-	-	(12,097)	81,511	3,728	10,851	242,097	369,826
<b>Total equity and liabilities</b>	<b>2,401,067</b>	<b>256,539</b>	<b>536,231</b>	<b>884,049</b>	<b>2,370,311</b>	<b>950,443</b>	<b>4,721</b>	<b>160,578</b>	<b>432,495</b>	<b>7,996,434</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>	<b>67,169</b>	<b>609,846</b>	<b>619,825</b>	<b>199,018</b>	<b>-</b>	<b>-</b>	<b>33,617</b>	<b>1,529,475</b>

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024

For the three months ended March 31, 2023 (Unaudited)

	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Profit and loss account</b>										
Net mark-up / return / profit / interest income	(43,541)	11,778	5,802	21,322	53,304	6,407	(5)	2,702	(1,926)	55,843
Inter segment revenue / (expense) - net	69,628	(7,651)	-	(10,908)	(51,769)	(751)	-	-	1,451	-
Non mark-up / interest income	920	4,181	686	1,123	22	1,718	285	547	(906)	8,576
<b>Total Income</b>	<b>27,007</b>	<b>8,308</b>	<b>6,488</b>	<b>11,537</b>	<b>1,557</b>	<b>7,374</b>	<b>280</b>	<b>3,249</b>	<b>(1,381)</b>	<b>64,419</b>
Segment direct expenses	7,454	4,038	1,866	1,092	283	5,629	140	2,225	17,013	39,740
Inter segment expense allocation	7,877	2,705	315	3,430	446	451	-	-	(15,224)	-
<b>Total expenses</b>	<b>15,331</b>	<b>6,743</b>	<b>2,181</b>	<b>4,522</b>	<b>729</b>	<b>6,080</b>	<b>140</b>	<b>2,225</b>	<b>1,789</b>	<b>39,740</b>
Provisions - charge / (reversal)	575	555	(425)	(227)	(423)	2,320	-	606	196	3,177
<b>Profit / (loss) before tax</b>	<b>11,101</b>	<b>1,010</b>	<b>4,732</b>	<b>7,242</b>	<b>1,251</b>	<b>(1,026)</b>	<b>140</b>	<b>418</b>	<b>(3,366)</b>	<b>21,502</b>

As at December 31, 2023 (Audited)

	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Statement of financial position</b>										
Cash and bank balances	195,852	-	40,896	590	190,638	158,585	3	16,825	743	604,132
Lendings to financial institutions	-	-	19,500	-	69,098	-	-	-	-	88,598
Inter segment lending	2,081,029	-	-	-	-	75,036	-	-	197,755	2,353,820
Investments	-	-	226,552	4,417	2,016,021	237,105	1,021	27,553	49,630	2,562,299
Advances - performing	-	256,677	206,739	844,497	-	400,319	-	96,117	40,016	1,844,365
Advances - non-performing	-	2,072	6,316	3,272	-	3,753	-	1,408	158	16,979
Others	35,158	7,642	39,132	81,020	92,166	47,600	3,567	16,854	94,835	417,974
<b>Total assets</b>	<b>2,312,039</b>	<b>266,391</b>	<b>539,135</b>	<b>933,796</b>	<b>2,367,923</b>	<b>922,398</b>	<b>4,591</b>	<b>158,757</b>	<b>383,137</b>	<b>7,888,167</b>
Borrowings	-	6,313	32,119	134,047	379,835	106,213	-	6,516	-	665,043
Subordinated debt	-	-	-	-	-	-	-	825	18,874	19,699
Deposits and other accounts	2,258,343	1,465	422,710	604,853	-	700,664	-	128,234	26,083	4,142,352
Inter segment borrowing	-	234,859	7,414	143,314	1,968,233	-	-	-	-	2,353,820
Others	53,696	23,754	32,967	51,582	32,810	40,542	1,107	8,966	95,810	341,234
<b>Total liabilities</b>	<b>2,312,039</b>	<b>266,391</b>	<b>495,210</b>	<b>933,796</b>	<b>2,380,878</b>	<b>847,419</b>	<b>1,107</b>	<b>144,541</b>	<b>140,767</b>	<b>7,522,148</b>
Equity	-	-	43,925	-	(12,955)	74,979	3,484	14,216	242,370	366,019
<b>Total equity and liabilities</b>	<b>2,312,039</b>	<b>266,391</b>	<b>539,135</b>	<b>933,796</b>	<b>2,367,923</b>	<b>922,398</b>	<b>4,591</b>	<b>158,757</b>	<b>383,137</b>	<b>7,888,167</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>	<b>57,017</b>	<b>538,382</b>	<b>388,637</b>	<b>234,993</b>	<b>-</b>	<b>-</b>	<b>34,505</b>	<b>1,253,534</b>

36 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

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

	<b>As at March 31, 2024 (Unaudited)</b>					
	<b>Directors</b>	<b>Key Management Personnel</b>	<b>Group Entities</b>	<b>Associates</b>	<b>Joint venture</b>	<b>Other related parties</b>
	----- (Rupees in '000) -----					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	109,152	-	-	157
<b>Investments</b>						
Opening balance	-	-	-	36,132,623	-	17,204,695
Impact of adoption of IFRS 9	-	-	-	-	-	4,406,616
Exchange adjustment	-	-	-	772,729	-	(176,275)
Investment made during the year	-	-	-	693,099	-	-
Investment redeemed / disposed off during the period	-	-	-	(653,572)	-	(837,500)
Share of profit - net of tax	-	-	-	896,405	-	-
Share of other comprehensive income - net of tax	-	-	-	3,791,678	-	-
Dividend received during the period	-	-	-	(672,198)	-	-
Revaluation of investments during the period	-	-	-	(579,040)	-	1,826,608
Closing balance	-	-	-	40,381,724	-	22,424,144
<b>Advances</b>						
Opening balance	1,969	1,293,004	5,352,719	375,000	-	10,230,405
Exchange adjustment	-	-	(66,932)	-	-	-
Addition during the period	2,895	131,105	8,440,237	-	-	5,689,822
Repaid during the period	(4,039)	(80,014)	(8,625,554)	-	-	(5,357,015)
Transfer out - net	-	(671,349)	-	-	-	(56,063)
Closing balance	825	672,746	5,100,470	375,000	-	10,507,149
<b>Other assets</b>						
Interest / mark-up accrued	-	703	61,820	16,338	-	779,795
Receivable from defined benefit plan	-	-	-	-	-	845,404
Other receivable / prepayments	-	1,925	6,519	465,159	-	16,778
	-	2,628	68,339	481,497	-	1,641,977
<b>Borrowings</b>						
Opening balance	-	-	5,169,268	16,686,344	-	5,766,780
Exchange adjustment	-	-	-	(255,927)	-	(35,221)
Borrowings during the period	-	-	-	16,545,661	-	2,515,388
Settled during the period	-	-	(5,169,268)	(16,521,603)	-	(2,568,627)
Closing balance	-	-	-	16,454,475	-	5,678,320
<b>Deposits and other accounts</b>						
Opening balance	72,413	624,864	37,860,212	53,583,869	-	1,440,548
Exchange adjustment	(78)	(4,119)	(203,571)	(6,423)	-	(13,177)
Received during the period	345,581	1,948,285	97,202,803	216,233,658	-	20,773,538
Withdrawn during the period	(243,690)	(1,784,193)	(98,497,119)	(219,519,918)	-	(17,835,969)
Transfer (out) / in - net	-	(185,937)	-	-	-	12,144
Closing balance	174,226	598,900	36,362,325	50,291,186	-	4,377,084
<b>Other liabilities</b>						
Interest / mark-up payable	369	10,930	1,772,383	459,106	-	160,208
Payable to Defined Benefit Plan	-	-	-	-	-	822,532
Other payables	-	-	2,253	66,216	-	270,168
	369	10,930	1,774,636	525,322	-	1,252,908
<b>Contingencies and commitments</b>						
Letter of credit	-	-	377,785	-	-	416,026
Letter of guarantee	-	-	167,832	5	-	3,535,727
Forward purchase of Government securities	-	-	265,399	-	-	686,439
Interest rate swaps	-	-	-	375,000	-	-
	-	-	811,016	375,005	-	4,638,192
<b>Others</b>						
Securities held as custodian	-	169,390	21,654,605	214,018,000	-	30,252,995



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

For the three months ended March 31, 2024 (Unaudited)						
Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	9	7,622	108,362	20,169	-	614,036
Fee and commission income	151	3,603	82,632	216,203	-	1,403
Share of profit	-	-	-	896,405	-	-
Dividend income	-	-	-	-	-	703,588
Gain on disposal of property and equipment	-	-	-	1,741	-	-
Unrealised loss on derivatives	-	-	-	(29,928)	-	-
<b>Expenses</b>						
Mark-up / return / profit / interest expensed	2,869	14,747	1,053,468	1,908,984	-	219,616
Operating expenses						
Total compensation expense	-	1,315,915	-	-	-	445,631
Non-Executive Directors' fees	30,300	-	-	-	-	-
Insurance premium expense	-	-	-	764,587	-	-
Product feature cost	-	-	66,221	-	-	-
Travelling	-	-	2,426	-	-	-
Subscription	-	-	-	-	-	1,815
Donations	-	-	-	-	-	247,663
Brokerage and Commission	-	-	-	-	-	74,079
Other Expenses	-	-	12,862	19,780	-	47,142
<b>Others</b>						
Purchase of Government securities	-	7,116	41,517,777	25,161,116	-	1,887,503
Sale of Government securities	-	51,817	43,971,984	22,645,810	-	7,513,322
Purchase of foreign currencies	-	1,372	1,731,577	68,579	-	-
Sale of foreign currencies	2,643	123,848	1,846,901	-	-	599,099
Insurance claims settled	-	-	-	130,815	-	-
<b>As at December 31, 2023 (Audited)</b>						
Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----						
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	24,874	-	-	161
<b>Investments</b>						
Opening balance	-	-	-	31,882,845	8,149,052	9,755,368
Exchange adjustment	-	-	-	334,160	1,302,052	589,066
Investment made during the year	-	-	-	2,220,186	-	-
Investment redeemed / disposed off during the year	-	-	-	(1,747,775)	-	-
Share of profit - net of tax	-	-	-	4,108,866	313,829	-
Share of other comprehensive income - net of tax	-	-	-	996,110	-	-
Dividend received during the year	-	-	-	(908,215)	(203,366)	-
Revaluation of investments during the year	-	-	-	(631,613)	2,522	(2,686,132)
Provision for diminution in the value of investments	-	-	-	-	-	(17,696)
Other adjustments	-	-	-	(121,941)	-	-
Transfer (out) / in - net	-	-	-	-	(9,564,089)	9,564,089
Closing balance	-	-	-	36,132,623	-	17,204,695
Provision for diminution in the value of investments	-	-	-	-	-	60,639
<b>Advances</b>						
Opening balance	1,412	1,009,459	4,547,709	625,000	-	11,738,739
Exchange adjustment	-	146,143	908,792	-	-	15,679
Addition during the year	9,645	547,024	30,558,900	-	-	16,310,969
Repaid during the year	(9,088)	(409,622)	(30,662,682)	(250,000)	-	(17,834,982)
Closing balance	1,969	1,293,004	5,352,719	375,000	-	10,230,405
<b>Other assets</b>						
Interest / mark-up accrued	-	741	68,692	17,214	-	298,466
Receivable from defined benefit plan	-	-	-	-	-	845,404
Other receivables / prepayments	-	2,673	9,779	569,142	-	13,445
	-	3,414	78,471	586,356	-	1,157,315

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

<b>As at December 31, 2023 (Audited)</b>						
<b>Directors</b>	<b>Key Management Personnel</b>	<b>Group Entities</b>	<b>Associates</b>	<b>Joint venture</b>	<b>Other related parties</b>	
----- (Rupees in '000) -----						
<b>Borrowings</b>						
Opening balance	-	3,982,280	12,950,894	2,717,171	1,589,426	
Exchange adjustment	-	1,159,109	3,224,127	619,856	823,712	
Borrowings during the year	-	20,166,148	83,310,506	2,348,700	19,662,958	
Settled during the year	-	(20,138,269)	(82,799,183)	(3,131,600)	(18,863,443)	
Transfer (out) / in - net	-	-	-	(2,554,127)	2,554,127	
Closing balance	-	5,169,268	16,686,344	-	5,766,780	
<b>Deposits and other accounts</b>						
Opening balance	164,865	523,637	26,259,254	18,870,625	4,204	2,080,873
Exchange adjustment	22,601	59,515	192,882	37,425	795	17,484
Received during the year	1,125,982	6,527,029	467,780,827	1,502,762,670	3,996	194,999,583
Withdrawn during the year	(1,241,035)	(6,485,317)	(456,372,751)	(1,468,086,851)	(7,583)	(195,658,804)
Transfer out - net	-	-	-	-	(1,412)	1,412
Closing balance	72,413	624,864	37,860,212	53,583,869	-	1,440,548
<b>Other liabilities</b>						
Interest / mark-up payable	1	1,566	1,258,002	242,951	-	40,946
Payable to defined benefit plan	-	-	-	-	-	851,133
Other payables	-	-	8,276	84,594	-	1,191,884
	1	1,566	1,266,278	327,545	-	2,083,963
<b>Contingencies and Commitments</b>						
Letter of credit	-	-	380,194	-	-	924,060
Guarantee	-	-	174,650	5	-	3,535,727
Forward purchase of Government securities	-	7,116	90,212	-	-	334,534
Interest rate swaps	-	-	-	375,000	-	-
	-	7,116	645,056	375,005	-	4,794,321
<b>Others</b>						
Securities held as custodians	-	152,360	22,460,475	214,735,000	-	29,021,560
<b>For the three months ended March 31, 2023 (Unaudited)</b>						
<b>Directors</b>	<b>Key Management Personnel</b>	<b>Group Entities</b>	<b>Associates</b>	<b>Joint venture</b>	<b>Other related parties</b>	
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	148	17,780	185,032	27,623	-	540,605
Fee and commission income	274	3,102	70,826	89,319	-	522
Share of profit	-	-	-	495,322	313,829	-
Dividend income	-	-	-	-	-	681,485
Gain on disposal of property and equipment	-	-	-	31	-	-
Unrealised loss on derivatives	-	-	-	(66,060)	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	5,329	6,549	414,564	152,173	-	194,566
Operating expenses						
Total compensation expense	-	1,542,748	-	-	-	542,381
Non-Executive Directors' fees	19,200	-	-	-	-	-
Insurance premium expense	-	-	-	556,970	-	-
Product feature cost	-	-	39,328	-	-	-
Travelling	-	-	1,796	-	-	-
Subscription	-	-	-	-	-	4,275
Donations	-	-	-	-	-	200,255
Brokerage and Commission	-	-	-	-	-	25,258
Other Expenses	-	-	30,087	16,031	-	50,411
<b>Others</b>						
Purchase of Government securities	2,498	15,927	42,052,749	25,558,785	-	33,552,249
Sale of Government securities	-	22,739	49,865,285	29,854,799	-	36,333,539
Purchase of foreign currencies	-	5,410	902,334	-	-	-
Sale of foreign currencies	5,700	121,026	1,647,193	-	-	9,593
Insurance claims settled	-	-	-	63,702	-	-

36.1 Balances and transactions with group entities include deposits of Rs 0.686 million (December 31, 2023: Rs 0.695 million) from the parent and Rs 2 thousand (March 31, 2023: 6 thousand) as mark-up expense thereon.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	254,553,660	247,390,727
Eligible Additional Tier 1 (ADT 1) Capital	18,413,862	19,129,359
Total Eligible Tier 1 Capital	272,967,522	266,520,086
Eligible Tier 2 Capital	78,571,023	76,305,829
Total Eligible Capital (Tier 1 + Tier 2)	351,538,545	342,825,915
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,670,212,945	1,641,019,720
Market Risk	225,466,775	197,111,025
Operational Risk	303,760,456	303,760,456
Total	2,199,440,176	2,141,891,201
CET 1 CAR	11.57%	11.55%
Tier 1 CAR	12.41%	12.44%
Total CAR	15.98%	16.01%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	9.00%	9.00%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	1.50%	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)	5.57%	5.55%
<b>Other information:</b>		
<b>National minimum capital requirements prescribed by the SBP</b>		
CET1 minimum ratio (%)	9.00%	9.00%
Tier 1 minimum ratio (%)	10.50%	10.50%
Total capital minimum ratio (%)	13.00%	13.00%
	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	272,967,522	266,520,086
Total Exposures	5,862,784,668	6,158,603,788
<b>Leverage Ratio (%)</b>	4.66%	4.33%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	2,089,381,082	1,879,073,951
Average Net Cash Outflow	799,417,882	693,860,676
<b>Liquidity Coverage Ratio (%)</b>	261.36%	270.81%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Available Stable Funding	3,981,912,215	3,812,112,933
Required Stable Funding	2,378,277,918	2,384,738,674
<b>Net Stable Funding Ratio (%)</b>	167.43%	159.85%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

37.1 The SBP has permitted banks to adopt a transitional approach to phase in the initial impact of the ECL for stage 1 and 2 financial assets over a period of five years. Had there been no such relaxation the Group's total CAR would have been lower by 80 bps.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**38 ISLAMIC BANKING BUSINESS**

The Bank operates 408 (December 31, 2023: 408) Islamic Banking branches and 553 (December 31, 2023: 553) Islamic Banking windows.

