



MCB Bank Limited
Company Secretary Office
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PSX-100(5F)2024/56
October 29, 2024

General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Transmission of Third Quarterly Financial Statements for the period ended September 30, 2024

We have to inform you that Third Quarterly Financial Statements of the Bank for the period ended **September 30, 2024** have been transmitted through PUCARS and are also available on Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,



Farid Ahmad
Company Secretary

Encl: As above



THIRD QUARTERLY
REPORT
SEPTEMBER 30, 2024

Vision

To be the leading financial services provider, partnering with our customers for a more prosperous and secure future.

Mission

We are a team of committed professionals, providing innovative and efficient financial solutions to create and nurture long-term relationships with our customers. In doing so, we ensure that our shareholders can invest with confidence in us.

Core Values

The standards and principles which determine our behavior and how we interact with our customers and each other.

Credit Rating
Long-Term AAA (Triple A)
Short –Term A1+ (A one plus)
By PACRA

Corporate Profile

Board of Directors:

Mian Mohammad Mansha	Chairman
Mr. Muhammad Tariq Rafi	Director
Mian Umer Mansha	Director
Mrs. Iqraa Hassan Mansha	Director
Mr. Muhammad Ali Zeb	Director
Mr. Mohd Suhail Amar Suresh bin Abdullah	Director
Mr. Yahya Saleem	Director
Mr. Salman Khalid Butt	Director
Mr. Shahzad Hussain	Director
Mr. Masood Ahmed Puri	Director
Shaikh Muhammad Jawed	Director
Mr. Norzulkarnien Bin Nor Mohamad	Director
Mr. Shoaib Mumtaz	President & CEO

Audit Committee:

Mr. Shahzad Hussain	Chairman
Mian Umer Mansha	Member
Mr. Muhammad Ali Zeb	Member
Mr. Norzulkarnien Bin Nor Mohamad	Member

Chief Financial Officer:	Mr. Hammad Khalid
Company Secretary:	Mr. Farid Ahmad
Auditors:	M/s. A. F. Ferguson & Co. Chartered Accountants
Legal Advisors:	M/s. Khalid Anwer & Co. Advocates & Legal Consultants
Registered /Principal Office:	MCB House,15-Main Gulberg, Jail Road, Lahore, Pakistan.
Contact us:	UAN: + 92 42 111 000 622 E-mail: investor.relations@mcb.com.pk Visit us: www.mcb.com.pk
Registrar's and Share Registration Office(s):	Head Office: M/s. THK Associates (Pvt.) Limited Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, Pakistan. Branch Office: M/s. THK Associates (Pvt.) Limited Office No. 309, 3rd Floor, North Tower, LSE Building, 19-Shahrah-e-Aiwan-e-Iqbal, Lahore, Pakistan.



On behalf of the Board of Directors, we are pleased to present the financial statements of MCB Bank Limited (MCB) for the nine months ended September 30, 2024.

Performance Review

On a standalone basis, the profit before and after taxation for the period ended September 30, 2024 together with appropriations is as under

	Rs. in Million
Profit Before Taxation	95,110
Taxation	46,659
Profit After Taxation	48,451
Un-appropriated Profit Brought Forward	96,040
Impact of adoption of IFRS 9	492
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	350
Surplus realized on disposal of revalued property and equipment - net of tax	13
Surplus realized on disposal of non-banking assets - net of tax	17
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	109
	97,021
Profit Available for Appropriation	145,472
Appropriations:	
Statutory Reserve	(4,845)
Final Cash Dividend at Rs. 9.0 per share - December 2023	(10,666)
First Interim Cash Dividend at Rs. 9.0 per share - March 2024	(10,666)
Second Interim Cash Dividend at Rs. 9.0 per share - June 2024	(10,666)
Total Appropriations	(36,843)
Un-appropriated Profit Carried Forward	108,629

Driven by a multi-faceted long-term strategy and concerted efforts of the management team, MCB capitalized on consistent growth in no-cost deposits and optimum management of economic capital to post an historically high nine month Profit Before Tax (PBT) of Rs. 95.110 billion; representing a growth of 8% on year-on-year basis. Profit after tax (PAT) rose to Rs. 48.5 billion, reflecting a 10% growth over the same period last year, and earnings per share (EPS) increased to Rs. 40.88.

Strong volumetric growth in average current deposits and timely repositioning within the asset book, amidst an evolving yield curve scenario, transpired into a sustained improvement in core earnings; Net interest income grew by 8%, year-on-year, to report at Rs. 115.073 billion.

Non-markup income surged by 19% to Rs. 26.9 billion, with notable contributions from fee commission income (Rs. 16.4 billion, +15%), foreign exchange income (Rs. 7.5 billion, +27%), and dividend income (Rs. 2.4 billion, +21%).

In line with its strategy to diversify revenue streams, MCB saw strong growth in fee-based income across multiple channels, including a 36% increase in card-related income, 19% growth in branch banking fees and a 54% rise in investment service commissions. The Bank continues to invest in digital transformation, enhancing customer experience and improving operational efficiency; leading to a broad-based growth across digital platforms.

Despite the high inflationary environment, MCB managed operating expenses prudently, reporting an increase of 17%, with key expenditure outlays relating to staff costs, utilities, and IT-related upgrades. The Bank's cost-to-income ratio was maintained at an efficient 30.93%, ensuring strong financial discipline while continuing to invest in innovation and human capital.



Navigating a challenging operating and macroeconomic environment, the Bank has been addressing asset quality issues by maintaining discipline in management of its risk return decisions. Diversification of the loan book across customer segments and a robust credit underwriting framework that encompasses structured assessment models, effective pre-disbursement evaluation tools and an array of post disbursement monitoring systems has enabled MCB to effectively manage its credit risk; the Non-performing loan (NPLs) base of the Bank was reported at Rs. 55.1 billion as at September 30, 2024. The coverage and infection ratios of the Bank were reported at 91.98% and 7.59% respectively.

On the financial position side, total assets' base of the Bank was reported at Rs. 2.8 trillion; representing an increase of 15.1% over year end i.e. December 31, 2023. An analysis of the assets' mix highlights that net investments and gross advances increased by Rs. 258 billion (+21%) and Rs. 103 billion (+17%) respectively, over year end, and represented more than 96% of the total reported growth.

A rigorous deposit mobilization drive, focused on building no cost deposits, translated into an exceptional growth of Rs. 259 billion in Bank's total deposit base; which surpassed the 'two trillion' mark to report at Rs. 2.065 trillion (+14%) as on September 30, 2024. Current deposits increased to Rs. 978 billion (+12%) while the CASA ratio improved to 97.17% compared to 96.81% reported at year end.

Return on Assets and Return on Equity reported at 2.47% and 29.98% respectively, whereas the book value per share was reported at Rs. 189.29.

During the period under review, MCB attracted home remittance inflows of USD 3,195 million (+34%), depicting a market share of 12.5%, to further consolidate its position as an active participant in SBP's cause for improving flow of remittances into the country through banking channels.

While complying with the regulatory capital requirements, the Bank's total Capital Adequacy Ratio (CAR) improved to 21.85% against the requirement of 11.5% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020). Quality of capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 17.15% against the requirement of 6.0%. Bank's capitalization also resulted in a Leverage Ratio of 6.17% which is well above the regulatory limit of 3.0%. The Bank reported Liquidity Coverage Ratio (LCR) of 263.11% and Net Stable Funding Ratio (NSFR) of 153.61% against requirements of 100%.

MCB's exceptional performance and leadership in the financial sector were recognized by the Asian Development Bank (ADB) at the 10th Annual Trade and Supply Chain Finance Program (TSCFP) awards in Singapore. The Bank was honored with two prestigious accolades: 'Leading Partner Bank in Pakistan' and the 'Momentum Award – Issuing Bank', highlighting MCB's contribution to trade growth and its reliability in supporting local businesses with international trade solutions.

Further, the 'Annual Report 2023' of MCB Bank was rated 1st in the Banking Category and was also declared overall winner across all categories by the Joint Evaluation Committee of ICAP & ICMA. This award is a testament to MCB's focus on achieving excellence in governance practices and transparency in corporate reporting.

The Board of Directors has declared a 3rd interim cash dividend of Rs. 9.0 per share i.e. 90%, in addition to 180% already paid, bringing the total cash dividend for the nine month period ended September 30, 2024 to 270%.

Ratings

Pakistan Credit Rating Agency re-affirmed credit ratings of MCB at "AAA / A1+" for long term and short term respectively, through its notification dated June 22, 2024.

Economic Review

The global economy is experiencing a significant shift, with major economies initiating a monetary policy easing cycle driven by lower inflation rates nearing target levels. The recent 50 basis points (bps) rate cut by the US Federal Reserve has paved the way for additional cuts, while China has introduced stimulus measures to bolster its growth in response to weak demand.

Equity markets have risen, fueled by monetary easing and strong corporate profits. Gold prices have soared with a year-to-date increase of 28.36%, primarily due to substantial purchases by Central Banks. Conversely, energy prices, particularly oil, have seen a decline due to reduced demand from major economies, notably China, and increased output projections from OPEC+ countries.

Shifting the focus to the domestic economy, Pakistan has seen positive developments, including the approval of USD 7 billion Extended Fund Facility by the IMF and a USD 12 billion bilateral debt rollover from friendly nations. The country's current account has shown significant improvement, registering a surplus of USD 119 million in September 2024. This surplus is primarily attributed to increased workers' remittances and a reduction in the trade deficit. Inflation has remained in single digits since August 2024, with the latest figure at 6.9%.

The State Bank of Pakistan (SBP) has cut interest rates by 450 basis points (bps) in the calendar year 2024 so far. These rate cuts were triggered by lower inflation rates, declining global oil prices, an improved current account, and an increase in foreign exchange reserves.

Future Outlook

Looking ahead, there are growing concerns about a global growth slowdown; reducing PMI readings in the Western markets, falling inflation, and challenges in the Chinese economy stemming from its excessive real estate debt are some indicators of this view.

Tensions in the Middle East, along with the risk of widespread conflict, are keeping oil prices relatively elevated. This situation may exert additional pressure on inflation and jeopardize Central Banks' ability to make deeper rate cuts.

In Pakistan, inflation is expected to remain low due to subdued aggregate demand. A marginal increase in commodity prices is not likely to materially increase inflation in the short term. The State Bank of Pakistan (SBP) is expected to make further rate cuts due to declining inflation rates and improving Balance of Payment indicators. The IMF projects Pakistan's GDP growth of 3.2% for FY 2025; however, sustainable recovery will require political stability, structural reforms, effective monetary policy, and controlled government spending.

Appreciation and Acknowledgements

The Board of Directors of MCB Bank Limited would like to extend their sincere gratitude towards the Government of Pakistan, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory bodies for their continued support and guidance, all shareholders and customers of the Bank for their trust, and our employees for their continuous dedication and commitment.

For and on behalf of the Board of Directors,



Shoaib Mumtaz
President & CEO
MCB Bank Limited
October, 23, 2024



Mian Umer Mansha
Director
MCB Bank Limited

ریٹنگز: پاکرا (PACRA) کے نوٹیفکیشن بتاریخ 22 جون 2024ء کی بنیاد پر بینک کی، طویل اور قلیل مدت کی کریڈٹ ریٹنگز کو باہر ترتیب AAA اور + A1 کی سطح پر برقرار رکھا ہے۔

معاشی تیزی

عالمی معیشت ایک اہم تبدیلی کے دور سے گزر رہی ہے جہاں بڑی معیشتیں افراط زر کی شرح میں کمی، جو کہ اپنے اہداف کی سطح کے قریب ہے، کے سبب مانیٹری پالیسی میں نرمی کی تحریک دے رہی ہیں۔ شرح میں حالیہ 50 بیس پوائنٹس کی کمی نے یو ایس فیڈرل ریزرو (US Federal Reserve) کے لیے اس مدت میں مزید کمی کی راہ کو ہموار کیا ہے۔ جبکہ چین نے کمزور طلب کے جواب میں اپنے نمو کو بڑھانے کے لئے امدادی اقدامات متعارف کروائے ہیں۔

مانیٹری پالیسی میں نرمی اور مضبوط کارپوریٹ منافع کے باعث ایکویٹی مارکیٹ میں تیزی کا رجحان رہا۔ مرکزی بینکوں کی جانب سے بڑی خریداریوں کی بنیاد پر وچ کے نتیجے میں سونے کی قیمتوں میں سال سے اب تک 28.36 فیصد کی بڑھوتی ہوئی ہے۔ اس کے برعکس توانائی کی قیمتیں خاص طور پر تیل کی قیمتیں بڑی معیشتوں، خاص طور پر چین، کی جانب سے طلب میں کمی اور اوپیک ممالک کی بڑھتی ہوئی پیداوار کی پیشگوئیوں کے باعث کم ہو رہی ہیں۔

ملکی معیشت کی جانب اپنی توجہ مرکوز کرتے ہوئے، پاکستان میں مثبت تبدیلیاں سامنے آئیں ہیں، جن میں آئی ایم ایف کی جانب سے 7 بلین ڈالر کی ایکویٹی ڈیفنڈ فیڈ فیسلیٹی کی منظوری اور دوست ممالک سے 12 بلین امریکی ڈالر کے دو طرفہ قرض کی تجدید شامل ہیں۔ ملک کا کرنٹ اکاؤنٹ نمایاں طور پر بہتر ہوا ہے۔ جس نے ستمبر 2024ء میں 119 بلین امریکی ڈالر کا سرپلس رپورٹ کیا۔ یہ سرپلس بنیادی طور پر بڑھتی ہوئی کارکنوں کی ترسیلات زر اور تجارتی خسارے میں کمی کے باعث ہوا ہے۔ افراط زر کی شرح اگست 2024ء سے سنگل ڈیجٹ میں رہی ہے جس کی حالیہ سطح 6.9 فیصد ہے۔

اسٹیٹ بینک آف پاکستان نے کیلنڈر سال 2024ء میں اب تک پالیسی ریٹ میں 450 بیس پوائنٹس کی کمی کی ہے۔ ریٹ میں ان کٹوتیوں میں افراط زر کی کم ہوتی شرح، تیل کی عالمی قیمتوں میں کمی، ایک بہتر ہونے والے کرنٹ اکاؤنٹ اور غیر ملکی زرمبادلہ میں ہونے والے اضافے کی وجہ سے تیزی دیکھی گئی۔

مستقبل کی پیش بینی

مستقبل میں، عالمی نمو کی سست روی کے بارے میں خدشات میں اضافہ ہو رہا ہے۔ مغربی مارکیٹوں میں پی ای ایم آئی ریڈنگز (PMI Readings) کی کمی، گرتے افراط زر اور چینی معیشت میں ریٹل اسٹیٹ کے شعبے میں حد سے زیادہ قرضوں کے اجراء سے ابھرنے والے چیلنجز اس نقطہ نظر کے کچھ اشاریے ہیں۔

مشرق وسطیٰ میں کشیدگی، اور ان تنازعات کے مزید وسیع ہونے کے خطرات و خدشات نے تیل کی قیمتوں کو نمونہ بلند رکھا ہوا ہے۔ یہ صورتحال افراط زر پر دباؤ میں مزید اضافے کا باعث ہو سکتے ہیں اور مرکزی بینکوں کی جانب سے ریٹ کی کٹوتیوں کے عمل پر مبنی طور پر اثر انداز ہو سکتے ہیں۔

پاکستان میں، کمزور مجموعی طلب کے باعث افراط زر کی شرح کم رہنے کی توقع ہے۔ ایشیائی قیمتوں میں ہونے والے معمولی اضافے سے افراط زر کی شرح میں، درمیانی مدت کے دوران، کسی خاطر خواہ بڑھوتی کا کوئی امکان نہیں ہے۔ افراط زر کی شرح میں کمی اور ادائیگیوں کے توازن کے بہتر اشاریوں کی بناء پر اسٹیٹ بینک آف پاکستان پالیسی ریٹ میں متوقع طور پر مزید کمی کر سکتا ہے۔ آئی ایم ایف نے سال 2025ء کے لیے پاکستان کے جی ڈی پی کی نمو کی شرح 3.2 فیصد پر تخمینہ کی ہے۔ تاہم، سیاسی استحکام، ڈھانچہ جاتی اصلاحات، موزوں مانیٹری پالیسی اور حکومتی اخراجات پر کنٹرول، پائیدار بحالی کے لیے ناگزیر ہیں۔

تعمیر و ترقی

ایم سی بی بینک کے بورڈ آف ڈائریکٹرز، حکومت پاکستان، اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضامی اداروں کا اگلی جاری معاونت کے لیے، بینک کے شیئر ہولڈرز اور صارفین کا اگلے بھر پور اعتماد کے لیے اور اپنے ملازمین کا اگلی مسلسل لگن اور مخلصانہ خدمات پر شکریہ ادا کرتے ہیں۔

مجاہد و برائے بورڈ آف ڈائریکٹرز

شعیب ممتاز

پریذیڈنٹ اور سی ای او
ایم سی بی بینک لمیٹڈ
23 اکتوبر 2024ء

میاں عمر منشاء

ڈائریکٹر
ایم سی بی بینک لمیٹڈ

اپنی آمدنی میں تنوع پیدا کرنے کی حکمت عملی کی مطابقت میں ایم سی بی نے اپنی فیس پر مبنی متعدد چینلز میں قابل ذکر ترقی حاصل کی جس میں کارڈ سے متعلقہ آمدنی میں 36 فیصد اضافہ، برانچ بینکنگ فیس میں 19 فیصد اضافہ اور انویسٹمنٹ سروس کیشن میں 54 فیصد ترقی شامل ہیں۔ بینک نے اپنی ڈیجیٹل ہیبت سازی، صارفین کے تجربے و ہولیات میں اضافے اور کاروباری استعداد میں سرمایہ کاری جاری رکھی جس سے ڈیجیٹل پلیٹ فارمز سے متعلقہ آمدنی میں وسیع ایجاد موصول ہو سکے گی۔

بلند شرح افراط زر کے ماحول کے باوجود، ایم سی بی نے اپنے آپریٹنگ اخراجات کا دانشمندانہ انتظام کرتے ہوئے اگلو 17 فیصد اضافے تک محدود رکھا۔ ان اخراجات میں اسٹاف سے متعلقہ لاگتوں، پبلیٹیٹیو اور آئی ٹی سے متعلقہ اپ گریڈیشن شامل تھے۔ بینک نے مضبوط مالیاتی نظم و ضبط کو یقینی بنانے اور اس کے ساتھ استخراج اور انسانی کپٹل میں سرمایہ کاری جاری رکھتے ہوئے اپنی لاگت سے آمدنی کے تناسب کو 30.93 فیصد تک کی موثر شرح پر برقرار رکھا۔

ایک چیلنجنگ کاروباری اور میکرو اکنامک دور سے گزرتے ہوئے بینک، اپنی آمدنی کے خدشات سے متعلقہ فیصلوں کے انتظام میں نظم و ضبط کو برقرار رکھتے ہوئے اثاثہ جات کے معیار کے معاملات کو حل کرنے کی راہ پر گامزن ہے۔ اپنے قرضہ جات کی صارفین کے تمام شعبوں کے لیے فراہمی، قرضہ جات کے اجراء سے پہلے جانچ کے موزوں اصولوں اور انکی تقسیم کے بعد نگرانی کے مسلسل اور موثر نظام کے باعث ایم سی بی نے اپنے کریڈٹ رسک کا نہایت کامیابی سے تدارک کیا۔ بینک کے غیر فعال قرضہ جات کا حجم 30 ستمبر 2024ء تک 55.1 بلین روپے پر رپورٹ ہوا۔ بینک کی کوریج اور انفلیکشن کی شرحیں بالترتیب 91.98 فیصد اور 7.59 فیصد پر درج کی گئیں۔

مالیاتی صورتحال کے حوالے سے، 30 ستمبر 2024ء تک بینک کے کل اثاثہ جات 2.8 ٹریلین روپے کی سطح پر پہنچ گئے، جو کہ 31 دسمبر 2023ء کے مقابلے میں 15.1 فیصد اضافے کو ظاہر کرتے ہیں۔ اثاثہ جات کی ترکیب کا جائزہ اس امر کو واضح کرتا ہے کہ سال کے اختتام تک، خالص سرمایہ کاری اور کل قرضہ جات کے حجم میں بالترتیب 258 بلین روپے (+ 21 فیصد) اور 103 بلین روپے (+ 17 فیصد) تک پہنچ گیا جو کل اثاثہ جات کی مجموعی رپورٹز نمو کی 96 فیصد سے زائد کی نمائندگی کرتے ہیں۔

ڈیپازٹس کے حصول کی مربوط تحریک جس کا محور بغیر لاگت والے ڈیپازٹس کی تعمیر پر توجہ مرکوز رکھنا ہے، کی بدولت بینک کے کل ڈیپازٹس کی اساس میں 259 بلین روپے کا غیر معمولی اضافہ درج ہوا۔ جو کہ 2 ٹریلین روپے کی حد کو عبور کرتے ہوئے 30 ستمبر 2024ء تک 2,065 ٹریلین روپے (+ 14 فیصد) پر رپورٹ ہوئے۔ کرنٹ ڈیپازٹس 978 بلین روپے (+ 12 فیصد) تک بڑھ گئے جبکہ کاسا (CASA) کی شرح پچھلے سال کی 96.81 فیصد کی سطح کے مقابلے میں 97.17 فیصد پہنچ گئی۔

اثاثہ جات کی آمدنی اور سرمائے (ایکویٹی) کی آمدنی کی شرحیں بالترتیب 2.47 فیصد اور 29.98 فیصد کی سطح پر درج کی گئیں۔ جبکہ، بک ویلیو فی حصص 189.29 پر رپورٹ ہوئی۔ اس زیر تجزیہ عرصہ کے دوران، ایم سی بی نے 3,195 بلین امریکی ڈالرز (+ 34 فیصد) کی ترسیلات زر کو راغب کیا، جو کہ 12.5 فیصد کے مارکیٹ شیئر کو ظاہر کرتا ہے، تاکہ ملک میں بینکنگ چینلز کے ذریعے ترسیلات زر کے بہاؤ میں بہتری کے اسٹیٹ بینک آف پاکستان کے مقصد میں ایک فعال شراکت دار کے اپنے کردار کو مزید مضبوط بنایا جاسکے۔

