



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

February 24, 2023

Dear Sir,

Announcement of Financial Results for the Year Ended December 31, 2022

We hereby inform you that the Board of Directors of Habib Bank Limited in their meeting held on February 24, 2023 at 10:00 am at HBL Corporate Office, F-14, Block 5, Clifton, Karachi recommended the following:

(i) CASH DIVIDEND

A final Cash Dividend for the year ended December 31, 2022 at Rs. 1.50/- per share i.e. 15%. This is in addition to the Interim Cash Dividend(s) already paid at Rs. 5.25/- per share i.e. 52.5%.

AND / OR

(ii) BONUS SHARES

NIL

AND / OR

(iii) RIGHT SHARES

NIL

AND / OR

(iv) ANY OTHER ENTITLEMENT / CORPORATE ACTION

NIL

AND / OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

The financial results are attached as Annexure "A", "B" & "C".

While announcing the results at the Exchange, please announce the consolidated result first.

Habib Bank Limited
(Registered Office)
9th Floor,
Habib Bank Tower,
Jinnah Avenue, Blue Area,
Islamabad

Phone 051-2270856
051-2821183
Fax 051-2872205
www.hbl.com



ANNUAL GENERAL MEETING

The 81st Annual General Meeting of Habib Bank Limited will be held on March 29, 2023 at 10:00 A.M. at Islamabad.

BOOK CLOSURE DATES

The Share Transfer Books of the Bank will be closed from March 22, 2023 to March 29, 2023 (both days inclusive). Transfers received at the office of the Bank's Share Registrar, Messers CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal Karachi, at the close of business on March 21, 2023 will be treated as being in time for the purpose of the above entitlement to the transferees.

The Annual Report of the Bank will be transmitted through PUCARS at least 21 days before the holding of the Annual General Meeting.

Yours faithfully,

Uzman Naveed Chaudhary
Company Secretary


Cc:

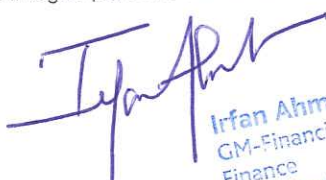
1. Executive Director/HOD, Offsite-II Department, Supervision Division, Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

HABIB BANK LIMITED
 CONSOLIDATED PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)	2021 (US \$ in '000)		Note	2022 (Rupees in '000)	2021 (Rupees in '000)
1,925,979	1,158,207	Mark-up / return / profit / interest earned	23	436,101,037	262,253,962
1,194,794	577,814	Mark-up / return / profit / interest expensed	24	270,538,340	130,834,913
731,185	580,393	Net mark-up / return / profit / interest income		165,562,697	131,419,049
Non mark-up / interest income					
139,160	112,323	Fee and commission income	25	31,510,143	25,433,355
6,663	4,036	Dividend income		1,508,643	913,769
13,375	11,419	Share of profit of associates and joint venture		3,028,453	2,585,595
17,650	15,733	Foreign exchange income - domestic		3,996,526	3,562,356
13,683	3,708	Foreign exchange income - international		3,098,224	839,668
21,431	4,322	Foreign exchange income - unrealised gain related to derivatives		4,852,666	978,570
(11,562)	(804)	Loss from derivatives		(2,618,084)	(182,098)
3,825	4,524	Gain on securities - net	26	866,175	1,024,384
2,160	5,104	Other income	27	488,991	1,155,761
206,385	160,365	Total non mark-up / interest income		46,731,737	36,311,360
937,570	740,758	Total income		212,294,434	167,730,409
Non mark-up / interest expenses					
551,194	423,021	Operating expenses	28	124,807,455	95,784,969
6,619	5,623	Workers' Welfare Fund	29	1,498,693	1,273,226
2,105	2,461	Other charges	30	476,587	557,198
559,918	431,105	Total non mark-up / interest expenses		126,782,735	97,615,393
377,652	309,653	Profit before provisions and taxation		85,511,699	70,115,016
37,458	35,716	Provisions and write offs - net	31	8,481,761	8,087,105
340,194	273,937	Profit before taxation		77,029,938	62,027,911
188,279	117,126	Taxation	32	42,631,608	26,521,038
151,915	156,811	Profit after taxation		34,398,330	35,506,873
Attributable to:					
150,465	154,669	Equity holders of the Bank		34,070,087	35,021,853
1,450	2,142	Non-controlling interest		328,243	485,020
151,915	156,811			34,398,330	35,506,873
-----Rupees-----					
Basic and diluted earnings per share			33	23.23	23.88

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.


UZMAN NAVEED CHAUDHARY
 Company Secretary
 Habib Bank Limited
 HBL Corporate Office
 14, Block-5, Clifton, Karachi


Irfan Ahmed Meer
 GM-Financial Controller
 Finance
 Habib Bank Limited
 18-Habib Bank Plaza, Karachi.

President and
 Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

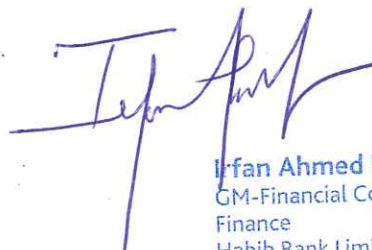
2022	2021		Note	2022	2021
(US \$ in '000)				(Rupees in '000)	
1,806,172	1,083,121	Mark-up / return / profit / interest earned	23	408,973,236	245,252,121
1,134,281	548,975	Mark-up / return / profit / interest expensed	24	256,836,274	124,304,851
671,891	534,146	Net mark-up / return / profit / interest income		152,136,962	120,947,270
Non mark-up / interest income					
122,125	98,237	Fee and commission income	25	27,652,913	22,243,819
9,712	6,665	Dividend income		2,199,176	1,509,089
10,802	12,955	Foreign exchange income - domestic		2,445,908	2,933,400
9,641	3,029	Foreign exchange income - international		2,183,063	685,876
21,431	4,322	Foreign exchange income - unrealized gain related to derivatives		4,852,666	978,570
(11,562)	(804)	Loss from derivatives		(2,618,084)	(182,098)
4,547	6,368	Gain on securities - net	26	1,029,524	1,441,844
2,258	4,919	Other income	27	511,232	1,113,933
168,954	135,691	Total non mark-up / interest income		38,256,398	30,724,433
840,845	669,837	Total income		190,393,360	151,671,703
Non mark-up / interest expenses					
487,898	373,658	Operating expenses	28	110,475,260	84,607,713
6,320	5,209	Workers' Welfare Fund	29	1,431,056	1,179,500
2,105	2,461	Other charges	30	476,587	557,178
496,323	381,328	Total non mark-up / interest expenses		112,382,903	86,344,391
344,522	288,509	Profit before provisions and taxation		78,010,457	65,327,312
28,511	28,056	Provisions and write offs - net	31	6,455,867	6,352,849
316,011	260,453	Profit before taxation		71,554,590	58,974,463
179,691	109,097	Taxation	32	40,687,587	24,702,969
136,320	151,356	Profit after taxation		30,867,003	34,271,494
(Rupees)					
Basic and diluted earnings per share			33	21.04	23.36

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.


UZMAN NAVED CHAUDHARY
Company Secretary
Habib Bank Limited
HBL Corporate Office
F-14, Block-5, Clifton, Karachi

President and
Chief Executive Officer

Chief Financial Officer


Irfan Ahmed Meer
GM-Financial Controller
Finance
Habib Bank Limited
18-Habib Bank Plaza, Karachi.

Director

Director

Director



Annexure C

HBL FINANCIAL STATEMENTS

For the year ended December 31, 2022



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

HABIB BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

2022 (US \$ in '000)	2021		Note	2022 (Rupees in '000)	2021
ASSETS					
1,307,310	1,948,728	Cash and balances with treasury banks	5	296,015,386	441,252,246
183,336	284,582	Balances with other banks	6	41,513,022	64,438,075
1,124,375	414,000	Lendings to financial institutions	7	254,593,287	93,742,432
8,606,604	8,607,288	Investments	8	1,948,801,042	1,948,955,978
7,872,150	6,655,660	Advances	9	1,782,497,923	1,507,047,097
502,898	435,790	Fixed assets	10	113,871,657	98,676,342
81,359	55,781	Intangible assets	11	18,422,200	12,630,475
25,602	-	Deferred tax assets	12	5,797,045	-
782,996	665,657	Other assets	13	177,294,549	150,725,500
<u>20,486,630</u>	<u>19,067,486</u>			<u>4,638,806,111</u>	<u>4,317,468,145</u>
LIABILITIES					
229,658	195,190	Bills payable	14	52,001,577	44,196,984
2,578,144	1,926,672	Borrowings	15	583,771,399	436,258,005
15,321,859	14,936,117	Deposits and other accounts	16	3,469,342,252	3,381,998,398
-	-	Liabilities against assets subject to finance lease		-	-
83,354	54,648	Subordinated debt	17	18,874,000	12,374,000
-	22,447	Deferred tax liabilities	12	-	5,082,602
1,014,856	679,554	Other liabilities	18	229,795,069	153,872,354
<u>19,227,871</u>	<u>17,814,628</u>			<u>4,353,784,297</u>	<u>4,033,782,343</u>
<u>1,258,759</u>	<u>1,252,858</u>	NET ASSETS		<u>285,021,814</u>	<u>283,685,802</u>
REPRESENTED BY					
Shareholders' equity					
64,781	64,781	Share capital	19	14,668,525	14,668,525
387,630	359,383	Reserves		87,771,332	81,375,519
5,456	111,113	Surplus on revaluation of assets - net of tax	20	1,235,369	25,159,371
788,177	699,734	Unappropriated profit		178,467,639	158,441,418
1,246,044	1,235,011	Total equity attributable to the equity holders of the Bank		282,142,865	279,644,833
12,715	17,847	Non-controlling interest		2,878,949	4,040,969
<u>1,258,759</u>	<u>1,252,858</u>			<u>285,021,814</u>	<u>283,685,802</u>
CONTINGENCIES AND COMMITMENTS					
21					

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)	2021 (US \$ in '000)		Note	2022 (Rupees in '000)	2021 (Rupees in '000)
1,925,979	1,158,207	Mark-up / return / profit / interest earned	23	436,101,037	262,253,962
1,194,794	577,814	Mark-up / return / profit / interest expensed	24	270,538,340	130,834,913
<u>731,185</u>	<u>580,393</u>	Net mark-up / return / profit / interest income		<u>165,562,697</u>	<u>131,419,049</u>
Non mark-up / interest income					
139,160	112,323	Fee and commission income	25	31,510,143	25,433,355
6,663	4,036	Dividend income		1,508,643	913,769
13,375	11,419	Share of profit of associates and joint venture		3,028,453	2,585,595
17,650	15,733	Foreign exchange income - domestic		3,996,526	3,562,356
13,683	3,708	Foreign exchange income - international		3,098,224	839,668
21,431	4,322	Foreign exchange income - unrealised gain related to derivatives		4,852,666	978,570
(11,562)	(804)	Loss from derivatives		(2,618,084)	(182,098)
3,825	4,524	Gain on securities - net	26	866,175	1,024,384
2,160	5,104	Other income	27	488,991	1,155,761
<u>206,385</u>	<u>160,365</u>	Total non mark-up / interest income		<u>46,731,737</u>	<u>36,311,360</u>
<u>937,570</u>	<u>740,758</u>	Total income		<u>212,294,434</u>	<u>167,730,409</u>
Non mark-up / interest expenses					
551,194	423,021	Operating expenses	28	124,807,455	95,784,969
6,619	5,623	Workers' Welfare Fund	29	1,498,693	1,273,226
2,105	2,461	Other charges	30	476,587	557,198
<u>559,918</u>	<u>431,105</u>	Total non mark-up / interest expenses		<u>126,782,735</u>	<u>97,615,393</u>
<u>377,652</u>	<u>309,653</u>	Profit before provisions and taxation		<u>85,511,699</u>	<u>70,115,016</u>
37,458	35,716	Provisions and write offs - net	31	8,481,761	8,087,105
<u>340,194</u>	<u>273,937</u>	Profit before taxation		<u>77,029,938</u>	<u>62,027,911</u>
188,279	117,126	Taxation	32	42,631,608	26,521,038
<u>151,915</u>	<u>156,811</u>	Profit after taxation		<u>34,398,330</u>	<u>35,506,873</u>
Attributable to:					
150,465	154,669	Equity holders of the Bank		34,070,087	35,021,853
1,450	2,142	Non-controlling interest		328,243	485,020
<u>151,915</u>	<u>156,811</u>			<u>34,398,330</u>	<u>35,506,873</u>
-----Rupees-----					
Basic and diluted earnings per share			33	<u>23.23</u>	<u>23.88</u>

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)		2021 (US \$ in '000)		2022 (Rupees in '000)		2021 (Rupees in '000)	
Profit after taxation for the year attributable to:							
150,465	154,669	Equity holders of the Bank		34,070,087	35,021,853		
1,450	2,142	Non-controlling interest		328,243	485,020		
151,915	156,811			34,398,330	35,506,873		
Other comprehensive income / (loss)							
Items that may be reclassified to the profit and loss account in subsequent periods:							
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to:							
8,965	23,479	Equity holders of the Bank		2,030,066	5,316,304		
195	376	Non-controlling interest		44,140	85,115		
9,160	23,855			2,074,206	5,401,419		
1,008	660	Increase in share of exchange translation reserve of associates - net of tax		228,146	149,385		
Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:							
(102,645)	(47,271)	Equity holders of the Bank		(23,241,824)	(10,703,813)		
(262)	(265)	Non-controlling interest		(59,349)	(60,040)		
(102,907)	(47,536)			(23,301,173)	(10,763,853)		
(2,259)	(413)	Movement in share of surplus / deficit on revaluation of investments of associates - net of tax		(511,607)	(93,613)		
Items that are not to be reclassified to the profit and loss account in subsequent periods:							
Remeasurement gain / (loss) on defined benefit obligations - net of tax, attributable to:							
418	901	Equity holders of the Bank		94,733	204,020		
(82)	(5)	Non-controlling interest		(18,656)	(1,152)		
336	896			76,077	202,868		
17	18	Share of remeasurement gain on defined benefit obligations of associates - net of tax		3,757	4,186		
Movement in surplus / deficit on revaluation of fixed assets - net of tax, attributable to:							
(889)	-	Equity holders of the Bank		(201,262)	-		
(14)	-	Non-controlling interest		(3,081)	-		
352	-	Transferred from surplus on revaluation of non-banking assets - net of tax		79,789	-		
(551)	-			(124,554)	-		
136	584	Movement in surplus on revaluation of non-banking assets - net of tax		30,850	132,680		
(352)	-	Transferred to surplus on revaluation of fixed assets - net of tax		(79,789)	-		
(216)	584			(48,939)	132,680		
554	-	Movement in share of surplus / deficit on revaluation of fixed assets of associates - net of tax		125,161	-		
<u>57,057</u>	<u>134,875</u>	Total comprehensive income		<u>12,919,404</u>	<u>30,539,945</u>		
Total comprehensive income attributable to:							
55,770	132,627	Equity holders of the Bank		12,628,107	30,031,002		
1,287	2,248	Non-controlling interest		291,297	508,943		
<u>57,057</u>	<u>134,875</u>			<u>12,919,404</u>	<u>30,539,945</u>		

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Attributable to shareholders of the Bank										Non-controlling interest	Total
	Share capital	Statutory		Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total		
		Joint venture and subsidiary	Bank (note 19.5)	Exchange translation (note 19.6)	Non-distributable	On acquisition of common control entity	Investments	Fixed / Non Banking Assets				
	(Rupees in '000)											
Balance as at December 31, 2020	14,668,525	1,447,150	36,616,227	33,608,239	547,115	(156,706)	8,543,333	27,461,581	138,208,223	260,943,687	4,551,560	265,495,247
Comprehensive income for the year												
Profit after taxation for the year ended December 31, 2021	-	-	-	-	-	-	-	-	35,021,853	35,021,853	485,020	35,506,873
Other comprehensive income / (loss)												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	5,316,304	-	-	-	-	-	5,316,304	85,115	5,401,419
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	149,385	-	-	-	-	-	149,385	-	149,385
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	204,020	204,020	(1,152)	202,868
Share of remeasurement gain on defined benefit obligations of associates- net of tax	-	-	-	-	-	-	-	-	4,186	4,186	-	4,186
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(10,703,813)	132,680	-	(10,571,133)	(60,040)	(10,631,173)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(93,613)	-	-	(93,613)	-	(93,613)
Transferred to statutory reserves	-	413,822	3,427,149	-	-	-	(10,797,426)	132,680	35,230,059	30,031,002	508,943	30,539,945
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(195,114)	196,608	1,494	(1,494)	-
Exchange gain realised on liquidation of subsidiary - net of tax	-	-	-	(1,369)	-	-	-	-	-	(1,369)	-	(1,369)
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	-	(246,489)	-	-	-	-	-	(246,489)	-	(246,489)
Acquisition of additional interest in subsidiary	-	254,692	-	-	-	-	-	14,317	749,031	1,018,040	(1,018,040)	-
Transactions with owners, recorded directly in equity												
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020	-	-	-	-	-	-	-	-	(4,400,556)	(4,400,556)	-	(4,400,556)
1st interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)
2nd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)
3rd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)
	-	-	-	-	-	-	-	-	(12,101,532)	(12,101,532)	-	(12,101,532)
Balance as at December 31, 2021	14,668,525	2,115,664	40,043,376	38,826,070	547,115	(156,706)	(2,254,093)	27,413,464	158,441,418	279,644,833	4,040,969	283,685,802
Comprehensive income for the year												
Profit after taxation for the year ended December 31, 2022	-	-	-	-	-	-	-	-	34,070,087	34,070,087	328,243	34,398,330
Other comprehensive income / (loss)												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	2,030,066	-	-	-	-	-	2,030,066	44,140	2,074,206
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	228,146	-	-	-	-	-	228,146	-	228,146
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	94,733	94,733	(18,656)	76,077
Share of remeasurement gain on defined benefit obligations of associates- net of tax	-	-	-	-	-	-	-	-	3,757	3,757	-	3,757
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(23,241,824)	(170,412)	-	(23,412,236)	(62,430)	(23,474,666)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(511,607)	125,161	-	(386,446)	-	(386,446)
Transferred to statutory reserves	-	408,160	3,086,700	-	-	-	(23,753,431)	(45,251)	34,168,577	12,628,107	291,297	12,919,404
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(71,979)	72,970	991	(991)	-
Acquisition of additional interest in subsidiaries	-	-	-	642,741	-	-	(57,067)	3,726	280,928	870,328	(1,452,326)	(581,998)
Transactions with owners, recorded directly in equity												
Final cash dividend - Rs 2.25 per share declared subsequent to the year ended December 31, 2021	-	-	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
1st interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
2nd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
3rd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
	-	-	-	-	-	-	-	-	(11,001,394)	(11,001,394)	-	(11,001,394)
Balance as at December 31, 2022	14,668,525	2,523,824	43,130,076	41,727,023	547,115	(156,706)	(26,064,591)	27,299,960	178,467,639	282,142,865	2,878,949	285,021,814

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)	2021 (US \$ in '000)		Note	2022 (Rupees in '000)	2021 (Rupees in '000)
340,194	273,937	CASH FLOWS FROM OPERATING ACTIVITIES			
(6,663)	(4,036)	Profit before taxation		77,029,938	62,027,911
(13,375)	(11,419)	Dividend income		(1,508,643)	(913,769)
8,355	5,472	Share of profit of associates and joint venture		(3,028,453)	(2,585,595)
(11,683)	(9,983)	Mark-up expensed on subordinated debt		1,891,880	1,239,075
328,511	263,954			(2,645,216)	(2,260,289)
				74,384,722	59,767,622
		Adjustments:			
34,370	30,778	Depreciation		7,782,494	6,969,192
8,181	4,686	Amortisation		1,852,350	1,061,035
17,569	14,948	Depreciation on right-of-use assets		3,978,154	3,384,774
13,890	14,366	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		3,145,165	3,252,794
17,011	(5,559)	Provision for / (reversal of) diminution in value of investments		3,851,708	(1,258,723)
26,249	33,763	Provision against loans and advances		5,943,661	7,645,044
2,757	840	Provision against other assets		624,244	190,136
(5,881)	6,803	(Reversal of) / provision against off-balance sheet obligations		(1,331,585)	1,540,508
373	(297)	Unrealised loss / (gain) on held-for-trading securities		84,390	(67,246)
(1,896)	(1,081)	Exchange gain on goodwill		(429,394)	(244,750)
-	(1,089)	Exchange gain realised on partial repatriation of branch capital - net of tax		-	(246,489)
-	(6)	Exchange gain realised on liquidation of subsidiary - net of tax		-	(1,369)
(186)	(352)	Gain on sale of fixed assets - net		(42,024)	(79,639)
-	(71)	Gain on sale of non-banking assets		-	(16,000)
6,619	5,623	Workers' Welfare Fund		1,498,693	1,273,226
119,056	103,352			26,957,856	23,402,493
447,567	367,306			101,342,578	83,170,115
		(Increase) / decrease in operating assets			
(710,375)	(280,828)	Lendings to financial institutions		(160,850,855)	(63,588,239)
630,988	(322,301)	Held-for-trading securities		142,875,183	(72,978,890)
(1,242,739)	(1,285,964)	Advances		(281,394,487)	(291,181,919)
(138,805)	(151,508)	Other assets (excluding advance taxation)		(31,429,797)	(34,306,119)
(1,460,931)	(2,040,601)			(330,799,956)	(462,055,167)
		Increase / (decrease) in operating liabilities			
34,468	(9,880)	Bills payable		7,804,593	(2,237,215)
651,472	(476,303)	Borrowings from financial institutions		147,513,394	(107,849,821)
385,742	2,436,183	Deposits and other accounts		87,343,854	551,627,008
300,301	70,691	Other liabilities		67,997,391	16,006,633
1,371,983	2,020,691			310,659,232	457,546,605
358,619	347,396			81,201,854	78,661,553
(141,778)	(115,707)	Income tax paid		(32,102,961)	(26,199,570)
216,841	231,689	Net cash flows generated from operating activities		49,098,893	52,461,983
		CASH FLOWS FROM INVESTING ACTIVITIES			
(613,454)	583,757	Net investment in available-for-sale securities		(138,904,867)	132,180,606
(193,018)	(320,212)	Net investment in held-to-maturity securities		(43,705,242)	(72,505,857)
(12,452)	(3,789)	Net investment in associates		(2,819,460)	(857,866)
7,464	3,284	Dividend received		1,689,973	743,582
(85,961)	(59,939)	Investment in fixed assets		(19,464,322)	(13,571,964)
(33,759)	(13,255)	Investment in intangible assets		(7,644,075)	(3,001,342)
287	569	Proceeds from sale of fixed assets		65,071	128,881
-	954	Proceeds from sale of non-banking assets		-	216,000
9,973	24,138	Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax		2,258,212	5,465,689
(920,920)	215,507	Net cash flows (used in) / generated from investing activities		(208,524,710)	48,797,729
		CASH FLOWS FROM FINANCING ACTIVITIES			
195	376	Effect of translation of net investment by non-controlling interest in subsidiary		44,140	85,115
28,706	-	Proceeds from issuance of subordinated debt		6,500,000	-
-	(44,084)	Repayment of subordinated debt		-	(9,982,000)
(8,160)	(6,702)	Payment of mark-up on subordinated debt		(1,847,577)	(1,517,481)
(21,813)	(22,584)	Payment of lease liability against right-of-use assets		(4,939,145)	(5,113,819)
(37,512)	(47,939)	Dividend paid		(8,493,514)	(10,855,155)
(38,584)	(120,933)	Net cash flows used in financing activities		(8,736,096)	(27,383,340)
(742,663)	326,263	(Decrease) / increase in cash and cash equivalents during the year		(168,161,913)	73,876,372
2,131,981	1,866,362	Cash and cash equivalents at the beginning of the year		482,746,454	422,601,823
101,328	40,685	Effect of exchange rate changes on cash and cash equivalents		22,943,867	9,212,126
2,233,309	1,907,047			505,690,321	431,813,949
1,490,646	2,233,310	Cash and cash equivalents at the end of the year		337,528,408	505,690,321

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The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1 THE GROUP AND ITS OPERATIONS

1.1 Holding company

Habib Bank Limited, Pakistan

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,714 (2021: 1,648) branches inside Pakistan including 294 (2021: 259) Islamic Banking Branches and 32 (2021: 37) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank, and its registered office is in Geneva, Switzerland.

1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.

1.3 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.

1.4 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.5 After obtaining approval from the Central Bank of Oman for the deregistration of its Oman operations, the Bank has commenced an orderly and phase wise exit.

1.6 Subsidiaries

- Habib Allied Holding Limited – 100% (2021: 90.50%) shareholding

Habib Allied Holding Limited (HAHL) is a private limited company incorporated in the United Kingdom with its registered office at 9 Portman Street, London W1H6DZ, UK. HAHL is the holding company of HBL Bank UK Limited.

During the year, the Bank has purchased the remaining shareholding of 9.50% in HAHL from the minority shareholder. HAHL is now a wholly owned subsidiary of the Bank.

During the year, the Bank has also subscribed to 3 million shares issued, as Rights by HAHL.

- HBL Bank UK Limited – 100% (2021: 90.50%) effective shareholding

HBL Bank UK Limited (HBL UK) is a wholly owned subsidiary of HAHL and is incorporated in the United Kingdom. HBL UK provides a range of commercial banking services to individuals as well as to businesses. The registered office of HBL UK is at 9 Portman Street, London, UK W1H6DZ, UK. HBL UK operates a network of 4 (2021: 4) branches in the UK. During the year, HBL UK has closed its branch in Switzerland.

- HBL Currency Exchange (Private) Limited – 100% shareholding

HBL Currency Exchange (Private) Limited (HCEL) is a private limited company, incorporated in Pakistan. HCEL is licensed by the Securities and Exchange Commission of Pakistan (SECP) to carry out the business of dealing in foreign exchange. The registered office of the company is at Plot No. 49-A, Block-6, PECHS Nursery, Main Shahrah-e-Faisal, Karachi, Pakistan.

- HBL Asset Management Limited – 100% shareholding

HBL Asset Management Limited (HBL AMC) is an unlisted public limited company, incorporated in Pakistan. HBL AMC is licensed by the Securities and Exchange Commission of Pakistan (SECP) to carry out asset management and investment advisory services. The registered office of the company is at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

During the year, the Bank has subscribed to 140 million shares issued as Rights by HBL AMC.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

- HBL Microfinance Bank Limited - 76.42% (2021: 71.43%) shareholding

HBL Microfinance Bank Limited (HBL MfB) is an unlisted public limited company, incorporated in Pakistan with its registered office at 16th-17th Floor, Habib Bank Tower, Blue Area, Islamabad, Pakistan. HBL MfB's principal business is to provide microfinance services to the under-served segments of society as envisaged under the Microfinance Institutions Ordinance, 2001. HBL MfB has 217 (2021: 213) business locations, comprising of branches and Permanent Booths.

During the year, the Bank has subscribed to 100 million shares issued, as Rights by HBL MfB. Consequently, the Bank's shareholding in HBL MfB has increased from 71.43% to 76.42%.

- Habib Bank Financial Services (Private) Limited – 100% shareholding

Habib Bank Financial Services (Private) Limited is a private limited company, incorporated in Pakistan under the Companies Act, 2017. It is registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas, Islamabad. The registered office of the company is at 1st Floor, Bank House No-1, Habib Bank Square, M.A. Jinnah Road, Karachi, Pakistan.

2 BASIS OF PRESENTATION

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

Key financial figures of the Islamic banking branches are disclosed in Annexure I to these consolidated financial statements.

The US Dollar amounts shown in these consolidated financial statements are stated solely for information. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2022 and 2021 have all been converted using an exchange rate of Rupees 226.4309 per US Dollar.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of subsidiaries from the date on which control of the subsidiary by the Group commences until the date control ceases. The financial statements of the subsidiaries are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital and pre-acquisition reserve of subsidiaries in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company. However:

- Non-banking subsidiaries in Pakistan follow the requirements of IFRS 7, Financial Instruments: Disclosures, IFRS 9, Financial Instruments or International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement as applicable to these entities, and IAS 40, Investment Property.
- Overseas operations comply with local regulations applicable within their respective jurisdictions.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2.3 Statement of compliance

These consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprise of:

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The SECP has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' with effect from January 1, 2014. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under this standard and under Section 228 of the Companies Act, 2017 is not applicable in the case of investments by a bank in mutual funds managed by its own asset management company and established under the trust structure. Therefore, investments by the Bank in mutual funds managed by HBL AMC are not consolidated, as would otherwise be required under the definition of control specified in IFRS 10.

2.4 Amendments to existing accounting and reporting standards that have become effective in the current year

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 1, 2022. These are considered either to not be relevant or to not have any significant impact on these consolidated financial statements.

2.5 Standards and amendments to existing accounting and reporting standards that are not yet effective

As directed by SBP via BPRD Circular no 3 of 2022, IFRS 9, Financial Instruments is effective for periods beginning on or after January 1, 2023, except for HBL MfB, where it is applicable from periods beginning on or after January 1, 2024. The Bank has elected for the modified retrospective approach for restatement.

The financial statements of overseas branches, subsidiaries and associates used for the purpose of consolidation will continue to be based on the respective host country's regulatory regime. For accounting periods beginning on or after January 1, 2024, banks will be required to comply with the SBP's application instructions for overseas branches, subsidiaries and associates in preparing the Bank's consolidated financial statements.

Except for the implementation of IFRS 9 in Pakistan, as discussed in note 2.5.1, the Bank expects that adoption of new standards and amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2.5.1 IFRS 9 Financial Instruments

The management of the Bank has performed an impact assessment of the application of IFRS 9, taking into account the SBP's application instructions. The assessment is based on currently available information and may be subject to change at the time of recognizing the impact of the initial adoption of IFRS 9. In addition, there will be changes in the classification of certain financial instruments. These changes and impacts are discussed below:

Governance, ownership and responsibilities

The Bank has adopted a governance framework under which the Board Audit Committee (BAC) is tasked with overseeing the implementation of IFRS 9. A Steering Committee for the implementation of IFRS 9, chaired by the CFO, is in place including representation from Risk, all front-line businesses, Operations and IT.

Risk Management has developed models / methodologies for calculating the Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Credit Conversion Factors (CCF) for off-balance sheet exposures. These models shall be validated annually including:

- Expected credit loss (ECL) model design, data quality and benchmarking with external best practices.
- Calibration testing which ensures the accuracy of the observed PDs.

Finance identifies, prepares and extracts the data required for the modelling of risk parameters and the ECL calculations. The Bank has also implemented an automated system for the calculation of ECL as prescribed under IFRS 9 guidelines issued by the SBP.

Classification and measurement

The classification and measurement of financial assets depends on their contractual cash flow characteristics and the entity's business model. Financial assets are measured at amortized cost, Fair Value Through Profit & Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVOCI). Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are measured at FVTPL regardless of the business model in which they are held. The Bank has reviewed the impact of the initial adoption of IFRS 9 on its financial assets as follows:

Equity Securities

Listed equity securities currently classified as held-for-trading will be classified as FVTPL.

For certain listed equity securities currently classified as available-for-sale (AFS) with gains and losses recorded in OCI, the Bank will apply the option to classify them as FVOCI. Therefore, the application of IFRS 9 will not have an impact on initial adoption. However, in accordance with the requirements of the standard, gains and losses recognized in OCI will not be recycled through the profit and loss account on derecognition of these securities.

The remaining listed equity securities will be measured at FVTPL. The AFS reserve related to those securities is currently part of Surplus on Revaluation of Assets and will be reclassified to retained earnings, hence, there will be no impact on overall equity.

Unquoted equity securities are required to be measured at fair value under IFRS 9. However, the SBP has allowed banks to carry these investments under the current Prudential Regulations, i.e. at the lower of cost and break-up value, till accounting periods beginning on or after January 1, 2024.

Debt securities and Loans and advances

Certain debt securities currently classified as AFS and that pass the SPPI test, are expected to be measured at FVOCI as the Bank's business model is to hold the assets to collect contractual cash flows and also to sell those investments. The remaining debt securities that pass the SPPI test are expected to be measured at amortized cost as the Bank's business model is to hold the assets to collect contractual cashflows.

Debt securities currently classified as held-to-maturity (HTM) and that pass the SPPI test are expected to be measured at amortized cost.

Debt securities currently classified as HFT and certain debt instruments currently classified as AFS and which are not expected to pass the SPPI test, will be measured at FVTPL.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses resulting from potential default events.

Based on the SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment taking into account the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12-month ECL, Stage 1) or over the lifetime of the product (lifetime ECL, Stage 2).
- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.
- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

For the purpose of ECL calculation, the Bank has used 5 years' data till December 31, 2022. Going forward, data for one additional year shall be included until the Bank has at least 10-year data. For calculating ECL, the Bank shall classify its financial assets under the following three categories:

- Stage 1: Performing Assets: For financial assets where there has not been a Significant Increase in Credit Risk (SICR) since initial recognition, the Bank shall recognize an allowance based on the 12-month ECL.
- Stage 2: Under-Performing Assets: For financial assets where there has been a SICR since initial recognition, but which are not credit impaired, the Bank shall recognize an allowance based on lifetime ECL.
- Stage 3: Non-Performing Assets: For financial assets which have objective evidence of impairment at the reporting date, the Bank shall recognize ECL using the higher of the lifetime ECL computed under IFRS 9 and the provision required as per the Prudential Regulations.

Under the SBP's instructions, Government Securities and credit exposure in local currency guaranteed by the Government are exempted from the application of the ECL framework.

Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. 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 past due:

- by 365 days or more for agriculture lending
- by 60 days or more for all other segments

Qualitative factors include, inter alia, unavailability of financial information and pending litigation.

At every reporting date, the Bank shall assess whether there has been a SICR since the initial recognition of the asset, in which case, the asset must be assigned to the appropriate stage of credit impairment (Stage 2 or 3).

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Presentation and disclosure

IFRS 9 also introduces expanded disclosure requirements and changes in presentation which will be incorporated as per the SBP's revised format.

Impact of adoption of IFRS 9

The Bank has performed a preliminary assessment of the potential impact of the adoption of IFRS 9. This is an estimate and the actual impact on the Bank's financial statements for the year 2023 will depend on the financial instruments that the Bank holds during that period and the economic conditions at that time, as well as accounting elections and judgements that it will make in future.

Classification and measurement

The classification of the Banks investments is expected to change as follows:

- Debt instruments amounting to Rs 228.910 billion will be reclassified from AFS to Amortised Cost
- Equity securities amounting to Rs 1.784 billion will be reclassified from AFS to FVTPL

Financial impact

The total estimated impact (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity as at January 1, 2023 is an increase of approximately Rs. 6.072 billion, representing:

- A decrease of Rs 8.265 billion in equity due to an increase in ECL.
- An increase of Rs. 14.337 billion in equity resulting from reclassification of investments as mentioned above.

Impact on regulatory capital

In order to mitigate the impact of ECL on capital, the SBP has permitted banks to adopt a transitional approach to phase in the impact over a period of five years. The transitional arrangement applies only to ECL for stage 1 and 2 financial assets.

2.6 Critical accounting estimates

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Classification of investments (note 4.3)
- ii) Valuation and impairment of investments, associates and joint venture (note 4.3)
- iii) Provision against advances (note 4.4)
- iv) Valuation and depreciation of fixed assets (note 4.5)
- v) Valuation and depreciation of right-of-use assets and their related lease liability (note 4.6)
- vi) Valuation and amortization of intangible assets (note 4.7)
- vii) Valuation of non-banking assets acquired in satisfaction of claims (note 4.8)
- viii) Valuation of defined benefit plans (note 4.12)
- ix) Taxation (note 4.15)
- x) Fair value of derivatives (note 4.21)

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

During the year, the Bank has reviewed its estimate of the useful life of Point of Sale (POS) terminals in its domestic operations and the useful life of intangibles in its China branches, which has resulted in a change in the Bank's estimate of their useful lives. These revisions have been accounted for as a change in accounting estimate as per the requirements of IAS 8 and accordingly, have been recognised prospectively in the consolidated profit and loss account from the current year.

The impact of these changes is disclosed in note 10.2.1 and 11.3.3 respectively.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of fixed assets and non-banking assets acquired in satisfaction of claims, which are stated at revalued amounts less accumulated depreciation.
- Investments classified as held-for-trading and available-for-sale, which are measured at fair value.
- Derivative financial instruments, including forward foreign exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liability, which are measured at their present values.
- Net obligations in respect of defined benefit schemes, which are measured at their present values.

3.2 Functional and presentation currency

These consolidated financial statements are presented in Pakistani rupees, which is the Group's functional currency. Amounts are rounded to the nearest thousand Rupees.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.2 Lending / borrowing transactions with financial institutions

The Group enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.2.1 Purchases under resale agreements (reverse repo)

Securities purchased under resale agreements are not recognised as investments in the financial statements and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as markup income.

HABIB BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4.2.2 Sales under repurchase agreements (repo)

Securities sold under repurchase agreements continue to be recognised as investments in the financial statements and the liability to the counterparty is included in borrowings. The difference between the sale price and the contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as markup / interest expense.

4.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.3 Investments

The Group classifies its investments, other than its investments in associates and joint ventures, into the following categories:

Held-for-trading

These are securities included in a portfolio in which a pattern of short-term trading exists, or which are acquired for generating a profit from short-term fluctuations in market prices or interest rate movements. Under normal circumstances, these securities are required to be sold within 90 days from the date of their purchase.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold till maturity.

Available-for-sale

These are investments, other than investments in associates and joint ventures, that do not fall under the held-for-trading or held-to-maturity categories.

4.3.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Group commits to purchase or sell the investment.

In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account. Transaction costs associated with investments other than those classified as held-for-trading are included in the cost of the investments.

4.3.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

Held-to-maturity

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Available-for-sale

Listed securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account (shown as part of equity in the statement of financial position) and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

Unlisted equity securities are carried at the lower of cost and break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already charged based on audited financial statements. Other unlisted securities are valued at cost less impairment, if any.

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4.3.3 Investments in associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The carrying amount is subsequently increased / decreased to recognize the investor's share of the investee's profit and loss and reserves subsequent to the date of acquisition. The share of the investee's profit and loss is recognised through the profit and loss account while the share of reserves is recognised through Other Comprehensive Income.

4.3.4 Impairment

The Group determines that available-for-sale listed equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

A decline in the carrying value of unlisted equity securities is charged to the profit and loss account. A subsequent increase in the carrying value, up to the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities held in Pakistan is made as per the Prudential Regulations issued by the SBP. Provision against investments by the Group's overseas operations is made as per the requirements of their respective regulatory regimes.

When a debt security, classified as available-for-sale, is considered to be impaired, the balance in the surplus / deficit on revaluation of securities account is transferred to the profit and loss account as an impairment charge. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account.

When a debt security, classified as held-to-maturity, is considered to be impaired, the impairment is directly charged to the profit and loss account as held-to-maturity securities are carried at amortized cost. Any subsequent reversal of an impairment loss, up to the cost of the investment in the debt security, is credited to the profit and loss account.

Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

The Group considers that a decline in the recoverable value of its investments in associates and joint ventures below their carrying value may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable value falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, up to the carrying value of the investment in associates and joint ventures, is credited to the profit and loss account.

4.4 Advances

Advances are stated net of specific and general provisions. Provision against advances by the Group's operations in Pakistan is made in accordance with the requirements of the Prudential Regulations. Provision against advances by the Group's overseas operations is made as per the requirements of their respective regulatory regimes. Advances are written off in line with the Bank's policy when there are no realistic prospects of recovery.

Since 2020, several borrowers have been severely impacted, initially by the COVID-19 pandemic, and since then, by the stressed economic conditions. The potential impact of the economic stress is difficult to predict, as many such borrowers have also availed the SBP enabled deferment / restructuring & rescheduling relief. Hence, management feels that it is appropriate to maintain an additional general provision on the domestic, funded performing credit portfolio excluding:

- Government guaranteed exposure
- Consumer and staff lending
- Exposure secured by cash / near cash collateral

This additional provision as at any statement of financial position date, is based on management's best estimate and can be up to a maximum of 1% of the above mentioned portfolio. HBL MfB also maintains an additional general provision, based on management's best estimate, in respect of the portion of its microfinance portfolio which has been deferred, restructured or rescheduled under the SBP scheme and on account of the devastating floods in 2022 which have impacted customers in its area of operations.

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4.4.1 Finance lease receivables

Leases where the Group transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the future lease payments including any guaranteed residual value. The net investment in finance lease is included in advances.

4.4.2 Islamic financing and related assets

Murabaha financing is a cost plus profit transaction. Funds disbursed for the purchase of goods are recorded as an advance against Murabaha. Once the goods are sold to the customers, the transaction is recorded as financing. Goods purchased by the Bank but remaining unsold are recorded as inventories.

The financing is recorded at the deferred sale price. Profit earned on financing is recognised as unearned income and amortised into the profit and loss account over the term of the Murabaha financing. It is possible for Bank to buy the inventory on customer's behalf and sell it to the customers on spot basis. In this case, the entire profit is recognised immediately in the profit and loss account.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight-line basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The Ijarah rental received / receivable is recognised as income on an accrual basis.

Gains or losses on disposal of Ijarah assets are taken to the profit and loss account in the period in which they arise.

For Running Musharakah the Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Under Diminishing Musharakah financing, the Bank and the customer create joint beneficial ownerships over tangible assets to fulfill the customer's capital expenditure / project requirements. The Bank receives periodic payments, partly for renting its portion of the assets to the customer and partly for the gradual transfer / sale of its share of ownership to the customer. The rental payment is recognised as profit while the asset transfer / sale payments are applied towards reducing the outstanding principal.

Under Istisna financing, the Bank gives an advance to customers for manufacturing goods and may allow their sale immediately after the goods are manufactured or allow a pre-agreed time to sell the goods on deferred payment basis as the Bank's agent to a third party. Profit is recognised at the time when the goods are sold to the third party. In case of a deferred sale, the profit is recognised on an accrual basis over the term of the financing.

Under Tijarah financing, the Bank purchases finished goods from the customer against payment, takes possession and appoints the customer as an agent to sell these goods to the ultimate buyer, generally on a deferred payment basis. Goods purchased by the Bank and sold by the customer on a deferred payment basis are recognised as financing while goods purchased by the Bank but remaining unsold by the customer are recorded as inventories. Profit on the financing is recognised on an accrual basis over the period of transaction.

Wakalah is an agency contract in which the Bank provides funds to a customer to invest in a Shariah compliant manner. This is recorded as financing and profit is recognised on an accrual basis and is adjusted once the customer declares Wakalah business performance.

Salam is a sale whereby the Bank undertakes to supply some specific commodity (ies) or asset (s) to the customer at a future date in exchange for an advance price fully paid on spot.

Currency Salam is an exchange or sale of a currency with another currency at a future date, at conversion rate within the spot range on the day of such contract execution.

Under Musawamah financing, the Bank purchases the goods and, after taking possession, sells them to the customer at an agreed price without disclosing the cost. Goods purchased by the Bank can either be sold to the customer as a spot transaction or on a deferred payment basis. Goods purchased by the Bank but remaining unsold are recorded as inventories.

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4.5 Fixed Assets

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses.

Land, capital work-in-progress and works of art are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation is calculated to write down the assets to their residual values over their expected useful lives at the rates specified in note 10.2 to these consolidated financial statements. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. However, if the increase reverses a deficit on the same asset previously recognised in the profit and loss account, such increase is also recognised in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of fixed assets account. Any accumulated depreciation at the date of revaluation is eliminated against any additional surplus on revaluation and the net carrying value is restated at the revalued amount of the asset.

Surplus on revaluation of fixed assets (net of associated deferred tax) is transferred to unappropriated profit to the extent of the incremental depreciation charged on the related assets.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major repairs and renovations that increase the useful life of an asset are capitalised.

Gains or losses arising on the disposal of fixed assets are included in the profit and loss account. Surplus on revaluation (net of deferred tax) realised on disposal of fixed assets is transferred directly to unappropriated profit.

4.6 Right-of-use assets and their related lease liability

4.6.1 Right-of-use assets

On initial recognition, right-of-use assets (ROU) are measured at an amount equal to the initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to restore the underlying asset or the site on which it is located to its original condition.

ROU assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. Such remeasurement only occurs in cases where the terms of the lease are changed during the lease tenor.

ROU assets are depreciated using the straight-line method over a period starting from the commencement date of the lease contract to the end of the estimated useful life of the ROU asset or the end of the lease term, whichever is earlier. The estimated useful lives of ROU assets are determined on the same basis as that for owned assets. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.6.2 Lease liability against ROU assets

Lease liabilities against ROU assets are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then at the applicable incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Intangible assets

4.7.1 Intangible assets other than goodwill

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised over their estimated useful lives using the straight-line method. Amortisation is calculated to write down the assets to their residual values over their expected useful lives at the rates stated in note 11.1 to these consolidated financial statements. Amortisation on additions is charged from the month in which the assets are available for use. No amortisation is charged in the month in which the assets are disposed off. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

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Intangible assets which arise from contractual or other legal rights on the acquisition of another entity and are deemed separable are considered as part of the net identifiable assets acquired. These are initially measured at fair value. Intangible assets with a finite useful life are amortized over their expected useful lives and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets having an indefinite useful life are stated at cost less impairment, if any. Such intangible assets are tested for impairment annually, or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of intangible assets is recognised through the profit and loss account. Any subsequent reversal of an impairment loss, up to the extent of the impairment, is credited to the profit and loss account.

4.7.2 Goodwill

Goodwill arises in a business combination and is initially recognised at fair value as the excess of the purchase price paid over the fair value of the specifically identifiable tangible and intangible assets and liabilities acquired. Goodwill is subsequently carried at its initially recorded amount less impairment, if any. Goodwill is tested for impairment annually, or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of goodwill is recognised through the profit and loss account.

4.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets are revalued with sufficient regularity by professionally qualified valuers to ensure that their net carrying value does not differ materially from their fair value. An increase in the market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the impairment and thereafter credited to the surplus on revaluation of that asset. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account.

Depreciation on assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Group's owned fixed assets.

If the recognition of such assets results in a reduction in non-performing loans, such reductions and the corresponding reductions in provisions held against non-performing loans are disclosed separately.

These assets are generally intended for sale. Gains and losses realised on the sale of such assets are disclosed separately from gains and losses realised on the sale of fixed assets. Surplus on revaluation (net of deferred tax) realised on disposal of these assets is transferred directly to unappropriated profit.

However, if such an asset, subsequent to initial recording, is used by the Group for its own operations, the asset, along with any related surplus, is transferred to fixed assets.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense on an accrual basis in the period in which it is incurred.

4.10 Subordinated debt

Subordinated debt is recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is charged to the profit and loss account.

4.11 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. Acceptances are recognised as a financial liability in the statement of financial position with the contractual right of reimbursement from the customer recognised as a financial asset.

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4.12 Employee benefits

The Bank operates a number of post-retirement benefit plans, which include both defined contribution plans and defined benefit plans.

For defined contribution plans, the Bank pays contributions to the fund on a periodic basis, and such amounts are charged to the profit and loss account when the payment obligation is established. The Bank has no further payment obligations once the contributions have been paid.

For funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations less the fair value of plan assets as at the statement of financial position date. Contributions to the fund are made by the Bank on a periodic basis.

For non-funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations as at the statement of financial position date.

The liability in respect of all obligations under defined benefit schemes is calculated annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses

Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the profit and loss account. Gains and losses on remeasurement of the liability for compensated absences are recognised in the profit and loss account.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment and is recognised through the profit and loss account when the plan is amended.

Current Service Cost

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period, and is recognised through the profit and loss account.

4.13 Foreign currency

4.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position. Forward transactions in foreign currencies and foreign bills purchased are translated at forward foreign exchange rates applicable to their respective maturities.

4.13.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

Goodwill arising on the acquisition of an entity by an overseas subsidiary is treated as an asset of the overseas subsidiary and is translated at foreign exchange rates prevailing as at the date of the statement of financial position.

4.13.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign branches, associates, joint ventures and subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on disposal of the investment.

4.13.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of financial position.

4.14 Income recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

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4.14.1 Advances and investments

Income on performing advances and debt securities is recognised on a time proportion basis as per the terms of the contract. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining maturity of the debt security using the effective yield method.

Income recoverable on classified advances and investments is recognised on a receipt basis. Income on rescheduled / restructured advances and investments is recognised as permitted by SBP regulations or by the regulatory authorities of the countries in which the Group operates.

4.14.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains and losses on termination of lease contracts are recognised through the profit and loss account when these are realised. For classified leases, unrealised lease income and other fees are recognised on a receipt basis.

4.14.3 Fee, Commission and Brokerage Income

Fee, commission and brokerage income is recognised on an accrual basis.

4.14.4 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.15 Taxation

Income tax expense comprises of the charge for current and prior years and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

4.15.1 Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

4.15.2 Prior years

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

4.15.3 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the underlying asset or liability is recovered or settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the date of the statement of financial position.

The Bank also records a deferred tax asset / liability on items recognised directly in the statement of comprehensive income such as surplus / deficit on revaluation of assets and actuarial gains / losses. These items are disclosed net of the related deferred tax asset / liability.

Deferred tax assets are reviewed annually for impairment. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

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4.16 Impairment of non-financial assets

The carrying values of non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable value of the asset is estimated. An impairment loss is recognised through the profit and loss account whenever the recoverable value of an asset is lower than its carrying value.

A subsequent increase in the recoverable value of the asset results in a reversal of the impairment loss through the profit and loss account, up to the original carrying value of the asset, if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.17 Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision for off balance sheet obligations is recognised when the Bank becomes aware of the obligation and reasonable certainty exists that the Group will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.18 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

4.19 Off setting

Financial assets and financial liabilities are set-off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set-off and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.20 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain other receivables, bills payable, borrowings, deposits, subordinated debt, lease liabilities against ROU assets and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.21 Derivative Financial Instruments

Derivative financial assets and liabilities are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair values using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.22 Dividends and appropriation to reserves

Dividends and appropriations to reserves, which are approved subsequent to the date of the statement of financial position are, except where required by law, recognised in the year in which these are approved and disclosed as a non-adjusting event after the balance sheet date.

4.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

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4.24 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing unique products or services (business segment), or in providing products or services within a particular geographic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.24.1 Business segments

The Group is managed along the following business lines for monitoring and reporting purposes:

i) *Branch banking*

This segment pertains to the branch distribution network, its related deposit and other products and general banking

ii) *Consumer, SME and agriculture lending*

This segment pertains to loan products offered to the Consumer, SME and Agriculture segments.

iii) *Islamic banking*

This segment pertains to all business lines of the Islamic banking network and includes all Islamic products offered by the bank.

iv) *Corporate, commercial and investment banking*

This segment provides a wide variety of financial products and services to large and medium sized clients, across the entire spectrum of industrial sectors.

v) *International and correspondent banking*

This segment includes all international branches and subsidiaries, the financial institutions business and global remittances.

vi) *Treasury*

This segment is responsible for asset / liability management and includes all treasury related products such as fixed income money market, FX and derivatives.

vii) *Asset management*

This segment pertains to HBL Asset Management Limited.

viii) *Microfinance*

This segment pertains to HBL Microfinance Bank Limited.

ix) *Head Office / Others*

This segment includes numbers related to HBL Konnect, Head Office functions and HBL Currency Exchange.

4.24.2 Geographical segments

The Group is managed along the following geographic lines for monitoring and reporting purposes:

i) *Pakistan (including KEPZ)*

This includes the domestic operations and HBL's KEPZ branch.

ii) *Middle East and Africa*

This includes UAE, Bahrain, Oman, Lebanon and Mauritius.

iii) *Asia*

This includes Afghanistan, Bangladesh, China, Maldives, Singapore and Sri Lanka.

iv) *Europe*

This includes Belgium, Turkey and the United Kingdom.

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	Note	2022 (Rupees in '000)	2021
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		74,268,200	48,996,151
Foreign currencies		7,583,546	5,505,082
		<u>81,851,746</u>	<u>54,501,233</u>
With State Bank of Pakistan in			
Local currency current accounts	5.1	118,025,638	147,418,412
Local currency special deposit account		-	2,531,227
Foreign currency current accounts	5.2	292,436	8,637,953
Foreign currency deposit accounts	5.3	655,439	18,104,962
		<u>118,973,513</u>	<u>176,692,554</u>
With other Central Banks in			
Foreign currency current accounts	5.4	57,271,642	58,855,062
Foreign currency deposit accounts	5.5	35,609,011	12,755,756
		<u>92,880,653</u>	<u>71,610,818</u>
With National Bank of Pakistan in			
Local currency current accounts		1,757,957	137,197,419
Local currency deposit account	5.6	389,942	948,771
		<u>2,147,899</u>	<u>138,146,190</u>
National Prize Bonds		161,575	301,451
		<u>296,015,386</u>	<u>441,252,246</u>

- 5.1 These represent local currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.2 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.3 This includes a foreign currency deposit account maintained under the Special Cash Reserve Requirement (SCRR) of the SBP which carries mark-up at a rate of 3.14% per annum (2021: 0.00% per annum) and a foreign currency settlement account maintained with the SBP which carries mark-up at a rate of 0.00% per annum (2021: 0.00% per annum).
- 5.4 These represent balances held with the central banks of the countries in which the Group operates, in accordance with local statutory / regulatory requirements. These include balances in remunerative current accounts amounting to Rs 25,309.932 million (2021: Rs 23,272.206 million), which carry mark-up at rates ranging from 1.04% to 3.50% per annum (2021: 0.08% to 0.32% per annum).
- 5.5 These represent balances held with the central banks of the countries in which the Group operates, in accordance with local regulatory requirements. These carry mark-up at rates ranging from 0.00% to 14.50% per annum (2021: 0.00% to 9.50% per annum).
- 5.6 This represents a deposit account maintained with National Bank of Pakistan. This carries mark-up at a rate of 12.25% per annum (2021: 7.25% per annum).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022 (Rupees in '000)	2021
6 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		764,679	317,534
In deposit accounts	6.1	412,037	18,430,779
		1,176,716	18,748,313
Outside Pakistan			
In current accounts	6.2	25,939,811	32,804,685
In deposit accounts	6.3	14,396,495	12,885,077
		40,336,306	45,689,762
		<u>41,513,022</u>	<u>64,438,075</u>

6.1 These carry mark-up at rates ranging from 5.50% to 15.00% per annum (2021: 5.00% to 11.50% per annum).

6.2 This includes an amount of Rs 5,564.242 million (2021: 1,937.318 million) in remunerative current accounts which carry mark-up at rates ranging from 0.01% to 1.00% per annum (2021: 0.01% to 1.20% per annum).

6.3 These carry mark-up at rates ranging from 0.01% to 30.50% per annum (2021: 0.00% to 18.50% per annum).

	Note	2022 (Rupees in '000)	2021
7 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		-	24,600,000
Repurchase agreement lendings (reverse repo)	7.2	254,593,287	64,970,746
Bai Muajjal receivable from financial institutions		-	4,171,686
		<u>254,593,287</u>	<u>93,742,432</u>

7.1 Lendings to financial institutions are all in local currency.

7.2 Repurchase agreement lendings carry mark-up at rates ranging from 15.95% to 16.60% per annum (2021: 9.50% to 10.65% per annum) and are due to mature latest by January 06, 2023.

7.2.1 Securities held as collateral against lendings to financial institutions

	2022			2021		
	Held by Group	Further given as collateral	Total	Held by Group	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	92,318,287	-	92,318,287	17,766,592	-	17,766,592
Pakistan Investment Bonds	162,275,000	-	162,275,000	47,204,154	-	47,204,154
	<u>254,593,287</u>	<u>-</u>	<u>254,593,287</u>	<u>64,970,746</u>	<u>-</u>	<u>64,970,746</u>

7.2.2 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 254,221.016 million (2021: Rs 64,982.010 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

8	INVESTMENTS	Note	2022				2021			
			Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1	Investments by type		----- (Rupees in '000) -----							
	Held-for-trading (HFT) securities									
	Federal Government securities									
	- Market Treasury Bills		5,885,581	-	(7,865)	5,877,716	111,592,255	-	(31,517)	111,560,738
	- Pakistan Investment Bonds	8.3	52,471,296	-	(85,104)	52,386,192	92,201,740	-	110,414	92,312,154
	Shares									
	- Listed companies		132	-	(41)	91	332,860	-	(24,270)	308,590
	Foreign securities									
	- Government debt securities		3,278,776	-	8,620	3,287,396	316,867	-	12,619	329,486
			61,635,785	-	(84,390)	61,551,395	204,443,722	-	67,246	204,510,968
	Available-for-sale (AFS) securities									
	Federal Government securities									
	- Market Treasury Bills	8.3 & 8.6	222,762,973	-	(396,299)	222,366,674	279,633,112	-	108,423	279,741,535
	- Pakistan Investment Bonds	8.3	936,341,475	-	(29,604,154)	906,737,321	806,059,810	-	(4,943,247)	801,116,563
	- Ijarah Sukuk		125,360,260	-	(2,772,531)	122,587,729	119,617,967	-	(537,141)	119,080,826
	- Government of Pakistan US Dollar Bonds		18,895,230	(2,213,447)	(8,221,230)	8,460,553	16,378,045	(347,350)	438,586	16,469,281
	- Other Federal Government securities		4,686,060	-	-	4,686,060	1,016,120	-	-	1,016,120
	Shares									
	- Listed companies		6,329,024	(2,097,873)	(242,961)	3,988,190	8,170,830	(1,962,154)	427,255	6,635,931
	- Unlisted companies		5,372,888	(119,718)	-	5,253,170	5,372,623	(91,009)	-	5,281,614
	Non-Government debt securities									
	- Listed		52,253,137	(602,689)	(2,566,098)	49,084,350	51,499,951	(78,236)	638,300	52,060,015
	- Unlisted		2,664,233	(413,232)	16,321	2,267,322	1,648,381	(247,381)	24,000	1,425,000
	Foreign securities									
	- Government debt securities		126,975,290	(1,672,462)	(739,952)	124,562,876	75,576,649	(264,753)	32,707	75,344,603
	- Non-Government debt securities									
	- Listed		9,364,897	(1,124,713)	(132,840)	8,107,344	13,428,106	(990,667)	140,089	12,577,528
	- Unlisted		5,461,354	-	593	5,461,947	-	-	-	-
	- Equity securities - Unlisted		7,762	(197)	-	7,565	6,318	(156)	-	6,162
	National Investment Unit Trust units		11,113	-	27,057	38,170	11,113	-	35,335	46,448
	Real Estate Investment Trust units									
	- Listed		55,000	-	13,200	68,200	55,000	-	5,800	60,800
	- Unlisted		1,575,000	-	-	1,575,000	-	-	-	-
	Preference shares									
	- Listed		744,400	-	172,200	916,600	744,400	-	80,500	824,900
	- Unlisted		354,985	(285,793)	-	69,192	176,985	(150,075)	-	26,910
			1,519,215,081	(8,530,124)	(44,446,694)	1,466,238,263	1,379,395,410	(4,131,781)	(3,549,393)	1,371,714,236
	Held-to-maturity (HTM) securities:	8.7								
	Federal Government securities									
	- Market Treasury Bills		109,068,345	-	-	109,068,345	397,178	-	-	397,178
	- Pakistan Investment Bonds	8.3, 8.4 & 8.5	232,170,109	-	-	232,170,109	285,685,656	-	-	285,685,656
	- Government of Pakistan US Dollar Bonds		5,265,790	(379,077)	-	4,886,713	-	-	-	-
	- Other Federal Government securities		-	-	-	-	10,794,000	-	-	10,794,000
	Non-Government debt securities									
	- Listed		1,733,442	-	-	1,733,442	2,365,422	-	-	2,365,422
	- Unlisted		18,301,991	-	-	18,301,991	22,851,835	-	-	22,851,835
	Foreign Securities									
	- Government debt securities		14,365,073	-	-	14,365,073	14,672,889	-	-	14,672,889
	- Non-Government debt securities									
	- Listed		161,426	(15,712)	-	145,714	285,954	(25,061)	-	260,893
	- Unlisted		308,100	-	-	308,100	616,100	(1,559)	-	614,541
			381,374,276	(394,789)	-	380,979,487	337,669,034	(26,620)	-	337,642,414
	Investments in associates and joint venture	8.2.1 & 8.13	41,033,458	-	(1,001,561)	40,031,897	35,185,545	-	(97,185)	35,088,360
	Total Investments		2,003,258,600	(8,924,913)	(45,532,645)	1,948,801,042	1,956,693,711	(4,158,401)	(3,579,332)	1,948,955,978

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Note	2022				2021			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.2 Investments by segment									
----- (Rupees in '000) -----									
Federal Government securities									
Market Treasury Bills		337,716,899	-	(404,164)	337,312,735	391,622,545	-	76,906	391,699,451
Pakistan Investment Bonds		1,220,982,880	-	(29,689,258)	1,191,293,622	1,183,947,206	-	(4,832,833)	1,179,114,373
Ijarah Sukuks		125,360,260	-	(2,772,531)	122,587,729	119,617,967	-	(537,141)	119,080,826
Government of Pakistan US Dollar Bonds		24,161,020	(2,592,524)	(8,221,230)	13,347,266	16,378,045	(347,350)	438,586	16,469,281
Other Federal Government securities		4,686,060	-	-	4,686,060	11,810,120	-	-	11,810,120
		1,712,907,119	(2,592,524)	(41,087,183)	1,669,227,412	1,723,375,883	(347,350)	(4,854,482)	1,718,174,051
Shares									
Listed companies		6,329,156	(2,097,873)	(243,002)	3,988,281	8,503,690	(1,962,154)	402,985	6,944,521
Unlisted companies		5,372,888	(119,718)	-	5,253,170	5,372,623	(91,009)	-	5,281,614
		11,702,044	(2,217,591)	(243,002)	9,241,451	13,876,313	(2,053,163)	402,985	12,226,135
Non-Government debt securities									
Listed		53,986,579	(602,689)	(2,566,098)	50,817,792	53,865,373	(78,236)	638,300	54,425,437
Unlisted		20,966,224	(413,232)	16,321	20,569,313	24,500,216	(247,381)	24,000	24,276,835
		74,952,803	(1,015,921)	(2,549,777)	71,387,105	78,365,589	(325,617)	662,300	78,702,272
Foreign securities									
Government debt securities		144,619,139	(1,672,462)	(731,332)	142,215,345	90,566,405	(264,753)	45,326	90,346,978
Non-Government debt securities									
Listed		9,526,323	(1,140,425)	(132,840)	8,253,058	13,714,060	(1,015,728)	140,089	12,838,421
Unlisted		5,769,454	-	593	5,770,047	616,100	(1,559)	-	614,541
Equity securities - Unlisted		7,762	(197)	-	7,565	6,318	(156)	-	6,162
		159,922,678	(2,813,084)	(863,579)	156,246,015	104,902,883	(1,282,196)	185,415	103,806,102
National Investment Unit Trust units		11,113	-	27,057	38,170	11,113	-	35,335	46,448
Real Estate Investment Trust units									
- Listed		55,000	-	13,200	68,200	55,000	-	5,800	60,800
- Unlisted		1,575,000	-	-	1,575,000	-	-	-	-
		1,630,000	-	13,200	1,643,200	55,000	-	5,800	60,800
Preference shares									
- Listed		744,400	-	172,200	916,600	744,400	-	80,500	824,900
- Unlisted		354,985	(285,793)	-	69,192	176,985	(150,075)	-	26,910
		1,099,385	(285,793)	172,200	985,792	921,385	(150,075)	80,500	851,810
Investments in associates and joint venture									
Diamond Trust Bank Kenya Limited		22,402,633	-	(825,286)	21,577,347	17,605,819	-	(64,973)	17,540,846
Himalayan Bank Limited, Nepal		8,156,824	-	(7,772)	8,149,052	6,296,106	-	1,808	6,297,914
Kyrgyz Investment and Credit Bank, Kyrgyz Republic		3,582,764	-	-	3,582,764	2,404,885	-	-	2,404,885
Jubilee General Insurance Company Limited		3,445,952	-	1,083	3,447,035	3,313,616	-	39,323	3,352,939
Jubilee Life Insurance Company Limited		2,580,693	-	(5,945)	2,574,748	2,424,725	-	(15,824)	2,408,901
HBL Cash Fund		160,389	-	-	160,389	29,958	-	-	29,958
HBL Financial Sector Income Fund - Plan-1		71,772	-	-	71,772	-	-	-	-
HBL FPF Active Allocation Plan		45,151	-	-	45,151	-	-	-	-
HBL FPF Conservative Allocation Plan		30,730	-	-	30,730	19,922	-	-	19,922
HBL IFFP Active Allocation Plan		64,997	-	-	64,997	-	-	-	-
HBL Investment Fund Class A		411,229	-	(163,641)	247,588	353,326	-	(57,519)	295,807
HBL Multi Asset Fund		35,499	-	-	35,499	88,166	-	-	88,166
HBL Total Treasury Exchange Traded fund		44,825	-	-	44,825	-	-	-	-
HBL Investment Fund Class B		-	-	-	-	425,396	-	-	425,396
HBL Islamic Asset Allocation Fund		-	-	-	-	152,215	-	-	152,215
HBL Islamic Pension Fund - Equity Sub Fund		-	-	-	-	54,242	-	-	54,242
HBL Islamic Stock Fund		-	-	-	-	272,461	-	-	272,461
HBL Money Market Fund		-	-	-	-	441,133	-	-	441,133
HBL Pension Fund - Equity Sub Fund		-	-	-	-	77,241	-	-	77,241
HBL Stock Fund		-	-	-	-	242,375	-	-	242,375
HBL Energy Fund		-	-	-	-	204,320	-	-	204,320
HBL Equity Fund		-	-	-	-	546,404	-	-	546,404
HBL Income Fund		-	-	-	-	233,235	-	-	233,235
	8.2.1	41,033,458	-	(1,001,561)	40,031,897	35,185,545	-	(97,185)	35,088,360
Total Investments		2,003,258,600	(8,924,913)	(45,532,645)	1,948,801,042	1,956,693,711	(4,158,401)	(3,579,332)	1,948,955,978

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

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	2022	2021
	(Rupees in '000)	
8.2.2 Investments given as collateral		
The market value of investments given as collateral against borrowings is as follows:		
Federal Government securities		
- Market Treasury Bills	76,758,133	980,924
- Pakistan Investment Bonds	165,214,633	139,564,697
- Sukuks	25,479,600	-
Foreign securities		
- Government debt securities	15,216,156	-
	<u>282,668,522</u>	<u>140,545,621</u>

8.3 Investments include securities amounting to Rs 437,016.293 million (2021: Rs 447,617.323 million) which are held to comply with the SBP's statutory liquidity requirements as set out under section 29 of the Banking Companies Ordinance, 1962.

8.4 Investments include Rs 227.500 million (2021: Rs 227.500 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.

8.5 Investments include Rs 10.000 million (2021: Rs 10.000 million) pledged with the Controller of Military Accounts against Regimental Fund accounts being maintained at various branches of the Bank.

8.6 Investments include Rs 300.000 million (2021: Rs 200.000 million) pledged with the National Clearing Company of Pakistan against trading margin.

8.7 The market value of investments classified as held-to-maturity amounted to Rs 351,020.204 million (2021: Rs 322,811.037 million).

	2022	2021
	(Rupees in '000)	
8.8 Particulars of provision held against diminution in the value of investments		
Opening balance	4,158,401	5,263,672
Exchange adjustments	740,034	153,452
Charge / (reversal)		
Charge for the year	4,565,152	512,131
Reversal for the year	(24,044)	(452,697)
Reversal on disposal during the year	(689,400)	(1,318,157)
Net charge / (reversal)	3,851,708	(1,258,723)
Transferred in	67,880	-
Other movement	106,890	-
Closing balance	<u>8,924,913</u>	<u>4,158,401</u>

8.9 Particulars of provision against debt securities

	2022		2021	
Category of classification	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	(Rupees in '000)			
Domestic				
Loss	413,232	413,232	247,381	247,381
Overseas				
Overdue by:				
91 to 180 days	452,912	452,912	-	-
181 to 365 days	679,188	500,742	-	-
> 365 days	1,065,339	1,065,339	929,609	929,609
	<u>2,197,439</u>	<u>2,018,993</u>	<u>929,609</u>	<u>929,609</u>
	<u>2,610,671</u>	<u>2,432,225</u>	<u>1,176,990</u>	<u>1,176,990</u>

8.9.1 In addition to the above, overseas branches hold a provision of Rs 3,989.107 million (2021: Rs 778.017 million) against investments in accordance with the ECL requirements of IFRS 9.

8.10 Quality of available-for-sale (AFS) securities

Details regarding the quality of AFS securities are as follows:

	2022	2021
	Cost / amortised cost	
	(Rupees in '000)	
Federal Government securities - Government guaranteed		
Market Treasury Bills	222,762,973	279,633,112
Pakistan Investment Bonds	936,341,475	806,059,810
Ijarah Sukuks	125,360,260	119,617,967
Government of Pakistan US Dollar Bonds	18,895,230	16,378,045
Other Federal Government securities - Islamic Naya Pakistan Certificates	4,686,060	1,016,120
	<u>1,308,045,998</u>	<u>1,222,705,054</u>

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Shares	2022	2021
	Cost (Rupees in '000)	
Listed companies		
Automobile Assembler	93,569	394,154
Automobile Parts and Accessories	85,167	85,167
Cement	659,875	516,871
Chemicals	224,084	264,588
Commercial Banks	949,350	1,498,440
Engineering	197,207	225,164
Fertilizer	811,050	1,259,527
Food and Personal Care Products	-	45,306
Insurance	69,484	88,601
Investment Banks / Investment Companies / Securities Companies	1,122,067	1,122,315
Oil and Gas Exploration Companies	513,230	864,273
Oil and Gas Marketing Companies	210,443	279,329
Pharmaceuticals	196,431	158,935
Power Generation and Distribution	551,141	741,212
Technology and Communication	48,836	46,026
Textile Composite	526,897	420,279
Transport	-	38,127
Miscellaneous	70,193	122,516
	<u>6,329,024</u>	<u>8,170,830</u>

	2022		2021	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Unlisted companies				
Central Depository Company of Pakistan Limited	256,347	782,093	256,347	774,341
Engro Powergen Thar (Private) Limited	2,086,591	7,326,213	2,086,591	5,880,911
Sindh Engro Coal Mining Company Limited	2,267,346	5,536,372	2,267,346	4,553,223
Pakistan Mortgage Refinance Company Limited	500,000	1,015,616	500,000	879,382
First Women Bank Limited	63,300	203,928	63,300	203,928
SME Bank Limited	13,474	(43,229)	13,474	(31,898)
National Institutional Facilitation Technologies (Private) Limited	1,527	64,687	1,527	61,903
National Investment Trust Limited	100	910,231	100	1,003,283
Pak Agriculture Storage and Services Corporation Limited	5,500	3,551,928	5,500	3,448,615
Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T)	3,152	52,804	3,152	34,534
Naymat Collateral Management Company Limited	29,286	13,824	29,286	21,021
1 LINK (Private) Limited	50,000	537,279	50,000	312,706
Pakistan Credit Restructuring Company Limited	96,000	68,519	96,000	90,048
Mutual Funds Association of Pakistan	265	265	-	-
	<u>5,372,888</u>	<u>20,020,530</u>	<u>5,372,623</u>	<u>17,231,997</u>

8.10.1 The breakup value of unlisted companies is calculated using the latest available financial statements as described in note 4.3.2.

Non-Government debt securities	2022	2021
	Cost / amortised cost (Rupees in '000)	
Listed		
AA+, AA, AA-	46,200,000	46,450,000
A+, A, A-	493,545	493,545
B+, B, B-	4,559,592	3,556,406
Unrated	1,000,000	1,000,000
	8.10.2	
	52,253,137	51,499,951
Unlisted		
AAA	351,000	351,000
AA+, AA, AA-	1,900,000	1,050,000
Unrated	413,233	247,381
	<u>2,664,233</u>	<u>1,648,381</u>
	<u>54,917,370</u>	<u>53,148,332</u>

8.10.2 This includes listed non-Government debt securities amounting to Rs 41 billion (2021: Rs 41 billion) guaranteed by the Government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Foreign securities	2022		2021	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Government debt securities				
Bahrain	11,821,622	B2, B+, CCC+ and below	8,536,487	B2 , B+
Egypt	3,672,732	B2 , B	4,048,872	B2 , B+
Indonesia	-	-	34,665	Baa2
Kenya	2,326,687	B2	1,844,430	B2
Maldives	26,497,708	CCC+ and below	19,491,121	B+ , CCC+ and below
Mauritius	4,450,149	Baa3	4,070,087	Baa1
Oman	3,207,091	Ba3, BB-	6,983,280	Ba3 , BB-
Singapore	11,751,254	AAA	3,135,166	AAA
South Africa	731,411	Ba2	584,325	Ba2
Sri Lanka	3,693,301	CCC+ and below	6,026,660	CCC+ and below
United Arab Emirates	40,847,053	Aa2, Baa3	6,670,158	Aa2 , B2, Baa3
United States of America	17,976,282	AAA	14,151,398	AAA , Ba3
	<u>126,975,290</u>		<u>75,576,649</u>	
Non-Government debt securities			2022	2021
			Cost / amortised cost	Cost / amortised cost
			(Rupees in '000)	(Rupees in '000)
Listed				
AAA			1,919,509	3,122,758
AA+, AA, AA-			-	884,574
BBB+, BBB, BBB-			1,157,511	915,705
BB+, BB, BB-			1,772,216	3,663,699
B+, B, B-			3,450,322	2,720,301
Unrated			1,065,339	2,121,069
			<u>9,364,897</u>	<u>13,428,106</u>
Equity securities - Unlisted			2022	2021
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
The Benefit Company, Bahrain	4,804	34,287	3,746	26,447
Credit Information Bureau, Sri Lanka	49	10,452	70	14,687
LankaClear (Private) Limited, Sri Lanka	308	7,182	437	8,860
SME Equity Fund Limited, Mauritius	2,601	2,404	2,065	1,909
	<u>7,762</u>	<u>54,325</u>	<u>6,318</u>	<u>51,903</u>
National Investment Unit Trust units - Listed			2022	2021
			Cost	Cost
			(Rupees in '000)	(Rupees in '000)
			11,113	11,113
Real Estate Investment Trust units - Listed			55,000	55,000
Real Estate Investment Trust units - Unlisted			2022	2021
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
TPL REIT Management Company Limited	1,575,000	2,262,423	-	-

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	2022		2021	
	Cost (Rupees in '000)			
Preference shares - Listed				
Chemicals			700,000	700,000
Textile Composite			44,400	44,400
			<u>744,400</u>	<u>744,400</u>
Preference shares - Unlisted	2022		2021	
	Cost	Breakup value	Cost	Breakup value
	----- (Rupees in '000) -----			
Finja Inc	176,985	30,712	176,985	26,910
Healthwire Pvt Ltd	178,000	38,480	-	-
	<u>354,985</u>	<u>69,192</u>	<u>176,985</u>	<u>26,910</u>
8.11 Particulars of held-to-maturity securities are as follows:			2022	2021
			Cost / amortised cost	
			(Rupees in '000)	
Federal Government securities - Government guaranteed				
Market Treasury Bills			109,068,345	397,178
Pakistan Investment Bonds			232,170,109	285,685,656
Government of Pakistan US Dollar Bonds			5,265,790	-
Other Federal Government securities - Bai Muajjal with Government of Pakistan			-	10,794,000
			<u>346,504,244</u>	<u>296,876,834</u>
Non-Government debt securities				
Listed				
AAA			-	1,000,000
AA+, AA, AA-			1,249,850	881,636
A+, A, A-			483,592	483,786
			<u>1,733,442</u>	<u>2,365,422</u>
Unlisted				
AAA			14,856,052	14,367,227
AA+, AA, AA-			149,730	4,652,708
A+, A, A-			1,050,000	1,075,000
Unrated			2,246,209	2,756,900
			<u>18,301,991</u>	<u>22,851,835</u>
Foreign securities	2022		2021	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Government debt securities				
Bahrain	1,204,012	CCC+ and below	942,978	B2
Bangladesh	9,659,351	Ba3	9,201,113	Ba3
Oman	1,931,607	BB-	2,464,286	BB-
Sri Lanka	1,570,103	CCC+ and below	2,064,512	CCC+ and below
	<u>14,365,073</u>		<u>14,672,889</u>	
Non-Government debt securities			2022	2021
			Cost / amortised cost	
			(Rupees in '000)	
Listed				
Unrated			161,426	285,954
Unlisted				
A+, A, A-			308,100	616,100

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8.12 Summary of financial information of associates and joint venture

2022								
	Based on the annual / interim financial statements as on	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total compre- hensive income / (loss)
------(Rupees in '000)-----								
Diamond Trust Bank Kenya Limited	September 30, 2022	Kenya	16.15%	931,967,221	788,726,664	79,991,004	8,367,192	10,931,684
Himalayan Bank Limited	October 17, 2022	Nepal	20.00%	364,889,717	323,548,766	35,126,532	4,266,090	4,234,752
Kyrgyz Investment and Credit Bank	December 31, 2022	Kyrgyzstan	18.00%	125,991,587	104,107,720	11,125,792	2,345,277	2,155,369
Jubilee General Insurance Company Limited	September 30, 2022	Pakistan	19.80%	32,639,326	22,420,262	7,495,243	1,388,016	1,345,936
Jubilee Life Insurance Company Limited	September 30, 2022	Pakistan	18.52%	187,908,746	174,500,925	103,512,855	2,068,559	2,160,966
HBL Cash Fund	December 31, 2022	Pakistan	0.35%	45,770,876	168,771	4,566,173	4,310,643	4,310,643
HBL Financial Sector Income Fund - Plan-1	December 31, 2022	Pakistan	0.24%	32,685,118	3,024,997	4,528,395	4,218,626	4,218,626
HBL FPF Active Allocation Plan	December 31, 2022	Pakistan	67.57%	67,050	233	(6,556)	(7,176)	(7,176)
HBL FPF Conservative Allocation Plan	December 31, 2022	Pakistan	88.07%	34,998	105	1,228	503	503
HBL IFPF Active Allocation Plan	December 31, 2022	Pakistan	64.74%	100,715	326	2,379	1,491	1,491
HBL Investment Fund Class A	December 31, 2022	Pakistan	17.13%	1,837,058	4,588	146,036	96,136	96,136
HBL Multi Asset Fund	December 31, 2022	Pakistan	34.58%	110,021	7,355	(16,936)	(22,912)	(22,912)
HBL Total Treasury Exchange Traded fund	December 31, 2022	Pakistan	8.58%	523,730	1,271	24,213	22,459	22,459
2021								
	Based on the annual / interim financial statements as on	Country of incorpora-tion	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total compre- hensive income / (loss)
------(Rupees in '000)-----								
Diamond Trust Bank Kenya Limited	September 30, 2021	Kenya	16.15%	678,549,291	562,179,237	57,206,890	6,017,880	7,526,089
Himalayan Bank Limited	October 17, 2021	Nepal	20.00%	283,389,638	251,046,954	17,475,451	4,427,888	4,481,822
Kyrgyz Investment and Credit Bank	December 31, 2021	Kyrgyzstan	18.00%	78,046,080	65,156,266	5,286,272	577,934	577,934
Jubilee General Insurance Company Limited	September 30, 2021	Pakistan	19.80%	26,220,342	17,095,863	7,232,221	1,690,914	1,314,157
Jubilee Life Insurance Company Limited	September 30, 2021	Pakistan	18.52%	189,325,733	176,813,548	91,328,256	2,134,247	2,035,682
HBL Cash Fund	December 31, 2021	Pakistan	0.07%	52,692,219	9,180,221	2,367,337	2,311,724	2,311,724
HBL Energy Fund	December 31, 2021	Pakistan	33.74%	629,815	24,173	(44,284)	(72,031)	(72,031)
HBL Equity Fund	December 31, 2021	Pakistan	34.73%	1,692,510	119,341	(282,179)	(357,896)	(357,896)
HBL FPF Conservative Allocation Plan	December 31, 2021	Pakistan	27.58%	72,326	84	2,050	1,728	1,728
HBL Income Fund	December 31, 2021	Pakistan	6.09%	3,868,048	39,870	301,615	263,243	263,243
HBL Investment Fund Class A	December 31, 2021	Pakistan	17.13%	2,119,110	5,105	174,306	113,028	276,157
HBL Investment Fund Class B	December 31, 2021	Pakistan	36.81%	1,307,720	152,089	(55,577)	(88,749)	(88,749)
HBL Islamic Asset Allocation Fund	December 31, 2021	Pakistan	41.09%	373,545	3,134	19,737	12,564	12,564
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	30.26%	180,706	1,459	(5,294)	(9,974)	(9,974)
HBL Islamic Stock Fund	December 31, 2021	Pakistan	42.55%	659,403	19,134	(38,985)	(66,014)	(66,014)
HBL Money Market Fund	December 31, 2021	Pakistan	2.54%	21,794,347	4,427,380	1,035,022	1,005,047	1,005,047
HBL Multi Asset Fund	December 31, 2021	Pakistan	44.34%	206,605	7,768	3,640	756	756
HBL Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	39.28%	197,817	1,180	(8,009)	(13,415)	(13,415)
HBL Stock Fund	December 31, 2021	Pakistan	46.23%	575,694	51,369	(12,722)	(38,655)	(38,655)

8.12.1 The Group has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of Parent's holding in these entities.

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8.13 Investment in associates and Joint venture	Opening balance	Investment made	Investment redeemed	Share of profit / (loss) - net of tax	Movement in share of surplus / deficit on investments - net of tax	Share of other comprehensive income / (loss) - net of tax	Exchange translation impact	Dividend received	Closing balance
	----- (Rupees in '000) -----								
Diamond Trust Bank Kenya Limited	17,540,846	-	-	1,351,424	(800,166)	643,932	3,071,194	(229,883)	21,577,347
Himalayan Bank Limited, Nepal	6,297,914	-	-	853,218	(11,169)	4,902	1,004,187	-	8,149,052
Kyrgyz Investment and Credit Bank, Kyrgyz Republic	2,404,885	-	-	422,150	-	(34,183)	789,912	-	3,582,764
Jubilee General Insurance Company Limited	3,352,939	-	-	274,874	(38,240)	14,693	-	(157,231)	3,447,035
Jubilee Life Insurance Company Limited	2,408,901	-	-	383,037	9,879	7,232	-	(234,301)	2,574,748
HBL Cash Fund	29,958	378,745	(251,408)	13,382	-	-	-	(10,288)	160,389
HBL Financial Sector Income Fund - Plan-1	-	563,517	(496,620)	18,425	-	-	-	(13,550)	71,772
HBL FPF Active Allocation Plan	-	45,000	-	151	-	-	-	-	45,151
HBL FPF Conservative Allocation Plan	19,922	10,001	-	807	-	-	-	-	30,730
HBL IFPF Active Allocation Plan	-	65,000	-	(3)	-	-	-	-	64,997
HBL Investment Fund Class A	295,807	-	-	16,460	(64,679)	-	-	-	247,588
HBL Multi Asset Fund	88,166	35,000	(77,444)	(10,223)	-	-	-	-	35,499
HBL Total Treasury Exchange Traded fund	-	42,547	-	2,278	-	-	-	-	44,825
HBL Investment Fund Class B	425,396	-	(318,605)	(106,791)	-	-	-	-	-
HBL Islamic Asset Allocation Fund	152,215	-	(149,219)	(2,996)	-	-	-	-	-
HBL Islamic Money Market Fund	-	1,542	(1,542)	49	-	-	-	(49)	-
HBL Islamic Pension Fund - Equity Sub Fund	54,242	-	(45,470)	(8,772)	-	-	-	-	-
HBL Islamic Stock Fund	272,461	-	(228,943)	(43,518)	-	-	-	-	-
HBL Money Market Fund	441,133	141,000	(583,302)	44,051	-	-	-	(42,882)	-
HBL Pension Fund - Equity Sub Fund	77,241	-	(63,955)	(13,286)	-	-	-	-	-
HBL Stock Fund	242,375	-	(195,956)	(46,419)	-	-	-	-	-
HBL Energy Fund	204,320	-	(196,232)	(8,088)	-	-	-	-	-
HBL Equity Fund	546,404	-	(389,297)	(157,107)	-	-	-	-	-
HBL Income Fund	233,235	670,957	(923,307)	45,350	-	-	-	(26,235)	-
	<u>35,088,360</u>	<u>1,953,309</u>	<u>(3,921,300)</u>	<u>3,028,453</u>	<u>(904,375)</u>	<u>636,576</u>	<u>4,865,293</u>	<u>(714,419)</u>	<u>40,031,897</u>

2021

Investment in associates and Joint venture	Opening balance	Investment made	Investment redeemed	Share of profit / (loss) - net of tax	Movement in share of surplus / deficit on investments - net of tax	Share of other comprehensive income / (loss) - net of tax	Exchange translation impact	Dividend received	Closing balance
	----- (Rupees in '000) -----								
Diamond Trust Bank Kenya Limited	15,290,562	-	-	971,976	(2,441)	246,039	1,034,710	-	17,540,846
Himalayan Bank Limited, Nepal	5,047,043	-	-	885,578	8,613	2,174	499,687	(145,181)	6,297,914
Kyrgyz Investment and Credit Bank, Kyrgyz Republic	2,083,544	-	-	104,028	-	-	217,313	-	2,404,885
Jubilee General Insurance Company Limited	3,230,270	-	-	334,858	(74,862)	251	-	(137,578)	3,352,939
Jubilee Life Insurance Company Limited	2,298,572	-	-	395,199	(21,542)	3,291	-	(266,619)	2,408,901
HBL Cash Fund	302,279	442,146	(715,099)	8,169	-	-	-	(7,537)	29,958
HBL FPF Conservative Allocation Plan	-	20,000	-	(78)	-	-	-	-	19,922
HBL IFPF Active Allocation Plan	-	21,611	(18,617)	(2,994)	-	-	-	-	-
HBL Investment Fund Class A	339,680	-	-	19,358	(63,231)	-	-	-	295,807
HBL Multi Asset Fund	89,564	-	-	289	-	-	-	(1,687)	88,166
HBL Investment Fund Class B	459,158	-	-	(33,762)	-	-	-	-	425,396
HBL Islamic Asset Allocation Fund	156,744	-	(5,947)	5,209	-	-	-	(3,791)	152,215
HBL Islamic Pension Fund - Equity Sub Fund	55,789	-	-	(1,547)	-	-	-	-	54,242
HBL Islamic Stock Fund	297,457	-	-	(24,996)	-	-	-	-	272,461
HBL Money Market Fund	435,488	5,000	(5,127)	33,557	-	-	-	(27,785)	441,133
HBL Pension Fund - Equity Sub Fund	81,245	-	-	(4,004)	-	-	-	-	77,241
HBL Stock Fund	896,170	11,000	(661,611)	(3,184)	-	-	-	-	242,375
HBL Energy Fund	223,898	-	-	(19,578)	-	-	-	-	204,320
HBL Equity Fund	128,085	675,000	(146,666)	(110,015)	-	-	-	-	546,404
HBL Income Fund	224,634	-	-	19,401	-	-	-	(10,800)	233,235
HBL IFPF Conservative Allocation Plan	-	55,000	(55,165)	165	-	-	-	-	-
HBL Islamic Equity Fund	30,624	-	(30,810)	186	-	-	-	-	-
HBL Islamic Money Market Fund	127,557	126,031	(253,653)	7,780	-	-	-	(7,715)	-
	<u>31,798,363</u>	<u>1,355,788</u>	<u>(1,892,695)</u>	<u>2,585,595</u>	<u>(153,463)</u>	<u>251,755</u>	<u>1,751,710</u>	<u>(608,693)</u>	<u>35,088,360</u>

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9	ADVANCES	Note	Performing		Non - performing		Total	
			2022	2021	2022	2021	2022	2021
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.	9.1	1,458,309,880	1,222,815,080	78,669,633	74,944,865	1,536,979,513	1,297,759,945
	Islamic financing and related assets	9.2	222,982,477	166,754,863	3,465,365	337,317	226,447,842	167,092,180
	Bills discounted and purchased		102,480,599	120,442,187	8,760,951	5,606,279	111,241,550	126,048,466
	Advances - gross		1,783,772,956	1,510,012,130	90,895,949	80,888,461	1,874,668,905	1,590,900,591
	Provision against advances							
	- Specific	9.5	-	-	(78,259,477)	(72,845,186)	(78,259,477)	(72,845,186)
	- General		(13,911,505)	(11,008,308)	-	-	(13,911,505)	(11,008,308)
			(13,911,505)	(11,008,308)	(78,259,477)	(72,845,186)	(92,170,982)	(83,853,494)
	Advances - net of provision		1,769,861,451	1,499,003,822	12,636,472	8,043,275	1,782,497,923	1,507,047,097

9.1 This includes net investment in finance lease as disclosed below:

	2022				2021			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
----- (Rupees in '000) -----								
Total minimum lease payments	2,384,911	33,158,972	17,424,154	52,968,037	1,836,268	26,623,340	24,570,974	53,030,582
Financial charges for future periods	(242,212)	(5,941,536)	(4,891,260)	(11,075,008)	(286,458)	(4,363,882)	(6,435,784)	(11,086,124)
Net investment in finance lease	2,142,699	27,217,436	12,532,894	41,893,029	1,549,810	22,259,458	18,135,190	41,944,458

9.2 Information related to Islamic financing and related assets is given in note 3 of Annexure I to these consolidated financial statements.