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Note</b>	<b>(Unaudited) March 31, 2024</b>	<b>(Audited) December 31, 2023</b>
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		35,208,414	40,418,980
Balances with other banks		1,096,149	476,714
Due from financial institutions	38.1	36,000,000	19,500,000
Investments	38.2	259,282,164	226,552,494
Islamic financing and related assets - net	38.3	201,151,101	213,054,465
Property and equipment		7,331,425	7,392,659
Right-of-use assets		6,671,494	6,526,100
Intangible assets		54,710	48,248
Due from Head Office		-	-
Deferred tax assets		1,189,059	1,270,557
Other assets		31,982,791	23,894,137
		<b>579,967,307</b>	<b>539,134,354</b>
<b>LIABILITIES</b>			
Bills payable		39,839	40,454
Due to financial institutions	38.4	23,537,997	32,119,436
Deposits and other accounts	38.5	484,359,472	422,709,734
Due to Head Office		3,023,001	9,382,906
Lease liabilities		8,988,903	8,572,063
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities		16,282,107	23,443,740
		<b>536,231,319</b>	<b>496,268,333</b>
<b>NET ASSETS</b>		<b>43,735,988</b>	<b>42,866,021</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		(1,237,593)	(1,322,417)
Unappropriated profit	38.6	44,473,581	43,688,438
		<b>43,735,988</b>	<b>42,866,021</b>
<b>Contingencies and commitments</b>	38.7	<b>(Unaudited) For the three months ended</b>	
		<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(Rupees in '000)</b>			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	38.8	21,340,795	14,681,770
Profit / return expensed	38.9	11,253,785	8,879,084
Net profit / return		<b>10,087,010</b>	<b>5,802,686</b>
<b>Other income</b>			
Fee and commission income		520,262	308,391
Dividend income		-	-
Foreign exchange income		182,442	372,769
Income from derivatives		-	-
Gain on securities- net		16,280	4,484
Others		-	-
Total other income		<b>718,984</b>	<b>685,644</b>
<b>Total income</b>		<b>10,805,994</b>	<b>6,488,330</b>
<b>Other expenses</b>			
Operating expenses		2,793,724	2,086,683
Workers' Welfare Fund		152,745	94,639
Other charges		125	120
Total other expenses		<b>2,946,594</b>	<b>2,181,442</b>
<b>Profit before credit loss allowance</b>		<b>7,859,400</b>	<b>4,306,888</b>
Charge / (reversal) of credit loss allowance and write offs - net		222,158	(425,084)
<b>Profit before taxation</b>		<b>7,637,242</b>	<b>4,731,972</b>
Taxation		3,742,247	2,034,748
<b>Profit after taxation</b>		<b>3,894,995</b>	<b>2,697,224</b>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023	
	(Rupees in '000)		
38.1	<b>Due from Financial Institutions</b>		
	Call money lendings	31,000,000	
	Secured lendings	17,000,000	
	<u>5,000,000</u>	<u>2,500,000</u>	
	<u><u>36,000,000</u></u>	<u><u>19,500,000</u></u>	
38.2	<b>Investments by segments</b>		
	<b>March 31, 2024 (Unaudited)</b>		
	<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>
	----- (Rupees in '000) -----		
	<b>Debt Instruments</b>		
	<b>Fair value through profit and loss (FVTPL)</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	5,900	-
			5
			5,905
	<b>Fair value through other comprehensive income (FVOCI)</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	194,282,026	-
	- Other Federal Government securities	3,727,205	-
		198,009,231	-
			(2,474,616)
			-
			191,807,410
			3,727,205
			195,534,615
	<b>Non-Government debt securities</b>		
	- Listed	44,610,211	(68,209)
	- Unlisted	1,401,000	(8,982)
		46,011,211	(77,191)
			44,292
			3,673
			47,965
			44,586,294
			1,395,691
			45,981,985
	<b>Amortised cost</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	5,000,000	-
	- Other Federal Government securities	-	-
		5,000,000	-
	<b>Non-Government debt securities</b>		
	- Listed	-	-
	- Unlisted	12,984,187	(224,528)
		12,984,187	(224,528)
			-
			12,759,659
			12,759,659
	<b>Total Investments</b>	<u><u>262,010,529</u></u>	<u><u>(301,719)</u></u>
			<u><u>(2,426,646)</u></u>
			<u><u>259,282,164</u></u>
	<b>December 31, 2023 (Audited)</b>		
	<b>Cost / amortised cost</b>	<b>Provision for diminution</b>	<b>Surplus / (deficit)</b>
	----- (Rupees in '000) -----		
	<b>Available for sale (AFS) securities</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	164,825,661	-
	- Other Federal Government securities	5,543,158	-
		170,368,819	-
			(2,631,310)
			-
			162,194,351
			5,543,158
			167,737,509
	<b>Non-Government debt securities</b>		
	- Listed	44,891,462	-
	- Unlisted	1,401,000	-
		46,292,462	-
			36,836
			1,500
			38,336
			44,928,298
			1,402,500
			46,330,798
	<b>Held to maturity (HTM) securities</b>		
	<b>Non-Government debt securities</b>		
	- Unlisted	12,484,187	-
			-
			12,484,187
	<b>Total Investments</b>	<u><u>229,145,468</u></u>	<u><u>-</u></u>
			<u><u>(2,592,974)</u></u>
			<u><u>226,552,494</u></u>
	<b>March 31, 2024 (Unaudited)</b>		
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
	----- (Rupees in '000) -----		
			<b>Total</b>
38.2.1	<b>Particulars of credit loss allowance</b>		
	Non Government debt securities - unlisted	148,719	-
			153,000
			301,719

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>38.3 Islamic financing and related assets - net</b>		
Diminishing Musharakah	91,130,754	93,090,122
Running Musharakah	46,460,457	46,748,573
Wakalah	14,757,354	15,112,848
Ijarah	4,067,200	3,771,372
Murabaha	2,143,539	1,937,342
Currency Salam	-	82,738
Tijarah	2,859,002	2,422,198
Istisna	1,815,405	2,053,597
Musawamah	1,593,083	3,191,914
Advance for Diminishing Musharakah	3,242,815	3,820,249
Advance for Ijarah	3,678,345	3,498,372
Advance for Murabaha	13,628,797	10,561,441
Advance for Salam	1,394,777	2,032,234
Advance for Istisna	12,373,737	16,079,982
Advance for Musawamah	881,566	595,848
Inventories against Murabaha	446,411	5,784,149
Inventories against Salam	2,032,234	-
Inventories against Tijarah	4,511,817	5,088,392
Inventories against Istisna	3,678,350	3,842,828
Islamic financing and related assets - gross	210,695,643	219,714,199
Credit loss allowance against Islamic financing and related assets		
- Stage 1	(769,439)	-
- Stage 2	(2,503,810)	-
- Stage 3	(5,593,734)	-
- Specific	-	(5,523,177)
- General	(677,559)	(1,136,557)
	(9,544,542)	(6,659,734)
Islamic financing and related assets - net of credit loss allowance	201,151,101	213,054,465
<b>38.4 Due to financial institutions</b>		
Acceptances from the SBP under:		
- Islamic export refinance scheme	10,982,347	19,406,548
- Islamic export refinance scheme for bill discounting	532,906	556,808
- Islamic long term financing facility	6,311,570	6,481,973
- Islamic financing facility for renewable energy power plants	712,164	644,321
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	268,947	286,208
- Islamic refinance and credit guarantee scheme for women entrepreneurs	1,208	1,765
- Islamic refinance facility for combating COVID-19	453,337	355,448
- Islamic temporary economic refinance facility	2,275,518	2,386,365
Acceptances from Pakistan Mortgage Refinance Company	2,000,000	2,000,000
	23,537,997	32,119,436
<b>38.5 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	112,443,922	109,005,139
Savings deposits	293,268,535	279,911,025
Term deposits	22,775,146	29,238,524
	428,487,603	418,154,688
<b>Financial Institutions</b>		
Current deposits	111,137	92,442
Savings deposits	55,459,086	4,360,958
Term deposits	301,646	101,646
	55,871,869	4,555,046
	484,359,472	422,709,734
<b>38.6 Islamic Banking business unappropriated profit</b>		
Opening Balance	43,688,438	32,922,558
Impact of adoption of IFRS 9	(3,083,456)	-
Add: Islamic Banking profit for the period / year	7,637,242	21,124,836
Less: Taxation	(3,742,247)	(10,351,170)
Less: Transferred / Remitted to Head Office	(26,396)	(7,786)
Closing Balance	44,473,581	43,688,438

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>38.7 Contingencies and commitments</b>		
- Performance Guarantees	5,023,248	3,783,771
- Commitments	62,145,546	53,232,828
	<u>67,168,794</u>	<u>57,016,599</u>
<b>38.7.1 Commitments:</b>		
Trade-related contingent liabilities	33,861,856	30,703,557
Commitments in respect of forward foreign exchange contracts	28,283,690	22,529,271
	<u>62,145,546</u>	<u>53,232,828</u>
<b>38.7.1.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	15,810,608	11,450,911
Sale	12,473,082	11,078,360
	<u>28,283,690</u>	<u>22,529,271</u>
	<b>(Unaudited)</b>	
	<b>For the three months ended</b>	
<b>38.8 Profit / return earned</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	(Rupees in '000)	
On:		
Financing	8,903,091	7,438,007
Investments	11,763,477	7,094,626
Amounts due from financial institutions	674,227	149,137
	<u>21,340,795</u>	<u>14,681,770</u>
<b>38.9 Profit / return expensed</b>		
On:		
Deposits and other accounts	9,225,033	5,899,374
Amounts due to financial institutions	1,569,117	2,766,338
Foreign currency deposits for Wa'ad based transactions	156,742	4,842
Lease liability against right-of-use assets	302,893	208,530
	<u>11,253,785</u>	<u>8,879,084</u>
<b>39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE</b>		
39.1	The Board of Directors, in its meeting held on April 23, 2024, has declared a cash dividend of Rs 4.00 per share in respect of the quarter ended March 31, 2024 (March 31, 2023: Rs 1.50 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.	
<b>40 DATE OF AUTHORISATION FOR ISSUE</b>		
	These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on April 23, 2024.	
<b>41 GENERAL</b>		
41.1	Comparative figures have been re-arranged and reclassified for comparison purposes.	

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director



**CONDENSED INTERIM  
UNCONSOLIDATED FINANCIAL  
STATEMENTS**

**For the three months ended March 31, 2024**



**Habib Bank Limited**  
**Condensed Interim Unconsolidated Statement of Financial Position**  
**As at March 31, 2024**

	(Unaudited)	(Audited)
Note	March 31, 2024	December 31, 2023
	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	5 471,881,197	505,181,227
Balances with other banks	6 48,453,039	43,012,856
Lendings to financial institutions	7 71,569,018	88,598,160
Investments	8 2,547,830,075	2,499,929,784
Advances	9 1,558,480,812	1,664,016,203
Property and equipment	10 114,486,276	114,023,722
Right-of-use assets	11 21,722,507	21,648,036
Intangible assets	12 15,422,891	14,988,816
Deferred tax assets	13 17,379,153	11,405,839
Other assets	14 269,083,406	238,866,520
	5,136,308,374	5,201,671,163
<b>LIABILITIES</b>		
Bills payable	15 44,902,975	51,228,670
Borrowings	16 328,661,417	659,342,821
Deposits and other accounts	17 4,104,636,816	3,870,179,912
Lease liabilities	18 28,032,856	26,864,447
Subordinated debt	19 18,874,000	18,874,000
Deferred tax liabilities	20 -	-
Other liabilities	20 273,605,789	241,401,905
	4,798,713,853	4,867,891,755
<b>NET ASSETS</b>	<u>337,594,521</u>	<u>333,779,408</u>
<b>REPRESENTED BY</b>		
<b>Shareholders' equity</b>		
Share capital	14,668,525	14,668,525
Reserves	85,458,408	86,239,700
Surplus on revaluation of assets - net of tax	21 31,114,123	26,379,538
Unappropriated profit	206,353,465	206,491,645
	<u>337,594,521</u>	<u>333,779,408</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	22	

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

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	January 01 to March 31, 2024	January 01 to March 31, 2023
----- (Rupees in '000) -----			
Mark-up / return / profit / interest earned	24	186,437,496	140,284,550
Mark-up / return / profit / interest expensed	25	<u>130,578,896</u>	<u>88,708,410</u>
Net mark-up / return / profit / interest income		55,858,600	51,576,140
<b>Non mark-up / interest income</b>			
Fee and commission income	26	<u>10,530,818</u>	<u>8,244,010</u>
Dividend income		1,653,891	1,216,253
Foreign exchange income		3,812,945	383,143
Income / (loss) from derivatives		2,417,841	(6,160,416)
Loss on securities - net	27	<u>(287,107)</u>	<u>(1,079,004)</u>
Other income	28	<u>40,112</u>	<u>9,568,932</u>
Total non mark-up / interest income		18,168,500	12,172,918
Total income		<u>74,027,100</u>	<u>63,749,058</u>
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	<u>41,559,086</u>	<u>35,203,661</u>
Workers' Welfare Fund		579,105	508,167
Other charges	30	<u>158,496</u>	<u>15,765</u>
Total non mark-up / interest expenses		42,296,687	35,727,593
<b>Profit before credit loss allowance and taxation</b>		<u>31,730,413</u>	<u>28,021,465</u>
Credit loss allowance and write offs - net	31	2,038,597	2,679,788
<b>Profit before taxation</b>		<u>29,691,816</u>	<u>25,341,677</u>
<b>Taxation</b>	32	15,096,839	10,041,791
<b>Profit after taxation</b>		<u>14,594,977</u>	<u>15,299,886</u>
----- (Rupees) -----			
<b>Basic and diluted earnings per share</b>	33	<u>9.95</u>	<u>10.43</u>

