



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

October 25, 2023

Dear Sir,

**Subject: Announcement of Financial Results for the Third Quarter Ended September 30, 2023**

We hereby inform you that the Board of Directors of Habib Bank Limited in their meeting held on October 25, 2023, at 10:00 a.m. at HBL Corporate Office, F-14, Block 5, Clifton, Karachi recommended the following:

**(i) CASH DIVIDEND**

An Interim Cash Dividend for the third quarter ended September 30, 2023, at Rs. 2.25/- per share i.e., 22.50%. This is in addition to the interim Cash Dividend already paid at Rs. 3.50/- per share i.e., 35%.

**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**

NIL

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



### **BOOK CLOSURE DATES**

The Share Transfer Books of the Bank will be closed from November 6, 2023, to November 8, 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 November 3, 2023, will be treated as being in time for the purpose of the above entitlement to the transferees.

The Quarterly Report of the Bank for the period ended September 30, 2023, will be transmitted through PUCARS separately, within the specified time.

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**  
**Condensed Interim Consolidated Profit and Loss Account (Unaudited)**  
**For the nine months ended September 30, 2023**

		January 01 to September 30, 2023	January 01 to September 30, 2022	July 01 to September 30, 2023	July 01 to September 30, 2022
------(Rupees in '000)-----					
Mark-up / return / profit / interest earned	22	509,965,767	309,099,482	190,768,778	121,465,176
Mark-up / return / profit / interest expensed	23	332,106,284	192,585,025	125,782,767	79,336,844
Net mark-up / return / profit / interest income		177,859,483	116,514,457	64,986,011	42,128,332
<b>Non mark-up / interest income</b>					
Fee and commission income	24	30,458,872	22,773,077	10,680,111	7,715,691
Dividend income		1,982,094	560,465	155,203	150,326
Share of profit of associates and joint venture		3,212,506	2,093,109	1,037,929	1,276,897
Foreign exchange (loss) / income - domestic		(4,252,401)	3,501,155	(86,937)	647,857
Foreign exchange income - international		1,347,400	3,278,493	370,582	1,375,751
Foreign exchange income - unrealised gain / (loss) related to derivatives		4,544,399	5,463,820	(1,239,637)	2,864,385
(Loss) / income from derivatives		(3,140,330)	(3,412,516)	2,011,230	(2,318,240)
(Loss) / gain on securities - net	25	(307,328)	530,713	(79,989)	127,485
Other income	26	4,347,253	342,691	182,160	106,154
Total non mark-up / interest income		38,192,465	35,131,007	13,030,652	11,946,306
Total income		216,051,948	151,645,464	78,016,663	54,074,638
<b>Non mark-up / interest expenses</b>					
Operating expenses	27	123,298,170	90,926,231	43,949,709	31,879,205
Workers' Welfare Fund		1,711,805	1,078,193	609,617	391,304
Other charges	28	82,090	450,995	5,610	8,682
Total non mark-up / interest expenses		125,092,065	92,455,419	44,564,936	32,279,191
<b>Profit before provisions and taxation</b>		90,959,883	59,190,045	33,451,727	21,795,447
Provisions and write offs - net	29	7,431,402	3,591,108	1,432,388	787,993
<b>Profit before taxation</b>		83,528,481	55,598,937	32,019,339	21,007,454
<b>Taxation</b>	30	40,557,222	31,971,038	15,388,058	9,487,340
<b>Profit after taxation</b>		42,971,259	23,627,899	16,631,281	11,520,114
<b>Attributable to:</b>					
Equity holders of the Bank		42,829,432	23,399,621	16,636,075	11,513,791
Non-controlling interest		141,827	228,278	(4,794)	6,323
		42,971,259	23,627,899	16,631,281	11,520,114
-----Rupees-----					
<b>Basic and diluted earnings per share</b>	31	29.20	15.95	11.34	7.85

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Irfan Ahmed Meer  
GM-Financial Controller  
Finance  
Habib Bank Limited

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

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	January 01 to September 30, 2023	January 01 to September 30, 2022	July 01 to September 30, 2023	July 01 to September 30, 2022
----- (Rupees in '000) -----					
Mark-up / return / profit / interest earned	22	479,819,379	290,012,963	179,635,207	114,680,667
Mark-up / return / profit / interest expensed	23	315,537,127	182,837,778	118,885,209	75,194,105
Net mark-up / return / profit / interest income		164,282,252	107,175,185	60,749,998	39,486,562
<b>Non mark-up / interest income</b>					
Fee and commission income	24	26,908,502	19,986,361	9,489,747	6,785,545
Dividend income		3,027,681	1,216,515	225,777	394,203
Foreign exchange (loss) / income - domestic		(5,162,034)	2,161,056	(866,270)	(415,095)
Foreign exchange income - international		1,399,621	2,201,068	146,918	1,035,106
Foreign exchange income - unrealised gain / (loss) related to derivatives		4,544,399	5,463,820	(1,239,637)	2,864,385
(Loss) / gain from derivatives		(3,140,330)	(3,412,516)	2,011,230	(2,318,240)
(Loss) / gain on securities - net	25	(325,450)	687,309	(112,741)	211,537
Other income	26	9,883,533	358,670	226,162	116,972
Total non mark-up / interest income		37,135,922	28,662,283	9,881,186	8,674,413
Total income		201,418,174	135,837,468	70,631,184	48,160,975
<b>Non mark-up / interest expenses</b>					
Operating expenses	27	110,496,644	80,482,078	39,464,922	28,141,337
Workers' Welfare Fund		1,661,993	1,030,352	597,715	380,926
Other charges	28	82,090	450,995	5,610	8,682
Total non mark-up / interest expenses		112,240,727	81,963,425	40,068,247	28,530,945
<b>Profit before provisions and taxation</b>		89,177,447	53,874,043	30,562,937	19,630,030
Provisions and write offs - net	29	6,159,440	2,355,915	840,419	527,478
<b>Profit before taxation</b>		83,018,007	51,518,128	29,722,518	19,102,552
<b>Taxation</b>	30	40,200,911	29,819,141	14,616,755	8,915,936
<b>Profit after taxation</b>		42,817,096	21,698,987	15,105,763	10,186,616
----- (Rupees) -----					
<b>Basic and diluted earnings per share</b>	31	29.19	14.79	10.30	6.94

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

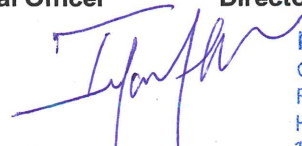
President and  
Chief Executive Officer

Chief Financial Officer

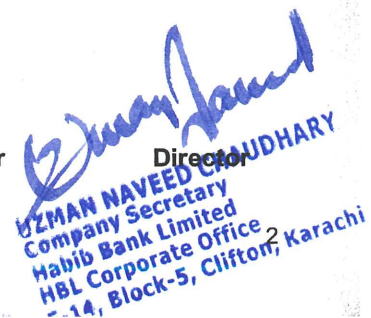
Director

Director

Director



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

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



Annexure “C”

# HBL FINANCIAL STATEMENTS

For the nine months ended

September 30, 2023



CONDENSED INTERIM  
CONSOLIDATED FINANCIAL  
STATEMENTS

For the nine months ended September 30, 2023

**Habib Bank Limited**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at September 30, 2023**

	Note	(Unaudited) September 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
<b>ASSETS</b>			
Cash and balances with treasury banks	5	522,171,130	296,015,386
Balances with other banks	6	53,126,983	41,513,022
Lendings to financial institutions	7	219,213,353	254,593,287
Investments	8	2,506,325,055	1,948,801,042
Advances	9	1,782,546,504	1,782,497,923
Fixed assets	10	140,037,198	113,871,657
Intangible assets	11	20,551,430	18,422,200
Deferred tax assets	12	12,054,861	5,797,045
Other assets	13	251,868,869	177,294,549
		5,507,895,383	4,638,806,111
<b>LIABILITIES</b>			
Bills payable	14	52,857,144	52,001,577
Borrowings	15	802,886,352	583,771,399
Deposits and other accounts	16	3,975,101,097	3,469,342,252
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	18,874,000	18,874,000
Deferred tax liabilities		-	-
Other liabilities	18	317,245,071	229,795,069
		5,166,963,664	4,353,784,297
<b>NET ASSETS</b>		340,931,719	285,021,814
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		99,925,116	87,771,332
Surplus on revaluation of assets - net of tax	19	12,235,460	1,235,369
Unappropriated profit		211,236,199	178,467,639
Total equity attributable to the equity holders of the Bank		338,065,300	282,142,865
Non-controlling interest		2,866,419	2,878,949
		340,931,719	285,021,814
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20		

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Consolidated Profit and Loss Account (Unaudited)**  
**For the nine months ended September 30, 2023**

		January 01 to Note September 30, 2023	January 01 to September 30, 2022	July 01 to September 30, 2023	July 01 to September 30, 2022
------(Rupees in '000)-----					
Mark-up / return / profit / interest earned	22	509,965,767	309,099,482	190,768,778	121,465,176
Mark-up / return / profit / interest expensed	23	332,106,284	192,585,025	125,782,767	79,336,844
Net mark-up / return / profit / interest income		<u>177,859,483</u>	<u>116,514,457</u>	<u>64,986,011</u>	<u>42,128,332</u>

**Non mark-up / interest income**

Fee and commission income	24	30,458,872	22,773,077	10,680,111	7,715,691
Dividend income		1,982,094	560,465	155,203	150,326
Share of profit of associates and joint venture		3,212,506	2,093,109	1,037,929	1,276,897
Foreign exchange (loss) / income - domestic		(4,252,401)	3,501,155	(86,937)	647,857
Foreign exchange income - international		1,347,400	3,278,493	370,582	1,375,751
Foreign exchange income - unrealised gain / (loss) related to derivatives		4,544,399	5,463,820	(1,239,637)	2,864,385
(Loss) / income from derivatives		(3,140,330)	(3,412,516)	2,011,230	(2,318,240)
(Loss) / gain on securities - net	25	(307,328)	530,713	(79,989)	127,485
Other income	26	4,347,253	342,691	182,160	106,154
Total non mark-up / interest income		<u>38,192,465</u>	<u>35,131,007</u>	<u>13,030,652</u>	<u>11,946,306</u>
Total income		<u>216,051,948</u>	<u>151,645,464</u>	<u>78,016,663</u>	<u>54,074,638</u>

**Non mark-up / interest expenses**

Operating expenses	27	123,298,170	90,926,231	43,949,709	31,879,205
Workers' Welfare Fund		1,711,805	1,078,193	609,617	391,304
Other charges	28	82,090	450,995	5,610	8,682
Total non mark-up / interest expenses		<u>125,092,065</u>	<u>92,455,419</u>	<u>44,564,936</u>	<u>32,279,191</u>

**Profit before provisions and taxation**

Provisions and write offs - net	29	7,431,402	3,591,108	1,432,388	787,993
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**Profit before taxation**

Taxation	30	40,557,222	31,971,038	15,388,058	9,487,340
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**Profit after taxation**

**Attributable to:**

Equity holders of the Bank		42,829,432	23,399,621	16,636,075	11,513,791
Non-controlling interest		141,827	228,278	(4,794)	6,323
		<u>42,971,259</u>	<u>23,627,899</u>	<u>16,631,281</u>	<u>11,520,114</u>

-----Rupees-----

<b>Basic and diluted earnings per share</b>	31	<u>29.20</u>	<u>15.95</u>	<u>11.34</u>	<u>7.85</u>
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The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**



**Habib Bank Limited**  
**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the nine months ended September 30, 2023**

	January 01 to September 30, 2023	January 01 to September 30, 2022	July 01 to September 30, 2023	July 01 to September 30, 2022
	(Rupees in '000)			
<b>Profit after taxation for the period attributable to:</b>				
Equity holders of the Bank	42,829,432	23,399,621	16,636,075	11,513,791
Non-controlling interest	141,827	228,278	(4,794)	6,323
	42,971,259	23,627,899	16,631,281	11,520,114
<b>Other comprehensive income / (loss)</b>				
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to:				
Equity holders of the Bank	10,507,419	4,143,660	(2,080,636)	2,235,740
Non-controlling interest	-	44,140	-	-
	10,507,419	4,187,800	(2,080,636)	2,235,740
Increase in share of exchange translation reserve of associates - net of tax	497,268	80,140	291,242	6,074
Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:				
Equity holders of the Bank	(4,503,364)	(20,955,370)	2,499,060	(4,199,860)
Non-controlling interest	22,377	(48,346)	20,614	5,961
	(4,480,987)	(21,003,716)	2,519,674	(4,193,899)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(320,933)	(290,547)	(126,251)	(154,796)
<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>				
Movement in surplus / deficit on revaluation of fixed assets - net of tax, attributable to:				
Equity holders of the Bank	15,966,442	(201,262)	10,639	-
Non-controlling interest	52,989	(3,081)	185	-
Transferred from surplus on revaluation of non-banking assets - net of tax	-	79,789	-	79,789
	16,019,431	(124,554)	10,824	79,789
Movement in surplus / deficit on revaluation of non-banking assets - net of tax:				
Transferred to surplus on revaluation of fixed assets - net of tax	-	(79,789)	-	(79,789)
Movement in share of surplus / deficit on revaluation of fixed assets of associates - net of tax	(6,355)	122,747	(157)	6,454
Remeasurement gain on defined benefit obligations - net of tax	-	209,435	-	-
Share of remeasurement gain on defined benefit obligations of associates - net of tax	8,633	3,735	-	1,949
<b>Total comprehensive income</b>	<b>65,195,735</b>	<b>6,733,150</b>	<b>17,245,977</b>	<b>9,421,636</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	64,978,542	6,512,159	17,229,972	9,409,352
Non-controlling interest	217,193	220,991	16,005	12,284
	<b>65,195,735</b>	<b>6,733,150</b>	<b>17,245,977</b>	<b>9,421,636</b>

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Consolidated Statement of Changes In Equity (Unaudited)**  
**For the nine months ended September 30, 2023**

	Attributable to shareholders of the Bank										Non-controlling interest	Total
	Share capital	Statutory		Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total		
		Joint venture and subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity	Investments	Fixed / Non Banking Assets				
	(Rupees in '000)											
<b>Balance as at December 31, 2021</b>	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
<b>Comprehensive income for the nine months ended September 30, 2022</b>												
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	23,399,621	23,399,621	228,278	23,627,899
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	4,143,660	-	-	-	-	-	4,143,660	44,140	4,187,800
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	80,140	-	-	-	-	-	80,140	-	80,140
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	209,435	209,435	-	209,435
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	3,735	3,735	-	3,735
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(20,955,370)	(201,262)	-	(21,156,632)	(51,427)	(21,208,059)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(290,547)	122,747	-	(167,800)	-	(167,800)
	-	-	-	4,223,800	-	-	(21,245,917)	(78,515)	23,612,791	6,512,159	220,991	6,733,150
Transferred to statutory reserves	-	263,104	2,169,899	-	-	-	-	-	(2,433,003)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(53,737)	54,728	991	(991)	-
Acquisition of additional interest in subsidiary	-	-	-	642,741	-	-	(57,067)	3,726	862,926	1,452,326	(1,452,326)	-
<b>Transactions with owners, recorded directly in equity</b>												
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)
	-	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)	-	(8,801,115)
<b>Balance as at September 30, 2022</b>	14,668,525	2,378,768	42,213,275	43,692,611	547,115	(156,706)	(23,557,077)	27,284,938	171,737,745	278,809,194	2,808,643	281,617,837
<b>Comprehensive income for the three months ended December 31, 2022</b>												
Profit after taxation for the three months ended December 31, 2022	-	-	-	-	-	-	-	-	10,670,466	10,670,466	99,965	10,770,431
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	(2,113,594)	-	-	-	-	-	(2,113,594)	-	(2,113,594)
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	148,006	-	-	-	-	-	148,006	-	148,006
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(114,702)	(114,702)	(18,656)	(133,358)
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	22	22	-	22
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(2,286,454)	30,850	-	(2,255,604)	(11,003)	(2,266,607)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(221,060)	2,414	-	(218,646)	-	(218,646)
	-	-	-	(1,965,588)	-	-	(2,507,514)	33,264	10,555,786	6,115,948	70,306	6,186,254
Transferred to statutory reserves	-	145,056	916,801	-	-	-	-	-	(1,061,857)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(18,242)	18,242	-	-	-
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	-	(581,998)	(581,998)	-	(581,998)
<b>Transactions with owners, recorded directly in equity</b>												
3rd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
<b>Balance as at December 31, 2022</b>	14,668,525	2,523,824	43,130,076	41,727,023	547,115	(156,706)	(26,064,591)	27,299,960	178,467,639	282,142,865	2,878,949	285,021,814
<b>Comprehensive income for the nine months ended September 30, 2023</b>												
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	42,829,432	42,829,432	141,827	42,971,259
<b>Other comprehensive income / (loss)</b>												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	10,507,419	-	-	-	-	-	10,507,419	-	10,507,419
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	497,268	-	-	-	-	-	497,268	-	497,268
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	8,633	8,633	-	8,633
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(4,503,364)	15,966,442	-	11,463,078	75,366	11,538,444
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(320,933)	(6,355)	-	(327,288)	-	(327,288)
	-	-	-	11,004,687	-	-	(4,824,297)	15,960,087	42,838,065	64,978,542	217,193	65,195,735
Transferred to statutory reserves	-	263,210	4,281,710	-	-	-	-	-	(4,544,920)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(133,990)	-	-	-	-
Derecognition of joint venture	-	(1,444,256)	-	(1,951,567)	-	-	2,993	-	1,441,263	(1,951,567)	-	(1,951,567)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	(7,097)	2,395	234,425	229,723	(229,723)	-
<b>Transactions with owners, recorded directly in equity</b>												
Final cash dividend - Rs 1.50 per share declared subsequent to the year ended December 31, 2022	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
1st interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
2nd interim cash dividend - Rs 2.00 per share	-	-	-	-	-	-	-	-	(2,933,705)	(2,933,705)	-	(2,933,705)
	-	-	-	-	-	-	-	-	(7,334,263)	(7,334,263)	-	(7,334,263)
<b>Balance as at September 30, 2023</b>	14,668,525	1,342,778	47,411,786	50,780,143	547,115	(156,706)	(30,892,992)	43,128,452	211,236,199	338,065,300	2,866,419	340,931,719

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**Habib Bank Limited**  
**Condensed Interim Consolidated Cash Flow Statement (Unaudited)**  
**For the nine months ended September 30, 2023**

	January 01 to September 30, 2023	January 01 to September 30, 2022
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	83,528,481	55,598,937
Dividend income	(1,982,094)	(560,465)
Share of profit of associates and joint venture	(3,212,506)	(2,093,109)
Mark-up / return / profit / interest expensed on subordinated debt	3,126,563	1,307,766
	(2,068,037)	(1,345,808)
	81,460,444	54,253,129
<b>Adjustments:</b>		
Depreciation	7,066,703	5,640,958
Amortisation	1,587,089	1,329,522
Depreciation on right-of-use assets	3,456,482	2,891,630
Mark-up / return / profit / interest expensed on lease liabilities	2,956,170	2,252,617
Provision for diminution in value of investments	1,106,172	637,711
Provision against loans and advances	6,632,379	3,279,896
Provision against other assets	876,697	861,478
Reversal of provision against off-balance sheet obligations	(108,955)	(584,066)
Unrealised loss on held-for-trading securities	45,320	27,620
Exchange gain on goodwill	(947,686)	(782,965)
Gain on derecognition of joint venture	(3,731,399)	-
Gain on sale of fixed assets - net	(47,795)	(29,545)
Workers' Welfare Fund	1,711,805	1,078,193
	20,602,982	16,603,049
	102,063,426	70,856,178
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	35,379,934	(21,187,795)
Held-for-trading securities	13,492,701	110,875,050
Advances	(6,680,960)	(211,497,643)
Other assets (excluding advance taxation)	(80,045,386)	(44,969,056)
	(37,853,711)	(166,779,444)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	855,567	6,181,554
Borrowings from financial institutions	219,114,953	145,936,819
Deposits and other accounts	505,758,845	(11,581,245)
Other liabilities	85,149,390	66,621,453
	810,878,755	207,158,581
	875,088,470	111,235,315
Income tax paid	(38,371,437)	(22,806,167)
<b>Net cash flows generated from operating activities</b>	836,717,033	88,429,148
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	(541,465,226)	(119,695,644)
Net investment in held-to-maturity securities	(36,271,030)	11,767,482
Net investment in associates	(2,468,249)	(3,456,988)
Dividend received	1,962,288	732,932
Investments in fixed assets	(11,639,426)	(12,480,225)
Investments in intangible assets	(2,658,047)	(6,103,280)
Proceeds from sale of fixed assets	163,133	46,061
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	11,004,687	4,223,800
<b>Net cash flows used in investing activities</b>	(581,371,870)	(124,965,862)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Effect of translation of net investment by non-controlling interest in subsidiary	-	44,140
Payment of mark-up on subordinated debt	(3,141,024)	(1,302,145)
Payment of lease liability against right-of-use assets	(3,533,042)	(3,736,372)
Dividend paid	(10,901,392)	(7,417,723)
<b>Net cash flows used in financing activities</b>	(17,575,458)	(12,412,100)
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	237,769,705	(48,948,814)
Cash and cash equivalents at the beginning of the period	330,545,077	483,456,300
Effect of exchange rate changes on cash and cash equivalents	6,983,331	22,234,021
	337,528,408	505,690,321
<b>Cash and cash equivalents at the end of the period</b>	575,298,113	456,741,507

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

President and  
Chief Executive Officer

Chief Financial Officer

Director

Director

Director

## HABIB BANK LIMITED

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

For the nine months ended September 30, 2023

#### 1 THE GROUP AND ITS OPERATIONS

The Group consists of:

##### Holding company

- Habib Bank Limited, Pakistan

##### Subsidiaries

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

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad 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 1,726 (December 31, 2022: 1,714) branches inside Pakistan including 330 (December 31, 2022: 294) Islamic Banking Branches and 31 (December 31, 2022: 32) 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. During the period, AKFED has purchased 81,873,094 shares of the Bank from the market. As a result, its shareholding in the Bank has increased from 51.00% to 56.58%.