9.3	Particulars of advances (Gross)	2022	2021
		(Rupees in '000)	
	In local currency	1,488,734,283	1,222,102,342
	In foreign currencies	385,934,622	368,798,249
		1,874,668,905	1,590,900,591

9.4 Advances include Rs 90,895.949 million (2021: Rs 80,888.461 million) which have been placed under non-performing status as detailed below:

Category of classification	2022		2021	
	Non-performing advances	Provision	Non-performing advances	Provision
----- (Rupees in '000) -----				
Domestic				
Other assets especially mentioned	1,100,155	16,962	676,362	3,379
Substandard	7,126,275	1,804,524	2,919,319	711,251
Doubtful	3,096,265	1,467,672	2,566,040	1,286,243
Loss	42,212,390	41,504,116	43,406,758	42,415,330
	53,535,085	44,793,274	49,568,479	44,416,203
Overseas				
Not past due but impaired	114,816	65,731	1,411,443	611,553
Overdue by:				
Upto 90 days	46,595	12,056	29,965	-
91 to 180 days	1,180,167	295,610	17,181	14,815
181 to 365 days	31,666	13,555	2,312,907	1,929,459
> 365 days	35,987,620	33,079,251	27,548,486	25,873,156
	37,360,864	33,466,203	31,319,982	28,428,983
Total	90,895,949	78,259,477	80,888,461	72,845,186

9.5	Particulars of provision against advances	Note	2022		2021	
			Specific	General	Specific	General
----- (Rupees in '000) -----						
	Opening balance		72,845,186	11,008,308	83,853,494	70,835,763
	Exchange adjustment		7,453,225	691,606	8,144,831	2,670,248
	Charge for the year		10,153,742	3,341,192	13,494,934	12,415,018
	Reversal for the year		(6,421,672)	(1,129,601)	(7,551,273)	(4,492,724)
	Net charge / (reversal) against advances		3,732,070	2,211,591	5,943,661	7,922,294
	Charged off during the year -					
	agriculture financing	9.8	(582,438)	-	(582,438)	(532,280)
	Written off during the year	9.9	(5,333,549)	-	(5,333,549)	(8,050,839)
	Transferred out		(67,880)	-	(67,880)	-
	Other movement		212,863	-	212,863	-
	Closing balance		78,259,477	13,911,505	92,170,982	72,845,186

9.5.1	Particulars of provision against advances	2022			2021		
		Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----							
	In local currency	43,083,180	10,194,168	53,277,348	43,420,856	8,335,552	51,756,408
	In foreign currencies	35,176,297	3,717,337	38,893,634	29,424,330	2,672,756	32,097,086
		78,259,477	13,911,505	92,170,982	72,845,186	11,008,308	83,853,494

9.6 General provision includes provision amounting to Rs 3,307.203 million (2021: Rs 2,753.209 million) against consumer finance portfolio and Rs 852.560 million (2021: Rs 577.903 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 3,717.337 million (2021: Rs 2,672.756 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates. General provision also includes Rs 6,034.405 million (2021: Rs 5,004.440 million) carried as a matter of prudence, on account of borrowers impacted by the currently stressed economic conditions.

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9.7 Exposure amounting to 2,958.414 million relating to Power Holding (Pvt.) Limited is government guaranteed and therefore, has not been classified as non-performing, pursuant to a relaxation given by SBP under circular letter no BPRD/BRD (FD)/ 2023/135.

9.8 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	2022 (Rupees in '000)	2021
9.9 Particulars of write offs			
9.9.1 Against provisions	9.5	5,333,549	8,050,839
Directly charged to the profit and loss account	31	-	81,069
Against charge-off		-	442
	9.9.2	<u>5,333,549</u>	<u>8,132,350</u>
9.9.2 Analysis of write offs			
Write offs of amounts of Rs. 500,000 and above			
- Domestic		1,346,223	2,315,683
- Domestic subsidiaries		-	59,087
	9.10.1	1,346,223	2,374,770
- Overseas	9.10.2	1,154,890	4,147,620
		2,501,113	6,522,390
Write offs of amounts below Rs. 500,000		2,832,436	1,609,960
		<u>5,333,549</u>	<u>8,132,350</u>

9.10 Details of written off advances of Rs 500,000 and above

9.10.1 The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2022 is given in Annexure II to these consolidated financial statements.

9.10.2 These include write offs or financial relief allowed to borrowers in those countries where there are disclosure restrictions.

	Note	2022 (Rupees in '000)	2021
10 FIXED ASSETS			
Capital work-in-progress	10.1	7,875,227	7,803,605
Property and equipment	10.2	105,996,430	90,872,737
		<u>113,871,657</u>	<u>98,676,342</u>
10.1 Capital work-in-progress			
Civil works		2,485,167	4,375,253
Equipment		1,211,929	310,830
Advances to suppliers and contractors		4,178,131	3,117,522
		<u>7,875,227</u>	<u>7,803,605</u>
10.2 Property and equipment			

	2022										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets - Building	Total
	(Rupees in '000)										
At January 1, 2022											
Cost / revalued amount	872,670	34,320,702	787,206	17,854,067	3,701,948	11,155,114	5,689,084	28,951,875	1,402,369	28,799,739	133,534,774
Accumulated depreciation	-	-	(257,450)	(386,899)	(1,278,698)	(7,393,926)	(3,306,357)	(20,257,955)	(802,571)	(8,978,181)	(42,662,037)
Net book value	872,670	34,320,702	529,756	17,467,168	2,423,250	3,761,188	2,382,727	8,693,920	599,798	19,821,558	90,872,737
Additions	-	2,920,775	683	2,548,894	175,367	5,356,392	1,351,540	6,873,802	165,247	6,628,657	26,021,357
Surplus transferred from non-banking assets	-	79,789	-	-	-	-	-	-	-	-	79,789
Disposals	-	-	-	-	(4)	(7,591)	(2,709)	(9,789)	(2,954)	(74,831)	(97,878)
Depreciation charge	-	-	(138,847)	(385,837)	(375,194)	(1,473,163)	(785,464)	(4,424,477)	(199,512)	(3,978,154)	(11,760,648)
Exchange rate adjustments	153,705	-	34,259	4,582	-	69,678	31,088	82,553	18,971	421,558	816,394
Transfers	-	-	-	-	33,792	224	-	87,154	-	-	121,170
Other adjustments	-	-	38,423	-	(1,668)	(32,753)	(55,557)	(4,511)	133	(558)	(56,491)
Closing net book value	<u>1,026,375</u>	<u>37,321,266</u>	<u>464,274</u>	<u>19,634,807</u>	<u>2,255,543</u>	<u>7,673,975</u>	<u>2,921,625</u>	<u>11,298,652</u>	<u>581,683</u>	<u>22,818,230</u>	<u>105,996,430</u>
At December 31, 2022											
Cost / revalued amount	1,026,375	37,321,266	767,370	20,410,662	3,938,142	16,829,105	6,991,658	35,382,560	1,573,334	35,321,191	159,561,663
Accumulated depreciation	-	-	(303,096)	(775,855)	(1,682,599)	(9,155,130)	(4,070,033)	(24,083,908)	(991,651)	(12,502,961)	(53,565,233)
Net book value	<u>1,026,375</u>	<u>37,321,266</u>	<u>464,274</u>	<u>19,634,807</u>	<u>2,255,543</u>	<u>7,673,975</u>	<u>2,921,625</u>	<u>11,298,652</u>	<u>581,683</u>	<u>22,818,230</u>	<u>105,996,430</u>
Rate of depreciation (%)	-	-	3 - 5	1.67 - 4	10	10 - 20	10 - 20	10 - 33	10 - 20	2.5 - 100	

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	2021										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets - Building	Total
	(Rupees in '000)										
At January 1, 2021											
Cost / revalued amount	818,631	33,920,702	841,418	17,569,518	3,643,428	9,263,184	4,948,100	28,305,688	1,261,856	23,674,564	124,247,089
Accumulated depreciation	-	-	(279,116)	(14,975)	(889,212)	(6,385,921)	(2,652,438)	(19,937,859)	(718,080)	(6,818,708)	(37,696,309)
Net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856	86,550,780
Additions	-	400,000	2,068	281,975	93,050	1,984,214	762,343	4,584,991	233,849	6,129,155	14,471,645
Disposals	-	-	-	-	(1,368)	(7,896)	(6,892)	(17,985)	(15,101)	(1,911)	(51,153)
Depreciation charge	-	-	(91,827)	(370,665)	(416,316)	(1,078,498)	(672,253)	(4,173,196)	(166,437)	(3,384,774)	(10,353,966)
Write off	-	-	-	-	(7,425)	(9,159)	(9,826)	(99,863)	(130)	-	(126,403)
Exchange rate adjustments	54,039	-	12,369	1,580	-	36,286	16,253	36,813	2,347	223,344	383,031
Other adjustments / transfers	-	-	44,844	(265)	1,093	(41,022)	(2,560)	(4,669)	1,494	(112)	(1,197)
Closing net book value	872,670	34,320,702	529,756	17,467,168	2,423,250	3,761,188	2,382,727	8,693,920	599,798	19,821,558	90,872,737
At December 31, 2021											
Cost / revalued amount	872,670	34,320,702	787,206	17,854,067	3,701,948	11,155,114	5,689,084	28,951,875	1,402,369	28,799,739	133,534,774
Accumulated depreciation	-	-	(257,450)	(386,899)	(1,278,698)	(7,393,926)	(3,306,357)	(20,257,955)	(802,571)	(8,978,181)	(42,662,037)
Net book value	872,670	34,320,702	529,756	17,467,168	2,423,250	3,761,188	2,382,727	8,693,920	599,798	19,821,558	90,872,737
Rate of depreciation (%)	-	-	3 - 5	1.67 - 4	10	10 - 20	10 - 20	10 - 33	10 - 20	2.5 - 100	

10.2.1 With effect from January 2022, the estimated useful life of POS terminals has been revised from 3 years to 4 years which is more reflective of the consumption pattern of these assets. The effect of this change on depreciation expense in the current year and the next year is as follows:

	2023 (Rupees in '000)	2022 (Rupees in '000)
Decrease in information technology expenses - depreciation	61,301	87,900

10.3 Revaluation of properties

The properties of the Group were last revalued by independent professional valuers as at December 31, 2020. The revaluation was carried out by M/s Iqbal A. Nanjee & Co. (Private) Limited (Pakistan), M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Private) Limited (Sri Lanka), M/s AKTIF Real Estate Appraisal and Consultancy Inc. (Turkey), M/s Al-Amrousiya Real Estate (Lebanon), M/s Shepherd Commercial (UK) and M/s AJP Chartered Surveyors Limited (UK) on the basis of assessment of then present market values. The revaluation resulted in an increase of Rs 6,837.413 million in the surplus. The total surplus arising against revaluation of fixed assets as at December 31, 2022 amounts to Rs 28,854.702 million.

10.4 Had there been no periodic revaluations, the carrying amounts of revalued assets would have been as follows:

	2022 (Rupees in '000)	2021 (Rupees in '000)
Freehold land	636,113	482,409
Leasehold land	13,338,443	10,417,668
Building on freehold land	177,147	206,558
Building on leasehold land	15,440,317	13,180,731
	<u>29,592,020</u>	<u>24,287,366</u>

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets to related parties is given in Annexure III of these consolidated financial statements.

10.6 The carrying amount of fixed assets held for disposal amounted to Rs 4.490 million (2021: Rs 4.652 million).

10.7 The cost of fully depreciated fixed assets that are still in the Group's use is as follows:

	Note	2022 (Rupees in '000)	2021 (Rupees in '000)
Leasehold improvements		4,094,077	3,750,735
Furniture and fixtures		1,047,406	897,582
Electrical, office and computer equipment		12,152,737	8,678,305
Vehicles		272,130	254,777
Machinery		282,831	-
		<u>17,849,181</u>	<u>13,581,399</u>

11 INTANGIBLE ASSETS

Capital work-in-progress - computer software		5,209,404	2,056,072
Intangible assets	11.1	<u>13,212,796</u>	<u>10,574,403</u>
		<u>18,422,200</u>	<u>12,630,475</u>

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11.1 Intangible Assets

	2022				2021			
	Computer Software	Management Rights (note 11.3.2)	Goodwill (note 11.3)	Total	Computer Software	Management Rights	Goodwill	Total
	------(Rupees in '000)-----							
At January 1,								
Cost	10,458,081	2,367,577	3,296,413	16,122,071	7,826,687	2,367,577	3,051,663	13,245,927
Accumulated amortisation	(5,547,668)	-	-	(5,547,668)	(4,453,586)	-	-	(4,453,586)
Net book value	4,910,413	2,367,577	3,296,413	10,574,403	3,373,101	2,367,577	3,051,663	8,792,341
Purchased during the year	4,108,237	-	-	4,108,237	2,565,809	-	-	2,565,809
Disposal / Write-off	-	-	-	-	(11,475)	-	-	(11,475)
Amortisation charge	(1,852,350)	-	-	(1,852,350)	(1,061,035)	-	-	(1,061,035)
Exchange rate adjustments	73,651	-	429,394	503,045	42,924	-	244,750	287,674
Transfers	(121,170)	-	-	(121,170)	-	-	-	-
Other adjustments	631	-	-	631	1,089	-	-	1,089
Closing net book value	7,119,412	2,367,577	3,725,807	13,212,796	4,910,413	2,367,577	3,296,413	10,574,403
At December 31,								
Cost	14,606,785	2,367,577	3,725,807	20,700,169	10,458,081	2,367,577	3,296,413	16,122,071
Accumulated amortisation	(7,487,373)	-	-	(7,487,373)	(5,547,668)	-	-	(5,547,668)
Net book value	7,119,412	2,367,577	3,725,807	13,212,796	4,910,413	2,367,577	3,296,413	10,574,403
Rate of amortisation (%)	10 - 33.33	-	-		10 - 33.33	-	-	
Useful life (years)	3 - 10	-	-		3 - 10	-	-	

11.2 The cost of fully amortised intangible assets that are still in the Group's use amounted to Rs 3,060.400 million (2021: Rs 2,764.995 million).

	Note	2022	2021
		(Rupees in '000)	
11.3 Goodwill arising on acquisition of			
- HBL Bank UK Limited	11.3.1	3,370,300	2,940,906
- PICIC AMC	11.3.2	355,507	355,507
		<u>3,725,807</u>	<u>3,296,413</u>

11.3.1 The carrying value of goodwill is determined in accordance with IFRS 3 - Business Combinations and IAS 36 - Impairment of Assets. Goodwill arose on the acquisition of Habibsons Bank Limited in 2011 and represents the excess of the purchase consideration over the fair value of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

Goodwill is allocated to the Wealth Management cash generating unit (CGU) which is the segment that is expected to benefit from the synergies of the acquisition. Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill is considered to be impaired if the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount is calculated as the higher of the CGU's value-in-use (VIU) and its fair value less costs to sell.

The recoverable value of goodwill was determined based on VIU calculations. VIU is calculated as the present value of the CGU's approved pre-tax cash flows, covering a period of five years and a terminal value based on a perpetuity, calculated using long-term GDP growth rates. All cash flows are discounted using a discount rate which reflects the risks appropriate to the CGU. As at December 31, 2022, the recoverable value of the CGU exceeds its carrying amount.

The following table sets out the key assumptions which were used for the determination of the value-in-use of goodwill. These are consistent with industry forecasts and are management's best estimates of the future performance of the segment.

	2022	2021
Advances growth rate	20.43%	29.92%
Yield on advances	3.94%	2.89%
Yield on surplus funds	2.78%	1.88%
Deposits growth rate	11.52%	6.12%
Cost of deposits	0.54%	0.22%
Long term weighted average growth rate	1.93%	3.26%
Pre-tax discount rate	8.81%	9.96%

11.3.2 The carrying value of goodwill and management rights is determined in accordance with IFRS 3 - Business Combinations and IAS 36 - Impairment of Assets. Goodwill and management rights arose on the acquisition of PICIC Asset Management Limited by HBL Asset Management Limited (HBL AMC) in 2016. Management rights represent the present value of the income stream from the rights to manage the acquired funds. Goodwill represents the excess of the purchase consideration over the fair value of the tangible and intangible assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

The funds under management acquired from PICIC have been considered as one cash generating unit (CGU). Goodwill and management rights are tested annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill and management rights are considered to be impaired if the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount for both goodwill and management rights is calculated as the higher of the CGU's value-in-use (VIU) and its fair value less costs to sell.

The recoverable value was determined based on VIU calculations. VIU is calculated as the present value of the CGU's approved pre-tax cash flows, covering a period of ten years and a terminal value based on a perpetuity, calculated using long-term GDP growth rates. All cash flows are discounted using a discount rate which reflects the risks appropriate to the CGU. As at December 31, 2022, the recoverable value of the CGU exceeds its carrying amount.

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	2022	2021
Pre-tax discount rate	17.20%	16.40%
AUMs growth rate	4.3% to 57.5%	-7.0% to 64.6%
Terminal growth rate	9.00%	9.50%

11.3.3 With effect from January 2022, the estimated useful life of certain intangibles in the Bank's China branches has been revised from 3 years to 10 years. The effect of this change on amortisation expense in the current year and the next year is as follows:

	Note	2023 (Rupees in '000)	2022 (Rupees in '000)
Decrease in computer software expenses - amortisation		23,250	23,250

12 DEFERRED TAX ASSETS / (LIABILITIES)

Deductible temporary differences on

- Tax losses of subsidiary		1,365,221	431,976
- Provision against investments		978,286	766,916
- Provision against doubtful debts and off-balance sheet obligations		3,980,486	3,721,755
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,720,200	2,586,450
- Deficit on revaluation of investments	20	18,905,177	1,309,052
- Deficit on revaluation of investments of associates	20	430,671	37,902
- Provision against other assets		5,855	15,342
- Ijarah financing		187,390	156,250
		28,573,286	9,025,643

Taxable temporary differences on

- Accelerated tax depreciation		(2,026,082)	(1,360,584)
- Surplus on revaluation of fixed assets	20	(1,927,095)	(1,777,800)
- Surplus on revaluation of fixed assets of associates	20	(160,960)	(56,392)
- Management rights and goodwill		(336,761)	(288,014)
- Share of profit of associates		(9,015,553)	(7,328,089)
- Exchange translation reserve		(9,509,348)	(3,287,635)
- Others		199,558	(9,731)
		(22,776,241)	(14,108,245)

Net deferred tax assets / (liabilities)

5,797,045 (5,082,602)

12.1 Movement in temporary differences during the year

	Balance as at January 1, 2021	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2021	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2022
----- (Rupees in '000) -----							
Deductible temporary differences on							
- Tax losses of subsidiary	840,493	(441,402)	32,885	431,976	803,191	130,054	1,365,221
- Provision against investments	1,141,429	(399,508)	24,995	766,916	136,486	74,884	978,286
- Provision against doubtful debts and off-balance sheet obligations	4,109,075	(387,320)	-	3,721,755	258,731	-	3,980,486
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,940,800	645,650	-	2,586,450	133,750	-	2,720,200
- Deficit on revaluation of investments	(5,430,518)	-	6,739,570	1,309,052	-	17,596,125	18,905,177
- Deficit on revaluation of investments of associates	(21,949)	-	59,851	37,902	-	392,769	430,671
- Provision against other assets	45,062	(29,720)	-	15,342	(9,487)	-	5,855
- Deficit on revaluation of fixed assets	72,832	(72,832)	-	-	-	-	-
- Ijarah financing	199,225	(42,975)	-	156,250	31,140	-	187,390
Taxable temporary differences on							
- Accelerated tax depreciation	(1,667,333)	300,298	6,451	(1,360,584)	(498,495)	(167,003)	(2,026,082)
- Surplus on revaluation of fixed assets	(1,827,924)	50,124	-	(1,777,800)	55,048	(204,343)	(1,927,095)
- Surplus on revaluation of fixed assets of associates	(56,392)	-	-	(56,392)	-	(104,568)	(160,960)
- Management rights and goodwill	(237,741)	(50,273)	-	(288,014)	(48,747)	-	(336,761)
- Share of profit of associates	(6,728,003)	(600,086)	-	(7,328,089)	(1,687,464)	-	(9,015,553)
- Exchange translation reserve	(2,740,997)	-	(546,638)	(3,287,635)	-	(6,221,713)	(9,509,348)
- Others	(25,918)	(7,771)	23,958	(9,731)	(83,800)	293,089	199,558
Net deferred tax (liabilities) / assets	(10,387,859)	(1,035,815)	6,341,072	(5,082,602)	(909,647)	11,789,294	5,797,045

13 OTHER ASSETS	Note	2022 (Rupees in '000)	2021
Mark-up / return / profit / interest accrued in local currency - net of provision		83,907,812	52,719,955
Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,637,047	3,791,224
Advances, deposits, advance rent and other prepayments		4,886,327	3,825,328
Advance taxation		11,978,523	21,708,444
Advance against subscription of securities		228,514	178,000
Stationery and stamps on hand		167,574	181,671
Accrued fees and commissions		459,334	554,583
Due from Government of Pakistan / SBP		4,600,810	2,137,045
Mark to market gain on forward foreign exchange contracts		3,639,004	8,699,989
Mark to market gain on derivative instruments	22.2	546	251,603
Non-banking assets acquired in satisfaction of claims		232,109	459,389
Receivable from defined benefit plan	36.4.5	-	759,354
Acceptances		55,013,374	36,686,549
Clearing and settlement accounts		4,352,389	17,436,987
Dividend receivable		3,883	185,213
Claims receivable against fraud and forgeries		694,460	541,337
Others		2,109,609	1,628,410
		<u>178,911,315</u>	<u>151,745,081</u>
Provision held against other assets	13.2	<u>(1,791,891)</u>	<u>(1,243,645)</u>
Other assets - net of provision		177,119,424	150,501,436
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20.2	175,125	224,064
Other assets - total		<u><u>177,294,549</u></u>	<u><u>150,725,500</u></u>

13.1 Details of revaluation of non-banking assets acquired in satisfaction of claims

Market value of non-banking assets acquired in satisfaction of claims	<u>407,234</u>	<u>680,986</u>
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13.1.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2022. The revaluation was carried out by M/s Tristar International Consultant (Pvt) Ltd on the basis of an assessment of present market values and resulted in an increase in the surplus by Rs 30.850 million. The total surplus arising against revaluation of non-banking assets acquired in satisfaction of claims as at December 31, 2022 amounts to Rs 175.124 million (2021: Rs 224.064 million).

13.1.2 Non-banking assets acquired in satisfaction of claims	Note	2022 (Rupees in '000)	2021
Opening balance		680,986	639,379
Exchange adjustment		8,898	2,804
Addition during the year		-	189,876
Disposal during the year		-	(200,000)
Revaluation during the year	20.2	30,850	132,680
Transferred to fixed asset		(313,500)	(83,672)
Depreciation		(35)	(766)
Reversal of impairment		35	685
Closing balance		<u>407,234</u>	<u>680,986</u>

13.2 Provision held against other assets

Non-banking assets acquired in satisfaction of claims	-	2,467
Claims receivable against fraud and forgeries	694,460	541,337
Suit filed cases	4,979	4,800
Others	1,092,452	695,041
	<u>1,791,891</u>	<u>1,243,645</u>

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	2022	2021
	(Rupees in '000)	
13.2.1 Movement in provision against other assets		
Opening balance	1,243,645	1,127,909
Exchange adjustment	(7,806)	(17,808)
Charge for the year	661,462	741,684
Reversal for the year	(37,218)	(551,548)
Net charge	624,244	190,136
Written off during the year	(67,820)	(56,592)
Other movement	(372)	-
Closing balance	<u>1,791,891</u>	<u>1,243,645</u>
14 BILLS PAYABLE		
In Pakistan	50,221,548	42,793,433
Outside Pakistan	1,780,029	1,403,551
	<u>52,001,577</u>	<u>44,196,984</u>
15 BORROWINGS		
Secured		
Borrowings from the SBP under		
- Export refinance scheme	15.2 69,820,144	69,782,711
- Export refinance scheme for bill discounting	15.3 8,867,548	-
- Long term financing facility	15.4 42,068,296	32,529,493
- Financing facility for renewable energy power plants	15.5 7,168,301	6,805,470
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	15.6 312,545	241,788
- Refinance and credit guarantee scheme for women entrepreneurs	15.7 69,658	155,370
- Financing facility for storage of agricultural produce	15.8 601,918	333,349
- Refinance scheme for payment of wages and salaries	15.9 1,227,812	15,476,761
- Refinance facility for combating COVID-19	15.10 1,793,800	1,055,725
- Temporary economic refinance facility	15.11 34,998,333	26,010,138
- Refinance facility for SME Asaan Finance (SAAF)	15.12 2,272,423	-
	169,200,778	152,390,805
Repurchase agreement borrowings	15.14 284,971,485	140,193,364
	<u>454,172,263</u>	<u>292,584,169</u>
Unsecured		
- Call money borrowings	15.15 19,000,000	1,000,000
- Overdrawn nostro accounts	354,731	653,970
- Borrowings of overseas branches and subsidiaries	15.16 42,992,282	82,898,483
- Other long-term borrowings	15.17 67,252,123	59,121,383
	<u>129,599,136</u>	<u>143,673,836</u>
	<u>583,771,399</u>	<u>436,258,005</u>
15.1 Particulars of borrowings with respect to currencies		
In local currency	464,694,299	297,869,977
In foreign currencies	119,077,100	138,388,028
	<u>583,771,399</u>	<u>436,258,005</u>
15.2 These borrowings have been obtained from the SBP for extending export finance to customers. These carry mark-up at rates ranging from 11.00% to 12.00% per annum (2021: 1.00% to 2.00% per annum) and are due to mature latest by June 30, 2023.		
15.3 These borrowings have been obtained from the SBP for providing export bill discounting facilities to customers. These carry mark-up at rates ranging from 0.00% to 2.00% and are due to mature latest by June 30, 2023.		
15.4 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry mark-up at rates ranging from 11.00% to 12.00% per annum (2021: 2.00% to 8.60% per annum) and are due to mature latest by June 30, 2023.		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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- 15.5 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2021: 2.00% to 3.00% per annum) and are due to mature latest by June 3, 2034.
- 15.6 These borrowings have been obtained from the SBP under a scheme to finance the modernization of Small and Medium Enterprises. These carry mark-up at a rate of 2.00% per annum (2021: 2.00% per annum) and are due to mature latest by July 1, 2030.
- 15.7 These borrowings have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at a rate of 0.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by December 31, 2025.
- 15.8 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rates ranging from 2.00% to 3.25% per annum (2021: 2.00% to 3.50% per annum) and are due to mature latest by June 30, 2027.
- 15.9 These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry mark-up at rates ranging from 0.00% to 1.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by May 12, 2023.
- 15.10 These borrowings have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. The maximum financing under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months. These carry mark-up at a rate of 0.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by October 1, 2026.
- 15.11 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the COVID-19 pandemic. The maximum financing granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years. These carry mark-up at a rate of 1.00% per annum (2021: 1.00% per annum) and are due to mature latest by June 30, 2032.
- 15.12 These borrowings have been obtained from the SBP under a scheme to simplify and enhance lending to SMEs and to fulfill their financing requirements. These carry mark-up at a rate of 1.00% per annum and are due to mature latest by October 7, 2034.
- 15.13 For all SBP borrowings, the SBP has the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.
- 15.14 Repurchase agreement borrowings carry mark-up at rates ranging from 7.60% to 16.15% per annum (2021: 9.70% to 10.25% per annum) and are due to mature latest by December 20, 2023. The market value of securities given as collateral against these borrowings is given in note 8.2.2.
- 15.15 Call money borrowings carry mark-up at rates ranging from 13.50% to 16.10% per annum (2021: 10.05% per annum) and are due to mature latest by February 3, 2023.
- 15.16 Borrowings by overseas branches and subsidiaries carry mark-up at rates ranging from 0.90% to 16.25% per annum (2021: 0.10% to 8.58% per annum) and are due to mature latest by April 13, 2023.

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15.17 This includes the following:

- 15.17.1 A loan from the International Finance Corporation amounting to US\$ 99.990 million (2021: US\$ 150 million). The principal amount is payable in six semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% per annum (2021: LIBOR + 5.00% per annum) is payable semi-annually.
- 15.17.2 A long-term financing facility arrangement of US\$ 300 million from China Development Bank, utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 190 million (2021: US\$ 170.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Drawn amounts are payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 15.17.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 168.252 million (2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2021: 11.21% per annum) is payable semi-annually.
- 15.17.4 Mortgage refinancing facilities from PMRC, amounting to Rs 1,421.174 million (2021: Rs 1,082.977 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount is payable in quarterly installments from June 2020 to June 2031. Mark-up on these facilities ranges from 6.50% to 15.19% per annum (2021: 6.50% to 7.14% per annum) and is payable quarterly.

16 DEPOSITS AND OTHER ACCOUNTS

Note	2022			2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	1,141,355,935	244,789,722	1,386,145,657	952,815,913	210,488,971	1,163,304,884
Savings deposits	1,175,587,462	150,133,207	1,325,720,669	1,112,754,751	103,505,665	1,216,260,416
Term deposits	390,089,817	238,210,929	628,300,746	471,532,451	180,237,348	651,769,799
	2,707,033,214	633,133,858	3,340,167,072	2,537,103,115	494,231,984	3,031,335,099
Financial institutions						
Current deposits	7,546,037	3,335,737	10,881,774	5,101,313	2,272,365	7,373,678
Savings deposits	103,171,941	2,181,262	105,353,203	299,998,542	451,389	300,449,931
Term deposits	7,863,263	5,076,940	12,940,203	36,824,833	6,014,857	42,839,690
	118,581,241	10,593,939	129,175,180	341,924,688	8,738,611	350,663,299
16.2	<u>2,825,614,455</u>	<u>643,727,797</u>	<u>3,469,342,252</u>	<u>2,879,027,803</u>	<u>502,970,595</u>	<u>3,381,998,398</u>

16.1	Composition of deposits	2022	2021
		(Rupees in '000)	
	- Individuals	2,159,991,476	1,842,298,734
	- Government (Federal and Provincial)	198,818,634	197,465,425
	- Banking companies	23,070,050	11,684,140
	- Non-Banking Financial Institutions	106,105,130	338,979,159
	- Other public sector entities	214,673,341	221,489,701
	- Other private sector entities	766,683,621	770,081,239
		<u>3,469,342,252</u>	<u>3,381,998,398</u>

16.2 This includes deposits amounting to Rs 1,943,375.180 million (2021: Rs 1,689,010.499 million) which are eligible for coverage under insurance arrangements.

17	SUBORDINATED DEBT	Note	2022	2021
			(Rupees in '000)	
	Additional Tier I Term Finance Certificates	17.1	12,374,000	12,374,000
	Additional Tier I Term Finance Certificates	17.2	6,500,000	-
			<u>18,874,000</u>	<u>12,374,000</u>

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

The key features of the issue are as follows:

Issue Date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [2021: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

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

The key features of the issue are as follows:

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

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	Note	2022 (Rupees in '000)	2021
18 OTHER LIABILITIES			
Mark-up / return / profit / interest payable in local currency		17,933,842	10,014,802
Mark-up / return / profit / interest payable in foreign currency		5,930,381	2,589,051
Security deposits		1,567,333	909,334
Accrued expenses		24,050,020	20,870,306
Mark to market loss on forward foreign exchange contracts		2,489,440	7,337,247
Mark to market loss on derivative instruments	22.2	6,882,438	2,624,952
Unclaimed dividends		751,907	727,940
Dividends payable		3,811,676	1,327,763
Provision for post retirement medical benefits	36.4.5	3,522,518	4,557,833
Provision for employees' compensated absences	36.4.5	762,192	2,177,565
Provision for staff retirement benefits		1,563,256	1,251,289
Payable to defined benefit plans	36.4.5 & 36.1.6	841,326	437,648
Provision against off-balance sheet obligations	18.1	1,633,326	2,687,054
Acceptances		55,013,374	36,686,549
Branch adjustment account		3,035,551	827,848
Provision for Workers' Welfare Fund	29	9,151,021	7,735,706
Unearned income		4,780,489	4,452,650
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		13,362,266	7,690,809
Insurance payable		1,067,263	1,235,949
Provision for rewards program expenses		2,384,689	1,748,370
Liability against trading of securities		22,768,986	3,701,035
Clearing and settlement accounts		12,068,106	4,221,476
Payable to HBL Foundation		515,961	405,576
Contingent consideration payable		500,000	500,000
Charity fund		25,121	44,724
Lease liability against right-of-use asset		27,079,479	22,307,342
Unclaimed deposits		528,656	348,609
Others		5,436,043	4,114,518
		<u>229,795,069</u>	<u>153,872,354</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		2,687,054	1,138,648
Exchange adjustment		277,857	(38,031)
Charge for the year		150,910	1,616,293
Reversal for the year		(1,482,495)	(75,785)
Net (reversal) / charge		(1,331,585)	1,540,508
Written off during the year		-	(1,653)
Transferred (out) / in		-	47,582
Closing balance		<u>1,633,326</u>	<u>2,687,054</u>
19 SHARE CAPITAL			
19.1 Authorised capital			
	2022	2021	
	Number of shares in '000		
	<u>2,900,000</u>	<u>2,900,000</u>	Ordinary shares of Rs 10 each
	<u>29,000,000</u>	<u>29,000,000</u>	
19.2 Issued, subscribed and paid-up capital			
	2022	2021	
	Number of shares in '000		
	690,000	690,000	Ordinary shares of Rs 10 each
	690,000	690,000	Fully paid in cash
	<u>776,852</u>	<u>776,852</u>	Issued as bonus shares
	<u>1,466,852</u>	<u>1,466,852</u>	
	<u>14,668,525</u>	<u>14,668,525</u>	

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19.3 Major shareholders (holding more than 5% of total paid-up capital)	2022		2021	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Name of shareholder				
Aga Khan Fund for Economic Development	748,094,778	51.00%	748,094,778	51.00%

19.4 Shares of the Bank held by associated companies	2022	2021
	(Number of shares)	
Jubilee General Insurance Company Limited	4,270,000	4,270,000
Jubilee Life Insurance Company Limited	33,246,975	33,246,975
HBL Equity Fund	-	1,067,000
HBL Investment Fund Class B	173,998	692,395
HBL Multi Asset Fund	-	143,271
HBL Stock Fund	137,500	364,004
HBL Income Fund	940,747	522,069
HBL Pension Fund- Equity Sub Fund	-	131,500
HBL Financial Sector Income Fund - Plan-1	1,028,289	-

19.5 Statutory reserve

Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Accordingly, the Bank transfers 10% of its profit after tax every year to the statutory reserve.

19.6 Exchange translation reserve

This comprises of all foreign currency differences arising from the translation of the net investment in foreign branches, associates, joint venture and subsidiaries.

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Note	2022			2021		
	Attributable to			Attributable to		
	Equity holders	Non-controlling interest	Total	Equity holders	Non-controlling interest	Total
(Rupees in '000)						
Surplus / (deficit) arising on revaluation of:						
- Fixed assets	28,838,565	16,137	28,854,702	28,876,201	26,730	28,902,931
- Fixed assets of associates	374,325	-	374,325	144,596	-	144,596
- Non-banking assets acquired in satisfaction of claims	175,125	-	175,125	224,064	-	224,064
- Available-for-sale securities	(44,375,327)	(71,367)	(44,446,694)	(3,498,964)	(50,429)	(3,549,393)
- Available-for-sale securities held by associates	(1,001,561)	-	(1,001,561)	(97,185)	-	(97,185)
	(15,988,873)	(55,230)	(16,044,103)	25,648,712	(23,699)	25,625,013
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:						
- Fixed assets	1,927,095	-	1,927,095	1,775,005	2,795	1,777,800
- Fixed assets of associates	160,960	-	160,960	56,392	-	56,392
- Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	-
- Available-for-sale securities	(18,881,626)	(23,551)	(18,905,177)	(1,304,154)	(4,898)	(1,309,052)
- Available-for-sale securities held by associates	(430,671)	-	(430,671)	(37,902)	-	(37,902)
	(17,224,242)	(23,551)	(17,247,793)	489,341	(2,103)	487,238
Surplus / (deficit) on revaluation of assets - net of tax	1,235,369	(31,679)	1,203,690	25,159,371	(21,596)	25,137,775

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	2022	2021
	(Rupees in '000)	
20.1 Surplus on revaluation of fixed assets		
Surplus on revaluation of fixed assets as at January 01	28,902,931	29,031,454
Transferred from non-banking assets during the year	79,789	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(72,970)	(78,399)
Related deferred tax liability on incremental depreciation charged during the year	(55,048)	(50,124)
Surplus on revaluation of fixed assets as at December 31	28,854,702	28,902,931
Less: related deferred tax liability on		
- Revaluation as at January 01	1,777,800	1,827,924
- Effect of change in tax rate	204,343	-
- Incremental depreciation charged during the year	(55,048)	(50,124)
	1,927,095	1,777,800
	<u>26,927,607</u>	<u>27,125,131</u>
20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims		
Surplus on revaluation as at January 01	224,064	209,594
Recognised during the year	30,850	132,680
Realised on disposal during the year	-	(118,210)
Transferred to fixed assets during the year	(79,789)	-
Surplus on revaluation as at December 31	175,125	224,064
Less: related deferred tax liability on		
- Revaluation as at January 01	-	-
- Surplus recognised during the year	-	-
- Incremental depreciation charged during the year	-	-
	-	-
	<u>175,125</u>	<u>224,064</u>
21 CONTINGENCIES AND COMMITMENTS		
- Guarantees	21.1 262,493,102	260,750,915
- Commitments	21.2 942,909,348	1,119,772,107
- Other contingent liabilities	21.3 23,215,134	25,778,719
	<u>1,228,617,584</u>	<u>1,406,301,741</u>
21.1 Guarantees:		
Financial guarantees	54,186,950	88,017,271
Performance guarantees	201,579,675	164,593,834
Other guarantees	6,726,477	8,139,810
	<u>262,493,102</u>	<u>260,750,915</u>

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	Note	2022	2021
		(Rupees in '000)	
21.2 Commitments:			
Trade-related contingent liabilities		280,869,037	339,979,058
Commitments in respect of:			
- forward foreign exchange contracts	21.2.1	434,583,053	601,681,574
- forward Government securities transactions	21.2.2	132,295,940	93,562,463
- derivatives	21.2.3	57,305,018	42,049,128
- forward lending	21.2.4	21,948,516	30,412,479
		646,132,527	767,705,644
Commitments for acquisition of:			
- fixed assets		10,436,315	10,202,010
- intangible assets		5,471,469	1,885,395
		15,907,784	12,087,405
		<u>942,909,348</u>	<u>1,119,772,107</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		284,366,183	340,760,830
Sale		150,216,870	260,920,744
		<u>434,583,053</u>	<u>601,681,574</u>
21.2.2 Commitments in respect of forward Government securities transactions			
Purchase		117,020,407	27,830,190
Sale		15,275,533	65,732,273
		<u>132,295,940</u>	<u>93,562,463</u>
21.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		23,863,687	17,058,770
Sale		30,407,998	19,308,883
		<u>54,271,685</u>	<u>36,367,653</u>
Interest rate swaps			
Purchase		-	-
Sale		3,033,333	5,681,475
		<u>3,033,333</u>	<u>5,681,475</u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to extend credit		<u>21,948,516</u>	<u>30,412,479</u>

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

	2022	2021
	(Rupees in '000)	
21.3 Other contingent liabilities		
21.3.1 Claims against the Group not acknowledged as debts	<u>23,215,134</u>	<u>25,778,718</u>

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

21.3.2 There were no tax related contingencies as at the year end.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22 DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to changes in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps, options and structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorized Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market. The ADD license covers only transactions permitted under the Financial Derivatives Business Regulations issued by the SBP, which are:

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

However, the Bank also offers other derivative products to satisfy customer requirements, specific approval of which is sought from the SBP on a transaction by transaction basis.

These transactions cover the aspects of both market making and hedging. The risk management processes and policies related to derivatives are disclosed in note 45.5 to these consolidated financial statements.

22.1 Product Analysis

Counterparties	2022			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----				
With Banks for				
Hedging	-	-	-	-
Market Making	573,571	(106,423)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	4,161,383	(458,056)	625,000	(58,909)
With other entities for				
Hedging	-	-	-	-
Market Making	49,536,731	(6,070,726)	2,408,333	(187,778)
Total				
Hedging	-	-	-	-
Market Making	54,271,685	(6,635,205)	3,033,333	(246,687)
----- (Rupees in '000) -----				
Counterparties	2021			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----				
With Banks for				
Hedging	-	-	-	-
Market Making	796,114	(61,263)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	1,388,034	(42,353)	875,000	(43,325)
With other entities for				
Hedging	-	-	-	-
Market Making	34,183,505	(2,086,104)	4,806,475	(140,304)
Total				
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

22.2 Maturity Analysis

Remaining Maturity	No. of Contracts	Notional Principal	2022		
			Mark to Market		
			Loss	Gain	Net
----- (Rupees in '000) -----					
Upto 1 Month	2	6,065,619	(503,076)	-	(503,076)
1 to 3 Months	2	969,895	(145,332)	-	(145,332)
3 Months to 6 Months	-	-	-	-	-
6 Months to 1 Year	1	1,388,718	(227,939)	-	(227,939)
1 to 2 Years	18	6,660,462	(988,176)	-	(988,176)
2 to 3 Years	4	1,961,624	(167,650)	546	(167,104)
3 to 5 Years	10	15,065,641	(3,403,263)	-	(3,403,263)
5 to 10 Years	2	17,086,041	(556,358)	-	(556,358)
Over 10 Years	2	8,107,018	(890,644)	-	(890,644)
	<u>41</u>	<u>57,305,018</u>	<u>(6,882,438)</u>	<u>546</u>	<u>(6,881,892)</u>

Remaining Maturity	No. of Contracts	Notional Principal	2021		
			Mark to Market		
			Loss	Gain	Net
----- (Rupees in '000) -----					
Upto 1 Month	-	-	-	-	-
1 to 3 Months	2	695,996	(19,167)	-	(19,167)
3 Months to 6 Months	1	166,232	(10,699)	-	(10,699)
6 Months to 1 Year	1	662,777	(44,794)	-	(44,794)
1 to 2 Years	4	5,530,524	(313,312)	8,720	(304,592)
2 to 3 Years	18	7,611,233	(300,853)	-	(300,853)
3 to 5 Years	13	18,431,979	(1,865,403)	-	(1,865,403)
5 to 10 Years	1	1,849,431	(70,724)	-	(70,724)
Over 10 Years	2	7,100,956	-	242,883	242,883
	<u>42</u>	<u>42,049,128</u>	<u>(2,624,952)</u>	<u>251,603</u>	<u>(2,373,349)</u>

23 MARK-UP / RETURN / PROFIT / INTEREST EARNED	2022	2021
	(Rupees in '000)	
On:		
Loans and advances	192,939,922	111,742,121
Investments	226,000,345	143,232,732
Lendings to financial institutions	15,354,518	6,849,788
Balances with banks	1,806,252	429,321
	<u>436,101,037</u>	<u>262,253,962</u>

24 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED	2022	2021
	On:	
Deposits	196,757,107	98,637,738
Securities sold under repurchase agreement borrowings	50,773,232	16,759,954
Borrowings	11,550,696	5,674,142
Subordinated debt	1,891,880	1,239,075
Cost of foreign currency swaps against foreign currency deposits / borrowings	6,420,260	5,271,210
Lease liability against right-of-use assets	3,145,165	3,252,794
	<u>270,538,340</u>	<u>130,834,913</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022	2021
		(Rupees in '000)	
25 FEE AND COMMISSION INCOME			
Branch banking customer fees		3,900,870	3,941,234
Branchless banking customer fees		925,974	400,256
Consumer finance related fees		2,267,096	1,892,822
Card related fees (debit and credit cards)		8,949,280	7,116,888
Credit related fees		2,749,465	2,074,464
Commission on trade related products and guarantees		5,359,484	4,120,181
Commission on cash management		1,137,506	933,927
Commission on remittances (including home remittances)		698,204	533,652
Commission on bancassurance		767,109	918,994
Commission on Government to Person (G2P) payments		778,410	323,595
Investment banking fees		1,168,462	1,433,819
Management fee		722,412	573,091
Merchant discount and interchange fees		5,453,015	3,658,025
Wealth management fee		498,978	692,119
Others		176,485	196,739
		<u>35,552,750</u>	<u>28,809,806</u>
Less: Sales tax / Federal Excise Duty on fee and commission income		(4,042,607)	(3,376,451)
		<u>31,510,143</u>	<u>25,433,355</u>
26 GAIN / (LOSS) ON SECURITIES - NET			
Realised	26.1	950,565	957,138
Unrealised - held-for-trading	8.1	(84,390)	67,246
		<u>866,175</u>	<u>1,024,384</u>
26.1 Gain / (loss) on securities - realised			
On:			
Federal Government securities			
- Market Treasury Bills		(303,312)	60,564
- Pakistan Investment Bonds		1,489,573	1,613,120
- Ijarah Sukuks		81,974	(34,707)
Shares		(377,550)	(600,139)
Non-Government debt securities		69,795	(108,839)
Foreign securities		(9,915)	27,139
		<u>950,565</u>	<u>957,138</u>
27 OTHER INCOME			
Incidental charges		427,508	517,364
Gain on sale of fixed assets - net		42,024	79,639
Rent on properties		19,459	25,045
Exchange gain realised on partial repatriation of branch capital		-	404,080
Exchange gain realised on liquidation of subsidiary		-	1,919
Gain on sale of non-banking assets		-	16,000
Liabilities no longer required written back		-	111,714
		<u>488,991</u>	<u>1,155,761</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

28 OPERATING EXPENSES	Note	2022 (Rupees in '000)	2021
Total compensation expense	28.1	49,744,010	40,307,231
Property expense			
Rent and taxes		1,353,529	1,186,054
Insurance		192,579	152,090
Utilities cost		4,228,354	2,677,005
Security (including guards)		2,527,974	2,191,164
Repairs and maintenance (including janitorial charges)		3,819,508	2,664,535
Depreciation on owned fixed assets	10.2	4,171,011	3,492,793
Depreciation on right-of-use assets	10.2	3,978,154	3,384,774
		20,271,109	15,748,415
Information technology expenses			
Software maintenance		6,272,575	3,929,734
Hardware maintenance		1,321,105	924,247
Depreciation	10.2	2,690,992	2,486,376
Amortisation	11.1	1,852,350	1,061,035
Network charges		1,589,404	1,419,573
Consultancy charges		725,049	740,926
		14,451,475	10,561,891
Other operating expenses			
Legal and professional charges		1,750,542	926,027
Outsourced services costs		2,478,270	1,792,853
Travelling and conveyance		1,715,492	1,044,017
Insurance		1,446,878	912,195
Remittance charges		686,097	582,145
Cash transportation and sorting charges		2,653,622	2,019,915
Repairs and maintenance		1,765,816	1,487,260
Depreciation	10.2	920,491	990,023
Training and development		516,875	219,081
Postage and courier charges		864,745	773,469
Communication		1,485,240	921,580
Stationery and printing		2,701,064	1,966,197
Marketing, advertisement and publicity		3,140,838	3,197,006
Donations	28.3	649,013	508,056
Auditors' remuneration	28.4	346,058	288,512
Brokerage and commission		867,970	747,179
Subscription		435,873	384,755
Documentation and processing charges		5,736,200	3,792,520
Entertainment		640,604	388,861
Consultancy charges		1,429,633	518,614
Deposit insurance premium expense		2,702,417	2,504,487
Product feature cost		4,012,368	2,145,231
Others		1,394,755	1,057,449
		40,340,861	29,167,432
		<u>124,807,455</u>	<u>95,784,969</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

28.1 Total compensation expense	Note	2022 (Rupees in '000)	2021 (Rupees in '000)
Non-Executive Directors' fees	39.2	94,800	86,400
Shariah Board's fees and allowances	39.3	34,079	27,982
Managerial Remuneration			
i) Fixed		27,168,951	22,818,147
ii) Variable		5,274,049	4,096,540
Charge for defined benefit plan		570,049	1,162,448
Contribution to defined contribution plan		1,511,104	1,216,120
Rent and house maintenance		5,324,780	4,659,186
Utilities		1,223,232	1,067,706
Medical		2,504,618	2,121,835
Conveyance		3,067,247	2,678,053
General group staff insurance		33,884	59,829
Sub-total		46,806,793	39,994,246
Sign-on bonus		69,637	21,043
Severance payments		2,867,580	291,942
Grand Total		49,744,010	40,307,231

No. of persons

Sign-on bonus	57	27
Severance payments	931	57

28.2 The total cost for the year included in other operating expenses relating to outsourced activities is as follows:

	2022 (Rupees in '000)	2021 (Rupees in '000)
- In Pakistan	2,671,201	1,934,840
- Outside Pakistan	375,071	340,598
	3,046,272	2,275,438

The material outsourcing arrangements along with the nature of services provided by them are as follows:

Name of company	Nature of service	2022	2021
A.S.C. First Solutions (Pvt) Limited	Document archival and storage for Pakistan	142,472	122,005
Euronet Pakistan (Private) Limited	Host environment configuration, POS terminal and card outsourcing services	96,220	51,155
First Solutions - HBL UAE	Document archival and storage for UAE	16,447	13,941
Iron Mountain Information Management LLC	Document archival and storage for New York	615	2,866
Interactive Printer Solutions W.L.L	Printing of chequebooks and banker's cheques for HBL Bahra	1,362	1,324
Recall Bangladesh Limited - HBL Bangladesh	Document archival and storage for Bangladesh	2,119	1,045
Virtual World (Private) Limited	Call Centre & Customer Support Services	5,513	-
Infofort Private Limited Bahrain - HBL Bahrain	Document archival and storage for Bahrain	3,954	-
Spectrum Engineering Consortium Limited - HBL Bangladesh	Software Maintenance i.e RTGS software (including DMS)	2,746	-
		271,448	192,336

28.3 **Details of Donations**

Donations individually exceeding Rs 100,000

HBL Foundation	515,961	405,576
EPS Solutions Pakistan (Pvt) Ltd - Prefabricated houses for flood affectees	128,000	-
Al-Shifa Trust	1,200	-
Peoples University of Medical and Health Sciences For Women	1,000	-
National Institute of Child Health Trust	300	250
Hope Uplift Foundation	500	-
Depilex Smileagain Foundation	500	-
Pakistan Agricultural Coalition	700	-
Developments in Literacy Foundation	600	-
Wesminister Local Council	252	-
The Aga Khan Hospital & Medical College Foundation	-	77,230
International Parliamentarians' Congress	-	25,000
	649,013	508,056

Mr. Muhammad Aurangzeb, President and Chief Executive Officer, Mr. Sagheer Mufti, Chief Operating Officer, Mr. Rayomond Kotwal, Chief Financial Officer and Mr. Jamal Nasir, Chief Human Resources Officer are Trustees of the HBL Foundation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

28.4 Auditors' remuneration

	2022			2021		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)					
Audit and audit related fees						
Audit fee of the Bank	34,086	132,546	166,632	27,901	101,947	129,848
Audit fee of subsidiaries	4,719	75,821	80,540	4,408	48,144	52,552
Fees for other statutory and related certifications	25,075	12,655	37,730	21,995	7,073	29,068
Fees for other statutory certifications of subsidiaries	2,150	21,345	23,495	1,050	17,278	18,328
Out of pocket expenses on audit fees	9,033	1,976	11,009	6,939	2,467	9,406
Sales tax on audit fees	3,450	10,234	13,684	2,787	6,390	9,177
	78,513	254,577	333,090	65,080	183,299	248,379
Other services						
Special certifications and sundry advisory services	9,883	936	10,819	12,651	25,868	38,519
Tax services	-	533	533	-	-	-
Out of pocket expenses	557	46	603	357	152	509
Sales tax on other services	856	157	1,013	986	119	1,105
	11,296	1,672	12,968	13,994	26,139	40,133
	<u>89,809</u>	<u>256,249</u>	<u>346,058</u>	<u>79,074</u>	<u>209,438</u>	<u>288,512</u>

29 WORKERS' WELFARE FUND

The Group has made a provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

30 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan
Penalties imposed by other regulatory bodies

Note	2022	2021
	(Rupees in '000)	
	454,259	549,685
	22,328	7,513
	<u>476,587</u>	<u>557,198</u>

31 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET

Provision for / (reversal of) diminution in value of investments
Provision against loans and advances
Provision against other assets
(Reversal of) / provision against off-balance sheet obligations
Recoveries against written off / charged off bad debts
Recoveries against other assets written off
Write off of fixed assets
Other write offs and operational losses
Bad debts written off directly

Note	2022	2021
8.8	3,851,708	(1,258,723)
9.5	5,943,661	7,645,044
13.2.1	624,244	190,136
18.1	(1,331,585)	1,540,508
	(905,966)	(842,786)
	(1,809)	(10,724)
	-	133,851
	301,508	608,730
9.9.1	-	81,069
	<u>8,481,761</u>	<u>8,087,105</u>

32 TAXATION

- Current
- For the year
- Prior years

- Deferred
- For the year
- Prior years

	36,126,045	25,048,468
	5,595,916	436,755
	41,721,961	25,485,223
	1,303,366	225,444
	(393,719)	810,371
12.1	909,647	1,035,815
	<u>42,631,608</u>	<u>26,521,038</u>

32.1 Relationship between tax expense and accounting profit

Accounting profit for the current year
Tax on income @ 49% (2021: 39%)
Permanent differences
Impact of:

- Different tax rates of subsidiaries
- Disallowance of penalties imposed by the SBP and other regulatory bodies
- Disallowance of 50% of contribution to gratuity and pension funds
- Deferred tax booked at tax rates applicable to future years (@ 43%)
- Additional tax @ 2.5% on additional income from Federal Government Securities
- Others

	(574,029)	195,875
	233,528	217,300
	297,596	-
	(192,815)	-
	-	727,129
	(79,539)	(57,277)
	(315,259)	1,083,027
	5,202,197	1,247,126
	<u>42,631,608</u>	<u>26,521,038</u>

Prior years - charge
Tax charge for the current year

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32.2 The income tax returns of the Bank have been submitted up to and including for the accounting year 2021. The tax returns submitted are deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The Income Tax Department has amended the assessments of the Bank for prior years, upto and including for the tax year 2021 except tax years 2019 and 2020 for which notices for audit and amendment of assessment have been served. The amendments mainly relate to gain on translation of net investment in foreign branches, taxable income subject to enhanced rate, retirement benefits, provisions against loans and advances, investments and other assets. These matters are at various stages of appeal with the appellate authorities. The management of the Bank, in consultation with its tax advisors, is confident that the decisions in respect of these appeals would be in the Bank's favor.

The income tax returns of the Bank's Azad Kashmir, Gilgit-Baltistan and overseas branches have been submitted up to and including for the accounting year 2021. The tax returns submitted in Azad Kashmir and Gilgit Baltistan are considered as deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The income tax returns of domestic and overseas subsidiaries have been submitted to the respective tax authorities up to and including for the accounting year 2021.

	2022	2021
	(Rupees in '000)	
33 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year attributable to equity holders of the Bank	<u>34,070,087</u>	<u>35,021,853</u>
	(Number)	
Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
	(Rupees)	
Basic and diluted earnings per share	<u>23.23</u>	<u>23.88</u>

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

	Note	2022	2021
		(Rupees in '000)	
34 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	5	296,015,386	441,252,246
Balances with other banks	6	<u>41,513,022</u>	<u>64,438,075</u>
		<u>337,528,408</u>	<u>505,690,321</u>

34.1 Reconciliation of movement in liabilities to cash flows arising from financing activities

	2022				
	Liabilities		Equity		
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit	Non-controlling interest
	(Rupees in '000)				
Balance as at January 01, 2022	12,374,000	153,872,354	81,375,519	158,441,418	4,040,969
Changes from financing cash flows					
Proceeds from issuance of subordinated debt	6,500,000	-	-	-	-
Dividend paid	-	-	-	(8,493,514)	-
Payment of lease liability against right-of-use assets	-	(4,939,145)	-	-	-
Payment of mark-up on subordinated debt	-	(1,847,577)	-	-	-
Effect of translation of net investment by non-controlling interest in subsidiary	-	-	-	-	44,140
	6,500,000	(6,786,722)	-	(8,493,514)	44,140
Other changes:					
Liability-related					
Changes in other liabilities					
- Cash based	-	67,997,391	-	-	-
- Dividend payable	-	2,507,880	-	(2,507,880)	-
- Non-cash based	-	12,204,166	-	-	-
Transfer of profit to statutory reserve	-	-	3,494,860	(3,494,860)	-
Total liability related other changes	-	82,709,437	3,494,860	(6,002,740)	-
Equity related	-	-	2,900,953	34,522,475	(1,206,160)
Balance as at December 31, 2022	<u>18,874,000</u>	<u>229,795,069</u>	<u>87,771,332</u>	<u>178,467,639</u>	<u>2,878,949</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2021				
	Liabilities		Equity		
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit	Non-controlling interest
	(Rupees in '000)				
Balance as at January 01, 2021	22,356,000	129,910,297	72,062,025	138,208,223	4,551,560
Changes from financing cash flows					
Repayment of subordinated debt	(9,982,000)	-	-	-	-
Dividend paid	-	-	-	(10,855,155)	-
Payment of lease liability against right-of-use assets	-	(5,113,819)	-	-	-
Payment of mark-up on subordinated debt	-	(1,517,481)	-	-	-
Effect of translation of net investment by non-controlling interest in subsidiary	-	-	-	-	85,115
	(9,982,000)	(6,631,300)	-	(10,855,155)	85,115
Other changes:					
Liability-related					
Changes in other liabilities					
- Cash based	-	16,006,633	-	-	-
- Dividend payable	-	1,246,377	-	(1,246,377)	-
- Non-cash based	-	13,340,347	-	-	-
Transfer of profit to statutory reserve	-	-	3,840,971	(3,840,971)	-
Total liability related other changes	-	30,593,357	3,840,971	(5,087,348)	-
Equity related	-	-	5,472,523	36,175,698	(595,706)
Balance as at December 31, 2021	<u>12,374,000</u>	<u>153,872,354</u>	<u>81,375,519</u>	<u>158,441,418</u>	<u>4,040,969</u>

		2022	2021
		(Number)	
35	STAFF STRENGTH		
	Permanent	21,635	21,703
	On contract	206	114
	Total staff strength	<u>21,841</u>	<u>21,817</u>

35.1 In addition to the above, 4,013 employees (2021: 3,112 employees) of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than janitorial services and as guards.

		2022	2021
		(Number)	
35.2	Staff strength bifurcation		
	Domestic	21,157	21,104
	Overseas	684	713
		<u>21,841</u>	<u>21,817</u>

36 DEFINED BENEFIT PLANS

36.1 General Information

The Bank operates the following schemes:

36.1.1 Pension Fund (defined benefit scheme)

The Bank operates an approved funded pension scheme which is applicable to:

- All clerical employees who opted for this scheme when it was introduced in 1974 and those who joined after this date.
- Executives and officers who opted for this scheme when it was introduced with effect from May 1, 1977 and those who joined the Bank during the period from May 1, 1977 till December 31, 2001.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

For clerical employees, the benefit is based on their actual years of service as of the statement of financial position date and their last drawn salary. For executives and officers, the benefit is based on their basic salary as at March 31, 2014 and their years of service up to March 31, 2005. For service subsequent to this date (i.e. from April 1, 2005), they are entitled to the Bank's contributory provident fund (refer note 37.1) and the Bank's contributory gratuity fund (refer note 37.2). Eligible employees are entitled to a minimum pension as per applicable rules.

36.1.2 Benevolent Fund (defined benefit scheme)

The Bank operates an approved funded benevolent fund scheme for all employees who joined on or before December 31, 2018 and who retire from or expire during service. Under this scheme, a fixed monthly subscription is made by employees by way of a salary deduction and a matching monthly contribution is made by the Bank. All eligible employees are entitled to receive a fixed monthly amount or a one-time lump sum payment in lieu of a fixed monthly amount, as per the rules of the Fund. Clerical employees are additionally entitled to marriage and funeral grants during the period of their service as specified in the rules of the Fund.

36.1.3 Post-Retirement Medical Benefits (defined benefit scheme)

The Bank operates a non-funded scheme for post-retirement medical benefits for all employees.

All clerical employees who retired before May 24, 2022 receive reimbursements when incurred, against this benefit. Those who retired on or after May 24, 2022 also have the option to receive a one-time lump sum payment in lieu of reimbursements. Executives and officers who retired prior to January 1, 2006 receive these benefits as reimbursements when incurred. Executives and officers who retire after January 1, 2006 receive a one-time lump sum payment. However, those who are given a post-retirement contract up to the age of 65 years with effect from September 1, 2022, will receive this one-time lump sum payment at the time of expiry of the employment contract.

36.1.4 Compensated Absences (defined benefit scheme)

The Bank operates a non-funded scheme for compensated absences. This is applicable to those employees who were in the service of the Bank as at December 31, 2008 and who had accumulated leave balances. Employees are entitled to proceed on Leave Prior to Retirement (LPR) to the extent of their accrued leave or 365 days whichever is lower, while continuing to receive their gross salary. This benefit vests on retirement or, in the case of premature retirement, on the completion of 30 years of service. However, in the case of death in service, the benefit is encashed upto 50% of accrued leave or 180 days, whichever is lower.

Employees may be required by the Bank to continue working during the whole or a part of their LPR period. Such employees are entitled to salary and certain benefits during the period they are required to work and, additionally, to leave encashment up to 50% of their accrued leave balance, up to a maximum of 180 days.

Clerical employees have the option of not proceeding on LPR and instead encashing 50% of their accumulated leave balance up to a maximum of 180 days.

36.1.5 Other Post-Retirement Benefits (defined benefit scheme)

The Bank offers a non-funded scheme for executives. Under this scheme, a lump sum amount equal to six months of house rent, utilities, car and conveyance allowances is paid to the executive on retirement. However, in the case of death in service, the lump sum amount includes an additional six months of house rent allowance.

36.1.6 Pension and Life Assurance Scheme (defined benefit scheme)

The Bank operates a pension and life assurance scheme for those employees who joined its UK operations prior to December 26, 2001. The scheme was established with effect from May 1, 1978 under a Trust Deed of that date and is governed by that Trust Deed together with various supplemental and amending deeds executed over the lifetime of the scheme.

The triennial actuarial valuation as at May 1, 2019 revealed a deficit of £1.7 million under the Statement of Funding Principles. In order to address this deficit, the Bank will pay the amount after receiving regulatory approval.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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36.2 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2022 using the Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2022	2021
	(Per annum)	
Valuation discount rate	14.50%	11.75%
Expected rate of increase in salary	13.50%	10.75%
Expected rate of increase in minimum pension	5.00%	5.00%
Expected rate of increase in medical benefit	12.50%	9.75%
Expected rate of return on funds invested	14.50%	11.75%

36.3 Number of beneficiaries under the scheme

(Number)

Pension fund	5,344	6,636
Benevolent fund	11,440	14,631
Post retirement medical benefit scheme	19,793	19,460
Compensated absences	2,118	3,405
Other Post-Retirement Benefits	2,757	2,494

36.4 Pension, gratuity, benevolent fund schemes and other benefits

36.4.1 The fair value of plan assets and the present value of defined benefit obligations of funded schemes as at December 31, 2022 are as follows:

	2022		2021	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	----- (Rupees in '000) -----			
Fair value of plan assets	3,414,936	2,648,950	6,917,325	2,754,021
Present value of defined benefit obligations	(3,525,906)	(804,430)	(6,157,971)	(1,103,573)
Receivable / (payable)	(110,970)	1,844,520	759,354	1,650,448

36.4.2 The present value of defined benefit obligations of non-funded schemes as at December 31, 2022 are as follows:

	2022			2021		
	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----					
Present value of defined benefit obligations	(3,522,518)	(762,192)	(824,150)	(4,557,833)	(2,177,565)	(667,894)

36.4.3 Movement in the present value of defined benefit obligations

	2022				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----				
Obligations at the beginning of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894
Current service cost	67,090	26,529	179,927	57,563	124,802
Interest cost	709,267	122,940	535,401	242,452	82,080
Benefits paid by the Bank	(3,680,262)	(451,894)	(649,055)	(676,702)	(45,603)
Past service cost	1,061,568	211,858	(972,974)	(742,441)	-
Remeasurement gains	(789,728)	(208,576)	(128,614)	(296,245)	(5,023)
Obligations at the end of the year	3,525,906	804,430	3,522,518	762,192	824,150

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	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----				
Obligations at the beginning of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038
Current service cost	78,909	33,695	156,356	63,683	106,377
Interest cost	673,653	102,679	366,095	227,677	59,070
Benefits paid by the Bank	(508,879)	(139,919)	(318,328)	(418,729)	(69,657)
Remeasurement (gains) / losses	(1,089,252)	27,366	590,056	(188,058)	(12,934)
Obligations at the end of the year	<u>6,157,971</u>	<u>1,103,573</u>	<u>4,557,833</u>	<u>2,177,565</u>	<u>667,894</u>

36.4.4 Movement in fair value of plan assets

	2022		2021	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	----- (Rupees in '000) -----			
Fair value at the beginning of the year	6,917,325	2,754,021	6,218,050	2,583,853
Expected return on plan assets	793,667	278,438	597,047	242,664
Contribution by the Bank	-	25,507	785,490	33,420
Contributions by employees	-	25,507	-	33,420
Benefits paid by the Bank	(3,680,262)	(451,894)	(508,879)	(139,919)
Remeasurement (losses) / gains	(615,794)	17,371	(174,383)	583
Fair value at the end of the year	<u>3,414,936</u>	<u>2,648,950</u>	<u>6,917,325</u>	<u>2,754,021</u>

36.4.5 Movement in amounts payable / (receivable)

	2022				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----				
Opening balance	(759,354)	(1,650,448)	4,557,833	2,177,565	667,894
Charge / (reversal) for the year	1,044,258	57,382	(257,646)	(738,671)	206,882
Contribution by the Bank - net	-	(25,507)	-	-	-
Remeasurement gains recognised in OCI during the year	(173,934)	(225,947)	(128,614)	-	(5,023)
Benefits paid by the Bank	-	-	(649,055)	(676,702)	(45,603)
Closing balance	<u>110,970</u>	<u>(1,844,520)</u>	<u>3,522,518</u>	<u>762,192</u>	<u>824,150</u>
	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----				
Opening balance	785,490	(1,504,101)	3,763,654	2,492,992	585,038
Charge / (reversal) for the year	155,515	(139,710)	522,451	103,302	165,447
Contribution by the Bank - net	(785,490)	(33,420)	-	-	-
Remeasurement (gains) / losses recognised in OCI during the year	(914,869)	26,783	590,056	-	(12,934)
Benefits paid by the Bank	-	-	(318,328)	(418,729)	(69,657)
Closing balance	<u>(759,354)</u>	<u>(1,650,448)</u>	<u>4,557,833</u>	<u>2,177,565</u>	<u>667,894</u>

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36.4.6 Charge for defined benefit plans

36.4.6.1 Cost recognised in profit and loss

	2022				
	Pension Fund	Benevolent Fund	Post- retirement medical benefits	Employee compensated absences	Other Post- Retirement Benefits
	----- (Rupees in '000) -----				
Current service cost	67,090	26,529	179,927	57,563	124,802
Net interest (receivable) / payable on defined benefit asset / liability	(84,400)	(155,498)	535,401	242,452	82,080
Past service cost	1,061,568	211,858	(972,974)	(742,441)	-
Actuarial gains recognised	-	-	-	(296,245)	-
Contributions by the employees	-	(25,507)	-	-	-
	<u>1,044,258</u>	<u>57,382</u>	<u>(257,646)</u>	<u>(738,671)</u>	<u>206,882</u>
	2021				
	Pension Fund	Benevolent Fund	Post- retirement medical benefits	Employee compensated absences	Other Post- Retirement Benefits
	----- (Rupees in '000) -----				
Current service cost	78,909	33,695	156,356	63,683	106,377
Net interest on defined benefit asset / liability	76,606	(139,985)	366,095	227,677	59,070
Actuarial losses recognised	-	-	-	(188,058)	-
Contributions by the employees	-	(33,420)	-	-	-
	<u>155,515</u>	<u>(139,710)</u>	<u>522,451</u>	<u>103,302</u>	<u>165,447</u>

36.4.6.2 Remeasurements recognised in OCI during the year

	2022			
	Pension Fund	Benevolent Fund	Post- retirement medical benefits	Other Post- Retirement Benefits
	----- (Rupees in '000) -----			
(Gains) / losses on obligation				
- Financial assumptions	(604,453)	(37,522)	27,560	11,577
- Experience adjustment	(185,275)	(171,054)	(156,174)	(16,600)
	(789,728)	(208,576)	(128,614)	(5,023)
Losses / (gains) on plan assets	615,794	(17,371)	-	-
Total remeasurement (gains) / losses recognised in OCI	<u>(173,934)</u>	<u>(225,947)</u>	<u>(128,614)</u>	<u>(5,023)</u>
	2021			
	Pension Fund	Benevolent Fund	Post- retirement medical benefits	Other Post- Retirement Benefits
	----- (Rupees in '000) -----			
(Gains) / losses on obligation				
- Financial assumptions	(864,893)	(74,841)	40,631	7,000
- Experience adjustment	(224,359)	102,207	549,425	(19,934)
	(1,089,252)	27,366	590,056	(12,934)
Losses / (gains) on plan assets	174,383	(583)	-	-
Total remeasurement losses / (gains) recognised in OCI	<u>(914,869)</u>	<u>26,783</u>	<u>590,056</u>	<u>(12,934)</u>

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36.4.7 Components of fair value of plan assets

	2022		2021	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Cash and cash equivalents - net	153,842	128,216	635,488	11,473
Government securities	2,725,011	2,451,235	5,431,704	2,675,335
Shares	536,083	-	850,133	-
Non-Government debt securities	-	69,500	-	67,214
	<u>3,414,936</u>	<u>2,648,951</u>	<u>6,917,325</u>	<u>2,754,022</u>

The funds primarily invest in Government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) which do not carry any credit risk but are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non-Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

36.4.8 Sensitivity analysis of defined benefit obligations

A sensitivity analysis has been performed by varying one assumption while keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of changes in each assumption is summarized below:

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
1% increase in discount rate	(191,347)	(22,202)	(318,979)	(26,631)	(58,816)
1% decrease in discount rate	214,720	24,127	379,316	28,579	66,717
1% increase in expected rate of salary increase	21,661	-	-	32,055	70,633
1% decrease in expected rate of salary increase	(20,643)	-	-	(30,333)	(63,172)
1% increase in expected rate of increase in minimum pension	197,916	-	-	-	-
1% decrease in expected rate of increase in minimum pension	(167,245)	-	-	-	-
1% increase in expected rate of increase in medical benefit	-	-	116,632	-	-
1% decrease in expected rate of increase in medical benefit	-	-	(98,048)	-	-

36.4.9 Expected contributions to the schemes in the next financial year

The Bank contributes to the pension fund according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme.

	2023				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Expected charge / (reversal) for the year	<u>39,240</u>	<u>(320,229)</u>	<u>615,489</u>	<u>124,366</u>	<u>274,256</u>

36.4.10 Maturity profile

The weighted average duration of the obligation (in years)

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
	<u>5.50</u>	<u>2.87</u>	<u>12.92</u>	<u>3.62</u>	<u>7.59</u>

36.4.11 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the assets of the Fund on any valuation date, based on actuarial assumptions.

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36.4.12 The significant risks associated with the defined benefit schemes are as follows:

Mortality risks

The risk that the actual mortality experience is different. The impact depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk that the investments of the Funds will underperform and not be sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated based on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The impact depends on the beneficiaries' service / age distribution and the benefit.

37 DEFINED CONTRIBUTION PLANS

37.1 Provident Fund

For employees hired on or after January 1, 2002, the Bank operates an approved funded provident fund under which the employees make monthly contributions as follows:

For executives and officers	7% of basic salary
For clerical staff	12% of basic salary

For executives and officers, the Bank also contributes 7% of the basic salary to the fund.

Executives and officers hired upto December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for the Bank's contributory provident fund benefits effective April 1, 2005.

This scheme covers 14,634 employees (2021: 14,991 employees).

Payments are made to employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

37.2 Contributory Gratuity Fund

For employees hired on or after January 1, 2002, the Bank operates an approved funded Bank contributory gratuity scheme. Executives and officers hired up to December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for gratuity fund benefits effective April 1, 2005.

The Bank contributes an amount equal to half of the employees' monthly basic salary for each completed year of service and, on a pro-rata basis, for partially completed years of service. Payments are made to the employees on retirement, death, resignation after completion of at least 10 years of continuous service, and discharge as specified in the rules of the Fund.

This scheme covers 16,859 employees (2021: 15,873 employees).

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38 DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS OF SUBSIDIARIES AND OVERSEAS BRANCHES

38.1 General information

Employee benefits offered by subsidiary companies are as follows:

38.1.1 HBL Bank UK Limited

Pension Fund (defined contribution scheme)

HBL Bank UK (HBL UK) operates a funded defined contribution pension scheme for its employees. Under current UK legislation, employees have the right to opt out of the pension scheme. HBL UK contributes an amount equal to 5% of each member's monthly basic salary and the cost is recognised when the contributions are made. The minimum employee contribution is 3% of basic salary, but the contribution can be increased at the discretion of the employee. The total amount contributed by the Bank and the employee is capped at £40,000 per annum.

This scheme covers 106 employees (2021: 113).

38.1.2 HBL Asset Management Limited (HBL AMC)

Gratuity Fund (defined benefit scheme)

HBL AMC operates an approved defined funded benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to half of one month's basic salary for each completed year of service, with partially completed years rounded off to the nearest year. Payments are made to employees upon retirement, resignation or death. Actuarial valuations are conducted annually by an independent actuary, using the Projected Unit Credit Method.

This scheme covers 253 employees (2021: 211).

Provident Fund (defined contribution scheme)

HBL AMC also operates a funded defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HBL AMC and by its employees at 8.33% of basic salary in accordance with the rules of the Fund.

This scheme covers 175 employees (2021: 171).

38.1.3 HBL Microfinance Bank Limited (HBL MfB)

Gratuity Fund (defined benefit scheme)

HBL MfB operates an approved funded defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to one month's basic salary for each completed year of service, with partially completed years paid on a pro-rata basis. Payments are made to employees upon retirement, resignation or death. Actuarial valuations are conducted annually by an independent actuary, using the Projected Unit Credit Method.

This scheme covers 3,639 employees (2021: 3,703).

Provident Fund (defined contribution scheme)

HBL MfB also operates a funded defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HBL MfB and by its employees at 10% of basic salary in accordance with the rules of the Fund.

This scheme covers 3,428 employees (2021: 3,358).

38.1.4 HBL Currency Exchange (Private) Limited (HCEL)

Gratuity Scheme (defined contribution scheme)

HCEL operates an approved unfunded defined benefit gratuity scheme for all employees, with a vesting period of 5 years. Eligible employees are entitled to half of one month's basic salary for each completed year of service with partially completed years paid on a pro-rata basis. Payments are made to employees upon retirement, resignation or death.

This scheme covers 130 employees (2021: 125).

Provident Fund (defined contribution scheme)

HCEL also operates a funded defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HCEL and by its employees at 6% of basic salary, in accordance with the rules of the Fund.

This scheme covers 112 employees (2021: 111).

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38.1.5 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total Compensation Expense

Items	2022						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non- Executive				
	(Rupees in '000)						
Fees and Allowances etc.	10,200	-	84,600	34,079	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	151,107	929,889	1,422,639
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	98,000	522,293	369,572
- Bonus paid in shares	-	-	-	-	23,819	104,063	60,237
- Guaranteed Bonus	-	-	-	-	-	-	6,759
Charge for defined benefit plan	-	-	-	-	-	4,325	5,638
Contribution to defined contribution plan	-	-	-	-	-	48,810	86,008
Rent & house maintenance	-	-	-	-	17,023	261,846	395,351
Utilities	-	-	-	-	1,987	54,004	83,778
Medical	-	-	-	-	8,400	67,470	78,856
Conveyance	-	-	-	-	6,903	97,704	314,788
Sub-total	10,200	-	84,600	34,079	307,239	2,090,404	2,823,626
Sign-on bonus	-	-	-	-	-	14,000	4,950
Grand Total	10,200	-	84,600	34,079	307,239	2,104,404	2,828,576
Total Number of Persons	1	-	5	3	1	32	154
Sign-on bonus - Number of Persons	-	-	-	-	-	2	3
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	3
	2021						
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non- Executive				
		(Rupees in '000)					
Fees and Allowances etc.	12,000	-	74,400	27,982	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	142,877	852,378	966,516
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	84,000	412,469	274,272
- Bonus paid in shares	-	-	-	-	10,916	54,397	22,716
- Guaranteed Bonus	-	-	-	-	-	-	4,264
Charge for defined benefit plan	-	-	-	-	-	2,989	1,055
Contribution to defined contribution plan	-	-	-	-	-	41,624	61,272
Rent & house maintenance	-	-	-	-	16,625	237,798	307,365
Utilities	-	-	-	-	1,425	47,294	64,918
Medical	-	-	-	-	6,291	51,956	61,729
Conveyance	-	-	-	-	3,529	88,149	236,562
Sub-total	12,000	-	74,400	27,982	265,663	1,789,054	2,000,669
Sign-on bonus	-	-	-	-	-	-	12,000
Grand Total	12,000	-	74,400	27,982	265,663	1,789,054	2,012,669
Total Number of Persons	1	-	7	3	1	32	131
Sign-on bonus - Number of Persons	-	-	-	-	-	-	1
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	2

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39.1.1 The total movement of deferred bonus during the year December 31, 2022 for the President / Chief Executive Officer (CEO), Key Management Personnel and Other Material Risk Takers (MRTs) / Material Risk Controllers (MRCs) is as follows:

	2022	2021
	(Rupees in '000)	
Opening balance	479,598	256,626
Add: deferred during the year	428,449	316,229
Less: paid / vested during the year	(177,296)	(82,496)
Less: reversed during the year	(16,144)	(10,761)
Closing balance	<u>714,607</u>	<u>479,598</u>

39.1.2 The CEO and certain Executives are provided with free club memberships. The CEO and the Chief Operating Officer (COO) are also provided with free use of Bank maintained cars in accordance with their entitlements.

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2022												
Sr. No.	Name of Director	Meeting Fees and Allowances Paid										
		For Board Meetings	For Board Committees									Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)		
(Rupees in '000)												
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,600	-	-	-	-	1,200	10,200
2	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	2,400	-	2,400	-	-	19,800
3	Mr. Salim Raza	5,400	-	3,600	-	-	2,400	2,400	2,400	-	-	16,200
4	Dr. Najeeb Samie	5,400	4,800	-	-	3,600	-	-	2,400	1,200	-	17,400
5	Mr. Khaleel Ahmed	5,400	4,800	-	4,800	3,600	-	2,400	-	-	-	21,000
6	Ms. Saba Kamal	5,400	-	-	-	-	2,400	2,400	-	-	-	10,200
7	Mr. Shaffiq Dharamshi*	-	-	-	-	-	-	-	-	-	-	-
	Total Amount Paid	32,400	14,400	3,600	9,600	10,800	7,200	7,200	7,200	2,400	-	94,800

* Mr. Shaffiq Dharamshi is an employee of AKFED (the sponsor Shareholder) and is not paid meeting fees or any other allowances by HBL

In addition to the above, where applicable as per the Bank's policy, Rs 3.375 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

Note: The Board of Directors in its 243rd Meeting held on September 22, 2022, had dissolved the Board Oversight Committee for International Governance (BOC-IG), and formed a Board Strategy Input & Monitoring Committee (BSIMC) to assist the Board providing oversight with respect to the development, monitoring and implementation of the Bank's strategy. No meeting of the BSIMC was held in 2022.

