

# HBL

Quarterly Report  
September 30, 2024

Enriching Lives



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# Corporate Information

## Board of Directors

### Mr. Sultan Ali Allana

Chairman

### Mr. Shaffiq Dharamshi

Director

### Mr. Moez Ahamed Jamal

Director

### Mr. Salim Raza

Director

### Dr. Najeeb Samie

Director

### Mr. Khaleel Ahmed

Director

### Ms. Saba Kamal

Director

### Mr. Muhammad Nassir Salim

President & CEO

## Chief Financial Officer

Mr. Rayomond H. Kotwal

## Company Secretary

Mr. Uzman Naveed Chaudhary

## Legal Advisors

Mandviwalla and Zafar

Legal Consultants and Advocates

## Auditors

KPMG Taseer Hadi & Co

Chartered Accountants

## Share Registrar

CDC Share Registrar Services Limited

CDC House, 99 – B, Block 'B',

S.M.C.H.S., Main Shahra-e-Faisal

Karachi – 74400, Pakistan

Tel: Customer Support Services

(Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 34326053

Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)

## HBL Corporate Secretariat

Phone: (92-21) 37137543

Fax: (92-21) 35148370

## Principal Office

Habib Bank Limited

HBL Tower, Plot No. G-4,

KDA Scheme 5, Block 7 Clifton,

Karachi, Pakistan

Phone: (92-21) 33116030

## Registered Office

Habib Bank Limited

9th Floor, Habib Bank Tower,

Jinnah Avenue, Blue Area, Islamabad,

Pakistan

Phone: (92-51) 2270856, (92-51) 2821183

Fax: (92-51) 2872205

## Corporate Website

[www.hbl.com](http://www.hbl.com)

## Internet Banking

[www.hbl.com/personal/digital-banking/](http://www.hbl.com/personal/digital-banking/)

[hbl-internetbanking](http://hbl-internetbanking)

## Konnect

[www.hbl.com/konnect](http://www.hbl.com/konnect)

 [hblbank](https://www.facebook.com/hblbank) |  [HBLPak](https://twitter.com/HBLPak)



# Directors' Review

On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the nine months ended September 30, 2024.

## Macroeconomic Review

With a 2.5% GDP growth in FY'24, Pakistan's nascent economic recovery continues, underpinned by favourable global commodity prices, improved fiscal discipline and a more stable external position. The Large-Scale Manufacturing Index is regaining footing, with the Jul'24 reading exhibiting a growth of 2.4%. High frequency sales indicators and increased capacity utilization also reflect a moderate pickup in industrial activity. Inflation of 9.6% for Aug'24 was the first single digit reading since Oct'21 and dropped further to a 44-month low of 6.9% in Sep'24. This deceleration has been supported by a favourable base effect, along with soft food and energy prices. Average inflation fell from 29.0% in Q1FY'24 to 9.2% in Q1FY'25 with the trajectory potentially heading below SBP's FY'25 forecast of 11.5%–13.5%.

The trade deficit for 2MFY'25 grew by 21.7% to \$ 4.7 billion. Exports increased by 7.2% while imports grew by 13.8% YoY. Notably, machinery imports increased by over 60%, pointing to a revival of capacity installation, while food exports grew 35.5% due to robust agricultural growth. Strong remittance growth continued in FY'25, with average monthly flows just shy of \$ 3.0 billion. Remittances of \$ 8.8 billion for Q1FY'25 were 38.8% higher YoY, a stark contrast to the decline of 19.8% in Q1FY'24. Consequently, the Current Account Deficit for 2MFY'25 fell by 81%, to \$ 0.2 billion.

The securing of additional government and commercial financing from GCC countries, led to the much-awaited IMF Board approval for the \$ 7 billion, 37-month Extended Fund Facility (EFF). Key priorities under the program are i) strengthening the fiscal framework, including the alignment of federal and provincial tax measures ii) a more equitable tax regime to increase the tax/GDP ratio iii) energy sector viability through cost-side reforms iv) accelerating privatization & SOE reforms and v) building climate resilience. The SBP continued to build shock absorbers and, with the immediate disbursement of the first \$ 1.0 billion EFF tranche in Sep'24, FX reserves reached \$ 10.7 billion, a 30-month high. The improving external position has resulted in a steady strengthening of the Rupee, which appreciated by 1.5% in 9M'24 to Rs 277.7/\$.

In July, subsequent to the IMF Staff Level Agreement, Fitch upgraded Pakistan's sovereign rating to CCC+ returning it to the level in Feb'23. The agency cited improved access to external financing, traction on reform implementation and better FX buffers. In August, Moody's followed suit, raising the country's rating from Caa3 to Caa2, while improving the Outlook from Stable to Positive. Taken together, the upgrades reflect a growing international confidence in Pakistan's ability to manage financial challenges and creating a pathway for sustainable growth. Pakistan is now better positioned to access international markets on more favourable terms, paving the way for a potential Eurobond or Panda bond issue.

The equity bull run that started at the end of Q3'23 continues, with the market outperforming all expectations and setting new records. After a brief stutter in Q3'24 – driven by earlier delays in the EFF approval, political noise, and foreign outflows caused by FTSE rebalancing – the index has regained momentum, continuing its upward march and recently hitting an all-time high of 86K, a 38.5% increase over Dec'23.

Rapid monetary easing continued with cuts of 100bps and 200bps in the Policy Rate in Jul'24 and Sep'24 to 17.5% on the back of the sharp decline in inflation. The MPC noted a number of favourable developments such as declining oil prices, rising FX reserves and improving business confidence and assessed that the real interest rate was sufficiently positive to continue dampening inflation. Industry advances as of Aug'24 showed a decline of 4.4% from Dec'23 in line with the 3.5% drop in private sector credit, while deposits increased by 10.6% over the same period. Banking spreads decreased by 30bps in 8MCY24 compared to the same period last year.

## Financial Performance

HBL has delivered a consolidated profit before tax of Rs 85.9 billion for the first nine months of 2024, 3% higher than in the corresponding period of last year. All domestic businesses continued to perform strongly, coupled with sustained improvements in the international franchise. Profit after tax rose to Rs 43.3 billion, while the Bank's earnings per share improved to Rs 30.03 in 9M'24.

HBL's balance sheet grew by 12% over Dec'23 to Rs 6.2 trillion. Domestic deposits increased by 18% to Rs 4.1 trillion, primarily led by low-cost deposits which grew by Rs 422 billion over Dec'23; this drove an improvement in the CASA mix from 85.8% in Dec'23 to 87.3% in Sep'24. International deposits grew by 11% to over US\$ 2 billion, with HBL's total deposits increasing to Rs 4.8 trillion. With market rates falling rapidly, there has been a turnaround in lending activity; domestic advances increased by 3.9% during the quarter with all businesses registering growth. With a revival of international lending, HBL's total advances rose to Rs 1.8 trillion.

The average domestic balance sheet for 9M'24 grew by 18% over 9M'23 as average domestic deposits increased by Rs 639 billion. With the turning of the rate cycle, spreads compressed by 60bps. Nevertheless, the volumetric growth led to a 5% rise in domestic net interest income and was complemented by international balance sheet expansion with interest

income growing by 12%. The Bank's total net interest income for 9M'24 thus increased to Rs 185.3 billion. Non-fund income performance was strong, with an increase of nearly 60% to Rs 60.7 billion. This was led by fees, which grew 20% to Rs 36.6 billion. HBL's Cards business continued its stellar results, contributing 43% of the fee growth, with branch fees, remittances and Bancassurance boosting total fee income. Consequently, HBL's total revenue increased by 14% to Rs 246.0 billion.

High inflation in the first half of 2024 has increased administrative expenses by 13% to Rs 139.0 billion. However, HBL's focus on cost optimization has helped contain expenses during the quarter; the cost-to-income ratio continued to fall, reducing from 56.7% in Q2'24 to 55.6% for Q3'24. Higher non-performing loans induced an uptick in the infection ratio over the previous quarter, to 6.0%, but prudent provisioning has resulted in the specific coverage remaining above 90%; the total coverage remains above 100%.

## Movement of Reserves

	Rupees in million
Unappropriated profit brought forward	221,884
Impact of change in accounting policy – adoption of IFRS 9	(13,669)
Unappropriated profit brought forward – restated	<u>208,215</u>
Profit attributable to equity holders of the Bank	44,045
Re-measurement gain on defined benefit obligations of associates – net of tax	5
Transferred from surplus on revaluation of assets – net of tax	98
Acquisition of additional interest in subsidiary	228
Realised gain on equity investments designated as FVOCI	451
	<u>44,827</u>
Profit available for appropriation	<u>253,042</u>
<b>Appropriations:</b>	
Transferred to statutory reserves	(4,437)
Cash dividend – Final 2023	(5,867)
Cash dividend – Q1 2024	(5,867)
Cash dividend – Q2 2024	(5,867)
Total appropriations	<u>(22,039)</u>
<b>Unappropriated profit carried forward</b>	<u><u>231,003</u></u>
<b>Earnings per share (Rupees)</b>	<u><u>30.03</u></u>

## Capital Ratios

Internal capital generated by the strong results have strengthened HBL's capital ratios during 2024, while also enabling a better dividend payout. The Consolidated Tier 1 CAR increased from 12.44% in Dec'23 to 12.55% in Sep'24. During the last quarter, the SBP, as part of its annual review, revised the Bank's D-SIB capital buffer to 1.0%. This increased the CET1 headroom over minimum requirements, resulting in a higher eligibility of Tier II capital. The total CAR further increased from 16.01% to 16.39% over the same period.

## Credit Ratings

During the quarter, the Bank's credit ratings were upgraded by Moodys following its rating upgrade of the sovereign. HBL's long-term deposit rating was raised from Caa3 to Caa2, while the Baseline Credit Assessment was improved from caa3 to caa2. The Outlook on the Bank's long-term deposit ratings has been changed from Stable to Positive.

Capital Intelligence Ratings (CI), another international ratings agency, also affirmed HBL's long-term and short-term foreign currency ratings at 'C+' and 'C', respectively. At the same time, CI has affirmed HBL's Bank Standalone Rating of 'c' and Core Financial Strength rating of 'b+'. The Outlook for all ratings is Stable.

## Dividend

The Board of Directors, in its meeting held on October 16, 2024, has declared an interim cash dividend of Rs 4.00 per share (40%) for the quarter ended September 30, 2024.

## Future Outlook

Following two years of uncertainty, the EFF is a material boost to Pakistan's external stability. This is reflected through rating upgrades as well as declining Eurobond yields. An improved ability to raise additional financing, alongside fiscal consolidation and better liquidity management bodes well for future debt sustainability. SBP recently initiated buyback auctions on behalf

of the federal government to improve the maturity profile of its domestic debt. Dollar liquidity is expected to improve through elevated remittance flows; additional inflows from the EFF and bilateral creditors should allow for further accumulation of reserves, which are expected to increase to \$ 13.5 billion by Jun'25.

GDP growth in FY'25 is likely to remain at the lower end of SBP's 2.5-3.5% forecast as the outlook for the agriculture sector has weakened. Wheat prices remain soft and a shortfall is expected in the cotton crop with a reduced area under cultivation. Industrial growth is expected to recover but will remain below potential, with headwinds from higher energy costs and subdued demand, although lower interest rates will provide some respite. The inflation outlook is benign, but upside risks persist with the potential for a Middle East conflict driven spike in oil prices.

It is therefore critical for the Government to stay on course with the EFF. Structural reform targets are likely to be monitored much more stringently and given Pakistan's track record of IMF programs, slippages are less likely to be condoned. In particular, the key areas of energy, taxation and privatization must be pursued with rigour and vigour. While initial efforts on improving tax administration are encouraging, the tax burden is unfair and inequitable and over-skewed towards existing taxpayers. Simultaneously, much tougher action needs to be taken against non-filers in order to make a meaningful improvement in the tax base and increase the Tax/GDP ratio. While the Government has committed to stop any net flow into the circular debt, cost-side reforms will be equally critical in reducing the stock. This is Pakistan's best opportunity in many years to launch itself on a sustainable growth trajectory and an opportunity that must not be squandered.

HBL's results continue on an upward trajectory even in a challenging environment. We remain steadfast in our objectives of financial inclusion, sustainability and capacity building. Our commitment to fostering innovation is evident through our strategic partnership with P@SHA – together we have which has nurtured local IT talent and also provided a global platform for Pakistani IT companies to showcase their capabilities. The Bank recently held the third round of its sponsorship of She's Next, its collaborative program with Visa aimed at providing mentorship to women entrepreneurs. Our digitalization agenda is delivering growing volumes across all businesses; more than 3.5 million active users of HBL's Mobile and Internet Banking transacted more than Rs 5.5 billion in the 9 months of 2024, while 71% of our Rs 13.7 trillion throughput in cash management is now processed digitally. Our market leading POS network continues to widen and processed nearly Rs 320 billion so far this year, more than one-third of Pakistan's total POS throughput.

HBL's efforts continue to receive independent recognition from local and international organisations across all areas of our operations – from fire safety to investment banking. This quarter, we received two awards locally, that have particular significance for us. The Pakistan Institute of Corporate Governance ranked HBL's Board of Directors as the best in the country – across all industries – underlining our commitment to exceptional standards of governance. The Federation of Pakistan Chambers of Commerce and Industry awarded us the Best Conventional Bank in Pakistan – a testament to our relentless focus on contributing to Pakistan's economic growth and development.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

October 16, 2024

## ڈائریکٹرز کا جائزہ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2024ء کو ختم ہونے والے نوماہ کے مختصر عبوری مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

### کلیاتی اقتصادیات کا جائزہ

مالی سال 24 میں 2.5% جی ڈی پی نمو کے ساتھ، پاکستان کی معاشی بحالی جاری ہے، جس کی وجہ سے گار عالمی اجناس کی قیمتیں، بہتر مالیاتی نظم و ضبط اور زیادہ مستحکم بیرونی پوزیشن ہے۔ بڑے پیمانے پر مینوفیکچرنگ انڈیکس اپنے قدم دوبارہ ہمارا ہے اور جولائی 24 کی ریڈنگ میں 2.4% کا اضافہ دیکھا گیا ہے۔ ہائی فریکوئنسی سیکڑے کے اشارے اور صلاحیت کے استعمال میں اضافہ بھی صنعتی سرگرمی میں معتدل اضافے کی عکاسی کرتا ہے۔ اگست 24 کے لیے افراط زر کی شرح 9.6% تھی جو اکتوبر 21 کے بعد پہلی سنگل ڈجٹ ریڈنگ تھی جو ستمبر 24 میں مزید گر کر 44 ماہ کی کم ترین سطح 6.9% پر آگئی۔ اس سست روی کو خوراک اور توانائی کی قیمتوں کے ساتھ ساتھ ایک سازگار ماحول کا سہارا ملا۔ اوسط افراط زر مالی سال 24 کی پہلی سہ ماہی میں 29.0% سے کم ہو کر مالی سال 25 کی پہلی سہ ماہی میں 9.2% اور یہ ممکنہ طور پر اسٹیٹ بینک کی مالی سال 25 کی 11.5% - 13.5% کی پیش گوئی سے کم ہو گئی۔

مالی سال 25 کے 2 ماہ میں تجارتی خسارہ 21.7% اضافے کے ساتھ 4.7 بلین ڈالر رہا۔ برآمدات میں 7.2% جبکہ درآمدات میں سال بہ سال 13.8% اضافہ ہوا۔ قابل ذکر بات یہ ہے کہ مشینری کی درآمدات میں 60% سے زیادہ اضافہ ہوا ہے جو صلاحیت کی بحالی کی طرف اشارہ کرتا ہے، جبکہ مضبوط زرعی ترقی کی وجہ سے خوراک کی درآمدات میں 35.5% اضافہ ہوا ہے۔ مالی سال 25 میں ترسیلات زر میں زبردست اضافہ جاری رہا اور اوسط ماہانہ بہاؤ صرف 3.0 بلین ڈالر رہا۔ مالی سال 25 کی پہلی سہ ماہی میں 8.8 بلین ڈالر کی ترسیلات زر سال بہ سال 38.8% زیادہ رہیں جو مالی سال 24 کی پہلی سہ ماہی میں 19.8% کمی کے بالکل برعکس ہیں۔ اس کے نتیجے میں مالی سال 25 کے 2 ماہ میں کرنٹ اکاؤنٹ خسارہ 81% کم ہو کر 0.2 بلین ڈالر رہ گیا۔

جی سی سی ممالک سے اضافی حکومتی اور کمرشل فنانسنگ کے حصول کے نتیجے میں آئی ایم ایف بورڈ نے 7 بلین ڈالر، 37 ماہ کی ایکسٹنڈنڈ فنڈ فیسلٹی (ای ایف ایف) کی منظوری دے دی۔ اس پروگرام کے تحت اہم ترجیحات میں (i) مالیاتی فریم ورک کو مضبوط بنانا، بشمول وفاقی اور صوبائی ٹیکس اقدامات کی ہم آہنگی (ii) ٹیکس / جی ڈی پی کا تناسب بڑھانے کے لیے زیادہ منصفانہ ٹیکس سسٹم (iii) لاگتی اصلاحات کے ذریعے توانائی کے شعبے کی افادیت میں اضافہ (iv) نجکاری اور ایس او ای اصلاحات کو تیز کرنا اور (v) ماحولیاتی بحالی۔ اسٹیٹ بینک نے جھٹکے برداشت کرنے کی صلاحیت پیدا کی اور ستمبر 24 میں پہلی 1.0 بلین ڈالر کی ای ایف ایف قسط کی فوری تقسیم کے ساتھ ہی زر مبادلہ کے ذخائر 10.7 بلین ڈالر تک پہنچ گئے جو 30 ماہ کی بلند ترین سطح ہے۔ بیرونی صورت حال میں بہتری کے نتیجے میں روپے کی قدر میں مسلسل استحکام آیا ہے جو سال 24 کے 9 ماہ میں 1.5% اضافے کے ساتھ 277.7 روپے فی ڈالر تک پہنچ گیا۔

جولائی میں، آئی ایم ایف اسٹاف لیول ایگریمنٹ کے بعد، Fitch نے پاکستان کی خود مختار ریٹنگ کو CCC+ میں اپ گریڈ کیا اور اسے فروری 23 کی سطح پر واپس لے آیا۔ ایجنسی نے بیرونی فنانسنگ تک بہتر رسائی، اصلاحات کے نفاذ پر توجہ اور بہتر ایف ایکس بفرز کا حوالہ دیا۔ اگست میں موڈیز نے ملک کی ریٹنگ Caa3 سے بڑھا کر Caa2 کر دی جبکہ آڈٹ لک بہتر کر کے مستحکم سے مثبت کر دیا۔ مجموعی طور پر یہ اپ گریڈز پاکستان کی مالیاتی چیلنجز سے نمٹنے اور پائیدار ترقی کی راہ ہموار کرنے کی صلاحیت پر بڑھتے ہوئے بین الاقوامی اعتماد کی عکاسی کرتے ہیں۔ پاکستان اب زیادہ سازگار شرائط پر بین الاقوامی منڈیوں تک رسائی حاصل کرنے کے لیے بہتر پوزیشن میں ہے، جس سے ممکنہ پورا بانڈ یا پانڈا بانڈ کے ایشو کی راہ ہموار ہوگی۔

تیسری سہ ماہی کے اختتام پر شروع ہونے والی ایکویٹی میں تیزی جاری ہے، مارکیٹ نے تمام توقعات کو پیچھے چھوڑ کر نئے ریکارڈ قائم کیے ہیں۔ تیسری سہ ماہی کے دوران ای ایف ایف کی منظوری میں تاخیر، سیاسی ہنگامہ آرائی اور ایف ٹی ایس ای کے دوبارہ توازن کے سبب غیر ملکی اخراج کی وجہ سے انڈیکس نے دوبارہ رفتار پکڑ لی ہے اور حال ہی میں 86000 کی بلند ترین سطح پر پہنچ گیا ہے، جو دسمبر 23 کے مقابلے میں 38.5% زیادہ ہے۔

افراط زر میں تیزی کی وجہ سے جولائی 24 اور ستمبر 24 میں پالیسی ریٹ میں 100 بی پی ایس اور 200 بی پی ایس کی کمی کے ساتھ تیزی سے مائٹری نرمی کا سلسلہ جاری رہا۔ ایم پی سی نے تیل کی قیمتوں میں کمی، زر مبادلہ کے ذخائر میں اضافے اور کاروباری اعتماد میں بہتری جیسی متعدد موافق پیش رفتوں کا ذکر کیا اور اندازہ لگایا کہ حقیقی شرح سود افراط زر کو کم کرنے کے لیے کافی مثبت ہے۔ اگست 24 سے صنعتی قرضوں میں کمی دیکھی گئی جو نجی شعبے کے قرضوں میں 3.5% کمی کے مطابق دسمبر 23 کے مقابلے میں 4.4% کم ہے جبکہ اسی عرصے کے دوران ڈپازٹس میں 10.6% اضافہ ہوا ہے۔ گزشتہ سال کے اسی عرصے کے مقابلے میں سال 24 کے 8 ماہ میں بینکنگ اسپریڈ میں 30 بی پی ایس کی کمی واقع ہوئی۔

### مالیاتی کارکردگی

HBL نے 2024 کے پہلے 9 ماہ کے دوران 85.9 بلین روپے کا قبل از ٹیکس منافع فراہم کیا ہے جو گزشتہ سال کے اسی عرصے کے مقابلے میں 3% زیادہ ہے۔ بین الاقوامی فریچائز میں مستقل بہتری کے ساتھ ساتھ تمام مقامی کاروباروں نے مضبوط کارکردگی کا مظاہرہ جاری رکھا۔ بعد از ٹیکس منافع بڑھ کر 43.3 بلین روپے ہو گیا جبکہ بینک کی فی حصص آمدنی سال 24 کے 9 ماہ میں بہتر ہو کر 30.03 روپے ہو گئی۔

HBL کی بیلنس شیٹ دسمبر 23 کے مقابلے میں 12% اضافے کے ساتھ 6.2 ٹریلین روپے تک پہنچ گئی۔ ملکی ڈپازٹس 18% اضافے سے 4.1 ٹریلین روپے تک پہنچ گئے، جس کی بنیادی وجہ کم لاگت کے ڈپازٹس ہیں جو دسمبر 23 کے مقابلے میں 422 بلین روپے بڑھ گئے۔ اس سے CASA کس میں بہتری آئی جو دسمبر 23 میں 85.8% سے بڑھ کر ستمبر 24 میں

87.3% ہوگی۔ بین الاقوامی ڈپازٹس 11% اضافے کے ساتھ 2 بلین ڈالر سے زائد ہو گئے جبکہ HBL کے کل ڈپازٹس 4.8 ٹریلین روپے تک پہنچ گئے۔ مارکیٹ کی شرحوں میں تیزی سے کمی کے ساتھ، قرضوں میں تبدیلی آئی ہے۔ سہ ماہی کے دوران مقامی ایڈوانسز میں 13.9% اضافہ ہوا اور تمام کاروباری اداروں نے ترقی کی۔ بین الاقوامی قرضوں کی بحالی کے ساتھ ہی HBL کے مجموعی قرضے بڑھ کر 1.8 ٹریلین روپے ہو گئے۔

سال 24 کے 9 ماہ کے لیے اوسط ڈومیسٹک بیلنس شیٹ میں سال 23 کے 9 ماہ کے مقابلے میں 18% اضافہ ہوا کیونکہ اوسط ڈومیسٹک ڈپازٹس میں 639 بلین روپے کا اضافہ ہوا۔ ریٹ سائیکل میں تبدیلی سے، اسپرڈز 60 بی پی ایس تک سکڑ گئے۔ اس کے باوجود حجم میں اضافے کے نتیجے میں ملکی خالص سودی آمدنی میں 5% اضافہ ہوا اور بین الاقوامی بیلنس شیٹ میں توسیع کے ساتھ سودی آمدنی میں 12% اضافہ ہوا۔ اس طرح بینک کی سال 24 کے 9 ماہ کے لیے کل خالص سودی آمدنی بڑھ کر 185.3 بلین روپے ہو گئی۔ نان فنڈ آمدنی کی کارکردگی مضبوط رہی اور تقریباً 60% اضافے کے ساتھ 60.7 بلین روپے تک پہنچ گئی۔ اس کی وجہ فیسیں تھیں جو 20% اضافے کے ساتھ 36.6 بلین روپے تک پہنچ گئیں۔ HBL کے کارڈز کے کاروبار نے اپنے شاندار نتائج جاری رکھتے ہوئے فیس میں 43% اضافہ کیا، برانچ فیس، ترسیلات زر اور بینکارشورنس نے مجموعی فیس آمدنی میں اضافہ کیا۔ اس کے نتیجے میں HBL کی مجموعی آمدنی 14% اضافے کے ساتھ 246.0 بلین روپے تک پہنچ گئی۔

2024 کی پہلی ششماہی میں افراط زر کی بلند شرح نے انتظامی اخراجات میں 13% اضافے کے ساتھ 139.0 بلین روپے کا اضافہ کیا ہے۔ تاہم HBL کی لاگت میں بہتری پر توجہ دینے سے سہ ماہی کے دوران اخراجات پر قابو پانے میں مدد ملی ہے۔ لاگت اور آمدنی کا تناسب مسلسل گرتا رہا اور جو سال 24 کی دوسری سہ ماہی میں 56.7% سے کم ہو کر تیسری سہ ماہی میں 55.6% گیا۔ زیادہ نان پرفارمنگ قرضوں کی وجہ سے انفیکشن کی شرح پچھلی سہ ماہی کے مقابلے میں بڑھ کر 6.0% ہو گئی، لیکن دانشمندانہ پرووژنگ کے نتیجے میں مخصوص کوریج 90% سے اوپر رہی؛ کل کوریج 100% سے زیادہ ہے۔

## ذخائر میں اتار چڑھاؤ

ملین روپے
221,884
(13,669)
208,215

افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات - IFRS9 کی ایڈاپشن  
افتتاحی غیر تخصیص شدہ منافع کی دوبارہ تخصیص

44,045
5
98
228
451
44,827
253,042

بینک ایکویٹی کے حامل افراد کے لیے قابل ادائیگی منافع  
ایسوسی ایٹس کے متعین فوائد کی ذمہ داریوں کی دوبارہ پیمائش پر منافع - محصول کا خالص  
اثاثہ جات کی دوبارہ تخصیص پر سرپلس سے منتقل شدہ - محصول کا خالص  
سبسڈری سے اضافی منافع کا حصول  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر حاصل شدہ منافع

(4,437)
(5,867)
(5,867)
(5,867)
(22,039)
231,003

مناسب کارروائی کے لیے دستیاب منافع

## مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ  
نقد منافع منقسمہ - حتیٰ 2023ء  
نقد منافع منقسمہ - پہلا عبوری 2024ء  
نقد منافع منقسمہ - دوسرا عبوری 2024ء  
کل تخصیص

## اختتامی غیر تخصیص شدہ منافع

فی حصص (شیر) آمدنی (روپے)

30.03
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## سرمائے کا تناسب

مضبوط نتائج سے حاصل ہونے والے اندرونی سرمائے نے 2024 کے دوران HBL کے سرمائے کا تناسب مستحکم کیا اور بہتر منافع کی ادائیگی کو بھی ممکن بنایا ہے۔ مجموعی Tier I CAR دسمبر 23 میں 12.44% سے بڑھ کر ستمبر 24 میں 12.55% ہو گیا۔ گزشتہ سہ ماہی کے دوران اسٹیٹ بینک نے اپنے سالانہ جائزے کے ایک حصے کے طور پر بینک کے D-SIB کیپٹل بفر کو 1.0% تک بڑھا دیا تھا۔ اس سے کم از کم ضروریات کے مقابلے میں CET1 ہیڈروم میں اضافہ ہوا، جس کے نتیجے میں Tier II سرمائے کی اہلیت زیادہ ہو گئی۔ اسی عرصے کے دوران کل CAR 16.01% سے بڑھ کر 16.39% ہو گیا۔



## کریڈٹ کی درجہ بندی

سہ ماہی کے دوران موڈیز کی جانب سے بینک کی کریڈٹ ریٹنگ اپ گریڈ کی گئی۔ HBL کی طویل مدتی ڈپازٹ ریٹنگ Caa3 سے بڑھا کر Caa2 کر دی گئی جبکہ بیس لائن کریڈٹ اسٹیٹمنٹ Caa3 سے Caa2 تک بہتر بنایا گیا۔ بینک کی طویل مدتی ڈپازٹ ریٹنگ کا آؤٹ لک مستحکم سے مثبت میں تبدیل کر دیا گیا ہے۔

ایک اور بین الاقوامی ریٹنگ ایجنسی کیپٹل انٹیلی جنس ریٹنگ (CD) نے بھی HBL کی طویل مدتی اور قلیل مدتی غیر ملکی کرنسی کی درجہ بندی بالترتیب 'C+' اور 'C' کی تصدیق کی ہے۔ اس کے ساتھ ہی CI نے HBL کی بینک اسٹیٹمنٹ لون ریٹنگ 'c' اور کور فنانشل اسٹریٹجی ریٹنگ 'b+' کی تصدیق کی ہے۔ تمام درجہ بندیوں کے لیے آؤٹ لک مستحکم ہے۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 16 اکتوبر 2024 کو منعقد ہونے والے اجلاس میں 30 ستمبر 2024 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 4.00 روپے فی حصص (40%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔

## مستقبل کی صورت حال

دوسال کی غیر یقینی صورتحال کے بعد، ای ایف ایف پاکستان کے بیرونی استحکام کے فروغ میں ایک اہم پیش رفت ہے۔ جو ریٹنگ اپ گریڈ کے ساتھ ساتھ یورپ باند کی آمدن میں کمی سے بھی ظاہر ہوتی ہے۔ مالیاتی استحکام اور بہتر لیکویڈیٹی مینجمنٹ کے ساتھ ساتھ اضافی فنانسنگ حاصل کرنے کی بہتر صلاحیت مستقبل کے قرضوں کی پائیداری کے لیے اچھی علامت ہے۔ اسٹیٹ بینک نے حال ہی میں وفاقی حکومت کی جانب سے اپنے ملکی قرضوں کی میچورٹی پروفاائل بہتر بنانے کے لیے بائی بیک نیلامی کا آغاز کیا ہے۔ ترسیلات زر کے بہاؤ میں اضافے سے ڈالر لیکویڈیٹی میں بہتری کی توقع ہے۔ ای ایف ایف اور دو طرفہ قرض دہندگان کی جانب سے اضافی ترسیلات زر سے ذخائر میں اضافے کی اجازت ملنی چاہیے جو جون 25 تک بڑھ کر 13.5 بلین ڈالر تک پہنچنے کی توقع ہے۔

مالی سال 25 میں جی ڈی پی کی شرح نمو اسٹیٹ بینک کی 2.5-3.5% کی پیش گوئی کے چٹھی سطح پر رہنے کا امکان ہے کیونکہ زراعت کے شعبے کی مستقبل کی صورت حال کمزور ہو گئی ہے۔ گندم کی قیمت اور زیر کاشت رقم ہونے سے کپاس کی فصل میں کمی متوقع ہے۔ صنعتی نمو کی بحالی متوقع ہے لیکن یہ صلاحیت سے کم رہے گی، توانائی کی زیادہ لاگت اور کم طلب کی وجہ سے کم شرح سود سے کچھ بہتری آئے گی۔ افراط زر بے ضرر ہے، لیکن مشرق وسطیٰ کے تنازعات کی وجہ سے تیل کی قیمتوں میں اضافے کا امکان کے ساتھ خطرات برقرار ہیں۔

لہذا حکومت کے لیے ضروری ہے کہ وہ ای ایف ایف کا ساتھ جاری رکھے۔ ساختی اصلاحات کے اہداف کی زیادہ سختی سے نگرانی امکان ہے لیکن آئی ایم ایف کے پروگراموں کے حوالے سے پاکستان کا ٹریڈ ریکارڈ دیکھتے ہوئے غلطیاں نظر انداز کیے جانے کے امکانات کم ہیں۔ خاص طور پر توانائی، ٹیکس اور نجکاری کے اہم شعبوں کو سختی اور تیزی سے آگے بڑھانا چاہیے۔ اگرچہ ٹیکس ایڈمنسٹریشن بہتر بنانے کی ابتدائی کوششیں حوصلہ افزا ہیں، لیکن ٹیکس کا بوجھ ناجائز اور غیر منصفانہ ہے اور موجودہ ٹیکس دہندگان پر حد سے زیادہ دباؤ ہے۔ اس کے ساتھ ساتھ ٹیکس میں بامعنی بہتری لانے اور ٹیکس / جی ڈی پی کے تناسب میں اضافے کے لیے نان فالنگز کے خلاف سخت کارروائی کی ضرورت ہے۔ اگرچہ حکومت نے گردش قرضوں میں کمی بھی خالص بہاؤ کو روکنے کا عہد کیا ہے، لیکن اسٹاک کم کرنے میں لاگتی اصلاحات بھی اتنی ہی اہم ہوں گی۔ پاکستان کے لیے کئی سالوں میں یہ بہترین موقع ہے کہ وہ اپنے آپ کو پائیدار ترقی کی راہ پر گامزن کرے، یہ ایک ایسا موقع جسے ضائع نہیں کیا جانا چاہیے۔

HBL کے نتائج چیلنجنگ ماحول میں بھی بہترین رہے ہیں۔ ہم مالی شمولیت، پائیداری اور استعداد کار بڑھانے کے مقصد پر ثابت قدم ہیں۔ جدت طرازی کو فروغ دینے کا ہمارا عزم P@SHA کے ساتھ ہماری اسٹریٹجک پارٹنرشپ سے ظاہر ہوتا ہے جس نے مقامی آئی ٹی ٹیلنٹ کو پروان چڑھایا اور پاکستانی آئی ٹی کمپنیوں کو اپنی صلاحیتیں ظاہر کرنے کے لیے ایک عالمی پلیٹ فارم بھی فراہم کیا ہے۔ بینک نے حال ہی میں She's Next کی اسپانسرشپ کے تیسرے دور کا انعقاد کیا، جو بیزا کے ساتھ اس کا مشترکہ پروگرام ہے جس کا مقصد خواتین کاروباری افراد کو رہنمائی فراہم کرنا ہے۔ ہمارا ڈیجیٹلائزیشن ایجنڈا تمام کاروباروں میں حجم بڑھا رہا ہے۔ HBL کے موبائل اور انٹرنیٹ بینکنگ کے 3.5 ملین سے زائد فعال کسٹمر نے 2024 کے 9 ماہ میں 5.5 بلین روپے سے زائد کی ٹرانزیکشنز کیں جبکہ کیش مینجمنٹ میں ہمارے 13.7 ٹریلین روپے میں سے 71% ڈیجیٹل طریقے سے پروسیس کیا جاتا ہے۔ ہمارا مارکیٹ لیڈر پی او ایس نیٹ ورک وسیع ہو رہا ہے اور اس سال اب تک 320 بلین روپے پر اسیس کر چکا ہے جو پاکستان کے کل پی او ایس پروسیس کا ایک تہائی سے زیادہ ہے۔

HBL کی کاوشوں کو ہمارے آپریشنز کے تمام شعبوں میں مقامی اور بین الاقوامی اداروں کی جانب سے آزادانہ طور پر تسلیم کیا جاتا ہے۔ فائرسٹیٹی سے لے کر انویسٹمنٹ بینکنگ تک۔ اس سہ ماہی میں، ہمیں مقامی طور پر دو ایوارڈ ملے، جو ہمارے لیے خاص اہمیت کے حامل ہیں۔ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس نے HBL کے بورڈ آف ڈائریکٹرز کو تمام صنعتوں میں ملک میں بہترین قرار دیا ہے جس نے گورننس کے غیر معمولی معیارات پر ہمارے عزم کا اعادہ کیا ہے۔ فیڈریشن آف پاکستان چیمبرز آف کامرس اینڈ انڈسٹری نے ہمیں پاکستان کے بہترین کنونشنل بینک کے اعزاز سے نوازا ہے جو پاکستان کی مجموعی اور اقتصادی ترقی میں اپنا کردار ادا کرنے پر ہماری بھرپور توجہ کا ثبوت ہے۔

## اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی وقت میں، انھوں نے ایسی پالیسیاں بنائیں اور اقدامات کیے جو مصلحت پر مبنی، اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جن میں سے کئی نسلوں سے ہمارے ساتھ منسلک ہیں اور جو اپنے کاروبار اور اعتماد کے ذریعے اپنا بھروسہ جاری رکھے ہوئے ہیں۔ ہمارے شیئرز ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکرگزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، لیکن یقینی طور پر کسی سے کم نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمرز کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکرگزار ہیں، جنہوں نے ان دو سالوں میں خطرناک وبائی حالات میں بہادری کا مظاہرہ کرتے ہوئے بحران کے اس وقت میں ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنائی۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معین احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

16 اکتوبر 2024ء





# Consolidated Financial Statements





# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
<b>ASSETS</b>			
Cash and balances with treasury banks	5	554,404,989	547,528,581
Balances with other banks	6	68,838,898	56,603,548
Lendings to financial institutions	7	41,389,811	88,598,160
Investments	8	3,186,285,087	2,562,299,087
Advances	9	1,848,217,072	1,861,344,592
Property and equipment	10	128,712,117	117,239,722
Right-of-use assets	11	25,841,473	24,654,745
Intangible assets	12	23,226,843	22,720,543
Deferred tax assets	19	-	480,874
Other assets	13	327,474,076	252,878,451
		<b>6,204,390,366</b>	<b>5,534,348,303</b>
<b>LIABILITIES</b>			
Bills payable	14	48,349,894	51,700,823
Borrowings	15	539,958,133	665,042,679
Deposits and other accounts	16	4,809,351,714	4,142,351,836
Lease liabilities	17	33,762,328	30,489,986
Subordinated debt	18	20,374,000	19,699,000
Deferred tax liabilities	19	10,824,625	-
Other liabilities	20	330,184,612	259,043,326
		<b>5,792,805,306</b>	<b>5,168,327,650</b>
<b>NET ASSETS</b>		<b>411,585,060</b>	<b>366,020,653</b>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		106,200,740	100,805,157
Surplus on revaluation of assets - net of tax	21	58,153,651	25,857,323
Unappropriated profit		231,003,300	221,883,756
Total equity attributable to the equity holders of the Bank		<b>410,026,216</b>	<b>363,214,761</b>
Non-controlling interest		<b>1,558,844</b>	<b>2,805,892</b>
		<b>411,585,060</b>	<b>366,020,653</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Raymond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director



# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	January 01 to September 30, 2024	January 01 to September 30, 2023	July 01 to September 30, 2024	July 01 to September 30, 2023
		(Rupees in '000)			
Mark-up / return / profit / interest earned	24	625,448,323	509,965,767	217,894,310	190,768,778
Mark-up / return / profit / interest expensed	25	440,160,149	332,106,284	154,172,294	125,782,767
Net mark-up / return / profit / interest income		185,288,174	177,859,483	63,722,016	64,986,011
<b>Non mark-up / interest income</b>					
Fee and commission income	26	36,578,176	30,458,872	12,418,458	10,680,111
Dividend income		2,707,304	1,982,094	1,281,086	155,203
Share of profit of associates and joint venture		3,859,798	3,212,506	1,423,046	1,037,929
Foreign exchange income / (loss)		5,577,357	1,639,398	(583,158)	(955,992)
Income / (loss) from derivatives		4,947,966	(3,140,330)	1,479,890	2,011,230
Gain / (loss) on securities - net	27	6,565,936	(307,328)	4,989,325	(79,989)
Other income	28	469,136	4,347,253	170,859	182,160
Total non mark-up / interest income		60,705,673	38,192,465	21,179,506	13,030,652
Total income		245,993,847	216,051,948	84,901,522	78,016,663
<b>Non mark-up / interest expenses</b>					
Operating expenses	29	138,968,168	123,298,170	47,162,592	43,949,709
Workers' Welfare Fund		1,766,365	1,711,805	584,737	609,617
Other charges	30	350,644	82,090	191,807	5,610
Total non mark-up / interest expenses		141,085,177	125,092,065	47,939,136	44,564,936
<b>Profit before credit loss allowance and taxation</b>		104,908,670	90,959,883	36,962,386	33,451,727
Credit loss allowance and write offs - net	31	19,031,536	7,431,402	8,933,344	1,432,388
<b>Profit before taxation</b>		85,877,134	83,528,481	28,029,042	32,019,339
<b>Taxation</b>	32	42,622,238	40,557,222	13,831,193	15,388,058
<b>Profit after taxation</b>		43,254,896	42,971,259	14,197,849	16,631,281
<b>Attributable to:</b>					
Equity holders of the Bank		44,044,843	42,829,432	14,450,194	16,636,075
Non-controlling interest		(789,947)	141,827	(252,345)	(4,794)
		43,254,896	42,971,259	14,197,849	16,631,281
-----Rupees-----					
<b>Basic and diluted earnings per share</b>	33	30.03	29.20	9.85	11.34

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



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

## FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	January 01 to September 30, 2024	January 01 to September 30, 2023	July 01 to September 30, 2024	July 01 to September 30, 2023
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period attributable to:</b>				
Equity holders of the Bank	44,044,843	42,829,432	14,450,194	16,636,075
Non-controlling interest	(789,947)	141,827	(252,345)	(4,794)
	43,254,896	42,971,259	14,197,849	16,631,281
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified to the profit and loss account in subsequent periods:</b>				
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	1,642,968	10,507,419	2,546,443	(2,080,636)
(Decrease) / increase in share of exchange translation reserve of associates - net of tax	(684,243)	497,268	(7,636)	291,242
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	31,558,895	-	24,317,058	-
Non-controlling interest	56,391	-	40,694	-
	31,615,286	-	24,357,752	-
Movement in surplus / deficit on revaluation of available for sale investments - net of tax, attributable to:				
Equity holders of the Bank	-	(4,503,364)	-	2,499,060
Non-controlling interest	-	22,377	-	20,614
	-	(4,480,987)	-	2,519,674
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(97,906)	(320,933)	430,776	(126,251)
<b>Items that are not to be reclassified to the profit and loss account in subsequent periods:</b>				
Movement in surplus / deficit on revaluation of property, equipment and non banking assets - net of tax, attributable to:				
Equity holders of the Bank	-	15,966,442	-	10,639
Non-controlling interest	-	52,989	-	185
	-	16,019,431	-	10,824
Movement in share of surplus / deficit on revaluation of property and equipment of associates - net of tax	-	(6,355)	-	(157)
Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax	2,310,422	-	1,573,195	-
Share of remeasurement gain on defined benefit obligations of associates - net of tax	5,262	8,633	-	-
<b>Total comprehensive income</b>	<u>78,046,685</u>	<u>65,195,735</u>	<u>43,098,379</u>	<u>17,245,977</u>
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the Bank	78,780,241	64,978,542	43,310,030	17,229,972
Non-controlling interest	(733,556)	217,193	(211,651)	16,005
	<u>78,046,685</u>	<u>65,195,735</u>	<u>43,098,379</u>	<u>17,245,977</u>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Raymond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

## FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	Capital	Non-distributable	On acquisition of common control entity	Investments				
	(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 nine months ended September 30, 2023</b>												
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	42,829,432	42,829,432	141,827	42,971,259
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	10,507,419	-	-	-	-	-	10,507,419	-	10,507,419
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	497,268	-	-	-	-	-	497,268	-	497,268
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	8,633	8,633	-	8,633
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(4,503,364)	15,966,442	-	11,463,078	75,366	11,538,444
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(320,933)	(6,355)	-	(327,288)	-	(327,288)
Transferred to statutory reserves	-	214,354	4,281,710	11,004,687	-	-	(4,824,297)	15,960,087	42,838,065	64,978,542	217,193	65,195,735
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(133,990)	133,990	-	-	(48,856)
Derecognition of joint venture	-	(1,444,256)	-	(1,951,567)	-	-	2,993	-	1,441,263	(1,951,567)	-	(1,951,567)
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)
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)
	14,668,525	1,293,922	47,411,786	50,780,143	547,115	(156,706)	(30,892,992)	43,128,452	211,236,199	338,016,444	2,866,419	340,882,863
<b>Balance as at September 30, 2023</b>												
<b>Comprehensive income for the three months ended December 31, 2023</b>												
Profit / (loss) after taxation for the three months ended December 31, 2023	-	-	-	-	-	-	-	-	14,846,608	14,846,608	(60,451)	14,786,157
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	(462,316)	-	-	-	-	-	(462,316)	-	(462,316)
Decrease in share of exchange translation reserve of associates - net of tax	-	-	-	(12,677)	-	-	-	-	-	(12,677)	-	(12,677)
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	-	-	-	-	-	-	-	-	(941)	(941)	-	(941)
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	13,548,164	33,581	-	13,581,745	3,945	13,585,690
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	62,867	(373)	-	62,494	-	62,494
Transferred to statutory reserves	-	-	1,403,890	-	-	-	-	-	(1,355,034)	48,856	-	48,856
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(22,376)	22,376	-	-	-
<b>Transactions with owners, recorded directly in equity</b>												
3rd interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
	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
<b>Balance as at December 31, 2023</b>												
Change in accounting policy as at January 01, 2024 - note 3.3	-	-	-	-	-	-	(954,904)	-	(13,668,720)	(14,623,624)	(256,424)	(14,880,048)
<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)	(18,236,865)	43,139,284	208,215,036	348,591,137	2,549,468	351,140,605
<b>Comprehensive income for the nine months ended September 30, 2024</b>												
Profit / (loss) after taxation for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	44,044,843	44,044,843	(789,947)	43,254,896
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	1,642,968	-	-	-	-	-	1,642,968	-	1,642,968
Decrease in share of exchange translation reserve of associates - net of tax	-	-	-	(684,243)	-	-	-	-	-	(684,243)	-	(684,243)
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	5,262	5,262	-	5,262
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	2,310,422	-	-	2,310,422	-	2,310,422
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	31,558,895	-	-	31,558,895	56,391	31,615,286
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(97,906)	-	-	(97,906)	-	(97,906)
Transferred to statutory reserves	-	97,864	4,338,994	958,725	-	-	33,771,411	-	44,050,105	78,780,241	(733,556)	78,046,685
Net realised gain on equity investments designated at FVOCI - net of tax	-	-	-	-	-	-	-	-	(4,436,858)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(451,190)	-	451,190	-	-	-
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(98,006)	98,006	-	-	-
<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)
1st interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
2nd interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
	14,668,525	1,391,786	53,154,670	51,263,875	547,115	(156,706)	15,078,607	43,075,044	231,003,300	410,026,216	1,558,844	411,585,060

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

**Muhammad Nassir Salim**  
President and  
Chief Executive Officer

**Rayomond Kotwal**  
Chief Financial Officer

**Saba Kamal**  
Director

**Dr. Najeeb Samie**  
Director

**Moez Ahamed Jamal**  
Director





# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	January 01 to September 30, 2024	January 01 to September 30, 2023
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	85,877,134	83,528,481
Dividend income	(2,707,304)	(1,982,094)
Share of profit of associates and joint venture	(3,859,798)	(3,212,506)
Mark-up / return / profit / interest expensed on subordinated debt	3,234,146	3,126,563
	<u>(3,332,956)</u>	<u>(2,068,037)</u>
	82,544,178	81,460,444
<b>Adjustments:</b>		
Depreciation	8,073,306	7,066,703
Amortisation	2,038,826	1,587,089
Depreciation on right-of-use assets	3,380,134	3,456,482
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,626,452	2,956,170
(Reversal) / charge of credit loss allowance against investments	(1,090,312)	1,106,172
Credit loss allowance against loans and advances	17,389,317	6,632,379
Provision / credit loss allowance against other assets	343,210	876,697
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	2,553,118	(108,955)
Unrealised gain on securities designated at fair value through profit and loss (FVTPL)	(2,604,456)	-
Unrealised loss on held-for-trading securities	-	45,320
Exchange loss / (gain) on goodwill	166,919	(947,686)
Gain on derecognition of joint venture	-	(3,731,399)
Gain on sale of property and equipment - net	(32,040)	(47,795)
Workers' Welfare Fund	1,766,365	1,711,805
	<u>34,610,839</u>	<u>20,602,982</u>
	117,155,017	102,063,426
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	47,208,349	35,379,934
Net investment in securities carried at FVTPL	65,843,672	-
Net investment in held-for-trading securities	-	13,492,701
Advances	(30,903,597)	(6,680,960)
Other assets (excluding advance taxation)	(45,101,849)	(80,045,386)
	<u>37,046,575</u>	<u>(37,853,711)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(3,350,929)	855,567
Borrowings from financial institutions	(125,084,546)	219,114,953
Deposits and other accounts	666,999,878	505,758,845
Other liabilities	77,476,105	85,149,390
	<u>616,040,508</u>	<u>810,878,755</u>
	770,242,100	875,088,470
Income tax paid	(58,359,343)	(38,371,437)
	<u>711,882,757</u>	<u>836,717,033</u>
<b>Net cash flows generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in securities carried at FVOCI	(636,013,540)	-
Net investment in securities carried at Amortised Cost	(11,485,609)	-
Net investment in available-for-sale securities	-	(541,465,226)
Net investment in held-to-maturity securities	-	(36,271,030)
Net investment in associates	(1,903,059)	(2,468,249)
Dividend received	2,631,790	1,962,288
Investments in property and equipment	(19,551,522)	(11,639,426)
Investments in intangible assets	(2,379,072)	(2,658,047)
Proceeds from sale of property and equipment	84,384	163,133
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	958,725	11,004,687
<b>Net cash flows used in investing activities</b>	<u>(667,657,903)</u>	<u>(581,371,870)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of subordinated debt	675,000	-
Payment of mark-up on subordinated debt	(3,256,522)	(3,141,024)
Payment of lease liability against right-of-use assets	(3,141,378)	(3,533,042)
Dividend paid	(19,390,196)	(10,901,392)
<b>Net cash flows used in financing activities</b>	<u>(25,113,096)</u>	<u>(17,575,458)</u>
<b>Increase in cash and cash equivalents during the period</b>	19,111,758	237,769,705
Cash and cash equivalents at the beginning of the period	621,766,036	330,545,077
Effect of exchange rate changes on cash and cash equivalents	(17,633,907)	6,983,331
	<u>604,132,129</u>	<u>337,528,408</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>623,243,887</u>	<u>575,298,113</u>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Raymond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 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 – 89.38% (December 31, 2023: 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 1,727 (December 31, 2023: 1,728) branches inside Pakistan including 408 (December 31, 2023: 408) Islamic Banking Branches and 28 (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 has transferred the business to its new owners. The deregistration and related exit formalities are underway.
- 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 commenced operations on March 14, 2024 as 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.

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

- 1.6 During the period, the Bank has subscribed to 600 million Rights shares issued by HBL Microfinance Bank Limited (HBL MfB). Post acquisition, the Bank's shareholding in HBL MfB has increased from 79.92% to 89.38%.

## 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 NINE MONTHS ENDED SEPTEMBER 30, 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 the SBP via BPRD Circular letter no. 7 of 2023, IFRS 9, Financial Instruments is effective in Pakistan 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. The results of associated companies of the Bank, operating in Pakistan, to which IFRS 9 does not apply, will be directly incorporated in the Group's financial statements for the year ending December 31, 2024. The results of overseas associates will be incorporated in the Group's financial statements as per the respective host country's regulations till the adoption of IFRS9 in those jurisdictions.

The SBP, via BPRD Circular letter no. 16 of 2024, has extended the timeline for compliance with the following requirements of IFRS 9 to accounting periods beginning October 01, 2024:

- a- Recognition of interest income/ expense under the effective interest rate method;
- b- Measurement of staff loans at fair value;
- c- Accounting for modified loans.

Additionally, the same circular allows banks to continue measuring unlisted equity securities at the lower of cost or breakup value up to 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. Except for the relaxations given by SBP as mentioned in note 2.3 above, 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.

## 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.

### 3.1 IFRS 9 Financial Instruments

The key changes to the Bank's accounting policies resulting from its adoption of IFRS 9 are summarized below:

#### 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 realised 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.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Unlisted equity securities will be carried at lower of cost or breakup value till December 31, 2024. Thereafter these will be carried at Fair value.

## 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 do not have a fixed maturity; or
  - b. which are not classified as either at amortised cost or at FVOCI.

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, other than unlisted equity securities, are subsequently measured at fair value. Changes in the fair value of these securities are taken to the profit and loss account.

Changes in the value of unlisted equity securities, carried at the lower of cost or breakup value, are taken to the profit and loss account.

### Equity and debt securities classified as FVOCI

These securities, other than unlisted equity 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.

Changes in the value of unlisted equity securities, carried out at the lower of cost or breakup value, are recorded in OCI. When these are derecognised, gains and losses 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 the 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 June 30, 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.





# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

Financial Assets / Liabilities	Previous classification	Classification under IFRS 9	Carrying	Change in classification	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	-	256,555,779
Available for Sale	AFS	FVOCI	1,825,859,417	(15,911,835)	(458,275)	1,809,489,307
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	-	(26,641,800)	1,834,702,792
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>(27,165,922)</b>	<b>5,331,944,297</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>1,691,810</b>	<b>5,143,865,936</b>
<b>Net Financial Assets</b>			<b>216,936,093</b>	<b>-</b>	<b>(28,857,732)</b>	<b>188,078,361</b>
Net Non Financial Assets			149,084,560	-	13,977,684	163,062,244
<b>Total Net Assets</b>			<b>366,020,653</b>	<b>-</b>	<b>(14,880,048)</b>	<b>351,140,605</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
- Determining whether an asset shows a significant increase in credit risk.