- 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 Himalayan Bank Limited, Nepal (HBLN), which was previously recognized as a Joint Venture, has acquired Civil Bank Limited, Nepal with effect from February 24, 2023, by issuing new shares as consideration. As a result, the shareholding of the Bank in HBLN has been diluted from 20.00% to 12.93%. Accordingly, HBLN is now classified as an available-for-sale investment.
- 1.6 During the period, the Bank has subscribed to 100 million Rights shares issued by HBL MfB. Post acquisition, the Bank's shareholding in HBL MfB has increased from 76.42% to 79.92%.

#### 2 BASIS OF PRESENTATION

##### 2.1 STATEMENT OF COMPLIANCE

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

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

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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

2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

**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 Group for accounting periods beginning on or after January 01, 2023. These are considered either to not be relevant or to not have any significant impact on these condensed interim consolidated financial statements.

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

As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after January 01, 2024. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

There are various standards and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Bank's financial statements.

**2.5 Critical accounting estimates and judgements**

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2022, except for the following:

During the period, the Bank has revised its estimate of the useful life of vehicles used in the UAE business from 10 years to 5 years. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 and accordingly, has been recognised prospectively in the consolidated profit and loss account.

The effect of this change on depreciation expense in the current period and the next corresponding period is as follows:

	<b>January 01 to September 30, 2024</b>	<b>January 01 to September 30, 2023</b>
	<b>(Rupees in '000)</b>	
Increase in other operating expenses - depreciation	<u>8,518</u>	<u>8,518</u>

**3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2022.

**4 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022.

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	<b>(Unaudited)</b> <b>September 30,</b> <b>2023</b>	<b>(Audited)</b> <b>December 31,</b> <b>2022</b>
	<b>(Rupees in '000)</b>	
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	64,463,086	74,268,200
Foreign currencies	11,013,567	7,583,546
	<u>75,476,653</u>	<u>81,851,746</u>
With State Bank of Pakistan in		
Local currency current accounts	182,346,348	118,025,638
Foreign currency current accounts	13,003,963	292,436
Foreign currency deposit accounts	25,971,665	655,439
	<u>221,321,976</u>	<u>118,973,513</u>
With other Central Banks in		
Foreign currency current accounts	61,809,700	57,271,642
Foreign currency deposit accounts	45,560,423	35,609,011
	<u>107,370,123</u>	<u>92,880,653</u>
With National Bank of Pakistan in		
Local currency current accounts	115,803,324	1,757,957
Local currency deposit account	1,860,532	389,942
	<u>117,663,856</u>	<u>2,147,899</u>
National Prize Bonds	338,522	161,575
	<u>522,171,130</u>	<u>296,015,386</u>
<b>6 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In current accounts	173,788	764,679
In deposit accounts	5,734,296	412,037
	<u>5,908,084</u>	<u>1,176,716</u>
Outside Pakistan		
In current accounts	22,107,270	25,939,811
In deposit accounts	25,111,629	14,396,495
	<u>47,218,899</u>	<u>40,336,306</u>
	<u>53,126,983</u>	<u>41,513,022</u>
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	8,000,000	-
Repurchase agreement lendings (reverse repo)	211,213,353	254,593,287
	<u>219,213,353</u>	<u>254,593,287</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

8	INVESTMENTS	Note	September 30, 2023 (Unaudited)				December 31, 2022 (Audited)			
			Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1	<b>Investments by type</b>		(Rupees in '000)							
	<b>Held-for-trading (HFT) securities</b>									
	<b>Federal Government securities</b>									
	- Market Treasury Bills		19,356,391	-	(30,410)	19,325,981	5,885,581	-	(7,865)	5,877,716
	- Pakistan Investment Bonds		24,563,481	-	102,882	24,666,363	52,471,296	-	(85,104)	52,386,192
	- Ijarah Sukuk		660	-	4	664	-	-	-	-
	<b>Shares</b>									
	- Listed companies		273,819	-	(8,683)	265,136	132	-	(41)	91
	<b>Foreign securities</b>									
	- Government debt securities		3,864,343	-	(109,113)	3,755,230	3,278,776	-	8,620	3,287,396
			48,058,694	-	(45,320)	48,013,374	61,635,785	-	(84,390)	61,551,395
	<b>Available-for-sale (AFS) securities</b>									
	<b>Federal Government securities</b>									
	- Market Treasury Bills		657,305,495	-	(764,816)	656,540,679	222,762,973	-	(396,299)	222,366,674
	- Pakistan Investment Bonds		986,597,434	-	(44,954,705)	941,642,729	936,341,475	-	(29,604,154)	906,737,321
	- Ijarah Sukuk		141,862,290	-	(3,893,848)	137,968,442	125,360,260	-	(2,772,531)	122,587,729
	- Government of Pakistan US Dollar Bonds		21,033,877	(3,595,604)	(3,470,767)	13,967,506	18,895,230	(2,213,447)	(8,221,230)	8,460,553
	- Other Federal Government securities		6,764,725	-	-	6,764,725	4,686,060	-	-	4,686,060
	<b>Shares</b>									
	- Listed companies		16,535,850	(1,562,578)	(2,509,965)	12,463,307	6,329,024	(2,097,873)	(242,961)	3,988,190
	- Unlisted companies		5,372,888	(134,966)	-	5,237,922	5,372,888	(119,718)	-	5,253,170
	<b>Non-Government debt securities</b>									
	- Listed		52,713,443	(1,284,051)	(1,887,163)	49,542,229	52,253,137	(602,689)	(2,566,098)	49,084,350
	- Unlisted		2,660,839	(413,232)	(20,352)	2,227,255	2,664,233	(413,232)	16,321	2,267,322
	<b>Foreign securities</b>									
	- Government debt securities		172,778,976	(2,163,771)	(936,203)	169,679,002	126,975,290	(1,672,462)	(739,952)	124,562,876
	- Non-Government debt securities									
	- Listed		7,859,532	(1,412,286)	(88,503)	6,358,743	9,364,897	(1,124,713)	(132,840)	8,107,344
	- Unlisted		-	-	-	-	5,461,354	-	593	5,461,947
	- Equity securities - Unlisted		9,854	(239)	-	9,615	7,762	(197)	-	7,565
	<b>National Investment Unit Trust units</b>		11,113	-	25,191	36,304	11,113	-	27,057	38,170
	<b>Real Estate Investment Trust units</b>									
	- Listed		55,000	-	14,000	69,000	55,000	-	13,200	68,200
	- Unlisted		1,575,000	-	-	1,575,000	1,575,000	-	-	1,575,000
	<b>Preference shares</b>									
	- Listed		744,400	-	126,000	870,400	744,400	-	172,200	916,600
	- Unlisted		354,985	(285,793)	-	69,192	354,985	(285,793)	-	69,192
			2,074,235,701	(10,852,520)	(58,361,131)	2,005,022,050	1,519,215,081	(8,530,124)	(44,446,694)	1,466,238,263
	<b>Held-to-maturity (HTM) securities</b>	8.2								
	<b>Federal Government securities</b>									
	- Market Treasury Bills		139,595,400	-	-	139,595,400	109,068,345	-	-	109,068,345
	- Pakistan Investment Bonds		233,410,395	-	-	233,410,395	232,170,109	-	-	232,170,109
	- Government of Pakistan US Dollar Bonds		6,599,417	(838,596)	-	5,760,821	5,265,790	(379,077)	-	4,886,713
	<b>Non-Government debt securities</b>									
	- Listed		1,899,540	-	-	1,899,540	1,733,442	-	-	1,733,442
	- Unlisted		20,409,447	-	-	20,409,447	18,301,991	-	-	18,301,991
	<b>Foreign Securities</b>									
	- Government debt securities		15,420,272	-	-	15,420,272	14,365,073	-	-	14,365,073
	- Non-Government debt securities									
	- Listed		-	-	-	-	161,426	(15,712)	-	145,714
	- Unlisted		310,835	(14,912)	-	295,923	308,100	-	-	308,100
			417,645,306	(853,508)	-	416,791,798	381,374,276	(394,789)	-	380,979,487
	<b>Investments in associates</b>	8.1.1	38,246,506	-	(1,748,673)	36,497,833	41,033,458	-	(1,001,561)	40,031,897
	<b>Total Investments</b>		<u>2,578,186,207</u>	<u>(11,706,028)</u>	<u>(60,155,124)</u>	<u>2,506,325,055</u>	<u>2,003,258,600</u>	<u>(8,924,913)</u>	<u>(45,532,645)</u>	<u>1,948,801,042</u>

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

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
For the nine months ended September 30, 2023

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>8.1.2 Investments given as collateral</b>		
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	88,906,790	76,758,133
- Pakistan Investment Bonds	382,982,532	165,214,633
- Ijarah Sukuk	21,074,800	25,479,600
<b>Foreign securities</b>		
- Government debt securities	12,792,680	15,216,156
	<u>505,756,802</u>	<u>282,668,522</u>

8.2 The market value of investments classified as held-to-maturity amounted to Rs 373,918.492 million (December 31, 2022: Rs 349,626.342 million).

**8.3 Particulars of provision held against diminution in value of investments**

Opening balance	8,924,913	4,158,401
Exchange adjustments	1,674,943	740,034
Charge / (reversal)		
Charge for the period / year	2,391,552	4,565,152
Reversal for the period / year	(541,703)	(24,044)
Reversal on disposal during the period / year	(743,677)	(689,400)
Net charge	1,106,172	3,851,708
Transferred in	-	67,880
Other movement	-	106,890
Closing balance	<u>11,706,028</u>	<u>8,924,913</u>

**8.4 Particulars of provision against debt securities**

Category of classification	(Unaudited) September 30, 2023		(Audited) December 31, 2022	
	Non- Performing Investments	Provision	Non- Performing Investments	Provision
	(Rupees in '000)			
<b>Domestic</b>				
Loss	413,232	413,232	413,232	413,232
<b>Overseas</b>				
Overdue by:				
91 to 180 days	-	-	452,912	452,912
181 days to 365 days	-	-	679,188	500,742
> 365	2,793,939	2,793,939	1,065,339	1,065,339
	<u>2,793,939</u>	<u>2,793,939</u>	<u>2,197,439</u>	<u>2,018,993</u>
Total	<u>3,207,171</u>	<u>3,207,171</u>	<u>2,610,671</u>	<u>2,432,225</u>

8.4.1 In addition to the above, overseas branches hold a provision of Rs 6,515.280 million (December 31, 2022: Rs 3,989.107 million) against investments in accordance with the ECL requirements of IFRS 9.

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited) September 30, 2023	(Audited) December 31, 2022	(Unaudited) September 30, 2023	(Audited) December 31, 2022	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)								
			1,420,657,449	1,458,309,880	81,583,327	78,669,633	1,502,240,776	1,536,979,513
		36.2	202,492,024	222,982,477	3,064,940	3,465,365	205,556,964	226,447,842
			162,887,191	102,480,599	9,832,366	8,760,951	172,719,557	111,241,550
			<u>1,786,036,664</u>	<u>1,783,772,956</u>	<u>94,480,633</u>	<u>90,895,949</u>	<u>1,880,517,297</u>	<u>1,874,668,905</u>
			-	-	(80,462,781)	(78,259,477)	(80,462,781)	(78,259,477)
		9.3	(17,508,012)	(13,911,505)	-	-	(17,508,012)	(13,911,505)
			<u>(17,508,012)</u>	<u>(13,911,505)</u>	<u>(80,462,781)</u>	<u>(78,259,477)</u>	<u>(97,970,793)</u>	<u>(92,170,982)</u>
			<u>1,768,528,652</u>	<u>1,769,861,451</u>	<u>14,017,852</u>	<u>12,636,472</u>	<u>1,782,546,504</u>	<u>1,782,497,923</u>

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>9.1 Particulars of advances (gross)</b>		
In local currency	1,391,298,904	1,488,734,283
In foreign currencies	489,218,393	385,934,622
	<u>1,880,517,297</u>	<u>1,874,668,905</u>



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

9.2 Advances include Rs 94,480.633 million (December 31, 2022: Rs 90,895.949 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited) September 30, 2023		(Audited) December 31, 2022	
	Non-performing advances	Provision	Non-performing advances	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	1,831,671	29,332	1,100,155	16,962
Substandard	6,486,370	1,656,275	7,126,275	1,804,524
Doubtful	5,430,917	2,713,051	3,096,265	1,467,672
Loss	41,226,896	40,495,300	42,212,390	41,504,116
	54,975,854	44,893,958	53,535,085	44,793,274
<b>Overseas</b>				
Not past due but impaired	275,624	78,577	114,816	65,731
Overdue by:				
Upto 90 days	65,558	22,626	46,595	12,056
91 to 180 days	24,306	3,402	1,180,167	295,610
181 to 365 days	1,510,377	793,839	31,666	13,555
> 365 days	37,628,914	34,670,379	35,987,620	33,079,251
	39,504,779	35,568,823	37,360,864	33,466,203
<b>Total</b>	<b>94,480,633</b>	<b>80,462,781</b>	<b>90,895,949</b>	<b>78,259,477</b>

9.3 **Particulars of provision against advances**

	(Unaudited) September 30, 2023			(Audited) December 31, 2022		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	78,259,477	13,911,505	92,170,982	72,845,186	11,008,308	83,853,494
Exchange adjustment	8,556,682	891,803	9,448,485	7,453,225	691,606	8,144,831
Charge for the period / year	9,792,021	3,835,495	13,627,516	10,153,742	3,341,192	13,494,934
Reversal for the period / year	(5,864,346)	(1,130,791)	(6,995,137)	(6,421,672)	(1,129,601)	(7,551,273)
Net charge against advances	3,927,675	2,704,704	6,632,379	3,732,070	2,211,591	5,943,661
Charged off during the period / year -						
agriculture financing	9.5 (346,918)	-	(346,918)	(582,438)	-	(582,438)
Written off during the period / year	(9,934,135)	-	(9,934,135)	(5,333,549)	-	(5,333,549)
Transferred out	-	-	-	(67,880)	-	(67,880)
Other movement	-	-	-	212,863	-	212,863
Closing balance	<b>80,462,781</b>	<b>17,508,012</b>	<b>97,970,793</b>	<b>78,259,477</b>	<b>13,911,505</b>	<b>92,170,982</b>

9.4 General provision includes provision amounting to Rs 3,563.219 million (December 31, 2022: Rs 3,307.203 million) against consumer finance portfolio and Rs 943.451 million (December 31, 2022: Rs 852.560 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 4,773.205 million (December 31, 2022: Rs 3,717.337 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 8,228.137 million (December 31, 2022: Rs 6,034.405 million) carried as a matter of prudence, on account of borrowers impacted by the currently stressed economic conditions.

9.5 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.



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

Note	(Unaudited)	
	For the nine months ended September 30, 2023	September 30, 2022
(Rupees in '000)		
11.1	<b>Additions to intangible assets</b>	
	The following additions have been made to intangible assets during the period:	
	Capital work-in-progress - net	1,464,106
	Computer software	1,193,941
		<u>2,658,047</u>
		<u>2,593,601</u>
		<u>3,509,679</u>
		<u>6,103,280</u>
		(Unaudited) (Audited)
		September 30, December 31,
		2023 2022
		(Rupees in '000)
12	<b>DEFERRED TAX ASSETS / (LIABILITIES)</b>	
	<b>Deductible temporary differences on</b>	
	- Tax losses of subsidiary	1,705,743
	- Provision against investments	850,736
	- Provision against doubtful debts and off-balance sheet obligations	5,229,784
	- Liabilities written back	2,850,424
	- Deficit on revaluation of investments	28,341,618
	- Deficit on revaluation of investments of associates	856,850
	- Provision against other assets	6,672
	- Ijarah financing	289,398
	- Others	(163,885)
		39,967,340
		1,365,221
		978,286
		3,980,486
		2,720,200
		18,905,177
		430,671
		5,855
		187,390
		199,558
		28,772,844
	<b>Taxable temporary differences on</b>	
	- Accelerated tax depreciation	(1,975,566)
	- Surplus on revaluation of fixed assets	(4,017,960)
	- Surplus on revaluation of fixed assets of associates	(198,891)
	- Management rights and goodwill	(304,887)
	- Share of profit of associates	(8,580,308)
	- Exchange translation reserve	(12,834,867)
		(27,912,479)
		(2,026,082)
		(1,927,095)
		(160,960)
		(336,761)
		(9,015,553)
		(9,509,348)
		(22,975,799)
	<b>Net deferred tax assets</b>	<u>12,054,861</u>
		<u>5,797,045</u>
13	<b>OTHER ASSETS</b>	
	Mark-up / return / profit / interest accrued in local currency - net of provision	122,762,960
	Mark-up / return / profit / interest accrued in foreign currency - net of provision	8,606,245
	Advances, deposits, advance rent and other prepayments	5,346,759
	Advance taxation	8,036,058
	Advance against subscription of securities	228,514
	Stationery and stamps on hand	281,413
	Accrued fees and commissions	520,288
	Due from Government of Pakistan / SBP	7,507,729
	Mark to market gain on forward foreign exchange contracts	2,549,767
	Mark to market gain on derivative instruments	-
	Non-banking assets acquired in satisfaction of claims	242,619
	Acceptances	60,155,720
	Clearing and settlement accounts	35,504,808
	Dividend receivable	23,689
	Claims receivable against fraud and forgeries	860,778
	Others	1,579,275
		254,206,622
		83,907,812
		6,637,047
		4,886,327
		11,978,523
		228,514
		167,574
		459,334
		4,600,810
		3,639,004
		546
		232,109
		55,013,374
		4,352,389
		3,883
		694,460
		2,109,609
		178,911,315
	Provision held against other assets	(2,523,232)
	Other assets - net of provision	251,683,390
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	185,479
	Other assets - total	251,868,869
		177,294,549

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023**

	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
<b>13.1 Provision held against other assets</b>			
Claims receivable against fraud and forgeries		860,778	694,460
Suit filed cases		4,979	4,979
Others		1,657,475	1,092,452
		<u>2,523,232</u>	<u>1,791,891</u>
<b>13.1.1 Movement in provision against other assets</b>			
Opening balance		1,791,891	1,243,645
Exchange adjustment		13,469	(7,806)
Charge for the period / year		976,864	661,462
Reversal for the period / year		(100,167)	(37,218)
Net charge		876,697	624,244
Written off during the period / year		(36,885)	(67,820)
Other movement		(121,940)	(372)
Closing balance		<u>2,523,232</u>	<u>1,791,891</u>
<b>14 BILLS PAYABLE</b>			
In Pakistan		48,936,436	50,221,548
Outside Pakistan		3,920,708	1,780,029
		<u>52,857,144</u>	<u>52,001,577</u>
<b>15 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the SBP under			
- Export refinance scheme		62,638,148	69,820,144
- Export refinance scheme for bill discounting		22,622,253	8,867,548
- Long term financing facility		38,365,685	42,068,296
- Financing facility for renewable energy power plants		7,387,762	7,168,301
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		420,969	312,545
- Refinance and credit guarantee scheme for women entrepreneurs		35,054	69,658
- Financing facility for storage of agricultural produce		647,105	601,918
- Refinance scheme for payment of wages and salaries		-	1,227,812
- Refinance facility for combating COVID-19		1,744,910	1,793,800
- Temporary economic refinance facility		33,351,899	34,998,333
- Refinance facility for SME Asaan Finance (SAAF)		3,454,132	2,272,423
		170,667,917	169,200,778
Repurchase agreement borrowings		514,177,209	284,971,485
		<u>684,845,126</u>	<u>454,172,263</u>
<b>Unsecured</b>			
- Call money borrowings		2,000,000	19,000,000
- Overdrawn nostro accounts		2,575,227	354,731
- Borrowings of overseas branches and subsidiaries		38,344,083	42,992,282
- Other long-term borrowings	15.1	75,121,916	67,252,123
		<u>118,041,226</u>	<u>129,599,136</u>
		<u>802,886,352</u>	<u>583,771,399</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

15.1 This includes the following:

15.1.1 A loan from the International Finance Corporation amounting to US\$ 74.985 million (December 31, 2022: US\$ 99.990 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.