سرمائے کے ضوابط کی مطابقت کی تعمیل کرتے ہوئے بینک کے کل سرمائے کی معقولیت (کپٹل ایڈیکویٹی) 11.5 فیصد کی مطلوبہ شرح کی نسبت 21.85 فیصد پر رہی (جس میں 2020ء کے بی بی آر ڈی (BPRD) سرکلر لیٹر نمبر 12 کے تحت سرمایہ کو محفوظ دینے کے لیے 1.50 فیصد کی تخفیف کی شرح شامل ہے)۔ سرمایہ کے اعلیٰ معیار کا اظہار بینک کی کاسن ایکویٹی ٹائر - 1 Common Equity Tier - 1 (CET1) سے کل رسک ویٹیڈ اسٹیٹس (Risk Weighted Assets) کی شرح سے ہوتا ہے جو کہ 6 فیصد کی مطلوبہ حد کے مقابلہ 17.15 فیصد کی شرح پر درج کی گئی۔ بینک کی کپٹل ازبیشن کے نتیجے میں لیوریج (Leverage) کی شرح بھی 3.0 فیصد کی ضوابط کی حد سے نمایاں اضافے کے ساتھ 6.23 فیصد پر پہنچی۔ بینک نے لیکویڈٹی کوریج ریشو (LCR - Liquidity Coverage Ratio) کو 263.11 فیصد اور نیٹ سٹبل فنڈنگ ریشو (NSFR - Net Stable Funding Ratio) کو 100 فیصد کی مطلوبہ شرح کی نسبت 153.61 فیصد پر رپورٹ کیا۔

ایم سی بی کی شاندار کارکردگی اور مالیاتی شعبے میں قیادت کو اسٹیٹن ڈیولپمنٹ بینک نے سکا پورس ہونے والے 10 ویں سالانہ ٹریڈ اینڈ سٹاپنی چین فنانس پروگرام ایوارڈ میں تسلیم کیا۔ بینک کو، پاکستان میں لیڈنگ پارٹنرز بینک (Leading Partners Bank) اور موڈیٹم ایوارڈ انیشیٹو بینک (Momentum Award - Issuing Bank) جیسے دو اہم اعزازات سے نوازا گیا، جو ایم سی بی کی تجارت کی ترقی میں شراکت اور بین الاقوامی تجارتی صل کی فراہمی میں مقامی کاروبار کی حمایت اور اعتماد کو اجاگر کرتا ہے۔

مزید برآں، ایم سی بی بینک کی سالانہ رپورٹ 2023ء کو بینکنگ کے زمرے میں اول درجے اور دیگر تمام شعبوں میں مجموعی طور پر کامیاب قرار دیا گیا۔ جس کا اعلان ICMA اور ICAP کی مشترکہ تشخیص کمیٹی نے کیا۔ یہ ایوارڈ ایم سی بی کی گورنرز پیکلر کے اعلیٰ معیار اور کارپوریٹ رپورٹنگ میں شفافیت کے حصول پر توجہ کا واضح ثبوت ہے۔

بورڈ آف ڈائریکٹرز نے 9 روپے فی حصص، یعنی 90 فیصد، کے تیسرے عبوری کیش ڈیویڈنڈ کا اعلان کیا ہے۔ جو کہ پہلے سے ادا شدہ 180 فیصد کے علاوہ ہے۔ اس طرح 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت تک کیش ڈیویڈنڈ کی کل شرح 270 فیصد پر درج کی گئی ہے۔

ڈائریکٹرز کا تجزیہ - ستمبر 2024ء

بورڈ آف ڈائریکٹرز کی جانب سے ہم، ایم سی بی بینک لمیٹڈ (ایم سی بی) کے 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت کے مالیاتی گوشواروں کو آپ کے سامنے پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کارکردگی کا جائزہ

30 ستمبر 2024ء کو اختتام پذیر مدت تک کے بینک کے انفرادی منافع قبل و بعد از ٹیکس اور تخصیص، مندرجہ ذیل ہے:

بلین روپے
95,110
46,659
48,451
96,040
492
350
13
17
109
97,021
145,472
(4,845)
(10,666)
(10,666)
(10,666)
(36,843)
108,629

منافع قبل از ٹیکس

منافع بعد از ٹیکس

اختتامی غیر تخصیص شدہ منافع

آئی ایف آر ایس (IFRS-9) کے اطلاق کے اثرات

ایف وی اوی آئی (FVOCI) کے ذریعے ایکویٹی انسرؤمنٹس

کی فروخت سے حاصل شدہ سرپلس - خالص از ٹیکس

از سر نو تخمینہ شدہ جائیداد و آلات کی فروخت

سے حاصل شدہ سرپلس - خالص از ٹیکس

نان بینکنگ اثاثہ جات کی فروخت سے

حاصل شدہ سرپلس - خالص از ٹیکس

از سر نو تخمینہ شدہ مین اثاثوں کے سرپلس سے اضافی فرسودگی

کی غیر تخصیص شدہ منافع میں منتقلی (خالص از ٹیکس)

تخصیص کیلئے دستیاب منافع

تخصیص:

قانونی ریزرو

حتی کیش ڈیویڈنڈ 9 روپے فی شیئر - برائے دسمبر 2023ء

پہلا عبوری کیش ڈیویڈنڈ 9 روپے فی شیئر - برائے مارچ 2024ء

دوسرا عبوری کیش ڈیویڈنڈ 9 روپے فی شیئر - برائے جون 2024ء

کل تخصیص

اختتامی غیر تخصیص شدہ منافع

ایک جامع و طویل مدتی حکمت عملی اور اپنے فعال اقدامات کے ذریعے ایم سی بی بینک کی انتظامیہ نے بغیر لاگت کے ڈیپازٹس میں مسلسل نمو اور اپنے معاشی سرمائے کے موزوں انتظام پر اصرار کرتے ہوئے نو ماہ کی مدت میں 95.110 بلین روپے کا ایک تاریخ ساز منافع قبل از ٹیکس حاصل کیا۔ جو سال بہ سال کی بنیاد پر، 8 فیصد اضافے کا مظہر ہے۔ منافع بعد از ٹیکس گزشتہ سال کی اسی مدت کے مقابلے میں 10 فیصد کا اضافہ ظاہر کرتے ہوئے 48.5 بلین روپے تک پہنچ گیا اور فی حصص آمدنی بڑھتے ہوئے 40.88 روپے پر درج ہوئی۔

ارتقاء پذیر خط آمدنی کے مظہر نامے میں اوسط کرنٹ ڈیپازٹس کی مضبوط مقداری نمو اور اثاثہ جات کے مدتی انتظام میں بروقت تبدیلی کی بدولت خالص آمدنیوں میں بہتری آئی ہے۔ خالص انٹرسٹ آمدنی، سال بہ سال کی بنیاد پر 8 فیصد اضافے کے ساتھ 115.073 بلین روپے پر درج ہوئی۔

نان انٹرسٹ آمدنی بھی 19 فیصد اضافے کے ساتھ 26.9 بلین روپے تک پہنچ گئی، جس میں فیس و کمیشن کی آمدنی (16.4 بلین روپے) + 15 فیصد) غیر ملکی زرمبادلہ کی آمدنی (7.5 بلین روپے) + 27 (فیصد) اور ڈیویڈنڈ آمدنی (2.4 بلین روپے) + 21 (فیصد) کا نمایاں کردار رہا۔



Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		
ASSETS		
Cash and balances with treasury banks	191,327,896	170,716,648
Balances with other banks	34,222,065	35,073,136
Lendings to financial institutions	122,591,638	96,213,400
Investments	1,507,152,309	1,249,439,347
Advances	674,756,161	577,863,329
Property and equipment	80,866,670	76,943,546
Right-of-use assets	5,374,881	5,877,865
Intangible assets	1,317,471	1,035,483
Other assets	177,114,561	214,016,002
Total Assets	2,794,723,652	2,427,178,756
LIABILITIES		
Bills payable	10,635,774	25,095,911
Borrowings	285,763,009	216,611,046
Deposits and other accounts	2,064,825,927	1,805,387,294
Lease liabilities	8,510,277	8,686,003
Subordinated debt	-	-
Deferred tax liabilities	8,075,528	100,718
Other liabilities	154,752,724	140,590,915
Total Liabilities	2,532,563,239	2,196,471,887
NET ASSETS	262,160,413	230,706,869
REPRESENTED BY		
Share capital	11,850,600	11,850,600
Reserves	103,840,990	98,723,536
Surplus on revaluation of assets	37,840,231	24,093,197
Unappropriated profit	108,628,592	96,039,536
	262,160,413	230,706,869
CONTINGENCIES AND COMMITMENTS	25	

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.



Note	Quarter Ended		Nine Months Ended	
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023
-----Rupees in '000-----				
Mark-up / return / interest earned	98,516,600	90,101,594	281,696,861	235,381,059
Mark-up / return / interest expensed	58,301,217	50,693,880	166,623,966	128,964,476
Net mark-up / interest income	40,215,383	39,407,714	115,072,895	106,416,583
NON MARK-UP / INTEREST INCOME				
Fee and commission income	5,115,909	5,449,356	16,428,792	14,240,853
Dividend income	767,505	533,896	2,435,542	2,011,486
Foreign exchange income	2,545,475	2,314,653	7,491,108	5,907,823
Income from derivatives	408	1,888	1,582	14,764
Gain on securities - net	20,483	130,307	109,867	203,168
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	-	-	-
Other income	148,168	104,906	386,378	221,603
Total non-markup / interest Income	8,597,948	8,535,006	26,853,269	22,599,697
Total income	48,813,331	47,942,720	141,926,164	129,016,280
NON MARK-UP / INTEREST EXPENSES				
Operating expenses	15,503,409	13,388,565	43,900,024	37,367,258
Workers Welfare Fund	647,864	685,078	1,902,203	1,761,909
Other charges	108,650	290,541	348,407	555,284
Total non-markup / interest expenses	16,259,923	14,364,184	46,150,634	39,684,451
Profit before credit loss allowance	32,553,408	33,578,536	95,775,530	89,331,829
Credit loss allowance and write offs - net	160,221	(675,395)	665,378	1,236,364
PROFIT BEFORE TAXATION	32,393,187	34,253,931	95,110,152	88,095,465
Taxation	15,878,861	16,794,367	46,659,604	43,948,869
PROFIT AFTER TAXATION	16,514,326	17,459,564	48,450,548	44,146,596
-----Rupees -----				
Basic and diluted earnings per share	13.94	14.73	40.88	37.25

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the Nine Months Period Ended September 30, 2024



Note	Nine Months Ended	
	January 01 to September 30, 2024	January 01 to September 30, 2023
	-----Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	95,110,152	88,095,465
Less: Dividend income	(2,435,542)	(2,011,486)
	92,674,610	86,083,979
Adjustments:		
Net mark-up / interest income	(115,072,895)	(106,416,583)
Depreciation on property and equipment	32 2,764,419	2,128,469
Depreciation on right-of-use assets	32 1,139,394	1,007,718
Depreciation on non-banking assets acquired in satisfaction of claims	32 14,007	17,909
Amortization	32 431,705	266,736
Credit loss allowance / provisions and write offs - net	34 665,378	1,236,364
Gain on sale of property and equipment - net	31 (170,329)	(81,231)
(Gain) / loss on sale of non-banking assets acquired in satisfaction of claims - net	31 (42,500)	3,224
Finance charges on lease liability against right-of-use assets	28 1,028,753	845,092
Workers Welfare Fund	1,902,203	1,761,909
Charge for defined benefit plans - net	(309,544)	222,196
Gain on termination of lease liability against right-of-use assets	31 (68,213)	(43,217)
Unrealized gain on revaluation of investments classified as FVTPL	30 38,915	5,654
	(107,678,707)	(99,045,760)
	(15,004,097)	(12,961,781)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(26,460,290)	(41,107,626)
Securities classified as FVTPL	2,759,117	(164,989)
Advances	(103,949,189)	152,950,821
Others assets (excluding advance taxation)	53,693,279	(12,523,722)
	(73,957,083)	99,154,484
Increase / (decrease) in operating liabilities		
Bills Payable	(14,460,137)	(29,070,739)
Borrowings from financial institutions	69,722,673	(50,407,583)
Deposits	259,438,633	336,948,974
Other liabilities (excluding current taxation)	4,162,974	15,605,602
	318,864,143	273,076,254
Mark-up / Interest received	258,698,772	210,276,919
Mark-up / Interest paid	(150,771,162)	(139,705,798)
Defined benefits paid	(257,200)	(203,890)
Income tax paid	(56,279,021)	(38,998,484)
Net cash flow from operating activities	281,294,352	390,637,704
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in securities classified as FVOCI	(223,440,886)	(287,661,972)
Net investment in securities classified as amortized cost	1,873,591	(222,982)
Dividends received	2,604,883	1,957,251
Investments in property and equipment	(6,729,095)	(4,907,760)
Disposal of property and equipment	227,220	1,826,859
Investments in intangible assets	(711,677)	(267,801)
Disposal of non-banking assets acquired in satisfaction of claims	182,500	132,000
Investment in subsidiary	(1,000,000)	(649,925)
Effect of translation of net investment in foreign branches	272,399	4,850,949
Net cash flow used in investing activities	(226,721,065)	(284,943,381)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use-assets	(1,772,676)	(1,570,674)
Dividend paid	(31,747,936)	(22,874,084)
Net cash flow used in financing activities	(33,520,612)	(24,444,758)
Effects of credit loss allowance changes on cash and cash equivalents	61,139	-
Effects of exchange rate changes on cash and cash equivalents	(114,129)	11,029,512
Increase in cash and cash equivalents	20,999,685	92,279,077
Cash and cash equivalents at beginning of the period	204,026,180	109,397,829
Cash and cash equivalents at end of the period	225,025,865	201,676,906

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



1. STATUS AND NATURE OF BUSINESS

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB - 15 Main Gulberg, Lahore. The Bank operates 1,430 branches (2023: 1,430 branches) within Pakistan and 08 branches (2023: 08 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

1.1 DEMERGER OF 39 BRANCHES FROM MCB BANK LIMITED

The Board of Directors of MCB Bank Limited (MCB) in its meeting held on April 24, 2024 had approved the Scheme of Compromises, Arrangements and Reconstruction (the 'Scheme'), under Section 279 to 283 and 285 of the Companies Act, 2017, between the Bank and its wholly owned subsidiary MCB Islamic Bank Limited (MIB) to demerge business operations of its 39 branches and transfer to wholly owned subsidiary MIB subject to regulatory approvals.

No Objection Certificate of the State Bank of Pakistan on the Scheme was received on April 29, 2024 and petition was filed before the Honourable Lahore High Court for sanctioning the scheme of demerger. The shareholders had approved the Scheme in the Extra Ordinary General Meeting (EOGM) held on July 06, 2024.

The Honourable Lahore High Court has sanctioned the Scheme and by virtue of the Court Order, the banking business along with assets, liabilities and operations of 39 branches will be converted into Islamic banking and transferred to MIB with effect from close of business on November 15, 2024.

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements represent separate financial statements of MCB Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

2.3 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency of its primary economic environment. The amounts are rounded off to the nearest thousand.

2.4 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts, certain investments and derivative financial instruments have been marked to market and are carried at fair value and defined benefit obligations and right of use of assets with related lease liability have been measured at present value on initial recognition.

2.5 The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the unconsolidated condensed interim financial statements have been prepared on a going concern basis.

3. STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and 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 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

3.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34, Interim Financial Reporting. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the financial year ended December 31, 2023.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements except for IFRS 9 'Financial Instruments', the impact of which is disclosed under note 4.2.

3.6 **Standards, interpretations of and amendments to approved accounting standards that are not yet effective**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

Effective date (annual periods beginning on or after)

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instrument	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027

4 **MATERIAL ACCOUNTING POLICIES**

The material accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for changes mentioned in notes 4.1 and 4.2.

4.1 **Adoption of new forms for the preparation of unconsolidated condensed interim financial statements**

'The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of unconsolidated condensed interim financial statements of banks that are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. The significant change is relating to right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.

'The Bank has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified to correspond to the current period presentation, as presented in note 4.2.

4.2 **Impact of IFRS 9 Financial Instruments**

IFRS 9 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard introduces a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk.

In preparation of these financial statements, the Bank has applied requirements of IFRS 9 and instructions issued by SBP, through various circulars, from the date of initial application of January 01, 2024 with a modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Bank has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 Application Instructions' to address certain key matters that had been raised by the banks with a direction to ensure compliance by extended timelines. There are a few other matters, including treatment of unencumbered general provision, which are still under deliberation with the SBP. The Bank has continued to follow the treatment adopted in respect of these matters in the prior periods till the time SBP issues the relevant guidance / clarification.

4.2.1 **Initial recognition and subsequent measurement**

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

a. **Amortised cost (AC)**

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction costs. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit and loss account. Interest income / profit / expense on these assets / liabilities are recognised in the profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the profit and loss account.

b. **Fair value through other comprehensive income (FVOCI)**

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction costs. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the profit and loss account. Interest / profit / dividend income on these assets are recognised in the profit and loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the profit and loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

c. **Fair value through profit or loss (FVTPL)**

Financial assets under FVTPL category are initially recognised at fair value. Transaction costs will be directly recorded in the profit and loss account. These assets are subsequently measured at fair value with changes recorded in the profit and loss account. Interest / dividend income on these assets are recognised in the profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

4.2.2 **Classification and measurement**

The classification and measurement of financial assets is based on the business model within which they are held and their contractual cash flow characteristics. Financial assets that do not meet the solely payments of principal and interest (SPPI) criteria are measured at fair value through profit or loss ('FVTPL') regardless of the business model in which they are held. The Bank's business model in which financial assets are held determines whether the financial assets are measured at amortized cost (AC), fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Debt based financial assets can only be held at amortized cost if these are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Assets may be sold out of 'hold to collect' portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Debt based financial assets where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are measured at FVOCI, with unrealized gains or losses deferred in reserves until the asset is derecognized. The debt based financial assets that are held for trading purposes are classified as measured at FVTPL.

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

The classification of equity instruments is generally measured at FVTPL unless the Bank, at initial recognition, irrevocably designates as FVOCI in which case, both the unrealized and realized gains or losses are recognized in reserves and no amounts other than dividends received are recognized in the income statement.

All other financial assets will mandatorily be held at FVTPL. Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

The requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank which are explained as follows:

a. **Debt based financial assets previously classified as available for sale (AFS)**

The application of IFRS 9 has resulted in classification and consequent remeasurement of investments in INPC's, amounting to Rs. 5,699.494 million, held under AFS portfolio as of December 31, 2023 to FVTPL based on their business model assessment.

The failure of SPPI test upon assessment of contractual cash flows of debt based financial assets has resulted in classification and consequent remeasurement of investments in certain non government debt securities, amounting to Rs. 2,950.890 million, to FVTPL.

All other debt based financial assets previously classified as AFS upon passing the SPPI test have been designated as FVOCI under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and recognition of realized and unrealized gain/loss under IFRS 9.

b. **Debt based financial assets previously classified as held to maturity (HTM)**

Debt based financial assets currently classified as HTM upon passing the SPPI test have been designated as amortized cost under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows. Investments in certain non government debt securities, amounting to Rs. 7,506.816 million, on failing the SPPI test have been reclassified to FVTPL.

The following table reconciles the carrying value of investments in debt based financial assets as reported on December 31, 2023 to the carrying amounts on transition to IFRS 9 at January 01, 2024:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9	
	Measurement Category	Audited December 31, 2023	Measurement Category	Balance as of January 01, 2024 - before ECL
-----Rupees in '000'-----				
Federal Government Securities				
- Market Treasury Bills	Available for sale	353,834,432	FVOCI	353,834,432
- Pakistan Investment Bonds	Available for sale	770,131,998	FVOCI	770,131,998
	Held to maturity	11,367,944	AC	11,367,944
- Islamic Naya Pakistan Certificates	Available for sale	5,699,494	FVTPL	5,699,494
- Euro Bonds	Available for sale	5,355,806	FVOCI	5,355,806
	Held to maturity	3,160,071	AC	3,160,071
Non Government Debt Securities				
- Sukuk Bonds	Available for sale	300,000	FVTPL	2,398,001
	Held to maturity	2,983,001	AC	885,000
- Term Finance Certificates	Available for sale	2,650,890	FVTPL	8,059,705
	Held to maturity	5,408,815	AC	-
Foreign Securities				
- Government securities	Available for sale	44,057,060	FVOCI	44,057,060
		1,204,949,511		1,204,949,511

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

c. Equity instruments previously classified as available for sale (AFS)

The Bank has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds, amounting to Rs. 115.98 million, that have been mandatorily classified as measured at FVTPL. The fair value gain or losses recognized in OCI will not be recycled to profit and loss account on derecognition of these securities.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Bank has reclassified impairment of Rs. 9,783.874 million on listed equity investments and Rs. 205.765 million for unlisted equity investments held as at December 31, 2023 to surplus / deficit on revaluation of investments.

The measurement category and carrying amount of financial assets in accordance with the accounting and reporting standards as applicable in Pakistan before and after adoption of IFRS 9 as at January 01, 2024 are compared as follows:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9**	
	Measurement Category	Audited December 31, 2023	Measurement Category	IFRS 9 January 01, 2024
-----Rupees in '000'-----				
Cash and balances with treasury banks	Loans and receivables	170,716,648	AC	170,221,446
Balances with other banks	Loans and receivables	35,073,136	AC	34,785,410
Lending to financial institutions	Loans and receivables	96,213,400	AC	96,116,246
Investments - net	Held for Trading	284,873	FVTPL	284,873
	Available for sale	1,208,566,005	FVOCI FVTPL	1,199,799,641 8,766,364
	Held to maturity	22,919,831	AC FVTPL	15,408,711 7,503,315
	Advances - net	Loans and receivables	577,863,329	AC
Other assets	Loans and receivables	214,016,002	AC	213,778,897
		2,325,653,224		2,318,182,979

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

** The reconciliation between carrying amounts of financial assets before and after adoption of IFRS 9 has been disclosed in note 4.2.5

4.2.3 Derecognition

Financial assets

The Bank derecognises a financial asset when: these securities.

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit and loss account.

4.2.4 Expected credit loss (ECL)

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt based financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Bank recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. 'Based on the level of increase in credit risk, the Bank shall calculate 12mECL for assets which did not have a SICR i.e., stage 1 or a LTECL for the life of the asset (for assets which demonstrated a SICR) i.e., stage 2.