2021												
Sr. No.	Name of Director	Meeting Fees and Allowances Paid										
		For Board Meetings	For Board Committees									Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)		
(Rupees in '000)												
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,000	-	1,200	-	-	2,400	12,000
2	Mr. Khaleel Ahmed**	3,000	3,000	-	3,000	1,800	-	600	-	-	-	11,400
3	Mr. Salim Chinoy*	600	600	-	600	-	-	-	-	-	-	1,800
4	Mr. Shaffiq Dharamshi***	-	-	-	-	-	-	-	-	-	-	-
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	1,800	-	1,800	-	-	18,600
6	Ms. Saba Kamal**	3,000	-	-	-	-	1,800	1,800	-	-	-	6,600
7	Ms. Diane Elizabeth Moore*	600	-	-	600	-	600	-	-	-	-	1,800
8	Mr. Salim Raza	5,400	1,200	3,600	-	600	2,400	1,800	1,800	-	-	16,800
9	Dr. Najeeb Samie	5,400	4,800	-	-	3,000	-	-	1,800	2,400	-	17,400
	Total Amount Paid	28,800	14,400	3,600	9,000	8,400	6,600	5,400	5,400	4,800	-	86,400

In addition to the above, as per the Bank's policy, Rs 0.925 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

* Ms. Diane Elizabeth Moore and Mr. Salim Chinoy retired from the Board on March 26, 2021 at the conclusion of their terms.

** Ms. Saba Kamal and Mr. Khaleel Ahmed assumed charge as Directors on April 29, 2021

*** Mr. Shaffiq Dharamshi is an employee of AKFED (the sponsor Shareholder) and is not paid meeting fees or any other allowances.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

39.3 Remuneration paid to Shariah Board Members

Items	2022				2021			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
	(Rupees in '000)							
Fixed Remuneration	11,400	10,440	10,800	32,640	9,600	9,062	9,000	27,662
Allowances	613	680	146	1,439	119	115	86	320
Total Amount	<u>12,013</u>	<u>11,120</u>	<u>10,946</u>	<u>34,079</u>	<u>9,719</u>	<u>9,177</u>	<u>9,086</u>	<u>27,982</u>
Total Number of Persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

40 FAIR VALUE MEASUREMENTS

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

The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

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

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

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

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

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

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

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

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices taken from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

40.1 Fair value of financial assets

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

As at December 31, 2022					
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,318,416,185	-	1,318,416,185	-	1,318,416,185
- Shares - listed companies	3,988,281	3,988,281	-	-	3,988,281
- Non-Government debt securities					
- Listed	49,084,350	40,000,000	9,084,350	-	49,084,350
- Unlisted	616,321	-	616,321	-	616,321
- Foreign securities					
Government debt securities	127,850,272	-	127,850,272	-	127,850,272
Non-Government debt securities					
- Listed	8,107,344	-	8,107,344	-	8,107,344
- Unlisted	5,461,947	-	5,461,947	-	5,461,947
- National Investment Unit Trust units	38,170	-	38,170	-	38,170
- Real Estate Investment Trust units- listed	68,200	68,200	-	-	68,200
- Preference Shares -Listed	872,200	872,200	-	-	872,200
	1,514,503,270	44,928,681	1,469,574,589	-	1,514,503,270
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	346,125,167	-	315,021,272	-	315,021,272
- Non-Government debt securities					
- Listed	1,733,442	-	1,739,778	-	1,739,778
- Unlisted	18,301,991	-	18,301,991	-	18,301,991
- Foreign securities					
Government debt securities	14,365,073	-	14,109,487	-	14,109,487
Non-Government debt securities					
- Listed	145,714	-	145,714	-	145,714
- Unlisted	308,100	-	308,100	-	308,100
	380,979,487	-	349,626,342	-	349,626,342
	1,895,482,757	44,928,681	1,819,200,931	-	1,864,129,612

As at December 31, 2022					
Off-balance sheet financial instruments - measured at fair value	Notional value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Commitments					
- Forward foreign exchange contracts	434,583,053	-	1,149,564	-	1,149,564
- Forward Government securities transactions	132,295,940	-	(38,938)	-	(38,938)
- Derivative instruments	57,305,018	-	(6,881,892)	-	(6,881,892)

As at December 31, 2021					
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,420,281,097	-	1,420,281,097	-	1,420,281,097
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,521
- Non-Government debt securities					
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,015
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities Government debt securities	75,674,089	-	75,674,089	-	75,674,089
- Non-Government debt securities- listed	12,577,528	-	12,577,528	-	12,577,528
- National Investment Unit Trust units	46,448	-	46,448	-	46,448
- Real Estate Investment Trust units	60,800	60,800	-	-	60,800
- Preference Shares - Listed	780,500	780,500	-	-	780,500
	1,569,048,998	48,385,821	1,520,663,177	-	1,569,048,998
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	296,876,834	-	281,751,196	-	281,751,196
- Non-Government debt securities					
- Listed	2,365,422	-	2,376,486	-	2,376,486
- Unlisted	22,851,835	-	22,930,932	-	22,930,932
- Foreign securities					
Government debt securities	14,672,889	-	14,823,285	-	14,823,285
Non-Government debt securities					
- Listed	260,893	-	316,157	-	316,157
- Unlisted	614,541	-	612,981	-	612,981
	337,642,414	-	322,811,037	-	322,811,037
	1,906,691,412	48,385,821	1,843,474,214	-	1,891,860,035

As at December 31, 2021					
Off-balance sheet financial instruments - measured at fair value	Notional value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Commitments					
- Forward foreign exchange contracts	601,681,574	-	1,362,742	-	1,362,742
- Forward Government securities transactions	93,562,463	-	200,063	-	200,063
- Derivative instruments	42,049,128	-	(2,373,349)	-	(2,373,349)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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40.2 Fair value of non-financial assets

	As at December 31, 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	58,446,722	-	-	58,446,722	58,446,722
- Non-banking assets acquired in satisfaction of claims	407,234	-	-	407,234	407,234
	<u>58,853,956</u>	<u>-</u>	<u>-</u>	<u>58,853,956</u>	<u>58,853,956</u>

	As at December 31, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	53,190,296	-	-	53,190,296	53,190,296
- Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	<u>53,871,282</u>	<u>-</u>	<u>-</u>	<u>53,871,282</u>	<u>53,871,282</u>

41 SEGMENT INFORMATION

41.1 Segment details with respect to business activities

	For the year ended December 31, 2022									
	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)									
Net mark-up / return / profit / interest income	(123,407)	38,987	18,351	62,295	152,735	9,518	(74)	10,248	(3,090)	165,563
Inter segment revenue / (expense) - net	201,010	(22,101)	-	(34,259)	(149,605)	3,591	-	-	1,364	-
Non mark-up / interest income	3,604	12,418	1,508	4,739	14,482	8,047	756	1,928	(750)	46,732
Total Income	<u>81,207</u>	<u>29,304</u>	<u>19,859</u>	<u>32,775</u>	<u>17,612</u>	<u>21,156</u>	<u>682</u>	<u>12,176</u>	<u>(2,476)</u>	<u>212,295</u>
Segment direct expenses	27,046	14,627	5,984	3,624	1,190	19,733	451	8,017	46,111	126,783
Inter segment expense allocation	19,790	7,713	1,205	10,539	1,446	1,459	-	-	(42,152)	-
Total expenses	<u>46,836</u>	<u>22,340</u>	<u>7,189</u>	<u>14,163</u>	<u>2,636</u>	<u>21,192</u>	<u>451</u>	<u>8,017</u>	<u>3,959</u>	<u>126,783</u>
Provisions - charge / (reversal)	-	1,705	1,434	(1,480)	263	3,113	-	2,393	1,053	8,481
Profit/ (loss) before tax	<u>34,371</u>	<u>5,259</u>	<u>11,236</u>	<u>20,092</u>	<u>14,713</u>	<u>(3,149)</u>	<u>231</u>	<u>1,766</u>	<u>(7,488)</u>	<u>77,031</u>
	As At December 31, 2022									
	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)									
Cash and bank balances	72,736	-	17,948	1,678	99,301	131,089	2	13,723	1,051	337,528
Lendings to financial institutions	-	-	-	-	254,593	-	-	-	-	254,593
Inter segment lending	1,950,230	-	257	-	-	3,586	-	-	201,897	2,155,970
Investments	-	-	183,655	9,460	1,496,496	178,785	409	31,396	48,600	1,948,801
Advances - performing	-	231,909	221,885	875,294	-	325,465	-	84,150	31,158	1,769,861
Advances - non-performing	-	1,993	2,089	3,433	-	3,895	-	1,226	-	12,636
Others	4,725	7,948	16,341	70,783	59,889	24,437	3,245	11,871	116,147	315,386
Total assets	<u>2,027,691</u>	<u>241,850</u>	<u>442,175</u>	<u>960,648</u>	<u>1,910,279</u>	<u>667,257</u>	<u>3,656</u>	<u>142,366</u>	<u>398,853</u>	<u>6,794,775</u>
Borrowings	-	5,841	74,694	132,506	245,413	118,745	-	6,572	-	583,771
Subordinated debt	-	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	1,999,352	691	319,884	508,589	-	466,414	-	116,063	58,349	3,469,342
Inter segment borrowing	-	218,253	-	264,154	1,648,566	24,997	-	-	-	2,155,970
Others	28,339	17,065	15,714	55,399	34,606	15,467	753	6,506	107,948	281,797
Total liabilities	<u>2,027,691</u>	<u>241,850</u>	<u>410,292</u>	<u>960,648</u>	<u>1,928,585</u>	<u>625,623</u>	<u>753</u>	<u>129,141</u>	<u>185,171</u>	<u>6,509,754</u>
Equity	-	-	31,883	-	(18,306)	41,634	2,903	13,225	213,682	285,021
Total equity and liabilities	<u>2,027,691</u>	<u>241,850</u>	<u>442,175</u>	<u>960,648</u>	<u>1,910,279</u>	<u>667,257</u>	<u>3,656</u>	<u>142,366</u>	<u>398,853</u>	<u>6,794,775</u>
Contingencies and commitments	73,024	-	34,569	404,198	449,835	228,876	-	-	38,116	1,228,618

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	For the year ended December 31, 2021									
	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account										
----- (Rupees in million) -----										
Net mark-up / return / profit / interest income	(59,926)	28,226	11,748	32,171	107,291	5,039	(139)	8,818	(1,809)	131,419
Inter segment revenue / (expense) - net	102,773	(13,743)	-	(15,728)	(85,928)	4,009	-	-	8,617	-
Non mark-up / interest income	4,151	10,483	653	4,021	6,734	4,856	581	1,344	3,488	36,311
Total Income	46,998	24,966	12,401	20,464	28,097	13,904	442	10,162	10,296	167,730
Segment direct expenses	22,000	9,866	3,382	2,548	1,228	15,585	485	6,183	36,338	97,615
Inter segment expense allocation	13,793	5,900	939	9,141	984	1,256	-	-	(32,013)	-
Total expenses	35,793	15,766	4,321	11,689	2,212	16,841	485	6,183	4,325	97,615
Provisions - charge / (reversal)	296	1,797	(22)	1,441	(1,021)	2,625	-	1,804	1,167	8,087
Profit/ (loss) before tax	10,909	7,403	8,102	7,334	26,906	(5,562)	(43)	2,175	4,804	62,028

	As At December 31, 2021									
	Branch Banking	Consumer, SME & Agriculture lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position										
----- (Rupees in million) -----										
Cash and bank balances	181,994	-	29,178	364	151,013	117,638	11	24,910	582	505,690
Lendings to financial institutions	-	-	28,672	-	65,070	-	-	-	-	93,742
Inter segment lending	1,594,867	-	-	-	-	266,460	-	-	142,415	2,003,742
Investments	-	-	191,865	8,822	1,566,568	128,519	50	14,231	38,901	1,948,956
Advances - performing	-	199,979	166,056	744,323	-	308,901	-	55,629	24,116	1,499,004
Advances - non-performing	-	1,503	3	2,403	-	2,891	-	1,243	-	8,043
Others	18,762	2,838	17,593	41,047	44,735	18,388	2,895	13,876	101,899	262,033
Total assets	1,795,623	204,320	433,367	796,959	1,827,386	842,797	2,956	109,889	307,913	6,321,210
Borrowings	-	2,830	31,568	119,175	140,787	137,816	1,200	2,882	-	436,258
Subordinated debt	-	-	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	640,658	-	91,362	5,349	3,381,998
Inter segment borrowing	-	194,287	11,440	122,508	1,675,507	-	-	-	-	2,003,742
Others	18,269	6,829	15,739	35,392	14,139	22,894	422	5,561	83,907	203,152
Total liabilities	1,795,623	204,320	405,642	796,959	1,830,555	801,368	1,622	99,805	101,630	6,037,524
Equity	-	-	27,725	-	(3,169)	41,429	1,334	10,084	206,283	283,686
Total equity and liabilities	1,795,623	204,320	433,367	796,959	1,827,386	842,797	2,956	109,889	307,913	6,321,210
Contingencies and commitments	59,128	-	56,741	463,954	601,350	186,719	-	-	38,410	1,406,302

41.2 Segment details with respect to geographical locations

	For the year ended December 31, 2022				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
----- (Rupees in million) -----					
Profit and loss account					
Net mark-up / return / profit / interest income	151,377	6,309	4,233	3,644	165,563
Non mark-up / interest income	39,919	1,674	2,768	2,371	46,732
Total Income	191,296	7,983	7,001	6,015	212,295
Segment direct expenses	107,710	7,578	5,087	6,408	126,783
Provisions - charge / (reversal)	5,407	2,409	1,017	(351)	8,482
Profit / (loss) before tax	78,179	(2,004)	897	(42)	77,030

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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As at December 31, 2022

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
----- (Rupees in million) -----					
Statement of financial position					
Cash and bank balances	207,114	62,005	26,705	41,704	337,528
Lendings to financial institutions	254,593	-	-	-	254,593
Investments	1,784,643	77,323	57,780	29,055	1,948,801
Advances - performing	1,495,344	126,831	65,112	82,574	1,769,861
Advances - non-performing	8,742	2,032	567	1,295	12,636
Others	291,836	7,952	8,587	7,011	315,386
Total assets	4,042,272	276,143	158,751	161,639	4,638,805
Borrowings	465,026	105,595	5,299	7,851	583,771
Subordinated debt	18,874	-	-	-	18,874
Deposits and other accounts	3,041,791	199,291	101,824	126,436	3,469,342
Others	305,803	(48,629)	13,554	11,069	281,797
Total liabilities	3,831,494	256,257	120,677	145,356	4,353,784
Equity	210,778	19,886	38,074	16,283	285,021
Total equity and liabilities	4,042,272	276,143	158,751	161,639	4,638,805
Contingencies and commitments	1,000,757	126,159	50,960	50,742	1,228,618

For the year ended December 31, 2021

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
----- (Rupees in million) -----					
Profit and loss account					
Net mark-up / return / profit / interest income	122,491	4,028	2,675	2,225	131,419
Non mark-up / interest income	32,422	1,181	1,023	1,685	36,311
Total Income	154,913	5,209	3,698	3,910	167,730
Segment direct expenses	82,478	6,035	3,882	5,220	97,615
Provisions	5,473	2,136	471	7	8,087
Profit / (loss) before tax	66,962	(2,962)	(655)	(1,317)	62,028

As at December 31, 2021

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
----- (Rupees in million) -----					
Statement of financial position					
Cash and bank balances	388,578	53,525	19,355	44,232	505,690
Lendings to financial institutions	93,742	-	-	-	93,742
Investments	1,825,451	57,079	42,458	23,968	1,948,956
Advances - performing	1,228,925	139,482	56,687	73,910	1,499,004
Advances - non-performing	5,152	879	273	1,739	8,043
Others	245,805	3,786	8,292	4,150	262,033
Total assets	3,787,653	254,751	127,065	147,999	4,317,468
Borrowings	298,442	107,173	21,555	9,088	436,258
Subordinated debt	12,374	-	-	-	12,374
Deposits and other accounts	3,051,069	159,295	55,593	116,041	3,381,998
Others	217,165	(37,503)	18,846	4,644	203,152
Total liabilities	3,579,050	228,965	95,994	129,773	4,033,782
Equity	208,603	25,786	31,071	18,226	283,686
Total equity and liabilities	3,787,653	254,751	127,065	147,999	4,317,468
Contingencies and commitments	1,221,341	74,199	33,697	77,065	1,406,302

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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42 TRUST ACTIVITIES

The Group undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in the consolidated financial statements. Assets held under trust are shown in the table below:

As at December 31, 2022

Category	No. of IPS Accounts	Securities Held (Face Value)				Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Naya Pakistan Certificates	
(Rupees in '000)						
Asset Management companies	1	-	-	21,000	-	21,000
Charitable institutions	2	128,545	-	-	-	128,545
Companies	91	101,822,645	96,018,500	-	-	197,841,145
Employee funds	65	29,770,140	63,581,235	797,500	-	94,148,875
Individuals	4,781	13,188,413	2,923,193	95,861	36,159,009	52,366,476
Insurance companies	4	152,292,140	406,140,300	15,147,050	-	573,579,490
Others	10	9,110,495	631,500	-	-	9,741,995
	4,954	306,312,378	569,294,728	16,061,411	36,159,009	927,827,526

As at December 31, 2021

Category	No. of IPS Accounts	Securities Held (Face Value)				Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Naya Pakistan Certificates	
(Rupees in '000)						
Asset Management companies	-	-	-	-	-	-
Charitable institutions	2	67,535	170,000	-	-	237,535
Companies	78	62,335,205	25,473,600	44,100	-	87,852,905
Employee funds	65	14,788,950	27,368,480	-	-	42,157,430
Individuals	3,694	6,624,450	2,650,238	4,900	31,519,388	40,798,976
Insurance companies	4	36,331,625	404,400,900	9,035,100	-	449,767,625
Others	16	4,220,625	1,523,100	-	-	5,743,725
	3,859	124,368,390	461,586,318	9,084,100	31,519,388	626,558,196

43 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at December 31, 2022					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	----- (Rupees in '000) -----					
Statement of financial position						
Balances with other banks						
In current accounts	-	-	1,592	-	122	-
Investments						
Opening balance	-	-	-	28,790,446	6,297,914	7,713,055
Investment made during the year	-	-	-	1,953,309	-	2,000,000
Investment redeemed / disposed off during the year	-	-	-	(3,921,300)	-	-
Share of profit - net of tax	-	-	-	2,175,235	853,218	-
Equity method adjustments	-	-	-	4,263,051	1,009,089	-
Dividend received during the year	-	-	-	(714,419)	-	-
Provision for diminution in the value of investments	-	-	-	-	-	(28,709)
Transfer in - net	-	-	-	-	-	29,287
Revaluation of investments during the year	-	-	-	(893,206)	(11,169)	-
Revaluation of fixed assets during the year	-	-	-	229,729	-	-
Closing balance	-	-	-	31,882,845	8,149,052	9,713,633
Provision for diminution in the value of investments	-	-	-	-	-	28,709
Advances						
Opening balance	527	837,259	4,001,392	3,348,613	-	11,166,809
Addition during the year	30,557	445,438	23,281,985	-	-	13,996,551
Repaid during the year	(29,672)	(400,569)	(23,534,128)	(2,964,170)	-	(13,433,197)
Transfer in - net	-	30,988	-	-	-	-
Exchange adjustment	-	96,343	798,460	240,557	-	8,576
Closing balance	1,412	1,009,459	4,547,709	625,000	-	11,738,739
Other assets						
Interest / mark-up accrued	-	29,028	44,798	19,286	-	268,993
Advance to suppliers	-	-	21,382	-	-	-
Other receivables	-	2,475	-	161,005	-	1,962
	-	31,503	66,180	180,291	-	270,955
Borrowings						
Opening balance	-	-	3,177,871	3,969,060	-	1,264,962
Borrowings during the year	-	-	7,519,611	22,569,599	11,050,690	500,000
Settled during the year	-	-	(6,953,154)	(16,014,977)	(8,594,981)	(175,536)
Exchange adjustment	-	-	237,952	2,427,212	261,462	-
Closing balance	-	-	3,982,280	12,950,894	2,717,171	1,589,426
Deposits and other accounts						
Opening balance	155,051	546,158	19,836,563	50,630,080	-	3,504,348
Received during the year	1,063,923	4,131,411	423,245,046	1,018,289,986	13,607	73,419,048
Withdrawn during the year	(1,061,773)	(4,197,717)	(417,146,676)	(1,050,062,333)	(15,287)	(74,910,152)
Transfer out - net	-	(30,270)	-	-	-	-
Exchange adjustment	7,664	74,055	279,031	12,892	5,884	112,919
Closing balance	164,865	523,637	26,213,964	18,870,625	4,204	2,126,163
Other liabilities						
Interest / mark-up payable	434	1,340	246,677	46,016	28,530	5,943
Payable to defined benefit plan	-	-	-	-	-	607,424
Other payables	-	-	34,384	136,748	-	649,286
	434	1,340	281,061	182,764	28,530	1,262,653
Contingencies and commitments						
Letters of credit	-	-	693,802	-	-	440,141
Guarantees	-	-	159,480	-	-	3,535,727
Forward purchase of Government securities	-	-	-	-	-	2,452,570
Forward purchase of foreign exchange contracts	-	-	-	1,500	-	-
Interest rate swaps	-	-	-	625,000	-	-
	-	-	853,282	626,500	-	6,428,438
Others						
Securities held as custodian	2,500	94,830	24,812,555	134,281,000	-	18,455,830

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For the year ended December 31, 2022

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----						
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	84	52,801	260,043	116,178	-	1,800,305
Fee and commission income	1,174	8,752	255,255	774,913	-	8,131
Share of profit	-	-	-	2,175,235	853,218	-
Dividend income	-	-	-	-	-	795,007
Unrealised loss on derivatives	-	-	-	(58,909)	-	-
Loss on disposal	-	(313)	-	-	-	-
Expenses						
Mark-up / return / profit / interest expensed	22,909	23,831	1,643,575	3,695,021	33,170	376,498
Operating expenses						
Total compensation expense	-	2,411,643	-	-	-	2,312,163
Non-Executive Directors' fees	94,800	-	-	-	-	-
Insurance premium expense	-	-	-	2,607,916	-	-
Product feature cost	-	-	156,473	-	-	-
Travelling	-	-	22,875	-	-	-
Subscription	-	-	-	-	-	10,555
Donation	-	-	-	-	-	515,961
Brokerage and commission	-	-	-	-	-	233,146
Other expenses	-	-	44,243	60,066	-	115,282
Provision for diminution in the value of investments	-	-	-	-	-	28,709
Others						
Purchase of Government securities	-	15,411	192,562,933	68,269,517	-	28,286,144
Sale of Government securities	-	90,168	225,852,074	119,912,273	-	32,414,714
Purchase of foreign currencies	-	7,015	2,786,947	116,676	-	209,933
Sale of foreign currencies	7,423	178,403	2,179,139	-	-	9,215,185
Insurance claims settled	-	-	-	280,092	-	-

As at December 31, 2021

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----						
Statement of financial position						
Balances with other banks						
In current accounts	-	-	374	-	104	-
Investments						
Opening balance	-	-	-	26,751,320	5,047,043	4,744,343
Investment made during the year	-	-	-	1,355,788	-	2,969,103
Share of profit - net of tax	-	-	-	1,700,017	885,578	-
Equity method adjustments	-	-	-	1,501,604	501,861	-
Investment redeemed / disposed off during the year	-	-	-	(1,892,695)	-	-
Dividend received during the year	-	-	-	(463,512)	(145,181)	-
Revaluation of investment during the year	-	-	-	(162,076)	8,613	(391)
Closing balance	-	-	-	28,790,446	6,297,914	7,713,055
Advances						
Opening balance	249	696,088	4,504,529	1,125,000	-	7,782,917
Addition during the year	19,023	372,347	2,013,784	2,265,231	-	5,567,065
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(292,998)	-	(2,365,348)
Transfer in - net	276	34,006	-	-	-	182,500
Exchange adjustment	-	(250)	265,108	251,380	-	(325)
Closing balance	527	837,259	4,001,392	3,348,613	-	11,166,809
Other assets						
Interest / mark-up accrued	-	552	68,780	42,651	-	123,587
Receivable from defined benefit plan	-	-	-	-	-	759,354
Capital Work in progress	-	-	10,214	-	-	-
Other receivables	-	-	29	154,005	-	-
	-	552	79,023	196,656	-	882,941

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As at December 31, 2021						
Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----						
Borrowings						
Opening balance	-	-	2,314,648	2,282,856	1,598,344	1,315,743
Borrowings during the year	-	-	4,216,030	7,564,980	6,516,419	400,000
Settled during the year	-	-	(3,695,853)	(6,027,688)	(8,145,524)	(450,781)
Exchange adjustment	-	-	343,046	148,912	30,761	-
Closing balance	-	-	<u>3,177,871</u>	<u>3,969,060</u>	<u>-</u>	<u>1,264,962</u>
Deposits and other accounts						
Opening balance	122,063	496,147	12,981,422	36,318,748	-	1,833,343
Received during the year	646,231	3,514,801	485,687,364	1,001,631,636	-	88,512,854
Withdrawn during the year	(616,464)	(3,417,522)	(479,581,131)	(987,320,818)	-	(87,008,311)
Transfer in / (out) - net	3,118	(36,996)	-	-	-	114,741
Exchange adjustment	103	(10,272)	748,908	514	-	51,721
Closing balance	<u>155,051</u>	<u>546,158</u>	<u>19,836,563</u>	<u>50,630,080</u>	<u>-</u>	<u>3,504,348</u>
Other liabilities						
Interest / mark-up payable	-	724	135,791	41,504	-	10,476
Payable to defined benefit plan	-	-	-	-	-	437,648
Other payables	-	-	10,471	72,601	-	411,052
	<u>-</u>	<u>724</u>	<u>146,262</u>	<u>114,105</u>	<u>-</u>	<u>859,176</u>
Contingencies and Commitments						
Letters of credit	-	-	910,308	-	-	673,614
Guarantees	-	-	167,204	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	1,859,052
Commitments in respect of forward lending	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	875,000	-	-
	<u>-</u>	<u>-</u>	<u>2,272,972</u>	<u>875,000</u>	<u>-</u>	<u>7,769,362</u>
Others						
Securities held as custodian	-	12,920	5,326,720	77,701,130	-	9,860,745
	<u>-</u>	<u>12,920</u>	<u>5,326,720</u>	<u>77,701,130</u>	<u>-</u>	<u>9,860,745</u>
For the year ended December 31, 2021						
Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----						
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	13	21,270	193,987	127,195	-	804,186
Fee and commission income	932	5,564	180,591	897,191	392	21,706
Share of Profit	-	-	-	1,700,017	885,578	-
Dividend income	-	-	-	-	-	155,337
Unrealised loss on derivatives	-	-	(3,306)	(43,326)	-	-
Expense						
Mark-up / return / profit / interest expensed	8,356	12,209	868,678	1,300,969	20,998	324,969
Operating expenses						
Total compensation expense	-	2,054,717	-	-	-	1,283,088
Non-Executive Directors' fees	86,400	-	-	-	-	-
Insurance premium expense	-	-	-	1,988,489	-	-
Product feature cost	-	-	194,372	-	-	-
Travelling	-	-	14,837	-	-	-
Subscription	-	-	-	-	-	79,283
Donation	-	-	77,230	-	-	405,576
Brokerage and commission	-	-	-	-	-	212,274
Other expenses	-	-	10,690	-	-	48,218
Reversal of provision against advances	-	-	-	-	-	-
Others						
Purchase of Government securities	-	-	337,325,673	54,769,108	-	16,885,974
Sale of Government securities	-	56,883	346,902,828	32,529,676	-	27,793,467
Purchase of foreign currencies	58	8,217	3,004,944	3,018	-	2,857,263
Sale of foreign currencies	16,074	354,330	3,280,543	222,000	-	5,732,637
Insurance claims settled	-	-	-	81,562	-	-

43.1 Balances and transactions with group entities include deposits of Rs 0.590 million (2021: Rs 0.554 million) from the parent and Rs 2 thousand (2021: 1.814 thousand) as mark-up expense thereon.

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44 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2022	2021
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>14,668,525</u>	<u>14,668,525</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>203,251,762</u>	<u>192,465,081</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>19,093,425</u>	<u>12,606,759</u>
Total Eligible Tier 1 Capital	<u>222,345,187</u>	<u>205,071,840</u>
Eligible Tier 2 Capital	<u>56,977,624</u>	<u>55,846,089</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>279,322,811</u>	<u>260,917,929</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>1,511,840,742</u>	<u>1,328,791,152</u>
Market Risk	<u>105,217,738</u>	<u>116,679,788</u>
Operational Risk	<u>266,263,405</u>	<u>224,085,265</u>
Total	<u>1,883,321,885</u>	<u>1,669,556,205</u>
Common Equity Tier 1 Capital Adequacy Ratio	<u>10.79%</u>	<u>11.53%</u>
Tier 1 Capital Adequacy Ratio	<u>11.81%</u>	<u>12.28%</u>
Total Capital Adequacy Ratio	<u>14.83%</u>	<u>15.63%</u>
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	9.00%	9.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	1.50%	2.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	4.79%	5.53%
Other information:	2022	2021
Minimum capital requirements prescribed by the SBP		
CET1 ratio (%)	9.00%	9.50%
Tier 1 ratio (%)	10.50%	11.00%
Total capital ratio (%)	13.00%	13.50%
Leverage Ratio (LR)	2022	2021
	(Rupees in '000)	
Eligible Tier-1 Capital	222,345,187	205,071,840
Total Exposure	5,292,442,000	4,687,343,787
Leverage Ratio (%)	<u>4.20%</u>	<u>4.38%</u>
Minimum Requirement (%)	<u>3.00%</u>	<u>3.00%</u>
Liquidity Coverage Ratio (LCR)	2022	2021
	Total Adjusted Value	
	(Rupees in '000)	
Average High Quality Liquid Assets	1,609,446,790	1,477,650,149
Average Net Cash Outflow	632,560,916	638,366,023
Average Liquidity Coverage Ratio (%)	<u>254.43%</u>	<u>231.47%</u>
Minimum Requirement (%)	<u>100.00%</u>	<u>100.00%</u>
Net Stable Funding Ratio (NSFR)	2022	2021
	Total Weighted Value	
	(Rupees in '000)	
Total Available Stable Funding	3,225,111,950	3,046,911,457
Total Required Stable Funding	2,171,559,048	1,964,571,726
Net Stable Funding Ratio (%)	<u>148.52%</u>	<u>155.09%</u>
Minimum Requirement (%)	<u>100.00%</u>	<u>100.00%</u>

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44.1 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The Group's lead regulator, the SBP, sets and monitors capital requirements for the Bank and the Group. The Bank's branches and subsidiaries outside Pakistan are also required to follow capital requirements applicable in their respective jurisdictions.

The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at December 31, 2022 stood at Rs. 14.669 billion (2021: Rs. 14.669 billion) and is in compliance with SBP requirements.

The Group and its individually regulated operations are in compliance with all capital requirements.

The Group's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
- CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding exchange translation reserves), unappropriated profit and non-controlling interest meeting the eligibility criteria.
- AT 1 capital includes perpetual TFCs meeting the prescribed SBP criteria.
- Tier 2 capital includes general provisions for loan losses, surplus / (deficit) on revaluation of fixed assets and investments, exchange translation reserves.

Banking operations are categorised as either Trading Book or Banking Book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and are aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Eligible collateral used includes Government of Pakistan (GoP) guarantees, GoP issued securities, bank guarantees, lien on deposits and margin accounts. Risk weights notified by the SBP are applied to net exposures to arrive at risk weighted assets.
- The Group calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP, which takes into account interest rate risk using the maturity method, equity position risk and foreign exchange risk.

44.2 The full disclosures on the Capital Adequacy Ratio, Leverage Ratio & Liquidity Requirements calculated as per SBP instructions issued from time to time have been placed on the Bank's website. The link to the full disclosure is available at <https://www.hbl.com/capitalandliquidity>.

45 RISK MANAGEMENT FRAMEWORK

HBL has a well-developed and robust risk management framework, appropriate for its size, regional and target market diversification and the high complexity of its operations. The Bank's risk management framework includes a clearly documented risk appetite, well-articulated policies and procedures and a multi-tier management supervision, supported by strong Board oversight.

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place, covering all aspects of the Bank's operations, including the required human resources, policies, procedures, and systems, and is updated regularly to safeguard the Bank against emerging risks. It is supported in this task by the Board Risk Management Committee (BRMC) as well as by various management committees.

For effective implementation of the risk management framework, the Risk Management function, headed by the Chief Risk Officer (CRO), operates independently of the business units within the Bank. Risk Management is responsible for the development and implementation of risk policies and for monitoring the risks associated with various activities of the Bank. The CRO reports to the President, with a functional reporting line to the BRMC.

The Risk Management function comprises of the following areas:

- Credit Approvals
- Credit Administration
- Program Based Lending Risk
- Market Risk & Financial Risk Modeling
- Enterprise Risk Management
- Risk Corporate Governance

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45.1 Credit risk management

Credit risk is defined as the risk of financial loss stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk, it also stems from both on and off-balance sheet activities. The credit process at the Bank is governed by well-defined and documented credit policies and procedures including separate policies for consumer loans, agriculture banking and SME financing. Certain types of exposures/ facilities are managed under product programs that contain their own detailed credit criteria, compliance and documentation requirements.

The Bank's credit risk appetite is defined through a Global Risk Appetite Statement that is approved by the Board. It also covers the concentration risks the Bank is willing to take with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at the Bank are:

- Approval rules based on a three-initial system and joint Business / Risk sign-offs.
- An independent Internal Audit function which includes a Business Risk Review (BRR) unit.

Credit approval authorities are delegated to individuals based on their qualifications and experience. Disbursement authorization, collateral and security management, documentation and monitoring are managed by the Credit Administration Department. Proactive monitoring is ensured for assets under stress. This enables the Bank to put in place viable solutions to prevent further deterioration in credit quality. An independent Structured Credits and Remedial Assets function handles stressed assets and ensures a focused remedial strategy.

Credit risk management software to automate loan origination has been implemented domestically for Corporate, Commercial and Retail (non-program based) lending and is being rolled out to overseas locations. The software is designed to improve approval efficiency; enable capture, storage and retrieval of approval data; and generate MIS for decision making.

Stress testing on the credit portfolio is performed in line with SBP guidelines. In addition to the mandatory stress tests defined by the regulator, the Bank has also developed advanced stress tests for credit risk including macroeconomic stress tests and reverse stress tests to test the adequacy of the Bank's capital under various stress conditions. The Bank also regularly conducts rapid portfolio reviews in line with emerging risks.

The Bank has undertaken a number of initiatives including the establishment of a Financial Risk Modelling & Stress Testing unit to strengthen its credit risk management framework including in-house development, back testing, validation of credit risk scorecards, internal risk ratings (obligor risk rating and facility risk rating) and probability of default models for the portfolio. The performance of the risk rating models over the years is continuously monitored.

BRR performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality by reviewing the efficacy of the relevant processes, ensuring regulatory / policy compliance, and assessing the appropriateness of classification and risk ratings.

45.1.1 Credit risk - general disclosures

The Bank follows the Standardized Approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit ratings or type of exposure, whichever is applicable.

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects different ECAIs for each type of exposure. The Bank utilizes credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Vital Information Services (VIS), Fitch, Moody's and Standard & Poor's (S&P). The Bank also utilizes rating scores of Export Credit Agencies (ECAs).

Types of exposure and ECAIs used

	FITCH	Moody's	S&P	PACRA	VIS	ECA scores
Corporates	✓	✓	✓	✓	✓	-
Banks	✓	✓	✓	✓	✓	-
Sovereigns	-	✓	-	-	-	✓
Public sector enterprises	✓	-	-	✓	✓	-

Mapping to SBP rating grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

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Long-Term rating grades mapping

SBP Rating grade	Fitch	Moody's	S&P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short-Term rating grades mapping

SBP rating grade	Fitch	Moody's	S&P	PACRA	VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

45.1.2 Credit Risk Mitigation under the Standardized Approach

The Bank has adopted the Simple Approach for Credit Risk Mitigation in the Banking Book. Under this approach, cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral. The Bank has detailed guidelines regarding the valuation and management of each of these types of collateral. Where the Bank's exposure on an obligor is wholly or partially guaranteed by an eligible guarantee, the risk weight / credit rating of the guarantor is substituted for the risk weight of the obligor.

No credit risk mitigation benefit is taken in the Trading Book.

For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net exposure for the calculation of Risk Weighted Assets.

45.1.3 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by international rating agencies. CBTR arises from exposure to counterparties in countries other than the jurisdiction of the lender. Transfer risk arises where an otherwise solvent and willing debtor is unable to meet its obligations due to the imposition of governmental or regulatory controls restricting its ability to meet its foreign liabilities. The limit utilization is controlled at Head Office level and country risk exposures are reported to the BRMC at defined frequencies.

45.1.4 Lendings to financial institutions

	Gross lendings	Non-performing lendings	Provision held	Gross lendings	Non-performing lendings	Provision held
	2022			2021		
Credit risk by public / private sector	(Rupees in '000)					
Public / Government	176,265,131	-	-	24,615,867	-	-
Private	78,328,156	-	-	69,126,565	-	-
	<u>254,593,287</u>	<u>-</u>	<u>-</u>	<u>93,742,432</u>	<u>-</u>	<u>-</u>

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45.1.5 Investment in debt securities	Gross investments	Non-performing investments	Provision held	Gross investments	Non-performing investments	Provision held
	2022			2021		
Credit risk by industry sector	----- (Rupees in '000) -----					
Textile	261,318	261,318	261,318	86,548	86,548	86,548
Automobile and transportation equipment	679,948	-	-	883,872	-	-
Financial	1,842,155,550	1,132,100	953,654	1,835,176,696	-	-
Oil and gas	161,426	-	-	1,798,454	-	-
Power and energy	57,143,804	-	-	61,695,258	-	-
Telecommunication	151,914	151,914	151,914	160,833	160,833	160,833
Wholesale and retail trade	1,065,339	1,065,339	1,065,339	929,609	929,609	929,609
Metal and allied	675,000	-	-	900,000	-	-
Others	980,000	-	-	1,000,000	-	-
	<u>1,903,274,299</u>	<u>2,610,671</u>	<u>2,432,225</u>	<u>1,902,631,270</u>	<u>1,176,990</u>	<u>1,176,990</u>
Credit risk by public / private sector						
Public / Government	1,875,486,292	1,132,100	953,654	1,876,329,222	-	-
Private	<u>27,788,007</u>	<u>1,478,571</u>	<u>1,478,571</u>	<u>26,302,048</u>	<u>1,176,990</u>	<u>1,176,990</u>
	<u>1,903,274,299</u>	<u>2,610,671</u>	<u>2,432,225</u>	<u>1,902,631,270</u>	<u>1,176,990</u>	<u>1,176,990</u>

45.1.6 Advances

Credit risk by industry sector	Gross advances	Non-performing advances	Provision held	Gross advances	Non-performing advances	Provision held
	2022			2021		
Credit risk by industry sector	----- (Rupees in '000) -----					
Chemical and pharmaceuticals	60,357,354	2,815,684	2,809,796	44,855,008	2,528,011	2,516,898
Agribusiness	192,386,285	3,349,804	1,816,848	135,377,910	2,202,050	1,093,954
Textile	223,104,999	13,509,135	13,359,927	175,511,061	15,520,215	15,406,200
Cement	37,904,091	1,967,010	1,083,273	28,401,108	588,694	588,694
Sugar	13,489,105	1,230,342	1,230,342	8,903,630	1,230,342	1,295,262
Shoes and leather garments	6,927,199	1,075,523	1,061,566	4,647,283	949,725	943,425
Automobile and transportation equipment	35,997,366	4,304,713	4,148,166	25,497,800	3,598,823	3,475,364
Financial	133,353,142	2,636,969	2,636,969	155,550,220	2,063,225	2,063,225
Hotel and tourism	7,268,950	741,813	622,677	8,118,431	809,736	712,089
Insurance	1,810,043	-	-	2,506,715	-	-
Electronics and electrical appliances	12,206,287	1,806,788	1,806,788	10,099,650	2,595,651	2,595,651
Oil and gas	88,838,490	7,044,242	7,044,242	88,003,142	5,652,384	5,655,182
Power and energy	208,489,782	2,670,231	697,041	194,625,126	13,336	13,336
Education and medical	9,462,860	190,157	183,652	7,556,135	202,663	196,303
Telecommunication	41,499,857	972,759	972,759	28,315,442	1,082,730	1,082,730
Printing and publishing	7,879,661	350,887	350,887	7,909,569	356,435	349,484
Construction	72,931,970	525,052	332,581	52,722,836	371,301	253,573
Mining and quarrying	7,610,041	116,398	59,258	5,952,217	155,578	78,848
Food, tobacco and beverages	97,198,656	4,322,670	3,172,574	82,533,881	4,725,601	3,361,128
Wholesale and retail trade	89,267,374	15,242,757	13,217,286	83,339,173	13,053,725	11,672,596
Metal and allied	29,735,539	3,881,615	2,389,675	32,092,124	4,040,865	2,412,884
Individuals	174,064,390	3,356,290	2,533,983	142,980,407	2,364,165	1,977,157
Farming, cattle and dairy	30,822,873	1,038,256	614,966	26,214,561	1,787,117	1,239,344
Trust funds and non profit organisations	2,863,815	2,991	2,991	1,596,881	2,991	2,991
Others	289,198,776	17,743,863	16,111,230	237,590,281	14,993,098	13,858,868
	<u>1,874,668,905</u>	<u>90,895,949</u>	<u>78,259,477</u>	<u>1,590,900,591</u>	<u>80,888,461</u>	<u>72,845,186</u>
Credit risk by public / private sector						
Public / Government	338,142,516	3,536,499	2,595,687	319,426,745	3,094,902	2,029,211
Private	<u>1,536,526,389</u>	<u>87,359,450</u>	<u>75,663,790</u>	<u>1,271,473,846</u>	<u>77,793,559</u>	<u>70,815,975</u>
	<u>1,874,668,905</u>	<u>90,895,949</u>	<u>78,259,477</u>	<u>1,590,900,591</u>	<u>80,888,461</u>	<u>72,845,186</u>

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45.1.7 Contingencies and Commitments

	2022	2021
	(Rupees in '000)	
Credit risk by industry sector		
Chemical and pharmaceuticals	27,718,235	37,497,701
Agribusiness	4,139,021	4,872,111
Textile	72,095,669	94,007,339
Cement	21,590,809	51,399,786
Defence	429,676	14,055,764
Sugar	3,431,617	3,119,186
Shoes and leather garments	3,023,150	1,608,350
Automobile and transportation equipment	41,297,298	30,685,625
Financial	572,685,923	687,046,356
Hotel and tourism	1,600,123	1,085,725
Insurance	992,398	7,222,886
Electronics and electrical appliances	18,449,164	16,754,561
Oil and gas	54,104,406	68,651,454
Power and energy	134,893,365	106,046,478
Education and medical	1,220,519	2,974,595
Telecommunication	20,429,418	27,697,852
Printing and publishing	1,861,738	2,469,700
Construction	31,520,324	32,208,067
Mining and quarrying	725,931	2,749,857
Food, tobacco and beverages	46,742,487	26,589,405
Wholesale and retail trade	21,805,011	10,665,042
Metal and allied	12,799,000	15,508,860
Individuals	17,938,405	24,602,637
Farming, cattle and dairy	2,270,796	1,549,317
Ports and shipping	5,473,533	1,367,301
Trust funds and non profit organisations	35,550,221	41,572,444
Others	73,829,347	92,293,342
	<u>1,228,617,584</u>	<u>1,406,301,741</u>
Credit risk by public / private sector		
Public / Government	246,037,765	226,782,960
Private	<u>982,579,819</u>	<u>1,179,518,781</u>
	<u>1,228,617,584</u>	<u>1,406,301,741</u>

45.1.8 Concentration of Advances

The Group's top 10 exposures on the basis of total (funded and non-funded) exposure aggregated to Rs 484,034.142 million (2021: Rs 439,861.951 million).

	2022	2021
	Rupees in '000	
Funded	349,449,339	254,870,742
Non - funded	<u>134,584,803</u>	<u>184,991,209</u>
Total exposure	<u>484,034,142</u>	<u>439,861,951</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 705,733.152 million (2021 : 628,617.948 million).

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45.1.9 Advances - Province / Region-wise disbursement and utilisation

Province / Region	Disbursements	2022					
		Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		(Rupees in '000)					
Punjab	4,216,303,883	4,056,922,038	154,449,300	4,932,545	-	-	-
Sindh	10,327,220,126	670,728,239	9,417,058,107	12,814,439	114,338,086	110,048,348	2,232,907
KPK including FATA	79,549,825	151,364	3,020,300	76,378,161	-	-	-
Balochistan	16,312,428	-	-	-	16,312,428	-	-
Islamabad	1,319,001,272	210,256,356	19,305,283	-	-	1,089,439,633	-
AJK including Gilgit-Baltistan	26,382,979	-	-	-	-	-	26,382,979
Total	15,984,770,513	4,938,057,997	9,593,832,990	94,125,145	130,650,514	1,199,487,981	28,615,886
Province / Region	Disbursements	2021					
		Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		(Rupees in '000)					
Punjab	3,101,607,442	2,915,900,328	39,963,069	1,314,901	-	144,213,003	216,141
Sindh	8,163,147,976	281,124,813	7,821,084,148	9,728,882	17,231,128	32,115,680	1,863,325
KPK including FATA	64,758,158	756,415	1,832,628	62,159,788	-	9,327	-
Balochistan	12,866,864	-	4,328,047	-	5,377,551	3,161,266	-
Islamabad	1,031,641,148	70,198,521	139,370,616	-	117,227	821,954,784	-
AJK including Gilgit-Baltistan	19,749,842	18,015	-	-	-	574,814	19,157,013
Total	12,393,771,430	3,267,998,092	8,006,578,508	73,203,571	22,725,906	1,002,028,874	21,236,479

45.2 Market Risk Management

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them. Each of these components of market risk consists of a general market risk and a specific market risk that is driven by the nature and composition of the portfolio.

The Bank is exposed to market risk in a number of ways. The largest component is Interest Rate Risk on the Banking Book, which refers to the interest rate risk that the Bank is exposed to due to mismatches in the repricing of its on-balance sheet assets and liabilities. The Bank also has a Trading Book in which the assets are marked-to-market through the profit and loss account.

The objective of the Bank's market risk management strategy is to assess an acceptable level of risk for each market variable (as stated in the Bank's Risk Appetite Statement), and to manage the risk arising from fluctuations in these variables to optimize the Bank's income streams.

Treasury and Global Markets is tasked with proactively managing exposures. The Bank's ALCO provides governance with respect to market risk exposures and limits, while monitoring and measurement is carried out by Market Risk Management (MRM).

MRM provides a dynamic and proactive approach to market risk monitoring, including the use of tools such as portfolio sensitivity, scenario analysis, stress testing and the use of Management Action Triggers (MAT) and limits.

45.2.1 Statement of financial position split by trading and banking books

	2022			2021		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	296,015,386	-	296,015,386	441,252,246	-	441,252,246
Balances with other banks	41,513,022	-	41,513,022	64,438,075	-	64,438,075
Lendings to financial institutions	254,593,287	-	254,593,287	93,742,432	-	93,742,432
Investments	1,177,215,851	771,585,191	1,948,801,042	1,036,253,263	912,702,715	1,948,955,978
Advances	1,782,497,923	-	1,782,497,923	1,507,047,097	-	1,507,047,097
Fixed assets	113,871,657	-	113,871,657	98,676,342	-	98,676,342
Intangible assets	18,422,200	-	18,422,200	12,630,475	-	12,630,475
Deferred tax assets	5,797,045	-	5,797,045	-	-	-
Other assets	173,654,999	3,639,550	177,294,549	141,773,908	8,951,592	150,725,500
	3,863,581,370	775,224,741	4,638,806,111	3,395,813,838	921,654,307	4,317,468,145

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45.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank manages this risk by setting and monitoring currency-wise exposure limits. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank maintains a net open position in various currencies resulting from its transactions. Foreign exchange risk is controlled and monitored through limits approved by ALCO, within the overall limit advised by the SBP.

	2022				2021			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	----- (Rupees in '000) -----							
United States Dollars	401,067,213	533,549,462	105,687,771	(26,794,478)	373,366,182	391,336,169	23,502,692	5,532,705
Great Britain Pounds	87,827,741	87,228,143	12,240,071	12,839,669	70,731,091	79,781,810	18,506,568	9,455,849
UAE Dirhams	89,657,961	70,961,159	(21,492)	18,675,310	42,131,632	62,561,226	32,917,837	12,488,243
Japanese Yen	138,868	35,785	(65,974)	37,109	116,753	32,030	(38,325)	46,398
Euros	22,480,267	21,369,356	1,813,255	2,924,166	22,153,104	18,381,217	(1,371,357)	2,400,530
Chinese Yuan	16,992,989	31,087,593	331,995	(13,762,609)	9,723,361	19,961,476	463,784	(9,774,331)
Other Currencies	157,623,918	83,145,438	(15,865,280)	58,613,200	145,989,191	74,873,195	(13,208,697)	57,907,299
	<u>775,788,957</u>	<u>827,376,936</u>	<u>104,120,346</u>	<u>52,532,367</u>	<u>664,211,314</u>	<u>646,927,123</u>	<u>60,772,502</u>	<u>78,056,693</u>
					-----	-----	-----	-----
					2022	2021	Banking book	Trading book
					Banking book	Trading book	Banking book	Trading book
					----- (Rupees in '000) -----			

Impact of 1% increase in foreign exchange rates on

- Profit and loss account	-	525,324	-	780,567
- Other comprehensive income	706,789	-	719,669	-

45.2.3 Equity Position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices.

The Bank takes exposures to a range of equity instruments, and is exposed to losses arising from movements in equity prices. The Bank holds equity investments in both the AFS and HFT portfolios. The realization of short term capital gains is the principal objective of the HFT portfolio while the AFS portfolio takes a medium-term market view with the objective of earning both capital gains and dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio which is part of the Bank's overall market risk exposure limit on the trading book.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 5% change in equity prices on				
- Profit and loss account	-	5	-	15,430
- Other comprehensive income	248,338	-	376,184	-

45.2.4 Interest Rate Risk

Interest rate risk arises due to changes in interest rates, including changes in the shape of the yield curve. The Bank is exposed to interest rate risk in both the Trading and Banking Books. Interest rate sensitivity analysis is conducted at both Banking Book and Trading Book levels, at least on a monthly basis or more frequently, if required. The analysis helps in estimating and managing the impact of interest rate volatility on the Bank's earnings and on the economic value of equity within defined tolerance limits. Limits are also in place for fixed income investments of the treasury portfolio at dealer, transaction, portfolio and Trading / Banking Book levels. Regulatory stress testing is conducted on a quarterly basis. Metrics to assess Interest Rate Risk include Interest Rate Gap Reports, Earnings at Risk (EAR) and Economic Value of Equity (EVE). These metrics are also calculated based on different stress testing scenarios.

To further strengthen interest rate risk management, the Bank has developed a standardized framework for computing the Interest Rate Risk in the Banking Book (IRRBB) under the updated guidelines issued by the Basel Committee on Banking Supervision Standards.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 1% increase in interest rates on				
- Profit and loss account	5,165,824	(1,221,300)	(1,151,969)	(818,473)
- Other comprehensive income	7,348,444	-	(3,887,409)	-

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45.2.4.1 Mismatch of interest rate sensitive assets and liabilities

Interest rate sensitivity gaps for assets and liabilities which have contractual maturities have been reported based on the earlier of the re-pricing date or maturity date. Assets and liabilities which do not have any contractual maturities have been bucketed on the basis of a behavioural study conducted by Market Risk Management and approved by ALCO.

Effective yield / interest rate	2022										Not exposed to yield / interest risk	
	Total	Exposed to yield / interest risk										
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years		
(Rupees in '000)												
On-balance sheet assets												
Financial assets												
Cash and balances with treasury banks	0.11%	296,015,386	61,230,526	78,365	-	-	-	-	-	-	-	234,706,495
Balances with other banks	2.69%	41,513,022	16,584,295	2,980,350	240,594	567,535	-	-	-	-	-	21,140,248
Lendings to financial institutions	12.70%	254,593,287	254,593,287	-	-	-	-	-	-	-	-	-
Investments	11.45%	1,948,801,042	486,539,567	348,175,889	504,257,638	81,479,252	141,127,675	121,282,529	40,498,150	125,268,160	48,224,107	51,948,075
Advances	11.83%	1,782,497,923	514,600,572	832,361,502	198,348,625	48,597,784	33,646,253	37,842,266	63,125,400	42,045,484	2,462,280	9,467,757
Other assets		159,854,891	-	-	-	-	-	-	-	-	-	159,854,891
		<u>4,483,275,551</u>	<u>1,333,548,247</u>	<u>1,183,596,106</u>	<u>702,846,857</u>	<u>130,644,571</u>	<u>174,773,928</u>	<u>159,124,795</u>	<u>103,623,550</u>	<u>167,313,644</u>	<u>50,686,387</u>	<u>477,117,466</u>
Financial liabilities												
Bills payable		52,001,577	-	-	-	-	-	-	-	-	-	52,001,577
Borrowings	8.69%	583,771,399	60,227,050	315,772,669	59,704,698	34,998,780	23,588,588	4,891,011	13,269,544	68,649,120	2,669,939	-
Deposits and other accounts	6.24%	3,469,342,252	255,655,896	1,482,420,793	160,852,100	170,524,435	20,442,371	12,502,454	10,265,838	6,404,175	7,195	1,350,266,995
Subordinated debt	15.20%	18,874,000	-	18,874,000	-	-	-	-	-	-	-	-
Other liabilities												
Lease Liability against right-of-use asset	11.61%	27,079,479	218,665	437,330	655,995	1,311,990	2,623,981	2,623,981	5,247,961	13,959,576	-	-
Others		180,202,302	-	-	-	-	-	-	-	-	-	180,202,302
		<u>4,331,271,009</u>	<u>316,101,611</u>	<u>1,817,504,792</u>	<u>221,212,793</u>	<u>206,835,205</u>	<u>46,654,940</u>	<u>20,017,446</u>	<u>28,783,343</u>	<u>89,012,871</u>	<u>2,677,134</u>	<u>1,582,470,874</u>
On-balance sheet gap		<u>152,004,542</u>	<u>1,017,446,636</u>	<u>(633,908,686)</u>	<u>481,634,064</u>	<u>(76,190,634)</u>	<u>128,118,988</u>	<u>139,107,349</u>	<u>74,840,207</u>	<u>78,300,773</u>	<u>48,009,253</u>	<u>(1,105,353,408)</u>
Net non - financial assets		<u>133,017,272</u>										
Total net assets		<u>285,021,814</u>										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		284,366,183	121,003,450	81,121,232	76,868,066	5,373,435	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(150,216,870)	(89,485,965)	(33,541,544)	(22,003,460)	(5,016,085)	-	(169,816)	-	-	-	-
Government Securities transactions - forward purchases		117,020,407	115,303,606	1,331,036	385,765	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(15,275,533)	(15,275,533)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		23,863,687	2,746,513	308,700	-	709,425	2,394,210	166,808	5,947,340	8,012,291	3,578,400	-
Cross Currency Swaps - sales		(30,407,998)	(3,319,106)	(452,862)	-	(679,293)	(3,266,252)	(169,816)	(8,918,301)	(9,073,750)	(4,528,618)	-
Interest rate swaps - sales		(3,033,333)	-	(208,333)	-	-	(1,000,000)	(1,625,000)	(200,000)	-	-	-
		<u>226,316,543</u>	<u>130,972,965</u>	<u>48,558,229</u>	<u>55,250,371</u>	<u>387,482</u>	<u>(1,872,042)</u>	<u>(1,797,824)</u>	<u>(3,170,961)</u>	<u>(1,061,459)</u>	<u>(950,218)</u>	<u>-</u>
Total yield / interest rate risk sensitivity gap			<u>1,148,419,601</u>	<u>(585,350,457)</u>	<u>536,884,435</u>	<u>(75,803,152)</u>	<u>126,246,946</u>	<u>137,309,525</u>	<u>71,669,246</u>	<u>77,239,314</u>	<u>47,059,035</u>	<u>(1,105,353,408)</u>
Cumulative yield / Interest rate risk sensitivity gap			<u>1,148,419,601</u>	<u>563,069,144</u>	<u>1,099,953,579</u>	<u>1,024,150,427</u>	<u>1,150,397,373</u>	<u>1,287,706,898</u>	<u>1,359,376,144</u>	<u>1,436,615,458</u>	<u>1,483,674,493</u>	<u>378,321,085</u>

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		2021										
Effective yield / interest rate	Total	Exposed to yield / interest risk									Not exposed to yield / interest risk	
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years		
------(Rupees in '000)-----												
On-balance sheet assets												
Financial assets												
Cash and balances with treasury banks	0.02%	441,252,246	36,748,495	-	-	229,238	-	-	-	-	-	404,274,513
Balances with other banks	1.31%	64,438,075	21,852,106	5,346,765	6,054,303	-	-	-	-	-	-	31,184,901
Lendings to financial institutions	7.26%	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-	-
Investments	8.09%	1,948,955,978	398,807,362	361,332,755	549,954,633	167,063,824	59,608,539	112,993,759	98,890,185	100,211,912	51,226,889	48,866,120
Advances	8.60%	1,507,047,097	343,552,748	705,429,380	183,087,141	83,564,915	37,280,329	42,353,978	69,160,081	36,281,597	871,465	5,465,463
Other assets		124,329,071	-	-	-	-	-	-	-	-	-	124,329,071
		<u>4,179,764,899</u>	<u>873,341,343</u>	<u>1,093,470,700</u>	<u>739,096,077</u>	<u>250,857,977</u>	<u>96,888,868</u>	<u>155,347,737</u>	<u>168,050,266</u>	<u>136,493,509</u>	<u>52,098,354</u>	<u>614,120,068</u>
Financial liabilities												
Bills payable		44,196,984	-	-	-	-	-	-	-	-	-	44,196,984
Borrowings	4.67%	436,258,005	58,249,109	168,800,165	43,421,012	49,732,681	11,598,450	14,406,913	16,670,978	65,355,555	8,023,142	-
Deposits and other accounts	3.58%	3,381,998,398	323,517,239	1,618,721,024	96,397,288	130,998,468	10,499,125	18,660,941	4,008,234	8,353,952	306,871	1,170,535,256
Subordinated debt	9.04%	12,374,000	-	12,374,000	-	-	-	-	-	-	-	-
Other liabilities		-	-	-	-	-	-	-	-	-	-	-
Lease Liability against right-of-use asset	10.32%	22,307,342	180,130	360,261	540,391	1,080,782	2,161,564	2,161,564	4,323,128	11,499,522	-	-
Others		116,138,497	-	-	-	-	-	-	-	-	-	116,138,497
		<u>4,013,273,226</u>	<u>381,946,478</u>	<u>1,800,255,450</u>	<u>140,358,691</u>	<u>181,811,931</u>	<u>24,259,139</u>	<u>35,229,418</u>	<u>25,002,340</u>	<u>85,209,029</u>	<u>8,330,013</u>	<u>1,330,870,737</u>
On-balance sheet gap		<u>166,491,673</u>	<u>491,394,865</u>	<u>(706,784,750)</u>	<u>598,737,386</u>	<u>69,046,046</u>	<u>72,629,729</u>	<u>120,118,319</u>	<u>143,047,926</u>	<u>51,284,480</u>	<u>43,768,341</u>	<u>(716,750,669)</u>
Net non - financial assets		<u>117,194,129</u>										
Total net assets		<u>283,685,802</u>										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		340,760,829	101,905,991	152,521,110	66,552,788	19,780,940	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(260,920,745)	(96,407,046)	(96,681,034)	(52,072,920)	(15,759,745)	-	-	-	-	-	-
Government Securities transactions - forward purchases		27,830,190	26,993,330	836,860	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(65,732,273)	(65,732,273)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		17,058,770	-	57,639	77,975	309,755	2,105,927	2,712,009	7,346,163	878,616	3,570,686	-
Cross Currency Swaps - sales		(19,308,883)	-	(73,549)	(88,257)	(353,022)	(2,382,930)	(2,899,224)	(9,010,816)	(970,815)	(3,530,270)	-
Interest rate swaps - sales		(5,681,475)	-	(564,808)	-	-	(1,041,667)	(2,000,000)	(2,075,000)	-	-	-
Off-balance sheet gap		<u>34,006,413</u>	<u>(33,239,998)</u>	<u>56,096,218</u>	<u>14,469,586</u>	<u>3,977,928</u>	<u>(1,318,670)</u>	<u>(2,187,215)</u>	<u>(3,739,653)</u>	<u>(92,199)</u>	<u>40,416</u>	<u>-</u>
Total yield / interest rate risk sensitivity gap		<u>458,154,867</u>	<u>(650,688,532)</u>	<u>613,206,972</u>	<u>73,023,974</u>	<u>71,311,059</u>	<u>117,931,104</u>	<u>139,308,273</u>	<u>51,192,281</u>	<u>43,808,757</u>	<u>(716,750,669)</u>	
Cumulative yield / Interest rate risk sensitivity gap		<u>458,154,867</u>	<u>(192,533,665)</u>	<u>420,673,307</u>	<u>493,697,281</u>	<u>565,008,340</u>	<u>682,939,444</u>	<u>822,247,717</u>	<u>873,439,998</u>	<u>917,248,755</u>	<u>200,498,086</u>	

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45.3 Enterprise Risk Management

The Enterprise Risk Management (ERM) function was set up in 2020, and is applicable to all functions within the Bank, thus ensuring a robust and consistent approach to risk management at all levels of the organisation.

The Bank's Enterprise Risk Management Framework, approved by the Board, outlines the essential ERM components, principles and concepts, and suggests the use of a common ERM language, while providing a clear direction and guidance for integrated risk management within the Bank. Day-to-day responsibility for risk management is distributed through the delegation of accountability to individuals, with reporting and escalation facilitated through a governance structure. Standards, policies, and limits are well defined to ensure tasks and processes are consistently controlled.

During the year, a Bank-wide Risk and Control Repository has been created with the objective of identifying all risks and issues in a holistic manner across the entire organisation and ensuring that they are adequately monitored and mitigated.

The ERM function also includes a Model Risk Management unit that provides independent review and validation of all models being used in the Bank.

45.4 Operational Risk Management (ORM)

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

A comprehensive ORM Framework is in place which address all significant aspects of ORM. The Bank uses loss data management, Risk and Control Self Assessments and tracking of Key Risk Indicators (KRIs) to gauge the likelihood and severity of operational risk. The SAS software is used to facilitate this process. Operational Risk coordinators have been assigned from all departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) monitors and oversees operational risk issues.

The Bank uses stress testing to proactively assess impacts to the Bank. RCSA exercises are conducted at regular intervals across the Bank. Operational risk reports are regularly submitted to the senior management and the BRMC.

45.4.1 Business Continuity Planning (BCP)

It is the policy of the Bank to maintain a well-defined business continuity plan with clearly defined roles, responsibilities and ownership for crisis management, to ensure business continuity and IT disaster recovery. The Bank's Business Continuity Steering Committee, includes representation from the senior management of the Bank and is the governing body for BCP. It meets on a periodic basis to review key initiatives, testing results and action plans for strengthening the Bank's ability to manage crisis situations. The Bank's business continuity program complies with the regulatory framework and the leading Business Continuity Management standard, ISO 22301. The business continuity program is subject to regular internal, external and regulatory reviews and audits.

45.4.2 IT related controls

During the year, the Bank's IT controls were further strengthened, with special focus on controls around testing and quality assurance of all the products or solutions taken into production. Enhanced focus and visibility was given to IT Audit and Compliance, and several control / monitoring and technology hygiene initiatives were launched in close coordination with Internal Audit and Global Compliance. A formal procedure for IT Risk Management was introduced to identify and mitigate potential risks in a centralized manner. This has been further aligned with the Enterprise Technology Governance and Risk Management (ETGRM) framework. IT Risk Coordinators, aligned with the enterprise-wide Risk Coordinators have been introduced to ensure that risks are reported and coordinated regularly. An IT Risk Register has been developed to track and monitor IT risks; the process will be automated in 2023 aligned with other areas of the Bank.

Controls around 'Cloud Computing' were put in place as per the directives and framework provided by the SBP. IT introduced better visibility of its services management function by revamping existing processes and introducing new processes for effective controls and visibility across the Bank. The IT Steering Committee discipline was established at all international locations to bring efficiency and effectiveness in technology governance and operations.

45.4.3 Information Security Risk

It is vitally important for the Bank to protect its customers and their data from cyberattacks and to provide secure banking services. Information Security plays a pivotal role in protecting the Bank's data assets from both internal and external threats through effective cyber security risk management, supported by preventive and detective controls capable of responding to emerging external threats.

Targeted and frequent information security awareness initiatives for customers and employees were launched using multiple delivery channels, to elevate their level of awareness and better equip them to counter security challenges. Significant progress has also been made in raising information security standards at international locations to a level consistent with the policies, standards, and controls implemented for the domestic business.

Moving forward, the Bank plans to strengthen its cyber-defenses through the use of automation and modern technologies, in particular, AI and machine learning. Furthermore, the Bank will work towards further alignment of its information security operations center with international best practices.

Customers are an important component of the security process and continuous customer education about cyber risks will remain an important component of our defense strategy. These security measures will allow the Bank to continue offering innovative digital solutions to its clients while ensuring them protection and peace of mind.

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45.5 Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its cash obligations as they become due, or to fund assets at a reasonable cost, because of the inability to liquidate assets, or to obtain adequate funding.

The Bank follows a comprehensive liquidity risk management policy duly approved by the Board. The policy provides guidelines for establishing a robust liquidity risk management framework which helps in identifying the key liquidity and funding risks to which the bank is exposed, describes how these risks are identified, measured, monitored and reported, and prescribes the techniques and resources used to manage and mitigate these risks. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Bank's liquidity under normal and crisis situations (stress testing). The Bank also has a Contingency Funding Plan in place to address liquidity issues in times of crisis. This plan identifies early warning indicators to preempt unforeseen liquidity crises. Triggers are used to ascertain potential stress scenarios.

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk is monitored using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); liquidity gaps and various liquidity ratios are regularly monitored by Market Risk Management. Liquidity risk is reviewed by ALCO on a monthly basis and an update is provided to the BRMC on a quarterly basis.

45.5.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Group

	2022													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	296,015,386	294,937,045	999,976	-	78,365	-	-	-	-	-	-	-	-	-
Balances with other banks	41,513,022	27,116,527	-	-	11,745,452	-	1,914,596	-	-	736,447	-	-	-	-
Lendings to financial institutions	254,593,287	-	254,593,287	-	-	-	-	-	-	-	-	-	-	-
Investments	1,948,801,042	-	2,238,282	265	127,113,085	14,824,099	248,316,856	96,963,627	252,686,160	212,501,914	332,341,640	112,944,792	434,675,047	114,195,275
Advances	1,782,497,923	259,547,814	105,507,594	22,394,196	30,737,454	40,274,353	31,306,341	66,487,966	96,043,481	124,315,073	225,884,029	210,207,153	234,241,479	335,550,990
Fixed assets	113,871,657	7,900,183	149,739	174,695	424,260	759,093	759,093	2,277,278	2,277,278	2,277,278	9,109,113	9,109,113	9,818,856	68,835,678
Intangible assets	18,422,200	5,213,969	27,391	31,956	77,608	138,857	138,857	416,571	416,571	416,571	1,666,285	1,666,285	2,117,895	6,093,384
Deferred tax assets	5,797,045	210,325	64,597	75,364	183,026	1,162,638	1,162,638	1,541,380	805,100	805,100	1,878,758	2,206,326	4,632,460	(8,930,667)
Other assets	177,294,549	1,029,416	6,176,545	7,205,969	16,606,264	25,147,106	22,733,775	58,066,577	14,010,872	14,010,872	11,901,410	175,124	-	230,619
	4,638,806,111	595,955,279	369,757,411	29,882,445	186,965,514	82,306,146	306,332,156	225,753,399	366,239,462	355,063,255	582,781,235	336,308,793	685,485,737	515,975,279
Liabilities														
Bills payable	52,001,577	52,001,577	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	583,771,399	354,731	22,624,531	36,114,622	172,380	131,873,741	44,024,208	169,652,830	19,846,991	5,152,948	949,508	67,913,017	15,771,052	69,320,840
Deposits and other accounts	3,469,342,252	2,723,069,657	80,119,079	67,405,184	84,861,493	44,469,669	73,438,855	158,494,285	78,794,809	100,197,829	24,468,728	13,095,258	13,449,375	7,478,031
Subordinated debt	18,874,000	-	-	-	-	-	-	-	-	-	-	-	-	18,874,000
Other liabilities														
Lease Liability against right-of-use asset	27,079,479	7,189	43,134	50,323	122,213	218,665	218,665	655,995	655,995	655,995	2,623,981	2,623,981	5,247,961	13,955,382
Others	202,715,590	6,444,791	38,668,742	45,113,532	106,149,910	-	5,896,515	442,100	-	-	-	-	-	-
	4,353,784,297	2,781,877,945	141,455,486	148,683,661	191,305,996	176,562,075	123,578,243	329,245,210	99,297,795	106,006,772	28,042,217	83,632,256	34,468,388	109,628,253
Net assets	285,021,814	(2,185,922,666)	228,301,925	(118,801,216)	(4,340,482)	(94,255,929)	182,753,913	(103,491,811)	266,941,667	249,056,483	554,739,018	252,676,537	651,017,349	406,347,026
Share capital	14,668,525													
Reserves	87,771,332													
Surplus on revaluation of assets - net of tax	1,235,369													
Unappropriated profit	178,467,639													
Non-controlling interest	2,878,949													
	285,021,814													

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2021

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
(Rupees in '000)														
Assets														
Cash and balances with treasury banks	441,252,246	426,697,951	9,687,044	702,262	1,404,524	-	-	-	-	2,760,465	-	-	-	-
Balances with other banks	64,438,075	52,671,491	3,796,981	4,041,096	2,158,380	1,485,344	264,890	-	-	19,893	-	-	-	-
Lendings to financial institutions	93,742,432	-	42,953,067	19,591,484	9,836,081	1,700,000	19,661,800	-	-	-	-	-	-	-
Investments	1,948,955,978	-	9,060,103	8,008,040	17,689,095	44,689,736	191,802,861	158,624,712	129,540,449	39,347,661	353,263,279	149,763,596	314,827,792	532,338,654
Advances	1,507,047,097	321,501,969	69,963,505	13,312,743	28,118,123	44,683,542	37,780,816	100,415,436	71,271,461	75,202,842	163,960,725	135,365,959	184,879,667	260,590,309
Fixed assets	98,676,342	7,822,501	113,377	132,273	321,234	574,757	574,757	1,724,272	1,724,272	1,724,272	6,897,090	6,897,090	7,877,221	62,293,226
Intangible assets	12,630,475	2,059,221	18,892	22,041	53,528	95,773	95,773	287,318	287,318	287,318	1,149,273	1,149,273	1,460,757	5,663,990
Other assets	150,725,500	1,237,980	7,427,884	8,665,864	19,215,510	16,050,841	16,050,841	40,094,768	9,953,257	9,733,421	21,612,674	280,134	-	402,326
	4,317,468,145	811,991,113	143,020,853	54,475,803	78,796,475	109,279,993	266,231,738	301,146,506	212,776,757	129,075,872	546,883,041	293,456,052	509,045,437	861,288,505
Liabilities														
Bills payable	44,196,984	44,196,984	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	436,258,005	653,970	4,624,531	48,157,698	4,812,910	131,854,096	36,907,850	43,043,041	4,552,558	44,896,053	11,007,311	13,779,480	18,982,943	72,985,564
Deposits and other accounts	3,381,998,398	2,697,560,894	61,031,839	71,203,813	172,923,545	81,669,907	81,669,907	69,472,968	53,075,319	53,075,319	9,226,839	18,984,320	3,468,912	8,634,816
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	5,082,602	8,725	(6,036)	(7,042)	(17,103)	(120,241)	(120,241)	(151,798)	(72,772)	(72,772)	(1,442,179)	(793,284)	(1,613,102)	9,490,447
Other liabilities														
Lease Liability against right-of-use asset	22,307,342	5,922	35,533	41,455	100,676	180,130	180,130	540,391	540,391	540,391	2,161,564	2,161,564	4,323,128	11,496,067
Others	131,565,012	4,114,846	24,689,076	28,803,922	65,898,955	1,224,253	1,224,253	1,801,112	629,152	629,152	313,312	300,853	1,865,402	70,724
	4,033,782,343	2,746,541,341	90,374,943	148,199,846	243,718,983	214,808,145	119,861,899	114,705,714	58,724,648	99,068,143	21,266,847	34,432,933	27,027,283	115,051,618
Net assets	283,685,802	(1,934,550,228)	52,645,910	(93,724,043)	(164,922,508)	(105,528,152)	146,369,839	186,440,792	154,052,109	30,007,729	525,616,194	259,023,119	482,018,154	746,236,887
Share capital	14,668,525													
Reserves	81,375,519													
Surplus on revaluation of assets - net of tax	25,159,371													
Unappropriated profit	158,441,418													
Non-controlling interest	4,040,969													
	<u>283,685,802</u>													

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45.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

Assets and liabilities which have contractual maturities have been reported as per the remaining maturities. Assets and liabilities which do not have any contractual maturities have been reported as per their expected maturities calculated on the basis of a behavioral study approved by ALCO.

	2022									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	------(Rupees in '000)-----									
Assets										
Cash and balances with treasury banks	296,015,386	210,396,382	4,828,207	9,287,517	12,764,975	10,032,402	6,963,382	9,341,767	16,665,452	15,735,302
Balances with other banks	41,513,022	40,209,023	736,446	-	567,553	-	-	-	-	-
Lendings to financial institutions	254,593,287	254,593,287	-	-	-	-	-	-	-	-
Investments	1,948,801,042	129,351,632	263,140,955	96,963,627	252,686,160	212,501,914	332,341,640	112,944,792	434,675,047	114,195,275
Advances	1,782,497,923	260,893,926	120,926,432	67,482,894	182,927,125	284,298,753	220,245,291	274,916,691	295,930,751	74,876,060
Fixed assets	113,871,657	8,634,319	1,518,186	2,277,278	4,554,557	9,109,113	9,109,113	9,828,722	14,418,220	54,422,149
Intangible assets	18,422,200	5,348,261	277,714	416,571	833,142	1,666,285	1,666,285	2,120,558	-	6,093,384
Deferred tax assets	5,797,045	1,536,895	2,720,925	977,601	2,567,878	479,495	4,077,271	2,469,546	(1,106,172)	(7,926,394)
Other assets	177,294,549	28,440,463	49,783,695	59,029,395	27,655,238	12,309,958	-	75,800	-	-
	4,638,806,111	939,404,188	443,932,560	236,434,883	484,556,628	530,397,920	574,402,982	411,697,876	760,583,298	257,395,776
Liabilities										
Bills payable	52,001,577	20,432,434	-	31,569,143	-	-	-	-	-	-
Borrowings	583,771,399	325,968,809	28,906,885	52,353,543	3,723,589	29,960,056	7,413,921	20,084,490	115,170,805	189,301
Deposits and other accounts	3,469,342,252	940,821,398	197,138,019	306,794,361	421,558,486	287,312,110	195,673,927	254,534,203	450,936,301	414,573,447
Subordinated debt	18,874,000	-	-	-	-	-	-	-	-	18,874,000
Other liabilities										
Lease Liability against right-of-use asset	27,079,479	218,665	437,330	655,995	1,311,990	2,623,981	2,623,981	5,247,961	13,959,576	-
Others	202,715,590	78,591,335	49,725,375	26,923,857	27,889,229	2,398,410	765,084	1,530,168	14,755,970	136,162
	4,353,784,297	1,366,032,641	276,207,609	418,296,899	454,483,294	322,294,557	206,476,913	281,396,822	594,822,652	433,772,910
Net assets	285,021,814	(426,628,453)	167,724,951	(181,862,016)	30,073,334	208,103,363	367,926,069	130,301,054	165,760,646	(176,377,134)
Share capital	14,668,525									
Reserves	87,771,332									
Surplus on revaluation of assets - net of tax	1,235,369									
Unappropriated profit	178,467,639									
Non-controlling interest	2,878,949									
	<u>285,021,814</u>									

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2021

	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
------(Rupees in '000)-----										
Assets										
Cash and balances with treasury banks	441,252,246	307,182,926	12,238,923	7,302,617	25,068,426	18,784,034	9,812,757	13,623,858	23,246,600	23,992,105
Balances with other banks	64,438,075	62,667,948	1,750,234	-	19,893	-	-	-	-	-
Lendings to financial institutions	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-
Investments	1,948,955,978	34,757,238	236,492,597	158,624,712	168,888,110	353,263,279	149,763,596	314,827,793	428,162,687	104,175,966
Advances	1,507,047,097	161,920,025	115,009,117	126,137,279	188,475,592	218,910,603	182,250,566	254,137,064	134,618,654	125,588,197
Fixed assets	98,676,342	8,378,362	1,149,515	1,724,272	3,448,545	6,897,090	6,897,090	7,884,046	12,710,771	49,586,651
Intangible assets	12,630,475	2,151,845	191,545	287,318	574,636	1,149,273	1,149,273	1,462,595	-	5,663,990
Other assets	150,725,500	35,508,797	36,301,782	38,184,320	18,579,982	21,708,444	281,044	-	161,131	-
	4,317,468,145	684,947,773	424,495,513	332,260,518	405,055,184	620,712,723	350,154,326	591,935,356	598,899,843	309,006,909
Liabilities										
Bills payable	44,196,984	8,367,265	853,089	34,976,630	-	-	-	-	-	-
Borrowings	436,258,005	58,249,109	168,800,165	43,421,012	49,732,681	11,598,450	14,406,913	16,670,978	65,355,555	8,023,142
Deposits and other accounts	3,381,998,398	955,209,378	249,242,548	181,583,090	432,805,501	333,394,713	174,174,096	239,477,908	401,975,826	414,135,338
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	5,082,602	(21,562)	(240,447)	(151,646)	(145,519)	(1,442,127)	(793,388)	(1,613,113)	3,611,383	5,879,021
Other liabilities										
Lease Liability against right-of-use asset	22,307,342	180,130	360,261	540,391	1,080,782	2,161,564	2,161,564	4,323,128	11,499,522	-
Others	131,565,012	35,126,263	39,649,085	16,441,101	20,979,093	3,651,047	963,993	1,927,985	12,683,087	143,358
	4,033,782,343	1,057,110,583	458,664,701	276,810,578	504,452,538	349,363,647	190,913,178	260,786,886	495,125,373	440,554,859
Net assets	283,685,802	(372,162,810)	(34,169,188)	55,449,940	(99,397,354)	271,349,076	159,241,148	331,148,470	103,774,470	(131,547,950)
Share capital	14,668,525									
Reserves	81,375,519									
Surplus on revaluation of assets - net of tax	25,159,371									
Unappropriated profit	158,441,418									
Non-controlling interest	4,040,969									
	<u>283,685,802</u>									

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

45.6 Derivatives Risk

The policy guidelines for derivatives exposures are approved by the Board on the recommendation of the BRMC.

The responsibility for derivatives activity lies with the Treasury and Global Markets business. Measurement and monitoring of market and credit risk limits and exposure, and their reporting to senior management and the Board is done by Market Risk Management (MRM) which, in coordination with the business, also presents limits for review and approval to ALCO and the BRMC. Treasury Operations records derivatives activity in the Bank's books, executes settlements of trades and carries out regulatory reporting to the SBP.

45.6.1 Credit Risk

Credit risk is the risk of non-performance by a counterparty which could result in an adverse impact on the Bank's profitability. The credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Pre-settlement and settlement risk limits for derivative transactions are determined and monitored daily using an approved framework.

45.6.2 Market Risk

The Bank, as a policy, hedges all Options transactions back-to-back. The Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market on a rolling basis. The Bank also manages the interest rate risk of Interest Rate Derivatives and Cross Currency Swaps through Price Value of a Basis Point (PVBP) limits which are monitored and reported by MRM to senior management on a daily basis. These limits are approved by ALCO annually and then approved by the Board on the recommendation of the BRMC.

45.6.3 Operational Risk

The Bank has put in place a robust control framework for derivatives transactions. Front office staff dealing in derivatives have the requisite training and experience to conduct this business; responsibilities have been divided amongst the Structuring Desk (tasked with the overall ownership of derivatives and structured products), Treasury Sales (who are involved in marketing and executing transactions with the Bank's client base) and Trading (which proactively manages the risk from a business perspective).

A detailed product program, approved by the Board, governs the entire value chain for derivatives, including credit and market risk management, booking, sales and settlement. There is a clear segregation of duties whereby operational aspects are handled by Treasury Operations, whereas all risk issues are the responsibility of the Risk department. A Treasury Middle Office function, reporting into Risk, carries out daily monitoring of exposures, while Compliance monitors any deviation from approved policies and procedures. Internal Audit also regularly reviews systems, transactional processes, accounting practices and end-user roles and responsibilities as part of their reviews of this function.

45.6.4 Liquidity Risk

The types of derivative transactions entered into by HBL are typically straightforward, or 'vanilla' transactions, whereby the Bank is exposed to a negligible amount of liquidity risk.

46 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

46.1 The Board of Directors, in its meeting held on February 24, 2023, has proposed a final cash dividend of Rs 1.50 per share for the year 2022. This is in addition to the Rs 5.25 already paid during the year bringing the total dividend for the year to Rs 6.75 per share (2021: Rs 7.50 per share). This appropriation is expected to be approved by the shareholders in the forthcoming Annual General Meeting. The consolidated financial statements for the year ended December 31, 2022 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2023.

47 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on February 24, 2023.