15.1.2 A long-term financing facility arrangement of US\$ 300 million with China Development Bank, utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 190 million has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. The current amount outstanding is US\$ 181.640 million (December 31, 2022: US\$ 190 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over LIBOR is payable semi-annually.

15.1.3 Mortgage refinancing facilities from PMRC, amounting to Rs 1,281.050 million (December 31, 2022: Rs 1,421.174 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 (December 31, 2022: 6.50% to 15.19% per annum) and is payable quarterly.

**16 DEPOSITS AND OTHER ACCOUNTS**

	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	1,141,681,323	282,868,475	1,424,549,798	1,141,355,935	244,789,722	1,386,145,657
Savings deposits	1,443,063,115	169,063,823	1,612,126,938	1,175,587,462	150,133,207	1,325,720,669
Term deposits	432,101,645	350,674,920	782,776,565	390,089,817	238,210,929	628,300,746
	3,016,846,083	802,607,218	3,819,453,301	2,707,033,214	633,133,858	3,340,167,072
<b>Financial institutions</b>						
Current deposits	5,300,474	2,430,137	7,730,611	7,546,037	3,335,737	10,881,774
Savings deposits	124,702,968	1,538,051	126,241,019	103,171,941	2,181,262	105,353,203
Term deposits	11,997,833	9,678,333	21,676,166	7,863,263	5,076,940	12,940,203
	142,001,275	13,646,521	155,647,796	118,581,241	10,593,939	129,175,180
	3,158,847,358	816,253,739	3,975,101,097	2,825,614,455	643,727,797	3,469,342,252

**17 SUBORDINATED DEBT**

		(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
Additional Tier I Term Finance Certificates	17.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	17.1.2	6,500,000	6,500,000
		<u>18,874,000</u>	<u>18,874,000</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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 these issues are as follows:

17.1.1	<b>Issue Date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2022: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but superior to the claims of ordinary shareholders.
	<b>Profit payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

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

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

18 OTHER LIABILITIES	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
Mark-up / return / profit / interest payable in local currency		68,527,844	17,933,842
Mark-up / return / profit / interest payable in foreign currency		10,576,703	5,930,381
Security deposits		1,276,644	1,567,333
Accrued expenses		33,124,336	24,050,020
Mark to market loss on forward foreign exchange contracts		8,544,634	2,489,440
Mark to market loss on derivative instruments		11,323,196	6,882,438
Unclaimed dividends		765,124	751,907
Dividends payable		231,330	3,811,676
Provision for post retirement medical benefits		3,756,458	3,522,518
Provision for employees' compensated absences		745,950	762,192
Provision for staff retirement benefits		1,720,052	1,563,256
Payable to defined benefit plans		717,388	841,326
Provision against off-balance sheet obligations	18.1	1,890,433	1,633,326
Acceptances		60,155,720	55,013,374
Branch adjustment account		5,725,656	3,035,551
Provision for Workers' Welfare Fund		10,861,343	9,151,021
Unearned income		5,792,470	4,780,489
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		7,094,018	13,362,266
Insurance payable		844,866	1,067,263
Provision for rewards program expenses		3,153,754	2,384,689
Liability against trading of securities		19,852,396	22,768,986
Clearing and settlement accounts		20,511,555	12,068,106
Provision for donation to HBL Foundation		644,910	515,961
Contingent consideration payable		500,000	500,000
Charity fund		54,966	25,121
Unclaimed deposits		635,224	528,656
Liability against right-of-use assets		31,957,871	27,079,479
Others		5,921,821	5,436,043
		<u>317,245,071</u>	<u>229,795,069</u>

**18.1 Provision against off-balance sheet obligations**

Opening balance	1,633,326	2,687,054
Exchange adjustment	366,062	277,857
Charge for the period / year	157,379	150,910
Reversal for the period / year	(266,334)	(1,482,495)
Net reversal	(108,955)	(1,331,585)
Closing balance	<u>1,890,433</u>	<u>1,633,326</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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

	Note	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
		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		46,711,259	109,396	46,820,655	28,838,565	16,137	28,854,702
- Fixed assets of associates		405,901	-	405,901	374,325	-	374,325
- Available-for-sale securities	8.1	(58,317,640)	(43,491)	(58,361,131)	(44,375,327)	(71,367)	(44,446,694)
- Available-for-sale securities held by associates	8.1	(1,748,673)	-	(1,748,673)	(1,001,561)	-	(1,001,561)
- Non-banking assets acquired in satisfaction of claims		185,479	-	185,479	175,125	-	175,125
		(12,763,674)	65,905	(12,697,769)	(15,988,873)	(55,230)	(16,044,103)
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Fixed assets		3,975,296	42,664	4,017,960	1,927,095	-	1,927,095
- Fixed assets of associates		198,891	-	198,891	160,960	-	160,960
- Available-for-sale securities		(28,316,471)	(25,147)	(28,341,618)	(18,881,626)	(23,551)	(18,905,177)
- Available-for-sale securities held by associates		(856,850)	-	(856,850)	(430,671)	-	(430,671)
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		(24,999,134)	17,517	(24,981,617)	(17,224,242)	(23,551)	(17,247,793)
Surplus on revaluation of assets - net of tax		12,235,460	48,388	12,283,848	1,235,369	(31,679)	1,203,690

20 CONTINGENCIES AND COMMITMENTS	Note	(Unaudited)	(Audited)
		September 30, 2023	December 31, 2022
(Rupees in '000)			
- Guarantees	20.1	300,428,585	262,493,102
- Commitments	20.2	1,062,388,672	942,909,348
- Other contingent liabilities	20.3	23,303,972	23,215,134
		1,386,121,229	1,228,617,584
<b>20.1 Guarantees:</b>			
Financial guarantees		62,603,335	54,186,950
Performance guarantees		228,603,827	201,579,675
Other guarantees		9,221,423	6,726,477
		300,428,585	262,493,102
<b>20.2 Commitments:</b>			
Trade-related contingent liabilities		372,193,123	280,869,037
Commitments in respect of:			
- forward foreign exchange contracts	20.2.1	458,485,786	434,583,053
- forward Government securities transactions	20.2.2	151,372,653	132,295,940
- derivatives	20.2.3	51,627,808	57,305,018
- forward lending	20.2.4	15,971,562	21,948,516
		677,457,809	646,132,527
Commitments for acquisition of:			
- fixed assets		8,093,024	10,436,315
- intangible assets		4,644,716	5,471,469
		12,737,740	15,907,784
		1,062,388,672	942,909,348
<b>20.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		298,060,181	284,366,183
Sale		160,425,605	150,216,870
		458,485,786	434,583,053



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>20.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	122,606,183	117,020,407
Sale	28,766,470	15,275,533
	<u>151,372,653</u>	<u>132,295,940</u>
<b>20.2.3 Commitments in respect of derivatives</b>		
<b>Cross Currency swaps</b>		
Purchase	18,890,165	23,863,687
Sale	30,787,643	30,407,998
	<u>49,677,808</u>	<u>54,271,685</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	1,950,000	3,033,333
	<u>1,950,000</u>	<u>3,033,333</u>
<b>20.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>15,971,562</u>	<u>21,948,516</u>
<p>These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Group without the risk of incurring a significant penalty or expense.</p>		
<b>20.3 Other contingent liabilities</b>		
20.3.1 Claims against the Group not acknowledged as debts	<u>23,303,972</u>	<u>23,215,134</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 unlikely. Accordingly, no provision has been made in these condensed interim consolidated financial statements.

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

**21 DERIVATIVE INSTRUMENTS**

**Product Analysis**

	September 30, 2023 (Unaudited)			
	Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)			
Hedging	-	-	-	-
Market Making	49,677,808	(11,130,726)	1,950,000	(192,470)
	December 31, 2022 (Audited)			
	Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)			
Hedging	-	-	-	-
Market Making	54,271,685	(6,635,205)	3,033,333	(246,687)

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

		(Unaudited)		
		For the nine months ended		
22	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note	September 30, 2023	September 30, 2022
		(Rupees in '000)		
	On:			
	Loans and advances		219,891,218	133,279,549
	Investments		260,514,532	164,144,589
	Lendings to financial institutions		21,673,477	10,799,326
	Balances with banks		7,886,540	876,018
			<u>509,965,767</u>	<u>309,099,482</u>
	<b>23 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>			
	On:			
	Deposits		246,064,693	137,926,201
	Securities sold under repurchase agreement borrowings		54,229,336	38,997,812
	Borrowings		21,389,240	7,053,722
	Subordinated debt		3,126,563	1,307,766
	Cost of foreign currency swaps against foreign currency deposits / borrowings		4,340,282	5,046,907
	Lease liability against right-of-use assets		2,956,170	2,252,617
			<u>332,106,284</u>	<u>192,585,025</u>
	<b>24 FEE AND COMMISSION INCOME</b>			
	Branch banking customer fees		3,566,064	2,880,483
	Branchless banking customer fees		625,923	669,673
	Commission on Government to Person (G2P) payments		1,002,087	633,709
	Consumer finance related fees		1,874,395	1,683,222
	Card related fees (debit and credit cards)		9,702,819	6,467,969
	Credit related fees		1,993,246	1,923,373
	Investment banking fees		661,738	715,100
	Commission on trade related products and guarantees		5,677,293	3,758,017
	Commission on cash management		1,197,683	824,291
	Commission on remittances (including home remittances)		514,804	535,903
	Commission on bancassurance		519,228	576,974
	Management fee on Assets Under Management		979,169	529,760
	Merchant discount and interchange fees		5,019,509	3,830,536
	Wealth management fee		373,313	422,354
	Others		554,502	211,226
			<u>34,261,773</u>	<u>25,662,590</u>
	Less: Sales Tax / Federal Excise Duty on fee and commission income		(3,802,901)	(2,889,513)
			<u>30,458,872</u>	<u>22,773,077</u>
	<b>25 (LOSS) / GAIN ON SECURITIES - NET</b>			
	Realised	25.1	(262,008)	558,333
	Unrealised - held-for-trading	8.1	(45,320)	(27,620)
			<u>(307,328)</u>	<u>530,713</u>
	<b>25.1 (Loss) / gain on securities - realised</b>			
	On:			
	Federal Government securities			
	- Market Treasury Bills		319,353	(177,391)
	- Pakistan Investment Bonds		666,035	914,722
	- Ijarah Sukuk		4,642	77,455
	- Government of Pakistan US Dollar Bonds		(531,487)	-
	Shares		(687,684)	(264,496)
	Non-Government debt securities		(32,867)	17,890
	Foreign securities		-	(9,847)
			<u>(262,008)</u>	<u>558,333</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

		<b>(Unaudited)</b>	
		<b>For the nine months ended</b>	
		<b>September 30,</b>	<b>September 30,</b>
		<b>2023</b>	<b>2022</b>
		<b>(Rupees in '000)</b>	
26	<b>OTHER INCOME</b>		
	Incidental charges	564,293	298,455
	Gain on derecognition of joint venture	3,731,399	-
	Gain on sale of fixed assets - net	47,795	29,545
	Rent on properties	3,766	14,691
		<u>4,347,253</u>	<u>342,691</u>
27	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	44,423,978	37,766,675
	<b>Property expense</b>		
	Rent and taxes	1,017,395	1,066,889
	Insurance	260,170	148,542
	Utilities cost	3,992,791	3,028,288
	Security (including guards)	2,197,666	1,844,345
	Repair and maintenance (including janitorial charges)	3,340,768	2,642,956
	Depreciation on owned fixed assets	3,991,372	2,969,521
	Depreciation on right-of-use assets	3,456,482	2,891,630
		18,256,644	14,592,171
	<b>Information technology expenses</b>		
	Software maintenance	6,667,363	4,397,874
	Hardware maintenance	1,666,606	967,967
	Depreciation	2,421,644	1,968,397
	Amortisation	1,587,089	1,329,522
	Network charges	1,520,787	1,157,562
	Consultancy charges	640,232	585,248
		14,503,721	10,406,570
	<b>Other operating expenses</b>		
	Legal and professional charges	8,780,055	788,528
	Outsourced services costs	2,257,823	1,668,459
	Travelling and conveyance	1,661,196	1,108,007
	Insurance	1,347,426	996,121
	Remittance charges	621,009	484,918
	Cash transportation and sorting charges	2,478,524	1,844,428
	Repairs and maintenance	1,679,956	1,290,360
	Depreciation	653,687	703,040
	Training and development	447,284	333,723
	Postage and courier charges	674,343	642,576
	Communication	2,066,406	1,113,426
	Stationery and printing	2,398,592	1,829,703
	Marketing, advertisement and publicity	2,734,247	2,809,743
	Donations	790,765	358,685
	Auditors' remuneration	428,214	272,470
	Brokerage and commission	628,817	590,839
	Subscription	576,092	283,605
	Documentation and processing charges	6,673,199	4,031,042
	Entertainment	660,557	430,307
	Consultancy charges	2,174,451	948,383
	Deposit insurance premium expense	2,332,050	2,026,813
	Product feature cost	3,095,309	2,515,397
	Others	953,825	1,090,242
		46,113,827	28,160,815
		<u>123,298,170</u>	<u>90,926,231</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

		(Unaudited)	
		For the nine months ended	
Note		September 30, 2023	September 30, 2022
		(Rupees in '000)	
28	<b>OTHER CHARGES</b>		
	Penalties imposed by the State Bank of Pakistan	32,447	428,488
	Penalties imposed by other regulatory bodies	49,643	22,507
		<u>82,090</u>	<u>450,995</u>
29	<b>PROVISIONS / (REVERSALS) AND WRITE OFFS - NET</b>		
	Provision for diminution in value of investments	8.3 1,106,172	637,711
	Provision against loans and advances	9.3 6,632,379	3,279,896
	Provision against other assets	13.1.1 876,697	861,478
	Reversal of provision against off-balance sheet obligations	18.1 (108,955)	(584,066)
	Recoveries against written off / charged off bad debts	(1,156,802)	(669,347)
	Recoveries against other assets written off	(13,195)	(1,087)
	Other write offs and operational losses	95,106	66,523
		<u>7,431,402</u>	<u>3,591,108</u>
30	<b>TAXATION</b>		
	- Current tax charge / (reversal)		
	- For the year	42,413,902	27,886,775
	- For the prior year	(100,000)	3,188,663
		42,313,902	31,075,438
	- Deferred tax charge / (reversal)		
	- For the year	(2,372,843)	895,600
	- For the prior year	616,163	-
		(1,756,680)	895,600
		<u>40,557,222</u>	<u>31,971,038</u>
31	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit for the period attributable to equity holders of the Bank	<u>42,829,432</u>	<u>23,399,621</u>
		(Number)	
	Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
	Basic and diluted earnings per share	<u>29.20</u>	<u>15.95</u>
31.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		
32	<b>FAIR VALUE MEASUREMENTS</b>		
	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.		

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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 sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). 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.

**32.1 Fair value of financial assets**

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

	<b>As at September 30, 2023 (Unaudited)</b>				
	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	1,794,112,364	-	1,794,112,364	-	1,794,112,364
- Shares - listed companies	12,728,443	5,285,410	7,443,033	-	12,728,443
- Non-Government debt securities					
- Listed	49,542,229	40,004,000	9,538,229	-	49,542,229
- Unlisted	598,023	-	598,023	-	598,023
- Foreign securities					
- Government debt securities	173,434,232	-	173,434,232	-	173,434,232
- Non-Government debt securities - Listed	6,358,743	-	6,358,743	-	6,358,743
- National Investment Unit Trust units	36,304	-	36,304	-	36,304
- Real Estate Investment Trust units	69,000	69,000	-	-	69,000
- Preference Shares - Listed	870,400	870,400	-	-	870,400
	<b>2,037,749,738</b>	<b>46,228,810</b>	<b>1,991,520,928</b>	<b>-</b>	<b>2,037,749,738</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	378,766,616	-	335,851,739	-	335,851,739
- Non-Government debt securities					
- Listed	1,899,540	-	1,899,365	-	1,899,365
- Unlisted	20,409,447	-	20,409,447	-	20,409,447
- Foreign securities					
Government debt securities	15,420,272	-	15,462,018	-	15,462,018
Non-Government debt securities					
- Listed	-	-	-	-	-
- Unlisted	295,923	-	295,923	-	295,923
	<b>416,791,798</b>	<b>-</b>	<b>373,918,492</b>	<b>-</b>	<b>373,918,492</b>
	<b>2,454,541,536</b>	<b>46,228,810</b>	<b>2,365,439,420</b>	<b>-</b>	<b>2,411,668,230</b>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

As at September 30, 2023 (Unaudited)				
Notional value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments				
- Forward foreign exchange contracts	458,485,786	-	(5,994,867)	-
- Forward Government securities transactions	151,372,653	-	(209,229)	-
- Derivative instruments	51,627,808	-	(11,323,196)	-

As at December 31, 2022 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

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

Investments				
- Federal Government securities	1,318,416,185	-	1,318,416,185	-
- Shares - listed companies	3,988,281	3,988,281	-	-
- Non-Government debt securities				
- Listed	49,084,350	40,000,000	9,084,350	-
- Unlisted	616,321	-	616,321	-
- Foreign securities				
Government debt securities	127,850,272	-	127,850,272	-
Non-Government debt securities				
- Listed	8,107,344	-	8,107,344	-
- Unlisted	5,461,947	-	5,461,947	-
- National Investment Unit Trust units	38,170	-	38,170	-
- Real Estate Investment Trust units	68,200	68,200	-	-
- Preference Shares - Listed	872,200	872,200	-	-
	1,514,503,270	44,928,681	1,469,574,589	-

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

Investments				
- Federal Government securities	346,125,167	-	315,021,272	-
- Non-Government debt securities				
- Listed	1,733,442	-	1,739,778	-
- Unlisted	18,301,991	-	18,301,991	-
- Foreign securities				
Government debt securities	14,365,073	-	14,109,487	-
Non-Government debt securities				
- Listed	145,714	-	145,714	-
- Unlisted	308,100	-	308,100	-
	380,979,487	-	349,626,342	-
	1,895,482,757	44,928,681	1,819,200,931	-

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

Commitments				
- Forward foreign exchange contracts	434,583,053	-	1,149,564	-
- Forward Government securities transactions	132,295,940	-	(38,938)	-
- Derivative instruments	57,305,018	-	(6,881,892)	-

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

As at September 30, 2023 (Unaudited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
- Land and building	80,395,639	-	80,395,639	80,395,639
- Non-banking assets acquired in satisfaction of claims	428,098	-	428,098	428,098
	80,823,737	-	80,823,737	80,823,737
----- (Rupees in '000) -----				
As at December 31, 2022 (Audited)				
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
	58,853,956	-	58,853,956	58,853,956