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

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Habib Bank Limited  
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)  
For the three months ended March 31, 2024

	January 01 to March 31, 2024 ----- (Rupees in '000) -----	January 01 to March 31, 2023 ----- (Rupees in '000) -----
<b>Profit after taxation for the period</b>	14,594,977	15,299,886
<b>Other comprehensive income / (loss)</b>		
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches - net of tax	(2,240,790)	11,834,059
Movement in surplus / deficit on revaluation of debt investments designated at Fair value through other comprehensive income (FVOCI) - net of tax	3,226,834	-
Movement in surplus / deficit on revaluation of available for sale investments - net of tax	-	(15,134,326)
<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
Movement in surplus / deficit on revaluation of equity investments - net of tax	66,175	-
<b>Total comprehensive income</b>	<u>15,647,196</u>	<u>27,133,945</u>

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

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited)**  
**For the three months ended March 31, 2024**

	Reserves				Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Share capital	Statutory	Capital		Investments	Property & Equipment / Non-banking assets		
			Exchange Translation	Non-distributable				
(Rupees in '000)								
<b>Balance as at December 31, 2022</b>	14,668,525	43,130,076	28,058,506	547,115	(25,021,142)	27,005,916	165,386,520	253,775,516
<b>Comprehensive income for the three months ended March 31, 2023</b>								
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	15,299,886	15,299,886
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	11,834,059	-	-	-	-	11,834,059
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(15,134,326)	-	-	(15,134,326)
	-	-	11,834,059	-	(15,134,326)	-	15,299,886	11,999,619
Transferred to statutory reserve	-	1,529,989	-	-	-	-	(1,529,989)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(70,689)	70,689	-
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 1.5 per share declared subsequent to the year ended December 31, 2022	-	-	-	-	-	-	(2,200,279)	(2,200,279)
<b>Balance as at March 31, 2023</b>	14,668,525	44,660,065	39,892,565	547,115	(40,155,468)	26,935,227	177,026,827	263,574,856
<b>Comprehensive income for the nine months ended December 31, 2023</b>								
Profit after taxation for the nine months ended December 31, 2023	-	-	-	-	-	-	41,556,109	41,556,109
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(3,015,656)	-	-	-	-	(3,015,656)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	451,982	451,982
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	24,003,467	15,643,052	-	39,646,519
	-	-	(3,015,656)	-	24,003,467	15,643,052	42,008,091	78,638,954
Transferred to statutory reserve	-	4,155,611	-	-	-	-	(4,155,611)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(46,740)	46,740	-
<b>Transactions with owners, recorded directly in equity</b>								
1st interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279)	(2,200,279)
2nd interim cash dividend - Rs 2.00 per share	-	-	-	-	-	-	(2,933,705)	(2,933,705)
3rd interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)
	-	-	-	-	-	-	(8,434,402)	(8,434,402)
<b>Balance as at December 31, 2023 - as reported</b>	14,668,525	48,815,676	36,876,909	547,115	(16,152,001)	42,531,539	206,491,645	333,779,408
Change in accounting policy as at January 01, 2024 - note 3.4	-	-	-	-	1,562,237	-	(7,526,910)	(5,964,673)
<b>Balance as at January 01, 2024 - as restated</b>	14,668,525	48,815,676	36,876,909	547,115	(14,589,764)	42,531,539	198,964,735	327,814,735
<b>Comprehensive income for the three months ended March 31, 2024</b>								
Profit after taxation for the three months ended March 31, 2024	-	-	-	-	-	-	14,594,977	14,594,977
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(2,240,790)	-	-	-	-	(2,240,790)
Movement in surplus / deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	66,175	-	-	66,175
Movement in surplus / deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	3,226,834	-	-	3,226,834
	-	-	(2,240,790)	-	3,293,009	-	14,594,977	15,647,196
Transferred to statutory reserve	-	1,459,498	-	-	-	-	(1,459,498)	-
Net realised gain on investments in equity instruments designated at FVOCI - net of tax	-	-	-	-	(99,174)	-	99,174	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(21,487)	21,487	-
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 4.00 per share declared subsequent to the year ended December 31, 2023	-	-	-	-	-	-	(5,867,410)	(5,867,410)
<b>Balance as at March 31, 2024</b>	14,668,525	50,275,174	34,636,119	547,115	(11,395,929)	42,510,052	206,353,465	337,594,521

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

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)**  
**For the three months ended March 31, 2024**

	January 01 to March 31, 2024	January 01 to March 31, 2023
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	29,691,816	25,341,677
Dividend income	(1,653,891)	(1,216,253)
Mark-up / return / profit / interest expensed on subordinated debt	1,088,714	885,926
	<u>29,126,639</u>	<u>25,011,350</u>
<b>Adjustments:</b>		
Depreciation	2,460,172	2,174,511
Amortisation	642,821	471,464
Depreciation on right-of-use assets	947,857	927,293
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	861,673	823,636
Credit loss allowance against investments	285,224	1,587,076
Credit loss allowance against loans and advances	1,731,727	536,207
Credit loss allowance against other assets	405	896,367
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	231,936	(255,051)
Unrealised loss on fair value through profit and loss (FVTPL) securities	125,359	-
Unrealised loss on held-for-trading securities	-	370,861
Gain on derecognition of joint venture	-	(9,333,221)
Gain on sale of property and equipment - net	(12,723)	(106,259)
Workers' Welfare Fund	579,105	508,167
	<u>7,853,556</u>	<u>(1,398,949)</u>
	36,980,195	23,612,401
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	17,029,142	85,851,403
FVTPL securities	9,420,338	-
Held-for-trading securities	-	(69,711,066)
Advances	83,951,214	15,819,362
Other assets (excluding advance taxation)	(31,791,837)	(56,083,522)
	<u>78,608,857</u>	<u>(24,123,823)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(6,325,695)	(5,817,965)
Borrowings from financial institutions	(330,681,404)	103,579,239
Deposits and other accounts	234,456,904	121,032,565
Other liabilities	29,085,159	50,777,446
	<u>(73,465,036)</u>	<u>269,571,285</u>
	42,124,016	269,059,863
Income tax paid	(16,292,247)	(5,862,566)
<b>Net cash flows generated from operating activities</b>	<u>25,831,769</u>	<u>263,197,297</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in FVOCI securities	(32,808,843)	-
Net investment in securities carried at Amortised Cost	(11,730,884)	-
Net investment in available-for-sale securities	-	(162,519,684)
Net investment in held-to-maturity securities	-	39,183,914
Net investment in subsidiaries	(2,000,000)	(1,000,000)
Net investment in associates	4,880	5,990
Dividend received	1,337,629	950,911
Investments in property and equipment	(2,995,050)	(3,826,652)
Investments in intangible assets	(1,110,315)	(475,194)
Proceeds from sale of property and equipment	27,130	209,090
Effect of translation of net investment in foreign branches - net of tax	(2,240,790)	11,834,059
<b>Net cash flows used in investing activities</b>	<u>(51,516,243)</u>	<u>(115,637,566)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of mark-up on subordinated debt	(1,518,632)	(891,174)
Payment of lease liability against right-of-use assets	(653,020)	(1,061,405)
Dividend paid	(3,721)	(4,425)
<b>Net cash flows used in financing activities</b>	<u>(2,175,373)</u>	<u>(1,957,004)</u>
<b>(Decrease) / increase in cash and cash equivalents during the period</b>	<u>(27,859,847)</u>	<u>145,602,727</u>
Cash and cash equivalents at the beginning of the period	550,572,814	287,604,092
Effect of exchange rate changes on cash and cash equivalents	(2,378,731)	1,083,133
	548,194,083	288,687,225
<b>Cash and cash equivalents at the end of the period</b>	<u>520,334,236</u>	<u>434,289,952</u>

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

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**1 STATUS AND NATURE OF BUSINESS**

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,728 (December 31, 2023: 1,728) branches inside Pakistan including 408 (December 31, 2023: 408) Islamic Banking Branches and 30 (December 31, 2023: 30) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.2 The Bank has entered into an agreement to sell its operations in Mauritius, and will be transferring the business to its new owners in due course, subject to requisite regulatory approvals.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the Central Bank of Oman for the deregistration of its Oman operations, the Bank had commenced an orderly and phase wise exit. Banking operations were ceased on August 02, 2023 and the remaining formalities required for closure are in progress.
- 1.5 HBL Zarai Services Limited (HZSL) is an unlisted public limited company, incorporated in Pakistan with its registered office at 4th floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan. The objective of the company is to promote economic development by supporting the agricultural sector through establishing hubs for providing agricultural services. The company commenced operations on March 14, 2024.

During the period, the Bank has subscribed to 200 million shares issued by HZSL amounting to Rs 2 billion.

**2 BASIS OF PRESENTATION**

**2.1 STATEMENT OF COMPLIANCE**

These condensed interim unconsolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These 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 (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under 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, 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.

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2023.

## Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited) For the three months ended March 31, 2024

### 2.3 New standards and amendments to existing accounting and reporting standards that have become effective in the current year

As directed by SBP via BPRD Circular letter no. 7 of 2023, IFRS 9, Financial Instruments is effective for periods beginning on or after January 1, 2024. IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 1, 2018. The requirements of this standard are already incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted. The results of those overseas operations where IFRS 9 is not applicable will be directly incorporated in the Bank's financial statements as per the respective host country's regulations, for the year ending December 31, 2024.

Except for the implementation of IFRS 9 in Pakistan, as discussed in note 3.1, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

### 2.4 Amendments to existing 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 Bank's financial statements.

### 2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2023, except for changes as discussed in note 3.2 and 3.3.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

Except as disclosed in note 3.1, the material accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2023. The key changes to the Bank's accounting policies resulting from its adoption of IFRS 9 are summarized below:

### 3.1 IFRS 9 Financial Instruments

#### 3.1.1 Classification of Financial Assets

The Bank classifies its financial assets, other than its investments in subsidiaries and associates, into the following categories:

- at Fair Value through Profit and Loss (FVTPL);
- at Fair Value through Other Comprehensive Income (FVOCI);
- at Amortised Cost.

#### Classification of Equity Instruments

Equity securities that are traded in an active market and are held for trading purposes will be classified as FVTPL. Equity securities that are not held for trading purposes will be classified as FVOCI; however, gains and losses on disposal of securities classified as FVOCI will not be recycled through the profit and loss account. The classification decision is made on a case by case basis at the time of purchase, is documented, and is irrevocable.

#### Classification of other Financial Assets

Financial Assets other than equity will be classified based on their cash flow characteristics and business model assessment:

- **Amortised Cost:** These will be classified as amortised cost if the objective is to hold the asset only for collecting contractual cash flows (principal and interest).
- **FVOCI:** These will be classified at FVOCI when the objective is to collect contractual cash flows (principal and interest) and also to potentially sell the same depending on market conditions. Any unrealized profit or loss on debt instruments classified as FVOCI is reflected in other comprehensive income and is recycled through the profit and loss account when the investment is sold.

## **Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited) For the three months ended March 31, 2024**

- **FVTPL:** This includes financial assets:
  - a. which are not classified as either at amortised cost or FVOCI;
  - b. which do not have fixed maturity.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Subsequent Measurement**

#### **Equity and debt securities classified as FVTPL**

These securities are subsequently measured at fair value. Changes in the fair value of these securities are taken through the profit and loss account.

#### **Equity and debt securities classified as FVOCI**

These securities are subsequently measured at fair value. Changes in the fair value of these securities are recorded in OCI. When a debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit and loss account. When an equity security is derecognised, gains and losses previously recognised in OCI are not recycled through the profit and loss account but are transferred directly to retained earnings.

#### **Other financial assets classified at amortised cost**

Other financial assets initially classified at amortised cost continue to be subsequently measured at amortised cost.

### **3.1.2 Classification of Financial Liabilities**

Financial liabilities are either classified at FVTPL, when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value.

Financial liabilities classified at amortised cost are initially recorded at fair value and subsequently measured using the effective interest rate method.

### **3.1.3 Impairment**

An ECL provision will be calculated on financial assets designated at FVOCI or at Amortised cost in accordance with the requirements of IFRS 9 and the guidelines issued by the SBP. Credit exposures (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL Framework.

Equity securities are not subject to impairment.

### **3.1.4 Transitional Impact**

The Bank has elected to follow the modified retrospective approach for restatement i.e. comparative figures have not been restated on the initial application of IFRS 9. Instead, the cumulative impact has been recorded as an adjustment to equity as of January 01, 2024. Accordingly, the information presented as of December 31, 2023 and for the period ended March 31, 2023 does not reflect the requirements of IFRS 9.

The following table reconciles the original measurement and carrying amounts of financial instruments in accordance with the previous financial reporting framework with the new measurement categories for the Bank.



**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024**

Financial Assets / Liabilities	Previous classification	Classification under IFRS 9	Carrying amount as of December 31, 2023	Change in classification	Fair valuation of unlisted securities	ECL	Carrying amount as of January 01, 2024
Cash and balances with treasury banks	Cost	Amortised Cost	505,181,227	-	-	-	505,181,227
Balances with other banks	Cost	Amortised Cost	43,012,856	-	-	(991)	43,011,865
Lendings to financial institutions	Cost	Amortised Cost	88,598,160	-	-	(8)	88,598,152
Investments							
Held for trading	HFT	FVTPL	233,455,128	15,911,835	5,437,373	-	254,804,336
Available for sale	AFS	FVOCI	1,777,376,128	(15,911,835)	4,935,570	(458,275)	1,765,941,588
Held to maturity	HTM	Amortised Cost	452,866,850	-	-	(11,312)	452,855,538
Associates and subsidiaries	Associates and subsidiaries	Associates and subsidiaries	36,231,678	-	-	-	36,231,678
Advances	Cost	Amortised Cost	1,664,016,203	-	-	(19,852,450)	1,644,163,753
Other assets	Cost	Amortised Cost	226,843,375	-	-	(53,536)	226,789,839
Derivatives and forward foreign exchange contracts	Fair value	FVTPL	2,337,050	-	-	-	2,337,050
<b>Total Financial Assets</b>			<b>5,029,918,655</b>	<b>-</b>	<b>10,372,943</b>	<b>(20,376,572)</b>	<b>5,019,915,026</b>
Bills payable	Cost	Amortised Cost	51,228,670	-	-	-	51,228,670
Borrowings	Cost	Amortised Cost	659,342,821	-	-	-	659,342,821
Deposits and other accounts	Cost	Amortised Cost	3,870,179,912	-	-	-	3,870,179,912
Subordinated debt	Cost	Amortised Cost	18,874,000	-	-	-	18,874,000
Other liabilities	Cost	Amortised Cost	212,234,375	-	-	1,691,810	213,926,185
Derivatives, forward foreign exchange contracts and liabilities against trading of securities	Fair value	FVTPL	30,513,878	-	-	-	30,513,878
<b>Total Financial Liabilities</b>			<b>4,842,373,656</b>	<b>-</b>	<b>-</b>	<b>1,691,810</b>	<b>4,844,065,466</b>
<b>Net Financial Assets</b>			<b>187,544,999</b>	<b>-</b>	<b>10,372,943</b>	<b>(22,068,382)</b>	<b>175,849,560</b>
Net Non Financial Assets			146,234,409	-	-	-	146,234,409
<b>Total Net Assets</b>			<b>333,779,408</b>	<b>-</b>	<b>10,372,943</b>	<b>(22,068,382)</b>	<b>322,083,969</b>

**3.2 Measurement of the expected credit loss allowance**

The measurement of the ECL allowance for financial assets measured at amortised cost and at FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purpose of measuring ECL;
- Establishing the number and relative weightages of forward-looking macroeconomic scenarios for each segment and the associated ECL; and
- Determining whether an asset shows a significant increase in credit risk.