48 GENERAL

48.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

ANNEXURE I: ISLAMIC BANKING BUSINESS

The Bank operates 294 (December 31, 2021: 259) Islamic Banking branches and 573 (December 31, 2021: 614) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION

	Note	2022 (Rupees in '000)	2021
ASSETS			
Cash and balances with treasury banks		17,497,223	28,015,270
Balances with other banks		451,114	1,162,953
Due from financial institutions	1	-	28,671,686
Investments	2	183,654,832	191,864,941
Islamic financing and related assets - net	3	223,974,766	166,058,790
Fixed assets		6,497,224	4,629,739
Intangible assets		30,066	-
Due from Head Office	4	257,428	-
Deferred tax assets		1,160,304	-
Other assets		8,653,602	12,962,183
		442,176,559	433,365,562
LIABILITIES			
Bills payable		20,267	26,310
Due to financial institutions	5	74,694,404	31,567,668
Deposits and other accounts	6	319,883,948	346,895,368
Due to Head Office	4	-	11,439,635
Subordinated debt		-	-
Deferred tax liabilities		-	73,097
Other liabilities		15,693,460	15,554,392
		410,292,079	405,556,470
NET ASSETS		31,884,480	27,809,092
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
(Deficit) / surplus on revaluation of investments - net of tax		(1,538,078)	114,330
Unappropriated profit	8	32,922,558	27,194,762
		31,884,480	27,809,092
Contingencies and commitments			
	9		
PROFIT AND LOSS ACCOUNT			
Profit / return earned	10	46,415,296	24,109,086
Profit / return expensed	11	28,064,213	12,360,809
Net profit / return		18,351,083	11,748,277
Other income / (loss)			
Fee and commission income		1,053,121	696,748
Dividend income		-	-
Foreign exchange income / (loss)		372,255	(20,401)
Income from derivatives		-	-
Gain / (loss) on securities - net		82,252	(23,958)
Others		625	272
Total other income		1,508,253	652,661
Total income		19,859,336	12,400,938
Other expenses			
Operating expenses		6,786,714	4,149,716
Workers' Welfare Fund - charge		234,083	168,786
Other charges		168,439	2,803
Total other expenses		7,189,236	4,321,305
Profit before provisions		12,670,100	8,079,633
Provisions / (reversals) and write offs - net		1,434,083	(22,121)
Profit before taxation		11,236,017	8,101,754
Taxation		5,505,648	3,159,684
Profit after taxation		5,730,369	4,942,070

ANNEXURE I: ISLAMIC BANKING BUSINESS

	2022	2021
	(Rupees in '000)	
1 DUE FROM FINANCIAL INSTITUTIONS		
Call money lendings	-	24,500,000
Bai Muajjal receivable from financial institutions	-	4,171,686
	<u>-</u>	<u>28,671,686</u>

2 INVESTMENTS BY SEGMENT

	2022				2021			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
Federal Government securities								
Ijarah Sukuks	125,360,260	-	(2,772,531)	122,587,729	119,617,967	-	(537,141)	119,080,826
Other Federal Government Securities	4,686,060	-	-	4,686,060	11,810,120	-	-	11,810,120
	<u>130,046,320</u>	<u>-</u>	<u>(2,772,531)</u>	<u>127,273,789</u>	<u>131,428,087</u>	<u>-</u>	<u>(537,141)</u>	<u>130,890,946</u>
Non-Government debt securities								
-Listed	45,943,545	-	57,829	46,001,374	47,325,231	-	681,000	48,006,231
-Unlisted	10,363,349	-	16,320	10,379,669	12,924,196	-	43,568	12,967,764
	<u>56,306,894</u>	<u>-</u>	<u>74,149</u>	<u>56,381,043</u>	<u>60,249,427</u>	<u>-</u>	<u>724,568</u>	<u>60,973,995</u>
Total Investments	<u>186,353,214</u>	<u>-</u>	<u>(2,698,382)</u>	<u>183,654,832</u>	<u>191,677,514</u>	<u>-</u>	<u>187,427</u>	<u>191,864,941</u>

	Note	2022	2021
		(Rupees in '000)	
3 ISLAMIC FINANCING AND RELATED ASSETS - NET			
Diminishing Musharakah		94,643,200	81,033,335
Running Musharakah		57,261,410	30,704,784
Wakalah		14,541,328	10,381,176
Ijarah	3.1	2,294,057	2,095,534
Murabaha	3.2	3,791,439	1,897,123
Currency Salam		-	195,118
Tijarah		2,887,334	2,058,785
Istisna		1,994,354	973,605
Musawamah		777,472	401,370
Advance for Diminishing Musharakah		5,364,119	3,573,753
Advance for Ijarah		3,599,862	1,208,139
Advance for Murabaha	3.2	5,546,361	8,687,338
Advance for Salam		2,029,702	1,228,367
Advance for Istisna		13,169,142	12,886,460
Advance for Musawamah		3,856,574	272,258
Inventories against Murabaha	3.2	5,410,563	2,438,918
Inventories against Tijarah		5,427,552	3,347,923
Inventories against Istisna		3,853,373	3,708,194
Islamic financing and related assets - gross		<u>226,447,842</u>	<u>167,092,180</u>
Provision against Islamic financing and related assets			
-Specific		<u>(1,376,081)</u>	<u>(334,402)</u>
-General		<u>(1,096,995)</u>	<u>(698,988)</u>
		<u>(2,473,076)</u>	<u>(1,033,390)</u>
Islamic financing and related assets - net of provision		<u>223,974,766</u>	<u>166,058,790</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS
3.1 Ijarah

	2022						
	Cost			Accumulated Depreciation			Book value as at Dec 31, 2022
	As at Jan 1, 2022	Additions / (deletions)	As at Dec 31, 2022	As at Jan 1, 2022	Charge for the year / (depreciation on deletion)	As at Dec 31, 2022	
	(Rupees in '000)						
Plant and machinery	1,331,602	297,695 (233,031)	1,396,266	367,007	196,738 (73,365)	490,380	905,886
Vehicles	2,030,992	948,330 (706,252)	2,273,070	900,053	467,810 (482,964)	884,899	1,388,171
Total	3,362,594	1,246,025 (939,283)	3,669,336	1,267,060	664,548 (556,329)	1,375,279	2,294,057
	2021						
	Cost			Accumulated Depreciation			Book value as at Dec 31, 2021
	As at Jan 1, 2021	Additions / (deletions)	As at Dec 31, 2021	As at Jan 1, 2021	Charge for the year / (depreciation on deletion)	As at Dec 31, 2021	
	(Rupees in '000)						
Plant and machinery	933,485	786,521 (388,404)	1,331,602	264,301	276,355 (173,649)	367,007	964,595
Vehicles	2,615,928	474,905 (1,059,841)	2,030,992	943,461	487,613 (531,021)	900,053	1,130,939
Total	3,549,413	1,261,426 (1,448,245)	3,362,594	1,207,762	763,968 (704,670)	1,267,060	2,095,534

3.1.1 Future Ijarah payments receivable

	2022				2021			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
		(Rupees in '000)						
Ijarah rentals receivable	1,322,523	2,377,212	540,108	4,239,843	821,158	1,168,984	636,948	2,627,090

3.2 Murabaha

	Note	2022	2021
		(Rupees in '000)	
Murabaha financing	3.2.1	3,791,439	1,897,123
Advances for Murabaha		5,546,361	8,687,338
Inventories against Murabaha		5,410,563	2,438,918
		14,748,363	13,023,379
3.2.1 Murabaha receivable - gross	3.2.1.1	3,866,887	1,915,375
Deferred murabaha income	3.2.1.2	(23,780)	(8,223)
Profit receivable shown in other assets		(51,668)	(10,029)
Murabaha financing		3,791,439	1,897,123
3.2.1.1 The movement in gross Murabaha receivable during the year is as follows:			
Opening balance		1,915,375	1,526,183
Sales during the year		16,310,831	27,740,135
Adjusted during the year		(14,359,319)	(27,350,943)
Closing balance		3,866,887	1,915,375
3.2.1.2 The movement in Deferred Murabaha income during the year is as follows:			
Opening balance		8,223	2,980
Arising during the year		1,301,204	650,102
Recognised during the year		(1,285,647)	(644,859)
Closing balance		23,780	8,223
3.2.1.3 Murabaha sale price		3,866,887	1,915,375
Murabaha purchase price		(3,791,439)	(1,897,123)
Total profit receivable		75,448	18,252

ANNEXURE I: ISLAMIC BANKING BUSINESS

4 Due from Head Office mainly represents inter- branch transactions.

	Note	2022 (Rupees in '000)	2021
5 DUE TO FINANCIAL INSTITUTIONS			
Unsecured acceptances of funds	5.2	19,000,000	1,000,000
Acceptances from the SBP under:			
- Islamic export refinance scheme	5.3	19,931,491	20,029,111
- Islamic long term financing facility	5.4	7,183,674	5,892,219
- Islamic financing facility for renewable energy power plants	5.5	693,399	336,665
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	5.6	129,838	7,480
- Islamic refinance and credit guarantee scheme for women entrepreneurs	5.7	5,720	-
- Islamic refinance scheme for payment of wages and salaries		-	1,253,895
- Islamic refinance facility for combating COVID-19	5.8	143,564	-
- Islamic temporary economic refinance facility	5.9	2,749,061	2,866,313
- Secured Mudarbah Agreement	5.11	24,689,405	-
Acceptances from Pakistan Mortgage Refinance Company	5.12	168,252	181,985
		<u>74,694,404</u>	<u>31,567,668</u>

5.1 Amounts due to financial institutions are all in local currency.

5.2 Unsecured acceptances of funds carry profit at rates ranging from 13.50% to 16.10% per annum (2021: 10.05% per annum) and are due to mature latest by February 3, 2023.

5.3 These acceptances have been obtained from the SBP for extending Islamic export finance to customers. These carry profit at rates ranging from 11.00% to 12.00% per annum (2021: 1.00% to 2.00% per annum) and are due to mature latest by June 2023.

5.4 These acceptances have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry profit at a rate of 12.00% per annum (2021: 2.00% to 2.50% per annum) and is due to mature latest by June 30, 2032.

5.5 These acceptances have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry profit at a rate of 3.00% per annum (2021: 2.00% to 3.00% per annum) and are due to mature latest by June 3, 2034.

5.6 These acceptances have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry profit at a rate of 2.00% per annum (2021: 2.00%) and are due to mature latest by March 30, 2026.

5.7 These acceptances have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry profit at a rate of 0.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by December 31, 2025.

5.8 These acceptances have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. The maximum financing under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months. These carry profit at a rate of 0.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by October 1, 2026.

5.9 These acceptances have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the COVID-19 pandemic. The maximum financing granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years. These carry profit at a rate of 1.00% per annum (2021: 1.00% per annum) and are due to mature latest by June 30, 2032.

5.10 For all SBP acceptances, the SBP has the right to recover the outstanding amounts from the Bank at the date of maturity of the acceptance by directly debiting the Bank's current account maintained with the SBP.

5.11 These represent acceptances of funds from SBP under Shariah Compliant Mudarbah based Open Market Operations (OMO) and are secured against lien of the Bank's investment in GOP Ijarah Sukuks. The expected average return on OMO is 16.15% (2021: nil) and are due to mature on February 24, 2023.

5.12 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 168.252 million (2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at the rate of 11.21% per annum (2021: 11.21% per annum) is payable semi-annually.

ANNEXURE I: ISLAMIC BANKING BUSINESS

6 DEPOSITS AND OTHER ACCOUNTS

Note	2022			2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	81,787,557	3,711,186	85,498,743	74,346,661	2,812,898	77,159,559
Savings deposits	159,782,570	2,207,605	161,990,175	123,817,395	860,050	124,677,445
Term deposits	24,360,643	475,406	24,836,049	37,250,613	224,478	37,475,091
	265,930,770	6,394,197	272,324,967	235,414,669	3,897,426	239,312,095
Financial Institutions						
Current deposits	414,372	-	414,372	628,929	-	628,929
Savings deposits	47,142,963	-	47,142,963	103,455,298	-	103,455,298
Term deposits	1,646	-	1,646	3,499,046	-	3,499,046
	47,558,981	-	47,558,981	107,583,273	-	107,583,273
6.2	313,489,751	6,394,197	319,883,948	342,997,942	3,897,426	346,895,368

6.1 Composition of deposits

	2022	2021
	(Rupees in '000)	
- Individuals	173,366,447	137,652,291
- Government (Federal and Provincial)	9,991,846	15,877,953
- Banking Companies	187,810	1,330,231
- Non-Banking Financial Institutions	47,371,171	106,253,042
- Other public sector entities	476,817	2,708,961
- Other private sector entities	88,489,857	83,072,890
	319,883,948	346,895,368

6.2 This includes deposits amounting to Rs 192,155.426 million (2021: Rs 160,236.723 million) which are eligible to be covered under insurance arrangements .

7 CHARITY FUND

Note	2022	2021
	(Rupees in '000)	
Opening balance	44,724	4,234
Additions during the year		
- Received from customers on account of delayed payment	24,144	45,115
- Profit on savings account	1,053	175
	25,197	45,290
Payments / Utilization during the year		
- Health	(44,800)	(4,800)
	7.1	
Closing balance	25,121	44,724

7.1 Details of charity payments

Details of charity payments individually exceeding Rs 100,000

Indus Hospital & Health Network	32,800	-
Patients Aid Foundation	12,000	-
Behbud Association Karachi	-	4,800
	44,800	4,800

8 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT

Opening Balance	27,194,762	22,253,744
Add: Islamic Banking profit for the year	11,236,017	8,101,754
Less: Taxation	(5,505,648)	(3,159,684)
Less: Transferred / Remitted to Head Office	(2,573)	(1,052)
Closing Balance	32,922,558	27,194,762

9 CONTINGENCIES AND COMMITMENTS

- Performance Guarantees	2,862,623	2,446,959
- Commitments	31,705,993	54,293,996
9.1	34,568,616	56,740,955

ANNEXURE I: ISLAMIC BANKING BUSINESS

	Note	2022 (Rupees in '000)	2021
9.1	Commitments:		
	Trade-related contingent liabilities	26,704,850	36,101,034
	Commitments in respect of forward foreign exchange contracts	5,001,143	18,192,962
		<u>31,705,993</u>	<u>54,293,996</u>
9.1.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	2,405,370	9,520,227
	Sale	2,595,773	8,672,735
		<u>5,001,143</u>	<u>18,192,962</u>
10	PROFIT / RETURN EARNED		
	On:		
	Financing	22,097,669	10,496,063
	Investments	23,606,961	11,634,767
	Amounts due from financial institutions	710,666	1,978,256
		<u>46,415,296</u>	<u>24,109,086</u>
11	PROFIT / RETURN EXPENSED		
	On:		
	Deposits and other accounts	19,944,630	10,732,901
	Amounts due to financial institutions	7,553,435	1,371,877
	Foreign currency deposits for Wa'ad based transactions	15,157	29,156
	Lease liability against right-of-use assets	550,991	226,875
		<u>28,064,213</u>	<u>12,360,809</u>
12	The Islamic Banking Business maintains the following pools:		

General Pool PKR (Mudarabah)

Remunerative rupee deposits of customers form part of the General Pool.

The objective of this pool is to effectively manage Rupee deposits of customers to earn and distribute returns from Rupee denominated earning assets. The funds in this pool are generally deployed in financing assets, placements with FIs and investments in Sukuks etc. A loss, if any, is borne by the depositors as per their proportionate share in the overall volume of the pool.

Special Pool PKR (Mudarabah)

HBL also manages a Rupee denominated Special Pool, with the objective of offering higher returns for selected clients.

The objective of this pool is to effectively manage Rupee deposits of customers to earn and distribute higher returns from Rupee denominated earning assets. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. A loss, if any, is borne by the depositors as per their proportionate share in the overall volume of the pool.

Treasury Pool(s) (Mudarabah / Wakalah / Musharakah)

Treasury pools are created when the Bank accepts placement of funds from FIs for liquidity management. Treasury pools may be based on the principle of Mudarabah, Wakalah or Musharakah. These pools are maintained separately from depositors' pools as these are formed by funds from professional counterparties and are generally obtained for a shorter tenor. The liquidity can also be deployed to fund earning assets in the depositor pools. HBL preferably accepts funds from Islamic Banking Institutions but is permitted to deal with conventional banks as well.

General Pool FCY (Mudarabah)

Remunerative foreign currency (FCY) deposits of customers form part of the FCY General Pool.

The objective of this pool is to effectively manage the FCY deposits of customers to earn and distribute returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency and charging the cost of Shariah compliant hedging to the pool. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. Loss (if any) is borne by the depositors as per their proportionate share in the overall volume of the pool.

ANNEXURE I: ISLAMIC BANKING BUSINESS

Special Pool FCY (Mudarabah)

HBL also manages an FCY denominated Special Pool, with the objective of offering higher returns for selected clients.

The objective of this pool is to effectively manage FCY deposits of customers to earn and distribute higher returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency and charging the cost of Shariah compliant hedging to the pool. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. Loss (if any) is borne by the depositors as per their proportionate share in the overall volume of the pool.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharakah)

IERS is an SBP program which offers the Islamic equivalent of conventional Export Refinance and enables exporters to avail refinance through Islamic Banks under Shariah compliant modes. This pool is created for the Export Refinance on Musharakah basis. The profit distribution works exactly the same as pre-agreed profit sharing. Since this is structured as a Musharakah (partnership) as opposed to Mudarabah (fund management), there is no Mudarib fee sharing mechanism.

- 13 The Mudarib's share of profit is 28.63% (2021: 25.88%) and, after netting of Hiba to depositors amounting to Rs 4.99 million (2021: Rs 504.73 million), amounts to Rs. 7.347 million (2021: Rs 3,657.724 million). For the Bank's overseas branch, the Mudarib's share of profit is 12.71% (2021: 7.75%) and, after netting of Hiba to depositors amounting to Rs 6.488 million (2021: Rs 3.124 million), amounts to Rs 4.280 million (2021: Rs 1.569 million) was booked as net profit for 2022.
- 14 The following parameters are used for profit distribution from the pool:
- Permissible direct expenses can be charged to the relevant pool. Administrative and operating expenses are paid by the Mudarib and not charged to the relevant pool.
 - The Bank first charges the proportionate profit to average equity allocated to the pools and then charges the Mudarib fee before distribution of profit to depositors.
 - The Bank gives priority to depositors' funds over its own equity for placement in investing activities.
 - Provisions for non-performing accounts are borne by the Mudarib. These are only charged to the respective pool on write off.
 - Income generated from non-funded activities is not considered as income of the pool.
- 15 The average rate of profit earned on the earning assets of the Islamic banking business during the year was 12.80% (2021: 8.03%). A Profit rate of 7.65% (2021: 4.90%) was distributed to depositors and for overseas branch, the average rate of profit earned on the earning assets of the Islamic banking business during the year was 12.71% (2021: 7.75%). A Profit rate of 7.24% (2021: 3.50%) was distributed to depositors.

16 DEPLOYMENT OF MUDARABAH BASED DEPOSITS BY ECONOMIC SECTOR

	2022	2021
	(Rupees in '000)	
Agriculture, forestry, hunting and fishing	21,858,084	5,429,816
Automobile and transportation equipment	927,822	714,285
Cement	6,597,323	7,981,000
Chemicals and pharmaceuticals	13,777,662	11,106,945
Construction	8,867,496	7,000,000
Education and medical	368,793	245,455
Financial	130,584,655	134,611,794
Food, tobacco and beverages	24,685,890	18,588,497
Individuals	17,926,643	8,826,085
Printing and publishing	1,062,126	1,772,668
Production and transmission of energy	90,124,630	94,229,544
Telecommunication	5,666,666	2,005,189
Textile	35,353,751	27,088,761
Metal and allied	5,249,472	9,730,538
Oil and gas	578,814	2,376,893
Mining and quarrying	528,383	604,774
Sugar	3,124,716	1,383,368
Wholesale and retail trade	3,169,885	1,764,346
Others	39,649,863	23,497,163
Total gross Islamic financing and related assets and investments	<u>410,102,674</u>	<u>358,957,121</u>
Total lending to financial institutions	-	28,671,686
Total deployed funds	<u>410,102,674</u>	<u>387,628,807</u>

16.1 Deployment of Mudarabah based deposits by economic sector by public / private sector

Public / Government	237,725,136	231,444,305
Private	172,377,538	156,184,502
Total	<u>410,102,674</u>	<u>387,628,807</u>

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
1	HIGHNOON TEXTILES PVT. LTD. 25 K M MULTAN ROAD LAHORE	BABAR AGHA 35202-3065543-3 SOHAIL HAMEED KHAN 35202-2337062-5 MAHMOOD ZAFAR 35202-1622249-9	AGHA FAKHAR HUSSAIN HAMID ULLAH KHAN SHEIKH ZAFAR HUSSAIN	630,834	532,732	-	1,163,567	335,408	-	532,732	-	868,141
2	ALI RAZA H NO 21/ B AZIZ ST KAMAL GUNJ LAHORE	35202-4564947-1	SHEIKH IMTIAZ HUSSAIN	2,178	870	-	3,049	-	-	699	-	699
3	M.M.ISPAHANI LTD P O BOX NO 13145 31 WEST WHARF ROAD KARACHI	MIRZA MUHAMMAD ISPAHANI 42301-6591072-9 MIRZA KAREEM ISPAHANI 42201-6057263-1 MIRZA ZIA ISPAHANI 42301-1058413-5	MIRZA ABUL HASAN ISPAHANI MIRZA KHALEEL ISPAHANI MIRZA ABUL HASAN ISPAHANI	-	42,026	-	42,026	-	-	24,124	-	24,124
4	GOHAR MOTORS 24-A JAIL ROAD LAHORE	HABIB AHMED 35201-1473865-1 MUHAMMAD SALEEM 35202-7357434-7	ABDUL HAMEED FATEH MUHAMMAD	12,999	11,926	-	24,925	-	-	9,658	-	9,658
5	THE MERCHANT 60/11, LANE NO 24, KHAYABANE-E- BADBAN PHASE VII DHA KARACHI	ABDUL NAFAY ASLAM MIAN 42301-3192556-3	MUHAMMAD ASLAM	9,153	5,307	-	14,460	2,153	-	5,307	-	7,460
6	REHMAN MEDICINE CO SUIT # 17, 13; CANTONMENT PLAZA SADAR ROAD PESHAWAR CANTT B) HOUSE # 7, IRSHAHABAD TOWN PESHAWAR MODEL (G) SCHOOL WARSAK ROAD	SHAHZAD AKHTAR 17301-1000979-3	MUHAMMAD AMIN	1,488	1,297	-	2,785	-	-	785	-	785
7	SULTAN TRADING COMPANY 140- 1ST FLOOR, REGENCY PLAZA, THE MALL, FAISALABAD	MUZAMMIL SULTAN 33100-3058364-3 SALEEM UL HASSAN 33100-6033276-9 KHURRAM SULTAN 33100-5823060-7	SALEEM UL HASSAN GHULAM HUSSAIN SALEEM UL HASSAN	222,374	92,153	-	314,527	-	-	64,527	-	64,527

Details of advances written-off
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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
8	ATHAR TAHIR NASIR AMIR ANJUM FARAH FARNAZ (SCHON GROUP) SCHON CENTRE I.I CHUNDRIGAR ROAD KARACHI	SYED ATHER HUSSAIN 42301-9533743-5 SYED TAHIR HUSSAIN 42000-2107518-9 NASIR H SCHON 42000-1427717-1 SYED AMIR HUSSAIN 42301-0980580-7 MRS.ANJUM HUSSAIN 42000-5848720-4 MRS.FARAH NASIR SCHON 42000-8294695-4 FARNAZ AMIR HUSSAIN 91509-0116253-6	SYED TALIB HUSSAIN SYED ATHER HUSSAIN SYED ATHER HUSAIN SYED ATHER HUSSAIN SYED TAHIR HUSAIN SYED NASIR HUSAIN SYED AMIR HUSAIN	335,355	272,929	-	608,284	242,425	-	272,929	-	515,353
9	IDEAL GARMENT INDUSTRIES IDEAL HOUSE, 13-KM, MULTAN ROAD, THOKAR NIAZBAIG LAHORE	GHAZANFAR RAFIQUE 35202-9574991-3 AAMER RAFIQUE 35202-8585766-7	MUHAMMAD RAFIQUE MUHAMMAD RAFIQUE	26,225	28,602	-	54,826	-	-	23,826	-	23,826
10	SWEETY TEXTILES PVT LIMITED 3.5 KM JARANWALA ROAD, KHURRIANWALA FAISALABAD	MIAN GHULAM FARID 33100-3585605-9 MUHAMMAD ADNAN FARID 33100-6327745-1 FIRDOUS AKHTER 33100-2798435-2	ALI MUHAMMAD GHULAM FARID GHULAM FARID	97,880	24,812	-	122,692	20,042	-	24,812	-	44,855
11	MUHAMMAD ARSALAN KHAN HOUSE 579 STREET 04 DEFENCE OFFICER HOUSING SOCIETY PHASE 01 MALIR CANTT KARACHI	42101-1699808-5	MUHAMMAD YOUSUF KHAN	24,346	1,353	-	25,699	-	-	1,153	-	1,153
12	BEADON ALUMINUM PVT LTD 15 A BEADON ROAD, LAHORE	SYED ATHAR ALI 35201-1587734-3 SYED TAHIR ALI 35201-1587760-3 SYED AZFAR ALI 35201-1587751-1 SYED KAMRAN ALI 35201-3202378-1 SYED MOHSIN ALI 35201-1444261-7	SYED AZHAR ALI SYED AZHAR ALI SYED AZHAR ALI SYED AZHAR ALI SYED SARWAT ALI	60,056	58,870	-	118,926	-	-	58,870	-	58,870

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
13	HAJI ABDUL WADOOD & BROTHERS KARYANA DEALERS BAZAR KHAWAJA GUNJ HOTI MARDAN	ABDUL WADOOD 16101-9606574-3	SHAHZADA	23,000	9,414	-	32,414	-	-	9,414	-	9,414
14	MINHAJ COTTON WASTE FACTORY ROOM NO 11 3RD FLOOR CENTURY TOWER KALMA CHOWK LAHORE	MUHAMMAD FARYAD MALIK 34601-4949170-5	MALIK ABDUL HAMEED	29,999	19,073	-	49,072	-	-	15,072	-	15,072
15	AL HAMEED RICE MILLS KOT NOORA GHAKHAR MANDI DISTT. GUJRANWALA	TARIQ HAMEED 34104-2312216-5 QAISER HAMEED 34104-2312196-3 FAISAL HAMEED 34104-2312228-7	CHAUDHRY ABDUL HAMEED ABDUL HAMEED CHAUDHRY ABDUL HAMEED	10,000	8,022	-	18,022	-	-	5,522	-	5,522
16	SADDAR MOBILE ZONE G-44-A GROUND FLOOR RAINBOW CENTRE MAINFIELD STREET KARACHI	MUHAMMAD UMAR 42301-8471913-5	MUHAMMAD TAYYAB	9,998	6,841	-	16,839	-	-	6,152	689	6,841
17	MUHAMMAD BASHIR & CO 363 BADAR ST RAHIM ROAD MISRE SHAH LAHORE	MUHAMMAD BASHIR 35202-3815177-3	CH MUHAMMAD IBRAHIM	12,499	7,298	-	19,797	-	-	6,297	-	6,297
18	THREE STAR ENTERPRISES ROOM NO.10, 11TH FLOOR TRADE CENTER SHAHRAH-E-LIAQUAT NEW CHALLI KARACHI	MUHAMMAD HASHIM 42201-0771183-5 ABDUL AZIZ 42201-7424636-7	MUHAMMAD SIDDIQ MUHAMMAD SIDDIQ	12,108	8,292	-	20,401	-	-	5,901	-	5,901
19	CHAUDHRY HOSIERY 496-JINNAH COLONY FAISALABAD	MUHAMMAD JAVAID ASLAM 33100-0256453-5	MUHAMMAD ASLAM CH.	37,292	12,016	-	49,308	-	-	9,924	-	9,924
20	TARIQ HAMEED & CO KOT NOORA GHAKHAR MANDI DISST. GUJRANWALA	TARIQ HAMEED 34104-2312216-5	ABDUL HAMEED	30,000	19,798	-	49,798	-	-	16,798	-	16,798
21	AL AZIZ HOSIERY INTERNATIONAL P-268/C GULBERG COLONY FAISALABAD	MUHAMMAD AMIN 35200-1425308-9 MUHAMMAD AHSAN AZIZ 33100-0848176-5	NOOR MUHAMMAD AZIZ AHMAD	2,200	2,211	-	4,411	-	-	1,042	-	1,042
22	CRESCENT SOFTWARE PRODUCTS PVT LTD 1ST FLOOR 65-XX KHAYABAN-E- IQBAL ROAD PHASE III DHA LAHORE	HUMAYUN MAZHAR 35201-2124933-9 KHURRAM MAZHAR KARIM 35201-1471781-3	MIAN MAZHAR KARIM MAZHAR KARIM	24,657	24,828	-	49,485	-	-	24,828	-	24,828

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
23	HUNZA PACKAGES PVT LTD PLOT NO 63/3 PHASE II INDUSTRIAL ESTATE HATTAR	M. NADEEM MUSHTAQ QURESHI 35201-6555143-3 FAIZA SUMBAL HUDA 35201-1704926-8	MIAN M.MUSHTAQ QURESHI MUHAMMAD QAMARUL HUDA	3,753	1,464	-	5,216	1,753	-	1,464	-	3,216
24	PREMIUM TELECOM PVT LTD 7 LDA PLAZA EGERTON ROAD LAHORE	SAJID SOHAIL 31104-2138764-7 SHAHID RASOOL PASSPORT NO.112278857	GHULAM RASOOL GHULAM RASOOL	19,973	14,896	-	34,869	14,973	-	14,896	-	29,869
25	RANA TRADERS GHALLA MANDI FEROWZEWALA DISTT GUJRANWALA	MUHAMMAD ISHTIAQ 34101-8475198-3 MUHAMMAD IQBAL 34101-1130405-9 NUSRAT PARVEEN 34101-7384489-0 MUSARRAT PARVEEN 42101-4559073-0	NIAZ MUHAMMAD KHAN BASHIR AHMED MUHAMMAD MUNAWAR IQBAL KHAN KHALIL UR REHMAN KHAN	20,661	15,163	-	35,824	-	-	15,163	-	15,163
26	FUTURE MOBILES SHOP-7-B ZAMAN PLAZA,HALL ROAD,LAHORE	AMBREEN FARMAN 35202-9121004-0	FARMAN ALI	10,000	9,042	-	19,041	-	-	8,041	-	8,041
27	GLOBE ENTERPRISES 17 GROUND FLOOR STOCK EXCHANGE BUILDING STOCK EXCHANGE ROAD KARACHI	MUHAMMAD YOUSUF MEMON 42301-5263232-5	UMAR BHAI	391	493	-	885	391	-	493	-	885
28	MUHAMMAD YOUSUF MEMON ROOM NO.63 - B BLOCK A ADAMJEE NAGAR KARACHI	42301-5263232-5	UMAR BHAI	379	7,399	-	7,779	379	-	7,399	-	7,779

Details of advances written-off

ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
29	MONTGOMERY FLOUR & GEN. MILLS LTD. G T ROAD SAHIWAL	SADAQAT AHMED SHAFI 36502-0150687-1 AISHA GULZAR 36502-3187159-0 MISBAH ZEHRRA 36502-0915921-8 HINA SALAHUDDIN 42301-0928777-2 SALAH UDDIN SHAFI 36502-8090302-3 UMAIR AHMED SHAFI 36502-5249796-5 HAMESH GUL 36502-1375835-3	SH. MUHAMMAD SHAFI SADAQAT AHMED SHAFI HAMESH GUL MUHAMMAD AZAM KHAN SADAQAT AHMED SHAFI SADAQAT AHMED SHAFI ZAKI BABER	207,321	392,899	-	600,221	-	-	257,798	-	257,798
30	PARAMOUNT SPINNING MILLS LTD II FLOOR FINLAY HOUSE, I.I. CHUNDRIGAR ROAD KARACHI	MUHAMMAD AKHTAR MIRZA 35201-9676042-3 SOHAIL MAQSOOD 35201-4740143-5 MUHAMMAD ASHRAF KHAN 35201-1346603-5 ABID SATTAR 35202-2306906-3 MUHAMMAD ARIF 35201-1641317-5 ZARQA ASIF 35404-0827790-2 MUHAMMAD JUNAID 35202-6261910-9	KARAM DAD KHAN MAQSOOD ELLAHI MUHAMMAD DILSHAD KHAN ABDUL SATTAR ZAHID ABDUL HAMEED ANWAR MUHAMMAD ASIF AKRAM MUHAMMAD RASHEED	100,129	55,907	-	156,036	42,560	-	55,907	-	98,467
31	CHEMI VISCO FIBRE LTD D-4, SOUTH AVENUE S.I.T.E. KARACHI	USMAN GHANI 42201-2168505-3 ABDUL SHAKOOR KHATRI 42301-1015565-5 ABDUL HAI USMAN GHANI 42201-6425490-1 GHULAM MUSTAFA KHATRI 35202-3022772-5 KASHIF KERIO 45402-4394916-3 ARIFA 42301-7644128-0 ABDUL SATTAR KERIO 45402-4964010-1	HAJI MUHAMMAD HAJI MUHAMMAD USMAN GHANI MUHAMMAD MUHAMMAD BAKHSH KERIO MUHAMMAD BUX KEERIO MUHAMMAD BUX KERIO	1,004,201	2,399,549	-	3,403,750	474,201	-	2,399,549	-	2,873,750

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
32	AL BERUNI GROUP FOR EDUCATION HAMDARD UNIVERSITY CANAL ROAD, FAISALABAD	MUHAMMAD RIAZ KARIM 61101-1951618-1 AZMAT ALI 61101-1981285-5	ABDUL KARIM REHAM ALI KHAN	12,963	11,066	-	24,029	-	-	8,029	-	8,029
33	NEW ALI RICE MILLS 4 KM KASUR ROAD ALLAH ABAD TEH CHUNIAN KASUR	MUHAMMAD ASHIQ AMJAD 35101-2499551-9 MUHAMMAD KHALID 35101-3885164-3 MUHAMMAD AASHIQ 35102-0597984-5 SARDAR MUHAMMAD FARHAN SARWAR 35101-4131391-7	UMER DIN SARAJ DIN PIARA SARDAR MUHAMMAD SARWAR	48,706	10,651	-	59,356	-	-	7,410	-	7,410
34	S K POULTRY FARMS A-20 DEH KHER KHARKARO DISTRICT MALIR KARACHI	KAIF SADIQ 42201-0417067-6	SADIQ AMIN KHAN	4,843	15,563	-	20,406	-	-	13,906	-	13,906
35	MUHAMMED SHABBIR KHAN HAMDARD CHAMBERS, I.I. CHUNDRIGAR ROAD NEAR DAILY JANG KARACHI	42201-1356634-3	ABDUL GHAFOOR KHAN	499	2,082	-	2,581	499	-	2,082	-	2,581
36	AL SHAAFI PVT LTD 3/7-RACE VIEW VILLAS OFF JAIL ROAD LAHORE	NUSRAT MEHDI 34603-4356601-3 QAISARA MEHDI 35202-3057140-4 MUHAMMAD SHARIF 35202-2318011-1	MUHAMMAD SHAFI UDDIN GHULAM ABBAS CHEEMA AFTAB DEEN	15,268	8,056	-	23,325	-	-	8,055	-	8,055
37	GULSHAN WEAVING MILLS LTD 2ND FLOOR, FINLAY HOUSE I.I.CHUNDRIGAR ROAD,KARACHI	JAHANGIR AHMED SHAKOOR 42201-0545325-7 IRSHAD UL HAQ 36603-4837708-9 MAZHAR HUSSAIN 35202-6332238-5	ABDUL SHAKOOR ABDUL SHAKOOR SHEIKH MUHAMMAD NAWAZ	73,512	49,282	-	122,794	51,859	-	49,282	-	101,141
38	ALI MUHAMMAD BASTI BANDA NOOR SAMAND KHAN WALA P/O DULLAH BADEHAR TEHSIL CHISHTIAN DISTT BAHAWAL NAGAR	31102-5661112-7	ZAHOR KHAN	5,000	1,851	-	6,851	-	-	1,851	-	1,851

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
39	SAIFY AND CO VILLAGE SALEEMPURA P/O JHALLAN TEH.NOSHERA VIRKAN DIST. GUJRANWALA	MUHAMMAD ASLAM 34103-2142578-3	FAQIR MUHAMMAD	248	815	-	1,063	-	-	813	-	813
40	AFAQ TOOL INDUSTRY KASHMIR COLONY GAZI ROAD LOHIANWALA GUJRANWALA	MUZAMMAL AHMED 34101-2499533-7	MUHAMMAD SHARIF	896	1,347	-	2,243	-	-	1,343	-	1,343
41	IMRAN HAIDER VILLAGE RUSTAM PUR P/O SAME TEHSIL MURIDKE DISTT SHEIKHUPURA	35401-1843003-7	KHADIM ALI	866	560	-	1,426	-	-	501	-	501
42	MUNAWAR HUSSAIN CHAK NO.36 S.B. P.O.SAME TEH & DISTT. SARGODHA	38403-3240511-3	NAWAB KHAN	800	855	-	1,655	-	-	785	-	785
43	GHULAM ABBAS CHAH JAHAN WALI GERBI BAHAR POST OFFICE SAME TEHSIL SHORKOT DISTRICT JHANG.	33203-1404186-5	HAQ NAWAZ	350	531	-	881	-	-	531	-	531
44	HABIB SARWAR MOHALLAH MODEL TOWN ST#2 MORE SAMBERIAL TEH SMBERIAL DIST SIALKOT	34601-5434712-9	ABDUL GHANI	2,299	644	-	2,944	-	-	594	-	594
45	KHALID KHAN MOUZA GAWRI BALOOCH TEHSIL MAILSI	36602-1978546-1	HAFIZ MUNAWAR KHAN	799	640	-	1,439	-	-	589	-	589
46	MUHAMMAD SALEEM ZAHEER CHAK NO 553/EB PO SAME TEHSIL & DISTRICT VEHARI	36603-1224577-3	ABDUL SHAKOOR	361	161	-	522	361	-	161	-	522
47	MIAN TRADERS KAMOKE ROAD TATLAY AALI, P.O KHAS GUJRANWALA	HABIB AHMAD 34101-2723855-7	NAWAB DIN	7,994	4,252	-	12,246	-	-	4,246	-	4,246

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
48	AQSA CONSTRUCTION COMPANY AQSA PLAZA 127-CIVIC CENTER SYED-NA-FAROOQ KA AZAM ROAD SABZAZAR SCHEME LAHORE	RIAZ AHMED 35202-3035224-9	CH. M. TUFAIL	2,000	2,381	-	4,380	-	-	2,380	-	2,380
49	GHULAM ASGHAR KHAN MACHAKA P/O SAME SADIQABAD	31303-2339918-1	GHULAM QADIR KHAN	992	1,944	-	2,936	-	-	1,943	-	1,943
50	MUHAMMAD NAWAZ BEILA SARBANA P/O HAVELI BAHADUR SHAH TEH SHOR KOT DISTT JHANG	33203-6668897-9	NOOR AHMAD	1,799	1,407	-	3,207	-	-	1,357	-	1,357
51	INAYAT ULLAH DERA CHEEMA P/O NOKHAR TEH NOWSHERA VIRKAN DISTT GUJRANWALA	34103-9636900-5	NAZAR MUHAMMAD	2,096	669	-	2,765	-	-	665	-	665
52	VIRK TRADERS VILL NOWSHERA VIRKAN ROAD NOKHAR DISTT GUJRANWALA	MUHAMMAD ASLAM VIRK 34103-0494004-5	ALI MUHAMMAD VIRK	2,996	2,192	-	5,188	-	-	1,673	-	1,673
53	RASHID ALI VILL PASWAL P/O KOT NAINAN TEH SHAKAR GARH DISTT. NAROWAL	34502-1612705-9	BASHIR AHMAD	1,200	637	-	1,837	-	-	597	-	597
54	MIAN MUHAMMAD QASIM TAHIR HOUSE NO 291 BLOCK F SHAH RUKNE ALAM COLONY MULTAN	36201-0544143-9	MIAN GHULAM QADIR	479	928	-	1,407	-	-	907	-	907
55	YAQOOB LIVE STOCK FETTENING & DAIRY CHAH WALH WALA MOUZA ALI PURE KANJO TEHSIL KEHROR PAKKA DIST LODHRAN	MALIK ABDUL AZIZ 36202-0349247-1	MALIK KARAM BUX	7,500	5,930	-	13,430	-	-	5,230	-	5,230
56	WALI AHAD KHAN H # Z-104 SHAHI BAZAR KHIPRO DISTT. SANGHAR	44202-4336023-1	MUHAMMAD YASIN KHAN	2,023	1,977	-	4,000	-	-	1,684	-	1,684

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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
57	KHALID HUSSAIN MOHALLAH DARAS WALA GAJIAN NOO P.O SAME DISTT. SHEIKHUPURA	35404-3832062-9	WARYAM	688	733	-	1,421	-	-	721	-	721
58	AMANAT ALI SAHI NEAR RESIDENCE CH INAYAT MUHAMMAD NUMBERDAR VILL P/O JANDOO SAHI TEH DASKA DISTT SIALKOT	34601-5312441-3	JILAL DIN SAHI	1,000	595	-	1,595	-	-	565	-	565
59	ALI AKBAR KHAN ISLAMABAD MUHALLA P O MEHAR	41205-6083818-1	GHULAM MUHAMMAD	799	1,714	-	2,513	-	-	1,714	-	1,714
60	AHMED DIN MOHALLAH HAJI JAN WALA KHUDIAN KHAS P/O KHUDIAN KHAS TEHSIL KASUR DISTT. KASUR	35102-7862006-5	MIAN NATHA	1,498	1,103	-	2,600	-	-	1,098	-	1,098
61	AMJAID ALI MOUZA KALAS P.O. WALLAH TEHSIL; LALIAN DIST; CHINIOT	33201-9300113-1	GHULAM MUHAMMAD	1,500	1,011	-	2,511	-	-	896	-	896
62	IMTIAZ AHMED MOHALLAH BANGLA VILLAGE BEGOWALA TEH SAMBRIAL DISTT SIALKOT	34601-1709330-5	NABI AHMED	1,000	879	-	1,879	-	-	779	-	779
63	RANA MOHAMMAD AKRAM KHAN VILL P/O KOTLI BAWA FAQEERCHAND TEH. PASRUR DISTT. SIALKOT	34602-3695699-7	MUHAMMAD SULEMAN KHAN	660	531	-	1,191	-	-	511	-	511
64	ZAHEER ABBAS VILLAGE MANGHA QADEEM P/O SAME TEHSIL PASRUR DISTT SIALKOT	34602-1200904-3	MUHAMMAD BASHIR	2,300	1,672	-	3,972	-	-	1,557	-	1,557
65	M AFZAL KHOKHER VILL KOTLI KHOKHRAN P.O. KOPRA TEH SAMBRIAL DISTT SIALKOT	34601-2638013-9	CH REHMAT ALI KHOKHER	2,498	1,824	-	4,322	-	-	1,822	-	1,822
66	MAQBOOL AHMED VILAGE KOT NAINA P/O SAME TEH SHAKARGARH DIST NAROWAL	34502-5429144-3	NAZIR AHMED	1,500	954	-	2,454	-	-	899	-	899
67	HUSSNAIT AHMAD BAIG CHAK 385 GB TEH SAMUNDRI DISTT.FAISALABAD	33105-3887208-1	M SAEED ULLAH BAIG	-	971	-	971	-	-	906	-	906

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
68	ABDUL RASHEED & BROTHERS REHMAT PURA BASTI ABDULLAH DEPALPUR DISTT OKARA	NAZIR AHMAD 35301-1984230-3 ABDUL RASHEED 35301-1984235-1	MUHAMMAD YASIN MUHAMMAD YASIN	7,499	880	-	8,379	-	-	872	-	872
69	TAHIR IQBAL VILLAGE HALLOWAL P.O SAME TEHSIL & DISTT NAROWAL	34501-4233746-1	MUHAMMAD SULEMAN	999	793	-	1,792	-	-	742	-	742
70	MUHAMMAD UMAR DRAZ CHAK NO 59 JB CHALADAY WALI P/O SAME TEH & DISTT FAISALABAD	33100-3920805-5	ABDUL HAQ	1,395	687	-	2,082	-	-	517	-	517
71	CHEEMA CONTROL SHED CHAK NO. 105 S.B P.O SAME TEHSIL & DISTT SARGODHA	MAZHAR SAQLAIN 38403-8691317-3	IRSHAD ULLAH CHEEMA	2,282	2,079	-	4,362	-	-	1,962	-	1,962
72	EHSAN ULLAH MADHUKEY TEHSIL SAMBRIAL DISTRICT SIALKOT	34601-0759006-1	MUHAMMAD BOOTA	2,000	1,658	-	3,658	-	-	1,628	-	1,628
73	MUBASHIR AHMAD DAAK KHANA KHAS GATHIALIAN TEHSIL PASROOR DISTRICT SIALKOT	34602-3768088-5	MUHAMMAD LATIF	2,265	1,212	-	3,477	-	-	1,132	-	1,132
74	HUSSAIN RAZA MOZA MAMDANA KHURD KAMALIA	33302-8752494-1	RAHAT HUSSAIN	800	1,086	-	1,886	-	-	869	-	869
75	NEW DAWN SUZUKI CENTRE NAQI ROAD NILA GUMAD LAHORE	RASHID HABIB 35202-2994812-9	HABIB UR REHMAN	979	989	-	1,968	-	-	989	-	989
76	UMER SHAHZAD CHAK NO 302-GB BHATI CHAK,P/O KHAS TEH & DISTT TOBA TEK SINGH	33303-6304933-7	MUHAMMAD RAMZAN	1,688	1,136	-	2,824	-	-	886	-	886
77	SHAFIQUE ANJUM MOHALLAH NOKHAR QADEEM FAROOQABAD SHEIKHUPURA	35404-0737707-7	MUHAMMAD RAFIQ	491	597	-	1,088	-	-	538	-	538
78	M&F ELECTRONICS 1/B 2ND FLOOR IKHLAQ CENTER 16-HALL ROAD LAHORE NEAR DATA DARBAR MKT HALL ROAD LAHORE	MAZHAR MAHMOOD 35202-0483707-1	MUHAMMAD JAHANGIR	2,999	1,420	-	4,419	-	-	1,420	-	1,420

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
79	MUHAMMAD YASEEN CLOTH HOUSE MAIN BAZAR JALAL PUR BHATTIAN TEHSIL PINDI BHATTIAN	MUHAMMAD YASEEN 34302-1249547-9	MUHAMMAD BAKHSH	1,300	2,105	-	3,405	-	-	2,105	-	2,105
80	UMAIR WALI AHAD HOUSE # Z-104 MOHALLAH SAHI BAZAR KHIPRO	44202-1233182-9	WALI AHAD KHAN	1,399	1,188	-	2,588	-	-	983	-	983
81	MIAN MUHAMAD YOUNIS HOUSE-47.MOHALLAH SAFARI TOWN BOSAN ROAD MULTAN BOSAN ROAD	36602-7386918-9	MIAN SHAMS UDDIN	1,280	718	-	1,997	-	-	697	-	697
82	FURQAN HABIB CHAK NO 254 G.B SOUNDH TEHSIL TOBA TEK SINGH	33303-2205926-7	HABIB UR REHMAN	1,795	1,138	-	2,932	-	-	1,132	-	1,132
83	ANAYAT ULLAH R/O QILA KALAR WALA NEAR JAMIA MASJID P/O KHAS TEHSIL PASROOR DISTRICT SIALKOT	34602-8103059-7	ALLAH DITTA	998	967	-	1,965	-	-	965	-	965
84	SUZUKI MARDAN MOTORS NOWSHERA ROAD MARDAN	SADULLAH KHAN 16101-1773975-1	JAFFER KHAN	1,696	916	-	2,612	-	-	834	-	834
85	GHULAM MUHAMMD CHAK NO 185-JB PO SAME TEH BHOWANA DISTT CHINIOT	33201-7223966-1	SHER MUHAMMAD	1,700	709	-	2,409	-	-	570	-	570
86	MUHAMMAD ASLAM PIR DA KOT P/O ASIAN TEHSIL & DISTT CHINIOT	33201-1612778-3	WARYAM	1,342	740	-	2,082	-	-	582	-	582
87	SHAUKAT HAYAT RASOOL MOH SAADAT VPO MARI INDUS TEH & DISTT MIANWALI	38302-5192999-9	MALIK GHULAM RASOOL	540	693	-	1,233	-	-	583	-	583
88	MUHAMMAD ASIF MOUZA MURAD WALA P/O RABANA TEH SAHIWAL DISTT SARGODHA	38402-6468362-3	HAQ NAWAZ	2,503	1,338	-	3,841	-	-	1,141	-	1,141
89	ZULFIQAR ALI VILL DHAROWAL KANG P/O SAME TEH WAZIRABAD	34104-8938384-1	LALL KHAN	1,269	1,068	-	2,338	-	-	858	-	858

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
90	MUHAMMAD ANWAR CHAK NO 46 GB TEH SAMUNDRI DISTT FAISALABAD	33105-0383927-1	MUHAMMAD SARWAR	1,165	808	-	1,973	-	-	773	-	773
91	LASANIA OIL MILLS 3 KM NAROWAL ROAD MURIDKE DISTT SHEIKHUPURA	MIAN ABDUL MUKHTAR 35401-1856686-9	HAJI KHUSHI MUHAMMAD	6,999	5,769	-	12,768	-	-	5,303	-	5,303
92	BILAL AHMED OPEE PO KHAS TEH KOTMOMIN DISTT SARGODHA	38406-0416270-5	MUHAMMAD YAR	550	746	-	1,296	-	-	676	-	676
93	MUAHMMAD AHMAD KOT TAHIR PO SAME TEH AND DIST T NANKANA SAHIB	35402-0247148-9	MUHAMMAD ISMAIL	800	628	-	1,428	-	-	503	-	503
94	SAMMER ABBAS V.P.O RAJOA TEHSIL CHINIOT DISTT JHANG	33201-4295315-9	AZHAR HUSSAIN	1,059	767	-	1,826	-	-	606	-	606
95	MOHAMMAD ISHFAQ VILLAGE GHULLAH MARHAN P/O SAME TEH DIST NAROWAL	34501-8303966-9	GHULAM MUHAMMAD	1,260	712	-	1,972	-	-	682	-	682
96	SAAD ULLAH KHAN CHAK NO.25NB DIST. SARGODHA	38403-2268139-5	SAEED ULLAH KHAN	385	667	-	1,052	-	-	577	-	577
97	GHULAM MUSTAFA BAJWA MAHAL GACHAY PO GUNNA KALAN TEH DISTT SIALKOT	34603-4720272-9	MUHAMMAD ASLAM BAJWA	940	531	-	1,471	-	-	521	-	521
98	IJAZ AHMAD BASTI BADHAIRA KHAIRO GHAZI KHANANA P/O SAME TEHSIL HASIL PUR DISTRICT BAHAWALPUR	31203-1705269-9	GHULAM HUSSAIN	2,000	1,079	-	3,079	-	-	1,079	-	1,079
99	WASEEM GULL GUL PALACE. HOUSE NO. 5 OPP. CHENAB RANGER HEAD QUARTER SIALKOT	34603-2710588-7	CHAUDHRY GULL MUHAMMAD	1,600	592	-	2,192	-	-	567	-	567
100	M MUMTAZ MAQBOOL P O KHAS KOT BHAI KHAN TEHSIL SHAH PUR SARGODHA	38404-6188382-5	HAJI SARDAR FEROZ KHAN	1,399	664	-	2,064	-	-	614	-	614

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
101	MUHAMMAD AKBER BASTI SAIDAN SIAN TEHSIL DEPAL PUR DISTT OKARA	35301-1965976-3	AHMED DIN	2,500	2,029	-	4,529	-	-	2,029	-	2,029
102	AHMAD CORPORATION 26-A POONCH ROAD ISLAMIA PARK LAHORE	AFTAB AHMED 35202-0709661-7	GHULAM RASOOL	1,300	876	-	2,176	-	-	717	-	717
103	MEHDI HASSAN VILLAGE MADHORA KALLAN P.O KASSESAY TEHSIL PINDI BHATTIAN	34302-2887207-7	MUHAMMAD KHAN	1,356	1,257	-	2,613	-	-	1,213	-	1,213
104	ASAD JAHANGIR CHAK NO 65 SB PO KHAS TEH BHALWAL DISTT SARGODHA	38401-0351630-3	JAHANGIR KHAN	1,899	1,525	-	3,425	-	-	1,525	-	1,525
105	QAMAR HAYAT GHULLAHPUR PO KHAS TEH KOT MOMIN DISTT SARGODHA	38401-5621939-5	MUHAMMAD AZAM	950	611	-	1,561	-	-	561	-	561
106	MIAN GHULAM FARID BASTI BUDH GHULAM P.O.LUDDEN TEHSIL & DISTT. VEHARI	36603-1421527-5	MIAN MUHAMMAD ALI	1,499	1,070	-	2,569	-	-	569	-	569
107	HAZRAT GHULAM MOHALLAH TATI KHEL DISTT AND PO BADABER TEH AND DISTT	17301-3965567-9	NOOR GHULAM	700	564	-	1,264	-	-	514	-	514
108	INAYAT ALI CHUDHARY MOHALLHA RASHEED PURA SHAKARGHAR DISST NAROWAL	34502-3227652-5	CHUDHARY ALLHA DITA	2,000	1,483	-	3,483	-	-	1,483	-	1,483
109	MUHAMMAD AKHTER MOHALLA KALASIANWALA ROAD POST OFFICE KHAS TEHSIL AND DISTRICT	38201-3497051-3	MUHAMMAD AMEER JOIYA	-	630	-	630	-	-	530	-	530
110	USMAN ALI CHAK NO 87/9-L ANJUM FORM PO SAME TEH & DISTT SAHIWAL	36502-1343750-3	CH IRSHAD AKHTAR	1,241	967	-	2,208	-	-	698	-	698
111	RIZWAN SHEHZAD VILLAHE KHANA MIANWALI P/O KHOKHAR WALI TEHSIL AND DISTT NAROWAL	34501-2023127-7	BASHIR AHMAD	500	815	-	1,315	-	-	815	-	815

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
112	PARVEEN RANI WALLAH PO SAME TEHSIL LALIAN DIST.CHINIOT	33201-0342459-6	FEROZ KHAN	2,500	1,755	-	4,255	-	-	1,585	-	1,585
113	CH. MANZOOR AHMAD CHAK NO 102 SB PO KHAS TEHSIL AND DISTRICT SARGODHA	61101-9791691-7	CH SHAKAR DIN	1,218	596	-	1,815	-	-	596	-	596
114	ABDUL ROUAF GALI PATHANA MOH.IMAM BARGA TEH SHAKARGARH	34502-5656343-3	MUHAMMAD MAQBOOL	2,001	1,119	-	3,120	-	-	1,119	-	1,119
115	GHULAM MUHAMMAD MOUZA ILYAS P/O DULA BAHDERA CHISHTIAN	31102-0595486-7	MAHMOOD KHAN	2,500	2,881	-	5,381	-	-	2,881	-	2,881
116	MUHAMMAD BOOTA VILLAGE VERN P/O KHAS DISTT SHEIKHUPURA	35404-4559204-1	SARDAR KHAN	660	1,213	-	1,873	-	-	1,133	-	1,133
117	MUHAMMAD IQBAL HOUSE NO.4.STREET NO.11.AZEEM PARK KOT KHAWAJA SAEED LAHORE.	35202-2431836-5	MUHAMMAD AMIN	613	1,179	-	1,793	-	-	1,093	-	1,093
118	M SHABBIR SANDHU V.P/OFF SATRAH TEHSIL DASKA DISTT SIALKOT	34601-0757613-1	ZAFAR HUSSAIN	1,999	1,321	-	3,320	-	-	1,321	-	1,321
119	SOHAIL IFTIKHAR KHAN SHAHRAH-E-HAQ GHEE MILLS AREA P.O.CHICHAWATNI TEHSIL CHICHAWATNI	35200-0530984-9	IFTIKHAR-UDDIN KHAN	624	894	-	1,519	-	-	894	-	894
120	MUHAMMAD MUMTAZ VILLAGE MATEELA P O KHASS TEHSIL KOTMOMAN DISTRICT SARGODHA	38406-0407751-5	MOULA BUX	250	615	-	864	-	-	614	-	614
121	WELCOME TIMBER STORE OPPOSITE SHELL PETROL PUMP AL FAYYAZ COLONY SATYANA ROAD FAISALABAD	M. GULZAR AHMAD NAZ 33100-1549694-5	SHER MUHAMMAD NAZ	899	1,040	-	1,939	-	-	1,039	-	1,039
122	AKBAR ALI SHAH H NO 884-A ST NO 9 BLOCK -2 JOHAR TOWN LAHORE	35201-7349006-9	SYED MOHSIN ALI SHAH	1,300	1,986	-	3,286	-	-	1,746	-	1,746

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
123	MUHAMMAD ISHAQ VILLAGE GULAB GRAH P.O.BEGOWAL TEHSIL SAMBRIAL DISTRICT SIALKOT	34604-0356345-3	MUHAMMAD INAYAT	2,500	959	-	3,459	-	-	959	-	959
124	MUNIR DYEING DOST STREET, SAMUNDRI ROAD, FAISALABAD	ZAHEER AHMAD 33100-5736663-5	MIAN BASHIR AHMAD	1,675	1,240	-	2,915	-	-	1,043	-	1,043
125	TRAVEL CHAIN EXPRESS 10-STRRET NO-9 RAJPOOT PARK SHAHDARA TOWN LAHORE	AROONA HABIB 35202-2458061-8	HABIB UR REHMAN	5,499	913	-	6,412	-	-	897	-	897
126	AURANGZEB TARIQ V.P.O KOPRA KHURD TEH. SAMBRIAL DISTT. SIALKOT	34604-0417980-9	TARIQ HUSSAIN	2,065	1,167	-	3,232	-	-	712	-	712
127	L AND S INTERNATIONAL 274 DARUL IHSAN TOWN SAMUNDRI ROAD FAISALABAD	MUHAMMAD FAROOQ 33100-2583173-9	ABDUL LATIF	8,498	2,378	-	10,876	-	-	2,376	-	2,376
128	SHARJAH HOSIERY SHARJAH HOSERY BAZAR THANEWALA GUJRANWALA	JAVAID IQBAL 34101-5612301-3	MUHAMMAD DIN	740	931	-	1,671	-	-	831	-	831
129	YASIR MALHI NAI ABADI BADDOMALHI VILLAGE & P.O. BADDOMALHI TEHSIL & DISTT NAROWAL	34501-8864488-1	MUHAMMAD MUNIR	2,000	855	-	2,855	-	-	765	-	765
130	MUHAMMAD ASHRAF VILLAGE DHILWAN P/O BUDHYANA TEHSIL PASRUR DISTT SIALKOT	34603-7644909-1	NOOR MUHAMMAD	1,407	1,204	-	2,611	-	-	981	-	981
131	DECENT BAKERY & SWEET SAHIWAL JINNAH CHOWK SAHIWAL	MUHAMMAD YOUNIS 36502-7493575-7 MUHAMMAD ASLAM 36502-1349989-3 MUHAMMAD ARSHAD 36502-3633360-5	EID MUHAMMAD EID MUHAMMAD EID MUHAMMAD	10,000	7,524	-	17,524	-	-	6,423	-	6,423

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
132	NUSRAT BAGUM POST OFFICE DONGA BONGA BARRA SAJWAR KHAN TEHSIL HAROONABAD DISTT BANAHWALNAGAR	31101-1547097-2	MUHAMMAD AKRAM KHAN	2,000	1,202	-	3,202	-	-	1,102	-	1,102
133	KHALID LATIF AND CO KOT KHADIM ALI SAHIWAL	KHALID LATIF 36502-2194050-9	CH. LASHKAR ALI	1,200	1,370	-	2,570	-	-	1,370	-	1,370
134	FARAH KHAN VILLAGE WALI POOR BORA P/O KHAS TEHSIL SHAKARGARH DISTT. NAROWAL	34502-6014880-4	MUHAMMAD NIAZ KHAN	1,200	949	-	2,149	-	-	749	-	749
135	WASEEM AKHTAR KH NO. 455/50 MOUZA RATTA AMRAL AFSHAN COLONY RAWALPINDI	37405-2376481-5	GHULAM SARWAR	1,696	1,107	-	2,803	-	-	1,107	-	1,107
136	ABDUL JABBAR & BROTHERS THANA MORE KAMALIA DISTT TOBA TEK SINGH	ABDUL JABBAR 33302-7846537-9	ABDUL SATTAR	550	634	-	1,184	-	-	634	-	634
137	AHMAD TRADERS 73/B GRAIN MARKET CHISHTIAN DISTRICT BAHAWALNAGAR	ABDUL AZIZ 31102-0607298-3	JAMAL DIN	1,249	1,031	-	2,280	-	-	1,030	-	1,030
138	SIDDIQUE BHAI JEWELLERS SHOP#344G GROUND FLOOR PANORAMA SHOPPING CENTRE THE MALL LAHORE	UMAR SIDDIQUE KHAN 35202-2478175-1	M. SIDDIQ KHAN	1,000	976	-	1,976	-	-	976	-	976
139	BINISH LALI VILLAGE & P.O. JABANA TEHSIL LALIAN DISTT. CHINOT	33201-1576535-4	NADEEM HAYAT LALI	1,400	639	-	2,039	-	-	539	-	539
140	AFTAB & BROTHERS SULTAN PURA PO QADRABAD COLONY TEH & DISTT HAFIZABAD	AFTAB AHMAD 34301-7199270-7	MUSHTAQUE AHMED	-	896	-	896	-	-	771	-	771
141	RANA ZAILADAR KHAN VILLAGE GOLLIAN P/O KHAS TEH DASKA DISTT SIALKOT	34601-0816717-9	CH GHULAM MUHAMMAD	958	555	-	1,513	-	-	533	-	533
142	SHOUAIB TRADERS GHALLAH MANDI NOKHAR DISTT GUJRANWALA	GULZAR AHMED 34103-6082747-1 RASHEED AHMED 34103-7276070-1	ABDUL SATTAR MUHAMMAD SHAFI	795	867	-	1,662	-	-	867	-	867

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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
143	NEHMAT ULLAH POST OFFICE BADIANA TEH PASROOR DISTT SIALKOT	34602-7468424-9	MUHAMMAD SHAFI	956	881	-	1,837	-	-	867	-	867
144	JAFAR ALI CHAK NO 79 G/B FAISALABAD	33100-8848542-7	MUHAMMAD ASLAM	1,000	523	-	1,523	-	-	523	-	523
145	MUHAMMAD AKRAM GHALI NO 4 MOHLLA IMDAD COLONY P/O HUJRA SHAH MUQEEM TEHSIL DEPALPUR DISTT OKARA	35301-9697781-1	BASHIR AHMED	2,500	1,801	-	4,301	-	-	1,801	-	1,801
146	USMAN GHANI VILLAGE & P O JESSERWALA NEAR JESSERWALA ADDA TEH DASKA DISTT SIALKOT	34601-4062395-3	ABDUL GHANI	748	1,002	-	1,750	-	-	700	-	700
147	AKBER ALI V NAWAN PIND PO RATTA BAJWA TEHSIL PASRUR DISTRICT SIALKOT	34602-0640125-9	MUHAMMAD ISMAIL MARHOOM	1,000	506	-	1,506	-	-	506	-	506
148	MOHAMMAD RAZAQ VILL DIN POR KALAN P/O SAME TEH SHAKARGARH DISTT NAROWAL	34502-1563607-1	BASHIR AHMED	1,300	1,075	-	2,375	-	-	1,075	-	1,075
149	AFZAL WEAVING FACTORY 7-KM SATYANA ROAD FAISALABAD	IMRAN AFZAL 33100-1991316-3	MUHAMMAD AFZAL	9,991	11,002	-	20,993	-	-	10,107	895	11,002
150	AURANG ZEB C/O ANMOL CNG HEGARWALA GUJRAT ROAD TEHSIL PHALIA	34403-7057643-1	MUHAMMAD INAYAT	1,500	963	-	2,463	-	-	878	-	878
151	MUHAMMAD RIAZ VILL HALLOWAL PO SAME DISTT NAROWAL	34501-4200642-1	ABDUL MAJEED	2,380	1,172	-	3,552	-	-	1,152	-	1,152
152	PEARL TEXTILE INDUSTRIES 33 KM JOHAL SHEIKHUPURA ROAD FAISALABAD	MUHAMMAD DANISH ANEES 42201-1985532-9 MUHAMMAD HAMMAD ANEES 42000-4610134-7	MUHAMMAD ANEES MUHAMMAD ANEES	7,063	2,341	-	9,404	-	-	2,341	-	2,341
153	SAJJAD SALEEM KHAN CHAK NO 93/ D PO MALIKA HANS TEH & DISTT PAKPATTAN	36402-3625788-5	MUHAMMAD ZAMAN KHAN	1,200	929	-	2,129	-	-	929	-	929

Details of advances written-off
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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
154	FAISAL BROTHERS COLONY ROAD MAILSI DISTT VEHARI	MUHAMMAD SIDDIQUE 36602-2676844-1	KARIM BUKHSH	1,000	1,181	-	2,181	-	-	1,089	92	1,181
155	FAQIR HUSSAIN POULTRY FARM CHAK NO.385 GB TEH.SAMUNDRI NEAR KANIAWALA BANGLA DISTT. FAISALABAD	FAQIR HUSSAIN BAIG 33105-0287970-9	MIRZA MUHAMMAD SADDIQUE	1,081	2,202	-	3,283	-	-	1,857	-	1,857
156	IMRAN HAIDER VILLAGE BAKHAR BAR KHAS TEH SHAHPUR DIST SARGODHA	38404-9896780-1	SAMAR ABBAS	1,300	1,129	-	2,429	-	-	1,074	-	1,074
157	RAI MANSAB ALI KOT RAI BASHIR AHMED MASHMOLA MASOO SHAREEF TEH & DISTT NANKANA	35402-6151935-7	RAI MUHAMMAD ALI	898	1,024	-	1,922	-	-	1,022	-	1,022
158	SAEED AHMED BHAROKAY PO GUNNA KALAN TEH DISTT SIALKOT	34603-3702457-3	SHABBIR AHMED	2,500	1,680	-	4,180	-	-	1,565	-	1,565
159	VIRK BRICKS COMPANY 3 K.M.G.T.ROAD KAMOKE TEHSIL KAMOKE DISTT.GUJRANWALA	CH. MUHAMMAD ARSHAD 34102-0677785-3	MUHAMMAD YOUNIS VIRK	3,621	2,938	-	6,559	-	-	2,938	-	2,938
160	RASHEED GAINCHO VILLAGE AKRO PO AKRO TAULKA KOTRI DIST.JAMSHORO	41204-6689216-9	GHULAM HYDER	1,000	1,353	-	2,353	-	-	1,150	-	1,150
161	GIFT CENTRE SHOP NO. 10, HAROON SHOPPING CENTRE 36-COMMERCIAL ZONE LIBERTY LAHORE	MUHAMMAD NAWAZ 35202-0778711-7	MEHER TAJ DIN	830	1,610	-	2,440	-	-	1,610	-	1,610
162	KHAN MUHAMMAD GONDAL VILL GONDAL P/O KHAS TEHSIL SHAHPUR DISTT SARGODHA	38404-9790051-7	RIFFAT ABBAS	1,399	707	-	2,106	-	-	656	-	656
163	SIKANDER TRADERS VILL KOT LADHA P/O SAME DISTT GUJRANWALA	QAISER ABBAS 34103-4791217-3	GHULAM ABBAS	2,034	2,077	-	4,111	-	-	1,661	-	1,661
164	MIAN MUHAMMAD AZHAR IQBAL HOUSE NO 282/1 SHAHRUKNE ALAM COLONY J BLOCK MULTAN	36201-4959501-1	MIAN MUHAMMAD IQBAL	2,300	988	-	3,287	-	-	702	-	702

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
165	NUSRAT BANO VILL AND P/O VERPAL KALAN TEHSIL WAZIRABAD DISTT GUJRANWALA	34104-8113627-6	CH FAIZ AHMAD TOOR	1,097	1,078	-	2,175	-	-	748	-	748
166	MUHAMMAD NASEEM VILLAGE AKRO TALUKA KOTRI JAMSHORO	36302-7132105-5	MUHAMMAD RAHIM KAINJO	876	1,010	-	1,887	-	-	807	-	807
167	MASTER TEA COMPANY RES- VILLAGE DULLA KHURD TEHSIL & DISTRICT LAHORE 235 SATTLITE TOWN 21 KM FEROZEPUR ROAD LAHORE	KHALID JAVED ANJUM 35201-6299039-9	MUHAMMAD SADDIQUE	475	744	-	1,219	-	-	719	-	719
168	MUHAMMAD ASHRAF GORAYA BUPRA KALAN P.O KHAS TEH NOSHEHRA VIRKAN DISTT GUJRANWALA	34103-0506204-7	AMAN ULLAH	1,455	1,312	-	2,767	-	-	1,212	-	1,212
169	PREMIER TRADING COMPANY 4-A, SHAH ALAM MARKET LAHORE	ATIF SAJJAD SHEIKH 35202-0595718-1	SH. SAJJAD AHMAD	5,300	1,009	-	6,309	-	-	1,009	-	1,009
170	TRIGON PHARMACEUTICALS PVT LTD 8 TH K M THOKAR-RAIWIND ROAD LAHORE	MUHAMMAD ASAD 37405-0823280-5 KHALID MUNIR 35202-6378136-7 MUHAMMAD SAFDAR 36501-3646813-9	MUHAMMAD MUNIR KHAN CH. MUHAMMAD SHAFI	14,999	4,192	-	19,192	-	-	1,192	-	1,192
171	SIKANDAR JAVED KHAN H NO 3 STREET NO 5 SHALIMAR COLONY BOSAN ROAD MULTAN	36302-6032502-3	MUHAMMAD HUSSAIN	3,819	4,422	-	8,242	-	-	4,101	-	4,101
172	IMDAD ALI KHAN CHAK 810JB TEH DISTT FAID FAISALABAD	33100-1879583-9	RANA MUBARIK ALI KHAN	2,989	3,181	-	6,170	-	-	2,753	-	2,753
173	MUHAMMAD RIAZ VILLAGE KISHAN GARAH.P.O.BEGO WALA TEHSIL SAMBRIAL DISTRICT SIALKOT	34604-0399839-1	CH NOOR ALAM	800	614	-	1,414	-	-	524	-	524

Details of advances written-off
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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
174	KHALID SAJJID PETROLEUM BY PASS ROAD SAHIWAL	IRFAN AHMED KHAN 36502-2702525-7	MUHAMMAD SAFDER KHAN	4,000	2,901	-	6,901	-	-	2,881	-	2,881
175	QAISAR MANZOOR VILLAGE MANDIALA POST OFFICE CHOWBARA TEH PASRUR DISTT SIALKOT	34602-8728830-9	CH MANZOOR AHMAD	1,440	1,041	-	2,481	-	-	941	-	941
176	S TALIB HUSSAIN BUKHARI CHAK NO 12/FW PO CHAK NO 58/ FATEH TEH CHISHTIAN DISTT BAHAWALNAGAR	35202-3041979-7	SYED JALAL SHAH	1,493	650	-	2,143	-	-	643	-	643
177	GHULAM ALI VILL MERAK PUR P O CHANGI TEH DASKA DISTT SIALKOT	34101-4390855-1	TALIB HUSSAIN	989	804	-	1,793	-	-	743	-	743
178	MANZOORAN BIBI CHAK 81 JB TEH DISTT FAISALABAD	33100-2065619-0	RIASAT ALI KHAN	1,931	2,250	-	4,180	-	-	1,844	-	1,844
179	MUHAMMAD RIZWAN KHAN KARIM PUR PO LANGER MAKHDOOM TEH LALLIAN	33201-9916921-3	KHIZR HAYAT	1,500	1,996	-	3,495	-	-	1,841	-	1,841
180	CH.FALIK SHER MOUZA RAJ GRAH P.O HUJRA SHAH MUQEEM DEPALPUR	35301-1900958-7	CH.KHUDA BUX	1,378	1,004	-	2,382	-	-	982	-	982
181	JAVEED IQBAL 629 G GULSHAN RAVI LAHORE	35202-6840296-1	ABDUL HAMEED	5,020	6,541	-	11,562	-	-	4,062	-	4,062
182	M.NAEEM AHMED CHAK NO.113/10R JAHANIA TEHSIL JAHANIA DISTT;KHANEWAL	36101-2012509-5	MUHAMMAD YOUNIS	1,938	629	-	2,566	-	-	566	-	566
183	ABDUL GHAFFAR CHAK NO 358 G.B MUGHALI TEHSIL TOBA TEK SINGH	33303-0839865-9	ABDUL HAMID	1,600	862	-	2,462	-	-	690	-	690
184	UMER SOHAIL TRADERS KANDA ARHAT MOUZA MOTH NEAR KOTLA CHAKAR TEH JALAL PUR PIRWALA	MUHAMMAD SOHAIL AKHTAR 36301-0971477-9	MALIK MUHAMMAD SHARIF	513	654	-	1,166	-	-	654	-	654

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
185	MUHAMMAD RAMZAN VILLAGE SIDHA OTHAR POST OFFICE KHAS TEH CHUNIAN DISTT KASUR	35101-5771066-7	BHUNDO KHAN	1,999	1,438	-	3,438	-	-	1,388	-	1,388
186	TASLEEM BIBI CHINLANWALA TEHSIL ISSA KHEL DISTT. MIANWALI.	38301-9784258-0	MUHAMMAD ASLAM	600	863	-	1,462	-	-	662	-	662
187	SULTAN STANDARD MARBLE VILLAGE KOT SHAHAN DISTT GUJRANWALA	ZAFAR SULTAN 34101-6412263-9 NAEEM SULTAN 34101-4528937-1	NOOR SULTAN NOOR SULTAN	843	740	-	1,583	-	-	740	-	740
188	MUHAMMAD AFZAL CHAH JOGHI PO DAWLOOANA GHARBI AHMED PUR SIAL DIST JHANG SARGODHA	33203-0389673-5	AMEER KHAN	2,442	1,316	-	3,758	-	-	1,216	-	1,216
189	CH IMRAN ALI & BROTHERS GODAM # 34 RAILWAY MALL GODAM BADAMI BAGH LAHORE	IMRAN ALI 35202-2310302-7	MUHAMMAD MUSHTAQ	3,000	1,329	-	4,329	-	-	1,026	-	1,026
190	MUHAMMAD ASHFAQ VILL GILGITTI P O MANDHRIANWALA TEH KAMOKE DISTT GUJRANWALA MADRANWALA KALLAR	34102-7651885-1	KHALIL UR REHMAN	1,499	859	-	2,358	-	-	858	-	858
191	MUHAMMAD ASIF JHANGAR LAL P/O MEERAN PUR TEH & DISTT.NANKANA SAHIB	35404-5316158-5	MUHAMMAD ASHRAF	1,600	2,042	-	3,641	-	-	2,041	-	2,041
192	PRINCE CLOTH HOUSE FLAT NO.27,12-A DAVIS ROAD AL KARIM HOUSING SOCIETY LAHORE	YOUSAF KAREEM 35202-1027762-3	SHEIKH DEEDAR ALI	4,690	676	-	5,367	-	-	647	-	647
193	ABBAS ALI VILLAGE NAWAN PIND P/O RATTA BAJWA TEHSIL PASRUR DISTT SIALKOT	34602-0608181-7	MUHAMMAD ISMAIL	1,000	568	-	1,568	-	-	538	-	538
194	MUHAMMAD TANVIR KHAN MOHALLAH PARANA WARD NO 05 HOUSE NO 1197 VPO BHOPALWALA THE SAMBRIAL DISTT SIALKOT	34601-8322563-9	ZULF HUSSAIN	1,000	729	-	1,729	-	-	579	-	579

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
195	MUHAMMAD ISHAQUE CHAK GHORTAN WALA KOT SAI SINGH P.O.JHANG SADAR	33202-0352869-1	NAWAB KHAN	2,500	1,894	-	4,394	-	-	1,824	-	1,824
196	WALEED AKHTAR SHAH H 95 A CIVIL LINES KHANEWAL CITY TEH AND DISTT KHANEWAL	36103-7496298-7	M. AKHTAR SHAH	608	720	-	1,329	-	-	579	-	579
197	DASKA TUBEWELL INDUSTRIES 128-RAILWAY ROAD, CHOWK DALGIRAH, LAHORE	MIR MUHAMMAD MUJAZ AKRAM 35201-2671794-9	MEER MUHAMMAD AKRAM	4,935	3,469	-	8,404	-	-	3,379	-	3,379
198	MUHAMMAD SARWER LOT NO 16-17 POST OFFICE AMEERAABAD CHAK NO 49 M L TEHSIL DARYA KHAN DISTT BHAKAR	38102-7513784-7	NOOR MUHAMMAD	1,500	821	-	2,321	-	-	721	-	721
199	MUHAMMAD SHER P/O KHAS, NEHANG TEHSIL SAHIWAL DISTRICT SARGODHA SAHIWAL	38402-8165376-5	MUHAMMAD RAMZAN	950	618	-	1,568	-	-	568	-	568
200	SAJJAD ALI HINJRA HOUSE MAIN STREET MADRANWALA TEH KAMOKE DIST SIALKOT	34102-2334745-9	CH GHULAM SARWAR	1,999	807	-	2,806	-	-	776	-	776
201	ARAIN BROTHERS GHALLA MANDI AHMEDPUR EAST	MUHAMMAD RAUF 31201-0333035-9	MUHAMMAD MUNIR	3,499	1,641	-	5,141	-	-	1,641	-	1,641
202	IFTIKHAR AHMED VILL MARALI PO SAME DISTT NAROWAL	34501-4183392-1	SAID AHMED	571	553	-	1,124	-	-	544	-	544
203	ALTAF NAZIR VILLAGE DHAHDAL P/O SATTRA TEH PASRUR	34601-1155515-3	CHAUDHRY NAZIR AHMED	2,500	1,121	-	3,621	-	-	999	-	999
204	MOHAMMAD IFTEKHAR VILL PO WALANEY TEH DISTT SIALKOT	34603-8333831-7	MOHAMMAD SHAFIQUE	990	785	-	1,774	-	-	774	-	774
205	BASHIR AHMED VILLAGE SAHO CHAK PO BADIANA TEH DISTT SIALKOT	34603-2198913-7	MUNSHI	1,199	1,197	-	2,396	-	-	1,096	-	1,096

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
206	MUHAMMAD SHOAIB KHAN H NO 20 ST 03 MADINA TOWN HARBAN PURA LAHORE	34601-9050863-9	M HAFEEZ KHAN	1,594	483	-	2,077	374	-	479	-	853
207	IAZI PETROLEUM IAZI COLONY BINDORE PO SAME TEH RAHIM YAR KHAN	TAHIR SANA 31303-0804421-1	MUHAMMAD SANALLAH	2,990	1,727	-	4,717	-	-	1,727	-	1,727
208	ZAGHAM AND CO. GHALLA MANDI QILA DIDAR SINGH TEHSIL AND DISTT GUJRANWALA	HASSAN ARIF 34101-1774125-3	MUHAMMAD ARIF	5,000	1,558	-	6,557	-	-	777	-	777
209	MUHAMMAD ASLAM MASMOOLA FATTOKI P/O LANDEY DISTT KASUR	35101-2454252-9	AKBER ALI	988	1,004	-	1,993	-	-	993	-	993
210	BUKHARI PARDA CLOTH CIVIL LINE GUJRANWALA	MUZAHAR ALI 34101-9321035-9 TEHMINA SAFDAR 34101-4627553-2 ANDLEEB ZAHRA 34101-8121091-2	SYED KAUSAR ALI MUZAHAR ALI SYED MANZAR ALI	1,805	962	-	2,767	-	-	837	-	837
211	MUHAMMAD ARSHID HUSSAIN VILLAGE WARN POST OFFICE SAME TEHSIL AND DISTT SHEIKHUPURA	35404-7223966-1	MUHAMMAD LATIF	449	580	-	1,029	-	-	579	-	579
212	UMAR GARMENTS H. NO. 2 ST. NO. 2 KOOCHA MUHAMMADIA TEZAR AHATA LAHORE	MIAN AHSAN NAVEED 35202-2493643-7	MIAN NAVEED ASLAM	11,000	9,247	-	20,247	-	-	8,747	-	8,747
213	KHALID JAVED VILLAGE CHOOHAY WALA P/O PHAMA SARAI TEHSIL NOSHEHRA VIRKAN DISTT GUJRANWALA	34103-2983809-9	BASHIR AHMED	879	822	-	1,701	-	-	651	-	651
214	ZAMAN ULLAH AMBALTASH PO SUKHEKI MANDI TEH PINDI BHATTIAN	34302-1201921-3	ALI MUHAMMAD	1,400	773	-	2,173	-	-	773	-	773
215	MUHAMMAD AMIN VILLAGE PALANG PUR PO CHABBA SINDWAN TEHSIL N VIRBAN DISTRICT GUJRANWALA	34103-0514446-9	NAWAB DIN	256	679	-	934	-	-	617	-	617

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
216	MAZHAR SABBAIN NEAR DEAR NALIAN WALA KOT RASOOL PURIAN P/O KHAS TEHSIL WAZIRABAD DISTT GUJRANWALA	34104-1866189-5	ABDUL KHALIQ	750	532	-	1,281	-	-	531	-	531
217	MUHAMMAD ARSHAD HOUSE NO 104 MOHALLAH WADERA SAIBKPT TEH KHAIRPUR TAMEWALI NRIMAM BARGAH KHAIRPUR TAMEWAL	31102-0321347-1	ALI AHMAD	371	132	-	503	371	-	132	-	503
218	IQRA ALI FLAT NO 15 SECTOR C WEST BLCOK ASKARI II BEDIAN ROAD LAHORE	33102-5923980-0	ZAFAR EJAZ KAHN	336	198	-	535	336	-	198	-	535
219	ANSAR MEHMOOD BHATTYWAD POST OFFICE SALLOKE TEHSIL DASKA TEHSIL DASKA	34601-5712814-9	AKBAR ALI	2,500	1,931	-	4,431	-	-	1,730	-	1,730
220	ANSAR ABBAS PO KHAS DOHATTA AZMAT TEHSIL PINDI BHATTIAN DISTRICT HAFIZABAD	34302-7921609-9	MUHAMMAD AKRAM BHATTI	1,008	712	-	1,719	-	-	684	-	684
221	JAVED ALMAS MOUZAFATEH PURI POST OFFICE MURIDKE DISTT SHEIKHUPURA	35401-0305634-5	CHAUDHARY GHULAM YOUSAF	1,798	1,212	-	3,010	-	-	1,210	-	1,210
222	LIAQAT ALI VILL THATA P.O TALHARA TEH DASKA	34601-6370091-7	SAEED AHMAD	1,500	788	-	2,288	-	-	758	-	758
223	JAMIL TARIQ P/O UTMANZAI TARIQ ABAD TEH AND DISTT CHARSADDA	17101-4937782-9	TARIQ AZAM KHAN	388	211	-	599	388	-	211	-	599
224	ASIF BASTI PANCHAYAT - KANSI ROAD QUETTA	54400-4363169-9	BANARSI BARKAT	321	186	-	507	321	-	186	-	507
225	MUHAMMAD RAMZAN ALI MURTAZA ASSOCIATES PVT LTD 22KM OFF FERAZ PUR ROAD ROHI NALA MAUZA DOLU KHURD TEH CANT LAHORE	38402-5056885-1	ALLAH BAKHSH	422	220	-	641	422	-	220	-	641

Details of advances written-off
ANNEXURE II

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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
226	ATHAR ALI SIDDIQUI SANTE PVT LTD UDL DISTRIBUTERS GULPLAZA CHARSADEA ROAD PESHAWAR	35401-7782919-9	MAZHAR AI SIDDIQUI	737	378	-	1,115	737	-	378	-	1,115
227	IFTIKHAR AHMED DISTRICT EDUCATION OFFICER PRIMARY LARKANA	43203-6936835-1	GULZAR AHMAD	372	168	-	540	372	-	168	-	540
228	WAQAR MEHMOOD SSP ADMIN FOR AIG CTD SIALKOT	34602-2900949-1	MEHMOOD AHMED	555	136	-	690	555	-	136	-	690
229	MUHAMMAD NUMAIR H NO 25 STREET 5 BUHADUR STREET ITTIFAQ COLONY SANDA KHURD LAHORE	35202-1307683-7	MUHAMMAD ILYAS BHATTI	383	204	-	587	383	-	204	-	587
230	NOSHEEN HASSAN HOSPITAL HEAD QTR UPPER KHURRAM AGENCY PESHAWAR	21303-0778412-6	NOOR HASSAN	394	164	-	558	394	-	164	-	558
231	KHALID HUSSAIN VILLAGE MUREED HUSSAIN BHAND PO PIR JO GOTH KINGRI DISTT KHANPUR	45204-1609100-5	SHAHMEER KHAN BHAND	408	205	-	613	408	-	205	-	613
232	SHEHRAM AHMAD KHAN HOUSE NO 157 CHAMBALE BLOCK FOUR SEASONS HOUSING SOCIETY SAMUNDRI ROAD FAISALABAD	33100-2345537-1	RANA IMTIAZ AHMED KHAN	2,053	372	-	2,425	271	-	372	-	643
233	MUHAMMAD USMAN ZAMEEN.COM 8TH FLOOR,MEGA TOWER ADJACENT MACDONALD MAIN BOULEVARD GULBERG LAHORE	33102-6606253-9	MUHAMMAD IKRAM	438	229	-	667	438	-	229	-	667
234	ABDUL REHMAN H NO 70 JINNAH TOWN THOKAR NIAZ BAIG MULTAN ROAD LAHORE	35202-1191275-3	M RAMZAN	351	221	-	572	351	-	221	-	572
235	SYED TANVEER SHAH PLATOON 443 DOFC BANNU	17101-8808204-7	FEROZ BSHAH	333	216	-	549	333	-	216	-	549