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023

33 SEGMENT INFORMATION

33.1 Segment details with respect to Business Activities

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

	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Profit and loss account</b>										
Net mark-up / return / profit / interest income	(162,074)	37,527	22,679	67,484	187,590	22,423	(20)	7,606	(5,356)	177,859
Inter segment revenue / (expense) - net	254,921	(25,035)	-	(33,526)	(200,357)	(2,816)	-	-	6,813	-
Non mark-up / interest income	3,462	13,194	2,064	4,079	3,897	5,643	1,068	1,598	3,187	38,192
<b>Total Income</b>	<b>96,309</b>	<b>25,686</b>	<b>24,743</b>	<b>38,037</b>	<b>(8,870)</b>	<b>25,250</b>	<b>1,048</b>	<b>9,204</b>	<b>4,644</b>	<b>216,051</b>
Segment direct expenses	24,883	14,024	5,691	3,310	593	18,947	426	6,865	50,353	125,092
Inter segment expense allocation	23,394	7,793	947	10,004	1,405	1,279	-	-	(44,822)	-
<b>Total expenses</b>	<b>48,277</b>	<b>21,817</b>	<b>6,638</b>	<b>13,314</b>	<b>1,998</b>	<b>20,226</b>	<b>426</b>	<b>6,865</b>	<b>5,531</b>	<b>125,092</b>
Provisions - charge / (reversal)	764	1,636	(255)	(1,146)	(520)	2,664	-	1,351	2,937	7,431
<b>Profit / (loss) before tax</b>	<b>47,268</b>	<b>2,233</b>	<b>18,360</b>	<b>25,869</b>	<b>(10,348)</b>	<b>2,360</b>	<b>622</b>	<b>988</b>	<b>(3,824)</b>	<b>83,528</b>

As at September 30, 2023 (Unaudited)

	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Statement of financial position</b>										
Cash and bank balances	177,757	-	50,057	1,221	174,834	155,598	4	15,688	139	575,298
Lendings to financial institutions	-	-	14,961	-	204,252	-	-	-	-	219,213
Inter segment lending	2,064,938	-	-	-	-	20,247	-	-	191,059	2,276,244
Investments	-	-	201,137	10,303	1,993,425	226,266	725	22,320	52,149	2,506,325
Advances - performing - net	-	227,980	201,219	823,719	-	382,821	-	93,577	39,213	1,768,529
Advances - non-performing - net	-	2,426	2,116	3,834	-	3,936	-	1,706	-	14,018
Others	35,381	7,455	44,646	83,040	64,764	40,922	3,474	15,667	128,282	423,631
<b>Total assets</b>	<b>2,278,076</b>	<b>237,861</b>	<b>514,136</b>	<b>922,117</b>	<b>2,437,275</b>	<b>829,790</b>	<b>4,203</b>	<b>148,958</b>	<b>410,842</b>	<b>7,783,258</b>
Borrowings	-	6,305	50,521	134,058	484,710	120,481	-	6,811	-	802,886
Subordinated debt	-	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,219,474	1,484	380,238	609,602	-	614,234	-	118,815	31,254	3,975,101
Inter segment borrowing	-	211,333	12,563	121,375	1,930,973	-	-	-	-	2,276,244
Others	58,602	18,739	29,993	57,082	45,500	25,231	872	8,829	124,373	369,221
<b>Total liabilities</b>	<b>2,278,076</b>	<b>237,861</b>	<b>473,315</b>	<b>922,117</b>	<b>2,461,183</b>	<b>759,946</b>	<b>872</b>	<b>134,455</b>	<b>174,501</b>	<b>7,442,326</b>
Equity	-	-	40,821	-	(23,908)	69,844	3,331	14,503	236,341	340,932
<b>Total equity and liabilities</b>	<b>2,278,076</b>	<b>237,861</b>	<b>514,136</b>	<b>922,117</b>	<b>2,437,275</b>	<b>829,790</b>	<b>4,203</b>	<b>148,958</b>	<b>410,842</b>	<b>7,783,258</b>
<b>Contingencies and commitments</b>	<b>95,541</b>	<b>-</b>	<b>67,384</b>	<b>485,090</b>	<b>522,399</b>	<b>180,701</b>	<b>-</b>	<b>-</b>	<b>35,006</b>	<b>1,386,121</b>

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023

For the nine months ended September 30, 2022 (Unaudited)

	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Profit and loss account</b>										
Net mark-up / return / profit / interest income	(85,518)	27,750	12,111	43,143	108,592	5,038	(69)	7,325	(1,858)	116,514
Inter segment revenue / (expense) - net	139,266	(15,304)	-	(23,638)	(107,008)	3,946	-	-	2,738	-
Non mark-up / interest income	2,780	9,283	1,335	2,819	12,270	6,936	547	1,329	(2,168)	35,131
<b>Total Income</b>	<b>56,528</b>	<b>21,729</b>	<b>13,446</b>	<b>22,324</b>	<b>13,854</b>	<b>15,920</b>	<b>478</b>	<b>8,654</b>	<b>(1,288)</b>	<b>151,645</b>
Segment direct expenses	19,373	10,256	4,359	2,556	911	13,894	325	5,775	35,006	92,455
Inter segment expense allocation	14,589	5,677	893	7,831	1,048	1,100	-	-	(31,138)	-
<b>Total expenses</b>	<b>33,962</b>	<b>15,933</b>	<b>5,252</b>	<b>10,387</b>	<b>1,959</b>	<b>14,994</b>	<b>325</b>	<b>5,775</b>	<b>3,868</b>	<b>92,455</b>
Provisions - charge / (reversal)	155	1,137	1,134	(1,664)	45	198	-	1,653	933	3,591
<b>Profit / (loss) before tax</b>	<b>22,411</b>	<b>4,659</b>	<b>7,060</b>	<b>13,601</b>	<b>11,850</b>	<b>728</b>	<b>153</b>	<b>1,226</b>	<b>(6,089)</b>	<b>55,599</b>

As at December 31, 2022 (Audited)

	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----										
<b>Statement of financial position</b>										
Cash and bank balances	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 - net	-	231,909	221,885	875,294	-	325,465	-	84,150	31,158	1,769,861
Advances - non-performing - net	-	1,993	2,089	3,433	-	3,895	-	1,226	-	12,636
Others	4,725	7,948	16,342	70,783	59,889	24,437	3,245	11,871	116,146	315,386
<b>Total assets</b>	<b>2,027,691</b>	<b>241,850</b>	<b>442,176</b>	<b>960,648</b>	<b>1,910,279</b>	<b>667,257</b>	<b>3,656</b>	<b>142,366</b>	<b>398,852</b>	<b>6,794,775</b>
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
<b>Total liabilities</b>	<b>2,027,691</b>	<b>241,850</b>	<b>410,292</b>	<b>960,648</b>	<b>1,928,585</b>	<b>625,623</b>	<b>753</b>	<b>129,141</b>	<b>185,171</b>	<b>6,509,754</b>
Equity	-	-	31,884	-	(18,306)	41,634	2,903	13,225	213,681	285,021
<b>Total equity and liabilities</b>	<b>2,027,691</b>	<b>241,850</b>	<b>442,176</b>	<b>960,648</b>	<b>1,910,279</b>	<b>667,257</b>	<b>3,656</b>	<b>142,366</b>	<b>398,852</b>	<b>6,794,775</b>
<b>Contingencies and commitments</b>	<b>73,024</b>	<b>-</b>	<b>34,569</b>	<b>404,198</b>	<b>449,835</b>	<b>228,876</b>	<b>-</b>	<b>-</b>	<b>38,116</b>	<b>1,228,618</b>

34 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.

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



**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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

	<b>As at September 30, 2023 (Unaudited)</b>					
	<b>Directors</b>	<b>Key Management Personnel</b>	<b>Group Entities</b>	<b>Associates</b>	<b>Joint venture</b>	<b>Other related parties</b>
	----- (Rupees in '000) -----					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	132,124	-	-	157
<b>Investments</b>						
Opening balance	-	-	-	31,882,845	8,149,052	9,705,368
Investment made during the period	-	-	-	1,430,493	-	-
Investment redeemed / disposed off during the period	-	-	-	(1,181,678)	-	-
Share of profit - net of tax	-	-	-	2,858,339	313,829	-
Equity method adjustments	-	-	-	3,219,559	1,302,051	-
Dividend received during the period	-	-	-	(891,193)	(203,366)	-
Provision for diminution in the value of investments	-	-	-	-	-	(15,248)
Transfer (out) / in - net	-	-	-	(102,476)	(9,564,088)	9,564,088
Revaluation of investments during the period	-	-	-	(749,631)	2,522	(2,914,703)
Revaluation of fixed assets during the period	-	-	-	31,575	-	-
Exchange adjustment	-	-	-	-	-	793,648
Closing balance	-	-	-	36,497,833	-	17,133,153
Provision for diminution in the value of investments	-	-	-	-	-	58,191
<b>Advances</b>						
Opening balance	1,412	1,009,459	4,547,709	625,000	-	11,738,739
Addition during the period	7,707	498,345	20,832,498	-	-	13,485,416
Repaid during the period	(8,863)	(346,476)	(20,787,941)	(125,000)	-	(13,955,994)
Exchange adjustment	-	131,174	1,012,100	-	-	14,450
Closing balance	256	1,292,502	5,604,366	500,000	-	11,282,611
<b>Other assets</b>						
Interest / mark-up accrued	-	20,130	71,184	21,460	-	865,920
Other receivables / prepayments	-	-	-	116,536	-	875
	-	20,130	71,184	137,996	-	866,795
<b>Borrowings</b>						
Opening balance	-	-	3,982,280	12,950,894	2,717,171	1,589,426
Borrowings during the period	-	-	15,109,136	25,000,929	2,348,700	7,543,479
Settled during the period	-	-	(14,927,101)	(33,931,701)	(3,131,600)	(8,689,420)
Transfer (out) / in - net	-	-	-	-	(2,554,127)	2,554,127
Exchange adjustment	-	-	1,008,687	3,219,614	619,856	873,683
Closing balance	-	-	5,173,002	7,239,736	-	3,871,295
<b>Deposits and other accounts</b>						
Opening balance	164,865	523,637	26,259,254	18,870,625	4,204	2,080,873
Received during the period	704,335	5,266,021	361,978,209	853,802,062	3,996	142,916,438
Withdrawn during the period	(759,043)	(5,116,914)	(353,867,092)	(816,286,418)	(7,583)	(136,145,349)
Transfer (out) / in - net	-	-	-	-	(1,412)	1,412
Exchange adjustment	18,695	37,524	251,127	42,848	795	35,331
Closing balance	128,852	710,268	34,621,498	56,429,117	-	8,888,705
<b>Other liabilities</b>						
Interest / mark-up payable	634	8,292	608,732	236,445	-	111,435
Payable to defined benefit plan	-	-	-	-	-	717,388
Other payables	-	-	46,601	106,455	-	662,603
	634	8,292	655,333	342,900	-	1,491,426
<b>Contingencies and commitments</b>						
Letters of credit	-	-	700,917	-	-	340,903
Guarantees	-	-	174,650	-	-	3,535,727
Forward purchase of Government securities	-	-	35,078	-	-	-
Interest rate swaps	-	-	-	500,000	-	-
	-	-	910,645	500,000	-	3,876,630
<b>Others</b>						
Securities held as custodian	88,915	152,590	22,720,141	175,115,000	-	20,721,065

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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

Balances and transactions with group entities include deposits of Rs. 0.703 million (December 31, 2022: Rs. 0.590 million) from the parent.

<b>As at December 31, 2022 (Audited)</b>						
<b>Directors</b>	<b>Key Management Personnel</b>	<b>Group Entities</b>	<b>Associates</b>	<b>Joint venture</b>	<b>Other related parties</b>	
----- (Rupees in '000) -----						
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	1,592	-	122	-
<b>Investments</b>						
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	-	-	-	-	-	(36,974)
Transfer in - net	-	-	-	-	-	29,287
Revaluation of investment during the year	-	-	-	(893,206)	(11,169)	-
Revaluation of fixed assets during the year	-	-	-	229,729	-	-
Closing balance	-	-	-	31,882,845	8,149,052	9,705,368
Provision for diminution in the value of investments	-	-	-	-	-	42,943
<b>Advances</b>						
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
<b>Other assets</b>						
Interest / mark-up accrued	-	29,028	44,798	19,286	-	268,993
Advance to suppliers	-	-	21,382	-	-	-
Other receivables / prepayments	-	2,475	-	161,005	-	1,962
	-	31,503	66,180	180,291	-	270,955

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

**As at December 31, 2022 (Audited)**

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----						
<b>Borrowings</b>						
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
<b>Deposits and other accounts</b>						
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	423,294,698	1,018,289,986	13,607	73,378,120
Withdrawn during the year	(1,061,773)	(4,197,717)	(417,151,038)	(1,050,062,333)	(15,287)	(74,914,514)
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	26,259,254	18,870,625	4,204	2,080,873
<b>Other liabilities</b>						
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
<b>Contingencies and Commitments</b>						
Letter of credit	-	-	693,802	-	-	440,141
Guarantee	-	-	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
<b>Others</b>						
Securities held as custodian	2,500	94,830	24,812,555	134,281,000	-	18,455,830

**For the nine months ended September 30, 2022 (Unaudited)**

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	7	30,738	181,945	87,419	-	1,280,259
Fee and commission income	867	3,756	187,358	587,456	-	6,619
Share of profit	-	-	-	1,423,640	669,469	-
Dividend income	-	-	-	-	-	66,225
Unrealised loss on derivatives	-	-	-	(54,768)	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	16,712	16,582	1,098,990	2,725,248	14,573	261,906
Operating expenses						
Total compensation expense	-	1,950,393	-	-	-	2,103,642
Non-Executive Directors' fees	71,400	-	-	-	-	-
Insurance premium expense	-	-	-	1,891,818	-	-
Product feature cost	-	-	77,563	-	-	-
Travelling	-	-	7,994	-	-	-
Subscription	-	-	-	-	-	14,716
Donations	-	-	-	-	-	354,485
Brokerage and Commission	-	-	-	-	-	163,271
Other Expenses	-	-	41,239	42,593	-	44,355
Provision for diminution in the value of investments	-	-	-	-	-	13,877
<b>Others</b>						
Purchase of Government securities	-	-	149,084,771	58,278,417	-	21,571,340
Sale of Government securities	-	42,278	172,376,874	107,312,067	-	23,576,091
Purchase of foreign currencies	-	3,375	1,600,856	-	-	5,152
Sale of foreign currencies	6,972	153,782	1,599,076	90,300	-	8,070,518
Insurance claims settled	-	-	-	215,189	-	-

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>35 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	236,295,348	203,251,762
Eligible Additional Tier 1 (ADT 1) Capital	18,645,011	19,093,425
Total Eligible Tier 1 Capital	254,940,359	222,345,187
Eligible Tier 2 Capital	72,994,038	56,977,624
Total Eligible Capital (Tier 1 + Tier 2)	327,934,397	279,322,811
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,626,100,576	1,511,840,742
Market Risk	144,624,600	105,217,738
Operational Risk	266,263,405	266,263,405
Total	2,036,988,581	1,883,321,885
Common Equity Tier 1 Capital Adequacy ratio	11.60%	10.79%
Tier 1 Capital Adequacy Ratio	12.52%	11.81%
Total Capital Adequacy Ratio	16.10%	14.83%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	9.00%	9.00%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	1.50%	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)	5.60%	4.79%
<b>Other information:</b>		
<b>Minimum capital requirements prescribed by the SBP</b>		
CET1 minimum ratio (%)	9.00%	9.00%
Tier 1 minimum ratio (%)	10.50%	10.50%
Total capital minimum ratio (%)	13.00%	13.00%
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	254,940,360	222,345,187
Total Exposures	6,051,004,132	5,292,442,000
<b>Leverage Ratio (%)</b>	4.21%	4.20%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
	<b>Total Adjusted Value (Rupees in '000)</b>	
Average High Quality Liquid Assets	1,845,912,119	1,609,446,790
Average Net Cash Outflow	675,157,355	632,560,916
<b>Liquidity Coverage Ratio (%)</b>	273.40%	254.43%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
	<b>Total Weighted Value (Rupees in '000)</b>	
<b>Net Stable Funding Ratio (NSFR)</b>		
Total Available Stable Funding	3,662,652,846	3,225,111,950
Total Required Stable Funding	2,328,742,374	2,171,559,048
<b>Net Stable Funding Ratio (%)</b>	157.28%	148.52%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

36 **ISLAMIC BANKING BUSINESS**

The Bank operates 330 (December 31, 2022: 294) Islamic Banking branches and 578 (December 31, 2022: 573) Islamic Banking windows.

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Note</b>	<b>(Unaudited) September 30, 2023</b>	<b>(Audited) December 31, 2022</b>
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		49,382,729	17,497,223
Balances with other banks		673,772	451,114
Due from financial institutions		14,961,000	-
Investments	36.1	201,136,604	183,654,832
Islamic financing and related assets - net	36.2	203,334,482	223,974,766
Fixed assets		12,268,258	6,497,224
Intangible assets		41,993	30,066
Due from Head Office		-	257,428
Deferred tax assets		1,880,922	1,160,304
Other assets		30,456,380	8,653,602
		<u>514,136,140</u>	<u>442,176,559</u>
<b>LIABILITIES</b>			
Bills payable		41,111	20,267
Due to financial institutions	36.3	50,520,590	74,694,404
Deposits and other accounts	36.4	380,238,348	319,883,948
Due to Head Office		15,157,819	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities		27,357,718	15,693,460
		<u>473,315,586</u>	<u>410,292,079</u>
<b>NET ASSETS</b>			
		<u>40,820,554</u>	<u>31,884,480</u>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Deficit on revaluation of investments - net of tax		(1,957,695)	(1,538,078)
Unappropriated profit	36.5	42,278,249	32,922,558
		<u>40,820,554</u>	<u>31,884,480</u>
<b>Contingencies and commitments</b>			
	36.6		
		<b>(Unaudited)</b>	
		<b>For the nine months ended</b>	
		<b>September 30, 2023</b>	<b>September 30, 2022</b>
<b>PROFIT AND LOSS ACCOUNT</b>			
		<b>(Rupees in '000)</b>	
Profit / return earned	36.7	53,122,249	32,564,590
Profit / return expensed	36.8	30,443,179	20,453,330
Net profit / return		<u>22,679,070</u>	<u>12,111,260</u>
<b>Other income</b>			
Fee and commission income		1,323,547	795,573
Dividend income		-	-
Foreign exchange income		734,507	461,163
Income from derivatives		-	-
Gain on securities - net		5,592	77,552
Others		-	537
Total other income		<u>2,063,646</u>	<u>1,334,825</u>
<b>Total income</b>		<u>24,742,716</u>	<u>13,446,085</u>
<b>Other expenses</b>			
Operating expenses		6,270,802	4,933,817
Workers' Welfare Fund		367,195	149,426
Other charges		220	168,332
Total other expenses		<u>6,638,217</u>	<u>5,251,575</u>
<b>Profit before provisions</b>		<u>18,104,499</u>	<u>8,194,510</u>
(Reversal) / provisions and write offs - net		<u>(255,259)</u>	<u>1,133,960</u>
<b>Profit before taxation</b>		<u>18,359,758</u>	<u>7,060,550</u>
Taxation		8,996,281	3,459,670
<b>Profit after taxation</b>		<u>9,363,477</u>	<u>3,600,880</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

36.1 **Investments by type**

September 30, 2023 (Unaudited)			
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----			
<b>Held-for-trading (HFT) securities</b>			
Federal Government securities			
- Ijarah Sukuk	660	-	4
<b>Available-for-sale (AFS) securities</b>			
Federal Government securities			
- Ijarah Sukuk	141,862,290	-	(3,893,848)
- Other Federal Government securities	6,764,725	-	-
Non-Government debt securities			
- Listed	45,172,712	-	57,208
- Unlisted	1,401,000	-	(1,977)
	195,200,727	-	(3,838,617)
<b>Held-to-maturity (HTM) securities</b>			
Non-Government debt securities			
- Unlisted	9,773,830	-	-
<b>Total Investments</b>	<b>204,975,217</b>	<b>-</b>	<b>(3,838,613)</b>

December 31, 2022 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----			
<b>Available-for-sale (AFS) securities</b>			
Federal Government securities			
- Ijarah Sukuk	125,360,260	-	(2,772,531)
- Other Federal Government securities	4,686,060	-	-
Non-Government debt securities			
-Listed	45,943,545	-	57,829
-Unlisted	1,401,000	-	16,320
	177,390,865	-	(2,698,382)
<b>Held-to-maturity (HTM) securities</b>			
Non-Government debt securities			
- Unlisted	8,962,349	-	-
<b>Total Investments</b>	<b>186,353,214</b>	<b>-</b>	<b>(2,698,382)</b>