### 3.3 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:

	(Rupees in '000)
Closing balance as at December 31, 2023 - as reported	221,883,756
IFRS 9 ECL - attributable to equity holders of the Bank	(28,437,365)
Transfer out - impact of impairment of equity securities	1,872,360
Deferred tax in relation to the above	12,896,285
	(13,668,720)
Closing balance as at January 01, 2024 under IFRS 9 - as restated	208,215,036
<b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2023 - as reported	(17,281,961)
Transfer in - impact of impairment of equity securities	(1,872,360)
Deferred tax in relation to the above	917,456
	(954,904)
Closing balance as at January 01, 2024 under IFRS 9 - as restated	(18,236,865)

## 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.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
(Rupees in '000)			
In hand			
Local currency		67,776,739	63,349,493
Foreign currencies		7,180,037	11,447,241
		<u>74,956,776</u>	<u>74,796,734</u>
With State Bank of Pakistan in			
Local currency current accounts		218,840,498	181,431,231
Foreign currency current accounts		13,740,217	12,284,194
Foreign currency deposit accounts		27,903,527	25,275,511
		<u>260,484,242</u>	<u>218,990,936</u>
With other central banks in			
Foreign currency current accounts		65,654,372	72,585,029
Foreign currency deposit accounts		44,815,503	32,466,191
		<u>110,469,875</u>	<u>105,051,220</u>
With National Bank of Pakistan in			
Local currency current accounts		105,776,939	147,163,939
Local currency deposit account		2,474,837	1,207,332
		<u>108,251,776</u>	<u>148,371,271</u>
National Prize Bonds		242,320	318,420
		<u>554,404,989</u>	<u>547,528,581</u>
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		187,198	275,804
In deposit accounts		312,948	3,299,072
		<u>500,146</u>	<u>3,574,876</u>
Outside Pakistan			
In current accounts		28,205,064	31,783,584
In deposit accounts		40,134,334	21,245,088
		<u>68,339,398</u>	<u>53,028,672</u>
Less: credit loss allowance	6.1	(646)	-
Balances with other banks - net of credit loss allowance		<u>68,838,898</u>	<u>56,603,548</u>
6.1 Balances with other banks are all classified as Stage 1			
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		13,500,000	17,000,000
Repurchase agreement lendings (reverse repo)		15,592,054	71,598,160
Bai Muajjal receivable from financial institutions		12,306,680	-
		<u>41,398,734</u>	<u>88,598,160</u>
Less: credit loss allowance	7.1	(8,923)	-
Lendings to financial institutions - net of credit loss allowance		<u>41,389,811</u>	<u>88,598,160</u>
7.1 Lendings to financial institutions are all classified as Stage 1			



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

8	INVESTMENTS	Note	September 30, 2024 (Unaudited)				December 31, 2023 (Audited)		
			Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)

(Rupees in '000)

## 8.1 Investments by type

### Fair value through profit and loss (FVTPL)

<b>Federal Government securities</b>								
- Market Treasury Bills	97,726,164	-	1,078,806	98,804,970	-	-	-	-
- Pakistan Investment Bonds	55,950,431	-	952,076	56,902,507	-	-	-	-
- Ijarah Sukuk	3,067,434	-	155,396	3,222,830	-	-	-	-
- Other Federal Government securities	2,819,404	-	-	2,819,404	-	-	-	-
<b>Shares</b>								
- Listed companies	1,015,481	-	(44,566)	970,915	-	-	-	-
- Unlisted companies	4,353,939	-	-	4,353,939	-	-	-	-
<b>Non-Government debt securities</b>								
- Listed	1,891,233	-	4,286	1,895,519	-	-	-	-
- Unlisted	1,632,625	-	(20)	1,632,605	-	-	-	-
<b>Foreign securities</b>								
- Government debt securities	5,541,113	-	(329,902)	5,211,211	-	-	-	-
<b>Preference shares</b>								
- Listed	877,400	-	(95,900)	781,500	-	-	-	-
- Unlisted	38,481	-	-	38,481	-	-	-	-
<b>Real Estate Investment Trust units - Listed</b>	<b>2,210,700</b>	<b>-</b>	<b>884,280</b>	<b>3,094,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	177,124,405	-	2,604,456	179,728,861	-	-	-	-

### Held for trading (HFT) securities

<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

### Fair value through other comprehensive income (FVOCI)

<b>Federal Government securities</b>								
- Market Treasury Bills	526,571,949	-	8,407,049	534,978,998	-	-	-	-
- Pakistan Investment Bonds	1,366,752,976	-	9,440,245	1,376,193,221	-	-	-	-
- Ijarah Sukuk	288,982,171	-	8,942,257	297,924,428	-	-	-	-
- Government of Pakistan US Dollar Bonds	12,444,763	(2,316,841)	1,685,817	11,813,739	-	-	-	-
<b>Shares</b>								
- Listed companies	18,648,428	-	1,371,930	20,020,358	-	-	-	-
- Unlisted companies	1,018,949	-	(137,414)	881,535	-	-	-	-
<b>Non-Government debt securities</b>								
- Listed	49,440,214	(1,452,665)	540,366	48,527,915	-	-	-	-
- Unlisted	985,231	(392,215)	18,937	611,953	-	-	-	-
<b>Foreign securities</b>								
- Government debt securities	191,120,174	(1,458,925)	796,093	190,457,342	-	-	-	-
- Non-Government debt securities - Listed	13,622,518	(1,376,495)	295,634	12,541,657	-	-	-	-
- Equity securities - Unlisted	6,437	-	-	6,437	-	-	-	-
<b>National Investment Unit Trust units</b>	<b>11,113</b>	<b>-</b>	<b>49,722</b>	<b>60,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Real Estate Investment Trust units - Listed</b>	<b>55,000</b>	<b>-</b>	<b>30,700</b>	<b>85,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	2,469,659,923	(6,997,141)	31,441,336	2,494,104,118	-	-	-	-



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 8 INVESTMENTS - continued

Note	September 30, 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>									
- 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	
	-	-	-	-	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	164,684,680	-	-	164,684,680	-	-	-	-	
- Pakistan Investment Bonds	248,745,363	-	-	248,745,363	-	-	-	-	
- Ijarah Sukuk	15,234,898	-	-	15,234,898	-	-	-	-	
- Government of Pakistan US Dollar Bonds	1,255,325	-	-	1,255,325	-	-	-	-	
<b>Non-Government debt securities</b>									
- Listed	899,220	(3,375)	-	895,845	-	-	-	-	
- Unlisted	24,977,755	(803,842)	-	24,173,913	-	-	-	-	
<b>Foreign Securities</b>									
- Government debt securities	15,774,300	(15,723)	-	15,758,577	-	-	-	-	
	471,571,541	(822,940)	-	470,748,601	-	-	-	-	
<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>	8.1.1	43,520,883	-	(1,817,376)	41,703,507	37,758,026	-	(1,625,403)	36,132,623
<b>Total Investments</b>		<u>3,161,876,752</u>	<u>(7,820,081)</u>	<u>32,228,416</u>	<u>3,186,285,087</u>	<u>2,605,814,933</u>	<u>(10,283,770)</u>	<u>(33,232,076)</u>	<u>2,562,299,087</u>

8.1.1 This represents the Group's share of the surplus / (deficit) on investments held by these entities.





# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited) (Audited)  
September 30, December 31,  
2024 2023  
(Rupees in '000)

## 8.1.2 Investments given as collateral

The market value of investments given as collateral against borrowings is as follows:

### Federal Government securities

- Market Treasury Bills
- Pakistan Investment Bonds

27,787,295	30,947,292
212,872,483	336,459,407

### Foreign securities

- Government debt securities

1,498,240	-
<u>242,158,018</u>	<u>367,406,699</u>

(Unaudited) (Audited)  
September 30, December 31,  
2024 2023  
(Rupees in '000)

## 8.2 Credit loss allowance for diminution in value of investments

Opening balance

10,283,770	8,924,913
------------	-----------

Impact of adoption of IFRS 9

(1,340,461)	-
-------------	---

Exchange adjustment

(32,916)	1,542,961
----------	-----------

Charge / (reversal)

Charge for the period / year

820,886	2,424,752
---------	-----------

Reversal for the period / year

(307,203)	(1,658,491)
-----------	-------------

Reversal on disposal during the period / year

(1,603,995)	(950,365)
-------------	-----------

Net reversal

(1,090,312)	(184,104)
-------------	-----------

Closing balance

<u>7,820,081</u>	<u>10,283,770</u>
------------------	-------------------

## 8.3 Particulars of credit loss allowance against debt securities

(Unaudited)

September 30, 2024

### Category of classification

Outstanding amount	Credit loss allowance held
--------------------	----------------------------

----- (Rupees in '000) -----

### Domestic

Performing

2,871,467,583	218,015
---------------	---------

Underperforming

1,662,500	20,070
-----------	--------

Non-performing

Substandard

-	-
---	---

Doubtful

-	-
---	---

Loss

997,231	997,231
---------	---------

<u>2,874,127,314</u>	<u>1,235,316</u>
----------------------	------------------

### Overseas

Performing

217,447,555	102,553
-------------	---------

Under performing

28,463,198	4,413,298
------------	-----------

Non-performing

Substandard

-	-
---	---

Doubtful

-	-
---	---

Loss

2,068,914	2,068,914
-----------	-----------

<u>247,979,667</u>	<u>6,584,765</u>
--------------------	------------------

Total

<u>3,122,106,981</u>	<u>7,820,081</u>
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# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,511,442,560	1,494,700,962	89,777,428	80,835,932	1,601,219,988	1,575,536,894
	Islamic financing and related assets	38.3	193,025,249	208,404,435	21,195,737	11,309,850	214,220,986	219,714,285
	Bills discounted and purchased		166,456,260	159,652,327	8,744,330	9,753,378	175,200,590	169,405,705
	Advances - gross		<b>1,870,924,069</b>	1,862,757,724	<b>119,717,495</b>	101,899,160	<b>1,990,641,564</b>	1,964,656,884
	Credit loss allowance							
	- Stage 1		(12,105,271)	-	-	-	(12,105,271)	-
	- Stage 2		(22,169,701)	-	-	-	(22,169,701)	-
	- Stage 3	9.3	-	-	(103,451,443)	-	(103,451,443)	-
	Specific		-	-	(4,284,442)	(84,920,073)	(4,284,442)	(84,920,073)
	General		(413,635)	(18,392,219)	-	-	(413,635)	(18,392,219)
			<b>(34,688,607)</b>	(18,392,219)	<b>(107,735,885)</b>	(84,920,073)	<b>(142,424,492)</b>	(103,312,292)
	Advances - net of credit loss allowance		<b>1,836,235,462</b>	1,844,365,505	<b>11,981,610</b>	16,979,087	<b>1,848,217,072</b>	1,861,344,592

(Unaudited) (Audited)  
September 30, December 31,  
2024 2023  
(Rupees in '000)

## 9.1 Particulars of advances (gross)

In local currency	1,479,527,922	1,449,318,068
In foreign currencies	511,113,642	515,338,816
	<b>1,990,641,564</b>	<b>1,964,656,884</b>

9.2 Advances include Rs 119,717.495 million (December 31, 2023: Rs 101,899.160 million) which have been placed under non-performing (stage 3) status as detailed below:

Category of classification	(Unaudited) September 30, 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	3,917,751	2,628,242	1,385,321	28,840
Substandard	22,648,849	16,563,623	7,023,482	1,622,140
Doubtful	4,658,508	3,685,856	11,508,302	5,749,844
Loss	53,786,014	52,664,486	43,820,506	43,110,623
	<b>85,011,122</b>	<b>75,542,207</b>	63,737,611	50,511,447
<b>Overseas</b>				
Substandard	868,212	136,828	352,121	104,190
Doubtful	1,199,264	620,266	1,287,364	640,576
Loss	32,638,897	31,436,584	36,522,064	33,663,860
	<b>34,706,373</b>	<b>32,193,678</b>	38,161,549	34,408,626
	<b>119,717,495</b>	<b>107,735,885</b>	101,899,160	84,920,073



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 9.3 Particulars of credit loss allowance against advances

	(Unaudited)					
	September 30, 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	12,116,768	25,952,378	87,154,347	(80,578,491)	(18,003,202)	26,641,800
Opening balance - as restated	12,116,768	25,952,378	87,154,347	4,341,582	389,017	129,954,092
Transfer to stage 1	268,105	(264,330)	(3,775)	-	-	-
Transfer to stage 2	(1,167,731)	1,234,730	(66,999)	-	-	-
Transfer to stage 3	(256,076)	(3,051,473)	3,307,549	-	-	-
Exchange adjustment	(12,707)	(17,750)	(564,898)	(68,319)	(130)	(663,804)
Charge for the period	5,749,014	6,972,137	24,848,931	65,414	41,842	37,677,338
Reversal for the period	(4,592,102)	(8,655,991)	(6,968,599)	(54,235)	(17,094)	(20,288,021)
Net charge / (reversal) against advances	1,156,912	(1,683,854)	17,880,332	11,179	24,748	17,389,317
Charged off during the period - agriculture financing	-	-	(128,495)	-	-	(128,495)
Written off during the period	-	-	(4,126,618)	-	-	(4,126,618)
Other movement	-	-	-	-	-	-
Closing balance	12,105,271	22,169,701	103,451,443	4,284,442	413,635	142,424,492

	(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	13,469,201
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	103,312,292

9.3.1 A management overlay of Rs. 3,752.845 million (January 01, 2024: Rs. 7,383.274 million) is held against specific borrowers to cover any additional risk that may arise due to these borrowers being impacted by a deterioration in the macroeconomic environment. The Bank will continue to assess the appropriateness of this overlay at each reporting period.

9.3.2 General provision represents Rs 413.635 million (January 01, 2024: Rs. 389.026 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.

## 9.4 Advances - Category of classification

	(Unaudited)	
	September 30, 2024	
	Outstanding amount	Credit loss allowance / provision held
	(Rupees in '000)	
<b>Domestic</b>		
Performing	1,108,469,576	7,990,699
Underperforming	394,777,181	20,773,096
Non-Performing	85,011,122	75,542,207
Total	1,588,257,879	104,306,002
<b>Overseas</b>		
Performing	329,746,715	4,528,205
Underperforming	37,930,597	1,396,607
Non-Performing	34,706,373	32,193,678
Total	402,383,685	38,118,490
	1,990,641,564	142,424,492



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

10	PROPERTY AND EQUIPMENT	Note	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023 (Rupees in '000)
	Capital work-in-progress	10.1	13,226,646	7,039,669
	Property and equipment		<u>115,485,471</u>	<u>110,200,053</u>
			<u>128,712,117</u>	<u>117,239,722</u>
10.1	<b>Capital work-in-progress</b>			
	Civil works		3,666,666	919,737
	Equipment		1,871,421	930,756
	Advances to suppliers and contractors		<u>7,688,560</u>	<u>5,189,176</u>
			<u>13,226,647</u>	<u>7,039,669</u>
10.2	<b>Additions to property and equipment</b>			
			(Unaudited)	
			For the nine months ended	
			September 30, 2024	September 30, 2023
			(Rupees in '000)	
	The following additions have been made to property and equipment during the period:			
	<b>Capital work-in-progress - net</b>		6,186,978	(341,335)
	<b>Property and equipment</b>			
	Leasehold land		1,633,340	1,747,513
	Building on leasehold land		4,105,559	935,593
	Machinery		13,203	79,106
	Leasehold improvements		1,197,448	3,008,174
	Furniture and fixtures		812,906	1,075,355
	Electrical, office and computer equipment		5,294,844	4,915,828
	Vehicles		<u>307,244</u>	<u>219,192</u>
			<u>13,364,544</u>	<u>11,980,761</u>
			<u>19,551,522</u>	<u>11,639,426</u>
10.3	<b>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		-	66,769
	Building on leasehold land		13,512	-
	Leasehold improvements		3,196	5,563
	Furniture and fixtures		3,630	3,254
	Electrical, office and computer equipment		9,558	38,689
	Vehicles		<u>22,448</u>	<u>1,063</u>
			<u>52,344</u>	<u>115,338</u>
11	<b>RIGHT-OF-USE ASSETS</b>			
			(Unaudited)	(Audited)
			September 30, 2024	December 31, 2023
			(Rupees in '000)	
	At January 1,			
	Cost		41,826,150	35,321,191
	Accumulated depreciation		<u>(17,171,405)</u>	<u>(12,502,961)</u>
	Net carrying amount at January 1,		24,654,745	22,818,230
	Exchange adjustment		(7,115)	712,874
	Additions during the period / year		5,084,072	5,994,979
	Deletions during the period / year		(510,095)	(128,537)
	Depreciation charge for the period / year		(3,380,134)	(4,426,688)
	Other adjustments		-	(316,113)
	Net carrying amount at the end of the period / year		<u>25,841,473</u>	<u>24,654,745</u>
12	<b>INTANGIBLE ASSETS</b>			
	Capital work-in-progress - computer software		8,330,134	6,632,627
	Computer software		7,580,879	8,939,025
	Other intangibles		<u>7,315,830</u>	<u>7,148,891</u>
			<u>23,226,843</u>	<u>22,720,543</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited)	
		September 30, 2024	September 30, 2023
		(Rupees in '000)	
12.1	<b>Additions to intangible assets</b>		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net	1,697,507	1,464,106
	Computer software	681,565	1,193,941
		<u>2,379,072</u>	<u>2,658,047</u>
13	<b>OTHER ASSETS</b>	(Unaudited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
	Mark-up / return / profit / interest accrued in local currency - net of provision	169,044,874	127,899,044
	Mark-up / return / profit / interest accrued in foreign currency - net of provision	9,062,544	9,693,481
	Advances, deposits, advance rent and other prepayments	7,785,777	4,588,818
	Advance taxation	11,881,532	4,886,206
	Advance against subscription of securities	360,674	903,514
	Stationery and stamps on hand	253,756	233,268
	Accrued fees and commissions	369,838	430,308
	Due from Government of Pakistan / SBP	11,322,088	8,009,124
	Mark to market gain on forward foreign exchange contracts	4,529,777	2,580,581
	Mark to market gain on derivative instruments	-	73,396
	Non-banking assets acquired in satisfaction of claims	188,975	242,317
	Receivable from defined benefit plan	845,404	845,404
	Acceptances	85,127,070	55,561,467
	Clearing and settlement accounts	22,820,524	37,268,393
	Dividend receivable	84,607	9,093
	Claims receivable against fraud and forgeries	758,427	634,106
	Inventory	124,605	-
	Deferred fair value loss	5,059,049	-
	Others	603,494	1,405,981
		<u>330,223,015</u>	<u>255,264,501</u>
	Provision / credit loss allowance held against other assets	(2,930,234)	(2,577,641)
	Other assets - net of credit loss allowance	327,292,781	252,686,860
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	181,295	191,591
	Other assets - total	<u>327,474,076</u>	<u>252,878,451</u>
13.1	This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). The Bank has amortized 5% of the loss in the current year as allowed by the SBP through letter no BPRD/BRD/PIAHCL/733688-2024 dated August 01, 2024.		
13.2	<b>Provision / credit loss allowance held against other assets</b>	(Unaudited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
	Claims receivable against fraud and forgeries	758,427	634,106
	Suit filed cases	4,979	4,979
	Others	2,166,828	1,938,556
		<u>2,930,234</u>	<u>2,577,641</u>





# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
<b>13.2.1 Movement in provision / 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		(4,453)	10,045
Charge for the period / year		374,460	1,240,885
Reversal for the period / year		(31,250)	(100,168)
Net charge		343,210	1,140,717
Written off during the period / year		(39,700)	(243,072)
Other movement		-	(121,940)
Closing balance		<u>2,930,234</u>	<u>2,577,641</u>
<b>14 BILLS PAYABLE</b>			
In Pakistan		47,134,637	49,538,342
Outside Pakistan		1,215,257	2,162,481
		<u>48,349,894</u>	<u>51,700,823</u>
<b>15 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the SBP under			
- Export refinance scheme		49,283,938	64,648,651
- Export refinance scheme for bill discounting		22,464,165	22,637,751
- Long term financing facility		32,427,371	37,066,139
- Financing facility for renewable energy power plants		6,895,873	7,216,949
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		637,506	607,955
- Refinance and credit guarantee scheme for women entrepreneurs		20,410	38,046
- Financing facility for storage of agricultural produce		464,949	597,743
- Refinance facility for combating COVID-19		1,192,158	1,567,557
- Temporary economic refinance facility		29,366,434	32,214,444
- Refinance facility for SME Asaan Finance (SAAF)		8,881,269	3,884,689
		<u>151,634,073</u>	170,479,924
Repurchase agreement borrowings		272,083,244	379,043,704
		<u>423,717,317</u>	549,523,628
<b>Unsecured</b>			
- Call money borrowings		1,700,000	320,000
- Overdrawn nostro accounts		2,865,979	500,700
- Borrowings of overseas branches and subsidiaries		55,057,820	46,183,741
- Other long-term borrowings	15.1	56,617,017	68,514,610
		<u>116,240,816</u>	115,519,051
		<u>539,958,133</u>	<u>665,042,679</u>
15.1 This includes the following:			
15.1.1 A loan from the International Finance Corporation amounting to US\$ 24.975 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.			
15.1.2 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\$ 166.288 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.			



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

15.1.3 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.

15.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 1,500.777 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 17.94% per annum (December 31, 2023: 6.50% to 15.19% per annum).

## 16 DEPOSITS AND OTHER ACCOUNTS

	September 30, 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	1,273,472,883	285,485,573	1,558,958,456	1,088,865,434	285,394,936	1,374,260,370
Savings deposits	2,100,004,450	155,159,581	2,255,164,031	1,585,284,462	161,853,706	1,747,138,168
Term deposits	463,223,836	444,344,391	907,568,227	459,615,841	366,737,732	826,353,573
	<b>3,836,701,169</b>	<b>884,989,545</b>	<b>4,721,690,714</b>	<b>3,133,765,737</b>	<b>813,986,374</b>	<b>3,947,752,111</b>
<b>Financial institutions</b>						
Current deposits	4,748,743	2,071,013	6,819,756	7,845,417	2,594,297	10,439,714
Savings deposits	55,433,598	543,313	55,976,911	164,505,304	711,626	165,216,930
Term deposits	8,955,776	15,908,557	24,864,333	9,413,843	9,529,238	18,943,081
	<b>69,138,117</b>	<b>18,522,883</b>	<b>87,661,000</b>	<b>181,764,564</b>	<b>12,835,161</b>	<b>194,599,725</b>
	<b>3,905,839,286</b>	<b>903,512,428</b>	<b>4,809,351,714</b>	<b>3,315,530,301</b>	<b>826,821,535</b>	<b>4,142,351,836</b>

## 17 LEASE LIABILITIES

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
Opening balance		30,489,986	27,079,479
Exchange adjustment		(48,982)	625,586
Additions during the period / year		3,836,250	4,804,564
Interest expense		2,626,452	3,346,432
Lease payments including interest		(3,141,378)	(5,684,422)
Others		-	318,347
Closing balance		<b>33,762,328</b>	<b>30,489,986</b>

### 17.1 Liabilities outstanding at the end of the period / year

Not later than one year	3,057,022	1,801,062
Later than one year and up to five years	10,164,108	6,984,974
Over five years	20,541,198	21,703,950
Total	<b>33,762,328</b>	<b>30,489,986</b>

## 18 SUBORDINATED DEBT

Additional Tier I Term Finance Certificates	18.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	18.1.2	6,500,000	6,500,000
Tier II Term Finance Certificates	18.2	1,500,000	825,000
		<b>20,374,000</b>	<b>19,699,000</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

- 18.1 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:

18.1.1	<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 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".

18.1.2	<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 NINE MONTHS ENDED SEPTEMBER 30, 2024

- 18.2 HBL MfB has issued 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>Issue Date</b>	December 22, 2023
<b>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 Issue 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 being 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) September 30, 2024	(Audited) December 31, 2023
<b>19 DEFERRED TAX LIABILITIES / (ASSETS)</b>			
		(Rupees in '000)	
<b>Deductible temporary differences on</b>			
- Tax losses of subsidiary		(3,410,860)	(1,705,743)
- Credit loss allowance against investments		(40,205)	(694,365)
- Credit loss allowance against doubtful debts and off-balance sheet obligations		(28,364,493)	(6,855,146)
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		(2,725,519)	(2,854,101)
- Deficit on revaluation of investments of associates	21	(890,514)	(796,447)
- Ijarah financing		(516,811)	(332,429)
- Others		(1,220,112)	(520,658)
		(37,168,514)	(13,758,889)
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		4,043,771	3,150,908
- Surplus on revaluation of property and equipment	21	3,881,242	3,965,450
- Surplus on revaluation of property and equipment of associates	21	198,534	198,534
- Surplus / (deficit) on revaluation of investments	21	15,400,449	(15,414,086)
- Management rights and goodwill		440,108	417,812
- Share of profit of associates		10,286,147	9,203,196
- Exchange translation reserve		13,742,888	11,756,201
		47,993,139	13,278,015
<b>Net deferred tax liabilities / (assets)</b>		<b>10,824,625</b>	<b>(480,874)</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
<b>20 OTHER LIABILITIES</b>			
		(Rupees in '000)	
Mark-up / return / profit / interest payable in local currency		74,944,867	43,728,872
Mark-up / return / profit / interest payable in foreign currency		9,226,105	10,057,593
Security deposits		1,712,900	1,597,855
Accrued expenses		37,568,795	34,680,771
Mark to market loss on forward foreign exchange contracts		8,615,236	4,536,179
Mark to market loss on derivative instruments		6,908,779	10,321,082
Unclaimed dividends		811,267	764,376
Dividends payable		240,822	2,075,679
Provision for post retirement medical benefits		4,255,611	3,966,429
Provision for employees' compensated absences		695,722	746,630
Credit loss allowance against off-balance sheet obligations	20.1	6,126,669	1,927,866
Acceptances		85,127,070	55,561,467
Branch adjustment account		4,204,953	7,089,493
Provision for staff retirement benefits		1,693,676	1,646,076
Payable to defined benefit plans		806,966	885,622
Provision for Workers' Welfare Fund		13,198,625	11,431,861
Unearned income		6,065,608	5,680,169
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		9,672,655	14,721,663
Insurance payable		709,880	686,026
Provision for rewards program expenses		3,607,191	2,699,951
Liability against trading of securities		665,407	15,963,126
Clearing and settlement accounts		39,109,394	18,094,230
Payable to HBL Foundation		629,352	866,494
Contingent consideration payable		500,000	500,000
Charity fund		59,545	10,578
Unclaimed deposits		945,008	2,030,722
Others		11,744,100	6,434,107
		<b>330,184,612</b>	<b>259,043,326</b>
<b>20.1 Credit loss allowance against off-balance sheet obligations</b>			
		(Rupees in '000)	
Opening balance		1,927,866	1,633,326
Impact of adoption of IFRS 9		1,691,809	-
Exchange adjustment		(46,124)	388,430
Charge for the period / year		2,594,874	191,387
Reversal for the period / year		(41,756)	(285,277)
Net charge / (reversal)		2,553,118	(93,890)
Closing balance		6,126,669	1,927,866





# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

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

	Note	September 30, 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		46,549,762	55,407	46,605,169	46,670,279	108,466	46,778,745
- Property and equipment of associates		405,171	-	405,171	405,171	-	405,171
- FVOCI securities - debt		30,068,336	58,062	30,126,398	-	-	-
- FVOCI securities - equity	8.1	1,314,938	-	1,314,938	-	-	-
- FVOCI securities held by associates		(1,817,376)	-	(1,817,376)	-	-	-
- 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 claims	13	181,295	-	181,295	191,591	-	191,591
		<b>76,702,126</b>	<b>113,469</b>	<b>76,815,595</b>	<b>13,787,273</b>	<b>75,835</b>	<b>13,863,108</b>
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Property and equipment		3,862,650	18,592	3,881,242	3,929,223	36,227	3,965,450
- Property and equipment of associates		198,534	-	198,534	198,534	-	198,534
- FVOCI securities - debt		14,733,485	22,644	14,756,129	-	-	-
- FVOCI securities - equity		644,320	-	644,320	-	-	-
- FVOCI securities held by associates		(890,514)	-	(890,514)	-	-	-
- 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		-	-	-	-	-	-
		<b>18,548,475</b>	<b>41,236</b>	<b>18,589,711</b>	<b>(12,070,050)</b>	<b>23,501</b>	<b>(12,046,549)</b>
Surplus on revaluation of assets - net of tax		<b>58,153,651</b>	<b>72,233</b>	<b>58,225,884</b>	<b>25,857,323</b>	<b>52,334</b>	<b>25,909,657</b>

## 22 CONTINGENCIES AND COMMITMENTS

	Note	(Unaudited)	(Audited)
		September 30, 2024	December 31, 2023
(Rupees in '000)			
- Guarantees	22.1	366,053,748	287,792,267
- Commitments	22.2	1,149,582,858	942,629,409
- Other contingent liabilities	22.3	22,921,589	23,112,726
		<b>1,538,558,195</b>	<b>1,253,534,402</b>
22.1 Guarantees:			
Financial guarantees		68,411,109	49,168,948
Performance guarantees		289,644,300	227,207,668
Other guarantees		7,998,339	11,415,651
		<b>366,053,748</b>	<b>287,792,267</b>
22.2 Commitments:			
Trade-related contingent liabilities		314,953,624	332,525,700
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	737,799,796	500,720,574
- forward Government securities transactions	22.2.2	14,609,986	24,383,498
- derivatives	22.2.3	46,963,082	53,095,033
- forward lending	22.2.4	23,338,695	19,813,834
		<b>822,711,559</b>	<b>598,012,939</b>
Commitments for acquisition of:			
- property and equipment		5,960,205	4,675,879
- intangible assets		5,957,470	7,414,891
		<b>11,917,675</b>	<b>12,090,770</b>
		<b>1,149,582,858</b>	<b>942,629,409</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	446,592,645	302,797,932
Sale	<u>291,207,151</u>	<u>197,922,642</u>
	<u>737,799,796</u>	<u>500,720,574</u>
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	14,012,892	21,450,842
Sale	<u>597,094</u>	<u>2,932,656</u>
	<u>14,609,986</u>	<u>24,383,498</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	1,957,125	2,289,956
Sale	<u>1,957,125</u>	<u>2,289,956</u>
	<u>3,914,250</u>	<u>4,579,912</u>
<b>Cross Currency swaps</b>		
Purchase	17,281,348	18,112,623
Sale	<u>25,067,484</u>	<u>28,827,498</u>
	<u>42,348,832</u>	<u>46,940,121</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	<u>700,000</u>	<u>1,575,000</u>
	<u>700,000</u>	<u>1,575,000</u>
	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	

<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>23,338,695</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>22,921,589</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 except for those disclosed in the consolidated financial statements for the year ended December 31, 2023.