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
236	ZAWAR ALI SIDDIQUI UDL DISTRIBUTION FRST FLOOR BLOCK F GULL PLAZA CHARSADDA ROAD PESHAWAR	35401-7791564-9	MAZHAR ALI SIDDIQUI	490	249	-	739	490	-	249	-	739
237	IHTSHAM ALI H NO 13 ABDALI ST SHERAZ PARK ALAM IQBAL TOWN LAHORE	35302-0522853-5	MUZAFAR MEHMOOD	359	221	-	580	359	-	221	-	580
238	ASIF KHALIL H NO A 116 BLK B KAZIMABAD MALIR KARACHI	44103-0296066-3	KHALIL AHMAD	455	236	-	691	455	-	236	-	691
239	MOAZZAM JAVED HOUSE NO 55 B DARS BARAY MIAN MUGHALPURA LAHORE CANTT NEAR SHALIMAR HOSPITAL LAHORE	35200-8332130-5	JAVED ASHRAF	297	210	-	507	297	-	210	-	507
240	SHOUKAT ALI H NO 05 ST NO 6 VILLAGE HEAR MOH BARA DARI BEDIAN ROAD NEAR SUFU HADIYAT GENERAL STORE LAHORE	35201-3679174-9	ABDUL RASHEED	487	241	-	728	487	-	241	-	728
241	NAZAR HUSSAIN VILL.DHARAM KOT POST OFFICE PROPI NAGRAH TEH.DASKA DISTT. SIALKOT	34601-8671139-9	NOOR HUSSAIN	1,273	1,445	-	2,718	-	-	1,068	-	1,068
242	ZEESHAN ULLAH VILLAGE DAROR MUSLIM PO SRI RAM PURA TEH MURIDKE DISTT SHEIKHUPURA	35401-8835377-7	LIAQAT ALI	1,199	789	-	1,988	-	-	638	-	638
243	REMACO ENGINEERS GROUND FLOOR SARA TOWERS KHYBER SUPPER MKT BARA ROAD PESHAWAR CANTT	RIZWAN AHMED SAEED 17301-7696347-3	SAEED AHMED KHAN	2,499	2,247	-	4,746	-	-	1,656	-	1,656
244	JAWAD YUNAS HOUSE NO 376 BLOCK F SHAH RUKN E ALAM COLONY MULTAN	36201-5335797-5	MIAN MUHAMMAD YUNAS	4,498	1,586	-	6,084	-	-	1,034	-	1,034

Details of advances written-off
ANNEXURE II

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
245	NASIR ABBAS CHAK NO 210 JB TARAR TEH BHOWANA DISTT CHINIOT	33201-8446523-3	CH GHULAM MUSTAFA	720	639	-	1,359	-	-	559	-	559
246	AMJAD AND BROTHERS ENTERPRISES HOUSE NO 73 MOHALLAH A.M COLONY GULSHAN RAVI LAHORE	AMJAD ALI 35200-2402098-1	GHULAM MUHAMMAD	4,995	1,605	-	6,600	-	-	1,374	-	1,374
247	JAWAID RASHEED L 635 SECTOR 5 A 4 NORTH KARACHI KARACHI	42101-5381876-5	ABDUL RASHEED	3,526	1,950	-	5,476	-	-	1,950	-	1,950
248	SYED NAZAR ABBAAS SHAH TIBA GAME SHAH P/O TIBA MEHER SHAH TEHSIL PIPLAN DISTT MIANWALI	38303-0630354-3	SYED MUHAMMAD SHAH	750	872	-	1,621	-	-	800	-	800
249	MALIK MUHAMMAD IQBAL OLD JALALPUR ROAD MOUZA SANDI WALA WARD NO.12 DISTT LODHRAN TEHSIL & DISTT. LODHRAN	31202-7037659-1	MALIK DURR MUHAMMAD	2,456	1,399	-	3,855	-	-	1,180	-	1,180
250	M.NIAZ KHAN VILLAGE WALI PUR P/O BARA MANGA TEHSIL SHAKARGARH DISTT. NAROWAL	34502-7379085-3	MUHAMMAD NAWAZ KHAN	2,000	1,896	-	3,896	-	-	1,596	-	1,596
251	NEW SARHAD PUNJAB WOOD & STEEL FURNITURE BANNU ROAD NEAR N.B.P SH YUSAF ROAD BRANCH TEH & DISTT DERA ISMAIL KHAN	MUHAMMAD AYAZ 12101-1578806-7 MUHAMMAD ARIF 12101-0897998-3	MALIK GHULAM RASOOL KHAN HAJI MUHAMMAD RIAZ	4,493	4,484	-	8,978	-	-	4,484	-	4,484
252	R S TRADERS MAKKAH TOWN SAMIJA ABAD NO 02 PIRAAN GHAIB ROAD MULTAN	RASHID ALI 36302-0394711-1	MUHAMMAD ALI	3,499	707	-	4,206	-	-	595	-	595
253	ZEESHAN MEHMOOD DAAK KHANA KHAS CHAK NO 473 GB BEJA PUR SAMUNDRI FAISALABAD	33105-7053954-9	SULTAN AHMED	3,115	445	-	3,560	191	-	445	-	637
254	MUHAMMAD HANIF HANIF HOUSE MOHALA DHODAK COLONY PIRAN GHAIB RD MULTAN	32103-9631767-7	NMAZAR HUSSAIN	442	190	-	632	442	-	190	-	632

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
255	MUHAMMAD USMAN MAJEED H NO 44 L STAFF COLONY UET LAHORE	35202-2451879-3	CH ABDUL MAJEED	436	135	-	571	436	-	135	-	571
256	NAZAR MOHAMMAD V.DAIRA KHERLAN BHERI WALA P/O.BOTALA JHANDA SINGH TEH. NOWSHERA VERKAN DISTT.GRW	34103-5965615-5	ISMAEL	649	828	-	1,477	-	-	657	-	657
257	INDUS OIL TRADERS JAM PUR ROAD RAJAN PUR TEH&DISTT RAJANPUR	SH. IRFAN IQBAL 32203-7183236-9	ABDUL SATTAR SHAIKH	2,500	3,076	-	5,576	-	-	2,987	-	2,987
258	GULZAR AHMED CHAK NO.48/SB PO SILLANWALI TEH & DISTT SARGODHA	38405-6949423-1	MOHAMMAD SADIQ	296	541	-	837	-	-	537	-	537
259	KHALID MAHMOOD KHALID HOUSE JASSOWALI PO UDHO FAATTEH TEH PASRUR DISTT SIALKOT	34602-9592618-7	MUNIR AHMAD	2,299	1,900	-	4,199	-	-	1,744	-	1,744
260	MAQSOOD AHMAD CHAK NO 459 GPO SAME FAISALABAD	33104-7341378-1	MUSHTAQ AHMED	416	164	-	580	416	-	164	-	580
261	SYED SHAJAR ABBAS SHERAZI HOUSE NO 2 GALI IMAM BARGAH WALI MUJAHID COLONY SARGODHA	38401-6115481-7	HASNAIN AKHTAR SHAH	395	225	-	620	395	-	225	-	620
262	MUHAMMAD NAWAZ CHAK NO 169 CHABBA PO KARIYAL BAGANWALA TEH SAFDARABAD DISTT SHEIKHUPURA	35403-1136493-9	MUHAMMAD MALIK	619	320	-	939	619	-	320	-	939
263	BILAL AHMAD H NO 12 ST 8 MUHAMMAD PURA NEAR BILAL CHOWK ICHRA LAHORE	36502-1455647-1	ASHFAQ AHMED	422	197	-	619	422	-	197	-	619
264	MUHAMMAD IRFAN SUB DIVISIONAL OFFICER BUILDING DEPARTMENT NEAR AWAN HOTEL TOBA TEK SINGH	33301-2110376-7	M FAZIL	399	180	-	579	399	-	180	-	579
265	BADAR UL ISLAM PERAL CERAMICS (PVT) LTD PLOT NO # C-288, HUB HITE	42101-4569609-9	ABDUL HANNAN	374	201	-	574	374	-	201	-	574

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
266	NOSHEEN BAIG HOUSE 1373. STREET 84 D.12.1 ISLAMABAD	42201-6497338-8	MUHAMMAD YAQOOB	430	228	-	658	430	-	228	-	658
267	MUHAMMAD TARIQ CHAK NO 282/GB TEH JARANWALA. DISTT FAISALABAD.	33104-2070270-3	NOOR MUHAMMAD	2,000	1,068	-	3,068	-	-	962	-	962
268	SHEHBAZ SULTAN LURHKA HOUSE MEHMOOD COLONY STREET NO 01 FAISALABAD ROAD JARANWALA DISTT FAISALABAD	33104-1575475-9	MUHAMMAD TARIQ	2,500	1,480	-	3,980	-	-	1,332	-	1,332
269	GULBAZ SULTAN TARIQ CHAK NO 282 GB P O SAME TEH JARANWALA FAISALABAD	33104-7756029-5	MUHAMMAD TARIQ	2,500	1,414	-	3,913	-	-	1,272	-	1,272
270	MUHAMMAD RAMZAN GAGA WALI P/O NAZAM PURA TEHSIL ZILA GUJRANWALA.	34101-9489754-3	FAZAL HUSSAIN	1,999	1,751	-	3,750	-	-	1,350	-	1,350
271	IMTIAZ AHMED MOHALLAH MUSTAFA ABAD TALWANDI BHINDRAN P/O SAME TEH & DISTT NAROWAL	34501-1968990-1	MUHAMMAD SHARIF	600	826	-	1,426	-	-	741	-	741
272	ABDUL RAZZAK H NO 1038 IQBAL COLONY UNIT NO 12 LATIFABAD HYDERABAD	41103-2142434-9	NOOR MUHAMMAD	1,400	537	-	1,937	-	-	537	-	537
273	JEHANGIR PETROLUM SERVIS MULTAN RAOD SERAI MOHAJIR P/O SERAI MOHAJIR TEH & DISTT	ABDUL QAYUME 38101-0701072-5 MUHAMMAD AFZAAL 38101-4451418-1	MUHAMMAD AYUB MUHAMMAD LATIF	4,999	767	-	5,766	-	-	767	-	767
274	KIRAN SHOES NEAR NIMWALA TARIA KOT KHAWAJA SAEED LAHORE	MAQSOOD KHAN 35201-3188522-5	ABDUL WAHEED	2,600	5,808	-	8,408	-	-	5,808	-	5,808
275	MUHAMMAD SADDIQUE KOT FAZAL DIN HALLA P/O SAME TEH PATTOKI DISTT KASUR	35103-8819927-1	SAHIB DIN	1,946	1,441	-	3,386	-	-	1,336	-	1,336
276	TAHIR SAJJAD VILL.PO.WAAN TEH.SAMBRIAL	34601-0863158-7	BARKAT ALI	900	673	-	1,573	-	-	603	-	603

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
277	HAFIZ MUSTAJAB HUSSAN H.NO. 01 STREET NO. 11 MOHALLAH REHMAN COLONY KHANEWAL ROAD MULTAN	36302-6217470-7	GHULAM ABBAS	355	212	-	566	355	-	212	-	566
278	FARIDULLAH P NO 272 AND BARAK 4 FC LINE BARA TANK	12201-1870183-7	HAJI NAZAR GULL	351	200	-	551	351	-	200	-	551
279	MUHAMMAD ASHFAQ BUTT BAGRAN KEHNA PO SAME MEHRANWALI TEH DASKA SIALKOT	34104-2261776-7	MUHAMMAD SIDDIQ	339	180	-	519	339	-	180	-	519
280	KHALID MEHMOOD CHAK NO 47 5 L PO KHAS TEH & DISTT SAHIWAL	36502-0115617-5	MUHAMMAD HUSSAIN	447	251	-	698	447	-	251	-	698
281	MUHAMMAD FAROOQ FLAT NO A 6 PLOT C 136 FIRST FLOOR NASIR COLONY 11 B SECTOR NORTH KARACHI	42201-0156754-3	MASROOR AHMED KHAN	437	244	-	682	437	-	244	-	682
282	SHAMSHAD AHMAD H NO E 32 CIVIL QTR KOTWALI ROAD FAISALABAD	33100-4893466-1	MUHAMMAD RAMZAN FATMI	354	211	-	565	354	-	211	-	565
283	WASEEM BUKHARI MOHALLAH ISLAMPURA ST NO 2 P/O AURANGA ABAD SARAI ALAMGIR GUJRAT	34301-0824814-7	SYED MUMTAZ HUSSAIN	350	167	-	517	350	-	167	-	517
284	ASGHAR ALI BHATII H NO 6 MOH HOUSING COLONYNEW BLOCK NEAR DISPOSAL PUMP GUJRANWALA ROAD HAFIZABAD	34301-5127787-1	MUHAMAMD KHAN	669	371	-	1,040	669	-	371	-	1,040
285	WAQAR ASLAM HOUSE NO 27, PHASE 1, STREET 2 SHAHBAZ TOWN QUETTA CANTT	54400-6038222-5	MUHAMMAD ASLAM	435	209	-	644	435	-	209	-	644

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
286	ABDUL SATTAR SARIAB ROAD H NO G 32 MOHALA UNIVERSITY COLONY QUETTA	54400-3878010-5	NAZR MUHAMMAD	497	165	-	662	497	-	165	-	662
287	REHMAN HUSSAIN FC LINE DARYABA BANNU	21202-0495783-9	AKHTAR HUSSAIN	345	178	-	522	345	-	178	-	522
288	ZUBAIR ABBAS 3 KM OFF MULTAN ROAD BASTI LAL SHAH RAIWIND ROAD OPP INDUS HOME FACTORY LAHORE	32302-2359303-1	ALLAH WASYA	402	159	-	561	402	-	159	-	561
289	QUDWAI TRADERS H.NO 105 BLK C UNIT NO 11 LATIFABAD HYDERABAD	ZOBAIB ARIF FAROOQUI 41304-7942832-5	ARIF IKRAM FAROOQUI	5,000	822	-	5,822	-	-	816	-	816
290	SHER ALAM SOFA & PARDA CLOTH HOUSE SHOP 03,04 OPP ISLAMIA COLLEGE ARBAB ROAD MARKET JAMROD ROAD PESHAWAR	SHER ALAM 17301-6702700-1	WAZIR MUHAMMAD	1,997	1,699	-	3,697	-	-	1,697	-	1,697
291	RIAZ AHMAD CHAK NO 60/61GD SAHIWAL	36502-3139525-3	WALI MUHAMMAD	899	779	-	1,678	-	-	678	-	678
292	TAHSEEN IQBAL HOUSE NO C-293 Q CO OPRATING HOUSING SOCIETY MAKLI P O MAKLI TALUKA DISTRICT THATTA	41409-8261780-1	MUHAMMAD IQBAL ZAHID	644	310	-	953	644	-	310	-	953
293	ASIF HABIB BASTI GURO KAND OLD SHUJABAD ROAD POST OFFICE KHAS RANJEEL PUR TEHSIL AND DISTRICT MULTAN	36302-5466560-5	MUHAMMAD HABIB	500	228	-	728	500	-	228	-	728
294	MUHAMMAD AMIR ABBASI HOUSE NO A81 STREET NO 6 BLOCK 13C GULSHAN E IQBAL NEAR MASJID QUBA KARACHI	42301-5169504-1	MUHAMMAD ASHRAF	710	398	-	1,108	710	-	398	-	1,108
295	AMJAD ALI INTERLOOP LTD 1KM JARANWALA ROAD KHURIANWALA DISTT. FAISALABAD	35403-1182135-9	NAWAB DIN	350	214	-	564	350	-	214	-	564

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
296	BILAL FAYYAZ JANJUA ARF PAC KAMRA ATTOCK	34202-4771946-5	RAJA FAYYAZ MUHAMMAD	733	241	-	974	733	-	241	-	974
297	SHAHZAD SHAFIQUE POST OFFICE KHAS CHUND BHARWANA TEHSIL AND DISTRICT JHANG SADER	34202-6527286-3	MUHAMMAD SHAFIQUE KHAN	351	234	-	585	351	-	234	-	585
298	MUHAMMAD AYAS IDREES IDREES, POLICE LINE GHAZI COMPANY FAISALABAD ADD.2. CHAK NO.202 GB DAK KHANA	33105-6552325-5	MUHAMMAD IDREEES	486	216	-	702	486	-	216	-	702
299	MEHBOOB TALPUR GOTH PIKKA CHANNA POST OFFICE DIKKA CHANNA TANDO SHAHBAZ ISEHWAN SHARIF JAMSHORO	41206-1457309-3	YAR MUHAMMAD	724	146	-	870	724	-	146	-	870
300	MUDASSER RASOOL PARO HUR CAMP GHARI WEST LINE BALDIA COLONY HOUSE NO 54 HYDERABAD	41303-1483089-5	ABDUL RASOOL MEMON	676	191	-	866	676	-	191	-	866
301	KHALIL AHMED INSPECTOR GENERAL POLICE OFFICE GULISTAN ROAD QUETTA NEAR CAFE CHINA CHECK POST QUETTA	54400-3080587-1	MUJAHID IQBAL	381	251	-	631	381	-	251	-	631
302	MUHAMMAD ASLAM WARD NO 1 MUHALLA MUHAMMAD ARSLAN BUGIT DERA MURAD JAMALI DISTT NASARABAD	55302-6365495-9	MUHAMM,AD ARSALAN	328	227	-	555	328	-	227	-	555
303	KASHIF KHAN H NO LDA 51 ST 1 MUHALLA SIKANDRIA COLONY PO NAWAZN KOT LAHORE	35202-5943548-3	RASHIM KHAN	362	251	-	614	362	-	251	-	614
304	TAJAMMAL MUNIR NAEEM ELECTRONICS SATIYANA ROAD NADRA OFFICE FAISALABAD	33102-5631846-9	MUNIR AHMAD TABASIM	412	276	-	689	412	-	276	-	689

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
305	MUHAMMAD USMAN AZIZ HOUSE # P-102, NEAR JAMIA MASJID AMINA GULSHAN-E- RAFIQUE COLONY FAISALABAD	33100-1003783-9	MUHAMMAD AKRAM	421	230	-	651	421	-	230	-	651
306	ZEESHAN MASIH PUNJAB POLICE QILLA GUJJAR SINGH POLICE LINE LHR BSU-(LHR)	35201-4243476-1	SHARIF MASIH	429	226	-	655	429	-	226	-	655
307	SHAUKAT HUSSAIN BASTI CHAH ARREY WALA MOUZA MATTITAL P.O JAAL WALA MULTAN	36302-4279960-1	SARWAR GHULAM	371	159	-	531	371	-	159	-	531
308	DANIAL ASLAM CHAK NO 9 JB BAHOWAL TEH DISTT FAISALABAD	33100-4894401-3	AZIZ MASIH	444	285	-	728	444	-	285	-	728
309	SHAFQAT TARIQ SAFWAN TOWN MAIN STREAT HOUSE NO.3 NEAR MOBLINK TOWER AHMED PUR EAST DISTRICT BAHAWALPUR	31201-6177209-5	MUHAMMAD SHAFI TARIQ	440	261	-	701	440	-	261	-	701
310	SHOIB ALI ABBASI HOUSE NO 4,MUHALLAH NEW SABIR TOWN STREET NO 4, LAJPAT NAGAR SHAHDARA LAHORE	35202-3774609-7	ABDUL HAIY ABBASI	470	315	-	785	470	-	315	-	785
311	MOHAMMAD ASLAM MOHALLAH LATIF PARK ,PURANA NAROWAL ROAD SHAHDARA LAHORE	35202-4670501-5	AMANAT ALI	333	210	-	543	333	-	210	-	543
312	MUHAMMAD ABDULLAH SAJJAD NEAR IQBAL CHOWK STREET PROFESOR LATIF WALI MOH MUSLIMABAD GUJRAT	34201-4553185-5	SAJJAD MUHAMMAD MEER	339	204	-	543	339	-	204	-	543
313	TAHIR IMTIAZ KARNAL POST OFFICE SAMA SATTA TEH DISTT BHAWALPUR	31202-7655069-1	AHMED BUKHSH	614	324	-	938	614	-	324	-	938
314	S INTISAR MEHDI DAKKHANA KHAS MARI INDUS TEHSIL AND ZILA MIANWALI	38302-2243862-7	SYED HAMEED AKHTAR	518	347	-	864	518	-	347	-	864

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
315	TAHIR AHMED HOUSE NO 16 STREET NO 20 REHMAN PURA LAHORE	33201-8877285-1	MUHAMMAD AZEEM	530	341	-	871	530	-	341	-	871
316	KARAMULLAH DIST SESSION COURT SUI DERA BUGTI SUI	55103-3411317-3	M ARSLAN	956	609	-	1,565	956	-	609	-	1,565
317	WASEEM SHAHID FLAT NO 1967/27 STREET NO 1 HAZOORI BAGH ROAD CHAH BAJEY WALA NEAR TAHIR GENERAL STORE MULTAN	36302-4979132-0	MUSHTAQ AHMAD SHAH	397	228	-	625	397	-	228	-	625
318	MEHMOOD KHAN VILLAGE SHAHBAZ SHAH P/O SHAH JAHAN SHAH TEHSIL & DISTRICT BANNU	11101-3100806-9	DOST MUHAMMAD KHAN	505	332	-	837	505	-	332	-	837
319	MUKHTAR AHMED RIND FLAT NO 06 SAWERA HOMES SHAHBAZ TOWN QASIMABAD HYDERABAD	45303-2176527-5	IMDAD ALI RIND	723	359	-	1,083	723	-	359	-	1,083
320	HASSAN IQBAL MUZA GHURRI P/O BUNGA HAYAT TEH & DISTT PAKPATTAN	36402-0790756-3	MIAN WALI MUHAMMAD	419	554	-	974	-	-	554	-	554
321	MUHAMMAD YOUSAF HADYALA VIRKAN P/O QILLA SATTAR SHAH TEH FEROWEWALA	35401-1140126-7	NAZIR AHMED	22	1,363	-	1,385	-	-	885	-	885
322	GUJJAR POULTRY FARM AHALI RAWAN CHAK NO 110 S.B P/O CHAK 46 S.B TEH & DISTT. SARGODHA	MUHAMMAD MUNIR 38403-2079422-7	KHUDA BAKHSH	1,000	570	-	1,570	-	-	570	-	570
323	SHAUKAT HAYAT V.P.O. MANCHAR CHATTA TEH WAZIRABAD	34104-5013162-7	NASRULLAH KHAN	805	993	-	1,798	-	-	633	-	633
324	MOHAMMAD YAR MAUZA BHRAIRI P.O.KHAS TEHSIL 18-HAZARI DISTT JHANG	33202-1262825-1	AHMAD YAR	1,000	1,013	-	2,013	-	-	933	-	933

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
325	SYED IMRAN RAZA QILA SATTAR SHAH P/O SAME TEH FEROSZE WALA	35404-4286879-5	SYED MOHSIN RAZA	498	853	-	1,351	-	-	651	-	651
326	MUHAMMAD SIDDIQUE HOUSE NO 38 BLOCK A MOHALLAH SATELLITE TOWN GUJRANWALA	34101-1349975-5	MUHAMMAD IBRAHIM	2,499	2,187	-	4,687	-	-	1,787	-	1,787
327	M. RIZWAN MALIK & CO. 67 RAVI PARK QILA LACHMAN SINGH LAHORE	MALIK M RIZWAN 35202-5504066-1	MALIK ABDUR RAHEEM	14,995	6,986	-	21,981	-	-	6,531	-	6,531
328	FAYAZ HUSSAIN HOUSE NO.1188/1189 MUHALLA GAREEB ABAD WARD NO 1 SHOIAB MEDICAL CENTER NAWAB SHAH DIST SHAHEED B.A.B	45402-2786894-3	GHULAM HYDER	1,506	814	-	2,320	-	-	620	-	620
329	MUHAMMAD ABBAS PEER SHAH WALA P/O KOT BAHADUR TEHSILE AHMED PUR SIAL	33203-4066950-3	MIAN GHULAM ABBAS	2,000	1,624	-	3,624	-	-	1,324	-	1,324
330	GHULAM HAUDER MOUZA SHARF P O INYTIAN TEH KHAIRPUR	31204-0178219-9	GHOUS MUHAMMAD KHAN	2,500	1,931	-	4,431	-	-	1,861	-	1,861
331	RUKHSAR AHMAD MOUZA SHARAF P.O. ANAITI TEHSIL KHAIR PUR TAMEWALI	31204-0194316-3	RAB NAWAZ	1,999	3,718	-	5,717	-	-	3,099	-	3,099
332	KAMRAN HABIB CHAK NO 254 G.B TEHSIL TOBA TEK SINGH DISTT.TOBA TEK SINGH	33303-2205925-7	HABIB UR REHMAN	1,999	551	-	2,549	-	-	549	-	549
333	MEHAR ASHFAQ AHMED BASTI MEHAR KHUDA BUX WALI JAMALPUR P O KHAS TEHSIL HASIL PUR DISTT BAHAWALPUR	31203-1726342-1	MEHAR HAJI FAIZ MUHAMMAD	1,198	884	-	2,082	-	-	697	-	697
334	KABIR HAYAT GORAYA VPO LORRIKHI TEH DASKA DISTT SIALKOT	34601-6796251-3	CH NASRULLAH KHAN	2,369	626	-	2,995	-	-	601	-	601
335	KHALID MEHMOOD WARD # 7 NEAR BALDIA KOT MITHAN TEHSIL AND DISTT RAJAN PUR	32403-7902930-3	MUHAMMAD YAR KHAN	2,250	1,421	-	3,671	-	-	1,421	-	1,421

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
336	ALI HASAN MAAN KOT NOOR MUHAMMAD MACHIRALA TEHSIL AND DISTRICT NANKANA SAHIB	35404-1795589-3	MUHAMMAD AKRAAM MAAN	895	694	-	1,589	-	-	664	-	664
337	MUHAMMAD ASAD VILL DHRANG P/O SABOKI DANIAN TEH KAMOKI DISTRICT GUJRANWALA	34102-0390834-5	MUHAMMAD SHARIF	1,185	556	-	1,741	-	-	506	-	506
338	ABID ROY COMISSION SHOP ABID HOUSE PO KHAS SIRANWALI TEH DASKA SIALKOT	ABID HUSSAIN 34601-7794834-9	INAYAT ULLAH	4,153	1,244	-	5,398	-	-	1,244	-	1,244
339	SAJJAD ALI CHAK NO 108 NB PO CHAK 104 NB TEH AND DISTT SARGODHA	38403-9181828-7	FEROZE DIN	600	758	-	1,358	-	-	558	-	558
340	MUHMMAD WALLYAT KOT NADAN P/O NOKHAR DISTT GUJRANWALA	34103-6690748-7	HASSAN MUHAMMAD	2,500	1,023	-	3,523	-	-	1,023	-	1,023
341	QURAT UL AYEN ZIA ROAD MOHALLAH SHARIFPURA SHAKARGARH P/O SHAKARGARH TEH SHAKARGARH DISTT NAROWAL	34502-1275744-8	TALAL SAQIB	2,430	1,779	-	4,209	-	-	1,669	-	1,669
342	JALAL PURA POULTRY FARM MOUZA JALAL PURA P/O RAIWIND, TEHSIL LAHORE, DISTRICT LAHORE	HUSSAIN IFTIKHAR 35202-2269480-7	ARIF IFTIKHAR	9,457	6,923	-	16,379	-	-	6,913	-	6,913
343	MALIK ABDUL GHAFOOR BASTI WIGHA MALL P/O & TEH KAHROR PACCA DISTT LODHRAN	36202-0961878-3	MALIK ALLAH WASAYA	800	765	-	1,565	-	-	665	-	665
344	ALI ABBAS PIRZADA SHEIKH WAHIN P.O & TEHSIL KHAIR PUR TAMEWALI DISTT. BAHAWALPUR	31204-4088372-5	SAJJAD HUSSAIN PIRZADA	2,500	1,555	-	4,055	-	-	1,555	-	1,555
345	MUHAMMAD ALAM KOT PINDI DAS DISST SKP	35401-6703188-1	NIAZ MUHAMMAD	699	1,379	-	2,079	-	-	1,079	-	1,079

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
346	AZIZ AHMAD KOT SHER KHAN CHAK 20 SB P/O SAME TEH.KOTMOMIN DISTT. SARGODHA	38401-0379833-5	MUHAMMAD NAWAZ	2,497	1,875	-	4,373	-	-	1,748	-	1,748
347	SARFRAZ AHMED VILL & P/O BASI WALA TEH PASRUR DISTT SIALKOT	34602-9367110-9	REHMAT ALI	1,500	769	-	2,268	-	-	718	-	718
348	NISAR AHMED VIL. & P/O BHADO WALA TEH DASK A DISTT SIALKOT	34601-9879162-5	MUHAMMAD RAFIQUE	1,504	1,422	-	2,926	-	-	1,416	-	1,416
349	ASAD ALI SATHIO TALPUR COLONY GHAREEB ABAD PARO P O TANDO MUHAMMAD KHAN DISTT T M KHAN	41308-4081739-1	MIR MUHAMMAD	700	1,093	-	1,793	-	-	793	-	793
350	AHMED RICE TRADERS MAIRAJ COLONY JAMAL PUR ARANIAN P/O MORE KHUNDA TEHSIL & DISTRICT NANKANA SAHIB	ABBAS ALI 35402-0984819-5	ARIF ALI	2,000	822	-	2,822	-	-	812	-	812
351	RANA MUHAMMAD ASLAM CHAK NO264/HR TEHSIL FORTABBAS	31103-1466974-3	MUHAMMAD AFZAL	1,499	944	-	2,442	-	-	942	-	942
352	GHULAM MUSTAFA CHAK NO 102 S.B P.O KHAS SARGODHA	38403-0294020-1	LAL KHAN	312	1,511	-	1,823	-	-	1,123	-	1,123
353	ANSAR MASOOD KOTLI CHAMB WALI P/O KALA KALAN TEH DASKA	34601-9172972-3	MASOOD AHMED SIAN	2,000	1,564	-	3,564	-	-	1,464	-	1,464
354	JAWAD TRADERS DILSHAD TRADE CENTER MAIN CHOWK MORE KHUNDA TEH AND DISTT NANKANA SAHIB	ASIF MEHMOOD 35402-9734875-7	MUHAMMAD ISMAIL	4,998	1,602	-	6,600	-	-	1,602	-	1,602
355	RAZA ULLAH VILLAGE HALLOWAL P/O HALOWAL TEH & DISTT NAROWAL	34501-6545022-3	NAZIR AHMED	1,249	1,406	-	2,655	-	-	1,255	-	1,255
356	FIDA HUSSAIN THATHA DHONDA PO KALAYKI MANDI TEHSIL AND DISTT HAFIZABAD	34301-1656045-7	SARDARA	1,200	678	-	1,878	-	-	653	-	653

Details of advances written-off
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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
357	AHMED DASTGIR ALAWAL KOT P/O BAHAWAL KOT TEH & DISTT.NANKANA SAHIB.	35501-0141347-7	GHULAM DASTGIR	670	1,409	-	2,079	-	-	1,179	-	1,179
358	ALLAUD DIN KHAN VIL.&.PO.HUND TEH LAHORE & DISTT SWABI KPK	16201-7348462-9	KHUSHAL KHAN	999	732	-	1,731	-	-	730	-	730
359	TARIQ MASOOD WAGHA VILLAGE KHAIRO PUR MALLIAN PO MALLIAN KALAN TEH SHEIKHUPURA DISTT SHEIKHUPURA	35404-5718641-9	CH MUHAMMAD SHARIF WAGHA	1,985	1,522	-	3,507	-	-	1,157	-	1,157
360	WASAF NAWAZ HAMBOANA P/O LALIAN TEHSIL CHINNIOTDISTT.JHANG	33201-7509427-3	MUHAMMAD NAWAZ	1,000	794	-	1,794	-	-	744	-	744
361	FAISAL HAYAT MOHALLAH GALLA MANDI PHOOL NAGAR TEH PATTOKI DSITT KASUR PHOOL NAGAR	35103-1014240-5	RANA M HAYAT KHAN	9,903	4,624	-	14,526	-	-	4,426	-	4,426
362	RIAZ AHMED MAJROOH VILL KOTLI JOIAN.P.O.ADDA BEGOWALA TEHSISL SAMBRIAL DISRICT SIALKOT	34601-4383693-5	SARDAR MUHAMMAD	994	658	-	1,652	-	-	628	-	628
363	MAHMOOD AHMED VILLAGE SHADI KHANWALA P/O WAHNDI TEHSIL KAMOKI DISTT GUJRANWALA	34102-0425697-9	MUHAMMAD HUSSAIN	478	711	-	1,189	-	-	711	-	711
364	WAHAJ RICE MILLS & EXPORT QUALITY SARGODHA ROAD ADDA PELOWAL SADIQIA SARGODHA ROAD DISTRICT JHANG	RAFFI AHMAD MUBARRIK 61101-0271964-9 IFTIKHAR ALI ANJUM 33201-9109570-3 MUSHTAQ AHMAD 33201-9604779-7	NAZIR AHMAD NAZIR AHMED NAZIR AHMAD	23,000	11,765	-	34,765	-	-	9,147	-	9,147
365	MUJTABA POULTRY FARM VILL DHOKE SIAL PO BALKASAR NEAR INTRERCHANGE TEH & DISTT CHAKWAL	FARRAKH HUSSAIN CHOUDHARY 61101-2000597-1 GHULAM MUJTABA 61101-1777887-9	CHAUDHRY MUHAMMAD HUSSAIN GULZAR MUHAMMAD	1,451	2,155	-	3,606	-	-	1,306	-	1,306

Details of advances written-off
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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
366	ISHFAQ FOUNDARY HOUSE NO.8 STADIUM ROAD SARGODHA	SHAHZAD AHMAD BUTT 38403-3809943-9	MUHAMMAD ISHFAQ	8,000	2,745	-	10,745	-	-	2,566	-	2,566
367	ALI HAMZA KARAMAT MOHALLAH PURANI ABADI GALI DAR BAR WALI KHANQAH DOGRAN DISTT SHEIKHUPURA	35403-0659672-5	KARAMAT ALI	2,000	1,574	-	3,574	-	-	1,424	-	1,424
368	MUHAMMAD SADIQ MAHAY CHATTAY P/O KHAS TEH.KAMOKE DISTT. GUJRANWALA	34102-5152814-5	SAID MUHAMMAD	828	925	-	1,753	-	-	803	-	803
369	ABID HUSSAIN SHAH DARBAR E ALIA BABA MOOJ DARYA SHEIKH CHOHRAR P/O SAME TEH & DISTT JHANG	33202-1270960-3	ZAHOR HUSSAIN SHAH	2,437	983	-	3,420	-	-	895	-	895
370	SHEIKH WASEEM MAHMOOD H 291 A LDA COLONLY SHAH JAMAL LAHORE	35202-4986096-3	MUHAMMAD SIDDIQUE	1,551	1,831	-	3,382	-	-	1,831	-	1,831
371	SAGHAR RICE HULLER P.O GOLARCHI DISTT.BADIN	ASHOK KUMAR 41102-2772776-7	RELOO MAL	2,000	1,609	-	3,609	-	-	1,249	-	1,249
372	ZAHID TRADERS V.P.O KOT LADHA DISTT GUJRANWALA	SAIFULLAH TARAR 34103-7014358-3 ZAHID ALI 34103-7173769-7	MUSHTAQ AHMED TARAR MUSHTAQ AHMED TARAR	2,500	2,790	-	5,290	-	-	2,790	-	2,790
373	AKBAR GARMENTS SHOP NO 7 MASHALLAH MARKET BANO BAZAR AREA SAMAJ STREET ICHHRA LAHORE	MUHAMMAD AKBAR 35202-2821073-7	MUHAMMAD ILYAS	1,000	1,044	-	2,043	-	-	1,043	-	1,043
374	UR INC PK 64-A1 MAIN PECO RD TOWN SHIP LAHORE	HABIB ULLAH 36302-0295441-3 BANO MUNIR 35201-4042999-4	MUHAMMAD RAFIQ MUHAMMAD MUNIR KHAN	9,000	10,493	-	19,493	-	-	8,713	-	8,713
375	SAJJAD CLOTH HOUSE NEAR SHAHEEN MARKET HAFIZABAD	ANEEQ AHMED 34301-1716109-3	ABDUL MAJEEED	1,180	1,165	-	2,345	-	-	1,018	-	1,018
376	AHMAD NASEER CHEEMA CHAK SAD P/O KALASKE TEH WAZIRABAD	34104-2347867-7	CH SANA ULLAH CHEEMA	788	1,182	-	1,970	-	-	1,170	-	1,170

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
377	RIASAT ALI VILLAGE THATHA POST OFFICE TALHARA TEHSIL DASKA DISTRICT SIALKOT	34601-8119337-7	MUHAMMAD SAEED	1,800	1,270	-	3,070	-	-	1,180	-	1,180
378	MUHAMMAD ABBAS BASHIRA POST OFFICE SAME TEHSIL & DISTICT SAHIWAL	36502-5608575-3	SHARF KHAN	1,343	911	-	2,253	-	-	903	-	903
379	MUHAMMAD IMRAN KHAN MOUZA LAL DEH P/O LUDDAN TEHSIL AND DISTT VEHARI	36603-2967527-3	MUHAMMAD HAKIM ALI	2,297	1,185	-	3,481	-	-	881	-	881
380	SYED SHAHID ABBAS MOH BUKHARI UCH SHAREEF TEH AHMED PUR BHAWAL PUR	31201-0411308-1	MAKHDOOM SYED AON	557	244	-	802	557	-	244	-	802
381	ASIF JAVED IESCO OFFICE DHUDIAL TEHSIL AN D DISTRICT CHAKWAL	37201-1570929-3	FAZAL HUSSAIN	469	244	-	713	469	-	244	-	713
382	NUSHAD HUSSAIN 27406516 PAKISTAN RAILWAY OLD ENGINE	35201-6889482-1	FARASAT HUSSAIN	408	174	-	582	408	-	174	-	582
383	FAYYAZ HUSSAIN CHAH WALA MASTY WALA NEAR LIAQAT PLAZA BUND ROAD LAHORE	36302-9117781-5	SHOUKAT ALI	716	417	-	1,133	716	-	417	-	1,133
384	TAHIR SALEEM HOUSE NO 170 SHAH FAREED TOWN DERA ISAMAIL KHAN	36302-0135295-3	M SALEEM	716	418	-	1,134	716	-	418	-	1,134
385	SHAHZAD AMJAD 88133 QUALITY ASSURANCE STYLE 3A STYLE TEXTILE 126 3 KOT LAKH PAT LHR BSU-(LHR)	35103-3381331-7	HAKIM ALI	587	323	-	910	587	-	323	-	910
386	MUHAMMAD ZUBAIR SP RAILWAY POLICE OFFICE SADDAR RWP RAWALPINDI	37301-2060189-9	GHULAM HUSSAIN	419	191	-	609	419	-	191	-	609
387	ALI ASLAM HOUSE NO A-37 SECTOR Z-4 GULSHAN E MAYMAR KARACHI	42101-1911569-7	MUHAMMAD ASLAM	438	236	-	674	438	-	236	-	674

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
388	SYED MUHAMMAD TALIB ABBAS HOUSE NO.1, STREET NO.208-B JINNAH GARDEN PHASE-I ISLAMABAD	61101-9289102-5	SYED MUHAMMAD ABBAS RIZVI	364	198	-	562	364	-	198	-	562
389	TAUSEEF AHMED HOUSE NO R-123 AREA NORTH KARACHI SECTOR 9 KARACHI	42401-4786132-3	M JAN ALAM	526	247	-	774	526	-	247	-	774
390	ALI AMJAD HOUSE NUMBER 5 GALI NUMBER 5 MOHALA BAIGUM ROAD MAZANG LAHORE	35202-1479490-5	AMJAD HUSSAIN	472	259	-	731	472	-	259	-	731
391	MUHAMMAD SOHAIL SHAFIQUE HOUSE NO 63 MAIN STREET YASRUB COLONY MULTAN ROAD	35202-8941214-3	MUHAMMAD SHAFIQUE	1,459	797	-	2,257	1,459	-	797	-	2,257
392	KAMRAN RASOOL BASTI FAROQABAD,P/O ALI PUR, GHALWAN 2,ALI PUR MUZAFFARGARH	32301-5278215-7	MUHAMMAD AFZAL	392	156	-	548	392	-	156	-	548
393	MUHAMMAD ABID ALI HOUSE NO 580 NISHTER BLOCK ALLAMA IQBAL TOWN	35202-2622210-9	ABDUL GHANI	1,452	774	-	2,226	1,452	-	774	-	2,226
394	ARSALAN ABID FLAT NO 103 BLOCK 03 AL KHIZAR HEIGHT BLOCK K 3A GULISTAN-E- JOHAR KARACHI	42201-8490384-7	ABID HUSSAIN SHAIKH	406	175	-	581	406	-	175	-	581
395	AKBAR ALI HOUSE # 196 RIZWAN BLOCK AWAN TOWN MULTAN ROAD NEAR RIZWAN MASJID LAHORE	36302-9678731-3	MUSHTAQ ALI	1,767	947	-	2,715	1,767	-	947	-	2,715
396	HAROON MASIH H NO 2 MUHALLA GOVT PRINTING PRESS KARISHAN NAGAR LAHORE	35202-7928024-7	SALAMAT MASIH	381	205	-	585	381	-	205	-	585
397	MUHAMMAD TAYYAB ZAHID HOUSE NO 1 HASSAN TOWN STREET NO. 2 MULTAN ROAD LAHORE	35202-4255217-3	ZAHID JAVEED	1,500	646	-	2,146	1,500	-	646	-	2,146

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
398	IQRA ARSHAD HOUSE NO 537 NADRA ABAD STREET NO 03 BEDIAN ROAD NEAR S A SCHOOL SYSTEM LAHORE	35201-7156854-6	CH MUHAMMAD ARSHAD	403	128	-	532	403	-	128	-	532
399	MUHAMMAD RIAZ ASHAR TOWER 7.5 KM KHURRIANWAL A JARANWALA ROAD NEAR PHALAI STOP FAISALABAD	33102-7350402-1	MUHAMMAD RAMZAN	546	233	-	779	546	-	233	-	779
400	NADEEM M BUKSH BUILDING WEST WHARF ROAD NEAR CUSTOM HOUSE KARACHI	43203-4192472-1	NAZIR AHMAD	736	90	-	826	736	-	90	-	826
401	YUNAS HABIL H NO 9/1 ST NO 11 MUHALLAH MUJ AHID COLONY BAKARA MANDI	35202-8833350-7	RAJ MASIH	354	158	-	511	354	-	158	-	511
402	SOHAIL HANIF ENGLANDER INDUSRIES PVT LTD NEW INDUSTRIAL AREA MIRPUR AK	35401-0401600-3	M HANIF	392	185	-	576	392	-	185	-	576
403	MUHAMMAD KHALIL GUL AHMED GTM 2 PLOT HT4B LANDHI	35201-3217125-7	NAZIR AHMED	393	169	-	562	393	-	169	-	562
404	NADEEM AHMED FLAT NO 205 2ND FLOOR ASAISH APPARTMENT BLOCK 16 GULISTAN-E- JOHAR KARACHI	42101-8678424-3	BASHIR AHMED	367	186	-	553	367	-	186	-	553
405	SHAMA NAZ JHANG ROAD P 61 ST 15 MOH SAFABAD FAISALABAD	33102-4759888-0	M ASLAM	422	220	-	642	422	-	220	-	642
406	HARIS KHAN LARAX COLONY NO 228 ST 03 SHAHDRA GUJRANWALA	35202-3469196-7	RASHEED KHAN	358	161	-	519	358	-	161	-	519
407	MUHAMMAD ISRAR ALI REHMAN PHOTO STATE, SECTOR II SUKKUR TOWN SHIP SUKKUR	45504-8250630-5	ALI BUX SOOMRO	395	233	-	628	395	-	233	-	628

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
408	SHAH FAISAL HOUSE NO 28 STREET NO 9 NEW SADIQ COLONY BAHAWALPUR DUBAI MAHAL ROAD	31202-4953725-9	SYED JAMEEL AHMED SHAH	624	459	-	1,083	624	-	459	-	1,083
409	ARSALAN MEHBOOB HOUSE 1932 LINK ROAD OLD BOARD OFFICE MOHALLAH KEHAL ABBOTTABAD ISLAMABAD	13101-1576194-3	MEHBOOB KHAN	434	251	-	685	434	-	251	-	685
410	FAYYAZ HUSSAIN SHAH HOUSE NO 824/1-4 POST OFFICE NOOR PUR FSD	33100-9306585-9	SYED MEHBOOB SHAH	443	258	-	701	443	-	258	-	701
411	YASIR ABBAS NAZD CHUNGI WATTA KHEL MOHALLAH MIANA NAYEE ABADI MIANWALI	38302-8653302-9	MUHAMMAD ZAMAN	611	298	-	909	611	-	298	-	909
412	BAZAN AKHTOOB BHATTI HOUSE NO CB-698 STREET NO 15 MUHALLA AZIZ ABAD RAWALPINDI	37405-5342935-5	MANSOOR AKHTAR BHATTI	351	189	-	540	351	-	189	-	540
413	MAZHAR ALI ALI BLOCK MR TOUR OFFICE NUMB 164 NEAR KALMA CHOKE NEW GARDEN TOWN LAHORE	35201-7606734-1	MUHAMMAD ALI	353	195	-	548	353	-	195	-	548
414	MUHAMMAD ABID WARD # 1 STREET # 02 BAHAWAL NAGAR FORT ABBAS GHALLA MANDI BAHAWAL NAGAR	31103-7456533-3	REHMAT ALI RAHAT	374	209	-	583	374	-	209	-	583
415	KHURRAM MURTAZA P 114 ST NO 03 MOH RAFIQUE COLONY 279 RB KHURD PO GHULAM MUHAMMAD ABAD FAISALABAD	33100-0430789-5	GHULAM MURTAZA	441	243	-	684	441	-	243	-	684
416	MUHAMMAD IRFAN RELIECLSE 23 KM DEPAL PUR ROAD LAHORE	35102-5934787-9	MUHAMMAD RAFEEQ	340	162	-	502	340	-	162	-	502
417	BHATTI SPARY CENTRE ADDA PULL ARAY WALA MOUZA CHOWKI RANGO KHAN TEH KAHROR PACCA	MUHAMMAD YOUSAF 36202-0966409-5	ASHIQ MOHAMMAD	800	793	-	1,593	-	-	543	-	543

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
418	QURESHI OIL SPELLER GANWAR SHAH ROAD KHANQAH SHARIF TEHSIL & DISTT BAHAWALPUR	ALLAH MEHAR 31202-0302860-3 MUHAMMAD AFZAL 31202-0302876-5	SARDAR MUHAMMAD HAJI ALLAH MEHAR	450	1,071	-	1,521	-	-	1,046	-	1,046
419	AMIR ELAHI CHOHANAY CHAK P/O PHKLIAN TEH & DISTT SIALKOT	34603-8229222-9	MAQBOOL AHMED	504	596	-	1,100	-	-	528	-	528
420	MANDOST MOHALLA KOHO DISTRICT DERA BUGTI	55101-0866623-3	HASLAAN KHAN	388	223	-	611	388	-	223	-	611
421	ABDUL KHALIQ HOUSE NO 110 MANJOAR RD HUDDA QUETTA	51401-4828283-5	ATTA MUHAMMAD	479	210	-	689	479	-	210	-	689
422	IFTIKHAR WASEEM DISTT EDUCATION OFC FEMALE GT RDNEAR 2 SCHOL PESHAWAR	17301-8587668-5	NISAR AHMAD	331	189	-	519	331	-	189	-	519
423	SOHAIL ABBAS HOUSE NO 7 STREET NO 1 MUHALLAH KHARAK	35202-4060443-7	SHOKAT ALI	426	249	-	675	426	-	249	-	675
424	CH ZAFAR HUSSAIN GHAUSIA STREET CANTT SIALKOT WARD 4 SADDAR BAZAR SIALKOT	34603-7001841-9	CH FAZAL DIN	724	123	-	846	724	-	123	-	846
425	QURBAN ALI NHMP DIST POLICE COLONY QTR NO 36 AIRFORCE RD UTHAL B2 CINDAR QUETTA	35301-3091920-7	MUHAMMAD HANIF	549	318	-	866	549	-	318	-	866
426	BATOOR KHAN MOHALLAH MALOZAI DEH BAHADAR PESHAWAR	17301-1875407-7	REHMAN	390	138	-	528	390	-	138	-	528
427	ARSHAD IQBAL U AV ORDERLY ROOM NO 2U A V PAF BASE MUSHAF SARGODHA	16202-3832865-5	ROSHAN DIN	615	272	-	887	615	-	272	-	887

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
428	JAN FAROOQI AMEER & SONS MG-115 DEANS TRADE CENTRE PESHAWAR CANTT.	17301-1643855-7	MARJAN	409	206	-	615	409	-	206	-	615
429	AYESHA SHAHBAZ NEAR MASJID MAHAJREEN H NO 329 HARRAPA PO SAME TEH & DIST SAHIWAL	36502-6755061-4	M SHAHBAZ	816	255	-	1,071	816	-	255	-	1,071
430	QAISER KHAN H NO 212 MOHALLAH GHARRIN KHAN DABGARI	17301-8175442-5	USMAN KHAN	486	236	-	722	486	-	236	-	722
431	RAFAQAT ALI 302028 PRINTING PRODUCTION CAMPUS STYLE TX 126 3 KOT LAKH PAT INDUSTRIAL ESTATE LAHORE	35103-1304981-5	JALAL DIN	378	161	-	539	378	-	161	-	539
432	RAFIQ AHMAD SAJID H-NO 6 ARAYWALI GALI KACHA PHATTAK SHER SHAH ROAD MULTAN	33202-1571725-1	RAJA KHAN	387	162	-	548	387	-	162	-	548
433	YASIR BASHIR CHAK NO 18/11L P.O SAME DISTTSAHIWAL CHICHA WATNI	36501-7800178-1	BASHIR AHMAD	708	187	-	894	708	-	187	-	894
434	KHALID HUSSAIN HOUSE 2425 CENTRAL JAIL ROAD MOHALLAH YAQOOB MULTAN	36302-5543821-1	TALIB HUSSAIN	356	189	-	545	356	-	189	-	545
435	M YOUSAF BASTI SHARIFABAD P/O RALATIBA ELLAHABAD VEHARI	36603-9936623-5	LASHKAR ALI	331	171	-	503	331	-	171	-	503
436	ALI DASTGEER H NO 433 ST NO 2 GHOUS GARDEN PHASE IV NEAR CANAL BANK MANAWAROAD LAHORE	35201-9647893-5	S AZHAR HUSSAIN	389	277	-	666	389	-	277	-	666
437	MARIA AHSAN H NO 524 BLOCK NASHTAR MUHALLA ALAMA IQBAL TOWN DISTT LAHORE	34601-0472921-8	AHSAN ULLAH	358	192	-	550	358	-	192	-	550

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
438	FOUZIA YASIN KHAN MUHALLA QURESHIAN CHOUK HAKIMAN SHAKAR GARH TEH SHAKARGARH DISTT NAROWAL	34502-7457550-0	MUHAMMAD YASIN KHAN	2,395	1,678	-	4,073	-	-	1,173	-	1,173
439	MUHAMMAD ASHRAF VILLAGE BHATTY WADH DAK KHANA SALHOKY TEH DASKA DISTT SIALKOT	34601-9569305-7	MUHAMMAD YOUSAF	805	1,043	-	1,848	-	-	893	-	893
440	SHAH BROTHER CEMENT MADINA TOWN STREET NO 04 MORRKHUNDA JARANWALA ROAD NANKANA SAHIB FAISALABAD	MEHNDI HUSSAIN SHAH 35402-1947343-7	ABDUL KAREEM SHAH	5,000	834	-	5,834	-	-	834	-	834
441	MUZAFFAR IQBAL VILLAGE MEEROWALA P/O SAEDOKY NARROWAL	35202-5852968-1	SUBHAN KHAN	1,117	1,243	-	2,361	-	-	1,204	-	1,204
442	MUHAMMAD SALEEM MOUZA EASA P/O TAHLI TALBANI TEHSIL KHAIRPUR TAMEWALI DISTT. BAHAWALPUR	31204-6935216-5	HAFIZ ALLAH DAD	774	1,382	-	2,156	-	-	1,381	-	1,381
443	MUMTAZ HUSSAIN MOZA WSAWA P/O 18 HAZARI TEHSIL 18 HAZARI	33202-7363433-1	SIKANDAR KHAN	2,499	1,400	-	3,899	-	-	1,276	-	1,276
444	MEER ALI CHAK DOULA P/O LASHARI TEH & DISTT. OKARA	35302-2426427-9	JALLA	450	607	-	1,057	-	-	557	-	557
445	MUHAMMAD QAMAR ZAMAN CHAK NO=87/9-LANJUM FORM BY PASS SAHIWAL	36502-1343743-9	IRSHAD IKHTAR	2,000	1,243	-	3,243	-	-	993	-	993
446	NABI AHMED VILL RATTADHOTHARIAN P/O BHRI DISTT GUJRANWALA	34103-2528416-3	RAHMAT ULLAH	1,100	668	-	1,767	-	-	517	-	517
447	KHURSHEED AHMED VILLAGE KOT YOUSAF P/O JOURA SIAN TEH WAZIRABAD	34104-0416459-3	KHAN MUHAMMAD	800	1,317	-	2,117	-	-	1,047	-	1,047
448	ABID HUSSAIN BRITISH HOME H.NO. 176.STREET NO. 19. ISLAMABAD	61101-8293014-1	QAIM-UD-DIN	750	969	-	1,719	-	-	889	-	889

Details of advances written-off
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Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
449	SHER MUHAMMAD GUNJIAL SHUMALI P/O TEHSIL QUAIDABAD DISTRICT KHUSHAB	38201-0219590-9	BARKHURDAR	1,000	522	-	1,522	-	-	522	-	522
450	KHALID MEHMOOD DERA BAKHIANA KOTMOMAN TEH KOTMOMAN DISTT SARGODHA	38401-0228797-3	SYED MUHAMMAD	600	633	-	1,233	-	-	583	-	583
451	HAMAD RAZA VILLAGE TIBBA MEHR BAN SHAH PO KHAS PIPLAN MIANWALI SARGODHA	38303-0977016-7	S IQBAL HUSSAIN SHAH	999	901	-	1,900	-	-	700	-	700
452	AMAN ULLAH SALAM PO KHAS THESIL BHALWAL DISTT. SARGODHA	38401-6003378-1	NAZAR HAYAT	800	579	-	1,379	-	-	514	-	514
453	M RAFIQUE MOUZA KOHLAH P/O KHAS TEH & DISTT	35302-2008485-3	DOST MUHAMMAD	700	1,369	-	2,069	-	-	1,369	-	1,369
454	KHAN TRACTORS ALI PUR ROAD KHANGARH DISTT MGARH	RASHID ULLAH KHAN 32304-0158809-1	AMANULLAH KHAN	5,000	5,910	-	10,910	-	-	5,909	-	5,909
455	WAHLA RICE TRADERS C/O JAVED RICE MILL SHAMSA ROAD BADDOMALHI DISTT NAROWAL	ASGHAR ALI 34501-2026248-5 AMJAD ALI 34501-2006311-9 MUHAMMAD RIAZ 34501-2013455-5 ABDUL MAJEED 35401-1731236-5 RASHEED AHMED 35401-1731231-3	SHUKAR DIN SHUKAR DIN GHULAM MUHAMMAD INAYAT ULLAH INAYAT ULLAH	1,372	838	-	2,209	-	-	672	-	672
456	JAVED MUZAFFAR BUTT H NO 137-G PHASE V DHA GUJRANWALA	35202-2370549-1	MUZAFFAR HUSSAIN	4,006	1,838	-	5,844	-	-	1,124	-	1,124

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
457	RANA COTTON FACTORY GP OIL MOUZA BAIR BUND KOTLA LAL G T ROAD SHAHER SULTAN TEH JATOI	RANA MEHMOOD UL HASSAN 32302-4214924-9 MUHAMMAD SULEMAN 32302-6973755-1 RANA MAHFOOZ AHMAD 32302-3958270-3 ZAHIDA URF ABIDA KHANUM 32302-9456789-0 MUHAMMAD RAMZAN 32302-3432565-7 ABDUL HAFEEZ 32302-6889300-1 RANA JAVOID IQBAL 32302-7326021-5 FAZAL HAQ 32302-4220459-5	FAZAL HAQ MUHAMMAD RAMZAN RANA MUHAMMAD RAMZAN INAM UL HAQ GHULAM ABBAS MUHAMMAD RAMZAN RANA FAZAL HAQ GHULAM ABBAS	4,337	3,632	-	7,969	-	-	3,631	-	3,631
458	ALI AND SONS SHOP NO 59/3 NEW GHALLAH MANDI BAHAWALPUR	RANA ALI BAHADAR KHAN 31202-8798060-5	MUHAMMAD YOUNIS KHAN	615	615	-	1,230	-	-	615	-	615
459	MUHAMMAD ASLAM CHAH PEOPLE WALA BANSLE WALA PO KOT ABBAS SHAHEED TEHSIL MULTANSADAR DISTT MULTAN	36303-0997033-1	GHAZI KHAN	3,993	930	-	4,923	-	-	923	-	923
460	BABAR AMAN MALIK HOUSE # 147 STREET # 48 SECTOR F-10/4 ISLAMABAD	61101-6078927-5	AMAN ULLAH KHAN MALIK	19,540	21,316	-	40,856	-	-	16,196	-	16,196
461	MOD PLASTIC G.T ROAD GUJRANWALA	MIRZA GHAZANFAR BAIG 34101-8191587-5	MIRZA MUHAMMAD HANIF	6,848	3,517	-	10,365	-	-	3,265	-	3,265
462	CHAUDHARY & BROTHERS PSC ROAD CHAK 80-10-R P.O PIROWAL TEHSIL KHANEWAL	CH MUHAMMAD ASHRAF 36103-8923326-3	CH FAIZ MUHAMMAD	4,500	4,568	-	9,068	-	-	4,501	-	4,501
463	RANA MART P-825,ST.NO.17,NEAR ALI GHARH HIGH SCHOOL,FLAT ISLAM NAGAR FAISALABAD	ABDUL MAJEED 33100-7464444-9	REHMAT ALI	1,500	587	-	2,087	-	-	587	-	587
464	ASAD ATTA H NO 1H168 FALCON OFFICERS HOUSING SOCIETY MALIR CANTT KARACHI	42201-2419112-3	RAI ATTA ULLAH KHAN	1,505	663	-	2,168	399	-	661	-	1,060

Details of advances written-off
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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
465	MUHAMMAD ZIA UL HAQ CH BASHIR AUTOS NEAR GENERAL BUS STAND LAYYAH DISTT LAYYAH	32202-2520618-7	CH. BASHIR AHMAD	2,995	781	-	3,776	-	-	676	-	676
466	AHMED ALI CHOWK SIKADAR P/O BUNGA HAYAT PAKPATTAN	36402-5653063-5	HAJI QUTAB DIN	799	595	-	1,394	-	-	594	-	594
467	HASSAN PROTEIN FARMS VILLAGE BADAR PUR POST OFFICE KHAS THE & DISTT KASUR	AKHTAR ALI 35102-8044865-7	RASHEED AHMED	7,068	5,784	-	12,852	-	-	5,733	-	5,733
468	MUHAMMAD YUNAS VILL GILGITTI P O MUDHRAN WALA KALLAR TEH KAMOKE DISTT GUJRANWALA	34102-8172088-3	NASEER UD DIN	30	834	-	864	-	-	744	-	744
469	BABAR HUSSAIN FAZAL VILL GAGAY PO NAZAAM PUR GUJRANWALA	34101-2663349-9	FAZAL HUSSAIN	1,007	966	-	1,973	-	-	748	-	748
470	ALAMDAR PROTEEN FARM NEAR DARBAR BABA REHMAN SHAH JAMBR KHURD P/O SAME TEH PATTOKI DISTT KASUR	MUHAMMAD IJAZ 35103-1329093-3	ANAYAT ALI	1,500	1,270	-	2,770	-	-	970	-	970
471	SABIR ALI CHAK # 278/HR PO BOX CHAK # 279/HR TEHSIL FORT ABBAS	35201-6914697-1	HUKAM DEEN	2,000	789	-	2,789	-	-	549	-	549
472	ALI HASSAN VILLAGE BHITTAY WID P/O SALOKAY TEH. DASKA DISTT. SIALKOT	34601-1059061-9	AKBAR ALI	900	860	-	1,760	-	-	560	-	560
473	MUBAREK JEWLLERS SARAFI BAZAR GUJRANWALA	SAJJAD ALI 34101-0517935-9	MUBARAK ALI	1,200	1,450	-	2,650	-	-	1,264	-	1,264
474	MUHAMMED YAYAH KHAN KHAIRUDAY P O SAME TEH HASILPUR DISTT BAHAWALPUR	31203-4192681-5	M JALAL KHAN	2,506	2,687	-	5,192	-	-	2,678	-	2,678

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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
475	AMIR LIAQUAT CHATTHA MOF-9, GOR-11 BAHAWALPUR HOUSE DISTT LAHORE	33101-3186625-5	LIAQUAT ALI CHATTHA	3,000	2,068	-	5,068	-	-	1,686	-	1,686
476	KOLAR POULTRY FARM KOT WARIS, TEH WAZIRABAD, DISTT GUJRANWALA	IMTIAZ AHMED CHAUDHRY 34104-6630754-9	RAYASAT ALI CHOUDHRY	5,298	5,065	-	10,364	-	-	4,064	-	4,064
477	SHEHNAZ KAUSAR VILLAGE & POST OFFICE BHAKHIAN WALA TEH DASKA DISTT SIALKOT	34601-4244879-0	ASJAD HUSSAIN	170	1,143	-	1,313	-	-	993	-	993
478	KAMIL GOTH MUHAMMAD SOOMER PO SHUJA JAKRO TALUKA SHAHDADPUR DISTT SANGHAR	44204-9209555-9	DODO	2,999	1,666	-	4,665	-	-	1,165	-	1,165
479	IMTIAZ AHMAD DAAK KHANA GONDAL THATHI OBHI TEHSIL SHAHPUR DISTT.SARGODHA	38404-9287052-7	HAJI GHULAM JEELANI	374	566	-	940	-	-	535	-	535
480	ALLAH RAKHIO VILLAGE ALI BUX KHASKHELY POST OFFICE TANDO GHULAM ALI TALUKA MATLI	41103-6036537-9	MUHAMMAD SIDDIQUE	1,200	578	-	1,778	-	-	578	-	578
481	COMMERCIAL GARMENTS SALE POINT KATCHERY BAZAR BLOCK 5 SARGODHA	USMAN ASLAM 38403-3946349-5	CH. MUHAMMAD ASLAM	6,000	694	-	6,694	-	-	694	-	694
482	MUHAMMADI KARYANA AND GENERAL STORE ADDA JHANGI WALA CENTRAL JAIL ROAD BAHAWALPUR	FAYYAZ AHMED 31202-0212195-1	MUHAMMAD YOUSAF	1,997	961	-	2,959	-	-	943	-	943
483	QAMER UL ZAMAN GAJAE GOLA POST OFFICE GAJAR GOLA TEH WAZIRABAD DISTT. GUJRANWALA	34104-2172252-3	RAFIQUE AHMAD	149	1,064	-	1,213	-	-	813	-	813
484	RAB NAWAZ BHATTI KOT MUHABBAT JALAL PUR BHATTIA N TEHSIL PINDI BHATTIAN DISTRICT HAFIZABAD	34302-6292968-1	ATA MUHAMMAD BHATTI	4,000	2,296	-	6,296	-	-	1,996	-	1,996

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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
485	MUHAMMAD HAFEEZ UR REHMAN MOUZA MARI P.O.KHAS SARGODHA	38403-3210764-7	MUHAMMAD ABDUR REHMAN	2,500	1,695	-	4,195	-	-	1,695	-	1,695
486	KHALID & ASSOCIATES MEZZANINE FLOOR PLOT NO 3-C BADAR COMM ST NO 12 PH V EXT DHA KARACHI	ZAKI YASIN 42201-6836905-5 KHALID YASIN 42301-0656244-3	MUHAMMAD YASIN KHAN MUHAMMAD YASIN KHAN	13,089	1,128	-	14,217	-	-	1,128	-	1,128
487	MUHAMMAD SULMAN & COMPANY 9X MOH HOUSING COLONY SHEIKHUPURA	M SULEMAN ASHRAF 35404-7858170-5	MUHAMMAD ASHRAF	5,000	1,722	-	6,722	-	-	1,720	-	1,720
488	MUHAMMAD NAWAZ VPO RANDHIR TEH SAMBRIAL DISTT SIALKOT	34604-0375018-5	SARFRAZ NAWAZ	2,000	696	-	2,696	-	-	596	-	596
489	USMAN BROTHERS SHOP NO.46 GHALA MANDI GHOL CHAKER NARANNG MANDI TEH MURIDKEY DISTT. SHEIKHUPURA	ABID ALI 35401-8157065-5	MAQBOOL AHMED	1,931	1,976	-	3,907	-	-	1,926	-	1,926
490	KALEEM ULLAH FLAT NO A/2 JAVAID MARKET I-10/4 ISLAMABAD	56503-5144414-5	UBAIDULLAH	595	319	-	914	595	-	319	-	914
491	SAJJAD AHMED KHAN VILLAGE POST OFFICE QILLAH TAIK SINGH TEH DASKA DISTT. SIALKOT	42301-4859847-1	MUHAMMAD FAZL KHAN	607	359	-	966	607	-	359	-	966
492	ALI MUMTAZ JAJJA ABBASIYAN P/O KHAS TEH KHANPUR RAHIM YAR KHAN	31301-1962240-3	MUMTAZ AHMAD	718	287	-	1,006	718	-	287	-	1,006
493	MUHAMMAD AHMAD RESCUE 1122 SADDAR RAWALPINDI	36402-0990611-1	NOOR AHMED	411	184	-	595	411	-	184	-	595
494	NASIR KHAN H NO C 387 GABOOL GOTH GULISTAN E JOHAR BLOCK II KARACHI	42201-6004982-1	LAL KHAN NIAZI	503	247	-	750	503	-	247	-	750

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
495	MUHAMMAD IRFAN ATLAS HONDA LTD 26/27 K M LAHORE SHEIKHUPURA ROAD SHEIKHUPURA	35404-0336775-1	MUHAMMAD RAMZAN	523	307	-	830	523	-	307	-	830
496	AHMED SHAHBAZ PERVEZ MUGHAL HOUSE REHMAN COLONY C/O HAJI ASLAM MUGHAL THALI ROAD	31303-8111990-7	MALIK PERVEZ AKHTAR	671	369	-	1,040	671	-	369	-	1,040
497	NASIR OIL MILLS BYE PASS CHOWK ADDA PERMIT LODHRAN DISTT. LODHRAN	MUHAMMAD NASIR 36203-7261489-9	MUHAMMAD BASHIR	2,497	2,872	-	5,369	-	-	2,872	-	2,872
498	INAYAT ALI VILL KALU CHEEMA P/O AHMED NAGAR TEH WAZIR ABAD	34104-2283880-3	ALI MUHAMMAD	1,999	1,613	-	3,612	-	-	1,412	-	1,412
499	NATIONAL SILK MILLS 147-MULTAN ROAD LAHORE	M. FAYYAZ KHALID 35202-6743199-3 M. RIAZ KHALID 35202-4490566-1 M. MUMTAZ TUFAIL KHALID 35202-4868593-5	MUHAMMAD TUFAIL MUHAMMAD TUFAIL MUHAMMAD TUFAIL	48,833	18,626	-	67,459	-	-	18,626	-	18,626
500	ZEESHAN JEWELLERS SHOP NO.6 G F LATIF PLAZA FEROZE PUR ROAD LAHORE	KHALID RASHEED 35201-1168683-7	ABDUL RASHEED	3,993	4,654	-	8,647	-	-	4,419	-	4,419
501	SALAMAT ALI V/ SYIAN P/O CHICHERWALI TEH PASRUR	34602-3163205-9	ALLAH RAKHA	1,000	799	-	1,799	-	-	699	-	699
502	ZULFIQAR ALI V. HERVANCE PUIR P/O QILA KALERWALA TEH. PASRUR DISTT. SIALKOT	34602-0681285-5	NISAR AHMED	1,100	913	-	2,013	-	-	788	-	788
503	S M JAVEED BROTHERS 128-CHOWK DALGRAN NISHTER ROAD, LAHORE	SYED MUSHARRAF ALI 35202-2140584-3	SYED IRFAN ALI	7,492	4,416	-	11,908	-	-	4,208	-	4,208

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
504	ABDUL GHAFOOR VILLAGE GODHARI P/O MALOKAY TEHSIL AND DISTT NAROWAL	34501-7437349-7	MUHAMMAD YOUSAF	989	642	-	1,631	-	-	596	-	596
505	IMRAN MALIK MAIN BAZAR GHALLA MANDI GALA SHEIKHUPURA CITY SHEIKHUPURA	35404-0644480-1	JAN MOHAMMAD	700	687	-	1,387	-	-	512	-	512
506	MUHAMMAD JHANGIR CHAK NO 190.NB JHAMTANWALA PO SAME TEH SARGODHA DISTT SARGODHA	38403-8707048-7	SULTAN AHMAD	940	768	-	1,708	-	-	758	-	758
507	MIQDAD HUSSAIN 27071 C DOLPHIN P21 PUNJAB POLICE QILLA GUJJAR SINGH LAHORE	35104-0429459-3	AZADAR HUSSAIN	449	191	-	640	449	-	191	-	640
508	RASHID HAMEED HOUSE # 221 WASWOOD COLONY THOKAR NIAZ BAIG LAHORE	31102-5240376-5	ABDUL HAMEED	877	378	-	1,255	877	-	378	-	1,255
509	AHMAD KHAN HOUSE 48-M, STREET # 5 KASHMIRI COLONY,PINDI RAJPUTAN KOT LAKHPAT LAHORE	38202-2406930-9	SHER ALI	631	235	-	866	631	-	235	-	866
510	AMIR ABBAS 094769 DYEING FINISHING STYLE CAMPUS STYLE TEXTILE 126 3 KOT LAKH PAT	35501-0479210-0	MUHAMMAD AKRAM	315	189	-	504	315	-	189	-	504
511	MUHAMMAD SADIQUE 309021 PRINTING PRODUCTION SAP STYLE TEXTILE 126 3 KOT LAKHPAT INDUSTRIAL ESTATE LAHORE	36304-4357039-7	ABDUL HAFIZ	325	187	-	512	325	-	187	-	512
512	MUHAMMAD ARSHAD HOUSE NO 32-E FAROOQ COLONY NEAR BEACON HOUSE SCHOOL WALTON	35202-7306009-5	DOST MUHAMMAD	395	229	-	624	395	-	229	-	624

Details of advances written-off
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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
513	MUHAMMAD EJAZ HOUSE # 145 NASHTAR BLOCK ALLAMA IQBAL TOWN LAHORE	36304-4464950-1	LIAQAT ALI QUERSHI	701	404	-	1,104	701	-	404	-	1,104
514	MUHAMMAD SALMAN HABIB QUARTER 20-G P & T COLONY MULTAN ROAD, LAHORE	35202-8011377-1	ABDUL HABIB	490	285	-	775	490	-	285	-	775
515	WAQAS MASOOD CHAK 160 NB P O SHAH NIKDRE TEH SILANWALI DISTT. SARGODHA	38405-8671055-7	CH IKRAM MASOOD	391	173	-	564	391	-	173	-	564
516	MUHAMMAD NAEEM SAEED ALAM PLAZA 4TH FLOOR GULBERG II LAHORE	53403-9837894-9	LAL MUHAMMAD	718	319	-	1,036	718	-	319	-	1,036
517	FARZANA NAEEM HOUSE 519 JAMIYA MASJID WALI MOHALLAH BUDHEY WALA JHANG	33202-6348022-2	AHMAD	371	165	-	536	371	-	165	-	536
518	WAF A IQBAL H NO A 1258 TEHSIL STREET INSIDE BHATTI GATE KARACHI	35202-3025131-8	M IQBAL	357	160	-	516	357	-	160	-	516
519	GULZAR HUSSAIN GOPANG SOS HOUSE PLOT -24 SUKKUR HOUSING SOCIETY NEAR MAGSI KANTA SHIKARPUR ROAD SUKKUR	45504-3362430-7	MUHAMMAD RAMZAN GOPANG	323	182	-	505	323	-	182	-	505
520	ZAR AHMAD 333 SALMAN BLOCK NISHTAR COLONY FERAZEPUR ROAD LAHORE	35201-7282563-1	SAEED AHMAD	367	191	-	558	367	-	191	-	558
521	ZEESHAN KHAN MALGHANI ZEESHAN MALGHANI COMPANY SHOP NO 13 C/99 MECHONGY ROAD QUETTA NEW ENGLISH BAKERY	54400-5319740-1	WAHEED UR REHMAN MALGHANI	340	190	-	531	340	-	190	-	531
522	MISS KHALIDA DISTT OFFICER EDUCATION KACHI AT DHADAR QUETTA	55302-1907773-8	DILBER HUSSAIN	414	198	-	613	414	-	198	-	613
523	MUHAMMAD IMRAN BUTT 489-SHAHBAZ BLOCK MUSTAFA TOWN, WAHDAT ROAD LAHORE	35202-3681989-9	MIAN UMER DARAZ BUTT	544	241	-	785	544	-	241	-	785

Details of advances written-off
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Rupees in '000

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524	ABDUR RAUF KHAN CHALYAR PO KHWAJA KHELA TEH KHAWAJA KHELA DIST SWAT	15602-8360465-9	ROIDAD KHAN	372	166	-	538	372	-	166	-	538
525	SHAMIM AKHTAR H NO A 135 MOHALLAH MAKKA BASTI ORANGI TOWN SECTOR 4/F KARACHI	42401-7423150-2	FAREED ULLAH	617	393	-	1,010	617	-	393	-	1,010
526	MALIK KHURAM SHAHID PMCL JAZZ DHQ KOHISTAN ROAD F-8 MARKAZ ISLAMABAD	36302-3765094-7	MALIK SHAHID JAMIL	308	194	-	501	308	-	194	-	501
527	AULFAT MURAD H NO B 103 ST NO 5 RAWAL TOWN ISLAMABAD	41204-4762657-3	MALIK FAROOQ UR REHMAN	371	245	-	616	371	-	245	-	616
528	RIZWAN ALI STREET # 5 NEAR SHAHZAD BOOK BINDER NOOR WALI RAHIM YAR KHAN	31303-4689090-5	ZULFIQAR ALI	311	202	-	513	311	-	202	-	513
529	MUHAMMAD WAQAR MAIN MANSOORA BAZAR MULTAN ROAD NEAR FRESH VEGETABLE POINT LAHORE	34101-3623844-7	GHULAM RABBANI	390	253	-	644	390	-	253	-	644
530	ZEESHAN EJAZ HOUSE NO 1 SANGAM STREET OUTSIDE LAHORI GATE SHEIKHABAD ROAD PESHAWAR	17301-0134642-7	EJAZ MALIK HUSSEIN	650	360	-	1,010	650	-	360	-	1,010
531	MUHAMMAD SHAHBAZ MARTIN DOW LTD SAMEEL ENTERPRISES HOUSE NO.154 STREET NO.3, MOHALLAH GOBIND PURA TOBA TEK SINGH	33301-5869301-7	GHULAM MURTAZA	350	236	-	586	350	-	236	-	586
532	SHAHNAWAZ OFFICE OF THE TMO GHOTKI	45102-7589485-9	SULTAN GHOTO	352	270	-	623	352	-	270	-	623

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
533	SYED NADEEM ZIA H NO 6 MUHALLA SHEIKH MAIN BAZAR GHAZIABAD LAHORE	35201-7273562-1	SYED ZIA UL HAQ	319	196	-	515	319	-	196	-	515
534	SOHAIL SHOUKAT WARD # 16 STOP # 5 SAKHI DAIRY KAHNA NEW LAHORE CANTT	35201-2524413-7	SHOUKAT ALI MALIK	338	194	-	532	338	-	194	-	532
535	MUHAMMAD ARSHAD HOUSE NO 275 GULL KHURD NASHTAR TOWN FEROREPUR ROAD LAHORE	35403-7992286-5	M SHARIF	401	228	-	630	401	-	228	-	630
536	AZIZ AHMED V/P/O HASSAN KHAN WALA KALLOOR KOT BHAKKAR	38103-2204952-5	MUHAMMAD IQBAL KHAN	6	1,162	-	1,168	-	-	866	-	866
537	MUSHTAQ JEWELLERS 22-BASEMENT LATIF PLAZA FEROREPUR ROAD LAHORE	MUSHTAQ AHMED 42000-1740054-9	AHMED NAWAZ KHAN	1,000	1,186	-	2,186	-	-	1,085	-	1,085
538	IQBAL COMMISSION AGENT NEW GHALLA MANDI, M M ROAD FATEHPUR TEH KAROR LAL EASON DISTT LAYYAH	FAKHAR IQBAL 32202-9802767-3	MUHAMMAD IQBAL	3,999	1,354	-	5,353	-	-	1,354	-	1,354
539	IMRAN AND CO QAIMPUR BAHAWALPUR ROAD HASILPUR	MOHAMMAD KHALID 31203-1616195-5	KHUSHI MOHAMMAD	2,000	1,427	-	3,427	-	-	1,427	-	1,427
540	GHULAM HAIDER PO NANKANA SAHIB ABIYAN WALA TEHSIL & DISTT NANKANA SAHIB	35501-0339974-3	KHIZAR HAYAT	1,000	802	-	1,802	-	-	647	-	647
541	EAGLE ENTERPRISES SHOP NO 3 (GF) ALI CENTRE SHAH ALAM MARKET NEAR FAWARA CHOWK LAHORE	TARIQ ZAID AHMED 35202-3698631-9	MUHAMMAD KHAN	1,497	779	-	2,275	-	-	675	-	675
542	MOHAMMAD AKRAM SHAH MOHALA SIDDIQA ABAD P/O USMAN WALA DISTT KASUR	35102-3376879-5	ABDUL RAZZAQ	1,699	1,636	-	3,336	-	-	1,636	-	1,636

Details of advances written-off
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Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
543	GHOUS BUX BASTI GOTH GHANA MOUZA BAKHRAI NEAR JAMIA MASJID PO SAMMA SATTA TEHSIL & DISTT BAHAWALPUR	31202-0300252-7	MALIK YOUSAF	800	661	-	1,461	-	-	581	-	581
544	LEATHER FIELD KHATA # 244 MANGLE MANDI NIAZ NAGAR KASUR	MUHAMMAD RIAZ 17301-0685949-9 NASEER AHMED 17301-6580738-3 EJAZ HUSSAIN 17301-2349844-3	ABDUL KARIM KHAN ABDUL KARIM KHAN MEHBOOB ALI KHAN	14,538	3,578	-	18,115	-	-	3,578	-	3,578
545	ABDUL MAJEED VILLAGE JASSO WALI P O UDDO FATAH TEHSIL PASRUR DISTT SIALKOT	34602-6538201-9	REHMAT ALI	1,600	727	-	2,326	-	-	656	-	656
546	UMAIR H NO B/46 1 FLOOR GALI NO 5 AL QURESH CENTRY LIAQUATABAD KHI	42101-5876056-9	MUHAMMAD IQBAL ANSARI	409	242	-	651	409	-	242	-	651
547	INAYATULLAH CHANNA LAKHAN COLONY MUHALLA ANWAR ABAD GHOTKI TEHSIL AND DISTRICT GHOTKI AMARA	45102-8206521-3	ABDUL RAUF CHANNA	344	162	-	506	344	-	162	-	506
548	WAQAR SALEEM H 144 NISHTAR BLOCK ALLAMA IQBAL TOWN LAHORE	36302-7845794-5	MUHAMMAD SALEEM	1,471	791	-	2,262	1,471	-	791	-	2,262
549	MAHRAM ALI HOUSE NO-A-1039 GAREB ABAD NEAR ABOBAKR MASJID NAWAB SHAH DISTT SHAHEED BENAZIR ABAD	44204-9547170-3	ABDUL HAKEEM	372	231	-	603	372	-	231	-	603
550	NADEEM ASHRAF NAKKA KAHOUT DAAKHANA KHAS TEHSEL TALA GANG DISTT CHAKWAL	37203-7536385-1	MUHAMMAD ASHRAF	332	177	-	510	332	-	177	-	510
551	YASIR MUZAMMIL RANA MOBISERVE PAKISTAN REGIONAL OFFICE OFF NO 6 1C1 BLOCK 1 TOWNSHIP LAHORE	36603-2489454-9	RANA MUZAMMIL KHAN	672	410	-	1,082	672	-	410	-	1,082

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
552	NAVEED AKHTAR NAEEM ELECTRONICS SHEIKHUPURA ROAD FAISALABAD JAMILABAD CHOWK	35201-8296844-1	AKHTAR HUSSAIN	608	323	-	931	608	-	323	-	931
553	ZAHID MAHMOOD FESCO SUB DIV JHAWARIAN SARGODHA	38401-8438986-1	ABDUL RAUF	339	205	-	544	339	-	205	-	544
554	FARHAN JAVED H.NO.163-B SATELITE TOWN RAHIM YAR KHAN	31303-3771305-7	SHEIKH ZAHOOR AHMED JAVED	346	162	-	509	346	-	162	-	509
555	HABIB NAWAZ MOHALLAH WADHLANWALA HADALI TEH/DISTT.KHUSHAB	38201-8238684-5	MUHAMMAD HAYAT	299	856	-	1,155	-	-	565	-	565
556	AL-FAZAL JEWELLERS MADINA BAZAR ICHHRA LAHORE	FAZAL UL REHMAN 35202-4810155-7	MUHAMMAD AFZAL	2,500	3,256	-	5,756	-	-	3,056	-	3,056
557	M. JAHNGER KHAN COLONY JHADA P/O KOT HAKAM KHA TEH BHALWAL DISST SARGODHA	38401-0372264-9	KHIZER HAYAT	2,299	2,299	-	4,598	-	-	2,144	-	2,144
558	MUHAMMAD SHAHBAZ VILLAGE BATIANWALA P/O THALI GHURIA TEH PINDI BHATTIAN	34302-1234250-9	ALI MUHAMMAD	627	740	-	1,367	-	-	737	-	737
559	MUHAMMAD ASHRAF VILLAGE HALOWAL P/O TALWANDI BHINDRAN TEH & DISTT NAROWAL	34501-6973659-5	ABDUL MAJEED	899	658	-	1,558	-	-	558	-	558
560	MUHAMMAD JAMIL WAHGHA POST OFFICE MALIAN KALAN KHAIR PUR MALIAN TEHSIL AND DISTT SHEIKHUPURA	35404-6227486-7	HAJI M SHARIF WAHGHA	859	873	-	1,731	-	-	631	-	631
561	MUHAMMAD ZEESHAN ABID SHAH HOUSE NO 1016 MOH NAQSBAND COLONY NORANG JAHANIYAN HOUSE MULTAN	36302-1232102-5	MAKHDOOM SYED ABID HUSSAIN	2,175	2,197	-	4,372	-	-	2,077	-	2,077