**3.3 Fair valuation of unlisted equity securities**

The measurement of the fair value of investments in unquoted equity securities involves the use of different methodologies and assumptions. The Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate all the factors that market participants would consider in pricing a transaction.

When observable inputs are not readily available, the fair value is determined using valuation techniques that include the use of mathematical models.

**3.4 Reconciliation of retained earnings and surplus on revaluation of investments**

The impact of transition to IFRS 9 on retained earnings and surplus on revaluation of investments as at January 01, 2024 is as follows:

	<b>(Rupees in '000)</b>
<b>Retained earnings</b>	
Closing balance as at December 31, 2023 - as reported	206,491,645
Recognition of IFRS 9 ECLs	(22,068,381)
Adjustments in relation to fair valuation of unlisted equity securities	5,437,373
Transfer out - Other impacts on adoption of IFRS 9	1,872,360
Deferred tax in relation to the above	7,231,738
	(7,526,910)
Closing balance as at January 01, 2024 under IFRS 9 - as restated	<u>198,964,735</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024**

**Surplus on revaluation of investments**

**(Rupees in '000)**

Closing balance as at December 31, 2023 - as reported		(16,152,001)
Adjustments in relation to fair valuation of unlisted equity securities		4,935,570
Transfer in - Other impacts on adoption of IFRS 9		(1,872,360)
Deferred tax in relation to the above		(1,500,973)
		1,562,237
Closing balance as at January 01, 2024 under IFRS 9 - as restated		(14,589,764)

**4 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2023.

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
		(Rupees in '000)	
In hand			
Local currency		61,768,810	59,791,328
Foreign currencies		7,755,915	11,079,805
		<u>69,524,725</u>	<u>70,871,133</u>
With State Bank of Pakistan in			
Local currency current accounts		175,324,859	173,022,678
Foreign currency current accounts		12,563,158	12,284,194
Foreign currency deposit accounts		25,578,867	25,275,511
		<u>213,466,884</u>	<u>210,582,383</u>
With other Central Banks in			
Foreign currency current accounts		42,234,358	44,773,670
Foreign currency deposit accounts		49,597,259	32,466,191
		<u>91,831,617</u>	<u>77,239,861</u>
With National Bank of Pakistan in local currency current accounts		96,802,203	146,169,430
National Prize Bonds		255,768	318,420
		<u>471,881,197</u>	<u>505,181,227</u>
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		41,723	17,161
Outside Pakistan			
In current accounts		23,200,806	25,493,889
In deposit accounts		25,211,501	17,501,806
		48,412,307	42,995,695
Less: credit loss allowance		(991)	-
Balances with other banks - net of credit loss allowance		<u>48,453,039</u>	<u>43,012,856</u>
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		31,300,000	17,000,000
Repurchase agreement lendings (reverse repo)		40,269,026	71,598,160
		71,569,026	88,598,160
Less: credit loss allowance	7.1	(8)	-
Lendings to financial institutions - net of credit loss allowance		<u>71,569,018</u>	<u>88,598,160</u>

7.1 Lendings to financial institutions are all classified as Stage 1.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024

8 INVESTMENTS	Note	March 31, 2024 (Unaudited)				December 31, 2023 (Audited)			
		Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1 Investments by type		----- (Rupees in '000) -----							
<b>Fair value through profit or loss (FVTPL)</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		61,284,297	-	(129,060)	61,155,237	-	-	-	-
- Pakistan Investment Bonds		139,185,230	-	(42,240)	139,142,990	-	-	-	-
- Ijarah Sukuk		13,018,917	-	134,665	13,153,582	-	-	-	-
- Other Federal Government securities		3,727,205	-	-	3,727,205	-	-	-	-
<b>Shares</b>									
- Listed companies		860,942	-	(20,194)	840,748	-	-	-	-
- Unlisted companies		8,791,178	-	-	8,791,178	-	-	-	-
<b>Non-Government debt securities</b>									
- Listed		1,891,233	-	6,157	1,897,390	-	-	-	-
- Unlisted		1,632,625	-	(19)	1,632,606	-	-	-	-
<b>Foreign securities</b>									
- Government debt securities		2,852,214	-	(34,768)	2,817,446	-	-	-	-
<b>Preference shares</b>									
- Listed		877,400	-	(39,900)	837,500	-	-	-	-
- Unlisted		30,151	-	-	30,151	-	-	-	-
<b>Real Estate Investment Trust units - Unlisted</b>		<b>3,258,464</b>	<b>-</b>	<b>-</b>	<b>3,258,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		237,409,856	-	(125,359)	237,284,497	-	-	-	-
<b>Held for trading (HFT) securities</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		-	-	-	-	83,148,921	-	(31,591)	83,117,330
- Pakistan Investment Bonds		-	-	-	-	139,454,335	-	96,035	139,550,370
- Ijarah Sukuk		-	-	-	-	7,497,896	-	296,498	7,794,394
<b>Shares</b>									
- Listed companies		-	-	-	-	109,681	-	(1,994)	107,687
<b>Foreign securities</b>									
- Government debt securities		-	-	-	-	2,965,340	-	(79,993)	2,885,347
		-	-	-	-	233,176,173	-	278,955	233,455,128
<b>Fair value through other comprehensive income (FVOCI)</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		185,638,560	-	(107,280)	185,531,280	-	-	-	-
- Pakistan Investment Bonds		1,159,873,491	-	(25,627,022)	1,134,246,469	-	-	-	-
- Ijarah Sukuk		243,917,629	-	(848,220)	243,069,409	-	-	-	-
- Government of Pakistan US Dollar Bonds		20,330,887	(2,880,724)	1,778,800	19,228,963	-	-	-	-
<b>Shares</b>									
- Listed companies		18,373,675	-	(2,316,079)	16,057,596	-	-	-	-
- Unlisted companies		1,018,684	-	4,753,333	5,772,017	-	-	-	-
<b>Non-Government debt securities</b>									
- Listed		50,009,431	(1,533,092)	147,452	48,623,791	-	-	-	-
- Unlisted		995,383	(404,365)	12,655	603,673	-	-	-	-
<b>Foreign securities</b>									
- Government debt securities		155,169,277	(1,928,167)	(233,199)	153,007,911	-	-	-	-
- Non-Government debt securities									
- Listed		2,090,270	(9,799)	(8,396)	2,072,075	-	-	-	-
- Unlisted		-	-	-	-	-	-	-	-
- Equity securities - Unlisted		9,437	-	44,874	54,311	-	-	-	-
<b>National Investment Unit Trust units</b>		<b>11,113</b>	<b>-</b>	<b>41,424</b>	<b>52,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Real Estate Investment Trust units - Listed</b>		<b>55,000</b>	<b>-</b>	<b>16,700</b>	<b>71,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		1,837,492,837	(6,756,147)	(22,344,958)	1,808,391,732	-	-	-	-

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024

8 INVESTMENTS - continued

Note	March 31, 2024 (Unaudited)				December 31, 2023 (Audited)				
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	
	----- (Rupees in '000) -----								
<b>Available for sale (AFS) securities</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills	-	-	-	-	220,034,947	-	143,767	220,178,714	
- Pakistan Investment Bonds	-	-	-	-	1,129,055,695	-	(28,446,005)	1,100,609,690	
- Ijarah Sukuk	-	-	-	-	214,469,251	-	(992,900)	213,476,351	
- Government of Pakistan US Dollar Bonds	-	-	-	-	20,607,015	(3,015,329)	(307,522)	17,284,164	
- Other Federal Government securities	-	-	-	-	5,543,158	-	-	5,543,158	
<b>Shares</b>									
- Listed companies	-	-	-	-	18,346,143	(1,355,890)	(573,899)	16,416,354	
- Unlisted companies	-	-	-	-	5,372,623	(137,414)	-	5,235,209	
<b>Non-Government debt securities</b>									
- Listed	-	-	-	-	52,313,888	(1,288,294)	(1,410,827)	49,614,767	
- Unlisted	-	-	-	-	2,654,051	(403,050)	(16,875)	2,234,126	
<b>Foreign securities</b>									
- Government debt securities	-	-	-	-	142,118,151	(1,920,274)	(241,068)	139,956,809	
- Non-Government debt securities - Listed	-	-	-	-	4,243,558	(24,966)	(11,593)	4,206,999	
- Equity securities - Unlisted	-	-	-	-	9,701	(239)	-	9,462	
<b>National Investment Unit Trust units</b>									
- Unlisted	-	-	-	-	11,113	-	39,632	50,745	
<b>Real Estate Investment Trust units</b>									
- Listed	-	-	-	-	55,000	-	13,700	68,700	
- Unlisted	-	-	-	-	1,575,000	-	-	1,575,000	
<b>Preference shares</b>									
- Listed	-	-	-	-	744,400	-	133,000	877,400	
- Unlisted	-	-	-	-	354,985	(316,505)	-	38,480	
<b>Amortised cost</b>									
					1,817,508,679	(8,461,961)	(31,670,590)	1,777,376,128	
<b>Federal Government securities</b>									
- Market Treasury Bills	117,044,230	-	-	117,044,230	-	-	-	-	
- Pakistan Investment Bonds	298,135,830	-	-	298,135,830	-	-	-	-	
- Ijarah Sukuk	5,000,000	-	-	5,000,000	-	-	-	-	
- Government of Pakistan US Dollar Bonds	5,146,382	(402,551)	-	4,743,831	-	-	-	-	
<b>Non-Government debt securities</b>									
- Listed	899,380	(4,294)	-	895,086	-	-	-	-	
- Unlisted	23,581,601	(541,102)	-	23,040,499	-	-	-	-	
<b>Foreign Securities</b>									
- Government debt securities	15,166,875	(15,536)	-	15,151,339	-	-	-	-	
- Non-Government debt securities - Unlisted	46,265	-	-	46,265	-	-	-	-	
	465,020,563	(963,483)	-	464,057,080	-	-	-	-	
<b>Held to maturity (HTM) securities</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills	-	-	-	-	111,622,170	-	-	111,622,170	
- Pakistan Investment Bonds	-	-	-	-	297,803,454	-	-	297,803,454	
- Government of Pakistan US Dollar Bonds	-	-	-	-	5,247,920	(408,218)	-	4,839,702	
<b>Non-Government debt securities</b>									
- Listed	-	-	-	-	1,899,450	-	-	1,899,450	
- Unlisted	-	-	-	-	23,419,101	-	-	23,419,101	
<b>Foreign securities</b>									
- Government debt securities	-	-	-	-	13,123,544	-	-	13,123,544	
- Non-Government debt securities - Unlisted	-	-	-	-	174,040	(14,611)	-	159,429	
	-	-	-	-	453,289,679	(422,829)	-	452,866,850	
<b>Investment in associates</b>	8.2	7,131,729	(90,481)	-	7,041,248	7,136,609	(77,854)	-	7,058,755
<b>Investment in subsidiary companies</b>		31,055,518	-	-	31,055,518	29,172,923	-	-	29,172,923
<b>Total Investments</b>		2,578,110,503	(7,810,111)	(22,470,317)	2,547,830,075	2,540,284,063	(8,962,644)	(31,391,635)	2,499,929,784

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	------(Rupees in '000) -----	
<b>8.1.1 Investments given as collateral</b>		
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	19,522,558	30,947,292
- Pakistan Investment Bonds	36,462,094	336,459,407
<b>Foreign securities</b>		
- Government debt securities	208,193	-
	<u>56,192,845</u>	<u>367,406,699</u>

8.2 The market value of investments classified as amortised cost and investment in listed associates are as follows

	(Unaudited) March 31, 2024		(Audited) December 31, 2023	
	Book value	Market value	Book value	Market value
	------(Rupees in '000) -----			
- Investments classified as amortised cost	464,057,080	434,695,447	-	-
- Investments classified as held-to-maturity	-	-	452,866,850	419,278,122
- Investment in listed associates	6,785,017	8,975,735	6,802,524	6,788,865
	<u>470,842,097</u>	<u>443,671,182</u>	<u>459,669,374</u>	<u>426,066,987</u>

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	------(Rupees in '000) -----	
<b>8.3 Credit loss allowance for diminution in value of investments</b>		
Opening balance	8,962,644	7,859,575
Impact of adoption of IFRS 9	(1,340,461)	-
Exchange adjustment	(97,296)	1,209,319
Charge / (reversal)		
Charge for the period / year	285,224	2,424,752
Reversal for the period / year	-	(1,658,491)
Reversal on disposal during the period / year	-	(1,094,619)
Net charge / (reversal)	285,224	(328,358)
Transferred in	-	222,108
Closing balance	<u>7,810,111</u>	<u>8,962,644</u>

8.4 Particulars of provision against debt securities

	(Unaudited) March 31, 2024	
	Outstanding amount	Credit loss allowance
	------(Rupees in '000) -----	
<b>Category of classification</b>		
<b>Domestic</b>		
Performing	2,297,184,395	422,562
Underperforming	2,662,500	200,024
Non-performing		
Loss	395,383	395,383
	2,300,242,278	1,017,969
<b>Overseas</b>		
Performing	166,516,621	138,520
Underperforming	46,864,416	5,172,632
Non-performing		
Loss	1,390,509	1,390,509
	214,771,546	6,701,661
Total	<u>2,515,013,824</u>	<u>7,719,630</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited) March 31, 2024	(Audited) December 31, 2023	(Unaudited) March 31, 2024	(Audited) December 31, 2023	(Unaudited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,244,029,455	1,313,235,990	75,574,220	73,208,971	1,319,603,675	1,386,444,961
	Islamic financing and related assets	38.3	200,603,295	208,404,435	10,092,348	11,309,850	210,695,643	219,714,285
	Bills discounted and purchased		134,668,364	144,388,017	9,678,973	9,753,378	144,347,337	154,141,395
	Advances - gross		<u>1,579,301,114</u>	<u>1,666,028,442</u>	<u>95,345,541</u>	<u>94,272,199</u>	<u>1,674,646,655</u>	<u>1,760,300,641</u>
	Credit loss allowance against advances							
	- Stage 1		(9,369,009)	-	-	-	(9,369,009)	-
	- Stage 2		(17,591,776)	-	-	-	(17,591,776)	-
	- Stage 3	9.3	-	-	(80,206,248)	-	(80,206,248)	-
	Specific		-	-	(1,023,555)	(80,251,974)	(1,023,555)	(80,251,974)
	General		(7,975,255)	(16,032,464)	-	-	(7,975,255)	(16,032,464)
			<u>(34,936,040)</u>	<u>(16,032,464)</u>	<u>(81,229,803)</u>	<u>(80,251,974)</u>	<u>(116,165,843)</u>	<u>(96,284,438)</u>
	Advances - net of credit loss allowance		<u>1,544,365,074</u>	<u>1,649,995,978</u>	<u>14,115,738</u>	<u>14,020,225</u>	<u>1,558,480,812</u>	<u>1,664,016,203</u>

9.1	Particulars of advances (Gross)	(Unaudited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
	In local currency		
	In foreign currencies	1,306,753,989	1,350,385,836
		<u>367,892,666</u>	<u>409,914,805</u>
		<u>1,674,646,655</u>	<u>1,760,300,641</u>