Based on the above process, the Bank groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.

Stage 3: For financial instruments considered credit-impaired, the Bank recognises the LTECLs for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio / segment. When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs.

Guarantee & Letter of Credit contracts: The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.



The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

EAD the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, prepayments and forward-looking information where relevant.

LGD It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Bank uses an approximation e.g. contractual rate (at reporting date).

As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No.16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

The Bank's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Definition of default

The concept of 'impairment or default' is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD. The Bank has defined that an exposure with regards to a particular obligor will be treated as having defaulted when either one or both of the following two events have taken place:

- If a customer fails to service mark-up and / or principal within days past due (dpd) criteria as prescribed by SBP from time to time;
- The Bank considers that the obligor is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realizing security (if held).

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

4.2.5 Adoption Impacts

The Bank has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 4,627.714 million has been recorded as an adjustment to equity at the beginning of the current accounting period. The details of the impacts of initial application are tabulated below:



	Rupees in '000									
	Impact due to:	Reversal of provisions held		Total impact - gross of tax	Taxation (current + deferred)	Total impact - net of tax	Balances as of January 01, 2024	IFRS 9 Category		
Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS 9	Classifications due to business model and SPP1 assessments	Remeasurements						Classification due to business model and SPP1 assessments	Classification due to business model and SPP1 assessments
ASSETS										
Cash and balances with treasury banks	170,716,648	(495,202)	-	-	(495,202)	-	170,221,446	AC		
Balances with other banks	35,073,136	(287,726)	-	-	(287,726)	-	34,785,410	AC		
Lendings to financial institutions	96,213,400	(97,154)	-	-	(97,154)	-	96,116,246	AC		
Investments	1,208,566,005	-	-	-	(1,208,566,005)	-	-	FVOCI		
- Classified as available for sale	-	-	(8,766,364)	-	-	1,199,799,641	-	-		
- Classified as fair value through other comprehensive income	-	-	(7,506,816)	-	-	(22,919,831)	-	-		
- Classified as held to maturity	22,919,831	(4,304)	-	-	(4,304)	22,919,831	15,408,711	AC		
- Classified as amortised cost	-	-	-	-	-	(284,873)	-	-		
- Classified as held for trading	284,873	-	-	-	-	284,873	16,554,552	FVTPL		
- Classified as fair value through profit or loss	-	-	-	(3,501)	-	-	-	-		
- Associates	700,401	-	-	-	-	-	700,401	Outside the scope of IFRS 9		
- Subsidiaries	16,968,237	-	-	-	-	-	16,968,237	Outside the scope of IFRS 9		
Advances	1,249,439,347	(4,304)	-	-	(4,304)	-	1,249,435,043			
- Gross amount	622,424,762	(6,345,253)	-	-	(6,345,253)	-	622,424,762			
- Provisions	(44,561,433)	(6,345,253)	-	-	(6,345,253)	-	(50,906,686)			
	577,863,329	(6,345,253)	-	-	(6,345,253)	-	571,518,076	AC		
Property and equipment	76,943,546	-	-	-	-	-	76,943,546	Outside the scope of IFRS 9		
Right-of-use assets	5,877,865	-	-	-	-	-	5,877,865	Outside the scope of IFRS 9		
Intangible assets	1,035,483	-	-	-	-	-	1,035,483	Outside the scope of IFRS 9		
Deferred tax asset	-	-	-	-	-	(9,262,520)	-	Outside the scope of IFRS 9		
Other assets	214,016,002	(237,105)	-	-	(237,105)	-	213,778,897	AC		
	2,427,178,786	(7,466,744)	-	-	(7,474,248)	-	2,428,971,031			
LIABILITIES										
Bill payable	25,095,911	-	-	-	-	-	25,095,911	AC		
Borrowings	2,16,611,046	-	-	-	-	-	2,16,611,046	AC		
Deposits and other accounts	1,805,387,294	-	-	-	-	-	1,805,387,294	AC		
Lease liability against right-of-use assets	8,686,003	-	-	-	-	-	8,686,003	AC		
Subordinated debt	100,718	-	-	-	-	100,718	-	AC		
Deferred tax liabilities	140,590,915	1,603,703	-	-	1,603,703	(4,917,004)	147,111,622	AC		
Other liabilities	2,196,471,887	1,603,703	-	-	1,603,703	(4,816,286)	2,202,891,876	AC		
	230,706,869	(9,070,447)	-	-	(9,073,948)	-	228,079,155			
NET ASSETS										
Share capital	11,860,600	-	-	-	-	-	11,860,600			
Reserves	98,723,536	-	-	-	-	-	98,723,536			
Surplus on revaluation of assets - net of tax	24,093,197	-	(11,416)	-	(10,026,787)	-	18,973,713			
Unappropriated profit	96,038,536	(9,070,447)	-	-	964,255	472,465	96,531,306			
	230,706,869	(9,070,447)	-	-	(9,073,948)	-	228,079,155			



5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2023 except for matters related to adoption of IFRS 9 which have been disclosed in note 4.2 to the unconsolidated condensed interim financial statements.

6. 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.

7. CASH AND BALANCES WITH TREASURY BANKS

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
In hand		
Local currency	39,088,472	33,955,027
Foreign currencies	5,994,523	8,187,466
	45,082,995	42,142,493
With State Bank of Pakistan in		
Local currency current account	92,301,018	74,211,050
Foreign currency current accounts	5,439,828	1,524,981
Foreign currency deposit account	8,157,469	12,812,091
	105,898,315	88,548,122
With other central banks in		
Foreign currency current accounts	13,701,597	7,618,129
With National Bank of Pakistan in		
Local currency current accounts	26,960,750	32,236,362
Prize bonds	153,890	171,542
Less: Credit loss allowance held against cash and balances with treasury banks	(469,651)	-
Cash and balances with treasury banks - net of credit loss allowance	191,327,896	170,716,648

8. BALANCES WITH OTHER BANKS

Inside Pakistan		
In current accounts	11,539	-
Outside Pakistan		
In current accounts	9,303,232	9,196,853
In deposit accounts	25,169,514	25,886,504
	34,472,746	35,083,357
Less: Credit loss allowance held against balances with other banks	(262,220)	(10,221)
Balances with other banks - net of credit loss allowance	34,222,065	35,073,136

9. LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	91,865,300	74,714,000
Repurchase agreement lendings (Reverse Repo)	30,808,390	21,499,400
	122,673,690	96,213,400
Less: Credit loss allowance held against lending to financial institutions	(82,052)	-
Lending to financial institutions - net of credit loss allowance	122,591,638	96,213,400



		Unaudited September 30, 2024	Audited December 31, 2023		
		Lending	Credit loss allowance held	Classified Lending	Provision held
-----Rupees in '000-----					
9.1 Particulars of credit loss allowance					
Domestic					
Performing	Stage 1	30,808,390	(82,052)	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		30,808,390	(82,052)	-	-
Overseas					
Performing	Stage 1	91,865,300	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		91,865,300	-	-	-



10. INVESTMENTS

Unaudited September 30, 2024

10.1 Investments by type:

FVTPL

Note	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	-----Rupees in '000-----			
Federal Government Securities	3,005,733	-	-	3,005,733
Non Government Debt Securities	9,838,790	-	34,861	9,873,651
Shares and units	950,912	-	(73,776)	877,136
	13,795,435	-	(38,915)	13,756,520

FVOCI

Federal Government Securities	1,386,483,487	(447,964)	4,957,828	1,390,993,351
Shares	37,309,734	-	(1,167,246)	36,142,488
Foreign Securities	34,027,959	-	28,233	34,056,192
	1,457,821,180	(447,964)	3,818,815	1,461,192,031

Amortised Cost

Federal Government Securities	12,871,424	(216,694)	-	12,654,730
Provincial Government Securities	118	(118)	-	-
Non Government Debt Securities	1,362,051	(481,661)	-	880,390
	14,233,593	(698,473)	-	13,535,120

Associates

	700,401	-	-	700,401
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Subsidiaries

	17,968,237	-	-	17,968,237
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Total Investments

	1,504,518,846	(1,146,437)	3,779,900	1,507,152,309
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Audited December 31, 2023

Held-for-trading securities

	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	-----Rupees in '000-----			
Shares	292,517	-	(7,644)	284,873
	292,517	-	(7,644)	284,873

Available-for-sale securities

Federal Government Securities	1,164,709,805	(414,772)	(29,273,303)	1,135,021,730
Shares and units	30,789,895	(10,026,787)	5,773,217	26,536,325
Non Government Debt Securities	2,953,840	-	(2,950)	2,950,890
Foreign Securities	43,963,271	-	93,789	44,057,060
	1,242,416,811	(10,441,559)	(23,409,247)	1,208,566,005

Held-to-maturity securities

Federal Government Securities	14,788,331	(260,316)	-	14,528,015
Provincial Government Securities	118	(118)	-	-
Non Government Debt Securities	8,869,357	(477,541)	-	8,391,816
Foreign Securities	-	-	-	-
	23,657,806	(737,975)	-	22,919,831

Associates

	700,401	-	-	700,401
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Subsidiaries

	16,968,237	-	-	16,968,237
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Total Investments

	1,284,035,772	(11,179,534)	(23,416,891)	1,249,439,347
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10.1.1 Investments given as collateral

	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
- Market Treasury Bills	9,919,650	30,763,692
- Pakistan Investment Bonds	176,814,000	75,842,086
	186,733,650	106,605,778

10.2 Credit loss allowance for diminution in value of investments

Opening balance	11,179,534	10,330,107
Reversal of impairment charged against equity instruments through FVOCI on adoption of IFRS 9	(10,026,787)	-
Impact of ECL on debt securities on adoption of IFRS 9	4,304	-
Exchange adjustments	(9,956)	54,762
Charge / (reversals)	307	1,744,532
Charge for the period / year	(965)	-
Reversals for the period / year	-	(949,867)
Reversal on disposals	(658)	794,665
Amounts written off	-	-
Closing Balance	1,146,437	11,179,534



Unaudited September 30, 2024

Audited December 31, 2023

10.3 Particulars of credit loss allowance against debt securities

Domestic

	Stage	Unaudited September 30, 2024 Outstanding amount	Credit loss allowance held	Audited December 31, 2023 Outstanding amount	*Provision / Credit loss allowance held
Performing	Stage 1	1,396,306,317	4,610	-	-
Under performing	Stage 2	2,430,683	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		477,169	477,169	477,659	477,659
		477,169	477,169	477,659	477,659
		1,399,214,169	481,779	477,659	477,659

Overseas

Performing	Stage 1	39,419,205	-	-	-
Under performing	Stage 2	8,956,188	664,658	10,418,986	675,088
Non-performing	Stage 3	-	-	-	-
		48,375,393	664,658	10,418,986	675,088
		1,447,589,562	1,146,437	10,896,645	1,152,747

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

10.4 Summarized financial information of associates and subsidiaries

Unaudited September 30, 2024

	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
	----- Rupees in '000 -----						
Associates							
Euronet Pakistan (Private) Limited (unaudited based on September 30, 2024)	Pakistan	30%	1,316,402	160,144	160,144	2,238,041	2,057,590
Adamjee Insurance Company Limited (unaudited based on June 30, 2024)	Pakistan	20%	23,601,210	2,225,532	5,291,953	189,446,099	152,919,412
Subsidiaries							
MCB Islamic Bank Limited (unaudited based on September 30, 2024)	Pakistan	100.00%	35,646,805	3,399,293	3,436,194	296,851,241	271,957,400
MCB Exchange Company (Private) Limited (unaudited based on September 30, 2024)	Pakistan	100.00%	11,712	18,402	18,402	1,138,780	85,695
MCB Investment Management Limited (formerly MCB - Arif Habib Savings and Investment Limited) (unaudited based on September 30, 2024)	Pakistan	81.42%	819,098	273,472	273,472	2,697,073	1,511,085
MCB Non-Bank Credit Organization Closed Joint Stock Company (unaudited based on September 30, 2024)	Azerbaijan	99.94%	614,379	188,482	188,482	5,249,947	3,918,310

Audited December 31, 2023

	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
Associates							
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2023)	Pakistan	30%	1,474,982	(1,915)	(1,915)	1,553,014	1,526,982
Adamjee Insurance Company Limited (unaudited based on December 31, 2023)	Pakistan	20%	41,976,789	2,716,915	7,247,972	172,799,968	141,046,004
Subsidiaries							
MCB Islamic Bank Limited (audited based on December 31, 2023)	Pakistan	100.00%	35,942,266	5,153,335	5,689,370	266,999,705	244,963,453
MCB Investment Management Limited (formerly MCB - Arif Habib Savings and Investment Limited) (audited based on June 30, 2023)	Pakistan	81.42%	1,200,663	378,218	378,218	2,711,449	970,740
MCB Non-Bank Credit Organization Closed Joint Stock Company (audited based on December 31, 2023)	Azerbaijan	99.94%	617,756	182,559	182,559	4,122,446	2,961,675

10.5 During the period, the Bank injected share capital of Rs 1.0 billion into MCB Exchange Company (Private) Limited, a wholly owned subsidiary.



	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
Loans, cash credits, running finances, etc.	644,058,391	547,237,076	54,210,984	53,000,544	698,269,375	600,237,620
Bills discounted and purchased	26,277,713	21,305,091	880,426	882,051	27,158,139	22,187,142
Advances - gross	670,336,104	568,542,167	55,091,410	53,882,595	725,427,514	622,424,762
Credit loss allowance against advances	(4,837,014)	-	-	-	(4,837,014)	-
- Stage 1	(1,322,217)	-	-	-	(1,322,217)	-
- Stage 2	-	-	(42,146,114)	-	(42,146,114)	-
- Stage 3	-	(2,624,303)	-	(41,937,130)	-	(41,937,130)
- Specific	(2,366,008)	(2,624,303)	-	-	(2,366,008)	(2,624,303)
- General	(8,525,239)	(2,624,303)	(42,146,114)	(41,937,130)	(50,671,353)	(44,561,433)
Advances - net of credit loss allowance	661,810,865	565,917,864	12,945,296	11,945,465	674,756,161	577,863,329

Note 11.3

11.1 Particulars of advances (gross)

In local currency
In foreign currencies

	Unaudited September 30, 2024	Audited December 31, 2023
	639,561,785	545,801,761
	85,865,729	76,623,001
	725,427,514	622,424,762

11.2 Advances include Rs. 55,091,410 million (2023: Rs. 53,882,595 million) which have been placed under the non-performing / Stage 3 status as detailed below:

Category of Classification

	Unaudited September 30, 2024	Audited December 31, 2023	Unaudited September 30, 2024	Audited December 31, 2023
Domestic				
Other Assets Especially Mentioned (OAEM)	1,546,176	788,024	1,517,142	1,684
Substandard	2,689,047	1,400,137	834,737	46,687
Doubtful	2,764,080	1,406,584	224,303	111,716
Loss	34,434,460	33,677,494	36,557,845	36,043,900
	41,433,763	37,272,239	39,134,027	36,203,987
Overseas				
Upto 90 Days	-	-	2,902	726
91 to 180 days	328,236	166,053	24,898	6,225
180 to 365 days	13,329,411	4,707,822	14,719,471	1,297
> 365 days	13,657,647	4,873,875	14,748,568	5,724,895
	55,091,410	42,146,114	53,882,595	5,733,143
Total				
	11,211			41,937,130

11.2.1 This includes non-performing portfolio of agricultural, small enterprise and Infrastructure Project Financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.



11.3 Particulars of credit loss allowance against advances

	Unaudited September 30, 2024			Audited December 31, 2023			
	Expected Credit Loss		General	Total	Specific	General	Total
	Stage 1 & Stage 2	Stage 3					
	Rupees in '000						
Opening balance	-	41,937,130	2,624,303	44,561,433	41,947,778	2,224,575	44,172,353
Impact of ECL on adoption of IFRS 9	4,854,913	1,653,711	(163,371)	6,345,253	-	-	-
Exchange adjustments	49,631	(31,653)	-	17,978	1,230,321	236,763	1,467,084
Charge for the period / year	2,584,196	2,941,002	-	5,525,198	3,108,219	382,213	3,490,432
Reversals	(1,329,509)	(3,238,767)	(94,924)	(4,663,200)	(3,570,328)	(219,248)	(3,789,576)
	1,254,687	(297,765)	(94,924)	861,998	(462,109)	162,965	(299,144)
Amounts written off	-	(1,115,309)	-	(1,115,309)	(778,860)	-	(778,860)
Closing balance	6,159,231	42,146,114	2,366,008	50,671,353	41,937,130	2,624,303	44,561,433

11.3.1 An analysis of changes in the credit loss allowance in relation to loans & advances of the Bank as at September 30, 2024 is as follows:

	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
		Rupees in '000			
Opening balance	-	-	41,937,130	2,624,303	44,561,433
Impact of ECL on adoption of IFRS 9	3,475,280	1,379,633	1,653,711	(163,371)	6,345,253
Exchange adjustments	49,631	-	(31,653)	-	17,978
New Advances	405,746	202,972	55,050	-	663,768
Advances derecognized or repaid	(144,189)	(53,148)	(669,528)	(94,924)	(961,789)
Transfer to stage 1	363,442	(358,501)	(4,941)	-	-
Transfer to stage 2	(114,412)	203,148	(88,736)	-	-
Transfer to stage 3	(15,261)	(109,462)	124,723	-	-
	495,326	(114,991)	(583,432)	(94,924)	(298,021)
Amounts written off / charged off	-	-	(1,115,309)	-	(1,115,309)
Changes in risk parameters	816,777	57,575	285,667	-	1,160,019
Closing balance	4,837,014	1,322,217	42,146,114	2,366,008	50,671,353

11.3.2 Category of Classification

	Unaudited September 30, 2024	Credit loss allowance Held	Audited December 31, 2023	Outstanding amount	Provision
	Rupees in '000				
Domestic					
Performing	609,339,739	4,717,263	543,341,237	-	-
Under performing	25,077,376	843,365	-	-	-
Non-performing					
Other Assets Especially Mentioned					
Substandard	1,546,176	788,024	1,517,142	1,684	
Doubtful	2,689,047	1,400,137	834,737	46,687	
Loss	2,764,080	1,406,584	224,303	111,716	
	34,434,460	33,677,494	36,557,845	36,043,900	
	41,433,763	37,272,239	39,134,027	36,203,987	
General Provision	-	1,786,639	-	2,624,303	
	675,850,878	44,619,506	582,475,264	38,828,290	
Overseas					
Performing	15,449,402	119,751	25,200,930	-	-
Under performing	20,469,587	478,852	-	-	-
Non-performing					
Substandard	-	-	27,800	6,950	
Doubtful	328,236	166,053	488,452	244,226	
Loss	13,329,411	4,707,822	14,232,316	5,481,967	
	13,657,647	4,873,875	14,748,568	5,733,143	
General Provision	-	579,369	-	-	
	49,576,636	6,051,847	39,949,498	5,733,143	
Total	725,427,514	50,671,353	622,424,762	44,561,433	

11.3.3 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No. 1 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against Non Performing Loans (NPLs) for five years from the date of classification. However, management has not taken the FSV benefit in calculation of specific provision.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Note	Unaudited	Audited	
		September 30, 2024	December 31, 2023	
-----Rupees in '000-----				
12. PROPERTY AND EQUIPMENT				
Capital work-in-progress	12.1	3,644,385	1,696,937	
Property and equipment		77,222,285	75,246,609	
		<u>80,866,670</u>	<u>76,943,546</u>	
12.1 Capital work-in-progress				
Civil works		2,315,800	1,335,418	
Equipment		471,987	26,012	
Advances to suppliers		837,173	330,898	
Others		19,425	4,609	
		<u>3,644,385</u>	<u>1,696,937</u>	
12.2 Additions to property and equipment				
The following additions have been made to property and equipment during the period:				
Capital work-in-progress - net additions		1,947,448	1,141,238	
Property and equipment				
Building on freehold land		331,606	427,943	
Building on leasehold land		2,881	3,647	
Freehold land		-	27,159	
Leasehold land		-	4,920	
Electrical office and computer equipment		2,721,055	2,276,942	
Furniture and fixture		296,838	154,722	
Leasehold Improvements		790,835	452,938	
Vehicles		638,432	418,251	
		<u>4,781,647</u>	<u>3,766,522</u>	
		<u>6,729,095</u>	<u>4,907,760</u>	
12.3 Disposal of property and equipment				
The net book value of property and equipment disposed off during the period is as follows:				
Freehold land		13,240	1,699,344	
Vehicles		26,704	22,420	
Furniture and fixture		942	2,101	
Electrical office and computer equipment		16,005	6,156	
Building on freehold land		-	15,607	
		<u>56,891</u>	<u>1,745,628</u>	
		<u>56,891</u>	<u>1,745,628</u>	
		<u>56,891</u>	<u>1,745,628</u>	
-----Rupees in '000-----				
	Note	Unaudited September 30, 2024	Audited December 31, 2023	
13. RIGHT-OF-USE ASSETS				
Right-of-use assets	13.1	<u>5,374,881</u>	<u>5,877,865</u>	
		-----Rupees in '000-----		
		Unaudited September 30, 2024		
		Buildings	Others	Total
13.1 At January 1,				
Cost		11,457,135	-	11,457,135
Accumulated depreciation		(5,579,270)	-	(5,579,270)
Net carrying amount at January 1,		<u>5,877,865</u>	<u>-</u>	<u>5,877,865</u>
Buildings		<u>5,877,865</u>	<u>-</u>	<u>5,877,865</u>
Others		<u>-</u>	<u>-</u>	<u>-</u>
Buildings		10,191,155	-	10,191,155
Others		(4,476,309)	-	(4,476,309)
Net carrying amount at January 1,		<u>5,714,846</u>	<u>-</u>	<u>5,714,846</u>
Buildings		<u>5,714,846</u>	<u>-</u>	<u>5,714,846</u>
Others		<u>-</u>	<u>-</u>	<u>-</u>
Buildings		1,725,069	-	1,725,069
Deletions during the period / year		(87,392)	-	(87,392)
Exchange adjustments		7,638	-	7,638
Depreciation charge for the period / year		(1,139,394)	-	(1,139,394)
Closing net carrying amount		<u>5,374,881</u>	<u>-</u>	<u>5,374,881</u>
Buildings		<u>5,374,881</u>	<u>-</u>	<u>5,374,881</u>
Others		<u>-</u>	<u>-</u>	<u>-</u>
Buildings		5,714,846	-	5,714,846
Others		(4,476,309)	-	(4,476,309)
Net carrying amount at January 1,		<u>5,714,846</u>	<u>-</u>	<u>5,714,846</u>
Buildings		<u>5,714,846</u>	<u>-</u>	<u>5,714,846</u>
Others		<u>-</u>	<u>-</u>	<u>-</u>
Buildings		11,457,135	-	11,457,135
Deletions during the period / year		(87,392)	-	(87,392)
Exchange adjustments		7,638	-	7,638
Depreciation charge for the period / year		(1,139,394)	-	(1,139,394)
Closing net carrying amount		<u>5,374,881</u>	<u>-</u>	<u>5,374,881</u>
Buildings		<u>5,374,881</u>	<u>-</u>	<u>5,374,881</u>
Others		<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Note	Unaudited	Audited
		September 30, 2024	December 31, 2023
-----Rupees in '000-----			
14. INTANGIBLE ASSETS			
Computer software		971,030	515,528
Capital work-in-progress		346,441	519,955
		<u>1,317,471</u>	<u>1,035,483</u>
14.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Computer software		885,191	258,699
Capital work-in-progress - net additions		-	9,102
		<u>885,191</u>	<u>267,801</u>
15. OTHER ASSETS			
Income / mark-up accrued in local currency		84,549,327	62,017,227
Income / mark-up accrued in foreign currencies		969,354	503,365
Advances, deposits, advance rent and other prepayments		8,168,478	4,753,438
Non-banking assets acquired in satisfaction of claims		1,516,826	1,637,884
Compensation for delayed income tax refunds		133,809	133,809
Branch adjustment account		23,250	-
Mark to market gain on forward foreign exchange contracts		2,370,427	2,348,323
Unrealized gain on derivative financial instruments		171,633	73,852
Acceptances	22	34,488,141	40,966,674
Receivable from the pension fund		8,241,693	7,428,142
Clearing and settlement accounts		34,836,434	25,796,177
Receivable from the Government of Pakistan		-	67,187,000
Claims receivable against fraud and forgeries		579,778	607,980
Others		4,040,911	3,325,470
		<u>180,090,061</u>	<u>216,779,341</u>
Less: Credit loss allowance / provision held against other assets	15.1	<u>3,549,356</u>	<u>3,370,145</u>
Other Assets net of credit loss allowance		<u>176,540,705</u>	<u>213,409,196</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	<u>573,856</u>	<u>606,806</u>
Other Assets - total		<u>177,114,561</u>	<u>214,016,002</u>
15.1 Credit loss allowance / provision held against other assets			
Non banking assets acquired in satisfaction of claims		88,083	88,083
Claims receivable against fraud and forgeries		579,778	607,980
Mark-up accrued		210,795	4,972
Others		2,670,700	2,669,110
		<u>3,549,356</u>	<u>3,370,145</u>