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
562	GHULAM DASTGHEER VILLAGE KORIKHEY P/O SAME TEHSIL DASKA DISTT SIALKOT	34601-0656750-9	YAQOOB KHAN	900	751	-	1,651	-	-	601	-	601
563	VARIETY JEWELLERS SHOP NO 199-218 PANORAMA SHOPPING CENTRE THE MALL LAHORE	GHAZI SALAH UD DIN 35202-3038680-3	MUHAMMAD IQBAL	4,000	2,969	-	6,969	-	-	2,969	-	2,969
564	IRFAN ALI VILLAGE MUGHOKI P/O JALALPUR BHATTIAN TEH PINDI BHATTIAN DISTRICT HAFIZABAD	34302-5821711-7	ATTA MUHAMMAD	778	636	-	1,415	-	-	515	-	515
565	KHALID MEHMOOD KHALID CHAK NO. 204RB FAISALABAD H NO 3897 ST NO 10 MANSOOR ABAD FAISALABAD	33100-6446151-9	ABDUL MAJEED	1,000	823	-	1,823	-	-	657	-	657
566	GALAXY INTERNATIONAL HIUSE NO 1 STREET NO 2 SECTOR NO.E DHA PHASE 2 ISLAMABAD	MUHAMMAD ATIF 34203-2496950-7	MUHAMMAD ASIF	3,500	576	-	4,076	-	-	576	-	576
567	CH MUHAMMAD ARIF VILL P/O MANGAT ROSHAN HOUSE MANGAT	34402-1011641-9	MUHAMMAD ROSHAN	1,297	896	-	2,194	-	-	894	-	894
568	MOHAMMAD AKRAM JHALIANWALA P/O CHABBA SANDWAN DISTT. GUJRANWALA	34103-0547962-1	KHUSHI MUHAMMAD	780	624	-	1,404	-	-	524	-	524
569	SABIR ALI CHAH BHIRKEY WALA MOZA KAIYAN PUR POST RANGEEL PUR TEHSIL AND DISTT MULTAN	36302-9777997-9	MUHAMMAD HABIB	1,605	1,422	-	3,027	-	-	1,322	-	1,322
570	MUHAMMAD FARASAT ABBAS KHAN NEEL KOT MULTAN PUBLIC SCHOOL ROAD MOHALA CHAH SYEDAN WALA MULTAN	36302-8206669-9	GHULAM SAFDAR KHAN	228	691	-	919	-	-	519	-	519
571	FAQEER MOHAMMAD UR MANZOOR AHMED CHAK NO 171/TDA P/O PIR JAGGI TEH DISTT LAYYAH	32203-2021002-5	MEHER BAKHO KHARAL	188	904	-	1,092	-	-	700	-	700

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Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
572	SULTAN HASSAN AKHTAR VILLAGE SHAH PUR P O BADHOMALH I TEH & DISTT NAROWAL	34501-1948305-9	GHULAM FAREED	1,999	751	-	2,751	-	-	651	-	651
573	SYED ALI SAJJAD HUSSAIN SHAH HAVELI KORANG PO SAME TEH KABIRWALA DISTT KHANEWAL	35201-1777662-3	SYED MUKHTAR HUSSAIN SHAH	1,475	1,395	-	2,870	-	-	1,370	-	1,370
574	FAZAL BARI RICE MILLS KASUR ROAD DHANG SHAH DISTT KASUR	ZAIGHUM SALIK BARI 35200-6277455-9	MALIK FAZAL BARI	4,000	2,947	-	6,947	-	-	2,944	-	2,944
575	MALIK MUHAMMAD SALEEM BHUTTA STREET 03 LUQMAN TOWN BHUTTA COLONY NEAR USMAN LAAJ USMAN LAAJ GALAXY PUBLIC SCHOOL MULTAN	36302-7099725-1	MALIK ALLAH BAKHSH	473	88	-	561	473	-	88	-	561
576	WAQAR ASLAM PIRACHA H NO 40 AL MUMTAZ ROAD BAIT UL RAZA COLONY ALLAMA IQBAL TOWN NEAR CITY CADDET SCHOOL LAHORE	35202-2739111-3	MUHAMMAD ASLAM PIRACHA	457	94	-	552	457	-	94	-	552
577	ALTAF HUSSAIN HOUSE NO.30 STREET NO.11 A TEHZAB AHATTA SAWMI NAGAR ROAD LAHORE	35201-6532345-5	IMAM DIN	572	121	-	693	572	-	121	-	693
578	ALI IMRAN HOUSE # 218 ALLAMA IQBAL TOWN JHNAGI WALA ROAD LAHORE	31201-0288472-5	MOIN UR RASHEED KHAN	581	101	-	682	581	-	101	-	682
579	MUHAMMAD YOUSAF BLOCK#M H#64 D.G KHAN	32102-2648370-7	GHULAM HUSSAIN	711	120	-	831	711	-	120	-	831
580	MUHAMMAD SIDDIQUE HOUSE # 322-A-2 WAPDA TOWN GUJRANWALA	34101-5252140-7	IMTIAZ AHMED	691	151	-	841	691	-	151	-	841

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Rupees in '000

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
581	SHARJEEL SALMAN 487 Opposite HBL SATELITE TOWN GUJRANWALA	34101-1171528-7	SALMAN CHAUDHRY	461	88	-	549	461	-	88	-	549
582	TANVEER HUSSAIN KOKARI P/O CHAK 118/P TEH RAHIM YAR KHAN DISTT RAHIM YAR KHAN	31303-5957268-5	ABDUL KARIM	576	27	-	602	576	-	27	-	602
583	RAJA SQAIB IQBAL HOUSE NO 450 MOHALLA JANJUA MODREN COLONY KHEWARA PD KHAN JHELUM	37302-1191378-9	RAJA ZAFAR IQAL	462	129	-	591	462	-	129	-	591
584	IMRAN YOUSF B - 228 SHER BAAZ BUSINESS B - 228 SHER BAAZ BUSINESS 2ND FLOOR SATELLITE TOWN RAWALPINDI	37405-0634429-9	M YOUSF	417	98	-	515	417	-	98	-	515
585	SOHAIL ANJUM OFFICE 601-D EDEN TOWER 6TH FLOOR MAIN BOULEVARD GULBERG LAHORE	35202-3498973-1	ALI AKBAR	764	164	-	928	764	-	164	-	928
586	ZEESHAN IQBAL NO 13-B SHADMAN COLONY BEHIND STADIUM BAHAWALPUR	31202-2329621-1	M IQBAL	617	106	-	723	617	-	106	-	723
587	IMTIAZ AHMAD H NO 223 C, PHASE 8 DHA LAHORE	35202-6430188-7	M RAFIQUE	767	125	-	891	767	-	125	-	891
588	AMIR GHAFAR HOUSE # BX-221 NEW SADIQ COLONY BAHAWALPUR	31202-5857388-7	ABDUL GHAFAR	569	72	-	641	569	-	72	-	641
589	TAYYAB TAHIR ALI PUR ROAD STREET NO. 2 MOHALLA NAWAB COLONY HAFIZABAD	34301-2586649-1	SAIF ULLAH	540	130	-	670	540	-	130	-	670

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
590	KAMRAN AZIZ 3 DEEN STREET 27 JALAL DIN ROAD NEAR DARMAYANI MASJID MOZANG LAHORE	35202-9477994-7	MIAN ABDUL AZIZ DEAN	583	74	-	658	583	-	74	-	658
591	NADIR ALI FLAT # 51 TOWER 5 BAHRIA APARTMENTS BAHRIA TOWN KARACHI	43202-2479720-5	ALI SHER MUGHERI	720	126	-	845	720	-	126	-	845
592	MUHAMMAD ASLAM HOUSE # 28-D-1 OLD OFFICER COLONY ZARAR SHAHEED ROAD LHR CANTT LAHORE	35202-7498032-5	MUHAMMAD ISMAIL	470	61	-	530	470	-	61	-	530
593	MURAD AHMED KHAN H NO 141 ST NO 01 SEC 11 1/2 KHALIDABAD ORANGI TOWN NEAR DABA MORE KARACHI	42401-1931710-7	M ASHIQ KHAN	460	115	-	574	460	-	115	-	574
594	WASIM AHMED QURASHI HONY PROMOTION LIAQUAT BAGH NEAR ARIAN HOTEL RAWALPINDI	37405-6621172-5	M HAMEED QURESHI	533	103	-	636	533	-	103	-	636
595	SHAHZAD UMER HAYAT HOUSE NO 1732/381 MAKKAH COLONY BALDIA TOWN NEAR DEHLI JAMA MASJID KARACHI	42401-4184049-1	MUHAMMAD FAREED	548	122	-	670	548	-	122	-	670
596	MUZAMAL HUSSAIN P-515 ST NO 07 AFGHANABAD ROAD MOHALLAH AFGHANABAD FAISALABAD	33100-6213518-7	KHADIM HUSSAIN	608	136	-	744	608	-	136	-	744
597	UMAZ ALI HOUSE NO C-46/47 MOH HOUSING SOCIETY NAWABSHAH SBA HYDERABAD	45402-0974830-1	ZAIN UL ABIDEEN	441	80	-	521	441	-	80	-	521
598	SOHAIL ANJUM H# 403, Y BLOCK, Ph 3, DHA CANT LAHORE	35202-3498973-1	ALI AKBAR	864	171	-	1,035	864	-	171	-	1,035

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
599	MUHAMMAD ASHFAQ GULSHAN E LATIF KORANGI INDUSTRIAL AREA H#A-81 SECTOR 9 KARACHI	34601-6977316-9	ALLAH DATA	511	110	-	621	511	-	110	-	621
600	MUHAMMAD MOHSIN AYUB HOUSE # 10 AMILA STREET TAJ BAGH NEW PHASE # III LAHORE	35202-6550051-9	MUHAMMAD AYUB	544	102	-	645	544	-	102	-	645
601	MUHAMMAD SALEEM BABAR 4 SEASON PHASE 2 MARRY GOLD HOUSE NO.66, SAMDRI ROAD FAISALABAD	33100-2525515-9	M ALI CHAUDHRY	637	44	-	681	637	-	44	-	681
602	MUHAMMAD BILAL ABDULLAH HOUSE A-BLOCK SAHAFI COLONY NEAR FAST CABLE FACTORY LAHORE	35201-5647498-3	MUHAMMAD IQBAL	476	97	-	573	476	-	97	-	573
603	SHAMAS UD DIN P 1376 ST 12 BAZAR NO 3 MOH RAZA ABAD FAISALABAD	33100-9681467-9	MUHAMMAD ASHRAF	435	82	-	517	435	-	82	-	517
604	SYED RASHID HUSSAIN SHAH H # 30 SHAHEEN BLOCK SECTOR B BAHRIA TOWN LAHORE	91104-2453406-7	SYED SADIQ	429	88	-	517	429	-	88	-	517
605	SALEEM RAZA HOUSE # 120,BLOCK C, STREET # 18 PWD HOUSING SOCIETY ISLAMABAD	34403-5749492-3	MUHAMMAD AKRAM	680	43	-	723	680	-	43	-	723
606	MUHAMMAD AWAIS AWAIS HOUSE STREET # 5 COLLEGE ROAD LINK RUSTAM ROAD DASKA DIST SIALKOT	34601-8809709-1	M YOUSAF	510	84	-	594	510	-	84	-	594
607	BASEER UL HAQ MIRZA H NO 8 ST NO 24 IQBAL STREET MOHALLA ISLAMIA PARK POONCH ROAD LAHORE	35202-2076552-7	WAJAH HAIDER MIRZA	541	66	-	606	541	-	66	-	606

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
608	SYED FARAZ SHAH H NO A 390 BLOCK 12 GULBERG F B AREA NEAR JAMA MASJID KARACHI	42101-2675703-7	S MAQBOOL SHAH	641	111	-	752	641	-	111	-	752
609	ASIA SHAHZAD H NO 26 STREET NO 127 CHIRAGH DIN ROAD MOZANG LAHORE	35202-6246792-0	MUH SHAHZAD ASLAM	1,267	257	-	1,524	1,267	-	257	-	1,524
610	SABKHASE UMER 159 SHAHEEN BLOCK SECTOR B BAHRIA TOWN LAHORE	35202-1898537-7	FAIAZ AHMED	1,290	230	-	1,520	1,290	-	230	-	1,520
611	MUHAMMAD SHAHZAD ASLAM HOUSE NO-26 STREET NO-127 CHIRAGH DIN ROAD MOZANG LAHORE	35202-2777983-3	MUHAMMAD ASLAM	1,280	289	-	1,570	1,280	-	289	-	1,570
612	HASSAN MAHMOOD MOHALLAH MALIKAM WALA DERA NAWAB SAHIB AHMAD PUR EAST BAHAWALPUR	31201-9981277-9	MALIK MUHAMMAD HUSSAIN	686	41	-	727	686	-	41	-	727
613	MIAN WASEEM MUNIR 66 B BLOCK PCHS GHAZI RD NEAR DEFENCE LAHORE	35201-4571982-3	MIAN M MUNIR	585	140	-	726	585	-	140	-	726
614	JAHANGIR ZULFIQAR DAKKHANA VILL RORAS TEH SAMBRIAL DIST SIALKOT	34603-9767583-3	ZULFIQAR	500	82	-	582	500	-	82	-	582
615	EJAZ HUSSAIN L 128 SECTOR DTP II KDA GROUND MEHMOODABAD NO 2 KARACHI	42201-7993742-9	MANZOOR HUSSAIN	1,459	259	-	1,718	1,459	-	259	-	1,718
616	FAHAD JAVED OFFICE#14 AL NAJAF 1ST FLOOR KANDLOOR PLAZA F-10 MARKAZ ISLAMABAD	37405-8829546-3	JAVED IQBAL ANJUM	514	99	-	613	514	-	99	-	613
617	MUHAMMAD TURAB 14 D/1 DHA PHASE 1 LAHORE	00000-0563873-1	RAZA MEHDI	971	163	-	1,134	971	-	163	-	1,134

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				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
618	AFTAB AHMED FLAT NO 302 BLOCK O IQRA COMPLEX PERFUME CHOWK BLOCK 17 GULISTAN JOHAR KARACHI	44203-1558140-1	A JABBAR	535	98	-	633	535	-	98	-	633
619	ALI SHAN SHAHALAM MARKET RANG MEHAL D-PLAZA ALI GARMENTS, LAHORE	33102-5660895-3	MUBARIK ALI	1,502	321	-	1,823	1,502	-	321	-	1,823
620	KHUSHI MUHAMMAD MASROOR FLAT # A 6 PLOT C 136 NASIR CENTER MAIN 11 B ROAD NORTH KARACHI	42201-0530732-1	MASROOR AHMED KHAN	442	101	-	543	442	-	101	-	543
621	ASIF KHALIL HOUSE# A-116 BLOCK B KAZIMABAD MODEL COLONY NEAR MALIR CANTT MALIR KARACHI	44103-0296066-3	KHALIL AHMED	516	106	-	622	516	-	106	-	622
622	RAO MUDASSIR ALI HOUSE#169-A DEFENC EOFFICERS COLONY SHER SHAH ROAD CANTT MULTAN	36302-1181663-9	RAO IDREES ALI	717	201	-	918	717	-	201	-	918
623	ALI SHAN SHAHALAM MARKET RANG MEHAL D-PLAZA ALI GARMENTS, LAHORE	33102-5660895-3	MUBARIK ALI	1,999	425	-	2,423	1,999	-	425	-	2,423
624	SYED IMRAN ALI MUZAMMIL ELECTRONICS OPP SAUDIA GIRLS COLLAGE NEAR SAUDABAD CHORANGI MALIR KARACHI	42201-1096442-7	SYED MUZAMMIL HUSSAIN	674	112	-	786	674	-	112	-	786
625	HASHAM YOUSAF 23 QUEEN ROAD NAWAI WAQT HEAD OFFICE LAHORE	35202-5452986-3	M NAEEM	651	125	-	775	651	-	125	-	775
626	JAMSHED ALI MALIK FLAT # 603 SHADMAN RESIDENCY TOWER-A, BLOCK-2, CLIFTON KARACHI	42301-9827542-1	SHOUKAT ALI MALIK	731	152	-	883	731	-	152	-	883

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
627	MUHAMMAD NAEEM HOUSE # I.H 149 FALCON COMPLEX GULBURG-3 LAHORE	35202-0190634-7	MUHAMMAD YOUSAF	486	77	-	563	486	-	77	-	563
628	SAEEDA NAZAR FAREED 13-A, E-1, GULBERG-III, LAHORE	35202-7860285-8	CH. NAZAR MUHAMMAD	950	162	-	1,112	950	-	162	-	1,112
629	SYED ZULFIKAL ABBAS GARDEZI HASAN KOSHAK ABDALI ROAD, NEAR JALIL CENTER 59/D PUNJAB MULTAN	36302-8470246-5	SYED KHIZAR ABBAS GARDEZI	1,082	268	-	1,350	1,082	-	268	-	1,350
630	NAIK MUHAMMAD HOUSE # R/198, TARIQ BIN RYAD HOUSING S MALIR HALT, OPP. PRINT PRESS, SINDH KARACHI	42501-7533032-1	MUHAMMAD RAMZAN	739	79	-	819	739	-	79	-	819
631	AQIB MAHMOOD 133-E/1, GULBERG III, LAHORE	35202-4113464-3	ARIF MAHMOOD	451	75	-	527	451	-	75	-	527
632	SYED QAISER ABBAS ZAIDI 79/2 UPPER PORTION STREET NO 22 AL HILAL DHA PHASE 6 KARACHI	42000-9223597-5	SYED MUHAMMAD ABBAS ZAIDI	642	104	-	745	642	-	104	-	745
633	IRFAN SAEED HOUSE NO. 446, STREET NO. 16, CHAKLALA - III RAWALPINDI	37405-9507107-9	M-SAEED	1,214	269	-	1,483	1,214	-	269	-	1,483
634	SHAHID GULZAR 16-J, PHASE I, D.H.A., LAHORE	35200-1404399-7	SH. M GULZAR	547	141	-	688	547	-	141	-	688
635	SYED MOHAMMAD IMRAN 322, SHARFABAD, GROUND FLOOR, STREET #19, B.M.C.H.S., NR TV STATION, KARACHI	42201-2216006-1	SYED MUHAMMAD OWAIS	618	60	-	678	618	-	60	-	678
636	AMIR REHMAN MES WATER SUPPLY, PAF BASE, CHAKLALA H# 68/6, RAWALPINDI	37405-0492354-7	ABDUL REHMAN	589	83	-	672	589	-	83	-	672
637	BOOTA MASIH OGDCL BLUE AREA NEAR HBL TOWER ISLAMABAD	37405-2444160-3	SIDDIQ MASIH	458	102	-	560	458	-	102	-	560

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
638	ABDUL JABBAR KANDHRO INCHARGE WATER TESTING LABORATORY PUMHS UNIVERSITY NAWAB SHAH	41504-0366846-3	NOOR MUHAMMAD KANDHRO	498	104	-	601	498	-	104	-	601
639	ARSHAD MEHMOOD LOPOWALI PO SAMBRIAL DISTT SIALKOT	34601-3838352-3	MUHAMMAD ARIF	513	58	-	570	513	-	58	-	570
640	MUHAMMAD HAROON MOHALAL ROYAL NIEKPUAR SIALKOT	34603-7439976-5	TARIQ HUSSAIN	473	126	-	599	473	-	126	-	599
641	M USMAN NAZIR NAZIR JUTT HOUSE STREET NO 07 SAIF HABIB TOWN SHAHDRAH LAHORE	35202-7839614-3	NAZIR AHMAD	500	111	-	611	500	-	111	-	611
642	SOHAIL AHMAD WAINS HOUSE HANS ROAD SABZAZAR COLONY NEAR SHALIMAR METRO STATION MULTAN	36302-1704580-9	MUHAMMAD ASLAM	1,220	170	-	1,390	1,220	-	170	-	1,390
643	IMTIAZ ALI SHAIKH FLAT#K-104 PHASE I SHUMAIL COMPLEX MOSAMIAT MAIN UNIVERSTIY ROAD KARACHI	42501-7635079-3	LAL BUX SHAIKH	485	62	-	546	485	-	62	-	546
644	SHAFIQ UR REHMAN SAVOYA TRADERS LAYYAH ROAD CHOWK SARWAR SHAHEED MULTAN	32303-7521152-9	MUHAMMAD RAMZAN	462	100	-	562	462	-	100	-	562
645	ZEESHAN SAFDAR SHOP NO 18 CHOWK SARDAR CHAPPAL BILAL GUNJ NEAR NIB BRANCH LAHORE	35202-6461658-3	MUHAMMAD SAFDAR	420	95	-	515	420	-	95	-	515
646	MISHAL ONEIL FLAT NO B 10/B 4TH FLOOR BLOCK B/B UNIQUE CENTER GULSHAN E IQBAL KARACHI	90309-0101759-4	BASIL RIAZ	435	98	-	533	435	-	98	-	533

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
647	MUHAMMAD IBRAHIM PARACHA HOUSE NO 67 B NUSRAT SHAHEED ROAD MUMTAZABAD MULTAN	42201-8513260-3	MUHAMMAD FIAZ PARACHA	657	96	-	754	657	-	96	-	754
648	GHULAM MUSTAFA ABBASI H NO 61 FALCON COMOPLEX MALIR CANT KARACHI	31202-6272789-5	GHULAM HAIDER	383	117	-	501	383	-	117	-	501
649	ABDUL WAHAB ASLAM H NO P- 49 ST NO 5 REHMAN PURA FAISALABAD	33100-6691970-7	MUHAMMAD ASLAM ANJUM	1,105	304	-	1,409	1,105	-	304	-	1,409
650	UMME RUBBA WASIF FLAT NO 503 GLANDAR SUNRISE APPARTMENT BLOCK-10 GULSITAN E JOHAR KAMRAN CHOWRANGI KARACHI	42201-2278163-2	WASIF AHMED KHAN	594	166	-	760	594	-	166	-	760
651	TAHSEEN JAVED MALIK ST 09 MOH SHAHZADA SHAHEED COLONY KASHMIR BAZAR GUJRANWALA	34101-2556217-5	JAVED IQBAL MALIK	433	78	-	510	433	-	78	-	510
652	ABDUL WAHAB ASLAM P-49 STREET#5 REHMAN PURA FAISALABAD	33100-6691970-7	MUHAMMAD ASLAM ANJUM	611	165	-	776	611	-	165	-	776
653	MANSOOR AHMED ASKARI 10 LAHORE E SECTOR HOUSE NO:610 LAHORE	90406-0156068-7	MUHAMMAD YOUNAS	1,477	262	-	1,739	1,477	-	262	-	1,739
654	USMAN JAVAID SHEIKH ISMAIL KARYANA STORE HABIB CHOWK ABID SHEHEED ROAD MADINA TOWN FAISALABAD	33102-1421163-5	KHALID PERVEZ	880	211	-	1,090	880	-	211	-	1,090
655	SARFRAZ AHMED MARTH MALIK JWELLERS AL MAJEEED SHOPPING CENTRE MAIN BAZAAR WAZIRABAD GUJRANWALA	34601-0754970-5	RASHEED AHMED	536	81	-	617	536	-	81	-	617
656	MUHAMMAD DANISH SARFARAZ H#R-427 SEC-15-B, BUFFERZONE NORTH KARACHI, NEAR NAGAN CHOWRANGI KARACHI	42101-1533077-9	SARFARAZ AHMED KHAN	496	74	-	570	496	-	74	-	570

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
657	MIRZA FARHAN BAIG A 112 GROUND FLOOR BLOCK 5 KDA SCHEME 24 GULSHAN E IQBAL KARACHI	41304-6188693-7	MIRZA ATHESHAME	748	203	-	951	748	-	203	-	951
658	UMAIR AZAM OLD AZAM INDUSTRIES FACTORY AREA SHAHBAZ PUR ROAD RAHIM YAR KHAN	31303-0383171-1	MEHMOOD AZAM	429	97	-	526	429	-	97	-	526
659	RANA GHUALM ABBAS NOON H NO 254-A KHANEWAL ROAD SHAMSABAD COLONY EID GAH MULTAN	36302-8910516-3	RANA ABDUL GHAFOOR	922	213	-	1,136	922	-	213	-	1,136
660	SARDAR ALI HOUSE NO.251, SABRI STREET DARBAAR MAHAL ROAD, NEW MUSLIM TOWN, BAHAWALPUR	31205-8439764-9	SHEIKH BASHIR AHMED	555	17	-	571	555	-	17	-	571
661	HABIB UR REHMAN MUHAMMAD BIN QASIM PUBLIC H/S NEAR TOTAL PUMP LARI ADA KAMALIA FAISALABAD	33203-1457447-3	MUHAMMAD RAMZAN	563	134	-	697	563	-	134	-	697
662	TALAT FAROUK APPT # 1-A, 5 STAR SEA BREEZE, SHARAH IRAN, CLIFTON BLK 5 KARACHI	42301-2898620-9	M. FAROUK	542	145	-	687	542	-	145	-	687
663	SYED KHURRAM ALI HAROON STREET, NOOR DIN ROAD 5-W-V-1-S-52, LAHORE	35202-6456281-5	SYED MUHAMMAD HANIF SHAH	709	150	-	859	709	-	150	-	859
664	MOHAMMAD AMIR MUSHTAQ 116-H, GULSHAN RAVI, LAHORE	35202-6834504-1	MUHAMMAD MUSHTAQ QURESHI	791	213	-	1,005	791	-	213	-	1,005
665	ASAD MAQBOOL KHAWAJA 97-B.-3, GULBERG-III, LAHORE	35202-7013045-1	KHAWAJA MAQBOOL AHMAD	447	110	-	557	447	-	110	-	557
666	MUHAMMAD ARSLAN HOUSE#51 STREET#17 Y BLOCK PEOPLES COLONY GUJRANWALA	34101-2664092-7	MUHAMMAD RAFI	899	172	-	1,071	899	-	172	-	1,071

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
667	MUHAMMAD NAVEED HOUSE # 29 A/1 STREET # 19 AL FAZAL PARK SANDA ROAD HAKIMAN WALA BAZAR SANDA KHURD LAHORE	35202-1740509-9	MUHAMMAD YASEEN	961	184	-	1,145	961	-	184	-	1,145
668	AQSA AKRAM HOUSE# 50 LOWER PORTION STREET #2 BB -BLOCK SECTOR-D BAHRIA TOWN LAHORE	35202-0154310-2	MUHAMMAD AKRAM	999	271	-	1,270	999	-	271	-	1,270
669	MUHAMMAD BILAL SHABIR HOUSE 5 ST 1 MUSLIM ST MOHALLA RAHEEM MOOR MISTRI SHAH LAHORE	35202-7308982-7	MUHAMMAD BOOTA	488	118	-	607	488	-	118	-	607
670	SYED ALI ABBAS ZAIDI HOUSE NO 655 1ST FLOOR AREA 5-C4 NORTH KARACHI,	42301-2113639-5	SYED ALEY AHMED ZAIDI	1,155	225	-	1,380	1,155	-	225	-	1,380
671	ASIF NAEEM HOUSE # 16 STREET # 10 SECTOR B PHASE 1 DHA ISLAMABAD	13101-2437215-9	SANA ULLAH	1,709	407	-	2,116	1,709	-	407	-	2,116
672	SALMAN ARSHAD CHAUDHRY HOUSE#78/5-A ARIF JAN ROAD LAHORE CANT LAHORE	35201-7164735-5	ARSHAD MAHMOOD CH	961	232	-	1,193	961	-	232	-	1,193
673	NASEEM KHAWER ALVI KHAWER MOTORS 3-B JAIL ROAD LAHORE	35202-8358007-9	HAFIZ MUHAMMAD DAWOOD ALVI	478	42	-	521	478	-	42	-	521
674	SALMAN ARSHAD CHAUDHRY HOUSE # 78/5-A ARIF JAN ROAD LAHORE CANTT LAHORE	35201-7164735-5	ARSHAD MAHMOOD CH	482	131	-	613	482	-	131	-	613
675	AMIR EDGER HOUSE NO 334 MOHALLAH SADAT COLONY DRIGH ROAD KARACHI	42201-0128549-7	ALBERT SMOAIL ALISHA	748	164	-	912	748	-	164	-	912
676	MUHAMMAD MOHSIN RAFI MEHROOZ COTTAGE HAFEEZ STREET BUKHARI ROAD NEAR DINGA PHATAK	34101-4258464-9	MUHAMMAD RAFI	1,644	369	-	2,013	1,644	-	369	-	2,013

Details of advances written-off
ANNEXURE II

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2022

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
677	SYED AFTAB AHMAD SHAH HOUSE # 155-D,BLOCK # 3 KHURRAM COLONY,MULIM TOWN RAWALPINDI	37405-3193269-5	SYED MUMTAZ	507	110	-	617	507	-	110	-	617
678	ADNAN IDREES H#523-D UPPER PORTION ST#3 WESTRIDGE#3 ALAHABAD NEAR IDEAL BAKERY RAWALPINDI	37405-3829781-9	MUHAMMAD IDREES	1,022	232	-	1,254	1,022	-	232	-	1,254
679	ARSALAN AHMED SABZWARI BANGLOW#D-17 RUFİ SPRING FIELD SEC#13-A SCHEME 33 ABU HASSAN ISPHANI ROAD, KARACHI	42201-3078563-9	SYED TAUQEER AHMED	811	197	-	1,008	306	-	197	-	503
680	ZAHID HUSSAIN 80-C GULBERG PUNJAB FAISALABAD	33100-0542982-7	ABDUL REHMAN	822	193	-	1,015	416	-	193	-	609
681	MOHAMMED YUNUS BANDUKDA PHASE I D.H.A 6-A NORTH CIRCULAR AVENUE KARACHI	42301-1409738-7	HAJI ISMAIL	709	187	-	896	439	-	187	-	626
682	WAQAR SAMAD House# 92 G Phase# 05 DHA Lahore	17301-1383513-7	MIAN ABDUSAMAD	1,173	98	-	1,271	473	-	98	-	571
683	JUNAID GILL H NO 3 SURVEY 93-94 SECTOR 39 GULSHAN E SIKANDAR KORANGI KARACHI	42201-1383333-7	JAVED GILL	1,233	272	-	1,506	478	-	272	-	751
				4,166,027	4,832,001	-	8,998,027	1,346,223	-	4,558,998	1,676	5,906,897

**Details of disposal of fixed assets to related parties - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2022**

ANNEXURE-III

The particulars of fixed assets sold to related parties, other than through a regular auction, are given below:

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
----- (Rupees in '000) -----						
Electrical, Office and Computer Equipment	8,175	5,915	2,260	4,608	Insurance Claim	Jubilee General Insurance Limited
Furniture & Fixtures	1,005	739	266	485	Insurance Claim	Jubilee General Insurance Limited
Leasehold Improvements	14,178	8,176	6,001	4,629	Insurance Claim	Jubilee General Insurance Limited
Vehicles	1,481	807	674	1,165	Insurance Claim	Jubilee General Insurance Limited
Vehicles	5,520	4,103	1,417	1,104	Buyback as per the terms of employment	Muhammad Amir Khan (CEO) - HBL MfB
Total	30,359	19,740	10,618	11,991		



UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

HABIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

2022 (US \$ in '000)	2021		Note	2022 (Rupees in '000)	2021
ASSETS					
1,136,630	1,808,626	Cash and balances with treasury banks	5	257,368,084	409,528,880
138,317	142,102	Balances with other banks	6	31,319,141	32,176,188
1,124,375	414,000	Lendings to financial institutions	7	254,593,287	93,742,432
8,311,919	8,413,996	Investments	8	1,882,075,268	1,905,188,657
7,166,016	6,114,667	Advances	9	1,622,607,447	1,384,549,476
482,824	415,837	Fixed assets	10	109,326,287	94,158,252
52,291	29,207	Intangible assets	11	11,840,205	6,613,409
74,812	16,539	Deferred tax assets	12	16,939,758	3,744,933
746,486	639,868	Other assets	13	169,027,440	144,885,979
19,233,670	17,994,842			4,355,096,917	4,074,588,206
LIABILITIES					
228,225	193,676	Bills payable	14	51,676,520	43,853,860
2,557,093	1,909,022	Borrowings	15	579,004,938	432,261,654
14,283,282	14,062,837	Deposits and other accounts	16	3,234,176,418	3,184,260,887
-	-	Liabilities against assets subject to finance lease		-	-
83,354	54,648	Subordinated debt	17	18,874,000	12,374,000
-	-	Deferred tax liabilities	12	-	-
960,953	635,553	Other liabilities	18	217,589,525	143,908,895
18,112,907	16,855,736			4,101,321,401	3,816,659,296
<u>1,120,763</u>	<u>1,139,106</u>	NET ASSETS		<u>253,775,516</u>	<u>257,928,910</u>
REPRESENTED BY					
Shareholders' equity					
64,781	64,781	Share capital	19	14,668,525	14,668,525
316,811	307,726	Reserves		71,735,697	69,678,669
8,765	111,245	Surplus on revaluation of assets - net of tax	20	1,984,774	25,189,245
730,406	655,354	Unappropriated profit		165,386,520	148,392,471
<u>1,120,763</u>	<u>1,139,106</u>			<u>253,775,516</u>	<u>257,928,910</u>
CONTINGENCIES AND COMMITMENTS					
			21		

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)	2021		Note	2022 (Rupees in '000)	2021
1,806,172	1,083,121	Mark-up / return / profit / interest earned	23	408,973,236	245,252,121
<u>1,134,281</u>	<u>548,975</u>	Mark-up / return / profit / interest expensed	24	<u>256,836,274</u>	<u>124,304,851</u>
671,891	534,146	Net mark-up / return / profit / interest income		152,136,962	120,947,270
Non mark-up / interest income					
122,125	98,237	Fee and commission income	25	27,652,913	22,243,819
9,712	6,665	Dividend income		2,199,176	1,509,089
10,802	12,955	Foreign exchange income - domestic		2,445,908	2,933,400
9,641	3,029	Foreign exchange income - international		2,183,063	685,876
21,431	4,322	Foreign exchange income - unrealized gain related to derivatives		4,852,666	978,570
(11,562)	(804)	Loss from derivatives		(2,618,084)	(182,098)
4,547	6,368	Gain on securities - net	26	1,029,524	1,441,844
2,258	4,919	Other income	27	511,232	1,113,933
168,954	135,691	Total non mark-up / interest income		38,256,398	30,724,433
<u>840,845</u>	<u>669,837</u>	Total income		<u>190,393,360</u>	<u>151,671,703</u>
Non mark-up / interest expenses					
487,898	373,658	Operating expenses	28	110,475,260	84,607,713
6,320	5,209	Workers' Welfare Fund	29	1,431,056	1,179,500
2,105	2,461	Other charges	30	476,587	557,178
496,323	381,328	Total non mark-up / interest expenses		112,382,903	86,344,391
<u>344,522</u>	<u>288,509</u>	Profit before provisions and taxation		<u>78,010,457</u>	<u>65,327,312</u>
28,511	28,056	Provisions and write offs - net	31	6,455,867	6,352,849
<u>316,011</u>	<u>260,453</u>	Profit before taxation		<u>71,554,590</u>	<u>58,974,463</u>
179,691	109,097	Taxation	32	40,687,587	24,702,969
<u><u>136,320</u></u>	<u><u>151,356</u></u>	Profit after taxation		<u><u>30,867,003</u></u>	<u><u>34,271,494</u></u>
(Rupees)					
Basic and diluted earnings per share			33	<u><u>21.04</u></u>	<u><u>23.36</u></u>

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

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HABIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)	2021		2022 (Rupees in '000)	2021 (Rupees in '000)
136,320	151,356	Profit after taxation for the year	30,867,003	34,271,494
		Other comprehensive income / (loss)		
		<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
(4,547)	15,269	Effect of translation of net investment in foreign branches - net of tax	(1,029,672)	3,457,371
(101,469)	(46,440)	Movement in surplus / deficit on revaluation of investments - net of tax	(22,975,780)	(10,515,404)
		<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
692	910	Remeasurement gain on defined benefit obligations - net of tax	156,861	206,025
(889)	-	Movement in surplus / deficit on revaluation of fixed assets - net of tax	(201,262)	-
-	-	Transferred from surplus on revaluation of non-banking assets - net of tax	79,789	-
(537)	-		(121,473)	-
136	585	Movement in surplus on revaluation of non-banking assets - net of tax	30,850	132,680
(352)	-	Transferred to surplus on revaluation of fixed assets - net of tax	(79,789)	-
(216)	585		(48,939)	132,680
<u>30,243</u>	<u>121,680</u>	Total comprehensive income	<u>6,848,000</u>	<u>27,552,166</u>

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

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HABIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total	
	Share capital	Statutory (note 19.5)	Capital		Investments			Fixed / Non-Banking Assets
			Exchange translation (note 19.6)	Non-distributable				
(Rupees in '000)								
Balance as at December 31, 2020	14,668,525	36,616,227	25,877,296	547,115	8,470,042	27,282,814	129,262,746	242,724,765
Comprehensive income for the year								
Profit after taxation for the year ended December 31, 2021	-	-	-	-	-	-	34,271,494	34,271,494
Other comprehensive income / (loss)								
Effect of translation of net investment in foreign branches - net of tax	-	-	3,457,371	-	-	-	-	3,457,371
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	206,025	206,025
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(10,515,404)	132,680	-	(10,382,724)
	-	-	3,457,371	-	(10,515,404)	132,680	34,477,519	27,552,166
Transferred to statutory reserves	-	3,427,149	-	-	-	-	(3,427,149)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(180,887)	180,887	-
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	(246,489)	-	-	-	-	(246,489)
Transactions with owners, recorded directly in equity								
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020	-	-	-	-	-	-	(4,400,556)	(4,400,556)
1st interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
2nd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
3rd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
	-	-	-	-	-	-	(12,101,532)	(12,101,532)
Balance as at December 31, 2021	14,668,525	40,043,376	29,088,178	547,115	(2,045,362)	27,234,607	148,392,471	257,928,910
Comprehensive income for the year								
Profit after taxation for the year ended December 31, 2022	-	-	-	-	-	-	30,867,003	30,867,003
Other comprehensive income / (loss)								
- Effect of translation of net investment in foreign branches - net of tax	-	-	(1,029,672)	-	-	-	-	(1,029,672)
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	156,861	156,861
- Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(22,975,780)	(170,412)	-	(23,146,192)
	-	-	(1,029,672)	-	(22,975,780)	(170,412)	31,023,864	6,848,000
Transferred to statutory reserves	-	3,086,700	-	-	-	-	(3,086,700)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(58,279)	58,279	-
Transactions with owners, recorded directly in equity								
Final cash dividend - Rs 2.25 per share declared subsequent to the year ended December 31, 2021	-	-	-	-	-	-	(3,300,418)	(3,300,418)
1st interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)
2nd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279)	(2,200,279)
3rd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279)	(2,200,279)
	-	-	-	-	-	-	(11,001,394)	(11,001,394)
Balance as at December 31, 2022	14,668,525	43,130,076	28,058,506	547,115	(25,021,142)	27,005,916	165,386,520	253,775,516

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

**President and
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Chief Financial Officer

Director

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Director

HABIB BANK LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 (US \$ in '000)	2021		Note	2022 (Rupees in '000)	2021 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES					
316,011	260,453	Profit before taxation		71,554,590	58,974,463
(9,712)	(6,665)	Dividend income		(2,199,176)	(1,509,089)
8,355	5,472	Mark-up expensed on subordinated debt		1,891,880	1,239,075
<u>314,654</u>	<u>259,260</u>			<u>71,247,294</u>	<u>58,704,449</u>
Adjustments:					
31,561	28,330	Depreciation		7,146,419	6,414,731
7,686	4,346	Amortisation		1,740,448	983,969
14,604	12,288	Depreciation on right-of-use assets		3,306,791	2,782,450
12,976	13,439	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		2,938,166	3,043,048
17,011	(5,436)	Provision for / (reversal of) diminution in value of investments		3,851,708	(1,230,989)
17,546	25,628	Provision against loans and advances		3,973,049	5,802,879
2,757	840	Provision against other assets		624,244	190,136
(5,881)	6,803	(Reversal of) / provision against off-balance sheet obligations		(1,331,585)	1,540,508
373	(297)	Unrealised loss / (gain) on held-for-trading securities		84,391	(67,261)
-	(1,089)	Exchange gain realised on partial repatriation of branch capital - net of tax		-	(246,489)
-	(59)	Exchange gain realised on liquidation of subsidiary		-	(13,354)
(166)	(326)	Gain on sale of fixed assets - net		(37,541)	(73,824)
-	(71)	Gain on sale of non-banking assets		-	(16,000)
6,320	5,209	Workers' Welfare Fund		1,431,056	1,179,500
<u>104,787</u>	<u>89,605</u>			<u>23,727,146</u>	<u>20,289,304</u>
<u>419,441</u>	<u>348,865</u>			<u>94,974,440</u>	<u>78,993,753</u>
(Increase) / decrease in operating assets					
(710,375)	(280,828)	Lendings to financial institutions		(160,850,855)	(63,588,239)
630,418	(323,756)	Held-for-trading securities		142,746,115	(73,308,334)
(1,068,896)	(1,205,804)	Advances		(242,031,020)	(273,031,395)
(153,051)	(158,553)	Other assets (excluding advance taxation)		(34,655,571)	(35,901,214)
<u>(1,301,904)</u>	<u>(1,968,941)</u>			<u>(294,791,331)</u>	<u>(445,829,182)</u>
Increase / (decrease) in operating liabilities					
34,548	(10,018)	Bills payable		7,822,660	(2,268,484)
648,071	(476,232)	Borrowings from financial institutions		146,743,284	(107,833,599)
220,445	2,273,410	Deposits and other accounts		49,915,531	514,770,171
324,217	69,857	Other liabilities		73,412,609	15,817,822
<u>1,227,281</u>	<u>1,857,017</u>			<u>277,894,084</u>	<u>420,485,910</u>
<u>344,818</u>	<u>236,941</u>			<u>78,077,193</u>	<u>53,650,481</u>
<u>(136,534)</u>	<u>(110,895)</u>	Income tax paid		<u>(30,915,464)</u>	<u>(25,110,163)</u>
<u>208,284</u>	<u>126,046</u>	Net cash flows generated from operating activities		<u>47,161,729</u>	<u>28,540,318</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
(515,819)	607,327	Net investment in available-for-sale securities		(116,797,488)	137,517,545
(190,239)	(310,550)	Net investment in held-to-maturity securities		(43,076,096)	(70,318,201)
(28,345)	(11,043)	Net investment in subsidiaries		(6,418,265)	(2,500,374)
9,625	(1,345)	Net investment in associates		2,179,336	(304,652)
10,513	5,913	Dividend received		2,380,506	1,338,902
(99,377)	(57,666)	Investment in fixed assets		(22,501,943)	(13,057,294)
(30,770)	(13,084)	Investment in intangible assets		(6,967,244)	(2,962,517)
-	161	Proceeds realised on liquidation of subsidiary		-	36,590
241	471	Proceeds from sale of fixed assets		54,618	106,525
-	954	Proceeds from sale of non-banking assets		-	216,000
(4,547)	15,269	Effect of translation of net investment in foreign branches - net of tax		(1,029,672)	3,457,371
<u>(848,718)</u>	<u>236,407</u>	Net cash flows (used in) / generated from investing activities		<u>(192,176,248)</u>	<u>53,529,895</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
28,705	-	Proceeds from issuance of subordinated debt		6,500,000	-
-	(44,084)	Repayment of subordinated debt		-	(9,982,000)
(8,160)	(6,702)	Payment of mark-up on subordinated debt		(1,847,577)	(1,517,481)
(18,276)	(19,529)	Payment of lease liability against right-of-use assets		(4,138,266)	(4,421,977)
(37,616)	(47,940)	Dividend paid		(8,517,481)	(10,855,155)
<u>(35,347)</u>	<u>(118,255)</u>	Net cash flows used in financing activities		<u>(8,003,324)</u>	<u>(26,776,613)</u>
<u>(675,781)</u>	<u>244,198</u>	(Decrease) / increase in cash and cash equivalents during the year		<u>(153,017,843)</u>	<u>55,293,600</u>
1,869,459	1,678,811	Cash and cash equivalents at the beginning of the year		423,303,270	380,135,020
81,269	27,719	Effect of exchange rate changes on cash and cash equivalents		18,401,798	6,276,448
<u>1,950,728</u>	<u>1,706,530</u>			<u>441,705,068</u>	<u>386,411,468</u>
<u>1,274,947</u>	<u>1,950,728</u>	Cash and cash equivalents at the end of the year	34	<u>288,687,225</u>	<u>441,705,068</u>

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

HABIB BANK LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,714 (2021: 1,648) branches inside Pakistan including 294 (2021: 259) Islamic Banking Branches and 32 (2021: 37) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank, and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.
- 1.2 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the Central Bank of Oman for the deregistration of its Oman operations, the Bank has commenced an orderly and phase wise exit.
- 1.5 During the year, the Bank has purchased the remaining shareholding of 9.50% in Habib Allied Holding Limited (HAHL) from the minority shareholder. HAHL is now a wholly owned subsidiary of the Bank. During the year, the Bank has also subscribed to 3 million shares issued, as Rights by Habib Allied Holding Limited.
- 1.6 During the year, the Bank has subscribed to 140 million shares issued as Rights by HBL Asset Management Limited (HBL AMC).
- 1.7 During the year, the Bank has subscribed to 100 million shares issued, as Rights by HBL Microfinance Bank Limited (HBL MfB). Consequently, the Bank's shareholding in HBL MfB has increased from 71.43% to 76.42%.

2 BASIS OF PRESENTATION

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

Key financial figures of the Islamic banking branches are disclosed in Annexure I to the consolidated financial statements.

The US Dollar amounts shown in these unconsolidated financial statements are stated solely for information. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2022 and 2021 have all been converted using an exchange rate of Rupees 266.4309 per US Dollar.

2.2 Statement of compliance

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

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The SECP has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' with effect from January 1, 2014. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under this standard and under Section 228 of the Companies Act, 2017, is not applicable in the case of investments by a bank in mutual funds managed by its own asset management company and established under the trust structure. Therefore, investments by the Bank in mutual funds managed by HBL AMC are not consolidated as would otherwise be required under the definition of control specified in IFRS 10.

These unconsolidated financial statements of the Bank are prepared using generally consistent accounting policies. However, Overseas branches comply with the local regulations enforced within their respective jurisdictions.

2.3 Amendments to existing accounting and reporting standards that have become effective in the current year

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered either to not be relevant or to not have any significant impact on these unconsolidated financial statements.

2.4 Standards and amendments to existing accounting and reporting standards that are not yet effective

As directed by SBP via BPRD Circular no 3 of 2022, IFRS 9, Financial Instruments is effective for periods beginning on or after January 1, 2023. The Bank has elected for the modified retrospective approach for restatement.

Except for the implementation of IFRS 9 in Pakistan, as discussed in note 2.4.1, the Bank expects that adoption of new standards and amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

2.4.1 IFRS 9 Financial Instruments

The management of the Bank has performed an impact assessment of the application of IFRS 9, taking into account the SBP's application instructions. The assessment is based on currently available information and may be subject to change at the time of recognizing the impact of the initial adoption of IFRS 9. In addition, there will be changes in the classification of certain financial instruments. These changes and impacts are discussed below:

Governance, ownership and responsibilities

The Bank has adopted a governance framework under which the Board Audit Committee (BAC) is tasked with overseeing the implementation of IFRS 9. A Steering Committee for the implementation of IFRS 9, chaired by the CFO, is in place including representation from Risk, all front-line businesses, Operations and IT.

Risk Management has developed models / methodologies for calculating the Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Credit Conversion Factors (CCF) for off-balance sheet exposures. These models shall be validated annually including:

- Expected credit loss (ECL) model design, data quality and benchmarking with external best practices.
- Calibration testing which ensures the accuracy of the observed PDs.

Finance identifies, prepares and extracts the data required for the modelling of risk parameters and the ECL calculations. The Bank has also implemented an automated system for the calculation of ECL as prescribed under IFRS 9 guidelines issued by the SBP.

Classification and measurement

The classification and measurement of financial assets depends on their contractual cash flow characteristics and the entity's business model. Financial assets are measured at amortized cost, Fair Value Through Profit & Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVOCI). Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are measured at FVTPL regardless of the business model in which they are held. The Bank has reviewed the impact of the initial adoption of IFRS 9 on its financial assets as follows:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Equity Securities

Listed equity securities currently classified as held-for-trading will be classified as FVTPL.

For certain listed equity securities currently classified as available-for-sale (AFS) with gains and losses recorded in OCI, the Bank will apply the option to classify them as FVOCI. Therefore, the application of IFRS 9 will not have an impact on initial adoption. However, in accordance with the requirements of the standard, gains and losses recognized in OCI will not be recycled through the profit and loss account on derecognition of these securities.

The remaining listed equity securities will be measured at FVTPL. The AFS reserve related to those securities is currently part of Surplus on Revaluation of Assets and will be reclassified to retained earnings hence, there will be no impact on overall equity.

Unquoted equity securities are required to be measured at fair value under IFRS 9. However, the SBP has allowed banks to carry these investments under the current Prudential Regulations, i.e. at the lower of cost and break-up value, till accounting periods beginning on or after January 1, 2024.

Debt securities and Loans and advances

Certain debt securities currently classified as AFS and that pass the SPPI test, are expected to be measured at FVOCI as the Bank's business model is to hold the assets to collect contractual cash flows and also to sell those investments. The remaining debt securities that pass the SPPI test are expected to be measured at amortized cost as the Bank's business model is to hold the assets to collect contractual cashflows.

Debt securities currently classified as held-to-maturity (HTM) and that pass the SPPI test are expected to be measured at amortized cost.

Debt securities currently classified as HFT and certain debt instruments currently classified as AFS and which are not expected to pass the SPPI test, will be measured at FVTPL.

Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses resulting from potential default events.

Based on the SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment taking into account the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12-month ECL, Stage 1) or over the lifetime of the product (lifetime ECL, Stage 2).
- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.
- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

For the purpose of ECL calculation, the Bank has used 5 years' data till December 31, 2022. Going forward, data for one additional year shall be included until the Bank has at least 10-year data. For calculating ECL, the Bank shall classify its financial assets under the following three categories:

- Stage 1: Performing Assets: For financial assets where there has not been a Significant Increase in Credit Risk (SICR) since initial recognition, the Bank shall recognize an allowance based on the 12-month ECL.
- Stage 2: Under-Performing Assets: For financial assets where there has been a SICR since initial recognition, but which are not credit impaired, the Bank shall recognize an allowance based on lifetime ECL.
- Stage 3: Non-Performing Assets: For financial assets which have objective evidence of impairment at the reporting date, the Bank shall recognize ECL using the higher of the lifetime ECL computed under IFRS 9 and the provision required as per the Prudential Regulations.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Under the SBP's instructions, Government Securities and credit exposure in local currency guaranteed by the Government are exempted from the application of the ECL framework.

Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. 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 past due:

- by 365 days or more for agriculture lending
- by 60 days or more for all other segments

Qualitative factors include, inter alia, unavailability of financial information and pending litigation.

At every reporting date, the Bank shall assess whether there has been a SICR since the initial recognition of the asset, in which case, the asset must be assigned to the appropriate stage of credit impairment (Stage 2 or 3).

Presentation and disclosure

IFRS 9 also introduces expanded disclosure requirements and changes in presentation which will be incorporated as per the SBP's revised format.

Impact of adoption of IFRS 9

The Bank has performed a preliminary assessment of the potential impact of the adoption of IFRS 9. This is an estimate and the actual impact on the Bank's financial statements for the year 2023 will depend on the financial instruments that the Bank holds during that period and the economic conditions at that time, as well as accounting elections and judgements that it will make in future.

Classification and measurement

The classification of the Banks investments is expected to change as follows:

- Debt instruments amounting to Rs 228.910 billion will be reclassified from AFS to Amortised Cost
- Equity securities amounting to Rs 1.784 billion will be reclassified from AFS to FVTPL

Financial impact

The total estimated impact (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity as at January 1, 2023 is an increase of approximately Rs 6.072 billion, representing:

- A decrease of Rs 8.265 billion in equity due to an increase in ECL.
- An increase of Rs 14.337 billion in equity resulting from reclassification of investments as mentioned above.

Impact on regulatory capital

In order to mitigate the impact of ECL on capital, the SBP has permitted banks to adopt a transitional approach to phase in the impact over a period of five years. The transitional arrangement applies only to ECL for stage 1 and 2 financial assets.

2.5 Critical accounting estimates

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Bank's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgement was exercised in the application of accounting policies are as follows:

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

- i) Classification of investments (note 4.3)
- ii) Valuation and impairment of subsidiaries, associates, joint venture, and investments (note 4.3)
- iii) Provision against advances (note 4.4)
- iv) Valuation and depreciation of fixed assets (note 4.5)
- v) Valuation and depreciation of right-of-use assets and their related lease liability (note 4.6)
- vi) Valuation and amortization of intangible assets (note 4.7)
- vii) Valuation of non-banking assets acquired in satisfaction of claims (note 4.8)
- viii) Valuation of defined benefit plans (note 4.12)
- ix) Taxation (note 4.15)
- x) Fair value of derivatives (note 4.21)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

During the year, the Bank has reviewed its estimate of the useful life of Point of Sale (POS) terminals in its domestic operations and the useful life of intangibles in its China branches, which has resulted in a change in the Bank's estimate of their useful lives. These revisions have been accounted for as a change in accounting estimate as per the requirements of IAS 8 and accordingly, have been recognised prospectively in the unconsolidated profit and loss account from the current year.

The impact of these changes is disclosed in note 10.2.1 and 11.3 respectively.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of fixed assets and non-banking assets acquired in satisfaction of claims, which are stated at revalued amounts less accumulated depreciation.
- Investments classified as held-for-trading and available-for-sale, which are measured at fair value.
- Derivative financial instruments, including forward foreign exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liability, which are measured at their present values.
- Net obligations in respect of defined benefit schemes, which are measured at their present values.

3.2 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani rupees, which is the Bank's functional currency. Amounts are rounded to the nearest thousand Rupees.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.2 Lending / borrowing transactions with financial institutions

The Bank enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.2.1 Purchases under resale agreements (reverse repo)

Securities purchased under resale agreements are not recognised as investments in the financial statements and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as markup income.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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4.2.2 Sales under repurchase agreements (repo)

Securities sold under repurchase agreements continue to be recognised as investments in the financial statements and the liability to the counterparty is included in borrowings. The difference between the sale price and the contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as markup / interest expense.

4.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.3 Investments

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

Held-for-trading

These are securities included in a portfolio in which a pattern of short-term trading exists, or which are acquired for generating a profit from short-term fluctuations in market prices or interest rate movements. Under normal circumstances these securities are required to be sold within 90 days from the date of their purchase.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold till maturity.

Available-for-sale

These are investments, other than investments in subsidiaries, associates and joint ventures, that do not fall under the held-for-trading or held-to-maturity categories.

4.3.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Bank commits to purchase or sell the investment.

In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account. Transaction costs associated with investments other than those classified as held-for-trading are included in the cost of the investments.

4.3.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

Held-to-maturity

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Available-for-sale

Listed securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account (shown as part of equity in the statement of financial position) and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Unlisted equity securities are carried at the lower of cost and break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already charged based on audited financial statements. Other unlisted securities are valued at cost less impairment, if any.

4.3.3 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are recorded at cost less impairment, if any.

4.3.4 Impairment

The Bank determines that available-for-sale listed equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Bank evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

A decline in the carrying value of unlisted equity securities is charged to the profit and loss account. A subsequent increase in the carrying value, up to the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities held in Pakistan is made as per the Prudential Regulations issued by the SBP. Provision against investments by the Bank's overseas branches is made as per the requirements of their respective regulatory regimes.

When a debt security, classified as available-for-sale, is considered to be impaired, the balance in the surplus / deficit on revaluation of securities account is transferred to the profit and loss account as an impairment charge. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account.

When a debt security, classified as held-to-maturity, is considered to be impaired, the impairment is directly charged to the profit and loss account as held-to-maturity securities are carried at amortized cost. Any subsequent reversal of an impairment loss, up to the cost of the investment in the debt security, is credited to the profit and loss account.

Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

The Bank considers that a decline in the recoverable value of its investments in subsidiaries, associates and joint ventures below their carrying value may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable value falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, up to the carrying value of the investment in subsidiaries, associates and joint ventures, is credited to the profit and loss account.

4.4 Advances

Advances are stated net of specific and general provisions. Provision against advances by the Bank's operations in Pakistan is made in accordance with the requirements of the Prudential Regulations. Provision against advances by the Bank's overseas branches is made as per the requirements of the respective regulatory regimes. Advances are written off in line with the Bank's policy when there are no realistic prospects of recovery.

Since 2020, several borrowers have been severely impacted, initially by the COVID-19 pandemic, and since then, by the stressed economic conditions. The potential impact of the economic stress is difficult to predict, as many such borrowers have also availed the SBP enabled deferment / restructuring & rescheduling relief. Hence, management feels that it is appropriate to maintain an additional general provision on the domestic, funded performing credit portfolio excluding:

- Government guaranteed exposure
- Consumer and staff lending
- Exposure secured by cash / near cash collateral

This additional provision as at any statement of financial position date, is based on management's best estimate and can be upto and maximum of 1% of above mentioned portfolio. And on account of the devastating floods in 2022 which have impacted customers in its area of operations.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

4.4.1 Finance lease receivables

Leases where the Bank transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the future lease payments including any guaranteed residual value. The net investment in finance lease is included in advances.

4.4.2 Islamic financing and related assets

Murabaha financing is a cost plus profit transaction. Funds disbursed for the purchase of goods are recorded as an advance against Murabaha. Once the goods are sold to the customers, the transaction is recorded as financing. Goods purchased by the Bank but remaining unsold are recorded as inventories.

The financing is recorded at the deferred sale price. Profit earned on financing is recognised as unearned income and amortised into the profit and loss account over the term of the Murabaha financing. It is possible for Bank to buy the inventory on a customer's behalf and sell it to the customers on spot basis. In this case, the entire profit is recognised immediately in the profit and loss account.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight-line basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The Ijarah rental received / receivable is recognised as income on an accrual basis.

Gains or losses on disposal of Ijarah assets are taken to the profit and loss account in the period in which they arise.

For Running Musharakah the Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Under Diminishing Musharakah financing, the Bank and the customer create joint beneficial ownerships over tangible assets to fulfill the customer's capital expenditure / project requirements. The Bank receives periodic payments, partly for renting its portion of the assets to the customer and partly for the gradual transfer / sale of its share of ownership to the customer. The rental payment is recognised as profit while the asset transfer / sale payments are applied towards reducing the outstanding principal.

Under Istisna financing, the Bank gives an advance to customers for manufacturing goods and may allow their sale immediately after the goods are manufactured or allow a pre-agreed time to sell the goods on deferred payment basis as the Bank's agent to a third party. Profit is recognised at the time when the goods are sold to the third party. In case of a deferred sale, the profit is recognised on an accrual basis over the term of financing.

Under Tijarah financing, the Bank purchases finished goods from the customer against payment, takes possession and appoints the customer as an agent to sell these goods to the ultimate buyer, generally on a deferred payment basis. Goods purchased by the Bank and sold by the customer on a deferred payment basis are recognised as financing while goods purchased by the Bank but remaining unsold by the customer are recorded as inventories. Profit on the financing is recognised on an accrual basis over the period of transaction.

Wakalah is an agency contract in which the Bank provides funds to a customer to invest in a Shariah compliant manner. This is recorded as financing and profit is recognised on an accrual basis and is adjusted once the customer declares Wakalah business performance.

Salam is a sale whereby the Bank undertakes to supply some specific commodity (ies) / asset(s) to the customer at a future date in exchange for an advance price fully paid on spot.

Currency Salam is exchange / sale of a currency with another currency at a future date, at conversion rate within the spot range on the day of such contract execution.

Under Musawamah financing, the Bank purchases the goods and, after taking possession, sells them to the customer at an agreed price without disclosing the cost incurred by the Bank. Goods purchased by the Bank can either be sold to the customer as a spot transaction or on a deferred payment basis. Goods purchased by the Bank but remaining unsold are recorded as inventories.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

4.5 Fixed Assets

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses.

Land, capital work-in-progress and works of art are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation is calculated to write down the assets to their residual values over their expected useful lives at the rates specified in note 10.2 to these unconsolidated financial statements. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. However, if the increase reverses a deficit on the same asset previously recognised in the profit and loss account, such increase is also recognised in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of fixed assets account. Any accumulated depreciation at the date of revaluation is eliminated against any additional surplus on revaluation and the net carrying value is restated at the revalued amount of the asset.

Surplus on revaluation of fixed assets (net of associated deferred tax) is transferred to unappropriated profit to the extent of the incremental depreciation charged on the related assets.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major repairs and renovations that increase the useful life of an asset are capitalised.

Gains or losses arising on the disposal of fixed assets are included in the profit and loss account. Surplus on revaluation (net of deferred tax) realised on disposal of fixed assets is transferred directly to unappropriated profit.

4.6 Right-of-use assets and their related lease liability

4.6.1 Right-of-use assets

On initial recognition, right-of-use assets (ROU) are measured at an amount equal to the initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to restore the underlying asset or the site on which it is located to its original condition.

ROU assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. Such remeasurement only occurs in cases where the terms of the lease are changed during the lease tenor.

ROU assets are depreciated using the straight-line method over a period starting from the commencement date of the lease contract to the end of the estimated useful life of the ROU asset or the end of the lease term, whichever is earlier. The estimated useful lives of ROU assets are determined on the same basis as that for owned assets. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.6.2 Lease liability against ROU assets

Lease liabilities against ROU assets are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then at the applicable incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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4.7 Intangible assets

Intangible assets other than goodwill

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised over their estimated useful lives using the straight-line method. Amortisation is calculated to write down the assets to their residual values over their expected useful lives at the rates stated in note 11.1 to these unconsolidated financial statements. Amortisation on additions is charged from the month in which the assets are available for use. No amortisation is charged in the month in which the assets are disposed off. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Intangible assets which arise from contractual or other legal rights on the acquisition of another entity and are deemed separable are considered as part of the net identifiable assets acquired. These are initially measured at fair value. Intangible assets with a finite useful life are amortized over their expected useful lives and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets having an indefinite useful life are stated at cost less impairment, if any. Such intangible assets are tested for impairment annually, or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of intangible assets is recognised through the profit and loss account. Any subsequent reversal of an impairment loss, up to the extent of the impairment, is credited to the profit and loss account.

4.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets are revalued with sufficient regularity by professionally qualified valuers to ensure that their net carrying value does not differ materially from their fair value. An increase in the market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the impairment and thereafter credited to the surplus on revaluation of that asset. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account.

Depreciation on assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

If the recognition of such assets results in a reduction in non-performing loans, such reductions and the corresponding reductions in provisions held against non-performing loans are disclosed separately.

These assets are revalue generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realized on the sale of fixed assets. Surplus on revaluation (net of deferred tax) realized on disposal of these assets is transferred directly to unappropriated profit.

However, if such an asset, subsequent to initial recording, is used by the Bank for its own operations, the asset, along with any related surplus, is transferred to fixed assets.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense on an accrual basis in the period in which it is incurred.

4.10 Subordinated debt

Subordinated debt is recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is charged to the profit and loss account.

4.11 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. Acceptances are recognised as a financial liability in the statement of financial position with the contractual right of reimbursement from the customer recognised as a financial asset.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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4.12 Employee benefits

The Bank operates a number of post-retirement benefit plans, which include both defined contribution plans and defined benefit plans.

For defined contribution plans, the Bank pays contributions to the fund on a periodic basis, and such amounts are charged to the profit and loss account when the payment obligation is established. The Bank has no further payment obligations once the contributions have been paid.

For funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations less the fair value of plan assets as at the statement of financial position date. Contributions to the fund are made by the Bank on a periodic basis.

For non-funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations as at the statement of financial position date.

The liability in respect of all obligations under defined benefit schemes is calculated annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses

Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the profit and loss account. Gains and losses on remeasurement of the liability for compensated absences are recognised in the profit and loss account.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment and is recognised through the profit and loss account when the plan is amended.

Current Service Cost

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period, and is recognised through the profit and loss account.

4.13 Foreign currency

4.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position. Forward transactions in foreign currencies and foreign bills purchased are translated at forward foreign exchange rates applicable to their respective maturities.

4.13.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

4.13.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign branches, associates, joint ventures and subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on disposal of the investment.

4.13.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of financial position.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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4.14 Income recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Bank and the revenue can be reliably measured.

4.14.1 Advances and investments

Income on performing advances and debt securities is recognised on a time proportion basis as per the terms of the contract. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining maturity of the debt security using the effective yield method.

Income recoverable on classified advances and investments is recognised on a receipt basis. Income on rescheduled / restructured advances and investments is recognised as permitted by SBP regulations or by the regulatory authorities of the countries in which the Bank operates.

4.14.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains and losses on termination of lease contracts are recognised through the profit and loss account when these are realised. For classified leases, unrealised lease income and other fees are recognised on a receipt basis.

4.14.3 Fee, Commission and Brokerage Income

Fee, commission and brokerage income is recognised on an accrual basis.

4.14.4 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.15 Taxation

Income tax expense comprises of the charge for current and prior years and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

4.15.1 Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

4.15.2 Prior years

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

4.15.3 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the underlying asset or liability is recovered or settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the date of the statement of financial position.

The Bank also records a deferred tax asset / liability on items recognised directly in the statement of comprehensive income such as surplus / deficit on revaluation of assets and actuarial gains / losses. These items are disclosed net of the related deferred tax asset / liability.

Deferred tax assets are reviewed annually for impairment. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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4.16 Impairment of non-financial assets

The carrying value of non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable value of the asset is estimated. An impairment loss is recognised through the profit and loss account whenever the recoverable value of an asset is lower than its carrying value.

A subsequent increase in the recoverable value of the asset results in a reversal of the impairment loss through the profit and loss account, up to the original carrying value of the asset, if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.17 Provisions

Provisions are recognised when the Bank has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision for off balance sheet obligations is recognised when the Bank becomes aware of the obligation and reasonable certainty exists that the Bank will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.18 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

4.19 Off setting

Financial assets and financial liabilities are set-off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set-off and the Bank intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.20 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain other receivables, bills payable, borrowings, deposits, subordinated debt, lease liabilities against ROU assets and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.21 Derivative Financial Instruments

Derivative financial assets and liabilities are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair values using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.22 Dividends and appropriation to reserves

Dividends and appropriations to reserves, which are approved subsequent to the date of the statement of financial position are except where required by law recognised in the year in which these are approved and disclosed as a non-adjusting event after the balance sheet date.

4.23 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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4.24 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing unique products or services (business segment), or in providing products or services within a particular geographic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.24.1 Business segments

The Bank is managed along the following business lines for monitoring and reporting purposes:

i) *Branch banking*

This segment pertains to the branch distribution network, its related deposit and other products and general banking services.

ii) *Consumer, SME and agriculture lending*

This segment pertains to loan products offered to the Consumer, SME and Agriculture segments.

iii) *Islamic banking*

This segment pertains to all business lines of the Islamic banking network and includes all Islamic products offered by the bank.

iv) *Corporate, commercial and investment banking*

This segment provides a wide variety of financial products and services to large and medium sized clients, across the entire spectrum of industrial sectors.

v) *International and correspondent banking*

This segment includes all international branches, the financial institutions business and global remittances.

vi) *Treasury*

This segment is responsible for asset/liability management and includes all treasury related products such as fixed income, money market, FX and derivatives.

vii) *Head Office / Others*

This segment includes numbers related to HBL Konnect, Head Office functions.

4.24.2 Geographical segments

The Bank is managed along the following geographic lines for monitoring and reporting purposes:

i) *Pakistan (including KEPZ)*

This includes the domestic operations and HBL's KEPZ branch.

ii) *Middle East and Africa*

This includes UAE, Bahrain, Oman, Lebanon and Mauritius.

iii) *Asia*

This includes Afghanistan, Bangladesh, China, Maldives, Singapore and Sri Lanka.

iv) *Europe*

This includes Belgium and Turkey.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

5	CASH AND BALANCES WITH TREASURY BANKS	Note	2022	2021
		(Rupees in '000)		
	In hand			
	Local currency		71,656,001	46,849,289
	Foreign currencies		7,193,966	5,167,639
			<u>78,849,967</u>	<u>52,016,928</u>
	With State Bank of Pakistan in			
	Local currency current accounts	5.1	107,551,161	143,740,748
	Local currency special deposit account		-	2,531,227
	Foreign currency current accounts	5.2	292,436	8,637,953
	Foreign currency deposit accounts	5.3	655,439	18,104,962
			108,499,036	173,014,890
	With other Central Banks in			
	Foreign currency current accounts	5.4	32,490,538	34,242,436
	Foreign currency deposit accounts	5.5	35,609,011	12,755,756
			68,099,549	46,998,192
	With National Bank of Pakistan in local currency current accounts		1,757,957	137,197,419
	National Prize Bonds		161,575	301,451
			<u>257,368,084</u>	<u>409,528,880</u>

- 5.1 These represent local currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.2 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.3 This represent a foreign currency deposit account maintained under the Special Cash Reserve Requirement (SCRR) of the SBP which carries mark-up at a rate of 3.14% per annum (2021: 0.00% per annum) and a foreign currency settlement account maintained with the SBP which carries mark-up at a rate of 0.00% per annum (2021: 0.00% per annum).
- 5.4 These represent balances held with the central banks of the countries in which the Bank operates, in accordance with local statutory / regulatory requirements. These include balances in remunerative current accounts amounting to Rs 528.828 million (2021: Rs 368.751 million), which carry mark-up at rates ranging from 1.04% to 2.04% per annum (2021: 0.08% to 0.32% per annum).
- 5.5 These represent balances held with the central banks of the countries in which the Bank operates, in accordance with local regulatory requirements. These carry mark-up at rates ranging from 0.00% to 14.50% per annum (2021: 0.00% to 9.50% per annum).

6	BALANCES WITH OTHER BANKS	Note	2022	2021
		(Rupees in '000)		
	In Pakistan			
	In current accounts		81,588	65
	Outside Pakistan			
	In current accounts	6.1	16,458,763	25,295,629
	In deposit accounts	6.2	14,778,790	6,880,494
			31,237,553	32,176,123
			<u>31,319,141</u>	<u>32,176,188</u>

- 6.1 This includes an amount of Rs 5,564.242 million (2021: 1,937.318 million) in remunerative current accounts which carry mark-up at rates ranging from 0.01% to 1.00% per annum (2021: 0.01% to 1.20% per annum).
- 6.2 These carry mark-up at rates ranging from 0.01% to 30.50% per annum (2021: 0.00% to 18.50% per annum).

7	LENDINGS TO FINANCIAL INSTITUTIONS	Note	2022	2021
		(Rupees in '000)		
	Call money lendings		-	24,600,000
	Repurchase agreement lendings (reverse repo)	7.2	254,593,287	64,970,746
	Bai Muajjal receivable from financial institutions		-	4,171,686
			<u>254,593,287</u>	<u>93,742,432</u>

- 7.1 Lendings to financial institutions are all in local currency.
- 7.2 Repurchase agreement lendings carry mark-up at rates ranging from 15.95% to 16.60% per annum (2021: 9.5% to 10.65% per annum) and are due to mature latest by January 06, 2023.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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7.2.1 Securities held as collateral against lendings to financial institutions

	2022			2021		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	92,318,287	-	92,318,287	17,766,592	-	17,766,592
Pakistan Investment Bonds	162,275,000	-	162,275,000	47,204,154	-	47,204,154
	<u>254,593,287</u>	<u>-</u>	<u>254,593,287</u>	<u>64,970,746</u>	<u>-</u>	<u>64,970,746</u>

7.2.2 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 254,221.016 million (2021: Rs 64,982.010 million).

8 INVESTMENTS

Note

2022

2021

8.1 Investments by type

	Note	2022				2021			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		----- (Rupees in '000) -----							
Held-for-trading (HFT) securities									
Federal Government securities									
- Market Treasury Bills	8.3	5,885,581	-	(7,865)	5,877,716	111,463,172	-	(31,502)	111,431,670
- Pakistan Investment Bonds		52,471,296	-	(85,104)	52,386,192	92,201,740	-	110,414	92,312,154
Shares									
- Listed companies		132	-	(42)	90	332,860	-	(24,270)	308,590
Foreign securities									
- Government debt securities		3,278,776	-	8,620	3,287,396	316,867	-	12,619	329,486
		<u>61,635,785</u>	<u>-</u>	<u>(84,391)</u>	<u>61,551,394</u>	<u>204,314,639</u>	<u>-</u>	<u>67,261</u>	<u>204,381,900</u>
Available-for-sale (AFS) securities									
Federal Government securities									
- Market Treasury Bills	8.3 & 8.5	206,248,292	-	(363,332)	205,884,960	274,430,197	-	121,938	274,552,135
- Pakistan Investment Bonds	8.3	925,726,908	-	(29,334,463)	896,392,445	801,894,166	-	(4,790,129)	797,104,037
- Ijarah Sukuks		125,360,260	-	(2,772,531)	122,587,729	119,617,967	-	(537,141)	119,080,826
- Government of Pakistan US Dollar Bonds		18,895,230	(2,213,447)	(8,221,230)	8,460,553	15,473,165	(347,350)	458,144	15,583,959
- Other Federal Government securities		4,686,060	-	-	4,686,060	1,016,120	-	-	1,016,120
Shares									
- Listed companies		6,329,024	(2,097,873)	(242,961)	3,988,190	8,170,830	(1,962,154)	427,255	6,635,931
- Unlisted companies		5,372,623	(119,718)	-	5,252,905	5,372,623	(91,009)	-	5,281,614
Non-Government debt securities									
- Listed		52,253,137	(602,689)	(2,566,098)	49,084,350	51,499,951	(78,236)	638,300	52,060,015
- Unlisted		2,664,233	(413,232)	16,321	2,267,322	1,648,381	(247,381)	24,000	1,425,000
Foreign securities									
- Government debt securities		107,850,716	(1,672,462)	(582,189)	105,596,065	59,484,291	(264,754)	30,466	59,250,003
- Non-Government debt securities - Listed		4,541,314	(59,375)	(42,714)	4,439,225	5,497,986	(61,056)	152,480	5,589,410
- Equity securities - Unlisted		7,762	(197)	-	7,565	6,318	(156)	-	6,162
National Investment Unit Trust units		11,113	-	27,057	38,170	11,113	-	35,335	46,448
Real Estate Investment Trust units									
- Listed		55,000	-	13,200	68,200	55,000	-	5,800	60,800
- Unlisted		1,575,000	-	-	1,575,000	-	-	-	-
Preference shares									
- Listed		744,400	-	172,200	916,600	744,400	-	80,500	824,900
- Unlisted		354,985	(285,793)	-	69,192	176,985	(150,075)	-	26,910
		<u>1,462,676,057</u>	<u>(7,464,786)</u>	<u>(43,896,740)</u>	<u>1,411,314,531</u>	<u>1,345,099,493</u>	<u>(3,202,171)</u>	<u>(3,353,052)</u>	<u>1,338,544,270</u>
Held-to-maturity (HTM) securities									
Federal Government securities									
- Market Treasury Bills		108,085,213	-	-	108,085,213	-	-	-	-
- Pakistan Investment Bonds	8.3, 8.4 & 8.5	229,410,921	-	-	229,410,921	285,512,630	-	-	285,512,630
- Government of Pakistan US Dollar Bonds		4,307,651	(379,077)	-	3,928,574	-	-	-	-
- Other Federal Government securities		-	-	-	-	10,794,000	-	-	10,794,000
Non-Government debt securities									
- Listed		1,733,442	-	-	1,733,442	2,365,422	-	-	2,365,422
- Unlisted		17,300,182	-	-	17,300,182	18,348,917	-	-	18,348,917
Foreign securities									
- Government debt securities		14,365,073	-	-	14,365,073	14,672,889	-	-	14,672,889
- Non-Government debt securities									
- Listed		161,426	(15,712)	-	145,714	285,954	(25,061)	-	260,893
- Unlisted		308,100	-	-	308,100	616,100	(1,559)	-	614,541
		<u>375,672,008</u>	<u>(394,789)</u>	<u>-</u>	<u>375,277,219</u>	<u>332,595,912</u>	<u>(26,620)</u>	<u>-</u>	<u>332,569,292</u>
Investment in associates and joint venture	8.7	7,422,095	-	-	7,422,095	9,601,431	-	-	9,601,431
Investment in subsidiary companies	8.8	26,510,029	-	-	26,510,029	20,091,764	-	-	20,091,764
Total Investments		<u>1,933,915,974</u>	<u>(7,859,575)</u>	<u>(43,981,131)</u>	<u>1,882,075,268</u>	<u>1,911,703,239</u>	<u>(3,228,791)</u>	<u>(3,285,791)</u>	<u>1,905,188,657</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note	2022				2021			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
8.2 Investments by segment								
Federal Government securities								
Market Treasury Bills	320,219,086	-	(371,197)	319,847,889	385,893,369	-	90,436	385,983,805
Pakistan Investment Bonds	1,207,609,125	-	(29,419,567)	1,178,189,558	1,179,608,536	-	(4,679,715)	1,174,928,821
Ijarah Sukuks	125,360,260	-	(2,772,531)	122,587,729	119,617,967	-	(537,141)	119,080,826
Government of Pakistan US Dollar Bonds	23,202,881	(2,592,524)	(8,221,230)	12,389,127	15,473,165	(347,350)	458,144	15,583,959
Other Federal Government securities	4,686,060	-	-	4,686,060	11,810,120	-	-	11,810,120
	1,681,077,412	(2,592,524)	(40,784,525)	1,637,700,363	1,712,403,157	(347,350)	(4,668,276)	1,707,387,531
Shares								
Listed companies	6,329,156	(2,097,873)	(243,003)	3,988,280	8,503,690	(1,962,154)	402,985	6,944,521
Unlisted companies	5,372,623	(119,718)	-	5,252,905	5,372,623	(91,009)	-	5,281,614
	11,701,779	(2,217,591)	(243,003)	9,241,185	13,876,313	(2,053,163)	402,985	12,226,135
Non-Government debt securities								
Listed	53,986,579	(602,689)	(2,566,098)	50,817,792	53,865,373	(78,236)	638,300	54,425,437
Unlisted	19,964,415	(413,232)	16,321	19,567,504	19,997,298	(247,381)	24,000	19,773,917
	73,950,994	(1,015,921)	(2,549,777)	70,385,296	73,862,671	(325,617)	662,300	74,199,354
Foreign securities								
Government debt securities	125,494,565	(1,672,462)	(573,569)	123,248,534	74,474,047	(264,754)	43,085	74,252,378
Non-Government debt securities								
- Listed	4,702,740	(75,087)	(42,714)	4,584,939	5,783,940	(86,117)	152,480	5,850,303
- Unlisted	308,100	-	-	308,100	616,100	(1,559)	-	614,541
Equity securities-Unlisted	7,762	(197)	-	7,565	6,318	(156)	-	6,162
	130,513,167	(1,747,746)	(616,283)	128,149,138	80,880,405	(352,586)	195,565	80,723,384
National Investment Unit Trust units	11,113	-	27,057	38,170	11,113	-	35,335	46,448
Real Estate Investment Trust units - Listed								
- Listed	55,000	-	13,200	68,200	55,000	-	5,800	60,800
- Unlisted	1,575,000	-	-	1,575,000	-	-	-	-
	1,630,000	-	13,200	1,643,200	55,000	-	5,800	60,800
Preference shares								
- Listed	744,400	-	172,200	916,600	744,400	-	80,500	824,900
- Unlisted	354,985	(285,793)	-	69,192	176,985	(150,075)	-	26,910
	1,099,385	(285,793)	172,200	985,792	921,385	(150,075)	80,500	851,810
Investment in associates and joint venture								
Diamond Trust Bank Kenya, Limited	3,999,244	-	-	3,999,244	3,999,244	-	-	3,999,244
Himalayan Bank Limited, Nepal	135,665	-	-	135,665	135,665	-	-	135,665
Kyrgyz Investment and Credit Bank, Kyrgyz Republic	256,231	-	-	256,231	256,231	-	-	256,231
Jubilee General Insurance Company Limited	2,006,142	-	-	2,006,142	2,006,142	-	-	2,006,142
Jubilee Life Insurance Company Limited	677,739	-	-	677,739	677,739	-	-	677,739
HBL Energy Fund	-	-	-	-	279,125	-	-	279,125
HBL Equity Fund	-	-	-	-	650,000	-	-	650,000
HBL Income Fund	-	-	-	-	143,753	-	-	143,753
HBL Investment Fund Class A	302,886	-	-	302,886	302,886	-	-	302,886
HBL Investment Fund Class B	-	-	-	-	334,501	-	-	334,501
HBL Islamic Asset Allocation Fund	-	-	-	-	136,223	-	-	136,223
HBL Islamic Pension Fund- Equity Sub Fund	-	-	-	-	12,833	-	-	12,833
HBL Islamic Stock Fund	-	-	-	-	121,179	-	-	121,179
HBL Money Market Fund	-	-	-	-	386,436	-	-	386,436
HBL Multi Asset Fund	-	-	-	-	32,366	-	-	32,366
HBL Pension Fund- Equity Sub Fund	-	-	-	-	20,308	-	-	20,308
HBL Stock Fund	-	-	-	-	106,800	-	-	106,800
HBL Total Treasury Exchange Trading Fund	44,188	-	-	44,188	-	-	-	-
	7,422,095	-	-	7,422,095	9,601,431	-	-	9,601,431
Investment in subsidiary companies								
Habib Allied Holding Limited	19,077,529	-	-	19,077,529	15,059,264	-	-	15,059,264
Habib Bank Financial Services (Private) Limited	32,500	-	-	32,500	32,500	-	-	32,500
HBL Currency Exchange (Private) Limited	400,000	-	-	400,000	400,000	-	-	400,000
HBL Asset Management Limited	2,000,000	-	-	2,000,000	600,000	-	-	600,000
HBL Microfinance Bank Limited	5,000,000	-	-	5,000,000	4,000,000	-	-	4,000,000
	26,510,029	-	-	26,510,029	20,091,764	-	-	20,091,764
Total Investments	1,933,915,974	(7,859,575)	(43,981,131)	1,882,075,268	1,911,703,239	(3,228,791)	(3,285,791)	1,905,188,657

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	(Rupees in '000)	
8.2.1 Investments given as collateral		
The market value of investments given as collateral against borrowings is as follows:		
Federal Government securities		
- Market Treasury Bills	76,758,133	980,924
- Pakistan Investment Bonds	165,214,633	139,564,697
- Sukuks	25,479,600	-
Foreign securities		
- Government debt securities	15,216,156	-
	<u>282,668,522</u>	<u>140,545,621</u>

- 8.3 Investments include securities amounting to Rs 437,016.293 million (2021: Rs 447,617.323 million) which are held to comply with the SBP's statutory liquidity requirements as set out under section 29 of the Banking Companies Ordinance, 1962.
- 8.4 Investments include Rs 227.500 million (2021: Rs 227.500 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.
- 8.5 Investments include Rs 10.000 million (2021: Rs 10.000 million) pledged with the Controller of Military Accounts against Regimental Fund accounts being maintained at various branches of the Bank.
- 8.6 Investments include Rs 300.000 million (2021:Rs 200.000 million) pledged with National Clearing Company of Pakistan against trading margin.
- 8.7 The market value of investments classified as held-to-maturity and investment in listed associates and joint venture is as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Book value</u>	<u>Market value</u>	<u>Book value</u>	<u>Market value</u>
	----- (Rupees in '000) -----			
- Investments classified as held-to-maturity	375,277,219	343,498,835	332,569,292	317,744,030
- Investment in listed associates and joint venture	7,165,864	23,324,728	9,345,200	27,584,028

- 8.8 This includes investment in the Variable Rate Subordinated Loan Notes issued by HBL Bank UK, a subsidiary company, amounting to Rs 3.849 billion equivalent to US\$ 17 million (2021: Rs 3.001 billion equivalent US \$ 17 million). These notes are perpetual and are repayable at the option of the subsidiary after five years have passed from the date of issuance. Interest is payable on a six monthly basis at 6 month LIBOR+4% (2021: 6 month LIBOR+4%).

The Bank also has an investment in Additional Tier 1 instrument of the subsidiary amounting to Rs 2.944 billion equivalent US \$ 13 million (2021: Rs 2.294 billion equivalent US \$ 13 million). These notes are perpetual and are repayable at option of the subsidiary after five years have passed from the date of issuance. The Prudential Authority (PRA) approval is required prior to repayment. Interest is payable on a six monthly basis at 6 months LIBOR+4.75% (2021: 6 months LIBOR+4.75%).

The Additional Tier 1 interest is required to be paid from distributable reserve of the subsidiary, however if on any date when a payment of interest would otherwise be due and the subsidiary has insufficient profits, payment of such interest shall be delayed until such time the subsidiary has sufficient profits.