9.2 Advances include Rs 95,345.141 million (December 31, 2023: Rs 94,272.199 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unaudited) March 31, 2024		(Audited) December 31, 2023	
	Non - performing advances	Credit loss allowance / Provision	Non - performing advances	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	-	-	700,185	-
Substandard	12,174,108	3,399,461	6,608,336	1,519,520
Doubtful	9,053,823	5,252,184	10,695,635	5,347,817
Loss	43,112,006	43,535,270	42,990,993	42,309,472
	<u>64,339,937</u>	<u>52,186,915</u>	<u>60,995,149</u>	<u>49,176,809</u>
<b>Overseas</b>				
Substandard	62,968	23,245	69,615	23,650
Doubtful	1,252,418	631,107	21,889	11,155
Loss	29,690,218	28,388,536	33,185,546	31,040,360
	<u>31,005,604</u>	<u>29,042,888</u>	<u>33,277,050</u>	<u>31,075,165</u>
Total	<u>95,345,541</u>	<u>81,229,803</u>	<u>94,272,199</u>	<u>80,251,974</u>

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**For the three months ended March 31, 2024**

**9.3 Particulars of credit loss allowance against advances**

	(Unaudited)					
	March 31, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	-	-	-	80,251,974	16,032,464	96,284,438
Impact of adoption of IFRS 9	10,835,556	16,219,576	80,588,079	(79,243,853)	(8,546,908)	19,852,450
Opening balance - as restated	10,835,556	16,219,576	80,588,079	1,008,121	7,485,556	116,136,888
Transfer to stage 1	7,008	(7,008)	-	-	-	-
Transfer to stage 2	(390,817)	379,612	11,205	-	-	-
Transfer to stage 3	-	(1,695,370)	1,695,370	-	-	-
Exchange adjustment	(64,859)	(5,010)	(445,479)	(57,232)	(1,636)	(574,216)
Charge for the period	429,004	3,360,154	1,222,924	72,666	491,335	5,576,083
Reversal for the period	(1,446,883)	(660,178)	(1,737,295)	-	-	(3,844,356)
Net charge / (reversal) against advances	(1,017,879)	2,699,976	(514,371)	72,666	491,335	1,731,727
Charged off during the period - agriculture financing	-	-	(46,890)	-	-	(46,890)
Written off during the period	-	-	(1,081,666)	-	-	(1,081,666)
Closing balance	<u>9,369,009</u>	<u>17,591,776</u>	<u>80,206,248</u>	<u>1,023,555</u>	<u>7,975,255</u>	<u>116,165,843</u>

	(Audited)					
	December 31, 2023					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	-	-	-	74,638,423	12,175,445	86,813,868
Exchange adjustment	-	-	-	7,357,277	774,217	8,131,494
Charge for the year	-	-	-	12,972,930	3,692,583	16,665,513
Reversal for the year	-	-	-	(5,385,938)	(609,781)	(5,995,719)
Net charge against advances	-	-	-	7,586,992	3,082,802	10,669,794
Charged off during the year - agriculture financing	-	-	-	(503,799)	-	(503,799)
Written off during the year	-	-	-	(8,826,919)	-	(8,826,919)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,251,974</u>	<u>16,032,464</u>	<u>96,284,438</u>

9.4 General provision also includes Rs 140.371 million pertaining to overseas advances to meet the requirements of the regulatory authorities of those countries in which the Group operates where IFRS 9 is not applicable. General provision also includes Rs 7,834.884 million carried as a matter of prudence, on account of borrowers impacted by the currently stressed economic conditions.

**9.5 Advances - Category of classification**

	(Unaudited)	
	March 31, 2024	
	Outstanding amount	Credit loss allowance / Provision held
	----- (Rupees in '000) -----	
<b>Domestic</b>		
Performing	1,079,948,358	14,318,045
Underperforming	256,870,832	15,776,308
Non-performing	64,339,937	52,186,915
	<u>1,401,159,127</u>	<u>82,281,268</u>
<b>Overseas</b>		
Performing	204,624,130	3,026,219
Underperforming	37,857,794	1,815,468
Non-performing	31,005,604	29,042,888
	<u>273,487,528</u>	<u>33,884,575</u>
<b>Total</b>	<u><u>1,674,646,655</u></u>	<u><u>116,165,843</u></u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
<b>10 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	10.1	7,857,603	6,900,469
Property and equipment		106,628,673	107,123,253
		<u>114,486,276</u>	<u>114,023,722</u>
<b>10.1 Capital work-in-progress</b>			
Civil works		1,046,612	919,737
Equipment		1,093,166	930,756
Advances to suppliers and contractors		5,717,825	5,049,976
		<u>7,857,603</u>	<u>6,900,469</u>
<b>10.2 Additions to property and equipment</b>			
		<b>(Unaudited)</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2024</b>	<b>2023</b>
		----- (Rupees in '000) -----	
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		957,134	1,743,216
<b>Property and equipment</b>			
Leasehold land		-	2,500
Building on leasehold land		99,982	44,685
Machinery		-	24,252
Leasehold improvements		336,602	275,056
Furniture and fixtures		253,830	432,181
Electrical, office and computer equipment		1,347,031	1,290,126
Vehicles		471	14,636
		2,037,916	2,083,436
		<u>2,995,050</u>	<u>3,826,652</u>
<b>10.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
<b>Property and equipment</b>			
Building on freehold land		-	102,515
Building on leasehold land		13,512	-
Leasehold improvements		5	-
Furniture and fixtures		552	-
Electrical, office and computer equipment		338	316
		<u>14,407</u>	<u>102,831</u>
<b>11 RIGHT-OF-USE ASSETS</b>			
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>March 31,</b>	<b>December 31,</b>
		<b>2024</b>	<b>2023</b>
		----- (Rupees in '000) -----	
At January 1,			
Cost		34,140,236	30,360,152
Accumulated Depreciation		<u>(12,492,201)</u>	<u>(9,921,472)</u>
Net Carrying amount at January 1,		21,648,035	20,438,680
Exchange adjustment		(76,189)	382,848
Additions during the period / year		1,094,791	4,663,585
Deletions during the period / year		-	(128,537)
Depreciation charge for the period / year		(947,857)	(3,683,074)
Other adjustments		3,727	(25,466)
Net carrying amount at period / year		<u>21,722,507</u>	<u>21,648,036</u>



**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
<b>12</b>	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress - computer software	7,532,449	6,570,613
	Computer software	7,890,442	8,418,203
		<u>15,422,891</u>	<u>14,988,816</u>
		(Unaudited)	
		For the three months ended	
		March 31,	March 31,
		2024	2023
		----- (Rupees in '000) -----	
<b>12.1</b>	<b>Additions to intangibles assets</b>		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net	961,836	276,198
	Computer software	148,479	198,996
		<u>1,110,315</u>	<u>475,194</u>
<b>13</b>	<b>DEFERRED TAX ASSETS / (LIABILITIES)</b>		
		(Unaudited)	(Audited)
		March 31,	December 31,
		2024	2023
		----- (Rupees in '000) -----	
	<b>Deductible temporary differences on</b>		
	- Credit loss allowance against investments	-	638,780
	- Credit loss allowance against doubtful debts and off-balance sheet obligations	17,005,506	5,526,165
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	2,719,657	2,847,597
	- Deficit on revaluation of investments	10,949,030	15,518,589
	- Ijarah financing	397,371	332,429
		<u>31,071,564</u>	<u>24,863,560</u>
	<b>Taxable temporary differences on</b>		
	- Accelerated tax depreciation	(3,016,236)	(3,209,476)
	- Surplus on revaluation of property and equipment	(3,658,791)	(3,679,435)
	- Exchange translation reserve	(7,017,384)	(6,568,810)
		<u>(13,692,411)</u>	<u>(13,457,721)</u>
	<b>Net deferred tax assets</b>	<u>17,379,153</u>	<u>11,405,839</u>
<b>14</b>	<b>OTHER ASSETS</b>		
	Mark-up / return / profit / interest accrued in local currency - net of provision	153,957,116	119,691,426
	Mark-up / return / profit / interest accrued in foreign currency - net of provision	7,441,581	8,499,414
	Advances, deposits, advance rent and other prepayments	6,729,301	3,928,788
	Advance taxation	2,698,404	5,107,654
	Advances against subscription of securities	228,514	903,514
	Stationery and stamps on hand	233,897	215,745
	Accrued fees and commissions	336,216	430,308
	Due from Government of Pakistan / SBP	7,588,037	6,622,630
	Mark to market gain on forward foreign exchange contracts	3,480,012	2,263,654
	Mark to market gain on derivative instruments	-	73,396
	Non-banking assets acquired in satisfaction of claims	239,457	242,317
	Receivable from defined benefit plan	845,404	845,404
	Acceptances	56,153,424	53,823,454
	Clearing and settlement accounts	29,858,407	37,268,393
	Dividend receivable	325,355	9,093
	Claims receivable against fraud and forgeries	570,233	634,106
	Others	796,381	693,274
		<u>271,481,739</u>	<u>241,252,570</u>
	Credit loss allowance held against other assets	(2,589,924)	(2,577,641)
	Other assets - net of credit loss allowance	<u>268,891,815</u>	<u>238,674,929</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	191,591	191,591
	Other assets - total	<u>269,083,406</u>	<u>238,866,520</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	<b>(Unaudited)</b> <b>March 31,</b> <b>2024</b>	<b>(Audited)</b> <b>December 31,</b> <b>2023</b>
	----- (Rupees in '000) -----	
<b>14.1 Credit loss allowance held against other assets</b>		
Claims receivable against fraud and forgeries	570,233	634,106
Suit filed cases	4,979	4,979
Others	2,014,712	1,938,556
	<u>2,589,924</u>	<u>2,577,641</u>
<b>14.1.1 Movement in credit loss allowance against other assets</b>		
Opening balance	2,577,641	1,791,891
Impact of adoption of IFRS 9	53,536	-
Exchange adjustment	(3,909)	10,045
Charge for the period / year	38,247	1,240,885
Reversal for the period / year	(37,842)	-
Net charge	405	1,240,885
Written off during the period / year	(37,749)	(243,072)
Transferred out	-	(222,108)
Closing balance	<u>2,589,924</u>	<u>2,577,641</u>
<b>15 BILLS PAYABLE</b>		
In Pakistan	42,960,067	49,433,022
Outside Pakistan	1,942,908	1,795,648
	<u>44,902,975</u>	<u>51,228,670</u>
<b>16 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the SBP under		
- Export refinance scheme	54,470,851	64,648,652
- Export refinance scheme for bill discounting	21,665,342	22,637,751
- Long term financing facility	35,662,280	37,066,139
- Financing facility for renewable energy power plants	7,236,852	7,216,949
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	700,525	607,954
- Refinance and credit guarantee scheme for women entrepreneurs	31,761	38,046
- Financing facility for storage of agricultural produce	543,466	597,743
- Refinance facility for combating COVID-19	1,648,779	1,567,557
- Temporary economic refinance facility	31,692,986	32,214,444
- Refinance facility for SME Asaan Finance (SAAF)	6,954,151	3,884,689
	160,606,993	170,479,924
Repurchase agreement borrowings	56,354,817	379,043,704
	<u>216,961,810</u>	<u>549,523,628</u>
<b>Unsecured</b>		
- Call money borrowings	6,970,120	320,000
- Overdrawn nostro accounts	2,328,743	470,727
- Borrowings of overseas branches	38,129,732	41,743,891
- Other long-term borrowings	64,271,012	67,284,575
	111,699,607	109,819,193
	<u>328,661,417</u>	<u>659,342,821</u>

16.1

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

16.1 This includes the following:

16.1.1 A loan from the International Finance Corporation amounting to US\$ 49.980 million (December 31, 2023: US\$ 49.980 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.

16.1.2 A long-term financing facility arrangement from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 174.059 million (December 31, 2023: US\$ 181.640 million). The principal amount is payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over LIBOR is payable semi-annually.

16.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 2 billion (December 31, 2023: Rs 2 billion) for on-lending to customers. The principal amount is payable in semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2023: 16.61% per annum) is payable semi-annually.

**17 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	1,151,746,436	197,177,020	1,348,923,456	1,080,853,309	195,260,092	1,276,113,401
Savings deposits	1,688,774,828	148,568,173	1,837,343,001	1,561,063,491	150,303,167	1,711,366,658
Term deposits	374,596,678	338,554,656	713,151,334	414,510,599	321,198,865	735,709,464
	3,215,117,942	684,299,849	3,899,417,791	3,056,427,399	666,762,124	3,723,189,523
<b>Financial institutions</b>						
Current deposits	16,088,256	1,523,864	17,612,120	9,785,450	2,312,605	12,098,055
Savings deposits	173,570,218	27,081	173,597,299	120,168,627	711,626	120,880,253
Term deposits	4,643,324	9,366,282	14,009,606	4,482,843	9,529,238	14,012,081
	194,301,798	10,917,227	205,219,025	134,436,920	12,553,469	146,990,389
	3,409,419,740	695,217,076	4,104,636,816	3,190,864,319	679,315,593	3,870,179,912

	Note	(Unaudited)	(Audited)
		March 31, 2024	December 31, 2023
----- (Rupees in '000) -----			
<b>18 LEASE LIABILITIES</b>			
Opening balance		26,864,447	24,293,255
Exchange adjustment		(74,995)	725,696
Additions during the period / year		1,034,751	3,929,038
Interest expense		861,673	2,938,166
Lease payments including interest		(653,020)	(4,981,733)
Others / deletion		-	(39,975)
Closing balance		28,032,856	26,864,447
<b>18.1 Liabilities Outstanding</b>			
Not later than one year		1,757,126	1,586,901
Later than one year and upto five years		7,220,316	6,154,396
Over five years		19,055,414	19,123,150
Total		28,032,856	26,864,447
<b>19 SUBORDINATED DEBT</b>			
Additional Tier I Term Finance Certificates	19.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	19.1.2	6,500,000	6,500,000
		18,874,000	18,874,000

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

19.1 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

The key features of these issues are as follows:

19.1.1	<b>Issue date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2023: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
	<b>Profit payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

19.1.2	<b>Issue date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2023: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
	<b>Profit payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