36.2 **Islamic financing and related assets - net**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Diminishing Musharakah	93,166,006	94,643,200
Running Musharakah	46,874,412	57,261,410
Wakalah	14,868,698	14,541,328
Ijarah	2,960,715	2,294,057
Murabaha	1,872,590	3,791,439
Currency Salam	696,066	-
Tijarah	1,776,849	2,887,334
Istisna	1,103,318	1,994,354
Musawamah	2,434,880	777,472
Advance for Diminishing Musharakah	3,494,562	5,364,119
Advance for Ijarah	4,058,233	3,599,862
Advance for Murabaha	3,662,313	5,546,361
Advance for Salam	-	2,029,702
Advance for Istisna	13,883,918	13,169,142
Advance for Musawamah	1,856,753	3,856,574
Inventories against Murabaha	6,344,176	5,410,563
Inventories against Tijarah	3,361,917	5,427,552
Inventories against Istisna	3,141,558	3,853,373
Islamic financing and related assets - gross	205,556,964	226,447,842
Provision against Islamic financing and related assets		
- Specific	(1,101,637)	(1,376,081)
- General	(1,120,845)	(1,096,995)
Islamic financing and related assets - net of provision	203,334,482	223,974,766

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>36.3 Due to financial institutions</b>		
Unsecured acceptances of funds	-	19,000,000
Acceptances from the SBP under:		
- Islamic export refinance scheme	19,341,548	19,931,491
- Islamic export refinance scheme bill discounting	374,490	-
- Islamic long term financing facility	6,673,811	7,183,674
- Islamic financing facility for renewable energy power plants	698,748	693,399
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	-	129,838
- Islamic refinance and credit guarantee scheme for women entrepreneurs	2,073	5,720
- Financing facility for storage of agricultural produce	303,469	-
- Islamic refinance facility for combating COVID-19	389,298	143,564
- Islamic temporary economic refinance facility	2,521,317	2,749,061
- Secured Mudarbah Agreement	20,215,836	24,689,405
Acceptances from Pakistan Mortgage Refinance Company	-	168,252
	<u>50,520,590</u>	<u>74,694,404</u>
<b>36.4 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	98,068,298	85,498,743
Savings deposits	216,993,665	161,990,175
Term deposits	26,478,435	24,836,049
	<u>341,540,398</u>	<u>272,324,967</u>
<b>Financial Institutions</b>		
Current deposits	2,911	414,372
Savings deposits	37,931,393	47,142,963
Term deposits	763,646	1,646
	<u>38,697,950</u>	<u>47,558,981</u>
	<u>380,238,348</u>	<u>319,883,948</u>
<b>36.5 Islamic Banking business unappropriated profit</b>		
Opening Balance	32,922,558	27,194,762
Add: Islamic Banking profit for the period / year	18,359,758	11,236,017
Less: Taxation	(8,996,281)	(5,505,648)
Less: Transferred / Remitted to Head Office	(7,786)	(2,573)
Closing Balance	<u>42,278,249</u>	<u>32,922,558</u>
<b>36.6 Contingencies and commitments</b>		
- Performance Guarantees	4,066,142	2,862,623
- Commitments	63,318,057	31,705,993
	<u>67,384,199</u>	<u>34,568,616</u>
<b>36.6.1 Commitments</b>		
Trade-related contingent liabilities	39,277,661	26,704,850
Commitments in respect of forward foreign exchange contracts	24,040,396	5,001,143
	<u>63,318,057</u>	<u>31,705,993</u>
<b>36.6.1.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	12,104,958	2,405,370
Sale	11,935,438	2,595,773
	<u>24,040,396</u>	<u>5,001,143</u>
<b>36.7 Profit / return earned</b>		
	(Unaudited)	
	For the nine months ended	
	September 30, 2023	September 30, 2022
	(Rupees in '000)	
On:		
Financing	26,412,923	15,049,252
Investments	25,713,085	16,868,822
Amounts due from financial institutions	996,241	646,516
	<u>53,122,249</u>	<u>32,564,590</u>

**Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023**

36.8	<b>Profit / return expensed</b>	<b>(Unaudited)</b>	
		<b>For the nine months ended</b>	
		<b>September 30, 2023</b>	<b>September 30, 2022</b>
		<b>(Rupees in '000)</b>	
	On:		
	Deposits and other accounts	20,874,291	14,771,996
	Amounts due to financial institutions	8,662,303	5,388,716
	Foreign currency deposits for Wa'ad based transactions	4,842	13,132
	Lease liability against right-of-use assets	901,743	279,486
		<u>30,443,179</u>	<u>20,453,330</u>

**37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

37.1 The Board of Directors, in its meeting held on October 25, 2023, has declared a cash dividend of Rs 2.25 per share in respect of the quarter ended September 30, 2023 (September 30, 2022: Rs 1.50 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

**38 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on October 25, 2023.

**39 GENERAL**

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

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**





**CONDENSED INTERIM  
UNCONSOLIDATED FINANCIAL  
STATEMENTS**

For the nine months ended September 30, 2023

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Statement of Financial Position**  
**As at September 30, 2023**

	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	488,440,866	257,368,084
Balances with other banks	6	39,875,159	31,319,141
Lendings to financial institutions	7	219,213,353	254,593,287
Investments	8	2,454,618,353	1,882,075,268
Advances	9	1,580,831,373	1,622,607,447
Fixed assets	10	133,945,832	109,326,287
Intangible assets	11	12,947,305	11,840,205
Deferred tax assets	12	23,552,607	16,939,758
Other assets	13	239,854,706	169,027,440
		5,193,279,554	4,355,096,917
<b>LIABILITIES</b>			
Bills payable	14	52,423,100	51,676,520
Borrowings	15	798,335,956	579,004,938
Deposits and other accounts	16	3,716,407,416	3,234,176,418
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	18,874,000	18,874,000
Deferred tax liabilities	12	-	-
Other liabilities	18	297,413,648	217,589,525
		4,883,454,120	4,101,321,401
<b>NET ASSETS</b>		<u>309,825,434</u>	<u>253,775,516</u>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		85,480,140	71,735,697
Surplus on revaluation of assets - net of tax	19	12,992,630	1,984,774
Unappropriated profit		196,684,139	165,386,520
		<u>309,825,434</u>	<u>253,775,516</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	January 01 to September 30, 2023	January 01 to September 30, 2022	July 01 to September 30, 2023	July 01 to September 30, 2022
----- (Rupees in '000) -----					
Mark-up / return / profit / interest earned	22	479,819,379	290,012,963	179,635,207	114,680,667
Mark-up / return / profit / interest expensed	23	315,537,127	182,837,778	118,885,209	75,194,105
Net mark-up / return / profit / interest income		164,282,252	107,175,185	60,749,998	39,486,562
<b>Non mark-up / interest income</b>					
Fee and commission income	24	26,908,502	19,986,361	9,489,747	6,785,545
Dividend income		3,027,681	1,216,515	225,777	394,203
Foreign exchange (loss) / income - domestic		(5,162,034)	2,161,056	(866,270)	(415,095)
Foreign exchange income - international		1,399,621	2,201,068	146,918	1,035,106
Foreign exchange income - unrealised gain / (loss) related to derivatives		4,544,399	5,463,820	(1,239,637)	2,864,385
(Loss) / gain from derivatives		(3,140,330)	(3,412,516)	2,011,230	(2,318,240)
(Loss) / gain on securities - net	25	(325,450)	687,309	(112,741)	211,537
Other income	26	9,883,533	358,670	226,162	116,972
Total non mark-up / interest income		37,135,922	28,662,283	9,881,186	8,674,413
Total income		201,418,174	135,837,468	70,631,184	48,160,975
<b>Non mark-up / interest expenses</b>					
Operating expenses	27	110,496,644	80,482,078	39,464,922	28,141,337
Workers' Welfare Fund		1,661,993	1,030,352	597,715	380,926
Other charges	28	82,090	450,995	5,610	8,682
Total non mark-up / interest expenses		112,240,727	81,963,425	40,068,247	28,530,945
<b>Profit before provisions and taxation</b>		89,177,447	53,874,043	30,562,937	19,630,030
Provisions and write offs - net	29	6,159,440	2,355,915	840,419	527,478
<b>Profit before taxation</b>		83,018,007	51,518,128	29,722,518	19,102,552
<b>Taxation</b>	30	40,200,911	29,819,141	14,616,755	8,915,936
<b>Profit after taxation</b>		42,817,096	21,698,987	15,105,763	10,186,616
----- (Rupees) -----					
<b>Basic and diluted earnings per share</b>	31	29.19	14.79	10.30	6.94

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)**  
**For the nine months ended September 30, 2023**

	January 01 to September 30, 2023	January 01 to September 30, 2022	July 01 to September 30, 2023	July 01 to September 30, 2022
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	42,817,096	21,698,987	15,105,763	10,186,616
<b>Other comprehensive income / (loss)</b>				
<i><b>Items that may be reclassified to the profit and loss account in subsequent periods</b></i>				
Effect of translation of net investment in foreign branches - net of tax	9,462,733	1,973,175	(506,713)	1,070,809
Movement in surplus / deficit on revaluation of investments - net of tax	(4,532,615)	(20,118,839)	2,368,380	(3,797,309)
<i><b>Items that are not to be reclassified to the profit and loss account in subsequent periods</b></i>				
Remeasurement gain on defined benefit obligations - net of tax	-	209,435	-	-
Movement in surplus / deficit on revaluation of fixed assets / non-banking - net of tax	15,636,967	(201,262)	9,418	-
Transferred from surplus on revaluation of non-banking assets - net of tax		79,789	-	79,789
Transferred to surplus on revaluation of fixed assets - net of tax		(79,789)	-	(79,789)
<b>Total comprehensive income</b>	<u>63,384,181</u>	<u>3,561,496</u>	<u>16,976,848</u>	<u>7,460,116</u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited)**  
**For the nine months ended September 30, 2023**

Share capital	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total	
	Statutory	Capital		Investments	Fixed / Non-banking assets			
		Exchange Translation	Non-distributable					
(Rupees in '000)								
<b>Balance as at December 31, 2021</b>	14,668,525	40,043,376	29,088,178	547,115	(2,045,362)	27,234,607	148,392,471	257,928,910
<b>Comprehensive income for the nine months ended September 30, 2022</b>								
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	21,698,987	21,698,987
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	1,973,175	-	-	-	-	1,973,175
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	209,435	209,435
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(20,118,839)	(201,262)	-	(20,320,101)
	-	-	1,973,175	-	(20,118,839)	(201,262)	21,908,422	3,561,496
Transferred to statutory reserve	-	2,169,899	-	-	-	-	(2,169,899)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(43,709)	43,709	-
<b>Transactions with owners, recorded directly in equity</b>								
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)
	-	-	-	-	-	-	(8,801,115)	(8,801,115)
<b>Balance as at September 30, 2022</b>	14,668,525	42,213,275	31,061,353	547,115	(22,164,201)	26,989,636	159,373,588	252,689,291
<b>Comprehensive income for the three months ended December 31, 2022</b>								
Profit after taxation for the three months ended December 31, 2022	-	-	-	-	-	-	9,168,016	9,168,016
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(3,002,847)	-	-	-	-	(3,002,847)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	(52,574)	(52,574)
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(2,856,941)	30,850	-	(2,826,091)
	-	-	(3,002,847)	-	(2,856,941)	30,850	9,115,442	3,286,504
Transferred to statutory reserve	-	916,801	-	-	-	-	(916,801)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(14,570)	14,570	-
<b>Transactions with owners, recorded directly in equity</b>								
3rd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279)	(2,200,279)
<b>Balance as at December 31, 2022</b>	14,668,525	43,130,076	28,058,506	547,115	(25,021,142)	27,005,916	165,386,520	253,775,516
<b>Comprehensive income for the nine months ended September 30, 2023</b>								
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	42,817,096	42,817,096
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	9,462,733	-	-	-	-	9,462,733
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(4,532,615)	15,636,967	-	11,104,352
	-	-	9,462,733	-	(4,532,615)	15,636,967	42,817,096	63,384,181
Transferred to statutory reserve	-	4,281,710	-	-	-	-	(4,281,710)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(96,496)	96,496	-
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 1.50 per share declared subsequent to the year ended December 31, 2022	-	-	-	-	-	-	(2,200,279)	(2,200,279)
1st interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279)	(2,200,279)
2nd interim cash dividend - Rs 2.00 per share	-	-	-	-	-	-	(2,933,705)	(2,933,705)
	-	-	-	-	-	-	(7,334,263)	(7,334,263)
<b>Balance as at September 30, 2023</b>	14,668,525	47,411,786	37,521,239	547,115	(29,553,757)	42,546,387	196,684,139	309,825,434

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)**  
**For the nine months ended September 30, 2023**

	January 01 to September 30, 2023	January 01 to September 30, 2022
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	83,018,007	51,518,128
Dividend income	(3,027,681)	(1,216,515)
Mark-up / return / profit / interest expensed on subordinated debt	3,126,563	1,307,766
	<u>83,116,889</u>	<u>51,609,379</u>
<b>Adjustments:</b>		
Depreciation	6,624,825	5,147,845
Amortisation	1,482,463	1,249,545
Depreciation on right-of-use assets	2,848,085	2,402,757
Mark-up / return / profit / interest expensed on lease liabilities	2,756,769	2,099,628
Provision for diminution in value of investments	1,085,470	637,711
Provision against loans and advances	4,862,098	1,893,867
Provision against other assets	976,864	861,478
Reversal of provision against off-balance sheet obligations	(108,955)	(584,066)
Unrealised loss on held-for-trading securities	45,071	27,650
Gain on derecognition of joint venture	(9,333,221)	-
Gain on sale of fixed assets - net	(80,826)	(29,135)
Workers' Welfare Fund	1,661,993	1,030,352
	<u>12,820,636</u>	<u>14,737,632</u>
	95,937,525	66,347,011
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	35,379,934	(21,187,795)
Held-for-trading securities	14,473,917	112,338,192
Advances	36,913,976	(182,063,535)
Other assets (excluding advance taxation)	(77,636,774)	(43,147,454)
	9,131,053	(134,060,592)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	746,580	2,128,571
Borrowings from financial institutions	219,331,018	144,279,432
Deposits and other accounts	482,230,998	(28,884,400)
Other liabilities	77,785,129	60,390,678
	<u>780,093,725</u>	<u>177,914,281</u>
	885,162,303	110,200,700
Income tax paid	(37,195,950)	(22,006,673)
<b>Net cash flows generated from operating activities</b>	<u>847,966,353</u>	<u>88,194,027</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	(554,532,955)	(104,545,963)
Net investment in held-to-maturity securities	(34,875,279)	9,711,064
Net investment in subsidiaries	(1,000,000)	(4,286,993)
Net investment in associates	183,742	2,178,957
Dividend received	3,007,875	1,388,982
Investments in fixed assets	(10,983,825)	(11,543,836)
Investments in intangible assets	(2,496,936)	(5,917,497)
Proceeds from sale of fixed assets	125,242	42,904
Effect of translation of net investment in foreign branches - net of tax	9,462,733	1,973,175
<b>Net cash flows used in investing activities</b>	<u>(591,109,403)</u>	<u>(110,999,207)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of mark-up on subordinated debt	(3,141,024)	(1,302,145)
Payment of lease liability against right-of-use assets	(3,185,734)	(3,126,275)
Dividend paid	(10,901,392)	(7,417,723)
<b>Net cash flows used in financing activities</b>	<u>(17,228,150)</u>	<u>(11,846,143)</u>
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	<u>239,628,800</u>	<u>(34,651,323)</u>
Cash and cash equivalents at the beginning of the period	288,384,257	421,808,267
Effect of exchange rate changes on cash and cash equivalents	302,968	19,896,801
	<u>288,687,225</u>	<u>441,705,068</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>528,316,025</u>	<u>407,053,745</u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

**President and  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**Habib Bank Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

**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 1,726 (December 31, 2022: 1,714) branches inside Pakistan including 330 (December 31, 2022: 294) Islamic Banking Branches and 31 (December 31, 2022: 32) 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. During the period, AKFED has purchased 81,873,094 shares of the Bank from the market. As a result its shareholding in the Bank has increased from 51.00% to 56.58%.

- 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 Himalayan Bank Limited, Nepal (HBLN), which was previously recognized as a Joint Venture, has acquired Civil Bank Limited, Nepal with effect from February 24, 2023, by issuing new shares as consideration. As a result, the shareholding of the Bank in HBLN has been diluted from 20.00% to 12.93%. Accordingly, HBLN is now classified as an available for sale investment.
- 1.6 During the period, the Bank has subscribed to 100 million Rights shares issued by HBL Microfinance Bank Limited (HBL MfB). Post acquisition, the Bank's shareholding in HBL MfB has increased from 76.42% to 79.92%.

**2 BASIS OF PRESENTATION**

**2.1 STATEMENT OF COMPLIANCE**

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

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

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

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2022.

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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2023. These are considered either to not be relevant or not to have any significant impact on the Bank's financial statements.

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

As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after January 01, 2024. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

There are various standards and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have a material effect on the Bank's financial statements.

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

**2.5 Critical accounting estimates and judgements**

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2022, except for the following:

During the period, the Bank has revised its estimate of the useful life of vehicles used in the UAE business from 10 years to 5 years. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 and accordingly, has been recognised prospectively in the unconsolidated profit and loss account.

The effect of this change on depreciation expense in the current period and the next corresponding period is as follows:

	<b>January 01 to September 30, 2024</b>	<b>January 01 to September 30, 2023</b>
	<b>(Rupees in '000)</b>	
Increase in other operating expenses - depreciation	8,518	8,518

**3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2022.

**4 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2022.

**5 CASH AND BALANCES WITH TREASURY BANKS**

	<b>(Unaudited) September 30, 2023</b>	<b>(Audited) December 31, 2022</b>
	<b>(Rupees in '000)</b>	
In hand		
Local currency	61,840,140	71,656,001
Foreign currencies	10,563,006	7,193,966
	<u>72,403,146</u>	<u>78,849,967</u>
With State Bank of Pakistan in		
Local currency current accounts	176,952,423	107,551,161
Foreign currency current accounts	13,003,963	292,436
Foreign currency deposit accounts	25,971,665	655,439
	215,928,051	108,499,036
With other Central Banks in		
Foreign currency current accounts	38,407,400	32,490,538
Foreign currency deposit accounts	45,560,423	35,609,011
	83,967,823	68,099,549
With National Bank of Pakistan in local currency current accounts	115,803,324	1,757,957
National Prize Bonds	338,522	161,575
	<u>488,440,866</u>	<u>257,368,084</u>

**6 BALANCES WITH OTHER BANKS**

In Pakistan		
In current accounts	45,550	81,588
Outside Pakistan		
In current accounts	18,301,420	16,458,763
In deposit accounts	21,528,189	14,778,790
	39,829,609	31,237,553
	<u>39,875,159</u>	<u>31,319,141</u>

**7 LENDINGS TO FINANCIAL INSTITUTIONS**

Call money lendings	8,000,000	-
Repurchase agreement lendings (reverse repo)	211,213,353	254,593,287
	<u>219,213,353</u>	<u>254,593,287</u>