## 23 DERIVATIVE INSTRUMENTS

Product Analysis	September 30, 2024 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss / (gain)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)					
Hedging	1,957,125	(147,416)	-	-	-	-
Market Making	1,957,125	147,416	42,348,832	(6,883,955)	700,000	(24,824)
	December 31, 2023 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss / (gain)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)					
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 NINE MONTHS ENDED SEPTEMBER 30, 2024

24	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note	(Unaudited)	
			For the nine months ended	
			September 30, 2024	September 30, 2023
			(Rupees in '000)	
	On:			
	Loans and advances		234,254,353	219,891,218
	Investments		368,462,091	260,514,532
	Lendings to financial institutions		12,721,292	21,673,477
	Balances with banks		10,010,587	7,886,540
			<b>625,448,323</b>	<b>509,965,767</b>
24.1	INTEREST INCOME RECOGNISED			
	On:			
	Financial assets measured at amortised cost		304,901,256	-
	Financial assets measured at FVOCI		295,703,356	-
	Financial assets measured at FVTPL		24,843,711	-
			<b>625,448,323</b>	<b>-</b>
25	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED			
	On:			
	Deposits		358,141,675	246,064,693
	Securities sold under repurchase agreement borrowings		44,597,099	54,229,336
	Borrowings		22,209,588	21,389,240
	Subordinated debt		3,234,146	3,126,563
	Cost of foreign currency swaps against foreign currency deposits / borrowings		9,351,189	4,340,282
	Lease liability against right-of-use assets		2,626,452	2,956,170
			<b>440,160,149</b>	<b>332,106,284</b>
26	FEE AND COMMISSION INCOME			
	Branch banking customer fees		4,170,661	3,566,064
	Branchless banking customer fees		354,572	625,923
	Commission on Government to Person (G2P) payments		895,351	1,002,087
	Consumer finance related fees		2,103,150	1,874,395
	Card related fees		11,632,387	9,702,819
	Merchant discount and interchange fees		6,005,909	5,019,509
	Credit related fees		1,902,135	1,993,246
	Investment banking fees		873,705	661,738
	Commission on trade related products and guarantees		6,812,160	5,677,293
	Commission on cash management		1,266,200	1,197,683
	Commission on remittances (including home remittances)		1,357,433	514,804
	Commission on bancassurance		949,708	519,228
	Management fee		1,968,356	979,169
	Wealth management fee		519,430	373,313
	Others		217,095	554,502
			<b>41,028,252</b>	<b>34,261,773</b>
	Less: Sales tax / Federal Excise Duty on fee and commission income		(4,450,076)	(3,802,901)
			<b>36,578,176</b>	<b>30,458,872</b>
27	GAIN / (LOSS) ON SECURITIES - NET			
	Realised	27.1	3,961,480	(262,008)
	Unrealised - measured at FVTPL	8.1	2,604,456	-
	Unrealised - held-for-trading		-	(45,320)
			<b>6,565,936</b>	<b>(307,328)</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) For the nine months ended	
	September 30, 2024	September 30, 2023
	(Rupees in '000)	
<b>27.1 Gain / (loss) on securities - realised</b>		
On:		
Federal Government securities		
- Market Treasury Bills	2,790,791	319,353
- Pakistan Investment Bonds	116,784	666,035
- Ijarah Sukuk	319,635	4,642
- Government of Pakistan US Dollar Bonds	-	(531,487)
Shares	1,016,487	(687,684)
Non-Government debt securities	11,785	(32,867)
Foreign securities	(294,002)	-
	<u>3,961,480</u>	<u>(262,008)</u>
<b>27.1.1 Composition of gain on securities - realised</b>		
Net gain on securities measured at FVTPL	2,271,506	-
Net gain on debt securities measured at FVOCI	1,689,974	-
	<u>3,961,480</u>	<u>-</u>
<b>28 OTHER INCOME</b>		
Incidental charges	430,498	564,293
Gain on derecognition of joint venture	-	3,731,399
Gain on sale of property and equipment - net	32,040	47,795
Rent on properties	6,598	3,766
	<u>469,136</u>	<u>4,347,253</u>
<b>29 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	49,428,806	44,423,978
<b>Property expense</b>		
Rent and taxes	1,056,835	1,017,395
Insurance	248,316	260,170
Utilities cost	4,706,462	3,992,791
Security (including guards)	2,701,879	2,197,666
Repair and maintenance (including janitorial charges)	4,048,716	3,340,768
Depreciation on owned property and equipment	4,134,136	3,991,372
Depreciation on right-of-use assets	3,380,134	3,456,482
	20,276,478	18,256,644
<b>Information technology expenses</b>		
Software maintenance	8,200,033	6,667,363
Hardware maintenance	1,997,190	1,666,606
Depreciation	3,267,867	2,421,644
Amortisation	2,038,826	1,587,089
Network charges	1,608,109	1,520,787
Consultancy charges	470,283	640,232
	17,582,308	14,503,721
<b>Other operating expenses</b>		
Legal and professional charges	5,687,861	8,780,055
Outsourced services costs	2,155,918	2,257,823
Travelling and conveyance	1,952,640	1,661,196
Insurance	1,339,179	1,347,426
Remittance charges	559,095	621,009
Cash transportation and sorting charges	2,565,971	2,478,524
Repairs and maintenance	1,967,463	1,679,956
Depreciation	671,303	653,687
Training and development	544,441	447,284
Postage and courier charges	788,809	674,343
Communication	3,568,944	2,066,406
Stationery and printing	3,214,324	2,398,592
Marketing, advertisement and publicity	4,276,348	2,734,247
Donations	643,808	790,765
Auditors' remuneration	432,749	428,214
Brokerage and commission	665,876	628,817
Subscription	620,888	576,092
Documentation and processing charges	8,922,225	6,673,199
Entertainment	653,058	660,557
Consultancy charges	2,172,862	2,174,451
Deposit insurance premium expense	2,728,144	2,332,050
Product feature cost	3,863,689	3,095,309
Others	1,684,981	953,825
	51,680,576	46,113,827
	<u>138,968,168</u>	<u>123,298,170</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited)	
		For the nine months ended	
		September 30, 2024	September 30, 2023
		(Rupees in '000)	
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		290,712	32,447
Penalties imposed by other regulatory bodies		59,932	49,643
		<u>350,644</u>	<u>82,090</u>
<b>31 CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>			
(Reversal) / charge of credit loss allowance against investments	8.2	(1,090,312)	1,106,172
Credit loss allowance against loans and advances	9.3	17,389,317	6,632,379
Provision / credit loss allowance against other assets	13.2.1	343,210	876,697
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	20.1	2,553,118	(108,955)
Recoveries against written off / charged off bad debts		(592,936)	(1,156,802)
Recoveries against other assets written off		(1,548)	(13,195)
Other write offs and operational losses		430,687	95,106
		<u>19,031,536</u>	<u>7,431,402</u>
<b>32 TAXATION</b>			
- Current			
- For the year		50,631,046	42,413,902
- Prior year		268,248	(100,000)
		<u>50,899,294</u>	<u>42,313,902</u>
- Deferred			
- For the year		(8,057,826)	(2,372,843)
- Prior year		(219,230)	616,163
		<u>(8,277,056)</u>	<u>(1,756,680)</u>
		<u>42,622,238</u>	<u>40,557,222</u>
<b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period attributable to equity holders of the Bank		<u>44,044,843</u>	<u>42,829,432</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>30.03</u>	<u>29.20</u>
33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.			
<b>34 FAIR VALUE OF FINANCIAL INSTRUMENTS</b>			
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 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.			





# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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.
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:

On balance sheet financial instruments	As at September 30, 2024 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	2,379,840,693	-	2,379,840,693	-	2,379,840,693
- Shares - listed companies	20,991,273	12,462,424	8,528,849	-	20,991,273
- Non-Government debt securities - Listed	50,423,434	40,280,000	10,143,434	-	50,423,434
- Foreign securities					
Government debt securities	195,668,553	-	195,668,553	-	195,668,553
Non-Government debt securities - Listed	12,541,657	-	12,541,657	-	12,541,657
- National Investment Unit Trust units	60,835	-	60,835	-	60,835
- Real Estate Investment Trust units - Listed	3,180,680	3,180,680	-	-	3,180,680
- Preference Shares - Listed	781,500	781,500	-	-	781,500
	<b>2,663,488,625</b>	<b>56,704,604</b>	<b>2,606,784,021</b>	<b>-</b>	<b>2,663,488,625</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	429,920,266	-	426,750,609	-	426,750,609
- Non-Government debt securities - Listed	895,845	-	873,563	-	873,563
- Foreign securities					
Government debt securities	15,758,577	-	15,875,104	-	15,875,104
	<b>446,574,688</b>	<b>-</b>	<b>443,499,276</b>	<b>-</b>	<b>443,499,276</b>
	<b>3,110,063,313</b>	<b>56,704,604</b>	<b>3,050,283,297</b>	<b>-</b>	<b>3,106,987,901</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

As at September 30, 2024 (Unaudited)				
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				
- Forward Government securities transactions				
- Derivative instruments				
<b>737,799,796</b>	<b>-</b>	<b>(4,085,459)</b>	<b>-</b>	<b>(4,085,459)</b>
<b>14,609,986</b>	<b>-</b>	<b>67,565</b>	<b>-</b>	<b>67,565</b>
<b>46,963,082</b>	<b>-</b>	<b>(6,908,779)</b>	<b>-</b>	<b>(6,908,779)</b>

As at December 31, 2023 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Investments</b>				

## On balance sheet financial instruments

### Financial assets - measured at fair value

#### Investments

- Federal Government securities	1,805,587,783	-	1,805,587,783	-	1,805,587,783
- 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	173,543,607	-	173,543,607	-	173,543,607
Non-Government debt securities - Listed	5,600,618	-	5,600,618	-	5,600,618
- National Investment Unit Trust units	50,745	-	50,745	-	50,745
- Real Estate Investment Trust units - Listed	68,700	68,700	-	-	68,700
- Preference Shares - Listed	877,400	877,400	-	-	877,400
	<b>2,051,867,661</b>	<b>50,003,118</b>	<b>2,001,864,543</b>	<b>-</b>	<b>2,051,867,661</b>

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

#### Investments

- Federal Government securities	419,521,386	-	385,681,455	-	385,681,455
- Non-Government debt securities - Listed	1,899,450	-	1,898,829	-	1,898,829
- Foreign securities					
Government debt securities	14,663,737	-	14,720,027	-	14,720,027
	<b>436,084,573</b>	<b>-</b>	<b>402,300,311</b>	<b>-</b>	<b>402,300,311</b>
	<b>2,487,952,234</b>	<b>50,003,118</b>	<b>2,404,164,854</b>	<b>-</b>	<b>2,454,167,972</b>

As at December 31, 2023 (Audited)				
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				
- Forward Government securities transactions				
- Derivative instruments				
<b>500,720,574</b>	<b>-</b>	<b>(1,955,598)</b>	<b>-</b>	<b>(1,955,598)</b>
<b>24,383,498</b>	<b>-</b>	<b>(46,908)</b>	<b>-</b>	<b>(46,908)</b>
<b>53,095,033</b>	<b>-</b>	<b>(10,247,686)</b>	<b>-</b>	<b>(10,247,686)</b>

## 34.2 Fair value of non-financial assets

As at September 30, 2024 (Unaudited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
- Land and building				
- Non-banking assets acquired in satisfaction of claims				
<b>86,258,481</b>	<b>-</b>	<b>-</b>	<b>86,258,481</b>	<b>86,258,481</b>
<b>370,270</b>	<b>-</b>	<b>-</b>	<b>370,270</b>	<b>370,270</b>
<b>86,628,751</b>	<b>-</b>	<b>-</b>	<b>86,628,751</b>	<b>86,628,751</b>

As at December 31, 2023 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
- Land and building				
- Non-banking assets acquired in satisfaction of claims				
<b>80,915,520</b>	<b>-</b>	<b>-</b>	<b>80,915,520</b>	<b>80,915,520</b>
<b>433,908</b>	<b>-</b>	<b>-</b>	<b>433,908</b>	<b>433,908</b>
<b>81,349,428</b>	<b>-</b>	<b>-</b>	<b>81,349,428</b>	<b>81,349,428</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 35 SEGMENT INFORMATION

### 35.1 Segment details with respect to Business Activities

For the nine months ended September 30, 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	(229,293)	42,989	36,342	53,724	266,215	16,989	(34)	5,514	(7,158)	185,288
Inter segment revenue / (expense) - net	328,033	(30,451)	-	(17,681)	(291,454)	5,302	-	-	6,251	-
Non mark-up / interest income	4,415	14,996	2,385	5,567	14,650	7,959	2,174	1,486	7,074	60,706
Total Income	103,155	27,534	38,727	41,610	(10,589)	30,250	2,140	7,000	6,167	245,994
Segment direct expenses	28,075	18,101	8,341	3,186	636	19,607	948	8,092	54,099	141,085
Inter segment expense allocation	27,727	8,351	1,070	8,967	1,445	1,237	-	-	(48,797)	-
Total expenses	55,802	26,452	9,411	12,153	2,081	20,844	948	8,092	5,302	141,085
Credit loss allowance - charge / (reversal)	600	2,258	2,983	12,871	-	(1,224)	-	5,387	(3,843)	19,032
Profit / (loss) before tax	46,753	(1,176)	26,333	16,586	(12,670)	10,630	1,192	(6,479)	4,708	85,877

As at September 30, 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	157,747	-	37,053	591	235,641	179,671	10	11,715	816	623,244
Lendings to financial institutions	-	-	24,807	-	16,583	-	-	-	-	41,390
Inter segment lending	2,466,667	-	9,705	24,668	-	124,419	-	-	132,215	2,757,674
Investments	-	-	321,747	14,671	2,486,924	268,679	1,790	40,398	52,076	3,186,285
Advances - performing	-	249,689	199,095	842,545	-	408,718	-	83,868	52,320	1,836,235
Advances - non-performing	-	1,472	727	4,716	-	2,513	-	3,107	(553)	11,982
Others	27,247	3,579	52,691	98,352	124,876	45,898	3,795	17,444	131,373	505,255
<b>Total assets</b>	2,651,661	254,740	645,825	985,543	2,864,024	1,029,898	5,595	156,532	368,247	8,962,065
Borrowings	-	3,877	22,506	127,538	274,743	101,058	-	10,237	-	539,959
Subordinated debt	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	2,581,993	1,795	528,802	779,845	-	790,134	-	118,288	8,495	4,809,352
Inter segment borrowing	-	201,325	-	-	2,556,349	-	-	-	-	2,757,674
Others	69,668	47,743	37,056	78,160	18,597	52,205	1,333	11,802	106,557	423,121
<b>Total liabilities</b>	2,651,661	254,740	588,364	985,543	2,849,689	943,397	1,333	141,827	133,926	8,550,480
Equity	-	-	57,461	-	14,335	86,501	4,262	14,705	234,321	411,585
<b>Total equity and liabilities</b>	2,651,661	254,740	645,825	985,543	2,864,024	1,029,898	5,595	156,532	368,247	8,962,065
Contingencies and commitments	-	-	86,339	590,154	574,641	253,189	-	-	34,234	1,538,557



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

For the nine months ended September 30, 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	(162,074)	37,527	22,679	67,484	187,590	22,423	(20)	7,606	(5,356)	177,859
Inter segment revenue / (expense) - net	254,921	(25,035)	-	(33,526)	(200,357)	(2,816)	-	-	6,813	-
Non mark-up / interest income	3,462	13,194	2,064	4,079	3,897	5,643	1,068	1,598	3,187	38,192
Total Income	96,309	25,686	24,743	38,037	(8,870)	25,250	1,048	9,204	4,644	216,051
Segment direct expenses	24,883	14,024	5,691	3,310	593	18,947	426	6,865	50,353	125,092
Inter segment expense allocation	23,394	7,793	947	10,004	1,405	1,279	-	-	(44,822)	-
Total expenses	48,277	21,817	6,638	13,314	1,998	20,226	426	6,865	5,531	125,092
Provisions - charge / (reversal)	764	1,636	(255)	(1,146)	(520)	2,664	-	1,351	2,937	7,431
Profit / (loss) before tax	47,268	2,233	18,360	25,869	(10,348)	2,360	622	988	(3,824)	83,528

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>	2,312,039	266,391	539,135	933,796	2,367,923	922,398	4,591	158,757	383,137	7,888,167
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>	2,312,039	266,391	495,210	933,796	2,380,878	847,419	1,107	144,541	140,767	7,522,148
Equity	-	-	43,925	-	(12,955)	74,979	3,484	14,216	242,370	366,019
<b>Total equity and liabilities</b>	2,312,039	266,391	539,135	933,796	2,367,923	922,398	4,591	158,757	383,137	7,888,167
<b>Contingencies and commitments</b>	-	-	57,017	538,382	388,637	234,993	-	-	34,505	1,253,534

## 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 NINE MONTHS ENDED SEPTEMBER 30, 2024

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

	As at September 30, 2024 (Unaudited)					
	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	-	-	8,131	-	-	167
<b>Investments</b>						
Opening balance	-	-	-	36,132,623	-	17,204,695
Impact of adoption of IFRS 9	-	-	-	-	-	60,639
Exchange adjustment	-	-	-	4,184,868	-	(231,842)
Investment made during the year	-	-	-	2,156,361	-	-
Investment redeemed / disposed off during the period	-	-	-	(1,454,130)	-	(2,837,500)
Share of profit - net of tax	-	-	-	3,859,796	-	-
Share of other comprehensive income - net of tax	-	-	-	(1,331,336)	-	-
Dividend received during the period	-	-	-	(1,652,708)	-	-
Revaluation of investments during the period	-	-	-	(191,968)	-	1,343,390
Credit loss allowance for diminution in value of investments	-	-	-	-	-	(20,070)
Closing balance	-	-	-	41,703,506	-	15,519,312
Credit loss allowance for diminution in value of investments	-	-	-	-	-	20,070
<b>Advances</b>						
Opening balance	1,969	1,293,004	5,352,719	375,000	-	10,230,405
Exchange adjustment	-	-	(70,321)	-	-	-
Addition during the period	10,507	315,654	24,125,341	-	-	17,036,174
Repaid during the period	(12,206)	(264,868)	(24,571,029)	(125,000)	-	(14,372,220)
Transfer out - net	-	(671,342)	-	-	-	(56,063)
Closing balance	270	672,448	4,836,710	250,000	-	12,838,296
<b>Other assets</b>						
Interest / mark-up accrued	-	2,335	116,475	11,760	-	907,359
Receivable from defined benefit plan	-	-	-	-	-	845,404
Other receivables / prepayments	-	28	-	823,858	-	8,555
	-	2,363	116,475	835,618	-	1,761,318
<b>Borrowings</b>						
Opening balance	-	-	5,169,268	16,686,344	-	5,766,780
Exchange adjustment	-	-	-	(283,184)	-	(37,328)
Borrowings during the period	-	-	-	126,143,470	-	8,025,183
Settled during the period	-	-	(5,169,268)	(121,384,892)	-	(7,754,436)
Closing balance	-	-	-	21,161,738	-	6,000,199
<b>Deposits and other accounts</b>						
Opening balance	72,803	624,864	37,860,212	53,583,869	-	1,440,158
Exchange adjustment	98	(2,814)	(311,523)	(6,978)	-	(26,674)
Received during the period	729,505	4,144,306	335,132,031	908,055,827	-	41,647,781
Withdrawn during the period	(698,396)	(3,839,412)	(333,982,551)	(940,882,273)	-	(36,427,417)
Transfer (out) / in - net	-	(186,685)	-	-	-	34,980
Closing balance	104,010	740,259	38,698,169	20,750,445	-	6,668,828
<b>Other liabilities</b>						
Interest / mark-up payable	69	1,801	803,091	279,267	-	39,651
Payable to defined benefit plan	-	-	-	-	-	806,966
Other payables	-	-	52,006	241,707	-	662,279
	69	1,801	855,097	520,974	-	1,508,896
<b>Contingencies and commitments</b>						
Letters of credit	-	-	529,526	-	-	575,434
Letters of guarantee	-	-	187,974	-	-	3,541,727
Interest rate swaps	-	-	-	250,000	-	-
	-	-	717,500	250,000	-	4,117,161
<b>Others</b>						
Securities held as custodian	-	160,670	20,135,575	237,203,000	-	30,297,880





# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

For the nine months ended September 30, 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	19	22,368	322,253	50,483	-	1,942,375
Fee and commission income	746	9,223	284,333	768,167	-	10,228
Share of profit	-	-	-	3,859,800	-	-
Dividend income	-	-	-	-	-	1,931,325
Gain on disposal of property and equipment	-	-	-	6,398	-	-
Unrealised loss on derivatives	-	-	-	(9,904)	-	-
<b>Expenses</b>						
Mark-up / return / profit / interest expensed	7,999	44,898	3,203,726	5,202,779	-	873,215
Operating expenses						
Total compensation expense	-	2,941,029	-	-	-	1,282,429
Non-Executive Directors' fees	74,250	-	-	-	-	-
Insurance premium expense	-	-	-	2,655,716	-	-
Product feature cost	-	-	220,485	-	-	-
Travelling	-	-	7,311	-	-	-
Subscription	-	-	-	-	-	7,945
Donations	-	-	-	-	-	629,352
Brokerage and Commission	-	-	-	-	-	236,338
Other Expenses	-	-	55,527	54,584	-	119,223
Credit loss allowance for diminution in value of investments	-	-	-	-	-	20,070
<b>Others</b>						
Purchase of Government securities	-	124,730	138,360,410	86,280,107	-	5,968,862
Sale of Government securities	-	205,685	143,104,568	57,868,933	-	13,294,761
Purchase of foreign currencies	-	2,353	8,702,120	135,958	-	15,668
Sale of foreign currencies	23,811	213,424	5,547,197	2,605,488	-	1,260,039
Insurance claims settled	-	-	-	291,776	-	-

As at December 31, 2023 (Audited)

	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 NINE MONTHS ENDED SEPTEMBER 30, 2024

	As at December 31, 2023 (Audited)					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	----- (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	165,255	523,637	26,259,254	18,870,625	4,204	2,080,483
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	72,803	624,864	37,860,212	53,583,869	-	1,440,158
<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>						
Letters of credit	-	-	380,194	-	-	924,060
Letters of 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
	----- (Rupees in '000) -----					
	For the nine months ended September 30, 2023 (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	71	53,878	362,570	86,176	-	1,853,275
Fee and commission income	650	8,847	211,752	497,484	-	55,180
Share of profit	-	-	-	2,858,345	313,829	-
Dividend income	-	-	-	-	-	1,341,978
Gain on disposal of property and equipment	-	-	-	-	-	-
Unrealised loss on derivatives	-	-	-	(47,673)	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	10,643	30,605	2,510,469	3,773,209	12,526	743,483
Operating expenses						
Total compensation expense	-	2,502,707	-	-	-	1,339,726
Non-Executive Directors' fees	58,650	-	-	-	-	-
Insurance premium expense	-	-	-	1,739,022	-	-
Product feature cost	-	-	160,936	-	-	-
Travelling	-	-	6,314	-	-	-
Subscription	-	-	-	-	-	12,599
Donations	-	-	-	-	-	644,910
Brokerage and Commission	-	-	-	-	-	223,560
Other Expenses	-	-	63,153	51,122	-	70,685
Provision for diminution in the value of investments	-	-	-	-	-	15,248
<b>Others</b>						
Purchase of Government securities	86,846	231,310	101,657,318	189,416,641	-	53,633,248
Sale of Government securities	164,890	362,185	132,002,021	200,678,499	-	76,419,976
Purchase of foreign currencies	-	13,165	4,528,650	1,706,125	-	8,903,897
Sale of foreign currencies	53,717	240,868	5,739,059	2,852	-	43,231
Insurance claims settled	-	-	-	154,968	-	-

36.1 Balances and transactions with group entities include deposits of Rs 0.634 million (December 31, 2023: Rs 0.695 million) from the parent and Rs 2.516 million (September 30, 2023: 3 thousand) as mark-up expense thereon.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 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)	<b>14,668,525</b>	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<b>259,798,222</b>	247,390,727
Eligible Additional Tier 1 (ADT 1) Capital	<b>18,452,735</b>	19,129,359
Total Eligible Tier 1 Capital	<b>278,250,957</b>	266,520,086
Eligible Tier 2 Capital	<b>85,156,562</b>	76,305,829
Total Eligible Capital (Tier 1 + Tier 2)	<b>363,407,519</b>	342,825,915
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<b>1,694,114,067</b>	1,641,019,720
Market Risk	<b>219,024,425</b>	197,111,025
Operational Risk	<b>303,760,456</b>	303,760,456
Total	<b>2,216,898,948</b>	2,141,891,201
CET 1 CAR	<b>11.72%</b>	11.55%
Tier 1 CAR	<b>12.55%</b>	12.44%
Total CAR	<b>16.39%</b>	16.01%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	<b>8.50%</b>	9.00%
of which: capital conservation buffer requirement	<b>1.50%</b>	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	<b>37.1 1.00%</b>	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)	<b>5.72%</b>	5.55%
<b>Other information:</b>		
<b>National minimum capital requirements prescribed by the SBP</b>		
CET1 minimum ratio (%)	<b>8.50%</b>	9.00%
Tier 1 minimum ratio (%)	<b>10.00%</b>	10.50%
Total capital minimum ratio (%)	<b>12.50%</b>	13.00%
	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	<b>278,250,957</b>	266,520,086
Total Exposures	<b>6,875,133,224</b>	6,158,603,788
<b>Leverage Ratio (%)</b>	<b>4.05%</b>	4.33%
<b>Minimum Requirement (%)</b>	<b>3.00%</b>	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	<b>2,404,676,924</b>	1,879,073,951
Average Net Cash Outflow	<b>868,802,324</b>	693,860,676
<b>Liquidity Coverage Ratio (%)</b>	<b>276.78%</b>	270.81%
<b>Minimum Requirement (%)</b>	<b>100.00%</b>	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Available Stable Funding	<b>4,379,368,921</b>	3,812,112,933
Required Stable Funding	<b>2,396,178,603</b>	2,384,738,674
<b>Net Stable Funding Ratio (%)</b>	<b>182.76%</b>	159.85%
<b>Minimum Requirement (%)</b>	<b>100.00%</b>	100.00%
<b>37.1</b>	During the period, the SBP through its letter No. BSD-2/Bank/HBL/749858/2024 dated August 29, 2024, has reduced the D-SIB buffer from 1.50% to 1.00%.	
<b>37.2</b>	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 71 bps.	



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 408 (December 31, 2023: 408) Islamic Banking branches and 570 (December 31, 2023: 553) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

#### ASSETS

Cash and balances with treasury banks
Balances with other banks
Due from financial institutions
Investments
Islamic financing and related assets - net
Property and equipment
Right-of-use assets
Intangible assets
Due from Head Office
Deferred tax assets
Other assets

Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	36,209,940	40,418,980
	842,760	476,714
38.1	24,806,680	19,500,000
38.2	321,747,174	226,552,494
38.3	199,821,375	213,054,465
	7,187,883	7,392,659
	7,300,833	6,526,100
	46,992	48,248
	9,704,842	-
	792,579	1,270,557
	37,362,397	23,894,137
	645,823,455	539,134,354

#### LIABILITIES

Bills payable
Due to financial institutions
Deposits and other accounts
Due to Head Office
Lease liabilities
Subordinated debt
Deferred tax liabilities
Other liabilities

	40,503	40,454
38.4	22,506,464	32,119,436
38.5	528,802,167	422,709,734
	-	9,382,906
	9,917,787	8,572,063
	-	-
	-	-
	27,097,302	23,443,740
	588,364,223	496,268,333

#### NET ASSETS

	57,459,232	42,866,021
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#### REPRESENTED BY

Islamic Banking Fund
Reserves
Surplus / (deficit) on revaluation of investments - net of tax
Unappropriated profit

	500,000	500,000
	-	-
38.6	3,336,183	(1,322,417)
	53,623,049	43,688,438
	57,459,232	42,866,021

#### Contingencies and commitments

38.7	(Unaudited)	
	For the nine months ended	
	September 30,	September 30,
	2024	2023

### PROFIT AND LOSS ACCOUNT

Profit / return earned
Profit / return expensed
Net profit / return

38.8	74,490,881	53,122,249
38.9	38,149,118	30,443,179
	36,341,763	22,679,070

#### Other income

Fee and commission income
Dividend income
Foreign exchange income
Income from derivatives
Gain on securities- net
Others
Total other income

	1,657,490	1,323,547
	-	-
	634,057	734,507
	-	-
	93,155	5,592
	-	-
	2,384,702	2,063,646
	38,726,465	24,742,716

#### Total income

#### Other expenses

Operating expenses
Workers' Welfare Fund
Other charges
Total other expenses

	8,883,836	6,270,802
	526,646	367,195
	562	220
	9,411,044	6,638,217

#### Profit before credit loss allowance

Charge / (reversal) of credit loss allowance and write offs - net
---

	29,315,421	18,104,499
	2,983,144	(255,259)

#### Profit before taxation

#### Taxation

#### Profit after taxation

	26,332,277	18,359,758
	12,902,816	8,996,281
	13,429,461	9,363,477



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

		(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
38.1	<b>Due from Financial Institutions</b>		
	Call money lendings	12,500,000	17,000,000
	Secured lendings	-	2,500,000
	Bai Muajjal receivable from financial institutions	12,306,680	-
		<u>24,806,680</u>	<u>19,500,000</u>
38.2	<b>Investments by type</b>	<b>September 30, 2024 (Unaudited)</b>	
		Cost / amortised cost	Credit loss allowance
		Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----			
	<b>Fair value through profit and loss (FVTPL)</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	108,331	31
	- Other Federal Government securities	2,819,404	-
	<b>Non-Government debt securities</b>		
	- Listed	191,668	6
	- Unlisted	801,000	-
		<u>3,920,403</u>	<u>37</u>
	<b>Fair value through other comprehensive income (FVOCI)</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	239,582,501	4,811,867
	<b>Non-Government debt securities</b>		
	- Listed	43,854,167	(35,882)
	- Unlisted	600,000	(6,984)
		<u>284,036,668</u>	<u>(42,866)</u>
	<b>Amortised cost</b>		
	<b>Federal Government securities</b>		
	- Ijarah Sukuk	15,234,898	-
	<b>Non-Government debt securities</b>		
	- Unlisted	14,102,376	(687,726)
		<u>29,337,274</u>	<u>(687,726)</u>
	<b>Total Investments</b>	<u>317,294,345</u>	<u>(730,592)</u>
		<b>December 31, 2023 (Audited)</b>	
		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>		
	- Ijarah Sukuk	164,825,661	(2,631,310)
	- Other Federal Government securities	5,543,158	-
		<u>170,368,819</u>	<u>(2,631,310)</u>
	<b>Non-Government debt securities</b>		
	- Listed	44,891,462	36,836
	- Unlisted	1,401,000	1,500
		<u>46,292,462</u>	<u>38,336</u>
	<b>Held to maturity (HTM) securities</b>		
	<b>Non-Government debt securities</b>		
	- Unlisted	12,484,187	-
		<u>229,145,468</u>	<u>(2,592,974)</u>
	<b>Total Investments</b>	<u>229,145,468</u>	<u>(2,592,974)</u>
		<b>September 30, 2024 (Unaudited)</b>	
		Stage 1	Stage 2
		Stage 3	Total
----- (Rupees in '000) -----			
38.2.1	<b>Particulars of credit loss allowance</b>		
	Non Government debt securities	118,592	612,000
		<u>118,592</u>	<u>730,592</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>38.3 Islamic financing and related assets - net</b>		
Diminishing Musharakah	100,324,036	93,090,208
Running Musharakah	48,002,885	46,748,573
Wakalah	14,402,007	15,112,848
Ijarah	4,259,457	3,771,372
Murabaha	3,321,123	1,937,342
Currency Salam	-	82,738
Tijarah	2,617,344	2,422,198
Istisna	939,437	2,053,597
Musawamah	485,451	3,191,914
Advance for Diminishing Musharakah	1,898,578	3,820,249
Advance for Ijarah	3,583,100	3,498,372
Advance for Murabaha	7,741,265	10,561,441
Advance for Salam	161,871	2,032,234
Advance for Istisna	11,869,975	16,079,982
Advance for Musawamah	1,916,543	595,848
Inventories against Murabaha	5,950,230	5,784,149
Inventories against Salam	982,007	-
Inventories against Tijarah	3,306,158	5,088,392
Inventories against Istisna	2,459,518	3,842,828
Islamic financing and related assets - gross	<b>214,220,985</b>	<b>219,714,285</b>
Credit loss allowance against Islamic financing and related assets		
- Stage 1	(906,961)	-
- Stage 2	(923,954)	-
- Stage 3	(12,568,695)	-
Specific	-	(5,523,177)
General	-	(1,136,643)
	<b>(14,399,610)</b>	<b>(6,659,820)</b>
Islamic financing and related assets - net of credit loss allowance	<b>199,821,375</b>	<b>213,054,465</b>
<b>38.4 Due to financial institutions</b>		
Acceptances from the SBP under:		
- Islamic export refinance scheme	10,362,193	19,406,548
- Islamic export refinance scheme for bill discounting	828,077	556,808
- Islamic long term financing facility	5,842,659	6,481,973
- Islamic financing facility for renewable energy power plants	625,083	644,321
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	234,426	286,208
- Islamic refinance and credit guarantee scheme for women entrepreneurs	405	1,765
- Islamic refinance facility for combating COVID-19	310,733	355,448
- Islamic temporary economic refinance facility	2,015,127	2,386,365
Acceptances from Pakistan Mortgage Refinance Company	2,000,000	2,000,000
Overdrawn nostro accounts	287,761	-
	<b>22,506,464</b>	<b>32,119,436</b>
<b>38.5 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	121,561,712	109,005,139
Savings deposits	377,369,924	279,911,025
Term deposits	25,165,323	29,238,524
	<b>524,096,959</b>	<b>418,154,688</b>
<b>Financial Institutions</b>		
Current deposits	34,816	92,442
Savings deposits	4,668,746	4,360,958
Term deposits	1,646	101,646
	<b>4,705,208</b>	<b>4,555,046</b>
	<b>528,802,167</b>	<b>422,709,734</b>
<b>38.6 Islamic Banking business unappropriated profit</b>		
Opening Balance	43,688,438	32,922,558
Impact of adoption of IFRS 9	(3,468,456)	-
Add: Islamic Banking profit for the period / year	26,332,277	21,124,836
Less: Taxation	(12,902,816)	(10,351,170)
Less: Transferred / Remitted to Head Office	(26,394)	(7,786)
Closing Balance	<b>53,623,049</b>	<b>43,688,438</b>





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# Unconsolidated Financial Statements

# Directors' Review

On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the nine months ended September 30, 2024.