15.1.1 Movement in credit loss allowance held against other assets

	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
Opening balance	3,370,145	3,066,275
Impact of ECL on adoption of IFRS 9	237,105	-
Charge for the period / year	46,039	36,184
Reversals	(82,581)	(8,080)
	(36,542)	28,104
Amounts written off	(521)	(2,062)
Exchange and other adjustments	(20,831)	277,828
Closing balance	3,549,356	3,370,145

16. CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2024 (2023: Nil).

17. BILLS PAYABLE

	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
In Pakistan	10,601,227	24,832,685
Outside Pakistan	34,547	263,226
	10,635,774	25,095,911

18. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

Under export refinance scheme	39,370,865	47,943,376
Under long term financing facility	16,660,960	19,511,569
Under renewable energy performance platform	1,984,783	2,126,104
Under temporary economic refinance facility	35,480,833	38,160,612
Under financing facility for storage of agricultural produce	196,519	239,697
Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs	5,106	6,272
	93,699,066	107,987,630

Repurchase agreement borrowings

	191,113,886	106,366,325
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Total secured

	284,812,952	214,353,955
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Unsecured

Call borrowings	263,675	1,000,000
Overdrawn nostro accounts	524,096	1,094,805
Others	162,286	162,286
	950,057	2,257,091

Total unsecured

	285,763,009	216,611,046
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19. DEPOSITS AND OTHER ACCOUNTS

	Unaudited September 30, 2024		Audited December 31, 2023		Total
	In Local Currency	In Foreign currencies	In Local Currency	In Foreign currencies	
	-----Rupees in '000-----				
Customers					
Current deposits	723,838,626	189,462,468	913,301,094	162,616,011	799,010,844
Savings deposits	965,744,710	46,562,239	1,012,306,949	42,644,437	862,692,810
Term deposits	23,450,924	17,970,215	41,421,139	20,254,444	41,845,086
Others	43,942,901	4,170,920	48,113,821	4,930,851	50,240,271
	1,756,977,161	258,165,842	2,015,143,003	230,445,743	1,753,789,011
Financial Institutions					
Current deposits	13,928,314	2,627,663	16,555,977	3,717,302	21,278,073
Savings deposits	15,094,532	918,053	16,012,585	488,698	14,509,023
Term deposits	9,372,447	7,657,104	17,029,551	7,216,607	15,706,504
Others	-	84,811	84,811	104,683	104,683
	38,395,293	11,287,631	49,682,924	11,527,290	51,598,283
	1,795,372,454	269,453,473	2,064,825,927	241,973,033	1,805,387,294

20. LEASE LIABILITIES

Lease Liabilities

	Unaudited September 30, 2024		Audited December 31, 2023		Total
	Buildings	Others	Buildings	Others	
	-----Rupees in '000-----				
20.1 At January 1,					
Additions / adjustments during the period / year	-	-	7,943,593	-	7,943,593
Lease payments including interest	713,954	(1,772,676)	713,954	(1,612,638)	1,612,638
Finance charges	1,028,753	(155,605)	1,028,753	(155,605)	(2,082,123)
Deletions during the period / year	(155,605)	9,848	(155,605)	66,784	1,360,534
Exchange adjustments	9,848	-	9,848	-	(215,423)
Closing Balance	8,510,277	-	8,510,277	-	66,784
					8,686,003
20.2 Liabilities Outstanding					
Not later than one year	1,025,865	-	1,025,865	-	988,860
Later than one year and upto five years	3,667,499	-	3,667,499	-	3,645,351
Over five years	3,816,913	-	3,816,913	-	4,051,792
Total at the year end	8,510,277	-	8,510,277	-	8,686,003



Note	Unaudited September 30, 2024 -----Rupees in '000-----	Audited December 31, 2023 -----Rupees in '000-----
21. DEFERRED TAX LIABILITIES - NET		
Taxable Temporary Differences on		
- Surplus on revaluation of property and equipment	3,503,844	3,608,814
- Surplus on revaluation of non-banking assets	281,188	297,334
- Accelerated tax depreciation	3,699,270	3,521,615
- Receivable from pension fund	4,038,429	3,639,789
- Surplus / (deficit) on revaluation of investments	1,871,219	(11,470,532)
- Business combination	705,218	705,218
	14,099,168	302,238
Deductible Temporary Differences on		
- Credit loss allowance against financial assets	(6,023,640)	(201,520)
	8,075,528	100,718
	Unaudited September 30, 2024 -----Rupees in '000-----	Audited December 31, 2023 -----Rupees in '000-----
Mark-up / return / interest payable in local currency	19,936,893	3,926,926
Mark-up / return / interest payable in foreign currencies	405,346	562,509
Unearned commission and income on bills discounted	2,453,659	2,024,523
Accrued expenses	7,950,651	7,856,382
Current taxation (provisions less payments)	16,705,568	20,150,115
Workers Welfare Fund	22.1 15,712,787	13,810,584
Acceptances	15 34,488,141	40,966,674
Unclaimed / dividends payable	2,668,701	2,420,017
Mark to market loss on forward foreign exchange contracts	1,310,003	996,797
Unrealised loss on derivative financial instruments	171,633	73,848
Branch adjustment account	-	240,409
Provision for employees' compensated absences	1,331,478	1,266,190
Provision for post retirement medical benefits	2,312,029	2,121,129
Provision for employees' contributory benevolent scheme	131,465	140,847
Insurance payable against consumer assets	31,176	586,691
Unclaimed balances	408,524	508,115
Duties and taxes payable	4,912,659	10,955,674
Credit loss allowance / provision against off-balance sheet obligations	22.2 1,751,113	78,807
Security deposits against lease	2,742,971	2,068,373
Clearing and settlement accounts	30,180,360	24,223,005
Others	9,147,567	5,613,300
	154,752,724	140,590,915

22.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.



22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations as at September 30, 2024 is as follows:

Note	Unaudited September 30, 2024 -----Rupees in '000-----	Audited December 31, 2023 -----Rupees in '000-----
Opening balance	78,807	48,403
Impact of ECL on adoption of IFRS 9	1,603,703	-
Exchange adjustment	888	8,449
Charge for the period / year	697,867	21,955
Reversals	(630,152)	-
	67,715	21,955
Amount written off	-	-
Closing balance	1,751,113	78,807

23. RESERVES

Note	Unaudited September 30, 2024 -----Rupees in '000-----	Audited December 31, 2023 -----Rupees in '000-----
Share premium	23,751,114	23,751,114
Non - distributable capital reserve - gain on bargain purchase option	23.1 908,317	908,317
Exchange translation reserve	8,857,774	8,585,375
Statutory reserve	23.2 51,723,785	46,878,730
General reserve	18,600,000	18,600,000
	103,840,990	98,723,536

23.1 Under IFRS 3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain has not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions / deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

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

24. SURPLUS ON REVALUATION OF ASSETS

Note	Unaudited September 30, 2024 -----Rupees in '000-----	Audited December 31, 2023 -----Rupees in '000-----
Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI - Debt / AFS securities	10.1 4,986,061	(29,182,464)
- Securities measured at FVOCI - Equity / AFS securities	10.1 (1,167,246)	5,773,217
- Property and equipment	39,103,811	39,331,254
- Non-banking assets acquired in satisfaction of claims	15 573,856	606,806
	43,496,482	16,528,813
Deferred tax on (surplus) / deficit on revaluation of:		
- Securities measured at FVOCI - Debt / AFS securities	21 (2,443,170)	14,299,408
- Securities measured at FVOCI - Equity / AFS securities	21 571,951	(2,828,876)
- Property and equipment	21 (3,503,844)	(3,608,814)
- Non-banking assets acquired in satisfaction of claims	21 (281,188)	(297,334)
	(5,656,251)	7,564,384
	37,840,231	24,093,197



Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	
27. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	81,628,195	83,559,044
Investments	192,271,899	143,416,151
Lendings to financial institutions	6,091,019	6,744,290
Balances with banks	1,705,748	1,661,574
	<u>281,696,861</u>	<u>235,381,059</u>
27.1 Interest income recognised on:		
Financial assets measured at amortised cost	89,877,701	
Financial assets measured at FVOCI	184,233,608	
Financial assets measured at FVTPL	7,585,552	
	<u>281,696,861</u>	
28. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	137,680,909	96,726,764
Borrowings	24,924,967	28,277,839
Cost of foreign currency swaps against foreign currency deposits / borrowings	2,989,337	3,114,781
Finance charges on lease liability against right-of-use assets	1,028,753	845,092
	<u>166,623,966</u>	<u>128,964,476</u>
29. FEE & COMMISSION INCOME		
Branch banking customer fees	3,102,313	2,602,967
Consumer finance related fees	513,290	575,484
Card related fees (debit and credit cards)	5,805,715	4,265,417
Credit related fees	566,470	518,665
Investment banking fee	127,534	92,392
Commission on trade	2,725,555	2,277,979
Commission on guarantees	801,637	817,004
Commission on cash management	757,742	657,014
Commission on remittances including home remittances	732,290	1,167,903
Commission on bancassurance	550,792	695,635
Rent on lockers	175,644	175,239
Commission on utility bills	77,821	66,315
Commission on investments services	344,248	224,220
Others	147,741	104,619
	<u>16,428,792</u>	<u>14,240,853</u>
30. GAIN / (LOSS) ON SECURITIES		
Realised	148,782	208,822
Unrealised - Measured at FVTPL	(38,915)	(5,654)
	<u>109,867</u>	<u>203,168</u>
30.1 Realised gain / (loss) on:		
Federal Government Securities	116,184	77,684
Non Government Debt Securities	6,703	644
Shares	25,895	130,494
	<u>148,782</u>	<u>208,822</u>
30.2 Realised gain / (loss) on:		
Financial assets measured at FVTPL		
Designated upon initial recognition	67,641	148,586
Mandatorily measured at FVPL	-	-
	<u>67,641</u>	<u>148,586</u>
Financial assets measured at FVOCI	81,141	60,236
	<u>81,141</u>	<u>60,236</u>
	<u>148,782</u>	<u>208,822</u>



	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	
31. OTHER INCOME		
Rent on property	105,336	100,379
Gain on termination of lease liability against right of use assets	68,213	43,217
Gain on sale of property and equipment - net	170,329	81,231
Gain / (loss) on sale of non-banking assets acquired in satisfaction of claims - net	42,500	(3,224)
	<u>386,378</u>	<u>221,603</u>
32. OPERATING EXPENSES		
Total compensation expense	18,988,278	16,859,316
Property expense		
Rent and taxes	280,100	245,443
Insurance	19,623	19,339
Utilities cost	2,123,776	1,630,745
Fuel expense generators	755,049	983,688
Security (including guards)	1,660,023	1,442,598
Repair and maintenance (including janitorial charges)	896,223	766,177
Depreciation on right-of-use assets	1,139,394	1,007,718
Depreciation	820,129	694,399
	<u>7,694,317</u>	<u>6,790,107</u>
Information technology expenses		
Software maintenance	1,421,921	1,211,306
Hardware maintenance	250,306	250,861
Depreciation	955,644	597,221
Amortization	431,705	266,736
Network charges	459,373	475,545
Insurance	5,500	3,577
	<u>3,524,449</u>	<u>2,805,246</u>
Other operating expenses		
Directors' fees and allowances	39,080	27,480
Legal and professional charges	303,847	261,427
Outsourced services costs	799,985	709,935
Travelling and conveyance	446,729	356,566
NIFT clearing charges	164,193	158,460
Depreciation	988,646	836,849
Depreciation on non-banking assets acquired in satisfaction of claims	14,007	17,909
Training and development	57,525	67,081
Postage and courier charges	233,009	178,822
Communication	1,517,066	984,281
Stationery and printing	914,827	832,729
Marketing, advertisement & publicity	994,195	509,782
Donations	10,100	10,000
Auditors' remuneration	65,146	46,091
Cash transportation charges	895,375	816,466
Repair and maintenance	595,260	487,511
Subscription	27,772	15,720
Entertainment	304,856	271,936
Remittance charges	191,183	198,835
Brokerage expenses	40,862	33,059
Card related expenses	2,659,804	2,043,478
CNIC verification charges	305,833	279,434
Insurance	1,732,282	1,461,163
Others	391,398	307,575
	<u>13,692,980</u>	<u>10,912,589</u>
	<u>43,900,024</u>	<u>37,367,258</u>

Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
-----Rupees in '000-----		
33. OTHER CHARGES		
Penalties of State Bank of Pakistan	82,678	175,556
VAT & National Building tax & Crop Insurance Levy	172,610	276,561
Education cess	93,119	103,167
	<u>348,407</u>	<u>555,284</u>
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET		
Credit loss allowance against balance with other banks	(35,588)	11,049
Credit loss allowance against cash and balances with treasury banks	(25,551)	-
(Reversal of) / credit loss allowance for diminution in value of investments	10.2 (658)	1,743,522
Credit loss allowance against loans and advances	11.3 861,998	(435,222)
Reversal of credit loss allowance against lendings to financial institutions	(15,102)	-
(Reversal of) / credit loss allowance against off balance sheet items	67,715	20,451
(Reversal of) / credit loss allowance against other assets	15.1.1 (36,542)	22,868
Recovery of written off / charged off bad debts	(150,894)	(126,304)
	<u>665,378</u>	<u>1,236,364</u>
35. TAXATION		
Current	47,582,026	43,232,571
Prior years	-	-
Deferred	(922,422)	716,298
	<u>46,659,604</u>	<u>43,948,869</u>
36. BASIC AND DILUTED EARNINGS PER SHARE		
-----Rupees in '000-----		
Profit after tax	<u>48,450,548</u>	<u>44,146,596</u>
-----Number-----		
Weighted average number of ordinary shares	<u>1,185,060,006</u>	<u>1,185,060,006</u>
-----Rupees-----		
Basic and diluted earnings per share	<u>40.88</u>	<u>37.25</u>

37. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'amortized cost'. Quoted securities classified as amortized cost are carried at cost. Fair value of unquoted equity investments other than investments in associates and subsidiaries is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

37.1 FAIR VALUE OF FINANCIAL ASSETS

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair valuation of financial instruments within level 2

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Unlisted Shares	Breakup value determined on the basis of NAV of the company using the latest available audited financial statements.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and building) & 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 Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the period.

(a) Financial instruments in Level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in Level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, Term Finance certificates, FX Options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

(c) Financial instruments in Level 3

Currently, no financial instruments are classified in level 3.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building & non-banking assets acquired in satisfaction of claims.

	Unaudited September 30, 2024				Total
	Carrying / Notional Value	Level 1	Level 2	Level 3	
-----Rupees in '000-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,393,999,084	-	1,393,999,084	-	1,393,999,084
Shares and units	35,588,818	35,469,514	119,304	-	35,588,818
Non-Government Debt Securities	9,873,651	-	9,873,651	-	9,873,651
Foreign Securities	34,056,192	-	34,056,192	-	34,056,192
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost, unlisted ordinary shares, subsidiaries and associates)	33,634,564	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	64,730,906	-	64,730,906	-	64,730,906
Non-banking assets	2,002,599	-	2,002,599	-	2,002,599
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	96,554,772	-	975,876	-	975,876
Forward sale of foreign exchange	94,463,220	-	2,036,300	-	2,036,300
Derivatives purchase	1,865,013	-	171,633	-	171,633
Derivatives sale	1,865,013	-	171,633	-	171,633

On balance sheet financial instruments
Financial assets - measured at fair value

	Audited December 31, 2023				Total
	Carrying / Notional Value	Level 1	Level 2	Level 3	
-----Rupees in '000-----					
Investments					
Federal Government Securities	1,135,021,730	-	1,135,021,730	-	1,135,021,730
Shares and units	25,390,592	25,283,009	107,583	-	25,390,592
Non-Government Debt Securities	2,950,890	-	2,950,890	-	2,950,890
Foreign Securities	44,057,060	-	44,057,060	-	44,057,060

Financial assets - disclosed but not measured at fair value

Investments (HTM, unlisted ordinary shares, subsidiaries and associates)	42,019,075	-	-	-	-
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Non - Financial Assets measured at fair value

Property and equipment (land and buildings)	64,936,842	-	64,936,842	-	64,936,842
Non-banking assets	2,156,606	-	2,156,606	-	2,156,606

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	82,635,941	-	504,883	-	504,883
Forward sale of foreign exchange	71,222,082	-	1,856,409	-	1,856,409
Derivatives purchase	797,774	-	73,852	-	73,852
Derivatives sale	797,774	-	73,848	-	73,848

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Unaudited Nine Months Period ended September 30, 2024							Total
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Others	Sub-total	
-----Rupees in '000-----								
Profit & Loss								
Net mark-up/return/profit	(114,202,717)	5,925,982	47,347,063	169,910,781	6,091,786	-	115,072,895	115,072,895
Inter segment revenue - net	218,721,807	(4,490,887)	(38,707,303)	(188,133,634)	(324,471)	12,934,388	-	-
Non mark-up / return / interest income	10,070,000	1,995,522	7,827,613	6,229,571	1,575,216	(844,653)	26,853,269	26,853,269
Total Income	114,589,090	3,430,617	16,467,373	(11,993,182)	7,342,531	12,089,735	141,926,164	141,926,164
Segment direct expenses	28,285,627	1,480,326	1,288,497	498,929	2,046,070	12,551,185	46,150,634	46,150,634
Inter segment expense allocation	-	-	-	-	-	-	-	-
Total expenses	28,285,627	1,480,326	1,288,497	498,929	2,046,070	12,551,185	46,150,634	46,150,634
Credit loss allowance and write offs - net	1,311,162	69,152	280,533	-	(142,467)	(853,002)	665,378	665,378
Profit before tax	84,992,301	1,881,139	14,898,343	(12,492,111)	5,438,928	391,552	95,110,152	95,110,152
Statement of Financial Position								
Cash & Bank balances	71,601,213	116,014	273,006	113,694,291	39,875,643	(10,206)	225,549,961	225,549,961
Investments	-	-	10,710,541	1,448,666,714	47,418,951	356,103	1,507,152,309	1,507,152,309
Net inter segment lending	1,584,994,947	-	-	-	-	285,987,264	(1,870,982,211)	-
Lendings to financial institutions	-	-	-	30,726,338	91,865,300	-	122,591,638	122,591,638
Advances - performing / underperforming - non performing	74,014,405	33,909,810	520,932,272	-	34,741,017	(1,786,639)	661,810,865	661,810,865
Others	611,494	140,321	1,589,682	-	8,783,772	1,820,027	12,945,296	12,945,296
Total Assets	62,123,443	3,652,940	57,364,816	62,895,809	2,292,592	76,343,983	264,673,583	264,673,583
Borrowings	1,793,345,502	37,819,085	590,870,317	1,655,983,152	224,977,275	362,710,532	4,665,705,863	2,794,723,652
Deposits & other accounts	5,586,071	43,724	88,231,406	189,684,574	2,217,234	-	285,763,009	285,763,009
Net inter segment borrowing	1,755,416,610	-	120,283,516	-	189,119,569	6,232	2,064,825,927	2,064,825,927
Others	32,342,821	5,453,133	38,200,835	1,464,649,435	29,855,988	-	1,870,982,211	1,870,982,211
Total liabilities	1,793,345,502	37,819,085	590,870,317	1,655,983,152	224,977,275	100,550,119	4,403,545,450	2,532,563,239
Equity	-	-	-	-	-	262,160,413	262,160,413	262,160,413
Total Equity & liabilities	1,793,345,502	37,819,085	590,870,317	1,655,983,152	224,977,275	362,710,532	4,665,705,863	2,794,723,652
Contingencies & Commitments	80,600,883	-	402,945,677	194,760,053	16,558,386	31,875,311	726,740,310	726,740,310

38 SEGMENT INFORMATION

38.1 Segment details with respect to business activities

The segment analysis with respect to business activity is as follows:

	Unaudited Nine Months Period ended September 30, 2023						Total
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Others	
Profit & Loss							
Net mark-up/return/profit	(75,122,407)	3,622,157	53,753,566	118,883,453	5,279,814	-	106,416,583
Inter segment revenue - net	178,193,366	(2,102,175)	(44,235,986)	(143,074,467)	(267,567)	11,486,829	-
Non mark-up / return / interest income	8,435,012	2,043,361	6,158,222	4,141,483	1,548,252	273,367	22,599,697
Total Income	111,505,971	3,563,343	15,675,802	(20,049,531)	6,560,499	11,760,196	129,016,280
Segment direct expenses	24,529,851	1,663,378	730,223	566,315	1,895,611	10,299,073	39,684,451
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	24,529,851	1,663,378	730,223	566,315	1,895,611	10,299,073	39,684,451
Provisions / (reversals) & write offs - net	1,225,141	45,238	179,165	1,339,789	646,037	(2,199,006)	1,236,364
Profit before tax	85,750,979	1,854,727	14,766,414	(21,955,635)	4,018,851	3,660,129	88,095,465

Audited December 31, 2023

Cash & Bank balances	73,010,365	1,075,800	286,082	90,718,130	40,699,427	-	205,789,784
Investments	-	-	11,329,945	1,185,533,827	52,575,575	-	1,249,439,347
Net inter segment lending	1,323,367,835	-	-	-	-	249,763,494	1,573,131,329
Lendings to financial institutions	-	-	-	33,703,733	62,509,667	-	96,213,400
Advances - performing	93,175,361	36,862,172	410,689,401	-	25,200,930	-	565,917,864
- non performing	892,197	213,265	1,318,978	-	9,015,425	505,600	11,945,465
Others	58,036,413	4,929,573	59,669,219	108,819,168	1,977,880	64,440,643	297,872,896
Total Assets	1,548,482,171	43,070,810	483,293,605	1,418,774,858	191,978,904	314,709,737	4,000,310,085
Borrowings	7,854,875	28,071	100,265,851	105,313,558	3,148,691	-	216,611,046
Deposits & other accounts	1,502,187,242	26,063,661	119,652,517	-	157,493,874	-	1,805,387,294
Net inter segment borrowing	-	12,006,350	220,902,573	1,313,185,790	27,036,616	-	1,573,131,329
Others	38,440,054	4,982,728	42,472,684	275,510	4,299,723	84,002,868	174,473,547
Total liabilities	1,548,482,171	43,070,810	483,293,605	1,418,774,858	191,978,904	84,002,868	3,769,603,216
Equity	-	-	-	-	-	230,706,869	230,706,869
Total Equity & liabilities	1,548,482,171	43,070,810	483,293,605	1,418,774,858	191,978,904	314,709,737	4,000,310,085
Contingencies & Commitments	91,494,401	-	499,006,135	170,673,886	15,455,739	36,842,867	813,473,028

38.2 Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at bank level and are not allocated to operating segments.