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023

8 INVESTMENTS	Note	September 30, 2023 (Unaudited)				December 31, 2022 (Audited)			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1		(Rupees in '000)							
<b>Investments by type</b>									
<b>Held-for-trading (HFT) securities</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		18,375,174	-	(30,161)	18,345,013	5,885,581	-	(7,865)	5,877,716
- Pakistan Investment Bonds		24,563,481	-	102,882	24,666,363	52,471,296	-	(85,104)	52,386,192
- Ijarah Sukuk		660	-	4	664	-	-	-	-
<b>Shares</b>									
- Listed companies		273,819	-	(8,683)	265,136	132	-	(42)	90
<b>Foreign securities</b>									
- Government debt securities		3,864,343	-	(109,113)	3,755,230	3,278,776	-	8,620	3,287,396
		47,077,477	-	(45,071)	47,032,406	61,635,785	-	(84,391)	61,551,394
<b>Available-for-sale (AFS) securities</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		653,314,899	-	(764,617)	652,550,282	206,248,292	-	(363,332)	205,884,960
- Pakistan Investment Bonds		973,278,683	-	(44,738,313)	928,540,370	925,726,908	-	(29,334,463)	896,392,445
- Ijarah Sukuk		141,862,290	-	(3,893,848)	137,968,442	125,360,260	-	(2,772,531)	122,587,729
- Government of Pakistan US Dollar Bonds		21,033,877	(3,595,604)	(3,470,767)	13,967,506	18,895,230	(2,213,447)	(8,221,230)	8,460,553
- Other Federal Government securities		6,764,725	-	-	6,764,725	4,686,060	-	-	4,686,060
<b>Shares</b>									
- Listed companies		16,535,850	(1,562,578)	(2,509,965)	12,463,307	6,329,024	(2,097,873)	(242,961)	3,988,190
- Unlisted companies		5,372,623	(134,966)	-	5,237,657	5,372,623	(119,718)	-	5,252,905
<b>Non-Government debt securities</b>									
- Listed		52,713,443	(1,284,051)	(1,887,163)	49,542,229	52,253,137	(602,689)	(2,566,098)	49,084,350
- Unlisted		2,660,839	(413,232)	(20,352)	2,227,255	2,664,233	(413,232)	16,321	2,267,322
<b>Foreign securities</b>									
- Government debt securities		148,309,530	(2,163,771)	(797,085)	145,348,674	107,850,716	(1,672,462)	(582,189)	105,596,065
- Non-Government debt securities - Listed		4,345,021	(47,388)	(31,624)	4,266,009	4,541,314	(59,375)	(42,714)	4,439,225
- Equity securities - Unlisted		9,854	(239)	-	9,615	7,762	(197)	-	7,565
<b>National Investment Unit Trust units</b>									
		11,113	-	25,191	36,304	11,113	-	27,057	38,170
<b>Real Estate Investment Trust units</b>									
- Listed		55,000	-	14,000	69,000	55,000	-	13,200	68,200
- Unlisted		1,575,000	-	-	1,575,000	1,575,000	-	-	1,575,000
<b>Preference shares</b>									
- Listed		744,400	-	126,000	870,400	744,400	-	172,200	916,600
- Unlisted		354,985	(285,793)	-	69,192	354,985	(285,793)	-	69,192
		2,028,942,132	(9,487,622)	(57,948,543)	1,961,505,967	1,462,676,057	(7,464,786)	(43,896,740)	1,411,314,531
<b>Held-to-maturity (HTM) securities</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		139,595,400	-	-	139,595,400	108,085,213	-	-	108,085,213
- Pakistan Investment Bonds		230,075,305	-	-	230,075,305	229,410,921	-	-	229,410,921
- Government of Pakistan US Dollar Bonds		5,387,701	(838,596)	-	4,549,105	4,307,651	(379,077)	-	3,928,574
<b>Non-Government debt securities</b>									
- Listed		1,899,540	-	-	1,899,540	1,733,442	-	-	1,733,442
- Unlisted		19,407,639	-	-	19,407,639	17,300,182	-	-	17,300,182
<b>Foreign securities</b>									
- Government debt securities		13,870,867	-	-	13,870,867	14,365,073	-	-	14,365,073
- Non-Government debt securities		-	-	-	-	161,426	(15,712)	-	145,714
- Unlisted		310,835	(14,912)	-	295,923	308,100	-	-	308,100
		410,547,287	(853,508)	-	409,693,779	375,672,008	(394,789)	-	375,277,219
<b>Investment in associates</b>									
	8.2	7,238,353	(201,406)	-	7,036,947	7,422,095	-	-	7,422,095
<b>Investment in subsidiary companies</b>									
		29,349,254	-	-	29,349,254	26,510,029	-	-	26,510,029
<b>Total Investments</b>		<b>2,523,154,503</b>	<b>(10,542,536)</b>	<b>(57,993,614)</b>	<b>2,454,618,353</b>	<b>1,933,915,974</b>	<b>(7,859,575)</b>	<b>(43,981,131)</b>	<b>1,882,075,268</b>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

8.1.1 Investments given as collateral	(Unaudited) September 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	88,906,790	76,758,133
- Pakistan Investment Bonds	381,990,000	165,214,633
- Ijarah Sukuk	21,074,800	25,479,600
<b>Foreign securities</b>		
Government debt securities	12,792,680	15,216,156
	<u>504,764,270</u>	<u>282,668,522</u>

8.2 The market value of investments classified as held-to-maturity and investment in listed associates and joint venture is as follows:

	September 30, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Book value	Market value	Book value	Market value
(Rupees in '000)				
- Investments classified as held-to-maturity	409,693,779	366,833,096	375,277,219	343,498,835
- Investment in listed associates and joint venture	6,780,717	7,129,983	7,165,864	23,324,728

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
8.3 Particulars of provision held against diminution in the value of investments		
Opening balance	7,859,575	3,228,791
Exchange adjustment	1,375,384	604,306
Charge / (reversal)		
Charge for the period / year	2,391,552	4,565,152
Reversal for the period / year	(541,703)	(24,044)
Reversal on disposal during the period / year	(764,379)	(689,400)
Net charge	1,085,470	3,851,708
Transferred in	222,107	67,880
Other movement	-	106,890
Closing balance	<u>10,542,536</u>	<u>7,859,575</u>

8.4 Particulars of provision against debt securities

Category of classification	(Unaudited) September 30, 2023		(Audited) December 31, 2022	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
(Rupees in '000)				
<b>Domestic</b>				
Loss	413,232	413,232	413,232	413,232
<b>Overseas</b>				
Overdue by:				
91 to 180 days	-	-	452,912	452,912
181 days to 365 days	-	-	679,188	500,742
>365 days	1,429,041	1,429,041	-	-
	1,429,041	1,429,041	1,132,100	953,654
Total	<u>1,842,273</u>	<u>1,842,273</u>	<u>1,545,332</u>	<u>1,366,886</u>

8.4.1 In addition to the above, overseas branches hold a provision of Rs 6,515.280 million (December 31, 2022: Rs 3,989.107 million) against investment in accordance with the ECL requirements of IFRS 9.

9 ADVANCES	Note	Performing		Non - performing		Total	
		(Unaudited) September 30, 2023	(Audited) December 31, 2022	(Unaudited) September 30, 2023	(Audited) December 31, 2022	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)							
Loans, cash credits, running finances, etc.		1,242,045,104	1,314,811,542	73,603,534	72,548,664	1,315,648,638	1,387,360,206
Islamic financing and related assets	36.2	202,492,024	222,982,477	3,064,940	3,465,365	205,556,964	226,447,842
Bills discounted and purchased		141,617,320	86,852,316	9,832,366	8,760,951	151,449,686	95,613,267
Advances - gross		<u>1,586,154,448</u>	<u>1,624,646,335</u>	<u>86,500,840</u>	<u>84,774,980</u>	<u>1,672,655,288</u>	<u>1,709,421,315</u>
Provision against advances							
- Specific		-	-	(75,806,604)	(74,638,423)	(75,806,604)	(74,638,423)
- General	9.3	(16,017,311)	(12,175,445)	-	-	(16,017,311)	(12,175,445)
		(16,017,311)	(12,175,445)	(75,806,604)	(74,638,423)	(91,823,915)	(86,813,868)
Advances - net of provision		<u>1,570,137,137</u>	<u>1,612,470,890</u>	<u>10,694,236</u>	<u>10,136,557</u>	<u>1,580,831,373</u>	<u>1,622,607,447</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>9.1 Particulars of advances (gross)</b>		
In local currency	1,295,519,797	1,402,884,074
In foreign currencies	377,135,491	306,537,241
	<u>1,672,655,288</u>	<u>1,709,421,315</u>

9.2 Advances include Rs 86,500.840 million (December 31, 2022: Rs 84,774.980 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unaudited) September 30, 2023		(Audited) December 31, 2022	
	Non - performing advances	Provision	Non - performing advances	Provision
	(Rupees in '000)			
<b>Domestic</b>				
Other assets especially mentioned	1,156,671	-	470,336	-
Substandard	5,705,114	1,461,185	6,753,937	1,713,269
Doubtful	4,523,899	2,261,949	2,487,879	1,172,491
Loss	40,651,796	39,939,567	41,681,202	40,992,247
	52,037,480	43,662,701	51,393,354	43,878,007
<b>Overseas</b>				
Not past due but impaired	-	-	114,816	65,731
Overdue by:				
Upto 90 days	65,558	22,626	46,595	12,056
91 to 180 days	24,306	3,402	1,180,167	295,610
181 to 365 days	1,510,377	793,839	30,805	13,555
> 365 days	32,863,119	31,324,036	32,009,243	30,373,464
	34,463,360	32,143,903	33,381,626	30,760,416
<b>Total</b>	<u>86,500,840</u>	<u>75,806,604</u>	<u>84,774,980</u>	<u>74,638,423</u>

**9.3 Particulars of provision against advances**

	Note	(Unaudited) September 30, 2023			(Audited) December 31, 2022		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		74,638,423	12,175,445	86,813,868	69,086,372	9,569,507	78,655,879
Exchange adjustment		7,837,550	841,921	8,679,471	6,837,158	669,003	7,506,161
Charge for the period / year		6,537,111	3,591,956	10,129,067	6,803,855	2,844,306	9,648,161
Reversal for the period / year		(4,674,958)	(592,011)	(5,266,969)	(4,767,741)	(907,371)	(5,675,112)
Net charge against advances		1,862,153	2,999,945	4,862,098	2,036,114	1,936,935	3,973,049
Charged off during the period / year- agriculture financing	9.5	(346,918)	-	(346,918)	(582,438)	-	(582,438)
Written off during the period / year		(8,184,604)	-	(8,184,604)	(2,670,903)	-	(2,670,903)
Transferred out		-	-	-	(67,880)	-	(67,880)
<b>Closing balance</b>		<u>75,806,604</u>	<u>16,017,311</u>	<u>91,823,915</u>	<u>74,638,423</u>	<u>12,175,445</u>	<u>86,813,868</u>

9.4 General provision includes provision amounting to Rs 3,563.219 million (December 31, 2022: Rs 3,307.203 million) against consumer finance portfolio. General provision also includes Rs 4,545.923 million (December 31, 2022: Rs 3,539.973 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 7,908.169 million (December 31, 2022: Rs 5,328.305 million) carried as a matter of prudence, on account of borrowers impacted by the currently stressed economic conditions.

9.5 These represent non-performing advances for agriculture financing 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.

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
<b>10</b>	<b>FIXED ASSETS</b>		
		(Rupees in '000)	
		7,203,197	7,264,167
		126,742,635	102,062,120
		<u>133,945,832</u>	<u>109,326,287</u>
<b>10.1</b>	<b>Capital work-in-progress</b>		
	Civil works	1,241,261	2,478,945
	Equipment	1,645,584	1,211,929
	Advances to suppliers and contractors	4,316,352	3,573,293
		<u>7,203,197</u>	<u>7,264,167</u>
<b>10.2</b>	<b>Additions to fixed assets</b>		
		(Unaudited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		(Rupees in '000)	
	The following additions have been made to fixed assets during the period:		
	<b>Capital work-in-progress - net</b>	(60,970)	3,544,803
	<b>Property and equipment</b>		
	Leasehold land	1,747,513	469,366
	Building on leasehold land	481,641	113,752
	Machinery	79,106	35,277
	Leasehold improvements	2,915,126	2,174,664
	Furniture and fixtures	1,034,235	792,674
	Electrical, office and computer equipment	4,601,921	4,347,452
	Vehicles	185,253	65,848
		11,044,795	7,999,033
	Right-of-use assets - net	3,913,522	3,250,675
		<u>14,897,347</u>	<u>14,794,511</u>
<b>10.3</b>	<b>Disposal of fixed assets</b>		
	The net book value of fixed assets disposed off during the period is as follows:		
	<b>Property and equipment</b>		
	Building on free hold land	9,354	-
	Machinery	-	4
	Leasehold improvements	691	4,978
	Furniture and fixtures	2,932	1,231
	Electrical, office and computer equipment	30,376	6,189
	Vehicles	1,063	1,367
		<u>44,416</u>	<u>13,769</u>
<b>10.4</b>	The properties of the Bank were revalued by independent professional valuers as at June 30, 2023. The revaluation was carried out by M/s Tristar International consultant Pvt Ltd, M/s Joseph Lobo Pvt Ltd, M/s Luckyhiya Associates Pvt Ltd, M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Pvt) Limited (Sri Lanka) and M/s J&M Associates Pvt Limited (KEPZ) on the basis of an assessment of their present market values. The revaluation has resulted in an increase of Rs 17,495.030 million in the surplus. The total surplus arising against revaluation of fixed assets as at September 30, 2023 amounts to Rs 46,060.482 million.		
<b>11</b>	<b>INTANGIBLE ASSETS</b>		
		(Unaudited) September 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
	Capital work-in-progress - computer software	6,612,941	5,183,359
	Intangible assets	6,334,364	6,656,846
		<u>12,947,305</u>	<u>11,840,205</u>
<b>11.1</b>	<b>Additions to intangibles assets</b>		
		(Unaudited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		(Rupees in '000)	
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net	1,429,582	2,588,247
	Computer software	1,067,354	3,329,250
		<u>2,496,936</u>	<u>5,917,497</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
<b>12 DEFERRED TAX ASSETS / (LIABILITIES)</b>			
<b>Deductible temporary differences on</b>			
- Provision against investments		729,913	879,614
- Provision against doubtful debts and off-balance sheet obligations		4,182,278	3,164,090
- Liabilities written back		2,847,596	2,717,261
- Deficit on revaluation of investments	19	28,394,786	18,875,598
- Provision against other assets		6,672	5,855
- Ijarah financing		289,398	187,389
		<u>36,450,643</u>	<u>25,829,807</u>
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		(2,491,853)	(2,354,489)
- Surplus on revaluation of fixed assets	19	(3,699,574)	(1,905,686)
- Exchange translation reserve		(6,706,609)	(4,629,874)
		<u>(12,898,036)</u>	<u>(8,890,049)</u>
<b>Net deferred tax assets</b>		<u><u>23,552,607</u></u>	<u><u>16,939,758</u></u>
<b>13 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		115,325,190	78,399,836
Mark-up / return / profit / interest accrued in foreign currency - net of provision		8,040,988	6,236,421
Advances, deposits, advance rent and other prepayments		4,625,205	4,447,288
Advance taxation		7,976,877	11,990,565
Advances against subscription of securities		228,514	1,228,514
Stationery and stamps on hand		254,530	133,214
Accrued fees and commissions		520,288	459,300
Due from Government of Pakistan / SBP		6,489,019	3,654,276
Mark to market gain on forward foreign exchange contracts		2,298,849	3,067,881
Mark to market gain on derivative instruments		-	546
Non-banking assets acquired in satisfaction of claims		242,619	232,109
Acceptances		58,964,094	54,403,050
Clearing and settlement accounts		35,504,808	4,352,389
Dividend receivable		23,689	3,883
Claims receivable against fraud and forgeries		860,778	694,460
Others		837,011	1,340,474
		<u>242,192,459</u>	<u>170,644,206</u>
Provision held against other assets	13.1	<u>(2,523,232)</u>	<u>(1,791,891)</u>
Other assets- net of provision		239,669,227	168,852,315
Surplus on revaluation of non-banking assets acquired in satisfaction of claim	19	185,479	175,125
Other assets - total		<u><u>239,854,706</u></u>	<u><u>169,027,440</u></u>
<b>13.1 Provision held against other assets</b>			
Claims receivable against fraud and forgeries		860,778	694,460
Suit filed cases		4,979	4,979
Others		1,657,475	1,092,452
		<u>2,523,232</u>	<u>1,791,891</u>
<b>13.1.1 Movement in provision against other assets</b>			
Opening balance		1,791,891	1,243,645
Exchange adjustment		13,469	(7,806)
Charge for the period / year		976,864	661,462
Reversal for the period / year		-	(37,218)
Net charge		976,864	624,244
Written off during the period / year		(36,885)	(67,820)
Transferred out		(222,107)	-
Other movement		-	(372)
Closing balance		<u><u>2,523,232</u></u>	<u><u>1,791,891</u></u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	(Unaudited) September 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
<b>14</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	48,782,032	50,109,748
	Outside Pakistan	3,641,068	1,566,772
		<u>52,423,100</u>	<u>51,676,520</u>
<b>15</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	Borrowings from the SBP under		
	- Export refinance scheme	62,638,148	69,820,144
	- Export refinance scheme for bill discounting	22,622,253	8,867,548
	- Long term financing facility	38,365,685	42,068,296
	- Financing facility for renewable energy power plants	7,387,762	7,168,301
	- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	420,969	312,545
	- Refinance and credit guarantee scheme for women entrepreneurs	35,054	69,658
	- Financing facility for storage of agricultural produce	647,105	601,918
	- Refinance scheme for payment of wages and salaries	-	1,227,812
	- Refinance facility for combating COVID-19	1,744,910	1,793,800
	- Temporary economic refinance facility	33,351,899	34,998,333
	- Refinance facility for SME Asaan Finance (SAAF)	3,454,132	2,272,423
		170,667,917	169,200,778
	Repurchase agreement borrowings	513,184,676	284,971,485
		<u>683,852,593</u>	<u>454,172,263</u>
	<b>Unsecured</b>		
	- Call money borrowings	2,000,000	19,000,000
	- Overdrawn nostro accounts	2,533,524	348,674
	- Borrowings of overseas branches	36,108,972	39,653,052
	- Other long-term borrowings	73,840,867	65,830,949
		114,483,363	124,832,675
		<u>798,335,956</u>	<u>579,004,938</u>

15.1 This includes the following:

15.1.1 A loan from the International Finance Corporation amounting to US\$ 74.985 million (December 31, 2022: US\$ 99.990 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi annually.

15.1.2 A long-term financing facility arrangement 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 has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. The current amount outstanding is US\$ 181.640 million (December 31, 2022: US\$ 190 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over LIBOR is payable semi-annually.