## Macroeconomic Review

With a 2.5% GDP growth in FY'24, Pakistan's nascent economic recovery continues, underpinned by favourable global commodity prices, improved fiscal discipline and a more stable external position. The Large-Scale Manufacturing Index is regaining footing, with the Jul'24 reading exhibiting a growth of 2.4%. High frequency sales indicators and increased capacity utilization also reflect a moderate pickup in industrial activity. Inflation of 9.6% for Aug'24 was the first single digit reading since Oct'21 and dropped further to a 44-month low of 6.9% in Sep'24. This deceleration has been supported by a favourable base effect, along with soft food and energy prices. Average inflation fell from 29.0% in Q1FY'24 to 9.2% in Q1FY'25 with the trajectory potentially heading below SBP's FY'25 forecast of 11.5%–13.5%.

The trade deficit for 2MFY'25 grew by 21.7% to \$ 4.7 billion. Exports increased by 7.2% while imports grew by 13.8% YoY. Notably, machinery imports increased by over 60%, pointing to a revival of capacity installation, while food exports grew 35.5% due to robust agricultural growth. Strong remittance growth continued in FY'25, with average monthly flows just shy of \$ 3.0 billion. Remittances of \$ 8.8 billion for Q1FY'25 were 38.8% higher YoY, a stark contrast to the decline of 19.8% in Q1FY'24. Consequently, the Current Account Deficit for 2MFY'25 fell by 81%, to \$ 0.2 billion.

The securing of additional government and commercial financing from GCC countries, led to the much-awaited IMF Board approval for the \$ 7 billion, 37-month Extended Fund Facility (EFF). Key priorities under the program are i) strengthening the fiscal framework, including the alignment of federal and provincial tax measures ii) a more equitable tax regime to increase the tax/GDP ratio iii) energy sector viability through cost-side reforms iv) accelerating privatization & SOE reforms and v) building climate resilience. The SBP continued to build shock absorbers and, with the immediate disbursement of the first \$ 1.0 billion EFF tranche in Sep'24, FX reserves reached \$ 10.7 billion, a 30-month high. The improving external position has resulted in a steady strengthening of the Rupee, which appreciated by 1.5% in 9M'24 to Rs 277.7/\$.

In July, subsequent to the IMF Staff Level Agreement, Fitch upgraded Pakistan's sovereign rating to CCC+ returning it to the level in Feb'23. The agency cited improved access to external financing, traction on reform implementation and better FX buffers. In August, Moody's followed suit, raising the country's rating from Caa3 to Caa2, while improving the Outlook from Stable to Positive. Taken together, the upgrades reflect a growing international confidence in Pakistan's ability to manage financial challenges and creating a pathway for sustainable growth. Pakistan is now better positioned to access international markets on more favourable terms, paving the way for a potential Eurobond or Panda bond issue.

The equity bull run that started at the end of Q3'23 continues, with the market outperforming all expectations and setting new records. After a brief stutter in Q3'24 – driven by earlier delays in the EFF approval, political noise, and foreign outflows caused by FTSE rebalancing – the index has regained momentum, continuing its upward march and recently hitting an all-time high of 86K, a 38.5% increase over Dec'23.

Rapid monetary easing continued with cuts of 100bps and 200bps in the Policy Rate in Jul'24 and Sep'24 to 17.5% on the back of the sharp decline in inflation. The MPC noted a number of favourable developments such as declining oil prices, rising FX reserves and improving business confidence and assessed that the real interest rate was sufficiently positive to continue dampening inflation. Industry advances as of Aug'24 showed a decline of 4.4% from Dec'23 in line with the 3.5% drop in private sector credit, while deposits increased by 10.6% over the same period. Banking spreads decreased by 30bps in 8M'24 compared to the same period last year.

## Financial Performance

HBL has delivered an unconsolidated profit before tax of Rs 86.7 billion for the first nine months of 2024, 4% higher than in the corresponding period of last year. All domestic businesses continued to perform strongly, coupled with sustained improvements in the international franchise. Profit after tax rose to Rs 43.4 billion.

HBL's balance sheet grew by 12% over Dec'23 to Rs 5.8 trillion. Domestic deposits increased by 18% to Rs 4.1 trillion, primarily led by low-cost deposits which grew by Rs 422 billion over Dec'23; this drove an improvement in the CASA mix from 85.8% in Dec'23 to 87.3% in Sep'24. International deposits grew by 10% to US\$ 1.6 billion, with HBL's total deposits increasing to Rs 4.5 trillion. With market rates falling rapidly, there has been a turnaround in lending activity; domestic advances increased by 3.9% during the quarter with all businesses registering growth. With a revival of international lending, HBL's total advances rose to Rs 1.7 trillion.

The average domestic balance sheet for 9M'24 grew by 18% over 9M'23 as average domestic deposits increased by Rs 639 billion. With the turning of the rate cycle, spreads compressed by 60bps. Nevertheless, the volumetric growth led to a 5% rise in domestic net interest income and was complemented by international balance sheet expansion with interest income growing by 14.7%. The Bank's total net interest income for 9M'24 thus increased to Rs 173.2 billion. Non-fund income

performance was strong, with an increase of 43% to Rs 53.2 billion. This was led by fees, which grew 19% to Rs 32.0 billion. HBL's Cards business continued its stellar results, contributing 49% of the fee growth, with branch fees, remittances and Bancassurance boosting total fee income. Consequently, HBL's total revenue increased by 12% to Rs 226.5 billion.

High inflation in the first half of 2024 has increased administrative expenses by 12% to Rs 124.0 billion. However, HBL's focus on cost optimization has helped contain expenses during the quarter; the cost-to-income ratio continued to fall, reducing from 54.8% in Q2'24 to 53.4% for Q3'24. Higher non-performing loans induced an uptick in the infection ratio over the previous quarter, to 5.9%, but prudent provisioning has resulted in the specific coverage remaining above 92%; the total coverage remains above 100%.

## Movement of Reserves

	Rupees in million
Unappropriated profit brought forward	206,492
Impact of change in accounting policy – adoption of IFRS 9	(12,933)
Unappropriated profit brought forward – restated	<u>193,558</u>
Profit after tax	43,390
Transferred from surplus on revaluation of assets – net of tax	90
Realised gain on equity investments designated as FVOCI	451
	<u>43,932</u>
Profit available for appropriations	<u>237,490</u>
<b>Appropriations</b>	
Transferred to statutory reserves	(4,339)
Cash dividend – Final 2023	(5,867)
Cash dividend – Q1 2024	(5,867)
Cash dividend – Q2 2024	(5,867)
Total appropriations	<u>(21,941)</u>
<b>Unappropriated profit carried forward</b>	<u><u>215,549</u></u>
<b>Earnings per share (Rupees)</b>	<u><u>29.58</u></u>

## Capital Ratios

Internal capital generated by the strong results have strengthened HBL's capital ratios during 2024, while also enabling a better dividend payout. The Unconsolidated Tier 1 CAR increased from 13.44% in Dec'23 to 13.75% in Sep'24. During the last quarter, the SBP, as part of its annual review, revised the Bank's D-SIB capital buffer to 1.0%. This increased the CET1 headroom over minimum requirements, resulting in a higher eligibility of Tier II capital. The total CAR further increased from 17.28% to 18.16% over the same period.

## Credit Ratings

During the quarter, the Bank's credit ratings were upgraded by Moodys following its rating upgrade of the sovereign. HBL's long-term deposit rating was raised from Caa3 to Caa2, while the Baseline Credit Assessment was improved from caa3 to caa2. The Outlook on the Bank's long-term deposit ratings has been changed from Stable to Positive.

Capital Intelligence Ratings (CI), another international ratings agency, also affirmed HBL's long-term and short-term foreign currency ratings at 'C+' and 'C', respectively. At the same time, CI has affirmed HBL's Bank Standalone Rating of 'c' and Core Financial Strength rating of 'b+'. The Outlook for all ratings is Stable.

## Dividend

The Board of Directors, in its meeting held on October 16, 2024, has declared an interim cash dividend of Rs 4.00 per share (40%) for the quarter ended September 30, 2024.

## Future Outlook

Following two years of uncertainty, the EFF is a material boost to Pakistan's external stability. This is reflected through rating upgrades as well as declining Eurobond yields. An improved ability to raise additional financing, alongside fiscal consolidation and better liquidity management bodes well for future debt sustainability. SBP recently initiated buyback auctions on behalf of the federal government to improve the maturity profile of its domestic debt. Dollar liquidity is expected to improve through elevated remittance flows; additional inflows from the EFF and bilateral creditors should allow for further accumulation of reserves, which are expected to increase to \$ 13.5 billion by Jun'25.

GDP growth in FY'25 is likely to remain at the lower end of SBP's 2.5-3.5% forecast as the outlook for the agriculture sector has weakened. Wheat prices remain soft and a shortfall is expected in the cotton crop with a reduced area under cultivation. Industrial growth is expected to recover but will remain below potential, with headwinds from higher energy costs and subdued demand, although lower interest rates will provide some respite. The inflation outlook is benign, but upside risks persist with the potential for a Middle East conflict driven spike in oil prices.

It is therefore critical for the Government to stay on course with the EFF. Structural reform targets are likely to be monitored much more stringently and given Pakistan's track record of IMF programs, slippages are less likely to be condoned. In particular, the key areas of energy, taxation and privatization must be pursued with rigour and vigour. While initial efforts on improving tax administration are encouraging, the tax burden is unfair and inequitable and over-skewed towards existing taxpayers. Simultaneously, much tougher action needs to be taken against non-filers in order to make a meaningful improvement in the tax base and increase the Tax/GDP ratio. While the Government has committed to stop any net flow into the circular debt, cost-side reforms will be equally critical in reducing the stock. This is Pakistan's best opportunity in many years to launch itself on a sustainable growth trajectory and an opportunity that must not be squandered.

HBL's results continue on an upward trajectory even in a challenging environment. We remain steadfast in our objectives of financial inclusion, sustainability and capacity building. Our commitment to fostering innovation is evident through our strategic partnership with P@SHA – together we have which has nurtured local IT talent and also provided a global platform for Pakistani IT companies to showcase their capabilities. The Bank recently held the third round of its sponsorship of She's Next, its collaborative program with Visa aimed at providing mentorship to women entrepreneurs. Our digitalization agenda is delivering growing volumes across all businesses; more than 3.5 million active users of HBL's Mobile and Internet Banking transacted more than Rs 5.5 billion in the 9 months of 2024, while 71% of our Rs 13.7 trillion throughput in cash management is now processed digitally. Our market leading POS network continues to widen and processed nearly Rs 320 billion so far this year, more than one-third of Pakistan's total POS throughput.

HBL's efforts continue to receive independent recognition from local and international organisations across all areas of our operations – from fire safety to investment banking. This quarter, we received two awards locally, that have particular significance for us. The Pakistan Institute of Corporate Governance ranked HBL's Board of Directors as the best in the country – across all industries – underlining our commitment to exceptional standards of governance. The Federation of Pakistan Chambers of Commerce and Industry awarded us the Best Conventional Bank in Pakistan – a testament to our relentless focus on contributing to Pakistan's economic growth and development.

## **Appreciation and Acknowledgement**

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

October 16, 2024

## ڈائریکٹرز کا جائزہ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2024ء کو ختم ہونے والے نو ماہ کے مختصر عبوری غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

### کلیاتی اقتصادیات کا جائزہ

مالی سال 24 میں 2.5% جی ڈی پی نمو کے ساتھ، پاکستان کی معاشی بحالی جاری ہے، جس کی وجہ سازگار عالمی اجناس کی قیمتیں، بہتر مالیاتی نظم و ضبط اور زیادہ مستحکم بیرونی پوزیشن ہے۔ بڑے پیمانے پر مینوفیکچرنگ انڈیکس اپنے قدم دوبارہ چارہا ہے اور جولائی 24 کی ریڈنگ میں 2.4% کا اضافہ دیکھا گیا ہے۔ ہائی فیکوٹنسی سیلز کے اشارے اور صلاحیت کے استعمال میں اضافہ بھی صنعتی سرگرمی میں معتدل اضافے کی عکاسی کرتا ہے۔ اگست 24 کے لیے افراط زر کی شرح 9.6% تھی جو اکتوبر 21 کے بعد پہلی سنگل ڈجسٹ ریڈنگ تھی جو ستمبر 24 میں مزید گر کر 44 ماہ کی کم ترین سطح 6.9% پر آگئی۔ اس سست روی کو خوراک اور توانائی کی قیمتوں کے ساتھ ساتھ ایک سازگار ماحول کا سہارا ملا۔ اوسط افراط زر مالی سال 24 کی پہلی سہ ماہی میں 29.0% سے کم ہو کر مالی سال 25 کی پہلی سہ ماہی میں 9.2% اور یہ ممکنہ طور پر اسٹیٹ بینک کی مالی سال 25 کی 11.5% - 13.5% کی پیش گوئی سے کم ہو گئی۔

مالی سال 25 کے 2 ماہ میں تجارتی خسارہ 21.7% اضافے کے ساتھ 4.7 بلین ڈالر رہا۔ برآمدات میں 7.2% جبکہ درآمدات میں سال بہ سال 13.8% اضافہ ہوا۔ قابل ذکر بات یہ ہے کہ مشینری کی درآمدات میں 60% سے زیادہ اضافہ ہوا ہے جو صلاحیت کی بحالی کی طرف اشارہ کرتا ہے، جبکہ مضبوط زرعی ترقی کی وجہ سے خوراک کی برآمدات میں 35.5% اضافہ ہوا ہے۔ مالی سال 25 میں ترسیلات زر میں زبردست اضافہ جاری رہا اور اوسط ماہانہ بہاؤ صرف 3.0 بلین ڈالر رہا۔ مالی سال 25 کی پہلی سہ ماہی میں 8.8 بلین ڈالر کی ترسیلات زر سال بہ سال 38.8% زیادہ رہیں جو مالی سال 24 کی پہلی سہ ماہی میں 19.8% کمی کے بالکل برعکس ہیں۔ اس کے نتیجے میں مالی سال 25 کے 2 ماہ میں کرنٹ اکاؤنٹ خسارہ 81% کم ہو کر 0.2 بلین ڈالر رہ گیا۔

جی سی سی ممالک سے اضافی حکومتی اور کمرشل فنانسنگ کے حصول کے نتیجے میں آئی ایم ایف بورڈ نے 7 بلین ڈالر، 37 ماہ کی ایکسٹرنڈڈ فنڈ فیسلٹی (ای ایف ایف) کی منظوری دے دی۔ اس پروگرام کے تحت اہم ترجیحات میں (i) مالیاتی فریم ورک کو مضبوط بنانا، بشمول وفاقی اور صوبائی ٹیکس اقدامات کی ہم آہنگی (ii) ٹیکس / جی ڈی پی کا تناسب بڑھانے کے لیے زیادہ منصفانہ ٹیکس سسٹم (iii) لاگتی اصلاحات کے ذریعے توانائی کے شعبے کی افادیت میں اضافہ (iv) نجکاری اور ایس او ای اصلاحات کو تیز کرنا اور (v) ماحولیاتی بحالی۔ اسٹیٹ بینک نے جھٹکے برداشت کرنے کی صلاحیت پیدا کی اور ستمبر 24 میں پہلی 1.0 بلین ڈالر کی ای ایف ایف قسط کی فوری تقسیم کے ساتھ ہی زرمبادلہ کے ذخائر 10.7 بلین ڈالر تک پہنچ گئے جو 30 ماہ کی بلند ترین سطح ہے۔ بیرونی صورتحال میں بہتری کے نتیجے میں روپے کی قدر میں مسلسل استحکام آیا ہے جو سال 24 کے 9 ماہ میں 1.5% اضافے کے ساتھ 277.7 روپے فی ڈالر تک پہنچ گیا۔

جولائی میں، آئی ایم ایف اسٹاف لیول ایگریمنٹ کے بعد، Fitch نے پاکستان کی خود مختار ریٹنگ کو CCC+ میں اپ گریڈ کیا اور اسے فروری 23 کی سطح پر واپس لے آیا۔ ایجنسی نے بیرونی فنانسنگ تک بہتر رسائی، اصلاحات کے نفاذ پر توجہ اور بہتر ایف ایف ایس بفرز کا حوالہ دیا۔ اگست میں موڈیز نے ملک کی ریٹنگ Caa2 سے بڑھا کر Caa3 کر دی جبکہ آڈٹ لک بہتر کر کے مستحکم سے مثبت کر دیا۔ مجموعی طور پر یہ اپ گریڈز پاکستان کی مالیاتی چیلنجز سے نمٹنے اور پائیدار ترقی کی راہ ہموار کرنے کی صلاحیت پر بڑھتے ہوئے بین الاقوامی اعتماد کی عکاسی کرتے ہیں۔ پاکستان اب زیادہ سازگار شرائط پر بین الاقوامی منڈیوں تک رسائی حاصل کرنے کے لیے بہتر پوزیشن میں ہے، جس سے ممکنہ یورپین بانڈ یا بانڈ اباؤ کے ایٹھو کی راہ ہموار ہوگی۔

تیسری سہ ماہی کے اختتام پر شروع ہونے والی ایکویٹی میں تیزی جاری ہے، مارکیٹ نے تمام توقعات کو پیچھے چھوڑ کر نئے ریکارڈ قائم کیے ہیں۔ تیسری سہ ماہی کے دوران ای ایف ایف کی منظوری میں تاخیر، سیاسی ہنگامہ آرائی اور ایف ٹی ایس ای کے دوبارہ توازن کے سبب غیر ملکی اخراج کی وجہ سے انڈیکس نے دوبارہ رفتار پکڑ لی ہے اور حال ہی میں 86000 کی بلند ترین سطح پر پہنچ گیا ہے، جو دسمبر 23 کے مقابلے میں 38.5% زیادہ ہے۔

افراط زر میں 17.5% تیزی کی وجہ سے جولائی 24 اور ستمبر 24 میں پالیسی ریٹ میں 100 بی پی ایس اور 200 بی پی ایس کی کمی کے ساتھ تیزی سے مانیٹری نرمی کا سلسلہ جاری رہا۔ ایم پی سی نے تیل کی قیمتوں میں کمی، زرمبادلہ کے ذخائر میں اضافے اور کاروباری اعتماد میں بہتری جیسی متعدد موافق پیش رفتوں کا ذکر کیا اور اندازہ لگایا کہ حقیقی شرح سود افراط زر کو کم کرنے کے لیے کافی مثبت ہے۔ اگست 24 سے صنعتی قرضوں میں کمی دیکھی گئی جو نجی شعبے کے قرضوں میں 3.5% کمی کے مطابق دسمبر 23 کے مقابلے میں 4.4% کم ہے جبکہ اسی عرصے کے دوران ڈپازٹس میں 10.6% اضافہ ہوا ہے۔ گزشتہ سال کے اسی عرصے کے مقابلے میں سال 24 کے 8 ماہ میں بینکنگ اسپریڈ میں 30 بی پی ایس کی کمی واقع ہوئی۔

### مالیاتی کارکردگی

HBL نے 2024 کے پہلے 9 ماہ کے دوران 86.7 بلین روپے کا قبل از ٹیکس غیر مجموعی منافع فراہم کیا ہے جو گزشتہ سال کے اسی عرصے کے مقابلے میں 4% زیادہ ہے۔ بین الاقوامی فریچائز میں مستقل بہتری کے ساتھ ساتھ تمام مقامی کاروباروں نے مضبوط کارکردگی کا مظاہرہ جاری رکھا۔ بعد از ٹیکس منافع بڑھ کر 43.4 بلین روپے ہو گیا۔

HBL کی بیلنس شیٹ دسمبر 23 کے مقابلے میں 12% اضافے کے ساتھ 5.8 ٹریلین روپے تک پہنچ گئی۔ ملکی ڈپازٹس 18% اضافے سے 4.1 ٹریلین روپے تک پہنچ گئے، جس کی بنیادی وجہ کم لاگت کے ڈپازٹس ہیں جو دسمبر 23 کے مقابلے میں 422 بلین روپے بڑھ گئے۔ اس سے CASA کم میں بہتری آئی جو دسمبر 23 میں 85.8% سے بڑھ کر ستمبر 24 میں 87.3% ہو گئی۔ بین الاقوامی ڈپازٹس 10% اضافے کے ساتھ 1.6 بلین ڈالر سے زائد ہو گئے جبکہ HBL کے کل ڈپازٹس 4.5 ٹریلین روپے تک پہنچ گئے۔ مارکیٹ کی شرحوں میں تیزی



سے کمی کے ساتھ، قرضوں میں تبدیلی آئی ہے۔ سہ ماہی کے دوران مقامی ایڈوانسز میں 3.9% اضافہ ہوا اور تمام کاروباری اداروں نے ترقی کی۔ بین الاقوامی قرضوں کی بحالی کے ساتھ ہی HBL کے مجموعی قرضے بڑھ کر 1.7 ٹریلین روپے ہو گئے۔

سال 24 کے 9 ماہ کے لیے اوسط ڈیویڈنڈ بیلنس شیٹ میں سال 23 کے 9 ماہ کے مقابلے میں 18% اضافہ ہوا کیونکہ اوسط ڈیویڈنڈ بیلنس شیٹ میں 639 بلین روپے کا اضافہ ہوا۔ ریٹ سائیکل میں تبدیلی سے، اسپریڈز 60 بی پی ایس تک سکڑ گئے۔ اس کے باوجود حجم میں اضافے کے نتیجے میں ملکی خالص سودی آمدنی میں 5% اضافہ ہوا اور بین الاقوامی بیلنس شیٹ میں توسیع کے ساتھ سودی آمدنی میں 14.7% اضافہ ہوا۔ اس طرح بینک کی سال 24 کے 9 ماہ کے لیے کل خالص سودی آمدنی بڑھ کر 173.2 بلین روپے ہو گئی۔ نان فنڈ آمدنی کی کارکردگی مضبوط رہی اور تقریباً 43% اضافے کے ساتھ 53.2 بلین روپے تک پہنچ گئی۔ اس کی وجہ فیسیں تھیں جو 19% اضافے کے ساتھ 32.0 بلین روپے تک پہنچ گئیں۔ HBL کے کارڈز کے کاروبار نے اپنے شاندار نتائج جاری رکھتے ہوئے فیس میں 49% اضافہ کیا، برانچ فیس، ترسیلات زر اور بینکارشورنس نے مجموعی فیس آمدنی میں اضافہ کیا۔ اس کے نتیجے میں HBL کی مجموعی آمدنی 12% اضافے کے ساتھ 226.5 بلین روپے تک پہنچ گئی۔

2024 کی پہلی ششماہی میں افراط زر کی بلند شرح نے انتظامی اخراجات میں 12% اضافے کے ساتھ 124.0 بلین روپے کا اضافہ کیا ہے۔ تاہم HBL کی لاگت میں بہتری پر توجہ دینے سے سہ ماہی کے دوران اخراجات پر قابو پانے میں مدد ملی ہے۔ لاگت اور آمدنی کا تناسب مسلسل گرتا رہا اور جو سال 24 کی دوسری سہ ماہی میں 54.8% سے کم ہو کر تیسری سہ ماہی میں 53.4% رہ گیا۔ زیادہ نان پرفارمنگ قرضوں کی وجہ سے انفیکشن کی شرح پچھلی سہ ماہی کے مقابلے میں بڑھ کر 5.9% ہو گئی، لیکن دانشمندانہ پروڈکٹنگ کے نتیجے میں مخصوص کوریج 92% سے اوپر رہی؛ کل کوریج 100% سے زیادہ ہے۔

## ذخائر میں اتار چڑھاؤ

### ملین روپے

206,492

(12,933)

193,558

43,390

90

451

43,932

237,490

(4,339)

(5,867)

(5,867)

(5,867)

(21,941)

215,549

29.58

افتتاحی غیر تخصیص شدہ منافع

اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات - IFRS9 کی ایڈاپشن

افتتاحی غیر تخصیص شدہ منافع کی دوبارہ تخصیص

بعد از ٹیکس منافع

اثاثہ جات کی دوبارہ تخصیص پر سرپلس سے منتقل شدہ - محصول کا خالص

FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر حاصل شدہ منافع

مناسب کارروائی کے لیے دستیاب منافع

مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ

نقد منافع منقسمہ - حتمی 2023ء

نقد منافع منقسمہ - پہلا عبوری 2024ء

نقد منافع منقسمہ - دوسرا عبوری 2024ء

کل تخصیص

اختتامی غیر تخصیص شدہ منافع

فی حصص (شیر) آمدنی (روپے)

سرمائے کا تناسب

مضبوط نتائج سے حاصل ہونے والے اندرونی سرمائے نے 2024 کے دوران HBL کے سرمائے کا تناسب مستحکم کیا اور بہتر منافع کی ادائیگی کو بھی ممکن بنایا ہے۔ غیر مجموعی Tier 1 CAR دسمبر 23 میں 13.44% سے بڑھ کر ستمبر 24 میں 13.75% ہو گیا۔ گزشتہ سہ ماہی کے دوران اسٹیٹ بینک نے اپنے سالانہ جائزے کے ایک حصے کے طور پر بینک کے D-SIB کیپٹل بفر کو 1.0% تک بڑھا دیا تھا۔ اس سے کم از کم ضروریات کے مقابلے میں CET1 ہیڈروم میں اضافہ ہوا، جس کے نتیجے میں Tier II سرمائے کی اہلیت زیادہ ہو گئی۔ اسی عرصے کے دوران کل CAR 17.28% سے بڑھ کر 18.16% ہو گیا۔

## گریڈ کی درجہ بندی

سہ ماہی کے دوران موڈیز کی جانب سے بینک کی گریڈ ریٹنگ اپ گریڈ کی گئی۔ HBL کی طویل مدتی ڈپازٹ ریٹنگ Caa3 سے بڑھا کر Caa2 کر دی گئی جبکہ بیس لائن گریڈ اسٹیٹس Caa3 سے Caa2 تک بہتر بنایا گیا۔ بینک کی طویل مدتی ڈپازٹ ریٹنگ کا آؤٹ لک مستحکم سے مثبت میں تبدیل کر دیا گیا ہے۔