39 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its subsidiaries, associates, employee benefit plans, its directors and key management personnel and their close family members.

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

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	Unaudited September 30, 2024			Audited December 31, 2023		
	Directors	Key Management Personnel	Other Related Parties	Directors	Key Management Personnel	Other Related Parties
Lendings to Financial Institutions						
Opening balance	-	9,000,000	-	-	-	-
Addition during the period / year	-	61,600,000	-	-	-	-
Repaid during the period / year	-	(70,600,000)	-	-	78,200,000	-
Transfer in / (out) - net	-	-	-	-	(69,200,000)	-
Closing balance	-	-	-	-	-	-
Credit loss allowance held against lending to financial institutions*	-	-	-	-	-	-
Investments						
Opening balance	-	16,968,237	700,401	249,253	-	249,253
Investment made during the period / year	-	1,000,000	-	-	648,925	-
Investment disposed off during the period / year	-	-	-	-	-	-
Closing balance	-	17,968,237	700,401	249,253	16,968,237	249,253
Credit loss allowance for diminution in value of investments*	-	-	-	-	-	-
Advances						
Opening balance	1,436	339,386	581,933	-	281,237	1,039,898
Addition / exchange adjustment during the period / year	5,424	70,171	66,355	5,963	95,327	-
Repaid / exchange adjustment during the period / year	(6,717)	(70,765)	-	(6,070)	(85,184)	(457,965)
Transfer in / (out)	-	(29,874)	-	-	48,006	-
Closing balance	143	308,918	648,288	1,436	339,386	581,933
Credit loss allowance against advances*	(9)	(25,143)	(10,876)	-	-	-
Fixed Assets						
Purchase of fixed assets	-	-	19,737	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Unaudited September 30, 2024				Audited December 31, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
(Rupees in '000)										
Other Assets										
Income / markup accrued	-	4,463	7,883	-	13,249	-	4,302	22,354	-	26,675
Advances, deposits, advance rent and other prepayments	1	-	111,033	673,916	54,999	-	-	25,663	573,809	25,684
Receivable from pension fund	-	-	-	-	8,241,693	-	-	-	-	7,428,143
	1	4,463	118,916	673,916	8,309,941	-	4,302	48,017	573,809	7,480,502
	-	(415)	(428)	-	(270)	-	-	-	-	-
Credit loss allowance / provision held against other assets*										
Borrowings										
Opening balance	-	-	71,914	-	-	-	-	5,146	-	-
Borrowings / exchange adjustment during the period / year	-	-	3,355,421	-	-	-	-	4,458,449	-	-
Settled during the period / year	-	-	(3,313,703)	-	-	-	-	(4,391,681)	-	-
Closing balance	-	-	113,632	-	-	-	-	71,914	-	-
Deposits and other accounts										
Opening balance	3,034,686	200,484	102,012	8,321,464	10,033,148	193,547	184,112	187,369	5,623,897	5,594,903
Received during the period / year	2,641,307	1,525,360	24,384,278	54,711,993	93,918,116	4,574,426	1,701,697	9,730,003	90,801,961	108,421,525
Withdrawn during the period / year	(5,518,130)	(1,585,830)	(24,494,130)	(54,344,406)	(107,154,236)	(1,733,287)	(1,718,969)	(9,815,360)	(88,104,394)	(103,993,441)
Transfer in / (out) - net	(37)	(1,314)	1,018,033	-	10,613,367	-	33,644	-	-	10,161
Closing balance	157,826	138,700	1,010,193	8,669,051	7,410,395	3,034,686	200,484	102,012	8,321,464	10,033,148
Other Liabilities										
Markup / return / interest payable	-	549	-	73,308	68	-	2,009	-	121,341	5,268
Accrued expenses and other payable	-	-	33,394	315,566	33,679	-	-	24,157	47,714	168
Advance received against sale of property	-	-	20,000	-	-	-	-	20,000	-	-
	-	549	53,394	388,874	33,747	-	2,009	44,157	169,055	5,436
Credit loss allowance / provision against off-balance sheet obligations*										
	-	-	542	442	26,573	-	-	-	-	-
Contingencies and Commitments										
Letter of Credit	-	-	-	-	5,632,816	-	-	-	-	5,009,367
Bank guarantee	-	-	130,333	8,707,965	1,852,764	-	-	174,196	8,839,177	1,722,909
	-	-	130,333	8,707,965	7,485,580	-	-	174,196	8,839,177	6,732,276

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Unaudited September 30, 2024				Unaudited September 30, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
(Rupees in '000)										
Income										
Markup / return / interest earned	-	15,933	443,247	-	81,384	32	14,457	320,738	-	89,753
Fee and commission income	2	-	182,478	771,494	21,191	-	-	113,087	556,100	10,730
Dividend income	-	-	205,173	210,000	59,325	-	-	-	219,704	50,169
Gain on forward foreign exchange contracts matured	-	-	-	-	89,082	-	-	-	-	46,448
Net gain / (loss) on sale of securities	7	73	91	5,346	5,636	2	(23)	-	(437)	1,276
Gain on sale of fixed assets	72	134	-	-	-	-	139	19,163	-	74
Rent income	-	-	72,216	8,258	4,693	-	-	51,189	7,792	4,761
Expense										
Markup / return / interest expensed	46,765	15,660	121,213	524,478	1,450,535	13,129	6,033	5,577	494,361	1,673,091
Other Operating expenses										
Cleaning expenses paid to NIFT	-	-	-	-	164,193	-	-	-	-	158,460
Contribution to provident fund	-	-	-	-	454,640	-	-	-	-	412,008
Rent expenses	-	-	-	64,451	45,499	-	-	-	58,562	41,778
Cash sorting expenses	-	-	-	-	96,392	-	-	-	-	103,460
Stationary expenses	-	-	-	-	322,658	-	-	-	-	410,997
Security guards expenses	-	-	-	-	4,035	-	-	-	-	55,720
Remuneration to key executives and non-executive directors fee	184,657	911,385	-	-	-	132,744	746,888	-	-	-
Outsourcing service expenses	-	-	-	101,069	-	-	-	-	104,884	-
Donation during the period	-	-	-	-	-	-	-	-	-	5,000
E-dividend processing fee and CDC charges	-	-	-	-	5,571	-	-	-	-	4,203
Travelling Expenses	-	-	-	-	88,650	-	-	-	-	51,945
Hotel stay expenses	-	-	-	-	16,402	-	-	-	-	3,862
Repair & Maintenance Charges	-	-	-	-	3,420	-	-	-	-	3,243
Utility expenses	-	-	-	-	1,327	-	-	-	-	864
Miscellaneous expenses and payments	-	-	-	-	3,596	-	-	2,700	-	1,800
Insurance premium-net of refund	-	-	-	571,780	-	-	-	-	626,802	-
Insurance claim settled	-	-	-	70,861	-	-	-	-	42,141	-
Other Transactions										
Proceeds from sale of fixed assets	72	134	-	-	-	-	139	23,000	-	89
Sale of foreign currency	-	-	1,897,943	-	-	-	-	24,658,779	-	-
Purchase of foreign currency	-	-	2,592,943	-	-	-	-	28,011,163	-	-
Payments against home remittances	-	-	3,264,830	-	-	-	-	4,358,122	-	-
Reimbursement of other expenses	-	-	68,105	-	-	-	-	51,402	-	-
Sale of government securities	116,427	25,362	160,611	7,979,118	23,361,309	27,498	102,181	-	20,513,392	25,207,719
Purchase of government securities	-	72,907	-	5,903,986	16,758,298	4,985	60,554	-	4,573,489	43,684,051
Forward exchange contracts matured during the period	-	-	-	-	8,165,039	-	-	-	-	3,525,180
Insurance premium paid on behalf of related party	-	-	-	-	-	-	-	-	-	67,504

*Represents credit loss allowance recognized against performing exposures on adoption of IFRS 9. The Chairman has been provided with free use of the Bank's maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.



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

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

40.1 Capital Adequacy

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

11,850,600	11,850,600
------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

206,219,425	189,956,074
-------------	-------------

Eligible Additional Tier 1 (ADT 1) Capital

-	-
---	---

Total Eligible Tier 1 Capital

206,219,425	189,956,074
-------------	-------------

Eligible Tier 2 Capital

56,438,607	34,993,403
------------	------------

Total Eligible Capital (Tier 1 + Tier 2)

262,658,032	224,949,477
-------------	-------------

Risk Weighted Assets (RWAs):

Credit Risk

802,661,567	710,062,627
-------------	-------------

Market Risk

164,258,986	158,148,274
-------------	-------------

Operational Risk

235,260,192	235,260,192
-------------	-------------

Total

1,202,180,745	1,103,471,093
---------------	---------------

Common Equity Tier 1 Capital Adequacy ratio

17.15%	17.21%
--------	--------

Tier 1 Capital Adequacy Ratio

17.15%	17.21%
--------	--------

Total Capital Adequacy Ratio

21.85%	20.39%
--------	--------

The Bank has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.

40.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

206,219,425	189,956,074
-------------	-------------

Total Exposures

3,340,751,560	3,079,976,278
---------------	---------------

Leverage Ratio

6.17%	6.17%
-------	-------

40.3 Liquidity Requirements

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

1,421,068,503	1,122,745,627
---------------	---------------

Total Net Cash Outflow

540,112,387	447,994,607
-------------	-------------

Liquidity Coverage Ratio

263.11%	250.62%
---------	---------

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

1,739,994,647	1,534,467,842
---------------	---------------

Total Required Stable Funding

1,132,731,512	1,040,919,407
---------------	---------------

Net Stable Funding Ratio

153.61%	147.41%
---------	---------



41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on October 23, 2024 has announced an interim cash dividend in respect of nine months period ended September 30, 2024 of Rs. 9.00 per share (September 30, 2023: Rs. 8.00 per share). These unconsolidated condensed interim financial statements for the period ended September 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been reclassified, rearranged or additionally incorporated in these unconsolidated condensed interim financial statements for the purposes of better presentation.

The effect of reclassification, rearrangement, restatement in the comparative information presented in these unconsolidated condensed interim financial statements due to adoption of new forms for the preparation of financial statements as explained in note 4.1 is as follows:

Description of item	Nature	From	To	Rs in '000'
Right-of-use assets	Asset	Property and equipment	Right-of-use assets	5,877,865
Lease liabilities against right-of-use-assets	Liability	Other liabilities	Lease liabilities	8,686,003

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

43 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held October 23, 2024.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



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MCB BANK LIMITED

Consolidated Condensed Interim Financial Statements for the Nine Months Period Ended September 30, 2024

Consolidated Condensed Interim Statement of Financial Position
As At September 30, 2024



Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		
ASSETS		
Cash and balances with treasury banks	210,303,882	190,245,798
Balances with other banks	35,578,172	37,806,854
Lendings to financial institutions	122,591,638	89,713,400
Investments	1,652,672,283	1,372,343,715
Advances	770,011,641	670,673,495
Property and equipment	85,765,067	80,736,669
Right-of-use assets	7,488,847	8,001,881
Intangible assets	2,683,514	1,859,032
Other assets	200,865,311	228,704,335
Total Assets	3,087,960,355	2,680,085,179
LIABILITIES		
Bills payable	12,132,293	27,271,384
Borrowings	306,548,237	235,664,480
Deposits and other accounts	2,303,822,433	2,009,828,619
Lease liabilities	11,292,721	11,429,243
Subordinated debt	-	-
Deferred tax liabilities	11,354,527	3,552,321
Other liabilities	165,608,065	150,588,030
Total Liabilities	2,810,758,276	2,438,334,077
NET ASSETS	277,202,079	241,751,102
REPRESENTED BY		
Share capital	11,850,600	11,850,600
Reserves	106,898,190	101,129,809
Surplus on revaluation of assets	39,762,274	25,740,282
Unappropriated profit	118,276,303	102,689,217
	276,787,367	241,409,908
Non-controlling interest	414,712	341,194
	277,202,079	241,751,102
CONTINGENCIES AND COMMITMENTS	25	

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Consolidated Condensed Interim Statement of Profit and Loss Account (Un-audited)
For The Nine Months Period Ended September 30, 2024



Note	Quarter Ended		Nine Months Ended	
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023
-----Rupees in '000-----				
Mark-up / return / interest earned	110,838,124	100,599,542	317,741,967	260,832,479
Mark-up / return / interest expensed	65,947,955	55,649,009	189,249,787	141,664,553
Net mark-up / interest income	44,890,169	44,950,533	128,492,180	119,167,926
NON MARK-UP / INTEREST INCOME				
Fee and commission income	5,927,145	5,987,081	18,715,119	15,889,708
Dividend income	662,505	431,225	2,020,369	1,810,404
Foreign exchange income	2,832,516	2,505,359	7,841,559	6,412,388
Income from derivatives	408	1,889	1,582	14,764
Gain on securities - net	93,540	130,307	174,282	203,122
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	-	-	-
Other income	167,119	103,043	414,516	223,988
Total non-markup / interest income	9,683,233	9,158,904	29,167,427	24,554,374
Total income	54,573,402	54,109,437	157,659,607	143,722,300
NON MARK-UP / INTEREST EXPENSES				
Operating expenses	18,516,439	15,631,794	52,063,004	43,435,082
Workers Welfare Fund	702,920	757,494	2,060,107	1,932,563
Other charges	110,799	291,296	350,778	557,365
Total non-markup / interest expenses	19,330,158	16,680,584	54,473,889	45,925,010
Share of profit of associates	646,815	563,258	1,617,156	894,936
Profit before credit loss allowance	35,890,059	37,992,111	104,802,874	98,692,226
Credit loss allowance and write offs - net	257,721	(434,008)	817,825	1,796,507
PROFIT BEFORE TAXATION	35,632,338	38,426,119	103,985,049	96,895,719
Taxation	17,498,776	18,759,834	51,155,951	48,555,020
PROFIT AFTER TAXATION	18,133,562	19,666,285	52,829,098	48,340,699
Profit attributable to non-controlling interest	(36,285)	(31,415)	(120,354)	(107,099)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE BANK	18,097,277	19,634,870	52,708,744	48,233,600
-----Rupees -----				
Basic and diluted earnings per share	15.27	16.57	44.48	40.70

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Quarter Ended		Nine Months Ended	
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023
-----Rupees in '000-----				
Profit after taxation for the period	18,133,562	19,666,285	52,829,098	48,340,699
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches and subsidiary				
- Equity shareholders of the bank	145,934	(227,184)	254,793	5,065,594
- Non-controlling interest	(2)	5	(9)	130
Share of exchange translation reserve of associate	581	11,248	(11,326)	117,643
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	14,333,246	1,905,058	17,461,343	(2,021,807)
Movement in surplus / (deficit) on associated undertaking-net of tax	52,808	49,432	236,353	(10,997)
	14,532,567	1,738,559	17,941,154	3,150,563
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	(81,363)	-	1,930,489	-
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	292,162
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	(471,259)
Movement in surplus on revaluation of non-banking assets - net of tax	(81,363)	-	1,930,489	(231,515)
Total comprehensive income	32,584,766	21,404,844	72,700,741	51,259,747
Attributable to:				
- Equity shareholders of the bank	32,548,483	21,373,424	72,580,396	51,152,518
- Non-controlling interest	36,283	31,420	120,345	107,229
Total comprehensive income	32,584,766	21,404,844	72,700,741	51,259,747

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Quarter Ended		Nine Months Ended		Grand Total
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023	
-----Rupees in '000-----					
Share capital	11,850,000	11,850,000	11,850,000	11,850,000	11,850,000
Share premium	23,973,024	23,973,024	23,973,024	23,973,024	23,973,024
Capital reserve					
Non-distributable capital reserve					
Exchange translation reserve	938,317	4,645,697	4,133,438	4,133,438	938,317
Statutory reserve					
Revenue reserve					
General reserve					
Surplus/deficit on revaluation of investments					
Surplus/deficit on revaluation of property and equipment / non-banking assets					
Unappropriated profit					
Total	18,477,747	48,340,699	183,746,298	183,746,298	18,477,747
Non-controlling interest					
Grand Total	18,477,747	48,340,699	183,746,298	183,746,298	18,477,747

Balance as at December 31, 2023 (Audited)
 Profit after taxation for the period ended September 30, 2023
 Other comprehensive income - net of tax
 Effect of translation of net investment in foreign branches and subsidiary
 Movement in surplus on revaluation of property, equipment - net of tax
 Movement in surplus on associated undertaking-net of tax
 Remeasurement gain on defined benefit obligations - net of tax
 Movement in surplus / (deficit) on revaluation of AFS investments - net of tax
 Transfer to statutory reserve
 Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax
 Surplus realized on disposal of revalued property and equipment - net of tax
 Surplus realized on disposal of non-banking assets - net of tax
 Acquisition of additional interest in subsidiary
 Transactions with owners, recorded directly in equity
 Interim cash dividend of Rs. 6.0 per share - December 31, 2023
 Interim cash dividend of Rs. 7.0 per share - June 30, 2023
 Balance as at September 30, 2023 (Un-audited)

Balance as at December 31, 2023 (Audited)
 Profit after taxation for the period ended September 30, 2023
 Other comprehensive income - net of tax
 Effect of translation of net investment in foreign branches and subsidiary
 Movement in surplus on revaluation of property, equipment - net of tax
 Movement in surplus on associated undertaking-net of tax
 Remeasurement gain on defined benefit obligations - net of tax
 Movement in surplus / (deficit) on revaluation of AFS investments - net of tax
 Transfer to statutory reserve
 Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax
 Surplus realized on disposal of revalued property and equipment - net of tax
 Surplus realized on disposal of non-banking assets - net of tax
 Transactions with owners, recorded directly in equity
 Interim cash dividend of Rs. 8.0 per share - September 30, 2023
 Share of dividend attributable to non-controlling interest
 Balance as at December 31, 2023 (Un-audited)
 Opening balance as at January 01, 2024 - after adoption of IFRS 9
 Profit after taxation for the period ended September 30, 2024
 Other comprehensive income - net of tax
 Effect of translation of net investment in foreign branches and subsidiary
 Movement in surplus on associated undertaking-net of tax
 Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax
 Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax
 Transfer to statutory reserve
 Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax
 Surplus realized on disposal of revalued property and equipment - net of tax
 Surplus realized on disposal of non-banking assets - net of tax
 Transactions with owners, recorded directly in equity
 Final cash dividend of Rs. 8.0 per share - December 31, 2023
 Interim cash dividend of Rs. 9.0 per share - June 30, 2024
 Share of dividend attributable to non-controlling interest
 Balance as at September 30, 2024 (Un-audited)