	2022	2021
	(Rupees in '000)	
8.9 Particulars of provision held against diminution in the value of investments		
Opening balance	3,228,791	4,385,056
Exchange adjustments	604,306	74,724
Charge / (reversal)		
Charge for the year	4,565,152	512,131
Reversal for the year	(24,044)	(424,963)
Reversal on disposal during the year	(689,400)	(1,318,157)
Net charge / (reversal)	3,851,708	(1,230,989)
Transferred in	67,880	-
Other movement	106,890	-
Closing balance	<u>7,859,575</u>	<u>3,228,791</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

8.9.1 Particulars of provision against debt securities

Category of classification	2022		2021	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	(Rupees in '000)			
Domestic				
Loss	413,232	413,232	247,381	247,381
Overseas				
Overdue by:				
91 to 180 days	452,912	452,912	-	-
181 to 365 days	679,188	500,742	-	-
	1,132,100	953,654	-	-
	<u>1,545,332</u>	<u>1,366,886</u>	<u>247,381</u>	<u>247,381</u>

8.9.1.1 In addition to the above, overseas branches hold a provision of Rs 3,989.107 million (2021: Rs 778.017 million) against investments in accordance with the ECL requirements of IFRS 9.

8.10 Quality of available-for-sale securities

Details regarding the quality of AFS securities are as follows:

	2022	2021
	Cost / amortised cost	
	(Rupees in '000)	
Federal Government securities - Government guaranteed		
Market Treasury Bills	206,248,292	274,430,197
Pakistan Investment Bonds	925,726,908	801,894,166
Ijarah Sukuks	125,360,260	119,617,967
Government of Pakistan US Dollar Bonds	18,895,230	15,473,165
Other Federal Government securities - Islamic Naya Pakistan Certificates	4,686,060	1,016,120
	<u>1,280,916,750</u>	<u>1,212,431,615</u>

Shares

Listed companies

	2022	2021
	Cost	
	(Rupees in '000)	
Automobile Assembler	93,569	394,154
Automobile Parts and Accessories	85,167	85,167
Cement	659,875	516,871
Chemicals	224,084	264,588
Commercial Banks	949,350	1,498,440
Engineering	197,207	225,164
Fertilizer	811,050	1,259,527
Food and Personal Care Products	-	45,306
Insurance	69,484	88,601
Investment Banks / Investment Companies / Securities Companies	1,122,067	1,122,315
Oil and Gas Exploration Companies	513,230	864,273
Oil and Gas Marketing Companies	210,443	279,329
Pharmaceuticals	196,431	158,935
Power Generation and Distribution	551,141	741,212
Technology and Communication	48,836	46,026
Textile Composite	526,897	420,279
Transport	-	38,127
Miscellaneous	70,193	122,516
	<u>6,329,024</u>	<u>8,170,830</u>

Unlisted companies

	2022		2021	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Central Depository Company of Pakistan Limited	256,347	782,093	256,347	774,341
Engro Powergen Thar (Private) Limited	2,086,591	7,326,213	2,086,591	5,880,911
Sindh Engro Coal Mining Company Limited	2,267,346	5,536,372	2,267,346	4,553,223
Pakistan Mortgage Refinance Company Limited	500,000	1,015,616	500,000	879,382
First Women Bank Limited	63,300	203,928	63,300	203,928
SME Bank Limited	13,474	(43,229)	13,474	(31,898)
National Institutional Facilitation Technologies (Private) Limited	1,527	64,687	1,527	61,903
National Investment Trust Limited	100	910,231	100	1,003,283
Pak Agriculture Storage and Services Corporation Limited	5,500	3,551,928	5,500	3,448,615
Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T)	3,152	52,804	3,152	34,534
Naymat Collateral Management Company Limited	29,286	13,824	29,286	21,021
1 LINK (Private) Limited	50,000	537,279	50,000	312,706
Pakistan Credit Restructuring Company Limited	96,000	68,519	96,000	90,048
	<u>5,372,623</u>	<u>20,020,265</u>	<u>5,372,623</u>	<u>17,231,997</u>

8.10.1 The breakup value of unlisted companies is calculated using latest the available financial statements as described in note 4.3.2.

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Non-Government debt securities	Note	2022	2021
		Cost / amortised cost (Rupees in '000)	
Listed			
AA+, AA, AA-		46,200,000	46,450,000
A+, A, A-		493,545	493,545
B+, B, B-		4,559,592	3,556,406
Unrated		1,000,000	1,000,000
	8.10.2	52,253,137	51,499,951
Unlisted			
AAA		351,000	351,000
AA+, AA, AA-		1,900,000	1,050,000
Unrated		413,233	247,381
		2,664,233	1,648,381
		54,917,370	53,148,332

8.10.2 This includes listed Non - Government debt securities amounting to Rs 41 billion (2021: Rs 41 billion) guaranteed by the Government.

Foreign securities

Government debt securities	2022		2021	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Bahrain	11,242,403	B2, CCC+ and below	8,068,483	B2
Maldives	26,497,708	CCC+ and below	19,491,121	B+, CCC+ and below
Mauritius	4,450,149	Baa3	4,070,087	Baa1
Oman	3,207,091	Ba3, BB-	6,178,091	Ba3, BB-
Singapore	11,751,254	AAA	3,135,166	AAA
Srilanka	3,693,301	CCC+ and below	6,026,660	CCC+ and below
Kenya	2,326,687	B2	1,844,430	B2
South Africa	731,411	Ba2	584,325	Ba2
Egypt	3,103,659	B, B2	3,415,770	B+, B2
United Arab Emirates	40,847,053	Aa2, Baa3	6,670,158	Aa2, B2
	107,850,716		59,484,291	

Non-Government debt securities

Listed	2022	2021
	Cost / amortised cost (Rupees in '000)	
BB+, BB, BB-	1,090,959	2,777,708
B+, B, B-	3,450,355	2,720,278
	4,541,314	5,497,986

Equity securities - Unlisted

	2022		2021	
	Cost	Breakup value	Cost	Breakup value
(Rupees in '000)				
The Benefit Company, Bahrain	4,804	34,287	3,746	26,447
Credit Information Bureau, Sri Lanka	49	10,452	70	14,687
LankaClear (Private) Limited, Sri Lanka	308	7,182	437	8,860
SME Equity Fund Limited, Mauritius	2,601	2,404	2,065	1,909
	7,762	54,325	6,318	51,903

	2022	2021
	Cost (Rupees in '000)	
National Investment Unit Trust units - Listed	11,113	11,113
Real Estate Investment Trust units - Listed	55,000	55,000

Real Estate Investment Trust units - Unlisted	2022		2021	
	Cost	Breakup value	Cost	Breakup value
(Rupees in '000)				
TPL REIT Management Company Limited	1,575,000	2,262,423	-	-

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	2022		2021	
	Cost			
	(Rupees in '000)			
Preference shares - Listed				
Chemicals			700,000	700,000
Textile Composite			44,400	44,400
			744,400	744,400
	2022		2021	
	Cost	Breakup value	Cost	Breakup value
	----- (Rupees in '000) -----			
Preference shares - Unlisted				
Finja Inc Pvt Ltd	176,985	30,712	176,985	26,910
Healthwire Pvt Ltd	178,000	38,480	-	-
	354,985	69,192	176,985	26,910
8.11 Particulars of held-to-maturity securities are as follows:			2022	2021
			Cost / amortised cost	
			(Rupees in '000)	
Federal Government securities - Government guaranteed				
Pakistan Investment Bonds			229,410,921	285,512,630
Market Treasury Bills			108,085,213	-
GOP US Dollar Bond			4,307,651	-
Other Federal Government securities - Bai Muajjal with Government of Pakistan			-	10,794,000
			341,803,785	296,306,630
Non-Government debt securities				
Listed				
AAA			-	1,000,000
AA+, AA, AA-			1,249,850	881,636
A+, A, A-			483,592	483,786
			1,733,442	2,365,422
Unlisted				
AAA			14,856,052	14,367,227
AA+, AA, AA-			149,730	149,790
A+, A, A-			1,050,000	1,075,000
Unrated			1,244,400	2,756,900
			17,300,182	18,348,917
Foreign securities	2022		2021	
	Cost /	Rating	Cost /	Rating
	amortised cost		amortised cost	
	(Rupees in '000)		(Rupees in '000)	
Government debt securities				
Bahrain	1,204,012	CCC+ and below	942,978	B2
Bangladesh	9,659,351	Ba3	9,201,113	Ba3
Oman	1,931,607	BB-	2,464,286	BB-
Sri Lanka	1,570,103	CCC+ and below	2,064,512	CCC+ and below
	14,365,073		14,672,889	
Non-Government debt securities			2022	2021
			Cost / amortised cost	
			(Rupees in '000)	
Listed				
Unrated			161,426	285,954
Unlisted				
A+, A, A-			308,100	616,100

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8.12 Summary of financial information of associates, joint venture and subsidiaries

			2022					
Based on the annual / interim financial statements as on	Country of Incorporation	Percentage of Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	
----- (Rupees in '000) -----								
Diamond Trust Bank Kenya, Limited	September 30, 2022	Kenya	16.15%	931,967,221	788,726,664	79,991,004	8,367,192	10,931,684
Himalayan Bank Limited	October 17, 2022	Nepal	20.00%	364,889,717	323,548,766	35,126,532	4,266,090	4,234,752
Kyrgyz Investment and Credit Bank	December 31, 2022	Kyrgyzstan	18.00%	125,991,587	104,107,720	11,125,792	2,345,277	2,155,369
Jubilee General Insurance Company Limited	September 30, 2022	Pakistan	19.80%	32,639,326	22,420,262	7,495,243	1,388,016	1,345,936
Jubilee Life Insurance Company Limited	September 30, 2022	Pakistan	18.52%	187,908,746	174,500,925	103,512,855	2,068,559	2,160,966
HBL Investment Fund Class A	December 31, 2022	Pakistan	17.13%	1,837,058	4,588	146,036	96,136	96,136
HBL Total Treasury Exchange Traded Fund	December 31, 2022	Pakistan	8.58%	523,730	1,271	24,213	22,459	22,459
Habib Allied Holding Limited	December 31, 2022	United Kingdom	100.00%	146,585,103	133,226,332	5,751,656	828,024	(31,754)
Habib Bank Financial Services (Private) Limited	December 31, 2022	Pakistan	100.00%	45,748	451	5,205	(2,249)	(2,249)
HBL Currency Exchange (Private) Limited	December 31, 2022	Pakistan	100.00%	3,179,239	244,000	1,770,627	844,596	844,596
HBL Asset Management Limited	December 31, 2022	Pakistan	100.00%	3,385,983	3,224,849	759,226	161,133	161,133
HBL Microfinance Bank Limited	December 31, 2022	Pakistan	76.42%	141,764,423	128,538,065	25,980,291	1,225,009	1,225,009
			2021					
Based on the annual / interim financial statements as on	Country of Incorporation	Percentage of Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	
----- (Rupees in '000) -----								
Diamond Trust Bank Kenya, Limited	September 30, 2021	Kenya	16.15%	678,549,291	562,179,237	57,206,890	6,017,880	7,526,089
Himalayan Bank Limited	October 17, 2021	Nepal	20.00%	283,389,638	251,046,954	17,475,451	4,427,888	4,481,822
Kyrgyz Investment and Credit Bank	December 31, 2021	Kyrgyzstan	18.00%	78,046,080	65,156,266	5,286,272	577,934	577,934
Jubilee General Insurance Company Limited	September 30, 2021	Pakistan	19.80%	26,220,342	17,095,863	7,232,221	1,690,914	1,314,157
Jubilee Life Insurance Company Limited	September 30, 2021	Pakistan	18.52%	189,325,733	176,813,548	91,328,256	2,134,247	2,035,682
HBL Energy Fund	December 31, 2021	Pakistan	33.74%	629,815	24,173	(44,284)	(72,031)	(72,031)
HBL Equity Fund	December 31, 2021	Pakistan	34.73%	1,692,510	119,341	(282,179)	(357,896)	(357,896)
HBL Income Fund	December 31, 2021	Pakistan	6.09%	3,868,048	39,870	301,615	263,243	263,243
HBL Investment Fund Class A	December 31, 2021	Pakistan	17.13%	2,119,110	5,105	174,306	113,028	276,157
HBL Investment Fund Class B	December 31, 2021	Pakistan	36.81%	1,307,720	152,089	(55,577)	(88,749)	(88,749)
HBL Islamic Asset Allocation Fund	December 31, 2021	Pakistan	41.09%	373,545	3,134	19,737	12,564	12,564
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	30.26%	180,706	1,459	(5,294)	(9,974)	(9,974)
HBL Islamic Stock Fund	December 31, 2021	Pakistan	42.55%	659,403	19,134	(38,985)	(66,014)	(66,014)
HBL Money Market Fund	December 31, 2021	Pakistan	2.54%	21,794,347	4,427,380	1,035,022	1,005,047	1,005,047
HBL Multi Asset Fund	December 31, 2021	Pakistan	44.34%	206,605	7,768	3,640	756	756
HBL Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	39.28%	197,817	1,180	(8,009)	(13,415)	(13,415)
HBL Stock Fund	December 31, 2021	Pakistan	46.23%	575,694	51,369	(12,722)	(38,655)	(38,655)
Habib Allied Holding Limited	December 31, 2021	United Kingdom	90.50%	134,319,126	123,939,981	3,669,483	(1,523,950)	(1,628,592)
Habib Bank Financial Services (Private) Limited	December 31, 2021	Pakistan	100.00%	48,069	52,106	2,834	(4,037)	(4,037)
HBL Currency Exchange (Private) Limited	December 31, 2021	Pakistan	100.00%	2,255,739	170,270	222,543	364,215	364,215
HBL Asset Management Limited	December 31, 2021	Pakistan	100.00%	2,955,692	3,047,104	569,809	(91,412)	(91,412)
HBL Microfinance Bank Limited	December 31, 2021	Pakistan	71.43%	110,020,563	99,937,227	16,626,066	1,556,248	1,414,609

8.12.1 The Bank has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of Parent's holding in these entities.

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9	ADVANCES	Note	Performing		Non - performing		Total	
			2022	2021	2022	2021	2022	2021
(Rupees in '000)								
	Loans, cash credits, running finances, etc.	9.1	1,314,811,542	1,125,717,507	72,548,664	68,226,061	1,387,360,206	1,193,943,568
	Islamic financing and related assets	9.2	222,982,477	166,754,863	3,465,365	337,317	226,447,842	167,092,180
	Bills discounted and purchased		86,852,316	96,563,328	8,760,951	5,606,279	95,613,267	102,169,607
	Advances - gross		1,624,646,335	1,389,035,698	84,774,980	74,169,657	1,709,421,315	1,463,205,355
	Provision against advances							
	- Specific	9.5	-	-	(74,638,423)	(69,086,372)	(74,638,423)	(69,086,372)
	- General		(12,175,445)	(9,569,507)	-	-	(12,175,445)	(9,569,507)
			(12,175,445)	(9,569,507)	(74,638,423)	(69,086,372)	(86,813,868)	(78,655,879)
	Advances - net of provision		1,612,470,890	1,379,466,191	10,136,557	5,083,285	1,622,607,447	1,384,549,476

9.1 This includes net investment in finance lease as disclosed below:

	2022				2021			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
(Rupees in '000)								
Total minimum lease payments	2,384,911	33,158,972	17,424,154	52,968,037	1,836,268	26,623,340	24,570,974	53,030,582
Financial charges for future periods	(242,212)	(5,941,536)	(4,891,260)	(11,075,008)	(286,458)	(4,363,882)	(6,435,784)	(11,086,124)
Net investment in finance lease	2,142,699	27,217,436	12,532,894	41,893,029	1,549,810	22,259,458	18,135,190	41,944,458

9.2 Information related to Islamic financing and related assets is given in note 3 of Annexure I to the consolidated financial statements and is an integral part of these unconsolidated financial statements.

9.3 Particulars of advances (gross)	2022 (Rupees in '000)	2021 (Rupees in '000)
In local currency	1,402,884,074	1,164,857,784
In foreign currencies	306,537,241	298,347,571
	1,709,421,315	1,463,205,355

9.4 Advances include Rs 84,774.980 million (2021: Rs 74,169.657 million) which have been placed under non-performing status as detailed below:

Category of Classification	2022		2021	
	Non - performing advances	Provision	Non - performing advances	Provision
(Rupees in '000)				
Domestic				
Other assets especially mentioned	470,336	-	338,312	-
Substandard	6,753,937	1,713,269	2,613,643	633,285
Doubtful	2,487,879	1,172,491	1,204,317	602,158
Loss	41,681,202	40,992,247	43,080,525	42,092,554
	51,393,354	43,878,007	47,236,797	43,327,997
Overseas				
Not past due but impaired	114,816	65,731	33,958	8,490
Overdue by:				
Up to 90 days	46,595	12,056	29,965	-
91 to 180 days	1,180,167	295,610	17,181	14,815
181 to 365 days	30,805	13,555	1,995,683	1,929,459
> 365 days	32,009,243	30,373,464	24,856,073	23,805,611
	33,381,626	30,760,416	26,932,860	25,758,375
Total	84,774,980	74,638,423	74,169,657	69,086,372

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9.5 Particulars of provision against advances

	Note	2022			2021		
		Specific	General	Total	Specific	General	Total
(Rupees in '000)							
Opening balance		69,086,372	9,569,507	78,655,879	67,067,637	9,498,565	76,566,202
Exchange adjustment		6,837,158	669,003	7,506,161	2,397,887	209,339	2,607,226
Charge for the year		6,803,855	2,844,306	9,648,161	9,396,546	1,284,701	10,681,247
Reversal for the year		(4,767,741)	(907,371)	(5,675,112)	(3,455,270)	(1,423,098)	(4,878,368)
Net charge / (reversal) against advances		2,036,114	1,936,935	3,973,049	5,941,276	(138,397)	5,802,879
Charged off during the year - agriculture financing	9.8	(582,438)	-	(582,438)	(532,280)	-	(532,280)
Written off during the year	9.9	(2,670,903)	-	(2,670,903)	(5,788,148)	-	(5,788,148)
Transfer Out		(67,880)	-	(67,880)	-	-	-
Closing balance		<u>74,638,423</u>	<u>12,175,445</u>	<u>86,813,868</u>	<u>69,086,372</u>	<u>9,569,507</u>	<u>78,655,879</u>

9.5.1 Particulars of provision against advances

In local currency	42,167,914	8,635,508	50,803,422	42,332,649	7,051,549	49,384,198
In foreign currencies	32,470,509	3,539,937	36,010,446	26,753,723	2,517,958	29,271,681
	<u>74,638,423</u>	<u>12,175,445</u>	<u>86,813,868</u>	<u>69,086,372</u>	<u>9,569,507</u>	<u>78,655,879</u>

9.6 General provision includes provision amounting to Rs 3,307.203 million (2021: Rs 2,753.209 million) against consumer finance portfolio. General provision also includes Rs 3,539.937 million (2021: Rs 2,517.958 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates. General provision also includes Rs 5,328.305 million (2021: 4,298.340 million) carried as a matter of prudence, on account of borrowers impacted by the currently stressed economic conditions.

9.7 Exposure amounting to Rs 2,958.414 million relating to Power Holding (Pvt.) Limited, is government guaranteed and therefore, has not been classified as non-performing, pursuant to a relaxation given by SBP under circular letter no BPRD/BRD (FD)/2023/135.

9.8 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	2022 (Rupees in '000)	2021 (Rupees in '000)
9.9 Particulars of write offs			
9.9.1 Against provisions	9.5	2,670,903	5,788,148
Directly charged to the profit and loss account	31	-	81,069
		2,670,903	5,869,217
Against charge off		-	442
	9.9.2	<u>2,670,903</u>	<u>5,869,659</u>
9.9.2 Analysis of write offs			
Write offs of amounts of Rs 500,000 and above			
- Domestic	9.10.1	1,346,223	2,315,683
- Overseas	9.10.2	940,779	3,180,654
		2,287,002	5,496,337
Write offs of amounts below Rs 500,000		383,901	373,322
		<u>2,670,903</u>	<u>5,869,659</u>

9.10 Details of written off advances of Rs 500,000 and above

9.10.1 The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2022 is given in Annexure II to the consolidated financial statements and is an integral part of these unconsolidated financial statements.

9.10.2 These include write offs or financial relief allowed to borrowers in those countries where there are disclosure restrictions.

	Note	2022 (Rupees in '000)	2021 (Rupees in '000)
10 FIXED ASSETS			
Capital work-in-progress	10.1	7,264,167	7,487,106
Property and equipment	10.2	102,062,120	86,671,146
		<u>109,326,287</u>	<u>94,158,252</u>
10.1 Capital work-in-progress			
Civil works		2,478,945	4,367,583
Equipment		1,211,929	310,830
Advances to suppliers and contractors		3,573,293	2,808,693
		<u>7,264,167</u>	<u>7,487,106</u>

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10.2 Property and equipment

2022											
Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets - Building	Total	
(Rupees in '000)											
At January 1, 2022											
Cost / revalued amount	864,856	34,252,266	363,195	17,854,067	3,701,947	9,499,890	5,184,747	26,556,978	1,077,462	24,527,488	123,882,896
Accumulated depreciation	-	-	(21,821)	(386,899)	(1,278,697)	(6,304,757)	(2,939,300)	(18,406,801)	(645,656)	(7,227,819)	(37,211,750)
Net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
Additions	-	2,920,775	683	2,548,894	175,367	5,273,311	1,334,884	6,535,187	76,664	6,184,054	25,049,819
Surplus transferred from non - banking assets	-	79,789	-	-	-	-	-	-	-	-	79,789
Disposals	-	-	-	-	(4)	(4,987)	(2,572)	(8,017)	(1,497)	(4,486)	(21,563)
Depreciation charge	-	-	(7,282)	(385,837)	(375,194)	(1,362,779)	(749,554)	(4,113,193)	(152,580)	(3,306,791)	(10,453,210)
Exchange rate adjustments	153,705	-	22,649	4,582	-	51,792	26,210	79,184	18,971	266,644	623,737
Transfers	-	-	-	-	33,792	224	-	87,154	-	-	121,170
Other adjustments	-	-	(1,172)	-	(1,669)	1,440	(1,262)	(5,830)	135	(410)	(8,768)
Closing net book value	1,018,561	37,252,830	356,252	19,634,807	2,255,542	7,154,134	2,853,153	10,724,662	373,499	20,438,680	102,062,120
At December 31, 2022											
Cost / revalued amount	1,018,561	37,252,830	377,332	20,410,662	3,938,142	15,004,218	6,633,296	33,235,616	1,169,712	30,360,152	149,400,521
Accumulated depreciation	-	-	(21,080)	(775,855)	(1,682,600)	(7,850,084)	(3,780,143)	(22,510,954)	(796,213)	(9,921,472)	(47,338,401)
Net book value	1,018,561	37,252,830	356,252	19,634,807	2,255,542	7,154,134	2,853,153	10,724,662	373,499	20,438,680	102,062,120
Rate of depreciation (%)	-	-	3-5	1.67-4	10	10-20	10-20	10-33	10-20	2.5-100	

2021											
Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets - Building	Total	
(Rupees in '000)											
At January 1, 2021											
Cost / revalued amount	810,817	33,852,266	394,428	17,569,518	3,643,428	7,691,997	4,445,674	26,244,815	971,491	19,789,587	115,414,021
Accumulated depreciation	-	-	(51,624)	(14,975)	(889,212)	(5,442,249)	(2,311,321)	(18,384,086)	(584,545)	(5,695,135)	(33,373,147)
Net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Additions	-	400,000	2,068	281,975	93,049	1,908,971	743,184	4,263,753	186,832	5,875,881	13,755,713
Disposals	-	-	-	-	(1,368)	(3,724)	(3,663)	(11,033)	(12,913)	(1,911)	(34,612)
Depreciation charge	-	-	(8,014)	(370,665)	(416,315)	(968,515)	(634,953)	(3,885,486)	(130,783)	(2,782,450)	(9,197,181)
Write off	-	-	-	-	(7,425)	(9,159)	(9,826)	(99,863)	(130)	-	(126,403)
Exchange rate adjustments	54,039	-	4,713	1,580	-	24,743	11,949	33,965	2,347	113,697	247,033
Other adjustments / transfers	-	-	(197)	(265)	1,093	(6,931)	4,403	(11,888)	(493)	-	(14,278)
Closing net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
At December 31, 2021											
Cost / revalued amount	864,856	34,252,266	363,195	17,854,067	3,701,947	9,499,890	5,184,747	26,556,978	1,077,462	24,527,488	123,882,896
Accumulated depreciation	-	-	(21,821)	(386,899)	(1,278,697)	(6,304,757)	(2,939,300)	(18,406,801)	(645,656)	(7,227,819)	(37,211,750)
Net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
Rate of depreciation (%)	-	-	3-5	1.67-4	10	10-20	10-20	10-33	10-20	2.50-100	

10.2.1 With effect from January 2022, the estimated useful life of POS terminals has been revised from 3 years to 4 years which is more reflective of the consumption pattern of these assets. The effect of this change on depreciation expense in the current year and the next year is as follows:

2023 2022
(Rupees in '000)

Decrease in information technology expense - depreciation

61,301 66,892

10.3 Revaluation of properties

The properties of the Bank were revalued by independent professional valuers as at December 31, 2020. The revaluation was carried out by M/s Iqbal A. Nanjee & Co. (Private) Limited (Pakistan), M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Private) Limited (Sri Lanka), M/s AKTIF Real Estate Appraisal and Consultancy Inc. (Turkey) and M/s Al-Amrousiya Real Estate (Lebanon) on the basis of assessment of then present market values. The revaluation had resulted in an increase of Rs 6,693.176 million in the surplus. The total surplus arising against revaluation of fixed assets as at December 31, 2022 amounts to Rs 28,736.477 million.

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10.4 Had there been no periodic revaluation, the carrying amounts of revalued assets would have been as follows:

	2022	2021
	(Rupees in '000)	
Freehold land	628,299	474,594
Leasehold land	13,338,443	10,417,668
Building on freehold land	118,911	93,739
Building on leasehold land	<u>15,440,320</u>	<u>13,180,731</u>
	<u><u>29,525,973</u></u>	<u><u>24,166,732</u></u>

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets to related parties is given in Annexure III of these unconsolidated financial statements.

10.6 The carrying amount of fixed assets held for disposal amounted to Rs 4.490 million (2021: Rs 4.652 million).

10.7 The cost of fully depreciated fixed assets that are still in the Bank's use is as follows:

	Note	2022	2021
		(Rupees in '000)	
Leasehold improvements		3,952,470	3,634,316
Furniture and fixtures		955,234	840,234
Electrical, office and computer equipment		11,396,024	8,271,530
Vehicles		229,874	220,197
Machinery		282,831	-
		<u>16,816,433</u>	<u>12,966,277</u>

11 INTANGIBLE ASSETS

Capital work-in-progress - computer software		5,183,359	2,034,059
Intangible assets	11.1	<u>6,656,846</u>	<u>4,579,350</u>
		<u><u>11,840,205</u></u>	<u><u>6,613,409</u></u>

11.1 Intangible assets

Computer software

At January 1,

Cost		9,703,329	7,163,490
Accumulated amortisation		<u>(5,123,979)</u>	<u>(4,119,722)</u>
Net book value		4,579,350	3,043,768
Purchased during the year		3,873,823	2,481,497
Amortisation charge		(1,740,448)	(983,969)
Exchange rate adjustments		64,660	36,964
Transfers		(121,170)	-
Other adjustments		631	1,090
Closing net book value		<u>6,656,846</u>	<u>4,579,350</u>

At December 31,

Cost		13,584,242	9,703,329
Accumulated amortisation		<u>(6,927,396)</u>	<u>(5,123,979)</u>
Net book value		<u>6,656,846</u>	<u>4,579,350</u>
Rate of amortisation (%)		<u>10-33.33</u>	<u>10-33.33</u>
Useful life (years)		<u>3-10</u>	<u>3-10</u>

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11.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs 3,005.641 million (2021: Rs 2,736.878 million).

11.3 With effect from January 2022, the estimated useful life of certain intangibles in the Bank's China branches has been revised from 3 years to 10 years. The effect of this change on amortisation expense in the current year and the next year is as follows:

	2023	2022
	(Rupees in '000)	
Decrease in computer software expenses - amortisation	<u>23,250</u>	<u>23,250</u>

12 DEFERRED TAX ASSETS / (LIABILITIES)	Note	2022	2021
		(Rupees in '000)	
Deductible temporary differences on			
- Provision against investments		879,614	744,857
- Provision against doubtful debts and off-balance sheet obligations		3,164,090	3,033,816
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,717,261	2,583,250
- Surplus on revaluation of investments	20	18,875,598	1,307,690
- Provision against other assets		5,855	15,342
- Ijarah financing		187,389	156,250
		<u>25,829,807</u>	<u>7,841,205</u>
Taxable temporary differences on			
- Accelerated tax depreciation		(2,354,489)	(1,675,533)
- Surplus on revaluation of fixed assets	20	(1,905,686)	(1,748,389)
- Exchange translation reserve		(4,629,874)	(672,350)
		<u>(8,890,049)</u>	<u>(4,096,272)</u>
Net deferred tax assets / (liabilities)		<u><u>16,939,758</u></u>	<u><u>3,744,933</u></u>

12.1 Movement in temporary differences during the year

	Balance as at January 1, 2021	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2021	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2022
----- (Rupees in '000) -----							
Deductible temporary differences on							
- Provision against investments	1,143,042	(398,185)	-	744,857	134,757	-	879,614
- Provision against doubtful debts and off-balance sheet obligations	3,591,810	(557,994)	-	3,033,816	130,274	-	3,164,090
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,938,319	644,931	-	2,583,250	134,011	-	2,717,261
- Surplus / deficit on revaluation of investments	(5,415,272)	-	6,722,962	1,307,690	-	17,567,908	18,875,598
- Provision against other assets	45,062	(29,720)	-	15,342	(9,487)	-	5,855
- Deficit on revaluation of fixed assets	72,832	(72,832)	-	-	-	-	-
- Ijarah financing	199,225	(42,975)	-	156,250	31,139	-	187,389
Taxable temporary differences on							
- Accelerated tax depreciation	(1,851,784)	176,251	-	(1,675,533)	(678,956)	-	(2,354,489)
- Surplus on revaluation of fixed assets	(1,788,461)	40,072	-	(1,748,389)	43,965	(201,262)	(1,905,686)
- Exchange translation reserve	(903,630)	-	231,280	(672,350)	-	(3,957,524)	(4,629,874)
Net deferred tax (liabilities) / assets	<u><u>(2,968,857)</u></u>	<u><u>(240,452)</u></u>	<u><u>6,954,242</u></u>	<u><u>3,744,933</u></u>	<u><u>(214,297)</u></u>	<u><u>13,409,122</u></u>	<u><u>16,939,758</u></u>

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13 OTHER ASSETS	Note	2022 (Rupees in '000)	2021
Mark-up / return / profit / interest accrued in local currency - net of provision		78,399,836	48,301,309
Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,236,421	3,558,922
Advances, deposits, advance rent and other prepayments		4,447,288	3,564,250
Advance taxation		11,990,565	21,699,101
Advances against subscription of securities		1,228,514	178,000
Stationery and stamps on hand		133,214	134,835
Accrued fees and commissions		459,300	542,228
Due from Government of Pakistan / SBP		3,654,276	2,048,993
Mark to market gain on forward foreign exchange contracts		3,067,881	8,470,307
Mark to market gain on derivative instruments	22.2	546	251,603
Non-banking assets acquired in satisfaction of claims		232,109	459,389
Receivable from defined benefit plan	36.4	-	759,354
Branch adjustment account		-	897,554
Acceptances		54,403,050	35,740,017
Clearing and settlement accounts		4,352,389	17,436,987
Dividend receivable		3,883	185,213
Claims receivable against fraud and forgeries		694,460	541,337
Others		1,340,474	1,136,161
		<u>170,644,206</u>	<u>145,905,560</u>
Provision held against other assets	13.2	<u>(1,791,891)</u>	<u>(1,243,645)</u>
Other assets - net of provision		168,852,315	144,661,915
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20.2	<u>175,125</u>	<u>224,064</u>
Other assets - total		<u><u>169,027,440</u></u>	<u><u>144,885,979</u></u>

13.1 Details of revaluation of non-banking assets acquired in satisfaction of claims

Market value of non-banking assets acquired in satisfaction of claims	<u>407,234</u>	<u>680,986</u>
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13.1.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2022. The revaluation was carried out by M/s Tristar International Consultant (Pvt) Ltd on the basis of an assessment of present market values and resulted in an increase in the surplus by Rs 30.85 million. The total surplus arising against revaluation of non-banking assets acquired in satisfaction of claims as at December 31, 2022 amounts to Rs 175.125 million (2021: Rs 224.064 million).

13.1.2 Non-banking assets acquired in satisfaction of claims	Note	2022 (Rupees in '000)	2021
Opening balance		680,986	639,379
Exchange adjustment		8,898	2,804
Additions during the year		-	189,876
Disposal during the year		-	(200,000)
Revaluation during the year	20.2	30,850	132,680
Transferred to fixed assets		(313,500)	(83,672)
Depreciation		(35)	(766)
Reversal of impairment		35	685
Closing balance		<u>407,234</u>	<u>680,986</u>

13.2 Provision held against other assets

Non-banking assets acquired in satisfaction of claims	-	2,467
Claims receivable against fraud and forgeries	694,460	541,337
Suit filed cases	4,979	4,800
Others	1,092,452	695,041
	<u>1,791,891</u>	<u>1,243,645</u>

13.2.1 Movement in provision against other assets

Opening balance	1,243,645	1,127,909
Exchange adjustment	(7,806)	(17,808)
Charge for the year	661,462	741,684
Reversal for the year	(37,218)	(551,548)
Net charge	624,244	190,136
Written off during the period year	(67,820)	(56,592)
Other movement	(372)	-
Closing balance	<u>1,791,891</u>	<u>1,243,645</u>

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	Note	2022 (Rupees in '000)	2021
14	BILLS PAYABLE		
	In Pakistan	50,109,748	42,654,426
	Outside Pakistan	1,566,772	1,199,434
		<u>51,676,520</u>	<u>43,853,860</u>
15	BORROWINGS		
	Secured		
	Borrowings from the SBP under		
	- Export refinance scheme	15.2 69,820,144	69,782,711
	- Export refinance scheme for bill discounting	15.3 8,867,548	-
	- Long term financing facility	15.4 42,068,296	32,529,493
	- Financing facility for renewable energy power plants	15.5 7,168,301	6,805,470
	- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	15.6 312,545	241,788
	- Refinance and credit guarantee scheme for women entrepreneurs	15.7 69,658	155,370
	- Financing facility for storage of agricultural produce	15.8 601,918	333,349
	- Refinance scheme for payment of wages and salaries	15.9 1,227,812	15,476,761
	- Refinance facility for combating COVID-19	15.10 1,793,800	1,055,725
	- Temporary economic refinance facility	15.11 34,998,333	26,010,138
	- Refinance facility for SME Asaan Finance (SAAF)	15.12 2,272,423	-
		169,200,778	152,390,805
	Repurchase agreement borrowings	15.14 284,971,485	140,193,364
		454,172,263	292,584,169
	Unsecured		
	- Call money borrowings	15.15 19,000,000	1,000,000
	- Overdrawn nostro accounts	348,674	618,796
	- Borrowings of overseas branches	15.16 39,653,052	81,220,283
	- Other long-term borrowings	15.17 65,830,949	56,838,406
		124,832,675	139,677,485
		<u>579,004,938</u>	<u>432,261,654</u>
15.1	Particulars of borrowings with respect to currencies		
	In local currency	458,123,126	293,766,153
	In foreign currencies	120,881,812	138,495,501
		<u>579,004,938</u>	<u>432,261,654</u>
15.2	These borrowings have been obtained from the SBP for extending export finance to customers. These carry mark-up at rates ranging from 11.00% to 12.00% per annum (2021: 1.00% to 2.00% per annum) and are due to mature latest by June 30, 2023.		
15.3	These borrowings have been obtained from the SBP for providing of export bill discounting to customers. These carry mark-up at rates ranging from 0.00% to 2.00% and are due to mature latest by June 30, 2023.		
15.4	These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry mark-up at rates ranging from 11.00% to 12.00% per annum (2021: 2.00% to 8.60% per annum) and are due to mature latest by June 30, 2032.		
15.5	These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2021: 2.00% to 3.00% per annum) and are due to mature latest by June 3, 2034.		
15.6	These borrowings have been obtained from the SBP under a scheme to finance the modernization of Small and Medium Enterprises. These carry mark-up at a rate of 2.00% per annum (2021: 2.00% per annum) and are due to mature latest by July 1, 2030.		
15.7	These borrowings have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at a rate of 0.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by December 31, 2025.		

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- 15.8 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at a rates ranging from 2.00% to 3.25% per annum (2021: 2.00% to 3.50% per annum) and are due to mature latest by June 30, 2027.
- 15.9 These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry mark-up at rates ranging from 0.00% to 1.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by May 12, 2023.
- 15.10 These borrowings have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. The maximum financing under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months. These carry mark-up at a rate of 0.00% per annum (2021: 0.00% to 2.00% per annum) and are due to mature latest by October 1, 2026.
- 15.11 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the COVID-19 pandemic. The maximum financing granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years. These carry mark-up at a rate of 1.00% per annum (2021: 1.00% per annum) and are due to mature latest by June 30, 2032.
- 15.12 These borrowings have been obtained from the SBP under a scheme to simplify and enhance lending to SMEs and to fulfil their financing requirements. These carry mark-up at a rate of 1.00% per annum and are due to mature latest by October 7, 2034.
- 15.13 For all SBP borrowings, the SBP has the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.
- 15.14 Repurchase agreement borrowings carry mark-up at rates ranging from 7.60% to 16.15% per annum (2021: 9.70% to 10.25% per annum) and are due to mature latest by December 20, 2023. The market value of securities given as collateral against these borrowings is given in note 8.2.1.
- 15.15 Call money borrowings carry mark-up at a rates ranging from 13.50% to 16.10% per annum (2021: 10.05% per annum) and are due to mature latest by February 3, 2023.
- 15.16 Borrowings by overseas branches and subsidiaries carry mark-up at rates ranging from 0.90% to 11.53% per annum (2021: 0.01% to 5.25% per annum) and are due to mature latest by April 13, 2023.
- 15.17 This includes the following:
- 15.17.1 A loan from the International Finance Corporation amounting to US\$ 99.990 million (2021: US\$ 150 million). The principal amount is payable in six semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% per annum (2021: LIBOR + 5.00% per annum) is payable semi-annually.
- 15.17.2 A long-term financing facility arrangement of US\$ 300 million from China Development Bank, utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 190 million (2021: US\$ 170.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Drawn amounts are payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 15.17.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 168.252 million (2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2021: 11.21% per annum) is payable semi-annually.

16 DEPOSITS AND OTHER ACCOUNTS

Note	2022			2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	1,133,774,070	162,565,484	1,296,339,554	946,973,718	130,629,895	1,077,603,613
Savings deposits	1,160,962,009	139,379,848	1,300,341,857	1,083,204,383	93,067,228	1,176,271,611
Term deposits	347,383,594	209,952,695	557,336,289	437,652,740	158,727,090	596,379,830
	2,642,119,673	511,898,027	3,154,017,700	2,467,830,841	382,424,213	2,850,255,054
Financial institutions						
Current deposits	8,499,505	3,163,648	11,663,153	5,635,457	1,406,584	7,042,041
Savings deposits	57,909,192	2,181,262	60,090,454	294,001,584	451,389	294,452,973
Term deposits	3,328,171	5,076,940	8,405,111	26,495,962	6,014,857	32,510,819
	69,736,868	10,421,850	80,158,718	326,133,003	7,872,830	334,005,833
16.2	2,711,856,541	522,319,877	3,234,176,418	2,793,963,844	390,297,043	3,184,260,887

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	2022	2021
	(Rupees in '000)	
16.1 Composition of deposits		
- Individuals	2,068,688,488	1,766,241,516
- Government (Federal and Provincial)	187,796,209	184,253,553
- Banking Companies	23,623,395	16,594,114
- Non-Banking Financial Institutions	56,535,323	317,411,719
- Other public sector entities	212,938,838	220,164,472
- Other private sector entities	684,594,165	679,595,513
	<u>3,234,176,418</u>	<u>3,184,260,887</u>

16.2 This includes deposits amounting to Rs 1,943,375.180 million (2021: Rs 1,689,010.499 million) which are eligible for coverage under insurance arrangements.

	Note	2022	2021
		(Rupees in '000)	
17 SUBORDINATED DEBT			
Additional Tier I Term Finance Certificates	17.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	17.2	6,500,000	-
		<u>18,874,000</u>	<u>12,374,000</u>

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

The key features of the issue are as follows:

Issue date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2021: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

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

The key features of the issue are as follows:

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

18	OTHER LIABILITIES	Note	2022	2021
			(Rupees in '000)	
	Mark-up / return / profit / interest payable in local currency		16,143,221	8,660,189
	Mark-up / return / profit / interest payable in foreign currency		5,733,644	2,499,116
	Security deposits		1,567,333	909,334
	Accrued expenses		22,174,107	19,564,176
	Mark to market loss on forward foreign exchange contracts		2,218,389	6,895,147
	Mark to market loss on derivative instruments	22.2	6,882,438	2,624,952
	Unclaimed dividends		751,907	727,940
	Dividends payable		3,811,676	1,327,763
	Provision for post retirement medical benefits	36.4.5	3,522,518	4,557,833
	Provision for employees' compensated absences	36.4.5	762,192	2,177,565
	Provision for staff retirement benefits		1,563,256	1,251,289
	Payable to defined benefit plans	36.4.5 & 36.1.6	607,424	433,201
	Provision against off-balance sheet obligations	18.1	1,633,326	2,687,054
	Acceptances		54,403,050	35,740,017
	Branch adjustment account		1,662,185	-
	Provision for Workers' Welfare Fund	29	8,934,881	7,503,825
	Unearned income		4,780,489	4,452,650
	Qarz-e-Hasna Fund		338,409	338,409
	Levies and taxes payable		13,191,257	7,527,698
	Insurance payable		1,030,409	1,221,867
	Provision for rewards program expenses		2,384,689	1,748,370
	Liability against trading of securities		22,768,986	3,701,035
	Clearing and settlement accounts		12,068,102	4,214,923
	Payable to HBL Foundation		515,961	405,576
	Contingent consideration payable		500,000	500,000
	Charity fund		25,121	44,724
	Lease liability against right-of-use assets		24,293,255	19,528,712
	Unclaimed deposits		528,656	348,609
	Others		2,792,644	2,316,921
			<u>217,589,525</u>	<u>143,908,895</u>
18.1	Provision against off-balance sheet obligations			
	Opening balance		2,687,054	1,138,648
	Exchange adjustment		277,857	(38,031)
	Charge for the year		150,910	1,616,293
	Reversal for the year		(1,482,495)	(75,785)
	Net (reversal) / charge		(1,331,585)	1,540,508
	Written off during the year		-	(1,653)
	Transferred in		-	47,582
	Closing balance		<u>1,633,326</u>	<u>2,687,054</u>
19	SHARE CAPITAL			
19.1	Authorised capital			
	2022	2021		
	Number of shares in '000			
	<u>2,900,000</u>	<u>2,900,000</u>	Ordinary shares of Rs 10 each	<u>29,000,000</u>
				<u>29,000,000</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

19.2 Issued, subscribed and paid-up capital

2022		2021		2022		2021	
Number of shares in '000				(Rupees in '000)			
		Ordinary shares of Rs 10 each					
690,000	690,000	Fully paid in cash		6,900,000	6,900,000		
776,852	776,852	Issued as bonus shares		7,768,525	7,768,525		
<u>1,466,852</u>	<u>1,466,852</u>			<u>14,668,525</u>	<u>14,668,525</u>		

19.3 Major shareholders

(holding more than 5% of total paid-up capital)

Name of shareholder

Aga Khan Fund for Economic Development

2022		2021	
Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
<u>748,094,778</u>	<u>51.00%</u>	<u>748,094,778</u>	<u>51.00%</u>

19.4 Shares of the Bank held by associated companies

Jubilee General Insurance Company Limited
Jubilee Life Insurance Company Limited
HBL Equity Fund
HBL Investment Fund Class B
HBL Multi Asset Fund
HBL Stock Fund
HBL Income Fund
HBL Pension Fund- Equity Sub Fund

2022
(Number of shares)

2022	2021
4,270,000	4,270,000
33,246,975	33,246,975
-	1,067,000
-	692,395
-	143,271
-	364,004
-	522,069
-	131,500

19.5 Statutory reserve

Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Accordingly, the Bank transfers 10% of its profit after tax every year to the statutory reserve.

19.6 Exchange translation reserve

This comprises of all foreign currency differences arising from the translation of the net investment in foreign branches.

20	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX	Note	2022	2021
			(Rupees in '000)	
Surplus / (deficit) arising on revaluation of:				
	- Fixed assets	20.1	28,736,477	28,758,932
	- Available-for-sale securities	8.1	(43,896,740)	(3,353,052)
	- Non-banking assets acquired in satisfaction of claims	20.2	175,125	224,064
			(14,985,138)	25,629,944
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:				
	- Fixed assets	20.1	1,905,686	1,748,389
	- Available-for-sale securities	12.1	(18,875,598)	(1,307,690)
	- Non-banking assets acquired in satisfaction of claims		-	-
			(16,969,912)	440,699
Surplus / (deficit) on revaluation of assets - net of tax			<u>1,984,774</u>	<u>25,189,245</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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	Note	2022	2021
		(Rupees in '000)	
20.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets as at January 1		28,758,932	28,861,681
Transferred from non-banking assets during the year		79,789	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(58,279)	(62,677)
Related deferred tax liability on incremental depreciation charged during the year		(43,965)	(40,072)
Surplus on revaluation of fixed assets as at December 31		28,736,477	28,758,932
Less: related deferred tax liability on			
- Revaluation as at January 1		1,748,389	1,788,461
- Effect of change in tax rate		201,262	-
- Incremental depreciation charged during the year		(43,965)	(40,072)
		1,905,686	1,748,389
		<u>26,830,791</u>	<u>27,010,543</u>
20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1		224,064	209,594
Recognised during the year		30,850	132,680
Realised on disposal during the year		-	(118,210)
Transferred to fixed asset during the year		(79,789)	-
Surplus on revaluation as at December 31		175,125	224,064
Less: related deferred tax liability on			
- Revaluation as at January 01		-	-
- Revaluation recognised during the year		-	-
- Incremental depreciation charged during the year		-	-
		-	-
		<u>175,125</u>	<u>224,064</u>
21 CONTINGENCIES AND COMMITMENTS			
- Guarantees	21.1	262,131,266	259,969,505
- Commitments	21.2	910,126,139	1,073,509,689
- Other contingent liabilities	21.3	22,813,357	25,699,064
		<u>1,195,070,762</u>	<u>1,359,178,258</u>
21.1 Guarantees :			
Financial guarantees		53,825,190	86,368,473
Performance guarantees		201,579,599	165,461,222
Other guarantees		6,726,477	8,139,810
		<u>262,131,266</u>	<u>259,969,505</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022 (Rupees in '000)	2021 (Rupees in '000)
21.2 Commitments :			
Trade-related contingent liabilities		279,449,231	336,984,624
Commitments in respect of :			
- forward foreign exchange contracts	21.2.1	403,789,013	560,033,923
- forward Government securities transactions	21.2.2	132,295,940	93,562,463
- derivatives	21.2.3	57,305,018	42,049,128
- forward lending	21.2.4	21,379,153	28,792,146
		614,769,124	724,437,660
Commitments for acquisition of :			
- fixed assets		10,436,315	10,202,010
- intangible assets		5,471,469	1,885,395
		15,907,784	12,087,405
		<u>910,126,139</u>	<u>1,073,509,689</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		268,910,504	320,185,675
Sale		134,878,509	239,848,248
		<u>403,789,013</u>	<u>560,033,923</u>
21.2.2 Commitments in respect of forward Government Securities transactions			
Purchase		117,020,407	27,830,190
Sale		15,275,533	65,732,273
		<u>132,295,940</u>	<u>93,562,463</u>
21.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		23,863,687	17,058,770
Sale		30,407,998	19,308,883
		<u>54,271,685</u>	<u>36,367,653</u>
Interest rate swaps			
Purchase		-	-
Sale		3,033,333	5,681,475
		<u>3,033,333</u>	<u>5,681,475</u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to extend credit		<u>21,379,153</u>	<u>28,792,146</u>
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.			
		2022	2021
		(Rupees in '000)	
21.3 Other contingent liabilities			
21.3.1 Claims against the Bank not acknowledged as debts		<u>22,813,357</u>	<u>25,699,064</u>

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

21.3.2 There were no tax related contingencies as at the year end.

22 DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to changes in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps, options and structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorized Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market. The ADD license covers only transactions permitted under the Financial Derivatives Business Regulations issued by the SBP, which are:

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

However, the Bank also offers other derivative products to satisfy customer requirements, specific approval of which is sought from the SBP on a transaction by transaction basis.

These transactions cover the aspects of both market making and hedging. The risk management processes and policies related to derivatives are disclosed in note 44.5 to these unconsolidated financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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22.1 Product Analysis

Counterparties	2022			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
(Rupees in '000)				
With Banks for				
Hedging	-	-	-	-
Market Making	573,571	(106,423)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	4,161,383	(458,056)	625,000	(58,909)
With other entities for				
Hedging	-	-	-	-
Market Making	49,536,731	(6,070,726)	2,408,333	(187,778)
Total				
Hedging	-	-	-	-
Market Making	54,271,685	(6,635,205)	3,033,333	(246,687)
Counterparties	2021			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain / (loss)
(Rupees in '000)				
With Banks for				
Hedging	-	-	-	-
Market Making	796,114	(61,263)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	1,388,034	(42,353)	875,000	(43,325)
With other entities for				
Hedging	-	-	-	-
Market Making	34,183,505	(2,086,104)	4,806,475	(140,304)
Total				
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)

22.2 Maturity Analysis

Remaining Maturity	2022				
	No. of contracts	Notional principal	Mark to market		
			Loss	Gain	Net
(Rupees in '000)					
Up to 1 Month	2	6,065,619	(503,076)	-	(503,076)
1 to 3 Months	2	969,895	(145,332)	-	(145,332)
3 Months to 6 Months	-	-	-	-	-
6 Months to 1 Year	1	1,388,718	(227,939)	-	(227,939)
1 to 2 Years	18	6,660,462	(988,176)	-	(988,176)
2 to 3 Years	4	1,961,624	(167,650)	546	(167,104)
3 to 5 Years	10	15,065,641	(3,403,263)	-	(3,403,263)
5 to 10 Years	2	17,086,041	(556,358)	-	(556,358)
Over 10 years	2	8,107,018	(890,644)	-	(890,644)
	41	57,305,018	(6,882,438)	546	(6,881,892)
Remaining Maturity	2021				
	No. of contracts	Notional principal	Mark to market		
			Loss	Gain	Net
(Rupees in '000)					
Up to 1 Month	-	-	-	-	-
1 to 3 Months	2	695,996	(19,167)	-	(19,167)
3 Months to 6 Months	1	166,232	(10,699)	-	(10,699)
6 Months to 1 Year	1	662,777	(44,794)	-	(44,794)
1 to 2 Years	4	5,530,524	(313,312)	8,720	(304,592)
2 to 3 Years	18	7,611,233	(300,853)	-	(300,853)
3 to 5 Years	13	18,431,979	(1,865,403)	-	(1,865,403)
5 to 10 Years	1	1,849,431	(70,724)	-	(70,724)
Over 10 years	2	7,100,956	-	242,883	242,883
	42	42,049,128	(2,624,952)	251,603	(2,373,349)

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	(Rupees in '000)	
23 MARK-UP / RETURN / PROFIT / INTEREST EARNED		
On:		
Loans and advances	170,680,803	96,844,599
Investments	223,260,844	141,690,683
Lendings to financial institutions	13,739,200	6,341,627
Balances with banks	1,292,389	375,212
	<u>408,973,236</u>	<u>245,252,121</u>
24 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
On:		
Deposits	183,552,414	92,365,535
Securities sold under repurchase agreement borrowings	50,773,021	16,759,493
Borrowings	11,251,699	5,606,505
Subordinated debt	1,891,880	1,239,075
Cost of foreign currency swaps against foreign currency deposits / borrowings	6,429,094	5,291,195
Lease liability against right-of-use assets	2,938,166	3,043,048
	<u>256,836,274</u>	<u>124,304,851</u>
25 FEE AND COMMISSION INCOME		
Branch banking customer fees	3,670,745	3,763,945
Branchless banking customer fees	925,975	400,256
Consumer finance related fees	2,267,096	1,892,823
Card related fees (debit and credit cards)	8,686,409	6,899,423
Credit related fees	979,900	842,071
Investment banking fees	1,168,462	1,433,819
Commission on trade related products and guarantees	4,974,222	3,829,362
Commission on cash management	1,136,932	933,601
Commission on remittances (including home remittances)	698,203	533,652
Commission on bancassurance	767,109	918,994
Commission on Government to Person (G2P) Payments	770,803	323,595
Merchant discount and interchange fees	5,453,015	3,658,025
Wealth Management Fee	22,891	-
Others	173,758	190,704
	<u>31,695,520</u>	<u>25,620,270</u>
Less: Sales tax / Federal Excise Duty on fee and commission income	<u>(4,042,607)</u>	<u>(3,376,451)</u>
	<u>27,652,913</u>	<u>22,243,819</u>
26 GAIN / (LOSS) ON SECURITIES - NET		
Realised	26.1	1,113,915
Unrealised - held-for-trading	8.1	(84,391)
		<u>1,029,524</u>
26.1 Gain / (Loss) on securities - realised		<u>1,441,844</u>
On:		
Federal Government securities		
- Market Treasury Bills	(287,479)	67,919
- Pakistan Investment Bonds	1,483,441	1,613,120
- Ijarah Sukuks	81,974	(34,707)
Shares	(377,550)	(600,139)
Non-Government debt securities	75,927	(108,854)
Foreign securities	(27,668)	(46,217)
Associates	165,270	483,461
	<u>1,113,915</u>	<u>1,374,583</u>
27 OTHER INCOME		
Incidental charges	407,425	503,799
Exchange gain realised on partial repatriation of branch capital	-	404,080
Exchange gain realised on liquidation of subsidiary	-	13,354
Gain on sale of fixed assets - net	37,541	73,824
Gain on sale of non-banking assets	-	16,000
Rent on properties	66,266	67,744
Liabilities no longer required written back	-	35,132
	<u>511,232</u>	<u>1,113,933</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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		2022	2021
		(Rupees in '000)	
28	OPERATING EXPENSES		
	Total compensation expense	28.1	41,532,374
	Property expense		33,697,001
	Rent and taxes		1,221,058
	Insurance		1,095,755
	Utilities cost		135,289
	Security (including guards)		3,872,904
	Repairs and maintenance (including janitorial charges)		2,445,529
	Depreciation on owned fixed assets	10.2	2,222,257
	Depreciation on right-of-use assets	10.2	1,903,616
			3,676,041
			2,538,201
			3,888,398
			3,256,966
			3,306,791
			2,782,450
			18,322,738
			14,130,982
	Information technology expenses		
	Software maintenance		5,828,860
	Hardware maintenance		3,545,775
	Depreciation	10.2	1,293,105
	Amortisation	11.1	2,518,379
	Network charges		2,347,313
	Consultancy charges		983,969
			1,431,681
			1,291,320
			694,169
			740,926
			13,506,642
			9,812,342
	Other operating expenses		
	Legal and professional charges		1,512,004
	Outsourced services costs		784,801
	Travelling and conveyance		2,478,270
	Insurance		1,792,853
	Remittance charges		1,389,771
	Security charges		859,000
	Repairs and maintenance		714,199
	Depreciation	10.2	544,136
	Training and development		516,310
	Postage and courier charges		463,474
	Communication		2,515,749
	Stationery and printing		2,066,262
	Marketing, advertisement and publicity		1,706,565
	Donations	28.3	1,448,841
	Auditors' remuneration	28.4	739,642
	Brokerage and commission		810,452
	Subscription		432,927
	Documentation and processing charges		162,840
	Entertainment		760,737
	Consultancy charges		687,307
	Deposits insurance premium expense		1,434,377
	Product feature cost		874,915
	Others		2,403,149
			1,772,766
			3,335,666
			3,326,148
			648,761
			508,056
			241,502
			189,672
			867,970
			747,179
			274,223
			205,512
			5,555,728
			3,609,711
			531,229
			313,568
			1,264,042
			330,716
			2,702,417
			2,504,487
			4,012,368
			2,145,231
			1,075,900
			819,461
			37,113,506
			26,967,388
			110,475,260
			84,607,713

28.1 Total compensation expense

	Non-Executive Directors' fees	38.2	94,800	86,400
	Shariah Board's fees and allowances	38.3	34,079	27,982
	Managerial Remuneration			
	i) Fixed		20,137,281	17,109,331
	ii) Variable		4,575,419	3,662,454
	Charge for defined benefit plan		473,361	1,062,999
	Contribution to defined contribution plan		1,375,306	1,114,536
	Rent and house maintenance		5,324,780	4,659,186
	Utilities		1,223,232	1,067,706
	Medical		2,401,852	2,076,747
	Conveyance		3,067,246	2,678,053
	General group staff Insurance		19,737	52,888
	Sub-total		38,727,093	33,598,282
	Sign-on bonus		69,637	21,043
	Severance payments		2,735,644	77,676
	Grand Total		41,532,374	33,697,001

		No of persons	
	Sign on bonus	57	27
	Severance payments	923	49

28.2 The total cost for the year included in other operating expenses relating to outsourced activities is as follows:

		2022	2021
		(Rupees in '000)	
	- In Pakistan	2,671,201	1,934,840
	- Outside Pakistan	312,905	282,020
		2,984,106	2,216,860

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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The material outsourcing arrangements along with the nature of services provided by them are as follows:

Name of company	Nature of service	2022	2021
		(Rupees in '000)	
A.S.C. First Solutions (Pvt) Limited	Document archival and storage for Pakistan	142,472	122,005
Euronet Pakistan (Private) Limited	Host environment configuration, POS terminal and card outsourcing services	96,220	51,155
First Solutions - HBL UAE	Document archival and storage for UAE	16,447	13,941
Iron Mountain Information Management LLC	Document archival and storage for New York	615	2,866
Interactive Printer Solutions W.L.L	Printing of chequebooks and banker's cheques for HBL Bahrain	1,362	1,324
Recall Bangladesh Limited - HBL Bangladesh	Document archival and storage for Bangladesh	2,119	1,045
Virtual World (Private) Limited	Call Centre & Customer Support Services	5,513	-
Infort Private Limited Bahrain - HBL Bahrain	Document archival and storage for Bahrain	3,954	-
Spectrum Engineering Consortium Limited - HBL Bangladesh	Software Maintenance i.e. RTGS software (including DMS)	2,746	-
		<u>271,448</u>	<u>192,336</u>

28.3 Details of donations

Donations individually exceeding Rs 100,000

HBL Foundation	515,961	405,576
EPS Solutions Pakistan (Pvt) Ltd - Prefabricated houses for flood affectees	128,000	-
Al-Shifa Trust	1,200	-
Peoples University of Medical and Health Sciences For Women	1,000	-
National Institute of Child Health Trust	300	250
Hope Uplift Foundation	500	-
Depilex Smileagain Foundation	500	-
Pakistan Agricultural Coalition	700	-
Developments in Literacy Foundation	600	-
The Aga Khan Hospital & Medical College Foundation	-	77,230
International Parliamentarians' Congress	-	25,000
	<u>648,761</u>	<u>508,056</u>

Mr. Muhammad Aurangzeb, President and Chief Executive Officer, Mr. Sagheer Mufti, Chief Operating Officer, Mr. Rayomond Kotwal, Chief Financial Officer and Mr. Jamal Nasir, Chief Human Resources Officer are Trustees of the HBL Foundation.

28.4 Auditors' remuneration

	2022			2021		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)					
Audit and audit related fees						
Audit fee of the Bank	34,086	132,546	166,632	27,901	101,947	129,848
Fees for other statutory and related certifications	25,075	12,655	37,730	21,995	7,073	29,068
Out of pocket expenses on audit fees	9,033	1,976	11,009	6,939	2,467	9,406
Sales tax on audit fees	3,450	10,234	13,684	2,787	6,390	9,177
	<u>71,644</u>	<u>157,411</u>	<u>229,055</u>	<u>59,622</u>	<u>117,877</u>	<u>177,499</u>
Other services						
Special certifications and sundry advisory services	9,480	935	10,415	9,461	1,097	10,558
Tax services	-	533	533	-	-	-
Out of pocket expenses	497	45	542	357	152	509
Sales tax on other services	799	158	957	987	119	1,106
	<u>10,776</u>	<u>1,671</u>	<u>12,447</u>	<u>10,805</u>	<u>1,368</u>	<u>12,173</u>
	<u>82,420</u>	<u>159,082</u>	<u>241,502</u>	<u>70,427</u>	<u>119,245</u>	<u>189,672</u>

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29 WORKERS' WELFARE FUND

The Bank has made a provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

	Note	2022 (Rupees in '000)	2021
30 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		454,259	549,685
Penalties imposed by other regulatory bodies		22,328	7,493
		<u>476,587</u>	<u>557,178</u>
31 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
Provision for / (reversal of) diminution in value of investments	8.9	3,851,708	(1,230,989)
Provision against loans and advances	9.5	3,973,049	5,802,879
Provision against other assets	13.2.1	624,244	190,136
(Reversal of) / provision against off-balance sheet obligations	18.1	(1,331,585)	1,540,508
Recoveries against written off / charged off bad debts		(717,447)	(762,611)
Recoveries against other assets written off		(1,809)	(10,724)
Write off of Fixed assets		-	133,851
Other write offs and operating losses		57,707	608,730
Bad debts written off directly	9.9.1	-	81,069
		<u>6,455,867</u>	<u>6,352,849</u>

32 TAXATION

- Current			
- For the year		34,877,374	24,025,762
- Prior years		5,595,916	436,755
- Deferred			
- For the year	12.1	556,424	(128,517)
- Prior years		(342,127)	368,969
		<u>40,687,587</u>	<u>24,702,969</u>

32.1 Relationship between tax expense and accounting profit

Accounting profit for the current year		<u>71,554,590</u>	<u>58,974,463</u>
Tax on income @ 49% (2021: 39%)		35,061,749	23,000,041
Permanent differences			
Impact of:			
- Disallowance of penalties imposed by the SBP and other regulatory bodies		233,528	217,299
- Disallowance of 50% of contribution to gratuity and pension funds		297,596	-
- Deferred tax booked at tax rates applicable to future years (@ 43%)		(62,229)	-
- Additional tax @ 2.5% on additional income from Federal Government Securities		-	727,129
- Others		(96,846)	(47,223)
		372,049	897,205
Prior years - charge		5,253,789	805,723
Tax charge for the current year		<u>40,687,587</u>	<u>24,702,969</u>

32.2 The income tax returns of the Bank have been submitted up to and including for the accounting year 2021. The tax returns submitted are deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The Income Tax Department has amended the assessments of the Bank for prior years, upto and including the tax year 2021 except tax years 2019 and 2020 for which notices for audit and amendment of assessment have been served. The amendments mainly relate to gain on translation of net investment in foreign branches, taxable income subject to enhanced rate, retirement benefits, provisions against loans and advances, investments and other assets. These matters are at various stages of appeal with the appellate authorities. The management of the Bank, in consultation with its tax advisors, is confident that the decisions in respect of these appeals would be in the Bank's favor.

The income tax returns of the Bank's Azad Kashmir, Gilgit-Baltistan and overseas branches have been submitted up to and including the accounting year 2021. The tax returns submitted in Azad Kashmir and Gilgit Baltistan are considered as deemed assessments under section 120 of the Income Tax Ordinance, 2001.

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33	BASIC AND DILUTED EARNINGS PER SHARE	Note	2022	2021
			(Rupees in '000)	
	Profit for the year		<u>30,867,003</u>	<u>34,271,494</u>
			(Number)	
	Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
			(Rupees)	
	Basic and diluted earnings per share		<u>21.04</u>	<u>23.36</u>

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

34	CASH AND CASH EQUIVALENTS	Note	2022	2021
			(Rupees in '000)	
	Cash and balances with treasury banks	5	257,368,084	409,528,880
	Balances with other banks	6	<u>31,319,141</u>	<u>32,176,188</u>
			<u>288,687,225</u>	<u>441,705,068</u>

34.1 Reconciliation of movement in liabilities to cash flows arising from financing activities

	2022			
	Liabilities		Equity	
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit
	----- (Rupees in '000) -----			
Balance as at January 1, 2022	12,374,000	143,908,895	69,678,669	148,392,471
Changes from financing cash flows				
Proceeds from subordinated debt	6,500,000	-	-	-
Payment of lease liability against right-of-use assets	-	(4,138,266)	-	-
Payment of mark-up on subordinated debt	-	(1,847,577)	-	-
Dividend paid	-	-	-	(8,517,481)
	6,500,000	(5,985,843)	-	(8,517,481)
Other changes:				
Liability-related				
Changes in other liabilities				
- Cash based	-	73,412,609	-	-
- Dividend payable	-	2,483,913	-	(2,483,913)
- Non-cash based	-	3,769,950	-	-
Transfer of profit to statutory reserve	-	-	3,086,700	(3,086,700)
Total liability related other changes	-	79,666,472	3,086,700	(5,570,613)
Equity related	-	-	(1,029,672)	31,082,143
Balance as at December 31, 2022	<u>18,874,000</u>	<u>217,589,524</u>	<u>71,735,697</u>	<u>165,386,520</u>

	2021			
	Liabilities		Equity	
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit
	----- (Rupees in '000) -----			
Balance as at January 1, 2021	22,356,000	119,953,785	63,040,638	129,262,746
Changes from financing cash flows				
Repayment of subordinated debt	(9,982,000)	-	-	-
Payment of lease liability against right-of-use assets	-	(4,421,977)	-	-
Payment of mark-up on subordinated debt	-	(1,517,481)	-	-
Dividend paid	-	-	-	(10,855,155)
	(9,982,000)	(5,939,458)	-	(10,855,155)
Other changes:				
Liability-related				
Changes in other liabilities				
- Cash based	-	15,817,822	-	-
- Dividend payable	-	1,246,377	-	(1,246,377)
- Non-cash based	-	12,830,369	-	-
Transfer of profit to statutory reserve	-	-	3,427,149	(3,427,149)
Total liability related other changes	-	29,894,568	3,427,149	(4,673,526)
Equity related	-	-	3,210,882	34,658,406
Balance as at December 31, 2021	<u>12,374,000</u>	<u>143,908,895</u>	<u>69,678,669</u>	<u>148,392,471</u>

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35	STAFF STRENGTH	2022	2021
		(Number)	
	Permanent	17,501	17,541
	On contract	101	50
	Total staff strength	<u>17,602</u>	<u>17,591</u>

35.1 In addition to the above, 3,974 employees (2021: 3,082 employees) of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than janitorial services and as guards.

35.2	Staff strength bifurcation	2022	2021
		(Number)	
	Domestic	17,047	17,011
	Overseas	555	580
		<u>17,602</u>	<u>17,591</u>

36 DEFINED BENEFIT PLANS AND OTHER BENEFITS

36.1 General Information

The Bank operates the following schemes:

36.1.1 Pension Fund (defined benefit scheme)

The Bank operates an approved funded pension scheme which is applicable to:

- All clerical employees who opted for this scheme when it was introduced in 1974 and those who joined after this date.
- Executives and officers who opted for this scheme when it was introduced with effect from May 1, 1977 and those who joined the Bank during the period from May 1, 1977 till December 31, 2001.

For clerical employees, the benefit is based on their actual years of service as of the statement of financial position date and their last drawn salary. For executives and officers, the benefit is based on their basic salary as at March 31, 2014 and their years of service up to March 31, 2005. For service subsequent to this date (i.e. from April 1, 2005), they are entitled to the Bank's contributory provident fund (refer note 37.1) and the Bank's contributory gratuity fund (refer note 37.2). Eligible employees are entitled to a minimum pension as per applicable rules.

36.1.2 Benevolent Fund (defined benefit scheme)

The Bank operates an approved funded benevolent fund scheme for all employees who joined on or before December 31, 2018 and who retire from or expire during service. Under this scheme, a fixed monthly subscription is made by employees by way of a salary deduction and a matching monthly contribution is made by the Bank. All eligible employees are entitled to receive a fixed monthly amount or a one-time lump sum payment in lieu of a fixed monthly amount, as per the rules of the Fund. Clerical employees are additionally entitled to marriage and funeral grants during the period of their service as specified in the rules of the Fund.

36.1.3 Post-Retirement Medical Benefits (defined benefit scheme)

The Bank operates a non-funded scheme for post-retirement medical benefits for all employees.

All clerical employees who retired before May 24, 2022 receive reimbursements when incurred, against this benefit. Those who retired on or after May 24, 2022 also have the option to receive a one-time lump sum payment in lieu of reimbursements. Executives and officers who retired prior to January 1, 2006 receive these benefits as reimbursements when incurred. Executives and officers who retire after January 1, 2006 receive a one-time lump sum payment. However, those who are given a post-retirement contract up to the age of 65 years with effect from September 1, 2022, will receive this one-time lump sum payment at the time of expiry of the employment contract.

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36.1.4 Compensated Absences (defined benefit scheme)

The Bank operates a non-funded scheme for compensated absences. This is applicable to those employees who were in the service of the Bank as at December 31, 2008 and who had accumulated leave balances. Employees are entitled to proceed on Leave Prior to Retirement (LPR) to the extent of their accrued leave or 365 days whichever is lower, while continuing to receive their gross salary. This benefit vests on retirement or, in the case of premature retirement, on the completion of 30 years of service. However, in the case of death in service, the benefit is encashed up to 50% of accrued leave or 180 days, whichever is lower.

Employees may be required by the Bank to continue working during the whole or a part of their LPR period. Such employees are entitled to salary and certain benefits during the period they are required to work and, additionally, to leave encashment up to 50% of their accrued leave balance, up to a maximum of 180 days.

Clerical employees have the option of not proceeding on LPR and instead encashing 50% of their accumulated leave balance up to a maximum of 180 days.

36.1.5 Other Post-Retirement Benefits (defined benefit scheme)

The Bank offers a non-funded scheme for executives. Under this scheme, a lump sum amount equal to six months of house rent, utilities, car and conveyance allowances is paid to the executive on retirement. However, in the case of death in service, the lump sum amount includes an additional six months of house rent allowance.

36.1.6 Pension and Life Assurance Scheme (defined benefit scheme)

The Bank operates a pension and life assurance scheme for those employees who joined its UK operations prior to December 26, 2001. The scheme was established with effect from May 1, 1978 under a Trust Deed of that date and is governed by that Trust Deed together with various supplemental and amending deeds executed over the lifetime of the scheme.

The triennial actuarial valuation as at May 1, 2019 revealed a deficit of £1.7 million under the Statement of Funding Principles. In order to address this deficit, the Bank will pay the amount after receiving regulatory approval.

36.2 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2022 using the Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2022	2021
	(Per annum)	
Valuation discount rate	14.50%	11.75%
Expected rate of increase in salary	13.50%	10.75%
Expected rate of increase in minimum pension	5.00%	5.00%
Expected rate of increase in medical benefit	12.50%	9.75%
Expected rate of return on funds invested	14.50%	11.75%

36.3 Number of beneficiaries under the scheme

	2022	2021
	(Number)	
Pension fund	5,344	6,636
Benevolent fund	11,440	14,631
Post-retirement medical benefit scheme	19,793	19,460
Compensated absences	2,118	3,405
Other Post-Retirement Benefits	2,757	2,494

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36.4 Pension, gratuity, benevolent fund schemes and other benefits

36.4.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2022 are as follows:

	2022		2021	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value of plan assets	3,414,936	2,648,950	6,917,325	2,754,021
Present value of defined benefit obligations	(3,525,906)	(804,430)	(6,157,971)	(1,103,573)
Receivable / (Payable)	(110,970)	1,844,520	759,354	1,650,448

36.4.2 The present value of defined benefit obligations of non-funded schemes as at December 31, 2022 are as follows:

	2022			2021		
	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)					
Present value of defined benefit obligations	(3,522,518)	(762,192)	(824,150)	(4,557,833)	(2,177,565)	(667,894)

36.4.3 Movement in the present value of defined benefit obligations

	2022				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894
Current service cost	67,090	26,529	179,927	57,563	124,802
Interest cost	709,267	122,940	535,401	242,452	82,080
Benefits paid by the Bank	(3,680,262)	(451,894)	(649,055)	(676,702)	(45,603)
Past service cost	1,061,568	211,858	(972,974)	(742,441)	-
Remeasurement gains	(789,728)	(208,576)	(128,614)	(296,245)	(5,023)
Obligations at the end of the year	3,525,906	804,430	3,522,518	762,192	824,150

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038
Current service cost	78,909	33,695	156,356	63,683	106,377
Interest cost	673,653	102,679	366,095	227,677	59,070
Benefits paid by the Bank	(508,879)	(139,919)	(318,328)	(418,729)	(69,657)
Remeasurement (gains) / losses	(1,089,252)	27,366	590,056	(188,058)	(12,934)
Obligations at the end of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894

36.4.4 Movement in fair value of plan assets

	2022		2021	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value at the beginning of the year	6,917,325	2,754,021	6,218,050	2,583,853
Expected return on plan assets	793,667	278,438	597,047	242,664
Contribution by the Bank	-	25,507	785,490	33,420
Contributions by employees	-	25,507	-	33,420
Benefits paid by the Bank	(3,680,262)	(451,894)	(508,879)	(139,919)
Remeasurement (losses) / gains	(615,794)	17,371	(174,383)	583
Fair value at the end of the year	3,414,936	2,648,950	6,917,325	2,754,021

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36.4.5 Movement in amounts payable / (receivable)

	2022				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post- Retirement Benefits
	----- (Rupees in '000) -----				
Opening balance	(759,354)	(1,650,448)	4,557,833	2,177,565	667,894
Charge / (reversal) for the year	1,044,258	57,382	(257,646)	(738,671)	206,882
Contribution by the Bank - net	-	(25,507)	-	-	-
Remeasurement (gains) / losses recognised in OCI during the year	(173,934)	(225,947)	(128,614)	-	(5,023)
Benefits paid by the Bank	-	-	(649,055)	(676,702)	(45,603)
Closing balance	<u>110,970</u>	<u>(1,844,520)</u>	<u>3,522,518</u>	<u>762,192</u>	<u>824,150</u>

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post- Retirement Benefits
	----- (Rupees in '000) -----				
Opening balance	785,490	(1,504,101)	3,763,654	2,492,992	585,038
Charge / (reversal) for the year	155,515	(139,710)	522,451	103,302	165,447
Contribution by the Bank - net	(785,490)	(33,420)	-	-	-
Remeasurement losses / (gains) recognised in OCI during the year	(914,869)	26,783	590,056	(418,729)	(12,934)
Benefits paid by the Bank	-	-	(318,328)	-	(69,657)
Closing balance	<u>(759,354)</u>	<u>(1,650,448)</u>	<u>4,557,833</u>	<u>2,177,565</u>	<u>667,894</u>

36.4.6 Charge for defined benefit plans

36.4.6.1 Cost recognised in profit and loss

	2022				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post- Retirement Benefits
	----- (Rupees in '000) -----				
Current service cost	67,090	26,529	179,927	57,563	124,802
Net interest (receivable) / payable on defined benefit asset / liability	(84,400)	(155,498)	535,401	242,452	82,080
Past service cost	1,061,568	211,858	(972,974)	(742,441)	-
Actuarial gains recognised	-	-	-	(296,245)	-
Contributions by the employees	-	(25,507)	-	-	-
	<u>1,044,258</u>	<u>57,382</u>	<u>(257,646)</u>	<u>(738,671)</u>	<u>206,882</u>

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post- Retirement Benefits
	----- (Rupees in '000) -----				
Current service cost	78,909	33,695	156,356	63,683	106,377
Net interest on defined benefit asset / liability	76,606	(139,985)	366,095	227,677	59,070
Actuarial losses recognised	-	-	-	(188,058)	-
Contributions by the employees	-	(33,420)	-	-	-
	<u>155,515</u>	<u>(139,710)</u>	<u>522,451</u>	<u>103,302</u>	<u>165,447</u>

36.4.6.2 Remeasurements recognised in OCI during the year

	2022			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post- Retirement Benefits
	----- (Rupees in '000) -----			
(Gains) / losses on obligation				
- Financial assumptions	(604,453)	(37,522)	27,560	11,577
- Experience adjustment	(185,275)	(171,054)	(156,174)	(16,600)
	(789,728)	(208,576)	(128,614)	(5,023)
Losses / (gains) on plan assets	615,794	(17,371)	-	-
Total remeasurement (gains) / losses recognised in OCI	<u>(173,934)</u>	<u>(225,947)</u>	<u>(128,614)</u>	<u>(5,023)</u>

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	2021			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
	----- (Rupees in '000) -----			
(Gains) / losses on obligation				
- Financial assumptions	(864,893)	(74,841)	40,631	7,000
- Experience adjustment	(224,359)	102,207	549,425	(19,934)
	(1,089,252)	27,366	590,056	(12,934)
Losses / (gains) on plan assets	174,383	(583)	-	-
Total remeasurement losses / (gains) recognised in OCI	(914,869)	26,783	590,056	(12,934)

36.4.7 Components of fair value of plan assets

	2022		2021	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	----- (Rupees in '000) -----			
Cash and cash equivalents - net	153,842	128,216	635,488	11,473
Government securities	2,725,011	2,451,235	5,431,704	2,675,335
Shares	536,083	-	850,133	-
Non-Government debt securities	-	69,500	-	67,214
	3,414,936	2,648,951	6,917,325	2,754,022

The funds primarily invest in Government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) which do not carry any credit risk but are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non-Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

36.4.8 Sensitivity analysis of defined benefit obligations

A sensitivity analysis has been performed by varying one assumption while keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of changes in each assumption is summarized below:

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----				
1% increase in discount rate	(191,347)	(22,202)	(318,979)	(26,631)	(58,816)
1% decrease in discount rate	214,720	24,127	379,316	28,579	66,717
1% increase in expected rate of salary increase	21,661	-	-	32,055	70,633
1% decrease in expected rate of salary increase	(20,643)	-	-	(30,333)	(63,172)
1% increase in expected rate of increase in minimum pension	197,916	-	-	-	-
1% decrease in expected rate of increase in minimum pension	(167,245)	-	-	-	-
1% increase in expected rate of increase in medical benefit	-	-	116,632	-	-
1% decrease in expected rate of increase in medical benefit	-	-	(98,048)	-	-

36.4.9 Expected contributions to the schemes in the next financial year

The Bank contributes to the pension fund according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme.

	2023				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
	----- (Rupees in '000) -----				
Expected charge / (reversal) for the year	39,240	(320,229)	615,489	124,366	274,256

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36.4.10 Maturity profile

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
The weighted average duration of the obligation (in years)	5.50	2.87	12.92	3.62	7.59

36.4.11 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the assets of the Fund on any valuation date, based on actuarial assumptions.

36.4.12 The significant risks associated with the defined benefit schemes are as follows:

Mortality risks

The risk that the actual mortality experience is different. The impact depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk that the investments of the Funds will underperform and not be sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated based on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The impact depends on the beneficiaries' service / age distribution and the benefit.

37 DEFINED CONTRIBUTION PLANS

37.1 Provident Fund

For employees hired on or after January 1, 2002, the Bank operates an approved funded provident fund under which the employees make monthly contributions as follows:

For executives and officers	7% of basic salary
For clerical staff	12% of basic salary

For executives and officers, the Bank also contributes 7% of the basic salary to the fund.

Executives and officers hired upto December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for the Bank's contributory provident fund benefits effective April 1, 2005.

This scheme covers 14,634 employees (2021: 14,991 employees)

Payments are made to employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

37.2 Contributory Gratuity Fund

For employees hired on or after January 1, 2002, the Bank operates an approved funded Bank contributory gratuity scheme. Executives and officers hired up to December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for gratuity fund benefits effective April 1, 2005.

The Bank contributes an amount equal to half of the employees' monthly basic salary for each completed year of service and, on a pro-rata basis for partially completed years of service. Payments are made to the employees on retirement, death, resignation after completion of at least 10 years of continuous service, and discharge as specified in the rules of the Fund.

This scheme covers 16,859 employees (2021: 15,873 employees).

37.3 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

38 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total Compensation Expense

Items	2022						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non-Executive				
	(Rupees in '000)						
Fees and Allowances etc.	10,200	-	84,600	34,079	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	151,107	776,940	1,422,639
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	98,000	472,626	369,572
- Bonus paid in shares	-	-	-	-	23,819	104,063	60,237
- Guaranteed Bonus	-	-	-	-	-	-	6,759
Charge for defined benefit plan	-	-	-	-	-	-	5,638
Contribution to defined contribution plan	-	-	-	-	-	40,536	86,008
Rent & house maintenance	-	-	-	-	17,023	227,922	395,351
Utilities	-	-	-	-	1,987	49,369	83,778
Medical	-	-	-	-	8,400	62,873	78,856
Conveyance	-	-	-	-	6,903	89,857	314,788
Sub-Total	10,200	-	84,600	34,079	307,239	1,824,186	2,823,626
Sign-on bonus	-	-	-	-	-	14,000	4,950
Grand Total	10,200	-	84,600	34,079	307,239	1,838,186	2,828,576
Total Number of persons	1	-	5	3	1	28	154
Sign-on bonus - Number of Persons	-	-	-	-	-	2	3
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	3
	2021						
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non-Executive				
		(Rupees in '000)					
Fees and Allowances etc.	12,000	-	74,400	27,982	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	142,877	722,715	966,516
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	84,000	386,969	274,272
- Bonus paid in shares	-	-	-	-	10,916	54,397	22,716
- Guaranteed Bonus	-	-	-	-	-	-	4,264
Charge for defined benefit plan	-	-	-	-	-	-	1,055
Contribution to defined contribution plan	-	-	-	-	-	34,758	61,272
Rent & house maintenance	-	-	-	-	16,625	210,105	307,365
Utilities	-	-	-	-	1,425	44,168	64,918
Medical	-	-	-	-	6,291	48,035	61,729
Conveyance	-	-	-	-	3,529	80,874	236,562
Sub-Total	12,000	-	74,400	27,982	265,663	1,582,021	2,000,669
Sign-on bonus	-	-	-	-	-	-	12,000
Severance Payments	-	-	-	-	-	-	-
Grand Total	12,000	-	74,400	27,982	265,663	1,582,021	2,012,669
Total Number of Persons	1	-	7	3	1	28	131
Sign-on bonus - Number of Persons	-	-	-	-	-	-	1
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	2

38.1.1 The total movement of deferred bonus during the year December 31, 2022 for the President / Chief Executive Officer (CEO), Key Management Personnel and Other Material Risk Takers (MRTs) / Material Risk Controllers (MRCs) is as follows:

	2022 (Rupees in '000)	2021 (Rupees in '000)
Opening balance	479,598	256,626
Add: deferred during the year	428,449	316,229
Less: paid / vested during the year	(177,296)	(82,496)
Less: reversed during the year	(16,144)	(10,761)
Closing balance	714,607	479,598

The CEO and certain Executives are provided with free club memberships. The CEO and the Chief Operating Officer (COO) are also provided with free use of Bank maintained cars in accordance with their entitlements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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38.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2022												
Sr. No.	Name of Director	Meeting Fees and Allowances Paid										
		For Board Meetings	For Board Committees									Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)**	Board Oversight Committee - International Governance (BOC IG)		
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,600	-	-	-	1,200	10,200	
2	Mr. Khaleel Ahmed	5,400	4,800	-	4,800	3,600	-	2,400	-	-	21,000	
3	Mr. Salim Chinoy	5,400	-	-	-	-	-	-	-	-	5,400	
4	Mr. Shaffiq Dharamshi*	-	-	-	-	-	-	-	-	-	-	
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	2,400	-	2,400	-	19,800	
6	Ms. Saba Kamal	5,400	-	-	-	-	2,400	2,400	-	-	10,200	
7	Ms. Diane Elizabeth Moore	-	-	-	-	-	-	-	-	-	-	
8	Mr. Salim Raza	5,400	-	3,600	-	-	2,400	2,400	2,400	-	16,200	
9	Dr. Najeeb Samie	-	4,800	-	-	3,600	-	-	2,400	1,200	12,000	
	Total Amount Paid	32,400	14,400	3,600	9,600	10,800	7,200	7,200	7,200	2,400	94,800	

(Rupees in '000)

*Mr. Shaffiq Dharamshi is an employee of AKFED (the sponsor Shareholder) and is not paid meeting fees or any other allowances by HBL

In addition to the above, where applicable as per the Bank's policy, Rs 3.375 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

Note: The Board of Directors in its 243rd Meeting held on September 22, 2022, had dissolved the Board Oversight Committee for International Governance (BOC-IG), and formed a Board Strategy Input & Monitoring Committee (BSIMC) to assist the Board providing oversight with respect to the development, monitoring and implementation of the Bank's strategy. No meeting of the BSIMC was held in 2022.