ایک اور بین الاقوامی ریٹنگ ایجنسی کیپٹل انٹیلی جنس ریٹنگ (CI) نے بھی HBL کی طویل مدتی اور قلیل مدتی غیر ملکی کرنسی کی درجہ بندی بالترتیب 'C+' اور 'C' کی تصدیق کی ہے۔ اس کے ساتھ ہی CI نے HBL کی بینک اسٹیٹس 'b' اور کرنسی ریٹنگ 'c' اور کرنسی ریٹنگ 'b+' کی تصدیق کی ہے۔ تمام درجہ بندیوں کے لیے آؤٹ لک مستحکم ہے۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 16 اکتوبر 2024 کو منعقد ہونے والے اجلاس میں 30 ستمبر 2024 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 4.00 روپے فی حصص (40%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔

## مستقبل کی صورت حال

دوسال کی غیر یقینی صورتحال کے بعد، ای ایف ایف پاکستان کے بیرونی استحکام کے فروغ میں ایک اہم پیش رفت ہے۔ جو ریٹنگ اپ گریڈ کے ساتھ ساتھ یورو بانڈ کی آمدن میں کمی سے بھی ظاہر ہوتی ہے۔ مالیاتی استحکام اور بہتر لیکویڈٹی مینجمنٹ کے ساتھ اضافی فنانشنگ حاصل کرنے کی بہتر صلاحیت مستقبل کے قرضوں کی پائیداری کے لیے اچھی علامت ہے۔ اسٹیٹ بینک نے حال ہی میں وفاقی حکومت کی جانب سے اپنے ملکی قرضوں کی مچھوڑی پروفاصل بہتر بنانے کے لیے بائی بیک نیلامی کا آغاز کیا ہے۔ ترسیلات زر کے بہاؤ میں اضافے سے ڈالر لیکویڈٹی میں بہتری کی توقع ہے۔ ای ایف ایف اور دو طرفہ قرض دہندگان کی جانب سے اضافی ترسیلات زر سے ذخائر میں اضافے کی اجازت ملنی چاہیے جو جون 25 تک بڑھ کر 13.5 بلین ڈالر تک پہنچنے کی توقع ہے۔

مالی سال 25 میں جی ڈی پی کی شرح نمو اسٹیٹ بینک کی 3.5-2.5 کی پیش گوئی کے نجی سطح پر رہنے کا امکان ہے کیونکہ زراعت کے شعبے کی مستقبل کی صورت حال کمزور ہو گئی ہے۔ گندم کی قیمت اور زیر کاشت رقبہ کم ہونے سے کپاس کی فصل میں کمی متوقع ہے۔ صنعتی نمو کی بحالی متوقع ہے لیکن یہ صلاحیت سے کم رہے گی، توانائی کی زیادہ لاگت اور کم طلب کی وجہ سے کم شرح سود سے کچھ بہتری آئے گی۔ افراط زر بے ضرر ہے، لیکن مشرق وسطیٰ کے تنازعات کی وجہ سے تیل کی قیمتوں میں اضافے کے امکان کے ساتھ خطرات برقرار ہیں۔

لہذا حکومت کے لیے ضروری ہے کہ وہ ای ایف ایف کا ساتھ جاری رکھے۔ ساختی اصلاحات کے اہداف کی زیادہ سختی سے نگرانی امکان ہے لیکن آئی ایم ایف کے پروگراموں کے حوالے سے پاکستان کا ٹریڈ ریکارڈ دیکھتے ہوئے غلطیاں نظر انداز کیے جانے کے امکانات کم ہیں۔ خاص طور پر توانائی، ٹیکس اور نجکاری کے اہم شعبوں کو سختی اور تیزی سے آگے بڑھانا چاہیے۔ اگرچہ ٹیکس ایڈمنسٹریشن بہتر بنانے کی ابتدائی کوششیں حوصلہ افزا ہیں، لیکن ٹیکس کا بوجھ ناجائز اور غیر منصفانہ ہے اور موجودہ ٹیکس دہندگان پر حد سے زیادہ دباؤ ہے۔ اس کے ساتھ ساتھ ٹیکس میں معافی بہتری لانے اور ٹیکس / جی ڈی پی کے تناسب میں اضافے کے لیے نان فالٹرز کے خلاف سخت کارروائی کی ضرورت ہے۔ اگرچہ حکومت نے گردش قرضوں میں کسی بھی خالص بہاؤ کو روکنے کا عہد کیا ہے، لیکن اسٹاک کم کرنے میں لاگتی اصلاحات بھی اتنی ہی اہم ہوں گی۔ پاکستان کے لیے کئی سالوں میں یہ بہترین موقع ہے کہ وہ اپنے آپ کو پائیدار ترقی کی راہ پر گامزن کرے، یہ ایک ایسا موقع جسے ضائع نہیں کیا جانا چاہیے۔

HBL کے نتائج چیلنجنگ ماحول میں بھی بہترین رہے ہیں۔ ہم مالی شمولیت، پائیداری اور استعداد کار بڑھانے کے مقصد پر ثابت قدم ہیں۔ جدت طرازی کو فروغ دینے کا ہمارا عزم P@SHA کے ساتھ ہماری اسٹریٹجک پارٹنرشپ سے ظاہر ہوتا ہے جس نے مقامی آئی ٹی ٹیلنٹ کو پروان چڑھایا اور پاکستانی آئی ٹی کمپنیوں کو اپنی صلاحیتیں ظاہر کرنے کے لیے ایک عالمی پلیٹ فارم بھی فراہم کیا ہے۔ بینک نے حال ہی میں She's Next کی اسپانسرشپ کے تیسرے دور کا انعقاد کیا، جو بیزا کے ساتھ اس کا مشترکہ پروگرام ہے جس کا مقصد خواتین کاروباری افراد کو رہنمائی فراہم کرنا ہے۔ ہمارا ڈیجیٹل سٹریٹجی ایجنڈا تمام کاروباروں میں حجم بڑھا رہا ہے۔ HBL کے موبائل اور انٹرنیٹ بینکنگ کے 3.5 بلین سے زائد فعال کسٹمر نے 2024 کے 9 ماہ میں 5.5 بلین روپے سے زائد کی ٹرانزیکشنز کیں جبکہ کیش مینجمنٹ میں ہمارے 13.7 ٹریلین روپے میں سے 71% اب ڈیجیٹل طریقے سے پروسیس کیا جاتا ہے۔ ہمارا مارکیٹ لیڈر پی او ایس نیٹ ورک وسیع ہو رہا ہے اور اس سال اب تک 320 بلین روپے پر اسپیس کر چکا ہے جو پاکستان کے کل پی او ایس پروسیس کا ایک تہائی سے زیادہ ہے۔

HBL کی کاوشوں کو ہمارے آپریٹرز کے تمام شعبوں میں مقامی اور بین الاقوامی اداروں کی جانب سے آزادانہ طور پر تسلیم کیا جاتا ہے۔ فائز سیفٹی سے لے کر انویسٹمنٹ بینکنگ تک۔ اس سہ ماہی میں، ہمیں مقامی طور پر دو اوارڈ ملے، جو ہمارے لیے خاص اہمیت کے حامل ہیں۔ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس نے HBL کے بورڈ آف ڈائریکٹرز کو تمام صنعتوں میں ملک میں بہترین قرار دیا ہے جس نے گورننس کے غیر معمولی معیارات پر ہمارے عزم کا اعادہ کیا ہے۔ فیڈریشن آف پاکستان چیئرمین آف کامرس اینڈ انڈسٹری نے ہمیں پاکستان کے بہترین کنونشنل بینک کے اعزاز سے نوازا ہے جو پاکستان کی مجموعی اور اقتصادی ترقی میں اپنا کردار ادا کرنے پر ہماری بھرپور توجہ کا ثبوت ہے۔

## اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارتِ مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی وقت میں، انھوں نے ایسی پالیسیاں بنائیں اور اقدامات کیے جو مصلحت پر مبنی، اور متوازن ہیں، معیشت، کسٹمز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمز کے احسان مند ہیں جن میں سے کئی نسلوں سے ہمارے ساتھ منسلک ہیں اور جو اپنے کاروبار اور اعتماد کے ذریعے اپنا بھروسہ جاری رکھے ہوئے ہیں۔ ہمارے شیئرز ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، لیکن یقینی طور پر کسی سے کم نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمز کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جنہوں نے ان دو سالوں میں خطرناک وبائی حالات میں بہادری کا مظاہرہ کرتے ہوئے بحران کے اس وقت میں ہمارے کسٹمز کی بنیادی ضروریات کی تکمیل یقینی بنائی۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراجِ تحسین پیش کرتے ہیں۔

منجانب بورڈ

معیز احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

16 اکتوبر 2024ء



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	515,544,318	505,181,227
Balances with other banks	6	51,563,031	43,012,856
Lendings to financial institutions	7	41,389,811	88,598,160
Investments	8	3,091,555,838	2,499,929,784
Advances	9	1,666,875,072	1,664,016,203
Property and equipment	10	125,168,516	114,023,722
Right-of-use assets	11	22,326,842	21,648,036
Intangible assets	12	15,339,158	14,988,816
Deferred tax assets	19	-	11,405,839
Other assets	13	303,565,848	238,866,520
		<b>5,833,328,434</b>	<b>5,201,671,163</b>
<b>LIABILITIES</b>			
Bills payable	14	47,964,637	51,228,670
Borrowings	15	529,083,926	659,342,821
Deposits and other accounts	16	4,531,636,087	3,870,179,912
Lease liabilities	17	29,245,459	26,864,447
Subordinated debt	18	18,874,000	18,874,000
Deferred tax liabilities	19	386,485	-
Other liabilities	20	299,784,532	241,401,905
		<b>5,456,975,126</b>	<b>4,867,891,755</b>
<b>NET ASSETS</b>		<b>376,353,308</b>	<b>333,779,408</b>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		88,018,163	86,239,700
Surplus on revaluation of assets - net of tax	21	58,117,838	26,379,538
Unappropriated profit		215,548,782	206,491,645
		<b>376,353,308</b>	<b>333,779,408</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director



# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	January 01 to September 30, 2024	January 01 to September 30, 2023	July 01 to September 30, 2024	July 01 to September 30, 2023
----- (Rupees in '000) -----					
Mark-up / return / profit / interest earned	24	<b>592,409,107</b>	479,819,379	<b>207,779,869</b>	179,635,207
Mark-up / return / profit / interest expensed	25	<b>419,162,015</b>	315,537,127	<b>147,460,493</b>	120,566,279
Net mark-up / return / profit / interest income		<b>173,247,092</b>	164,282,252	<b>60,319,376</b>	59,068,928
<b>Non mark-up / interest income</b>					
Fee and commission income	26	<b>31,988,252</b>	26,908,502	<b>10,719,292</b>	9,489,747
Dividend income		<b>4,232,600</b>	3,027,681	<b>1,350,318</b>	225,777
Foreign exchange income / (loss)		<b>5,090,464</b>	781,986	<b>(323,775)</b>	(277,919)
Income / (loss) from derivatives		<b>4,947,966</b>	(3,140,330)	<b>1,479,890</b>	2,011,230
Gain / (loss) on securities - net	27	<b>6,439,110</b>	(325,450)	<b>4,868,915</b>	(112,741)
Other income	28	<b>511,006</b>	9,883,533	<b>159,614</b>	226,162
Total non mark-up / interest income		<b>53,209,398</b>	37,135,922	<b>18,254,254</b>	11,562,256
Total income		<b>226,456,490</b>	201,418,174	<b>78,573,630</b>	70,631,184
<b>Non mark-up / interest expenses</b>					
Operating expenses	29	<b>123,953,732</b>	110,496,644	<b>41,938,410</b>	39,464,922
Workers' Welfare Fund		<b>1,733,191</b>	1,661,993	<b>574,210</b>	597,715
Other charges	30	<b>350,644</b>	82,090	<b>191,807</b>	5,610
Total non mark-up / interest expenses		<b>126,037,567</b>	112,240,727	<b>42,704,427</b>	40,068,247
<b>Profit before credit loss allowance and taxation</b>		<b>100,418,923</b>	89,177,447	<b>35,869,203</b>	30,562,937
Credit loss allowance and write offs - net	31	<b>13,747,391</b>	6,159,440	<b>7,144,476</b>	840,419
<b>Profit before taxation</b>		<b>86,671,532</b>	83,018,007	<b>28,724,727</b>	29,722,518
<b>Taxation</b>	32	<b>43,281,595</b>	40,200,911	<b>13,985,335</b>	14,616,755
<b>Profit after taxation</b>		<b>43,389,937</b>	42,817,096	<b>14,739,392</b>	15,105,763
----- (Rupees) -----					
<b>Basic and diluted earnings per share</b>	33	<b>29.58</b>	29.19	<b>10.05</b>	10.30

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



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	January 01 to September 30, 2024	January 01 to September 30, 2023	July 01 to September 30, 2024	July 01 to September 30, 2023
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	<b>43,389,937</b>	42,817,096	<b>14,739,392</b>	15,105,763
<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	(2,560,531)	9,462,733	<b>581,303</b>	(506,713)
Movement in surplus / deficit on revaluation of debt investments designated at Fair Value Through Other Comprehensive Income (FVOCI) - net of tax	<b>30,924,467</b>	-	<b>23,738,552</b>	-
Movement in surplus / deficit on revaluation of available for sale investments - net of tax	-	(4,532,615)	-	2,368,380
<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 designated at FVOCI - net of tax	<b>2,310,422</b>	-	<b>1,573,195</b>	-
Movement in surplus / deficit on revaluation of property and equipment - net of tax	-	15,636,967	-	9,418
<b>Total comprehensive income</b>	<b><u>74,064,295</u></b>	<u>63,384,181</u>	<b><u>40,632,442</u></b>	<u>16,976,848</u>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director





# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 2023</b>								
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	42,817,096	42,817,096
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	9,462,733	-	-	-	-	9,462,733
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(4,532,615)	15,636,967	-	11,104,352
	-	-	9,462,733	-	(4,532,615)	15,636,967	42,817,096	63,384,181
Transferred to statutory reserve	-	4,281,710	-	-	-	-	(4,281,710)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(96,496)	96,496	-
<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)
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)
	-	-	-	-	-	-	(7,334,263)	(7,334,263)
<b>Balance as at September 30, 2023</b>	14,668,525	47,411,786	37,521,239	547,115	(29,553,757)	42,546,387	196,684,139	309,825,434
<b>Comprehensive income for the three months ended December 31, 2023</b>								
Profit after taxation for three months ended December 31, 2023	-	-	-	-	-	-	14,038,899	14,038,899
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(644,330)	-	-	-	-	(644,330)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	451,982	451,982
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	13,401,756	6,085	-	13,407,841
	-	-	(644,330)	-	13,401,756	6,085	14,490,881	27,254,392
Transferred to statutory reserve	-	1,403,890	-	-	-	-	(1,403,890)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(20,933)	20,933	-
<b>Transactions with owners, recorded directly in equity</b>								
3rd interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)
	-	-	-	-	-	-	(3,300,418)	(3,300,418)
<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 3.3	-	-	-	-	(954,905)	-	(12,933,260)	(13,888,165)
<b>Balance as at January 01, 2024 - as restated</b>	14,668,525	48,815,676	36,876,909	547,115	(17,106,906)	42,531,539	193,558,385	319,891,243
<b>Comprehensive income for the nine months ended September 30, 2024</b>								
Profit after taxation for the nine months ended September 30, 2024	-	-	-	-	-	-	43,389,937	43,389,937
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(2,560,531)	-	-	-	-	(2,560,531)
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	2,310,422	-	-	2,310,422
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	30,924,467	-	-	30,924,467
	-	-	(2,560,531)	-	33,234,889	-	43,389,937	74,064,295
Transferred to statutory reserve	-	4,338,994	-	-	-	-	(4,338,994)	-
Net realised gain on equity investments designated at FVOCI - net of tax	-	-	-	-	(451,190)	-	451,190	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(90,494)	90,494	-
<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)
1st interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	(5,867,410)	(5,867,410)
2nd interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	(5,867,410)	(5,867,410)
	-	-	-	-	-	-	(17,602,230)	(17,602,230)
<b>Balance as at September 30, 2024</b>	<b>14,668,525</b>	<b>53,154,670</b>	<b>34,316,378</b>	<b>547,115</b>	<b>15,676,793</b>	<b>42,441,045</b>	<b>215,548,782</b>	<b>376,353,308</b>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Raymond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director



# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	86,671,532	83,018,007
Dividend income	(4,232,600)	(3,027,681)
Mark-up / return / profit / interest expensed on subordinated debt	3,234,146	3,126,563
	<b>85,673,078</b>	<b>83,116,889</b>
<b>Adjustments:</b>		
Depreciation	7,518,831	6,624,825
Amortisation	1,921,368	1,482,463
Depreciation on right-of-use assets	2,849,531	2,848,085
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,328,345	2,756,769
(Reversal) / charge of credit loss allowance against investments	(987,219)	1,085,470
Credit loss allowance against loans and advances	12,002,079	4,862,098
Provision / credit loss allowance against other assets	343,210	976,864
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	2,553,118	(108,955)
Unrealised gain on Fair Value Through Profit and Loss (FVTPL) securities	(2,500,772)	-
Unrealised loss on held-for-trading securities	-	45,071
Gain on derecognition of joint venture	-	(9,333,221)
Gain on sale of property and equipment - net	(27,746)	(80,826)
Workers' Welfare Fund	1,733,191	1,661,993
	<b>27,733,936</b>	<b>12,820,636</b>
	<b>113,407,014</b>	<b>95,937,525</b>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	47,208,341	35,379,934
Net investment in securities carried at FVTPL	62,333,897	-
Net investment in held-for-trading securities	-	14,473,917
Advances	(39,876,710)	36,913,976
Other assets (excluding advance taxation)	(58,945,952)	(77,636,774)
	<b>10,719,576</b>	<b>9,131,053</b>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(3,264,033)	746,580
Borrowings from financial institutions	(130,258,895)	219,331,018
Deposits and other accounts	661,456,175	482,230,998
Other liabilities	48,942,163	77,785,129
	<b>576,875,410</b>	<b>780,093,725</b>
	<b>701,002,000</b>	<b>885,162,303</b>
Income tax paid	(56,616,630)	(37,195,950)
<b>Net cash flows generated from operating activities</b>	<b>644,385,370</b>	<b>847,966,353</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in securities carried at FVOCI	(565,107,576)	-
Net investment in securities carried at Amortised Cost	(12,796,316)	-
Net investment in available-for-sale securities	-	(554,532,955)
Net investment in held-to-maturity securities	-	(34,875,279)
Net investment in subsidiaries	(7,875,572)	(1,000,000)
Net investment in associates	4,366	183,742
Dividend received	4,157,086	3,007,875
Investments in property and equipment	(18,689,237)	(10,983,825)
Investments in intangible assets	(2,275,244)	(2,496,936)
Proceeds from sale of property and equipment	73,803	125,242
Effect of translation of net investment in foreign branches - net of tax	(2,560,531)	9,462,733
<b>Net cash flows used in investing activities</b>	<b>(605,069,221)</b>	<b>(591,109,403)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of mark-up on subordinated debt	(3,362,251)	(3,141,024)
Payment of lease liability against right-of-use assets	(3,517,846)	(3,185,734)
Dividend paid	(13,522,786)	(10,901,392)
<b>Net cash flows used in financing activities</b>	<b>(20,402,883)</b>	<b>(17,228,150)</b>
<b>Increase in cash and cash equivalents during the period</b>	<b>18,913,266</b>	<b>239,628,800</b>
Cash and cash equivalents at the beginning of the period	567,431,489	288,384,257
Effect of exchange rate changes on cash and cash equivalents	(19,237,406)	302,968
	<b>548,194,083</b>	<b>288,687,225</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>567,107,349</b>	<b>528,316,025</b>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 1,727 (December 31, 2023: 1,728) branches inside Pakistan including 408 (December 31, 2023: 408) Islamic Banking Branches and 28 (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 has transferred the business to its new owners. The deregistration and related exit formalities are underway.
- 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) commenced operations on March 14, 2024 as 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.

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

- 1.6 During the period, the Bank has subscribed to 600 million Right shares issued by HBL Microfinance Bank Limited (HBL MfB). Post acquisition, the Bank's shareholding in HBL MfB has increased from 79.92% to 89.38%.

## 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 NINE MONTHS ENDED SEPTEMBER 30, 2024

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

As directed by the SBP via BPRD Circular letter no. 7 of 2023, IFRS 9, Financial Instruments is effective in Pakistan 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.

The SBP, via BPRD Circular letter no.16 of 2024, has extended the timeline for compliance with the following requirements of IFRS 9 to accounting periods beginning October 01, 2024:

- a- Recognition of interest income / expense under the effective interest rate method;
- b- Measurement of staff loans at fair value;
- c- Accounting for modified loans.

Additionally, the same circular allows banks to continue measuring unlisted equity securities at the lower of cost or breakup value up to 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. Except for the relaxations given by SBP as mentioned in note 2.3 above, 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.

## 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.

### 3.1 IFRS 9 Financial Instruments

The key changes to the Bank's accounting policies resulting from its adoption of IFRS 9 are summarized below:

#### 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 realised 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).



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

- **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 do not have fixed maturity; or
  - b. which are not classified as either at amortised cost or at FVOCI.

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 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, other than unlisted equity securities, are subsequently measured at fair value. Changes in the fair value of these securities are taken to the profit and loss account.

Changes in the value of unlisted equity securities, carried at lower of cost or breakup value are taken to the profit and loss account.

### Equity and debt securities classified as FVOCI

These securities, other than unlisted equity 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.

Changes in the value of unlisted equity securities, carried out at lower of cost or breakup value, are recorded in OCI. When these are derecognised, gains and losses 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 the 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 September 30, 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 NINE MONTHS ENDED SEPTEMBER 30, 2024

Financial Assets / Liabilities	Previous classification	Classification under IFRS 9	Carrying amount as of December 31, 2023	Change in classification	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	-	249,366,963
Available for sale	AFS	FVOCI	1,777,376,128	(15,911,835)	(458,275)	1,761,006,018
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	-	(25,015,762)	1,639,000,441
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>(25,539,884)</b>	<b>5,004,378,771</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>1,691,810</b>	<b>4,844,065,466</b>
<b>Net Financial Assets</b>			<b>187,544,999</b>	<b>-</b>	<b>(27,231,694)</b>	<b>160,313,305</b>
Net Non Financial Assets			146,234,409	-	13,343,529	159,577,938
<b>Total Net Assets</b>			<b>333,779,408</b>	<b>-</b>	<b>(13,888,165)</b>	<b>319,891,243</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
- Determining whether an asset shows a significant increase in credit risk.

### 3.3 Reconciliation of retained earnings and surplus on revaluation of investments

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

	(Rupees in '000)
<b>Retained earnings</b>	
Closing balance as at December 31, 2023 - as reported	<b>206,491,645</b>
Recognition of IFRS 9 ECL	<b>(27,231,694)</b>
Transfer out - impact of impairment of equity securities	<b>1,872,360</b>
Deferred tax in relation to the above	<b>12,426,074</b>
	<b>(12,933,260)</b>
Closing balance as at January 01, 2024 under IFRS 9 - as restated	<b>193,558,385</b>
<b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2023 - as reported	<b>(16,152,001)</b>
Transfer in - impact of impairment of equity securities	<b>(1,872,360)</b>
Deferred tax in relation to the above	<b>917,455</b>
	<b>(954,905)</b>
Closing balance as at January 01, 2024 under IFRS 9 - as restated	<b>(17,106,906)</b>





# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 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.

5 CASH AND BALANCES WITH TREASURY BANKS	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
In hand			
Local currency		64,838,764	59,791,328
Foreign currencies		6,268,372	11,079,805
		<u>71,107,136</u>	<u>70,871,133</u>
With State Bank of Pakistan in			
Local currency current accounts		212,662,460	173,022,678
Foreign currency current accounts		13,740,217	12,284,194
Foreign currency deposit accounts		27,903,527	25,275,511
		<u>254,306,204</u>	<u>210,582,383</u>
With other Central Banks in			
Foreign currency current accounts		39,296,216	44,773,670
Foreign currency deposit accounts		44,815,503	32,466,191
		<u>84,111,719</u>	<u>77,239,861</u>
With National Bank of Pakistan in local currency current accounts		105,776,939	146,169,430
National Prize Bonds		242,320	318,420
		<u>515,544,318</u>	<u>505,181,227</u>

## 6 BALANCES WITH OTHER BANKS

In Pakistan			
In current accounts		29,725	17,161
Outside Pakistan			
In current accounts		20,577,256	25,493,889
In deposit accounts		30,956,696	17,501,806
		51,533,952	42,995,695
Less: credit loss allowance	6.1	(646)	-
Balances with other banks - net of credit loss allowance		<u>51,563,031</u>	<u>43,012,856</u>

6.1 Balances with other banks are all classified as Stage 1.

## 7 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings		13,500,000	17,000,000
Repurchase agreement lendings (reverse repo)		15,592,054	71,598,160
Bai Muajjal receivables from financial institutions		12,306,680	-
		41,398,734	88,598,160
Less: credit loss allowance	7.1	(8,923)	-
Lendings to financial institutions - net of credit loss allowance		<u>41,389,811</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 NINE MONTHS ENDED SEPTEMBER 30, 2024

## 8 INVESTMENTS

	September 30, 2024 (Unaudited)				December 31, 2023 (Audited)			
	Cost / amortised cost	Provision / credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
<b>8.1 Investments by type</b>								
<b>Fair value through profit or loss (FVTPL)</b>								
<b>Federal Government securities</b>								
- Market Treasury Bills	95,042,994	-	1,032,253	96,075,247	-	-	-	-
- Pakistan Investment Bonds	54,852,244	-	894,945	55,747,189	-	-	-	-
- Ijarah Sukuk	3,067,434	-	155,396	3,222,830	-	-	-	-
- Other Federal Government securities	2,819,404	-	-	2,819,404	-	-	-	-
<b>Shares</b>								
- Listed companies	1,015,481	-	(44,566)	970,915	-	-	-	-
- Unlisted companies	4,353,939	-	-	4,353,939	-	-	-	-
<b>Non-Government debt securities</b>								
- Listed	1,891,233	-	4,286	1,895,519	-	-	-	-
- Unlisted	1,632,625	-	(20)	1,632,605	-	-	-	-
<b>Foreign securities</b>								
- Government debt securities	5,541,113	-	(329,902)	5,211,211	-	-	-	-
<b>Preference shares</b>								
- Listed	877,400	-	(95,900)	781,500	-	-	-	-
- Unlisted	38,481	-	-	38,481	-	-	-	-
<b>Real Estate Investment Trust units - Listed</b>	<b>2,210,700</b>	<b>-</b>	<b>884,280</b>	<b>3,094,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	173,343,048	-	2,500,772	175,843,820	-	-	-	-
<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	517,923,211	-	8,393,909	526,317,120	-	-	-	-
- Pakistan Investment Bonds	1,343,459,301	-	8,906,659	1,352,365,960	-	-	-	-
- Ijarah Sukuk	288,982,171	-	8,942,257	297,924,428	-	-	-	-
- Government of Pakistan US Dollar Bonds	12,444,763	(2,316,841)	1,685,817	11,813,739	-	-	-	-
<b>Shares</b>								
- Listed companies	18,648,428	-	1,371,930	20,020,358	-	-	-	-
- Unlisted companies	1,018,684	-	(137,414)	881,270	-	-	-	-
<b>Non-Government debt securities</b>								
- Listed	49,440,214	(1,452,665)	540,366	48,527,915	-	-	-	-
- Unlisted	985,231	(392,215)	18,937	611,953	-	-	-	-
<b>Foreign securities</b>								
- Government debt securities	136,036,743	(1,458,925)	640,295	135,218,113	-	-	-	-
- Non-Government debt securities - Listed	12,247,809	(1,727)	295,634	12,541,716	-	-	-	-
- Equity securities - Unlisted	6,437	-	-	6,437	-	-	-	-
<b>National Investment Unit Trust units</b>	<b>11,113</b>	<b>-</b>	<b>49,722</b>	<b>60,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Real Estate Investment Trust units - Listed</b>	<b>55,000</b>	<b>-</b>	<b>30,700</b>	<b>85,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	2,381,259,105	(5,622,373)	30,738,812	2,406,375,544	-	-	-	-



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 8.1 Investments by type - continued