Hammad Khalid
Chief Financial Officer

Shoab Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



Note	Nine Months Ended	
	January 01 to September 30, 2024	January 01 to September 30, 2023
	-----Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	103,985,049	96,895,719
Less: Dividend income and share of profit of associates	(3,637,525)	(2,705,340)
	100,347,524	94,190,379
Adjustments:		
Net mark-up / interest income	(128,492,180)	(119,167,926)
Depreciation on property and equipment	3,232,660	2,489,984
Depreciation on right-of-use assets	1,621,043	1,408,160
Depreciation on non-banking assets acquired in satisfaction of claims	14,007	17,909
Amortization	593,523	417,470
Credit loss allowance / provisions and write offs - net	817,825	1,796,507
Gain on sale of property and equipment - net	(192,398)	(81,659)
(Gain) / loss on sale of non-banking assets acquired in satisfaction of claims - net	(42,500)	3,224
Finance charges on lease liability against right-of-use assets	1,313,060	1,081,823
Workers Welfare Fund	2,060,107	1,932,563
Charge for defined benefit plans - net	(309,544)	222,196
Gain on termination of lease liability against right-of-use assets	(73,782)	(49,536)
Unrealized gain on revaluation of investments classified as FVTPL	39,742	5,654
	(119,418,437)	(109,923,631)
	(19,070,913)	(15,733,252)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(32,960,290)	(46,137,626)
Securities classified as FVTPL	4,622,272	(164,989)
Advances	(107,514,111)	169,020,428
Others assets (excluding advance taxation)	49,158,337	(9,072,726)
	(86,693,792)	113,645,087
Increase / (decrease) in operating liabilities		
Bills Payable	(15,139,091)	(31,072,703)
Borrowings from financial institutions	71,482,304	(48,347,994)
Deposits	293,993,814	366,380,453
Other liabilities (excluding current taxation)	5,687,155	15,737,011
	356,024,182	302,696,767
Mark-up / Interest received	289,222,500	223,529,381
Mark-up / Interest paid	(171,712,490)	(149,969,833)
Defined benefits paid	(257,200)	(203,890)
Income tax paid	(61,692,426)	(42,604,356)
Net cash flow from operating activities	305,819,861	431,359,904
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in securities classified as FVOCI	(255,158,697)	(312,670,315)
Net investment in securities classified as amortized cost	9,729,731	(13,218,997)
Dividends received	2,410,305	1,985,277
Investments in property and equipment	(8,313,933)	(5,435,643)
Disposal of property and equipment	259,825	1,828,177
Investments in Intangible assets	(1,415,202)	(315,478)
Disposal of non-banking assets acquired in satisfaction of claims	182,500	132,000
Acquisition of additional interest in subsidiary	-	(649,925)
Net investment in associates	(306,081)	(185,000)
Effect of translation of net investment in foreign branches and subsidiary	254,793	5,065,724
Net cash flow used in investing activities	(252,356,759)	(323,464,180)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use-assets	(2,483,809)	(2,125,088)
Dividend paid	(31,794,483)	(22,874,084)
Net cash flow used in financing activities	(34,278,292)	(24,999,172)
Effects of credit loss allowance changes on cash and cash equivalents	63,001	-
Effects of exchange rate changes on cash and cash equivalents	(114,129)	11,029,512
Increase in cash and cash equivalents	19,133,682	93,926,064
Cash and cash equivalents at beginning of the period	226,327,052	124,293,692
Cash and cash equivalents at end of the period	245,460,734	218,219,756

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



1. STATUS AND NATURE OF BUSINESS

The Group consists of:
- Holding Company - MCB Bank Limited

Subsidiary Companies

Subsidiary Companies	"Percentage holding of MCB Bank Limited"
- MCB Investment Management Limited	81.42%
- MCB Non-Bank Credit Organization Closed Joint Stock Company	99.94%
- MCB Islamic Bank Limited	100%
- MCB Exchange Company (Private) Limited *	100%

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB - 15 Main Gulberg, Lahore. The Bank operates 1430 branches (2023: 1,430 branches) within Pakistan and 08 branches (2023: 08 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

*During the period, the Holding company injected share capital of Rs 1.0 billion into MCB Exchange Company (Private) Limited, a wholly owned subsidiary.

1.1 DEMERGER OF 39 BRANCHES FROM MCB BANK LIMITED

The Board of Directors of MCB Bank Limited (MCB) in its meeting held on April 24, 2024 had approved the Scheme of Compromises, Arrangements and Reconstruction (the 'Scheme'), under Section 279 to 283 and 285 of the Companies Act, 2017, between the Bank and its wholly owned subsidiary MCB Islamic Bank Limited (MIB) to demerge business operations of its 39 branches and transfer to wholly owned subsidiary MIB subject to regulatory approvals.

No Objection Certificate of the State Bank of Pakistan on the Scheme was received on April 29, 2024 and petition was filed before the Honourable Lahore High Court for sanctioning the scheme of demerger. The shareholders had approved the Scheme in the Extra Ordinary General Meeting (EOGM) held on July 06, 2024.

The Honourable Lahore High Court has sanctioned the Scheme and by virtue of the Court Order, the banking business along with assets, liabilities and operations of 39 branches will be converted into Islamic banking and transferred to MIB with effect from close of business on November 15, 2024.

2. BASIS OF PREPARATION

2.1 These consolidated condensed interim financial statements include the financial statements of MCB Bank Limited and its subsidiary companies and share of the profit / reserves of associates (the "Group").

a. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based on the financial statements for the nine months period ended September 30, 2024 and the carrying value of investments held by the parent is eliminated against the subsidiaries' shareholders' equity in these consolidated condensed interim financial statements. Material intra-Group balances and transactions have also been eliminated.

b. Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter adjusted for the post-acquisition change in the Group's share of net assets of the associates. The cumulative post-acquisition movements are adjusted in the carrying amount of the investment. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group's share in associates have been accounted for based on the financial statements for the nine months period ended September 30, 2024.

c. Non-controlling interest is that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the Group.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

2.3 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency of its primary economic environment. The amounts are rounded off to the nearest thousand.

2.4 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts, certain investments and derivative financial instruments have been marked to market and are carried at fair value and defined benefit obligations and right of use of assets with related lease liability have been measured at present value on initial recognition.

2.5 The Group believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated condensed interim financial statements have been prepared on a going concern basis.



3. STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and 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 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

3.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34, Interim Financial Reporting. These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the financial year ended December 31, 2023.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements except for IFRS 9 'Financial Instruments', the impact of which is disclosed under note 4.2.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations except for:

Effective date (annual periods beginning on or after)

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Group for the year ended December 31, 2023 except for changes mentioned in notes 4.1 and 4.2.

4.1 Adoption of new forms for the preparation of consolidated condensed interim financial statements

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of consolidated condensed interim financial statements of banks that are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. The significant change is relating to right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the consolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.



The Group has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified to correspond to the current period presentation, as presented in note 42.

4.2 Impact of IFRS 9 Financial instruments

IFRS 9 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard introduces a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Group which are exposed to credit risk.

In preparation of these financial statements, the Group has applied requirements of IFRS 9 and instructions issued by SBP, through various circulars, from the date of initial application of January 01, 2024 with a modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Group has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 Application Instructions' to address certain key matters that had been raised by the Group's with a direction to ensure compliance by extended timelines. There are a few other matters, including treatment of unencumbered general provision, which are still under deliberation with the SBP. The Group has continued to follow the treatment adopted in respect of these matters in the prior periods till the time SBP issues the relevant guidance / clarification.

4.2.1 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

a. Amortised cost (AC)

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction costs. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit and loss account. Interest income / profit / expense on these assets / liabilities are recognised in the profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction costs. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the profit and loss account. Interest / profit / dividend income on these assets are recognised in the profit and loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the profit and loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

c. Fair value through profit or loss (FVTPL)

Financial assets under FVTPL category are initially recognised at fair value. Transaction costs will be directly recorded in the profit and loss account. These assets are subsequently measured at fair value with changes recorded in the profit and loss account. Interest / dividend income on these assets are recognised in the profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

4.2.2 Classification and measurement

The classification and measurement of financial assets is based on the business model within which they are held and their contractual cash flow characteristics. Financial assets that do not meet the solely payments of principal and interest (SPPI) criteria are measured at fair value through profit or loss ('FVTPL') regardless of the business model in which they are held. The Group's business model in which financial assets are held determines whether the financial assets are measured at amortized cost (AC), fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Debt based financial assets can only be held at amortized cost if these are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Assets may be sold out of 'hold to collect' portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Debt based financial assets where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are measured at FVOCI, with unrealized gains or losses deferred in reserves until the asset is derecognized. The debt based financial assets that are held for trading purposes are classified as measured at FVTPL.

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 at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The classification of equity instruments is generally measured at FVTPL unless the Group, at initial recognition, irrevocably designates as FVOCI in which case, both the unrealized and realized gains or losses are recognized in reserves and no amounts other than dividends received are recognized in the profit and loss account.

All other financial assets will mandatorily be held at FVTPL. Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

The requirements of IFRS 9 Led to changes in classification of certain financial assets held by the Group which are explained as follows:

a. Debt based financial assets previously classified as available for sale (AFS)

The application of IFRS 9 has resulted in classification and consequent remeasurement of investments in INPC's, amounting to Rs. 5,699.494 million, held under AFS portfolio as of December 31, 2023 to FVTPL based on their business model assessment.

The failure of SPPI test upon assessment of contractual cash flows of debt based financial assets has resulted in classification and consequent remeasurement of investments in certain non government debt securities, amounting to Rs. 3,714.280 million, to FVTPL.

All other debt based financial assets previously classified as AFS upon passing the SPPI test have been designated as FVOCI under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and recognition of realized and unrealized gain/loss under IFRS 9.

b. Debt based financial assets previously classified as held to maturity (HTM)

Debt based financial assets currently classified as HTM upon passing the SPPI test have been designated as amortized cost under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows. Investments in certain non government debt securities, amounting to Rs. 7,506.816 million, on failing the SPPI test have been reclassified to FVTPL.

The following table reconciles the carrying value of investments in debt based financial assets as reported on December 31, 2023 to the carrying amounts on transition to IFRS 9 at January 01, 2024:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9	
	Measurement Category	Audited December 31, 2023	Measurement Category	Balance as of January 01, 2024 - before ECL
-----Rupees in '000'-----				
Federal Government Securities				
- Market Treasury Bills	Available for sale	353,834,432	FVOCI	353,834,432
	Held for trading	206,562	FVTPL	206,562
- Pakistan Investment Bonds	Available for sale	770,131,998	FVOCI	770,131,998
	Held to maturity	11,367,944	AC	11,367,944
- Islamic Naya Pakistan Certificates	Available for sale	5,699,494	FVTPL	5,699,494
- Euro Bonds	Available for sale	5,355,806	FVOCI	5,355,806
	Held to maturity	3,160,071	AC	3,160,071
Government of Pakistan (GOP) Ijarah Sukuks	Available for sale	93,563,182	FVOCI	93,563,182
	Held for trading	2,000,800	FVTPL	2,000,800
	Held to maturity	36,216,930	AC	36,216,930
Non Government Debt Securities				
- Sukuk Bonds	Available for sale	1,063,390	FVTPL	3,161,391
	Held to maturity	2,983,001	AC	885,000
- Term Finance Certificates	Available for sale	2,650,890	FVTPL	8,059,705
	Held to maturity	5,408,815	AC	-
Foreign Securities				
- Government securities	Available for sale	44,057,060	FVOCI	44,057,060
		1,337,700,375		1,337,700,375

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

c. Equity instruments previously classified as available for sale (AFS)

The Group has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds, amounting to Rs. 115.98 million, that have been mandatorily classified as measured at FVTPL. The fair value gain or losses recognized in OCI will not be recycled to profit and loss account on derecognition of these securities.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Group has reclassified impairment of Rs. 9,783.874 million on listed equity investments and Rs. 205.765 million for unlisted equity investments held as at December 31, 2023 to surplus / deficit on revaluation of investments.

The measurement category and carrying amount of financial assets in accordance with the accounting and reporting standards as applicable in Pakistan before and after adoption of IFRS 9 as at January 01, 2024 are compared as follows:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9**	
	Measurement Category	Audited December 31, 2023	Measurement Category	IFRS 9 January 01, 2024
-----Rupees in '000'-----				
Cash and balances with treasury banks	Loans and receivables	190,245,798	AC	189,718,501
Balances with other banks	Loans and receivables	37,806,854	AC	37,514,288
Lending to financial institutions	Loans and receivables	89,713,400	AC	89,616,129
Investments - net	Held for Trading	2,492,235	FVTPL	2,492,235
	Available for sale	1,302,892,842	FVOCI	1,293,363,088
	Held to maturity	59,136,761	FVTPL	9,529,754
Advances - net	Loans and receivables	670,673,495	AC	663,308,743
	Loans and receivables	228,704,335	AC	228,467,230
Other assets				
		2,581,665,720		2,573,138,924

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

** The reconciliation between carrying amounts of financial assets before and after adoption of IFRS 9 has been disclosed in note 4.2.5

**4.2.3 Derecognition
Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit and loss account.

4.2.4 Expected Credit Loss (ECL)

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt based financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Group recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. Based on the level of increase in credit risk, the Group shall calculate 12mECL for assets which did not have a SICR i.e., stage 1 or a LTECL for the life of the asset (for assets which demonstrated a SICR) i.e., stage 2.



Based on the above process, the Group categorizes its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When financial instruments are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Group records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.

Stage 3: For financial instruments considered credit-impaired, the Group recognises the LTECLs for these instruments. The Group uses a PD of 100% and LGD as computed for each portfolio / segment. When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Group records an allowance for the LTECLs.

Guarantee & Letter of Credit contracts: The Group estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD** The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- EAD** The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, prepayments and forward-looking information where relevant.
- LGD** It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage EAD of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Group expects to receive, including any form of collateral.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Group uses an approximation e.g. contractual rate (at reporting date).

As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

The Group's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Definition of default

The concept of 'impairment or default' is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD. The Group has defined that an exposure with regards to a particular obligor will be treated as having defaulted when either one or both of the following two events have taken place:

- If a customer fails to service mark-up and / or principal within days past due (dpd) criteria as prescribed by SBP from time to time;
- The Group considers that the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Bank to actions such as realizing security (if held).

Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

4.2.5 Adoption Impacts

The Group has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 5,206.317 million has been recorded as an adjustment to equity at the beginning of the current accounting period. The details of the impacts of initial application are tabulated below:



	ASSETS	LIABILITIES	NET ASSETS	REPRESENTED BY
	1302,892,842	272,713,384	1,030,179,458	Share capital
	190,245,798	235,664,480	11,850,600	Reserves
	37,906,854	2,009,828,619	101,128,809	Surplus on revaluation of assets - net of tax
	89,713,400	11,429,243	25,740,282	Unappropriated profit
	1,302,892,842	3,552,321	241,408,908	Non-controlling interest
	59,136,761	150,588,030	341,194	
	2,492,235	2,438,334,077	241,751,102	
	7,821,877	2,438,334,077	241,751,102	
	1,372,343,715	2,680,085,179	241,751,102	
	716,525,774	80,736,669	11,850,600	
	(45,632,278)	8,001,881	101,128,809	
	670,673,495	1,659,032	25,740,282	
	80,736,669	228,704,335	241,408,908	
	8,001,881	2,680,085,179	341,194	
	1,659,032			
	228,704,335			
	2,680,085,179			
	1,302,892,842			
	1,293,363,088			
	(59,136,761)			
	51,625,641			
	(2,492,235)			
	19,525,304			
	7,821,877			
	1,372,335,910			
	716,525,774			
	(53,217,031)			
	663,308,743			
	80,736,669			
	8,001,881			
	1,659,032			
	6,371,787			
	228,467,230			
	2,677,930,170			
	272,713,384			
	235,664,480			
	2,009,828,619			
	11,429,243			
	-			
	3,552,321			
	6,603,629			
	3,051,308			
	(6,206,317)			
	236,544,785			
	11,850,600			
	101,128,809			
	20,624,169			
	102,599,013			
	236,203,591			
	341,194			
	236,544,785			
	272,713,384			
	235,664,480			
	2,009,828,619			
	11,429,243			
	-			
	3,552,321			
	6,603,629			
	3,051,308			
	(6,206,317)			
	236,544,785			
	11,850,600			
	101,128,809			
	20,624,169			
	102,599,013			
	236,203,591			
	341,194			
	236,544,785			



5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2023 except for matters related to adoption of IFRS 9 which have been disclosed in note 4.2 to the consolidated condensed interim financial statements.

6. FINANCIAL RISK MANAGEMENT

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

7. CASH AND BALANCES WITH TREASURY BANKS

	Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----			
In hand			
Local currency		42,886,453	37,437,971
Foreign currencies		6,904,117	8,807,239
		49,790,570	46,245,210
With State Bank of Pakistan in			
Local currency current account		104,826,647	88,108,940
Foreign currency current accounts		6,357,046	2,454,172
Foreign currency deposit account		8,157,469	12,812,091
		119,341,162	103,375,203
With other central banks in			
Foreign currency current accounts		13,701,597	7,618,129
With National Bank of Pakistan in			
Local currency current accounts		27,817,995	32,835,691
Prize bonds		153,890	171,565
Less: Credit loss allowance held against cash and balances with treasury banks		(501,332)	-
Cash and balances with treasury banks - net of credit loss allowance		210,303,882	190,245,798

8. BALANCES WITH OTHER BANKS

Inside Pakistan			
In current accounts		22,221	17,842
In deposit account		44,539	7,886
		66,760	25,728
Outside Pakistan			
In current accounts		10,607,772	11,901,017
In deposit accounts		25,169,514	25,869,888
		35,777,286	37,770,905
Less: Credit loss allowance held against balances with other banks		(265,874)	(10,221)
Balances with other banks - net of credit loss allowance		35,578,172	37,806,854

9. LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings		91,865,300	65,714,000
Repurchase agreement lendings (Reverse Repo)		30,808,390	21,499,400
Musharaka arrangements		-	2,500,000
		122,673,690	89,713,400
Less: Credit loss allowance held against lending to financial institutions	9.1	(82,052)	-
Lending to financial institutions - net of credit loss allowance		122,591,638	89,713,400



		Unaudited September 30, 2024	Audited December 31, 2023		
		Lending	Credit loss allowance held	Classified Lending	Provision held
-----Rupees in '000-----					
9.1 Particulars of credit loss allowance					
Domestic					
Performing	Stage 1	30,808,390	(82,052)	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		30,808,390	(82,052)	-	-
Overseas					
Performing	Stage 1	91,865,300	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		91,865,300	-	-	-



10. INVESTMENTS

Unaudited September 30, 2024

10.1 Investments by type:

	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----				
FVTPL				
Federal Government Securities	3,443,330	-	-	3,443,330
Non Government Debt Securities	10,508,790	-	34,034	10,542,824
Shares and units	950,912	-	(73,776)	877,136
	14,903,032	-	(39,742)	14,863,290
FVOCI				
Federal Government Securities	1,510,801,388	(447,964)	5,954,618	1,516,308,042
Shares	37,309,999	-	(1,167,246)	36,142,753
Foreign Securities	34,027,959	-	28,233	34,056,192
	1,582,139,346	(447,964)	4,815,605	1,586,506,987
Amortised Cost				
Federal Government Securities	41,232,214	(216,694)	-	41,015,520
Provincial Government Securities	118	(118)	-	-
Non Government Debt Securities	1,362,051	(481,661)	-	880,390
	42,594,383	(698,473)	-	41,895,910
Associates	9,406,096	-	-	9,406,096
Total Investments	1,649,042,857	(1,146,437)	4,775,863	1,652,672,283

Audited December 31, 2023

	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----				
Held-for-trading securities				
Federal Government Securities	2,202,756	-	4,606	2,207,362
Shares	292,517	-	(7,644)	284,873
	2,495,273	-	(3,038)	2,492,235
Available-for-sale securities				
Federal Government Securities	1,257,348,552	(414,772)	(28,348,868)	1,228,584,912
Shares and units	30,790,160	(10,026,787)	5,773,217	26,536,590
Non Government Debt Securities	3,723,840	-	(9,560)	3,714,280
Foreign Securities	43,963,271	-	93,789	44,057,060
	1,335,825,823	(10,441,559)	(22,491,422)	1,302,892,842
Held-to-maturity securities				
Federal Government Securities	51,005,261	(260,316)	-	50,744,945
Provincial Government Securities	118	(118)	-	-
Non Government Debt Securities	8,869,357	(477,541)	-	8,391,816
Foreign Securities	-	-	-	-
	59,874,736	(737,975)	-	59,136,761
Associates	7,821,877	-	-	7,821,877
Total Investments	1,406,017,709	(11,179,534)	(22,494,460)	1,372,343,715

10.1.1 Investments given as collateral

- Market Treasury Bills
- Pakistan Investment Bonds

	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		
	9,919,650	30,763,692
	176,814,000	75,842,086
	186,733,650	106,605,778
10.2 Credit loss allowance for diminution in value of investments		
Opening balance	11,179,534	10,330,107
Reversal of impairment charged against equity instruments through FVOCI on adoption of IFRS 9	(10,026,787)	-
Impact of ECL on debt securities on adoption of IFRS 9	4,304	-
Exchange adjustments	(9,956)	54,762
Charge / (reversals)		
Charge for the period / year	307	1,744,532
Reversals for the period / year	(965)	-
Reversal on disposals	-	(949,867)
	(658)	794,665
Amounts written off	-	-
Closing Balance	1,146,437	11,179,534



Unaudited September 30, 2024

Audited December 31, 2023

10.3 Particulars of credit loss allowance against debt securities

Domestic

	Stage	Unaudited September 30, 2024	Credit loss allowance held	Audited December 31, 2023	*Provision / Credit loss allowance held
-----Rupees in '000-----					
Performing	Stage 1	1,550,092,605	4,610	-	-
Under performing	Stage 2	2,430,683	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		477,169	477,169	477,659	477,659
		477,169	477,169	477,659	477,659
Overseas		1,553,000,457	481,779	477,659	477,659
Performing	Stage 1	39,419,205	-	-	-
Under performing	Stage 2	8,956,188	664,658	10,418,986	675,088
Non-performing	Stage 3	-	-	-	-
		48,375,393	664,658	10,418,986	675,088
Total		1,601,375,850	1,146,437	10,896,645	1,152,747

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

10.4 Summarized financial information of associates

Unaudited September 30, 2024

Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
----- Rupees in '000 -----						
Associates						
Euronet Pakistan (Private) Limited (unaudited based on September 30, 2024)	Pakistan	30%	1,316,402	160,144	160,144	2,238,041
Adamjee Insurance Company Limited (unaudited based on June 30, 2024)	Pakistan	20%	23,601,210	2,225,532	5,291,953	189,446,099

Audited December 31, 2023

Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
----- Rupees in '000 -----						
Associates						
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2023)	Pakistan	30%	1,474,982	(1,915)	(1,915)	1,553,014
Adamjee Insurance Company Limited (unaudited based on December 31, 2023)	Pakistan	20%	41,976,789	2,716,915	7,247,972	172,799,968



10.5 Investment in Adamjee Insurance Company Limited under equity method - holding 20.00% (2023: 20.00%)

Investment of the Group in Adamjee Insurance Company Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'. The market value of the investment in Adamjee Insurance Company Limited as at September 30, 2024 amounted to Rs. 2,669.400 million. (2023: Rs. 2,391.900 million).