20 OTHER LIABILITIES	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Mark-up / return / profit / interest payable in local currency	68,815,427	39,885,124
Mark-up / return / profit / interest payable in foreign currency	8,984,034	9,462,487
Security deposits	1,566,040	1,597,855
Accrued expenses	30,646,830	31,647,978
Mark to market loss on forward foreign exchange contracts	5,316,884	4,229,670
Mark to market loss on derivative instruments	8,313,860	10,321,082
Unclaimed dividends	787,827	764,376
Dividends payable	7,915,917	2,075,679
Provision for post retirement medical benefits	4,068,388	3,966,429
Provision for employees' compensated absences	718,666	746,630
Credit loss allowance against off-balance sheet obligations	20.1 3,818,736	1,927,866
Acceptances	56,153,424	53,823,454
Branch adjustment account	3,090,629	2,766,198
Provision for staff retirement benefits	1,675,432	1,646,076
Payable to defined benefit plans	822,532	851,133
Provision for Workers' Welfare Fund	11,747,766	11,168,661
Unearned income	5,852,981	5,680,169
Qarz-e-Hasna Fund	338,409	338,409
Levies and taxes payable	7,725,388	14,349,438
Insurance payable	742,740	669,442
Provision for rewards program expenses	3,107,456	2,699,951
Liability against trading of securities	10,863,422	15,963,126
Clearing and settlement accounts	22,552,157	18,094,169
Payable to HBL Foundation	233,906	866,494
Contingent consideration payable	500,000	500,000
Charity fund	24,980	10,578
Unclaimed deposits	2,234,789	2,030,722
Others	4,987,169	3,318,709
	<u>273,605,789</u>	<u>241,401,905</u>
<b>20.1 Credit loss allowance against off-balance sheet obligations</b>		
Opening balance	1,927,866	1,633,326
Impact of adoption of IFRS 9	1,691,809	-
Exchange adjustment	(32,875)	388,430
Charge for the period / year	247,496	191,387
Reversal for the period / year	(15,560)	(285,277)
Net charge / (reversal)	231,936	(93,890)
Closing balance	<u>3,818,736</u>	<u>1,927,866</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
<b>21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		----- (Rupees in '000) -----	
Surplus arising on revaluation of:			
- Property and equipment		45,977,252	46,019,383
- FVOCI securities - debt		(24,885,210)	-
- FVOCI securities - equity	8.1	2,540,252	-
- Available-for-sale securities		-	(31,670,590)
- Non-banking assets acquired in satisfaction of claims	14	191,591	191,591
		23,823,885	14,540,384
Deferred tax on surplus on revaluation of:			
- Property and equipment		3,658,791	3,679,435
- FVOCI securities - debt		(12,193,753)	-
- FVOCI securities - equity		1,244,723	-
- Available-for-sale securities		-	(15,518,589)
- Non-banking assets acquired in satisfaction of claims		-	-
		(7,290,239)	(11,839,154)
Surplus on revaluation of assets - net of tax		<u>31,114,124</u>	<u>26,379,538</u>
<b>22 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	22.1	345,326,415	287,242,149
- Commitments	22.2	1,131,482,565	910,401,292
- Other contingent liabilities	22.3	22,833,730	22,969,646
		<u>1,499,642,710</u>	<u>1,220,613,087</u>
<b>22.1 Guarantees:</b>			
Financial guarantees		69,911,472	48,697,946
Performance guarantees		265,385,741	227,128,552
Other guarantees		10,029,202	11,415,651
		<u>345,326,415</u>	<u>287,242,149</u>
<b>22.2 Commitments:</b>			
Trade-related contingent liabilities		345,626,493	330,830,539
Commitments in respect of:			
- Forward foreign exchange contracts	22.2.1	615,759,401	474,521,265
- Forward Government securities transactions	22.2.2	92,221,860	24,383,498
- Derivatives	22.2.3	45,033,358	53,095,033
- Forward lending	22.2.4	21,570,658	15,480,187
		774,585,277	567,479,983
Commitments for acquisition of:			
- Property and equipment		6,241,698	4,675,879
- Intangible assets		5,029,097	7,414,891
		11,270,795	12,090,770
		<u>1,131,482,565</u>	<u>910,401,292</u>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		374,793,567	290,314,260
Sale		240,965,834	184,207,005
		<u>615,759,401</u>	<u>474,521,265</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	47,635,778	21,450,842
Sale	44,586,082	2,932,656
	<u>92,221,860</u>	<u>24,383,498</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	-	2,289,956
Sale	-	2,289,956
	<u>-</u>	<u>4,579,912</u>
<b>Cross currency swaps</b>		
Purchase	17,370,109	18,112,623
Sale	26,338,249	28,827,498
	<u>43,708,358</u>	<u>46,940,121</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	1,325,000	1,575,000
	<u>1,325,000</u>	<u>1,575,000</u>
<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>21,570,658</u>	<u>15,480,187</u>

These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Bank without the risk of incurring a significant penalty or expense.

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
<b>22.3 Other contingent liabilities</b>		
<b>22.3.1 Claims against the Bank not acknowledged as debts</b>	<u>22,833,730</u>	<u>22,969,646</u>

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim unconsolidated financial statements.

22.3.2 There were no tax related contingencies as at the period end.

**23 DERIVATIVE INSTRUMENTS**

Product Analysis	March 31, 2024 (Unaudited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	-	-	-	-	-	-
Market Making	-	-	43,708,358	(8,224,966)	1,325,000	(88,894)
	<u>-</u>	<u>-</u>	<u>43,708,358</u>	<u>(8,224,966)</u>	<u>1,325,000</u>	<u>(88,894)</u>
	December 31, 2023 (Audited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	-	-	-	-	-	-
Market Making	2,289,956	73,396	46,940,121	(10,109,288)	1,575,000	(138,398)
	<u>2,289,956</u>	<u>73,396</u>	<u>46,940,121</u>	<u>(10,109,288)</u>	<u>1,575,000</u>	<u>(138,398)</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

		(Unaudited)	
		For the three months ended	
	Note	March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
<b>24</b>	<b>MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>		
	On:		
	Loans and advances	69,282,881	58,229,902
	Investments	109,160,647	71,916,544
	Lendings to financial institutions	5,275,607	8,815,321
	Balances with banks	2,718,361	1,322,783
		<u>186,437,496</u>	<u>140,284,550</u>
<b>24.1</b>	<b>INTEREST INCOME RECOGNISED</b>		
	On:		
	Financial assets measured at amortised cost	92,550,260	-
	Financial assets measured at FVOCI	85,076,807	-
	Financial assets measured at FVTPL	8,810,429	-
		<u>186,437,496</u>	<u>-</u>
<b>25</b>	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
	On:		
	Deposits	103,713,613	62,702,718
	Securities sold under repurchase agreement borrowings	14,929,661	18,804,245
	Borrowings	7,547,280	5,766,614
	Subordinated debt	1,088,714	885,926
	Cost of foreign currency swaps against foreign currency deposits / borrowings	2,437,955	(274,729)
	Lease liability against right-of-use assets	861,673	823,636
		<u>130,578,896</u>	<u>88,708,410</u>
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	1,405,136	1,066,067
	Branchless banking customer fees	102,656	156,339
	Consumer finance related fees	677,674	595,587
	Card related fees (debit and credit cards)	3,408,238	2,849,206
	Credit related fees	302,249	259,242
	Investment banking fees	181,854	239,380
	Commission on trade related products and guarantees	2,255,346	1,603,520
	Commission on cash management	399,202	411,897
	Commission on remittances (including home remittances)	571,963	152,563
	Commission on bancassurance	287,873	88,656
	Commission on Government to Person (G2P) payments	396,617	371,552
	Merchant discount and interchange fees	1,908,908	1,623,213
	Wealth Management Fee	3,759	9,036
	Others	95,334	57,840
		<u>11,996,809</u>	<u>9,484,098</u>
	Less: Sales tax / Federal Excise Duty on fee and commission income	<u>(1,465,991)</u>	<u>(1,240,088)</u>
		<u>10,530,818</u>	<u>8,244,010</u>
<b>27</b>	<b>LOSS ON SECURITIES - NET</b>		
	Realised	(161,748)	(708,143)
	Unrealised - measured at FVTPL	(125,359)	-
	Unrealised - held-for-trading	-	(370,861)
		<u>(287,107)</u>	<u>(1,079,004)</u>
<b>27.1</b>	<b>Gain / (Loss) on securities - realised</b>		
	On:		
	Federal Government securities		
	- Market Treasury Bills	117,566	105,662
	- Pakistan Investment Bonds	(409,880)	(679,188)
	- Ijarah Sukuk	23,431	4,485
	Shares	175,844	(544,329)
	Non-Government debt securities	(69,493)	404,421
	Foreign securities	17,141	(44,682)
	Associates	(16,357)	45,488
		<u>(161,748)</u>	<u>(708,143)</u>



**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

		(Unaudited)	
		For the three months ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
27.1.1	<b>Composition of gain / (loss) on securities - realised</b>		
	Net loss on securities measured at FVTPL	(325,057)	-
	Net gain on debt securities measured at FVOCI	179,666	-
	Net loss on sale of Associates	(16,357)	-
		<u>(161,748)</u>	<u>-</u>
28	<b>OTHER INCOME</b>		
	Incidental charges	-	111,951
	Gain on derecognition of joint venture	-	9,333,221
	Gain on sale of property and equipment - net	12,723	106,259
	Rent on properties	27,389	17,501
		<u>40,112</u>	<u>9,568,932</u>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	13,531,842	11,831,038
	<b>Property expense</b>		
	Rent and taxes	288,911	360,592
	Insurance	63,031	59,005
	Utilities cost	1,390,928	1,137,944
	Security (including guards)	747,102	628,006
	Repair and maintenance (including janitorial charges)	1,207,843	978,384
	Depreciation on property and equipment	1,300,309	1,242,140
	Depreciation on right-of-use assets	947,857	927,293
		5,945,981	5,333,364
	<b>Information technology expenses</b>		
	Software maintenance	2,830,580	1,891,130
	Hardware maintenance	716,366	430,741
	Depreciation	1,002,773	750,168
	Amortisation	642,821	471,464
	Network charges	438,753	433,507
	Consultancy charges	241,204	200,560
		5,872,497	4,177,570
	<b>Other operating expenses</b>		
	Legal and professional charges	1,115,746	2,206,381
	Outsourced services costs	660,503	738,393
	Travelling and conveyance	518,332	433,386
	Insurance	209,821	230,202
	Remittance charges	114,679	153,988
	Cash transportation and sorting charges	848,860	715,842
	Repairs and maintenance	641,102	485,273
	Depreciation	157,090	182,203
	Training and development	156,264	107,847
	Postage and courier charges	215,272	183,195
	Communication	1,101,047	558,483
	Stationery and printing	832,184	595,867
	Marketing, advertisement and publicity	2,498,436	2,396,708
	Donations	233,906	273,263
	Auditors' remuneration	98,256	81,484
	Brokerage and commission	230,716	222,598
	Subscription	102,106	88,708
	Documentation and processing charges	2,814,898	2,097,115
	Entertainment	188,351	177,672
	Consultancy charges	513,531	325,954
	Deposits insurance premium expense	909,381	777,350
	Product feature cost	1,586,137	611,599
	Others	462,148	218,178
		<u>16,208,766</u>	<u>13,861,689</u>
		<u>41,559,086</u>	<u>35,203,661</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		145,939	15,369
Penalties imposed by other regulatory bodies		12,557	396
		<u>158,496</u>	<u>15,765</u>
<b>31 CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>			
Credit loss allowance against investments	8.3	285,224	1,587,076
Credit loss allowance against loans and advances	9.3	1,731,727	536,207
Credit loss allowance against other assets	14.1.1	405	896,367
Credit loss allowance / (reversal of credit loss allowance) against off-balance sheet obligations	20.1	231,936	(255,051)
Recoveries against written off / charged off bad debts		(241,699)	(151,128)
Recoveries against other assets written off		(250)	-
Other write offs and operational losses		31,254	66,317
		<u>2,038,597</u>	<u>2,679,788</u>
<b>32 TAXATION</b>			
- Current		15,911,366	9,880,495
- Deferred		(814,527)	161,296
		<u>15,096,839</u>	<u>10,041,791</u>
<b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		<u>14,594,977</u>	<u>15,299,886</u>
		<b>(Number)</b>	
Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
		<b>(Rupees)</b>	
Basic and diluted earnings per share		<u>9.95</u>	<u>10.43</u>

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

**34 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair values of traded investments are based on quoted market prices.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.

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 they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these condensed interim unconsolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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 liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data.

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**Valuation techniques used in determination of fair values within Level 2 and Level 3**

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Unquoted equity securities	The fair values of unquoted equity investments are estimated using the adjusted break-up value of the investee company. These are further discounted for marketability concerns. Where the agreed / indicative prices are available, the Bank uses the same as an estimate for fair value.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity, required for Level 3 assets, has not been presented in these condensed interim unconsolidated financial statements.

**34.1 Fair value of financial assets**

The following table provides the fair values of those Bank's financial assets that are recognised or disclosed at fair value in these condensed interim unconsolidated financial statements:

	<b>As at March 31, 2024 (Unaudited)</b>				
	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	1,795,527,930	-	1,795,527,930	-	1,795,527,930
- Shares					
Listed companies	16,898,344	10,317,104	6,581,240	-	16,898,344
Unlisted companies	14,563,195	-	-	14,563,195	14,563,195
- Non-Government debt securities - Listed	50,521,181	40,000,000	10,521,181	-	50,521,181
- Foreign securities					
Government debt securities	155,825,357	-	155,825,357	-	155,825,357
Non-Government debt securities - Listed	2,072,075	-	2,072,075	-	2,072,075
- National Investment Unit Trust units	52,537	-	52,537	-	52,537
- Real Estate Investment Trust units - Listed	71,700	71,700	-	-	71,700
- Preference shares - Listed	837,500	837,500	-	-	837,500
	<u>2,036,369,819</u>	<u>51,226,304</u>	<u>1,970,580,320</u>	<u>14,563,195</u>	<u>2,036,369,819</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	424,923,891	-	395,434,007	-	395,434,007
- Non-Government debt securities - Listed	895,086	-	895,093	-	895,093
- Foreign securities					
Government debt securities	15,151,339	-	15,279,583	-	15,279,583
- Associates	6,785,017	8,975,735	-	-	8,975,735
	<u>447,755,333</u>	<u>8,975,735</u>	<u>411,608,683</u>	<u>-</u>	<u>420,584,418</u>
	<u>2,484,125,152</u>	<u>60,202,039</u>	<u>2,382,189,003</u>	<u>14,563,195</u>	<u>2,456,954,237</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Commitments					
- Forward foreign exchange contracts	615,759,401	-	(5,316,884)	-	(5,316,884)
- Forward Government securities transactions	92,221,860	-	(18,379)	-	(18,379)
- Derivative instruments	45,033,358	-	(8,074,403)	-	(8,074,403)

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	As at December 31, 2023 (Audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	1,782,011,013	-	1,782,011,013	-	1,782,011,013
- Shares - listed companies	16,524,041	9,057,018	7,467,023	-	16,524,041
- Non-Government debt securities - Listed	49,614,767	40,000,000	9,614,767	-	49,614,767
- Foreign securities					
Government debt securities	142,842,156	-	142,842,156	-	142,842,156
Non-Government debt securities- Listed	4,206,999	-	4,206,999	-	4,206,999
- National Investment Unit Trust units	50,745	-	50,745	-	50,745
- Real Estate Investment Trust units	68,700	68,700	-	-	68,700
- Preference shares - Listed	877,400	877,400	-	-	877,400
	1,996,195,821	50,003,118	1,946,192,703	-	1,996,195,821

	As at December 31, 2023 (Audited)				Total
	Notional Value	Level 1	Level 2	Level 3	
(Rupees in '000)					
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Commitments					
- Forward foreign exchange contracts	474,521,265	-	(1,966,016)	-	(1,966,016)
- Forward Government securities transactions	24,383,498	-	(46,908)	-	(46,908)
- Derivative instruments	48,515,121	-	(10,247,686)	-	(10,247,686)
	547,420,884	-	(12,259,610)	-	(12,259,610)

**34.2 Fair value of non-financial assets**

	As at March 31, 2024 (Unaudited)				Total
	Carrying value	Level 1	Level 2	Level 3	
(Rupees in '000)					
Land and Buildings	79,543,751	-	-	79,543,751	79,543,751
Non-banking assets acquired in satisfaction of claims	431,048	-	-	431,048	431,048
	79,974,799	-	-	79,974,799	79,974,799

	As at December 31, 2023 (Audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
(Rupees in '000)					
Land and Buildings	79,629,624	-	-	79,629,624	79,629,624
Non-banking assets acquired in satisfaction of claims	433,908	-	-	433,908	433,908
	80,063,532	-	-	80,063,532	80,063,532