2021												
Sr. No.	Name of Director	Meeting Fees and Allowances Paid										
		For Board Meetings	For Board Committees									Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)		
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,000	-	1,200	-	2,400	12,000	
2	Mr. Khaleel Ahmed**	3,000	3,000	-	3,000	1,800	-	600	-	-	11,400	
3	Mr. Salim Chinoy*	600	600	-	600	-	-	-	-	-	1,800	
4	Mr. Shaffiq Dharamshi***	-	-	-	-	-	-	-	-	-	-	
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	1,800	-	1,800	-	18,600	
6	Ms. Saba Kamal**	3,000	-	-	-	-	1,800	1,800	-	-	6,600	
7	Ms. Diane Elizabeth Moore*	600	-	-	600	-	600	-	-	-	1,800	
8	Mr. Salim Raza	5,400	1,200	3,600	-	600	2,400	1,800	1,800	-	16,800	
9	Dr. Najeeb Samie	5,400	4,800	-	-	3,000	-	-	1,800	2,400	17,400	
	Total Amount Paid	28,800	14,400	3,600	9,000	8,400	6,600	5,400	5,400	4,800	86,400	

(Rupees in '000)

In addition to the above, as per the Bank's policy, Rs 0.925 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

* Ms. Diane Elizabeth Moore and Mr. Salim Chinoy retired from the Board on March 26, 2021 at the conclusion of their terms.

** Ms. Saba Kamal and Mr. Khaleel Ahmed assumed charge as Directors on April 29, 2021

*** Mr. Shaffiq Dharamshi is an employee of AKFED (the sponsor Shareholder) and is not paid meeting fees or any other allowances.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

38.3 Remuneration paid to Shariah Board Members

Items	2022				2021			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
	----- (Rupees in '000) -----							
Fixed Remuneration	11,400	10,440	10,800	32,640	9,600	9,062	9,000	27,662
Allowances	613	680	146	1,439	119	115	86	320
Total Amount	<u>12,013</u>	<u>11,120</u>	<u>10,946</u>	<u>34,079</u>	<u>9,719</u>	<u>9,177</u>	<u>9,086</u>	<u>27,982</u>
Total Number of Persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

39 FAIR VALUE MEASUREMENTS

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

The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

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

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

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

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

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

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

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

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices taken from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

39.1 Fair value of financial assets

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

On balance sheet financial instruments	As at December 31, 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,291,589,595	-	1,291,589,595	-	1,291,589,595
- Shares - listed companies	3,988,280	3,988,281	-	-	3,988,281
- Non-Government debt securities					
- Listed	49,084,350	40,000,000	9,084,350	-	49,084,350
- Unlisted	616,321	-	616,321	-	616,321
- Foreign securities					
Government debt securities	108,883,461	-	108,883,461	-	108,883,461
Non-Government debt securities- listed	4,439,225	-	4,439,225	-	4,439,225
- National Investment Unit Trust units	38,170	-	38,170	-	38,170
- Real Estate Investment Trust units	68,200	68,200	-	-	68,200
- Preference Shares - Listed	872,200	872,200	-	-	872,200
	1,459,579,802	44,928,681	1,414,651,122	-	1,459,579,803

Financial assets - disclosed but not measured at fair value	As at December 31, 2022				
	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Investments					
- Federal Government securities	341,424,708	-	309,895,574	-	309,895,574
- Non-Government debt securities					
- Listed	1,733,442	-	1,739,778	-	1,739,778
- Unlisted	17,300,182	-	17,300,182	-	17,300,182
- Foreign securities					
Government debt securities	14,365,073	-	14,109,487	-	14,109,487
Non-Government debt securities					
- Listed	145,714	-	145,714	-	145,714
- Unlisted	308,100	-	308,100	-	308,100
- Associates and Joint venture	7,165,864	23,324,728	-	-	23,324,728
	382,443,083	23,324,728	343,498,835	-	366,823,563
	1,842,022,885	68,253,409	1,758,149,957	-	1,826,403,366

Off-balance sheet financial instruments - measured at fair value	As at December 31, 2022				
	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	403,789,013	-	849,492	-	849,492
- Forward Government securities transactions	132,295,940	-	(38,938)	-	(38,938)
- Derivative instruments	57,305,018	-	(6,881,892)	-	(6,881,892)

On balance sheet financial instruments	As at December 31, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,410,064,781	-	1,410,064,781	-	1,410,064,781
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,521
- Non-Government debt securities					
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,015
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities					
Government debt securities	59,579,489	-	59,579,489	-	59,579,489
- Non-Government debt securities- listed	5,589,410	-	5,589,410	-	5,589,410
- National Investment Unit Trust units	46,448	-	46,448	-	46,448
- Real Estate Investment Trust units	60,800	60,800	-	-	60,800
- Preference shares - Listed	780,500	780,500	-	-	780,500
	1,535,749,964	48,385,821	1,487,364,143	-	1,535,749,964

Financial assets - disclosed but not measured at fair value	As at December 31, 2021				
	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Investments					
- Federal Government securities	296,306,630	-	281,187,106	-	281,187,106
- Non-Government debt securities					
- Listed	2,365,422	-	2,376,486	-	2,376,486
- Unlisted	18,348,917	-	18,428,015	-	18,428,015
- Foreign securities					
Government debt securities	14,672,889	-	14,823,285	-	14,823,285
Non-Government debt securities					
- Listed	260,893	-	316,157	-	316,157
- Unlisted	614,541	-	612,981	-	612,981
- Associates and Joint venture	9,345,200	24,846,843	2,737,185	-	27,584,028
	341,914,492	24,846,843	320,481,215	-	345,328,058
	1,877,664,456	73,232,664	1,807,845,358	-	1,881,078,022

Off-balance sheet financial instruments - measured at fair value	As at December 31, 2021				
	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	560,033,923	-	1,575,160	-	1,575,160
- Forward Government securities transactions	93,562,463	-	200,063	-	200,063
- Derivative instruments	42,049,128	-	(2,373,349)	-	(2,373,349)

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39.2 Fair value of non-financial assets

	As at December 31, 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Building	58,262,450	-	-	58,262,450	58,262,450
Non-banking assets acquired in satisfaction of claims	407,234	-	-	407,234	407,234
	<u>58,669,684</u>	<u>-</u>	<u>-</u>	<u>58,669,684</u>	<u>58,669,684</u>
	As at December 31, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Building	52,925,664	-	-	52,925,664	52,925,664
Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	<u>53,606,650</u>	<u>-</u>	<u>-</u>	<u>53,606,650</u>	<u>53,606,650</u>

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

	For the year ended December 31, 2022							Total
	Branch Banking	Consumer, SME & Agriculture Lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others	
	(Rupees in million)							
Profit and loss account								
Net mark-up / return / profit / interest income	(123,407)	38,987	18,351	62,295	152,735	6,391	(3,215)	152,137
Inter segment revenue / (expense) - net	201,010	(22,101)	-	(34,259)	(149,605)	3,591	1,364	-
Non mark-up / interest income	3,604	12,418	1,508	4,739	14,482	5,976	(4,471)	38,256
Total income	<u>81,207</u>	<u>29,304</u>	<u>19,859</u>	<u>32,775</u>	<u>17,612</u>	<u>15,958</u>	<u>(6,322)</u>	<u>190,393</u>
Segment direct expenses	27,046	14,629	5,984	3,625	1,190	14,164	45,746	112,384
Inter segment expense allocation	19,790	7,713	1,205	10,539	1,446	1,459	(42,152)	-
Total expenses	<u>46,836</u>	<u>22,342</u>	<u>7,189</u>	<u>14,164</u>	<u>2,636</u>	<u>15,623</u>	<u>3,594</u>	<u>112,384</u>
Provisions - charge / (reversal)	-	1,705	1,434	(1,480)	263	3,479	1,054	6,455
Profit / (loss) before tax	<u>34,371</u>	<u>5,257</u>	<u>11,236</u>	<u>20,091</u>	<u>14,713</u>	<u>(3,144)</u>	<u>(10,970)</u>	<u>71,554</u>
	As at December 31, 2022							
	Branch Banking	Consumer, SME & Agriculture Lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others	Total
	(Rupees in million)							
Statement of financial position								
Cash and bank balances	72,736	-	17,948	1,678	99,301	97,024	-	288,687
Lendings to financial institutions	-	-	-	-	254,593	-	-	254,593
Inter segment lending	1,950,230	-	257	-	-	3,587	201,897	2,155,971
Investments	-	-	183,655	9,460	1,496,496	162,025	30,439	1,882,075
Advances - performing	-	231,909	221,885	875,294	-	252,225	31,158	1,612,471
Advances - non-performing	-	1,993	2,089	3,433	-	2,621	-	10,136
Others	4,725	7,948	16,341	70,783	59,889	21,696	125,753	307,135
Total assets	<u>2,027,691</u>	<u>241,850</u>	<u>442,175</u>	<u>960,648</u>	<u>1,910,279</u>	<u>539,178</u>	<u>389,247</u>	<u>6,511,068</u>
Borrowings	-	5,841	74,694	132,506	245,413	120,550	-	579,004
Subordinated debt	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	1,999,352	691	319,884	508,589	-	344,969	60,691	3,234,176
Inter segment borrowing	-	218,253	-	264,154	1,648,566	24,998	-	2,155,971
Others	28,339	17,065	15,714	55,399	34,606	20,358	97,786	269,267
Total liabilities	<u>2,027,691</u>	<u>241,850</u>	<u>410,292</u>	<u>960,648</u>	<u>1,928,585</u>	<u>510,875</u>	<u>177,351</u>	<u>6,257,292</u>
Equity	-	-	31,883	-	(18,306)	28,303	211,896	253,776
Total equity and liabilities	<u>2,027,691</u>	<u>241,850</u>	<u>442,175</u>	<u>960,648</u>	<u>1,910,279</u>	<u>539,178</u>	<u>389,247</u>	<u>6,511,068</u>
Contingencies and commitments	<u>73,089</u>	<u>-</u>	<u>34,569</u>	<u>404,198</u>	<u>449,835</u>	<u>195,265</u>	<u>38,115</u>	<u>1,195,071</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

For the year ended December 31, 2021

	Branch Banking	Consumer, SME & Agriculture Lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others	Total
----- (Rupees in million) -----								
Profit and loss account								
Net mark-up / return / profit / interest income	(59,926)	28,226	11,748	32,171	107,291	3,263	(1,826)	120,947
Inter segment revenue / (expense) - net	102,773	(13,743)	-	(15,728)	(85,928)	4,009	8,617	-
Non mark-up / interest income	4,151	10,483	653	4,021	6,734	3,333	1,349	30,724
Total income	46,998	24,966	12,401	20,464	28,097	10,605	8,140	151,671
Segment direct expenses	22,000	9,866	3,382	2,548	1,228	11,104	36,216	86,344
Inter segment expense allocation	13,793	5,900	939	9,141	984	1,256	(32,013)	-
Total expenses	35,793	15,766	4,321	11,689	2,212	12,360	4,203	86,344
Provisions - charge / (reversal)	296	1,797	(22)	1,441	(1,021)	2,694	1,168	6,353
Profit / (loss) before tax	10,909	7,403	8,102	7,334	26,906	(4,449)	2,769	58,974

As at December 31, 2021

	Branch Banking	Consumer, SME & Agriculture Lending	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others	Total
----- (Rupees in million) -----								
Statement of financial position								
Cash and bank balances	181,994	-	29,178	364	151,013	79,156	-	441,705
Lendings to financial institutions	-	-	28,672	-	65,070	-	-	93,742
Inter segment lending	1,594,867	-	-	-	-	266,460	144,415	2,005,742
Investments	-	-	191,865	8,822	1,566,568	115,350	22,584	1,905,189
Advances - performing	-	199,979	166,056	746,323	-	242,992	24,116	1,379,466
Advances - non-performing	-	1,503	3	2,403	-	1,174	-	5,083
Others	18,762	2,838	17,592	41,047	44,735	15,078	109,351	249,403
Total assets	1,795,623	204,320	433,366	798,959	1,827,386	720,210	300,466	6,080,330
Borrowings	-	2,830	31,568	119,175	140,787	137,902	-	432,262
Subordinated debt	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	528,259	11,373	3,184,261
Inter segment borrowing	-	194,287	11,440	124,508	1,675,507	-	-	2,005,742
Others	18,269	6,829	15,654	35,392	14,139	22,881	74,599	187,763
Total liabilities	1,795,623	204,320	405,557	798,959	1,830,555	689,042	98,346	5,822,402
Equity	-	-	27,809	-	(3,169)	31,168	202,120	257,928
Total equity and liabilities	1,795,623	204,320	433,366	798,959	1,827,386	720,210	300,466	6,080,330
Contingencies and commitments	60,144	-	56,741	463,954	601,350	138,579	38,410	1,359,178

40.2 Segment details with respect to geographical locations

For the year ended December 31, 2022

	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
----- (Rupees in million) -----					
Profit and loss account					
Net mark-up / return / profit / interest income	141,079	6,309	4,233	516	152,137
Non mark-up / interest income	33,515	1,674	2,768	299	38,256
Total income	174,594	7,983	7,001	815	190,393
Segment direct expenses		98,850	7,682	5,141	112,383
Provisions		3,015	2,409	1,017	6,456
Profit / (loss) before tax	72,729	(2,108)	843	90	71,554

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	As at December 31, 2022				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	----- (Rupees in million) -----				
Statement of financial position					
Cash and bank balances	192,341	62,374	27,886	6,086	288,687
Lendings to financial institutions	254,594	-	-	-	254,594
Investments	1,733,386	90,909	57,780	-	1,882,075
Advances - performing	1,413,195	126,831	65,112	7,333	1,612,471
Advances - non-performing	7,516	2,032	567	22	10,137
Others	288,613	8,289	8,587	1,645	307,134
Total assets	3,889,645	290,435	159,932	15,086	4,355,098
Borrowings	458,472	107,859	5,299	7,375	579,005
Subordinated debt	18,874	-	-	-	18,874
Deposits and other accounts	2,928,070	199,329	101,826	4,951	3,234,176
Others	298,159	(43,432)	14,734	(194)	269,267
Total liabilities	3,703,575	263,756	121,859	12,132	4,101,322
Equity	186,070	26,679	38,073	2,954	253,776
Total equity and liabilities	3,889,645	290,435	159,932	15,086	4,355,098
Contingencies and commitments	1,000,757	126,159	50,960	17,195	1,195,071

	For the year ended December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	----- (Rupees in million) -----				
Profit and loss account					
Net mark-up / return / profit / interest income	113,794	4,028	2,675	450	120,947
Non mark-up / interest income	28,358	1,181	1,023	162	30,724
Total income	142,152	5,209	3,698	612	151,671
Segment direct expenses	75,675	6,182	3,910	577	86,344
Provisions	3,669	2,136	471	77	6,353
Profit / (loss) before tax	62,808	(3,109)	(683)	(42)	58,974

	As at December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	----- (Rupees in million) -----				
Statement of financial position					
Cash and bank balances	363,075	53,525	19,355	5,750	441,705
Lendings to financial institutions	93,743	-	-	-	93,743
Investments	1,800,149	62,582	42,458	-	1,905,189
Advances - performing	1,175,296	139,482	56,687	8,001	1,379,466
Advances - non-performing	3,909	879	273	22	5,083
Others	198,186	47,116	1,785	2,316	249,403
Total assets	3,634,358	303,584	120,558	16,089	4,074,589
Borrowings	294,360	107,173	21,555	9,174	432,262
Subordinated debt	12,374	-	-	-	12,374
Deposits and other accounts	2,965,878	159,295	55,593	3,495	3,184,261
Others	247,801	(78,739)	21,110	(2,409)	187,763
Total liabilities	3,520,413	187,729	98,258	10,260	3,816,660
Equity	113,945	115,855	22,300	5,829	257,929
Total equity and liabilities	3,634,358	303,584	120,558	16,089	4,074,589
Contingencies and commitments	1,221,341	74,199	33,697	29,941	1,359,178

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

41 TRUST ACTIVITIES

The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in the unconsolidated financial statements. Assets held under trust are shown in the table below:

As at December 31, 2022

Category	No. of IPS Accounts	Securities Held (Face Value)				Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Naya Pakistan Certificates	
----- (Rupees in '000) -----						
Asset Management companies	1	-	-	21,000	-	21,000
Charitable institutions	2	128,545	-	-	-	128,545
Companies	91	101,822,645	96,018,500	-	-	197,841,145
Employee funds	65	29,770,140	63,581,235	797,500	-	94,148,875
Individuals	4,781	13,188,413	2,923,193	95,861	36,159,009	52,366,476
Insurance companies	4	152,292,140	406,140,300	15,147,050	-	573,579,490
Others	10	9,110,495	631,500	-	-	9,741,995
Total	<u>4,954</u>	<u>306,312,378</u>	<u>569,294,728</u>	<u>16,061,411</u>	<u>36,159,009</u>	<u>927,827,526</u>

As at December 31, 2021

Category	No. of IPS Accounts	Securities Held (Face Value)				Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Naya Pakistan Certificates	
----- (Rupees in '000) -----						
Asset Management companies	-	-	-	-	-	-
Charitable institutions	2	67,535	170,000	-	-	237,535
Companies	78	62,335,205	25,473,600	44,100	-	87,852,905
Employee funds	65	14,788,950	27,368,480	-	-	42,157,430
Individuals	3694	6,624,450	2,650,238	4,900	31,519,388	40,798,976
Insurance companies	4	36,331,625	404,400,900	9,035,100	-	449,767,625
Others	16	4,220,625	1,523,100	-	-	5,743,725
Total	<u>3,859</u>	<u>124,368,390</u>	<u>461,586,318</u>	<u>9,084,100</u>	<u>31,519,388</u>	<u>626,558,196</u>

42 RELATED PARTY TRANSACTIONS

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

	As at December 31, 2022						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----							
Statement of financial position							
Balances with other banks							
In current accounts	-	-	1,592	1,602,967	-	-	-
Investments							
Opening balance	-	-	-	20,091,764	9,465,766	135,665	7,713,055
Investment made during the year	-	-	-	4,920,743	44,188	-	2,000,000
Investment redeemed / disposed off during the year	-	-	-	-	(2,223,524)	-	-
Provision for diminution in the value of investments	-	-	-	-	-	-	(28,709)
Transfer in - net	-	-	-	-	-	-	29,287
Revaluation of investment during the year	-	-	-	1,497,522	-	-	-
Closing balance	-	-	-	26,510,029	7,286,430	135,665	9,713,633
Provision for diminution in the value of investments	-	-	-	-	-	-	28,709
Advances							
Opening balance	527	447,007	4,001,392	2,092,521	1,845,811	-	11,132,886
Addition during the year	30,557	421,195	23,281,985	1,716,370	-	-	14,020,793
Repaid during the year	(29,672)	(378,950)	(23,534,128)	(613,375)	(1,375,527)	-	(13,438,741)
Transfer in - net	-	30,988	-	-	-	-	-
Exchange adjustment	-	-	798,460	161,924	154,716	-	-
Closing balance	1,412	520,240	4,547,709	3,357,440	625,000	-	11,714,938
Other Assets							
Interest / mark-up accrued	-	778	44,798	491,130	19,286	-	266,034
Other receivables	-	2,475	-	-	-	-	-
Advance subscription of shares	-	-	-	1,000,000	-	-	-
	-	3,253	44,798	1,491,130	19,286	-	266,034
Borrowings							
Opening balance	-	-	3,177,871	475,527	3,969,060	-	181,985
Borrowings during the year	-	-	7,519,611	2,116,002	22,569,599	11,050,690	-
Settled during the year	-	-	(6,953,154)	(620,884)	(16,014,977)	(8,594,981)	(13,733)
Exchange adjustment	-	-	237,952	293,664	2,427,212	261,462	-
Closing balance	-	-	3,982,280	2,264,309	12,950,894	2,717,171	168,252
Deposits and other accounts							
Opening balance	42,382	545,067	10,820,031	6,314,465	50,605,027	-	2,960,354
Received during the year	585,700	4,083,660	349,370,849	734,132,907	938,266,443	13,607	70,881,784
Withdrawn during the year	(500,475)	(4,162,730)	(344,428,637)	(738,191,795)	(986,066,571)	(15,287)	(72,088,268)
Transfer out - net	-	(30,270)	-	-	-	-	-
Exchange adjustment	7,663	68,578	279,070	206,235	12,892	5,884	45,891
Closing balance	135,270	504,305	16,041,313	2,461,812	2,817,791	4,204	1,799,761
Other liabilities							
Interest / mark-up payable	434	1,340	116,735	7,570	42,367	28,530	4,022
Payable to defined benefit plan	-	-	-	-	-	-	607,424
Other payables	-	-	33,884	22,716	71,748	-	515,961
	434	1,340	150,619	30,286	114,115	28,530	1,127,407
Contingencies and Commitments							
Letters of credit	-	-	693,802	-	-	-	440,141
Guarantees	-	-	159,480	64,435	-	-	3,535,727
Forward purchase of Government securities	-	-	-	-	-	-	2,452,570
Forward purchase of foreign exchange contracts	-	-	-	183,409	1,500	-	-
Interest rate swaps	-	-	-	-	625,000	-	-
	-	-	853,282	247,844	626,500	-	6,428,438
Others							
Securities held as custodian	2,500	94,830	24,812,555	-	134,281,000	-	18,455,830

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

For the year ended December 31, 2022

	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----							
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	84	25,701	260,043	988,407	112,004	-	1,798,616
Fee and commission income	1,032	5,577	255,255	63,063	774,913	-	8,171
Dividend income	-	-	-	-	714,419	-	795,007
Foreign exchange gain	-	-	-	1,221,099	-	-	-
Unrealised Loss from derivatives	-	-	-	-	(58,909)	-	-
Loss on disposal	-	-	-	-	-	-	(313)
Gain on sale of securities - net	-	-	-	-	137,600	-	-
Rent on properties	-	-	-	46,808	-	-	-
Other income	-	-	-	38,909	-	-	-
Expense							
Mark-up / return / profit / interest expensed	5,544	23,795	469,165	161,806	1,502,501	33,170	291,030
Operating expenses							
Total compensation expense	-	2,145,424	-	-	-	-	2,091,697
Non-Executive Directors' fees	94,800	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,779,128	-	-
Product feature cost	-	-	156,473	-	-	-	-
Travelling	-	-	8,286	-	-	-	-
Subscription	-	-	-	-	-	-	10,555
Donation	-	-	-	-	-	-	515,961
Brokerage and commission	-	-	-	-	-	-	233,146
Other expenses	-	-	44,243	104,994	60,066	-	88,132
Provision for diminution in the value of investments	-	-	-	-	-	-	28,709
Others							
Purchase of Government securities	-	15,411	192,562,933	130,501,818	68,269,517	-	28,286,144
Sale of Government securities	-	90,168	225,852,074	143,975,753	119,912,273	-	32,414,714
Purchase of foreign currencies	-	-	2,786,947	7,594,649	116,676	-	209,945
Sale of foreign currencies	-	-	2,179,139	9,009,588	-	-	9,192,949
Insurance claims settled	-	-	-	-	279,936	-	-

As at December 31, 2021

	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----							
Statement of financial position							
Balances with other banks							
In current accounts	-	-	374	435,225	-	-	-
Investments							
Opening balance	-	-	-	17,614,626	9,161,114	135,665	4,744,343
Investment made during the year	-	-	-	2,000,000	650,000	-	2,969,103
Investment redeemed / disposed off during the year	-	-	-	(23,236)	(345,348)	-	-
Revaluation of investment during the year	-	-	-	500,374	-	-	(391)
Closing balance	-	-	-	20,091,764	9,465,766	135,665	7,713,055
Advances							
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Addition during the year	19,023	372,347	2,013,784	1,720,019	895,993	-	5,567,065
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(1,688,225)	(250,000)	-	(2,365,348)
Transfer in - net	276	34,006	-	-	-	-	182,500
Exchange adjustment	-	(250)	265,109	(13,158)	74,818	-	(325)
Closing balance	527	447,007	4,001,392	2,092,521	1,845,811	-	11,132,886
Other Assets							
Interest / mark-up accrued	-	552	68,780	179,118	16,130	-	123,587
Receivable from defined benefit plan	-	-	-	-	-	-	759,354
	-	552	68,780	179,118	16,130	-	882,941
Borrowings							
Opening balance	-	-	1,877,006	468,382	2,282,856	1,598,344	494,309
Borrowings during the year	-	-	4,216,030	2,327,678	7,564,980	6,516,419	-
Settled during the year	-	-	(3,258,210)	(2,366,193)	(6,027,688)	(8,145,524)	(312,324)
Exchange adjustment	-	-	343,045	45,660	148,912	30,761	-
Closing balance	-	-	3,177,871	475,527	3,969,060	-	181,985

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

As at December 31, 2021							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----							
Deposits and other accounts							
Opening balance	20,794	524,446	7,288,452	1,087,262	36,293,203	-	1,684,143
Received during the year	260,411	2,277,862	445,766,161	412,224,268	1,001,182,265	-	86,731,344
Withdrawn during the year	(242,044)	(2,000,383)	(442,983,490)	(406,949,534)	(986,870,955)	-	(85,600,878)
Transfer in / (out) - net	3,118	(267,073)	-	-	-	-	114,741
Exchange adjustment	103	10,215	748,908	(47,531)	514	-	31,004
Closing balance	<u>42,382</u>	<u>545,067</u>	<u>10,820,031</u>	<u>6,314,465</u>	<u>50,605,027</u>	<u>-</u>	<u>2,960,354</u>
Other liabilities							
Interest / mark-up payable	-	724	6,255	908	40,182	-	8,233
Payable to defined benefit plan	-	-	-	-	-	-	433,201
Other payables	-	-	4,150	18,784	43,601	-	405,576
	<u>-</u>	<u>724</u>	<u>10,405</u>	<u>19,692</u>	<u>83,783</u>	<u>-</u>	<u>847,010</u>
Contingencies and Commitments							
Letters of credit	-	-	910,308	-	-	-	673,614
Guarantees	-	-	167,204	55,672	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	-	1,859,052
Commitment in respect of Forward Foreign Currency	-	-	-	282,422	-	-	-
Commitment in respect of Forward lending	-	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	-	875,000	-	-
	<u>-</u>	<u>-</u>	<u>2,272,972</u>	<u>338,094</u>	<u>875,000</u>	<u>-</u>	<u>7,769,362</u>
Others							
Securities held as custodian	-	12,920	5,326,720	-	77,701,130	-	9,860,745
	<u>-</u>	<u>12,920</u>	<u>5,326,720</u>	<u>-</u>	<u>77,701,130</u>	<u>-</u>	<u>9,860,745</u>
For the year ended December 31, 2021							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----							
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	13	21,270	193,987	417,751	102,272	-	804,186
Fee and commission income	785	3,420	180,591	32,820	897,191	392	21,706
Dividend income	-	-	-	-	448,878	145,181	155,337
Foreign exchange gain	-	-	-	308,305	-	-	-
Loss from derivatives	-	-	(3,306)	-	(43,326)	-	-
Gain on sale of securities - net	-	-	-	-	438,220	-	-
Rent on properties	-	-	-	42,699	-	-	-
Other income	-	-	-	33,707	-	-	-
Expense							
Mark-up / return / profit / interest expensed	291	12,209	107,381	29,015	1,298,782	20,998	242,910
Operating expenses							
Total compensation expense	-	1,847,684	-	-	-	-	1,084,888
Non-Executive Directors' fees	86,400	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,539,625	-	-
Product feature cost	-	-	194,372	-	-	-	-
Travelling	-	-	6,656	-	-	-	-
Subscription	-	-	-	-	-	-	77,584
Donation	-	-	77,230	-	-	-	405,576
Brokerage and commission	-	-	-	-	-	-	212,274
Other expenses	-	-	-	347,726	-	-	25,572
Others							
Purchase of Government securities	-	-	337,325,673	1,995,995	54,769,108	-	16,885,974
Sale of Government securities	-	56,883	346,902,828	26,439,135	32,529,676	-	27,793,467
Purchase of foreign currencies	-	-	3,004,944	1,359,398	3,018	-	2,857,263
Sale of foreign currencies	-	-	3,280,543	9,275,090	222,000	-	5,732,637
Insurance claims settled	-	-	-	-	81,504	-	-

42.1 Balances and transactions with group entities include deposits of Rs 0.590 million (2021: Rs 0.554 million) from the parent and Rs 2.000 thousand (2021: Rs 1.814 thousand) as mark-up expense thereon.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

2022 **2021**
(Rupees in '000)

14,668,525 14,668,525

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

203,364,899 193,371,438

Eligible Additional Tier 1 (ADT 1) Capital

15,901,419 10,428,514

Total Eligible Tier 1 Capital

219,266,318 203,799,952

Eligible Tier 2 Capital

37,987,540 58,372,958

Total Eligible Capital (Tier 1 + Tier 2)

257,253,858 262,172,910

Risk Weighted Assets (RWAs):

Credit Risk

1,387,509,228 1,217,657,907

Market Risk

75,860,638 92,254,538

Operational Risk

252,065,484 212,268,669

Total

1,715,435,350 1,522,181,114

Common Equity Tier 1 Capital Adequacy Ratio

11.86% 12.70%

Tier 1 Capital Adequacy Ratio

12.78% 13.39%

Total Capital Adequacy Ratio

15.00% 17.22%

Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)

of which: capital conservation buffer requirement

9.00% 9.50%

of which: countercyclical buffer requirement

1.50% 1.50%

of which: D-SIB buffer requirement

1.50% 2.00%

CET1 available to meet buffers (as a percentage of risk weighted assets)

5.86% 6.70%

Other information:

Minimum capital requirements prescribed by the SBP

CET1 ratio (%)

9.00% 9.50%

Tier 1 ratio (%)

10.50% 11.00%

Total capital ratio (%)

13.00% 13.50%

2022 **2021**
(Rupees in '000)

Leverage Ratio (LR)

Eligible Tier-1 Capital

219,266,318 203,799,952

Total Exposure

5,014,549,104 4,470,420,642

Leverage Ratio (%)

4.37% 4.56%

Minimum Requirement (%)

3.00% 3.00%

2022 **2021**
Total Adjusted Value
(Rupees in '000)

Liquidity Coverage Ratio (LCR)

Average High Quality Liquid Assets

1,609,446,790 1,477,650,149

Average Net Cash Outflow

632,560,916 638,366,023

Liquidity Coverage Ratio (%)

254.43% 231.47%

Minimum Requirement (%)

100.00% 100.00%

2022 **2021**
Total Weighted Value
(Rupees in '000)

Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

3,225,111,950 3,046,911,457

Total Required Stable Funding

2,171,559,048 1,964,571,726

Net Stable Funding Ratio (%)

148.52% 155.09%

Minimum Requirement (%)

100.00% 100.00%

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

43.1 Capital management

The Bank's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The Bank's lead regulator, the SBP, sets and monitors capital requirements for the Bank as a whole. The Bank's branches outside Pakistan are also required to follow capital requirements applicable in their respective jurisdictions.

The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at December 31, 2022 stood at Rs 14.669 billion (2021: Rs. 14.669 billion) and is in compliance with SBP requirements.

The Bank and its individually regulated operations have complied with all capital requirements.

The Bank's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
- CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding exchange translation reserves) and unappropriated profit meeting the eligibility criteria.
- AT 1 capital includes perpetual TFCs meeting the prescribed SBP criteria.
- Tier 2 capital includes general provisions for loan losses, surplus / (deficit) on revaluation of fixed assets and investments, exchange translation reserves.

Banking operations are categorised as either Trading Book or Banking Book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and are aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Eligible collateral used includes Government of Pakistan (GoP) guarantees, GoP issued securities, bank guarantees, lien on deposits and margin accounts. Risk weights notified by the SBP are applied to net exposures to arrive at risk weighted assets.
- The Bank calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP, which takes into account interest rate risk using the maturity method, equity position risk and foreign exchange risk.

43.2 The full disclosures on the Capital Adequacy Ratio, Leverage Ratio & Liquidity Requirements calculated as per SBP instructions issued from time to time have been placed on the Bank's website. The link to the full disclosure is available at <https://www.hbl.com/capitalandliquidity>.

44 RISK MANAGEMENT FRAMEWORK

HBL has a well-developed and robust risk management framework, appropriate for its size, regional and target market diversification and the high complexity of its operations. The Bank's risk management framework includes a clearly documented risk appetite, well-articulated policies and procedures and a multi-tier management supervision, supported by strong Board oversight.

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place, covering all aspects of the Bank's operations, including the required human resources, policies, procedures, and systems, and is updated regularly to safeguard the Bank against emerging risks. It is supported in this task by the Board Risk Management Committee (BRMC) as well as by various management committees.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

For effective implementation of the risk management framework, the Risk Management function, headed by the Chief Risk Officer (CRO), operates independently of the business units within the Bank. Risk Management is responsible for the development and implementation of risk policies and for monitoring the risks associated with various activities of the Bank. The CRO reports to the President, with a functional reporting line to the BRMC.

The Risk Management function comprises of the following areas:

- Credit Approvals
- Credit Administration
- Program Based Lending Risk
- Market Risk & Financial Risk Modeling
- Enterprise Risk Management
- Risk Corporate Governance

44.1 Credit risk management

Credit risk is defined as the risk of financial loss stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk, it also stems from both on and off-balance sheet activities. The credit process at the Bank is governed by well-defined and documented credit policies and procedures including separate policies for consumer loans, agriculture banking and SME financing. Certain types of exposures / facilities are managed under product programs that contain their own detailed credit criteria, compliance and documentation requirements.

The Bank's credit risk appetite is defined through a Global Risk Appetite Statement that is approved by the Board. It also covers the concentration risks the Bank is willing to take with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at the Bank are:

- Approval rules based on a three-initial system and joint Business / Risk sign-offs.
- An independent Internal Audit function which includes a Business Risk Review (BRR) unit.

Credit approval authorities are delegated to individuals based on their qualifications and experience. Disbursement authorization, collateral and security management, documentation and monitoring are managed by the Credit Administration Department. Proactive monitoring is ensured for assets under stress. This enables the Bank to put in place viable solutions to prevent further deterioration in credit quality. An independent Structured Credits and Remedial Assets function handles stressed assets and ensures a focused remedial strategy.

Credit risk management software to automate loan origination has been implemented domestically for Corporate, Commercial and Retail (non-program based) lending and is being rolled out to overseas locations. The software is designed to improve approval efficiency; enable capture, storage and retrieval of approval data; and generate MIS for decision making.

Stress testing on the credit portfolio is performed in line with SBP guidelines. In addition to the mandatory stress tests defined by the regulator, the Bank has also developed advanced stress tests for credit risk including macroeconomic stress tests, and reverse stress tests to test the adequacy of the Bank's capital under various stress conditions. The Bank also regularly conducts rapid portfolio reviews in line with emerging risks.

The Bank has undertaken a number of initiatives including the establishment of a Financial Risk Modelling and Stress Testing unit to strengthen its credit risk management framework including in-house development, back testing, validation of credit risk scorecards, internal risk ratings (obligor risk rating and facility risk rating) and probability of default models for the portfolio. The performance of the risk rating models over the years is continuously monitored.

BRR performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality by reviewing the efficacy of the relevant processes, ensuring regulatory / policy compliance, and assessing the appropriateness of classification and risk ratings.

44.1.1 Credit risk - general disclosures

The Bank follows the Standardized Approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit ratings or type of exposure, whichever is applicable.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects different ECAIs for each type of exposure. The Bank utilizes credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Vital Information Services (VIS), Fitch, Moody's and Standard & Poor's (S&P). The Bank also utilizes rating scores of Export Credit Agencies (ECAs).

Types of exposure and ECAIs used

	FITCH	Moody's	S&P	PACRA	VIS	ECA scores
Corporates	✓	✓	✓	✓	✓	-
Banks	✓	✓	✓	✓	✓	-
Sovereigns	-	✓	-	-	-	✓
Public sector enterprises	✓	-	-	✓	✓	-

Mapping to SBP rating grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

Long - Term rating grades mapping

SBP rating grade	FITCH	Moody's	S&P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short -Term Rating Grades mapping

SBP rating grade	FITCH	Moody's	S&P	PACRA	VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

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44.1.2 Credit Risk Mitigation for under the Standardized Approach

The Bank has adopted the Simple Approach for Credit Risk Mitigation in the banking book. Under this approach, cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral. The Bank has detailed guidelines regarding the valuation and management of each of these types of collateral. Where the Bank's exposure on an obligor is wholly or partially guaranteed by an eligible guarantee, the risk weight / credit rating of the guarantor is substituted for the risk weight of the obligor.

No credit risk mitigation benefit is taken in the trading book.

For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net exposure for the calculation of Risk Weighted Assets.

44.1.3 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by international rating agencies. CBTR arises from exposure to counterparties in countries other than the jurisdiction of the lender. Transfer risk arises where an otherwise solvent and willing debtor is unable to meet its obligations due to the imposition of governmental or regulatory controls restricting its ability to meet its foreign liabilities. The limit utilization is controlled at Head Office level and country risk exposures are reported to the BRMC at defined frequencies.

44.1.4 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings	Non-performing lendings	Provision held	Gross lendings	Non-performing lendings	Provision held
	2022			2021		
	(Rupees in '000)					
Public / Government	176,265,131	-	-	24,615,867	-	-
Private	78,328,156	-	-	69,126,565	-	-
	<u>254,593,287</u>	<u>-</u>	<u>-</u>	<u>93,742,432</u>	<u>-</u>	<u>-</u>

44.1.5 Investment in debt securities

Credit risk by industry sector

	Gross investments	Non-performing investments	Provision held	Gross investments	Non-performing investments	Provision held
	2022			2021		
	(Rupees in '000)					
Textile	261,318	261,318	261,318	86,548	86,548	86,548
Automobile and transportation equipment	-	-	-	-	-	-
Financial	1,782,209,797	1,132,100	953,654	1,797,688,410	-	-
Oil and gas	161,426	-	-	1,798,454	-	-
Power and energy	57,143,771	-	-	61,695,259	-	-
Telecommunication	151,914	151,914	151,914	160,833	160,833	160,833
Wholesale and Retail Price	-	-	-	-	-	-
Metal and allied	675,000	-	-	900,000	-	-
Others	980,000	-	-	1,000,000	-	-
	<u>1,841,583,226</u>	<u>1,545,332</u>	<u>1,366,886</u>	<u>1,863,329,504</u>	<u>247,381</u>	<u>247,381</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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Credit risk by public / private sector

	Gross investments	Non-performing investments	Provision held	Gross investments	Non-performing investments	Provision held
	2022			2021		
	----- (Rupees in '000) -----					
Public / Government	1,823,043,384	1,132,100	953,654	1,845,716,450	-	-
Private	18,539,842	413,232	413,232	17,613,054	247,381	247,381
	<u>1,841,583,226</u>	<u>1,545,332</u>	<u>1,366,886</u>	<u>1,863,329,504</u>	<u>247,381</u>	<u>247,381</u>

44.1.6 Advances

Credit risk by industry sector

	Gross advances	Non-performing advances	Provision held	Gross advances	Non-performing advances	Provision held
	2022			2021		
	----- (Rupees in '000) -----					
Chemical and pharmaceuticals	60,357,354	2,815,684	2,809,796	44,855,008	2,528,011	2,516,898
Agribusiness	177,234,761	3,050,534	1,701,714	125,113,981	1,996,199	1,015,923
Textile	220,903,763	13,509,135	13,359,927	173,300,515	15,520,215	15,406,200
Cement	37,904,091	1,967,010	1,083,273	28,401,108	588,694	588,694
Sugar	13,489,105	1,230,342	1,230,342	8,903,630	1,230,342	1,295,262
Shoes and leather garments	6,927,199	1,075,523	1,061,566	4,647,283	949,725	943,425
Automobile and transportation equipment	35,997,366	4,304,713	4,148,166	25,497,800	3,598,823	3,475,364
Financial	113,911,900	42,632	42,632	130,338,458	39,414	39,414
Hotel and tourism	4,542,602	741,813	622,677	5,596,292	809,736	712,089
Insurance	1,810,043	-	-	2,506,715	-	-
Electronics and electrical appliances	12,206,287	1,806,788	1,806,788	10,099,650	2,595,651	2,595,651
Oil and gas	88,838,490	7,044,242	7,044,242	88,003,142	5,652,384	5,655,182
Power and energy	208,489,782	2,670,231	697,041	194,625,126	13,336	13,336
Education and medical	7,987,021	182,896	180,538	7,452,699	196,080	194,057
Telecommunication	41,499,857	972,759	972,759	28,315,442	1,082,730	1,082,730
Printing and publishing	7,774,152	350,887	350,887	7,807,906	356,435	349,484
Construction	44,550,867	249,091	224,388	42,080,070	193,570	180,730
Mining and quarrying	7,610,041	116,398	59,258	5,952,217	155,578	78,848
Food, tobacco and beverages	92,785,003	4,104,209	3,111,242	78,869,282	3,299,248	2,758,065
Wholesale and retail trade	75,150,524	14,497,129	12,885,451	67,558,211	12,090,001	11,197,535
Metal and allied	29,711,375	3,881,615	2,389,675	31,895,522	4,040,865	2,412,884
Individuals	169,305,228	3,252,693	2,483,864	138,626,234	2,231,153	1,933,347
Farming, cattle and dairy	1,000,232	257,254	270,019	3,180,273	809,395	769,442
Trust funds and non profit organisations	2,863,815	2,991	2,991	1,596,881	2,991	2,991
Others	246,570,457	16,648,411	16,099,187	207,981,910	14,189,081	13,868,821
	<u>1,709,421,315</u>	<u>84,774,980</u>	<u>74,638,423</u>	<u>1,463,205,355</u>	<u>74,169,657</u>	<u>69,086,372</u>

Credit risk by public / private sector

	Gross advances	Non-performing advances	Provision held	Gross advances	Non-performing advances	Provision held
	2022			2021		
	----- (Rupees in '000) -----					
Public / Government	333,507,255	942,162	1,350	317,402,932	1,071,091	5,400
Private	1,375,914,060	83,832,818	74,637,073	1,145,802,423	73,098,566	69,080,972
	<u>1,709,421,315</u>	<u>84,774,980</u>	<u>74,638,423</u>	<u>1,463,205,355</u>	<u>74,169,657</u>	<u>69,086,372</u>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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44.1.7 Contingencies and Commitments

Credit risk by industry sector	2022	2021
	(Rupees in '000)	
Chemical and pharmaceuticals	27,718,235	37,497,701
Agribusiness	4,139,021	4,872,111
Textile	72,035,592	93,954,916
Cement	21,590,809	51,399,786
Defence	429,676	14,055,764
Sugar	3,431,617	3,119,186
Shoes and leather garments	3,023,150	1,608,350
Automobile and transportation equipment	41,234,364	30,633,616
Financial	541,926,838	646,177,212
Hotel and tourism	1,597,392	1,083,342
Insurance	992,398	7,222,886
Electronics and electrical appliances	18,449,164	16,754,561
Oil and gas	54,104,406	68,651,454
Power and energy	134,893,365	105,841,274
Education and medical	1,220,519	2,974,595
Telecommunication	20,429,418	27,697,852
Printing and publishing	1,861,738	2,469,700
Construction	31,520,324	32,181,379
Mining and quarrying	725,931	2,749,857
Food, tobacco and beverages	46,742,487	26,589,405
Wholesale and retail trade	21,658,312	10,533,979
Metal and allied	12,799,000	15,508,860
Individuals	17,938,405	24,602,637
Farming, cattle and dairy	2,270,796	1,549,317
Ports and shipping	5,473,533	1,367,301
Trust funds and non profit organisations	35,550,221	41,572,444
Others	71,314,050	86,508,773
	<u>1,195,070,761</u>	<u>1,359,178,258</u>
Credit risk by public / private sector		
Public / Government	246,037,765	226,782,960
Private	949,032,996	1,132,395,298
	<u>1,195,070,761</u>	<u>1,359,178,258</u>

44.1.8 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregated to Rs 484,034.142 million (2021: Rs 439,861.951 million).

	2022	2021
	(Rupees in '000)	
Funded	349,449,339	254,870,742
Non-funded	134,584,803	184,991,209
Total exposure	<u>484,034,142</u>	<u>439,861,951</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 705,733.152 million (2021: Rs 628,617.948 million).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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44.1.9 Advances - Province / Region-wise disbursement and utilization

Province / Region	2022						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	4,176,030,538	4,016,648,693	154,449,300	4,932,545	-	-	-
Sindh	10,307,147,036	670,728,239	9,396,985,017	12,814,439	114,338,086	110,048,348	2,232,907
KPK including FATA	76,987,178	151,364	3,020,300	73,815,514	-	-	-
Balochistan	11,988,271	-	-	-	11,988,271	-	-
Islamabad	1,318,398,211	210,256,356	19,305,283	-	-	1,088,836,572	-
AJK including Gilgit-Baltistan	22,876,294	-	-	-	-	-	22,876,294
Total	15,913,427,528	4,897,784,652	9,573,759,900	91,562,498	126,326,357	1,198,884,920	25,109,201

Province / Region	2021						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	3,074,341,509	2,888,634,395	39,963,069	1,314,901	-	144,213,003	216,141
Sindh	8,148,280,498	281,124,813	7,806,216,670	9,728,882	17,231,128	32,115,680	1,863,325
KPK including FATA	62,757,915	756,415	1,832,628	60,159,545	-	9,327	-
Balochistan	9,705,598	-	4,328,047	-	5,377,551	-	-
Islamabad	1,031,523,921	70,198,521	139,370,616	-	-	821,954,784	-
AJK including Gilgit-Baltistan	16,713,826	18,015	-	-	-	574,814	16,120,997
Total	12,343,323,267	3,240,732,159	7,991,711,030	71,203,328	22,608,679	998,867,608	18,200,463

44.2 Market Risk Management

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them. Each of these components of market risk consists of a general market risk and a specific market risk that is driven by the nature and composition of the portfolio.

The Bank is exposed to market risk in a number of ways. The largest component is Interest Rate Risk on the Banking Book, which refers to the interest rate risk that the Bank is exposed to due to mismatches in the repricing of its on-balance sheet assets and liabilities. The Bank also has Trading Books in various markets; these assets are marked-to-market at fair value, i.e. changes in the values of the assets arising from movements in the market price of the instruments are directly reflected in the Bank's profit and loss account.

The objective of the Bank's market risk management strategy is to assess an acceptable level of risk for each market variable (as stated in the Bank's Risk Appetite Statement), and to manage the risk arising from fluctuations in these variables to optimize the Bank's income streams.

Treasury and Global Markets is tasked with proactively managing exposures. The Bank's ALCO provides governance with respect to market risk exposures and limits, while monitoring and measurement is carried out by Market Risk Management (MRM).

MRM provides a dynamic and proactive approach to market risk monitoring, including the use of tools such as portfolio sensitivity, scenario analysis, stress testing and the use of Management Action Triggers (MAT) and limits.

44.2.1 Statement of financial position split by trading and banking books

	2022			2021		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	257,368,084	-	257,368,084	409,528,880	-	409,528,880
Balances with other banks	31,319,141	-	31,319,141	32,176,188	-	32,176,188
Lendings to financial institutions	254,593,287	-	254,593,287	93,742,432	-	93,742,432
Investments	1,112,775,561	769,299,707	1,882,075,268	993,171,473	912,017,184	1,905,188,657
Advances	1,622,607,447	-	1,622,607,447	1,384,549,476	-	1,384,549,476
Fixed assets	109,589,864	-	109,326,287	94,158,252	-	94,158,252
Intangible assets	11,576,628	-	11,840,205	6,613,409	-	6,613,409
Deferred tax assets	16,939,758	-	16,939,758	3,744,933	-	3,744,933
Other assets	165,959,013	3,068,427	169,027,440	136,164,069	8,721,910	144,885,979
Total	3,582,728,783	772,368,134	4,355,096,917	3,153,849,112	920,739,094	4,074,588,206

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44.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank manages this risk by setting and monitoring currency-wise exposure limits. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank maintains a net open position in various currencies resulting from its transactions. Foreign exchange risk is controlled and monitored through limits approved by ALCO, within the overall limit advised by the SBP.

	2022				2021			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	----- (Rupees in '000) -----							
United States Dollars	345,830,002	477,170,537	103,751,065	(27,589,470)	311,737,477	339,408,550	32,115,435	4,444,362
Great Britain Pounds	2,109,503	15,874,884	13,868,416	103,035	2,446,269	14,841,521	11,768,610	(626,643)
UAE Dirhams	89,553,909	70,879,577	(21,492)	18,652,840	42,008,146	62,451,185	32,917,837	12,474,798
Japanese Yen	83,825	-	(65,974)	17,851	81,410	63	(38,325)	43,023
Euros	19,194,954	18,310,142	1,813,255	2,698,067	19,782,196	13,918,765	(3,665,153)	2,198,278
Chinese Yuan	16,992,989	31,087,593	331,995	(13,762,609)	9,723,361	19,961,476	463,784	(9,774,331)
Other Currencies	127,412,024	82,082,654	(15,857,646)	29,471,724	121,311,875	72,417,691	(12,574,766)	36,319,418
	<u>601,177,206</u>	<u>695,405,387</u>	<u>103,819,619</u>	<u>9,591,438</u>	<u>507,090,734</u>	<u>522,999,251</u>	<u>60,987,422</u>	<u>45,078,905</u>

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 1% increase in foreign exchange rates on				
- Profit and loss account	-	95,914	-	450,789
- Other comprehensive income	573,201	-	615,877	-

44.2.3 Equity Position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices.

The Bank takes exposures to a range of equity instruments, and is exposed to losses arising from movements in equity prices. The Bank holds equity investments in both the AFS and HFT portfolios. The realization of short term capital gains is the principal objective of the HFT portfolio while the AFS portfolio takes a medium-term market view with the objective of earning both capital gains and dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio which is part of the Bank's overall market risk exposure limit on the trading book.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 5% change in equity prices on				
- Profit and loss account	-	5	-	15,430
- Other comprehensive income	248,338	-	376,184	-

44.2.4 Interest Rate Risk

Interest rate risk arises due to changes in interest rates, including changes in the shape of the yield curve. The Bank is exposed to interest rate risk in both the Trading and Banking Books. Interest rate sensitivity analysis is conducted at both Banking Book and Trading Book levels, at least on a monthly basis or more frequently, if required. The analysis helps in estimating and managing the impact of interest rate volatility on the Bank's earnings and on the economic value of equity within defined tolerance limits. Limits are also in place for fixed income investments of the treasury portfolio at dealer, transaction, portfolio and Trading / Banking Book levels. Regulatory stress testing is conducted on a quarterly basis. Metrics to assess Interest Rate Risk include Interest Rate Gap Reports, Earnings at Risk (EAR) and Economic Value of Equity (EVE). These metrics are assessed based on different stress scenarios.

To further strengthen interest rate risk management, the Bank has developed a standardized framework to for computing the Interest Rate Risk in the Banking Book (IRRBB) under the updated guidelines issued by the Basel Committee on Banking Supervision Standards.

	2022		2021	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 1% change in interest rates on				
- Profit and loss account	5,165,824	(1,221,300)	(1,176,891)	(818,473)
- Other comprehensive income	7,348,444	-	(3,605,044)	-

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44.2.4.1 Mismatch of interest rate sensitive assets and liabilities

Interest rate sensitivity gaps for assets and liabilities which have contractual maturities have been reported based on the earlier of the re-pricing date or maturity date. Assets and liabilities which do not have any contractual maturities have been bucketed on the basis of a behavioural study conducted by Market Risk Management and approved by ALCO.

		2022										
Effective yield / interest rate		Exposed to yield / interest risk										Not exposed to yield / interest risk
		Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years	
On-balance sheet assets		(Rupees in '000)										
Financial Assets												
Cash and balances with treasury banks	0.13%	257,368,084	36,714,920	78,365	-	-	-	-	-	-	-	220,574,799
Balances with other banks	1.28%	31,319,141	17,691,989	2,083,508	-	567,535	-	-	-	-	-	10,976,109
Lendings to financial institutions	12.70%	254,593,287	254,593,287	-	-	-	-	-	-	-	-	-
Investments	11.64%	1,882,075,268	477,987,527	325,239,200	493,984,963	75,582,050	136,623,274	113,777,941	39,540,011	125,268,160	48,224,107	45,848,035
Advances	11.49%	1,622,607,447	506,220,285	759,970,517	188,156,432	37,948,511	20,890,595	26,388,535	45,256,618	28,990,315	256,804	8,528,835
Other assets		152,049,139	-	-	-	-	-	-	-	-	-	152,049,139
		<u>4,200,012,366</u>	<u>1,293,208,008</u>	<u>1,087,371,590</u>	<u>682,141,395</u>	<u>114,098,096</u>	<u>157,513,869</u>	<u>140,166,476</u>	<u>84,796,629</u>	<u>154,258,475</u>	<u>48,480,911</u>	<u>437,976,917</u>
Financial Liabilities												
Bills payable		51,676,520	-	-	-	-	-	-	-	-	-	51,676,520
Borrowings	8.73%	579,004,938	55,070,996	317,583,438	16,682,827	34,998,781	23,588,587	3,869,837	13,269,544	68,249,120	45,691,808	-
Deposits and other accounts	6.25%	3,234,176,418	271,297,675	1,483,559,841	80,627,556	94,566,914	10,639,144	5,081,682	18,167,433	7,987,650	1,006,254	1,261,242,269
Subordinated debt	15.20%	18,874,000	-	18,874,000	-	-	-	-	-	-	-	-
Other liabilities												
Lease Liability against right-of-use assets	12.09%	24,293,254	196,165	392,333	588,499	1,176,999	2,353,998	2,353,998	4,707,995	12,523,267	-	-
Others		171,170,133	-	-	-	-	-	-	-	-	-	171,170,133
		<u>4,079,195,263</u>	<u>326,564,836</u>	<u>1,820,409,612</u>	<u>97,898,882</u>	<u>130,742,694</u>	<u>36,581,729</u>	<u>11,305,517</u>	<u>36,144,972</u>	<u>88,760,037</u>	<u>46,698,062</u>	<u>1,484,088,922</u>
On-balance sheet gap		<u>120,817,103</u>	<u>966,643,172</u>	<u>(733,038,022)</u>	<u>584,242,513</u>	<u>(16,644,598)</u>	<u>120,932,140</u>	<u>128,860,959</u>	<u>48,651,657</u>	<u>65,498,438</u>	<u>1,782,849</u>	<u>(1,046,112,005)</u>
Net non - financial assets		<u>132,958,413</u>										
Total net assets		<u>253,775,516</u>										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		268,910,504	113,872,568	75,506,005	73,975,086	5,556,844	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(134,878,509)	(82,486,646)	(27,960,540)	(19,245,422)	(5,016,085)	-	(169,816)	-	-	-	-
Government Securities transactions - forward purchases		117,020,407	115,303,606	1,331,036	385,765	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(15,275,533)	(15,275,533)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		23,863,687	2,746,513	308,700	-	709,425	2,394,210	166,808	5,947,340	8,012,291	3,578,400	-
Cross Currency Swaps - sales		(30,407,998)	(3,319,106)	(452,862)	-	(679,293)	(3,266,252)	(169,816)	(8,918,301)	(9,073,750)	(4,528,618)	-
Interest rate swaps - sales		(3,033,333)	-	(208,333)	-	-	(1,000,000)	(1,625,000)	(200,000)	-	-	-
Off-balance sheet gap		<u>226,199,225</u>	<u>130,841,402</u>	<u>48,524,006</u>	<u>55,115,429</u>	<u>570,891</u>	<u>(1,872,042)</u>	<u>(1,797,824)</u>	<u>(3,170,961)</u>	<u>(1,061,459)</u>	<u>(950,218)</u>	<u>-</u>
Total yield / interest risk sensitivity gap			<u>1,097,484,574</u>	<u>(684,514,016)</u>	<u>639,357,942</u>	<u>(16,073,707)</u>	<u>119,060,098</u>	<u>127,063,135</u>	<u>45,480,696</u>	<u>64,436,979</u>	<u>832,631</u>	<u>(1,046,112,005)</u>
Cumulative yield / Interest rate risk sensitivity gap			<u>1,097,484,574</u>	<u>412,970,558</u>	<u>1,052,328,500</u>	<u>1,036,254,793</u>	<u>1,155,314,891</u>	<u>1,282,378,026</u>	<u>1,327,858,722</u>	<u>1,392,295,701</u>	<u>1,393,128,332</u>	<u>347,016,327</u>

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2021

Effective yield / interest rate	Exposed to yield / interest risk										Not exposed to yield / interest risk	
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years		
On-balance sheet assets	(Rupees in '000)											
Financial Assets												
Cash and balances with treasury banks	0.03%	409,528,880	12,895,269	-	-	229,238	-	-	-	-	-	396,404,373
Balances with other banks	0.94%	32,176,188	8,417,084	160,291	240,437	-	-	-	-	-	-	23,358,376
Lendings to financial institutions	7.25%	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-	-
Investments	8.19%	1,905,188,657	383,920,827	351,540,025	545,224,463	166,178,295	55,043,262	110,953,570	98,004,866	100,211,912	51,226,889	42,884,548
Advances	8.20%	1,384,549,476	338,939,077	638,518,809	177,080,638	76,316,327	22,444,870	33,010,398	59,306,914	34,767,647	255,996	3,908,800
Other assets		118,806,807	-	-	-	-	-	-	-	-	-	118,806,807
		<u>3,943,992,440</u>	<u>816,552,889</u>	<u>1,011,580,925</u>	<u>722,545,538</u>	<u>242,723,860</u>	<u>77,488,132</u>	<u>143,963,968</u>	<u>157,311,780</u>	<u>134,979,559</u>	<u>51,482,885</u>	<u>585,362,904</u>
Financial Liabilities												
Bills payable		43,853,860	-	-	-	-	-	-	-	-	-	43,853,860
Borrowings	4.71%	432,261,654	56,535,735	168,761,946	43,181,498	49,448,611	11,007,311	13,779,480	16,561,509	64,962,422	8,023,142	-
Deposits and other accounts	3.58%	3,184,260,887	258,266,717	1,605,810,022	92,615,303	109,126,915	5,866,992	16,377,133	3,034,634	8,353,952	306,871	1,084,502,348
Subordinated debt	9.04%	12,374,000	-	12,374,000	-	-	-	-	-	-	-	-
Other liabilities												
Lease Liability against right-of-use assets	10.32%	19,528,712	157,693	315,386	473,079	946,159	1,892,317	1,892,317	3,784,634	10,067,127	-	-
Others		109,348,660	-	-	-	-	-	-	-	-	-	109,348,660
		<u>3,801,627,773</u>	<u>314,960,145</u>	<u>1,787,261,354</u>	<u>136,269,880</u>	<u>159,521,685</u>	<u>18,766,620</u>	<u>32,048,930</u>	<u>23,380,777</u>	<u>83,383,501</u>	<u>8,330,013</u>	<u>1,237,704,868</u>
On-balance sheet gap		<u>142,364,667</u>	<u>501,592,744</u>	<u>(775,680,429)</u>	<u>586,275,658</u>	<u>83,202,175</u>	<u>58,721,512</u>	<u>111,915,038</u>	<u>133,931,003</u>	<u>51,596,058</u>	<u>43,152,872</u>	<u>(652,341,964)</u>
Net non - financial assets		<u>115,564,243</u>										
Total net assets		<u>257,928,910</u>										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		320,185,675	91,911,293	144,333,664	64,255,279	19,685,439	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(239,848,248)	(85,954,995)	(88,456,093)	(49,772,845)	(15,664,315)	-	-	-	-	-	-
Government Securities transactions - forward purchases		27,830,190	26,993,330	836,860	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(65,732,273)	(65,732,273)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		17,058,770	-	57,639	77,975	309,755	2,105,925	2,712,010	7,346,164	878,616	3,570,686	-
Cross Currency Swaps - sales		(19,308,883)	-	(73,549)	(88,257)	(353,022)	(2,382,932)	(2,899,223)	(9,010,815)	(970,815)	(3,530,270)	-
Interest rate swaps - sales		(5,681,475)	-	(564,808)	-	-	(1,041,667)	(2,000,000)	(2,075,000)	-	-	-
Off-balance sheet gap		<u>34,503,756</u>	<u>(32,782,645)</u>	<u>56,133,713</u>	<u>14,472,152</u>	<u>3,977,857</u>	<u>(1,318,674)</u>	<u>(2,187,213)</u>	<u>(3,739,651)</u>	<u>(92,199)</u>	<u>40,416</u>	<u>-</u>
Total yield / interest risk sensitivity gap			<u>468,810,099</u>	<u>(719,546,716)</u>	<u>600,747,810</u>	<u>87,180,032</u>	<u>57,402,838</u>	<u>109,727,825</u>	<u>130,191,352</u>	<u>51,503,859</u>	<u>43,193,288</u>	<u>(652,341,964)</u>
Cumulative yield / Interest rate risk sensitivity gap			<u>468,810,099</u>	<u>(250,736,617)</u>	<u>350,011,193</u>	<u>437,191,225</u>	<u>494,594,063</u>	<u>604,321,888</u>	<u>734,513,240</u>	<u>786,017,099</u>	<u>829,210,387</u>	<u>176,868,423</u>

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44.3 Enterprise Risk Management

The Enterprise Risk Management (ERM) function was set up in 2020, and is applicable to all functions within the Bank, thus ensuring a robust and consistent approach to risk management across the organization.

The Bank's Enterprise Risk Management Framework, approved by the Board, outlines the essential ERM components, principles and concepts, and suggests the use of a common ERM language, while providing a clear direction and guidance for integrated risk management within the Bank. Day-to-day responsibility for risk management is distributed through the delegation of accountability to individuals, with reporting and escalation facilitated through a governance structure. Standards, policies, and limits are well defined to ensure tasks and processes are consistently controlled.

During the year, a Bank-wide Risk and Control Repository has been created with the objective of identifying all risks and issues in a holistic manner across the entire organization and ensuring that they are adequately monitored and mitigated.

The ERM function also includes a Model Risk Management unit that provides independent review and validation of all models being used in the Bank.

44.3.1 Operational Risk Management (ORM)

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

A comprehensive ORM Framework is in place which address all significant aspects of ORM. The Bank uses loss data management, Risk and Control Self Assessments and tracking of Key Risk Indicators (KRIs) to gauge the likelihood and severity of operational risk. The SAS software is used to facilitate this process. Operational Risk coordinators have been assigned from all departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) monitors and oversees operational risk issues.

The Bank uses stress testing to proactively assess impact on the Bank. RCSA exercises are conducted at regular intervals across the Bank. Operational risk reports are regularly submitted to the senior management and the BRMC.

44.3.2 Business Continuity Planning (BCP)

It is the policy of the Bank to maintain a well-defined business continuity plan with clearly defined roles, responsibilities and ownership for crisis management, to ensure business continuity and IT disaster recovery. The Bank's Business Continuity Steering Committee, includes representation from the senior management of the Bank and is the governing body for BCP. It meets on a periodic basis to review key initiatives, testing results and action plans for strengthening the Bank's ability to manage crisis situations. The Bank's business continuity program complies with the regulatory framework and the leading Business Continuity Management standard, ISO 22301. The business continuity program is subject to regular internal, external and regulatory reviews and audits.

44.3.3 IT related controls

During the year, the Bank's IT controls were further strengthened, with special focus on controls around testing and quality assurance of all the products or solutions taken into production. Enhanced focus and visibility was given to IT Audit and Compliance, and several control / monitoring and technology hygiene initiatives were launched in close coordination with the Internal Audit and Global Compliance. A formal procedure for IT Risk Management was introduced to identify and mitigate potential risks in a centralized manner. This has been further aligned with the Enterprise Technology Governance and Risk Management (ETGRM) framework. IT Risk Coordinators, aligned with the enterprise-wide Risk Coordinators have been introduced to ensure that risks are reported and coordinated regularly. An IT Risk Register has been developed to track and monitor IT risks; the process will be automated in 2023 aligned with other areas of the Bank.

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Controls around 'Cloud Computing' were put in place as per the directives and framework provided by the SBP. IT introduced better visibility of its services management function by revamping existing processes and introducing new processes for effective controls and visibility across the Bank. The IT Steering Committee discipline was established at all international locations to bring efficiency and effectiveness in technology governance and operations.

44.3.4 Information Security Risk

It is vitally important for the Bank to protect its customers and their data from cyberattacks and to provide secure banking services. Information Security plays a pivotal role in protecting the Bank's data assets from both internal and external threats through effective cyber security risk management, supported by preventive and detective controls capable of responding to emerging external threats.

Targeted and frequent information security awareness initiatives for customers and employees were launched using multiple delivery channels, to elevate their level of awareness and better equip them to counter security challenges. Significant progress has also been made in raising information security standards at international locations to a level consistent with the policies, standards, and controls implemented for the domestic business.

Moving forward, the Bank plans to strengthen its cyber-defenses through the use of automation and modern technologies, in particular, AI and machine learning. Furthermore, the Bank will work towards further alignment of its information security operations center with international best practices.

Customers are an important component of the security process and continuous customer education about cyber risks will remain an important component of our defense strategy. These security measures will allow the Bank to continue offering innovative digital solutions to its clients while ensuring them protection and peace of mind.

44.4 Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its cash obligations as they become due, or to fund assets, at a reasonable cost, because of the inability to liquidate assets, or to obtain adequate funding.

The Bank follows a comprehensive liquidity risk management policy duly approved by the Board. The policy provides guidelines for establishing a robust liquidity risk management framework which helps in identifying the key liquidity and funding risks to which the bank is exposed, describes how these risks are identified, measured, monitored and reported, and prescribes the techniques and resources used to manage and mitigate these risks. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Bank's liquidity under normal and crisis situations (stress testing). The Bank also has a Contingency Funding Plan in place to address liquidity issues in times of crisis. This plan identifies early warning indicators to preempt unforeseen liquidity crises. Triggers are used to ascertain potential stress scenarios.

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk is monitored using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); liquidity gaps and various liquidity ratios are regularly monitored by Market Risk Management. Liquidity risk is reviewed by ALCO on a monthly basis and an update is provided to the BRMC on a quarterly basis.

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44.4.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

	2022												
Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
(Rupees in '000)													
Assets													
Cash and balances with treasury banks	257,368,084	256,289,743	999,976	-	78,365	-	-	-	-	-	-	-	-
Balances with other banks	31,319,141	16,540,351	-	-	12,127,747	-	2,083,508	-	-	567,535	-	-	-
Lendings to financial institutions	254,593,287	-	254,593,287	-	-	-	-	-	-	-	-	-	-
Investments	1,882,075,268	-	-	-	125,747,706	-	235,284,800	84,050,205	249,569,755	207,872,101	324,793,532	111,986,622	434,675,047
Advances	1,622,607,447	257,479,213	99,585,149	18,549,526	18,915,499	35,756,783	26,788,771	59,302,036	78,559,746	96,478,225	207,272,291	182,647,435	220,030,191
Fixed assets	109,326,287	7,287,444	139,664	162,942	395,716	708,021	708,021	2,124,062	2,124,062	2,124,062	8,496,246	8,496,244	9,123,881
Intangible assets	11,840,205	5,187,628	25,611	29,880	72,565	129,835	129,835	389,505	389,505	389,505	1,558,022	1,558,024	1,980,290
Deferred tax assets	16,939,758	5,498	32,991	38,489	93,474	1,059,329	1,059,329	1,407,100	749,562	749,562	53,607	1,897,521	4,057,179
Other assets	169,027,440	957,390	5,736,525	6,692,612	15,312,835	23,683,363	21,650,798	54,958,141	13,858,291	13,858,291	11,913,452	175,125	-
	4,355,096,917	543,747,267	361,113,203	25,473,449	172,743,907	61,337,331	287,705,062	202,231,049	345,250,921	322,039,281	554,087,150	306,760,971	669,866,588
Liabilities													
Bills payable	51,676,520	51,676,520	-	-	-	-	-	-	-	-	-	-	-
Borrowings	579,004,938	348,674	22,624,531	36,114,622	172,380	131,873,741	44,024,208	185,372,153	19,846,991	51,895,548	949,508	690,690	15,771,055
Deposits and other accounts	3,234,176,418	2,684,008,937	38,605,900	25,892,005	43,348,314	41,124,471	70,093,657	153,988,139	47,318,912	88,168,502	18,653,854	9,018,016	6,931,134
Subordinated debt	18,874,000	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities													
Lease Liability against right-of-use asset	24,293,254	6,448	38,696	45,145	109,638	196,166	196,166	588,499	588,499	588,499	2,353,998	2,353,998	4,707,997
Others	193,296,271	6,139,848	36,839,089	42,978,937	101,270,833	-	6,067,564	-	-	-	-	-	-
	4,101,321,401	2,742,180,427	98,108,216	105,030,709	144,901,165	173,194,378	120,381,595	339,948,791	67,754,402	140,652,549	21,957,360	12,062,704	27,410,186
Net assets	253,775,516	(2,198,433,160)	263,004,987	(79,557,260)	27,842,742	(111,857,047)	167,323,467	(137,717,742)	277,496,519	181,386,732	532,129,790	294,698,267	642,456,402
Share capital	14,668,525												
Reserves	71,735,697												
Surplus on revaluation of assets													
- net of tax	1,984,774												
Unappropriated profit	165,386,520												
	<u>253,775,516</u>												

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2021													
	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	----- (Rupees in '000) -----													
Assets														
Cash and balances with treasury banks	409,528,880	394,974,585	9,687,044	702,262	1,404,524	-	-	-	-	2,760,465	-	-	-	-
Balances with other banks	32,176,188	26,414,187	1,756,464	1,387,594	2,158,380	174,780	264,890	-	-	19,893	-	-	-	-
Lendings to financial institutions	93,742,432	-	42,953,067	19,591,484	9,836,081	1,700,000	19,661,800	-	-	-	-	-	-	-
Investments	1,905,188,657	-	5,522,456	5,207,468	8,727,431	42,920,793	185,702,605	153,894,542	128,654,920	38,788,000	347,161,076	147,723,407	313,942,475	526,943,484
Advances	1,384,549,476	320,952,766	66,668,284	9,468,319	18,781,666	38,969,292	32,066,566	85,314,264	65,944,906	69,876,287	143,784,983	122,527,250	158,988,980	251,205,913
Fixed assets	94,158,252	7,504,254	102,890	120,038	291,521	521,594	521,594	1,564,781	1,564,781	1,564,781	6,259,126	6,259,126	7,135,962	60,747,804
Intangible assets	6,613,409	2,036,995	17,618	20,555	49,919	89,316	89,316	267,947	267,947	267,947	1,071,788	1,071,788	1,362,273	-
Deferred tax assets	3,744,933	441	2,647	3,088	7,499	115,999	115,999	144,361	68,749	68,749	914,047	699,026	1,443,676	160,652
Other assets	144,885,979	1,215,137	7,290,822	8,505,959	18,897,948	14,973,455	14,973,455	37,530,003	9,716,624	9,496,788	21,603,331	280,134	-	402,323
	<u>4,074,588,206</u>	<u>753,098,365</u>	<u>134,001,292</u>	<u>45,006,767</u>	<u>60,154,969</u>	<u>99,465,229</u>	<u>253,396,225</u>	<u>278,715,898</u>	<u>206,217,927</u>	<u>122,842,910</u>	<u>520,794,351</u>	<u>278,560,731</u>	<u>482,873,366</u>	<u>839,460,176</u>
Liabilities														
Bills payable	43,853,860	43,853,860	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	432,261,654	618,796	4,624,531	46,479,498	4,812,910	131,854,096	36,907,850	43,181,498	4,552,558	44,896,053	11,007,311	13,779,480	16,561,509	72,985,564
Deposits and other accounts	3,184,260,887	2,564,013,824	51,861,449	60,505,024	146,940,772	79,596,903	79,596,903	67,924,829	48,625,557	48,625,557	6,985,441	17,952,006	2,997,806	8,634,816
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	-	-	-	-	12,374,000
Other liabilities														
Lease Liability against right-of-use asset	19,528,712	5,184	31,107	36,291	88,135	157,693	157,693	473,079	473,079	473,079	1,892,317	1,892,317	3,784,634	10,064,104
Others	124,380,183	3,890,088	23,340,530	27,230,618	62,302,833	1,224,253	1,224,253	1,359,012	629,152	629,152	313,312	300,853	1,865,403	70,724
	<u>3,816,659,296</u>	<u>2,612,381,752</u>	<u>79,857,617</u>	<u>134,251,431</u>	<u>214,144,650</u>	<u>212,832,945</u>	<u>117,886,699</u>	<u>112,938,418</u>	<u>54,280,346</u>	<u>94,623,841</u>	<u>20,198,381</u>	<u>33,924,656</u>	<u>25,209,352</u>	<u>104,129,208</u>
Net assets	<u>257,928,910</u>	<u>(1,859,283,387)</u>	<u>54,143,675</u>	<u>(89,244,664)</u>	<u>(153,989,681)</u>	<u>(113,367,716)</u>	<u>135,509,526</u>	<u>165,777,480</u>	<u>151,937,581</u>	<u>28,219,069</u>	<u>500,595,970</u>	<u>244,636,075</u>	<u>457,664,014</u>	<u>735,330,968</u>
Share capital	14,668,525													
Reserves	69,678,669													
Surplus on revaluation of assets														
- net of tax	25,189,245													
Unappropriated profit	148,392,471													
	<u>257,928,910</u>													

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

Assets and liabilities which have contractual maturities have been reported as per their remaining maturities. Assets and liabilities which do not have any contractual maturities have been reported as per their expected maturities calculated on the basis of a behavioral study approved by ALCO.

	2022									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	----- (Rupees in '000) -----									
Assets										
Cash and balances with treasury banks	257,368,084	171,749,079	4,828,207	9,287,517	12,764,975	10,032,402	6,963,382	9,341,767	16,665,452	15,735,303
Balances with other banks	31,319,141	30,751,606	-	-	567,535	-	-	-	-	-
Lendings to financial institutions	254,593,287	254,593,287	-	-	-	-	-	-	-	-
Investments	1,882,075,268	125,747,707	235,284,801	84,050,205	249,569,755	207,872,101	324,793,532	111,986,621	434,675,046	108,095,500
Advances	1,622,607,447	230,632,596	108,932,586	61,126,791	167,078,826	256,692,413	200,534,646	251,000,941	273,966,637	72,642,011
Fixed assets	109,326,287	7,972,187	1,416,041	2,124,062	4,248,123	8,496,246	8,496,246	9,133,139	13,180,737	54,259,506
Intangible assets	11,840,205	5,313,194	259,670	389,505	779,011	1,558,022	1,558,022	1,982,781	-	-
Deferred tax assets	16,939,758	1,307,177	2,444,201	843,969	2,543,210	(1,030,533)	3,910,531	2,265,361	7,463,704	(2,807,862)
Other assets	169,027,440	26,559,040	46,946,801	55,922,276	27,201,525	12,321,999	-	75,799	-	-
	<u>4,355,096,917</u>	<u>854,625,873</u>	<u>400,112,307</u>	<u>213,744,325</u>	<u>464,752,960</u>	<u>495,942,650</u>	<u>546,256,359</u>	<u>385,786,409</u>	<u>745,951,576</u>	<u>247,924,458</u>
Liabilities										
Bills payable	51,676,520	20,107,377	-	31,569,143	-	-	-	-	-	-
Borrowings	579,004,938	325,962,752	57,362,510	52,353,543	8,561,852	16,495,756	6,892,747	20,084,490	91,101,987	189,301
Deposits and other accounts	3,234,176,418	775,306,145	190,508,075	302,434,603	390,326,221	275,530,836	190,033,031	250,688,768	444,835,869	414,512,870
Subordinated debt	18,874,000	-	-	-	-	-	-	-	-	18,874,000
Other liabilities										
Lease Liability against right-of-use asset	24,293,255	196,166	392,333	588,499	1,176,999	2,353,998	2,353,998	4,707,995	12,523,267	-
Others	193,296,270	71,154,869	37,932,790	14,062,252	4,153,895	9,263,623	7,700,367	15,400,734	33,491,579	136,161
	<u>4,101,321,401</u>	<u>1,192,727,309</u>	<u>286,195,708</u>	<u>401,008,040</u>	<u>404,218,967</u>	<u>303,644,213</u>	<u>206,980,143</u>	<u>290,881,987</u>	<u>581,952,702</u>	<u>433,712,332</u>
Net assets	<u>253,775,516</u>	<u>(338,101,436)</u>	<u>113,916,599</u>	<u>(187,263,715)</u>	<u>60,533,993</u>	<u>192,298,437</u>	<u>339,276,216</u>	<u>94,904,422</u>	<u>163,998,874</u>	<u>(185,787,874)</u>
Share capital	14,668,525									
Reserves	71,735,697									
Surplus on revaluation of assets - net of tax	1,984,774									
Unappropriated profit	165,386,520									
	<u>253,775,516</u>									

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2021									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 years
	----- (Rupees in '000) -----									
Assets										
Cash and balances with treasury banks	409,528,880	275,459,560	12,238,923	7,302,617	25,068,426	18,784,034	9,812,757	13,623,858	23,246,600	23,992,105
Balances with other banks	32,176,188	31,716,625	439,670	-	19,893	-	-	-	-	-
Lendings to financial institutions	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-
Investments	1,905,188,657	19,457,355	228,623,398	153,894,542	167,442,921	347,161,076	147,723,407	313,942,475	428,162,687	98,780,796
Advances	1,384,549,476	144,892,520	103,583,017	111,032,907	177,829,742	198,737,778	169,421,630	228,250,977	126,583,454	124,217,451
Fixed assets	94,158,252	8,008,700	1,043,188	1,564,781	3,129,563	6,259,126	6,259,126	7,142,162	11,391,867	49,359,739
Intangible assets	6,613,409	2,123,375	178,631	267,947	535,894	1,071,788	1,071,788	1,363,986	-	-
Deferred tax assets	3,744,933	13,809	231,999	144,220	137,473	913,994	699,130	1,443,668	3,311,267	(3,150,627)
Other assets	144,885,979	35,173,250	33,837,768	35,622,399	18,111,288	21,699,101	281,044	-	161,129	-
	<u>4,074,588,206</u>	<u>589,225,826</u>	<u>401,538,394</u>	<u>309,829,413</u>	<u>392,275,200</u>	<u>594,626,897</u>	<u>335,268,882</u>	<u>565,767,126</u>	<u>592,857,004</u>	<u>293,199,464</u>
Liabilities										
Bills payable	43,853,860	8,024,142	853,089	34,976,629	-	-	-	-	-	-
Borrowings	432,261,654	56,535,735	168,761,946	43,181,498	49,448,611	11,007,311	13,779,480	16,561,509	64,962,422	8,023,142
Deposits and other accounts	3,184,260,887	799,120,660	236,515,638	177,995,881	411,896,189	329,735,505	172,222,036	239,030,828	402,786,978	414,957,172
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	12,374,000
Other liabilities										
Lease Liability against right-of-use asset	19,528,712	157,693	315,386	473,079	946,159	1,892,317	1,892,317	3,784,634	10,067,127	-
Others	124,380,183	32,678,292	36,635,603	15,482,104	20,505,533	3,650,459	963,405	1,926,810	12,394,619	143,358
	<u>3,816,659,296</u>	<u>896,516,522</u>	<u>443,081,662</u>	<u>272,109,191</u>	<u>482,796,492</u>	<u>346,285,592</u>	<u>188,857,238</u>	<u>261,303,781</u>	<u>490,211,146</u>	<u>435,497,672</u>
Net assets	<u>257,928,910</u>	<u>(307,290,696)</u>	<u>(41,543,268)</u>	<u>37,720,222</u>	<u>(90,521,292)</u>	<u>248,341,305</u>	<u>146,411,644</u>	<u>304,463,345</u>	<u>102,645,858</u>	<u>(142,298,208)</u>
Share capital	14,668,525									
Reserves	69,678,669									
Surplus on revaluation of assets - net of tax	25,189,245									
Unappropriated profit	148,392,471									
	<u>257,928,910</u>									

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

44.5 Derivatives Risk

The policy guidelines for derivatives exposures are approved by the Board on the recommendation of the BRMC.

The responsibility for derivatives activity lies with the Treasury and Global Markets business. Measurement and monitoring of market and credit risk limits and exposure, and their reporting to senior management and the Board is done by Market Risk Management (MRM) which, in coordination with the business, also presents limits for review and approval to ALCO and the BRMC. Treasury Operations records derivatives activity in the Bank's books, executes settlements of trades and carries out regulatory reporting to the SBP.

44.5.1 Credit Risk

Credit risk is the risk of non-performance by a counterparty which could result in an adverse impact on the Bank's profitability. The credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Pre-settlement and settlement risk limits for derivative transactions are determined and monitored daily using an approved framework.

44.5.2 Market Risk

The Bank, as a policy, hedges all Options transactions back-to-back. The Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market on a rolling basis. The Bank also manages the interest rate risk of Interest Rate Derivatives and Cross Currency Swaps through Price Value of a Basis Point (PVBP) limits which are monitored and reported by MRM to senior management on a daily basis. These limits are approved by ALCO annually and then approved by the Board on the recommendation of the BRMC.

44.5.3 Operational Risk

The Bank has put in place a robust control framework for derivatives transactions. Front office staff dealing in derivatives have the requisite training and experience to conduct this business; responsibilities have been divided amongst the Structuring Desk (tasked with the overall ownership of derivatives and structured products), Treasury Sales (who are involved in marketing and executing transactions with the Bank's client base) and Trading (which proactively manages the risk from a business perspective).

A detailed product program, approved by the Board, governs the entire value chain for derivatives, including credit and market risk management, booking, sales and settlement. There is a clear segregation of duties whereby operational aspects are handled by Treasury Operations, whereas all risk issues are the responsibility of the Risk department. A Treasury Middle Office function, reporting into Risk, carries out daily monitoring of exposures, while, Compliance monitors any deviation from approved policies and procedures. Internal Audit also regularly reviews systems, transactional processes, accounting practices and end-user roles and responsibilities as part of their reviews of this function.

44.5.4 Liquidity Risk

The types of derivative transactions entered into by HBL are typically straightforward, or 'vanilla' transactions, whereby the Bank is exposed to a negligible amount of liquidity risk.

45 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

45.1 The Board of Directors, in its meeting held on February 24, 2023, has proposed a final cash dividend of Rs 1.50 per share for the year 2022. This is in addition to the Rs 5.25 already paid during the year bringing the total dividend for the year to Rs 6.75 per share (2021: Rs 7.50 per share). This appropriation is expected to be approved by the shareholders in the forthcoming Annual General Meeting. The unconsolidated financial statements for the year ended December 31, 2022 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2023.

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DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on February 24, 2023.

47

GENERAL

47.1

Comparative figures have been re-arranged and reclassified for comparison purposes.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director

**Islamic banking business - Unconsolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2022**

ANNEXURE-I

Details of the Islamic banking business for the year ended December 31, 2022 is disclosed in Annexure I of the consolidated financial statements.

**Details of advances written-off - Unconsolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2022**

ANNEXURE-II

Details of advances written-off for the year ended December 31, 2022 are disclosed in Annexure II of the consolidated financial statements.

**Details of disposal of fixed assets to related parties- Unconsolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2022**

ANNEXURE-III

The particulars of fixed assets sold to related parties, other than through a regular auction, are given below:

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
------(Rupees in '000)-----						
Electrical, Office and Computer Equipment	3,933	2,961	972	1,700	Insurance Claim	Jubilee General Insurance Limited
Leasehold Improvements	9,112	4,490	4,622	2,914	Insurance Claim	Jubilee General Insurance Limited
Furniture & Fixtures	434	256	178	195	Insurance Claim	Jubilee General Insurance Limited
Vehicles	1,481	807	674	1,165	Insurance Claim	Jubilee General Insurance Limited
Total	<u>14,960</u>	<u>8,514</u>	<u>6,446</u>	<u>5,974</u>		