	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Opening balance	6,578,813	5,393,123
Share of profit for the period / year before tax	1,239,392	912,280
Dividend from associate	(210,000)	(210,000)
Share of tax	(539,174)	(425,830)
Share of other comprehensive income	490,218	276,450
Share of other comprehensive income	441,227	909,240
Closing balance	7,510,258	6,578,813
-----Rupees in '000-----		
Share of other comprehensive income / (loss)		
Share of unrealized surplus on assets -net of tax	452,553	787,716
Share of exchange translation reserve of associate	(11,326)	121,524
	441,227	909,240

10.6 Investment in Euronet Pakistan Private Limited under equity method - holding 30% (2023: 30.00%)

Investment of the Group in Euronet Pakistan Private Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'.

	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Opening balance	8,361	9,356
Share of profit for the period / year before tax	66,250	20,401
Share of tax	(20,476)	(21,396)
	45,774	(995)
Closing balance	54,135	8,361

10.7 Investment in units of funds under management of MCB Investment Management Limited

Investment of the Group in units of funds under management of MCB Investment Management Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'.

	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Investment at the beginning of the period / year	1,234,703	1,105,496
Investment / (redemptions) during the period / year	306,081	(267,428)
Share of profit for the period / year	311,514	415,827
Dividend Income	(10,595)	(19,192)
	607,000	129,207
Closing balance	1,841,703	1,234,703



11. ADVANCES

	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.	648,416,960	550,702,472	54,224,325	53,000,544	702,641,285	603,703,016
Islamic financing and related assets	90,685,568	88,677,808	2,608,849	1,957,808	93,294,417	90,635,616
Bills discounted and purchased	26,277,713	21,305,091	880,426	882,051	27,158,139	22,187,142
Advances - gross	765,380,241	660,685,371	57,713,600	55,840,403	823,093,841	716,525,774
Credit loss allowance against advances	5,535,219	-	-	-	5,535,219	-
- Stage 1	1,379,371	-	-	-	1,379,371	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- Specific	2,366,008	3,169,899	-	42,682,380	-	42,682,380
- General	(9,280,598)	(3,169,899)	(43,801,602)	(42,682,380)	(53,082,200)	(45,852,279)
Advances - net of credit loss allowance	756,099,643	657,515,472	13,911,998	13,158,023	770,011,641	670,673,495
-----Rupees in '000-----						
	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-----						
In local currency	732,882,314	636,444,276	-	-	732,882,314	636,444,276
In foreign currencies	90,211,527	80,081,498	-	-	90,211,527	80,081,498
	823,093,841	716,525,774	-	-	823,093,841	716,525,774
-----Rupees in '000-----						
11.1 Particulars of advances (gross)						
Category of Classification						
Domestic						
Other Assets Especially Mentioned (OAE)						
Substandard	1,557,885	791,939	3,115,838	1,503,326	1,517,142	1,684
Doubtful	3,140,133	1,427,700	3,140,133	1,427,700	1,056,913	52,169
Loss	36,228,756	35,191,421	44,042,612	38,914,386	382,282	114,909
Overseas	44,042,612	38,914,386	-	-	38,135,498	36,780,475
Upto 90 Days	-	-	-	-	41,091,835	36,949,237
91 to 180 days	-	-	-	-	2,902	726
180 to 365 days	328,236	166,053	-	-	24,898	6,225
> 365 days	13,342,752	4,721,163	-	-	1,297	1,297
Total	13,670,988	4,887,216	57,713,600	43,801,602	14,719,471	5,724,895
	55,840,403	42,682,380	55,840,403	42,682,380	55,840,403	42,682,380
-----Rupees in '000-----						
11.2 Advances include Rs. 57,713,600 million (2023: Rs. 55,840,403 million) which have been placed under the non-performing / Stage 3 status as detailed below:						
Note						
Non Performing Loans	1,557,885	791,939	3,115,838	1,503,326	1,517,142	1,684
Credit loss allowance	3,140,133	1,427,700	3,140,133	1,427,700	1,056,913	52,169
Provision	36,228,756	35,191,421	44,042,612	38,914,386	382,282	114,909
	44,042,612	38,914,386	-	-	38,135,498	36,780,475
	-	-	-	-	41,091,835	36,949,237
	-	-	-	-	2,902	726
	328,236	166,053	-	-	24,898	6,225
	13,342,752	4,721,163	-	-	1,297	1,297
	13,670,988	4,887,216	57,713,600	43,801,602	14,719,471	5,724,895
	55,840,403	42,682,380	55,840,403	42,682,380	55,840,403	42,682,380

11.2.1 This includes non-performing portfolio of agricultural, small enterprise and Infrastructure Project Financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.



11.3 Particulars of credit loss allowance against advances

	Unaudited September 30, 2024			Audited December 31, 2023			
	Expected Credit Loss			Specific	General		Total
	Stage 1 & Stage 2	Stage 3	General		General	Total	
	-----Rupees in '000-----						
Opening balance	-	42,682,380	3,169,899	45,852,279	42,122,972	2,638,230	44,761,202
Impact of ECL on adoption of IFRS 9	5,615,036	2,458,683	(708,967)	7,364,752	-	-	-
Exchange adjustments	49,990	(31,653)	-	18,337	1,230,321	237,236	1,467,557
Charge for the period / year	2,704,233	3,076,970	-	5,781,203	3,685,905	531,609	4,217,514
Reversals	(1,454,669)	(3,269,469)	(94,924)	(4,819,062)	(3,576,979)	(237,176)	(3,814,155)
	1,249,564	(192,499)	(94,924)	962,141	108,926	294,433	403,359
Amounts written off	-	(1,115,309)	-	(1,115,309)	(779,839)	-	(779,839)
Closing balance	6,914,590	43,801,602	2,366,008	53,082,200	42,682,380	3,169,899	45,852,279

11.3.1 An analysis of changes in the credit loss allowance in relation to loans & advances of the Group as at September 30, 2024 is as follows:

	Expected Credit Loss				
	Stage 1	Stage 2	Stage 3	General	Total
	-----Rupees in '000-----				
Opening balance	-	-	42,682,380	3,169,899	45,852,279
Impact of ECL on adoption of IFRS 9	4,153,361	1,461,675	2,458,683	(708,967)	7,364,752
Exchange adjustments	49,990	-	(31,653)	-	18,337
New Advances	827,970	221,442	69,622	-	1,119,034
Advances derecognized or repaid	25,104	(50,704)	(665,932)	(94,924)	(786,456)
Transfer to stage 1	413,392	(408,451)	(4,941)	-	-
Transfer to stage 2	(144,709)	233,512	(88,803)	-	-
Transfer to stage 3	(110,176)	(118,293)	228,469	-	-
	1,011,581	(122,494)	(461,585)	(94,924)	332,578
Amounts written off / charged off	-	-	(1,115,309)	-	(1,115,309)
Changes in risk parameters	320,287	40,190	269,086	-	629,563
Closing balance	5,535,219	1,379,371	43,801,602	2,366,008	53,082,200

Unaudited September 30, 2024 Audited December 31, 2023

Outstanding amount	Credit loss allowance Held	Outstanding amount	Provision
-----Rupees in '000-----			
697,288,134	5,410,239	635,484,441	-
27,840,659	900,519	-	-
1,557,885	791,939	1,517,142	1,684
3,115,838	1,503,326	1,056,913	52,169
3,140,133	1,427,700	382,282	114,909
36,228,756	35,191,421	38,135,498	36,780,475
44,042,612	38,914,386	41,091,835	36,949,237
-	1,786,639	-	3,169,899
769,171,405	47,011,783	676,576,276	40,119,136

11.3.2 Category of Classification

		Unaudited September 30, 2024		Audited December 31, 2023	
		Outstanding amount	Credit loss allowance Held	Outstanding amount	Provision
-----Rupees in '000-----					
Domestic					
Performing	Stage 1	697,288,134	5,410,239	635,484,441	-
Under performing	Stage 2	27,840,659	900,519	-	-
Non-performing					
Other Assets Especially Mentioned	Stage 3	1,557,885	791,939	1,517,142	1,684
Substandard		3,115,838	1,503,326	1,056,913	52,169
Doubtful		3,140,133	1,427,700	382,282	114,909
Loss		36,228,756	35,191,421	38,135,498	36,780,475
General Provision		44,042,612	38,914,386	41,091,835	36,949,237
Total		769,171,405	47,011,783	676,576,276	40,119,136
Overseas					
Performing	Stage 1	19,781,861	124,980	25,200,930	-
Under performing	Stage 2	20,469,587	478,852	-	-
Non-performing					
Substandard	Stage 3	-	-	27,800	6,950
Doubtful		328,236	166,053	488,452	244,226
Loss		13,342,752	4,721,163	14,232,316	5,481,967
General Provision		13,670,988	4,887,216	14,748,568	5,733,143
		-	579,369	-	-
Total		53,922,436	6,070,417	39,949,498	5,733,143
Total		823,093,841	53,082,200	716,525,774	45,852,279

11.3.3 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against Non Performing Loans (NPLs) for five years from the date of classification. The Bank (holding company) has not taken the FSV benefit in calculation of credit loss allowance. However, one of the subsidiary of the Bank has availed benefit of forced sale values amounting to Rs. 579.145 million (December 31, 2023: Rs. 967.863 million) in determining the credit loss allowance against non-performing Islamic financing and related assets as at September 30, 2024. The additional benefit arising from availing the FSV benefit - net of tax amounts to Rs. 295.364 million as at September 30, 2024 (December 31, 2023: Rs. 493.610 million) and is not available for payment of cash or stock dividends to shareholders.



12. PROPERTY AND EQUIPMENT

Capital work-in-progress
Property and equipment

12.1 Capital work-in-progress

Civil works
Equipment
Advances to suppliers
Others

12.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

Capital work-in-progress - net additions

Property and equipment

Building on freehold land
Building on leasehold land
Freehold land
Leasehold land
Electrical office and computer equipment
Furniture and fixture
Leasehold Improvements
Vehicles

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Freehold land
Vehicles
Furniture and fixture
Electrical office and computer equipment
Leasehold Improvements
Building on freehold land

13. RIGHT-OF-USE ASSETS

Right-of-use assets

13.1 At January 1,

Cost
Accumulated depreciation
Net carrying amount at January 1,
Additions / adjustments during the period / year
Deletions during the period / year
Exchange adjustments
Depreciation charge for the period / year
Closing net carrying amount

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
12.1	4,267,833	2,191,569
	81,497,234	78,545,100
	85,765,067	80,736,669
	2,442,813	1,348,446
	781,789	101,966
	1,023,806	736,548
	19,425	4,609
	4,267,833	2,191,569
	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	

	2,076,264	1,115,482
	342,179	428,805
	2,881	3,647
	125	27,159
	-	4,920
	3,559,626	2,745,590
	611,841	175,277
	934,059	487,166
	786,958	447,597
	6,237,669	4,320,161
	8,313,933	5,435,643

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
13.1	7,488,847	8,001,881

	Unaudited September 30, 2024			Audited December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
	-----Rupees in '000-----					
15,874,308	-	15,874,308	13,758,044	-	13,758,044	
(7,872,427)	-	(7,872,427)	(6,094,319)	-	(6,094,319)	
8,001,881	-	8,001,881	7,663,725	-	7,663,725	
1,199,884	-	1,199,884	2,449,562	-	2,449,562	
(96,546)	-	(96,546)	(173,181)	-	(173,181)	
4,671	-	4,671	110,412	-	110,412	
(1,621,043)	-	(1,621,043)	(2,048,637)	-	(2,048,637)	
7,488,847	-	7,488,847	8,001,881	-	8,001,881	



Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
14. INTANGIBLE ASSETS		
Computer software	1,338,700	969,440
Goodwill	82,127	82,127
Management rights	192,000	192,000
Capital work-in-progress	1,070,687	615,465
	<u>2,683,514</u>	<u>1,859,032</u>
	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	
14.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Computer software	959,980	280,910
Capital work-in-progress - net additions	455,222	34,568
	<u>1,415,202</u>	<u>315,478</u>
	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
15. OTHER ASSETS		
Income / mark-up accrued in local currency	99,612,508	71,559,030
Income / mark-up accrued in foreign currencies	969,354	503,365
Advances, deposits, advance rent and other prepayments	9,079,811	5,429,263
Non-banking assets acquired in satisfaction of claims	1,516,826	1,637,884
Compensation for delayed income tax refunds	133,809	133,809
Mark to market gain on forward foreign exchange contracts	2,370,427	2,596,164
Unrealized gain on derivative financial instruments	171,633	73,852
Acceptances	35,033,393	42,551,113
Receivable from the pension fund	8,241,693	7,428,142
Clearing and settlement accounts	40,558,183	27,296,155
Receivable from the Government of Pakistan	-	67,187,000
Claims receivable against fraud and forgeries	579,778	607,980
Others	5,573,396	4,463,917
	<u>203,840,811</u>	<u>231,467,674</u>
Less: Credit loss allowance / provision held against other assets	3,549,356	3,370,145
Other Assets net of credit loss allowance	200,291,455	228,097,529
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	573,856	606,806
Other Assets - total	<u>200,865,311</u>	<u>228,704,335</u>
	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
15.1 Credit loss allowance / provision held against other assets		
Non banking assets acquired in satisfaction of claims	88,083	88,083
Claims receivable against fraud and forgeries	579,778	607,980
Mark-up accrued	210,795	4,972
Others	2,670,700	2,669,110
	<u>3,549,356</u>	<u>3,370,145</u>



	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
15.1.1 Movement in credit loss allowance held against other assets		
Opening balance	3,370,145	3,066,275
Impact of ECL on adoption of IFRS 9	237,105	-
	<u>46,039</u>	<u>36,184</u>
Charge for the period / year	(82,581)	(8,080)
Reversals	(36,542)	28,104
	<u>(521)</u>	<u>(2,062)</u>
Amounts written off	(521)	(2,062)
Exchange and other adjustments	(20,831)	277,828
Closing balance	<u>3,549,356</u>	<u>3,370,145</u>
	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
16. CONTINGENT ASSETS		
There were no contingent assets of the Group as at September 30, 2024 (2023: Nil).		
	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
17. BILLS PAYABLE		
In Pakistan	12,097,746	27,008,158
Outside Pakistan	34,547	263,226
	<u>12,132,293</u>	<u>27,271,384</u>
	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
18. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	42,590,350	51,576,669
Under long term financing facility	18,449,312	21,441,512
Under renewable energy performance platform	2,288,869	2,445,557
Under temporary economic refinance facility	39,177,344	42,326,816
Under financing facility for storage of agricultural produce	196,519	239,697
Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs	5,106	6,272
	<u>102,707,500</u>	<u>118,036,523</u>
Repurchase agreement borrowings	191,113,886	106,366,325
Total secured	<u>293,821,386</u>	<u>224,402,848</u>
Unsecured		
Call borrowings	263,675	1,000,000
Borrowings from other financial institution	3,014,192	2,314,827
Overdrawn nostro accounts	421,320	1,019,866
Musharaka Arrangements	8,865,378	6,764,653
Others	162,286	162,286
	<u>12,726,851</u>	<u>11,261,632</u>
Total unsecured	<u>306,548,237</u>	<u>235,664,480</u>



22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations as at September 30, 2024 is as follows:

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
Opening balance	78,807	48,403
Impact of ECL on adoption of IFRS 9	1,688,277	-
Exchange adjustment	888	8,449
Charge for the period / year	752,184	21,955
Reversals	(630,152)	-
Amount written off	122,032	21,955
Closing balance	1,890,004	78,807

23. RESERVES

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
Share premium	23,973,024	23,973,024
Non - distributable capital reserve - gain on bargain purchase option	23.1 908,317	908,317
Exchange translation reserve	9,584,720	9,341,253
Statutory reserve	23.2 53,832,129	48,307,215
General reserve	18,600,000	18,600,000
	106,898,190	101,129,809

23.1 Under IFRS 3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain has not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Holding company, before distribution of the gain as a stock dividend, may adjust any subsequent provisions / deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

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

24. SURPLUS ON REVALUATION OF ASSETS

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI - Debt / AFS securities	10.1 5,982,851	(28,264,639)
- Securities measured at FVOCI - Equity / AFS securities	10.1 (1,167,246)	5,773,217
- Property and equipment	39,952,507	40,183,217
- Non-banking assets acquired in satisfaction of claims	15 573,856	606,806
- Associated undertaking	1,702,620	1,250,067
	47,044,588	19,548,668
Deferred tax on (surplus) / deficit on revaluation of:		
- Securities measured at FVOCI - Debt / AFS securities	21 (2,931,597)	13,849,674
- Securities measured at FVOCI - Equity / AFS securities	21 571,951	(2,828,876)
- Property and equipment	21 (3,597,974)	(3,704,544)
- Non-banking assets acquired in satisfaction of claims	21 (281,188)	(297,334)
- Associated undertaking	(1,043,506)	(827,306)
	(7,282,314)	6,191,614
	39,762,274	25,740,282



Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	

25. CONTINGENCIES AND COMMITMENTS

-Guarantees	25.1	281,110,462	318,643,498
-Commitments	25.2	464,141,098	512,200,312
-Other contingent liabilities	25.3	29,642,188	34,363,515
		774,893,748	865,207,325

25.1 Guarantees:

Financial guarantees	141,933,686	126,236,623
Performance guarantees	124,398,952	176,196,192
Other guarantees	14,777,824	16,210,683
	281,110,462	318,643,498

25.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		255,712,543	318,590,512
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	199,694,952	171,638,288
- forward government securities transactions	25.2.2	12,035	15,220,315
- derivatives	25.2.3	3,730,026	1,595,548
- commitments to extend credit		1,285,211	1,128,247
Commitments for acquisition of:			
- property and equipment		2,805,826	2,390,799
- intangible assets		900,505	1,636,603
		464,141,098	512,200,312

25.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	103,218,832	93,150,006
Sale	96,476,120	78,488,282
	199,694,952	171,638,288

25.2.2 Commitments in respect of forward government securities transactions

Purchase	12,035	15,197,000
Sale	-	23,315
	12,035	15,220,315

25.2.3 Commitments in respect of derivatives

FX options		
Purchase	1,865,013	736,983
Sale	1,865,013	736,983
	3,730,026	1,473,966
Cross Currency Swaps		
Purchase	-	60,791
Sale	-	60,791
	-	121,582
	3,730,026	1,595,548

25.2.4 The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.



Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
25.3	29,642,188	34,363,515

25.3 Other contingent liabilities

Claims against the Group not acknowledged as debts

25.3.1 These mainly represent counter claims by borrowers for damages 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 consolidated condensed interim financial statements.

25.4 Taxation

For assessment year 1999-2000 through tax year 2024, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 2,632.390 million (2023: 5,902.495 million). Such issues inter alia principally include disallowance of expenses for non deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these consolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Group's favour as and when these are taken up by the Appellate Authorities.