**16 DEPOSITS AND OTHER ACCOUNTS**

	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	1,133,620,758	194,580,111	1,328,200,869	1,133,774,070	162,565,484	1,296,339,554
Savings deposits	1,421,161,675	157,884,868	1,579,046,543	1,160,962,009	139,379,848	1,300,341,857
Term deposits	388,182,612	306,974,966	695,157,578	347,383,594	209,952,695	557,336,289
	2,942,965,045	659,439,945	3,602,404,990	2,642,119,673	511,898,027	3,154,017,700
<b>Financial institutions</b>						
Current deposits	6,847,735	2,146,514	8,994,249	8,499,505	3,163,648	11,663,153
Savings deposits	84,881,960	1,538,051	86,420,011	57,909,192	2,181,262	60,090,454
Term deposits	8,909,833	9,678,333	18,588,166	3,328,171	5,076,940	8,405,111
	100,639,528	13,362,898	114,002,426	69,736,868	10,421,850	80,158,718
	<u>3,043,604,573</u>	<u>672,802,843</u>	<u>3,716,407,416</u>	<u>2,711,856,541</u>	<u>522,319,877</u>	<u>3,234,176,418</u>

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023

		(Unaudited) September 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
17	<b>SUBORDINATED DEBT</b>		
	Additional Tier I Term Finance Certificates	17.1.1	12,374,000
	Additional Tier I Term Finance Certificates	17.1.2	6,500,000
		<u>18,874,000</u>	<u>18,874,000</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 these issues are as follows:

17.1.1	<b>Issue date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2020: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
	<b>Profit payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

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

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

18	<b>OTHER LIABILITIES</b>	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)				
	Mark-up / return / profit / interest payable in local currency		64,977,649	16,143,221
	Mark-up / return / profit / interest payable in foreign currency		9,987,356	5,733,644
	Security deposits		1,276,644	1,567,333
	Accrued expenses		30,834,353	22,174,107
	Mark to market loss on forward foreign exchange contracts		8,037,085	2,218,389
	Mark to market loss on derivative instruments		11,323,196	6,882,438
	Unclaimed dividends		765,124	751,907
	Dividends payable		231,330	3,811,676
	Provision for post retirement medical benefits		3,756,458	3,522,518
	Provision for employees' compensated absences		745,950	762,192
	Provision for staff retirement benefits		1,720,052	1,563,256
	Payable to defined benefit plans		717,388	607,424
	Provision against off-balance sheet obligations	18.1	1,890,433	1,633,326
	Acceptances		58,964,093	54,403,050
	Branch adjustment account		1,454,264	1,662,185
	Provision for Workers' Welfare Fund		10,596,875	8,934,881
	Unearned income		5,792,470	4,780,489
	Qarz-e-Hasna Fund		338,409	338,409
	Levies and taxes payable		6,822,795	13,191,257
	Insurance payable		818,801	1,030,409
	Provision for rewards program expenses		3,153,754	2,384,689
	Liability against trading of securities		19,852,396	22,768,986
	Clearing and settlement accounts		20,654,785	12,068,102
	Provision for donation to HBL Foundation		644,910	515,961
	Contingent consideration payable		500,000	500,000
	Charity fund		54,966	25,121
	Unclaimed deposits		635,224	528,656
	Lease liability against right-of-use assets		28,184,080	24,293,255
	Others		2,682,808	2,792,644
			<u>297,413,648</u>	<u>217,589,525</u>
18.1	<b>Provision against off-balance sheet obligations</b>			
	Opening balance		1,633,326	2,687,054
	Exchange adjustment		366,062	277,857
	Charge for the period / year		157,379	150,910
	Reversal for the period / year		(266,334)	(1,482,495)
	Net reversal		(108,955)	(1,331,585)
	Closing balance		<u>1,890,433</u>	<u>1,633,326</u>
19	<b>SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
	Surplus arising on revaluation of:			
	- Fixed assets		46,060,482	28,736,477
	- Available-for-sale securities	8.1	(57,948,543)	(43,896,740)
	- Non-banking assets acquired in satisfaction of claims	13	185,479	175,125
			(11,702,582)	(14,985,138)
	Deferred tax on surplus on revaluation of:			
	- Fixed assets		3,699,574	1,905,686
	- Available-for-sale securities		(28,394,786)	(18,875,598)
	- Non-banking assets acquired in satisfaction of claims		-	-
			(24,695,212)	(16,969,912)
	Surplus on revaluation of assets - net of tax		<u>12,992,630</u>	<u>1,984,774</u>



**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

20	CONTINGENCIES AND COMMITMENTS	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)				
	- Guarantees	20.1	299,969,526	262,131,266
	- Commitments	20.2	1,029,952,309	910,126,139
	- Other contingent liabilities	20.3	22,800,406	22,813,357
			<u>1,352,722,241</u>	<u>1,195,070,762</u>
20.1	<b>Guarantees:</b>			
	Financial guarantees		62,144,218	53,825,190
	Performance guarantees		228,603,885	201,579,599
	Other guarantees		9,221,423	6,726,477
			<u>299,969,526</u>	<u>262,131,266</u>
20.2	<b>Commitments:</b>			
	Trade-related contingent liabilities		370,042,635	279,449,231
	Commitments in respect of:			
	- Forward foreign exchange contracts	20.2.1	430,601,717	403,789,013
	- Forward Government securities transactions	20.2.2	151,372,653	132,295,940
	- Derivatives	20.2.3	51,627,808	57,305,018
	- Forward lending	20.2.4	13,569,756	21,379,153
			647,171,934	614,769,124
	Commitments for acquisition of:			
	- Fixed assets		8,093,024	10,436,315
	- Intangible assets		4,644,716	5,471,469
			12,737,740	15,907,784
			<u>1,029,952,309</u>	<u>910,126,139</u>
20.2.1	<b>Commitments in respect of forward foreign exchange contracts</b>			
	Purchase		284,938,292	268,910,504
	Sale		145,663,425	134,878,509
			<u>430,601,717</u>	<u>403,789,013</u>
20.2.2	<b>Commitments in respect of forward Government securities transactions</b>			
	Purchase		122,606,183	117,020,407
	Sale		28,766,470	15,275,533
			<u>151,372,653</u>	<u>132,295,940</u>
20.2.3	<b>Commitments in respect of derivatives</b>			
	<b>Cross currency swaps</b>			
	Purchase		18,890,165	23,863,687
	Sale		30,787,643	30,407,998
			<u>49,677,808</u>	<u>54,271,685</u>
	<b>Interest rate swaps</b>			
	Purchase		-	-
	Sale		1,950,000	3,033,333
			<u>1,950,000</u>	<u>3,033,333</u>
20.2.4	<b>Commitments in respect of forward lending</b>			
	Undrawn formal standby facilities, credit lines and other commitments to extend credit		13,569,756	21,379,153

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

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>20.3 Other contingent liabilities</b>		
20.3.1 Claims against the Bank not acknowledged as debts	<u>22,800,406</u>	<u>22,813,357</u>

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

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

**21 DERIVATIVE INSTRUMENTS**

**Product Analysis**

	September 30, 2023 (Unaudited)			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----			
Hedging	-	-	-	-
Market Making	49,677,808	(11,130,726)	1,950,000	(192,470)

	December 31, 2022 (Audited)			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----			
Hedging	-	-	-	-
Market Making	54,271,685	(6,635,205)	3,033,333	(246,687)

	(Unaudited) For the nine months ended	
	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----	
<b>22 MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>		
On:		
Loans and advances	195,104,585	117,872,481
Investments	257,153,354	162,249,711
Lendings to financial institutions	21,240,249	9,295,152
Balances with banks	6,321,191	595,619
	<u>479,819,379</u>	<u>290,012,963</u>

	(Unaudited) For the nine months ended	
	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----	
<b>23 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
On:		
Deposits	230,422,337	128,557,498
Securities sold under repurchase agreement borrowings	54,229,336	38,997,604
Borrowings	20,661,840	6,819,656
Subordinated debt	3,126,563	1,307,766
Cost of foreign currency swaps against foreign currency deposits / borrowings	4,340,282	5,055,626
Lease liability against right-of-use assets	2,756,769	2,099,628
	<u>315,537,127</u>	<u>182,837,778</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	(Unaudited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
<b>24 FEE AND COMMISSION INCOME</b>		<b>(Rupees in '000)</b>	
Branch banking customer fees		3,404,846	2,723,721
Branchless banking customer fees		625,923	669,672
Commission on Government to Person (G2P) payments		1,002,087	633,709
Consumer finance related fees		1,874,395	1,683,222
Card related fees (debit and credit cards)		9,328,321	6,277,763
Credit related fees		772,074	697,214
Investment banking fees		661,738	715,100
Commission on trade related products and guarantees		5,240,948	3,485,115
Commission on cash management		1,197,057	823,872
Commission on remittances (including home remittances)		514,804	535,904
Commission on bancassurance		519,228	576,974
Merchant discount and interchange fees		5,019,509	3,830,536
Wealth management fee		26,114	14,478
Others		524,359	208,594
		30,711,403	22,875,874
Less: Sales tax / Federal Excise Duty on fee and commission income		(3,802,901)	(2,889,513)
		26,908,502	19,986,361
<b>25 (LOSS) / GAIN ON SECURITIES - NET</b>			
Realised	25.1	(280,379)	714,959
Unrealised - held-for-trading	8.1	(45,071)	(27,650)
		(325,450)	687,309
<b>25.1 (Loss) / gain on securities - realised</b>			
On:			
Federal Government securities			
- Market Treasury Bills		319,602	(167,075)
- Pakistan Investment Bonds		666,035	914,722
- Ijarah Sukuk		4,642	77,455
- Government of Pakistan US Dollar Bonds		(531,487)	-
Shares		(687,684)	(264,496)
Non-Government debt securities		(36,046)	17,920
Associates		(15,441)	136,433
		(280,379)	714,959
<b>26 OTHER INCOME</b>			
Incidental charges		413,551	280,278
Gain on derecognition of joint venture		9,333,221	-
Gain on sale of fixed assets - net		80,826	29,135
Rent on properties		55,935	49,257
		9,883,533	358,670

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

		<b>(Unaudited)</b>	
		<b>For the nine months ended</b>	
		<b>September 30,</b>	<b>September 30,</b>
		<b>2023</b>	<b>2022</b>
		<b>(Rupees in '000)</b>	
27	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	36,735,008	31,825,264
	<b>Property expense</b>		
	Rent and taxes	1,031,293	946,194
	Insurance	195,027	103,193
	Utilities cost	3,663,675	2,770,091
	Security (including guards)	1,944,987	1,612,102
	Repair and maintenance (including janitorial charges)	3,202,808	2,541,587
	Depreciation on owned fixed assets	3,801,438	2,743,632
	Depreciation on right-of-use assets	2,848,085	2,402,757
		16,687,313	13,119,556
	<b>Information technology expenses</b>		
	Software maintenance	6,256,316	4,074,698
	Hardware maintenance	1,639,348	949,768
	Depreciation	2,293,973	1,837,383
	Amortisation	1,482,463	1,249,545
	Network charges	1,330,870	1,042,962
	Consultancy charges	614,520	567,536
		13,617,490	9,721,892
	<b>Other operating expenses</b>		
	Legal and professional charges	8,640,411	576,669
	Outsourced services costs	2,257,823	1,668,459
	Travelling and conveyance	1,371,497	893,741
	Insurance	695,990	467,650
	Remittance charges	468,392	363,227
	Cash transportation and sorting charges	2,391,746	1,736,076
	Repairs and maintenance	1,623,537	1,252,306
	Depreciation	529,414	566,830
	Training and development	370,983	274,122
	Postage and courier charges	594,670	559,670
	Communication	2,013,206	1,070,958
	Stationery and printing	2,194,562	1,660,495
	Marketing, advertisement and publicity	3,016,660	2,897,188
	Donations	790,765	358,685
	Auditors' remuneration	276,562	181,468
	Brokerage and commission	628,817	590,839
	Subscription	304,042	172,088
	Documentation and processing charges	6,579,012	3,888,065
	Entertainment	562,204	359,233
	Consultancy charges	2,029,193	868,111
	Deposits insurance premium expense	2,332,050	2,026,813
	Product feature cost	3,095,309	2,515,397
	Others	689,988	867,276
		43,456,833	25,815,366
		<u>110,496,644</u>	<u>80,482,078</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	(Unaudited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		(Rupees in '000)	
<b>28 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		32,447	428,488
Penalties imposed by other regulatory bodies		49,643	22,507
		<u>82,090</u>	<u>450,995</u>
<b>29 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET</b>			
Provision for diminution in value of investments	8.3	1,085,470	637,711
Provision against loans and advances	9.3	4,862,098	1,893,867
Provision against other assets	13.1.1	976,864	861,478
Reversal of provision against off-balance sheet obligations	18.1	(108,955)	(584,066)
Recoveries against written off / charged off bad debts		(737,948)	(518,511)
Recoveries against other assets written off		(13,195)	(1,087)
Other write offs and operational losses		95,106	66,523
		<u>6,159,440</u>	<u>2,355,915</u>
<b>30 TAXATION</b>			
- Current tax charge / (reversal)			
- For the year		41,309,638	26,899,449
- For the prior year		(100,000)	3,188,663
		41,209,638	30,088,112
- Deferred tax reversal			
- For the year		(366,906)	(268,971)
- For the prior year		(641,821)	-
		(1,008,727)	(268,971)
		<u>40,200,911</u>	<u>29,819,141</u>
<b>31 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		42,817,096	21,698,987
			(Number)
Weighted average number of ordinary shares		1,466,852,508	1,466,852,508
			(Rupees)
Basic and diluted earnings per share		29.19	14.79

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

**32 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.

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

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

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). 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 investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
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.

**32.1 Fair value of financial assets**

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

As at September 30, 2023 (Unaudited)					
Carrying value	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	1,776,038,640	-	1,776,038,640	-	1,776,038,640
- Shares - listed companies	12,728,443	5,285,410	7,443,033	-	12,728,443
- Non-Government debt securities					
- Listed	49,542,229	40,004,000	9,538,229	-	49,542,229
- Unlisted	598,023	-	598,023	-	598,023
- Foreign securities					
- Government debt securities	149,103,904	-	149,103,904	-	149,103,904
- Non-Government debt securities - Listed	4,266,009	-	4,266,009	-	4,266,009
- National Investment Unit Trust units	36,304	-	36,304	-	36,304
- Real Estate Investment Trust units	69,000	69,000	-	-	69,000
- Preference shares - Listed	870,400	870,400	-	-	870,400
	1,993,252,952	46,228,810	1,947,024,142	-	1,993,252,952
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	374,219,810	-	331,317,556	-	331,317,556
- Non-Government debt securities					
- Listed	1,899,540	-	1,899,365	-	1,899,365
- Unlisted	19,407,639	-	19,407,639	-	19,407,639
- Foreign securities					
Government debt securities	13,870,867	-	13,912,613	-	13,912,613
Non-Government debt securities					
- Listed	-	-	-	-	-
- Unlisted	295,923	-	295,923	-	295,923
- Associates	6,780,717	7,784,170	-	-	7,784,170
	416,474,496	7,784,170	366,833,096	-	374,617,266
	2,409,727,448	54,012,980	2,313,857,238	-	2,367,870,218
----- (Rupees in '000) -----					
Notional Value	Level 1	Level 2	Level 3	Total	
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Commitments					
- Forward foreign exchange contracts	430,601,717	-	(5,738,236)	-	(5,738,236)
- Forward Government securities transactions	151,372,653	-	(209,229)	-	(209,229)
- Derivative instruments	51,627,808	-	(11,323,196)	-	(11,323,196)

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	As at December 31, 2022 (Audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	1,291,589,595	-	1,291,589,595	-	1,291,589,595
- 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	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
	<u>1,459,579,803</u>	<u>44,928,681</u>	<u>1,414,651,122</u>	<u>-</u>	<u>1,459,579,803</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
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
	<u>382,443,083</u>	<u>23,324,728</u>	<u>343,498,835</u>	<u>-</u>	<u>366,823,563</u>
	<u>1,842,022,886</u>	<u>68,253,409</u>	<u>1,758,149,957</u>	<u>-</u>	<u>1,826,403,366</u>
(Rupees in '000)					
<b>Off-balance sheet financial instruments - measured at fair value</b>					
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)
	<u>593,389,971</u>	<u>-</u>	<u>810,564</u>	<u>-</u>	<u>593,389,971</u>
(Rupees in '000)					
<b>32.2 Fair value of non-financial assets</b>					
Land and Buildings	79,172,296	-	-	79,172,296	79,172,296
Non-banking assets acquired in satisfaction of claims	428,098	-	-	428,098	428,098
	<u>79,600,394</u>	<u>-</u>	<u>-</u>	<u>79,600,394</u>	<u>79,600,394</u>
(Rupees in '000)					
Land and Buildings	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>

**33 SEGMENT INFORMATION**

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

	For the nine months ended September 30, 2023 (Unaudited)							Total
	Branch banking	Consumer, SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	
(Rupees in million)								
<b>Profit and loss account</b>								
Net mark-up / return / profit / interest income	(162,074)	37,527	22,679	67,484	187,590	16,699	(5,623)	164,282
Inter segment revenue / (expense) - net	254,921	(25,035)	-	(33,526)	(200,357)	(2,816)	6,813	-
Non mark-up / interest income	3,462	13,194	2,064	4,079	3,897	4,559	5,881	37,136
Total income	<u>96,309</u>	<u>25,686</u>	<u>24,743</u>	<u>38,037</u>	<u>(8,870)</u>	<u>18,442</u>	<u>7,071</u>	<u>201,418</u>
Segment direct expenses	24,883	14,024	5,691	3,310	593	13,664	50,075	112,240
Inter segment expense allocation	23,394	7,793	947	10,004	1,405	1,279	(44,822)	-
Total expenses	<u>48,277</u>	<u>21,817</u>	<u>6,638</u>	<u>13,314</u>	<u>1,998</u>	<u>14,943</u>	<u>5,253</u>	<u>112,240</u>
Provisions - charge / (reversal)	764	1,636	(255)	(1,146)	(520)	2,744	2,937	6,160
Profit / (loss) before tax	<u>47,268</u>	<u>2,233</u>	<u>18,360</u>	<u>25,869</u>	<u>(10,348)</u>	<u>755</u>	<u>(1,119)</u>	<u>83,018</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

**As at September 30, 2023 (Unaudited)**

	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
----- (Rupees in million) -----								
<b>Statement of financial position</b>								
Cash and bank balances	177,757	-	50,057	1,221	174,834	124,448	-	528,317
Lendings to financial institutions	-	-	14,961	-	204,252	-	-	219,213
Inter segment lending	2,064,938	-	-	-	-	20,247	191,059	2,276,244
Investments	-	-	201,137	10,303	1,993,425	211,215	38,538	2,454,618
Advances - performing	-	227,980	201,219	823,719	-	280,075	37,144	1,570,137
Advances - non-performing	-	2,426	2,116	3,834	-	2,319	-	10,695
Others	35,381	7,455	44,646	83,040	64,764	29,681	145,333	410,300
<b>Total assets</b>	<b>2,278,076</b>	<b>237,861</b>	<b>514,136</b>	<b>922,117</b>	<b>2,437,275</b>	<b>667,985</b>	<b>412,074</b>	<b>7,469,524</b>
Borrowings	-	6,305	50,521	134,058	484,710	122,742	-	798,336
Subordinated debt	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,219,474	1,484	380,238	609,602	-	470,763	34,846	3,716,407
Inter segment borrowing	-	211,333	12,563	121,375	1,930,973	-	-	2,276,244
Others	58,602	18,739	29,993	57,082	45,500	22,486	117,435	349,837
<b>Total liabilities</b>	<b>2,278,076</b>	<b>237,861</b>	<b>473,315</b>	<b>922,117</b>	<b>2,461,183</b>	<b>615,991</b>	<b>171,155</b>	<b>7,159,698</b>
Equity	-	-	40,821	-	(23,908)	51,994	240,919	309,826
<b>Total equity and liabilities</b>	<b>2,278,076</b>	<b>237,861</b>	<b>514,136</b>	<b>922,117</b>	<b>2,437,275</b>	<b>667,985</b>	<b>412,074</b>	<b>7,469,524</b>
<b>Contingencies and commitments</b>	<b>95,622</b>	<b>-</b>	<b>67,384</b>	<b>485,090</b>	<b>522,399</b>	<b>147,221</b>	<b>35,006</b>	<b>1,352,722</b>

**For the nine months ended September 30, 2022 (Unaudited)**

	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
----- (Rupees in million) -----								
<b>Profit and loss account</b>								
Net mark-up / return / profit / interest income	(85,518)	27,750	12,111	43,143	108,116	3,015	(1,918)	106,699
Inter segment revenue / (expense) - net	139,266	(15,304)	-	(23,638)	(107,008)	3,946	2,738	-
Non mark-up / interest income	2,780	9,283	1,335	2,819	12,746	4,957	(4,782)	29,138
<b>Total income</b>	<b>56,528</b>	<b>21,729</b>	<b>13,446</b>	<b>22,324</b>	<b>13,854</b>	<b>11,918</b>	<b>(3,962)</b>	<b>135,837</b>
Segment direct expenses	19,373	10,256	4,359	2,556	911	9,782	34,726	81,963
Inter segment expense allocation	14,589	5,677	893	7,831	1,048	1,100	(31,138)	-
<b>Total expenses</b>	<b>33,962</b>	<b>15,933</b>	<b>5,252</b>	<b>10,387</b>	<b>1,959</b>	<b>10,882</b>	<b>3,588</b>	<b>81,963</b>
Provisions - charge / (reversal)	155	1,137	1,134	(1,664)	45	616	933	2,356
<b>Profit / (loss) before tax</b>	<b>22,411</b>	<b>4,659</b>	<b>7,060</b>	<b>13,601</b>	<b>11,850</b>	<b>420</b>	<b>(8,483)</b>	<b>51,518</b>

**As at December 31, 2022 (Audited)**

	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspondent banking	Head Office / Others	Total
----- (Rupees in million) -----								
<b>Statement of financial position</b>								
Cash and bank balances	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	16,342	70,783	59,889	21,696	125,751	307,134
<b>Total assets</b>	<b>2,027,691</b>	<b>241,850</b>	<b>442,176</b>	<b>960,648</b>	<b>1,910,279</b>	<b>539,178</b>	<b>389,245</b>	<b>6,511,067</b>
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
<b>Total liabilities</b>	<b>2,027,691</b>	<b>241,850</b>	<b>410,292</b>	<b>960,648</b>	<b>1,928,585</b>	<b>510,875</b>	<b>177,351</b>	<b>6,257,292</b>
Equity	-	-	31,884	-	(18,306)	28,303	211,894	253,775
<b>Total equity and liabilities</b>	<b>2,027,691</b>	<b>241,850</b>	<b>442,176</b>	<b>960,648</b>	<b>1,910,279</b>	<b>539,178</b>	<b>389,245</b>	<b>6,511,067</b>
<b>Contingencies and commitments</b>	<b>73,089</b>	<b>-</b>	<b>34,569</b>	<b>404,198</b>	<b>449,835</b>	<b>195,265</b>	<b>38,116</b>	<b>1,195,072</b>