**35 SEGMENT INFORMATION**

**35.1 Segment Details with respect to Business Activities**

**For the three months ended March 31, 2024 (Unaudited)**

	Branch banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
(Rupees in million)								
<b>Profit and loss account</b>								
Net mark-up / return / profit / interest income	(72,330)	14,437	10,087	19,563	80,956	5,073	(1,927)	55,859
Inter segment revenue / (expense) - net	105,528	(10,748)	-	(9,384)	(90,477)	437	4,644	-
Non mark-up / interest income	1,489	4,721	719	1,896	4,367	3,263	1,713	18,168
Total income	34,687	8,410	10,806	12,075	(5,154)	8,773	4,430	74,027
Segment direct expenses	8,814	6,039	2,598	1,127	188	4,616	18,915	42,297
Inter segment expense allocation	9,832	2,970	349	3,193	511	439	(17,294)	-
Total expenses	18,646	9,009	2,947	4,320	699	5,055	1,621	42,297
Credit loss allowance - charge / (reversal)	22	500	222	1,035	-	(154)	413	2,038
Profit / (loss) before tax	16,019	(1,099)	7,637	6,720	(5,853)	3,872	2,396	29,692

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**As at March 31, 2024 (Unaudited)**

	Branch banking	Consumer,SME & Agriculture lending	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
----- (Rupees in million) -----								
<b>Statement of financial position</b>								
Cash and bank balances	149,452	-	36,305	656	193,537	139,935	449	520,334
Lendings to financial institutions	-	-	36,000	-	35,569	-	-	71,569
Inter segment lending	2,221,921	-	-	-	-	94,880	274,977	2,591,778
Investments	-	-	259,282	13,158	2,009,995	221,829	43,566	2,547,830
Advances - performing	-	245,504	195,725	786,910	-	290,245	25,981	1,544,365
Advances - non-performing	-	2,917	5,426	6,494	-	1,962	(2,683)	14,116
Others	29,694	8,118	47,229	76,832	131,210	24,316	120,695	438,094
<b>Total assets</b>	<b>2,401,067</b>	<b>256,539</b>	<b>579,967</b>	<b>884,050</b>	<b>2,370,311</b>	<b>773,167</b>	<b>462,985</b>	<b>7,728,086</b>
Borrowings	-	5,705	23,538	133,364	65,070	100,984	-	328,661
Subordinated debt	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,331,168	1,718	484,359	643,732	-	574,987	68,673	4,104,637
Inter segment borrowing	-	223,399	3,023	49,047	2,291,512	24,797	-	2,591,778
Others	69,899	25,718	25,311	57,906	25,826	10,051	131,830	346,541
<b>Total liabilities</b>	<b>2,401,067</b>	<b>256,540</b>	<b>536,231</b>	<b>884,049</b>	<b>2,382,408</b>	<b>710,819</b>	<b>219,377</b>	<b>7,390,491</b>
Equity	-	-	43,736	-	(12,097)	62,346	243,610	337,595
<b>Total equity and liabilities</b>	<b>2,401,067</b>	<b>256,540</b>	<b>579,967</b>	<b>884,049</b>	<b>2,370,311</b>	<b>773,165</b>	<b>462,987</b>	<b>7,728,086</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>	<b>67,169</b>	<b>609,846</b>	<b>619,825</b>	<b>169,186</b>	<b>33,617</b>	<b>1,499,643</b>

**For the three months ended March 31, 2023 (Unaudited)**

	Branch banking	Consumer,SME & Agriculture lending	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
----- (Rupees in million) -----								
<b>Profit and loss account</b>								
Net mark-up / return / profit / interest income	(43,541)	11,778	5,802	21,322	53,304	4,873	(1,962)	51,576
Inter segment revenue / (expense) - net	69,628	(7,651)	-	(10,908)	(51,769)	(751)	1,451	-
Non mark-up / interest income	920	4,181	686	1,123	22	1,430	3,811	12,173
Total income	27,007	8,308	6,488	11,537	1,557	5,552	3,300	63,749
Segment direct expenses	7,454	4,038	1,866	1,092	283	4,062	16,933	35,728
Inter segment expense allocation	7,877	2,705	315	3,430	446	451	(15,224)	-
Total expenses	15,331	6,743	2,181	4,522	729	4,513	1,709	35,728
Credit loss allowance - charge / (reversal)	575	555	(425)	(227)	(423)	2,320	305	2,680
Profit / (loss) before tax	11,101	1,010	4,732	7,242	1,251	(1,281)	1,286	25,341

**As at December 31, 2023 (Audited)**

	Branch banking	Consumer,SME & Agriculture lending	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
----- (Rupees in million) -----								
<b>Statement of financial position</b>								
Cash and bank balances	195,852	-	40,896	590	190,638	120,218	-	548,194
Lendings to financial institutions	-	-	19,500	-	69,098	-	-	88,598
Inter segment lending	2,081,029	-	-	-	-	75,037	215,727	2,371,793
Investments	-	-	226,552	4,417	2,016,021	216,242	36,698	2,499,930
Advances - performing	-	256,677	206,739	844,497	-	304,049	38,034	1,649,996
Advances - non-performing	-	2,072	6,316	3,272	-	2,202	158	14,020
Others	35,158	7,642	39,132	81,020	92,166	23,415	122,400	400,933
<b>Total assets</b>	<b>2,312,039</b>	<b>266,391</b>	<b>539,135</b>	<b>933,796</b>	<b>2,367,923</b>	<b>741,163</b>	<b>413,017</b>	<b>7,573,464</b>
Borrowings	-	6,313	32,119	134,047	379,835	107,029	-	659,343
Subordinated debt	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,258,343	1,465	422,710	604,853	-	553,103	29,706	3,870,180
Inter segment borrowing	-	234,859	7,414	143,314	1,968,233	17,973	-	2,371,793
Others	53,696	23,754	32,967	51,582	32,810	6,785	117,901	319,495
<b>Total liabilities</b>	<b>2,312,039</b>	<b>266,391</b>	<b>495,210</b>	<b>933,796</b>	<b>2,380,878</b>	<b>684,890</b>	<b>166,481</b>	<b>7,239,685</b>
Equity	-	-	43,925	-	(12,955)	56,273	246,536	333,779
<b>Total equity and liabilities</b>	<b>2,312,039</b>	<b>266,391</b>	<b>539,135</b>	<b>933,796</b>	<b>2,367,923</b>	<b>741,163</b>	<b>413,017</b>	<b>7,573,464</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>	<b>57,017</b>	<b>538,382</b>	<b>388,637</b>	<b>202,072</b>	<b>34,505</b>	<b>1,220,613</b>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**36 RELATED PARTY TRANSACTIONS**

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, subsidiaries, associated companies and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

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

	As at March 31, 2024 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----							
<b>Statement of financial position</b>							
<b>Balances with other banks</b>							
In current accounts	-	-	109,152	1,361,590	-	-	-
<b>Investments</b>							
Opening balance	-	-	-	29,172,923	7,058,755	-	17,204,695
Impact of adoption of IFRS 9	-	-	-	-	-	-	4,406,616
Exchange Adjustment	-	-	-	(117,405)	-	-	(176,275)
Investment made during the period	-	-	-	2,000,000	-	-	-
Investment redeemed / disposed off during the period	-	-	-	-	(4,880)	-	(837,500)
Transfer (out) / in - net	-	-	-	-	-	-	-
Revaluation of investment during the period	-	-	-	-	-	-	1,826,608
Provision for diminution in value of investments	-	-	-	-	(12,628)	-	-
Closing balance	-	-	-	31,055,518	7,041,247	-	22,424,144
Provision for diminution in value of investments	-	-	-	-	90,482	-	-
<b>Advances</b>							
Opening balance	1,969	649,863	5,352,719	2,086,003	375,000	-	10,200,880
Exchange adjustment	-	-	(66,932)	-	-	-	-
Addition during the period	2,895	125,971	8,440,237	71,917	-	-	5,696,777
Repaid during the period	(4,039)	(71,366)	(8,625,554)	(120,520)	-	-	(5,365,162)
Transfer out - net	-	(59,749)	-	-	-	-	-
Closing balance	825	644,719	5,100,470	2,037,400	375,000	-	10,532,495
<b>Other Assets</b>							
Interest / mark-up accrued	-	657	61,820	289,345	16,338	-	779,841
Receivables from defined benefit plan	-	-	6,519	-	-	-	845,404
Other receivables	-	1,925	-	12,700	361,935	-	15,417
	-	2,582	68,339	302,045	378,273	-	1,640,662
<b>Borrowings</b>							
Opening balance	-	-	5,169,268	1,409,304	16,686,344	-	4,536,746
Exchange adjustment	-	-	-	-	(255,927)	-	(35,221)
Borrowings during the period	-	-	-	-	16,545,661	-	2,515,388
Settled during the period	-	-	(5,169,268)	(1,409,304)	(16,521,603)	-	(2,515,388)
Closing balance	-	-	-	-	16,454,475	-	4,501,525
<b>Deposits and other accounts</b>							
Opening balance	23,411	572,514	23,823,074	3,698,361	33,215,657	-	1,363,336
Exchange adjustment	(78)	(4,119)	(203,571)	-	(6,423)	-	(7,407)
Received during the period	206,294	1,789,655	91,768,079	231,421,326	187,073,245	-	16,989,032
Withdrawn during the period	(129,621)	(1,658,619)	(91,070,863)	(229,821,990)	(190,757,625)	-	(15,905,620)
Transfer (out) / in - net	-	(186,049)	-	-	-	-	11,932
Closing balance	100,006	513,382	24,316,719	5,297,697	29,524,854	-	2,451,273
<b>Other liabilities</b>							
Interest / mark-up payable	369	8,491	306,815	49,676	271,531	-	55,140
Payable to defined benefit plan	-	-	-	-	-	-	822,532
Other payables	-	-	1,853	27,133	62,291	-	247,663
	369	8,491	308,668	76,809	333,822	-	1,125,335
<b>Contingencies and Commitments</b>							
Letter of credit	-	-	377,785	-	-	-	416,026
Guarantees	-	-	167,832	1,490	5	-	3,535,727
Forward purchase of Government securities	-	-	265,399	-	-	-	686,439
Forward purchase of foreign exchange contracts	-	-	-	416,922	-	-	-
Interest rate swaps	-	-	-	-	375,000	-	-
	-	-	811,016	418,412	375,005	-	4,638,192
<b>Others</b>							
Securities held as custodian	-	159,390	21,654,605	-	214,018,000	-	30,262,995

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

For the three months ended March 31, 2024 (Unaudited)

	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
(Rupees in '000)							
<b>Profit and loss account</b>							
<b>Income</b>							
Mark-up / return / profit / interest earned	9	7,265	108,362	332,388	20,169	-	614,347
Fee and commission income	132	2,085	82,632	36,396	216,203	-	1,453
Dividend income	-	-	-	-	646,814	-	703,588
Unrealised loss on derivatives	-	-	-	-	(29,928)	-	-
Gain on sale of securities - net	-	-	-	-	784	-	-
Rent on properties	-	-	-	43,967	-	-	-
Gain on disposal of property and equipment	-	-	-	-	1,741	-	-
Other income	-	-	-	35,248	-	-	-
<b>Expense</b>							
Mark-up / return / profit / interest expensed	582	12,309	352,865	93,341	765,059	-	102,741
<b>Operating expenses</b>							
Total compensation expense	-	1,046,414	-	-	-	-	375,713
Non-Executive Directors' fees	30,300	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	579,803	-	-
Product feature cost	-	-	66,221	-	-	-	-
Travelling	-	-	1,104	-	-	-	-
Subscription	-	-	-	-	-	-	1,815
Donation	-	-	-	-	-	-	247,663
Brokerage and Commission	-	-	-	-	-	-	74,079
Other expenses	-	-	12,592	3,922	19,780	-	12,027
Provision for diminution in value of investments	-	-	-	-	12,628	-	-
<b>Others</b>							
Purchase of Government securities	-	7,116	41,517,777	69,364,535	25,161,116	-	1,887,503
Sale of Government securities	-	51,817	43,971,984	68,978,084	22,645,810	-	7,513,322
Purchase of foreign currencies	-	-	1,731,577	9,766,559	68,579	-	-
Sale of foreign currencies	-	-	1,846,901	7,912,356	130,815	-	593,801
Insurance claims settled	-	-	-	-	-	-	-

As at December 31, 2023 (Audited)

	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
(Rupees in '000)							
<b>Statement of financial position</b>							
<b>Balances with other banks</b>							
In current accounts	-	-	24,874	866,164	-	-	-
<b>Investments</b>							
Opening balance	-	-	-	26,510,029	7,286,430	135,665	9,755,368
Exchange Adjustment	-	-	-	1,662,894	-	-	589,066
Investment made during the year	-	-	-	1,000,000	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	(149,821)	-	-
Transfer (out) / in - net	-	-	-	-	-	(135,665)	9,564,089
Revaluation of investment during the year	-	-	-	-	-	-	(2,686,132)
Provision for diminution in value of investments	-	-	-	-	(77,854)	-	(17,696)
Closing balance	-	-	-	29,172,923	7,058,755	-	17,204,695
Provision for diminution in value of investments	-	-	-	-	77,854	-	60,639
<b>Advances</b>							
Opening balance	1,412	520,240	4,547,709	3,357,440	625,000	-	11,714,938
Exchange adjustment	-	-	908,792	345,755	-	-	-
Addition during the year	9,645	513,599	30,558,900	524,666	-	-	16,335,757
Repaid during the year	(9,088)	(383,976)	(30,662,682)	(2,141,858)	(250,000)	-	(17,849,815)
Closing balance	1,969	649,863	5,352,719	2,086,003	375,000	-	10,200,880
<b>Other Assets</b>							
Interest / mark-up accrued	-	689	68,692	240,265	17,214	-	298,518
Receivable from defined benefit plan	-	-	-	-	-	-	845,404
Other receivables / prepayments	-	2,673	9,779	1,000	477,119	-	13,307
	-	3,362	78,471	241,265	494,333	-	1,157,229