25.5 Amortization of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Holding company's favour at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

	Unaudited September 30, 2024					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
	-----Rupees in '000-----					
Total						
Hedging	-	-	-	-	1,865,013	171,633
Market Making	-	-	-	-	1,865,013	(171,633)
	-----Rupees in '000-----					
	Audited December 31, 2023					
	-----Rupees in '000-----					
Total						
Hedging	60,791	62,365	-	-	736,983	11,487
Market Making	60,791	(62,361)	-	-	736,983	(11,487)



Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	
27.	96,663,994	96,054,136

27. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	96,663,994	96,054,136
Investments	213,152,057	155,975,886
Lendings to financial institutions	6,218,157	7,105,028
Balances with banks	1,707,759	1,697,429
	<u>317,741,967</u>	<u>260,832,479</u>

27.1 Interest income recognised on:

Financial assets measured at amortised cost	110,460,017	
Financial assets measured at FVOCI	199,695,238	
Financial assets measured at FVTPL	7,586,712	
	<u>317,741,967</u>	

28. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	157,010,909	107,953,741
Borrowings	27,936,481	29,514,208
Cost of foreign currency swaps against foreign currency deposits / borrowings	2,989,337	3,114,781
Finance charges on lease liability against right-of-use assets	1,313,060	1,081,823
	<u>189,249,787</u>	<u>141,664,553</u>

29. FEE & COMMISSION INCOME

Branch banking customer fees	3,120,422	2,619,917
Consumer finance related fees	525,750	584,190
Card related fees (debit and credit cards)	6,054,963	4,435,162
Credit related fees	610,107	534,152
Investment banking fee	127,534	92,392
Commission on trade	2,864,606	2,410,818
Commission on guarantees	864,047	876,666
Commission on cash management	778,465	689,280
Commission on remittances including home remittances	766,491	1,191,767
Commission on bancassurance	582,413	720,713
Rent on lockers	194,237	192,835
Commission on utility bills	77,821	66,315
Commission on investments services	1,701,540	1,181,823
Others	446,723	293,678
	<u>18,715,119</u>	<u>15,889,708</u>

30. GAIN / (LOSS) ON SECURITIES

Realised	30.1	214,024	208,776
Unrealised - Measured at FVTPL	10.1	(39,742)	(5,654)
		<u>174,282</u>	<u>203,122</u>

30.1 Realised gain / (loss) on:

Federal Government Securities	185,205	77,638
Non Government Debt Securities	6,703	130,494
Shares	22,116	644
	<u>214,024</u>	<u>208,776</u>

30.2 Realised gain / (loss) on:

Financial assets measured at FVTPL		
Designated upon initial recognition	136,662	148,540
Mandatorily measured at FVPL	-	-
	<u>136,662</u>	<u>148,540</u>
Financial assets measured at FVOCI	77,362	60,236
	<u>77,362</u>	<u>60,236</u>
	<u>214,024</u>	<u>208,776</u>



	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
-----Rupees in '000-----		
31. OTHER INCOME		
Rent on property	97,846	80,902
Gain on conversion of Ijarah agreements	7,990	15,115
Gain on termination of lease liability against right of use assets	73,782	49,536
Gain on sale of property and equipment - net	192,398	81,659
Gain / (loss) on sale of non-banking assets acquired in satisfaction of claims - net	42,500	(3,224)
	<u>414,516</u>	<u>223,988</u>
32. OPERATING EXPENSES		
Total compensation expense	23,127,114	19,900,384
Property expense		
Rent and taxes	338,105	261,220
Insurance	53,573	48,034
Utilities cost	2,479,157	1,889,728
Fuel expense generators	798,424	1,084,122
Security (including guards)	1,927,842	1,629,150
Repair and maintenance (including janitorial charges)	1,091,312	934,129
Depreciation on right-of-use assets	1,621,043	1,408,160
Depreciation	1,134,082	939,135
	<u>9,443,538</u>	<u>8,193,678</u>
Information technology expenses		
Software maintenance	1,747,594	1,462,418
Hardware maintenance	287,120	304,726
Depreciation	1,081,092	688,815
Amortization	593,523	417,470
Network charges	612,282	580,488
Insurance	7,515	5,446
	<u>4,329,126</u>	<u>3,459,363</u>
Other operating expenses		
Directors' fees and allowances	39,080	27,480
Fees and allowances to Shariah Board	13,582	11,056
Legal and professional charges	387,524	312,291
Outsourced services costs	944,085	820,330
Travelling and conveyance	583,032	383,418
NIFT clearing charges	195,787	181,961
Depreciation	1,017,486	862,034
Depreciation on non-banking assets acquired in satisfaction of claims	14,007	17,909
Training and development	74,169	77,329
Postage and courier charges	274,036	211,009
Communication	1,640,357	1,045,965
Stationery and printing	1,065,144	943,961
Marketing, advertisement & publicity	1,069,846	545,376
Donations	10,100	10,000
Auditors' remuneration	87,508	60,857
Cash transportation charges	991,470	908,628
Repair and maintenance	642,179	513,132
Subscription	64,414	45,252
Entertainment	384,706	329,479
Remittance charges	191,183	198,835
Brokerage expenses	77,977	75,990
Card related expenses	2,659,804	2,043,478
CNIC verification charges	306,101	279,434
Insurance	1,888,767	1,570,291
Others	540,882	406,162
	<u>15,163,226</u>	<u>11,881,657</u>
	<u>52,063,004</u>	<u>43,435,082</u>



	Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
-----Rupees in '000-----			
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		85,049	177,637
VAT & National Building tax & Crop Insurance Levy		172,610	276,561
Education cess		93,119	103,167
		<u>350,778</u>	<u>557,365</u>
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against balance with other banks		(38,924)	11,076
Credit loss allowance against cash and balances with treasury banks		(24,077)	-
(Reversal of) / credit loss allowance for diminution in value of investments	10.2	(658)	1,743,522
Credit loss allowance against loans and advances	11.3	962,141	124,894
Reversal of credit loss allowance against lendings to financial institutions		(15,219)	-
(Reversal of) / credit loss allowance against off balance sheet items		122,032	20,451
(Reversal of) / credit loss allowance against other assets	15.1.1	(36,542)	22,868
Recovery of written off / charged off bad debts		(150,928)	(126,304)
		<u>817,825</u>	<u>1,796,507</u>
35. TAXATION			
Current		51,375,626	47,355,873
Prior years		11,469	(1,940)
Deferred		(790,794)	840,609
Share of tax of associates		559,650	360,478
		<u>51,155,951</u>	<u>48,555,020</u>
36. BASIC AND DILUTED EARNINGS PER SHARE			
-----Rupees in '000-----			
Profit after tax attributable to Equity Shareholders of the Bank		<u>52,708,744</u>	<u>48,233,600</u>
-----Number-----			
Weighted average number of ordinary shares		<u>1,185,060,006</u>	<u>1,185,060,006</u>
-----Rupees-----			
Basic and diluted earnings per share		<u>44.48</u>	<u>40.70</u>

37. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Group as 'amortized cost'. Quoted securities classified as amortized cost are carried at cost. Fair value of unquoted equity investments other than investments in associates is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

37.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair valuation of financial instruments within level 2

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Unlisted Shares	Breakup value determined on the basis of NAV of the company using the latest available audited financial statements.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and building) & 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 Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the period.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, Term Finance certificates, FX Options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Group essentially carries its investments in debt and equity securities at fair values. In case of non-financial assets, the Group has adopted revaluation model (as per IAS 16) in respect of land and building & non-banking assets acquired in satisfaction of claims.

	Unaudited September 30, 2024				
	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
-----Rupees in '000-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,519,751,372	-	1,519,751,372	-	1,519,751,372
Shares and units	35,589,083	35,469,779	119,304	-	35,589,083
Non-Government Debt Securities	10,542,824	-	10,542,824	-	10,542,824
Foreign Securities	34,056,192	-	34,056,192	-	34,056,192
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost, unlisted ordinary shares and associates)	52,732,812	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	64,730,906	-	64,730,906	-	64,730,906
Non-banking assets	2,002,599	-	2,002,599	-	2,002,599
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	103,218,832	-	1,029,863	-	1,029,863
Forward sale of foreign exchange	96,476,120	-	2,036,300	-	2,036,300
Derivatives purchase	1,865,013	-	171,633	-	171,633
Derivatives sale	1,865,013	-	171,633	-	171,633

	Audited December 31, 2023				
	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
-----Rupees in '000-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,230,792,274	-	1,230,792,274	-	1,230,792,274
Shares and units	25,390,857	25,283,009	107,848	-	25,390,857
Non-Government Debt Securities	3,714,280	-	3,714,280	-	3,714,280
Foreign Securities	44,057,060	-	44,057,060	-	44,057,060
Financial assets - disclosed but not measured at fair value					
Investments (HTM, unlisted ordinary shares and associates)	68,389,244	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	66,321,263	-	66,321,263	-	66,321,263
Non-banking assets	2,156,606	-	2,156,606	-	2,156,606
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	93,150,006	-	752,724	-	752,724
Forward sale of foreign exchange	78,488,282	-	2,146,773	-	2,146,773
Derivatives purchase	797,774	-	73,852	-	73,852
Derivatives sale	797,774	-	73,848	-	73,848

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38.1 Segment details with respect to business activities
The segment analysis with respect to business activity is as follows:

Unaudited Nine Months Period ended September 30, 2024											
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Profit & Loss											
Net mark-up/return/profit	(114,202,717)	5,925,982	47,347,063	169,910,781	6,091,786	12,921,451	33,244	464,590	128,482,180	-	128,482,180
Inter segment revenue - net	218,721,807	(4,490,887)	(88,707,303)	(188,133,534)	(324,471)	-	-	12,934,388	-	-	-
Non-mark-up / return / interest income	10,070,000	1,995,522	7,827,613	5,814,398	1,575,216	1,126,449	1,847,605	527,780	30,784,583	-	30,784,583
Total Income	114,589,090	3,430,617	16,467,373	(12,406,355)	7,342,531	14,047,900	1,880,849	13,926,758	159,276,763	-	159,276,763
Segment direct expenses	28,265,627	1,480,326	1,288,497	498,929	2,046,070	7,245,476	878,273	12,750,691	54,473,889	-	54,473,889
Inter segment expense allocation	-	-	-	-	-	-	-	-	-	-	-
Total expenses	28,265,627	1,480,326	1,288,497	498,929	2,046,070	7,245,476	878,273	12,750,691	54,473,889	-	54,473,889
Credit loss allowance and write offs - net	1,311,162	69,152	280,533	-	(142,467)	134,862	-	(635,417)	817,825	-	817,825
Profit before tax	84,992,301	1,881,139	14,898,343	(12,907,284)	5,438,928	6,667,562	1,002,576	2,011,484	103,965,049	-	103,965,049
Statement of Financial Position											
Cash & Bank balances	71,601,213	116,014	273,006	113,694,291	39,975,648	20,339,116	43,398	(60,627)	245,882,054	-	245,882,054
Investments	1,584,994,947	-	10,710,541	1,430,488,477	47,418,951	154,166,223	2,279,566	7,588,525	1,652,672,283	-	1,652,672,283
Net inter segment lending	-	-	-	-	-	-	-	295,588,357	1,880,583,504	(1,880,583,504)	-
Lendings to financial institutions	-	-	-	30,726,338	91,865,300	-	-	-	122,591,638	-	122,591,638
Advances - performing / underperforming	74,014,404	33,909,810	520,376,846	-	34,741,017	89,935,437	26,112	3,096,017	756,099,643	-	756,099,643
- non performing	611,494	140,321	1,589,682	-	8,783,770	966,702	-	1,820,029	13,911,988	-	13,911,988
Others	62,123,444	3,652,940	57,920,242	62,895,809	2,292,594	30,547,444	1,389,296	75,980,970	296,802,739	-	296,802,739
Total Assets	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	295,974,922	3,738,372	384,013,471	4,988,543,859	(1,880,583,504)	3,087,960,355
Borrowings	5,566,071	43,724	88,231,406	189,026,372	2,217,234	17,873,812	-	3,569,618	306,548,237	-	306,548,237
Deposits & other accounts	1,754,537,435	-	120,283,516	-	189,119,569	239,975,681	6,232	6,232	2,303,822,433	-	2,303,822,433
Net inter segment borrowing	-	32,322,228	344,154,580	1,447,129,400	28,855,988	24,893,844	2,227,484	-	1,880,583,504	(1,880,583,504)	-
Others	33,221,996	5,453,133	38,200,835	1,649,143	3,784,484	13,331,585	1,510,888	103,235,542	200,387,606	-	200,387,606
Total liabilities	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	295,974,922	3,738,372	106,811,392	4,691,341,780	(1,880,583,504)	2,810,758,276
Equity	-	-	-	-	-	-	-	277,202,079	277,202,079	-	277,202,079
Total Equity & liabilities	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	295,974,922	3,738,372	384,013,471	4,988,543,859	(1,880,583,504)	3,087,960,355
Contingencies & Commitments	80,610,883	-	402,945,677	194,595,362	16,568,386	48,318,129	-	31,875,311	774,893,748	-	774,893,748

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Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head Office. Income taxes are managed at bank level and are not allocated to operating segments.

Unaudited Nine Months Period ended September 30, 2023											
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Profit & Loss											
Net mark-up/return/profit	(75,122,407)	3,622,157	53,753,586	118,883,453	5,279,814	12,532,670	(6,391)	225,064	119,167,286	-	119,167,286
Inter segment revenue - net	178,193,366	(2,102,175)	(44,235,986)	(143,074,467)	(267,567)	-	-	11,466,829	-	-	-
Non-mark-up / return / interest income	8,435,012	2,043,361	6,158,222	3,931,483	1,548,252	1,081,377	1,210,267	1,041,336	25,449,310	-	25,449,310
Total Income	111,505,971	3,563,343	15,075,802	(20,298,531)	6,360,499	13,614,047	1,203,876	12,753,229	144,617,286	-	144,617,286
Segment direct expenses	24,529,851	1,663,378	730,223	596,315	1,895,611	5,554,004	568,317	10,417,311	45,925,010	-	45,925,010
Inter segment expense allocation	-	-	-	-	-	-	-	-	-	-	-
Total expenses	24,529,851	1,663,378	730,223	596,315	1,895,611	5,554,004	568,317	10,417,311	45,925,010	-	45,925,010
Provisions / (reversals) & write offs - net	1,225,141	45,228	179,165	1,339,789	646,037	560,957	-	(21,99,820)	1,796,307	-	1,796,307
Profit before tax	83,750,979	1,854,727	14,166,414	(22,165,635)	4,018,851	7,489,086	635,559	4,535,738	96,895,719	-	96,895,719
Statement of Financial Position											
Cash & Bank balances	73,010,365	1,075,800	286,062	90,718,130	40,899,427	22,277,334	42,703	(57,169)	228,082,682	-	228,082,682
Investments	1,323,367,835	-	11,329,945	1,168,355,580	52,575,575	132,544,302	1,441,530	6,098,773	1,372,343,715	-	1,372,343,715
Net inter segment lending	-	-	-	-	-	-	-	257,992,572	1,560,460,407	(1,560,460,407)	-
Lendings to financial institutions	93,175,361	36,852,172	410,107,466	-	25,200,930	88,134,857	25,113	4,019,573	657,515,472	-	657,515,472
- non performing	892,197	213,265	1,318,978	-	9,015,426	1,212,558	-	505,599	13,188,023	-	13,188,023
Others	58,036,413	4,929,573	60,251,154	108,819,168	1,977,880	20,118,941	1,332,202	63,836,586	319,301,917	-	319,301,917
Total Assets	1,548,821,171	43,070,810	483,393,605	1,392,596,621	191,978,905	286,787,992	2,841,548	331,493,934	4,260,545,586	(1,580,460,407)	2,880,085,179
Borrowings	7,854,675	28,071	100,265,851	95,674,698	3,148,691	25,913,546	-	2,878,548	235,664,480	-	235,664,480
Deposits & other accounts	1,502,168,409	26,053,661	119,622,517	-	157,493,874	204,460,158	-	2,009,828,619	2,009,828,619	-	2,009,828,619
Net inter segment borrowing	-	12,006,350	220,920,573	1,296,646,213	27,036,616	22,036,252	1,832,403	-	1,560,460,407	(1,560,460,407)	-
Others	36,458,887	4,982,728	42,172,684	275,510	4,299,724	14,478,036	1,009,145	86,864,284	192,840,978	-	192,840,978
Total liabilities	1,548,821,171	43,070,810	483,393,605	1,392,596,621	191,978,905	286,787,992	2,841,548	89,142,832	4,019,794,044	(1,580,460,407)	2,438,334,077
Equity	-	-	-	-	-	-	-	241,751,102	241,751,102	-	241,751,102
Total Equity & liabilities	1,548,821,171	43,070,810	483,393,605	1,392,596,621	191,978,905	286,787,992	2,841,548	331,493,934	4,260,545,586	(1,580,460,407)	2,880,085,179
Contingencies & Commitments	91,494,401	-	489,006,135	170,499,690	15,455,739	51,908,493	-	36,942,967	865,207,925	-	865,207,925

The Group has related party relationship with its associates, employee benefit plans, its directors and key management personnel and their close family members.

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

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	Unaudited September 30, 2024			Audited December 31, 2023				
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel	Associates	Other Related Parties
------(Rupees in '000)-----								
Investments								
Opening balance	-	-	7,821,877	249,253	-	-	6,507,975	249,253
Equity method adjustments	-	-	1,278,138	-	-	-	919,807	-
Investment / (redemptions) during the period / year	-	-	306,081	-	-	-	394,095	-
Closing balance	-	-	9,406,096	249,253	-	-	7,821,877	249,253
Credit loss allowance for diminution in value of investments*	-	-	-	-	-	-	-	-
Advances								
Opening balance	1,436	339,386	-	1,509,280	1,543	281,237	-	4,445,292
Addition / exchange adjustment during the period / year	5,424	70,171	-	656,703	5,963	95,327	-	914,191
Repaid / exchange adjustment during the period / year	(6,717)	(70,765)	-	(720,699)	(6,070)	(85,184)	-	(3,850,203)
Transfer in / (out)	-	(29,874)	-	-	-	48,006	-	-
Closing balance	143	308,918	-	1,445,284	1,436	339,386	-	1,509,280
Credit loss allowance against advances*	(9)	(25,143)	-	(20,008)	-	-	-	-
Fixed Assets								
Purchase of fixed assets	-	-	19,737	476,202	-	-	7,533	191,247
Other Assets								
Income / markup accrued	-	4,463	-	13,249	-	4,302	-	26,675
Advances, deposits, advance rent and other prepayments	1	-	673,916	54,999	-	-	573,809	25,684
Receivable from pension fund	-	-	-	8,241,693	-	-	-	7,428,143
	1	4,463	673,916	8,309,941	-	4,302	573,809	7,480,502
Credit loss allowance / provision held against other assets*	-	(415)	-	(270)	-	-	-	-

	Unaudited September 30, 2024			Audited December 31, 2023				
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel	Associates	Other Related Parties
------(Rupees in '000)-----								
Deposits and other accounts								
Opening balance	3,034,686	200,484	8,321,464	10,033,148	193,547	184,112	5,623,897	5,594,903
Received during the period / year	2,641,307	1,525,360	54,711,993	93,918,116	4,574,426	1,701,697	90,801,961	108,421,525
Withdrawn during the period / year	(5,518,130)	(1,585,830)	(54,344,406)	(107,154,236)	(1,733,287)	(1,718,969)	(88,104,394)	(103,993,441)
Transfer in / (out) - net	(37)	(1,314)	-	10,613,367	-	33,644	-	10,161
Closing balance	157,826	138,700	8,689,051	7,410,395	3,034,686	200,484	8,321,464	10,033,148
Other Liabilities								
Markup / return / interest payable	-	549	73,308	68	-	2,009	121,341	5,268
Accrued expenses and other payable	-	-	315,566	33,679	-	-	47,714	168
Advance received against sale of property	-	-	-	-	-	-	-	-
	-	549	388,874	33,747	-	2,009	169,055	5,436
Credit loss allowance / provision against off-balance sheet obligations*	-	-	44,440	26,573	-	-	-	-
Contingencies and Commitments								
Letter of Credit	-	-	-	5,632,816	-	-	-	5,009,367
Bank guarantee	-	-	8,707,965	1,852,764	-	-	8,839,177	1,722,909
	-	-	8,707,965	7,485,580	-	-	8,839,177	6,732,276

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)
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	Unaudited September 30, 2024				Unaudited September 30, 2023			
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel	Associates	Other Related Parties
(Rupees in '000)								
Income								
Markup / return / interest earned	2	15,933	-	81,384	32	14,457	-	89,753
Fee and commission income	-	-	771,494	21,191	-	-	556,100	10,730
Dividend income	-	-	210,000	59,325	-	-	219,704	50,169
Gain on forward foreign exchange contracts matured	7	73	5,346	89,082	-	-	-	46,448
Net gain / (loss) on sale of securities	72	134	-	5,636	2	(23)	(437)	1,276
Gain on sale of fixed assets	-	-	8,258	4,693	-	-	7,792	74
Rent income	-	-	-	-	-	-	-	4,761
Expense								
Markup / return / interest expensed	46,765	15,660	524,478	1,450,535	13,129	6,033	494,361	1,673,091
Other Operating expenses								
Clearing expenses paid to NIFT	-	-	-	164,193	-	-	-	158,460
Contribution to provident fund	-	-	64,451	454,940	-	-	-	412,008
Rent expenses	-	-	-	45,499	-	-	58,562	41,778
Cash sorting expenses	-	-	-	96,392	-	-	-	103,480
Stationery expenses	-	-	-	322,658	-	-	-	410,997
Security guards expenses	-	-	-	4,035	-	-	-	55,720
Remuneration to key executives and non-executive directors fee	184,657	911,385	-	-	132,744	746,888	-	-
Outsourcing service expenses	-	-	-	-	-	-	104,884	-
Donation during the period	-	-	101,089	-	-	-	-	5,000
E-dividend processing fee and CDC charges	-	-	-	5,571	-	-	-	4,203
Travelling Expenses	-	-	-	88,650	-	-	-	51,945
Hotel stay expenses	-	-	-	16,402	-	-	-	3,882
Repair & Maintenance Charges	-	-	-	3,420	-	-	-	3,243
Utility expenses	-	-	-	1,327	-	-	-	864
Miscellaneous expenses and payments	-	-	-	3,596	-	-	-	1,800
Insurance premium-net of refund	-	-	571,780	-	-	-	626,802	-
Insurance claim settled	-	-	70,861	-	-	-	42,141	-
Other Transactions								
Proceeds from sale of fixed assets	72	134	-	-	-	139	-	89
Sale of government securities	116,427	25,362	7,979,118	23,361,309	27,498	102,181	20,513,392	25,207,719
Purchase of government securities	-	72,907	5,903,986	16,758,298	4,995	60,554	4,573,489	43,684,051
Forward exchange contracts matured during the period	-	-	-	8,165,039	-	-	-	3,525,180
Insurance premium paid on behalf of related party	-	-	-	-	-	-	-	67,504

*Represents credit loss allowance recognized against performing exposures on adoption of IFRS 9. The Chairman has been provided with free use of the Bank's maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



	Unaudited September 30, 2024	Audited December 31, 2023
	(Rupees in '000)	
40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
40.1 Capital Adequacy		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,850,600	11,850,600
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	209,868,303	191,312,686
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	209,868,303	191,312,686
Eligible Tier 2 Capital	59,476,536	37,941,962
Total Eligible Capital (Tier 1 + Tier 2)	269,344,839	229,254,648
Risk Weighted Assets (RWAs):		
Credit Risk	833,776,839	736,886,134
Market Risk	171,598,140	164,887,944
Operational Risk	257,825,971	257,825,971
Total	1,263,200,950	1,159,600,049
Common Equity Tier 1 Capital Adequacy ratio	16.61%	16.50%
Tier 1 Capital Adequacy Ratio	16.61%	16.50%
Total Capital Adequacy Ratio	21.32%	19.77%
The Group has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.		
40.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	209,868,303	191,312,686
Total Exposures	3,668,547,187	3,361,118,695
Leverage Ratio	5.72%	5.69%
40.3 Liquidity Requirements		
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,535,867,683	1,206,951,258
Total Net Cash Outflow	624,425,028	499,477,977
Liquidity Coverage Ratio	245.97%	241.64%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,918,388,834	1,699,651,967
Total Required Stable Funding	1,258,129,743	1,148,136,107
Net Stable Funding Ratio	152.48%	148.04%



41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on October 23, 2024 has announced an interim cash dividend in respect of nine months period ended September 30, 2024 of Rs. 9.00 per share (September 30, 2023: Rs. 8.00 per share). These consolidated condensed interim financial statements for the period ended September 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been reclassified, rearranged or additionally incorporated in these consolidated condensed interim financial statements for the purposes of better presentation.

The effect of reclassification, rearrangement, restatement in the comparative information presented in these consolidated condensed interim financial statements due to adoption of new forms for the preparation of financial statements as explained in note 4.1 is as follows:

Description of item	Nature	From	To	Rs in '000'
Right-of-use assets	Asset	Property and equipment	Right-of-use assets	8,001,881
Lease liabilities against right-of-use-assets	Liability	Other liabilities	Lease liabilities	11,429,243

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held October 23, 2024.

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director