	September 30, 2024 (Unaudited)				December 31, 2023 (Audited)			
	Cost / amortised cost	Provision / 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
					1,817,508,679	(8,461,961)	(31,670,590)	1,777,376,128
<b>Amortised cost</b>								
<b>Federal Government securities</b>								
- Market Treasury Bills	164,636,760	-	-	164,636,760	-	-	-	-
- Pakistan Investment Bonds	244,563,062	-	-	244,563,062	-	-	-	-
- Ijarah Sukuk	15,234,898	-	-	15,234,898	-	-	-	-
<b>Non-Government debt securities</b>								
- Listed	899,220	(3,375)	-	895,845	-	-	-	-
- Unlisted	24,977,755	(803,842)	-	24,173,913	-	-	-	-
<b>Foreign Securities</b>								
- Government debt securities	15,774,300	(15,723)	-	15,758,577	-	-	-	-
	466,085,995	(822,940)	-	465,263,055	-	-	-	-
<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>	7,132,243	(107,319)	-	7,024,924	7,136,609	(77,854)	-	7,058,755
<b>Investment in subsidiary companies</b>	37,048,495	-	-	37,048,495	29,172,923	-	-	29,172,923
<b>Total Investments</b>	<b>3,064,868,886</b>	<b>(6,552,632)</b>	<b>33,239,584</b>	<b>3,091,555,838</b>	<b>2,540,284,063</b>	<b>(8,962,644)</b>	<b>(31,391,635)</b>	<b>2,499,929,784</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited)                      (Audited)  
September 30,                      December 31,  
2024                                      2023  
(Rupees in '000)

## 8.1.1 Investments given as collateral

The market value of investments given as collateral against borrowings is as follows:

<b>Federal Government securities</b>		
- Market Treasury Bills	27,787,295	30,947,292
- Pakistan Investment Bonds	212,872,483	336,459,407
<b>Foreign securities</b>		
- Government debt securities	1,498,240	-
	<u>242,158,018</u>	<u>367,406,699</u>

## 8.2 Provision / credit loss allowance for diminution in value of investments

Opening balance	8,962,644	7,859,575
Impact of adoption of IFRS 9	(1,340,461)	-
Exchange adjustment	(82,332)	1,209,319
Charge / (reversal)		
Charge for the period / year	850,352	2,424,752
Reversal for the period / year	(233,576)	(1,658,491)
Reversal on disposal during the period / year	(1,603,995)	(1,094,619)
Net reversal	(987,219)	(328,358)
Transferred in	-	222,108
Closing balance	<u>6,552,632</u>	<u>8,962,644</u>

## 8.3 Particulars of credit loss allowance against debt securities

	(Unaudited) September 30, 2024	
<b>Category of classification</b>	<b>Outstanding amount</b>	<b>Credit loss allowance held</b>
	(Rupees in '000)	
<b>Domestic</b>		
Performing	2,830,863,182	218,015
Underperforming	1,662,500	20,070
Non-performing		
Substandard	-	-
Doubtful	-	-
Loss	997,231	997,231
	<u>2,833,522,913</u>	<u>1,235,316</u>
<b>Overseas</b>		
Performing	160,953,060	102,553
Underperforming	28,463,198	4,413,298
Non-performing		
Substandard	-	-
Doubtful	-	-
Loss	694,146	694,146
	<u>190,110,404</u>	<u>5,209,997</u>
<b>Total</b>	<u>3,023,633,317</u>	<u>6,445,313</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited) September 30, 2024	(Audited) December 31, 2023	(Unaudited) September 30, 2024	(Audited) December 31, 2023	(Unaudited) September 30, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,350,051,513	1,313,235,990	76,233,300	73,208,971	1,426,284,813	1,386,444,961
	Islamic financing and related assets	38.3	193,025,249	208,404,435	21,195,737	11,309,850	214,220,986	219,714,285
	Bills discounted and purchased		148,735,138	144,388,017	8,744,329	9,753,378	157,479,467	154,141,395
	Advances - gross		1,691,811,900	1,666,028,442	106,173,366	94,272,199	1,797,985,266	1,760,300,641
	Credit loss allowance							
	- Stage 1		(11,308,015)	-	-	-	(11,308,015)	-
	- Stage 2		(21,675,194)	-	-	-	(21,675,194)	-
	- Stage 3	9.3	-	-	(97,015,098)	-	(97,015,098)	-
	Specific		-	-	(995,813)	(80,251,974)	(995,813)	(80,251,974)
	General		(116,074)	(16,032,464)	-	-	(116,074)	(16,032,464)
			(33,099,283)	(16,032,464)	(98,010,911)	(80,251,974)	(131,110,194)	(96,284,438)
	Advances - net of credit loss allowance		1,658,712,617	1,649,995,978	8,162,455	14,020,225	1,666,875,072	1,664,016,203

9.1	Particulars of advances (Gross)	(Unaudited) September 30, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
	In local currency		
	In foreign currencies	1,386,824,616	1,350,385,836
		411,160,650	409,914,805
		1,797,985,266	1,760,300,641

9.2 Advances include Rs 106,173.366 million (December 31, 2023: Rs 94,272.199 million) which have been placed under non-performing (stage 3) status as detailed below:

Category of Classification	(Unaudited) September 30, 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	20,436,703	15,152,450	6,608,336	1,519,520
Doubtful	2,277,636	2,283,764	10,695,635	5,347,817
Loss	52,753,357	51,669,647	42,990,993	42,309,472
	75,467,696	69,105,861	60,995,149	49,176,809
<b>Overseas</b>				
Substandard	41,467	22,157	69,615	23,650
Doubtful	1,199,264	620,266	1,287,364	640,576
Loss	29,464,939	28,262,627	31,920,071	30,410,939
	30,705,670	28,905,050	33,277,050	31,075,165
Total	106,173,366	98,010,911	94,272,199	80,251,974



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited)					Total
	September 30, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	
	----- (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	24,027,266	85,326,975	(79,243,853)	(15,930,182)	25,015,762
Opening balance - as restated	10,835,556	24,027,266	85,326,975	1,008,121	102,282	121,300,200
Transfer to stage 1	186,674	(186,674)	-	-	-	-
Transfer to stage 2	(1,043,768)	1,078,803	(35,035)	-	-	-
Transfer to stage 3	-	(2,170,402)	2,170,402	-	-	-
Exchange adjustment	(12,707)	(17,750)	(564,898)	(23,487)	(10,957)	(629,799)
Charge for the period	5,691,731	7,395,219	18,243,584	65,414	41,843	31,437,791
Reversal for the period	(4,349,471)	(8,451,268)	(6,563,644)	(54,235)	(17,094)	(19,435,712)
Net charge / (reversal) against advances	1,342,260	(1,056,049)	11,679,940	11,179	24,749	12,002,079
Charged off during the period - agriculture financing	-	-	(128,495)	-	-	(128,495)
Written off during the period	-	-	(1,433,791)	-	-	(1,433,791)
Closing balance	11,308,015	21,675,194	97,015,098	995,813	116,074	131,110,194

	(Audited)					Total
	December 31, 2023					
	Stage 1	Stage 2	Stage 3	Specific	General	
	----- (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	-	-	-	80,251,974	16,032,464	96,284,438

9.3.1 A management overlay of Rs. 3,752.845 million (January 01, 2024: Rs. 7,383.274 million) is held against specific borrowers to cover any additional risk that may arise due to these borrowers being impacted by a deterioration in the macroeconomic environment. The Bank will continue to assess the appropriateness of this overlay at each reporting period.

9.3.2 General provision represents Rs 116.074 million (January 01, 2024: Rs 102.280 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of those countries in which the Bank operates where IFRS 9 is not applicable.

#### 9.4 Advances - Category of classification

	(Unaudited)	
	September 30, 2024	
	Outstanding amount	Credit loss allowance / provision held
	----- (Rupees in '000) -----	
<b>Domestic</b>		
Performing	1,029,959,215	7,193,445
Underperforming	390,127,663	20,278,587
Non-performing	75,467,696	69,105,861
	1,495,554,574	96,577,893
<b>Overseas</b>		
Performing	233,794,425	4,230,644
Underperforming	37,930,597	1,396,607
Non-performing	30,705,670	28,905,050
	302,430,692	34,532,301
Total	1,797,985,266	131,110,194





# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
<b>10 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	10.1	13,069,902	6,900,469
Property and equipment		112,098,614	107,123,253
		<b>125,168,516</b>	<b>114,023,722</b>
<b>10.1 Capital work-in-progress</b>			
Civil works		3,632,944	919,737
Equipment		1,871,421	930,756
Advances to suppliers and contractors		7,565,537	5,049,976
		<b>13,069,902</b>	<b>6,900,469</b>
<b>10.2 Additions to property and equipment</b>			
		(Unaudited)	(Audited)
		For the nine months ended	For the nine months ended
		September 30,	September 30,
		2024	2023
		(Rupees in '000)	(Rupees in '000)
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		6,169,433	(60,970)
<b>Property and equipment</b>			
Leasehold land		1,633,340	1,747,513
Building on leasehold land		4,105,559	481,641
Machinery		13,203	79,106
Leasehold improvements		934,099	2,915,126
Furniture and fixtures		726,157	1,034,235
Electrical, office and computer equipment		4,926,935	4,601,921
Vehicles		180,511	185,253
		<b>12,519,804</b>	<b>11,044,795</b>
		<b>18,689,237</b>	<b>10,983,825</b>
<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		-	9,354
Building on leasehold land		13,512	-
Leasehold improvements		1,111	691
Furniture and fixtures		2,278	2,932
Electrical, office and computer equipment		8,356	30,376
Vehicles		20,800	1,063
		<b>46,057</b>	<b>44,416</b>
<b>11 RIGHT-OF-USE ASSETS</b>			
		(Unaudited)	(Audited)
		September 30,	December 31,
		2024	2023
		(Rupees in '000)	(Rupees in '000)
At January 1,			
Cost		34,140,237	30,360,152
Accumulated Depreciation		(12,492,201)	(9,921,472)
Net Carrying amount at January 1,		<b>21,648,036</b>	<b>20,438,680</b>
Exchange adjustment		(51,101)	382,848
Additions during the period / year		4,069,339	4,663,585
Deletions during the period / year		(489,901)	(128,537)
Depreciation charge for the period / year		(2,849,531)	(3,683,074)
Other adjustments		-	(25,466)
Net carrying amount at period / year		<b>22,326,842</b>	<b>21,648,036</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

12 INTANGIBLE ASSETS	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
Capital work-in-progress - computer software		8,286,863	6,570,613
Computer software		7,052,295	8,418,203
		<u>15,339,158</u>	<u>14,988,816</u>
		(Unaudited) For the nine months ended	
		September 30, 2024	September 30, 2023
		(Rupees in '000)	
12.1 Additions to intangibles assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		1,716,250	1,429,582
Computer software		558,994	1,067,354
		<u>2,275,244</u>	<u>2,496,936</u>
		(Unaudited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
13 OTHER ASSETS			
Mark-up / return / profit / interest accrued in local currency - net of provision		162,317,869	119,691,426
Mark-up / return / profit / interest accrued in foreign currency - net of provision		7,657,633	8,499,414
Advances, deposits, advance rent and other prepayments		6,672,924	3,928,788
Advance taxation		11,316,228	5,107,654
Advance against subscription of securities		360,674	903,514
Stationery and stamps on hand		222,478	215,745
Accrued fees and commissions		369,838	430,308
Due from Government of Pakistan / SBP		10,573,860	6,622,630
Mark to market gain on forward foreign exchange contracts		4,243,349	2,263,654
Mark to market gain on derivative instruments		-	73,396
Non-banking assets acquired in satisfaction of claims		188,975	242,317
Receivable from defined benefit plan		845,404	845,404
Acceptances		72,836,634	53,823,454
Clearing and settlement accounts		22,320,524	37,268,393
Dividend receivable		84,607	9,093
Claims receivable against fraud and forgeries		758,427	634,106
Deferred fair value loss	13.1	5,059,049	-
Others		486,314	693,274
		<u>306,314,787</u>	<u>241,252,570</u>
Provision / credit loss allowance held against other assets	13.2	<u>(2,930,234)</u>	<u>(2,577,641)</u>
Other assets - net of credit loss allowance		303,384,553	238,674,929
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	181,295	191,591
Other assets - total		<u>303,565,848</u>	<u>238,866,520</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

- 13.1 This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). The Bank has amortized 5% of the loss in the current year as allowed by the SBP through letter no BPRD/BRD/PIAHCL/733688–2024 dated August 01, 2024.

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
<b>13.2 Provision / credit loss allowance held against other assets</b>			
Claims receivable against fraud and forgeries		758,427	634,106
Suit filed cases		4,979	4,979
Others		2,166,828	1,938,556
		<b>2,930,234</b>	<b>2,577,641</b>
<b>13.2.1 Movement in provision / 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		(4,453)	10,045
Charge for the period / year		374,460	1,240,885
Reversal for the period / year		(31,250)	-
Net charge		343,210	1,240,885
Written off during the period / year		(39,700)	(243,072)
Transferred out		-	(222,108)
Closing balance		<b>2,930,234</b>	<b>2,577,641</b>
<b>14 BILLS PAYABLE</b>			
In Pakistan		47,016,256	49,433,022
Outside Pakistan		948,381	1,795,648
		<b>47,964,637</b>	<b>51,228,670</b>
<b>15 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the SBP under			
- Export refinance scheme		49,283,938	64,648,651
- Export refinance scheme for bill discounting		22,464,165	22,637,751
- Long term financing facility		32,427,371	37,066,139
- Financing facility for renewable energy power plants		6,895,873	7,216,949
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		637,506	607,955
- Refinance and credit guarantee scheme for women entrepreneurs		20,410	38,046
- Financing facility for storage of agricultural produce		464,949	597,743
- Refinance facility for combating COVID-19		1,192,158	1,567,557
- Temporary economic refinance facility		29,366,434	32,214,444
- Refinance facility for SME Asaan Finance (SAAF)		8,881,269	3,884,689
		<b>151,634,073</b>	<b>170,479,924</b>
Repurchase agreement borrowings		272,083,244	379,043,704
		<b>423,717,317</b>	<b>549,523,628</b>
<b>Unsecured</b>			
- Call money borrowings		1,700,000	320,000
- Overdrawn nostro accounts		2,781,695	470,727
- Borrowings of overseas branches		45,768,673	41,743,891
- Other long-term borrowings	15.1	55,116,241	67,284,575
		<b>105,366,609</b>	<b>109,819,193</b>
		<b>529,083,926</b>	<b>659,342,821</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

15.1 This includes the following:

- 15.1.1 A loan from the International Finance Corporation amounting to US\$ 24.975 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.
- 15.1.2 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\$ 166.288 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.
- 15.1.3 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 DEPOSITS AND OTHER ACCOUNTS

	September 30, 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	1,265,269,623	199,458,894	1,464,728,517	1,080,853,309	195,260,092	1,276,113,401
Savings deposits	2,076,848,266	145,205,101	2,222,053,367	1,561,063,491	150,303,167	1,711,366,658
Term deposits	411,441,442	380,293,327	791,734,769	414,510,599	321,198,865	735,709,464
	<b>3,753,559,331</b>	<b>724,957,322</b>	<b>4,478,516,653</b>	<b>3,056,427,399</b>	<b>666,762,124</b>	<b>3,723,189,523</b>
<b>Financial institutions</b>						
Current deposits	7,103,716	1,912,695	9,016,411	9,785,450	2,312,605	12,098,055
Savings deposits	23,776,377	543,313	24,319,690	120,168,627	711,626	120,880,253
Term deposits	3,874,776	15,908,557	19,783,333	4,482,843	9,529,238	14,012,081
	<b>34,754,869</b>	<b>18,364,565</b>	<b>53,119,434</b>	<b>134,436,920</b>	<b>12,553,469</b>	<b>146,990,389</b>
	<b>3,788,314,200</b>	<b>743,321,887</b>	<b>4,531,636,087</b>	<b>3,190,864,319</b>	<b>679,315,593</b>	<b>3,870,179,912</b>

	Note	(Unaudited)	(Audited)
		September 30, 2024	December 31, 2023
(Rupees in '000)			
Opening balance		26,864,447	24,293,255
Exchange adjustment		(119,193)	725,696
Additions during the period / year		3,689,706	3,929,038
Interest expense		2,328,345	2,938,166
Lease payments including interest		(3,517,846)	(4,981,733)
Others		-	(39,975)
Closing balance		<b>29,245,459</b>	<b>26,864,447</b>

### 17.1 Liabilities outstanding at the end of the period / year

Not later than one year	1,847,509	1,586,901
Later than one year and upto five years	7,403,952	6,154,396
Over five years	19,993,998	19,123,150
Total	<b>29,245,459</b>	<b>26,864,447</b>

## 18 SUBORDINATED DEBT

Additional Tier I Term Finance Certificates	18.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	18.1.2	6,500,000	6,500,000
		<b>18,874,000</b>	<b>18,874,000</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

- 18.1 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 feature of these issues are as follows:

18.1.1	<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 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".

18.1.2	<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 UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
<b>19 DEFERRED TAX LIABILITIES / (ASSETS)</b>			
<b>Deductible temporary differences on</b>			
- Credit loss allowance against investments		(307,408)	(638,780)
- Credit loss allowance against doubtful debts & Off-balance sheet obligations		(25,369,374)	(5,526,165)
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		(2,719,657)	(2,847,597)
- Ijarah financing		(516,811)	(332,429)
		<b>(28,913,250)</b>	<b>(9,344,971)</b>
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		3,473,012	3,209,476
- Surplus on revaluation of property and equipment	21	3,602,383	3,679,435
- Surplus / (deficit) on revaluation of investments	21	15,062,018	(15,518,589)
- Exchange translation reserve		7,162,322	6,568,810
		<b>29,299,735</b>	<b>(2,060,868)</b>
		<b>386,485</b>	<b>(11,405,839)</b>
<b>20 OTHER LIABILITIES</b>			
Mark-up / return / profit / interest payable in local currency		70,089,366	39,885,124
Mark-up / return / profit / interest payable in foreign currency		8,572,099	9,462,487
Security deposits		1,712,900	1,597,855
Accrued expenses		34,344,608	31,647,978
Mark to market loss on forward foreign exchange contracts		7,962,213	4,229,670
Mark to market loss on derivative instruments		6,908,779	10,321,082
Unclaimed dividends		811,267	764,376
Dividends payable		240,822	2,075,679
Provision for post retirement medical benefits		4,255,611	3,966,429
Provision for employees' compensated absences		695,722	746,630
Credit loss allowance against off-balance sheet obligations	20.1	6,126,669	1,927,866
Acceptances		72,836,634	53,823,454
Branch adjustment account		248,331	2,766,198
Provision for staff retirement benefits		1,693,676	1,646,076
Payable to defined benefit plans		806,966	851,133
Provision for Workers' Welfare Fund		12,901,852	11,168,661
Unearned income		6,065,608	5,680,169
Qarz-e-Hasna Fund		338,409	338,409
Levies and taxes payable		8,956,569	14,349,438
Insurance payable		685,181	669,442
Provision for rewards program expenses		3,607,191	2,699,951
Liability against trading of securities		665,407	15,963,126
Clearing and settlement accounts		39,107,537	18,094,169
Payable to HBL Foundation		629,352	866,494
Contingent consideration payable		500,000	500,000
Charity fund		59,545	10,578
Unclaimed deposits		945,008	2,030,722
Others		8,017,210	3,318,709
		<b>299,784,532</b>	<b>241,401,905</b>
<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		(46,124)	388,430
Charge for the period / year		2,594,874	191,387
Reversal for the period / year		(41,756)	(285,277)
Net charge / (reversal)		2,553,118	(93,890)
Closing balance		6,126,669	1,927,866





# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
<b>21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus arising on revaluation of:			
- Property and equipment		45,862,132	46,019,383
- FVOCI securities - debt		29,423,874	-
- FVOCI securities - equity	8.1	1,314,938	-
- Available-for-sale securities		-	(31,670,590)
- Non-banking assets acquired in satisfaction of claims	13	181,295	191,591
		<b>76,782,239</b>	14,540,384
Deferred tax on surplus on revaluation of:			
- Property and equipment		3,602,383	3,679,435
- FVOCI securities - debt		14,417,698	-
- FVOCI securities - equity		644,320	-
- Available-for-sale securities		-	(15,518,589)
- Non-banking assets acquired in satisfaction of claims		-	-
		<b>18,664,401</b>	(11,839,154)
Surplus on revaluation of assets - net of tax		<b>58,117,838</b>	26,379,538
<b>22 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	22.1	365,536,761	287,242,149
- Commitments	22.2	1,117,910,181	910,401,292
- Other contingent liabilities	22.3	22,773,112	22,969,646
		<b>1,506,220,054</b>	1,220,613,087
<b>22.1 Guarantees:</b>			
Financial guarantees		67,926,178	48,697,946
Performance guarantees		289,612,244	227,128,552
Other guarantees		7,998,339	11,415,651
		<b>365,536,761</b>	287,242,149
<b>22.2 Commitments:</b>			
Trade-related contingent liabilities		312,852,374	330,830,539
Commitments in respect of:			
- Forward foreign exchange contracts	22.2.1	709,819,189	474,521,265
- Forward Government securities transactions	22.2.2	14,609,986	24,383,498
- Derivatives	22.2.3	46,963,082	53,095,033
- Forward lending	22.2.4	21,747,875	15,480,187
		<b>793,140,132</b>	567,479,983
Commitments for acquisition of:			
- Property and equipment		5,960,205	4,675,879
- Intangible assets		5,957,470	7,414,891
		<b>11,917,675</b>	12,090,770
		<b>1,117,910,181</b>	910,401,292
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		432,829,372	290,314,260
Sale		276,989,817	184,207,005
		<b>709,819,189</b>	474,521,265
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>			
Purchase		14,012,892	21,450,842
Sale		597,094	2,932,656
		<b>14,609,986</b>	24,383,498



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	1,957,125	2,289,956
Sale	1,957,125	2,289,956
	<u>3,914,250</u>	<u>4,579,912</u>
<b>Cross currency swaps</b>		
Purchase	17,281,348	18,112,623
Sale	25,067,484	28,827,498
	<u>42,348,832</u>	<u>46,940,121</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	700,000	1,575,000
	<u>700,000</u>	<u>1,575,000</u>

## 22.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>21,747,875</u>	<u>15,480,187</u>
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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) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
22.3 <b>Other contingent liabilities</b>		
22.3.1 Claims against the Bank not acknowledged as debts	<u>22,773,112</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 unlikely. 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 except for those disclosed in the unconsolidated financial statements for the year ended December 31, 2023.

## 23 DERIVATIVE INSTRUMENTS

### Product Analysis

	September 30, 2024 (Unaudited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market (loss) / gain	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----						
Hedging	1,957,125	(147,416)	-	-	-	-
Market Making	1,957,125	147,416	42,348,832	(6,883,955)	700,000	(24,824)
	December 31, 2023 (Audited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market (loss) / gain	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----						
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 UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited)	
		For the nine months ended	
		September 30, 2024	September 30, 2023
		(Rupees in '000)	
<b>24</b>	<b>MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>		
On:			
Loans and advances		209,308,667	195,104,585
Investments		362,263,634	257,153,354
Lendings to financial institutions		12,463,523	21,240,249
Balances with banks		8,373,283	6,321,191
		<b>592,409,107</b>	<b>479,819,379</b>
<b>24.1</b>	<b>Interest Income Recognized</b>		
On:			
Financial assets measured at amortised cost		277,533,339	-
Financial assets measured at FVOCI		290,075,409	-
Financial assets measured at FVTPL		24,800,359	-
		<b>592,409,107</b>	<b>-</b>
<b>25</b>	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
On:			
Deposits		338,081,611	230,422,337
Securities sold under repurchase agreement borrowings		44,597,099	54,229,336
Borrowings		21,569,625	20,661,840
Subordinated debt		3,234,146	3,126,563
Cost of foreign currency swaps against foreign currency deposits / borrowings		9,351,189	4,340,282
Lease liability against right-of-use assets		2,328,345	2,756,769
		<b>419,162,015</b>	<b>315,537,127</b>
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>		
Branch banking customer fees		3,959,431	3,404,846
Branchless banking customer fees		354,572	625,923
Commission on Government to Person (G2P) payments		895,351	1,002,087
Consumer finance related fees		2,103,150	1,874,395
Card related fees		11,176,010	9,328,321
Merchant discount and interchange fees		6,005,909	5,019,509
Credit related fees		1,001,308	772,074
Investment banking fees		1,001,692	661,738
Commission on trade related products and guarantees		6,246,854	5,240,948
Commission on cash management		1,266,200	1,197,057
Commission on remittances (including home remittances)		1,357,433	514,804
Commission on bancassurance		949,708	519,228
Wealth Management Fee		33,124	26,114
Others		87,586	524,359
		<b>36,438,328</b>	<b>30,711,403</b>
Less: Sales tax / Federal Excise Duty on fee and commission income		<b>(4,450,076)</b>	<b>(3,802,901)</b>
		<b>31,988,252</b>	<b>26,908,502</b>
<b>27</b>	<b>GAIN / (LOSS) ON SECURITIES - NET</b>		
Realised	27.1	3,938,338	(280,379)
Unrealised - measured at FVTPL	8.1	2,500,772	-
Unrealised - held-for-trading		-	(45,071)
		<b>6,439,110</b>	<b>(325,450)</b>
<b>27.1</b>	<b>Gain / (loss) on securities - realised</b>		
On:			
Federal Government securities			
- Market Treasury Bills		2,687,855	319,602
- Pakistan Investment Bonds		199,593	666,035
- Ijarah Sukuk		319,635	4,642
- Government of Pakistan US Dollar Bonds		-	(531,487)
Shares		1,016,487	(687,684)
Non-Government debt securities		11,785	(36,046)
Foreign securities		(607,490)	-
Associates		310,473	(15,441)
		<b>3,938,338</b>	<b>(280,379)</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

		(Unaudited)	
		For the nine months ended	
		September 30, 2024	September 30, 2023
		(Rupees in '000)	
27.1.1	<b>Composition of gain on securities - realised</b>		
	Net gain on securities measured at FVTPL	2,271,506	-
	Net gain on debt securities measured at FVOCI	1,356,359	-
	Net gain on sale of Associates	310,473	-
		<b>3,938,338</b>	<b>-</b>
28	<b>OTHER INCOME</b>		
	Incidental charges	388,717	413,551
	Gain on derecognition of joint venture	-	9,333,221
	Gain on sale of property and equipment - net	27,746	80,826
	Rent on properties	94,543	55,935
		<b>511,006</b>	<b>9,883,533</b>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	<b>40,518,550</b>	<b>36,735,008</b>
	<b>Property expense</b>		
	Rent and taxes	870,537	1,031,293
	Insurance	186,960	195,027
	Utilities cost	4,330,285	3,663,675
	Security (including guards)	2,324,668	1,944,987
	Repair and maintenance (including janitorial charges)	3,879,608	3,202,808
	Depreciation on property and equipment	3,931,816	3,801,438
	Depreciation on right-of-use assets	2,849,531	2,848,085
		<b>18,373,405</b>	<b>16,687,313</b>
	<b>Information technology expenses</b>		
	Software maintenance	7,539,681	6,256,316
	Hardware maintenance	1,962,949	1,639,348
	Depreciation	3,095,730	2,293,973
	Amortisation	1,921,368	1,482,463
	Network charges	1,266,795	1,330,870
	Consultancy charges	396,348	614,520
		<b>16,182,871</b>	<b>13,617,490</b>
	<b>Other operating expenses</b>		
	Legal and professional charges	5,615,533	8,640,411
	Outsourced services costs	2,155,918	2,257,823
	Travelling and conveyance	1,536,748	1,371,497
	Insurance	636,903	695,990
	Remittance charges	342,448	468,392
	Cash transportation and sorting charges	2,432,834	2,391,746
	Repairs and maintenance	1,904,095	1,623,537
	Depreciation	491,285	529,414
	Training and development	490,644	370,983
	Postage and courier charges	701,056	594,670
	Communication	3,515,640	2,013,206
	Stationery and printing	2,927,847	2,194,562
	Marketing, advertisement and publicity	4,834,101	3,016,660
	Donations	643,452	790,765
	Auditors' remuneration	286,901	276,562
	Brokerage and commission	665,876	628,817
	Subscription	356,940	304,042
	Documentation and processing charges	8,829,079	6,579,012
	Entertainment	537,522	562,204
	Consultancy charges	1,976,301	2,029,193
	Deposits insurance premium expense	2,728,144	2,332,050
	Product feature cost	3,863,689	3,095,309
	Others	1,405,950	689,988
		<b>48,878,906</b>	<b>43,456,833</b>
		<b>123,953,732</b>	<b>110,496,644</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited)	
		For the nine months ended September 30, 2024	September 30, 2023
(Rupees in '000)			
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		290,712	32,447
Penalties imposed by other regulatory bodies		59,932	49,643
		<u>350,644</u>	<u>82,090</u>
<b>31 CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>			
(Reversal) / charge of credit loss allowance against investments	8.2	(987,219)	1,085,470
Credit loss allowance against loans and advances	9.3	12,002,079	4,862,098
Provision / credit loss allowance against other assets	13.2.1	343,210	976,864
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	20.1	2,553,118	(108,955)
Recoveries against written off / charged off bad debts		(592,936)	(737,948)
Recoveries against other assets written off		(1,548)	(13,195)
Other write offs and operational losses		430,687	95,106
		<u>13,747,391</u>	<u>6,159,440</u>
<b>32 TAXATION</b>			
- Current			
- For the year		49,662,219	41,309,638
- Prior years		281,116	(100,000)
		<u>49,943,335</u>	<u>41,209,638</u>
- Deferred			
- For the year		(6,392,473)	(366,906)
- Prior years		(269,267)	(641,821)
		<u>(6,661,740)</u>	<u>(1,008,727)</u>
		<u>43,281,595</u>	<u>40,200,911</u>
<b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		<u>43,389,937</u>	<u>42,817,096</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>29.58</u>	<u>29.19</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.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

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.