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

As at December 31, 2023 (Audited)							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
(Rupees in '000)							
<b>Borrowings</b>							
Opening balance	-	-	3,982,280	2,264,309	12,950,894	2,717,171	168,252
Exchange adjustment	-	-	1,159,109	546,817	3,224,127	619,856	823,712
Borrowings during the year	-	-	20,166,148	9,812,754	83,310,506	2,348,700	19,662,958
Settled during the year	-	-	(20,138,269)	(11,214,576)	(82,799,183)	(3,131,600)	(18,672,303)
Transfer (out) / in - net	-	-	-	-	-	(2,554,127)	2,554,127
Closing balance	-	-	5,169,268	1,409,304	16,686,344	-	4,536,746
<b>Deposits and other accounts</b>							
Opening balance	135,270	504,305	16,086,603	2,461,812	2,817,791	4,204	1,754,471
Exchange adjustment	22,601	43,837	192,882	115,020	37,425	795	17,474
Received during the year	780,596	5,692,787	364,791,560	1,079,990,251	1,418,318,927	3,996	187,434,725
Withdrawn during the year	(915,056)	(5,668,415)	(357,247,971)	(1,078,868,722)	(1,387,958,486)	(7,583)	(187,844,746)
Transfer out - net	-	-	-	-	-	(1,412)	1,412
Closing balance	23,411	572,514	23,823,074	3,698,361	33,215,657	-	1,363,336
<b>Other liabilities</b>							
Interest / mark-up payable	1	1,508	242,441	13,972	237,842	-	39,339
Payable to defined benefit plan	-	-	-	-	-	-	851,133
Other payables	-	-	7,876	27,730	9,594	-	869,064
	1	1,508	250,317	41,702	247,436	-	1,759,536
<b>Contingencies and Commitments</b>							
Letters of credit	-	-	380,194	-	-	-	924,060
Guarantees	-	-	174,650	1,535	5	-	3,535,727
Forward purchase of Government securities	-	7,116	90,212	-	-	-	334,534
Forward purchase of foreign exchange contracts	-	-	-	1,240,184	-	-	-
Interest rate swaps	-	-	-	-	375,000	-	-
	-	7,116	645,056	1,241,719	375,005	-	4,794,321
<b>Others</b>							
Securities held as custodians	-	152,360	22,460,475	-	214,735,000	-	29,021,560
For the three months ended March 31, 2023 (Unaudited)							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
(Rupees in '000)							
<b>Profit and loss account</b>							
<b>Income</b>							
Mark-up / return / profit / interest earned	148	8,977	185,032	419,167	27,623	-	539,950
Fee and commission income	191	1,217	70,826	17,723	89,319	-	347
Dividend income	-	-	-	-	161,587	203,366	681,485
Loss from derivatives	-	-	-	-	(66,060)	-	-
Gain on sale of securities - net	-	-	-	-	805,641	-	-
Rent on properties	-	-	-	15,882	-	-	-
Gain on disposal of property and equipment	-	-	-	-	31	-	-
Other income	-	-	-	9,547	-	-	-
<b>Expense</b>							
Mark-up / return / profit / interest expensed	3,553	6,549	141,078	36,872	141,690	-	123,459
<b>Operating expenses</b>							
Total compensation expense	-	1,366,490	-	-	-	-	466,593
Non-Executive Directors' fees	19,200	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	515,501	-	-
Product feature cost	-	-	39,328	-	-	-	-
Travelling	-	-	896	-	-	-	-
Subscription	-	-	-	-	-	-	4,275
Donations	-	-	-	-	-	-	162,966
Brokerage and Commission	-	-	-	-	-	-	25,258
Other expenses	-	-	11,949	12,186	16,031	-	12,062
<b>Others</b>							
Purchase of Government securities	2,498	15,927	42,052,749	22,911,873	25,558,785	-	33,552,249
Sale of Government securities	-	22,739	49,865,285	25,884,448	29,854,799	-	36,333,539
Purchase of foreign currencies	-	-	902,334	13,653,244	-	-	-
Sale of foreign currencies	-	-	1,647,193	-	-	-	11,773
Insurance claims settled	-	-	-	-	63,445	-	-

36.1 Balances and transactions with group entities include deposits of Rs 0.686 million (2023: Rs 0.695 million) from the parent and Rs 2.00 thousand (2023: 6.00 thousand) as mark-up expense thereon.



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	254,244,688	244,543,194
Eligible Additional Tier 1 (ADT 1) Capital	14,747,561	15,209,811
Total Eligible Tier 1 Capital	268,992,249	259,753,005
Eligible Tier 2 Capital	79,620,954	74,258,880
Total Eligible Capital (Tier 1 + Tier 2)	348,613,203	334,011,885
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,510,891,819	1,484,105,134
Market Risk	190,231,225	162,338,638
Operational Risk	286,469,768	286,469,768
Total	1,987,592,812	1,932,913,540
Common Equity Tier 1 Capital Adequacy ratio	12.79%	12.65%
Tier 1 Capital Adequacy Ratio	13.53%	13.44%
Total Capital Adequacy Ratio	17.54%	17.28%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>		
of which: capital conservation buffer requirement	9.00%	9.00%
of which: countercyclical buffer requirement	1.50%	1.50%
of which: D-SIB buffer requirement	1.50%	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)	6.79%	6.65%
<b>Other information:</b>		
<b>Minimum capital requirements prescribed by the SBP</b>		
CET1 ratio (%)	9.00%	9.00%
Tier 1 ratio (%)	10.50%	10.50%
Total capital ratio (%)	13.00%	13.00%
<b>Leverage Ratio (LR)</b>	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Eligible Tier-1 Capital	268,992,249	259,753,005
Total Exposure	5,591,416,484	5,834,019,080
<b>Leverage Ratio (%)</b>	4.81%	4.45%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	2,089,381,082	1,879,073,951
Average Net Cash Outflow	799,417,882	693,860,676
<b>Liquidity Coverage Ratio (%)</b>	261.36%	270.81%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Total Available Stable Funding	3,981,912,215	3,812,112,933
Total Required Stable Funding	2,378,277,918	2,384,738,674
<b>Net Stable Funding Ratio (%)</b>	167.43%	159.85%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

37.1 The SBP has permitted banks to adopt a transitional approach to phase in the initial impact of the ECL for stage 1 and 2 financial assets over a period of five years. Had there been no such relaxation the Bank's total CAR would have been lower by 67 bps.

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

**38 ISLAMIC BANKING BUSINESS**

The Bank operates 408 (December 31, 2023: 408) Islamic Banking branches and 553 (December 31, 2023: 553) Islamic Banking windows.

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Note</b>	<b>(Unaudited) March 31, 2024</b>	<b>(Audited) December 31, 2023</b>
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		35,208,414	40,418,980
Balances with other banks		1,096,149	476,714
Due from financial institutions	38.1	36,000,000	19,500,000
Investments	38.2	259,282,164	226,552,494
Islamic financing and related assets - net	38.3	201,151,101	213,054,465
Property and equipment		7,331,425	7,392,659
Right-of-use assets		6,671,494	6,526,100
Intangible assets		54,710	48,248
Due from Head Office		-	-
Deferred tax assets		1,189,059	1,270,557
Other assets		31,982,791	23,894,137
		<u>579,967,307</u>	<u>539,134,354</u>
<b>LIABILITIES</b>			
Bills payable		39,839	40,454
Due to financial institutions	38.4	23,537,997	32,119,436
Deposits and other accounts	38.5	484,359,472	422,709,734
Due to Head Office		3,023,001	9,382,906
Lease liabilities		8,988,903	8,572,063
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities		16,282,107	23,443,740
		<u>536,231,319</u>	<u>496,268,333</u>
<b>NET ASSETS</b>		<u>43,735,988</u>	<u>42,866,021</u>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		(1,237,593)	(1,322,417)
Unappropriated profit	38.6	44,473,581	43,688,438
		<u>43,735,988</u>	<u>42,866,021</u>
<b>Contingencies and commitments</b>	38.7		
<b>(Unaudited)</b>			
<b>For the three months ended</b>			
		<b>March 31, 2024</b>	<b>March 31, 2023</b>
----- (Rupees in '000) -----			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	38.8	21,340,795	14,681,770
Profit / return expensed	38.9	11,253,785	8,879,084
Net profit / return		<u>10,087,010</u>	<u>5,802,686</u>
<b>Other income</b>			
Fee and commission income		520,262	308,391
Dividend income		-	-
Foreign exchange income		182,442	372,769
Income from derivatives		-	-
Gain on securities- net		16,280	4,484
Others		-	-
Total other income		<u>718,984</u>	<u>685,644</u>
<b>Total income</b>		<u>10,805,994</u>	<u>6,488,330</u>
<b>Other expenses</b>			
Operating expenses		2,793,724	2,086,683
Workers' Welfare Fund		152,745	94,639
Other charges		125	120
Total other expenses		<u>2,946,594</u>	<u>2,181,442</u>
<b>Profit before credit loss allowance</b>		<u>7,859,400</u>	<u>4,306,888</u>
Charge / (reversal) of credit loss allowance and write offs - net		222,158	(425,084)
<b>Profit before taxation</b>		<u>7,637,242</u>	<u>4,731,972</u>
Taxation		3,742,247	2,034,748
<b>Profit after taxation</b>		<u>3,894,995</u>	<u>2,697,224</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the three months ended March 31, 2024

		(Unaudited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
38.1	<b>Due from Financial Institutions</b>		
	Call money lendings	31,000,000	17,000,000
	Secured lendings	5,000,000	2,500,000
		<u>36,000,000</u>	<u>19,500,000</u>
38.2	<b>Investments by segments</b>	<b>March 31, 2024 (Unaudited)</b>	
		<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>
		<b>Surplus / (deficit)</b>	<b>Carrying value</b>
----- (Rupees in '000) -----			
	<b>Debt Instruments</b>		
	<b>Fair value through profit and loss (FVTPL)</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	5,900	-
			5
			5,905
	<b>Fair value through other comprehensive income (FVOCI)</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	194,282,026	-
	- Other Federal Government securities	3,727,205	-
		198,009,231	-
			(2,474,616)
			191,807,410
			3,727,205
			195,534,615
	<b>Non-Government debt securities</b>		
	- Listed	44,610,211	(68,209)
	- Unlisted	1,401,000	(8,982)
		46,011,211	(77,191)
			44,292
			3,673
			44,586,294
			1,395,691
			45,981,985
	<b>Amortised cost</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	5,000,000	-
	- Other Federal Government securities	-	-
		5,000,000	-
			5,000,000
	<b>Non-Government debt securities</b>		
	- Listed	-	-
	- Unlisted	12,984,187	(224,528)
		12,984,187	(224,528)
			-
			12,759,659
			12,759,659
	<b>Total Investments</b>	<u>262,010,529</u>	<u>(301,719)</u>
			<u>(2,426,646)</u>
			<u>259,282,164</u>
		<b>December 31, 2023 (Audited)</b>	
		<b>Cost / amortised cost</b>	<b>Provision for diminution</b>
		<b>Surplus / (deficit)</b>	<b>Carrying value</b>
----- (Rupees in '000) -----			
	<b>Available for sale (AFS) securities</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	164,825,661	-
	- Other Federal Government securities	5,543,158	-
		170,368,819	-
			(2,631,310)
			162,194,351
			5,543,158
			167,737,509
	<b>Non-Government debt securities</b>		
	- Listed	44,891,462	-
	- Unlisted	1,401,000	-
		46,292,462	-
			36,836
			1,500
			44,928,298
			1,402,500
			46,330,798
	<b>Held to maturity (HTM) securities</b>		
	<b>Non-Government debt securities</b>		
	- Unlisted	12,484,187	-
			-
			12,484,187
	<b>Total Investments</b>	<u>229,145,468</u>	<u>-</u>
			<u>(2,592,974)</u>
			<u>226,552,494</u>
		<b>March 31, 2024 (Unaudited)</b>	
		<b>Stage 1</b>	<b>Stage 2</b>
		<b>Stage 3</b>	<b>Total</b>
----- (Rupees in '000) -----			
38.2.1	<b>Particulars of credit loss allowance</b>		
	Non Government debt securities - unlisted	148,719	-
			153,000
			301,719

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
<b>38.3 Islamic financing and related assets - net</b>		
Diminishing Musharakah	91,130,754	93,090,122
Running Musharakah	46,460,457	46,748,573
Wakalah	14,757,354	15,112,848
Ijarah	4,067,200	3,771,372
Murabaha	2,143,539	1,937,342
Currency Salam	-	82,738
Tijarah	2,859,002	2,422,198
Istisna	1,815,405	2,053,597
Musawamah	1,593,083	3,191,914
Advance for Diminishing Musharakah	3,242,815	3,820,249
Advance for Ijarah	3,678,345	3,498,372
Advance for Murabaha	13,628,797	10,561,441
Advance for Salam	1,394,777	2,032,234
Advance for Istisna	12,373,737	16,079,982
Advance for Musawamah	881,566	595,848
Inventories against Murabaha	446,411	5,784,149
Inventories against Salam	2,032,234	-
Inventories against Tijarah	4,511,817	5,088,392
Inventories against Istisna	3,678,350	3,842,828
Islamic financing and related assets - gross	<u>210,695,643</u>	<u>219,714,199</u>
Credit loss allowance against Islamic financing and related assets		
- Stage 1	(769,439)	-
- Stage 2	(2,503,810)	-
- Stage 3	(5,593,734)	-
Specific	-	(5,523,177)
General	(677,559)	(1,136,557)
	<u>(9,544,542)</u>	<u>(6,659,734)</u>
Islamic financing and related assets - net of credit loss allowance	<u>201,151,101</u>	<u>213,054,465</u>
<b>38.4 Due to financial institutions</b>		
Acceptances from the SBP under:		
- Islamic export refinance scheme	10,982,347	19,406,548
- Islamic export refinance scheme for bill discounting	532,906	556,808
- Islamic long term financing facility	6,311,570	6,481,973
- Islamic financing facility for renewable energy power plants	712,164	644,321
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	268,947	286,208
- Islamic refinance and credit guarantee scheme for women entrepreneurs	1,208	1,765
- Islamic refinance facility for combating COVID-19	453,337	355,448
- Islamic temporary economic refinance facility	2,275,518	2,386,365
Acceptances from Pakistan Mortgage Refinance Company	2,000,000	2,000,000
	<u>23,537,997</u>	<u>32,119,436</u>
<b>38.5 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	112,443,922	109,005,139
Savings deposits	293,268,535	279,911,025
Term deposits	22,775,146	29,238,524
	<u>428,487,603</u>	<u>418,154,688</u>
<b>Financial Institutions</b>		
Current deposits	111,137	92,442
Savings deposits	55,459,086	4,360,958
Term deposits	301,646	101,646
	<u>55,871,869</u>	<u>4,555,046</u>
	<u>484,359,472</u>	<u>422,709,734</u>
<b>38.6 Islamic Banking business unappropriated profit</b>		
Opening Balance	43,688,438	32,922,558
Impact of adoption of IFRS 9	(3,083,456)	-
Add: Islamic Banking profit for the period / year	7,637,242	21,124,836
Less: Taxation	(3,742,247)	(10,351,170)
Less: Transferred / Remitted to Head Office	(26,396)	(7,786)
Closing Balance	<u>44,473,581</u>	<u>43,688,438</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the three months ended March 31, 2024**

		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>March 31,</b>	<b>December</b>
		<b>2024</b>	<b>31, 2023</b>
		<b>----- (Rupees in '000) -----</b>	
38.7	<b>Contingencies and commitments</b>		
	- Performance Guarantees	5,023,248	3,783,771
	- Commitments	62,145,546	53,232,828
		<u>67,168,794</u>	<u>57,016,599</u>
38.7.1	<b>Commitments:</b>		
	Trade-related contingent liabilities	33,861,856	30,703,557
	Commitments in respect of forward foreign exchange contracts	28,283,690	22,529,271
		<u>62,145,546</u>	<u>53,232,828</u>
38.7.1.1	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	15,810,608	11,450,911
	Sale	12,473,082	11,078,360
		<u>28,283,690</u>	<u>22,529,271</u>
38.8	<b>Profit / return earned</b>	<b>(Unaudited)</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2024</b>	<b>2023</b>
		<b>----- (Rupees in '000) -----</b>	
	On:		
	Financing	8,903,091	7,438,007
	Investments	11,763,477	7,094,626
	Amounts due from financial institutions	674,227	149,137
		<u>21,340,795</u>	<u>14,681,770</u>
38.9	<b>Profit / return expensed</b>		
	On:		
	Deposits and other accounts	9,225,033	5,899,374
	Amounts due to financial institutions	1,569,117	2,766,338
	Foreign currency deposits for Wa'ad based transactions	156,742	4,842
	Lease liability against right-of-use assets	302,893	208,530
		<u>11,253,785</u>	<u>8,879,084</u>
39	<b>NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE</b>		
39.1	The Board of Directors, in its meeting held on April 23, 2024, has declared a cash dividend of Rs 4.00 per share in respect of the quarter ended March 31, 2024 (March 31, 2023: Rs 1.50 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.		
40	<b>DATE OF AUTHORISATION FOR ISSUE</b>		
	These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on April 23, 2024.		
41	<b>GENERAL</b>		
41.1	Comparative figures have been re-arranged and reclassified for comparison purposes.		

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director