**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

**34 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.

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

	As at September 30, 2023 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
----- (Rupees in '000) -----							
<b>Statement of financial position</b>							
<b>Balances with other banks</b>							
In current accounts	-	-	132,124	666,585	-	-	-
<b>Investments</b>							
Opening balance	-	-	-	26,510,029	7,286,430	135,665	9,705,368
Investment made during the period	-	-	-	1,000,000	-	-	-
Investment redeemed / disposed off during the period	-	-	-	-	(48,077)	-	-
Provision for diminution in the value of investments	-	-	-	-	(201,406)	-	(15,248)
Transfer (out) / in - net	-	-	-	-	-	(135,665)	9,564,088
Revaluation of investment during the period	-	-	-	1,839,225	-	-	(2,914,703)
Exchange adjustment	-	-	-	-	-	-	793,648
Closing balance	-	-	-	29,349,254	7,036,947	-	17,133,153
Provision for diminution in the value of investments	-	-	-	-	201,406	-	58,191
<b>Advances</b>							
Opening balance	1,412	520,240	4,547,709	3,357,440	625,000	-	11,714,938
Addition during the period	7,707	465,686	20,832,498	403,764	-	-	13,512,890
Repaid during the period	(8,863)	(328,034)	(20,787,941)	(1,964,624)	(125,000)	-	(13,969,318)
Exchange adjustment	-	-	1,012,100	418,315	-	-	-
Closing balance	256	657,892	5,604,366	2,214,895	500,000	-	11,258,510
<b>Other Assets</b>							
Interest / mark-up accrued	-	709	71,184	1,605,961	21,460	-	864,798
Other receivables / prepayments	-	-	-	450	48,257	-	-
	-	709	71,184	1,606,411	69,717	-	864,798
<b>Borrowings</b>							
Opening balance	-	-	3,982,280	2,264,309	12,950,894	2,717,171	168,252
Borrowings during the period	-	-	15,109,136	-	25,000,929	2,348,700	7,543,479
Settled during the period	-	-	(14,927,101)	(2,793,881)	(33,931,701)	(3,131,600)	(8,549,895)
Transfer (out) / in - net	-	-	-	-	-	(2,554,127)	2,554,127
Exchange adjustment	-	-	1,008,687	529,572	3,219,614	619,856	873,683
Closing balance	-	-	5,173,002	-	7,239,736	-	2,589,646
<b>Deposits and other accounts</b>							
Opening balance	135,270	504,305	16,086,603	2,461,812	2,817,791	4,204	1,754,471
Received during the period	475,242	4,464,008	277,141,181	772,478,317	783,807,824	3,996	137,777,188
Withdrawn during the period	(531,026)	(4,375,112)	(270,790,603)	(771,229,350)	(750,819,786)	(7,583)	(132,441,571)
Transfer (out) / in - net	-	-	-	-	-	(1,412)	1,412
Exchange adjustment	18,695	26,657	251,127	145,816	42,848	795	35,331
Closing balance	98,181	619,858	22,688,308	3,856,595	35,848,677	-	7,126,831
<b>Other liabilities</b>							
Interest / mark-up payable	634	8,264	224,252	1,648	49,307	-	26,857
Payable to defined benefit plan	-	-	-	-	-	-	717,388
Other payables	-	-	46,601	27,055	57,632	-	644,910
	634	8,264	270,853	28,703	106,939	-	1,389,155
<b>Contingencies and Commitments</b>							
Letter of credit	-	-	700,917	-	-	-	340,903
Guarantees	-	-	174,650	80,776	-	-	3,535,727
Forward purchase of Government securities	-	-	35,078	-	-	-	-
Forward purchase of foreign exchange contracts	-	-	-	1,381,144	-	-	-
Interest rate swaps	-	-	-	-	500,000	-	-
	-	-	910,645	1,461,920	500,000	-	3,876,630
<b>Others</b>							
Securities held as custodian	88,915	152,590	22,720,141	-	175,115,000	-	20,721,065

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

For the nine months ended September 30, 2023 (Unaudited)							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----							
<b>Profit and loss account</b>							
<b>Income</b>							
Mark-up / return / profit / interest earned	71	21,744	362,570	1,424,022	86,176	-	1,850,798
Fee and commission income	476	3,939	211,752	57,339	497,484	-	55,660
Dividend income	-	-	-	-	841,098	-	1,545,344
Foreign exchange gain	-	-	-	575,207	-	-	-
Unrealised loss on derivatives	-	-	-	-	(47,673)	-	-
Loss on sale of securities - net	-	-	-	-	(15,441)	-	-
Rent on properties	-	-	-	52,168	-	-	-
Other income	-	-	-	11,433	-	-	-
<b>Expenses</b>							
Mark-up / return / profit / interest expensed	5,550	30,562	733,938	108,553	827,714	12,526	474,696
<b>Operating expenses</b>							
Total compensation expense	-	2,169,570	-	-	-	-	1,114,265
Non-Executive Directors' fees	58,650	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,701,838	-	-
Product feature cost	-	-	160,936	-	-	-	-
Travelling	-	-	5,497	-	-	-	-
Subscription	-	-	-	-	-	-	12,599
Donation	-	-	-	-	-	-	644,910
Brokerage and Commission	-	-	-	-	-	-	223,560
Other expenses	-	-	42,824	16,577	51,122	-	35,519
Provision for diminution in the value of investments	-	-	-	-	201,406	-	15,248
<b>Others</b>							
Purchase of Government securities	86,846	231,310	101,657,318	221,312,365	189,416,641	-	53,633,248
Sale of Government securities	164,890	362,185	132,002,021	225,177,052	200,678,499	-	76,419,976
Purchase of foreign currencies	-	-	4,528,650	23,131,041	1,706,125	-	8,903,897
Sale of foreign currencies	42,467	-	5,739,059	26,315,057	2,852	-	26,076
Insurance claims settled	-	-	-	-	154,621	-	-

Balances and transactions with group entities include deposits of Rs. 0.703 million (December 31, 2022: Rs. 0.590 million) from the parent.

As at December 31, 2022 (Audited)							
Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties	
----- (Rupees in '000) -----							
<b>Statement of financial position</b>							
<b>Balances with other banks</b>							
In current accounts	-	-	1,592	1,602,967	-	-	-
<b>Investments</b>							
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	-	-	-	-	-	-	(36,974)
Transfer in - net	-	-	-	-	-	-	29,287
Revaluation of investment during the year	-	-	-	1,497,522	-	-	-
Closing balance	-	-	-	26,510,029	7,286,430	135,665	9,705,368
Provision for diminution in the value of investments	-	-	-	-	-	-	42,943
<b>Advances</b>							
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
<b>Other Assets</b>							
Interest / mark-up accrued	-	778	44,798	491,130	19,286	-	266,034
Other receivables / prepayments	-	2,475	-	-	-	-	-
Advance subscription of shares	-	-	-	1,000,000	-	-	-
	-	3,253	44,798	1,491,130	19,286	-	266,034

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	As at December 31, 2022 (Audited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	----- (Rupees in '000) -----						
<b>Borrowings</b>							
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
<b>Deposits and other accounts</b>							
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	349,416,139	734,132,907	938,266,443	13,607	70,836,494
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	16,086,603	2,461,812	2,817,791	4,204	1,754,471
<b>Other liabilities</b>							
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
<b>Contingencies and Commitments</b>							
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
<b>Others</b>							
Securities held as custodian	2,500	94,830	24,812,555	-	134,281,000	-	18,455,830
<b>For the nine months ended September 30, 2022 (Unaudited)</b>							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	----- (Rupees in '000) -----						
<b>Profit and loss account</b>							
<b>Income</b>							
Mark-up / return / profit / interest earned	7	17,925	181,945	662,483	83,299	-	1,279,201
Fee and commission income	867	3,714	187,358	3,391	587,456	-	6,660
Dividend income	-	-	-	-	666,706	-	66,225
Foreign exchange gain	-	-	-	1,014,121	-	-	-
Unrealised loss on derivatives	-	-	-	-	(54,768)	-	-
Gain on sale of securities - net	-	-	-	-	136,433	-	-
Rent on properties	-	-	-	34,567	-	-	-
Other income	-	-	-	312	-	-	-
<b>Expense</b>							
Mark-up / return / profit / interest expensed	1,845	16,581	238,268	50,801	1,128,749	14,573	199,497
<b>Operating expenses</b>							
Total compensation expense	-	1,733,234	-	-	-	-	1,945,346
Non-Executive Directors' fees	71,400	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,296,944	-	-
Product feature cost	-	-	77,563	-	-	-	-
Travelling	-	-	7,184	-	-	-	-
Subscription	-	-	-	-	-	-	13,631
Donation	-	-	-	-	-	-	354,485
Brokerage and Commission	-	-	-	-	-	-	163,271
Other expenses	-	-	30,037	96,059	42,593	-	39,304
Provision for diminution in the value of investments	-	-	-	-	-	-	13,877
<b>Others</b>							
Purchase of Government securities	-	-	149,084,771	42,838,927	58,278,417	-	21,571,340
Sale of Government securities	-	42,278	172,376,874	46,404,409	107,312,067	-	23,576,091
Purchase of foreign currencies	-	-	1,600,856	1,985,947	-	-	4,482
Sale of foreign currencies	-	-	1,599,076	5,841,045	90,300	-	8,051,658
Insurance claims settled	-	-	-	-	215,033	-	-

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)  
For the nine months ended September 30, 2023**

**35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	228,812,952	203,364,899
Eligible Additional Tier 1 (ADT 1) Capital	14,973,079	15,901,419
Total Eligible Tier 1 Capital	243,786,031	219,266,318
Eligible Tier 2 Capital	61,565,083	37,987,540
Total Eligible Capital (Tier 1 + Tier 2)	305,351,114	257,253,858
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,463,467,878	1,387,509,228
Market Risk	112,148,713	75,860,638
Operational Risk	252,065,484	252,065,484
Total	1,827,682,075	1,715,435,350
Common Equity Tier 1 Capital Adequacy ratio	12.52%	11.86%
Tier 1 Capital Adequacy Ratio	13.34%	12.78%
Total Capital Adequacy Ratio	16.71%	15.00%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>		
of which: capital conservation buffer requirement	9.00%	9.00%
of which: countercyclical buffer requirement	1.50%	1.50%
of which: D-SIB buffer requirement	1.50%	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)	6.52%	5.86%
<b>Other information:</b>		
<b>Minimum capital requirements prescribed by the SBP</b>		
CET1 ratio (%)	9.00%	9.00%
Tier 1 ratio (%)	10.50%	10.50%
Total capital ratio (%)	13.00%	13.00%
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	243,786,031	219,266,318
Total Exposure	5,770,476,895	5,014,549,104
<b>Leverage Ratio (%)</b>	4.22%	4.37%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>	<b>Total Adjusted Value (Rupees in '000)</b>	
Average High Quality Liquid Assets	1,845,912,119	1,609,446,790
Average Net Cash Outflow	675,157,355	632,560,916
<b>Liquidity Coverage Ratio (%)</b>	273.40%	254.43%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>	<b>Total Weighted Value (Rupees in '000)</b>	
Total Available Stable Funding	3,662,652,846	3,225,111,950
Total Required Stable Funding	2,328,742,374	2,171,559,048
<b>Net Stable Funding Ratio (%)</b>	157.28%	148.52%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

36 **ISLAMIC BANKING BUSINESS**

The Bank operates 330 (December 31, 2022: 294) Islamic Banking branches and 578 (December 31, 2022: 573) Islamic Banking windows.

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Note</b>	<b>(Unaudited) September 30, 2023</b>	<b>(Audited) December 31, 2022</b>
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		49,382,729	17,497,223
Balances with other banks		673,772	451,114
Due from financial institutions		14,961,000	-
Investments	36.1	201,136,604	183,654,832
Islamic financing and related assets - net	36.2	203,334,482	223,974,766
Fixed assets		12,268,258	6,497,224
Intangible assets		41,993	30,066
Due from Head Office		-	257,428
Deferred tax assets		1,880,922	1,160,304
Other assets		30,456,380	8,653,602
		<b>514,136,140</b>	<b>442,176,559</b>
<b>LIABILITIES</b>			
Bills payable		41,111	20,267
Due to financial institutions	36.3	50,520,590	74,694,404
Deposits and other accounts	36.4	380,238,348	319,883,948
Due to Head Office		15,157,819	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities		27,357,718	15,693,460
		<b>473,315,586</b>	<b>410,292,079</b>
<b>NET ASSETS</b>		<b>40,820,554</b>	<b>31,884,480</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Deficit on revaluation of investments - net of tax		(1,957,695)	(1,538,078)
Unappropriated profit	36.5	42,278,249	32,922,558
		<b>40,820,554</b>	<b>31,884,480</b>
<b>Contingencies and commitments</b>	36.6		
		<b>(Unaudited)</b>	
		<b>For the nine months ended</b>	
		<b>September 30, 2023</b>	<b>September 30, 2022</b>
<b>PROFIT AND LOSS ACCOUNT</b>			
		<b>(Rupees in '000)</b>	
Profit / return earned	36.7	53,122,249	32,564,590
Profit / return expensed	36.8	30,443,179	20,453,330
Net profit / return		22,679,070	12,111,260
<b>Other income</b>			
Fee and commission income		1,323,547	795,573
Dividend income		-	-
Foreign exchange income		734,507	461,163
Income from derivatives		-	-
Gain on securities - net		5,592	77,552
Others		-	537
Total other income		2,063,646	1,334,825
<b>Total income</b>		<b>24,742,716</b>	<b>13,446,085</b>
<b>Other expenses</b>			
Operating expenses		6,270,802	4,933,817
Workers' Welfare Fund - charge		367,195	149,426
Other charges		220	168,332
Total other expenses		6,638,217	5,251,575
<b>Profit before provisions</b>		<b>18,104,499</b>	<b>8,194,510</b>
(Reversals) / provisions and write offs - net		(255,259)	1,133,960
<b>Profit before taxation</b>		<b>18,359,758</b>	<b>7,060,550</b>
Taxation		8,996,281	3,459,670
<b>Profit after taxation</b>		<b>9,363,477</b>	<b>3,600,880</b>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

36.1 **Investments by type**

<b>September 30, 2023 (Unaudited)</b>			
<b>Cost / amortised cost</b>	<b>Provision for diminution</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
----- (Rupees in '000) -----			
<b>Held-for-trading (HFT) securities</b>			
Federal Government securities			
- Ijarah Sukuk	660	-	4
<b>Available-for-sale (AFS) securities</b>			
Federal Government securities			
- Ijarah Sukuk	141,862,290	-	(3,893,848)
- Other Federal Government securities	6,764,725	-	-
Non-Government debt securities			
- Listed	45,172,712	-	57,208
- Unlisted	1,401,000	-	(1,977)
	195,200,727	-	(3,838,617)
<b>Held-to-maturity (HTM) securities</b>			
Non-Government debt securities			
- Unlisted	9,773,830	-	-
<b>Total Investments</b>	<b>204,975,217</b>	<b>-</b>	<b>(3,838,613)</b>
<b>December 31, 2022 (Audited)</b>			
<b>Cost / amortised cost</b>	<b>Provision for diminution</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
----- (Rupees in '000) -----			
<b>Available-for-sale (AFS) securities</b>			
Federal Government securities			
- Ijarah Sukuk	125,360,260	-	(2,772,531)
- Other Federal Government securities	4,686,060	-	-
Non-Government debt securities			
- Listed	45,943,545	-	57,829
- Unlisted	1,401,000	-	16,320
	177,390,865	-	(2,698,382)
<b>Held-to-maturity (HTM) securities</b>			
Non-Government debt securities			
- Unlisted	8,962,349	-	-
<b>Total Investments</b>	<b>186,353,214</b>	<b>-</b>	<b>(2,698,382)</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>September 30, 2023</b>	<b>December 31, 2022</b>
----- (Rupees in '000) -----			
36.2 <b>Islamic financing and related assets - net</b>		93,166,006	94,643,200
Diminishing Musharakah		46,874,412	57,261,410
Running Musharakah		14,868,698	14,541,328
Wakalah		2,960,715	2,294,057
Ijarah		1,872,590	3,791,439
Murabaha		696,066	-
Currency Salam		1,776,849	2,887,334
Tijarah		1,103,318	1,994,354
Istisna		2,434,880	777,472
Musawamah		3,494,562	5,364,119
Advance for Diminishing Musharakah		4,058,233	3,599,862
Advance for Ijarah		3,662,313	5,546,361
Advance for Murabaha		-	2,029,702
Advance for Salam		13,883,918	13,169,142
Advance for Istisna		1,856,753	3,856,574
Advance for Musawamah		6,344,176	5,410,563
Inventories against Murabaha		3,361,917	5,427,552
Inventories against Tijarah		3,141,558	3,853,373
Inventories against Istisna		205,556,964	226,447,842
Islamic financing and related assets - gross			
Provision against Islamic financing and related assets			
- Specific		(1,101,637)	(1,376,081)
- General		(1,120,845)	(1,096,995)
		(2,222,482)	(2,473,076)
Islamic financing and related assets - net of provision		203,334,482	223,974,766

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
<b>36.3 Due to financial institutions</b>			
Unsecured acceptances of funds		-	19,000,000
Acceptances from the SBP under:			
- Islamic export refinance scheme		19,341,548	19,931,491
- Islamic export refinance scheme bill discounting		374,490	-
- Islamic long term financing facility		6,673,811	7,183,674
- Islamic financing facility for renewable energy power plants		698,748	693,399
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)		-	129,838
- Islamic refinance and credit guarantee scheme for women entrepreneurs		2,073	5,720
- Financing facility for storage of agricultural produce		303,469	-
- Islamic refinance facility for combating COVID-19		389,298	143,564
- Islamic temporary economic refinance facility		2,521,317	2,749,061
- Secured Mudarbah Agreement		20,215,836	24,689,405
Acceptances from Pakistan Mortgage Refinance Company		-	168,252
		<u>50,520,590</u>	<u>74,694,404</u>
<b>36.4 Deposits and other accounts</b>			
<b>Customers</b>			
Current deposits		98,068,298	85,498,743
Savings deposits		216,993,665	161,990,175
Term deposits		26,478,435	24,836,049
		341,540,398	272,324,967
<b>Financial Institutions</b>			
Current deposits		2,911	414,372
Savings deposits		37,931,393	47,142,963
Term deposits		763,646	1,646
		38,697,950	47,558,981
		<u>380,238,348</u>	<u>319,883,948</u>
<b>36.5 Islamic Banking business unappropriated profit</b>			
Opening Balance		32,922,558	27,194,762
Add: Islamic Banking profit for the period / year		18,359,758	11,236,017
Less: Taxation		(8,996,281)	(5,505,648)
Less: Transferred / Remitted to Head Office		(7,786)	(2,573)
Closing Balance		<u>42,278,249</u>	<u>32,922,558</u>
<b>36.6 Contingencies and commitments</b>			
- Performance Guarantees		4,066,142	2,862,623
- Commitments	36.6.1	63,318,057	31,705,993
		<u>67,384,199</u>	<u>34,568,616</u>
<b>36.6.1 Commitments:</b>			
Trade-related contingent liabilities		39,277,661	26,704,850
Commitments in respect of forward foreign exchange contracts	36.6.1.1	24,040,396	5,001,143
		<u>63,318,057</u>	<u>31,705,993</u>
<b>36.6.1.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		12,104,958	2,405,370
Sale		11,935,438	2,595,773
		<u>24,040,396</u>	<u>5,001,143</u>
<b>36.7 Profit / return earned</b>			
(Unaudited)			
For the nine months ended			
		September 30, 2023	September 30, 2022
(Rupees in '000)			
On:			
Financing		26,412,923	15,049,252
Investments		25,713,085	16,868,822
Amounts due from financial institutions		996,241	646,516
		<u>53,122,249</u>	<u>32,564,590</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)**  
**For the nine months ended September 30, 2023**

		(Unaudited)	
		For the nine months ended	
		September 30,	September 30,
		2023	2022
		(Rupees in '000)	
36.8	<b>Profit / return expensed</b>		
	On:		
	Deposits and other accounts	20,874,291	14,771,996
	Amounts due to financial institutions	8,662,303	5,388,716
	Foreign currency deposits for Wa'ad based transactions	4,842	13,132
	Lease liability against right-of-use assets	901,743	279,486
		<u>30,443,179</u>	<u>20,453,330</u>

**37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

37.1 The Board of Directors, in its meeting held on October 25, 2023, has declared a cash dividend of Rs 2.25 per share in respect of the quarter ended September 30, 2023 (September 30, 2022: Rs 1.50 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

**38 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on October 25, 2023.

**39 GENERAL**

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