## 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.
Units of mutual funds	The fair values of investments in 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.





# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 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:

Carrying value	As at September 30, 2024 (Unaudited)			Total
	Level 1	Level 2	Level 3	

----- (Rupees in '000) -----

### On balance sheet financial instruments

#### Financial assets - measured at fair value

##### Investments

- Federal Government securities	2,343,466,513	-	2,343,466,513	-	2,343,466,513
- Shares - listed companies	20,991,273	12,462,424	8,528,849	-	20,991,273
- Non-Government debt securities - Listed	50,423,434	40,280,000	10,143,434	-	50,423,434
- Foreign securities					
Government debt securities	140,429,324	-	140,429,324	-	140,429,324
Non-Government debt securities - Listed	12,541,716	-	12,541,716	-	12,541,716
- National Investment Unit Trust units	60,835	-	60,835	-	60,835
- Real Estate Investment Trust units	3,180,680	3,180,680	-	-	3,180,680
- Preference shares - Listed	781,500	781,500	-	-	781,500
	<b>2,571,875,275</b>	<b>56,704,604</b>	<b>2,515,170,671</b>	<b>-</b>	<b>2,571,875,275</b>

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

##### Investments

- Federal Government securities	424,434,720	-	421,054,183	-	421,054,183
- Non-Government debt securities - Listed	895,845	-	873,563	-	873,563
- Foreign securities					
Government debt securities	15,758,577	-	15,875,104	-	15,875,104
- Associates	6,768,694	8,710,952	-	-	8,710,952
	<b>447,857,836</b>	<b>8,710,952</b>	<b>437,802,850</b>	<b>-</b>	<b>446,513,802</b>
	<b>3,019,733,111</b>	<b>65,415,556</b>	<b>2,952,973,521</b>	<b>-</b>	<b>3,018,389,077</b>

Notional value	As at September 30, 2024 (Unaudited)			Total
	Level 1	Level 2	Level 3	

----- (Rupees in '000) -----

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

##### Commitments

- Forward foreign exchange contracts	709,819,189	-	(3,718,864)	-	(3,718,864)
- Forward Government securities transactions	14,609,986	-	67,565	-	67,565
- Derivative instruments	46,963,082	-	(6,908,779)	-	(6,908,779)



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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

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

Investments					
- Federal Government securities	414,265,326	-	380,620,887	-	380,620,887
- Non-Government debt securities - Listed	1,899,450	-	1,898,829	-	1,898,829
- Foreign securities					
Government debt securities	13,123,544	-	13,179,876	-	13,179,876
- Associates	6,802,524	6,788,865	-	-	6,788,865
	436,090,844	6,788,865	395,699,592	-	402,488,457
	2,432,286,665	56,791,983	2,341,892,295	-	2,398,684,278

	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	53,095,033	-	(10,247,686)	-	(10,247,686)

## 34.2 Fair value of non-financial assets

	As at September 30, 2024 (Unaudited)				Total
	Carrying value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Land and Buildings	84,989,984	-	-	84,989,984	84,989,984
Non-banking assets acquired in satisfaction of claims	370,270	-	-	370,270	370,270
	85,360,254	-	-	85,360,254	85,360,254
----- (Rupees in '000) -----					
<b>As at December 31, 2023 (Audited)</b>					
	Carrying value	Level 1	Level 2	Level 3	Total
----- (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



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 35 SEGMENT INFORMATION

### 35.1 Segment Details with respect to Business Activities

For the nine months ended September 30, 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	(229,293)	42,989	36,342	53,724	266,215	10,888	(7,618)	173,247
Inter segment revenue / (expense) - net	328,033	(30,451)	-	(17,681)	(291,454)	5,302	6,251	-
Non mark-up / interest income	4,415	14,996	2,385	5,567	14,650	6,899	4,298	53,210
<b>Total income</b>	<b>103,155</b>	<b>27,534</b>	<b>38,727</b>	<b>41,610</b>	<b>(10,589)</b>	<b>23,089</b>	<b>2,931</b>	<b>226,457</b>
Segment direct expenses	28,075	18,101	8,341	3,186	636	13,921	53,778	126,038
Inter segment expense allocation	27,727	8,351	1,070	8,967	1,445	1,237	(48,797)	-
<b>Total expenses</b>	<b>55,802</b>	<b>26,452</b>	<b>9,411</b>	<b>12,153</b>	<b>2,081</b>	<b>15,158</b>	<b>4,981</b>	<b>126,038</b>
Provisions - charge / (reversal)	600	2,258	2,983	12,871	-	(1,121)	(3,843)	13,748
<b>Profit / (loss) before tax</b>	<b>46,753</b>	<b>(1,176)</b>	<b>26,333</b>	<b>16,586</b>	<b>(12,670)</b>	<b>9,052</b>	<b>1,793</b>	<b>86,671</b>

As at September 30, 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	157,747	-	37,053	591	235,641	136,076	-	567,108
Lendings to financial institutions	-	-	24,807	-	16,583	-	-	41,390
Inter segment lending	2,466,667	-	9,705	24,668	-	124,419	156,322	2,781,781
Investments	-	-	321,747	14,671	2,486,924	204,753	63,461	3,091,556
Advances - performing	-	249,689	199,095	842,545	-	316,988	50,396	1,658,713
Advances - non-performing	-	1,472	727	4,716	-	1,801	(553)	8,163
Others	27,247	3,579	52,691	98,352	124,876	28,976	130,679	466,400
<b>Total assets</b>	<b>2,651,661</b>	<b>254,740</b>	<b>645,825</b>	<b>985,543</b>	<b>2,864,024</b>	<b>813,013</b>	<b>400,305</b>	<b>8,615,111</b>
Borrowings	-	3,877	22,506	127,538	274,743	100,419	-	529,083
Subordinated debt	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,581,993	1,795	528,802	779,845	-	625,264	13,937	4,531,636
Inter segment borrowing	-	201,325	-	-	2,556,349	24,107	-	2,781,781
Others	69,668	47,743	37,056	78,160	18,597	(1,864)	128,022	377,382
<b>Total liabilities</b>	<b>2,651,661</b>	<b>254,740</b>	<b>588,364</b>	<b>985,543</b>	<b>2,849,689</b>	<b>747,926</b>	<b>160,833</b>	<b>8,238,756</b>
Equity	-	-	57,461	-	14,335	65,087	239,472	376,355
<b>Total equity and liabilities</b>	<b>2,651,661</b>	<b>254,740</b>	<b>645,825</b>	<b>985,543</b>	<b>2,864,024</b>	<b>813,013</b>	<b>400,305</b>	<b>8,615,111</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>	<b>86,339</b>	<b>590,155</b>	<b>574,641</b>	<b>220,850</b>	<b>34,235</b>	<b>1,506,220</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

For the nine months ended September 30, 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	(162,074)	37,527	22,679	67,484	187,590	16,699	(5,623)	164,282
Inter segment revenue / (expense) - net	254,921	(25,035)	-	(33,526)	(200,357)	(2,816)	6,813	-
Non mark-up / interest income	3,462	13,194	2,064	4,079	3,897	4,559	5,881	37,136
<b>Total income</b>	<b>96,309</b>	<b>25,686</b>	<b>24,743</b>	<b>38,037</b>	<b>(8,870)</b>	<b>18,442</b>	<b>7,071</b>	<b>201,418</b>
Segment direct expenses	24,883	14,024	5,691	3,310	593	13,664	50,075	112,240
Inter segment expense allocation	23,394	7,793	947	10,004	1,405	1,279	(44,822)	-
<b>Total expenses</b>	<b>48,277</b>	<b>21,817</b>	<b>6,638</b>	<b>13,314</b>	<b>1,998</b>	<b>14,943</b>	<b>5,253</b>	<b>112,240</b>
Provisions - charge / (reversal)	764	1,636	(255)	(1,146)	(520)	2,744	2,937	6,160
<b>Profit / (loss) before tax</b>	<b>47,268</b>	<b>2,233</b>	<b>18,360</b>	<b>25,869</b>	<b>(10,348)</b>	<b>755</b>	<b>(1,119)</b>	<b>83,018</b>

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 NINE MONTHS ENDED SEPTEMBER 30, 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 September 30, 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	-	-	8,131	704,064	-	-	-
<b>Investments</b>							
Opening balance	-	-	-	29,172,923	7,058,755	-	17,204,695
Impact of adoption of IFRS 9	-	-	-	-	-	-	60,639
Exchange Adjustment	-	-	-	(124,428)	-	-	(231,842)
Investment made during the period	-	-	-	8,000,000	-	-	-
Investment redeemed / disposed off during the period	-	-	-	-	(4,365)	-	(2,837,500)
Revaluation of investment during the period	-	-	-	-	-	-	1,343,390
Provision / credit loss allowance for diminution in the value of investments	-	-	-	-	(29,465)	-	(20,070)
Closing balance	-	-	-	37,048,495	7,024,925	-	15,519,312
Provision / credit loss allowance for diminution in the value of investments	-	-	-	-	107,319	-	20,070
<b>Advances</b>							
Opening balance	1,969	649,863	5,352,719	2,086,003	375,000	-	10,200,880
Exchange adjustment	-	-	(70,321)	-	-	-	-
Addition during the period	10,507	270,077	24,125,341	204,694	-	-	17,076,457
Repaid during the period	(12,206)	(224,985)	(24,571,029)	(199,074)	(125,000)	-	(14,406,569)
Transfer out - net	-	(59,749)	-	-	-	-	-
Closing balance	270	635,206	4,836,710	2,091,623	250,000	-	12,870,768
<b>Other Assets</b>							
Interest / mark-up accrued	-	2,271	116,475	237,031	11,760	-	907,449
Receivable from defined benefit plan	-	-	-	-	-	-	845,404
Other receivables / prepayments	-	28	-	9,305	787,212	-	8,101
	-	2,299	116,475	246,336	798,972	-	1,760,954
<b>Borrowings</b>							
Opening balance	-	-	5,169,268	1,409,304	16,686,344	-	4,536,746
Exchange adjustment	-	-	-	(15,751)	(285,181)	-	(37,328)
Borrowings during the period	-	-	-	4,190,877	126,144,383	-	7,525,184
Settled during the period	-	-	(5,169,268)	(5,584,430)	(121,383,808)	-	(7,525,184)
Closing balance	-	-	-	-	21,161,738	-	4,499,418
<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	98	(2,814)	(311,519)	-	(6,978)	-	(15,545)
Received during the period	480,975	3,591,505	300,423,385	676,563,585	877,304,415	-	37,963,885
Withdrawn during the period	(414,655)	(3,491,227)	(298,031,226)	(675,387,373)	(906,069,177)	-	(34,557,085)
Transfer (out) / in - net	-	(186,926)	-	-	-	-	35,107
Closing balance	89,829	483,052	25,903,714	4,874,573	4,443,917	-	4,789,698
<b>Other liabilities</b>							
Interest / mark-up payable	69	1,801	803,091	130	279,267	-	39,662
Payable to defined benefit plan	-	-	-	-	-	-	806,966
Other payables	-	-	52,006	166,498	3,832	-	631,279
	69	1,801	855,097	166,628	283,099	-	1,477,907
<b>Contingencies and Commitments</b>							
Letters of credit	-	-	529,526	-	-	-	575,434
Letters of guarantee	-	-	187,974	1,356	-	-	3,541,727
Forward purchase of Government securities	-	-	-	-	-	-	-
Forward purchase of foreign exchange contracts	-	-	-	83,314	-	-	-
Interest rate swaps	-	-	-	-	250,000	-	-
	-	-	717,500	84,670	250,000	-	4,117,161
<b>Others</b>							
Securities held as custodian	-	150,670	20,135,575	-	237,203,000	-	30,304,180



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	For the nine months ended September 30, 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	19	21,348	322,253	986,257	50,483	-	1,942,900
Fee and commission income	746	8,316	284,333	106,225	769,088	-	9,714
Dividend income	-	-	-	-	1,524,406	-	1,931,325
Foreign exchange gain	-	-	-	-	-	-	-
Unrealised loss on derivatives	-	-	-	-	(9,904)	-	-
Gain on sale of securities - net	-	-	-	-	3,015	-	-
Rent on properties	-	-	-	87,945	-	-	-
Gain on disposal of property and equipment	-	-	-	-	6,398	-	-
Other income	-	-	-	27,581	-	-	-
<b>Expense</b>							
Mark-up / return / profit / interest expensed	2,449	36,643	1,104,356	404,624	2,240,483	-	462,516
Operating expenses							
Total compensation expense	-	2,541,482	-	-	-	-	1,037,629
Non-Executive Directors' fees	74,250	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,909,520	-	-
Product feature cost	-	-	220,485	-	-	-	-
Travelling	-	-	7,311	1,051	-	-	-
Subscription	-	-	-	-	-	-	7,945
Marketing, advertisement and publicity	-	-	-	543,731	-	-	-
Donation	-	-	-	-	-	-	629,352
Brokerage and Commission	-	-	-	-	-	-	236,338
Other expenses	-	-	54,717	16,237	53,871	-	44,601
Provision / credit loss allowance for diminution in the value of investments	-	-	-	-	22,151	-	20,070
<b>Others</b>							
Purchase of Government securities	-	124,730	138,360,410	188,230,848	86,280,107	-	5,968,862
Sale of Government securities	-	205,685	143,104,568	188,209,200	57,868,933	-	13,294,761
Purchase of foreign currencies	-	-	8,702,120	28,044,498	135,958	-	82,651
Sale of foreign currencies	-	-	5,547,197	21,292,806	2,605,488	-	1,226,793
Insurance claims settled	-	-	-	-	291,448	-	-
<b>As at December 31, 2023 (Audited)</b>							
	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 the 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 NINE MONTHS ENDED SEPTEMBER 30, 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
Exchange adjustment	22,601	43,837	192,882	115,020	37,425	795
Received during the year	780,596	5,692,787	364,791,560	1,079,990,251	1,418,318,927	3,996
Withdrawn during the year	(915,056)	(5,668,415)	(357,247,971)	(1,078,868,722)	(1,387,958,486)	(7,583)
Transfer (out) / in - 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	-
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
Letters of guarantee	-	-	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 custodian	-	152,360	22,460,475	-	214,735,000	29,021,560
For the nine months ended September 30, 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	71	21,744	362,570	1,424,022	86,176	1,850,798
Fee and commission income	476	3,939	211,752	57,339	497,484	55,660
Dividend income	-	-	-	-	841,098	1,545,344
Foreign exchange gain	-	-	-	575,207	-	-
Unrealised loss on derivatives	-	-	-	-	(47,673)	-
Gain on sale of securities - net	-	-	-	-	(15,441)	-
Rent on properties	-	-	-	52,168	-	-
Other income	-	-	-	11,433	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	5,550	30,562	733,938	108,553	827,714	474,696
<b>Operating expenses</b>						
Total compensation expense	-	2,169,570	-	-	-	1,114,265
Non-Executive Directors' fees	58,650	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,701,838	-
Product feature cost	-	-	160,936	-	-	-
Travelling	-	-	5,497	-	-	-
Subscription	-	-	-	-	-	12,599
Donation	-	-	-	-	-	644,910
Brokerage and Commission	-	-	-	-	-	223,560
Other expenses	-	-	42,824	16,577	51,122	35,519
Provision for diminution in the value of investments	-	-	-	-	201,406	15,248
<b>Others</b>						
Purchase of Government securities	86,846	231,310	101,657,318	221,312,365	189,416,641	53,633,248
Sale of Government securities	164,890	362,185	132,002,021	225,177,052	200,678,499	76,419,976
Purchase of foreign currencies	-	-	4,528,650	23,131,041	1,706,125	8,903,897
Sale of foreign currencies	42,467	-	5,739,059	26,315,057	2,852	26,076
Insurance claims settled	-	-	-	-	154,621	-

36.1 Balances and transactions with group entities include deposits of Rs 0.643 million (December 31, 2023: Rs 0.695 million) from the parent and Rs 2.516 million (September 30, 2023: 3 thousand) as mark-up expense thereon.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>			
Paid-up capital (net of losses)		<u>14,668,525</u>	<u>14,668,525</u>
<b>Capital Adequacy Ratio (CAR):</b>			
Eligible Common Equity Tier 1 (CET 1) Capital		<u>259,380,960</u>	244,543,194
Eligible Additional Tier 1 (ADT 1) Capital		<u>13,380,064</u>	15,209,811
Total Eligible Tier 1 Capital		<u>272,761,024</u>	259,753,005
Eligible Tier 2 Capital		<u>87,418,083</u>	74,258,880
Total Eligible Capital (Tier 1 + Tier 2)		<u>360,179,107</u>	334,011,885
<b>Risk Weighted Assets (RWAs):</b>			
Credit Risk		<u>1,518,349,777</u>	1,484,105,134
Market Risk		<u>178,282,913</u>	162,338,638
Operational Risk		<u>286,469,768</u>	286,469,768
Total		<u>1,983,102,458</u>	1,932,913,540
CET 1 CAR		<u>13.08%</u>	12.65%
Tier 1 CAR		<u>13.75%</u>	13.44%
Total CAR		<u>18.16%</u>	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		8.50%	9.00%
of which: countercyclical buffer requirement		1.50%	1.50%
of which: D-SIB buffer requirement	37.1	1.00%	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)		7.08%	6.65%
<b>Other information:</b>			
<b>National minimum capital requirements prescribed by the SBP</b>			
CET1 minimum ratio (%)		8.50%	9.00%
Tier 1 minimum ratio (%)		10.00%	10.50%
Total capital minimum ratio (%)		12.50%	13.00%
		(Unaudited) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
<b>Leverage Ratio (LR)</b>			
Eligible Tier-1 Capital		272,761,024	259,753,005
Total Exposure		6,531,700,479	5,834,019,080
Leverage Ratio (%)		<u>4.18%</u>	4.45%
<b>Minimum Requirement (%)</b>			
		<u>3.00%</u>	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>			
Average High Quality Liquid Assets		2,404,676,924	1,879,073,951
Average Net Cash Outflow		868,802,324	693,860,676
Liquidity Coverage Ratio (%)		<u>276.78%</u>	270.81%
<b>Minimum Requirement (%)</b>			
		<u>100.00%</u>	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>			
Available Stable Funding		4,379,368,921	3,812,112,933
Required Stable Funding		2,396,178,603	2,384,738,674
Net Stable Funding Ratio (%)		<u>182.76%</u>	159.85%
<b>Minimum Requirement (%)</b>			
		<u>100.00%</u>	100.00%

37.1 During the period, the SBP through its letter No. BSD-2/Bank/HBL/749858/2024 dated August 29, 2024, has reduced the D-SIB buffer from 1.50% to 1.00%.

37.2 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 76 bps.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 408 (December 31, 2023: 408) Islamic Banking branches and 570 (December 31, 2023: 553) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		36,209,940	40,418,980
Balances with other banks		842,760	476,714
Due from financial institutions	38.1	24,806,680	19,500,000
Investments	38.2	321,747,174	226,552,494
Islamic financing and related assets - net	38.3	199,821,375	213,054,465
Property and equipment		7,187,883	7,392,659
Right-of-use assets		7,300,833	6,526,100
Intangible assets		46,992	48,248
Due from Head Office		9,704,842	-
Deferred tax assets		792,579	1,270,557
Other assets		37,362,397	23,894,137
		<b>645,823,455</b>	<b>539,134,354</b>
<b>LIABILITIES</b>			
Bills payable		40,503	40,454
Due to financial institutions	38.4	22,506,464	32,119,436
Deposits and other accounts	38.5	528,802,167	422,709,734
Due to Head Office		9,917,787	9,382,906
Lease liabilities		-	8,572,063
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities		27,097,302	23,443,740
		<b>588,364,223</b>	<b>496,268,333</b>
<b>NET ASSETS</b>			
		<b>57,459,232</b>	<b>42,866,021</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus / (deficit) on revaluation of investments - net of tax		3,336,183	(1,322,417)
Unappropriated profit	38.6	53,623,049	43,688,438
		<b>57,459,232</b>	<b>42,866,021</b>
<b>Contingencies and commitments</b>			
	38.7		
(Unaudited)			
For the nine months ended			
		September 30, 2024	September 30, 2023
(Rupees in '000)			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	38.8	74,490,881	53,122,249
Profit / return expensed	38.9	38,149,118	30,443,179
Net profit / return		<b>36,341,763</b>	<b>22,679,070</b>
<b>Other income</b>			
Fee and commission income		1,657,490	1,323,547
Dividend income		-	-
Foreign exchange income		634,057	734,507
Income from derivatives		-	-
Gain on securities- net		93,155	5,592
Others		-	-
Total other income		<b>2,384,702</b>	<b>2,063,646</b>
<b>Total income</b>		<b>38,726,465</b>	<b>24,742,716</b>
<b>Other expenses</b>			
Operating expenses		8,883,836	6,270,802
Workers' Welfare Fund		526,646	367,195
Other charges		562	220
Total other expenses		<b>9,411,044</b>	<b>6,638,217</b>
<b>Profit before credit loss allowance</b>		<b>29,315,421</b>	<b>18,104,499</b>
Charge / (reversal) of credit loss allowance and write offs - net		2,983,144	(255,259)
<b>Profit before taxation</b>		<b>26,332,277</b>	<b>18,359,758</b>
Taxation		12,902,816	8,996,281
<b>Profit after taxation</b>		<b>13,429,461</b>	<b>9,363,477</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
38.1 <b>Due from Financial Institutions</b>		
Call money lendings	12,500,000	17,000,000
Secured lendings	-	2,500,000
Bai Muajjal receivable from financial institutions	12,306,680	-
	<u>24,806,680</u>	<u>19,500,000</u>

	September 30, 2024 (Unaudited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----			

## Fair value through profit and loss (FVTPL)

### Federal Government securities

- Ijarah Sukuk
- Other Federal Government securities

108,331	-	31	108,362
2,819,404	-	-	2,819,404
<b>Non-Government debt securities</b>			
191,668	-	6	191,674
801,000	-	-	801,000
3,920,403	-	37	3,920,440

## Fair value through other comprehensive income (FVOCI)

### Federal Government securities

- Ijarah Sukuk

239,582,501	-	4,811,867	244,394,368
<b>Non-Government debt securities</b>			
43,854,167	(35,882)	352,580	44,170,865
600,000	(6,984)	18,937	611,953
284,036,668	(42,866)	5,183,384	289,177,186

## Amortised cost

### Federal Government securities

- Ijarah Sukuk

15,234,898	-	-	15,234,898
<b>Non-Government debt securities</b>			
14,102,376	(687,726)	-	13,414,650
29,337,274	(687,726)	-	28,649,548
317,294,345	(730,592)	5,183,421	321,747,174

## Total Investments

### December 31, 2023 (Audited)

	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----			

## Available for sale (AFS) securities

### Federal Government securities

- Ijarah Sukuk
- Other Federal Government securities

164,825,661	-	(2,631,310)	162,194,351
5,543,158	-	-	5,543,158
170,368,819	-	(2,631,310)	167,737,509

### Non-Government debt securities

- Listed
- Unlisted

44,891,462	-	36,836	44,928,298
1,401,000	-	1,500	1,402,500
46,292,462	-	38,336	46,330,798

## Held to maturity (HTM) securities

### Non-Government debt securities

- Unlisted

12,484,187	-	-	12,484,187
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## Total Investments

229,145,468	-	(2,592,974)	226,552,494
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### September 30, 2024 (Unaudited)

Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----			

38.2.1 <b>Particulars of credit loss allowance</b>			
Non Government debt securities	118,592	-	612,000
	<u>118,592</u>	<u>-</u>	<u>730,592</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
<b>38.3 Islamic financing and related assets - net</b>		
Diminishing Musharakah	100,324,036	93,090,208
Running Musharakah	48,002,885	46,748,573
Wakalah	14,402,007	15,112,848
Ijarah	4,259,457	3,771,372
Murabaha	3,321,123	1,937,342
Currency Salam	-	82,738
Tijarah	2,617,344	2,422,198
Istisna	939,437	2,053,597
Musawamah	485,451	3,191,914
Advance for Diminishing Musharakah	1,898,578	3,820,249
Advance for Ijarah	3,583,100	3,498,372
Advance for Murabaha	7,741,265	10,561,441
Advance for Salam	161,871	2,032,234
Advance for Istisna	11,869,975	16,079,982
Advance for Musawamah	1,916,543	595,848
Inventories against Murabaha	5,950,230	5,784,149
Inventories against Salam	982,007	-
Inventories against Tijarah	3,306,158	5,088,392
Inventories against Istisna	2,459,518	3,842,828
Islamic financing and related assets - gross	<u>214,220,985</u>	<u>219,714,285</u>
Credit loss allowance against Islamic financing and related assets		
- Stage 1	(906,961)	-
- Stage 2	(923,954)	-
- Stage 3	(12,568,695)	-
Specific	-	(5,523,177)
General	-	(1,136,643)
	<u>(14,399,610)</u>	<u>(6,659,820)</u>
Islamic financing and related assets - net of credit loss allowance	<u>199,821,375</u>	<u>213,054,465</u>
<b>38.4 Due to financial institutions</b>		
Acceptances from the SBP under:		
- Islamic export refinance scheme	10,362,193	19,406,548
- Islamic export refinance scheme for bill discounting	828,077	556,808
- Islamic long term financing facility	5,842,659	6,481,973
- Islamic financing facility for renewable energy power plants	625,083	644,321
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	234,426	286,208
- Islamic refinance and credit guarantee scheme for women entrepreneurs	405	1,765
- Islamic refinance facility for combating COVID-19	310,733	355,448
- Islamic temporary economic refinance facility	2,015,127	2,386,365
Acceptances from Pakistan Mortgage Refinance Company	2,000,000	2,000,000
Overdrawn nostro accounts	287,761	-
	<u>22,506,464</u>	<u>32,119,436</u>
<b>38.5 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	121,561,712	109,005,139
Savings deposits	377,369,924	279,911,025
Term deposits	25,165,323	29,238,524
	<u>524,096,959</u>	<u>418,154,688</u>
<b>Financial Institutions</b>		
Current deposits	34,816	92,442
Savings deposits	4,668,746	4,360,958
Term deposits	1,646	101,646
	<u>4,705,208</u>	<u>4,555,046</u>
	<u>528,802,167</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	(3,468,456)	-
Add: Islamic Banking profit for the period / year	26,332,277	21,124,836
Less: Taxation	(12,902,816)	(10,351,170)
Less: Transferred / Remitted to Head Office	(26,394)	(7,786)
Closing Balance	<u>53,623,049</u>	<u>43,688,438</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	(Unaudited) September 30, 2024 (Rupees in '000)	(Audited) December 31, 2023
<b>38.7 Contingencies and commitments</b>			
- Performance Guarantees		7,267,700	3,783,771
- Commitments	38.7.1	<u>91,969,002</u>	<u>53,232,828</u>
		<u>99,236,702</u>	<u>57,016,599</u>
<b>38.7.1 Commitments:</b>			
Trade-related contingent liabilities		47,401,308	30,703,557
Commitments in respect of forward foreign exchange contracts	38.7.1.1	<u>44,567,694</u>	<u>22,529,271</u>
		<u>91,969,002</u>	<u>53,232,828</u>
<b>38.7.1.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		25,990,007	11,450,911
Sale		18,577,687	11,078,360
		<u>44,567,694</u>	<u>22,529,271</u>
		(Unaudited)	
		For the nine months ended	
<b>38.8 Profit / return earned</b>		September 30, 2024	September 30, 2023
		(Rupees in '000)	
On:			
Financing		32,211,107	26,412,923
Investments		39,995,583	25,713,085
Amounts due from financial institutions		2,284,191	996,241
		<u>74,490,881</u>	<u>53,122,249</u>
<b>38.9 Profit / return expensed</b>			
On:			
Deposits and other accounts		33,384,369	20,874,291
Amounts due to financial institutions		3,227,924	8,662,303
Foreign currency deposits for Wa'ad based transactions		650,729	4,842
Lease liability against right-of-use assets		886,096	901,743
		<u>38,149,118</u>	<u>30,443,179</u>
<b>39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE</b>			
39.1	The Board of Directors, in its meeting held on October 16, 2024, has declared a cash dividend of Rs 4.00 per share in respect of the quarter ended September 30, 2024 (September 30, 2023: Rs 2.25 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.		
<b>40 DATE OF AUTHORISATION FOR ISSUE</b>			
	These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on October 16, 2024.		
<b>41 GENERAL</b>			
41.1	Comparative figures have been re-arranged and reclassified for comparison purposes.		

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Saba Kamal  
Director

Dr. Najeeb Samie  
Director

Moez Ahamed Jamal  
Director

